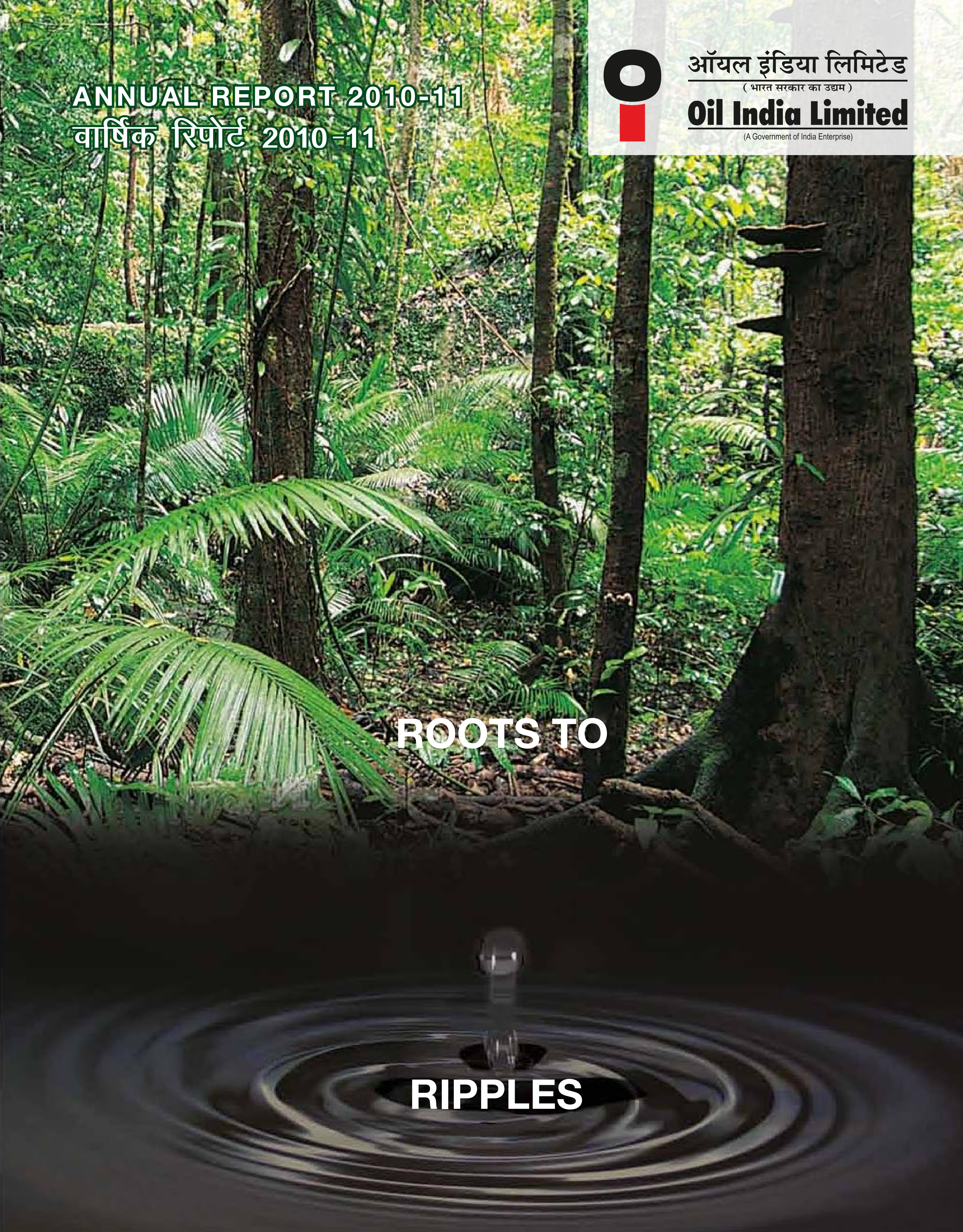

ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

ANNUAL REPORT 2010-11
वार्षिक रिपोर्ट 2010-11

ROOTS TO RIPPLES

BOARD OF DIRECTORS

Functional Directors
Shri. N. M. Borah, Chairman & Managing Director
Shri. T. K. Ananth Kumar, Director (Finance)
Shri. B. N. Talukdar, Director (E&D)
Shri. N. K. Bharali, Director (HR&BD)
Shri. S. Rath, Director (Operations)

Independent Directors
Shri G.H. Amin
Shri Vinod K. Misra
Shri Alexander K. Luke
Prof Sushil Khanna
CA Pawan K. Sharma

Government Nominee Directors
Shri. D. N. Narasimha Raju
Dr. (Smt.) Archana S Mathur

Company Secretary
Shri. S. R. Krishnan

Registered Office
P.O.Duliajan,
Distt. Dibrugarh,
Assam - 786 602
Ph : 0374-2800427
Fax : 0374-2800522

Corporate Office
Plot No. 19, Sector-16A,
Noida, Distt. G.B. Nagar,
U.P - 201301
Ph: 0120-2488333-47
Fax: 0120-2488310
Visit us at: www.oil-india.com

Registrar and Share Transfer Agent
M/s Karvy Computershare Pvt. Ltd.
(Unit : Oil India Limited)
Plot no. 17-24, Vittalrao Nagar,
Madhapur, Hyderabad-500081
Telephone: 040-44655000;
Fax: 040-23420814
Toll free No.: 1800-3454-001
email: einward.ris@karvy.com
website: www.karvy.com

Bankers
Allahabad Bank
Axis Bank
Canara Bank
Corporation Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
Standard Chartered Bank
Syndicate Bank
United Bank of India
United Commercial Bank
Union Bank of India

Statutory Auditors
M/s. Chatterjee & Co.,
Chartered Accountants,
153, 3rd Floor,
Rash Behari Avenue,
Kolkata-700029

M/s. SRB & Associates
Chartered Accountants
5th Floor, IDCO Towers,
Janpath
Bhubaneswar - 751 022

Cost Auditor
M/s Mani & Co.
Cost Accountants
'Ashoka', 111,
Southern Avenue,
Kolkata - 700 029

Secretarial Auditors
M/s Chandrasekaran Associates
Company Secretaries
11-F, Pocket - IV, Mayur Vihar
Phase - I, New Delhi - 110 091

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OIL INDIA LIMITED

Regd. Office: P.O. Duliajan, Distt. Dibrugarh, Assam - 786 602

NOTICE

NOTICE is hereby given that the 52nd Annual General Meeting of the Shareholders of Oil India Limited will be held on Saturday, the 24th day of September, 2011 at 11.00 AM at Bihutoli, Duliajan, Distt. Dibrugarh, Assam-786 602, to transact the following business:-

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with Reports of the Auditors, Directors and Comments of the Comptroller & Auditor General of India thereon.
2. To confirm the payment of Interim Dividend for the financial year 2010-11 and to declare the Final Dividend for the financial year 2010-11 on the equity shares of the Company.
3. To appoint a Director in place of Shri. D. N. Narasimha Raju, Government Nominee Director who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. T. K. Ananth Kumar, Director (Finance) who retires by rotation and being eligible, offers himself for reappointment.
5. To authorise Board of Directors to decide remuneration/fees of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the financial year 2011-12.

(B) SPECIAL BUSINESS

6. **APPOINTMENT OF SHRI. N. K. BHARALI AS A WHOLE TIME DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT Shri. N. K. Bharali, who was appointed as Director (Human Resource & Business Development) vide Letter No. C-31014/1/2008-CA dated 14.09.2010 issued by Ministry of Petroleum and Natural Gas and who holds office upto this Annual General Meeting as an Additional Director and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. **APPOINTMENT OF SHRI. S. RATH AS A WHOLE TIME DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT Shri. S. Rath, who was appointed as Director (Operations) vide Letter No. C-31014/8/2010-CA dated 30.03.2011 issued by the Ministry of Petroleum and Natural Gas and who holds office upto this Annual General Meeting as an Additional Director and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. **APPOINTMENT OF SHRI GHANSHYAMBHAI HIRALAL AMIN AS A DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT Shri. Ghanshyambhai Hiralal Amin, who holds office as Additional Director (Part-time Non Official Director) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. **APPOINTMENT OF SHRI VINOD K. MISRA AS A DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT Shri. Vinod K. Misra, who holds office as Additional Director (Part-time Non Official Director) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

10. **APPOINTMENT OF SHRI ALEXANDER K. LUKE AS A DIRECTOR OF THE COMPANY**

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

    "RESOLVED THAT Shri. Alexander K. Luke, who holds office as Additional Director (Part-time Non Official Director) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

11. **APPOINTMENT OF PROF. SUSHIL KHANNA AS A DIRECTOR OF THE COMPANY**

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

    "RESOLVED THAT Prof. Sushil Khanna, who holds office as Additional Director (Part-time Non Official Director) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

12. **APPOINTMENT OF CA PAWAN KUMAR SHARMA AS A DIRECTOR OF THE COMPANY**

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

    "RESOLVED THAT CA Pawan Kumar Sharma, who holds office as Additional Director (Part-time Non Official Director) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board
OIL INDIA LIMITED

Sd/-
(S. R. KRISHNAN)
COMPANY SECRETARY

Place : NOIDA
Dated : 20.08.2011

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY STAMPED AND EXECUTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
2. No person shall be entitled to attend and vote at the meeting as a duly authorized representative of a company or any other body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true, shall have been deposited at the Registered Office/Corporate Office of the Company at least 48 hours before the time fixed for commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 17.09.2011 to 24.09.2011 (both days inclusive). Final Dividend, if approved at the Annual General Meeting, will be paid to those Members whose names appear on the Register of Members/ Beneficial Owners as per lists furnished by NSDL & CDSL as on 16.09.2011.
4. Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of the shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Registrar & Transfer Agent (RTA), M/s Karvy Computershare Private Limited, Hyderabad.
5. Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
   i) For shares held in dematerialised form - to their respective Depository Participant i.e. the agency where the demat account has been opened.
   ii) For shares held in physical form - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad.
6. Members seeking further information about the Accounts/Working of the Company are requested to write to the Company Secretary atleast 7 days in advance of the meeting so as to enable the Directors to keep the information ready for the meeting.
7. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
8. During the year the balance lying in the Unpaid Final Dividend Account 2003-04 of the Company will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company for obtaining payments thereof at the earliest. Reminder letters to the respective members, whose names are appearing in the unpaid list of the Company, have already been dispatched.
9. The ISIN for the equity shares of the Company is INE274J01014. Members, who desire to have their holding of shares dematerialized are requested to approach the Company's RTA through a Depository Participant.
10. In terms of Section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to M/s. Karvy Computershare Private Limited.

EXPLANATORY STATEMENT PURSUANT TO SEC.173(2) OF THE COMPANIES ACT, 1956

ITEM NO.6

Shri. N. K. Bharali who was appointed as a Whole-time Director on the Board of the Company by the President of India pursuant to Article 119 of the Articles of Association of the Company holds office upto the conclusion of the ensuing Annual General Meeting being an additional director. The Company has received a notice in writing from a Member of the Company pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Shri. N. K. Bharali as a candidate for the office of Director.

The Board, therefore, recommends this ordinary resolution for the appointment of Shri. N. K. Bharali as a Whole-time Director of the Company liable to retire by rotation.

None of the Directors except Shri. N. K. Bharali is interested or concerned in the resolution.

ITEM NO.7

Shri. S. Rath who was appointed as a Whole-time Director on the Board of the Company by the President of India pursuant to Article 119 of the Articles of Association of the Company holds office upto the conclusion of the ensuing Annual General Meeting being an additional director. The Company has received a notice in writing from a Member of the Company pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Shri. S. Rath as a candidate for the office of Director.

The Board, therefore, recommends this ordinary resolution for the appointment of Shri. S. Rath as a Whole-time Director of the Company liable to retire by rotation.

None of the Directors except Shri. S. Rath is interested or concerned in the resolution.

ITEM NO. 8 TO 12

Shri. Ghanshyambhai Hiralal Amin, Shri. Vinod K. Misra, Shri. Alexander K. Luke, Prof. Sushil Khanna and CA Pawan Kumar Sharma were appointed as additional directors (Non-official Part-time Directors w.e.f. 30.07.2011) by the Board in terms of MOP&NG Letter No. C-31026/4/2011-CA dated. 07.07.2011. The Company has received notices in writing from Members of the Company pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose them as candidates for the office of Directors.

The Board, therefore, recommends these ordinary resolutions for the appointment of Shri. Ghanshyambhai Hiralal Amin, Shri. Vinod K. Misra, Shri. Alexander K. Luke, Prof. Sushil Khanna and CA Pawan Kumar Sharma as Directors of the Company liable to retire by rotation.

None of the Directors except the Directors being appointed are interested or concerned in the respective resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

Name of Director	Shri. D. N. Narasimha Raju	Shri. T. K. Ananth Kumar	Shri. N. K. Bharali	Shri. S. Rath	Shri. Ghanshyambhai Hiralal Amin
Date of Birth	28.04.1956	01.10.1953	01.02.1955	19.05.1955	28.03.1947
Date of Appointment	01.08.2008	18.01.2007	14.09.2010	31.03.2011	30.07.2011
Qualification	• M. Sc. (Horticulture) Bangalore. • Post Graduate Degree in Master of Business Laws from the National Law School of India University, Bangalore.	• Bachelor's degree in Commerce from Osmania University. • Member of Institute of Chartered Accountants of India.	• Bachelor's degree in Petroleum Engineering from Indian School of Mines (ISM), Dhanbad. • Post Graduate from Indian Institute of Management, (IIM), Ahmedabad.	• M.Sc in Applied Geology from IIT, Kharagpur. • Dip. in Mgt from IGNOU.	• Bachelor's degree in Science and Law from Gujarat University.
No. of shares held	NIL	NIL	1200	1020	1300
Experience in specific functional areas	Holding the position of Joint Secretary (Exploration), MoP&NG. He has wide professional experience of about 27 years in Indian Administrative Service and has served in various capacities in Government of India and Government of Karnataka. Posts held in Government of Karnataka include Deputy Commissioner, Bangalore City Corporation, Bidar District and Bangalore Rural District; and Secretary, Finance department. He has also served in GoI on deputation basis as Deputy Secretary/Director in DoEA, Ministry of Finance and as Private Secretary to Commerce Minister.	Currently holding position of Director (Finance); enriched and wide experience of about 31 years in the oil and petroleum industry and responsible for the entire financial management as well as the strategic management of the Company. He had played stupendous leadership role in OIL 'IPO' during 2009-10 and had received appreciation from MOP&NG and DoD. He had also served NRL as Director (Finance) for over three years and prior to that, he worked with HPCL for 23 years.	Currently holding position of Director (HR&BD); he has over two and half decades of experience in Petroleum exploration and production industry. He has worked in different functional areas relating to Production of oil & gas, Strategic & Corporate Planning, Business Development, Human Resource Management & Human Resource Development.	Currently holding position of Director (Operations), diverse and rich experience of about three decades in Petroleum exploration, development and production and is responsible for Company's exploration, development, resource management, oil, gas and LPG production and pipeline business. He has worked in different functional & geographical areas of OIL. He led the strategic organizational change initiative as Chief Co-ordinator. He has also served as Deputy Director General in DGH.	He has 37 years experience as an advocate in the Gujarat High Court. He has served as a director in various companies. He was the former Chairman of the Bar Council of Gujarat and the Ahmedabad District Cooperative Bank. Presently, he is Vice-President of National Cooperative Union of India (NCUI) and Vice-President of International cooperative Alliance (Asia Pacific). Formerly, he was President of NCUI.
Directorship held in other public companies.	NIL	1 (One) i. Brahmaputra Cracker & Polymer Limited.	1 (One) i. Indoil Netherlands B.V.	NIL	1 (One) i. National Films & Fine Art Coop. Ltd.
Membership / Chairmanship of the Committee of the Board of other companies in which they are Directors	NIL	1. Member, Audit Committee, BCPL.	NIL	NIL	NIL

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE AGM

Name of Director	Shri. Vinod K. Misra	Shri. Alexander K. Luke	Prof. Sushil Khanna	CA Pawan Kumar Sharma
Date of Birth	24.06.1947	04.08.1948	05.07.1951	16.06.1958
Date of Appointment	30.07.2011	30.07.2011	30.07.2011	30.07.2011
Qualification	• Bachelor's degree and a Post Graduate degree in Physics from the University of Delhi. • Master's degree in Philosophy from the Indian Institute of Public Administration.	• Bachelor's degree in Civil Engineering from Indian Institute of Technology, Mumbai. • IAS (Retd.)	• Bachelor's degree in Science • Postgraduate Diploma in Management from IIM, Calcutta. • Fellow (PhD) of IIM, Calcutta.	• Bachelor's degree in Commerce and Law from Guwahati University. • Practicing Chartered Accountant since 1984.
No. of shares held	NIL	NIL	NIL	NIL
Experience in specific functional areas	He has professional experience of about 42 years. He joined the Indian Defence Accounts Services in 1969 and has served in various capacities on deputation and Ministries with the Government of India. He has also served as Secretary, Defence (Finance), Ministry of Defence until his superannuation in June 2007.	He has 36 years of professional experience. He joined the Indian Administrative Service in 1975 and took voluntary retirement in 2006. During his years in the Government Service, he has served as Managing Director in various Companies including Gujarat State Fertilizer and Chemicals Limited, Gujarat Alkalies and Chemicals Limited, Gujarat Narmada Valley Fertilizer Limited, Gujarat Industrial Investment Corporation and Sardar Sarovar Narmada Nigam Limited. He was also the Chairman and Managing Director of the Kerala Minerals and Metals Limited and Travancore Titanium Products Limited.	He has 39 years of professional experience in merchant banking and academics. He is a faculty member in the areas of Economics and Strategic Management at Indian Institute of Management, Calcutta. He is a Fellow (Ph.D) of IIM, Calcutta and also a member of the Board for Restructuring Public Sector Enterprises constituted by the GoI.	He has a total professional experience of 27 years. He is a member of the ad-hoc Task Force constituted by the Ministry of Heavy Industries, GoI. He has served as director on the board of several companies including Vijaya Bank, Assam Financial Corporation, Assam Conductors and Tubes Limited. He has been a life member of the Indian Council of Arbitrators since 2002.
Directorship held in other public companies.	1 (One) i. Hindustan Aeronautics Ltd.	1(One) i. CMD, Kerala Road Transport Corporation Limited	2 (Two) i. Shipping Corporation of India Ltd. ii. Nicco ventures Ltd.	NIL
Membership / Chairmanship of the Committee of the Board of other companies in which they are Directors	1. Chairman, Audit Committee, HAL. 2. Chairman, Human Resource Management Committee, HAL.	NIL	1. Member, Remuneration Committee, Shipping Corporation of India Ltd. 2. Member, Strategic Planning Committee-SCI	NIL

DIRECTOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY

Dear Shareholders,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 52nd Annual Report on the working of the Company for the financial year ended 31st March 2011, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India.

Your Company has just completed eventful 52 years of its glorious existence on 18th February 2011 and is marching ahead with a renewed vision and commitments of all Oil Indians for greater growth.

We believe that the only way is going upwards; as it is always our endeavor to go from strength to strength. We look for ideas, new ways of working and aim for moving ahead while maintaining our work culture. We believe that creativity is contagious and induces enthusiasm. We look at problems as opportunities and overcome setbacks by gaining in strength. We do it big, we do it right, and we do it with class. Nevertheless, we do not believe in speaking about our achievements. We believe in what others say about us, which is a true reflection of our achievements.

1.0 SIGNIFICANT HIGHLIGHTS

Navratna Status

Your Company is now a Navratna PSE since first quarter of the 2010. The grant of Navratna status is in recognition of the tireless efforts and contribution of all the Oil Indians towards helping the nation in attaining energy security and it is envisaged to bring competitive advantage by supporting its drive to eventually become a global giant.

Excellent MoU Rating

Your Company has been rated "Excellent " in the MOU with GoI for the year 2009-10 and is expected to be rated at the same level during 2010-11.

Production and Sale

Your Company has set another record of achieving the highest ever production of crude oil and condensate at 3.609 MMT. The production of natural gas and LPG was 2352.71 MMSCM and 45010 Tonnes respectively. We transported 5.95 MMT of Crude oil and 1.069 MMT of products through our pipelines. This helped to achieve the highest sales turnover of ₹ 8113.22 crores during the year and set a new record of 10.62 % increase in Profit after tax at ₹ 2887.73 crores compared to the previous year, despite bearing a burden of subsidy to the tune of ₹ 3293.08 crores to PSU Oil Marketing Companies on the price of Crude Oil and LPG as per the administrative order of the Ministry of Petroleum and Natural gas.

Acreage

Your Company holds 165865 Sq.Kms. of acreages both indigenously and overseas covering seventy six blocks out of which in India, 11 NELP as Operator, 1 NELP as Joint Operator, 18 NELP as Non-Operator, 3 as JV, 9 Nominated PELs and 21 PMLs. In overseas, 3 as Operator, 8 as Non-Operator and 2 as JV.

Oil & Gas Reserves

Your Company has made a total of six new hydrocarbon discoveries in Upper Assam basin during the year. This resulted in an accretion to recoverable reserves by 9.57 MMKLs (O+OEG) of oil and gas achieving the "Excellent" targets set in this regard in the MOU with GoI.

Your Company has a strong oil and gas reserves base as furnished below, which reflects a significant growth potential.

MMSKLOE

	1P	2P	3P
Crude oil	44.51	92.84	137.87
N.Gas	35.73	57.32	80.29
Total	80.24	150.16	218.16

2.0 Research and Development

Your Company gives great importance in continuous up-gradation of technologies and expertise in various areas of activities through its own Research & Development Centre. The details of activities carried out are given in Form-B of this Report.

3.0 Human Assets

Your Company has 8634 employees on the rolls, of which 1708 personnel are in executive cadre. Team Oil India is a workforce dedicated to meet the vision of your Company and is always endeavoring to take your Company to challenging heights.

4.0 Industrial Relations

Harmonious and cordial relations were maintained with the employees. The employees' Union extended full co-operation and actively participated with the management in sorting out employees' problems and grievances. There was no incidence of man-days loss due to industrial relations problems.

5.0 Recognition

Your Company was accorded recognition for its meritorious services to its stakeholders as follows:-

i. First Prize for Oil Industry Safety Award in Oil & Gas Assets (Onshore) Category;

ii. Gold Award for the year 2011 in Petroleum Sector for Outstanding Achievement in Safety Management by the Greentech Foundation, Hyderabad;

iii. Best Environment Management and Sustainable Development Award by Indian Chamber of Commerce.

iv. Greentech Environment Excellence Award for the year 2010 by the Greentech Foundation, Hyderabad;

v. Golden Peacock Global Award for CSR for the year 2010 at the 5th Global Conference on Social Responsibilities organized by World Council for Corporate Governance in Lisbon, Portugal, for CSR in recognition of Company's social and environmental concerns ,economic value addition and social good;

vi. Greentech HR Excellence Gold Award 2010 for Outstanding Achievement and Innovation in Employee Retention Strategies;

vii. Motivational Leadership Award at the Global HR Excellence Awards 2010-11 during the World HRD Congress;

viii. HR Leadership Award honored Shri N.K.Bharali Director (HR&BD) at the 5th Employee Brand award ceremony in appreciation of Individual or Organization who have made a shining contribution and made the HR Industry proud; and

ix. Recognizing Winning Edge 2010 in Raising Capital / Capital Restructuring by CFO 100 honored Shri. T. K. Ananth Kumar, Director (Finance) as Best CFO for excellence in the abovementioned category;

6.0 Corporate Governance

As stipulated under Clause-49 of the listing agreement, the Management Discussion & Analysis Report and the Corporate Governance Report have been incorporated as separate sections forming part of the Annual Report. Your Company also complies with the Secretarial Standards issued by ICSI and corporate governance guidelines enunciated by the Department of Public Enterprises, Government of India. The Ministry of Corporate Affairs, Govt. of India has issued a set of voluntary guidelines on Corporate Governance in December 2009. The guidelines provide for good governance practices which may be adopted by corporates voluntarily. Oil India complies with most of the provisions of the guidelines and would endeavour to comply with the other provisions that are within the domain of a Government Company.

7.0 FINANCIAL HIGHLIGHTS-Table-I

The summarized Profit & Loss Account is furnished below:-

(₹ in Crores)

	2011	**2010**
INCOME		
Sales	**8113.22**	7748.56
Income from Transportation	**190.16**	156.99
Other Income	**1185.10**	937.13
Other adjustments	**60.73**	17.05
Total Income	**9549.21**	8859.73
EXPENDITURE		
Increase/(Decrease) in Stock	**(7.64)**	10.57
Production, Transportation & Other Expenditure	**4139.90**	4072.90
Provision against debts, advances and other provisions/write-offs	**469.60**	282.72
Depletion	**301.46**	262.81
Depreciation	**176.68**	218.27
Interest & Debt Charges	**13.92**	3.65
Exchange Loss/(Gain)	**1.40**	(4.77)
Other Adjustments	**144.83**	112.62
Total Expenditure	**5240.15**	4958.77

	2011	2010
Profit for the period / year	**4309.06**	3900.96
Prior Period items	**(4.14)**	5.86
Profit Before Tax	**4313.20**	3895.10
Provision for Taxation:		
Current Tax (Including Wealth Tax)	**1297.32**	1159.82
Tax for earlier years	**-**	3.68
Deferred Tax	**128.15**	121.07
	1425.47	1284.57
Profit After Tax	**2887.73**	2610.52
APPROPRIATIONS:		
Interim Dividend @ 180% (Previous Year - 180%)	**432.82**	432.82
Tax on Interim Dividends	**71.89**	73.56
Final Dividend @ 195% (Previous Year - 160%)	**468.88**	384.73
Tax on Proposed Dividend	**76.06**	63.90
Transfer to General Reserve	**1838.08**	1655.52
TOTAL	**2887.73**	2610.52

a) The Shareholders' Funds as on 31.03.2011 were ₹ 15601.87 crores against loans of ₹ 1026.79 crore giving a Debt: Equity Ratio of 0.066:1 against 0.0027:1 in the previous year.

b) Earnings per Share (EPS) had increased to ₹ 120.09 in 2010-11 compared to ₹ 113.78 in 2009-10.

7.1 Dividend

Your Company paid an interim dividend @ 180% (previous year 180%), based on the provisional financial trend of the Company. The Board of Directors is now pleased to recommend a final dividend @ 195% on the paid up capital making the total dividend of 375% (Previous year 340%) for the year, subject to the approval of the shareholders at the ensuing Annual General Meeting. It is also proposed to transfer the balance of ₹ 1838.08 crore to the General Reserve.

8.0 CHANGES IN THE BOARD OF DIRECTORS

During the year, Shri. N. K. Bharali has been appointed as Director (Human Resource & Business Development) vide MOP&NG Letter No. C-31014/1/2008-CA dated 14.09.2010 and Shri. S. Rath has been appointed as Director (Operations) vide MOP&NG Letter No. C-31014/8/2010-CA dated 30.03.2011.

9.0 STATUTORY REQUIREMENTS

Section 274(1)(g) of the Companies Act, 1956 is not applicable to the Government Companies. However, none of the Directors of your Company is disqualified as per provisions of Section 274 (1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I forming part of this Report. None of the employees of your Company drew remuneration exceeding the limits laid down under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

10.0 STATUTORY AUDITORS

M/s Chatterjee & Co. and M/s SRB & Associates, appointed by the Comptroller & Auditor General of India (C&AG), are the Joint Statutory Auditors for the financial year 2010-11. The Auditors' remuneration for the year 2010-11 has been fixed at ₹ 9 lakhs each plus traveling and out-of-pocket-expenses, if any, in addition to the aforesaid amount for carrying out the statutory audit for the year 2010-11.

11.0 COST AUDIT

M/s Musib & Associates (M.No. 5546) are the Cost Auditors of the Company. The Cost Audit Report for the year 2009-10 has been filled on the due date i.e. 27th September, 2010. The due date for filling Cost Audit Report 2010-11 is 27th September, 2011. The Report is being finalized.

12.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) In the preparation of the annual accounts for the financial year ended 31st March, 2011, all applicable accounting standards had been followed, along with proper explanations relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently, except changes as stated in Para 2.2 of Schedule 27 to the Accounts per mandated convention, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31.03.2011 and of the profit of the Company for the year ended on that date;

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

(iv) the Directors had prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

(v) proper systems are devised to ensure compliance of all laws applicable to the Company.

13.0 ACKNOWLEDGEMENTS

With the initiatives through the renewed Vision of enlarging the Company's contribution and with our combined zeal, commitment, experience and expertise, your Directors look forward to another year of fruitful operations combined with an overall improvement in efficiency during the year 2011-2012.Your Directors acknowledge the guidance and support of the Ministry of Petroleum & Natural Gas, all other Ministries and agencies in Central and State Governments. Your Directors express their gratitude and thanks to the Shareholders, Customers, Vendors, Service Providers and other business partners/associates for their continued co-operation and patronage. Your Directors wish to place on record their deep sense of appreciation for the devoted services of all Oil Indians for its success.

For and on behalf of the Board of Directors.

Sd/-

(N.M. Borah)

Chairman & Managing Director

Dated: 27.07.2011

ANNEXURE- I

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. ENERGY CONSERVATION

I. Conservation of Crude Oil

A total quantity of 5256 KL of Crude oil was saved /retrieved from various pits sumps of different operational areas .

II. Recovery of Condensate

The total volume of condensate recovered from the following work spheres during the year was about 227573 KL

i. by the operation of Condensate Recovery Plant (CRP) at Moran, a total quantity of 1419 KL condensate was recovered;

ii. from Duliajan fields 200884 KL of condensate was recovered;

iii. from Rajasthan fields 100 KL of condensate was recovered; and

iv. 25170 KL of condensate was recovered from LPG Plant.

III. Conservation of Natural Gas

i. Natural gas flare reduction of 50000 SCMD of high pressure gas has been achieved at Baghjan EPS by laying a temporary 23 K.M, gas pipe line from Baghjan EPS to Makum EPS;

ii. Around 38000 SCUMD of high pressure natural gas flare was avoided at well Mechaki 2 by supplying gas through 100 mm NB distribution line to AGCL;

iii. around 100000 SCUMD of natural gas flare avoided by commissioning new 12 distribution line from Hapjan to Nagajan; and

iv. In DIAN QPS one DED 30 KVA Gen-set was replaced by N.Gas engine driven 50 KVA Gen Set for flare reduction.

IV. Conservation of Electricity

Installation of energy-efficient (star rated) window air conditioners:

i. 48 Nos. of 1.5 ton three-star energy-efficient window air conditioners were installed in the works. This has resulted in an estimated energy saving of 85389.00 kWh during the year; and

ii. 11 Nos. 1.0 Ton three-star energy-efficient window air-conditioners were installed in the works. This resulted in an estimated saving of 21,296 KWh of energy during the year.

Introduction of energy-efficient electronic ballast:

A total of 34 no. energy efficient electronic ballast have been used for different ratings of light fittings. This resulted in an estimated energy saving of 15115.20 kWh during the year.

Introduction of energy-efficient compact fluorescent lamps:

197 nos. of 15 / 20 watt Energy-efficient compact fluorescent (CFL) lamps and 50 nos. of Tube lights were installed in the works by replacing 60 watt GLS lamps. This resulted in an estimated energy saving of 27202.00 kWh during the year.

Duliajan Power Station:-

Turbine rotor of Gas Turbine Unit # 2 had been replaced with one number Zero-hour re-conditioned rotor. Due to better heat rate and fuel efficiency of the new rotor 4,38,566.41 SCUM (equivalent electrical energy of 5056670.707 kWh) Fuel Gas has been saved against Gas turbine Unit No. 2.

Instrumentation:

Introduction of high technology PLC and Micrologix in gas compressor and Air Compressor Control panels as replacement of old electromagnetic relay driven panels has resulted in less power consumption and less downtime of the machines.

V. CONSERVATION OF DIESEL (HSD)

i. In Horizontal Drilling wells, 1800 KL of HSD was saved which amounts to 600 KL per Horizontal well in comparison with a vertical well;

ii. 148.5 KL of HSD was saved by use of PDC Bits in comparison with TCR bit resulting in reduction in round trips ;

iii. 12.3KL of HSD saved by using electrically operated Motor driven Hydraulic Power Unit, instead of Engine driven unit for torque up casings;

iv. 12 KL of HSD was saved by application of non-fired NPU in well activation jobs; and

v. 24KL of HSD was saved by deployment of two Solar Gen Sets in workover operations.

VI. UTILISATION OF NON-CONVENTIONAL ENERGY;

In Workovers

2nos Solar Gen Sets, which have replaced use of 30 KVA Gen sets during night for illumination purpose at Work-over locations, were found to be excellent in terms of saving energy & money.

In Field Communications

Use of Solar Photo-Voltaic cells for MART Communication has resulted in saving 3651.76 KWhr of equivalent electrical energy during the period. Use of gas instead of conventional electric boilers for producing distilled water resulted in a saving of approx 1920 KWH of electrical energy.

B. RESEARCH AND DEVELOPMENT - Form B

I. SPECIFIC AREAS IN WHICH RESEARCH & DEVELOPMENT CARRIED OUT BY THE COMPANY:

1. Integration of Geochemical Data in to the Petroleum System Model of Upper Assam Basin

   A contract has been awarded to M/s. IGI Limited to carry out the petroleum system modeling of Upper Assam Basin by integrating the available geochemical and geophysical information. Collection of geoscientific data and other relevant geochemical work including maturity parameters, kinetic parameters and biomarker analysis has been commenced by M/s. IGI.

2. Reservoir Fluid Identification Through Geochemical Analysis of Sidewall Cores

   829 sidewall core samples from 32 wells of Upper Assam Basin and 158 sidewall core samples from 4 wells of Rajasthan Basin were analyzed by using TLC-FID and Gas Chromatograph.

3. Surface Geochemical Exploration Using Adsorbed Soil Gas Method

   Analysis of 200 surface soil samples each from Krishna Godavari delta region and Sadiya Block were carried out using adsorbed soil gas technique to delineate prospective area.

4. Development of Bacterial Strain and Nutrient Suitable for MEOR and Paraffin Control Job

   A collaborative project has been taken up with TERI, Delhi to develop a bacterial strain and nutrient suitable for paraffin control and MEOR jobs for our fields from in-situ sources. For isolation of the bacterial strain, samples from different reservoirs have been collected and presently isolation work is being carried out.

5. Microbial Treatment Job in Oil Wells to Reduce Paraffin Deposition

   Microbial treatment in ten producing wells is being designed and the procurement process for microbial strain other chemicals is in progress.

6. Study on Low Injectivity Problem in Water Disposal Wells at a Depth of Below 1,000m

   We continuously made dosing plans, monitored dosing and carried out tests of SRB activity in treated water at Kathaloni OCS. No SRB activity was observed in the entire surface set up handling produced water at OCS.

7. Study on Injection Water Quality Improvement

   In order to study the water injection corrosion problem, laboratory experiments were carried out to Chelate iron using Citric Acid (CA) and accordingly a field trial was carried out in Jorajan # 22 water injection station successfully.

8. Control of Scale Problem in ITF and Shalmari OCS Water Flow Lines with Suitable Scale Inhibitor

   We continuously monitored scale deposition in the water flow lines down stream of EET / ETs of Shalmari OCS and Ushapur OCS. Scale inhibitor treatment continued in Shalmari OCS and arrangements are being made to use scale inhibitor in Ushapur OCS. In addition, a scale inhibitor has been identified and procurement has been initiated for field trials.

9. Evaluation of alkali, Surfactant and Polymer (ASP) Flooding for EOR

   Laboratory evaluation of various surfactant chemicals from abroad is being carried out with respect to Alkaline Surfactant Polymer (ASP) flooding process. In addition, discussions with Chinese delegates have taken place and some samples of surfactant have been obtained for evaluation.

10. Minimizing Wax Deposition by Prevention of Annular Reflux in Oil Wells With Packers

    A venturi educator tool was fabricated in-house based on the design parameters suggested by us to minimize reflux related well bore cooling. Tentatively, Hapjan # 15 has been selected for field trial.

11. Development of Liquid Flow Improver for Flow Assurance

    In order to mitigate the flow assurance problems in the fields where necessary arrangement cannot be made for using regular flow improver chemical a liquid flow improver has been identified and its procurement process has been initiated for field implementation.

12. Development of Oilfield Chemicals

    Efforts continued round the year to develop suitable alternate products and sources for critical and crude specific Oilfield Chemicals (OFC) and two (2) new Flow Improver products have been identified.

13. Study on Direct Coal Liquefaction

    OIL in collaboration with M/s. Headwaters CTL (HCTL), LLC, USA and M/s. Engineers India Limited (EIL) carried out a pre-feasibility study to explore the viability of 10,000 BPD capacity commercial Direct Coal Liquefaction Plant. As per the result of the study this size plant is economically not viable. Additionally, we participated in US-DOE funded study on "Production and Optimization of Direct Coal Liquefaction Derived Low Carbon Foot Print Transportation Fuels". The results of the study indicate that the coal derived syncrude can be upgraded to finish grade transportation fuels.

14. Control of Microbial Activity in Biopolymer Based Drilling Mud

    An environmental friendly biocide for drilling fluid has been identified in a collaborative R&D project with M/s. NEIST, Jorhat. The product has been procured and field tested successfully in a biopolymer based drilling fluid in Loc. HSY.

15. Phytoremediation of Crude Oil and Oily Sludge Contaminated Soil

    Based on plantation for a phyto-remediation study, monitoring of soils samples from Jorajan # 22 extended pit is being carried out in our laboratories.

16. Ambient Air Quality monitoring

    One new mobile ambient air quality monitoring laboratory has been procured and commissioned and air quality in a number of our installations during the period has been monitored.

17. Shale Gas / Tight Gas Exploration

    In order to explore the possibility of exploiting any Shale Gas and Tight Gas deposits, we have undertaken a strategic project with the objective of establishing the resource potential in our operational areas in Assam-Arakan and Rajasthan basins by engaging an external consultant. A techno-economic feasibility study based on geo-scientific data available with OIL will also be carried out by the external consultant. The consultant will identify 2-3 sweet spots to drill pilot wells. Depending on the success of the pilot program, the Company will initiate a full scale exploration and production program targeting identified Shale Gas prospects, in line with the upcoming Shale Gas Policy of GoI.

II. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D EFFORTS:

1. Petroleum system modeling will help in identifying new areas to be taken up for exploration and in releasing new locations.
2. Reservoir fluid identification technique has helped in delineating oil bearing and water bearing zones and the type of oil.
3. Surface soil gas analysis will help to identify underneath oil reserves in exploratory areas.
4. Development of in-situ bacterial strain would increase the efficiency of MEOR / PDS processes.
5. Microbial treatment in producing wells will result in reducing paraffin deposition problems.
6. Use of SRB controlling bactericides have improved water disposal in disposal wells.
7. Iron chelating technique would improve water injection in the injection wells.
8. Use of scale inhibitors has reduced scale deposition in Shalmari OCS.
9. Development of ASP formulation will result in identifying a suitable formulation for ASP EOR technique.
10. Prevention of annular reflux will help in reducing heat loss and control of wax deposition.
11. Development of liquid flow improver will reduce flow problems in the field.
12. Development of oilfield chemicals has led to identification of two new Flow Improver products.
13. Study on direct coal liquefaction will help in finding a suitable techno-economically feasible process for alternate source of fuel.
14. Use of environmental friendly biocide has prevented deterioration of biopolymers in drilling fluid system.
15. Application of phyto-remediation technique has helped in reclaiming oil contaminated soil.
16. Continuous monitoring of air quality will help in maintaining clean environment in our installations.

17. Adhering to ISO 17025 has resulted in improvement in analysis standard.

III. FUTURE PLAN OF ACTION

i. R&D initiatives will facilitate in finding techno-economical solutions to problems faced by us in the areas of exploration, drilling, production and transportation of crude oil and natural gas.

ii. Encouragement will be provided to assimilate latest technology and their application in our operations.

iii. More efforts will be given on application of microbial techniques to combat various problems in an environmental friendly manner.

IV. Expenditure on R&D

₹ in Crores

	2010-11	2009-10
Capital	**2.51**	0.18
Recurring	**17.28**	22.31
Total	**19.79**	22.49
Total expenditure on R & D as a percentage of total turnover	**0.24**	0.28

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The following new technologies have been inducted / upgraded during the fiscal 2011.

1. PETREL 2010 version has been installed to upgrade the existing geo-modeling software PETREL. The upgrade facilitates usage of multiple regional 2D and 3D datasets under the same canvas and allows generation of seismic to well ties and automatic gridding and mapping of basins, fields and prospects. Multipoint geo-statistics combine hard well data with analogs to distribute properties based on seismic attributes for improved reservoir characterization. The new integrated seismic inversion workflow-improves understanding of rock properties and extraction of geo-bodies.

2. GEOLOG, a borehole image processing and interpretation software has been installed at the Petrophysics hub of Development Centre .This application software will enable in-house processing, quality control of vendor independent borehole images and to perform structural, sedimentological and petrophysical interpretation & on the processed image data. This software will also facilitate analysis of fractures, in-situ stress, thin bed and also in shale gas prospect identification.

3. KINGDOM, a versatile PC based software which had been installed in the Development Centre had a major up gradation of its functionalities by supplement of application modules. This would provide a much needed seismic support to the development geological studies. It is envisaged that the additional functionalities would aid in delineation of sands, mapping of irregularities and heterogeneities of the reservoir for increased effectiveness in field development planning.

4. Geo-Premium, advanced software has been installed in Drilling Operations for real time monitoring of drilling parameters and to prepare GTO, Deviation plot, Composite Log etc. This software is expected to save time during preparation of different operation related figures and enhance job outputs.

5. ECLIPSE 2010.1 version, BLACK OIL simulation software has been upgraded. The upgraded version makes it possible to meet the challenge of simulating complex reservoir. It allows optimizing recovery through dedicated workflows. The new version is much more efficient and has flexible and surface control option.

6. PETREL Reservoir Engineering Core Software has been acquired. This software can be combined and applied to different reservoir engineering needs. Using the Petrel Reservoir Engineering Core, simulation models can be built directly from geological models, add fluid properties, well completion, production history and event scheduling, organizing geological realization and development scenarios into cases.

7. Advanced Drilling Instrumentation systems are being used in two drilling rigs for the first time. Applications of MWD/ LWD (Measurement/Logging While Drilling), SDHMM (Steerable Down Hole Mud Motor) etc.facilitated drilling of horizontal wells. In continuation of the horizontal drilling campaign, three horizontal wells were completed during fiscal 2011.We continued the use of Glycol - PHPA-Amine mud and NDDF with micronised calcium carbonate in horizontal wells.

8. Shock Pulse Analyzer (SPM Make) has been installed and tested .This is a state of the art Condition Monitoring Equipment and can record shock pulse (condition) of any rotating elements specially bearings by which premature failure of an equipment can be determined.

9. Exhaust Emission Reduction Device (TADGER) has been installed in all the engines of five drilling rigs by which smoke (HSU)reduced by 34%, CO by 40%, NOx by 20% & HC by 51%.

10. Effluent Treatment Plant: As a measure of environment protection /pollution control with adoption of new technology, one ETP for Drilling Installation has been commissioned. This is aimed to treat the effluent from Effluent pit of Drilling well to a safer level for prevention of environmental pollution.

11. Soft starter system: This system for high horsepower electrical motors is being inducted for one of the AC-SCR rigs. Introduction of this system will result in savings in terms of energy consumption, as well as increased life of motors.
12. Vibratory Soil Compactors (3Nos) have been inducted into the Civil Engineering operations and procurement of another six numbers is in the pipeline.
13. Bio-degradable cleaning agents have been inducted for cleaning equipment in place of commonly used HSD/petrol.
14. Exhaust Emission Reduction Device (TADGER) has been installed in 70% of Power Pack Engines in drilling operations for curbing the environmental pollution.
15. Microbial Decontamination Unit (FUEL MAG) has been introduced in fuel systems of three rigs, which eliminated another environmental hazard for contaminated fuel disposal.
16. High Pressure Lubricator (10000 psig) Assembly was procured for carrying out wire line bottom hole operations at high pressure wells. Procurement of new wire line depth measuring devices, weight indicators improved the infrastructure required for smooth bottom hole operations. A Skid Mounted Heavy Duty Wire line which is under procurement for bottom hole data acquisition in high pressure super deep wells.
17. Friable Core Mounting Kit has been procured for the Petrophysical Laboratory ,which features Heat Shrink Teflon Tube and is capable of encapsulating and maintaining the size and shape of unconsolidated core sample plug .It can also arrest loss of exterior grains at the same time .
18. Sophisticated Digital Density meters based on Oscillating U-tube principle for accurate measurement of crude density has been introduced in chemical laboratory.
19. Mass flow meter based metering was deployed for monitoring condensate production.
20. Custody transfer accuracy Ultrasonic Flow meter and flow computers: This Flow meter is a very high accuracy and reliable flow measuring instrument and used for custody transaction all over the world along with well known Omni Flow Computers.
21. Density measuring system with Density Computers : These online density measuring Instruments with all the accessories and computers gives a real time value of flowing product density which are very important parameters in batch controlling of multi product pumping operations.
22. Up gradation of Telephone Exchanges : Exchanges at fields ,installations and townships were upgraded to the latest version of state - of - the - art IP based Avaya make survivable media gateways (exchanges) bringing all the exchanges to IP platform with full feature transparency. Outstation Exchanges were seamlessly integrated with Duliajan central Switching Server system through Optical Fibre connectivity.
23. New IP based Mini Exchanges installed at six field installations: utilizing Radio Communication established on OFDM platform and ERP Wireless LAN, new state-of-the-art IP based survivable media gateways (mini exchanges) to cater for increased requirements.
24. Installation of new IP based wireless Radio Communication Network: IP based Point-To-Point and Point-To-Multipoint state-of-the-art Motorola OFDM Radio Communication Network capable of unrestricted channel usage, surveillance and ERP applications, installed between Duliajan and Shalmari and surrounding 12 installations replacing outdated analog MART communication system and cable network.
25. Disaster Recovery site for Switching System: Apart from serving as media gateway, Enterprise Survivable Server installed at Moran site has been configured as a Disaster Recovery site for the entire switching network of the Fields to take care of any eventuality of failure of Central Server system installed at Duliajan.
26. A state-of-the-art PLC based electronic cylinder filling system along with upstream & downstream ancillaries has been installed for up-gradation of old cylinder filling system in the LPG Plant.
27. A state-of-the-art 800Xa system has been installed, replacing the old UNIX based system for front-end up-gradation of DCS system at LPG recovery plant.
28. Ethernet based processor system has been installed for up-gradation of PLC system of LPG recovery plant.
29. A Control-Logix processor based Panel-View HMI system along with DVC, Spring return actuators with electronic versa control and online vibration monitoring system has been installed for up-gradation of C&I system of Expander-Compressor unit in the LPG Plant.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crores)

	2010-11	2009-10
(i) Foreign Exchange Earnings	**1.56**	1.87
(ii) Foreign Exchange Outgo	**333.74**	464.03

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 THE NATIONAL ECONOMY

Our nation has weathered the recent economic recession quite well as the economic recovery was primarily powered by domestic demand. Our real GDP growth rate at 10.4% in 2010 remained among the strongest in the world, which is expected to be 8.2% in 2011. With timely mitigation of recession risks the economy has shown resilience, however high oil prices will pose the biggest risk to both growth and inflation. Persistent high inflation will also pose a risk to sustaining high growth.

2.0 INDUSTRY SCENARIO

Despite the ongoing recession worldwide, which was compounded by high risk premiums placed on crude oil due to the political uncertainty in the Arab regions, energy consumption rose by 5.6% during 2010 worldwide due to high energy intensity. Though this growth was spearheaded by emerging economies, it was also incidenced in developed nations and was the highest ever in the last four decades. The onerous task at hand is to increase the efforts to reduce the energy intensity and cater for a sustainable energy mix towards which the progressive economies have strategized for greener, cleaner and alternate fuels. Due to the growth in these areas as well as high prices of crude oil, the growth in consumption of fossil fuels was the lowest.

During 2010,in the hydrocarbons sector, global oil consumption grew by 3.1% against production growth of 2.2% only and global natural gas consumption grew by 7.1% against a production growth of 7.3%. Domestic production of crude oil was 1% of global production and grew by 9.8% against a consumption growth of 2.9%, which was 3.9% of global consumption. India imported around 81% of its crude oil requirements. Domestic natural gas production, which was 1.6% of the global production, increased by 29.7%. Domestic consumption of natural gas was 1.9% of the global consumption and domestic consumption increased by 21.5%.

During 2011 demand for crude oil is expected to grow globally by 1.6%(1.4mmbbl/d) provided the prices are sustainable and do not dent the growth or corrective steps are taken to increase energy efficiency and most importantly reduce energy intensity. Domestically the fuel demand is expected to grow by 3.8% in fiscal 2012.

In fiscal 2011, your company made a humble contribution of 9.65% of the nation's production of crude oil and 4.50% of the nation's production of natural gas.

3.0 RISKS AND CONCERNS

High prices increased risk appetites and tasked higher investments to cater for the universal concerns for energy security despite the fact the days of easy oil were clearly over. As investments moved into topographically and logistically difficult areas, there were many concerns as to higher infrastructure costs which balloon the budgets and whether such costs were within the domain of the State or Sovereign or are to be shared. Remoteness of locations and venturing into logistically difficult areas increases the requirement to build additional roads and bridges which adds an unnecessary burden to exploratory costs and risks.

Added to this are techno-scientific concerns for improving recovery rates, which drive up the marginal costs significantly and also impact on prices eventually. Higher investments require higher resources of manpower, goods and services and the demand-supply imbalance drives up the prices in respect thereof, in tandem with the rising prices of crude oil. Cost-optimization is the evident controllable solution for the future.

The upheavals in the Arab world lead to withdrawal of our personnel from Libya and slowed down our progress in Egypt and Yemen. Due to economic sanctions on Iran, we are uncertain about our expansion plans for developing discovered fields there. Out of conservatism per accounting convention, we have recognized the losses towards our investments in Libya and Iran.

Exploration ventures involve high risks and high investments. Globally, where there is oil there is an additional political or environmental risk. In overseas blocks, our exploration efforts in Timor Leste and in two blocks in Libya proved non-commercial. In NELP Blocks, our exploration deep water blocks in Cauvery basin and KG Basin with ONGC as operator was not successful. Accordingly, we have refocused our strategy and are limiting our overseas exploration activities to the existing concessions in Gabon, Egypt, Yemen and Nigeria. Moreover, owing to ongoing studies in our producing properties in the N.E .Region in India, where we have a significant presence, we envision to concentrate our risk bearing activities therein due to higher probabilities of success.

For onshore operators, the availability of land is getting scarcer, considering requirements for expansion of towns and cities with an emerging young population. Reforms in legislation for land acquisition have been on the cards,which has driven up the price expectations abnormally. Though, as per law, we have a privileged allotment of land required for industrial purposes and we also manage through effective CSR in our areas of operations, as we are extremely conscientious of the rights of the underprivileged and land-deprived, we are still faced with acquisition problems. Due to stringency of the environmental laws and the time taken for Public hearings etc., despite best efforts, the required processes slow down the most ambitious and well thought of plans.

Due to better incomes and explosion in construction activities for reasons as aforesaid, encroachments into oilfield areas is a continuous cause of concern on account of Health, Safety and Environmental requirements.

The changing environmental conditions have lead to incremental, unprecedented and untimely rainfall causing frequent disruptions in onshore activities like seismic surveys and the resultant inundation denied access to submerged locations; thereby resulting in idle rig time. The maximum rainfall recorded in our areas of operation in the Assam-Arakan basin was 15.1 cm (Cumulative 285cm) during fiscal 2011 against 12.2 cm(Cumulative 215cm) in fiscal 2010. Moreover, these also lead to incremental expenditure on flood control measures, dewatering of locations etc. The minimum temperature fell from 9.5 degree centigrade in fiscal 2010 to 8 degree centigrade this year posing additional efforts towards de-paraffinization of wells and flow lines.

Our areas of operation in the North Eastern Region being land-locked and our dependency on the refineries and low rate of industrialization therein has been an ongoing constraint in monetizing our reserves. The Numaligarh refinery had a prolonged shut-down during the first quarter of this fiscal, which resulted in a curtailment of production for all operators in that region due to constraints for evacuation. Though we were on a growth trajectory of 5% yet the curtailment of production lead to shut-down of producing wells and caused attendant problems of reviving/enlivening the same at additional costs. Even though the shortfall of off-take by this refinery was 18%, we could contain it within 12% by diverting produced crude to other refineries . This resulted in a curtailment of production of crude oil by 0.127 MMT and gas production of 25 MMSCUM. We bounced back with resilience and had the highest production in the Second Quarter of this fiscal and could surpass the production achieved in the previous year.

Similarly the gas production was curtailed due to lower off-take by our customers both in the N.E region and Rajasthan region. Due to the delay in commissioning of the Duliajan-Numaligarh gas pipeline by DNP Ltd, NRL lifted 3.46MMSCUM against 255 MMSCUM planned.

As a result thereof, our production of hydrocarbons remained at the same level as the previous year.

High prices of crude oil and high import dependency drove up consumer prices and in order to curb inflation and ensure a sustainable economic growth rate, corrections like subsidizing consumer prices became necessary. The domestic upstream industry in the Public Sector had been conscientiously sharing the subsidy burden up to 33% in the past, however in fiscal 2011, the same has been enhanced to 38.75%.This additional burden resulted in lowering our EPS by ₹12/- per share even though our share of the subsidy remained at 11%. Efforts are at hand to rationalize the scheme of sharing the subsidy burden in a transparent manner, and would emanate shortly in the form of a windfall profits tax based on slabs of prices. With the recent increase in domestic prices of petrol, diesel, kerosene, and LPG and rationalization of import duties on crude oil and excise duties on products in May-June 2011, and the concerns expressed in the Union Budget in February 2011 towards reducing/obviating subsidies, the concerns of the industry in this regard are being progressively addressed.

We are strongly hopeful that the political instability in the Arab world will be suitable resolved in the near future and the US$ slide will be arrested. We are also hopeful that the rally in the commodity markets, which has reached the hilt, will eventually subside and envisage an investment shift into the financial markets. With India also envisioning a 20% shift to Alternatives like nuclear, solar, wind etc.and towards Green sources of energy by 2020, the direction towards achieving a sustainable energy mix together with the foregoing progressive measures will go a long way in stabilizing the current imbalances.

4.0 OPPORTUNITIES AND THREATS

The ongoing economic recession threw open opportunities for inorganic growth through M&A activities at competitive prices, however due to our relatively small size as also due to many countries supporting such opportunities through Sovereign funds it is a challenge to compete for producing properties overseas. We are assessing many properties globally for our inorganic growth and are hopeful of bringing them to a successful acquisition. IOCL continues as our partner in these ventures.

Shale/Non-conventional gas has emerged as another area of interest and in our Nominated Blocks we are in the process of concluding the studies through a reputed consultant. We have also tied up with GAIL and Arrow Energy for these ventures both indigenously and overseas and are actively pursuing acquisition of producing properties in this regard.

With the expansion of the gas markets in India, City Gas Grids/Distribution is a dominant area of future growth.

Due to our core competence in almost all areas of upstream operations, as also due to a paucity of quality services availability indigenously, as also because world-vide oil field services demand is envisaged to outpace capacity additions, we have re-strategized for entering the services sector and are examining collaborations/ acquisitions of service companies.

The probability of success in our exploration ventures would require incremental resources for investment in development and since the company is presently lowly geared these would be met at the appropriate time from other sources of funding, if necessary.

5.0 INTERNAL CONTROL SYSTEMS

E&P operations mandate infallible and stringent control systems. Your Company has always set high standards and effective processes for monitoring its operations for ensuring transparency and risk mitigation. Internal and external audits are conducted on regular basis to ensure that transparency, statutory safety and other government guidelines are being regularly followed. Majority of the Internal Audit has been outsourced for better compliance. Though the internal control systems had been audited twice in the past, we tested the same again through external consultants during fiscal 2011 and the same are in the process of further augmentation and up gradation. Furthermore, we have completed our study for IFRS compliance and actions are at hand towards up gradation of the ERP systems for online facilitation of the same.

6.0 VIGILANCE

Honesty, Integrity & Transparency are the foundation stones of a trust worthy society. To propagate this paradigm a number of vigilance awareness programmes and seminars were conducted across the organization in order to inculcate commitment to values and redefine the role and responsibilities of the line managers in vigilance activities. Also a booklet on the same was released.

7.0 HEALTH, SAFETY AND ENVIRONMENT

Team Oil india with its deep conviction as a responsible corporate citizen pursued whole heartedly and was able to adhere to the spirit of the following three paradigms in its pursuit towards excellence:-

- Production without pollution;
- All injuries and accidents are preventable; and
- Care and protection of Mother Earth is a responsibility of each individual.

In line with the norms of MOEF, State pollution control board, OISD guidelines & Mines Regulations, all possible measures were adopted for protection of environment, without compromising safety in all our installations.

During fiscal 2011, following were also carried out:-

i. audit of high pressure wells to make an assessment of water resources, accessibility and vulnerability in the event of a disaster;

ii. feasibility Study of different Blends of Biodiesel in Diesel Engine and Optimization of Engine parameters using Taguchi Method - A Case Study for implementation of Biodiesel in the company;

iii. complete health check-up of three drilling rigs and acoustic barrier has been installed around Power Pack Engines of one drilling rig on experimental basis in order to reduce noise pollution level; and

iv. initiated mapping of the Carbon Foot Print in our operations to reduce GHG emissions.

8.0 HUMAN RESOURCES

Our Human Resource philosophy is to establish, build and retain a strong performance and competency driven culture with greater sense of accountability and responsibility. We have always focused to create an environment that assists the employees to enhance their sense of pride in what they are doing thereby contributing to better productivity. We understand that our stakeholders are encouraged to support businesses where the employees are proud of the company's services and products.

We have a strong team of 8634 employees, who through their competence and commitment are giving shape to our dreams and building of a new future for the Company. The Company through its effective and dynamic HR policies and systems has always encouraged its workers to innovate and apply new ideas so as to achieve quantum leaps in both size and scale of operations. The status is as follows:-

Composition of Work Force

	Workmen	Executives	Total
Position as at 31-03 2010	7051	1665	8716
Recruitment	146	100	246
Separations	-244	-84	-328
Promotion to Ex-Cadre	-27	27	0
Position as at 31-03 2011	6926	1708	8634
Average age	47.89	44.51	47.22

REPRESENTATION OF SCs, STs & OBCs

	Workmen	Executives	Total
SC	422	148	570
ST	778	114	892
OBC	2020	303	2323

REPRESENTATION OF WOMEN / MINORITIES/ PWDs / EX-SERVICEMEN

	Workmen	Executives	Total
Minority	457	98	555
Ex servicemen	46	6	52
Physically Handicapped	57	6	63
Women	250	85	335

Long Term Settlement for wage revision in respect of unionized employees was signed on 10.02.2011 and the revised wages and benefits payment along with arrears were processed in the month of March 2011.

9.0 CORPORATE GOVERNANCE

We have always been proud of our robust and transparent processes and structures in place through which our objectives are set; and effective planning, monitoring and delegation of powers is in place for facilitating the means for attaining the same. These progressive systems ensure proper accountability, independence and effective and timely disclosures/reporting. The effectiveness is evident from the fact that the Company has consistently had clean audit reports as also by the fact that every individual employee is committed to his best endeavors in taking forward the vision of your company as a member of a huge family.

As a mark towards achieving excellence the following noteworthy achievements are worth mentioning:-

- our Drilling Department was accredited with IWCF certification;
- our Employee Relations Department obtained ISO 9001:2008 certification.;
- our General Workshop has been accredited with ISO 9001:2008 certification;
- our Chemical Laboratory was upgraded from ISO 9001:2000 to ISO 9001:2008;
- our 4MGD Water Treatment Plant has been accredited with ISO 9001:2008 certification;
- We have set up a state-of-the-art 'Visualization Centre'(VC) at Duliajan through a turnkey project implemented by Schlumberger. The VC is aimed at collaboration, integration & interpretation of G&G data through immersive visualization technology and is expected to aid OIL in managing exploration risk, reservoir characterization and field development;
- Productivity improvement and new technology absorption was achieved by the following:-

✓ telecommunication network has been augmented by new state of the art systems;
✓ Gas flare has been reduced from 7.5% in fiscal 2010 to fiscal 7.2% in 2011;
✓ The Performance Management System based on the Balance Score Card approach has been revised in line with DPE Guidelines and the same has been made online across the company;
✓ HR Audit has been conducted for evaluating the HR scenario and environment in the organization to assess the prevailing HR climate with specific thrust on Job Satisfaction and Morale of Executive employees in the organization and the objective of attaining an important feedback for organizational effectiveness and improvement of organizational climate; and
✓ To fulfil our vision of enabling your company to become a Learning Organisation through continual organizational transformation and learning, 35 change management programmes were conducted across the organization. This was in addition to 206 external and internal regular training programmes addressing 4162 attendees.
✓ The following projects are on the anvil for implementation:-
✓ for quality control, and storage capacity augmentation, a new Intermediate Tank Farm at Tengakhat;
✓ for capacity augmentation State-of-art OCS at Barekuri and Bhogpara;
✓ for providing a significant edge in seismic data processing a High Performance Cluster Computing - Linux Cluster set-up of 800 cores ;
✓ up-gradation of E&P Databank Infrastructure from existing R2003 to the new paradigm of R5000;
✓ procurement of state-of-art HP Superdome system for ERP data centre;
✓ up gradation of the SCADA system to SMS based GSM Data communication system;
✓ enhancement of Internet bandwidth at Duliajan to 24 MBPS and shift to a terrestrial link with Internet Load Balancer;
✓ procurement of two 2000 HP VFD Drilling Rigs (one equipped with Top Drive and other with provision of installing Top Drive) and one 750 HP mobile Drilling rig;
✓ Central Gas Gathering Station at Madhuban and gas supply network for BCPL;
✓ Field Gas Gathering Stations at Chabua and Baghjan and grid connectivity;
✓ Replacement of one 20.28 MW Gas Turbine Power Plant for captive consumption;
✓ Water Injection Station in Greater Tengakhat;
✓ Reconnaissance survey of pipeline route existing and new pipeline in Upper Assam Fields ;and
✓ LNG Plant/Storage & Transportation facilities.

10.0 KEY PERFORMANCE INDICATORS

10.1 PHYSICAL HIGHLIGHTS

The performance in respect of the key parameters of the Company for the year ended on 31.03.2011, in comparison to the previous year is as follows:

Sl No.	**Item**	**Unit**	2009-10	**2010-11**
1	Crude oil production	MMT	3.572	**3.586***
2	Crude oil sales**	MMT	3.602	**3.593**
3	Natural gas Production	MMSCUM	2415	**2352**
4	Natural gas Sales	MMSCUM	1863	**1809**
5	LPG Production	Tonnes	44950	**45010**
6	Transportation			
	Main Line	MMT	4.790	**4.709**
	Reverse Pumping	MMT	1.521	**1.237**
	Products	MMT	0.874	**1.069**

* Highest ever for the company

** Includes JVC

10.1.1 CRUDE OIL PRODUCTION

During this year we drilled twenty-one development wells which together with seventy seven work-over operations augmented the production potential .Despite the constraints of lower drilling achievements than planned and curtailment of production due to Numiligarh refinery shut down as discussed in hereof, and environmental constraints, our consistent efforts on production optimization both in block and individual wells facilitated in arresting the decline rates of our green and brown fields and helped us in achieving a healthy terminal rate of 3.80MMTpa as at 31-03-2011 which was a 4.68% growth over 3.63 MMtpa as at 31-03-2010.

The increasing trend in indigenous crude oil production was also maintained due to a number of progressive measures taken to increase productivity in our main producing fields in Assam and Arunachal Pradesh as follows:-

Well Stimulation and servicing

Myriad of activities like production testing of drilling and Workover wells and cleaning or well activation and enlivening wax removal, fish recovery, acidization, backwashing etc. were routinely carried out . In fiscal 2011, 567 No of wells stimulation jobs were carried out, out of which 192 jobs were equivalent to high cost work-over.

Complex crude rheology coupled with other contributing factors result in paraffinization in the production tubing, which restricts the flow area for production of crude oil, and results in loss of production. In order to avoid this loss in production, de-waxing of the tubular both mechanical scrapping and hot oil circulation are carried out round the year. In fiscal 2011 a total of 22204 No of both heavy and light scrapping operations were completed in oil producing wells. Additionally 366 No of other complex well maintenance jobs were carried out using heavy scrapping winches, CTUs and Hot oil circulation units.

Flow assurance

Wire line Services and Hot Oil Circulation

Sustaining flow of oil both in horizontal and vertical regimes requires vigilant monitoring of all the parameters along with rigorous implementation of corrective actions. During the winter season, steam heating and indirect heating measures are adopted as a matter of routine to sustain flow assurance and minimize production loss. In fiscal 2011, 1418 steam heating jobs were carried out using nine mobile steam generators. Nine Indirect heaters were installed at various field locations. Periodic pigging operations of different COD lines were also carried out from time to time. These measures successfully sustained flow assurance and minimized production loss.

Control panel with online monitoring of critical parameters of Oil Collecting Stations are being progressively introduced in the fields .Mass flow meter based metering for condensate production has also been adopted in the fields. Newly procured Echo meters are extensively used to carry out fluid level survey of wells along with application of the same for load calculation of Sucker rod Pump wells.

IOR/EOR/Artificial lifting

Pressure maintenance schemes have been in operation since 1965 and have been augmented over the past five decades. Artificial lifting through gas-lift, sucker rod pumps, etc. is a continuous process. Presently, 146 wells are on gas lift and seven wells are on sucker rod pumps.In fiscal 2011, we carried out optimization of gas lift wells after thorough analysis of dynamics of various well parameters by using state of the art software like Well Flow etc. 60 wells cater for water injection with capacity for 10500 klpd injection. Two wells cater for gas injection.

10.1.2 NATURAL GAS PRODUCTION

Our present production potential is around 7.93 MMSCUMD of which 7.00 MMSCUMD is from N.E Region and 0.93 MMSCUMD is from Rajasthan. We are producing at an average rate of around 6.7 MMSCMD from our fields in Assam and Arunachal Pradesh to meet the market commitment of around 5.7 MMSCMD and our internal requirements. Gas supply to Numaligarh Refinery Limited (NRL) commenced from 28.02.11 after commissioning of the newly laid pipeline. Against a commitment of 1.0 MMSCMD, NRL is currently uplifting about 0.88 MMSCMD. During the year we drilled three new wells and carried out seven workover jobs on shut-in wells and added potential build-up by 1.281 MMSCUMD. OIL has further commitment of 1.35 MMSCMD to Brahmaputra Cracker and Polymer Ltd. (BCPL).BCPL was earlier scheduled to come on-stream by April 2012, which has now been re-scheduled to October 2013. Actions are underway for development of gas production potential and infrastructure development for gas collection and distribution network involving considerable investment. Actions are being taken to enhance production potential from the present level to around 10.0 MMSCMD in the North-east mainly from additional drilling, workover and adoption of new completion technology to meet the future requirement and to compensate for calorific value to consumers in post gas-cracker scenario and the cushion gas required for operational flexibility.

10.1.3 PIPELINE OPERATIONS

All three segments of the pipeline operations ensured uninterrupted throughput achieving throughput of 99.5% of off take in fiscal 2011 against 99.19% in fiscal 2010. The crude off take at 6.064MMT was 5.6% lower in fiscal 2011 from 6.423MMT in fiscal 2011. Intelligent pigging Survey of 16" main pipeline from PS-1(Naharkatia)to PS 5 (Noonmati) was completed in fiscal 2011 to ensure integrity management of the pipeline. Flow Improver chemicals and Pour point depressants were extensively used during the year to improve the pump ability of crude oil. The throughput of wet crude was lower due to lower offtake as reflected below:-

MMT

	Off take from Fields		Delivery	
	2009-10	**2010-11**	2009-10	2010-11
OIL+JVC	3.692	**3.683**	3.672	**3.659**
ONGCL	1.208	**1.138**	1.205	**1.134**
RAVVA	1.523	**1.243**	1.527	**1.237**
PRODUCT	0.875	**1.069**	0.836	**1.068**
TOTAL	7.298	**7.133**	7.238	**7.098**

10.2 DISCOVERY OF OIL AND NATURAL GAS

The following six new oil and gas discoveries were made during the year in the Nominated Blocks in the Upper Assam basin, where we drilled nine exploratory wells (two wells were dry), OIL achieved the 'Excellent' MOU target for 8.42 MMTOE of O+OEG accretion to recoverable reserves resulting in a Reserve Replacement ratio of 1:1.42 :-

i. JENGONI-2 (Loc- HVO)

This well located to the south of Makurn in North-Hapjan field, was drilled to a depth of 2932 meters to probe the hydrocarbon prospects within Tipam &. Barail Formations. The well has encountered three gas bearing sands within the primary target of Tipam formation and one oil bearing sand (tested) in Barail formation. This discovery has opened up a new area for producing hydrocarbon within Hugrijan ML area.

ii. MAKUM-33 (LOC. HUI)

This well, located in the West Makum Structure, was drilled to probe the hydrocarbon prospects within the Paleocene-Eocene and Barail Formations, to the depth of 4218 meters within Basement. The well encountered three possible hydrocarbon bearing sand within Barails, five possible oil bearing sand within Lakadong + Therria Formation and one gas bearing sand (tested) within Langpar Formation. This discovery has opened up a new area for gas production within Hugrijan ML area.

iii. MADHAKALI-1 (LOC. MFB)

This well, located in the Madhakali Structure, was drilled to probe the hydrocarbon prospects within the Barail and Eocene-Paleocene Formations, to the depth of 4214 meters within Basement. The well encountered one oil bearing sand (tested) within Lakadong+Therria forrnation. The discovery of commercial oil in this well has opened up new area for oil production within Moran ML area.

iv. BALIMARA-1 (Loc. DGF)

This well, located in the Balimara structure, was drilled to probe the hydrocarbon prospects within Tipam, Barail and Kopili Formations in the southern part of Upper Assam Basin, at the proximity of the Belt of Schuppen to the depth of 4985 metres within Kopilis.The well encountered four possible hydrocarbons bearing sand ranges within Kopili Formation, two possible hydrocarbon bearing and one hydrocarbon possibly oil bearing sand ranges within Barail formation. This was a significant discovery of oil within Kopili reservoir (tested) for the first time in the Company's fields in Assam, which has opened up a new play for exploration and exploitation.

v. MAHAKALI-1 (Loc. HSX)

This well, located in the Mahakali structure, was drilled to probe hydrocarbon prospects within Paleocene-Lower Eocene Formations to the depth of 4258 metres within Basement. The well encountered a number of hydrocarbon possible oil bearing sand ranges within Lakadong + Therria Formation(tested). The discovery of oil in this well has opened up new area for oil production within Hugrijan ML area.

vi. NHK-292 (Loc. HCS)

This well was taken-up for workover with the objective of investigating the hydrocarbon prospects within Girujans. The 2123 - metres Girujan Sand was tested and it produced gas. This discovery of gas by workover operation has opened up a new play within the Girujan reservoir and a new area for gas production within Hugrijan ML area.

10.2.1 OIL AND GAS RESERVES

The status of proved, developed oil reserves and proved gas reserves of the Company as on 31.03.2011 is as follows:

	Crude Oil				Natural Gas			
Area of operation	Position as on 01.04.2010	Additions/ Revisions	Production (2010-11)	Position as at 31.03.2011	Position as at 01.04.2010	Additions/ Revisions	Sale Quantity (2010-11)	Position as on 31.03.2011
	(MMKL)	(MMKL)	(MMKL)	(MMKL)	(MMKL-OE)	(MMKL-OE)	(MMKL-OE)	(MMKL-OE)
Assam-Arakan	35.415	4.334	4.042	35.707	35.970#	-0.061	2.033#	33.876#
Rajasthan	0	0	0	0	2.008	0	0.157	1.850
JVC-India*	2.929	0	0.105	2.824	0	0	0	0
Total	38.344	4.334	4.147	38.531	37.978	-0.061	2.190	35.726

Gas Reserves are based on the volume for which MoUs/Contracts have been signed with customers. Against the addition/ revision of 0.217 MMKL-OE during 2010-11, the geological accretion of natural gas during the same year is 2.3913 MMKL-OE.

* OIL has 40% PI.

10.3 ACREAGE

Your Company holds domestic and international acreages as follows:-

Block Category	Sq. Km. as on 31-03-2011
Nomination PEL	1979
JV non-operated	6041
NELP operated	16235
NELP non-operated	97910
Overseas operated	13941
Overseas non-operated	24664
PML operated	5095
Total	165865

Upto NELP VIII, your Company has participating interests in thirty three blocks. Your Company is the Operator in eleven blocks and Joint Operator in one block. In NELP IX bidding round, your Company competed and provisionally bagged acreages for another ten blocks, PSCs for which yet to be executed with the Govt. of India. Of these ten blocks, your Company is the Operator in three blocks of which one is in shallow water offshore, Joint Operator in two deep water blocks and has participating interest in the remaining five blocks.

In CBM IV round of bidding, your Company bagged acreage for one CBM block in North East India.

10.4 PROJECTS

10.4.1 INDEGENOUS PROJECTS (NOMINATED AREAS)

The status of PELs and PMLs is as follows:-

RAJASTHAN BASIN

i. Jaisalmer PML area

Gas fields of Tanot, Dandewala & Baggi-Tibba are lying within this PML. The gas produced in this area is supplied to RRVUNL through GAIL (India) Limited's pipeline for generation of electricity. The existing gas supply agreement to the customer is 0.7 MMSCUMD, however, the customer has demanded additional quantity of 0.2 MMSCMD of gas. New gas supply agreement is being worked out to supply additional gas from the Rajasthan Field.

ii. Baghewala PML area

The Heavy Oil field of Baghewala is located in this PML area. Your Company had entered into a technological tie up with M/s. Petroleos de Venezuela SA (PDVSA) of Venezuela for exploitation of this prospect. As discussed by PDVSA and under their supervision, and experimentation was carried out with steam injection to produce the heavy oil but it had to be suspended due to operational problems. Experimental cold production carried out with workover efforts resulted in recovery of heavy oil @ 30 BPD in well BGW-4 during August-October, 2009 and 23 BPD in well BGW-1 during February, 2010 with the assistance of Sucker Rod Pumping. Based on the encouraging result, further experimentation are being planned by engaging experts / consultants.

UPPER ASSAM BASIN

i. **Ningru ML:** (Area: 540.668 SqKm)

The Mining Lease expired in November, 2003. MOP&NG accorded approval for re-grant of PML for another 20 years. However, Ministry of Environment and Forest directed State Government of Arunachal Pradesh(SGoAP) to obtain a fresh proposal from us in accordance with the provisions of Forest Conservation Act, 1980 by paying Net Present Value (NPV) for diversion of the forest area covering the entire PML area for mining operation, which has been contested by OIL. It is being pursued vigorously to sort out the matter so that further operations could be taken out in the PML earliest.

ii. **Ningru Extension ML:** (Area: 75 Sq Km)

We applied for ML conversion of Ningru Extension PEL in June 2003. MoP& NG recommended for PML for another 20 years. Further activities will be taken up after obtaining approval from SGoAP, which is pending for reasons as aforesaid.

iii. **Jairampur PEL** (Area-18 sq km)

The PEL validity expired on 04.09.2010. As per MWP, location JRC drilled to evaluate supra thrust prospectively of the area but no commercial hydrocarbons could be established.

iv. **Jairampur Extn PEL :** (Area - 23.25 sq km)

The PEL validity is upto 14.02.2013. Released well location JRB will be taken up for drilling after obtaining Forest clearance from SGoAP.

v. **Namsai PEL:** (Area - 370 sq km)

The PEL validity was till 24th April, 2010. Drilling of one MWP well has been completed but no commercial hydrocarbon could be established.

vi. **Namchik PEL:** (Area : 195 sq km)

The PEL validity was till 30th April, 2010. The released location could not be taken up for drilling as Forest Clearance is yet to be granted by SGoAP. We have applied for extension of PEL, on grounds of statutory delay.

vii. **Deomali PEL:** (Area - 113.50 sq km)

The PEL is valid up to 03.04.2012. We are planning to acquire fresh seismic data for generation of drilling prospects.

viii. **Brahmaputra River Bed**

We had applied for grant of a separate PEL for an area of 2754 Sq Km on 09.08.2007 .We have plans to carry out 1,700 GLKM of 2D seismic survey in parts of river Brahmaputra in Upper Assam as a part of our hydrocarbon exploration activities. A few NGOs and Public Organizations had expressed their concern for the survey apprehending ecological imbalance in river Brahmaputra, particularly threat to river dolphins present in the river. MoEF formed a Multidisciplinary Advisory Group (MDAG) consisting of experts on the subject to study the various aspects and also to guide OIL. MDAG along with the expertise from Canada (M/s Jasco) is planning to undertake Impact Assessment Studies in two phases, which has however been deferred pending grant of the PEL.

ix. **Nomination PELs under special dispensation**

Under special dispensation, extension of time was obtained to complete the work programs in certain PELs having higher probabilities of hydrocarbon discovery. The status of the same is furnished below:-

Name of PELs	Area (Sq Km)	Validity	Status
Dibrugarh	427	14.02.2013	Approval received from MOP & NG. Two wells to be drilled.
Borhat	110	14.02.2013	Approval received from MOP & NG. Two wells to be drilled.
Murkongselek (N-F)	449	05.10.2011	MOP&NG Approved extn. upto 05.10.2011. MWP well is being drilled.
Tinsukia	480	01.12.2012	Approval received from MOP & NG. One well to be drilled.

10.4.2 NELP BLOCKS / PRE NELP BLOCKS

The Company, up to the end of NELP VIII bidding round, is holding Participating Interest (PI) in a total of 30 NELP (11 as operator, 1 Joint Operator & 18 non-operator) & 2 Pre NELP blocks as detailed below:-

I) NELP BLOCKS WITH OPERATORSHIP

A) UPPER-ASSAM BASIN (Area 1816 Sq. km.)

i. **AA-ONN-2002/3 (Karbi Anglong, NELP-IV)PI-30%:** In this block, mandatory relinquishment of 365 sq. km. area (25% of total 1460 Sq. km initially offered area) have been done during April, 2010 before entering in Phase-II. A total of 241 GLKM. 2D seismic data has been acquired till 31.03.2011. Action has been initiated for hiring integrated drilling services.

ii. **AA-ONN-2003/3 (Sadiya, NELP-V) PI-85%:** In this block, in-house processing of 217 sq.km of acquired 3D seismic data with preliminary interpretation is completed. Further re-processing has also been carried out through consultants. Due to extremity of the logistical requirements, 36 months extension was sought from MOP & NG which is not granted.

iii. **AA-ONN-2004/1 (Amguri, NELP-VI) PI-85%:** In this block, civil work for drilling of second exploratory well is in progress.

iv. **AA-ONN-2004/2 (Dibrugarh, NELP-VI) PI-100%:** In this block, on the basis of interpretation of 2D & 3D seismic data as well as geological assessment, two exploratory drilling locations namely, Loc-A (DRA) and Loc.-C (DRB) have been released. Civil work is in progress at the first location DRA while the other location falls under the forest area for which forest & environment clearance is awaited.

v. **AA-ONN-2009/4 (Teok, NELP-VIII) PI-50%:** In this block, grant of PEL is awaited from the State Govt. of Assam.

B) ASSAM-ARAKAN BASIN (Area 3213 Sq. km.)

i. **MZ-ONN-2004/1 (Mizoram NELP-VI) with PI-85%:** This block is located in a logistically difficult area; as a part of the committed MWP, 2D seismic data acquisition is under progress and a total of 1308 GLKM of 2D seismic data has been acquired till 31.03.2011. Based on the various studies carried out in-house as well as by independent domain experts (both Indian & Foreign) and Indian Educational Institutes, a total of eight exploratory locations have been proposed. EOI has been floated for integrated drilling services.

C) RAJASTHAN BASIN (Area 5044 Sq. km.)

i. **RJ-ONN-2004/2 (Charanwala, NELP-VI) PI-75%:** In this block, a total of six locations have been released for exploratory drilling. The drilling of the first exploratory well (Phulasar#1) has been completed recently but could not establish commercial hydrocarbons.

ii. **RJ-ONN-2004/3 (Deviwali NELP-VI) PI-60%:** In this block, as a part of the MWP commitment, two exploratory wells viz. Rachan#1 & Madasar#1 have been drilled during the year. While in the first well i.e, Rachan#1, further testing in Upper Carbonate/Bilara formations is planned, the second well Madasar#1 was dry and abandoned.

iii. **RJ-ONN-2005/2 (Kalibhar, NELP-VII) PI-60%:** In this block, preparation for acquisition of 3D seismic data is under progress.

D) KRISHNA-GODAVARI BASIN (Area 549 Sq. km.)

i. **KG-ONN-2004/1 (NELP-VI) with PI-90%:** This block falls partly in Andhra Pradesh (511 Aq KM - including 176.34 Sq KM forest land) and partly in Puducherry (38 Sq KM). PEL for Andhra Pradesh part, was obtained on 16.02 2008, but clearance for forest part is yet to be received. PEL for Puducherry part of this block was obtained in June, 2010. Based on the all available interpretation results/studies/review carried out on the reprocessed 2D seismic data along with other geo-scientific information, four locations were identified. A total of 166 sq km 3D seismic data (In the first phase) out of 235 Sq KM planned in this block has been acquired till 31.03.2011. Pre-monsoon, API of a total of 141 sq.km. of 3D seismic data has been completed and identification and proposal of few more exploratory locations are in progress.

E) CAUVERY BASIN (Area 1621 Sq. km.)

i. **CY-OSN-2009/2 (NELP-VIII) with PI-50%:** In this block in the Mannar sub-basin of Cauvery basin, the PSC was executed on 30.6.2010 and the exploration activities are in an early stage. In-house interpretation of legacy seismic and well data is in progress. 3D seismic acquisition in the block started on 18.03.2011 and a total of 124 sq.km seismic data has been acquired till 31.03.2011.

II) NELP BLOCKS UNDER JOINT OPERATORSHIP

A) ANDAMAN BASIN (Area 3992 Sq. km.)

i. **AN-DWN-2009/3.(NELPVIII) with PI-40%:** In this block in deep water Andaman offshore, the PSC was executed on 30.6.2010 and exploration activities are in early stages.2D seismic is planned during 2011-12.

III NON-OPERATED NELP BLOCKS

A) UPPER-ASSAM BASIN (Area 1617Sq. km.)

i. **In AA-ONN-2001/3 (South Nambor NELP-III) with PI-15%:** we have applied for Phase I restructuring due to stoppage of programmes because of demarcation dispute between two States.

ii. **In AA-ONN-2002/4 (Nagaland, NELP-IV) with PI-10%:** we have applied for Phase I restructuring due to stoppage of programmes because of Forest Department instructions.

iii. **In AA-ONN-2005/1 (Nambar, NELP-VII) with PI-30%:** the PEL was obtained on 01.12.2010 and exploration activities are in early stages.

iv. **In AA-ONN-2009/3 (Teok, NELP-VIII) with PI-50%:** the PSC was executed on 30.06.2010 and exploration activities are in early stages.

B) MAHANADI BASIN (Area 14041 Sq. km.)

i. **In MN-OSN-2000/2 (NELP-II) with PI-20%:** one appraisal well was completed during the year and being dry was abandoned. Final Development Plan (FDP) does not show economic viability at US $ 5 mbtu gas price in a standalone basis. Approval for extension of appraisal phase upto 22.12.2012 awaited from MoP&NG.

ii. **In MN-DWN-2002/1(NELP-IV) with PI-20%:** drilling of exploratory well MDW#9 (TD 6500m WD 2549m) was terminated at depth of 4900 m due to severe drilling complications and abandoned. Prognostication for 2nd well is in progress.

C) WEST BENGAL BASIN (Area 3940 Sq. km.)

i. **In WB-ONN-2005/4 (NELP-VII) with PI-25%:** legacy geo-scientific data of the block has been studied. Currently acquisition of 3D seismic data is in progress.

D) KRISHNA-GODAVARI BASIN (Area 41034 Sq. km.)

i. **In KG-DWN-98/4 (NELP-I) with PI-15%:** MWP in all phases has been completed. Three dry wells have been drilled to date. The third well was drilled during 2010-11. Final review of the block is in progress.

ii. **In KG-DWN-2002/1(NELP-IV) with PI-20%:** In Phase -I, out of four committed MWP wells, two have completed (both dry). Post drill analysis is in progress.

iii. **In KG-DWN-2004/5(NELP-VI) with PI-10%;** 2D acquisition and processing of 7928 LKM has been completed. Interpretation of 2D seismic data and 3D acquisition are in progress as per program.

iv. **In KG-DWN-2004/6(NELP-VI) with PI-15%:** 2D & 3D Seismic data acquisition and processing has been completed. Interpretation of 2D seismic data and 3D seismic data are in progress as per program.

v. **In KG-DWN-2009/1(NELP-VIII) with PI-15%:** the PSC was executed on 30 June, 2010 and exploration activitiesare in early stages.

vi. **In KG-OSN-2009/4(NELP-VIII) with PI-30%:** G&G interpretation of legacy data is in progress.

E) CAUVERY BASIN (Area 12425 Sq. km.)

i. **In CY-DWN-2001/1 (NELP-III) with PI-20%:** MWP commitment of Phase-I has been completed. Exploratory drilling of third well as per committed MWP has been completed in 2010-2011 without success, based on which it is felt prudent to recommend surrender of the block.

F) ANDAMAN BASIN (Area 24853 Sq. km.)

i. **In AN-DWN-2005/1(NELP-VII) with PI-10%:** arrangement of acquisition of 2D seismic and GM data in the block is in progress. Total 4900 LKM 2D seismic data acquired and processing is in progress.

ii. **In AN-DWN-2009/1 with PI-30%, AN-DWN-2009/2 with PI-40% and AN-DWN-2009/18 with PI-30%:** all NELP-VIII blocks, the PSCs were executed on 30th June, 2010 and all the thee blocks are in early stages of exploration.

IV) NON-OPERATED PRE-NELP BLOCKS

i. **AAP-ON-94/1(Area 305 Sq. km.) with PI-16.129% and carried interest of 30%:** This block has Dirak Discovery (Area-14 Km2). 3D API has been completed during fiscal 2010 and three additional prospects have been identified. Appraisal wells are being drilled.

ii. **GK-OSJ-3(Area 5725 Sq. km.) with PI-15%:** Work has been suspended due to rig moratorium.

V) NON-OPERATED PRODUCTION SHARING CONTRACT (PSC)

i. **Kharsang Oil Field in Arunachal Pradesh (Area 11.75 Sq. km.):** The Company with a Participating Interest of 40%, entered into a PSC with the Government of India in consortium with M/s Geo Petrol International Inc, France (25%), M/s Jubilant Enery (Kharsang) Pvt Ltd, India (25%) and operator M/s Geo Enpro Petroleum Ltd, India (10%) on 16.06.1995 for 25 years. The field is producing around 280 KLPD oil. 3D seismic API is nearing completion and exploratory drilling of one well to probe the deeper prospects in the Tipams is planned for fiscal 2012.

VI) CBM BLOCK: CBM ROUND IV(NON-OPERATED) (Area 113Sq. km.)

i. **AS-CBM-2008/IV with PI-40%:** A total of 15 Core Holes have been identified for drilling in this block after preliminary survey. Presently, Environmental Clearance, Forest Clearance and grant of PEL are awaited.

10.4.3 EXPLORATION PROJECTS OVERSEAS

I. OPERATED BLOCKS

i. **Libya: Area 86, and Block 102/4 with PI-50%:** Per MWP in both blocks ,OIL has completed three exploratory wells of which two were drilled this year. However, commercial hydrocarbon could not be encountered in any of the wells. Process of relinquishment of both blocks has been hampered due to civil unrest in the country.

ii. **Gabon: Block Shakti with PI-45%:** Per MWP ,we have so far completed processing and interpretation of 1000 LKM of 2D seismic and acquisition and processing of about 140 SQKM of 3D seismic data. Interpretation of the processed 3D seismic data is in final stages. One exploratory well is planned by first Quarter of fiscal 2012.

II. NON-OPERATED BLOCKS

i. **Libya: Area 95/96 with PI-25%:** 2D seismic data acquisition (2652 KLKM) and processing completed. Interpretation of the data is in progress. Processing of 1st phase of 3D data acquired (1480 Sq KM) in progress. Work held up due to political unrest in Libya.

ii. **Nigeria: Block OPL-205 / OML 142 [JV M/s Suntera Nigeria 205 Ltd.-70% (Operator) & M/s Summit Petroleum(30%)]:** OIL has 25% equity holding in M/s Suntera Nigeria 205 Ltd. along with Suntera Resources Ltd.(50%) and IOCL(25%).M/s Suntera Nigeria 205 Ltd.holds 40% particticipating interest and further 30% economic interest in Block OPL-205 .Based on the presence of existing gas/condensate discovery within the block, the lease area has been converted from OPL-205 (prospecting license) to OML 142 (mining license).JV is now planning to undertake further activity viz,. 3D seismic followed by 1 well.

iii. **Yemen: Block Nos. 82 & 83 with PI-12.75%:** The PSC with Yemen government was executed in April, 2008 and Presidential decree obtained in March 2009. Contract for acquisition of 2D / 3D seismic was awarded to a China based company. Physical activity on the blocks commenced and are currently suspended due to civil unrest in the country.

iv. **Timor- Leste (East Timor): Area-K with PI-12.50%:** The Farm-in-agreement was executed during June, 2008. The consortium has completed the MWP including drilling of the commitment well this year. No commercial hydrocarbon was however encountered in the well. Consortium is planning to relinquish the block.

v. **Egypt: Block Nos. 3 & 4 with PI-25%:** The Consortium is waiting for execution of the PSC after formation of new government in the country.

10.4.4 INORGANIC GROWTH

i. **Venezuela: [SA(PDVSA)-60%, OVL-11%, IOCL-3.5%, OIL-3.5%, Rapsol -11%, PETRONAS-11%]**

Your Company had recently acquired 3.5% of Participating Interest in a Mixed Company formed with Corporacion Venezolana del Petroleo ("CVP"), a subsidiary of state oil company Petroleos de Venezuela S.A. ("PDVSA") of Bolivarian Republic of Venezuela. The Mixed Company will be responsible for developing two blocks, Carabobo -1 North & Central, of Extra Heavy Oil in Orinico heavy oil belt. The Bolivarian Republic of Venezuela during February 2010, awarded a 40% ownership interest to a consortium of ONGC Videsh Limited, Indian Oil Corporation Limited, Oil India Limited, Repsol and Petroliam Nasional Berhad (collectively, the "Consortium"), for developing the Carabobo 1 Norte and Carabobo 1 Centro blocks located in the Orinoco Heavy Oil Belt, Venezuela. "CVP" holds the remaining 60% equity interest. The formal contract was executed on 12 May, 2010.

A wholly owned subsidiary of OIL has been created at Sweden named as OIL INDIA SWEDEN AB (OILSWED). OILSWED has 50% share in a joint venture created with IOCL at the Netherlands named INDOIL NETHERLANDS BV (INDOIL). INDOIL will hold 7% in the Mixed company at Venezuela (3.5% of OIL and 3.5% of IOCL). The liabilities of INDOIL will equally be shared with IOCL.

The mixed company contract was signed on 12.05.2010 at Caracas, for a period of 25 years, extendable by another 15 Years. The Mixed Company was incorporated on July 29, 2010 as M/s Petrocarabobo SA. A Service company CIC,SA has been incorporated on Jan 21, 2011 by Minority Shareholders (MS). Based at Puerto La Cruz, Venezuela, the Service Company would be an executing body for Mixed Company. Master Plan and budget of USD 100 million for 2011 have been approved. First oil through accelerated early production is expected by Q4, 2012.

ii. **Iran: Exploration Service Contract- Farsi Offshore[OVL 40%, (operator), IOCL 40%,OIL 20%]**

Gas Commerciality for Farzad-B gas field has been approved by National Iranian Oil Company (NIOC). The consortium has submitted a draft Master Development Plan (MDP) to Iranian Offshore Oil Company (IOOC), subsidiary of NIOC and is responsible for development of Farsi Block. Negotiations on way forward will start soon. Location for onshore Gas processing facilities have been finalized. However, considering the UN sanctions on Iran, due to the uncertainty of further progress, on a conservative basis, the investments herein have been provided for write-off per requirements of Accounting Convention.

iii. **Sudan: Product Pipeline [OVL-90 %, (operator) & OIL -10 %]**

Further to completion of the product pipeline in 2005, the consortium has received from MEM, Sudan, in total eleven installments so far out of eighteen installments.

10.4.4.1 OPPORTUNITIES FOR INORGANIC GROWTH

As part of continuous efforts on inorganic growth, your Company has been continuously scouting /evaluating various upstream opportunities and presently is actively pursuing producing properties in Australia, Russia, Kazakhstan, Canada amongst others.

10.4.5 OTHER PROJECTS

1. **Study on Direct Coal Liquefaction**

We carried out various activities in continuation of its efforts towards Coal Liquefaction Project during fiscal 2011, which are mentioned below:

i. Pre-Feasibility Report (PFR) for a 10,000 BPD DCL Plant

In view of low availability of coal and to minimize investment and risk associated with the new technology i.e. Direct Coal to Liquid(DCL) technology of Headwaters CTL, USA, it was deemed necessary to scale down the capacity of the plant to 10,000 Barrel Per Day (bpd) and go for a Pre-Feasibility Study (PFS) through external consultants. HCTL provided conceptual process design data and equipment cost estimates for their proprietary DCL process for preparation of a PFR. Per the report, a 10000 bpd plant is not economically viable.

ii. Coal - Liquid Study Production and Optimization of Direct Coal Liquefaction (DCL) Derived Low Carbon Footprint Transportation Fuels:

On HCTL's initiatives, Department of Energy (DOE), USA sponsored a study on "Production and Optimization of Direct Coal Liquefaction derived Low Carbon - Footprint Transportation Fuels". The study utilized the syncrude produced by OIL in its DCL studies. The objective of this study was to upgrade and characterize raw DCL liquids to fuel grade products and evaluate whether these fuels meet existing specifications for standard petroleum based fuels. In addition, this study provided an engineering assessment of carbon emissions, water use and preliminary economics of a moderate scale DCL facility to produce fuel grade products. This study has been completed and results indicate that the coal-derived syncrude can be upgraded to finished grade transportation fuels.

iii. Characterization of Coal Derived Liquid (Suncrude):

M/s. Indian Oil Corporation Limited (IOCL), R&D Centre, Faridabad was awarded a contract to characterize the stabilized syncrude derived from Assam Coal during Direct Coal Liquefaction (DCL) studies. The objective of this study was to characterize the raw DCL liquids and evaluate whether these fuels meet existing specifications for standard petroleum based fuels. The characterization study has been completed and the report has been received from IOCL. The results indicate that the raw DCL liquid needs up-gradation to meet existing specifications for standard petroleum based fuels.

iv. Characterization of Tertiary Coals of Meghalaya for Hydrocarbon:

The state of Meghalaya in the N.E. Region has immense coal reserves, which are reported to be having similar properties as those of Assam Coal. A collaborative study by OIL and the Department of Geological Sciences, Guwahati University, Guwahati on "Characterization of Tertiary Coals of Meghalaya for Hydrogenation" is in progress and expected to be completed shortly. The project would assess coal availability and quality of coal for generation of data / information for future use.

11. KEY FINANCIAL PARAMETERS

Our operating results are furnished in Table-I hereof

Fiscal 2011 compared with Fiscal 2010

Revenues

Our total revenue increased by 7.78% to ₹ 9549.21 crores in fiscal 2011 from ₹ 8859.73 crores in fiscal 2010. The increase was primarily due to increase in sales revenue from natural gas and income from transportation of crude oil and refined petroleum products.

Sales Revenues

Our sales revenues increased by 4.71% to ₹ 8113.22 crores in fiscal 2011 from ₹ 7748.56 crores in fiscal 2010 primarily due to a significant increase of 75.57% in natural gas sales revenue to ₹ 852.69 crores in fiscal 2011 from ₹ 485.68 crores in fiscal 2010. This was primarily due to:

Our sales revenue from crude oil decreased marginally by 0.08% to ₹ 7153.02 crores in fiscal 2011 from ₹ 7158.70 crores in fiscal 2010. Though the average internationally traded price per barrel for the relevant basket of crude increased by 25.67% to US$ 86.12 in fiscal 2011 from US$ 68.53, but net realized price after subsidy could only increase to US$ 58.54 (₹ 2667.04 per barrel)in fiscal 2011 from US$ 56.21 (₹ 2666.54 per barrel) in fiscal 2010, due to a 123.84% increase per barrel in subsidy paid to public sector oil marketing companies and a net increase in Rupee price per barrel by 0.02% resulting from a net US$ price increase after subsidy by 4.15% which was offset partially by an appreciation of 3.96% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2010 as compared to fiscal 2009. Volume of crude oil sold decreased by 0.29% to 25.689 million barrels in fiscal 2011 from 25.765 million barrels in fiscal 2010. Our contribution towards sharing of the under recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 114.64% to ₹ 3195.32 crores(US$27.58 per barrel) for fiscal 2011 from ₹ 1489.91 crores(US$12.32 per barrel) for fiscal 2010 in view of high crude oil prices prevailing in the international market during the fiscal and decision of the Govt. of India to hike the upstream burden of sharing under recoveries to 38.75% in fiscal 2011 from 33% in earlier years.

There was an increase in net price of natural gas (before subsidy and excluding levies) by 77.92% to ₹ 3727.29 per thousand standard cubic meters in fiscal 2011 from ₹ 2094.90 per thousand standard cubic meters in fiscal 2010 due to revision in price of natural gas w.e.f. 01.06.2010. Volume of gas sold however fell marginally by 2.85% from 1809 million standard cubic meter in fiscal 2011 from 1863 million standard cubic meter in fiscal 2010.

LPG sales revenue decreased by 17.51% to ₹ 62.95 crores in fiscal 2011 from ₹ 76.31 crores in fiscal 2010 primarily due to 16.92% decrease in realized price after subsidy for LPG to ₹ 14118.73 per ton for fiscal 2011 from ₹ 16993.39 per ton for fiscal 2010 and 0.77% decrease in sales volume of LPG to 44586 tons for fiscal 2011 from 44934 tons for fiscal 2010. Our total contribution towards sharing of the under-recoveries of the public sector oil companies in respect of our LPG sales increased by 65.95% to ₹ 97.76 crores in fiscal 2011 from ₹ 58.91 crores in fiscal 2010.

Revenues from Transportation

Our revenue from transportation increased by 21.13 % to ₹ 190.16 crores in fiscal 2011 from ₹ 156.99 crores in fiscal 2010. The increase was primarily due to revision of pipeline transportation tariff in reverse pumping sector to ₹ 469.35 per ton for fiscal 2011 from ₹ 272.05 per ton for fiscal 2010 and increase in refined products transported through Numaligarh-Siliguri Product Pipeline by 22.28% to 1.069 million tonnes in fiscal 2011 from 0.875 million tonnes in fiscal 2010. This was offset by a decrease in mainline throughput by1.69% at 4.709MMT in fiscal 2011 from 4.790 MMT in fiscal 2010and a decrease of 18.63% in throughput of Reverse Pumping segment at 1.237MMT in fiscal 2011 from 1. 521MMT in fiscal 2010.

Other Revenues

Our other revenues increased by 26.46% to ₹ 1185.10 crores in fiscal 2011 as compared to ₹ 937.13 crores in fiscal 2010. This was primarily due to:

87.62% increase in our budgetary allocation from the Govt. of India for gas sales at subsidized price to power and fertilizer sectors, to ₹ 293.28 crores for fiscal 2011 from ₹ 156.32 crores in fiscal 2010.

24.31% increase in interest income from term deposits with banks, inter corporate deposits & others to ₹ 763.15 crores for fiscal 2011 from ₹ 613.92 crores for fiscal 2010.

This increase was partially offset by:

41.39 % decrease in dividend income from our investment in equity in downstream and others and other liquid funds, to ₹ 39.32 crores for fiscal 2011 from ₹ 67.09 crores for fiscal 2010; and

23.40% decrease in income from outsourcing services to ₹ 19.81 crores for fiscal 2011 from ₹ 25.86 crores for fiscal 2010 as the same were utilized in-house due to better opportunity costs.

Other Adjustments (Income)

Other Adjustments relating to income of earlier financial years but materializing during fiscal 2011 have increased by 256.19% to ₹ 60.73 crores from ₹ 17.05 crores for fiscal 2010. This was primarily due to revision of transportation tariff in reverse pumping sector wef financial year 2008-09 bringing additional revenue of ₹ 51.45 crores.

Expenditure

Our total expenditure increased by 5.67 % to ₹ 5240.15 crores for the fiscal 2011 from ₹ 4958.77 crores for the fiscal 2010. This increase was primarily due to increase in well write-offs and provisions thereof and pay scale arrears adjustments relating to earlier years.

Production, Transportation and other Expenditure

Our production, transportation and other expenditure increased by 1.65% to ₹ 4139.90 crores for the fiscal 2011 from ₹ 4072.90 crores for the fiscal 2010. For the fiscal 2011, our production, transportation and other expenditure was 43.35% of total revenues, as compared to 45.97% for fiscal 2010.

Operating Costs

Our operating costs increased by 7.15 % to ₹ 1076.36 crores for fiscal 2011 from ₹ 1004.50 crores for fiscal 2010, which was in tandem with the rate of inflation. For the fiscal 2011, operating expenses were 11.27 % of total revenues, as compared to 11.34% for the fiscal 2010.

Geological and Geophysical Expenditure

Our geological and geophysical expenditure decreased by 13.84 % to ₹ 319.20 crores for the fiscal 2011 from ₹ 370.49 crores for the fiscal 2010 mainly due to 30.34% decrease in 2D and 3D in-house and decrease in 2D NELP/JVC survey activities in fiscal 2011 in comparison to fiscal 2010 primarily due to completion of the programmes and unprecedented precipitation and resultant inundation in our operations in the Upper Assam basin. The geological and geophysical expenditure was 3.34% of total revenues, as compared to 4.18% for the fiscal 2010.

Statutory Levies

The statutory duties increased by 3.61 % to ₹ 2442.31 crores in fiscal 2011 from ₹ 2357.27 crores in fiscal 2010 due to increase in sales value of natural gas consequent upon hike in price of natural gas. For the fiscal 2011, statutory levies were 25.58% of total revenue, as compared to 26.61% for fiscal 2010.

Other expenses

Our other expenses decreased by 11.33% to ₹ 302.03 crores in fiscal 2011 from ₹ 340.64 crores for fiscal 2010. For the fiscal 2011, other expenses were 3.16% of total revenues, as compared to 3.84% for fiscal 2010. This decrease was primarily due to better controls exercises on Administrative overheads which reduced by 11.59% to ₹ 255.94 crores in fiscal 2011from ₹ 289.49 crores in 2010.

Provisions against Debts, Advances and other Provisions and Write-offs

Provisions against debts, advances and other provisions and write offs increased by 66.10% to ₹ 469.60 crores in the fiscal 2011 from ₹ 282.72 crores for the fiscal 2010, primarily due to increase in no. of dry exploratory wells written-off by 36.56% to ₹ 340.67 crores in the fiscal 2011 from ₹ 249.47 crores for the fiscal 2010,and due to and provision taken on a conservative basis against write offs of E&P investments of ₹ 75.92 crores in Libya & Iran during fiscal 2011due to uncertainty of their fructification. For the fiscal 2011, provisions against debts, advances and other provisions and write offs were 4.92% of total revenues, as compared to 3.19% for fiscal 2010.

Depletion

Our total depletion charges increased by 14.71% to ₹ 301.46 crores for the fiscal 2011 from ₹ 262.81 crores for the fiscal 2010 primarily due to capitalization of cost towards liability on future abandonment of wells. For the fiscal 2011, depletion charges were 3.16% of total revenues, as compared to 2.97% for the fiscal 2010.

Depreciation

Our total depreciation charges decreased by 19.05 % to ₹176.68 crores for the fiscal 2011 from ₹ 218.27 crores for the fiscal 2010 primarily due to lower addition to fixed assets, showing decrease of 42.31%. For the fiscal 2011, depreciation charges were 1.85% of total revenues, as compared to 2.46% for the fiscal 2010.

Interest and Debt Charges

Our interest and debt charges increased by 281.37 % to ₹ 13.92 crores for the fiscal 2011 from ₹ 3.65 crores for the fiscal 2010 primarily due to increase in short term borrowings to meet working capital requirements. For fiscal 2011, interest and debt charges were 0.15% of total revenues, as compared to 0.04% for the fiscal 2010.

Exchange [Gain/Loss]

Our exchange loss due to foreign currency translation was ₹ 1.40 crores for the fiscal 2011 against exchange gain of ₹ 4.77 crores for the fiscal 2010 primarily due to depreciation of the Rupee in respect of the currencies of denominations of our existing foreign investments. For the fiscal 2011, our exchange loss was 0.01% of total revenues, as compared to exchange gain of 0.05% for the fiscal 2010.

Other Adjustments

Our other adjustments increased by 28.6% to ₹ 144.83 crores for the fiscal 2011from ₹ 112.62 crores for the fiscal 2010, primarily resulting from provision for ₹ 256.57 crores towards pay scale revision in relation to workmen which was partially offset by write-back of excess provisions for ₹ 112.60 crores in fiscal 2011 from ₹ 23.37 crores in 2010.For the fiscal 2011, other adjustments were 1.52% of total revenues as compared to 1.27% for fiscal 2010.

Profit before Tax

Our profit before tax increased by 10.73% to ₹ 4313.20 crores for the fiscal 2011 from ₹ 3895.09 crores for the fiscal 2010, primarily as a result of increase in revenue from natural gas sold and transportation income and optimization of expenditures. Profit before tax as a percentage of total revenues was 45.17% for the fiscal 2011, as compared to 43.96% for the fiscal 2010.

Provision for Taxation

Our provision for taxation increased by 10.97% to ₹ 1425.47 crores for the fiscal 2011 from ₹ 1284.57 crores for the fiscal 2010 due to higher taxable income. Our effective tax rate for the fiscal 2011 was 33.2175% against 33.99% in 2010.

Net Profit after Tax

Our net profit after tax increased by 10.62% to ₹ 2887.73 crores for the fiscal 2011 from ₹ 2610.52 crores for the fiscal 2010 Our net profit after tax was 30.24% of total revenues for the fiscal 2011, as compared to 29.47 % for the fiscal 2010.

Liquidity & Capital Resources

Historically to fund our liquidity requirements for capital expenditures we have primarily relied on internal accruals of cash flows from operations.

Dividends

Your Company's dividend payout was as follows:-

	Fiscal 2011	Fiscal 2010
Dividend per Equity Share (Rs.)	**37.50**	34.0
Dividend Payout Ratio (%)	**31.21**	31.32

Cash Flows

The table below summarizes our cash flows for fiscal 2011 and 2010.

	Fiscal 2011 (₹ crores)	Fiscal 2010(Revised) (₹ crores)
Net Cash from Operating Activities	**3054.03**	1963.46
Net Cash used in Investment Activities	**151.71**	(1326.06)
Net Cash from Financing Activities	**20.63**	1835.50
Net Increase (Decrease) in Cash and Cash equivalents	**3226.37**	2472.90

Our main source for cash flows is funds from operations. Changes in our funds from operations are primarily determined by the changes in the prices we receive for our products and our production volumes.

Net Cash Flows from Operating activities

Our net cash flows from operating activities increased to ₹ 3054.03 crores in fiscal 2011 from ₹ 1963.46 crores in fiscal 2010.This was primarily due to the following working capital adjustments:-

- comparable decrease in Debtors by ₹ 665.13 crores primarily due to the higher subsidy for the full year incidence in March 2011;and
- comparable decrease in Loans & Advances by ₹ 498.75 crores.

These decreases were offset by:-

- comparable decrease in current liabilities and provisions by ₹ 165.37 crores primarily due to settlement of arrears in relation to executive salaries upon long term settlement;
- comparable net increase in Inventories by ₹ 94.60 crores due to higher prices and addition of 1163 new items to inventory(4.37% increase) of stores and spares despite an improvement in the inventory turnover ratio of stores & spares to 0.96 in fiscal 2011 from 0.94 in fiscal 2010.

Net Cash used in Investing Activities

Our net cash used in investing activities increased to ₹ 151.71 crores in fiscal 2011 against inflows of ₹ 1326.06 crores in fiscal 2010.

Our primary use of cash for investment activities in fiscal 2011 towards the following:-

- ₹ 951.79 crores for purchase of fixed assets and exploration and development activities, which was an increase of 5.59% over ₹ 901.44 crores from fiscal 2010; and
- ₹ 90.97 crores towards shares in BCPL and Oil India Sweden AB, which was a decrease from ₹ 370.78 crores invested during fiscal 2010, which included investments in shares for ₹ 50.78 crores and Mutual Funds for ₹ 320 crores.

These outflows were offset by receipt of the following:-

- ₹ 560.19 crores from maturity of Mutual Funds and ICD's; and
- ₹ 634.28 crores in interest and dividend in fiscal 2011 which was an decrease of 12.73% from ₹ 726.83 crores from fiscal 2010.

Net Cash Flows from Financing Activities

Our net cash used in financing activities resulted in an inflow of ₹ 20.63 crores in fiscal 2011 against an inflow of ₹ 1835.50 crores in fiscal 2010, primarily due to increase in inflows in fiscal 2010 due to net proceeds realised from the public issue of equity shares by ₹ 2745.08 crores against increase in loans by ₹ 1005.54 crores during fiscal 2011. Our primary use of cash for financing activities in fiscal 2010 was ₹ 953.34 crores towards dividend and dividend tax, which was an increase of 6.58% from ₹ 894.45 crores from fiscal 2010.

Operating unit costs

During fiscal 2008 we had revisited the budgeting process in order to ensure cost optimization as also to augment the controlling & monitoring procedures. As a result thereof, the budgets for fiscal 2011 were matrix based and were interfaced for closer monitoring, which resulted in cost optimization as follows:-

Finding costs per barrel

Our finding costs per barrel increased by 34.75% to US$5.45 per barrel in fiscal 2011 from US$2.82 per barrel in fiscal 2010.This was primarily due to higher abortive exploration expenditure in NELP & overseas blocks. In NELP blocks there were two discoveries, however pending appraisal the same cannot be accounted for in the reserve accretion. In the Nominated Blocks in Assam & Arunachal Pradesh, the reserve accretion was 8.42 MMTOE per the target set in the MOU with GoI for fiscal 2011 against 9.4 MMTOE in 2010.

Finding & development costs per barrel

Our finding & development costs per barrel increased by 29.15% to US$5.45 per barrel in fiscal 2011 from US$ 4.22 per barrel in fiscal 2010, for reasons as aforesaid.

Segment Results

The segment results per unit of sales are furnished in the Table below:-

CRUDE OIL

CRUDE OIL	2011	2010	%Variation
Sales (Mbbls)	25.776	25.837	-0.24
Production (Mbbls)	25.897	25.835	0.24
PBIDT(₹Crores)	3786.23	4044.62	-6.39
EBITA Margin (%)	52.84	56.58	-6.62
EBITDA (₹/bbl)	1468.92	1565.43	-6.17
EBITDA (US$./bbl)	32.24	33.00	-2.29
PAT (₹Crores)	2335.71	2545.45	-8.24
PAT (US$./bbl)	19.89	20.77	-4.23
Net price received(US$/bbl)	61.29	57.87	5.91
PAT/Net price (%)	32.45	35.89	
ROI (%)	68.29	73.98	

The margins decreased due to the higher subsidy burden, higher depreciation, depletion and write-offs of abortive exploratory expenditure. Moreover, the production had to be curtailed due to the unprecedented shut-down of the Numaligarh refinery. Lifting costs per barrel of crude oil increased by 5.25% to US$7.62 per barrel in fiscal 2010 from US$7.24 per barrel in fiscal 2009.The operating costs were 6.77% of the total revenues for fiscal 2011 against 6.64% in fiscal 2010.

N.Gas (N.E. Region)

N.GAS (N.E. Region)	2011	2010	%Variation
Sales (MMSCUM)	1657.72	1663.04	-6.17
Production (MMSCUM)	2195.00	2210.00	-4.23
PBIDT(₹Crores)	613.33	263.37	132.88
EBITA Margin (%)	55.70	43.50	28.04
EBITDA (₹/000Scum)	3699.85	1583.67	133.63
PAT (₹ Crores)	351.72	117.82	198.52
PAT (₹/000Scum)	2121.71	708.46	199.48
Net price received (₹/000Scum)	5603.58	3094.22	81.10
PAT/Net price (%)	37.86	22.90	
ROI (%)	15.45	5.70	

The margins improved due to higher price received. The Associated gas production was curtailed due to shut down of Numaligarh refinery as aforesaid, whose committed off take of gas was also delayed upto mid March 2011.Lower off take by BVFCL, Tea Gardens & others also impacted sales and production. The gas flare was reduced to 7.2% of production during fiscal 2011 from 7.5% of production in 2010.

N.Gas (Rajasthan Basin)

N.GAS(Rajasthan Basin)	2011	2010	%Variation
Sales (MMSCUM)	**151.66**	199.49	-23.98
Production(MMSCUM)	**157**	205	-23.41
PBIDT(₹ Crores)	**19.00**	8.24	130.58
EBITA Margin(%)	**42.44**	22.55	
EBITDA(₹/000Scum)	**1252.78**	413.05	203.30
PAT(₹Crores)	**3.04**	-5.35	
PAT (₹/000Scum)	**200.44**	-268.18	
Net price received(₹/000Scum)	**2556.30**	1600.00	59.77
PAT/Net price(%)	**7.84**	-16.76	
ROI(%)	**1.20**	-2.19	

The margins improved due to higher price received and optimization of costs. The gas production was curtailed due to lower off take of gas by RRVUNL.

N.Gas (Both Basins)

N.GAS (Total)	2011	2010	%Variation
Sales (MMSCUM)	**1809.38**	1862.53	-2.85
Production (MMSCUM)	**2352**	2415	-2.61
PBIDT (₹Crores)	**632.33**	271.61	132.81
EBITA Margin(%)	**55.18**	42.31	
EBITDA (₹/000Scum)	**3494.73**	1458.28	139.65
PAT (₹Crores)	**354.76**	112.47	215.43
PAT (₹/000Scum)	**1960.67**	603.86	224.69
Net price received (₹/000Scum)	**5348.16**	2934.17	82.27
PAT/Net price (%)	**36.66**	20.58	
ROI (%)	**14.03**	4.86	

Lifting costs per MMbtu of N.Gas increased by 3.25% to US$1.27 per MMbtu in fiscal 2011 from US$1.23 per MMbtu in fiscal 2010. The operating costs were 2.62% of total revenues in fiscal 2011 against 2.79% in fiscal 2010.

LPG

LPG	2011	2010	%Variation
Sales (Tonnes)	**44585.98**	44933.95	-0.77
Production (Tonnes)	**45010.00**	44950.00	0.13
PBIDT (₹ Crores)	**21.25**	41.6	-48.92
EBITA Margin(%)	**33.79**	54.49	
EBITDA(₹/Tonne)	**6235.14**	7706.87	-19.10
PAT(₹Crores)	**12.47**	27.00	-53.81
PAT (₹/Tonne)	**2796.84**	6008.82	-53.45
Net price received(₹/Tonne)	**14118.79**	16982.71	-16.86
PAT/Net price(%)	**19.81**	35.38	
ROI(%)	**44.86**	77.97	

The margins decreased due to the higher subsidy burden.The operating costs increased by 6.98% to ₹.37.09 crores in fiscal 2011 from ₹34.67crores in 2010. The operating costs were 0.39% of the total revenues in both the years.

Pipeline Transportation

Pipelines	2011	2010	%Variation
Volume (MMTOE)	**7.11**	7.27	-2.22
PBIDT(₹ Crores)	**81.57**	22.26	266.44
EBITA Margin (%)	**33.76**	14.18	
EBITDA (₹/Tonne)	**114.76**	30.62	274.77
PAT (₹Crores)	**-3.08**	-60.86	94.94
PAT (₹/Tonne)	**-4.33**	83.72	94.82
Average price received (₹/Tonne)	**267.53**	215.95	23.88
PAT/Net price(%)	**-1.62**	-38.77	
ROI(%)	**-0.78**	-12.67	

In the transportation segment, tariff rates for the crude oil transportation & for reverse pumping were fixed by PPAC in 2001-02 and 2006-07 respectively towards which representations have been made for revision. The tariff for reverse pumping was revised in fiscal 2011, which resulted in the abatement of losses. The deliberations for the tariff fixation for the forward pumping segment have been satisfactorily completed; however the formal notification is awaited. The operating costs increased by 5.86% in fiscal 2011 as compared to fiscal 2010, primarily due to an intelligent pigging carried out over a portion of the pipeline. The operating costs were 1.49% of the total revenues in fiscal 2011 compared to 1.52% in fiscal 2010.

12.0 BUSINESS DEVELOPMENT

This is ancillary to our main activities owing to core competence and/or capacity available for offering in-house expertise to outside parties. Nevertheless, every drop of water in the ocean counts.

Bottom Hole Operations and PVT analysis

Our chemical laboratory of the department has provided quality laboratory services to outside agencies such as M/S CANORO, M/S GEOENPRO and M/S HOEC etc. As a result the department has earned ₹ 0.33 crores from these organizations by providing services towards testing of Natural Gas, Formation water, effluent water, Crude oil, Side wall core, Bottom hole sampling and PVT analysis etc.

Bangladesh Pipeline Project

OIL has identified a business prospect in Bangladesh for construction of a 345 Km long multi-product pipeline from Chittagong to Baghabari, on BOOT basis, for transporting 3.50 MMTPA of product. EOI has already been sent to Bangladesh Petroleum Corporation (BPC) which was followed by visits by OIL teams. Detailed cost estimation and project IRR has been calculated under different scenarios and is presently under evaluation. A team from BPC is also expected to visit PHQ shortly in this connection.

Agreement with IOCL for City Gas project

A MOU was signed between OIL and IOCL with a view to synergize the respective strengths of both the companies for mutual benefit in the field of Natural Gas distribution/marketing. The agreement is highly promising and has the potential to propel OIL into a new domain of great business opportunities.

Agreement with DNP Ltd

DNP limited, a Joint Venture Company of AGCL [51%], NRL [26%] and OIL [23%] has laid a 194 Km x 16" Natural Gas Pipeline from Duliajan to Numaligarh Refinery in OIL's ROW. An agreement has been signed between OIL and DNPL for following services on annual payment basis:

- License fee @ ₹1.70 crores/annum for use of OIL's ROW.
- Supervision charges for ROW @ ₹ 0.17 crores/annum.
- A separate agreement is being framed for Annual Operation & Maintenance Charges for Cathodic Protection of DNPL's 194 Km pipeline
- A separate agreement is being framed for marketing of DNPL's 12 pair x 194 Km long OFC

Cathodic Protection work for DNPL Pipeline

Obtained workorder for "Detailed design, Engineering, Project Management and Commissioning of Temporary and Permanent Cathodic Protection work for DNPL's 194 Km long Gas pipeline" at a total value of ₹ 2.90 crores. Work with respect to the workorder is nearing completion.

HDD work for IOCL's Guwahati-Siliguri Pipeline

Workorder for executing the work of HDD crossing at 5 river locations viz. Manas, Bhalukadoba, Pallah, Dhumarkijan and Puthimari received for IOCL's Guwahati Siliguri Products pipeline at a total value of ₹4.89 crores. Work has since been completed.

Telecommunication work for IOCL's Guwahati-Siliguri Pipeline

Workorder for conversion of UHF based system to Radio I/P system for IOCL's Guwahati Siliguri Product Pipeline at locations Guwahati, Bongaigaon, Madarihat and New Jalpiguri received at a total value of ₹0.62 crores. Work with respect to above has been initiated.

Annual Maintenance of IOCL's Guwahati-Siliguri Pipeline

Annual Maintenance of IOCL's Guwahati Siliguri Product pipeline is carried out by Pipeline Department. Based on the rates negotiated with IOCL, effective from 01.04.2002, the annual AMC charges payable by IOCL for FY 2009-10 is ₹2.55 crores and that for FY 2010-11 can be evaluated by escalating by RBI WPI.Discussions are on with IOCL on two counts as follows:-

- Revised AMC charges to be effective from 01.04.2007

- Payment of license fees for use of OIL's ROW

ODC Project for PDO, Oman

OIL-KPTL JV submitted Technical Bid in the ODC Project of PDO, Oman. Detailed presentation on OIL - KPTL capabilities was prepared and presented to a 8 member PDO team from Oman. This was followed by a one-to-one interview of OIL's & KPTL's key/core personnel by the PDO team to evaluate the JVs capabilities. Inspite of our best efforts we were not able to bag the work.

Marketing of telecommunication Services:

The Pipeline Department owns and operates a 12 pair dedicated OFC network of total optical length 1200 km (Approx) stretching from Naharkatiya to Barauni. Out of the total of 12 pairs, 5 pairs have been kept aside for Pipeline Department's internal use, leaving 7 pairs free for business activities.

OIL's business vision in the area of Telecom Business is that it should become a Carrier's carrier by utilising the existing telecom infrastructure and further extending the infrastructure to other lucrative areas. With this vision in mind the following licences were obtained:

License	Portfolio
IP-I	Marketing of telecom passive infrastructure like dark fibre etc.
National Long Distance (NLD)	Active Infrastructure like leasing of Bandwidth

We have been able to capitalize our existing telecommunication assets of by reaching out to almost all major Telecom Players in this region like BSNL, AirTel, Vodafone, RailTel, Power Grid, Vodafone, Dishnet Aircel, AMTRON, Trans Virtual ,IMC ,NRL and Aircel. Today, we can proudly say that any communication (be it voice or data) taking place in this part of the country is also being carried through our telecommunication infrastructure. The yearly revenue from leasing Dark Fibre is ₹ 11.76 Crores and from leasinfg Bandwidth is ₹ 0.16 Crores.

Negotiations are going on with other clients, including IOCL, for providing bandwidth services.

City gas distribution (CGD)

Pursuant to a tie-up with BPCL, we have bid for CGD in two cities in Punjab and are in the process for bidding for southern cities.

13.0 IMPLEMENTATION OF OFFICIAL LANGUAGE

In pursuit of Official Language Act/Rules of the Govt. of India efforts are continuing towards increased use of Official Language Hindi in official work. Hindi Workshops were conducted from time to time so as to enable officers and employees to work in Hindi conveniently and efficiently. Employees were encouraged through incentive schemes to attend Hindi Training Classes, Assamese Classes and to communicate in Hindi. Hindi Prabodh, Praveen and Pragya, and Assamese training classes were arranged for executives/employees of OIL and other member organizations of TOLIC, Duliajan. The Company's in-house Journal, "OIL News" was published in Assamese/Hindi & English. The Hindi Magazine "OIL KIRAN" was published exclusively to cover all activities related to Implementation of Official Language and to promote Hindi amongst the employees and the public.

14.0 CORPORATE SOCIAL RESPONSIBILITY

We have a “Social Welfare Programme” instituted to cater to the growing needs; demands and requirements of OIL’s operational areas. Presently, over 1400 villages in Assam and Arunachal Pradesh have been covered under our welfare schemes. This programme is protecting the environment by uplifting Education, Health and Socio-Economic Development and has been devised to cater to the specific and developmental needs of communities. This scheme covers the construction of roads, setting up of educational institutions and primary health centers in the North East Region and other operational areas of the company.

Under our various schemes we continued to provide assistance to various educational institutions for buildings, libraries, scholarships to meritorious students, sponsoring sportspersons, sponsoring tournaments etc. Most noteworthy were aid for setting up Centre of Management Studies (CMS) at the Dibrugarh University; aid for setting up an IT Centre at Duliajan College and sponsorship of a EduFair- Educational and Career Fair. In fiscal 2011, there were to our 722 beneficiaries under our Scholarships Scheme

Under our various schemes we continued to provide assistance to various localities and villages for augmenting infrastructure by building roads and bridges, rural electrification through alternative sources etc.

As per guidelines we earmark 2% of our net profit for CSR activities.

15.0 FUTURE OUTLOOK

As per our revised strategy, the bar has been upped and we are committed to produce 4mmtpa crude oil on a sustainable basis from our existing fields in the N.E. Region. With the BCPL Gas cracker being functional and RRVUNL commitments, our gas sales are likely to increase to 11MMSCUMD. Shale-gas prospects are being examined in the Nominated areas and will be exploited depending upon marketability. It is also committed to increase the reverse pumping pipeline segment throughput by an additional 0.5mtpa to utilize the capacity.

Success in our exploration ventures under NELP and overseas will augment the production potential three to five years down the line.

Down-stream integration, City-Gas distribution and entry into the services sector are new horizons to be conquered as the opportunities arise.

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance envisages adherence to the highest levels of transparency, accountability and equity, in all areas of its operations and in all interactions with its stakeholders, including shareholders, employees, government and other agencies.

The Company is committed to achieving the highest standards of corporate governance. It believes that all operations must be spearheaded towards attaining the final objective of enhancing shareholder value continuously. The Company is committed to establish and maintain best corporate governance practices.

Amongst other things OIL also puts into practice one of the principal underpinnings of good Corporate Governance by providing the shareholders, other stakeholders with detailed information on financial and operating results in order to understand the current state of affairs like Balance sheet, Profit and Loss A/c and Notes thereto, Directors Report, Auditors Report and Management Discussion and Analysis.

2. BOARD OF DIRECTORS

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Whole–time Directors manage the business of the Company under the overall supervision, control and guidance of the Board.

2.1 COMPOSITION

The Board of the Company has both Executive Directors and Non-Executive Directors and as on 31st March, 2011, the Board had 13 members, comprising 5 Functional Directors (including CMD) and 8 Non-executive Directors (comprising 2 part-time official Directors and 6 part-time non-official Directors) nominated by Government of India. Board consists of eminent persons with considerable professional experience and expertise in business and industry, finance, audit, law and public enterprises. None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he/she is a Director. The composition of the Board and the details of the attendance at the meetings are given in Appendix 'A' and 'B'.

2.2 Board/Committee Meetings and Procedures

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is kept informed of major events/items and approvals taken wherever necessary and the overall performance of the Company.

2.3 Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciation and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/ Committee. These minutes are confirmed in the subsequent Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting.

2.4 Follow-up mechanism

Decisions of the Board / Committee Meetings are communicated to concerned Departments for necessary action.

2.5 Training and evaluation of non-executive Board members

The non-executive Board members are eminent personalities having wide experience in the field of business, education, industry, commerce and administration. Detailed presentation on the business module, performance, plans etc of OIL are made to the non-executive Board members, on their induction on the Board of OIL. They are nominated by the Company for suitable programmes/seminars from time to time. However, at the Board/ Committee/ other meetings, detailed presentations are made by senior executives/ professionals/ consultants on business related issues, risk assessment, impact of regulatory changes on strategy etc.

3. BOARD COMMITTEES

The Company has the following Committees of the Board.

3.1 AUDIT COMMITTEE

The terms of reference of the Audit Committee are in accordance with Section 292 A of the Companies Act, 1956, Clause 49 of the Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

Director (Finance) is a permanent invitee to the Audit Committee Meetings. Statutory Auditors and Internal Auditors also attend the meeting, answer and clarify questions raised at the Audit Committee. Further, representatives from departments of the Company also attend meetings by invitation.

The composition of the Audit Committee and the details of the attendance of the meetings are given in Appendix ‘A’ and ‘B’.

The Company Secretary acts as Secretary to the Committee.

The terms of reference, role and power of the Audit Committee as stipulated by the Board are in conformity and in line with the Statutory and Regulatory requirements which inter-alia includes:

- Review the financial reporting process and disclosure of its financial information.
- Review with the management, the annual / half yearly/quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Review the Audit paras referred to Audit Committee by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it.

The Audit Committee has discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.

3.2 SHAREHOLDERS’ / INVESTORS’ GRIEVANCE COMMITTEE

The Shareholders’/Investors’ Grievances Committee specifically looks into redressing of shareholders’ and investors’ complaints/grievances pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints. The Committee also oversees and reviews performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The total number of complaints from regulatory authorities received during the year was pegged at 42. All complaints received during the year 2010-11 have been duly attended to by the Company / RTA and as on 31.3.2011 there was no outstanding complaint.

The Composition of the Shareholders’/Investors’ Grievance Committee and the details of the attendance at the meeting are given in Appendix ‘A’ and ‘B’.

Settlement of Grievances: Investors may register their complaints in the manner stated below:

Nature of Complaint	Contact Office	Action to be taken
Dividend from financial years 2003-04 (Final) to 2010-11 (Interim) and all matters pertaining to Bonus Shares and shares held in physical mode **For Physical Shares:-** Change of address, Bank account, mandate, ECS mandate, etc.	M/s Karvy Computershare Private Ltd. Unit: Oil India Limited Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081 Telephone: 040-44655000 Fax: 040-23420814 Toll free No.: 1800-3454-001 email: einward.ris@karvy.com website: www.karvy.com Regd. Office: Karvy House 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034	Letter on plain paper stating nature of complaint, folio/ DPID/ Client ID No., lodging of original shares and other documents/ instruments as the case may be. Members are requested to apply for renewal or issue of duplicate dividend warrants for the Final Dividend 2003-04 before 20.09.2011. The unpaid dividend amount for the year 2003-04 (Final) will be transferred by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie neither against IEPF nor against the Company.
For Demat Shares:- Change of address, Bank account, mandate, ECS mandate etc.	Concerned Depository Participant (DP) where the Shareholder is maintaining his/ her account.	As per instructions of DP.
Any other complaint	Company Secretary Oil India Limited Plot No. 19, Sector 16A, Noida-201301 Email: investors@oilindia.in	On plain paper stating nature of complaint, folio/ DPID/ Client ID No., Name and address.

3.3 REMUNERATION COMMITTEE

The Company being a Public Sector Undertaking, the appointment and terms & conditions of remuneration of CMD/Whole-Time Directors are determined by the Administrative Ministry i.e. Ministry of Petroleum & Natural Gas.

The Remuneration Committee reviews and approves the perquisites, facilities, performance related payments, other benefits, such as medical, allowances etc.

The Composition of the Remuneration Committee and the details of the attendance at the meetings are given in Appendix 'A' and 'B'.

Details of remuneration of CMD/Whole-Time Directors for the year ended 31st March, 2011 is furnished as under:

(Rs. in lakhs)

Sl. No.	Names	Salary and allowances	Contribution to PF and other Funds	Other benefits	Total	Tenure
1.	Shri N. M. Borah, Chairman & Managing Director	52.07	4.85	2.38	59.3	For a period of 5 years w.e.f 01.12.2008 or till his superannuation or until further orders whichever is earlier.
2.	Shri T. K. Ananth Kumar, Director (Finance)	48.20	2.44	3.39	54.03	For a period of 5 years w.e.f 18.01.2007 or till his superannuation or until further orders whichever is earlier.
3.	Shri B.N. Talukdar Director (Exploration & Development)	42.46	4.30	3.27	50.03	For a period of 5 years w.e.f 01.12.2007 or till his superannuation or until further orders whichever is earlier.
4.	Shri N. K. Bharali Director (Human Resource & Business Development)	11.16	1.37	0.94	13.47	For a period of 5 years w.e.f 14.09.2010 or till his superannuation or until further orders whichever is earlier.
5.	Shri S. Rath Director (Operations)	0.05	0.01	0.06	0.12	For a period of 5 years w.e.f 31.03.2011 or till his superannuation or until further orders whichever is earlier.
6.	Shri Ashok Anand Director (Human Resource & Business Development)	9.99	0.25	0.22	10.46	Superannuated on 30.04.2010

Part-time Non-Official Directors are not being paid any other remuneration except sitting fees as fixed by the Government of India. Government Nominee Directors do not receive any pecuniary benefits including sitting fees from the company.

3.4 HUMAN RESOURCE MANAGEMENT COMMITTEE

The terms of reference of the Human Resource Management Committee include consideration of all issues / areas concerning the Human Resource Planning & Management, HR Policies & Initiatives and Promotions to Executive Director level.

The Composition of the Human Resource Management Committee and the details of the attendance at the meetings are given in Appendix 'A' and 'B'.

3.5 BUSINESS DEVELOPMENT COMMITTEE

The Business Development Committee oversees and explores new areas of business, proposals for collaborations, joint ventures, amalgamations, mergers and acquisitions etc.

The Composition of the Business Development Committee and the details of the attendance at the meetings are given in Appendix 'A' and 'B'.

3.6 SHARE TRANSFER COMMITTEE

The Share Transfer Committee, inter-alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers.

The Company has in place a proper and adequate share transfer system. M/s. Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company.

In order to expedite the process of share transfers and other related matters the Share Transfer Committee has constituted a sub-committee which attends to the share transfers and other related matters at regular intervals.

The Composition of the Share Transfer Committee and the details of the attendance at the meetings are given in Appendix 'A' and 'B'.

4. CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct, evolved in line with the industry practices was adopted by the Board. A copy of the Code has been placed on the Company's website 'www.oil-india.com'. All members of the Board and senior management have confirmed compliance with the Code of Conduct for the year under review. A declaration signed by Chairman & Managing Director is given below:

"I hereby confirm that the Company has obtained from the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2010-11."

5. OIL CODE ON INSIDER TRADING

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the "Code of Conduct for Prevention of Insider Trading". The objective of the Code is to prevent purchase and/ or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Directors, Key Executives, Designated Employees and Statutory Auditors) are prohibited to deal in the shares of the Company during the closure of Trading Window.

6. CEO/ CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the CEO/ CFO on the financial statements and internal controls relating to financial reporting for the year 2010-11 was submitted to the Board.

7. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer.

8. ANNUAL GENERAL MEETINGS / EXTRA-ORDINARY GENERAL MEETINGS

Location, date and time of Company's AGMs with details of special resolutions passed:

	49th AGM	50th AGM	51st AGM
Date	September 27, 2008	August 17, 2009	September 25, 2010
Time	10.30 AM	10.30 AM	11:00 AM
Venue	Bihutoli, Duliajan, Assam	Bihutoli, Duliajan, Assam	Bihutoli, Duliajan, Assam
Details of Special Resolutions passed in the AGM	None	None	None

9. POSTAL BALLOT

There was no special resolution passed by the Company at the last AGM, nor any Resolution was passed by the Company's members through postal ballot. At the ensuing AGM also, there is no Resolution proposed to be passed through postal ballot.

10. RELATIONSHIP BETWEEN DIRECTORS

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

11. STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees.

12. DISCLOSURES

a. Related Party Transactions

The Company does not have any material related party transactions, which may have potential conflict with its interests. Disclosures regarding transactions with related parties are given in the Notes to Accounts of the Financial Statements.

b. Compliances

The Company has complied with the applicable rules and regulations of regulatory authorities on capital market and no penalty or strictures have been imposed on the Company by any Statutory Authorities during the last three years.

All returns/reports were filed within stipulated time with stock exchange(s)/other authorities.

13. MEANS OF COMMUNICATION

- **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after these are taken on record/approved. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the Company's website.
- **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website 'www.oil-india.com'.
- **Website:** The Company's website 'www.oil-india.com' contains separate dedicated section 'Investor Relations' where the shareholders information is available. Annual Report, Shareholding Pattern, Corporate Governance Report etc. are also available on the web-site in a user-friendly manner.
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including Information for the Shareholders and other important information is sent to the members and others entitled thereto.

14. SHAREHOLDERS' INFORMATION

14.1 ANNUAL GENERAL MEETING

Date	:	September 24, 2011
Day	:	Saturday
Time	:	11: 00 AM
Venue	:	Bihutoli, Duliajan

14.2 FINANCIAL CALENDAR

Financial Results	Upto
June 30, 2011	August 14, 2011
September 30, 2011	November 14, 2011
December 31, 2011	February 14 , 2012
March 31, 2012 (audited)	May 30, 2012 (audited)

14.3 BOOK CLOSURE

The Book Closure period is from 17.09.2011 to 24.09.2011 (both days inclusive) for the payment of Final Dividend 2010-2011 (195%).

14.4 DIVIDEND PAYMENT DATE

Dividend will be paid within 30 days of declaration.

14.5 LISTING

The equity shares of the Company are listed on the following Stock Exchanges:

Name & Address	Telephone/Fax/E-mail ID/Website ID	Trading Symbol
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, Block-G, Bandra Kurla Complex, Bandra(E), Mumbai-400051	Telephone: 022-26598100-8114 Facsimile: 022-26598120 E-mail: cc_nse@nse.co.in Website: www.nseindia.com	OIL
Bombay Stock Exchange Ltd (BSE) Floor 25, P.J Towers, Dalal Street, Mumbai-400001	Telephone: 022-22721233/4 Fax: 022-22721919 E-mail: info@bseindia.com Website: www.bseindia.com	533106 OIL INDIA LTD

14.6 LISTING FEE

Annual Listing Fees for the year 2010-11 as applicable have been paid to the stock exchanges.

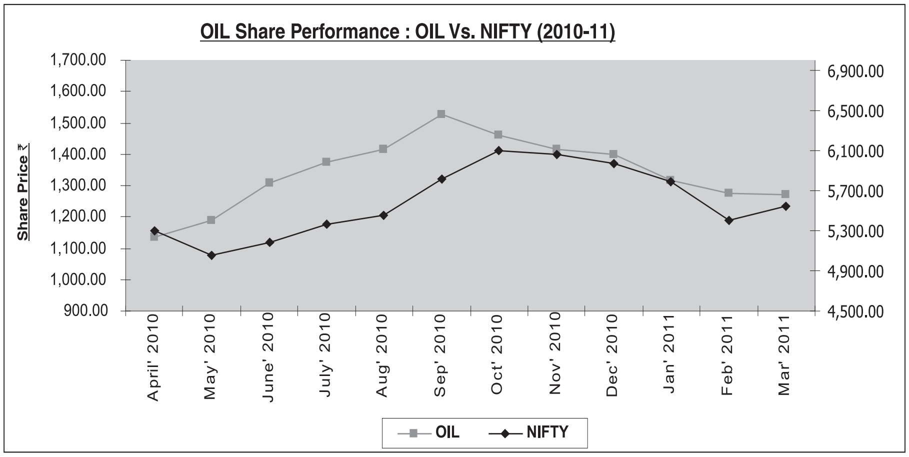
14.7. COMPANY IDENTIFICATION NUMBER- L11101AS1959GOI001148

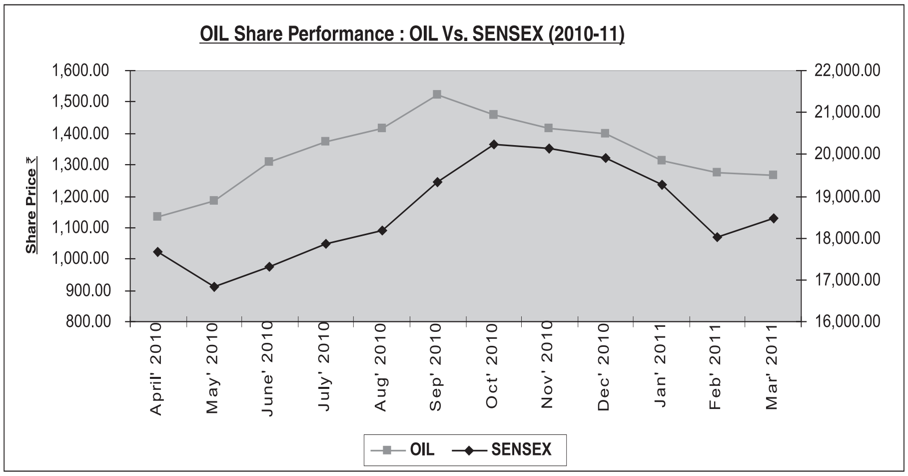
14.8. DEMAT ISIN NUMBERS IN NSDL & CDSL

The ISIN allotted to the Company's shares is INE274J01014.

15. STOCK MARKET INFORMATION

The stock price performance of OIL in comparison to S&P CNX NIFTY and BSE indices is plotted below:





BOMBAY STOCK EXCHANGE				NATIONAL STOCK EXCHANGE			
MONTH	HIGH (Rs.)	LOW (Rs.)	VOLUME (in Lakh)	MONTH	HIGH (Rs.)	LOW (Rs.)	VOLUME (in Lakh)
APRIL 2010	1,155.15	1,117.35	248.43	APRIL 2010	1,155.05	1,117.20	783.46
MAY 2010	1,263.05	1,118.80	297.54	MAY 2010	1,266.00	1,119.30	1,617.59
JUNE 2010	1,449.80	1,260.95	1,714.19	JUNE 2010	1,442.40	1,265.45	4,320.10
JULY 2010	1,441.30	1,333.20	697.67	JULY 2010	1,443.45	1,333.85	2,192.07
AUG 2010	1,476.05	1,372.10	290.70	AUG 2010	1,475.60	1,367.20	1,175.78
SEP 2010	1,623.25	1,441.15	322.63	SEP 2010	1,619.95	1,444.90	1,395.12
OCT 2010	1,528.85	1,410.10	149.15	OCT 2010	1,529.70	1,403.95	1,252.57
NOV 2010	1,459.25	1,371.45	362.23	NOV 2010	1,459.85	1,377.20	1,072.78
DEC 2010	1,425.65	1,368.25	72.52	DEC 2010	1,426.45	1,364.40	998.34
JAN 2011	1,414.00	1,252.90	69.10	JAN 2011	1,419.30	1,252.30	788.33
FEB 2011	1,328.00	1,217.35	128.64	FEB 2011	1,329.65	1,219.40	852.75
MARCH 2011	1,313.25	1,230.00	118.43	MARCH 2011	1,316.10	1,230.05	529.72

16. SHARE TRANSFER SYSTEM

PHYSICAL SHARES:

The physical transfer of shares takes place through a Share Transfer Deed which is lodged by the transferee either with the Company or RTA and is processed by the RTA, who carries out necessary due diligence on the authenticity of the Transfer Deed, share certificate, signature of the transferor etc.

M/s KARVY generates Memorandum of Transfer giving the details of the share certificates, distinctive nos., names of the transferors/transferees etc and submit the same for the approval of the delegated Share Transfer Committee. After Committee's approval certificates are dispatched.

DEMAT SHARES

- Demat Shares are electronically traded. Beneficiary gives purchase / sale instructions to their Depository Participant.
- Electronic settlements of trades are done on NSE/BSE which is connected to the Depositories NSDL and CDSL.
- NSDL / CDSL provide the summary of the Share Transfers and the Shareholding data in electronic mode called the BENPOS (Beneficiary Position Data) to the RTA every Friday. BENPOS can also be availed from the depositories for the Corporate Actions like payment of dividend, issue of bonus shares. The RTA after receipt of BENPOS data provides the shareholding pattern as per format of Clause 35 of the Listing Agreement
- Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.
- Pursuant to Clause 47(C) of the Listing Agreement, certificates on half yearly basis confirming due compliance of share transfer formalities by the Company, and certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the Stock Exchanges.
- In addition, as a part of the capital integrity audit, a "Reconciliation of Share Capital" confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis.

The total number of transfer deeds processed and shares transferred during the last three years are as under:

Particulars	2010-11	2009-10	2008-09
Nos. of deeds processed	182	105	648
Nos. of shares processed	80,100	32,900	177,950

17. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011

Sl. No	Category	Folios	Shares	% To Equity
1	PROMOTERS	1	188599560	78.43
2	BODIES CORPORATES	871	28008940	11.65
3	MUTUAL FUNDS	64	9413696	3.91
4	RESIDENT INDIVIDUALS	105968	7363723	3.06
5	FOREIGN INSTITUTIONAL INVESTORS	85	4077437	1.70
6	INDIAN FINANCIAL INSTITUTIONS	16	2290610	0.95
7	BANKS	10	305583	0.13
8	H U F	3153	169981	0.07
9	NON RESIDENT INDIANS	1280	138724	0.06
10	CLEARING MEMBERS	77	75659	0.04
11	DIRECTORS	6	7320	0.00
12	TRUSTS	9	3149	0.00
	Total	111540	240454382	100

TOP TEN SHAREHOLDERS (31.03.2011)

Sl. No.	DPID	Client ID	NAME	Equity	% to Equity	Category
1	IN301330	20724801	PRESIDENT OF INDIA	188599560	78.43	PRO
2	12400	13012400 00000014	INDIAN OIL CORPORATION LIMITED	10700220	4.45	LTD
3	10100	16010100 00011671	BHARAT PETROLEUM CORPORATION LTD	5350110	2.23	LTD
4	IN301151	12774219	HINDUSTAN PETROLEUM CORPORATION LTD	5350110	2.23	LTD
5	IN300126	11179789	HDFC STANDARD LIFE INSURANCE CO. LTD.	2449860	1.02	LTD
6	IN300167	10007299	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	1777858	0.74	LTD
7	IN300054	10009118	HDFC TRUSTEE COMPANY LIMITED – HDFC TOP 200 FUND	1209725	0.50	MUT
8	IN300167	10013529	PCA INDIA EQUITY OPEN LIMITED	1030484	0.43	FII
9	IN300054	10009095	HDFC TRUSTEE COMPANY LIMITED - HDFC EQUITY FUND	985420	0.41	MUT
10	IN300812	10000012	LIFE INSURANCE CORPORATION OF INDIA	907216	0.37	IFI
			TOTAL	218360563	90.81	

DISTRIBUTION SCHEDULE (31.03.2011)

Category (Amount)			No. of Persons & % of holding		No of Shares & % of holding	
1	-	5000	107518	96.39	4248985	1.77
5001	-	10000	3251	2.91	2628142	1.09
10001	-	20000	456	0.41	589896	0.25
20001	-	30000	80	0.07	197047	0.08
30001	-	40000	37	0.03	130033	0.05
40001	-	50000	16	0.02	74544	0.03
50001	-	100000	37	0.04	276257	0.12
100001	&	Above	145	0.13	232309478	96.61
		Total	111540	100	240454382	100

18. DIVIDEND HISTORY

Years	Rate (% of Equity)	Per Share (Rs.)	Amount (Rs. in crores)
2004-05			
• Interim	60	6	128.40
• Final	100	10	214.00
2005-06			
• 1st Interim	110	11	235.40
• 2nd Interim	75	7.5	160.50
• Final	80	8	171.20
2006-07			
• Interim	110	11	235.40
• 2nd Interim	75	7.5	160.50
• Final	75	7.5	160.50
2007-08			
• Interim	125	12.5	267.51
• Final	150	15	321.01
2008-09			
• Interim	150	15	321.01
• Final	155	15.5	331.71
2009-10			
• Interim	180	18	432.82
• Final	160	16	384.73
2010-11			
• Interim	180	18	432.82

19. TRANSFER OF UNPAID/UNCLAIMED DIVIDEND ACCOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under report, an amount of Rs. 249,300/- pertaining to unpaid interim dividend for the financial year 2003-04 was transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. This is in accordance with the sections 205A and 205C of the Companies Act, 1956 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

Unclaimed Final Dividend for the year 2003-04 is due for transfer to IEPF. All Shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s KARVY, RTA by submitting an application before 20.09.2011, since no claim will lie against the company or the IEPF once the dividend amount is deposited in IEPF. Members who do not have encashed their dividend warrants within their validity period may write to the Company at its Corporate Office or M/s KARVY, RTA for revalidating / obtaining duplicate warrant.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by the Company:

Financial Year	Date of Declaration	Due for transfer to IEPF
2004-05		
• Interim	21.12.2004	26.01.2012
• Final	10.09.2005	16.10.2012
2005-06		
• 1st Interim	21.12.2005	26.01.2013
• 2nd Interim	21.02.2006	29.03.2013
• Final	23.09.2006	29.10.2013
2006-07		
• 1st Interim	13.12.2006	18.01.2014
• 2nd Interim	26.02.2007	03.04.2014
• Final	29.09.2007	04.11.2014

2007-08 • Interim • Final	 24.12.2007 27.09.2008	 29.01.2015 02.11.2015
2008-09 • Interim • Final	 30.01.2009 17.08.2009	 07.03.2016 22.09.2016
2009-10 • Interim • Final	 30.01.2010 25.09.2010	 07.03.2017 31.10.2017
2010-11 • Interim	 22.12.2010	 27.01.2018

20. DEMATEARIALIZATION OF SHARES AND LIQUIDITY

The shares of the company are in compulsory dematerialized segment and are available for trading in depository system of both NSDL/ CDSL. As on 31.03.2011, Equity shares forming 98.98% stood dematerialized.

21. OUTSTANDING GDRs/ADRs/WARRANTS OR CONVERTIBLE INSTRUMENT

No GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company

22. INVESTOR SERVICES

The Company serves its investors through its Registrar & Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. who have adequate computer hardware & software and connectivity with both the depositories, which facilitate better and faster service to the investors.

Other facilities, such as remittance of dividend through Electronic Clearing Services (ECS), Bank mandate, incorporation of Bank details on dividend warrants, direct deposit of dividends, reminders for unclaimed dividends, nomination facility, issue of public notice for lost share certificates, issue of duplicate share certificates, etc. are also available.

23. ADDRESS FOR SHAREHOLDERS' CORRESPONDENCE

Investor Correspondence: For transfer/transmission/dematerialization of shares, payments of dividend, bonus shares and other queries relating to shares of the Company:

For Shares held in Physical Form	For Shares held in Demat Form
M/s Karvy Computershare Private Ltd. Unit: Oil India Limited Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081 Tel No : 040-44655000; Fax No.040-23420814 Toll free No.: 1800-3454-001, email: einward.ris@karvy.com, website: www.karvy.com Regd. Office: Karvy House 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034	To the Investors' Depository Participant(s) and/ or Karvy Computershare Private Limited

24. RISK MANAGEMENT

The framework for risk assessment and minimization thereto is in place. On evaluations and further improvements, if any, suggested by experts it shall be further improved.

25. COMPLIANCE CERTIFICATE: CORPORATE GOVERNANCE

Certificate from the M/s R & D Company Secretaries, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance is annexed.

26. SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report confirming compliance to the applicable provisions of the Companies Act, 1956, Listing Agreement, SEBI guidelines and all other relevant rules and regulations relating to Capital Market, obtained from M/s Chandrasekaran Associates, Practicing Company Secretaries is annexed.

27. ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE – 49

The following non-mandatory requirements have been implemented and have been reflected elsewhere in this report:

- The company has constituted Remuneration Committee.
- With regard to Shareholders' Rights, communication of financial results are being published widely and also hosted on the company's website.
- As far as Audit Qualifications are concerned, the company is in the regime of unqualified financial statements.
- With regard to Whistle Blower Policy, since OIL is a PSU, the guidelines of CVC are applicable which also provide adequate safeguards against victimization of employees who avail the mechanism. No person is denied access to the Audit Committee (or it's Chairman in exceptional cases).

28. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

The guidelines issued by DPE on Corporate Governance are being followed.

Presidential Directive for Revision of Pay and Allowances was issued by the MOP&NG has been implemented.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

The administrative and office expenses were 4.88% (previous year 5.83%) of total expenses during 2010-11.

29. PROJECT LOCATIONS

Field Headquarters, Duliajan Assam – 786602	Rajasthan Explorations Project, 12, Old Residency Rod, Jodhpur
Pipeline Headquarters, P.O.Udayan Vihar, Narengi, Guwahati	Eastern Producing Area, Digboi Oil Fields Digboi – 786171
Kakinada Project Kakinada	Moran Oil Fields, Moran, Distt Sivasagar, Assam-785669
Kolkata Branch, 4, India Exchange Place, Kolkata-700001	Gabon Project, Libreville,Gabon
Branch Office Timor Leste	

APPENDIX 'A'

i. COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2011

Sl. No.	Name	Type	Date of Appointment	Directorship in other Public Companies#	Number of Shares held in the Company
1.	Shri. N. M. Borah	Chairman & Managing Director	01.12.2008	1	2000
2.	Shri. T. K. Ananth Kumar	Director (Finance)	18.01.2007	1	Nil
3.	Shri. B. N. Talukdar	Director (E&D)	01.12.2007	-	900
4.	Shri. N. K. Bharali	Director (HR&BD)	14.09.2010	-	1200
5.	Shri. S. Rath	Director (Operations)	31.03.2011	-	1020
6.	Shri. D. N. Narasimha Raju	Government Nominee Director	01.08.2008	-	Nil
7.	Dr. (Smt.) Archana S. Mathur	Government Nominee Director	09.02.2009	-	Nil
8.	Shri. Arun K. Gupta	Independent Director	30.07.2008	-	Nil
9.	CA Pawan K. Sharma	Independent Director	30.07.2008	-	Nil
10.	Prof. Sushil Khanna	Independent Director	30.07.2008	2	Nil
11	Shri. Vinod K. Misra	Independent Director	30.07.2008	1	Nil
12.	Shri. Ghanshyambhai Hiralal Amin	Independent Director	30.07.2008	1	1300
13.	Shri. Alexander K. Luke	Independent Director	30.07.2008	-	Nil

Does not include directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

N.B. 1. Shri. Vinod Kumar Misra is a Chairman of Audit Committee, Hindustan Aeronautics Limited.
2. Shri. T. K. Ananth Kumar is a Member of Audit Committee, Brahmputra Cracker & Polymer Limited.

ii. PARTICULARS OF DIRECTOR WHOSE TERM HAS ENDED DURING 2010-11

Sl. No.	Name	Type	Date of Cessation
1.	Shri Ashok Anand	Director (HR&BD)	30.04.2010

iii. COMPOSITION OF COMMITTEES OF THE BOARD OF THE COMPANY AS ON 31.03.2011

Committees	Chairman	Members
Audit Committee	CA Pawan Kumar Sharma	Shri. Vinod K. Misra
		Dr. (Smt.) Archana S. Mathur
Shareholders' / Investors' Grievance Committee (SIGC)	Shri G.H.Amin	Shri. Arun Kumar Gupta
		Shri. T. K. Ananth Kumar
		Shri. B. N. Talukdar
Remuneration Committee	Shri Vinod K. Misra	Prof. Sushil Khanna
		Dr. (Smt.) Archana S. Mathur
		Shri. T. K.Ananth Kumar
		Shri. N. K. Bharali
Business Development Committee	Prof. Sushil Khanna	CA Pawan Kumar Sharma
		Shri. N. M. Borah
		Shri. T. K. Ananth Kumar
		Shri. B. N. Talukdar
		Shri. N. K. Bharali
		Shri. S. Rath
Share Transfer Committee	Shri Arun Kumar Gupta	Shri. Alexander K. Luke
		Shri. T. K. Ananth Kumar
		Shri. B. N. Talukdar
Human Resource Management Committee	Mr. Alexander K. Luke	Shri. G.H.Amin
		Dr. (Smt.) Archana S. Mathur
		Shri. N. M. Borah
		Shri. T. K. Ananth Kumar
		Shri. B. N. Talukdar
		Shri. N. K. Bharali
		Shri. S. Rath

APPENDIX 'B'

DETAILS OF ATTENDANCE OF DIRECTORS

Sl. No.	Name	Board Meeting	Audit Committee Meeting	SIGC Meeting	Remuneration Committee Meeting	BDC Meeting	STC Meeting	HRM Committee Meeting	Last AGM
		Attended/ Held	Attended/ Held	Attended/ Held	Attended/ Held	Attended/ Held	Attended/ Held	Attended/ Held	
1.	Shri. N. M. Borah	9/9	-	-	-	5/7	-	3/3	✓
2.	Shri. T.K.Ananth Kumar	9/9	-	4/5	2/2	7/7	3/4	3/3	✓
3.	Shri B. N. Talukdar	9/9	-	3/3	-	7/7	3/3	3/3	✓
4.	Shri N.K. Bharali	3/4	-	-	1/1	3/3	-	2/2	✓
5.	Shri S. Rath	-	-	-	-	-	-	-	-
6.	Shri D. N. Narasimha Raju	6/9	-	-	-	-	-	-	-
7.	Dr. (Smt.) Archana S. Mathur	7/9	5/8	-	1/2	-	-	2/2	✓
8.	Shri Arun K. Gupta	6/9	-	5/5	-	-	4/4	-	✓
9.	CA Pawan Kumar Sharma	9/9	8/8	-	-	7/7	-	-	✓
10.	Prof. Sushil Khanna	5/9	-	-	2/2	6/7	-	-	✓
11.	Shri. Vinod K. Misra	8/9	8/8	-	2/2	-	-	-	-
12.	Shri. Ghanshyambhai Hiralal Amin	9/9	-	5/5	-	-	-	2/3	✓
13	Shri. Alexander K. Luke	9/9	-	-	-	-	4/4	3/3	✓
Details of attendance of Director whose term has ended during 2010-11									
	Shri Ashok Anand	1/1	-	0/1	-	-	1/1	-	-
		Dates of Meetings	Dates of Meetings	Dates of Meetings	Dates of Meetings	Dates of Meetings	Dates of Meetings	Dates of Meetings	Dates of Meetings
		26.04.2010	09.04.2010	27.04.2010	21.09.2010	25.06.2010	26.04.2010	24.06.2010	25.09.2010
		26.05.2010	27.04.2010	25.05.2010	25.03.2011	27.07.2010	25.09.2010	06.12.2010	
		25.06.2010	26.05.2010	27.10.2010		21.09.2010	13.12.2010	22.12.2010	
		27.07.2010	26.07.2010	13.12.2010		24.09.2010	29.03.2011		
		24.09.2010	21.09.2010	21.03.2011		27.10.2010			
		12.11.2010	11.11.2010			11.11.2010			
		22.12.2010	05.02.2011			10.03.2011			
		05.02.2011	08.03.2011						
		29.03.2011							

Key: **SIGS** : Shareholders'/ Investors' Grievance Committee
BDC : Business Development Committee
STC : Share Transfer Committee
HRM : Human Resource Management Committee

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Oil India Limited

We have examined the compliance of conditions of Corporate Governance by Oil India Limited (hereinafter referred as "the Company") for the year ended March 31, 2011, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges and DPE Guidelines on Corporate Governance.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, except that the Board of Directors does not comprise of the required number of Independent Directors as per the terms of provisions of Clause 49 of the Listing Agreement, has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and DPE Guidelines on Corporate Governance

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **R&D Company Secretaries**

Sd/-
Debabrata Deb Nath
Partner
ACS: 23935; CP: 8612

Date: June 28, 2011
Place: Delhi

SECRETARIAL AUDIT REPORT

The Shareholders
OIL INDIA LIMITED

We have examined the registers, records and documents of Oil India Limited (the Company) for the financial year ended 31st March 2011 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made there under;
- The Depositories Act, 1996 and the Rules made thereunder and the bye-laws of the Depositories who have been given the requisite Certificates of Registration under the Securities and Exchange Board of India Act, 1992;
- The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- The listing agreement with the National Stock Exchange of India Limited and with the Bombay Stock Exchange Limited; and
- The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder including:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
  - The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999; and
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999

A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made there under and of the Acts, Rules, Regulations and Guidelines including Listing Agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and independent directors.
6. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
7. Meeting of the Board and its committees.
8. Holding Annual General Meeting and production of the various registers thereat.
9. Recording the minutes of proceedings of board meetings, committee meetings and General Meetings.
10. Appointment and remuneration of Auditors.
11. Registration of transfer of shares held in physical mode.
12. Dematerialisation and Rematerialisation of shares.
13. Execution of contracts, affixation of common seal, registered office and the name of the Company.
14. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997.
15. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1999
16. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B. I further report that-

(i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in pursuing its normal business, and

(ii) There was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the company under the aforementioned Acts, Rules, Regulations and guidelines made thereunder or on its directors and officers.

For Chandrasekaran Associates
Company Secretaries

Sd/-
Dr. S Chandrasekaran
Senior Partner
FCS: 1644 CP : 715

New Delhi
19th July 2011

AUDITORS' REPORT
TO THE SHAREHOLDERS OF OIL INDIA LIMITED

1. We have audited the attached Balance Sheet of Oil India Limited, as at 31st March, 2011 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto in which are incorporated the Company's share in the total value of assets, liabilities, expenditure and income of forty two Joint Ventures for exploration and production based on five nos. audited and thirty seven nos. unaudited financial statements (Refer Note 7 of Schedule 28). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act,1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid Order.
4. Attention is invited to the following:
   (a) Accounting Policy No.2 of Schedule-27 relating to treatment of exploration costs, development expenditure and abandonment costs and Accounting Policy No. 4.1(b) of Schedule-27 relating to capitalization of depreciation to exploration and development wells are significant to the oil and gas exploration and production industry under the "Successful Efforts Method".
   (b) Categorization of wells as exploratory (whether successful in discovery of commercial hydrocarbons and producing properties or otherwise) or development and depletion of producing properties on the basis of proved and developed hydrocarbon reserves are based on management's evaluation whether technical or otherwise, which we have relied upon.
   (c) Accounting Policy No.6 of Schedule-27 and Note No.4(iv) of Schedule-28 relating to impairment of assets are based on management's evaluation/estimates, whether technical or otherwise, which we have relied upon.
5. Further to our comments in the Annexure referred under Para(3) above, we report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company , so far as appear from our examination of those books;
   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act,1956;
   (e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act,1956; and
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies (Schedule 27) and the Notes to Accounts (Schedule 28) give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
      (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      (iii) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For **CHATTERJEE & CO.**
Chartered Accountants
Firm Regn. No: 302114E

Sd/-
(S.K.CHATTERJEE)
Partner
Membership No: 3124

For **SRB & ASSOCIATES**
Chartered Accountants
Firm Regn. No: 310009E

Sd/-
(R.S.SAHOO)
Partner
Membership No: 53960

Place : New Delhi
Date : 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT OF OIL INDIA LIMITED

(Referred to in our report of even date attached)

1. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The fixed assets, other than those which are underground/ under joint venture, have been physically verified by the management in phased manner designed to cover all items over a period of five years.

   Land records along with documents and Fixed Assets register are pending reconciliation.

   As per information and explanations available, no material discrepancies have been observed on such verification. Adjustment, if any, required for such discrepancies is carried out on final reconciliation with books of account.

   (c) According to the information and explanations provided to us, a substantial part of the fixed assets have not been disposed off during the year, which might affect the going concern concept.

2. (a) As explained to us, stocks of Crude Oil and Liquefied Petroleum Gas (LPG) have been physically verified by the management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers/ contractors) have been physically verified by the management in accordance with the phased programme.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion, the Company has maintained proper records in respect of stock of crude oil, LPG and stock of stores and spare parts. No material discrepancies have been noticed between physical and book stocks of crude oil and LPG. In respect of stores and spare parts, the discrepancies on physical verification noticed by the management between physical stock and book records are not material considering the size of the Company and the nature of its business and the same have been properly adjusted in the accounts to the extent reconciliations have been completed.

3 (a) The Company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act,1956. The amount outstanding at the year end is Rs. 131 crores and the maximum amount outstanding at any time during the year was Rs. 131 crores.

   (b) The rate of interest and other terms and conditions of the loan granted is not prejudicial to the interest of the Company.

   (c) The payment of principal amount and interest are regular as per the terms of contract.

   (d) There is no overdue amount in respect of loans granted to the parties listed in the register maintained under Section 301 of the Companies Act,1956.

   (e) The Company has not taken any loans secured or unsecured, from companies firms or other parties covered in the register maintained under Section 301 of the Companies Act,1956 and consequently, the requirements of clause (iii)(f) and (iii)(g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.

4. According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.

5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Companies Act,1956 have been so entered.

   (b) According to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

6. According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence, the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.

7. The Company has its internal audit system, which appears to be commensurate with its size and nature of its business.

8. The Central Government of India has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act for the activities of manufacturing of crude oil and gases. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act,1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance (not applicable to the Company), income tax, sales tax, wealth tax, fringe benefit tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There are no material outstanding dues as of the last date of financial year concerned for a period more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, as at 31st March, 2011 details of disputed dues in respect of income tax, sales tax, wealth tax, fringe benefit tax, service tax, custom duty, excise duty, cess are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates Financial Year	Amount (₹ in crores)	Forum where dispute is pending
Assam Taxation (on specified land) Act,2004	Tax on land	2004-05 to 2009-10	526.78	High Court, Guwahati
Finance Act,1994	Service Tax	2003-04	0.79	CESTAT, Delhi
Central Excise Act,1944	Excise Duty	December' 2008 to December' 2009	14.27	CESTAT, Kolkata

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of paragraph 4(xiii) of the Order is not applicable to the Company.
14. According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4 (xv) of the Order are not applicable to the Company.
16. According to the records of the Company and information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
17. On an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. The Management has disclosed the end-use of the money raised by the public issue of shares (Refer Note 3 of Schedule 28 to the Financial Statement). The same has been verified by us.
21. During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **CHATTERJEE & CO.**
Chartered Accountants
Firm Regn. No: 302114E

Sd/-
(S.K.CHATTERJEE)
Partner
Membership No: 3124

For **SRB & ASSOCIATES**
Chartered Accountants
Firm Regn. No: 310009E

Sd/-
(R.S.SAHOO)
Partner
Membership No: 53960

Place : New Delhi
Date : 30th May, 2011

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF OIL INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2011.

The preparation of financial statements of Oil India Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30.05.2011.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Oil India Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Saurav Kumar Jaipuriyar)
Pr. Director of Commercial Audit &
Ex-officio Member, Audit Board-II
Kolkata

Kolkata
Dated : 14.06.2011

OIL INDIA LIMITED

Balance Sheet as at 31st March, 2011

(₹ in crore)

	SCHEDULE			As at 31st March, 2011			As at 31st March, 2010
SOURCES OF FUNDS							
SHAREHOLDERS' FUNDS							
Share Capital	1	**240.45**			240.45		
Reserves and Surplus	2	**15361.42**		**15601.87**	13523.34		13763.79
LOAN FUNDS							
Secured Loans	3 (A)	**1005.54**			0.00		
Unsecured Loans	3 (B)	**21.25**		**1026.79**	37.50		37.50
DEFERRED TAX LIABILITY (NET)				**1149.05**			1020.90
LIABILITY FOR WELL ABANDONMENT COST							
JVC		**2.00**				1.89	
OIL		**162.48**		**164.48**		0.00	1.89
TOTAL				**17942.19**			14824.08
APPLICATION OF FUNDS							
FIXED ASSETS	4						
Gross Block		**3320.25**			3211.05		
Less: Depreciation		**2330.55**			2135.83		
Net Block			**989.70**			1075.22	
Capital Work-in-progress	5		**448.36**			328.66	
PRODUCING PROPERTIES	6						
Gross Cost		**6067.41**			5451.05		
Less: Depletion		**2808.82**			2507.36		
Net Cost			**3258.59**			2943.69	
PRE-PRODUCING PROPERTIES	7		**875.69**			598.44	
				5572.34			4946.01
INVESTMENTS	8			**890.41**			859.44
CURRENT ASSETS, LOANS AND ADVANCES							
Inventories	9	**500.36**			453.38		
Sundry Debtors	10	**249.47**			659.67		
Cash and Bank Balances	11	**11769.28**			8542.91		
Interest accrued on Term Deposits		**474.77**			306.61		
Interest accrued on Investments		**0.07**			0.04		
Loans and Advances	12	**1807.10**	**14801.05**		2306.93	12269.54	
LESS: CURRENT LIABILITIES AND PROVISIONS							
Current Liabilities	13	**2099.59**			1804.53		
Provisions	14	**1222.02**	**3321.61**		1464.76	3269.29	
NET CURRENT ASSETS				**11479.44**			9000.25
MISCELLANEOUS EXPENDITURE				**0.00**			18.38
TOTAL				**17942.19**			14824.08
INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956	25						
SEGMENT REPORTING	26						
SIGNIFICANT ACCOUNTING POLICIES	27						
NOTES TO ACCOUNTS	28						

Schedules referred above forms an integral part of Accounts.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-
(S.K. CHATTERJEE)
Membership No.3124

Sd/-
(R.S. SAHOO)
Membership No. 53960

Sd/-
(S.R. KRISHNAN)
COMPANY SECRETARY

Sd/-
(T.K. ANANTH KUMAR)
DIRECTOR (FINANCE)

Sd/-
(N.M. BORAH)
CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

OIL INDIA LIMITED

Profit and Loss Account for the year ended 31st March, 2011

(₹ in crore)

	SCHEDULE	Year ended 31st March, 2011	Year ended 31st March, 2010
INCOME			
Sales	15	**8113.22**	7748.56
Income from Transportation	16	**190.16**	156.99
Other Income	17	**1185.10**	937.13
Other Adjustments	22(A)	**60.73**	17.05
		9549.21	8859.73
EXPENDITURE			
(Increase)/Decrease In Stocks	18	**(7.64)**	10.57
Production, Transportation & Other Expenditure	19	**4139.90**	4072.90
Provision against debts, advances and other write-offs	20	**469.60**	282.72
Depletion		**301.46**	262.81
Depreciation		**176.68**	218.27
Interest & Debt Charges	21	**13.92**	3.65
Exchange Loss/(Gain)-Net		**1.40**	(4.77)
Other Adjustments	22(B)	**144.83**	112.62
		5240.15	4958.77
Profit for the period		**4309.06**	3900.96
Prior Period Items	22(C)	**(4.14)**	5.86
Profit Before Tax		**4313.20**	3895.09
Provision for Taxation			
- Current Tax (Including Wealth Tax)	23	**1297.32**	1159.82
- Tax for earlier years		**0.00**	3.68
- Deferred Tax		**128.15**	121.07
		1425.47	1284.57
Profit After Tax		**2887.73**	2610.52
BALANCE AVAILABLE FOR APPROPRIATION		**2887.73**	2610.52
APPROPRIATIONS			
Interim Dividend		**432.82**	432.82
Tax on Interim Dividend		**71.89**	73.56
Final Dividend (Proposed)		**468.88**	384.73
Tax on Proposed Dividend		**76.06**	63.90
Transfer to General Reserve		**1838.08**	1655.52
		2887.73	2610.52
Earning Per Share (₹) (Basic and Diluted) - (Face value of ₹ 10/- each) (Not Annualised)	24	**120.09**	113.78
INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956	25		
SEGMENT REPORTING	26		
SIGNIFICANT ACCOUNTING POLICIES	27		
NOTES TO ACCOUNTS	28		

Schedules referred above forms an integral part of Accounts.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(S.K. CHATTERJEE)	(R.S. SAHOO)	(S.R. KRISHNAN)	(T.K. ANANTH KUMAR)	(N.M. BORAH)
Membership No.3124	Membership No. 53960	COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

SCHEDULE-1

(₹ in crore)

		As at 31st March, 2011	As at 31st March, 2010
SHARE CAPITAL			
Authorised:		**500.00**	500.00
50,00,00,000 (Previous year 50,00,00,000) Equity Shares of ₹ 10/- each			
Issued, Subscribed and Paid up:			
24,04,54,382 (Previous year 24,04,54,382) Equity Shares of ₹ 10/- each fully paid up		**240.45**	240.45

Note: The above includes 18,46,69,600 (Previous year 18,46,69,600) shares of ₹ 10/- each issued as fully paid up bonus shares by capitalisation of Securities Premium and General Reserve.

SCHEDULE-2

		As at 31st March, 2011		As at 31st March, 2010
RESERVES AND SURPLUS				
Securities Premium		**2750.80**		2750.80
General Reserve :-				
Opening Balance	**10772.54**		9117.02	
Add: Transfer from Profit and Loss Account	**1838.08**		1655.52	
		12610.62		10772.54
		15361.42		13523.34

SCHEDULE-3

	As at 31st March, 2011	As at 31st March, 2010
LOAN FUNDS		
(A) Secured Loans		
Short Term		
(a) Cash Credit/Working Capital Demand Loan State Bank of India, Kolkata - Secured by hypothecation of all current assets including goods-in-transit wherever situated, excluding assets under Joint Venture, for Cash Credit, Working Capital Demand Loan and LC/Bank Guarantee with hypothecation created in favour of the bank subject to a limit of ₹ 1000.00 crore (Previous Year ₹ 500.00 crore).	**1.58**	0.00
(b) Loan from Bank (Secured by pledge of Term Deposit Receipts)	**1003.96**	0.00
	1005.54	0.00
(B) Unsecured Loans		
Long Term		
From Oil Industry Development Board (Repayable within one year ₹ 12.50 crore; Previous year ₹ 16.25 crore)	**21.25**	37.50
	21.25	37.50
Total Loan Funds (A+B)	**1026.79**	37.50

SCHEDULE-4

FIXED ASSETS

(₹ in crore)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1st April, 2010	Additions during the year	Deletions/ Adjustments during the year	Cost as at 31st March, 2011	Up to 1st April, 2010	For the year	Deletions/ Adjustments during the year	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land - Freehold	64.45	9.21	0.00	73.66	0.00	0.00	0.00	0.00	73.66	64.45
- Leasehold	12.28	0.10	0.00	12.38	0.00	0.00	0.00	0.00	12.38	12.28
Building (Including Roads & Bridges)	247.15	16.00	(0.63)	262.52	113.46	7.78	(0.33)	120.91	141.61	133.69
Railway Sidings	1.93	0.00	0.00	1.93	1.45	0.07	0.00	1.52	0.41	0.48
Plant & Machinery	2838.92	118.38	(35.38)	2921.92	1986.18	218.96	(33.52)	2171.62	750.30	852.75
Furniture & Fittings	19.74	1.43	(0.26)	20.91	12.98	1.47	(0.17)	14.28	6.63	6.76
Motor Vehicles	26.58	1.32	(0.97)	26.93	21.76	1.27	(0.81)	22.22	4.71	4.81
Total :	**3211.05**	**146.44**	**(37.24)**	**3320.25**	**2135.83**	**229.55**	**(34.83)**	**2330.55**	**989.70**	**1075.22**
Previous Year:	2972.04	253.82	(14.81)	3211.05	1838.26	306.00	(8.44)	2135.83	1075.22	

		31.03.2011 (₹ in crore)		31.03.2010 (₹ in crore)
Depreciation charged to:-				
(i) Profit and Loss Account		**176.68**		218.27
(ii) Prior Period Adjustments		**0.86**		2.04
(iii) Pre Producing Property				
(a) Exploratory Wells	**18.19**		35.91	
(b) Development Wells	**33.82**	**52.01**	49.78	85.69
Total		**229.55**		306.00

SCHEDULE-5

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CAPITAL WORK-IN-PROGRESS		
Buildings (Including Roads & Bridges)	**17.97**	19.92
Plant & Machinery	**430.39**	308.74
	448.36	328.66

SCHEDULE-6

PRODUCING PROPERTIES

(₹ in crore)

	GROSS COST			DEPLETION			NET COST	
FIELD/AREA	As at 1st April, 2010	Transfer from Pre-Producing Properties*	As at 31st March, 2011	Up to 1st April, 2010	During the year	Up to 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Assam	5129.72	594.80	5724.52	2360.49	288.35	2648.84	3075.68	2769.23
Arunachal Pradesh	46.35	1.57	47.92	32.31	1.15	33.46	14.46	14.04
Rajasthan	207.08	16.62	223.70	94.15	10.14	104.29	119.41	112.93
JVC- India	67.90	3.37	71.27	20.41	1.82	22.23	49.04	47.49
Total :	**5451.05**	**616.36**	**6067.41**	**2507.36**	**301.46**	**2808.82**	**3258.59**	**2943.69**
Previous Year:	4766.00	685.05	5451.05	2244.55	262.81	2507.36	2943.69	

* Note: Includes well abandonment liability capitalised ₹ 153.54 crore.

SCHEDULE-7

PRE-PRODUCING PROPERTIES

Exploratory Wells

(₹ in crore)

FIELD/AREA	As at 1st April, 2010	Adjustments during the year	Expenditure during the year	Transfer to Producing Properties during the year	Transfer to Profit and Loss Account	As at 31st March, 2011
OIL						
- Assam	257.67	8.95	306.67	50.19	49.97	473.13
- Arunachal Pradesh	21.88	0.00	44.10	0.00	34.09	31.89
Total OIL (1)	**279.55**	**8.95**	**350.77**	**50.19**	**84.06**	**505.02**
JVC						
- India	63.71	0.00	187.84	3.37	139.22	108.96
- Overseas	142.01	0.00	103.82	0.00	117.39	128.44
Total JVC (2)	**205.72**	**0.00**	**291.66**	**3.37**	**256.61**	**237.40**
Exploratory Wells Total (A) (1+2)	**485.27**	**8.95**	**642.43 ***	**53.56**	**340.67**	**742.42**
Previous year: (C)	366.98	0.00	535.85 *	167.91	249.47	485.45

*Includes allocated depreciation for the year ₹ 18.19 crore (Previous year ₹ 35.91 crore)

Development Wells

FIELD/AREA	As at 1st April, 2010	Adjustments during the year	Expenditure during the year	Transfer to Producing Properties during the year	Transfer to Profit and Loss Account	As at 31st March, 2011
Assam	86.54	144.55	413.39	544.61	0.00	99.87
Arunachal Pradesh	0.00	1.57	0.00	1.57	0.00	0.00
Rajasthan	26.63	7.42	15.97	16.62	0.00	33.40
Development Wells Total (B)	**113.17**	**153.54**	**429.36** **	**562.80**	**0.00**	**133.27**
Previous year : (D)	**195.31**	**0.00**	**434.81** **	**517.13**	**0.00**	**112.99**
Total (A+B)	**598.44**	**162.49**	**1071.79**	**616.36**	**340.67**	**875.69**
Total (C+D)	**562.29**	**0.00**	**970.66**	**685.04**	**249.47**	**598.44**

**Includes allocated depreciation for the year ₹ 33.82 crore (Previous year ₹ 49.78 crore)

SCHEDULE-8

(₹ in crore)

	No. of Shares/ Bonds/Units	**Face Value ₹**	**As at 31st March, 2011**	No. of Shares/ Bonds/Units	Face Value ₹	As at 31st March, 2010
INVESTMENTS						
A. TRADE - LONG TERM (Unquoted and fully paid up)						
EQUITY SHARES						
- Numaligarh Refinery Limited	**191264202**	**10.00**	**483.65**	191264202	10.00	483.65
- Suntera Nigeria 205 Ltd.	**62502**	**Naira 1**	**0.01**	62502	Naira 1	0.01
- Brahmaputra Cracker and Polymer Limited	**32465729**	**10.00**	**32.47**	26337159	10.00	26.34
- DNP Limited	**24380000**	**10.00**	**24.38**	24380000	10.00	24.38
- Oil India Sweden AB	**1374650**	**100 SEK**	**84.90**	1000.00	100 SEK	0.06
B. NON TRADE - LONG TERM (Unquoted)						
(a) The East India Clinic Limited, 5% Non Redeemable Debenture Stock 1957 (Carried at a nominal value of ₹ 1/- only)	**6**	**1000.00**	**0.00**	6	1000.00	0.00
(b) Contribution to Capital Fund of Petroleum India International Consortium	**0**	**0.00**	**5.00**	0	0.00	5.00
C. OTHERS (Quoted)						
MUTUAL FUND						
a) Units of Unit Trust of India under Liquid Cash/Plus Plan Institutional - Daily Income Option (7,69,46,803 units purchased and 7,72,40,872 units sold) during the year and held at the end of the year 12,75,568 (Short term Investment) (Previous year 2,65,75,174 units purchased and 2,56,87,545 units sold and held at the end of the year 15,69,637).			**130.00**			160.00
b) Units of State Bank of India under Liquid Cash/Plus Plan Institutional - Daily Income Option (5,52,29,33,183 units purchased and 5,54,08,37,600 units sold) during the year and held at the end of the year 7,76,26,582 (Short term Investment) (Previous year 2,41,05,46,497 units purchased and 1,80,61,49,705 units sold and held at the end of the year 9,55,30,999).			**130.00**			160.00
			890.41			859.44
Aggregate market value of quote investment- Mutual Fund						
Held with UTI Mutual Fund			**130.04**			160.02
Held with SBI Mutual Fund			**130.03**			160.02

SCHEDULE-9

(₹ in crore)

		As at 31st March, 2011		As at 31st March, 2010
INVENTORIES				
Stores and spare parts (including goods in transit)	**503.71**		446.26	
Less: Provision against inventory in various locations	**10.90**		0.73	
Less: Provision aganist slow & non-moving inventory	**44.24**		36.26	
		448.57		409.27
Finished Goods				
Crude Oil	**51.05**		43.34	
Liquefied Petroleum Gas	**0.17**	**51.22**	0.24	43.58
Assets awaiting disposal		**0.57**		0.53
		500.36		453.38

SCHEDULE-10

(₹ in crore)

		As at 31st March, 2011		As at 31st March, 2010
SUNDRY DEBTORS				
(Unsecured, Considered Good, unless otherwise stated)				
Debts Outstanding for period more than six months				
- Considered Good	**139.28**		151.65	
- Considered Doubtful	**60.50**		59.59	
		199.78		211.24
Other Debts				
- Considered Good	**85.75**		476.78	
- Considered Doubtful	**0.00**	**85.75**	0.00	476.78
		285.53		688.02
Less : Provision for doubtful debts		**60.50**		59.59
	(A)	**225.03**		628.43
Future Instalments receivable against Lease Rent	**35.82**		47.30	
Less : Unearned Income	**11.38**		16.06	
	(B)	**24.44**		31.24
Total (A+B)		**249.47**		659.67

SCHEDULE-11

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CASH AND BANK BALANCES		
Cash in Hand	**1.39**	1.95
Balance with Scheduled Banks in :		
Current Accounts	**231.98**	113.78
Term Deposits	**11524.36**	8415.08
Cash Credit Account with State Bank of India, Kolkata	**0.00**	0.84
Balance with Non-Scheduled Banks in :		
Current Account in Bank of Commerce & Development -Libya (Maximum balance outstanding at any time during the year ₹ 27.30 crore) (Refer note 7 D (ii) Schedule 28)	**4.59**	7.59
Current Account in BGFI Bank-Gabon (Maximum balance outstanding at any time during the year ₹ 23.55 crore)	**6.96**	3.67
	11769.28	8542.91

SCHEDULE-12

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
LOANS AND ADVANCES		
Loans and advances to employees (Including Whole time Directors) (Refer Note No. 4 (vi) (i) of Schedule 28)	**289.78**	489.38
Contribution for working capital to IOTL-OIL Consortium (Refer Note No. 7 (7) of Schedule 28)	**0.00**	2.50
Advance against acquisition of Equity Shares in Brahmaputra Cracker and Polymer Limited pending allotment (Refer Note No. 4 (vi) (i) (d) of Schedule 28)	**22.88**	6.14
Advance against acquisition of Shares in DNP Limited pending allotment (Refer Note No. 4 (vi) (i) (e) of Schedule 28)	**6.65**	0.00
Loan to DNP Limited	**131.00**	100.00
Advance recoverable in cash or in kind or for value to be received.	**766.58**	642.17
Advance to Oil India Sweden AB for Indoil Netherlands BV	**0.08**	0.08
Loan to Suntera Nigeria OPL 205 Ltd. (Refer Note No. 7 (2) of Schedule 28)	**43.51**	43.51
Deposits/Balances with Customs, Excise, Port Trust etc.	**88.27**	67.06
Deposits with Companies (ICD) including Public Sector Companies	**528.33**	1028.52
Deposits with Others	**10.06**	3.34
	1887.14	2382.70
Less: Provision for doubtful advances/claims	**80.04**	75.77
	1807.10	2306.93
PARTICULARS OF LOANS AND ADVANCES		
Secured	**289.78**	489.38
Unsecured - Considered good	**1517.32**	1817.55
Unsecured - Considered doubtful & provided for	**80.04**	75.77
	1887.14	2382.70

SCHEDULE-13

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CURRENT LIABILITIES:		
Sundry Creditors		
Dues to Micro, Small and Medium Enterprises	**1.07**	0.71
Due to Others	**497.05**	245.20
Statutory Liabilities	**233.13**	384.33
Liability towards Investor Education and Protection Fund U/S 205C of the Companies Act, 1956 not due		
- Unpaid Dividend	**1.67**	1.32
Liabilities (Others)	**999.31**	840.15
Liabilities (Employees)	**367.36**	332.82
	2099.59	1804.53

SCHEDULE-14

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
PROVISIONS:		
Final Dividend (Proposed)	**468.88**	384.73
Tax on Proposed Dividend	**76.06**	63.90
Leave encashment	**113.00**	96.76
Post retirement Medical benefits for employees	**57.88**	52.88
Revision of Salaries & Wages	**0.00**	351.20
Long Service Award	**5.20**	4.77
LFA/LTC	**0.00**	25.02
Direct Tax Provisions (Net of payments)	**397.17**	481.75
Wealth Tax (Net of payment)	**0.08**	0.04
Against Fixed Assets not in use	**10.55**	3.71
Provision for JVCs	**93.20**	0.00
	1222.02	1464.76

SCHEDULE-15

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
SALES*				
Crude Oil	**10348.34**		8648.61	
Less: Discount	**3195.32**	**7153.02**	1489.91	7158.70
Natural Gas		**852.69**		485.68
Liquefied Petroleum Gas	**160.71**		135.22	
Less: Discount	**97.76**	**62.95**	58.91	76.31
Condensate		**44.56**		27.87
		8113.22		7748.56

* Includes Sales Tax of ₹ 270.24 crore (Previous year ₹ 269.81 crore) on Crude Oil, ₹ 83.60 crore (Previous year ₹ 61.10 crore) on Natural Gas, and ₹ 0.01 crore (Previous year ₹ 0.08 crore) on LPG and ₹ 0.87 crore (Previous year ₹ 0.56 crore) on Condensate shown separately as expenses in Schedule-19.

SCHEDULE-16

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
INCOME FROM PIPELINE TRANSPORTATION				
Crude Oil - Pipeline	**130.78**		109.56	
Less : Service Tax	**12.21**		10.23	
		118.57		99.33
Refined Product	**78.39**		63.11	
Less : Service Tax	**7.32**		5.89	
		71.07		57.22
Natural Gas - Pipeline	**0.57**		0.49	
Less : Service Tax	**0.05**		0.05	
		0.52		0.44
		190.16		156.99

SCHEDULE-17

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
OTHER INCOME				
Claims towards under-recovery of Natural Gas Price		**293.28**		156.32
Dividend from Numaligarh Refinery Limited		**28.69**		28.69
Dividend from Petroleum India International (PII)		**0.02**		0.01
Dividend from UTI -current investment (Mutual Fund)		**5.32**		19.68
Dividend from SBI liquid fund		**5.29**		18.71
Interest				
Term Deposits with Banks	**686.07**		487.97	
Income Tax Authorities	**0.00**		73.15	
Others	**16.46**		12.27	
Deposit with Companies	**60.62**	**763.15**	40.53	613.92
Other items :				
Electricity	**0.41**		0.34	
Scrap Disposal	**2.25**		1.50	
Profit on Sale of Assets	**0.19**		0.25	
Liquidated damages, etc.	**0.47**		8.32	
Business Development Services	**2.75**		10.93	
Income from Finance Lease	**4.59**		5.27	
Income from OFC fibre leasing	**12.06**		9.32	
Miscellaneous Income	**66.63**	**89.35**	63.87	99.80
		1185.10		937.13

SCHEDULE-18

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
(INCREASE)/DECREASE IN STOCK				
Opening Stock				
Crude Oil	**43.34**		53.95	
Liquefied Petroleum Gas	**0.24**		0.20	
		43.58		54.15
Closing Stock				
Crude Oil	**51.05**		43.34	
Liquefied Petroleum Gas	**0.17**		0.24	
		51.22		43.58
		(7.64)		10.57

SCHEDULE-19

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
PRODUCTION, TRANSPORTATION & OTHER EXPENDITURES				
CRUDE OIL				
Raising Cost	**646.64**		588.17	
Royalty	**1052.60**		1049.40	
Cess (Inclusive of Educational Cess and NCC Duty)	**940.39**		941.92	
Sales Tax (includes ₹ 0.87 crore for condensate Previous year ₹ 0.56 crore)	**271.11**		270.37	
		2910.74		2849.86
NATURAL GAS				
Raising Cost	**250.00**		246.93	
Royalty	**94.60**		34.40	
Sales Tax	**83.60**		61.10	
		428.20		342.43
LIQUEFIED PETROLEUM GAS				
Extraction Cost	**37.09**		34.67	
Sales Tax	**0.01**	**37.10**	0.08	34.75
PIPELINE OPERATION & MAINTENANCE EXPENDITURE		**142.63**		134.73
BUSINESS DEVELOPMENT EXPENDITURE		**9.24**		19.12
GEOLOGICAL & GEOPHYSICAL EXPENDITURE		**319.20**		370.49
CARRYING COSTS OF PEL AREAS		**19.57**		9.73
ADMINISTRATIVE EXPENDITURE		**255.94**		289.49
RESEARCH & DEVELOPMENT EXPENDITURE		**17.28**		22.30
		4139.90		4072.90

SCHEDULE-20

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PROVISIONS AND WRITE OFFS		
Against Assets not in use	**3.00**	(0.74)
Against loss on deletion of assets	**6.23**	0.53
Against inventory in various locations	**0.00**	0.73
Against slow & non moving and other stores	**7.89**	2.80
Against Suntera Cash Call	**14.59**	35.22
Provision against Loan to Suntera Nigeria 205 Ltd.	**0.00**	43.51
For Bad Debts/Doubtful Debts/Claims/Deposits/Loans	**4.30**	0.62
Bad Debt written off	**17.00**	32.56
Exploratory dry wells (OIL)	**84.06**	117.06
Exploratory dry wells (JVC)	**256.61**	132.41
Provision against JVCs	**75.92**	(81.98)
(Refer Note No. 7 (D) (i) and (ii) of Schedule 28)		
	469.60	282.72

SCHEDULE-21

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
INTEREST & DEBT CHARGES		
Income Tax Authorities	**0.01**	0.03
Oil Industry Development Board Loan	**1.63**	2.44
Banks :		
Short Term Loan	**11.29**	0.02
Cash Credit	**0.21**	0.03
Others	**0.78**	1.13
	13.92	3.65

SCHEDULE-22(A)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
OTHER ADJUSTMENTS (Income)		
Price revision for ONGC crude transportation (2009-10)	**1.90**	0.00
Quantity dispute with NRL	**0.75**	(0.46)
AGCL MGQ claim received (2008-09 &2009-10)	**0.61**	0.00
Non APM Gas price received from Tingri Gas Grid (2009-10)	**0.13**	0.00
Non APM Gas price received from AGCL (2009-10)	**0.33**	0.00
Adjustment for Reverse Pumping	**51.45**	0.00
Provison for Assay against NRL written back	**4.70**	0.00
Price revision adjustment against crude oil as per P&G report for earlier years	**0.00**	5.11
Adjustment against BD income	**0.00**	(0.26)
Adjustment against 3D acquisition for earlier years	**0.00**	12.66
Old provision written back	**0.86**	0.00
	60.73	17.05

SCHEDULE-22(B)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
OTHER ADJUSTMENTS (Expenses)		
Depreciation for earlier period	**0.86**	2.04
Provision for pay revision (Employees)	**256.57**	0.00
Provision written back for pay revision (Executive)	**(49.41)**	0.00
Provision for inventory in Storage locations	**0.00**	(22.91)
BG commission	**0.00**	0.40
Arrear Royalty on Crude Oil	**0.00**	0.88
Old provision written back	**(34.26)**	(0.46)
Adjustment for AS-15 (2008-09)	**0.00**	131.59
Adjustment against IOC (AOD) (2008-09)	**0.00**	1.08
Write back for PEL extension	**(28.93)**	0.00
	144.83	112.62

SCHEDULE-22(C)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PRIOR PERIOD ITEMS (NET)		
Prior period Depreciation (DPS and Others)	**0.00**	2.04
Adjustment for Entry Tax and Others	**(4.14)**	0.00
Provision for Royalty (2006-07 to 2008-09)	**0.00**	0.02
Capital expenditure charged to expenses (DPS and others)	**0.00**	3.80
	(4.14)	5.86

SCHEDULE-23

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PROVISION FOR TAXATION		
Current Tax		
Income Tax	**1297.28**	1159.78
Wealth Tax	**0.04**	0.04
	1297.32	1159.82

SCHEDULE-24

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
EARNINGS PER SHARE		
(Basic & Diluted)		
(a) Number of Equity Shares at the beginning of the period	**240454382**	214004400
Number of Equity Shares at the end of the period	**240454382**	240454382
Weighted average number of Equity Shares outstanding during the period	**240454382**	229433556
Face value of each Equity Share (₹)	**10.00**	10.00
(b) Profit after Tax available for Equity Shareholders (₹ in crore)	**2887.73**	2610.52
Earning Per Equity Share (₹) - Basic	**120.09**	113.78
Earning Per Equity Share (₹) - Diluted	**120.09**	113.78

SCHEDULE-25

INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956

1. SALES TURNOVER

	Unit	Year ended 31st March 2011 QUANTITY	Year ended 31st March 2011 VALUE (₹ in crore)	Year ended 31st March 2010 QUANTITY	Year ended 31st March 2010 VALUE (₹ in crore)
Crude Oil -					
Assam	Metric Tonnes	**3532157.397**	**7026.15**	3529576.356	7015.19
Arunachal Pradesh	Metric Tonnes	**23219.636**	**24.98**	33051.047	50.13
Rajasthan (Heavy Oil)	Metric Tonnes	**22.320**	**0.04**	64.227	0.10
JVC(India)	Metric Tonnes	**37147.180**	**101.85**	39733.560	93.28
	Crude Oil Total	**3592546.533**	**7153.02**	3602425.190	7158.70
Natural Gas-					
Assam	Million Standard Cubic Metres	**1656.713**	**807.92**	1663.039	449.14
Arunachal Pradesh	Million Standard Cubic Metres	**0.000**	**0.00**	0.000	0.00
Rajasthan	Million Standard Cubic Metres	**151.663**	**44.77**	199.492	36.54
	Natural Gas Total	**1808.376**	**852.69**	1862.531	485.68
Condensate-					
Assam	Metric Tonnes	**11792.350**	**44.22**	9370.840	27.47
Rajasthan	Metric Tonnes	**97.860**	**0.34**	139.457	0.41
	Condensate Total	**11890.210**	**44.56**	9510.297	27.88
Transportation-					
Crude Oil	Metric Tonnes	**5946657.551**	**118.57**	6311326.856	99.33
Natural Gas	Million Standard Cubic Metres	**91.946**	**0.52**	83.529	0.44
Product Pipeline (NSPL)	Metric Tonnes	**1069408.316**	**71.07**	874544.806	57.22
	Transportation Total		**190.16**		156.99
Liquefied Petroleum Gas	Metric Tonnes	**44585.975**	**62.95**	44933.946	76.31
	Total		**8303.38**		7905.56

SCHEDULE-25 (contd...)

2. OPENING AND CLOSING STOCK OF GOODS PRODUCED

	Unit	Year ended 31st March 2011 QUANTITY	Year ended 31st March 2011 VALUE (₹ in crore)	Year ended 31st March 2010 QUANTITY	Year ended 31st March 2010 VALUE (₹ in crore)
OPENING STOCK					
Crude Oil -					
Assam	Metric Tonnes	**86703.490**	**43.07**	108018.642	52.93
Arunachal Pradesh	Metric Tonnes	**110.356**	**0.07**	382.025	0.63
JVC(India)	Metric Tonnes	**1095.826**	**0.20**	1630.830	0.40
		87909.672	**43.34**	110031.497	53.96
Liquefied Petroleum Gas	Metric Tonnes	**355.469**	**0.24**	344.080	0.20
CLOSING STOCK					
Crude Oil -					
Assam	Metric Tonnes	**83178.340**	**50.34**	86703.490	43.07
Arunachal Pradesh	Metric Tonnes	**243.844**	**0.14**	110.356	0.07
JVC(India)	Metric Tonnes	**1066.385**	**0.57**	1095.826	0.20
		84488.569	**51.05**	87909.672	43.34
Liquefied Petroleum Gas	Metric Tonnes	**773.469**	**0.17**	355.469	0.24

3A. LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Item Produced	Licensed Capacity	Installed Capacity	Unit		Actual Production: Year ended 31st March , 2011	Actual Production: Year ended 31st March, 2010
Crude Oil :						
- Assam	Not Applicable	Not Applicable	Gross	Metric Tonnes	**3537887.923**	3515444.494
			Net(*)	Metric Tonnes	**3523368.647**	3501816.470
- Arunachal Pradesh	Not Applicable	Not Applicable	Gross	Metric Tonnes	**23299.159**	32739.378
			Net	Metric Tonnes	**23299.159**	32739.378
- JVC (India)	Not Applicable	Not Applicable	Gross	Metric Tonnes	**37118.097**	39198.550
			Net	Metric Tonnes	**37118.097**	39198.550
Condensate						
- Assam	Not Applicable	Not Applicable	Gross	Metric Tonnes	**25152.000**	24150.000
			Net	Metric Tonnes	**25152.000**	24150.000
- Rajasthan	Not Applicable	Not Applicable	Gross	Metric Tonnes	**86.045**	102.794
			Net	Metric Tonnes	**86.045**	102.794
Natural Gas						
- Assam	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**2178**	2189
			Net(**)	Million Standard C. Mtr.	**2019**	2026
- Arunachal Pradesh	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**17**	21
			Net(**)	Million Standard C. Mtr.	**3**	3
- Rajasthan	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**157**	205
			Net(**)	Million Standard C. Mtr.	**156**	204
Liquefied Petroleum Gas	50,000 tonnes	50,000 tonnes	Gross	Metric Tonnes	**45010**	44950
			Net	Metric Tonnes	**45004**	44945
Electricity	41.5 M.W.	41.5 M.W.	Gross	Million Kilowatt Hours	**93**	94
			Net	Million Kilowatt Hours	**89**	90

(*) Includes internal consumption of crude oil 8042.135 metric tonnes (Previous year 8249.426 metric tonnes)
(**) Includes internal consumption of natural gas 337 million standrad cubic meter (Previous year 339 million standard cubic meter)

3 B. RESERVES OF OIL & GAS AND PRODUCTION THEREOF:

Area of Operation	Crude Oil: Position as at 01.04.2010	Crude Oil: Additions/ Revisions	Crude Oil: Production Quantity	Crude Oil: Position as at 31.03.2011	Natural Gas: Position as at 01.04.2010	Natural Gas: Adjustment in opening Reserve	Natural Gas: Position after adjustment	Natural Gas: Additions/ Revisions	Natural Gas: Production Quantity	Natural Gas: Position as at 31.03.2011
	(MMKL)	(MMKL)	(MMKL)	(MMKL)	(MMKL-OE)			(MMKL-OE)	(MMKL-OE)	(MMKL-OE)
Proved Developed Reserves										
Assam	34.8100	4.3605	4.0160	35.1545	35.9700	0.0000	0.0000	0.1013	2.1953	33.8760
Arunachal Pradesh	0.6050	(0.0261)	0.0264	0.5525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Rajasthan	0.0000	0.0000	0.0000	0.0000	2.0078	0.0000	0.0000	(0.0002)	0.1571	1.8505
JVC-India *	1.1704	0.0000	0.0420	1.1284	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	36.5854	4.3344	4.0844	36.8354	37.9778	0.0000	0.0000	0.1011	2.3524	35.7265

* Shown to the extent of participating interest of the Company
Gas figures shown against Assam includes figures of Arunachal Pradesh also.

SCHEDULE-25 (contd...)

4. DETAILS OF EXPENDITURE

(₹ in crore)

		Year ended 31st March, 2011	Year ended 31st March, 2010
(a) Details of expenditure incurred during the year on production, exploration, development, R&D and operation & maintenance of pipelines			
Salaries & Wages		**1026.71**	922.37
Incentives (Bonus, REH, PLIS/PRP)		**78.00**	104.42
Contribution to Pension Fund		**8.82**	104.63
Contribution to Provident Fund		**95.08**	48.79
Fuel		**48.43**	51.52
Stores Consumed		**274.79**	346.00
Insurance		**3.74**	1.72
Rent		**4.78**	4.66
Rates, Taxes, License Fee etc.		**2.25**	4.03
Contract - Casual labour		**45.30**	29.43
Contract - Transport		**83.44**	82.24
Contract - Construction		**99.64**	90.99
Contract- Survey & Data Processing		**186.62**	205.55
Contract- Drilling and Production Services		**407.62**	347.96
Contract- Others		**156.56**	158.01
NELP/JVC Production and Other Expenditures		**60.83**	33.42
Security expenses		**71.48**	65.99
Travelling and Halting expenses		**24.44**	23.57
Medical expenses - Reimbursement		**30.07**	27.15
Sundries (Donations, Courtesy, Training fees, etc.)		**26.25**	28.07
Others		**69.58**	62.66
	Total	**2804.43**	2743.18
Less : Allocation to Pre-producing properties, Capital account, Recoveries and others		**1106.84**	1027.55
		1697.59	1715.63
Add : Royalty		**1147.20**	1083.80
Cess		**940.39**	941.92
Sales Tax		**354.72**	331.55
	Total	**4139.90**	4072.90
(b) Included under various heads in Note 4(a) above - Net of Recoveries, if any			
(i) Repairs, Maintenance & Replacement			
Building (including Township)		**60.15**	58.62
Plant & Machinery		**405.62**	381.11
	Total	**465.77**	439.73
(ii) Public Relations Expenses			
Salaries, Allowances etc.		**2.95**	2.83
Oil News & Employees Communication Programme		**0.11**	0.08
Advertisement for tenders		**3.05**	4.75
Others		**1.34**	1.67
	Total	**7.45**	9.33
(iii) Social Overhead Expenses			
Township		**41.65**	38.75
Education		**12.29**	12.87
Social & cultural amenities		**33.94**	38.27
Medical		**65.16**	61.62
Hired buses for Employees		**8.38**	8.02
	Total	**161.42**	159.53

SCHEDULE-25 (contd...)

(₹ in crore)

		Year ended 31st March, 2011	Year ended 31st March, 2010
(iv) Directors' Remuneration			
Remuneration paid/payable to Directors Functional Directors including Chairman-Cum-Managing Director :			
i)	Salary & Allowances	**1.54**	0.95
ii)	Contribution to Provident Fund	**0.08**	0.06
iii)	Contribution to Pension Fund	**0.06**	0.05
iv)	Tax on perks value of accommodation borne by the co.	**0.05**	0.04
v)	Other benefits & perquisites being LFA/LTC, Medical & Club, etc.	**0.04**	0.21
	Total for Functional Directors	**1.77**	1.31
Independent Directors			
i)	Sitting Fees	**0.20**	0.19
	Total	**1.97**	1.50

NOTE :
Provisions for contribution to employees retirement / post retirement and employees benefits as per AS-15 which are based on Actuarial valuations done on an overall company basis are excluded from above disclosure.

		Year ended 31st March, 2011	Year ended 31st March, 2010
(v) Auditors' Remuneration			
(i)	Audit fees (including Service tax)	**0.31**	0.18
(ii)	Tax Audit fees (including service tax)	**0.09**	0.09
(iii)	Out of pocket and travelling expenses (Including for Tax Audit)	**0.09**	0.08
(iv)	Certification Fees (including Service Tax and IPO-DRHP)	**0.11**	0.22
	Total	**0.60**	0.57

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Quantity Million Standard Cubic Metres	**Value (₹ in crore)**	Quantity Million Standard Cubic Metres	Value (₹ in crore)
(c) Raw Materials consumed				
(For production of Liquefied Petroleum Gas) Natural Gas (out of own Production)	**31.348**	**6.10**	32.151	5.70

		Year ended 31st March, 2011 (₹ in crore)	%	Year ended 31st March, 2010 (₹ in crore)	%
(d) Consumption of Stores and Spare parts					
Imported		**145.64**	**51.00**	183.38	53.00
Indigenous		**129.15**	**49.00**	162.62	47.00
	Total	**274.79**	**100.00**	346.00	100.00
(e) Value of Imports on C.I.F basis					
Capital Goods		**66.21**		74.65	
Stores and Spares parts		**71.72**		89.74	
	Total	**137.93**		164.39	
(f) Expenditure in foreign currency					
Services Contracts		**192.06**		294.67	
Foreign Tours		**3.75**		4.97	
	Total	**195.81**		299.64	
5. EARNINGS IN FOREIGN CURRENCY					
Others (forfeiture of Bid Bonds, etc.)		**1.56**		1.87	

SCHEDULE-26

Segment Revenue, Results, Assets and Liabilities for the year ended 31st March, 2011

(₹ in crore)

Particulars	Total		Crude Oil		Natural Gas				LPG		Transportation		Unallocated	
					Assam & AP		Rajasthan							
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
REVENUE														
External Sales	8,303.38	7,905.55	7,153.02	7,158.70	807.92	449.14	44.77	36.54	62.95	76.31	190.16	156.99	44.56	27.87
Other Income	1,185.10	937.13	0.00	0.00	293.28	156.32	0.00	0.00	0.00	0.00	0.00	0.00	891.82	780.81
Other Adjustment-Income	60.73	17.05	4.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.45	0.00	4.58	17.05
Total Income	**9,549.21**	**8,859.73**	**7,157.72**	**7,158.70**	**1,101.20**	**605.46**	**44.77**	**36.54**	**62.95**	**76.31**	**241.61**	**156.99**	**940.96**	**825.73**
EXPENDITURE														
Increase/(Decrease) in Stock	(7.64)	10.57	(7.71)	10.61	0.00	0.00	0.00	0.00	0.07	(0.04)	0.00	0.00	0.00	0.00
Production,Transportation & Other Expenditure	4,139.90	4,072.90	2,910.74	2,849.86	403.38	314.13	24.82	28.30	37.10	34.75	142.63	134.73	621.23	711.13
Provisions & Write Offs	469.60	282.72	389.55	253.61	53.98	27.96	0.95	0.00	0.00	0.00	0.00	0.00	25.12	1.15
Depletion	301.46	262.81	228.81	194.51	62.51	56.76	10.14	11.54	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	176.68	218.27	38.87	52.10	25.49	30.81	4.32	4.68	2.62	1.31	86.47	113.06	18.91	16.31
Interest & Debt Charges	13.92	3.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.92	3.65
Exchange Loss	1.40	(4.77)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.40	(4.77)
Other Adjustment-Expenses	144.83	112.62	78.91	0.00	30.51	0.00	0.00	0.00	4.53	0.00	17.41	0.00	13.47	112.62
Prior Period	(4.14)	5.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4.14)	5.86
Total Expenses	**5,236.01**	**4,964.64**	**3,639.17**	**3,360.69**	**575.87**	**429.66**	**40.23**	**44.52**	**44.32**	**36.02**	**246.51**	**247.79**	**689.91**	**845.95**
Profit before Tax	**4,313.20**	**3,895.09**	**3,518.55**	**3,798.01**	**525.33**	**175.80**	**4.54**	**(7.98)**	**18.63**	**40.29**	**(4.90)**	**(90.80)**	**251.05**	**(20.22)**
Provisions for Taxation	1,425.47	1,284.57	1,162.85	1,252.55	173.61	57.98	1.50	(2.63)	6.16	13.29	(1.62)	(29.94)	82.97	(6.67)
Profit after Tax	2,887.73	2,610.52	2,355.71	2,545.45	351.71	117.83	3.04	(5.35)	12.47	27.00	(3.28)	(60.85)	168.08	(13.55)
Segment Assets	**21,263.80**	**18,093.37**	**3,420.42**	**3440.79**	**2,276.52**	**2068.53**	**252.69**	**243.99**	**27.80**	**34.63**	**392.40**	**480.33**	**14,893.97**	**11,825.10**
Segment Liabilities	**21,263.80**	**18,093.37**	**1,915.19**	**1736.71**	**800.78**	**757.76**	**45.61**	**34.15**	**65.34**	**29.26**	**129.40**	**117.69**	**18,307.48**	**15,417.80**

SCHEDULE -26 (Contd.)

NOTES ON SEGMENT REPORTING

1. (a) In accordance with the existing management reporting system, the Company has adopted :-

    (i) the following business segments as the primary reporting segments :

    Crude Oil

    Natural Gas

    LPG

    Transportation

    and

    (ii) the following geographical segments as the secondary reporting segments :

    Assam / Arunachal Pradesh (AP)

    Rajasthan

    (b) All inter-segment transfers have been measured using actual price used for transfer pricing.

2. Segment sales revenues are directly identifiable with the respective segments and therefore, have been directly allocated to the segments. Other income which can be directly attributed to a particular segment has been shown as segment revenue. Other income which cannot be attributed to any of the segments have been disclosed as unallocated.
3. Expenditure incurred directly by the segments are directly allocated to them. Expenditure incurred by Services departments have been allocated to the segments in proportion to the actual services rendered to the respective segments. Overhead expenditure have been allocated to the segments on the basis of direct emoluments. Exploration expenditure pertaining to the areas having joint production of Crude Oil & Natural Gas, charged to the Profit and Loss Account have been allocated to the Crude Oil and Natural Gas segments on the basis of thermal equivalence. Research & Development expenditure have been considered as unallocated.
4. Other adjustments in the income and expenditure not relating to the year of reporting have been disclosed as unallocated corporate income/expenses.
5. Provision for Taxation has been apportioned on the basis of Profit Before Tax of individual segments.
6. Share capital, Reserves and Surplus and Loans have been treated as unallocated corporate liabilities.
7. Liabilities and Current Assets relating to purchase of materials and hiring of services, used jointly by two or more segments have been allocated to the segments on the basis of average consumption/utilization of the previous two years.
8. Liabilities and Advances arising out of payment to employees , used jointly by two or more segments, have been allocated to the respective segments, on the same basis as followed for allocation of employees cost .
9. Fixed assets and depreciation thereon have been identified cost center wise and after allocation of the amounts under services and overhead cost centers on the basis mentioned in para 3 above, the segment assets have been determined.
10. Producing properties, pre producing properties and depletion pertaining to the areas having joint production of Crude Oil & Natural Gas, have been allocated to crude oil and gas segments on the basis of Proved-Developed-Producing reserves.
11. Investments outside the business and Cash and Bank balances are treated as unallocated corporate assets.
12. Any other revenue, expenditure, assets or liabilities, which cannot be directly attributed to one or more segments, have been treated as unallocated corporate revenue, expenditure, assets or liabilities as the case may be.
13. Exploration expenditure, assets, liabilities pertaining to the project areas where commercial production of Hydrocarbons has not yet commenced, have been shown in the unallocated corporate head.
14. Individual items of assets or liabilities used jointly by two or more segments, the amount of which is insignificant and are not considered material, have been allocated to Crude Oil and Natural Gas segment on the basis of thermal equivalence.

SCHEDULE - 27

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The Financial Statements of the Company are prepared under historical cost convention, except as otherwise stated, in accordance with the Generally Accepted Accounting Principles (GAAP) in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standard) Rules 2006, and with the relevant provisions of the Companies Act, 1956.

2. EXPLORATION COSTS, DEVELOPMENT EXPENDITURE AND ABANDONMENT COSTS

The Company generally follows the internationally accepted “Successful Efforts Method” (SEM) of Accounting in respect of its Oil and Gas exploration and production activities read with the guidance note on “Accounting for oil & gas producing activities” issued by the Institute of Chartered Accountants of India (ICAI) except for abandonment costs, as explained below :-

2.1 EXPLORATION COSTS AND DEVELOPMENT EXPENDITURE

(a) Geological and Geophysical expenditure, other than cost of tangible assets, equipment and facilities deployed in relation thereto on which usual depreciation allowance as admissible, are expensed in the year of incidence.

(b) Lease carrying costs including license fees are expensed in the year of incidence.

(c) All Acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type strategraphic test wells are initially capitalized as pre-producing property till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry or of no further use, as the case may be.

(d) Cost of successful exploratory wells and completed development wells including allocated depreciation on support equipment and facilities are capitalized as producing property. Wells are treated as completed only after completion of production testing of the same.

(e) Cost of unsuccessful / dry exploratory wells or part(s) thereof including allocated depreciation on support equipment and facilities, which do not lead to discovery of / accretion to hydrocarbon reserves, are expensed.

(f) Charges towards unfinished Minimum Work Programme (MWP) and for extension of exploration period under PSC/JVC are treated as Geological & Geophysical or Drilling expenses etc. as the case may be.

(g) Cost of incomplete wells / wells under production testing / completed exploratory wells pending determination of commercial viability including allocated depreciation on support equipment and facilities, are classified as Pre-producing Properties.

(h) Cost of exploratory wells in progress are not carried over for more than two years from the date of completion of the drilling of the well, unless it could be reasonably demonstrated that the well has proved reserves and development of the field in which the well is located has been planned.

2.2 ABANDONMENT COSTS

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites (net of salvage value), other than Joint Ventures, are capitalized as additional cost when the well is complete. The abandonment cost on exploratory dry well (written off during the year) is charged to Profit and Loss account.

Liability for abandonment cost is updated annually based on the technical assessment available at current costs.

The actual cost incurred on abandonment is adjusted against the liability and the ultimate gain or loss as may be is recognised in the profit and loss account, when the area designated as oil/gas field or a group of oil/gas fields ceases to produce.

In respect of Joint Ventures, the policies in respect of above are specified in Policy No 7 (a).

3. FIXED ASSETS :

(a) Fixed assets including support equipment & facilities are stated at historical cost. All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

(b) Computer software acquired and developed to suit Company’s internal use being intangible asset is capitalized along with hardware cost.

(c) Leasehold lands including the Right of Use (ROU) which are perpetual in nature are not amortized.

(d) Any asset, when of no further use, is deleted from the Block. The Written Down Value, if any, in excess of Rs.1000/- or 5% of the original cost, whichever is less is charged to Profit and Loss Account. The deleted assets are carried as Current Assets at adjusted value awaiting disposal through normal tendering procedure. The sale proceeds in excess of adjusted value against individual asset are accounted for as miscellaneous income, when realized.

(e) Physical verification of the fixed assets is carried out by the Company in a phased manner to cover all the items over a period of five years. The discrepancies, if any, noticed are accounted for after reconciliation of the same.

4. DEPRECIATION / DEPLETION

4.1 DEPRECIATION

(a) Depreciation on Fixed Assets is provided for under the “Written Down Value Method”(WDV), at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 and the fixed assets are stated at cost less depreciation.

(b) Depreciation as computed above on Fixed Assets deployed in exploration and development drilling activities is charged to the cost of each well.

(c) Computer software acquired and developed to suit Company’s internal use, being intangible asset, is depreciated at the rate applicable to Computer (Hardware).

(d) Assets costing upto Rs. 5000 each are depreciated fully in the year of capitalization.

4.2 DEPLETION

(a) The producing properties including acquisition costs are depleted using the “Unit of Production Method”, based on the related Proved Developed Reserves.

(b) Proved and Developed Reserves of oil and gas are technically assessed regularly and are finally reviewed and estimated at the end of each year in-house by following International practices.

(c) The rate of depletion is computed on a consistent basis with reference to an area designated as Oil / Gas field or a group of Oil/Gas fields, which are aggregated either based on a common geological feature or for operational purpose.

5. FOREIGN CURRENCY TRANSLATION

(a) All non-monetary transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(b) Monetary items in the form of Loan, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gains or loss is accounted during the year.

(c) Foreign currency transactions in relation to Joint Venture Operations (Overseas) are treated in the following manner:-

(i) Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transactions. For practical reasons, the average exchange rate of relevant month is taken for the transactions of the month in respect of such Joint Venture Operations, where actual date of transaction is not available or as agreed otherwise.

(ii) At the Balance Sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the Balance Sheet date.

6. IMPAIRMENT OF ASSETS

Producing Properties and Fixed Assets of a “Cash Generating Unit” (CGU) are reviewed for impairment at each Balance Sheet date. In case events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. The recoverable amount is its ‘value in use’ . In assessing value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Subsequent to Impairment, depletion/ depreciation is provided on the revised carrying value of the assets over the remaining useful life as per relevant policy.

7. JOINT VENTURES

In respect of Production Sharing Contracts (PSCs) executed by the Company with other companies and the Government of India to undertake exploration, development and production of Oil and / or Gas activities under a joint venture in various concessions:-

(a) The financial statements reflect the share of the Company’s assets, liabilities and also the income and expenditure of the Joint Venture Operations in proportion to the participating interest of the Company as per the terms of the PSCs, on a line by line basis. Depreciation, depletion and impairment and value of Stock of Crude Oil are accounted for as per the relevant accounting policies of the Company whereas provision for abandonment is created as per terms of PSC.

(b) Proved and Developed Reserve of Oil & Gas in such concessions are also considered in proportion to participating interest of the Company.

(c) The unamortized balance in the producing property accounts and / or the written down values of the fixed assets installed therein in respect of such concessions, are netted off by the consideration due/ received from other participating companies.

8. INCOME TAX

(a) Current Tax

Income tax is computed as per provisions of the Income tax Act, 1961, read with the terms of the Agreement entered into by the Company with the Government of India under Section 42 of the Income Tax Act, 1961 and accordingly in addition to other items of allowances, the following are considered: -

(i) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration Licence areas, excluding expenditure on assets for which usual depreciation allowance is admissible, whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.

(ii) All intangible expenditure on exploration / prospecting /drilling in Mining Lease areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and

(iii) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under the Written Down Value (WDV) method.

(b) Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted up to the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to assess realization.

9. INVESTMENTS

(a) Long term investments are valued at cost unless there is a permanent diminution in value.

(b) Current investments are valued at lower of cost or fair value.

10. INVENTORY

(a) Stocks of Crude Oil and Liquefied Petroleum Gas are valued at cost (after bifurcation of joint cost on thermal equivalence basis in case of crude oil) or net realizable value, whichever is lower, including applicable excise duty.

(b) Natural Gas in pipeline and crude oil in flow line are not valued.

(c) The stock of stores and spare parts are valued at weighted average cost. Obsolete / unserviceable items, as and when identified, are written off. Any item of stores and spares not moved for last four years as on date of Balance Sheet are identified as slow moving items. Against these Slow moving items a provision of 95% of value is made in the accounts towards likely diminution in value. The stores and spare parts include goods-in-transit which represents items pending arrival and / or acceptance at stipulated destinations.

11. EMPLOYEE BENEFITS

a) Defined Contribution Plans such as Provident Fund, etc. – Contributions are charged to the Profit and Loss Account as incurred.

b) Defined Benefit Plans – The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis the excess, if any, it treated as a prepayment.

c) The contribution to Provident Fund, Gratuity Fund, and Pension Funds are paid to the respective Funds administered through Trusts having exemptions under Employees' Provident Funds and Miscellaneous Provision Acts 1952 above as applicable. The interest payable by the Provident Fund Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

d) Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

e) Termination benefits are recognized as and when incurred.

12. REVENUE RECOGNITION

(a) Revenue from sale of products and transportation income are recognized on transfer of custody to customers.

(b) Sale of crude oil and gas produced from exploratory wells-in-progress in exploratory areas is deducted from expenditure on such wells.

(c) Sales are inclusive of statutory levies but net of discounts. Any retrospective revision in prices is accounted for in the year of such revision.

(d) Claims on Government / Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance in principle thereof.

(e) Dividend Income is recognized when the right to receive the dividend is established.

(f) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:

(i) Short lifted quantity of crude oil, if any.

(ii) Interest on delayed realization from customers.

(g) Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the Insurance Company.

(h) Liquidated Damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction. In case the same is refunded due to reconsideration/justification of the waiver request, the same is accounted for as expense in the year of acceptance.

13. GRANTS & SUBSIDIES

Grants and Subsidies are accounted in revenue or capital account according to their nature, when there is reasonable assurance that the same would be realized. Grants related to specific assets are deducted from the gross value of the concerned assets while arriving at their book value.

14. BORROWING COSTS

Borrowing costs during the construction period, net of Income if any, that are attributable to qualifying assets are capitalized.

15. SEGMENT ACCOUNTING

(a) In accordance with the existing management reporting system, the Company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline Transportation) as the primary reporting segments and the geographical segments viz. Assam & Arunachal Pradesh, Rajasthan etc. as the secondary reporting segments.

(b) Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis usually followed for allocation of cost adopted for preparing and presenting the financial statements of the Company.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) The Company generally provides for present obligations resulting from past event, the amount of which can be estimated with reasonable accuracy.

(b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration exceeding Rupees Five Lakh in each case are recognized as contingent liability, if contested.

(c) Contingent assets are not recognized.

17. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

18. GENERAL

a) Prior Period Items exceeding Rupees Five Lakh in each case are separately disclosed in the Profit and Loss Account.

b) Adjustments pertaining to earlier years but crystallized during the year, exceeding Rupees Five Lakh in each case are separately disclosed under “Other Adjustments”.

c) All expenditure, other than assets, on which usual depreciation allowance is admissible, incurred for Research & Development Projects / Schemes, net of grants-in-aid if any, are charged to the Profit & Loss Account.

d) Joint cost of production relating to crude oil and natural gas is apportioned on thermal equivalence basis.

e) Refunds / Duty drawbacks and Demands from / in relation to Revenue Authorities are accounted for on the basis of acceptance considering information available upto the date of finalization of Accounts.

f) Assets given under finance leases are recognized as receivable at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment in line with AS 19 issued by the ICAI.

g) General administrative expenses including corporate overhead are charged to Profit & Loss Account.

h) Accounting of Contract works under various Projects for the Company carried out by the Company in consortium with other entities is accounted in line with AS 7 issued by ICAI after neutralizing the profit earned by the Company in it from the Project cost.

i) Costs of Intangible assets are accounted for in line with AS 26 issued by ICAI.

SCHEDULE – 28

NOTES TO ACCOUNTS

1. (i) (a) With effect from 01.04.2002, the price of Crude Oil and LPG are market determined in terms of the policy of the Government of India. Accordingly, the Crude Oil price was being determined based on the terms and conditions of the Memorandum of Understanding (MOU) signed with various buyers of Crude Oil for the period 01.04.2002 to 31.03.2004. Though the MOU / Crude Offtake and Sale Agreement (COSA) for the period effective from 01.04.2004 has not yet been finalized, the Company is continuing to bill and the buyers are continuing to pay on the terms and conditions of the aforesaid MOU for the period 01.04.2004 to 31.03.2011.

In terms of the notification from MOP&NG dated 01.05.2009, the Company w.e.f. 01.04.2008 has accounted for on a monthly average price of Crude Oil benchmarked to Basket Price of Crude Oil (ascertained from Reuter) after adjustment for Gross Product Worth (quality differential) and discount on account of Base Sediment & Water (BS&W).

(b) As regard LPG price, the same continues to be notified by Indian Oil Corporation Ltd. (IOC) every month.

(c) The price of APM Natural Gas has been revised by MOP & NG, Government of India vide its letter no. L-12015/8/10-GP dated 31.05.2010 at USD 4.20/ mmbtu inclusive of royalty at 10% on Net Calorific Value (NCV) basis w.e.f. 01.06.2010. For Customers in the North East, the net consumer price charged to the customers at 60% of USD 4.20/mmbtu i.e. USD 2.52/mmbtu on NCV basis. The difference between Producer Price and Consumer Price has been taken as Budget Claim from MOP& NG. For Non- APM customers, the same price of USD 4.20/ mmbtu inclusive of royalty at 10% has also been fixed w.e.f. 01.06.2010 vide letter no. L-12015/5/10-GP dated 28 .06.2010 from

MOP&NG. Similarly the gas price for gas sale in Rajasthan has also been revised at USD 4.20 / mmbtu inclusive of royalty at 10% on Net Calorific Value (NCV) basis w.e.f. 01.06.2010. Royalty @10% is being paid separately to the respective State Governments.

(ii) The MOP& NG, Government of India, vide Letter No.P-20012/11/2006-PP (Vol. II) dated 21.03.2011 allowed the Company to realize the sales tax and full amount of transportation charges in respect of its own Crude Oil sold to the refineries for the year ended 31.03.2011 also. Accordingly an amount of ₹ 27.15 crore (Previous year ₹ 27.33 crore) for transportation charges and ₹ 269.70 crore (Previous year ₹ 269.81 crore) for reimbursement of sales tax, respectively have been recognised during financial year 2010-11.

(iii) In terms of the decision of Government of India, MOP&NG, vide letter No.P-20012/28/97-PP dated 23.07.2004 and further communications in this regard, the Company during the year ended 31.03.2011 has allowed a discount ₹ 3195.32 crore (Previous year ₹ 1489.91 crore) on the sale of Crude Oil and ₹ 97.76 crore (Previous year ₹ 58.91 crore) on the sale of LPG. Accordingly, the sales revenue in respect of Crude Oil and LPG are net of the aforesaid discounts. The impact of this on revenue and profitability are as under:

(₹ in crore)

Decrease	**Quarter Ended**		**Year Ended**	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Gross Revenue	1605.43	670.07	3293.08	1548.81
Statutory Levies (State exchequer)	260.11	108.35	532.55	248.32
Profit Before Tax	1345.32	561.72	2760.53	1300.49
Statutory Levies (Central exchequer)	444.63	190.93	912.35	442.03
Profit After Tax	900.69	370.79	1848.18	858.46

(iv) a. Pending finalization of the Transportation Tariff by the Government of India for Crude Oil, the Company has on a provisional basis accounted for the transportation income of Crude Oil from all the refineries as fixed by the Petroleum Planning & Analysis Cell (PPAC) for the year 2001-02 for the Forward Pumping Sector of the pipeline from Naharkatiya to Digboi and Bongaigaon (Sector-wise).

b. In regards to the transportation income in respect of Crude Oil of M/s Oil & Natural Gas Corporation Ltd. (ONGCL) & Canoro Resources Limited, are accounted on the basis of MOU/Crude Oil Transportation Agreement (COTA) signed with the respective companies.

c. In respect of the Reverse Pumping Sector between Barauni to Bongaigaon, Transportation Tariff has been revised by PPAC w.e.f. financial year 2008-09 and in the current year the income for the same has been recognised on that basis.

(v) The total Gas Reserve as on 31.03.2011 in Assam & Arunachal Pradesh has been ascertained field wise following Society of Petroleum Engineers (SPE) norms.

(vi) Exchange (gain)/loss of ₹ 1.40 crore {Previous year (₹ 4.78) crore} includes, exchange (gain)/loss of ₹ Nil (Previous year ₹ Nil) related to Assets charged off in line with the changed Accounting Policy No.5 due to applicability of AS 11 (Revised).

(vii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise:

Particulars	Foreign Currency	31.03.2011		31.03.2010	
		Amount (Foreign Currency in crore)	Amount (₹ in crore)	Amount (Foreign Currency in crore)	Amount (₹ in crore)
Amount Receivable	USD	0.68	30.84	1.04	47.30
Amount Payable	USD	0.76	35.14	0.85	39.44

(viii) The Company is holding in its safe custody, Fixed Deposit Receipts issued in its favour by Contractors / Suppliers as Security Deposit / Earnest Money amounting to ₹ 1.62 crore (Previous year ₹ 1.60 crore), which are not included in the accounts.

(ix) Borrowing cost capitalized during the period is ₹ Nil.

2. **Disclosure pursuant to Accounting Standard (AS) 15 (Revised 2005) – Employee Benefits:-**

The Company has adopted AS 15 (Revised 2005) for Employee Benefits issued by ICAI as against erstwhile AS 15. Consequent to the adoption, the following disclosure related to accounting etc. are made as far as practicable under AS 15 (Revised 2005) requirement:

Defined Contribution Plans

The Company's contribution to Provident Funds for employees and executives is ₹ 95.11 crore (Previous year ₹ 48.60 crore).

Defined Benefit Plans

The various Benefits Plans which are in operation are Gratuity Fund, Oil India Employee Pension Fund (New), Oil India Pension Fund (Old), Leave Encashment, Post Retirement Medical Benefit and Long Service Award. The present value of the obligation is determined based on actuarial valuation made at the end of the financial year using the Projected Unit Credit Method, which recognizes each period of service as given rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

Various data as certified by Actuary:-

A. The amount recognised in Balance Sheet for post employment benefits:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the end of the year i.e. 31.03.2011	309.41 (301.79)	361.10 (352.64)	592.50 (541.25)	113.00 (96.76)	57.88 (52.88)
Fair Value of Plan Asset at the end of the year 31.03.2011	326.82 (325.13)	335.43 (179.53)	609.37 (433.75)	0.00 (0.00)	0.00 (0.00)
Fund Status as on 31.03.2011 {(Net Assets)/Net liability}	(17.41) (-23.34)	25.67 (173.10)	(16.87) (107.50)	113.00 (96.76)	57.88 (52.88)
Total Provision	(17.41) (-23.34)	25.67 (173.10)	(16.87) (107.50)	113.00 (96.76)	57.88 (52.88)

B. Reconciliation of opening and closing balances of Defined Benefits obligation:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the beginning of the year i.e. 01.04.2010	301.79 (288.12)	352.64 (332.48)	541.25 (496.96)	96.76 (75.08)	52.88 (49.18)
Interest Cost	24.43 (22.40)	26.50 (25.03)	44.88 (38.82)	7.10 (4.91)	4.20 (3.68)
Current Service Cost	17.06 (15.44)	15.88 (16.52)	35.90 (27.33)	29.63 (7.14)	0.00 (0.00)
Benefits Paid	(28.69) (-16.30)	(81.75) (-39.18)	(26.30) (-23.49)	(26.56) (-27.32)	(6.99) (-6.42)
Actuarial (gains)/loss on obligations	(5.17) (-7.87)	47.83 (17.79)	(3.23) (1.63)	6.07 (36.96)	7.79 (6.44)
Present Value of obligation at the end of the year i.e. 31.03.2011	309.41 (301.79)	361.10 (352.64)	592.50 (541.25)	113.00 (96.76)	57.88 (52.88)

C. Reconciliation of opening and closing balances of fair value of plan assets:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Fair Value of Plan Asset at Beginning of the year 01.04.2010	325.13 (195.56)	179.53 (152.87)	433.75 (380.62)	NA* NA*	NA* NA*
Expected Return on Plan Assets	26.01 (15.64)	14.36 (12.23)	34.70 (30.45)	NA* NA*	NA* NA*
Contributions	1.99 (136.85)	172.19 (51.06)	107.32 (68.46)	NA* NA*	NA* NA*
Benefits Paid	(28.69) (-16.30)	(81.75) (-39.18)	(26.30) (-23.49)	NA* NA*	NA* NA*
Actuarial gain/(loss) on Plan Assets	2.38 (-6.63)	51.09 (2.55)	59.90 (-22.30)	NA* NA*	NA* NA*
Fair Value of Plan Asset at the end of the year 31.03.2011	326.82 (325.13)	335.42 (179.53)	609.37 (433.75)	NA* NA*	NA* NA*

NA*: Not Applicable as Scheme is unfunded

D. Expenses Recognised in Statement of Profit / Loss:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Current Service Cost	17.06 (15.44)	15.88 (16.52)	35.90 (27.33)	29.63 (7.14)	0.00 (0.00)
Interest Cost	24.43 (22.40)	26.50 (25.03)	44.88 (38.82)	7.10 (4.91)	4.20 (3.68)
Expected Return on Plan Assets	(26.01) (-15.64)	(14.36) (-12.23)	(34.70) (-30.45)	0.00 (0.00)	0.00 (0.00)
Actuarial (gain)/loss recognised in the year	(7.55) (-1.23)	(3.26) (15.24)	(63.13) (23.93)	6.07 (36.96)	7.79 (6.44)
Expense Recognized in Statement of Profit/Loss Account	7.93 (20.96)	24.76 (44.56)	(17.05) (59.63)	42.80 (49.01)	11.99 (10.12)

E. Actuarial assumptions:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96	1994-96
Superannuation Age	60 (60)	60 (60)	60 (60)	60 (60)	60 (60)
Early Retirement & Disablement (10 Per Thousand P.A) -age above 45	6 (6)	6 (6)	6 (6)	6 (6)	6 (6)
-age between 29 and 45	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
-age below 29	1 (1)	1 (1)	1 (1)	1 (1)	1 (1)
Discount Rate	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)
Inflation Rate	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)
Expected Rate of Return on plan assets	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	0.00% (0.00%)	0.00% (0.00%)
Remaining working life	11 (12)	9 (10)	11 (12)	11 (12)	11 (11)

Note: Figures in parenthesis represent last year's figure.

F. Investment of Superannuation Funds

(₹ in crore)

Nature of Investment	Percentage of Investment					
	Gratuity Fund		Pension Fund (Old)		Pension Fund (New)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Central Govt.	30.61	17.38	29.49	24.99	29.82	24.12
State Govt.	16.70	18.46	23.85	21.57	30.00	18.39
PSU	40.86	38.88	42.61	44.75	40.18	56.53
Others	11.83	25.28	4.05	8.69	0.00	0.96
Total	100.00	100.00	100.00	100.00	100.00	100.00

G. Notes on above

(i) In view of the amendment of the Payment of Gratuity Act 1972, the ceiling of Gratuity has been enhanced from the existing limit of ₹ 3.50 lakh to ₹ 10.00 lakh. Accordingly, the Company has adopted the revised limit for provisioning of Gratuity Liability based on the actuarial valuation.

(ii) Long Service Award liability as on 31.03.2011, determined by the actuary, has been charged to Profit and Loss Account.

(iii) The Company's Provident fund is exempted under section 17 of Employees' Provident Fund and Misc. Provisions Act, 1952. The Company has also taken exemption under Para 39 of Employees Pension Schemes 1995 and extending the Pension benefits through Oil India Employees Pension Fund. Conditions for grant of exemptions, stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate in case of Employee Provident Fund as well as the deficiency, if any in extending the pensioner benefits will be made good by the Company in the Employee Pension Fund.

(iv) The amount recognised in the Balance Sheet as the present value of the defined benefit obligation is net of the fair value of plan assets at the Balance Sheet date.

H. Employees cost includes:

(a) The company has finalised the pay revision of the unionised employees w.e.f 01.01.2007 and an amount of ₹ 256.57 crore (net of provision upto 31.03.2010 has been accounted for in the year 2010-11 under other adjustment of ₹ 220.02 crore and under employee cost ₹ 43.81 crore).

(b) The company has finalised the pay revision of the executive employees w.e.f 01.01.2007 and an amount of ₹ (34.06) crore (net of provision upto 31.03.2010 has been accounted for in the year 2010-11 under other adjustment of ₹ 139.54 crore and under employee cost ₹ 44.13 crore).

3. The Company has completed the process of IPO on 26.09.2009 and thus allotted 2, 64, 49, 982 Equity Shares of ₹ 10/- each to the public including employees of the Company. Accordingly the Issued, Subscribed and Paid-up Share Capital of the Company has increased to ₹ 240.45 crore. As the face value of shares of ₹ 10/- each were issued at a premium of ₹ 1040/- per share the sum of ₹ 2750.80 crore have been credited to "Security Premium Account".

Against the estimated expenditure of planned activities up to 31.03.2011 amounting to ₹ 4559.84 crore as per the 'Object Clause' of the Issue as declared in the Prospectus an amount of ₹ 3022.96 crore have been spent up to 31.03.2011.

The cost of the issue amounting to ₹ 32.17 crore has been amortized in seven equal quarterly installments over the period during which the proceeds of IPO is planned to be utilized by the Company i.e. up to 31.03.2011. Accordingly the total amount ₹ 32.17 crore has been charged as expenses upto 31.03.2011.

4. (i) Fixed Assets :

a. Land in possession of the Company, includes some areas for which title/conveyance deeds are yet to be executed and/or mutation in settlement records are pending, documentation formalities are in progress.

b. The Company has identified various Plant & Machinery, which are not in use for considerable time. Pending writing off of these assets from the gross block, the Company has taken a provision of ₹ 3.00 crore (Previous year ₹ (0.74) crore) during the financial year towards the difference between the WDV as on 31.03.2011 and 5% of original cost as the residual value of the respective assets.

c. For infrastructure development and to facilitate the supply of natural gas to Brahmaputra Cracker and Polymer Limited (BCPL), the Company will have to augment/ modify the existing gas pipeline network, construction of lean gas distribution network and setting up of gas sale off-take point with metering facility. The Government of India has agreed to release one time subsidy upto a maximum of ₹ 215.00 crore to the Company through BCPL, subject to incurring higher actual expenditure. The expenditure will be vetted by Engineers India Ltd. (EIL). Towards this arrangement, the Company has started incurring expenditure for various assets and claiming the amount in stages from BCPL after the same is vetted by EIL. BCPL has paid ₹ 35.26 crore to the Company up to 31.03.2011 in this regard. The Company is maintaining a separate record to identify the capital expenditure incurred and receipt of the claim till the completion of all the facilities. Necessary accounting related to subsidy/adjustment thereof with assets will be carried out on completion of the project.

(ii) Pre-Producing Property

A sum of ₹ 88.01 crore (Previous year ₹ 83.90 crore) is being allocated to Pre-producing Property Account from general overhead during the year ended 31.03.2011.

(iii) Liability for Well Abandonment Cost

During the year, the Company has changed the Accounting Policy 2. 2. on abandonment cost and started providing the full eventual estimated liability towards cost related to dismasting, abandoning and restoring of well sites. Such cost of well sites has been capitalized to Producing Properties when completed {with reference to Accounting Policy 2.1. (d)} and in case of dry wells it is charged to Profit and Loss Account. This has resulted in increase in Producing Properties by ₹ 153.54 crore and cost off dry wells by ₹ 8.95 crore with corresponding increase in well abandonment liability by ₹ 162.49 crore. This has also resulted in decrease in Profit before tax by ₹ 21.47 crore, due to increase in Depletion Cost by ₹ 12.52 crore and write off of abandonment cost relating to dry wells by ₹ 8.95 crore.

(iv) Impairment of Assets

In terms of the Significant Accounting Policy No. 6, the Company assessed the Cash Generating Assets for the Impairment as required under AS-28 issued by ICAI and found that no cash generating Asset needs impairment as on 31.03.2011.

(v) Sundry Debtors:

Sundry Debtors including the overdue amount are reconciled from time to time on an ongoing basis and are considered good and realizable, unless stated otherwise and provision made wherever considered necessary.

(vi) (i) **Loans and Advances include :**

(a) Amount due by Directors and Other Officers of the Company :

(₹ in crore)

	Balance as at		Maximum amount due at any time during the year	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Directors	0.66	0.76	0.66	0.80
Other Officers	0.12	0.09	0.14	0.09
Total	0.78	0.85	0.80	0.89

(b) Advances recoverable in cash or in kind or for value to be received includes materials given on loan to Public Sector Undertakings amounting to ₹ 3.85 crore (Previous year ₹ 3.18 crore)

(c) Arising out of one time settlement with M/s. Indian Drugs and Pharmaceuticals Limited (IDPL), (a Government of India Undertaking) the loan amount of ₹ 15.00 crore was to be settled along with interest @ 5% p.a. as per the revival package of the unit. Since no significant improvement on the revival package is forth coming, the Company is continuing with the provision of ₹ 28.33 crore created in the books of accounts during the financial year 2008-09 as against the principal and interest due from IDPL. No interest has been accounted for w.e.f 01.04.2009.

(d) In terms of the Joint Operating Agreement and the Memorandum and Articles of Association of Brahmaputra Cracker and Polymer Limited (BCPL), the Company has paid an amount of ₹ 32.47 crore to M/s. Brahmaputra Cracker and Polymer Limited (BCPL) towards acquisition of 32465729 Equity Shares of ₹ 10/- each which is shown as “Investments”. Further, an amount of ₹ 22.88 crore paid during the year for acquisition of Equity Share is shown under “Loans & Advances” pending allotment.

(e) The Company has acquired 23% Equity Shares of DNP Limited and paid ₹ 24.38 crore as contribution to Equity Capital in the form of 24380000 Equity Shares of ₹ 10 each which is shown as “Investment”. Further a sum of ₹ 6.65 crore was paid on 01.10.2010 towards Company’s share of additional contribution to Equity Capital and is shown under “Loans and Advances” pending allotment.

(vii) Disclosure pursuant to clause 32 of the Listing Agreement:

(₹ in crore)

Particulars	Outstanding as at 31.03.2011	Maximum Amount Outstanding during the year 31.03.2011	Outstanding as on 31.03.2010	Maximum Amount Outstanding during the year 2009-10
a) Loans to Subsidiaries* i) Oil India Sweden AB				
b) To Associates	Nil	84.84	Nil	Nil
c) Where there is no repayment schedule	Nil	Nil	Nil	Nil
d) Having repayment schedule of beyond seven years to employees	118.01	119.31	114.45	114.45
e) Where no interest or interest below Section 372A of Companies Act				
f) In the nature of loans to Firms/companies in which directors are interested	131.08	131.08	100.08	100.08

* Excludes Current account transactions

g) Investments by Oil India Sweden AB, loanee:

Name of Subsidiary	As At 31st March 2011		As At 31st March 2010	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
a) Class A Class B Class C	NIL	NIL	NIL	NIL
b) Equity Share Indoil Netherlands	26962	79.15	20	0.02

(viii) Current Liabilities :

(a) Sundry creditors include materials received on loan from other Public Sector Undertakings amounting to ₹ 4.05 crore (Previous year ₹ 5.03 crore)

(b) Balance shown sundry creditors, claims recoverable and advances are reconciled from time to time on an on-going basis. Provisions, wherever considered necessary, have been made.

(ix) Micro, Small and Medium Enterprises Act, 2006 :

The Company has identified Micro, Small and Medium Enterprises (MSMEs) to whom the Company owes dues, which are outstanding as at 31.03.2011.

(₹ in crore)

Particulars	**2010-11**	2009-10
a) Principal amount remaining unpaid but not due as at year end	1.07	0.71
b) Interest due thereon as at year end		
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
e) Interest accrued and remaining unpaid as at year end		
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise		

5. Deferred Tax

In accordance with the AS–22, the Company has net Deferred Tax liability as at 31.03.2011 of ₹ 1149.05 crore (Previous year ₹ 1020.90 crore).

(₹ in crore)

Description	Tax effect for the year	As at 31.03.2011	As at 31.03.2010
A. Deferred Tax (Liability):			
Fixed Assets	(102.85)	(1274.84)	(1171.99)
B. Deferred Tax Assets:			
Disallowance as per Income Tax Act	(25.31)	125.79	151.09
C. Net Deferred Tax Asset/(Liability) (A+B)	(128.15)	(1149.05)	(1020.90)

6. (a) The Assessing Officer (AO) rejected the claim of the Company u/s 80-IB / 80-IC of the Income Tax Act'1961 (IT Act) for assessment years 2003-04 to 2006-07. The Company preferred an appeal before the first Appellate Authority [CIT(A)] against the AO order. The appeal was decided in the Company's favour resulting into refund of ₹ 672.59 crore (including interest of ₹ 71.81 crore). The Income Tax Department (Department) preferred second appeal which is pending for disposal before the Income Tax Appellant Tribunal (ITAT). The accounting adjustment for the refund of section 80-IB and 80-IC of IT Act will be taken on finalization of such appeal by ITAT.

(b) For the assessment year 2007-08, the AO continued the disallowance of claim of the Company u/s 80-IC of IT Act. The Company preferred appeal before CIT(A) disputing the disallowance. The CIT(A), however, vide his order dated 23.04.2010 has confirmed the disallowance made by AO. The Company preferred an appeal in ITAT against the order of CIT(A) for the claim u/s 80-IC of IT Act.

(c) Further for the assessment year 2008-09, the AO once again disallowed the claim of the Company u/s 80-IC of IT Act. The Company's appeal before CIT(A) disputing such disallowance is pending for disposal.

No Contingent Liabilities exist in respect of above mentioned disallowance of claim u/s 80-IB / 80-IC of IT Act as the Company continued to make provisions for tax without considering the benefit u/s 80-IB / 80-IC of IT Act.

7. Joint Venture Accounting:

Company executed various JVCs/PSCs in India as Jointly Control Assets as on 31.03.2011, the details of which are given below:

Jointly controlled Assets in India

A. As Operator/Joint Operator

Sl. No.	Block No.	Date of Execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	AA-ONN-2002/3 *	06.02.2004	20%	ONGCL	70%	OIL
				SUNTERA	10%	
2.	AA-ONN-2003/3	23.09.2005	85%	HPCL	15%	OIL
3.	MZ-ONN-2004/1 *	02.03.2007	75%	SUNTERA	10%	OIL
				SHIVVANI	15%	
4.	AA-ONN-2004/1	02.03.2007	85%	SHIVVANI	15%	OIL
5.	AA-ONN-2004/2 *	02.03.2007	90%	SUNTERA	10%	OIL
6.	RJ-ONN-2004/2	02.03.2007	75%	GGR	25%	OIL
7.	RJ-ONN-2004/3	02.03.2007	60%	GGR	25%	OIL
				HPCL	15%	
8.	KG-ONN-2004/1	02.03.2007	90%	GGR	10%	OIL
9.	RJ-ONN-2005/2	22.12.2008	60%	HOEC	20%	OIL
				HMEL	20%	
10.	AA-ONN-2009/4	30.06.2010	50%	ONGCL	50%	OIL
11.	CY-OSN-2009/2	30.06.2010	50%	ONGCL	50%	OIL
12.	AN-DWN-2009/3	30.06.2010	40%	ONGCL (Leader)	60%	Joint Operator

* As per note below (C)

B. As non-operator

Sl. No.	Block No.	Date of Execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Kharsang PSC	16.06.1995	40%	JEPL	25%	Geo Enpro
				GPI	25%	
				Geo Enpro	10%	
2.	AAP-ON-94/1	30.06.1998	16.129% IN Expl Phase	IOCL	43.548%	HOEC
			Addl 30% carried interest	HOEC	40.323%	
3.	SR-OS-94/1	12.04.2000	30% Carried Interest	RIL	100%	RIL
4.	GK-OSJ-3	06.09.2001	15%	ONGCL	25%	RIL
				RIL	60%	
5.	KG-DWN-98/4	12.04.2000	15%	ONGCL	85%	ONGCL
6.	MN-OSN-2000/2	17.07.2001	20%	ONGCL	40%	ONGCL
				GAIL	20%	
				IOCL	20%	
7.	AA-ONN-2001/3	04.02.2003	15%	ONGCL	85%	ONGCL
8.	CY-DWN-2001/1	04.02.2003	20%	ONGCL	45%	ONGCL
				PIBBV	25%	
				Rock Source ASA	10%	
9.	AA-ONN-2002/4	06.02.2004	10%	ONGCL	90%	ONGCL
10.	KG-DWN-2002/1	06.02.2004	20%	ONGCL	70%	ONGCL
				BPCL	10%	
11.	MN-DWN-2002/1	06.02.2004	20%	ONGCL	70%	ONGCL
				BPCL	10%	
12.	KG-DWN-2004/5	02.03.2007	10%	ONGCL	50%	ONGCL
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
				BPCL	10%	
13.	KG-DWN-2004/6	02.03.2007	10%	ONGCL	60%	ONGCL
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
14.	AA-ONN-2005/1	22.12.2008	30%	ONGCL	60%	ONGCL
				ACL	10%	
15.	AN-DWN-2005/1	22.12.2008	10%	ONGCL	90%	ONGCL
16.	WB-ONN-2005/4	22.12.2008	25%	ONGCL	75%	ONGCL
17.	AA-ONN-2009/3	30.06.2010	50%	ONGCL	50%	ONGCL
18.	AN-DWN-2009/1	30.06.2010	30%	ONGCL	70%	ONGCL
19.	AN-DWN-2009/2	30.06.2010	40%	ONGCL	60%	ONGCL
20.	AN-DWN-2009/18	30.06.2010	30%	ONGCL	60%	ONGCL
				GAIL	10%	
21.	KG-DWN-2009/1	30.06.2010	15%	BGEPIL	30%	BGEPIL
				ONGCL	45%	
				APGIC	10%	
22.	KG-OSN-2009/4	30.06.2010	30%	ONGCL	50%	ONGCL
				NTPC	10%	
				APGIC	10%	

C. Relinquished/Being Relinquished:

Sl. No.	Block No.	Company's Participating interest	Other partners	Partners' participating interest	Operator	Date of relinquishment
1.	MB-DWN-2000/2	10%	ONGCL IOCL GAIL GSPCL	50% 15% 15% 10%	ONGCL	15.08.2006
2.	CR-ON-90/1	20%	POC IOCL EOL	29% 35% 16%	POC	21.10.2007
3.	MN-ONN-2000/1 *	25%	ONGCL GAIL IOCL SUNTERA	20% 20% 20% 15%	OIL	16.01.2009
4.	RJ-ONN-2000/1 *	60%	SUNTERA	40%	OIL	08.02.2010 (Applied for)
5.	RJ-ONN-2001/1 *	40%	ONGCL SUNTERA	30% 30%	OIL	10.10.2009 (Applied for)
6.	RJ-ONN-2002/1	60%	ONGCL	40%	OIL	21.12.2009 (Applied for)

***Note:**

The amount recoverable from M/s. Suntera Resources Limited against the expenditure incurred in the NELP Blocks viz.RJ-ONN-2000/1, RJ- ONN-2001/1, MN-ONN-2000/1, AA-ONN-2002/3, AA-ONN-2004/2 and MZ-ONN-2004/1 amounting to ₹ 49.81 crore. The company (Suntera Resources Pvt. Ltd) has not paid the amount inspite of reminders, accordingly the Company has applied to Directorate General of Hydrocarbon (DGH) under Ministry of Petroleum and Natural Gas (MOP&NG), New Delhi for acquiring the Participating Interest (PI) of Sunetra in all the above mentioned NELP Blocks. Pending the decision by MOP&NG a provision has been created in the books of Accounts as at 31.03.2011 for the said amount.

The Financial position of the Joint Ventures blocks in India is as under:

(₹ in crore)

	No. of Joint Ventures Blocks	Assets	Liabilities	Income	Expenditure
As operator	12	15.15	363.38	0.00	126.73
As Non-operator	22	180.60	4.59	102.33	161.05
Relinquished till date	6	0.13	73.79	0.00	0.00

D. The Company also executed various contracts for oil and gas exploration in overseas blocks the details of which are given below:

Sl. No.	Block/Area No./Country	Date of execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Farsi (offshore) Block (in the Persian Gulf), Islamic Republic of Iran	25.12.2002	20%	OVL IOCL	40% 40%	OVL
2.	Area 86, Libya	20.03.2005	50%	IOCL	50%	OIL
3.	Block 102/4, Libya	03.12.2005	50%	IOCL	50%	OIL
4.	Shakthi, Gabon	17.04.2006	45%	IOCL MARVIS	45% 10%	OIL
5.	Area 95/96, Libya	01.06.2008	25%	SIPEX IOCL	50% 25%	SIPEX
6.	Timor Leste-Block 'K', East Timor	02.06.2008	12.5%	IOCL RE&P DMCC	12.50% 75.00%	RE&P DMCC
7.	Block 82, Yemen	17.03.2009	12.75%	MEDCO AMED KUWAIT ENERGY IOCL YGCOG	38.25% 21.25% 12.75% 15% Carried Interest	MEDCO AMED (100% subsidiary of MEDCOENERGI)
8.	Block 83, Yemen	17.03.2009	12.75%	MEDCO ARAT KUWAIT ENERGY IOCL YGCOG	38.25% 21.25% 12.75% 15% Carried Interest	MEDCO ARAT (100% Subsidiary of MEDCOENERGI)

The Financial position of the Joint Ventures overseas blocks are as under:

(₹ in crore)

	No. of Joint Ventures Blocks	Assets	Liabilities	Income	Expenditure
As operator	3	30.64	275.18	0.00	181.27
As Non-operator	5	149.89	139.33	0.00	109.11

Notes:

(i) An Exploration Service Contract for Block at Sl. No. D (1) above was signed with National Iranian Oil Company (NIOC), the State owned company, of the Government of Iran, in consortium with ONGC Videsh Limited (OVL) and Indian Oil Corporation Limited (IOCL). The exploration work has resulted in discovery of Gas & Oil. The NIOC and Consortium are to enter into negotiation for reaching an agreement in Master Development Plan for its development operation. Accordingly, a Master Development Plan was submitted by the consortium in April 2009 to NIOC, which is yet to be approved and there is considerable uncertainty at this stage with respect to the development plans for the field. Hence, in view of the present Geopolitical situation in Iran and also as per the Guidance Note on Accounting for Oil and Gas Producing Activities (para 39), the Company, thought it is prudent to make a provision of ₹ 71.13 crore being Company's share of exploratory drilling cost.

(ii) The Company signed two Exploration and Service Contract (EPSA) for the blocks at Sl. No D2 & D3 above with National Oil Corporation of Libya in consortium with Indian Oil Corporation Ltd. where the company is the operator. After completion of three wells where no convening discovery is made and also for political disturbance during the last part of the financial year the Company has made full provision of Assets of the project amounting to ₹ 4.79 crore.

(iii) The Company acquired a participating Interest of 45% in onshore Block Shakthi in Gabon, West Africa at Sl. No. D (4) above through a farm-out agreement signed on 17.04.2006 with Marvis Pte. Ltd., a company incorporated in Singapore, which was holding 100% Participating Interest (PI) in the Block. The acquisition has been approved by the Govt. of Gabon. The Company is the Operator of the Block. The Phase-I exploration period was valid upto 22.11.2009. The Company along with its consortium partner has taken approval from DGH, Gabon with a proposal of Merger of Phase-I & II to complete the work programme commitment. The exploration work (3D seismic acquisition) after merger of both the phases is in progress.

(iv) The Company signed an "Exploration and Production Sharing Agreement (EPSA)" for the block at Sl. No. D (5) above with National Oil Corporation of Libya in consortium with Indian Oil Corporation Limited and Sonatrach International Petroleum Exploration and Production Corporation BVI (SIPEX) SIPEX is the operator of the block. Due to the political situation of Libya during the year, the activities of the block have been temporarily suspended, no provision has been made in the accounts as any decision has not been received from the operator.

(v) The Company has entered into a Farm-in Agreement with RE&P DMCC on 02.06.2008 for acquiring 12.50% Participating Interest in Block K. Timor Leste at Sl. No. D (6) above. The assignment of the Participating Interest to the Company by RE&P DMCC has been approved by the Government Timor Leste on 15.10.2008. But as no indication of Hydrocarbon was found in that area, it was surrendered, and the cost of well amounting to ₹ 63.80 crore drilled in that area is written off.

(vi) The Company has acquired 12.75% Participating Interest (PI) in the Onshore blocks 82 and 83, Republic of Yemen at Sl. No. D (7) & D (8) above. Both the areas are being operated by MEDCOENERGI through its 100% subsidiaries. The Production Sharing Agreements (PSA) for both the exploration blocks were signed on 13th April, 2008 and Government of Yemen accorded its approval on 17th March, 2009. The Operator has initiated actions to start the Seismic commitment of the MWP.

Abbreviations used in (A), (B), (C) and (D) above:

ONGCL	Oil & Natural Gas Corporation Limited
IOCL	Indian Oil Corporation Limited
GAIL	GAIL (India) Limited
BPCL	Bharat Petroleum Corporation Ltd.
HPCL	Hindustan Petroleum Corporation Ltd.
GSPCL	Gujarat State Petroleum Corporation Ltd.
HOEC	Hindustan Oil Exploration Ltd.
GGR	Geo Global Resources (Barbados) Inc.
SUNTERA	Suntera Resources Ltd.
SHIVVANI	Shivani Oil & Gas Exploration Services Ltd.
OIL	Oil India Limited
Geo Enpro	Geo Enpro Petroleum Limited
POC	Premier Oil Cachar BV

GPI	Geo-Petrol International Inc.
JEPL	Jubilant Enpro Pvt. Ltd.
EOL	Essar Oil Limited
RIL	Reliance Industries Ltd.
Marvis	Marvis Pte Ltd.
OVL	ONGC Videsh Ltd.
PIBBV	Petrobras International Braspetro
SIPEX	Sonatrach International Petroleum Exploration and Production Corporation BVI
RE&P DMCC	Reliance Exploration & Production DMCC
HMEL	HPCL Mittal Energy Ltd.
ACL	Assam Co. Ltd.
MEDCOENERGI	Pt. Medco Energi Internasional Tbk
MEDCO AMED	Medco Yemen Amed Limited
MEDCO ARAT	Medco Yemen Arat Limited
YGCOG	Yemen General Corporation for Oil & Gas
NTPC	National Thermal Power Corporation
BGEPIL	British Gas Exploration & Production India Limited
APGIC	Andhra Pradesh Gas Infrastructure Corporation Private Limited

1. The Company also executed participating agreement with ONGC Videsh Limited (OVL) for construction of a Pipeline under Build, Own, Lease and Transfer (BOLT), the details of which are as under :-

Sl. No.	Block/Area No.	Date of execution	Company's Participating interest	Other partner	Partners' participating interest	Operator
1.	Sudan Product Pipeline	10.12.2004	10%	OVL	90%	OVL

The Company has signed a “Participating Agreement” (PA) for the product pipeline at Sudan with ONGC Videsh Limited (OVL) for a 10% Participating Interest (balance 90% being with OVL) in the pipeline project awarded by Ministry of Energy & Mining (MEM), Govt. of Sudan (GOS) through a separate agreement entered into by OVL in this regard. The construction of the pipeline project was completed on 01.09.2005 and handed over to MEM under Build, Own, Lease and Transfer (BOLT) basis.

The “PA” entered into between OVL and OIL is neither intended nor shall be construed as creating a partnership or joint venture among the parties. Hence, accounting has not been done following “Joint Venture Accounting Policy” but the agreement for providing finance for the project in rupees to OVL and to share lease rentals receivable from MEM has been treated as “Finance Lease Activity” as envisaged under Accounting Standard (AS) 19 issued by The Institute of Chartered Accountants of India and accordingly accounted for.

The Company has been informed by OVL that the EPC contractor for constructing the pipeline has raised further invoices for an amount of approximately ₹ 115.46 crore (US$ 25.53 million) and OVL has in turn raised a claim on MEM of GOS as per the agreement between GOS and OVL. OIL's share related to both the claims i.e. by the pipeline contractor on OVL (though accepted by OVL) and OVL's claim on GOS shall be accounted for upon acceptance by GOS and on suitable amendment of repayment schedule by MEM. OVL has received an additional claim of ₹ 52.55 crore (US$ 11.62 million) which has not been acknowledged as debt in the books of the operator (OVL). Pending this, the Company's share of the amount claimed by the pipeline contractor has not been accounted for but disclosed under “Contingent Liabilities”.

In terms of such “PA”, the Company on 10.02.2011 has received the balance due of 9th Installment along with 10th & 11th Installments due on 30.06.2010 & 31.12.2010 respectively. Moreover the Company has also received, in terms of the agreement, the interest on the delayed rental payments by the MEM and the same is shown under miscellaneous income. The regular installments are accounted for as income from Finance Lease.

Other disclosures related to Finance Lease in line with AS 19 issued by the ICAI :

(₹ in crore)

		2010-11		2009-10	
(i)	Gross investment in the lease being Minimum Lease Payment (MLP)				
	Investment made	54.01		54.01	
	Lease rental receivable	43.74	97.75	43.83	97.84
(ii)	Present value (PV) of MLP receivable as on 31.12.2010 (inclusive of exchange rate fluctuation)		24.44		31.23
(iii)	Finance lease future installments receivable		35.82		47.30

(iv) Minimum lease payments receivable (converted at year end exchange rate) :

	Gross Receivable		Unearned Lease Income		PV of MLP	
Receivable :	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
a) not later than one year	11.06	11.13	4.05	4.57	7.01	6.56
b) later than one year but not later than 5 years	24.76	36.17	7.33	11.49	17.43	24.67
c) later than 5 years	0.00	0.00	0.00	0.00	0.00	0.00
Total :	35.82	47.30	11.38	16.06	24.44	31.23

2. The Company has acquired 25% equity shares of Suntera Nigeria 205 Ltd. (a company incorporated under the Laws of Nigeria) from Suntera Resources Ltd. a company incorporated under the Laws of Cyprus. The other shareholders of Suntera Nigeria 205 Ltd. are Suntera Resources Ltd. and IOCL with 50% and 25% equity holding respectively. Suntera Nigeria 205 Ltd. holds participating interest of 40% and a further Economic Interest of 30% in onland Block OPL-205 in Nigeria in which the exploration work started. Further the said block (OPL-205) had a hydrocarbon (gas) discovery in structure “Otien”. To appraise the discovery of the said prospect it was earlier decided to drill two more appraisal wells. Drilling of the first well started on 24.11.2007 and was abandoned in January, 2008. The future drilling program is planned after acquisition of new seismic data. Meanwhile OPL-205 was valid only till 19.01.2009. To retain the acreage and execute the drilling of the third well, the operator (SOIL) had obtained the Oil Mining Lease (OML) of the said block on 25.06.2009. The Title deed for OML has been received recently by the operator. The plan for future activities in the block is under continuous discussion between the shareholders of Suntera Nigeria 205 Ltd.

Sl. No.	Block/Area No.	Date of execution	Company’s Participating interest	Other partners	Partners’ participating interest	Operator
1.	Oil Petroleum License 205	31.08.2006	17.5% *	Summit Oil International Ltd. (SOIL)	30%	SOIL
				Suntera Resources Ltd, (SRL)	35%	
				IOCL	17.5%	

* Indirectly through equity holding in Suntera Nigeria 205 Limited.

The Company has acquired 25% equity in Suntera Nigeria 205 Ltd., a company incorporated under the Laws of Nigeria, from Suntera Resources Ltd., Cyprus through “Share Purchase Agreement” (SPA) signed with them on 31st August, 2006 (effective dated 27th September, 2006) for ₹ 0.01 crore (Nigerian Naira 62502 USD 488.87 approximately) at par and also signed a Shareholders Agreement (SHA) with Suntera Resources Ltd. and IOCL, the other shareholders of the company Suntera Nigeria 205 Ltd. had entered into an Acquisition Agreement (AA) and Economic Interest Assignment Agreement (EIAA) with Summit Oil International Limited (original 100% Participating Interest holder in OPL-205 and the operators of the Block) on 10.05.2006 for acquiring 40% Participating Interest and 30% Economic Interest in onland Block OPL-205 in Nigeria. Suntera Nigeria 205 Ltd. also entered into a Joint Operating Agreement (JOA) and Technical Service Agreement (TSA) with Summit Oil International Limited on 10.05.2006 for providing the technical support for the operations in OPL-205. Accordingly, the Company indirectly, through 25% equity holding in Suntera Nigeria 205 Ltd. owns a combined Participating and Economic interest of 17.5% in OPL-205. The Company is required to contribute its 25% share of all the expenses in the Block by way of loan to Suntera Nigeria 205 Ltd. as agreed by all the shareholders in the SHA, and accordingly a loan agreement has been signed on 30.08.2007. In terms of the loan agreement, the Company has disbursed loan amounting to ₹ 35.63 crore (US$ 78,01,050.31) as of 31.03.2011 carrying a simple interest of 8.75% per annum is payable. Accordingly, ₹ 7.89 crore (Previous year ended 31.03.2010 ₹ 7.89 crore) has been charged to Suntera Nigeria 205 Ltd. as interest up to 31.03.2011. As per the loan agreement with Suntera OPL-205 Limited, the principal amount along with simple interest @ 8.75% p.a. is repayable by 31.03.2011. However due to uncertainty of the project, the Company is doubtful about the recoverability of the principal amount and interest receivable upto 31.12.2009. Accordingly no amount is being recognized as interest w.e.f quarter ended 31.03.2010 onwards. Further provisions have also been made towards entire principal and interest outstanding amounting to ₹ 43.51 crore as on 31.03.2011. Accordingly exchange fluctuation on account of principal and interest as at 31.03.2011 has not been accounted for.

3. The consortium of Gujarat State Petroleum Corporation Limited (GSPCL), Oil India Limited (OIL) and Hindustan Petroleum Corporation Limited (HPCL) has been awarded Block 3 and Block 4 (offshore Egypt) offered under International Bid Round 2008 announced by M/s. Ganoub El Wadi Holding Petroleum Company (GANOPE), Egypt. GSPCL is the operator for the blocks with 50% participating interest (PI). OIL and HPCL both have 25% PI each in these blocks as non-operators. The Company has remitted its share of the signature bonus of USD 0.75 million for each block and shown as acquisition costs. The Company has also executed bank guarantee of USD 8.75 million and USD 7.25 million for its share of 5% of the total financial commitment for the blocks as per requirement of signing of Concession Agreements. GANOPE has informed the consortium that some concern has been raised by neighboring country related with the maritime boundaries of both the awarded blocks. The consortium members are in negotiation with GANOPE for resolving the issue and execution of the concession agreement.

4. The consortium of Oil India Limited (OIL), ONGC Videsh Limited (OVL), Indian Oil Corporation Limited (IOCL), Repsol YPF (Spain) and Petroliam National Berhad (PETRONAS) (Malaysia), has been awarded on 10.02.2010 Project I consisting of Carabobo I North and Carabobo I Central blocks in Venezuela’s Orinoco belt under competitive bidding, for development of the Field. The project will be operated by a Mixed Company (MC), the contract for which has been signed on 12th May 2010 in

Venezuela between the state company and the successful bidders. Corporation Venezolana del Petroleo, S.A. (CVP) i.e. a wholly owned subsidiary of Petroleos De Venezuela S.A. (PdVSA), the national oil company of Venezuela holds 60% share of MC and remaining 40% is held jointly by INDOIL Netherlands BV (a consortium of OIL and IOCL), ONGC Videsh Limited, REPSOL (Spain) and Petronas (Malaysia) with Participating Interests of 7% (3.5% each for OIL & IOCL), 11%, 11% and 11% respectively.

OIL will be investing in the project in Venezuela through INDOIL, Netherlands B.V., a company acquired in The Netherlands (OIL's WOS in Sweden and IOC's WOS in Sweden holds 50% each in this company) which will be funded through WOS in Sweden and Cyprus. OIL will be infusing its financial commitments for 3.50% in Carabobo Project I in Venezuela through the Swedish Company OIL INDIA SWEDEN AB. OIL, as a Guarantor, has also given a Parent Company Guarantee towards its share of Minimum Work Commitment in the Carabobo Project to CORPORATION VENEZOLANA DEL PETROLEO, S.A., Caracas, Venezuela jointly and severally with Indian Oil Corporation Ltd. through INDOIL, Netherlands B.V., The Netherlands. During the year the Company paid ₹ 84.84 crore to OIL INDIA Sweden AB towards acquisition of 1374650 number of equity share for which allotment was made.

5. i) As per the terms of the Kharsang PSC, the applicable price for crude oil produced and saved from the field is to be ascertained online from Reuters' daily publication for the previous month. Accordingly the invoices are being raised by the operator of the field at the rates, as applicable.

   ii) As per the terms of the respective PSCs, provision for Abandonment Costs is to be made and accordingly a sum of ₹ 0.11 crore (Previous year ₹ 0.32 crore) has been provided through creation of a Sinking Fund as per Joint Operating Agreement. Such sinking Fund on cumulative basis has been disclosed separately in the Balance Sheet.

6. (A) The assets, liabilities, income and expenditure of the Joint ventures as shown above are ₹ 376.41 crore, ₹ 856.27 crore, ₹ 102.33 crore and ₹ 578.16 crore respectively (Previous year ₹ 356.44 crore, ₹ 56.33 crore, ₹ 98.05 crore and ₹ 398.17 crore respectively), being the proportionate value relating to Company's Participating Interest which have been incorporated in the books of accounts on the basis of Audited 5 nos. (Previous year 18 nos.) and Unaudited 37 nos. (Previous year 21 nos.) Statement of Accounts received from the respective operators. No material changes are expected by the Company in the Unaudited Statement of Accounts.

   (B) The Company's Share of Contingent liability and Capital Commitment, if any, under the PSC are shown in Note No.9 (A) & (C) below.

7. In terms of the Memorandum of Understanding dated 27.12.2005 the Company has entered into a consortium agreement dated 13.10.2006 with M/s. IOT Infrastructure & Energy Services Limited (formerly IOTL), for jointly bidding and securing a contract for laying a part of the Numaligarh – Siliguri Product Pipeline for the Company on 50:50 sharing basis and the consortium was awarded with a contract for laying 115 km pipeline at a total contract value of ₹ 50.01 crore by the Company. On finalisation of accounts of the consortium after completion of the project, share of profit of the company was ₹1.31 crore, which has been adjusted from the cost of such pipeline as per Accounting Standard.

8. Information as per Accounting Standard (AS) 18 "Related Party Disclosures" issued by ICAI.

   a) Related party relationships

   Name of related parties and description of relationship (excluding the State controlled entities):

   → Joint Ventures (Unincorporated):

1	AA-ONN-2002/3
2	MZ-ONN-2004/1
3	AA-ONN-2004/1
4	AA-ONN-2004/2
5	RJ-ONN-2004/2
6	RJ-ONN-2004/3
8	KG-ONN-2004/1
9	RJ-ONN-2005/2
10	Kharsang PSC
11	AAP-ON-94/1
12	SR-OS-94/1
13	GK-OSJ-3
14	CY-DWN-2001/1
15	KG-DWN-2009/1
16	RJ-ONN-2000/1
17	CR-ON-90/1
18	KG-OSN-2009/4
19	Shakthi, Gabon
20	Area 95/96, Libya
21	Timor Leste-Block 'K', East Timor

22	Block 82, Yemen
23	Block 83, Yemen

→ Associates :

a) IOTL – OIL Consortium

→ Key Management Personnel

Whole time Functional Directors:

a)	Mr. N.M. Borah	Chairman and Managing Director
b)	Mr. T.K. Ananth Kumar	Director (Finance)
c)	Mr. B.N. Talukdar	Director (Exploration & Development)
d)	Mr. N.K. Bharali	Director (HR & BD) from 14.09.2010
e)	Mr. S. Rath	Director (Operation) from 31.03.2011

Part-time Directors:

a)	Mr. Ghanshyambhai Hiralal Amin	Independent Director
b)	Mr. Pawan Kumar Sharma	Independent Director
c)	Mr. Alexander Koipuram Luke	Independent Director
d)	Mr. Arun Kumar Gupta	Independent Director
e)	Mr. Vinod Kumar Misra	Independent Director
f)	Mr. Sushil Khanna	Independent Director

Other Officers

a) Mr. S.R. Krishnan — Company Secretary

b) Details of Transactions during the year (excluding State controlled entities):

(₹ in crore)

Sl. No.	Particulars	Joint Ventures/ Associates	Key Management Personnel	Total
1.	Sales Proceeds received from Joint Venture	101.86 (93.28)		101.86 (93.28)
	Expenses reimbursed to Joint Ventures and Associates	425.58 (250.93)		425.58 (250.93)
2.	Remuneration to Functional Directors		1.77 (1.31)	1.77 (1.31)
3.	Sitting Fees to Part-time Directors		0.20 (0.19)	0.20 (0.19)
4.	Amount outstanding		0.78 (0.85)	0.78 (0.85)
5.	Services provided to Joint Venture and Associates	37.80 (40.05)		37.80 (40.05)

Figures in the bracket indicate previous period figures.

9. (A) **Contingent Liabilities** :

Claims against the Company not acknowledged as debts amounting to ₹ 1112.03 crore (Previous year ₹ 640.95 crore) include:

(a) In respect of claims under Income Tax, Sales Tax, Service Tax and Other Acts :

(i) ₹ 17.94 crore (Previous year ₹ 16.11 crore):- Demand raised by the District Revenue Authorities on account of premium / revenue on Government ceiling surplus land occupied by the Company.

(ii) ₹ 13.12 crore (Previous year ₹ 13.12 crore) – Demand raised by District Revenue Authorities on Account of revised rate of Land revenue against which has been disputed by the Company and obtained Stay from the Gauhati High Court.

(iii) ₹ 3.66 crore (Previous year ₹ 3.38 crore) being the demand raised by Govt. of Rajasthan for alleged short payment of PEL fee and penalty thereon, which has been disputed by the Company.

(iv) ₹ 526.78 crore (Previous year ₹ 436.13 crore) being the tax imposed under “Assam Taxation (on specified land) Act 2004”, the validity of the imposition of which has been challenged by the Company before the Gauhati High Court.

(v) ₹ 0.17 crore (Previous year ₹ 0.17 crore) – Demand raised by Govt. of Orissa under Orissa Entry Tax Act for material purchased for drilling operation for Block MN-ONN-2000/1.

(vi) ₹ 5.58 crore (Previous year ₹ 5.58 crore) – Demand raised by the Sale Tax authority on Account Assam VAT and CST Act pending the adjustment of the refundable to the Company by the Sales Tax Authority under Assam General Sales Tax Act to the tune of Rs 3.66 crore for which Assessment order has been recieved..

(vii) ₹ 0.79 crore (Previous year ₹ Nil) – Being the demand raised by Commissioner of Central Excise, Jodhpur for Service Tax on PDVSA Contract appeal against the same is being pending for disposal before CESTAT, New Dehli.

(viii) ₹ 14.27 crore (previous year- ₹ Nil) - Demand raised by Commissioner Central Excise, Dibrugarh as an Excise Duty on Condensate, under Section 11A along with interest to be accrued thereon for delayed payment of duties of excise under Section 11AB of the Central Excise Act, 1944 and penalty of ₹ 10000/- under Rule 27 of the Central Excise Rules 2002 for contravention of the various provisions of the Rule 4,6 and 11 of the Central Excise Rules 2002. An appeal in CESTAT, Kolkata is being filed against the order.

(b) In respect of claims other than under Income Tax, Sales Tax, Service Tax and Other Act :

(i) ₹ 503.33 crore (Previous year ₹ 139.93 crore):- Claims by contractors pending decision in Arbitration / Courts.

(c) In respect of share of claim on JVC/PSC account :

(i) ₹ 0.75 crore (Previous year ₹ 0.75 crore) being the value of 19.28 GLK2D Seismic Survey carried out in one of the block in Karbi Anglong, Assam.

(ii) ₹ 14.09 crore (Previous year ₹ 14.12 crore) being proportionate (45%) value of claim on OIL for 3.389 billion FCFA raised by Mr. Paul Tomo, Power of Attorney Holder of M/s. Import Commerce General (IGC) in Block “Shakthi”, Gabon (JV).

(iii) ₹ 11.55 crore (Previous year ₹ 11.66 crore) being the Company’s share of claim made by the Sudan Pipeline contractor on OVL, pending acceptance by the MEM Govt. of Sudan.

(B) **Letter of Credit and Bank guarantees.**

(i) Letters of Credit outstanding as on 31.03.2011 amounting to ₹ 78.84 crore (Previous year ₹ 24.38 crore) for which there is a floating charge on Current Assets of the Company.

(ii) ₹ 353.58 crore (Previous year ₹ 216.78 crore):- Bank Guarantee in US Dollars of 75.92 million (Previous year USD 44.66 million) issued by SBI CAG Branch, Kolkata in favour of Ministry of Petroleum & Natural Gas, Govt. of India towards Company’s obligation under various rounds of Production Sharing Contracts of NELP.

(iii) ₹ 79.14 crore (Previous year ₹ 79.14 crore):- Guarantee / Standby Letter of Credits in US dollars of 16.00 million (Previous year USD 16.00 million) issued in favour of Ganoub Ei Wadi Holding Petroleum Company, Cairo, Egypt for Block No. 3 & 4, Egypt, towards company’s share of the total financial commitment for the blocks as per requirement of signing the concession agreement.

(iv) ₹ Nil (Previous year ₹ 24.77 crore) :- Bank Guarantee issued by HDFC Bank Ltd., New Delhi in favour of National Stock Exchange of India Limited for security deposit for listing of shares.

(v) ₹ 15.59 crore (Previous year ₹ 15.59 crore) :- Bank Guarantee for USD 3.2 million (Previous year USD 3.2 million) issued in favour of Autoridade National Dp. Petrolo – Anp Ala Leste Do Palacio Do Governo, towards OIL’s share of 12.5% Participating Interest of the Minimum Work Programme in Deep Water Block “K” in Democratic Republic of Timor Leste.

(vi) ₹ 8.89 crore (Previous year ₹ 22.45 crore):- Bank Guarantee issued for USD 2.00 million (Previous year USD 5 million) by HDFC Bank Limited, New Delhi for five PEL areas allotted to the company.

(vii) ₹ 0.01 crore (Previous year - ₹ 0.01 crore) – Bank Guarantee issued on behalf of Pipeline Telecommunication system.

(C) (i) The estimated amount on account of contracts remaining to be executed on Capital Account and not provided for in the accounts :- ₹ 172.74 crore (Previous year ₹ 170.37 crore).

(ii) Company’s share of amount of contracts remaining to be executed on Capital Accounts and not provided for in the account as on 31.03.2011 in respect of the Joint Ventures is ₹ Nil (Previous period ₹ Nil).

(10) Previous period’s figures have been reclassified / regrouped wherever necessary to conform to current period’s classifications.

Sd/-	Sd/-	Sd/-
(S.R. KRISHNAN)	**(T.K. ANANTH KUMAR)**	**(N.M. BORAH)**
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

Place : New Delhi
Date : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
Profit Before Tax	**4313.20**	3895.09
Operating Activity		
Depreciation	**177.54**	222.35
Depletion	**301.45**	262.81
Amortization of Public Issue Expenses	**18.38**	13.79
Dividend Income	**(39.32)**	(67.09)
Interest Income	**(763.15)**	(613.92)
Interest Expenses	**13.92**	3.65
Foreign Exchange Loss/(Gain)- Net	**1.40**	(4.77)
Well abandonment provisions	**9.06**	0.43
Total	**(280.72)**	(182.75)
Cash flow from Operating Activity but before Working Capital Changes	**4032.48**	3712.34
Changes in Working Capital		
Inventories	**(46.98)**	47.62
Sundry Debtors	**410.20**	(254.93)
Loans & Advances	**(0.36)**	(499.12)
Provisions	**(254.51)**	(134.94)
Current Liabilities	**295.06**	340.86
Total	**403.40**	(500.51)
Cash flow from Operating Activity but before Direct Tax	**4435.89**	3211.83
Direct Tax Payment (Net of Refund)	**(1381.86)**	(1248.37)
Net Cash from / (used in) Operating Activity (A)	**3054.03**	1963.46
Investing Activity		
Capital Expenditure	**(951.79)**	(901.44)
Purchase of Investment	**(30.97)**	(370.78)
ICDs (Net)	**500.19**	(780.67)
Sale of Investment	**0.00**	0.00
Interest Income	**594.96**	659.74
Dividend Income	**39.32**	67.09
Net Cash from / (used in) Investing Activity (B)	**151.71**	(1326.06)
Financing Activity		
Issue of Equity Shares	**(0.00)**	2777.25
Public Issue Expenses	**0.00**	(32.17)
Repayment of Loan	**(16.25)**	(53.75)
Loans Raised /drawn	**1005.54**	37.50
Payment of Dividend	**(817.55)**	(764.52)
Corporate Dividend Tax	**(135.79)**	(129.93)
Interest Expenses	**(13.92)**	(3.65)
Foreign Exchange Loss/(Gain)- Net	**(1.40)**	4.77
Net Cash from / (used in) Financing Activity (C)	**20.63**	1835.50
Net Increase in Cash and Cash Equivalents (A+B+C)	**3226.37**	2472.90
Cash and Cash equivalents at the beginning of the year	**8542.91**	6070.01
Cash and Cash equivalents at the end of the year	**11769.28**	8542.91

Notes:

a. Cash and cash equivalents (Schedule-11) represents:

i) Cash & Cheques in hand	**1.39**	1.95
ii) Current accounts & Term Deposits in Scheduled Banks	**11767.89**	8540.96
	11769.28	8542.91

b. The above cash flow statement has been prepared under the"Indirect Method" as set out in the Accounting Standard-3
c. Figures in parentheses represent cash outflows.
d. Previous year's figures have been rearranged, regrouped, recast wherever necessary to confirm current years classification.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(S.K. CHATTERJEE)	(R.S. SAHOO)	(S.R. KRISHNAN)	(T.K. ANANTH KUMAR)	(N.M. BORAH)
Membership No.3124	Membership No. 53960	COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

INFORMATION UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet abstract and Company's General Business Profile

I. Registration Details - Registrar of Companies, Assam, Shillong

Registration Number :	18/1148 02
Balance Sheet Date :	OF1958-1959
Date Month Year	31 03 2011 (Date Month Year)

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Employees Issue	NIL		

III. Position of Mobilization and deployment of Funds (Amount in Rs. Crore)

Total Liabilities	21264	Total Assets	21264
Source of Funds :			
Paid -up Capital	240	Reserves & Surplus	15361
Secured Loans	1006	Unsecured Loans	21
Deferred Tax	1149	Well Abandonment Sinking Fund	164
Application of Funds :			
Net Fixed Assets	5572	Investments	890
Net Current Assets	11479	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Crore)

Total Income	9549	Total Expenditure	5236
Profit Before Tax	4313	Profit After Tax	2888
Earning per Share in ₹	120-09	Dividend Rate %	375

V. Generic Names of Three principal Products/ Services of Company (As per monetary terms)

Item Code No. (ITC Code)	27-09
Product Description	CRUDE OIL
Item Code No. (ITC Code)	2711-21
Product Description	NATURAL GAS
Item Code No. (ITC Code)	27-11
Product Description	LIQUEFIED PETROLEUM GAS

Sd/-	Sd/-	Sd/-
(S.R.KRISHNAN)	(T.K.ANANTH KUMAR)	(N.M.BORAH)
COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF OIL INDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL INDIA LIMITED, ITS SUBSIDIARY

We have audited the attached Consolidated Balance Sheet of Oil India Limited ("the Company"), and its subsidiary, (hereinafter referred to as "Group"), as at March 31, 2011 and the consolidated profit and loss account and consolidated cash flow statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Management of the Company and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

1. We conducted our audit in accordance with Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements has been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21 – 'Consolidated Financial Statements' as notified by the Companies (Accounting Standard), Rules, 2006.
3. These financial statements include company's share in the total value of assets, liabilities, expenditure, income and net profit of Joint Venture (JVs) accounts for exploration and production out of which 5 JVs accounts certified by other firms of Chartered Accountants and 37 Nos. unaudited financial statements.
4. Attention is invited to the following:
   (a). Accounting Policy No.2 of Schedule-27 relating to treatment of exploration costs, development expenditure and abandonment costs and Accounting Policy No. 4.1(b) of Schedule-27 relating to capitalization of depreciation to exploration and development wells are significant to the oil and gas exploration and production industry under the "Successful Efforts Method".
   (b). Categorization of wells as exploratory (whether successful in discovery of commercial hydrocarbons and producing properties or otherwise) or development and depletion of producing properties on the basis of proved and developed hydrocarbon reserves are based on management's evaluation whether technical or otherwise, which we have relied upon.
   (c). Accounting Policy No. 6 of Schedule-27 and Note No. 4(iv) of Schedule-28 relating to impairment of assets are based on management's evaluation / estimates, whether technical or otherwise, which we have relied upon.
5. We did not audited the financial statements of Oil India Sweden AB, a wholly owned subsidiary whose financial statements are prepared under local law of Sweden reflect total assets of ₹ 81.30 crores as at March 31, 2011 and total revenues of (₹18.74) crores and net cash flow amounting to ₹ 2.05 crores for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the auditor.
6. Further, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiary and certification of management in respect of unaudited accounts referred to in Para 3 above, we are of the opinion that the consolidated financial statements read with notes to accounts, give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2011; and
   (b) in the case of Consolidated Profit and Loss Account of the results of the Group for the year ended on that date; and
   (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **CHATTERJEE & CO.**
Chartered Accountants
Firm Regn. No: 302114E

Sd/-
(S.K. CHATTERJEE)
Partner
Membership No: 3124

For **SRB & ASSOCIATES**
Chartered Accountants
Firm Regn. No: 310009E

Sd/-
(R.S. SAHOO)
Partner
Membership No: 53960

Place : New Delhi
Date : 30th May, 2011

OIL INDIA LIMITED

Consolidated Balance Sheet as at 31st March, 2011

(₹ in crore)

	SCHEDULE			As at 31st March, 2011			As at 31st March, 2010
SOURCES OF FUNDS							
SHAREHOLDERS' FUNDS							
Share Capital	1	**240.45**			240.45		
Reserves and Surplus	2	**15357.33**		**15597.78**	13523.25		13763.70
LOAN FUNDS							
Secured Loans	3 (A)	**1005.54**			0.00		
Unsecured Loans	3 (B)	**21.25**		**1026.79**	37.50		37.50
DEFERRED TAX LIABILITY (NET)				**1149.05**			1020.90
LIABILITY FOR WELL ABANDONMENT COST							
JVC		**2.00**				1.89	
OIL		**162.48**		**164.48**		0.00	1.89
TOTAL				**17938.10**			14823.99
APPLICATION OF FUNDS							
FIXED ASSETS	4						
Gross Block		**3320.25**			3211.05		
Less: Depreciation		**2330.55**			2135.83		
Net Block			**989.70**			1075.22	
Capital Work-in-progress	5		**448.36**			328.66	
PRODUCING PROPERTIES	6						
Gross Cost		**6067.41**			5451.05		
Less: Depletion		**2808.82**			2507.36		
Net Cost			**3258.59**			2943.69	
PRE-PRODUCING PROPERTIES	7		**875.69**			598.44	
				5572.34			4946.01
INVESTMENTS	8			**884.66**			859.40
CURRENT ASSETS, LOANS AND ADVANCES							
Inventories	9	**500.36**			453.38		
Sundry Debtors	10	**249.47**			659.67		
Cash and Bank Balances	11	**11771.40**			8542.97		
Interest accrued on Term Deposits		**474.77**			306.61		
Interest accrued on Investments		**0.07**			0.04		
Loans and Advances	12	**1807.12**	**14803.19**		2306.85	12269.52	
LESS: CURRENT LIABILITIES AND PROVISIONS							
Current Liabilities	13	**2100.06**			1804.56		
Provisions	14	**1222.03**	**3322.09**		1464.76	3269.32	
NET CURRENT ASSETS				**11481.10**			9000.20
MISCELLANEOUS EXPENDITURE				**0.00**			18.38
TOTAL				**17938.10**			14823.99
INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956	25						
SEGMENT REPORTING	26						
SIGNIFICANT ACCOUNTING POLICIES	27						
NOTES TO ACCOUNTS	28						

Consolidated Schedules referred above forms an integral part of Accounts.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(S.K. CHATTERJEE)	(R.S. SAHOO)	(S.R. KRISHNAN)	(T.K. ANANTH KUMAR)	(N.M. BORAH)
Membership No.3124	Membership No. 53960	COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

OIL INDIA LIMITED

Consolidated Profit and Loss Account for the year ended 31st March, 2011

(₹ in crore)

	SCHEDULE	Year ended 31st March, 2011	Year ended 31st March, 2010
INCOME			
Sales	15	**8113.22**	7748.56
Income from Transportation	16	**190.16**	156.99
Other Income	17	**1185.07**	937.13
Other Adjustments	22(A)	**60.73**	17.05
		9549.18	8859.73
EXPENDITURE			
(Increase)/Decrease In Stocks	18	**(7.64)**	10.57
Production, Transportation & Other Expenditure	19	**4140.38**	4072.99
Provision against debts, advances and other write-offs	20	**469.60**	282.72
Depletion		**301.46**	262.81
Depreciation		**176.68**	218.27
Interest & Debt Charges	21	**13.92**	3.65
Exchange Loss/(Gain)-Net		**4.88**	(4.77)
Other Adjustments	22(B)	**144.84**	112.62
		5244.12	4958.85
Profit for the period		**4305.06**	3900.88
Prior Period Items	22(C)	**(4.14)**	5.86
Profit Before Tax		**4309.20**	3895.01
Provision for Taxation			
- Current Tax (Including Wealth Tax)	23	**1297.32**	1159.82
- Tax for earlier years		**0.00**	3.68
- Deferred Tax		**128.15**	121.07
		1425.47	1284.57
Profit After Tax		**2883.73**	2610.44
BALANCE AVAILABLE FOR APPROPRIATION		**2883.73**	2610.44
APPROPRIATIONS			
Interim Dividend		**432.82**	432.82
Tax on Interim Dividend		**71.89**	73.56
Final Dividend (Proposed)		**468.88**	384.73
Tax on Proposed Dividend		**76.06**	63.90
Transfer to General Reserve		**1834.08**	1655.43
		2883.73	2610.44
Earning Per Share (₹) (Basic and Diluted) - (Face value of ₹ 10/- each) (Not Annualised)	24	**119.93**	113.78
INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956	25		
SEGMENT REPORTING	26		
SIGNIFICANT ACCOUNTING POLICIES	27		
NOTES TO ACCOUNTS	28		

Consolidated Schedules referred above forms an integral part of Accounts.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(S.K. CHATTERJEE)	(R.S. SAHOO)	(S.R.KRISHNAN)	(T.K.ANANTH KUMAR)	(N.M.BORAH)
Membership No.3124	Membership No. 53960	COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

SCHEDULE-1

	(₹ in crore) As at 31st March, 2011	As at 31st March, 2010
SHARE CAPITAL		
Authorised:	**500.00**	500.00
50,00,00,000 (Previous year 50,00,00,000) Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up:		
24,04,54,382 (Previous year 24,04,54,382) Equity Shares of ₹ 10/- each fully paid up	**240.45**	240.45

Note: The above includes 18,46,69,600 (Previous year 18,46,69,600) shares of ₹ 10/- each issued as fully paid up bonus shares by capitalisation of Securities Premium and General Reserve.

SCHEDULE-2

(₹ in crore)

		As at 31st March, 2011		As at 31st March, 2010
RESERVES AND SURPLUS				
Securities Premium		**2750.80**		2750.80
General Reserve :-				
Opening Balance	**10772.45**		9117.02	
Add: Transfer from Profit and Loss Account	**1834.08**		1655.43	
		12606.53		10772.45
		15357.33		13523.25

SCHEDULE-3

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
LOAN FUNDS		
(A) Secured Loans		
Short Term		
(a) Cash Credit/Working Capital Demand Loan State Bank of India, Kolkata - Secured by hypothecation of all current assets including goods-in-transit wherever situated, excluding assets under Joint Venture, for Cash Credit, Working Capital Demand Loan and LC/Bank Guarantee with hypothecation created in favour of the bank subject to limit of ₹ 1000.00 crore (Previous Year ₹ 500.00 crore).	**1.58**	0.00
(b) Loan from Bank (Secured by pledge of Term Deposit Receipts)	**1003.96**	0.00
	1005.54	0.00
(B) Unsecured Loans		
Long Term		
From Oil Industry Development Board	**21.25**	37.50
(Repayable within one year ₹ 12.50 crore; Previous year ₹ 16.25 crore)		
	21.25	37.50
Total Loan Funds (A+B)	**1026.79**	37.50

SCHEDULE-4

FIXED ASSETS

(₹ in crore)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1st April, 2010	Additions during the year	Deletions/ Adjustments during the year	Cost as at 31st March, 2011	Up to 1st April, 2010	For the year	Deletions/ Adjustments during the year	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land - Freehold	64.45	9.21	0.00	73.66	0.00	0.00	0.00	0.00	73.66	64.45
- Leasehold	12.28	0.10	0.00	12.38	0.00	0.00	0.00	0.00	12.38	12.28
Building (Including Roads & Bridges)	247.15	16.00	(0.63)	262.52	113.46	7.78	(0.33)	120.91	141.61	133.69
Railway Sidings	1.93	0.00	0.00	1.93	1.45	0.07	0.00	1.52	0.41	0.48
Plant & Machinery	2838.92	118.38	(35.38)	2921.92	1986.18	218.96	(33.52)	2171.62	750.30	852.75
Furniture & Fittings	19.74	1.43	(0.26)	20.91	12.98	1.47	(0.17)	14.28	6.63	6.76
Motor Vehicles	26.58	1.32	(0.97)	26.93	21.76	1.27	(0.81)	22.22	4.71	4.81
Total :	**3211.05**	**146.44**	**(37.24)**	**3320.25**	**2135.83**	**229.55**	**(34.83)**	**2330.55**	**989.70**	**1075.22**
Previous Year:	2972.04	253.82	(14.81)	3211.05	1838.26	306.00	(8.44)	2135.83	1075.22	

		31.03.2011 (₹ in crore)		31.03.2010 (₹ in crore)
Depreciation charged to:-				
(i) Profit and Loss Account		**176.68**		218.27
(ii) Prior Period Adjustments		**0.86**		2.04
(iii) Pre Producing Property				
(a) Exploratory Wells	**18.19**		35.91	
(b) Development Wells	**33.82**	**52.01**	49.78	85.69
Total		**229.55**		306.00

SCHEDULE-5

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CAPITAL WORK-IN-PROGRESS		
Buildings (Including Roads & Bridges)	**17.97**	19.92
Plant & Machinery	**430.39**	308.74
	448.36	328.66

SCHEDULE-6

PRODUCING PROPERTIES

(₹ in crore)

	GROSS COST			DEPLETION			NET COST	
FIELD/AREA	As at 1st April, 2010	Transfer from Pre-Producing Properties*	As at 31st March, 2011	Up to 1st April, 2010	During the year	Up to 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Assam	5129.72	594.80	5724.52	2360.49	288.35	2648.84	3075.68	2769.23
Arunachal Pradesh	46.35	1.57	47.92	32.31	1.15	33.46	14.46	14.04
Rajasthan	207.08	16.62	223.70	94.15	10.14	104.29	119.41	112.93
JVC- India	67.90	3.37	71.27	20.41	1.82	22.23	49.04	47.49
Total :	**5451.05**	**616.36**	**6067.41**	**2507.36**	**301.46**	**2808.82**	**3258.59**	**2943.69**
Previous Year:	4766.00	685.05	5451.05	2244.55	262.81	2507.36	2943.69	

* Note: Includes well abandonment liability capitalised ₹ 153.54 crore.

SCHEDULE-7

PRE-PRODUCING PROPERTIES

Exploratory Wells

(₹ in crore)

FIELD/AREA	As at 1st April, 2010	Adjustments during the year	Expenditure during the year	Transfer to Producing Properties during the year	Transfer to Profit and Loss Account	As at 31st March, 2011
OIL						
- Assam	257.67	8.95	306.67	50.19	49.97	473.13
- Arunachal Pradesh	21.88	0.00	44.10	0.00	34.09	31.89
Total OIL (1)	**279.55**	**8.95**	**350.77**	**50.19**	**84.06**	**505.02**
JVC						
- India	63.71	0.00	187.84	3.37	139.22	108.96
- Overseas	142.01	0.00	103.82	0.00	117.39	128.44
Total JVC (2)	**205.72**	**0.00**	**291.66**	**3.37**	**256.61**	**237.40**
Exploratory Wells Total (A) (1+2)	**485.27**	**8.95**	**642.43 ***	**53.56**	**340.67**	**742.42**
Previous year: (C)	366.98	0.00	535.85 *	167.91	249.47	485.45

*Includes allocated depreciation for the year ₹ 18.19 crore (Previous year ₹ 35.91 crore)

Development Wells (₹ in crore)

FIELD/AREA	As at 1st April, 2010	Adjustments during the year	Expenditure during the year	Transfer to Producing Properties during the year	Transfer to Profit and Loss Account	As at 31st March, 2011
Assam	86.54	144.55	413.39	544.61	0.00	99.87
Arunachal Pradesh	0.00	1.57	0.00	1.57	0.00	0.00
Rajasthan	26.63	7.42	15.97	16.62	0.00	33.40
Development Wells Total (B)	**113.17**	**153.54**	**429.36** **	**562.80**	**0.00**	**133.27**
Previous year : (D)	**195.31**	**0.00**	**434.81** **	**517.13**	**0.00**	**112.99**
Total (A+B)	**598.44**	**162.49**	**1071.79**	**616.36**	**340.67**	**875.69**
Total (C+D)	**562.29**	**0.00**	**970.66**	**685.04**	**249.47**	**598.44**

**Includes allocated depreciation for the year ₹ 33.82 crore (Previous year ₹ 49.78 crore)

SCHEDULE-8

(₹ in crore)

	No. of Shares/ Bonds/Units	**Face Value ₹**	**As at 31st March, 2011**	No. of Shares/ Bonds/Units	Face Value ₹	As at 31 st March, 2010
INVESTMENTS						
A. TRADE - LONG TERM (Unquoted and fully paid up)						
EQUITY SHARES						
- Numaligarh Refinery Limited	**191264202**	**10.00**	**483.65**	191264202	10.00	483.65
- Suntera Nigeria 205 Ltd.	**62502**	**Naira 1**	**0.01**	62502	Naira 1	0.01
- Brahmaputra Cracker and Polymer Limited	**32465729**	**10.00**	**32.47**	26337159	10.00	26.34
- DNP Limited	**24380000**	**10.00**	**24.38**	24380000	10.00	24.38
- Participation in Associated companies INDOIL Netherlands BV	**26962**	**EURO 454**	**79.15**	20	EURO 454	0.02
B. NON TRADE - LONG TERM (Unquoted)						
(a) The East India Clinic Limited, 5% Non Redeemable Debenture Stock 1957 (Carried at a nominal value of ₹ 1/- only)	**6**	**1000.00**	**0.00**	6	1000.00	0.00
(b) Contribution to Capital Fund of Petroleum India International Consortium	**0**	**0.00**	**5.00**	0	0.00	5.00
C. OTHERS (Quoted)						
MUTUAL FUND						
a) Units of Unit Trust of India under Liquid Cash/Plus Plan Institutional - Daily Income Option (7,69,46,803 units purchased and 7,72,40,872 units sold) during the year (Short term Investment) (Previous year 2,65,75,174 units purchased and 2,56,87,545 units sold)			**130.00**			160.00
b) Units of State Bank of India under Liquid Cash/Plus Plan Institutional - Daily Income Option (5,52,29,33,183 units purchased and 5,54,08,37,600 units sold) during the year (Short term Investment) (Previous year 2,41,05,46,497 units purchased and 1,80,61,49,705 units sold)			**130.00**			160.00
			884.66			859.40
Aggregate market value of quote investment- Mutual Fund						
Held with UTI Mutual Fund			**130.04**			160.02
Held with SBI Mutual Fund			**130.03**			160.02

SCHEDULE-9

(₹ in crore)

		As at 31st March, 2011		As at 31st March, 2010
INVENTORIES				
Stores and spare parts (including goods in transit)	**503.71**		446.26	
Less: Provision against inventory in various locations	**10.90**		0.73	
Less: Provision aganist slow & non-moving inventory	**44.24**		36.26	
		448.57		409.27
Finished Goods				
Crude Oil	**51.05**		43.34	
Liquefied Petroleum Gas	**0.17**	**51.22**	0.24	43.58
Assets awaiting disposal		**0.57**		0.53
		500.36		453.38

SCHEDULE-10

(₹ in crore)

		As at 31st March, 2011		As at 31st March, 2010
SUNDRY DEBTORS				
(Unsecured, Considered Good, unless otherwise stated)				
Debts Outstanding for period more than six months				
- Considered Good	**139.28**		151.65	
- Considered Doubtful	**60.50**		59.59	
		199.78		211.24
Other Debts				
- Considered Good	**85.75**		476.78	
- Considered Doubtful	**0.00**	**85.75**	0.00	476.78
		285.53		688.02
Less : Provision for doubtful debts		**60.50**		59.59
	(A)	**225.03**		628.43
Future Instalments receivable against Lease Rent	**35.82**		47.30	
Less : Unearned Income	**11.38**		16.06	
	(B)	**24.44**		31.24
Total (A+B)		**249.47**		659.67

SCHEDULE-11

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CASH AND BANK BALANCES		
Cash in Hand	**1.39**	1.95
Balance with Scheduled Banks in :		
Current Accounts	**231.98**	113.78
Term Deposits	**11524.36**	8415.08
Cash Credit Account with State Bank of India, Kolkata	**0.00**	0.84
Balance with Non-Scheduled Banks in :		
Current Account in Bank of Commerce & Development -Libya (Maximum balance outstanding at any time during the year ₹ 27.30 crore) (Refer note 7 D (ii) Schedule 28)	**4.59**	7.59
Current Account in BGFI Bank-Gabon (Maximum balance outstanding at any time during the year ₹ 23.55 crore)	**6.96**	3.67
Current Account-Swed Bank of Sweden (Maximum balance oustanding at any time during the year ₹ 2.26 crore)	**2.12**	0.06
	11771.40	8542.97

SCHEDULE-12

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
LOANS AND ADVANCES		
Loans and advances to employees (Including Whole time Directors) (Refer Note No. 4 (vi) (i) of Schedule 28)	**289.78**	489.38
Contribution for working capital to IOTL-OIL Consortium (Refer Note No. 7 (7) of Schedule 28)	**0.00**	2.50
Advance against acquisition of Equity Shares in Brahmaputra Cracker and Polymer Limited pending allotment (Refer Note No. 4 (vi) (i) (d) of Schedule 28)	**22.88**	6.14
Advance against acquisition of Shares in DNP Limited pending allotment (Refer Note No. 4 (vi) (i) (e) of Schedule 28)	**6.65**	0.00
Loan to DNP Limited	**131.00**	100.00
Advance recoverable in cash or in kind or for value to be received.	**766.67**	642.17
Loan to Suntera Nigeria OPL 205 Ltd. (Refer Note No. 7 (2) of Schedule 28)	**43.51**	43.51
Deposits/Balances with Customs, Excise, Port Trust etc.	**88.27**	67.06
Deposits with Companies (ICD) including Public Sector Companies	**528.33**	1028.52
Deposits with Others	**10.06**	3.34
	1887.15	2382.62
Less: Provision for doubtful advances/claims	**80.04**	75.77
	1807.11	2306.85
PARTICULARS OF LOANS AND ADVANCES		
Secured	**289.78**	489.38
Unsecured - Considered good	**1517.33**	1817.47
Unsecured - Considered doubtful & provided for	**80.04**	75.77
	1887.15	2382.62

SCHEDULE-13

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
CURRENT LIABILITIES:		
Sundry Creditors		
Dues to Micro, Small and Medium Enterprises	**1.07**	0.71
Due to Others	**497.58**	245.20
Statutory Liabilities	**232.60**	384.33
Liability towards Investor Education and Protection Fund U/S 205C of the Companies Act, 1956 not due		
- Unpaid Dividend	**1.67**	1.32
Liabilities (Others)	**999.78**	840.18
Liabilities (Employees)	**367.36**	332.82
	2100.06	1804.56

SCHEDULE-14

(₹ in crore)

	As at 31st March, 2011	As at 31st March, 2010
PROVISIONS:		
Final Dividend (Proposed)	**468.88**	384.73
Tax on Proposed Dividend	**76.06**	63.90
Leave encashment	**113.00**	96.76
Post retirement Medical benefits for employees	**57.88**	52.88
Revision of Salaries & Wages	**0.00**	351.20
Long Service Award	**5.20**	4.77
LFA/LTC	**0.00**	25.02
Direct Tax Provisions (Net of payments)	**397.17**	481.75
Wealth Tax (Net of payment)	**0.08**	0.04
Against Fixed Assets not in use	**10.55**	3.71
Provision for JVCs	**93.20**	0.00
	1222.02	1464.76

SCHEDULE-15

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
SALES*				
Crude Oil	**10348.34**		8648.61	
Less: Discount	**3195.32**	**7153.02**	1489.91	7158.70
Natural Gas		**852.69**		485.68
Liquefied Petroleum Gas	**160.71**		135.22	
Less: Discount	**97.76**	**62.95**	58.91	76.31
Condensate		**44.56**		27.87
		8113.22		7748.56

* Includes Sales Tax of ₹ 270.24 crore (Previous year ₹ 269.81 crore) on Crude Oil, ₹ 83.60 crore (Previous year ₹ 61.10 crore) on Natural Gas, and ₹ 0.01 crore (Previous year ₹ 0.08 crore) on LPG and ₹ 0.87 crore (Previous year ₹ 0.56 crore) on Condensate shown separately as expenses in Schedule-19.

SCHEDULE-16

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
INCOME FROM PIPELINE TRANSPORTATION				
Crude Oil - Pipeline	**130.78**		109.56	
Less : Service Tax	**12.21**		10.23	
		118.57		99.33
Refined Product	**78.39**		63.11	
Less : Service Tax	**7.32**		5.89	
		71.07		57.22
Natural Gas - Pipeline	**0.57**		0.49	
Less : Service Tax	**0.05**		0.05	
		0.52		0.44
		190.16		156.99

SCHEDULE-17

(₹ in crore)

		Y ear ended 31st March, 2011		Year ended 31st March, 2010
OTHER INCOME				
Claims towards under-recovery of Natural Gas Price		**293.28**		156.32
Dividend from Numaligarh Refinery Limited		**28.69**		28.69
Dividend from Petroleum India International (PII)		**0.02**		0.01
Dividend from UTI -current investment (Mutual Fund)		**5.32**		19.68
Dividend from SBI liquid fund		**5.29**		18.71
Interest				
Term Deposits with Banks	**686.07**		487.97	
Income Tax Authorities	**0.00**		73.15	
Others	**16.46**		12.27	
Deposit with Companies	**60.62**	**763.15**	40.53	613.92
Other items :				
Electricity	**0.41**		0.34	
Scrap Disposal	**2.25**		1.50	
Profit on Sale of Assets	**0.19**		0.25	
Liquidated damages, etc.	**0.47**		8.32	
Business Development Services	**2.75**		10.93	
Income from Finance Lease	**4.59**		5.27	
Income from OFC fibre leasing	**12.06**		9.32	
Miscellaneous Income	**66.60**	**89.32**	63.87	99.80
		1185.07		937.13

SCHEDULE-18

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
(INCREASE)/DECREASE IN STOCK				
Opening Stock				
Crude Oil	**43.34**		53.95	
Liquefied Petroleum Gas	**0.24**		0.20	
		43.58		54.15
Closing Stock				
Crude Oil	**51.05**		43.34	
Liquefied Petroleum Gas	**0.17**		0.24	
		51.22		43.58
		(7.64)		10.57

SCHEDULE-19

(₹ in crore)

		Year ended 31st March, 2011		Year ended 31st March, 2010
PRODUCTION, TRANSPORTATION & OTHER EXPENDITURES				
CRUDE OIL				
Raising Cost	**646.64**		588.17	
Royalty	**1052.60**		1049.40	
Cess (Inclusive of Educational Cess and NCC Duty)	**940.39**		941.92	
Sales Tax (includes ₹ 0.87 crore for condensate Previous year ₹ 0.56 crore)	**271.11**		270.37	
		2910.74		2849.86
NATURAL GAS				
Raising Cost	**250.00**		246.93	
Royalty	**94.60**		34.40	
Sales Tax	**83.60**		61.10	
		428.20		342.43
LIQUEFIED PETROLEUM GAS				
Extraction Cost	**37.09**		34.67	
Sales Tax	**0.01**	**37.10**	0.08	34.75
PIPELINE OPERATION & MAINTENANCE EXPENDITURE		**142.63**		134.73
BUSINESS DEVELOPMENT EXPENDITURE		**9.24**		19.12
GEOLOGICAL & GEOPHYSICAL EXPENDITURE		**319.20**		370.49
CARRYING COSTS OF PEL AREAS		**19.57**		9.73
ADMINISTRATIVE EXPENDITURE		**256.42**		289.58
RESEARCH & DEVELOPMENT EXPENDITURE		**17.28**		22.30
		4140.38		4072.99

SCHEDULE-20

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PROVISIONS AND WRITE OFFS		
Against Assets not in use	**3.00**	(0.74)
Against loss on deletion of assets	**6.23**	0.53
Against inventory in various locations	**0.00**	0.73
Against slow & non moving and other stores	**7.89**	2.80
Against Suntera Cash Call	**14.59**	35.22
Provision against Loan to Suntera Nigeria 205 Ltd.	**0.00**	43.51
For Bad Debts/Doubtful Debts/Claims/Deposits/Loans	**4.30**	0.62
Bad Debt written off	**17.00**	32.56
Exploratory dry wells (OIL)	**84.06**	117.06
Exploratory dry wells (JVC)	**256.61**	132.41
Provision against JVCs	**75.92**	(81.98)
(Refer Note No. 7 (D) (i) and (ii) of Schedule 28)		
	469.60	282.72

SCHEDULE-21

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
INTEREST & DEBT CHARGES		
Income Tax Authorities	**0.01**	0.03
Oil Industry Development Board Loan	**1.63**	2.44
Banks :		
Short Term Loan	**11.29**	0.02
Cash Credit	**0.21**	0.03
Others	**0.78**	1.13
	13.92	3.65

SCHEDULE-22(A)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
OTHER ADJUSTMENTS (Income)		
Price revision for ONGC crude transportation (2009-10)	**1.90**	0.00
Quantity dispute with NRL	**0.75**	(0.46)
AGCL MGQ claim received (2008-09 &2009-10)	**0.61**	0.00
Non APM Gas price received from Tingri Gas Grid (2009-10)	**0.13**	0.00
Non APM Gas price received from AGCL (2009-10)	**0.33**	0.00
Adjustment for Reverse Pumping	**51.45**	0.00
Provison for Assay against NRL written back	**4.70**	0.00
Price revision adjustment against crude oil as per P&G report for earlier years	**0.00**	5.11
Adjustment against BD income	**0.00**	(0.26)
Adjustment against 3D acquisition for earlier years	**0.00**	12.66
Old provision written back	**0.86**	0.00
	60.73	17.05

SCHEDULE-22(B)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
OTHER ADJUSTMENTS (Expenses)		
Depreciation for earlier period	**0.86**	2.04
Provision for pay revision (Employees)	**256.57**	0.00
Provision written back for pay revision (Executive)	**(34.06)**	0.00
Provision for LFA/LTC and Long Service Award written back	**(15.34)**	0.00
Provision for inventory in Storage locations	**0.00**	(22.91)
BG commission	**0.00**	0.40
Arrear Royalty on Crude Oil	**0.00**	0.88
Old provision written back	**(34.26)**	(0.46)
Adjustment for AS-15 (2008-09)	**0.00**	131.59
Adjustment against IOC (AOD) (2008-09)	**0.00**	1.08
Write back for PEL extension	**(28.93)**	0.00
	144.84	112.62

SCHEDULE-22(C)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PRIOR PERIOD ITEMS (NET)		
Prior period Depreciation (DPS and Others)	**0.00**	2.04
Adjustment for Entry Tax and Others	**(4.14)**	0.00
Provision for Royalty (2006-07 to 2008-09)	**0.00**	0.02
Capital expenditure charged to expenses (DPS and others)	**0.00**	3.80
	(4.14)	5.86

SCHEDULE-23

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
PROVISION FOR TAXATION		
Current Tax		
Income Tax	**1297.28**	1159.78
Wealth Tax	**0.04**	0.04
	1297.32	1159.82

SCHEDULE-24

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
EARNINGS PER SHARE		
(Basic & Diluted)		
(a) Number of Equity Shares at the beginning of the period	**240454382**	214004400
Number of Equity Shares at the end of the period	**240454382**	240454382
Weighted average number of Equity Shares outstanding during the period	**240454382**	229433556
Face value of each Equity Share (₹)	**10.00**	10.00
(b) Profit after Tax available for Equity Shareholders (₹ in crore)	**2883.73**	2610.44
Earning Per Equity Share (₹) - Basic	**119.93**	113.78
Earning Per Equity Share (₹) - Diluted	**119.93**	113.78

SCHEDULE-25

INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956

1. SALES TURNOVER

	Unit	Year ended 31st March 2011 QUANTITY	Year ended 31st March 2011 VALUE (₹ in crore)	Year ended 31st March 2010 QUANTITY	Year ended 31st March 2010 VALUE (₹ in crore)
Crude Oil -					
Assam	Metric Tonnes	**3532157.397**	**7026.15**	3529576.356	7015.19
Arunachal Pradesh	Metric Tonnes	**23219.636**	**24.98**	33051.047	50.13
Rajasthan (Heavy Oil)	Metric Tonnes	**22.320**	**0.04**	64.227	0.10
JVC(India)	Metric Tonnes	**37147.180**	**101.85**	39733.560	93.28
	Crude Oil Total	**3592546.533**	**7153.02**	3602425.190	7158.70
Natural Gas-					
Assam	Million Standard Cubic Metres	**1656.713**	**807.92**	1663.039	449.14
Arunachal Pradesh	Million Standard Cubic Metres	**0.000**	**0.00**	0.000	0.00
Rajasthan	Million Standard Cubic Metres	**151.663**	**44.77**	199.492	36.54
	Natural Gas Total	**1808.376**	**852.69**	1862.531	485.68
Condensate-					
Assam	Metric Tonnes	**11792.350**	**44.22**	9370.84	27.47
Rajasthan	Metric Tonnes	**97.860**	**0.34**	139.457	0.41
	Condensate Total	**11890.210**	**44.56**	9510.297	27.88
Transportation-					
Crude Oil	Metric Tonnes	**5946657.551**	**118.57**	6311326.856	99.33
Natural Gas	Million Standard Cubic Metres	**91.946**	**0.52**	83.529	0.44
Product Pipeline (NSPL)	Metric Tonnes	**1069408.316**	**71.07**	874544.806	57.22
	Transportation Total		**190.16**		156.99
Liquefied Petroleum Gas	Metric Tonnes	**44585.975**	**62.95**	44933.946	76.31
	Total		**8303.38**		7905.56

SCHEDULE-25 (contd...)

2. OPENING AND CLOSING STOCK OF GOODS PRODUCED

	Unit	Year ended 31st March 2011 QUANTITY	Year ended 31st March 2011 VALUE (₹ in crore)	Year ended 31st March 2010 QUANTITY	Year ended 31st March 2010 VALUE (₹ in crore)
OPENING STOCK					
Crude Oil -					
Assam	Metric Tonnes	**86703.490**	**43.07**	108018.642	52.93
Arunachal Pradesh	Metric Tonnes	**110.356**	**0.07**	382.025	0.63
JVC(India)	Metric Tonnes	**1095.826**	**0.20**	1630.830	0.40
		87909.672	**43.34**	110031.497	53.96
Liquefied Petroleum Gas	Metric Tonnes	**355.469**	**0.24**	344.080	0.20
CLOSING STOCK					
Crude Oil -					
Assam	Metric Tonnes	**83178.340**	**50.34**	86703.490	43.07
Arunachal Pradesh	Metric Tonnes	**243.844**	**0.14**	110.356	0.07
JVC(India)	Metric Tonnes	**1066.385**	**0.57**	1095.826	0.20
		84488.569	**51.05**	87909.672	43.34
Liquefied Petroleum Gas	Metric Tonnes	**773.469**	**0.17**	355.469	0.24

3A. LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Item Produced	Licensed Capacity	Installed Capacity	Unit		Actual Production Year ended 31st March , 2011	Actual Production Year ended 31st March, 2010
Crude Oil :						
- Assam	Not Applicable	Not Applicable	Gross	Metric Tonnes	**3537887.923**	3515444.494
			Net(*)	Metric Tonnes	**3523368.647**	3501816.470
- Arunachal Pradesh	Not Applicable	Not Applicable	Gross	Metric Tonnes	**23299.159**	32739.378
			Net	Metric Tonnes	**23299.159**	32739.378
- JVC (India)	Not Applicable	Not Applicable	Gross	Metric Tonnes	**37118.097**	39198.550
			Net	Metric Tonnes	**37118.097**	39198.550
Condensate						
- Assam	Not Applicable	Not Applicable	Gross	Metric Tonnes	**25152.000**	24150.000
			Net	Metric Tonnes	**25152.000**	24150.000
- Rajasthan	Not Applicable	Not Applicable	Gross	Metric Tonnes	**86.045**	102.794
			Net	Metric Tonnes	**86.045**	102.794
Natural Gas						
- Assam	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**2178**	2189
			Net(**)	Million Standard C. Mtr.	**2019**	2026
- Arunachal Pradesh	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**17**	21
			Net(**)	Million Standard C. Mtr.	**3**	3
- Rajasthan	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	**157**	205
			Net(**)	Million Standard C. Mtr.	**156**	204
Liquefied Petroleum Gas	50,000 tonnes	50,000 tonnes	Gross	Metric Tonnes	**45010**	44950
			Net	Metric Tonnes	**45004**	44945
Electricity	41.5 M.W.	41.5 M.W.	Gross	Million Kilowatt Hours	**93**	94
			Net	Million Kilowatt Hours	**89**	90

(*) Includes internal consumption of crude oil 8042.135 metric tonnes (Previous year 8249.426 metric tonnes)
(**) Includes internal consumption of natural gas 337 million standard cubic meter (Previous year 339 million standard cubic meter)

3 B. RESERVES OF OIL & GAS AND PRODUCTION THEREOF:

Area of Operation	Crude Oil				Natural Gas					
	Position as at 01.04.2010	Additions/ Revisions	Production Quantity	Position as at 31.03.2011	Position as at 01.04.2010	Adjustment in opening Reserve	Position after adjustment	Additions/ Revisions	Production Quantity	Position as at 31.03.2011
	(MMKL)	(MMKL)	(MMKL)	(MMKL)	(MMKL-OE)			(MMKL-OE)	(MMKL-OE)	(MMKL-OE)
Proved Developed Reserves										
Assam	34.8100	4.3605	4.0160	35.1545	35.9700	0.0000	0.0000	0.1013	2.1953	33.8760
Arunachal Pradesh	0.6050	(0.0261)	0.0264	0.5525	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Rajasthan	0.0000	0.0000	0.0000	0.0000	2.0078	0.0000	0.0000	(0.0002)	0.1571	1.8505
JVC-India *	1.1704	0.0000	0.0420	1.1284	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	36.5854	4.3344	4.0844	36.8354	37.9778	0.0000	0.0000	0.1011	2.3524	35.7265

* Shown to the extent of participating interest of the Company
Gas figures shown against Assam includes figures of Arunachal Pradesh also.

SCHEDULE-25 (contd...)

4. DETAILS OF EXPENDITURE

(₹ in crore)

		Year ended 31st March, 2011	Year ended 31st March, 2010
(a) Details of expenditure incurred during the year on production, exploration, development, R&D and operation & maintenance of pipelines			
Salaries & Wages		**1026.71**	922.37
Incentives (Bonus, REH, PLIS/PRP)		**78.00**	104.42
Contribution to Pension Fund		**8.82**	104.63
Contribution to Provident Fund		**95.08**	48.79
Fuel		**48.43**	51.52
Stores Consumed		**274.79**	346.00
Insurance		**3.74**	1.72
Rent		**4.78**	4.66
Rates, Taxes, License Fee etc.		**2.25**	4.03
Contract - Casual labour		**45.30**	29.43
Contract - Transport		**83.44**	82.24
Contract - Construction		**99.64**	90.99
Contract- Survey & Data Processing		**186.62**	205.55
Contract- Drilling and Production Services		**407.62**	347.96
Contract- Others		**156.56**	158.01
NELP/JVC Production and Other Expenditures		**60.83**	33.42
Security expenses		**71.48**	65.99
Travelling and Halting expenses		**24.44**	23.57
Medical expenses - Reimbursement		**30.07**	27.15
Sundries (Donations, Courtesy, Training fees, etc.)		**26.25**	28.07
Others		**70.06**	62.66
	Total	**2804.91**	2743.18
Less : Allocation to Pre-producing properties, Capital account, Recoveries and others		**1106.84**	1027.55
		1698.07	1715.63
Add : Royalty		**1147.20**	1083.80
Cess		**940.39**	941.92
Sales Tax		**354.72**	331.55
	Total	**4140.38**	4072.90
(b) Included under various heads in Note 4(a) above - Net of Recoveries, if any			
(i) Repairs, Maintenance & Replacement			
Building (including Township)		**60.15**	58.62
Plant & Machinery		**405.62**	381.11
	Total	**465.77**	439.73
(ii) Public Relations Expenses			
Salaries, Allowances etc.		**2.95**	2.83
Oil News & Employees Communication Programme		**0.11**	0.08
Advertisement for tenders		**3.05**	4.75
Others		**1.34**	1.67
	Total	**7.45**	9.33
(iii) Social Overhead Expenses			
Township		**41.65**	38.75
Education		**12.29**	12.87
Social & cultural amenities		**33.94**	38.27
Medical		**65.16**	61.62
Hired buses for Employees		**8.38**	8.02
	Total	**161.42**	159.53

SCHEDULE-25 (contd...)

(₹ in crore)

	Year ended 31st March, 2011	Year ended 31st March, 2010
(iv) Directors' Remuneration		
Remuneration paid/payable to Directors		
Functional Directors including Chairman-Cum-Managing Director :		
i) Salary & Allowances	**1.54**	0.95
ii) Contribution to Provident Fund	**0.08**	0.06
iii) Contribution to Pension Fund	**0.06**	0.05
iv) Tax on perks value of accommodation borne by the co.	**0.05**	0.04
v) Other benefits & perquisites being LFA/LTC, Medical & Club, etc.	**0.04**	0.21
Total for Functional Directors	**1.77**	1.31
Independent Directors		
i) Sitting Fees	**0.20**	0.19
Total	**1.97**	1.50

NOTE :
Provisions for contribution to employees retirement / post retirement and employees benefits as per AS-15 which are based on Actuarial valuations done on an overall company basis are excluded from above disclosure.

(v) Auditors' Remuneration		
(i) Audit fees (including Service tax)	**0.31**	0.18
(ii) Tax Audit fees (including service tax)	**0.09**	0.09
(iii) Out of pocket and travelling expenses (Including for Tax Audit)	**0.09**	0.08
(iv) Certification Fees (including Service Tax and IPO-DRHP)	**0.11**	0.22
Total	**0.60**	0.57

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Quantity Million Standard Cubic Metres	**Value (₹ in crore)**	Quantity Million Standard Cubic Metres	Value (₹ in crore)
(c) Raw Materials consumed				
(For production of Liquefied Petroleum Gas) Natural Gas (out of own Production)	**31.348**	**6.10**	32.151	5.70

	Year ended 31st March, 2011 (₹ in crore)	%	Year ended 31st March, 2010 (₹ in crore)	%
(d) Consumption of Stores and Spare parts				
Imported	**145.64**	**51.00**	183.38	53.00
Indigenous	**129.15**	**49.00**	162.62	47.00
Total	**274.79**	**100.00**	346.00	100.00
(e) Value of Imports on C.I.F basis				
Capital Goods	**66.21**		74.65	
Stores and Spares parts	**71.72**		89.74	
Total	**137.93**		164.39	
(f) Expenditure in foreign currency				
Services Contracts	**192.06**		294.67	
Foreign Tours	**3.75**		4.97	
Total	**195.81**		299.64	
5. EARNINGS IN FOREIGN CURRENCY				
Others (forfeiture of Bid Bonds, etc.)	**1.56**		1.87	

SCHEDULE-26

Consolidated Segment Revenue, Results, Assets and Liabilities for the year ended 31st March, 2011

(₹ in crore)

Particulars	Total		Crude Oil		Natural Gas				LPG		Transportation		Unallocated	
					Assam & AP		Rajasthan							
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
REVENUE														
External Sales	8,303.38	7,905.55	7,153.02	7,158.70	807.92	449.14	44.77	36.54	62.95	76.31	190.16	156.99	44.56	27.87
Other Income	1,185.07	937.13	0.00	0.00	293.28	156.32	0.00	0.00	0.00	0.00	0.00	0.00	891.79	780.81
Other Adjustment-Income	60.73	17.05	4.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.45	0.00	4.58	17.05
Total Income	**9,549.18**	**8,859.73**	**7,157.72**	**7,158.70**	**1,101.20**	**605.46**	**44.77**	**36.54**	**62.95**	**76.31**	**241.61**	**156.99**	**940.93**	**825.73**
EXPENDITURE														
Increase/(Decrease) in Stock	(7.64)	10.57	(7.71)	10.61	0.00	0.00	0.00	0.00	0.07	(0.04)	0.00	0.00	0.00	0.00
Production,Transportation & Other Expenditure	4,140.38	4,072.99	2,910.74	2,849.86	403.38	314.13	24.82	28.30	37.10	34.75	142.63	134.73	621.71	711.22
Provisions & Write Offs	469.60	282.72	389.55	253.61	53.98	27.96	0.95	0.00	0.00	0.00	0.00	0.00	25.12	1.15
Depletion	301.46	262.81	228.81	194.51	62.51	56.76	10.14	11.54	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	176.68	218.27	38.87	52.10	25.49	30.81	4.32	4.68	2.62	1.31	86.47	113.06	18.91	16.31
Interest & Debt Charges	13.92	3.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.92	3.65
Exchange Loss	4.88	(4.77)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.88	(4.77)
Other Adjustment-Expenses	144.84	112.62	78.91	0.00	30.51	0.00	0.00	0.00	4.53	0.00	17.41	0.00	13.48	112.62
Prior Period	(4.14)	5.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4.14)	5.86
Total Expenses	**5,239.98**	**4,964.72**	**3,639.17**	**3,360.69**	**575.87**	**429.66**	**40.23**	**44.52**	**44.32**	**36.02**	**246.51**	**247.79**	**693.88**	**846.04**
Profit before Tax	**4,309.20**	**3,895.01**	**3,518.55**	**3,798.01**	**525.33**	**175.80**	**4.54**	**(7.98)**	**18.63**	**40.29**	**(4.90)**	**(90.80)**	**247.05**	**(20.31)**
Provisions for Taxation	1,425.47	1,284.57	1,163.93	1,252.58	173.78	57.98	1.50	(2.63)	6.16	13.29	(1.62)	(29.94)	81.72	(6.70)
Profit after Tax	**2,883.73**	**2,610.44**	**2,354.63**	**2,545.43**	**351.55**	**117.82**	**3.04**	**(5.35)**	**12.47**	**27.00**	**(3.28)**	**(60.85)**	**165.33**	**(13.61)**
Segment Assets	**21,260.19**	**18,093.37**	**3,420.42**	**3440.79**	**2,276.52**	**2068.53**	**252.69**	**243.99**	**27.80**	**34.63**	**392.40**	**480.33**	**14,890.36**	**11,825.10**
Segment Liabilities	**21,260.19**	**18,093.37**	**1,915.50**	**1736.71**	**800.90**	**757.76**	**45.61**	**34.15**	**65.35**	**29.26**	**129.40**	**117.69**	**18,303.43**	**15,417.80**

SCHEDULE -26 (Contd.)

NOTES ON SEGMENT REPORTING

1. (a) In accordance with the existing management reporting system, the Company has adopted :-

(i) the following business segments as the primary reporting segments :

Crude Oil

Natural Gas

LPG

Transportation

and

(ii) the following geographical segments as the secondary reporting segments :

Assam / Arunachal Pradesh (AP)

Rajasthan

(b) All inter-segment transfers have been measured using actual price used for transfer pricing.

2. Segment sales revenues are directly identifiable with the respective segments and therefore, have been directly allocated to the segments. Other income which can be directly attributed to a particular segment has been shown as segment revenue. Other income which cannot be attributed to any of the segments have been disclosed as unallocated.

3. Expenditure incurred directly by the segments are directly allocated to them. Expenditure incurred by Services departments have been allocated to the segments in proportion to the actual services rendered to the respective segments. Overhead expenditure have been allocated to the segments on the basis of direct emoluments. Exploration expenditure pertaining to the areas having joint production of Crude Oil & Natural Gas, charged to the Profit and Loss Account have been allocated to the Crude Oil and Natural Gas segments on the basis of thermal equivalence. Research & Development expenditure have been considered as unallocated.

4. Other adjustments in the income and expenditure not relating to the year of reporting have been disclosed as unallocated corporate income/expenses.

5. Provision for Taxation has been apportioned on the basis of Profit Before Tax of individual segments.

6. Share capital, Reserves and Surplus and Loans have been treated as unallocated corporate liabilities.

7. Liabilities and Current Assets relating to purchase of materials and hiring of services, used jointly by two or more segments have been allocated to the segments on the basis of average consumption/utilization of the previous two years.

8. Liabilities and Advances arising out of payment to employees , used jointly by two or more segments, have been allocated to the respective segments, on the same basis as followed for allocation of employees cost .

9. Fixed assets and depreciation thereon have been identified cost center wise and after allocation of the amounts under services and overhead cost centers on the basis mentioned in para 3 above, the segment assets have been determined.

10. Producing properties, pre producing properties and depletion pertaining to the areas having joint production of Crude Oil & Natural Gas, have been allocated to crude oil and gas segments on the basis of Proved-Developed-Producing reserves.

11. Investments outside the business and Cash and Bank balances are treated as unallocated corporate assets.

12. Any other revenue, expenditure, assets or liabilities, which cannot be directly attributed to one or more segments, have been treated as unallocated corporate revenue, expenditure, assets or liabilities as the case may be.

13. Exploration expenditure, assets, liabilities pertaining to the project areas where commercial production of Hydrocarbons has not yet commenced, have been shown in the unallocated corporate head.

14. Individual items of assets or liabilities used jointly by two or more segments, the amount of which is insignificant and are not considered material, have been allocated to Crude Oil and Natural Gas segment on the basis of thermal equivalence.

SCHEDULE - 27

SIGNIFICANT ACCOUNTING POLICIES

1. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements comprise the financial statement of the Company (Oil India Limited) and its' subsidiary. The Consolidated Financial Statement is prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement" as notified by the Central Government of India under the Companies (Accounting Standard) Rules, 2006.

The Financial Statement of the Company and its' subsidiary are combined on a line-by-line basis by adding together the book values of the items of assets, liabilities, income and expenditures after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits & losses in accordance with AS 21.

The consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's separate Financial Statements except as otherwise stated

2 ACCOUNTING CONVENTION

The Financial Statements of the Company are prepared under historical cost convention, except as otherwise stated, in accordance with the Generally Accepted Accounting Principles (GAAP) in India and materially comply with the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standard) Rules 2006, and with the relevant provisions of the Companies Act, 1956.

3. EXPLORATION COSTS, DEVELOPMENT EXPENDITURE AND ABANDONMENT COSTS

The Company generally follows the internationally accepted "Successful Efforts Method" (SEM) of Accounting in respect of its Oil and Gas exploration and production activities read with the guidance note on "Accounting for oil & gas producing activities" issued by the Institute of Chartered Accountants of India (ICAI) except for abandonment costs, as explained below :-

3.1 EXPLORATION COSTS AND DEVELOPMENT EXPENDITURE

(a) Geological and Geophysical expenditure, other than cost of tangible assets, equipment and facilities deployed in relation thereto on which usual depreciation allowance as admissible, are expensed in the year of incidence.

(b) Lease carrying costs including license fees are expensed in the year of incidence.

(c) All Acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type strategraphic test wells are initially capitalized as pre-producing property till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry or of no further use, as the case may be.

(d) Cost of successful exploratory wells and completed development wells including allocated depreciation on support equipment and facilities are capitalized as producing property. Wells are treated as completed only after completion of production testing of the same.

(e) Cost of unsuccessful / dry exploratory wells or part(s) thereof including allocated depreciation on support equipment and facilities, which do not lead to discovery of / accretion to hydrocarbon reserves, are expensed.

(f) Charges towards unfinished Minimum Work Programme (MWP) and for extension of exploration period under PSC/JVC are treated as Geological & Geophysical or Drilling expenses etc. as the case may be.

(g) Cost of incomplete wells / wells under production testing / completed exploratory wells pending determination of commercial viability including allocated depreciation on support equipment and facilities, are classified as Pre-producing Properties.

(h) Cost of exploratory wells in progress are not carried over for more than two years from the date of completion of the drilling of the well, unless it could be reasonably demonstrated that the well has proved reserves and development of the field in which the well is located has been planned.

3.2 ABANDONMENT COSTS

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites (net of salvage value), other than Joint Ventures, are capitalized as additional cost when the well is complete. The abandonment cost on exploratory dry well (written off during the year) is charged to Profit and Loss account.

Liability for abandonment cost is updated annually based on the technical assessment available at current costs.

The actual cost incurred on abandonment is adjusted against the liability and the ultimate gain or loss as may be is recognised in the profit and loss account, when the area designated as oil/gas field or a group of oil/gas fields ceases to produce.

In respect of Joint Ventures, the policies in respect of above are specified in Policy No 8 (a).

4. FIXED ASSETS :

(a) Fixed assets including support equipment & facilities are stated at historical cost. All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

(b) Computer software acquired and developed to suit Company's internal use being intangible asset is capitalized along with hardware cost.

(c) Leasehold lands including the Right of Use (ROU) which are perpetual in nature are not amortized.

(d) Any asset, when of no further use, is deleted from the Block. The Written Down Value, if any, in excess of Rs.1000/- or 5% of the original cost, whichever is less is charged to Profit and Loss Account. The deleted assets are carried as Current Assets at adjusted value awaiting disposal through normal tendering procedure. The sale proceeds in excess of adjusted value against individual asset are accounted for as miscellaneous income, when realized.

(e) Physical verification of the fixed assets is carried out by the Company in a phased manner to cover all the items over a period of five years. The discrepancies, if any, noticed are accounted for after reconciliation of the same.

5. DEPRECIATION / DEPLETION

5.1 DEPRECIATION

(a) Depreciation on Fixed Assets is provided for under the “Written Down Value Method”(WDV), at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 and the fixed assets are stated at cost less depreciation.

(b) Depreciation as computed above on Fixed Assets deployed in exploration and development drilling activities is charged to the cost of each well.

(c) Computer software acquired and developed to suit Company’s internal use, being intangible asset, is depreciated at the rate applicable to Computer (Hardware).

(d) Assets costing upto Rs. 5000 each are depreciated fully in the year of capitalization.

5.2 DEPLETION

(a) The producing properties including acquisition costs are depleted using the “Unit of Production Method”, based on the related Proved Developed Reserves.

(b) Proved and Developed Reserves of oil and gas are technically assessed regularly and are finally reviewed and estimated at the end of each year in-house by following International practices.

(c) The rate of depletion is computed on a consistent basis with reference to an area designated as Oil / Gas field or a group of Oil/Gas fields, which are aggregated either based on a common geological feature or for operational purpose.

6. FOREIGN CURRENCY TRANSLATION

(a) All non-monetary transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(b) Monetary items in the form of Loan, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gains or loss is accounted during the year.

(c) Foreign currency transactions in relation to Joint Venture Operations (Overseas) are treated in the following manner:-

(i) Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transactions. For practical reasons, the average exchange rate of relevant month is taken for the transactions of the month in respect of such Joint Venture Operations, where actual date of transaction is not available or as agreed otherwise.

(ii) At the Balance Sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the Balance Sheet date.

7. IMPAIRMENT OF ASSETS

Producing Properties and Fixed Assets of a “Cash Generating Unit” (CGU) are reviewed for impairment at each Balance Sheet date. In case events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. The recoverable amount is its ‘value in use’ . In assessing value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Subsequent to Impairment, depletion/ depreciation is provided on the revised carrying value of the assets over the remaining useful life as per relevant policy.

8. JOINT VENTURES

In respect of Production Sharing Contracts (PSCs) executed by the Company with other companies and the Government of India to undertake exploration, development and production of Oil and / or Gas activities under a joint venture in various concessions:-

(a) The financial statements reflect the share of the Company’s assets, liabilities and also the income and expenditure of the Joint Venture Operations in proportion to the participating interest of the Company as per the terms of the PSCs, on a line by line basis. Depreciation, depletion and impairment and value of Stock of Crude Oil are accounted for as per the relevant accounting policies of the Company whereas provision for abandonment is created as per terms of PSC.

(b) Proved and Developed Reserve of Oil & Gas in such concessions are also considered in proportion to participating interest of the Company.

(c) The unamortized balance in the producing property accounts and / or the written down values of the fixed assets installed therein in respect of such concessions, are netted off by the consideration due/ received from other participating companies as per PSC provision.

9. INCOME TAX

(a) Current Tax

Income tax is computed as per provisions of the Income tax Act, 1961, read with the terms of the Agreement entered into by the Company with the Government of India under Section 42 of the Income Tax Act, 1961 and accordingly in addition to other items of allowances, the following are considered: -

(i) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration Licence areas, excluding expenditure on assets for which usual depreciation allowance is admissible, whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.

(ii) All intangible expenditure on exploration / prospecting /drilling in Mining Lease areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and

(iii) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under the Written Down Value (WDV) method.

(b) Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted up to the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to assess realization.

10. INVESTMENTS

(a) Long term investments are valued at cost unless there is a permanent diminution in value.

(b) Current investments are valued at lower of cost or fair value.

11. INVENTORY

(a) Stocks of Crude Oil and Liquefied Petroleum Gas are valued at cost (after bifurcation of joint cost on thermal equivalence basis in case of crude oil) or net realizable value, whichever is lower, including applicable excise duty.

(b) Natural Gas in pipeline and crude oil in flow line are not valued.

(c) The stock of stores and spare parts are valued at weighted average cost. Obsolete / unserviceable items, as and when identified, are written off. Any item of stores and spares not moved for last four years as on date of Balance Sheet are identified as slow moving items. Against these Slow moving items a provision of 95% of value is made in the accounts towards likely diminution in value. The stores and spare parts include goods-in-transit which represents items pending arrival and / or acceptance at stipulated destinations.

12. EMPLOYEE BENEFITS

a) Defined Contribution Plans such as Provident Fund, etc. – Contributions are charged to the Profit and Loss Account as incurred.

b) Defined Benefit Plans – The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis the excess, if any, it treated as a prepayment.

c) The contribution to Provident Fund, Gratuity Fund, and Pension Funds are paid to the respective Funds administered through Trusts having exemptions under Employees' Provident Funds and Miscellaneous Provision Acts 1952 above as applicable. The interest payable by the Provident Fund Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

d) Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

e) Termination benefits are recognized as and when incurred.

13. REVENUE RECOGNITION

(a) Revenue from sale of products and transportation income are recognized on transfer of custody to customers.

(b) Sale of crude oil and gas produced from exploratory wells-in-progress in exploratory areas is deducted from expenditure on such wells.

(c) Sales are inclusive of statutory levies but net of discounts. Any retrospective revision in prices is accounted for in the year of such revision.

(d) Claims on Government / Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance in principle thereof.

(e) Dividend Income is recognized when the right to receive the dividend is established.

(f) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:

(i) Short lifted quantity of crude oil, if any.

(ii) Interest on delayed realization from customers.

(g) Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the Insurance Company.

(h) Liquidated Damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction. In case the same is refunded due to reconsideration/justification of the waiver request, the same is accounted for as expense in the year of acceptance.

14. GRANTS & SUBSIDIES

Grants and Subsidies are accounted in revenue or capital account according to their nature, when there is reasonable assurance that the same would be realized. Grants related to specific assets are deducted from the gross value of the concerned assets while arriving at their book value.

15. BORROWING COSTS

Borrowing costs during the construction period, net of Income if any, that are attributable to qualifying assets are capitalized.

16. SEGMENT ACCOUNTING

(a) In accordance with the existing management reporting system, the Company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline Transportation) as the primary reporting segments and the geographical segments viz. Assam & Arunachal Pradesh, Rajasthan etc. as the secondary reporting segments.

(b) Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis usually followed for allocation of cost adopted for preparing and presenting the financial statements of the Company.

17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) The Company generally provides for present obligations resulting from past event, the amount of which can be estimated with reasonable accuracy.

(b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration exceeding Rupees Five Lakh in each case are recognized as contingent liability, if contested.

(c) Contingent assets are not recognized.

18. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

19. GENERAL

a) Prior Period Items exceeding Rupees Five Lakh in each case are separately disclosed in the Profit and Loss Account.

b) Adjustments pertaining to earlier years but crystallized during the year, exceeding Rupees Five Lakh in each case are separately disclosed under “Other Adjustments”.

c) All expenditure, other than assets, on which usual depreciation allowance is admissible, incurred for Research & Development Projects / Schemes, net of grants-in-aid if any, are charged to the Profit & Loss Account.

d) Joint cost of production relating to crude oil and natural gas is apportioned on thermal equivalence basis.

e) Refunds / Duty drawbacks and Demands from / in relation to Revenue Authorities are accounted for on the basis of acceptance considering information available upto the date of finalization of Accounts.

f) Assets given under finance leases are recognized as receivable at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment in line with AS 19 issued by the ICAI.

g) General administrative expenses including corporate overhead are charged to Profit & Loss Account.

h) Accounting of Contract works under various Projects for the Company carried out by the Company in consortium with other entities is accounted in line with AS 7 issued by ICAI after neutralizing the profit earned by the Company in it from the Project cost.

i) Costs of Intangible assets are accounted for in line with AS 26 issued by ICAI.

SCHEDULE – 28

NOTES TO ACCOUNTS

1. (i) (a) With effect from 01.04.2002, the price of Crude Oil and LPG are market determined in terms of the policy of the Government of India. Accordingly, the Crude Oil price was being determined based on the terms and conditions of the Memorandum of Understanding (MOU) signed with various buyers of Crude Oil for the period 01.04.2002 to 31.03.2004. Though the MOU / Crude Offtake and Sale Agreement (COSA) for the period effective from 01.04.2004 has not yet been finalized, the Company is continuing to bill and the buyers are continuing to pay on the terms and conditions of the aforesaid MOU for the period 01.04.2004 to 31.03.2011.

In terms of the notification from MOP&NG dated 01.05.2009, the Company w.e.f. 01.04.2008 has accounted for on a monthly average price of Crude Oil benchmarked to Basket Price of Crude Oil (ascertained from Reuter) after adjustment for Gross Product Worth (quality differential) and discount on account of Base Sediment & Water (BS&W).

(b) As regard LPG price, the same continues to be notified by Indian Oil Corporation Ltd. (IOC) every month.

(c) The price of APM Natural Gas has been revised by MOP & NG, Government of India vide its letter no. L-12015/8/10-GP dated 31.05.2010 at USD 4.20/ mmbtu inclusive of royalty at 10% on Net Calorific Value (NCV) basis w.e.f. 01.06.2010. For Customers in the North East, the net consumer price charged to the customers at 60% of USD 4.20/mmbtu i.e. USD 2.52/mmbtu on NCV basis. The difference between Producer Price and Consumer Price has been taken as Budget Claim from MOP& NG. For Non- APM customers, the same price of USD 4.20/ mmbtu inclusive of royalty at 10% has also been fixed w.e.f. 01.06.2010 vide letter no. L-12015/5/10-GP dated 28 .06.2010 from MOP&NG. Similarly the gas price for gas sale in Rajasthan has also been revised at USD 4.20 / mmbtu inclusive of royalty at 10% on Net Calorific Value (NCV) basis w.e.f. 01.06.2010. Royalty @10% is being paid separately to the respective State Governments.

(ii) The MOP& NG, Government of India, vide Letter No.P-20012/11/2006-PP(Vol. II) dated 21.03.2011 allowed the Company to realize the sales tax and full amount of transportation charges in respect of its own Crude Oil sold to the refineries for the year ended 31.03.2011 also. Accordingly an amount of ₹ 27.15 crore (Previous year ₹ 27.33 crore) for transportation charges and ₹ 269.70 crore (Previous year ₹ 269.81 crore) for reimbursement of sales tax, respectively have been recognised during financial year 2010-11.

(iii) In terms of the decision of Government of India, MOP&NG, vide letter No.P-20012/28/97-PP dated 23.07.2004 and further communications in this regard, the Company during the year ended 31.03.2011 has allowed a discount ₹ 3195.32 crore (Previous year ₹ 1489.91 crore) on the sale of Crude Oil and ₹ 97.76 crore (Previous year ₹ 58.91 crore) on the sale of LPG. Accordingly, the sales revenue in respect of Crude Oil and LPG are net of the aforesaid discounts. The impact of this on revenue and profitability are as under:

(₹ in crore)

Decrease	**Quarter Ended**		**Year Ended**	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Gross Revenue	1605.43	670.07	3293.08	1548.81
Statutory Levies (State exchequer)	260.11	108.35	532.55	248.32
Profit Before Tax	1345.32	561.72	2760.53	1300.49
Statutory Levies (Central exchequer)	444.63	190.93	912.35	442.03
Profit After Tax	900.69	370.79	1848.18	858.46

(iv) a. Pending finalization of the Transportation Tariff by the Government of India for Crude Oil, the Company has on a provisional basis accounted for the transportation income of Crude Oil from all the refineries as fixed by the Petroleum Planning & Analysis Cell (PPAC) for the year 2001-02 for the Forward Pumping Sector of the pipeline from Naharkatiya to Digboi and Bongaigaon (Sector-wise).

b. In regards to the transportation income in respect of Crude Oil of M/s Oil & Natural Gas Corporation Ltd. (ONGCL) & Canoro Resources Limited, are accounted on the basis of MOU/Crude Oil Transportation Agreement (COTA) signed with the respective companies.

c. In respect of the Reverse Pumping Sector between Barauni to Bongaigaon, Transportation Tariff has been revised by PPAC w.e.f. financial year 2008-09 and in the current year the income for the same has been recognised on that basis.

(v) The total Gas Reserve as on 31.03.2011 in Assam & Arunachal Pradesh has been ascertained field wise following Society of Petroleum Engineers (SPE) norms.

(vi) Exchange (gain)/loss of ₹ 1.40 crore {Previous year (₹ 4.78) crore} includes, exchange (gain)/loss of ₹ Nil (Previous year ₹ Nil) related to Assets charged off in line with the changed Accounting Policy No.5 due to applicability of AS 11 (Revised).

(vii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise:

Particulars	Foreign Currency	31.03.2011		31.03.2010	
		Amount (Foreign Currency in crore)	Amount (₹ in crore)	Amount (Foreign Currency in crore)	Amount (₹ in crore)
Amount Receivable	USD	0.68	30.84	1.04	47.30
Amount Payable	USD	0.76	35.14	0.85	39.44

(viii) The Company is holding in its safe custody, Fixed Deposit Receipts issued in its favour by Contractors / Suppliers as Security Deposit / Earnest Money amounting to ₹ 1.62 crore (Previous year ₹ 1.60 crore), which are not included in the accounts.

(ix) Borrowing cost capitalized during the period is ₹ Nil.

2. Disclosure pursuant to Accounting Standard (AS) 15 (Revised 2005) – Employee Benefits:-

The Company has adopted AS 15 (Revised 2005) for Employee Benefits issued by ICAI as against erstwhile AS 15. Consequent to the adoption, the following disclosure related to accounting etc. are made as far as practicable under AS 15 (Revised 2005) requirement:

Defined Contribution Plans

The Company's contribution to Provident Funds for employees and executives is ₹ 95.11 crore (Previous year ₹ 48.60 crore).

Defined Benefit Plans

The various Benefits Plans which are in operation are Gratuity Fund, Oil India Employee Pension Fund (New), Oil India Pension Fund (Old), Leave Encashment, Post Retirement Medical Benefit and Long Service Award. The present value of the obligation is determined based on actuarial valuation made at the end of the financial year using the Projected Unit Credit Method, which recognizes each period of service as given rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

Various data as certified by Actuary:-

A. The amount recognised in Balance Sheet for post employment benefits:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the end of the year i.e. 31.03.2011	309.41 (301.79)	361.10 (352.64)	592.50 (541.25)	113.00 (96.76)	57.88 (52.88)
Fair Value of Plan Asset at the end of the year 31.03.2011	326.82 (325.13)	335.43 (179.53)	609.37 (433.75)	0.00 (0.00)	0.00 (0.00)
Fund Status as on 31.03.2011 {(Net Assets)/Net liability}	(17.41) (-23.34)	25.67 (173.10)	(16.87) (107.50)	113.00 (96.76)	57.88 (52.88)
Total Provision	(17.41) (-23.34)	25.67 (173.10)	(16.87) (107.50)	113.00 (96.76)	57.88 (52.88)

B. Reconciliation of opening and closing balances of Defined Benefits obligation:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the beginning of the year i.e. 01.04.2010	301.79 (288.12)	352.64 (332.48)	541.25 (496.96)	96.76 (75.08)	52.88 (49.18)
Interest Cost	24.43 (22.40)	26.50 (25.03)	44.88 (38.82)	7.10 (4.91)	4.20 (3.68)
Current Service Cost	17.06 (15.44)	15.88 (16.52)	35.90 (27.33)	29.63 (7.14)	0.00 (0.00)
Benefits Paid	(28.69) (-16.30)	(81.75) (-39.18)	(26.30) (-23.49)	(26.56) (-27.32)	(6.99) (-6.42)
Actuarial (gains)/loss on obligations	(5.17) (-7.87)	47.83 (17.79)	(3.23) (1.63)	6.07 (36.96)	7.79 (6.44)
Present Value of obligation at the end of the year i.e. 31.03.2011	309.41 (301.79)	361.10 (352.64)	592.50 (541.25)	113.00 (96.76)	57.88 (52.88)

C. Reconciliation of opening and closing balances of fair value of plan assets:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Fair Value of Plan Asset at Beginning of the year 01.04.2010	325.13 (195.56)	179.53 (152.87)	433.75 (380.62)	NA*	NA*
Expected Return on Plan Assets	26.01 (15.64)	14.36 (12.23)	34.70 (30.45)	NA*	NA*
Contributions	1.99 (136.85)	172.19 (51.06)	107.32 (68.46)	NA*	NA*
Benefits Paid	(28.69) (-16.30)	(81.75) (-39.18)	(26.30) (-23.49)	NA*	NA*
Actuarial gain/(loss) on Plan Assets	2.38 (-6.63)	51.09 (2.55)	59.90 (-22.30)	NA*	NA*
Fair Value of Plan Asset at the end of the year 31.03.2011	326.82 (325.13)	335.42 (179.53)	609.37 (433.75)	NA*	NA*

NA*: Not Applicable as Scheme is unfunded

D. Expenses Recognised in Statement of Profit / Loss:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Current Service Cost	17.06 (15.44)	15.88 (16.52)	35.90 (27.33)	29.63 (7.14)	0.00 (0.00)
Interest Cost	24.43 (22.40)	26.50 (25.03)	44.88 (38.82)	7.10 (4.91)	4.20 (3.68)
Expected Return on Plan Assets	(26.01) (-15.64)	(14.36) (-12.23)	(34.70) (-30.45)	0.00 (0.00)	0.00 (0.00)
Actuarial (gain)/loss recognised in the year	(7.55) (-1.23)	(3.26) (15.24)	(63.13) (23.93)	6.07 (36.96)	7.79 (6.44)
Expense Recognized in Statement of Profit/Loss Account	7.93 (20.96)	24.76 (44.56)	(17.05) (59.63)	42.80 (49.01)	11.99 (10.12)

E. Actuarial assumptions:

(₹ in crore)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	Post Retirement Medical Benefits
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96	1994-96
Superannuation Age	60 (60)	60 (60)	60 (60)	60 (60)	60 (60)
Early Retirement & Disablement (10 Per Thousand P.A) -age above 45	6 (6)	6 (6)	6 (6)	6 (6)	6 (6)
-age between 29 and 45	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
-age below 29	1 (1)	1 (1)	1 (1)	1 (1)	1 (1)
Discount Rate	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)	8.50% (8.00%)
Inflation Rate	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)	5.00% (5.00%)
Expected Rate of Return on plan assets	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	0.00% (0.00%)	0.00% (0.00%)
Remaining working life	11 (12)	9 (10)	11 (12)	11 (12)	11 (11)

Note: Figures in parenthesis represent last year's figure.

F. Investment of Superannuation Funds

(₹ in crore)

Nature of Investment	Percentage of Investment					
	Gratuity Fund		Pension Fund (Old)		Pension Fund (New)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Central Govt.	30.61	17.38	29.49	24.99	29.82	24.12
State Govt.	16.70	18.46	23.85	21.57	30.00	18.39
PSU	40.86	38.88	42.61	44.75	40.18	56.53
Others	11.83	25.28	4.05	8.69	0.00	0.96
Total	100.00	100.00	100.00	100.00	100.00	100.00

G. Notes on above

(i) In view of the amendment of the Payment of Gratuity Act 1972, the ceiling of Gratuity has been enhanced from the existing limit of ₹ 3.50 lakh to ₹ 10.00 lakh. Accordingly, the Company has adopted the revised limit for provisioning of Gratuity Liability based on the actuarial valuation.

(ii) Long Service Award liability as on 31.03.2011, determined by the actuary, has been charged to Profit and Loss Account.

(iii) The Company's Provident fund is exempted under section 17 of Employees' Provident Fund and Misc. Provisions Act, 1952. The Company has also taken exemption under Para 39 of Employees Pension Schemes 1995 and extending the Pension benefits through Oil India Employees Pension Fund. Conditions for grant of exemptions, stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate in case of Employee Provident Fund as well as the deficiency, if any in extending the pensioner benefits will be made good by the Company in the Employee Pension Fund.

(iv) The amount recognised in the Balance Sheet as the present value of the defined benefit obligation is net of the fair value of plan assets at the Balance Sheet date.

H. Employees cost includes:

(a) The company has finalised the pay revision of the unionised employees w.e.f 01.01.2007 and an amount of ₹ 256.57 crore (net of provision upto 31.03.2010 has been accounted for in the year 2010-11 under other adjustment of ₹ 220.02 crore and under employee cost ₹ 43.81 crore).

(b) The company has finalised the pay revision of the executive employees w.e.f 01.01.2007 and an amount of ₹ (34.06) crore (net of provision upto 31.03.2010 has been accounted for in the year 2010-11 under other adjustment of ₹ 139.54 crore and under employee cost ₹ 44.13 crore).

3. The Company has completed the process of IPO on 26.09.2009 and thus allotted 2, 64, 49, 982 Equity Shares of ₹ 10/- each to the public including employees of the Company. Accordingly the Issued, Subscribed and Paid-up Share Capital of the Company has increased to ₹ 240.45 crore. As the face value of shares of ₹ 10/- each were issued at a premium of ₹ 1040/- per share the sum of ₹ 2750.80 crore have been credited to "Security Premium Account".

Against the estimated expenditure of planned activities up to 31.03.2011 amounting to ₹ 4559.84 crore as per the Object Clause' of the Issue as declared in the Prospectus an amount of ₹ 3022.96 crore have been spent up to 31.03.2011.

The cost of the issue amounting to ₹ 32.17 crore has been amortized in seven equal quarterly installments over the period during which the proceeds of IPO is planned to be utilized by the Company i.e. up to 31.03.2011. Accordingly the total amount ₹ 32.17 crore has been charged as expenses upto 31.03.2011.

4. (i) Fixed Assets :

a. Land in possession of the Company, includes some areas for which title/conveyance deeds are yet to be executed and/or mutation in settlement records are pending, documentation formalities are in progress.

b. The Company has identified various Plant & Machinery, which are not in use for considerable time. Pending writing off of these assets from the gross block, the Company has taken a provision of ₹ 3.00 crore (Previous year ₹ (0.74) crore) during the financial year towards the difference between the WDV as on 31.03.2011 and 5% of original cost as the residual value of the respective assets.

c. For infrastructure development and to facilitate the supply of natural gas to Brahmaputra Cracker and Polymer Limited (BCPL), the Company will have to augment/ modify the existing gas pipeline network, construction of lean gas distribution network and setting up of gas sale off-take point with metering facility. The Government of India has agreed to release one time subsidy upto a maximum of ₹ 215.00 crore to the Company through BCPL, subject to incurring higher actual expenditure. The expenditure will be vetted by Engineers India Ltd. (EIL). Towards this arrangement, the Company has started incurring expenditure for various assets and claiming the amount in stages from BCPL after the same is vetted by EIL. BCPL has paid ₹ 35.26 crore to the Company up to 31.03.2011 in this regard. The Company is maintaining a separate record to identify the capital expenditure incurred and receipt of the claim till the completion of all the facilities. Necessary accounting related to subsidy/adjustment thereof with assets will be carried out on completion of the project.

(ii) Pre-Producing Property

A sum of ₹ 88.01 crore (Previous year ₹ 83.90 crore) is being allocated to Pre-producing Property Account from general overhead during the year ended 31.03.2011.

(iii) Liability for Well Abandonment Cost

During the year, the Company has changed the Accounting Policy 2. 2. on abandonment cost and started providing the full eventual estimated liability towards cost related to dismasting, abandoning and restoring of well sites. Such cost of well sites has been capitalized to Producing Properties when completed {with reference to Accounting Policy 2.1. (d)} and in case of dry wells it is charged to Profit and Loss Account. This has resulted in increase in Producing Properties by ₹ 153.54 crore and cost off dry wells by ₹ 8.95 crore with corresponding increase in well abandonment liability by ₹ 162.49 crore. This has also resulted in decrease in Profit before tax by ₹ 21.47 crore, due to increase in Depletion Cost by ₹ 12.52 crore and write off of abandonment cost relating to dry wells by ₹ 8.95 crore.

(iv) Impairment of Assets

In terms of the Significant Accounting Policy No. 6, the Company assessed the Cash Generating Assets for the Impairment as required under AS-28 issued by ICAI and found that no cash generating Asset needs impairment as on 31.03.2011.

(v) Sundry Debtors:

Sundry Debtors including the overdue amount are reconciled from time to time on an ongoing basis and are considered good and realizable, unless stated otherwise and provision made wherever considered necessary.

(vi) (i) **Loans and Advances include :**

(a) Amount due by Directors and Other Officers of the Company :

(₹ in crore)

	Balance as at		Maximum amount due at any time during the year	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Directors	0.66	0.76	0.66	0.80
Other Officers	0.12	0.09	0.14	0.09
Total	0.78	0.85	0.80	0.89

(b) Advances recoverable in cash or in kind or for value to be received includes materials given on loan to Public Sector Undertakings amounting to ₹ 3.85 crore (Previous year ₹ 3.18 crore)

(c) Arising out of one time settlement with M/s. Indian Drugs and Pharmaceuticals Limited (IDPL), (a Government of India Undertaking) the loan amount of ₹ 15.00 crore was to be settled along with interest @ 5% p.a. as per the revival package of the unit. Since no significant improvement on the revival package is forth coming, the Company is continuing with the provision of ₹ 28.33 crore created in the books of accounts during the financial year 2008-09 as against the principal and interest due from IDPL. No interest has been accounted for w.e.f 01.04.2009.

(d) In terms of the Joint Operating Agreement and the Memorandum and Articles of Association of Brahmaputra Cracker and Polymer Limited (BCPL), the Company has paid an amount of ₹ 32.47 crore to M/s. Brahmaputra Cracker and Polymer Limited (BCPL) towards acquisition of 32465729 Equity Shares of ₹ 10/- each which is shown as “Investments”. Further, an amount of ₹ 22.88 crore paid during the year for acquisition of Equity Share is shown under “Loans & Advances” pending allotment.

(e) The Company has acquired 23% Equity Shares of DNP Limited and paid ₹ 24.38 crore as contribution to Equity Capital in the form of 24380000 Equity Shares of ₹ 10 each which is shown as “Investment”. Further a sum of ₹ 6.65 crore was paid on 01.10.2010 towards Company’s share of additional contribution to Equity Capital and is shown under “Loans and Advances” pending allotment.

(vii) Disclosure pursuant to clause 32 of the Listing Agreement:

(₹ in crore)

Particulars	Outstanding as at 31.03.2011	Maximum Amount Outstanding during the year 2010-11	Outstanding as on 31.03.2010	Maximum Amount Outstanding during the year 2009-10
a) Loans to Subsidiaries* i) Oil India Sweden AB				
b) To Associates	Nil	84.84	Nil	Nil
c) Where there is no repayment schedule	Nil	Nil	Nil	Nil
d) Having repayment schedule of beyond seven years to employees	118.01	119.31	114.45	114.45
e) Where no interest or interest below Section 372A of Companies Act				
f) In the nature of loans to Firms/companies in which directors are interested	131.08	131.08	100.08	100.08

* Excludes Current account transactions

g) Investments by Oil India Sweden AB, loanee:

Name of Subsidiary	As At 31st March 2011		As At 31st March 2010	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
a) Class A Class B Class C	NIL	NIL	NIL	NIL
b) Equity Share Indoil Netherlands	26962	79.15	20	0.02

(viii) Current Liabilities :

(a) Sundry creditors include materials received on loan from other Public Sector Undertakings amounting to ₹ 4.05 crore (Previous year ₹ 5.03 crore)

(b) Balance shown sundry creditors, claims recoverable and advances are reconciled from time to time on an on-going basis. Provisions, wherever considered necessary, have been made.

(ix) Micro, Small and Medium Enterprises Act, 2006 :

The Company has identified Micro, Small and Medium Enterprises (MSMEs) to whom the Company owes dues, which are outstanding as at 31.03.2011.

(₹ in crore)

Particulars	2010-11	2009-10
a) Principal amount remaining unpaid but not due as at year end	1.07	0.71
b) Interest due thereon as at year end		
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
e) Interest accrued and remaining unpaid as at year end		
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise		

5. Deferred Tax

In accordance with the AS–22, the Company has net Deferred Tax liability as at 31.03.2011 of ₹ 1149.05 crore (Previous year ₹ 1020.90 crore).

(₹ in crore)

	Description	Tax effect for the year	As at 31.03.2011	As at 31.03.2010
A.	Deferred Tax (Liability):			
	Fixed Assets	(102.85)	(1274.84)	(1171.99)
B.	Deferred Tax Assets:			
	Disallowance as per Income Tax Act	(25.31)	125.79	151.09
C.	Net Deferred Tax Asset/(Liability) (A+B)	(128.15)	(1149.05)	(1020.90)

6. (a) The Assessing Officer (AO) rejected the claim of the Company u/s 80-IB / 80-IC of the Income Tax Act'1961 (IT Act) for assessment years 2003-04 to 2006-07. The Company preferred an appeal before the first Appellate Authority [CIT(A)] against the AO order. The appeal was decided in the Company's favour resulting into refund of ₹ 672.59 crore (including interest of ₹ 71.81 crore). The Income Tax Department (Department) preferred second appeal which is pending for disposal before the Income Tax Appellant Tribunal (ITAT). The accounting adjustment for the refund of section 80-IB and 80-IC of IT Act will be taken on finalization of such appeal by ITAT.

(b) For the assessment year 2007-08, the AO continued the disallowance of claim of the Company u/s 80-IC of IT Act. The Company preferred appeal before CIT(A) disputing the disallowance. The CIT(A), however, vide his order dated 23.04.2010 has confirmed the disallowance made by AO. The Company preferred an appeal in ITAT against the order of CIT(A) for the claim u/s 80-IC of IT Act.

(c) Further for the assessment year 2008-09, the AO once again disallowed the claim of the Company u/s 80-IC of IT Act. The Company's appeal before CIT(A) disputing such disallowance is pending for disposal.

No Contingent Liabilities exist in respect of above mentioned disallowance of claim u/s 80-IB / 80-IC of IT Act as the Company continued to make provisions for tax without considering the benefit u/s 80-IB / 80-IC of IT Act.

7. Joint Venture Accounting:

Company executed various JVCs/PSCs in India as Jointly Control Assets as on 31.03.2011, the details of which are given below:

Jointly controlled Assets in India

A. As Operator/Joint Operator

Sl. No.	Block No.	Date of Execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	AA-ONN-2002/3 *	06.02.2004	20%	ONGCL	70%	**OIL**
				SUNTERA	10%	
2.	AA-ONN-2003/3	23.09.2005	85%	HPCL	15%	**OIL**
3.	MZ-ONN-2004/1 *	02.03.2007	75%	SUNTERA	10%	**OIL**
				SHIVVANI	15%	
4.	AA-ONN-2004/1	02.03.2007	85%	SHIVVANI	15%	**OIL**
5.	AA-ONN-2004/2 *	02.03.2007	90%	SUNTERA	10%	**OIL**
6.	RJ-ONN-2004/2	02.03.2007	75%	GGR	25%	**OIL**
7.	RJ-ONN-2004/3	02.03.2007	60%	GGR	25%	**OIL**
				HPCL	15%	
8.	KG-ONN-2004/1	02.03.2007	90%	GGR	10%	**OIL**
9.	RJ-ONN-2005/2	22.12.2008	60%	HOEC	20%	**OIL**
				HMEL	20%	
10.	AA-ONN-2009/4	30.06.2010	50%	ONGCL	50%	**OIL**
11.	CY-OSN-2009/2	30.06.2010	50%	ONGCL	50%	**OIL**
12.	AN-DWN-2009/3	30.06.2010	40%	ONGCL (Leader)	60%	Joint Operator

* As per note below (C)

B. As non-operator

Sl. No.	Block No.	Date of Execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Kharsang PSC	16.06.1995	40%	JEPL	25%	**Geo Enpro**
				GPI	25%	
				Geo Enpro	10%	
2.	AAP-ON-94/1	30.06.1998	16.129% IN Expl Phase	IOCL	43.548%	**HOEC**
			Addl 30% carried interest	HOEC	40.323%	
3.	SR-OS-94/1	12.04.2000	30% Carried Interest	RIL	100%	**RIL**
4.	GK-OSJ-3	06.09.2001	15%	ONGCL	25%	**RIL**
				RIL	60%	
5.	KG-DWN-98/4	12.04.2000	15%	ONGCL	85%	**ONGCL**
6.	MN-OSN-2000/2	17.07.2001	20%	ONGCL	40%	**ONGCL**
				GAIL	20%	
				IOCL	20%	
7.	AA-ONN-2001/3	04.02.2003	15%	ONGCL	85%	**ONGCL**
8.	CY-DWN-2001/1	04.02.2003	20%	ONGCL	45%	**ONGCL**
				PIBBV	25%	
				Rock Source ASA	10%	
9.	AA-ONN-2002/4	06.02.2004	10%	ONGCL	90%	**ONGCL**
10.	KG-DWN-2002/1	06.02.2004	20%	ONGCL	70%	**ONGCL**
				BPCL	10%	
11.	MN-DWN-2002/1	06.02.2004	20%	ONGCL	70%	**ONGCL**
				BPCL	10%	
12.	KG-DWN-2004/5	02.03.2007	10%	ONGCL	50%	**ONGCL**
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
				BPCL	10%	
13.	KG-DWN-2004/6	02.03.2007	10%	ONGCL	60%	**ONGCL**
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
14.	AA-ONN-2005/1	22.12.2008	30%	ONGCL	60%	**ONGCL**
				ACL	10%	
15.	AN-DWN-2005/1	22.12.2008	10%	ONGCL	90%	**ONGCL**
16.	WB-ONN-2005/4	22.12.2008	25%	ONGCL	75%	**ONGCL**
17.	AA-ONN-2009/3	30.06.2010	50%	ONGCL	50%	**ONGCL**
18.	AN-DWN-2009/1	30.06.2010	30%	ONGCL	70%	**ONGCL**
19.	AN-DWN-2009/2	30.06.2010	40%	ONGCL	60%	**ONGCL**
20.	AN-DWN-2009/18	30.06.2010	30%	ONGCL	60%	**ONGCL**
				GAIL	10%	
21.	KG-DWN-2009/1	30.06.2010	15%	BGEPIL	30%	**BGEPIL**
				ONGCL	45%	
				APGIC	10%	
22.	KG-OSN-2009/4	30.06.2010	30%	ONGCL	50%	**ONGCL**
				NTPC	10%	
				APGIC	10%	

C. Relinquished/Being Relinquished:

Sl. No.	Block No.	Company's Participating interest	Other partners	Partners' participating interest	Operator	Date of relinquishment
1.	MB-DWN-2000/2	10%	ONGCL	50%	ONGCL	15.08.2006
			IOCL	15%		
			GAIL	15%		
			GSPCL	10%		
2.	CR-ON-90/1	20%	POC	29%	POC	21.10.2007
			IOCL	35%		
			EOL	16%		
3.	MN-ONN-2000/1 *	25%	ONGCL	20%	OIL	16.01.2009
			GAIL	20%		
			IOCL	20%		
			SUNTERA	15%		
4.	RJ-ONN-2000/1 *	60%	SUNTERA	40%	OIL	08.02.2010 (Applied for)
5.	RJ-ONN-2001/1 *	40%	ONGCL SUNTERA	30% 30%	OIL	10.10.2009 (Applied for)
6.	RJ-ONN-2002/1	60%	ONGCL	40%	OIL	21.12.2009 (Applied for)

***Note:**

The amount recoverable from M/s. Suntera Resources Limited against the expenditure incurred in the NELP Blocks viz.RJ-ONN-2000/1, RJ- ONN-2001/1, MN-ONN-2000/1, AA-ONN-2002/3, AA-ONN-2004/2 and MZ-ONN-2004/1 amounting to ₹ 49.81 crore. The company (Suntera Resources Pvt. Ltd) has not paid the amount inspite of reminders, accordingly the Company has applied to Directorate General of Hydrocarbon (DGH) under Ministry of Petroleum and Natural Gas (MOP&NG), New Delhi for acquiring the Participating Interest (PI) of Sunetra in all the above mentioned NELP Blocks. Pending the decision by MOP&NG a provision has been created in the books of Accounts as at 31.03.2011 for the said amount.

The Financial position of the Joint Ventures blocks in India is as under:

(₹ in crore)

	No. of Joint Ventures Blocks	Assets	Liabilities	Income	Expenditure
As operator	12	15.15	363.38	0.00	126.73
As Non-operator	22	180.60	4.59	102.33	161.05
Relinquished till date	6	0.13	73.79	0.00	0.00

D. The Company also executed various contracts for oil and gas exploration in overseas blocks the details of which are given below:

Sl. No.	Block/Area No./Country	Date of execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Farsi (offshore) Block (in the Persian Gulf), Islamic Republic of Iran	25.12.2002	20%	OVL IOCL	40% 40%	**OVL**
2.	Area 86, Libya	20.03.2005	50%	IOCL	50%	**OIL**
3.	Block 102/4, Libya	03.12.2005	50%	IOCL	50%	**OIL**
4.	Shakthi, Gabon	17.04.2006	45%	IOCL MARVIS	45% 10%	**OIL**
5.	Area 95/96, Libya	01.06.2008	25%	SIPEX IOCL	50% 25%	**SIPEX**
6.	Timor Leste-Block 'K', East Timor	02.06.2008	12.5%	IOCL RE&P DMCC	12.50% 75.00%	**RE&P DMCC**
7.	Block 82, Yemen	17.03.2009	12.75%	MEDCO AMED KUWAIT ENERGY IOCL YGCOG	38.25% 21.25% 12.75% 15% Carried Interest	**MEDCO AMED (100% subsidiary of MEDCOENERGI)**
8.	Block 83, Yemen	17.03.2009	12.75%	MEDCO ARAT KUWAIT ENERGY IOCL YGCOG	38.25% 21.25% 12.75% 15% Carried Interest	**MEDCO ARAT (100% Subsidiary of MEDCOENERGI)**

The Financial position of the Joint Ventures overseas blocks are as under:

(₹ in crore)

	No. of Joint Ventures Blocks	Assets	Liabilities	Income	Expenditure
As operator	3	30.64	275.18	0.00	181.27
As Non-operator	5	149.89	139.33	0.00	109.11

Notes: (i) An Exploration Service Contract for Block at Sl. No. D (1) above was signed with National Iranian Oil Company (NIOC), the State owned company, of the Government of Iran, in consortium with ONGC Videsh Limited (OVL) and Indian Oil Corporation Limited (IOCL). The exploration work has resulted in discovery of Gas & Oil. The NIOC and Consortium are to enter into negotiation for reaching an agreement in Master Development Plan for its development operation. Accordingly, a Master Development Plan was submitted by the consortium in April 2009 to NIOC, which is yet to be approved and there is considerable uncertainty at this stage with respect to the development plans for the field. Hence, in view of the present Geopolitical situation in Iran and also as per the Guidance Note on Accounting for Oil and Gas Producing Activities (para 39), the Company, thought it is prudent to make a provision of ₹ 71.13 crore being Company's share of exploratory drilling cost.

(ii) The Company signed two Exploration and Service Contract (EPSA) for the blocks at Sl. No D2 & D3 above with National Oil Corporation of Libya in consortium with Indian Oil Corporation Ltd. where the company is the operator. After completion of three wells where no convening discovery is made and also for political disturbance during the last part of the financial year the Company has made full provision of Assets of the project amounting to ₹ 4.79 crore.

(iii) The Company acquired a participating Interest of 45% in onshore Block Shakthi in Gabon, West Africa at Sl. No. D (4) above through a farm-out agreement signed on 17.04.2006 with Marvis Pte. Ltd., a company incorporated in Singapore, which was holding 100% Participating Interest (PI) in the Block. The acquisition has been approved by the Govt. of Gabon. The Company is the Operator of the Block. The Phase-I exploration period was valid upto 22.11.2009. The Company along with its consortium partner has taken approval from DGH, Gabon with a proposal of Merger of Phase-I & II to complete the work programme commitment. The exploration work (3D seismic acquisition) after merger of both the phases is in progress.

(iv) The Company signed an "Exploration and Production Sharing Agreement (EPSA)" for the block at Sl. No. D (5) above with National Oil Corporation of Libya in consortium with Indian Oil Corporation Limited and Sonatrach International Petroleum Exploration and Production Corporation BVI (SIPEX) SIPEX is the operator of the block. Due to the political situation of Libya during the year, the activities of the block have been temporarily suspended, no provision has been made in the accounts as any decision has not been received from the operator.

(v) The Company has entered into a Farm-in Agreement with RE&P DMCC on 02.06.2008 for acquiring 12.50% Participating Interest in Block K. Timor Leste at Sl. No. D (6) above. The assignment of the Participating Interest to the Company by RE&P DMCC has been approved by the Government Timor Leste on 15.10.2008. But as no indication of Hydrocarbon was found in that area, it was surrendered, and the cost of well amounting to ₹ 63.80 crore drilled in that area is written off.

(vi) The Company has acquired 12.75% Participating Interest (PI) in the Onshore blocks 82 and 83, Republic of Yemen at Sl. No. D (7) & D (8) above. Both the areas are being operated by MEDCOENERGI through its 100% subsidiaries. The Production Sharing Agreements (PSA) for both the exploration blocks were signed on 13th April, 2008 and Government of Yemen accorded its approval on 17th March, 2009. The Operator has initiated actions to start the Seismic commitment of the MWP.

Abbreviations used in (A), (B), (C) and (D) above:

ONGCL	Oil & Natural Gas Corporation Limited
IOCL	Indian Oil Corporation Limited
GAIL	GAIL (India) Limited
BPCL	Bharat Petroleum Corporation Ltd.
HPCL	Hindustan Petroleum Corporation Ltd.
GSPCL	Gujarat State Petroleum Corporation Ltd.
HOEC	Hindustan Oil Exploration Ltd.
GGR	Geo Global Resources (Barbados) Inc.
SUNTERA	Suntera Resources Ltd.
SHIVVANI	Shivani Oil & Gas Exploration Services Ltd.
OIL	Oil India Limited
Geo Enpro	Geo Enpro Petroleum Limited
POC	Premier Oil Cachar BV
GPI	Geo-Petrol International Inc.
JEPL	Jubilant Enpro Pvt. Ltd.

EOL	Essar Oil Limited
RIL	Reliance Industries Ltd.
Marvis	Marvis Pte Ltd.
OVL	ONGC Videsh Ltd.
PIBBV	Petrobras International Braspetro
SIPEX	Sonatrach International Petroleum Exploration and Production Corporation BVI
RE&P DMCC	Reliance Exploration & Production DMCC
HMEL	HPCL Mittal Energy Ltd.
ACL	Assam Co. Ltd.
MEDCOENERGI	Pt. Medco Energi Internasional Tbk
MEDCO AMED	Medco Yemen Amed Limited
MEDCO ARAT	Medco Yemen Arat Limited
YGCOG	Yemen General Corporation for Oil & Gas
NTPC	National Thermal Power Corporation
BGEPIL	British Gas Exploration & Production India Limited
APGIC	Andhra Pradesh Gas Infrastructure Corporation Private Limited

1. The Company also executed participating agreement with ONGC Videsh Limited (OVL) for construction of a Pipeline under Build, Own, Lease and Transfer (BOLT), the details of which are as under :-

Sl. No.	Block/Area No.	Date of execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Sudan Product Pipeline	10.12.2004	10%	OVL	90%	OVL

The Company has signed a "Participating Agreement" (PA) for the product pipeline at Sudan with ONGC Videsh Limited (OVL) for a 10% Participating Interest (balance 90% being with OVL in the pipeline project awarded by Ministry of Energy & Mining (MEM), Govt. of Sudan (GOS) through a separate agreement entered into by OVL in this regard. The construction of the pipeline project was completed on 01.09.2005 and handed over to MEM under Build, Own, Lease and Transfer (BOLT) basis.

The "PA" entered into between OVL and OIL is neither intended nor shall be construed as creating a partnership or joint venture among the parties. Hence, accounting has not been done following "Joint Venture Accounting Policy" but the agreement for providing finance for the project in rupees to OVL and to share lease rentals receivable from MEM has been treated as "Finance Lease Activity" as envisaged under Accounting Standard (AS) 19 issued by The Institute of Chartered Accountants of India and accordingly accounted for.

The Company has been informed by OVL that the EPC contractor for constructing the pipeline has raised further invoices for an amount of approximately ₹ 115.46 crore (US$ 25.53 million) and OVL has in turn raised a claim on MEM of GOS as per the agreement between GOS and OVL. OIL's share related to both the claims i.e. by the pipeline contractor on OVL (though accepted by OVL) and OVL's claim on GOS shall be accounted for upon acceptance by GOS and on suitable amendment of repayment schedule by MEM. OVL has received an additional claim of ₹ 52.55 crore (US$ 11.62 million) which has not been acknowledged as debt in the books of the operator (OVL). Pending this, the Company's share of the amount claimed by the pipeline contractor has not been accounted for but disclosed under "Contingent Liabilities".

In terms of such "PA", the Company on 10.02.2011 has received the balance due of 9th Installment along with 10th & 11th Installments due on 30.06.2010 & 31.12.2010 respectively. Moreover the Company has also received, in terms of the agreement, the interest on the delayed rental payments by the MEM and the same is shown under miscellaneous income. The regular installments are accounted for as income from Finance Lease.

Other disclosures related to Finance Lease in line with AS 19 issued by the ICAI :

(₹ in crore)

		2010-11		2009-10	
(i)	Gross investment in the lease being Minimum Lease Payment (MLP)				
	Investment made	54.01		54.01	
	Lease rental receivable	43.74	97.75	43.83	97.84
(ii)	Present value (PV) of MLP receivable as on 31.12.2010 (inclusive of exchange rate fluctuation)		24.44		31.23
(iii)	Finance lease future installments receivable		35.82		47.30
(iv)	Minimum lease payments receivable (converted at year end exchange rate) :				

	Gross Receivable		Unearned Lease Income		PV of MLP	
Receivable :	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
a) not later than one year	11.06	11.13	4.05	4.57	7.01	6.56
b) later than one year but not later than 5 years	24.76	36.17	7.33	11.49	17.43	24.67
c) later than 5 years	0.00	0.00	0.00	0.00	0.00	0.00
Total :	35.82	47.30	11.38	16.06	24.44	31.23

2. The Company has acquired 25% equity shares of Suntera Nigeria 205 Ltd. (a company incorporated under the Laws of Nigeria) from Suntera Resources Ltd. a company incorporated under the Laws of Cyprus. The other shareholders of Suntera Nigeria 205 Ltd. are Suntera Resources Ltd. and IOCL with 50% and 25% equity holding respectively. Suntera Nigeria 205 Ltd. holds participating interest of 40% and a further Economic Interest of 30% in onland Block OPL-205 in Nigeria in which the exploration work started. Further the said block (OPL-205) had a hydrocarbon (gas) discovery in structure “Otien”. To appraise the discovery of the said prospect it was earlier decided to drill two more appraisal wells. Drilling of the first well started on 24.11.2007 and was abandoned in January, 2008. The future drilling program is planned after acquisition of new seismic data. Meanwhile OPL-205 was valid only till 19.01.2009. To retain the acreage and execute the drilling of the third well, the operator (SOIL) had obtained the Oil Mining Lease (OML) of the said block on 25.06.2009. The Title deed for OML has been received recently by the operator. The plan for future activities in the block is under continuous discussion between the shareholders of Suntera Nigeria 205 Ltd.

Sl. No.	Block/Area No.	Date of execution	Company’s Participating interest	Other partner	Partners’ participating interest	Operator
1.	Oil Petroleum License 205	31.08.2006	17.5% *	Summit Oil International Ltd. (SOIL)	30%	SOIL
				Suntera Resources Ltd, (SRL)	35%	
				IOCL	17.5%	

* Indirectly through equity holding in Suntera Nigeria 205 Limited.

The Company has acquired 25% equity in Suntera Nigeria 205 Ltd., a company incorporated under the Laws of Nigeria, from Suntera Resources Ltd., Cyprus through “Share Purchase Agreement” (SPA) signed with them on 31st August, 2006 (effective dated 27th September, 2006) for ₹ 0.01 crore (Nigerian Naira 62502 USD 488.87 approximately) at par and also signed a Shareholders Agreement (SHA) with Suntera Resources Ltd. and IOCL, the other shareholders of the company Suntera Nigeria 205 Ltd. had entered into an Acquisition Agreement (AA) and Economic Interest Assignment Agreement (EIAA) with Summit Oil International Limited (original 100% Participating Interest holder in OPL-205 and the operators of the Block) on 10.05.2006 for acquiring 40% Participating Interest and 30% Economic Interest in onland Block OPL-205 in Nigeria. Suntera Nigeria 205 Ltd. also entered into a Joint Operating Agreement (JOA) and Technical Service Agreement (TSA) with Summit Oil International Limited on 10.05.2006 for providing the technical support for the operations in OPL-205. Accordingly, the Company indirectly, through 25% equity holding in Suntera Nigeria 205 Ltd. owns a combined Participating and Economic interest of 17.5% in OPL-205. The Company is required to contribute its 25% share of all the expenses in the Block by way of loan to Suntera Nigeria 205 Ltd. as agreed by all the shareholders in the SHA, and accordingly a loan agreement has been signed on 30.08.2007. In terms of the loan agreement, the Company has disbursed loan amounting to ₹ 35.63 crore (US$ 78,01,050.31) as of 31.03.2011 carrying a simple interest of 8.75% per annum is payable. Accordingly, ₹ 7.89 crore (Previous year ended 31.03.2010 ₹ 7.89 crore) has been charged to Suntera Nigeria 205 Ltd. as interest up to 31.03.2011. As per the loan agreement with Suntera OPL-205 Limited, the principal amount along with simple interest @ 8.75% p.a. is repayable by 31.03.2011. However due to uncertainty of the project, the Company is doubtful about the recoverability of the principal amount and interest receivable upto 31.12.2009. Accordingly no amount is being recognized as interest w.e.f quarter ended 31.03.2010 onwards. Further provisions have also been made towards entire principal and interest outstanding amounting to ` 43.51 crore as on 31.03.2011. Accordingly exchange fluctuation on account of principal and interest as at 31.03.2011 has not been accounted for.

3. The consortium of Gujarat State Petroleum Corporation Limited (GSPCL), Oil India Limited (OIL) and Hindustan Petroleum Corporation Limited (HPCL) has been awarded Block 3 and Block 4 (offshore Egypt) offered under International Bid Round 2008 announced by M/s. Ganoub El Wadi Holding Petroleum Company (GANOPE), Egypt. GSPCL is the operator for the blocks with 50% participating interest (PI). OIL and HPCL both have 25% PI each in these blocks as non-operators. The Company has remitted its share of the signature bonus of USD 0.75 million for each block and shown as acquisition costs. The Company has also executed bank guarantee of USD 8.75 million and USD 7.25 million for its share of 5% of the total financial commitment for the blocks as per requirement of signing of Concession Agreements. GANOPE has informed the consortium that some concern has been raised by neighboring country related with the maritime boundaries of both the awarded blocks. The consortium members are in negotiation with GANOPE for resolving the issue and execution of the concession agreement.

4. The consortium of Oil India Limited (OIL), ONGC Videsh Limited (OVL), Indian Oil Corporation Limited (IOCL), Repsol YPF (Spain) and Petroliam National Berhad (PETRONAS) (Malaysia), has been awarded on 10.02.2010 Project I consisting of Carabobo I North and Carabobo I Central blocks in Venezuela’s Orinoco belt under competitive bidding, for development of the Field. The project will be operated by a Mixed Company (MC), the contract for which has been signed on 12th May 2010 in Venezuela between the state company and the successful bidders. Corporation Venezolana del Petroleo, S.A. (CVP) i.e. a

wholly owned subsidiary of Petroleos De Venezuela S.A. (PdVSA), the national oil company of Venezuela holds 60% share of MC and remaining 40% is held jointly by INDOIL Netherlands BV (a consortium of OIL and IOCL), ONGC Videsh Limited, REPSOL (Spain) and Petronas (Malaysia) with Participating Interests of 7% (3.5% each for OIL & IOCL), 11%, 11% and 11% respectively.

OIL will be investing in the project in Venezuela through INDOIL, Netherlands B.V., a company acquired in The Netherlands (OIL's WOS in Sweden and IOC's WOS in Sweden holds 50% each in this company) which will be funded through WOS in Sweden and Cyprus. OIL will be infusing its financial commitments for 3.50% in Carabobo Project I in Venezuela through the Swedish Company OIL INDIA SWEDEN AB. OIL, as a Guarantor, has also given a Parent Company Guarantee towards its share of Minimum Work Commitment in the Carabobo Project to CORPORATION VENEZOLANA DEL PETROLEO, S.A., Caracas, Venezuela jointly and severally with Indian Oil Corporation Ltd. through INDOIL, Netherlands B.V., The Netherlands. During the year the Company paid ₹ 84.84 crore to OIL INDIA Sweden AB towards acquisition of 1374650 number of equity share for which allotment was made.

5. i) As per the terms of the Kharsang PSC, the applicable price for crude oil produced and saved from the field is to be ascertained online from Reuters' daily publication for the previous month. Accordingly the invoices are being raised by the operator of the field at the rates, as applicable.

ii) As per the terms of the respective PSCs, provision for Abandonment Costs is to be made and accordingly a sum of ₹ 0.11 crore (Previous year ₹ 0.32 crore) has been provided through creation of a Sinking Fund as per Joint Operating Agreement. Such sinking Fund on cumulative basis has been disclosed separately in the Balance Sheet.

6. (A) The assests, liabilities, income and expenditure of the joint venture as shown above are ₹ 376.41 crore, ₹ 856.27 crore, ₹ 102.33 crore and ₹ 578.36 crore respectively (previous year ₹ 356.44 crore, ₹ 56.33 crore, ₹ 98.05 crore and ₹ 398.17 crore respectively), being the proportionate values relating to Company's Participating interest which have been incorporated in the books of account on the basis of Audited 5 nos. (Previous year 18 nos.) and Unaudited 37 nos. (Previous year 21 nos.) Statement of Accounts recieve from the respective operations. No material changes are expected by the Company in the Unaudited Statements of Accounts.

(B) The Company's Share of Contingent liability and Capital Commitment, if any, under the PSC are shown in Note No.9 (A) & (C) below.

7. In terms of the Memorandum of Understanding dated 27.12.2005 the Company has entered into a consortium agreement dated 13.10.2006 with M/s. IOT Infrastructure & Energy Services Limited (formerly IOTL), for jointly bidding and securing a contract for laying a part of the Numaligarh – Siliguri Product Pipeline for the Company on 50:50 sharing basis and the consortium was awarded with a contract for laying 115 km pipeline at a total contract value of ₹ 50.01 crore by the Company. On finalisation of accounts of the consortium after completion of the project, share of profit of the company was ₹1.31 crore, which has been adjusted from the cost of such pipeline as per Accounting Standard.

8. Information as per Accounting Standard (AS) 18 "Related Party Disclosures" issued by ICAI.

a) Related party relationships

Name of related parties and description of relationship (excluding the State controlled entities):

→ Joint Ventures (Unincorporated):

1	AA-ONN-2002/3
2	MZ-ONN-2004/1
3	AA-ONN-2004/1
4	AA-ONN-2004/2
5	RJ-ONN-2004/2
6	RJ-ONN-2004/3
8	KG-ONN-2004/1
9	RJ-ONN-2005/2
10	Kharsang PSC
11	AAP-ON-94/1
12	SR-OS-94/1
13	GK-OSJ-3
14	CY-DWN-2001/1
15	KG-DWN-2009/1
16	RJ-ONN-2000/1
17	CR-ON-90/1
18	KG-OSN-2009/4
19	Shakthi, Gabon
20	Area 95/96, Libya
21	Timor Leste-Block 'K', East Timor
22	Block 82, Yemen
23	Block 83, Yemen

→ Associates :

a) IOTL – OIL Consortium

→ Key Management Personnel

Whole time Functional Directors:

a)	Mr. N.M. Borah	Chairman and Managing Director
b)	Mr. T.K. Ananth Kumar	Director (Finance)
c)	Mr. B.N. Talukdar	Director (Exploration & Development)
d)	Mr. N.K. Bharali	Director (HR & BD) from 14.09.2010
e)	Mr. S. Rath	Director (Operation) from 31.03.2011

Part-time Directors:

a)	Mr. Ghanshyambhai Hiralal Amin	Independent Director
b)	Mr. Pawan Kumar Sharma	Independent Director
c)	Mr. Alexander Koipuram Luke	Independent Director
d)	Mr. Arun Kumar Gupta	Independent Director
e)	Mr. Vinod Kumar Misra	Independent Director
f)	Mr. Sushil Khanna	Independent Director

Other Officers

a) Mr. S.R. Krishnan — Company Secretary

b) Details of Transactions during the year (excluding State controlled entities):

(₹ in crore)

Sl. No.	Particulars	Joint Ventures/ Associates	Key Management Personnel	Total
1.	Sales Proceeds received from Joint Venture	101.86 (93.28)		101.86 (93.28)
	Expenses reimbursed to Joint Ventures and Associates	425.58 (250.93)		425.58 (250.93)
2.	Remuneration to Functional Directors		1.77 (1.31)	1.77 (1.31)
3.	Sitting Fees to Part-time Directors		0.20 (0.19)	0.20 (0.19)
4.	Amount outstanding		0.78 (0.85)	0.78 (0.85)
5.	Services provided to Joint Venture and Associates	37.80 (40.05)		37.80 (40.05)

Figures in the bracket indicate previous period figures.

9. (A) Contingent Liabilities :

Claims against the Company not acknowledged as debts amounting to ₹ 1112.03 crore (Previous year ₹ 640.95 crore) include:

(a) In respect of claims under Income Tax, Sales Tax, Service Tax and Other Acts :

(i) ₹ 17.94 crore (Previous year ₹ 16.11 crore):- Demand raised by the District Revenue Authorities on account of premium / revenue on Government ceiling surplus land occupied by the Company.

(ii) ₹ 13.12 crore (Previous year ₹ 13.12 crore) – Demand raised by District Revenue Authorities on Account of revised rate of Land revenue against which has been disputed by the Company and obtained Stay from the Guwahati High Court.

(iii) ₹ 3.66 crore (Previous year ₹ 3.38 crore) being the demand raised by Govt. of Rajasthan for alleged short payment of PEL fee and penalty thereon, which has been disputed by the Company.

(iv) ₹ 526.78 crore (Previous year ₹ 436.13 crore) being the tax imposed under "Assam Taxation (on specified land) Act 2004", the validity of the imposition of which has been challenged by the Company before the Guwahati High Court.

(v) ₹ 0.17 crore (Previous year ₹ 0.17 crore) – Demand raised by Govt. of Orissa under Orissa Entry Tax Act for material purchased for drilling operation for Block MN-ONN-2000/1.

(vi) ₹ 5.58 crore (Previous year ₹ 5.58 crore) – Demand raised by the Sale Tax authority on Account Assam VAT and CST Act pending the adjustment of the refundable to the Company by the Sales Tax Authority under Assam General Sales Tax Act to the tune of Rs 3.66 crore for which Assessment order has been received.

(vii) ₹ 0.79 crore (Previous year ₹ Nil crore) – Being the demand raised by Commissioner of Central Excise, Jodhpur for Service Tax on PDVSA Contract appeal against the same is being pending for disposal before CESTAT, New Delhi.

(viii) ₹ 14.27 crore (previous year- ₹ Nil crore) - Demand raised by Commissioner Central Excise, Dibrugarh as an Excise Duty on Condensate, under Section 11A along with interest to be accrued thereon for delayed payment of duties of excise under Section 11AB of the Central Excise Act, 1944 and penalty of ₹ 10000/- under Rule 27 of the Central Excise Rules 2002 for contravention of the various provisions of the Rule 4,6 and 11 of the Central Excise Rules 2002. An appeal in CESTAT, Kolkata is being filed against the order.

(b) In respect of claims other than under Income Tax, Sales Tax, Service Tax and Other Act :

(i) ₹ 503.33 crore (Previous year ₹ 139.93 crore):- Claims by contractors pending decision in Arbitration / Courts.

(c) In respect of share of claim on JVC/PSC account :

(i) ₹ 0.75 crore (Previous year ₹ 0.75 crore) being the value of 19.28 GLK2D Seismic Survey carried out in one of the block in Karbi Anglong, Assam.

(ii) ₹ 14.09 crore (Previous year ₹ 14.12 crore) being proportionate (45%) value of claim on OIL for 3.389 billion FCFA raised by Mr. Paul Tomo, Power of Attorney Holder of M/s. Import Commerce General (IGC) in Block "Shakthi", Gabon (JV).

(iii) ₹ 11.55 crore (Previous year ₹ 11.66 crore) being the Company's share of claim made by the Sudan Pipeline contractor on OVL, pending acceptance by the MEM Govt. of Sudan.

(B) **Letter of Credit and Bank guarantees.**

(i) Letters of Credit outstanding as on 31.03.2011 amounting to ₹ 78.84 crore (Previous year ₹ 24.38 crore) for which there is a floating charge on Current Assets of the Company.

(ii) ₹ 353.58 crore (Previous year ₹ 216.78 crore):- Bank Guarantee in US Dollars of 75.92 million (Previous year USD 44.66 million) issued by SBI CAG Branch, Kolkata in favour of Ministry of Petroleum & Natural Gas, Govt. of India towards Company's obligation under various rounds of Production Sharing Contracts of NELP.

(iii) ₹ 79.14 crore (Previous year ₹ 79.14 crore):- Guarantee / Standby Letter of Credits in US dollars of 16.00 million (Previous year USD 16.00 million) issued in favour of Ganoub Ei Wadi Holding Petroleum Company, Cairo, Egypt for Block No. 3 & 4, Egypt, towards company's share of the total financial commitment for the blocks as per requirement of signing the concession agreement.

(iv) ₹ Nil crore (Previous year ₹ 24.77 crore) :- Bank Guarantee issued by HDFC Bank Ltd., New Delhi in favour of National Stock Exchange of India Limited for security deposit for listing of shares.

(v) ₹ 15.59 crore (Previous year ₹ 15.59 crore) :- Bank Guarantee for USD 3.2 million (Previous year USD 3.2 million) issued in favour of Autoridade National Dp. Petrolo – Anp Ala Leste Do Palacio Do Governo, towards OIL's share of 12.5% Participating Interest of the Minimum Work Programme in Deep Water Block "K" in Democratic Republic of Timor Leste.

(vi) ₹ 8.89 crore (Previous year ₹ 22.45 crore):- Bank Guarantee issued for USD 2.00 million (Previous year USD 5 million) by HDFC Bank Limited, New Delhi for five PEL areas allotted to the company.

(vii) ₹ 0.01 crore (Previous year - ₹ 0.01 crore) – Bank Guarantee issued on behalf of Pipeline Telecommunication system.

(C) (i) The estimated amount on account of contracts remaining to be executed on Capital Account and not provided for in the accounts :- ₹ 172.74 crore (Previous year ₹ 170.37 crore).

(ii) Company's share of amount of contracts remaining to be executed on Capital Accounts and not provided for in the account as on 31.03.2011 in respect of the Joint Ventures is ₹ Nil (Previous period ₹ Nil).

(10) Previous period's figures have been reclassified / regrouped wherever necessary to conform to current period's classifications.

Sd/-	Sd/-	Sd/-
(S.R. KRISHNAN)	**(T.K. ANANTH KUMAR)**	**(N.M. BORAH)**
Company Secretary	Director (Finance)	Chairman & Managing Director

Place : New Delhi
Date : 30th May, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in crore)

		Year ended 31st March, 2011	Year ended 31st March, 2010
Profit Before Tax		**4309.20**	3895.00
Operating Activity			
Depreciation		**177.54**	222.35
Depletion		**301.45**	262.81
Amortization of Public Issue Expenses		**18.38**	13.79
Dividend Income		**(39.32)**	(67.09)
Interest Income		**(763.15)**	(613.92)
Interest Expenses		**13.92**	3.65
Foreign Exchange Loss/(Gain)- Net		**4.88**	(4.77)
Well abandonment provisions		**9.06**	0.43
	Total	**(277.24)**	(182.75)
Cash flow from Operating Activity but before Working Capital Changes		**4031.96**	3712.25
Changes in Working Capital			
Inventories		**(46.98)**	47.62
Sundry Debtors		**410.20**	(254.93)
Loans & Advances		**(0.46)**	(499.00)
Provisions		**(254.51)**	(134.94)
Current Liabilities		**295.50**	340.90
	Total	**403.74**	**(500.35)**
Cash flow from Operating Activity but before Direct Tax		**4435.71**	3211.90
Direct Tax Payment (Net of Refund)		**(1381.86)**	(1248.37)
Net Cash from / (used in) Operating Activity	**(A)**	**3053.85**	1963.53
Investing Activity			
Capital Expenditure		**(951.79)**	(901.44)
Purchase of Investment		**(25.26)**	(370.78)
ICDs (Net)		**500.19**	(780.67)
Sale of Investment		**0.00**	0.00
Interest Income		**594.96**	659.74
Dividend Income		**39.32**	67.09
Net Cash from / (used in) Investing Activity	**(B)**	**157.43**	(1326.06)
Financing Activity			
Issue of Equity Shares		**(0.00)**	2777.25
Public Issue Expenses		**0.00**	(32.17)
Repayment of Loan		**(16.25)**	(53.75)
Loans Raised /drawn		**1005.54**	37.50
Payment of Dividend		**(817.55)**	(764.52)
Corporate Dividend Tax		**(135.79)**	(129.93)
Interest Expenses		**(13.92)**	(3.65)
Foreign Exchange Loss/(Gain)- Net		**(4.88)**	4.77
Net Cash from / (used in) Financing Activity	**(C)**	**17.15**	1835.50
Net Increase in Cash and Cash Equivalents (A+B+C)		**3228.43**	2472.97
Cash and Cash equivalents at the beginning of the year		**8542.97**	6070.01
Cash and Cash equivalents at the end of the year		**11771.40**	8542.97

Notes:

a. Cash and cash equivalents (Schedule-11) represents:

i) Cash & Cheques in hand	**1.39**	1.95
ii) Current accounts & Term Deposits in Scheduled Banks	**11770.01**	8541.02
	11771.40	8542.97

b. The above cash flow statement has been prepared under the“Indirect Method” as set out in the Accounting Standard-3

c. Figures in parentheses represent cash outflows.

d. Previous year’s figures have been rearranged, regrouped, recast wherever necessary to confirm current years classification.

In terms of our report of even date attached

For **CHATTERJEE & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 302114E

For **SRB & Associates**
CHARTERED ACCOUNTANTS
Firm Reg. No.310009E

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(S.K. CHATTERJEE)	(R.S. SAHOO)	(S.R. KRISHNAN)	(T.K. ANANTH KUMAR)	(N.M. BORAH)
Membership No.3124	Membership No. 53960	COMPANY SECRETARY	DIRECTOR (FINANCE)	CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 20111

FINANCIAL STATEMENTS - OIL'S SUBSIDIARY
OIL INDIA SWEDEN AB ORG. NR. 556794-0530
FINANCIAL REPORT 2010 04 01 – 2011 03 31

DIRECTORS' REPORT

Board of Director's
Bhalla, Narendra, Chairman of the board
Chindt, Hans Richard
Göransson, Per Ove Roland
Borah, Rupshikha Saikia

Registered address

Kungsgatan 55, 5th floor, right S-111 22 Stockholm Sweden

Auditor

Andersson Berglund, Börje Stefan, Ernst & Young

Group structure

Oil India Sweden AB is a wholly-owned subsidiary to Oil India Limited, India. Oil India Sweden AB owns 50% of the shares in Indoil Netherlands B.V.

Principal activities

The Company was incorporated on the 20th of November 2009 as a private limited company (AB). The activities of the Company are to conduct owning of shares in other companies, perform administrative tasks and associated activities; to incorporate, to participate in and to finance companies or businesses; to collaborate with, to manage the affairs of and to provide advice and other services to companies and other businesses; to lend and borrow funds; to provide collateral for the debts and other obligations of the company, of other companies and businesses that are affiliated with the company in a group and of third parties; to acquire, to operate and to dispose of property, including registered property; to acquire, to operate and to dispose of industrial and intellectual property rights; as well as to carry out all that which is incidental or conducive to the above, in the broadest sense.

The principal activities of the 50% owned joint venture Indoil Netherlands B.V. are holding in exploration, production, marketing, trade, transport and extraction of oil, gas, hydrocarbons and minerals.

Business review

In March 2010 The Company has acquired 50% of all shares in Indoil Netherlands B.V

Indoil Netherlands B.V holds 7% of the shares of Petrocarabobo S.A, Venezuela and 17,5% of the shares in Carabobo Ingenieria y Construcciones S.A, Venezuela.

The loss for the period for the parent company amounted to Euro 2861534, mainly related to exchange rate losses.

Financing

The Company is funding its entire investments from investment by the parent company.

Personnel

The Company did not have any employees during the period

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(All amounts in Euro)

	Notes	2010 04 01 2011 03 31
	1	
Revenue		
Net sales		0
Revenue		**0**
Operating expenses		
External expenses		-75380
Personnel expenses		-
Operating loss		**-75380**
Result from financial investments		
Result from participation in associated companies	2	-4269
Interest income and similar items		12
Interest expense and similar items		-301
Exchange rate losses		-2843171
Net loss for the period		**-2923109**

CONSOLIDATED BALANCE SHEET

(All amounts in Euro)

	Notes	2011 03 31
ASSETS	1	
Non-current assets		
Other securities held as fixed assets	3	12345737
Total non-current assets		**12345737**
Current assets		
Receivables from related parties		2261
Prepaid expenses		3090
Cash and bank balances		330297
Total current assets		**335648**
Total Assets		**12681385**
EQUITY AND LIABILITIES	1	
Equity	4	
Restricted equity		
Share capital		14280546
Share premium reserve		57
Currency translation reserve restricted equity		1372293
		15652896

Non- restricted equity		
Currency translation reserve non-restricted equity		-106557
Net loss previous year		-14420
Net loss for the year		-2923109
		-3044086
Total equity		**12608810**
Current Liabilities		
Liabilities to related parties		12648
Accounts payable		23472
Accrued expenses		36455
Total current liabilities		**72575**
Total equity and liabilities		**12681385**
Memorandum items		
Pledged assets		None
Contingent liabilities		None

PARENT COMPANY PROFIT AND LOSS ACCOUNT

(All amounts in Euro)

	Notes	2010 04 01 2011 03 31	2009 11 20 2010 03 31
	1		
Revenue			
Net sales		0	0
Revenue		**0**	**0**
Operating expenses			
External expenses		-24155	- 9750
Personnel expenses		-	-
Operating loss		**-24155**	**-9750**
Result from financial investments			
Result from participation in associated companies	2	5159	-5159
Exchange rate profit/ losses		-2842538	489
Net loss for the period		**-2861534**	**-14420**

PARENT COMPANY BALANCE SHEET

(All amounts in Euro)

	Notes	2011 03 31	2010 03 31
ASSETS	1		
Non-current assets			
Investments in joint ventures	5	12242717	3696
Total non-current assets		**12242717**	**3696**
Current assets			
Receivables from related parties		2261	-
Cash and bank balances		**192171**	**10235**
Total current assets		**194432**	**10235**
Total Assets		**12437149**	**13931**

PARENT COMPANY BALANCE SHEET

(All amounts in Euro)

	Notes	2011 03 31	2010 03 31
EQUITY AND LIABILITIES	1		
Equity	6		
Restricted equity			
Share capital		14280546	9746
Translation difference restricted equity		1099293	-
		15379839	9746
Non- restricted equity			
Translation difference non-restricted equity		-110673	-
Net loss previous year		-14420	-
Net loss for the year		-2861534	-14420
		-2986627	-14420
Total equity		**12393212**	**-4674**
Non-Current Liabilities			
Liabilities to parent company		-	12605
Total non-current liabilities		**0**	**12605**
Current Liabilities			
Liabilities to related parties		12633	-
Accounts payable		23473	-
Accrued expenses		7831	6000
Total current liabilities		**43937**	**6000**
Total equity and liabilities		**12437149**	**13931**
Memorandum items			
Pledged assets		None	None
Contingent liabilities		None	None

ACCOUNTING PRINCIPLES

A. GENERAL INFORMATION

1. Accounting principles

These financial statements are presented in Euro but are prepared in SEK, being the registered accounting currency, translated into Euro just for internal purposes. They are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

Consolidation Accounts

Consists of the Company's accounts and the accounts of the 50% owned joint venture Indoil Netherlands B.V

Foreign currencies

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss accounts except for the exchange differences arising from translation of equity, which are booked in the currency translation reserve.

Investments in Joint Ventures

Joint ventures are all entities in which two or more ventures have an interest, under a contractual arrangement that establishes joint control over the entity.

The consolidated accounts have been prepared according to IAS 31 .30 (proportionate consolidation).

The consolidated Balance sheet includes the company's share of the assets that it controls jointly and its shares of the liabilities for which it is jointly responsible. The profit and loss accounts includes the Company's share of the income and expenses of the jointly controlled entity.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks.

Share capital

Ordinary shares are classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Notes

	2010 04 01 2011 03 31	2009 11 20 2010 03 31
2. Results from participation in associated companies		
Results from Indoil Netherlands B.V	5159	-5159
Adjustment from previous year (consolidated accounts)	-9428	-
	-4269	**-5159**

The investment in Indoil Netherlands B.V was previous year classified as an associated company and accounted in accordance with IAS 28. The classification has during the actual financial year been adjusted to an investment in joint venture, hence the investment has to be accounted in accordance with IAS 31.

As an effect of the adjustment of the accounting policy, previous years results from participation in Indoil Netherlands B.V has been reversed over the Profit and Loss account.

	2011 03 31
3. Other securities held as fixed assets	
Petrocarabobo S.A, Venezuela	12345722
Carabobo Ingenieria y Contrucciones S.A, Venezuela	15
	12345737

Indoil Netherlands B.V holds 7% of the shares of Petrocarabobo S.A and 17,5% of the shares of Carabobo Ingenieria y Construcciones S.A, both companies incorporated 2010.

4. Equity (consolidated accounts)

Last years changes in equity	Share capital	Restricted equity	Non restricted equity	Total
Opening balance	9746	-	-	9746
New share issue	14270800	-	-	14270800
Share premium reserve	-	-	57	57
Net loss for the previous year	-	-	-14420	-14420
Translation difference	-	1372293	-106557	1265736
Net loss for the year	-	-	-2923109	-2923109
Closing balance	**14280546**	**1372293**	**-3044029**	**12608810**

5. Investment in Joint ventures

Indoil Netherlands B.V
Corporate identity number : 34313115
Corporate seat : Amsterdam

	Number of shares	Par value each	Par value total
Total issued shares	53 924	454	24481496
Whereof are hold by Oil India Sweden AB	26 962	454	12240748

	2011 03 31	2010 03 31
Total equity	24916628	-1146
Whereof are hold by Oil India Sweden AB	12458314	-573
Opening balance	**3696**	**-**
Investments	12233862	8855
Result from associated company	-	-5159
Revere of result from associated company	5159	-
Booked value	**12242717**	**3696**

6. Equity (Parent Company)

<u>Issued and registered share capital</u>	SEK	Euro
1374650 ordinary shares of 100 SEK each	137465000	14280546

Each ordinary share gives the right to one vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up.

Last years changes in equity

	Share capital	Restricted equity	Non restricted equity	Total
Opening balance	9746	-	-	9746
New share issue	14270800	-	-	14270800
Net loss for the previous year	-	-	-14420	-14420
Translation difference	-	1099293	-110673	988620
Net loss for the year	-	-	-2861534	-2861534
Closing balance	**14280546**	**1099293**	**-2986627**	**12393212**

AUDITORS' REPORT

Name(s) of component(s) : Oil India Sweden AB
Group code/ Component identifier : Oil India Sweden AB
Year-end : March 31, 2011
Currency : Euro

To: The Board of Directors of Oil India Sweden AB

As requested we have performed a full scope engagement, for the purpose of your audit of the group financial statements of Oil India Limited, India, on the Reporting package forms Financial Report 2010-04-01 – 2011-03-31 of Oil India Sweden AB (the component) a subsidiary of Oil India Limited, India as March 31, 2011 and for the year then ended.

Management's responsibility for the specified forms

Management is responsible for the preparation and presentation of the specified forms in accordance with policies contained in Oil India Limited's disclosed accounting policies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the specified forms that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. These specified forms have been prepared for the sole purpose of consolidation into the Oil India Limited, India group financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the specified forms based on our audit. We conducted our audit in accordance with Ernst & Young Global Audit Methodology (EY GAM), including the requirements for a full scope engagement. We planned and performed procedures to obtain reasonable assurance about whether the specified forms are free of material misstatement and to obtain audit evidence about the amount and disclosures in the specified forms. The procedure selected depend on our judgment, including the assessment of the risks of material misstatement of the specified forms, whether due to fraud or error. In making those risks assessments, we considered internal control relevant to the component's preparation and presentation of the specified forms in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the component's internal control. EY GAM also requires the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the specified forms.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusion reached in forming our opinion are based on the Tolerable Error assigned by you in the context of the audit of the group financial statements.

Opinion

In our opinion, the specified forms for Oil India Sweden AB as of March 31, 2011 and for the year then ended have been prepared, in all material respects, in accordance with IFRS.

The specified forms have been prepared for purpose of providing information to Oil India Limited, India to enable it to prepare the group financial statements. As a result, the specified forms are not a complete set of financial statements of Oil India Sweden AB in accordance with group applicable financial reporting framework underlying the group's accounting policies and are not intended to present fairly, in all material respects the financial position of Oil India Sweden AB as of March 31, 2011 and of its financial performance, and its cash flow for the year then ended in accordance with group applicable financial reporting framework underlying the group's accounting policies. The specified forms may, therefore, not be suitable for another purpose.

This full scope conclusion is solely for your information and use in conjunction with the audit of the group financial statements of Oil India Limited, India and should not be used by anyone for any other purpose. If you have any questions on this interoffice conclusion please contact Ulrika Persson or me.

Sd/-
Stefan Andersson-Berglund
Ernst & Young, Sweden

May 18, 2011

FINANCIAL STATEMENTS – OIL'S SUBSIDIARY (INR)

OIL INDIA SWEDEN AB
(Incorporated in Sweden)
Formerly AB START KAPITALET NR 5573

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2011

	2010-11		2009-10	
	EURO	₹	EURO	₹
Revenue				
Net Sales	0.00	0.00		
Revenue	0.00	0.00	0.00	0.00
Operating Expenses				
External expenses	75380.00	4832611.80	9750.00	598942.50
Personnel expenses	0.00	0.00		
Total opex	75380.00	4832611.80	9750.00	598942.50
Operating Loss	(75380.00)	(4832611.80)	(9750.00)	(598942.50)
Result from Financial investments				
Result from Participation in Associated companies	(4269.00)	(273685.59)	(5159.00)	(316917.37)
Interest Income and Similar Items	12.00	769.32	489.00	30039.27
Interest Expense and Similar Items	(301.00)	(19297.11)		
Exchange Rate Losses	(2843171.00)	(182275692.81)		(56981.07)
Sub-total	(2847729.00)	(182567906.19)	(4670.00)	(343859.17)
Net Loss for the period	**(2923109.00)**	**(187400517.99)**	**(14420.00)**	**(942801.67)**

FINANCIAL STATEMENTS – OIL'S SUBSIDIARY (INR)

Balance Sheet as at 31.03.2011

	As at 31st March, 2011		As at 31st March, 2010	
	EURO	₹	EURO	₹
ASSETS				
Non-current Assets				
Other Securities held as fixed assets	12345737.00	791485199.07	3696.00	227045.28
Total non-current assets	**12345737.00**	**791485199.07**	**3696.00**	**227045.28**
Current Assets				
Receivables from related parties	2261.00	144952.71		
Prepaid expenses	3090.00	198099.90		
Cash and Bank balances	330297.00	21175340.67	10235.00	628736.05
Total Current Assets	**335648.00**	**21518393.28**	**10235.00**	**628736.05**
Total Assets	**12681385.00**	**813003592.35**	**13931.00**	**855781.33**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	14280546.00	915525804.06	9746.00	598696.78
Share premium reserve	57.00	3654.27		
Currency translation reserve restricted equity	1372293.00	87977704.23		
	15652896.00	1003507162.56	9746.00	598696.78
Non restricted equity				
Currency translation reserve non-restricted equity	(106557.00)	(6831369.27)		
Net loss previous year	(14420.00)	(924466.20)		
Net loss for the year	(2923109.00)	(187400517.99)	14420.00	885820.60
	(3044086.00)	(195156353.46)	14420.00	885820.60
Total Equity	**12608810.00**	**808350809.10**	**24166.00**	**1484517.38**
Current Liabilities				
Liabilities to related parties	12648.00	810863.28	12605.00	774325.15
Accounts payable	23472.00	1504789.92	6000.00	368580.00
Accrued expenses	36455.00	2337130.05		
Total Current Liabilities	**72575.00**	**4652783.25**	**18605.00**	**1142905.15**
Total Equity and Liabilities	**12681385.00**	**813003592.35**	**42771.00**	**2627422.53**

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY

Name of the Subsidiary Company				Oil India Sweden AB
1	The Financial Year of the Subsidiary Company ended on			31st March, 2011
2	Date from which it became Subsidiary Company			26th February, 2010
3	(a)	Number of shares held by Oil India Limited along with its nominees in the Subsidiary at the end of the financial year of the Subsidiary Company		1374650 Equity Shares of 100 SEK each fully paid up
	(b)	Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company		100%
4	The net aggregate amount of the Subsidiary Company's Profit/ (Loss) so far it concerns the members of the Holding Company.			
	(a)	Not dealt within the Holding Company's accounts		NIL
		(i)	For the financial year ended 31st March, 2011	
		(ii)	For the previous financial year(s) of the Subsidiary Company since it became the Holding Company's Subsidiary.	
	(b)	Dealt within the Holding Company's Accounts		
		(i)	For the financial year ended 31st March, 2011	(4.00) crore
		(ii)	For the previous financial year(s) of the Subsidiary Company since it became the Holding Company's Subsidiary.	(0.09) crore

Sd/-
(S.R.KRISHNAN)
COMPANY SECRETARY

Sd/-
(T.K.ANANTH KUMAR)
DIRECTOR (FINANCE)

Sd/-
(N.M.BORAH)
CHAIRMAN & MANAGING DIRECTOR

PLACE : NEW DELHI,
DATE : 30th May, 2011

Oil India Limited

Regd. Offi ce : Duliajan, Distt. Dibrugarh, Assam – 786602

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DULY FILLED IN BE HANDED OVER AT THE MEETING)

Name of the Member (in Block Letters) ....

Member's Folio Number ....

Client ID* .... DP ID* ....

Name of proxy(s) (in Block Letters) ....
(to be filled in, if a Proxy attends instead of the member)

No. of Shares held ....Email: ....(As per MCA Circular No. 18/2011 dtd. 29.04.2011)

I hereby record my presence at the 52nd Annual General Meeting of the Company held at Duliajan, Distt. Dibrugarh, Assam on Saturday, the 24th day of September, 2011 at 11.00 AM.

Member's / Proxy's
Signature

*Applicable for investors holding share(s) in electronic form.

(Tear Here)

Oil India Limited

Regd. Offi ce : Duliajan, Distt. Dibrugarh, Assam – 786602

Folio No. _______________ Client ID* _______________ DP ID* _______________

PROXY FORM

I/we...of ....

being a member/members of Oil India Limited hereby appoint...of ....

……………………………………………………………………or failing him ....

Of ....

as my/our proxy to vote for me/us and on my/our behalf at the 52nd Annual General Meeting to be held on Saturday the 24th day of September, 2011 at 11.00 AM or at any adjournment thereof.

Signed this ….. day of.............................. 2011

Signature of member

Affix
Revenue
Stamp

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

THE PROXY NEED NOT BE A MEMBER OF THE COMPANY

*Applicable for investors holding share(s) in electronic form.

Important Communication to Members

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

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

A BOND BEYOND BUSINESS

"OIL is a Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operation."

ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

Registered Office: P.O. Duliajan,
Distt. Dibrugarh, Assam -786 602
Tel.: 0374-2800427, Fax: 0374-2800522
Visit us at : www.oil-india.com

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