

ANNUAL REPORT 2018-19



OIL INDUSTRY DEVELOPMENT BOARD

MINISTRY OF PETROLEUM & NATURAL GAS
Government of India

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MEMBERS OF THE BOARD

(During the period under Report)

CHAIRMAN



Shri Kapil Dev Tripathi
(Upto 30.06.2018)
Secretary, Ministry of Petroleum
& Natural Gas



Dr. M.M. Kutty
(from 01.07.2018 onwards)
Secretary, Ministry of Petroleum
& Natural Gas

MEMBERS



Sh. P. Raghavendra Rao
Secretary, Department of
Chemicals & Petrochemicals
(from 19.03.2018 onwards)



Shri Rajiv Bansal
Additional Secretary & F.A.
Ministry of Petroleum
& Natural Gas



Shri Pramod Kumar Das
Additional Secretary
Department of Expenditure



Shri Atanu Chakraborty
Director General
Directorate General of
Hydrocarbons
(upto 31.05.2018)



Shri V.P. Joy
Director General
Directorate General of
Hydrocarbons
(from 04.07.2018 onwards)



Shri Amar Nath
Joint Secretary (Exploration)
Ministry of Petroleum
& Natural Gas



Shri Sanjiv Singh
Chairman
Indian Oil Corporation Ltd.



Shri Shashi Shanker
Chairman & Managing Director
Oil & Natural Gas Corporation Ltd.



Shri B.C. Tripathi
Chairman & Managing Director
GAIL (India) Ltd.



Shri D. Rajkumar
Chairman & Managing Director
Bharat Petroleum Corporation Ltd.



Shri M.K. Surana
Chairman & Managing Director
Hindustan Petroleum Corporation Ltd.



Dr. SSV Ramakumar
Director (R&D)
Indian Oil Corporation Ltd.



Shri Prabendra Kumar
General Secretary
Shramik Vikas Parishad, Indian Oil
Barauni Refinery

MEMBER SECRETARY



Shri Ashish Chatterjee
Secretary
Oil Industry Development Board
(upto 13.11.2018)



Shri Diwakar Nath Misra
Secretary
Oil Industry Development Board
(from 14.11.2018 onwards)



OFFICERS/BANKERS/AUDITORS OF THE BOARD (DURING THE PERIOD UNDER REPORT)

Secretary	Shri Ashish Chatterjee (upto 13.11.2018) & Shri Diwakar Nath Misra (from 14.11.2018 onwards)
FA&CAO	Shri Ajay Srivastava (Upto 31.12.2018) & Shri Gautam Sen (from 01.01.2019 onwards)
Bankers	i) State Bank of India ii) Oriental Bank of Commerce iii) Corporation Bank iv) Indian Overseas Bank
Auditors	Principal Director of Commercial Audit & Ex-officio Member, Audit Board –II, Mumbai
Registered Office of the Board	Oil Industry Development Board 301, World Trade Centre Babar Road, New Delhi-110001.
Secretariat	Oil Industry Development Board OIDB Bhawan, Plot No. 2, 3rd Floor, Sector -73, NOIDA- 201 301.
Telephone Nos.	+91-0120-2594602 +91-0120-2594603
Fax	+91-0120-2594630
E-mail	facao.oidb@nic.in
Website	www.oidb.gov.in





- » To administer Oil Industry Development Fund
- » To render financial and other assistance to oil industry concern for the development of oil industry.
- » To make grants, advance loans and make equity investments for activities such as:
 - ✓ Prospecting for and exploration of mineral oil within India or outside India.
 - ✓ Establishment of facilities for production, handling, storage and transportation of crude oil
 - ✓ Refining & marketing of petroleum and petroleum products
 - ✓ Marketing of petrochemicals and fertiliser.
 - ✓ Scientific, technological and economic research which could be directly or indirectly useful to the oil industry.
 - ✓ Experimental or pilot studies in any field of oil industry.
 - ✓ Training of personnel whether in India or outside engaged or to be engaged in any field of oil industry and such other measure as may be prescribed.

Chapter 01

Organisational set up & Functions

1. Introduction

- 1.1 The Oil Industry (Development) Act, 1974 was enacted following successive and steep increase in the international prices of crude oil and petroleum products since 1973, when the need for progressive self-reliance in petroleum and petroleum based industrial raw materials assumed importance. The following objects were included in the statement of Objects and Reasons of the Oil Industry (Development) Bill, 1974:
- The programs for securing self-reliance in petroleum & petroleum based raw materials should be rapidly stepped up.
 - Necessary resources for execution of such programs must be assured.
 - For these purposes cess to be levied on crude oil and natural gas to create an Oil Industry (Development) Fund.
 - The fund would be used exclusively to provide financial assistance to the organizations engaged in development programs of oil industry.
- 1.2 The Act provides for the establishment of a Board for the development of oil industry and for that purpose to levy duty of excise on crude oil and natural gas and for matters connected therewith.

2. Organizational set up and Functions of the Board

- 2.1 The Oil Industry Development Board was established on 13th January 1975 and is functioning under the administrative control of Ministry of Petroleum and Natural Gas, Government of India. The Board comprises of a Chairman who is appointed by the Government and the following members:
- i. Not more than three members to be appointed by the Central Government to represent the Ministry or Ministries of the Central Government dealing with petroleum and chemicals.
 - ii. Two members to be appointed by the Central Government to represent the Ministry of the Central Government dealing with finance.
 - iii. Not more than five members to be appointed by the Central Government to represent the Corporations, being Corporations owned or controlled by the Central Government engaged in activities as envisaged under the Oil Industry (Development) Act 1974.
 - iv. Two members of whom one shall be appointed by the Central Government from amongst persons who, in the opinion of that Government have special knowledge or experience of oil industry and the other shall be appointed by that Government to represent labour employed in the oil industry
 - v. The Secretary to the Board is the ex- officio member.
- 2.2 The Oil Industry Development Board has been set up to provide financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry. As per the provisions of Section 6 of Oil Industry (Development) Act, 1974, the Board may render assistance for the following purposes:
- a) Prospecting for and exploration of mineral oil within or outside India;
 - b) The establishment of facilities for production, handling, storage and transportation of crude oil;
 - c) Refining and marketing of petroleum and petroleum products;
 - d) The manufacture and marketing of petro chemicals and fertilizers;
 - e) Scientific, technological and economic indirectly useful to oil industry;



- f) Experimental or pilot studies in any field of oil industry;
- g) Training of oil industry personnel in India or abroad.

- 2.3 Any oil industrial concern or other person who is engaged in any activity, which is directly or indirectly connected with the oil industry in the country, is eligible for financial or other assistance from the Board.
- 2.4 The Board is also duty bound to carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of the OID Act.

3. Financial arrangement under Oil Industry (Development) Act, 1974

- 3.1 Section 15 of the Oil Industry (Development) Act, 1974 provides for collection of cess as a duty of excise on indigenous crude oil and natural gas. The cess on crude oil has been levied/revised by Government as duty of excise on 'indigenous crude oil produced in India (including the continental shelf thereof), from time to time, at the following rates. No cess is available on crude oil production from NELP blocks

With effect from	Rate Per Tonne
23rd July, 1974	Rs.60
13th July, 1981	Rs.100
15th February, 1983	Rs.300
1st March, 1987	Rs.600
1st February, 1989	Rs.900
1st March, 2002	Rs.1800
1st March, 2006	Rs.2500
17th March, 2012	Rs.4500
1st March, 2016	20% ad valorem

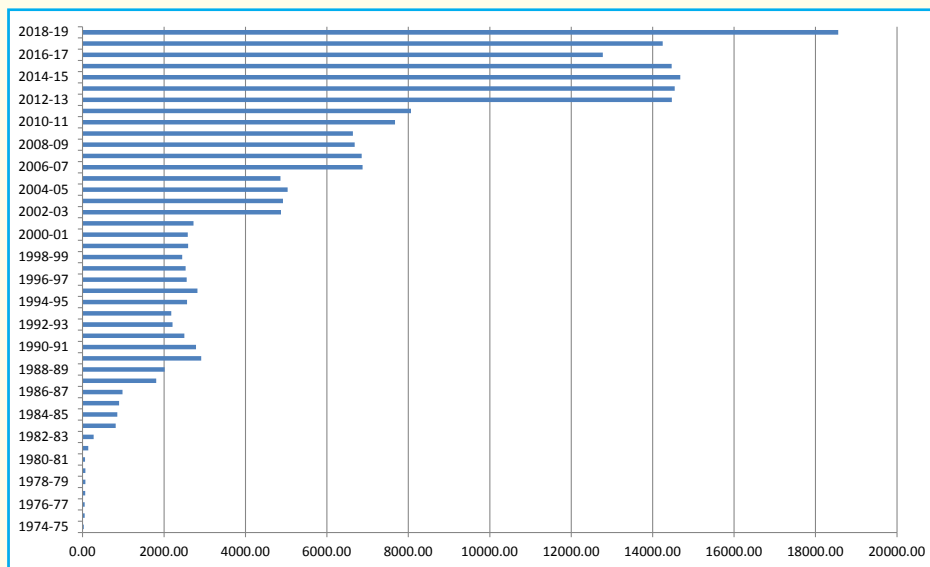
Source: Ministry of Finance

- 3.2 The Central Government has, in the public interest, exempted the duty of excise on crude oil to the extent of Rs.900 per tonne as against the rate of duty of excise of Rs.1,800 per tonne in respect of the 26 identified fields under production sharing contracts in April, 2012.
- 3.3 As per section 16 of Oil Industry (Development) Act, the proceeds of the duties of excise levied are first credited to the Consolidated Fund of India. The Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think it for being utilized exclusively for the purposes of this Act.
- 3.4 The Central Government under section 17 of the Act may also, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.

4. Funds received by OIDB

- 4.1 The amount of cess collected has increased from Rs.30.82 crore in 1974-75 to Rs.207776 crore in 2018-19. The year-wise details of the cess collected on crude oil by Government since 1974-75 is shown in the following graph:

(Rs in crore)

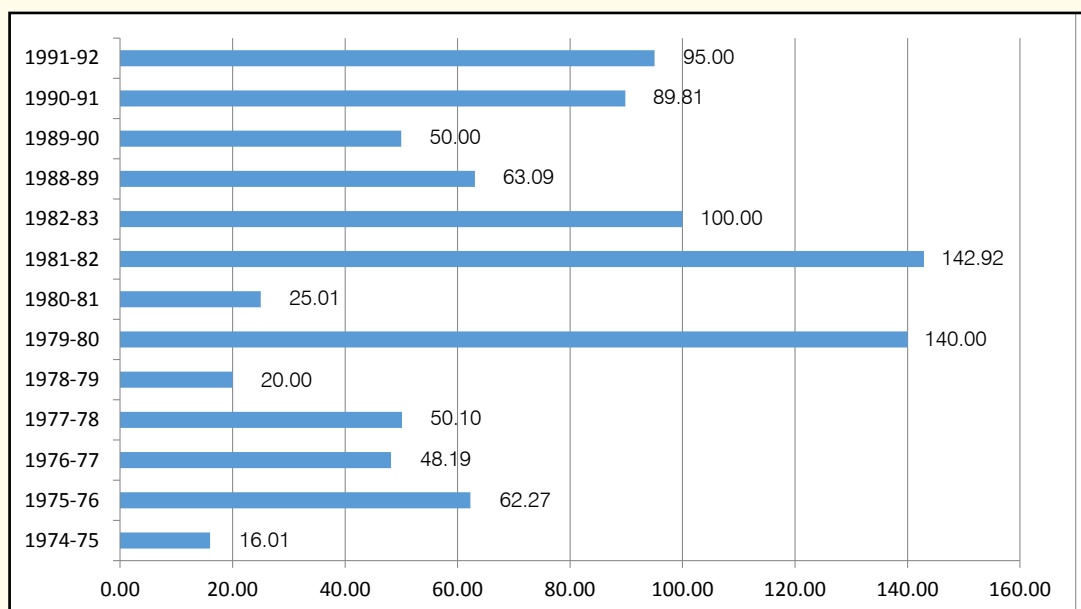


Source: ONGC, OIL and DGH.

4.2 The Central Government since inception has collected cumulative amount of cess of Rs.207776 crore up to 31st March, 2019 (Annexure). OI D B has been paid an amount of Rs.902.40 crore till 1991-92. The following graph provides year-wise details of cess transferred to OI D B:

Cess transferred to OI D B by Government

(Rs in crore)



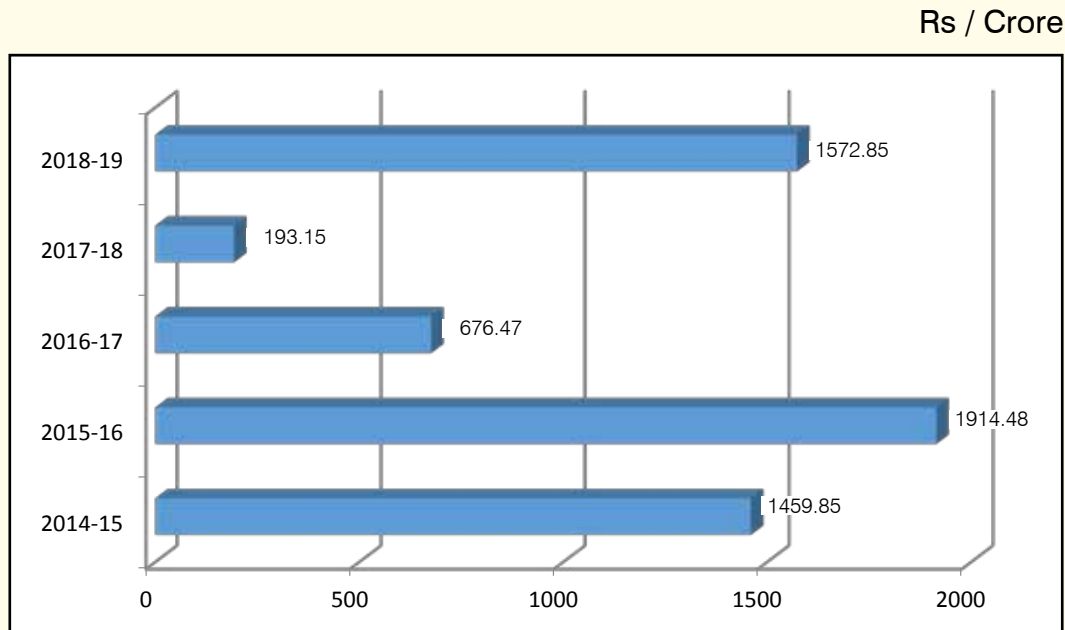
Source :ONGC, OIL and DGH.

4.3 The OI D B also generates its internal resources by way of interest income on loans given to various oil sector companies and short-term investment of surplus funds in Fixed Deposit Receipts. The Oil Industry Development Fund has accumulated to Rs.11677.92 crore as on 31st March, 2019 with the contribution of cess receipts and the internal resources generated by OI D B.

Chapter 02

Financial Assistance : Loans to Oil Concerns

1. OIDB has been providing loans to oil and gas PSUs ever since its creation in 1974-75. The loan has been primarily utilized to fund oil and gas pipeline projects, setting up of new refineries, quality improvement of existing refineries, single point mooring projects, city gas distribution projects etc.
2. The loan disbursed by OIDB from 2014-15 to 2018-19 is shown in the following graph:



3. The Company wise details of the loan disbursed by OIDB to finance oil sector projects in the last five years are given in the following table:

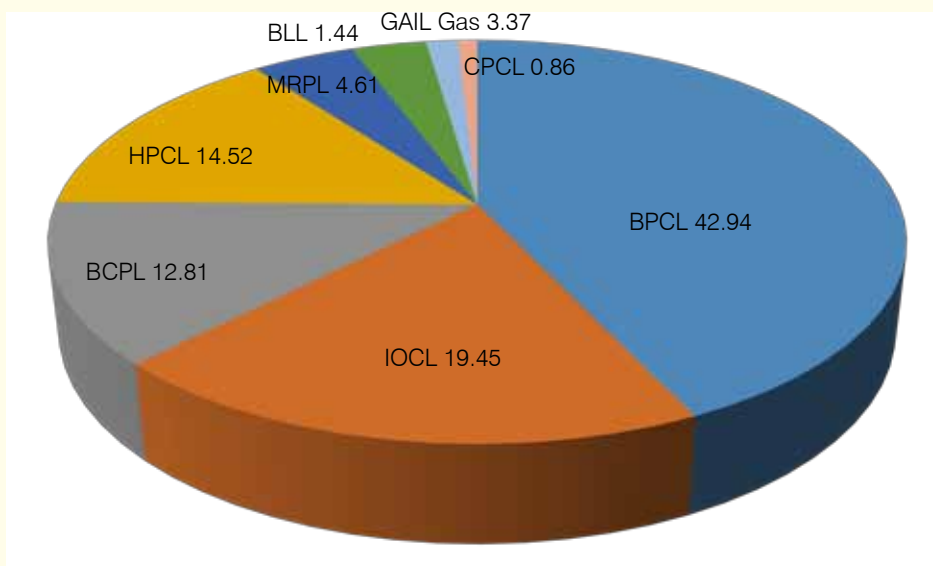
Rs./crore

Sl.No.	Name of the Oil concern	Financial year					Total for 5 years
		2014-15	2015-16	2016-17	2017-18	2018-19	
1	IOCL	420.00	711.25	-	-	-	1131.25
2	BPCL	907.50	744.25	346.00	-	500.00	2497.75
3	HPCL	120.00	124.75	-	-	600.00	844.75
4	BCPL	-	298.00	243.12	157.58	46.37	745.07
5	MRPL	-	-	-	-	268.00	268.00
6	GAIL Gas Ltd.	12.35	24.23	87.35	35.57	36.66	196.16
7	CPCL	-	-	-	-	50.00	50.00
8	Biecco Lawrie Ltd.	-	12.00	-	-	71.77	83.77
	Total	1459.85	1914.48	676.47	193.15	1572.80	5816.75



4. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Ltd. (HPCL), Brahmaputra Cracker and Polymer Ltd. (BCPL), GAIL Gas Ltd., Mangalore Refinery & Petrochemicals Ltd. (MRPL) and Chennai Petroleum Corporation Ltd. (CPCL) have been the major beneficiaries of loan provided by OIDB during 2014-15 to 2018-19. The following graph gives the company-wise share of loan disbursed during 2014-15 to 2018-19.

Beneficiaries of loan disbursed in % during FY 2014-15 to FY 2018-19



5. As on 31.3.2019, there is an outstanding loan of Rs.4292.55 crore. Details of company wise outstanding loans are given below:

(Rs. in crore)

Sl.No.	Name of oil concern	Amount
1	Indian Oil Corporation Ltd.	460.63
2	Bharat Petroleum Corporation Ltd.	1358.50
3	Hindustan Petroleum Corporation Ltd.	692.37
4	Brahmaputra Cracker and Polymer Ltd.	1204.50
5	Mangalore Refinery and Petrochemicals Ltd.	268.00
6	GAIL Gas Ltd.	174.78
7	Chennai Petroleum Corporation Ltd.	50.00
8	Biecco Lawrie Ltd.	83.77
	Total	4292.55

6. The details of loan disbursed during 2018-19 are as below:

(Rs. in crore)

Sl.No.	Name of oil concern	Amount
1	Hindustan Petroleum Corporation Ltd.	600.00
2	Bharat Petroleum Corporation Ltd.	500.00
3	Mangalore Refinery and Petrochemicals Ltd.	268.00
4	Brahmaputra Cracker and Polymer Ltd.	46.37
5	GAIL Gas Ltd.	36.66
6	Chennai Petroleum Corporation Ltd.	50.00
7	Biecco Lawrie Ltd.	71.77
	Total	1572.80

7.0 Projects funded by OI DB during the financial year 2018-19

7.1 Hindustan Petroleum Corporation Limited (HPCL)

Hindustan Petroleum Corporation Limited (HPCL) is a 'Navratna' company engaged in the business of refining crude oil and marketing petroleum products and operates two refineries, one in Mumbai and the other in Visakhapatnam. During the year 2018-19, the Company has availed loan assistance of Rs.600 crore from OI DB towards part finance of their following projects:

Visakh Refinery Modernisation Project (VRMP) : Rs.400 crore

The VRMP consists of installation and commissioning of Process Unit facilities required to meet the BS VI petroleum products (MS and HSD) specifications and to enable make nil Fuel Oil (MARPOL regulation to be effective from Jan 2020) with Bottoms Upgradation unit. All such process unit facilities are adequately supplemented with Environmental Pollution Abatement units and monitoring facilities viz., Acid Gas and Sour Water off gas Treatment units, high efficiency Sulphur Recovery Unit (SRU) and Integrated Effluent Treatment Plant (enabling maximum recycle of treated water for refinery use).

Visakh refinery topography is a 'BOWL' area. The location is highly sensitive for lateral inversions. Therefore, the local State Pollution Control Board has kept stringent environmental norms for gaseous and liquid emissions from the refinery. To facilitate compliance of these stringent environmental norms HPCL has set up environmental abatement units and monitoring facilities. The Sulphur Dioxide emission norm (11.5 Tons per Day) is one of the lowest in the country for Visakhapatnam.

On the national energy security front, it is pertinent to mention that with the Residue Upgradation Facility (RUF) and Full Conversion Hydrocracker (FCHCU) an estimated 5.8 MMTPA of distillates are extracted from the low value intermediate streams to make BS VI MS & HSD and LPG predominantly. This 5.8 MMTPA distillate can be produced from 7.7 MMTPA of crude. Savings of 158,000 Barrels Per day of crude oil import leading to the import bill reduction for the country.



Mumbai Refinery Expansion Project (MREP) - Phase I : Rs.200 crore

The MREP-Phase I consists of installation and commissioning of Process Unit facilities required to meet the BS VI petroleum products (MS and HSD) specifications as per directives of the Government of India. Production of BS VI compliant fuels shall result in environment improvement aspect.



7.2 Bharat Petroleum Corporation Limited (BPCL)

BPCL is an Indian energy company primarily operating in downstream petroleum segment, which involves the refining, distribution and marketing of petroleum products. Through its wholly owned subsidiary BPRL, BPCL also carries out upstream operations, which involves exploration and production (E&P) of hydrocarbons. BPCL's principal products include petroleum products motor spirit (gasoline), diesel (gas oil), superior kerosene oil (SKO), aviation turbine fuel, liquefied petroleum gas (LPG), lubricants, fuel oil, naphtha, bitumen and solvents. BPCL's distribution infrastructure includes installations, pipelines, depots, retail outlets, aviation fuelling stations, LPG bottling plants and lube blending plants. BPCL directly operates two refineries located in the western city of Mumbai and the southern city of Kochi, with refining capacities of 12 MMTPA and 15.5 MMTPA, respectively.

During the year 2018-19, OIBD has disbursed a loan assistance of Rs.500 crore out of approved loan of Rs.828.25 crore for BPCL's MS Block Project in Kochi Refinery. The remaining loan amount of Rs.328.25 crore will be disbursed in FY 2019-20. As per directive from Ministry of Petroleum and Natural Gas (MOP&NG), the refineries are required to be upgraded to ensure compliance of BS VI specifications for motor fuels by April 1, 2020. Accordingly, Kochi Refinery of BPCL is implementing the Motor Spirit (MS) Block Project which consists of 3 new units, i.e. Naphtha Hydro-Treater (NHT), Continuous Catalytic Reformer (CCR) and Isomerization unit at an approved project cost of Rs.3,289 crores. With the implementation of this Project, the Motor Spirit (MS) shall meet BS VI specifications.

This Project brings India closer to the world as Euro VI emission standards have been in place since 2014 in Europe. Also, since the BS VI fuels have less Sulphur content, it results into reduction in SO₂ emissions. This will result in substantial improvement in the environment over a period of time thereby improving the health, quality of life and reduction in healthcare expenditures. Hence, the MS Block Project, apart from being an environment improvement project, is of strategic national importance. The project has achieved a progress of 56.1%.

7.3 Mangalore Refinery and Petrochemicals Limited (MRPL)

Mangalore Refinery and Petrochemicals Limited (MRPL) (a subsidiary of ONGC), is a grass-root state of the art Petroleum Refinery and the refinery complex is located at Mangalore (on the western coast of India), in the Southern State of Karnataka with installed refining capacity of 15.00 MMTPA.

Pursuant to the draft gazette notification by Ministry of Road Transport and Highways dated 19.02.2016, India has to move towards BS VI quality specification for MS and HSD by 01.04.2020. All refineries in India have to meet this specification by 01.01.2020. Ministry of Petroleum and Natural Gas (MOP&NG) has directed all refineries to attain the mechanical completion by July, 2019. The total cost estimate for transition to BS-VI in case of MRPL is Rs.1,810 crore. Out of the total project cost, 25% (Rs.452 Crore) will be met through OIBD loan assistance. During the year 2018-19, OIBD has disbursed the loan assistance of Rs.268 crore and approved loan assistance of Rs.184 Crore for FY 2019-20.

7.4 Brahmaputra Crackers & Polymer Limited (BCPL)

Assam Gas Cracker Project (AGCP), an offshoot of historic Assam Accord, has been implemented by Brahmaputra Cracker and Polymer Limited (BCPL) at Lepetkata, district Dibrugarh, Assam. It consists of a cracker unit, downstream polymer units and integrated offsite and utilities plant. The complex has a capacity of 220,000 tons per annum (TPA) of Polyethylene and 60,000 tons per annum (TPA) of Polypropylene along with other by-products with Natural gas and Naphtha as feed stocks. The project is first of its kind Petrochemical Complex in North East India funded by capital subsidy from Govt. of India, Equity by GAIL, OIL, NRL & Govt. of Assam and loan by OIBD and SBI.

The plant was commissioned on 02.01.2016 and was dedicated to the nation by Hon'ble Prime Minister of India, Sh. Narendra Modi on 05.02.2016 in a grand function at Lepetkata. The project was implemented at a cost of Rs.9,965 crore.



During the year 2018-19, the plant has operated at 107% capacity as against 78% capacity in 2017-18. In the current financial year also, the plant is operating at more than 100% capacity. The efficiency parameter has also improved and BCPL has surpassed the design parameter prescribed by the licensors. In the financial year 2018-19, the company made a profit of Rs.69 crore.

The plant is the largest petrochemical complex in North-East India and has brought about a positive change in the industrial climate in the region. Further, the products of BCPL are now well established in the market and there has been substantial increase in the consumption of polymer in NER due to BCPL. BCPL has leveraged from its geographical proximity to neighboring countries and has started exports to Bangladesh.



During the year 2018-19, OI DB has disbursed loan of Rs.46.37 crore and the sum was utilized to meet the project liabilities towards implementation of the project. Till 31.03.2019, OI DB has released loan of Rs.1757.07 crore and is a major stakeholder of the project.

7.5 GAIL Gas Limited

GAIL Gas Limited is a wholly owned subsidiary of Maharatna GAIL (India) Limited for implementing City Gas Distribution Projects in a focused manner across various cities in the country. Petroleum and Natural Gas Regulatory Board (PNGRB) has authorized GAIL Gas to implement CGD Projects in Dewas GA & Raisen, Shajapur and Sehore District (Madhya Pradesh); Sonipat GA (Haryana); Meerut GA, Taj Trapezium Zone GA & Mirzapur-Chandauli- and Sonbhadra District (Uttar Pradesh); Bengaluru Urban and Rural GA and Dakshin Kannada District (Karnataka); Dehradun District (Uttarakhand); Puri-Ganjam- Nayagarh District & Sundergarh- Jharsuguda Districts (Odisha); Giridih- Dhanbad District, Seraikela-Kharsawan District and West Singhbhum District (Jharkhand).

Over the years, the company is evolving and expanding multi-folds with the objective to realise a sustainable and better tomorrow. Company has delivered stellar performance and healthy growth during

FY 2018-19. The Profit After Tax (PAT) stands at Rs.80.94 Crores in FY 18-19, while turnover is Rs.5330 crores. Company has expanded its pipe network (Steel and MDPE) and has a network of 2362 kms in the cities of its operation, with the aim to include more areas for domestic connections.

During the year, GAIL Gas further expanded its CNG infrastructure and commissioned 37 CNG stations, leading to a significant jump in CNG Sales by 40% Year on Year Basis. The number of industrial and commercial customers for PNG is 706 in the FY 2018-2019. On the Domestic PNG front, Company is supplying PNG to domestic customers progressively in its authorized cities. Company has more than 3 lakh Domestic PNG connections in authorized GAs as of March 2019. In order to expand the domestic Segment penetration a Promotional scheme was launched. Company has maintained focus on the PNG industrial and commercial segment as one of its potential growth areas.

OIDB has released loan of Rs.36.66 crore during 2018-19 for Bengaluru City Gas Distribution Projects of GAIL Gas Limited.

7.6 Chennai Petroleum Corporation Limited (CPCL)

Chennai Petroleum Corporation Limited (CPCL), formerly known as Madras Refineries Limited (MRL) established in 1965, was set up with an installed capacity of 2.5 Million Tonnes Per Annum (MMTPA). Presently, CPCL has two refineries with a combined refining capacity of 12.1 Million Tonnes Per Annum (MMTPA). The Manali Refinery has a capacity of 11.1 MMTPA and is one of the most complex refineries in India with Fuel, Lube, Wax and Petrochemical feedstock production facilities. The company has recently commissioned the RESID upgradation project at capital outlay of Rs.3110 crore, which is designed to increase the production of high value middle distillates from the lower bottoms besides increasing the ability to process heavier crudes. CPCL's second refinery is located at Cauvery Basin at Nagapattinam. This unit was set up in Nagapattinam with a capacity of 0.5 MMTPA in 1993 and later enhanced to 1.0 MMTPA.

OIDB has released a loan assistance of Rs.50 crore during 2018-19 out of total approved loan of Rs.100 crore to CPCL for Regasified Liquefied Natural Gas (RLNG) project. This project is to make suitable modifications in order to use Natural gas / RLNG to meet the internal fuel requirements. The investment for the conversion from Fuel Oil/Naphtha to RLNG calls for an investment of Rs.421 Crore.

The Environmental norms for 'SO₂' emission is met by use of LSHS as the major Refinery Fuel Oil. The SO₂ emissions is also limited by using naphtha as reformer feed and fuel in the hydrogen plants and as fuel in the existing Gas Turbines.

To further reduce emissions, the following are being implemented as a part of RLNG project:

- a) Conversion of Plants 205 and 214 for Utilization of NG / LNG in place of naphtha
- b) Conversion of GTs for RLNG
- c) Establishing a gas network within the refinery for receipt of NG / RLNG, utilization in the Boilers / Heaters to the maximum extent possible and establishment of a network up to the battery limits of all the consumers like GT, HGU, etc.

The benefits of RLNG Project includes :

1. Reduction of CO₂ emission by ~ 6500 MT per annum
2. Reduction in Oil consumption by 2 MT per hour
 - In process and utility heaters: 30%
 - Hydrogen Production: 25%
 - Gas Turbines: 25%



3. SO₂ emission is Nil (Replacement of FO consumption)
4. Reduction of SO₂ emission 5130 MT per annum

7.7 Biecco Lawrie Limited (BLL)

Biecco Lawrie Limited, (BLL) is an engineering company with major business interest in medium Voltage Switchgear manufacturing & marketing and Electrical Construction business.

The Company is also engaged in repair of Electrical Rotating Machinery and Lube Blending and Filling activities, Turnkey projects and engineering consultancy. The Company markets its products and services all over India. Several attempts were made by the Government of India on different occasions for revival of the company but all were failed.

In spite various actions by the Ministry of Petroleum and Natural Gas, the company was not able to revive sustainably for long period of time. In view of the perennial sickness of the Company and in spite of all efforts by the Ministry could not result in any sustainable revival,

MOPNG Vide letter dated 16.10.2018 has communicated the decision of the Cabinet Committee on Economic Affairs (CCEA) to close M/s Biecco Lawrie Ltd (BLL). As per the CCEA approval, OI DB is required to provide an interest free loan of Rs.86.65 crore to BLL to meet VRS cost of existing employees, outstanding salary dues to employees, secured loans from Banks and contingent liabilities etc. CCEA has also sanctioned Rs.42.05 crore from Govt. of India for payment of Sundry Creditors and other liabilities.

During the year 2018-19, OI DB has released an interest free loan of Rs.71.77 crore to BLL as per CCEA decision.

Chapter 03

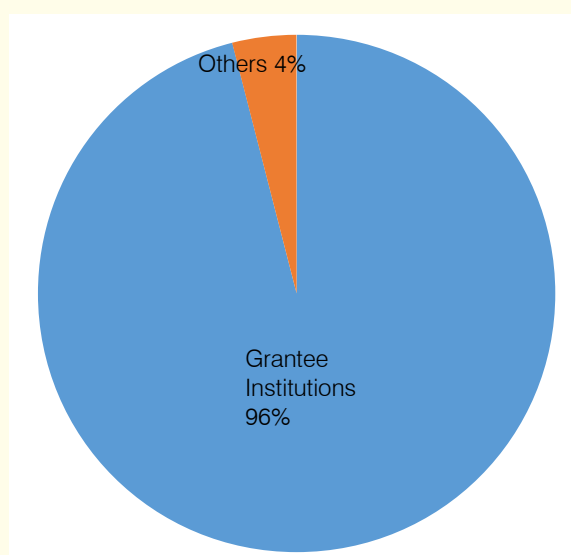
Financial Assistance : Grants to Regular Grantee Organisations

- In pursuance of its mandate, OI DB has been providing assistance to oil sector by way of grants. These grants include grants to five regular grantee institutions namely Directorate General of Hydrocarbons (DGH), Oil Industry Safety Directorate (OISD), Centre for High Technology (CHT), Petroleum Conservation Research Association (PCRA) and Petroleum Planning and Analysis Cell (PPAC).
- In addition to the grants to its regular grantee institutions, OI DB also provides grants for promotion of R&D in the Oil and gas sector. Besides, to promote world class education, training, and research requirements of the petroleum & energy sector, OI DB had provided grant to Rajiv Gandhi Institute of Petroleum Technology (RGIPT) for its projects at Sivasagar, Assam and Jaes, Rae Bareilly.
- Since its inception in 1975-76, OI DB has disbursed a cumulative grant of Rs.3874.49 crore till 31.3.2019. During 2018-19, a total grant of Rs.374.83 crore was disbursed of which Rs.370.46 crore was disbursed to the regular grantee institutions.
- Details of the grants disbursed to regular grantee institutions during last five years are as under:

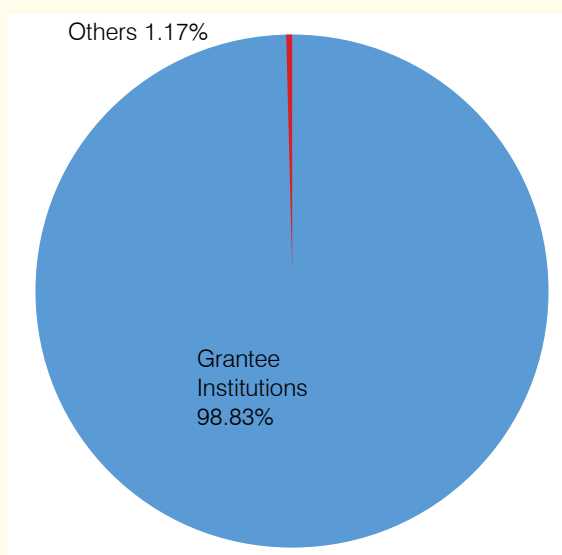
Institutions	2014-15	2015-16	2016-17	2017-18	2018-19	Total
DGH	137.95	121.51	121.53	189.50	238.99	809.48
PCRA	40.86	41.13	41.25	43.88	60.95	228.07
CHT	10.38	19.59	19.82	32.12	20.58	102.49
PPAC	14.83	17.77	20.82	21.34	23.96	98.72
OISD	16.25	15.05	16.06	16.39	25.98	89.73
Total	220.27	215.05	219.48	303.23	370.46	1328.49

- The grant provided to five regular grantee institutions has shown an increase in 2018-19 as compared to 2017-18. The composition of grant during 2018-19 vis-à-vis 2017-18 is shown in the following graph :

2017-18



2018-19



6.1 Directorate General of Hydrocarbons (DGH)

Directorate General of Hydrocarbons (DGH) was established under the, administrative control of Ministry of Petroleum & Natural Gas by a Government Resolution in 1993. The objectives of DGH are to promote sound management of the oil and natural gas resources having a balanced regard for environment, technological and economic aspects of the petroleum activity. DGH has been, entrusted with certain additional responsibilities concerning the production sharing contracts for discovered fields and exploration blocks, promotion of investment and monitoring of E&P activities including review of reservoir performance of major fields. In addition, DGH is also engaged in opening up new/unexplored area for future exploration and exploration & development of non-conventional hydrocarbon energy sources.

OIDB provides 100% grant to DGH. During the year 2018-19, a grant of Rs.238.99 crore was provided to DGH. Following major activities have been carried out by DGH during the year 2018-19:

6.1.1 Open Acreage Licensing Programme-I

The Government of India on March 30th 2016 conveyed the policy notification of Central Government for Hydrocarbon Exploration and Licensing Policy (HELP) as approved by the Cabinet wherein it was conveyed that Blocks are to be auctioned through International Competitive Bidding (ICB) and DGH was asked to take necessary action in this regard. Subsequently, Empowered Committee of Secretaries (ECS) meeting was held on June 24th, 2017 wherein, ECS approved the documentation for the Model Revenue Sharing Contract, the Model Reconnaissance Contract, the Procedure for Operationalisation of OALP and the draft of the Notice Inviting Offers for future bidding rounds. Six monthly cycles of OALP Bidding was announced with cut off dates of November 15 and May 15 every year.

OALP process started with effect from July 1, 2017 and by November 15, 2017 when the aggregation was carried out of a total of fifty seven (57) received EOIs, of which fifty five (55) EOIs were approved. The ECS in its meeting held on January 11, 2018 approved 55 blocks for an International Competitive Bidding. The OALP Bid Round was launched on January 18th, 2018 with an offering of 55 Blocks across 10 sedimentary basins. The total area of the 55 blocks is spread over 59,282 square kilometres basins over Onland, Shallow water and Deepwater areas, for exploration and production. Of the 55 Blocks on offer, 46 are onland, 8 in Shallow water and 01 in Deepwater.

This bid round elicited a response of a total of 110 online bids which includes 51 from PSUs and 59 from Indian private companies, of these, 92 bids were for onshore blocks and 18 bids were for offshore blocks which give an average of 2 bids per block. For all Fifty-Five (55) blocks Revenue Sharing Contract (RSC) were signed on 1st, October, 2018.

Further, Government has launched OALP-II & OALP-III Bid Round on January 07th, 2019 & February 10th, 2019 with an offering of 37 Blocks (14 OALP-II & 24-OALP-III) across 13 sedimentary basins. The total area of the 37 blocks is spread over 60,955 square kilometres basins over Onland, Shallow water and Deepwater areas, for exploration and production. Out of 37 offered blocks, 27 are Onland, 8 in Shallow water and 2 in Deepwater.

6.1.2 Implementation of New Exploration Licensing Policy (NELP)

Till date, nine rounds of NELP have been concluded and 254 blocks were awarded for exploration and production. They are from onland (111), shallow water (62) and deepwater (81) blocks. Out of 254 blocks, at present 50 blocks are operational, PEL (Petroleum Exploration License) is awaited in 6 exploration blocks, 156 blocks have been relinquished and other 42 blocks have been proposed for relinquishment.

During 2018-19, 3 Oil & 6 gas discoveries have been made in 7 blocks under NELP. Under NELP, a total 171 oil and gas discoveries have been made in 59 blocks. Currently, a total of 39 NELP discoveries are under development, 30 NELP discoveries are on production remaining 102 discoveries are at different stages.



6.1.3 Monitoring of Production Sharing Contracts

Government of India signed 28 contracts for discovered fields, 33 CBM blocks, 28 exploration blocks under pre-NELP regime and 254 blocks under NELP regime. DGH monitors the execution of management of these Production Sharing Contracts on behalf of GOI through Management Committees set up for each block / field. This involves in depth review of annual work programme, project monitoring, evaluation of reserves and production profile, review and approval of development plan, budget and Safety Management System.

During 2018-19, fields/blocks under PSC regime, produced 9.87 MMT of oil, 4.77 BCM of Natural gas and 0.71 BCM CBM.

6.1.4 Geo-Scientific Data Acquisition

A. Policy for Geo-scientific data generation for hydrocarbons in Indian sedimentary Basins:

Seismic survey is an expensive process – particularly in offshore areas. Non-exclusive multi-client geo-scientific surveys facilitate unique business proposition which allow appraisal of the area without any funding on the part of Government. Under multi client geo scientific data acquisition policy, 310.5 LKM of CSEM data has been acquired and processed in West Coast-Kutch, Saurashtra & Mumbai Basin.

B. 2D seismic survey in “To Be Appraised Areas” of onland Indian Sedimentary basin:

ONGC and OIL have been given the task for data acquisition of 2D seismic data under National Seismic Program. 2216.22 LKM seismic data has been acquired in North eastern part of India covering states of Assam, Arunachal Pradesh, Nagaland, Manipur, Tripura and Mizoram except Nagaland in FY 2018-19 by OIL. 12664.9 LKM seismic data has been acquired in in Saurashtra, Cambay, Rajasthan Kutch, Mahanadi Bengal, Deccan Syncline North, Vindhyan Narmada sectors by ONGC. Work in other areas is likely to commence soon.

6.1.5 Field Development, Reservoir and Production Monitoring

Field development activities of various fields under the Production Sharing Contracts (PSCs) regime were monitored and activities in exploration blocks with reference to reservoir performance monitoring, review of discoveries, potential commercial interest, Declaration of Commerciality (DoCs) and Field Development Plan (FDP) etc. were also carried out. During FY 2018-19, 4 Nos DOC and 12 FDP under PSC and RSC regime were approved.

6.1.6 National Data Repository (NDR)

- (i) Operation phase of NDR project started in 2016 wherein well data loading and sharing is in progress.
- (ii) As on 31.03.2018, total of 20.8 Lakh LKM 2D seismic data & 7.3 Lakh SKM 3D seismic data and 16316 numbers of well data have been loaded in NDR.
- (iii) Secure Data Center (SDC) has been formed at Bhubaneswar.

6.1.7 National Gas Hydrate Programme (NGHP)

National Gas Hydrate Programme in the country is steered by the Ministry of Petroleum and Natural Gas and technically coordinated by Directorate General of Hydrocarbons (DGH). Two expeditions 01 & 02 have been completed under NGHP. Under Expedition-01 carried out on 2006, 39 holes at 21 sites were drilled and established physical presence of Gas Hydrates in Krishna Godavari, Mahanadi and Andaman but were non exploitable with current available technologies. Expedition-02 was conducted in 2015 drilled 42 holes in 25 sites. Two distinct Gas hydrate bearing sand reservoir areas B & C were identified in KG basin and Area A sand-rich reservoir systems having limited formation of concentrated

gas hydrate accumulations. Area-E drilled wells indicate the presence of gas hydrate, with a combination of fracture/displacement and pore-filling type gas hydrate.

NGHP Expedition-02 results are encouraging and further extensive studies are planned to assess the gas hydrate resource potential, reservoir characterization, reservoir delineation and geo-mechanical modelling for seafloor and wellbore stability and identification of sites for pilot production for testing. KG deep offshore Area 'B' & 'C' contain gas hydrate accumulations may be suitable sites for gas hydrate production testing under NGHP Expedition- 03. Technology for production of gas from gas hydrate is not yet matured and is at R & D stage world over. The planning and execution of NGHP Expedition-03 to test the technology and assess the commerciality of Gas Hydrates exploitation in Indian offshore

At present, Collation and interpretation of all data is being done now primary to identify sites for pilot production testing. The objective of NGHP Expedition-03 is to carry out pilot production testing at a suitable site identified during the NGHP Expedition-02. Resource assessment of Gas Hydrates is planned to be carried by NGHP member organisations out in collaboration with international organisations. The production technology is to be proved before venturing into the pilot production testing. For the planning and execution of pilot production testing and assessment of Gas Hydrates exploitation commerciality in Indian offshore, member organizations are working on projects for the development of feasible Production technology which should be helpful in Gas hydrate extraction.

6.1.8 Coal Bed Methane (CBM)

CBM production is approximately 1.95 MMSCMD which constitutes around 13% of the total natural gas production of the country in FY 2018-19. In order to ramp up CBM production in the country, a CBM policy dated 11.04.2017 has been notified for early monetization of CBM. The policy provides marketing and pricing freedom to the CBM contractors so as to promote increase in CBM production in the country. The basic intent of the policy has been to promote "Ease of doing business" and "Maximum Governance and Minimum Government" so that water-tight contract provisions are relaxed to give impetus to further investment in E&P of CBM thereby contributing in Energy Security of India.

6.1.9 Discovered Small Field Bid Round

Discovered Small field policy was brought out to for monetising the unmonetised / relinquished discoveries of Nomination and PSC regimes. Till date, two DSF Bid rounds have been conducted the status of which are as under:

Discovered Small Field Bid Round-2016

Under The Discovered Small Field Bid Round- 2016, 30 Revenue Sharing Contracts (RSC) were signed for 30 Contract Areas (23 On-land and 7 Shallow Offshore) consisting of 43 un-monetized discoveries of the Nomination Regime. The On-land Contract Areas are spread over Assam, Arunachal Pradesh, Gujarat, Rajasthan, Madhya Pradesh, Tamil Nadu and Andhra Pradesh and the offshore areas include Mumbai Offshore, KG Offshore and Kutch Offshore. Out of the 30 Contract Areas, 24 Contract Areas have received Petroleum Mining Lease (PML) from the Central Government and respective State Governments and all the obligations till date as per RSC have been complied with. 03 Contract Areas have been proposed for termination. The Field Development Plan for 14 Contract Areas has been noted by Management Committee so far which would lead to monetisation of around 26.28 MMT in-place reserve of Oil + Oil Equivalent Gas. Production of Oil & gas from these Contract Areas is expected to commence from FY 2019-20 onwards subject to obtaining various statutory clearances.

Discovered Small Field Bid Round-II

Under the Discovered Small Field Bid Round-II, 23 Contract Areas (14 Onland and 9 Shallow Offshore) consisting of 57 un-monetized discoveries (Comprising of in-place hydrocarbon of nearly 190 MMT O+OEG) of both Nomination Regime and PSC Regime have been awarded on 07.03.2019. The On-land Contract Areas are spread across the states of Assam, Tripura, Gujarat, Andhra Pradesh and

Andhra Pradesh and the offshore areas include Mumbai Offshore, KG Offshore and Bengal-Purnea Basin / Mahanadi Offshore. Presently, the Operators are in the process of obtaining the PMLs from the respective State Government/ State Government. Operators have submitted PML Applications for PML transfer/ grant for 17 Contract Areas to Central Government for Shallow offshore and respective State Governments.

6.1.10 Setting up of National Core Repository (NCR)

MoP&NG in its order dated 08-08-2017 conveyed in-principle approval of Competent Authority for the following:

- a. Set up of NCR at Gandhinagar, Gujarat
- b. Declare major Core Laboratories of National Oil Companies (“NOC”) as the National Assets
- c. Direct all such laboratories to functionally work under DGH until the NCR is fully operational
- d. DGH to issue operational guidelines to manage and access these laboratories
- e. DGH to engage Project Management Consultant (“PMC”)

NCR is designed to be a state-of-the-art centre of global standard of its kind with an integrated facility under same roof for inspection and general tour of core viewing, descriptive and analytical studies in hand and/or under microscope, selection of cores for independent studies by interested companies/ institutes.

6.1.11 Essentiality Certificates

During the year 2018-19, DGH issued a total 9410 Nos. of Essentiality Certificates having CIF value of INR 29,363 Crores.

6.2 Petroleum Conservation Research Association (PCRA)

Petroleum Conservation Research Association is a registered society set up in the year 1978 u n d e r the aegis of Ministry of Petroleum & Natural Gas, Government of India. PCRA is a national government agency entrusted with the task of creating awareness amongst the masses about the importance, methods and benefits of conserving petroleum products & emission reduction. It sponsors R&D activities for the development of fuel-efficient equipment / devices. In its quest, PCRA takes the support of Public Sector Oil Companies, Govt. & Non-Govt. Organizations, Research institutes and Laboratories, Educational Institutes, Consumer Associations and other Organizations. It also helps the Government in proposing policies and strategies for petroleum conservation, aimed at reducing dependence of country on Oil & Gas requirement.

During 2018-19, an amount of Rs.60.95 crore was released by OIDB to PCRA for performing i t s activities including administrative expenditure. The major activities undertaken by PCRA during 2018-19 are as below:

6.2.1 Chartered Activities

PCRA carries out various chartered activities, which is one of the core areas of its operations. Through sectoral field activities, PCRA engineers and its empaneled experts reach the targeted groups under various sectors of economy by conducting activities like Energy Audit, Fuel Oil Diagnostic Studies and walk-through Audits, Technical Seminars, Institutional Training Programme, Driver Training Programme, Transport Workshop, Model Depot Project, Van Publicity, Kisan Melas and Educational programs for students of agricultural colleges, Workshop of LPG Savings, Youth Programs, Children engaging activities like quiz, essay, debate and painting competitions, exhibitions etc. These activities are designed to cover a large spectrum of socio-economic profile of our country in different sectors viz. Industry, Transport,

Domestic, Agricultural and Commercial. For FY 2018-19, targets were fixed in a manner so as to increase the outreach of these programs on fuel conservation and a total of 19103 nos. of field activities were conducted registering a growth of 11.7% over last year. Total drivers trained through various training programs during the year is 166499 nos. Industry sector benefitted a lot through audit programmes conducted by PCRA under Perform, Achieve and Trade (PAT) scheme of Government of India. PCRA also assists industries in obtaining ISO 50001:2011 Energy Management System (EnMS).

6.2.2 PCRA National Level Competition-2018 for School Children: Children, being the future of India, were also motivated through National Level Painting, Essay and quiz competitions during the year 2018-19. This year participation of about 82.50 Lakhs students across the country has been recorded, which is unprecedented. This year, the first prize winners of the national level competition-2017 were taken on 5-days (16th-20th June 2018) study tour to Singapore. The winners were taken around places of interest for their learning including Singapore Science Centre, Newater Plant, Nexus International School along with amusement places.



6.2.3 Saksham-2019: In order to provide sustained impetus on fuel conservation efforts, PCRA undertakes nationwide people centric mass awareness campaign, called “Saksham (Sanrakshan Kshamta Mahotsav)” starting 16th January in association with PSU Oil & Gas Companies. During this one-month drive, various sections of society viz. students, youths, farmers, housewives, drivers, industrial workers, etc. are being engaged to profess and propagate the need to conserve by judicious utilization of petroleum products. Sectorial emphasis is being given towards inclusion of one & all in underlining and appreciating the individual’s effort in reducing consumption of energy and lessening GHG emissions through multiple activities. The inaugural function of Saksham-2019 was held at Constitution Club of India, New Delhi on 16th January 2019. During the one-month campaign of Saksham-2019, number of mass awareness activities were planned/carried out in Industrial, Transport, Domestic and Agriculture sector.

6.2.4 Saksham Pedal Delhi-2018: To create awareness among masses about conservation of petroleum products and to encourage people to use bi-cycles for their short distance travelling needs instead of using motorized vehicles, “Saksham Pedal Delhi-2018” was organized on 7th October 2018 at JLN Stadium, New Delhi. The event was carried out along with Public Sector Oil Companies and the Cycling Federation of India (CFI). It saw more than 6000 participants, which was very encouraging for the organizing team.

6.2.5 Mega Media Campaign during Saksham-2019: Media campaigns has been run nationwide on Doordarshan, All India Radio, Lok Sabha TV, various FM Channels, various TV channels and Digital Cinemas educating people about the need for fuel conservation during Saksham-2019. The Appeal of Hon’ble Minister of P&NG was also aired on Radio channels across the country.



- 6.2.6 Radio Program for Saksham-2019:** A radio program “Urja Ek Aas” of 9 episodes of 30 minutes each was developed and broadcast on All India Radio, three episodes per week viz. Monday, Wednesday and Friday during Saksham campaign.
- 6.2.7 Short film making contest for promoting cycling:** A short film making contest for promoting cycling has been launched through NFDC at MyGov. The audio jingle and video creative on the theme was also developed for this contest.



- 6.2.8 Comic book for children:** PCRA, with support of NCERT, developed a comic book for school children, which is available in the E-Pathshala of NCERT for the benefit of school children.



- 6.2.9 Animation film “Pollution Ka Solution”:** PCRA has developed a short animation film “Pollution ka Solution” targeting mainly children and youth depicting various aspects of fuel conservation in Transport and Domestic sectors in an attractive manner. The film is used for dissemination during various youth programs conducted by PCRA.
- 6.2.10 Participation in Petrotech-2019 and other platforms:** PCRA participated in Petrotech-2019 showcasing its various activities. Augmented reality game having a mix of conservation related material evoked enthusiastic response of the visitors. Besides, PCRA also participated in “Vibrant Gujarat” fair held in Gandhinagar, Gujarat from 18th to 22nd January 2019. The digital setting included e-books, translites, displays, games, quiz etc., which attracted large crowds. PCRA also participated in 45th Jawaharlal Nehru National Science, Mathematics and Environment Exhibition 2018, organized by NCERT. The event was held in Ahmedabad, Gujarat from 23rd to 27th November 2018.
- 6.2.11 Campaign at red lights in Delhi through CRR:** PCRA, with support of Delhi Traffic Police, conducted a campaign through CRR at 100 busiest intersections of Delhi and estimated its impact “before”, “during”

and “after” the campaign in terms of idling fuel consumption and corresponding emissions and Signal designing. The campaign also included study of existing status of visibility, hindrance, signal timings and accordingly give recommendation for repositioning of red lights and reconfiguration of signal timings. The campaign concluded on 09.11.2018. With such campaigns, it is expected that there shall be significant improvement in switching off behaviour leading to fuel saving and reduction in emissions.

6.2.12 World Bank sponsored program: PCRA has been awarded World Bank sponsored works of Ministry of Housing and Urban Affairs for driver and maintenance staff training focused on improving fuel efficiency for 2 zones consisting of 18 nos. of NURM (National Urban Renewal Mission) cities depot worth Rs.1.25 Crore + taxes.

6.2.13 MoRTH sponsored training programs: MoRTH sponsored training programs were conducted for officers of Municipal Corporation, Traffic Police, STUs and RTO at 8 locations (Lucknow, Jaipur, Pune, Ahmedabad, Guwahati, Patna, Hyderabad and Trivandrum).

6.2.14 Research and Development activities: PCRA sponsors R&D projects for development, demonstration and implementation of improved technology, processes and products aiming at optimal utilization of energy and reduced carbon emissions. PCRA recommends field trials of devices, equipment or appliances in the form of pilot projects and encourages commercialization of products or processes after successful completion of field trials through technology transfer.

- Project completed during 2018-19:
 - a) Development of ultra-low density refractory granules for Kiln car trolleys.
 - b) Impact of road condition on fuel consumption of vehicle.
- Ongoing projects as on 31st March 2019:
 - a) Improving thermal efficiency of LPG domestic cooking stoves.
 - b) Integrated process for conversion of Lignocellulosic biomass to Bio-methanol and value added products.
 - c) Design, development and testing of a down draft biomass gasifier system complemented by Hydrogen enrichment through air-steam gasification.
 - d) Development of methodology for Traffic Circulation Plans around Metro Stations and their impact quantification using microscopic simulation.

6.3 Centre for High Technology (CHT)

Centre for High Technology (CHT) was established in 1987 by Ministry of Petroleum & Natural Gas and acts as the Technical Wing of MOP&NG for implementation of scientific and technological programmes of Govt. of India. Major functions of CHT include Performance Benchmarking of Refineries and Pipelines, Performance Improvement in Refineries through Best Practices, Special Studies, Operational Improvement and Process Technology, Energy Efficiency Improvement in Downstream Hydrocarbon Sector, Petroleum Product Quality Improvement, Sharing of Best Practices and Information & Knowledge Dissemination, Integration with Alternative Energies and New Initiatives in Downstream Sector for Future Sustainability, Promoting Innovations and R&D in Downstream Hydrocarbon Sector and Co-ordination of activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MoP&NG.

During the year 2018-19, an amount of Rs.20.58 crore was received by CHT as grant-in-aid from OIDB. Out of this fund, Rs.10.43 crore and Rs.2.77 crore were released by CHT for R&D projects and special studies respectively during the year.

The major activities undertaken by CHT during 2018-19 are as below:

6.3.1 Performance Benchmarking of PSU refineries and pipelines

Performance Benchmarking of PSU refineries for the Study Cycle 2016 has been completed and the same for 2018 cycle is in progress through M/s Solomon Associates (SA), USA. Performance Benchmarking Study for Pipelines (Liquid, Gas, LPG and SPMs) for 2018 cycle has also been initiated for the first time and the same is in progress.

6.3.2 Energy Efficiency improvement

Refineries are included in PAT (Performance Achieve and Trade), under which each refineries is mandated to meet the Specific Energy Consumption Targets set for 2018-19. CHT was actively associated with BEE for target setting and has been monitoring the progress. CHT also initiated Energy Efficiency improvement studies for PSU refineries for Process Side through EIL and for Utilities Side through PCRA were completed.

A Roadmap for Energy Reduction in PSU refineries till 2030, aligning with India's NDC of 33-35 % reduction in Specific Energy Consumption over base year of 2005, has been prepared.

6.3.3 Refinery Performance Improvement

CHT coordinated finalisation of refinery wise global consultant for carrying out Refinery performance study. Based on the same, 7 PSU refineries have started the study. The remaining refineries shall be taken up in the next cycle.

6.3.4 Special studies for the PSU refineries

Development of Water Consumption Norms and Reduction of Water Footprint for Refineries through EIL has been initiated and currently in progress. Approach Paper on demand side steam management based on the best practices and Indian realities through M/s KBC, Singapore. Feasibility study for production of ethanol using waste gases through M/S LanzaTech, USA: The study for 1st phase of refineries is in progress.

6.3.5 Furnace efficiency and Steam leak surveys

In order to improve energy efficiency and reduce energy consumption, CHT, in association with refineries, organizes Surveys every year in the areas of (i) Furnace/ Boiler Efficiency and (ii) Steam leak. These two areas are taken-up every alternate year. Survey in the area of Furnace/ Boiler Efficiency was conducted during January, 2018. Survey in the area of Steam Leak also conducted during January, 2019.

6.3.6 Refining & Petrochemicals Technology Meet (RPTM)

With a view to keep abreast with the technological developments and disseminate information, CHT organises RPTM every year in association with one of the PSU oil company on different theme of relevance. The event is attended by large number of process licensors, catalyst suppliers and delegates from India and abroad. The last 23rd RPTM was organised along with BPCL in Mumbai. The event had presentation of around 80 papers spread over 15 Technical Sessions and about 60 papers in Poster Sessions along with 16 Exhibition Stalls and was attended by 1300 delegates/invitees from India and abroad. The next event is planned in Bengaluru in January 2020 in association with MRPL.

6.3.7 Implementation of PM JI VAN Yojna

Pradhan Mantri JI-VAN Yojna was announced in March, 2019 for promotion of 2G ethanol by providing Viability Gap Fund (VGF) for setting up of 12 commercial units (combined capacity of Rs.40 crore litre per annum) and 10 demonstration units at semi commercial level. Government has targeted blending of 10 % Ethanol in Petrol by 2022 and 20% by 2030 & Blending of Biodiesel in Diesel of 5% by 2030. CHT has been nominated as nodal agency for implementation PM JI VAN Yojna.

6.3.8 Indigenous Technology Development

CHT co-ordinates the activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MOP&NG in identifying and funding of research projects for downstream hydrocarbon sector. SAC approves and steers projects of national importance and refining operations. SAC is headed by Dr Anil Kakodkar, an eminent Scientist and DAE Chair Professor, BARC.

SAC has provided renewed thrust to projects related to development of hydrogen and biofuel projects. SAC approved and steered projects of national importance and refining operations.

During the year 2018-19, SAC approved following six new projects:

- (i) Creation of solar based hydrogen production system and dispensing station for refueling hydrogen fuel cell vehicle
- (ii) Setting up of Compact Reformer Unit of capacity 4TPD for producing Hydrogen blend CNG (H-CNG) and trials demonstration at Rajghat Bus Depot at Delhi NCR
- (iii) Development of catalysts for direct production of lower olefins from Syngas (SynOlefins)
- (iv) Design & Development of Fiber Optic gas Sensors and System for Petroleum Industry
- (v) Development of Superior Absorbents for CO₂ Separation from Biogas
- (vi) Development of kinetic as well as 3D CFD Model for Gasifier

In order to bring self-sufficiency in vulnerable areas and developing strategy for self-reliance, a List of equipment to be developed has been prepared.

6.3.9 Performance Awards

CHT is actively associated with the following Annual Awards instituted by Ministry of Petroleum & Natural Gas, Government of India:

- Refinery Performance Improvement Award
- Oil conservation Award based on surveys for steam leak and furnace efficiency

6.3.10 Innovation Awards

These awards are given away by the chief Guest in RPTM. The Awardees for the first two categories are selected by the selection committee set up by MoP&NG. For Innovation Awards, nominations for the following three categories were invited from the Industry and the Awardees are selected by the committee constituted by Chairman, SAC, based on guidelines of Governing Council of CHT:

- (i) Best Indigenously Developed Technology
- (ii) Best Innovation in Refinery (refinery/ group/ individual)
- (iii) Best Innovation in R&D Institute (institute/ group/ individual)

6.3.11 Activity Committee Meetings

With the aim of sharing of best operational practices & improvements and dissemination of information on latest developments, CHT organised various Activity Committee Meetings in critical areas/ technologies in refining sector and pipelines operations.



6.3.12 Knowledge Dissemination and Experience Sharing

A Compendium on Best Practices, including Takeaways from Activity Committee Meetings and Innovations in refining sector was prepared and shared with all refineries.

Discussion Forums on 10 major areas concerning the downstream hydrocarbon has been created on CHT portal. Specific queries can be posted by the authorised co-ordinators from PSU companies for seeking answers from an Expert Panel.

A Workshop on “Improvement in Project Execution Strategies” was organised by CHT & EIL on 8th December, 2018 at EIL, Gurgaon.

6.3.13 Lab Co-relation Programme

CHT initiated “Inter Laboratory Correlation Programme” for better coordination of product quality at industry level. MS, HSD and ATF have been covered under this programme.

6.3.14 Swachhata Ranking for PSU/JV Refineries

Swachhata Ranking of PSU/JV Refineries is a new initiative of the Ministry of Petroleum & Natural Gas, started in 2017. Refineries are ranked based on the Swachhata Index developed by Centre for High Technology. Auto Fuel Vision & Policy-2025 report was submitted by the Expert Committee on 2nd May 2014. CHT had provided extensive technical and secretarial support to the Expert Committee in preparation, finalisation and publication of the Report.

6.4 Oil Industry Safety Directorate (OISD)

Oil Industry Safety Directorate (OISD) is a technical directorate under the Ministry of Petroleum and Natural Gas and has been entrusted with the responsibility of formulating standards, overseeing its implementation through safety audits in petroleum industry to enhance safety levels and reduce risk inherent with this industry. OISD standards cover the entire activities pertaining to hydrocarbon sector i.e. exploration & production, refining, gas processing, storage, distribution, environment etc. which are implemented on self-regulatory basis by the Oil & Gas companies. OISD's goal is to achieve enhance safety in Oil & Gas Installations in co-ordination with industry members both public and private sector.

During the year 2018-19, an amount of Rs.25.98 crore was disbursed to OISD as grant-in-aid by OIDB. As per OISD, following major activities were carried out by OISD during the year:

6.4.1 Safety Audits by OISD: FY 2018-19

OISD carries out periodic safety audits of all types of Oil & Gas installations to monitor their compliance with the OISD standards. OISD Safety Audit Performance for the year 2018-19 is as indicated below:

Actions	Unit	Plan	Actuals
Core Audits			
Refineries & Gas Processing plants	Nos	17	17
Mktg. Installations	Nos	70	92
E&P Onshore Installations	Nos	50	51
E&P Offshore Installations	Nos	16	19
Cross Country Pipelines	Kms	8000	8140
Additional audits Pipelines Installations			
Single Point Mooring Installations	Nos	02	03
Jetty Pipelines for Hydrocarbon Transportation	Nos	01	01
Pipelines Crude Tank farms	Nos	01	02

*PCSA

6.4.2 Pre-Commissioning Safety Audits (PCSA)

To ensure safe & productive capitalization thereby enabling uninterrupted distribution of petroleum products for the public at large, OISD carries out pre-commissioning safety audits of Greenfield projects across the Oil & Gas Industry. These audits are conducted where; green-field developments and also major additional facilities at existing locations are being done, to ensure ab initio compliance of these facilities to the OISD standards at the construction stage itself.

During 2018-19, 44 nos. of such audits had been conducted on the request of the user Industry members. 1280 Km of Pipeline covering fifteen pipelines installations was also audited in this context.

6.4.3 “Consent to Operate” for Offshore Installations

OISD, as the competent authority to oversee implementation of the Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008 accords “consent to operate” to offshore installations including Drilling Rigs. 6 mobile Rigs & 9 nos. platforms have been accorded “consent to operate” during the year 2018-19.

6.4.4 Technical Seminar / Conference / Workshops

Technical Seminars / Conferences / Workshops for the Oil industry are conducted by OISD to discuss the latest technological developments, sharing of incident experiences etc. During the year 2018-19, OISD has organized the following seminars/workshops:

1. Workshop for Auditors on “Audit of LPG Bottling Plant” was organized by Marketing Operations (LPG) group of OISD at HPCL LPG Bottling Plant, Ajmer on 26th April’ 2018.
2. “Workshop for Auditors for Mounded Storage Vessels and its CP System” was organized by Marketing Operations (LPG) group of OISD at HPCL LPG Bottling Plant, Ajmer on 27th of April’ 2018.
3. Workshop on “Inspection of LPG plants” was organized at Bengaluru on 15th & 16th of June’ 2018 by Marketing Operations (LPG) group of OISD & IOCL jointly.
4. Workshop on “Inspection of LPG plants” was organized by Marketing Operations (LPG) group of OISD at IOCL LPG Bottling Plant, Varanasi on 28th – 29th August’2018.
5. Workshop on ‘Decommissioning and Abandonment of Oil and gas facilities’ was organised by FIPI (Federation of Indian Petroleum Industry) in association with OISD E&P section on 5th September 2018.



6. Workshop on “Enhancing Auditor’s Skill” was organized by OISD Marketing Operations (POL) group at HPCL Kanpur Terminal during 08th - 09th October’2018 along with External Safety Audit of the location.
7. “Workshop for site engineers on “Mounded Storage Vessels and its CP System” was organized by Marketing Operations (LPG) group of OISD at IOCL LPG Bottling Plant, Varanasi on 15th October’ 2018.
8. Workshop on “Enhancing Auditor’s Skill” was organized by OISD Marketing Operations (POL) group at BPCL Sewree Terminal during 20st – 21st Feb’2019.

6.4.5. Encouragement of Safety Performance across the Industry thru ‘Oil Industry Safety Awards’

Annual evaluation of Safety Performance of the Industry members is done by a specially developed methodology, which takes cognizance of hazards associated, incident recorded during the year and safety management system of the installation. Organizations, achieving `exceptional safety performance` during the year, are awarded with the Oil Industry Safety Awards. In addition, individuals either company employees or contract labours making exceptional contributions towards the cause of safety in their respective installations are also encouraged and presented with such awards.

‘Oil Industry Safety Awards’, Safety Awards for the year 2017-18 have been presented to the respective winners by Secretary, Petroleum & Natural Gas during the ceremony held at Bombay Exhibition Centre, Mumbai on 12th January’ 2019.



6.4.6 The Safety Council

To ensure proper implementation of the various aspects of safety in the Oil & gas Industry in India, Government of India had set up a Safety Council at the apex under the administrative control of Ministry of Petroleum & Natural Gas. The Oil Industry Safety Directorate (OISD) assists the Safety Council, which is headed by Secretary, P&NG as Chairman and members represent the entire spectrum of stakeholders – PSU, Private Sector & Joint Ventures – as well as relevant expert bodies. To review the safety performance, the Safety Council meets once a year and 35th meeting of the Council was held on 17th October, 2018. During the meeting, the Safety Council reviewed the major activities undertaken in 2018-19 & Activity Plan for 2018-19, Analysis of OISD Safety Audits Compliance Status (ESA/SSA), approval for constitution of Executive Committee for smooth functioning of OISD, approval for New/ Revision of OISD standards and approval for revision in Delegation of Powers for Executive Director (ED) OISD.

6.4.7 Development of Safety Standards

OISD develops Standards / Guidelines / Recommended Practices for the oil and gas sector through a participative process involving all the stakeholders (including the public at large), drawing inputs from international standards and adapting them to Indian conditions by leveraging the experience of the constituents. These standards cover inbuilt design safety, asset integrity and best operating practices in the field of production, processing, storage and transport of petroleum. OISD standards are reviewed periodically to ascertain needs of developing new standards, updating / amending existing standards to incorporate the latest technological developments as well as current experiences on the ground.

As on date, OISD has developed 121 technical safety standards for the Oil & Gas Industry. 21 of these standards are mandatory for the entire Oil & Gas sector by dint of their being included in the Petroleum Rules 2002, the Gas Cylinder Rules 2016, the Static & Mobile Pressure Vessels (Unfired) Rules, 2016 and the Oil Mines Regulations 2017.

During the year 2018-19, OISD has formulated two numbers of standards for the safety of new target areas and revised / amended 07 numbers of the existing standards. These standards, after their approval in the 35th Safety Council Meeting held on 17th October 2018 have been released for implementation by the Industry.

6.4.8 Incident Investigation & Analysis

OISD investigates as well as participates in investigation of major incidents (depending upon the severity/damage) to analyze root cause of the incident. A databank of incidents of the oil industry is maintained and analyzed to assess trends, areas of concern and required corrective action. These are then disseminated to the industry through safety alerts, advisory notes, workshops, training programs, website links etc. During 2018-19, 7 major incidents were investigated by OISD.

6.4.9 Other Major Activities

53rd Steering Committee meeting held on 13th April'2018 with representatives from Oil & Gas industry (Principal Panelists) at OISD, Noida. Some of the major points discussed during the meeting are as under:

- Adoption of New/ Revised/ Amended OISD Standards
- OISD's ESA Plan Vis-à-vis Actual for the year 2018-19 of all sectors – E&P, Ref & GPP, Pipeline and Marketing groups
- Review of implementation status of long pending critical ESA / SSA recommendations
- Incident analysis for the last three years and review of implementation status of recommendations.
- Safety issues related to Common Railway Siding.



6.4.10 OISD Standards for New Target Areas:

To address the safety issues in the new target areas, OISD has developed following new standards:

- i) OISD STD 245 on 'Safety for LNG Bunkering Facilities at Ports, for Large Ships, Coastal Shipping and Inland Water Transport (IWT) Terminals'.
- ii) OISD RP 243 "Recommended Practices on Coal Bed Methane (CBM) Operations".
- iii) OISD RD 242 "Drilling & testing of High Pressure High Temperature (HPHT) Wells"

6.4.11 Safety Audits of Central Tank Farms (CTFs) associated with Upstream Operations

For enhancing the Safety of CTFs associated with upstream operations, OISD has included Safety Audits of such CTFs as separate entity since FY 2017-18. Henceforth, for the purpose of Safety Audits, these Installations shall be treated as standalone facilities and all such locations shall be audited at a frequency of 3 years in line with Refineries and GPP Installations.

During FY 2018-19, External Safety audits of 08 nos of such CTFs have been carried out till date.

6.4.12 Streamlining Safety Audits Frequency of POL Installations based on Hazard Potential

OISD has started the process of fixing the Safety Audits frequency of POL Installations based on the hazard potential of such Installations. Installations having aggregate storage capacity of more than 1 Lac KL Petroleum are being audited every five years in place of the existing seven years frequency. Further, there are plans to bring down the frequency of all POL installations (irrespective of capacities) to 06 years with a long term plan of covering all locations in 5 years. Similarly, for all LPG installations, audit frequency has been brought down to 6 years with a long term plan of 5 years.

Further, Safety Audits of POL installations having storage capacity less than 30000 KL has been started as a safety initiative for smaller locations & till date, safety audits of all such locations (102 nos) < 30000 KL has been completed.

6.4.14 Capability Building of Internal Auditors of Oil & Gas Companies

For enhancing the quality of Internal Safety Audits at Oil & Gas Installations, a new capability building initiatives, OISD has been organizing dedicated workshops for the Internal Auditors of the Oil & Gas Companies. In this regard, 11 numbers of workshops specifically for internal auditors of LPG & POL Marketing Organizations have already been organized in this year.

It is planned to extend such trainings to other sectors of Oil & Gas Industry in future.

6.5 Petroleum Planning & Analysis Cell (PPAC)

Subsequent to the dismantling of the Administered Pricing Mechanism (APM) in the petroleum Sector with effect from 1st April 2002, the Oil Coordination Committee was abolished and a new cell, Petroleum Planning & Analysis Cell (PPAC) was created effective 1st April 2002 as an attached office of the Ministry of Petroleum and Natural Gas, to assist the Government in the following activities:

- a. Administration of subsidy on PDS Kerosene and domestic LPG and freight subsidy for far-flung areas
- b. Maintenance of information data bank and communication system to deal with emergencies and unforeseen situations
- c. Analysing the trends in the international oil market and domestic prices

- d. Forecasting and evaluation of petroleum import and export trends
- e. Operationalizing the sector specific surcharge schemes, if any.

Headed by Director General, PPAC has a sanctioned strength of 43 officers and staff, organized under Finance, Supply, Demand, Information Technology, Marketing, Gas and HR & Co-ordination Divisions. The officers and staff are drawn on deputation from Oil Companies except the Director General who is on deputation from the Central Government.

During the year 2018-19, an amount of Rs.23.96 crore was disbursed to PPAC as grant by OI DB. The following major activities were carried out by PPAC during the year:

4.5.1 Settlement of subsidy claims of Oil Marketing Companies (OMCs)

1. Effective 1st January 2015, the PAHAL (DBTL) Scheme, 2014 has been implemented in the entire country wherein the subsidy on Domestic LPG is being transferred to the eligible consumers directly to their bank accounts. Under the PAHAL scheme claims amounting to Rs.31,441 crore were processed for the year 2018-19.
2. Pradhan Mantri Ujjwala Yojana (PMUY) was launched by Hon'ble Prime Minister Shri Narendra Modi on 1st May, 2016. Under the scheme, 5 Crores LPG connections will be provided to women belonging to BPL households. The scheme has now been extended to cover 8 crores BPL households over a period of 4 years (till 2019-20). Under the scheme Government of India reimburses Rs.1600 & Rs.1150 per connection for 14.2 kg cylinder and 5 kg cylinder respectively, to OMCs for issuance of security deposit free connection to poor household women beneficiaries. For the year 2018-19 (for a period up to February, 2019), PPAC has processed claims amounting to Rs.5,051 crores.
3. Effective 1st October, 2016, Direct Benefit Transfer in PDS Kerosene Scheme 2016 (DBTK) was implemented in 4 districts in the state of Jharkhand. This scheme was extended to another 6 districts effective 1st April, 2017 and currently the entire state of Jharkhand is covered under DBTK effective 1st July, 2017. For the year 2018-19 (for period up to October, 2018), PPAC has processed claims amounting to Rs.42 crores.

4.5.2 Settlement of NE Gas Subsidy claims

MOP&NG has formulated the "Natural Gas Subsidy Scheme" for administering subsidy related to sale of natural gas to identified sector/customers in the North East region of India. The participating companies sell natural gas from the nominated gas fields to the consumers at subsidised rates and the differential amount is claimed from the Government of India. For the year 2018-19, PPAC has processed claims amounting to Rs.557 crores.

4.5.3 Settlement of under-recovery claims of OMCs

As the Government continues to modulate the retail selling prices of PDS Kerosene in order to insulate the common man from the impact of rise in international oil prices and the consumers continue to get the product at subsidized rates, the OMCs are incurring under-recovery on its sale. For the year 2018-19, PPAC has processed claims amounting to Rs. 5,950 crore for under recovery incurred by OMCs on sale of PDS Kerosene.

4.5.4 Implementation of comprehensive data management system in PPAC.

In order to implement the comprehensive data management system in PPAC, SAS Analytics software was installed in December 2017 and after a series of workshops on master data, input formats and periodic reports held in New Delhi and Mumbai in January, 2018, SAS was configured to suit the data

requirement needs. The Demand Module consisting of month-wise, product-wise, company-wise sales of petroleum products has been successfully implemented and has gone live since October 2018. Formats of other modules have been finalized and historical data related to them is being transposed in SAS from the legacy system.

4.5.5 Study on parallel marketing system of LPG in the country

PPAC carried out an in-house study on Parallel Marketing System (PMS) of LPG in the country. The study report is a comprehensive document which provides insights into various aspects related to PMS. The report was submitted to MOPNG in August 2018.

4.5.6 Domestic Natural Gas Price Notification

Ministry of Petroleum and Natural Gas authorized Director General, PPAC to notify the periodic revision of domestic natural gas price under the guidelines issued by Ministry of Petroleum & Natural Gas on 25th October 2014. Accordingly domestic natural gas price was notified by PPAC for the period April, 2018 to September, 2018 and October, 2018 to March, 2019.

4.5.7 Gas Price Ceiling Notification

Ministry of Petroleum & Natural Gas allowed marketing freedom including pricing freedom for the gas produced from discoveries in Deep-water, Ultra deep water and High pressure-High Temperature areas vide notification dated 21st March, 2016. Ministry of Petroleum & Natural Gas authorized Director General, PPAC to notify the periodic revision of gas price ceiling under the said notification. Accordingly gas price ceiling was notified by PPAC for the period April, 2018 to September, 2018 and October, 2018 to March, 2019.

Chapter 04

Financial Assistance : R&D and other Grants



1. Section 6 of Oil Industry (Development) Act, 1974, inter-alia, provides that the Board may render assistance for scientific & technological research useful to oil industry. Hydrocarbon Vision 2025 also envisages that sufficient resources may be made available for appraising the unexplored/partly explored acreages through Oil Industry Development Board cess and other innovative resource mobilization approaches.

2. UPSTREAM SECTOR

In respect of OIDB grant in aid related to Upstream Sector, the OID Board in its 76th meeting held on 27.03.2014 decided that a Committee headed by DG, DGH with other Members to be nominated by Chairman, OIDB may be constituted to identify and examine the R&D project/projects related to Energy Security for providing funds from OIDB in the form of grant for their execution. Accordingly, a Committee for utilisation of OIDB grants was constituted under the Chairmanship of Director General, DGH with members comprising Secretary, OIDB, Director (Exploration), ONGC, Director-IIP, Dehradun, Director (R&D)-IOCL, Director (Tech)-EIL and Director General-Petrofed (FIPI).

The Committee examines the proposals in the first instance and gives its recommendations. The recommendations of the Committee are submitted to OID Board for taking a decision. The projects that are approved by OID Board with an outlay of more than Rs.25 lakh are sent to Central Government for conveying its approval before release of grant in terms of Rule 24(1)(ii) of OID Rules.

2.1 Review of the Projects

The above Committee reviews the progress of the OIDB funded projects in the Upstream Sector from time to time. The recommendations of the Committee are presented before OID Board for consideration and appropriate directions for implementation of the projects in a more efficient manner wherever necessary.

2.2 R&D Projects under Upstream Sector

Steered by the Ministry of Petroleum & Natural Gas and technically coordinated by Directorate General of Hydrocarbons (DGH), NGHP is a Consortium of National E&P companies, namely ONGC, GAIL (India) Ltd & Oil India Ltd and National Research Institutions namely National Institute of Oceanography (NIO), National Geophysical Research Institute (NGRI) and National Institute of Ocean Technology (NIOT).

3. DOWNSTREAM SECTOR

The projects related to downstream sector are considered and recommended by Scientific Advisory Committee (SAC) on hydrocarbons setup by the Ministry. These projects are primarily funded through CHT. The members representing SAC are eminent persons in various fields of Oil Industry. The tenure of this Committee is two years after which Ministry of Petroleum & Natural Gas reconstitutes it. SAC also reviews progress of R&D projects in the downstream sector in its meetings. CHT coordinates the activities of SAC in identifying and funding of research projects for hydrocarbon sector.

4. Assistance to Technical Institutes/CSIR Laboratories

OIDB provides assistance to educational institutes as well, for creating infrastructure for training and research for carrying out various R&D activities for the development of oil industry. The OIDB incurred

the following expenditure on grants/schemes sponsored by Government of India/OIDB during the year 2018-19:

		Rs./crore
1.	Indian Strategic Petroleum Reserves Ltd. (ISPRL)	2.25
2.	Indian Oil Corporation Ltd. (IOCL)	1.97
3.	Pandit Deendayal Petroleum University (PDU)	0.15
	Total	4.37

4.1 Indian Strategic Petroleum Reserves Ltd. (ISPRL)

Phase II of Strategic Storage Program

The Integrated Energy Policy (IEP), approved by Cabinet in December 2008, recommends that a reserve equivalent to 90 days of oil imports should be maintained for strategic cum buffer stock purposes. An Approach paper prepared by MoP&NG in December 2009 indicated the requirement of a total storage of 44.14 Million Metric Tons of crude and petroleum products by the year 2019-20.

The Union Cabinet gave "In Principle approval for establishing 6.5 MMT Strategic Petroleum Reserves at two locations Chandikhol (4 MMT) in Odisha and at Padur (2.5 MMT) Karnataka including dedicated SPM's for the two SPR's on 27th June 2018. The 'In Principal' approval is to take up the project under PPP model to reduce budgetary support of Government of India.

The time-limit for construction of Phase II storages is 60 months for Padur and 72 months for Chandikhol from award of job.

Tender for hiring of transactional advisor for the Phase II were done and LOA was placed on M/s Deloitte. Roadshows entailing consultation process and one on one interactions were done in New Delhi (17th -18th October 2018), Singapore (26-27th October 2018) and London (29-30th October 2018). Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum and Natural Gas and Skill Development inaugurated the ISPRL Road Show for prospective PPP investors in Delhi on 17th November 2018. The consultant submitted its recommendations which have been approved by the Government.



During the year 2018-19, OIDB has released a grant of Rs.2.25 crore to ISPRL for pre-project activities of Phase-II of Strategic Storage Programme.

4.2 Indian Oil Corporation Ltd. (IOCL)

OID Board in its 77th meeting held on 03.08.2009 approved MOPNG's proposal for OIDB funding for the project titled "Implementation of Smart Card Project by Oil Marketing Companies" at a total cost of Rs.37.05 crore. Subsequently, OID Board in its 81st meeting held on 08.02.2011 approved enhancement of OIDB grant from the existing approved grant of Rs.37.05 crore to Rs.53.15 crore for the above project. The Central Government vide letter No.G-34026/2/2011-Fin. Dated 17.03.2011 had also conveyed its approval for the enhanced grant of Rs.53.15 crore for the project. On the request of IOCL, Ministry vide their letter No.P-21016/14/2008-Dist. Dated 29.11.2011 communicated OIDB that in view of the change in the concept of the project, in accordance with the recommendations of the Task Force on Direct Transfer of subsidies on Kerosene & LPG, downward revision of the budget already sanctioned for the pilot project on Smart Card has been necessitated and the overall expenditure has been reduced to Rs.5.31 crore.

OIDB had released the grant of Rs.1.02 crore till 31.03.2012 and the remaining grant of Rs.1.97 crore was released during 2018-19 for the said project to IOCL towards settlement of claims for the said project.

4.3 Pandit Deendayal Petroleum University (PDPU)

Pandit Deendayal Petroleum University (PDPU), Gandhinagar, Gujarat is an internationally renowned and respected institution whose mission is to impart excellent education and training based upon the foundation of futuristic research and innovations. PDPU has undertaken a unique obligation for education in Energy Engineering and Management with special responsibilities in the specific domain of Oil and Gas, Energy and Infrastructure.

During the year 2018-19, PDPU was given a grant of Rs.15 lakh for their R&D project titled "Reservoir Modeling and Simulation of Cambay Shale coupled with Geomechanics and Hydrofracturing" with an objective to formulate and generate a hydraulic fracturing model coupled with geomechanical analysis and reservoir simulation practices. The study area chosen is Cambay Basin and other prominent World Basins where conceptualized design and modelling of Hydrofracturing has been done.

The project has following three broad objectives and has been completed in three phases:

- To perform the careful investigation and comparative assessment of Indian and World Shale basins.
- To understand the geochemistry, mineralogy, morphology of the chosen study area i.e. Cambay Basin and compare the same with the properties of other prominent world shale basins.
- Integrate the results to formulate a robust hydrofracture model by using rock mechanical properties or geomechanical logs as prime data.

5. Hydrogen Corpus Fund (HCF)

The Ministry of Petroleum & Natural Gas has set up a Hydrogen Corpus Fund on the use of hydrogen as an auto fuel. The Indian Oil Industry has to work synergistically and in close coordination with reputed

technological institutions to make headway in this frontier area. With this object in mind, in the year 2009, the Ministry of Petroleum & Natural Gas has setup a Hydrogen Corpus Fund of Rs.100 crore with contribution from Oil PSUs/OIDB as follows:

1. OI DB Rs.40 crore
2. ONGC, IOC, GAIL Rs.16 crore each
3. HPCL, BPCL Rs.6 crore each.

OIDB is maintaining the Accounts of the HCF. CHT is the nodal agency for identifying and monitoring of hydrogen projects. Since inception till 31st March 2019, OI DB has released grant of Rs.29.26 crore to CHT for funding of HCF Projects out of Hydrogen Corpus Fund. A total corpus of Rs.167.03 crore (approx.) exists as on 31.03.2019 under HCF.

Chapter 05

OIDB's Contribution to Energy Security

Indian Strategic Petroleum Reserves Limited

To ensure energy security, Government of India had decided to build a strategic crude oil reserve of 5 MMT through a Special Purpose Vehicle (SPV). The SPV named Indian Strategic Petroleum Reserves Limited (ISPRL) was initially a subsidiary of Indian Oil Corporation Limited, which w.e.f. 09.05.2006, became a wholly owned subsidiary of Oil Industry Development Board (OIDB). The caverns are under constructions at three locations namely Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). Once completed, these reserves will store crude oil equivalent to India's net import requirement of 10 days.

Capital cost for constructing these strategic storage facilities was originally estimated to be Rs.2397 crore at September, 2005 prices, which had undergone upward revision to Rs.4098.35 crore. The authorized and paid up capital of the company as on 31.03.2019 is Rs.3832.56 crore and Rs.3748.37 crore respectively. OIDB has contributed Rs.3775.87 crore towards its equity participation in ISPRL till 31.03.2019. Status of the projects at the above 3 locations as on 31.03.2019 is as under:

1. Visakhapatnam (Storage Capacity: 1.33 MMT)

Visakhapatnam Cavern was commissioned in June 2015. The Underground civil works were executed by HCC and the process facilities by IOTIESL. The facility has two compartments Cavern A (1.03 MMT) and Cavern B (0.3 MMT). Cavern A is for Strategic crude oil and is filled by funds made available by the Government of India. HPCL has been regularly using the Cavern B for its refinery operations at Visakhapatnam.

HPCL has received around 190 shipments of crude oil at Vishakhapatnam and done over 300 transfers.

HPCL has signed an O&M Agreement with ISPRL on 20th February 2018 for the crude oil caverns of Visakhapatnam and started deployment of O&M team on 16th November 2018.



Aerial view of Vishakhapatnam Site

2. Mangalore (Storage Capacity: 1.5 MMT)

The Mangalore Cavern facility falls in the Mangalore SEZ area. For the project, 104.73 acres of land was allocated by MSEZL. The Underground civil works were executed by a Joint Venture of M/s SK Engineering & Construction and Karam Chand Thapar (SKEC-KCT JV) and the process facilities by M/s Punj Lloyd. The underground civil works have been completed and the process facilities has also been completed. The Mangalore cavern project has two storage compartments of 0.75 MMT each. The capital cost of facility is Rs.1227 crores.

The project was commissioned in October 2016 with three parcels of Iranian crude oil. The total cost of crude oil for one compartment in Mangalore is Rs.1754 crore. An agreement has been signed between Abu Dhabi National Oil Company (ADNOC) and ISPRL on 25th January 2017 for filling the cavern A at Mangalore. The Amended and Restated Oil Storage and Management Agreement was signed between ADNOC and ISPRL on 10th February 2018 at Abu Dhabi on the sidelines of the visit of Hon'ble Prime Minister of India for filling crude oil in Mangalore Cavern 'A'. ADNOC fulfilled its commitment by filling one compartment with 5.86 Million bbls by bringing in three VLCC's on 19th May, 6th October and 2nd November in 2018.

As per directive of MoPNG, Iranian Mix grade crude oil was procured by MRPL for ISPRL in December 2018 from National Iranian Oil Company. The vessel MT Huge discharged 1.3 million barrels of Iran Mix from 26th to 27th December 2018 in Mangalore Cavern B.



Overview of Mangalore Site

3. Padur (Storage Capacity: 2.5 MMT)

For the Padur project 179.21 acres of land was acquired through Karnataka Industrial Area Development Board (KIADB) in Padur/Heruru villages of Udupi District. This is the largest project executed by ISPRL. The underground civil works were split into two parts i.e. Part A & Part B. The Part A works were awarded to M/s HCC and Part B were awarded to M/s SKEC-KCT JV. The underground works were completed in 2014. The facility has four compartments of 0.625 MMT each.

This facility was commissioned by transferring 0.625 MMT crude oil from ISPRL Mangalore after taking Government approval in December 2018.

On 8th November 2018, Cabinet has approved filling of crude oil in Padur SPR facility based on key principles of ADNOC 'Model' as used for filling Cavern 'A' at Mangalore SPR facilities by overseas National Oil Companies.

On 12th November 2018, ISPRL signed MoU in Abu Dhabi with ADNOC to explore possibility of storing crude oil at Padur SPR facility.



Hon'ble PM dedicated all the three strategic reserves of Phase I to the Nation on 10th February 2019 at Hubli.

Chapter 06

Other Initiatives/ Activities

1. OI DB Relief Trust (OI DB RT)

During the period April to June 2000 unprecedented drought had hit some States viz. Andhra Pradesh, Rajasthan and Gujarat. In response to appeal made by the then Hon'ble Prime Minister, the Ministry of Petroleum & Natural Gas, in May 2000 decided to reimburse the cost of diesel for transportation of drinking water to the drought affected villages in these states. For this purpose, with the approval of the then Hon'ble Minister of Petroleum & Natural Gas, a Trust named OI DB Drought Relief Trust was formed on 01.06.2000 as a Charitable Trust. The President of the Trust is Secretary (PNG) ex-officio, Managing Trustee of the Trust is Additional Secretary (PNG) ex-officio and Secretary (OI DB) is the Secretary of the Trust with other representatives from the Oil PSUs as trustees. Oil PSUs have contributed to the Corpus to the tune of Rs.20.60 crore. As on 31.03.2019, an amount of Rs.21.40 crore approximately has been released to various State Governments, Prime Minister Relief Fund and other welfare organizations. As on 31.03.2019, the available funds (including interest) in OI DB Relief Trust is Rs.17.29 crore. As the aims and objectives of the Trust are broad based and permit financial assistance for other welfare measures other than drought relief the name of the Trust was changed from "OI DB Drought Relief Trust" to "OI DB Relief Trust" on 09.07.2010.

2. Hydrocarbon Sector Skill Council (HSSC)

In line with the National Skill Mission of India, Hydrocarbon Sector Skill Council (HSSC) for the Oil & Gas sector has been set up under the aegis of Ministry of Petroleum & Natural Gas (MoPNG) with its primary objective to execute skill development activities in Indian Hydrocarbon Sector and meeting the entire value chain's requirement of appropriately trained manpower in quantity and quality on a sustained and evolving basis. The key objectives are:

- To initiate, carry out, execute, implement, aid and assist activities towards skill development in the Indian Hydrocarbon Sector and meeting the entire value chain's requirement of appropriately trained manpower in quantity and quality on a sustained and evolving basis.
- Develop a skill development plan for the sector
- Identify skill development need of the sector, review international trends and identify sector Skill Gap and technology
- Develop National Occupational Standard (NOS's) for the job roles of covering the entire sector/sub-sector
- Identification and enlistment of Training Providers as outlined by NSDC
- Affiliation and accreditation process for assessment agencies
- Create a pool of skill manpower and creating benchmark for new skills and up-skilling
- Setting up a robust and stringent certification and accreditation process
- Plan and execute Training of Trainer's (ToT)
- Establish a well-structured sector specific Labour Market Information System(LMIS) to assist planning and delivery of training.

During the year 2018-19, OI DB has released Rs.2.00 crore to HSSC for its corpus.

3. Welfare of Scheduled Castes/Scheduled Tribes, Other Backward Classes and Physically Handicapped.

Oil Industry Development Board (OIDB) follows the guidelines in respect of the reservation for

Scheduled Castes/Scheduled Tribes, Other Backward Classes and physically handicapped persons issued from time to time by the Government in this regard. For the monitoring of the implementation of reservation policy and redressal of grievances of SC/ST/OBC employees, a Liaison Officer has been appointed in OIDB. Rosters are being maintained for each category of posts as per Government guidelines and checked by the Liaison Officer. Inspection of Rosters for the year 2017 for direct recruitment and promotion for SC/ST/OBC/PH was carried out by the Ministry of P&NG on 19/27.09.2018 and observed that rosters are being maintained properly as per instructions of Government of India.

Further there is no backlog or shortfall in the employment of SC/ST/OBC/PH against their reserved quota. No complaints with regard to harassment or discrimination against such employees have been received during the year.

4. Welfare and Empowerment of Women:

Oil Industry Development Board(OIDB) is proactive in dealing with gender issue and to promote the cause of women empowerment OIDB has setup a Committee to attend to redressal of complaints on 'sexual harassment at workplace'. As on 31.03.2019, there are 3 women employees as against the working strength of 17 employees in OIDB.

5. Implementation of Government's Official Language Policy

Oil Industry Development Board has implemented the Rules and Policies of Official Language Act in its Secretariat office. OIDB also ensures implementation of annual programme issued by the Government from time to time. OIDB continued its efforts for promotion of official language in official work. All rules/MOUs/Agreements of OIDB are bilingual.

In order to undertake the Official Language implementation work effectively an Official Language Implementation Committee is functioning in OIDB under the Chairmanship of Secretary (OIDB). The Committee reviews the overall progress of implementation of Official Language Policy in OIDB, as also the progress of implementation of the annual program circulated by Department of Official Language. OIDB is already notified under Rule 10(4) of Official Language Rules 1976.

During the year 2018-19, following activities were taken for promotion of Hindi as official language:

- On the occasion of Hindi Diwas, Hindi Pakhwara was organized in OIDB from 14.09.2018 to 28.09.2018. During the Pakhwara, a Kavi Samellan was also organised on 28.09.2018.
- Various competitions were organized to encourage employees of the Board to do their work in Hindi. These included Bhasha Gyan, extempore, quiz, doha competition etc.
- Quarterly, Half yearly and Annual Progress Reports on progressive use of Hindi were sent to Department of Official Language regularly.
- Regular Hindi Workshops were conducted in OIDB on quarterly basis on various development topics to effectively propagate the use of Hindi.



- OI​DB continued to publish its annual in-house Hindi Magazine titled “Anubhuti” during the year and the same was unveiled on the occasion of Vishwa Hindi Diwas (10th January 2019). The magazine provided topics related to literature, poetry, religious issues, and social experiences. This magazine aims to disseminate interest towards Hindi besides writing in the official language.

6. Celebration of International Yoga Day:

Oil Industry Development Board celebrated “International Yoga Day” on 21.06.2018 at OI​DB Bhawan, Noida. All OI​DB employees and employees of the grantee organisations located in OI​DB Bhawan, Noida, participated in the “International Yoga Day”.

7. Celebration of the 44th Foundation Day

Oil Industry Development Board celebrated its 44th Foundation day (13th January) on 10th January 2019. All officers & employees of the grantee organisations located in OI​DB Bhawan, Noida, were also present. On the Foundation Day, Kavi Samellan was organised in the auditorium of OI​DB Bhawan, Noida.

8. Celebration of the Swachhta Pakhwada

Oil Industry Development Board celebrated the “Swachhta Pakhwada” during 01.07.2018 to 15.07.2018 and “Swachhta Hi Sewa Campaign (SHS)” was organised during 15.09.2018 to 02.10.2018. Various activities like pledge ceremony, nukkad natak, sanitisation of area in the vicinity of OI​DB Bhawan, cleanliness drive in some areas identified outside OI​DB Bhawan, tree plantation, walkathon and talk on

innovative ideas to propagate cleanliness etc. were carried out. All OIDB employees and the employees of the grantee organisations located in OIDB Bhawan, Noida, participated in the above activities.



9. Right to Information Act

Right to Information (RTI) Act, 2005 has been implemented in the OIDB as per Gazette Notification of Government of India dated 15th June, 2005. RTI Act is inter-alia designed to promote transparency and accountability in the functioning of public authorities. OIDB is already aligned to the DOPT's RTI portal where RTI applications are received/transferred/ disposed off online.

As per provisions of Section 5 and 19 of the Right to Information Act, 2005, FA&CAO, DCF&AO and Manager (P&A) are designated as Transparency Officer, Appellate Authority and Public Information Officer respectively.

During the year 2018-19, 8 applications/receipts were received under RTI Act, 2005 in the OIDB. All the 8 applications/receipts have been disposed of within the stipulated timeframe during the year.

Annexure
Statement of cess collection by Central Government & its allocation to OI D B since inception till 31.03.2019

(Rs./crore)

Sl.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OI D B by
1	1974-75	30.82	16.01
2	1975-76	50.05	62.27
3	1976-77	52.88	48.19
4	1977-78	63.72	50.10
5	1978-79	68.89	20.00
6	1979-80	69.70	140.00
7	1980-81	60.40	25.01
8	1981-82	138.97	142.92
9	1982-83	268.83	100.00
10	1983-84	812.80	-
11	1984-85	850.12	-
12	1985-86	897.66	-
13	1986-87	981.50	-
14	1987-88	1806.60	-
15	1988-89	2013.64	63.09
16	1989-90	2914.57	50.00
17	1990-91	2785.15	89.81
18	1991-92	2500.64	95.00
19	1992-93	2207.61	-
20	1993-94	2175.46	-
21	1994-95	2566.16	-
22	1995-96	2819.52	-
23	1996-97	2558.03	-
24	1997-98	2528.74	-
25	1998-99	2448.18	-
26	1999-00	2589.44	-
27	2000-01	2582.21	-

Sl.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OIDB by
28	2001-02	2722.79	-
29	2002-03	4873.17	-
30	2003-04	4919.49	-
31	2004-05	5033.97	-
32	2005-06	4857.58	-
33	2006-07	6875.53	-
34	2007-08	6854.00	-
35	2008-09	6680.94	-
36	2009-10	6637.13	-
37	2010-11	7671.44	-
38	2011-12	8065.46	-
39	2012-13	14473.16	-
40	2013-14	14,542.38	-
41	2014-15	14,677.24	-
42	2015-16	14,468.94	-
43	2016-17	12,778.20	-
44	2017-18	14246.20	-
45	2018-19	18556.09	-
	Total	207776.00	902.40

Source: ONGC, OIL & DGH.

Chapter 07

Annual Accounts 2018-19

OIL INDUSTRY DEVELOPMENT BOARD

BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

CORPUS / CAPITAL FUND AND LIABILITIES	Sch	Current Year	Previous Year
CORPUS / CAPITAL FUND	1	90240	90240
RESERVES AND SURPLUS	2	1077552	1068193
EARMARKED / ENDOWMENT FUNDS	3	0	0
SECURED LOANS AND BORROWINGS	4	0	0
UNSECURED LOANS AND BORROWINGS	5	0	0
DEFERRED CREDIT LIABILITIES	6		0
CURRENT LIABILITIES AND PROVISIONS	7	6016	7296
TOTAL		1173808	1165729
ASSETS			
FIXED ASSETS (Net Block)	8	9248	10204
WORK IN PROGRESS	8	50	50
INVESTMENTS - EARMARKED / ENDOWMENT FUNDS	9	0	0
INVESTMENTS - OTHERS	10	379871	370290
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	784639	785184
MISCELLANEOUS EXPENDITURE		0	0
(to the extent not written off or adjusted)			
TOTAL		1173808	1165729
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OIDB

Sd/-
(Gautam Sen)
FA&CAO

Sd/-
(Diwakar Nath Misra)
SECRETARY

DATE : 08.08.2019
PLACE : NEW DELHI

OIL INDUSTRY DEVELOPMENT BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

CORPUS / CAPITAL FUND AND LIABILITIES	Sch	Current Year	Previous Year
Income from Sales / Services	12	0	0
Grants / Subsidies	13	0	0
Fees / Subscriptions	14	0	0
Income from Investments	15	0	0
Income from Royalty, Publication, Sale of Data by DGH etc.	16	73	106
Interest Earned	17	54487	53832
Other Income	18	480	530
Increase / (decrease) in stock of Finished goods and works-in-progress.	19	0	0
TOTAL (A)		55040	54468
EXPENDITURE			
Establishment Expenses	20	619	487
Other Administrative Expenses etc.	21	1044	2248
Expenditure on Grants, Subsidies etc.	22	37483	31552
Interest paid	23	0	0
Royalty to State Governments	24	0	0
Provision for doubtful debts		0	0
Depreciation (Net Total at the year-end - corresponding to Schedule 8)	8	871	991
TOTAL (B)		40017	35277
Balance being excess of Income over Expenditure (A-B)		15023	19191
Provision for Income Tax		5363	6523
Transfer to Special Reserve (Specify each)		-	-
Transfer to General Reserve		-	-
BALANCE BEING SURPLUS CARRIED TO CORPUS / CAPITAL FUND		9660	12668
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OI DB

Sd/-
(Gautam Sen)
FA&CAO

Sd/-
(Diwakar Nath Misra)
SECRETARY

DATE :08.08.2019
PLACE : NEW DELHI



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year		Previous Year	
SCHEDULE 1 - CORPUS / CAPITAL FUND:				
Balance as at the beginning of the year		90240		90240
Add: Contributions towards Corpus / Capital Fund	-		-	
Add / (Deduct) : Balance of net income / (expenditure) transferred from the Income & Expenditure Account	-		-	
BALANCE AS AT THE YEAR-END		90240		90240
Rs. in lakh				
	Current Year		Previous Year	
SCHEDULE 2 - RESERVES AND SURPLUS:				
1. Capital Reserve:				
As per last Account	-		-	
Addition during the year	-		-	
Less : Deductions during the year	(-)	-	(-)	
2. Revaluation Reserve:				
As per last Account	-		-	
Addition during the year	-		-	
Less : Deductions during the year	(-)	-	(-)	
3. Special Reserves:				
As per last Account	-		-	
Addition during the year	-		-	
Less : Deductions during the year	(-)	-	(-)	
4. General Reserve:				
As per last Account		1068193		1055564
Addition/ deletion during the year				
(i) Excess of Income over Expenditure	9660		12668	
(ii) less: Adjustment of tax provision etc	301	9359	39	12629
TOTAL:		1077552		1068193

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

(Rs. in lakhs)

SCHEDULE 3 - EARMARKED / ENDOWMENT FUNDS	FUND-WISE BREAK UP					TOTAL	
	Fund	Fund	Fund	Fund	Fund	Current Year	Previous Year
a) Opening balance of the funds							
b) Additions to the Funds:							
(i) Donations / grants							
ii) Income from Investments made on account of funds							
(iii) Other additions (specify nature)							
TOTAL (a+b)							
c) Utilisation / Expenditure towards objectives of funds							
(i) Capital Expenditure							
- Fixed Assets							
- Others							
Total:							
(ii) Revenue Expenditure							
- Salaries, Wages and allowances etc.							
- Rent							
- Other Administrative expenses							
Total:							
TOTAL (c)						-	-
NET BALANCE AS AT THE YEAR-END (a + b - c)						-	-

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 4 - SECURED LOANS AND BORROWINGS:		
1. Central Government	NIL	
2. State Government (Specify)		
3. Financial Institutions		
a) Term Loans		
b) Interest accrued and due		
4. Banks:		
a) Term Loans		
- Interest accrued and due		
b) Other Loans (specify)		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
TOTAL:		

Note: Amounts due within one year.

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS:		
1. Central Government	NIL	
2. State Government (Specify)		
3. Financial Institutions		
4. Banks:		
a) Term Loans		
b) Other Loans (specify)		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Fixed Deposit		
8. Others (Specify)		
TOTAL:		

Note: Amounts due within one year.

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 6 - DEFERRED CREDIT LIABILITIES:		
a) Acceptance secured by hypothecation of capital equipment and other assets.	NIL	
b) Others		
TOTAL:		

Note: Amounts due within one year.



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year		Previous Year	
SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
1. Acceptances		-		-
2. Sundry Creditors:				
a) For Goods	-		-	
b) Others	-	-	-	-
3. Advances Received		-		-
4. Interest accrued but not due on:				
a) Secured Loans / borrowings	-		-	
b) Unsecured Loans / borrowings	-		-	
5. Statutory Liabilities:				
a) Overdue	-		-	
b) Others	-		-	
6. Other current liabilities				
a) Royalty payable to State Government(s) & others	0		0	
b) I. Tax/TDS/Works Contract Tax payable	57		5	
c) Payable to Contractors	216		232	
d) others (i) Outstanding -Rs. 100 Lakh (ii) Other -Rs. 14 Lakhs	114		185	
e) Security Deposits including EMD	118		117	
f) Amount Withheld include Labour Cess (Payable to Contractors)	49	554	135	675
TOTAL (A) :		554		675
B. PROVISIONS				
1. For Taxation		5363		6521
2. Gratuity		0		0
3. Superannuation / Pension		0		0
4. Accumulated Leave Encashment		95		96
5. Trade Warranties / Claims		-		-
6. Others - Provision for Auditors Remuneration		4		4
TOTAL (B) :		5462		6621
TOTAL (A + B) :		6016		7296

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

SCHEDULE 8 - FIXED ASSETS	FUND-WISE BREAK UP						TOTAL			(Rs. in lakhs)
	Cost/ Valuation as at beginning of the year 01.04.18	Additions during the year	Deduct-ions during the year	Cost/ valuation at the year-end 31.03.19	As at the beginning of the year 01.04.18	Additions during the year	Deduct-ions during the year	Total up to the Year-end 31.03.19	As the Current year-end 31.03.19	
A. FIXED ASSETS:										
1. LAND:										
a) Freehold	0	0	0	0	0	0	0	0	0	0
b) Leasehold	1941	0	0	1941	0	0	0	0	1941	1941
2. BUILDING:										
a) On Freehold Land	0	0	0	0	0	0	0	0	0	0
b) On Leasehold Land	10254	0	73	10181	4763	542	0	5305	4876	5491
c) Ownership Flats / Premises	0	0	0	0	0	0	0	0	0	0
d) Superstructures on Land not belonging to the entity	32	0	0	32	21	1	0	22	10	11
3. Plant Machinery & Equipment	2970	0	15	2955	1905	157	0	2062	893	1065
4. Vehicles	5	0	0	5	5	0	0	5	0	0
5. Furniture, Fixtures	3171	11	11	3171	1500	166	0	1666	1505	1671
6. Office Equipment	55	1	0	56	43	1	0	44	12	12
7. Computer /Peripherals	57	2	0	59	54	1	0	55	4	2
8. Electric Installations	0	0	0	0	0	0	0	0	0	0
9. Library Books	0	0	0	0	0	0	0	0	0	0
10. Tubewells & Water Supply	0	0	0	0	0	0	0	0	0	0
11. Other Fixed Assets	27	2	2	27	17	3	0	20	7	10
Total of Current Year :	18512	16	101	18427	8308	871	0	9179	9248	10204
Previous Year :	18509	5	2	18512	7318	991	0	8309	10204	11191
B. CAPITAL WORK-IN-PROGRESS:	49	0	0	49	0	0	0	0	50	50



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 9 - INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS		
1. In Government Securities		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
TOTAL:	-	-
	Current Year	Previous Year
SCHEDULE 10 - INVESTMENTS - OTHERS		
1. In Government Securities	-	-
2. Other approved Securities	-	-
3. Shares	-	-
Biecco Lawrie Limited	5034	5034
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures (ISPRL)	374837	365256
6. Others (to be specified)	-	-
TOTAL:	379871	370290

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2019

(Rs.in lakh)

	Current Year		Previous Year	
SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.				
A. CURRENT ASSETS:				
1. Inventories:				
a) Stores and Spares	-		-	
b) Loose Tools	-		-	
c) Stock-in-trade				
Finished Goods	-		-	
Work-in-progress	-		-	
Raw Materials	-		-	
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months	-		-	
b) Others	-	-	-	-
3. Cash balances in hand (including cheques / drafts and imprest)	0	0		0
4. Bank Balances:				
a) With Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	313230		326034	
- On Saving Accounts	87	313317	18348	344382
b) With Non-Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	-		-	
- On Savings Accounts	-	-	-	-
5. Post Office - Savings Accounts			-	-
TOTAL (A) :		313317		344382

(Rs.in lakh)

	Current Year		Previous Year	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
a) Staff	13		16	
b) Oil PSUs (Annexure-II)	429255		399500	
c) Others(specify)	-		-	
		429268		399515
2. Advances and other amounts recoverable in cash or in kind or for value to be received				
a) On Capital Account (Advance to ISPRL & Mobilization Advance)	2750		3282	
b) Advance Rent	220		223	
c) Others (including Advance Tax, TDS, MM Cell, security Deposits & Advance to CHT for projects)	21255	24225	19891	23396
3. Income Accrued:				
a) On investments from Earmarked / Endowment Funds	-		-	
b) On Investments - Others	4557		4551	
c) On Loans and Advances -	2877		2820	
Less: Provision for doubtful debts made in earlier years	2711		2711	
d) Others (Data sale Proceeds From DGH)	72	4795	5	4665
4. Claims Receivable				
i) tax paid under protest	12895		12894	
ii) Accounts Receivable	139	13034	332	13226
TOTAL (B) :		471322		440802
TOTAL (A + B) :		784639		785184



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 12 - INCOME FROM SALES / SERVICES:		
1. Income from Sales	NIL	
a) Sales of Finished Goods		
b) Sale of Raw Material		
c) Sale of Scraps		
2. Income from Services		
a) Labour and Processing Charges		
b) Professional / Consultancy Services		
c) Agency Commission and Brokerage		
d) Maintenance Services (Equipment / Property)		
e) Others (Specify)		
TOTAL:		
	Current Year	Previous Year
SCHEDULE 13 - GRANTS / SUBSIDIES		
(Irrevocable Grants & Subsidies Received)	NIL	
1) Central Government		
2) State Government(s)		
3) Government Agencies		
4) Institutions / Welfare Bodies		
5) International Organization		
6) Others (Specify)		
TOTAL:		

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF INCOME &
EXPENDITURE FOR THE YEAR ENDED 31.03.2019**

(Rs.in lakh)

			Current Year	Previous Year	
SCHEDULE 14 - FEES / SUBSCRIPTIONS					
1. Entrance Fees			NIL		
2. Annual Fees / Subscriptions					
3. Seminar / Program Fees					
4. Consultancy Fees					
5. Others (Specify)					
TOTAL:					
		Investment from Earmarked Fund	Investment - Others		
SCHEDULE 15	INCOME FROM INVESTMENTS	Current Year	Previous Year	Current Year	Previous Year
(Income on Investment from Earmarked / Endowment Funds)		NIL			
1. Interest					
a) On Govt. Securities					
b) Other Bonds / Debentures					
2. Dividends:					
a) On Shares					
b) On Mutual Fund Securities					
3. Rents					
4. Others					
TOTAL:					
TRANSFERRED TO EARMARKED / ENDOWMENT FUNDS					



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE-16		
INCOME FROM ROYALTY, PUBLICATION, SALE OF DATA BY DGH ETC.		
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others - Sale of data by DGH	73	106
TOTAL:	73	106
	Current Year	Previous Year
SCHEDULE 17 - INTEREST EARNED		
1. On Term Deposits:		
a) With Scheduled Banks(FDRs)	25947	16529
b) With Non-Scheduled Banks	-	-
c) With Institutions	-	-
d) Others	-	-
2. On Savings Accounts:		
a) With Scheduled Banks	153	552
b) With Non-Scheduled Banks	-	-
c) Post Office Savings Accounts	-	-
d) Others	-	-
3. On Loans:		
a) Employees / Staff	1	10
b) Oil Companies	28386	36674
4. Interest on Debtors and Other Receivables		
a) Interest on Mobilisation advance	0	0
b) Interest on Income Tax refund	0	67
TOTAL:	54487	53832
Note - Tax deducted at source.	5484	5379

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF INCOME &
EXPENDITURE FOR THE YEAR ENDED 31.03.2019**

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 18 - OTHER INCOME		
1. Profit on Sales / Disposal of Assets:		
a) Owned assets	-	-
b) Assets acquired out of grants, or received free of cost	-	-
2. Exports Incentives realised	-	-
3. Fees for Miscellaneous	-	-
4. Prior Period Income	0	0
5. Miscellaneous Income (i) Rental Income - Rs. 420.00	480	530
(ii) Refund of unspent Grant etc Rs. 60.52		
TOTAL:	480	530
	Current Year	Previous Year
SCHEDULE 19 - INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS		
a) Closing Stock		
- Finished Goods		
- Work-in-progress		
b) Less: Opening Stock		
- Finished Goods		
- Work-in-progress		
NET INCREASE (DECREASE) (a+b)	-	-
	Current Year	Previous Year
SCHEDULE 20 - ESTABLISHMENT EXPENSES		
a) Salaries and Wages	270	279
b) Allowances and Bonus	20	34
c) Contribution to Provident Fund	0	0
d) Contribution to OI DB Employees Group Gratuity and Pension Fund	88	137
e) Staff Welfare Expenses including medical expenses	31	17
f) Expenses on Employees' Retirement and Terminal Benefits	9	19
g) Others	201	1
TOTAL:	619	487



OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

		Current Year	Previous Year
SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC.			
a) Purchases		0	0
b) Labour and processing expenses		0	0
c) Cartage and Carriage Inwards		0	0
d) Electricity and power		468	443
e) Water Charges		2	2
f) Insurance		2	1
g) Repairs and maintenance		146	171
h) Excise Duty		0	0
i) Rent, Rates and Taxes		37	25
j) Vehicles Running and Maintenance		16	12
k) Postage, Telephone and Communication Charges		5	5
l) Printing and Stationery		5	7
m) Misc. expenses		2	4
n) Expenses on Seminar / Workshops		5	4
o) Subscription Expenses		0	0
p) Expenses on Fees		0	0
q) Auditors Remuneration		3	0
r) Hospitality Expenses		0	0
s) Professional Charges		41	59
t) Provision for Bad and Doubtful Debts / Advances		0	0
u) Irrecoverable Balances Written-off		0	0
v) Packing Charges		0	0
w) Freight and Forwarding Expenses		0	0
x) Distribution Expenses		0	0
y) Advertisement and Publicity		5	8
z) Others - Prior Peirod Expenditure	0	307	1507
Others	307		
TOTAL:	307	1044	2248

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC.		
a) Grants given to Institutions / Organizations (Annexure -III -a)	37243	31452
b) Assistance for Govt./ OI DB sponsored Schemes & Projects (Annexure-III-b)	240	100
TOTAL:	37483	31552

Note - Name of the Entities along with the amount of Grants / Subsidies are disclosed in Annexure- III (a) & (b).

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 23 - INTEREST PAID		
a) On Fixed Loans	0	0
b) On Other Loans (including Bank Charges)	0	0
c) Others	0	0
Total	0	0

(Rs.in lakh)

	Current Year	Previous Year
SCHEDULE 24 - PAYMENT OF ROYALTY TO STATE GOVERNMENTS		
Govt. of Arunachal Pradesh	0	0
Govt. of Gujarat	0	0
Total	0	0

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2019

SCHEDULE 25 – SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared on the basis of accrual method except for the grant in aid that are deemed to be incurred in the year in which they are paid and accordingly charged to revenue.

2. INVESTMENTS

Long-term Investments are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investments.

3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition inclusive of duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

4. DEPRECIATION

Depreciation is provided on Written down value method as per rates specified in the Income Tax Act, 1961. In respect of additions to / deductions from fixed assets during the year, depreciation is considered as per Income tax Rules. Assets costing Rs.5,000/- or less each are fully provided.

5. GOVERNMENT GRANTS / SUBSIDIES

Grants are accounted on cash basis except for the Royalty payable to the various States Government(s)/ Operators, which is provided/paid as per directions of Government.

6. INCOME

Interest and other income are accrued in the case of performing assets on due basis and in case of non-performing assets, on realization basis. Performing assets are those on which the income that became due is not unpaid for more than 90 days.

7. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.

8. LEASE

Lease rentals are expensed with reference to lease terms.

9. RETIREMENT BENEFITS

9.1 OI DB has established two trusts namely "OI DB employees Group Gratuity Scheme" & "OI DB employee's superannuation Scheme" covering the liability of OI DB towards its existing employees for the past service rendered. The funding to the schemes is being made through the trusts as per the actuarial valuation.

9.2 Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to receive the benefit as at each year end.

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2019

SCHEDULE 26 – CONTINGENT LIABILITIES & NOTES ON ACCOUNTS

1. Contingent liabilities

- (a) The claims on accounts of TDS for 2018-19 are Rs. 10.88 lakhs on the basis of default summary downloaded from TRACES (Income Tax Department). These claims are pertaining to the A.Y. 2008-09 to A.Y. 2016-17 as per following details:-

Assessment Year	Amount (Rs. In Lakhs)
2008-09	2.76
2009-10	0.05
2010-11	3.66
2011-12	2.53
2013-14	0.33
2014-15	0.17
2015-16	1.06
2016-17	0.32
Total	10.88

The above claims have not been reflected in the accounts as OI DB is contemplating to file an appeal before AO (TDS).

- (b) An Arbitration claim of Rs. 180.41 lakh was filed by M/s Godrej & Boyce Mfg. against OI DB in respect of short payment & deduction related the work order no. 14/18/2007-OI DB dated for 04.06.2008 for interior works (including internal electrical works) of G+3 block of OI DB house at Plot No. 2, Sector-73, Noida in the said case Ld. Arbitrator gave his award vide allowed the claim of M/s Godrej to the extent of Rs. 62.78 lakh. OI DB has challenged the award in the Court of Law and the same is pending in High Court, Delhi.
- (c) Income Tax for various assessment years against which appeals are lying pending with various authorities as detailed below:



Sl. No.	Assessment Year	Amount involved in appeal pending u/s 271(1) (C) (Rs. In crore)	Status of the case	Amount involved in appeal pending u/s 143(3) (Rs. In crore)	Status of the case
1	2005-06	1.76	Appeal is pending before ITAT	-	
2	2006-07	1.85	Appeal is pending before ITAT	-	
3	2007-08	1.40	Appeal is pending before ITAT	-	
4	2008-09	4.52	Appeal is pending before CIT(A)	5.63	Case has been set aside by ITAT to AO and no further notice is received till date.
5	2010-11	22.77	Appeal is pending before CIT(A)	28.97	Case has been set aside by ITAT to AO and no further notice is received till date.
6	2011-12			28.54	Appeal is pending before ITAT
7	2012-13			20.51	Appeal is pending before ITAT
8	2013-14			3.85	Appeal is pending before CIT(A)
9	2014-15			14.71	Appeal is pending before CIT(A)
TOTAL		32.30		115.20	

Further for AY 2009-10, Tax department was in appeal before ITAT and for which the case has been set aside to assessing officer hence the contingent liability of the corresponding amount of Rs 17.74 crores shall be created.

2. COMMITMENTS

Capital

- A) The value of the final bills amounting to Rs.159 lakhs (approx.) has not been considered for want of clarifications from PMC and contractors.
- B) (i) As per the directions of the Government, Rs.383256 lakh is to be funded by OIDB for construction of "Strategic Crude Oil Storages" by Indian Strategic Petroleum Reserves Ltd (ISPRL) and remaining cost of Rs.26579 Lakh is to be provided by HPCL as its share of proportionate cost.
- (ii) OIDB has paid Rs.377587 lakhs (Previous Year Rs. 368538 lakhs) to M/s Indian Strategic Petroleum Reserves Limited (ISPRL) for investment as equity in the Company up to end of March 2019. The company has already allotted and issued 3775874670 share certificates of Rs.10/- each for the total amount of Rs.3775746700/-. The remaining amount of Rs.2750 lakh is pending for allotment of shares as on 31.03.2019.

3. CURRENT ASSETS, LOANS & ADVANCES

- a) Loan Amounting to Rs 32.76 Cr. given to Bienco Lawrie Ltd has been converted into equity of OIDB in the company on the directions of government. The Share certificate has also been received. After conversion of this loan into equity, the total equity of OIDB in Bienco Lawrie Ltd has been enhanced from Rs.17.58 crore to Rs.50.34 Crore which is 67.33% of the total equity of the company.

CCEA had also approved reduction of equity capital of BLL from Rs.74.76 Crore to Rs.15.16 Crore by setting off accumulated losses to the extent of Rs.59.60 Crore. The reduction in the equity capital of BLL would entail a loss to OIDB to the tune of Rs. 40.13 Crore due the fact that OIDB's equity of Rs.50.34 Crore would be slashed to Rs. 10.21 crore at the ratio of 4.93:1.

The matter relating to writing off of OIDB losses due to reduction in equity capital of BLL will be taken up to the OIDB Board/Central Government for approval after BLL has complied with requirement of Company Act. After getting Central Government approval, the loss will be provided in the books of Accounts of OIDB as per Accounting Standard-13 of ICAI.

- b) Rs.2443 lakh from Canfina and Rs.268 lakh from Bienco Lawrie towards interest was recoverable. The matter relating to securities under UTI 1964 Scheme Units is under litigation. As the recovery of these amounts remains doubtful, the same has already been provided in the accounts as 'doubtful debt' earlier.
- c) The OIDB has decided not to charge any rent and maintenance charge from its grantees institutes. Therefore neither any recovery has been made from the grantee institutions nor did any recoverable amount is provided in the accounts towards rent & maintenance charges from the grantee institutions. Since ISPRL is the wholly owned subsidiary of OIDB, no rent charges are taken from ISPRL also.

4. TAXATION

As OIDB is a tax paying entity under Income – tax Act 1961 and therefore provision for Income tax has been considered necessary. The attached Profit & Loss Account (Annexure- I) has been prepared for arriving at the amount of income tax payable to Income Tax Department after being notified as an eligible institute for deduction under Section 36(1) (xii) of Income Tax Act.

5. Proportionate cost of telephone, Facility Management, Electricity and diesel Charges as incurred by OIDB during the year have been debited to the ISPRL.
6. Interest from BLL amounting to Rs 95.16 lakhs has not been recorded in Income as per clause 6 of Sch -25 Significant accounting policy of the Balance sheet.
7. (i) In terms of the provisions of the AS-15, issued by the ICAI for creation of Superannuation and Gratuity Fund for retirement benefits of its existing employees, the Board has created two separate trusts Viz. 'OIDB Employees Superannuation Scheme' and "OIDB employees Gratuity Scheme"
- (ii) OIDB has applied for the exemption to Income Tax Department under Part 'B' and part 'C' of the fourth schedule of Income Tax Act, 1961 for its contribution to the "OIDB employees Gratuity Scheme" and "OIDB employees Superannuation Scheme", respectively. The same is awaited.



8. Accounting standards as issued by the Institute of Chartered Accountants of India have been followed, wherever applicable.
9. Schedules 1 to 26 are annexed and form an integral part of the Income & Expenditure Account & Balance Sheet as at 31st March 2019.
10. Figures in Balance sheet, Income & Expenditure account, Profit & Loss Account and Schedules have been rounded off to nearest lakh of Rupees. Corresponding figures for the previous years have been regrouped /rearranged wherever necessary.

For and on behalf of OIDB

Sd/-
(Gautam Sen)
FA&CAO

Sd/-
(Diwakar Nath Misra)
SECRETARY

DATE :08.08.2019
PLACE : NEW DELHI

Annexure-I
(Ref.Schedule 26, note no.4(a))

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

Particulars	Sch No.	2018-19	2017-18
Income			
Interest Income	17	54487	53832
Income from Investment	15	0	0
Other income	16 & 18	553	636
Total		55040	54468
Expenditure			
Expenses on direct operation	22 & 24	37483	31552
Salaries and amenities to staff	20	619	487
Administrative expenses	21	1044	2248
Depreciation on Fixed Assets	8	871	991
Total		40017	35277
Profit for the year		15023	19191
Profit before tax		15023	19191
Less : Provision for taxation		5363	6523
Net Profit after tax carried to balance sheet		9660	12668
Significant Accounting Policies & Notes on Accounts	25 & 26		

For and on behalf of OI D B

Sd/-
(Gautam Sen)
FA&CAO

Sd/-
(Diwakar Nath Misra)
SECRETARY

DATE :08.08.2019
PLACE : NEW DELHI



Annexure - II
(Refer Schedule-11(B))

**Details of outstanding balance of loan
as on 31st March, 2019 from Oil PSUs**

(Rs.in lakh)

Sl. No.	Name of the Company	O.B. as on 01.04.2018	Loan Disbursed during 2018-19	Loan received Back during 2018-19	C.B. as on 31.03.2019
1	IOCL	88644	0	42581	46063
2	BPCL	135794	50000	49944	135850
3	HPCL	18806	60000	9569	69237
4	BCPL	132188	4637	16375	120450
5	BLL	1200	7177	0	8377
6	MRPL	7500	26800	7500	26800
7	GAIL Gas Ltd.	15368	3666	1556	17478
8	CPCL	0	5000	0	5000
	Total	399500	157280	127525	429255

Annexure-III (a)
(Reference Schedule-22)

Statement Showing payments of grants during 2018-19

(Rs.in lakh)

Sl. No.	Name of the Institutes	2018-19	2017-18
A.	Regular Grantee Institutes		
1	Directorate General of Hydrocarbons	23899	18950
2	Petroleum Conservation Research Association	6095	4388
3	Centre for High Technology	2058	3212
4	Petroleum Planning & Analysis Cell	2396	2134
5	Oil Industry Safety Directorate	2598	1639
	Total (A)	37046	30323
B	R & D Grants		
6	IOCL- Implementation Smart Card Project	197	0
7	IOCL (INDAdepts R&D Centre), Faridabad	0	1043
8	Oil India Limited- Fee paid to Single Member Committee	0	41
9	NGRI	0	45
	Total (B)	197	1129
	Total (A+B)	37243	31452

Annexure-III (b)
(Reference Schedule-22)

**Expenditure on Schemes/Projects sponsored
by Govt. of India/OIDB during 2018-19**

(Rs.in lakh)

Sl. No.	Name of the Institutes	2018-19	2017-18
1	Indian Strategic Petroleum Reserves Limited	225	0
2	Pandit Deendayal Petroleum University	15	0
3	Hydrocarbon Sector Skill Council (HSSC)	0	100
	Total (C)	240	100



OIL INDUSTRY DEVELOPMENT BOARD

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31.03.2019

(Rs.in lakh)

RECEIPTS	Current Year	PAYMENTS	Current Year
I. Opening Balances		I. Expenses	
a) Cash in hand	0.04	a) Establishment Expenses (corresponding to Schedule 20)	177.65
b) Bank Balances		b) Administrative Expenses	871.95
i) In current account			
ii) In deposit account	1,227,808.44	II. Payments made against funds for various projects	
iii) Savings account	18,348.43	(Name of the fund or project should be shown along with the particulars of payments made for each project)	
		Grant to HSSC	200.00
		Grant to ISPRL	225.00
II. Grants Received		Grant to Pandit Deendayal Petroleum University	15.00
a) From Government of India		Grant to CHT	2,057.53
b) From State Government		Grant to DGH	23,899.39
c) From other sources (details)	1.29	Grant to OISD	2,598.00
(Grant for capital & revenue exp. To be shown separately)		Grant to PCRA	6,095.00
		Grant to PPAC	2,395.60
		Grant to IOCL	197.42
III. Income on Investments from			
a) Earmarked/Endowment Funds		III. Investments and deposit made	
b) Own Funds (Oth. Investment)	-	a) Out of Earmarked/Endowment Funds	
		b) Out of Own Funds (Investment-Others))	
IV. Interest Received		IV. Expenditure on Fixed Assets & Capital Work-in-Progress	
a) On Bank deposit		a) Purchase of Fixed Assets	4.75
b) Loans, advances etc.	-	b) Expenditure in Capital Work-in-Progress	10.50
c) Saving A/c	152.38		
d) on Fixed Deposits	20,887.18	V. Refund of surplus money/Loans	
		a) To the Government of India	
V. Other Income (Specify)		b) To the State Government	157,280.00
Rental Income	1.00	a) To other providers of funds	17,729.51
Purchase of fixed assets	0.03		
VI. Amount Borrowed		VI. Finance Charges (Interest)	
Loan and Advances	162,079.93	VII. Other Payments (Specify)	
		Business Provisions	12.34
		Other Payables	511.42
VII. Any other receipts (give details)		VIII. Closing Balances	
Unspent Grant Received Back	42.17	a) Cash in hand	0.00
Other Receipts	52.07	b) Bank Balances	
		i) In current account	
		ii) In deposit account	1,215,004.51
		iii) Savings account	87.38
TOTAL	1,429,372.95	TOTAL	1,429,372.95

Chapter 08

AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA



Separate Audit Report of the Comptroller and Auditor General of India on the Annual Accounts of Oil Industry Development Board, NOIDA for the year ended 31 March 2019

We have audited the attached Balance Sheet of Oil Industry Development Board (OIDB) as at 31 March 2019 and the Income & Expenditure Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 20(2) of the Oil Industry (Development) Act, 1974. These financial statements are the responsibility of the Management of OIDB. Our responsibility is to express an opinion on these financial statements based on our audit.

- 2 This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best practices, accounting standards and disclosure norms etc. Audit observations on financial statements with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Report/CAG's Audit Reports separately.
- 3 We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. This also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Balance Sheet and Income & Expenditure Account dealt with by this Report have been drawn up in the form of the format for Autonomous Bodies prescribed by C&AG of India in the year 2007.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by OIDB in so far as it appears from our examination of such books.
- iv. We further report that:

Comments on Accounts:

A. Balance Sheet

A.1 Investments (Schedule-10) - Others: ₹379871 lakh:

The above is overstated by ₹4013 lakh due to non-provision for diminution in the value of equity investment in M/s Biocco Lawrie Limited. The permanent and continuing diminution in value of investment held by OIDB in BLL has not been recognized in the accounts as per the requirement of AS 13. Consequently, 'Excess of Income over Expenditure' is overstated by the same amount.

This was also commented upon by the C&AG of India in its Separate Audit Report on the annual accounts of OIDB for the year ended 31 March 2018. However, no corrective action has been taken by the Board.

A.2 Current Asset, Loans, Advances etc. (Schedule 11): ₹ 784639 lakh

The above is overstated by ₹8377 lakh due to:

- i) Non-provision of bridge loan of ₹1200 lakh given to Biecco Lawrie Limited (BLL) though payment of instalments were not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.

This was also commented upon by the C&AG of India in its Separate Audit Report on the annual accounts of OIDB for the year ended 31 March 2018. However, no corrective action has been taken by the Board.

- ii) Non-provision of loan of ₹7177 lakh given to Biecco Lawrie Limited (BLL) for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employees, secured loans from banks and contingent liabilities. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.

As a result, 'Excess of Income over Expenditure' is also overstated by ₹8377 lakh.

B. General

B.1. Creation and utilization of Hydrogen Corpus Funds

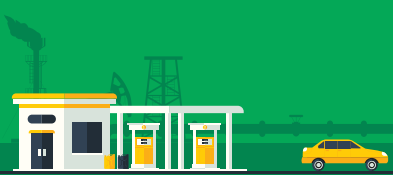
Ministry of Petroleum and Natural Gas (MoP&NG) decided to create Hydrogen Corpus Fund (HCF) with contribution from OIDB and oil PSUs in June 2003. HCF was established in the year 2004 with initial corpus of ₹100 crore. OIDB contributed ₹40 crore, IOC, ONGC & GAIL contributed ₹16 crore each and BPCL and HPCL contributed ₹6 crore each towards HCF. CHT was made nodal agency for taking up hydrogen research and related activities within oil and gas sector through various R&D institutions of participating organizations in HCF.

Audit observed that as on 31 March 2019, an amount of ₹152.36 crore had accumulated in the Corpus Fund which is being kept in various banks outside the accounts of OIDB. Accounts for the year 2018-19 of the HCF have not been finalized yet (September 2019). No formal audit and accountability mechanism exists for the fund. In view of the considerable amount involved, a formal mechanism to oversee the financials of the fund is essential. Further, as all the projects are to be carried out by CHT, OIDB should have considered transferring the funds to them for proper monitoring and better utilization. This was also highlighted during audit on the accounts of the earlier year through Management Letter.

B.2. Creation of OIDB Drought Relief Trust

During the period from April to June 2000 unprecedented drought had hit some States viz., Andhra Pradesh, Rajasthan and Gujarat. In response to appeal made by the then Hon'ble Minister of P&NG, the Ministry of Petroleum & Natural Gas decided to reimburse the cost of diesel for transportation of drinking water to the drought affected villages in these States. A Charitable Trust, OIDB Drought Relief Trust (OIDB DRT), was formed on 1 June 2000. The Board of Trustees in its meeting held on 29 September 2009 decided to change the name of the Trust as OIDB Relief Trust as the specific objectives of Drought Relief Trust have already been met. OIDB Relief Trust has received ₹20.60 crore from Oil PSUs towards contribution.

Audit observed that as on 31 March 2019, an amount of ₹17.29 crore has accumulated in the Trust which is kept in various banks, outside the accounts of OIDB. No formal audit and accountability mechanism



has been created for the fund. In view of the considerable amount involved, a formal oversight mechanism over the financial of the fund is essential. This was also highlighted during audit on the accounts of the earlier year through Management Letter.

B.3. Grant-in-aid

OIDB has not received any grant from Government and Government agencies during the year 2018-19.

C. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Secretary, Oil Industry Development Board, through a Management letter issued separately for remedial/corrective actions.

- v. Attention is also drawn to the significant matters stated in Annexure to this Report.
- vi. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of accounts.
- vii. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to matters mentioned in the Annexure-I to this Separate Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In so far as it relates to the Balance Sheet, of the state of affairs of the Oil Industry Development Board as at 31 March 2019; and
 - b) In so far as it relates to Income & Expenditure Account, of the excess of expenditure over income for the year ended on that date.

For and on behalf of C&AG of India

Sd/-

P. V. Hari Krishna
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai.

Place: Mumbai.
Date: 06 November 2019

Annexure

{Referred to in Para 4 (v)}

1.	Adequacy of Internal Audit System.	The Internal audit of the Oil Industry Development Board for the year 2018-19 has been outsourced to external Chartered Accountants firm. The Chartered Accountants firm had submitted its report on quarterly basis during the year 2018-19. The scope of audit of the firm includes checking/verification of accounts, verification of fixed assets, verification of utilization certificates in respect of loan and grants disbursed by OIDB. However, the scope of audit of the firm does not include audit of contracts entered into by OIDB.
2.	Adequacy of Internal Control System.	The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized. After release of grants, OIDB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by the OIDB nor has any effective mechanism evolved to monitor the manner of proper utilization of grants.
3.	System of Physical Verification of Fixed Assets.	The fixed Assets register containing individual asset wise complete and up to date details i.e. date of purchase/acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipments, computer/ peripherals, electric installations etc. has not been maintained.
4.	Regularity in payment of Statutory Dues applicable to them.	As informed and reported, all taxes and statutory dues were paid in time by OIDB.

Sd/-

**Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai.**



C&AG AUDIT OBSERVATION ON THE ACCOUNTS OF OIDB FOR THE F.Y. 2018-19 AND OIDB's REPLIES

Observations	Replies
<p>Comments on Accounts: Balance Sheet</p> <p>A.1 Investments (Schedule-10) - Others: ₹.379871 lakh:</p> <p>The above is overstated by ₹.4013 lakh due to non-provision for diminution in the value of equity investment in M/s Biecco Lawrie Limited. The permanent and continuing diminution in value of investment held by OIDB in BLL has not been recognized in the accounts as per the requirement of AS 13. Consequently, 'Excess of Income over Expenditure' is overstated by the same amount.</p> <p>This was also commented upon by the C&AG of India in its Separate Audit Report on the annual accounts of OIDB for the year ended 31 March 2018. However, no corrective action has been taken by the Board.</p> <p>A.2 Current Asset, Loans, Advances etc. (Schedule 11): ₹784639 lakh</p> <p>The above is overstated by ₹.8377 lakh due to:</p> <p>i) Non-provision of bridge loan of ₹.1200 lakh given to Biecco Lawrie Limited (BLL) though payment of instalments were not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.</p> <p>This was also commented upon by the C&AG of India in its Separate Audit Report on the annual accounts of OIDB for the year ended 31 March 2018. However, no corrective action has been taken by the Board.</p>	<p>CAG was informed that M/s. BLL, vide their letter No. BLL/MD/DCO/2015-16/017 dated 17.06.2015, had informed that the company has been declared sick industrial company in October 2015, within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and in view of this, capital reduction of the Company has been kept in abeyance. Since there is no change in the status since last audit, Board has not provided for diminution in the value of investment in equity shares of BLL.</p> <p>Further, it is also informed that Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 10.02.2018 has approved closure of BLL and administrative Ministry i.e. Ministry of Petroleum & Natural Gas also conveyed the CCEA decision to BLL vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018 with instructions to follow DPE guidelines dated 14.06.2018 on time bound closure of sick loss making CPSEs. The final view on this issue, including amount realisable by OIDB has not yet emerged.</p> <p>As regards provisions of loan amount of Rs.1200 lakh extended to BLL, it is informed that Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 10.02.2018 has approved closure of BLL and administrative ministry i.e. Ministry of Petroleum & Natural Gas also conveyed the CCEA decision to BLL vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018 with instructions to follow DPE guidelines dated 14.06.2018 on time bound closure of sick loss making CPSEs. The final view on this issue, including amount realisable by OIDB has not yet emerged.</p> <p>In view of the above, it is reiterated that necessary provisions in the books of accounts shall be made only after final closure of the company based on necessary approvals of the competent authority for writing off of outstanding loan and interest thereon.</p>

<p>ii) Non-provision of loan of ₹.7177 lakh given to Biecco Lawrie Limited (BLL) for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employees, secured loans from banks and contingent liabilities. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.</p> <p>As a result, 'Excess of Income over Expenditure' is also overstated by ₹.8377 lakh.</p>	<p>MOP&NG, vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018, communicated the decision of the CCEA to close BLL. As per the CCEA approval, OIDB was required to provide an interest free loan of Rs.86.65 crore to BLL to meet VRS cost of existing employees, outstanding salary dues to employees, secured loans from Banks and contingent liabilities etc. As per the CCEA approval, OIDB interest free loan assistance of Rs.7177 lakh to BLL has been extended in pursuance of the decision of the CCEA to meet VRS cost of existing employees, outstanding salary dues to employees, secured loans from Banks and contingent liabilities etc. Further, clause No.(v) of MoPNG's above letter dated 16.10.2018 stipulates distribution of sale proceeds of immovable assets of BLL to OIDB & GOI in the ratio of their present shareholding in BLL (i.e. 67.33% & 32.33% respectively). The final view on this issue, including amount realisable by OIDB has not yet emerged.</p> <p>In view of the above, it is reiterated that necessary provision would be made only after final closure of the company after setting off of realisable amount from sale of immovable assets of BLL.</p>
<p>B. General B.1. Creation and utilization of Hydrogen Corpus Funds</p> <p>Ministry of Petroleum and Natural Gas (MoP&NG) decided to create Hydrogen Corpus Fund (HCF) with contribution from OIDB and oil PSUs in June 2003. HCF was established in the year 2004 with initial corpus of ₹.100 crore. OIDB contributed ₹.40 crore, IOC, ONGC & GAIL contributed ₹.16 crore each and BPCL and HPCL contributed ₹.6 crore each towards HCF. CHT was made nodal agency for taking up hydrogen research and related activities within oil and gas sector through various R&D institutions of participating organizations in HCF.</p> <p>Audit observed that as on 31 March 2019, an amount of ₹.152.36 crore had accumulated in the Corpus Fund which is being kept in various banks outside the accounts of OIDB. Accounts for the year 2018-19 of the HCF have not been finalized yet (September 2019). No formal audit and accountability mechanism exists for the fund. In view of the considerable amount involved, a formal mechanism to oversee the financials of the fund is essential. Further, as all the projects are to be carried out by CHT, OIDB should have considered transferring the funds to them for proper monitoring and better utilization. This was also highlighted during audit on the accounts of the earlier year through Management Letter.</p>	<p>The said observations was made in the Management Letter No.MAB-II/Report/ OIDB A/c 2017-18/T-1628/548 dated 26th December 2018 issued by Principal Director of Commercial Audit & ex officio Member Audit Board-II. OIDB, vide letter dated 6th May, 2019 had replied to the observations that formal audit and accountability mechanism exists for the HCF. OID Board was also apprised about the Management Letter and replies furnished by OIDB.</p> <p>Accounts for the year 2018-19 of the HCF were finalized and Income Tax Return for the same was also filed within stipulated timeframe on 24.09.2019.</p> <p>However, as per the suggestion of Audit regarding transferring the Hydrogen Corpus funds to CHT for proper monitoring and better utilisation, the matter would be taken up with Ministry of Petroleum & Natural Gas to issue necessary direction of transferring the Fund to CHT.</p>



B.2. Creation of OIDB Drought Relief Trust

During the period from April to June 2000 unprecedented drought had hit some States viz., Andhra Pradesh, Rajasthan and Gujarat. In response to appeal made by the then Hon'ble Minister of P&NG, the Ministry of Petroleum & Natural Gas decided to reimburse the cost of diesel for transportation of drinking water to the drought affected villages in these States. A Charitable Trust, OIDB Drought Relief Trust (OIDB DRT), was formed on 1 June 2000. The Board of Trustees in its meeting held on 29 September 2009 decided to change the name of the Trust as OIDB Relief Trust as the specific objectives of Drought Relief Trust have already been met. OIDB Relief Trust has received ₹.20.60 crore from Oil PSUs towards contribution.

Audit observed that as on 31 March 2019, an amount of ₹.17.29 crore has accumulated in the Trust which is kept in various banks, outside the accounts of OIDB. No formal audit and accountability mechanism has been created for the fund. In view of the considerable amount involved, a formal oversight mechanism over the financial of the fund is essential. This was also highlighted during audit on the accounts of the earlier year through Management Letter.

B.3. Grant-in-aid

OIDB has not received any grant from Government and Government agencies during the year 2018-19.

The said observations was made in the Management Letter No.MAB-II/Report/ OIDB A/c 2017-18/T-1628/548 dated 26th December 2018 issued by Principal Director of Commercial Audit & ex officio Member Audit Board-II. OIDB, vide letter dated 6th May, 2019 had replied to the observations stating that the accounts are being maintained by the OIDB and audited by the C&AG empaneled Chartered Accountants. Income Tax returns are filed regularly. It was also informed that the matter regarding Scope of the Trust and the continuation or otherwise of the Trust is under review.

OID Board was also apprised about the Management Letter and replies furnished by OIDB.

It is further informed that OIDB Relief Trust in its 17th meeting held on 2.5.2019 took note of the recommendations of the meeting taken by JS(M)/Managing Trustee and directed that, in the first instance, efforts may be made by approaching State Governments to utilize the available funds for the primary objectives of the Trust viz. drought, flood and natural calamities within a period of 6 months. The dissolution of the Trust shall be considered subsequently. Accordingly, proposals for financial assistance from OIDB Relief Trust were solicited from all State Governments. Proposals received have been examined in the 18th Board of Trustees Meeting held on 27.09.2019 and the minutes are under submission for approval of competent authority.

The matter of transfer of additional cess proceeds to OIDB was taken up on several occasions. However, no fresh apportionment out of the cess collected on the crude oil has been allocated to OIDB since 1992-93.

Annexure
{Referred to in Para 4 C (v)}

Sl. No	Observations	Replies
1.	<p>Adequacy of Internal Audit System</p> <p>The Internal audit of the Oil Industry Development Board for the year 2018-19 has been outsourced to external Chartered Accountants firm. The Chartered Accountants firm had submitted its report on quarterly basis during the year 2018-19. The scope of audit of the firm includes checking/verification of accounts, verification of fixed assets, verification of utilization certificates in respect of loan and grants disbursed by OIDB. However, the scope of audit of the firm does not include audit of contracts entered into by OIDB.</p>	<p>OIDB has appointed through tendering process M/s Susheel Gupta & Co. Chartered Accountant, to assist and provide consultancy service to OIDB in formulation of account & tax matter to ensure that accounts are prepared as per CAG norms & laid down accounting standards. Copies of quarterly Internal Audit reports were furnished to Audit Party vide this office letter dated 12.09.2019. There are no significant observations.</p>
2.	<p>Adequacy of Internal Control System</p> <p>The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized.</p> <p>After release of grants, OIDB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by the OIDB nor has any effective mechanism been evolved to monitor the manner of proper utilization of grants.</p>	<p>The Bulk of the grant released by OIDB to its grantee institution is to meet the Wages & Salary, Office and other Administrative Expenses. No assets are created out of this grant except office equipment like computer, fax machine, photocopier machine, furnisher & fixture etc., which have a limited life are relatively low cost assets.</p> <p>As regards monitoring of proper grant is concerned, Board is apprised of the status of utilization of grants in its various meeting. Further, OIDB has devised a Proforma which includes details of head-wise approved budget and expenditure incurred till previous month & demand for the current month. All proposals are received in the prescribed Proforma and are examined with respect of approved head-wise budget before releasing grants. Scrutiny of these details enables OIDB to ensure that neither the expenditure is incurred in excess of the budgeted grant nor there is idling of funds because fresh grants depend upon the progress of utilization of grants received till the previous month. The budget estimates of all grantee organisations are approved by OID Board following by Central Government approval.</p> <p>At the end of the financial year Utilization Certificate is also obtained as per GFR prescribed format along with audited statements of accounts</p>



<p>3.</p>	<p>System of Physical Verification of Fixed Assets</p> <p>The fixed Assets register containing individual asset wise complete and up to date details i.e. date of purchase/ acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipment, computer/ peripherals, electric installations etc. has not been maintained.</p>	<p>It is submitted that OIDB maintains asset and inventory register containing details such as, item description, location, quantity, cost, purchase order, vendor details etc. However, as per CAG audit observations to maintain asset register in proper manner as per GFR format-22, the work relating to physical verification of assets and preparation of Fixed Asset Register in the prescribed format as defined in the GFR has been assigned to M/s. Deepak Bhargava & Associates, Chartered Accountants. Thus, the observation of Audit shall be complied within a time bound manner and Audit shall be informed accordingly.</p>
<p>4.</p>	<p>Regularity in payment of Statutory Dues applicable to them</p> <p>As informed and reported, all taxes and statutory dues were paid in time by OIDB.</p>	<p>All taxes and statutory dues were paid on time.</p>

Chapter 09

Indian Strategic Petroleum Reserves Limited



Board of Directors

Shri K.D. Tripathi	Chairman	(till 30.06.2018)
Dr. M.M. Kutty	Chairman	(w.e.f. 18.07.2018)
Shri Rajiv Bansal	Director	(w.e.f. 18.08.2017)
Shri Sunjay Sudhir	Director	(till 21.02.2019)
Shri Ashish Chatterjee	Director	(till 14.11.2018)
Shri Diwakar Nath Misra	Director	(w.e.f. 14.11.2018)
Shri B.N. Reddy	Director	(w.e.f 09.04.2019)
Shri H.P.S. Ahuja	CEO & MD	(w.e.f 02.06.2017)
Smt. Kiran Vasudeva	Director	(w.e.f. 31.08.2018)

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Shri H.P.S. Ahuja

COMPANY SECRETARY

Shri Arun Talwar

STATUTORY AUDITORS

M/s Goyal & Goyal
Chartered Accountants

BANKERS

Corporation Bank
M-41, Connaught Circus,
New Delhi-110 001

REGISTERED OFFICE

301, World Trade Centre, 3rd Floor, Babar Road, New Delhi-110 001

ADMINISTRATIVE OFFICE

OIDB Bhawan, 3rd Floor, Plot No.2, Sector-73, Noida-201301, U.P.

Phone No. : 91-120-2594661, Fax No. 91-120-2594643

Website : www.isprlindia.com

Email : isprl@isprlindia.com

Visakhapatnam Project Office

Lovagarden, Behind HSL Fabrication Yard,
Gandhigram Post, Visakhapatnam - 530 005
Phone : 0891-2868000

Mangalore Project Office

Chandrasah Nagar, Kalavar Post.,
Bajpe via, Mangaluru-574142,
Phone : 0824-2881810

Padur Project Office

PO : Padur, Via Kaup, Distt. Udipi - 574 106
Karnataka
Phone : 0820-2556817



DIRECTOR'S REPORT

To,

The Shareholders,

Indian Strategic Petroleum Reserves Limited

The Board of Directors of your Company is pleased to present the 15 Annual Report on the working of the Company for the Financial Year ended 31st March, 2019 together with the Audited Statement of Accounts and Auditor's Report thereon.

FINANCIAL RESULTS

The Highlights of the Financial Results of your Company for the Financial Year ended 31 March, 2019 are as under:

S.No.	Particulars	Figures in Lakhs	
		As at 31 ST March, 2019	As at 31 ST March, 2018
(A)	Opening Balance of Work In Progress as on 1 April	1,55,373.12	1,52,106.27
(B)	Pre-Operative Expenses during the year	9,264.22	5,266.85
(C)	Net Increase in Fixed Assets (PPE)	1,63,781.79	65.32
(D)	Net Non-current Assets	12,919.37	13,597.40
(E)	Net Current Assets	(1,041.66)	724.76
(F)	Accumulated Loss/ Profit	(23,321.65)	(-)16,595.39
	Total (A+B+C+D+E+F)	3,16,975.19	1,55,165.21
	Net Non-current Assets {(i)-(ii)}	12,919.37	13,597.40
	(i) Non-Current assets (Long term Loans & Advances)	13,089.82	13,617.12
	(ii) Non-Current Liabilities	170.45	19.68
	Net Current Assets {(i)-(ii)}	(1,041.66)	724.76
	(i) Current Assets	11,483.12	4,996.60
	(ii) Current Liabilities	12,524.77	4,271.84

PERFORMANCE OVERVIEW

Your Company has been mandated to establish crude oil storages of 5.33 MMT (including 0.30 MMT to be shared with Hindustan Petroleum Corporation Limited on proportionate cost sharing basis). The locations selected for creating the strategic storages are, Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). The capital cost for constructing the strategic storage facilities was originally estimated to be ₹ 2,397 Crore at September 2005 prices. The approval for the Revised Cost Estimate (RCE) of Visakhapatnam

was obtained in June, 2011 and thereafter again in February, 2015. The RCEs for Mangalore and Padur were approved in November, 2013.

The RCE for the three locations are as follows: Visakhapatnam – ₹1,178.35 Crore; Mangalore – ₹1,227 Crore and Padur – ₹1,693 Crore. Thus, the total revised cost of the projects stands at ₹4098.35 crore. As per the decision taken by the Government of India, the capital cost would be met from the existing funds available with OI DB, except for the 0.3 MMT compartment at Visakhapatnam, which would be met by Hindustan Petroleum Corporation Limited on proportionate cost sharing basis. It was also decided that the operation and maintenance cost of the strategic storages shall be met by the Government of India. Government of India, has allocated ₹4,948 Crore towards crude filling cost in the th 12 Five Year Plan 2012-17. Out of these funds, Visakhapatnam one compartment of 1.03 MMT and Mangalore Cavern one compartment of 0.75 MMT have been filled.

Your company has successfully commissioned cavern projects for the three locations which marks a successful completion of Phase-I of the SPR projects for the country.

All the three locations have been dedicated to nation by Hon'ble Prime Minister Shri Narendra Modi on 10th Feb, 2019.

Under Phase II SPRs Program, in principle approval has been accorded to build 6.5 MMT of petroleum reserves and associated facilities for crude loading / unloading at Chandikhol, Odisha (4.0 MMT) and Padur II, Karnataka (2.5 MMT) entailing underground unlined rock cavern storages. The 'In Principal' approval is to take up the project under PPP model to reduce budgetary support of Government of India.

1. Visakhapatnam (Storage Capacity : 1.33 MMT)

The Board is pleased to inform the members that Visakhapatnam Cavern was commissioned in 2015. The facility has two compartments Cavern A (1.03 MMT) and Cavern B (0.3 MMT). Cavern A is for Strategic crude oil and is filled through funds made available by the Government of India. HPCL has taken the cavern B on proportionate



Night View of Visakhapatnam Plant



cost sharing basis. This is being regularly used by HPCL for its refinery operations at Visakhapatnam.

2. Mangalore (Storage Capacity: 1.5 MMT)

Board is also pleased to inform the members that both the compartments of Mangalore Cavern have been commissioned. The first compartment i.e. Cavern B was commissioned in October, 2016, it was completely filled with three VLCC parcels of 50% Iran Heavy + 50% Iran Light crude oil in the month of December, 2016.

Cavern-A has also been filled with three parcels of Das Crude oil received from ADNOC during the period May, 2018 to November, 2018. The crude oil for filling of this cavern has been provided by ADNOC under the agreement which was signed between ADNOC and ISPRIL in February, 2018.



Crude Oil consignment from ADNOC being received at ISPRIL Mangalore on 21 May, 2018

During this year, about 0.625 MMT of Crude Oil (50% Iran Heavy + 50% Iran Light) was transferred from Mangalore Cavern-B to Padur Cavern Project and about 0.179 MMT of crude oil (50% Iran Heavy + 50% Iran Light) was procured and filled in Cavern-B at Mangalore.

The 0.179 MMT of Crude Oil (50% Iran Heavy + 50% Iran Light) was procured through MRPL amounting to Rs. 534 Crores utilizing the balance fund which was allocated for filling of Crude Oil.



Overview of Mangalore Plant

3. Padur (Storage Capacity: 2.5 MMT)

Board is also pleased to inform the members that Padur Cavern Project has been successfully commissioned in December, 2018 by transferring crude oil (50% Iran Heavy + 50% Iran Light) available in the Cavern-B of Mangalore.

The facility at Padur consists of four compartments i.e. Cavern A, Cavern B, Cavern C & Cavern D of 0.625 MMT each, with a total capacity of 2.5 MMT. All the four compartments have been partially filled with the Crude Oil.

Presently partial quantities of Crude is transferred in all the four compartments for commissioning the facility. Ultimately, the crude oil shall be transferred to one compartment.



Flare area of Padur Facility



The balance three compartment of Padur are proposed to be filled through a suitable arrangement entailing effective commercial and strategic usage of the available storage space. A MoU was signed with ADNOC on 11th November, 2018 for filling up of two Padur caverns of 0.625 MMT each. Definitive Agreement is under preparation / finalization in consultation with ADNOC.

4. Phase II of Strategic Storage Program

Under Phase II SPRs Program, ISPRL intends to build 6.5 MMT of petroleum reserve and associated facilities at Chandikhol, Odisha (4.0 MMT) and Padur II, Karnataka (2.5 MMT) entailing underground



ISPRL Road Show at Delhi being inaugurated by Hon'ble Minister of Petroleum and Natural Gas Shri Dharmendra Pradhan



Road Show in Progress for PPP in ISPRL

unlined rock cavern storages. ISPRL also plans to construct Single Point Mooring (SPM) facility to support its existing and upcoming facility at Mangalore, Padur and Chandikhol.

The Union Cabinet gave "In Principle approval for establishing 6.5 MMT Strategic Petroleum Reserves at two locations Chandikhol (4 MMT) in Odisha and at Padur (2.5 MMT) Karnataka including dedicated SPMs for the two SPRs. The 'In Principal' approval is to take up the project under PPP model to reduce budgetary support of Government of India. ISPRL is exploring the options to construct these SPRs under a Public Private Partnership (PPP) model with prospective partners like Financial Investors/ Traders/ Domestic & Foreign Oil Refining and Marketing companies/ Large Construction Companies/ Sovereign wealth funds. It plans to enter into a concessionaire agreement with these partners for construction, filling and operation of the envisaged petroleum storage facilities developed under Phase II.

ISPRL hired a transaction advisor M/s Deloitte for working out a suitable financial model with the interested oil and infrastructure companies. Roadshows entailing consultation process and one on one interactions were conducted in New Delhi (17th -18th October'18), Singapore (26-27th October'18) and London (29-30th October'18). Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum and Natural Gas and Skill Development inaugurated the ISPRL Road Show for prospective PPP investors in Delhi. The consultant submitted its recommendations which have been approved by the government. Presently the documents required for seeking In Principle approval of PPPAC with requisite support from the Government of India and Niti Aayog are being consolidated.

DIVIDEND

Your Board of Directors does not recommend any Dividend for the Financial Year ended 31st March, 2019.

TRANSFER TO RESERVES

The losses made during the financial year 2018-19 have been transferred to the reserves of the Company for the financial year ended 31st March, 2019.

PUBLIC DEPOSITS

Your Company has not invited, accepted or renewed any fixed deposit from the public as on st 31 March, 2019 and accordingly there is no principal or interest outstanding in respect thereof.

AUDIT COMMITTEE

The Board has constituted the Audit Committee. The Audit Committee comprised of the following st Directors as on 31 March, 2019:

- | | | | |
|------|---|---|----------|
| (i) | Shri Rajiv Bansal
Additional Secretary & Financial Advisor, MoP&NG/
Director, ISPRL | : | Chairman |
| (ii) | Shri HPS Ahuja
CEO & MD, ISPRL | : | Member |

The number and dates of the meetings held during the financial year indicating the number of meetings attended by each director is given at **Annexure-I**.



NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC). The NRC comprised of the following Directors during the year:

- | | | | |
|------|---|---|----------|
| (i) | Shri Sunjay Sudhir*
Joint Secretary (IC), MoP&NG/Director, ISPRL | : | Chairman |
| (ii) | Shri HPS Ahuja
CEO & MD, ISPRL | : | Member |

*Shri Sunjay Sudhir ceased to be Director w.e.f. 21.02.2019. The Board had reconstituted NRC on 06.05.2019 appointing Shri B. N. Reddy, Director, ISPRL as Chairman, NRC.

The number and dates of the meetings held during the financial year indicating the number of meetings attended by each director is given at **Annexure-I**.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The company has a CSR Policy which is available on the website of the Company. The Company has not spent any money on CSR activities during the year as the company has not made any profit during the preceding three financial years. The Board of Directors has constituted CSR Committee. The CSR Committee comprised of the following Directors during the year:

- | | | | |
|------|--|---|----------|
| (i) | Shri Sunjay Sudhir*
Joint Secretary (IC), MoP&NG/ Director, ISPRL | : | Chairman |
| (ii) | Shri HPS Ahuja
CEO & MD, ISPRL | : | Member |

*Shri Sunjay Sudhir ceased to be Director w.e.f. 21.02.2019.

The number and dates of the meetings held during the financial year indicating the number of meetings attended by each director is given at **Annexure-I**.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013 read with rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return is enclosed in Form No. MGT- 9 at **Annexure- A**.

MEETINGS OF THE BOARD

The Board of Directors of the Company met four times in the financial year 2018-19 as per the following details:

- 1) 4th May, 2018
- 2) 18th July, 2018
- 3) 14th November, 2018
- 4) 26th February, 2019

The number and dates of the meetings held during the financial year indicating the number of meetings attended by each director is given at **Annexure-I**.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there have been no changes in the nature of business.

PARTICULARS OF EMPLOYEES

The Company has no employee in respect of whom the Statement under the provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is required to be furnished.

DECLARATION BY THE INDEPENDENT DIRECTORS

There were no Independent Directors on the Board of the Company during the financial year 2018-19.

RISK MANAGEMENT

Effective risk management is critical for the continued success of the Company. The Company has a risk management policy to identify risk associated with the Company operations and to take appropriate corrective steps to minimize the risks. The major risks associated with Company are related to crude oil receipt and storage and delivery. These risks are mitigated by adopting standard operating procedures and adequate insurance cover.

KEY MANAGERIAL PERSONNEL

The following were the Whole-time Key Managerial Personnel during the year under review:

- | | | |
|----------------------------|---|-------------------|
| a) CEO & Managing Director | - | Shri H.P.S. Ahuja |
| b) Chief Financial Officer | - | Shri Gautam Sen |
| c) Company Secretary | - | Shri Arun Talwar |

REMUNERATION

All Directors on the Board of ISPRL are ex-officio directors nominated by Ministry of Petroleum and Natural Gas (MoP&NG) except CEO & MD. No remuneration is paid to ex-officio director nominated by MoP&NG. Other officers of the Company including CEO & MD and KMPs are on deputation from oil sector PSUs.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred subsequent to the close of financial year of the Company to which the Balance Sheet relates and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.



SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company is not having any Subsidiary/Joint Ventures/Associate Companies under the provisions of the Companies Act, 2013.

COST AUDIT

In terms of Section 148 of the Act, the Company is not required to have the audit of its cost records conducted by a Cost Accountant.

AUDITORS

STATUTORY AUDIT:

The Comptroller & Auditor General of India (C&AG) has appointed M/s Goyal & Goyal (DE0577), New Delhi as Statutory Auditors of the Company, who have submitted their report on the accounts of the st Company for the Financial Year ended 31 March, 2019 (**Annexure- B**). The Auditors Report to the Shareholders does not contain any qualification.

C&AG on the basis of supplementary audit conducted under Section 143 (6) (a) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31st March, 2019 have made one observation under 143 (6) (b) of the Companies Act, 2013. The observation of the C&AG along with Management reply thereto is attached as **Annexure-C**.

SECRETARIAL AUDIT:

During the year, the Board of the Company had appointed M/s S. N. Agrawal & Co., Company Secretaries in Whole-time Practice (C.P. No. 3581), as Secretarial Auditors of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, for the financial year 2018-19. The Report given by Secretarial Auditors is annexed to this report as (**Annexure-D**). The Auditors Report to the Shareholders does not contain any qualification.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has commissioned Visakhapatnam, Mangalore cavern and Padur caverns. The Company has no information to be published regarding conservation of energy and technology absorption.

The Company does not have any foreign exchange earnings during the year. However it has utilized foreign exchange for its business activities aggregating to Rs 32.11 Lakh during the period under review.

INTERNAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements during the period under review.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a policy on Prohibition and Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained in "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has

complied with provisions relating to the constitution of Internal Complaints Committee under the said Act. During the year under review, the Company did not receive any complaint under the said Act.

BOARD EVALUATION

The formal annual evaluation of the performance of the Board, its Committees and of individual directors has been carried out as per the Board Performance Evaluation Policy approved by the Board of ISPRL.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, there has been no instances of fraud reported by Auditors under Section 143 (12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loan was given or investments were made by ISPRL during the year 2018-19. ISPRL has given Bank Guarantee of Rs 38.43 Lakh to Deputy Commissioner, Commercial Tax Deptt., Mangalore w.r.t. Entry st Tax matters as on 31 March, 2019.

RELATED PARTY TRANSACTIONS

All related party transactions were limited to Equity capital participation by OIDB and payment of managerial remuneration to CEO & MD, ISPRL, CFO, ISPRL and Company Secretary, ISPRL. The transactions with the related parties are in the ordinary course of business and are on Arm's Length basis and are not material in nature.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

The applicable Secretarial Standards issued by The Institute of Company Secretaries of India have been duly complied by the Company.

A copy of the Annual Return of the Company shall be placed on the website of the Company www.isprlindia.com.

DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) Section 134 of the Companies Act, 2013, your Board of Directors of the Company hereby state and confirm:

- (a) That in preparation of Annual Accounts for the financial year, the applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- (b) That Directors have selected the accounting policies and applied them consistently 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 March 31, 2019 and of the Profit and Loss of the Company for that year;
- (c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors have prepared the Accounts for the Financial Year ended 31 March, 2019 on a "going concern" basis.



- (e) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

Your Board of Directors comprises of four part-time Non-Executive Directors and one full-time CEO & MD as on 31st March 2019, details are given below:

1. Dr. M. M. Kutty (DIN- 01943083), Secretary, MoP&NG - Chairman
2. Shri Rajiv Bansal (DIN- 00245460), Additional Secretary & Financial Advisor, MoP&NG – Director
3. Shri Diwakar Nath Misra (DIN-07464700), Secretary, OIDB- Director
4. Shri HPS Ahuja (DIN- 07793886), Chief Executive Officer & Managing Director
5. Smt. Kiran Vasudeva (DIN- 06419718), Director (GP), MoP&NG- Director

The following changes took place in the Board of Directors since 1 April, 2018:

1. Shri K. D. Tripathi (DIN- 07239755), Secretary, MoP&NG/ Chairman, ISPRL (Cessation w.e.f. 30/06/2018)
2. Dr. M. M. Kutty (DIN- 01943083), Secretary, MoP&NG/ Chairman, ISPRL (Appointment w.e.f. 18/07/2018)
3. Smt. Kiran Vasudeva (DIN- 06419718), Director (GP), MoP&NG/ Director, ISPRL (Appointment w.e.f. 31/08/2018, Cessation 31/05/2019)
4. Shri Ashish Chatterjee (DIN- 07688473), JS (GP), MoP&NG/ Director, ISPRL (Cessation w.e.f. 14/11/2018)
5. Shri Diwakar Nath Misra (DIN-07464700), Secretary, OIDB/ Director, ISPRL (Appointment w.e.f. 14/11/2018)
6. Shri Sunjay Sudhir (DIN- 07396936), JS (IC), MoP&NG/ Director, ISPRL (Cessation w.e.f. 21/02/2019)
7. Shri B.N. Reddy (DIN-08389048), OSD (IC), MoP&NG / Director, ISPRL (Appointment w.e.f 09/04/2019)

ACKNOWLEDGEMENT

Your Board of Directors gratefully acknowledges the valuable guidance and support received from the Government of India, Ministry of Petroleum and Natural Gas and Oil Industry Development Board.

For and on behalf of the Board

Sd/-

(B.N. Reddy)
Director
(DIN# 08389048)

Sd/-

(H P S Ahuja)
CEO & MD
(DIN# 07793886)

Date: 04.09.2019

Place: New Delhi

(Annexure-I)

Details of the meeting of the Board Committees and Board and number of meetings attended by the Directors:

AUDIT COMMITTEE:

The Audit Committee held two meetings in the financial year 2018-19. These meetings were held on 1st June, 2018 and 21st August, 2018. The Director's attendances at the Audit Committee meetings are as follows:

Sl. No.	Members	Designation	No. of meetings attended in FY 2018-19
1.	Shri Rajiv Bansal	Chairman	2
2.	Shri HPS Ahuja	Member	2

NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC held one meeting in the financial year 2018-19. The meeting was held on 28th August, 2018. The Director's attendances at the NRC meetings are as follows:

Sl. No.	Members	Designation	No. of meetings attended in FY 2018-19
1.	Shri Sunjay Sudhir	Chairman	1
2.	Shri HPS Ahuja	Member	1

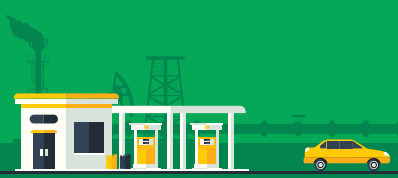
CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

No meeting of CSR Committee held during the financial year 2018-19.

BOARD OF DIRECTORS:

The Board of Directors of the Company held four meetings in the financial year 2018-19 as per the following details:

- (i) 04/05/2018
- (ii) 18/07/2018
- (iii) 14/11/2018
- (iv) 26/02/2019



Sl. No.	Name of Directors	Designation	No. of board meetings attended during the FY 2018-19
1.	Shri K. D. Tripathi (cessation w.e.f. 30/06/2018)	Chairman	1
2.	Dr. M. M. Kutty (appointment w.e.f. 18/07/2018)	Chairman	3
3.	Shri Rajiv Bansal	Director	3
4.	Shri Sunjay Sudhir (cessation w.e.f. 21/02/2019)	Director	1
5.	Shri Ashish Chatterjee (cessation w.e.f. 14/11/2018)	Director	3
6.	Shri Diwakar Nath Misra (appointment w.e.f. 14/11/2018)	Director	2
7.	Shri H.P.S. Ahuja	CEO & MD	4
8.	Smt. Kiran Vasudeva (appointment w.e.f. 31/08/2018)	Director	1

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U63023DL2004GOI126973
- ii) Registration Date – June 16, 2004
- iii) Name of the Company – INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
- iv) Category/ Sub-Category of the Company–UNLISTED PUBLIC LIMITED COMPANY
- v) Address of the Registered office and contact details – 301, World Trade Centre, 3 Floor, Babar Road, New Delhi-110001.Tel : 0120-2594641 Fax : 0120-2594643
- vi) Whether listed company - No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any –NA

II. ACTIVITIES OF THE COMPANY

Construction of the Strategic Crude Oil Storage Caverns at Visakhapatnam, Mangalore and Padur, Operating the Caverns and Custody of Crude oil in the caverns.

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Construction, Operation and Maintenance of Crude oil caverns facilities	43900 52109	--
2.	--	--	--

III. PARTICULARS OF HOLDING COMPANY

Sl. No.	Name and Address of the Company	PAN No.	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Oil Industry Development Board	AAAJO0032A	Holding	100	2(46)


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (Number in Crore)				No. of Shares held at the end of the year (Number in Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	NIL	368.11	368.11	100	374.84	NIL	374.84	100	1.83
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	NIL	368.11	368.11	100	374.84	NIL	374.84	100	1.83
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	368.11	368.11	100	374.84	NIL	374.84	100	1.83

Category of Share Holders	No. of Shares held at the beginning of the year (Number in Crore)				No. of Shares held at the end of the year (Number in Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	368.11	368.11	100%	374.84	NIL	374.84	100%	1.83


(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name *	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares (In crore)	% of total Shares of the company	% of Shares Pledged/en cumbered to total shares	No. of Shares (In crore)	% of total Shares of the company	% of Shares Pledged/en cumbered to total shares	
1	Oil Industry Development Board							
	Total	368.11	100	NIL	374.84	100	NIL	1.83

* In addition to Oil Industry Development Board (OIDB), there are six other shareholders of the Company, who are Nominees of OIDB holding one share each. The names of other six shareholders are given below:

1. Mr. Ganesh Chandra Doval
2. Mr. Rajesh Kumar Saini
3. Mr. Girish Chandra
4. Ms. Jyoti Sharma
5. Mr. M.S. Chauhan
6. Mr. Rajesh Mishra

(iii) Change in Promoter's Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (Number in Crore)	% of total shares of the company	No. of shares (Number in Crore)	% of total Shares of the company
	At the beginning of the year	368.11	100	368.11	100
	Allotment of Shares during the FY 2018-19 i) 04/05/2018 43,10,000 Shares ii) 28/06/2018 1,00,00,000 Shares iii) 26/02/2019 5,30,00,000 Shares	Total Shares allotted in FY 2018-19 6.73 Crore			100
	At the end of the year	374.84	100	374.84	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 shareholders				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors and KMP				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans (Rs. In Lakh)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Sl No.	Particulars of Remuneration	Name of MD/WTD	Total Amount ₹ In Lakh
		Shri H.P.S. Ahuja, CEO & Managing Director*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	₹71.26 (a +b +c)	₹71.26 (a +b +c)
2.	Stock Option	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA
5.	Others, please specify	NA	NA
	Total (A)	₹71.26	₹71.26
	Ceiling as per the Act	₹154.31	₹154.31

*Based on actual debit notes received from the parent company of the officer.

B. Remuneration to other Directors:

SI No.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	-	-	-
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	-	-	-
	Total (1)	-	-	-
	2. Other Non-Executive Directors	-	-	-
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	-	-	-
	Total (2)	-	-	-
	Total (B) = (1 + 2)	-	-	-
	Total Managerial Remuneration (A+B)	₹71.26		
	Overall Ceiling as per the Act	₹154.31		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SI No.	Particulars of Remuneration	Key Managerial Personnel Total Amount			₹(in Lakh)
		CEO	CFO*	Company Secretary*	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Already covered in Table at S.No. A.	70.79 (a+b +c)	50.54 (a+b +c)	121.33
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA
5.	Others, please specify	NA	NA	NA	NA
	Total		70.79	50.54	121.33

*Based on actual debit notes received from the parent company of the officer.


VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **INDIAN STRATEGIC PETROLEUM RESERVES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Also Refer **"Annexure A"** to this audit report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued the Central Government of India in terms of sub-section (11) of 143 of the Companies Act, 2013, we give in the **"Annexure B"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
 - (g) With respect to other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial positions in its IND AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the direction of C&AG under Section 143(5) of the Act, we report that:

- a) The company has system in place to process all the accounting transactions through IT system.
- b) There is no restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc made by a lender to the company due to the company's inability to repay the loan.
- c) Funds received/ receivable for specific schemes from Central/State agencies are properly accounted for/ utilized as per their term and conditions.

Place :New Delhi

Date: 24.06.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Auditor's responsibilities for the Audit of the Financial

Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Place :New Delhi

Date: 24.06.2019

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report the following:

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets are physically verified by the management in a phase manner which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As per information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company except for 3.09 acre of land at Padur for which title deed is pending execution.
- ii. The management has conducted physical verification, of Crude oil inventory held on trust on behalf of Government of India and ADNOC at Vishakhapatnam, Mangalore and Padur at reasonable intervals through independent surveyors. In our opinion, having regard to the nature and location of the crude, the frequency of physical verification is reasonable.
- iii. According to the information and explanation given to us, the company has not granted any loan secured or unsecured loan to company/ Firms covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore provisions of clause (III) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees, securities or made any investments in respect of which provisions of section 185 and 186 of the Companies Act, 2013 needs to be complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from the public covered under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules made there under.
- vi. In our opinion and according to the information and explanations given to us, the Central Government as not prescribed the maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013, for any of the activities of the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Value Added Tax, Work Contract Tax, Service Tax, Cess, GST and any other Statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us and as certified by the management, the following dues of income-tax, Entry-tax and royalties have not been deposited by the Company on account of dispute.



Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	255.32	A.Y. 2013-14	CIT (A), Delhi
Income Tax Act, 1961	Income Tax	234.24	A.Y. 2016-17	CIT (A), Delhi
Karnataka Tax on Entry of Goods Act 1979	Entry Tax & Interest	44.80	F.Y. 2010-11	Karnataka High Court
Karnataka Tax on Entry of Goods Act 1979	Entry Tax & Interest	137.65	F.Y. 2011-12	Karnataka High Court
Karnataka Tax on Entry of Goods Act 1979	Entry Tax & Interest	193.32	F.Y. 2012-13	Karnataka Appellate Tribunal, Bangalore
Andhra Pradesh Minor Mineral Concession Rules 1996	Royalty	11794.95	Up to 31.03.2018	Directorate of Mines and Geology, Andhra Pradesh

- viii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not defaulted in repayment of loan or Borrowing from Government. The Company has not availed any borrowings from any financial institution, bank or debenture holders.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Order regarding default is not applicable to the Company.
- x. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 of the ACT.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into noncash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

Place : New Delhi

Date: 24.06.2019

“ANNEXURE C” TO THE INDEPENDENT AUDITORS’ REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“ the Act “)**

We have audited the internal financial controls over financial reporting of **INDIAN STRATEGIC PETROLEUM RESERVES LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that



1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi

Date: 24.06.2019

Annexure – C

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL) FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31st March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24th June, 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31st March, 2019 under section 143(6)(a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Statement of Profit and Loss

As per approval of the Ministry of Petroleum and Natural Gas (April 2015), Operation & Maintenance (O&M) expenditure on commissioned cavern is to be borne by Government of India (GoI). HPCL has also agreed to bear proportionate O&M expenditure of commissioned cavern project at Visakhapatnam. During the year 2018-19, ISPRL incurred ₹78.21 crore towards O&M on commissioned caverns at Visakhapatnam, Mangalore and Padur. GoI/HPCL released ₹58.95 crore to ISPRL during the year 2018-19 and the balance amount of ₹19.26 crore has been shown as receivable from GoI/HPCL.

The Company had accounted for an amount of ₹19.26 crore in the books which was yet to be received from GoI/HPCL. The transactions relating to incurring of O&M expenditure of ₹78.21 crore and receipt of ₹58.95 crore from GoI/HPCL have not been accounted for.

This is in contravention of the provisions of Section 2(13) of the Companies Act, 2013 as well as Memorandum of Association of ISPRL which requires preparation of books of account considering (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place; (ii) all sales and purchases of goods and services by the company; (iii) the assets and liabilities of the company.

This issue was commented by C&AG on the Accounts of ISPRL for the financial year 2017-18.

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

Sd/-
Roop Rashi
Director General of Commercial Audit &
& Ex-officio Member
Audit Board – II, Mumbai

Place: Mumbai
Date: 20th August 2019



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL) FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31st March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24th June, 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31st March 2019 under section 143(6)(a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Audit Comment	Management Reply
<p>STATEMENT OF PROFIT AND LOSS</p> <p>As per approval of the Ministry of Petroleum and Natural Gas (April 2015), Operation & Maintenance (O&M) expenditure on commissioned cavern is to be borne by Government of India (GoI). HPCL has also agreed to bear proportionate O&M expenditure of commissioned cavern project at Visakhapatnam. During the year 2018-19, ISPRL incurred 78.21 crore towards O&M on commissioned caverns at Visakhapatnam, Mangalore and Padur. GoI/HPCL released ₹58.95 crore to ISPRL during the year 2018-19 and the balance amount of ₹19.26 crore has been shown as receivable from GoI/HPCL.</p> <p>The Company had accounted for an amount of 19.26 crore in the books which was yet to be received from GoI/HPCL. The transactions relating to incurring of O&M expenditure of ₹78.21 crore and receipt of ₹58.95 crore from GoI/HPCL have not been accounted for.</p>	<p>It may be noted that total Operation & Maintenance (O&M) expenditure incurred pertaining to Financial Year 2018-19 was ₹78.21 crore which has been arrived on the basis of Accrual System of the Accounting applicable for Companies as per Section 2(13) of the Companies Act, 2013. Out of this, ₹58.95 crores has already been received from GoI/HPCL and the balance amount of ₹19.26 crore has been show as recoverable/receivable from GoI/HPCL vide Note. No. 8 of Annual Accounts for the Year 2018-19.</p> <p>Hence, in the light of explanations furnished above, it is clear that 58.95 crore have been correctly accounted for and depicted as per statutory requirements.</p> <p>As per present dispensation, O&M expenses are to be fully reimbursed by MoP&NG. However, HPCL reimburses their prorata share of O&M expenses in respect of Visakhapatnam facility as per agreed methodology between ISPRL and HPCL. Hence, O&M expenses of ISPRL are revenue neutral in nature. Therefore, vide Note No.</p>

This is in contravention of the provisions of Section 2(13) of the Companies Act, 2013 as well as Memorandum of Association of ISPRL which requires preparation of books of account considering (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place; (ii) all sales and purchases of goods and services by the company; (iii) the assets and liabilities of the company.

This issue was commented by C&AG on the Accounts of ISPRL for the financial year 2017-18.

17 of the Annual Accounts of ISPRL for FY 2018-19, the O&M expenses incurred and reimbursement thereof have been depicted as contra items.

Further, the observations raised by CAG pertaining to Annual Accounts for FY 2017-18 have been duly considered and to that extent the annual accounts of FY 2018-19 have been modified. Therefore, the observations made by CAG in annual accounts of FY 2017-18 have been duly complied with in the annual accounts of FY 2018-19.



SECRETARIAL AUDIT REPORT
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.3.2019

To
The Members,
Indian Strategic Petroleum Reserves limited,
301 World Trade Centre,
3rd floor, Babar Road,
New Delhi-110001.

We have conducted secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indian Strategic Petroleum Reserves limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indian Strategic Petroleum Reserves Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N.A.
- (v) The following Regulations and Guidelines have been prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: N.A
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: N.A
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: N.A

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: N.A
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: N.A
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: N.A
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: N.A
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: N.A
- (i) The Securities and Exchange Board of India (Depositaries and Participants) Regulations, 1996:
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993:
- (vi) Other applicable laws :i) The Petroleum Act, 1934; ii) The Oil Industry (Development) Act, 1974;
- iii) The Oil fields Act, 1948; iv) Indian Explosives Act, 1884

Environmental Laws:

- i) The Water (Prevention and Control of pollution) Act, 1974
- ii) The Air (Prevention and Control of pollution)Act, 1981
- iii) The Environment (Protection) Act, 1986
- iv) Hazardous Wastes(Management and handling) Rules 1989

Misc Acts :

- i) Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act 2013

We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable laws and also reporting done to the Board through Agenda papers.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) : N.A

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, and during the period Shri K. D. Tripathi (DIN 07239755) ceased on 30/06/2018, Shri Ashish Chatterjee (DIN 07688473) ceased on 14/11/2018 and Shri Sunjay Sudhir (DIN 07396936) ceased on 21/02/2019.

As regards new induction Dr. M.M. Kutty (DIN 06419718) was appointed on 01.07.2018, Smt Kiran Vasudeva (DIN 06419718) on 09/08/2018 and Shri Diwakar Nath Misra (DIN 0764700) on 14/11/2018.

Adequate notice alongwith detailed agenda is given to all directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/Committee and shareholders meetings, we noticed that all decisions were approved by the respective Board/Committee and shareholders without any dissent note.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken events/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

FOR S N Agrawal & Co.
Sd/-
(SATYA NARAIN AGRAWAL)
Practising Company Secretary
FCS No.443
C P No.:3581

Place: Noida
Date: 24.04.2019

To,
The Members,
Indian Strategic Petroleum Reserves limited
301 World Trade Centre
3rd floor, Babar Road
New Delhi-110001.

Our report of even date is to be read alongwith this letter.

1. We have not conducted any business and/or financial audit of the Company and the figures mentioned by the company are assumed to be true.
2. We have expressed no opinion on any matters pertaining to marketing, operations, technical services, tax, commercial or financial and accounting of the Company.
3. We have assumed the authenticity of all signatures, originality and completeness of all the documents provided to us, and further which were not in originals, to be in conformity with its corresponding original.
4. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

FOR S N Agrawal & Co.

Sd/-
(SATYA NARAIN AGRAWAL)
Practising Company Secretary
FCS No.443
C P No.:3581

Place: Noida
Date: 24.04.2019



List of documents verified

1. Memorandum of Association and Revised Articles of Association
2. Annual Report for the financial year ending on 31st March, 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee of the Board , Nomination and Remuneration Committee along with their respective attendance registers, held during the financial year under audit.
4. Minutes of Annual General Meeting held during the financial year under the audit.
5. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of transfers
 - Register of members
6. Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
8. All e-forms filed by the Company, from April 2018 to March 31, 2019, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under audit.
9. Licence to store LPG gas in pressure vessels valid upto 30.9.2022 for Mangalore location.
10. Consent for discharge of effluents under Water (Prevention and Control of Pollution) Act, 1974 and emission under the Air (Prevention and Control of Pollution) Act, 1981 for Mangalore facility valid till 30.6.2021.
11. No objection certificate for height clearance from Airports Authority of India for facility at Mangalore valid upto 26.4.2021.
12. Constitution of ICC under the Sexual Harassment of Women at the workplace (Prohibition, Prevention and Redressal) Act, and Annual Return filed under the Act for the period 1.1.2018-31.12.2018.

The Company has filed the following e-forms under the Companies Act, 2013 during the Financial Year 2018-19

Sl. No.	Form No. with SRN no.	Purpose of filing the form	Date of Filing
1	DIR-12 H48005730	Cessation of Director: Shri Sunjay Sudhir	23/03/2019
2	PAS-3 H47483888	Allotment of 5,30,00,000 Shares	18/03/2019
3	MGT-7 H42821330	Annual Return for FY 2017-18	23/01/2019
4	AOC-4 XBRL H38114328	Filing of Financial Statements of FY 2017-18 with ROC	29/12/2018
5	DIR-12 H35888882	Regularization of Directors : Dr. M M Kutty; Shri D. N. Misra and Smt. Kiran Vasudeva	26/12/2018
6	DIR-12 H32887101	Cessation of Director: Shri Ashish Chatterjee & Appointment of Director: Shri D. N. Misra	13/12/2018
7	MGT-14 H32886079	Appointment of Internal Auditors: M/s Sunita Agrawal & Co.	13/12/2018
8	ADT-1 H32357501	Appointment of Statutory Auditor : M/s Goyal & Goyal (DE0577)	11/12/2018
9	DIR-12 H14817050	Appointment of Director: Smt. Kiran Vasudeva	21/09/2018
10	GNL-1 H14404867	Application to RoC for Extension of AGM	19/09/2018
11	DIR-12 H00925727	Appointment of Director: Dr. M M Kutty	16/08/2018
12	MGT-14 H00914788	Approval of Financial Statement for FY 2017-18	16/08/2018
13	PAS-3 G95734877	Allotment of 1,00,00,000 Shares	07/08/2018
14	DIR-3 KYC G94604113	Director KYC of Shri HPS Ahuja	31/07/2018
15	DIR-12 G94178233	Cessation of Director: Shri K D Tripathi	27/07/2018
16	DIR-12 G88890215	Cessation of Directors: Smt. Sangita Gairola and Shri S. B. Agnihotri	06/06/2018
17	PAS-3 G88616313	Allotment of 43,10,000 Shares	02/06/2018

Place: Noida
Date: 24.04.2019

ANNUAL ACCOUNTS 2018-19

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
BALANCE SHEET AS AT MARCH 31, 2019
CIN:-U63023DL2004GOI126973

₹ in lakhs

Particulars	Note	As At 31 March, 2019	As At 31 March, 2018
ASSETS			
(I) Non-Current Assets			
(A) Property, Plant & Equipment	2	335,244.59	177,796.75
(B) Capital Work in Progress	2.1	42.57	155,373.12
(C) Intangible Assets	2.2	7,100.95	4,450.00
(D) Financial Assets			
(i) Loans	3	559.62	610.34
(ii) Other Financial Assets	4	210.67	136.03
(E) Income tax Assets (Net)		139.38	118.83
(F) Other Non Current Assets	5	12,180.15	12,710.51
Sub Total		355,477.93	351,195.58
(II) Current Assets			
(A) Financial Assets			
(i) Cash and cash equivalents	6	8,909.57	1,967.85
(ii) Bank Balances other than above	7	41.47	179.31
(iii) Other Financial Assets	8	1,948.78	2,381.21
(B) Other Current Assets	9	583.30	509.64
Sub Total		11,483.12	5,038.01
TOTAL		366,961.05	356,233.59
EQUITY AND LIABILITIES			
(I) Equity			
(A) Equity Share Capital	10	374,837.47	368,106.47
(B) Other Equity	11	(23,321.65)	(16,595.39)
(II) Share Application Money Pending Allotment		2,750.00	431.00
Sub Total		354,265.82	351,942.08
(III) LIABILITIES			
Non Current Liabilities			
(A) Financial Liabilities			
Other Financial Liabilities	12	170.45	19.68
Sub Total		170.45	19.68
(IV) Current Liabilities			
(A) Financial Liabilities			
(i) Trade Payables	13	4,947.36	1,961.71
(ii) Other Financial Liabilities	14	7,090.34	2,164.38
(B) Other Current Liabilities	15	487.08	145.74
Sub Total		12,524.78	4,271.83
TOTAL		366,961.05	356,233.59



Significant Accounting Policies	1
Notes on Accounts	2- 25
Notes referred above form an integral part of the Balance Sheet	
As per our report of even date attached	

For Goyal & Goyal

Chartered Accountants
FRN :- 000066N

For and on behalf of the Board of Directors

Sd/-
(B.N. Reddy)
Director
DIN : 08389048

Sd/-
(H.P.S Ahuja)
CEO & MD
DIN : 07793886

Sd/-
(CA Shobhit Gupta)
Partner
M.No. 502897

Place : New Delhi
Date : 24/06/2019

Sd/-
(Gautam Sen)
CFO

Sd/-
(Arun Talwar)
Company Secretary

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019
CIN:-U63023DL2004GOI126973

₹ in lakhs

Particulars	Note	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
INCOME			
Interest Income		119.91	21.98
Other Income	16	225.67	3.92
Total Income		345.58	25.90
EXPENSES			
Depreciation		6,333.95	5,526.03
Other expenses	17	728.31	496.54
Total Expenses		7,062.26	6,022.57
Loss Before Tax		(6,716.68)	(5,996.67)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Loss for the year		(6,716.68)	(5,996.67)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		(6,716.68)	(5,996.67)
Earning per Equity Share (Par Value of Rs. 10/ each)	17		
(i) Basic		(0.18)	(0.17)
(ii) Diluted		(0.18)	(0.17)

Significant Accounting Policies

1

Notes on Accounts

2- 25

Notes referred above form an integral part of the Balance Sheet

As per our report of even date attached

For Goyal & Goyal

For and on behalf of the Board of Directors

Chartered Accountants

FRN :- 000066N

Sd/-

(B.N. Reddy)

Director

DIN : 08389048

Sd/-

(H.P.S Ahuja)

CEO & MD

DIN : 07793886

Sd/-

(CA Shobhit Gupta)

Partner

M.No. 502897

Sd/-

(Gautam Sen)

CFO

Sd/-

(Arun Talwar)

Company Secretary

Place : New Delhi

Date : 24/06/2019



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019
CIN:-U63023DL2004GOI126973

₹ in lakhs

Sl No.	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
(A)	CASH FLOW STATEMENT FROM OPERATING ACTIVITIES		
	Net Profit Before Taxation	(6,716.68)	(5,996.67)
	Adjustments for :-		
	Depreciation	6,333.95	5,526.03
	Interest Income	(119.91)	(21.98)
	Operating Profit Before Working Capital Changes	(502.64)	(492.62)
	Adjustments for :-		
	(Increase)/ Decrease in Financial & Other Assets	1,003.04	4,333.25
	Increase/(Decrease) in Liabilities & Provisions	8,384.45	(6,190.63)
	Net Increase/(Decrease) in Working Capital	9,387.49	(1,857.38)
	Cash Generated from Operations	8,884.85	(2,350.00)
	Direct Taxes Paid (Net of Refunds)	(20.55)	(11.78)
	Total Cash Flow from Operation (A)	8,864.30	(2,361.78)
(B)	CASH FLOW FROM INVESTING ACTIVITIES (Cr.)		
	Purchase of Fixed Assets/ CWIP	(8,451.23)	(3,332.18)
	Disposal of Fixed Assets	-	-
	Purchase of Intangible Assets	(2,650.95)	(4,450.00)
	Interest Received	119.91	21.98
	Net Cash Used in Investing Activities (B)	(10,982.27)	(7,760.20)
(C)	CASH FLOW FROM FINANCING ACTIVITIES (Cr.)		
	Proceeds from issue of Share Capital/Share Application	9,050.00	11,100.00
	Proceeds from Grants	225.00	-
	Amortisation of Grant from OIDB	(205.73)	-
	Stamp Duty on Issue of Share Capital	(9.58)	(11.25)
	Short Term Borrowings	-	(746.71)
	Net Cash From Financing Activities (C)	9,059.69	10,342.04
(D)	Net Increase/ Decrease in Cash & Cash Equivalents (A-B+C)	6,941.72	220.06
	Opening Balance of Cash & Cash Equivalents	(1,967.85)	(1,747.79)
	Closing Balance of Cash & Cash Equivalents	8,909.57	1,967.85

As per our report of even date attached

For Goyal & Goyal

Chartered Accountants

FRN :- 000066N

Sd/-

(CA Shobhit Gupta)

Partner

M.No. 502897

Place : New Delhi

Date : 24/06/2019

For and on behalf of the Board of Directors

Sd/-

(B.N. Reddy)

Director

DIN : 08389048

Sd/-

(Gautam Sen)

CFO

Sd/-

(H.P.S Ahuja)

CEO & MD

DIN : 07793886

Sd/-

(Arun Talwar)

Company Secretary

**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

a.	Equity share capital	₹ in lakhs	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Balance at the beginning of the reporting period	368,106.47	357,437.47
	Changes in equity share capital during the year	6,731.00	10,699.00
	Balance at the end of the reporting period	374,837.47	368,106.47
b.	Other equity	₹ in lakhs	
	Particulars	As at March 31, 2019	As at March 31, 2018
		Retained earnings	
	Balance at the beginning of the reporting period	(16,595.39)	(10,587.47)
	Profit / (Loss) for the year	(6,716.68)	(5,996.67)
	Stamp Duty on Share Issued	(9.58)	(11.25)
	Other comprehensive income for the year	-	-
	Balance at the end of the reporting period	(23,321.65)	(16,595.39)

For Goyal & Goyal
Chartered Accountants
FRN :- 000066N

Sd/-
(CA Shobhit Gupta)
Partner
M.No. 502897

Place : New Delhi
Date : 24/06/2019

For and on behalf of the Board of Directors

Sd/-
(B.N. Reddy)
Director
DIN : 08389048

Sd/-
(Gautam Sen)
CFO

Sd/-
(H.P.S Ahuja)
CEO & MD
DIN : 07793886

Sd/-
(Arun Talwar)
Company Secretary



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

Note No. 2 : Property, Plant and Equipment

₹ in lakhs

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	"As at 1st April, 2018"	Additions during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	"As at 31st March, 2019"	Depreciation upto 31.03.2018	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31st March, 2019	"AS AT 31st March, 2019"	"AS AT 31st March, 2018"
(a) Building	9,544.41	8,239.07	558.47	18,341.95	1,486.26	355.68	(912.22)	929.72	17,412.23	8,058.15
(b) Roads & culverts	1,375.27	1,790.03	-	3,165.30	601.51	295.65	(11.85)	885.31	2,279.99	773.76
(c) Plant & Machinery	70,192.38	57,325.63	(758.15)	126,759.86	5,397.69	3,561.14	550.27	9,509.10	117,250.76	64,794.69
(d) Caverns	107,238.72	96,620.13	(514.65)	03,344.20	3,711.23	2,250.81	(18.09)	5,943.95	197,400.25	103,527.49
(e) Furniture and Fixtures	607.75	35.08	(513.85)	128.98	132.61	9.91	(107.47)	35.05	93.93	475.14
(f) Transport Vehicles	61.92	69.49	-	131.41	16.68	9.77	-	26.45	104.96	45.24
(g) Office equipment	278.13	26.36	120.43	424.92	155.11	77.68	14.91	247.70	177.22	123.02
(h) Computer	432.47	430.50	353.25	1,216.22	433.21	231.77	25.99	690.97	525.25	(0.74)
Total	189,731.05	164,536.29	(754.50)	353,512.84	11,934.30	6,792.41	(458.46)	18,268.25	335,244.59	177,796.75

₹ in lakhs

Previous Year Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	"As at 1st April, 2017"	Additions during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	"As at 31st March, 2018"	Depreciation upto March, 2018	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31st March, 2018	"AS AT 31st March, 2018"	"AS AT 31st March, 2017"
(a) Building	9,544.41	-	-	9,544.41	827.39	658.87	-	1,486.26	8,058.15	8,717.02
(b) Roads & culverts	1,375.27	-	-	1,375.27	356.28	245.23	-	601.51	773.76	1,018.99
(c) Plant & Machinery	70,192.38	-	-	70,192.38	2,897.60	2,500.09	-	5,397.69	64,794.69	67,294.78
(d) Caverns	07,238.72	-	-	107,238.72	1,922.03	1,789.20	-	3,711.23	103,527.49	105,316.69
(e) Furniture and Fixtures	607.27	0.48	-	607.75	123.39	9.22	-	132.61	475.14	483.88
(f) Transport Vehicles	61.92	-	-	61.92	9.33	7.35	-	16.68	45.24	52.59
(g) Office equipment	224.60	53.53	-	278.13	85.58	69.53	-	155.11	123.02	139.02
(h) Computer	421.16	11.31	-	432.47	186.67	246.54	-	433.21	(0.74)	234.49
Total	89,665.73	65.32	-	89,731.05	6,408.27	5,526.03	-	11,934.30	177,796.75	83,257.46



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

Note No. 2.1 :Capital Work In Progress

₹ in lakhs

Particulars		AS At 31st March, 2019	AS At 31st March, 2018
Phase-I -Vishakhapatnam Cavern Storage Project	Opening Balance	-	-
	Add : Additions During the Year	42.57	-
	Less: Capitalized During the Year	-	-
	Closing Balance	42.57	-
-Padur Cavern Storage Project	Opening Balance	155,373.12	150,106.27
	Add : Net Additions During the Year	9,221.65	5,266.85
	Less: Capitalized During the Year	(164,594.77)	-
	Closing Balance	-	155,373.12
-Mangalore Cavern Storage Project	Opening Balance	-	2,000.00
	Less:- Transfer to Intangible assets (ROU)	-	(2,000.00)
	Closing Balance	-	-
Total (Capital Work In Progress)		42.57	155,373.12

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

Note No. 2.2 - Intangible assets

₹ in lakhs

Intangible Assets (ROU for Pipeline)		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Gross Block as on beginning of the year	4,450.00	-
Addition/Transfer from other assets during the year	2,650.95	4,450.00
Disposal/Deductions/Transfer/Reclassification	-	-
Gross Block as at end of the year	7,100.95	4,450.00
Amortization as at beginning of the year	-	-
Amortization during the year	-	-
Disposal/Deductions/Transfer/Reclassification	-	-
Amortization as at end of the year	-	-
Net Block	7,100.95	4,450.00

Note:-

ROU for pipeline are acquired on perpetual basis, hence no amortization is being provided.

Note No.3 - Loans

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
(Unsecured considered good at amortised cost) Security Deposits	559.62	610.34
TOTAL	559.62	610.34


Note No. 4 Other Financial Assets

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Advance against demand of Entry Tax	210.67	136.03
TOTAL	210.67	136.03

Note No. 5 - Other Non Current Assets

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
(Unsecured considered good)		
Advance towards ROU & Others	-	2.25
Prepaid Rental (For Leasehold Land)	12,180.15	12,708.26
TOTAL	12,180.15	12,710.51

Note No. 6 - Cash & Cash Equivalent

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Bank Balances:		
In Current Accounts	5,403.51	7.90
In Fixed Deposit (Maturity within one year)	3,505.86	1,959.95
Cash Balances:		
Cash -in hand	0.20	0.00
TOTAL	8,909.57	1,967.85

Note No. 7 - Bank Balances other than above

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Fixed Deposit (Under Lien for Bank Guarantee) (Maturity within one year)	41.47	179.31
TOTAL	41.47	179.31

Note No. 8 - Other Financial Assets

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
(Unsecured considered good at amortised cost)		
O&M Expenses Receivable From GOI and/or HPCL	1,925.80	2,332.57
Advances recoverable in cash or kind	22.98	48.64
TOTAL	1,948.78	2,381.21

Note No. 9 - Other Current Assets

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
(Unsecured considered good)		
Prepaid Expenses	-	0.33
Advance against Stamp Duty on Shares	2.76	12.34
Advances to Supplier	62.59	-
Prepaid Rental (For Leasehold Land)	517.95	493.11
Others	-	3.86
TOTAL	583.30	509.64



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

Note No. 10 Share Capital

₹ in lakhs				
Particulars	" As at 31st March, 2019 "		" As at 31st March, 2018 "	
	Number of shares	Amount.	Number of shares	Amount.
Equity Share Capital	3,832,560,000	383,256.00	3,832,560,000	383,256.00
(a) Authorised Equity shares of Rs. 10/- each.	3,748,374,670	374,837.47	3,681,064,670	368,106.47
(b) Issued, Subscribed and Fully Paid up Equity shares of Rs. 10/- each.				

Notes:

(i) Reconciliation of the number of equity shares:

Particulars	" As at 31st March, 2019 "		" As at 31st March, 2018 "	
Equity shares of Rs. 10/- each.				
Opening Balance	3,681,064,670		3,574,374,670	
Shares Issued	67,310,000		106,690,000	
Shares bought back	-		-	
Closing Balance	3,748,374,670		3,681,064,670	

(ii) Details of shareholders holding more than 5% shares:

Name of shareholders	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs. 10/- each.				
Oil Industry Development Board, New Delhi and its nominees	3,748,374,670	100%	3,681,064,670	100%
TOTAL	3,748,374,670.00	100%	3,681,064,670	100%



(iii) Terms/Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10/- each and is entitled to one vote per share. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held

(iv) For the period of preceeding five years as on the Balance Sheet date, the :

- (a) Aggregate nos of class of shares allotted as fully paid up pursuant to contract (s) without payment being received in cash NIL
- (b) Aggregate nos of class of shares allotted as fully paid up by way of bonus shares NIL
- (c) Aggregate nos of shares and class of shares bought back NIL



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

NOTE NO. 11 - Other Equity

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
<u>Balance of Retained Earnings:</u>		
Balance brought Forward from Last Year's Accounts	(16,595.39)	(10,587.47)
Less: Stamp Duty on Share Issued	(9.58)	(11.25)
Less: Loss for the year	(6,716.68)	(5,996.67)
Less: Net amount for Phase II	-	-
TOTAL	(23,321.65)	(16,595.39)

NOTE NO. 12 - Other Financial Liabilities (At Amortized Cost)

₹ in lakhs		
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Deposits/ Retention from Suppliers/ Contractors	170.45	19.68
TOTAL	170.45	19.68

NOTE NO.13 - Trade Payable

₹ in lakhs		
Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Dues of Micro & Small Enterprises	157.81	-
ii) Payable form Capital Expenditures	2,258.14	716.20
iii) Dues to others	2,531.41	1,245.51
TOTAL	4,947.36	1,961.71

NOTE NO.14 - Other Financial Liabilities (At Amortized Cost)

₹ in lakhs		
Particulars	As at 31 March, 2019	As at 31 March, 2018
(At amortised cost)		
Payable to ADNOC	6,758.11	-
Deposits from Suppliers/ Contractors	332.23	2,164.38
TOTAL	7,090.34	2,164.38

NOTE NO.15 - Other Current Liabilities

Particulars	₹ in lakhs	
	AS At 31st March, 2019	AS At 31st March, 2018
Statutory Dues	357.92	35.85
Payable to HPCL Vizag	97.28	97.28
Grant from OI DB	19.27	-
Others	12.61	12.61
TOTAL	487.08	145.74



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part Of The Financial Statements

Note No. 16 - Other Income

Other Income in Profit & Loss Account	₹ in lakhs	
Particulars	" As at 31st March, 2019 "	" As at 31st March, 2018 "
Other Income		
Amortisation of Grant from OIDB (Phase II)	205.73	-
Penal Charges	-	1.43
Liquidated Damages	11.98	2.49
Interest on Income Tax Refund	5.59	-
Prior Period Adjustments	2.37	-
Total Income	225.67	3.92

Note No. 17 - Other Expenses

Particulars	₹ in lakhs	
Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
O & M Expenses		19.68
a) Manpower Expenses (Project site)	2844.63	1,341.42
b) Electricity Expenses	1050.12	867.26
c) Insurance Expenses	1593.00	923.61
d) Consumable Expenses	377.53	185.38
e) Mangalore Special Economic Zone	458.20	-
O & M Charges	1,497.84	1,007.84
f) Other Expenses		
Total	7,821.32	4,325.51
Less:- Received/Receivable from GOI and/or HPCL	7,821.32	4,325.51
Net O & M Expenses	-	-
Lease Rent (Leasehold Land)	522.58	493.11
DFR Expenses for Phase II		-
Office Expenses	205.73	3.43
TOTAL	728.31	496.54

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

Note 18 Disclosures of EPS under Indian Accounting Standards -33

Note	Particulars	"For the year ended 31 March, 2019"	"For the year ended 31 March, 2018"
		₹ in lakhs	₹ in lakhs
	Earnings per share		
	Basic		
(i)	Profit/ (Loss) for the year attributable to the equity shareholders	(6,716.68)	(5,996.67)
	Weighted number of equity shares Outstanding	3,697,326,615	3,624,014,232
	Par value per share	10.00	10.00
	Loss per share from continuing operations - Basic	(0.18)	(0.17)
(ii)	Diluted		
	Profit/ (Loss) for the year attributable to the equity shareholders	(6,716.68)	(5,996.67)
	Weighted number of equity shares Outstanding- For Diluted	3,724,826,616	3,628,324,232
	Par value per share	10.00	10.00
	Loss per share, from continuing operations - Diluted	(0.18)	(0.17)



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

Notes-19 Commitments and Contingencies

19.1	Leases		
	Operating Lease - as lessee		
(i)	Lease Rentals charged to the Statement of profit and loss/Fixed assets and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective lease agreements		
	₹ in lakhs		
(ii)	Lease Rentals for Non-Cancellable operating leases	31-Mar-19	31-Mar-18
	Lease rentals recognized during the year	55.84	49.90
	Future Lease Obligations		
	- Within one year	44.85	44.85
	- After one year but not more than five years	179.41	179.41
	- More than five years	1538.62	1,583.47
19.2	Contingent liabilities and commitments (to the extent not provided for)		
	Particulars		
	(A) Contingent liabilities		
	Claims against the company not acknowledged as debts amounting to ₹ 99955.39 Lac (2018: ₹ 102853.95 Lac) comprising of		
	a) Disputed demands of Income Tax ₹ 489.56 Lac (2018: ₹ 475.41 Lac)		
	b) Disputed Demand of Royalty by Department Of Mines and Zoology at Vizag ₹ 11794.95 Lac (2018: ₹ 11794.95 Lac)		
	c) Disputed claims by the contractors for ₹ 86997 Lac (2018: ₹ 86997 Lac) rejected by EIL on account of projects undertaken on various sites for which cases are pending with Arbitrators		
	d) Disputed claims for Utilization of ROU by the MSEZL for ₹ Nil lacs (2018: ₹ 2700 Lac).		
	e) Disputed demands of CST Reimbursement & Green Belt ₹ 611 Lac (2018: ₹ 611 Lac)		
	f) Disputed demands of Entry Tax ₹ 275.77 Lac (2018: ₹ 276 Lac)		
	g) Corridor O&M charges payable to MSEZL ₹ 208.82 Lac (2018: ₹ Nil)		
	h) ITBP demands for security services at Vizag ₹ 2583 lac (2018: ₹ Nil)		
	(B) Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 119.2 Lac (2018: ₹ 7369 Lac)		

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

NOTE NO.20 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Ind AS 24, is as below:

Particulars	
Details of related parties:	
Description of relationship	Names of related parties
Holding Organisation	Oil Industry Development Board (OIDB) holding 100% equity in the Company
Key Management Personnel (KMP)	(1) Shri HPS Ahuja, CEO & MD (2) Shri Gautam Sen , CFO (3) Shri Arun Talwar, Company secretary Board of Directors (Ex-Officio) Shri K.D Tripathi, Chairman (upto 30.06.2018) Dr. M.M Kutty, Chairman (w.e.f 18.07.2018) Shri Rajiv Bansal, Director Shri Sunjay Sudhir, Director (upto 21.02.2019) Shri Ashish Chatterjee, Director (upto 14.11.2018) Shri Diwakar Nath Misra, Director(w.e.f 14.11.2018) Smt. Kiran Vasudeva, director (w.e.f 31.08.2018)
The following transactions were carried out with related parties :	
₹ in lakhs	

(i)	KMP Remunerations (Based on debits note received from respective parent company)	For year ending on 31st March 2019	For year ending on 31st March 2018
	CEO&MD	71.26	61.71
	CFO	70.79	35.60
	CS	50.54	41.63
	Total	192.59	138.94
(ii)	Holding Company (OIDB)		
	Allotment of Shares/Share application Money	9,050.00	11,100.00
	Loan Repayment	-	162.48
	Reimbursement of expenses to OIDB	50.54	33.85
	Grant for Phase II expenditures	225.00	-
	Total	9,325.54	11,296.33
(iii)	Sitting Fees of Independent Directors	-	4.14
	Grand Total (i) + (ii) + (iii)	9743.13	11439.41

Balances outstanding with related parties:

₹ in lakhs

	As on 31st March 2019	As on 31st March 2018
Holding Company (OIDB)		
Share application pending allotment	2,750.00	431.00
Reimbursement of expenses payable to OIDB	22.77	-
Total	2,772.77	431.00

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

NOTE NO. 21 SEGMENT REPORTING

1	Company is creating storage assets for sovereign reserves of crude oil of Government of India and is also maintain of such assets, This is considered to constitute on single primary segment
2	Geographical information is not applicable as all operation of the Company is within India

Note No.22 FINANCIAL INSTRUMENTS

	Financial instruments by category
1)	The management assessed that Fair Value of Cash & Cash Equivalents, Other Current Financial Assets, Trade Payables, Short Term Borrowings and Other Current Financial Liabilities approximate their carrying amounts.
2)	The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
3)	Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

Note No.23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is Interest Rate risk.

The Company's principal financial liabilities comprise trade and other payables & security deposits. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include other receivables, Other Financial Assets and cash / cash equivalents that derive directly from its operations.

Presently Company is not exposed to a number of any financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, foreign currency exchange rates. Senior management oversees the management of these risks with appropriate financial risk governance framework for the Company.

2 Market risk

Market risk is the risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Presently company's financial instrument is not exposed to any material market risk.

3 Credit risk

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive analysis and outstanding customer receivables are regularly monitored. Presently there are no trade receivables.

Liquidity risk

Company monitors its risk of a shortage of funds diligently. The Company seeks to manage its liquidity requirement by maintaining access to short term borrowings from holding Company.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	(₹ in lakhs)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Borrowings	-	-	-	-	-
Trade payables	4,947.36	-	-	-	4,947.36
Other financial liabilities	7,090.34	170.45	-	-	7,260.79
Total	12,037.70	170.45	-	-	12,208.15



The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Borrowings	-	-	-	-	-
Trade payables	1,961.71	-	-	-	1,961.71
Other financial liabilities	2,164.38	19.68	-	-	2,184.06
Total	4,126.09	19.68	-	-	4,145.77

Note No.24 CAPITAL MANAGEMENT

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes forming part of the Financial Statements

Note No. -25 Other Notes

25 Others Notes

- i) During the year under review, the major construction activities in respect of all the three caverns under Phase-1 have been completed. Padur facility has been commissioned on 15/12/2018.
- ii) The Sovereign Crude Oil Reserves have been filled at Vishakhapatnam Cavern A and Mangalore Cavern B for Strategic Purpose. Cavern B at Vishakhapatnam is used by HPCL for its operation and crude maintained therein is purely a property of HPCL. Cavern A at Mangalore has been assigned with Crude Oil owned by ADNOC under agreement with them. During F.Y 2018-19 Crude Oil has been filled by ADNOC towards its storage. For achieving the commissioning the Padur caverns, 6,23,633 MT of Crude Oil has been transferred from Mangalore Cavern B to Padur. Given below are the statistics related to Crude Oil..

Particulars	Total	(Qty. in MT)	Value (Rs/Lakhs)
Cummulative Total Quantity procured till 31st March 2019 (As per Bill of Lading)-GOI Crude Oil		1,972,229.01	480,942.43
Total quantity under Custody as on 31st March 2019 -GOI Crude Oil		1,947,211.00	-
ADNOC Crude Oil		755,577.00	-
Total quantity under Custody as on 31st March 2019 -ADNOC Crude Oil		728,846.84	-

Difference in the quantity of crude oil received and in the stock as on 31.03.2019 is on account of Dead Stock/Commissioning losses and is in the opinion of the Board within acceptable limits.

- iii) During the year Roadshows were conducted to elicit interest in Construction of Cavern at Chandikhol (4MMT) and Padur Phase II (2.5 MMT) as well as for filling up of Crude oil at Cavern at Padur under PPP model. The total expenditure on Phase-II is Rs 205.73 (including roadshows) Lakhs upto 31/03/2019 which has been incurred from grant sanctioned/dispensed of Rs. 225 lakhs by OI DB for Phase II.
- iv) For second compartment at Mangalore, Oil storage and Management Agreement was signed with Abu Dhabi National Oil Company. As per the agreement, value of 1,20,000 US barrels (15831 MT) has to be paid to ADNOC toward dead stock loss/commissioning loss. The same is to be funded by GOI. The same has been estimated to be Rs. 7000 lakhs. This amount has been received from GOI but is yet to be disbursed to ADNOC pending claim from them. The same is grouped as other financial liabilities.
- v) As on 31st March 2019, the Company's day to day work is handled by 16 personnel taken from various Oil Companies and their Leave salary and other retirement benefits are reimbursed on proportionate basis to their respective parent companies on receipt of claim thereof. The company has only one employee on probation. Policies for allowances and perquisites for the employees is under preparation..
- vi) Advance recoverable in cash or kind for value to be received including amount due from other companies in which any director is a director or member is Rs. NIL (Previous Year-Rs. NIL).

- vii) The Company has adjusted Rs. Nil (Previous year Rs. 87.07 lakhs) on account of interest earned from Capital works in Progress.
- viii) Rocks excavated from Mangalore and Padur are lying at sites. Value of the same could not be ascertained. As and when any realization is made from disposal of the same, the same shall be suitably accounted for.
- ix) During the year an expenditure of Rs 7821.32 Lakhs was incurred on account of O&M expenditures for F.Y 2018-19, which is reimbursable from GOI and /or HPCL. Out of the same, a sum of Rs. 5199.92 lakhs has been received during the year and the balance Rs. 2621.4 lakhs is pending as on 31.03.2019 from GOI/HPCL.
- x) **Deferred Tax**
In the absence of Taxable Income no provision for income tax has been considered necessary. Further, Deferred Tax Asset has also not been recognized as there is no reasonable certainty with convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be adjusted.
- xi) Dues to Micro and Small Enterprises have been determined as 157.81 lakhs as on 31st March 2019 (previous year NIL) to the extent such parties have been identified on the basis of information available on records. In terms of 'The Micro, Small and Medium Enterprises Development Act, 2006' which came into force w.e.f October 2, 2006.
- xii) Amount payable / recoverable from Vendors/Contractors/service providers are subject to confirmation, reconciliation and consequential adjustments thereof, if any.
- xiii) All consumables/stores/spares parts are booked in O&M expenses at the time of purchases.
- xiv) Royalty payment on rock removal from Mangalore SEZ is to be borne by MSEZL/Contractor appointed by them for removal of the same.
- xv) ITBP has raised the demand of Rs. 2583 lakhs for the period upto 31.03.2019 on account of security services rendered by them at the site. The company has taken up the matter with MOP&NG, pending clarification by the MOP&NG. No provision has been made in the accounts but it has been shown as contingent liability.
- xvi) As required under additional information pertaining to general instructions for preparation of statements of Profit & loss (Given in the schedule III of companies Act, 2013) related to expenditure incurred during F.Y 2018-19 for the audit and other items are as follow:

	F.Y 2018-19 (Lakhs in INR)	F.Y 2017-18 (Lakhs in INR)
Payment to Statutory Auditor		
Audit Fees (Incl. GST)	1.77	1.77
Out of Pocket Expenses	0.10	0.09
Payment to Internal Auditor		
Audit Fees (Incl. GST)	0.48	0.52
Other Services	Nil	0.03
Payment to Secretarial Auditor		
Audit Fees	0.25	0.36

- xvii) Company has acquired 179.2 acre of land at Padur out of which 176.11 acre of land at Padur has been registered in the name of ISPRL. for balance 3.09 acre of land at Padur is yet to be registered in the name of the Company.
- xviii) Shares pending allotment as on the date of Balance Sheet, has been allotted on 4th May 2018
- xix) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.
- xx) The financial statements have been approved for by the Board of directors on 24/06/2019.



Corporate Information and Significant Accounting Policies

1. CORPORATE INFORMATION

Indian Strategic Petroleum Reserves Limited was incorporated on 16th June 2004 by IOCL as its subsidiary. The entire shareholding of the Company was taken over by Oil Industry Development Board (“OIDB”) and its nominees on 9th May 2006.

Indian Strategic Petroleum Reserves Limited (the Company), a wholly owned subsidiary of OIDB, is a Public Limited Company and incorporated in India having its registered office at 301, World Trade Centre, 3rd Floor, Babar Road, New Delhi-110001 and operational/ functional office is at OIDB Bhawan, 3rd Floor, Plot No. 2, Sector-73, NOIDA - 201301, Uttar Pradesh. The Company is unlisted as its shares are not listed and traded on Stock Exchanges in India.

The main objects of the Company are:

1. To store sovereign reserves of crude oil of the Government of India or crude oil of such other entities as Government of India may decide, subject to and in compliances of the following:-
 - The release of core critical sovereign reserves of crude oil from caverns and its replenishment will be done through an Empowered Committee constituted by the Government.
 - Provided that the core critical sovereign reserve of Government of India may also be drawn for crude circulation on account of quality requirement or repairs and maintenance.
2. To carry on the business of storage, handling, treatment, carriage, transport, dispatch, supply, market, research, advise, consultancy, service providers, brokers and agents, engineering and civil designers, contractors, wharf ringers, warehouseman, producers, dealers of oil and oil products, gas and gas products, petroleum and petroleum products, fuels, spirits, chemicals, liquids of all types and kind and the compounds, derivatives, mixtures, preparations and products thereof.

1A: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

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

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Indian Rupees (‘INR’) which is the presentation and functional currency of the Company and all values are rounded to the nearest lakhs (up to two decimals) except otherwise indicated.

1.2 Revenue Recognition

- i. Interest income is recognized on Effective Interest Rate (EIR) method.
- ii. Insurance Claims are accounted on settlement of the claim.

1.3 Property, Plant & Equipment and Intangible Assets:

- i. Properties, Plant & Equipment are carried at cost less accumulated depreciation/ amortization and impairment loss, if any. The cost of fixed assets includes cost of acquisition and directly attributable cost for bringing the assets in an operational condition for their intended use.

- ii. An intangible asset is recognized where it is probable that the future economic benefit attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Such assets are stated at cost less accumulated amortization.
- iii. Capital work- in-progress
Capital work - in-progress is carried at cost. Revenue expenses exclusively attributable to projects & incurred during construction period are capitalized.

1.4 Depreciation / Amortization

- i. Depreciation is provided on Straight Line Method as per the useful life specified in Schedule II to the Companies Act, 2013 except for, underground cavern the useful life of which is considered as 60 years based on certification by independent expert.
- ii. Fixed Assets individually costing up to Rs. 5,000/- are being fully depreciated in the year of acquisition.
- iii. Right of use (ROU) with indefinite useful lives are not amortized, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

1.5 Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of the future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets net selling price and present value as determined above. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is recorded only to the extent that assets carrying cost does not exceed the carrying amount that would have been determined net of depreciation and amortization, if no impairment loss has been recognized.

1.6 Foreign Currency Transactions

- i. The Company's financial statements are presented in Indian Rupee (INR) which is also functional currency of the Company.
- ii. Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of transaction.
- iii. Monetary assets and liabilities denominated in foreign currencies are translated at functional currencies closing rate of exchange at the reporting date.
- iv. Non-Monetary items that are measured in terms of historical cost in foreign currency are recorded at the exchange rates at the date of transactions.
- v. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss.

1.7 Financial instruments

(i) Financial assets:

All financial assets are recognized initially at fair value and subsequently measured at amortized cost.

(ii) Financial Liabilities:

All financial liabilities are recognized initially at fair value and subsequently measured at amortized cost.

(iii) De-recognition

Financial asset is derecognized when right to receive cash flow from the asset expires or at transfer of the financial asset and such transfers qualify for de-recognition. Financial liability is derecognized when the obligation under the liability is discharged or expires.

1.8 Taxes on Income

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which is deductible temporary differences can be utilized.

1.9 Government Grants

Government grant shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related cost for which the grants are intended to compensate.

1.10 Leases

- i. **Assets on Operating Lease:-** Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the terms of respective lease agreements.
- ii. **Assets on Finance Lease:-** Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Ind AS- 23.

1.11 Provisions, Contingent Liabilities and Contingent Assets (Ind AS- 37)

The Company recognizes a provision when there is present obligation as a result of past event and it is more likely than not that there will be an outflow of resources to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's best estimate of the amount of obligation at the year-end. These are reviewed at each balance sheet date and adjusted to reflect management's best estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. Contingent liabilities are also disclosed for present obligations in respect of which it is not probable that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.



When there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

Contingent Assets is disclosed where an inflow of economic benefit is probable

1.12 Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the number of shares outstanding during the period will be adjusted for the effects of all dilutive potential equity shares.

1B: Standards issued but not yet effected

The ministry of corporate affairs vide its notification dated 30th March, 2019 has notified IND AS-116 Leases and Certain amendments to existing IND AS. These amendments are applicable from 1st April, 2019 to the Company.

Application of the above standard and amendments, are not expected to have any significant impact on Company's Financial Statements.

Chapter 10

APPENDICES

SECTION 6 OF THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974 – FUNCTIONS OF THE BOARD

- 6 (1) Subject to the provisions of this Act and the rules made thereunder, the Board shall render, in such manner, to such extent and on such terms and conditions as it may deem fit, financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry.
- (2) Without prejudice to the generality of the provisions of such-section (1), the Board may render assistance under that sub-section by-
- (a) making grants or advancing loans to any oil industrial concern or other person who is engaged or is to engage in any activity referred to in clause (k) of section 2;
 - (b) guaranteeing on such terms and conditions as may be agreed upon loans raised by any oil industrial concern or other person which are repayable within a period not exceeding twenty-five years and are floated in the market or loans raised by an oil industrial concern or other person from any bank which is a scheduled bank, or a State co-operative bank, as defined in the Reserve Bank of India Act, 1934;
 - (c) guaranteeing on such terms and conditions as may be agreed upon deferred payments due from any oil industrial concern or other person in connection with import of capital goods from outside India or in connection with purchase of capital goods within India by such concern or other person;
 - (d) guaranteeing on such terms and conditions as may be agreed upon loans raised from, or credit arrangements made with, any bank or financial institution in any country outside India by any oil industrial concern or other person in foreign currency : Provided that no such guarantee shall be given without the prior approval of the Central Government;
 - (e) underwriting the issue of stock, shares, bonds, or debentures by any oil industrial concern and retaining as part of its assets any stock, shares bonds or debentures which it may have to take up in fulfillment of its obligations thereto;
 - (f) acting as agent for the Central Government or, with its approval, for any overseas financial organisation or credit agency in the transaction of any business with any oil industrial concern in respect of loans or advances granted, or debentures subscribed by the Central Government of such organisation or agency;
 - (g) subscribing to the stock or shares of any oil industrial concern;
 - (h) subscribing to the debentures or any oil industrial concern repayable within a period not exceeding twenty-five years from the date on which they are subscribed to:
- Provided that nothing contained in this clause shall be deemed to preclude the Board from subscribing to the debentures of any oil industrial concern, the amounts outstanding thereon may be convertible at the option of the Board into stock or shares of that concern within the period the debentures are repayable.
- Explanation : In this clause, the expression “amounts outstanding thereon” used in relation to any loan or advance shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stock or shares.
- (3) Without Prejudice to the generality of the provisions of sub-section (1), the measures for the promotion



of which the board may render assistance under that sub-section may include measures for or by way of –

- (a) Prospecting for an exploration of mineral oil within India (including the continental shelf thereof) or outside India;
 - (b) The establishment of facilities for production, handling, storage and transport of crude oil;
 - (c) Refining and marketing of petroleum and petroleum products;
 - (d) The manufacture and marketing of petrochemicals and fertilizers;
 - (e) Scientific, technological and economic research which could be, directly or indirectly, useful to oil industry;
 - (f) Experimental or pilot studies in any field of oil industry;
 - (g) Training of personnel, whether in India or outside, engaged or to be engaged in any field of oil industry, and such other measures as may be prescribed.
- (4) The Board may charge such fees or receive such commission as it may deem appropriate for any services rendered by it in the exercise of its functions.
 - (5) The Board may transfer for consideration any instrument relating to loans or advances granted by it to any oil industrial concern or other person.
 - (6) The Board may do all such things as may be incidental to or consequential upon the discharge of its functions under this Act.

FINANCE, ACCOUNTS AND AUDIT
SECTION 15 OF THE OIL INDUSTRY (DEVELOPMENT)
ACT, 1974 - – DUTIES OF EXCISE

- 15 (1) There shall be levied and collected, as a cess for the purposes of this Act, on every item specified in column 2 of the schedule, which is produced in India (including the continental shelf thereof) and-
- (a) removed to a refinery or factory; or
- (b) transferred by the person by whom such item is produced to another person,
- a duty of excise at such rate not exceeding the rate set forth in the corresponding entry in column 3 of the Schedule, as the Central Government may, by notification in the Official Gazettee, specify:
- Provided that until the Central Government specifies by such notification the rate of the duty of excise in respect of crude oil (being an item specified in the schedule) the duty of excise on crude oil under this sub-section shall be levied and collected at the rate rupees sixty per tonne.
- (2) Every duty of excise leviable under sub –section (1) on any item shall be payable by the person by whom such item is produced, and in the case of crude oil, the duty of excise shall be collected on the quantity received in a refinery.
- (3) The duties of excise under sub-section 9 (1) on the items specified in the Schedule shall be in addition to any cess or duty leviable on those items under any other law for the time being in force.
- (4) The provisions of the Central Excises and Salt, Act, 1944 and the rules made thereunder, including those relating to refunds and exemptions from duties shall, as far as may be, apply in relation to the levy and collection of duties of excise leviable under this section and for this purpose the provisions of that Act shall have effect as if that Act provided for the levy of duties of excise on all items specified in the Schedule.

SECTION 16 OF THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974 -
– CREDITING OF PROCEEDS OF DUTY TO CONSOLIDATED FUND OF INDIA

16. The proceeds of the duties of excise levied under section 15 shall first be credited to the Consolidated Fund of India and the Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilized exclusively for the purposes of this Act.

SECTION 17 OF THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974 -
– GRANTS AND LOANS BY THE CENTRAL GOVERNMENT

17. The Central Government may also, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.

SECTION 18 OF THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974 -
- OIL INDUSTRY DEVELOPMENT FUND

18. (1) There shall be formed a Fund to be called the Oil Industry Development Fund and there shall be credited thereto-
- (a) any sums of money paid under section 16 or section 17;
 - (b) any grants that may be made by any person or institution for the purposes of this Act;
 - (c) any borrowings by the Board;
 - (d) the sums, if any, realized by the Board in carrying out its functions or in the administration of this Act.
- (2) The Fund shall be applied-
- (a) for meeting the salaries, allowances, honoraria and other remuneration of the officers and other employees of the Board and of the advisers, consultants or other agencies whose services are availed of by the Board;
 - (b) for meeting the other administrative expenses of the Board;
 - (c) for rendering assistance under section 6;
 - (d) for repayment of any loans taken by the Board or for meeting other liabilities under this Act.



OIL INDUSTRY DEVELOPMENT BOARD
MINISTRY OF PETROLEUM & NATURAL GAS
Government of India

INSTITUTION COMMITTED TOWARDS DEVELOPMENT OF OIL INDUSTRY IN THE COUNTRY.

Registered Office :

301, world Trade Center, 3rd Floor, Babar Road, New Delhi-110001

Corporate Office:

OIDB Bhawan, "C" Block, 3rd Floor, Plot No. 2, Sector-73, Noida Uttar Pradesh

