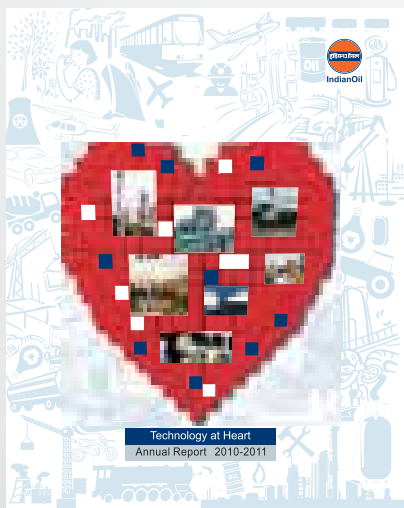




Technology at Heart
Annual Report 2010-2011



Technology at Heart

At the heart of IndianOil is technology that makes a difference to customers everyday. With a countrywide network of touchpoints backed by world class infrastructure, we are a part of the daily lives of over a billion people. At every turn and challenge... at every tryst of destiny and slice of life... it is the nature of our Technology to evolve new perspectives... inspire path breaking initiatives... reflecting in our leadership.

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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.

INDIAN OIL CORPORATION LIMITED
Regd. Office: IndianOil Bhavan, G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai-400 051

NOTICE

NOTICE is hereby given that the **52nd Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at **Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400 018** on **Tuesday, the 27th September, 2011** at **1030 hrs.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31st, 2011 and the Balance Sheet as on that date together with Reports of the Directors' and the Auditors thereon.
2. To declare dividend on equity shares for the year 2010-11.
3. To appoint a Director in place of Prof. Gautam Barua, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Michael Bastian, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Nirmal Kumar Poddar, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Prof. (Dr.) Indira J. Parikh, who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

7. Appointment of Shri Sudhir Bhalla as a 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 Shri Sudhir Bhalla, who was appointed as an Additional Director and designated as Director (Human Resources) by the Board of Directors effective 27-10-2010 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 pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director (Human Resources) of the Company, liable to retire by rotation."

8. Appointment of Shri R. S. Butola 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 Shri R. S. Butola, who was appointed as an Additional Director and designated as Chairman by the Board of Directors effective 28-02-2011 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 pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Chairman of the Company, not liable to retire by rotation."

9. Appointment of Shri A.M.K. Sinha as a 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 Shri A. M. K. Sinha, who was appointed as an Additional Director and designated as Director (Planning & Business Development) by the Board of Directors effective 16-03-2011 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 pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director (Planning & Business Development) of the Company, liable to retire by rotation."

10. Appointment of Shri P.K. Goyal as a 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 Shri P.K. Goyal, who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors effective 02-05-2011 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 pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation."

11. Appointment of Dr. Sudhakar Rao as a 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 Dr. Sudhakar Rao, who was appointed as an Additional Director by the Board of Directors effective 30-05-2011 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 pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

3rd August, 2011

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / LETTER OF AUTHORITY AS APPLICABLE.
- (b) Members/Proxies should bring the attendance slip duly filled and signed for attending the meeting.
- (c) 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.
- (d) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 19th September, 2011 to Tuesday, the 27th September, 2011 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend.
- (e) 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 owners position received from NSDL & CDSL as at the close of working hours on 18th September 2011.
- (f) **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 the shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Registrar & Transfer Agent (RTA), M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.**
- (g) Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
- For shares held in dematerialised form** - to their respective Depository Participant i.e. the agency where the demat account has been opened.
 - For shares held in physical form** - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
- (h) Non-Resident Indian Members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad immediately of:
- Change in their residential status on return to India for permanent settlement.
 - 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.
- (i) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the 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 R&T agent.
- (j) 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 2002-2003 and interim dividend declared during the year 2003-04 to Investor Education & Protection Fund (IEPF) set up by the Central Government. The Company would transfer the unpaid final dividend for the financial year 2003-04 in October, 2011. The dividend for the financial year 2004-05 and thereafter, which remains unpaid or unclaimed for a period of 7 years, will be transferred to the IEPF of the Central Government. The Shareholders who have not encashed their dividend warrant/s so far for the financial year 2004-05 to 2009-10 are requested to write to the Registrar & Transfer Agent, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company. It may also be noted that once the unclaimed dividend is transferred to the IEPF, Central Government, as above, no claim shall lie in respect thereof.
- Similarly, the dividend declared by erstwhile IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd. (BRPL) (since merged with IndianOil) for the financial years 2003-04 till the year of merger remaining unpaid will be transferred to IEPF on expiry of 7 year period. The Shareholders of erstwhile IBP and BRPL who have not encashed their dividend warrants so far are requested to write to the Registrar & Transfer Agent, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
- (k) Members are requested to bring their copy of Annual Report to the Meeting.

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

Item Nos.

- (3) Prof. Gautam Barua is a B.Tech and M.Tech from IIT Bombay and has a Ph.D. Degree from University of California, USA. He is currently Director of IIT, Guwahati and also heads the Department of Computer Science & Engineering. Before joining IIT, Guwahati in 1995, he was a faculty at the Computer Science Engineering Department of IIT Kanpur. His areas of interest are Operating Systems, Networks and Database Systems. He has many publications to his credit.

Details of other Directorships:

Name of the Company	Position held
Dredging Corporation of India	Director
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL
(4) Shri Michael Bastian is a Chartered Accountant by profession with over three decades of banking experience in various managerial capacities and culminating as Chairman & Managing Director of Syndicate Bank from 2002 to 2004. Prior positions held include - Executive Director of Vijaya Bank from February 2000 to 2002. He started his career as an officer in Union Bank of India and rose to the level of General Manager in 1995. He has handled various key assignments including international operations, treasury & investment, merchant banking and HR management.	

Details of other Directorships:

Name of the Company	Position held
Elder Pharmaceuticals Ltd.	Director
Orient Paper & Industries Ltd.	Director
Artson Engineering Ltd.	Director
Bangalore Stock Exchange Ltd.	Director

Membership/Chairmanship in the Committees of other Companies:

Name of the Committee	Position held
Audit Committee of Orient Paper & Industries Ltd	Member
Remuneration Committee of Orient Paper & Industries Ltd	Member
Audit Committee of Artson Engineers Ltd	Member
SIGC Committee of Orient Paper & Industries Ltd	Chairman
Remuneration Committee of Artson Engineers Ltd	Chairman
Audit Committee of Elder Pharmaceuticals Ltd.	Chairman
Audit Committee of Bangalore Stock Exchange	Chairman
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL
(5) Shri N. K. Poddar, is a Fellow Member of The Institute of Chartered Accountants. He is also a Law Graduate from the University of Calcutta. He is currently a Senior Advocate practicing in Kolkata and specializes in Direct Taxes, Corporate Laws and Foreign Exchange Regulations.	
Directorship in other Companies	NIL
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL

- (6) Prof. (Dr.) Indira J. Parikh is a Post Graduate from University of Rochester, USA and Ph.D from Gujarat University. She has over 30 years of rich academic experience in Organisational Behaviour & Management, in IIM Ahmedabad. She is also a visiting Professor in various Management Institutes in India and abroad. She has been consultant to various Corporates on management programmes and has handled international assignments. She is also credited with publication of management books, papers, articles etc. Presently, she is the President of Foundation for Liberal & Management Education in Pune.

Details of other Directorships:

Name of the Company	Position held
Aster Teleservices Ltd.	Director
Anil Ltd.	Director
Sintex Industries Ltd.	Director
Zydus Wellness Ltd.	Director
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956.
Item No. 7

Shri Sudhir Bhalla was appointed as an Additional Director w.e.f. 27-10-2010 and designated as Director (Human Resources) by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri Sudhir Bhalla is an Honours Graduate from Delhi University and Law Graduate with specialization in Labour Laws. He also did his post graduation in Social Work. Shri Bhalla has a rich experience of over three decades in HR function and has handled the entire gamut of activities of HR function in IndianOil. Prior to his elevation as Director (HR), Shri Bhalla was the Executive Director (HR) of the Refineries Division.

Details of other Directorships	NIL
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	3620
Relationship between Directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Sudhir Bhalla as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Sudhir Bhalla is interested or concerned in the resolution.

Item No. 8

Shri R. S. Butola was appointed as an Additional Director w.e.f. 28-02-2011 and designated as Chairman by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act 1956 and holds office up to the date of this Annual General Meeting.

Shri R. S. Butola is an MBA from the Faculty of Management Studies, Delhi and is a Certified Associate of the Indian Institute of Bankers (CAIIB). Before joining IndianOil, Shri Butola was the Managing Director of ONGC Videsh Ltd. (OVL). In a career spanning about three decades out of which two decades was in the hydrocarbon industry, Shri Butola has shouldered various responsibilities prominent among which is the appraisal and evaluation of the Mumbai High Redevelopment Scheme. Under his stewardship, OVL built a formidable E&P portfolio comprising both discovered and producing assets in over 15 countries.

Details of other Directorships:

Name of the Company	Position held
Chennai Petroleum Corporation Limited	Chairman
IOT Infrastructure & Energy Services Limited	Chairman
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri R. S. Butola as a candidate for the office of Chairman.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri R. S. Butola is interested or concerned in the resolution.

Item No. 9

Shri A.M.K. Sinha was appointed as an Additional Director w.e.f. 16-03-2011 and designated as Director (Planning & Business Development) by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act 1956 and holds office up to the date of this Annual General Meeting.

Shri A M K Sinha is a Mechanical Engineer from the Bihar College of Engineering and has attended the prestigious Advance Management Programme of the Management Development Institute, Gurgaon. He has over three decades of diverse experience in the Oil Industry. Prior to his elevation as Director (P&BD), Shri Sinha was the Executive Director (Corporate Planning & Economic Studies) wherein he was instrumental in formulating the far reaching Perspective Plan 2022 for IndianOil. Earlier as Executive Director (Retail Sales), Shri Sinha drove the branding efforts of IndianOil and was at the forefront of the changing face of petroleum retailing.

Details of other Directorships:

Name of the Company	Position held
Petronet LNG Limited	Director
Membership/Chairmanship in the Committees of other Companies	NIL
No. of Shares held in the Company	2400
Relationship between Directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri A.M.K. Sinha as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri A. M. K. Sinha is interested or concerned in the resolution.

Item No. 10

Shri P.K. Goyal was appointed as an Additional Director w.e.f. 02-05-2011 and designated as Director (Finance) by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act 1956 and holds office up to the date of this Annual General Meeting.

Shri P.K. Goyal is a Chartered Accountant. In a career spanning over three decades in IndianOil, he has handled the entire gamut of activities in the Finance function which includes treasury operations, policy formulation, statutory compliances, project appraisal, raising finances through International Financial Institutions etc. Prior to his elevation as Director (F), Shri Goyal was Executive Director (Finance) of the Refineries Division and also handled the International Trade & Optimisation functions of the Company.

Details of other Directorships:

Name of the Company	Position held
Lanka IOC PLC	Director
IOT Infrastructure & Energy Services Limited	Director

Membership/Chairmanship in the Committees of other Companies

Name of the Committee	Position held
Audit Committee of Lanka IOC PLC	Member
Remuneration Committee of Lanka IOC PLC	Member
No. of Shares held in the Company	800
Relationship between Directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri P.K. Goyal as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company, except Shri P. K. Goyal is interested or concerned in the resolution.

Item No. 11

Dr. Sudhakar Rao was appointed as an Additional Director (Independent Director) w.e.f. 30-05-2011 by the Board of Directors, pursuant to Article 94(l) of the Articles of Association of the Company and Section 260 of the Companies Act 1956 and holds office up to the date of this Annual General Meeting.

Dr. Sudhakar Rao is an M.A. (Economics) from Delhi University and has done Masters of Public Administration from Kennedy and has also attended School of Government, Harvard University, U.S.A. He is a member of Indian Administrative Services (IAS – 1973). As a former Chief Secretary to the Govt. of Karnataka, Dr. Rao was responsible for all administrative, personnel, law & order and development matters. He was also a member of Public Enterprises Selection Board (PESB), Govt. of India, a body entrusted with the selection of Board level posts in PSUs.

Details of other Directorships:

Name of the Company	Position held
BSE Training Institute Limited	Director
L&T Infrastructure Development Projects Limited	Director
Nitstone Waste Management Pvt. Ltd.	Director
BSE Ltd.	Public Interest Director
CMC Ltd.	Director

Membership/Chairmanship in the Committees of other Companies

Name of the Committee	Position held
Audit Committee of BSE Training Institute Limited	Chairman
Audit Committee of L&T Infrastructure Development Projects Limited	Member
No. of Shares held in the Company	NIL
Relationship between Directors inter-se	NIL

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Dr. Sudhakar Rao as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Dr. Sudhakar Rao is interested or concerned in the resolution.

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

3rd August, 2011

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green initiative in Corporate Governance” by allowing paperless compliance by the Companies and has issued Circulars stating that service of documents including Annual Report to the members can be made through electronic mode. In order to support the said initiative, IndianOil has sent the copy of the Annual Report for the year 2010-11, alongwith the notice convening the Annual General Meeting through email to those members who have registered their email id with the DP’s / R&T agents and have opted not to receive the Annual Report in physical form.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ID ARE REQUESTED TO DO SO AT THE EARLIEST WITH THEIR RESPECTIVE DP (FOR SHARES HELD IN DEMAT / ELECTRONIC FORM) OR WITH THE REGISTRAR & TRANSFER AGENT / COMPANY (FOR SHARES HELD IN PHYSICAL FORM).



Enhancing efficiencies



IndianOil

INDIAN OIL CORPORATION LIMITED

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

ATTENDANCE CARD

DP ID	CLIENT ID	FOLIO NO.	NO. OF SHARES HELD

I/We hereby record my/our presence at the **52nd Annual General Meeting** of the Company on **Tuesday, the 27th September, 2011 at 1030 hrs. at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai-400 018.**

Name of the Shareholder _____

Signature of the Shareholder _____

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.

----- TEAR HERE -----



IndianOil

INDIAN OIL CORPORATION LIMITED

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

PROXY FORM

DP ID	CLIENT ID	FOLIO NO.	NO. OF SHARES HELD

I/We of in the district of being a member/members of the Company hereby appoint of in the district of or failing him/her, of in the district of as my / our proxy to attend and vote for me/us on my /our behalf at the **52nd Annual General Meeting** of the Company to be held at **1030 hrs. on Tuesday, the 27th September, 2011 at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai-400 018** and at any adjournment(s) thereof.

Please
Affix
Revenue
Stamp

Signed this day of 2011.

Signature

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 – 400 051 not less than 48 hours before the commencement of meeting.



Building scale and economy

Profile

IndianOil is India's flagship national oil company with business interests straddling the entire hydrocarbon value chain – from refining, pipeline transportation and marketing of petroleum products to natural gas and petrochemicals. It is the leading Indian corporate in the *Fortune* 'Global 500' listing, ranked at 98th by sales turnover for the year 2011.

IndianOil and its subsidiaries have a dominant share of the petroleum products market, national refining capacity and downstream sector pipelines capacity in India. With over a 34,000-strong workforce, IndianOil has been helping meet India's energy demands for over five decades now. At IndianOil, operations are strategically structured along business verticals – Refineries, Pipelines, Marketing, R&D and Business Development – E&P, Petrochemicals and Natural Gas.

IndianOil controls 10 of India's 20 refineries with a group refining capacity of 65.7 MMTPA. Its cross-country network of crude oil, product and gas pipelines, spanning 10,899 km with a capacity of 75.2 MMTPA, is the largest in the country. With a throughput of 68.5 million tonnes, it meets the vital energy needs of the consumers in an efficient and environment-friendly manner.

IndianOil has a formidable network of customer touch-points dotting the landscape across urban and rural India. With a countrywide network of sales points, backed for supplies by bulk storage terminals and depots, aviation fuel stations and LPGas bottling plants, IndianOil services every nook and corner of the country, every hour of the day. Indane LPGas is present in almost all markets through a vast network of distributors. A large network of consumer pumps are also in operation for the convenience of bulk consumers, ensuring products and inventory at their doorstep.

IndianOil has a portfolio of powerful and much-loved energy brands that include Indane LPGas, *SERVO* lubricants, XtraPremium petrol, XtraMile diesel, Propel petrochemicals etc. Validating the trust of millions of motorists, IndianOil has been voted the Most Trusted petrol station brand in the country for the year 2010-11. IndianOil's ISO-9002 certified Aviation Service commands the largest market share in the aviation fuel business, successfully servicing the demands of domestic and international flag carriers, private airlines and the Indian Defence Services. The Corporation also enjoys a dominant share of the bulk consumer, industrial, agricultural and marine sectors.

With a steady aim of maintaining its position as a market leader and providing best quality products and services, IndianOil is investing over ₹ 47,000 crore in a host of projects for augmentation of refining and pipeline capacities, expansion of marketing infrastructure and product quality upgradation.

IndianOil has a world-class R&D Centre that is the finest in Asia. It conducts pioneering work in lubricants formulation, refinery processes, pipeline transportation and alternative fuels. The Centre holds 212 active patents, with over 100 international patents.

Some of the in-house technologies and catalysts developed by IndianOil include the INDMAX technology (for maximising LPGas yield), Oilivorous-S bio-remediation



IndianOil has a portfolio of powerful and much-loved energy brands that include Indane LPG, SERVO lubricants, XtraPremium petrol, XtraMile diesel & Propel petrochemicals.



technology (extended to marine applications), Diesel Hydro Desulphurisation (DHDS) catalyst, a special Indicat catalyst for Bharat Stage-IV compliant Diesel, IndVi catalyst for improved distillate yield and FCC throughput, and adsorbent based deep desulphurisation process for gasoline and diesel streams.

Having set up subsidiaries in Sri Lanka, Mauritius and the United Arab Emirates (UAE), IndianOil is simultaneously scouting for new business opportunities in the energy markets of Asia and Africa. IndianOil's business development initiatives continue to be guided by its corporate vision of becoming a diversified, transnational and integrated energy company. Its business strategy focuses primarily on expansion across the hydrocarbon value chain, both within and outside the country.

To enhance upstream integration, IndianOil has been pursuing exploration & production activities in collaboration with consortium partners. In Exploration & Production, IndianOil's domestic portfolio includes 11 oil and gas blocks and 2 Coal Bed Methane blocks while the overseas portfolio consists of 10 blocks spread across Libya, Iran, Gabon, Nigeria, Timor Leste, Yemen & Venezuela.

Over the years, natural gas has emerged as the 'fuel of choice' across the world. Natural gas marketing is another thrust area for IndianOil with special focus on City Gas Distribution (CGD) business. The Corporation has entered into franchise agreements with several CGD players to market Compressed Natural Gas through its retail outlets. Green Gas Ltd., IndianOil's joint venture with GAIL (India) Ltd., is already operational in Agra and Lucknow in the state of Uttar Pradesh and is further expanding to cater to the

IndianOil has successfully combined its corporate social responsibility agenda with its business offerings, meeting the energy needs of millions of people everyday, across the length and breadth of the country.

increased demand in various sectors.

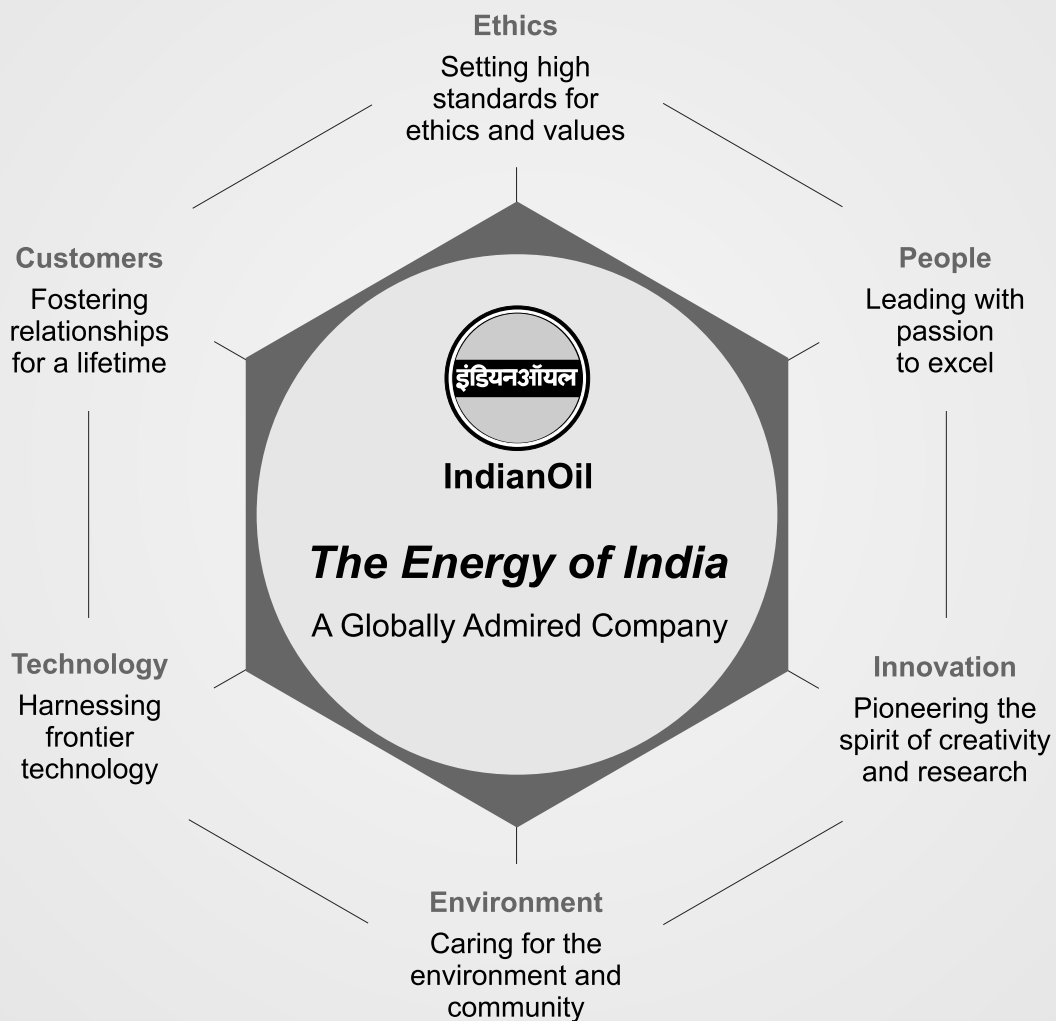
IndianOil is setting up a LNG import, storage & re-gassification terminal at Ennore (outskirts of Chennai). This LNG Terminal would be the first of its kind on the East coast of India. Furthermore, in consortium with GSPC, HPCL and BPCL, IndianOil has won gas pipeline bids for Mallavaram to Bhilwara and Vijaypur via Bhopal, Mehsana to Bhatinda and Bhatinda to Jammu and Srinagar.

IndianOil has forayed into alternative energy options such as wind, solar, bio-fuels and nuclear power. A wind power project is operational in the Kutch district of Gujarat. A solar

power initiative is being spearheaded on a pilot basis in Orissa, Karnataka and the Northeast and a pan-India phased roll-out is underway. IndianOil has one of the largest captive plantations for bio-fuel production, in the States of Chattisgarh and Madhya Pradesh.

IndianOil has a concerted social responsibility programme to partner communities for health, family welfare, education, environment protection, providing potable water, sanitation, and empowerment of women and other marginalised groups. IndianOil has always been at the forefront in times of national emergencies. IndianOilPeople have time and again rallied to help victims of natural calamities, maintaining uninterrupted supply of petroleum products and contributing to relief and rehabilitation measures. IndianOil has successfully combined its corporate social responsibility agenda with its business offerings, meeting the energy needs of millions of people everyday, across the length and breadth of the country.

VISION





• Care • Innovation • Passion • Trust

Always committed to... Timeless Values



People Inspired,
Technology Driven

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.

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.



Diversifications for value addition



Leadership in Excellence





Board of Directors



Front row (left to right): Dr. Sudhakar Rao, Shri Anees Noorani, Shri Sudhir Bhargava, Dr. (Smt.) Indu R. Shahani, Shri R.S. Butola, Prof. (Dr.) Indira J. Parikh, Shri P.K. Sinha, Shri Michael Bastian and Shri N.K. Poddar

Back row (left to right): Shri Sudhir Bhalla, Shri A.M.K. Sinha, Dr. R.K. Malhotra, Shri K.K. Jha, Shri G.C. Daga, Shri B.N. Bankapur, Shri P.K. Goyal and Prof. Gautam Barua

BOARD OF DIRECTORS

Shri R. S. Butola
Chairman w.e.f. 28.02.2011

Shri G. C. Daga
Director (Marketing)

Shri B. N. Bankapur
Director (Refineries)

Shri K. K. Jha
Director (Pipelines)

Dr. R. K. Malhotra
Director
(Research & Development)
w.e.f. 05.08.2010

Shri Sudhir Bhalla
Director (Human Resources)
w.e.f. 27.10.2010

Shri A. M. K. Sinha
Director (PIng. & Business
Development) w.e.f. 16.03.2011

Shri P. K. Goyal
Director (Finance)
w.e.f. 02.05.2011

Shri P. K. Sinha
Government Director

Shri Sudhir Bhargava
Government Director

Prof. (Dr.) Indira J. Parikh
Independent Director

Shri Anees Noorani
Independent Director

Dr. (Smt.) Indu R. Shahani
Independent Director

Prof. Gautam Barua
Independent Director

Shri Michael Bastian
Independent Director

Shri Nirmal Kumar Poddar
Independent Director

Dr. Sudhakar Rao
Independent Director
w.e.f. 30.05.11

Shri B. M. Bansal
Chairman & Director (P&BD)
upto 31.01.2011

Shri V. C. Agrawal
Director (Human Resources)
upto 31.07.2010

Shri S. V. Narasimhan
Chairman & Director (Finance)
upto 30.04.2011

Shri Raju Ranganathan Company Secretary



Core Team



From left to right: Shri P.K. Goyal, Shri A.M.K. Sinha, Shri Sudhir Bhalla, Dr. R.K. Malhotra, Shri K.K. Jha, Shri B.N. Bankapur, Shri G.C. Daga and Shri R.S. Butola

Principal Executives

Vipin Kumar

Advisor Security

Arun Singhal

Chief Vigilance Officer

V P Sharma

Executive Director (Internal Audit)

V K Sood

Executive Director (Corporate Finance)

S C Jain

Executive Director

(Finance - Business Development)

J P Guharay

Executive Director (Mathura Refinery)

R Narayanan

Executive Director (Corporate Affairs)

S K Garg

Executive Director (IndianOil Foundation)

A K Roy

Executive Director

(Corporate Planning & Economic Studies)

Satish Kumar

Executive Director (Human Resource)

H V Singh

Executive Director (I/C) (Projects-PDRP), Refineries

V S Okhde

Executive Director

(Exploration & Production)

R K Ghosh

Executive Director (I/C), Refineries.

N K Bansal

Executive Director (IndianOil Institute of Petroleum Management)

N K Khosla

Executive Director

(Health, Safety & Environment)

Gautam Datta

Executive Director (Regional Services, ER), Marketing

Amitava Chatterjee

Executive Director

(Co-ordn., Planning & QC), Marketing

Ravinder Sareen

Executive Director (Aviation), Marketing

M Nene

Executive Director (Supplies), Marketing

S Ramasamy

Executive Director (Information System)

N Srikumar

Executive Director

(CC & Branding), Marketing

A S Basu

Executive Director (Operations), Refineries

V K Jaychandran

Executive Director (Tamil Nadu State Office)

Satwant Singh

Executive Director (LPG), Marketing

M Ramana

Executive Director (Operations), Marketing

D Sen

Executive Director (I/C) (Lubes), Marketing

S C Meshram

Executive Director (I/C) (Petrochemicals)

Jai Gopal

Executive Director (Anti Adulteration Cell)

A Panda

Executive Director (Assam Oil Division)

C S Das

Executive Director

(Maintenance & Inspection), Refineries

Prithviraj Sur

Executive Director (I/C) (Gujarat Refinery)

E Unnikrishnan

Executive Director (Pricing), Marketing

U L Dohare

Executive Director (Projects), Refineries

S N Choudhary

Executive Director

(Maintenance & Inspection), Refineries

H S Bedi

Executive Director (Retail Sales), Marketing

A Saran

Executive Director (Bongaigaon Refinery)

N Sethurathinam

Executive Director (Technical),

Gujarat Refinery

V K Bansal

Executive Director (I/C) (Finance), Refineries

P U Bhaskar

Executive Director (Finance), IBP Division.

M Vijayawargia

Executive Director (Projects-PDRP)

A K Marchanda

Executive Director (Gas)

Ashwani Sharma

Executive Director (I/C) (Panipat Refinery)

M K Padia

Executive Director (Barauni Refinery)

N K Gupta

Executive Director (Shipping), Refineries.

S K Sarangi

Executive Director (Renewable Energy & Sustainable Development)

B V Janakiram

Executive Director (Operations), Pipelines

R Shankar

Executive Director (Finance), Pipelines

S Krishna Prasad

Executive Director (Finance & IS), Marketing

G Tiwari

Executive Director

(Maharashtra State Office)

Anjan Banerjee

Executive Director (Lube-Operations), Marketing

S K Diwan

Executive Director (Gujarat State Office)

Suneel Sethi

Executive Director (Human Resource), Pipelines

B Basu

Executive Director (Lube Technology), R&D

V K Gupta

Executive Director (Finance - Projects), Refineries.

Ashish Nag

Executive Director (Process Design & Engg. Cell), Refineries

B P Baliga

Executive Director (Health, Safety & Environment), Refineries.

S Ganguli

Executive Director (Haldia Refinery)

S Rajagopal

Executive Director (Refining Technology), R&D

A K Digar

Executive Director (Health, Safety & Environment), Marketing

(Ms.) Madhu Bala Nangia

Executive Director (Finance),

Panipat Refinery

S Balasubramanian

Executive Director

(Human Resource), Marketing

J P Ojha

Executive Director

(Eastern Region Pipelines)

A N Jha

Executive Director

(Consumer Sales), Marketing

S Mitra

Executive Director (Petrochemicals)

P M Nazirudeen

Executive Director

(Andhra Pradesh State Office)

S S Samant

Executive Director

(Projects & Engineering), Marketing

S K Ghosh

Executive Director (PNC, Panipat)

Anish Aggarwal

Executive Director

(Western Region Pipelines)

B Ashok

Executive Director (Karnataka State Office)





Passion for Technology

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)

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

254-C, Dr. Annie Besant Road,
Worli Colony, Mumbai - 400 030

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

Bankers, Auditors, Stock Exchanges and Registrar & Transfer Agents

STATUTORY AUDITORS

M/s. V. K. Dhingra & Co., New Delhi
M/s. PKF Sridhar & Santhanam, Mumbai
M/s. B. M. Chatrath & Co., Kolkata

BRANCH AUDITORS

M/s. Saha Ganguli & Associates, Kolkata
M/s. O. P. Bagla & Co., New Delhi
M/s. Price Patt & Co., Chennai
M/s. Nandy Halder & Ganguli, Kolkata
M/s. S. Lal & Co., Panipat

COST AUDITORS

M/s. V. J. Talati & Co., Thane
Shri A. Madhavan, Chennai
M/s. L. Narayan & Co., Delhi
M/s. Bandyopadhyaya Bhaumik & Co., Kolkata
M/s. Mani & Co., Kolkata
M/s. Musib & Company, Kolkata
M/s. Sanjay Gupta & Associates, New Delhi
M/s. A. C. Dutta & Co., Kolkata
M/s. Chandra Wadhwa & Co., Delhi
M/s. R. J. Goel & Co., New Delhi
M/s. Shome & Banerjee, Kolkata

REGISTRAR &

SHARE 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

Bombay Stock Exchange Ltd. (BSE)
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



Pursuing Innovations



Group Companies

Name	Business
Chennai Petroleum Corporation Limited	Refining of petroleum products
IndianOil (Mauritius) Ltd.	Terminalling, Retailing & Aviation refueling
Lanka IOC PLC.	Retailing, Terminalling & Bunkering
IOC Middle East FZE	Lube blending & marketing of petroleum products
IndianOil - CREDA Biofuels Limited	Plantation of Jatropha and extraction of oil for Bio-diesels
IOC Sweden AB	Investment company for E&P Project in Venezuela

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 & BPCL
Green Gas Ltd.	City Gas Distribution	GAIL (India) Ltd.
Indo Cat Pvt. Ltd.	FCC Catalyst/additive	Intercat, USA
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	Setting up of Styrene Butadiene Rubber manufacturing facility at Panipat	TSRC Taiwan & Marubeni Japan
Lubrizol India Pvt. Ltd.	Lube Additives	Lubrizol Inc., USA
Petronet LNG Ltd.	LNG Imports/distribution	BPCL, ONGC, GAIL, Gaz de France, ADB.
NPCIL – IndianOil Nuclear Energy Corporation Limited	For setting up Nuclear Power Plant	Nuclear Power Corporation of India Limited
Petronet India Ltd.	Petroleum product pipeline projects through special purpose vehicles.	BPCL, HPCL, RPL, IL&FS, ICICI, SBI, EOL.
Petronet VK Ltd.	Construct and operate a pipeline for transportation of petroleum products from Vadinar to Kandla.	PIL, RPL, EOL, SBI, KPT, GIIC, IL&FS, CB.
Suntera Nigeria 205 Limited	Oil exploration activities.	Oil India Ltd., Suntera Resources Ltd.

BPCL - Bharat Petroleum Corporation Ltd., **HPCL** - Hindustan Petroleum Corporation Ltd., **ONGC** - Oil and Natural Gas Corporation Ltd., **GAIL** - GAIL (India) Ltd., **RPL** - Reliance Petroleum Ltd., **IL&FS** - Infrastructure Leasing & Financial Services Ltd., **ICICI** - ICICI Bank, **SBI** - State Bank of India, **EOL** - Essar Oil Ltd., **PIL** - Petronet India Ltd., **KPT** - Kandla Port Trust, **GIIC** - Gujarat Industrial Investment Corporation Ltd., **CB** - Canara Bank, **DIAL** - Delhi International Airport Pvt.Ltd., **TSRC** - TSRC Corporation, Taiwan, **ADB** - Asian Development Bank

Performance at a Glance

	2010-11 ---- (US \$ Million) ----	2009-10	2010-11	2009-10	2008-09 ----- (₹ in crore) -----	2007-08	2006-07
I FINANCIAL							
Turnover (Inclusive of Excise Duty)	72,125	57,121	3,28,744	2,71,095	2,85,398	2,47,457	2,20,779
Gross Profit *	3,584	3,976	16,336	18,872	11,319	14,334	14,622
Profit Before Interest & Tax	2,582	3,294	11,769	15,632	8,281	11,626	11,990
Profit Before Tax	1,996	2,972	9,096	14,106	4,329	10,080	10,485
Profit After Tax	1,633	2,154	7,445	10,221	2,950	6,963	7,499
Dividend	506	665	2,307	3,156	910	656	2,251
Dividend Tax	79	107	359	509	155	76	362
Retained Earnings	1,048	1,382	4,779	6,556	1,885	6,231	4,886
Value Added	7,123	6,866	32,466	32,586	31,507	24,667	24,716
Contribution To Central Exchequer (incl. Dividend paid to Central Govt.)	8,701	5,592	39,658	26,541	25,891	34,249	28,431
Cumulative Dividend	4,581	3,914	20,882	18,575	15,419	14,509	13,853
*Profit before Depreciation, Interest Expenditure and Tax.							
What Corporation Owns							
Gross Fixed Assets	20,883	16,055	93,137	72,089	62,345	56,832	54,837
Depreciation & Amortisation	7,836	6,794	34,950	30,508	27,567	24,060	21,467
Net Fixed Assets	13,047	9,261	58,187	41,581	34,778	32,772	33,370
Capital Work In Progress	2,836	4,737	12,648	21,269	18,140	9,170	4,395
Investments	4,382	4,982	19,545	22,370	32,232	21,536	19,991
Working Capital	5,383	3,260	24,008	14,637	9,261	18,391	9,407
Misc. Expenditure	3	4	15	18	38	125	157
Total	25,651	22,244	1,14,403	99,875	94,449	81,994	67,320
What Corporation Owes							
Net Worth							
- Share Capital	544	541	2,428	2,428	1,192	1,192	1,168
- Share Suspense Account	-	-	-	-	22	-	24
- Reserves	11,862	10,718	52,904	48,125	42,784	39,894	33,665
Total	12,406	11,259	55,332	50,553	43,998	41,086	34,857
Borrowings	11,824	9,926	52,734	44,566	44,972	35,523	27,083
Deferred Tax Liability	1,421	1,059	6,337	4,756	5,474	5,385	5,380
Foreign Currency Monetary Item Translation Difference Account	-	-	-	-	5	-	-
Total	25,651	22,244	1,14,403	99,875	94,449	81,994	67,320

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

Contd...

Performance at a Glance (contd.)

	2010-11	2009-10	2010-11	2009-10	2008-09	2007-08	2006-07
Ratios							
Debt Equity Ratio							
- Total Debt To Equity	0.95:1	0.88:1	0.95:1	0.88:1	1.02:1	0.86:1	0.78:1
- Long Term Debt To Equity	0.34:1	0.36:1	0.34:1	0.36:1	0.36:1	0.28:1	0.31:1
Profit After Tax To Average Networth (%)	14.06	21.62	14.06	21.62	6.93	18.34	23.38
	2010-11	2009-10	2010-11	2009-10	2008-09	2007-08	2006-07
	----- (US \$) -----			----- (₹) -----			
Earnings Per Share*	0.67	0.89	30.67	42.10	12.15	29.20	31.45
Cash Earnings Per Share*	1.09	1.17	49.47	55.44	24.66	40.55	42.49
Networth Per Equity Share	5.00	4.64	227.90	208.21	181.22	172.29	146.17
* Earnings Per Share, Cash Earnings Per Share and Net Worth per Equity Shares for all the periods have been adjusted for Bonus Issue in November 2009							
Note: Exchange rate used:-							
For 2010-11 Average Rate 1 US \$ = ₹ 45.58 and Closing Rate 1 US \$ = ₹ 44.60 as on 31.03.2011							
For 2009-10 Average Rate 1 US \$ = ₹ 47.46 and Closing Rate 1 US \$ = ₹ 44.90 as on 31.03.2010							

II OPERATIONS

		2010-11	2009-10	2008-09	2007-08	2006-07
Operating Performance						
Product Sales						
Domestic						
- Petroleum Products	Million Tonnes	65.314	63.030	60.887	57.548	53.363
- Gas	Million Tonnes	1.638	1.683	1.666	1.737	1.482
- Petrochemicals	Million Tonnes	0.909	0.652	0.540	0.528	0.305
- Explosives	Million Tonnes	0.071	0.058	0.051	0.042	0.048
Total Domestic	Million Tonnes	67.932	65.423	63.144	59.855	55.198
Export	Million Tonnes	4.988	4.497	3.613	3.331	3.131
Total	Million Tonnes	72.920	69.920	66.757	63.186	58.329
Refineries Throughput	Million Tonnes	52.962	50.696	51.367	47.401	44.002
Pipelines Throughput	Million Tonnes	68.523	65.007	59.627	57.121	51.693

III MANPOWER NUMBERS

	2010-11	2009-10	2008-09	2007-08	2006-07
	34,105	34,363	33,998	31,945	29,862



Chairman's Message

The year 2010-11 was special for IndianOil, for it was during this year that the company regained its position as the nation's largest refiner. While our business went through a tumultuous and demanding phase during the year, to say the least, we were able to surmount the challenges and record a superlative performance. We witnessed an improved performance on all operational parameters – refining and pipeline throughputs rose and our sales went up. The year also saw the successful commissioning of some of our most ambitious projects; such as the expansion of Panipat refinery, fuel quality up-gradation facilities, besides the sustained expansion of our marketing and pipeline network. We were able to leverage our formidable supply chain to meet the challenge of making BS-III and IV compliant fuels available at the pump nozzle. Our efforts to build the petrochemicals business gained traction with logistics and channel partners firmly in place. We covered vital ground in the alternative energy business too. However, the year was also a test of perseverance as we continued to contend with tight margins at the pump nozzle while doing a tightrope act between fund raising and capital expenditure on projects.

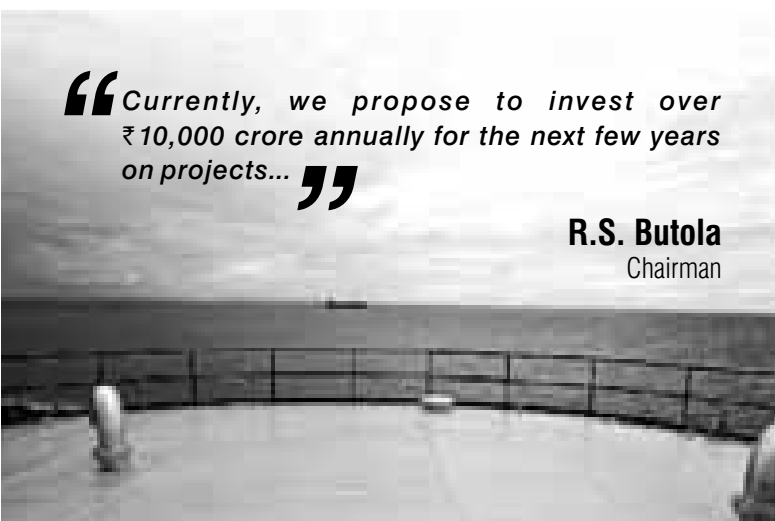
Globally, the year witnessed enhanced energy consumption driven by a strong economic recovery. High oil prices reshaped energy policy and the focus once again turned to ensuring oil security in the face of disruptions in some producing nations. Bio-fuels, Shale gas, Oil sands and other unconventional oil sources continued to receive added attention. Global natural gas consumption grew at a record 7.4% in 2010 with the United States moving to Shale gas. India witnessed a boost in domestic gas availability led by the KG basin output, before it began to slide by the end of the year. With the economy showing positive signs, we continued to remain the second fastest growing economy in the world. However, our energy landscape is still dominated by Coal, which accounts for 42% of energy use and that perhaps will continue to be the case. While there is a realization that we need to increase the share of clean energy like gas as the fuel of choice, the availability, especially of LNG, is yet to unfold fully in the face of global price levels and affordability of prices in the country.

Despite the growth of gas and possibly alternative energy options, liquid fuels will continue to dominate as the fuel that will drive the growth of the nation. Hence, we have to invest and the oil industry has to generate a justifiable return on investments in terms of robust profits. This calls for constant



“Currently, we propose to invest over ₹ 10,000 crore annually for the next few years on projects...”

R.S. Butola
Chairman



efforts to improve our secondary processing capacity to generate value out of the bottom of the barrel.

The volatility of high oil prices is a phenomenon that would make us look back in nostalgia to a time when there was at least a range bound movement. Till 2005, we could plan for our future considering this range. Then the price shot up on speculation before falling and rising again. The unwritten rule in crude oil prices currently is that there is no rule! We cannot predict crude oil prices, as it remains high in the absence of any extraordinary demand and supply factors. There are other factors too like the relationship between the currency and the commodities market.

For us in India, the gap between the domestic prices of Diesel and SKO and international prices has been widening. While MS prices were deregulated in June 2010, we still carry large under recoveries on other products. The Government does provide compensation by way of reimbursement of the under recoveries, but till the time the compensation comes, which normally is after a considerable time gap, we borrow from the market adding to our financial stress. The Company is sitting on high borrowings and a skewed debt-equity ratio. However, there was renewed optimism as the industry saw some duty re-structuring by the Government, a slight increase in prices of sensitive products and an indication of a gradual shift in the policy from the present system of indirect subsidies to direct subsidies.

True, the choices are limited for a nation with millions still below the poverty line, with a large segment depending on kerosene, diesel and LPG. However, if crude prices continue to surge and are not passed on to the consumer, it will certainly impact growth and inflation is bound to increase, whether we pass the increase or not. Our



endeavour would therefore be, to continue the dialogue on the issue with various stakeholders, on the imperatives of passing on the high crude prices off from the Refining and Marketing Companies.

As a National Champion, IndianOil has been relentless in its pursuit of excellence. A value that will continue to drive us. Technology has played a crucial role in our growth too. The best of technologies are those which have simple and lasting benefits and make a difference in the daily lives of our customers. Throughout our existence as India's premier energy brand, we have always tapped technology as an enabler. Our reputation as a committed provider of energy has stood us in good stead. And even today, this philosophy permeates in our core thinking and processes. The Paradip Refinery project is the biggest project under implementation by IndianOil. The project has been planned as a coastal refinery and should give us many strategic advantages, from sourcing and processing cheaper crude to providing us with an ability to export products, in the likelihood of a surplus in petroleum products in the country.

Currently, we propose to invest over ₹ 10,000 crore annually for the next few years on projects. Right now, the focus is to develop expertise in new areas. Nuclear power is one such area and we would also like to expand our presence in the gas sector too. Our LNG plans at Ennore are underway, while in petrochemicals we are trying to get into high value specialty and niche chemicals to add to our profitability.

I believe that for a corporate like IndianOil it is necessary to win the admiration of its stakeholders, not only through its highly ethical and environmentally sustainable business practices, but also through its valued contribution to the society and the community. Constant growth is the basic driver behind our business philosophy as a corporate and we need to generate the greatest value to our business and our stakeholders. I am happy to state that we are aware of these expectations and are responding in the manner expected of us. It is time to focus our energies on accelerating smoothly into the next phase of growth. I want to thank our customers and shareholders for their understanding and welcome their continued support as we move towards a brighter future.

R.S. Butola
Chairman



In every heart... in every part



Connecting to Customers

Directors' Report

To,

The IndianOil Family of Shareowners,

Dear Members,

On behalf of the Board of Directors, it is my privilege to present to you the 52nd Annual Report of the Corporation for the financial year ended 31st March 2011, alongwith the Audited Statement of Accounts, Auditors' Report and the Report on the Accounts by the Comptroller & Auditor General of India.

PERFORMANCE REVIEW

FINANCIAL

	2010-11		2009-10	
	US\$ Million	₹ in crore	US\$ Million	₹ in crore
Turnover (inclusive of Excise Duty)	72,125	3,28,744	57,121	2,71,095
Gross Profit (before Interest, Depreciation and Tax)	3,584	16,336	3,976	18,872
Interest Payment	586	2,673	321	1,526
Depreciation	1,002	4,567	683	3,240
Profit Before Tax	1,996	9,096	2,972	14,106
Tax Provision	363	1,651	818	3,885
Profit After Tax	1,633	7,445	2,154	10,221
Balance Brought forward from last year's account	--	--	1,118	5,305
Profit available for appropriation	1,633	7,445	3,272	15,526
Appropriations				
Add:				
Insurance Reserve utilised	3	14	4	22
Less:				
Proposed Dividend	506	2,307	665	3,156
Corporate Dividend Tax	79	359	107	509
Insurance Reserve	4	20	4	20
Bond Redemption Reserve	22	101	(56)	(269)
General Reserve	1,025	4,672	2,556	12,132
Balance carried to Balance Sheet	NIL	NIL	NIL	NIL

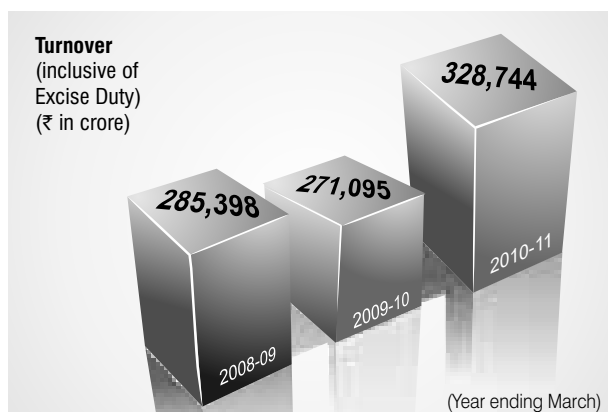
PHYSICAL

Million Metric Tonnes (MMT)

	2010-11	2009-10
Refineries Throughput	52.96	50.69
Pipelines Throughput	68.52	65.00
Product Sales (incl. of Gas, Petrochemicals & Exports)	72.92	69.92

SHARE VALUE

	2010-11		2009-10	
	US\$	₹	US\$	₹
Cash Earning per share	1.09	49.47	1.17	55.44
Earning per share	0.67	30.67	0.89	42.10
Book value per share	5.00	227.90	4.64	208.21

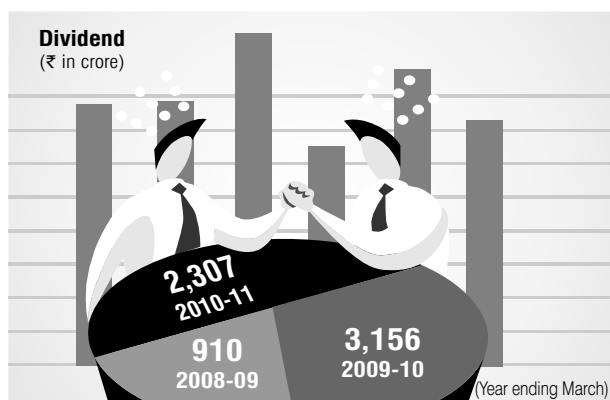


CHANGE IN AUTHORISED SHARE CAPITAL

During the year, the Authorised Share Capital of the Corporation was increased from ₹ 2,500 crore to ₹ 6,000 crore with the approval of members by a Postal Ballot Process to enable the Corporation to raise finance through the issuance of shares in the future.

DIVIDEND

The Board of Directors of your Corporation is pleased to recommend a dividend of ₹ 9.50 per equity share of ₹ 10/- each on the Paid-up Share Capital as against ₹ 13/- per share in the previous year due to lower profits. So far, your Corporation has paid a cumulative dividend of ₹ 18,575 crore, excluding a dividend of ₹ 2,307 crore payable for the current year, subject to the approval by shareholders.

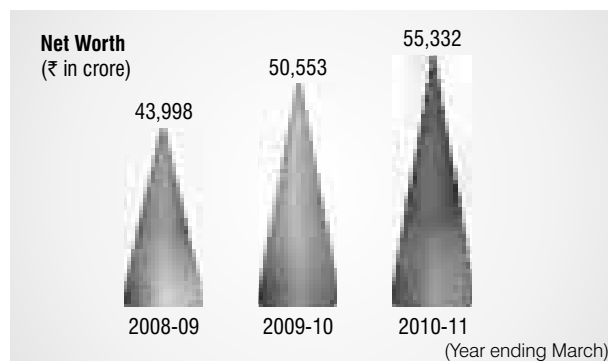
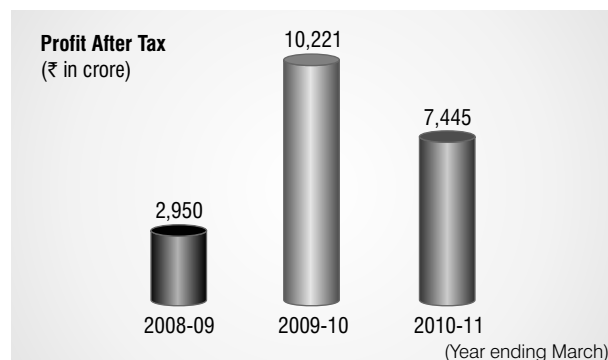
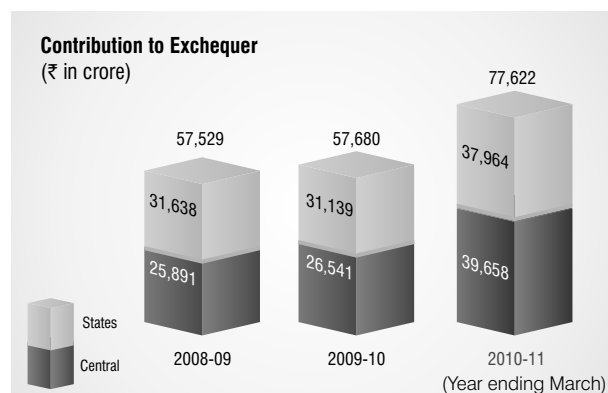


PUBLIC DEPOSIT SCHEME

The Public Deposit Scheme, which was open only for employees and ex-employees of the Corporation, was closed with effect from 31st August 2009. The total outstanding deposits were ₹ 55,000 as on 31.03.2011.

CONTRIBUTION TO EXCHEQUER

Your Corporation has been making enormous contributions to the Exchequer in the form of duties and taxes. During the year, ₹ 77,622 crore was paid to the Exchequer as against ₹ 57,680 crore in the previous year. In the current year, ₹ 39,658 crore was paid to the Central Exchequer and ₹ 37,964 crore to the States Exchequer.



IndianOil Group Refineries and Pipelines Network



(As on 31st March, 2011)

(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 Statements of its subsidiaries and joint venture entities. The highlights of the Consolidated Financial Results are as follows:

	(₹ in crore)	
	2010-11	2009-10
Turnover (inclusive of Excise duty)	3,14,711	2,59,379
Profit Before Tax	10,114	15,049
Profit for the Group (after tax)	7,831	10,713

CORPORATE GOVERNANCE

As stipulated under Clause-49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Management's Discussion & Analysis Report have been incorporated as separate sections, forming part of the Annual Report. Your Corporation also complies with the Corporate Governance guidelines, enunciated by the Department of Public Enterprises (DPE), Government of India applicable for Government Companies. IndianOil also complies with most of the provisions of the voluntary guidelines on Corporate Governance issued by Ministry of Corporate Affairs and would endeavour to comply with the other provisions that are within the domain of a Government Company.



Panipat Naphtha Cracker dedication to the Nation

SECRETARIAL AUDIT

Your Corporation has carried out a Secretarial Audit of its records and documents for the year 2010-11 as a Good Corporate Governance practice. The Secretarial Audit Report 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 in the Annual Report.

CODE OF CONDUCT

The Board has enunciated a code of conduct for the Directors and Senior Management Personnel of the Corporation, which has been circulated to all concerned and has also been hosted on the website of the Corporation. The Directors and Senior Management Personnel have affirmed compliance with

the code of conduct as required under the Corporate Governance guidelines of Clause 49 of the Listing Agreement and DPE guidelines.

OPERATIONAL PERFORMANCE

Refineries

During the year, IndianOil became the number one refiner in the country after the capacity expansion at Panipat Refinery (from 12 to 15 MMTPA), taking the group refining capacity to 65.7 MMTPA.



IndianOil's refineries achieved the highest ever crude throughput of 52.96 million tonnes during the year, surpassing the previous best of 51.37 million tonnes achieved in 2008-09. With an overall capacity utilisation of 102% for the year, your Corporation has been consistently maintaining a capacity utilisation of over 100%. This has come in the wake of planned revamp shutdowns for implementation of quality upgradation project in all the refineries. The optimal operation of secondary units at all refineries, as well as minimizing downtime, has enabled refineries in achieving the highest combined distillate yield of 75.4 wt%.

Pipelines

IndianOil's pipelines, the largest of its kind in Asia, registered an excellent performance during the year, recording a quantum leap in its operations with the highest ever throughput of 68.52 million tonnes of crude oil and petroleum products as against 65.00 million tonnes in the previous year. With the commissioning of new pipelines, the total network of product, crude and gas pipelines increased to 10,899 km during the year.



Expanding supply network

Marketing

We continue to leverage our distribution infrastructure to ensure that our leadership is maintained. During the year, IndianOil sold over 64.1 million tonnes of petroleum products, which is an increase of 2.2 million tonnes over the previous year, registering a 4% growth. IndianOil completed the switchover to BS-III & IV compliant transportation fuels across the country well before the deadline of 1st Oct. 2010. Your Corporation commissioned 900 new retail outlets, including 575 Kisan Seva Kendra (KSK) outlets during the year, taking the total tally to 19,463 Retail Outlets.



Assurance to customers

During the year, your Corporation enrolled about 46.8 lakh new Indane LPG customers and commissioned 245 new Indane distributors taking their total to 618.3 lakh and 5,311 respectively. The LPG Bottling capacity was enhanced to 5,518 TMTPA with capacity addition of 326 TMT during the year. In order to provide LPG to rural India, your Corporation commissioned 145 distributors under the Rajiv Gandhi Gramin LPG Vitaran Yojana under the auspices of Ministry of Petroleum & Natural Gas. As a part of our CSR activity, 10,052 new connections were released to BPL families.

Your Corporation achieved 4.2% growth (17 TMT) of finished lubes during the year 2010-11 with a growth of 6.9% in Retail lube and 2.8% in Institutional lube business over the previous year. IndianOil continues to be the market leader in the aviation fuel business with a market share of 61.7% and enjoys leadership in all segments like Domestic airlines, International Airlines and Defence services.

ASSAM OIL DIVISION/IBP

The Digboi Refinery of Assam Oil Division (AOD) plays a vital role in ensuring the supply of petroleum products in east Assam. The refinery processed 0.65 million tonnes of crude oil during the year and sold about 1.2 million tonnes of products through its extensive network retaining our position as a market leader in the region. Our IBP Division, which comprises of explosives and cryogenic businesses, earned a revenue of ₹ 182.72 crore during the year registering a growth of 13% over the previous year.

RESEARCH & DEVELOPMENT

IndianOil developed 132 new product formulations during the year, of which more than 85% were commercialised. During the year, 46 Original Equipment



Going green

Manufacturers (OEMs) approvals and defence certifications were obtained. Dual mode de-asphalting technology was developed to enhance Refinery Distillate Yield using LPG as a solvent. A multi-feed fluidized bed gasification pilot plant was commissioned to support research in the area of Gas to Liquid conversion. During the year, 12 Patents were filed in India out of which two have been granted. In addition, two Patents in US, one in France and one in Russia were granted. IndianOil's Bio-remediation Technology – Oilivorous S was utilised for treating oil spills at marine locations caused by collision of ships off Mumbai coast.



R&D - Making a difference



Leading through commitment

PROJECTS

The timely execution of Projects is a priority for your Corporation and multifunctional teams constantly monitor them to prevent cost overruns. Our project teams have been ensuring that construction and commissioning of the projects are done seamlessly. Your Corporation's project management expertise is widely acclaimed by the oil industry. The list of the various completed, ongoing and upcoming projects is as under:-

Completed Projects

- Capacity Augmentation of Panipat Refinery to 15 MMTPA.
- Residue Upgradation & MS/HSD quality improvement project at Gujarat Refinery.
- MSQ Improvement Projects at Guwahati, Barauni and Digboi Refineries.
- Flare Gas Recovery facilities at Panipat and Gujarat Refineries.
- Mathura- Bharatpur spur Pipeline.
- Branch Pipeline to Hazira from Koyali - Dahej Pipeline.
- Automation of various product storage terminals.
- Automation of 300 Retail Outlets.

Ongoing Projects

- 15 MMTPA grassroot refinery at Paradip, Orissa.
- Capacity Revamp of FCCU at Mathura from 1.3 to 1.5 MMTPA.
- Coke chamber replacement & DCU modernisation at Guwahati Refinery.
- Use of Natural Gas in balance four GTs at Panipat Refinery.
- Installation of 6th Gas Turbine along with HRSG at Gujarat Refinery.
- Butadiene Extraction Unit (BDEU) at Panipat Refinery.
- Additional Sulphur Recovery Unit & Sulphur Pelletising Unit at Mathura Refinery.
- MS Quality Improvement Project and Diesel Hydrotreater (DHT) Project at Bongaigaon.
- Augmentation of Chennai-Trichy-Madurai Pipeline.
- Augmentation of Chennai-Bangalore Pipeline.
- Construction of tanks and blending facility at Vadinar.
- Branch pipeline from Viramgam to Kandla.
- Paradip- Raipur- Ranchi Product Pipeline.
- Debottlenecking of Salaya- Mathura Pipeline.
- Integrated Crude Oil handling facilities at Paradip.
- Paradip-Haldia-Durgapur LPG Pipeline.
- Modernisation of Lube Blending plant and Lube Complex at Mumbai.
- Additional tankage facilities at various storage locations.
- LPG Marketing Terminal at Paradip.

Upcoming Projects

- Distillate Yield Improvement project at Haldia Refinery.
- INDMAX project at Bongaigaon Refinery.
- Mundra-Viramgam Crude Oil Pipeline.
- Augmentation of Paradip- Haldia- Barauni Pipeline.
- LPG Pipeline from Kandla to Panipat.
- Augmentation of Salaya-Mathura Pipeline.

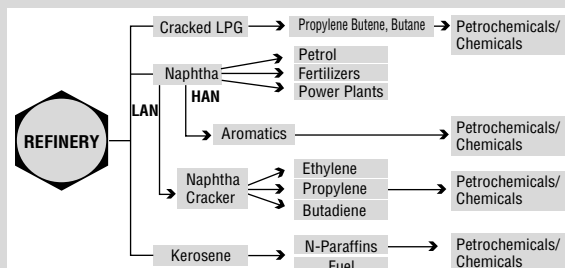
EXPANDING BUSINESSES

Your Corporation has a participating interest in 23 blocks which includes 13 domestic and 10 overseas blocks in Libya, Yemen, Nigeria, Iran, Gabon, Timor-Leste and Venezuela. The year marked a major step in efforts of your Corporation to build E&P operator capabilities as operator activities were initiated in Cambay blocks. In the Mahanadi offshore block, the commerciality of gas discovery made earlier was accepted by Director General of Hydrocarbons. During the year, formalities relating to the heavy oil project in Carabobo region of Venezuela were finalized with the execution of all contract documents and publishing of the Transfer Decree in the official gazette of Venezuela.

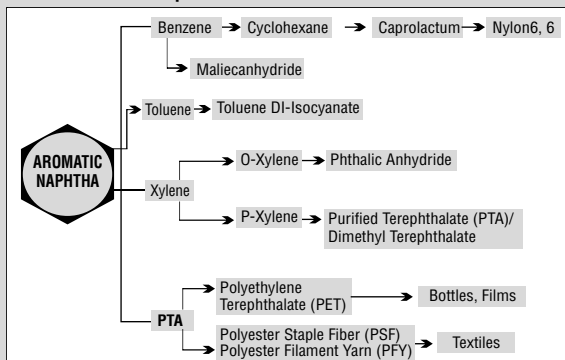
The year saw the commencement of gas supplies to Panipat Refinery through the Corporation's first gas pipeline between Dadri and Panipat, which was commissioned in July, 2010. In a bid to scale up its gas infrastructure, a 5 MMTPA LNG Import & Re-gassification Terminal Project has been planned at Ennore, Tamil

Petrochemicals - Product Flow Chart

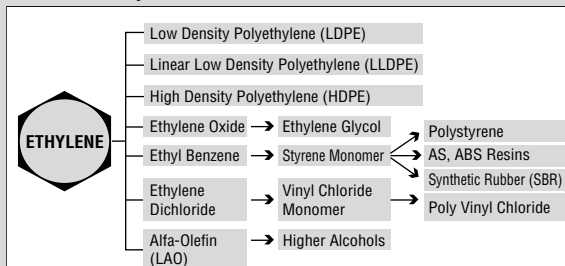
Refinery Streams for Petrochemicals/Chemicals



Aromatic Naphtha Based Petrochemicals/Chemicals



Ethylene Based Petrochemicals/Chemicals



Nadu. A consortium of IndianOil, GSPC, HPCL & BPCL emerged as a successful bidder for the three cross-country Gas Pipeline bids invited by the Petroleum & Natural Gas Regulatory Board (PNGRB).

During the year, the total sales volume of Linear Alkyl Benzene (LAB) was 124 TMT, which includes domestic sales of 107 TMT and export sales of 17 TMT. LAB is now being exported to 20 countries in six continents. The LAB unit at Gujarat Refinery achieved a capacity utilization of 105% during the year. Sale of 447 TMT of PTA was made to domestic customers, covering all major manufacturers of Polyester Film and PET. Aggressive strategies are in place to achieve a significant growth in sales in 2011-12.

During the year, sales commenced from the Naphtha Cracker and downstream polymer units of Panipat Refinery for catering to domestic as well as international markets. Polymer sales of 217 TMT were achieved during the year including export of 8 TMT to eight countries. 38 Del Credere Associates cum Consignment Stockists for the domestic market and 3 Overseas Commission Agents one each in Nepal, Pakistan and Bangladesh were appointed during the year for Polymer Marketing. Your Corporation has become the largest supplier of Mono Ethylene Glycol (MEG) in the domestic market with a monthly supply ranging between 16,000 – 22,000 MT. Glycols sales of 151 TMT was achieved during the year.

During the year, IndianOil continued with its long standing Technical Services Agreement (TSA) and Manpower Secondment Agreement (MSA) with Emirates National Oil Company (ENOC). Under the TSA, IndianOil provided consultancy services for carrying out the de-bottlenecking feasibility study of LPG Amine Treatment and Regeneration facilities at ENOC's condensate Refinery in Dubai.

Exploring Energy Alternatives

With the success of its first Wind power project of 21 MW in Gujarat, your Corporation is considering further investments in Wind power projects. During the year, the Corporation won a bid for setting up a 5 MW Solar Photo Voltaic power plant in Rajasthan under the Jawaharlal Nehru National Solar Mission. IndianOil's endeavour to provide green energy solutions in the rural areas through its vast rural Kisan Seva Kendra (KSK) network began in 2009 with the launch of Solar LED Lanterns. During the year, more than 30,000 solar lanterns were sold through its KSK outlets. During the year, a joint venture company was formed with Nuclear Power Corporation of India Ltd. (NPCIL) for setting up Nuclear power plants.

Your Corporation has bio-diesel (Jatropha) plantation projects in three states, viz. Chhattisgarh, Madhya Pradesh and Uttar Pradesh. Further, efforts are on for exploring second generation bio-fuels with the Corporation's R&D Centre actively undertaking research on the production of second generation Bio-Diesel from Algae, in collaboration with International Research Agencies.

Supply Chain Optimisation – Leveraging Information Technology

Your Corporation imported 50.440 million tonnes of crude oil and 5.568 million tonnes of petroleum products during the year, amounting to ₹ 1,45,983 crore and ₹ 19,565 crore respectively, to meet its requirements through a carefully selected and diversified mix of supply sources. IndianOil also exported 4.988 million tonnes of petroleum and petrochemical products worth ₹16,781 crore, during the year. In order to monitor day-to-day key parameters, a web based portal which provides vital information like stock position and prices of crude and products, marketing and



Energy to rural India

pipelines operations was launched. Optimisation efforts helped in better planning, execution and taking corrective actions to maintain supply chain in an optimal manner, keeping corporate profitability under consideration. Your Corporation has commissioned a state-of-the-art Business Continuity Centre at Bengaluru which would ensure SAP service availability at all times.

Human Resource

The Corporation's employee strength as on March 31, 2011 was 34,105 including 14,497 officers. There are 2,637 women employees, constituting 7.73% of the total workforce. A Memorandum of Settlement (MoS) on pay revision for workmen was signed with all the 23 recognised unions on 29th July, 2010. The pay revision has been implemented for workmen in accordance with the policy of the Department of Public Enterprises (DPE).

The industrial relations climate in the Corporation remained peaceful and cordial during the year. IndianOil has always supported a participative culture in its management through a consultative approach with the collectives by establishing harmonious relations. Your Corporation's efforts to promote employees' participation in various activities such as Collective bargaining, Suggestion Scheme, Quality Circles, Welfare, Total Productive Maintenance, Mentoring etc. were continued during the year. IndianOil's suggestion scheme has contributed



Making a difference to society



Leveraging Technology

immensely to productivity, profitability and safety as well as in many other areas of excellence across the organisation.

In order to harness the full potential of human resources, IndianOil continues to align its HR strategy with the organisational strategy. An enterprise wide manpower study for the executives has been undertaken to carry out scientific workforce planning to establish norms for manpower positioning and developing a staffing dashboard for the executive's future use. To strengthen our leadership pipeline and making our leaders future ready, a separate study on succession planning is under consideration. In order to improve the quality of talent at the entry level and to simplify the recruitment system, your Corporation had introduced the concept of utilising Graduate Aptitude Test in Engineering (GATE) score, which has proved successful.

IndianOil Institute of Petroleum Management (IIPM), the apex learning institute, has planned and conducted new online programmes for non-finance Executives in financial management skills, in association with U-21 Global Universitas, Singapore and also on Sustainable Development including Energy Efficiency, Emission Mitigation etc.

Your Corporation has been scrupulously following the Presidential Directives and other guidelines issued by the Ministry of Petroleum & Natural Gas and the DPE from time to time, regarding reservation in services for Scheduled Castes, Scheduled Tribes, Physically Challenged and OBCs. It has been the endeavour of your Corporation to utilise 25% of Community Development funds towards the Special Component Plan (SCP) and the Tribal Sub Plan (TSP), for meeting the needs of the weaker sections. The Presidential Directives and other guidelines issued by the Government of India with regard to reservation in services are meticulously followed by your Corporation. A report relating to representation of SCs/STs, in the prescribed proforma - SC/ST/OBC Report-I and SC/ST/OBC Report-II, is annexed.

Your Corporation has been diligently implementing the provision of 3% reservation for physically challenged and disabled persons as per the Disabilities Act, 1995. With the enactment of the above Act w.e.f. 7.2.96, the reservation for Physically Handicapped persons has been extended to Group 'A' and 'B' posts as well. In compliance with the Official Language Act, 1963, Official Language Rules, 1976 and orders issued by the Government of India from time to time, efforts were

continued during the year to enhance the progressive use of Hindi in official work. The Official Language Implementation Committees functioning at IndianOil units regularly review the progress of implementation of official language policies and the annual programme as circulated by the Department of Official Language, Ministry of Home Affairs.

Foreign Tours

IndianOil officers undertook a total of 416 foreign tours during 2010-11 for business purposes, including for attending conferences, seminars and training programmes. The total expenditure on foreign tours was ₹ 6.80 crore.

Vigilance

In order to ensure maintenance of the highest level of integrity throughout the Corporation, the Vigilance group carries out preventive and punitive functions with greater emphasis on the preventive aspect. During the year, 49 Vigilance Awareness Programmes were conducted. A training programme on 'Fostering Ethical Management through Vigilance' was organised on an all India basis. A large number of joint surprise inspections were conducted, along with the oil industry, on the dealers / distributors network to check Quality & Quantity. Under the MoU with Transparency International, IndianOil is committed to implementing the Integrity Pact in all its major procurement activities to further enhance transparency in all its transactions.

Partnering Social Progress

Your Corporation is committed to global benchmarks in Corporate Governance, covering the full gamut of Sustainable Development, Safety and Conservation. The Board of the Corporation had constituted a Committee of Directors for Corporate Social Responsibility, to monitor the overall functioning as well as guide and suggest improvements in our CSR activities in consonance with IndianOil's Vision Statement and CSR Policy.

Starting with community development programmes for SC/ST communities in the vicinity of our major installations, our Corporate Social Responsibility Programme has also grown towards a strategic alignment with the business goals as well as the sustainable growth of the Corporation. Your Corporation envisions a greater societal role in the future to accomplish the cherished goal of a truly developed India, where all sections of citizens live with dignity. Our strong commitment is reflected in our Corporate Social Responsibility policy, which allocates 2% of retained Profit of the previous year, towards Corporate Social Responsibility activities. IndianOil has provided common LPG kitchen facilities in villages and released grants to BPL families availing of new LPG connections, under the Rajiv



Focus on sustainability

Gandhi Gramin LPG Vitaran Yojana.

During the year, the fund allocation towards IndianOil Educational Scholarships meant to benefit deserving poor students was increased from 450 to 2,600. The number of Sports Scholarships to promising young sportspersons has also been increased from 77 to 150 scholarships. IndianOil's sportspersons continued to excel in national and international sporting events in various disciplines during the year. Three of our Scholarship players represented India in athletics in the Commonwealth Games 2010, Asian Games and Asian Junior Championship.

The IndianOil Rural Mobile Healthcare Scheme has been developed on a pan-India basis to increase the reach of medical services in the rural areas. The scheme is proposed to be implemented through IndianOil's Kisan Seva Kendras (KSKs) as a pilot project in Andhra Pradesh, Assam and Uttar Pradesh and will eventually cover all major KSKs.

IndianOil responds proactively to provide aid and relief to the victims of natural calamities like floods, tsunami, earthquake, cyclones etc. IndianOil also contributes to national causes for the benefit of the nation like setting up educational institutions of national importance (Rajiv Gandhi Institute of Petroleum Technology), National Children's Fund, Jansankhya Sthirtha Kosh etc. During the year, IndianOil constructed 50 pre-fabricated houses for the rehabilitation of people affected due to a cloudburst on 5th & 6th August, 2010 in the Leh Valley.

The IndianOil Foundation (IoF), a non-profit Trust, was formed to protect, preserve and promote National Heritage sites in collaboration with the Archaeological Survey of India, NGOs of repute (ASI) and the Nature Culture Fund (NCF) of the Government of India. Presently, the IoF has undertaken various projects for the development of tourist friendly facilities at Konark Sun Temple (Orissa), Khajuraho (Madhya Pradesh), Kanheri Caves (Maharashtra), Warangal Fort (Andhra Pradesh) and Vaishali (Bihar). At Konark, the development of tourist friendly facilities like interpretation centre, main avenue, landscaping, parking etc. will be executed in due course.

IndianOil continued to make a positive impact to the underprivileged communities in and around our major installations, by supporting a wide range of socio-economic initiatives, like providing Clean Drinking water, Health & Medical Care and Education. Our community development activities, in the vicinity of our major installations, are undertaken with a special emphasis on welfare of Scheduled Castes and Scheduled Tribes, under the Special Component Plan (SCP) and Tribal Sub-Plan (TSP) respectively. Some of the activities undertaken under the Tribal



World class infrastructure

Sub-Plan include initiatives for non-formal education for tribals, providing infrastructure for schools in tribal areas etc.

The fifth edition of our Sustainability Report for 2009-10, called "Enduring Offerings", was published in the current year conforming to the "Global Reporting Initiatives-G3" guidelines. During the year, a pilot environmental foot-printing exercise on Carbon, Water and Waste was carried out at seven representative locations of the Corporation.

Your Corporation accords high priority to conduct business in a safe and environmentally sustainable manner to ensure incident free operations at its various units and locations. Audits for increased reliability and continuous improvement of safety, environment management, health and hygiene system were conducted during the year. A Committee of the Board on Health, Safety and Environment periodically reviews the HSE activities of the Corporation. Several capability building workshops and training programmes on safety topics were conducted at various levels. Rainwater harvesting schemes were implemented and extensive tree plantation was carried out at IndianOil installations across the country.

Your Corporation continuously gives thrust on oil conservation at all of its refineries and other units, through extensive performance monitoring and keeping abreast with latest technological developments and best practices. As a result of various energy conservation measures undertaken, the energy index in terms of MBN* of IndianOil refineries during the year is down to 59, which is the best ever achieved, as against the energy index of 62 in the previous year. The Energy conservation schemes implemented during the year resulted in fuel savings to the tune of about 93,600 Standard Refinery Fuel Tonne (SRFT) per annum, valued at about ₹ 240 crore.

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

Remuneration to the Auditors

The Auditors' remuneration for the year 2010-11 has been fixed at ₹ 75.50 lakh plus applicable service tax. In addition to this, reasonable out-of-pocket expenses actually incurred are also reimbursable.

Cost Audit Report

In accordance with the directives of the Central Government, Cost Auditors were appointed for conducting a cost audit of IndianOil's Refineries and Lube Blending Plants for the year 2010-11. The Cost Audit for the year 2009-10 was also carried out for the refineries and lube plants and the Cost Audit reports were filed by the Cost



Recognitions for performance

Auditors with the Central Government between 17th Sept. 2010 and 23rd Sept. 2010 i.e. within the prescribed time period of 180 days from the close of financial year 2009-10.

Entertainment Expenses

The entertainment expenses for the year 2010-11 were ₹ 2.34 crore as compared to ₹ 2.23 crore last year.

Subsidiaries

The financial performance of following subsidiaries of the Corporation during 2010-11 is as under :-

(₹ in crore)			
Subsidiary	Total Turnover	Net Profit	Dividend
Chennai Petroleum Corporation Ltd.	38,128	512	120%
IndianOil (Mauritius) Ltd.	841	17	4%
Lanka IOC Plc.	2,090	35	-
IOC Middle East FZE	77	3	10%

Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings

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

Particulars of Employees

The particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and Rules framed thereunder are annexed.

Board of Directors

The following Directors ceased to be Directors on the Board of the Corporation consequent upon their superannuation / completion of term:

- Shri V.C. Agrawal, Director (Human Resources) on 31.07.2010.
- Shri B.M. Bansal, Chairman & Director (PIng. & BD) on 31.01.2011.
- Shri S.V. Narasimhan, Chairman & Director (Finance) on 30.04.2011.

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

- Dr. R.K. Malhotra, Director (Research & Development) w.e.f. 05.08.2010
- Shri Sudhir Bhalla, Director (Human Resources) w.e.f. 27.10.2010
- Shri R.S. Butola, Chairman w.e.f. 28.02.2011
- Shri A.M.K. Sinha, Director (Planning & Business Development) w.e.f. 16.03.2011
- Shri P.K. Goyal, Director (Finance) w.e.f. 02.05.2011.
- Shri Sudhakar Rao, Independent Director w.e.f. 30.05.2011.

Directors' Responsibility Statement

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

- that in the preparation of the annual accounts for the financial year ended 31st March 2011, all applicable accounting standards have been followed along with proper explanations relating to material departures;
- 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;
- 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;
- that the Directors had prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Board of Directors places on record its deep appreciation of the valuable services and dedicated efforts of the members of the IndianOil family in the Corporation's achievements during the year 2010-11. The Board also wishes 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 also grateful to the Corporation's bankers, investors, customers, consultants, technology licensors, contractors and vendors for their continued support and confidence reposed in the Corporation. The Board wishes to place on record its appreciation for the commendable performance and significant contribution made by Shri B.M. Bansal, Shri S.V. Narasimhan and Shri V.C. Agrawal during their tenure on the Board.

For and on behalf of the Board



Place : New Delhi
Date : 03-08-2011

(R.S. Butola)
Chairman

Annexure-I

Annexure to Directors' 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 our continued efforts towards energy conservation, a number of Energy Conservation projects have been implemented during 2010-11 in refineries resulting in savings of around 93,600 Standard Refinery Fuel Tonne (SRFT). Some of the major investments in this regard are as under:

Sl. No	PARTICULARS	COST (₹ in Lakh)	FUEL SAVING (Standard Fuel equivalent) MT/year
1.	Conversion of TG-I from condensing type to back-pressure type at Barauni Refinery	166.00	7900
2.	Installation of flare gas recovery system at Gujarat Refinery	900.00	7650
3.	Step-less control in make-up gas compressor in HCU at Gujarat Refinery	324.00	2000
4.	Installation of GT-III with HRSG at Haldia Refinery	17329.55	5000
5.	VBU economizer coil installation at Haldia Refinery	75.87	2000
6.	Use of NG as HGU feed at Mathura Refinery	640.38	2600
7.	Hot feed maximization ex AVU-I in DHDS/DHDT at Panipat Refinery	25.00	2240
8.	Flare gas recovery in PR-PX & PREP at Panipat Refinery	2865.00	6820

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

- Modification of NSF & NSU process flows and column operation for heat optimization at Guwahati Refinery
- Recovery of H₂ from HDT net gas at Guwahati Refinery
- Heat recovery from HRSG-2 exhaust temperature at Barauni Refinery
- Heat recovery from wide cut and short residue run-down streams in AVU-I at Barauni Refinery
- Routing of FPU-II and VDU hot well off-gases to furnace at Gujarat Refinery
- Magnetic resonators in GT-4/5, LAB & HGU at Gujarat Refinery
- LP steam generation from FCC LCO stream at Gujarat Refinery
- Installation of DM water preheater in HRSG-I at Haldia Refinery
- Installation of step-less control in HCU make-up gas compressor at Haldia Refinery

- Waste heat recovery from KHDS furnace at Haldia Refinery
- Additional heat recovery module in HRSG-II at Haldia Refinery
- Optimization of RSU throughput (stoppage of steam to reboiler) at Mathura Refinery
- Installation of step-less control in DHDT MUG compressor at Mathura Refinery
- Injection of heavy naphtha feed in second column of PXNSU (stoppage of steam to reboiler) at Mathura Refinery
- Installation of magnetic resonators in GTs and furnaces at Digboi Refinery
- Installation of VAM in Fuel Sector, CPP control room to replace centralized AC at Digboi Refinery
- LP steam generation through steam drive instead of PRDS at Digboi Refinery
- Installation of step-less control for DHDT compressor at Panipat Refinery
- Heat recovery from C-7 overhead and bottom product in NSU-I for crude preheat improvement at Panipat Refinery
- NSU-II feed and reboiler heating with DHDT run-down at Panipat Refinery
- Preheat of DHDT cold feed with HCU-II kero pump-around at Panipat Refinery
- Improvement of feed preheat in PREP HCU, utilization of diesel pump-around heat with cold VGO at Panipat Refinery
- Generation of SML steam from 2 LP steam generators in PREP HCU and use in MSQ to MLP let-down from MP steam
- Variable speed turbine drive in Boiler 1 & 4 FD fans at BGR
- Additional rows in convection section of DCU-I & II furnaces at BGR

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 93,600 SRFT in 2010-11. The impact of additional savings with major investments under item (b) in 2011-12 would be 62,500 SRFT.

d) Total energy consumption and energy consumption per unit of production:

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 continues to export petroleum and petrochemical products during the year to various countries. While the export of petroleum products has increased by 23%, the export of lubricants increased by 15% and that of base oil by 63% as compared to the previous year. The export market for Linear Alkyl Benzene has expanded to 20 countries in 6 continents.

(b) Total foreign exchange used and earned.

(₹ in crore)

Foreign Exchange earnings	16,967.55
Foreign Exchange used	1,71,424.79

FORM-A

Form for Disclosure of Particulars with respect to Conservation of Energy

	2010-11	2009-10
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY:		
a) Purchased		
Unit ('000 KWH)	42126	45255
Rate/Unit	6.87	6.37
Amount (₹/Lakh)	2892	2882
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas Generators)		
Unit ('000 KWH)	3230991	2429914
KWH per MT of Std Fuel	6818	6065
Cost/Unit (₹/KWH)	3.92	3.35
ii) Through Steam Turbine/Generators		
Unit ('000 KWH)	1047340	778248
KWH per MT of Std Fuel	3000	2835
Cost/Unit (₹/KWH)	7.44	6.40
c) Electricity Consumed (a + b) ('000 KWH)	4320457	3253417
2. COAL	-	-
3. LIQUID FUEL (FO / NAPHTHA/ DIESEL)		
Qty (MTs)	1913675	1682125
Amount (₹/Lakh)	479499	351866
Average Rate (₹/MT)	25056	20918
4. OTHERS / INTERNAL FUEL		
a) INTERNAL FUEL		
i) Fuel Gas		
Unit (MTs)	1504006	1403068
Amount (₹/Lakh)	346805	278849
Average Rate (₹/MT)	23059	19874
ii) Coke		
Unit (MTs)	343758	334247
Amount (₹/Lakh)	53213	42995
Average Rate (₹/MT)	15480	12863
b) PURCHASED FUEL		
Natural Gas		
Unit (MTs)	802066	460671
Amount (₹/Lakh)	132290	61816
Average Rate (₹/MT)	16494	13419
B 1. CONSUMPTION PER MT OF PRODUCTION: PETROLEUM		
(i) Actual Production ('000 MTs)	47238	45877
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	76.046	65.341
- Liquid Fuel (MT/MT)	0.033	0.032
- Fuel Gas/LDO/Coke (MT/MT)	0.037	0.036
- Natural Gas (MT/MT)	0.017	0.010
2. CONSUMPTION PER MT OF PRODUCTION : LAB		
(i) Actual Production ('000MTs)	126.315	123.692
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	609.395	637.446
- Liquid Fuel (MT/MT)	0.549	0.421
- Fuel Gas/LDO/Coke(MT/MT)	0.159	0.151
- Natural Gas (MT/MT)	0.000	0.000
3. CONSUMPTION PER MT OF PRODUCTION : PTA		
(i) Actual Production ('000MTs)	431.000	530.604
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	465.905	410.527
- Liquid Fuel (MT/MT)	0.240	0.270
- Fuel Gas/LDO/Coke(MT/MT)	0.207	0.149
- Natural Gas (MT/MT)	0.000	0.000
4. CONSUMPTION PER MT OF PRODUCTION : PNCP		
(i) Actual Production ('000MTs)	497.000	0.000
(ii) Consumption per MT of Product		
- Electricity (KWH/MT)	1382.335	0.000
- Liquid Fuel (MT/MT)	0.339	0.000
- Fuel Gas/LDO/Coke(MT/MT)	0.000	0.000
- Natural Gas (MT/MT)	0.019	0.000

FORM-B

Form for Disclosure of Particulars with respect to Technology Absorption, Research & Development

1. Specific areas in which R&D was carried out by the Company

- (a) Development of Refinery process technologies
- (b) Catalysts development for refining processes
- (c) Refinery Process Modeling
- (d) Trouble shooting, revamp and optimization in refineries
- (e) Material failure Analysis, Corrosion and remaining life assessment
- (f) Development of Intelligent & Caliper pigs for transportation of crude and petroleum products through pipelines
- (g) Product development – Lubricant, Greases and Specialties
- (h) Boundary Lubrication and Metal Working Tribology
- (i) Specialty bituminous products
- (j) Development of Fuel additives
- (k) Fuel and Emission Studies
- (l) Alternative fuels – Hydrogen, Hydrogen-CNG, bio-diesel, 2nd & 3rd Generation bio-fuels and Solar Energy
- (m) Biotechnology
- (n) Nanotechnology
- (o) Petrochemicals & Polymers

2. Benefits derived as a result of above R&D :

- A cost effective process based on hydroprocessing route developed for selective mercaptan removal for ATF production with negligible hydrogen consumption.
- Dual mode deasphalting Technology developed to enhance refinery distillate yield using LPG as a solvent.
- Identified the blend compositions in pre and post Delayed Coker scenario for meeting the specifications of Bunker fuel (380 Cst) with minimum quality give away in density at Gujarat Refinery.
- IndianOil along with EIL licensed 1.2 MMTPA DHDT unit for Bongaigaon Refinery.
- R&D developed DHDS catalyst, INDICAT-DH-IV successfully completed a run of 451 days in diesel mode and 52 days in VGO mode in the Plant-13 of CPCL helping CPCL in the process to make BS-III/BS-IV diesel.
- New catalyst and additives like in-house Indmax catalyst formulation, DHDS catalyst system for reducing T-95 point of diesel, i-Max Premium ZSM-5 additive for GR Indmax unit, Bottoms upgrading additive for Gujarat FCC unit, value added E-Cat and Alumina support

for hydroprocessing catalysts developed .

- A cost effective ZSM-5 zeolite formulation adopting a template free synthesis approach developed using commercial raw materials.
- 126 product formulations developed during the financial year 2010-11 out of which more than 85% commercialized. 46 OEM and/or customer approvals and defence certifications.
- Ready with new generation Gasoline engine oil meeting API SN/GF5 credentials – the day international specification came into vogue.
- *SERVO* Syngear 75W-90-LL, first Indian synthetic gear oil approved by M/S Voith, Germany for gear box applications of urban metro rail racks.
- RDSO approved *SERVO* RR 606MGPLUS[II] based on Haldia Group II base oils for ALCO Locomotives and clearance for field trials in GM Locomotives.
- Facilitated first overseas business contract of indigenously developed marine shipboard oils with Mauritius Shipping Corporation.
- Industrial Oils developed by R&D received prestigious international approvals.
- Tyre mould grease - *SERVO* Press approved by major Indian Tyre manufacturers.
- *SERVO* Agro Spray Oil, approved for Organic farming by IMO, Switzerland.
- Development of *SERVO* MLO Super for controlling mosquito larvae breeding approved by National Centre for Disease Control, Ministry of Health & Welfare, Government of India.
- First high speed crude oil pipeline trial run of 24" CPIG done over 138km of 24" dia Salaya-Mathura Pipeline.
- First commercial version of 12" IPIG and 12" CPIG developed through M/s ECIL, Hyderabad and successfully tried out in 206 km long Patna-Mughalsarai section of Barauni- Kanpur pipeline.
- A new chemical marker to check kerosene adulteration developed, which is comparable to the available state-of-the-art markers.
- Low pour Diesel for low temperature ambient operations developed for M/s Starbag Afcons, Germany's Rohtang Tunnel Project.
- Use of Hydrogen (up to 30%) as fuel blended with Compressed Natural Gas in Internal Combustion Engine: Phase-I of the project completed along with Society of Indian Automobile Manufacturers (SIAM) and Ministry of New and Renewable Energy (MNRE) by conducting performance and emissions tests on seven vehicles using 10-25% HCNG blends.

- A multi-feed fluidized bed gasification pilot plant (capacity 1-2 kg/hr) installed and commissioned. A micro reactor unit (slurry) also installed and commissioned for GTL and preliminary runs carried out successfully for conversion of syngas to hydrocarbon liquids.
- A demonstration unit based on in-house developed single step compact steam methane reforming process for HCNG production procured.
- After successfully helping Paradip Port Trust last year, IOC's Bioremediation technology- Oilivorous S - extended to tackling of oil spills at marine locations caused by collision of ships off Mumbai Coast.
- A state-of-the-art Petrochemical and Polymer Research Facility successfully commissioned to support IOCL's petrochemical operations and business.
- Benchmarking studies completed for PP-injection moulding grades, PP Raffia and BOPP grades.

3. Future Plans

- Development of long life, energy efficient cost effective lubricants for railways, marine applications and other automotive and industrial sectors.
- Frontier areas of nano technology.
- Development of fuel saving and environment friendly additives for fuels.
- Development of bio-degradable and FDA compatible lubricants.
- Production of 2nd/3rd Generation fuels.
- Setting up of state of the art automotive research laboratory with test benches.
- Development of bio-jet fuel.
- Technologies for reduction of GHG emissions.
- Development of World Class research facilities for corrosion and failure analysis in refineries.
- Co-processing of non-edible oils with refinery streams.
- Gasification of pet coke/ coal/ residue/ biomass.
- New polymer grade development.
- Setting up demonstration units for catalysts production.
- Development of novel composites and engineering polymers.
- Fuel Cells testing and research.
- Solar Energy applications and product development.

4. Expenditure on R&D

(₹ in crore)

a) Capital	:	77.06
b) Revenue	:	131.54
c) Total	:	208.60
		=====

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION

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

A. Imported Technology

i. Hydrocracker Technology

A new Hydrocracking Unit with the technologies from M/s UOP, USA has been commissioned at Panipat under expansion of refinery from 6.0 to 12.0 MMTPA.

ii. Once through Hydrocracking Technology

Once Through Hydrocracking Units (OHCU) were commissioned at Panipat, Haldia and Mathura refineries with the technologies from M/s.UOP, USA, M/s.Axens, France and M/s.Chevron, USA respectively.

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 and 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 No. 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.

xi. Hydrogen Generation Technology

Hydrogen generation technology from M/s Linde, Germany was adopted in 1993 for Hydrogen production and supply to Hydrocracker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Also, 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 through BOO operator M/s Prax Air, USA 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, the Netherlands has been implemented at Bongaigaon Refinery under Diesel Quality improvement project.

xii. Sulphur Recovery Technologies for reduction of SO₂ emissions

Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s Stork Comprimo (now Jacob), the 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. The same has also been selected for 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, the Netherlands is under implementation in additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s Lurgi, Germany has been selected for 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 a part of the Panipat Refinery Expansion Project. Coker Technology from M/s Foster Wheeler, USA has also been implemented at Gujarat Refinery under Resid Upgradation Project and selected for at Paradip Refinery Project as well as at Haldia Refinery under distillate yield improvement project.

xv. VGO Hydrotreatment Technology

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

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 and 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 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 has 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 deployed 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 (PP) 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 (PP).

xxii. Alkylation Technology

For production of MS, Alkylation technology from 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 Consolv 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 Refinery. 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 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.

B. Indigenous Technology

i. INDMAX Technology

INDMAX technology developed in-house by IOC (R&D Centre) 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 IOC (R&D Centre) with indigenous catalyst has been successfully implemented at Gujarat Refinery.

iii. Diesel Hydrotreatment Technology

Diesel Hydrotreatment technology developed by IOC (R&D Centre) and licensed jointly with EIL is under implementation at Bongaigaon Refinery for meeting Diesel quality requirements.

iv. Isomerisation Technology

Isomerisation Technology developed by IOC (R&D Centre) and licensed jointly with EIL is under implementation at Bongaigaon Refinery for meeting MS quality requirements.

MODERNISATION OF INSTRUMENTATION & CONTROL

DISTRIBUTED DIGITAL CONTROL SYSTEM (DDCS)

DDCS has already been implemented and commissioned in all Process Units and Captive Power Plants of all Refineries. Also, all the new units already commissioned and planned in future have been / will be provided with DDCS.

ADVANCED PROCESS CONTROL (APC)

Model based Multi-variable Predictive Advanced Process Control Systems (APC) have been implemented in the various units of the Refineries.

A New Key Performance Index (KPI) based Methodology of APC Benefit assessment based on controller-wise, variable-wise on-stream factors and average values of controlled variables was devised and finalised in Apr' 10 jointly by IOCL and M/s HAIL. Accordingly, KPI based templates have been developed for all existing APC controllers across IOCL and are being used for monitoring realistic APC benefit on regular basis.

OFFSITE MODERNISATION

As a part of modernisation of Oil Movement & Storage (OM&S) facilities, the following have already been implemented:

- Automation of Tank Wagon loading at Barauni, Gujarat, Mathura and Haldia Refineries.
- Automation of Tank Truck Loading at Gujarat and Haldia Refineries.
- Blending Automation at Haldia, Mathura, Barauni and Panipat Refineries.
- Auto Tank gauging has been completed at all refineries.

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 2011 and number of appointments made during the preceding calendar year

Name of the Public Enterprise:

Indian Oil Corporation Ltd.

Groups	Representation of SCs/STs/OBCs (As on 01.01.2011)				Number of appointments made during the calendar year 2010									
					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
A	14644	2395	987	1408	518	73	28	135	304	52	27	0	0	0
B	6369	1054	549	137	No recruitment is made in this Group				549	134	38	0	0	0
C	13096	2687	1031	1542	405	66	19	118	42	10	2	8	0	0
D (Excluding Sweeper)	244	54	26	48	17	3	0	2	0	0	0	3	0	0
D (Sweeper)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34353	6190	2593	3135	940	142	47	255	895	196	67	11	0	0

SC/ST/OBC REPORT - II

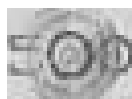
Annual Statement showing the representation of SCs, STs and OBCs in various group A services as on 1st January 2011 and number of appointments made in the service in various grades in the preceding calendar year

Name of the Public Enterprise:

Indian Oil Corporation Ltd.

Pay Scale (in ₹)	Representation of SCs/STs/OBCs (As on 1.1.2011)				Number of appointments made during the calendar year 2010									
					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
24,900-50,500	4314	650	293	722	518	73	28	135	286	51	24	0	0	0
27,600-50,500	2697	421	184	335	No recruitment is made in this Group.				682	116	55	0	0	0
32,900-58,000	2915	562	203	276	No recruitment is made in this Group.				637	115	58	2	0	0
36,600-62,000	1652	338	148	59	No recruitment is made in this Group.				370	86	45	0	0	0
43,200-66,000	1276	241	108	7	No recruitment is made in this Group.				256	54	14	0	0	0
51,300-73,000	1101	140	44	5	No recruitment is made in this Group.				219	38	14	0	0	0
51,300-73,000	478	34	7	3	No recruitment is made in this Group.				95	8	0	0	0	0
51,300-73,000	144	7	0	1	No recruitment is made in this Group.				40	1	0	0	0	0
62,000-80,000	67	2	0	0	No recruitment is made in this Group.				19	0	0	0	0	0
G. Total	14644	2395	987	1408	518	73	28	135	2604	469	210	2	0	0

Awards & Recognitions



2011 IOC Rank 98

- IndianOil broke into the Top 100 and was listed at the 98th position in the *Fortune* 'Global 500' listing of the world's largest corporations for 2011.

- IndianOil was ranked among the Top 50 companies to work for in India in a study conducted by the Economic Times and the Great Places to Work Institute in the annual survey - 'India's Best Companies to Work For'. The Corporation was also voted one of the best employers in the Indian workplace in the tenth annual edition of the 'Best Companies to Work For' survey conducted by the BusinessToday magazine.



- IndianOil was voted as one of the top five of 'India's Most Valuable Brands 2010' in a study conducted by Economic Times in association with Brand Finance.
- IndianOil made it to list of top Global 500 Brands compiled by Brand Finance for the year 2011. Listed at the 232nd position worldwide, the Corporation's brand value in the year 2011 was pegged at \$ 4.3 billion as compared to \$ 4.0 billion in the previous year.
- IndianOil figured in the top ten in global recognition rankings, compiled by Penn Schoen Berland (PSB) in its 'Most Recognised and Respected Indian Multinationals' survey. IndianOil was ranked at the eighth position.
- IndianOil showed exemplary performance in the annual corporate listings of leading business publications such as Businessworld (BW Real500), Business Today (BT500 PSU Ranking), Business India (Business India Super 100), Economic Times (ET500) and Business Standard (BS 1000).
- IndianOil got an overall rank of 78 in Platts Top 250 Global Energy Company rankings.
- IndianOil featured in the list of the Forbes 'Global 2000' at the 243rd position, for the year 2011.
- For the fifth consecutive year, IndianOil was conferred the coveted Reader's Digest 'Trusted Brand 2011' Gold Award under the Petrol Station category.
- IndianOil bagged awards in six categories instituted by the Petroleum Federation of India (Petrofed) for the year 2010.
- IndianOil won the prestigious SCOPE Meritorious Award 2009-10 for Best Practices in Human Resource Management.
- IndianOil was conferred the 'Outstanding Achievement in Research & Development' Award for INDMAX Technology by the CHEMTECH Foundation.
- IndianOil won the 'Customer & Brand Loyalty Award' in the oil & gas sector for the fourth year in a row at the Loyalty Summit instituted by Kamikaze B2B Media.
- IndianOil bagged the prestigious National Award for Innovative Training Practices 2009-10 instituted by Indian Society of Training and Development (ISTD).
- SERVO* – IndianOil's brand of world-class lubricants – was conferred the Master Brand award by CMO Asia.
- For the fourth time, IndianOil won the 'SAP ACE Award' for being India's Best Run Business in Public Sector on SAP Software.
- IndianOil's farmer-friendly Agrospray oil won the prestigious CSIR award for Science & Technology innovations for Rural Development (CAIRD).
- For the fourth consecutive year, IndianOil was honoured with the 'Retail Excellence' award for innovative and successful Kisan Seva Kendras under its rural retail initiative at the India Retail Forum.
- IndianOil was chosen as the Best Service Brand in the India Pride awards.
- IndianOil won the Oil & Gas manufacturing Supply Chain Excellence Award at the fourth Express, Logistics & Supply Chain Conclave.
- IndianOil was awarded the prestigious National Safety Award, under various categories, by the Ministry of Labour, Government of India, for several installations.
- IndianOil was conferred with the 'Asia's Best Employer Brand Award-2010' in recognition of its continuous endeavour to build a strong employer brand to attract and retain the best talent.



Diversifying into Polymers

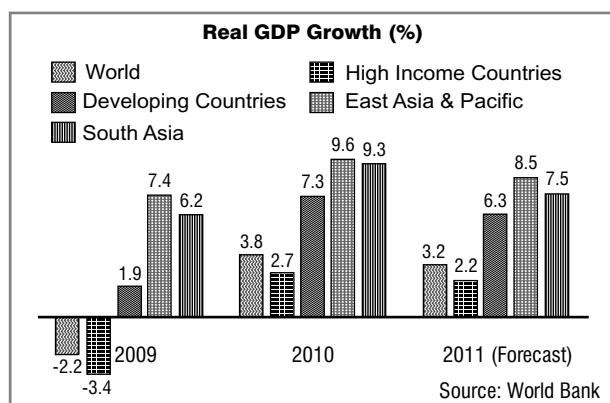
MANAGEMENT DISCUSSION & ANALYSIS

(Forming part of the Directors' Report for the year ended 31st March 2011)

ECONOMIC OVERVIEW & OUTLOOK

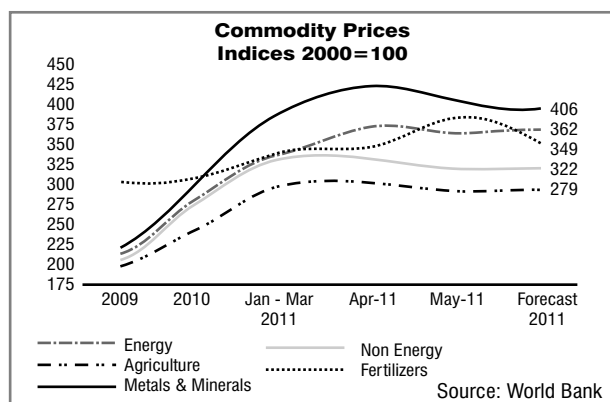
The return of Growth

The year was marked by a significant improvement in the overall global business environment, as growth returned to the advanced economies and accelerated in the emerging economies. India and other emerging economies registered high growth rates and have been the front runners in the recovery, particularly led by Asian emerging economies.



Key Downside Risks

The weak sovereign balance sheets in the Euro area and a fragile financial system in the advanced economies pose a risk to growth, with widespread repercussions across the world.



The rising crude oil prices and other commodity prices pose a major downside risk and rising inflation is one of the major threats, especially in India and other emerging economies. In fact, in the last few months, with a prominence of these risks, global economic activity has exhibited signs of a slowdown.

Growth Inflation Trade off

In India, the policy dilemmas increased as repeated attempts to rein in inflation failed. The successive rounds of monetary tightening will trade off growth for inflation control which assumed the priority of the monetary authorities. Interest rates continue to harden in the country as the monetary policy tightens. In the last quarter of 2010-11, GDP growth decelerated to 7.8% from 8.3% in the third quarter and from 9.4% in the corresponding quarter of 2009-10. While most agencies are in agreement that a slowdown is imminent, growth is still expected to be above 8% per annum in the next 2-3 years.

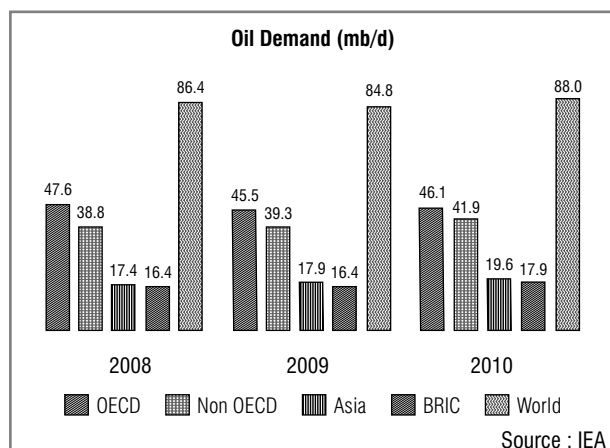
WPI inflation (2004-05 Base) % y-o-y growth	FY10	FY11
Overall	1.7	9.4
Primary	9.8	17.6
Food Articles	13.4	15.6
Non-Food Articles	2.1	21.8
Minerals	0.8	24.4
Fuel	-5.8	12.2
Petrol	-11.6	19.8
Diesel	-5.3	14.1
Manufactured Products	0.7	5.4

Source: Office of the Economic Advisor, Ministry of Finance

INDUSTRY STRUCTURE & DEVELOPMENTS

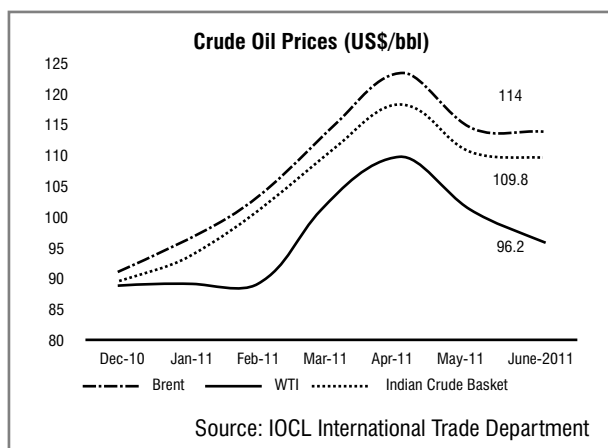
Rebound in Demand

Driven by economic recovery, global energy consumption recorded the strongest growth since 1973. In 2010, world oil consumption rebounded at around 88 million barrels per day exceeding its pre-crisis peak, growing by 3.3% on a year-on-year basis. While the growth was broad-based across OECD & Non-OECD country groups, it was the emerging economies, which led the demand. Oil consumption in the BRIC country group grew by 9.3% in 2010, with China leading the group at 12.5%. The supply side registered higher production, but the market remained tight as the rise in production did not fully match the rise in consumption, resulting in intermittent draw down of inventories and pressure on the prices. Towards the end of 2010-11, the upward movement of crude oil prices steepened as the political turmoil in Middle East & North Africa (MENA) region, accompanied by supply outages from Libya, hit the oil market.



Return of High crude oil prices

In less than two years, oil prices are back to the US\$100/bbl range and are again reshaping energy policy and business. With high oil prices, the focus is once again turning to Bio-fuels, Shale gas, Oil sands and other unconventional Oil sources and Renewables.



Buoyant Indian Transportation Fuel Market

Propelled by the continuing growth of the economy, petroleum products consumption grew by around 2.9 per cent during the year. It was the transportation fuels segment comprising MS, HSD & ATF that led the growth in consumption. The accelerated growth in demand for petrol, despite deregulation of prices during the year, highlights the capacity of the market to absorb higher prices. Industrial fuels witnessed a decline in demand mainly on account of substitution by natural gas. However, Naphtha recorded a robust growth due to naphtha feedstock based Petrochemicals units in the country. LPG recorded significant growth, helped by a policy thrust aimed at LPG penetration in rural areas through the Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGVY).

PRODUCTS FY11	Quantity (MMT)	Growth (%)
LPG	14.3	9.1
MS	14.2	10.8
Naphtha	10.7	5.3
ATF	5.1	9.7
SKO	8.9	-4.0
HSD	60.0	6.6
LDO	0.5	-1.0
Lubes	2.5	-1.2
FO/LSHS	10.9	-6.5
Bitumen	4.6	-7.7
Total	141.8	2.9

Source: PPAC

Domestic Pricing Policies: Gradual Change

Price control is still applicable on three major products viz. HSD, SKO (PDS) & LPG(Dom). In this context, with the return of high crude oil prices, under-recoveries for PSU Oil Marketing Companies (OMCs) have continued to soar. However, there is a gradual shift in the Government policy from the present system of indirect subsidies to direct subsidies. The Government is considering direct subsidization of LPG & SKO through cash transfers. Should the policy change materialise, it may bring relief to the PSU OMCs from the financial burden of under-recoveries in the near future.

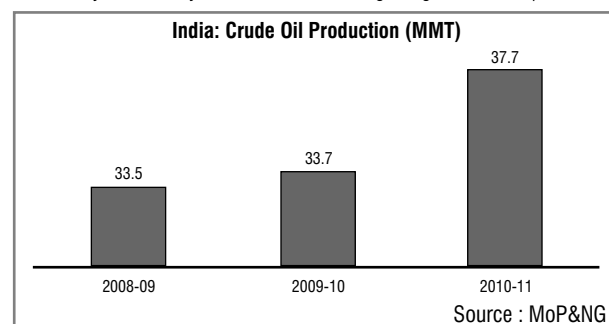
Strengthening of India as a Refined Products Exporter

With international oil demand rising during the year, the export market for Indian POL exports expanded further. POL exports from the country grew rapidly and have emerged as the highest foreign exchange earner for the country.

The Refining sector in the country has been growing at a fast pace and Indian refineries clocked a capacity utilization of over 100 per cent to meet the rising domestic and export demand. While, quite a few capacity expansions in the refinery sector came on stream during the year, other major expansions are underway. During the year, a landmark achievement was the successful countrywide launch of upgraded BS-IV (13 cities) and BS-III Petrol and Diesel (in rest of the country) in line with the Auto Fuel Policy road map.

Rising Domestic Oil Production

The country moved away from the scenario of stagnating domestic oil production.

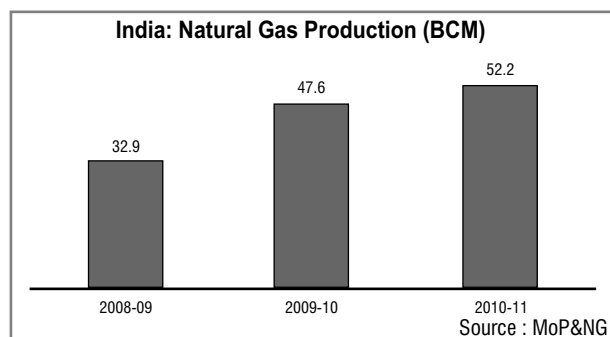
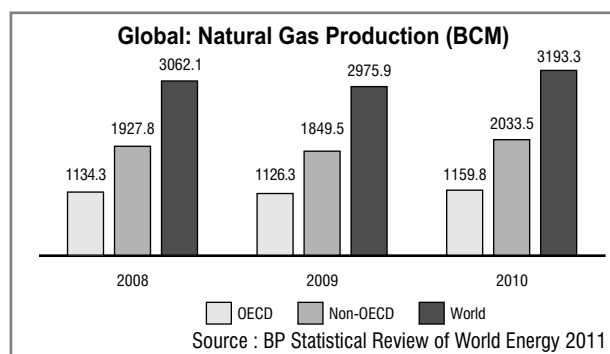


During the year, with new crude oil discoveries, production went up by 11.9 per cent to reach 37.7MMT during the year.

Growing Natural Gas Sector

Global natural gas consumption grew at a record 7.4% in 2010 and with shale gas coming on stream, the United States remained the largest producer of gas. This has considerably enhanced prospects for LNG imports for countries like India. Further, looking at the abundance of gas in the US, the conversion of LNG import facilities there into export points is also being seen as a possibility in the future, which would add to the buoyancy of the international gas market.

During the year, domestic production of Natural Gas in India rose by 10 % to 52.2 BCM. From the point of view of the long term supply scenario, two positive developments on the energy diplomacy front were India's signing of Inter-governmental Agreement and Gas Pipeline Framework Agreement for the Turkmenistan- Afghanistan-Pakistan-India (TAPI) pipeline and a MoU between US & India for technical co-operation in Shale gas.



OPPORTUNITIES AND CHALLENGES / STRENGTHS AND WEAKNESS

The Indian energy market is amongst the largest in the world. Further, the sector is expected to continue to grow at high rates, much above the developed world and global average in the long term. This growth will be largely propelled by the fast growth of the Indian economy, rapid rate of urbanization and the urgent need to supply energy to millions of Indians who are trapped in energy poverty. As a key

supplier in such a market, the Corporation foresees ample growth opportunities for itself, which are further enhanced by the increasing thrust of the policy initiatives for energy sector development. The Corporation's vision is to be the 'Energy of India'. Business strategies are focused on strengthening the core business, as petroleum products are and will constitute a major energy source. Along with this, the Corporation's focus area will be to expand its presence in other energy sectors to cater to the ever growing energy needs of the economy.

CORE BUSINESS

Growing Domestic Market

India's high economic growth has been driving up the demand for petroleum products. In times to come, competition levels are expected to rise in the domestic space and the Corporation would stand focused on strengthening its competitive edge by providing high quality services and products to its customers.

Rural Energy Deficit & Potential

Within the domestic market, the Corporation is also focusing on the rural market. The corporation's rural marketing model is based on low cost, no-frills retail outlets, named Kisan Seva Kendra (KSK) for providing fuel and non fuel rural-centric services. The renewed thrust of the Government towards providing basic energy needs to Below Poverty Line (BPL) families through schemes such as Rajiv Gandhi Gramin LPG Vitaran Yojana, in which the Corporation is partnering, gives further impetus to the efforts in reaching to the vast rural market.

International Downstream Marketing Opportunities

In the international petroleum product market, the Asia-Pacific Region has emerged as the leading growth centre for petroleum demand and is expected to turn into the largest importer of petroleum products in the near future. In addition, other emerging markets in the world are also experiencing rapid growth in petroleum product demand. The Corporation aims to explore opportunities presented by these fast growing demand centres through appropriate business models.

BUSINESS INTEGRATION

Downward Integration in Petrochemicals

The Corporation has made significant strides in the downward integration into petrochemicals business in the recent past. The strengthening of India's manufacturing base has resulted in a robust growth in petrochemicals demand. The Corporation, armed with its investments in petrochemicals, aims to garner the opportunities presented by the growing petrochemicals demand in the country besides the niche and high specialty chemical product markets. In addition to this, the Corporation also aims to enhance its petrochemicals exports.

Upward Integration into Exploration & Production

With the objective of enhancing the energy security of the country and the upward integration of its business, the Corporation has been in pursuit of tapping E&P opportunities through a consortium approach. Having built up a portfolio of blocks, both within and outside the country, the Corporation awaits a significant breakthrough.

BEYOND PETROLEUM

Growing Gas Supply Opportunities

The improved gas supply in the country and the limited gas infrastructure presents a considerable investment opportunity in gas transportation infrastructure. The construction of pipeline networks, both cross country and for city gas distribution, will provide an opportunity to the Corporation to serve value added propositions. The prospects of LNG imports to the country have turned positive in the last couple of years and the Corporation plans to expand its LNG business.

Alternative Energy Space

The Corporation's commitment to sustainable development has led to initiatives in renewable energy like Bio-fuels, Wind, Solar & Nuclear Power. Moreover, with high crude oil prices, the attractiveness of investment in these energy sources has increased considerably. A conducive policy environment under the Government's National Action on Climate Change, is seen as a major catalyst in making renewable energy investments attractive. In the domain of nuclear energy, the Japanese nuclear disaster came as a major setback. However, the nuclear renaissance in the country will continue albeit with an extraordinary thrust on safety and regulation and the Corporation is keen on garnering opportunities in this domain.

Research & Development

The Corporation has always valued the importance of research & development in the long term growth of its business and this is being widened to design strategies for development in newer areas. In the area of Product Development, the focus is on the development of environment friendly, emission compliant, energy efficient and long drain oils. During the year, the Corporation also created state-of-the-art R&D infrastructure for supporting petrochemical plant operations. In the alternative energy space, research work has been initiated in the area of second generation biofuels, co-processing of vegetable oils with refinery streams, algae oil and bio-hydrogen.

Sustainable Development

The Corporation appreciates the merits and the necessity of sustainable development and is committed to sustainable business practices. In the pursuit of 'Carbon Neutrality', six refineries of the Corporation have recently received the 'Greenhouse Gases Verification Statement'.

Further, in the context of Corporate Social Responsibility (CSR), which is an important dimension of sustainable development, the Corporation views it as an opportunity to create foundations for a sustainable business by integrating society & environment into our business practices. The Corporation intends to make its KSKs and its initiatives under RGGLVY as the nodal points of delivery for its CSR activities in rural areas in the area of healthcare for the really needy and poor sections of the society.

Widening Scope of MoU

Through its Memorandum of Understanding (MoU) with the Public Sector Undertakings, the Government of India has been bringing enhanced focus on issues critical for the long term well being of enterprises such as CSR activities, Research & Development, Sustainable Development, Human Resource Development and Corporate Governance. The corporation has already incorporated targets pertaining to these areas in its MoU with the Government. Thrust on these areas will go a long way in establishing a long term competitive edge to the Corporation.

Human Capital Challenge

Currently, to get quality HR Talent is a challenge. For the Corporation too nurturing and retaining the desired skilled workforce has been an area of focused attention. That 'an organization is as good as its people' is an old adage. It is a tribute to the spirit of IndianOil that it was adjudged as one of the 'Best Companies to Work for' in India by the Great Places to Work Institute.

Challenge of Policy Regime and High Prices

The deregulation of petrol prices in June 2010 came as a positive policy development. However, major products such as Diesel, LPG(Dom) & SKO(PDS) are still under price control. Although, there has been a shift from provision of oil bonds to cash compensation against under recoveries, the delay in compensation, coupled with rising international oil prices has led to very high levels of borrowings, causing stress and strain to the financial health of the Corporation. Albeit no one can predict oil prices and high crude oil prices are here to stay and this would be a continuing challenge for the Corporation. In the face of these external challenges, our constant endeavour is to further optimize our crude basket and turn higher value products besides improving productivity and reducing costs.

RISKS & CONCERNS

Supply Shocks

The geo-political risks have been inherent to the international oil market and this year saw this risk turn into a reality and is expected to remain high in the coming months.

Escalated Debt Levels

The Corporation's debt is at a significantly high level and with interest rates in the country hardening due to anti-inflationary policies, the debt servicing burden on the Corporation has been increasing and is an area of concern. As a risk mitigating strategy, the corporation has been increasing the share of foreign currency loans in its mix of borrowings.

High Domestic Inflation

In the context of high domestic inflation, the passing of high international crude prices to consumers in respect of sensitive products may become increasingly difficult for the Government. Should the inflation level in the economy remain high, it would act as a further deterrent in raising petroleum product prices. The Corporation would, however, continue to seek 100% reimbursement from the Government on account of under recoveries on sensitive products to insulate its position. The confluence of high domestic inflation and high international crude oil prices poses a considerable business challenge.

Forex Fluctuations

The Corporation engages in large scale foreign exchange transactions. In view of the instability of global capital flows, especially in the present economic environment, the Corporation has been using various cushioning strategies to limit the adversities of forex fluctuations resulting from volatile capital flows.

Safety & Security

For the corporation's refinery, marketing and pipeline infrastructure, safety and security is a priority concern at all times and at all locations.

The Corporation operates in a very dynamic and a very critical business sector, where both opportunities and risks abound. The Corporation reaffirms its commitment to make all endeavors for augmenting shareholder value, while exercising adequate caution to minimize risks.

FINANCIAL REVIEW

Turnover

The turnover of your Corporation (inclusive of excise duty) for the year 2010-11 was ₹ 3,28,744 crore as compared to ₹ 2,71,095 crore in the previous year, registering an increase of 21.3%. The total sales of products (including gas and petrochemicals) for 2010-11 was 72.92 MMT as against 69.92 MMT during 2009-10, registering an increase of 4.3%.

Profit Before Tax

The Corporation has earned a Profit Before Tax of ₹ 9,096 crore in 2010-11 as compared to ₹ 14,106 crore in 2009-10, registering a decrease of 35.5%.

Provision for Taxation

An amount of ₹ 1,651 crore has been provided towards income tax for 2010-11 considering the applicable income tax rates as against ₹ 3,885 crore provided during 2009-10.

Profit After Tax

The Corporation has earned a Profit After Tax of ₹ 7,445 crore during the current financial year as compared to ₹ 10,221 crore in 2009-10, registering a decrease of 27.2%.

Depreciation & Amortisation

Depreciation for the year 2010-11 was ₹ 4,567 crore as against ₹ 3,240 crore for the year 2009-10.

Interest (Net)

Net Interest Expenditure of the Corporation for the current year was ₹ 1,121 crore as against net interest income of ₹ 446 crore during 2009-10.

Borrowings

The borrowings of your Corporation were ₹ 52,734 crore as on March 31st, 2011 as compared to ₹ 44,566 crore as on March 31st, 2010. The Total Debt to Equity ratio as on 31st March, 2011 works out to 0.95:1 as against 0.88:1 as on 31st March, 2010 and the Long Term Debt to Equity ratio stands at 0.34:1 as on 31st March, 2011 as against 0.36:1 as on 31st March, 2010.

Capital Assets

Gross Fixed Assets (including Capital Works in Progress) increased from ₹ 93,358 crore as on 31.03.2010 to ₹ 1,05,785 crore as on 31.03.2011.

Investments

Investments as on 31st March, 2011 were ₹ 19,545 crore as compared to ₹ 22,370 crore as on 31st March, 2010. The decrease in investments during the year is mainly due to sale of Government of India Special Oil Bonds. The aggregate market value of quoted investments as on 31st March, 2011, 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 ₹ 25,141 crore (as against the acquisition price of ₹ 3,828 crore).

Net Current Assets

Net Current Assets stood at ₹ 24,008 crore as on March 31st, 2011 as against ₹ 14,637 crore as on March 31st, 2010.

Earnings Per Share

Earnings Per Share works out to ₹ 30.67 for the current year as compared to ₹ 42.10 in the previous year.

Earnings in Foreign Currency

During the year, the Corporation earned ₹ 16,968 crore in foreign currency as against ₹ 13,743 crore in 2009-10, which is mainly on account of export of petroleum products.

SEGMENTWISE PERFORMANCE					(₹ in crore)
	Sale of Petroleum Products	Sale of Petrochemicals	Other Businesses	Eliminations	Total
External Revenue	295,198	5,680	27,975	-	328,853
Inter Segment Revenue	4,632	67	1,186	(5,885)	-
Total Revenue	299,830	5,747	29,161	(5,885)	328,853
Operating Profit	11,325	1,706	(385)	-	9,234
Interest Expenditure					
Other Un-allocable Expenditure	-	-	-	-	2,670
(Net of Un-allocable Income)	-	-	-	-	(2,532)
Profit Before Tax	-	-	-	-	9,096

Notes:

- Segment Revenue comprises Turnover (Net of Excise Duties), Subsidy & Grants received from Government of India and Other Operating Income.
- Other Business segment of the Corporation comprises; Sale of Imported Crude Oil, Sale of Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill Power Generation.

INTERNAL CONTROL SYSTEMS

The Corporation has adequate internal control systems commensurate with the size and nature of its business. In addition, there are detailed manuals on various aspects of the business activities, accounting policies and guidelines. The Board of Directors regularly monitors the performance of your Corporation. Further, the Corporation has a full-fledged independent Internal Audit Department headed by an Executive Director (below Board level), who reports to the Chairman. The Internal Audit carries out extensive audits, round the year, covering each and every aspect of business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures. An Audit Committee comprising of independent Directors and constituted by the Board of Directors reviews the recommendations and observations of the Internal Audit Department regularly.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

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. Employees' participation Schemes like shop floor councils and

plant level councils are functioning in the Units. IndianOil continues to align its HR strategies with organisational strategies. The pay revision for workmen effective 01.01.2007 has been implemented during the year. The employee strength of IndianOil as on 31st March, 2011 was 34,105 including 14,497 officers.

Information regarding Corporate Social Responsibility, Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, and Foreign Exchange Conservation has been included in the Directors' 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.



Horizontal Directional Drilling - Concern for the Environment

REPORT ON CORPORATE GOVERNANCE

The objective of Corporate Governance is to enhance and maximize shareholder's value and protect the interest of other stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents, which may have competing as well as conflicting interest.

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. The Company endeavours 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 the 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

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

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

The strength of the Board of IndianOil was 16 Directors as on 31.03.11 comprising of 8 Executive (Whole-time Functional) Directors (including Chairman) and 8 Part-time Non-Executive Directors, out of which 6 are Independent Directors and 2 are Government Nominee Directors. The Company has not been able to comply with the requirement of 50% Independent Directors on its Board, as 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 has been pursuing with the Government of India to induct requisite number of Independent Directors as required under clause 49 of the Listing Agreement.

The composition of the Board of Directors as on 31.03.11 is given below:-

Sl. No.	Name	Category
1.	Shri R. S. Butola	Chairman w.e.f. 28.02.2011
2.	Shri S. V. Narasimhan	Director (Finance)
3.	Shri G. C. Daga	Director (Marketing)
4.	Shri B. N. Bankapur	Director (Refineries)
5.	Shri K. K. Jha	Director (Pipelines)
6.	Dr. R. K. Malhotra	Director (Research & Development) w.e.f 05.08.2010
7.	Shri Sudhir Bhalla	Director (Human Resources) w.e.f. 27.10.2010
8.	Shri A. M. K. Sinha	Director (Planning & Business Development) w.e.f 16.03.2011
9.	Shri P. K. Sinha	Government Nominee Director
10.	Shri Sudhir Bhargava	Government Nominee Director
11.	Prof. (Dr.) Indira J. Parikh	Independent Director
12.	Shri Anees Noorani	Independent Director
13.	Dr. (Smt.) Indu R. Shahani	Independent Director
14.	Prof. Gautam Barua	Independent Director
15.	Shri Michael Bastian	Independent Director
16.	Shri Nirmal Kumar Poddar	Independent Director

(b) Board Meetings

The Board of Directors is the apex body which oversees the overall functioning of the Company. The Board of IndianOil 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 the decision making process.

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 meetings of the Board of Directors are generally held once in a month. During the financial year 2010-11, eleven such Board Meetings were held. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain exigent matters 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
- Proposals for amalgamation, mergers and acquisitions
- 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 Audit / reports
 - Compliance of laws
 - Disciplinary cases
 - Action Taken Report (ATR) on decisions of the Board
 - Foreign tour report of Whole-time Functional Directors / officials

The Board Minutes are prepared within a day of the Board Meeting and endeavour is made to obtain the clearance of the Whole-time Functional Directors and approval of the Chairman at the earliest. Thereafter, the minutes are circulated to the concerned department / group for implementation. ATR is obtained and put up to the Board periodically. Details of the Board Meetings held during the year 2010-11 are as under:-

Sl. No.	Date	Board Strength	No. of Directors Present
1.	27-04-2010	15	10
2.	28-05-2010	15	14
3.	25-06-2010	15	14
4.	24-07-2010	14	13
5.	30-08-2010	14	14
6.	20-09-2010	14	12
7.	13-11-2010	15	13
8.	22-12-2010	15	12
9.	25-01-2011	15	14
10.	10-02-2011	14	13
11.	29-03-2011	16	14

(c) Attendance of each Director at Board Meetings held during 2010-11, 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 11 meetings held	Attendance at the AGM on 21.09.2010 (Yes / No)	No. of Directorship in other companies as on 31.03.11	Membership of committees in other companies as on 31.03.11	Chairmanship of committees in other Companies as on 31.03.11
Whole-time Functional Directors					
Shri R. S. Butola, Chairman ¹	1	NA	2	-	-
Shri B. M. Bansal, Chairman & Director (P&BD) ²	9	Yes	3	-	-
Shri S. V. Narasimhan, Director (Finance)	11	Yes	2	2	-
Shri G. C. Daga, Director (Marketing)	11	Yes	4	-	-
Shri B. N. Bankapur, Director (Refineries)	10	Yes	3	2	-
Shri K. K. Jha, Director (Pipelines)	11	Yes	1	-	-
Dr. R. K. Malhotra, Director (Research & Development) ³	7	Yes	2	-	-
Shri Sudhir Bhalla, Director (Human Resources) ⁴	5	NA	-	-	-
Shri A. M. K. Sinha, Director (Planning & Business Development) ⁵	1	NA	-	-	-
Shri Anand Kumar, Director (Research & Development) ⁶	3	Yes	2	-	-
Shri V. C. Agrawal, Director (Human Resources) ⁷	4	Yes	1	-	-
Part-time Non-Executive Directors (Govt. nominees)					
Shri P. K. Sinha	9	Yes	2	-	-
Shri Sudhir Bhargava	8	Yes	2	-	-
Part-time Non-Executive Independent Directors					
Prof. (Dr.) Indira J. Parikh	8	Yes	4	-	-
Shri Anees Noorani	10	Yes	2	1	-
Dr. (Smt.) Indu R. Shahani	5	No	2	1	-
Prof. Gautam Barua	10	Yes	1	-	-
Shri Michael Bastian	9	Yes	4	2	3
Shri N. K. Poddar	11	Yes	-	-	-

* The details of Directorship on Board of other companies and committee position is as on the date of cessation from the Board of IndianOil.

Remarks:-

1. Shri R. S Butola was inducted on the Board as Chairman w.e.f. 28.02.2011
2. Shri B. M. Bansal ceased to be Chairman on 31.01.2011
3. Dr. R. K. Malhotra was inducted on the Board w.e.f. 05.08.2010
4. Shri Sudhir Bhalla was inducted on the Board w.e.f. 27.10.2010
5. Shri A. M. K. Sinha was inducted on the Board w.e.f. 16.03.2011
6. Shri Anand Kumar ceased to be Director on 30.06.2010.
7. Shri V. C. Agrawal ceased to be Director on 31.07.2010.

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 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 31.03.11.

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 Section 292A of the Companies Act, 1956. The members of the Audit Committee have requisite financial and management expertise. The Audit Committee was reconstituted on 28.05.2010 to include Prof. Gautam Barua, Independent Director, as a member of the Committee. The Audit Committee comprises of following four Part-time Non-Executive Independent Directors as members.

(1) Shri Michael Bastian	-	Chairman
(2) Shri N.K. Poddar	-	Member
(3) Dr. (Smt.) Indu R. Shahani	-	Member
(4) Prof Gautam Barua	-	Member

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

The attendance at the eight meetings of the Audit Committee held during the year 2010-11 is given below:-

Dates of the Meetings	Shri Michael Bastian (Chairman)	Shri N. K. Poddar (Member)	Dr. (Smt.) Indu R. Shahani (Member)	Prof. Gautam Barua (Member)
27-05-2010	Yes	Yes	No	NA
10-07-2010	Yes	Yes	Yes	No
24-07-2010	Yes	Yes	Yes	Yes
30-08-2010	Yes	Yes	Yes	Yes
13-11-2010	Yes	Yes	No	Yes
07-12-2010	Yes	Yes	No	Yes
09-02-2011	Yes	Yes	Yes	Yes
23-03-2011	Yes	Yes	Yes	Yes

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

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 Part-time Non-Executive Independent Directors are not paid any remuneration except sitting fees of ₹ 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. Moreover, the company is required to have a Remuneration Committee as per the latest DPE Guidelines of Government of India. The Committee comprises the following Directors.

1. Prof (Dr) Indira J. Parikh	-	Independent Director (Chairperson)
2. Shri Anees Noorani	-	Independent Director
3. Shri Michael Bastian	-	Independent Director
4. Shri P.K.Sinha	-	Government Nominee Director
5. Shri S.V.Narasimhan	-	Whole-time Functional Director
6. Shri Sudhir Bhalla	-	Whole-time Functional Director

The attendance at three meetings of the Remuneration Committee held during 2010-11 is given below:

Name of Director	Designation	04-05-2010	Attendance at meeting held on 24-07-2010	24-01-2011
Prof. (Dr.) Indira J. Parikh	Chairperson	No	Yes	Yes
Shri Anees Noorani	Member	Yes	Yes	Yes
Shri Michael Bastian	Member	Yes	Yes	Yes
Shri P. K. Sinha	Member	Yes	Yes	Yes
Shri S. V. Narasimhan	Member	Yes	Yes	Yes
Shri Sudhir Bhalla ¹	Member	NA	NA	Yes
Shri V.C. Agrawal ²	Member	Yes	Yes	NA

Remarks

1. Shri Sudhir Bhalla was inducted on the Board w.e.f. 27.10.2010
2. Shri V. C. Agrawal ceased to be Director on 31.07.2010.

Remuneration paid to whole-time Functional Directors during the financial year 2010-11 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 w.e.f. 28.02.2011	0.02	-	-	0.02
Shri S. V. Narasimhan	Director (Finance)	0.34	0.02	0.09	0.45
Shri G. C. Daga	Director (Marketing)	0.34	0.02	0.06	0.42
Shri B. N. Bankapur	Director (Refineries)	0.34	0.02	0.09	0.45
Shri K. K. Jha	Director (Pipelines)	0.33	0.02	0.08	0.43
Dr. R. K. Malhotra	Director (R&D) w.e.f 05.08.2010	0.22	0.01	0.02	0.25
Shri Sudhir Bhalla	Director (HR) w.e.f. 27.10.2010	0.10	0.01	0.03	0.14
Shri A. M. K. Sinha	Director (P&BD) w.e.f 16.03.2011	0.01	-	-	0.01
Shri Anand Kumar	Director (R&D) upto 30.06.2010	0.36	-	0.19	0.55
Shri V. C. Agrawal	Director (HR) upto 31.07.2010	0.32	0.01	0.17	0.50
Shri B. M. Bansal	Chairman & Director (P&BD) upto 31.01.2011	0.40	0.01	0.21	0.62
TOTAL		2.78	0.12	0.94	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 Part-time Non-Executive Independent Directors during the financial year 2010-11 is as under:-

Name of the Director	Sitting Fees (₹ in crore)
Prof. (Dr.) Indira Parikh	0.02
Shri Anees Noorani	0.04
Dr. (Smt.) Indu R. Shahani	0.03
Prof. Gautam Barua	0.05
Shri Michael Bastian	0.05
Shri N. K. Poddar	0.05
TOTAL	0.24

Notes :-

1. None of the Part-time Non-Executive Independent Directors was holding any shares of Company as on 31st March 2011. However, a Family Trust of Shri Anees Noorani was holding 4862 shares of IndianOil.
2. There were no other materially significant pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company.

Shareholding of Whole Time Directors (as on 31.03.2011)

The following Directors are holding shares of IndianOil as on 31.03.2011 as per disclosure made by them:

Name	Designation	No. of shares
Shri R. S. Butola	Chairman	NIL
Shri S. V. Narasimhan	Director (Finance)	3642
Shri G. C. Daga	Director (Marketing)	3200
Shri B. N. Bankapur	Director (Refineries)	1800
Shri K. K. Jha	Director (Pipelines)	1000
Dr. R. K. Malhotra	Director (R&D)	3600
Shri Sudhir Bhalla	Director (Human Resources)	3620
Shri A. M. K. Sinha	Director (P&BD)	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 and also to approve 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 24.07.2010 with the induction of Dr. (Smt.) Indu Shahani. The Committee comprises of four members with two Part-time Non-Executive Independent Directors and Director (Finance) and Director (Human Resources) as shown below:-

- | | | |
|-------------------------------|---|---------------------------------|
| 1. Shri Anees Noorani | - | Independent Director (Chairman) |
| 2. Dr. (Smt.) Indu R. Shahani | - | Independent Director |
| 3. Shri S. V. Narasimhan | - | Director (Finance) |
| 4. Shri Sudhir Bhalla | - | Director (Human Resources) |

The attendance at the meeting of SIGC held during the year 2010-11 is given below:-

Sl.No.	Name of the Director	Attendance at Meeting held on	
		25-06-2010	25-01-2011
1.	Shri Anees Noorani	Yes	Yes
2.	Dr. (Smt.) Indu R. Shahani	NA	Yes
3.	Shri. S. V. Narasimhan	Yes	Yes
4.	Shri Sudhir Bhalla ¹	NA	Yes
5.	Shri V. C. Agrawal ²	Yes	NA

Remarks

- Shri Sudhir Bhalla was inducted on the Board w.e.f. 27.10.2010
- Shri V. C. Agrawal ceased to be Director on 31.07.2010.

The Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the year ended 31st March, 2011:-

During the year, 1732 complaints were received and all have been settled. As on 31st March 2011, no complaints were pending. Further, during the year, 1181 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 44 requests were pending as on 31.03.2011, which were subsequently dealt with.

6. OTHER COMMITTEES OF THE BOARD

In addition to the above Committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities, the details of which are as under:-

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	Planning & Projects Committee	For approval of capital investments upto ₹ 100 crore.	Chairman and all Whole-time Functional Directors.
2.	Contracts Committee	For award of contracts.	Chairman and all Whole-time Functional Directors.
3.	Projects Evaluation Committee	For evaluating and recommending for Board approval, projects costing over ₹ 250 Crore and above.	Three Part-time Non-Executive Independent Directors, one Part-time Non-Executive Government Director, and Director (Finance).
4.	Establishment Committee	To take decisions in respect of creation, selection, appointment and promotion to the posts of General Managers and above and Conduct, Discipline and Appeal Rules.	Chairman and all Whole-time Functional Directors, one Part time Non-Executive Government Director and one Part-time Non-Executive Independent Director.
5.	Committee for Deleasing of Immoveable Properties	For Deleasing of Company leased immoveable properties.	Chairman, Director (Human Resources), Director (Finance) and one Part-time Non-Executive Government Director.
6.	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.	Three Part-time Non-Executive Independent Directors, Director (Marketing), Director (Refineries), Director in-Charge of Safety, Health & Environment.
7.	CSR Committee	To monitor and administer CSR activities.	One part time non-executive Government Director & Two Part-time Non-Executive Independent Directors, Director (Marketing) & Director (Human Resources).
8.	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 Retail Outlet dealerships.	Two Part-time Non-Executive Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development)
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)

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:-

	2007-08	2008-09	2009-10
Date & Time	19.09.2008, 10:30 A.M.	14.09.2009, 10:30 A.M.	21.09.2010, 10:30 A.M.
Venue	Ravindra Natya Mandir, Prabhadevi, Mumbai - 400 025	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.

8. POSTAL BALLOT

Approval of the shareholders on the following items was sought through Postal Ballot:

- For increase in the Authorised Capital of the company from ₹ 2,500 Crore to ₹ 6,000 Crore (Ordinary Resolution).
- Consequent amendment to the Memorandum and Articles of Association of the Company (Special resolution).
- Issue of equity shares through further public offer under section 81 (1A) of the Companies Act 1956 (Special Resolution).

The Postal Ballot was circulated to all the members on 27th September and 28th September 2010 and the last date of receipt of the duly Postal Ballot Form was 28th October 2010. The resolutions were approved by the shareholders with requisite majority and result was announced on 01.11.2010. The Postal Ballot exercise was conducted by Shri B. V. Dholakia, Practicing Company Secretary of M/s. Shah Dholakia & Associates, Mumbai.

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 '11.

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 as well as DPE guidelines as applicable except with regard to composition of the Board of Directors for which the Company, 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:-

- Remuneration Committee
- Unqualified financial statements
- 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, 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 a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact Programme focused on enhancing transparency in its business transactions, contracts and procurement processes.

Under the MoU, IndianOil is committed to implementing the Integrity Pact in all its major procurement and work contract activities. Four Independent External Monitors being persons of eminence nominated by TII in consultation with the Central Vigilance Commission (CVC) monitor the activities. The Integrity Pact has strengthened the established systems and procedures by creating trust and has the full support of the Central Vigilance Commission.

h. Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

i. Presidential Directives

The details of the Presidential Directives received by the Company and compliance thereof have been provided in the Directors' Report.

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, Maharashtra Times (Marathi Newspaper), etc. and are also hosted on company's website **www.iocl.com**. The Company also 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 separate 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 for information of the shareholders residing in various parts of the country.

f. Investor Service Cell

Investor Service Cell exists at the registered office in Mumbai and the Corporate Office, New Delhi to address the grievances / queries of shareholders. In order to enable Investors to raise queries and grievances, the Company has created a separate email ID **investors@indianoil.co.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 2010-11 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 opted not to receive the Annual report in physical form.

11. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time & Venue of the Annual General Meeting	27 th September 2011 at 1030 hrs at Nehru Centre Auditorium Discovery of India Building, Worli, Mumbai - 400 018.
--	---

(b) Financial Calendar for 2011-12 to approve quarterly / annual financial results:

Quarter ending 30 th Jun '11	On or before 14.08.2011
Quarter ending 30 th Sep '11	On or before 14.11.2011
Quarter ending 31 st Dec '11	On or before 14.02.2012
Quarter and Audited Annual Financial Results ending 31 st March '12	On or before 30.05.2012

(c) Book Closure Dates for Dividend:

Book Closure for Dividend	19.09.2011 to 27.09.2011, inclusive of both days.
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(d) Dividend Payment Date:

A dividend of ₹ 9.50 per share (95%), 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 Bombay Stock Exchange Ltd. 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 Company has paid Listing fees to both the stock exchanges.

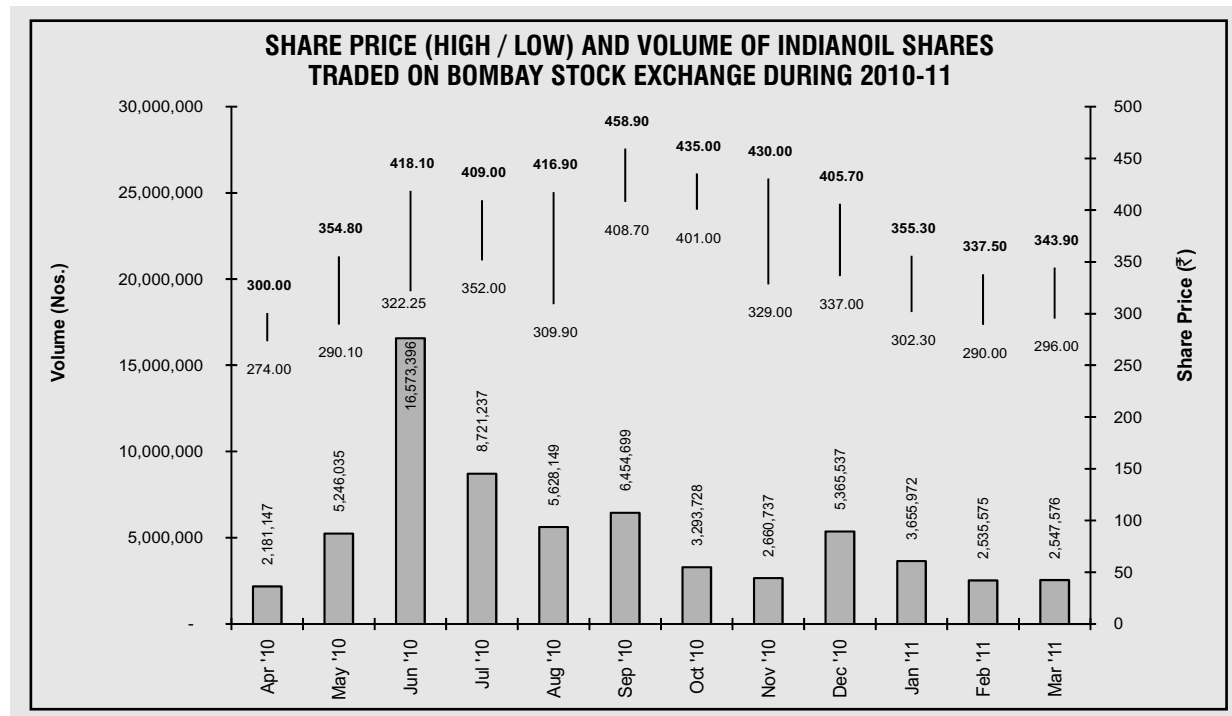
(f) Corporate Identity Number (CIN):

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 **L23201MH1959G01011388**.

- (g) **Stock Code at Bombay Stock Exchange Ltd.** : **530965**
(h) **Stock Code at National Stock Exchange** : **IOC**
(i) **Demat ISIN Number at NSDL / CDSL** : **INE 242A01010**
(j) **Stock Market Data:**

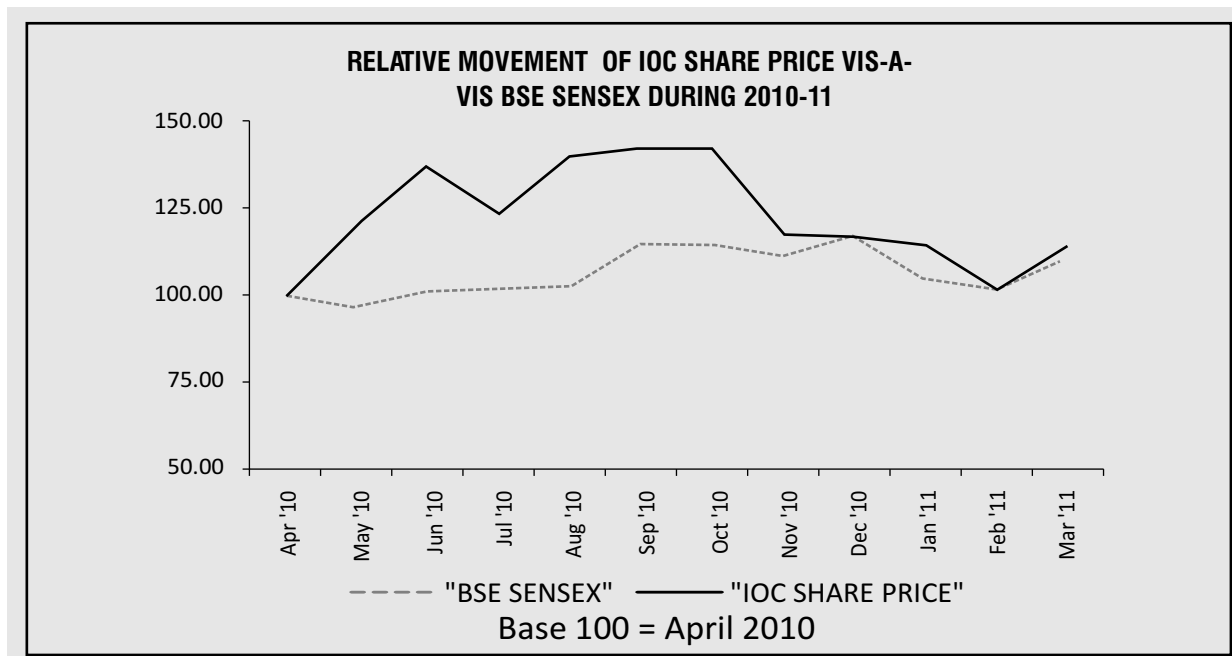
Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2010	300.00	274.00	21,81,147	309.95	273.05	1,09,85,824
May 2010	354.80	290.10	52,46,035	354.90	289.80	2,14,21,110
June 2010	418.10	322.25	1,65,73,396	417.50	317.70	5,84,21,126
July 2010	409.00	352.00	87,21,237	409.00	352.30	3,57,45,086
August 2010	416.90	309.90	56,28,149	416.70	356.05	2,72,14,366
September 2010	458.90	408.70	64,54,699	456.90	409.05	3,19,12,880
October 2010	435.00	401.00	32,93,728	435.00	399.15	2,00,35,291
November 2010	430.00	329.00	26,60,737	427.90	326.50	1,65,63,083
December 2010	405.70	337.00	53,65,537	407.20	335.15	2,48,49,257
January 2011	355.30	302.30	36,55,972	355.45	301.25	2,02,06,980
February 2011	337.50	290.00	25,35,575	337.50	290.10	1,29,35,271
March 2011	343.90	296.00	25,47,576	342.00	295.00	1,42,79,618
	458.90	274.00		456.90	273.05	

The share price movement (high and low) of IndianOil shares and the volume of shares traded on BSE during 2010-11 is shown in the following chart:-



(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 the period April '10 - March '11 is given below:



(l) 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
email Address : einward.ris@karvy.com
Website : www.karvycomputershare.com

(m) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of 30 days from the date of lodgement subject to documents being valid and complete in all respects. 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." There are no overdue share transfers pending as on date.

(n) Distribution of shareholding as on 31st March 2011:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	191657	87.05	150299260	0.62
2.	5001 - 10000	8521	3.87	63541480	0.26
3.	10001 - 20000	7338	3.33	111189080	0.46
4.	20001 - 30000	4086	1.86	104090890	0.43
5.	30001 - 40000	7385	3.35	263743180	1.09
6.	40001 - 50000	360	0.16	16238520	0.07
7.	50001 - 100000	406	0.18	28056930	0.12
8.	100001 & Above	428	0.19	23542365480	96.96
Total		220181	100.00	24279524820	100.00

(o) Categories of Shareowners as on 31st March 2011:

Sl. No.	Category	Shareholders		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	1916155710	78.92
2.	Governor of Gujarat	1	0.00	2700000	0.11
3.	Government Company (ONGC Ltd.)	1	0.00	212906190	8.77
4.	Corporate Bodies	2253	1.02	18997881	0.78
5.	FII's/NRI	2713	1.23	22138328	0.91
6.	Banks	43	0.02	2823628	0.12
7.	Mutual Funds	122	0.06	45257093	1.86
8.	Insurance Companies	9	0.00	74764705	3.08
9.	Public	214578	97.46	73150453	3.01
10.	Trusts	44	0.02	58491534	2.41
11.	Others	416	0.19	566960	0.03
Total		220181	100.00	2427952482	100.00

(p) Top 10 shareholders as on 31st March 2011:

Sl. No.	Name	No. of Shares	% to Equity
1.	President of India	1916155710	78.92%
2.	Oil and Natural Gas Corporation Ltd.	212906190	8.77%
3.	Life Insurance Corporation of India	60718787	2.50%
4.	IOC-BRPL Merger Scheme Trust	32171638	1.33%
5.	IOC-IBP Merger Scheme Trust	26107976	1.08%
6.	General Insurance Corporation of India	7129495	0.29%
7.	Bajaj Allianz Life Insurance Company Limited	6697584	0.28%
8.	Life Insurance Corporation of India - Profit Plus	3508008	0.14%
9.	LIC of India Money Plus	3390585	0.14%
10.	Wisdomtree India Investment Portfolio Inc	3179961	0.13%

(q) 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 31.03.11 is as under:-

Type of Shareholding	Shareholders		Shareholding	
	No.	%	No.	%
Physical	9611	4.37	15169302	0.62
Demat	210570	95.63	2412783180	99.38
TOTAL	220181	100.00	2427952482	100.00

(r) 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%	-

ii) Bonus issue since listing of the shares:

Financial Year	Ratio
1999-00	1:1
2003-04	1:2
2009-10	1:1

(s) 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) setup 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 advised 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 subsidiaries i.e. IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd. (both subsidiaries since merged with IndianOil) which remains unpaid are given below:-

	Year	Unpaid Dividend Amount (₹)
Indian Oil Corporation Ltd.	2003-04 to 2009-10	6,42,63,309
IBP Co. Ltd. (merged w.e.f. 02.05.07)	2003-04 to 2005-06	73,35,092
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2003-04 to 2007-08	98,05,564

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.

(t) Plant locations

The addresses of the plant locations are given in the Annual Report.

(u) Address for Correspondence

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan, G-9, Ali Yavar Jung Marg
Bandra (East), Mumbai - 400 051
Tel. No. : (022) 26447616 / 26447528
Fax : (022) 26447961
email ID : investors@indianoil.co.in

COMPLIANCE CERTIFICATE

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Ltd. for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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 *except for the number of Independent Directors on the Board which was less than half of the total strength of Board as required under Clause 49 of the Listing Agreement.* The Company has informed that the matter of increase in the number of Independent Directors on the Board has been taken up with the Government of India, as it is a Government Company.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the Certificate of the Registrar and Transfer Agents of the Company.

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 **V. K. Dhingra & Co.**
Chartered Accountants
(Firm Regn. No. 000250N)

Sd/-
(CA. Vipul Girotra)
Partner
M. No. 084312

for **P K F Sridhar & Santhanam**
Chartered Accountants
(Firm Regn. No. 003990S)

Sd/-
(CA. J. Ramanarayanan)
Partner
M. No. 220369

for **B M Chatrath & Co.**
Chartered Accountants
(Firm Regn. No. 301011E)

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

Date: 29th June, 2011

Place: Mumbai

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Ltd. for the year ended 31st March, 2011, as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 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 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 the DPE guidelines *except for the number of Independent Directors on the Board which was less than half of the total strength of Board as required under the said guidelines.* The Company has informed that the matter of increase in the number of Independent Directors on the Board has been taken up with the Government of India, as it is a Government Company.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the Certificate of the Registrar and Transfer Agents of the Company.

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 **V. K. Dhingra & Co.**
Chartered Accountants
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Sd/-
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for **B M Chatrath & Co.**
Chartered Accountants
(Firm Regn. No. 301011E)

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

Date: 29th June, 2011

Place: Mumbai

SECRETARIAL AUDIT REPORT

To,
Indian Oil Corporation Limited
Indian Oil Bhavan,
G- 9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai – 400 051
Maharashtra

We have examined the registers, records and documents of M/s. Indian Oil Corporation Limited (IOCL) ("The Company") for the financial year ended on 31st March, 2011 according to the provisions of: -

- A. The Companies Act, 1956 and the rules made under that Act;
 - B. The Depositories Act, 1996 and the Regulations and Bye-laws framed under the Act;
 - C. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take Over) Regulations, 1997;
 - D. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - E. The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- (I) In our opinion, based on test check carried out by us, verification of records produced to us and according to the information furnished to us by the Company, its Company Secretary and Officers, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act 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 and returns with the Registrar of Companies, Maharashtra, Mumbai and Central Government within the time prescribed under the Act and rules made there under;
 - 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 13th September, 2010 to 21st September, 2010 (both days inclusive);
 - 5) convening and holding of the meetings of Directors and Committees of the Directors including passing of the resolutions by Circulation;
 - 6) convening and holding of 51st Annual General Meeting on 21st September, 2010;
 - 7) approval of shareholders obtained through Postal Ballot Process;

- 8) minutes of the proceedings of General Meeting and meetings of the Board and its committees were properly recorded in loose leaf form, which are being bound in book form at regular intervals;
- 9) appointment and remuneration of Auditors and Cost Auditors;
- 10) transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares: dematerialization / re-materialization of shares;
- 11) composition and terms of reference of Audit Committee;
- 12) declaration and payment of dividend;
- 13) transfer of amounts due under the Act to the Investor Education and Protection Fund;
- 14) payment of interest on debentures and redemption of debentures;
- 15) investment of Company's funds including inter corporate loans and investments and investment and loans to others;
- 16) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- 17) borrowings and registration, modification and satisfaction of charges;
- 18) deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
- 19) form of balance sheet as prescribed under part I of schedule VI to the act and requirements as to the profit and loss account as per part II of the said Schedule;
- 20) contracts, Common Seal, Registered Office, and publication of name of the company; and
- 21) generally, all other applicable provisions of the Act and the Rules made there under that Act.

(II) 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;
- (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;
- (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.

(III) We further report that 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.

(IV) We further report that:

(1) The Company has complied with all the requirements under the Listing Agreement executed with the Bombay Stock Exchange Limited and

National Stock Exchange Limited except that of Clause 49(1)(A) pertaining to the Composition of Board of Directors regarding 50% Independent Directors on the Board of the Company;

(2) The Company has complied with the provisions of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 including the provisions with regard to disclosures and maintenance of records required under the regulation;

(3) The Company has complied with the provisions of the Securities And Exchange Board Of India (Prohibition of Insider Trading) Regulation ,1992 including provisions with regards to disclosures and maintenance of records required under the regulation.

For **SHAH DHOLAKIA & ASSOCIATES**
(Company Secretaries)

Place : Mumbai
Date : 20th June, 2011.

Sd/-
(CS B. V. Dholakia)
Partner
C.P.No. 507



Annual Accounts

AUDITORS' REPORT

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 2011 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated accounts of the branches audited by the Branch Auditors whose reports have been considered in preparing this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' 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. Further to our comments in the Annexure referred to above, we report that:
 - a) 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;
 - b) 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The Branch Auditors' Reports have been forwarded to us and have been appropriately dealt with while preparing our report;

- d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
- e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- f) 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;
- g) We invite attention, without qualifying our report, to Note No. 21 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the company in arriving at recoverable value of assets.
- h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read in conjunction with the Significant Accounting Policies (Schedule 'Q'), Notes on Accounts (Schedule 'R') and other schedules ('S' to 'X'), give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 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, are physically verified by the Management in a phased programme 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, no material discrepancies were noticed during such verification.

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 Companies Act, 1956.

- 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 Companies Act, 1956 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, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. In respect of orders passed by the court, the same have been complied with.

- 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 Companies Act, 1956 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 31st March, 2011 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 31st March, 2011, 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 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.
- 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 V.K.DHINGRA & CO.
Chartered Accountants
(Firm Regn. No. 000250N)

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

For B.M. CHATRATH & CO.
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Sd/-
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Partner
M. No. 025973

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

Place : New Delhi
Date : May 30, 2011

REPORTING AS PER COMPANIES (AUDITORS' REPORT) ORDER 2003 (DISPUTED CASES)

SR. NO.	NAME OF THE STATUTE/ NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	NET AMOUNT (AMT ₹ IN CRORE)	PERIOD TO WHICH THE AMOUNT RELATES (Financial Years)
1.	CENTRAL EXCISE	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	0.46 83.54 1,004.15 0.11 1,172.16 2,260.42	2001 to 2011 1990 to 2011 1980 to 2011 2004 to 2011 1990 to 2011
2.	CUSTOMS DUTY	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	- - 90.27 - 63.32 153.59	1994 to 2011 2000 to 2011
3	SALES TAX/TURNOVER TAX/ PENALTY/INTEREST	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	262.43 1,055.83 572.96 744.04 5,028.52 7,663.78	2002 to 2011 1978 to 2011 1979 to 2011 1993 to 2011 1986 to 2011
4	INCOME TAX	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	- - 9.46 - 52.30 61.76	2000 to 2011 2000 to 2011
5	SERVICE TAX	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	- - 75.14 - 7.18 82.32	2000 to 2011 2000 to 2011
6.	ENTRY TAX	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	1,999.83 4,478.32 111.90 - 76.48 6,666.53	2000 to 2011 1990 to 2011 1999 to 2011 1990 to 2011
7	OTHERS (COMMERCIAL TAX/ ENTERTAINMENT TAX ETC.)	Supreme Court High Court Tribunal Revisionary Authority Appellate Authority (Below Tribunal) Total	33.31 1.04 - - - 34.35	2000 to 2011 2000 to 2011
	Grand Total		16,922.75	

BALANCE SHEET as at 31st March, 2011

(₹ in crore)

	Schedule	March-11	March-10
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	'A'	2,427.95	2,427.95
Reserves and Surplus	'B'	52,904.37	48,124.98
		55,332.32	50,552.93
Loan Funds:			
Secured Loans	'C'	20,379.65	18,292.45
Unsecured Loans	'D'	32,354.22	26,273.80
		52,733.87	44,566.25
Deferred Tax Liability (Net)		6,336.59	4,756.11
TOTAL		1,14,402.78	99,875.29
APPLICATION OF FUNDS:			
Fixed Assets & Intangible Assets:			
Fixed Assets:			
Gross Block	'E'	91,698.31	71,332.52
Less: Depreciation		34,474.97	30,165.21
Less: Impairment Loss		34.32	34.32
Net Block		57,189.02	41,132.99
Intangible Assets:			
Gross Block	'E-1'	1,439.29	756.95
Less: Amortisation		439.26	307.22
Less: Impairment Loss		1.65	1.65
Net Block		998.38	448.08
Dismantled Capital Assets		27.25	41.78
Capital Work-in-Progress	'F'	12,620.44	21,226.85
		70,835.09	62,849.70
Investments	'G'	19,544.76	22,370.25
Foreign Currency Monetary Item Translation			
Difference Account	'D-1'	0.00	0.10
Current Assets, Loans and Advances:			
Inventories	'H'	49,284.52	36,404.08
Sundry Debtors	'I'	8,869.65	5,799.28
Cash and Bank Balances	'J'	1,294.42	1,315.11
Other Current Assets	'J-1'	1,206.03	1,141.50
Loans and Advances	'K'	22,666.56	14,728.83
		83,321.18	59,388.80

Contd...

BALANCE SHEET as at 31st March, 2011 (Contd.)

(₹ in crore)

	Schedule	March-11	March-10
APPLICATION OF FUNDS (Contd.):			
Less: Current Liabilities and Provisions	'L'		
Current Liabilities		52,549.94	34,480.17
Provisions		6,763.46	10,271.56
		59,313.40	4,4751.73
Net Current Assets		24,007.78	14,637.07
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	'L-1'	15.15	18.17
TOTAL		1,14,402.78	99,875.29
Statement of Significant Accounting Policies	'Q'		
Notes on Accounts	'R'		
Other Schedules forming part of Accounts	'S to X'		

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

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

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

As per our attached Report of even date

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

PROFIT AND LOSS ACCOUNT

For the Year Ended 31st March, 2011

(₹ in crore)

Schedule	March-11	March-10
INCOME:		
Sale of Products and Crude	3,32,897.93	2,74,406.17
Less: Discounts	4,153.66	3,311.11
Sale (Net of Discounts)	3,28,744.27	2,71,095.06
Less: Excise Duty	25,789.90	21,802.27
Sale (Net of Discount & Excise Duty)	3,02,954.37	2,49,292.79
Subsidy From Government of India (As per scheme)	1,676.66	1,623.09
Grant from Government of India	22,604.84	15,171.84
Increase/(Decrease) in Stocks	4,972.93	5,044.25
Interest and other Income	4,657.91	6,624.10
TOTAL INCOME	3,36,866.71	2,77,756.07
EXPENDITURE:		
Purchase of Products and Crude for resale [Net of Duty Drawback ₹ 15.49 crore (2010: ₹ 11.61 crore)]	1,55,648.10	1,22,027.32
Manufacturing, Admn., Selling & Other Expenses	1,64,481.40	1,36,752.98
Duties (Net)	351.14	32.49
Depreciation and Amortisation on:		
Fixed Assets	4,414.86	3,159.05
Intangible Assets	131.81	68.09
	4,546.67	3,227.14
Interest Payments on:		
Fixed period loans from Banks/Financial Institutions/Others [Includes exchange loss of ₹ 35.77 crore (2010: ₹ 7.00 crore) considered as borrowing cost]	562.46	209.48
Bonds / Debentures	477.62	239.40
Short term loans from Banks [Includes exchange loss of ₹ 124.21 crore (2010: ₹ 44.14 crore) considered as borrowing cost]	1,074.50	823.71
Public Deposits	0.00	0.01
Others	555.25	253.86
	2,669.83	1,526.46
TOTAL EXPENDITURE	3,27,697.14	2,63,566.39
PROFIT BEFORE PRIOR YEAR ITEMS & TAX	9,169.57	14,189.68
Income/(Expenses) pertaining to prior years (Net)	(73.71)	(83.59)
PROFIT BEFORE TAX	9,095.86	14,106.09
Less: Provision for Tax		
Current Tax [includes ₹ (228.08) crore (2010 : ₹ 786.57 crore) relating to prior years]	1,355.70	4,601.96
Mat Credit Entitlement	(1,285.80)	0.00
Fringe Benefit Tax [includes ₹ NIL crore (2010 : ₹ 1.10 crore) relating to prior years]	0.00	1.10
Deferred Tax [includes ₹ (124.59) crore (2010 : ₹ (654.80) crore) relating to prior years]	1580.48	(717.52)
PROFIT AFTER TAX	7,445.48	10,220.55
Balance brought forward from last year's account	0.00	5,305.08
PROFIT AVAILABLE FOR APPROPRIATION	7,445.48	15,525.63

Contd...

PROFIT AND LOSS ACCOUNT

For the Year Ended 31st March, 2011 (Contd.)

(₹ in crore)

Schedule	March-11	March-10
APPROPRIATIONS:		
Add:		
Insurance Reserve utilised	13.80	21.80
Less:		
Proposed Dividend	2306.55	3156.34
Corporate Dividend Tax on:		
Proposed Dividend	358.70	508.83
Insurance Reserve Account	20.00	20.00
Bond Redemption Reserve (Net)	101.02	(269.10)
General Reserve	4673.01	12131.36
Balance carried to Balance Sheet	0.00	0.00
TOTAL	7445.48	15525.63
Earning Per Share (Rupees)	'R'	42.10
(Basic & Diluted)	(Note no. 18)	
Face Value Per Share (Rupees)	10/-	10/-
Statement of Significant Accounting Policies	'Q'	
Notes on Accounts	'R'	
Other Schedules forming part of Accounts	'S to X'	

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET For the Year Ended 31st March, 2011

(₹ in crore)

	2010-11	2009-10
A Cash Flow from Operating Activities		
1. Profit Before Tax	9,095.86	14,106.09
2. Adjustments for :		
Depreciation	4,566.93	3,239.66
Loss/(Profit) on sale of Assets (net)	21.07	134.93
Loss/(Profit) on Investments (net)	356.47	539.58
Reversal of Impairment Loss	-	(12.14)
Amortisation of Capital Grants	(1.16)	(1.20)
Amortisation of Premium on Forward Contracts	132.04	133.88
Provision for Probable Contingencies (net)	38.24	21.69
Provision for Loss in cost of Investment written back	(329.91)	(718.91)
Provision for Doubtful Debts, Advances, Claims and		
Obsolescence of Stores (net)	115.02	(58.89)
Provision for Diminution in 'Receivable from trust' w/back	(96.86)	(265.91)
Provision for Loss on Investments	78.74	1,499.48
Interest Income on Investments	(1,307.46)	(1,643.12)
Dividend Income on Investments	(1,062.37)	(629.14)
Interest Expenditure	2,672.78	1,526.61
	5,183.53	3,766.52
B. Operating Profit before Working Capital Changes (1+2)	14,279.39	17,872.61
C Change in Working Capital:		
(Excluding Cash & Bank Balances)		
Trade & Other Receivables	(9,645.46)	(8,856.21)
Inventories	(12,706.86)	(11,105.68)
Trade and Other Payables	17,339.09	4,355.91
	(5,013.23)	(15,605.98)
D. Cash Generated From Operations (B+C)	9,266.16	2,266.63
E. Less : Taxes paid	3,584.96	2,731.33
F. Net Cash Flow from Operating Activities (D-E)	5,681.20	(464.70)
G. Cash Flow from Investing Activities:		
Sale/Transfer of Assets	282.38	209.75
Sale / Maturity of Investments	2,938.59	15,913.71
Interest Income on Investments	1,337.58	1,821.23
Dividend Income on Investments	1,062.37	629.14
Purchase of Assets	(2,127.75)	(1,126.85)
Investments in Subsidiaries	(87.69)	(3.22)
Investments in Long Term Investments / Others	(92.18)	(1,178.52)
Expenditure on Construction Work in Progress	(10,531.29)	(11,589.14)
Net Cash Generated/(Used) in Investing Activities:	(7,217.99)	4,676.10

Contd...

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

For the Year Ended 31st March, 2011 (Contd.)

(₹ in crore)

	2010-11	2009-10
H. Net Cash Flow From Financing Activities:		
Proceeds from/(Repayments of) Long-Term Borrowings	202.37	2,697.21
Proceeds from/(Repayments of) Short-Term Borrowings	7,965.25	(3,103.02)
Interest paid	(2,988.11)	(2,223.35)
Dividend/Dividend Tax paid	(3,663.40)	(1,065.07)
Net Cash Generated/(Used) from Financing Activities:	<u>1,516.11</u>	<u>(3,694.23)</u>
I. Net Change in Cash & Cash Equivalents	<u>(20.68)</u>	<u>517.17</u>
(F + G + H)		
J. Cash & Cash Equivalents as at end of the year	1,294.42	1,315.11
Add: Impact of Exchange variation taken to Reserves	<u>0.01</u>	<u>0.08</u>
	1,294.43	1,315.19
Less:		
K. Cash & Cash Equivalents as at the beginning of the year	1,315.11	798.02
NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	<u>(20.68)</u>	<u>517.17</u>
Notes:		
1. Cash and Cash Equivalents include:		
Cash and Bank Balances		
As per Balance Sheet	1,294.42	1315.11
Total Cash and Cash Equivalents	<u>1294.42</u>	<u>1315.11</u>
2. The previous year's figures have been regrouped wherever necessary for uniformity in presentation.		

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

For PKF SRIDHAR & SANTHANAM
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Sd/-
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M. No. 085842

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

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

Place : New Delhi
Date : May 30, 2011

SCHEDULE 'A' - SHARE CAPITAL

(₹ in crore)

	March-11	March-10
Authorised :		
6,00,00,00,000 (2010: 2,50,00,00,000) Equity Shares of ₹ 10/- each	6,000.00	2,500.00
Issued, Subscribed and Paid up:		
2,42,79,52,482 Equity Shares of ₹ 10/- each	2,427.95	2,427.95
TOTAL	2,427.95	2,427.95
Above includes, shares allotted as fully paid without payment being received in cash:		
a) Pursuant to the Petroleum Companies Amalgamation Order, 1964 : 3,76,49,700 Shares of ₹ 10/- each		
b) Pursuant to Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order 1965 : 1,00,00,000 Shares of ₹ 10/- each		
c) 2,43,62,106 no. of Equity shares of ₹ 10/- each issued in June 2007 as fully paid up to the shareholders of erstwhile IBP Co. Ltd. as per the Scheme of amalgamation.		
d) 2,16,01,935 no. of Equity shares of ₹ 10/- each issued in May 2009 as fully paid up to the shareholders of erstwhile BRPL as per the Scheme of amalgamation.		
e) Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve / Securities Premium: 2,28,02,71,241 shares of ₹10/- each.		

SCHEDULE 'B' - RESERVES AND SURPLUS

(₹ in crore)

	March-11	March-10
Capital Reserve:		
As per last Account	183.08	183.08
Securities Premium Account:		
As per last Account	0.00	264.51
Less: Utilised for Issue of Bonus Shares	0.00	264.51
	0.00	0.00
General Reserve:		
As per last Account	46,544.22	35,362.33
Add: Transferred from Export Profit Reserve	5.69	0.00
Less: Utilised for Issue of Bonus Shares	0.00	949.47
Add : Transferred from Profit and Loss Account	4,673.01	12,131.36
	51,222.92	46,544.22
Insurance Reserve:		
As per last Account	78.20	80.00
Less : Recoupment of uninsured fire loss	13.80	21.80
Add : Transferred from Profit and Loss Account	20.00	20.00
	84.40	78.20
Export Profit Reserve:		
As per last Account	59.41	59.41
Less : Transferred to General Reserve	5.69	-
	53.72	59.41
Capital Grants:		
As per last Account	15.48	16.03
Add: Received/(written Back) during the year	0.33	0.65
Less: Amortised during the year	1.16	1.20
	14.65	15.48
Bond Redemption Reserve Account:		
As per last Account	1,243.91	1,513.01
Add: Provision during the year	166.90	0.00
Less: Write-back of provision on redemption of bonds	65.88	269.10
	1344.93	1,243.91
Profit and Loss Account:		
As per Annexed Account	0.00	0.00
Devaluation Exchange Difference Reserve:		
As per last Account	0.68	0.76
Less: Exchange variation on revaluation	0.01	0.08
	0.67	0.68
TOTAL	52,904.37	48,124.98

SCHEDULE 'C' - SECURED LOANS

(₹ in crore)

	Note	March-11	March-10
Bonds:			
Non-Convertible Redeemable Bonds - Series - V	A	189.60	221.20
Non-Convertible Redeemable Bonds - Series - VI	B	768.10	1,000.00
Non-Convertible Redeemable Bonds - Series - VII B	C	500.00	500.00
Non-Convertible Redeemable Bonds - Series - VIII A	D	430.00	430.00
Non-Convertible Redeemable Bonds - Series - VIII B	E	1,070.00	1,070.00
Non-Convertible Redeemable Bonds - Series - IX	F	1,600.00	1,600.00
Non-Convertible Redeemable Bonds - Series - X	G	2,000.00	2,000.00
		6,557.70	6,821.20
Loans and Advances from Banks :			
Working Capital Demand Loan	H	7,175.00	4,750.00
Interest accrued and due on above		14.45	6.25
		7,189.45	4,756.25
Loans and Advances from Others:			
Loan through Collateralized Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd (CCIL)	I	2,630.00	2,000.00
Oil Industry Development Board (OIDB)	J	4,002.50	4,715.00
TOTAL		20,379.65	18,292.45
Amount repayable within one year		11,328.55	7,732.25

Notes:

- A. 158 Bonds of face value of ₹ 2,60,00,000/- each allotted on 18th July, 2001, are redeemable in 13 equal installments from the end of the 3rd year upto the end of 15th year from the date of allotment. Accordingly, the 7th installment (STRPP G) was paid in July 2010. The Bonds carry a coupon rate of 10.25% p.a. payable annually on 30th September. 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. These bonds are also secured by way of charge on immovable properties at Panipat Refinery in the state of Haryana ranking pari passu with Bond Series VI, VIII A-B & IX holders.
- B. 10,000 Bonds of face value of ₹ 10,00,000/- each allotted on 10th June, 2005, are redeemable at par on 10th June 2012. As per the terms of the issue, the bondholders holding 2319 bonds exercised put option available on 10th June 2010. The Principal amount along with interest due was paid to the Bondholders on due date. Remaining 7681 bonds are outstanding & will be redeemed on maturity. The Bonds carry a coupon rate of 7.15% p.a. payable annually on 30th June. These are secured by way of registered mortgage over Company's premises No. 1343 situated at MIG Adarsh Nagar Co-op. Housing Society Ltd. at Worli, Mumbai together with 5 shares issued by MIG Adarsh Nagar Co-op. Housing Society Ltd. These Bonds are also secured by way of charge on immovable properties of the company at Panipat Refinery in the state of Haryana ranking pari passu with Bond Series V, VIII A-B & IX holders.
- C. 5,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 15th September 2005, are redeemable at par on 15th September 2015. The Bonds carry a coupon rate of 7.40% p.a. payable annually on 15th September. 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.
- D. 4,300 Bonds of face value of ₹ 10,00,000/- each, allotted on 10th September 2008, are redeemable at par on 10th September 2011. The bonds carry a coupon rate of 11.15 % p.a. payable annually on 15th September. 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, VI, VIII B & IX holders.
- E. 10,700 Bonds of face value of ₹ 10,00,000/- each, allotted on 10th September 2008, are redeemable at par on 10th September 2018. The bonds carry a coupon rate of 11.00 % p.a. payable annually on 15th September. 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, VI, VIII A & IX holders.

- F. 16,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 11th December 2008, are redeemable at par on 11th December 2016. The bonds carry a coupon rate of 10.70 % p.a. payable annually on 30th June each year. 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, VI & VIII A-B holders.
- G. 20,000 Bonds of face value of ₹ 10,00,000/- each, allotted on 24th July 2009, are redeemable at par on 24th July 2012. The bonds carry a coupon rate of 7.00 % p.a. payable annually on 30th June each year. These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat No. 34, Makani Manor Co-op. Housing Society Ltd. situated at Peddar Road, at Mumbai, together with 10 shares of the said society and immovable properties of the company at Mathura Refinery situated at Mathura in the state of Uttar Pradesh.
- H. Against hypothecation by way of first pari passu charge on Raw Materials, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements, Etc.
- I. Against pledging of Oil Marketing Companies Government of India Special Bonds amounting to ₹ 4,165 crore and Bank Guarantees of ₹ 1,650 crore in favour of CCIL
- J. Security Details for OADB Loans:
 - a) ₹ 217 Crore - First Charge on the facilities of Motor Spirit Quality Improvement Project at Barauni Refinery in Bihar
 - b) ₹ 762.75 Crore - 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) ₹ 1,901 Crore - 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 relating to expansion of Panipat Refinery from 12MMTPA to 15 MMTPA in the state of Haryana.
 - d) ₹ 994.75 Crore - Second pari-passu charge on facilities for Residue upgradation & MS-HSD Quality improvement including units like VGO-HDT, ATF-Merox FCC-Merox, LPG-Merox, ISOM, Coker, DHDT, HGU (PDS) and SRU in respect of Gujarat Refinery in the state of Gujarat.
 - e) ₹ 127 Crore - 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 Teatment project at Bongaigaon Refinery, Dhaligaon, Assam.

SCHEDULE 'D' - UNSECURED LOANS

(₹ in crore)

	March-11	March-10
Short Term Loans and Advances :		
From Banks & Financial Institutions:		
Foreign Currency Loans	13,834.92	9,405.93
US \$ 3102 Million (2010: US \$ 2095 Million)		
Interest accrued and due on above	1.20	1.09
	<u>13,836.12</u>	<u>9,407.02</u>
Rupee Loans	9,425.84	6,578.00
Interest accrued and due on above	0.47	0.36
	<u>9,426.31</u>	<u>6,578.36</u>
	23,262.43	15,985.38
From Others:		
Commercial Papers	1,000.00	3,375.00
	24,262.43	19,360.38
Other Loans and Advances:		
From Banks/Financial Institutions:		
Foreign Currency Loans	2,901.44	1,487.19
US \$ 651 Million (2010: US \$ 331 Million)		
Senior Notes (Bank of America)	1,338.00	1,347.00
US \$ 300 Million (2010: US \$ 300 Million)		
Rupee Loans	500.00	500.00
From Others:		
Foreign Currency Bonds	2,230.00	2,245.00
US \$ 500 Million (2010: US \$ 500 Million)		
Rupee Loans	1,122.35	1,334.23
	<u>8,091.79</u>	<u>6,913.42</u>
TOTAL	32,354.22	26,273.80
Amount repayable within one year	25,162.13	20,488.50

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

(₹ in crore)

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

Note:

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

SCHEDULE 'E' - FIXED ASSETS

		AT COST				DEPRECIATION		
		Gross Block as at 01.04.10	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions/ Transfers/ Reclassifications	Gross Block as at 31.03.11	Depreciation and Amortisation upto 01.04.10	Depreciation and Amortisation during the year
Note		(Refer Note B)		(Refer Note C)		(Refer Note D)		
Land - Freehold		945.44	47.79	14.16	(6.80)	1000.59	0.00	0.00
- Leasehold	A	433.99	38.24	3.28	(10.02)	465.49	78.15	7.43
Buildings, Roads etc.	A	7,303.02	106.60	818.61	(92.76)	8135.47	1,445.76	201.92
Plant and Machinery	E	61,471.80	1,848.56	17,863.87	(309.56)	80,874.67	27,919.82	4,198.91
Transport Equipments		371.45	4.77	1.83	(6.36)	371.69	283.69	13.82
Furnitures and Fixtures		261.19	17.64	24.18	(29.39)	273.62	142.50	13.41
Railway Sidings		189.73	0.00	12.10	(0.44)	201.39	108.83	8.16
Drainage, Sewage and Water Supply System		355.90	3.05	13.07	3.37	375.39	186.46	14.57
Total		71,332.52	2,066.65	18,751.10	(451.96)	91,698.31	30,165.21	4,458.22
Previous Year		61,718.64	1,035.50	9,316.48	(738.10)	71,332.52	27,256.31	3,253.13

Note :

- A. i) Net Block of Land includes an amount of ₹ 13.04 crore (2010: ₹ 11.15 crore) earmarked for disposal.
ii) Buildings include ₹ 0.01 crore (2010: ₹ 0.01 crore) towards value of 1995 (2010: 2000) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.
iii) Net Block for Buildings includes an amount of ₹ 7.15 crore (2010: ₹ 15.50 crore) earmarked for disposal, on which no further depreciation is charged.
- B. Addition to Fixed Assets is net of adjustment on account of exchange fluctuation gains ₹ 17.11 crore (2010: Gain of ₹ 283.20 crore)
- C. The cost of assets are net of VAT CREDIT/CENVAT, wherever applicable.
- D. Depreciation and amortisation for the year includes ₹ 20.26 crore (2010 : ₹ 12.57 crore) pertaining to prior year and ₹ 23.10 crore (2010 : ₹ 80.94 crore) relating to construction period expenses taken to Schedule F-1.
- 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 continues to be part of fixed assets of the Company, WDV of such assets is ₹ 58.70 crores (2010: ₹ 49.86 crores).

(₹ in crore)

AMORTISATION & IMPAIRMENT						NET BLOCK	
Disposals / Deductions / Transfers / Reclassifications	Total Depreciation and Amortisation upto 31.03.11	Total Impairment Loss upto 1.04.10	Impairment Loss during the year	Impairment loss reversed during the year	Total Impairment Loss upto 31.03.11	AS AT 31.03.11	AS AT 31.03.10
0.00	0.00	0.00	0.00	0.00	0.00	1,000.59	945.44
(4.54)	81.04	0.00	0.00	0.00	0.00	384.45	355.84
(8.59)	1,639.09	0.00	0.00	0.00	0.00	6,496.38	5,857.26
(120.00)	31,998.73	34.32	0.00	0.00	34.32	48,841.62	33,517.66
(3.80)	293.71	0.00	0.00	0.00	0.00	77.98	87.76
(12.59)	143.32	0.00	0.00	0.00	0.00	130.30	118.69
(0.29)	116.70	0.00	0.00	0.00	0.00	84.69	80.90
1.35	202.38	0.00	0.00	0.00	0.00	173.01	169.44
(148.46)	34,474.97	34.32	0.00	0.00	34.32	57,189.02	41,132.99
(344.23)	30,165.21	69.88	0.00	(35.56)	34.32	41,132.99	

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 31.03.11	W.D.V. as at 31.03.10
Land - Freehold	HPC/BPC	3.05	0.00	0.00	3.05	2.39
Land - Leasehold	HPC/BPC/BEICCO Lawrie/ Balmer Lawrie/Bridge & Roof	0.18	0.05	0.00	0.13	0.09
Buildings	HPC/BPC/BEICCO Lawrie/ Balmer Lawrie/Bridge & Roof	6.09	1.50	0.00	4.59	5.07
Plant and Machinery	HPC/BPC/RIL/GSFC/GNRE	139.15	57.96	0.00	81.19	79.98
Transport Equipment	RAILWAYS	183.58	174.40	0.00	9.18	9.24
Railway Sidings	HPC/BPC/KRIBHKO	53.48	34.84	0.00	18.64	21.38
Drainage, Sewage & Water Supply	GSFC	0.99	0.94	0.00	0.05	0.05
Furniture	HPC/BPC	0.00	0.00	0.00	0.00	0.01
Total		386.52	269.69	0.00	116.83	118.21
Previous year		372.09	253.88	0.00	118.21	

SCHEDULE 'E-1' - INTANGIBLE ASSETS

	Note	AT COST					DEPRECIATION	
		Gross Block as at 01.04.10	Additions during the year	Transfers from Construction Work-in-Progress	Disposals / Deductions / Transfers / Reclassifications	Gross Block as at 31.03.11	Total Amortisation upto 01.04.10	Amortisation during the year
								(Refer Note B)
Right of Way	A	119.61	10.41	0.00	0.17	130.19	0.00	0.00
Licenses		535.56	37.83	612.22	(0.03)	1,185.59	227.91	114.96
Computer Software		101.78	14.56	7.26	(0.09)	123.51	79.31	17.08
Total		756.95	62.80	619.48	0.05	1,439.29	307.22	132.04
Previous Year		626.66	92.75	38.36	(0.82)	756.95	239.01	68.21

Note :

- A. Right of way for laying pipelines is a perpetual right of use of land but does not bestow upon the company, the ownership of land and hence, treated as intangible asset. However, no amortisation is provided on the same, being perpetual in nature.
- B. (a) Amortisation for the year includes ₹ Nil (2010 : ₹ -0.05 crore) pertaining to prior year.
(b) Amortisation for the year includes ₹ 0.23 crore (2010 : ₹ 0.18 crore) relating to construction period expenses taken to Schedule F-1.

SCHEDULE 'F' - CAPITAL WORK-IN-PROGRESS

(₹ in crore)

Note	March-11	March-10
Construction Work-in-Progress - Fixed Assets (including unallocated capital expenditure, materials at site) Less : Provision for Capital Losses	6,410.96 175.33	6,328.54 15.61
Advance for Capital Expenditure Less : Provision for Doubtful Advance	3,367.63 0.54	6,312.93 0.54
Capital Stores Less : Provision for Capital Losses	1,219.69 1.16	8,924.20 1,926.67
Capital Goods-in-Transit	1,218.53	28.95
Construction period expenses pending allocation : Balance as at beginning of the year Add : Net Expenditure during the year (Sch. "F-1") Less : Allocated to Assets during the year	565.83 2,233.04 1157.22 3,390.26 2,470.95	1897.72 1,036.47 1,385.53 1,676.93 3,062.46 829.42
Work-in-Progress - Intangible Assets (including unallocated capital expenditure)	919.31 314.05	2,233.04 822.49
TOTAL	12,620.44	21,226.85
Note : A. Includes Stock lying with contractors	382.27	55.25

(₹ in crore)

AMORTISATION & IMPAIRMENT					NET BLOCK	
Disposals Deductions / Transfers / Reclassifications	Total Amortisation upto 31.03.11	Total Impairment Loss upto 01.04.10	Impairment Loss during the year	Total Impairment Loss upto 31.03.11	AS AT 31.03.11	AS AT 31.03.10
0.00	0.00	0.00	0.00	0.00	130.19	119.61
0.00	342.87	1.65	0.00	1.65	841.07	306.00
0.00	96.39	0.00	0.00	0.00	27.12	22.47
0.00	439.26	1.65	0.00	1.65	998.38	448.08
0.00	307.22	1.65	0.00	1.65	448.08	

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

(₹ in crore)

	March-11	March-10
Payments to and Provision for Employees	206.85	281.04
Repairs & Maintenance	5.21	4.53
Consumption of Stores & Spares	1.12	2.11
Power & Fuel	365.43	473.98
Rent	4.45	3.59
Insurance	44.94	13.07
Rates & Taxes	0.22	0.09
Travelling Expenses	18.59	19.92
Communication Expenses	1.41	1.75
Printing & Stationery	0.62	0.75
Electricity & Water Charges	6.89	4.37
Bank Charges	0.66	0.80
Technical Assistance Fees	29.78	4.04
Exchange Fluctuation	(7.00)	(220.47)
Borrowing Cost Capitalised (as per AS-16)	326.95	779.22
Depreciation and Amortisation on:		
-Fixed Assets	23.10	80.94
-Intangible Assets	0.23	0.18
Start up/Trial Run Expenses	60.94	164.17
Others	102.26	108.76
Total Expenses	1,192.65	1,722.84
Less : Recoveries	35.43	45.91
Net Expenditure during the year	1,157.22	1,676.93

SCHEDULE 'G' - INVESTMENTS

(₹ in crore)

No. and Particulars of Shares		Face Value (Rupees)	March-11	March-10
I) LONG TERM INVESTMENTS (At Cost):				
1. QUOTED:				
Trade Investments:				
In Subsidiary Companies:				
Chennai Petroleum Corporation Limited	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 Equity Shares each fully paid	10/- *	194.14	194.14
Sub-total: (a)			703.47	703.47
In Joint Venture Companies				
Petronet L N G Limited	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* (2010: 16,44,80,857) Equity Shares each fully paid	5/- #	1,780.12	1,780.12
GAIL (India) Limited	3,06,29,661 Equity Shares each fully paid	10/-	122.52	122.52
Oil India Limited	1,07,00,220 Equity Shares each fully paid	10/-	1,123.52	1,123.52
Sub-total: (c)			3,026.16	3,026.16
TOTAL: 1			3,828.38	3,828.38
Aggregate Market Value of securities mentioned above is ₹ 25,141.06 crore (2010: ₹ 23,844.00 crore) as on 31st March 2011 which includes ₹ 284.73 crore (2010: ₹ 287.70 crore) in respect of Lanka IOC Plc., quoted on Colombo Stock Exchange, Sri Lanka, being equivalent in Indian currency.				
# During the year, ONGC split shares Face value single share in two share of ₹ 5/- each & issued bonus of 1:1 on new fully paid share value of ₹ 5/- each for every one existing equity share of ₹ 5/- each resulted in the increase in number of shares from 16,44,80,857 to 65,79,23,428 as of 31.03.2011.				
2. UNQUOTED:				
A) Non-Trade Investments:				
In Government - Securities				
In Consumer Cooperative Societies:		Deposited with various bodies	0.01	0.01
Barauni	250 Equity Shares each fully paid	10/- }		
Guwahati	750 Equity Shares each fully paid	10/- }		
Mathura	200 Equity Shares each fully paid	10/- }		
Haldia	1,663 Equity Shares each fully paid	10/- }		
In Indian Oil Cooperative Consumer Stores Ltd., Delhi	375 Equity Shares each fully paid	10/- }		
Others:				
Assam Sillimanite Ltd. (In liquidation)	1,00,000 Equity Shares fully paid as revalued by Directors on 31.03.1980	10/- }		
Shama Forge Co. Ltd. (In liquidation)	1,00,000 Equity Shares fully paid as revalued by Directors on 31.03.1979	10/- }		
Shama Forge Co. Ltd. (In liquidation)	5,000 9.5% Cumulative Redeemable Preference Shares fully paid as revalued by Directors on 31.03.1979	100/- }		
Sub-total: 2A			0.01	0.01

* In Sri Lankan Rupees

Contd...

(₹ in crore)

	No. and Particulars of Shares	Face Value (Rupees)	March-11	March-10
B) Trade Investments:				
a) In Subsidiary Companies				
IndianOil Mauritius Limited	48,82,043 Equity Shares each fully paid	100/- **	75.67	75.67
IndianOil Technologies Limited	NIL (2010: 5,50,000) Equity shares fully paid	10/-	-	0.55
IOC Middle East FZE	2 Equity Shares fully paid	1 Million/- ***	2.30	2.30
IndianOil Creda Bio Fuels Ltd.	88,79,997 (2010: 7,39,997) Equity Shares fully paid	10/-	8.88	0.74
IOC Sweden AB	13,76,225 (2010: 1,000) Equity Shares fully paid	100/-****	84.14	0.06
	Sub-total: (a)		170.99	79.32
b) In Joint Venture Companies				
Avi-Oil India Private Limited	45,00,000 Equity Shares fully paid	10/-	4.50	4.50
Petronet India Limited	1,80,00,000 Equity Shares fully paid	10/-	18.00	18.00
Less: Provision for Diminution			18.00	18.00
			-	-
IOT Infrastructure & Energy Services Limited (formerly Indian Oiltanking Limited)	11,61,42,855 Equity Shares fully paid	10/-	155.72	155.72
Petronet VK Limited	2,59,99,970 Equity Shares fully paid	10/-	26.00	26.00
Less: Provision for Diminution			26.00	26.00
			-	-
IndianOil Panipat Power Consortium Limited	8,40,000 Equity Shares fully paid	10/-	1.99	1.99
Less: Provision for Diminution			1.99	1.99
			-	-
Lubrizol India Private Limited	9,60,000 Equity Shares fully paid	100/-	118.67	118.67
IndianOil Petronas Private Limited	13,40,00,000 (2010: 10,00,00,000) Equity Shares fully paid	10/-	134.00	100.00
Petronet CI Limited	37,44,000 Equity Shares fully paid	10/-	3.83	3.83
Less: Provision for Diminution			3.83	3.83
			-	-
Green Gas Limited	12,500 Equity Shares fully paid	10/-	0.01	0.01
Indo Cat Private Limited	58,76,100 (2010: 51,76,100) Equity Shares fully paid	10/-	5.88	5.18
IndianOil SkyTanking Limited	1,73,00,000 (2010: 1,17,00,000) Equity Shares fully paid	10/-	17.30	11.70
Suntera Nigeria 205 Limited	62,502 Equity Shares fully paid	1/*****	-	-
Delhi Aviation Fuel Facility Pvt. Ltd.	6,06,80,000 (2010: NIL) Equity Shares fully paid	10/-	60.68	-
Indian Synthetic Rubbers Limited	2,50,00,000 (2010: NIL) Equity Shares fully paid	10/-	25.00	-
	Sub-total: (b)		521.76	395.78

** In Mauritian Rupees

*** In Arab Emirates Dirham

**** In SEK Currency

***** Invested ₹ 21,897 in Indian Currency in JV - Suntera Nigeria 205 Limited

Contd...

(₹ in crore)

No. and Particulars of Shares		Face Value (Rupees)	March-11	March-10
c) In Others				
International Cooperative Petroleum Association, New York	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	0.02	0.02
Haldia Petrochemical Limited	15,00,00,000 Equity shares fully paid	10/-	150.00	150.00
Effluent Channel Projects Limited	7151 Equity shares (Investment of ₹ 10)	10/-	-	-
Petroleum India International (AOP by Oil Companies)	Capital Fund		15.00	15.00
	Share in accumulated surplus		17.13	17.64
			32.13	32.64
IndianOil Ruchi Biofuels LLP (Limited Liability Partnership)	Capital		0.20	-
	Sub-total: (c)		182.35	182.66
	Sub-total: 2B		875.10	657.76
	Total: 2		875.11	657.77
	Total I: (1 + 2)		4,703.49	4,486.15
II) CURRENT INVESTMENTS: (Valued at Lower of Cost or Fair Market Value)				
UNQUOTED:				
Oil Marketing Companies				
GOI Special Bonds	1,61,09,677 Number of Bonds	10,000/-	16,109.68	19,403.68
Less: Provision for Diminution	(2010: 1,94,03,677)		1,268.41	1,519.58
	Total II:		14,841.27	17,884.10
	Total: (I + II)		19,544.76	22,370.25

Note: A

Details of sale of Government of India special bonds during the year is as under:

PARTICULARS

6.90% GOI SPECIAL BONDS 2026
6.90% GOI SPECIAL BONDS 2026
6.90% GOI SPECIAL BONDS 2026
7.95% GOI SPECIAL BONDS 2025
6.90% GOI SPECIAL BONDS 2026

No. of Bonds

Face Value
(₹ crore)

1,349,000
3,14,000
8,01,000
7,05,000
1,25,000
32,94,000

1349
314
801
705
125
3,294.00

Note: B

During the year New investments as well as additional investments were made, as per details below :

Name of the Company/Entity

Delhi Aviation Fuel Facility Pvt. Ltd.
IndianOil Petronas Pvt. Limited
IOC Sweden AB
IndianOil Skytanking Limited
IndianOil Creda Biofuels Limited
Indo Cat Private Limited
Indian Synthetic Rubber Limited
IndianOil Ruchi Biofuels LLP

No. of Shares

(₹ crore)

6,06,80,000
3,40,00,000
13,75,225
56,00,000
81,40,000
7,00,000
2,50,00,000
Partnership

60.68
34.00
84.08
5.60
8.14
0.70
25.00
0.20

Note: C

IndianOil Ruchi Biofuels LLP, a limited liability partnership was formed during the year with following capital structure

Name of the Company

Indian Oil Corporation Limited
Ruchi Biofuels Limited

Share

Investment
(₹ crore)

50%
50%

0.20
0.20

Note: D

On liquidation of IndianOil Technologies Limited, Corporation has received full face value i.e. ₹ 0.55 crore during the year.

SCHEDULE 'H' - INVENTORIES

(₹ in crore)

	Note	March-11	March-10
In Hand:			
Stores, Spares etc.	A	1,975.94	1,578.45
Less: Provision for Losses		97.48	82.20
		1,878.46	1,496.25
Raw Materials	B	13,853.91	10,440.94
Finished Products	C	20,278.52	16,777.07
Stock in Process		4012.42	2,802.71
Barrels and Tins	D	27.25	17.42
		40,050.56	31,534.39
In Transit:			
Stores & Spares		135.92	104.25
Raw Materials		8,497.12	4,426.29
Finished Products		600.92	339.15
		9,233.96	4,869.69
TOTAL		49,284.52	36,404.08
Note : Includes :			
A. Stock lying with contractors		42.56	12.68
B. Stock lying with others		1.01	1.63
C. Stock lying with others		611.19	340.75
D. Stock lying with others		1.28	1.08

SCHEDULE 'I' - SUNDRY DEBTORS

(₹ in crore)

	March-11	March-10
Over Six Months:		
From Subsidiary Companies		
Unsecured, Considered Good	1.22	7.10
From Others		
Secured, Considered Good	0.00	1.38
Unsecured, Considered Good	819.41	130.51
Unsecured, Considered Doubtful	372.82	419.97
	1,193.45	558.96
Other Debts:		
From Subsidiary Companies		
Unsecured, Considered Good	2,084.19	770.56
From Others		
Secured, Considered Good	50.00	45.44
Unsecured, Considered Good	5,914.83	4,844.29
Unsecured, Considered Doubtful	55.21	48.76
	8,104.23	5,709.05
Total	9,297.68	6,268.01
Less: Provision for Doubtful Debts	428.03	468.73
TOTAL	8,869.65	5,799.28

SCHEDULE 'J' - CASH AND BANK BALANCES

(₹ in crore)

	Note	March-11	March-10
Cash Balances:			
Cash Balances including imprest		2.26	2.13
Cheques in hand		<u>159.92</u>	<u>435.66</u>
		162.18	437.79
Bank Balances with Scheduled Banks:			
Current Account		480.34	477.36
Fixed Deposit Account		650.50	398.55
Blocked Account		<u>0.17</u>	<u>0.17</u>
		1,131.01	876.08
Bank Balances with Non-Scheduled Banks (Current Account) :			
Bank of Commerce & Development, Libya (Maximum Balance during the year - ₹ 0.44 crore)		0.44	0.44
Myanmar Economic Bank Branch (5), Rangoon (Maximum Balance during the year - ₹ 0.80 crore)	A	<u>0.79</u>	<u>0.80</u>
		1.23	1.24
TOTAL		<u>1,294.42</u>	<u>1,315.11</u>
Note:			
A. There exist restrictions on repatriation of said amount from Myanmar.			

SCHEDULE 'J-1' - OTHER CURRENT ASSETS

(₹ in crore)

	March-11	March-10
Interest accrued on Investments / Bank Deposits	184.80	214.92
Gold Coins in Hand (at Cost)	3.44	5.65
Receivable from Trust - IBP	1,840.99	1,840.99
Less: Provision for Diminution	<u>971.99</u>	<u>1,068.85</u>
	869.00	772.14
Receivable from Trust - BRPL	148.79	148.79
TOTAL	<u>1,206.03</u>	<u>1,141.50</u>

SCHEDULE 'K' - LOANS AND ADVANCES

(₹ in crore)

	Note	March-11	March-10
Advance recoverable in cash or in kind or for value to be received:			
From Subsidiary Companies			
Unsecured, Considered Good		2.48	0.84
		2.48	0.84
From Others	A		
Secured, Considered Good		728.80	792.31
Unsecured, Considered Good		5,288.09	1,693.97
Unsecured, Considered Doubtful		46.72	46.78
		6,063.61	2,533.06
Less: Provision for Doubtful Advances		46.72	46.78
		6,019.37	2487.12
Amount Recoverable from Government of India:			
Unsecured, Considered Good		10,959.16	8,105.14
Advances for Investments		23.03	61.56
Finance Lease Receivables		11.72	14.81
Claims Recoverable:			
From Subsidiary Companies			
Unsecured, Considered Good		0.61	0.32
From Others	B		
Unsecured, Considered Good		1,047.37	997.74
Unsecured, Considered Doubtful		51.56	43.26
		1,099.54	1041.32
Less: Provision for Doubtful Claims		51.56	43.26
		1,047.98	998.06
Balance with Customs, Port Trust and Excise Authorities:			
Unsecured, Considered Good		39.78	33.75
Deposits for Leave Encashment Fund		1,483.72	1,262.76
Advance Tax (net)		80.55	0.00
Materials given on loan:			
To Subsidiary Companies			
Secured, Considered Good		0.08	0.00
Less: Deposits received		0.09	0.00
		(0.01)	0.00
To Others			
Secured, Considered Good		0.00	0.04
Unsecured, Considered Good		0.81	0.00
		0.81	0.04
		0.80	0.04
Sundry Deposits:			
Secured, Considered Good		9.14	9.14
Unsecured, Considered Good		1,705.51	1,756.45
Unsecured, Considered Doubtful		0.14	0.12
		1,714.79	1,765.71
Less: Provision for Doubtful Deposits		0.14	0.12
		1,714.65	1,765.59
Mat Credit Receivable		1,285.80	0.00
TOTAL		22,666.56	14,728.83
Notes:			
A. Includes			
1. Due from Directors		0.08	0.19
Maximum amount during the year		0.37	0.43
2. Due from Other Officers		2.57	2.48
Maximum amount during the year		3.47	4.32
B. Includes			
1. Customs / Excise Duty/ DEPB Claims which are in the process of being claimed with the Department		20.51	1.92
2. Claims recoverable from Customs Authorities pending for final assessment / settlement		153.71	124.77

SCHEDULE 'L' - CURRENT LIABILITIES AND PROVISIONS

(₹ in crore)

	March-11	March-10
Current Liabilities		
Sundry Creditors:		
Dues of micro and small enterprises	25.66	16.09
Due to others	34,427.50	19,751.86
	34,453.16	19,767.95
Other Liabilities	6,951.78	5,552.13
Dues to Subsidiary Companies	1,592.37	695.26
Investor Education and Protection Fund to be credited on the due dates:		
- Unpaid Dividend	8.14	6.81
- Unpaid Matured Deposits	0.01	0.01
	8.15	6.82
Security Deposits	9,008.86	7,954.97
Less: Investments and Deposits with Banks lodged by outside parties	0.00	0.01
	9,008.86	7,954.96
Liability on Foreign Currency Contract	3,028.58	1,628.94
Less: Foreign Currency Receivables	2,965.90	1,587.21
	62.68	41.73
Interest accrued but not due on loans	472.94	461.32
Total Current Liabilities	52,549.94	34,480.17
Provisions		
Provision for Taxation		
- For Current Tax	8,134.08	12,043.30
Less: Advance payments	8,207.12	9,887.13
	(73.04)	2156.17
- For Fringe Benefit Tax	44.52	80.58
Less: Advance payments	52.03	88.04
	(7.51)	(7.46)
Total Provision for Taxation	0.00	2,148.71
Proposed Dividend	2,306.55	3,156.34
Corporate Dividend Tax	359.14	508.83
Provision for Employee Benefits	2,605.09	3,191.54
Contingencies for probable obligations	1,492.68	1,266.14
Total Provisions	6,763.46	10,271.56
TOTAL	59,313.40	44,751.73

SCHEDULE 'L-1' - MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

(₹ in crore)

	March-11	March-10
Premium on Forward Contract		
As per last account	11.34	37.96
Add: Expenditure during the year	130.44	107.26
	141.78	145.22
Less: Amortised during the year	132.04	133.88
	9.74	11.34
Discount on issue of Bonds		
As per last account	6.83	0.00
Add: Expenditure during the year	0.00	7.10
	6.83	7.10
Less: Amortised during the year	1.42	0.27
(to be amortised over the tenure of bonds i.e. 5 years)	5.41	6.83
TOTAL	15.15	18.17



IndianOil

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

(₹ in crore)

		March-11	March-10
Closing Stock			
Finished Products	20,879.44		17,116.22
Stock in Process	4,012.42		2,802.71
		24,891.86	1,9918.93
Less:			
Opening Stock			
Finished Products	17,116.22		13,288.30
Stock in Process	2,802.71		1,586.38
		19,918.93	14,874.68
NET INCREASE/ (DECREASE)		4,972.93	5,044.25

SCHEDULE 'N' - INTEREST AND OTHER INCOME

(₹ in crore)

	Note	March-11	March-10
Interest on:	A		
Loans and Advances		56.33	51.78
Fixed Deposits with Banks		0.01	0.03
Short Term Deposits with Banks		0.04	0.05
Customers Outstandings			
From Subsidiary Companies		0.00	0.58
From Others		34.84	138.79
		34.84	139.37
Oil Companies GOI SPL Bonds		1,307.46	1,643.12
Others		152.77	138.12
		1,551.45	1,972.47
Dividend on Long Term Investments:			
From Subsidiary Companies		95.83	3.11
From Other Companies	B	966.54	626.03
		1,062.37	629.14
Profit on sale of Investments - Current & Trade		0.00	106.86
Sale of Power and Water		6.19	8.67
Profit on sale and disposal of Assets		37.95	58.29
Unclaimed/Unspent liabilities written back		50.71	94.76
Provision for Doubtful Debts, Advances, Claims and Stores written back		94.79	158.12
Provision for Contingencies written back		3.83	21.07
Reversal of Impairment Loss		0.00	12.14
Recoveries from Employees		27.07	13.16
Retail Outlet Licence Fees		97.67	83.11
Collection Charges for Outstation Cheques		0.18	0.07
Sale of Scrap		87.61	60.31
Income from Finance Leases		1.50	1.99
Amortisation of Capital Grants		1.16	1.20
Exchange Fluctuations (Net)		695.60	1,794.50
Commodity Hedging Gain (Net)		0.00	56.63
Revenue Grant		2.77	0.97
Terminalling Charges		32.82	18.74
Provision for Investment written back		329.91	718.91
Provision for diminution in Trust written back		96.86	265.91
Other Miscellaneous Income		477.47	547.08
TOTAL		4,657.91	6,624.10

Note:

- A. Includes Tax Deducted at Source of ₹ 3.76 crore (2010: ₹ 2.50 crore)
 B. Includes ₹ 2.67 crore received on liquidation of IndianOil Technologies Limited on account of surplus from liquidation.

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

(₹ in crore)

	March-11	March-10
Raw Materials Consumed :		
Opening Balance	14,867.23	8,708.29
Add: Purchases	1,50,484.12	1,23,092.44
	<u>1,65,351.35</u>	<u>1,31,800.73</u>
Less: Closing Stock	22,351.03	14,867.23
	<u>1,43,000.32</u>	<u>1,16,933.50</u>
Consumption :		
Stores, Spares and Consumables	833.64	754.46
Packages & Drum Sheets	324.91	328.38
	<u>1158.55</u>	<u>1,082.84</u>
Power & Fuel	12,327.00	8,772.03
Less: Fuel from own production	10,446.76	7,790.30
	<u>1,880.24</u>	<u>981.73</u>
Throughput, Processing & Blending Fees, Royalty and Other Charges	356.33	255.10
Octroi, Other Levies and Irrecoverable Taxes	682.78	548.03
Repairs and Maintenance:		
Plant and Machinery	1,244.65	1,195.20
Buildings	138.00	124.11
Others	85.98	79.89
	<u>1,468.63</u>	<u>1,399.20</u>
Freight, Transportation Charges and Demurrage	6,801.04	6,117.20
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus etc.	3,916.26	2,836.55
Contribution to Provident & Other Funds	1,625.57	1,466.21
Voluntary Retirement Compensation	5.97	17.09
Staff Welfare Expenses	887.75	1,421.20
	<u>6,435.55</u>	<u>5,741.05</u>
Office Administration, Selling and Other Expenses (Schedule 'O-1')	3,643.20	4815.61
TOTAL	<u>1,65,426.64</u>	<u>1,37,874.26</u>
Less: Company's use of own products	945.24	1121.28
TOTAL (Net)	<u>1,64,481.40</u>	<u>1,36,752.98</u>

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

(₹ in crore)

	March-11	March-10
Rent	271.80	238.17
Insurance	71.07	44.62
Rates & Taxes	61.93	60.43
Donations	0.00	0.03
Payment to Auditors :		
Audit Fees	0.78	0.78
Tax Audit Fees	0.11	0.11
Other Services (for issuing certificates etc.)	0.33	0.25
Out of Pocket Expenses	0.28	0.31
	1.50	1.45
Travelling & Conveyance	304.38	260.79
Communication Expenses	42.60	44.02
Printing & Stationery	26.41	25.40
Electricity & Water	178.37	155.70
Bank Charges	32.31	45.89
Bad Debts, Advances & Claims written off	6.57	5.01
Provision/Loss on Assets sold or written off	59.02	193.22
Technical Assistance Fees	37.38	14.13
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.	209.81	99.23
Provision for Diminution in Investments	78.74	1499.48
Loss on Sale of Investments	356.47	646.44
Security Force Expenses	223.43	198.98
Sales Promotion Expenses (Incl. Commission)	447.82	374.06
Handling Expenses	165.38	138.33
Expenses on Enabling Facilities	41.68	0.07
Commodity Hedging Loss (Net)	48.40	0.00
Provision for Probable Contingencies	42.07	42.76
Exploration & Production Cost	333.44	139.11
Amortisation of Premium on Forward Contracts	132.04	133.88
Other Expenses	470.58	454.41
TOTAL	3,643.20	4,815.61

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

(₹ in crore)

	Note	March-11	March-10
Income :			
Miscellaneous Income		5.84	4.44
Sales of Products		(2.62)	(0.08)
Total Income		3.22	4.36
Expenditure :			
Purchase of Products and Crude		(0.09)	(16.26)
Depreciation and Amortisation on:			
- Fixed Assets		20.26	12.57
- Intangible Assets		0.00	(0.05)
Consumption of Stores, Spares and Consumables		(9.25)	12.74
Technical Fees		(3.18)	2.15
Power & Fuel		(3.25)	2.24
Repairs and Maintenance		2.64	(0.24)
Interest		2.95	0.15
Rent		5.33	7.15
Rates & Taxes		0.27	(0.19)
Payment to and provision for employees		(5.68)	0.00
Other Expenses	A	66.93	67.69
Total Expenditure		76.93	87.95
NET INCOME/(EXPENSES)		(73.71)	(83.59)

Note:

A. Includes ₹ 42.24 crore on account of revision in accounting policy for Enabling Assets (Refer Note 12 of Schedule 'R')

SCHEDULE 'Q' - SIGNIFICANT ACCOUNTING POLICIES For the Year Ended 31st March, 2011

1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Fixed Assets

- 2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

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2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.
- 2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalised at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores

- 2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Depreciation/Amortisation

- 2.4.1 Cost of leasehold land for 99 years or less is amortised over the lease period.
- 2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal/dismantle or earmarking for disposal/dismantling during the year.
- 2.4.3 Assets, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/-per item are depreciated fully in the year of capitalisation.
- 2.4.4 Expenditure on items like electricity transmission lines, railway sidings, roads, culverts etc. the ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

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

3. INTANGIBLE ASSETS

- 3.1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over a period of ten years or life of the underlying plant/facility, whichever is earlier.

- 3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.3 Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Work-in Progress-Intangible Assets".
- 3.4 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

- 5.1 Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions.
- 5.2 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the year end, are translated at exchange rates prevailing as at the year end.
- 5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.
- 5.4.1 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Profit & Loss Account either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.
- (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March, 2012, by recognition as income or expense in each of such periods.
- 5.4.2 Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

6. INVESTMENTS

- 6.1 Long term investments are valued at cost and provision for diminution in

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value, thereof is made, wherever such diminution is other than temporary.

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

7. INVENTORIES

7.1 Raw Materials

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

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

7.2 Stock-in-Trade

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

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

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

7.3 Stores and Spares

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

7.3.2 Stores & Spares in transit are valued at cost.

8. DEBTORS

In addition to the specific provision made, an adhoc provision @ 1% is also made in respect of debtors other than those relating to Oil Marketing Companies, Subsidiary & Joint Venture Companies and Export customers to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

9.1 Contingent Liabilities

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

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

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

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;

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

9.2 Capital Commitments

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

10. REVENUE RECOGNITION

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

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

10.3 Claims (including interest on outstandings) are accounted:

- a) When there is certainty that the claims are realizable
- b) Generally at cost

10.4 Income and expenditure upto ₹ 5 lakh in each case pertaining to previous years are accounted for in the current year.

10.5 Pre-paid expenses upto ₹ 5 lakh in each case are charged to revenue.

11. EXCISE DUTY

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

12. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

13. EMPLOYEES' BENEFITS

13.1 Short Term Benefits:

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

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

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Profit and Loss Account. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Profit and Loss Account.

b) The Company operates defined benefit plans for Gratuity. The cost of providing such defined benefits is determined using the

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projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Profit and Loss Account.

- c) Obligations on Compensated Absences, Post Retirement Medical Benefits, Resettlement and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

13.3 Termination Benefits:

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

14. GRANTS

14.1 Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognised as income in the Profit and Loss Account over the period and in the proportion in which depreciation is charged.

14.2 Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Govt. of India from time to time, subject to final adjustment as per separate audit.

Sd/-
(R. S. Butola)
 Chairman

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

Sd/-
(Raju Ranganathan)
 Company Secretary

15. OIL & GAS EXPLORATION ACTIVITIES

- 15.1 The Company is following the 'Successful Efforts Method' of accounting for Oil & Gas exploration and production activities as explained below:
 - a) Survey costs are expensed in the year of incurrence.
 - b) Acquisition cost, cost of incomplete / undecided exploratory wells and development costs are carried as capital work in progress till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.
 - c) Expenditure towards unfinished Minimum Work Programme with and without extension of time is expensed in the year of incurrence.
- 15.2 Company's share of proved reserves of oil and gas are disclosed when notified by the Operator of the relevant block.
- 15.3 The Company's proportionate share in the assets, liabilities, income and expenditure of joint venture operations are accounted as per the participating interest in such joint venture operations.

16. COMMODITY HEDGING

The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the Profit & Loss Account. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is made.

SCHEDULE 'R' - NOTES ON THE ACCOUNTS For the Year Ended 31st March, 2011

1. Contingent Liabilities:

- a) Contingent Liabilities amounting to ₹ **7,820.86 crore** (2010: ₹ 6965.88 crore) are as under :
 - i) ₹ **238.02 crore** (2010: ₹ 288.02 crore) being the demands raised by the Central Excise /Customs authorities.
 - ii) ₹ **5,045.52 crore** (2010: ₹ 4983.51 crore) in respect of Sales Tax demands.
 - iii) ₹ **736.79 crore** (2010: ₹ 630.41 crore) including ₹ **503.98 crore** (2010: ₹ 446.57 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator.
 - iv) ₹ **1,167.75 crore** (2010: ₹ 668.94 crore) in respect of Income Tax demands.
 - v) ₹ **632.78 crore** (2010: ₹ 395.00 crore) in respect of other claims.
The Company has not considered those disputed demands/claims as contingent liabilities, the outflow of resources for which would be remote.
- b) Interest/Penalty, if any, on some of the above claims is unascertainable.
- c) 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.
- d) The Company has issued Corporate Guarantee in favor of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S. A. and the Mixed Company Venezuela (PeTroCarabobo S.A.), on behalf of Indoil Netherlands B.V. Netherlands (an associate company) to fulfill the associate company's future obligations for payment of signature bonus/equity contribution/ loan to the beneficiaries. The estimated amount of such obligation is ₹ **1,812.95 crore-USD 406.49 million** (2010 : ₹ 1,903.76 crore- USD 424 million)
- e) The Company has issued corporate guarantee in favor of Standard Chartered Bank, on behalf of Lanka IOC PLC, subsidiary of the company, for raising a loan of ₹ **133.80 crore- USD 30 million** (2010 : ₹ 224.50 crore - USD 50 million).
2. Estimated amount of contracts remaining to be executed on Capital Account not provided for ₹ **21,737.72 crore** (2010: ₹ 16,620.93 crore).
3. Purchase of crude oil from ONGC, Oil India Limited and Panna Mukta Tapti JV and some other oilfields has been accounted for provisionally, pending finalization of agreements with respective parties. Adjustments, if any, will be made on finalization of agreements.
4. Title Deeds for Land and residential apartments as also lease and other agreements in respect of certain lands/buildings, the book value of which is ₹ **139.08 crore** (2010: ₹ 217.56 crore), are pending for execution or renewal.
5. Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.
6. Pursuant to orders pronounced by the Honorable Supreme Court / various High Courts in the matter of Entry Tax on Crude Oil, HSD & Lubricants and as advised, the Company has not provided for Entry Tax amounting to ₹ **5,106.43 crore** (2010: ₹ 3,743.19 crore) including ₹ **1,363.24 crore** for the year (2010: ₹ 1,084.42 crore) in respect of Mathura & Panipat Refineries, Mundra-Panipat & Salaya Mathura Pipelines and Asaouti Lube Blending Plant. Pending final disposal of the matter by the Honorable Supreme Court / various High Courts, Entry Tax already paid / deposited / provided for at various units has not been considered for write back.
7. Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **1,640.92 crore** (2010: ₹ 1,595.82 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **35.74 crore** (2010: ₹ 27.27 crore) have been reckoned as per the schemes notified by Government of India.
8. The company has accounted for Budgetary Support of ₹ **22,604.84 crore** (2010: ₹ 15,171.84 crore) towards under-recovery on sale of MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic) for 2010-11 in the Profit and Loss Account as Revenue Grants. Out of this ₹ **10,942.44 crore** (2010: ₹ 8,071.66 crore) has been accounted for based on the advice from Government of India, pending receipt of compensation.
9. In line with the scheme formulated by Petroleum Planning and Analysis Cell (PPAC), the Company has received during the year, discounts of ₹ **15,879.34 crore** (2010: ₹ 6,960.91 crore) on Crude Oil/Products purchased from ONGC/GAIL/OIL and ₹ **824.39 crore** (2010: ₹ 587.38 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 MS (upto 25th June 2010), HSD, SKO (PDS) and LPG (Domestic) and the same has been adjusted against the purchase cost.
10. The Company has an export obligation to the extent of ₹ **3,677.09 crore** (2010: ₹ 1,743.84 crore) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital goods.
11. 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.
12. The accounting policy regarding expenditure during the construction period of projects on assets not owned by the company has been revised as per the opinion of the Expert Advisory Committee of ICAI received during the year which states that such expenditure should be charged to revenue at the time of incurrence instead of charging the same in the year of capitalization of the projects. This

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change has resulted in decrease in Profit by ₹ 57.06 crore for the year (including ₹ 42.24 crore charged to prior period expenses).

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

14. Disclosure in compliance with Accounting Standard-15 (Revised 2005) on "Employee Benefits" is given in Annexure-1.

15. In compliance with Accounting Standard-17 on "Segment Reporting", the required information is given in Annexure-2 to this schedule.

16. In compliance of Accounting Standard – 18 on "Related Party Disclosures", the required information is given in Annexure-3 to this schedule.

17. Disclosure as required under Accounting Standard – 19 on "Leases":

Finance Leases:

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

Operating leases:

a) As Lessees

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

(₹ in crore)

Particulars	March-11	March-10
A. Lease rentals recognized during the period	51.26	51.58
B. Lease Obligations		
- Not later than One Year	48.64	50.51
- Later than one year and not later than five years	161.36	171.23
- Later than five years	574.53	613.56

These relate to leases in respect of Pipeline from Koyali to Navagam, Port facilities at Gujarat and storage tankage facilities for petroleum products.

b) As Lessors

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

(₹ in crore)

Particulars	March-11	March-10
A. Lease rentals recognized as income during the period	8.21	10.61
B. Lease Rentals (category of assets – Plant & Machinery)		
- Gross Carrying Amount	20.39	20.17
- Accumulated Depreciation	15.42	14.99
- Depreciation recognized in Profit and Loss Account	0.73	0.74

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

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

	March-11	March-10
Profit After Tax (₹ in crore)	7445.48	10220.55
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)	2427952482	2427952482
Earning Per Share (₹) (Basic and Diluted)	30.67	42.10
Face value per share (₹)	10/-	10/-

Contd...

19. In compliance of Accounting Standard – 22 on “Accounting for Taxes on Income”, Deferred Tax Expense amounting to ₹ **1580.48 crore** (2010: Deferred Tax Income ₹ 717.52 crore) has been provided during the current year. The year end position of Deferred Tax Liability is given below :

(₹ in crore)

	As on 01.04.2010	Provided during the Year	Balance as on 31.03.2011
Deferred Tax Liability:			
Depreciation and other Fixed Assets	6,308.11	1583.13	7,891.24
Total Deferred Tax Liability (A)	6,308.11	1583.13	7,891.24
Deferred Tax Assets:			
Provision on Inventories, Debtors, Loans and Advances, Investments	717.72	(106.82)	610.90
Compensation for Voluntary Retirement Scheme	8.36	(1.66)	6.70
43B Disallowances etc.	88.55	431.52	520.07
Capital Grants	5.15	(0.39)	4.76
Provision for leave encashment	450.67	(38.45)	412.22
Exploration expenses	281.55	(281.55)	0.00
Total Deferred Tax Assets (B)	1,552.00	2.65	1554.65
Deferred Tax Liability (Net) (A-B)	4,756.11	1580.48	6336.59
Previous Year	5473.63	(717.52)	4756.11

20. In compliance of Accounting Standard – 27 on “Financial Reporting of Interest in Joint Ventures” the required information is given in Annexure-4 to this schedule.

21. 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.

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

(₹ in crore)

	Opening Balance	Additions during the Year*	Utilization during the Year**	Reversals during the Year**	Closing Balance***
Excise	1.22	-	-	0.34	0.88
Sales Tax	113.91	32.29	-	2.12	144.08
Entry Tax	1090.92	188.54	-	-	1279.46
Others	60.09	10.38	2.16	0.05	68.26
Total	1266.14	231.21	2.16	2.51	1492.68
Previous Year	904.07	453.05	69.89	21.09	1266.14

*Additions include ₹ 0.28 Crore (2010 : ₹ 1.15 crore) capitalized, ₹ 188.86 crore (2010: 152.61 crore) included in raw material consumption in Schedule O

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

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

23. In compliance of amended clause 32 of the Listing Agreement with the Stock Exchanges, the required information is given in Annexure-5 to this schedule.

24. The dues to Micro and Small 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-11	March-10
Amount due and payable at the year end		
- Principal	25.57	16.02
- Interest on above Principal	0.06	0.07
Payments made during the year after the due date		
- Principal	7.32	4.42
- Interest	0.00	0.00
Interest due and payable for Principals already paid	0.03	0.00
Total Interest accrued and remained unpaid at year end.	0.09	0.07

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

26. Remuneration paid/payable to Directors:

(₹ in crore)

Particulars	2010-11	2009-10
i) Salaries & Allowances	2.78	3.42
ii) Contribution to Provident & Other Funds*	0.12	0.30
iii) Other benefits and Perquisites	0.94	0.98
iv) Sitting Fees to Part Time Directors	0.24	0.23
Total	4.08	4.93

*This does not include the contribution/provision made on actuarial basis for superannuation benefits as the same are not ascertainable for individual directors.

In addition, Whole-time Directors are also allowed the use of Company's car for private purposes upto 12,000 KMs per annum on a payment of ₹ 520 per mensem for car of less than 16 hp or ₹ 780 per mensem for car of above 16 hp as specified in the terms of appointment.

27. Duties (Net) shown under the Expenditure in Profit and Loss Account includes an amount of ₹ **349.94 crore** (2010 : ₹ 43.03 Crore) on account of difference of Excise Duty between opening and closing stock of finished goods.

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

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

30. Research and Development Expenses of ₹ **77.06 crore** (2010 : ₹ 80.92 crore) have been capitalized and ₹ **131.54 crore** (2010 : ₹ 162.42 crore) have been accounted for in Profit and Loss Account during the year. Detailed break up of total expenditure has been given in Annexure - 7.
31. Pending finalization of third party claims arising out of Fire incident on 29th October 2009 at Jaipur terminal, no provision has been made in the books (being unascertainable at this stage) except for ₹ **0.25 crore** (2010 : ₹ 51.89 crore) provisionally paid /provided by the Company and charged to P&L account.
32. Provision for income tax for the current year has been made in terms of section 115 JB (MAT) of the Income Tax Act, 1961. Tax credit has been accounted as per provisions of section 115 JAA.

33. The Profit and Loss Account includes :

- a) Expenditure on Public Relations and Publicity amounting to ₹ **39.40 crore** (2010: ₹ 31.44 crore) which is inclusive of ₹ **12.34 crore** (2010: ₹ 10.06 crore) on account of Staff and Establishment and ₹ **27.06 crore** (2010: ₹ 21.38 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00012:1** (2010: 0.00012:1).
- b) Entertainment Expenses ₹ **2.34 crore** (2010: ₹ 2.23 crore).

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

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

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

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

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

Annexure-1

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

(A) PROVIDENT FUND

- (i) The Company has five Provident Funds maintained by respective PF Trusts. All these five PF Trusts do not have any shortfall as on 31.03.2010. However, due to payment of higher interest @ 9.5% as against 8.5% for the year 2010-11, two PF trusts have reported net deficit of ₹ 1.03 crore and the same has been contributed and charged to profit & loss account.
- (ii) During the year, Company has conducted Actuarial Valuation of all five PF Trusts. As per Actuarial Valuation, one of the Trust has a net deficit of ₹ 3.28 crore as on 31st March 2011 and the same has been provided for in the P&L Account. The other four PF Trusts do not have any deficit as on 31st

March 2011. Accordingly, other related disclosures in respect of Provident Fund have not been made.

- (iii) During the year, the company has recognised ₹ **337.12 crore** (2009-10 : ₹ 221.89 crore) as Employer's contribution to Provident Fund in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O').

(B) PENSION SCHEME

During the year, the company has recognised ₹ **349.86 crore** (2009-10 : ₹ 494.95 crore) towards Defined Contributory Employees Pension Scheme in the Profit and Loss Account (included in Contribution to Provident and Other Funds in Schedule 'O').

(C) RECONCILIATION OF BALANCE OF DEFINED BENEFIT OBLIGATION

(₹ in crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Defined Obligation at the beginning of the year	1,346.76	1,356.65	825.72	82.50	92.30	9.98
	1,262.75	1,158.02	236.24	71.41	55.62	7.35
Current Service Cost	19.79	53.48	46.44	3.72	4.75	0.28
	46.72	33.05	35.40	4.50	4.50	0.25
Interest Cost	108.79	110.16	70.00	7.07	7.65	0.74
	98.33	78.39	19.00	5.82	3.80	0.49
Post Service Cost	-	-	-	-	-	-
	-	-	291.74	-	-	-
Benefits paid	(108.61)	(162.67)	(60.08)	(1.95)	(9.55)	(2.02)
	(81.39)	(291.74)	(49.46)	(1.58)	(22.23)	(0.58)
Actuarial (gain)/ loss on obligations	21.48	221.88	(52.09)	(8.34)	14.18	0.30
	20.35	378.93	292.80	2.35	50.61	2.47
Defined Benefit Obligation at the end of the year	1,388.21	1,579.50	829.99	83.00	109.33	9.28
	1,346.76	1,356.65	825.72	82.50	92.30	9.98

(D) RECONCILIATION OF BALANCE OF FAIR VALUE OF PLAN ASSETS

(₹ in crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the beginning of the year	1,358.67 544.47	-	-	-	-	9.35 8.99
Expected return on plan assets	113.04 104.15	-	-	-	-	0.75 0.78
Contribution by employer	108.61 798.12	-	-	-	-	- 0.10
Benefit paid	(108.61) (81.39)	-	-	-	-	(2.02) (0.58)
Actuarial gain / (losses)	18.09 (6.68)	-	-	-	-	0.09 0.06
Fair value of plan assets at the end of the year	1,489.80 1,358.67	-	-	-	-	8.17 9.35

(E) RECONCILIATION OF FAIR VALUE OF PLAN ASSETS AND DEFINED BENEFIT OBLIGATION

(₹ in crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Fair Value of Plan Assets at the end of the year	1,489.80 1,358.67	-	-	-	-	8.17 9.35
Defined Benefit Obligation at the end of the year	1,388.21 1,346.76	1,579.50 1,356.65	829.99 825.72	83.00 82.50	109.33 92.30	9.28 9.98
Amount recognised in the Balance Sheet	(101.59) (11.91)	1,579.50 1,356.65	829.99 825.72	83.00 82.50	109.33 92.30	1.11 0.63

F) AMOUNT RECOGNISED IN CWIP / PROFIT AND LOSS ACCOUNT

(₹ in crore)

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Current Service Cost	19.79	53.48	46.44	3.72	4.75	0.28
	46.72	33.05	35.40	4.50	4.50	0.25
Interest Cost	108.79	110.16	70.00	7.07	7.65	0.74
	98.33	78.39	19.00	5.82	3.80	0.49
Expected (return) / loss on plan asset	(113.04)	-	-	-	-	(0.75)
	(104.15)	-	-	-	-	(0.78)
Past Service Cost	-	-	-	-	-	-
	-	-	291.74	-	-	-
Actuarial (gain)/ loss	3.39	221.88	(52.09)	(8.34)	14.18	0.21
	27.03	378.93	292.80	2.35	50.61	2.41
Expenses for the year	18.93	385.52	64.35	2.45	26.58	0.48
	67.93	490.37	638.94	12.67	58.91	2.37

(G) MAJOR ACTUARIAL ASSUMPTIONS

	Gratuity	Leave Encashment	PRMS	Resettlement Allowance	Long Service Award	Staff Pension Fund at AOD
	Funded	Non-Funded	Non-Funded	Non-Funded	Non-Funded	Funded
Discount rate	8.30%	8.30%	8.30%	8.30%	8.30%	8.30%
	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%
Expected return on plan assets	8.00%	-	-	-	-	9.00%
	8.00%	-	-	-	-	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%	-	-

(H) ACTUAL RETURN ON PLAN ASSETS

	Gratuity	Staff Pension Fund at AOD
	Funded	Funded
Actual Return on Plan Assets	9.66%	8.03%
	9.65%	8.68%

(I) INVESTMENT DETAILS

	Gratuity	Staff Pension Fund at AOD
	Funded	Funded
Life Insurance Corporation of India	95.02%	50.93%
Self managed investments	4.98%	49.07%
Total	100.00%	100.00%

Details of the investment pattern as provided by insurer for the above-mentioned funded obligations is as under

	Gratuity	Staff Pension Fund at AOD
	Funded	Funded
Government of India securities	54.39%	31.00%
Investment in Equity Shares	5.51%	0.00%
Investment in Debentures	38.96%	0.00%
Other approved investments (incl. Cash)	1.14%	69.00%
Total	100.00%	100.00%

(J) EFFECT OF INCREASE/DECREASE IN HEALTHCARE COST

(₹ in crore)

	2010-11	2009-10
Change in Liability for 1% increase in inflation rate	86.73	86.33
Change in Liability for 1% decrease in inflation rate	(70.96)	(70.63)

(K) AMOUNT FOR THE CURRENT AND PREVIOUS PERIODS ARE AS FOLLOWS

(₹ in crore)

Gratuity	2010-11	2009-10
Defined benefit obligation	1,388.21	1,346.76
Plan Assets	1,489.80	1,358.67
Surplus / (Deficit)	101.59	11.91
Expected contribution for next financial year	22.52	19.60
Experience adjustment on plan liabilities	Not Available *	
Experience adjustment on plan assets	Not Available *	

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustment on plan liabilities and assets are not available and hence not disclosed.

Annexure-2

INFORMATION REGARDING PRIMARY SEGMENT REPORTING AS PER AS-17 For the Year Ended 31st March, 2011 is as under:

(₹ in crore)

	Petroleum Products	Petro- chemicals	March-11 Other Business	Elimina- tions	Total	Petroleum Products	Petro- chemicals	March-10 Other Business	Elimina- tions	Total
Revenue										
External Revenue	295,198.16	5,679.69	27,975.34	-	328,853.19	241,878.16	3,280.46	23,859.91	-	269,018.53
Inter-segment Revenue	4,632.42	67.35	1,185.47	(5,885.24)	(0.00)	1,378.19	16.38	342.91	(1,737.48)	(0.00)
Total Revenue	299,830.58	5,747.04	29,160.81	(5,885.24)	328,853.19	243,256.35	3,296.84	24,202.82	(1,737.48)	269,018.53
Result										
Segment Results	11,324.82	(1,706.22)	(384.58)	-	9,234.02	13,836.90	450.26	(118.39)	-	14,168.77
Less:										
Interest Expenditure					2,669.83					1,526.46
Provision for diminution in Investments					78.74					1,499.48
Loss on Investments w-off/sold					356.47					646.44
Add:										
Interest/Dividend Income					2,613.82					2,601.61
Provision for investments written back					329.91					718.91
Profit on sale of GOI Bonds					-					106.86
Provision for diminution in Trust Written back					96.86					265.91
Prior year Income/(Expenditure) net					(73.71)					(83.59)
Profit Before Tax					9,095.86					14,106.09
Less: Income Tax (including deferred tax)					1,650.38					3,885.54
Profit After Tax					7,445.48					10,220.55
Other Information										
Segment Assets	131,049.50	18,994.93	2,722.46		152,766.89	104,455.33	16,231.99	1,489.62		122,176.94
Corporate Assets					20,949.29					22,450.08
Total Assets					173,716.18					144,627.02
Segment Liabilities	52,025.57	2,056.96	2,565.18		56,647.71	37,333.70	509.67	1,094.48		38,937.85
Corporate Liabilities					61,736.15					55,136.24
Total Liabilities					118,383.86					94,074.09
Capital Employed										
Segment Wise	79,023.93	16,937.97	157.28		96,119.18	67,121.63	15,722.32	395.14		83,239.09
Corporate					(40,786.86)					(32,686.16)
					55,332.32					50,552.93

Notes:

1. The Company is engaged in the following business segments

- Sale of Petroleum Products
- Sale of Petrochemicals
- Other Businesses, which comprises Sale of Imported Crude Oil, Sale of Gas, Explosives & Cryogenics, Wind Mill Power Generation and Oil & Gas Exploration Activities jointly undertaken in the form of unincorporated Joint Ventures.

Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns

2. Segment Revenue comprises of the following:

- Turnover (Net of Excise Duties)
- Subsidy / Grants received from Government of India
- Other income (excluding interest income, dividend income, exceptional items income and investment income)

3. There are no reportable geographical segments.

Annexure-3

AS REQUIRED BY AS -18 'RELATED PARTY DISCLOSURES', ARE GIVEN BELOW

1. RELATIONSHIP

A) DETAILS OF JOINT VENTURE COMPANIES/ENTITIES

- 1) IOT Infrastructure & Energy Services Ltd.
- 2) Lubrizol India Pvt. Ltd.
- 3) Petronet VK Ltd.
- 4) IndianOil Petronas Pvt. Ltd.
- 5) Avi-Oil India Pvt. Ltd.
- 6) Petronet India Ltd.
- 7) Petronet LNG Ltd.
- 8) Green Gas Ltd.
- 9) IndianOil Panipat Power Consortium Ltd.
- 10) Petronet CI Ltd.
- 11) Indo Cat Pvt. Ltd.
- 12) IndianOil SkyTanking Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Delhi Aviation Fuel Facility Pvt. Ltd.
- 15) Indian Synthetic Rubber Limited
- 16) Indian Oil Ruchi Biofuels LLP

B) WHOLE-TIME DIRECTORS

- 1) Shri R.S. Butola
- 2) Shri S.Behuria (upto 28.02.2010)
- 3) Shri B.M.Bansal
- 4) Shri S.V.Narasimhan
- 5) Shri V.C.Agrawal
- 6) Shri G.C.Daga
- 7) Shri B.N.Bankapur
- 8) Shri Anand Kumar
- 9) Shri P.K.Chakraborti (upto 31.08.2009)
- 10) Shri K.K. Jha
- 11) Dr. R.K. Malhotra
- 12) Shri Sudhir Bhalla
- 13) Shri A.M.K.Sinha

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

A) Details relating to Parties referred to in item number 1 (A) above :

(₹ in crore)

	2010-11	2009-10
i) Sales	191.59	147.39
(Includes sales to Lubrizol India Pvt. Ltd. ₹ 159.78 crore (2010 : ₹ 110.87 crore) and Delhi Aviation Fuel Facility Pvt. Ltd. ₹ 20.07 crore (2010 : Nil))		
ii) Interest received	1.10	2.91
(Includes interest received from IOT Infrastructure & Energy Services Ltd. ₹ 1.08 crore (2010 : ₹ 2.74 crore))		
iii) Consultancy Services/Other Income	62.76	48.69
(Includes Consultancy Service/Other Income from Lubrizol India Pvt. Ltd. ₹ 30.72 crore (2010 : ₹ 26.46 crore), IndianOil Petronas Pvt. Ltd. ₹ 8.00 crore (2010 : ₹ 0.14 crore) and Petronet LNG Ltd. ₹ 19.71 crore (2010 : ₹ 19.00 crore))		
iv) Purchase of Products	3,823.62	2,802.02
(Includes Purchase of Products from Petronet LNG Ltd. ₹ 3753.78 crore (2010 : ₹ 2679.59 crore))		
v) Purchase of Chemicals/materials	228.15	186.44
(Includes Purchase of chemicals /materials from Lubrizol India Pvt. Ltd. ₹ 227.87 crore (2010 : ₹ 186.44 crore)).		

Contd...

(₹ in crore)

	2010-11	2009-10
vi) Handling Expenses	228.04	101.16
(Includes Handling Expenses to IndianOil Petronas Pvt. Ltd. ₹ 79.22 crore (2010 : ₹ 62.49 crore) and IndianOil Sky Tanking Ltd. ₹ 130.91 crore (2010 : ₹ 28.32 crore))		
vii) Freight Expenses	0.25	0.58
(Includes Freight Expenses to Lubrizol India Pvt. Ltd. ₹ 0.24 crore (2010 : ₹ 0.16 crore))		
viii) Reimbursement of Expenses	5.08	4.11
(Includes Reimbursement of Expenses to IndianOil Petronas Pvt. Ltd. ₹ 2.49 crore (2010 ₹ 2.22 crore), Petronet LNG Ltd. ₹ 0.52 crore (2010 : ₹ 0.51 crore) and IndianOil Sky Tanking Ltd. ₹ 1.57 crore (2010 : ₹ 0.77 crore))		
ix) Interest paid/payable	-	-
x) Investments made during the year	92.18	82.15
(Includes Investment made in Delhi Aviation Fuel Facility Pvt. Ltd. ₹ 60.68 crore (2010 : Nil) and IndianOil Ruchi Biofuels LLP ₹ 25.00 crore (2010 : Nil))		
xi) Purchase/Acquisition of Fixed Assets	437.04	1,535.22
(Includes Purchase/Acquisition of Fixed Assets from IOT Infrastructure & Energy Services Ltd. ₹ 434.37 crore (2010 : ₹ 1535.22 crore))		
xii) Provisions made/(written off) during the year	0.19	40.80
(Includes provision made/(written off) during the year Petronet VK Ltd. of ₹ 0.19 crore (2010 : Nil))		
xiii) Outstanding /Loan Receivables	108.26	54.55
(Includes Outstanding Receivables from IOT Infrastructure & Energy Services Ltd. ₹ 41.62 crore (2010 : ₹ 1.39 crore), Suntera Nigeria 205 Ltd. ₹ 40.53 crore (2010 : ₹ 40.8 crore) and Lubrizol India Pvt Ltd. ₹ 14.42 crore (2010 : ₹ 8.86 crore))		
xiv) Outstanding Payables	557.95	397.36
(Includes Outstanding payable to IOT Infrastructure & Energy Services Ltd. ₹ 237.48 crore (2010 : ₹ 193.10 crore), IndianOil Sky Tanking Pvt. Ltd. ₹ 66.18 crore (2010 : ₹ 0.20 crore) and Petronet LNG. Ltd. ₹ 219.45 crore (2010 : ₹ 169.41 crore))		
xv) Investments (Details are given in Schedule G)	521.76	395.78

B) Details relating to the Parties referred to in item number 1 (B) above :

(₹ in lakh)

FY 2010-11			
B.1) Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1) Shri R.S. Butola	2.71	-	-
2) Shri S.Behuria	-	-	-
3) Shri B.M.Bansal	62.80	0.18	-
4) Shri S.V.Narasimhan	45.21	0.04	-
5) Shri V.C.Agrawal	49.52	0.07	-
6) Shri G.C.Daga	41.68	-	-
7) Shri B.N.Bankapur	45.37	0.04	-
8) Shri Anand Kumar	55.36	0.05	-
9) Shri P.K.Chakraborti	-	-	-
10) Shri K.K. Jha	42.40	0.20	2.03
11) Dr. R.K. Malhotra	25.20	0.02	-
12) Shri Sudhir Bhalla	13.17	0.18	5.71
13) Shri A.M.K. Sinha	0.77	0.42	0.32
TOTAL	384.19	1.20	8.06

FY 2009-10			
B.1) Details of Whole-time Directors	Remuneration	Recovery of Interest & Furniture Hire Charges	Outstanding loans/advances receivables
1) Shri R.S. Butola	-	-	-
2) Shri S.Behuria	93.05	0.30	-
3) Shri B.M.Bansal	48.92	0.22	4.44
4) Shri S.V.Narasimhan	45.80	0.04	-
5) Shri V.C.Agrawal	48.97	0.24	7.25
6) Shri G.C.Daga	57.41	-	-
7) Shri B.N.Bankapur	46.66	0.04	-
8) Shri Anand Kumar	49.72	0.21	4.20
9) Shri P. K.Chakraborti	50.92	0.05	-
10) Shri K.K. Jha	29.22	0.09	2.93
11) Dr. R.K. Malhotra	-	-	-
12) Shri Sudhir Bhalla	-	-	-
13) Shri A.M.K. Sinha	-	-	-
TOTAL	470.67	1.19	18.82

Notes:

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

IN COMPLIANCE OF AS-27, 'FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES', The required information is as under:

1) Disclosure of interest in the following categories of joint ventures:

(a) Jointly Controlled Operations:-

The Corporation has entered into production sharing oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

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

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

(b) Jointly Controlled Assets:-

IOC's share in jointly controlled/ owned assets have been shown in schedule E "Fixed Assets".

(c) Jointly Controlled Entities:-

Name	Country of Incorporation	Ownership Interest of IOC (%)	
		31.03.2011	31.03.2010
(i) IOT Infrastructure & Energy Services Ltd. (name changed from Indian Oil Tanking Ltd.)	India	49.89	49.98
(ii) Lubrizol India Pvt. Ltd.	India	50	50

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

2) IOC'S share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(₹ in crore)

	31.03.2011	31.03.2010
(i) Assets		
-Long Term Assets	1,596.82	1,112.86
-Current Assets	998.67	886.30
(ii) Liabilities		
- Current Liabilities and Provisions	676.09	431.52
- Other Liabilities	776.54	678.09
(iii) Income	3,245.01	2,549.08
(iv) Expenses	2,879.58	2,312.33
(v) Contingent Liabilities	38.13	27.20
(vi) Capital Commitments	382.97	433.80

3) IOC'S share in aggregate of contingent liabilities and capital commitments of jointly controlled operations and assets:

(₹ in crore)

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

Annexure-5

DISCLOSURE AS REQUIRED BY CLAUSE 32 OF LISTING AGREEMENT

(₹ in crore)

	Amount as on		Maximum Amount outstanding during the year ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
I. Loans and Advances in the nature of loans:				
A) To Subsidiary Companies				
B) To Associates /Joint Venture				
Petronet V. K. Ltd.	0.38	0.25	0.38	0.25
(No repayment schedule available)				
Suntera Nigeria 205 Ltd.	40.5	40.8	40.8	40.8
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	-	-	-	-

Annexure-6

DISCLOSURE OF EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES

Financial and Derivative Instruments:

- All derivative contracts entered into by the Company are for hedging its foreign currency exposures and commodity trading exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
- The Derivative contracts entered into by the Company and outstanding as on 31st March 2011 are as below:

(a) For Hedging Currency Risks

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

(₹ in crore)

S. No.	Particulars	Unit of Currency	As on 31.03.11		As on 31.03.10	
			No of contracts	Aggregate amount	No of contracts	Aggregate amount
1.	Forward Contracts for Import and Export	USD	20	3,028.58	9	1,628.94

(b) For Hedging Commodity Related Risks:

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

Quantity (in '000 bbls)

S.No.	Particulars	As on 31.03.2011	As on 31.03.2010
1.	Swaps on Crude oil	9,450	5,800
2.	Margin Hedging	2,400	600

(c) For Hedging Interest Rate Related Risks*

Interest rate swap for ₹ 2230 crore (USD 500 million) syndicated loan (Swap from 1/3/6 month USD LIBOR till maturity to 2.222% Fixed)

S.No.	Particulars	Number of Contracts	
		As on 31.03.2011	As on 31.03.2010
1.	Swaps of Interest Rates	1	Nil

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

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

(₹ in crore)

S.No.	Particulars	As on 31.03.2011	As on 31.03.2010
		Aggregate amount	Aggregate amount
1.	Unhedged	40,765.02	24,543.61

Annexure-7

DETAILS OF RESEARCH EXPENDITURE

A. CAPITAL EXPENSES (FIXED ASSETS)

(₹ in crore)

Asset Block	Gross Block as at 01.04.2010	Additions during the year	Transferred from CWIP	Transfer/Deduction/Disposal during the year	Gross Block as at 31.03.2011	Work-in-Progress as on 01.04.2010	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as on 31.03.2011	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.	40.24	0.88	30.21	1.12	70.21	14.62	23.99	30.21	8.40	24.87
3. Plant & Machinery	478.18	36.72	21.68	10.88	525.70	37.12	8.85	21.68	24.29	45.57
4. Office Equipment	30.76	2.59	0.61	4.76	29.20	0.02	0.59	0.61	-	3.18
5. Transport Equipments	0.64	0.01	-	0.15	0.50	-	-	-	-	0.01
6. Furniture & Fixtures	5.45	0.17	0.90	0.07	6.45	-	0.90	0.90	-	1.07
7. Drainage & Sewage	0.44	-	-	-	0.44	-	-	-	-	-
Sub Total :	556.52	40.37	53.40	16.98	633.31	51.76	34.33	53.40	32.69	74.70
(b) INTANGIBLE ASSETS										
1. Right of way	-	-	-	-	-	-	-	-	-	-
2. Licenses/Technical Know-how	-	-	-	-	-	-	-	-	-	-
3. Computer Software	3.46	1.94	0.42	-	5.82	-	0.42	0.42	-	2.36
Sub Total :	3.46	1.94	0.42	-	5.82	-	0.42	0.42	-	2.36
TOTAL :	559.98	42.31	53.82	16.98	639.13	51.76	34.75	53.82	32.69	77.06
Previous year :	494.94	12.46	56.25	3.67	559.98	39.55	68.46	56.25	51.76	80.92

B. RECURRING EXPENSES

(₹ in crore)

	2010-11	2009-10
1. Consumption of Stores, Spares & Consumables	7.81	10.39
2. Repairs & Maintenance		
(a) Plant & Machinery	2.52	4.41
(b) Building	4.01	4.79
(c) Others	0.56	0.83
3. Freight, Transportation Charges & demurrage	0.08	0.10
4. Payment to and Provisions for employees	82.76	91.85
5. Office Administration, Selling and Other Expenses	33.80	50.05
TOTAL :	131.54	162.42

C. TOTAL RESEARCH EXPENSES

(₹ in crore)

	2010-11	2009-10
A. Capital Expenditure	77.06	80.92
B. Recurring Expenditure	131.54	162.42
TOTAL	208.60	243.34

SCHEDULE 'S'-LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in ₹ Lakh)

			Licenced Capacity (Refer Note A)		Installed Capacity (Refer Note B)		Actual Production	
Unit			March '11	March '10	March '11	March '10	March '11	March '10
i) Crude Processing	MTs		518.50	488.50	542.00	512.00	472.38	458.77
(Refer Note D)								
ii) Lubricating Oil	MTs	Note C	4.69	4.69	3.83	4.01	3.78	3.65
		Note E	1.46	1.46	1.46	1.46	1.09	1.09
iii) Wax/Bitumen/Asphalt								
Lube Oil Drums	Nos.		15.00	15.00	15.00	15.00	4.63	4.78
iv) Oxygen Plant	CU.M.	Note F	Not specified	Not specified	0.84	0.84	0.00	0.00
v) Propylene Recovery Unit	MTs		0.54	0.54	0.48	0.48	0.15	0.10
vi) MTBE Unit	MTs		0.37	0.37	0.37	0.37	0.34	0.31
vii) Naphtha Cracker plant	MTs		14.60	0.00	14.60	0.00	4.97	0.00
viii) LAB Plant	MTs		1.20	1.20	1.20	1.20	1.26	1.24
x) PX/PTA Plant	MTs		5.53	5.53	5.53	5.53	4.31	5.31
x) Cryocontainer & Accessories	Nos.		0.13	0.13	0.17	0.17	0.15	0.17
xii) Site Mixed Slurry	MTs		0.89	0.89	0.63	0.63	0.71	0.58
Explosives								
xiii) Xylene	MTs		0.00	0.29	0.00	0.29	0.00	0.00
xiii) PSF	MTs	Note G	0.30	0.30	0.30	0.30	0.00	0.00

Note :

- A. i) Licensed Capacity of Refinery is not specified for Assam Oil Division.
ii) Capacity for projects under construction not considered.
- B. As certified by the Management and relied upon by the auditors.
- C. i) Per year operating in single shift.
ii) Installed Capacity has reduced due to Fire at Taloja, LBP in 18th Jan'11.
- D. i) Represents finished petroleum products.
ii) Excludes crude processed in secondary units for other companies/refiners.
- E. Per year operating in two shifts.
- F. This does not have licensed capacity.
- G. Company continued to carry impairment loss of ₹ 35.97 crore in respect of PSF plant at Bongaigaon Refinery.

SCHEDULE 'T' - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

		Opening Stock		Purchases		Sales		Closing Stock	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		(MTs in lakh)	(₹ in crore)	(MTs in lakh)	(₹ in crore)	(MTs in lakh)	(₹ in crore)	(MTs in lakh)	(₹ in crore)
A.									
1 Petroleum Products :	MTs								
Year ended 31.03.11		52.95	16,686.86	323.20	1,27,663.61	788.84	2,92,028.54	56.35	19,960.66
Year ended 31.03.10		55.85	12,846.10	306.98	98,172.49	762.97	2,40,824.66	52.95	16,686.86
2 Lubricants & Greases :	MTs								
Year ended 31.03.11		0.42	299.03	0.02	25.01	4.82	6,138.68	0.37	310.12
Year ended 31.03.10		0.46	348.91	0.02	6.44	5.02	5,656.69	0.42	299.03
3 Crude Oil :	MTs								
Year ended 31.03.11		0.00	0.00	88.52	24,956.57	88.52	24,956.57	0.00	0.00
Year ended 31.03.10		0.00	0.00	87.65	21,029.56	87.65	21,029.56	0.00	0.00
4 Base Oil & Additives :	MTs								
Year ended 31.03.11		0.00	0.00	0.50	265.64	0.99	654.07	0.00	0.00
Year ended 31.03.10		0.00	0.00	0.58	250.01	0.58	331.31	0.00	0.00
5 LAB :	MTs								
Year ended 31.03.11		0.07	31.94	0.00	0.00	1.24	1,181.37	0.09	50.05
Year ended 31.03.10		0.08	32.10	0.00	0.00	1.24	1,098.02	0.07	31.94
6 PX/PTA	MTs								
Year ended 31.03.11		0.21	89.75	0.00	0.00	4.47	2,530.11	0.05	25.71
Year ended 31.03.10		0.18	51.74	0.00	0.00	5.28	2,636.36	0.21	89.74
7 Other Petrochemicals	MTs								
Product									
(including Polymers, MEG and DEG)									
Year ended 31.03.11		0.00	0.01	0.00	0.00	3.67	2,375.62	0.79	527.39
Year ended 31.03.10		0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL(A) :	MTs								
Year ended 31.03.11		53.65	17,107.59	412.24	1,52,910.83	892.55	3,29,864.96	57.65	20,873.93
Year ended 31.03.10		56.57	13,278.91	395.23	1,19,458.50	862.74	2,71,576.60	53.65	17,107.57
B.									
1 Gas :	MBTUs								
Year ended 31.03.11		0.60	1.59	851.53	2,737.27	851.73	2,830.11	0.40	1.37
Year ended 31.03.10		1.49	4.30	874.17	2,568.82	875.06	2,659.75	0.60	1.59
2 Explosives :	MTs								
Year ended 31.03.11		0.00	0.00	0.00	0.00	0.71	168.64	0.00	0.00
Year ended 31.03.10		0.00	0.00	0.00	0.00	0.58	140.89	0.00	0.00
3 Cryocontainers/Cryovessels: Nos									
Year ended 31.03.11		0.05	7.06	0.00	0.00	0.18	34.22	0.02	4.14
Year ended 31.03.10		0.05	4.92	0.00	0.00	0.17	28.92	0.05	7.06
4 Others									
Year ended 31.03.11		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year ended 31.03.10		0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL(B) :									
Year ended 31.03.11			8.65		2,737.27		3,032.97		5.51
Year ended 31.03.10			9.39		2,568.82		2,829.56		8.65
GRAND TOTAL(A + B) :									
Year ended 31.03.11			17,116.24		1,55,648.10		3,32,897.93		20,879.44
Year ended 31.03.10			13,288.30		1,22,027.32		2,74,406.16		17,116.22

The above excludes operating loss/gain, own use etc.

SCHEDULE 'U' - 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-11						
Crude Oil	1,20,343.37	85	20,498.05	15	529.61	1,40,841.42
Base Oil	4.35	0	1,946.59	100	4.32	1,950.94
Ethanol	0.00	0	212.48	100	0.68	212.48
BENZENE	0.00	0	2.48	100	0.00	2.48
Natural Gas/RLNG	0.00	0	522.37	100	2.83	522.37
Additives	101.66	20	398.81	80	0.48	500.47
Packing Materials						
Consumed	0.00	0	324.91	100	9.38	324.91
Steel Coils / Sheets / Stores / Component and Spare Parts	178.65	15	1,012.53	85	0.08	1191.18
Raw Material for Explosives	35.56	35	65.62	65	0.58	101.18
Others	0.75	3	27.47	97		28.22
March-10						
Crude Oil	90,640.27	78	24,889.48	22	506.94	1,15,529.75
Base Oil	3.49	0	1,482.48	100	4.23	1485.97
Ethanol	0.00	0	85.56	100	0.33	85.56
BENZENE	0.00	0	4.15	100	0.17	4.15
Natural Gas/RLNG	0.00	0	152.61	100	5.16	152.61
Additives	66.74	17	335.98	83	0.49	402.72
Packing Materials						
Consumed	0.00	0	328.38	100	10.13	328.38
Steel Coils / Sheets / Stores / Component and Spare Parts	188.18	23	640.20	77	0.08	828.38
Raw Material for Explosives	36.11	47	41.10	53	0.49	77.21
Others	1.43	7	18.70	93		20.13

Note :

1. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
2. Indigenous Base Oil includes ₹ 1165.51 crore (2010: ₹ 800.73 crore) which is internally produced.
3. Consumption excludes loss of base oil & additives due to fire at Taloja plant of ₹ 6.28 crore.

SCHEDULE 'V' - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, GOODS FOR RESALE, INTEREST, DIVIDEND & OTHER MATTERS

(₹ in crore)

	Note	March-11	March-10
1. Royalty		3.00	127.69
2. Professional, Consultation Fees and Technical Service Fees		884.25	708.59
3. Interest		270.48	381.17
4. Purchase of Products		19,564.62	11,438.90
5. Commodity Hedging		227.10	2.02
6. Others	A	3,711.52	2,290.16
TOTAL		24,660.97	14,948.53

Note :

- A. (i) Includes ₹ 2,660.41 crore (2010 : ₹ 1,683.78 crore) on account of crude purchases from Indian Companies, payments of which were made in foreign currency.
(ii) Includes dividend payment of ₹ 15,132 (2010 : ₹ 4,365) in foreign currency to 3 (2010 : 3) shareholders in respect of 1165 (2010 : 582) shares for 2009-10 ((2010 : 2008-09)
- B. Expenditure in Foreign Currency has been considered on accrual basis.

SCHEDULE 'W' - EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

	Note	March-11	March-10
1. Export of Crude Oil ,LAB and Petroleum Products	A	16,781.07	13,671.08
2. Income from Royalty		0.22	0.19
3. Income from Consultancy Services		2.96	7.71
4. Interest		-	0.58
5. Commodity Hedging		178.70	58.75
6. Others		4.60	5.14
TOTAL		16,967.55	13,743.45

Note:

- A. Includes ₹ 2677.44 crore (2010 : ₹ 2455.92 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.

SCHEDULE 'X' - CIF VALUE OF IMPORTS

(₹ in crore)

	Note	March-11	March-10
1. Crude Oil	A	1,45,982.64	1,16,767.26
2. Base Oil		-	-
3. Additives		79.92	44.50
4. Capital Goods		231.05	688.44
5. Other Raw Materials		23.87	17.90
6. Revenue Stores, Component, Spare and Chemicals		446.34	429.18
TOTAL		1,46,763.82	1,17,947.28

Note :

- A. Includes CIF value of Imports made by the Corporation on behalf of Subsidiary Companies ₹ 25,347.34 crore (2010 : ₹ 21,419.25 crore)
- B. Expenditure in Foreign Currency has been considered on accrual basis.

SCHEDULE 'Y' - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		1	1	3	8	8
--	--	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

II. Capital Raised during the year (Amount in ₹ Crore)

PUBLIC ISSUE

			N	I	L
--	--	--	---	---	---

BONUS ISSUE

			N	I	L
--	--	--	---	---	---

RIGHTS ISSUE

			N	I	L
--	--	--	---	---	---

PRIVATE PLACEMENT

			N	I	L
--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Crore)

Total Liabilities

1	7	3	7	1	6	.	1	8
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-Up Capital

		2	4	2	7	.	9	5
--	--	---	---	---	---	---	---	---

Reserves & Surplus

	5	2	9	0	4	.	3	7
--	---	---	---	---	---	---	---	---

Unsecured Loans

	3	2	3	5	4	.	2	2
--	---	---	---	---	---	---	---	---

Application of Funds

Fixed Assets / Intangible Assets (Net)
(incl. Dismantled Capital Stores & C.W.I.P.)

	7	0	8	3	5	.	0	9
--	---	---	---	---	---	---	---	---

Foreign Currency Monetary Item Translation Difference Account

					0	.	0	0
--	--	--	--	--	---	---	---	---

Misc. Expenditure

				1	5	.	1	5
--	--	--	--	---	---	---	---	---

Total Assets

1	7	3	7	1	6	.	1	8
---	---	---	---	---	---	---	---	---

Secured Loans

	2	0	3	7	9	.	6	5
--	---	---	---	---	---	---	---	---

Deferred Tax Liability

		6	3	3	6	.	5	9
--	--	---	---	---	---	---	---	---

Investments

	1	9	5	4	4	.	7	6
--	---	---	---	---	---	---	---	---

Net Current Assets

	2	4	0	0	7	.	7	8
--	---	---	---	---	---	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in ₹ crore)

Turnover (Net)										Total Expenditure									
	3	0	2	9	5	4	.	3	7		3	2	7	7	7	0	.	8	5
Profit Before Tax										Profit After Tax									
	+		9	0	9	5	.	8	6		+		7	4	4	5	.	4	8
Earnings per share in ₹ (Basic and Diluted)										Dividend Rate %									
	3	0	.	6	7							9	5						

V. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)

Item Code No. (ITC Code)	2	7		1	0							
Product Description	Bulk Petroleum Products											
Item Code No. (ITC Code)	2	7		0	9							
Product Description	Crude Oil											
Item Code No. (ITC Code)	2	7	1	0		9	0					
Product Description	Lubricants											

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
1. The extent of holding Company's interest in the subsidiary at the end of the financial year 31.3.2011 :						
- No. of Shares	77,265,200	4,882,043	400,000,005	2	8,879,997	1,376,225
- Paid up value of Shares (₹ Crore)	77.27	75.67	194.14	2.30	8.88	84.14
- 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%
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 31.3.2011	265.43	14.48	26.59	2.45	(0.06)	(18.46)
- For all the previous financial years of the subsidiary	1,236.57	70.99	(127.66)	5.00	(1.01)	-
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 31.3.2011	92.72	2.85	-	0.26	-	-
- For all the previous financial years of the subsidiary	509.97	2.85	-	0.26	-	-

Note: Figures in respect of IOML, LIOC, IOC Middle East FZE and IOC Sweden AB are as converted in Indian currency.

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

Place : New Delhi
Date : May 30, 2011

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in crore)

	March-11	March-10
INCOME :		
1. Recovery of House Rent	7.73	4.79
2. Recovery of Utilities-Power and Water	6.93	10.16
3. Recovery of Transport Charges	0.49	0.25
4. Other Recoveries	6.95	5.28
5. Excess of Expenditure over Income	344.51	345.87
TOTAL	366.61	366.35
EXPENDITURE :		
1. Salaries, Wages and PF & Gratuity Contribution	129.50	145.63
2. Consumable Stores and Medicines	24.08	21.85
3. Repairs and Maintenance	65.73	67.71
4. Interest	14.54	13.25
5. Depreciation	11.55	10.95
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	22.62	21.88
7. Utilities-Power and Gas	72.57	65.56
8. Rent	0.14	0.37
9. Subsidies for Social & Cultural Activities	18.65	14.37
10. Bus Hire Charges	2.02	1.35
11. Club and Recreation	0.29	0.13
12. Others	4.92	3.30
TOTAL	366.61	366.35

SCHEDULE OF FIXED ASSETS (TOWNSHIP)

For the Year Ended 31st March, 2011

(₹ in crore)

Particulars	Gross Block As on 01.04.2010 (at cost)	Additions During the year (at cost)	Transfers From Const. W-I-P (at cost)	Transfers/ Deduction/ Reclass. (at cost)	Gross Block As on 31.03.2011 (at cost)	Depern./ Amorts. Provided During the Year	Total Dep. & Amorts. Up to 31.03.2011	Net Depreciated Block As on 31.03.2011	As on 31.03.2010
LAND FREEHOLD	32.40	1.29	-	(0.23)	33.46	-	-	33.46	32.40
LAND-LEASEHOLD	6.78	-	-	-	6.78	0.10	1.80	4.98	5.08
BLDGS, ROADS ETC	382.44	2.13	40.86	5.51	430.94	6.79	92.80	338.14	299.79
PLANT & MACH.	33.33	2.96	0.35	0.46	37.10	2.00	22.23	14.87	14.20
FUR. & FIX.	11.72	1.04	0.02	(0.24)	12.54	0.41	5.69	6.85	7.23
DRAINAGE, SEWAGE & WATER SUPPLY SYS	34.09	0.38	0.17	(0.01)	34.63	1.00	23.70	10.93	9.00
EQUIPMENTS & APPLIANCES	36.10	2.42	0.46	(0.01)	38.97	1.22	18.51	20.46	20.51
VEHICLES	2.37	-	-	(0.05)	2.32	0.04	0.96	1.36	0.27
GRAND TOTAL :	539.23	10.22	41.86	5.43	596.74	11.56	165.69	431.05	388.48
PREVIOUS YEAR :	542.06	3.93	2.63	(9.39)	539.23	10.95	150.75	388.48	

“नवोदय”

*Petrochem & Nanotech
Research Lab.*



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, 2011.

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 31st March, 2011 in accordance with the financial reporting framework 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 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards 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 30th May, 2011.

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 31st March, 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to 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 behalf of the
Comptroller and Auditor General of India**

Place : New Delhi
Dated : 07.07.2011

**Sd/-
(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-II,
New Delhi**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report

A. Statement showing particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than ₹ 60,00,000/- per annum in the aggregate.

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of joining	Qualification	Experience	Remuneration Gross (₹)
1	Sunil Kumar	Assistant Manager	51	-	-	02/02/1983	B.A.	28	6,098,608

B. Statement showing particulars of employees who were in employment for part of the financial year and are in receipt of remuneration of not less than ₹ 5,00,000/- per month.

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of joining	Qualification	Experience	Remuneration Gross (₹)
1	A Bosechowdhury	Deputy Manager	60	-	-	18/06/1975	B.Sc.	35	2,127,411
2	A D Patel	Senior Assistant	60	Ghanybhai & Co.	Fitter	31/03/1979	Std. X	31	1,337,500
3	A K Agarwal	Deputy General Manager	60	Narendra Explosive Ltd	Chemical Engineer	31/07/1981	B.Sc. Engg.	29	4,817,292
4	A K Ahluwalia	Deputy General Manager	60	BHEL	Steno	17/08/1976	MA (PM&IR)	34	3,884,449
5	A K Bhattacharjee	Manager	60	-	-	16/02/1970	B.Com.	40	2,409,686
6	A K Malhotra	Senior Manager	60	-	-	17/02/1973	Post Graduate	38	2,670,067
7	A S Ujjwal	Executive Director	60	-	-	30/12/1976	MBA	34	7,059,080
8	Ajit Singh	Senior Manager	60	-	-	28/05/1979	Post Graduate	31	4,295,838
9	Anand Kumar	Director	60	-	-	19/08/1975	CA, ICWA	35	5,386,482
10	Anirudha Roy	Manager	60	-	-	01/09/1977	B.Sc.	34	2,235,149
11	Anup Singh	Deputy Manager	60	-	-	26/02/1981	Diploma In Electrical Engg.	30	1,000,000
12	Arun Ch. Kalita	Senior Assistant	60	Assam State Fertilizer & Chem Ltd.	Boiler Attendant	05/05/1988	ITI	35	2,467,691
13	Arun Kr. Sinha	Superintendent	60	-	-	16/05/1974	B.Sc.	37	1,000,000
14	Ashwin S Patel	Operator	60	-	-	03/04/1980	Std. X	30	861,437
15	B A Baruah	Chief Manager	52	-	-	11/05/1985	B.Tech.	26	3,246,869
16	B J Solomon	Chief Manager	52	-	-	05/09/1984	B.Sc., MBA	26	2,763,949
17	B M Bansal	Chairman	60	JK Paper Mills	-	19/08/1975	B.Tech.	35	8,941,086
18	B N L Das	Deputy Manager	60	-	-	26/05/1976	B.Sc., MBA (HR)	34	1,843,342
19	B P Sarma (Dr.)	Deputy General Manager	60	North East Frontier Railway	Asst. Med. Officer	09/02/1978	-	32	656,060
20	B S Arya	Manager	60	-	-	11/01/1973	Post Graduate	38	5,098,146
21	B S Gohil	Senior Assistant	60	Jaybharat Electricals	Helper	27/09/1973	SSC	37	2,994,134
22	B S Prasad	Senior Engineer	60	-	-	16/02/1978	B.Sc.	32	1,330,501
23	Bhagwan Singh	Deputy Manager	60	-	-	09/07/1982	Post Graduate	28	3,005,846
24	Billu Rawany Singh	Matron	60	Chatribari Cristian Hospital	Staff Nurse	31/08/1979	Diploma (Nursing)	34	1,849,601
25	C K Goswami	Senior Assistant	60	-	-	06/11/1981	Post Graduate	29	3,807,307
26	C L Singh	Senior Assistant	60	-	-	24/09/1981	Diploma	29	3,632,833
27	C P Sharma	Senior Manager	60	-	-	21/08/1980	Graduate	30	3,726,823
28	D C Jha	Senior Manager	60	-	-	04/08/1980	B.Sc.	31	1,000,000
29	D C Lavania	Senior Assistant	60	-	-	24/09/1981	Diploma	29	5,251,702
30	D Chaurasia	Engineer	60	-	-	31/03/1982	Graduate	28	2,874,713
31	D Mohanty	Foreman	60	-	-	14/12/1973	-	37	997,780
32	D P Mahto	Senior Assistant	60	-	-	23/01/1979	B.Sc.	32	1,000,000
33	Daimary Gajendra Brahma	Senior Attendant	60	-	-	08/05/1979	ITI (Carpentry)	32	1,414,982
34	Dal Chand	Senior Assistant	60	-	-	15/09/1982	-	28	3,003,022
35	Dayal Manjari Saren	Manager	60	-	-	11/04/1976	B. Sc.	34	2,022,413
36	Dharambir Singh	Senior Assistant	60	-	-	05/02/1979	Graduate	32	4,692,150
37	Fatima Serrao (Ms.)	Senior Manager	60	GUJCOMASOL	Senior Clerk	11/10/1974	Graduate	36	2,123,094
38	G Bhattacharji	Deputy Manager	60	-	-	04/06/1982	Engineer	28	3,106,252
39	G N Patel	Manager	60	-	-	30/07/1974	B.Sc. (Chem)	36	538,415
40	G P Wadhawan	Chief Manager	60	Ballarpur Industries Ltd.	Shift Engineer	16/07/1982	AMIE	28	6,133,082
41	G R Mulani	Deputy Manager	60	Rajasthan Commercial	Typist	04/10/1973	B.Com, LLB	37	1,185,485
42	G Sarkar	Chief Manager	60	-	-	14/01/1980	B.Sc.	30	2,747,916
43	H P Puppall	Officer	60	-	-	22/06/1982	Graduate	28	3,282,388
44	Harcharan Lal	Senior Assistant	60	-	-	24/09/1981	Diploma	29	4,457,200
45	J M Khanna	General Manager	60	-	-	25/08/1975	CA, ICWA	34	2,624,909
46	J N Srivastav	Deputy Manager	60	-	-	28/02/1981	Post Graduate	29	3,098,629
47	K Aravindakshan	Deputy Manager	60	IPAWTC	Stenographer	31/08/1979	B.Sc., LLB	38	1,493,410
48	K B S Nair	Manager	60	-	-	18/07/1978	Post Graduate	32	4,820,194
49	K C Dohhen	Deputy Manager	60	-	-	01/01/1979	M.Sc.	31	1,133,597
50	K K Gupta	Executive Director	60	-	-	02/01/1975	B. Sc. Engg.	35	6,986,415
51	K K Kar	Assistant Manager	60	-	-	10/09/1975	B.Com.	35	2,422,175
52	K K Mishra	Senior Officer	60	-	-	16/02/1978	B.Sc.	32	1,378,912
53	K Kanta Mehta (Mrs)	Senior Officer	60	CCRM	Typist	21/01/1978	Graduate	32	1,355,857
54	K R Johari	Senior Engineer	60	-	-	22/05/1985	ITI	25	2,805,978
55	Kaleswari Devi (Ms.)	Attendant	60	-	-	08/12/1983	-	27	611,050
56	Kanubhai P	Senior Technical Attendant	60	-	-	15/04/1970	-	40	1,057,256
57	Khajan Singh	Operator	60	-	-	16/10/1980	Std. X	30	4,269,959
58	Lal Singh	Senior Assistant	60	-	-	22/05/1980	ITI	30	3,518,642
59	M B Gaisamudre	Deputy Manager	60	-	-	04/03/1980	M.A., PGDM	41	1,593,566
60	M G Patel	Executive Assistant	60	IPCL	Khalasi	03/11/1980	SSC	30	1,683,496
61	M Ghosh	Senior Foreman	60	-	-	01/06/1972	-	38	1,774,698
62	M Hossain	Senior Manager	60	-	-	18/10/1982	B.Sc.	27	2,139,688
63	M M Sharma	Chief Manager	60	-	-	30/03/1982	Engineer	29	6,047,119
64	M M Sharma	Deputy Manager	60	-	-	07/07/1978	Post Graduate	32	3,545,017
65	M R Gattupalli	Deputy Manager	60	Directorate Of Health Services	Typist	21/03/1975	M.A.	38	1,809,477
66	M S Wite	Senior Manager	56	-	-	16/08/1984	B.Com., MBA	26	5,648,683



IndianOil

Sl. No.	Name of the Employee	Designation	Age	Last Employment	Designation in Last Employment	Date of joining	Qualification	Experience	Remuneration Gross (₹)
67	Manjit Singh	Deputy Manager	60	-	-	08/12/1973	M.A.	38	1,001,984
68	Matida Minz (Ms.)	Senior Teacher	60	-	-	09/04/1979	B.A., B.Ed.	32	1,000,000
69	Mohinder Singh	Senior Foreman	60	-	-	13/02/1975	Std. X	36	1,191,001
70	Murali Prasad	Manager	60	Dwarakanath Co.	Supervisor	15/07/1974	DCE	48	1,940,630
71	N C Patil	Deputy Manager	60	Union High School	Clerk	28/05/1979	B.A., PGDM	40	1,534,239
72	N C Tiwari	Senior Assistant	60	-	-	15/06/1981	Graduate	29	4,006,345
73	N D Tandell	Accounts officer	60	Bank Of Madura	Peon	16/08/1978	HSC	36	1,574,070
74	N G Sikdar	Deputy Manager	60	-	-	14/08/1979	Graduate	31	2,650,207
75	N Mani	Chief Manager	60	-	-	05/03/1977	B.Tech. (Mech), PGD	33	2,367,558
76	N Mitra	Assistant Manager	60	-	-	27/04/1972	B.A.	38	1,608,608
77	N R Gohil	Senior Assistant	60	RP Engg.	Gas Cutter	14/10/1976	SSC	34	973,307
78	N S Venkataraman	General Manager	60	-	-	29/12/1976	B.E. (Mech)	33	2,485,495
79	Nandan Saikia	General Manager	60	Assian Carbon Prod. Ltd	Assistant Engineer	18/11/1975	B.Sc. Engg.	35	2,325,605
80	Neelam Wasan (Ms.)	Manager	60	A.E.P (SS)	Telephone Operator	27/06/1978	M.A.	32	2,774,863
81	O P Khanna	Executive Secretary	60	Balmer Lawrie & Co. Ltd	Stenographer	11/08/1976	Post Graduate	34	2,326,601
82	Ombir Singh	Senior Assistant	60	-	-	27/12/1977	Std. X	33	5,023,512
83	P K Biswas	Chief Manager	60	-	-	15/10/1979	CA, B.Com.	31	3,278,485
84	P K Dutta	Manager	60	Assam State Elect. Board	Boiler Attendant	28/02/1978	BOE	41	1,968,813
85	P K Kapoor	Manager	60	-	-	01/04/1980	Diploma	30	3,006,572
86	P R Bose	Deputy General Manager	60	-	-	04/10/1976	M.Sc., PGDM	34	2,024,700
87	Parkash Om	Senior Foreman	60	-	-	31/05/1973	-	38	1,324,312
88	Parmiladevi (Ms.)	Senior Sister	60	-	-	02/05/1980	HSC	30	1,205,380
89	Pati Ram Singh Yadav	Chief Manager	60	Somaiya Organics (I) Ltd.	Chemical Engineer	09/09/1978	M.Tech	32	4,430,948
90	Phanidhar Hazarika	Senior Assistant	60	-	-	17/01/1977	Std. VIII	34	2,819,234
91	Pooran Singh	Senior Assistant	60	-	-	08/07/1980	ITI	30	5,031,692
92	R A Rathod	Senior Assistant	60	Voltemp Transformer	Draughtsman	28/01/1983	SSC, Certificate in Mechanical Draughtsman	27	1,104,684
93	R B Lal	Senior Manager	60	-	-	23/10/1982	B.Tech.	28	6,304,546
94	R C Nimesh	Senior Assistant	60	-	-	10/04/1985	Post Graduate	25	2,816,660
95	R C Vasava	Senior Assistant	60	Beeka Chemicals	Fitter	20/03/1973	Std. X	37	930,881
96	R K Mahta	Manager	60	-	-	15/07/1981	Post Graduate	30	5,622,049
97	R K Raj	Senior Foreman	60	-	-	13/04/1972	-	28	638,738
98	R K Sharma	Senior Assistant	60	-	-	10/11/1979	ITI	31	3,920,486
99	R N L Das	Senior Engineer	60	-	-	26/12/1979	DME, BOE	31	1,000,000
100	R P Goyal	Chief Manager	60	Western Coalfields Ltd.	Under Manager	10/07/1982	B.Sc. (Hons.)	28	2,233,097
101	R Rai	Senior Engineer	60	-	-	14/12/1978	B.Sc.	32	1,407,383
102	R S Solanki	Executive Director	60	HE (I) Ltd	Trainee	11/11/1976	M.Tech.	34	3,485,088
103	R U Mandal	Deputy Manager	60	-	-	27/02/1978	B.A.	32	1,448,526
104	Ram Sanehi Lal	Pharmacist	60	-	-	26/03/1980	Diploma	31	5,564,959
105	Ram Subhag	Deputy Manager	60	-	-	16/07/1980	ITI	30	3,710,134
106	Ranjit Kumar Sinha	Manager	60	Hindustan Fertilizer Corpn. Ltd.	Senior Operator	06/09/1982	B.Sc.	42	3,079,588
107	S B Mathur	Senior Engineer	60	-	-	20/04/1981	ITI	29	2,982,579
108	S Bhuniya	Deputy General Manager	60	-	-	15/10/1980	CA, B.Com.	30	2,141,803
109	S C Dixit	Manager	60	-	-	15/01/1982	Post Graduate	29	5,055,777
110	S C Malhotra	Senior Officer	60	Hindustan Copper Ltd	Electrician	12/09/1980	ITI	30	1,076,393
111	S D Bodas	Officer	60	VK Tembe & Co.	Clerk	13/10/1969	SSC	41	5,514,738
112	S Gopalakrishnan	Deputy Manager	60	Automotive Refrigeration Co.	Typist	13/11/1968	B.Com., LLB	43	658,083
113	S K Bhandhoupadyay	Chief Manager	60	-	-	22/12/1983	B.Sc., LLB	27	1,527,835
114	S K Nasim Ali	Foreman	60	-	-	05/11/1986	-	24	747,303
115	S K Panday	Senior Engineer	60	-	-	15/06/1981	Post Graduate	30	5,202,837
116	S K Singh	Deputy Manager	60	-	-	20/03/1980	Graduate	30	3,558,317
117	S N Singh	Engineer	60	-	-	16/02/1978	M.Sc.	32	1,242,002
118	S P Bhatt	Senior Assistant	60	-	-	11/12/1973	SSC	36	1,816,543
119	S S Soni	Executive Director	60	SP Chopra & Co.	Audit Clerk	22/08/1975	CA	35	3,341,935
120	S V Gadekar (Ms.)	Manager	60	ESIS	Typist	08/11/1969	B.A.	40	2,182,904
121	Sahadeb Roy	Operator	60	Indian Army	Driver	20/09/1988	Std. VIII	38	1,274,939
122	Santok Singh	Senior Assistant	60	-	-	13/03/1981	-	30	5,193,148
123	Santoshi Das	Senior Engineer	60	-	-	28/05/1982	ITI	28	3,264,859
124	Sarwan Singh	Senior Foreman	60	-	-	23/03/1979	Std. X	32	1,140,867
125	Satish Bansal	General Manager	60	DAAPS Cryogenics	Finance Head	22/12/1989	CA, ICWA	37	2,755,457
126	Saugata Palit	Deputy Manager	37	-	-	15/11/1999	B.Sc., B.Tech. (Chem)	11	501,978
127	Shakti Vikas Verma	Manager	60	-	-	23/12/1980	IETE	29	1,975,453
128	Sharanjit (Ms.)	Principal Sister	60	-	-	08/01/1982	Diploma	29	5,204,593
129	Shree Chand	Technician	60	-	-	27/04/1992	-	18	1,591,949
130	Sobaran Singh	Manager	60	-	-	03/08/1977	Post Graduate	33	4,494,981
131	Som Nath	Executive Secretary	60	D E S U	Stenographer	01/12/1976	M.A. (Public Admn)	33	2,382,321
132	Sukumal Paul	Deputy Manager	60	-	-	01/12/1976	B.A.	34	3,123,458
133	Surinder Pal	Senior Foreman	60	-	-	17/11/1971	-	40	748,410
134	Suvansh Prasad	Deputy Manager	60	-	-	05/11/1980	B.Sc.	30	1,000,000
135	Syed Quamber Ali	Engineer	60	IDPL	-	05/06/1982	ITI	28	629,992
136	T G Parpiyani	Operator	60	IPCL	Driver	06/08/1982	Std. VIII	28	675,195
137	T K Gangopadhyay	Supervisor	60	-	-	06/01/1986	HSC	24	890,212
138	T K Tiwari	Manager	60	-	-	26/05/1976	B.Sc.	34	2,260,618
139	Than Singh	Deputy Manager	60	-	-	20/07/1981	Diploma	29	2,941,465
140	U S Kale	Senior Manager	60	-	-	22/02/1977	B.Com	33	1,835,327
141	Umapati Das	Senior Manager	60	-	-	28/08/1975	B.Com.	39	3,266,368
142	Upendra Paswan	Deputy Manager	60	-	-	10/03/1980	I.Sc.	30	1,000,000
143	V B Vasava	Superintendent	60	-	-	03/11/1981	B.A.	29	820,306
144	V C Agrawal	Director	60	-	-	02/01/1975	M.E.	36	2,941,364
145	V K Popli	Deputy Manager	60	-	-	06/12/1972	B.A.	39	1,753,712
146	Varun Gujral	Deputy Manager	33	-	-	29/11/2000	ACS	9	812,522
147	Vibha Gupta (Ms.)	Chief Manager	60	-	-	13/01/1971	B.A.	39	3,550,139
148	W Fernandes (Ms.)	Manager	60	-	-	22/10/1975	B.A., Diploma in Journalism	34	1,851,476



State-of-the-art Control and Monitoring

Consolidated Financial Statements 2010-2011



**Indian Oil Corporation Limited
(Group Companies)**



Bridging the supply gap

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

1. We have audited the attached Consolidated Balance Sheet of Indian Oil Corporation Limited, its subsidiaries and its joint ventures as at 31st March 2011 and the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Indian Oil Corporation Limited's Management and our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary companies and joint ventures, whose financial statements reflect total assets of ₹ 11,327.58 crore (net) as on 31st March 2011, total revenue of ₹ 40,160.37 crore for the year then ended and net cash flows amounting to ₹ (40.35) crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us (except in case of M/s Suntera Nigeria 205 Ltd., total assets: ₹ 42.82 crore (net), total revenue: ₹ NIL and net cash flows: ₹ (0.01) crore) and in our opinion, in so far as it relates to the amount included in respect of the subsidiaries and joint ventures, is based solely on the reports of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on 'Consolidated Financial Statements' and Accounting Standard (AS 27) on 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of Indian Oil Corporation Limited, its subsidiaries and joint ventures included in the consolidated financial statements.
5. We invite attention, without qualifying our opinion, to Note No.29 regarding impairment loss wherein, we have relied on the estimates and assumptions made by the Company in arriving at recoverable value of assets.
6. On the basis of information and explanations given to us and on consideration of separate audit reports on individual financial statements of Indian Oil Corporation Limited, its aforesaid subsidiaries and joint ventures, in our opinion the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Indian Oil Corporation Limited, its subsidiaries and its interests in joint ventures as at 31st March, 2011;
 - b) In the case of the Consolidated Profit and Loss account, of the consolidated results of operations for the year ended on that date, and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET as at 31st March, 2011

(₹ in crore)

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

Contd...

BALANCE SHEET as at 31st March, 2011 (contd.)

(₹ in crore)

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

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

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

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

As per our attached Report of even date

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

(₹ in crore)

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

Note:

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

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

Contd...

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011 (contd.)

(₹ in crore)

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

Sd/-
(R. S. Butola)
Chairman

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

Sd/-
(Raju Ranganathan)
Company Secretary

As per our attached Report of even date

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET for the year ended 31st March, 2011

(₹ in crore)

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

Contd...

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

(₹ in crore)

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

(₹ in crore)

Notes:

1. Cash and Cash Equivalents include:

Cash and Bank Balances

As per Balance Sheet

Total Cash and Cash Equivalents

2. The previous year's figures have been regrouped wherever necessary for uniformity in presentation.

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

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

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

As per our attached Report of even date

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

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

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

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

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

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

Place : New Delhi
Date : May 30, 2011

SCHEDULE 'A' - SHARE CAPITAL

(₹ in crore)

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

Above includes, shares allotted as fully paid without payment being received in cash:

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

SCHEDULE 'B' - RESERVES AND SURPLUS

(₹ in crore)

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

SCHEDULE 'C' - SECURED LOANS

(₹ in crore)

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

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

SCHEDULE 'D' - UNSECURED LOANS

(₹ in crore)

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

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

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

(₹ in crore)

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

Note:

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

SCHEDULE 'E' - FIXED ASSETS

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

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

SCHEDULE 'E-1' - INTANGIBLE ASSETS

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

Note : A. Goodwill is due to the excess of purchase consideration paid to the Government of Sri Lanka and Ceylon Petroleum Corporation over the net assets value representing applicable shares allotted in the acquisition of retail outlets.

Net Intangible Assets includes ₹ 4.64 crore (2010: ₹ 2.12 crore) share of jointly controlled entities

(₹ in crore)

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

(₹ in crore)

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

SCHEDULE 'F' - CAPITAL WORK-IN-PROGRESS

(₹ in crore)

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

Note :

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

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

(₹ in crore)

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

SCHEDULE 'G' INVESTMENTS

(₹ in crore)

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

Note

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

SCHEDULE 'H' - INVENTORIES

(₹ in crore)

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

Note :

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

SCHEDULE 'I' - SUNDRY DEBTORS

(₹ in crore)

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

Note :

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

SCHEDULE 'J' - CASH AND BANK BALANCES

(₹ in crore)

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

Note:

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

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

SCHEDULE 'J-1' - OTHER CURRENT ASSETS

(₹ in crore)

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

Note:

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

SCHEDULE 'K' - LOANS AND ADVANCES

(₹ in crore)

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

Note:

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

SCHEDULE 'L' - CURRENT LIABILITIES AND PROVISIONS

(₹ in crore)

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

Notes:

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

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

(₹ in crore)

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

SCHEDULE 'N' - INTEREST AND OTHER INCOME

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

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

(₹ in crore)

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

SCHEDULE 'Q' - NOTES ON THE ACCOUNTS for the year ended 31st March, 2011

1. PRINCIPLES OF CONSOLIDATION

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

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

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

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

9.	AVI-OIL India Pvt. Ltd	India	Joint Venture	25%
10.	Petronet LNG Ltd	India	Joint Venture	12.5%
11.	Indian Oil Petronas Pvt.Ltd.	India	Joint Venture	50%
12.	Green Gas Ltd	India	Joint Venture	22.50%
13.	IndianOil Skytanking Ltd.	India	Joint Venture	33.33%
14.	Indo Cat Pvt.Ltd.	India	Joint Venture	50%
15.	Suntera Nigeria 205 Ltd.	Nigeria	Joint Venture	25%
16.	Delhi Aviation Fuel Facility (Private) Ltd.	India	Joint Venture	37%
17.	Indian Oil Ruchi Biofuels LLP	India	Joint Venture	50%
18.	Indian Synthetic Rubber Ltd.	India	Joint Venture	50%

Note: Proportionate consolidation in respect of Investments in the Joint Venture Companies M/s Petronet CI Ltd., Petronet VK Ltd; Petronet India Ltd and Indianoil Panipat Power Consortium Ltd. have not been incorporated in the preparation of consolidated financial statements as the Management has decided to exit from these Joint Ventures and provided for full diminution in the value of investment.

2. SIGNIFICANT ACCOUNTING POLICIES

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

3. Financial statements of IOML, LIOC, IOC Middle East FZE, IOC Sweden AB and Suntera Nigeria are drawn in Mauritius Rupees, Sri Lankan Rupees, UAE Dirhams Euro and USD, respectively. The transactions with these foreign subsidiaries/Joint Ventures are considered as non integral operation as per Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.

4. CONTINGENT LIABILITIES :

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

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

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

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

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

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

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

7. Title Deeds for Land and residential apartments as also lease and other agreements in respect of certain lands/buildings, the book value of which is ₹ **139.08 crore** (2010: ₹ 217.56 crore), are pending for execution or renewal.

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

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

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

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

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

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

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

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

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

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

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

Finance Lease of Tank Wagons :

(₹ in crore)

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

Operating Leases:

a) As Lessees

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

(₹ in crore)

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

b) As Lessors

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

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

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

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

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

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

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

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

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

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

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

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

Lanka IOC PLC

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

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

- b) Lanka IOC PLC owns 1/3rd share of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the “Common User Facility” (CUF). The Company paid US\$ 45 million to Ceylon Petroleum Corporation on 22 January 2004 to obtain 1/3rd share of CPSTL. Investment is recorded at cost and details are as under :

(₹ in crore)

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

- c) In terms of the agreement entered into with the Board of Investment of Sri Lanka under section 17 of the Board of Investment Law No. 4 of 1978, the Company is exempt from income tax for a period of 10 years commencing from 14.02.2003. The current year's tax charge wholly consists of tax on non-exempt interest income.

Petronet LNG Ltd.

- a) In terms of the provisions contained in the Dahej LNG Port Terminal Concession Agreement, the Company has to develop a Solid Cargo Port along with LNG Terminal. A Joint Venture Company "Adani Petronet (Dahej) Port Pvt Ltd (APPPL)" has been formed for development of Solid Cargo Port. The Company has acquired 26% equity in APPPL.
- b) Customs Duty on import of Project material/equipment has been assessed provisionally (current and previous years) and additional liability, if, any, on this account will be provided on final assessment.

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

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

27. Remuneration paid/payable to Directors:

(₹ in crore)

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

Sd/-

(R. S. Butola)
Chairman

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

Sd/-

(CA. Lalit Ahuja)
Partner
M. No. 085842

Sd/-

(P. K. Goyal)
Director (Finance)

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

Sd/-

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

Sd/-

(Raju Ranganathan)
Company Secretary

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

Sd/-

(CA. P. R. Paul)
Partner
M. No.051675

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

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

(₹ in crore)

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

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

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

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

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

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

SCHEDULE 'Q' - SIGNIFICANT ACCOUNTING POLICIES for the year ended 31st March, 2011

1. BASIS OF PREPARATION

- 1.1 The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- 1.2 The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

2. FIXED ASSETS

2.1 Fixed Assets

- 2.1.1 Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.
- 2.1.2 Land acquired on perpetual lease as well as on lease for over 99 years is treated as free hold land.
- 2.1.3 Land acquired on lease for 99 years or less is treated as leasehold land.
- 2.1.4 Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

2.2 Construction Period Expenses on Projects

- 2.2.1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.
- 2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.
- 2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalised at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

2.3 Capital Stores

- 2.3.1 Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.4 Depreciation/Amortisation

- 2.4.1 Cost of leasehold land for 99 years or less is amortised over the lease period.
- 2.4.2 Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset other than Insurance spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal/dismantle or earmarking for disposal/ dismantling during the year.

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

- 2.4.4 Expenditure on items like electricity transmission lines, railway sidings, roads, culverts etc. the ownership of which is not with the Company are charged off to revenue in the year of incurrence of such expenditure.

2.5 Impairment of Assets

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any, required; or
- (b) the reversal, if any, required of impairment loss recognized in previous periods.

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

3. INTANGIBLE ASSETS

- 3.1 Technical know-how/license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over a period of ten years or life of the underlying plant/facility, whichever is earlier.
- 3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.
- 3.3 Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Work-in Progress - Intangible Assets".
- 3.4 Cost of Right of Way for laying pipelines is capitalised. However, such Right of Way being perpetual in nature, is not amortised.

4. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5. FOREIGN CURRENCY TRANSLATION

- 5.1 Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions.
- 5.2 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the year end, are translated at exchange rates prevailing as at the year end.
- 5.3 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are valued at the exchange rate prevailing on the date of the transaction.

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- 5.4.1(a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Profit & Loss Account either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.
- (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long-term foreign currency monetary item but not beyond 31st March, 2012, by recognition as income or expense in each of such periods.
- 5.4.2 Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

6. INVESTMENTS

- 6.1 Long term investments are valued at cost and provision for diminution in value, thereof is made, wherever such diminution is other than temporary.
- 6.2 Current investments are valued at lower of cost or fair market value.

7. INVENTORIES

7.1 Raw Materials

- 7.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realizable value, whichever is lower.
- 7.1.2 Stock in Process is valued at raw material cost plus conversion costs as applicable or net realizable value, whichever is lower.

7.2 Stock in Trade

- 7.2.1 Finished products, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost of Finished Products internally produced is determined based on raw material cost and processing cost.
- 7.2.2 Lubricants are valued at cost on weighted average basis or net realizable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.
- 7.2.3 Imported products in transit are valued at CIF cost or net realisable value whichever is lower.

7.3 Stores and Spares

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

8. DEBTORS

In addition to the specific provision made, an adhoc provision @1% is also made in respect of debtors other than those relating to Oil Marketing companies,

Subsidiary & Joint Venture Companies and Export customers to recognize the element of uncertainty.

9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

9.1 Contingent Liabilities

- 9.1.1 Show Cause Notices issued by various Government Authorities are not considered as Obligation.
- 9.1.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- 9.1.3 The treatment in respect of disputed obligations, in each case above ₹ 5 lakh, are as under:
- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
 - b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

9.2 Capital Commitments

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

10. REVENUE RECOGNITION

- 10.1 Revenue from sale of goods is recognised when sufficient risks and rewards are transferred to customers, which is generally on dispatch of goods.
- 10.2 Dividend income is recognized when the company's right to receive dividend is established.
- 10.3 Claims (including interest on outstandings) are accounted:
- a) When there is certainty that the claims are realizable
 - b) Generally at cost
- 10.4 Income and expenditure upto Rupees five lakhs in each case pertaining to previous years are accounted for in the current year.
- 10.5 Pre-paid expenses upto Rupees five lakhs in each case are charged to revenue.

11. EXCISE DUTY

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

12. TAXES ON INCOME

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability/Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

13. EMPLOYEES' BENEFITS

13.1 Short Term Benefits:

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

Contd...

13.2 Post Employment Benefits and Other Long Term Employee Benefits :

- a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Profit and Loss Account. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Profit and Loss Account.
- b) The Company operates defined benefit plans for Gratuity. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Profit and Loss Account.
- c) Obligations on Compensated Absences, Post Retirement Medical Benefits, Resettlement and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.
- d) The Company operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

13.3 Termination Benefits:

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

14. GRANTS

14.1 Capital Grants

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognised as income in the Profit and Loss Account over the period and in the proportion in which depreciation is charged.

14.2 Revenue Grants

Revenue grants are reckoned as per the respective schemes notified by Govt. of India from time to time, subject to final adjustment as per separate audit.

15. OIL & GAS EXPLORATION ACTIVITIES

- 15.1 The Company is following the "Successful Efforts Method" of accounting for Oil & Gas exploration and production activities as explained below:
 - a) Survey costs are expensed in the year of incurrence.
 - b) Acquisition cost, cost of incomplete / undecided exploratory wells and development costs are carried as capital work in progress till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry, as the case may be.
 - c) Expenditure towards unfinished Minimum Work Programme with and without extension of time is expensed in the year of incurrence.
- 15.2 Company's share of proved reserves of oil and gas are disclosed when notified by the Operator of the relevant block.
- 15.3 The Company's proportionate share in the assets, liabilities, income and expenditure of joint venture operations are accounted as per the participating interest in such joint venture operations.

16. COMMODITY HEDGING

The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the Profit & Loss Account. However, in respect of contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is provided.

Annexure - 2

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

(a) Provident Fund

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

(b) Pension

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

(c) Reconciliation of balance of Defined Benefit Obligation

(₹ in crore)

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

(d) Reconciliation of balance of fair value of Plan Assets

(₹ in crore)

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

Contd...

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

(₹ in crore)

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

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

(₹ in crore)

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

(g) Major Actuarial Assumptions

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

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

(₹ in crore)

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

Notes:

- The Group is engaged in the following business segments:
 - Sale of Petroleum Products
 - Sale of Petrochemicals
 - Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill Power Generation and Oil & Gas Exploration Activities jointly undertaken in the form of unincorporated Joint Ventures.

Segments have been identified and reported, taking into account, the nature of products and services and differing risks and returns.
- Segment Revenue comprises of the following:
 - Turnover (Net of Excise Duty)
 - Subsidy/Grants received from the Government of India
 - Other income (excluding interest income, dividend income, exceptional items income and investment income)
- There are no reportable geographical segments.

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AS REQUIRED BY AS -18 'RELATED PARTY DISCLOSURES', ARE GIVEN BELOW :

1. RELATIONSHIP :

A) Details of Joint Venture Companies/Entities

- 1) IOT Infrastructure Energy Services Ltd.
- 2) Lubrizol India Pvt. Ltd
- 3) Petronet VK Ltd
- 4) IndianOil Petronas Pvt. Ltd
- 5) Avi-Oil India Pvt. Ltd
- 6) Petronet India Ltd.
- 7) Petronet LNG Ltd.
- 8) Green Gas Ltd.
- 9) IndianOil Panipat Power Consortium Ltd.
- 10) Petronet CI Ltd.
- 11) Indo Cat Pvt. Ltd.
- 12) IndianOil SkyTanking Ltd.
- 13) Suntera Nigeria 205 Ltd.
- 14) Delhi Aviation Fuel Facility Pvt. Ltd.
- 15) Indian Synthetic Rubber Limited
- 16) IndianOil Ruchi Biofuels LLP
- 17) Indian Additives Ltd.
- 18) National Aromatics and Petrochemicals Corporation Ltd.
- 19) Ceylon Petroleum Storage Terminal Ltd.

B) Whole-time Directors

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

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

(₹ in crore)

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

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

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

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

(₹ in Lakh)

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

FY 2009-10

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

Contd...

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



India's No. 1 Petroleum Refiner



India's No. 1 Petroleum Retail Brand

Annexure - 5

IN COMPLIANCE OF AS-27, 'FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES', the required information is as under:

1) Disclosure of Interest in the following categories of Joint Ventures:

(a) Jointly Controlled Operations:-

The Corporation has entered into production sharing oil and gas exploration contracts with the Govt. of India and other body corporates. These joint ventures are:

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

(b) Jointly Controlled Assets:-

(₹ in crore)

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

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

Contd...

(c) JOINTLY CONTROLLED ENTITIES:-

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

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

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

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

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

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

Annexure - 6

DISCLOSURE OF EXPOSURE TO FINANCIAL AND COMMODITY TRADING DERIVATIVES

Financial and Derivative Instruments:

1. All derivative contracts entered into by the Company are for hedging its foreign currency exposures and commodity trading exposures relating to underlying transactions and firm commitments and not for any speculative or trading purposes.
2. The Derivative contracts entered into by the Company and outstanding as on 31st March 2011 are as below:

(a) For Hedging Currency Risks

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

(₹ in crore)

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

(b) For Hedging Commodity Related Risks:

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

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

(c) For Hedging Interest Rate Related Risks*

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

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

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

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

(₹ in crore)

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

Summary of Financial Information of Subsidiary Companies for the Financial Year 2010-11

The Ministry of Corporate Affairs, vide its Circular No. 2/2011 dt. 8th February 2011, has granted general exemption under Section 212 (8) of the 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 2010-11. 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 2010-11 is as given below :-

(₹ in crore)

Sl. No.	Particulars	Chennai Petroleum Corporation Limited	IndianOil-CREDA Biofuels Limited	IndianOil (Mauritius) Limited		Lanka IOC PLC		IOC Middle East FZE		IOC Sweden AB	
	Financial Year ending on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
	Reporting Currency	INR	INR	INR	MR	INR	SLR	INR	AED	INR	EURO
	Exchange Rate (As on 31.03.2011)	-	-	1.5259	-	2.4752	-	12.1299	-	63.2100	-
	Exchange Rate (Average Rate 2010-11)	-	-	1.4881	-	2.4759	-	12.3200	-	60.2100	-
1	Share Capital	149.00	12.00	75.67	48.82	346.43	757.66	2.30	0.20	84.14	1.50
2	Share Application Money	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Reserves	3616.93	(1.44)	77.01	51.13	25.72	163.46	6.78	0.55	(5.16)	(0.25)
4	Liabilities	8391.95	1.41	172.20	112.96	395.02	977.77	27.87	2.30	0.39	0.01
5	Total Liabilities	12157.88	11.97	324.88	212.91	767.17	1898.89	36.95	3.05	79.37	1.26
6	Total Assets	12157.88	11.97	324.88	212.91	767.17	1898.89	36.95	3.05	79.37	1.26
7	Investments *	22.50	0.00	0.00	0.00	177.52	439.40	0.00	0.00	78.03	1.23
8	Turnover	38128.26	0.00	841.26	565.32	2089.85	5174.27	77.42	6.28	0.00	0.00
9	Profit Before Taxation	763.52	0.01	20.89	13.88	36.08	89.34	2.71	0.22	(18.46)	(0.31)
10	Provision for Taxation	252.00	0.09	3.56	2.34	0.68	1.69	0.00	0.00	0.00	0.00
11	Profit After Taxation	511.52	(0.08)	17.33	11.54	35.40	87.65	2.71	0.22	(18.46)	(0.31)
12	Proposed Dividend	178.69	0.00	2.98	1.95	0.00	0.00	0.26	0.02	0.00	0.00

*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		10.56
		3) Others		0.11
		Total		22.50
2	Lanka IOC PLC	1) Ceylon Petroleum Storage Terminal Limited		177.52
		Total		177.52
3	IOC Sweden AB	1) Indoil Netherlands B.V		78.03
		Total		78.03

INR : Indian Rupees
MR : Mauritian rupees
SLR : Sri Lankan Rupees
AED : United Arab Emirates Dirham

Note:

- Assets and Liabilities for Balance Sheet Items of foreign subsidiaries are translated at the closing rate as on 31.03.2011.
- Income and Expense items of foreign subsidiaries are translated at the average exchange rate during 2010-11.
- Share Capital of Foreign Subsidiaries is translated at the exchange rate existing at the date of transaction.

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