STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

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, 2020.

The Company is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchangein 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 passed in its meeting held on June 24, 2020.

II. Significant Accounting Policies

1. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

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

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

2.1.2 The cost of an item of PPE 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.

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

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

2.1.4 Spare Parts are 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 some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are 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 April 1, 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

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 and where the expenses are not attributable exclusively 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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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

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

2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is based on 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. In case of Internally generated intangibles, development cost is recognized as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the statement of profit and loss in the period in which the expenditure is incurred.

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

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

2.4 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 Act except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related 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 to the Act, whichever is earlier,

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

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

f) In other cases Spare Parts etc. useful life (2-30 years) 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 determined considering past experience and generally the same is between 0 to 5% of cost of assets based on the class of assets except

a) In case of LPG cylinder and pressure regulator, residual value is considered maximum at 15%

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

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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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 PPE, 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.

2.5 Derecognition

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

3. LEASES

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

3.1 Leases as Lessee (Assets taken on lease)

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

3.1.1 Lease Liabilities

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

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

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

3.1.2 Right-of-use Assets

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

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

3.1.4 Short-term leases and leases of low-value assets

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

3.2 Leases as Lessor (Assets given on lease)

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

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

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

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

4. IMPAIRMENT OF NON-FINANCIAL ASSETS (ALSO REFER PARA 14 FOR IMPAIRMENT OF E&P ASSETS)

The 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 cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is 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 cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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 15 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, 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 asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

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 spot exchange rates prevailing on the date of transactions.

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

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Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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

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

6.5 (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 obtained or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . 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 are recognized in the Statement of Profit and Loss as exchange fluctuations or as finance costs to the extent regarded as an adjustment to borrowing costs.

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 cost 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.

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

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished Products and Stock in Trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net 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 Packing Containers i.e. empty barrels, tins etc.)) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, a provision @ 5% is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals/ catalysts, crude oil, and own products) towards likely diminution in the value.

7.3.2 Stores and Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1 Provisions

8.1.1 Provisions are 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 current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.1.4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognised as part of

the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future cost of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future cost 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 generally not considered as obligations.

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 as per 8.1.1 above;

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

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

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

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

9. REVENUE

9.1 Revenue from Contracts with Customers

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

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

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

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

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

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

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

9.1.4 **Variable consideration**

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

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in

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the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Company recognizes a refund liability for the expected future rebates.

9.1.5 **Loyalty Points**

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

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

10. EXCISE DUTY

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

11. TAXES ON INCOME

11.1 Current Income Tax

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 or loss 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 in future 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 or loss 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 in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

Profit and Loss/CWIP.

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

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

d) The 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 it 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 cost 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 cost

Net interest is calculated by applying the discountrate 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 cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

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

13.2 Grant relating to Assets (Capital Grants)

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

13.3 Grant related to Income (Revenue Grants)

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

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.

The 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 some grants which mainly includes north east excise duty and entry tax exemption, which are netted off with the related expense.

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

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition Cost:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

14.2 Exploration Stage:

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

-acquired rights to explore
-exploratory drilling cost

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

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

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

14.3. Development Stage:

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

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

14.4 Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating cost 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.

14.6 Impairment of E&P Assets

14.6.1 **Impairment testing in case of Development and producing assets**

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with para 14.6.2

14.6.2 **Impairment in case of Exploration and Evaluation assets**

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

14.6.3 **Cash generating unit**

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

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

15.1 An asset is treated as current when it is:

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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

All other assets are classified as non-current.

15.2 A liability is treated as current when:

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

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

16.1 The 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 cost 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. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

17.1 Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

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

17.1.1 **Financial Assets at Amortised Cost**

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost 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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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**

A. Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures 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. 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 investments.

B. Equity Investments in Subsidiaries, Joint Ventures 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.

C. Dividend income is recognized in the Statement of Profit and Loss when the Company's right to receive dividend is established.

17.1.4 **Debt Instruments and Derivatives at FVTPL**

FVTPL is a residual category for Debt Instruments. 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 116

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.

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

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-months ECL.

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

As a practical expedient, the 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 expense /income/ in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying 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 subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The 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 cost 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

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost 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 initially recognized less cumulative income recognized in accordance with principles of Ind AS 115.

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. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.5.1 **Derivative that are designated as Hedge Instrument**

The Company designates certain foreign exchange forward contracts for hedging foreign currency risk of recognized foreign currency loans and liabilities. The Company also undertakes commodity forwards as hedge instruments for commodity price risks (margin) for highly probable forecast sale transactions. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

or loss accumulated in equity is transferred to the Statement of Profit and Loss.

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

17.5.2 **Derivate that are not designated as hedge instrument**

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

17.6 **Commodity Contracts**

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

18. CASH AND CASH EQUIVALENTS

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

19. TREASURY SHARES

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

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

NOTES TO FINANCIAL STATEMENTS

Note-1A : SIGNIFICANT ACCOUNTING POLICIES

III. New Standards/ amendments and other changes effective April 1,2019

Ind AS 116, Leases

The Company has adopted this Ind AS w.e.f April 1, 2019. The effect of this standard along with relevant disclosures are provided in Note-36.

Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment

The Company has adopted the amendments w.e.f April 1, 2019. The impact of this amendment is not material.

Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement

The Company has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans , the effect of this amendment is not material.

Amendment to Ind AS 23, Borrowing Costs

The Company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

IV. Standards issued but not yet effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2020 or thereafter.

NOTES TO FINANCIAL STATEMENTS

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:

Materiality

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

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 made considering simplified approach 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. In case of other financial assets, the Company applies general approach for recognition of

NOTES TO FINANCIAL STATEMENTS

Note - 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

impairment losses wherein the Company uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-40 for impairment analysis and provision.

Income Taxes

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

NOTES TO FINANCIAL STATEMENTS

Note - 2 : "PROPERTY, PLANT AND EQUIPMENT"

Current Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets	Total
		(Refer A&F)	(Refer A&F)	(Refer B&F)								(Refer J)	
GROSS BLOCK	Gross Block as at April 1, 2019	2,962.33	410.57	13,355.12	1,21,787.62	1,434.71	63.21	616.99	164.17	1,232.02	195.91	-	1,42,222.65
	Additions during the year	657.73	-	193.29	3,829.21	218.29	7.88	46.43	5.96	44.13	-	6,319.95	11,322.87
	Transfers from construction work-in-progress	-	-	1,753.42	10,449.77	278.23	11.69	53.64	13.89	0.46	4.07	-	12,565.17
	Disposals/ Deductions / Transfers / Reclassifications	(102.40)	(410.57)	(282.55)	(4,570.20)	(101.52)	(3.92)	(13.53)	(0.37)	(0.04)	-	4,380.20	(1,104.90)
	Gross Block as at March 31, 2020	3,517.66	-	15,019.28	1,31,496.40	1,829.71	78.86	703.53	183.65	1,276.57	199.98	10,700.15	1,65,005.79
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at April 1, 2019	-	13.89	2,318.02	21,352.04	725.15	24.91	249.39	35.43	157.02	15.58	-	24,891.43
	Depreciation & Amortisation during the year (Refer D)	-	-	718.21	6,592.63	284.37	7.57	71.69	13.50	48.88	11.10	921.42	8,669.37
	Disposals/ Deductions / Transfers / Reclassifications	-	(13.89)	(8.13)	(875.11)	(70.64)	(1.67)	(6.62)	(0.02)	-	-	668.31	(307.77)
	Depreciation & Amortisation as at March 31, 2020	-	-	3,028.10	27,069.56	938.88	30.81	314.46	48.91	205.90	26.68	1,589.73	33,253.03
	Net Block as at March 31, 2020	3,517.66	-	11,991.18	1,04,426.84	890.83	48.05	389.07	134.74	1,070.67	173.30	9,110.42	1,31,752.76

Previous Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets	Total
GROSS BLOCK	Gross Block as at April 1, 2018	2,846.26	287.34	11,553.44	1,12,687.61	1,063.08	57.00	529.87	142.36	1,118.95	178.23	-	1,30,464.14
	Additions during the year	162.36	111.35	274.56	5,626.22	382.42	9.29	47.33	0.74	27.11	-	-	6,641.38
	Transfers from construction work-in-progress	-	20.81	1,631.16	4,553.59	119.03	0.45	50.47	21.04	86.49	17.68	-	6,500.72
	Disposals/ Deductions / Transfers / Reclassifications	(46.29)	(8.93)	(104.04)	(1,079.80)	(129.82)	(3.53)	(10.68)	0.03	(0.53)	-	-	(1,383.59)
	Gross Block as at March 31, 2019	2,962.33	410.57	13,355.12	1,21,787.62	1,434.71	63.21	616.99	164.17	1,232.02	195.91	-	1,42,222.65
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at April 1, 2018	-	17.69	1,703.20	14,988.59	526.91	20.12	179.94	27.43	110.33	2.28	-	17,576.49
	Depreciation & Amortisation during the year (Refer D)	-	4.87	636.36	6,398.00	234.20	7.05	68.18	10.15	46.69	13.30	-	7,418.80
	Disposals/ Deductions / Transfers / Reclassifications	-	(8.67)	(21.54)	(34.55)	(35.96)	(2.26)	1.27	(2.15)	-	-	-	(103.86)
	Depreciation & Amortisation as at March 31, 2019	-	13.89	2,318.02	21,352.04	725.15	24.91	249.39	35.43	157.02	15.58	-	24,891.43
	Net Block as at March 31, 2019	2,962.33	396.68	11,037.10	1,00,435.58	709.56	38.30	367.60	128.74	1,075.00	180.33	-	1,17,331.22

NOTES TO FINANCIAL STATEMENTS

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

A. i) Freehold Land includes **₹ 22.38 crore** (2019: ₹ 22.13 crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1,364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to **₹1.18 crore** is continued to be included in Freehold land.

iii) Freehold Land includes **₹ 41.75 Crore** of compensation paid in respect of land at Panipat Refinery as per District and High court orders of earlier dates ,which was latter quashed by subsequent High Court order dated December 18, 2019. The process of recovery of amount as per subsequent High Court order is initiated and shall be adjusted with land cost on actual recovery if any.

B. i) Buildings include **₹ 0.01 crore** (2019: ₹ 0.01 crore) towards value of **1605** (2019: 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 **₹ 3,547.27 crore** (2019: ₹ 2,945.52 crore) and net block amounting to **₹ 2,072.21 crore** (2019: ₹ 1,809.30 crore).

C. During the year **₹ 1,296.54 crore** (2019: ₹ 1,758.66 crore) has been availed as GST ITC out of capital expenditure on CWIP/ assets. The cost of assets are net of GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes **₹ 37.64 crore** (2019: ₹ 8.22 crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continue to be part of Property, Plant & Equipment of the Company, WDV of such assets is **₹ 51.14 crores** (2019: ₹ 70.10 crores). This includes WDV of assets worth **₹ 7.82 crore** (2019: ₹ 7.09 crore) which are being used by other oil companies based on award of tender by Railways. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as Property, Plant & Equipment.

F. Land and Buildings (Including ROU Asset) include **₹ 1,020.43 crore** (2019: ₹ 199.83 crore) in respect of which Title / Lease Deeds are pending for execution or renewal.

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

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

I. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost. Based on historical realised scrap value, prices of steel has revised the estimated residual life of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹ 207.37 crore**.

J. i) Includes Finance Lease as on transition date i.e. April 1, 2019 reclassified as ROU Assets in line with provisions of Ind AS 116. For detailed disclosure on ROU Assets please refer Note-36.

ii) Leasehold Land (included in ROU Assets) includes an amount of **₹ 716.41 crore** (2019: ₹ 36.20 crore) for land Development Cost.

NOTES TO FINANCIAL STATEMENTS

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

Details of assets given on operating lease included in the above:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Land - Freehold	6.10	-	-	6.10	-
ROU Asset (Land - Leasehold)	13.09	0.73	-	12.36	-
Buildings	33.64	2.75	-	30.89	0.89
Plant and Equipment	63.55	4.13	-	59.42	2.06
Office Equipment	2.16	0.36	-	1.80	-
Furniture	0.48	0.05	-	0.43	-

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 &Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Land - Freehold	HPCL, BPCL	1.49	-	-	1.49	3.27
ROU Asset (Land - Leasehold)	BPCL	0.07	-	-	0.07	0.05
Buildings	HPCL, BPCL, OTHERS	48.16	10.25	-	37.91	33.54
Plant and Equipment	HPCL, BPCL, GSFC, IPCL, Others	60.95	15.07	-	45.88	50.49
Office Equipments	HPCL, BPCL	0.51	0.06	-	0.45	-
Railway Sidings	HPCL, BPCL	14.96	5.13	-	9.83	8.78
Drainage, Sewage & Water Supply	HPCL, BPCL, GSFC	2.11	0.42	-	1.69	0.40
Total		128.25	30.93	-	97.32	96.53

* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd., **GSFC:** Gujarat State Fertilizers & Chemicals Ltd., **IPCL:** Indian Petrochemicals Corporation Ltd.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Buildings	17.65	11.18	0.79	-
Plant and Equipment	832.09	534.62	15.20	17.30
Office Equipments	-	0.07	0.06	-
Drainage, Sewage & Water Supply	42.17	24.90	0.01	-
Total	891.91	570.77	16.06	17.30

NOTES TO FINANCIAL STATEMENTS

Note - 2.1 : CAPITAL WORK IN PROGRESS

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Construction Work in Progress - Tangible Assets			
(Including unallocated capital expenditure, materials at site)			
Balance as at beginning of the year		15,527.53	9,732.86
Add: Additions during the year		17,386.24	11,952.09
Less: Transfer to Property, Plant and Equipment (Note 2)		12,565.17	6,500.72
Less: Transfer to Statement of Profit and Loss		10.60	1.11
Less: Other Allocation/ Adjustment during the year		(278.59)	(344.41)
		20,616.59	15,527.53
Less: Provision for Capital Losses		23.90	30.89
		20,592.69	15,496.64
Capital Stores	A		
Balance as at beginning of the year		4,713.35	2,681.67
Add: Additions during the year		5,455.56	4,708.43
Less: Transfer to Statement of Profit and Loss		0.02	0.03
Less: Other Allocation/ Adjustment during the year		4,551.53	2,676.72
		5,617.36	4,713.35
Less: Provision for Capital Losses		12.74	7.60
		5,604.62	4,705.75
Capital Goods in Transit			
Balance as at beginning of the year		1,049.95	1,037.14
Add: Additions during the year		584.61	93.97
Less: Transfer to Property, Plant and Equipment as Additions (Note 2)		14.45	32.08
Less: Other Allocation/ Adjustment during the year		1,008.16	49.08
		611.95	1,049.95
Construction Period Expenses pending allocation:			
Balance as at beginning of the year		908.18	675.88
Add: Net expenditure during the year (Note - 2.2)		985.74	499.62
		1,893.92	1,175.50
Less: Transfer to Statement of Profit and Loss		4.04	10.75
Less: Other Allocation/ Adjustment during the year		565.04	256.57
		1,324.84	908.18
TOTAL		28,134.10	22,160.52
A. Includes Stock lying with Contractors		466.13	191.06
B. Includes Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities.		226.28	122.28
C. Specific borrowing eligible for capitalisation (Rate)		5.66% to 8.12%	5.75% to 8.12%

NOTES TO FINANCIAL STATEMENTS

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

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Employee Benefit Expenses	372.08	342.62
Repairs and Maintenance	4.12	5.28
Power & Fuel	161.70	33.09
Rent	8.36	6.80
Insurance	10.14	7.44
Rates and Taxes	3.19	3.86
Travelling Expenses	55.06	39.31
Communication Expenses	1.63	1.22
Printing and Stationery	0.69	0.65
Electricity and Water Charges	25.94	8.53
Bank Charges	0.09	0.01
Technical Assistance Fees	0.62	2.31
Exchange Fluctuation	67.67	0.18
Finance Costs	204.76	3.16
Depreciation and Amortization on:		
Tangible Assets	37.64	8.22
Intangible Assets	0.03	0.01
Start Up/ Trial Run Expenses (net of revenue)	(10.15)	-
Others	66.16	47.87
Total Expenses	1,009.73	510.56
Less : Recoveries	23.99	10.94
Net Expenditure during the year	985.74	499.62

NOTES TO FINANCIAL STATEMENTS

Note - 3 : INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	Gross Block as at April 1, 2019	612.91	847.59	195.69	1,656.19
	Additions during the year	306.39	8.36	40.38	355.13
	Transfers from Intangible Assets under Development	-	318.02	18.09	336.11
	Disposals/ Deductions / Transfers / Reclassifications	-	(1.79)	(3.76)	(5.55)
	Gross Block as at March 31, 2020	919.30	1,172.18	250.40	2,341.88
AMORTISATION	Amortisation as at April 1, 2019	9.36	160.48	109.74	279.58
	Amortisation during the year	5.01	70.92	58.47	134.40
	Disposals/ Deductions / Transfers / Reclassifications	-	(0.93)	(0.21)	(1.14)
	Amortisation as at March 31, 2020	14.37	230.47	168.00	412.84
	Net Block as at March 31, 2020	904.93	941.71	82.40	1,929.04

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	Gross Block as at April 1, 2018	319.55	783.30	119.48	1,222.33
	Additions during the year	293.36	27.46	23.47	344.29
	Transfers from Intangible Assets under Development	-	36.00	67.55	103.55
	Disposals/ Deductions / Transfers / Reclassifications	-	0.83	(14.81)	(13.98)
	Gross Block as at March 31, 2019	612.91	847.59	195.69	1,656.19
AMORTISATION	Amortisation as at April 1, 2018	2.99	106.54	73.13	182.66
	Amortisation during the year	6.37	53.95	43.40	103.72
	Disposals/ Deductions / Transfers / Reclassifications	-	(0.01)	(6.79)	(6.80)
	Amortisation as at March 31, 2019	9.36	160.48	109.74	279.58
	Net Block as at March 31, 2019	603.55	687.11	85.95	1,376.61

A. Amortisation for the year includes **₹ 0.03 crore** (2019: ₹ 0.01 crore) relating to construction period expenses shown in Note 2.2

B. Net Block of Intangible Assets with indefinite useful life

	March 31, 2020	March 31, 2019
Right of Way	893.04	586.65

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

C. Details of Company's share of Jointly Owned Assets included in the above:

Assets Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	W.D.V. as at March 31, 2020	W.D.V. as at March 31, 2019
Computer Software	HPCL, BPCL	0.89	0.74	0.15	0.47
Total		**0.89**	**0.74**	**0.15**	**0.47**

* **HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd.

NOTES TO FINANCIAL STATEMENTS

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Work in Progress - Intangible Assets (Including Unallocated Capital Expenditure)		
Balance as at beginning of the year	1,678.25	928.01
Add: Net expenditure during the year	286.40	853.87
	1,964.65	1,781.88
Less: Transfer to Intangible Assets (Note 3)	336.11	103.55
Less: Transfer to Statement of Profit and Loss	0.01	0.08
Less: Other Allocation/ Adjustment during the year	(215.95)	-
	1,844.48	1,678.25
Less: Provision for Loss	240.83	239.81
TOTAL	1,603.65	1,438.44
A. Includes Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities.	247.31	239.27
B. Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares.		

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020					March 31,2019				
				Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
					₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
						(1)	(2)	(1+2)			(1)	(2)	(1+2)
	NON-CURRENT INVESTMENTS :												
I	In Equity Shares												
A	In Subsidiaries (At Cost):												
	QUOTED:												
	Chennai Petroleum Corporation Limited	Indian Rupees	10	77265200	10	509.33	-	509.33	77265200	10	509.33	-	509.33
	Lanka IOC PLC (Quoted in Colombo Stock Exchange, Sri Lanka)	Sri Lankan Rupees	10	400000005	10	194.13	-	194.13	400000005	10	194.13	-	194.13
	UNQUOTED:												
	Indian Oil Mauritius Limited	Mauritian Rupees	100	4882043	100	75.67	-	75.67	4882043	100	75.67	-	75.67
	IOC Middle East FZE	Arab Emirates Dirham	1000000	2	1000000	2.30	-	2.30	2	1000000	2.30	-	2.30
	IOC Sweden AB	Swedish Krona	100	4241558	100	297.23	-	297.23	4204835	100	296.18	-	296.18
	IOCL (USA) Inc.	USD	0.01	5763538921	0.01	336.32	(86.41)	249.91	5763538921	0.01	336.32	-	336.32
	Indian Catalyst Private Limited (in process of closure) (formely known as Indo Cat Private Limited)	Indian Rupees	10	15932700	10	11.18	(4.72)	6.46	15932700	10	11.18	(4.72)	6.46
	IndOil Global B.V.	Canadian Dollars	1	1131302435	1	7,840.35	(1,909.51)	5,930.84	1131302435	1	7,840.35	(564.27)	7,276.08
	IOCL Singapore PTE Ltd	USD	1	1079991988	1	7,128.82	-	7,128.82	1079991988	1	7,128.82	-	7,128.82
	Sub-total: (I)(A)					16,395.33	(2,000.64)	14,394.69			16,394.28	(568.99)	15,825.29
B	In Associates (At Cost):												
	QUOTED:												
	Petronet LNG Limited	Indian Rupees	10	187500000	10	98.75	-	98.75	187500000	10	98.75	-	98.75
	UNQUOTED:												
	Avi-Oil India Private Limited	Indian Rupees	10	4500000	10	4.50	-	4.50	4500000	10	4.50	-	4.50
	Petronet India Limited (under liquidation)	Indian Rupees	0.10	18000000	0.10	0.18	-	0.18	18000000	0.10	0.18	-	0.18
	Petronet VK Limited	Indian Rupees	10	50000000	10	26.02	(26.00)	0.02	50000000	10	26.02	(26.00)	0.02
	Sub-total: (I)(B)					129.45	(26.00)	103.45			129.45	(26.00)	103.45

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020					March 31,2019				
			Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
				₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
					(1)	(2)	(1+2)			(1)	(2)	(1+2)
C In Joint Ventures (At Cost):												
UNQUOTED:												
Indian Oiltanking Limited	Indian Rupees	10	494828289	10	723.98	-	723.98	494828289	10	723.98	(316.66)	407.32
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	840000	10	1.99	(1.99)	-	840000	10	1.99	(1.99)	-
Lubrizol India Private Limited	Indian Rupees	100	499200	100	61.71	-	61.71	499200	100	61.71	-	61.71
Indian Oil Petronas Private Limited	Indian Rupees	10	134000000	10	134.00	-	134.00	134000000	10	134.00	-	134.00
Petronet CI Limited (under liquidation)	Indian Rupees	10	3744000	10	3.83	(3.83)	-	3744000	10	3.83	(3.83)	-
Green Gas Limited	Indian Rupees	10	23042250	10	23.04	-	23.04	23042250	10	23.04	-	23.04
IndianOil SkyTanking Private Limited	Indian Rupees	10	25950000	10	73.28	-	73.28	25950000	10	73.28	-	73.28
Suntera Nigeria 205 Limited	Naira rupees	1	2500000	1	0.05	-	0.05	2500000	1	0.05	-	0.05
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	60680000	10	60.68	-	60.68	60680000	10	60.68	-	60.68
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	222861375	10	222.86	-	222.86	222861375	10	222.86	-	222.86
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	260000	10	0.26	-	0.26	260000	10	0.26	-	0.26
GSPL India Gasnet Limited	Indian Rupees	10	244925030	10	244.93	-	244.93	120125030	10	120.13	-	120.13
GSPL India Transco Limited	Indian Rupees	10	127920000	10	127.92	-	127.92	99060000	10	99.06	-	99.06
Indian Oil Adani Gas Private Limited	Indian Rupees	10	291000000	10	291.00	-	291.00	185500000	10	185.50	-	185.50
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	48288750	10	48.29	-	48.29	48288750	10	48.29	-	48.29
Kochi Salem Pipeline Private Limited	Indian Rupees	10	152500000	10	152.50	-	152.50	96250000	10	96.25	-	96.25
IndianOil LNG Private Limited (Also refer point no. C.2 of Note 36)	Indian Rupees	10	5000	10	0.01	-	0.01	5000	10	0.01	-	0.01
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	751085000	10	751.09	-	751.09	440325000	10	440.33	-	440.33
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	100000000	10	100.00	-	100.00	50000000	10	50.00	-	50.00
Indradhanush Gas Grid Limited	Indian Rupees	10	12000000	10	12.00	-	12.00	5000000	10	5.00	-	5.00
IHB Private Limited	Indian Rupees	10	52500000	10	52.50	-	52.50	-	-	-	-	-
Sub-total: (I)(C)					3,085.92	(5.82)	3,080.10			2,350.25	(322.48)	2,027.77
Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]					19,610.70	(2,032.46)	17,578.24			18,873.98	(917.47)	17,956.51

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31,2020 Number	March 31,2020 Paid Up Value	March 31,2020 Investment Value	March 31,2020 Impairment Loss/ Fair Value Adjustment	March 31,2020 Carrying Value	March 31,2019 Number	March 31,2019 Paid Up Value	March 31,2019 Investment Value	March 31,2019 Impairment Loss/Fair Value Adjustment	March 31,2019 Carrying Value
				₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
					(1)	(2)	(1+2)			(1)	(2)	(1+2)
D In Others												
Investments designated at fair value through OCI:												
QUOTED:												
Oil and Natural Gas Corporation Limited	Indian Rupees	5	986885142	5	1,780.12	4,960.31	6,740.43	986885142	5	1,780.12	13,985.37	15,765.49
GAIL (India) Limited	Indian Rupees	10	108905460	10	122.52	711.15	833.67	54452730	10	122.52	1,770.53	1,893.05
Oil India Limited	Indian Rupees	10	53501100	10	1,123.52	(681.34)	442.18	53501100	10	1,123.52	(131.35)	992.17
UNQUOTED:												
International Cooperative Petroleum Association, New York	USD	100	350	100	0.02	-	0.02	350	100	0.02	-	0.02
Haldia Petrochemical Limited	Indian Rupees	10	150000000	10	150.00	234.30	384.30	150000000	10	150.00	501.75	651.75
Vadodara Enviro Channel Limited [a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	7151	10	-	-	-	7151	10	-	-	-
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	101095	10	0.10	-	0.10	101095	10	0.10	-	0.10
Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	100000	10	-	-	-	100000	10	-	-	-
In Consumer Cooperative Societies:												
Barauni [c]	Indian Rupees	10	250	10	-	-	-	250	10	-	-	-
Guwahati [d]	Indian Rupees	10	750	10	-	-	-	750	10	-	-	-
Mathura [e]	Indian Rupees	10	200	10	-	-	-	200	10	-	-	-
Haldia [f]	Indian Rupees	10	2190	10	-	-	-	1663	10	-	-	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi [g]	Indian Rupees	10	375	10	-	-	-	375	10	-	-	-
Sub-total: (I)(D)					3,176.28	5,224.42	8,400.70			3,176.28	16,126.30	19,302.58
Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]					22,786.98	3,191.96	25,978.94			22,050.26	15,208.83	37,259.09
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	500.00	55.63	555.63	500000000	10	500.00	58.38	558.38
Sub-total: (II)(A)					500.00	55.63	555.63			500.00	58.38	558.38

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

			March 31,2020					March 31,2019				
Particulars	Investment Currency	Face Value/ Paid up Value	Number	Paid Up Value	Investment Value	Impairment Loss/ Fair Value Adjustment	Carrying Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying Value
				₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)		₹	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
					(1)	(2)	(1+2)			(1)	(2)	(1+2)
B In Others												
UNQUOTED:												
Sharma Forge Co. Limited (under liquidation)[h] (9.5% Cumulative Redeemable Preference Shares)	Indian Rupees	100	5000	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	3000000	10000	3,000.00	87.07	3,087.07	-	-	-	-	-
9.15% Govt Stock 2024	Indian Rupees	10000	6000	10000	6.84	0.13	6.97	1960000	10000	2,242.91	(33.36)	2,209.55
7.35% Govt.Stock 2024	Indian Rupees	10000	695000	10000	704.04	47.34	751.38	695000	10000	704.04	16.15	720.19
Sub-total: (III)					3,710.88	134.54	3,845.42			2,946.95	(17.21)	2,929.74
IV In Debentures or Bonds												
Investments at fair value through profit and loss												
UNQUOTED:												
IndianOil LNG Pvt Limited (Fully and Compulsorily Convertible Debentures) (Also refer point no. C.2 of Note 36)	Indian Rupees	1000000	6530	1000000	653.00	19.18	672.18	6530	1000000	653.00	21.67	674.67
Sub-total: (IV)					653.00	19.18	672.18			653.00	21.67	674.67
Total Other Investments [(I)(D)+(II)+(III)+(IV)]					8,040.16	5,433.77	13,473.93			7,276.23	16,189.14	23,465.37
Total Non Current Investments (I+II+III+IV)					27,650.86	3,401.31	31,052.17			26,150.21	15,271.67	41,421.88
CURRENT INVESTMENTS:												
In Government Securities (at fair value through OCI)												
QUOTED:												
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	5366020	10000	5,366.02	452.97	5,818.99	8366020	10000	8,366.02	152.07	8,518.09
9.15% Govt Stock 2024	Indian Rupees	10000	1954000	10000	2,236.07	31.33	2,267.40	-	-	-	-	-
TOTAL					7,602.09	484.30	8,086.39			8,366.02	152.07	8,518.09

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	March 31,2020	March 31,2019
Aggregate carrying value of quoted investments	20,750.30	30,900.75
Aggregate market value of quoted investments	24,413.32	37,223.92
Aggregate carrying value of unquoted investments	18,388.26	19,039.22
Aggregate amount of impairment in value of investments	2,032.46	917.47

Followings are not reflected above due to rounding off:-

(Amount in ₹)

	Particulars	March 31,2020	March 31,2019
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 :

(₹ in Crore)

Name of the Entity	Number	Amount
Investment in Equity Shares:		
IOC Sweden AB	36723	1.05
GSPL India Gasnet Ltd.	124800000	124.80
GSPL India Transco Ltd.	28860000	28.86
IndianOil Adani Gas Pvt. Ltd.	105500000	105.50
Kochi Salem Pipelines Private Limited	56250000	56.25
Hindustan Urvarak and Rasayan Limited	310760000	310.76
Ratnagiri Refinery & Petrochemicals Ltd.	50000000	50.00
Indradhanush Gas Grid Limited	7000000	7.00
IHB Private Limited	52500000	52.50

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

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. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78000	78.00	84.26
7.95% GOI SPECIAL BONDS 2025	457250	457.25	494.92
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,601.58
6.90% GOI SPECIAL BONDS 2026	82930	82.93	85.34
8.00% GOI SPECIAL BONDS 2026	189270	189.27	203.31
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,349.58
Total Current Investments	5366020	5,366.02	5,818.99
2. Non Current investment:			
6.90% GOI SPECIAL BONDS 2026	3000000	3,000.00	3,087.07
Total Non Current Investments	3000000	3,000.00	3,087.07

Note: C - Other Disclosures

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

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

(₹ in Crore)

Nature of Bond	March 31,2020		March 31,2019	
	Face Value	Carrying Value	Face Value	Carrying Value
9.15% GOVT.STOCK 2024	6.00	6.97	1,960.00	2,209.55
7.35% GOVT.STOCK 2024	695.00	751.38	695.00	720.19
Oil Marketing Companies GOI Special Bonds	3,000.00	3,087.07	-	-

3. During the year, GAIL (India) Limited has issued 54452730 number of equity shares as bonus shares.

NOTES TO FINANCIAL STATEMENTS

Note - 5 : LOANS (Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security Deposits					
To Others					
Secured, Considered Good		0.08	0.06	-	-
Unsecured, Considered Good		137.09	147.90	313.78	157.42
Credit Impaired		0.10	0.20	1.40	1.36
		137.27	148.16	315.18	158.78
Less : Allowance for Doubtful Deposits		0.10	0.20	1.40	1.36
		137.17	147.96	313.78	157.42
Loans	A				
To Related Parties					
Secured, Considered Good		96.10	0.13	0.02	0.04
Unsecured, Considered Good		144.63	236.35	0.16	2.91
Credit Impaired		-	-	2.25	2.25
		240.73	236.48	2.43	5.20
Less : Allowance for Doubtful Loans		-	-	2.25	2.25
		240.73	236.48	0.18	2.95
To Others					
Secured, Considered Good		814.92	734.10	106.32	113.65
Unsecured, Considered Good		1,954.37	1,173.63	613.58	1,090.72
Which have significant increase in Credit Risk		422.58	502.21	134.71	639.50
Credit Impaired		74.86	-	52.75	1.38
		3,266.73	2,409.94	907.36	1,845.25
Less : Allowance for Doubtful Loans		402.76	502.21	151.65	640.88
		2,863.97	1,907.73	755.71	1,204.37
		3,104.70	2,144.21	755.89	1,207.32
TOTAL		3,241.87	2,292.17	1,069.67	1,364.74
A. Includes:					
1. Loans valued at Fair Value through Profit or Loss (FVTPL)		129.63	147.29	-	-
2. Due from Directors		0.11	0.14	0.04	0.08
3. Due from Other Officers		3.84	3.70	1.90	2.05

NOTES TO FINANCIAL STATEMENTS

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

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Investments	A				
Subsidiary Companies		88.90	-		
		88.90	-		
Amount Recoverable from Central/State Government		-	-	13,268.91	19,120.96
Finance Lease Receivables		32.45	41.47	33.32	18.50
Interest Accrued on Investments/ Bank Deposits/ Loans		-	-	0.71	11.76
Derivative Instruments at Fair Value		-	-	131.11	35.56
Advance to Employee Benefits Trusts/Funds		131.11	141.06	10.08	63.56
Bank Deposits (with more than 12 months maturity)		1.75	3.41	1.48	0.30
Receivables on Agency Sales		-	-	1,075.52	1,215.18
Claims Recoverable:					
From Others					
Unsecured, Considered Good		-	-	5.41	-
Others	B	30.91	19.72	1,109.49	877.47
Less: Allowance for Doubtful Asset		-	-	6.27	6.21
		30.91	19.72	1,103.22	871.26
TOTAL		285.12	205.66	15,629.76	21,337.08
A. Advances for equity pending allotment.					
B. Includes Interest receivables from Air India Limited				253.56	544.03

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

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income Tax/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	23,159.97	21,121.87	66.28	486.60
Less : Provisions	18,973.21	19,774.02	-	-
	4,186.76	1,347.85	66.28	486.60
TOTAL	4,186.76	1,347.85	66.28	486.60
Includes amount relating to Fringe Benefit Tax	5.47	5.47	2.04	2.04

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

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances for Capital Expenditure					
To Others					
Secured, Considered Good		10.42	3.20	-	-
Unsecured, Considered Good		1,275.81	1,463.73	-	-
Unsecured, Considered Doubtful		-	0.09	-	-
		1,286.23	1,467.02	-	-
		1,286.23	1,467.02	-	-
Less: Provision for Doubtful Advances		-	0.09	-	-
		1,286.23	1,466.93	-	-
Advances Recoverable					
From Related Parties					
Unsecured, Considered Good		488.45	264.05	22.64	22.48
From Others					
Secured, Considered Good		-	-	0.01	-
Unsecured, Considered Good		0.28	-	2,463.39	2,539.51
Unsecured, Considered Doubtful		-	-	6.76	4.96
		0.28	-	2,470.16	2,544.47
Less : Provision for Doubtful Advances		-	-	6.76	4.96
		0.28	-	2,463.40	2,539.51
		488.73	264.05	2,486.04	2,561.99
Claims Recoverable:	A				
From Related Parties					
Unsecured, Considered Good		-	-	8.22	1.99
Unsecured, Considered Doubtful		-	-	2.61	2.61
		-	-	10.83	4.60
From Others					
Unsecured, Considered Good		-	-	544.38	668.24
Unsecured, Considered Doubtful		-	-	149.89	170.06
		-	-	694.27	838.30
Less : Provision for Doubtful Claims		-	-	152.50	172.67
		-	-	552.60	670.23
Balance/ Deposits with Government Authorities					
Unsecured, Considered Good		-	-	452.88	475.08
Gold/ Other Precious Metals		-	-	58.39	58.94
Less : Provision for Diminution in value		-	-	10.72	11.44
		-	-	47.67	47.50
Deferred Expenses		1,030.09	718.64	296.35	177.77

NOTES TO FINANCIAL STATEMENTS

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

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Prepaid Rentals	58.02	1,453.76	5.92	52.95
TOTAL	2,863.07	3,903.38	3,841.46	3,985.52
A. Includes:				
1. Customs/ Excise Duty/DEPB/Duty Drawback Claims which are in the process of being claimed with the Department.	-	-	6.11	6.75
2. Claims recoverable from Customs Authorities pending for final assessment / settlement.	-	-	35.71	59.70

Note - 9 : INVENTORIES

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
In Hand :			
Raw Materials	A	14,578.83	18,278.37
Stock in Process		5,432.60	5,739.85
Finished Products	B	26,475.37	23,322.17
Stock in Trade	C	5,884.91	7,519.96
Stores, Spares etc.	D	4,100.53	3,658.76
Less : Provision for Losses		185.59	170.22
		3,914.94	3,488.54
Barrels and Tins	E	63.18	74.84
		56,349.83	58,423.73
In Transit :			
Raw Materials		4,771.37	10,081.13
Finished Products		599.11	938.27
Stock in Trade		1,745.18	1,793.99
Stores, Spares etc.		212.13	233.26
		7,327.79	13,046.65
TOTAL		63,677.62	71,470.38
Includes-			
A. Stock lying with others		4.07	160.56
B. Stock lying with others		1,726.61	1,402.94
C. Stock lying with others		888.50	619.01
D. Stock lying with contractors		13.54	6.85
E. Stock lying with others		5.48	0.45
Amount of write down of inventories carried at NRV and recognised as Expense.			427.56
Amount of write down of inventories carried at NRV and recognised as Exceptional Item.		11,304.64	
Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).			
For hypothecation details refer Note-21.			

NOTES TO FINANCIAL STATEMENTS

Note - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
From Related Parties			
Unsecured, Considered Good		215.43	658.60
		215.43	658.60
From Others			
Secured Considered Good		12.21	50.00
Unsecured, Considered Good		12,629.32	14,764.69
Credit Impaired		114.98	118.61
		12,756.51	14,933.30
TOTAL		12,971.94	15,591.90
Less : Allowance for Doubtful Debts	A	127.85	134.07
TOTAL		12,844.09	15,457.83
A. Includes provision as per Expected Credit Loss method in line with accounting policy		12.87	15.46

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Bank Balances with Scheduled Banks :		
In Current Account	531.96	20.53
In Fixed Deposit - Maturity within 3 months	0.01	0.02
	531.97	20.55
Bank Balances with Non-Scheduled Banks	1.40	0.32
Cheques, Drafts in hand	1.75	15.16
Cash in Hand, Including Imprest	0.44	2.28
TOTAL	535.56	38.31

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Fixed Deposits	A	8.20	8.00
Earmarked Balances	B	44.63	40.65
Blocked Account	C	0.74	0.68
Other Bank Balances	D	0.01	0.01
TOTAL		53.58	49.34
A. Earmarked in favour of Statutory Authorities.			
B. Pertains to			
- Unpaid Dividend		44.60	40.62
- Fractional Share Warrants		0.03	0.03
C. There exists restrictions on banking transactions in Libya due to political unrest.			
D. There exists restrictions on repatriation from bank account in Myanmar.			

NOTES TO FINANCIAL STATEMENTS

Note - 13 : ASSETS HELD FOR SALE

(₹ in Crore)

Particulars	Note	March 31, 2020	March 31, 2019
Freehold land	A	1.56	1.65
Building		0.30	0.32
Plant and Equipment		235.11	224.81
Office Equipment	B	0.59	0.52
Transport Equipment		0.02	0.08
Furniture and Fixtures		0.03	0.02
Total		237.61	227.40

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.

During the year, the company has recognized impairment loss of **₹ 42.32 crore** (2019: ₹ 150.36 crore) on write-down of asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold or written off under 'Other Expenses' in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS

Note - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Authorized:		
15000000000 Equity Shares of ₹ 10 each	15,000.00	15,000.00
Issued Subscribed and Paid Up:		
9414158922 (2019: 9414158922)	9,414.16	9,414.16
Equity Shares of ₹ 10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	233.12	233.12
233118456 (2019: 233118456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	9,181.04	9,181.04
A. Reconciliation of No. of Equity Shares		
Opening Balance	9414158922	9711809928
Shares bought back	-	297651006
Closing Balance	9414158922	9414158922

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. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

IOC Shares Trust (Shareholder) has waived its right to receive the dividend w.e.f. March 2, 2020.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2020		March 31, 2019	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	4848133178	51.50	4912149459	52.18
OIL AND NATURAL GAS CORPORATION LIMITED	1337215256	14.20	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	610467282	6.48	612921292	6.51
OIL INDIA LIMITED	485590496	5.16	485590496	5.16

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

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

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Retained Earnings		
General Reserve:		
Opening Balance	79,533.78	78,998.89
Add: Remeasurement of Defined Benefit Plans	(115.54)	(41.90)
Add: Transfer from Bond Redemption Reserve	-	430.46
Less: Utilized for Buy Back of shares [including expenses (net of tax)]	-	4,442.80
Add: Appropriation from Surplus	(4,513.05)	4,589.13
	74,905.19	79,533.78
Surplus (Balance in Statement of Profit and Loss)		
Profit for the Year	1,313.23	16,894.15
Less: Appropriations		
Interim Dividend	3,902.09	7,775.62
Final Dividend	918.25	1,895.88
Dividend Distribution Tax on:		
Interim Dividend	799.27	1,589.11
Final Dividend	186.67	396.18
Insurance Reserve (Net)	20.00	17.61
Bond Redemption Reserve	-	630.62
Corporate Social Responsibility Reserve (Net)	-	-
General Reserve	(4,513.05)	4,589.13
Balance carried forward to next year	-	-
	74,905.19	79,533.78
Other Reserves		
Bond Redemption Reserve		
Opening Balance	3,152.64	2,952.48
Add: Appropriation from Surplus	-	630.62
Less: Transfer to General Reserve	-	430.46
	3,152.64	3,152.64
Capital Redemption Reserve Account :		
Opening Balance	297.65	-
Add: Transfer from General Reserve during the year	-	297.65
	297.65	297.65
Capital Reserve	183.08	183.08
Insurance Reserve :		
Opening Balance	241.09	223.48
Less : Recoupment of uninsured fire loss	-	2.39
Add: Appropriation from Surplus	20.00	20.00
	261.09	241.09
Export Profit Reserve	53.72	53.72

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd...)

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Corporate Social Responsibility Reserve (refer Note - 45)		
Opening Balance	-	-
Add: Appropriation from Surplus	543.38	490.60
Less: Utilized during the year	543.38	490.60
	-	-
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(35.78)	(45.77)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	6.86	(138.40)
Less: Amortized during the year	(28.92)	(148.39)
	-	(35.78)
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	16,072.20	18,475.86
Add: Fair value during the year	(10,775.41)	(2,403.66)
	5,296.79	16,072.20
Fair value of Debt Instruments		
Opening Balance	(43.95)	(149.41)
Add: Fair value during the year	435.62	105.46
	391.67	(43.95)
Cash Flow Hedge Reserve		
Opening Balance	22.04	-
Add: Gain/(Loss) during the year	46.01	15.68
Less: Transferred during the year	22.05	(6.36)
	46.00	22.04
TOTAL	84,587.83	99,476.47

Nature and Purpose of Reserves

A. Retained Earnings

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

B. Bond Redemption Reserve

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

C. Capital Redemption Reserve

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

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd...)

D. Capital Reserve

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

E. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. **₹ 20.00 crore** is appropriated by the company every year to this reserve. The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred.

F. Export Profit Reserve

Amount set aside out of profits from exports for availing income tax benefits u/s 80HHC of the Income Tax Act, 1961 for the assessments years 1986-87 to 1988-89. Creation of reserve for claiming deduction u/s 80HHC was dispensed from AY 1989-90 onwards. This amount shall be transferred to general reserve on completion of assessment/ disposal of case.

G. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of the Company. During the year, an amount of **₹ 543.38 crore** (2019: ₹ 490.60 crore) has been appropriated as per provisions of the Companies Act 2013. Out of total available fund for CSR (including unspent amount carried forward from previous year, if any), an amount of **₹ 543.38 crore** (2019: ₹ 490.60 crore) has been spent during the year.

H. Foreign Currency Monetary Item Translation Difference Account

This reserve is created to accumulate and amortise exchange fluctuations on Long-Term Monetary Items (other than those related to depreciable PP&E) over the remaining life of these items. This is as per the transition exemption taken by the company at the time of implementation of Ind-AS wherein the company has chosen to continue the old GAAP practice for items upto March 31, 2016.

I. Fair value of Equity Instruments

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

J. Fair value of Debt Instruments

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

K. Cash Flow Hedge Reserve

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

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost)

(₹ in Crore)

Particulars		Non Current		Current Maturities*	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SECURED LOANS					
Term Loans:					
Oil Industry Development Board (OIDB)	A	144.47	176.84	177.81	282.81
Total Secured Loans		**144.47**	**176.84**	**177.81**	**282.81**
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	B	16,478.13	15,159.33	209.27	188.96
Rupee Bonds/ Debentures	C	7,994.02	-	135.14	-
		24,472.15	15,159.33	344.41	188.96
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	D	17,144.21	15,313.12	1,888.39	2,425.98
From Government					
In Rupees	E	962.66	707.33	-	-
		18,106.87	16,020.45	1,888.39	2,425.98
Lease Obligations	F	6,527.15	3,309.74	1,397.65	201.06
Total Unsecured Loans		**49,106.17**	**34,489.52**	3,630.45	2,816.00
TOTAL LONG-TERM BORROWINGS		**49,250.64**	**34,666.36**	3,808.26	3,098.81

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

Secured Loans:

A. Secured Term Loans

1. Security Details for OIDB Loans:

a) First Charge on the facilities at Paradip Refinery, Orissa.

b) First charge on the facilities at FCC Unit at Mathura Refinery, Uttar Pradesh.

c) First charge on the facilities at Paradip-Raipur-Ranchi Pipeline

d) First charge on the facilities at SMPL System

e) First charge on the facilities at Paradip-Haldia-Durgapur LPG Pipeline

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

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

S.No.	Repayable During	Repayable Amount (₹ in Crore)	Range of Interest Rate
1	2020-21	177.81	8.12% - 8.27%
2	2021-22	37.50	6.51%
3	2022-23	37.50	6.51%
4	2023-24	37.50	6.51%
5	2024-25	37.50	6.51%
	Total	327.81	

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd...)

Unsecured Loans:

B. Repayment Schedule of Foreign Currency Bonds

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

C. Repayment Schedule of Rupee Bonds/ Debentures

S.No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil-2029 (Series XIV) 30000 debenture of Face Value ₹ 10,00,000 each	October 22, 2019	7.41% p.a.payable annually on 22 October.	10 years from the deemed date of allotment i.e. October 22, 2029.
2	Indian Oil-2023 (Series XV) 20000 debenture of Face Value ₹ 10,00,000 each	January 14, 2020	6.44% p.a.payable annually on 14 January.	3 years 3 months from the deemed date of allotment i.e. April 14, 2023.
3	Indian Oil-2025 (Series XVI) 29950 debenture of Face Value ₹ 10,00,000 each	March 6, 2020	6.39% p.a.payable annually on 6 March.	5 years from the deemed date of allotment i.e. March 6, 2025.

D. Repayment Schedule of loans from Banks and Financial Institutions

S.No.	Particulars of Loans	Date of Drawal	Date of Repayment
1	USD 50 Million Syndication Loan	March 7, 2019	
2	USD 200 Million Syndication Loan	March 5, 2019	
3	USD 150 Million Syndication Loan	February 28, 2019	
4	USD 100 Million Syndication Loan	December 31, 2018	
5	USD 100 Million Syndication Loan	December 28, 2018	
6	USD 200 Million Syndication Loan	December 24, 2018	Payable after 5 years from the date of drawal
7	USD 100 Million Syndication Loan	December 20, 2018	
8	USD 250 Million Syndication Loan	December 18, 2018	
9	USD 100 Million Syndication Loan	December 12, 2018	
10	USD 450 Million Syndication Loan	December 11, 2018	
11	USD 300 Million syndication loan	September 29, 2017	
12	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal
13	USD 250 Million syndication loan	January 29, 2016	Payable after 5 years from the date of drawal

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

Interest free loan given by Odisha Government for 15 years is to be disbursed in quarterly instalment of ₹ 175 crore started from April 01, 2016 repayble after 15 years. The first instalment of loan for the period April to December 2017 of ₹ 1225 crore has been received on January 15, 2018 and thereafter ₹ 175 crore will be received every quarter. Total loan disbursed till now is ₹ 2800 crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly instalments starting from last week of June 2031 onwards. This loan being interest free loan is accounted at fair value and accordingly accounting for government grant is done.

F. Lease Obligations

The Lease Obligations are against Assets aquired on lease. The carrying value of the same is **₹ 7,659.84 crores** (2019: ₹ 3,387.63 crore).

NOTES TO FINANCIAL STATEMENTS

Note - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current Maturities of Long-term Debt (refer Note-16)		-	-	3,808.26	3,098.81
Liability for Capital Expenditure		-	-	4,728.60	4,828.93
Liability to Trusts and Other Funds		-	-	353.36	240.64
Employee Liabilities		-	-	977.21	3,367.72
Liability for Purchases on Agency Basis		-	-	1,460.23	2,504.22
Investor Education & Protection Fund to be credited on the due dates:					
-Unpaid Dividend		-	-	44.60	40.62
-Unpaid Matured Deposits		-	-	0.01	0.01
		-	-	44.61	40.63
Derivative Instruments at Fair Value		-	-	467.38	258.40
Security Deposits	A	789.58	615.20	28,953.94	27,161.39
Others	B	-	0.83	1,757.12	2,473.03
TOTAL		789.58	616.03	42,550.71	43,973.77
A. LPG Deposits classified as current in line with industry practice and includes towards:					
1. Deposit received towards LPG connection issued under PRADHAN MANTRI UJJAWALA YOJNA (PMUY), Rajiv Gandhi Gramin LPG Vitrak Yojana (RGGLVY) and various other schemes of State Government/Central Government of India. The deposits against these schemes have been funded from CSR fund and/or by State Government /Central Government of India		-	-	6,261.72	5,675.42
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		-	-	0.52	0.52
B. Includes liability towards Renewable Purchase Obligation (RPO) after considering credits from renewable sources and offset for Renewable Energy Certificates (RECs) generated. The Liability has been restated as on March 31, 2020 based on legal opinion obtained during the current year resulting into reduction by ₹ 264.94 crore.				40.17	323.54

NOTES TO FINANCIAL STATEMENTS

Note - 18 : PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for Employee Benefits		913.65	879.04	484.95	122.09
Decommissioning Liability	A	5.40	4.62	2.31	-
Contingencies for probable obligations	B	-	-	10,503.79	11,452.36
Less: Deposits		-	-	1,423.58	1,436.56
		-	-	9,080.21	10,015.80
TOTAL		919.05	883.66	9,567.47	10,137.89

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information are 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	4.62	2.74	-	-	0.35	7.71
Previous Year Total	3.66	0.98	-	0.06	0.04	4.62

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	33.39	-	-	17.94	15.45
Sales Tax/ GST	2,925.56	184.66	447.80	860.15	1,802.27
Entry Tax	5,734.65	0.19	104.32	15.86	5,614.66
Others	2,758.76	819.75	34.14	472.96	3,071.41
TOTAL	11,452.36	1,004.60	586.26	1,366.91	10,503.79
Previous Year Total	32,320.69	1,479.02	20,838.18	1,509.17	11,452.36

	Addition includes	Reversal includes
-capitalized	53.51	-
-included in Raw Material	47.90	0.18
-included in Finance Cost	528.71	6.67
-included in Employee Benefit Expenses	130.24	-
-included in Other Expenses	239.79	6.57
-Amount transferred from Liabilities to Provisions	1.09	-
-Adjusted against Deposits/ Paid	3.36	-

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

NOTES TO FINANCIAL STATEMENTS

Note - 19 : DEFERRED TAX LIABILITIES (NET)

(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 April 1, 2019	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on March 31, 2020
Deferred Tax Liability:				
Related to Fixed Assets	22,100.50	(5,414.72)	-	16,685.78
Foreign Currency gain on long term monetary item	12.50	(12.50)	-	-
Total Deferred Tax Liability (A)	22,113.00	(5,427.22)	-	16,685.78
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	993.23	(148.13)	-	845.10
Compensation for Voluntary Retirement Scheme	9.38	(5.88)	-	3.50
43B/40 (a)(ia)/other Disallowances etc.	3,692.50	(1,101.69)	-	2,590.81
Carry Forward Business Losses/ Unabsorbed Depreciation	-	1,828.80	-	1,828.80
Fair valuation of Equity instruments	(54.11)	-	126.47	72.36
MTM on Hedging Instruments	(11.85)	-	(3.63)	(15.48)
Fair value of debt instruments	5.76	-	(150.87)	(145.11)
Others	61.59	31.07	-	92.66
Total Deferred Tax Assets (B)	4,696.50	604.17	(28.03)	5,272.64
MAT credit entitlement (C) - Net #	1,593.43	(1,593.43)	-	-
Deferred Tax Liability net of MAT Credit (A-B-C)	15,823.07	(4,437.96)	28.03	11,413.14

Includes generation of MAT Credit of **₹770.05 crores** due to alignment of tax provisions with ITR for earlier years and **₹1921.13 crores** towards MAT credit written off upon movement to new regime

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

	2019-20 (%)	2018-19 (%)
Applicable tax rate	25.168	34.944
Tax effect of income that are not taxable in determining taxable profit	8.37	(2.38)
Tax effect of expenses that are not deductible in determining taxable profit	(4.66)	0.84
Tax effect on recognition of previously unrecognised allowance/disallowances	1.88	1.25
Tax effect of expenses on share buy back through Equity	-	0.02
Tax expenses/income related to prior years	(17.03)	(1.90)
Difference in tax due to income chargeable to tax at special rates	2.63	(0.01)
Difference due to change in Rate of Tax	119.19	-
Average Effective Tax Rate	135.55	32.76

NOTES TO FINANCIAL STATEMENTS

Note - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred Income		4.41	5.57	1.20	1.81
Government Grants (refer Note - 46)		1,925.98	1,568.91	170.70	120.57
Statutory Liabilities		-	-	6,051.01	7,319.11
Advances from Customers		111.49	23.61	4,895.07	3,766.82
Others	A	0.60	-	932.98	872.19
TOTAL		2,042.48	1,598.09	12,050.96	12,080.50
A. Includes liability towards Fleet Customers				793.24	797.01

Note - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
SECURED LOANS			
Loans Repayable on Demand			
From Banks:	A		
Working Capital Demand Loan		7,186.93	3,880.87
Cash Credit		641.44	3,392.64
		7,828.37	7,273.51
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	2,629.95	2,587.53
Total Secured Loans		10,458.32	9,861.04
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		29,488.48	14,138.83
In Rupee		5,800.00	1,176.17
		35,288.48	15,315.00
From Others			
Commercial Papers		17,739.28	23,417.51
Total Unsecured Loans		53,027.76	38,732.51
TOTAL SHORT-TERM BORROWINGS		63,486.08	48,593.55

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 the following to CCIL:		
Government Securities (Including OMC GOI Special Bonds)	3,701.00	2,655.00
Bank Guarantees	1,650.00	1,650.00

NOTES TO FINANCIAL STATEMENTS

Note - 22 : TRADE PAYABLES

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2019
Dues to Micro and Small Enterprises		232.47	235.24
Dues to Related Parties		852.02	1,313.50
Dues to Others	A	24,167.09	35,833.85
TOTAL		25,251.58	37,382.59
A. Includes amount related to Micro and Small enterprises for which payment to be made to financial institutions in pursuance of bills discounted by them		2.51	1.21

Note - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sale of Products and Crude	5,73,843.13	6,08,378.66
Less: Discounts	13,466.07	12,158.7
Sales (Net of Discounts)	5,60,377.06	5,96,219.96
Sale of Services	152.55	131.39
Other Operating Revenues (Note "23.1")	4,861.98	5,010.15
	5,65,391.59	6,01,361.50
Net Claim/(Surrender) of SSC	100.20	310.66
Subsidy From Central/State Governments	161.68	150.00
Grant from Government of India	1,296.17	4,110.18
TOTAL	5,66,949.64	6,05,932.34

Particulars relating to Revenue Grants are given in Note - 46.

Note - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Sale of Power and Water	337.19	429.56
Revenue from Construction Contracts	8.11	6.50
Unclaimed / Unspent liabilities written back	155.27	312.03
Provision for Doubtful Debts, Advances, Claims, and Stores written back	628.10	58.93
Provision for Contingencies written back	1,353.49	1,492.97
Recoveries from Employees	15.46	11.98
Retail Outlet License Fees	1,117.06	1,187.82
Income from Non Fuel Business	170.47	244.67
Commission and Discount Received	3.75	5.45
Sale of Scrap	213.62	235.06
Income from Finance Leases	5.03	2.48
Amortization of Capital Grants	134.30	99.99
Revenue Grants	43.66	219.35
Commodity Hedging Gain (Net)	-	27.58
Terminalling Charges	56.85	83.13
Other Miscellaneous Income	619.62	592.65
TOTAL	4,861.98	5,010.15

NOTES TO FINANCIAL STATEMENTS

Note - 24 : OTHER INCOME

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest on:	A		
Financial items:			
Deposits with Banks		6.16	19.52
Customers Outstandings		342.10	423.83
Oil Companies GOI SPL Bonds/ Other Investments		825.50	914.04
Other Financial Items		623.61	239.68
Total interest on Financial items		1,797.37	1,597.07
Non-Financial items		119.86	99.34
		1,917.23	1,696.41
Dividend:	B		
From Related Parties		882.06	488.45
From Other Companies		709.96	860.18
		1,592.02	1,348.63
Fair value Gain on Investments/ Provision Written Back (Net)		-	1.60
Gain on Derivatives		-	0.32
Other Non Operating Income		62.14	81.55
TOTAL		3,571.39	3,128.51
A 1. Includes Tax Deducted at Source		8.43	24.62
A 2. Includes interest received under section 244A of the Income Tax Act.		45.75	90.14
A 3. Include interest on:			
Current Investments		516.93	644.36
Non-Current Investments		308.57	269.68
A 4. Total interest income (calculated using the effective interest method) for financial assets:			
In relation to Financial Assets classified at amortised cost		971.87	683.03
In relation to Financial Assets classified at FVOCI		772.28	874.79
In relation to Financial Assets classified at FVTPL		53.22	39.25
B.1 Dividend Income consists of Dividend on:			
Current Investments		5.65	17.44
Non-Current Investments		1,586.37	1,331.19
B.2 Dividend on Non Current Investments Includes Dividend from Subsidiaries		556.54	230.64

Note - 25 : COST OF MATERIAL CONSUMED

(₹ in Crore)

Particulars	2019-2020	2018-2019
Opening Stock	28,359.50	25,743.40
Add: Purchases	2,43,784.87	2,72,295.71
	2,72,144.37	2,98,039.11
Less: Closing Stock	19,350.20	28,359.50
Less: Transfer to Exceptional Items	5,717.14	-
TOTAL	2,47,077.03	2,69,679.61

NOTES TO FINANCIAL STATEMENTS

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

(₹ in Crore)

Particulars	2019-2020	2018-2019
Closing Stock		
Finished Products	27,074.48	24,260.44
Stock in Process	5,432.60	5,739.85
Stock-in-trade	7,630.09	9,313.95
	40,137.17	39,314.24
Less:		
Opening Stock		
Finished Products	24,260.44	22,947.90
Stock in Process	5,739.85	4,960.90
Stock-in-Trade	9,313.95	8,394.31
	39,314.24	36,303.11
Add: Transfer to Exceptional Items	5,587.50	-
NET INCREASE / (DECREASE)	6,410.43	3,011.13

Note - 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2019-2020	2018-2019
Salaries, Wages, Bonus etc	6,504.09	7,053.80
Contribution to Provident & Other Funds	1,207.10	2,365.02
Voluntary Retirement Compensation	1.75	1.49
Staff Welfare Expenses	1,079.71	1,681.86
TOTAL	8,792.65	11,102.17

A. Excludes **₹ 405.12 crore** (2019: ₹ 372.88 crore) included in capital work in progress (construction period expenses -Note-2.2) / intangible assets under development (Note-3.1) and **₹ 24.63 crore** (2019: ₹ 21.92 crore) included in CSR expenses (Note-29.1).

B. Includes expenditure on account of Staff and Establishment amounting to **₹ 24.82 crore** (2019: ₹ 21.13 crore) engaged in Public Relations and Publicity (Refer Note 29.1)

C. Includes **₹ 130.24 crore** (2019: NIL) towards Provident Fund contribution for likely future interest shortfall on portfolio basis.

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

NOTES TO FINANCIAL STATEMENTS

Note - 28 : FINANCE COSTS

(₹ in Crore)

Particulars		2019-2020	2018-2019
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		842.92	1,026.57
Bonds/Debentures		325.13	65.77
Others		1,379.05	472.98
		2,547.10	1,565.32
Other Loans:			
Bank Borrowings		242.54	381.36
Bonds/Debentures		533.18	579.87
Lease Obligations		756.53	462.72
		1,532.25	1,423.95
Unwinding of Discount		65.74	44.85
Others		5.59	17.43
		4,150.68	3,051.55
Interest Payments on Non Financial items:			
Unwinding of Discount		0.14	0.04
Others	A	343.30	446.93
		343.44	446.97
		4,494.12	3,498.52
Other Borrowing Cost	B	31.33	16.95
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation		1,454.00	795.56
TOTAL		5,979.45	4,311.03
A. Mainly includes:			
Interest on Entry Tax Liability		-	56.53
Interest expenses u/s 234 B and 234C		-	35.53
Interest on Kandla Port Trust Rental Liability		326.54	28.66
B. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.			
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		4,150.68	3,051.55

NOTES TO FINANCIAL STATEMENTS

Note - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2019-2020	2018-2019
Consumption:		
a) Stores, Spares and Consumables	1,875.26	1,664.24
b) Packages & Drum Sheets	438.79	512.62
	2,314.05	2,176.86
Power & Fuel	21,823.59	26,100.56
Less : Fuel from own production	16,637.78	19,827.83
	5,185.81	6,272.73
Throughput, Processing & Blending Fees, Royalty and Other Charges	1,444.38	1,587.71
Octroi, Other Levies and Irrecoverable taxes	1,665.52	1,659.75
Repairs and Maintenance		
i) Plant & Equipment	3,564.85	3,065.58
ii) Buildings	365.71	356.42
iii) Others	518.36	503.71
	4,448.92	3,925.71
Freight, Transportation Charges and Demurrage	14,097.80	13,310.01
Office Administration, Selling and Other Expenses (Note "29.1")	11,151.20	8,918.07
TOTAL	40,307.68	37,850.84
Less: Company's use of own Products and Crude	836.39	802.75
TOTAL (Net)	39,471.29	37,048.09

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

(₹ in Crore)

Particulars		2019-2020	2018-2019
Rent	A	477.30	1,115.35
Insurance		151.35	151.85
Rates & Taxes		148.29	189.54
Donation		0.01	5.71
Payment to Auditors			
As Auditors		2.17	2.06
For Taxation Matters		0.42	0.45
Other Services(for issuing other certificates etc.)		1.33	1.51
For reimbursement of expenses		0.35	0.32
		4.27	4.34
Travelling & Conveyance		714.97	716.98
Communication Expenses		54.46	57.18
Printing & Stationery		41.24	41.32
Electricity & Water		389.80	386.34
Bank Charges		48.44	33.07
Advances & Claims written off		6.25	5.78
Provision/ Loss on Assets sold or written off (Net)		93.94	152.87
Technical Assistance Fees		48.94	34.39
Exchange Fluctuation (net)		3,944.60	1,503.15
Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc.		28.56	1,084.75

NOTES TO FINANCIAL STATEMENTS

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

(₹ in Crore)

Particulars		2019-2020	2018-2019
Provision for Diminution/Loss on Revaluation in Investments (net)		1,114.99	-
Security Force Expenses		825.48	768.75
Sales Promotion Expenses (Including Commission)		443.39	469.49
Handling Expenses		595.65	541.31
Exploration & Production Cost		57.24	98.15
Loss on Derivatives		170.58	-
Fair value Loss on Financial instruments classified as FVTPL		59.11	2.77
Amortisation of FC Monetary Item Translation		28.92	148.39
Loss on Sale of Investments (Net)		-	1.60
Expenses on Construction Contracts		7.08	6.37
Expenses on CSR Activities		543.38	490.60
Training Expenses		97.06	99.27
Legal Expenses / Payment To Consultants		170.34	175.72
Notices and Announcement		18.87	37.51
Advertisement and Publicity		62.31	79.70
Pollution Control Expenses		96.94	81.82
Amortisation of Fair Value difference in Financial Instruments		291.07	55.72
Miscellaneous Expenses		416.37	378.28
TOTAL		11,151.20	8,918.07

A. Rent Expenses has reduced in current year due to change in Accounting as per Ind AS 116. Kindly refer Note-36 for detailed disclosure on leases.

B. Expenses Includes expenditure on Public Relations and Publicity amounting to **₹ 101.32 crore** (2019: ₹ 119.04 crore) which is inclusive of **₹ 24.82 crore** (2019: ₹ 21.13 crore) on account of Staff and Establishment and **₹ 76.50 crore** (2019: ₹ 97.91 crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00018:1** (2019: 0.0002:1)

NOTES TO FINANCIAL STATEMENTS

Note - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2019-2020	2018-2019
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	(154.40)	(64.40)
Fair value of Equity Instruments	(10,901.88)	(1,917.65)
	(11,056.28)	(1,982.05)
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	38.86	22.50
Fair value of Equity Instruments	126.47	(486.01)
	165.33	(463.51)
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	586.49	131.13
Gain/(Loss) on Hedging Instruments	61.49	24.12
	647.98	155.25
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	(150.87)	(25.67)
Gain/(Loss) on Hedging Instruments	(15.48)	(8.44)
	(166.35)	(34.11)
TOTAL	(10,409.32)	(2,324.42)

NOTES TO FINANCIAL STATEMENTS

Note - 31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final dividend during the current year for March 31, 2019: **₹ 1.00 per share** (March 31, 2018: ₹ 2.00 per share)	941.42	1,942.36
Less: Final Dividend pertaining to IOC Share trust (Refer Note-1)	23.31	46.62
Final Dividend net of IOC share trust	918.11	1,895.74
Dividend Distribution Tax on final Dividend	186.67	396.18
Interim Dividend		
Total Interim Dividend for March 31, 2020: **₹4.25 per share** (March 31, 2019: ₹ 8.25 per share). (Refer Note-3)	3,901.94	7,967.60
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-1)	-	192.32
Interim Dividend net of IOC share trust	3,901.94	7,775.28
Dividend Distribution Tax on interim Dividend	799.27	1,589.11
TOTAL	5,805.99	11,656.31
Proposed Dividend on Equity Shares		
Final proposed Dividend for March 31, 2020: **₹ NIL per share** (March 31, 2019: ₹ 1.00 per share)	-	941.42
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note-1)	-	23.31
Final proposed Dividend net of IOC share trust	-	918.11
Dividend Distribution Tax on proposed Dividend	-	193.51
	-	1,111.62

Notes:

1. 233118456 shares held under IOC Share Trust (Shareholder) of face value **₹ 233.12 crore** (2019: ₹ 233.12 crore) have been netted off from paid up capital. IOC Share Trust have waived its right to receive the Dividend w.e.f. March 2, 2020 and therefore no inetrim Dividend on shares held by IOC Share Trust have been proposed.

2. The Company have also incurred expenses on distribution of final dividend amounting to **₹ 0.14 crore** (2019: ₹ 0.14 crore) and on distribution of interim Dividend amounting to **₹ 0.15 crore** (2019: ₹ 0.34 crore) which have been debited to equity.

3. The Board of Directors of the Company, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) Equity Shares of the Company. The Company bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) Equity Shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019.

NOTES TO FINANCIAL STATEMENTS

Note - 32 : EARNINGS PER SHARE (EPS)

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

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

Particulars	2019-2020	2018-2019
Profit/ (Loss) attributable to Equity holders (₹ in Crore)	1,313.23	16,894.15
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1 and 2)	9181040466	9441179290
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1 and 2)	9181040466	9441179290
Earnings Per Share (Basic) (₹)	1.43	17.89
Earnings Per Share (Diluted) (₹)	1.43	17.89
Face value per share (₹)	10.00	10.00

Notes:

1. 233118456 Equity Shares held under IOC Share Trust of face value **₹ 233.12 crore** have been netted off from weighted average number of Equity Shares and EPS is worked out accordingly.

2. The Board of Directors of the Company, at its meeting held on December 13, 2018 had approved a proposal to buyback upto 297651006 (Twenty Nine Crores Seventy Six Lakhs Fifty One Thousand and Six) Equity Shares of the Company. The Company bought back 297651006 (Twenty Nine Crores Seventy Six Lakh Fifty One Thousand and Six) Equity Shares out of the shares that were tendered by eligible shareholders and the shares bought back were cancelled and extinguished on February 14, 2019. Accordingly, earnings per share (EPS) (basic and diluted) for FY 2018-19 have been adjusted on account of buy back.

NOTES TO FINANCIAL STATEMENTS

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 31, 2020	March 31, 2019
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%
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 (Under Liquidation)	India	18.00%	18.00%
Petronet VK Limited	India	50.00%	50.00%
Joint Ventures			
Indian Oiltanking Limited	India	49.38%	49.38%
Lubrizol India Private Limited	India	26.00%	26.00%
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%
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 Limited	India	50.00%	50.00%

NOTES TO FINANCIAL STATEMENTS

Note - 33A : INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Contd...)

Name	Country of Incorporation/ Principal place of business	Equity Interest	
		March 31, 2020	March 31, 2019
Indradhanush Gas Grid Limited	India	20.00%	20.00%
Ujjawala Plus Foundation	India	50.00%	50.00%
IHB Pvt Ltd (Incorporated on July 9, 2019)	India	50.00%	-

The Company is under process of closure

@ The JVC has not been closed / wound up as yet, however the Company is not carrying out any operations.

IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s. Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi is not proposing induction of new partner in this LLP, accordingly they have decided to file a petition for winding-up of the said LLP before the NCLT. M/s Ruchi would be undertaking necessary action in this respect.

Note - 33B : INTEREST IN JOINT OPERATIONS

Name		Principle place of Business	Proportion of Ownership Interest	
			March 31, 2020	March 31, 2019
E&P BLOCKS				
1) MN-OSN-2000/2	A	India	-	20.00%
2) AA-ONN-2001/2	B	India	20.00%	20.00%
3) GK-OSN-2009/1		India	25.00%	25.00%
4) GK-OSN-2009/2	C	India	30.00%	30.00%
5) CB-ONN-2010/6	C	India	20.00%	20.00%
6) AAP-ON-94/1		India	29.03%	29.03%
7) AA/ONDSF/UMATARA/2018		India	90.00%	90.00%
8) BK-CBM-2001/1		India	20.00%	20.00%
9) NK-CBM-2001/1		India	20.00%	20.00%
10) FARSI BLOCK IRAN	D	Iran	40.00%	40.00%
11) LIBYA BLOCK 86	C	Libya	50.00%	50.00%
12) LIBYA BLOCK 102/4	C	Libya	50.00%	50.00%
13) SHAKTHI GABON		Gabon	50.00%	50.00%
14) AREA 95-96	E	Libya	25.00%	25.00%
15) RJ-ONHP-2017/8	F	India	30.00%	-
16) AA-ONHP-2017/12	F	India	20.00%	-
17) Block-32	G	Israel	25.00%	-
OTHERS				
18) Petroleum India International	H	India	27.27%	27.27%

NOTES TO FINANCIAL STATEMENTS

Note - 33B : INTEREST IN JOINT OPERATIONS (Contd...)

A. Block relinquishment during the year 2019-20 vide Board Approval dated July 31, 2019

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

C. Blocks are under relinquishment.

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

E. Under Force Majeure since May 20, 2014.

F. Open Acreage Licensing policy(OALP), Bid Round-I, blocks were acquired through farmed-in during the year 2019-20.

G. Awarded through Israel Licensing round and presently under relinquishment.

H. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. The total capital of AOP is ₹ 0.55 crore of which every member holds ₹ 0.05 crores share capital each, except IOCL which holds ₹ 0.15 Crore and BPCL ₹ 0.10 Crore. During the current financial year, members have executed a termination agreement dated March 18, 2020 bringing an end to the MOU (entered on March 1, 1986), to be effective, upon fulfilling residual obligations including filing of Return of Income under The Income Tax Act, 1961, to be filed in next financial year 2020-21.

IOCL share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Assets	**653.02**	**547.31**
PPE (including Producing Properties)	173.30	180.33
Capital Work in Progress	225.60	121.60
Intangible Asset under Development (Net of Provisions)	247.30	238.68
Other Assets (Net of Provisions)	6.82	6.70
Liabilities & Provisions	**149.30**	**140.37**
Liabilities	141.59	135.75
Provisions	7.71	4.62
Income	**157.90**	**152.65**
Sale of Products (Net of Own Consumption)	144.49	152.44
Other Income	13.41	0.21
Expenditure	**57.16**	**85.06**
Expenditure written off (incl exploration related)	0.01	0.09
Other Costs (incl exploration related)	57.15	84.97
Net Results	**100.74**	**67.59**
Commitments	**837.16**	**797.28**
Contingent Liabilities	-	-

Notes:

Including financial position of relinquished blocks.

NOTES TO FINANCIAL STATEMENTS

Note - 34A : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

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

(₹ in Crore)

Name	March 31, 2020	March 31, 2019
(i) Assets	252.14	242.73
-Intangible Assets under Development	247.31	239.27
-Capital Work in Progress	0.79	0.79
-Other Assets	4.04	2.67
(ii) Liabilities	98.00	115.70
-Provisions	2.31	2.31
-Other Liabilities	95.69	113.39
(iii) Income	10.33	-
-Other Income	10.33	-
(iv) Expenses	28.98	71.56
-Exploration expenditure written off	0.01	0.09
-Other exploration costs	28.97	71.47
(v) Cash Flow		
-Net Cash from/(used) in operating activities	(37.71)	(49.51)
-Net Cash from/(used) in investing activities	(8.82)	(42.73)

NOTES TO FINANCIAL STATEMENTS

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:

Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on August 26, 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 31, 2020		March 31, 2019	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
Assam AAP-ON-94/1	Begining	69.46	1621.05	47.42	1715.26
	Addition	-	-	32.04	-
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved Reserves		35.81	1137.21	69.46	1621.05
B) Proved developed Reserves					
Assam AAP-ON-94/1	Begining	69.46	1621.05	47.42	1369.16
	Addition	-	-	32.04	346.10
	Deduction	24.91	396.25	-	-
	Production	8.74	87.59	10.00	94.21
	Balance	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves		35.81	1137.21	69.46	1621.05

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

Details	March 31, 2020		March 31, 2019	
	Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
	TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves				
India	35.81	1137.21	69.46	1621.05
Total Proved Reserves	35.81	1137.21	69.46	1621.05
B) Proved developed Reserves				
India	35.81	1137.21	69.46	1621.05
Total Proved developed Reserves	35.81	1137.21	69.46	1621.05

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.

NOTES TO FINANCIAL STATEMENTS

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 **₹ 34.89 crore** (2019 : ₹ 37.32 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 **₹ 312.3 crore** (2019 : ₹ 474.2 crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National 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 the Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Company has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and **₹ 130.24 crore** (2019 : Nil) has been provided by the company for current and future interest shortfall/ losses of PF trusts beyond available surplus at respective trust level.

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the eligible 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 November 1, 1987 and not covered under the pension scheme. Further, for employees who have retired on or after November 1, 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 December 31, 2006, and not thereafter.

Staff Pension fund at AOD:

The Fund is maintained for disbursement of pension to Officers who have joined erstwhile Assam Oil Company before October 14, 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.

Felicitation of Retired Employees:

The Company has a scheme to pay specified amount as felicitation award to retired employees on achieving specific age milestones at every 5 year interval starting from 70 years to 100 years. The amount provided during the year on this account is ₹ (24.53) Crore and the payments made to retired employees during the year is ₹ 6.70 Crore.

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

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

is permitted for encashment only at the time of retirement. DPE had clarified earlier that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the DPE Guidelines and, keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, the matter has been dealt in 3rd PRC recommendations, which is effective January 1, 2017 and CPSEs have been allowed to frame their own leave rules considering operational necessities and subject to conditions set therein. The requisite conditions are fully met by the company.

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. MOP&NG vide its letter dated December 12, 2018 has intimated that the scheme is not forming part of DPE guidelines as of now and thus is irregular and has advised to make recovery of payments made. IOCL has clarified its position to MOP&NG vide its letter dated March 27, 2019 and April 25, 2019 stating that award based on length of meritorious and faithful service of employees (Long Service Award) was specifically allowed by DPE (formerly BPE) thru its letter dated February 14, 1983. The matter is being pursued with MOP&NG for resolution. Pending this the provision is in line with Board approved policy.

The amount provided during the year on this account is **₹ 28.40 crores** (2019: ₹ 21.08 crore) and the payments made to employees during the year is **₹ 26.28 crores** (2019: ₹ 30.66 crores). The actuarial liability of **₹ 189.20 crores** in this respect as on March 31, 2020 is included under "Provision for Employees Benefit" in "Note 18 – Provisions".

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

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

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

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

(i) **Reconciliation of Balance of Defined Benefit Plans**

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
	Funded	Funded	Funded	Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**14,325.99**	**2,662.76**	**4,908.94**	**-**	**120.83**	**208.92**
	12,846.57	*2,657.59*	*4,561.94*	*1.23*	*122.34*	*190.55*
Current Service Cost	**511.07**	**48.74**	**215.58**	**-**	**19.24**	**-**
	418.12	*39.11*	*208.16*	*-*	*19.71*	*-*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Interest Cost	**1,234.30**	**207.43**	**381.92**	**-**	**9.41**	**15.75**
	1,119.63	*206.76*	*354.01*	*0.01*	*9.52*	*14.90*
Contribution by employees	**1,364.74**	**-**	**-**	**-**	**-**	**-**
	1,154.88	*-*	*-*	*-*	*-*	*-*
Net Liability transferred In / (Out)	**25.81**	**-**	**-**	**-**	**-**	**-**
	83.62	*-*	*-*	*-*	*-*	*-*
Benefits paid	**(1,463.83)**	**(398.02)**	**(208.91)**	**-**	**(7.85)**	**(30.11)**
	(1,296.83)	*(369.78)*	*(203.04)*	*(1.24)*	*(8.18)*	*(27.60)*
Future Interest Shortfall	**130.24**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Actuarial (gain)/ loss on obligations	**-**	**256.33**	**599.51**	**-**	**(8.00)**	**52.16**
	-	*129.08*	*(12.13)*	*-*	*(22.56)*	*31.07*
Defined Benefit Obligation at the end of the year	**16,128.32**	**2,777.24**	**5,897.04**	**-**	**133.63**	**246.72**
	14,325.99	*2,662.76*	*4,908.94*	*-*	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(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	**14,635.72**	**2,549.13**	**4,993.59**	-	-	-
	13,102.84	*1,837.53*	*4,642.23*	*1.24*	-	-
Interest Income	**1,234.30**	**198.58**	**388.50**	-	-	-
	1,119.63	*142.96*	*360.24*	-	-	-
Contribution by employer	**511.07**	-	**163.54**	-	-	-
	418.12	*909.31*	*160.94*	-	-	-
Contribution by employees	**1,364.74**	-	**1.19**	-	-	-
	1,154.88	-	*1.27*	-	-	-
Net Liability transferred In / (Out)	**25.81**	-	-	-	-	-
	83.62	-	-	-	-	-
Benefit paid	**(1,463.83)**	**(398.02)**	**(208.91)**	-	-	-
	(1,296.83)	*(369.78)*	*(203.04)*	*(1.24)*		-
Provision for Stressed Assets	**(83.23)**	-	-	-	-	-
	-	-	-	-	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**(176.44)**	**(4.83)**	**14.50**	-		
	53.46	*29.11*	*31.95*			
Fair value of plan assets at the end of the year	**16,048.14**	**2,344.86**	**5,352.41**	-	-	-
	14,635.72	*2,549.13*	*4,993.59*	-	-	-

(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	**16,048.14**	**2,344.86**	**5,352.41**	-	-	-
	14,635.72	*2,549.13*	*4,993.59*	-	-	-
Defined Benefit Obligation at the end of the year	**16,128.32**	**2,777.24**	**5,897.04**	-	**133.63**	**246.72**
	14,325.99	*2,662.76*	*4,908.94*	-	*120.83*	*208.92*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-AS 19)	**(50.06)**	-	-	-	-	-
	(309.73)	-	-	-	-	-
Amount recognised in the Balance Sheet	**130.24**	**432.38**	**544.63**	-	**133.63**	**246.72**
	-	*113.63*	*(84.65)*	-	*120.83*	*208.92*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(iv) Amount recognised in Statement of Profit and Loss / Construction 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	**511.07**	**48.74**	**215.58**	-	**19.24**	-
	418.12	*39.11*	*208.16*	-	*19.71*	-
Past Service Cost	-	-	-	-	-	-
	-	-	-	-	-	-
Net Interest Cost	-	**8.85**	**(6.58)**	-	**9.41**	**15.75**
	-	*63.80*	*(6.23)*	*0.01*	*9.52*	*14.90*
Contribution by employees	-	-	**(1.19)**	-	-	-
	-	-	*(1.27)*	-	-	-
Future Interest Shortfall	**130.24**	-	-	-	-	-
	-	-	-	-	-	-
Expenses for the year	**641.31**	**57.59**	**207.81**	-	**28.65**	**15.75**
	418.12	*102.91*	*200.66*	*0.01*	*29.23*	*14.90*

(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	-	**163.43**	**847.67**	-	**15.81**	**14.55**
	-	*(1.61)*	*(14.86)*	-	*(0.15)*	*2.30*
Actuarial (gain)/ loss on Obligations -Due to Experience	-	**92.90**	**(248.16)**	-	**(23.81)**	**37.61**
	-	*130.69*	*2.73*	-	*(22.41)*	*28.77*
Re-measurement (Return on plan assets excluding Interest Income)	-	**(4.83)**	**14.50**	-	-	-
	-	*29.11*	*31.95*	-	-	-
Amount recoverable from employee adjusted in OCI	-	**214.24**	**521.69**	-	-	-
	-	-	-	-	-	-
Net Loss / (Gain) recognized in OCI	-	**46.92**	**63.32**	-	**(8.00)**	**52.16**
	-	*99.97*	*(44.08)*	-	*(22.56)*	*31.07*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(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	**6.86%**	**6.86%**	**6.81%**	**-**	**6.86%**	**6.04%**
	7.78%	*7.79%*	*7.78%*	*-*	*7.79%*	*7.54%*
Salary escalation	**-**	**8.00%**	**-**	**-**	**-**	**-**
	-	*8.00%*	*-*	*-*	*-*	*-*
Inflation	**-**	**-**	**8.00%**	**-**	**6.00%**	**-**
	-	*-*	*8.00%*	*-*	*6.00%*	*-*
Average Expected Future Service/ Obligation (Years)	**-**	**16**	**30**	**-**	**16**	**9**
	-	*16*	*30*	*-*	*16*	*11*
Mortality rate during employment	**-**	**Indian Assured Lives Mortality (2006-08) Ult**				
	-	*Indian Assured Lives Mortality (2006-08) Ult*				

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

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%	**-**	**(175.62)**	**(870.46)**	**-**	**(16.87)**	**(9.92)**
	-	*(150.14)*	*(652.78)*	*-*	*(13.68)*	*(7.96)*
Decrease by 1%	**-**	**204.92**	**1,163.05**	**-**	**21.40**	**10.88**
	-	*174.01*	*851.89*	*-*	*17.14*	*8.71*
Change in Salary Escalation						
Increase by 1%	**-**	**40.51**	**-**	**-**	**-**	**-**
	-	*36.29*	*-*	*-*	*-*	*-*
Decrease by 1%	**-**	**(47.11)**	**-**	**-**	**-**	**-**
	-	*(39.79)*	*-*	*-*	*-*	*-*
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**677.59**		**-**	**-**
	-	*-*	*505.49*		*-*	*-*
Decrease by 1%	**-**	**-**	**(550.78)**		**-**	**-**
	-	*-*	*(414.91)*		*-*	*-*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS (Contd...)

(viii) Investment details

	Provident Fund	Gratuity	PRMS	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Investment with Insurer	**-**	**99.50%**	**91.16%**	**-**
	-	*99.65%*	*94.29%*	*-*
Self managed investments	**100.00%**	**0.50%**	**8.84%**	**-**
	100.00%	*0.35%*	*5.71%*	*-*

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

	Provident Fund	Gratuity*	PRMS*	Staff Pension Fund at AOD
	Funded	Funded	Funded	Funded
Government Securities (Central & State)	**55.00%**	**26.84%**	**8.58%**	**-**
	49.99%	*69.21%*	*69.68%*	*-*
Investment in Equity / Mutual Funds	**4.26%**	**2.08%**	**-**	**-**
	6.83%	*5.06%*	*5.20%*	*-*
Investment in Debentures / Securities	**40.25%**	**0.05%**	**91.36%**	**-**
	39.07%	*16.03%*	*22.67%*	*-*
Other approved investments (incl. Cash)	**0.49%**	**71.03%**	**0.06%**	**-**
	4.11%	*9.70%*	*2.45%*	*-*

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

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

(₹ in Crore)

Cash Flow Projection from the Fund/Employer	Gratuity	PRMS	Staff Pension Fund at AOD	Resettlement Allowance	Ex-Gratia
Within next 12 Months	**531.83**	**223.62**	**-**	**9.01**	**41.63**
	415.59	*209.61*	*-*	*8.78*	*36.67*
Between 1 to 5 Years	**1,058.87**	**958.66**	**-**	**30.80**	**131.35**
	1,076.26	*904.46*	*-*	*32.33*	*117.07*
Between 6 to 10 Years	**1,029.87**	**1,315.78**	**-**	**37.18**	**97.12**
	1,067.11	*1,245.33*	*-*	*40.38*	*88.61*

Note - 36 : COMMITMENTS AND CONTINGENCIES

A. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single,on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

i) The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 1A: Significant Accounting Policies for detailed measurement and recognition principles on Leases.

(a) As Lessee

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

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

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

1. BOOT Agreement in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
2. BOOT Agreement in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 crore.
3. Leasehold lands from government for the purpose of plants, facilities and offices for period 30 to 90 years.
4. Agreements with vessel owners for hiring of vessels for various tenures, these are classified as Transport Equipments.
5. BOO agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.
6. BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip 15 years.
7. BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 Crore.
8. Arrangements with Gujarat Adani Port Limited related to port facilities at Gujarat for a period of 25 years and 11 months.
9. Arrangements for using hookup facilities for supply of gas to its city gas station in Rewa District with Reliance Gas Pipeline Limited for a period of 15 Years.
10. Arrangement for lease of land for operating Retail Outlets for sale of Petroleum products, setting up terminals/ Bottling plant/Lube Blending plant for storing petroleum products/bottling LPG/Manufacturing Lubes respectively
11. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes
12. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of company's petroleum products
13. Arrangements for dedicated time charter vessels for coastal transportation of company's petroleum products
14. Arrangement for dedicated storage tanks for storing company's petroleum products at various locations.

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

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

(₹ in Crore)

Particulars		2019-20
Depreciation recognized		921.42
Interest on lease liabilities		776.46
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)		1,047.16
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		4.69
Variable lease payments not included in the measurement of lease liabilities		8,879.31
Income from sub-leasing right-of-use assets		
-As Rental income from Operating Lease	24.16	
-As Finance income from Finance Lease of RoU Asset	4.99	29.15
Total cash outflow for leases		1,370.19
Additions to ROU during the year		1,489.22
Gain or losses arising from sale and leaseback transactions		-
Net Carrying Amount of ROU at the end the year		9,110.42
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		159.47

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

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019*	Additions to RoU Asset during the Year**	Depreciation Recognized During the Year	Net Carrying value as at March 31, 2020
Leasehold Land	4,065.54	389.16	272.16	**4,182.54**
Buildings Roads etc.	105.62	16.60	27.60	**94.62**
Plant & Equipment	4,145.43	17.76	275.57	**3,887.62**
Transport Equipments	225.91	1,065.70	346.08	**945.53**
Railway Sidings	0.12	-	0.01	**0.11**
TOTAL	**8,542.62**	**1,489.22**	**921.42**	**9,110.42**

* Items added to RoU Asset as at April 1, 2019 includes both Finance and Operating leases for lease agreements entered before April 1, 2019 on net carrying value. Out of which, net carrying value of **₹ 3,750.30 crore** has been reclassified from different asset classes to RoU Asset as at April 1, 2019.

** Additions to RoU Asset during the year is net of RoU Assets given on Sublease or modifications and cancellations during the year, if any. Its asset class wise details have been shown under Note 2: Property, Plant and Equipment.

The weighted average incremental borrowing rate in the range of 8.06%-8.87% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under **Liquidity Risk-Note 40: Financial Instruments & Risk Factors.**

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

(i) Variable Lease Payments

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

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

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

(ii) Extension and Termination Options

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

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

(iii) Residual Value Guarantees

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

(iv) Committed leases which are yet to commence

1. The Company has paid advance of ₹ 215.90 Crore for acquisition of leasehold buildings for which offer of possession is issued by the contractor during financial year 2018-19. Company has not taken the physical possession of property as stay is imposed by the Hon'ble Delhi High Court for handing over of the office premises. Pending taking over of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
2. The Company has paid advance of ₹ 21.10 Crore for acquisition of leasehold buildings for which offer of possession is not yet issued by the contractor. Pending hand over of offer of possession, amount paid to contractor is continued as capital advance under Note 8. The said property shall form part of Right to Use Assets upon physical possession of property and depreciated accordingly.
3. The Company has entered into 5 Nos. lease arrangements with GAIL India Limited for a period of 10 years for using of Hookup facility for supply of gas at Bokaro, Aurangabad, Guna, Hazaribag, Ramgarh, Kaimur, Rohtas, Lakhisari, Munger, Bhagalpu, Sheikhpura, Jamui and Deoghar Districts for which lease agreements have been entered but not yet commenced.The expected future cash outflow from these agreements will be ₹2.10 crore.
4. The Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for 22255 no's of VSAT equipment at ₹ 1,175.04 month for a non cancellable period of 3 years for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contract of 22255 no's, 2622 no's are pending as at March 31, 2020. Accordingly, the effect of lease and sub lease will be given for the balance.
5. Advance upfront premium is paid to New Raipur Development Authority for leasing of land for 7 no's of new Retail Outlet of ₹ 8.63 crore and annual rental @ 2% of upfront premium at Raipur. The agreement is yet to be executed and therefore the amount is lying as Capital advance and shall form part of ROU once lease is commenced.
6. Advance upfront premium is paid to Commissioner Municipal Corporation, Bhopal for leasing of land for 1 no's of new Retail Outlet of ₹ 3.71 crore at Bhopal. The agreement is yet to be executed and therefore the amount is lying as Capital advance and shall form part of ROU once lease is commenced.
7. The Company has entered into lease agreement with various lessors for 5 no's of Retail outlet at Kutch for a period of 20 years at an annual rental of **₹ 13,55,688.00** with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.
8. The Company has entered into lease agreement for providing e-locks from various vendors for a non cancellable period of 3 years at rate ranging from **₹ 1,200.00 - 1,300.00 per month.** As at March 31, 2020, 16752 no's are yet to be supplied. However, the same are low value items.
9. The Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 no of Retail outlet at Vizag for a period of 20 years at monthly rental of **₹ 20,000.00** with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the the court.

(v) The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

(vi) Application of this standard has resulted a net decrease in Profit before Tax for the period April - March 2020 by **₹ 288.73 crore** (increase in Depreciation & Amortization expenses and Finance Cost by **₹ 742.62 crore** and **₹ 295.23 crore** respectively and decrease in Office, Administration, Selling and Other Expenses by **₹ 749.12 crore**). Further there is a net increase in Property, Plant and Equipment by **₹ 5,521.35 crore** and lease obligations by **₹ 4,482.31 crore** respectively as at March 31, 2020.

(b) As Lessor

(i) Operating Lease

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

(₹ in Crore)

Particulars	2019-20
Lease rentals recognized as income during the year	45.42
-Variable Lease	5.94
-Others	39.48

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

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

(₹ in Crore)

Particulars	March 31, 2020
Less than one year	18.88
One to two years	15.24
Two to three year	12.65
Three to four years	10.30
Four to five years	8.01
More than five years	4.67
TOTAL	69.75

(ii) Finance Lease

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

(i) The 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) The Company has subleased certain Equipments to Retail outlets. IOCL has classified the sub lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.

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

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

(₹ in Crore)

Particulars	2019-20
Selling Profit & Loss	3.07
Finance income on the net investment in the lease	5.03

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd...)

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
Gross Investments in Finance Lease	224.94	510.17
Less: Unearned Finance Income	5.20	7.72
Less: Finance Income Received	47.59	173.48
Less: Minimum Lease payment received	106.38	269.00
Net Investment in Finance Lease as on Date	65.77	59.97
Opening Net Investment in Finance Lease	59.97	
Add: New Leases added during the year	33.10	
Less: PV of Minimum Lease payment received during the year	27.30	
Closing Net Investment in Finance Lease	65.77	

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

(₹ in Crore)

Particulars	March 31, 2020
Less than one year	37.04
One to two years	29.40
Two to three year	4.53
Three to four years	-
Four to five years	-
More than five years	-
Total Undiscounted Lease Payment	70.97
Less: Unearned finance Income	5.20
Net Investment in Finance Lease as on date	65.77

B. Contingent Liabilities

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹ **8,862.31 crore** (2019: ₹10,095.39 crore) are as under:

B.1.1 **₹48.02 crore** (2019: ₹568.18 crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of **₹21.31 crore** (2019: ₹171.74 crore.)

B.1.2 **₹52.39 crore** (2019: ₹52.39 crore) in respect of demands for Entry Tax from State Governments including interest of **₹11.69 crore** (2019: ₹11.69 crore).

B.1.3 **₹2,027.91 crore** (2019: ₹2,623.21 crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of **₹841.17 crore** (2019: ₹1,195.85 crore).

B.1.4 **₹2,589.45 crore** (2019: ₹3,263.12 crore;) in respect of Income Tax demands including interest of **₹0.00** crore (2019: ₹419.74 crore).

B.1.5 **₹2,980.96 crore** (2019: ₹2,437.48 crore) including **₹2,404.28 crore** (2019: ₹1,864.40 crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of **₹210.53 crore** (2019: ₹187.48 crore).

B.1.6 **₹1,163.58 crore** (2019: ₹1,151.01 crore) in respect of other claims including interest of **₹545.86 crore** (2019: ₹513.66 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 favor of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporation 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 424.00 million.** The estimated amount of such obligation (net of amount paid) is **₹2,772.13 crore - USD 366.37 million** (2019: ₹2,533.81 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. (now renamed as Petronas 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 **₹ 4,317.78 Crore – CAD 813.51 million** (2019: ₹ 4,558.93 Crore - CAD 884.39 million). The sanctioned amount was reduced by **CAD 1,462.00 million** due to winding down of LNG Plant during 2017.

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, Allahabad Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank'. The Company's share of such obligation is estimated at **₹ 3,533.46 crore** (2019: ₹ 3,533.46 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** (2019: ₹ 11.40 crore).

B.2.5 The Company has issued Parent Company Guarantee in favor of Abu Dabhi National Oil Company, on behalf of Urja Bharat Pte. Ltd., Singapore (a joint venture company of Company's subsidiary i.e. IOCL Singapore Pte Ltd) to fulfill the joint venture company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.7 Million. The estimated amount of such obligation (net of amount paid) is **₹ 565.22 crore - USD 74.70 million** (2019: ₹ 581.98 crore - USD 84.15 million).

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 **₹ 26,677.10 crore** (2019: ₹ 23,638.90 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 **₹ 583.56 crore** (2019: ₹ 785.17 crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 IndianOil LNG Private Limited (IOLPL), the JV Company, 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 unconditional and irrevocable right to require the Company (IOCL) to purchase the Compulsory Convertible Debenture (CCD) on the put option exercise date i.e December 11, 2020. 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 **₹ 808.44 Crore** (2019: ₹ 808.44 Crore).

D. Contingent assets

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
a) In respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the Company.	3.73	3.61
b) In respect of M/s Metro Builders for the amount of risk & cost claim along with 15% supervision charges, price discount and interest admitted by the Arbitrator in favour of the Company.	6.26	5.36
c) In respect of Electricity Duty arrears claimed from Gujarat Electricity Board (GEB) for 10 stations w.e.f December 2004 based on similar case decided by Gujarat High Court in favour of IOCL.	-	31.02
TOTAL	9.99	39.99

NOTES TO FINANCIAL STATEMENTS

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	7. IOCL (USA) INC.
2. IndianOil (Mauritius) Limited	8. IndOil Global B.V., Netherlands
3. Lanka IOC PLC	9. IOCL Singapore Pte. Limited
4. IOC Middle East FZE	10. IndOil Montney Limited
5. Indian Catalyst Private Limited#	11. IOC Cyprus Limited
6. IOC Sweden AB	12. IOCL Exploration and Production Oman Limited

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

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Sales of Products/ Services	1,196.61	1,595.10
	[Includes sales to Chennai Petroleum Corporation Limited ₹ **1,043.83 crore** (2019: ₹ 1,211.67 crore) and Lanka IOC PLC ₹ **133.47 crore** (2019: ₹ 366.84 crore)]		
2	Other Operating Revenue / Other Income	579.58	254.19
	[Includes Other Operating Revenue / Other Income from IOCL Singapore Pte. Limited ₹ **528.81 crore** (2019: ₹ 4.96 crore)]		
3	Purchase of Products	44,240.98	46,178.75
	[Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹ **44,240.98 crore** (2019: ₹ 46,178.75 crore)]		
4	Purchase of Raw Materials/ Others	3,051.67	9,289.24
	[Includes Purchase of Raw Materials/Others from IndOil Global B.V., Netherlands ₹ **2,102.90 crore** (2019: ₹ 1,905.29 crore), Chennai Petroleum Corporation Limited ₹ 942.90 crore (2019: ₹ 769.17 crore) and IOCL Singapore Pte. Limited ₹ **(0.95) crore** (2019: ₹ 6,607.35 crore)]		
5	Expenses Paid/ (Recovered) (Net)	(11.09)	(15.84)
	[Includes Expenses Paid to/(Recovered) from Chennai Petroleum Corporation Limited ₹ **(11.77) crore** (2019: ₹ (20.46) crore)]		
6	Investments made/ (sold) during the year (Incl Advance for Investment)	89.95	2,016.47
	[Includes Investment made in IOC Sweden AB ₹ **89.95 crore** (2019: ₹ 0.60 crore), Preference Shares Redemeed-Chennai Petroleum Corporation Limited ₹ **0.00 crore** (2019: ₹ (500.00) crore) and IOCL Singapore Pte. Limited ₹ **0.00 crore** (2019: ₹ 2,273.11 crore)]		
7	Purchase/ (Sale)/ Acquisition of Fixed Assets (Incl. CWIP/ Leases)	252.81	1.03
	[Includes Purchase/ Sale/ Acquisition of Fixed Assets incl. CWIP from Chennai Petroleum Corporation Limited ₹ **252.81 crore** (2019: ₹ 1.03 crore)]		
8	Provisions made/ (write back) during the year	1,431.65	-
	[Includes Provision for Dimunition in value of Investment made/ (written back) in IndOil Global B.V., Netherlands ₹ **1,345.24 crore** (2019:Nil)]		
9	Outstanding Receivables/ Loans	1,702.62	1,723.93
	[Includes Outstanding Receivables from Chennai Petroleum Corporation Limited ₹ **1,082.96 crore** (2019: ₹ 1,678.43 crore) and IOCL Singapore Pte. Limited ₹ **546.29 crore** (2019: ₹ 23.01 crore)]		
10	Outstanding Payables (Incl Lease Obligation)	602.39	1,020.80
	[Includes Outstanding payable to Chennai Petroleum Corporation Limited ₹ **290.13 crore** (2019: ₹ 65.37 crore) and IndOil Global B.V., Netherlands ₹ **262.49 crore** (2019: ₹ 479.42 crore)]		

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

		March 31, 2020	March 31, 2019
11	Investments in Subsidiaries as on date	14,950.32	16,383.67
12	Guarantees		
	Financial Guarantees	4,709.97	4,221.34
	[Includes Financial Guarantees given to IndOil Montney Limited ₹ **2,591.16 crore** (2019: ₹ 2,145.81 crore) and IOCL Singapore Pte. Limited ₹ **2,118.81 crore** (2019: ₹ 2,075.53 crore)]		
	Other than Financial Guarantees	4,317.78	4,558.93
	[Includes Parent Company Guarantees for other than debt obligation given to IndOil Montney Limited ₹ **4,317.78 crore** (2019: ₹ 4,558.93 crore)]		

Note:

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

The Company is under process of closure

2. Relationship with Entities

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

1. Indian Oiltanking Limited	19. GSPL India Gasnet Limited
2. Lubrizol India Private Limited	20. IndianOil - Adani Gas Private Limited
3. Petronet VK Limited	21. Mumbai Aviation Fuel Farm Facility Private Limited
4. IndianOil Petronas Private Limited	22. Kochi Salem Pipeline Private Limited
5. Avi-Oil India Private Limited	23. Hindustan Urvarak & Rasayan Limited
6. Petronet India Limited *	24. Ratnagiri Refinery & Petrochemicals Limited
7. Petronet LNG Limited	25. Indradhanush Gas Grid Limited
8. Green Gas Limited	26. Indian Additives Limited
9. IndianOil Panipat Power Consortium Limited @@	27. National Aromatics & Petrochemicals Corporation Limited
10. Petronet CI Limited @	28. INDOIL Netherlands B.V.
11. IndianOil LNG Private Limited	29. Taas India PTE Limited
12. IndianOil SkyTanking Private Limited	30. Vankor India PTE Limited
13. Suntera Nigeria 205 Limited	31. Ceylon Petroleum Storage Terminals Limited
14. Delhi Aviation Fuel Facility Private Limited	32. Falcon Oil & Gas B.V.
15. Indian Synthetic Rubber Private Limited	33. Urja Bharat PTE Ltd
16. Indian Oil Ruchi Biofuels LLP #	34. IHB Pvt Ltd (Incorporated on July 9, 2019)
17. NPCIL-IndianOil Nuclear Energy Corporation Limited	35. Ujjwala Plus Foundation
18. GSPL India Transco Limited	

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

B. Details of Subsidiaries to JV's of IOCL

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

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

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Sales of Products / Services	1,592.78	1,108.21
	[Includes sales to IndianOil Petronas Private Limited **₹ 1,083.75 crore** (2019: ₹ 548.21 crore) and Indian Synthetic Rubber Private Limited **₹ 350.95 crore** (2019: ₹ 460.33 crore)]		
2	Interest received	66.98	52.19
	[Includes interest received from IndianOil LNG Private Limited **₹ 54.77 crore** (2019: ₹ 39.25 crore) and Petronet VK Limited **₹ 9.49 crore** (2019: ₹ 11.21 crore)]		
3	Other Operating Revenue/ Other Income	467.28	370.06
	[Includes Other Operating Revenue / Other Income from Petronet LNG Limited **₹ 192.60 crore** (2019: ₹ 192.40 crore), Indian Synthetic Rubber Private Limited **₹ 116.00 crore** (2019: ₹ 95.79 crore) and IndianOil Petronas Private Limited **₹ 107.22 crore** (2019: ₹ 26.80 crore)]		
4	Purchase of Products	6,177.51	5,960.46
	[Includes Purchase of Products from Petronet LNG Limited **₹ 5,686.10 crore** (2019: ₹ 5,768.06 crore)]		
5	Purchase of Raw Materials/ Others	5,402.30	5,527.95
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited **₹ 5,027.29 crore** (2019: ₹ 5,083.97 crore)]		
6	Interest paid	268.25	284.69
	[Includes Interest paid to IOT Utkal Energy Services Limited **₹ 268.25 crore** (2019: ₹ 284.69 crore)]		
7	Expenses Paid/ (Recovered) (Net)	875.65	959.30
	[Includes Expenses Paid to/ (Recovered) from IndianOil Sky Tanking Private Limited **₹ 346.19 crore** (2019: ₹ 432.75 crore), IndianOil Petronas Private Limited **₹ 316.90 crore** (2019: ₹ 298.90 crore) and Indian Oiltanking Ltd **₹ 105.51 crore** (2019: ₹ 95.94 crore)]		
8	Investments made/ (sold) during the year (Incl. Advance for Investment)	735.67	547.23
	[Includes Investment made in Hindustan Urvarak and Rasayan Limited **₹ 310.76 crore** (2019: ₹ 107.08 crore), GSPL India Gasnet Limited **₹ 124.80 crore** (2019: ₹ 19.50 crore) and IndianOil Adani Gas Private Limited **₹ 105.50 crore** (2019: ₹ 61.50 crore)]		
9	Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)	3.91	10.72
	[Includes Purchase/Acquisition of Fixed Assets incl. CWIP from Indian Oiltanking Ltd **₹ 3.50 crore** (2019: ₹ 10.72 crore) and IndianOil Adani Gas Private Limited **₹ 0.41 crore** (2019:Nil)]		
10	Provisions made/ (write back) during the year	(316.66)	0.03
	[Includes Provision for Dimunition in value of Investment made/ (written back) in Indian Oiltanking Ltd **₹ (316.66) crore** (2019:Nil)]		
11	Outstanding Receivables/ Loans	963.03	718.87
	[Includes Outstanding Receivables/ Loans from Petronet LNG Limited **₹ 265.58 crore** (2019: ₹ 286.96 crore), IndianOil LNG Private Limited **₹ 251.32 crore** (2019: ₹ 60.27 crore), Suntera Nigeria 205 Limited **₹ 163.76 crore** (2019: ₹ 139.31 crore) and Petronet VK Limited **₹ 100.98 crore** (2019: ₹ 92.45 crore)]		
12	Outstanding Payables (Incl. Lease Obligation)	3,027.40	3,019.09
	[Includes Outstanding payable to IOT Utkal Energy Services Limited **₹ 2,497.78 crore** (2019: ₹ 2,665.02 crore) and Petronet LNG Limited **₹ 420.86 crore** (2019: ₹ 245.76 crore)]		
13	Investments in JV/ Associates as on date	3,855.73	2,805.89
14	Guarantees		
	Financial Guarantees	1,114.28	1,139.76
	[Includes Financial Guarantee given to IndianOil LNG Private Limited **₹ 808.40 crore** (2019: ₹ 808.44 crore) and Indian Synthetic Rubber Private Limited **₹ 305.88 crore** (2019: ₹ 331.32 crore)]		
	Other than Financial Guarantees	6,882.21	6,660.65
	[Includes Parent Company Guarantees for other than debt obligation given to IndianOil Adani Gas Private Limited **₹ 3,533.46 crore** (2019: ₹ 3,533.46 crore) and INDOIL Netherlands B.V. **₹ 2,772.13 crore** (2019: ₹ 2,533.81 crore)]		

Note:

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

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

1) Shri B V Raghav Raju (Manager, Indian Oil Corporation Limited): Son of Key Managerial Personnel

2) Shri Siddharth Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

Details relating to the parties referred to in Item No.3 above:

(₹ in Crore)

		March 31, 2020	March 31, 2019
1	Remuneration		
	Shri B V Raghav Raju ^	0.10	0.24
	Shri Siddharth Vaidya ^	0.08	-
2	Outstanding Receivables/ Loans		
	Shri B V Raghav Raju ^	0.40	0.40
	Shri Siddharth Vaidya ^	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

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.

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

@@ The JVC has not been closed / wound up as yet, however the Company is not carrying out any operations.

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

\# IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s. Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi is not proposing induction of new partner in this LLP, accordingly they have decided to file a petition for winding-up of the said LLP before the NCLT. M/s Ruchi would be undertaking necessary action in this respect.

^ Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

5. Key Managerial Personnel

A. Whole Time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1. Shri Sanjiv Singh	1. Shri Parindu K. Bhagat (Upto December 1, 2019)	1. Shri Ashutosh Jindal (Upto November 3, 2019)
2. Shri A.K.Sharma (Upto May 17, 2019)	2. Shri Vinoo Mathur	2. Smt Sushmita Dasgupta (Upto May 27, 2019)
3. Shri G. K. Satish	3. Shri Samirendra Chatterjee	3. Smt Indrani Kaushal (w.e.f May 28, 2019)
4. Dr S. S. V. Ramakumar	4. Shri Chitta Ranjan Biswal	4. Shri Ashish Chatterjee (Upto March 24, 2020)
5. Shri B V Rama Gopal (Upto July 31, 2019)	5. Dr. Jagdish Kishwan	5. Dr. Navneet Mohan Kothari (w.e.f March 25, 2020)
6. Shri Ranjan Kumar Mohapatra	6. Shri Sankar Chakraborti	
7. Shri Gurmeet Singh (w.e.f. July 26, 2018)	7. Shri Dharmendra Singh Shekhawat	
8. Shri Akshay Kumar Singh (w.e.f. August 14, 2018)	8. Shri Rajendra Arlekar (w.e.f July 24, 2019)	
9. Shri S. K. Gupta (w.e.f. August 3,2019)	9. Ms Lata Usendi (w.e.f November 6, 2019)	
10. Shri S. M. Vaidya (w.e.f. October 14, 2019)		
11. Shri Kamal Kumar Gwalani		

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

D. Details relating to the personnel referred to in Item No. 5A & 5B above

March 31, 2020

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole Time Directors/ Company Secretary						
1) Shri Sanjiv Singh	0.60	0.07	-	0.67	-	-
2) Shri A.K.Sharma	0.38	0.01	-	0.39	-	-
3) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
4) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
5) Shri B V Rama Gopal	0.22	0.22	0.39	0.83	-	-
6) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
7) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
8) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
9) Shri S. K. Gupta	0.38	0.05	-	0.43	-	0.11
10) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
11) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.08	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.09	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
8) Shri Rajendra Arlekar	-	-	-	-	0.04	-
9) Ms Lata Usendi	-	-	-	-	0.02	-
TOTAL	**5.30**	**0.81**	**0.43**	**6.54**	**0.65**	**0.40**

March 31, 2019

(₹ 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	0.81	0.07	-	0.88	-	0.01
2) Shri A.K.Sharma	0.47	0.26	0.60	1.33	-	-
3) Shri G. K. Satish	0.80	0.07	0.01	0.88	-	-
4) Dr S. S. V. Ramakumar	0.81	0.07	0.08	0.96	-	0.03
5) Shri B V Rama Gopal	0.67	0.06	0.08	0.81	-	0.01

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd...)

March 31, 2019

(₹ 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
6) Shri Ranjan Kumar Mohapatra	0.68	0.06	0.07	0.81	-	0.16
7) Shri Gurmeet Singh	0.57	0.05	0.07	0.69	-	-
8) Shri Akshay Kumar Singh	0.31	0.04	-	0.35	-	0.01
9) Shri Kamal Kumar Gwalani	0.59	0.07	0.05	0.71	-	0.21
B. Independent Directors						
1) Shri Parindu K. Bhagat	-	-	-	-	0.11	-
2) Shri Vinoo Mathur	-	-	-	-	0.09	-
3) Shri Samirendra Chatterjee	-	-	-	-	0.06	-
4) Shri Chitta Ranjan Biswal	-	-	-	-	0.07	-
5) Dr. Jagdish Kishwan	-	-	-	-	0.10	-
6) Shri Sankar Chakraborti	-	-	-	-	0.08	-
7) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	5.71	0.75	0.96	7.42	0.60	0.43

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 12000 kms. per annum on a payment of ₹ 2,000/- per mensem.

6. Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March 31, 2020		March 31, 2019	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund	Provident Fund	229.72	(7.40)	190.95	(18.72)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	24.46	(7.52)	19.17	(6.98)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	Provident Fund	256.89	(59.90)	208.00	(52.98)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	294.21	135.97	1,740.72	19.76
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	163.54	(544.63)	160.94	84.65
6	IOCL Employees Group Gratuity Trust	Gratuity	-	(432.38)	909.31	(113.63)

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the year ended March 31, 2020 is as under:

(₹ in Crore)

	2019-2020					2018-2019				
	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-Chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	5,38,038.89	15,702.53	13,208.22	-	5,66,949.64	5,73,887.75	21,146.91	10,897.68	-	6,05,932.34
Inter-segment Revenue	10,054.57	24.28	80.21	(10,159.06)	-	11,651.29	35.91	95.89	(11,783.09)	-
Total Revenue	5,48,093.46	15,726.81	13,288.43	(10,159.06)	5,66,949.64	5,85,539.04	21,182.82	10,993.57	(11,783.09)	6,05,932.34
Result										
Segment Results excluding Exchange Gain/(Loss)	12,517.48	2,029.99	883.26	-	15,430.73	23,413.19	4,246.56	458.47	-	28,118.22
Segmental Exchange Gain/ (Loss)	(2,051.60)	(21.64)	8.08	-	(2,065.16)	(1,339.77)	(48.86)	3.82	-	(1,384.81)
Segment Results (Before Exceptional Items)	10,465.88	2,008.35	891.34	-	13,365.57	22,073.42	4,197.70	462.29	-	26,733.41
Less: Unallocable Expenditure										
- Finance Cost					5,979.45					4,311.03
- Loss on Sale of Investments (Net)					-					1.60
- Provision for diminution in Investments (Net)					1,114.99					-
- Loss on sale and disposal of Assets					93.94					152.87
- Exchange Loss - (Net)					1,879.44					118.34
- Loss on Derivatives					170.58					-
- Fair value Loss on Financial instruments classified as FVTPL					59.11					2.77
- Amortisation of FC Monetary Item Translation					28.92					148.39
Add: Unallocable Income										
- Interest and Dividend Income					3,509.25					3,045.04
- Provision for diminution in Investments written back (Net)					-					1.60
- Gain on Derivatives					-					0.32
- Other non operating income					62.14					81.55
Profit before Exceptional items and Tax					7,610.53					25,126.92
Exceptional Items (Refer point no. 9 of Note-48)	(10,946.98)	(293.73)	(63.93)	-	(11,304.64)	-	-	-	-	-
Profit / (Loss) Before Tax					(3,694.11)					25,126.92
Less: Income Tax (including deferred tax) (Refer point no. 10 of Note-48)					(5,007.34)					8,232.77
Profit / (Loss) After Tax					1,313.23					16,894.15

1. **The Company is engaged in the following operating segments:**

   a) Sale of Petroleum Products

   b) Sale of Petrochemicals

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

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

Note - 38 : SEGMENT INFORMATION (Contd...)

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 31, 2020				March 31, 2019			
	Petroleum Products	Petro-Chemicals	Other Business	Total	Petroleum Products	Petro-Chemicals	Other Business	Total
Segment Assets	2,37,349.85	19,970.34	6,231.69	2,63,551.88	2,38,569.65	16,847.70	3,762.43	2,59,179.78
Corporate Assets								
Investments (Current and Non Current)				39,138.56				49,939.97
Advances For Investments				88.90				-
Advance Tax				4,253.04				1,834.45
Interest Accrued On Investments/ Bank Deposits				0.71				11.76
Loans				3,860.59				3,351.53
Derivative Asset				131.11				35.56
Finance Lease Receivables				65.77				59.97
Total Assets				3,11,090.56				3,14,413.02
Segment Liabilities	86,519.67	970.38	1,406.14	88,896.19	1,01,382.12	807.51	1,125.69	1,03,315.32
Corporate Liabilities								
Borrowings (Short Term and Long Term)				1,12,736.72				83,259.91
Current Maturities Of Long-Term Debt				3,808.26				3,098.81
Deferred Tax Liability				11,413.14				15,823.07
Derivative Liabiliies				467.38				258.40
Total Liabilities				2,17,321.69				2,05,755.51
Capital Employed								
Segment Wise	1,50,830.18	18,999.96	4,825.55	1,74,655.69	1,37,187.53	16,040.19	2,636.74	155,864.46
Corporate				(80,886.82)				(47,206.95)
Total Capital Employed				93,768.87				1,08,657.51
Capital Expenditure	25,267.37	3,259.98	2,190.72	30,718.07	20,030.47	2,111.97	698.03	22,840.47
Depreciation and Amortization	7,777.07	898.09	90.94	8,766.10	6,471.40	958.26	84.63	7,514.29

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2019-20	2018-19	March 31, 2020	March 31, 2019
India	5,45,095.24	5,81,701.28	1,66,043.09	1,46,028.36
Outside India	21,854.40	24,231.06	239.53	181.81
TOTAL	5,66,949.64	6,05,932.34	1,66,282.62	1,46,210.17

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION (Contd...)

Revenue from major products and services

(₹ in Crore)

	2019-20	2018-19
Motor Spirit (MS)	1,12,707.55	1,14,704.54
High Speed Diesel (HSD)	2,81,617.99	3,03,561.37
Superior Kerosene Oil (SKO)	9,346.74	13,264.74
Liquified Petroleum Gas (LPG)	64,963.59	65,240.79
Aviation Turbine Fuel (ATF)	27,190.13	30,748.72
Others	71,123.64	78,412.18
Total External Revenue	5,66,949.64	6,05,932.34

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUES

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

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Financial Assets					
A. FVOCI financial instruments:					
Quoted Equity Shares	**8,016.28**	18,650.71	**8,016.28**	18,650.71	Level 1
Unquoted Equity Instrument	**384.42**	651.87	**384.42**	651.87	Level 3
Quoted Government Securities	**11,931.81**	11,447.83	**11,931.81**	11,447.83	Level 1
Hedging derivatives					
Foreign exchange forward contracts-Loans	**18.67**	-	**18.67**	-	Level 2
Foreign exchange forward contracts-Crude/ Product Liablities	**3.23**	-	**3.23**	-	Level 2
Commodity forward contracts-Margin Hedging	**93.00**	35.56	**93.00**	35.56	Level 2
B. FVPL financial instruments:					
Non Convertible Redeemable Preference shares	**555.63**	558.38	**555.63**	558.38	Level 3
Compulsorily Convertible Debentures	**672.18**	674.67	**672.18**	674.67	Level 3
Loan to Related parties-Suntera	**129.63**	147.29	**129.63**	147.29	Level 3
Derivative Instruments at fair value through profit or loss	**16.21**	-	**16.21**	-	Level 2
C. Amortised Cost:					
Loans to employees	**1,379.74**	1,275.08	**1,504.12**	1,277.31	Level 2
PMUY Loan*	**2,098.54**	1,729.76	**2,132.88**	1,725.37	Level 3

* Considered under Level-2 during Previous year. Also refer Note-48 for more details on PMUY Loans.

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Financial Liabilities					
A. Borrowings:					
Amortised Cost:					
Non-Convertible Redeemable Bonds	**8,129.16**	-	**8,134.87**	-	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**322.28**	459.65	**317.80**	462.28	Level 2
Foreign Currency Bonds - US Dollars	**14,510.96**	13,256.62	**14,077.15**	14,015.75	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,176.44**	2,091.67	**2,065.38**	2,125.42	Level 2
Loan from Odisha Government	**962.66**	707.33	**1,000.53**	637.29	Level 2
B. Other financial liabilities:					
Fair value through profit and loss (FVPL):					
Derivative Instruments at fair value through profit or loss	**435.87**	249.07	**435.87**	249.07	Level 2
C. Other financial liabilities:					
Fair value through OCI (FVOCI):					
Hedging Derivatives					
Foreign exchange forward contracts-Loans	**-**	9.33	**-**	9.33	Level 2
Commodity forward contracts-Margin Hedging	**31.51**	-	**31.51**	-	Level 2

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUES (Contd...)

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances/ Deposits, Advances for Investment, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, B site RO modernisation loans, Security Deposits paid and received, Short-term Borrowings (including Current Maturities of Long term Borrowings), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.
2. 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) **Hedging Derivatives at fair value through OCI :** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iii) **Loans to employees :** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars , Senior Notes (Bank of America) and 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 (CCDs) and Loan to Related parties - Suntera :** Fair value of Preference shares, CCDs and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The CCDs are valued considering conversion into equity shares at face value on conversion date. 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.

(iii) **PMUY Loan :** Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate, deferment of loan etc.

Note - 39 : FAIR VALUES (Contd...)

	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-Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	March 31, 2020: 0.49x - 0.53x (0.51x) March 31, 2019: 0.80x - 0.84x (0.82x)	0.01x increase/ (decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.20 crore/ ₹(4.10) crore March 31, 2019: ₹4.50 crore/ ₹(4.40) crore
			EBITDA multiple	March 31, 2020: 5.6x - 6.0x (5.8x) March 31, 2019: 5.5x - 5.9x (5.7x)	0.1x increase/ (decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: March 31, 2020: ₹4.30 crore/ ₹(4.20) crore March 31, 2019: ₹7.50 crore/ ₹(7.40) crore
II	Non Convertible Redeemable Preference Shares	DCF method	Discount Rate (Post tax)	March 31, 2020: 5.98% - 7.98% (6.98%) March 31, 2019: 4.85% - 6.85% (5.85%)	0.5% increase/ (decrease) in discount rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(11.00) crore/ ₹11.50 crore March 31, 2019: ₹(14.00) crore/ ₹14.00 crore
III	Compulsorily Convertible Debentures	Present Value Analysis	Discount Rate	March 31, 2020: 5.5% - 7.5% (6.5%) March 31, 2019: 7.3% - 9.3% (8.3%)	0.5% increase/ (decrease) in Discount Rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(2.44) crore/ ₹2.47 crore March 31, 2019: ₹(5.20) crore/ ₹5.30 crore
IV	Loan to Related party - Suntera	DCF method	Discount Rate	March 31, 2020: 15.50% - 19.50% (17.50%) March 31, 2019: 14.50% - 18.50% (16.50%)	1% increase/ (decrease) in Discount rate would result in (decrease)/ increase in fair value by: March 31, 2020: ₹(5.30) crore/ ₹6.80 crore March 31, 2019: ₹ (6.90) crore/ ₹7.60 crore

Unquoted Equity Instruments carried at FVOCI includes following investments for which sensitivity disclosure are not disclosed:	Carrying Value (₹ in Crore)	
	March 31, 2020	March 31, 2019
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		FVTPL Assets	
	Unquoted Equity Shares	Non Convertible Redeemable Preference shares	Compulsorily Convertible Debentures	Loan to Suntera
Balance as at March 31, 2019	**651.87**	**558.38**	**674.67**	**147.29**
Addition	-	-	-	10.49
Redemption/ Sales	-	-	-	-
Fair Value Changes	(267.45)	(2.75)	(2.49)	(42.85)
Exchange Difference	-	-	-	14.70
Balance as at March 31, 2020	**384.42**	**555.63**	**672.18**	**129.63**

Note - 39 : FAIR VALUES (Contd...)

II. Disclosures relating to recognition of differences between the fair value at initial recognition and the transaction price

In the following cases, the Company has not recognized gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognized as per the accounting policy mentioned below.

Financial Assets

1. Loan to Employees

As per the terms of service, the Company has given long term loan to its employees at concessional interest rate. Transaction price is not fair value because loans are not extended at market rates applicable to employees. Since implied benefit is on the basis of the services rendered by the employee, it is deferred and recognized as employee benefit expense over the loan period.

2. PMUY loan

The PMUY loan is the interest free loan given to PMUY beneficiaries towards cost of burner and 1st refill. The loan is interest free and therefore transaction price is not at fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortized over the loan period on straight line basis in the Statement of Profit and Loss.

3. Security Deposits

The security deposit is paid to landlord in relation to lease of land. The security deposit is interest free and therefore transaction price is not fair value.The difference between fair value and transaction price is accumulated in Deferred expenses and amortized over the loan period on straight line basis in the statement of Profit and loss till March 31,2019 prior to introduction of IND AS 116.

Financial Liabilities

1. Security Deposits

In case certain deposits payable to deceased employees under R2 option and security deposits received in relation to some revenue expenses contracts, transaction price is not considered as fair value because deposits are interest free. The difference between fair value and transaction price is accumulated in Deferred income and amortized over the tenure of security deposit on straight line basis in the Statement of Profit and Loss.

Reconciliation of deferred gains/losses yet to be recognized in the Statement of Profit and Loss are as under:

(₹ in Crore)

Particulars	Year	Deferred Expenses (Refer Note-8)			Deferred income (Refer Note-20)
		Loan to employees	PMUY Loan	Security Deposits	Security Deposits
Opening Balance	Current Year	**634.48**	**247.03**	**14.90**	**7.38**
	Previous Year	594.64	208.40	15.17	8.39
Addition During The Year	Current Year	**96.56**	**691.59**	-	-
	Previous Year	95.90	94.36	-	0.36
Amortized during the year	Current Year	**52.15**	**291.07**	-	**1.35**
	Previous Year	56.06	55.73	0.27	1.79
Adjusted during the year	Current Year	-	-	**14.90**	**0.42**
	Previous Year	-	-	-	(0.42)
Closing Balance	Current Year	**678.89**	**647.55**	-	**5.61**
	Previous Year	634.48	247.03	14.90	7.38

NOTES TO FINANCIAL STATEMENTS

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 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 Board that the Company's risks are governed by appropriate policies and procedures and that 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 integarted 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 the 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 March 31, 2020 and March 31, 2019.

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 exposed to interest rate risk from the possibiltiy that changes in interst rates will affect future cash flows of a financial instrument, principally financial debt. The 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 March 31, 2020, approximately 58% of the Company's borrowings are at a fixed rate of interest (March 31, 2019: 59%).

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 31, 2020		March 31, 2019	
INR	+50	(3.32)	+50	(18.09)
US Dollar	+50	(242.61)	+50	(159.39)
INR	-50	3.32	-50	18.09
US Dollar	-50	242.61	-50	159.39

2. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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-detrmined triggers. The hedging is mostly undertaken through forward contracts.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

The Company has outstanding forward contract of **₹3,296.52 crore** as at March 31, 2020 (March 31, 2019: ₹ 2,873.43 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 31, 2020		March 31, 2019	
Forward Contract - US Dollar	+5%	164.83	+5%	143.67
	-5%	(164.83)	-5%	(143.67)
Other Exposures - US Dollar	+5%	(3,995.70)	+5%	(3,516.15)
	-5%	3,995.70	-5%	3,516.15
Other Exposures - SGD	+5%	(108.82)	+5%	(104.58)
	-5%	108.82	-5%	104.58
Cross Currency - USD vs. SGD	+5%	(123.18)	+5%	(112.59)
	-5%	123.18	-5%	112.59

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 etc. 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 domestic exchanges to mitigate the risk within the approved limits.

The Company's exposure of various inventories as at the end the financial year is provided below:

(In MMT)

Inventory	March 31, 2020	March 31, 2019
-Raw Materials	9.735	8.248
-Stock in Process	1.856	1.561
-Finished Products	5.689	4.682
-Stock in Trade	1.799	1.818

Due to variation in prices, the Company incurred total inventory gain/ (Loss) of **₹ (16,616.17) crores** during the current year (Previous Year: ₹ 4,172.26 crores). Out of the above, an amount of **₹ (11,304.64) Crore** (2019: NIL) is shown as exceptional item towards write down of inventories at net realizable value.

Category-wise quantitative data about commodity derivative transactions that are oustanding as at the end the financial year is given below:

Quantity (in lakh bbls)

Particulars	March 31, 2020	March 31, 2019
Margin Hedging Forward contracts	50.50	15.75

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2020:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2020		March 31, 2019	
Margin Hedging	+10%	(14.37)	+10%	(16.49)
Margin Hedging	-10%	14.37	-10%	16.49

4. Equity Price Risk

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

At the reporting date, the exposure to unlisted equity securities at fair value was **₹384.42 crore**. Sensitivity analysis of these investments have been provided in Note 39.

The exposure to listed equity securities valued at fair value was **₹8,016.28 crore**. An increase / decrease of 5% on the NSE market index could have an impact of approximately **₹400.81 crore** on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

5. Derivatives and Hedging

(i) Classification of derivatives

The Company is exposed to certain market risks relating to its ongoing business operations as explained above.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Crore)

Other financial Assets / (Liabilities)	March 31, 2020	March 31, 2019
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts-Loans	16.21	(13.05)
Foreign Exchange currency swap	(435.87)	(236.02)
Derivatives designated as hedging instruments		
Foreign exchange forward contracts-Loans	18.67	(9.33)
Foreign exchange forward contracts-Crude/ Product Liabilities	3.23	-
Commodity Forward Contracts - Margin Hedging-Other financial Assets	93.00	35.56
Commodity Forward Contracts - Margin Hedging-Other financial Liabilities	(31.51)	-

(ii) Hedging activities

The primary risks managed using derivative instruments are foreign currency risk and commodity price risk.

Commodity Price Risk

Margin Hedging

IndianOil buys crude and sells petroleum products linked to international benchmark prices and these benchmark prices do not move in tandem. This exposes IndianOil to the risk of variation in refining margins.

The risk of fall in refining margins of petroleum products in highly probable forecast sale transactions is hedged by undertaking crack spread forward contracts. The Company wants to protect the realization of margins and therefore to mitigate this risk, the Company is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Foreign Currency Risk

The Company is exposed to various foreign currency risks as explained in A.2 above. As per Company's Foreign Currency & Interest Rate Risk Management Policy , the Company is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Company also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/ product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

Hedge Effectiveness

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Source of Hedge ineffetiveness

In case of commodity price risk, the Company has identified the following sources of ineffectiveness, which are not expected to be material:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Company is holding the following foreign exchange and commodity forward contracts:

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	449.00	-	756.00	-	-	1,205.00
Average forward rate	74.76	-	75.62	-	-	-
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	1,131.99	-	-	-	-	1,131.99
Average forward rate	75.47	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in lakh bbls)	8.75	12.50	17.25	12.00	-	50.50
Nominal amount (₹ crore)	16.14	31.15	109.81	32.40	-	189.50
Average forward rate ($ /bbl)	2.44	3.29	8.41	3.57	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

(₹ in Crore)

As at March 31,2019	Maturity					
	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	More than 12 Months	Total
Foreign exchange forward contracts - Loans						
Nominal amount	-	-	713.35	-	-	713.35
Average forward rate	-	-	71.34	-	-	-
Foreign exchange forward contracts - Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	-
Commodity forward contracts - Margin Hedging						
Nominal volume (Quantity in lakh bbls)	3.00	6.00	4.50	1.50	0.75	15.75
Nominal amount (₹ crore)	36.38	72.76	59.49	21.64	10.19	200.46
Average forward rate ($ /bbl)	17.54	17.54	19.12	20.86	19.65	-

The impact of the hedging instruments on the Balance Sheet is as under:

(₹ in Crore)

	Foreign exchange forward contracts - Loans		Foreign exchange forward contracts - Crude/ Product Liablities		Commodity forward contracts - Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Nominal amount	**1,205.00**	713.35	**1,131.99**	-	**189.50**	200.46
Carrying amount	**18.67**	(9.33)	**3.23**	-	**61.49**	35.56
Line item in the Balance Sheet that's includes Hedging Instruments	**Other Current Financial Assets**	Other Current Financial Liabilities	**Other Current Financial Assets**	NA	**Other Current Financial Assets / Other Current Financial Liabilities ***	Other Current Financial Assets
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	**18.67**	(39.94)	**(6.61)**	4.14	**124.70**	59.92

* Refer 5(i) above for further break-up

Hedge Items

The impact of the Hedged Items on the Balance Sheet is, as follows:

(₹ in Crore)

	Foreign exchange forward contracts - Loans		Foreign exchange forward contracts - Crude/ Product Liablities		Commodity forward contracts - Margin Hedging	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	**-**	(1.08)	**-**	-	**46.00**	23.12
Change in value of the hedged items used for measuring ineffectiveness for the period	**(18.67)**	39.94	**6.61**	(4.14)	**(124.70)**	(59.92)

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is, as follows:

(₹ in Crore)

	Foreign exchange forward contracts - Loans		Foreign exchange forward contracts - Crude/ Product Liablities		Commodity forward contracts - Margin Hedging of Highly probable forecast sales	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flow Hedge Reserve at the beginning of the year	**(1.08)**	-	**-**	-	**23.12**	-
Total hedging gain/(loss) recognised in OCI	**20.33**	(39.94)	**(6.61)**	4.14	**89.14**	59.92
Income tax on above	**(5.12)**	13.96	**1.66**	(1.45)	**(22.43)**	(20.95)
Ineffectiveness recognised in profit or loss	**-**	-	**-**	-	**-**	-
Line item in the statement of profit or loss that includes the recognized ineffectiveness	**NA**	NA	**NA**	NA	**NA**	NA
Amount reclassified from OCI to profit or loss	**18.67**	(38.28)	**(6.61)**	4.14	**63.21**	24.36
Income tax on above	**(4.54)**	13.38	**1.66**	(1.45)	**(19.38)**	(8.51)
Cash flow Hedge Reserve at the end of the year	**-**	(1.08)	**-**	-	**46.00**	23.12
Line item in the statement of profit or loss that includes the reclassification adjustments	**Other Expenses**	Other Expenses	**Other Expenses**	Other Expenses	**Revenue from Operations**	Revenue from Operations

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 Company applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the company. 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 March 31, 2020						
Gross Carrying amount	**6,855.79**	**3,175.07**	**2,388.86**	**354.34**	**197.88**	**1,2971.94**
Expected loss rate	**0.10%**	**0.10%**	**0.10%**	**0.10%**	**0.10%**	
Expected credit losses	**(6.86)**	**(3.18)**	**(2.39)**	**(0.37)**	**(0.07)**	**(12.87)**
Specific Provision	**-**	**(0.09)**	**-**	**-**	**(114.89)**	**(114.98)**
Carrying amount	**6,848.93**	**3,171.80**	**2,386.47**	**353.97**	**82.92**	**12,844.09**
Year ended March 31, 2019						
Gross Carrying amount	12,315.57	1,839.29	1,062.90	159.95	214.19	15,591.90
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(12.31)	(1.83)	(1.06)	(0.17)	(0.09)	(15.46)
Specific Provision	-	-	-	-	(118.61)	(118.61)
Carrying amount	**12,303.26**	**1,837.46**	**1,061.84**	**159.78**	**95.49**	**15,457.83**

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

Other Financial instruments and cash deposits

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

The Company applies General approach for providing the expected credit losses on these items as per the accounting policy of the company.

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 has given loans to PMUY (Pradhan Mantri Ujjwala Yojana) customers which are shown under Loans in Note-5. PMUY loans are given to provide clean cooking fuel to BPL families as per GOI scheme wherein free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households. As per the scheme, OMCs are providing an option for interest free loan towards cost of burner and 1st refill to PMUY consumers which is to be recovered from the subsidy amount payable to customer when such customers book refill.

In case of ceratin PMUY loans, the Company has determined that there is significant increase in the credit risk.The Company considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers past experience and time elapsed since the last refill for determining probability of default on collective basis. During the year, company has changed the time gap of considering significant increase in credit risk to 12 months since last refill from 6 months considered during the previous year. During the year, the Company has further categorized the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. ECL is provided @50% in case of time gap since last refill is more than 12 months but not exceeding 18 months , @70% in case of time gap is more than 18 months but not exceeding 24 months, @90% in case of time gap is more than 24 months but not exceeding 30 months and @100% for those consumers who have not taken any refill more than 30 months. ECL is provided for the new loans generated during the current Financial year based on past experience.

The PMUY loans are classified as credit impaired as on reporting date considering significant financial difficulty in case the customer has not taken any refill from past 30 months.

In case of other financial assets, there are certain credit impaired cases mainly due to breach of contract arising due to default or bankruptcy proceedings.

The movement in the loss allowance for impairment for financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
Loans							
12 Months ECL*	-	69.98	-	-	-	-	69.98
Life Time ECL-not credit impaired	1,141.71	-	658.50	-	-	356.82	126.39
Life Time ECL-credit impaired	3.63	-	-	0.16	356.82	-	360.29
TOTAL	**1,145.34**	**69.98**	**658.50**	**0.16**	**356.82**	**356.82**	**556.66**
Security Deposits							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	1.56	0.05	0.10	0.01	-	-	1.50
TOTAL	**1.56**	**0.05**	**0.10**	**0.01**	-	-	**1.50**

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
Other Financial assets							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	6.22	0.22	0.17	-	-	-	6.27
Total	**6.22**	**0.22**	**0.17**	-	-	-	**6.27**

* ECL on new loans generated during the year

(₹ in Crore)

2018-19	Opening Balance	ECL created during the year	ECL write Back	ECL written off	Transfer In	Transfer Out	Closing Balance
	A	B	C	D	E	F	(A+B-C-D+E-F)
Loans							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	162.16	979.55	-	-	-	-	1,141.71
Life Time ECL-credit impaired	3.11	0.61	0.03	0.06	-	-	3.63
TOTAL	**165.27**	**980.16**	**0.03**	**0.06**	-	-	**1,145.34**
Security Deposits							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	1.58	-	-	0.02	-	-	1.56
TOTAL	**1.58**	-	-	**0.02**	-	-	**1.56**
Other Financial assets							
12 Months ECL	-	-	-	-	-	-	-
Life Time ECL-not credit impaired	-	-	-	-	-	-	-
Life Time ECL-credit impaired	6.22	0.23	0.23	-	-	-	6.22
TOTAL	**6.22**	**0.23**	**0.23**	-	-	-	**6.22**

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 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.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd...)

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 March 31, 2020						
Borrowings excluding Lease Obligations	13,627.94	27,532.80	24,735.95	38,761.17	3,962.32	**1,08,620.18**
Lease Obligations	48.41	303.33	1,045.91	2,861.20	3,665.95	**7,924.80**
Trade payables	2,357.23	21,630.32	1,264.03	-	-	**25,251.58**
Other financial liabilities	30,180.14	6,694.83	1,353.08	415.98	373.60	**39,017.63**
Financial guarantee contracts*	5,824.25	-	-	-	-	**5,824.25**
Derivatives	-	467.38	-	-	-	**467.38**
	52,037.97	**56,628.66**	**28,398.97**	**42,038.35**	**8,001.87**	**1,87,105.82**
Year ended March 31, 2019						
Borrowings excluding Lease Obligations	7,499.37	28,078.13	15,913.80	30,649.29	707.33	82,847.92
Lease Obligations	-	43.70	157.36	1,003.33	2,306.41	3,510.80
Trade payables	2,352.95	31,842.08	3,187.56	-	-	37,382.59
Other financial liabilities	22,149.51	8,916.34	9,518.03	431.49	184.54	41,199.91
Financial guarantee contracts*	5,361.10	-	-	-	-	5,361.10
Derivatives	-	258.40	-	-	-	258.40
	37,362.93	69,138.65	28,776.75	32,084.11	3,198.28	1,70,560.72

* Based on the maximum amount that can be called for under the financial guarantee contract.

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.

NOTES TO FINANCIAL STATEMENTS

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 31, 2020	March 31, 2019
Borrowings	**1,16,544.98**	86,358.72
Equity Share Capital	**9,181.04**	9,181.04
Reserves and Surplus	**84,587.83**	99,476.47
Equity	**93,768.87**	1,08,657.51
Debt Equity Ratio	**1.24 : 1**	0.79 : 1

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

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 are given as under:

(₹ in Crore)

	Amount as at		Maximum Amount outstanding during the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
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)	**98.37**	89.84	**98.37**	89.84
(ii) Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**162.24**	137.92	**162.24**	139.16
(iii) IndianOil LNG Private Limited (For LNG terminal construction)	**-**	-	**108.00**	-
(iv) Indian Oiltanking Limited	**15.00**	1.50	**15.00**	1.50
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 Indian Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through the Statement of Profit and Loss in the financial statements and fair value of the loan is ₹ **129.63 crore** as at March 31, 2020 (2019: ₹ 147.29 crore). Refer Note-39 for further details regarding fair valuation.

NOTES TO FINANCIAL STATEMENTS

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 31, 2020	March 31, 2019
Amount due and Payable at the year end		
-Principal *	**391.69**	286.91
-Interest on above Principal	**-**	-
Payments made during the year after the due date		
-Principal	**0.03**	-
-Interest	**0.06**	-
Interest due and payable for principals already paid	**-**	-
Total Interest accrued and remained unpaid at year end	**-**	-
Further Interest remaining due and payable in succeeding year	**-**	-

* Amount of **₹ 159.22 crore** (2019: ₹ 51.67 crore) included in Note 17: Other Financial Liabilities.

Note - 44 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of **₹ 161.04 crore** (2019: ₹ 137.15 crore) have been capitalized and **₹ 267.00 Crore** (2019 : ₹ 300.19 crore) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure are as under:

A. CAPITAL EXPENSES (Property, Plant and Equipment)

(₹ in Crore)

S.No.	Asset Block	Gross Block as at April 1, 2019	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2020	Work-in-Progress as at April 1, 2019	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at March 31, 2020	Total Capital Expenditure
1	2	3	4	5	6	7=(3+4+5-6)	8	9	10	11=(8+9-10)	12=(4+5+11-8)
(a)	**Property, Plant and Equipment**										
1	Land - Free Hold	377.26	-	-	-	**377.26**	-	-	-	**-**	-
2	Building, Roads etc	101.14	0.32	4.20	1.21	**104.45**	28.36	12.69	4.20	**36.85**	13.01
3	Plant & Equipment	599.51	39.21	56.91	7.16	**688.47**	36.14	87.69	56.91	**66.92**	126.90
4	Office Equipment	22.26	4.88	3.88	1.50	**29.52**	3.71	0.77	3.88	**0.60**	5.65
5	Transport Equipment	0.06	-	-	-	**0.06**	-	-	-	**-**	-
6	Furniture & Fixtures	13.57	2.08	0.90	0.30	**16.25**	0.45	0.45	0.90	**-**	2.53
7	Drainage & Sewage	1.42	-	-	-	**1.42**	-	-	-	**-**	-
8	ROU Asset	-	0.38	-	-	**0.38**	-	-	-	**-**	0.38
	Sub Total	**1,115.22**	**46.87**	**65.89**	**10.17**	**1,217.81**	**68.66**	**101.60**	**65.89**	**104.37**	**148.47**
(b)	**Intangible Assets**										
1	Right of way	-	-	-	-	**-**	-	-	-	**-**	-
2	Licenses / Technical Know-how	0.11	-	-	-	**0.11**	-	-	-	**-**	-
3	Computer Software	11.92	6.09	2.68	-	**20.69**	2.68	6.48	2.68	**6.48**	12.57
	Sub Total	**12.03**	**6.09**	**2.68**	**-**	**20.80**	**2.68**	**6.48**	**2.68**	**6.48**	**12.57**
	Total	**1,127.25**	**52.96**	**68.57**	**10.17**	**1,238.61**	**71.34**	**108.08**	**68.57**	**110.85**	**161.04**

NOTES TO FINANCIAL STATEMENTS

Note - 44 : RESEARCH AND DEVELOPMENT COSTS (Contd...)

(₹ in Crore)

S.No.	Asset Block	Gross Block as at April 1, 2018	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2019	Work-in-Progress as at April 1, 2018	Additions during the year	Transferred to Fixed Assets (Capitalized)	Work-in-Progress as at March 31, 2019	Total Capital Expenditure
1	2	3	4	5	6	7=(3+4+5-6)	8	9	10	11=(8+9-10)	12=(4+5+11-8)
(a)	**Property, Plant and Equipment**										
1	Land - Free Hold	393.14	-	-	15.88	**377.26**	-	-	-	**-**	-
2	Building, Roads etc	101.06	0.55	-	0.47	**101.14**	6.28	22.08	-	**28.36**	22.63
3	Plant & Equipment	530.75	60.16	12.97	4.37	**599.51**	20.46	28.65	12.97	**36.14**	88.81
4	Office Equipment	16.16	6.70	0.01	0.61	**22.26**	-	3.72	0.01	**3.71**	10.42
5	Transport Equipment	1.08	0.33	-	1.35	**0.06**	-	-	-	**-**	0.33
6	Furniture & Fixtures	11.41	1.68	0.87	0.39	**13.57**	0.81	0.51	0.87	**0.45**	2.19
7	Drainage & Sewage	1.42	-	-	-	**1.42**	-	-	-	**-**	-
	Sub Total	**1,055.02**	**69.42**	**13.85**	**23.07**	**1,115.22**	**27.55**	**54.96**	**13.85**	**68.66**	**124.38**
(b)	**Intangible Assets**										
1	Right of way	-	-	-	-	**-**	-	-	-	**-**	-
2	Licenses / Technical Know-how	0.11	-	-	-	**0.11**	-	-	-	**-**	-
3	Computer Software	1.83	10.09	-	-	**11.92**	-	2.68	-	**2.68**	12.77
	Sub Total	**1.94**	**10.09**	**-**	**-**	**12.03**	**-**	**2.68**	**-**	**2.68**	**12.77**
	Total	**1,056.96**	**79.51**	**13.85**	**23.07**	**1,127.25**	**27.55**	**57.64**	**13.85**	**71.34**	**137.15**

B. RECURRING EXPENSES

(₹ in Crore)

Particulars	2019-20	2018-19
1. Consumption of Stores, Spares & Consumables	**9.55**	13.17
2. Repairs & Maintenance		
(a) Plant & Machinery	**12.84**	14.11
(b) Building	**10.29**	9.00
(c) Others	**2.26**	2.34
3. Freight, Transportation Charges & demurrage	**0.20**	0.22
4. Payment to and Provisions for employees	**149.16**	184.25
5. Office Administration, Selling and Other Expenses	**82.68**	77.08
6. Interest	**0.02**	0.02
Total	**267.00**	**300.19**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	2019-20	2018-19
Capital Expenditure	**161.04**	137.15
Recurring Expenditure	**267.00**	300.19
Total	**428.04**	**437.34**

NOTES TO FINANCIAL STATEMENTS

Note - 45 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR Expenditure is as under:

(₹ in Crore)

Particulars	March 31, 2020	March 31, 2019
(a) Gross amount spent by the Company during the year		
Annual CSR Allocation	543.38	490.60
Carry forward from previous year	-	-
Gross amount required to be spent	543.38	490.60

(b) Amount spent during the year on:

(₹ in Crore)

Particulars	2019-20			2018-19		
	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	83.19	3.71	86.90	92.53	0.54	93.07
Contribution towards PMUY	73.87	-	73.87	85.92	-	85.92
Flagship Projects-CSR	16.69	0.13	16.82	13.10	1.52	14.62
Educational Scholarship	1.69	-	1.69	2.68	-	2.68
Swachh Bharat	6.24	0.93	7.17	7.53	0.73	8.26
Education/employment vocational skills	251.21	3.36	254.57	204.71	2.85	207.56
Administration Expenses, training etc.	24.80	0.07	24.87	22.45	-	22.45
Drinking Water	9.50	1.63	11.13	14.41	0.72	15.13
Promotion of National Heritage, Art and Culture	5.90	0.14	6.04	0.48	-	0.48
COVID 19	0.42	0.05	0.47	-	-	-
Other expenses	58.20	1.65	59.85	40.26	0.17	40.43
Total Expenses (ii)	531.71	11.67	543.38	484.07	6.53	490.60
Grand Total (i) and (ii)	531.71	11.67	543.38	484.07	6.53	490.60

**Provisions made for liabilities incurred

NOTES TO FINANCIAL STATEMENTS

Note - 46 : 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 **₹ 148.29 crore** (2019: ₹ 128.21 crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to **₹ 13.39 crore** (2019: ₹ 21.79 crore) have been reckoned as per the schemes notified by Governments.

2. **Compensation against under recoveries**

   The Company has accounted for Budgetary Support of **₹ 1,296.17 crore** (2019: ₹ 4,110.18 crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grant.

3. **Export of Notified Goods under MEIS Claims**

   The Company has recognised **₹ 1.41 crore** (2019: ₹ 6.32 crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS) in the Statement of Profit and Loss as Revenue Grant.

4. **Stidend to apprentices under NATS scheme**

   As per Ministry of HRD, 50% of the cost of stipend to apprentices which are paid under National Apprenticeship Training Scheme (NATS) will be reimbursed to employer from Government. The Company has recognised grant in respect of stipend paid to apprentices appointed under NATS amounting to **₹ 4.88 crore** (2019: ₹ 8.57 crore) as Revenue Grant.

5. **Grant in respect of revenue expenditure for research projects**

   During the year, the Company has received revenue grant of **₹ 1.93 crore** (2019: ₹ 0.95 crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

6. **Incentive on sale of power**

   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 **₹ 2.76 crore** during the current year (2019: ₹ 3.08 crore).

7. **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 at March 31, 2020 is **₹ 39.89 crore** (2019: ₹ 57.56 crore) . During the year, the Company has recognised **₹ 17.68 crore** (2019: ₹ 200.43 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.

8. **Excise duty benefit in North East**

   Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned as 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 **₹ 2,627.98 crore** (2019: ₹ 2,831.40 crore).

9. **Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC**

   The Company has received grant to carry out its study & pilot project of hydrogen blended CNG (H-CNG) from Ministry of Transport Corporation (NCT-DELHI) as per the direction of Hon'ble Supreme Court. The Company has recognised **₹ 15.00 crore** (2019: ₹ 0.00 crore) in Statement of Profit & Loss for the year ended 2019-20.

NOTES TO FINANCIAL STATEMENTS

Note - 46 : DISCLOSURE ON GOVERNMENT GRANTS (Contd...)

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 at March 31, 2020 is **₹ 1.01 crore** (2019: ₹ 1.28 crore). During the year, the Company has recognised **₹ 0.27 crore** (2019: ₹ 0.28 crore) in Statement of Profit and Loss as amortisation of capital grants.

2. **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 at March 31, 2020 is **₹ 61.78 crore** (2019: ₹ 52.52 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 **₹ 8.50 crore** (2019: ₹ 7.41 crore) in the Statement of Profit and Loss as amortisation of capital grants.

3. **Capital Grant in respect of Research projects**

   The Company has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortized capital grant amount as at March 31, 2020 is **₹ 12.24 crore** (2019: ₹ 13.61 crore). During the year, the Company has recognised **₹ 2.51 crore** (2019: ₹ 3.64 crore) in the Statement of Profit and Loss as amortisation of capital grants.

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

   Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognized as Capital Grant and grossed up with the concerned Assets.The unamortized capital grant amount as at March 31, 2020 is **₹ 111.02 crore** (2019: ₹ 116.31 crore). During the year, the Company has recognised **₹ 5.30 crore** (2019: ₹ 5.29 crore) in the Statement of Profit and Loss as amortisation of capital grants.

5. **Capital Grant in respect of demonstration unit**

   Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the company's R&D developed IndaDeptG technology and also for Ethanol production from Refinery off gases at Panipat Refinery. The unamortized capital grant amount as at March 31, 2020 is **₹ 90.77 crore** (2019: ₹ 78.65 crore). During the year, the Company has recognised **₹ 4.38 crore** (2019: ₹ 4.38 crore) in the Statement of Profit and Loss as amortisation of capital grants.

6. **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 at March 31, 2020 is **₹ 11.56 crore** (2019: ₹ 6.21 crore). During the year, the company has recognised **₹ 0.34 crore** (2019: ₹ 0.27 crore) in the Statement of Profit and Loss as amortisation of capital grants.

7. **Capital Grant in respect of Viability Gap Funding (VGF)**

   The Company has received capital grant in the form of interest free loans from Orissa Government for a period of 15 years.The unamortized capital grant amount as at March 31, 2020 is **₹ 1,750.64 crore** (2019: ₹ 1,352.98 crore). During the year, the Company has recognised **₹ 112.11 crore** (2019: ₹ 78.56 crore) in the Statement of Profit and Loss as amortisation of capital grants.

8. **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 at March 31, 2020 is **₹ 4.14 crore** (2019: ₹ 4.34 crore). During the year, the Company has recognised **₹ 0.19 crore** (2019: ₹ 0.16 crore) in the Statement of Profit and Loss as amortisation of capital grants.

9. **Capital Grant from Nepal Government**

   The Company has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Company has recognised **₹ 0.71 crore** (2019: ₹ 0.00 crore) in Statement of Profit & Loss. The unamortized balance is **₹ 13.63 crore** (2019: ₹ 0.00 crore).

NOTES TO FINANCIAL STATEMENTS

Note - 47 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of oil and gas and it earns revenue primarily from sale of petroleum products, petrochemicals and others comprising of Gas, E&P and Others. Revenue are recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers;

a. On delivered basis in case of Retail Sales, LPG and Aviation.

b. On EX-MI as well as delivered basis in case of Lubes and Consumers.

c. On FOB or CIF basis depending on terms of contract in case of Export sales.

Majority of Company's sales are to retail category which are mostly on cash and carry basis. Company also execute supply to Institutional Businesses(IB), Lubes , Aviation on credit which are for less than a year.

For maintaining uninterrupted supply of products, customers generally deposit amount in advance with the Company against which orders for purchase of products are placed by the customers. Based on these orders, supply is maintained by the Company and revenue is recognised when the goods are delivered to the customer by adjusting the advance from customers.

Company also extend volume/slab based discounts to its customers on contract to contract basis for upliftment of products and it is adjusted in revenue as per the terms of the contract. Company also runs loyalty programmes and incentive schemes for its retail and bulk customers. Loyalty points are generated and accumulated by the customers on doing transactions at Company's outlet which can be redeemed subsequently for fuel purchases from Company outlets. Revenue is recognised net of these loyalty points and incentive schemes.

Beside this, though not significant, Company also undertakes contruction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

(₹ in Crore)

	2019-20	2018-19
Total Revenue (A+E)	5,66,949.64	6,05,932.34
Revenue from contract with customers (A)	5,62,426.49	5,98,429.57
Recognised from contract liability balance of previous year (B)	3,224.38	2,896.82
Recognised from performance obligation satisfied in previous years (C)	1.51	-
Recognised from contracts initiated in current year (D)	5,59,200.60	5,95,532.75
Revenue from other contracts/from others (E)	4,523.15	7,502.77

An amount of **₹ 1.74 crore** (2019: ₹58.67 crore) on account of impairment losses on receivables is recognised under Provision for Doubtful Debts, Advances, Claims, CWIP, Stores etc. (Refer Note 29.1)

The Company disclose information on reportable segment as per Ind AS 108 under Note 38 - Segmental Information. An amount of **₹ 69.19 crore** (2019: ₹108.82 crore) is recognised over time under Revenue from contract with customers.

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	16,238.18	-	4,730.35
Closing Balance	13,187.33	-	5,948.98

The performance obligation is part of the contract and the original expected duration is one year or less in case of delivered sales, advance from customers. In case of contruction contracts/deposit works, the company has a right to consideration from customer that correspond directly with the value of the entity's performance completed for the customer.

Revenue in cases of performance obligation related to delivered sales and advance from customers are recognised in time based on delivery of identified and actual goods and no significant judgement is involved. Revenue in case of contruction contracts/deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES

1. In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on May 1, 2016. As per the scheme, the initial cost towards connection charges (Refundable deposit) would be borne by the Central Government for each card holder. Few State Govts has also extended this scheme to other beneficiaries. As per the scheme, OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. The loan amount is to be recovered from the subsidy amount payable by the government to the customers on each refill sale. During the year, discounting of the loan has been done based on assumption of 3 refills in a year and average subsidy of ₹ 161.25 per cylinder as loan recovery.

   The amount of outstanding as at March 31, 2020 towards PMUY claim from Central Government is **₹ 468.54 Crore** (2019: ₹ 1,495.63 Crore) and loan from PMUY consumers is **₹ 3,185.64 Crore** (2019: ₹ 3,111.32 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful amounting to **₹ 553.19 Crore** (2019: ₹ 1,141.71 Crore) has been created as at March 31, 2020 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss model. Also refer Point No. B of Note 40 on Credit Risk on PMUY, for modalities followed for PMUY Provisioning.

2. During the year, Company has opted for settlement of old dispute cases of sales tax/ Value added tax etc in the State of Maharashtra under the Amnesty Scheme announced by the State. Accordingly, on this account, **₹ 654.00 Crore** being the provision no more required has been written back and included in Revenue from operations after full compliance of requirements including deposit of amnesty amount under the scheme. 42 Orders for settlement out of total 62 applications, corresponding to **₹ 89.31 Crore** has already been received in this respect.

   Net impact on profits is **₹ 586.51 Crore** after adjusting expense of **₹ 67.49 Crore** (i.e. **₹ 654.00 Crore**-**₹ 67.49 Crore**).

3. During the year, old dispute under the Andhra Pradesh Sales Tax Act pertaining to erstwhile state of Andhra Pradesh settled with Govt. of Telengana. Consequently, provisions of **₹ 196.95 Crore** has been written back and included in Revenue from operations.

4. During the year, the Company has opted for settlement of old disputes of central excise,service tax,etc under Sabka Vishwas (Legal Dispute Resolution) Scheme 2019 of Government of India. Accordingly, on this account **₹ 45.86 crore** is provided as additional expenses and **₹ 15.20 crore** is written back being provision no more required after full compliance of requirements of the scheme. Orders for settlement (discharge certificate) corresponding to **₹ 30.89 crore** have been received in this respect.

5. Hitherto, the estimated residual value of LPG cylinders and Regulators was considered as 5% of original cost. Based on historical realized scrap value, prices of steel etc., the Company has revised the estimated residual value of those assets from 5% to maximum 15% of original cost effective from April 01, 2019. The impact on account of above change is reduction in depreciation by **₹ 207.37 crore.**

6. 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 **₹ 311.00 crore** (Net Assets WDV of ₹ 62.43 Crore as at March 31, 2019), consent of Niti Ayog was initially received for formation of the JV vide letter dated April 27, 2018. However, the formation of the JV is not carried forward on account of subsequent communication dated July 11, 2018 from MoPNG. The matter is under deliberation and accordingly, the explosive business continues to be in operation as at March 31, 2020. The Net Asset WDV of the business as at March 31, 2020 is **₹ 82.69 Crore.**

7. In line with Ministry of Environment, Forest and Climate Change (MoEFCC) memorandum on Corporate Environment Responsibility (CER) and considering the conditions specified in Environment Clearance Certificate, the Company has accounted for the liability towards CER for projects on incurrence basis under CWIP/PPE and commitments relating to ongoing projects are being disclosed as part of Capital Commitment (Refer Note-36). Accordingly, the Company has disclosed an amount of **₹ 507.81 crore** as capital commitment on this and similar account.

8. The Company has treated the expenditure for removal of shoals from the upstream of Mahanadi Barrage and construction of Water Treatment plant in Cuttack, as enabling assets for supply of water to its Paradip Refinery since the same is necessary for the continuous operation of the Refinery. The construction of these assets is being done through government agencies, payment for which are released in advance and the same are adjusted based on utilization certificate. Accordingly, the Company has included **₹ 147.10 crore** under Capital Work in Progress (Note 2.1), **₹ 84.34 crore** as capital advances (Note 8) and disclosed **₹ 146.96 crore** under capital commitment (Note 36) pending completion of these projects.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd...)

9. The Company is consistently valuing its inventories at Cost or Net Realizable Value (NRV) whichever is lower. For this purpose, NRV is derived based on the actual realization in the specified subsequent period as per regular practice. Due to COVID-19 a global pandemic and changes in Oil market scenario there was a significant fall in oil prices which lead to write down in valuation of inventories below cost for the specified period of **₹ 6,855.35 crore**. However, on account of unprecedented situation of lockdown from March 25, 2020 in the country precipitated by the outbreak of COVID-19 pandemic and consequent significant decline in demand for petroleum products, as a one time measure, a longer time period is considered for better estimation of NRV considering the most reliable evidence available in line with the provisions of Ind AS 2 "Inventories". As a result of considering a longer time period, the write down in valuation of inventories increased to **₹ 11,304.64 crore**. Considering the nature and size, the total write-down in valuation of inventories of **₹ 11,304.64 crore** is treated as Exceptional Item in the Statement of Profit and Loss account in the current year.

10. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 the company has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the Company has decided to avail the lower rate from FY 2019-20.

    Accordingly, the Company has recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured it's net Deferred Tax Liabilities on the basis of the rate prescribed in the said section.

    The net impact on deferred tax due to this change is **₹ 4,461.78 Crores** of which **₹ 58.80 Crores** has been accounted in Other Comprehensive Income. The MAT balance as on April 1, 2019 amounting to **₹ 1,921.13 Crores** has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same would be available for utilization against any tax liabilities pertaining to past periods.

    During the financial year the Government of India has introduced Vivad se Vishwas scheme for settlement of Income Tax disputes vide The Direct Tax Vivad Se Vishwas Act, 2020, which is optional and can be availed upto December 31, 2020. The Company has referred certain issues/queries to CBDT for necessary clarifications, relating to claiming of benefit in subsequent years for disallowances of timing nature for which tax to be paid under the said scheme. The Company is awaiting for such clarifications and may take an appropriate decision of opting for the scheme in the Financial Year 2020-21.

11. The Company has assessed impact of impairment of its Equity Investment as at March 31, 2020 and has recognized **₹ 1,345.24 crore** and **₹ 86.41 crore** as impairment in the carrying value of IndOil Global BV and IOCL (USA) INC. respectively during the year. Further, an amount of **₹ 316.66 crore** recognized as impairment in earlier years in respect of its investment in Indian Oiltanking Ltd. has been reversed as the recoverable amount of the asset has increased significantly.

12. The outbreak of Coronavirus (COVID-19) globally and in India has impacted businesses and economic activities in general. The spread of COVID-19, along with nationwide lockdown starting from March 25, 2020, has caused serious threat to human lives and resulted in reduction in global demand and disruption in supply chain, which have forced the businesses to restrict or close the operations in short term.

    During the lockdown, petroleum business continued its operations under the "Essential Services". The company's supply chain of petroleum products acts as a backbone of the country, whose continued functioning is all the more critical during times of crisis.

    In response to the lockdowns, the company launched a massive program to ensure business continuity of its services which allows employees to work remotely from the safety of their homes, while continuing to provide uninterrupted support services to our customers. The Company has also taken all necessary steps to comply with internal controls during the period of lockdown.

    Petroleum products demand growth for the current year till February 2020 was moderate, however, the demand decline in March 2020, made the growth subdued. Further, the COVID-19 has triggered volatility in international crude, petroleum prices and exchange rate. Due to the reduction of benchmark prices, inventories were written down below cost and valued at net realizable value. The financial impact on inventories, investment etc. have been given separately.

    The Company has assessed internal and external information upto the date of approval of the financial statements while reviewing the recoverability of assets & financial resources, performance of contractual liability & obligations, ability to service the debt & liabilities. Based on such assessment, the Company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. The Company is positive on the long-term business outlook as well as its financial position. However, it will continue to closely monitor any material changes to future economic conditions as the COVID-19 situation continues to evolve in India and globally.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd...)

13. Purchase of crude oil from Oil India Limited 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.

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

15. There are no other significant subsequent events that would require adjustments or disclosures in the Financial Statements as at Balance Sheet date, other than those disclosed above.

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

Sd/-	Sd/-	Sd/-
(Sanjiv Singh)	**(S.K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN-05280701	DIN-07570165	ACS-13737

As per our attached Report of even date

For G. S. MATHUR & CO.	**For K. C. MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Shrenik Mehta)**	**(Aniruddha Sengupta)**
Partner	Partner	Partner	Partner
M. No. 091007	**M. No. 101533**	**M. No. 063769**	**M. No. 051371**

Place: New Delhi
Dated: 24 June 2020

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

	2019-20	2018-19
INCOME :		
1. Recovery of House Rent	**15.04**	11.26
2. Recovery of Utilities-Power and Water	**4.38**	4.63
3. Recovery of Transport Charges	**0.06**	0.06
4. Other Recoveries	**8.56**	10.03
5. Excess of Expenditure over Income	**718.63**	658.95
TOTAL :	**746.66**	**684.93**
EXPENDITURE :		
1. Employee Benefit Expenses	**163.44**	182.69
2. Consumable Stores and Medicines	**78.07**	74.70
3. Repairs and Maintenance	**169.15**	140.44
4. Finance Cost	**29.54**	21.55
5. Depreciation & Amortization	**46.97**	44.77
6. Miscellaneous Expenses		
- Taxes, License Fees, Insurance etc.	**69.58**	59.14
7. Utilities-Power, Water and Gas	**127.78**	120.50
8. Rent	**1.51**	0.28
9. Subsidies for Social & Cultural Activities	**34.91**	30.94
10. Others	**25.70**	9.92
TOTAL :	**746.66**	**684.93**