NOTE-1A SIGNIFICANT ACCOUNTING POLICIES

I. Corporate information

The financial statements of "Indian Oil Corporation Limited" ("the Company" or "IOCL") are for the year ended March 31, 2018.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

IOCL is India's Maharatna national oil company with business interests straddling the entire hydrocarbon value chain – from Refining, Pipeline Transportation and Marketing of Petroleum Products to Research & Development, Exploration & Production, Marketing of Natural Gas and Petrochemicals.

Information on other related party relationships of the Company is provided in Note-37.

The financial statements have been approved for issue in accordance with a resolution of the Board of directors on May 22, 2018.

II. Significant Accounting Policies

1. BASIS OF PREPARATION

1.1 The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 & Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and comply in all material aspects with the relevant provisions of the Companies Act'2013 and Companies (Amendment) Act,2017.

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

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policy regarding financial instruments),

1.3 The stand-alone financial statements are presented in Indian Rupees (INR) which is Company's presentation and functional currency and all values are rounded to the nearest Crores (up to two decimals) except when otherwise indicated.

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1.1 The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

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

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

2.1.2 PPE are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment except freehold land which is stated at historical cost.

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

2.1.4 Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months.

2.1.5 The acquisition of PPE, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

2.1.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2 Capital work in progress (CWIP)

A Construction Period Expenses on Projects

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalized. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue.

2.2.2 Financing cost incurred during construction period on loans specifically borrowed and utilized for projects is capitalized on quarterly basis up to the date of capitalization.

2.2.3 Financing cost, if any, incurred on General Borrowings used for projects is capitalized at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B Capital Stores

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

2.3 Intangible assets

2.3.1 Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets and amortized on a straight line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred on Research & Development, other than on capital account, is charged to revenue.

2.3.3 Costs incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

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

2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized

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

4 Depreciation/Amortization

2.4.1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets:

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

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

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

d) In case of certain assets of R&D Centre useful life is considered based on technical assessment

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

f) In case of spare parts, useful life is considered based on the technical assessment

Depreciation/ amortization is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalization/ sale, disposal/ or earmarked for disposal. Residual value is generally considered between 0 to 5% of cost of assets except in few cases where it is considered based on transfer value agreed in respective agreement. Further, in case of catalyst with noble metal content, residual value is considered based on the cost of metal content.

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

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

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

3. LEASES

3.1 A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

3.2 Operating Leases as a Lessee:

Lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

3.3 Operating Leases as a Lessor:

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

3.4 Finance Leases as Lessee:

(i) Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

(ii) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.5 Finance Leases as Lessor: All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

3.6 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

5. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or 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 recognised to the Statement of Profit and Loss in the period in which they are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 The Company's financial statements are presented in Indian

Rupee (₹), which is also it's functional currency.

6.2 Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

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

6.4 Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

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

6.5 (a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency loans as mentioned in Para (b) (i) below.

(b) (i) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency loans 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 amortized over the balance period of such long-term foreign currency loan by recognising as gain or loss in the Statement of Profit and Loss.

(ii) **Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1,2016:**

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is accounted for in the Statement of Profit and Loss.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

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

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

7.1.3 Crude oil in Transit is valued at cost or net realizable value, whichever is lower.

7.2 Finished Products and Stock-in-Trade

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

7.3 Stores and Spares

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

7.3.2 Stores & Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENCIES & CONTIGENT ASSETS

8.1 Provisions

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

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

8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Increase in carrying amount of provisions, where interest rate is specified, are accounted in finance cost to the extent of increase attributable to passage of time.

8.1.4 **Decommissioning Liability**

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

8.2 Contingent Liabilities and Contingent assets

8.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

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

8.2.3 The treatment in respect of disputed obligations 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.

8.2.4 Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

8.2.5 A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE RECOGNITION

9.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

9.2 Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

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

9.3 Interest income from financial assets is recognised using effective interest rate (EIR) method.

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

9.5 Claims (including interest on outstanding) are recognized at cost when there is reasonable certainty regarding its ultimate collection.

9.6 When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract cost incurred for work performed.

When the outcome of construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

11.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

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

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

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

b) The Company operates defined benefit plans for Gratuity, Post Retirement Medical Benefits, Resettlement, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity, Post Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

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

12.3 Termination Benefits:

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

12.4 Remeasurements:

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

13. GRANTS

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

13.2 Grant relating to assets (Capital Grants)

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

13.3 Grant related to Income (Revenue Grants)

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

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

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

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

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

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition costs:

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

14.2 Exploration stage:

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

- acquired rights to explore

- exploratory drilling costs

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

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

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

14.3 Development stage:

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

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

14.4 Production Phase

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

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

14.5 Abandonment Phase

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

15.1 The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

15.2 An asset is treated as current when it is:

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

All other assets are classified as non-current.

15.3 A liability is treated as current when:

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

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

16.3 Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset.

Subsequent measurement

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

- Financial Assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 **Financial Assets at amortised cost**

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

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

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

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

17.1.2 **Debt Instrument at FVTOCI**

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

17.1.3 **Equity Instrument at FVTOCI**

A. Equity Investments (Other than subsidiaries, JVs and associates)

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is made on initial recognition/transition and is irrevocable.

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

B. Equity investments in subsidiaries, JVs and associates

Investments in subsidiaries, joint ventures and associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

17.1.4 **Debt Instruments and derivatives at FVTPL**

FVTPL is a residual category for debt instrument. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

17.1.5 **Derecognition**

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

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

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

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

17.1.6 **Impairment of Financial Assets**

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

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

b) Financial guarantee contracts which are not measured as at FVTPL

c) Lease receivables under Ind AS 17

Simplified Approach

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

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

General Approach

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

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

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

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

- ► Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ► Financial Guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.
- ► Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2.1 Initial recognition and measurement.

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

All Financial Liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

17.2.2 Subsequent measurement

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

A. Financial Liabilities at fair value through profit or loss

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

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

B. Financial liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

C. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

17.2.3 Derecognition

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

17.3 Embedded Derivatives

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

17.4 Offsetting of Financial Instruments

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

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.6 Commodity contracts

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

19. TREASURY SHARES

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

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

20. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

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

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

21. EARNINGS PER SHARE

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

III. Amendments to Standards effective April 1,2017

Amendments to Ind AS 7, Statement of Cash flows

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. The adoption of the amendment has resulted into additional disclosures in relation to cash flow statement.

Amendments to Ind AS 102, Share Based payments

The amendment to Ind AS 102 is not relevant for the Company as it does not have any cash-settled share based payments or share based payments with a net-settled feature.

IV. Standards issued but not yet effective

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

The amendment to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company will adopt the amendments w.e.f April 1, 2018. The effect on adoption of Ind AS 21 is expected to be insignificant

Ind AS 115, Revenue from Contract with Customers

MCA has notified Ind AS 115 (Revenue from Contracts with Customers) on March 28, 2018 as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. Ind-AS 115 supersedes Ind-AS 11 Construction Contracts and Ind-AS 18 Revenue. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind-AS 115 establishes a five step model that will apply to revenue earned from a contract with a customer.

The standard allows for two methods of adoption: 1) retrospectively to each prior period presented with or without practical expedients, or 2) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings in the period of adoption. The standard is effective for periods beginning on or after April 1, 2018. Early adoption is not permitted. The Company will adopt this standard retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings effective April 1, 2018.

The Company charges non-refundable fees for new retail outlets from dealers. Under the existing Ind-AS-18, these are recorded as Income immediately on receipt whenever a new dealership agreement is signed. As per Ind-AS-115, receipt of non-refundable fees does not result in transfer of any promised good or service to the customer and therefore, this is to be considered as an advance payment for performance obligations to be satisfied in future. Hence, non-refundable fees are recognized as revenue when those future goods or services are provided to dealers. As goods are sold on regular basis to customer over the dealership agreement, the same will be amortised over the dealership period. The estimated reduction of ₹129 crore is expected in Profit before tax in the Financial Year 2018-19. No significant impact is expected in the opening retained earnings during 2018-19.

NOTE–1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

JUDGEMENTS

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

Lease classification in case of leasehold land

The Company has obtained various lands from the governments for the purpose of plants, facilities and offices. These lands are having various tenures and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the mangement has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantialy equal to fair value of leased assets. Further cases between 90-99 are also evaluated for finance lease on the basis of principle that present value of the minimum lease payments are substantially equal to fair value of the leased asset. In addition, other indicators such as the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value are also examined for classification of land lease. Leases not meeting the finance lease criteria are classified under operating leases.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalized as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-34 for related disclosures.

Contingencies

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/ Other Long term employee benefits

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

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

Further details about various employee benefit obligations are given in Note 35.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 39 for further disclosures of estimates and assumptions.

Impairment of Financial Assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. Also refer Note-40 for impairment analsysis and provision.

NOTE - 2 PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2017**	**1,940.58**	**211.36**	**10,361.87**	**102,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	**-**	**117,619.62**
	Additions during the year	926.74	53.48	184.86	6,011.13	214.56	6.23	39.53	8.93	15.21	-	7,460.67
	Transfers from construction work-in-progress	0.09	2.09	1,089.38	4,625.39	86.31	0.51	36.02	22.88	129.88	178.23	6,170.78
	Disposals/ Deductions / Transfers / Reclassifications	(21.15)	20.41	(82.67)	(716.05)	(13.1)	0.75	19.77	5.78	(0.67)	-	(786.93)
	Gross Block as at 31.03.2018	**2,846.26**	**287.34**	**11,553.44**	**112,687.61**	**1,063.08**	**57.00**	**529.87**	**142.36**	**1,118.95**	**178.23**	**130,464.14**
DEPRECIATION AMORTISATION	**Depreciation & Amortisation as at 01.04.2017**	**-**	**3.48**	**1,185.46**	**9,022.85**	**324.6**	**10.68**	**89.22**	**13.1**	**69.5**	**-**	**10,718.89**
	Depreciation & Amortisation during the year (Refer D)	-	4.49	571.45	6,081.91	212.54	6.53	67.6	9.2	40.91	2.28	6,996.91
	Disposals/ Deductions / Transfers / Reclassifications	-	9.72	(53.71)	(116.17)	(10.23)	2.91	23.12	5.13	(0.08)	-	(139.31)
	Depreciation & Amortisation as at 31.03.2018	**-**	**17.69**	**1,703.2**	**14,988.59**	**526.91**	**20.12**	**179.94**	**27.43**	**110.33**	**2.28**	**17,576.49**
Net Block	**Net Block as at 31.03.2018**	**2,846.26**	**269.65**	**9,850.24**	**97,699.02**	**536.17**	**36.88**	**349.93**	**114.93**	**1,008.62**	**175.95**	**112,887.65**

Previous Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer A&F)	Buildings, Roads etc. (Refer B&F)	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage And Water Supply System	Producing Properties	Total
Gross Block	**Gross Block as at 01.04.2016**	**1,715.43**	**184.02**	**8,852.32**	**8,3351.41**	**578.54**	**34.66**	**338.12**	**91.67**	**89.93**	**-**	**95,236.1**
	Additions during the year	221.19	83.93	431.56	4,094.92	170.15	12.65	52.81	1.07	399.59	-	5,467.87
	Transfers from construction work-in-progress	2.88	14.07	1,101.89	16,389.07	84.87	2.89	50.8	12.12	485.11	-	18,143.7
	Disposals/ Deductions / Transfers / Reclassifications	1.08	(70.66)	(23.9)	(1068.26)	(58.25)	(0.69)	(7.18)	(0.09)	(0.1)	-	(1,228.05)
	Impact of IND-AS application											
	Gross Block as at 31.03.2017	**1,940.58**	**211.36**	**10,361.87**	**102,767.14**	**775.31**	**49.51**	**434.55**	**104.77**	**974.53**	**-**	**117,619.62**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at 01.04.2016**	**-**	**3.04**	**550.18**	**3,877.22**	**172.54**	**4.13**	**24.24**	**5.23**	**4.93**	**-**	**4,641.51**
	Depreciation & Amortisation during the year (Refer D)	-	2.71	635.9	5,198.07	202.44	7.83	68.08	7.94	64.66	-	6,187.63
	Disposals/ Deductions / Transfers / Reclassifications	-	(2.27)	(0.62)	(52.44)	(50.38)	(1.28)	(3.1)	(0.07)	(0.09)	-	(110.25)
	Depreciation & Amortisation as at 31.03.2017	**-**	**3.48**	**1,185.46**	**9,022.85**	**324.6**	**10.68**	**89.22**	**13.1**	**69.5**	**-**	**10,718.89**
Net Block	**Net Block as at 31.03.2017**	**1,940.58**	**207.88**	**9,176.41**	**93,744.29**	**450.71**	**38.83**	**345.33**	**91.67**	**905.03**	**-**	**106,900.73**

A. i) Freehold land includes ₹21.26 crore (2017: ₹9.51 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹1.19 crore is continued to be included in Freehold land

iii) Addition to Freehold land includes ₹731.53 crores on account of additional amount provided on settlement of land compensation cases.

B. i) Buildings include ₹0.01 crore ((2017: ₹0.01 crore) towards value of 1605 ((2017: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e Assets other than Building) of Gross block amounting to ₹2038.43 crore ((2017: ₹1785.69 crore) and net block amounting to ₹1271.09 crore (2017: ₹1230.24 crore).

C. During the year ₹ 942.39 crore has been availed as VAT CREDIT /CENVAT/GST ITC out of capital expenditure on CWIP/ assets. The cost of assets are net of VAT CREDIT / CENVAT/GST ITC. wherever applicable.

D. Depreciation and amortisation for the year includes ₹2.34 crore (2017: ₹25.82 crore) relating to construction peried expenses shown Note-2.2.

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the company and continue to be part of fixed assets of the Company. WDV of such assets is ₹ 70.63 crores (2017: ₹ 67.00 crores)

F. Land and Building includes ₹ 211.94 crore (2017: ₹186.63 crore) in respect of which Title / Lease Deeds are pending for execution or renewal

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

Details of assets under lease included in the above (other than leasehold land): **(₹ in Crore)**

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.18	W.D.V. as at 31.03.17
Taken on Finance Lease					
Buildings	9.9	0.71	-	**9.19**	9.43
Plant and Equipment	3,966.38	489.43	-	**3,476.95**	3,622.45
Transport Equipment	3.25	0.64	-	**2.61**	-
Given on Operating Lease					
Building	2.14	0.17	-	**1.97**	0.95
Plant and Equipment	2.12	0.46	-	**1.66**	1.87

Details of Company's share of Jointly Owned Assets included in the above: **(₹ in Crore)**

Asset Particulars	Name of Joint Owner	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.18	W.D.V. as at 31.03.17
Land - Freehold	HPC/BPC	3.27	-		3.27	3.1
Land - Leasehold	HPC/BPC/BALMER LAWRIE	-	-	-	-	0.11
Buildings	HPC/BPC/BALMER LAWRIE	31.75	4.86	-	26.89	26.66
Plant and Equipment	HPC/BPC/GSFC/IPCL/GNRE	50.07	7.61	-	42.46	33.99
Railway Sidings	GSFC	10.33	2.66	-	7.67	7.76
Drainage,Sewage & Water Supply		0.26	0.02	-	0.24	0.24
Total		**95.68**	**15.15**	-	**80.53**	**71.86**

Additions to Gross Block Includes: (₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.18	31.03.17	31.03.18	31.03.17
Land - Freehold	-	-	-	-
Land - Leasehold	-	-	-	-
Buildings	**1.40**	13.07	**0.39**	27.53
Plant and Equipment	**153.39**	1,004.79	**136.49**	1,362.03
Office Equipment	-	0.01	**0.04**	0.01
Transport Equipment	-	-	-	-
Furniture & Fixtures	-	-	-	-
Railway Sidings	-	-	-	-
Drainage, Sewage & Water Supply	**18.65**	132.04	**8.78**	117.67
Total	**173.44**	**1,149.91**	**145.70**	**1,507.24**

NOTE-2.1: CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars			March-2018	March-2017	
Construction Work in Progress - Tangible Assets					
(Including unallocated capital expenditure, materials at site)					
Balance as at beginning of the year	A	**6,976.37**		13,693.66	
Add: Additions during the year		**8,899.29**		7,081.20	
Less: Allocated/ Adjusted during the year		**5,942.04**		13,798.49	
		9,933.62		6,976.37	
Less: Provision for Capital Losses		**20.09**		20.47	
			9,913.53		6,955.90
Capital stores					
Balance as at beginning of the year	B	**1,769.17**		1,535.11	
Add: Additions during the year		**3,074.85**		2,573.02	
Less: Allocated/ Adjusted during the year		**2,162.35**		2,338.96	
		2,681.67		1,769.17	
Less: Provision for Capital Losses		**7.72**		8.10	
			2,673.95		1,761.07
Capital Goods in Transit			**597.63**		371.27
Construction Period Expenses pending allocation:					
Balance as at beginning of the year		**1,135.12**		4,798.26	
Add: Net expenditure during the year (Note - 2.2)		**454.40**		683.67	
		1,589.52		5,481.93	
Less: Allocated/ Adjusted during the year		**913.64**		4,346.81	
			675.88		1,135.12
TOTAL			**13,860.99**		**10,223.36**
A. Includes Capital Expenditure relating to ongoing Oil & Gas E&P activities.			**54.73**		94.34
B. Include Stock lying with Contractors			**108.84**		121.28
C. Specific borrowing eligible for capitalisation (Rate)			**1.80% to 9.27%**		1.25% to 9.27%

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

(₹ in Crore)

Particulars		March-2018	March-2017
Employee Benefit expenses		**310.43**	224.71
Repairs and Maintenance		**2.87**	5.76
Consumption of Stores and Spares		**1.89**	0.01
Power & Fuel		**2.81**	171.79
Rent		**8.58**	6.81
Insurance		**15.33**	13.76
Rates and Taxes		**2.61**	1.16
Travelling Expenses		**34.19**	32.37
Communication Expenses		**1.11**	1.22
Printing and Stationery		**0.72**	0.83
Electricity and Water Charges		**2.73**	6.33
Bank Charges		**0.11**	0.09
Technical Assistance Fees		**0.74**	1.69
Exchange Fluctuation		**(2.68)**	(17.75)
Finance Cost		**19.25**	195.99
Depreciation and Amortization on:			
Tangible Assets		**2.34**	25.82
Start Up/ Trial Run Expenses (net of revenue)		**-**	(0.15)
Others		**54.03**	30.23
Total Expenses		**457.06**	700.67
Less : Recoveries		**2.66**	17.00
Net Expenditure during the year		**454.40**	**683.67**

NOTE-3: INTANGIBLE ASSETS

Current Year (₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at 01.04.2017**	**259.51**	**757.38**	**72.17**	**1,089.06**
	Additions during the year	41.46	26.08	26.34	93.88
	Transfers from Intangible Assets under Development	18.82	0.23	21.49	40.54
	Disposals/ Deductions / Transfers / Reclassifications	(0.24)	(0.39)	(0.52)	(1.15)
	Gross Block as at 31.03.2018	**319.55**	**783.3**	**119.48**	**1,222.33**
AMORTISATION	**Amortisation as at 01.04.2017**	**0.52**	**65.45**	**44.33**	**110.30**
	Amortisation during the year	2.47	40.83	29.14	72.44
	Disposals/ Deductions / Transfers / Reclassifications	-	0.26	(0.34)	(0.08)
	Amortisation as at 31.03.2018	**2.99**	**106.54**	**73.13**	**182.66**
	Net Block as at 31.03.2018	**316.56**	**676.76**	**46.35**	**1,039.67**

Previous Year (₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at 01.04.2016**	**199.83**	**540.42**	**61.25**	**801.50**
	Additions during the year	59.74	42.74	12.42	114.90
	Transfers from Intangible Assets under Development	-	189.35	1.12	190.47
	Deductions / Transfers / Reclassifications	(0.06)	(15.13)	(2.62)	(17.81)
	Gross Block as at 31.03.2017	**259.51**	**757.38**	**72.17**	**1,089.06**
AMORTISATION	**Amortisation as at 01.04.2016**	**0.26**	**28.57**	**20.29**	**49.12**
	Amortisation during the year	0.26	37.05	23.85	61.16
	Disposals/ Deductions / Transfers/ Reclassifications	-	(0.17)	0.19	0.02
	Amortisation as at 31.03.2017	**0.52**	**65.45**	**44.33**	**110.30**
	Net Block as at 31.03.2017	**258.99**	**691.93**	**27.84**	**978.76**

A. Net Block of Intangible assets with indefinite useful life (₹ in Crore)

	At 31st March 2018	At 31st March 2017
Right of Way	**298.72**	257.50

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

B. Details of Company's share of Jointly Owned Assets Included in the above: **(₹ in Crore)**

Assets Particulars	Name of joint owner	Gross Block	Accumulated Depreciation and Amortisation	WDV as at 31.03.18	WDV as at 31.03.17
Computer Software	HPC/BPC	0.50	**0.12**	**0.38**	-
Total		**0.50**	**0.12**	**0.38**	**-**

NOTE-3.1: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars		March-2018	March-2017
Work in Progress - Intangible Assets (Including Unallocated Capital Expenditure)			
Balance as at beginning of the year	**729.54**		827.37
Add: Net expenditure during the year	**101.67**		126.49
	831.21		953.86
Less: Allocated/ Adjusted during the year	**103.96**		224.32
	727.25		729.54
Less: Provision for Loss	**239.81**		215.08
		487.44	514.46
TOTAL		**487.44**	**514.46**

A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas E&P activities.	**196.68**	275.06

B. Intangible assets under development are mainly in the nature of E&P Blocks and Licenses & Computer Softwares.

NOTE-4: INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	March 2018 Number	March 2018 Paid Up Value ₹
NON-CURRENT INVESTMENTS :				
I In Equity Shares				
A In Subsidiaries (At Cost):				
QUOTED:				
Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	10
Lanka IOC PLC	Sri Lankan Rupees	10	400000005	10
(Quoted in Colombo Stock Exchange,Sri Lanka)				
UNQUOTED:				
Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	100
IOC Middle East FZE	Arab Emirates Dirham	1000000	2	1000000
IndianOil Creda Bio Fuels Limited (Dissolved on 08.03.2018)	Indian Rupees	10	-	-
IOC Sweden AB	Swedish Krona	100	4204835	100
IOCL (USA) Inc.	USD	0.01	5763538921	0.01
Indian Catalyst Private Limited (formely known as Indo Cat Private Limited)	Indian Rupees	10	15932700	10
IndOil Global B.V.	Canadian Dollars	1	1116302435	1
IOCL Singapore PTE Ltd	USD	1	730990136	1
Sub- Total: (i)(A)				
B In Associates (At Cost):				
QUOTED:				
Petronet LNG Limited	Indian Rupees	10	187500000	10
UNQUOTED:				
Avi-Oil India Private Limited	Indian Rupees	10	4500000	10
Petronet India Limited (Refer point no. 4 of Note: C)	Indian Rupees	0.10	18000000	0.10
cPetronet VK Limited	Indian Rupees	10	50000000	10
Sub-total: (I)(B)				
C In Joint Ventures (At Cost):				
UNQUOTED:				
IOT Infrastructure & Energy Services Limited	Indian Rupees	10	494828289	10
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	10
Lubrizol India Private Limited	Indian Rupees	100	499200	100
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	10
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	10
Green Gas Limited	Indian Rupees	10	23042250	10
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	10
Suntera Nigeria 205 Limited	Naira rupees	1	2500000	1
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	10
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	10
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	10
GSPL India Gasnet Limited	Indian Rupees	10	100625030	10
GSPL India Transco Limited	Indian Rupees	10	99060000	10
Indian Oil Adani Gas Private Limited	Indian Rupees	10	124000000	10
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	41888750	10
Kochi Salem Pipeline Private Limited	Indian Rupees	10	75000000	10
IndianOil LNG Private Limited	Indian Rupees	10	5000	10
(Also refer point no. C.2 of Note 36)				
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	333250000	10
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	50000000	10
Indian Oil Ruchi Biofuels LLP (Capital Fund)	Indian Rupees		-	0
Sub-total: (I)(C)				
Total Investments in Subsidiaries, Associates & JVs				
[(I)(A)+(I)(B)+(I)(C)]				

March 2018			March 2017				
Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value
(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
(1)	(2)	(1+2)			(1)	(2)	(1+2)
509.33	-	509.33	77265200	10	509.33	-	509.33
194.13	-	194.13	400000005	10	194.13	-	194.13
75.67	-	75.67	4882043	100	75.67	-	75.67
2.30	-	2.30	2	1000000	2.30	-	2.30
-	-	-	18381197	10	18.38	(18.38)	-
294.03	-	294.03	4204835	100	294.03	-	294.03
336.32	-	336.32	5763538921	0.01	336.32	-	336.32
11.18	(4.72)	6.46	15932700	10	11.18	(4.72)	6.46
6,104.48	(564.27)	5,540.21	1116302435	1	6,104.48	(564.27)	5,540.21
4,855.71	-	4,855.71	712758450	1	4,738.24	-	4,738.24
12,383.15	**(568.99)**	**11,814.16**			**12,284.06**	**(587.37)**	**11,696.69**
98.75	-	98.75	93750000	10	98.75	-	98.75
4.50	-	4.50	4500000	10	4.50	-	4.50
0.18	-	0.18	18000000	10	18.00	-	18.00
26.02	(26.00)	0.02	49999970	10	26.02	(26.00)	0.02
129.45	**(26.00)**	**103.45**			**147.27**	**(26.00)**	**121.27**
723.98	(316.66)	407.32	494828289	10	723.98	(316.66)	407.32
1.99	(1.99)	-	840000	10	1.99	(1.99)	-
61.71	-	61.71	960000	100	118.67	-	118.67
134.00	-	134.00	134000000	10	134.00	-	134.00
3.83	(3.83)	-	3744000	10	3.83	(3.83)	-
23.04	-	23.04	23042250	10	23.04	-	23.04
73.28	-	73.28	25950000	10	73.28	-	73.28
0.05	-	0.05	2500000	1	0.05	-	0.05
60.68	-	60.68	60680000	10	60.68	-	60.68
222.86	-	222.86	222861375	10	222.86	-	222.86
0.26	-	0.26	260000	10	0.26	-	0.26
100.63	-	100.63	72025030	10	72.03	-	72.03
99.06	-	99.06	53300000	10	53.30	-	53.30
124.00	-	124.00	85000000	10	85.00	-	85.00
41.89	-	41.89	38271250	10	38.27	-	38.27
75.00	-	75.00	55000000	10	55.00	-	55.00
0.01	-	0.01	5000	10	0.01	-	0.01
333.25	-	333.25	5025000	10	5.03	-	5.03
50.00	-	50.00	-	0	-	-	-
1.60	(1.60)	-	-	0	1.60	(1.60)	-
2,131.12	**(324.08)**	**1,807.04**			**1,672.88**	**(324.08)**	**1,348.80**
14,643.72	**(919.07)**	**13,724.65**			**14,104.21**	**(937.45)**	**13,166.76**

Particulars	Investment Currency	Face Value/ Paid up Value	March 2018	
			Number	Paid Up Value
				₹
D In Others				
Investments designated at fair value through OCI:				
QUOTED:				
Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	5
GAIL (India) Limited	Indian Rupees	10	54452730	10
Oil India Limited	Indian Rupees	10	53501100	10
UNQUOTED:				
International Cooperative Petroleum Association, New York	USD	100	350	100
Haldia Petrochemical Limited	Indian Rupees	10	150000000	10
Vadodara Enviro Channel Limited [a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	10
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	10
Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	100000	10
In Consumer Cooperative Societies:				
Barauni [c]	Indian Rupees	10	250	10
Guwahati [d]	Indian Rupees	10	750	10
Mathura [e]	Indian Rupees	10	200	10
Haldia [f]	Indian Rupees	10	1663	10
In Indian Oil Cooperative Consumer Stores Limited, Delhi [g]	Indian Rupees	10	375	10
Sub-total: (I)(D)				
Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]				
II In Preference Shares				
Investments at fair value through profit and loss				
A In Subsidiary Companies:				
UNQUOTED:				
Chennai Petroleum Corporation Limited 6.65% Cum. Redeemable Non Convertible Preference Shares	Indian Rupees	10	500000000	10
Sub-total: (II)(A)				
B In Others				
UNQUOTED:				
Shama Forge Co. Limited [h] (under liquidation) 9.5% Cumulative Redeemable Preference Shares	Indian Rupees	100	5000	100
Sub-total: (II)(B)				
III In Government Securities				
Investments at fair value through OCI				
Quoted: (Note B and C)				
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	460000	10000
9.15% Govt Stock 2024	Indian Rupees	10000	1960000	10000
7.35% Govt.Stock 2024	Indian Rupees	10000	695000	10000
Sub-total: (III)				

March 2018			March 2017				
Investment Value	**Impairment Loss/Fair Value Adjustment**	**Fair Value**	**Number**	**Paid Up Value**	**Investment Value**	**Impairment Loss/Fair Value Adjustment**	**Fair Value**
(₹ in Crore)	**(₹ in Crore)**	**(₹ in Crore)**		**₹**	**(₹ in Crore)**	**(₹ in Crore)**	**(₹ in Crore)**
(1)	**(2)**	**(1+2)**			**(1)**	**(2)**	**(1+2)**
1,780.12	15,766.70	17,546.82	986885142	5	1,780.12	16,477.25	18,257.37
122.52	1,666.53	1,789.05	40839548	10	122.52	1,416.93	1,539.45
1,123.52	33.97	1,157.49	35667400	10	1,123.52	67.05	1,190.57
0.02	-	0.02	350	100	0.02	-	0.02
150.00	576.75	726.75	150000000	10	150.00	121.20	271.20
-	-	-	7151	10	-	-	-
0.10	-	0.10	101095	10	0.10	-	0.10
-	-	-	100000	10	-	-	-
-	-	-	250	10	-	-	-
-	-	-	750	10	-	-	-
-	-	-	200	10	-	-	-
-	-	-	1663	10	-	-	-
-	-	-	375	10	-	-	-
3,176.28	**18,043.95**	**21,220.23**			**3,176.28**	**18,082.43**	**21,258.71**
17,820.00	**17,124.88**	**34,944.88**			**17,280.49**	**17,144.98**	**34,425.47**
500.00	48.38	548.38	1000000000	10	1,000.00	140.00	1,140.00
500.00	**48.38**	**548.38**			**1,000.00**	**140.00**	**1,140.00**
-	-	-	5000	100	-	-	-
0.00	**0.00**	**0.00**			**0.00**	**0.00**	**0.00**
460.00	(4.20)	455.80	2065000	10000	2,065.00	(61.46)	2,003.54
2,242.91	(123.70)	2,119.21	1948000	10000	2,229.24	(55.27)	2,173.97
704.04	(12.58)	691.46	-	-	-	-	-
3,406.95	**(140.48)**	**3,266.47**			**4,294.24**	**(116.73)**	**4,177.51**

Particulars		Investment Currency	Face Value/ Paid up Value	March 2018	
				Number	Paid Up Value
					₹
IV	**In Debentures or Bonds**				
	Investments at fair value through profit and loss				
	Unquoted:				
	IndianOil LNG Pvt Limited	Indian Rupees	1000000	3265	1000000
	Fully and Compulsorily Convertible Debentures				
	(Also refer point no. C.2 of Note 36)				
	Sub-total: (IV)				
	Total Other Investments [(I)(D)+(II)+(III)+(IV)]				
	Total Non Current Investments (I+II+III+IV)				
	CURRENT INVESTMENTS:				
	In Government Securities (at fair value through OCI)				
	Quoted:				
	Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	7906020	10000
	9.15% Govt Stock 2024	Indian Rupees	10000	0	-
	In Preference Shares				
	Investments at fair value through profit and loss				
	In Subsidiary Companies:				
	UNQUOTED:				
	Chennai Petroleum Corporation Limited		**10**	**500000000**	**10**
	6.65% Cum. Redeemable Non Convertible Preference Shares				
				Total	

March 2018			March 2017				
Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Fair Value
(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
(1)	(2)	(1+2)			(1)	(2)	(1+2)
326.50	**2.71**	**329.21**	**3265**	**1000000**	**326.50**	**39.71**	**366.21**
326.50	**2.71**	**329.21**			**326.50**	**39.71**	**366.21**
7,409.73	**17,954.56**	**25,364.29**			**8,797.02**	**18,145.41**	**26,942.43**
22,053.45	**17,035.49**	**39,088.94**			**22,901.23**	**17,207.96**	**40,109.19**
7,906.01	(40.38)	7,865.63	7038020	10000	7,038.02	144.00	7,182.02
-	-	-	12000	10000	13.67	(0.28)	13.39
500.00	**33.69**	**533.69**	**-**	**-**	**-**	**-**	**-**
8,406.01	**(6.69)**	**8,399.32**			**7,051.69**	**143.72**	**7,195.41**

(₹ in Crore)

Particulars	March-2018	March-2017
Aggregate value of quoted investments	**32,427.67**	33,162.52
Aggregate market value of quoted investments	**38,999.10**	39,440.72
Aggregate value of unquoted investments	**15,060.59**	14,142.08
Aggregate amount of impairment in value of investments	**919.07**	937.45

Followings are not reflected above due to rounding off:- **(Amount in ₹)**

	Particulars	March-2018	March-2017
a	Investment Amount	**10**	10
b	Investment Amount	**100**	100
c	Investment Amount	**2,500**	2,500
d	Investment Amount	**2,500**	2,500
e	Investment Amount	**2,000**	2,000
f	Investment Amount	**16,630**	16,630
g	Investment Amount	**3,750**	3,750
h	Investment Amount	**100**	100

Note: A

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

Name of the Entity	No. of Shares	(₹ in Crore)
7.35% Govt.Stock 2024	695000	704.04
Hindustan Urvarak and Rasayan Limited	328225000	328.22
IOCL Singapore Pte. Limited	18231686	117.47
Ratnagiri Refinery & Petrochemicals Limited	50000000	50.00
GSPL India Transco Limited	45760000	45.76
IndianOil Adani Gas Private Limited	39000000	39.00
GSPL India Gasnet Limited	28600000	28.60
Kochi Salem Pipelines Private Limited	20000000	20.00
Mumbai Aviation Fuel Farm Facility Private Limited	3617500	3.62
IndianOil - CREDA Bio Fuels Limited	74000	0.07

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
1. Non-Current Investments:			
6.90% GOI SPECIAL BONDS 2026	200,000	200.00	189.29
8.20% GOI SPECIAL BONDS 2023	260,000	260.00	266.51
Total Non-Current Investments	**460,000**	**460.00**	**455.80**
2. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	79.85
7.95% GOI SPECIAL BONDS 2025	457,250	457.25	462.03
8.20% GOI SPECIAL BONDS 2023	1,193,510	1,193.51	1,223.39
6.90% GOI SPECIAL BONDS 2026	2,882,930	2,882.93	2,728.61
8.00% GOI SPECIAL BONDS 2026	189,270	189.27	191.34
8.20% GOI SPECIAL BONDS 2024	3,105,060	3,105.05	3,180.41
Total Current Investments	**7,906,020**	**7,906.01**	**7,865.63**

Note: C - Other Disclosures

1. During the year, Oil Marketing Companies 8.20% GOI Special Bonds of investment value ₹ 160 crore & 9.15% Govt. Stock 2024 of investment value ₹ 13.67 crore are reclassified from current to non-current investments and Oil Marketing Companies 6.90% GOI Special Bonds of investment value ₹ 1028 crore & CPCL 6.65% Cum. Redeemable Non Convertible Preference Shares of investment value ₹ 500 crore are reclassified from non current to current investments.

2. Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Collaterised Borrowings and Lending Obligation (CBLO) of CCIL.

(₹ in crore)

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
6.90% Oil Marketing Companies GOI Special Bonds 2026	**200.00**	**189.29**	1,965.00	1,899.43
9.15% GOVT.STOCK 2024	**1,960.00**	**2,119.21**	1,948.00	2,173.97
7.35% GOVT.STOCK 2024	**695.00**	**691.46**	-	-

3. Out of Oil Marketing Companies GOI Special Bonds,the following has been earmarked in line with the requirement of Companies (Share Capital and Debentures) Rules, 2014.

(₹ in crore)

Nature of Bonds	March-2018		March-2017	
	Face Value	Carrying Value	Face Value	Carrying Value
8.20% GOI SPECIAL BONDS 2023	**258.27**	**264.74**	97.28	101.27

4. During the year, Petronet India Limited (a JV company) has made the reduction in share capital from face value of ₹10/- each to ₹ 0.10/- each by paying off / returning the paid up capital to the extent of ₹ 9.90/- per share.

NOTE-5: LOANS

(Unsecured, Considered Good at amortised cost unless otherwise stated) **(₹ in Crore)**

Particulars	Non Current			Current		
	March 2018		March 2017	March 2018		March 2017
Security Deposits						
To Others						
Secured, Considered Good	**0.06**		2.56	**0.13**		-
Unsecured, Considered Good	**123.08**		113.24	**120.90**		123.39
Unsecured, Considered Doubtful	**0.20**		0.20	**1.38**		0.28
	123.34		116.00	**122.41**		123.67
Less : Provision for Doubtful Deposits	**0.20**		0.20	**1.38**		0.28
		123.14	115.80		**121.03**	123.39
Loans **A**						
To Related Parties						
Secured, Considered Good	**0.10**		0.08	**0.05**		0.02
Unsecured, Considered Good	**120.69**		102.57	**89.69**		609.46
Unsecured, Considered Doubtful	**-**		-	**2.25**		2.25
	120.79		102.65	**91.99**		611.73
Less : Provision for Doubtful Loans	**-**		-	**2.25**		2.25
	120.79		102.65	**89.74**		609.48
To Others						
Secured, Considered Good	**656.39**		564.04	**103.62**		107.46
Unsecured, Considered Good	**1,130.69**		314.34	**153.12**		907.60
Unsecured, Considered Doubtful	**162.16**		-	**0.86**		2.07
	1,949.24		878.38	**257.60**		1,017.13
Less : Provision for Doubtful Loans	**162.16**		-	**0.86**		2.07
	1,787.08		878.38	**256.74**		1,015.06
		1,907.87	981.03		**346.48**	1,624.54
TOTAL		**2,031.01**	1,096.83		**467.51**	1,747.93
A. Includes:						
1. Loans valued at Fair Value through Profit and Loss (FVTPL)		**120.56**	102.46		**-**	-
2. Due from Directors		**0.23**	0.19		**0.11**	0.10
3. Due from Other Officers		**2.08**	2.30		**1.42**	1.17

NOTE-6: OTHER FINANCIAL ASSETS

(Unsecured, Considered Good at amortised cost unless otherwise stated) **(₹ in Crore)**

Particulars		Non Current			Current		
		March 2018		March 2017		March 2018	March 2017
Advances for Investments	A						
Joint Ventures		-		-	-		-
Subsidiary Companies		**1,494.66**		1.07	-		-
		1,494.66		1.07	-		-
Less : Provision for Diminution		-		0.07	-		-
			1,494.66	1.00			-
Amount Recoverable from Central/ State Government							
Unsecured, Considered Good			**-**	-		**9,438.97**	7,748.45
Finance Lease Receivables			**0.38**	1.08		**0.69**	1.11
Deposits for Leave Encashment Fund			**2,088.11**	2,856.36		**-**	-
Interest Accrued on Investments/ Bank Deposits/ Loans			**-**	-		**187.64**	196.58
Advance to Employee Benefits Trusts			**147.42**	557.95		**121.96**	64.85
Receivables on Agency Sales			**-**	-		**4,020.25**	1,144.73
Others	B	**33.99**		39.24	**1,524.87**		489.68
Less: Provision for doubtful asset		**-**		-	**6.22**		6.02
			33.99	39.24		**1,518.65**	483.66
TOTAL			**3,764.56**	3,455.63		**15,288.16**	9,639.38

A. Advances for equity pending allotment and mainly includes share application money of ₹1493.11 crore to IndOil Global BV. paid in March 2018.

'B. Mainly includes:

1. Amount held with bank for purchase of foreign currency for value date 02.04.2018.	907.92	-
2. Interest receivables from Air India Limited	465.04	330.80

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

(₹ in Crore)

Particulars	Non Current			Current		
	March 2018		March 2017	March 2018		March 2017
Income Tax/Current Tax Asset/ (Liability) - Net						
Advance payments for Current Tax	**21,367.83**		5.47	**2.04**		16,592.18
Less : Provisions	**20,076.50**		-	**-**		16,649.15
		1,291.33	**5.47**		**2.04**	(56.97)
TOTAL		**1,291.33**	**5.47**		**2.04**	**(56.97)**
Includes amount relating to Fringe Benefit Tax		**5.47**	5.47		**2.04**	2.04

NOTE-8: OTHER ASSETS

(Unsecured, Considered Good unless otherwise stated) (₹ in Crore)

Particulars	Non Current			Current		
		March 2018	March 2017		March 2018	March 2017
Advances for Capital Expenditure						
To Related Parties						
Unsecured, Considered Good	8.77		25.78	-		-
	8.77		25.78	-		-
To Others						
Secured, Considered Good	-		9.38	-		-
Unsecured, Considered Good	757.32		923.98	-		-
Unsecured, Considered Doubtful	0.09		0.09	-		-
	757.41		933.45	-		-
	766.18		959.23	-		-
Less: Provision for Doubtful Advances	0.09		0.09	-		-
		766.09	959.14		-	-
Advances Recoverable						
From Related Parties						
Unsecured, Considered Good	286.52		309.09	24.78		29.83
	286.52		309.09	24.78		29.83
From Others						
Secured, Considered Good	-		-	0.16		0.34
Unsecured, Considered Good	219.51		219.51	1,722.71		1,620.25
Unsecured, Considered Doubtful	0.33		0.33	3.10		6.28
	219.84		219.84	1,725.97		1,626.87
Less : Provision for Doubtful Advances	0.33		0.33	3.10		6.28
	219.51		219.51	1,722.87		1,620.59
		506.03	528.60		1,747.65	1,650.42
Claims Recoverable: A						
From Related Parties						
Unsecured, Considered Good	-		-	3.43		1.67
Unsecured, Considered Doubtful	-		-	2.61		2.61
	-		-	6.04		4.28
From Others						
Unsecured, Considered Good	-		-	624.22		635.11
Unsecured, Considered Doubtful	-		-	203.46		91.17
	-		-	827.68		726.28
Less : Provision for Doubtful Claims	-		-	206.07		93.78
		-	-		627.65	636.78
Balance/ Deposits with Government Authorities						
Unsecured, Considered Good		-	-		439.04	416.98
Gold/ Other Precious Metals	-		-	162.70		192.40
Less : Provision for Diminution in value	-		-	13.04		11.36
		-	-		149.66	181.04
Deferred Expenses		630.47	648.06		187.72	60.97
Prepaid Rentals		1,330.76	1,298.47		73.45	76.57
TOTAL		**3,233.35**	**3,434.27**		**3,225.17**	**3,022.76**
A. Includes:						
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.		-	-		6.10	15.58
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.		-	-		67.27	104.12

NOTE-9: INVENTORIES

(₹ in Crore)

Particulars			March 2018	March 2017
In Hand :				
Raw Materials	A		**17,663.39**	13,162.36
Stock in Process			**4,921.77**	5,184.53
Finished Products	B		**22,051.01**	24,188.80
Stock in Trade	C		**7,255.76**	6,075.82
Stores, Spares etc.	D	**3,220.11**		2,929.57
Less : Provision for Losses		**151.30**		129.32
			3,068.81	2,800.25
Barrels and Tins	E		**41.66**	45.84
			55,002.40	51,457.60
In Transit :			**8,119.15**	7,428.41
Raw Materials			**896.89**	990.68
Finished Products			**1,138.55**	2,151.65
Stock in Trade			**156.22**	212.53
Stores, Spares etc.			**10,310.81**	10,783.27
TOTAL			**65,313.21**	**62,240.87**
Includes-				
A. Includes stock lying with others			**2.91**	16.66
B. Includes stock lying with others			**1,125.07**	1,178.71
C. Includes stock lying with others			**1,499.10**	2,021.69
D.1 Includes Certified Emission Reductions (CER's) rights - Nil (2017: ₹ 30249). Details given in Note-45.				
D.2 Includes stock lying with contractors			**6.93**	9.55
E. Includes stock lying with others			**1.01**	1.41
F. Amount of write down of inventories carried at NRV and recognised as expense.			**740.89**	766.57
G. Amount of reversal of write down of inventories recognised as income.			**0.01**	1.73
H. Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).				
I. For hypothecation details refer Note-21.				

NOTE-10: TRADE RECEIVABLES

(At amortised cost)

(₹ in Crore)

Particulars			March 2018	March - 2017
From Related Parties		**111.00**		132.17
Unsecured, Considered Good		**0.09**		0.10
Unsecured, Considered Doubtful		**111.09**		132.27
From Others				
Secured Considered Good		**50.00**		50.00
Unsecured, Considered Good		**9,955.52**		8,320.20
Unsecured, Considered Doubtful		**84.33**		94.70
		10,089.85		8,464.90
Total		**10,200.94**		8,597.17
Less : Provision for Doubtful Debts	A	**84.42**		94.80
			10,116.52	8,502.37
TOTAL			**10,116.52**	**8,502.37**
A. Includes provision as per Expected Credit Loss method in line with accounting policy			**10.14**	8.52

NOTE-11: CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars		March 2018	March - 2017
Bank Balances with Scheduled Banks :			
Current Account	**25.44**		13.09
Fixed Deposit - Maturity within 3 months	**0.37**		0.05
		25.81	13.14
Bank Balances with Non-Scheduled Banks		**2.43**	9.75
Cheques, Drafts in hand		**22.92**	28.08
Cash Balances, Including Imprest		**2.49**	1.89
TOTAL		**53.65**	**52.86**

NOTE-12: BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 2018	March - 2017
Fixed Deposits	A	**8.49**	6.07
Earmarked Balances	B	**19.21**	27.56
Other Bank Balances	C	**0.01**	0.01
	TOTAL	**27.71**	**33.64**
A) Earmarked in favour of Statutory Authorities.			
B) Pertains to Unpaid Dividend/Fractional Share Warrants		**19.21**	27.56
C) There exist restrictions on repatriation from bank account in Myanmar.		**0.01**	0.01

NOTE-13: ASSETS HELD FOR DISPOSAL

(₹ in Crore)

Particulars	Note	March-2018	March-2017
Freehold land held for sale	A	**2.21**	2.21
Building		**0.43**	0.14
Plant and Equipment		**158.28**	56.12
Office Equipment	B	**0.63**	0.83
Transport Equipment		**0.02**	0.01
Furniture and Fixtures		**0.11**	0.04
Total		**161.68**	**59.35**

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

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

C. During the year, the company has recognized impairment loss of ₹ **97.91 crore** (2017: ₹ 27.10 crore) on write-down of the asset to fair value less costs to sell and the same has been shown under the caption 'Other Expenses' in the Statement of Profit and Loss.

NOTE -14: EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March-2018	March-2017
Authorized:		
15,00,00,00,000(2017:6,00,00,00,000) Equity Shares of ₹ 10 each	**15,000.00**	6,000.00
Issued Subscribed and Paid Up:		
9,71,18,09,928(2017:4,85,59,04,964) Equity Shares of ₹ 10 each fully paid up	**9,711.81**	4,855.90
Less: Equity Shares held under IOC Shares Trust 23,31,18,456(2017:11,65,59,228) Equity Share of ₹ 10 each fully paid up	**233.12**	116.56
TOTAL	**9,478.69**	**4,739.34**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**4,855,904,964**	2,427,952,482
Shares Issued (Bonus Shares)	**4,855,904,964**	2,427,952,482
Shares bought back	**-**	-
Closing Balance	**9,711,809,928**	**4,855,904,964**

B. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March-2018		March-2017	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**5,533,436,444**	**56.98**	2,784,280,657	57.34
OIL & NATURAL GAS CORPORATION LIMITED	**1,337,215,256**	**13.77**	668,607,628	13.77
LIFE INSURANCE CORPORATION OF INDIA	**530,228,840**	**5.46**	375,354,812	7.73

During the year 2017-18, The President of India disinvested 1,75,62,435 equity shares in November 2017 in favour of BHARAT 22 ETF.

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

(a) Aggregate number and class of shares alloted as fully paid up pursuant to contract(s) wtihout payment being received in cash	NIL
(b) Aggregate number of shares alloted as fully paid up by way of bonus shares:	
• During FY 2016-17(October 2016) in ratio of 1:1	2,42,79,52,482
• During FY 2017-18(March 2018) in ratio of 1:1	4,85,59,04,964
(c) Aggregate number and class of shares bought back	NIL

NOTE -15: OTHER EQUITY

(₹ in Crore)

Particulars			March-2018	March-2017
Retained Earnings				
General Reserve:				
As per last Account		**73,993.02**		70,157.70
Add: Remeasurement of Defined Benefit Plans		**161.28**		(366.04)
Add : Transfer from Bond Redemption Reserve		**162.12**		674.79
Less: Utilized for Issue of Bonus Shares including expenses (net of tax)		**4,743.14**		2,372.86
Add: Appropriation from Surplus		**9,425.61**		5,899.43
			78,998.89	73,993.02
Surplus (Balance in Statement of Profit and Loss):				
Profit for the Year		**21,346.12**		19,106.40
Less: Appropriations				
Interim Dividend		**9,004.90**		8,531.08
Final Dividend		**474.06**		2,014.34
Corporate Dividend Tax on:				
Interim Dividend		**1,873.27**		1,757.13
Final Dividend		**47.90**		419.96
Insurance Reserve (Net)		**20.00**		20.00
Bond Redemption Reserve		**503.49**		465.78
Corporate Social Responsibility Reserve (Net)	A	**(3.11)**		(1.32)
General Reserve		**9,425.61**		5,899.43
Balance carried forward to next year			**(0.00)**	-
			78,998.89	73,993.02
Other Reserves				
Bond Redemption Reserve :				
As per last Account		**2,611.11**		2,820.12
Add: Appropriation from Surplus		**503.49**		465.78
Less: Transfer to General Reserve		**162.12**		674.79
			2,952.48	2,611.11
Capital Reserve :				
As per last Account			**183.08**	183.08

(₹ in Crore)

Particulars			March-2018	March-2017
Insurance Reserve :	B			
As per last Account		**203.48**		183.48
Less : Recoupment of uninsured fire loss		**-**		-
Add: Appropriation from Surplus		**20.00**		20.00
			223.48	203.48
Export Profit Reserve	C		**53.72**	53.72
Corporate Social Responsibility Reserve:	A			
As per Last Account		**3.11**		4.43
Add: Appropriation from Surplus		**327.94**		212.67
Less: Utilized during the year		**331.05**		213.99
			-	**3.11**
Foreign Currency Monetary Item Translation Difference Account				
As per Last Account		**(132.42)**		(414.88)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items		**(24.48)**		(77.17)
Less: Amortized during the year		**(111.13)**		(359.63)
			(45.77)	(132.42)
Fair Value Through Other Comprehensive Income :				
Fair value of Equity Instruments				
As per Last Account		**18,070.33**		12,985.14
Add: Fair value during the year		**405.53**		5,085.19
Less: Transferred to General Reserve		**-**		-
			18,475.86	18,070.33
Fair value of Debt Instruments				
As per Last Account		**3.95**		(208.15)
Add: Fair value during the year		**(169.45)**		148.34
Less: Transferred to statement of profit and loss		**(16.09)**		(63.76)
			(149.41)	3.95
TOTAL			**100,692.33**	**94,989.38**

A. Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of ₹ **327.94 crore** (2017: ₹ 212.67 crore) has been appropriated as per provisions of Companies Act'2013. Out of total available fund for CSR (including unspent amount carried forward from previous year), an amount of ₹ **331.05 crore** (2017: ₹ 213.99 crore) has been spent during the year. Also refer Note-46.

B. Reserve is created to mitigate risk of loss of assets not insured with external insurance agencies.

C. Amount set aside out of profits from exports for availing income tax benefits.

NOTE-16: LONG TERM BORROWINGS

(At Amortised Cost)

(₹ in Crore)

Particulars		Non Current			Current Maturities*		
			March 2018	March 2017		March 2018	March 2017
SECURED LOANS							
Bonds:							
Non-Convertible Redeemable Bonds-Series-VIII B	A&B		-	1,070.00		**1,133.85**	63.85
Term Loans:							
Oil Industry Development Board (OIDB)	C		**458.39**	882.48		**425.81**	719.50
Finance Lease Obligations	D		**3,453.88**	3,605.55		**167.60**	147.52
Total Secured Loans			**3,912.27**	5,558.03		**1,727.26**	930.87
UNSECURED LOANS							
Bonds:							
Foreign Currency Bonds	E	**8,502.93**		8,331.50	**116.76**		115.90
Senior Notes (Bank of America)	F&B	**-**		648.55	**658.60**		662.09
			8,502.93	8,980.05		**775.36**	777.99
Term Loans:							
From Banks/ Financial Institutions							
In Foreign Currency Loans	G	**5,823.54**		5,773.96	**2.13**		2,725.84
From Government							
In Rupees	H	**478.86**		-	**-**		-
			6,302.40	5,773.96		**2.13**	2,725.84
Total Unsecured Loans			**14,805.33**	14,754.01		**777.49**	3,503.83
TOTAL LONG-TERM BORROWINGS			**18,717.60**	**20,312.04**		**2,504.75**	**4,434.70**

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

Secured Loans (Bonds : A - B)

	Particulars	Allotment Date	Coupon Rate	Date of Redemption	Security Details
A	10,700 Bonds of face value of ` 10,00,000/- each	10th September 2008	11.00 % p.a. payable annually on 15th September	After 10 years from the date of allotment	These are secured by way of registered mortgage over the immovable properties of the Company i.e. Flat no. 3/62 Nanik Niwas of Shyam Co-op. Housing Society Ltd. situated at Bhulabhai Desai Road at Mumbai, together with 5 shares of the said society and immovable properties of the company at Panipat Refinery situated at Panipat in the state of Haryana.

B	In line with the requirement of Companies (Share Capital and Debentures) Rules, 2014, the company has earmarked 8.20% Oil Marketing companies GOI Special Bonds 2023 of face value of ₹ **258.27 Crore** (2017: ₹ 97.28 Cro re) for total bonds value of ₹ **1721.80 crore** (2017: ₹ 648.55 crore) maturing in the next financial year.

C. Secured Term Loans

1. Security Details for OIDB Loans:

a) First Charge on the facilities at Paradip Refinery, Odisha.
b) First charge on the facilities at Butadiene Extraction Unit, Panipat, Haryana.
c) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.
d) First charge on the facilities at Paradip-Raipur-Ranchi pipeline
e) First charge on the facilities at SMPL System
f) First charge on the facilities at Paradip-Haldia- Durgapur LPG Pipeline

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

S.No.	Repayable During	Repayable Amount	Range of Interest Rate
1	2018-19	425.81	8.12% - 9.27%
2	2019-20	282.81	8.12% - 8.45%
3	2020-21	177.82	8.12% - 8.27%
	Total	**886.44**	

D. Finance Lease Obligations

The Finanace Lease Obligations is against assets aquired under Finance Lease. The net carrying value of the same is ₹ **3555 crores** (2017: ₹ 3698.77 crore).

Unsecured Loans

E. Repayment Schedule of Foreign Currency Bonds

S.No.	Particulars of Bonds	Date of Issue	Date of Repayment
1	USD 500 million Reg S bonds	1st August 2013	Payable after 10 years from the date of issue
2	SGD 400 million Reg S bonds	15th October 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
3	USD 500 Million Reg S bonds	2nd August 2011	Payable after 10 years from the date of issue

F. Repayment Schedule of Senior Notes (Bank of America)

1	USD 300 Million US Private Placement bonds issued in four tranches of USD 75 Million dt. 6th June, 2nd July, 1st August and 4th sept. 2007 are payable in three tranches of USD 100 Million each on 1st August 2016, 1st August 2017 and 1st August 2018

G. Repayment Schedule of loans from Banks and Financial Institution

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 300 Million syndication loan	29th Sept 2017	Payable after 5 years from the date of drawal
2	USD 250 Million syndication loan	29th Jan 2016	
3	USD 650 Million syndication loan (USD 300 Million repaid on 29th Sept 2017)	27th June 2014	

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

1. Interest free loan given by Odisha Government for 15 years disbursed in quarterly installment of ₹175 crore starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 2016 to December 2017 of ₹ 1225 crore has been received on 15.01.2018 and thereafter ₹175 crore is received every quarter. Total loan disbused till now is ₹ 1400 crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly installments starting from last week of June 2031 onwards. This loan being interest free loan is discounted for fair value and Government grant accounting is done. Also refer Note-47.

NOTE-17: OTHER FINANCIAL LIABILITIES

(₹ in Crore)

(At Amortised Cost unless otherwise stated)

Particulars	Non Current			Current		
		March-2018	March-2017		March-2018	March-2017
Current maturities of long-term debt (Refer Note - 16)		-	-		**2,504.75**	4,434.70
Liability for Capital Expenditure		-	-		**3,625.27**	3,844.39
Liability to Trusts and Other Funds		-	-		**1,176.97**	1,879.79
Employee Liabilities		-	-		**3,317.63**	1,791.23
Liablity For Purchases on Agency Basis		-	-		**3,985.44**	1,153.36
Investor Education & Protection Fund to be credited on the due dates:						
- Unpaid Dividend	-		-	**19.17**		27.53
- Unpaid Matured Deposits	-		-	**0.01**		0.01
		-	-		**19.18**	27.54
Derivative instruments at fair value through profit and loss		-	-		**221.40**	379.03
Security Deposits A		**570.13**	461.16		**23,404.51**	20,918.77
Others		**0.83**	0.76		**2,560.54**	1,919.31
TOTAL		**570.96**	**461.92**		**40,815.69**	**36,348.12**
A. LPG Deposits reclassified as current in line with industry practice and includes towards:						
1. LPG Connection issued under Pradhan Mantri Ujjwala Yojna (PMUY) and Rajiv Gandhi Gramin LPG Vitrak Yojna (RGGLVY) of Government of India.		-	-		**2,811.53**	1,785.76
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		-	-		**0.57**	-

NOTE-18: PROVISIONS

(₹ in Crore)

Particulars		Non Current			Current		
			March-2018	March -2017		March-2018	March-2017
Provision for Employee Benefits			**2,019.66**	2,923.38		**293.03**	373.69
Decommissioning Liability	A		**3.66**	3.60		**-**	-
Contingencies for probable obligations	B	-		-	**32,320.69**		36,418.41
Less: Deposits		-		-	**18,452.12**		17,867.37
			-	-		**13,868.57**	18,551.04
TOTAL			**2,023.32**	**2,926.98**		**14,161.60**	**18,924.73**

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under : **(₹ in Crore)**

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	3.60	0.08	-	0.03	0.01	3.66
Previous Year Total	**3.33**	**0.27**	-	**0.03**	0.03	3.60

B. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under : **(₹ in Crore)**

Particulars	Opening Balance	Addition during the year	Utilization during the year	Reversals during the year	Closing Balance*
Excise	11.72	8.63	5.03	-	15.32
Sales Tax/ GST	2,570.18	141.34	1.75	0.03	2,709.74
Entry Tax	31,758.05	1,199.51	2,288.35	2,933.26	27,735.95
Others	2,078.46	919.30	824.84	313.24	1,859.68
TOTAL	**36,418.41**	**2,268.78**	**3,119.97**	**3,246.53**	**32,320.69**
Previous Year Total	26,584.61	9,994.95	36.50	124.65	36,418.41

	Addition includes
- capitalized	163.02
- included in Raw Material	470.71
- included in Finance Cost	1,049.71
- included in Employee Benefit Expenses	4.33
- included in Other Expenses	581.01

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

NOTE-19: TAXES

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

(₹ in Crore)

Particulars	As on 31.03.2017	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on 31.03.2018
Deferred Tax Liability:				
Related to Fixed Assets	18,146.20	2,029.79	-	20,175.99
Foreign Currency gain on long term monetary item	67.63	(51.64)	-	15.99
Total Deferred Tax Liability (A)	**18,213.83**	**1,978.15**	**-**	**20,191.98**
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	500.97	124.64	-	625.61
Compensation for Voluntary Retirement Scheme	21.09	(7.06)	-	14.03
43B/40 (a)(ia)/other Disallowances etc.	7,821.97	(2,012.12)	-	5,809.85
Fair valuation of Equity instruments	(12.12)	-	444.02	431.90
Fair value of debt instruments	(23.01)	-	54.44	31.43
Others	131.66	(69.02)	-	62.64
Total Deferred Tax Assets (B)	**8,440.56**	**(1,963.56)**	**498.46**	**6,975.46**
MAT credit entitlement (C)	**3,014.04**	**(1,817.09)**	**-**	**1,196.95**
Deferred Tax Liability net of MAT Credit (A-B-C)	**6,759.23**	**5,758.80**	**(498.46)**	**12,019.57**

Note: In view of applicability of long term capital gain tax on listed equity shares w.e.f. 01.02.2018, the company has created deferred tax asset of ₹499.08 crore on the fair value loss amounting to ₹4,284.71 crore occurred between 01.02.2018 to 31.03.2018.

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

	March-2018 %	March-2017 %
Applicable tax rate	34.608	34.608
Tax effect of income that are not taxable in determining taxable profit	(2.22)	(8.74)
Tax effect of expenses that are not deductible in determining taxable profit	1.05	0.79
Tax effect on recognition of previously unrecognised allowance/disallowances	1.61	1.91
Tax expenses/income related to prior years	(0.98)	(1.14)
Difference in tax due to income chargeable to tax at special rates	(0.03)	(0.02)
Difference due to change in Rate of Tax	0.41	-
Average Effective Tax Rate	**34.45**	**27.41**

NOTE -20: OTHER LIABILITIES

(₹ in Crore)

Particulars	Non Current		Current	
	March-2018	March-2017	March-2018	March-2017
Deferred Income	**6.58**	9.57	**1.82**	2.18
Government Grants (Refer Note 47)	**1,348.58**	702.47	**84.99**	16.78
Statutory Liabilities	**-**	-	**7,488.53**	9,764.91
Advances from Customers	**-**	-	**3,413.49**	2,990.09
Others	**-**	-	**2.55**	1.51
TOTAL	**1,355.16**	**712.04**	**10,991.38**	**12,775.47**

NOTE-21: BORROWINGS - CURRENT

(₹in Crore)

Particulars			March-2018		March-2017
SECURED LOANS					
Loans Repayable on Demand	**A**				
From Banks:					
Working Capital Demand Loan		**6,102.85**			2,450.53
Cash Credit		**347.62**			2,667.43
			6,450.47		5,117.96
From Others:					
Loans through Collaterised Borrowings and Lending Obligation (CBLO) of Clearing Corporation of India Ltd. (CCIL)	**B**		**2,635.01**		2,635.14
Total Secured Loans			**9,085.48**		**7,753.10**
UNSECURED LOANS					
Loans Repayable on Demand					
From Banks/ Financial Institutions					
In Foreign Currency		**20,821.89**			20,296.79
In Rupee		**3,900.54**			225.56
			24,722.43		20,522.35
From Others					
Commercial Papers			**2,999.65**		1,797.31
Total Unsecured Loans			**27,722.08**		22,319.66
TOTAL SHORT-TERM BORROWINGS			**36,807.56**		**30,072.76**

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

B. Against pledging of following to CCIL:

	March-2018	March-2017
Government Securities	**2,855.00**	3,913.00
Bank Guarantees	**1,650.00**	1,650.00

NOTE-22: TRADE PAYABLES

(₹ in Crore)

Particulars	March-2018	March-2017
Dues to Micro and Small Enterprises	**23.84**	24.77
Dues to Related Parties	**2,272.00**	1,291.08
Dues to others	**30,810.21**	28,818.44
TOTAL	**33,106.05**	**30,134.29**

NOTE-23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	March-2018		March-2017
Sale of Products and Crude	**507,654.41**		446,466.54
Less: Discounts	**10,253.98**		7,774.14
Sales (Net of Discounts)	**497,400.43**		438,692.40
Sale of Services	**96.16**		78.59
Other Operating Revenues (Note "23.1")	**5,660.45**		1,648.92
		503,157.04	440,419.91
Net Claim/(Surrender) of SSC		**(6.90)**	(207.24)
Subsidy From Central/State Government		**81.11**	80.02
Grant from Government of India		**3,196.34**	5,149.21
TOTAL		**506,427.59**	**445,441.90**

Particulars relating to Revenue Grants are given in Note - 47.

NOTE-23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	March-2018	March-2017
Sale of Power and Water	**176.38**	110.74
Revenue from Construction Contracts	**5.78**	13.35
Unclaimed / Unspent liabilities written back	**87.07**	265.49
Provision for Doubtful Debts, Advances, Claims, and Stores written back	**53.44**	93.65
Provision for Contingencies written back	**3,246.53**	80.23
Recoveries from Employees	**16.15**	27.18
Retail Outlet License Fees	**849.08**	165.93
Income from Non Fuel Business	**186.02**	198.05
Commission and Discount Received	**7.47**	12.83
Sale of Scrap	**139.11**	106.15
Income from Finance Leases	**0.20**	0.40
Amortization of Capital Grants	**30.86**	16.39
Revenue Grants (Refer Note - 47)	**236.20**	7.96
Commodity Hedging Gain (Net)	**-**	12.34
Terminalling Charges	**72.61**	74.23
Other Miscellaneous Income	**553.55**	464.00
TOTAL	**5,660.45**	**1,648.92**

NOTE-24: OTHER INCOME

(₹ in Crore)

Particulars		March-2018		March-2017	
Interest on:	A				
Financial items:					
Deposits with Banks		**6.72**		28.03	
Customers Outstandings		**328.78**		316.21	
Oil Companies GOI SPL Bonds/ Other Investment		**905.37**		910.17	
Other Financial Items		**500.91**		374.51	
Non-Financial items		**40.25**		130.79	
			1,782.03		1,759.71
Dividend:	B				
From Related Parties		**376.33**		250.27	
From Other Companies		**720.29**		856.32	
			1,096.62		1,106.59
Profit on Sale of Investments (Net)	C		**108.09**		43.61
Fair value Gain on Investment/ Provision Written Back (Net)			**18.38**		13.11
Exchange Fluctuations (Net)			**304.07**		1,107.93
Gain on Derivatives			**46.40**		-
Fair value Gain on Financial instruments classified as FVTPL			**-**		114.30
Other Non Operating Income			**59.03**		55.37
TOTAL			**3,414.62**		**4,200.62**
A 1. Includes Tax Deducted at Source			**13.55**		33.67
A 2. Includes interest received under section 244A of the Income Tax Act.			**22.96**		111.42
A 3. Include interest on:					
Current Investments			**616.44**		696.79
Non-Current Investments			**288.93**		213.38
A 4. Total interest income (calculated using the effective interest method) for financial assets that are not at fair value through profit or loss:					
In relation to Financial assets classified at amortised cost			**836.41**		718.75
In relation to Financial assets classified at FVOCI			**874.75**		879.55
B 1. Dividend Income consists of Dividend on:					
Current Investments			**14.08**		33.88
Non-Current Investments			**1,082.54**		1,072.71
B.2 Dividend on Non Current Investment Includes Dividend from Subsidiaries			**259.03**		103.41
C. Includes Gain/(Loss) reclassified from Fair Value of Deb Instruments Reserve			**(24.60)**		(98.59)

NOTE-25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	March-2018	March-2017
Opening Stock	**20,590.77**	12,437.76
Add: Purchases	**193,971.89**	165,103.56
	214,562.66	177,541.32
Less: Closing Stock	**25,782.54**	20,590.77
TOTAL	**188,780.12**	**156,950.55**

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

(₹ in Crore)

Particulars		March-2018	March-2017
Closing Stock			
Finished Products	**22,947.90**		25,179.48
Stock in Process	**4,921.77**		5,184.53
Stock- in - trade	**8,394.31**		8,227.47
		36,263.98	38,591.48
Less:			
Opening Stock			
Finished Products	**25,179.48**		16,946.58
Stock in Process	**5,184.53**		2,511.55
Stock - in - Trade	**8,227.47**		3,873.55
		38,591.48	23,331.68
NET INCREASE / (DECREASE)		**(2,327.50)**	**15,259.80**

NOTE-27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	March-2018	March-2017
Salaries, Wages, Bonus etc	**7,576.49**	6,670.77
Contribution to Provident & Other Funds	**1,516.55**	2,162.89
Voluntary Retirement Compensation	**1.22**	55.47
Staff Welfare Expenses	**985.15**	829.79
TOTAL	**10,079.41**	**9,718.92**

A. Includes ₹ **16.74 Crore**(2017:₹25.62 Crore) towards compensation to executives for working in shift in the plant/operation area on which the company has taken up the matter with MOP&NG /DPE.

B. Excludes ₹ **310.43 crore** (2017: ₹224.71 crore) included in capital work in progress (Note - 2.2) (out of which ₹ **0.54 crore** (2017: ₹ 0.90 crore) paid to executives working in grass root projects till commercial production, where the company has taken up the matter with MOP&NG) and ₹ **13.94 crore** (2017: ₹ 9.90 crore) included in CSR expenses (Note - 29.1).

C. Includes ₹ **240.47 crore** (2017:Nil) towards SABF contribution for past services prior to 31.12.2006

D. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 35.

NOTE-28: FINANCE COSTS

(₹ in Crore)

Particulars		March-2018	March-2017
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings	**427.21**		306.19
Bonds/Debentures	**-**		3.15
	427.21		309.34
Other Loans:			
Bank Borrowings	**442.10**		462.86
Bonds/Debentures	**590.58**		612.35
Others	**491.55**		467.67
	1,524.23		1,542.88
Unwinding of Discount	**9.54**		3.54
Others	**128.53**		25.12
	2,089.51		1,880.88
Interest Payments on Non Financial items:			
Unwinding of Discount	**0.01**		0.03
Others **A**	**1,079.36**		1,430.04
	1,079.37		1,430.07
		3,168.88	3,310.95
Other Borrowing Cost		**5.49**	7.00
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		**274.07**	127.48
TOTAL		**3,448.44**	**3,445.43**
A. Mainly includes:			
Interest on Entry Tax Liability		**787.60**	**1115.33**
Interest expenses u/s 234 B and 234C		**95.28**	**137.48**
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		2,089.51	1,880.88

NOTE-29: OTHER EXPENSES

(₹ in Crore)

Particulars	March-2018		March-2017
Consumption:			
a) Stores, Spares and Consumables	**1,495.14**		1,376.81
b) Packages & Drum Sheets	**405.04**		429.49
		1,900.18	1,806.30
Power & Fuel	**17,754.78**		15,040.45
Less : Fuel from own production	**12,978.28**		11,119.30
		4,776.50	3,921.15
Throughput, Processing & Blending Fees, Royalty and Other Charges		**1,479.88**	1,418.23
Octroi, Other Levies and Irrecoverable taxes		**1,463.46**	1,362.89
Repairs and Maintenance			
i) Plant & Equipment	**2,895.47**		2,220.87
ii) Buildings	**288.97**		324.15
iii) Others	**460.26**		454.33
		3644.70	2999.35

(₹ in Crore)

Particulars	March-2018	March-2017
Freight, Transportation Charges and Demurrage	**12,395.03**	11,831.95
Office Administration, Selling and Other Expenses (Note "29.1")	**6,023.62**	12,404.90
TOTAL	**31,683.37**	**35,744.77**
Less: Company's use of own Products and Crude	**622.32**	931.48
TOTAL (Net)	**31,061.05**	**34,813.29**

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

(₹ in Crore)

Particulars	March-2018		March-2017
Rent		**1,109.19**	659.14
Insurance		**105.99**	105.77
Rates & Taxes		**121.70**	90.25
Donations		**10.91**	3.00
Payment to auditors			
As Auditors	**1.60**		1.53
For Taxation Matters	**0.41**		0.23
Other Services(for issuing other certificates etc.)	**0.59**		0.63
For reimbursement of expenses	**0.38**		0.38
		2.98	2.77
Travelling & Conveyance		**652.41**	576.24
Communication Expenses		**62.20**	62.55
Printing & Stationery		**39.59**	39.31
Electricity & Water		**351.89**	310.56
Bank Charges		**27.84**	19.61
Advances & Claims written off		**2.52**	62.04
Provision/ Loss on Assets sold or written off (Net)		**157.22**	126.88
Technical Assistance Fees		**22.18**	17.01
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		**361.98**	127.94
Security Force Expenses		**719.52**	496.21
Sales Promotion Expenses (Including Commission)		**338.04**	377.46

(₹ in Crore)

Particulars	March-2018	March-2017
Handling Expenses	**460.06**	362.97
Expenses on Enabling Facilities	**0.36**	0.24
Commodity Hedging Losses (Net)	**31.79**	-
Provision for Probable Contingencies	**-**	7,493.73
Exploration & Production Cost	**41.01**	90.62
Loss on Derivatives	**-**	146.54
Fair value Loss on Financial instruments classified as FVTPL	**81.07**	-
Amortisation of FC Monetary Item Translation	**111.13**	359.63
Expenses on Construction Contracts	**5.25**	11.35
Expenses on CSR Activities	**331.05**	213.99
Miscellaneous Expenses	**875.74**	649.09
TOTAL	**6,023.62**	**12,404.90**

A. Expenses Includes:

i) Expenditure on Public Relations and Publicity amounting to ₹ **172.91 crore** (2017: ₹ 87.93 crore) which is inclusive of ₹ **56.34 crore** (2017: ₹ 23.10 crore) on account of Staff and Establishment and ₹ **116.57 crore** (2017: ₹ 64.83 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00035:1** (2017: 0.0002:1)

NOTE-30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars		March-2018	March-2017
Items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**246.64**		(559.76)
Fair value of Equity Instruments	**(38.49)**		5,097.73
		208.15	4,537.97
Income Tax relating to items that will not be reclassified to profit and loss:			
Remeasurement of Defined Benefit Plans	**(85.36)**		193.72
Fair value of Equity Instruments (Refer Note-19)	**444.02**		(12.54)
		358.66	181.18
Items that will be reclassified to profit and loss:			
Fair value of Debt Instruments		**(232.42)**	247.75
Income Tax relating to items that will be reclassified to profit and loss:			
Fair value of Debt Instruments		**62.97**	(99.41)
TOTAL		**397.36**	**4,867.49**

NOTE–31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March-2018	March-2017
Cash dividends on Equity Shares declared:		
Final dividend		
Total Final dividend during the current year for 31 March 2017: ₹ 1.00 per share (31 March 2016: ₹4.25 per share after restatement for bonus shares).	**485.59**	2,063.76
Less Final Dividend pertaining to IOC Share trust (refer Note-2)	**11.66**	49.54
Final dividend net of IOC share trust	**473.93**	2,014.22
DDT on final dividend	**47.90**	419.96
Interim dividend		
Total Interim dividend for 31 March 2018: ₹19.00 per share before bonus issue (31 March 2017: ₹18.00 per share).	**9,226.22**	8,740.63
Less Interim Dividend pertaining to IOC Share trust (refer Note-2)	**221.46**	209.81
Interim dividend net of IOC share trust	**9,004.76**	**8,530.82**
DDT on interim dividend	**1,873.27**	1,757.13
Total	**11,399.86**	**12,722.13**
Proposed dividends on Equity shares		
Final proposed dividend for 31 March 2018: ₹2.00 per share (31 March 2017: ₹0.50 per share after adjustment of bonus issue). The dividend per share without restatement of bonus shares for 31 March'2017 is ₹1.00 per share.	**1,942.36**	485.59
Less Proposed Dividend pertaining to IOC Share trust (refer Note-2)	**46.64**	11.66
Final proposed dividend net of IOC share trust	**1,895.72**	**473.93**
DDT on proposed dividend	**399.26**	47.90
	2,294.98	521.83

Notes

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March, 2018.
2. Shares held under IOC Share Trust of face value ₹**233.12 crore** (Pre-bonus ₹116.56 crore) has been netted off from paid up capital.
3. The Company has also incurred expenses on distribution of final dividend amounting to ₹**0.13 crore** (2017: ₹0.12 crore) and on distribution of interim dividend amounting to ₹**0.14 crore** (2017: ₹0.26 crore) which has been debited to equity.

NOTE–32: EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the profit and number of shares used in the basic and diluted EPS computations: **(₹ in Crore)**

Particulars	March-2018	March-2017
Profit attributable to equity holders	**21,346.12**	19,106.40
Weighted Average number of equity shares used for computing Earning Per Share (Basic) (Refer Note 1 and 2 below)	**9,478,691,472**	9,478,691,472
Weighted Average number of equity shares used for computing Earning Per Share (Diluted) (Refer Note 1 and 2 below)	**9,478,691,472**	9,478,691,472
Earning Per Share (Basic) (₹)	**22.52**	20.16
Earning Per Share (Diluted) (₹)	**22.52**	20.16
Face value per share (₹)	**10.00**	10.00

Notes

1. Equity Shares held under IOC Share Trust of face value ₹**233.12 crore** (Pre-bonus ₹116.56 crore) has been netted off from weighted average number of equity shares and EPS is worked out accordingly.
2. Pursuant to the approval of the shareholders, the company has issued bonus shares in the ratio of one Equity Shares of ₹10/- each for one existing equity share of ₹10/- each in March 2018. Accordingly, earnings per share (EPS) (basic and diluted) of FY 2016-17 have been adjusted on account of bonus shares.

NOTE–33A: INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The list of investments in subsidiaries, joint ventures and associates are as under-

Name	Country of Incorporation/ Principal place of business	% Equity Interest	
		March-2018	March-2017
Subsidiaries			
Chennai Petroleum Corporation Limited	India	**51.89%**	51.89%
Indian Catalyst Private Limited	India	**100.00%**	100.00%
IndianOil (Mauritius) Ltd.	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	UAE	**100.00%**	100.00%
IndianOil- Creda Biofuels Ltd.(Dissolved on 08.03.2018)	India	-	74.00%
IOC Sweden AB	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	USA	**100.00%**	100.00%
IndOil Global B.V.	Netherlands	**100.00%**	100.00%
IOCL Singapore Pte Ltd	Singapore	**100.00%**	100.00%
Associates			
Petronet LNG Limited	India	**12.50%**	12.50%
AVI-OIL India Private Limited	India	**25.00%**	25.00%
Petronet India Limited	India	**18.00%**	18.00%
Petronet VK Limited	India	**50.00%**	50.00%
Joint Ventures			
IOT Infrastructure & Energy Services Limited	India	**49.38%**	49.34%
Lubrizol India Private Limited	India	**26.00%**	50.00%
Indian Oil Petronas Private Limited	India	**50.00%**	50.00%
Green Gas Limited	India	**49.97%**	49.97%
IndianOil Skytanking Private Limited	India	**50.00%**	50.00%

Name	Country of Incorporation/ Principal place of business	% Equity Interest	
		March-2018	March-2017
Suntera Nigeria 205 Limited	Nigeria	**25.00%**	25.00%
Delhi Aviation Fuel Facility (Private) Limited	India	**37.00%**	37.00%
Indian Synthetic Rubber Private Limited	India	**50.00%**	50.00%
NPCIL IndianOil Nuclear Energy Corporation Limited	India	**26.00%**	26.00%
GSPL India Transco Limited	India	**26.00%**	26.00%
GSPL India Gasnet Limited	India	**26.00%**	26.00%
IndianOil Adani Gas Private Limited	India	**50.00%**	50.00%
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00%**	25.00%
Kochi Salem Pipelines Private Limited	India	**50.00%**	50.00%
IndianOil LNG Private Limited	India	**50.00%**	50.00%
IndianOil Panipat Power Consortium Ltd.	India	**50.00%**	50.00%
Petronet CI LTD (Under Liquidation)	India	**26.00%**	26.00%
IndianOil Ruchi Bio Fuels LLP	India	**50.00%**	50.00%
Hindustan Urvarak and Rasayan Ltd.	India	**29.67%**	29.67%
Ratnagiri Refinery & Petrochemicals Ltd. (Incorporated on 22.09.2017)	India	**50.00%**	-

NOTE–33B: INTEREST IN JOINT OPERATIONS

(₹ in Crore)

Name	Principle place of business	Proportion of ownership interest	
		March-2018	March-2017
E&P BLOCKS			
1) MN-OSN-2000/2#	India	**20.00%**	20.00%
2) AA-ONN-2001/2@	India	**20.00%**	20.00%
3) GK-OSN-2009/1**	India	**25.00%**	25.00%
4) GK-OSN-2009/2	India	**30.00%**	30.00%
5) CB-ONN-2010/6#	India	**20.00%**	20.00%
6) AAP-ON-94/1	India	**29.03%**	29.03%
7) BK-CBM-2001/1	India	**20.00%**	20.00%
8) NK-CBM-2001/1	India	**20.00%**	20.00%
9) FARSI BLOCK IRAN^	Iran	**40.00%**	40.00%
10) LIBYA BLOCK 86#	Libya	**50.00%**	50.00%
11) LIBYA BLOCK 102/4#	Libya	**50.00%**	50.00%
12) SHAKTHI GABON	Gabon	**50.00%**	50.00%
13) YEMEN 82*	Yemen	**Relinquished**	15.00%
14) AREA 95-96~	Libya	**25.00%**	25.00%
OTHERS			
15) Petroleum India International	India	**27.27%**	27.27%

*Block Yemen 82 relinquished during 2017-18

** Participating interest changed to 25% for exclusive operations in Appraisal phase on account of non participation by GSPC
^ The project 's exploration period ended on 24 June 2009. Negotiations with Iranian Authorities are in progress for development of the Block

Blocks are under relinquishment.

~ Under Force Majeure since 20.05.2014

@ Exploration License expired on 07.10.2015 and approval of entry into Appraisal phase awaited from MoP&NG through DGH.

NOTE–33B: INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Iocl share of financial position of above joint operations is as under: **(₹ in Crore)**

Particulars	March-2018	March-2017
Assets	**451.25**	434.55
PPE (including Producing Properties)	**178.23**	-
Capital Work in Progress	**54.73**	94.34
Intangible Asset under Development (Net of Provisions)	**196.68**	275.06
Other Assets (Net of Provisions)	**21.61**	65.15
Liabilities & Provisions	**115.50**	**132.40**
Liabilities	**111.84**	128.80
Provisions	**3.66**	3.60
Incomes	**19.00**	**2.29**
Sale of Products (Net of Own Consumption)	**18.45**	-
Other Income	**0.55**	2.29
Expenditure	**41.14**	**90.93**
Expenditure written off (incl exploration related)	**1.57**	26.93
Other Costs (incl exploration related)	**39.57**	64.00
Commitments	**782.45**	**870.57**
Contingent Liabilities	**-**	**0.13**

NOTE–34: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in Crore)

	Name	March-2018	March-2017
(i)	**Assets**	**204.92**	**308.15**
	- Property, plant and equipment	-	-
	- Intangible assets	-	-
	- Intangible assets under development	**196.68**	275.06
	- Capital Work in Progress	**0.73**	0.83
	- Other Assets	**7.51**	32.26
(ii)	**Liabilities**	**98.58**	**109.93**
	- Trade payables	-	-
	- Provisions	**2.31**	2.34
	- Other liabilities	**96.27**	107.59
(iii)	**Income**	**0.39**	**-**
	- Sale of crude oil	-	-
	- Sale of natural gas	-	-
	- Condensate etc.	-	-
	- Other Income	**0.39**	-
(iv)	**Expenses**	**39.74**	**90.61**
	- Exploration expenditure written off	**1.44**	26.61
	- Other exploration costs	**38.30**	64.00
(v)	**Cash flow**		
	- Net cash from/(used) in operating activities	**(24.52)**	**(78.54)**
	- Net cash from/(used) in investing activities	**82.63**	**(2.22)**

NOTE-34B: IN COMPLIANCE OF REVSIED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

During the year, Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on 26th August 2017 having producing life cycle of 20 years. Indian Oil has the participating interest of 29.03% in the block.

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

Assets		March-2018	
		Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter
A) Proved Reserves			
Assam AAP-ON-94/1	Begining	48.34	1730.51
	Addition	0.00	0.00
	Production	0.92	15.25
	Balance	**47.42**	**1715.26**
Total Proved Reserves		**47.42**	**1,715.26**

Assets		March-2018	
		Crude Oil, Condensate, NGLs	Natural Gas
B) Proved developed Reserves			
Assam AAP-ON-94/1	Begining	48.34	1384.41
	Addition	0.00	0.00
	Production	0.92	15.25
	Balance	47.42	1369.16
Total Proved developed Reserves		**47.42**	**1369.16**

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

Details	March-2018	
	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter
A) Proved Reserves		
India	47.42	1715.26
Total Proved Reserves	**47.42**	**1715.26**
B) Proved developed Reserves		
India	47.42	1369.16
Total Proved developed Reserves	**47.42**	**1369.16**

Frequency

The Proved (PD) and Proved & Developed (PDD) reserves mentioned above are the provisional numbers based on the estimate provided by the operator. For the purpose of estimation of Proved (PD) and Proved Developed (PDD) reserves, Deterministic method has been used by the operator. The annual revision of Reserve Estimates is based on the yearly exploratory and development activities and results thereof.

NOTE–35: EMPLOYEE BENEFITS

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

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)

During the year, the company has recognised **₹39.66 crore** (2017 : ₹39.88 crore) as contribution to EPS-95 in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

Pension Scheme

During the year, the company has recognised **₹516.68 crore** (2017 : ₹354.13 crore) towards Defined Contributory Employees Pension Scheme in the Statment of Profit and Loss/CWIP (included in Contribution to Provident and Other Funds in Note - 27 Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:

The Company's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the company. The company has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and all three trusts do not have any deficit as on 31st March 2018.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eiligible salary for every completed year of service subject to maximum of ₹ 0.20 crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50%.

Post Retirement Medical Scheme (PRMS):

PRMS provides medical benefit to retired employees and eligible dependant family members.

Resettlement Allowance:

Resettlement allowance is paid to employees to permanently settle down at a place other than the location of last posting at the time of retirement.

Ex gratia:

Ex-gratia is payable to those employees who have retired before 01-11-1987 and not covered under the pension scheme. Further, for employees who have retired on or after 01-11-1987 and their entitlement under the pension scheme is less than applicable amount under Ex- Gratia Scheme, such employees are also eligible to the extent of shortfall or difference under Ex-gratia scheme. The scheme of ex-gratia has been restricted to cover only those eligible employees who have retired upto 31.12.06, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before 14-10-1981 and opted to continue the benefit of pension as existing prior to takeover. The Company is managing the fund after takeover of the erstwhile Assam Oil company in the name of IOCL(AOD) Staff Pension Fund.

Workmen Compensation:

The company pays an equivalent amount of 100 months' salary to the family member of the employee if employee dies while he is on duty. This scheme is not funded by the company. The liability originates out of the Workmen compensation Act and Factory Act.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the DPE Guidelines. However, keeping in view operational complications and service agreements the company has continued with the present practice and requested concerned authorities to reconsider the matter.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the duration of service completed.

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

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

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

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

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Defined Obligation at the beginning	**11,338.41** *10,310.35*	**1,443.47** *1,428.72*	**4,322.03** *3,515.28*	**2.85** *4.31*	**87.58** *82.02*	**198.42** *197.28*
Current Service Cost	**401.03** *352.26*	**20.77** *11.24*	**197.94** *168.24*	**0.06** *0.12*	**13.96** *13.52*	- -
Past Service Cost	- -	**1,288.12** -	- -	- -	**40.78** -	- -
Interest Cost	**1,122.62** *902.52*	**105.23** *113.73*	**321.99** *283.33*	**0.12** *0.25*	**6.38** *6.53*	**14.90** *15.41*
Contribution by employees	**983.70** *802.03*	- -	- -	- -	- -	- -
Net Liability transferred In / (Out)	**67.52** *64.65*	- -	- -	- -	- -	- -
Benefits paid	**(1,066.71)** *(1,093.67)*	**(149.97)** *(166.83)*	**(180.16)** *(174.74)*	**(1.82)** *(1.77)*	**(6.16)** *(7.31)*	**(27.32)** *(28.76)*
Actuarial (gain)/ loss on obligations	- -	**50.03** *56.61*	**(99.86)** *529.92*	**0.02** *(0.06)*	**(20.20)** *(7.18)*	**4.55** *14.49*
Defined Benefit Obligation at the end of the year	**12,846.57** *11,338.41*	**2,657.59** *1,443.47*	**4,561.94** *4,322.03*	**1.23** *2.85*	**122.34** *87.58*	**190.55** *198.42*

(ii) Reconciliation of balance of Fair Value of Plan Assets (₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**11,694.45**	**1,842.85**	**3,702.41**	**2.87**	-	-
	10,665.55	*1,852.42*	*2,463.84*	*4.32*	-	-
Interest Income	**1,122.62**	**134.34**	**275.83**	**0.12**	-	-
	902.52	*147.46*	*198.59*	*0.25*	-	-
Contribution by employer	**401.03**	-	**772.23**	-	-	-
	352.26	-	*1,189.23*	-	-	-
Contribution by employees	**983.70**	-	**1.18**	-	-	-
	802.30	-	*1.34*	-	-	-
Net Liability transferred In / (Out)	**67.52**	-	-	-	-	-
	64.65	-	-	-	-	-
Benefit paid	**(1,066.71)**	**(149.97)**	**(180.16)**	**(1.82)**	-	-
	(1,093.67)	*(166.83)*	*(174.74)*	*(1.77)*	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**(99.77)**	**10.31**	**70.74**	**0.07**	-	-
	0.84	*9.80*	*24.15*	*0.07*	-	-
Fair value of plan assets at the end of the year	**13,102.84**	**1,837.53**	**4,642.23**	**1.24**	-	-
	11,694.45	*1,842.85*	*3,702.41*	*2.87*	-	-

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**13,102.84**	**1,837.53**	**4,642.23**	**1.24**	-	-
	11,694.45	*1,842.85*	*3,702.41*	*2.87*	-	-
Defined Benefit Obligation at the end of the year	**12,846.57**	**2,657.59**	**4,561.94**	**1.23**	**122.34**	**190.55**
	11,338.41	*1,443.47*	*4,322.03*	*2.85*	*87.58*	*198.42*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**(256.27)**	-	-	-	-	-
	(356.04)	-	-	-	-	-
Amount recognised in the Balance Sheet	-	**820.06**	**(80.29)**	**(0.01)**	**122.34**	**190.55**
	-	*(399.38)*	*619.62*	*(0.02)*	*87.58*	*198.42*

(iv) Amount recognised in Statement of Profit and Loss / Contruction Period Expenses **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Current Service Cost	**401.03** *352.26*	**20.77** *11.24*	**197.94** *168.24*	**0.06** *0.12*	**13.96** *13.52*	**-** -
Past Service Cost	**-** -	**1,288.12** -	**-** -	**-** -	**40.78** -	**-** -
Net Interest Cost	**-** -	**(29.11)** (33.73)	**46.16** *84.74*	**-** -	**6.38** *6.53*	**14.90** *15.41*
Contribution by employees	**-** -	**-** -	**(1.18)** **(1.34)**	**-** -	**-** -	**-** -
Expenses for the year	**401.03** *352.26*	**1,279.78** *(22.49)*	**242.92** *251.64*	**0.06** *0.12*	**61.12** *20.05*	**14.90** *15.41*

The Past service cost in respect of Gratuity includes ₹1,256.28 crore for which provisional liability has already been provided during previous year.

(v) Amount recognised in Other Comprehensive Income (OCI) **(₹ in Crore)**

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non -Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in assumptions	- -	**(81.03)** *62.09*	**192.00** 577.13	**-** *0.03*	**(7.62)** *6.67*	**4.55** *2.47*
Actuarial (gain)/ loss on Obligations - Due to Experience	- -	**31.00** *(5.48)*	**(291.86)** *(47.21)*	**0.02** *(0.09)*	**(12.58)** *(13.85)*	**-** *12.02*
Re- measurement (Retun on plan assets excluding interest income	- -	**10.31** *9.80*	**70.74** *24.15*	**0.07** *0.07*	**-** -	**-** -
Net Loss / (Gain) recognized in OCI	- -	**(60.34)** *46.81*	**(170.60)** *505.77*	**(0.05)** *(0.13)*	**(20.20)** *(7.18)*	**4.55** *14.49*

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Discount rate	**7.78%** *7.29%*	**7.78%** *7.29%*	**7.76%** *7.45%*	**6.60%** *6.40%*	**7.78%** *7.29%*	**7.82%** *7.51%*
Salary escalation	- -	**8.00%** *8.00%*	- -	**8.00%** *8.00%*	- -	- -
Inflation	- -	- -	**8.00%** *7.00%*	- -	**6.00%** *6.00%*	- -
Average Expected Future Service / Obligation (Years)	- -	**15** *15*	**30** *30*	**2** *2*	**15** *15*	**9** *11*

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(vii) Sensitivity on Actuarial Assumptions: **(₹ in Crore)**

Loss / Gain for :	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	- -	**(149.02)** *(97.40)*	**(607.15)** *(564.54)*	**(0.01)** *(0.03)*	**(13.34)** *(9.62)*	**(7.34)** *(10.23)*
Decrease by 1%	- -	**171.68** *104.83*	**790.46** *730.89*	**0.01** *0.03*	**16.66** *11.96*	**8.04** *6.03*
Change in Salary Escalation						
Increase by 1%	- -	**38.95** *10.94*	- -	**0.01** *0.03*	- -	- -
Decrease by 1%	- -	**(43.60)** *(12.98)*	- -	**(0.01)** *(0.03)*	- -	- -
Change in Inflation Rate						
Increase by 1%	- -	- -	**467.36** *413.09*	- -	- -	- -
Decrease by 1%	- -	- -	**(383.10)** *(340.75)*	- -	- -	- -

(viii) Investment details:

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	- -	**98.47%** *98.45%*	**93.95%** *92.28%*	**97.27%** *97.27%*
Self managed investments	**100.00%** *100.00%*	**1.53%** *1.55%*	**6.05%** *7.72%*	**2.73%** 2.73%

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

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**44.12%** *43.84%*	**69.33%** *61.39%*	**65.19%** *56.52%*	**2.73%** *2.73%*
Investment in Equity / Mutual Funds	**4.66%** *2.03%*	**5.43%** *6.82%*	**5.18%** *6.38%*	- -
Investment in Debentures / Securities	**41.13%** *43.31%*	21.60% *27.07%*	**25.57%** *31.80%*	- -
Other approved investments (incl. Cash)	**10.09%** *10.82%*	**3.64%** *4.72%*	**4.06%** *5.30%*	**97.27%** *97.27%*

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

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**489.04** *286.00*	**183.81** *173.28*	**0.02** *0.99*	**9.01** *5.66*	**33.03** *29.51*
Between 2 to 5 Years	**1073.84** *1,001.84*	**780.53** *798.10*	**1.36** *2.26*	**33.17** *22.51*	**106.74** *93.76*
Between 6 to 10 Years	**1,101.98** *1077.19*	**1,098.67** *1,210.26*	- -	**43.84** *32.38*	**82.83** *70.03*

Note–36: COMMITMENTS AND CONTINGENCIES

A. LEASES

(a) Operating lease-as Lessee

(i) Lease Rentals charged to the Statement of profit and loss and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements/ arrangements

(₹ in Crore)

	Lease Rentals for Non-Cancellable operating leases	March-2018	March-2017
(a)	Lease rentals recognized during the year (incl. applicable cases as per (iii) below)	**8,237.03**	7,944.02
(b)	Lease Obligations		
	- Within one year	**6,807.13**	7,510.99
	- After one year but not more than five years	**9,936.12**	16,240.64
	- More than five years	**626.81**	842.04

These relate to storage tankage facilities for petroleum products, BOO contract for Nitrogen and Hydrogen Plant, QC labarotary at Paradip Refinery and various other leases in substance as mentioned in (iii) below.

(ii) The company has taken certain assets (including lands,office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements Incl. applicable cases as per (iii) below. During the current year, **₹1038.21 crore** (2017: ₹366.06 crore) has been paid towards cancellable Operating Lease. Also refer Note 1B for more details on judgements made for lease classification in case of lands.

(iii) Leases in substance (Operating lease: Company as lessee)

The Company has entered into some contracts which are in substance operating lease contracts. Currently, the company has booked payment made under these contracts as expenses in the statement of profit and loss. The details in respect of material operating lease arrangements are as under:

a) IOCL has entered into various agreements with transporters for the movement of petroleum products for different tenures Under these agreements, specific trucks are identified that are used exclusively for the transport operations of IOCL only.

(b) IOCL has entered into agreements with vessel owners for hiring of vessels for different tenures. Specified vessels are identified in the agreement with reference to the name and description of vessel, which can only be used. Such vessels are dedicated for IOCL's use only for the entire period of arrangement. Further, during the lease period, the owner can let out the specific vessel to any third party only after obtaining IOCL's permission. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

(c) BOO agreement with Air Liquide Industries is for supply of oxygen and nitrogen at Panipat Refinery for a period of 18 years. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL. There is a commitment to pay monthly minimum amount as per the agreement. IOCL shall always have first right of use of Nitrogen & Oxygen manufactured at the plant. Nitrogen gas manufactured by the contractor is mainly supplied to IOCL. Hence this arrangement is classified as lease as per Appendix C to Ind AS 17.

Details of expenses booked under various arrangements are as under:

(₹ in Crore)

Operating Lease cases under Appendix C of Ind-AS-17	March-2018	March-2017
Processing Fee under the head "Other expenses" in relation to lubricants filling arrangement	**0.19**	0.23
Handling expense under the head "Other expenses" in relation to CFA arrangement	**38.48**	39.53
Freight and transportation charges under the head "Other Expenses" in relation to arrangement with transporters	**7,505.79**	6,803.45
Processing Fee and other charges under the head "Other expenses" in relation to terminalling arrangement with GCPTCL	**9.12**	2.10

Processing Fee and other charges under the head "Other expenses" in relation to bottling arrangement with CPCL	**11.25**	12.24
Transportation charges under the head "Other expenses" in relation to Prime Mover Agreement	**6.83**	5.39
Purchase of nitrogen & oxygen for supply of oxygen and nitrogen at Panipat Refinery under " Cost of materials consumed"	**77.25**	95.97
Freight charges under the head "Cost of Materials Consumed"/"Other expenses" in relation to Time Charter Arrangement	**803.74**	1,358.03

b) Operating lease - as Lessor

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

(₹ in Crore)

	March-2018	March-2017
A. Lease rentals recognized as income during the year	**5.57**	3.95
B. Value of assets given on lease included in tangible assets		
- Gross Carrying Amount	**4.26**	3.22
- Accumulated Depreciation	**0.63**	0.40
- Depreciation recognized in the Statement of Profit and Loss	**0.15**	0.15

These relate to storage tankage facilities for petroleum products and buildings given on lease.

(c) Finance lease - was Lessee

The company has entered into following material finance lease arrangements:

(i) BOOT agreement with IOT Utkal Energy Services Ltd. in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 Years at Nil value.

(ii) BOOT agreement with IL&FS in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 Years at ₹ 0.01 crore.

(iii) The company has entered into finance lease arrangements with Gujarat Adani Port Limited related to Port facilities at Gujarat for a period of 25 years and 11 months.

(iii) The Company has obtained various lands from the governments for purpose of plants, facilities and offices. Lease cases where at the inception of the lease, the present value of minimum lease payments is substantially equal to the fair value of leased assets are considered under finance leases. Also refer Note 1B for more details on judgements made for lease classification.

Disclosure under Finance Lease as Lessee:

(₹ in Crore)

	March-2018	March-2017
(i) Minimum lease payments		
- Within one year	**562.06**	557.28
- After one year but not more than five years	**2,229.72**	2,222.27
- More than five years	**4,279.84**	4,819.27
Total	**7,071.62**	**7,598.82**

(ii) Present value of minimum lease payments		
- within one year	**167.60**	147.52
- After one year but not more than five years	**856.53**	766.63
- More than five years	**2,597.35**	2,838.92
Total	**3,621.48**	**3,753.07**
Add: Future finance charges	**3,450.14**	3,845.75
Total	**7,071.62**	**7,598.82**

The Net Carrying amount of the assets acquired under Finance Lease is disclosed in Note – 2

(d) Finance lease - as Lessor

The company has entered into following material finance lease arrangements:

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

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

(₹in Crore)

	March-2018	March-2017
A. Gross Investments in Finance Lease	**432.28**	**432.29**
Less: Unearned Finance Income	**0.16**	0.38
Less: Finance Income Received	**170.98**	170.76
Less: Minimum Lease payment received	**260.07**	258.96
Net Investment in Finance Lease as on Date	**1.07**	**2.19**
B. Unearned finance Income	**0.16**	**0.38**
C. Present Value of Minimum Lease Payments Receivable		
- Within one year	**0.69**	1.11
- After one year but not more than five years	**0.38**	1.08
- More than five years	**0.00**	0.00
Total	**1.07**	**2.19**
D. Break-up of un-earned income		
- Within one year	**0.11**	0.22
- After one year but not more than five years	**0.05**	0.16
- More than five years	**0.00**	0.00
Total	**0.16**	**0.38**

B. CONTINGENT LIABILITIES

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹ **8025.58 crore** (2017: ₹9251.66 crore) are as under:

B.1.1 ₹**373.35 crore** (2017: ₹152.8 crore;) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹**19.58 crore** (2017: ₹29.96 crore.)

B.1.2 ₹**31.23 crore** (2017: ₹73.59 crore) in respect of demands for Entry Tax from State Governments including interest of ₹**3.07 crore** (2017: ₹8.98 crore).

B.1.3 ₹**2773.87 crore** (2017: ₹2844.9 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹**1332.72 crore** (2017: ₹1416.64 crore).

B.1.4 ₹**1834.36 crore** (2017: ₹2363.48 crore;) in respect of Income Tax demands including interest of ₹**614.06 crore** (2017: ₹594.57 crore)**.**

B.1.5 ₹**2005.42 crore** (2017: ₹2656 crore) including ₹**1616.36 crore** (2017: ₹2401.88 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹**155.86 crore** (2017: ₹44.24 crore).

B.1.6 ₹**1007.35 crore** (2017: ₹1160.89 crore) in respect of other claims including interest of ₹**405.84 crore** (2017: ₹258.38 crore).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. Contingent liabilities in respect of joint operations are disclosed in Note 33 B.

B.2 Guarantees excluding financial guarantees

B.2.1 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporacion Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate company) to fulfill the associate company's future obligations of payment of signature bonus / equity contribution/ loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 million. The estimated amount of such obligation (net of amount paid) is ₹**2,387.99 crore - USD 366.37 million** (2017: ₹2,376.09 crore - USD 366.37 million).

B.2.2 The Company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. The total amount sanctioned by the Board of Directors is CAD 3,924.76 million. The estimated amount of such obligation (net of amount paid) is ₹ **4,588.28 crore** - CAD 905.65 million (2017: 11,570.97 crore - CAD 2,380.74 million). In 2017, the sanctioned amount is reduced by CAD 1,462 million due to winding down of LNG plant.

B.2.3 The company has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee Facility provided to IOAGPL by 'State Bank of India, Syndicate Bank, Canara Bank, Bank of Baroda and Axis bank'. The Company's share of such obligation is estimated at ₹ **3,280.94 crore** (2017: ₹ 2,471.38 crore).

B.2.4 The Company has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at ₹ **11.40 crore** (2017: ₹ 11.40 crore).

B.3 Other money for which the company is contingently liable

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

C. COMMITMENTS

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹**14748.6 crore** (2017: ₹ **12902.79 crore)**."Capital Commitments in respect of Joint Operations are disclosed in Note 33B.

C.2 Other Commitments

C.2.1 The Company has an export obligation to the extent of ₹ **2822.44 crore** (2017: ₹ 5325.89 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 To meet the direction of Honourable High court of Orissa, the company has a commitment to pay ₹**280.1 crore** (2017: ₹280.1 crore) towards providing high tech ambulances, removal of old anicut and construction of water treatment plant in the state of Orissa . In addition the company has to incur cost towards dredging through Orissa Construction Co , a state government agency estimate for which yet to be finalised."

C.2.3 IndianOil LNG Private Limited (IOLPL), the JV company, has entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, has provided put option under which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company (IOCL) before the expiry date. In addition to this, the Company, at the sole discretion, has right to acquire CCD from ICICI on or before the expiry date. The company's (IOCL) share of such obligation is ₹ **949.05 Crore** (2017: ₹ 341.28 Crore).

C.2.4 The Company through IOCL Singapore Pte Ltd has entered into an agreement with Shell Overseas Holding Ltd to acquire 17% participating interest in the Mukhaizna Oil Field, Oman by acquiring 100% of the share capital in Shell Exploration & Production Oman Ltd (SEPOL). The Company has outstanding investment commitment of ₹ 2144.42 Crore payable as on 31 March 2018. The acquisition of SEPOL was completed on 05th April 2018.

D. CONTINGENT ASSETS

(₹ in Crore)

		March-2018	March-2017
a.	A customer had lodged a claim against the company challenging the pricing mechanism of utilities provided. The matter was referred to arbitration and award was given in favour of the company. During the year Customer has approached Honourable High court challenging the award of arbitration and the case is pending with Honourable High court for final adjudication. Honourable High court vide its interim orders dated 28.08.2017 and 19.04.2018 has directed the customer to deposit the principal amount and interest amount respectively in the Registry of the court. Court has also directed that the amount deposited by the customer shall be released to the company upon furnishing an unconditional Bank Guarantee of the equivalent amount. The management has treated a portion of the same as contingent asset pending adjudication of matter with Honourable High Court.	**112.98**	96.00
b.	Contingent Asset in respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the company.	**3.48**	3.36
	Total	**116.46**	**99.36**

NOTE–37: RELATED PARTY DISCLOSURES

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

1. Relationship with Entities

A) Details of Subsidiary Companies/ Entities and their Subsidiaries:

1) Chennai Petroleum Corporation Limited
2) IndianOil (Mauritius) Limited
3) Lanka IOC PLC
4) IOC Middle East FZE
5) IndianOil - CREDA Biofuels Limited
6) Indian Catalyst Private Limited
7) IOC Sweden AB
8) IOCL (USA) INC.
9) IndOil Global B.V., Netherlands
10) IOCL Singapore Pte. Limited
11) IndOil Montney Limited
12) IOC Cyprus Limited

B) The following transactions were carried out with Subsidiary Companies/Entities in the ordinary course of business:

(₹ in Crore)

		March-2018	March-2017
1	Sales of Products / Services [Includes sales to Chennai Petroleum Corporation Limited **₹ 525.90 crore** (2017: ₹ 668.61 crore) and Lanka IOC PLC **₹ 186.63 crore** (2017: ₹ 30.36 crore)]	**720.98**	703.90
2	Other Operating Revenue / Other Income [Includes Other Operating Revenue / Other Income from Chennai Petroleum Corporation Limited **₹ 242.33 crore** (2017: ₹ 81.80 crore)]	**284.35**	127.48
3	Purchase of Products [Includes Purchase of Products from Chennai Petroleum Corporation Limited **₹ 39,009.04 crore** (2017: ₹ 36,093.58 crore)]	**39,009.04**	36,093.58
4	Purchase of Chemicals/ Materials [Includes Purchase of Chemicals/ Materials from IOCL Singapore Pte. Limited **₹ 1,695.21 crore** (2017: Nil) and Chennai Petroleum Corporation Limited **₹ 858.39 crore** (2017: ₹ 825.60 crore)]	**2,553.60**	834.98
5	Handling/ Other Expenses [Includes Handling/ Other Expenses to Chennai Petroleum Corporation Limited **₹ 6.97 crore** (2017: ₹ 0.93 crore) and Lanka IOC PLC **₹ 4.58 crore** (2017: ₹ 5.46 crore)]	**13.34**	8.84
6	Reimbursement of Expenses [Includes Reimbursement of Expenses pertaining toChennai Petroleum Corporation Limited **₹ 43.96 crore** (2017: ₹ 0.05 crore)]	**43.96**	0.07
7	Investments made/ (sold) during the year [Includes Investment made in IOCL Singapore Pte. Limited **₹ 117.47 crore** (2017: ₹ 4,738.24 crore)]	**117.54**	4,746.78
8	Purchase/(Sale)/ Accquisition of Fixed Assets including CWIP {Includes Purchase/Sale/ Acquisition of Fixed Assets incl. CWIP from Chennai Petroleum Corporation Limited **₹ 0.11 crore** (2017: ₹ 8.00 crore)}	**0.11**	16.52
9	Provisions made/ (write back) during the year {includes provision made/ (write back) in Indian Oil -CREDA Biofuels Limited **₹0.07 crore** (2017: ₹ 0.07 crore)}	**0.07**	4.79
10	Outstanding Receivables/ Loans & Advances { includes outstanding Receivable / Loan & Advance from Chennai Petroleum Corporation Limited **₹ 4,023.60 crore** (2017: ₹1,148.71 crore) and IndOil Global B.V. Netherlands **₹1,493.11 crore** (2017: ₹0.40 crore)}	**5,542.93**	1,160.20

11	Outstanding Payables {Includes Outstanding payable to Chennai petroleum Corporation Limited **₹1,323.22 crore** (2017: ₹893.85 crore} and IOCL Singapore Pte. Limited **₹427.45 crore** {2017: Nil}	**1,761.13**	905.51
12	Investment in Subsidiaries as on date	**12,896.23**	**12,836.69**

Note: 1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2) In case of Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

2. Relationship with Entities

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

1) IOT Infrastructure & Energy Services Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited
10) Petronet CI Limited
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Ratnagiri Refinery & Petrochemicals Limited
25) Indian Additives Limited
26) National Aromatics & Petrochemicals Corporation Limited
27) INDOIL Netherlands B.V., Netherland
28) Taas India PTE Limited
29) Vankor India PTE Limited
30) Ceylon Petroleum Storage Terminals Limited
31) Falcon Oil & Gas B.V.

B) Details of Subsidiary to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Canada Limited
5) IOT Utkal Energy Services Limited
6) PT IOT EPC Indonesia
7) IOT Engineering Projects Limited
8) Indian Oiltanking Engineering & Construction Services LLC Oman
9) IOT Engineering & Construction Services Pte. Ltd. Singapore
10) JSC KazakhstanCaspishelf
11) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
12) IndianOil Skytanking Delhi Pvt. Limited
13) IOT Anwesha FZE

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

		March-2018	March-2017
1	**Sales of Products / Services** [Includes sales to Indian Synthetic Rubber Private Limited ₹ **484.07 crore** (2017: ₹ 431.43 crore) and IndianOil Petronas Private Limited ₹ **273.56 crore** (2017: ₹ 132.75 crore)]	**815.37**	637.64
2	**Interest received** [Includes interest received from IndianOil LNG Private Limited ₹ **39.24 crore** (2017: ₹ 45.61 crore) and Indian Synthetic Rubber Private Limited ₹ **6.39 crore** (2017: ₹ 5.54 crore)]	**45.63**	51.15

3	**Other Operating Revenue/ Other Income** [Includes Other Operating Revenue / Other Income from Indian Synthetic Rubber Private Limited **₹ 75.30 crore** (2017: ₹ 42.73 crore), Petronet LNG Limited **₹ 51.46 crore** (2017: ₹ 27.26 crore) and IndianOil Petronas Private Limited **₹ 26.80 crore** (2017: ₹ 40.20 crore)]	**204.23**	205.90
4	**Purchase of Products** [Includes Purchase of Products from Petronet LNG Limited **₹ 5,820.32 crore** (2017: ₹ 7,446.25 crore)]	**5,950.04**	7,540.73
5	**Purchase of Chemicals/ Materials** [Includes Purchase of Chemicals/ Materials from Petronet LNG Limited **₹ 3,080.47 crore** (2017: Nil)]	**3,485.52**	371.36
6	**Interest paid** [Includes Interest paid to IOT Utkal Energy Services Limited **₹ 299.64 crore** (2017: ₹ 311.76 crore)]	**299.64**	311.76
7	**Handling/ Other Expenses** [Includes Handling/ Other Expenses to IndianOil Skytanking Private Limited **₹ 351.20 crore** (2017: ₹ 264.55 crore), IndianOil Petronas Private Limited **₹ 290.44 crore** (2017: ₹ 351.57 crore), IOT Infrastructure & Energy Services Limited **₹ 93.02 crore** (2017: ₹ 88.19 crore) and Mumbai Aviation Fuel Farm Facility Private Limited **₹ 89.91 crore** (2017: ₹ 79.65 crore)]	**872.20**	822.22
8	**Reimbursement of Expenses** [Includes Reimbursement of Expenses pertaining toIndianOil Petronas Private Limited **₹ 2.56 crore** (2017: ₹ 11.52 crore) and IOT Infrastructure & Energy Services Limited **₹ 0.99 crore** (2017: ₹ 0.05 crore)]	**4.09**	13.34
9	**Investments made/ (sold) during the year** [Includes Investment made/ (sold) in Hindustan Urvarak and Rasayan Limited **₹ 328.23 crore** (2017: ₹ 5.03 crore), Lubrizol India Private Limited **₹ (56.96) crore** (2017: Nil), Ratnagiri Refinery & Petrochemicals Limited **₹ 50.00 crore** (2017: Nil) and GSPL India Transco Limited **₹ 45.76 crore** (2017: ₹ 10.40 crore)]	**440.43**	311.56
10	**Purchase/(Sale)/Acquisition of Fixed Assets including CWIP** [Includes Purchase/Acquisition of Fixed Assets incl. CWIP from IOT Utkal Energy Services Limited **₹ 6.04 crore** (2017: Nil) and IOT Infrastructure & Energy Services Limited **₹ 1.11 crore** (2017: ₹ 15.08 crore)]	**7.15**	15.78
11	**Provisions made/ (write back) during the year** [Includes Provision made/ (write back) in Petronet India Limited ₹ **Nil** (2017: ₹(18.00) crore]	**-**	(17.90)
12	**Outstanding Receivables/ Loans & Advances** [Includes Outstanding Receivables/ Loans & Advances from Petronet LNG Limited **₹ 307.61 crore** (2017: ₹ 332.30 crore), Suntera Nigeria 205 Limited **₹ 113.58 crore** (2017: ₹ 109.30 crore), Petronet VK Limited **₹ 82.40 crore** (2017: ₹ 21.66 crore) and Indian Synthetic Rubber Private Limited **₹ 63.86 crore** (2017: ₹ 110.66 crore)]	**610.83**	1,208.66
13	**Outstanding Payables** [Includes Outstanding payable to IOT Utkal Energy Services Limited **₹ 2,817.97 crore** (2017: ₹ 2,923.37 crore) and Petronet LNG Limited **₹ 464.43 crore** (2017: ₹ 295.66 crore)]	**3,362.18**	3,339.89
14	**Investments in JV/ Associates as on date**	**2,239.70**	1,836.28

Note:

1) Transactions in excess of 10% of the total related party transactions for each type have been disclosed above.

2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

3. Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

1) M/s. JOT Filling Station, Rureke, Punjab (Indian Oil Retail Outlet): Owned by brother of Key Managerial Personnel

2) Shri Harvinder Singh Kainth (Manager, Indian Oil Corporation Limited): Brother of Key Managerial Personnel

3) Mindtree Limited (Company): Managed by Key Managerial Personnel

Details relating to the parties referred to in Item No.3 above: **(₹ in Crore)**

		March-2018	March-2017
1	**Sales of Products** / Services		
	M/s. JOT Filling Station	**3.46**	4.71
	M/s. Mindtree Limited	**0.09**	-
2	**Remuneration**		
	Shri Harvinder Singh Kainth	**0.40**	0.31
3	**Outstanding Receivables**/ Loans & Advances		
	M/s JOT Filling Station	**-**	0.08
	Shri Harvinder Singh Kainth	**0.09**	0.03

4. Government related entities where significant transactions carried out

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

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

Nature of Transactions :

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

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

5) Key Managerial Personnel

A. Whole Time Directors/ Company Secretary

1) Shri Sanjiv Singh
2) Shri B. Ashok (upto 31.05.2017)
3) Shri A.K. Sharma
4) Shri Anish Aggarwal
5) Shri B. S. Canth (upto 31.01.2018)
6) Shri G. K. Satish (w.e.f. 01.09.2016)
7) Shri S. S. V. Ramakumar (w.e.f. 01.02.2017)
8) Shri B V Rama Gopal (w.e.f. 12.02.2018)
9) Shri Ranjan Kumar Mohapatra (w.e.f. 19.02.2018)
10) Shri Verghese Cherian (upto 31.10.2017)
11) Shri Kamal Kumar Gwalani (w.e.f. 01.09.2017)
12) Shri Raju Ranganathan (upto 31.08.2017)

B. Independent Directors

1) Shri Sanjay Kapoor
2) Shri Parindu K. Bhagat
3) Shri Vinoo Mathur (w.e.f. 22.09.2017)
4) Shri Samirendra Chatterjee (w.e.f. 22.09.2017)
5) Shri Vivek Rae (w.e.f. 22.09.2017)
6) Shri Chitta Ranjan Biswal (w.e.f. 22.09.2017)
7) Dr. Jagdish Kishwan (w.e.f. 22.09.2017)
8) Shri Sankar Chakraborti (w.e.f. 22.09.2017)
9) Dr. B. Mahadevan (w.e.f. 22.09.2017 and upto 19.03.2018)
10) Shri Dharmendra S. Shekhawat (w.e.f. 22.09.2017)
11) Shri Subroto Bagchi (upto 29.06.2017)

C. Government Nominee Directors

1) Shri Ashutosh Jindal
2) Smt. Urvashi Sadhwani (w.e.f. 27.10.2017)
3) Shri A. P. Sawhney (Upto 22.06.2017)

D) Details relating to the parties referred to in item No. 5A & 5B above:

March -2018 **(₹ in Crore)**

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.57	0.07	0.27	0.91	-	0.02
2) Shri B. Ashok	0.30	0.11	0.30	0.71	-	-
3) Shri A.K. Sharma	0.64	0.07	0.16	0.87	-	0.07
4) Shri Anish Aggarwal	0.72	0.17	0.59	1.48	-	-
5) Shri B. S. Canth	0.53	0.15	0.49	1.17	-	-
6) Shri G. K. Satish	0.53	0.07	0.12	0.72	-	0.01
7) Shri S. S. V. Ramakumar	0.53	0.07	0.05	0.65	-	0.03
8) Shri B V Rama Gopal	0.09	0.01	-	0.10	-	0.01
9) Shri Ranjan Kumar Mohapatra	0.08	0.01	-	0.09	-	0.23
10) Shri Verghese Cherian	0.41	0.13	0.47	1.01	-	-
11) Shri Kamal Kumar Gwalani	0.34	0.04	0.18	0.56	-	0.22
12) Shri Raju Ranganathan	0.21	0.12	0.28	0.61	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.16	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.15	-
3) Shri Vinoo Mathur	-	-	-	-	0.05	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Vivek Rae	-	-	-	-	0.04	-
6) Shri Chitta Ranjan Biswal	-	-	-	-	0.04	-
7) Dr.Jagdish Kishwan	-	-	-	-	0.05	-
8) Shri Sankar Chakraborti	-	-	-	-	0.05	-
9) Dr. B. Mahadevan	-	-	-	-	0.02	-
10) Shri Dharmendra S. Shekhawat	-	-	-	-	0.05	-
11) Shri Subroto Bagchi	-	-	-	-	0.05	-
TOTAL	**4.95**	**1.02**	**2.91**	**8.88**	**0.70**	**0.59**

March-2017 (₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.48	0.05	0.01	0.54	-	0.03
2) Shri B. Ashok	0.60	0.05	0.26	0.91	-	-
3) Shri A.K. Sharma	0.53	0.05	0.01	0.59	-	0.09
4) Shri Anish Aggarwal	0.58	0.06	0.06	0.70	-	0.05
5) Shri B. S. Canth	0.46	0.05	0.02	0.53	-	0.01
6) Shri G. K. Satish	0.26	0.03	0.08	0.37	-	0.03
7) Shri S. S. V. Ramakumar	0.09	0.01	-	0.10	-	0.07
10) Shri Verghese Cherian	0.55	0.05	0.08	0.68	-	0.01
12) Shri Raju Ranganathan	0.45	0.05	0.13	0.63	-	-
B. Independent Directors						
1) Shri Sanjay Kapoor	-	-	-	-	0.14	-
2) Shri Parindu K. Bhagat	-	-	-	-	0.12	-
3) Shri Subroto Bagchi	-	-	-	-	0.14	-
TOTAL	**4.00**	**0.40**	**0.65**	**5.05**	**0.40**	**0.29**

Notes :

1) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

3) Refer Note 5 for Present value of Outstanding Loans/ Advance Receivables from Directors

6) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March-2018		March-2017	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	**181.28**	**(19.79)**	154.74	(6.38)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**20.31**	**(7.21)**	15.70	(9.01)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	**199.44**	**(5.81)**	181.82	(2.57)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**592.22**	**143.97**	354.13	392.15
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**772.23**	**80.29**	1,189.23	(619.62)
6	IOCL Employees Group Gratuity Trust	Gratuity	**-**	**(820.06)**	-	399.38
7	Indian Oil Corporation Limited (Assam Oil Division) Staff Pension Fund	Pension Scheme	**-**	**0.01**	-	0.02

NOTE - 38: SEGMENT INFORMATION

Primary Segment Reporting as per Ind-AS 108 for the year ended March 31, 2018 is as under:

(₹ in Crore)

	March 2018					March 2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	481,168.43	18,033.84	7,225.32	-	**506,427.59**	419,510.42	19,802.01	6,129.47	-	445,441.90
Inter-segment Revenue	8,413.76	25.32	53.94	(8,493.02)	**0.00**	7,328.11	24.94	4,902.22	(12,255.27)	0.00
Total Revenue	**489,582.19**	**18,059.16**	**7,279.26**	**(8,493.02)**	**506,427.59**	**426,838.53**	**19,826.95**	**11,031.69**	**(12,255.27)**	**445,441.90**
Result										
Segment Results excluding Exchange Gain/(Loss)	27,290.46	5,255.84	401.22	-	**32,947.52**	19,411.80	6,826.78	(39.48)	-	26,199.10
Segmental Exchange Gain/(Loss)	276.79	(29.62)	6.60	-	**253.77**	565.07	(4.54)	7.14	-	567.67
Segment Results	**27,567.25**	**5,226.22**	**407.82**	-	**33,201.29**	**19,976.87**	**6,822.24**	**(32.34)**	-	**26,766.77**
Less: Unallocable Expenditure										
- Finance Cost					**3,448.44**					3,445.43
- Loss on sale and disposal of Assets					**157.22**					126.88
- Loss on Derivatives					-					146.54
- Fair value Loss on Financial instruments classified as FVTPL					**81.07**					-
- Amortisation of FC Monetary Item Translation					**111.13**					359.63
Add: Unallocable Income										
- Interest/Dividend Income					**2,878.65**					2,866.30
- Profit on Sale of Investments (Net)					**108.09**					43.61
- Provision for diminution in Investments written back (Net)					**18.38**					13.11
- Exchange Gain - (Net)					**50.30**					540.26
- Gain on Derivatives					**46.40**					-
- Fair value gain on Financial instruments classified as FVTPL					-					114.30
- Other non operating income					**59.03**					55.37
Profit Before Tax					**32,564.28**					**26,321.24**
Less: Income Tax (including deferred tax)					**11,218.16**					**7,214.84**
Profit After Tax					**21,346.12**					**19,106.40**

1. The Company is engaged in the following business segments:
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other Businesses, which comprises Sale of Gas, Explosives & Cryogenics, Wind Mill & Solar Power Generation and Oil & Gas Exploration Activities.

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

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis
4. There are no reportable geographical segments.

Other Information

(₹ in Crore)

	March 2018					March 2017				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	2,10,379.74	14,665.15	2,944.62		**227,989.51**	**190,833.32**	**14,558.07**	**2,766.89**		**208,158.28**
Corporate Assets										
Investments (Current and Non Current)					**47,488.26**					47,304.60
Advances For Investments					**1,494.66**					1.00
Advance Tax					**1,293.37**					5.47
Interest Accrued On Investments/ Bank Deposits					**187.64**					196.58
Loans To JV/ Subsidiaries Included In Loans and Receivables					**198.36**					690.98
Deposits For Leave Encashment Fund					**2,088.11**					2,856.36
Total Assets					**280,739.91**					**259,213.27**
Segment Liabilities	98,598.87	557.05	1,142.09		**100,298.01**	95,377.28	440.91	1,651.63		**97,469.82**
Corporate Liabilities										
Provision For Taxation										56.97
Borrowings (Short Term and Long Term)					**55,525.16**					50,384.80
Current Maturities Of Long-Term Debt					**2,504.75**					4,434.70
Deferred Tax Liability					**12,019.57**					6,759.23
Derivative Liabiliies					**221.40**					379.03
Total Liabilities					**1,70,568.89**					**159,484.55**
Capital Employed										
Segment Wise	1,11,780.87	14,108.10	1,802.53		**127,691.50**	95,456.04	14,117.16	1,115.26		110,688.46
Corporate					**(17,520.48)**					(10,959.74)
Total Capital Employed					**110,171.02**					**99,728.72**
Capital Expenditure	15,253.59	1,257.75	77.07	-	**16,588.41**	11,333.97	391.61	658.24	-	12,383.82
Depreciation and Amortization	6,154.43	851.02	61.56	-	**7,067.01**	5,429.81	747.08	46.08	-	6,222.97

Geographical Information

(₹ in Crore)

	Revenue from external Customers		Non Current assets	
	March-18	March-17	March-18	March-17
India	**481,941.19**	430,776.37	**131,369.68**	121,912.20
Outside India	**24,486,40**	14,665.53	**139.42**	139.38
Total	**506,427.59**	**445,441.90**	**131,509.10**	**122,051.58**

Revenue from major products and services

(₹ in Crore)

	2017-18	2016-17
Motor Spirit (MS)	**98,114.75**	86,686.32
High Speed Diesel (HSD)	**253,447.23**	224,388.22
Superior Kerosene Oil (SKO)	**11,166.51**	10,724.95
Liquified Petroleum Gas (LPG)	**53,101.38**	43,203.35
Aviation Turbine Fuel (ATF)	**22,648.05**	17,811.80
Others	**67,949.67**	62,627.26
Total External Revenue	**506,427.59**	**445,441.90**

NOTE -39: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	As at 31-March-18	As at 31-March-17	As at 31-March-18	As at 31-March-17	
Financial assets					
A. FVOCI financial instruments:					
Quoted equity shares	**20,493.36**	20,987.39	**20,493.36**	20,987.39	Level 1
Unquoted equity instrument	**726.87**	271.32	**726.87**	271.32	Level 3
Quoted Government securities	**11,132.10**	11,372.92	**11,132.10**	11,372.92	Level 1
B. FVPL financial instruments:					
Non Convertible Redeemable Preference shares	**1,082.07**	1,140.00	**1,082.07**	1,140.00	Level 3
Compulsorily Convertible Debentures	**329.21**	366.21	**329.21**	366.21	Level 3
Loan to Related parties - Suntera	**120.56**	102.46	**120.56**	102.46	Level 3
Derivative instruments at fair value through profit or loss	**-**	2.99	**-**	2.99	Level 2
C. Amortised Cost:					
Loans to employees	**1,159.11**	1,015.48	**1,156.86**	1,067.13	Level 2
PMUY Loan	**754.75**	-	**764.91**	-	Level 2
Financial liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**-**	1,133.85	**-**	1,184.33	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**884.20**	1,601.98	**894.00**	1,612.05	Level 2
Finance lease obligation	**3,621.48**	3,753.07	**4,281.39**	4,195.95	Level 2
Foreign Currency Bonds - US Dollars	**6,578.88**	6,543.38	**6,994.10**	7,221.43	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,040.81**	1,904.02	**2,008.20**	1,912.72	Level 2
Senior Notes (Bank of America)	**-**	1,310.64	**-**	1,343.40	Level 2
Loan from Odisha Government	**478.86**	-	**469.46**	-	Level 2
B. Other financial liabilities:					
Fair value through profit and loss (FVPL):					
Derivative instruments at fair value through profit or loss	**221.40**	379.03	**221.40**	379.03	Level 2

NOTE:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Deposit for Leave Encashment Fund, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance lease Receivable, Security Deposit paid and received, Short-term Borrowing (including Current Maturities), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.
2. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

A. Level 1 Hierarchy:

(i) **Quoted equity shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) **Quoted Government securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

B. Level 2 Hierarchy:

(i) Derivative instruments at fair value through profit or loss: Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Loans to employees, PMUY Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities.

(iii) **Finance lease obligation:** For obligation arrived based on IRR, implicit rate applicable on the reporting date and for obligation arrived based on incremental borrowing rate, applicable rate for remaining maturity.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars and Senior Notes (Bank of America), Loan from Odisha Government:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

(v) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

C. Level 3 Hierarchy:

(i) **Unquoted equity instruments:** Fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments

(ii) **Non Convertible Redeemable Preference shares, Compulsorily Convertible Debentures and Loan to Related parties - Suntera:** Fair value of Preference shares, Debentures and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018 and 31 March 2017 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments)	Market Approach with equal weights to Revenue and EBITDA Multiple	Rev enue Multiple	**31.03.18: 0.85x - 0.89x (0.87x)** 31.03.17: 0.59x - 0.63x (0.61x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: **31.03.18: ₹5.5 crore/ ₹(5.4) crore** 31.03.17: ₹4.6 crore/ ₹(4.6) crore
			EBITDA multiple	**31.03.18: 6.5x - 6.9x (6.7x)** 31.03.17: 4.8x - 5.2x (5.0x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: **31.03.18: ₹6.8 crore/ ₹(6.7) crore** 31.03.17: ₹7.3 crore/ ₹(7.4) crore
II	Non Convertible Redeemable Preference shares	DCF method	Discount Rate (Post tax)	**31.03.18: 5.60% - 6.60% (6.14%)** 31.03.17: 5.1% - 6.10% (5.55%)	0.5% increase/ (decrease) in discount rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(15) crore/ ₹16 crore** 31.03.17: ₹(34) crore/ ₹35 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	**31.03.18: 7.3% - 9.3% (8.3%)** 31.03.17: 7.3% - 9.3% (8.3%)	0.5% increase/ (decrease) in Discount Rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(1.4) crore/ ₹1.4 crore** 31.03.17: ₹(2.8) crore/ ₹2.8 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	**31.03.18: 12% - 16% (14%)** 31.03.17: 13% - 17% (15%)	1% increase/ (decrease) in Discount rate would result in (decrease)/ increase in fair value by: **31.03.18: ₹(5.2) crore/ ₹5.2 crore** 31.03.17: ₹(5.2) crore/ ₹5.2 crore

Unquoted equity instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying value (₹ in Crore)	
	31-March-18	31-March-17
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

Description	FVTOCI Assets		FVTOCI Assets	
	Unquoted Equity Shares	Non Convertible Redeemable Preference shares	Compulsorily Convertible Debentures	Loan to Suntera
Balance as at 31 March 2017	**271.32**	**1,140.00**	**366.21**	**102.46**
Addition	-	-	-	3.69
Deletion	-	-	-	-
Fair Value Changes	455.55	(57.93)	(37.00)	13.86
Exchange Difference	-	-	-	0.55
Balance as at 31 March 2018	**726.87**	**1,082.07**	**329.21**	**120.56**

NOTE – 40 FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits, employee liabilities and finance lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies, risk objectives and risk appetite.

The Company's requirement of crude oil are managed through integrated function handled through its international trade and optimization department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per Company's policy, derivatives contracts are taken only to hedge the various risks that the Company is exposed to and not for speculation purpose.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risk viz. equity shares etc. Financial instruments affected by market risk include Borrowings, Deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest rate risk

The Company is also exposed to interest rate risk from the possibiltiy that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. As at 31 March 2018, approximately 49% of the Company's borrowings are at a fixed rate of interest (31 March 2017: 37%).

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
INR	**+50**	**(15.00)**	+50	(27.64)
US Dollar	**+50**	**(133.24)**	+50	(143.98)
INR	**-50**	**15.00**	-50	27.64
US Dollar	**-50**	**133.24**	-50	143.98

2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Company has outstanding forward contract of **₹4,210.75 crore** as at 31 March 2018 (31 March 2017: ₹1,702.22 crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Forward Contract - US Dollar	**+5%**	**210.54**	+5%	85.11
	-5%	**(210.54)**	-5%	(85.11)
Other Exposures - US Dollar	**+5%**	**(2,699.12)**	+5%	(2761.69)
	-5%	**2,699.12**	-5%	2,761.69
Other Exposures - SGD	**+5%**	**(102.04)**	+5%	(95.20)
	-5%	**102.04**	-5%	95.20
Cross Currency - USD vs. SGD	**+5%**	**(106.11)**	+5%	(105.56)
	-5%	**106.11**	-5%	105.56

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Company's reported results.

3. Commodity price risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, Crude Oil Price fluctuation on accounts of inventoty valuation fluctuation and crude oil imports. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as the exchanges to mitigate the risk within the approved limits.

Category-wise quantitative data about commodity derivative transactions that are oustanding is given below:

Quantity (in lakh bbls)

Particulars	March-2018	March-2017
Margin Hedging	**94.25**	3.00

The sensitivity to a reasonably possible change in price of crude oil/ refinery margin on the outstanding commodity hedging position as on March-2018:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March-2018		March-2017	
Margin Hedging	**+10%**	**(96.20)**	+10%	(2.28)
Margin Hedging	**-10%**	**96.20**	-10%	2.28

4. Equity price risk

The Company's investment in listed and non-listed equity securities, other than its investment in Joint Ventures/ Associates and Subsidiaries, are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the reporting date, the exposure to unlisted equity securities at fair value was **₹726.87 crore**. Sensitivity analysis of these investments have been provided in Note-39.

The exposure to listed equity securities valued at fair value was **₹20,493.36 crore**. An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹1,024.67 crore on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

B. Credit risk

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in Crore)

	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Year ended 31 March 2018						
Gross Carrying amount	8,244.82	1,018.67	630.27	86.40	220.78	10,200.94
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(8.24)	(1.02)	(0.63)	(0.09)	(0.16)	(10.14)
Specific Provision	-	-	-	-	(74.28)	(74.28)
Carrying amount	**8,236.58**	**1,017.65**	**629.64**	**86.31**	**146.34**	**10,116.52**
Year ended 31 March 2017						
Gross Carrying amount	5,010.71	2,942.51	370.67	84.51	188.77	8,597.17
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(5.01)	(2.94)	(0.37)	(0.08)	(0.12)	(8.52)
Specific Provision	-	-	-	-	(86.28)	(86.28)
Carrying amount	**5,005.70**	**2,939.57**	**370.30**	**84.43**	**102.37**	**8,502.37**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2018 and 31 March 2017 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

C. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and finance leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(₹ in Crore)

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2018						
Borrowings	6,452.42	17,307.91	15,551.98	12,401.37	6,316.23	58,029.91
Trade payables	2,287.36	29,778.12	1,040.57	-	-	33,106.05
Other financial liabilities	25,368.55	9,671.10	3,003.99	523.42	47.54	38,614.60
Financial guarantee contracts*	5,325.19	-	-	-	-	5,325.19
Derivatives	-	221.40	-	-	-	221.40
	39,433.52	**56,978.53**	**19,596.54**	**12,924.79**	**6,363.77**	**135,297.15**
Year ended 31 March 2017						
Borrowings	2,682.75	13,995.62	17,829.09	13,403.24	6,908.80	54,819.50
Trade payables	2,236.20	27,879.22	18.87	-	-	30,134.29
Other financial liabilities	22,214.41	7,796.13	1,475.60	461.92	-	31,948.06
Financial guarantee contracts*	4,645.27	-	-	-	-	4,645.27
Derivatives	-	362.98	16.05	-	-	379.03
	31,778.63	**50,033.95**	**19,339.61**	**13,865.16**	**6,908.80**	**121,926.15**

* Based on the maximum amount that can be called for under the financial guarantee contract. Includes other commitments disclosed in C.2.3.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

E. Collateral

As Company has been rated investment grade by various domestic and international rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, Company does not seek any collaterals from its counterparties.

NOTE–41: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March-2018	March-2017
Borrowings	**58,029.91**	54,819.50
Equity Share Capital	**9,478.69**	4,739.34
Reserves and Surplus	**100,692.33**	94,989.38
Equity	**110,171.02**	**99,728.72**
Debt Equity Ratio	**0.53 : 1**	**0.55 : 1**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

NOTE–42: DISCLOSURES AS REQUIRED BY REGULATION 34(3) OF SEBI(LODR) REGULATIONS 2015

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information is given as under:

(₹ in Crore)

		Amount as on		Maximum Amount outstanding during the year ended	
		March-2018	March-2017	March-2018	March-2017
I.	**Loans and Advances in the nature of loans:**				
A)	**To Subsidiary Companies**				
B)	**To Associates /Joint Venture**				
(i)	Petronet V. K. Ltd. (No repayment schedule available)	**77.86**	19.91	**77.86**	19.91
(ii)	Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**113.58**	109.30	**113.77**	109.30
(iii)	IndianOil LNG Private Limited (For LNG terminal construction)	**-**	495.49	**495.49**	495.49
C)	**To Firms/Companies in which directors are interested**	**-**	-	**-**	-
II.	**Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries**	**-**	-	**-**	-

Note

1 As per the applicable provisions of Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through Statement of Profit and Loss in the financial statements and fair value of the loan is ₹ **120.56 crore** as on 31.03.2018 (2017: ₹ 102.46 crore). Refer Note -39 for further details regarding fair valuation.

NOTE–43: DUES TO MICRO AND SMALL ENTERPRISES

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-2018	March-2017
Amount due and Payable at the year end		
- Principal *	**25.27**	46.72
- Interest on above Principal	**-**	-
Payments made during the year after the due date		
- Principal	**0.41**	-
- Interest	**-**	-
Interest due and payable for principals already paid	**0.02**	-
Total Interest accrued and remained unpaid at year end	**0.02**	-

* ₹1.31 Crore coming under Note 17: Other Financial Liabilities.(2017: ₹ 21.86 Crore)

Note – 44: RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of **₹ 85.77 crore** (2017: ₹109.57 crore) have been capitalized and **₹ 230.86 Crore** (2017 : ₹ 217.53 crore) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure is as under:

A. CAPITAL EXPENSES (FIXED ASSETS)

S.No.	Asset Block	Gross Block as at 1 April- 2017	Additions during the year	Transferred from CWIP	Transfer/Deduction/ Disposal during the year
1	2	3	4	5	6
	(a) Fixed Assets				
1	Land - Free Hold	369.41	23.73	-	-
2	Building, Roads etc	93.34	1.31	6.50	0.09
3	Plant & Equipment	483.32	31.85	16.28	0.70
4	Office Equipment	14.55	2.88	0.99	2.26
5	Transport Equipment	0.64	0.45	-	0.01
6	Furniture & Fixtures	10.11	0.70	0.70	0.10
7	Drainage & Sewage	1.42	-	-	-
	Sub Total	**972.79**	**60.92**	**24.47**	**3.16**
	(b) Intangible Assets				
1	Right of way	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-
3	Computer Software	1.55	0.28	-	-
		1.66	0.28	-	-
	Total	**974.45**	**61.20**	**24.47**	**3.16**

S.No.	Asset Block	Gross Block as at 1 April- 2016	Additions during the year	Transferred from CWIP	Transfer/Deduction/ Disposal during the year
1	2	3	4	5	6
	(a) Fixed Assets				
1	Land - Free Hold	319.23	50.18	-	-
2	Building, Roads etc	89.14	0.74	3.62	0.16
3	Plant & Equipment	430.94	31.59	21.64	0.85
4	Office Equipment	11.72	2.55	0.68	0.40
5	Transport Equipment	0.30	0.34	-	-
6	Furniture & Fixtures	9.49	0.75	-	0.13
7	Drainage & Sewage	1.42	-	-	-
	Sub Total	**862.24**	**86.15**	**25.94**	**1.54**
	(b) Intangible Assets				
1	**Right of way**	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-
3	Computer Software	1.49	0.06	-	-
	Sub Total	1.60	0.06	-	-
	Total	**863.84**	**86.21**	**25.94**	**1.54**

(₹in Crore)

Gross Block as at 31 March-2018	Work-in-Progress as at 1 April-2017	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 March-2018	Total Capital Expenditure
7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
393.14	-	-	-	-	23.73
101.06	11.41	1.37	6.50	6.28	2.68
530.75	16.04	20.70	16.28	20.46	52.55
16.16	-	0.99	0.99	-	3.87
1.08	-	-	-	-	0.45
11.41	-	1.51	0.70	0.81	2.21
1.42	-	-	-	-	-
1,055.02	**27.45**	**24.57**	**24.47**	**27.55**	**85.49**
-	-	-	-	-	-
0.11	-	-	-	-	-
1.83	-	-	-	-	0.28
1.94	-	-	-	-	0.28
1,056.96	**27.45**	**24.57**	**24.47**	**27.55**	**85.77**

Gross Block as at 31 March-2017	Work-in-Progress as at 1 April-2016	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at 31 March-2017	Total Capital Expenditure
7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
369.41	-	-	-	-	50.18
93.34	7.52	7.51	3.62	11.41	8.25
483.32	22.51	15.17	21.64	16.04	46.76
14.55	-	0.68	0.68	-	3.23
0.64	-	-	-	-	0.34
10.11	-	-	-	-	0.75
1.42	-	-	-	-	-
972.79	**30.03**	**23.36**	**25.94**	**27.45**	**109.51**
-	-	-	-	-	-
0.11	-	-	-	-	-
1.55	-	-	-	-	0.06
1.66	-	-	-	-	0.06
974.45	**30.03**	**23.36**	**25.94**	**27.45**	**109.57**

B. RECURRING EXPENSES

(₹ in Crore)

Particualrs	March-2018	March-2017
1 Consumption of Stores, Spares & Consumables	**10.38**	10.02
2 Repairs & Maintenance		
(a) Plant & Machinery	**9.16**	12.21
(b) Building	**7.69**	7.19
(c) Others	**1.02**	0.75
3 Freight, Transportation Charges & demurrage	**0.08**	0.15
4 Payment to and Provisions for employees	**141.76**	132.33
5 Office Administration, Selling and Other Expenses	**60.75**	54.86
6 Interest	**0.02**	0.02
Total	**230.86**	**217.53**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particualrs	March-2018	March-2017
Capital Expenditure	**85.77**	109.57
Recurring Expenditure	**230.86**	217.53
Total	**316.63**	**327.10**

NOTE–45: DISCLOSURE RELATING TO CERTIFIED EMISSION REDUCTIONS

The disclosure in respect of self-generated Certified Emission Reductions (CERs) is as under :

Particulars	March-2018	March-2017
No. of CERs held as inventory	**0**	2693
No. of CERs under certification	**0**	74045
Depreciation and Operating and Maintenance costs of Emission Reduction Equipments expensed during the year (₹ in crore)	**-**	5.86
Considering realisablity of CERs, the same has not been carried in inventory.		

The disclosure in respect of self-generated Renewable Energy Certificates (REC) is as under :

Particulars	March-2018	March-2017
No. of RECs in hand	**76032**	0
No. of RECs under certification	**38907**	0

Total number of RECs in hand as well as under certification have been utilised/adjusted against Renewable Purchase Obligation (RPO).

NOTE–46: DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR expenditure is as under:

(₹ in Crore)

Particulars	March-2018	March-2017
(a) Gross amount required to be spent by the company during the year.		
Annual CSR Allocation	**327.94**	212.67
Carry forward from previous year	**3.11**	4.43
Gross amount required to be spent	**331.05**	217.10

(b) Amount spent during the year on: **(₹ in Crore)**

Particulars	March-2018			March-2017		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets						
(ii) On purposes other than (i) above						
Health and Sanitation	**18.73**	**0.61**	**19.34**	13.58	1.14	14.72
Contribution towards PMUY	**76.43**	**-**	**76.43**	41.60	-	41.60
Flagship Projects-CSR	**13.28**	**1.60**	**14.88**	14.43	-	14.43
Educational Scholarship	**4.01**	**-**	**4.01**	3.89	-	3.89
Swachh Bharat	**4.67**	**0.47**	**5.14**	1.66	0.23	1.89
Education/employment vocational skills	**59.22**	**2.44**	**61.66**	85.69	1.03	86.72
Administration Expenses, training etc.	**14.72**	**-**	**14.72**	10.16	0.02	10.18
Drinking Water	**8.25**	**0.56**	**8.81**	4.64	1.95	6.59
Promotion of National Heritage, Art and Culture	**68.51**	**37.11**	**105.62**	21.93	-	21.93
Other expenses	**19.31**	**1.13**	**20.44**	9.29	2.75	12.04
Total Expenses (ii)	**287.13**	**43.92**	**331.05**	206.87	7.12	213.99
Grand Total (i) and (ii)	**287.13**	**43.92**	**331.05**	**206.87**	**7.12**	**213.99**

**Provisions made for liabities incurred

NOTE–47: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

1 **Subsidies on sales of SKO (PDS) and LPG (Domestic)**

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **63.65 crore** (2017: ₹ 62.01 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **17.46 crore** (2017: ₹ 18.01 crore) have been reckoned as per the schemes notified by Governments.

2 **Compensation against under recoveries**

The company has accounted for Budgetary Support of ₹ **3196.34 crore** (2017: ₹ 5149.21 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

3 **Grant in respect of revenue expenditure for research projects**

During the year, the company has received revenue grant of ₹ **1.53 crore** (2017: ₹ 0.73 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

4 **Incentive on sale of power**

Company is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Company has received grant of ₹ **2.51 crore** during the current year (2017: ₹ 3.19 crore).

5 **EPCG Grant**

Grant recognized in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortized grant amount as on 31.03.2018 is ₹ **241.42 crore** (2017: ₹ 435.72 crore) . During the year, the company has recognised ₹ **232.16 crore** (2017: ₹ 4.04 crore) in the statement of profit and loss as amortisation of revenue grant. The company expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

6 **Excise duty benefit in North East**

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is ₹ **3050.90 crore** (2017: ₹ 3072.91 crore).

7 **Entry Tax exemption**

The company has recognised grant on net basis in respect of entry tax exemption of crude/ Naptha purchased in Panipat Refinery, Panipat Naptha Cracker Complex and Paradip Refinery in cost of materials consumed/ Purchase of Stock-in Trade. Entry tax exemption on crude/Naptha procured in the state of Haryana and Odisha has been received amounting to ₹ **162.32 crore** (2017: ₹ 505.84 crore).

B. Capital Grants

1 **OIDB Government Grant for strengthening distribution of SKO (PDS)**

The company has received government grant from OIDB (Oil Industry Directorate Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortized capital grant amount as on 31.03.2018 is ₹ **1.56 crore** (2017: ₹ 1.84 crore). During the year, the company has recognised ₹ **0.27 crore** (2017: ₹ 0.28 crore) in statement of profit and loss as amortisation of capital grants.

2 **DBTL Capital Grant**

The company has received Government grant for roll out of DBTL scheme launched by MOPNG towards development, acquisition of software/licenses & data processing equipment for effective implementation of platform for dispesning of subsidy to customers purchasing LPG under DBTL scheme. The unamortized capital grant amount as on 31.03.2018 is **NIL** (2017: ₹ 0.47 crore). During the year, the company has recognised ₹ **0.47 crore** (2017: ₹ 1.32 crore) in the statement of profit and loss as amortisation of capital grants.

3 **Capital Grant in respect of Excise duty,Custom duty and GST waiver**

The company has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortized capital grant amount as on 31.03.2018 is ₹ **44.75 crore** (2017: ₹ 44.52 crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the company has recognised ₹ **5.2 crore** (2017: ₹ 4.78 crore) in the statement of profit and loss as amortisation of capital grants.

4 **Capital Grant in respect of Research projects**

The company has received capital grant from various agencies in respect of procurement/ seeting up of Capital assets for research projects undertaken. The unamortized capital grant amount as on 31.03.2018 is ₹ **15.33 crore** (2017: ₹ 15.73 crore). During the year, the company has recognised ₹ **2.82 crore** (2017: ₹ 3 crore) in the statement of profit and loss as amortisation of capital grants.

5 **Capital Grant in respect of Entry Tax Exemption from Odisha Govt.**

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as on 31.03.2018 is ₹ **121.62 crore** (2017: ₹ 126.9 crore). During the year, the company has recognised ₹ **5.28 crore** (2017: ₹ 5.66 crore) in the statement of profit and loss as amortisation of capital grants.

6 **Capital Grant in respect of demonstration unit**

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the company's R&D devloped IndaDeptG technology. The unamortized capital grant amount as on 31.03.2018 is ₹ **83.04 crore** (2017: ₹ 87.41 crore). During the year, the company has recognised ₹ **4.38 crore** (2017: ₹ 1.09 crore) in the statement of profit and loss as amortisation of capital grants.

7 **Capital Grant in respect of interest subsidy**

The company has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortized capital grant amount as on 31.03.2018 is ₹ **6.4 crore** (2017: ₹ 6.67 crore). During the year, the company has recognised ₹ **0.27 crore** (2017: ₹ 0.26 crore) in the statement of profit and loss as amortisation of capital grants.

8 **Capital Grant in form of Interest Free Loan**

The company has received capital grant in the form of interest free loans from Odisha Government for a period of 15 years. The unamortized capital grant amount as on 31.03.2018 is ₹ **915.94 crore** (2017: NIL). During the year, the company has recognised ₹ **11.96 crore** (2017: NIL) in the statement of profit and loss account as amortisation of capital grants.

9 **Capital Grant in respect of Solar Power Generation**

The company has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortized capital grant amount as on 31.03.2018 is ₹ **3.51 crore** (2017: ₹ 0 crore). During the year, the company has recognised ₹ **0.21 crore** (2017: NIL) in the statement of profit and loss as amortisation of capital grants.

NOTE–48: CONSTRUCTION CONTRACTS DISCLOSURES

(₹ in Crore)

Particulars	March-2018	March-2017
Construction Revenue and Cost		
Construction contract revenue included in "Other Operating Revenue" recognized based on percentage of completion method	**5.78**	13.35
Construction contract cost included in "Other Expenses"	**5.25**	11.35
Amount due from (to) customers under construction contracts		
- Amount due from customers under construction contracts	**0.00**	0.00
- Amount due to customers under construction contracts	**0.00**	0.00
Net	**0.00**	0.00
Contracts in progress at the end of the reporting period		
Construction costs incurred plus recognised profits (less recognised losses) to date	**14.86**	26.44
Less: progress billings	**14.86**	26.44
Net	**0.00**	0.00
Advances received from customers for contract work	**45.31**	23.40
Retentions held by customers for contract work	**0.00**	0.00

NOTE–49: OTHER DISCLOSURES

1 During the year, the company has settled its liability for Entry Tax in the state of Haryana including interest thereon under "The Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2017" and consequently an amount of ₹ 2813.96 Crore, being provision no more required, has been written back and included in provision for contingencies written back in other operating revenues (Refer Note 23.1).

2 As per Memorandum of Understanding (MOU) dated 16.02.2004 with Odisha Government, fiscal incentive were granted for Paradip Refinery project including interest free loan equivalent to Sales Tax payable to the state of Odisha for a period of 11 years from the date of commercial production which was later withdrawn by Odisha Government on 22.02.2017 and the matter was in dispute. The dispute has since been resolved and a revised interest free loan agreement has been signed with Odisha government dated 25.09.2017 where in Odisha government shall provide an interest free loan of ₹ 700 Crores per year for 15 years in quarterly installments of ₹175 Crores starting from 01.04.2016 repayable after 15 years. The first installment of loan for the period April 16 – December 17 of ₹ 1225 Crores and for the period Jan 18 – March 18 of ₹ 175 Crores has been received on 15.01.2018 and 31.03.2018 respectively. This loan, being interest free, is fair valued and related government grant is accounted for in line with the accounting policy.

3 The revision of Employees Pay and Allowances was due w.e.f 01.01.2017 and the presidential directive were issued on 13.10.2017 for implementation of the same. While most of the dues In respect of executives have been settled and the same for workmen's is under finalisation where liabilities have been ascertained on similar lines. An amount of ₹1150 Crore has been carried as liability as on 31.03.2018 towards pending dues on this account.

4 Goods and Services Tax (GST) has been implemented w.e.f 01.07.2017 wherein some of the petroleum products are still outside its ambit. Accordingly, GST is being levied on some products as against Excise Duty applicable hitherto. Since, excise duty is included in revenue and GST is not included in revenue. Thus to ensure comparability on applicable products, sales excluding excise duty is ₹ 495613.83 Crore and ₹431374.60 Crore for the year ended 31 March 2018 and 31 March 2017 respectively.

5 Consequent upon Honourable Allahabad High Court order dated 4th May 2018 in the matter of UP Entry Tax, the commercial tax authorities of Uttar Pradesh have raised demand for payment of arrears of unpaid entry tax and interest thereon. Based on such demand notices the company has made an additional provision of ₹ 293.71 crores towards interest on entry tax and ₹ 0.37 crores towards entry tax, over and above provision of ₹ 20,619.78 crores made upto 31.03.2018 including interest of ₹ 5379.58 crores. Against the provision of entry tax and interest thereon the company has already made payment of ₹11,947.61 upto

31.03.2018. The company has paid additional principal amount of Entry tax of ₹ 3292.97 crores on 8th, 9th and 11th May 2018 and filled petition in the Honourable Allahabad High court, challenging the levy of interest. The company is evaluating other legal remedies available in the matter of up Entry Tax and shall take appropriate measure in due course.

6 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on 1st May 2016. The initial cost of ₹ 1600/- towards connections charges would be borne by the Central Government for each card holder. OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. In addition to the funding by the Central Government, few State Governments have also extended financial support towards cost of stove and/or 1st refill. The loan amount is recovered from the subsidy amount payable to the customers on each refill sale. The amount of subsidy per refill varies from market to market and month to month. The minimum subsidy per refill sale is ₹ 164 and maximum subsidy per refill sale is ₹ 414/- during the financial year 2017-18.

The amount of outstanding as on 31st March 2018 towards claim under PMUY claim from Central Government is ₹ **446.35 Crore** (₹ 229.87 Crore as on 31st March 2017) and loan from PMUY consumers is ₹ **1099.70 Crore** (₹ 751.04 Crore as on 31st March 2017) (net of recovery through subsidy). During the year, discounting of the loan has been done based on assumption of 4 refills in a year and deferment of recovery by one year and average subsidy of ₹ 180 per cylinder as loan recovery. Out of above loan a provision for doubtful amounting to ₹ **162.06 Crore** (Nil 31st March 2017) has also been created during the year in respect of beneficiaries who have not taken refill for last one year.

7 M/s Indian Oil CREDA Biofuels Ltd, a joint venture company formed with Chhattisgarh Renewable Energy Developement Agency (CREDA) for Jatropha Plantation, has been struck off from the Register of the Companies and dissolved during the year 2017-18. The entire investment of ₹ 18.46 Crore has been written off and netted under the head "Profit on sale of investments (Net) in other income. Further, provision recognised for dimunition in value of investment in past of ₹ 18.38 Crore is written back in other income under the head "Fair value gain on investement/ Provision written back (Net)" (Refer Note 24)

8 During the year company has sold 24% stake in equity investment of Lubrizol India Private Limited (a JV company) for a sale consideration of ₹ 214.27 crore (cost of ₹ 56.96 crore) and accordingly has recognised a profit of ₹ 157.31 crore in Other Income under Head "Profit on Sale of Investments (Net)". Consequent to this, IOCL stake in the JV company has came down to 26%.

9 During the year, a not for profit company, namely, Ujjwala Plus Foundation, has been incorporated under section 8 of Companies Act 2013. The company is limited by Guarantee of IOCL (₹ 0.10 Crore), BPCL (₹ 0.05 Crore) and HPCL (₹ 0.05 Crore) with no Share Capital and a joint venture agreement is executed between all three parties. The company is formed to administer the "Ujjavala plus" scheme of Government of India. Since no party has any rights in net assets of Ujjwala Plus Foundation, the Company has not considered this as a joint venture.

10 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd and Coal India Ltd for transfer of explosives business to the said venture company on slump sale basis at a value of ₹ 311 crore (Net Assets WDV of ₹ 61.55 Crore), consent of Niti Ayog has been received for the proposed formation of JV vide their letter dated 27 April 2018. As on 31 March 2018, the explosive business continued to be in operation.

11 Purchase of crude oil from Oil India Limited and 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.

12 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

13 There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.

14 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions.

For and on Behalf of Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(Sanjiv Singh)	**(A. K. Sharma)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN - 05280701	DIN - 06665266	ACS -13737

As per our attached Report of even date

For S.K. MEHTA & CO.	**For V SANKAR AIYAR & CO.**	**For CK PRUSTY & ASSOCIATES**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 000478N	Firm Regn. No. 109208W	Firm Regn. No. 323220E	Firm Regn. No. 311017E
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(CA. ROHIT MEHTA)	**(CA. G SANKAR)**	**(CA. CHANDRAKANTA PRUSTY)**	**(CA. ANIRUDDHA SENGUPTA)**
Partner	Partner	Partner	Partner
M. No. 091382	M. No. 046050	M. No. 057318	M. No. 051371

Place : New Delhi
Date : 22nd May, 2018