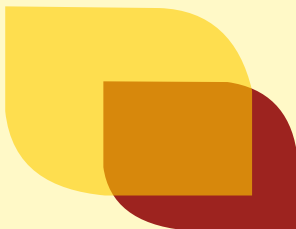


ANNUAL REPORT

2023-24



OIL INDUSTRY DEVELOPMENT BOARD

Ministry of Petroleum & Natural Gas
Government of India

CONTENTS

Members of the Board	02
Officers/Bankers/Auditors of the Board	04
Aims & Objectives	05
CHAPTER – 01	
Organisational set up and functions	06
CHAPTER- 02	
Financial Assistance: Loans to Oil & Gas Concerns	10
CHAPTER – 03	
Financial Assistance: Grants to Regular Grantee Institutions	20
CHAPTER- 04	
Financial Assistance: R&D and other Grants	49
CHAPTER – 05	
OIDB's contribution to Energy Security	55
CHAPTER – 06	
Other Initiatives / Activities	63
CHAPTER – 07	
OIDB Annual Accounts 2023-24	69
CHAPTER – 08	
Audit Report of the Comptroller & Auditor General of India	98
CHAPTER- 09	
Annual Report & Accounts of Indian Strategic Petroleum Reserves Ltd. (ISPRL)	107
CHAPTER- 10	
Appendices	203

MEMBERS OF THE BOARD (During the period under Report)

CHAIRMAN



Shri Pankaj Jain

Secretary, Ministry of Petroleum & Natural Gas

MEMBERS



Shri Arun Baroka

Secretary, Department of
Chemicals & Petrochemicals
(upto 31.08.2023)



Ms. Nivedita Shukla Verma

Secretary, Department of
Chemicals & Petrochemicals
(w.e.f. 22.02.2024)



Ms. Kamini Ratan Chauhan

Additional Secretary &
Financial Adviser
Ministry of Petroleum & Natural Gas



Shri S.C.L. Das

Director General
Directorate General of Hydrocarbons
(upto 15.06.2023)



Ms. Pallavi Jain Govil

Director General
Directorate General of Hydrocarbons
(w.e.f. 13.02.2024)



Shri Sunil Kumar

Joint Secretary (Exploration & Bio Refinery)
Ministry of Petroleum & Natural Gas



Shri Amit Singh Negi

Joint Secretary,
Department of Expenditure



Shri Shrikant Madhav Vaidya

Chairman
Indian Oil Corporation Ltd.



Shri Arun Kumar Singh

Chairman
Oil & Natural Gas Corporation Ltd.



Shri Sandeep Kumar Gupta

Chairman & Managing Director
GAIL (India) Ltd.



Shri G. Krishna Kumar

Chairman & MD
Bharat Petroleum Corporation Ltd.
(w.e.f.07.07.2023)



Ms. Vartika Shukla

Chairman & MD
Engineers India Ltd.
(upto 13.1.2024 & w.e.f.22.02.2024)

MEMBERS



Dr. SSV Ramakumar
Director (R&D)
Indian Oil Corporation Ltd.
(upto 31.07.2023)



Shri Alok Sharma
Director (R&D)
Indian Oil Corporation Ltd.
(w.e.f. 13.02.2024)

MEMBERS SECRETARY



Ms. Varsha Sinha
Secretary
Oil Industry Development Board

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

Secretary	Ms. Varsha Sinha
FA & CAO	Shri Kapil Verma
Bankers	i) State Bank of India ii) Union Bank of India
Auditors	Director General of Commercial Audit, Mumbai
Registered Office of the Board	Oil Industry Development Board 301, World Trade Centre Babar Road New Delhi – 110 001
Secretariat	Oil Industry Development Board OIDB Bhawan Plot No.2, 3rd Floor, Sector-73 NOIDA – 201 301 Uttar Pradesh
Telephone Nos.	+91-0120-2594602 +91-0120-2594603
Fax	+91-0120-2594630
E-mail	facao.oidb@nic.in
Website	www.oidb.gov.in

AIMS & OBJECTIVES

- ❖ *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 fertilizer.*
 - *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 - 1

ORGANISATIONAL SETUP & 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 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 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;

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 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.
- 3.3 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 OIDB generates its internal resources by way of interest income on loans given to various oil and gas sector companies and short-term investment of surplus funds in Fixed Deposit Receipts. The Oil Industry Development Fund has accumulated to Rs.12040.50 crore as on 31st March, 2024 with the contribution of cess receipts and the internal resources generated by OIDB.

- 4.2 The cumulative amount of cess collected has increased from Rs.30.82 crore in 1974-75 to Rs.2,94,851 crore (approx.) till 31.03.2024. Out of which, OIDB has been allocated an amount of Rs.902.40 crore till 1991-92. Thereafter, no amount out of cess collection has been allocated to OIDB. The year-wise details of the cess collected on crude oil by Government since 1974-75 and allocations made to OIDB is shown in the following table:

**Statement of cess collection by Central Government & its allocation to Oil Industry Development Board
since inception till 31.03.2024 (Rs. in crore)**

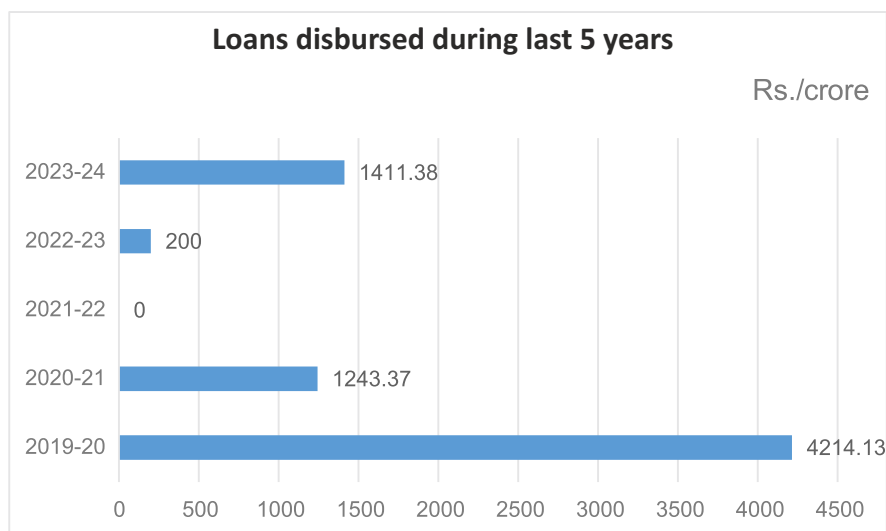
SL.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OIDB
1	1974-75	30.82	16.01
2	1975-76	50.05	62.27
3	1976-77	52.88	48.19
4	1977-78	63.72	50.10
5	1978-79	68.89	20.00
6	1979-80	69.70	140.00
7	1980-81	60.40	25.01
8	1981-82	138.97	142.92
9	1982-83	268.83	100.00
10	1983-84	812.80	-
11	1984-85	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	-
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	-
46	2019-20	15800.92	-
47	2020-21	11474.15	-
48	2021-22	19324.29	-
49	2022-23	21629.22	-
50	2023-24	18845.98	-
	Total	294850.56	902.40

Note:- The figures of collection of cess on crude oil by Government as provided to OIDB by ONGC,OIL & DGH.

CHAPTER - 2

FINANCIAL ASSISTANCE : LOANS TO OIL & GAS CONCERNS

1. OIDB has been providing loans to oil and gas PSUs ever since its creation in 1974-75. The loans have been primarily utilized to fund oil and gas pipeline projects, setting up of new refineries, expansion/modernisation of existing refineries, quality improvement projects, single point mooring projects, city gas distribution projects, gas cracker project etc.
2. The loan disbursed by OIDB from 2019-20 to 2023-24 is shown in the following graph:

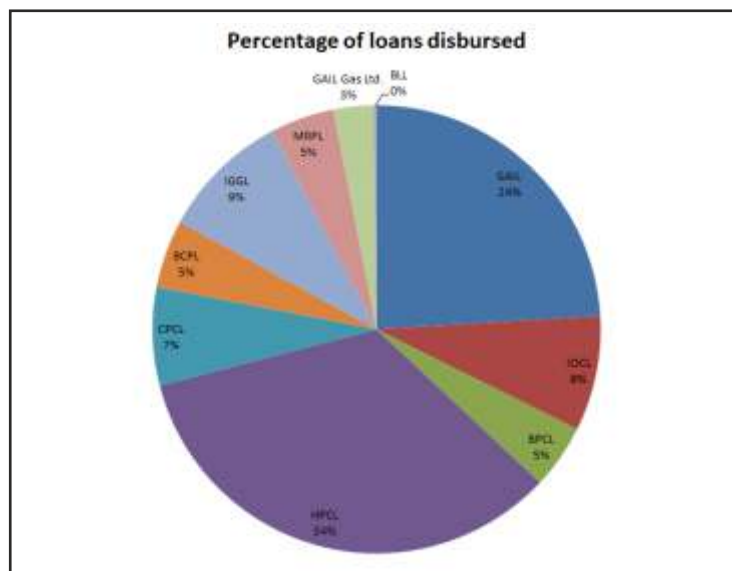


3. The Company-wise details of the loan disbursed by OIDB to finance oil and gas sector project since the last five years is given in the following table:

Rs./crore

Sl.No.		2019-20	2020-21	2021-22	2022-23	2023-24	Total
1	GAIL	850.00	150.00	0.00	0.00	700.00	1700.00
2	IOCL	150.00	437.00	0.00	0.00	0.00	587.00
3	BPCL	328.25	0.00	0.00	0.00	0.00	328.25
4	HPCL	2300.00	100.00	0.00	0.00	0.00	2400.00
5	CPCL	300.00	200.00	0.00	0.00	0.00	500.00
6	BCPL	0.00	96.69	0.00	100.00	151.38	348.07
7	BLL	14.88	0.00	0.00	0.00	0.00	14.88
8	IGGL	0.00	0.00	0.00	100.00	560.00	660.00
9	MRPL	271.00	55.25	0.00	0.00	0.00	326.25
10	GAIL Gas Ltd.	0.00	204.43	0.00	0.00	0.00	204.43
	Total	4214.13	1243.37	0.00	200.00	1411.38	7068.88

4. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Ltd. (HPCL), Brahmaputra Cracker and Polymer Ltd. (BCPL), GAIL (India) Ltd., GAIL Gas Ltd., Mangalore Refinery & Petrochemicals Ltd. (MRPL), Chennai Petroleum Corporation Ltd. (CPCL) and Indradhanush Gas Grid Ltd. (IGGL) are the major beneficiaries of loans provided by Oil Industry Development Board during the years from 2019-20 to 2023-24. The following graph gives the company-wise share of loans disbursed during the years from 2019-20 to 2023-24:



5. As on 31.3.2024, there was a total outstanding OIDB loan of Rs.3036.09 crore with Oil & Gas PSUs. Details of company-wise outstanding loans are given below:

Sl.No.	Name of Oil & Gas Concerns	Amount (Rs. in crore)
1.	Hindustan Petroleum Corporation Limited	50.00
2.	Brahmaputra Cracker and Polymer Limited	335.98
3.	GAIL (India) Limited	1468.75
4.	Mangalore Refinery and Petrochemicals Limited	95.38
5.	Chennai Petroleum Corporation Limited	75.00
6.	Indradhanush Gas Grid Ltd.	660.00
7.	GAIL Gas Limited	252.33
8.	Biecco Lawrie Limited	98.65
	Total	3036.09

6. The details of OIDB loans disbursed during the financial year 2023-24 are as below:

Sl.No.	Name of Oil and Gas PSUs	Amount (Rs. in crore)
1.	GAIL (India) Limited	700.00
2.	Indradhanush Gas Grid Limited	560.00
3.	Brahmaputra Cracker and Polymer Ltd	151.38
	Total	1411.38

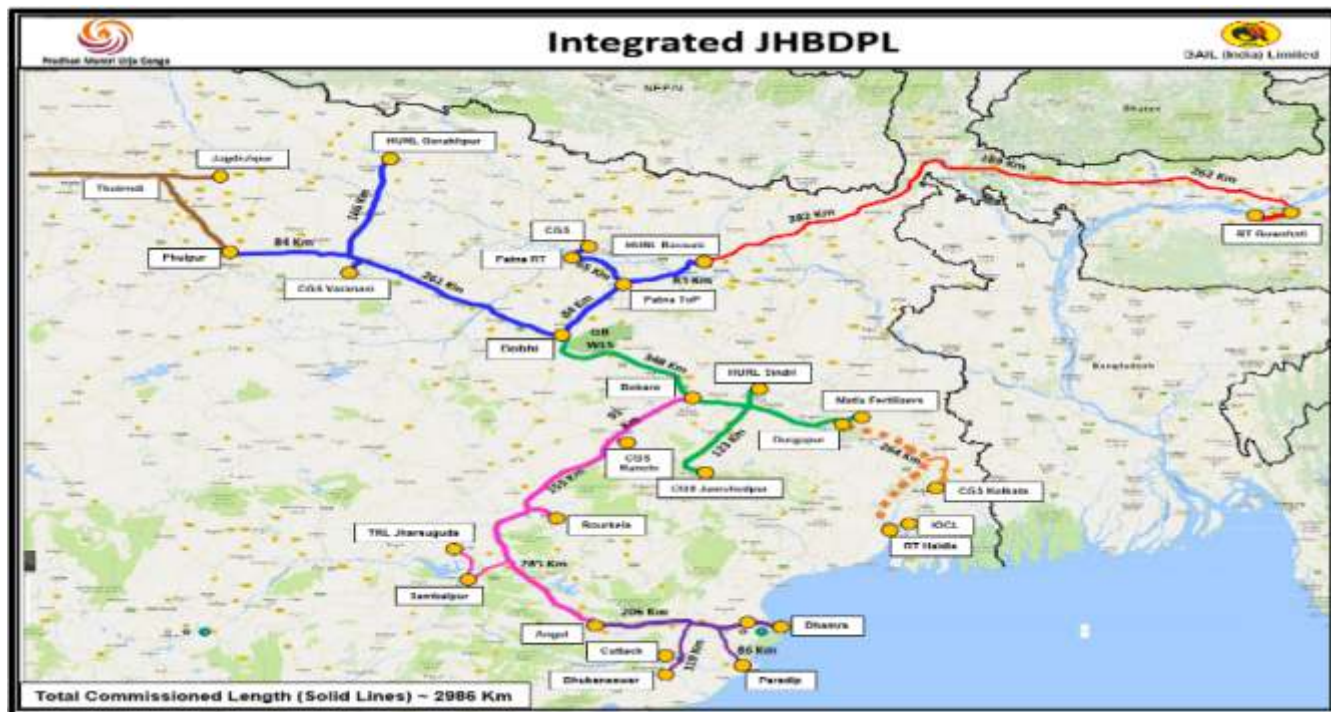
7.0 Projects funded by OIDB during the financial year 2023-24

7.1 GAIL (India) Limited

GAIL (India) Limited is a “Maharatna” company and is the largest state-owned natural gas processing and distribution company in India with NG pipeline network of 12400 Km. The company has diversified into upstream and downstream businesses and has extended presence in power, liquefied natural gas (LNG) re-gasification, city gas distribution (CGD) and exploration & production (E&P).

Integrated Jagdishpur – Haldia & Bokaro – Dhamra Natural Gas Pipeline Project

With an aim to ensure cleaner and quality energy in Eastern India at an affordable Price, GAIL is executing Jagdishpur – Haldia & Bokaro – Dhamra Natural Gas Pipeline (JHBDPL) Project (2563 Km), popularly known as the Pradhan Mantri Urja Ganga of Eastern India. Further, the pipeline is also being extended from Barauni to Guwahati (via Siliguri & Bongaigaon) (726 Km), as an integral part of JHBDPL, to connect North East Region (NER) with the National Gas Grid. Total under execution length of integrated JHBDPL is 3289 Kms. During the year 2023-24, OIDB has disbursed loan of Rs.700 crore to GAIL for the said project.



The entire JHBDPL including BGPL is being executed at an investment of Rs 17,405.7 crores & scheduled to be completed progressively by March'2025. It is passing through Uttar Pradesh (335 km), Bihar (719 km), Jharkhand (500 km), West Bengal (696 km), Odisha (721 km) & Assam (254 Km). JHBDPL has revived fertilizers plant of HURL Gorakhpur, HURL Sindri, HURL Barauni & will also meet the demands of M/s Matix Fertilizers in Durgapur. Further, the network will enable supply of cleaner fuel for domestic & industrial customers in eastern part of India enroute the pipeline. The entire sections of Integrated Jagdishpur – Haldia & Bokaro – Dhamra Natural Gas Pipeline (JHBDPL) have been commissioned except Durgapur Haldia Pipeline with details given below:

Salient Details:

- Total Length of Integrated JHBDPL : 3289 Km
- Commissioned : 2986 Km
- Under Execution : 294 Km (Durgapur-Haldia Pipeline)
- Approved Project Cost of Integrated JHBDPL : Rs. 17405.7 Cr
- Approved Project Cost of Durgapur Haldia P/L : Rs. 2433 Cr
- Anticipated Completion of Durgapur Haldia P/L : Progressively by Mar'25

Construction Status (Durgapur-Haldia Pipeline): Construction Status is as follows:

Scope: 294 Km

- o Welding: 228 Km
- o Lowering: 209 Km
- o Completed: 132 Km

Major Milestones Achieved:

- Phulpur to Varanasi (110 km) Commissioned. Dedicated to the nation by Hon'ble Prime Minister on 14.07.2018.
- Varanasi to Dobhi and Patna & Barauni (474 km) : Commissioned on 31.03.2019.
- Connectivity to Gorakhpur (166 Km) 30.06.2019:
- Dobhi to Durgapur (350 Km) including connectivity to Matix Fertilizer. Dedicated to the nation by Hon'ble Prime Minister of India on 07.02.21.
- Spur line to HURL Sindri (9.2 Km) on 02.06.2021.
- Bokaro Angul Mainline (533 Km). Dedicated to the nation by Hon'ble Prime Minister on 12.07.2022
- 123.2 Km of Jamshedpur spur line & 4.6 Km of CGS Ranchi spurline commissioned on 12.09.2022.
- Dharma –Angul Mainline (206 Km): Commissioned on 16.02.2023.
- Cuttack- Bhubaneswar Spurline of Dhamra- Angul Section commissioned on 31.03.2023.
- Bihar Section (282 Km) of Barauni-Guwahati pipeline commissioned on 31.03.2023.
- Paradip Spurline (~86 Km): Commissioned on 30.06.2023.
- Barauni-Guwahati pipeline (717 Km) was inaugurated by Hon'ble Prime Minister on 09.03.2024.



Lowering in Progress



Trenching in Progress

7.2 Indradhanush Gas Grid Ltd.

On August 10, 2018, a pivotal milestone was achieved in bolstering the North-East's gas economy, aligned with the Hydrocarbon Vision 2030 for the region. This was marked by the establishment of Indradhanush Gas Grid Limited (IGGL), a joint venture between five public sector titans—ONGC, OIL, IOCL, GAIL, and NRL—each contributing equally to the venture. The foremost goal was to create the North-East Gas Grid (NEGG), a 1656 km-long natural gas pipeline network with a capacity of 4.75 MMSCMD, aimed at interconnecting the eight North-Eastern states: Assam, Arunachal Pradesh, Meghalaya, Manipur, Nagaland, Tripura, Mizoram, and Sikkim.



In recent years, with steadfast support from the Ministries and Promoter companies, IGGL has made remarkable progress, achieving 83.69% of physical progress out of the planned 87.71% and 58.50% of Financial progress out of the scheduled 61.79% up to September 2024.





In the fiscal year 2023-24, IGGL has achieved substantial financial progress, underscoring its commitment to the project's timely completion. Notably, the total capital expenditure (Capex) for the Financial Year 2023-24 reached INR 1135.24 Crores, contributing to the overall cumulative Capex of INR 5361.41 Crores as of March 31, 2024. OIDB has disbursed a term loan of Rs 560.00 crores during current FY 23-24 (up to Q4). Total Loan disbursed by OIDB up to 31.03.2024 is Rs. 660.00 crores. IGGL's total financial commitment towards the project cost has reached approximately INR 8,007 crore, out of the total project cost of INR 9,265 crore.



7.3 Brahmaputra Cracker and Polymer Ltd.

Assam Gas Cracker Project, 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 project is first of its kind Petrochemical Complex in North East India funded by capital subsidy from Government of India, Equity by GAIL, Oil India Ltd., Numaligarh Refinery Ltd. & Government of Assam and loan by Oil Industry Development Board and State Bank of India. The Plant was commissioned on 02.01.2016 and was dedicated to the nation by Hon'ble Prime Minister of India, Shri Narendra Modi on 05.02.2016 in a grand function at Lepetkata. The Project was implemented at a cost of Rs.9,965 crore.

Butene-1 is a raw material required as co-monomer for production of various grades of polymers for 220 KTPA LLDPE / HDPE Swing Unit. Consumption of Butene-1 depends upon the various grades of polymer being produced in LLDPE/HDPE swing unit which varies from 9 KTPA to 19 KTPA. Currently Butene-1 requirement is catered by sourcing it from external domestic sources i.e. Reliance and HPL on their best endeavour basis. In the past BCPL has been put into a precarious situation by Butene-1 suppliers with their highly erratic supplies, hurting the operations of the entire complex. Therefore, to reduce dependency on external sources and for self-reliability, a Butene-1 plant of at least 10 KTPA was envisaged.

Raw Pyrolysis Gasoline (RPG) is a by-product of BCPL's Cracker Unit which is partially hydrogenated to form Hydrogenated Pyrolysis Gasoline (HPG). The HPG produced at BCPL has high Benzene content (more than 50% by wt.) due to which it cannot be directly used as raw material for Motor Spirit (MS) blending. At present BCPL has made interim arrangements with small hydrocarbon processors for evacuation of HPG at price determined through auction. For sale of HPG, BCPL do not have any institutional customer for bulk evacuation due to high Benzene content of the product. Thus, looking into the inherent characteristics of HPG, which is carcinogenic and prone to adulteration in MS, a long-term solution for safe and convenient evacuation of HPG along with better realization was envisaged.

To meet the above requirements, BCPL has engaged M/s Engineers India Limited (EIL) to carry out a detailed feasibility study. M/s EIL has carried out the detailed feasibility study and submitted the DFR in 2017 for 10 KTPA of Butene-1 unit and 52 KTPA of HPG-2 unit.

Hon'ble Minister (Chemicals & Fertilizers) approved the project to be implemented on standalone basis by BCPL through Debt funding and cash from internal accruals in the ratio of 90:10 at a cost of Rs. 386.75 crore on 11.03.2019.

EPCM consultancy was awarded to M/s EIL on 31.01.2020 for the project. The time schedule for mechanical completion was Twenty-Six (26) months from receipt of Licensor(s) BDEP or Thirty-Six (36) months from receipt of LOI/LOA, whichever is later. However, due to out break of covid-19 followed by multiple Force Majeure situations, floating of Licensor tenders for the two units got delayed. NIT for Butene-1 and HPG-2 licensors were floated in March 2021 and awarded to Axens France for both the units. BDEP were received in the month of September 2021. Accordingly, the timeline for mechanical completion of Butene-1 and HPG-2 falls on November 2024.

All Long Lead Item (LLIs) were identified, and ordering process was initiated soon after. Further, licensor has categorised few items as licensor mandated and provided mandatory vendor lists. BCPL faced significant challenge in meeting the project timeline during ordering two such LLIs viz TFE and TEA package due to non-participation in the tender and non- submission of technical details. After lot of persuasion with the vendors and Licensor bids were submitted and all the LLIs were awarded. However, during this process significant time were lost and mechanical completion of the project has been revised to August 2025.

Further, EIL vide their letter dated 29.11.2023 submitted forecast of project cost which works out to Rs 716.26 Crore.

The major reasons for variation have been classified under following heads:

- A. Escalation during Execution
- B. Foreign Exchange Variation
- C. Scope Changes In DFR
- D. Change In Specification (Technology selection / Post BDEP detailing, Capacity Augmentation)
- E. Variations due to Owner related Costs (Owners Construction period expenses, Start- up & Commissioning Expenses, WCM, IDC)

Based on EIL recommendation the GAIL board has approved the revised project estimate of Rs 817.92 Cr and revised timeline for mechanical completion by August 2025 on 31.01.2024.

Overall cumulative progress of 64.37 % has been achieved against a schedule of 68.80 % as of 15.09.2024. Piling works for both the units had been completed and civil structural works commenced from 30.06.2023 and expected to complete by November 2024 for both the units. Composite work (piping equipment erection, electrical and instrumentation works) for both the units commences from 04.09.2024 with contractual duration of 12 months.

Major milestones achieved

1. All Long Lead items awarded.
2. 90% Model review completed for HPG-2 & Butene-1 unit and Off-sites
3. Equipment Ordering – HPG-2 : All 55 no. ordered, Butene-1 : 72 no. out of 74 no. ordered. 36 no. Equipment out of total 129 no. received at site.
4. Piping Isometrics (4034 no.) : All Isometrics released.
5. Bulk Procurement – Electrical (5 no.) – 4 no. awarded, Instrumentation (30 no.) – 16 no. awarded. Piping Bulk (43 no.) – 27 no. awarded.
6. Composite tender (Duration - 12 months) :Awarded to M/s Bridge & Roof on 04.09.24 with contractual duration of 12 months. Mobilization in progress.



Butene-1 (Panoramic View): Structural Steel Works in progress



Butene-1: Structural Erection in progress in TS-5 and TS-1
Tankage Works: HDPE sheet laying completed in HPG-2



During the financial year 2023-24, OIDB has disbursed loan of Rs.151.38 crore to BCPL for the projects titled Butene-1 and HPG-2.

CHAPTER - 3

FINANCIAL ASSISTANCE: GRANTS TO REGULAR GRANTEE ORGANISATIONS

1. In pursuance of its mandate, OIDB has been providing assistance to oil sector by way of grants. These include grants to five regular grantee institutions namely Directorate General of Hydrocarbons (DGH), Petroleum Conservation Research Association (PCRA), Petroleum Planning and Analysis Cell (PPAC), Oil Industry Safety Directorate (OISD) and Centre for High Technology (CHT).
2. In addition to the grants to its regular grantee institutions, OIDB 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, OIDB had provided grant to Rajiv Gandhi Institute of Petroleum Technology (RGIT) for its projects at Sivasagar, Assam and Jaes, Rae Bareilly and IIT (Indian School of Mines), Dhanbad for Foam Assisted Oil-Water Nano-emulsion for enhanced Oil Recovery : Experimental and Molecular Dynamic Simulation Studies and Indian Oil Corporation Ltd. for their R&D project titled "Ethanol Production Plant using refinery off gases at Panipat Refinery".
3. Since its inception in 1974-75, OIDB has disbursed a cumulative grant of Rs.5631.90 crore till 31.03.2024. During the financial year 2023-24, a total grant of Rs.257.87 crore was disbursed of which Rs.254.30 crore was disbursed to the Regular Grantee Organisations.
4. Details of the grants disbursed to regular grantee institutions during last five years are as under:

(Rs. in crore)

Institutions	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DGH	192.91	176.84	210.35	289.36	162.74	1032.20
PCRA	67.30	60.00	38.05	35.00	7.49	207.84
PPAC	22.61	22.05	23.47	25.88	28.93	122.94
OISD	21.65	22.88	19.85	26.17	33.81	124.36
CHT	18.08	15.25	16.29	14.90	21.33	85.85
Total	322.55	297.02	308.01	391.31	254.30	1573.19

5.1 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.

During the year 2023-24, a grant of Rs.162.74 crore was disbursed to DGH.

The Indian Exploration and Production (E&P) industry witnessed a flurry of policy initiatives and reforms in 2023-24. The government launched Round IX of the Open Acreage Licensing Policy (OALP) under the Hydrocarbon Exploration and Licensing Policy (HELP) to encourage exploration activities attracting investments and boosting domestic production. Additionally, a slew of reforms were introduced in the Model Revenue Sharing Contract of the HELP to streamline processes and make exploration more attractive to investors. Furthermore, incentives were introduced

to promote exploration in Category II & III Basins, expanding the potential for new discoveries. These reforms aimed to enhance India's energy security, reduce reliance on imports, and stimulate economic growth. The details of the initiatives taken are mentioned as below:

1. Reforms and Launch of OALP Round in Hydrocarbon Exploration Licensing Policy (HELP)

The Government of India approved a transformative licensing policy called a Hydrocarbon Exploration Licensing Policy (HELP) on 30th March 2016 for the award of exploration acreages to boost the Indian E&P Sector which led to a shift from a Production Sharing mechanism to Revenue Sharing mechanism. The Government of India introduced the Open Acreage Licensing (OAL) mechanism as a part of the HELP which gives exploration companies the option to select the exploration blocks on their own, without having to wait for the formal bid round from the Government. The first OALP Bid Round, under HELP, was launched by the Government in January 2018. Till FY 2023-24, Eight OALP bid rounds have been concluded with the award of 144 exploration blocks covering 2,42,057 sq. km. area for E&P activities.

- a. Launch and Award of OALP-VIII Blocks: 10 blocks covering 34,365 square kilometers area were awarded to successful bidders during December, 2023. Committed investment in these blocks is around 233.55 MMUSD.
- b. Launch of OALP-IX: Government has launched OALP Bid Round-IX on 3rd January 2024 offering 28 Blocks for Exploration and Development through International Competitive Bidding. These 28 Blocks are spread over eight (8) Sedimentary Basins, covering an area of 1,36,596.45 Sq. Km. Out of 28 Blocks, 9 Blocks are in Onland, 8 Blocks are in Shallow Water, and 11 Blocks are in Ultra Deep-Water areas Spread over Category-I (16 Blocks) and Category-II (12 Blocks) Basins. me upto OALP Bid Round VII is 39,460 LKM 2D Seismic + 56,175 SKM 3D seismic (Post swapping) + 487 Exploratory Wells.



Launch of OALP Bid Round – IX

2. Appraisal of Unappraised Sedimentary Basins

In order to appraise the unappraised areas, the Government has undertaken a series of surveys during last few years. The details of surveys which have been completed or launched during last year are as follows:

- a. **Airborne Gravity Gradiometry and Gravity Magnetic (AGG&GM) Survey:** To cover the inaccessible and hostile geographical areas under NSP project where seismic data could not be acquired due to inaccessible terrain and hostile environment (mostly in Assam Arakan Fold Belt, Assam Shelf and selected traverse in areas of Cauvery, Bastar, Karewa and Spiti basins), Airborne Gravity Gradiometry and Gravity Magnetic (AGG & GM) data survey was carried out. The survey started in May, 2023 and completed with total data acquisition of 42,944 Flight LKM in May, 2024. A total 49.55 Crores were spent on AGG&GM Survey.
- b. **Exclusive Economic Zones (EEZ) survey:** About 1.13 million square kilometers of the offshore sedimentary basins in India, up to the Exclusive Economic Zone (EEZ), had not been explored. To assess the entire offshore basin area, a 2D broadband seismic survey covering approximately 80,000 line kilometers was conducted. ONGC was made the nodal agency for the EEZ survey, and successfully acquired about 79,540 line kilometres of 2D seismic data in June 2023, covering all three sectors: East Coast, West Coast, and the Andaman Sector. The project was completed in June 2024.
- c. **Launch of Mission Anveshan:** Based on the analysis of data acquired under the National Seismic Program (NSP), several promising exploration leads were identified. To conduct a thorough evaluation of these leads, a comprehensive close grid 2D seismic survey was planned. This survey aims to establish a reliable and robust geoscientific database to facilitate a comprehensive assessment of India's sedimentary basins. The resulting data will support effective planning and execution of exploration and production activities within these basins and help to award of blocks under future OALP rounds. Under this initiative, detailed 2D seismic API (Acquisition, Processing & Interpretation) of 20275 LKM in 07 on-land sedimentary basins with outlay of INR 792 crores will be acquired.
- d. **Extended Continental Shelf Survey:** Extended Continental Shelf (ECS) scheme aims at Acquisition, Processing and Interpretation (API) of 30000 LKM of 2D seismic data in Eastern & western Offshore areas beyond EEZ Boundary in India's Extended Continental Shelf. Good quality high-resolution seismic data with closer spacing in the Continental Shelf (about 0.6 million SKM) in Western and Eastern offshore beyond the EEZ boundary will provide valuable inputs regarding the presence of sediments and also help to ascertain hydrocarbon potential in the Continental Shelf area. The Government has entrusted ONGC and OIL to conduct the 2D Seismic API for 15,500 LKM on west coast and 14,500 LKM on the east coast respectively at an estimated cost of Rs. 410 Cr.
- e. **Drilling of Stratigraphic Wells:** The 2017 resource reassessment studies identified numerous deep-seated, unexplored plays based on seismic data. To comprehensively evaluate these plays, drilling of stratigraphic wells is essential. These wells will target the deeper basinal parts, extending beyond 400 meters water depth, which cover approximately 1.32 million square kilometers. Stratigraphic wells, planned to reach depths between 5,000 and 7,000 meters, will cut through the entire stratigraphic column. The proposed basins, categorized as Category-II, having both discovered and undiscovered potential, have recently generated significant geoscientific data, including seismic. Prior to September 2022, these areas were restricted due to defence concerns. Four stratigraphic wells, with an average target depth of 7,000 meters and water depths ranging from 2,500 to 3,000 meters, are scheduled to be drilled in offshore locations: Andaman, Saurashtra, Mahanadi, and Bengal-Purnea basins. These wells aim to provide valuable subsurface insights to potential bidders.



Working on offshore platforms



Sagar Kiran offshore rig

5.2 Petroleum Conservation Research Association (PCRA)

Petroleum Conservation Research Association (PCRA) was a registered society set up under the aegis of Ministry of Petroleum & Natural Gas, Government of India. It was a national government agency engaged in promotion of energy efficiency in various sectors of economy. It helps the government in proposing policies and strategies for petroleum conservation, aimed at reducing excessive dependence of the country on oil requirement.

Ministry of Petroleum & Natural Gas in June 2022 decided to dissolve PCRA and entrustment of activities of PCRA to Centre for High Technology (CHT) and Oil Marketing Companies (OMCs) to the following effect:

- a) Research activities of PCRA may be carried out by CHT and such research activities currently under progress under PCRA may be handed over to CHT.
- b) Conservation activities may be carried out by OMCs. Upon dissolution and after satisfaction of all debts and liabilities, the remaining property of PCRA may be given to other society such as CHT.

After dissolution of PCRA, the research activities and conservation activities of PCRA are being carried out by CHT and OMCs respectively. During 2023-24, a grant of Rs.7.49 crore was released by OIDB to PCRA for performing its activities including administrative expenditure.

5.3 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 Petroleum Planning & Analysis Cell (PPAC) was created effective 1st April, 2002 as an attached office of the Ministry of Petroleum and Natural Gas, Govt. of India, to carry out 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.

During the year 2023-24, an amount of Rs.28.93 crore was disbursed to PPAC as grant by OIDB. The following major activities were carried out by PPAC during the year:

1. Administration of subsidy claims of Oil Companies :

The following Subsidy schemes announced by the Govt. of India are being administered through PPAC :

- a) 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.1227 crore (including project management expenses of Rs.84 Cr.) were processed for the year 2023-24.
- b) MoPNG vide letter dated 21.05.2022 has conveyed that for FY 2022-23, the effective cost per 14.2 Kg LPG refill for PMUY consumers may be kept Rs.200 below the effective cost for non-PMUY consumers, and the difference may be credited to the bank accounts as per DBTL-PAHAL scheme. This will be applicable for up to 12 refills of 14.2 Kg cylinders. Government announced further subsidy of Rs.100 per 14.2 Kg Domestic LPG refill taken by

PMUY beneficiaries w.e.f 05.10.2023, in addition to targeted subsidy of 200 per 14.2 Kg refill. PPAC has processed claims amounting to Rs.8,821 crores for additional subsidy paid to PMUY consumers during 2023-24.

- c) Also, a further reduction of Rs.300/- per 14.2/kg was given to PMUY and Non-PMUY customers during the year 2023-24. Retail Selling Price and effective Cost to Consumer of Domestic LPG at Delhi –Rs.803/cylinder for Non-PMUY consumers and Rs.503/cylinder for PMUY consumers, w.e.f. 09.03.2024.
- d) Pradhan Mantri Ujjwala Yojana (PMUY) was launched by Hon'ble Prime Minister on 1st May 2016. Under the scheme, 5 Crore LPG connections were to be provided to women belonging to BPL households. The scheme was extended to cover 8 crore BPL households over a period of 4 years (till 2019-20). The target of 8 crore connections was achieved well in advance in September 2019. In the Union Budget 2021-22, Govt. of India approved the extension of the PMUY scheme to 1 crore more beneficiaries. The target of 1 crore has also achieved within few months of its launch. Further, MoPNG in January 2022 approved releasing an additional 60 lakh LPG connections under PMUY, the target of 60 lakh connections was achieved on 31st December 2022. Under the scheme Government of India reimbursed Rs.1600 & Rs.1150 per connection for 14.2 kg cylinder and 5 kg cylinder respectively, to Oil companies for issuance of security deposit free connection to poor household women beneficiaries. PPAC has processed total claims amounting to Rs.12,750 crores (including project management expenses) up to FY 2020-21 towards PMUY since inception of the scheme.

In the Union Budget 2021-22, Govt. of India approved the extension of the PMUY scheme to 1 crore more beneficiaries. Further, MoPNG in January 2022 approved releasing an additional 60 lakh LPG connections under PMUY. PPAC has processed total claims amounting to Rs.2,486 crore during FY 2021-22 & FY 2022-23 towards PMUY 2.0.

Further on 13.09.2023, Union Cabinet has approved release of additional 75 lakh LPG connections under PMUY, over a three-year period from FY 2023-24 to 2025-26, with Government support of Rs.2200 & Rs.1300 per connection for 14.2 kg cylinder and 5 kg cylinder respectively. PPAC has processed total claims amounting to Rs.1,396 crore during FY 2023-24 towards PMUY extension.

- e) 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 differential amount is claimed from the Government of India. For the year 2023-24, PPAC received and reviewed claims amounting to Rs.1,174 crores.
- f) Scheme for Promotion of Flagging of merchant ships in India
Union Cabinet has approved this scheme for five years starting from 14.07.2021 as subsidy support to Indian shipping companies in global tenders floated by Ministries and CPSEs for import of government cargo. As per this scheme, the Indian shipping company shall be eligible for subsidy who have availed ROFR benefit and are not L1. Under MoP&NG, the scheme is applicable on import of crude oil and LPG. PPAC has processed total claims amounting to Rs.177 crore up to FY 2032-24, which includes an amount of Rs.78 crore for the FY 2023-24.

2. The following subsidy claims have been processed by PPAC during FY 2023-24 :

SL. No.	Scheme	Participating Companies	Frequency	Claim Upto	Amount (Rs. Cr.)
1.	DBTL-PAHAL	IOCL/HPCL/BPCL	Monthly	2023-24	1143
2.	DBTL-Project Expense (Cash Basis)	IOCL/HPCL/BPCL	Quarterly	2023-24	84
3.	DBTL-Addl Cash to	IOCL/HPCL/BPCL	Monthly	2023-24	8821
4.	PMUY				
5.	PMUY	IOCL/HPCL/BPCL	Quarterly	2023-24	1396
6.	NE Gas Subsidy	ONGC/OIL	Monthly	2023-24	1174
7.	Shipping Subsidy	IOCL/HPCL/BPCL/MRPL	Monthly	2023-24	78

3. 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 on 30th September 2023 and 31st March 2024, for the period April 2023 to September 2023 and October 2023 to March 2024, respectively.

4. Gas Price Ceiling Notification

Ministry of Petroleum & Natural Gas allowed marketing freedom including pricing freedom subject to the ceiling price on the basis of landed price of alternate fuels 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 on 30th September 2023 and 31st March 2024, for the period April 2023 to September 2023 and October 2023 to March 2024, respectively.

5. Studies / Reports completed during 2023-24
a) Revised road map for India's import reduction of Oil & Gas by 10%:

Integrated Monitoring & Advisory Council (IMAC), MoPNG in its second meeting on 10% Import reduction in the Energy Sector held on 21 September 2020 advised to rework the strategies on account of current global scenarios and changing dynamics. Accordingly, PPAC, with the help of an external agency PwC, had reassessed the strategies and submitted its comprehensive roadmap to MoPNG.

Upon acceptance of the revised roadmap, Key performance indicators were identified, and a Dashboard has been developed to track progress for the actions points and recommendations under the strategies. The KPIs have been grouped as per the Working Groups and these KPIs will be monitored on a regular basis by the Working Groups in coordination with PPAC.



3rd IMAC Meeting under Chairmanship of Hon`ble Minister

b) Data Governance Quality Index:

Development Monitoring and Evaluation Office (DMEO), NITI Aayog launched a self- assessment online survey to assess the data preparedness of the data/MIS Systems of various Ministries/Departments Central Schemes. In Survey 1.0 (July 2020) MOP&NG scored 2.72. PPAC was made nodal agency for Survey 2.0, wherein schemes were increased from 2 to 9. Audits of nine central schemes were submitted in the DMEO portal (DGQI) after coordinating with the implementing agencies concerned. The score of MoPNG during Oct-Nov 2021 improved to 3.86 out of 5.00, 4.36 after the round of Jan-Mar 2022 and further improved to 4.43 in Q3 2022-23. For the latest round, the number of schemes has been listed as 5 considering budget allocation and activities undertaken. The survey for Q3 2023-24 has been updated and the latest score has further improved to 4.56.

c) Technical Advisory Group (TAG) Meeting

Technical Advisory Group (TAG) was constituted for PPAC based on the recommendations made during the 28th GB Meeting. The Technical Advisory Group comprising of Director-IIT, Delhi as its Chairman and DG, PPAC as Member Secretary, and 14 other members from Govt Organizations, Think Tanks and Academia. All technical studies undertaken by PPAC, as part of the annual work plan, shall go through TAG so that an independent review can be done.

The Second Meeting of TAG held on 06.12.2023 reviewed studies being undertaken by PPAC during 2023-24 . Views and suggestions made by the members were incorporated in the studies.

d) Report Launch-IEA Indian Oil Market & PPAC Journal

As part of Statement of Intent (Sol) with IEA, PPAC in coordination with International Energy Agency (IEA) launched a report on Indian Oil Markets. The report was launched in the august presence of Shri Praveen Mal

Khanooja, Additional Secretary, MoPNG, Shri P Manoj Kumar, Director General PPAC, Ms. Keisuke Sadamori, Director, Energy Markets and Security, IEA and Dr Toril Bosoni, Head of Markets, IEA during Second Edition of India Energy Week held on February 7, 2024, at Goa.



Report Launch - IEA Indian oil market 2030 & PPAC journal during IEW 2024

e) **PPAC outreach to Industry**

PPAC is continuing its outreach initiatives where PPAC officials including DG, PPAC visit various Oil & Gas establishments and participate in IPR (Industry Performance Review) Meetings. This initiative is aimed at better understanding of industry expectations from PPAC.

f) **Release of the first issue of the PPAC Journal**

PPAC released the first issue of its journal during the second edition of India Energy Week (IEW) 2024 at Goa. The issue comprises articles from eminent energy experts and organizations viz. OPEC, IEA, S&P Global, IRADe, IEEFA, BEE, CHT, Invest India, MCX, TERI etc., on the subjects ranging from India's role as powerhouse of growth to biofuels in energy transition.

g) **rDME/BioLPG – Scope and Opportunities**

As part of the Annual Plan, PPAC conducted a study titled “rDME/BioLPG: Scope and Opportunities.” The study involved extensive research, incorporating insights from industry experts and various government organizations. It covers key areas such as feedstock availability, biomass aggregation, rDME production technology, blending possibilities with LPG, the potential benefits of rDME for energy security, social upliftment and as a drop in fuel, along with major challenges and recommendations.

h) **Mid-term assessment of SDG7 on affordable and clean cooking fuel**

PPAC has carried out a study on “Mid-term assessment of SDG7 on affordable and clean cooking fuel” which provides insights to assess the impact of clean cooking fuel on the roadmap for achieving Sustainable Development Goal 7 (SDG7), which aims to ensure access to affordable, reliable, sustainable, and modern energy for all by 2030. This approach includes identifying areas (states/districts) with gaps and a low % of liquefied petroleum gas (LPG) usage as the primary energy source and examining the determinants based on socio-demographic and economic profiles in these areas.

i) **Net Zero Retail Outlet System Development**

The "Net Zero Retail Outlet System Development" study jointly conducted by CSIR-Indian Institute of Petroleum (CSIR-IIP) and Petroleum Planning & Analysis Cell (PPAC), delineates an extensive framework aimed at minimizing greenhouse gas (GHG) emissions from retail fuel outlets (ROs) in India. This comprehensive study investigates the primary emission sources linked to RO operations and offers a suite of recommendations to transition ROs towards net-zero emissions. This endeavor is critical for aligning with global climate commitments and fostering sustainable practices within the Indian fuel retail sector.

6. **In addition , PPAC carried out following studies as per direction of MoPNG under the Chairmanship of DG PPAC:**

1) **Refining Capacity: Objectives**

A committee under the Chairmanship of Director General, PPAC vide OR Dated 29 August 2023. The report has been prepared with an objective of assessment of domestic demand, export potential and refining capacity of India by 2047. The Committee report was submitted to the Ministry of Petroleum and Natural Gas on 15th February 2024.

2) **Gas production costs: Objectives**

A committee has been constituted vide order memorandum No. L-12015/1/2024-GP-I (E:49220) dated 14th March 2024 to undertake a study on “comparative analysis of gas production cost for various geological regions and domestic gas quality & price projection including HPHT and other gasses compared to international prices”. The report has been prepared to assess the cost of Natural Gas production from different geographies like onshore fields, offshore and deep-sea locations etc including the impact of regulatory policy (Carbon Pricing and Taxes, Land use and Access Policies, International Seabed Authority Regulations and Policies) and environmental concern. The final report submitted to MoPNG in August 2024.

7. **New Initiatives**

- **Oil and Gas Snapshot of the States :** It has been observed that, while national Oil and Gas statistics are accessible in various publications, comparable data for individual States is either unavailable in a consolidated format or dispersed across multiple sources. To address this gap, PPAC has initiated a project to compile essential statistics on Oil and Gas consumption, supply, infrastructure, pricing, and contributions to the national exchequer into a single volume. This compilation presents key Oil and Gas indicators for each State and Union Territory in a snapshot format, along with crucial demographic and economic metrics such as projected population, per capita income, and Gross State Domestic Product (GSDP). These statistics are published quarterly.
- **Automation through API :** PPAC had been collecting data from more than 200 Oil & Gas entities through data upload on its portal. API based data exchange has been implemented for collecting data in predefined format & frequency from OMCs. The main benefits of API based data exchange are:

- Reduction in data exchange overheads (Effort & Time)
- Reduction in data quality issues arising due to common human errors

API has been implemented for Industry Sales Statistics (ISS) module and data from major Oil & Gas entities like IOCL, BPCL, HPCL, GAIL etc. are being collected through API.

- 8. Fuel Testing Laboratory (FTL)** was set up by the Ministry of Petroleum and Natural Gas (MoPNG) in compliance of the directions of Hon'ble Supreme Court which mandated establishing independent testing laboratories for checking quality of auto fuels in NCT/NCR and thus minimizing vehicular pollution. In line with the task for managing FTL assigned to PPAC by MoPNG wherein the operation of FTL is assigned to handle by CSIR-IIP, Dehradun with Sample collection at Ghaziabad in NCT/NCR. Earlier FTL was managed by SPFL (Society for Petroleum Laboratory) and operation was outsourced to CSIR-IIP but SFPL is closed by the end of March-2024.

Accordingly, PPAC signed a Memorandum of Understanding with Indian Institute of Petroleum (IIP) Dehradun and the MoU was signed by Shri P. Manoj Kumar, Director General PPAC and Dr. Harender Singh Bisht, Director CSIR-IIP on April 3, 2024, at PPAC Office in Delhi.

9. CBG Obligations

PPAC has been assigned role as the Central Repository Board for maintaining the registry for Renewable Gas Certificate (RGCs) and handling the issuance, transfer and extinguishment of Certificates. CBG Obligations have been proposed by MoPNG with a view to boost the demand for CBG in the industry and strengthen the profitability. This proposed obligation shall be mandated on the CGD Entities to procure CBG from CBG producers based on the Guidelines in the mandate. The obligations also propose a Renewable Gas Certificate mechanism, which shall be issued on every CBG Qty sale by the CBG producers. These certificates (RGCs) can also be used to meet mandated obligations.

10. Information Technology

PPAC makes continuous effort to improve the data quality and timelines through latest technology. PPAC has created the most modern data Management systems to provide authentic and official source for data and policy analysis on the hydrocarbon sector in the country.

Data from more than 200 Oil & Gas entities are collected, processed and analyzed by PPAC on regular basis.

PPAC is using SAS as core application for data management, reporting & analysis. The existing processes of SAS modules related to Consumption, Production, Prices and Marketing of petroleum products & Gas have been streamlined, optimized and enhanced to meet the business & regulatory requirements.

11. In FY 2023-24, following new initiatives / developments were taken up:

- 1) New modules were developed to capture new data points:
 - a. CNG & PNG Price break-up
 - b. CNG & PNG Retail Selling price
 - c. CNG & PNG Consumption data
 - d. CNG & PNG infrastructure data
 - e. Retail Outlet Module to capture data related to:
 - i. Infrastructure (Geo-Location, Classification – U/ R/ Remote/ NH/ SH)

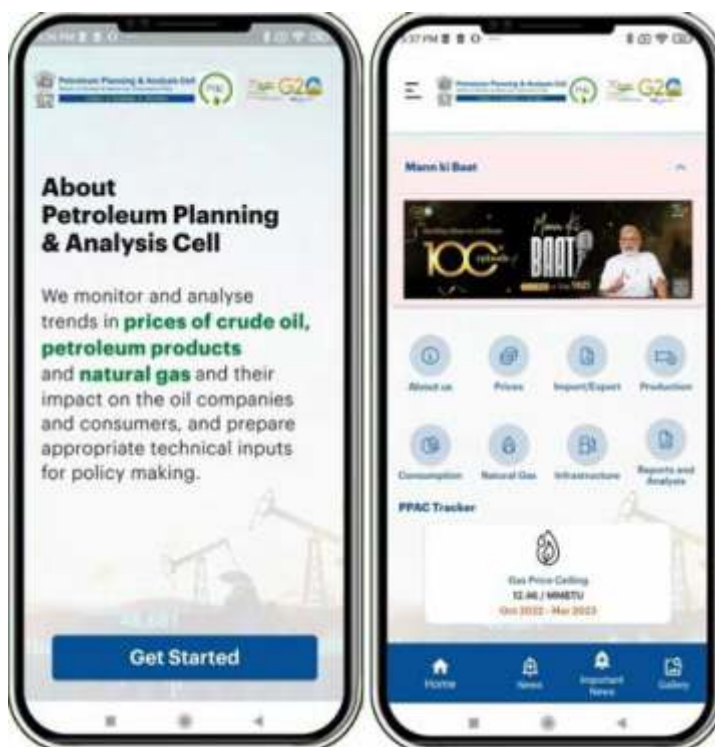
- ii. Availability of Alternate Fuels (EV/ CNG)
- iii. Facilities (Free Air / Water/ Toilet)
- 2) API based data collection mechanism for ISS data to improve data quality by reducing manual uploads.
- 3) Enhancement of PMUY module to incorporate claim data for PMUY 2.0 extension
- 4) PMUY module was re-structured to facilitate rectification of historic claim records
- 5) Membership Area for PPAC Website is rolled out with following features:
 - a. Access to all the historical data through single login & Dedicated Profile Page
 - b. Availability of Recently Published Data, Recently Downloaded Historical Data by the user & Most Downloaded Historical Data at a single page
 - c. Database of Registered Users & Reports downloaded for future analysis

PPAC has a robust Information Technology set up dedicated to continual improvement, development, and security of IT assets/sensitive data. Appropriate risk assessments, policies and controls are implemented.



30th GB Meeting-held on 02.01.2024

PPAC mobile App was launched by Shri Pankaj Jain, Secretary PNG during the 28th GB meeting on 03rd April 2023



5.4 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 with aim to enhance safety and reduce risks inherent with this industry. OISD standards cover the entire activities pertaining to hydrocarbon sector i.e. exploration & production, refining, gas processing, storage, pipeline transmission, marketing etc. which are implemented on self-regulatory basis by the Oil & Gas companies.

OISD achieved record performance during 2023-24 surpassing previous records in auditing and conferences/ workshop.

During the year 2023-24, an amount of Rs.33.81 crore was disbursed to OISD as grant-in-aid by OIDB.

Safety Audits by OISD: FY 2023-24

OISD carries out periodic safety audits of Oil & Gas installations to monitor their compliance with regulatory requirements and OISD Standards.

During the year 2023-24, OISD carried out highest ever safety audits of 322 installations and 12362 km of pipeline. Details of audits are as under:

Safety Audits	Plan (No.)	Actual (No.)
Refinery/PetChem/GPP/LNG/CTF/OGT	23	29
Marketing Installation (POL)	78	80
Marketing Installation (LPG)	42	48
E&P Installations	120	143
Corporate/ SBU level	05	05
Port Audit	02	05
SPM Audit	02	06
Oil spill preparedness joint inspection with ICG	02	06
Total	274	322
Cross Country Pipelines	11000	12362

Pre-Commissioning Safety Audits (PCSA)

OISD carries out pre-commissioning safety audits of projects across the Oil & gas industry. The purpose of these audits are to ensure that grass root developments and major additional facilities at existing locations are compliant with OISD standards at the construction stage itself.

During 2023-24, 63 nos. of such audits were conducted.

Pre Commissioning Safety Audits (PCSA)	Actual No. 22-23	Actual No. 22-23
Refinery/PetChem/GPP/LNG/CTF/OGT	28	18
Marketing Installation (POL/ LPG)	55	27
E&P Installation	01	01
Cross Country Pipeline	27 (covered 3706 kms)	17 (covered 1701.7kms)
Total	111	63

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 fixed and mobile installations.

Total 04 nos. of fixed offshore platforms and 15 nos. of mobile offshore platforms have been accorded consent to operate during the year 2023-24.

Safety Council meeting

To ensure proper implementation of various aspects of safety in the oil & gas industry, Government of India had set up 'Safety Council' at the Apex in Ministry of Petroleum & Natural Gas. 40th meeting of the Council was held on 30th June, 2023.

Key issues discussed & approved during the meeting were as under:

- Major activities of OISD undertaken in 2022-23 & activity plan for 2023-24
- Review of compliance status of OISD safety audit recommendations pending for more than two years and area of concern thereof.

- Approval of 16 revised OISD standards.
- Compliance to the recommendations of HLC related to Baghjan blowout incident in Assam.
- Compliance to the recommendations of HLC related to cyclone Tauktae incident.
- Approval of Actual Expenditure of OISD in FY 2022-23 and Budget Estimate for FY 2023-24.



Steering Committee meeting

58th Steering Committee Meeting was held on 13th April'23 in hybrid mode at OIDB Bhawan. The meeting were attended by 41 participants including Principal Panelist and representatives of Oil and Gas industry wherein matter regarding further enhancing safety in Oil and Gas industry was deliberated. 8 nos. of revised OISD standards were adopted by members.

59th Steering Committee Meetings was held on 28th March'24 in hybrid mode at OIDB Bhawan which was attended by 61 participants. 13 revised OISD standards were adopted by members and 12 standards have been agreed for withdrawal.

Following major points were also deliberated and discussed during these meetings.

- Adoption of Draft III of revised OISD standards.
- Implementation status of ESA/ SSA recommendations pending for more than two years.
- Incident Analysis for last five years and area of concern.
- Discussions about few major incidents across Industry segment.
- Industry points/ issues/ concerns/ suggestion



Development of Safety Standards

OISD develops Standards for the oil & gas industry through a participative process involving all the stakeholders. 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, revising existing standards to incorporate the latest technological developments as well as current experiences on the ground.

As on date, OISD has developed 118 standards for the oil & gas Industry. 23 of these standards are included in the statutory provisions of the Petroleum Rules, 2002; the Gas Cylinder Rules, 2016; the Static & Mobile Pressure Vessels (Unfired) Rules 2016; PNGRB Regulations and the Oil Mines Regulations, 2017.

16 revised standards were approved by Safety Council on 30th June'23 and released for industry by OISD. At present, 03 new safety standards including "Hydrogen Safety" & "Compressed Bio Gas (CBG) safety" are under development and 55 existing standards are under various stages of revision.

Incident Investigation & Analysis

OISD investigates major onsite incidents which take place in oil & gas industry. A databank of incidents (major category) of the Oil & gas industry is maintained and analyzed by OISD to assess trends, areas of concern and required corrective/ preventive action. These are then disseminated to the industry through safety alerts, case studies, advisory notes, workshops/ seminars and 'Suraksha Chetna'.

During 2023-24, 13 incidents were investigated by OISD, out of which some incidents were jointly investigated with PNGRB.

Total 13 Case studies uploaded on OISD website and 14 Safety Alerts have been issued during the FY 2023-24.

Monitoring of Safety preparedness of oil and gas installations in cyclone

In case of natural disaster like cyclone, based on the inputs available from IMD, OISD seeks situation report (SITREP)

from industry and consolidated SITREP is issued twice a day to MoP&NG and other Stakeholders.

Total 60 SITREP for the following cyclones and depression were issued during the year 2023-24:

“Mocha” (May'24), “Hamoon” (Oct'24), “Midhili” (Nov'24), “Michaung” (Dec'24) over Bay of Bengal and “Biparjoy” (June'24), “Tej” (Oct'24) over Arabian Sea.

Knowledge Dissemination:

OISD conducts Training/ Seminar/ Conference/ Workshop/ Webinar for the oil & gas industry to disseminate the latest technological developments, sharing of knowledge, incident experiences and case studies etc. During the year 2023-24 total 4437 participants attended these programs.

Also, during the year 2023-24, 2 issues of “Suraksh Chetna” news letters were published.

Details of major knowledge sharing activities during 2023-24 :

1. Suraksha Samwad Webinar

A live web session 'Suraksha Samwad' is being organized by OISD every month. Domain experts of industry and OISD share experiences to learn from mistakes.

During FY 2023-24, OISD organized 12 nos. 'Suraksha Samwad' webinars covering 3878 participants on various topics including “Mock Drill and Common observations”, “Baghjan incident & a movie titled A Land Reborn”, “Offshore SPM incident & Onshore Pipeline burst incident”, “Solid waste management, Health & hygiene at worksites, environmental protection measures, Good Housekeeping” and “Initiatives to maintain cleanliness”, “Case study and analysis on incidents happened in refinery”, “Case Study of recent incidents at LPG Plants and inspection of LPG bulk/packed truck” etc.

Suraksha Samwad was also organized for newly released major OISD standards viz. 178 (Management of Change), 105 (Work Permit System), 206 (Safety Management System) and 227 (Emergency response and preparedness in Oil and Gas industry) with relevant case studies, for the industry to enhance their understanding on the revised standards, key changes and common gaps related to that particular standard observed during audit/ accident investigation.



‘Suraksha Samwad’

2. Technical Seminar/ Training/ Conference/ Workshop

During the year 2023-24, OISD has conducted Internal Auditor trainings, Workshop on World Environment Day, Safety Conclave and training for small and medium E&P operators:

a) Internal Auditor training:

OISD conducted 10 nos. of 'Internal Auditor' trainings during FY 2023-24 to enhance 'Auditing Skills' of executives from E&P, P&E, Marketing (POL and LPG) and Pipeline division. A total of 309 internal auditors of various Oil and Gas industries were trained.



'Internal Auditor' trainings

b) Workshop on World environment day

OISD observed World Environment Day on 5th June. WED 2023 was celebrated at OISD with a day long program. The inaugural session was addressed by Ms. Sujata Sharma, IAS, JS (M&OR), Ms. Varsha Sinha, Secretary (OIDB), IG M V Pathak, PTM&TM, DDG(Ops) Coastal Security, Indian Coast Guard & Mr. Arun Mittal-ED(OISD). During WED-2023, there were 3 Sessions on Oil & Gas Industry's Net Zero Initiative, Environment Sustainability & Impact, and Offshore Environment Management. This was attended by industry experts. Total 95 participants attended the workshop.



World Environment Day

c) Safety Conclave-2023

OISD in association with HMEL has successfully organized a “Safety Conclave-2023” on 4th and 5th December 2023 at Bathinda, Punjab which was attended by 128 participants from Oil & Gas industry.



Safety Conclave

d) Small & Medium E&P operators training

DGH along with OISD conducted a training program small & medium E&P operators on 15th Feb.'24 at ONGC facility Mehsana. Various sessions were conducted by faculty from OISD and DGH. It was attended by 27 participants from 12 E&P companies.

Financial performance

For FY 2023-24, the budgetary support of ₹ 3381.00 lakh was provided by OIDB for total expenditure of ₹ 3698.40 lakh (Revenue generation was ₹ 450.17 lakh mainly from PCSA). OIDB has approved budgetary support of ₹ 3743.00 lakh for FY 2024-25.

Thematic Audit on utilization of funds by OISD

"Thematic Audit on utilization of funds by OISD" for the financial years 2018–19 to 2022–23 was successfully conducted by the CAG audit team commencing from 11th December-2023 and ended on 19th January-2024.

Other activities and achievements

National Safety Week

"53rd National Safety Week" on the theme of 'Focus on Safety Leadership for Environment, Social & Governance (ESG)', was inaugurated with safety pledge on 4th March'24 at OIDB Bhawan auditorium.

Secretary OIDB, Smt. Varsha Sinha was the Chief Guest and keynote address was given by ED OISD. Dr. Tapaswini Pradhan, Sr. Cancer Specialist, Apollo Hospital, Delhi imparted a health talk on “Holistic Approach to Cancer”.

The various activities organised during the week included Safety pledge; A health camp for all officers, staff and contractual workers of OIDB Bhawan, Fire Safety training to contractual staff by fire & safety expert from DGH, Poster

Competition for contractual staff, Internal Gyan Sajha session, Safety Inspection of OISD office, Internal Safety Quiz for various sections of OISD etc.



Swachhta Pakhwara

Committed towards Swachh Bharat mission, OISD organised various activities from 3rd July'23 onwards during Swachhta Pakhwara celebration viz. Opening ceremony with Swachhta pledge, Swachhta talk and Quiz for children of orphanage home, प्रभात फेरी in rural area to create awareness on Swachhta, Collection drive of old usable cloths for further use by the needy ones through recognized NGO 'Goonj', Felicitation of public toilet cleaning workers, Craft work utilizing waste material on theme “Wealth out of Waste” by OISD family members, Slogan & poem competition, Quiz, Shredding and recycling of unused papers, Deep Cleaning of OISD Office and Common area and old documents and files digitization for preservation and disposal of old documents, Special Suraksha Samwad webinar and Gyan Sajha session on “स्वच्छता से सुरक्षा” etc.



Swachhta Pakhwara activities

OISD officers carried out various activities to spread the message of Swachhata during External Safety audit viz. cleanliness drive at ONGC Rajahmundry asset, Plantation of 50 nos. saplings at BPCL's New Bokaro Depot, Waste management programme at IOCL, Raipur Swachhata awareness program at CS 3 installation near Suryapeta, Telangana etc.



Swachhata Pakhwara activities during ESA

Foundation Day

38th OISD foundation day was celebrated on 10th Jan.'24. ED-OISD addressed the gathering. Ex-OISDians shared their views and experiences. Video on "Journey of OISD" was showcased followed by a cultural program.



OISD Foundation Day

5.5 Centre for High Technology (CHT)

Centre for High Technology (CHT) was established in 1987, to act as the Technical Wing of Ministry of Petroleum & Natural Gas (MoP&NG) for implementation of scientific and technological programmes of Govt. of India. Major functions of CHT include:

- Performance Benchmarking of Refineries, Pipelines and Petrochemicals
- 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
- 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. Co-ordination of activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MoP&NG
- Reduction of Water foot print
- Development of import substitute fuels, chemicals and catalysts

During the year 2023-24, an amount of Rs.21.33 crore was received by CHT as grant-in-aid from OIDB. Major activities undertaken during 2023-2024 are as under:

1. Performance Benchmarking of PSU refineries and pipelines

Benchmarking serves as a valuable tool for organizations seeking to enhance their performance, drive innovation, and maintain competitiveness in today's dynamic business environment.

(a) Performance Benchmarking of PSU refineries

Performance benchmarking of PSU refineries is being conducted regularly since 2010. The study for cycle 2022 is completed for both Refinery and Pipelines. The refinery performance benchmarking for the study cycle 2024 is in progress.

(b) Performance Benchmarking of PSU Pipelines

Performance Benchmarking Study for Pipelines (Liquid, Gas, LPG) and SPMs for 2018 cycle was initiated for the first time through M/s Solomon Associates (SA), USA. M/s Solomon Associates successfully completed the third cycle 2022 of Pipeline Benchmarking study on 9th November 2023. Secretary, P&NG, chaired the presentation meeting of study results of 2022 cycle by M/s Solomon Associates to MoP&NG and top management of the participating companies of IOCL, HPCL, BPCL, OIL & GAIL.

(c) Performance Benchmarking of Petrochemical (Cracker and Polymer) units

The tendering Activities is in progress.

2. Energy Efficiency improvement

1. PAT (Perform, Achieve and Trade)

PAT is a market based regulatory instrument to reduce specific energy consumption in the energy intensive sector of the economy. PAT is one of the initiatives under The National Mission for Enhanced Energy Efficiency (NMEEE), which

is one of the eight missions under the National Action Plan on Climate Change for enhancing energy efficiency, to enhance the cost effectiveness through tradable energy saving certificates.

Refinery sector was included in PAT cycle-2 (2016-17 to 2018-19) along with Discoms & Railways to the eight energy intensive sectors, which were covered in PAT cycle-1. Under the scheme, each refinery, including PSU and Private Sector, is mandated to meet the Specific Energy Consumption Targets. The targets are set higher for refineries which have higher specific energy consumption and hence higher potential for energy saving. The energy saving targets were assigned by BEE (Bureau of Energy Efficiency) in consultation with CHT.

The energy reduction Target for refining sector in PAT cycle -2 was set at 5.49% equivalent to 1.01 Million TOE. Against this, the actual energy reduction of 8.05%, equivalent to 1.48 Million TOE was achieved. For the current PAT cycle-6 (2020-21 to 2022-23), the sectoral energy reduction Target of 5.49% has been retained, which is equivalent to energy saving target of 1.17 Million TOE. Financial Year 2022-23 is the assessment year and the final validation of data is in progress.

II. Long term energy saving target till 2030 for PSU refineries

A roadmap “Mission Q-1” has been prepared for PSU refineries to align with the global best refineries (Q1 of Solomon benchmarking Study) in energy efficiency. The overall target for the refining sector is also aligned to India's NDC of 45% reduction in Specific Energy Consumption by 2030 over the base year of 2005. The refinery wise targets follow the same philosophy of assigning higher targets to refineries having higher specific energy consumption as they have higher potential to save as well as their economy of scale. Refineries shall strive to achieve these targets through already identified energy saving scheme as well as long-term plans up to 2030 including various studies both in-house as well as through consultants.

III. Annual audit on furnace efficiency and steam leaks

To improve energy efficiency and reduce energy consumption in refineries, CHT organizes surveys every year in the areas of Furnace/Boiler efficiency or Steam leak taken up every alternate year. Furnace/Boiler efficiency survey was conducted in 2023 whereas steam leak audit was completed during Saksham-2024 (Jan-2024).

3. Refinery Performance Improvement Programme (RPIP)

In order to assist the PSU Oil companies to improve product pattern & operational excellence, reduce energy consumption and emissions, etc., RPIP was undertaken in two phases. CHT in coordination with the refineries finalized refinery-wise global consultants for carrying out RPIP for seven PSU refineries under Phase-1 (HPC-Mumbai and Visakh, BPC-Mumbai and Kochi, IOC-Panipat, Paradip and Mathura). Under RPIP phase-1, many schemes have been identified and the same are being implemented by the oil companies. In the second phase for balance eight refineries (IOC-Barauni, Gujarat, Haldia, Bongaigaon, Guwahati, Digboi, CPCL-Manali and NRL), action is being taken up by respective refineries.

4. Special Studies for the PSU refineries

CHT has been conducting Special studies regularly for the PSU refineries for their long-term sustainability, some of these are;

a. Development of Water Consumption Norms and Reduction of Water Footprint for Refineries

A study has been carried out through EIL to prepare a water reduction roadmap with a short term (<2 years) and a long term (>2 years) target. A savings of 2369 m³/hr has been achieved against a target of 2901 m³/hr in short term. A long term (2023-25) target reduction is in progress. As on date, 1160 m³/hr saving have been achieved.

b. Assessment of Domestic Demand, Fuel Exports and Refining capacity by 2047

MoPNG vide F. No. R-12042(11)/284/2017-OR-II (E-13446) dated 29th August 2023 constituted a committee under the chairmanship of DG (PPAC) to bring out a holistic report on domestic demand assessment together with the estimate of fuel export as well as the domestic Refining Capacity by 2047. The Working group has submitted the draft report for consideration to MoPNG.

5. Energy Technology Meet (ETM)

The 26th ETM formerly known as Refining & Petrochemicals Technology Meet (RPTM) was organized along with EIL & NRL at IECCC (Bharat Mandapam) Pragati Maidan, New Delhi, during 9-11 October, 2023. The theme of the Meet was kept as “Emerging Energy Trends and Future of Refining”. The event had presentation of 77 oral papers (including 8 panelists and 58 foreign companies' speakers) spread over 15 Technical Sessions and 66 digital Poster Sessions (including 47 representing foreign companies) along with 27 Exhibition Stalls. The event was attended by more than 1300 delegates/invitees from India and abroad.



26th ETM inauguration by Hon'ble Minister of Petroleum and Natural Gas, Shri Hardeep Singh Puri Ji.

6. Implementation of PM JI-VAN Yojana

Pradhan Mantri JI-VAN Yojana was announced in March, 2019 for promotion of 2G ethanol by providing financial assistance for setting up of 12 commercial units and 10 demonstration units. CHT has been nominated as nodal agency for implementation of PM JI VAN Yojana. Request for Selection (RFS) for shortlisting of eligible Project Developers (PD) was issued by CHT. Till now, 4 RFS have been floated. The project proposals were evaluated by SAC and based on their technical recommendation, Steering Committee of CHT for PM JI-VAN Yojana, approved Financial assistance for 6 commercial projects and 4 demonstration projects. Commercial 2G ethanol plant at IOCL Panipat has been commissioned and other plants are at advance stages of construction.

7. Financial Assistance to CBG producers for procurement of Biomass Aggregating Machinery (BAM)

This scheme aims to support biomass collection for initial 100 biomass-based CBG plants by providing financial assistance to CBG producers for procurement of biomass aggregation machinery (BAM).

The total financial outlay of the scheme is Rs 569.75 Cr for a period of FY 2023-24 to FY 2026-27. Maximum financial assistance is limited to 50% cost of the equipment subjected to overall ceiling of ₹9 Cr. per project.

CHT is nominated as Project Management Agency (PMA) & Central Nodal Agency (CNA) and portal is launched for submission of applications.

8. Implementation of SIGHT-2B Scheme

The Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme, is a major financial measure with an outlay of ₹ 17,490 crore under National Green Hydrogen Mission (NGHM). The program consists of two distinct financial incentive mechanisms to support domestic manufacturing of electrolyzers and production of Green Hydrogen.

SIGHT-2B is a scheme launched by the Ministry of New and Renewable Energy (MNRE). It aims to promote the production of green hydrogen by providing financial incentives to manufacturers.

Under the SIGHT 2B scheme, the implementation agency/ agencies shall aggregate demand and call for bids for the production and supply of Green Hydrogen at the lowest cost for a single refinery or multiple refineries. Tranche I of Mode 2B offers a bidding capacity of 200,000 Metric Tons per annum. MNRE vide its letter dated 16th January 2024 notified that the Scheme under Mode 2B will be implemented by the Oil & Gas companies and the Centre for High Technology (CHT).

Scheme Incentives: The incentive will be Rs. 50/kg of Green Hydrogen in the first year of production and supply, Rs. 40/kg during the second year of production and supply, and Rs. 30/kg during the third year of production and supply.

Responsibilities of CHT include:

- Examination of beneficiaries' claims for incentive disbursement
- Verifying and reconciliation of disbursement claims with prescribed documents
- Compilation of data regarding the progress and performance of scheme through Quarterly Review Reports and other documents.
- To submit quarterly progress reports to MNRE through MoPNG, including details of claims received for incentive disbursement, amounts disbursed, and reasons for delay in disbursement of incentives, if any.

In pursuance of the above, CHT along with MoPNG and OMCs have worked out and allocated GH2 capacities to respective OMCs. CHT conducted stakeholder consultations and several rounds of discussions with the OMCs. Based on the inputs and insights gathered, CHT has issued model guidelines for issuing tenders under SIGHT-2B. IOCL, CPCL,

NRL, MRPL and BPCL have floated their tenders. IOCL and MRPL have refloat it again due to change in PQC.

9. Energy Transition Advisory Committee (ETAC) Report – Stakeholder Consultation

ETAC headed by Shri Tarun Kapoor, Former Secretary, MoP&NG was constituted in December 2021 by Hon'ble Minister of P&NG and H&UA to steer and guide through the process of Energy Transition. The committee submitted its report in February 2023.

As many of the recommendations are interdisciplinary as well as inter-ministerial, stakeholder consultation was required. Accordingly, on 16th August 2023, MoP&NG entrusted CHT to circulate the report for stakeholder consultation/observations and prepare the analysis report.

In pursuance of the above, a communication was sent by CHT to 39 identified stakeholders (18 Ministries and 21 Organizations) along with the report and recommendations made by ETAC for soliciting inputs. Further, as advised by the Governing Council of CHT, the report and its recommendations were shared with some private bodies also to obtain their comments and inputs.

CHT prepared a stakeholder consultation analysis report based on the comments received and submitted it to MoPNG.

10. Indigenous Technology Development

CHT co-ordinates the activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MOP&NG in identifying research projects for downstream hydrocarbon sector for funding. The projects are approved by EC/ GC of CHT for funding.

During 2023-24, Following new R&D projects are approved for CHT/OIDB funding:

- i. Integration of parabolic trough solar collectors with multi effect evaporator for reducing the dependency of energy-intensive industries over fossil fuels: IIT Roorkee/ IOCL
- ii. Nature based solution for the valorisation of technical lignin to sequester biogenic carbon in a sustainable circular bio-economy model: TERI/IOCL
- iii. Catalytic Pyrolysis of multilayer plastic waste (MLP) to value added products A Circular Economy Approach: IITM/VIT Vellore/CPCL/ITC
- iv. Development of Clay-based Polymer Composite for Flame Retardant & Heat Resistive Materials ICTM/BPCL
- v. Carbon capture by adsorption process from refinery flue gases at low temperature using novel porous organic polymeric (POP) adsorbents: IICT/BPCL

Sl.No.	R&D Project Title	Research Institute
1.	Design and development of a micro turbine combustor working on biogas	IIT Jodhpur
2.	Interventions to Improve Performance of Combustion System in MSMEs	IIT Delhi
3.	Design and Development of Inline Bio-methane Enrichment and CO ₂ Separation System	CSIR- CMERI Ludhiana
4.	Development of Encapsulated Asphalt Rubber PAVement (EARPAVE) product for Road Applications	IIT Tirupati
5.	Performance Evaluation of a Bio gas Integrated Semi-Transparent Photovoltaic Thermal (SPVT) collectors (Bi-SPVT)	RGIPT, Amethi

Sl.No.	R&D Project Title	Research Institute
6.	Identification of the most critical locations having the highest impact on traffic in case of vehicular breakdown	CRRRI Delhi
7.	Design and Development of a fuel flexible burner for domestic and community cooking applications	IIT Hyderabad
8.	Design and Development of Integrated Spouted Bed Roaster	CFTRI Mysore
9.	Development of New Energy Efficient Porous burner (Stove) for Domestic cooking with PNG	IIT Kharagpur

Hydrogen Research

SAC has identified hydrogen research and its promotion of as one of the major focus areas. CHT has funded various projects for carrying out research and demonstration of technologies including production of hydrogen from different pathways (including electrolysis of water and biomass gasification), development of fuel cell buses in tie-up with vehicle manufacturer as well as transport operators, storage and dispensing of hydrogen, and demonstration of Hydrogen fuelled buses in Delhi.



During 2023-24, the project titled “Development of Cost-Effective 2.5 KW Proton exchange membrane (PEM) Fuel Cell Stack based on less-Pt Bimetallic Electrocatalysts and Mesoporous Carbon Support Materials: PSGIAS/ PSGitech/ IITP/BPCL.” was approved for CHT funding under HCF.

11. Stream Sharing among Refineries

A Paper was prepared by CHT along with refineries on losses incurred by them due to not sharing of intermediate streams on account of dual tax regime. The paper has been submitted to MoP&NG.

12. Study on Additional Strategic/Operational Crude Oil Storage

Creation of petroleum reserves is one of the several contingency measures to meet the energy security. A Committee was constituted by MoP&NG to carry out detailed study on all aspects of common crude oil storage in the country. The report has been submitted to MoP&NG.

13. Awards

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

- Refinery Performance Improvement Award
- Saksham Awards based on Steam Leak and Furnace Efficiency Surveys
- Innovation Award

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)

These awards are presented during the Inaugural function of the Energy Technology Meet (ETM).

14. Activity Committee Meetings

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

Activity Committee Meet on "Fuel and loss and energy Optimization / Rotary equipment-maintenance and reliability / Environment and water management / Hydrogen and hydro-processing was co-hosted with OMCs during the year. Webinars on crude to chemicals, electrolyzers and biofuels were also organised by CHT.

15. Global Tender Enquiry (GTE)

In order to promote self-reliance, Make in India, and to support Micro, Small, and Medium Enterprises (MSME), amendments were made to the GFRs, 2017 vide OM, MoF, DoE F.No.12/17/2019-PPD. Henceforth, GFR 161 (iv) has been modified with the inclusion of GFR 161(iv)(b), adding that "No Global Tender enquiry (GTE) shall be invited for tenders up to 200 Crore or such limit as may be prescribed by the Department of Expenditure (DoE) from time to time." Accordingly, proposals were received from various OPSUs seeking relaxation for GTE for tenders below 200 Cr.

Summary of proposals processed:

Period	Proposals received	Processed & forwarded to Ministry	Returned / Withdrawn
Apr 2022- Mar 2023	181	152	22
Apr 2023- Mar 2024	94	66	28

16. Swachhata Ranking for Oil & Gas PSUs & attached offices

MoP&NG, its attached offices and Oil & Gas CPSEs under the administrative control of MoP&NG celebrated Swachhata Pakhwada fortnight from 1-15 July, 2024. The Oil & Gas CPSEs and attached offices of MoP&NG conducted various activities during the fortnight to propagate the message of Swachhata and mass awareness. The ranking of Oil & Gas CPSEs and attached offices shall be ranked based on the Swachhata Index.

CHAPTER - 4

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.

The projects that are approved by OID Board with an outlay of more than Rs.2.00 crore are sent to Central Government for conveying its approval before release of grant in terms of Rule 24(1)(ii) of Oil Industry (Development) Rules, 1975.

2. Upstream Sector

In terms of OID Board's approval, Directorate General of Hydrocarbons (DGH), being the expert body for Upstream Sector, the funding of the Upstream Sector R&D Projects are being done by DGH out of their own budget on the same lines as is being done by CHT for Downstream Sector R&D Projects. DGH is also monitoring the progress and utility of the Upstream Sector related R&D Project.

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 down-streams in the meetings. CHT coordinates the activities of SAC in identifying and funding of research projects for hydrocarbon sector.

4. Assistance to Technical Institutes/Oil PSUs/CSIR Laboratories

OIDB provides assistance to educational institutes as well, for creating infrastructure for training and research such as Indian Oil Corporation Limited (R&D), Indian Institute of Technology (IIT), Mumbai, IIT (Indian School of Mines), Dhanbad, Rajiv Gandhi Institute of Petroleum Technology etc. for carrying out various R&D activities for the development of oil industry.

During the year 2023-24, OIDB has funded following R&D projects:

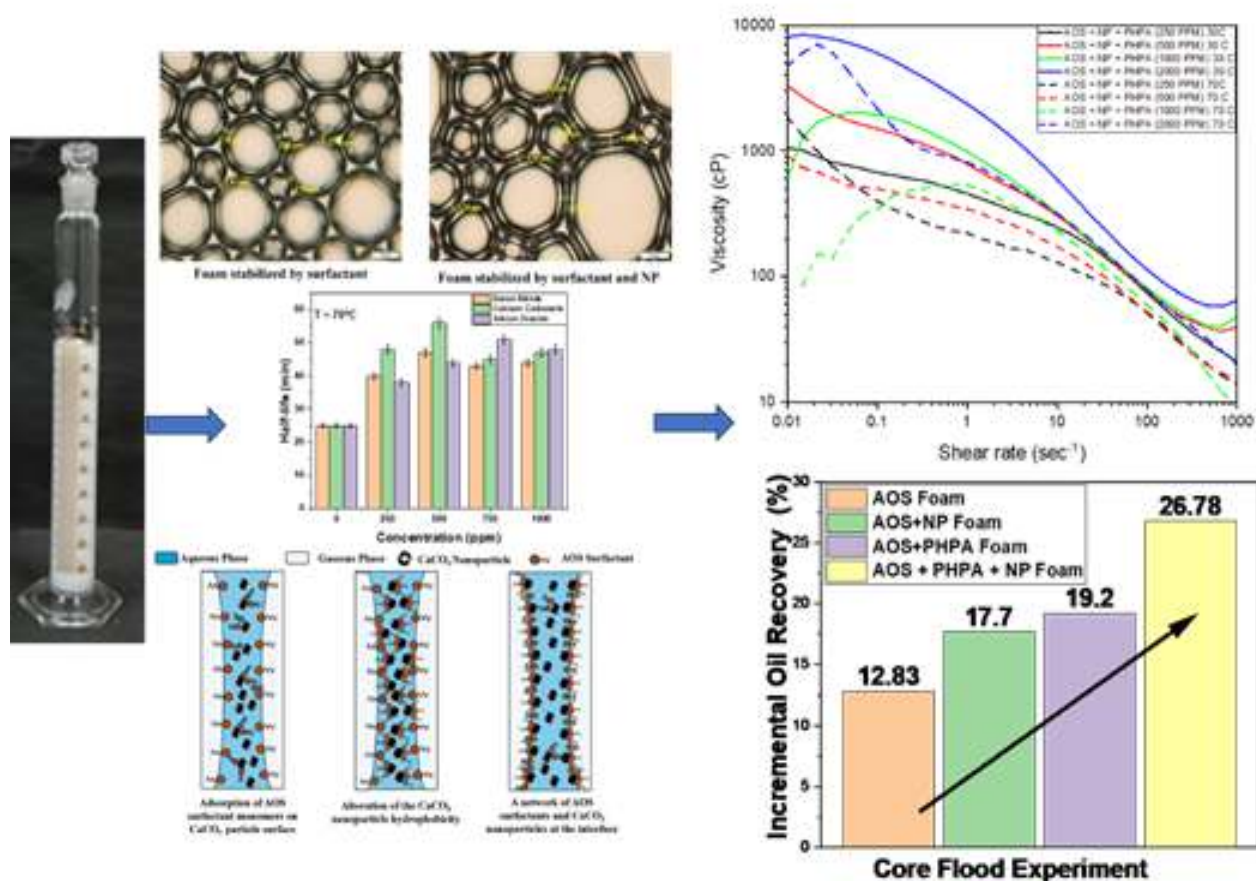
		Rs./lakh
1.	Foam assisted Oil Water Nano-emulsion for Enhance Oil Recovery experimental and Molecular Dynamic Simulation Studies – IIT (ISM), Dhanbad	7.00
2.	Pre-project activities of ISPRL for Phase-II SPR	350.00
	Total	357.00

4.1 Foam Assisted Oil-Water Nano emulsion for Enhanced Oil Recovery:

Report on a study: Synergistic Effects of Anionic Surfactant, Nanoparticles, and Polymer on Enhancing Foam Properties for Enhanced Oil Recovery (EOR).

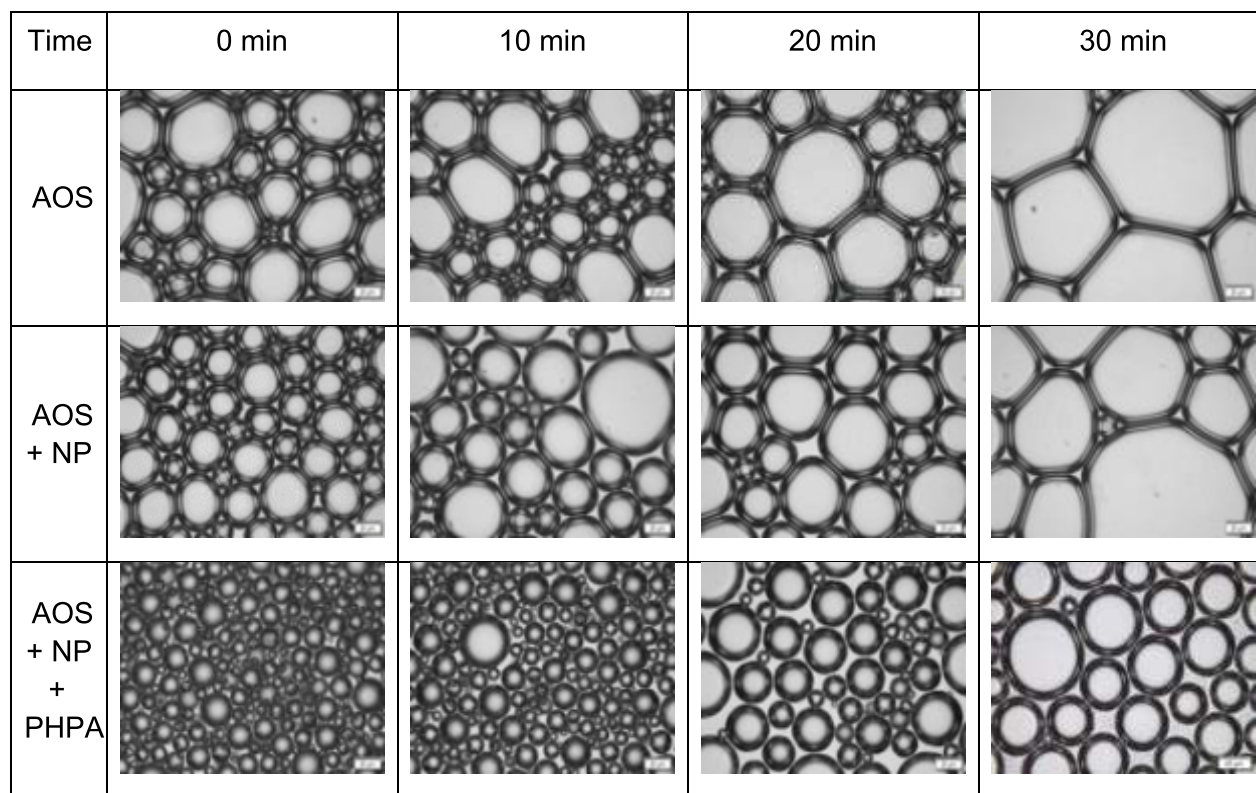
The present study investigates the synergistic effects of an anionic surfactant, alpha-olefin sulfonate (AOS), in combination with various nanoparticles and a polymer, polyacrylamide (PHPA), for enhancing foam properties in the context of Enhanced Oil Recovery (EOR). Foam-based EOR techniques have emerged as a promising approach to improving oil displacement and recovery from reservoirs, but traditional surfactant-stabilized foams face

limitations, particularly in maintaining stability in the presence of crude oil. To address this, the study explored the addition of nanoparticles such as silica, calcium carbonate (CaCO_3), and boron nitride to the AOS surfactant solution. These nanoparticles were selected based on their potential to reinforce foam stability by improving electrostatic repulsion and altering ionic strength, ultimately leading to smaller, more stable foam bubbles. Among the nanoparticles tested, CaCO_3 demonstrated the highest foam stabilization effect at an optimal concentration of 500 ppm, indicating a significant synergistic interaction with AOS. This synergistic effect is further enhanced by the polymer PHPA, which increased the foam's apparent viscosity, making it more resistant to oil-induced collapse and improving overall foam performance in oil-laden environments.



In the bulk foam stability tests, the nanoparticles were found to significantly enhance foam properties, with CaCO_3 exhibiting the most notable synergistic effect with AOS. The addition of nanoparticles improved surfactant surface activity by reducing surface tension, facilitating the formation of smaller, more stable foam bubbles. This effect was attributed to the electrostatic repulsion and ionic strength modifications introduced by the nanoparticles, which increased the foam's resistance to bubble coalescence. The presence of oil typically destabilizes foam by increasing liquid drainage and causing foam bubbles to merge, but the nanoparticles countered this effect by forming a network within the foam lamellae. This network effectively slowed down liquid drainage, preventing bubble collapse and significantly extending foam lifespan. In particular, CaCO_3 nanoparticles, at a concentration of 500 ppm, were shown to create a more robust foam structure, even in the challenging environment of oil-contaminated

reservoirs. This finding is crucial for EOR applications where foam stability is essential for maintaining oil recovery efficiency over extended periods.



Microscopic images of different foam systems with respect to time.

The study further demonstrated that the combination of AOS, nanoparticles, and PHPA polymer resulted in the highest incremental oil recovery, with up to 27% additional oil extracted over secondary recovery methods. The addition of PHPA not only enhanced foam stability but also increased the apparent viscosity of the foam, which improved sweep efficiency and oil displacement in the reservoir. The polymer-nanoparticle-surfactant blend thus provides a highly effective solution for overcoming the limitations of traditional foam-based EOR methods. By addressing key challenges such as foam destabilization in the presence of oil and maintaining foam stability under high-pressure and high-temperature reservoir conditions, this formulation offers a promising approach for improving oil recovery efficiency. Overall, the results of this study highlight the potential of synergistic interactions between surfactants, nanoparticles, and polymers to significantly enhance foam properties, making this formulation an ideal candidate for future EOR applications in complex reservoirs.

4.2 Pre-project Activities for Phase-II SPRs

As a part of Pre-project activities for the Phase-II of the SPRs Project, Ministry of Petroleum & Natural Gas gave directions to OIDB for release of funds of Rs.23.50 crore in the form of Grant to Indian Strategic Petroleum Reserves Ltd. (ISPRL) to meet expenditure relating to Pre-project activities of Phase-II SPR. Accordingly, based on the fund requirement of ISPRL, OIDB has disbursed grant of Rs.21.97 crore approx. to ISPRL for the said purpose. The pre-project activities undertaken by ISPRL during 2023-24 are as under:

1. National Environment Engineering Research Institute (NEERI) completed the work of Risk assessment and Environmental Impact Assessment for Padur & Chandikhol in FY 2023-24 and submitted Final Report on the same during May 2024.
2. Process of amendment of contract was initiated for engagement of M/s Deloitte Touche Tohmatsu India LLP for Transaction advisory services initiated in FY 2023-24 and LOA was placed on M/s Deloitte during May 2024 revised scope of work related to Phase-II projects for Padur-II.
3. Process of closure of previous Work Order to M/s AZB & Partners for Legal Consultancy Services for RFP, Padur & Chandikhol initiated in FY 2023-24 and award of fresh work order placed on M/s AZB & Partners for Legal Consultancy Services for RFP, Padur Phase-2 in June 2024.

Apart from above, following works were carried out earlier under pre-project activities for Phase-II SPR:

- Study on Dankari Hill at Chandikhol Project,
- Site Survey works for Baseline Data for Cavern Site Phase-II at Padur,
- Site Survey works for Cadastral Survey for Cavern Site Phase-II at Padur,
- Site Survey works for Onshore Pipeline Route Survey for Cavern Site Phase-II at Padur,
- Site Survey works for Marine Survey for Cavern Site Phase-II at Padur,
- Road Show for Pre-project works for Cavern Site Phase-II at Padur, and
- Consultancy services for DFR for SPM at Padur Phase-II.

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, the Ministry has setup a hydrogen corpus fund of Rs.100 crore with contribution from Oil PSUs/OIDB as follows:

1. OIDB ... Rs.40 crore
2. ONGC, IOCL, 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 31.03.2024, OIDB has released grant of Rs.71.90 crore approx. for funding of HCF projects out of Hydrogen Corpus Fund. As on 31.03.2024, funds amounting to Rs.143.16 crore approx. is available in HCF.

The lists of on-going HCF projects are as under:-

Rs./crore					
Sl.No.	Name of the project	Project cost	Contribution from HCF	Funds released till 31.03.2024 from HCF	Executing Agency
1	Scale up studies and process development by hydrogen production by catalytic decomposition of natural gas	29.46	16.92	2.27	HPCL/IITD/CeNS

Rs./crore

Sl.No.	Name of the project	Project cost	Contribution from HCF	Funds released till 31.03.2024 from HCF	Executing Agency
2	Solar based H2 Production System & Dispensing Station for Refuelling H2 Fuel Cell Vehicle	65.16 25.00 HCF 40.16 IOC	25.00	0.00	IOC (R&D)
3	Setting up of compact Reformer Unit of capacity 4 TPD for producing Hydrogen blend HCNG and trials demonstration at Rajghat Bus Depot at Delhi	33.39 9.20 HCF 9.20 IOC 15.00 cr by Delhi Govt.	9.20	9.20	IOC (R&D)
4.	Development & Demonstration of Commercially Viable Fuel Cell Buses based on Hydrogen produced from multiple pathway	296.66	97.52	20.23	IOC (R&D)
5.	Effective Hydrogen Production through Membrane Less electrolyser and storage	6.09	3.04	1.75	HEB/OEC
6.	Development and Scale up of Indigenous Next Generation Solid Oxide Fuel Cell Technology and Demonstration of Process Line for Prototype Production.	69.51	34.73	5.36	CGCRI/ARCI/HPC
7.	Development of Cost Effective 2.5 KW PEM Fuel Cell Stack based on less PT Bimetallic- Electro Catalysts and Mesoporous Carbon support Materials.	3.86	1.92	0.64	PSGIAS, Tamil Nadu/IIT, Palakkad Kerala
8.	Design, Development & Demonstration of PEM Fuel Cell Technology	10.66	5.33	1.50	HEB/IOCL/GAIL
	Total	514.79	193.66	40.96	

CHAPTER - 5

OIDB'S CONTRIBUTION TO ENERGY SECURITY

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED

Government of India in the interest of meeting the strategic objective of country's energy security, decided on 7th January 2004 to construct Strategic Petroleum Reserves (SPRs) facilities. As India is heavily dependent on import of crude oil to support the economic activities and growth and to meet the energy needs of its citizens, these SPRs would serve as buffer to deal with any situation of supply chain disruptions, especially due to external reasons. Such emergency reserves would enable the country to keep its refineries fed with crude oil even in the face of disruption of crude oil imports and ensure uninterrupted supplies of petroleum products across the country. In exceptional circumstances, the buffer stock of crude oil could be used to partially absorb an abnormal spike in the global oil prices.

To implement the decision of Government of India to construct SPR facilities, a Special Purpose Vehicle (SPV) Indian Strategic Petroleum Reserve Limited (ISPRL) was established on 16th June 2004 as a subsidiary of Indian Oil Corporation Limited. Subsequently in January 2006, ISPRL became a wholly owned subsidiary of Oil Industry Development Board (OIDB).



View of underground strategic cavern

ISPRL Phase - I

Under Phase-I of SPR program, ISPRL completed the construction of crude oil in underground rock caverns with 5.33 MMT capacity at three locations namely Visakhapatnam (1.33 MMT) in Andhra Pradesh and Mangalore (1.5 MMT) & Padur (2.5 MMT) in Karnataka .

All the three facilities i.e. Visakhapatnam, Mangalore & Padur were commissioned in June'2015, October'2016 and December'2018 respectively and were dedicated to the Nation by Hon'ble Prime Minister on 10th February'2019.

The release / sale of strategic crude oil is carried out through an Inter-ministerial Empowered Committee chaired by Secretary, MoP&NG with Secretary, Department of Expenditure, MOF; and Secretary, Ministry of Shipping as Members.

The COVID-19 pandemic that gripped the world, and effected lockdowns globally, impacted the crude oil demand world over and India was no exception. The refineries operated at a bare minimum capacity, as a result of drastic reduction in the demand for petroleum products. This coupled with increase in supply of crude, resulted in a demand supply imbalance which saw the crude oil prices nosedive across the globe. To take advantage of the prevailing low crude oil prices, the Strategic Reserves were filled with purchase of crude oil from Middle East countries.

ISPRL operates the storage facilities as custodian of core critical sovereign crude oil reserves. It also coordinates the release and replenishment of strategic crude oil stock during supply disruptions.

Agreement with Abu Dhabi National Oil Company (ADNOC)

An agreement was signed between ADNOC and ISPRL on 10th Feb'2018, permitting ADNOC to use one compartment at Mangalore. As per the agreement, ADNOC filled approx. 5.8 Million Barrels of crude in ISPRL's Mangalore cavern in the year 2018. ADNOC can use 50% portion of this oil as commercial supply to its customers in India, while the rest will remain as strategic storage to be released on directions of G.O.I. to meet emergencies such as supply disruptions due to natural disaster or geopolitical factors.

ADNOC successfully dispatched its first commercial consignment to HPCL, Vizag in Dec 2019 as per the terms of Agreement between ADNOC and ISPRL. Thereafter ADNOC has been regularly selling crude consignments from the Mangalore SPR to various Indian Refineries and replenishing as per the contractual terms.



JS (IC), MoPNG visit to Padur

Commercialization :

Cabinet on 8th July'2021 has approved the proposals to utilize part of the petroleum reserves created under Phase I of Strategic Petroleum Reserve (SPR) for commercialization operations.

ISPRL released crude to State run Refiners HPCL and MRPL from August 2021 to June'2023 to create space for renting. ISPRL deposited cumulative amount of INR 5372 Crore in Bharat-kosh account of Govt of India realized as revenue from Crude Oil sale.



Signing of Agreement with HPCL on 07.02.2024 at IEW Goa



Mangalore (Storage Capacity: 1.5 MMT)



DCMP Drill at ISPRL Mangalore



View of underground strategic cavern

STATUS OF COMMERCIALISATION OF PHASE-I:

Cavern A at Vishakhapatnam: ISPRL has given on rent 300 TMT (2.17 Million bbls) capacity to HPCL w.e.f.19th Jan'2024 at Vishakhapatnam. A formal agreement was signed on 7th February' 2024 in the back drop of IEW 2024 at Goa by CEO &MD, ISPRL & ED (IT),HPCL in presence of Addl. Secy. MOPNG, Secy. OIDB, C&MD, HPCL and other seniors officials from ISPRL and HPCL. The leased capacity will be used by HPCL for storage of Basrah Medium Crude oil. In case of an emergency, GOI shall have first right on use of this crude. With this ISPRL has started generating revenue as a first step towards self-reliance.

Cavern B-Mangalore : It is also proposed to rent about 760 TMT capacity available in cavern- B of Mangalore and about 224 TMT capacity available in Vizag cavern B. ISPRL is in the process of obtaining necessary approvals for floating EOI.

ISPRL is also exploring modalities of sale / purchase of 20 % capacity with the stake holders.

PHASE-II PROJECTS

Cabinet approved proposal for development of Commercial cum Strategic reserves under Phase II at Chandikhol (4MMT) and Padur (2.5 MMT) along with dedicated SPM's and associated pipelines on PPP mode on 08th July 2021.

M/s Deloitte has been appointed as Transactional Advisor for RFP preparation and Legal Advisor M/S AZB and Partner for preparing concessionaire agreement of Phase II required for PPP model.

I. 2.5 MMT STRATEGIC PETROLEUM RESERVES UNDER PHASE II AT PADUR, DISTRICT UDUPI, KARNATAKA

For land acquisition for Padur project, ISPRL had submitted requirement of acquiring 210 acres land to KIADB in Nov 2020.

KIADB issued final gazette notification for 214.79 Acres Padur land on 22nd Feb 2023. Total of Rs 160.67 Crore has been paid to KIADB in June 2023 based on demand note after fixing of the land rate. KIADB in consultation with DC, Udupi are in the process of Finalization of R&R package and compensation to landowners,

After Finalization of R&R package and compensation to land owners, Land is expected to be acquired by the end of Financial year 2024-25. Providing encumbrance free land is a condition precedent for concessionaire agreement.

In view of acquisition of land expected in a few months, RFP for Padur Phase II has been published on 21.02.2024

II. 4.0 MMT STRATEGIC PETROLEUM RESERVES UNDER PHASE II AT CHANDIKHOL, DISTRICT JAJPUR, ODISHA

Application for 400 Acres of land at Chandikhol, District Jajpur, Odisha was submitted to Govt. of Odisha on 30.09.2019 Govt of Odisha, while evaluating the application for land allotment for the Chandikhol Project has advised ISPRL to explore alternate sites for construction of SPR's.

ISPRL engaged EIL to identify alternate site in Odisha. Subsequently after desktop studies by EIL, a joint visit was carried out to evaluate the alternate sites. EIL submitted their report on 6th July'2023 to ISPRL recommending Sidha Gumpha Hill site for carrying out feasibility studies. Survey of site by ASI (Archaeological Survey of India) is in progress.

After getting ASI clearance, ISPRL shall seek in principle approval from Govt. of Odisha for the alternate land and proceed with feasibility study.

III. PHASE I EXTENSION

Delegated Invested Board (DIB) on 17.02.2023 approved proposal for Acquisition of land (154.9 Acres) by Indian Strategic Petroleum Reserve Limited (ISPRL) from Mangalore Special Economic Zone Limited (MSEZL) for

construction of SPR and associated facilities at Mangalore MSEZL. ISPRL has signed an MoU with MSEZL on 17th March 2023 for plot size of 154.90 Acres land at MSEZL area Mangalore. ISPRL has paid an amount of INR 22.69 Crore as 10% of the total lease premium amount towards the land as per the terms of MoU.

EIL has been awarded the job to carry out detail feasibility report for the above site. Various surveys and geotechnical investigation are nearing completion.



Signing of an MoU with MSEZL for Phase I extension land of Mangalore



Visit of Hon'ble Minister of State for Petroleum & Natural Gas.

ENGAGEMENT WITH OMAN TANK TERMINAL COMPANY (OTTCO)

Oman is presently building a Sustainable Energy Security Project in Ras Markaz near Duqm Port in Oman. Oman Tanking Terminal Company (OTTCO), established in 2014, which is a wholly-owned subsidiary of OQ, a commercial company and wholly-owned by the Government of the Sultanate of Oman is key company involved in developing the above project.

OTTCO owns, operates and maintains a network of storage and pipeline assets in Oman. OTTCO's growth strategy is focused on being Oman's independent storage partner and to provide storages services to the local, regional and international customer portfolio.

OTTCO has offered to ISPRL an opportunity to participate in Ras Markaz project through Indian Embassy in Muscat. OTTCO has already build 5.2 Million bbls capacity in above ground crude oil storage tanks in Ras Markaz and commissioned them in 2022. Dedicated SPM and associated pipelines have been also commissioned.

The ISPRL team of CEO&MD and Dy CEO along with Indian Embassy Official visited OTTCO terminal in Raz Markaz to see the recently commissioned facilities of Tank Storage (5.2 Million bbls) and SPM on Feb 21st, 2023. After the site visit, discussions were held with OTTCO CEO Mr Ard Van Hoof for ISPRL participation in 2nd Phase of Ras Markaz Project.

An MoU has been signed with OTTCO by ISPRL for carrying out Feasibility studies for construction of above ground storage tanks on 25th June 2023.



CHAPTER - 6

OTHER INITIATIVES / ACTIVITIES

1. 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 OI DB. Rosters are being maintained for each category of posts as per Government guidelines and checked by the Liaison Officer. 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.

2. 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 OI DB has setup a Committee to attend to redressal of complaints on 'sexual harassment at workplace'. As on 31.03.2024, there are 4 women employees as against the working strength of 13 employees in OI DB.

3. 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. OI DB also ensures implementation of annual programme issued by the Government from time to time. OI DB continued its efforts for promotion of official language in official work. All rules/ MOUs/Agreements of OI DB are bilingual. In order to undertake the Official Language implementation work effectively an Official Language Implementation Committee is functioning in OI DB under the Chairmanship of Secretary (OIDB). The Committee reviews the overall progress of implementation of Official Language Policy in OI DB, as also the progress of implementation of the annual program circulated by Department of Official Language. OI DB is already notified under Rule 10(4) of Official Language Rules 1976.

During the year 2023-24, following activities were taken for promotion of Hindi as official language:

- On the occasion of Hindi Divas, Hindi Pakhwara was organized in OI DB from 14.09.2023 to 29.09.2023. During the Pakhwara, various competitions were organized to encourage employees of the Board to do their work in Hindi. These included Bhasha Gyan, essay, Doha completion, etc.
- OI DB continued to publish its annual in-house Hindi Magazine titled "Anubhuti" during the year and the 20th E-issue. 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. The magazine was released by secretary, OI DB on the occasion of Vishva Hindi Diwas (10 January 2024).
- With a view to assist officials to do their maximum work in Hindi and to remove their hesitation to do the same, regular Hindi workshops were conducted. All officials attended these workshops and benefited from the suggestion given in these workshops. As a result of this, percentage of Hindi correspondence has increased considerably.

4. Raj Bhasha Kirti Puraskar

Oil Industry Development Board (OIDB) was awarded "Second Raj Bhasha Kirti Puraskar" for the year 2022-23 in the category 'A' region for autonomous bodies and boards, for its efforts towards promotion & implementation of Hindi as the Official Language. The award was presented by Shri Ajay Mishra, Ji, Honourable Union Minister of State for Home, Government of India at New Delhi on the occasion of Hindi Divas on September 14, 2023.



Smt. Varsha Sinha, Secretary, OIDB, received the 'Kirti Puruskar' from the Shri Ajay Mishra, Ji, Honourable Union Minister of State for Home, Government of India on behalf of OIDB.

5. Celebration of International Yoga Day

Oil Industry Development Board celebrated "International Yoga Day" on 21.06.2023 held at OIDB Bhawan, Noida. All OIDB employees and employees of the grantee organisations located in OIDB Bhawan, Noida, participated in the "International Yoga Day".



6. Celebration of the 49th Foundation Day

Oil Industry Development Board celebrated its 49th Foundation day on 13th January, 2024. All officers & employees of OIDB as well as grantee organisations located in OIDB Bhawan, Noida, were also present. On the Foundation Day, cultural programme was organised in the auditorium of OIDB Bhawan, Noida.



7. Celebration of the Swachhta Pakhwada

Oil Industry Development Board celebrated the “Swachhta Pakhwada” during 01.07.2023 to 15.07.2023. The various activities like Pledge on Swachhta, Lecture on Hygiene, Lecture on “No Single Use Plastic” and Distribution of Sanitization kit, Tree plantation, cleanliness drive, awareness drive and review of activities, etc. has been celebrated in OIDB. 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.



8. 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 of 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 2023-24, 12 applications/receipts were received under RTI Act, 2005 in the OIDB. 10 applications/receipts have been disposed of within the stipulated timeframe during the year.

CHAPTER - 7

ANNUAL ACCOUNTS

2023-2024

BALANCE SHEET AS AT 31.03.2024

(Rs.in lakh)

CORPUS / CAPITAL FUND AND LIABILITIES	Sch	Current Year	Previous Year
CORPUS / CAPITAL FUND	1	90240	90240
RESERVES AND SURPLUS	2	1113810	1098445
EARMARKED / ENDOWMENT FUNDS	3	-	-
SECURED LOANS AND BORROWINGS	4	-	-
UNSECURED LOANS AND BORROWINGS	5	-	-
DEFERRED CREDIT LIABILITIES	6	-	-
CURRENT LIABILITIES AND PROVISIONS	7	12994	5661
TOTAL		1217044	1194346
ASSETS			
FIXED ASSETS (Net Block)	8	5839	6333
WORK IN PROGRESS	8	43	50
INVESTMENTS - EARMARKED / ENDOWMENT FUNDS	9	-	-
INVESTMENTS - OTHERS	10	381257	384039
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	829905	803924
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
TOTAL		1217044	1194346
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OIDB

Sd/-
(Kapil Verma)
FA&CAO

Sd/-
(Varsha Sinha)
Secretary

DATE :27.06.2024
PLACE : NEW DELHI

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2024

(Rs.in lakh)

INCOME	Sch	Current Year	Previous Year
Income from Sales / Services	12	-	-
Grants / Subsidies	13	-	-
Fees / Subscriptions	14	-	-
Income from Investments	15	-	-
Income from Royalty, Publication, Sale of Data by DGH etc.	16	0	3709
Interest Earned	17	52514	43027
Other Income	18	302	705
Increase / (decrease) in stock of Finished goods and works-in-progress.	19	-	-
TOTAL (A)		52816	47441
EXPENDITURE			
Establishment Expenses	20	415	391
Other Administrative Expenses etc.	21	882	1105
Expenditure on Grants, Subsidies etc.	22	25787	39151
Interest paid	23	-	-
Royalty to State Governments	24	-	-
Depreciation (Net Total at the year-end - corresponding to Schedule 8)	8	508	612
TOTAL (B)		27592	41259
Balance being excess of Income over Expenditure (A-B)		25223	6182
Less : Provision for taxation		9837	2642
Less : Provision for Doubtful Debts of BLL		0	8416
Transfer to Special Reserve (Specify each)		-	-
Transferred to General Reserves		15,386	(4,877)
BALANCE BEING SURPLUS CARRIED TO CORPUS / CAPITAL FUND		-	-
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OIDB

 Sd/-
(Kapil Verma)
FA&CAO

 Sd/-
(Varsha Sinha)
Secretary

 DATE : 27.06.2024
PLACE : NEW DELHI

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 1

(Rs.in lakh)

CORPUS / CAPITAL FUND:	Current Year		Previous Year	
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

SCHEDULE 2

(Rs.in lakh)

RESERVES AND SURPLUS:	Current Year		Previous Year	
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		1098445		1103530
Addition/ deletion during the year				
(i) Excess of Income over Expenditure	15386		-4877	
(ii) less: Adjustment of tax provision etc	22	15365	-208	-5085
TOTAL:		1113810		1098445

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 3

(Rs.in lakh)

EARMARKED / ENDOWMENT FUNDS	FUND-WISE BREAK UP				TOTALS	
	Fund	Fund	Fund	Fund	Current	Previous
a) Opening balance of the funds	NIL					
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	NIL					
(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)	-	-	-	-	-	-

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 4

(Rs.in lakh)

SECURED LOANS AND BORROWINGS:	Current Year	Previous Year
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		
7. Others (Specify)		
TOTAL:		

Note: Amounts due within one year.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024
SCHEDULE 5

(Rs.in lakh)

UNSECURED LOANS AND BORROWINGS:	Current Year	Previous Year
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.

SCHEDULE 6

(Rs.in lakh)

DEFERRED CREDIT LIABILITIES:	Current Year	Previous Year
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 31.03.2024

SCHEDULE 7

(Rs.in lakh)

CURRENT LIABILITIES AND PROVISIONS	Current Year		Previous Year	
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	8		18	
c) Payable to Contractors	187		104	
d) others (i) Outstanding - Rs. 37.17 Lakh				
(ii) Other BLL - Rs. 2726.55 Lakhs	2764		2730	
e) Security Deposits including EMD	37		37	
f) Amount Withheld	49	3044	39	2928
TOTAL (A) :		3044		2928
B. PROVISIONS				
1. For Taxation		9837		2642
2. Gratuity		5		-
3. Superannuation / Pension		-		-
4. Accumulated Leave Encashment		97		87
5. Trade Warranties / Claims		-		-
6. Others - Provision for Auditors Remuneration		10		4
TOTAL (B) :		9950		2733
TOTAL (A + B) :		12994		5661

OIL INDUSTRY DEVELOPMENT BOARD SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 8 -

FIXED ASSETS										(Rs in lakh.)	
DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		As at the year-end 31.03.2024	As at the Previous year-end 31.03.2023
	Cost/Valuation as at beginning of the year 01.04.2023	Additions during the year	Deduct-ions during the year	Cost / valuation at the year-end 31.03.2024	As at the beginn-ing of the year 01.04.2023	Additions during the year	Deduct-ions during the year	Total up to the Year-end 31.03.2024	As the Current year-end 31.03.2024		
A. FIXED ASSETS:											
1. LAND:											
a) Freehold	-	-	-	-	-	-	-	-	-	-	-
b) Leasehold											
Dwarka Land	940	0	0	940	0	0	0	0	940	940	940
Noida Land	899	0	0	899	168	10	0	178	721	731	731
2. BUILDING:											
a) On Freehold Land	-	-	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	10143	0	0	10143	6935	321	0	7256	2887	3208	3208
c) Ownership Flats / Premises	-	-	-	-	-	-	-	-	-	-	-
d) Superstructures on Land not belonging to the entity	32	0	0	32	23	0		23	9	9	9
3. Plant Machinery & Equipment	3148	9	0	3157	2615	81	0	2696	461	533	533
4. Vehicles	0	0	0	0	0	0	0	0	0	0	0
5. Furniture, Fixtures	2425	1	0	2426	1708	72	0	1780	646	717	717
6. Office Equipment	78	2	0	80	54	4	0	58	22	24	24
7. Computer /Peripherals	79	2	0	81	73	3	0	76	5	6	6
8. Electric Installations	538	0	0	538	378	16	0	394	144	160	160
9. Library Books	0	0	0	0	0	0	0	0	0	0	0
10. Tubewells & Water Supply	19	0	0	19	17	0	0	17	2	2	2
11. Other Fixed Assets	27	0	0	27	24	1	0	25	2	3	3
Total of Current Year :	18328	14	0	18342	11995	508	0	12503	5839	6333	6333
Previous Year :	18331	773	776	18328	11388	1077	470	11995	6333	6943	6943
B. CAPITAL WORK-IN-PROGRESS:	50	0	7	43	0	0	0	0	43	50	50

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 9

(Rs.in lakh)

INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS	Current Year	Previous Year
1. In Government Securities	NIL	
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
TOTAL:		

SCHEDULE 10

(Rs.in lakh)

INVESTMENTS - OTHERS	Current Year	Previous Year
1. In Government Securities	-	-
2. Other approved Securities	-	-
3. Shares	-	-
Biecco Lawrie Limited Invested Value- Rs. 5034	2252	5034
Less: Provision diminution of Value of Shares Rs. 2782 lakhs		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures (ISPRL)	379005	379005
6. Others (to be specified)		
TOTAL:	381257	384039

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2024

SCHEDULE 11

(Rs.in lakh)

CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year		Previous Year	
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	
4. Bank Balances:				
a) With Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts (In FDR)	394144		526448	
- On Saving Accounts	214	394358	5954	532402
b) With Non-Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	-		-	
- On Savings Accounts	-	-	-	-
5. Post Office - Savings Accounts			-	-
TOTAL (A) :		394358		532402
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
a) Staff	3		4	
b) Oil PSUs (Annexure-II)	303609		203086	
c) Others(specify)	-		-	
		303612		203090
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)	-		0	
b) Advance Rent	200		212	
c) Others (including Advance to DGH/RGIPT, TDS & Security Deposits)	114085	114285	49727	49938
3. Income Accrued:				
a) On investments from Earmarked / Endowment Funds	-		-	
b) On Investments - Others	8653		11637	
c) On Loans and Advances -	2817		2817	
d) Others (Data sale Proceeds From DGH)	-	11469	0	14454
4. Claims Receivable				
i) Tax paid under protest	14472		14472	
ii) Accounts Receivable	55	14527	696	15168
TOTAL (B) :		443892		282650
Less: Provision for doubtful debts made including earlier years		8346		11127
Net total (B)		435546		271523
TOTAL (A + B) :		829905		803924

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 12

(Rs.in lakh)

INCOME FROM SALES / SERVICES:	Current Year	Previous Year
1. Income from Sales 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)	NIL	
TOTAL:		

SCHEDULE 13

(Rs.in lakh)

GRANTS / SUBSIDIES	Current Year	Previous Year
(Irrevocable Grants & Subsidies Received) 1) Central Government 2) State Government(s) 3) Government Agencies 4) Institutions / Welfare Bodies 5) International Organization 6) Others (Specify)	NIL	
TOTAL:		

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 14

(Rs.in lakh)

FEES / SUBSCRIPTIONS	Current Year	Previous Year
1. Entrance Fees	NIL	
2. Annual Fees / Subscriptions		
3. Seminar / Program Fees		
4. Consultancy Fees		
5. Others (Specify)		
TOTAL:		

SCHEDULE 15

(Rs.in lakh)

INCOME FROM INVESTMENTS	Investment from		Investment - Others	
	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				

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 16

(Rs.in lakh)

INCOME FROM ROYALTY, PUBLICATION, SALE OF DATA BY DGH ETC.	Current Year	Previous Year
1. Income from Royalty	0	-
2. Income from Publications	0	-
3. Others - Sale of data by DGH	0	3709
TOTAL:	0	3709

SCHEDULE 17

(Rs.in lakh)

INTEREST EARNED	Current Year	Previous Year
1. On Term Deposits:		
a) With Scheduled Banks(FDRs)	38105	27968
b) With Non-Scheduled Banks	0	0
c) With Institutions	0	0
d) Others	0	0
2. On Savings Accounts:		
a) With Scheduled Banks	12	15
b) With Non-Scheduled Banks	0	0
c) Post Office Savings Accounts	0	0
d) Others	0	0
3. On Loans:		
a) Employees / Staff	0	0
b) Oil Companies	14394	15090
4. Interest on Debtors and Other Receivables		
a) Interest on Mobilisation advance		
b) Interest on Security Deposit	2	2
c) Interest on Income Tax Refund	0	0
TOTAL:	52514	43075
Less: Excess provision of Saving Bank Accrued Interest	0	48
Net Total	52514	43027
Note - Tax deducted at source.	5083	4186

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 18

(Rs.in lakh)

OTHER INCOME	Current Year	Previous Year
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	10	-
5. Miscellaneous Income	292	705
(i) Rental Income etc - Rs. 235.73		
(ii) Refund of Unspent Grant - Rs. 51.19		
(iii) Miscellance Receipt Rs. 4.76		
TOTAL:	302	705

SCHEDULE 19

(Rs.in lakh)

INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS	Current Year	Previous Year
a) Closing Stock	NIL	
- Finished Goods		
- Work-in-progress		
b) Less: Opening Stock		
- Finished Goods		
- Work-in-progress		
NET INCREASE (DECREASE) (a+b)	-	-

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 20**(Rs.in lakh)**

ESTABLISHMENT EXPENSES	Current Year	Previous Year
a) Salaries and Wages	317	298
b) Allowances and Bonus	12	10
c) Contribution to Provident Fund	0	0
d) Contribution to OIDB Employees Group Gratuity and Pension Fund	32	37
e) Staff Welfare Expenses including medical expenses	44	42
f) Expenses on Employees' Retirement and Terminal Benefits	10	3
g) Others	0	1
TOTAL:	415	391

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 21
(Rs.in lakh)

OTHER ADMINISTRATIVE EXPENSES ETC.		Current Year	Previous Year
a) Purchases		21	39
b) Labour and processing expenses		0	0
c) Cartage and Carriage Inwards		0	0
d) Electricity and power		214	388
e) Water Charges		2	2
f) Insurance		10	11
g) Repairs and maintenance		496	528
h) Excise Duty		0	0
i) Rent, Rates and Taxes		25	25
j) Vehicles Running and Maintenance		27	28
k) Postage, Telephone and Communication Charges		6	20
l) Printing and Stationery		6	5
m) Misc. expenses		20	14
n) Expenses on Seminar / Workshops		4	2
o) Subscription Expenses		1	1
p) Expenses on Fees		0	0
q) Auditors Remuneration		15	7
r) Hospitality Expenses		0	0
s) Professional Charges		28	27
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		3	1
z) Others - Prior Period Expenditure	1	7	7
Others	6		
TOTAL:		882	1105

**SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR
THE YEAR ENDED 31.03.2024**

SCHEDULE 22

(Rs.in lakh)

EXPENDITURE ON GRANTS, SUBSIDIES ETC.	Current Year	Previous Year
a) Grants given to Institutions / Organizations (Annexure -III -a)	25437	39151
b) Assistance for Govt./ OIDB sponsored Schemes & Projects (Annexure-III-b)	350	0
TOTAL:	25787	39151

SCHEDULE 23

(Rs.in lakh)

INTEREST PAID	Current Year	Previous Year
a) On Fixed Loans	0	0
b) On Other Loans (including Bank Charges)	0	0
c) Others	0	0
TOTAL:	0	0

SCHEDULE 24

(Rs.in lakh)

PAYMENT OF ROYALTY TO STATE GOVERNMENTS	Current Year	Previous Year
Govt. of Arunachal Pradesh	0	0
Govt. of Gujarat	0	0
TOTAL:	0	0

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2024
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, if any, 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. Reimbursement against grant are recognised on realization basis.

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 OIDB has established two trusts namely “OIDB employees Group Gratuity Scheme” & “OIDB employee’s superannuation Scheme” covering the liability of OIDB 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.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2024
SCHEDULE 26 – CONTINGENT LIABILITIES & NOTES ON ACCOUNTS
1. Contingent liabilities

- (a) The outstanding claims on account of TDS as on 31.03.2024 are Rs.3.41 lakh on the basis of default summary downloaded from TRACES (Income Tax Department) as compared to Rs.3.43 lakhs as on 31.3.2023.
- (b) Income Tax for various assessment years against which appeals are lying pending with various authorities as detailed below:

SL. No.	Assessment Year	Assessment involved in appeal pending u/s 271(1) (Rs. In crore)	Status of the case	Amount involved in appeal pending u/s 143(3) (Rs. In crore)	Status of the case
1	2008-09	-	Penalty levied by the Assessing officer has been deleted by the CIT (A), (Penalty involved Rs.4.52 crore)	-	ITAT has decided the appeal in favour of assessee and against revenue. Demand of Rs.5.63 crore deleted. Appeal effect is pending before assessing officer.
2	2009-10	-	-	17.74	Case has been set aside (restored) by ITAT to AO and no further notice is received till date
3	2010-11	-	CIT(A) has passed the order in favour of the assessee. Appeal Effect is pending before Assessing Officer. (Penalty involved Rs.22.77 crore)	28.97	Case has been set aside (restored) by ITAT to AO and no further notice is received till date
4	2011-12	-	-	4.90	Appeal is pending before the CIT(A)

SL. No.	Assessment Year	Assessment involved in appeal pending u/s 271(1) (Rs. In crore)	Status of the case	Amount involved in appeal pending u/s 143(3) (Rs. In crore)	Status of the case
5	2012-13	-	-	-	Revenue Appeal has been dismissed by ITAT and appeal effect is pending before the assessing officer. (Amount involved Rs 20.51crore)
6	2013-14	-	-	-	The CIT(A) decided the appeal in favour of the assessee and deleted the addition made by AO. Appeal effect is pending before the AO. (Amount involved Rs. 3.85 crore)
7	2014-15	-	-	-	The CIT(A) decided the appeal in favour of the assessee and deleted the addition made by AO, appeal effect is pending before the AO. (Amount involved Rs 14.71 crore)
8	2017-18	-	-	-	The CIT(A) decided the appeal in favour of the assessee and deleted the addition made by AO, appeal effect is pending before the AO. (Amount involved Rs. 35.90 crore)
8	2018-19	-	-	4.41	AO has rectified his order u/s 154, making additions. Appeal filed against the order. Appeal pending before CIT(A) for hearing.
9	2020-21	-	-	23.48	Appeal filed against the order of AO. Appeal pending before CIT(A) for hearing.
	TOTAL		-	79.50	

- (C) An Arbitration claim of Rs.180.41 lakh was filed by M/s Godrej & Boyce Mfg. Ltd. (Godrej), against OIDB in respect of short payment and deduction related to the Work Order for interior works of G+3 block of OIDB Bhawan before Ld Arbitrator Mr Harjinder Singh. In the said arbitration case, OIDB lodged a counter claim of Rs.384 lakhs (approx) for loss of rental including maintenance and electricity charge due to delay in completion of work by M/s Godrej & Boyce Mfg. Ltd.

The Arbitrator by the award dated 30.01.2021 allowed claim of Godrej to the extent of Rs.62.78 lakhs with 12% interest and refused to entertain OIDB's counter claims. OIDB challenged the Award in Delhi High Court and the Court vide judgment dated 16.09.2019 upheld the sum awarded to Godrej but also gave liberty to OIDB to pursue its counter claim under law. Accordingly, in a separate petition filed by OIDB, Hon'ble High Court Delhi appointed Justice (retired) Indermeet as Sole Arbitrator to adjudicate the counter claim of OIDB.

In the meantime, Godrej filed execution petition No 196/20 in District Court Saket for recovery of awarded amount in which court issued attachment notice to OIDB for payment of awarded sum to Godrej. Against said order OIDB filed revision petition in High Court Delhi which was dismissed. OIDB then filed a SLP in Supreme Court in which Court directed OIDB to deposit the awarded amount with interest i.e. Rs.1,48,42,283 in the Saket Court who shall put the same in fixed deposit.

On 23.01.2024, Ld. Arbitrator in the counter claim of OIDB, allowed the counter claim of OIDB to the extent of Rs 1,92,43,087.50 along with interest @ 9% p.a and costs of Rs.10,00,000/- However, Godrej has challenged the Award in the High Court of Delhi and the same is pending for admission.

Hon'ble Supreme Court on 28.04.2024 allowed SLP of OIDB and directed that execution filed by Godrej in Saket Court shall remain stayed till the challenge of Award filed by Godrej is decided by Delhi High Court. The matter shall come up in High Court in September 2024.

2. COMMITMENTS

Capital

- A) The value of the final bills amounting to Rs.28.40 lakhs (approx.) has not been considered for want of clarifications from PMC and contractors.
- B) OIDB has paid Rs.379005 lakhs on cumulative basis to M/s Indian Strategic Petroleum Reserves Limited (ISPRL), wholly owned subsidiary of OIDB for investment as equity in the Company up to end of March 2024. The total approved equity by the Board and Ministry is for Rs.383256 lakh, leaving a balance commitment of Rs.4251 lakh. The company has already allotted and issued 3790054670 share certificates of Rs.10/- each for the total amount of Rs.37900546700/- to OIDB's Demat Account.

3. CURRENT ASSETS, LOANS & ADVANCES

- a) Loan Amounting to Rs.32.76 crore given to M/s Biecco Lawrie Ltd (BLL) was converted into equity of OIDB in the company on the directions of Government. After conversion of this loan into equity, the total equity of OIDB in M/s Biecco Lawrie Ltd was enhanced from Rs.17.58 crore to Rs.50.34 Crore which is 67.33% of the total equity of the company.

OIDB had total Equity investment of Rs.50.34 crore, Loan and Advances of Rs.100.15 crore, Penal Interest of Rs.4.41 Lakh and Interest Receivable of Rs.95.82 Lakh in the Financial Year 2021-22. C&AG has commented on non-provisioning of the amounts due from BLL due to high losses and negative net-worth in the Financial Year 2021-22.

The financial statements of BLL indicate that the accumulated losses at the end of the year had completely eroded net-worth of the company and closure of all its operations cast significant doubt on the entities ability to continue as going concern and repay all its obligations. The Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 10.10.2018 had approved closure of the company. In terms of CCEA approval vide MoPNG letter no P.25011/103/2018-LPG (Voll.II) dated 16.10.2018 distribution of sales proceeds of immovable assets of BLL will be transferred to OIDB to the extent of 67.33%.

Since the company has been declared as a Sick Company and is under the process of wounding off, the interest portion receivable and penal interest of Rs.95.82 lakh and Rs.4.41 lakh respectively were provisioned in the financial year 2022-23. On the basis of realizable value of immovable property of BLL, the outstanding Equity, Loan and Advances from BLL were provisioned for Rs 83.16 crore in FY 2022-23.

The matter relating to writing off of OIDB losses due to reduction in equity capital and writing off of Loans and Advances of BLL will be taken up to the OIDB Board/Central Government and post realization of assets of BLL, the exact effect will be recorded as per the provisions of Accounting Standard 13.

In addition to this, OIDB has received Rs.27.05 crore during 2019-20 from MoP&NG (as custodian to be released to BLL on behalf of MoP&NG for closure activities of BLL). The utilization advice of the same is awaited from MoP&NG.

- b) Provision for doubtful debt towards interest recoverable to the extent of Rs.2443 lakh from Canfina and Rs.268 lakh from Bieeco Lawrie Ltd. has been provided. The Canfina matter relates to securities under UTI 1964 Scheme Units and is under litigation. As the recovery of these amounts continue to remains doubtful, the same has already been provided in the accounts as 'doubtful debt' as per existing accounting practice.
- 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. ISPRL, the wholly subsidiary of OIDB, is also exempted from payment of rent.
- d) Proportionate cost of telephone, Facility Management, Electricity and diesel Charges as incurred by OIDB during the year have been debited to the ISPRL.
4. Taxation- As OIDB is a tax paying entity under Income Tax Act 1961 as Artificial Jurisdiction Person 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. Interest receivable from BLL from 2021-22 onwards has not been booked in Income as per clause 6 of Schedule -25 Significant Accounting Policy of the Balance Sheet.

- 6 (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 had 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 outcome of the same are awaited.
7. TDS has not been deducted by Indian Bank on Interest accrued on Fixed Deposits to the extent of Rs.103.83 Lakh. OIDB is following up with the bank to get the TDS updated. Accrued Interest and TDS has been taken on the basis of certificate by the bank.
8. Accounting Standards as issued by the Institute of Chartered Accountants of India have been followed, to the extent applicable.
9. Schedules 1 to 26 are annexed and form an integral part of the Income & Expenditure Account & Balance Sheet as at 31st March 2024.
10. Figures in Balance Sheet, Income & Expenditure account, Profit & Loss Account and Schedules have been rounded off to the nearest lakh of Rupees. Corresponding figures for the previous years have been regrouped /rearranged wherever necessary.

For and on behalf of OIDB

Sd/-
(Kapil Verma)
FA&CAO

Sd/-
(Varsha Sinha)
Secretary

DATE :27.06.2024
PLACE : NEW DELHI

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

Profit & Loss Account for the year ended 31st March, 2024

(Rs.in lakh)

Particulars	Sch No.	Current Year	Previous Year
Income			
Interest Income	17	52514	43027
Income from Investment	15	0	0
Other income	16 & 18	302	4414
Total		52816	47441
Expenditure			
Expenses on Direct Operation	22 & 24	25787	39151
Salaries and Amenities to staff	20	415	391
Administrative expenses	21	882	1105
Depreciation/ Amortisation on Fixed Assets	8	508	612
Total		27592	41259
Profit before tax		25223	6182
Less : Provision for Doubtful Debts of BLL		0	8416
Less : Provision for taxation		9837	2642
Net Profit after tax carried to Reserve & Surplus		15386	-4877

For and on behalf of OIDB

Sd/-
(Kapil Verma)
FA&CAO

Sd/-
(Varsha Sinha)
Secretary

DATE : 27.06.2024
PLACE : NEW DELHI

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

Details of outstanding balance of loan as on 31st March, 2024 from Oil PSUs

(Rs.in lakh)

SL. No.	Name of the Company	O.B. as on 01.04.2023	Loan Disbursed during 2023-24	Loan received back during 2023-24	C.B. as on 31.03.2024
1	BCPL	19,669	15,138	1,209	33,598
2	BLL	9,865	-	-	9,865
3	CPCL	12,500	-	5,000	7,500
4	GAIL Gas Ltd.	29,783	-	4,550	25,233
5	GAIL(India) Ltd.	89,375	70,000	12,500	1,46,875
6	HPCL	7,500	-	2,500	5,000
7	IGGL	10,000	56,000	-	66,000
8	MRPL	24,394	-	14,856	9,538
	Total	2,03,086	1,41,138	40,615	3,03,609

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

Statement Showing payments of grants during 2023-24

(Rs.in lakh)

SL. No.		Name of the Institutes	2023-24	2022-23
	A.	Regular Grantee Institutes		
1		Directorate General of Hydrocarbons	16274	28936
2		Petroleum Conservation Research Association	749	3500
3		Centre for High Technology	2133	1490
4		Petroleum Planning & Analysis Cell	2893	2588
5		Oil Industry Safety Directorate	3381	2617
		Total (A)	25430	39131
	B.	R & D Grants		
		IIT ISM Dhanbad	7	20
		Total (B)	7	20
		Total (A+B)	25437	39151

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

Expenditure on Schemes/Projects sponsored by Govt. of India/OIDB during 2023-24

SL. No.		Name of the Institutes	2023-24	2022-23
1		Indian Strategic Petroleum Reserves Limited	350	0
		Total (C)	350	0

RECEIPTS AND PAYMENT FOR THE YEAR ENDED ON 31.03.2024

RECEIPTS				2023-24	2022-23	PAYMENTS		2023-24	2022-23
I. Opening Balance						I. Expenses			
a) Cash-in-Hand				0.00	0.01	a) Establishment Expenses		265.98	321.46
b) Bank Balances						b) Administrative Expenses		834.27	1,268.92
i) In current account									
ii) In deposit account									
iii) In savings account									
				5,953.71	638.46	II. Payments made against funds for various Projects		6.50	20.25
						a) Grant to IIT		350.00	-
						b) Grant to ISPRL		-	-
						c) Grant to ONGC			
						d) Grant to CHT		2,122.38	1,486.77
II. Grants Received						e) Grant to DGH		16,274.00	27,327.00
a) From Government of India					-	f) Grant to OISD		3,381.00	2,612.90
b) From State Government					-	g) Grant to PCRA		749.00	3,489.70
c) From other Sources					-	h) Grant to PPAC		2,893.19	2,588.12
						i) Grant to IOCL		-	-
III) Income on Investment from									
a) Fixed Deposits				6,53,888.42	607,341.00	III) Investment and Deposit made			
b) Own Funds (other investments)				40,615.00	83,731.38	a) Fixed Deposits		5,21,584.42	610,756.00
						b) Out of Own Funds (other investments)		1,41,138.00	40,000.00
IV) Interest Received						IV) Expenditure on Fixed Assets and Capital work - in - process			
a) On Bank deposits					-	a) Purchase of Fixed Asset		15.15	0.99
b) Loans, advances etc				14,394.15	15,092.16	b) Expenditure in Capital Work-in-progress		-	
c) Saving a/c				14.30	14.50				
d) Fixed Deposits				40,247.16	20,546.08	V) Refund of Surplus Money/Loans			
						a) To the Government of India		-	-
						b) To the State Government		-	-
						c) To other provider of funds		-	-
V) Other Income									
a) From Rent				411.32	122.50	VI) Finance Charge (Interest)		-	-
B) From Fixed Assets				-	0.11				
c) From Establishment				-	-				
d) From Administration				-	-				
e) Sala of Data				-	2,100.00				
f) From Loan Pre-payment charges				-	262.28	VII) Other Payments			
e) From Loan conversion charges				-	-	a) Business Provisions		56,675.89	31,147.43
						b) Other Payables		9,070.95	3,105.36
VI) Amount Borrowed									
a) Loans & Advances				-	-	VIII) Closing Balances			
						a) Cash in Hand		0.10	0.00
						b) Bank Balances			
VII) Any other Receipts						i) In current account		-	-
a) Unspent Grant received back				51.19	229.42	ii) In deposit account		-	-
b) Other Miscellaneous receipts				-	0.74	iii) In savings account		214.41	5,953.71
TOTAL				7 55 575.24	730.078.62	TOTAL		7 55 575.24	730.078.62

CHAPTER - 8

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 2024.

We have audited the attached Balance Sheet of Oil Industry Development Board (OIDB) as at 31 March 2024 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, Income & Expenditure Account and Receipt and Payment Account dealt with by this Report have been drawn up in the format approved by the Government of India;
 - 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, except those stated in this audit report.
 - iv. We further report that:

Comments on Accounts:

A. Balance Sheet

1 Assets – Investments (Others) (Schedule.10): Rs.381257 lakh

- a. A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made.
- b. A long term investment is an investment other than a current investment

OIDB has invested an amount of Rs.1,27,991 lakh in FDRs for maturity period of more than 12 months. The above invested amount is being shown under head Current Asset – On Deposit Account (In FDR) of Schedule 11.

As FDR amounting to Rs.1,27,991 lakh have been invested for more than a year (more than 365 days) hence does not form a part of Current Asset and should have been included under “Investment” under sub-head “Others” in Schedule 10.

Thus, it had resulted in overstatement of Current Assets and understatement of Investment by Rs.1,27,991 lakh.

2. General

OIDB has disbursed a grant of Rs.749 lakhs to erstwhile regular grantee institution namely Petroleum Conservation Research Association (PCRA) in May/June 2023. However, in compliance to MoP&NG directives for dissolution of PCRA, liabilities of PCRA amounting to Rs.497 lakhs have been transferred to CHT on 08 June 2023. Also against this liabilities, unutilized grant of Rs.500 lakhs (Rs.749 lakhs – Rs.249 lakhs) available in the books of PCRA has been transferred to CHT (June 2023). Moreover, the Utilization Certificate provided by PCRA on 08 June 2023 also stated the same facts i.e., transfer of unspent grants of Rs.500 lakhs from PCRA to CHT. Accordingly, the unspent grant of Rs.500 lakhs should be considered in the name of CHT after transfer from PCRA.

Audit observed that OIDB has not taken any effect of transfer of unspent grant of Rs.500 lakhs from PCRA to CHT in its financial statements for the year 2023-24 and has considered a total grant for Rs.749 lakhs towards PCRA (instead of Rs.249 lakh).

3. Grant-in-aid

OIDB has not received any grant from Government and Government agencies during the year 2023-2024.

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. 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.
- vi. 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 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 2024; 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/-

Biren D. Parmar

Director General of Commercial Audit, Mumbai

Place: Mumbai

Date: 25 September 2024

Annexure
{Referred to in Para F (v)}

1	Adequacy of Internal Audit System	OIDB has appointed M/s. Jagdish Chand & Co., Chartered Accountants to assist and provide consultancy service to OIDB for formulation of accounts to ensure that accounts are prepared as per CAG norms and Accounting Standards of ICAI. As per scope of work, M/s. Jagdish Chand & Co. is also required to carry out internal audit of OIDB to ensure adequacy of internal control system.
2	Adequacy of Internal Control	OIDB released grants to its grantee institutions is to meet their salary and allowances and other routine administrative expenses. As regards monitoring of proper utilization of grant, the grantee institutions are required to furnish their monthly demand in the prescribed Proforma, devised by OIDB, 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 to 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 release of grants depend upon the utilization of grants released/utilized till the previous month. At the end of the financial year, Utilization Certificates are also obtained in the GFR prescribed format along with audited statements of accounts. Board is apprised of the status of utilization of grants in its various meeting. Further, the budget estimates of all grantee organizations are approved by OID Board followed by Central Government approval. The progress of these organisations is also being reviewed regularly by their respective Administrative Council/Governing Body/Safety Council etc. The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions/others needs to be further strengthened and formalized. Further, OIDB after release of grants, obtain utilization certificate from the grantee institutions/others on an annual basis along-with the physical progress of the projects undertaken by them. However, physical progress of the works carried out was not verified by OIDB except three (IOCL's Lanzatech, MRPL's BS-VI and desalination project and ISPR's

Annexure
{Referred to in Para F (v)}

		Mangalore and Padur projects) nor has any effective mechanism been evolved to monitor the manner of proper utilization of grants. Audit taking into consideration the reply of the Management regarding shortage of manpower and physical and financial progress of certain projects at OIDB is still of the view that UCs in respect of Grantee Organizations are not being monitored by OIDB.
3	System of Physical Verification of Fixed Assets	The work relating to physical verification of assets and preparation of Fixed Asset Register in the prescribed format as defined in the GFR was assigned to M/s. Deepak Bhargava & Associates, Chartered Accountants. The Asset Register upto the F.Y. 2023-24, in the prescribed format has been prepared and physical verification of assets has also been done.
4	Regularity in payments of statutory Dues applicable to them.	All taxes and statutory dues have been paid on time during the year under review.

Sd/-
Biren Parmar
Director General of Commercial Audit, Mumbai

**C&AG AUDIT OBSERVATION ON THE ACCOUNTS OF OIDB
FOR THE F.Y. 2023-24 AND OIDB'S REPLIES THERETO**

SL.No.	Audit Observation	Replies
A.	Balance Sheet A.1 Assets A. Assets – Investments (Others) (Schedule.10): Rs.381257 lakh As per the Accounting Standard (AS 13) – Accounting for investments; a. A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. b. A long term investment is an investment other than a current investment OIDB has invested an amount of Rs.1,27,991 lakh in FDRs for maturity period of more than 12 months. The above invested amount is being shown under head Current Asset – On Deposit Account (In FDR) of Schedule 11. As FDR amounting to Rs.1,27,991 lakh have been invested for more than a year (more than 365 days) hence does not form a part of Current Asset and should have been included under “Investment” under sub-head “Others” in Schedule 10. Thus, it had resulted in overstatement of Current Assets and understatement of Investment by Rs.1,27,991 lakh.	OIDB has been maintaining its Accounts in the Common Format of Accounts for the Central Autonomous Bodies, issued by the Department of Expenditure vide its O.M.No.10(1)Misc/2005/TA/606 dated 31.08.2005. Fixed Deposits do form part of the current assets specifically mentioned under the prescribed format of Schedule 11 of the Financial Statements under the heading Bank Balances, subheading 'On Deposit Accounts'. No duration of deposits under the heading 'Deposit Accounts' is specified in the prescribed format of Schedule 11. Since the said practice in the presentation of financial statements have been maintained for the last many years, the investment in FDRs during the year 2023-24 have also been shown in Schedule 11 to maintain consistency. However, the observation of audit has been noted and necessary accounting treatment will be made during financial year 2024-2025.
	1.General OIDB has disbursed a grant of Rs.749 lakhs to erstwhile regular grantee institution namely Petroleum Conservation Research Association (PCRA) in May/June 2023. However, in compliance to MoP&NG directives for dissolution of PCRA, liabilities of PCRA amounting to Rs.497 lakhs have been transferred to CHT on 08 June	At the time of dissolution of PCRA as on 08.06.2023, PCRA had transferred an amount of Rs.500 lakh to CHT along with the associated liabilities. Those have been clearly reflected in the books of accounts of CHT as well as mentioned in the report of taking over charge from PCRA by CHT dated 23.06.2023.

SL.No.	Audit Observation	Replies
	2023. Also against this liabilities, unutilized grant of Rs.500 lakhs (Rs.749 lakhs – Rs.249 lakhs) available in the books of PCRA has been transferred to CHT (June 2023). Moreover, the Utilization Certificate provided by PCRA on 08 June 2023 also stated the same facts i.e., transfer of unspent grants of Rs.500 lakhs from PCRA to CHT. Accordingly, the unspent grant of Rs.500 lakhs should be considered in the name of CHT after transfer from PCRA. Audit observed that OIDB has not taken any effect of transfer of unspent grant of Rs.500 lakhs from PCRA to CHT in its financial statements for the year 2023-24 and has considered a total grant for Rs.749 lakhs towards PCRA (instead of Rs.249 lakh).	CHT was advised to revise their Utilization Certificate incorporating the above details to reflect a clear picture. The above details have been clearly indicated in the Utilization Certificate dated 06.08.2024 received from CHT in this regard. Since this is a transaction between PCRA and CHT and necessary accounting has been done by CHT in their books of accounts. The effect of Rs.500 lakh cannot be given effect in to the books of accounts of both CHT and OIDB. Since this is a transaction between PCRA and CHT, it has no financial impact on the books of accounts of OIDB.
B.	Grant-in-aid OIDB has not received any grant from Government and Government agencies during the year 2023-24.	Factual position.

Annexure
{Referred to in Para 4 (v)}

SL.No.	Audit Observation	Replies
1.	Adequacy of Internal Audit System OIDB has appointed M/s. Jagdish Chand & Co., Chartered Accountants to assist and provide consultancy service to OIDB for formulation of accounts to ensure that accounts are prepared as per CAG norms and Accounting Standards of ICAI. As per scope of work, M/s. Jagdish Chand & Co. is also required to carry out internal audit of OIDB to ensure adequacy of internal control system.	Factual Position.
2.	Adequacy of Internal Control OIDB released grants to its grantee institutions is to meet their salary and allowances and other routine administrative expenses. As regards monitoring of proper utilization of grant, the grantee institutions are required to furnish their monthly demand in the prescribed Proforma, devised by OIDB, 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 to 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 release of grants depend upon the utilization of grants released/utilized till the previous month. At the end of the financial year, Utilization Certificates are also obtained in the GFR prescribed format along with audited statements of accounts. Board is apprised of the status of utilization of grants in its various meeting. Further, the budget estimates of all grantee organizations are approved by OID Board followed by Central	Audit has been informed that Utilization Certificates in respect of previous year are invariably obtained in the GFR prescribed format along with audited statements of accounts from the grantee organisations immediately after the close of the financial year. Copy of the Utilizations Certificates so obtained have also been made available to Audit. Thus, proper mechanism exists for obtaining the utilization certificates in respect of previous year. Further, Board is also apprised of the status of utilization of grants in all its meetings. Besides above, the activities carried out by these organisations are incorporated in the Annual Report of OIDB with photographs of the events. The progress of these organisations are also being reviewed regularly by their respective Administrative Council/Governing Body/Safety Council etc.

SL.No.	Audit Observation	Replies
	Government approval. The progress of these organisations is also being reviewed regularly by their respective Administrative Council/ Governing Body/ Safety Council etc. The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions/others needs to be further strengthened and formalized. Further, OIDB after release of grants, obtain utilization certificate from the grantee institutions/others on an annual basis along-with the physical progress of the projects undertaken by them. However, physical progress of the works carried out was not verified by OIDB except three (IOCL's Lanzatech, MRPL's BS-VI and desalination project and ISPRL's Mangalore and Padur projects) nor has any effective mechanism been evolved to monitor the manner of proper utilization of grants. Audit taking into consideration the reply of the Management regarding shortage of manpower and physical and financial progress of certain projects at OIDB is still of the view that UCs in respect of Grantee Organizations are not being monitored by OIDB.	
3.	System of Physical Verification of Fixed Assets and Inventories The work relating to physical verification of assets and preparation of Fixed Asset Register in the prescribed format as defined in the GFR was assigned to M/s. Deepak Bhargava & Associates, Chartered Accountants. The Asset Register upto the F.Y. 2023-24, in the prescribed format has been prepared and physical verification of assets has also been done.	Factual Position.
4.	Regularity in payments of statutory Dues applicable to them As informed and reported, all taxes and statutory dues were paid on time by OIDB.	Factual Position.

CHAPTER - 9

ANNUAL REPORT & ACCOUNTS OF INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL)

Board of Director

Shri Pankaj Jain	Chairman	(w.e.f. 20.01.2022)
Shri Praveen M. Khanooja	Director	(w.e.f. 17.02.2023)
Ms. Kamini Chauhan Ratan	Director	(w.e.f. 21.12.2022)
Ms. Esha Srivastava	Director	(w.e.f. 22.12.2021)
Ms. Varsha Sinha	Director	(w.e.f. 15.12.2022)
Shri L. R. Jain	CEO&MD	(w.e.f. 31.10.2022)

CHAIRMAN



SHRI PANKAJ JAIN

Shri Pankaj Jain, serves as Secretary to the Government of India in the Ministry of Petroleum and Natural Gas. He has wide-ranging, extensive experience in governance as well as design and execution of policy across the National and State Governments. This has encompassed the domains of oil and natural gas, financial services (banking and institutional finance), industries, power, information technology, livelihoods and MSMEs.

He has extensive Board experience as Chairman / Director on the Board of companies in the Petroleum and Natural Gas Sector, Banks, Development Finance Institutions, Insurance Companies, Non-Banking Finance Companies, a Guarantee Company and Regulatory/Supervisory Bodies.

DIRECTOR



SHRI PRAVEEN M. KHANOOJA

Shri Praveen M. Khanooja is currently posted as Additional Secretary in the Ministry of Petroleum & Natural Gas. He is a B.Tech in Chemical Engineering and M. Tech in Management & Systems. He belongs to 1994 batch of Indian Audit & Accounts Service (IA&AS) and has worked in various capacities in Defence Audit, Railways Audit, State Government Accounts & Audit at many field and CAG Headquarters' postings.

He has also conducted Compliance and Performance Audits of FAO, Rome; WIPO, Geneva; WTO, Spain; GFMD, Geneva and UNITAID, Geneva. He has also been a mentor on IT Audit for SAI officers of various Asian countries in Japan, Thailand and Turkey during 2018-2019. He has represented the CAG of India/ Government of India at various bilateral meetings and international conferences in Nepal, Bangladesh, Austria, US, UAE, Poland, Switzerland and France.

He has also earlier served as Director (Finance) for the Department of Revenue and Central Board of Excise & Customs; Expert in the State Audit Institution, Sultanate of Oman, Muscat, Additional DG in the Central Economic Intelligence Bureau and DG of Petroleum Planning & Analysis Cell on various deputation and secondment assignments.

DIRECTOR



MS. KAMINI CHAUHAN RATAN

Ms. Kamini Chauhan Ratan, is an IAS Officer from 1997 batch U.P. Cadre. She is a Commerce Graduate from JDMC as Topper in Delhi University in B. Com (P) Course. She has also done her LLB from Chaudhary Charan Singh University, Meerut and LLM from Bhoj Open University, Bhopal.

She had been Sub Divisional/ Joint Magistrate in Agra, Ayodhya and Lucknow during initial years of service. She has worked as Chief Development Officer in Meerut & initiated several development activities in the District. On Inter-State Cadre deputation, she served MP Govt. and handled Mahila Vitt Evam Vikas Nigam, MP in the capacity of its Managing Director. She has served as Collector & District Magistrate in Sultanpur, Bulandshahr, Saharanpur, Baghpat and Meerut. She has received National Award for the best District Electoral Officer by the Election Commission of India.

She was the HoD in UP Govt. in the capacity of Commissioner, Food Safety & Drug Administration; Inspector General (Registration) & Commissioner of Stamps; Commissioner (Commercial Taxes) and Commissioner (Entertainment Tax).

She has served as Secretary, Department of Women & Child Development, Secretary (Finance) and Secretary (Rural Development) in the State of U.P. She has also assisted the Chief Secretary of U.P. as the Principal Staff Officer.

She has worked as Joint Secretary (Higher Education), Department of Higher Education, Ministry of Education, GoI and has played a key-role in the formulation of National Education Policy, 2020.

She is currently working as Additional Secretary & Financial Adviser, Ministry of Petroleum & Natural Gas.

She is also serving as director on the Board of Bharat Petroleum Corporation Limited (BPCL).

DIRECTOR

MS. ESHA SRIVASTAVA

Ms. Esha Srivastava, belongs to the Indian Foreign Service Officer of 2004 Batch. She is currently posted as the Joint Secretary of the International Cooperation Division of the Ministry of Petroleum & Natural Gas.

Apart from Ministry of External Affairs of India, she has served in Indian Embassies in Thimphu, Paris, Indian High Commission in Colombo, and Permanent Delegation of India to UNESCO.

Ms. Srivastava, an alumna of Lady Shri Ram College, New Delhi. She is also a Gold Medalist from Delhi University.

She is married to Shri Kartik Pande, who is also an Indian Foreign Service Officer. She has two kids.

She is also serving as director on the Board of ONGC Videsh Limited (OVL). She is Chairperson in Project Appraisal Committee and member of Corporate Social Responsibility and Sustainability (CSR&S) Committee and Nomination & Remuneration Committee in OVL.

DIRECTOR

MS. VARSHA SINHA

Ms. Varsha Sinha is MA (Pol.Sc.) and also holds PG Diploma in Journalism & Mass Communication, PG Diploma in Public Administration and M. Phil (Social Science).

Before joining the Government of India, she worked as Announcer and Compere in Patna Doordarshan for a period of around four years. Ms. Sinha also holds Nritya Visharad and Nritya Shiromani in Odissi dance.

Ms. Varsha Sinha is an officer of the Central Secretariat Service. During her career of more than two and half decades, she has held various positions in Government of India. She has extensive experience of working in Govt. of India with various departments viz., Department of Health and Family Welfare, Ministry of Culture, Ministry of Commerce (Directorate General of Foreign Trade) and Delhi Development Authority. Before joining OIDB, she was working as Joint Secretary, Department of Personnel and Training, Govt. of India and was handling important work related to the Establishment Officers' Division, the Right to Information Act, the Central Secretariat Service, the Central Information Commission and the Central Administrative Tribunals.

She joined as Secretary, Oil Industry Development Board, Ministry of Petroleum and Natural Gas on 1st December, 2022 and is also serving as Director on the Board of ISPRL, Member of Administrative Council of DGH, Member of Governing Council/Body of PPAC, OISD, CHT and the Scientific Advisory Committee on Hydrocarbons of MoP&NG.

CEO & MD

**SHRI L.R. JAIN**

Shri L. R. Jain has been the CEO&MD of Indian Strategic Petroleum Reserves Limited (ISPRL) since 31st October, 2022. ISPRL is a special purpose vehicle created by Govt. of India and is wholly owned subsidiary of OIDB, under Ministry of Petroleum & Natural Gas, specially created for constructing and operating Strategic Petroleum Reserves for the country.

He is a Mechanical Engineer from BITS Pilani with MBA (PGEMP) from SPJIMR and is having more than four decades of vast experience in execution of projects, Procurement and Operations of Cross Country Pipelines and POL installations in BPCL, a flagship oil Marketing Company of India.

Prior to his posting as CEO&MD, ISPRL, he was heading the Engineering and Projects (E&P) entity of BPCL's Marketing Division as Executive Director I/C and was responsible for execution of projects including green field LPG bottling plants/ Aviation stations / POL terminals/ Coastal cryogenic facilities / 2G/1G Ethanol refinery across the country.

Mr. Jain also concurrently held the post of the Director of M/s IHB, a joint venture of IOCL, BPCL and HPCL for putting up Kandla-Gorakhpur LPG Pipeline since 2019 and spearheaded the project, which is progressing well.

Other leadership positions, he held in BPCL include Heading Central Procurement Organizations of BPCL's Marketing Division as Executive Director (CPO), responsible for procurement of about Rs. 8000 Cr. worth Non-Hydrocarbon Goods and Services including Ethanol. He also headed Pipelines division of BPCL, responsible for operating about 3000 K.M. pipeline network of BPCL and execution of various greenfield cross country pipeline projects.

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Shri L. R. Jain

COMPANY SECRETARY

Ms. Shilpi Mohanty

STATUTORY AUDITORS

Parsad Azad & Co.
Chartered Accountants

SECRETARIAL AUDITORS

PG & ASSOCIATES,
Company Secretaries

BANKERS

Union Bank of India
M-41, Connaught Circus,
New Delhi-110 001

REGISTERED OFFICE

301, World Trade Centre, 3rd Floor, Babar Road, New Delhi-110 001
Phone No.: 011-23412278

ADMINISTRATIVE OFFICE

OIDB Bhawan, 3rd Floor, Plot No. 2, Sector-73, Noida-201 301, U.P.
Phone No.: 91-120-2594661, Fax No.: 91-120-2594643
Website: www.isprlindia.com
E-mail: isprl@isprlindia.com

Visakhapatnam Project Office

Lovagarden, Behind HSL Fabrication Yard,
Gandhigram Post, Visakhapatnam - 530 005

Mangalore Project Office

Chandras Nagar, Kalavar Post,
Bajpe via, Mangaluru-574 142

Padur Project Office

PO: Padur, Via Kaup, Distt. Udupi - 574 106
Karnataka

BOARD'S REPORT

To,
The Shareholders,
Indian Strategic Petroleum Reserves Limited

The Board of Directors of your Company is pleased to present the 20th Annual Report on the working of the Company for the Financial Year ended 31st March, 2024, together with the Audited Statement of Accounts and Auditor's Report thereon.

I. FINANCIAL RESULTS

The Highlights of the Financial Results of your Company for the Financial Year ended 31st March, 2024 are as under:

(₹ in lakh)

Sl. No.	Particulars	31 st March, 2024	31 st March, 2023
1	Gross Fixed Assets (Tangible & Intangible)	3,73,773.71	3,73,759.79
	Less: - Accumulated Depreciation	68,404.72	58,502.71
Net Fixed Assets		3,05,368.99	3,15,257.08
2	Total Non-Current Assets	27,007.06	29,892.89
3	Total Current Assets	34,798.82	5,113.85
Total Assets (1+2+3)		3,67,174.87	3,50,263.82
4	Total Equities including accumulated losses	3,06,967.08	3,15,837.02
5	Total Non-Current Liabilities	582.04	572.08
6	Total Current Liabilities	59,625.75	33,854.72
Total Liabilities (4+5+6)		3,67,174.87	3,50,263.82
Items of Profit and Loss Account			
Sl. No.	Particulars	31 st March, 2024	31 st March, 2023
1	Revenue from operations	1,047.74	205.81
2	Other Income	14,532.98	14,966.21
(A) Total Income (1+2)		15,580.72	15,172.02
3	Depreciation and Amortization	9,902.36	9,943.14
4	Expenses (excluding Depreciation)	14,548.30	14,930.26
(B) Total Expenses (1+2)		24,450.66	24,873.40
Net Loss for the period (A-B)		-8,869.94	-9,701.38
Phase II (Receipts and Expenditure)			
Sl. No.	Particulars	31 st March, 2024	31 st March, 2023
1	For Pre-project Activity :- Total Grant received during the year (on net basis)	298.81	NIL
2	Total Expenditure incurred during the year including provisions for payable	NIL	314.15

Sl. No.	Particulars	31 st March, 2024	31 st March, 2023
3	For Purchase of Land :- Total Grant received during the year (on net basis)	NIL	NIL
4	Total Expenditure incurred during the year including provisions for payable	7,821.29	4.17
Phase-I Extension at Mangalore MSEZ (Receipts and Expenditure)			
Sl. No.	Particulars	31 st March, 2024	31 st March, 2023
1	For Purchase of Land:- Total Grant received during the year (on net basis) including advance for land.	4,000.00	NIL
2	Total Expenditure incurred during the year	2,069.39	200.00

II. PERFORMANCE OVERVIEW

A. PREAMBLE

Government of India (GoI), in the interest of meeting the strategic objective of the country's energy security, decided on 7th January, 2004 to build Strategic Petroleum Reserves (SPRs) of 5 MMT at three locations and form a Special Purpose Vehicle (SPV) to build and operate the strategic crude oil reserves. As India is heavily dependent on import of crude oil, to support the economic activities for growth and to meet the energy needs of its citizens, these SPRs were envisaged to serve as buffer to deal with any situation of supply chain disruptions, especially due to external reasons. In exceptional circumstances, the buffer stock of crude oil could be used to partially absorb an abnormal spike in the global oil prices.

The SPV, Indian Strategic Petroleum Reserves Limited (ISPRL) was formed initially as 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).



Underground Crude oil storage Rock Cavern view of Padur

The initial Cost of construction of SPR's of 5.03 MMT capacity was funded by OIDB and equivalent amount of equity of ISPRL was transferred to OIDB. Additional cavern of capacity of 0.3 MMT was constructed at Vishakhapatnam which was funded by HPCL. The construction of caverns at Vizag (1.03 + 0.03 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT) was completed during 2015- 2017. The facilities were commissioned during 2015 to 2018.

Funds for filling of crude (4.28 MMT) in the SPR's were provided by G.O.I. and also giving the grant for annual operations and maintenance (O&M) of the SPR's.

Hon'ble Prime Minister of India dedicated these SPR's to Nation on 10th February, 2019.

B. Agreement with ADNOC

In line with directions of Cabinet committee on Infrastructure (CCI) and CCEA, endeavours were made to explore alternative models for financing the part cost of crude oil to be filled in SPR's. On 25th January, 2017, a Definitive Agreement was signed on Oil storage and management between ISPRL and ADNOC. As per the agreement, ADNOC filled up cavern A of Mangalore with 5.86 million bbls of DAS grade crude oil. ADNOC is required to maintain minimum 50% of storage capacity for strategic use by ISPRL. Remaining 50% storage capacity will be available with ADNOC for commercial use.

DGFT notification has been issued on 23rd March, 2024 allowing re-export of Crude oil from ISPRL Mangalore Cavern-A. As per the notification AMI (ADNOC Marketing International (India) RSC Limited India) is exempted from STE conditions and is allowed to re-export crude oil from their Commercial Stockpile at Mangalore SPR, at their own cost. Subsequently, a side letter agreement was signed with M/S ADNOC to allow re-export to M/S ADNOC

C. Partial Commercialization

Union Cabinet approved the commercialization of ISPRL during a Cabinet meeting held on 8th July, 2021 by allowing ISPRL to undertake partial commercial activities with the crude stored in caverns under Phase-I of SPR program by allowing ISPRL to use 30% of SPR capacity for renting/leasing and 20% of SPR capacity for sale/purchase of crude oil .

As a first step towards partial commercialization, ISPRL has entered into an agreement with HPCL for renting 300 TMT (2.17 Million bbls) Cavern capacity to HPCL w.e.f. 19th January, 2024 at Vishakhapatnam. A formal agreement was signed on 7th February, 2024 in the back drop of IEW 2024 at Goa by CEO & MD, ISPRL & ED (IT), HPCL in presence of Addl. Secy. MOPNG, Secy. OIDB, C&MD, HPCL and other seniors officials from ISPRL and HPCL. The leased capacity will be used by HPCL for storage of Basrah Medium Crude oil. In case of an emergency, GOI shall have first right of use of this crude. With this ISPRL has started generating revenue as a first step towards self-reliance.



Signing of Agreement for renting of Cavern A Vizag with HPCL on 07.02.2024 at IEW Goa

D. Operations of SPRs

Your company has taken various initiatives in furtherance of its objectives. The highlights with regards to O&M of SPR's at Vizag, Mangalore and Padur are given below:

i. Visakhapatnam (Storage Capacity: 1.33 MMT)

The 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 by funds made available by the Government of India. HPCL has taken cavern B on proportionate cost sharing basis. This is being regularly used by HPCL for its refinery operations at Visakhapatnam.

No LTA (Loss time accident) was reported this year. 24/7 operations of SPR's were ensured by continuously monitoring and replenishing water curtain levels over the SPR's. Hydrogeological monitoring of boreholes logs across the station was carried to ensure integrity of SPR's. Preventive maintenance activities were conducted as per schedule. Mock drills were conducted by ISPRL with Mutual aid members and Statutory authorities in order to keep preparedness to handle emergencies. Disaster Control Management Plan (DCMP) mock drill was organized on 2nd February, 2024 in coordination with District authorities and in presence of Deputy Fire Chief Inspector Vishakhapatnam.

ISPRL Vizag received the first consignment of Basrah Medium Crude on 19.01.2024 of HPCL for leasing/renting of 300 TMT capacity in Cavern A.



Disaster Control Management Mock Drill at ISPRL Vizag

- Organized "Swachhta Pakhwada Special Campaign 3.0"/ Mega Beach Cleaning Activity at Yerada Beach
- Organized "Blood Donation Camp" in association with Indian Red Cross Society inside ISPRL, Vizag Premises.
- ITBP troops providing security at ISPRL Vizag were relocated to township quarters of RINL Vishakhapatnam Steel Plant for accommodation. Earlier they were being accommodation in old college building taken on lease rental basis. This relocation of accommodation has resulted in savings of approximately 50 lakhs in rental payment per year.

Parliamentary Standing Committee on Petroleum & Natural Gas visited on 16.01.2024 chaired by Hon'ble MP Shri Ramesh Bidhuri to ISPRL, Vizag Site. The Committee members visited the ISPRL plant facilities and appreciated the dedicated efforts of ISPRL team.



Parliamentary Standing Committee on Petroleum & Natural Gas visit on 16.01.2024



Parliamentary Standing Committee members at ISPRL Vishakhapatnam



Team ISPRL at Vishakhapatnam

ii. Mangalore (Storage Capacity: 1.5 MMT)

The Mangalore Cavern facility is located in the Mangalore SEZ area. The facility has two caverns of 0.75 MMT capacity each.

Mangalore Cavern B was commissioned in the month of October, 2016. For filling cavern A of Mangalore an Agreement was signed with ADNOC. First VLCC shipment of Crude oil for Mangalore was flagged off from Abu Dhabi on 12th May, 2018 by Hon'ble Minister of Petroleum and Natural Gas and received at ISPRL Mangalore on 19th May, 2018.

No LTA (Loss time accident) was reported this year. 24/7 operations of SPR's were ensured by continuously monitoring and replenishing water curtain levels over the SPR's. For ensuring integrity of SPR's regular Hydrogeological monitoring and sampling of water from bore holes was carried. Preventive maintenance activities were conducted as per schedule.

ISPRL team completed restoration of approx. 90 Metre of ROU of 42" Crude pipeline, which was exposed due to heavy rainfall at Mangalore during the monsoon of 2023.

ISPRL Mangalore bagged 2nd place State Level Safety award in the small industries category.

- National safety week Campaign-2024 was conducted from 4th March to 10th March, 2024.
- National Road Safety campaign was observed from 11th to 17th January, 24.

- Awareness competitions like road safety quiz, poster making and defensive driving techniques training was conducted for all staff.



Tree plantation during Environment Day



DCMP Drill at ISPRL Mangalore

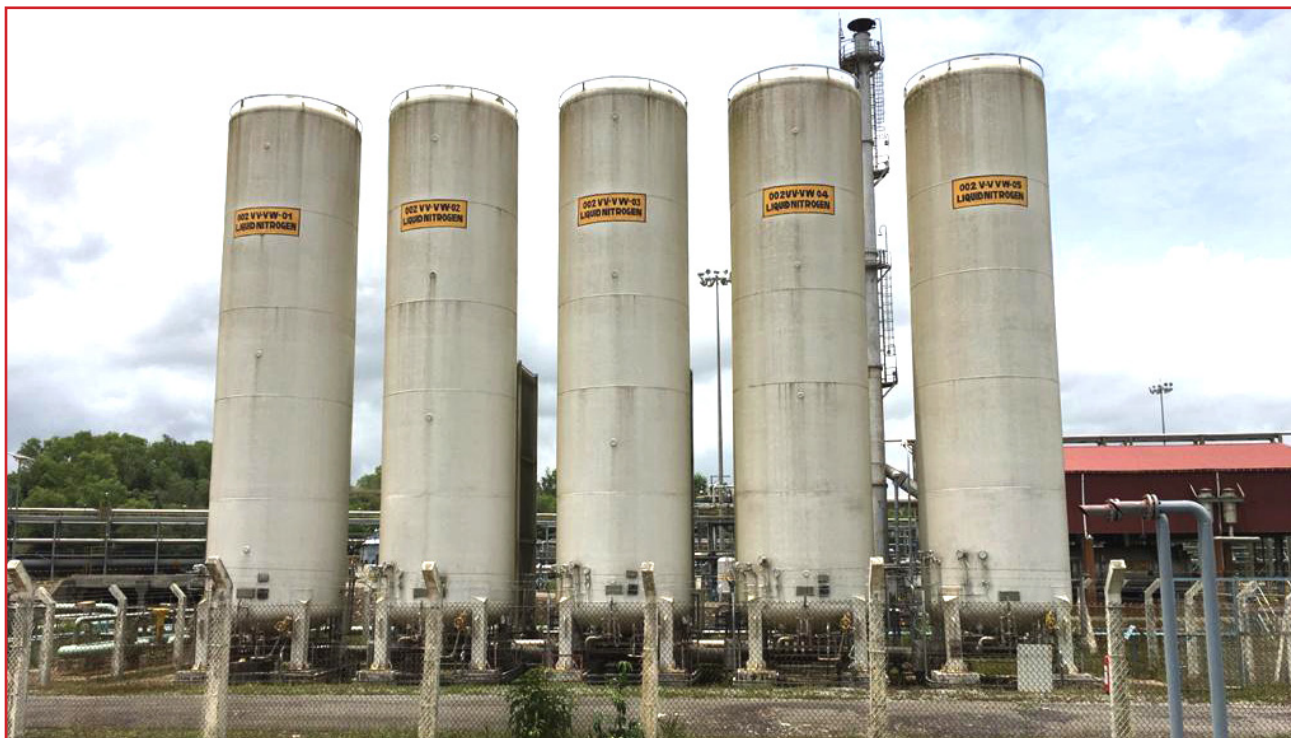
iii. Padur (Storage Capacity: 2.5 MMT)

For the Padur project, 179 acres of land was acquired through Karnataka Industrial Area Development Board (KIADB) in Padur village of Udupi District. This is the largest project executed by ISPRL and was commissioned in December, 2018.

During the current year:-

- Padur team successfully completed External Safety Audit (Plant Safety and Electrical Safety) in February, 2024.
- An Electrical Safety Awareness programs for all the plant staff during Electrical Safety Week (June, 26th to July, 2nd 2023) was conducted at ISPRL Padur site.
- Padur team completed the overhauling of two major dewatering motors that were submerged during flooding through in-house resources. The repairs were carried out by in-house O&M Electrical team saving on outsourcing costs.

No LTA (Loss time accident) was reported this year. 24/7 operations of SPR's were ensured by continuously monitoring and replenishing water curtain levels over the SPR's. Hydrogeological and bore holes monitoring was carried to ensure integrity of SPR's. Preventive maintenance activities were conducted as per schedule.



Nitrogen vessels used for maintaining inert atmosphere in Padur Caverns

E. India Energy Week (IEW) 2024, Goa

ISPRL participated in India Energy Week (IEW) held at Goa from 11th to 14th February, 2024. ISPRL for the first time had its own stall in IEW event. Many senior delegates and dignitaries from various Oil Companies and associated Vendors across India and Globe visited ISPRL stall and took interest in understanding the purpose and process of SPRs. A model of SPR was kept in display alongwith virtual three D walkthrough which was much appreciated by the visitors.



Shri Pankaj Jain Secretary MoPNG being received at ISPRL stall IEW 2024, Goa



Ms. Esha Srivastava JS(IC) MoPNG visited ISPRL stall at IEW 2024, Goa



Hon'ble Minister of State Shri Rameshwar Teli at ISPRL stall at IEW 2024 Goa



ISPRL Team at IEW 2024, Goa

F. Visit of Hon'ble Minister of State Shri Rameshwar Teli to ISPRL HO, NOIDA





Model of Crude Oil Cavern being explained to Hon'ble MoS Shri Rameshwar Teli



Yoga Day celebrations at OIDB Building

G. Status of ongoing projects of ISPRL

i. **2.5 MMT STRATEGIC PETROLEUM RESERVES UNDER PHASE II AT PADUR, DISTRICT UDUPI, KARNATAKA**

For land acquisition for Padur project, ISPRL submitted requirement of acquiring land to KIADB in Nov 2020. KIADB has issued final gazette notification for 214.79 Acres Padur land on 22nd February, 2023 and the same has been published in press on 24th March, 2023. Total amount of Rs.176 crore has been paid by ISPRL to KIADB for land. KIADB in consultation with DC, Udupi is in the process of Finalization of R&R package and compensation to landowners.

Marine Survey, Modelling & offshore pipeline route survey has been completed for SPM at Padur. DFR job for the SPM at Padur has been completed.

M/s Deloitte Touche has been appointed as Transactional Advisor for RFP preparation and Legal Advisor M/s AZB Partner for preparing concessionaire agreement of Phase II required for PPP model. RFP for Padur Phase II on Public Private Partnership (PPP) mode DBFO basis was floated on 21st February, 2024.

ii. **4.0 MMT STRATEGIC PETROLEUM RESERVES UNDER PHASE II AT CHANDIKHOL, DISTRICT JAJPUR, ODISHA**

After completion of DFR studies by EIL, an application by ISPRL for allocation of 400 acres of land at Chandikhol was submitted to Govt of Odisha on 30th September, 2019 for setting up SPR facilities of 4 MMT capacity. The Govt. of Odisha after evaluation of the land application, advised ISPRL to explore possibility of an alternative location near Chandikhol, Odisha.

A joint site visit of EIL & ISPRL senior officials was made on 23rd and 24th May, 2023 to evaluate alternate sites.

ISPRL through M/s Engineers India Limited carried out desktop studies and reviewed satellite images and identified location near Majhiphada Hills near Jajpur. ASI survey has been done for the above location and the report submitted to Govt of Odisha.

iii. Land acquisition at MSEZL for Phase I extension at Mangalore

Delegated Invested Board (DIB) on 17.02.2023 has approved proposal for Acquisition of land (154.9 Acres) by Indian Strategic Petroleum Reserve Limited (ISPRL) from Mangalore Special Economic Zone Limited (MSEZL) for construction of SPR and associated facilities at Mangalore MSEZL. ISPRL has signed an MoU with MSEZL on 17th March, 2023 for plot size of 154.90 Acres land at MSEZL area Mangalore.

EIL has been awarded the job to carry out detail feasibility report for the above site. Topography and Hydrogeological surveys have been completed and data have been collated for DFR for establishing 1.5 to 2 MMT capacity caverns Phase I extension in Mangalore.

iv. PFR/ DFR's for new projects

It is envisaged to carry out DFR studies for construction of Salt Caverns for crude oil storage at Bikaner, PFR for strategic reserves at Bina and PFR for above ground storage tank at Mangalore and Padur. A team of ISPRL and EIL officers visited site for prospective Salt Caverns in February, 2024 near Bikaner.

H. MoU with OTTCO

An MoU has been signed with OTTCO by ISPRL for carrying out Feasibility studies for construction of above ground storage tanks on 25th June, 2023.



III. DIVIDEND

Your Board of Directors does not recommend any Dividend for the Financial Year ended 31st March, 2024.

IV. TRANSFER TO RESERVES

The losses made during the financial year 2023-24 have been transferred to the reserves of the Company for the financial year ended 31st March, 2024.

V. PUBLIC DEPOSITS

The Company has not invited, accepted or renewed any fixed deposit from the public as on 31st March, 2024 and accordingly there is no principal or interest outstanding in respect thereof.

VI. AUDIT COMMITTEE

The Board has constituted the Audit Committee. The Audit Committee comprised of the following Directors as on 31st March, 2024:

- | | | |
|---|---|----------|
| 1. Shri Praveen M. Khanooja, AS, MoPNG / Director, ISPRL | : | Chairman |
| 2. Ms. Kamini Chauhan Ratan, AS&FA, MoPNG / Director, ISPRL | : | Member |
| 3. Ms. Esha Srivastava, JS (IC), MoPNG / Director, ISPRL | : | Member |
| 4. Ms. Varsha Sinha, Secretary, OIDB/ Director, ISPRL | : | Member |
| 5. Shri L. R. Jain, CEO & MD, ISPRL | : | Member |

The number and dates of the meetings held during the financial year 2023-24 indicating the number of meetings attended by each director is given at **Annexure-A**.

VII. 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. Hence, no CSR committee meeting was held in the FY 2023-24.

The CSR Committee comprised of the following Directors as on 31st March 2024:

- | | | |
|--|---|-------------|
| 1. Ms. Esha Srivastava, JS (IC), MoP&NG/ Director, ISPRL | : | Chairperson |
| 2. Shri L. R. Jain, CEO & MD, ISPRL | : | Member |

VIII. ANNUAL RETURN

As per provision of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as of March 31, 2024 is placed on its website at <https://isprlindia.com/annual-report.asp>.

IX. MEETINGS OF THE BOARD

The Board of Directors of the Company met five times in the financial year 2023-24 as per the following details:

1. 21st April, 2023
2. 08th May, 2023
3. 30th June, 2023
4. 26th September, 2023
5. 14th December, 2023

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-A**.

X. CHANGE IN THE NATURE OF BUSINESS

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

XI. 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.

XII. DECLARATION BY THE INDEPENDENT DIRECTORS

According to Section 149 of the Companies Act, 2013 read in conjunction with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company, being a wholly-owned subsidiary, is not required to appoint Independent Directors. Thus there is no Independent Directors on the Board of the Company during the financial year 2023-24.

XIII. 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.

XIV. SHARE CAPITAL

During the year, the Company has not issued Equity Share Capital.

XV. KEY MANAGERIAL PERSONNEL

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

a)	CEO & Managing Director	Shri L. R. Jain
b)	Chief Financial Officer	Shri Gopeshwar Kumar Singh (till 14.05.2024)
c)	Chief Financial Officer	Shri Ajay Dashore (from 15.05.2024 till 09.06.2024)
d)	Chief Financial Officer	Shri Deepak Kumar (w.e.f. 10.06.2024)
e)	Company Secretary	Ms. Shilpi Mohanty (w.e.f. 06.06.2023)
f)	Company Secretary	Shri Arun Talwar (till 15.05.2023)

XVI. REMUNERATION

All Directors on the Board of ISPRL are non- executive directors nominated by Ministry of Petroleum and Natural Gas (MoPNG) except for CEO & MD. No remuneration is paid to non-executive director nominated by MoP&NG.

The remuneration paid to CEO & MD is as per the terms & conditions of his employment approved by ISPRL Board and Shareholders in the AGM.

Key positions of the Company are manned by officers on deputation from Oil PSEs, who receive remuneration in line with the policies of their respective parent companies.

In addition, 12 no. Employees have been appointed at Mangalore, whose land was acquired by ISPRL for the project . These employees receive remuneration in line with OIDB policies.

XVII. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

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.

XVIII. 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.

XIX. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

XX. AUDITORS
(i) Statutory Audit

The Comptroller & Auditor General of India (C&AG) had appointed M/s Prasad Azad & Co. Chartered Accountants (DE0029), 1207, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi- 110001 as Statutory Auditors of the Company, who have submitted their report on the accounts of the Company for the Financial Year ended 31st March, 2024 (**Annexure-B**). Following qualified opinion has been provided by statutory auditor in its report: -

“Out of grant received for phase-II, an amount of Rs. 2069.39 lac was paid and utilised during the year for extension of Phase-I towards lease premium for acquisition of land to Mangalore SEZ Limited without approval of competent authority / MoPNG. Due to which the ‘Cash and Cash Equivalents’ under Financial Assets are lower and ‘Other Non- Current Assets’ are higher to that extent.”

The observations of Statutory Auditors in their report to the Shareholders and the Management's reply on the same is attached as **Annexure-C**.

(ii) Supplementary audit by CAG

Supplementary audit conducted by C&AG under Section 143 (6) (a) of the Companies Act, 2013 of the Financial Statements of the Company for the Financial Year 31st March, 2024. There are no significant observations of C&AG on the Financial Statements (**Annexure-D**).

(iii) Secretarial Audit

During the year, the Board of the Company had appointed M/s PG & Associates, Company Secretaries, 106, Mahagun Morpheus, E-4, Sector-50, Noida-201301, Uttar Pradesh, 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 2023-24. The Report given by Secretarial Auditors is annexed to this report as (**Annexure-E**). The Auditors Report to the Shareholders does not contain any qualification.

(iv) 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.

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

The Company has commissioned Visakhapatnam, Mangalore and Padur caverns. As a part of Power Saving and Cost reduction, initiatives were taken for replacing the Plant's Existing CFL/Conventional Lighting with New LED Lighting System in all Building Facilities through in-house O&M Electrical Team (June, 2023-August, 2023).

The Company has foreign currency receipt of INR. 303.71 lakhs during the year. Also, it has NIL foreign exchange utilization for its business activities during the period under review.

XXII. INTERNAL FINANCIAL CONTROLS

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

XXIII. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a zero-tolerance policy for sexual harassment of women in the workplace. The company has complied with the provisions of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.' The Company has constituted the Internal Complaints Committee under this Act. During the year under review, no complaints were received under the said Act.

XXIV. 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.

XXV. REPORTING OF FRAUDS BY AUDITORS

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

XXVI. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans/guarantees given or securities provided during FY 2023-24 under the provisions of section 185/186 of companies Act, 2013.

XXVII. RELATED PARTY TRANSACTIONS

During the financial year 2023-24, the related party transaction under the provisions of the Companies Act, 2013 was payment of managerial remuneration to CEO & MD, ISPRL. The transactions with the related party are in the ordinary course of business and are on Arm's Length basis.

XXVIII. 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.

XXIX. 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 31st March, 2024 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 31st March, 2024 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.

XXX. BOARD OF DIRECTORS

Your Board of Directors comprises of five part-time Non-Executive Directors and one full-time CEO & MD as on 31st March, 2024, details are given below:

1.	Shri Pankaj Jain (DIN - 00675922)	Secretary, MoPNG – Chairman (w.e.f. 20.01.2022);
2.	Shri Praveen M. Khanooja (DIN - 09746472)	Additional Secretary, MoPNG - Director (appointment w.e.f. 17.02.2023);
3.	Ms. Kamini Chauhan Ratan (DIN - 09831741)	Additional Secretary & Financial Adviser, MoPNG – Director (appointment w.e.f. 21.12.2022);
4.	Ms. Esha Srivastava (DIN - 08504560)	JS (IC), MoPNG – Director (w.e.f. 22.12.2021);
5.	Ms. Varsha Sinha (DIN - 09825811)	Secretary, OIDB - Director (appointment w.e.f. 15.12.2022);
6.	Shri L. R. Jain (DIN - 08505199)	CEO & MD (appointment w.e.f. 31.10.2022).

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/-
(L. R. Jain)
CEO & MD
(DIN#08505199)

Sd/-
(Esha Srivastava)
Director
(DIN#08504560)

Date: 24.09.2024

Place: New Delhi

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

AUDIT COMMITTEE

The Audit Committee held four meetings in the financial year 2023-24 as on 23.06.2023, 25.09.2023, 14.12.2023 and 21.03.2024.

The Director's attendance at the Audit Committee meeting for the financial year 2023-2024 is as follows:

Sl. No.	Members	Designation	No. of meeting attended in FY 2023-24
1	Shri Praveen M. Khanooja	Chairman	4
2	Ms. Kamini Chauhan Ratan	Member	3
3	Ms. Esha Srivastava	Member	4
4	Ms. Varsha Sinha	Member	3
5	Shri L. R. Jain	Member	4

BOARD OF DIRECTORS:

The Board of Directors of the Company held five meetings in the financial year 2023-24 as per the following details:

1. 21st April, 2023
2. 08th May, 2023
3. 30th June, 2023
4. 26th September, 2023
5. 14th December, 2023

Details of Directors attendance for the Board meetings attended in the FY 2023-24 as follows:

Sl. No.	Name of Directors	Designation	No. of Board Meetings attended during the Financial Year 2023-24
1.	Shri Pankaj Jain (w.e.f. 20.01.2022)	Chairman	5
2.	Shri Praveen M. Khanooja (w.e.f. 17.02.2023)	Director	5
3.	Ms. Kamini Chauhan Ratan (w.e.f. 21.12.2022)	Director	2
4.	Ms. Esha Srivastava (w.e.f. 22.12.2021)	Director	3
5.	Ms. Varsha Sinha (w.e.f. 15.12.2022)	Director	5
6.	Shri L. R. Jain (w.e.f. 31.10.2022)	CEO & MD	5

INDEPENDENT AUDITORS' REPORT

To the Members of

Indian Strategic Petroleum Reserves Limited

Report on the Audit of the Financial Statements

Qualified 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, 2024, the Statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 ("the IND AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Out of grant received for Phase-II, an amount of Rs. 2069.39 lac was paid and utilised during the year for extension of Phase-I towards lease premium for acquisition of land to Mangalore SEZ Limited without approval of competent authority / MoPNG. Due to which the 'Cash and Cash Equivalents' under Financial Assets are lower and 'Other Non-Current Assets' are higher to that extent.

We conducted our audit 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, 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 qualified opinion.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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, including other comprehensive income, change 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control 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 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 deficiencies 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure - A**, 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) *Except for the matter stated in 'Basis for Qualified Opinion' section of our report above*, in our opinion, the aforesaid financial statements comply with the Ind AS 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 - B**.
- (g) Based on the information and explanations provided by the Company, we state that the remuneration paid by the Company to its directors during the year under audit is in accordance with provisions of section 197(16) 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 position in its financial statements - Refer Note No. 31.2(A) to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note No. 40(xxxix) to the financial statements;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note No. 40(xl) to the financial statements.
 - iv. (a) The Company's Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 40(xxx)(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Company's Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 40(xxx)(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. To the best of our information and according to the explanations given to us, the Company has not declared or paid any dividend during the year, accordingly the provisions of Rule 11(f) is not applicable.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account [except for items reported in Para 3(i) below in response to directions issued by the Comptroller and Auditor General of India u/s 143(5) of the Act] which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all

relevant transactions recorded in the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:

Sl. No.	Directions	Auditor's Replies
(i)	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions through IT system except Billing for sale of Crude Oil, Pumping charges, Operating Income from ADNOC & MRPL, Sharing of O&M Expenses with HPCL, Income from Leasing / Renting of Caverns and related income, Rock sale, Property Plant & Equipment Records, Leave Records, Payroll, Grant Records, for which there is no implication of processing of accounting transactions outside IT system on the integrity of the accounts and no financial implications observed.
(ii)	Whether there is any 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? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	There is no case of 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.
(iii)	Whether funds (grant/subsidy etc.) received/ receivable for specific schemes from Central/ State Government of its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Funds (grant/subsidy etc.) received/ receivable for specific schemes from Central/ State Government of its agencies are properly accounted for/ utilized as per their terms and conditions, except, out of grant received for Phase-II, an amount of Rs. 2069.39 lac was utilised for extension of Phase-I towards lease premium for acquisition of land paid to Mangalore SEZ Limited without approval of competent authority / MoPNG.

for Prasad Azad & Co.

Chartered Accountants

Firm's Registration Number: 001009N

Sd/-

(K. M. Azad)

Partner

Membership No. 005125

UDIN: 24005125BKMEVN7716

Place: New Delhi

Date: 16 July, 2024

“Annexure - A” to the Independent Auditors’ Report

[Annexure-A referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the Members of **Indian Strategic Petroleum Reserves Limited**, on the financial statements of the Company for the year ended 31st March, 2024]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets (ROU for Pipelines).
- (b) According to the information and explanations given to us, the Property, Plant and Equipment have been physically verified by the management in a phased manner through external agency at Mangalore Unit, Padur Unit and at Head Office and internally at Visakhapatnam Unit, which in our opinion is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment. As per information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties (Right of Use assets) disclosed in Note No. 2 to the Financial statements are held in the name of the Company **except in case of below** [Refer Note No. 40(xix) to the financial statements]:

Description of Property	Gross carrying value (Rs. In Lac)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
Right of Use - Land at Mangalore Special Economic Zone (104.73 acres)	8492.50	Lease Agreement entered into between Mangalore SEZ Limited and the Company dated 7 th March, 2017 not registered in the name of the Company.	No	Lease from the date of possession of the land to 26 th January, 2060. Date of Allotment available in record for 100.02 acres is 23.11.2009 and for 4.71 acres is 11.04.2018. However, document for date of taking of possession is not in Company record.	As informed to us, the Company is following with the Mangalore SEZ Limited for registration of lease deed.

- (d) According to the information, explanations and management representations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information, explanations and management representations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) (a) According to the information and explanations given to us, the management has conducted physical verification of Crude Oil inventory held on behalf of Government of India at Cavern B and ADNOC at Cavern A at Mangalore and on behalf of Government of India at Visakhapatnam and Padur at reasonable intervals through independent surveyors. In our opinion, having regard to the nature and location of the Crude, the coverage and procedure of such verification is considered appropriate.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time of the year, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- iii) (a) to (f) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, provisions of this clause of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or security which required compliance of the provisions of section 185 and 186 of the Act. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits, during the year to which the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provision of the Act are applicable.
- vi) According to the information and explanations given to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act. Accordingly, provisions of this clause of the Order are not applicable to the Company.
- vii) (a) According to the records of the Company examined and information, explanations and management representations given to us, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of undisputed outstanding

statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable, **except as stated below:**

Statement of Arrears of Statutory Dues Outstanding for More Than Six Months

Sl. No.	Name of the Statute	Nature of the dues	Amount (Rs. In Lac)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
1.	Income Tax Act, 1961	Demand on Assessment made U/s 143(3)	70.86	FY 2015-16 (AY 2016-17)			Company Remarks: Company has already paid the demand under Vivad se Vishwas Scheme during the FY 2020-2021, though adjustment is pending by the Tax Department since this amount is appearing as outstanding on the income tax portal.
2.	Income Tax Act, 1961	Demand on Assessment made U/s 143(3)	31.78	FY 2016-17 (AY 2017-18)			Company Remarks: Company has already paid the demand under Vivad se Vishwas Scheme during the FY 2020-2021, though adjustment is pending by the Tax Department since this amount is appearing as outstanding on the income tax portal.

- (b) According to the information, explanations and management representations given to us, there were no statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any disputes, **except as stated below:**

Statement of Disputed Dues

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. In Lac)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
1.	Andhra Pradesh Minor Mineral Concession Rules 1996	Royalty	11,795.03	Upto 31.03.2018	Directorate of Mines and Geology, Andhra Pradesh	—
2.	Income Tax Act, 1961	Demand on Assessment made U/s 154	0.34	FY 2017-18 (AY 2018-19)	Under appeal with Commissioner of Income Tax (Appeals)	—
3.	Income Tax Act, 1961	Demand on Assessment made U/s 143(3)	257.81	FY 2021-22 (AY 2022-23)	Under appeal with Commissioner of Income Tax (Appeals)	—

4.	Goods and Services Tax Act, 2017	Demand of GST in Form DRC-01	13.90	FY 2017-18 to FY 2018-19	GST Authority	—
5.	Goods and Services Tax Act, 2017	Demand of GST in Form DRC-01	105.25	FY 2019-20 to FY 2022-23	GST Authority	—
6.	Entry Tax in State of Karnataka	Entry Tax in State of Karnataka	74.64	FY 2010-11 and 2011-12	Honb'le High Court of Karnataka	—

- viii) As per the information, explanations and management representations given to us, there were no transactions, not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) According to the information and explanations given to us, the Company has not taken any loan or other borrowings during the year, as such the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) According to the records of the Company examined and information, explanations and management representations given to us, the Company has not taken any term loans during the year. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the financial statements of the company, we report that no funds have been raised on short-term basis during the year by the Company. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associate or joint ventures. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year. Accordingly, provisions of this clause of the Order is not applicable to the Company.
- x) (a) According to the information and explanations given to us and as per records examined, the Company has not raised moneys by way of Initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of this clause of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and as per records examined, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of this clause of the Order is not applicable to the Company.
- xi) (a) During the course of our audit, examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and to the best of our knowledge

- & belief and according to the information, explanation and management representations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) No report under sub section (12) of section 143 of the Act in Form ADT-4 has been filed with the Central Government by us.
- (c) According to the information, explanations and management representations given to us, there are no whistle blower complaints received during the year by the Company.
- xii) (a), (b) & (c). According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of this clause of the Order is not applicable to the Company.
- xiii) According to the information, explanations and management representations given to us, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable. Details of all related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards [refer Note No. 32 to the financial statements].
- xiv) (a) According to the records of the Company examined and information, explanations and management representations given to us, the Company has an internal audit system, *however, its scope needs to be enlarged to make it commensurate with the size and nature of Company's business. Further, we have noted the below noncompliance / discrepancies reported in the Internal Audit Reports:*
- (a) *No penalty clause in Lease agreement between ISPRL and HPCL for delay in payment of Rental charges resulting impact on cash inflow and loss of potential remedies;*
- (b) *Employee salary for each month are processed based on their attendance for the preceding month;*
- (c) *No HR policy formulated covering (a) Recruitment policy, (b) Attendance policy, (c) Appraisal policy, (d) Separation / Exit policy, (e) Conflict of Interest undertakings;*
- (d) *No entity level controls in respect to (a) Anti-Fraud Policy, (b) Whistle blower policy, (c) Code of ethics, resulting poor tone at the top, management override of controls, poor segregation of duties and overreliance on detective controls than preventive;*
- (e) *Non-compliance of information and Security Policy at Head Office due to use of pen drives for storing, transferring, or accessing company data leads to risk of data loss, theft and malware infections;*
- (f) *No mechanism to restrict tally user to modify, add & delete any accounting entries in any period in tally software;*
- (g) *There is no lock in period in tally which allows employees to modify and delete entries on backdate.*
- (b) We have considered the internal audit reports of the Company issued till date and made available to us, for the year under audit.
- xv) According to the records of the Company examined and information, explanations and management representations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi) (a) According to the information and explanations given to us, the Company is not required to be

registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of this clause of the Order is not applicable to the Company.

(b) According to the records of the Company examined and information, explanations and management representations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the provisions of this clause of the Order is not applicable to the Company.

(c)&(d) According to the records of the Company examined and information, explanations and management representations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India nor the Group has any CIC as part of the Group. Accordingly, the provisions of these clauses of the Order is not applicable to the Company.

xvii) The Company has not incurred cash losses during the financial year and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the provisions of this clause of the Order is not applicable to the Company.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) (a) & (b) According to the information and explanations given to us, the provisions of Section 135 of the Act for Corporate Social Responsibility are not applicable to the Company during the year. Accordingly, the provisions of this clause of the Order is not applicable to the Company.

xxi) Reporting under this clause of the Order is not applicable to the Company.

for Prasad Azad & Co.

Chartered Accountants

Firm's Registration Number: 001009N

Sd/-

(K. M. Azad)

Partner

Membership No. 005125

UDIN: 24005125BKMEVN7716

Place: New Delhi

Date: 16 July, 2024

“Annexure - B” to the Independent Auditors’ Report of even date on the Financial Statements of Indian Strategic Petroleum Reserves Limited for the year ended 31st March, 2024

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 the Indian Strategic Petroleum Reserves Limited (“the Company”) as of 31st March, 2024 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 “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” (“ICAI”). 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over 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 Act, 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 system 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 risk 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 qualified 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 authorizations 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 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following control weaknesses have been identified as at 31st March, 2024:

- (i) The Company has not raised Tax Invoices within the time prescribed by the statutory authorities;
- (ii) There is no policy for sale of assets, granting advances to employees, for employee re-imbursements, write off / write back of old balances;
- (iii) Accounting vouchers are signed by the employees of third party payroll (contractor) for which no approval given by the Competent authority;
- (iv) MCA/ ROC form DPT-3 for F.Y. 2022-23 not yet filed by the Company;
- (v) The Company has more than 10 employees during the year but the Company has not obtained registration under ESIC Act, 1948 and not complied with its provisions. Further, the Company has more than 20 employees (including employees through third party contractors) during the year but the Company has not obtained registration under EPF and MP Act, 1952 and not complied with its provisions.
- (vi) Certain control weaknesses are being reported repeatedly over the years in testing carried out by the Company (through a consultant) which need to be addressed by the Company.

A “material weakness” is a deficiency or a combination of deficiencies in the internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual financial statements will not be prevented or detected on timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, 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.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the 31st March, 2024 financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.

for Prasad Azad & Co.

Chartered Accountants

Firm's Registration Number: 001009N

Sd/-

(K. M. Azad)

Partner

Membership No. 005125

UDIN: 24005125BKMEVN7716

Place: New Delhi

Date: 16 July, 2024

**Management reply to Audit Observations of Statutory Auditor for
Financial Year 2023-24**

Auditor Observation No.	Audit observation					
1.	Out of grant received for Phase-II, an amount of Rs. 2069.39 lac was paid and utilised during the year for extension of Phase-I towards lease premium for acquisition of land to Mangalore SEZ Limited without approval of competent authority / MoP&NG. Due to which the ‘Cash and Cash Equivalents’ under Financial Assets are lower and ‘Other Non-Current Assets’ are higher to that extent.					
Management Reply	Reallocation of funds from the scheme (Construction of caverns under Phase II) to the new scheme “Payment to ISPRL for Land” is in progress at MoP&NG.					
2.	The title deeds of the immovable properties (Right of Use assets) disclosed in Note No. 2 to the Financial statements are held in the name of the Company <i>except in case of below [Refer Note No. 40(xix) to the financial statements]</i>					
	Description of Property	Gross carrying value (Rs. In Lac)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
	Right of Use - Land at Mangalore Special Economic Zone (104.73 acres)	8492.50	Lease Agreement entered into between Mangalore SEZ Limited and the Company dated 7 th March, 2017 not registered in the name of the Company.	No	Lease from the date of possession of the land to 26 th January, 2060. Date of Allotment available in record for 100.02 acres is 23.11.2009 and for 4.71 acres is 11.04.2018. However, document for date of taking of possession is not in Company record.	As informed to us, the Company is following with the Mangalore SEZ Limited for registration of lease deed.
Management Reply	Vide letter date 06 th April, 2023 from Directorate of Industries and Commerce, ISPRL has obtained 100% stamp duty exemption certificate for lease deed registration with MSEZL. ISPRL has obtained Khata certificate from Bajpe town panchayat. Form 9 and 11 has been obtained from Permude and Bala panchayath, however pending from Jokatte grama panchayat. Same is being expedited. After receipt of all the documents, lease deed will be registered.					
3.	No penalty clause in Lease agreement between ISPRL and HPCL for delay in payment of Rental charges resulting impact on cash inflow and loss of potential remedies;					

Management Reply	No penalty clause was envisaged in the EOI. Further, delay in payment on account of HPCL is due to their transition to SAP platform. Discussions are in progress with HPCL senior management for ensuring timely payments in future.
4.	Employee salary for each month are processed based on their attendance for the preceding month;
Management Reply	ISPRL pays the salary to their employee on last day of the month. Hence, previous months attendance records are considered for payment of salaries. The practice is in line with the industry practice.
5.	No HR policy formulated covering (a) Recruitment policy, (b) Attendance policy, (c) Appraisal policy, (d) Separation / Exit policy, (e) Conflict of Interest undertakings;
Management Reply	Draft HR policy of ISPRL is being put up for necessary approvals.
6.	No entity level controls in respect to (a) Anti-Fraud Policy, (b) Whistle blower policy, (c) Code of ethics, resulting poor tone at the top, management override of controls, poor segregation of duties and overreliance on detective controls than preventive;
Management Reply	ISPRL, a SPV under OIDB is committed to formulate Governance policies as applicable. We are reviewing in totality the need of various policies and shall be implemented in the current financial year.
7.	Non-compliance of information and Security Policy at Head Office due to use of pen drives for storing, transferring, or accessing company data leads to risk of data loss, theft and malware infections;
Management Reply	Company has its IT policy in place. IT policy restricts use of pen drives for storing, transferring, or accessing company data without any proper approval. Steps have been initiated to stop use of pen drive at Head office.
8.	No mechanism to restrict tally user to modify, add & delete any accounting entries in any period in tally software;
Management Reply	Company has implemented necessary security feature in tally, where in no user (except with the approval of Admin) can make any modification, deletion in accounting entries.
9.	There is no lock in period in tally which allows employees to modify and delete entries on backdate.
Management Reply	Company has implemented necessary security feature in tally, where in back dated entry for only specified period will be allowed to be posted in tally software.
10.	The Company has not raised Tax Invoices within the time prescribed by the statutory authorities;
Management Reply	Most of the invoices were raised within prescribed time limits. In future, necessary compliance will be ensured.

11.	There is no policy for sale of assets, granting advances to employees, for employee re-imbursements, write off / write back of old balances;
Management Reply	Revise LAM is under finalization which will include these observations. Policy for granting advances to employees has been covered under draft HR policy.
12.	Accounting vouchers are signed by the employees of third-party payroll (contractor) for which no approval given by the Competent authority;
Management Reply	Necessary approvals authorizing contract employees to sign accounting voucher, BRS, etc has been obtained.
13.	MCA/ ROC form DPT-3 for F.Y. 2022-23 not yet filed by the Company;
Management Reply	DPT-3 is not required to be filed by Government Company. Technically, we are not a Govt Company, so as per good governance practice & compliance, DPT-3 form has been filed upto FY 2021-22 wherein the category of the Company was selected as non-government company and the same was successfully filed. However, for FY 2022-23, the MCA V3 portal reflected an error message that, “category of the Company selected – “Company other than the Government Company in this Form, however, the Company is a Government Company as per MCA records”. Two opinions emerged - one opinion was to fill the form as Government Company with a clarification note attached to the form. The other opinion which emerged was to first update the status on MCA portal and thereafter file Form DPT-3 with category of company in consensus with MCA database to avoid non-compliance in any manner that may arise in future. It was thought prudent and as a matter of abundant precaution that ISPRL shall first amend its MOA & AOA and align the Status on the MCA portal and thereafter file the form DPT-3 for the FY 2022-23.
14	The Company has more than 10 employees during the year but the Company has not obtained registration under ESIC Act, 1948 and not complied with its provisions. Further, the Company has more than 20 employees (including employees through third party contractors) during the year but the Company has not obtained registration under EPF and MP Act, 1952 and not complied with its provisions.
Management Reply	ESI:- Since, the salaries of ISPRL employees are more than threshold limit prescribed in the act, the registration with ESI was not done. Clarification was obtained from Deputy Director ESI on this matter. However, as opined by statutory auditors, steps have been initiated for registering with ESI authority. PF:- Since company has less than 20 employees on its roll, provision of PF are not applicable. However, as opined by statutory auditors, steps have been initiated for registering with PF authority.
15	Certain control weaknesses are being reported repeatedly over the years in testing carried out by the Company (through a consultant) which need to be addressed by the Company.
Management Reply	Recommendations of IFCOR auditor are being reviewed and shall be implemented as required in current financial year.

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 FOR THE YEAR ENDED 31st MARCH, 2024

The preparation of financial statements of Indian Strategic Petroleum Reserves Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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) 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 16 July 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Strategic Petroleum Reserves Limited for the year ended 31 March 2024 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 auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

**Sd/-
Biren Dineshchandra Parmar
Director General of Commercial Audit, Mumbai**

Place: Mumbai

Date: 20 September 2024

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the 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") bearing **CIN U63023DL2004GOI126973**. 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, 2024**, 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 the Company for the financial year ended on 31st March, 2024 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: **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: **Not Applicable**

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **Not Applicable**
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: **Not Applicable**
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: **Not Applicable**
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **Not Applicable**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018: **Not Applicable**
- (vi) We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.
- (vi) Other applicable laws:
 - i) The Petroleum Act, 1934;
 - ii) Indian Explosives Act, 1884
 - iii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (vii) 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 and Other Wastes (Management and Transboundary Movement) Rules, 2016

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 Regulations to the Company.

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.

During the year under review, some Board Meetings and Committee Meetings were called at shorter notice, agenda along with detailed notes on agenda were sent at shorter notice and consent was taken from the directors. 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 meetings all the decisions have been carried out unanimously. The members of the Board have not expressed any dissenting views on any of the agenda items during the period under review.

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.

For PG & ASSOCIATES

(Company Secretaries)

Unique Code No.: S2004UP073600

Sd/-

CS PREETI GROVER

(Proprietor)

FCS: 5862, CP No.: 6065

Peer Review No.: 772/2020

Place: New Delhi

Date: 22.05.2024

UDIN: F005862F000418868

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

Auditor's Responsibility

Based on the audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For PG & ASSOCIATES

(Company Secretaries)

Unique Code No.: S2004UP073600

Sd/-

CS PREETI GROVER

(Proprietor)

FCS: 5862, CP No.: 6065

Peer Review No.: 772/2020

Place: New Delhi

Date: 22.05.2024

UDIN: F005862F000418868

ANNUAL ACCOUNTS 2023-24

BALANCE SHEET AS AT 31st March, 2024
CIN:-U63023DL2004GOI126973

			₹ in lakhs	₹ in lakhs
Particulars		Note No.	As at 31 st March, 2024	As at 31 st March, 2023
(I)	ASSETS			
	Non-Current Assets			
	(A) Property, Plant and Equipment	2	2,98,218.63	3,08,106.69
	(B) Capital Work in Progress	2.1	-	-
	(C) Other Intangible Assets	3	7,150.36	7,150.39
	(D) Financial Assets			
	(i) Loans	4	-	-
	(ii) Other Financial Assets	5	5,778.69	18,611.77
	(E) Income tax Assets	6	1,161.77	986.50
	(F) Other Non Current Assets	7	20,066.60	10,294.62
	Sub Total		3,32,376.05	3,45,149.97
(II)	Current Assets			
	(A) Financial Assets			
	(i) Trade Receivables	8	69.59	-
	(ii) Cash and cash equivalents	9	10,287.90	1,883.76
	(iii) Bank Balances other than above	10	-	-
	(iv) Other Financial Assets	11	22,255.72	1,432.48
	(B) Other Current Assets	12	2,185.61	1,797.61
	Sub Total		34,798.82	5,113.85
	Total Assets		3,67,174.87	3,50,263.82
(I)	EQUITY AND LIABILITIES			
	Equity			
	(A) Equity Share Capital	13	3,79,005.47	3,79,005.47
	(B) Other Equity	14	(72,038.39)	(63,168.45)
	Sub Total		3,06,967.08	3,15,837.02
(II)	LIABILITIES			
	Non Current Liabilities			
	(A) Financial Liabilities			
	(i) Borrowings	-	-	-
	(ia) Lease Liabilities	15	552.31	554.71
	(ii) Other Financial Liabilities	16	22.28	17.37
	(B) Provisions	17	7.45	-
	Sub Total		582.04	572.08
(III)	Current Liabilities			
	(A) Financial Liabilities			
	(i) Borrowings	18	-	-
	(ia) Lease Liabilities	19	4.15	3.77
	(ii) Trade Payables			
	(a) Total outstanding dues to Micro Enterprises and Small Enterprises	20	346.95	204.41
	(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	1,812.49	1,687.20
	(iii) Other Financial Liabilities	21	27,141.04	22,092.40
	(B) Provisions	22	0.87	-
	(C) Other Current Liabilities	23	30,320.25	9,866.94
	Sub Total		59,625.75	33,854.72
	Total Equity and Liabilities		3,67,174.87	3,50,263.82

Material Accounting Policy Information

Notes on Accounts

Notes referred above form an integral part of the Financial Statements

As per our report of even date attached

For Prasad Azad & Co.

Chartered Accountants

Firm Registration Number : 001009N

Sd/-

(K M Azad)

Partner

Membership No. 005125

Place: New Delhi

Date: 16 July, 2024

1

2- 40(liii)

For and on behalf of Board of Directors

Sd/-

(Esha Srivastava)

Director

DIN : 08504560

Sd/-

(Deepak Kumar)

CFO

Place: Delhi

Date: 16 July, 2024

Sd/-

(Lakhpat Rai Jain)

CEO & MD

DIN : 08505199

Sd/-

(Shilpi Mohanty)

Company Secretary

ACS-19333

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2024

CIN:-U63023DL2004GOI126973

Particulars	Note No.	₹ in lakhs	₹ in lakhs
		As at 31 st March, 2024	As at 31 st March, 2023
Revenue			
Revenue from Operations	24	1,047.74	205.81
Other Income (Including O&M Grant)	25	14,532.98	14,966.21
Total Income		15,580.72	15,172.02
Expenses			
Employee Benefits Expense	26	1,254.51	1,230.74
Finance Costs	27	344.93	885.43
Depreciation and Amortization Expenses	28	9,902.36	9,943.14
Other Expenses			
- - Operation & Maintenance (O&M) Expenses	29.1	12,948.46	12,497.86
- - Expenses for Phase II Project	29.2	-	314.15
- - Miscellaneous Expenses	29.3	0.40	2.08
Total Expenses		24,450.66	24,873.40
Profit / (Loss) Before Tax		(8,869.94)	(9,701.38)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
Profit / (Loss) for the year		(8,869.94)	(9,701.38)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)		(8,869.94)	(9,701.38)
Earnings per Equity Share (Par Value of Rs. 10/- each)	30		
(i) Basic		(0.23)	(0.26)
(ii) Diluted		(0.23)	(0.26)

Material Accounting Policy Information

Notes on Accounts

Notes referred above form an integral part of the Financial Statements

As per our report of even date attached

1
2-40(liii)

For and on behalf of Board of Directors

For Prasad Azad & Co.

Chartered Accountants

Firm Registration Number : 001009N

Sd/-

(K M Azad)

Partner

Membership No. 005125

Place: New Delhi

Date: 16 July, 2024

Sd/-

(Esha Srivastava)

Director

DIN : 08504560

Sd/-

(Deepak Kumar)

CFO

Place: Delhi

Date: 16 July, 2024

Sd/-

(Lakhpat Rai Jain)

CEO & MD

DIN : 08505199

Sd/-

(Shilpi Mohanty)

Company Secretary

ACS-19333

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2024
CIN:-U63023DL2004GOI126973

Sr. No.	Particulars	₹ in lakhs	₹ in lakhs
		For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
(A)	CASH FLOW STATEMENT FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Taxation	(8,869.94)	(9,701.38)
	Adjustments for :-		
	Depreciation and Amortization Expenses	9,902.36	9,943.14
	Loss on Write Off of Property, Plant & Equipment	0.35	2.08
	Property, Plant & Equipment charged to expense / Decap	-	21.00
	Property, Plant & Equipment charged to Adjustment / Cap	(2.38)	-
	Profit on Sale of Property, Plant & Equipment	-	(0.01)
	Finance Cost	344.93	885.43
	Interest Income	(401.36)	(907.86)
	Operating Profit Before Working Capital Changes	973.96	242.40
	Adjustments for :-		
	(Increase)/ Decrease in Financial & Other Assets	(30,650.36)	3,647.82
	Increase/(Decrease) in Liabilities & Provisions	21,484.20	(12,232.34)
	Net Increase/(Decrease) in Working Capital	(9,166.16)	(8,584.52)
	Cash Generated from Operations	(8,192.20)	(8,342.12)
	Direct Taxes Paid (Net of Refunds)	(175.28)	(86.11)
	Total Cash Flow from Operation (A)	(8,367.48)	(8,428.23)
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment	(12.28)	(127.86)
	Consideration on sale of Property, Plant & Equipment	-	1.74
	Investment in Fixed Deposits (More than 3 months)	10,248.99	6,844.17
	Interest Received	401.36	907.86
	Net Cash Used in Investing Activities (B)	10,638.07	7,625.91
(C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Grants (Net of Refund) for Phase II from OIDB	298.82	-
	Amortization of Grant from OIDB	-	(314.15)
	Proceeds from Grants from GOI for Land	4,000.00	-
	Finance Cost (Ind AS 116)	(344.93)	(885.43)
	Lease Liabilities (Ind AS 116)	(2.03)	(3.73)
	Net Cash Flow From Financing Activities (C)	3,951.86	(1,203.31)
(D)	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	6,222.45	(2,005.63)
	Opening Balance of Cash & Cash Equivalents	248.76	2,254.39
	Closing Balance of Cash & Cash Equivalents	6,471.21	248.76
	Components of Cash & Cash Equivalents		
	Balance with Banks		
	--In Saving Accounts	5,455.44	197.66
	--In Current Accounts	54.74	51.10
	--In Deposit Accounts		
	-- Fixed Deposits (With Original Maturity upto 3 months)	961.03	-
	--Cash on Hand	-	-
	TOTAL	6,471.21	248.76

Note:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flows.

Material Accounting Policy Information
Notes on Accounts

Notes referred above form an integral part of the Financial Statements
As per our report of even date attached

For Prasad Azad & Co.
Chartered Accountants

Firm Registration Number : 001009N

Sd/-
(K M Azad)
Partner
Membership No. 005125

Place: New Delhi
Date: 16 July, 2024

1
2- 40(liii)

For and on behalf of Board of Directors

Sd/-
(Esha Srivastava)
Director
DIN : 08504560

Sd/-
(Deepak Kumar)
CFO

Place: Delhi
Date: 16 July, 2024

Sd/-
(Lakhpat Rai Jain)
CEO & MD
DIN : 08505199

Sd/-
(Shilpi Mohanty)
Company Secretary
ACS-19333

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2024

a. Equity share capital

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
Balance at the beginning of the reporting period (A)	3,79,005.47	3,79,005.47
Changes in Equity Share Capital due to prior period errors (B)	-	-
Reinstated Balance at the Beginning of the reporting period (C) = (A) + (B)	3,79,005.47	3,79,005.47
Changes in equity share capital during the year (D)	-	-
Balance at the end of the reporting period (E) = (C) + (D)	3,79,005.47	3,79,005.47

b. Other Equity

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
	Retained earnings	
Balance at the beginning of the reporting period (A)	(63,168.45)	(53,467.07)
Changes in accounting policy or prior period errors (B)	-	-
Reinstated balance at the beginning of the reporting period (C) = (A) + (B)	(63,168.45)	(53,467.07)
Transferred to Retained Earnings (D)	(8,869.94)	(9,701.38)
Other comprehensive income for the year (E)	-	-
Balance at the end of the reporting period (G) = (C) + (D) + (E)	(72,038.39)	(63,168.45)

For Prasad Azad & Co.
Chartered Accountants
Firm Registration Number : 001009N

Sd/-
(K M Azad)
Partner
Membership No. 005125

Place: New Delhi
Date: 16 July, 2024

For and on behalf of Board of Directors

Sd/-
(Esha Srivastava)
Director
DIN : 08504560

Sd/-
(Deepak Kumar)
CFO

Place: Delhi
Date: 16 July, 2024

Sd/-
(Lakhpai Rai Jain)
CEO & MD
DIN : 08505199

Sd/-
(Shilpi Mohanty)
Company Secretary
ACS-19333

Notes Forming Part of the Financial Statements

Note No. 2 : Property, Plant and Equipment

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1 st April, 2023	Additions during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31 st March 2024	Depreciation upto 31 st March, 2023	Depreciation for the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31 st March 2024	As at 31 st March, 2024
(a) Buildings	18,447.51	-	-	18,447.51	2,972.06	511.92	-	3,483.98	15,475.45
(b) Roads & culverts	3,165.30	-	-	3,165.30	2,079.91	178.68	-	2,258.59	1,085.39
(c) Plant & Machinery	1,26,738.73	1.90	-	1,26,740.63	30,264.74	5,176.87	-	35,441.61	96,473.99
(d) Caverns	2,02,939.31	-	-	2,02,939.31	19,466.32	3,391.59	-	22,857.91	1,83,472.99
(e) Furniture and Fixtures	169.23	-	-	169.23	97.78	15.02	-	112.80	71.45
(f) Transport Vehicles	151.23	-	-	151.23	89.55	13.96	-	103.51	61.68
(g) Office equipment	474.43	7.06	-	481.49	415.00	13.63	-	428.63	59.43
(h) Computer	1,253.56	3.32	(0.71)	1,256.17	1,085.80	60.84	(0.35)	1,146.29	167.76
(i) Right of Use (Ind AS 116)*	13,270.10	2.38	-	13,272.48	2,031.55	539.85	-	2,571.40	11,238.55
Total	3,66,609.40	14.66	(0.71)	3,66,623.35	58,502.71	9,902.36	(0.35)	68,404.72	3,08,106.69

Previous Year

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1 st April, 2022	Additions during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31 st March, 2023	Depreciation upto 31 st March, 2022	Depreciation for the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31 st March, 2023	As at 31 st March, 2022
(a) Buildings	18,447.51	-	-	18,447.51	2,460.10	511.96	-	2,972.06	15,987.41
(b) Roads & culverts	3,165.30	-	-	3,165.30	1,855.40	224.51	-	2,079.91	1,309.90
(c) Plant & Machinery	1,26,754.35	-	(15.62)	1,26,738.73	24,999.61	5,275.03	(9.90)	30,264.74	1,01,754.74
(d) Caverns	2,02,919.61	19.70	-	2,02,939.31	16,087.84	3,378.48	-	19,466.32	1,86,831.77
(e) Furniture and Fixtures	167.80	1.43	-	169.23	81.82	15.96	-	97.78	85.98
(f) Transport Vehicles	131.41	19.82	-	151.23	73.29	16.26	-	89.55	58.12
(g) Office equipment	456.78	26.09	(8.44)	474.43	402.67	9.03	3.30	415.00	54.11
(h) Computer	1,255.65	11.38	(13.47)	1,253.56	1,012.35	79.53	(6.08)	1,085.80	243.30
(i) Right of Use (Ind AS 116)*	13,270.10	-	-	13,270.10	1,599.17	432.38	-	2,031.55	11,670.93
Total	3,66,568.51	78.42	(37.53)	3,66,609.40	48,572.25	9,943.14	(12.68)	58,502.71	3,17,996.26

*Refer Note No. 31.1 and Accounting Policy No. 1.11

Notes Forming Part of the Financial Statements

Note No. 2.1: Capital Work in Progress

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	-	-
TOTAL	-	-

Note No. 3: Other Intangible assets

Intangible Assets (ROU for Pipeline)

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Gross Block as on beginning of the year	7,150.39	7,100.95
Addition/Transfer from other assets during the year	(0.03)	49.44
Disposal/Deductions/Transfer/Reclassification	-	-
Gross Block as at end of the year	7,150.36	7,150.39
Amortization as at beginning of the year	-	-
Amortization during the year	-	-
Disposal/Deductions/Transfer/Reclassification	-	-
Amortization as at end of the year	-	-
Net Block	7,150.36	7,150.39
Note: ROU for pipeline are acquired on perpetual basis, hence no amortization is being done.		

Note No. 4: Loans

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	-	-
TOTAL	-	-

Note No. 5: Other Financial Assets

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security Deposits	701.30	689.80
Recoverable from Entry Tax, Karnataka (against BG Encashment)	74.64	74.64
Fixed Deposits (With Original Maturity more than one year)* [Includes accrued interest of ₹ 0.34 Lakhs (Previous Year ₹ 422.45 Lakhs)]	2.29	12,432.97
*Refer Note No. 40 (xvi) for details of pledged deposits		
Deposit with High Court Delhi for Arbitration Case of HCC [Refer Note No. 40 (xlii)]	5,000.46	5,000.46
Deposit with Chief Executive Officer, Udupi	-	410.84
Advance to Employees	-	3.06
TOTAL	5,778.69	18,611.77

Note No. 6: Income Tax Assets

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Income Tax Assets (A.Y. 2018-19)	14.16	14.16
Income Tax Assets (A.Y. 2019-20)	15.71	15.71
Income Tax Assets (A.Y. 2020-21)	38.13	38.13
Income Tax Assets (A.Y. 2021-22)	104.01	104.01
Income Tax Assets (A.Y. 2022-23)	728.39	728.39
Income Tax Assets (A.Y. 2023-24)	86.96	86.10
Income Tax Assets (A.Y. 2024-25)	174.41	-
TOTAL	1,161.77	986.50

Note No. 7: Other Non Current Assets

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
<u>(Unsecured considered good at amortized cost)</u>		
Capital Advance to KIADB for Land Acquisition of Phase II project	17,644.84	9,823.55
Capital Advance to MSEZL for Land Acquisition Phase I Extension Land	2,269.39	200.00
Prepaid Expenses	152.37	271.07
TOTAL	20,066.60	10,294.62

Note No. 8: Trade Receivables

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
From Related party		
Secured, Considered Good	-	-
Unsecured, Considered Good	-	-
Doubtful	-	-
From Other		
Secured, Considered Good	-	-
Unsecured, Considered Good	69.59	-
Doubtful	-	-
TOTAL	69.59	-

Trade Receivables ageing schedule

Outstanding for following periods from due date of payment - FY 2023-24

	₹ in lakhs					
Particulars	Less than 6 Months	6 Month - 1 Year	1-2 Year	2-3 year	More than 3 Years	Total
(i) Undisputed Trade Receivables – considered good	69.59	-	-	-	-	69.59
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule
Outstanding for following periods from due date of payment - FY 2022-23

Particulars	₹ in lakhs					Total
	Less than 6 Months	6 Month - 1 Year	1-2 Year	2-3 year	More than 3 Years	
(i) Undisputed Trade Receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note No. 9: Cash & Cash Equivalents

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
Balances with Banks		
In Saving Accounts	5,455.44	197.66
In Current Accounts	54.74	51.10
In Bank Deposits		
Fixed Deposits (With Original Maturity upto three months)	961.03	-
Fixed Deposits (With Original Maturity more than three months but upto one year)	3,816.69	1,635.00
Cash Balances:		
Cash on Hand	-	-
TOTAL	10,287.90	1,883.76

Note No. 10: Bank Balances other than above

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
	-	-
TOTAL	-	-

Note No. 11: Other Financial Assets

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
(Unsecured considered good at amortized cost)		
Receivable From HPCL (O&M Expenses)	631.13	746.46
Receivable From HPCL (Other than O&M)	7.08	1.40
Operating and Other Expenses recoverable from ADNOC	63.41	170.91
Accrued Interest on Security Deposit with electricity companies	28.31	19.35
Travel Advance to employees	-	4.02
Advance to Employees	3.06	5.95
Accrued Income	84.76	170.24
Amount Receivable From OIDB(Pre-Project Expense Phase II)	15.34	314.15
Amount Receivable From GOI (For Phase 1 Extension land)	9,700.95	-
Receivable From GOI/ MoPNG for SKEC-KCT JV Case	11,721.68	-
TOTAL	22,255.72	1,432.48

Note No. 12: Other Current Assets

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 st March, 2024	As at 31 st March, 2023
(Unsecured considered good)		
Expenses Recoverable from OIDB	0.12	0.01
Other receivables	22.28	-
Advances to Supplier	384.58	227.42
Capital Advance to Suppliers	10.97	4.61
Prepaid Expenses	1,144.87	1,197.36
GST Credit Receivable	622.79	368.21
TOTAL	2,185.61	1,797.61

Note No. 13: Share Capital

Particulars	₹ in lakhs		₹ in lakhs	
	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Share Capital				
(a) Authorized				
Equity shares of Rs. 10/- each.	3,832,560,000	3,83,256.00	3,832,560,000	3,83,256.00
(b) Issued, Subscribed and Fully Paid up				
Equity shares of Rs. 10/- each.	3,790,054,670	3,79,005.47	3,790,054,670	3,79,005.47

Notes:
(i) Reconciliation of the number of equity shares:

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Equity shares of Rs. 10/- each		
Opening Balance	3,790,054,670	3,790,054,670
Equity Shares Issued	-	-
Equity Shares bought back	-	-
Closing Balance	3,790,054,670	3,790,054,670

(ii) Shares held by holding company:

Name of shareholders	As at 31 st March, 2024		As at 31 st March, 2023	
	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	3,790,054,670	100%	3,790,054,670	100%
TOTAL	3,790,054,670	100%	3,790,054,670	100%

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

Name of shareholders	As at 31 st March, 2024		As at 31 st March, 2023	
	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	3,790,054,670	100%	3,790,054,670	100%
TOTAL	3,790,054,670	100%	3,790,054,670	100%

(iv) Promoter Shareholding Pattern

Shares held by promoters at the end of the year 2023-24

Promoter Name	No. of shares	% of total shares	% Change during the year
Oil Industry Development Board	3,790,054,670	100%	NIL

Shares held by promoters at the end of the year 2022-23

Promoter Name	No. of shares	% of total shares	% Change during the year
Oil Industry Development Board	3,790,054,670	100%	NIL

(v) Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 each and is entitled to one vote per share. In the event of liquidation of the company, 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.

(vi) For the period of preceding five years as on the Balance Sheet date, the :

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

NOTE NO. 14: Other Equity

Particulars	₹ in lakhs As at 31 st March, 2024	₹ in lakhs As at 31 st March, 2023
Balance of Retained Earnings:		
Balance Loss brought forward from Last Year's Accounts	(63,168.45)	(53,467.07)
Changes in Accounting Policy or Prior Period Errors	-	-
Stamp Duty on Equity Share Issued	-	-
Profit/(Loss) for the year	(8,869.94)	(9,701.38)
TOTAL	(72,038.39)	(63,168.45)

NOTE NO. 15: Lease Liabilities

Particulars	₹ in lakhs As at 31 st March, 2024	₹ in lakhs As at 31 st March, 2023
Lease Liabilities	552.31	554.71
TOTAL	552.31	554.71

NOTE NO. 16: Other Financial Liabilities

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deposits/ Retention from Suppliers/ Contractors	22.28	17.37
TOTAL	22.28	17.37

NOTE NO. 17: Provisions

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provisions for Employee Benefits		
(a) Leave Encashment	2.23	-
(b) Gratuity	5.22	-
TOTAL	7.45	-

NOTE NO. 18: Borrowings

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	-	-
TOTAL	-	-

NOTE NO. 19: Lease Liabilities

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Lease Liabilities	4.15	3.77
TOTAL	4.15	3.77

NOTE NO. 20: Trade Payables

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
i) Total Outstanding dues of Micro Enterprises and Small Enterprises	346.95	204.41
ii) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,812.49	1,687.20
TOTAL	2,159.44	1,891.61

Trade Payables ageing schedule
Outstanding for following periods from due date of payment - FY 2023-24

Particulars					₹ in lakhs
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	346.95	-	-	-	346.95
(ii) Others	1,779.38	33.04	0.07	-	1,812.49
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule
Outstanding for following periods from due date of payment - FY 2023-24

Particulars					₹ in lakhs
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	204.41	-	-	-	204.41
(ii) Others	1,687.06	-	0.14	-	1,687.20
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

	₹ in lakhs	₹ in lakhs
Details relating to Micro, Small and Medium Enterprises	2023-24	2022-23
(a) Amount due remaining unpaid to any supplier at the end of each accounting year;		
Principal	346.95	203.96
Interest	-	0.45
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	0.45
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

NOTE NO. 21: Other Financial Liabilities

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Others		
Funds From MOPNG for Purchase of MSEZL Land	4,000.00	-
Funds From GOI / MoPNG Phase II	21,000.00	21,000.00
Advance Received from GOI / MoPNG against O&M Expenses for Phase I	1,058.19	106.14
Deposits from Suppliers/ Contractors	1,082.85	986.26
TOTAL	27,141.04	22,092.40

NOTE NO. 22: Provisions

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provisions for Employee Benefits		
(a) Leave Encashment	0.79	-
(b) Gratuity	0.08	-
TOTAL	0.87	-

NOTE NO. 23: Other Current Liabilities

	₹ in lakhs	₹ in lakhs
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory Dues	131.25	119.09
Fund from GOI / MoPNG for deposit with High Court Delhi for Arbitration Case of HCC [Refer Note No. 40(xlii)]	5,000.46	5,000.46
Payable to GOI / MoPNG (AP GST)	406.25	150.58
Payable to GOI / MoPNG (Padur GST)	199.19	140.68
Payable to GOI / MoPNG (Interest on Grant/Other Fund and TDS thereon)	2,261.76	2,013.55
Payable to HPCL Vizag	97.28	97.28
Fund from GOI / MoPNG for deposit with Udupi Zilla Panchayat for legal case	-	410.84
Amount Payable to MSEZL for Phase-1 Ext Land	9,700.95	-
Amount payable to SLAO Mangalore for Pipeline compensation of ROU	49.41	49.44
Amount payable to GOI / MoPNG against O&M Expense for Phase I	651.22	1,701.50
O&M Expenses Payable to GOI (ADNOC Expense)	63.41	170.91
O&M Expenses Payable to GOI (SD/ADVANCE)	11.50	-
Amount payable to Contract / MSEZL for TCS on rock sale	13.28	-
Payable to SKEC-KCTJV Against Legal Award	11,721.68	-
Others	12.61	12.61
TOTAL	30,320.25	9,866.94

NOTE NO. 24: Revenue from Operation

Particulars	₹ in lakhs	₹ in lakhs
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Export of Service		
Operating income from ADNOC - unbilled Income	-	170.24
Domestic Revenue		
Leasing / Renting of Caverns	893.54	-
Pumping Charges for Leasing / Renting (including unbilled Income of Rs.25.68 Lakhs (Previous year: NIL))	96.15	-
Operating income from MRPL (including unbilled Income of Rs.57.84 Lakhs (Previous year: NIL))	58.05	35.57
TOTAL	1,047.74	205.81

NOTE NO. 25: Other Income (Including O&M Grant)

Particulars	₹ in lakhs	₹ in lakhs
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
O&M Grant from GOI	13,076.14	12,914.20
Reimburesment of Expenses	945.90	823.68
Interest on Security Deposits with Electricity Companies	31.46	21.51
Interest on Bank Deposits	369.04	886.34
Amortization of Grant from OIDB (Phase II)	-	314.15
Profit on Sale of Property, Plant & Equipment	-	0.01
Income from Rock sale	108.36	6.31
Interest on Income Tax Refund	0.86	0.01
Exchange Fluctuations	1.22	-
TOTAL	14,532.98	14,966.21

NOTE NO. 26: Employee Benefit Expenses

Particulars	₹ in lakhs	₹ in lakhs
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries & Wages	1,229.95	1,180.53
Contribution to Provident and other funds	24.56	50.21
Staff Welfare Expenses*	-	-
TOTAL	1,254.51	1,230.74

*Staff welfare expenses are included in O&M expenses under note no. 29.1

Note No. 27: Finance Cost

Particulars	₹ in lakhs	₹ in lakhs
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest on Lease Liabilities (Ind AS 116)	41.59	41.12
Other Interest Expense	303.34	844.31
TOTAL	344.93	885.43

Note No. 28: Depreciation and Amortization Expenses

	₹ in lakhs	₹ in lakhs
Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation	9,362.51	9,510.76
Amortization of Lease Rental (Leasehold Land)	539.85	432.38
TOTAL	9,902.36	9,943.14

NOTE NO. 29.1: Operation & Maintenance (O&M) Expenses

	₹ in lakhs	₹ in lakhs
Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
<u>O & M Expenses</u>		
Consumable Expense	277.75	167.08
Insurance Premium	3,832.50	3,890.66
Lease Rent Charges	242.17	282.80
Operating Cost	211.72	216.47
Repairs & Maintenance	982.43	565.54
Bank Charges	0.16	-
Festivals Expenses	5.99	6.10
Legal expenses	214.30	753.29
Office expenses	87.25	67.03
Expense for HCC Arbitration case Vizag (Refer Note No. 40(xliii))	-	22.96
Stationery expenses	5.22	3.23
Telephone Expenses	23.02	24.53
Tours & Training	12.24	23.20
Vehicle hire exp.	137.25	138.40
Electricity Charges	1,629.17	1,394.54
House Keeping Charges	105.63	103.52
Manpower Contractual & Other	2,063.36	1,992.73
MSEZL O&M Expense	202.51	237.87
Periodical Statutory Expense	218.10	152.52
Security Charges	1,962.44	1,911.41
Wharfage/ Surveyor Charges	27.20	210.28
Green Belt Development	49.16	42.70
HO Expenses	293.70	291.00
Pre Projects Expenses (PFR/DFR)-New Projects	365.19	-
TOTAL	12,948.46	12,497.86

NOTE NO. 29.2: Expenses for Phase II Project

	₹ in lakhs	₹ in lakhs
Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Detailed Feasibility Report (DFR) Expenses for Phase II	-	314.15
TOTAL	-	314.15

NOTE NO. 29.3: MISCELLANEOUS EXPENSES

	₹ in lakhs	₹ in lakhs
Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Bank Charges	0.05	-
Loss on Write Off of Property, Plant & Equipment	0.35	2.08
TOTAL	0.40	2.08

NOTE 30: Disclosure of EPS under Indian Accounting Standard - 33

		₹ in lakhs	₹ in lakhs
Note	Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2023
(i)	Earnings per share		
	<u>Basic</u>		
	Profit/ (Loss) for the year attributable to the equity shareholders	(8,869.94)	(9,701.38)
	Weighted Average number of equity shares Outstanding	3,790,054,670	3,790,054,670
	Par value per share	10.00	10.00
	Loss per share from continuing operations - Basic	(0.23)	(0.26)
(ii)	<u>Diluted</u>		
	Profit/ (Loss) for the year attributable to the equity shareholders	(8,869.94)	(9,701.38)
	Weighted Average number of equity shares Outstanding- For Diluted	3,790,054,670	3,790,054,670
	Par value per share	10.00	10.00
	Loss per share, from continuing operations - Diluted	(0.23)	(0.26)

NOTE NO. 31: LEASES, COMMITMENTS AND CONTINGENCIES

31.1

Leases

(A)

As Lessee

(i)

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rule, 2019 and Companies (Indian Accounting Standards) Second Amendment Rule, 2019 has notified IND AS 116 Leases which replaces the existing lease IND AS 17 Lease and other interpretations. IND AS 116 introduces a balance sheet lease accounting module for Leases.

Effective 1st April, 2019, the Company has adopted IND AS 116 to its leases using modified retrospective transitions method. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognized in the balance sheet before the date of initial application, if any. The company has adopted OIBD's (being 100% shareholder) interest rate for April 2019. Further, the Company has exercised the following expedient:-

i.

Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases on 31st March, 2019 as per IND AS 17.

ii.

Treated as leases under IND AS 116 and not applying the standard to contracts that were not previously identified as containing a lease applying IND AS 17.

iii.

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

The Company has entered into lease arrangements related to land. There is no sale and lease back transactions arrangement under the reporting period.

Details of significant leases for Leasehold Lands are as under:-

(a)

Arrangement with Vishakhapatnam Port Trust for a period of 30 Years (upto 14.05.2038) for 37 acres of land at Vishakhapatnam (also Refer Note No. 40(xvii)).

(b)

Arrangement with Mangalore Special Economic Zone for a period of 50 Years (upto 26.01.2060) for 104.73 acres of land at Mangalore including green belt area of 33.0066 acre (Refer Note No. 40(xvii)).

(c)

Arrangement with Karnataka Industrial Areas Development Board (KIADB) for a period of 20 years (101.815 acre upto 28.05.2030 & 36.775 acre upto 18.12.2031) towards 138.57 acres of land at Padur.

(d)

Arrangement with Karnataka Industrial Areas Development Board (KIADB) for a period of 15 years (upto 14.11.2032) towards 37.35 acres of land at Padur.

(ii)

Amount recognized in the statement of Profit and Loss Account or Carrying Amount of Right of Use:

	₹ in lakhs	
	2023-24	2022-23
-Prepaid Lease Rental capitalised as Right of Use	NA	NA
- Increase of Right of Use and Lease Obligation	2.38	NIL
- Depreciation Recognized on increased Right of Use	15.74	15.11
- Depreciation Recognized on Prepaid Lease Rental	524.11	417.27
- Interest on Lease Obligation	41.59	41.08
- Incremental Borrowing Rate	7.94%	7.94%
- Lease Rental Payment	45.08	44.85

The Details of Right of Use included in PPE held as leases by class of underlying assets is presented below:

	₹ in lakhs		
Asset Class	Gross Block as on 31 st March, 2024	Accumulated Depreciation Upto 31 st March, 2024	Net Carrying Value as on 31 st March, 2024
Right of Use	13272.48	2571.40	10701.08

Gross Block as on 31st March, 2024 includes operating leases entered before 01st April, 2019 on net carrying value of ₹ 12698.11 Lakhs which had been reclassified to Right to Use as on 01st April, 2019 (on implementation of Ind AS 116).

Details of item of future cash outflows which the company is exposed as lease but are not reflected in the measurements of lease liabilities are as under:

(a)

Variable Lease Payments

Variable lease payments that depends on an index or a rate to be included in the measurement of lease liability although not paid at the commencement date . As per general industry practice, the company incurs various variable lease payment which are not based any index or rate (variable based on KMS covered or % of sales etc.) and are recognized in profit or loss and not included in the measurement of lease liability.

(b)

Extension and Termination Options

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

(iii)

Residual value Guarantees

There are no Residual value guarantees.

(iv)

Committed lease which are yet to commence

There is MOU signed with MSEZL for acquisition of 154.90 acre of land (28.11 Acre for Green Belt and 126.79 Acre leasable area) for phase 1 extension at Mangalore. After making required payment and possession of land, lease will commence.

(v)

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

(vi)

Application of this standard has resulted a net increase in loss before Tax for the year by ₹ 11.33 Lakhs (Previous Year :- ₹ 11.38 Lakhs) i.e. increase in Depreciation & Amortization expenses and Finance cost by ₹ 57.33 Lakhs (Previous Year ₹ 56.19 Lakhs) respectively and Increase in Other Income by ₹ 46.00 Lakhs (Previous Year ₹ 44.85 Lakhs).

(B)

As Lessor

Operating Lease

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

	₹ in lakhs	
Particular	2023-24	2022-23
Lease rentals recognized as income during the year		
- Variable lease	893.54	-
- Others	-	-

These relate to 0.30 MMT capacity of Cavern A at Vishakhapatnam Location to HPCL for storage of their crude oil with first right of withdrawal with GOI in case of oil shortage event.

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

	₹ in lakhs	
Particular	2023-24	2022-23
Less than one year	4,450.67	-
One to two years	4,450.67	-
Two to Three years	3,553.35	-
Three to Four years	-	-
Four to Five years	-	-
More than Five years	-	-
Total	12,454.68	-

31.2	Contingent Liabilities, Contingent Assets and Commitments (to the extent not provided for)
	Particulars
	(A) Contingent Liabilities
	Claims against the company not acknowledged as debts amounting to ₹ 60,833.70 lakhs (Previous Year : ₹ 93,414.56 lakhs) comprising of -
	a) Disputed Demand of Royalty by Department Of Mines and Geology at Vizag ₹ 11,795.03 Lakhs (Previous Year : ₹ 11,795.03 Lakhs)
	b) Disputed claims by the contractors for ₹ 48,564.00 Lakhs (Previous Year : ₹ 80,752.13 Lakhs) rejected by EIL on account of projects undertaken on various sites for which cases are pending before the Arbitral Tribunal/ High Court.
	c) Disputed demands of Entry Tax ₹74.64 Lakhs (Previous Year : ₹ 74.64 Lakhs). The Company has availed Kar Samadhan Scheme promulgated by Government of Karnataka for resolution of dispute of Entry Tax. As per Company there is no liability and the Company has filed writ petition against the coercive recovery of ₹74.64 lakhs toward entry tax and the matter is pending before Honorable Karnataka High Court.
	d) Disputed demands by Panchayat Development Officer (Padur) ₹ NIL (Previous Year : ₹410.84 Lakhs) on account of building, land and misc taxes for which the case is pending before appellate authority.
	e) Disputed demands with respect to pipeline ROU at Mangalore ₹22.73 Lakhs (Previous Year : 381.58 Lakhs) for which the cases are pending before District Court, Mangalore.
	f) Notices / intimations provided by GST authority amounting to ₹ 119.15 Lakhs (Previous Year : NIL) for liability on RCM basis for amount of royalty deposited by contractor with Department of Mines and Geology on behalf of ISPRL for the period from FY 2017-18 to FY 2022-23. ISPRL has filed a writ petition before Honorable High Court of Karnataka on 06.11.2023 for quashing the erroneous demand raised by GST authority for FY 2017-18 and FY 2018-19. The Honourable High Court has given stay for adjudication of demand vide order dated 27.11.2023. For FY 2019-20 to 2022-23, reply has been filed to Department that since High Court has accepted writ petition filed by ISPRL and has ordered stay for adjudication for similar SCNs issued for FY 2017-18 and 2018-19, adjudication of show cause notices issued for FY 2019-20 to 2022-23 may kept in abeyance till the disposal of Writ Petition by Honorable High Court for FY 2017-18 and 2018-19.
	g) Appeal filed before CIT(Appeal) for demand raised by Assessing officer u/s 143(3) / 154 of the Income tax Act, 1961 for A.Y. 2018-19 & 2022-23 ₹ 258.15 Lakhs (Previous Year : ₹0.34 Lakhs)
	(B) Contingent Assets -
	₹ 126.79 Lakhs (Previous Year : ₹ NIL) towards arbitration award in favor of ISPRL in case of IL & FS Engineering & Construction Company Limited with regard to Contract of Pipeline Laying from LFP to Mangalore / PadurCavern via Intermediate Valve Station (IVS). Arbitration award has not been challenged by other party till date.
	(C) Capital Commitments
	1. Estimated amount of contracts remaining to be executed on capital account and not provided for Phase 1 extension land at Mangalore ₹ 11,803.41 lakhs (Previous Year : 22,950.38 lakhs)
	2. Final gazette notification for land acquisition for 214.79 acre land at Padur has been issued by Government of Karnataka on 22 nd Feb., 2023. Amount of ₹ 17,644.84 Lakhs has been incurred toward acquisition of land from KIADB till 31 st March, 2024. Capital Commitment on account of payment for rehabilitation to land owners and any other amount will arise after decision of Rehabilitation committee.
	3. Other capital commitment for purchase of capital items (net of advances) ₹ 0.03 Lakhs (Previous Year: 0.01 Lakhs)
	(D) Other Commitments: Details complied by the company of its contractual obligations towards material contracts for ₹ 3,710.69 Lakhs (Previous Year : ₹ 544.21 Lakhs).

NOTE NO. 32: Related Party Transactions:-

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 company	Oil Industry Development Board (OIDB) holding 100% equity in the Company
Key Management Personnel (KMP)	1. Shri L. R. Jain, CEO & MD, ISPRL 2. Shri HPS Ahuja, CEO & MD, ISPRL (till 01.06.2022) 3. Shri G. K. Singh, CFO, ISPRL (till 04.05.2024) 4. Shri Ajay Dashore, Dy CEO / CFO [(Add. Charge) (from 15.05.2024 to 09.06.2024)] and CEO & MD [(Add. Charge) (from 17.06.2022 to 30.10.2022)] 5. Shri Deepak Kumar, CFO, ISPRL (from 10.06.2024) 6. Shri Arun Talwar, Company Secretary, ISPRL (till 15.05.2023) 7. Ms. Shilpi Mohanty, Company Secretary, ISPRL (from 06.06.2023)
	Board of Directors (Ex-Officio) 1. Shri Pankaj Jain, Chairman 2. Shri Praveen M. Khanooja, Director 3. Ms. Kamini Chauhan Ratan, Director 4. Ms. Esha Srivastava, Director 5. Ms. Varsha Sinha, Director 6. Ms. Yatinder Prasad, Director (from 11.10.2022 till 21.11.2022) 7. Shri Gudey Srinivas, Director (till 26.09.2022) 8. Dr. Navneet Mohan Kothari, Director (till 30.11.2022)

(i) Key Management Personnel

	₹ in lakhs	
Remunerations	For the year ending on 31 st March, 2024	For the year ending on 31 st March, 2023
CEO & MD*#	82.18	83.98
CFO *	91.32	84.77
Company Secretary *	82.25	85.56
Total	255.75	254.31

*As per debit notes received from respective parent company.

The above amount doesn't include perquisite value of NIL (Previous Year :Rs. 0.86 Lakhs) as per Income tax act with respect to Property, Plant & Equipment transferred during the year.

Sale consideration from Property, Plant & Equipment	For the year ending on 31 st March, 2024	For the year ending on 31 st March, 2023
Shri HPS Ahuja	NA	2.04
Total	NA	2.04

Transfer of Property, Plant & Equipment	For the year ending on 31 st March, 2024	For the year ending on 31 st March, 2023**
Shri HPS Ahuja	NA	0.79
Ms. Yatinder Prasad	NA	0.66
Total	NA	1.45

**Amount of WDV as per books on the date of transfer of asset.

(ii) Holding company (OIDB)

	₹ in lakhs	
	For the year ending on 31 st March, 2024	For the year ending on 31 st March, 2023
Reimbursement of expenses	18.20	25.20
Grant for Phase II expenditures (Received during the year)	350.00	NIL
Grant for Phase II expenditures (Receivable)	15.34	314.15
Expenditure incurred on behalf of OIDB	0.12	0.25
Return of unutilized grant for Phase II	51.19	NIL

Balances outstanding with related parties:

	₹ in lakhs	
	For the year ending on 31 st March, 2024	For the year ending on 31 st March, 2023
(i) Key Management Personnel		
TDS on Salary recoverable from Shri L. R. Jain, CEO & MD, ISPRL	NIL	0.63
(ii) Holding company (OIDB)		
Recoverable from OIDB for expenditure incurred on their behalf	0.12	0.01
Payable to OIDB for Reimbursement of expenses	18.20	25.20
Grant receivable for Phase II	15.34	314.15

Note: As per legal opinion obtained by the Company, Oil Industry Development Board (OIDB) and Government of India / MoPNG are not 'Related Party' covered under Section 2(76) of the Companies Act, 2013. Accordingly, related compliances, if any, are not required to be done by the Company for transactions undertaken with them.

NOTE NO. 33: Segment Reporting

- Company is creating storage assets for sovereign reserves of crude oil for the Government of India and is also maintaining such assets. This is considered to constitute one single primary segment.
- Geographical information is not applicable as all operations of the Company are within India.

NOTE NO. 34: Financial Instruments
Financial instruments by category

- 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.
- 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.
- Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.

NOTE NO. 35: 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. O&M expenses of the company are met with GBS hence it is not exposed to any material 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.

4) 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 31st March, 2024.

					₹ in lakhs
Particulars	Less than 1 year	1-2 years	2-4 years	More than 4 Years	Total
Borrowings	-	-	-	-	-
Trade payables	2,159.44	-	-	-	2,159.44
Other financial liabilities	27,141.04	17.45	4.83	-	27,163.32
TOTAL	29,300.48	17.45	4.83	-	29,322.76

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2023:

Particulars	₹ in lakhs				
	Less than 1 year	1-2 years	2-4 years	More than 4 Years	Total
Borrowings	-	-	-	-	-
Trade payables	1,891.61	-	-	-	1,891.61
Other financial liabilities	22,092.40	17.10	0.27	-	22,109.77
TOTAL	23,984.01	17.10	0.27	-	24,001.38

NOTE NO. 36: Capital Management

For the purpose of the Company's capital management.

Under Phase I: 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 maximize the shareholder value.

Under Phase I extension: Capital for Land Acquisition for Phase 1 extension at Mangalore will be managed through GBS from GOI / MoPNG.

Under Phase II Project: Capital for Land Acquisition are being managed through GBS from GOI / MoPNG.

NOTE NO. 37: Payment in Foreign Currency (Equivalent INR)

Particulars	₹ in lakhs	
	For the year ending 31 st March, 2024	For the year ending 31 st March, 2023
Travelling	NIL	6.72
Payment for Goods and Services	NIL	4,775.67
TOTAL	0.00	4782.39

NOTE NO. 38: Receipts in foreign currency (Equivalent INR)

Particulars	₹ in lakhs	
	For the year ending 31 st March, 2024	For the year ending 31 st March, 2023
Receipt from ADNOC	302.85	1,454.56
Refund of Travelling Advance	0.86	NIL
TOTAL	303.71	1454.56

NOTE NO. 39: Employee Benefits Disclosure

(i) Gratuity Disclosure Statement as per Indian Accounting Standard 19 (Ind AS 19)

A. Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Period	As on: 31-03-2024	As on: 31-03-2023
Discount rate	7.25 % per annum	7.50 % per annum
Salary Growth Rate	12.00 % per annum	10.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	7.25% per annum	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

B. Benefits valued:

Period	As on: 31.03.2024	As on: 31.03.2023
Normal Retirement Age	60 Years	60 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	₹ 25,00,000	₹20,00,000

C. Key results

Period	As on: 31.03.2024	As on: 31.03.2023
Present value of obligation at the end of the period	₹ 21,12,602	₹ 9,24,256
Fair value of plan assets at the end of period	₹ 15,82,938	₹ 12,14,340
Net liability/ (asset) recognized in Balance sheet and related analysis	₹ 5,29,664	(₹ 2,90,084)
Funded Status - Surplus / (Deficit)	(₹ 5,29,664)	₹ 2,90,084

D. Bifurcation of net Liability

Period	As on: 31.03.2024	As on: 31.03.2023
Current Liability (Short Term)	₹ 7,948	0
Non Current Liability (Long Term)	₹ 5,21,716	0
Total Liability	₹ 5,29,664	0

(ii) Leave Disclosure Statement as per Indian Accounting Standard 19 (Ind AS 19)**A. Actuarial assumptions provided by the company and employed for the calculations are tabulated:**

Period	As on: 31.03.2024	As on: 31.03.2023
Discount rate	7.25 % per annum	7.50 % per annum
Salary Growth Rate	12.00 % per annum	10.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	7.25% per annum	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

B. Benefits valued:

Period	As on: 31.03.2024	As on: 31.03.2023
Normal Retirement Age	60 Years	60 Years
Salary	As per rules of the company	As per rules of the company
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.
Benefit on early exit	As above, subject to rules of the company.	As above, subject to rules of the company.
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.

C. Key results

Period	As on: 31.03.2024	As on: 31.03.2023
Present value of obligation at the end of the period	₹ 31,90,374	₹ 14,96,467
Fair value of plan assets at the end of period	₹ 28,88,017	₹ 21,34,663
Net liability/ (asset) recognized in Balance sheet and related analysis	₹ 3,02,357	(₹ 6,38,196)
Funded Status - Surplus / (Deficit)	(₹ 3,02,357)	₹ 6,38,196

D. Bifurcation of net Liability

Period	As on: 31.03.2024	As on: 31.03.2023
Current Liability (Short Term)	₹ 79,498	0
Non Current Liability (Long Term)	₹ 2,22,859	0
Total Liability	₹ 3,02,357	0

NOTE NO. 40: Other Notes
40. Others Notes
i) Cases settled under Vivad se Vishwas:-

The company had availed the benefit under Vivad se Vishwas Act, 2020 for financial year 2012-13 to 2016-17 and tax of ₹ 663.47 lakhs has been paid in earlier years. The demand has been settled and Form-5 has been issued by department, consequently all the cases have been closed. Letter giving effect of Form 5 is awaited from competent authority.

For AY 2016-17 and AY 2017-18, aggregate demand of Rs. 1.03 crore is reflecting on Income Tax Site which is neither enforceable nor correct in light of Form 5 issued by department which in itself concludes the matter and no further action or demand can be held by the department.

ii) The Sovereign Crude Oil Reserves have been kept at three sites Padur, Mangalore and Visakhapatnam of the company as a custodian on behalf of Government of India. Cavern B at Visakhapatnam is used by HPCL for its operation and property in crude oil is purely owned by HPCL. Cavern A at Mangalore is used by ADNOC for storage of its own Crude Oil under agreement with ISPRIL and property in crude oil is purely owned by ADNOC (except dead stock which is owned by GOI).

Company has entered into agreement with HPCL for renting / leasing of 0.30 MMT capacity of Cavern A at Vishakhapatnam Location to HPCL and crude oil stored by HPCL is the property of HPCL with first right of withdrawal with GOI in case of oil shortage event.

Company has obtained Expert Advisory Opinion from ICAI regarding accounting of Sovereign Crude oil. In line with opinion received from ICAI and as intimated to Audit committee & Board, accounting of sovereign crude oil is not being done in financial statements of the company and only disclosure of the Sovereign Crude Oil Inventory is being done in Notes to Accounts (Refer Note No. 1.1).

GOVERNMENT OF INDIA- CRUDE OIL

Particulars	31 st March, 2024 (Qty. in MT)	31 st March, 2023 (Qty. in MT)
Opening Stock of Crude Oil (As per Surveyor Report) (a)	30,16,903.67	30,10,938.75
Add:- Procured during the year :		
As per Bill of lading (b)	-	-
Actual as per Surveyor Report (c)	-	-
Add:- Dead Stock in Cavern A at Mangalore (d)	-	3,394.63
Less:- Sale/Transferred during the year (e)	98,795.44	-
Net Quantity as per actual as on close of the year (a+c+d)-(e)	29,18,108.23	30,14,333.38
Total quantity under Custody as at close of the year (As per Surveyor Report) (including deadstock of 3,394.63 MT in Cavern A at Mangalore)	29,20,002.98	30,16,903.67

ADNOC- CRUDE OIL

Particulars	31 st March, 2024 (Qty. in MT)	31 st March, 2023 (Qty. in MT)
Opening Stock of Crude Oil (As per Surveyor Report) (a)	4,21,775.48	3,512.61
Add:- Procured during the year		
As per Bill of lading (b)	-	4,33,099.00
Actual as per Surveyor Report (c)	-	4,22,602.24
Less:- Dead Stock in Carvern A at Mangalore (d)	-	3,394.63
Less:- Transfer by ADNOC during the year (e)	-	-
Net Quantity as per actual as on close of the year (a+c)-(d+e)	4,21,775.48	4,22,720.22
Total quantity under Custody as at close of the year (As per Surveyor Report) (Excluding dead stock of 3,394.63 MT)	4,21,588.49	4,21,775.48

Note : Losses are within the acceptable industry norms.

Particulars	₹ in lakhs	
	2023-24	2022-23
PAYABLE TO GOI / MOPNG (CRUDE OIL GRANT)		
Payable/Refundable to GOI / MoPNG as at beginning of the period	84.61	84.61
Add:- Amount received for Crude Oil during the year	-	-
Add:- Interest, other receipts and adjustments	-	-
Less:- Crude Oil Procured (Net of Transfer) (Including Clearing and Other Expenses) during the year	-	-
Less:- Amount refunded to GOI / MoPNG	-	-
Payable/Refundable to GOI / MoPNG as at end of the period	84.61	84.61
Note : The amount of Payable/Refundable to GOI / MoPNG as at 31 st March, 2023 & 31 st March, 2024 represents TDS receivable from Income Tax Department.		

- iii) Till FY 2022-23, Company was presenting O&M grant and its related expenses on netting off basis on the face of Statement of Profit and Loss of the Company. Company has obtained Expert Advisory Opinion from ICAI regarding accounting / presentation of O&M grant. In line with opinion received from ICAI and approval from Audit committee & Board, the Company is showing O&M grant and related expense / utilization as Income and expenses of the Company from FY 2023-24 onwards (with corresponding amounts re-grouped for the FY 2022-23).

iv) **(A) Phase II:**

On 8th July, 2021, the GOI had approved development of Commercial cum Strategic Petroleum Reserves under Phase II at Chandikhol, Odisha (4 MMT) and Padur II, Karnataka (2.5 MMT) and dedicated SPMs and associated pipelines on Design, Built, Finance, Operate and Transfer (DBFOT) basis under PPP mode. Land acquisition process is in progress and is given below:-

Status of land acquisition:

Padur:

- ISPRIL submitted applications to KIADB for acquisition / allocation of land at Padur in Nov 2020. Final gazette notification for 214.79 Acres Padur land was issued by KIADB on 22nd Feb., 2023. Total payment of INR 176.44 Crore has been made to KIADB till 31.03.2024 based on demand notes after fixing of the land rate (including other incidental charges) and compensation towards forest, horticulture and permanent structure on land.
- KIADB in consultation with DC, Udupi is in the process of finalization of R&R package to land owners.

Chandikhol:

- Application for 400 Acres of land at Chandikhol, District Jajpur, Odisha was submitted to Govt. of Odisha in September 2019. Govt of Odisha while considering our application for land allotment for the Chandikhol Project has advised ISPRIL in December 2022 to explore alternate sites for construction of SPR's.

- ISPRL engaged EIL to identify alternate site in Odisha. Subsequently after desktop studies by EIL, a joint visit was carried out to evaluate the alternate sites. EIL has submitted their report on 6th July, 2023 to ISPRL recommending an alternate site for carrying out feasibility studies. Further a team from ASI Puri circle is in the process of carrying out archological survey at the alternate site near Majhi Pada.
- After clearance from the Archaeological department, ISPRL shall submit a request to Govt. of Odisha for their in-principle approval for the project before commencing geotechnical survey, etc.

(B) Phase I Extension:-

1. In an endeavor to explore additional capacity, ISPRL discussed with MSEZL and MSEZL offered 154.90 acre of land (126.79 acre is leasable land and remaining 28.11 acre is to be maintained as green belt) to ISPRL on payment of one time non-refundable lease premium of Rs. 226.94 crores and annual lease rental premium of Rs 60,000/- per acre per year.
 2. The Delegated Investment Board (DIB) approval dated 17th February, 2023 has been conveyed to ISPRL vide OM number IC22011/6/2017-IC-2 dated 22nd February, 2023. Communication for approval of approving authority has been received on 26th June, 2023.
 3. ISPRL has signed MOU with MSEZL on 17.03.2023 for allotment of 154.90 acre of land on lease basis at Mangalore and has paid ₹ 22.69 crore to MSEZL (being 10% of one time non-refundable lease premium) till 31.03.2024.
 4. ISPRL has appointed EIL as project consultant for pre project studies for Mangalore project under Phase-I extension. The DFR is under preparation by M/S EIL. Based on DFR, proposal for construction of additional caverns at Mangalore will be put up to Cabinet for necessary approvals.
 5. The work of Geotechnical investigation and contour surveys has been awarded to M/s Soiltech (India) Pvt. Ltd and M/s Xplorer Consultancy Services Pvt. Ltd respectively.
- v) At Mangalore site of ISPRL, there are 2 caverns namely cavern A & B. For Cavern "A", a tripartite agreement for Oil storage and management was signed on 10.02.2018 with Abu Dhabi National Oil Company and ADNOC Marketing International (India) RSC Limited (AMI India). As per the agreement, value of 1,20,000 US barrels (15831 MT) was to be paid to AMI India(ADNOC) towards dead stock loss/commissioning loss and the GOI / MoPNG had allocated ₹ 7,000 lakhs for reimbursement of dead stock. On an actual evacuation of product, the dead stock/commissioning loss is determined to be 75,923 barrels against estimated 1,20,000 barrels due to operational efficiency and a side letter to the original agreement to this effect has been signed on dated 18.04.2022. Payment for 75,923 barrels amounting to ₹ 4,776.01 lakhs has been made on 15.06.2022 by the company to ADNOC and remaining balance of ₹ 2,223.99 lakhs has been returned to MoPNG during FY 2022-23.

The Parties acknowledge and agree that ISPRL, will, at all times, continue to retain an ownership interest in the AMI India (ADNOC) oil equal to the Dead Stock quantity of 3,394.63 MT(25,781 barrels). Ownership of dead stock rests with Government of India.

Provision for liability, if any, towards the storage loss and operational loss relating to agreement with AMI India (ADNOC) will be made after quantification by parties to the agreement. No loss has been quantified during the year.

- vi) As on 31st March, 2024, the Company's day to day work is handled by 16 personnel on deputation from various oil companies and CEO&MD appointed by the Board. In addition, the company has 12 employees on regular rolls of ISPRL on OIDB Pay scales. The process of formulation of Employee Policies for regular employees of ISPRL is under finalization.
- vii) 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 NIL (Previous Year-Rs. NIL).
- viii) During FY 2021-22, cabinet has allowed ISPRL for commercialization of facilities and crude oil in following manner:-
 - a. Leasing / Renting of 30% of overall storage capacity to Indian or foreign companies. and
 - b. Sale / Purchase of 20% of overall storage capacity of crude oil to Indian companies.
 - c. Remaining 50% of overall storage capacity will remain strategic .

As per cabinet approval release of commercial stock through leasing renting upto 30% and sale purchase of crude oil upto 20% would be handled by a Management committee as determined by ISPRL's Board from time to time. The authority for release of stock in the strategic portion of 50% of crude oil will continue to vest with the inter-ministerial Empowered committee.

The proceeds from sale of crude oil for 30 % storage capacity which is to be leased out shall be returned to Government of India. Also, Sale / Purchase of sovereign crude oil is not recognized in Statement of Profit and Loss account of the

Company (Refer Note No. 1.1). The revenue from sale of 20% crude oil would form part of income of ISPRL.

Company has entered into agreement with HPCL for renting / leasing of 0.30 MMT capacity of Cavern A at Vishakapatnam Location to HPCL w.e.f 19th January, 2024.

ISPRL has sold 1.298 MMT Sovereign crude oil till 31st March, 2024 from 30% capacity and returned the proceeds to GOI / MoPNG. Out of Sovereign crude oil sold, 0.099 MMT of Sovereign Crude oil is sold during the current year.

Details of Sovereign Crude oil Sales and Payments	₹ in lakhs
Amount payable to GOI / MoPNG as on 31 st March, 2023 (TDS deducted by oil companies on crude sales)	491.72
Add: Realization received during the year out of sale made during the year	46,091.07
Less: Amount Adjusted for custom duty paid by HPCL on bonded stock of ISPRL	15.44
Less : Amount refunded to the GOI / MoPNG during the year	46,029.54
Amount payable to GOI / MoPNG as on 31 st March, 2024 (TDS deducted by oil companies on crude sales)	537.81
"Note : Amount of Rs. 3.76 Lakhs on account of TDS deducted by oil company on pumping charges till 31 st March, 2023. No pumping charge on crude oil sale is received / recivable during the current year and accordingly amount of Rs. 3.76 lakhs is payable to GOI / MoPNG as on 31 st March, 2024.	

- ix) Rocks excavated from Mangalore and Padur are lying at sites. E-auction for Rock Debris at Padur was conducted through Mineral State Trading Corporation (MSTC). The successful bidder has quoted price of ₹ 106 /MT for lifting 2 lakh MT and ₹ 108/MT for 10 lakh MT of Rock debris from Padur. Out of these tenders, 85,582.67 MT quantity of Rock has been sold till 31.03.2024 (i.e. 5,882.22 MT till 31.03.2023 and 79,700.45 MT during the current year).

As per Minutes of Meeting dated 22.03.2012 with MSEZL, value generated from sale of rock debris will be shared by ISPRL and MSEZL in ratio of 50:50. During the year, MSEZL informed that 37,449.95 MT quantity of Rock has been sold by them at Managlore location and 50% of sale proceed of Rs. 22,28,272/- has been shared with ISPRL.

- x) **Reconciliation of Expenses (as per Note No. 26 & 29.1)**

	₹ in lakhs	
	2023-24	2022-23
O&M Expenditure Claimed from GOI / MoPNG during the year (as per UC)	14,341.38	15,667.90
Less:- O& M Expenditure booked in previous year but claimed during the year	1,770.06	3,413.65
Add:- O&M Expenditure for the period not claimed during the year, to be claimed	2,139.35	1,791.10
Less:- O&M Expenditure Extra Claimed/ Prepaid Expenses (Net of Previous Year)	461.70	271.89
Less:- Lease charges account as per IndAS 116	46.00	44.85
Expenditure debited to Statement of Profit and Loss during the year (Note No. 26 & 29.1)	14,202.97	13,728.60

- xi) **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.

- xii) Dues to Micro Enterprises and Small Enterprises have been determined as ₹ 346.95 lakhs as on 31st March, 2024 (Previous year ₹ 204.41 Lakhs) 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'.
- xiii) Amount payable / recoverable from Vendors/Contractors/service providers are subject to confirmation, reconciliation and consequential adjustments thereof, if any.
- xiv) All consumables/stores/spares parts are booked in O&M expenses at the time of purchases.

- xv) a) Royalty payment on rock removal from Mangalore SEZ/Padur is to be borne by MSEZL/Contractor appointed by MSEZL or ISPRL.
- b) Tax collected at source (TCS) appearing in Form 26AS of the company is being paid by contractor i.e. Purchaser of Rock (using PAN number of ISPRL) at Mangalore and Padur to the Income Tax Authorities on the Royalty amount paid to Department of Mines and Geology. Credit of TCS is taken by ISPRL basis 26AS and corresponding payable is created in the name of MSEZL/Contractor. The amount will be refunded to MSEZL/Contractor on claim by them, if any, only on receipt of refund of TCS from Income Tax Authorities.
- c) As per MSEZL contract with Contractor, any statutory payment on account of rock removal is to be borne by Contractor. Further, in case contractor fails to deposit any statutory payment, the liability of same would arise on MSEZL as per section 30 of SEZ Act, 2005 and there will be no liability on ISPRL on account of any default on payment of custom duty by Contractor / MSEZL. Matter for payment of custom duty on removal of Rock from Mangalore SEZ area to Domestic Tariff Area (DTA) is under litigation.
- xvi) a. The company has given BG of ₹ 50,000/- (Previous year : ₹ 50,000/-) in favor of ACCT, LGSTO-260 (GST Authorities) for obtaining KST/CST Registration Certificate from Commercial Tax Office. The BG was given against FD pledged by company amounting to ₹ 50,000/-.
- b. The company has pledged FD of ₹ 1,45,000/- (Previous year : ₹ 1,45,000/-) in favor of Deputy Director, DMG, Mangalore towards financial assurance related to stone mines contract.
- c. Bond Cum Legal undertaking has been given by ISPRL to Development Commissioner, MSEZ Mangalore amounting to ₹ 100.80 crore (Previous year : ₹ 100.80 crore) with respect to benefits of exemptions, drawback, cess and concessions availed on account of goods and services in terms of provisions of rule 25 of Special Economic Zones Rules 2006.
- xvii) (A) Total land of 104.73 acre was allocated by MSEZL to ISPRL consist of following:-
- (i) 67.0134 acre land for processing area with in SEZ.
- (ii) 33.0066 acre land for green belt development with in SEZ.
- (iii) 4.71 acre of land for setting up Booster pumping station outside SEZ.
- Out of total land as mentioned above, 33.0066 acre was handed over by MSEZL free of cost for development of green belt. However, Annual rent is payable for total land handed over to ISPRL (i.e. 104.73 acre)
- (B) License/ permission to Build and maintain Underground rock Cavern (URC) oil storage facility under the surface of 30 acre land situated at Dolphin Hill area at or near Vishakhapatnam was provided by Eastern Naval Command (ENC) at token amount of Rs. 1.00 per annum for a period of 99 years vide MOU dated 01st May, 2007 between ENC and ISPRL.
- The ownership and possession of the land and its surface and aerial right of land remains with ENC. No right, title or interest in land is conveyed to ISPRL.
- xviii) As required under additional information pertaining to general instructions for preparation of statement of Profit & loss (Given in the schedule III of companies Act, 2013) related to expenditure incurred for audit and other items are as follows:

	₹ in lakhs	
	2023-24	2022-23
<u>Payment to Statutory Auditor</u>		
Audit Fees (Incl. GST)	2.09	2.09
Certification (Incl. GST)	NIL	0.59
Out of Pocket Expenses	0.21	0.20
<u>Payment to Internal Auditor</u>		
Audit Fees (Incl. GST)	0.23	0.23
Other Services	1.07	2.24
<u>Payment to Secretarial Auditor</u>		
Audit Fees	0.10	0.10

xix) Title deeds of Immovable Property not held in name of the Company -

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ In Lakhs)	Title/Lease deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Right of Use (Ind AS 116)	Leasehold Land at Mangalore Special Economic Zone (104.73 Acres)	8492.5	Indian Strategic Petroleum Reserves Limited	No	Date of allotment letter are as follows : a. for 100.02 acres date is 23.11.2009 b. for 4.71 acres date is 11.04.2018 Possession till date is 26 th January, 2060.	Lease Deed is in the name of company but not yet registered. Vide letter date 06 th April, 2023 from Directorate of Industries and Commerce, ISPRL has obtained 100% stamp duty exemption certificate for lease deed registration with MSEZL. ISPRL has obtained form 9 and 11 from Permude and Bala panchayath by paying fees to panchayaths. The Khata certificate has been obtained from Bajpe town panchayat by paying property tax and Khata Fees. MSEZL has applied to Jokatte grama panchayat for Form 9 and 11 and waiting for panchayat demand note for the payment of the 9 and 11 fees from the panchayat office.

xx) Valuation of PP&E, intangible asset and investment property -

The company has not revalued its Property, Plant and Equipment during the year.

xxi) Loans from Banks or Financial Institutions -

The company has not received any borrowings from banks or financial institutions during the year.

xxii) Capital-Work-in Progress (CWIP) -

There is no capital work in progress as on 31.03.2024

xxiii) Intangible assets under development -

There are no intangible assets under development as on 31.03.2024

xxiv) Details of Benami Property held -

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

xxv) Loans and advance on security of current assets -

There are no loans and advances on security of current assets as on 31.03.2024.

xxvi) Willful Defaulter -

Company has not been declared Willful defaulter by any bank or financial institution or government or any government authority.

xxvii) Registration of charges or satisfaction with Registrar of Companies -

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xxviii) Compliance with number of layers of companies -

The company is 100% subsidiary of OIDB and further company doesn't have any subsidiary hence compliance prescribed under the Companies Act, 2013 is not applicable on the company.

xxix) Compliance with approved scheme(s) of arrangements -

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

xxx) Utilization of borrowed funds and share premium -

A. The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- directly or indirectly lends or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provides any guarantee, security or the like on behalf of the ultimate beneficiaries.

xxxii) Undisclosed income -

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

xxxiii) Corporate Social Responsibility (CSR) -

The company has not incurred any CSR Expenditure during the year, since was not required as per rules.

xxxiii) Details of Crypto currency or Virtual currency -

The company has not traded or invested in crypto currency or virtual currency during the year.

xxxiv) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

Repayable on demand or without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors	NIL	NIL
KMPs	NIL	NIL
Related Parties	NIL	NIL

xxxv) Details of transactions with Companies Struck off u/s 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956 –

				₹ in Lakhs
Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2024	Balance outstanding as on 31.3.2023	Relationship with the Struck off company if any, to be disclosed
	Investments in securities	NIL	NIL	NA
	Receivables	NIL	NIL	NA
	Payables	NIL	NIL	NA
	Shares held by struck off company	NIL	NIL	NA
	Other outstanding balances (to be specified)	NIL	NIL	NA

xxxvi) FINANCIAL RATIOS

S. No.	Ratio	Numerator	Denominator	31 st March, 2024	31 st March, 2023	% Variance	Reasons
a)	Current Ratio (in times)	Current Assets	Current Liabilities	0.58	0.15	286.37%	1. Due to receipt of Capital grant of Rs. 40 crore from GOI on 31.03.2024, it has resulted in increase in bank balance which has further resulted in increase in Current assets. 2. There is increase in short term FD (till 1 year) amounting to Rs. 31.43 crores during the current year as compared to Last year.
(b)	Debt-Equity Ratio (in times)	Total Debts	Shareholder's Equity	NIL	NIL	NIL	
(c)	Debt Service Coverage Ratio (in times)	Earnings available for Debt Service	Debt Service	NIL	NIL	NIL	
(d)	Return on Equity Ratio (ROE) (in %)	Net Profit after Tax	Average Shareholders' Equity	-2.85%	-3.03%	-5.84%	
(e)	Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	NIL	NIL	NIL	
(f)	Trade Receivables turnover ratio (in times)	Net Credit Sales	Average Accounts Receivables	3,011.26	NIL	100.00%	Renting / Leasing Income started from Current year.
(g)	Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	7.01	8.22	-14.70%	
(h)	Net capital turnover ratio (in times)	Net Sales	Working Capital	-0.04	-0.01	489.34%	Renting / Leasing Income started from Current year resulted in Increase in Net sales.
(i)	Net profit ratio (in %)	Net Profit after Tax	Net Sales	-846.58%	-4713.80%	-82.04%	Renting / Leasing Income started from Current year resulted in Increase in Net sales.
(j)	Return on Capital employed (in %)	Earnings before Interest and Taxes	Capital Employed	-3.07%	-3.26%	-5.94%	
(k)	Return on investment (in %)	Income generated from Investments	Average Invested Funds	3.92%	5.07%	-22.73%	
Note 1. Above ratios have been disclosed to the extent applicable to the company since operating on behalf of Government of India to enhance energy security operations.							

xxxvii) Impairment of Asset -

In compliance of IND AS 36 "Impairment of Asset", the company has reviewed the assets at year end for indication of impairment loss, if any, as per accounting policy of the company. As there is no indication of impairment, no impairment loss has been recognized during the year.

xxxviii) In the opinion of the management, the value of assets other than Property, Plant and Equipment and Other Intangible assets, on realization in ordinary course of Business, will not be less than the value at which these are stated in the Balance Sheet.

xxxix) The company does not have any long term contracts including derivative contracts for which there could be any material foreseeable losses.

xi) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

xli) Company has obtained Expert Advisory Opinion from ICAI regarding accounting / presentation of O&M grant. In line with opinion received from ICAI, during the year Company has changed the method of presentation of O&M grant received from GOI, reimbursement of expenses and Interest income on bank deposits on behalf of GOI by showing the same as Income and Expenses on the face of Statement of Profit and Loss of the company for the year instead of showing net-off from O&M expenses till last year. This change in presentation has resulted in increase in "Other Income" by ₹ 14,325.39 Lakhs (Previous Year: ₹ 14,582.19 Lakhs), increase in "Expenses" by ₹ 14,325.39 Lakhs (Previous year: ₹ 14,582.19 Lakhs) with net impact on the Statement of Profit and Loss of the Company during being ₹ NIL (Previous Year: ₹ NIL) due to change in presentation method.

xlii) The company has deposited out of funds provided by MoPNG amounting to ₹ 5000.46 Lakhs as pre-deposit with Registrar General, High Court, New Delhi for appeal filed against arbitration award in case of HCC Arbitration Case, Padur. The amount is returnable to MoPNG from earnings of ISPRL from commercialization of Phase I.

xliii) The Arbitration award in case of Hindustan Construction Co. (HCC) V/s ISPRL has been awarded by Arbitrator on 26th April, 2022 at New Delhi. The company has accepted the arbitration award and deposited the amount of ₹ 1887.04 lakhs with High Court on 11th October, 2022 after receipt of O&M Grant from MoPNG.

xliv) Company has acquired 179.2 acre of land at Padur out of which 175.92 acre of land at Padur has been registered in the name of ISPRL. Company is unable to register the remaining land being a forest land and transfer is not allowed by Government of Karnataka.

xlv) Manpower expenses for phase II has been charged to O&M grant with the approval of competent authority.

xlvi) The company has fixed a limit of ₹15 Crores on aggregate basis for adjustment/rectification of prior period items of the previous years for preparation of INDAS compliant financial statements.

xlvii) The amendment in Article of Association (AoA) of the Company to change the status of the Company from Public Limited and Government Company to a Public Limited Company and wholly owned subsidiary of Oil Industry Development Board have been consented by the Board subject to approval of the Shareholders. Necessary amendment will be done in AoA after approval of Shareholders.

xlviii) The O&M expenditure incurred in Note No. 29.1 of the Statement of Profit & Loss is shown inclusive of Goods & Services Tax (GST) thereon of ₹ 5.32 Crore (Previous year: ₹ 2.03 Crore), for which ITC has been availed for the States of Andhra Pradesh (Vizag) and Karnataka (Padur). Further, since out of O&M grant received, amount equivalent to O&M expenditure incurred (in Note 29.1) is taken to Other Income in the Statement of Profit & Loss under Note No. 25 is inclusive of amount of ITC availed of ₹ 5.32 Crore during the year (Previous year: ₹ 2.03 Crore) with a corresponding credit as Payable to GOI under head Other Current Liabilities in Note No. 23, its net impact on the Statement of Profit & Loss is NIL (Previous year: NIL).

- xlix) Liability of Goods and Services Tax (GST) is not required to be provided on un-billed revenue at the year end, since as per provisions of the CGST/SGST/IGST Act 2017, liability of GST on this accrued un-billed revenue becomes due at the time of billing only (i.e. in the next Financial Year). Moreover, in opinion of the management this non provision of GST does not have any impact on the profit/loss for the year, as such accrued un-billed revenue has duly been accounted in the year itself.
- l) a. During the year due to heavy rainfall and land slide near village Bala (chainage ~2 KM) there was a exposure of 42" crude pipeline in the ROU area of ISPRL for almost 100 meters length for which necessary precautionary actions were taken to address the emergency situation. Intimation for the incident has been made to New India Insurance company limited on 07th July 2023. Expenses incurred amounting to Rs. 6.45 crore (approx.) for the emergency precautionary actions has been intimated to Insurance sureyor vide e-mail dated 27th June, 2024. Final claim is yet to be submitted to the surveyor.
- b. The above restored ROU (42"pipeline) area near Bala (chainage 2) is damaged again due to heavy rains in the early hours of 27th June, 2024. Intimation for the incident has been made to New India Insurance company limited on 01st July, 2024."
- li) Company has received the judgment of High Court of Delhi dated 22.05.2024 in OMP No-217 of 2022 and 238 of 2022 filed by Company against arbitral award cases of M/s SKEC-KCT Joint Venture for Contract of Civil underground rock cavern for storage of crude oil at Mangalore and Padur, Karnataka. As per the order Hon'ble Delhi High Court preferred not to interfere with the Awards passed by Ld Arbitrator. Accordingly, amount of ₹ 117.22 crores payable to M/s SKEC-KCT JV (including interest upto 31.03.2024) has been shown as 'Payable to SKEC-KCTJV Against Legal Award' in Note No. 23 (Other Current Liability), with corresponding amount as 'Receivable From GOI/ MoPNG for SKEC-KCT JV Case' in Note No. 11 (Other Financial Assets).
- lii) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure and figures have been rounded off nearest to lakhs.
- liii) The financial statements have been approved by the Board of Directors on 16th July, 2024.

For Prasad Azad & Co.
Chartered Accountants
Firm Registration Number : 001009N

Sd/-
(K M Azad)
Partner
Membership No. 005125

Place: New Delhi
Date: 16 July, 2024

For and on behalf of Board of Directors

Sd/-
(Esha Srivastava)
Director
DIN : 08504560

Sd/-
(Deepak Kumar)
CFO

Place: Delhi
Date: 16 July, 2024

Sd/-
(Lakshpat Rai Jain)
CEO & MD
DIN : 08505199

Sd/-
(Shilpi Mohanty)
Company Secretary
ACS-19333

Note No. 1: Material Accounting Policy Information

Corporate Information and Material Accounting Policy Information

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), an unlisted 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 main objects of the Company are:-

1. To store core critical sovereign reserve of crude oil of the Government of India or crude oil of such other entity as Government of India may decide, subject to and in compliance 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 reserves of crude oil of Government of India may also drawn for crude circulation on account of quality requirement or repair and maintenance.

2. To lease/rent of 30% overall oil storage capacity of caverns to Indian or foreign companies with the condition that in case of any exigency, the GOI will have the first right on the entire crude oil stored in the caverns.
3. To sale/purchase of 20% overall oil storage capacity of caverns to Indian companies.
4. 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, contracts wharfingers, warehouseman, producers, dealers of Oil and Oil products, gas and gas products, petroleum and petroleum products, fuels, spirits, chemicals, liquid of all types and kinds and the compounds, derivatives, mixtures, preparations and products thereof.

1A: MATERIAL ACCOUNTING POLICY INFORMATION

1.1 Basis of Preparation of Financial Statements

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

The Financial Statements have been prepared on a going concern basis following accrual system of accounting. The company has adopted the historical cost basis for assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of respective transactions.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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.

Judgment made by the management in process of applying the company's accounting policies with regard to application of IndAS 115 for Sovereign Crude oil;

Company is purchasing, storing and selling Sovereign Crude oil on behalf of Government of India. The Company does not have ownership and control over the crude oil before it is transferred to buyer and Company is acting only as an agent and not as principal in respect of sovereign crude oil for the purpose of accounting under Ind AS 115 and performance obligation of the company is to manage the procurement, storage and sale of sovereign crude oil on behalf of Government of India rather than purchasing, storing and selling sovereign crude oil on its own behalf.

Accordingly, sovereign crude oil is not recognized as "inventory" by the company in its books of account and Sale of Sovereign crude oil is not presented as revenue in its Statement of Profit and Loss of the Company. Correspondingly, Company is not recognizing Sovereign Crude oil's purchases/ cost of goods sold in its Statement of Profit and Loss and only disclosure of Quantity of sovereign crude oil purchased, sold and stored in Company's caverns is given in Notes to Accounts in Note no. 40(ii).

1.2 Current and non-current classification –

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:-

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

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has ascertained its normal operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Revenue Recognition

Measurement of Revenue

Revenue from contracts with customers is recognized when control of the goods are transferred or services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

Sale of Products

Revenue from sale of products is recognized at the point of time when control of the products is transferred to the customer, generally on delivery of the products. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., Freight and Incentive schemes). In determining the transaction price for the sale of products, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF (Cost Insurance Freight) contracts, the revenue is recognized when the goods reached at final destination. For contracts that are FOB (Free on Board) contracts, revenue is recognized when company delivers the goods to an independent carrier.

Revenue from operating services

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Leasing/Rental income from cavern is recognized as income on accrual basis.

Other Income

Dividend, Other income and Other claims including Insurance Claims are accounted for when there is virtual certainty of ultimate collection.

Interest Income

Interest income is recognized on accrual basis using the Effective Interest Rate (EIR) method

1.4 Property, Plant and Equipment & Intangible Assets:

- i) Properties, Plant & Equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of Property, Plant and Equipment includes cost of acquisition and directly attributable cost for bringing the Property, Plant and Equipment 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.

1.5 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) Property, Plant and Equipment individually costing up to Rs. 5,000/- are not being capitalized and directly forms part of revenue expense / O&M expense 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.
- iv) Right of use (ROU) with definite useful lives is amortized over the period of lease.

1.6 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. An impairment loss is recognized in the statement of profit and loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the assets.

1.7 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.

1.8 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.

1.9 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 deductible temporary differences can be utilized.

1.10 Grants

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

Grant relating to Income (Revenue Grants)

Revenue grants are recognized in Statement of Profit and Loss as “Other Income” on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate.

Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets and land on lease, the cost of the assets is shown at gross value and grant thereon is treated as Deferred Income which are recognized as “Other Income” usually in the statement of Profit or loss over the period and in the proportion in which depreciation/ amortization is charged.

In case of grants relating to non-depreciable assets, the cost of assets is shown at gross value and grant thereon is treated as Deferred Income which are recognized as “Other Income” usually in the statement of Profit or loss over the period that bear the cost of meeting the obligations under the terms of the grant such as over the life of the caverns created on the land acquired out of capital grant.

Grant from Shareholders

Revenue grants received from Shareholder are recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

In case of grants relating to depreciable assets and land on lease, the cost of the assets is shown at gross value and grant thereon is treated as Deferred Income which are recognized as “Other Income” usually in the statement of Profit or loss over the period and in the proportion in which depreciation/ amortization is charged.

In case of grants relating to non-depreciable assets, the cost of assets is shown at gross value and grant thereon is treated as Deferred Income which are recognized as “Other Income” usually in the statement of Profit or loss over the period that bear the cost of meeting the obligations under the terms of the grant.

Other Grants

Financial Support for Viability Gap Funding (VGF) can be either in the form of Capital Grant or Operational Revenue Grant depending upon the scheme for financial support of the project. VGF is recognized in the books of accounts as per the scheme either as Revenue or Capital as described above.

Benefit on account of any Interest Subvention scheme can be either loan for capital expenditure or Revenue expenditure. The same will be recognized in the books of accounts as per the use of fund either as Revenue or Capital.

1.11 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The

Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Company as a Lessee

- a) The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- b) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.
- c) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, holding company's incremental borrowing rate. Generally, the company uses its holding company's incremental borrowing rate as the discount rate.
- d) Lease payments included in the measurement of the lease liability comprise the following:
 - Fixed payments, including in-substance fixed payments;
 - Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
 - Amounts expected to be payable under a residual value guarantee; and
 - The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.
- e) The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.
- f) When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short Term Leases and Leases of Low Value Assets

The company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term upto 12 months. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease as per IND AS. For

operating leases, rental income is recognized as per agreed terms of the lease. A lessor initially measures a finance lease receivable at the present value of the future lease payments plus any unguaranteed residual value accruing to the lessor. The lessor discounts these amounts using the rate implicit in the lease or, if that rate cannot be readily determined, holding company's incremental borrowing rate. Generally, the company uses its holding company's incremental borrowing rate as the discount rate.

1.12 Employee benefits

- **Short-term obligations**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the employees render the related services are recognised in the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

- **Defined Contribution Plans**

Company's contribution paid/payable during the year to national pension scheme (NPS) fund are recognized as an employee benefit expense as operation and maintenance expense recoverable / recovered from GOI / MoP&NG under 'O & M Expense'.

- **Defined benefit plans**

The liability recognized in respect of gratuity is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method. Re-measurement comprising actuarial gains and losses and return on plan assets (excluding net interest) are recognized as operation and maintenance expense recoverable / recovered from GOI / MoP&NG under 'O & M Expense'.

- **Leave Encashment & Compensated absences**

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured annually by the actuary at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. Actuarial gains and losses are recognised as operation and maintenance expense recoverable / recovered from GOI / MoP&NG under 'O & M Expense' when they occur.

1.13 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 are not recognized and is disclosed, where an inflow of economic benefit is probable.

1.14 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 equities 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.

1.15 Inventory

Inventory of crude oil is valued at cost determined on 'First in First Out' basis or net realizable value, whichever is lower. Cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventory to the present location and condition.

1.16 Head Office Expenses Allocation

The head office expenses are allocated equally among all commissioned units/sites.

1B: Recent Amendments in Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) notifies new standard or amendment to the existing standards. On 31st March, 2023, vide Notification G.S.R 242(E) dated 31st March, 2023, modifications in existing standards have been notified which are applicable from 01st April, 2023. These notified amendments don't have any significant impact on the financial statements of the Company for the year 2023-24.

Further, during the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

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 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 of 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 Gazette, 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. (Revised rate 20% ad valorem w.e.f. 01.03.2016).

- (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.

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