



# OIL INDUSTRY DEVELOPMENT BOARD

MINISTRY OF PETROLEUM & NATURAL GAS  
Government of India

**ANNUAL REPORT**  
**2019-20**



## CONTENTS

Members of the Board	02
Officers/Bankers/Auditors of the Board	04
Aims & Objectives	05
CHAPTER - 01	06
Organisational set up and functions	
CHAPTER - 02	11
Financial Assistance : Loans to Oil Concerns	
CHAPTER – 03	25
Financial Assistance : Grants to Regular Grantee Organisations	
CHAPTER - 04	48
Financial Assistance : R&D and other Grants	
CHAPTER – 05	51
OIDB's Contribution to Energy Security	
CHAPTER – 06	55
Other Initiatives / Activities	
CHAPTER – 07	61
Annual Accounts 2019-20	
CHAPTER – 08	86
Audit Report of the Comptroller & Auditor General of India	
CHAPTER - 09	100
Annual Report & Accounts of Indian Strategic Petroleum Reserves Limited (ISPRL)	
CHAPTER - 10	167
Appendices	

## MEMBERS OF THE BOARD

(During the period under Report)

### CHAIRMAN



**Dr. M.M. Kutty**  
Secretary, Ministry of Petroleum  
& Natural Gas

### MEMBERS



**Sh. P. Raghavendra Rao**  
Secretary, Department of  
Chemicals & Petrochemicals



**Shri Rajiv Bansal**  
Additional Secretary & F.A.  
Ministry of Petroleum & Natural Gas  
(up to 16.12.2019)



**Shri Rajesh Aggarwal**  
Additional Secretary & F.A.  
Ministry of Petroleum & Natural Gas  
(from 18.12.2019)



**Shri Pramod Kumar Das**  
Additional Secretary  
Department of Expenditure  
(upto 25.10.2019)



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



**Shri V.P. Joy**  
Director General  
Directorate General of  
Hydrocarbons  
(upto 31.12.2019)



**Shri S.C.L. Das**  
Director General  
Directorate General of  
Hydrocarbons  
(from 31.12.2019)



**Shri Sanjiv Singh**  
Chairman  
Indian Oil Corporation Ltd.



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



**Shri B.C. Tripathi**  
Chairman & Managing Director  
GAIL (India) Ltd.  
(upto 31.07.2019)



**Shri Manoj Jain**  
Chairman & Managing Director  
GAIL (India) Ltd.  
(from 14.02.2020)



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



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



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



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

## MEMBER SECRETARY



**Shri Diwakar Nath Misra**  
Secretary  
Oil Industry Development Board  
(upto 11.09.2019)



**Shri Niranjan Kumar Singh**  
Secretary  
Oil Industry Development Board  
(from 09.12.2019 onwards)

## OFFICERS/BANKERS/AUDITORS OF THE BOARD

(DURING THE PERIOD UNDER REPORT)

Secretary	Shri Diwakar Nath Mishra (up to 11.09.2019) Dr. Niranjan Kumar Singh (from 09.12.2019 onwards)
FA&CAO	Shri Gautam Sen
Bankers	i) State Bank of India ii) Oriental Bank of Commerce iii) Corporation Bank iv) Indian Overseas Bank
Auditors	Principal Director of Commercial Audit, Mumbai
Registered Office of the Board	Oil Industry Development Board 301, World Trade Centre Babar Road, New Delhi-110001
Secretariat	Oil Industry Development Board OIDB Bhawan, Plot No. 2, 3rd Floor, Sector -73, NOIDA- 201 301 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 of O I D B



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

# Chapter 01

## Organisational set up & Functions



## 1. Introduction

1.1 The Oil Industry (Development) Act, 1974 was enacted following successive and steep increase in the international prices of crude oil and petroleum products since 1973, when the need for progressive self-reliance in petroleum and petroleum based industrial raw materials assumed importance. The following objects were included in the statement of Objects and Reasons of the Oil Industry (Development) Bill, 1974:

- The programs for securing self-reliance in petroleum & petroleum based raw materials should be rapidly stepped up.
- Necessary resources for execution of such programs must be assured.
- For these purposes cess to be levied on crude oil and natural gas to create an Oil Industry (Development) Fund.
- The fund would be used exclusively to provide financial assistance to the organizations engaged in development programs of oil industry.

1.2 The Act provides for the establishment of a Board for the development of oil industry and for that purpose to levy duty of excise on crude oil and natural gas and for matters connected therewith.

## 2. Organizational set up and Functions of the Board

2.1 The Oil Industry Development Board was established on 13th January 1975 and is functioning under the administrative control of Ministry of Petroleum and Natural Gas, Government of India. The Board comprises of a Chairman who is appointed by the Government and the following members:

- i. Not more than three members to be appointed by the Central Government to represent the Ministry or Ministries of the Central Government dealing with petroleum and chemicals.
- ii. Two members to be appointed by the Central Government to represent the Ministry of the Central Government dealing with finance.
- iii. Not more than five members to be appointed by the Central Government to represent the Corporations, being Corporations owned or controlled by the Central Government engaged in activities as envisaged under the Oil Industry (Development) Act 1974.
- iv. Two members of whom one shall be appointed by the Central Government from amongst persons who, in the opinion of that Government have special knowledge or experience of oil industry and the other shall be appointed by that Government to represent labour employed in the oil industry
- v. The Secretary to the Board is the ex- officio member.

2.2 The Oil Industry Development Board has been set up to provide financial and other assistance for the promotion of all such measures as are, in its opinion, conducive to the development of oil industry. As per the provisions of Section 6 of Oil Industry (Development) Act, 1974, the Board may render assistance for the following purposes:

- a) Prospecting for and exploration of mineral oil within or outside India;
- b) The establishment of facilities for production, handling, storage and transportation of crude oil;
- c) Refining and marketing of petroleum and petroleum products;
- d) The manufacture and marketing of petro chemicals and fertilizers;
- e) Scientific, technological and economic indirectly useful to oil industry;





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

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

- 3.1 Section 15 of the Oil Industry (Development) Act, 1974 provides for collection of cess as a duty of excise on indigenous crude oil and natural gas. The cess on crude oil has been levied/revised by Government as duty of excise on 'indigenous crude oil produced in India (including the continental shelf thereof), from time to time, at the following rates:

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 The 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.11825.89 crore as on 31st March, 2020 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.2,23,576.92 crore in 2019-20. 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 OI DB is shown in the following table:

**Statement of cess collection by Central Government  
& its allocation to OI DB since inception till 31.03.2020**

(Rs./crore)

Sl.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OI DB by
1	1974-75	30.82	16.01
2	1975-76	50.05	62.27
3	1976-77	52.88	48.19
4	1977-78	63.72	50.10
5	1978-79	68.89	20.00
6	1979-80	69.70	140.00
7	1980-81	60.40	25.01
8	1981-82	138.97	142.92
9	1982-83	268.83	100.00
10	1983-84	812.80	-
11	1984-85	850.12	-
12	1985-86	897.66	-
13	1986-87	981.50	-
14	1987-88	1806.60	-
15	1988-89	2013.64	63.09
16	1989-90	2914.57	50.00
17	1990-91	2785.15	89.81
18	1991-92	2500.64	95.00
19	1992-93	2207.61	-
20	1993-94	2175.46	-
21	1994-95	2566.16	-
22	1995-96	2819.52	-
23	1996-97	2558.03	-
24	1997-98	2528.74	-
25	1998-99	2448.18	-
26	1999-00	2589.44	-
27	2000-01	2582.21	-
28	2001-02	2722.79	-



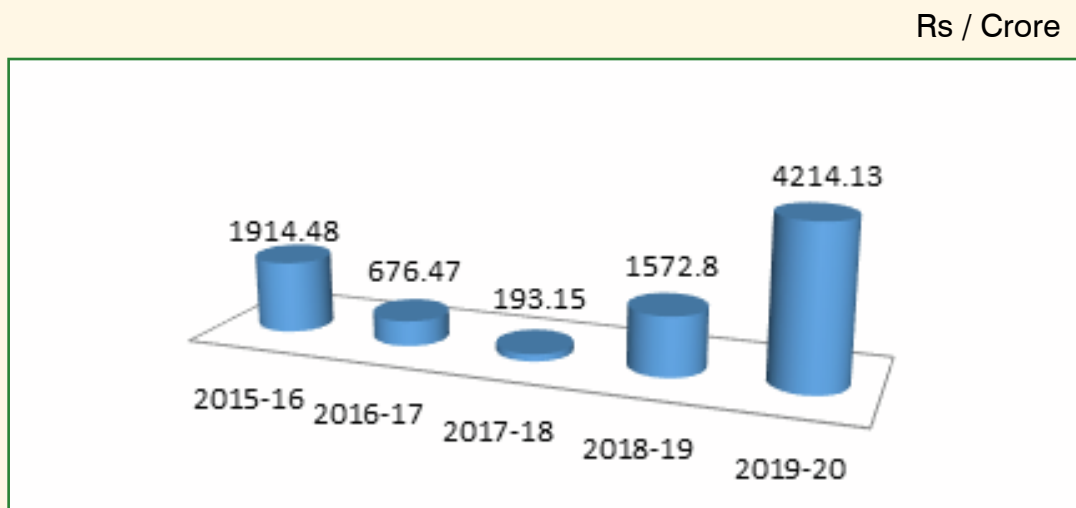
Sl.No.	Year	Collection of cess on crude oil by Govt.	Payment made to OIDB by
29	2002-03	4873.17	-
30	2003-04	4919.49	-
31	2004-05	5033.97	-
32	2005-06	4857.58	-
33	2006-07	6875.53	-
34	2007-08	6854.00	-
35	2008-09	6680.94	-
36	2009-10	6637.13	-
37	2010-11	7671.44	-
38	2011-12	8065.46	-
39	2012-13	14473.16	-
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	-
	<b>Total</b>	<b>2,23,576.92</b>	<b>902.40</b>

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

## Chapter 02

# Financial Assistance: Loans to Oil Concerns

1. OIDB has been providing loans to oil and gas PSUs ever since its creation in 1974-75. The 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 2015-16 to 2019-20 is shown in the following graph:



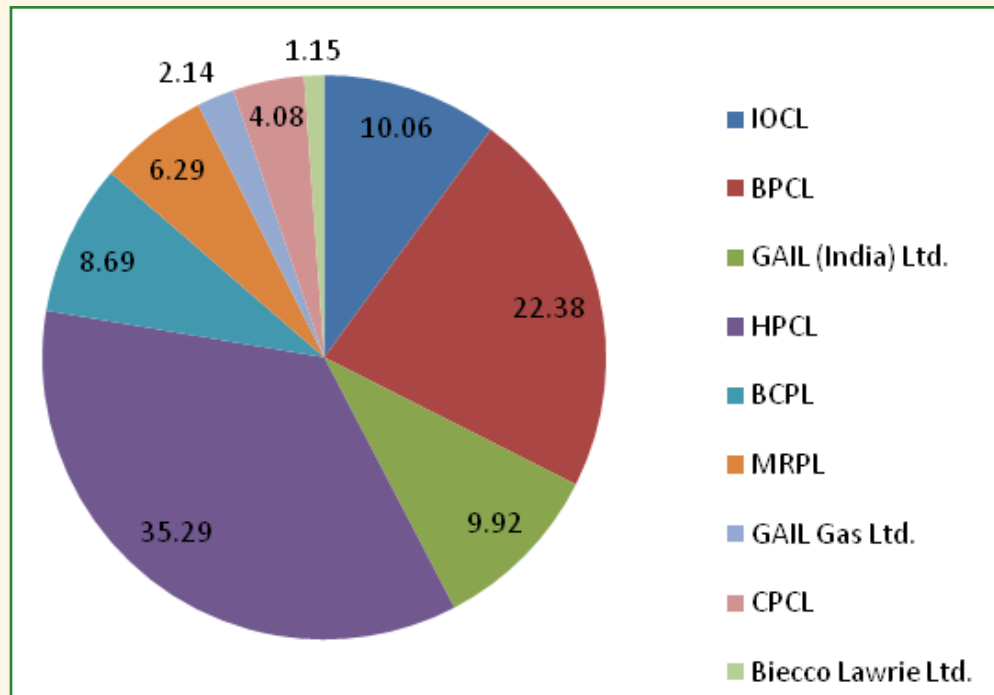
3. The Company-wise details of the loan disbursed by OIDB to finance oil and gas sector projects in the last five years is given in the following table:

Rs./crore

Sl.No.	Name of the Oil concern	Financial years					Total for 5 years
		2015-16	2016-17	2017-18	2018-19	2019-20	
1	IOCL	711.25	0.00	0.00	0.00	150.00	861.25
2	BPCL	744.25	346.00	0.00	500.00	328.25	1918.50
3	GAIL (India) Ltd.	0.00	0.00	0.00	0.00	850.00	850.00
4	HPCL	124.75	0.00	0.00	600.00	2300.00	3024.75
5	BCPL	298.00	243.12	157.58	46.37	0.00	745.07
6	MRPL	0.00	0.00	0.00	268.00	271.00	539.00
7	GAIL Gas Ltd.	24.23	87.35	35.57	36.66	0.00	183.81
8	CPCL	0.00	0.00	0.00	50.00	300.00	350.00
9	Bienco Lawrie Ltd.	12.00	0.00	0.00	71.77	14.88	98.65
	<b>Total</b>	<b>1914.48</b>	<b>676.47</b>	<b>193.15</b>	<b>1572.80</b>	<b>4214.13</b>	<b>8571.03</b>

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) and Chennai Petroleum Corporation Ltd. (CPCL) have been the major beneficiaries of loans provided by OI DB during 2015-16 to 2019-20. The following graph gives the company-wise share of loan disbursed during 2015-16 to 2019-20 :

Percentage of loans disbursed



5. As on 31.3.2020, there is a total outstanding loan of Rs.7449.04 crore with Oil & Gas PSUs. Details of company-wise outstanding loans are given below:

(Rs. in crore)

Sl.No.	Name of Oil & Gas Concerns	Amount
	Hindustan Petroleum Corporation Limited	2931.19
2.	Bharat Petroleum Corporation Limited	1187.31
3.	Brahmaputra Cracker and Polymer Limited	1010.36
4.	GAIL (India) Limited	850.00
5.	Mangalore Refinery and Petrochemicals Limited	539.00
6.	Chennai Petroleum Corporation Limited	350.00
7.	Indian Oil Corporation Limited	327.81
8.	GAIL Gas Limited	154.72
9.	Biecco Lawrie Limited	98.65
	<b>Total</b>	<b>7449.04</b>



6. The details of loan disbursed during 2019-20 are as below:

(Rs. in crore)

Sl.No.	Name of Oil Concern	Amount
1	Hindustan Petroleum Corporation Limited	2300.00
2	GAIL (India) Limited	850.00
3	Bharat Petroleum Corporation Limited	328.25
4	Chennai Petroleum Corporation Limited	300.00
5	Mangalore Refinery and Petrochemicals Limited	271.00
6	Indian Oil Corporation Limited	150.00
7	Biecco Lawrie Limited	14.88
	<b>Total</b>	<b>4214.13</b>

## 7.0 Projects funded by OIBD during the financial year 2019-20

### 7.1 Hindustan Petroleum Corporation Limited (HPCL)

Hindustan Petroleum Corporation Limited (HPCL), a Maharatna CPSE owns and operates two major refineries producing a wide variety of petroleum fuels & specialties, one in Mumbai (West Coast) of 7.5 Million Metric Tonnes Per Annum (MMTPA) capacity and the other in Visakhapatnam, (East Coast) with a capacity of 8.3 MMTPA. The company also owns and operates the largest Lube Refinery in the country producing Lube Base Oils of international standards, with a capacity of 428 TMT at the Mumbai Refinery.

OIBD has sanctioned a loan assistance of Rs.2400 crore to HPCL for their Visakh Refinery Modernisation Project (VRMP) and Mumbai Refinery Expansion Project (MREP). During the year 2019-20, HPCL has availed a loan assistance of Rs. 2300 crore from OIBD for Visakh Refinery Modernisation Project (VRMP) and Mumbai Refinery Expansion Project (MREP). These projects implementation will enhance the Refineries capacity from 15.8 to 24.5 MMTPA. [VR: 8.3 to 15.0; MR: 7.5 to 9.5]. As part of the project, both refineries are also upgrading MS/HSD treating/upgradation facilities to meet BS VI Fuels. This results in 80% reduction in Sulphur content in MS and HSD from 50 to 10 ppmw, thus supplying ultra-low Sulphur clean fuels to the market. Apart from this, Visakh Refinery is implementing Residue Upgradation Facility to upgrade low value Fuel oil streams and a Hydrocracker unit.

Brief details of the projects are given below:

#### Visakh Refinery Modernization Project (VRMP)

Visakh Refinery Modernization Project (VRMP) considers putting up a new Crude unit of capacity 9.0 MMTPA along with new Residue Upgradation Facility (RUF), a new Hydrocracker unit (HCU) and a new Isomerisation unit and associated facilities.

Revamp of existing MS treating/upgradation and HSD treating facilities has been successfully completed & commissioned. These units have started producing the BS VI MS & HSD products up to the current refinery capacity.

Residue Upgradation Facility being set up at Visakh Refinery will enable the refinery to become a Zero fuel oil refinery, upgrading surplus low value high Sulphur fuel oil components to high value distillates.

Full Conversion Hydrocracker (FCHCU), which converts VGO into light & middle distillates, is also capable of producing BS VI quality Diesel and all other products of treated quality.

VRMP also considers various environmental facilities such as Sour Water Stripping Units (SWSU), Amine Regeneration Units (ARU), Sulphur Recovery Units (SRU), Fuel Gas Amine Treatment Units (FGATU), Integrated Effluent Treatment Plant (IETP), etc. These environmental technologies ensures that refinery does not increase its SOx load from its current limit of 11.5 TPD even after addition of new units.





Visakh Refinery Modernization Project

**Mumbai Refinery Expansion Project (MREP)**

Mumbai Refinery Expansion Project (MREP) project considers revamp of an existing crude unit to enhance capacity from 4.0 to 6.0 MMTPA. Integration of Vacuum Distillation Units is also being done to reduce energy consumption. As part of the project, Revamp of MS treating/upgradation and HSD treating facilities to produce BS VI MS and HSD.

A new Hydrogen Generation unit is being put up to meet the increased Hydrogen requirement. Refinery Crude processing capacity will go up from 7.5 to 9.5 MMTPA post project implementation. The project implementation is being done keeping SO<sub>2</sub> emission within the existing norms of 12.6 TPD.



Mumbai Refinery Expansion Project



## 7.2 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).

GAIL has played a significant role in economic development of the country in general and in Power and Fertilizer sector in particular by development of natural gas pipeline infrastructure. The gas pipeline infrastructure laid by GAIL and its efforts in development of gas market besides providing a choice to customers in the form of an alternative environmental friendly fuel has also helped in monetization of the gas reserves and reduction in erstwhile flaring of gas.

OIDB has sanctioned a loan assistance of Rs.1000 crore to GAIL (India) Ltd. (GAIL) to finance its Jagdishpur Haldia & Bokaro Dhamra Pipeline (JHBDPL) project including the Barauni Guwahati Pipeline. During the year 2019-20, the Company has availed loan assistance of Rs.850 crore from OIDB for financing the said project. Brief details of the project is given below:

### Pradhan Mantri Urja Ganga Pipeline Project

Jagdishpur Haldia & Bokaro Dhamra Pipeline (JHBDPL) popularly known as “Pradhan Mantri Urja Ganga Project” and further extension of it from Barauni to Guwahati (BGPL) (via Siliguri & Bongaigaon), is being executed as part of 15,000 Km National Gas Grid conceptualized by Government of India. This project will meet the energy needs of Industrial / Domestic / Transport Sectors in Eastern India viz. Uttar Pradesh, Bihar, Jharkhand, Odisha, West Bengal and Assam States and will connect these states and North Eastern Region with existing National Gas Grid. GAIL (India) Limited, under the aegis of Ministry of Petroleum & Natural Gas, is implementing 2655 Km JHBDPL project and 729 Km of BGPL Project with an investment of Rs.15,520 crore which includes capital grant of Rs.5,176 crore from the Government of India and the project is scheduled to be completed progressively by December 2021.



Jagdishpur Haldia & Bokaro Dhamra Pipeline

This pipeline shall supply gas to fertilizer plants at Gorakhpur, Barauni and Sindri. The capacity of the pipeline network is 16 MMSCMD. Physical progress is in line with the envisaged schedule. This trunk pipeline investment could trigger cascading investments through infrastructure creation in City Gas Distribution, LNG terminal, fertilizer plant revival etc. in near future by various investors. The construction of the pipeline system is under progress in phases. Out of this, 750 Kms pipeline section from Phulpur (U.P) to Dobhi (Bihar) to Barauni (Bihar) with spurlines to Varanasi, Patna and Gorakhpur has been completed. The work is in progress for balance sections.

### 7.3 Bharat Petroleum Corporation Limited (BPCL)

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

BPCL directly operates two refineries located in the western city of Mumbai and the southern city of Kochi, with refining capacities of 12 MMTPA and 15.5 MMTPA, respectively. Through its subsidiary, Numaligarh Refinery Limited (NRL), BPCL also operates a refinery located in northeast India at Numaligarh, with a refining capacity of 3 MMTPA. BPCL's joint venture company, Bharat Oman Refineries Limited (BORL), also operates a refinery at Bina in central India. The refinery at Bina, which became operational in June 2011, has a capacity of 7.8 MMTPA. With a combined total refining capacity of 38.30 MMTPA from strategically located facilities, BPCL believes it is well positioned to meet market demand across India.

OIDB had sanctioned a loan assistance of Rs.828.25 crore to Bharat Petroleum Corporation Limited (BPCL) for its Motor Spirit Block Project at Kochi Refinery. Out of which, loan assistance of Rs.500 crore was disbursed to BPCL during 2018-19 and balance loan assistance of Rs.328.25 crore was disbursed to BPCL during 2019-20. Brief details of the project is given below:

#### Motor Spirit Block Project (MSBP) at BPCL Kochi Refinery

In India, automotive fuels are produced in Refineries as per BIS Standards. These standards are amended from time to time to meet environmental as well as other quality aspects. In keeping with the worldwide trend, fuel specifications in India are also upgraded from time to time.

In 2016, Government of India decided to skip BS V emission norms and leapfrog to BS VI norms directly from BS IV by April 2020. As per directives from Ministry of Petroleum and Natural Gas (MOP&NG), it is required to ensure compliance of BS VI specifications for motor fuels by April 1, 2020. Kochi Refinery has made available BS-VI compliant auto fuels from the existing processing facility. The objectives of the project are –

- Maximization of MS and Diesel.
- Minimization of naphtha.
- Meeting BS VI Specifications for the entire MS and HSD.

BPCL Kochi Refinery is implementing MSBP at a cost of Rs.3289 crore for the above objectives. Major units coming in MSBP are:

1. Naphtha Hydro treating Unit	–	1.5 MMTPA Capacity
2. Continuous Catalytic Reformer (CCR)	-	0.8 MMTPA
3. Naphtha Isomerization Unit	-	0.7 MMTPA





MSBP, Kochi Refinery

The Licensor for MSBP is M/s. UOP LLC, USA. The project has attained 92% overall progress and is expected to be completed in 2020. The engineering and tendering activities of the project have been completed. The equipment manufacturing is completed and delivery of final few equipment are in progress. The site construction activities of the project are in final stages with high safety standards, achieving 12 million LTA free man hours. The project is being executed in LSTK (Lump sum Turnkey) mode for process units and conventional mode for offsite jobs. M/s Engineers India Ltd is the Project Management Consultant for the project. Major LSTK contractors are M/s. Petrofac International UAE Ltd, M/s. Tecnicas Reunidas and M/s. GR Engineering. The Offsite piping and cooling tower pre-commissioning activities are in progress. Tankages are completed and flare jobs are nearing completion.

## 7.4 Chennai Petroleum Corporation Limited (CPCL)

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

OIDB has sanctioned a loan assistance of Rs.550 crore to Chennai Petroleum Corporation Limited (CPCL) for its BS-VI Auto Fuel Project (Rs.450 crore) and for Regasified Liquefied Natural Gas Project (Rs.100 crore). Out of which Rs.50 crore was disbursed during 2018-19 and during 2019-20, OIDB provided loan assistance of Rs.300 crore to CPCL for the said Projects. Brief Details of the project is given below:

**BS-VI Auto Fuel Project :**

- 7.4.1 As part of fuel quality upgradation, to supply with maximum of 10 ppm Sulphur, CPCL is implementing this Project which consists of revamp of existing Diesel Hydro-treater from 1.8MMTPA to 2.4MMTPA, new FCC Gasoline Desulphurization Unit, new Sulphur Recovery Unit and a new Demountable Flare System. DHDT revamp was completed in Nov 19 and other units are under construction. The total cost for this fuel upgradation Project is Rs.1858 Cr. M/s Engineers India Limited is the PMC for this project, M/s Axens is the licensor for FCCGDS unit, M/s SiirtechNigi is licensor for Sulphur Recovery Unit and for M/s Zeeco is for De-Mountable Flare.

**7.4.1 FCC GDS**

A new FCC Gasoline Desulphurization of 0.60 MMTPA Unit is being installed at Manali Refinery, Chennai. The feed to this unit is high sulphur Gasoline stream of about 300 ppm sulphur that is coming from the FCC Unit. The prime objective of this unit is to desulphurize the feed gasoline to less than 8 ppm Sulphur. M/s Axens is the process licensor of this unit. This project is constructed through M/s.EIL as the contractor at a cost of about Rs. 300 crores. Presently, the unit has been Mechanically Completed and pre-commissioning activities are in progress. After commissioning of this FCC GDS unit, CPCL will be able to ensure that the entire Gasoline production from Manali Refinery complex conforms for less than 8 ppm sulphur in Gasoline.

**7.4.2 FCC GDS OFFSITE PIPING**

New offsite piping corridor of approximately 6 km is being constructed in CPCL with total piping length of 8 lakhs Inch metres utilising 4200 metric tonnes of structural steel for the fuel quality upgradation projects. This extends & interconnects all the units from FCCGDS battery limit, Sulphur Recovery Unit battery limit, DHDT unit, New Flare system and to rundown storage units.

**7.4.3 DEMOUNTABLE FLARE**

A new demountable flare of capacity 968 TPH is being installed in place of the existing three flares. The operation philosophy of the new demountable flare header is based on the staging of flare loads of the Refinery. The configuration of demountable flare comprises of One HC flare stack for minimum / normal flaring with a capacity of 20 TPH, Three HC flare stack (Two operating and one standby) with a capacity of 500 TPH each and Two Acid gas flare stack (one operating and one standby) with a capacity of 56 TPH each. The project is designed and constructed by M/s. Zeeco.





#### 7.4.4 Sulphur Recovery Unit Block (SRU)

A new SRU of capacity 2 x 100 Tons per day is being implemented as part of fuel upgradation to treat the acid gas generated during upgradation of the fuel. M/s SiirtecNigi is the process licensor for SRU. Associated Amine Regeneration unit of capacity 300 MT/hr and Sour water stripper unit of capacity 30 MT/hr are also being implemented. 90% of the equipment received at site. Unit piping fabrication & erection are in progress. The unit is expected to mechanically complete by Apr 21.

Present Status:

##### A. FCCGDS Unit:

- FCCGDS Unit has been Mechanically completed on 31.08.2020.
- Pre-commissioning activities are in progress.
- Commissioning expected by end Dec 20.

##### B. De-mountable flare:

- 4 out 6 Risers erection completed.
- Flare piping and Utility piping are in progress.
- Commissioning targeted by November, 2020.

##### C. Sulphur Recovery Unit (SRU):

- All equipment except incinerator received at site.
- 50% of equipment erected. Piping erection & fabrication in progress.
- Part of SRU-ARU/ SWS unit mechanical completion is targeted by March 2021.

#### Regasified Liquefied Natural Gas Project :

As a measure towards reducing CEPI index, CPCL is switching over to Natural gas / Regasified Liquefied Natural Gas (RLNG) to meet the internal fuel requirements. As part of this project, RLNG conversion in one HGU plant, Furnaces of Refinery-III was implemented in March, 2019. Also 4 out of 6 boilers and 4 out of 5 Gas Turbines had been completed during this year. The pending HGU plant modification is



scheduled during the forthcoming M&I shutdown during last quarter of FY 2020-21. M/s Technip is the process licensor of this unit and the total cost of the project is Rs. 421 Crore.

Present Status:

- Gas Turbine (GT)- 4 out of 5 GTs RLNG conversion were completed. Balance 1 GT completion by December, 2020.
- Boiler- 4 out of 5 boilers RLNG conversion completed, balance 1 boiler completion by March, 2021.
- HGU-205 – Revamp for RLNG conversion will be completed along with M&I shutdown during March, 2021.

## 7.5 Mangalore Refinery and Petrochemicals Limited

Mangalore Refinery and Petrochemicals Limited (MRPL) is a Schedule 'A' Miniratna Company. The refinery has been conceived to maximise middle distillates with the capability to process light-to-heavy and sour-to-sweet crude with 24 to 46 API gravity. The 1st phase of the Refinery of capacity 3.69 MMTPA was commissioned in 1996. In 1999, MRPL commissioned the second phase and increased the Refining capacity to 9.69 MMTPA. The present installed capacity of MRPL is 15 MMTPA. MRPL started off as a Joint Venture Company between Hindustan Petroleum Corporation Ltd (HPCL) and the AV Birla Group. In 2003, ONGC acquired the stakes of the AV Birla group and subsequently increased its shareholding to 71.63%. HPCL holds 16.95% and balance is Public shareholding (Institutions and non Institutions). The company was incorporated as a Public Sector Undertaking in the year 2005 and upgraded to Schedule 'A' company in July 2013.

MRPL is a standalone refinery, whose installed refining capacity (15 MMTPA) contributes to 6% of the country's refining capacity. The Refinery configuration is quite complex with a nelson complexity factor of around 10. MRPL has processed more than 80 different types of crudes from around the world. Refinery has been strongly founded on a robust infrastructure. Dedicated Raw Water Intake facility, Captive Jetty at Coastal Terminal, Single Point Mooring Facility and Railway Siding for Petcoke evacuation provide an anchor for Reliable Operations.

MRPL produces a wide range of products. The table below captures the product slate of MRPL:

✦ LPG	✦ Fuel Oil
✦ Naphtha	✦ Bitumen VG 10, VG 30, VG 40
✦ MS	
✦ Xylol	✦ Sulphur (99.9% purity)
✦ ATF/ SKO	✦ Pet-coke
✦ HSD	✦ Polypropylene

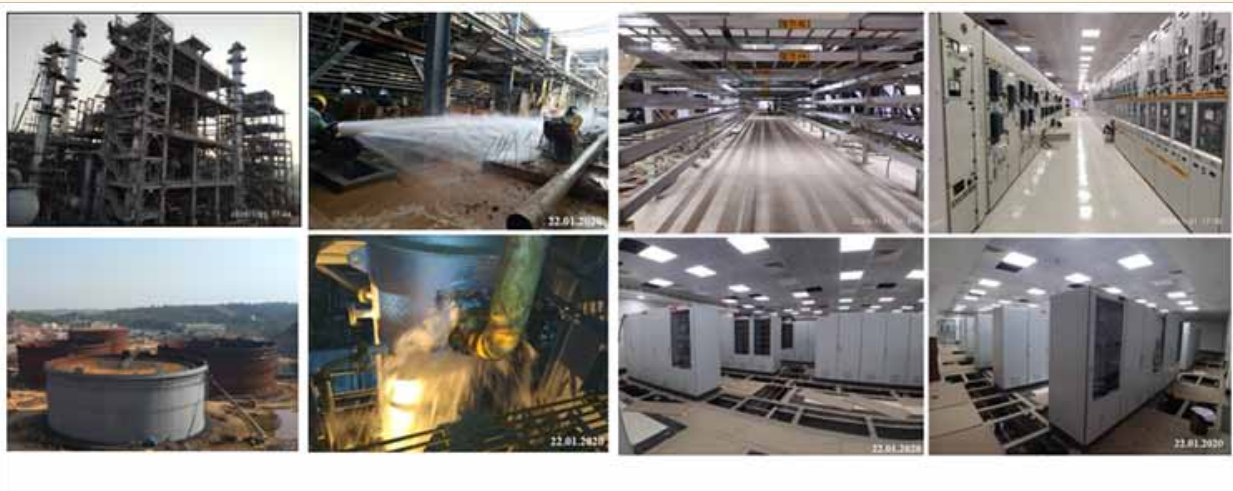
MRPL also supplies Petrochemicals like Polypropylene and Xylol in addition to Benzene and Para-Xylene through its subsidiary OMPL. The company had net-sales of Rs.51000 Cr in the year 2019-20 and has Net worth of Rs.7800 crore.

### **BS-VI Project**

As part of BS-VI Project, additional facilities like new FCC Gasoline Treatment Unit (FGTU), Sulphur Recovery Unit and other facilities like Nitrogen, Utilities and Offsites are being set up. These units are in various stages of completion. The total cost estimate for transition to BS-VI in case of MRPL



is Rs.1,810 crore. Out of the total project cost, 25% (Rs.452 crore) will be met through OIDB loan assistance. OIDB has disbursed Rs.268 crore in FY 2018-19 and Rs.184 crore in FY 2019-20.



BS-VI Project MRPL

**Sea Water Desalination Plant**

To mitigate the risk of river water as a single source of water, an alternate source of water is being planned through the installation of a sea water desalination plant. This plant, having current capacity of 30 MLD expandable to 70 MLD, will cater to the immediate and future water requirement of the company.

OIDB has sanctioned total loan assistance of Rs.142.25 crore for this Project, out of which Rs.87 crore has been disbursed during FY 2019-20.



SWDP Project MRPL

## 7.6 Indian Oil Corporation Limited (IOCL)

Indian Oil Corporation Limited (IndianOil), a Maharatna PSU Company, is one of India's largest commercial enterprises and the country's flagship integrated and diversified energy major with presence in almost all the streams of oil, gas, petrochemicals and alternative energy sources.

Indian Oil is listed among the world's largest corporates in Fortune's prestigious 'Global 500' listing, ranked world's 151st largest public corporation, according to the Fortune Global 500 list published for the year 2020 and is the largest PSU when ranked by revenue. IndianOil is also ranked among the top 10 strongest brands of India in 2019 by Brand Finance, UK.

Indian Oil accounts for the largest market share of India's petroleum products consumption. Operating 11 of India's 23 refineries with a combined refining capacity of 81.20 million metric tonnes per year, IndianOil accounts for ~32% share in the domestic refining capacity. IndianOil's cross country pipeline network accounts for ~51% crude and product pipelines capacity (by length) in the country.

OIDB has sanctioned a loan assistance of Rs.587 crore to Indian Oil Corporation Limited (IOCL) to finance INDMAX Project at IOCL's Bongaigaon Refinery (BGR). OIDB has disbursed Rs.150 crore out of the sanctioned amount of Rs.587 crore to the company during FY 2019-20 to part finance the project. Brief details of the project is given below:

INDMAX (Indane maximization) is Indian Oil's flagship technology, licensed worldwide by M/s. Lummus and used to produce high yield of light olefins/LPG for integration with petrochemicals and high octane gasoline from various petroleum feedstock. The INDMAX Project at BGR has been conceptualized to utilize the low value components like Black Oils (LDO, LVFO) and Reduced Crude Oil (RCO) from Crude Distillation Bottoms to generate higher value added Products viz. The finish product production



INDMAX Project IOCL



from INDMAX shall be LPG & MS by 200 and 320 TMTPA respectively, and black oil production shall be NIL and reduction in RPC production shall be by 70 TMTPA. INDMAX project at Bongaigaon is a big step towards Hydrocarbon Vision 2030, launched by MOP&NG for North-East India, which aims at doubling Oil & Gas production by 2030 to establish the North-East India as a dominant hydrocarbon hub at the forefront of the country's energy economy.

Till 31.03.2020, the Project has achieved 97.02% overall physical progress and expenditure of Rs.1896.24 crore has been incurred against project cost of Rs.2582 crore

## 7.7 Biecco Lawrie Limited

Biecco Lawrie Limited, (BLL) is an engineering company with major business interest in medium Voltage Switchgear manufacturing & marketing and Electrical Construction business. The Company is also engaged in repair of Electrical Rotating Machinery and Lube Blending and Filling activities, Turnkey projects and engineering consultancy.

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

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

Out of an interest free loan of Rs.86.65 crore, an amount of Rs.71.77 crore was disbursed during 2018-19 and remaining interest free loan of Rs.14.88 crore was disbursed to BLL during 2019-20 as per CCEA decision.

## Chapter 03

# 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 (RGPT) for its projects at Sivasagar, Assam and Jaes, Rae Bareilly.
3. Since its inception in 1974-75, OIDB has disbursed a cumulative grant of Rs.4203.39 crore till 31.3.2020. During 2019-20, a total grant of Rs.328.90 crore was disbursed of which Rs.322.55 crore was disbursed to the regular grantee institutions.
4. Details of the grants disbursed to regular grantee institutions during last five years are as under:

(Rs. in crore)

Institutions	2015-16	2016-17	2017-18	2018-19	2019-20	Total
DGH	121.51	121.53	189.50	238.99	192.91	864.44
PCRA	41.13	41.25	43.88	60.95	67.30	254.51
PPAC	17.77	20.82	21.34	23.96	22.61	106.50
OISD	15.05	16.06	16.39	25.98	21.65	95.13
CHT	19.59	19.82	32.12	20.58	18.08	110.19
Total	215.05	219.48	303.23	370.46	322.55	1430.77

## 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 2019-20, a grant of Rs.192.91 crore was disbursed to DGH. Following major activities have been carried out by DGH during the year 2019-20:

### 5.1.1 Open Acreage Licensing Programme (OALP)

Government notified Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March, 2016 and formally put in operation w.e.f. 1st July, 2017. HELP is a paradigm shift from Production Sharing Contract (PSC) regime to Revenue Sharing Contract (RSC) regime which completely overhauls the regulatory regime for the future Exploration and Production (E&P) activities by reducing the regulatory burden based on the principle of 'Ease of doing business'. It provides for single License for exploration and production of conventional as well as non-conventional Hydrocarbon resources, pricing and marketing freedom, reduced rate of royalty for offshore blocks etc.

Open Acreage Licensing Programme (OALP) means potential investors/companies can carve out exploration acreages of their choice and submit Expressions of Interest round the year. OALP is being manifested through National Data Repository which provide seamless access to the country's entire G&G data for interpretation and analysis to the prospective bidders.

### OALP - I, II, III & IV Bid Rounds

Under Open Acreage Licensing Programme (OALP), 55 Blocks having an acreage area of 59,282 Sq. Km. have been awarded in OALP Bid Round-I in October, 2018. Further, Government had launched OALP Bid Rounds-II and III on 07th January 2019 and 10th February 2019 respectively. While Bid Round-II offered 14 Blocks (covering total area of approx. 30,000 sq. km.), the Bid Round-III offered 23 blocks including 5 CBM blocks (covering total area of approx. 32,000 sq.km.) under International Competitive Bidding (ICB) process. Under OALP bid rounds II and III, a total of 32 blocks were awarded covering 58,998 sq.km. (Onland- 31,551 sq.km; Offshore- 27,447sq.km)

Blocks under OALP-Round-IV and all future Bid Rounds are being awarded under a more simplified and business friendly regulatory framework. Under this policy regime, the emphasis is on work programme, with no requirement for revenue share quotations for less explored Category II and III basins. A cap of 50% for revenue share in Category I basins has been introduced. A simple alternative dispute resolution mechanism is being implemented and a "single window" system of application for online clearances is also being put in place. Under OALP Bid Round IV, seven (7) exploration blocks having an area of 18,510 Sq.Km. have been awarded in December, 2019 (contracts signed on 2nd Jan. 2020). Summary of Blocks awarded under OALP bid rounds till 31.03.2020 is as under:

ROUND	OFFERED	AWARDED	OPERATIONAL	Area in SKM
OALP Round-I	55	55	55	59,282
OALP Round-II	14	14	14	29,233
OALP Round-III	23	18	18	29,765
OALP Round-IV	7	7	7	18510
OALP Total	99	94	94	1,36,790

### 5.1.2 Implementation of New Exploration Licensing Policy (NELP)

Till date, nine rounds of NELP have been concluded and 254 blocks were awarded for exploration and production. They are from onland (114), shallow water (59) and deepwater (81) blocks. Out of 254 blocks, at present 44 blocks are operational, PEL (Petroleum Exploration License) is awaited in 2 exploration blocks, 159 blocks have been relinquished and other 49 blocks have been proposed for relinquishment.

During 2019-20, one gas discovery has been notified under NELP. A sneak preview of status of discoveries notified under NELP are as under :

Status of Discovery	Oil	Gas	Total
Discoveries Monetized	32	11	43
Discoveries under Development	12	21	33
Commerciality established (DoC Reviewed)	0	18	18
Commerciality Proposal (DoC) submitted	1	4	5
Discoveries in Early Stage , DoC to be submitted	4	10	14
Discoveries not pursued by Operator/relinquished/proposed for relinquishment	17	42	59
<b>Total</b>	<b>66</b>	<b>106</b>	<b>172</b>

### 5.1.3 Monitoring of Production Sharing Contracts

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

Production performance from fields/blocks under PSC regime during 2019-20 is as under:

Regime	Oil + Condensate (in MMT)	Gas in BCM
Pre- NELP Discovered Fields	0.98	1.42
NELP	0.18	0.64
Pre-NELP Exploration Blocks	7.27	2.05
CBM	0.00	0.66
<b>Total</b>	<b>8.44</b>	<b>4.77</b>

### 5.1.4 Geo-Scientific Data Acquisition

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

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

#### B. National Seismic Programme (2D Seismic Survey in Onland to be Appraised Areas of Sedimentary Basins of India)

Government formulated National Seismic Programme (NSP) in October, 2016 to appraise the unappraised areas in all sedimentary basins of India where no/scanty data was available. Under the programme, Government approved the proposal for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API) of 48,243 Line Kilo Metres (LKM). The estimated cost of the project is Rs.2,932.99 crore and it is expected to be completed by 2020-21. As on 31.03.2020, surface coverage of 44774.68 LKM (92.81%) out of 48,243 LKM has been achieved under 2D Seismic data acquisition under National Seismic Programme.

### 5.1.5 Field Development, Reservoir and Production Monitoring

Field development activities of various fields under the Production Sharing Contracts (PSCs) regime were monitored and activities in exploration blocks with reference to reservoir performance monitoring, review of discoveries, potential commercial interest, Declaration of Commerciality (DoCs) and Field Development Plan (FDP) etc. were also carried out. During FY 2019-20, 4 Nos DoC and 21 FDP/RFDPs under PSC and RSC regime were reviewed/ approved.

### 5.1.6 National Data Repository (NDR)

Operation phase of NDR project started in 2016 wherein well data loading and sharing was started. As on 31.03.2020, total of 2.402 Million LKM of 2D seismic data & 0.812 Million SKM of 3D seismic data and 18,136 numbers of well and Log data have been loaded in NDR.



### 5.1.7 National Gas Hydrate Programme (NGHP):

In India, Gas Hydrate research and exploratory activities are being steered by the Ministry of Petroleum & Natural Gas under National Gas Hydrate Program (NGHP).

NGHP-Expedition-01 exploration program carried out in 2006 for mapping gas hydrates zones in Krishna-Godavari, Kerala-Konkan, Mahanadi and Andaman offshore. Total 39 holes at 21 sites were drilled and established the physical presence of gas hydrate in Krishna Godavari, Mahanadi and Andaman Basin in clay dominated complex geologic settings.

NGHP-Expedition-02 carried out in 2015 drilled 42 wells at 25 sites in Krishna Godavari and Mahanadi area in sand reservoirs for gas hydrates. NGHP-02 has discovered gas-hydrate-bearing sand reservoir system in the offshore Krishna Godavari basin. Mahanadi deep water basin has turned out to be devoid of gas hydrates. Gas Hydrate have been Identified in two distinct accumulations in Krishna Godavari Basin.

NGHP Expedition-02 results are encouraging and further extensive studies are planned to assess the gas hydrate resource potential, reservoir characterization, reservoir delineation and geo-mechanical modelling for seafloor and wellbore stability and identification of sites for pilot production for testing. KG deep offshore Area 'B' & 'C' contain gas hydrate accumulations may be suitable sites for gas hydrate production testing under NGHP Exp-03.

### 5.1.8 Coal Bed Methane (CBM)

During 2019-20, CBM production was around 1.7 MMSCMD from 6 CBM blocks which includes incidental production from 2 CBM blocks namely Jharia & Sohagpur East and commercial production from 4 CBM blocks namely Bokaro, Raniganj South, Raniganj East & Sohagpur West. In order to ramp up CBM production in the Country, a CBM policy dated 11.04.2017 has been notified for early monetization of CBM. The policy provides marketing and pricing freedom to the CBM contractors so as to promote increase in CBM production in the Country. The basic intent of the policy has been to promote "Ease of doing business" and "Maximum Governance and Minimum Government" so that water-tight contract provisions are relaxed to give impetus to further investment in E&P of CBM thereby contributing in Energy Security of India.

### 5.1.9 Discovered Small Field Bid Round

Discovered Small Field (DSF) policy was brought out for monetizing the un-monetized/relinquished discoveries of Nomination and PSC regimes. The DSF policy is aligned to Hydrocarbon Exploration and Licensing Policy (HELP), which adopts the Revenue Sharing Model which is a step towards improving the Ease of Doing Business in Indian E&P sector. It comes forthwith attractive fiscal terms like reduced royalty rates and no cess, single license for all hydrocarbons, pricing and marketing freedom, exploration throughout the contract period, no historical cost and provision for sharing of common facilities.

The policy was notified vide resolution dated 14th October, 2015. The policy was subsequently renamed as Discovered Small Field (DSF) Policy. Government extend the DSF policy for future DSF Rounds vide gazette notification dated 05.04.18. Under the Discovered Small Field Policy, following initiatives has been taken:

#### DSF Bid Round-I (2016)

- DSF Bid Round-I was launched on 25th May 2016.

- 30 Contract Areas (23 Onland and 07 Shallow Offshore) comprising of 43 discoveries were awarded and the Revenue Sharing Contracts were signed on 27th March, 2017.

#### DSF Bid Round-II (2018)

- DSF Bid Round-II was launched on 9th Aug 2018.
- 23 Contract Areas (14 Onland and 09 Shallow Offshore) comprising of 57 discoveries were awarded and the Revenue Sharing Contracts were signed on 07th March 2019.

Contract areas awarded under DSF Policy:

Bid Round	Year of Launch	No. of Contract Areas/Fields		Area (in Sq.Km)
		Offered	Awarded	
DSF-I	2016	46 (67 Fields)	30 (43 Fields)	776.8
DSF-II	2018	25 (59 Fields)	23 (57 Fields)	2999.7
<b>Total</b>		<b>71 (126 Fields)</b>	<b>53 (100 Fields)</b>	<b>3776.4</b>

#### 5.1.10 Setting up of National Core Repository (NCR)

MoP&NG, vide its order dated 08.08.2017, conveyed in-principle approval of Competent Authority for the following:

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

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

#### 5.1.11 Essentiality Certificates

During the year 2019-20, DGH issued a total 18115 Nos. of Essentiality Certificates having CIF value of INR 45,141 crore.

#### 5.1.12 Policy Framework to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas

The Government has approved the Policy framework to promote and encourage adoption of Enhanced Recovery (ER)/Improved Recovery (IR)/Unconventional Hydrocarbon (UHC) production Methods/techniques through fiscal incentives and an enabling ecosystem to improve productivity of existing fields and enhance overall recovery of hydrocarbons. The Policy provides for systemic assessment of every field for its ER potential, appraisal of appropriate ER techniques and fiscal incentives and mandatory screening of all eligible fields through designated institutions conducting Pilot before actual implementation of ER Project on commercial level, to de-risk the cost involved in ER Projects and to make it economically viable.

The Policy is expected to facilitate induction of new, innovative and cutting-edge technology and forging technological collaboration to improve ultimate recovery of existing fields. Current implementation status of the above policy (as on 31 March 2020) is tabulated below:

Status	Regime	Cumulative (in Numbers)
No. of Fields Covered Under the Scheme	ONGC Nomination	147
	OIL Nomination	18
	PSC/RSC	50
	Total	215
No. of Proposals received for Screening	ONGC Nomination	9
	OIL Nomination	3
	PSC/RSC	9
	Total	21
No. of Proposals agreed	ONGC Nomination	5
	OIL Nomination	0
	PSC/RSC	1
	Total	6
No. of fields under pilot study	ONGC Nomination	1
	OIL Nomination	0
	PSC/RSC	0
	Total	1
No. of Fields under Commercial Application	ONGC Nomination	0
	OIL Nomination	0
	PSC/RSC	0
	Total	0

## 5.2 Petroleum Conservation Research Association (PCRA)

Petroleum Conservation Research Association (PCRA) is a registered society set up under the aegis of Ministry of Petroleum & Natural Gas, Government of India. PCRA is engaged in promotion of energy efficiency in various sectors. It helps the government in proposing policies and strategies for petroleum conservation, aimed at reducing excessive dependence of the country on oil requirement. PCRA sponsors R&D activities for the development of fuel-efficient equipment/devices. It disseminates the message of fuel conservation through various field activities. To attain its goal it also extensively uses social media platforms like Facebook, Twitter, Instagram, YouTube and My Gov. Fuel saving tips and update on PCRA's conservation activities are posted regularly on these social media platforms of PCRA. Various contests are organized time to time to capture the interest of the masses. A number of films, TV spots and radio jingles developed by PCRA in various languages are used to promote oil conservation.

During 2019-20, an amount of Rs.67.30 Crore was released by OI DB to PCRA for performing its activities including administrative expenditure. A glimpse of activities carried out during the year are given below:

### 5.2.1 Chartered Activities

PCRA carried out various chartered activities aimed at promoting fuel conservation. Through sectoral field activities, PCRA engineers and its empanelled experts reach out the targeted groups by

conducting activities like Energy Audit, Fuel Oil Diagnostic Studies and walk-through Audits, Technical Seminars, Institutional Training Program, Driver Training Program, Transport Workshop, Fuel Efficiency Improvement Program for STU depots, Van Publicity, Kisan Melas and Educational programs for students of agricultural colleges, Workshop of LPG Savings, Youth Programs, Children engaging activities like quiz, essay, debate and painting competitions, exhibitions etc. These activities spanning across a large spectrum of socio-economic profile of our country in different sectors viz. Industry, Transport, Domestic, Agricultural and Commercial are carried out in a manner so as to increase the outreach of these programs on fuel conservation. A total of 21405 nos. of field activities were conducted during the FY 2019-20 registering a growth of 12.05% over the preceding FY. Total drivers trained through various training programs during the period is 170336 nos. During the period, savings of 0.1475 MTOE (Million Tons of Oil Equivalent) has been quantified through its sectoral activities. PCRA also assisted industries in obtaining ISO 50001:2011 Energy Management System (EnMS), which is essentially an ISO procedure for energy management.

### 5.2.2 National Level Competition-2019 for School Children

Children are the future of India and the harbinger of change. With this thing in mind, they were also motivated about fuel conservation through National Level Painting, Essay and quiz competitions held during the year 2019-20. The essay competition was conducted in 23 Indian languages for school students of class 7-10 across the country. The painting competition was conducted in 2 categories-Junior (Class 5-7) & Senior (Class 8-10). This year Essay finals were held at 14 cities to select national level winners. For painting competition, top 100 Junior and Senior Level students were invited at New Delhi for a final round of anon ground painting.

Online Quiz events were conducted in schools and two-member team was selected from each school. The Best teams of 36 State Level / UT selected through District and State level quiz participated in Quiz Zonals organized in Doordarshan Studios at Delhi, Kolkata, Bengaluru & Mumbai. The National Finals of the Quiz was held in Doordarshan Delhi studios. The Zonals and Finals, made into 5 episodes of one hour each, was telecast on DD National. A total of 2709 prizes were distributed to students(Laptop, Tablet, Cash &Japan trip).



This year, the first prize winners of the national level competition-2018 were taken on 5-days study tour to Singapore. The study tour included places like Singapore Science Centre, Newater Plant, Global Indian International School Smart Campus, along with amusement places.

### 5.2.3 Sanrakshan Ksahamta Mahotsav(Saksham)-2020

In order to provide sustained momentum to its fuel conservation endeavors, PCRA in association with PSU Oil & Gas Companies organizes "Saksham", a nationwide people centric mass fuel conservation awareness campaign, commencing on 16th January every year. Tagline of this year's event was "Indhan Adhik Na Khapayein, Aao Paryavaran Bachayien". During this one-month drive, various sections of society were engaged through multifarious activities to propagate the need to conserve fuel by judicious utilization of petroleum products. The inaugural function of 'Saksham 2020' was held at India Habitat Centre, New Delhi on 16th January 2020, where large number of Senior Officials from MoP&NG/other Ministries, Students, Teachers, Chairman/CMDs of Oil PSUs, Media etc. were present. Dr. M. M. Kutty, Secretary, MoP&NG as the chief guest of the function, felicitated the first prize winners of National Level Competitions along with State Level Coordinators, State Governments and State Transport Undertakings. A publicity van was also flagged off by the chief guest. Impressive inaugural events were simultaneously held at State Capitals.

During the one-month campaign of Saksham-2020, number of mass awareness activities were carried out in Industrial, Transport, Domestic and Agriculture sector. Valedictory Function was held on 15th Feb'20 at PSU offices/locations/units etc. Some of activities are :-

Name	Total functions / participants
Saksham Cycle Day on 19.01.2020	191 cities, 1.38 lakh*
Saksham walkathon on 02.02.2020	561 districts / 1.43 lakh*
(a) Group Talk (b) Talent Show / Fuel Saving Concerts (c) Graffiti, Wall Painting Competition on Fuel Conservation in Schools/Colleges	(a) 8059+ / 5.5 lakh* (b) 373+ (c) 108+ / 5000*
Workshop in Engineering Colleges/ Technical Meet in Industrial Sectors on Fuel Conservation through Technical Meets/ Workshops	
Group Talk at RWAs/Housing Societies/Colonies for Housewives / Cooks	4800+ / 3.67 Lakh*
Cycle Rally/Mass Rally/Human Chain /Online pledge/Quiz/Essay competition By various Club Members and PSU Employees in Public Places	
Fuel Efficient Driving Contest for Cars and Truck Drivers	74+
Publication of message of Minister, P&NG/Chief Minister/Governor in Newspapers & Magazines, Address by Governor/Chief Minister/Ministers on TV & Radio, Talk Show in TV /Radio, Article Writing Competition for Newspaper agencies, Extensive Social Media Campaigns, Jingles/Spots on TV, Radio & Cinema Halls	
LPG Panchayats and training of LPG delivery boys on LPG saving tips at all LPG Distributorships	
LPG Panchayat for housewives at villages	2900+ / 2 Lakh*
Group Talk at Retail Outlets & CNG Stations for drivers	7900+ / 2.27 Lakh*
Agriculture workshops for farmers	248+ / 7000*
Workshops/Group Talks for STUs/ Fleet Operators (Organized/Unorganized Sector).	517+ / 20000*





Publication/Display of Conservation Message of Chairman/CMDs/Directors/Unit Head, Publication of Fuel Conservation Articles in Newspapers/Magazines, Talk Show in Radio/TV by Chairman/CMD of PSU, Messages on Hoardings/Digital Displays,	
Fuel Efficient Cooking Competitions for ladies in residential societies	1800+ / 11500*
Emission Check of Industrial Equipment and Vehicle	

\*No of participants + No of activities

#### 5.2.4 Mega media campaign during Saksham-2020

Media campaigns was successfully run on Doordarshan, All India Radio, Lok Sabha TV, Pvt. FM and TV channels and Digital Cinemas across the country educating people about the need for fuel conservation during Saksham-2020. During pre-buzz and post-buzz campaign of Saksham-2020, the Appeal of Hon'ble Minister of P&NG was aired on 262 Pvt. FM Radio channels across the country.

Besides the mega campaign, many activities to engage masses were carried out on social media platforms. Some of them are Carpool photo contest, Slogan Contest, live coverage of several events like Saksham Day, Saksham National Competitions, Agroworld 2019, PCRA Van Flag off, Swachhta Pakhwada, PNG stove launch, Technical Conference on waste to energy and resource conservation at India Habitat Centre etc. Besides these, 22 Twitter trending activities were carried out, resulting in large number of impressions. 30 social media campaigns were done on special days like Yoga Day, Earth Day, Environment Day etc.

#### 5.2.5 Online Driver Training (ODT) Application:

PCRA has developed an online driver training app containing titbits on good driving habits, maintenance tips and visual content. This will spread mass awareness among the drivers resulting in fuel savings and reduction in pollution. This app also provides links to PCRA social media pages and to its website.

#### 5.2.6 Participation in Agro World Fair 2019

PCRA participated in one of the world's largest Agro event, AgroWorld'2019, organized by Indian Council of Food and Agriculture at NASC Complex, PUSA Campus New Delhi from 06th November to



08th November'2019. A number of activities including Augmented reality, Quiz, Nukkad natak shows, hourly lucky draws, Selfie point were the main attractions of the PCRA stall.

### 5.2.7 Foray in Mobile Towers

PCRA is acting as a facilitator to convert the DG sets installed for Mobile Towers to Natural Gas Service. This initiative has been taken up by PCRA to meet the existing challenge of air pollution in the NCR Region. Three sites (Two in Ghaziabad and one in Noida) have been commissioned by IGL and 19 are in various stages of completion as on date. Further, more than 3000 Mobile Tower locations have been identified for conversion to Natural Gas in the NCR area.

### 5.2.8 Activities under PAT Scheme

PCRA provides assistance to energy intensive industries in reducing their energy footprint by conducting Mandatory Energy Audits and Monitoring & Verification Audits in the PAT (Perform, Achieve and Trade) regime. During the financial year 2019-20, 20 PAT audits (Thermal Power Plant-14, Railways-2, Iron & Steel-1, Refinery-1, Petrochemical-2) have been completed, whereas the audit is in progress in 3 units(Thermal Power Plant-2, Iron & Steel-1).

### 5.2.9 Ongoing and Completed R&D projects:

Currently, there is one ongoing R&D project and 3 projects are completed during the FY 2019-20 as given in the table below:

S. N.	Project Title	Organization/ Institution	Status
1	Improving thermal efficiency of LPG domestic cooking stoves.	BPCL Corporate R&D Centre, Greater Noida.	Completed
2	Integrated process for conversion of Lignocellulosic biomass to Bio-methanol and value added chemicals.	Indian Institute of Technology (IIT), Delhi.	Completed
3	Design, Development and testing of a down draft biomass gasifier system complemented by Hydrogen enrichment through air-steam gasification.	"The Energy & Resource Institute (TERI) University, New Delhi" now known as "TERI School of Advanced Studies, New Delhi".	Completed
4	Development of Methodology for Traffic Circulation Plans around Metro Stations and their impact quantification using Microscopic Simulation.	CSIR-Central Road Research Institute (CRRl), New Delhi.	Ongoing

### 5.2.10 International collaboration

PCRA has signed MoU with ECCJ (The Energy Conservation Cell, Japan) on 10.12.2019 for 5 years for mutual collaboration in the field of energy efficiency and conservation.

### 5.2.11 Fuel Efficiency improvement program (FEIP)

Fuel Efficiency Improvement program is an unique initiative undertaken by PCRA to improve fuel efficiency of STUs Bus depots by training the low performing drivers together with maintenance of low performing buses and monitoring of their performance. Based on detailed monthly data analysis of depots, low performing drivers and buses are selected. Selected drivers are trained as per the prescribed training module and then they are subjected to 2 weekly follow-up training module. Selected buses are subjected to Tier I maintenance protocol and after which performance of buses are reviewed in 15 days. In case of less than 3% improvement in their KMPL, they are further subjected to Tier-II maintenance protocol and their performance is reviewed again after 15 days. For every depot, the



above exercises are repeated for different sets of buses & drivers in three rounds covering about 30% low performing drivers & 30% low performing buses. This program will not only lead to fuel conservation but will also reduce breakdown of vehicles, increase road safety and ultimately reduce vehicular pollution.

#### 5.2.12 World Bank Sponsored Program on “Fuel Efficiency through Targeted Drivers Training and Bus Maintenance”

The Ministry of Housing and Urban Affairs (MoHUA) initiated a program on “Fuel Efficiency through Targeted Drivers Training and Bus Maintenance” with support from the World Bank to educate the bus operators in 50% of India’s 61 NURM (National Urban Renewal Mission) cities about the importance of fuel efficiency in ensuring financially sustainable transport services. PCRA has received the work order from MoHUA of Rs.1.25 Crores for two zones, out of total three zones, through tendering process.

#### 5.2.13 New policy initiatives:

Number of policy initiatives with respect to fuel efficiency and conservation measure have been carried out/initiated. Some of them are mentioned below.

- a) **Fuel Efficiency Norms for Heavy Duty Vehicles:** The transport sector is the major consumer of diesel and accounts for more than 70% of total diesel sales in India. Heavy duty vehicles (Trucks & Buses) have maximum HSD consumption share in transport sector. Mandating Fuel Economy norms for manufacturers/ importers will help in saving diesel consumed in this sector. PCRA and BEE were to jointly formulate time bound action plan to develop fuel economy norms for HDV in consultation with other stakeholders. MoPNG had constituted a steering committee to monitor progress of this initiative. Steering committee had decided that Phase-1 norms as notified dated 17.08.2017 by BEE will be implemented at the earliest after applying the correction factor for BS-VI. Further, the phase-2 norms would be revised based on the data of BS-VI vehicles as available by March-2020. BEE advised MoP&NG to derive correction factor for BS-VI compliant vehicles. Accordingly, a technical committee has been formed by MoPNG to develop the correction factor required for HDVs compliant with BSVI emission norms.
- b) **Fuel economy norms for Light & Medium Commercial Vehicles:** As, light & medium commercial vehicles (LCVs and MCVs) account for a significant share of HSD consumption in transport sector, it was decided to formulate action plan and monitor development of fuel economy norms for this segment of vehicles. BEE has notified the norms of Light & Medium Commercial Vehicles. MoRTH is required to notify the norms under Central Motor Vehicle Rules (CMVR) and also issue the administrative procedure.
- c) **Standard and Labelling of Tyres:** Tyres, as a component, have been identified to have a huge potential for improving fuel efficiency of on road vehicles, as 73% of total tyre market of India is replacement market segment. The transport sector users are unaware of the fact that there is a wastage of the fuel of the order of 20% of fuel consumption on account of inefficient tyres. Keeping in view of above, PCRA had requested BEE work to initiate work to establish fuel efficiency standards and labelling program for tyres in India. Subsequently a technical committee under chairmanship of ED, PCRA had been formed for the development of bandwidth and procedure of labelling program for automotive tyres. BEE is in the process of notification of Schedule. The voluntary phase of labelling is likely to start from 1st April 2020.
- d) **Star and Labelling of Agricultural Tractors:** In view of growing dependence of the country on import of crude oil and the fact that consumption of HSD by tractors is about 7.7 %, it has been felt imperative by the government to define norms for economic usage of diesel and monitor progress from time to time for tractors in India. BEE is in the process of notification of Schedule. The voluntary phase of Labelling is likely to start from 1st April 2020.
- e) **Development of high thermal efficiency PNG burner:** Hitherto there was no BIS standard for stoves

used for PNG and no stoves were manufactured for dedicated PNG use. The existing LPG stoves were being modified for use in PNG, reducing the thermal efficiency. PCRA, in collaboration with IIP-Dehradun have developed a high thermal efficiency PNG stove through hardware interventions. BIS standard (IS 17153:2019) has also been published in the gazette on 11.06.2019. Field trials of the stove show savings of around 30% PNG. Presently the PNG stove is available through on-line stores, viz. Flipkart/Snapdeal/ Amazon. Efforts are on to make the PNG stoves available in local stores at major cities of India.

- f) Mandatory BIS certification for LPG stoves: With the initiation of PCRA, Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry has issued the necessary Quality Control Order dated 03.12.2019 on making the BIS standard (IS 4246:2002) certification of domestic LPG stoves mandatory for all the domestic LPG stoves manufactured, imported or sold in India. This order shall come into force with effect from 01.06.2020. This effort has a saving potential of 0.5 MMT of LPG worth Rs 1600 Cr in two years

These activities of fuel efficiency and conservation have been making positive contributions towards the Government's ambitious program on reduction of 10% of import of crude oil by the year 2021-22.

### 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 a new cell, Petroleum Planning & Analysis Cell (PPAC) was created effective 1st April, 2002 as an attached office of the Ministry of Petroleum and Natural Gas, to assist the Government in the following activities:

- a. Administration of subsidy on PDS Kerosene and domestic LPG and freight subsidy for far-flung areas
- b. Maintenance of information data bank and communication system to deal with emergencies and unforeseen situations
- c. Analysing the trends in the international oil market and domestic prices
- d. Forecasting and evaluation of petroleum import and export trends
- e. Operationalizing the sector specific surcharge schemes, if any.

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

During the year 2019-20, an amount of Rs.22.61 crore was disbursed to PPAC as grant by OIDB. The following major activities were carried out by PPAC during the year:

#### 5.3.1 Settlement of subsidy claims of Oil Marketing Companies (OMCs)

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 22,635 crore were received and reviewed for the year 2019-20.

Pradhan Mantri Ujjwala Yojana (PMUY) was launched by Hon'ble Prime Minister Shri Narendra Modi on 1st May, 2016. Under the scheme, 5 crore LPG connections will be provided to women belonging to BPL households. The scheme was extended to cover 8 crores BPL households over a period of 4 years (till 2019-20). Under the scheme Government of India reimburses Rs.1600 & Rs.1150 per connection for 14.2 kg cylinder and 5 kg cylinder respectively to OMCs for issuance of security deposit free connection to poor household women beneficiaries. For the year 2019-20, PPAC has received

claims amounting to Rs.1,250 crore and reviewed claims up to Rs.1,165 crore (pending certifications from OMCs).

Effective 1st Oct, 2016, Direct Benefit Transfer in PDS Kerosene Scheme 2016 (DBTK) was implemented in 4 districts in Jharkhand State. This scheme was extended to another 6 districts effective 1st April, 2017 and currently entire state of Jharkhand is covered under DBTK effective 1st July, 2017. For the year 2019-20, PPAC has received and reviewed claims amounting to Rs.36 crore.

### **5.3.2 Settlement of NE Gas Subsidy claims**

MOP&NG has formulated the “Natural Gas Subsidy Scheme” for administering subsidy related to sale of natural gas to identified sector / customers in the North East region of India. The participating companies sell natural gas from the nominated gas fields to the consumers at subsidised rates and differential amount is claimed from the Government of India. For the year 2019-20, PPAC has received and reviewed claims amounting to Rs.574 crore.

### **5.3.3 Settlement of under-recovery claims of OMCs**

As the Government continues to modulate the retail selling prices of PDS Kerosene in order to insulate the common man from the impact of rise in international oil prices and the consumers continue to get the product at subsidized rates, the OMCs are incurring under-recovery on its sale. For the year 2019-20, PPAC has received and reviewed claims amounting to Rs.1,833 crore for under recovery incurred by OMCs on sale of PDS Kerosene.

### **5.3.4 Domestic Natural Gas Price Notification**

Ministry of Petroleum and Natural Gas authorized Director General, PPAC to notify the periodic revision of domestic natural gas price under the guidelines issued by Ministry of Petroleum & Natural Gas on 25th October 2014. Accordingly, domestic natural gas price was notified by PPAC for the period April, 2019 to September, 2019 and October, 2019 to March, 2020.

### **5.3.5 Gas Price Ceiling Notification**

Ministry of Petroleum & Natural Gas allowed marketing freedom including pricing freedom for the gas produced from discoveries in Deep-water, Ultra deep water and High pressure-High Temperature areas vide notification dated 21st March, 2016. Ministry of Petroleum & Natural Gas authorized Director General, PPAC to notify the periodic revision of gas price ceiling under the said notification. Accordingly gas price ceiling was notified by PPAC for the period April, 2019 to September, 2019 and October, 2019 to March, 2020.

### **5.3.6 Reconciliation of PPAC and DGCI&S data on crude oil import data**

PPAC had conducted various meetings with DGCI&S, Kolkata, Customs (ICE GATE), Delhi and IOCL, Delhi & analysed the procedure being followed by these agencies for collection/ collation of import data and had identified the reasons for variation of crude oil import data. This was primarily because of difference in procedures (bill of entry vs bill of lading details, difference in dates for reckoning foreign exchange rates etc.) being followed by different entities. The details were submitted to MoP&NG in December 2019.

### **5.3.7 PPAC SAS implementation project**

PPAC SAS implementation project has gone-live with effect from 5th March 2020. The project Go-Live represents the delivery of 6 Modules – Demand, Supply, PMUY, Finance, and Marketing & Gas Divisions. The SAS project is developed and deployed based on the functional requirements of the Divisions. The solution includes implementation of both front-end file uploads and back-end SAS visualization reports. The Front-end module enables OMCs to upload data in pre-defined formats. Data then is stored into a local database using an extract-transform-load(ETL) process. Finally, SAS Visualization displays data

to end-users in the form of reports, graphs and charts. In addition, DBTL Scheme is also implemented by integration with PMUY database in SAS. Currently, work is in progress for PMGKY implementation with integration to PMUY database at SAS.

### 5.3.8 Energy Demand Projection Model (EDPM)

The Energy Demand Projection Model (EDPM) was developed by PPAC as a part of committee constituted by MOP&NG headed by Additional Secretary. It was originally developed with 2015 as its baseline year for understanding the India energy landscape by policy makers and industry stakeholders. The assumptions and baseline data of the model was updated with the assistance of industry experts, in February 2020, reflecting developments of 2018.

### 5.3.9 Special achievement award in Swachhta Pakhwada

PPAC took massive efforts to percolate the message of cleanliness to office and neighbourhood and instill the theme of Swachhta in the common public while participating in activities assigned by MoDW&S undertaken by all organizations of MoP&NG. MoDW&S and MoP&NG recognised the efforts and in the Swachhta Pakhwada in July, 2019, wherein PPAC was bestowed a special achievement “Highly Commended” award and a shield of recognition for “Outstanding Contribution”.

## 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 to enhance safety levels and reduce risk inherent with this industry. OISD standards cover the entire activities pertaining to hydrocarbon sector i.e. exploration & production, refining, gas processing, storage, distribution, environment etc. which are implemented on self-regulatory basis by the Oil & Gas companies. OISD’s goal is to achieve enhance safety in Oil & Gas Installations in co-ordination with industry members both public and private sector.

During the year 2019-20, an amount of Rs.21.65 crore was disbursed to OISD as grant-in-aid by OIBD. As per OISD, following major activities were carried out by OISD during the year:

### 5.4.1 Safety Audits by OISD: FY 19-20

OISD carries out periodic safety audits of all types of Oil & Gas installations to monitor their compliance with the OISD standards. OISD Safety Audit Performance for the year 2019-20 is as indicated below:

Actions	Unit	Plan	Actuals
<b>Core Audits</b>			
Refineries & Gas Processing plants	Nos	17	16*
Mktg. Installations	Nos	70	100
E&P Onshore & Offshore Installations	Nos	66	73
Cross Country Pipelines	Kms	8000	9000
*Some of the audits had to be postponed due to Covid-19 Pandemic			

\*PCSA

### 5.4.2 Pre-Commissioning Safety Audits (PCSA)

To ensure safe & productive capitalization thereby enabling uninterrupted distribution of petroleum products for the public at large, OISD carries out pre-commissioning safety audits of Greenfield projects across the Oil & Gas Industry. The purpose of these audits is to ensure that green-field developments and also major additional facilities at existing locations are compliant with OISD standards at the construction stage itself.

During 2019-20, 65 nos. of such audits had been conducted on the request of the user Industry members. 1027 Km of Pipeline was also audited in this context.

Actions	Unit	Actuals
<b>Pre Commissioning Safety Audits (PCSA)- 2019-20</b>		
Refineries & Gas Processing plants	Nos	35
Mktg. Installations	Nos	30
Cross Country Pipelines	Kms	1027

#### 5.4.3. Joint Inspection (JI) of Oil Spill Response Equipment/ Facility with Indian Coast Guard (ICG)

OISD and Indian Coast Guard carry out joint inspection of Tier-1 Oil Response Equipment/ facilities. In this regard, joint inspection of two Offshore Platforms/ SPMs was carried out during the year 2019-20.

#### 5.4.4 “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 drilling rigs, offshore installations, SPMs. Total 16 nos. rigs, 12 nos. platforms and 3 nos. Single Point Mooring installations have been accorded “consent to operate” during the year 2019-20.

#### 5.4.5 Technical Seminar / Conference / Workshops

Technical Seminars / Conferences / Workshops for the Oil industry are conducted by OISD to discuss the latest technological developments, sharing of incident experiences etc. During the year 2019-20, OISD has organized the following seminars/workshops:

1. A two-day workshop on ‘Audit of LPG Bottling Plant’ for Auditors was conducted at IOCL’s LPG Bottling Plant, Mysore during 25th-26th April’2019.
2. Two-day workshop on ‘Audit of LPG Bottling Plant’ for Auditors was conducted at HPCL LPG Bottling Plant, Bhopal during 27th-28thJan’2020.
3. OISD Workshop on ‘Fire and Safety in Upstream Oil and Gas Operation’ was organized at IPSHEM, ONGC, Goa, jointly by OISD and ONGC during 14th-15th February, 2020.
4. Two-day Workshop on ‘Enhancing Auditors’ Skills’ for POL auditors of IOCL was conducted at IOCL Irumpanam Terminal during 26th-27th February, 2020.





- Two-day workshop on 'Audit of LPG Bottling Plant' for Auditors was conducted at BPCL LPG Bottling Plant, Sikrapur, Pune during 6th-7th March, 2020.

#### 5.4.6 Encouragement of Safety Performance across the Industry thru 'Oil Industry Safety Awards'

Annual evaluation of Safety Performance of the oil and gas industry is done by a specially developed methodology, which takes cognizance of hazards associated, incident recorded during the year and safety management system of the installation. Organizations, achieving 'outstanding safety performance' during the year, are awarded with the Oil Industry Safety Awards. In addition, individuals making exceptional contributions towards the cause of safety are also presented with safety awards for encouragement.

'Oil Industry Safety Awards', Safety Awards for the year 2018-19 were slated to be presented in a ceremony planned in April 2020. But the Safety Award function was postponed due to Covid-19 Pandemic.

#### 5.4.7 The Safety Council

To ensure proper implementation of the various aspects of safety in the Oil & gas Industry in India, Government of India had set up a Safety Council at the apex under the administrative control of Ministry of Petroleum & Natural Gas. Safety Council is headed by Secretary of MoP&NG.

Members of the Safety Council include the Chief Executives of Public and Private/ JVs Sector, Statutory bodies such as Chief Controller of Explosives (PESO), Director General of Mines Safety, Secretary Central Electricity Authority and Director General of Factory Advice Service and Labour Institute, Adviser (Fire). ED-OISD is member coordinator of Safety Council. The Safety Council meets at least once a year and 36th meeting of the Safety Council was held on 6th August' 2019.

Key issues discussed & reviewed during the 36th meeting are as under:

- Major activities undertaken in 2018-19& Activity plan for 2019-20.
- Compliance status of long pending recommendations of OISD Safety Audits.
- Approval of revised in eight numbers of existing OISD standards





#### 5.4.8 Development of Safety Standards

Practices for the oil and gas sector through a participative process involving all the stakeholders. 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 121 technical safety standards out of which 21 standards are mandatory for Oil & Gas sector by dint of their being included in the Petroleum Rules 2002, the Gas Cylinder Rules 2016, the Static & Mobile Pressure Vessels (Unfired) Rules, 2016 and the Oil Mines Regulations, 2017.

During the year 2019-20 OISD has revised 08 numbers of the existing safety standards. These standards, after their approval in the 36th Safety Council Meeting held on 6th August 2019, have been released for implementation by the oil and gas Industry.

Apart from these, formulation of one new standard and revision of eight existing OISD standard is currently under process.

#### 5.4.9 Incident Investigation & Analysis

OISD investigates major incidents (depending upon the severity/ damage) in oil and gas industry. The analysis of these incidents is shared with the industry to avoid recurrence. A databank of incidents of the oil and 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 OISD Newsletters etc. During 2019-20, ten major incidents were investigated by OISD.

#### 5.4.10 Other Major Activities

##### 1. Steering Committee meeting

54<sup>th</sup> Steering Committee meeting was held on 6<sup>th</sup> May 2019 with representatives from Oil & Gas industry (Principal Panelists) at OISD, Noida. Some of the major points discussed during the meeting are as under:

- Adoption of eight Revised OISD Standards
- Review of the implementation Status of ESA/SSA recommendations pending for more than two years.
- Incident Analysis for last three years.

##### 2. World Environment Day celebration at OISD

World Environment Day was celebrated on 5<sup>th</sup> June 2019 on the theme “Beat Air Pollution”, which inspires us all to consider how we can make changes in our everyday lives to reduce the serious risk of air pollution on our environment and human health as well as our natural places and wildlife.

##### 3. 5<sup>th</sup> International Yoga day

The 5<sup>th</sup> International Yoga Day was celebrated on 21<sup>st</sup> June, 2019 with full enthusiasm by all OISDIans.

#### 5.4.11 ISO 9001:2015 Re-certification of OISD

In the year 2013, OISD became the first ISO 9001:2008 certified Organization amongst all the OIBD grantee Organizations. ISO certification of OISD has been revalidated by M/s DNV during Periodic Audit on 2nd December, 2019.

## 5.5 Centre for High Technology (CHT)

Centre for High Technology (CHT) was established in 1987 by Ministry of Petroleum & Natural Gas and acts as the Technical Wing of MOP&NG for implementation of scientific and technological programmes of Govt. of India. Major functions of CHT include assessment of technology requirement, operational performance evaluation and improvement of the refineries. CHT acts as a focal point of oil industry for centralised technical assistance, knowledge dissemination, performance data base, exchange of information and experience sharing. CHT also coordinates funding of research work in downstream hydrocarbon sector and pursue the programmes of “Scientific Advisory Committee on Hydrocarbons” of MOP&NG.

During 2019-20, an amount of Rs.18.08 crore was released by OIDB to CHT. The major activities undertaken by CHT during 2019-20 are as below:

### 5.5.1 Performance Benchmarking of PSU Refineries & Pipelines

#### (a) Performance Benchmarking of PSU Refineries

Performance Benchmarking 2018 cycle of PSU refineries is carried out by CHT regularly since 2012 cycle through M/s Solomon Associates (SA), U.S.A. The study for 2018 cycle was for 16 PSU refineries and 4 lube refineries was completed and final benchmarking study report was submitted in mid of Oct 2019. A workshop on “How to use data” was conducted by M/s Solomon Associates on 19th/20th November 2019. The participants comprised of a multidisciplinary team from all the participating PSU refineries. In the workshop, Solomon Associates deliberated on various KPI's used in benchmarking along with its significance and methodology of calculation. Solomon Associates made a final consolidated presentation on the performance of PSU refineries at MoP&NG on 18th November 2019.

#### (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 and completed through M/S Solomon Associates (SA), USA in January, 2019. The Data Coordinators' Seminar was conducted by SA with participants from Pipelines (IOCL, BPCL, HPCL, OIL, GAIL) on 22nd/23rd February, 2019 at CHT. The Study results were shared in October, 2019. Executive presentation of Study results was done by M/s Solomon Associates on 21.10.2019. Two Workshops at Delhi & Mumbai were also carried out on 22.10.2019 & 25.10.2019 as per contractual agreement. Study results have been shared with all the participating companies. Presentation of study results was held at MoP&NG on 10th February 2020. Secretary, P&NG chaired the meeting. ASFA, MoP&NG, representatives of M/s Solomon Associates along with CMD/Directors of Oil PSUs and ED CHT were the major participants in the meeting.

### 5.5.2 Energy Efficiency Improvement

Refineries are included in PAT (Performance Achieve and Trade), under which each refineries is mandated to meet the Specific Energy Consumption Targets. CHT was actively associated with BEE for baseline Audit of Refineries, target setting, for development of calculation formats and has been monitoring the progress. CHT has also checked the final M&V reports submitted by Accredited Energy Auditors and assisted BEE in finalising the achievements of Energy Reduction Targets for Refineries.

Under PAT cycle-II, which ended in 2018-19, the refinery sector achieved savings of 1.482 MTOE against target of 1.08 MTOE over the base line year of 2014-15. The refinery wise energy savings targets for 2023-24 under new PAT cycle have also been mandated based on specific energy reduction of 4.49% the refining sector.

A Roadmap for Energy Reduction in PSU refineries till 2030, aligning with India's NDC of 33-35 % reduction in Specific Energy Consumption over base year of 2005, has been prepared. The roadmap has also assigned a midterm (2023-24) and long term target (2030) for each PSU refineries.





### 5.5.3 Refinery Performance Improvement Programme (RPIP)

CHT coordinated finalisation of refinery-wise global consultants for carrying out comprehensive Refinery Performance Improvement Programme of 7 PSU refineries (HPCL -Mumbai and Visakh, BPCL - Mumbai and Kochi, IOCL - Panipat, Paradip and Mathura) in the first phase based on baseline year 2017-18. Refineries have received their assessment report and implementation phase is under progress.

Based on experience of Phase-1 refinery post assessment, the Study for balance refineries (IOCL- Barauni, Gujarat, Haldia, Bongaigaon, Guwahati, Digboi, CPCL-Manali and NRL shall be taken up in 2nd Phase and the activities of EOI finalization has begun.

### 5.5.4 Special studies for the PSU refineries

#### Development of Water Consumption Norms and Reduction of Water Footprint for Refineries

CHT initiated Development of Water Consumption Norms and Reduction of Water Footprint for Refineries through EIL as approved during 25th meeting of EC of CHT. The final report was discussed among PSU refineries at CHT on 26/27th February, 2020 and an execution roadmap with a short term (<2 years) and a long term (>2 years) target, was developed for submission to MoP&NG. While the short term measures had a target date of completion by March 2022, the long term measures involved ideas / projects which shall be completed beyond March 2022.

#### Approach Paper on demand side steam management

M/s KBC, Singapore was awarded to prepare an approach Paper on demand side steam management based on the best practices and Indian realities. The final report along with a detailed matrix of identified best practices as well as RPIP findings have been circulated to refineries.

#### Feasibility study for production of ethanol using waste gases through M/S LanzaTech, USA: The study for 1st phase of refineries is in progress.

CHT in coordination with M/s LanzaTech carried out Techno-economic Assessment for 13 PSU refineries covering Refinery-wise Ethanol potential, Capex and estimated Cash Cost of Production (CCOP). CCOP was projected below Rs 40 per litre for all refineries except IOC-GR & DR, indicating feasibility of adopting LanzaTech technology. Joint site visit by M/s LanzaTech and respective refinery were done to access site limitations, if any. Out of 6 refineries identified for carrying out feasibility studies initially, two refineries (IOC-Haldia & IOC-Gujarat) were dropped out due to space constraints. BPCL-Mumbai refinery and MRPL awarded the job, BPCL-Kochi and Bina refinery are interacting with M/s LanzaTech to resolve technical issues. In view of lower potential of Ethanol at MRPL, the feasibility study will be independently done by MRPL without CHT funding.

#### Feasibility & Business Model for Reference Fuel by EIL & IOC R&D:

Reference Fuels are used by OEMs for testing their vehicles. These fuels are imported mainly from Germany. A study, comprising of three phases has been planned to assess the feasibility for production in India. Work Order was awarded to M/s Engineers India Ltd., along with IOC-R&D for "Development of Process Scheme for Reference Fuel". Identification of Refinery streams for manufacture of Reference fuel was carried out. Kick off meeting was held on 27th January 2020 at CHT with EIL & IOCL-R&D for the First phase of "Development of Process Scheme for production of Reference Fuel". EIL submitted updated Final report for Stage-1 study on 26th May 2020.

### 5.5.5 Furnace efficiency and Steam leak surveys

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

during January, 2019 and survey for Furnace/ Boiler Efficiency was conducted during January-February, 2020.

#### 5.5.6 Refining & Petrochemicals Technology Meet (RPTM)

With a view to keep abreast with the technological developments and disseminate information, CHT organises RPTM every year in association with one of the PSU oil company on different theme of relevance. The event is attended by large number of process licensors, catalyst suppliers and delegates from India and abroad. The last 24th RPTM, was organised by CHT in association with MRPL, during 19th to 21st January, 2020 in Bengaluru. The Theme of the Meet was "Driving Refineries and Petrochemicals towards Sustenance". Around 1500 delegates / invitees from India and abroad participated in the Meet. The event had presentation of 82 oral papers spread over 15 Technical Sessions, 77 papers in Poster Sessions and 17 Exhibition Stalls. The meet was attended by 1500 delegates/invitees from India and abroad.

#### 5.5.7 Implementation of PM JI VAN Yojna

Pradhan Mantri JI-VAN Yojna was announced in March, 2019 for promotion of 2G ethanol by providing financial assistance for setting up of 12 commercial units (combined capacity of ~40 crore litre per annum) and 10 demonstration units at semi commercial level. Government has targeted blending of 10 % Ethanol in Petrol by 2022 and 20% by 2030 & Blending of Biodiesel in Diesel of 5% by 2030

The scheme will be implemented in 2 phases as under:

Phase-I (2018-19 to 2022-23): 6 Commercial & 5 demonstration projects

Phase-II (2020-21 to 2023-24): 6 Commercial & 5 demonstration projects

For commercial projects, the maximum financial support per project has been capped at Rs 150 crore, which is linked to ethanol capacity and the project cost. For demonstration projects, the financial assistance will be limited to Rs. 15 crore per Technology.

CHT has been nominated as nodal agency for implementation PM JI VAN Yojna. Scientific Advisory Committee on Hydrocarbons of MoP&NG (SAC) has been nominated to appraise the project proposals. The projects recommended by SAC, shall be considered and approved by Steering Committee of CHT.

3 sub committees were constituted by SAC for quick & effective implementation of the scheme. Draft RFS, separately for Commercial & Demonstration Projects, were prepared after taking inputs from 3 sub committees & subsequent discussion in SAC meeting. RFS documents were issued on 26th Aug'19 on CPP Portal as well as CHT Website for selection of Project Developers (PDs) for demonstration scale & commercial scale 2G Bioethanol Projects.

Against the RFS, 6 commercial project proposals and one proposal (IOCL R&D) for demonstration project have been received. The recommendation of the SAC shall be now put up for consideration and approval by Steering Committee of CHT.

#### 5.5.8 Indigenous Technology Development

CHT co-ordinates the activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MOP&NG in identifying and funding of research projects for downstream hydrocarbon sector. SAC approves and steers projects of national importance and refining operations. SAC is headed by Dr Anil Kakodkar, an eminent Scientist and DAE Chair Professor, BARC. During the year, M/s EIL along with BPC Kochi has developed indigenous Desalter Technology under the project funded by CHT.

#### 5.5.9 Hydrogen Research

Till the very recent past, the role of hydrogen was not seen so clearly. As a result there was not so much interest in Hydrogen research. Driven by concern of global warming, deteriorating emission

levels and falling cost of renewable power, it is now being recognized that the different energy systems, including fossil fuels (coal, crude, gas), will co-exist in the foreseeable future. As energy systems are capital intensive and take time to develop, increasing role for renewables, with possible transition to electricity and hydrogen economy is foreseen in long term. While there appears to be renewed interest in hydrogen research, the energy transition still remains unclear and developments in the different energy forms shall determine the path forward. Considering the above, Scientific Advisory Committee on Hydrocarbons of MoP&NG has identified hydrogen research and its promotion of as one of the major focus areas.

Currently, transition to Hydrogen economy has several challenges, like cost effective production, storage, development of Fuel cell & deployment of different applications, etc. This requires concerted efforts for R&D in these areas and creation of infrastructure for dispensing of hydrogen to different applications for demonstration.

Following projects are currently in progress/ under consideration:

Sl. No.	Project Detail	Total project Cost (Rs./crore)	Funding by CHT (Rs./crore)	Status of approval
1	Scale-up studies and process development for Hydrogen Production by Catalytic Decomposition of Natural Gas: HPCL-R&D, CeNS and IIT, Delhi	29.46	16.73	ongoing
2	Solar H <sub>2</sub> production & dispensing station: IOCL R&D	65.16	25.00	ongoing
3	Demonstration unit for H-CNG production and trials at Rajghat Bus Depot at Delhi: IOC R&D	33.39	9.2	ongoing
4	Fuel Cell buses based on H <sub>2</sub> produced from Multiple Pathways: IOCL/ KPIT / IISc	296.66	138.32	Under consideration

#### 5.5.10 Development of Catalyst Manufacturing Plant in India :

With a view to set up world class Catalyst Manufacturing Unit in India-under Make in India, Expression of Interest (EOI) have been issued from bidders having global reach for marketing of catalysts and catalyst manufacturing capability. The proposed catalyst plant is envisaged to be set up as a Joint Venture between an established Catalyst Manufacturer/Supplier and one or more PSUs under MoP&NG.

#### 5.5.11 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)

Refinery Performance Improvement Awards for 2018-19, Saksham Award for 2019 and Innovation Awards for 2018-19 were presented to the winners by the Chief Guest during the Inaugural function of the 24th Refining & Petrochemicals Technology Meet (RPTM) on 19th January, 2020 in Bengaluru.

#### 5.5.12 Swachhata Ranking for PSU/JV Refineries

Swachhata Ranking of PSU/JV Refineries is a new initiative of the Ministry of Petroleum & Natural Gas, started in 2017. Refineries are ranked based on the Swachhata Index developed by Centre for High Technology. Swachhata Ranking for 2018-19 for PSU/JV Refineries was finalised and was presented to the winners by Hon'ble Minister of Petroleum & Natural Gas and Steel, Govt. of India, on 16th September, 2019.

#### 5.5.13 Activity Committee Meetings

With the aim of sharing of best operational practices & improvements and dissemination of information on latest developments, CHT organised various Activity Committee Meetings in critical areas/ technologies in refining sector and pipelines operations. Currently 14 Activity Committees are in place and 7 ACMs were held during the year 2019-20.

#### 5.5.14 Knowledge Dissemination and Experience Sharing

- A Compendium on Best Practices, including Takeaways from Activity Committee Meetings and Innovations in refining sector was prepared and shared with all refineries.
- Discussion Forums on 10 major areas concerning the downstream hydrocarbon has been created on CHT portal. Specific queries can be posted by the authorised co-ordinators from PSU companies for seeking answers from an Expert Panel.

#### 5.5.15 Implementation of BS-VI Auto fuels and Lab Co-relation Programme

Readiness for supply of BS-VI fuels were discussed during various review meeting with JS(R) and representatives from PSU refineries. A detailed review of BS-VI projects at PSU refineries along with readiness to supply BS-VI Gasoline and Diesel was done during 21st meeting of Working Group on 22nd November, 2019. Refineries had planned up gradation of supply network from refinery up to marketing locations and filling stations before the rollout date 1st April, 2020.

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

#### 5.5.16 Supply of Grade A (1000 ppm S) Kerosene

MoP&NG, vide letter dated 16th October, 2018, communicated to Industry that all refineries will supply Grade-A Kerosene (1000 ppm Sulphur) w.e.f. 01.04.2020. Industry is ready for production from refineries w.e.f. 01.04.2020. Considering the low allocation and limited tankage, further 3 months to be required for dilution.

# Chapter 04

## Financial Assistance: R&D and other Grants

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

## 2. Upstream Sector

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

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

### 2.1 Review of the Projects

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

## 3. Downstream Sector

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

## 4 Assistance to Technical Institutes/CSIR Laboratories

OIBD provides assistance to educational institutes as well, for creating infrastructure for training and research such as 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 2019-20, OIBD has sanctioned following two new R&D projects of Indian Institute of Technology (Indian School of Mines), Dhanbad :

Rs./lakh

1.	Use of Natural Extracts as Pour Point Depressants for flow of waxy crude	54.00
2.	Foam assisted Oil Water Nano-emulsion for Enhance Oil Recovery experimental and Molecular Dynamic Simulation Studies	70.00

## 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 31.03.2020, OIDB has released grant of Rs.31.51 crore approx. for funding of HCF projects out of Hydrogen Corpus Fund. As on 31.03.2020, funds amounting to Rs.175.76 crore approx. is available in HCF. The list of ongoing HCF projects are as under :

Rs./crore

Sl. No.	Name of the project	Project cost	Contribution from HCF	Funds released till 31.03.2020 from HCF	Executing agency
1	Scale up studies and process development by hydrogen production by catalytic decomposition of natural gas	29.46	16.92	1.13	HPCL/IITD/CeNS
2	Solar based H <sub>2</sub> Production System & Dispensing Station for Refueling H <sub>2</sub> 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	2.19	IOC (R&D)
	<b>Total</b>	<b>103.82</b>	<b>51.12</b>	<b>3.32</b>	



# Chapter 05

## OIDB's Contribution to Energy Security

## Indian Strategic Petroleum Reserves Limited

To ensure energy security, Government of India had decided to build a strategic crude oil reserve of 5 MMT through a Special Purpose Vehicle (SPV). The SPV named Indian Strategic Petroleum Reserves Limited (ISPRL) was initially incorporated as a subsidiary of Indian Oil Corporation Limited which later became a wholly owned subsidiary of Oil Industry Development Board (OIDB) w.e.f. 09.05.2006. The caverns have been constructed at three locations namely Visakhapatnam (1.33 MMT) where the geology was good and we could create 30% additional storage incurring 15% additional cost, the capacity at Vizag was enhanced from the proposed 1 MMT to 1.33 MMT, Mangalore (1.5 MMT) and Padur (2.5 MMT). These reserves store crude oil equivalent to India's net import requirement of 9.5 days.

Capital cost for constructing these strategic storage facilities was originally estimated to be Rs.2397 crore at September 2005 prices which had undergone upward revision to Rs.4098.35 Crore. The authorized and paid up capital of the company as on 31.03.2020 is Rs.3832.56 Crore and Rs. 3775.87 Crore respectively. OIDB has contributed Rs.3775.87 Crore towards its equity participation in ISPRL till 31.03.2020.

Status of the projects at the three locations are as under:

### 1. Visakhapatnam (Storage Capacity: 1.33 MMT)

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

HPCL has received around 220 shipments of crude oil at Vishakhapatnam and done over 370 transfers.

HPCL signed an O&M Agreement with ISPRL for Operation and Maintenance of the crude oil facility at Visakhapatnam which was extended as per contractual terms on 16th November 2019.



## 2. Mangalore (Storage Capacity: 1.5 MMT)

The Mangalore Cavern facility falls in the Mangalore SEZ area. For the project, 104.73 acres of land was allocated by MSEZL. The Mangalore cavern project has two storage compartments of 0.75 MMT each. The capital cost of facility is Rs.1227 Crores.

The project was commissioned in October 2016 with three parcels of crude oil. The total cost of crude oil for one compartment in Mangalore is Rs.1754 Crore.

Both the compartments of Mangalore Cavern have been commissioned. The first compartment i.e. Cavern B was commissioned in October 2016, it was completely filled with three VLCC parcels of 50% Iran Heavy + 50% Iran Light crude oil in the month of December 2016.

For Cavern-A, an agreement was signed between ADNOC and ISPRL in February 2018 for filling Crude oil supplied by ADNOC. They completed their structural obligation of filling the caverns during May 2018 to November 2018.

As per approval of the Empowered Committee of Secretaries (ECS), entire crude oil stored in ISPRL caverns at Mangalore and Padur was transferred to MRPL with a view to store a different grade of crude. This was the first successful transfer and commissioning of line from ISPRL Mangalore to MRPL refinery. Total 905 TMT of ISPRL crude was transferred to MRPL during the year. MRPL has purchased Arab Mix crude as replacement for the above ISPRL crude oil.

During the year, first successful commercial transaction of ADNOC crude comprising of 8,68,591Bbls to HPCL Vizag was done in December 2019. Subsequently, MRPL also purchased 1.9 Million Bbls of crude from ADNOC which was transferred from Mangalore Cavern A.



## 3. Padur (Storage Capacity: 2.5 MMT)

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

Padur Cavern Project has been successfully commissioned in December 2018.

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

A Memorandum of Understanding was signed with Saudi Aramco to fill Crude Oil in ISPRL's one compartment at Padur, Karnataka on 29th October 2019 in Riyadh, Saudi Arabia on the side-lines of the visit of the Hon'ble Prime Minister.

Taking advantage of the low crude prices due to the Covid 19 pandemic, Government of India allocated funds for filling remaining portion in the underground caverns. A detailed schedule for the vessels was prepared for filling the caverns in April and May 2020. The operation of cavern filling was completed ahead of schedule. With support from the Government, OMCs and MRPL, ISPRL was able to fill the strategic reserves at all the three locations despite the challenging conditions of lockdown.



# Chapter 06

## Other Initiatives/ Activities



## 1. OIBD Relief Trust (OIBD RT)

During the period April to June 2000 unprecedented drought had hit some States viz. Andhra Pradesh, Rajasthan and Gujarat. In response to appeal made by the then Hon'ble Prime Minister, the Ministry of Petroleum & Natural Gas, in May 2000 decided to reimburse the cost of diesel for transportation of drinking water to the drought affected villages in these states. For this purpose, with the approval of the then Hon'ble Minister of Petroleum & Natural Gas, a Trust named OIBD Drought Relief Trust was formed on 01.06.2000 as a Charitable Trust. The President of the Trust is Secretary (PNG) ex-officio, Managing Trustee of the Trust is Additional Secretary (PNG) ex-officio and Secretary (OIBD) is the Secretary of the Trust with other representatives from the Oil PSUs as trustees. Oil PSUs have contributed to the Corpus to the tune of Rs.20.60 crore. As the aims and objectives of the Trust are broad based and permit financial assistance for other welfare measures other than drought relief the name of the Trust was changed from "OIBD Drought Relief Trust" to "OIBD Relief Trust" on 09.07.2010. Till 2015-16, an amount of Rs.22.76 crore approximately has been released to various State Governments, Prime Minister Relief Fund and other welfare organizations.

With the approval of Ministry of Petroleum & Natural Gas, it was decided that the entire amount lying in the account of OIBD Relief Trust may be transferred to PM CARES Fund to cope with the Covid-19 Pandemic and to dissolve the Trust thereafter. Accordingly, an amount of Rs.18.34 crore, was transferred to PM CARES Fund on 31.03.2020.

## 2. Hydrocarbon Sector Skill Council (HSSC)

In line with the National Skill Mission of India, Hydrocarbon Sector Skill Council (HSSC) for the Oil & Gas sector has been set up under the aegis of Ministry of Petroleum & Natural Gas (MoPNG) with its primary objective to execute skill development activities in Indian Hydrocarbon Sector and meeting the entire value chain's requirement of appropriately trained manpower in quantity and quality on a sustained and evolving basis. The OIBD and other promotor Oil PSUs have contributed an amount of Rs.25 crore to the corpus of HSSC. Out of which, OIBD, being one of its promotors, has contributed an amount of Rs.3 crore to the corpus of HSSC.

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

Oil Industry Development Board (OIBD) 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 OIBD. Rosters are being maintained for each category of posts as per Government guidelines and checked by the Liaison Officer. Inspection of Rosters for the year 2018 for direct recruitment and promotion for SC/ST/OBC/PH was carried out by the Ministry of P&NG on 25.07.2019 and observed that rosters are being maintained properly as per instructions of Government of India. Further there is no backlog or shortfall in the employment of SC/ST/OBC/PH against their reserved quota. No complaints with regard to harassment or discrimination against such employees have been received during the year.

## 4. Welfare and Empowerment of Women:

Oil Industry Development Board (OIBD) is proactive in dealing with gender issue and to promote the cause of women empowerment OIBD has setup a Committee to attend to redressal of complaints on



'sexual harassment at workplace'. As on 31.03.2020, there are 3 women employees as against the working strength of 17 employees in OIDB.

## 5. Implementation of Government's Official Language Policy

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

During the year 2019-20, following activities were taken for promotion of Hindi as official language:

- On the occasion of Hindi Diwas, Hindi Pakhwara was organized in OIDB from 12.09.2019 to 26.09.2019. During the Pakhwara, various competitions were organized to encourage employees of the Board to do their work in Hindi. These included Bhasha Gyan, just a minute quiz, essay, doha completion, etc. and kavi samellan was also organised on 13<sup>th</sup> September, 2019.
- Quarterly, Half yearly and Annual Progress Reports on progressive use of Hindi were sent to Department of Official Language regularly.
- Regular Hindi Workshops were conducted in OIDB on quarterly basis on various topics such as Hindi Bhasha Gyan aur Manak vartani, rajbhasha Niti aur uska anupalan, Hindi mein kam karne par Aane wali atiniya ka samadhan, etc.
- OIDB continued to publish its annual in-house Hindi Magazine titled "Anubhuti" during the year and the 16<sup>th</sup> issue was unveiled on the occasion of OIDB's Foundation Day (13<sup>th</sup> January, 2020). 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 is widely circulated between Oil PSU's and OIDB's Grantee Institutions.



- During the year, OIDB was also awarded Consolation Prize for the year 2018-19 by Town Official Language Implementation Committee, Noida for OIDB's excellent performance in implementing the Official Language Policy.



- During the year, the OIDB calendar for the year 2020 was also released.





## 6. Celebration of International Yoga Day:

Oil Industry Development Board celebrated “International Yoga Day” on 21.06.2019 at OIDB Bhawan, Noida. All OIDB employees and employees of the grantee organisations located in OIDB Bhawan, Noida, participated in the “International Yoga Day”.

## 7. Celebration of the 45th Foundation Day

Oil Industry Development Board celebrated its 45th Foundation day on 13th January, 2020. All officers & employees of the 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.



## 8. Celebration of the Swachhta Pakhwada

Oil Industry Development Board celebrated the “Swachhta Pakhwada” during 01.07.2019 to 15.07.2019 and “Swachhta Hi Sewa Campaign (SHS)” was organised during 15.09.2019 to 02.10.2019, various





activities like pledge on non use of Single Use of Plastic (SUP), collection of plastic from OIDB Bhawan periphery, lecture on non use of plastic in nearby school tree plantation, health camp, cleanliness drive, awareness drive and review of activities, etc.

## 9. Right to Information Act

Right to Information (RTI) Act, 2005 has been implemented in the OIDB as per Gazette Notification of Government of India dated 15th June, 2005. RTI Act is inter-alia designed to promote transparency and accountability in the functioning of public authorities. OIDB is already aligned to the DOPT's RTI portal where RTI applications are received/transferred/ disposed off online. As per provisions of Section 5 and 19 of the Right to Information Act, 2005, FA&CAO, DCF&AO and Manager (P&A) are designated as Transparency Officer, Appellate Authority and Public Information Officer respectively.

During the year 2019-20, 8 applications/receipts were received under RTI Act, 2005 in the OIDB. All the 8 applications/receipts have been disposed of within the stipulated timeframe during the year.

# Chapter 07

## Annual Accounts 2019-20



# OIL INDUSTRY DEVELOPMENT BOARD

## BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

CORPUS / CAPITAL FUND AND LIABILITIES	Sch	Current Year	Previous Year
CORPUS / CAPITAL FUND	1	90240	90240
RESERVES AND SURPLUS	2	1092349	1077552
EARMARKED / ENDOWMENT FUNDS	3	0	0
SECURED LOANS AND BORROWINGS	4	0	0
UNSECURED LOANS AND BORROWINGS	5	0	0
DEFERRED CREDIT LIABILITIES	6		0
CURRENT LIABILITIES AND PROVISIONS	7	11689	6016
<b>TOTAL</b>		<b>1194278</b>	<b>1173808</b>
<b>ASSETS</b>			
FIXED ASSETS (Net Block)	8	8347	9248
WORK IN PROGRESS	8	50	50
INVESTMENTS - EARMARKED / ENDOWMENT FUNDS	9	0	0
INVESTMENTS - OTHERS	10	382621	379871
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	803260	784639
MISCELLANEOUS EXPENDITURE		0	0
(to the extent not written off or adjusted)			
<b>TOTAL</b>		<b>1194278</b>	<b>1173808</b>
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OIDB

Sd/-  
(Gautam Sen)  
FA&CAO

Sd/-  
(Niranjan K. Singh)  
SECRETARY

DATE : 19.08.2020  
PLACE : NEW DELHI

## OIL INDUSTRY DEVELOPMENT BOARD

### INCOME AND EXPENDITURE ACCOUNT

### FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

INCOME	Sch	Current Year	Previous Year
Income from Sales / Services	12	0	0
Grants / Subsidies	13	0	0
Fees / Subscriptions	14	0	0
Income from Investments	15	0	0
Income from Royalty, Publication, Sale of Data by DGH etc.	16	969	73
Interest Earned	17	53900	54487
Other Income	18	3508	480
Increase / (decrease) in stock of Finished goods and works-in-progress.	19	0	0
<b>TOTAL (A)</b>		<b>58378</b>	<b>55040</b>
<b>EXPENDITURE</b>			
Establishment Expenses	20	480	619
Other Administrative Expenses etc.	21	1142	1044
Expenditure on Grants, Subsidies etc.	22	32890	37483
Interest paid	23	0	0
Royalty to State Governments	24	0	0
Depreciation (Net Total at the year-end - corresponding to Schedule 8)	8	784	871
<b>TOTAL (B)</b>		<b>35296</b>	<b>40017</b>
Balance being excess of Income over Expenditure (A-B)		23082	15023
Provision for Income Tax		8240	5363
Transfer to Special Reserve (Specify each)		-	-
Transfer to General Reserve		-	-
<b>BALANCE BEING SURPLUS CARRIED TO CORPUS / CAPITAL FUND</b>		<b>14842</b>	<b>9660</b>
SIGNIFICANT ACCOUNTING POLICIES	25		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	26		

For and on behalf of OI DB

Sd/  
(Gautam Sen)  
FA&CAO

Sd/  
(Niranjan K. Singh)  
SECRETARY

DATE : 19.08.2020  
PLACE : NEW DELHI

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 1 - 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		-		-	
<b>BALANCE AS AT THE YEAR-END</b>			<b>90240</b>		<b>90240</b>
Rs. in lakh					
SCHEDULE 2 - 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			1077552		1068193
Addition/ deletion during the year					
(i) Excess of Income over Expenditure		14842		9660	
(ii) less: Adjustment of tax provision etc		45	14797	301	9359
<b>TOTAL:</b>			<b>1092349</b>		<b>1077552</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs. in lakhs)

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



# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 4 - 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		
. Others (Specify)		
<b>TOTAL:</b>		

**Note:** Amounts due within one year.



# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 5 - 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)		
<b>TOTAL:</b>		

**Note:** Amounts due within one year.

(Rs.in lakh)

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

**Note:** Amounts due within one year.



# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS	Current Year		Previous Year	
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	10		57	
c) Payable to Contractors	220		216	
d) others (i) Outstanding -Rs. 243 Lakh				
(ii) Other BLL -Rs. 2705 Lakhs				
(iii) Other - Rs. 12 Lakhs	2960		114	
e) Security Deposits including EMD	107		118	
f) Amount Withheld include Labour Cess ( Payable to Contractors)	47	3344	49	554
<b>TOTAL (A) :</b>		<b>3344</b>		<b>554</b>
<b>B. PROVISIONS</b>				
1. For Taxation		8240		5363
2. Gratuity		0		0
3. Superannuation / Pension		0		0
4. Accumulated Leave Encashment		101		95
5. Trade Warranties / Claims		-		-
6. Others - Provision for Auditors Remuneration		4		4
<b>TOTAL (B) :</b>		<b>8345</b>		<b>5462</b>
<b>TOTAL (A + B) :</b>		<b>11689</b>		<b>6016</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

SCHEDULE 8 - FIXED ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION*				NET BLOCK	
	Cost/Valuation as at beginning of the year 01.04.19	Additions during the year	Deduct-ions during the year	Cost / valuation at the year-end 31.03.20	As at the beginning of the year 01.04.19	Additions during the year	Deduct-ions during the year	Total up to the Year-end 31.03.20	As the Current year-end 31.03.20	As at the Previous year-end 31.03.19
<b>A. FIXED ASSETS:</b>										
1. LAND:										
a) Freehold	0	0	0	0	0	0	0	0	0	0
b) Leasehold										
Dwarka Land	995	0	0	995	0	0	0	0	995	995
Noida Land	946	0	0	946	0	135	0	135	811	946
2. BUILDING:										
a) On Freehold Land	0	0	0	0	0	0	0	0	0	0
b) On Leasehold Land	10181	0	0	10181	5305	488	0	5793	4388	4876
c) Ownership Flats / Premises	0	0	0	0	0	0	0	0	0	0
d) Superstructures on Land not belonging to the entity	32	0	0	32	21	1	0	21	11	10
3. Plant Machinery & Equipment	2955	0	1	2954	2061	135	0	2196	758	893
4. Vehicles	5	0	0	5	5	0	0	5	0	0
5. Furniture, Fixtures	3171	0	0	3171	1666	150	0	1816	1355	1505
6. Office Equipment	56	4	0	61	44	3	0	47	14	12
7. Computer /Peripherals	58	11	0	69	55	6	0	61	8	4
8. Electric Installations	0	0	0	0	0	0	0	0	0	0
9. Library Books	0	0	0	0	0	0	0	0	0	0
10. Tubewells & Water Supply	0	0	0	0	0	0	0	0	0	0
11. Other Fixed Assets	27	0	0	27	20	1	0	21	6	7
<b>Total of Current Year :</b>	18426	15	1	18441	9177	918	0	10095	8347	9248
<b>Previous Year :</b>	18512	16	101	18427	8308	871	0	9179	9248	10204
<b>B. CAPITAL WORK-IN-PROGRESS:</b>	50	0	0	50	0	0	0	0	50	50

\* Amortisation provision made against Noida Lease land w.e.f. 2006-07 onwards



# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 9 - INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS	Current Year	Previous Year
1. In Government Securities	NIL	NIL
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (to be specified)		
<b>TOTAL:</b>	-	-
SCHEDULE 10 - INVESTMENTS - OTHERS	Current Year	Previous Year
1. In Government Securities	-	-
2. Other approved Securities	-	-
3. Shares	-	-
Bienco Lawrie Limited	5034	5034
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures (ISPRL)	377587	374837
6. Others (to be specified)	-	-
<b>TOTAL:</b>	<b>382621</b>	<b>379871</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2020

(Rs.in lakh)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year		Previous Year	
<b>A. CURRENT ASSETS:</b>				
1. Inventories:				
a) Stores and Spares	-		-	
b) Loose Tools	-		-	
c) Stock-in-trade				
Finished Goods	-		-	
Work-in-progress	-		-	
Raw Materials	-		-	
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months	-		-	
b) Others	-	-	-	-
3. Cash balances in hand (including cheques / drafts and imprest)	0	0	0	0
4. Bank Balances:				
a) With Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts (In FDR)	15100		313230	
- On Saving Accounts	8589	23689	87	313317
b) With Non-Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	-		-	
- On Savings Accounts	-	-	-	-
5. Post Office - Savings Accounts			-	-
<b>TOTAL (A) :</b>		<b>23689</b>		<b>313317</b>

(Rs.in lakh)

SCHEDULE 12 - LOANS, ADVANCES AND OTHER ASSETS	Current Year		Previous Year	
<b>B. LOANS, ADVANCES AND OTHER ASSETS</b>				
1. Loans:				
a) Staff	10		13	
b) Oil PSUs (Annexure-II)	744904		429255	
c) Others(specify)	-		-	
		<b>744914</b>		<b>429268.25</b>
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		2750	
b) Advance Rent	218		220	
c) Others (including Advance Tax, TDS, MM Cell & Security Deposits )	21268	<b>21486</b>	21255	<b>24225</b>
3. Income Accrued:				
a) On investments from Earmarked / Endowment Funds	-		-	
b) On Investments - Others	57		4557	
c) On Loans and Advances -	2820		2877	
Less: Provision for doubtful debts made in earlier years	2711		2711	
d) Others (Data sale Proceeds From DGH)	12	<b>178</b>	72	<b>4795</b>
4. Claims Receivable				
i) tax paid under protest	12897		12895	
ii) Accounts Receivable	95	<b>12993</b>	139	<b>13034</b>
<b>TOTAL (B) :</b>		<b>779571</b>		<b>471322</b>
<b>TOTAL (A + B) :</b>		<b>803260</b>		<b>784639</b>



# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

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

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

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

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

SCHEDULE-16	Current Year	Previous Year
<b>INCOME FROM ROYALTY, PUBLICATION, SALE OF DATA BY DGH ETC.</b>		
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others - Sale of data by DGH	969	73
<b>TOTAL:</b>	<b>969</b>	<b>73</b>
SCHEDULE 17 - INTEREST EARNED	Current Year	Previous Year
1. On Term Deposits:		
a) With Scheduled Banks( FDRs)	12050	25947
b) With Non-Scheduled Banks	-	-
c) With Institutions	-	-
d) Others	-	-
2. On Savings Accounts:		
a) With Scheduled Banks	16	153
b) With Non-Scheduled Banks	-	-
c) Post Office Savings Accounts	-	-
d) Others	18	-
3. On Loans:		
a) Employees / Staff	1	1
b) Oil Companies	41816	28386
4. Interest on Debtors and Other Receivables		
a) Interest on Mobilisation advance	0	0
b) Interest on Income Tax refund	0	0
<b>TOTAL:</b>	<b>53900</b>	<b>54487</b>
<b>Note - Tax deducted at source.</b>	<b>5437</b>	<b>5484</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

SCHEDULE 18 - 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	0	0
5. Miscellaneous Income (i) Rental Income -Rs. 461.36		
(ii) Reimbursement against Grant etc Rs. 3047.05	3508	480
<b>TOTAL:</b>	<b>3508</b>	<b>480</b>
SCHEDULE 19 - INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS	Current Year	Previous Year
a) Closing Stock		
- Finished Goods		
- Work-in-progress		
b) Less: Opening Stock		
- Finished Goods		
- Work-in-progress		
<b>NET INCREASE (DECREASE) (a+b)</b>	<b>-</b>	<b>-</b>
SCHEDULE 20 - ESTABLISHMENT EXPENSES	Current Year	Previous Year
a) Salaries and Wages	239	270
b) Allowances and Bonus	11	20
c) Contribution to Provident Fund	0	0
d) Contribution to OI D B Employees Group Gratuity and Pension Fund	180	88
e) Staff Welfare Expenses including medical expenses	41	31
f) Expenses on Employees' Retirement and Terminal Benefits	8	9
g) Others	1	201
<b>TOTAL:</b>	<b>480</b>	<b>619</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC.		Current Year	Previous Year
a) Purchases		0	0
b) Labour and processing expenses		0	0
c) Cartage and Carriage Inwards		0	0
d) Electricity and power		424	468
e) Water Charges		2	2
f) Insurance		5	2
g) Repairs and maintenance		160	146
h) Excise Duty		0	0
i) Rent, Rates and Taxes		25	37
j) Vehicles Running and Maintenance		18	16
k) Postage, Telephone and Communication Charges		7	5
l) Printing and Stationery		6	5
m) Misc. expenses		3	2
n) Expenses on Seminar / Workshops		6	5
o) Subscription Expenses		0	0
p) Expenses on Fees		0	0
q) Auditors Remuneration		0	3
r) Hospitality Expenses		0	0
s) Professional Charges		51	41
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		2	5
z) Others - Prior Period Expenditure	134	434	307
Others	300		
<b>TOTAL:</b>	<b>434</b>	<b>1142</b>	<b>1044</b>



## OIL INDUSTRY DEVELOPMENT BOARD

### SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC.	Current Year	Previous Year
a) Grants given to Institutions / Organizations (Annexure -III -a)	32255	37243
b) Assistance for Govt./ OI DB sponsored Schemes & Projects (Annexure-III-b)	635	240
<b>TOTAL:</b>	<b>32890</b>	<b>37483</b>

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

(Rs.in lakh)

SCHEDULE 23 - 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
<b>Total</b>	<b>0</b>	<b>0</b>

(Rs.in lakh)

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

# OIL INDUSTRY DEVELOPMENT BOARD

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2020

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

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

## OIL INDUSTRY DEVELOPMENT BOARD

### SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2020

#### SCHEDULE 26 – CONTINGENT LIABILITIES & NOTES ON ACCOUNTS

##### 1. Contingent liabilities

- (a) The outstanding claims on account of TDS as on 31.03.2020 are Rs.7.18 lakhs on the basis of default summary downloaded from TRACES (Income Tax Department) as compared to Rs.10.88 lakh as on 31.03.2019.
- (b) Income Tax for various assessment years against which appeals are lying pending with various authorities as detailed below:

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

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

- (c) An Arbitration claim of Rs. 180.41 lakh was filed by M/s Godrej & Boyce Mfg. against OI D B in respect of short payment & deduction related to the work order no. 14/18/2007-OI D B dated for 04.06.2008



for interior works (including internal electrical works) of G+3 block of OIDB Bhawan at Plot No. 2, Sector-73, Noida. In the said case, Ld. Arbitrator vide his award allowed the claim of M/s Godrej to the extent of Rs. 62.78 lakh. OIDB had challenged the award in the Court of Law. However, the award of Arbitrator has been upheld by High court vide order dated 16.09.2019. The awarded sum carries interest @ 12% from 15.03.2012. Counter claim of OIDB has been referred to Arbitrator and OIDB is to file its statement of claim.

## 2. COMMITMENTS

### Capital

- A) The value of the final bills amounting to Rs.119 lakhs (approx.) has not been considered for want of clarifications from PMC and contractors.
- B) OIDB has paid Rs.377587 lakhs on cumulative basis (Previous Year Rs. 377587 lakhs) to M/s Indian Strategic Petroleum Reserves Limited (ISPRL) for investment as equity in the Company up to end of March 2020. The company has already allotted and issued 37758746700 share certificates of Rs.10/- each for the total amount of Rs.3775746700/- to OIDB's Demat Account.

## 3. CURRENT ASSETS, LOANS & ADVANCES

- a) Loan Amounting to Rs.32.76 crore given to Biecco Lawrie Ltd (BLL) was converted into equity of OIDB in the company on the directions of Government. The Share Certificate has also been received. After conversion of this loan into equity, the total equity of OIDB in 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.

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

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

As per the approval of CCEA communicated by MoP&NG vide its letter dated 16.10.2018, OIDB has provided an interest free loan of Rs.86.65 crore to BLL in relaxation of usual terms & condition of loan to meet the liabilities arising as a result of closure of BLL such as to meet VRS cost, liquidation of statutory dues including outstanding salary of BLL employees, contingent liabilities etc. Out of Rs.86.65 crore, OIDB has released Rs.71.77 crore during F.Y. 2018-19 & Rs. 14.88 crore during F.Y. 2019-20 to BLL. Necessary provision would be made only after final closure of the company after setting off of realizable amount from sale of movable/ immovable assets of BLL.

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)

- b) Rs.2443 lakh from Canfina and Rs.268 lakh from Biecco Lawrie towards interest was recoverable. The matter relating to securities under UTI 1964 Scheme Units is under litigation. As the recovery of these

amounts remains doubtful, the same has already been provided in the accounts as 'doubtful debt' earlier.

- c) The OI DB 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.

#### 4. TAXATION

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

5. Proportionate cost of telephone, Facility Management, Electricity and diesel Charges as incurred by OI DB during the year have been debited to the ISPRL.
6. Interest form BLL amounting to Rs 95.24 lakhs has not been recorded in Income as per clause 6 of Schedule -25 Significant Accounting Policy of the Balance sheet.
7. (i) In terms of the provisions of the AS-15, issued by the ICAI for creation of Superannuation and Gratuity Fund for retirement benefits of its existing employees, the Board has created two separate trusts Viz. 'OI DB Employees Superannuation Scheme' and "OI DB Employees Gratuity Scheme"
- (ii) OI DB 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 "OI DB Employees Gratuity Scheme" and "OI DB employees Superannuation Scheme", respectively. The same is awaited.
8. Accounting Standards as issued by the Institute of Chartered Accountants of India have been followed, wherever applicable.
9. Schedules 1 to 26 are annexed and form an integral part of the Income & Expenditure Account & Balance Sheet as at 31st March 2020.
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 OI DB

Sd/-  
(Gautam Sen)  
FA&CAO

Sd/-  
(Niranjan K. Singh)  
SECRETARY

DATE : 19.08.2020  
PLACE : NEW DELHI





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

## OIL INDUSTRY DEVELOPMENT BOARD

### SCHEDULES FORMING PART OF INCOME & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2020

(Rs.in lakh)

Particulars	Sch No.	2019-20	2018-19
<b>Income</b>			
Interest Income	17	53900	54487
Income from Investment	15	0	0
Other income	16 & 18	4477	553
<b>Total</b>		<b>58378</b>	<b>55040</b>
<b>Expenditure</b>			
Expenses on direct operation	22 & 24	32890	37483
Salaries and amenities to staff	20	480	619
Administrative expenses	21	1142	1044
Depreciation on Fixed Assets Rs. 918	8	784	871
Less:- Previous years Amortization Rs. 134			
<b>Total</b>		<b>35296</b>	<b>40017</b>
Profit for the year		23082	15023
Profit before tax		23082	15023
Less : Provision for taxation		8240	5363
<b>Net Profit after tax carried to balance sheet</b>		<b>14842</b>	<b>9660</b>
Significant Accounting Policies & Notes on Accounts	25 & 26		

For and on behalf of OIDB

Sd/-  
(Gautam Sen)  
FA&CAO

Sd/-  
(Niranjan K. Singh)  
SECRETARY

DATE : 19.08.2020  
PLACE : NEW DELHI

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

**Details of outstanding balance of loan  
as on 31st March, 2020 from Oil PSUs**

(Rs.in lakh)

Sl.No.	Name of the Company	O.B. as on 01.04.2019	Loan Disbursed during 2019-20	Loan received Back during 2019-20	C.B. as on 31.03.2020
1	IOCL	46063	15000	28281	32781
2	BPCL	135850	32825	49944	118731
3	HPCL	69238	230000	6119	293119
4	BCPL	120450	0	19414	101036
5	BLL	8377	1488	0	9865
6	MRPL	26800	27100	0	53900
7	GAIL Gas Ltd.	17478	0	2006	15472
8	CPCL	5000	30000	0	35000
9	GAIL(India) Ltd.	0	85000	0	85000
	<b>Total</b>	<b>429255</b>	<b>421413</b>	<b>105764</b>	<b>744904</b>

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

### Statement Showing payments of grants during 2019-20

(Rs.in lakh)

Sl.No.	Name of the Institutes	2019-20	2018-19
	<b>A. Regular Grantee Institutes</b>		
1	Directorate General of Hydrocarbons	19291	23899
2	Petroleum Conservation Research Association	6730	6095
3	Centre for High Technology	1808	2058
4	Petroleum Planning & Analysis Cell	2261	2396
5	Oil Industry Safety Directorate	2165	2598
	<b>Total (A)</b>	<b>32255</b>	<b>37046</b>
	<b>B R &amp; D Grants</b>		
6	IOCL- Implementation Smart Card Project	0	197
	<b>Total (B)</b>	<b>0</b>	<b>197</b>
	<b>Total (A+B)</b>	<b>32255</b>	<b>37243</b>

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

### Expenditure on Schemes/Projects sponsored by Govt. of India/OIDB during 2019-20

(Rs.in lakh)

Sl.No.	Name of the Institutes	2019-20	2018-19
1	Indian Strategic Petroleum Reserves Limited	635	225
2	Pandit Deendayal Petroleum University	0	15
3	Hydrocarbon Sector Skill Council (HSSC)	0	0
	<b>Total (C)</b>	<b>635</b>	<b>240</b>

# OIL INDUSTRY DEVELOPMENT BOARD

## RECEIPTS AND PAYMENT FOR THE YEAR ENDED ON 31.03.2020

(Rs.in lakh)

RECEIPTS	2019-20	2018-19	PAYMENTS	2019-20	2018-19
<b>I. Opening Balance</b>			<b>I. Expenses</b>		
a) Cash-in-Hand	-	0.04	a) Establishment Expenses	208.14	304.78
b) Bank Balances			b) Administrative Expenses	626.88	865.03
i) In current account	-	-			
ii) In deposit account	-	-	<b>II. Payments made against funds for various Projects</b>		
iii) In savings account	87.38	18,348.43	a) Grant to HSCC	-	200.00
			b) Grant to ISPRL	635.00	225.00
			c) Grant to Pandit Deendayal Petroleum University	-	15.00
<b>II. Grants Received</b>			d) Grant to CHT	1,810.13	2,057.53
a) From Government of India	-	-	e) Grant to DGH	18,261.00	23,899.39
b) From State Government	-	-	f) Grant to OISD	2,165.05	2,598.00
c) From other Sources	-	-	g) Grant to PCRA	6,730.00	6,095.00
			h) Grant to PPAC	2,260.57	2,395.60
			i) Grant to IOCL	-	197.42
<b>III) Income on Investment from</b>					
a) Fixed Deposits	8,23,215.07	12,27,808.00	<b>III) Investment and Deposit made</b>		
b) Own Funds(other investments)	1,11,548.06	1,28,865.48	a) Fixed Deposits	5,25,085.00	12,15,004.51
			b) Out of Own Funds(other investments)	4,21,413.53	1,69,330.44
<b>IV) Interest Received</b>			<b>IV) Expenditure on Fixed Assets and Capital work - in -process</b>		
a) On Bank deposits	-	-	a) Purchase of Fixed Asset	15.37	15.25
b) Loans, advances etc	41,891.01	25,433.00	b) Expenditure in Capital Work-in-progress	-	-
c) Saving a/c	13.17	155.00			
d) Fixed Deposits	16,546.84	28,323.00	<b>V) Refund of Surplus Money/Loans</b>		
			a) To the Government of India	-	-
			b) To the State Government	-	-
			c) To other provider of funds	-	-
<b>V) Other Income</b>					
a) From Rent	451.70	397.00	<b>VI) Finance Charge(Interest)</b>		
B) from Fixed Assets	-	-			
c) From Establishment	-	-	<b>VII) Other Payments</b>		
d) From Administration	-	-	a) Business Provisions	-	-
e) Sala of Data	-	1.00	b) Other Payables	9,000.27	6,082.62
<b>VI) Amount Borrowed</b>			<b>VIII) Closing Balances</b>		
a) Loans & Advances	-	-	a) Cash in Hand	0.02	-
			b) Bank Balances		
			i) In current account	-	-
<b>VII) Any other Receipts</b>			ii) In deposit account	-	-
a) Unspent Grant received back	3,047.05	42.00	iii) In savings account	8,589.32	87.38
b) Other Miscellaneous receipts	-	-			
<b>TOTAL</b>	<b>9,96,800.28</b>	<b>14,29,372.95</b>	<b>TOTAL</b>	<b>9,96,800.28</b>	<b>14,29,372.95</b>

# Chapter 08

## Audit Report Of The Comptroller & Auditor General Of India



**Separate Audit Report of the Comptroller and Auditor General of India on the Annual Accounts of Oil Industry Development Board, Noida for the year ended 31 March 2020**

We have audited the attached Balance Sheet of Oil Industry Development Board (OIDB) as at 31 March 2020 and the Income & Expenditure Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 20(2) of the Oil Industry (Development) Act, 1974. These financial statements are the responsibility of the Management of OIDB. Our responsibility is to express an opinion on these financial statements based on our audit.

- 2 This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best practices, accounting standards and disclosure norms etc. Audit observations on financial statements with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Report/CAG's Audit Reports separately.
- 3 We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. This also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. **Based on our audit, we report that:**
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. The Balance Sheet and Income & Expenditure Account dealt with by this Report have been drawn up in the form of the format for Autonomous Bodies prescribed by C&AG of India in the year 2007.
  - iii. In our opinion, proper books of accounts and other relevant records have been maintained by OIDB in so far as it appears from our examination of such books.
  - iv. We further report that:

**Comments on Accounts:**

**A. Balance Sheet**

**A.1 Liabilities: Current Liabilities and Provisions(Schedule-7): ₹ 11689.00lakh**

The above is understated by ₹ 67.00lakh due to the followings:

- i. Short provision of income tax by ₹ 43.00 lakh for the year 2019-20

As per Income & Expenditure Accounts of Oil Industry Development Board (OIDB) for the year ending 31 March 2020, an amount of ₹ 23082.00 lakh has been shown under 'Balance being Excess of Income over Expenditure.' Based on this income a provision of ₹ 8240.00 lakh has been made in the account for the year 2019-20. As per Income Tax Rates for the year 2019-20, the correct income tax liability on OIDB for the year 2019-20 should have been ₹ 8283.00 lakh<sup>@</sup>.

<sup>@</sup> Considering 30% of ₹ 23082 lakh = ₹ 6925 lakh + ₹ 1039 (15% of ₹ 6925 lakh) = ₹ 7964 lakh + ₹ 319 (4% of ₹ 7964 lakh) = ₹ 8283 lakh.

- ii. Non-provisioning of liability of ₹ 24.00 lakh for Superannuation Scheme maintained by Life Insurance Corporation of India (LIC)

As per Actuarial Valuation Report/Demand Letter received (February 2020) from LIC, OIDB was required to pay an amount of ₹ 174.00 lakh. However, audit noted that OIDB had paid only ₹ 150.00 lakh against the above demand. Non-provision of the above liabilities also resulted in overstatement of 'Excess of Income over Expenditure' by ₹ 67.00 lakh.

#### **A.2 Fixed Asset (Net Block) (Schedule-8): ₹ 8347.00 lakh**

The above is overstated by ₹ 101.00 lakh due to the followings:

- i. Incorrect accounting of land acquired by OIDB from Delhi Development Authority

OIDB had wrongly accounted for the value of land cost as ₹ 995.00 lakh instead of ₹ 940.00 lakh<sup>#</sup> (land cost based on the land deed). Thus, the value of leasehold land was overstated by ₹ 55.00 lakh.

- ii. Incorrect accounting of land acquired by OIDB from NOIDA

Lease Deed revealed that an amount of ₹ 817.00 lakh was paid for the NOIDA land. In addition, an amount of ₹ 83.00 lakh was paid towards cost of stamp duty for registration of land. Thus, OIDB should have capitalized the lease deed at ₹ 900.00 lakh. However, OIDB had accounted the value of the same as ₹ 946.00lakh. This has resulted in overstatement of land cost by ₹ 46.00 lakh.

Incorrect accounting of leasehold land cost in respect of above also resulted in overstatement of 'Excess of Income over Expenditure' by ₹ 101.00 lakh.

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

#### **A.3 Investments – Others (Schedule-10): ₹ 382621.00 lakh**

The above is overstated by ₹ 4013.00 lakh due to non-reduction of equity investment in M/s Biecco Lawrie Limited (BLL) in line with the decision of Cabinet Committee on Economic Affairs. Consequently; 'Excess of Income over Expenditure' is also overstated by the same amount.

Despite CAG of India's comments on the accounts of OIDB in the earlier years (2017-18 and 2018-19), the Board has not provided for diminution in the value of investment in equity shares of BLL.

#### **A.4 Current Asset, Loans, Advances etc. (Schedule 11): ₹ 803260.00 lakh**

The above is overstated by ₹ 11065.00 lakh due to:

- i) Non-provision of bridge loan of ₹ 1200.00 lakh given to Biecco Lawrie Limited (BLL) though payments of instalments were not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.
- ii) Non-provision of loans of ₹ 9865.00lakh given to Biecco Lawrie Limited (BLL) during the years 2018-2019 and 2019-20 for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employees, secured loans from banks and contingent liabilities. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.

As a result, 'Excess of Income over Expenditure' is also overstated by ₹ 11065.00 lakh.

Despite CAG's comments on the accounts of OIDB in the earlier years (2017-18 and 2018-19), the Board has not made provision against the loans given to BLL.

# (Consideration Value: ₹ 8,98,04,935 + Stamp Duty: ₹ 41,40,010 + Value of Registration Fee: ₹ 50,000)

**B. General****B.1 Creation and utilization of Hydrogen Corpus Funds**

Ministry of Petroleum and Natural Gas (MoP&NG) decided to create Hydrogen Corpus Fund (HCF) with contribution from OIBD and oil PSUs in June 2003. The HCF was established in the year 2004 with initial corpus of ₹ 100 crore. OIBD contributed ₹ 40 crore, IOC, ONGC & GAIL contributed ₹ 16 crore each and BPCL and HPCL contributed ₹ 6 crore each towards the HCF.

Centre for High Technology (CHT) was made nodal agency for taking up Hydrogen Research and Related Activities within Oil and Gas Sector through various R&D Institutions of Participating Organizations in HCF. In reply to an audit query, the Management had stated (September 2020) that the matter of transferring the HCF to CHT was deliberated (March 2020) in the OIBD Board wherein it was decided to continue the present arrangement for better fund management.

Audit observed that as on 31st March 2020, an amount of ₹ 175.76 crore had accumulated in the Corpus Fund which is being kept in various banks, outside the accounts of OIBD. Further during 2019-2020 an amount of ₹ 2.25 crore only was utilized by CHT. No formal audit and accountability mechanism exists for the fund. In view of the considerable amount involved, a formal mechanism to oversee the financials of the fund is essential.

Further as all the projects are to be carried out by CHT, OIBD should have considered transferring the funds to them for proper monitoring and better utilisation.

Despite C&AG's comments on the accounts of OIBD in the previous year (2018-19), the Board has not considered transferring the HCF to CHT for proper monitoring and better utilization.

**B.2 Non-refund of unutilized grant by ISPRL**

OIBD had released an amount of ₹ 635.00lakh (November 2019) as grant to Indian Strategic Petroleum Reserves Limited (ISPRL) for establishment of additional 6.5 MMT Strategic Petroleum Reserves (SPR) at Chandikhol in Odisha (4 MMT) and Padur in Karnataka (2.5 MMT) including construction of dedicated Single Point Mooring (SPMs) for the two SPRs and exploring PPP mode of project execution by conducting Road Shows with potential investors in pursuance of Cabinet approval (June 2018). As per the Terms and Conditions of the Grants, the ISPRL was required to refund the unutilized amount to OIBD.

Audit noticed that ISPRL had utilized only ₹ 70.00 lakh out the total grant of ₹ 635.00lakh, however, the balance amount of ₹ 565.00 lakh was not refunded to OIBD.

Management in its reply (October 2020) furnished that ISPRL has refunded an amount of ₹ 360.00 lakh on 25 September 2020 and informed that out of the total grant of ₹ 860.00 lakh, it had utilized ₹ 399.00 lakh and payment of ₹ 100.00 lakh is under process.

However, as per Form of Written Undertaking for Grant (27-03-2019), "the grant or any part or portion thereof given for utilization within a specific year or for a specific period remaining unutilized at the end of the year or other specified period shall lapse and stand revoked, and shall thereafter, unless agreed in writing to the contrary by the Board, be forthwith surrendered and returned to the Board." Also in view of clause 2(v) of Form of Written Undertaking for Grant (27-03-2019), "unutilized portion of the grant is not surrendered and returned to the Board in time, penal interest at the rate of 19.5% shall be levied on such portion."

**C. Grant-in-aid**

OIBD has not received any grant from Government and Government agencies during the year 2019-20.



#### D. Management Letter

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

- v. Attention is also drawn to the significant matters stated in Annexure to this Report.
- vi. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of accounts.
- vii. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to matters mentioned in the Annexure 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 2020; 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 the Comptroller & Auditor General of India  
Sd/-  
Tanuja Mittal  
Principal Director of Commercial Audit,  
Mumbai

**Annexure**

{Referred to in Para 4 (v)}

1.	Adequacy of Internal Audit System	The Internal audit of the Oil Industry Development Board for the year 2019-20 has been outsourced to external Chartered Accountants firm. The Chartered Accountants firm had submitted its report on quarterly basis during the year 2019-20. The scope of audit of the firm includes checking/verification of accounts, verification of fixed assets, verification of utilization certificates in respect of loan and grants disbursed by OIDB. However, the scope of audit of the firm does not include audit of contracts entered into by OIDB.
2.	Adequacy of Internal Control System	The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized. After release of grants, OIDB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by the OIDB nor has any effective mechanism been evolved to monitor the manner of proper utilization of grants.
3.	System of Physical Verification of Fixed Assets	The fixed Assets register containing individual asset wise complete and up to date details i.e. date of purchase/ acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipment, computer/ peripherals, electric installations etc. has been maintained. However, the Fixed Asset Register has not been updated for the year 2019-20.
4.	Regularity in payment of Statutory Dues applicable to them	As informed and reported, all taxes and statutory dues were paid in time by OIDB.

Sd/-

Principal Director of Commercial Audit,

Mumbai



## C&AG AUDIT OBSERVATION ON THE ACCOUNTS OF OIDB FOR THE F.Y. 2019-20 AND OIDB'S REPLIES

Observations	Replies
<p><b>Comments on Accounts:</b> <b>Balance Sheet</b></p> <p>A.1 Liabilities: Current Liabilities and Provisions (Schedule-7): ₹ 11689.00lakh The above is understated by ₹ 67.00lakh due to the followings:</p> <p>i. Short provision of income tax by ₹ 43.00 lakh for the year 2019-20</p> <p>As per Income &amp; Expenditure Accounts of Oil Industry Development Board (OIDB) for the year ending 31 March 2020, an amount of ₹ 23082.00 lakh has been shown under 'Balance being Excess of Income over Expenditure.' Based on this income a provision of ₹ 8240.00 lakh has been made in the account for the year 2019-20. As per Income Tax Rates for the year 2019-20, the correct income tax liability on OIDB for the year 2019-20 should have been ₹ 8283.00 lakh<sup>@</sup>.</p> <p>ii. Non-provisioning of liability of ₹ 24.00 lakh for Superannuation Scheme maintained by Life Insurance Corporation of India (LIC)</p> <p>As per Actuarial Valuation Report/Demand Letter received (February 2020) from LIC, OIDB was required to pay an amount of ₹ 174.00 lakh. However, audit noted that OIDB had paid only ₹ 150.00 lakh against the above demand.</p> <p>Non-provision of the above liabilities also resulted in overstatement of 'Excess of Income over Expenditure' by ₹ 67.00 lakh.</p>	<p>While calculating Income Tax provision in the books of accounts, the Education Cess @ 4% has been calculated inadvertently only on tax value i.e. Rs.6925 lakhs, which should have been calculated on tax value plus surcharge, which lead to short provision by Rs.43 lakh. It is informed that this is only a provision and will be subject to adjustment when actual tax payment is made in next financial year. The actual payment of tax is generally different from the provisional figure. However the observation of Audit is noted for future reference.</p> <p>There was a demand letter for Rs.174 lakh from LIC, however, payment of Rs.150 lakh was only made and, inadvertently, the provision of Rs.150 lakh was only made which should have been made for Rs.174 lakh. The balance payment of Rs.24 lakh has already been made in F.Y. 2020-21 for which the due benefit of income tax will be availed. Hence, the excess of income tax expenditure incurred during 2019-20 will be adjusted in 2020-21 to that extent. Therefore, no financial loss is caused to OIDB.</p>

<sup>@</sup> Considering 30% of ₹ 23082 lakh = ₹ 6925 lakh + ₹ 1039 (15% of ₹ 6925 lakh) = ₹ 7964 lakh + ₹ 319 (4% of ₹ 7964 lakh) = ₹ 8283 lakh.

**A.2 Fixed Asset (Net Block) (Schedule-8):  
₹ 8347.00 lakh**

The above is overstated by ₹ 101.00 lakh due to the followings:

- i. Incorrect accounting of land acquired by OIDB from Delhi Development Authority  
OIDB had wrongly accounted for the value of land cost as ₹ 995.00 lakh instead of ₹ 940.00 lakh#(land cost based on the land deed). Thus, the value of leasehold land was overstated by ₹ 55.00 lakh.

- ii. Incorrect accounting of land acquired by OIDB from NOIDA  
Lease Deed revealed that an amount of ₹ 817.00 lakh was paid for the NOIDA land. In addition, an amount of ₹ 83.00 lakh was paid towards cost of stamp duty for registration of land. Thus, OIDB should have capitalized the lease deed at ₹ 900.00 lakh. However, OIDB had accounted the value of the same as ₹ 946.00lakh. This has resulted in overstatement of land cost by ₹ 46.00 lakh.

Incorrect accounting of leasehold land cost in respect of above also resulted in overstatement of 'Excess of Income over Expenditure' by ₹ 101.00 lakh.

The breakup of Rs.995 lakh is as under:

Sl. No	Particular	Amount (Rs.)
1	Cost of land to DDA	9,26,67,367
2	Stamp Duty	41,40,035
3	Registration/ Court fee	50,100
4	Revision of lease rent	55,864
5	Extension of time	4,87,500
6	Lease Rent	21,45,000
	Total	9,95,45,866

In view of above, it evident that all expenses are related to Dwarka land. Some expenses might not be part of lease documents but expenses accrued towards Dwarka land since these are all pre-operative expenses.

The breakup of Rs.946 lakhs is as under :

Sl. No	Particular	Amount (Rs.)
1	Cost of Land to Noida	8,16,00,000
2	Cost of non judicial stamp paper for registration	83,30,160
3	Advance lease rent for extra land allotted	67,069
4	Cost of advance Lease rent	20,40,000
5	Fee paid to Sub Registrar Office	5,100
6	Building Permit Fee	12,27,000
7	Compounding, Development, revision fee for extra coverage of building	13,32,146
	Total	9,46,01,475

With respect to Audit's observation that the cost of land is Rs.817 lakh, it is informed that the cost of land is Rs.816 lakh, which is evident as per the payment details (Rs.72,00,000/- paid on 01.03.2006 and Rs.7,44,00,000/- paid on 27.04.2006). Further, instead of Rs.63 lakh toward stamp duty for registration land mentioned by Audit, the actual amount paid towards stamp duty was Rs.83,30,160/- on 12.06.2006.

Out of the above mentioned cost, the actual cost of land is Rs.899.30 Lakhs (point 1&2) instead of Rs.880 lakh as mentioned by Audit. The remaining amount of Rs.46.71 lakh (point 3 to 7) pertains to the cost of Building.

Accordingly, overstatement of fixed assets (land cost) is Rs.46.71 lakh instead of Rs.66 lakhs. The amount of Rs.46.71 lakh will be de-capitalized from land to building account in the succeeding year 2020-21. Further, as per the revised cost of land, the amortization of leasehold land will also be revised accordingly in the next financial year.

#(Consideration Value: ₹ 8,98,04,935 + Stamp Duty: ₹ 41,40,010 + Value of Registration Fee: ₹ 50,000)


**A.3 Investments – Others (Schedule-10): ₹ 382621.00 lakh**

The above is overstated by ₹ 4013.00 lakh due to non-reduction of equity investment in M/s Biecco Lawrie Limited (BLL) in line with the decision of Cabinet Committee on Economic Affairs. Consequently; 'Excess of Income over Expenditure' is also overstated by the same amount.

Despite CAG of India's comments on the accounts of OIDB in the earlier years (2017-18 and 2018-19), the Board has not provided for diminution in the value of investment in equity shares of BLL.

Audit was informed earlier also that M/s. BLL, vide their letter No. BLL/MD/DCO/2015-16/017 dated 17.06.2015, had informed that the company has been declared sick industrial company in October 2015, within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and in view of this, capital reduction of the Company has been kept in abeyance. Since there is no change in the status, Board has not provided for diminution in the value of investment in equity shares of BLL.

Further, Audit was also informed that Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 10.02.2018 has approved closure of BLL and administrative Ministry i.e. Ministry of Petroleum & Natural Gas also conveyed the CCEA decision to BLL vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018 with instructions to follow DPE guidelines dated 14.06.2018 on time bound closure of sick loss making CPSEs. The final view on this issue, including amount realisable by OIDB has not yet emerged. CAG was informed about this status vide OIDB's letter dated 7.10.2019. Hence final loss to OIDB on account of BLL is indeterminable at this stage.

OID Board, in its 100th meeting held on 19.3.2020, was also apprised about the said audit observation. Board directed that C&AG may be apprised that necessary provision would be made only after final closure of the company after setting off realizable amount from sale of movable/immovable assets of BLL. Board was informed that C&AG has already been informed on these lines.

Further, proper disclosure in this regard has also been made in the Annual Accounts 2019-20 in Schedule 25 : Notes on Accounts.

**A.4 Current Asset, Loans, Advances etc. (Schedule 11): ₹ 803260.00 lakh**

The above is overstated by ₹ 11065.00 lakh due to:

- i. Non-provision of bridge loan of ₹ 1200.00 lakh given to Biecco Lawrie Limited (BLL) though payments of instalments were not forthcoming. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.

Audit was earlier informed that Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 10.02.2018 has approved closure of BLL and administrative Ministry i.e. Ministry of Petroleum & Natural Gas also conveyed the CCEA decision to BLL vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018 with instructions to follow DPE guidelines dated 14.06.2018 on time bound closure of sick loss making CPSEs. The final view on this issue, including amount realisable by OIDB has not yet emerged. CAG was informed about this status vide OIDB's letter dated 7.10.2019. Hence final loss to OIDB on account of BLL is indeterminable at this stage.

OID Board, in its 100th meeting held on 19.3.2020, was also apprised about the said audit observation. Board directed that C&AG may be apprised that necessary provision would be made only after final closure of the company after setting off realizable amount from sale of movable/immovable assets of BLL. Board was informed that C&AG has already been informed on these lines.

- ii. Non-provision of loans of ₹ 9865.00 lakh given to Bienco Lawrie Limited (BLL) during the years 2018-2019 and 2019-20 for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employees, secured loans from banks and contingent liabilities. Considering the poor financial condition of BLL, there was no reasonable certainty that the above loan amounts would be recovered.

As a result, 'Excess of Income over Expenditure' is also overstated by ₹ 11065.00 lakh.

Despite CAG's comments on the accounts of OIDB in the earlier years (2017-18 and 2018-19), the Board has not made provision against the loans given to BLL.

Further, proper disclosure in this regard has also been made in the Annual Accounts 2019-20 in Schedule 25 : Notes on Accounts.

Audit was earlier informed that Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 10.02.2018 has approved closure of BLL and administrative Ministry i.e. Ministry of Petroleum & Natural Gas also conveyed the CCEA decision to BLL vide letter No.P-25011/103/2018-LPG (Vol.II) dated 16.10.2018 with instructions to follow DPE guidelines dated 14.06.2018 on time bound closure of sick loss making CPSEs. The final view on this issue, including amount realisable by OIDB has not yet emerged. CAG was informed about this status vide OIDB's letter dated 7.10.2019. Hence final loss to OIDB on account of BLL is indeterminable at this stage.

OID Board, in its 100th meeting held on 19.3.2020, was also apprised about the said audit observation. Board directed that C&AG may be apprised that necessary provision would be made only after final closure of the company after setting off realizable amount from sale of movable/immovable assets of BLL. Board was informed that C&AG has already been informed on these lines.

Further, proper disclosure in this regard has also been made in the Annual Accounts 2019-20 in Schedule 25 : Notes on Accounts.

## **B. General**

### **B.1 Creation and utilization of Hydrogen Corpus Funds**

Ministry of Petroleum and Natural Gas (MoP&NG) decided to create Hydrogen Corpus Fund (HCF) with contribution from OIDB and oil PSUs in June 2003. The HCF was established in the year 2004 with initial corpus of ₹ 100 crore. OIDB contributed ₹ 40 crore, IOC, ONGC & GAIL contributed ₹ 16 crore each and BPCL and HPCL contributed ₹ 6 crore each towards the HCF.

Centre for High Technology (CHT) was made nodal agency for taking up Hydrogen Research and Related Activities within Oil and Gas Sector through various R&D Institutions of Participating Organizations in HCF. In reply to an audit query, the Management had stated (September 2020) that the matter of transferring the HCF to CHT was deliberated (March 2020) in the OID Board wherein it was decided to continue the present arrangement for better fund management.

The said observations was made in the Management Letter dated 26.12.2018 issued by Principal Director of Commercial Audit & ex-officio Member Audit Board-II. OIDB, vide letter dated 06.05.2019, had replied to the observations that formal audit and accountability mechanism exists for HCF. OIDB Board was also apprised about the Management Letter and replies furnished by OIDB.

However, as per the suggestion of Audit regarding transferring the Hydrogen Corpus Funds (HCF), OIDB, vide its letter dated 21.02.2020 had requested Centre for High Technology (CHT) to furnish their comments on transferring of HCF by OIDB to CHT so that the entire work relating to HCF is managed by CHT in a coordinate manner and proper monitoring and better utilization is ensured. CHT, vide their letter dated 26.02.2020 commented "CHT can continue to coordinate technical appraisal of the project through SAC. However, in view of very limited competency in fund management at CHT, it would be more appropriate to continue with the present system of maintain the fund by OIDB, being a competent and established funding agency. OIDB is also having comprehensive and proper accounting, maintenance and auditing mechanism with necessary expert manpower." Therefore, due diligence has been exercised in this regard.



Audit observed that as on 31st March 2020, an amount of ₹ 175.76 crore had accumulated in the Corpus Fund which is being kept in various banks, outside the accounts of OIDB. Further during 2019-2020 an amount of ₹ 2.25 crore only was utilized by CHT. No formal audit and accountability mechanism exists for the fund. In view of the considerable amount involved, a formal mechanism to oversee the financials of the fund is essential.

Further as all the projects are to be carried out by CHT, OIDB should have considered transferring the funds to them for proper monitoring and better utilization.

Despite C&AG's comments on the accounts of OIDB in the previous year (2018-19), the Board has not considered transferring the HCF to CHT for proper monitoring and better utilization.

Audit Party was informed that the matter was again taken up with OID Board, in its 100th meeting held on 19.3.2020. On the observation of C&AG that OIDB should have considered transferring of funds lying in Hydrogen Corpus Fund to CHT for proper monitoring and better utilization as all the projects are carried out by CHT, Board observed that present arrangement may continue in view of better fund management.

The Annual Accounts for the year 2019-20 have already been finalized, audited and signed by authorised officer and Income Tax return has also been filed. Hence, proper accounting, auditing, and taxability compliance exists and audit has been apprised on this.

Since the matter of transferring the HCF to CHT has already been deliberated upon in the OID's Board Meeting and a conscious decision has been taken by the Board that the present arrangement may continue in view of better fund management.

### **B.2 Non-refund of unutilized grant by ISPRL**

OIDB had released an amount of ₹ 635.00lakh (November 2019) as grant to Indian Strategic Petroleum Reserves Limited (ISPRL) for establishment of additional 6.5 MMT Strategic Petroleum Reserves (SPR) at Chandikhol in Odisha (4 MMT) and Padur in Karnataka (2.5 MMT) including construction of dedicated Single Point Mooring (SPMs) for the two SPRs and exploring PPP mode of project execution by conducting Road Shows with potential investors in pursuance of Cabinet approval (June 2018). As per the Terms and Conditions of the Grants, the ISPRL was required to refund the unutilized amount to OIDB.

Audit noticed that ISPRL had utilized only ₹ 70.00 lakh out the total grant of ₹ 635.00lakh, however, the balance amount of ₹ 565.00lakh was not refunded to OIDB.

Management in its reply (October 2020) furnished that ISPRL has refunded an amount of ₹ 360.00 lakh on 25 September 2020 and informed that out of the total grant of ₹ 860.00 lakh, it had utilized ₹ 399.00 lakh and payment of ₹ 100.00 lakh is under process.

However, as per Form of Written Undertaking for Grant (27-03-2019), *"the grant or any part or portion thereof given for utilization within a*

It is worthwhile to note that funds released to ISPRL are based on their requisition and funds are payable based on the directions of MOPNG, since, these projects are for enhancing oil security of the nation. It was informed to Audit that in continuation of OIDB's letter dated 14.09.2020, ISPRL was requested vide this office letter dated 28.9.2020 to refund the unutilized grant of Rs.5.65 crore together with interest thereon. ISPRL has refunded an amount of Rs.3,59,78,313/- on 25.09.2020 into OIDB's bank account and ISPRL has informed vide their letter No. ISPRL/FIN/66 dated 15th October 2020, that out of the total grant of Rs.8.60 crore made available to ISPRL, it has already utilized Rs.3.99 crore and a payment of approx. Rs.1 crore is under process to one of the vendors M/s. EIL. ISPRL shall be remitting the balance unutilized amount to OIDB during FY 2020-21. ISPRL has also informed that the funds provided by OIDB was kept in a current account hence no interest has been earned on it. In view of the observation of Audit, Secretary, OIDB vide his DO letter dated 20.11.2020 forwarded the audit para of CAG to ISPRL and advised CEO&MD, ISPRL to ensure that demands on OIDB are raised on realistic basis after proper review of actual progress of Phase-II project work.



*specific year or for a specific period remaining unutilized at the end of the year or other specified period shall lapse and stand revoked, and shall thereafter, unless agreed in writing to the contrary by the Board, be forthwith surrendered and returned to the Board.”*  
Also in view of clause 2(v) of Form of Written Undertaking for Grant (27-03-2019), “unutilized portion of the grant is not surrendered and returned to the Board in time, penal interest at the rate of 19.5% shall be levied on such portion.”

**C. Grant-in-aid**

OIDB has not received any grant from Government and Government agencies during the year 2019-20.

Factual position.



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

Sl. No	Observations	Replies
1.	<p><b>Adequacy of Internal Audit System</b></p> <p>The Internal audit of the Oil Industry Development Board for the year 2019-20 has been outsourced to external Chartered Accountants firm. The Chartered Accountants firm had submitted its report on quarterly basis during the year 2019-20. The scope of audit of the firm includes checking/verification of accounts, verification of fixed assets, verification of utilization certificates in respect of loan and grants disbursed by OIDB. However, the scope of audit of the firm does not include audit of contracts entered into by OIDB.</p>	<p>OIDB had appointed M/s Susheel Gupta &amp; Co. Chartered Accountants to assist and provide consultancy service to OIDB for formulation of accounts and tax matters to ensure that accounts are prepared as per CAG norms and Accounting Standards of ICAI. It is informed that the existing contract takes care of all internal audit aspects including audit of contracts entered into by OIDB as well. However, the scope of work shall be reviewed appropriately at the time of finalisation of fresh tender for FY 2021-22.</p>
2.	<p><b>Adequacy of Internal Control System</b></p> <p>The Internal Control System for obtaining assurance of physical progress of works undertaken by grantee institutions needs to be further strengthened and formalized.</p> <p>After release of grants, OIDB received utilization certificate from the grantee institutions on an annual basis along with the physical progress of the projects undertaken by grantee institutions. However, the physical progress of the works carried out was not verified by the OIDB nor has any effective mechanism been evolved to monitor the manner of proper utilization of grants.</p>	<p>The major portion of the grant released by OIDB to its grantee institutions is to meet their salary and allowances and other 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 &amp; 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.</p> <p>At the end of the financial year Utilization Certificates are also obtained in the GFR prescribed format along with audited statements of accounts.</p> <p>Board is apprised of the status of utilization of grants in its various meeting. Further, the budget estimates of all grantee organisations are approved by OID Board followed by Central Government approval.</p> <p>The activities carried out by these organisations are also incorporated in the Annual Report of OIDB with photographs of the events.</p> <p>Furthermore, these organisations are also audited by C&amp;AG from time to time.</p>

3.	<p><b>System of Physical Verification of Fixed Assets</b></p> <p>The fixed Assets register containing individual asset wise complete and up to date details i.e. date of purchase/ acquisition of assets, original value of assets, location of assets, additions/ deletions/ sales of assets, depreciation, for each of the items of plant machinery and equipment, vehicles, furniture and fixtures, office equipment, computer/ peripherals, electric installations etc. has been maintained. However, the Fixed Asset Register has not been updated for the year 2019-20.</p>	<p>Due to ongoing Covid-19 pandemic and lockdown in the country, the work related to physical verification of Fixed Assets for the year 2019-20 could not be completed and the same is in progress now and will be completed soon.</p>
4.	<p><b>Regularity in payment of Statutory Dues applicable to them</b></p> <p>As informed and reported, all taxes and statutory dues were paid in time by OI DB.</p>	<p>All taxes and statutory dues are paid on time.</p>

**Chapter  
09**

**Indian Strategic  
Petroleum  
Reserves  
Limited**

## Board of Directors

Dr. M.M. Kutty	Chairman	(w.e.f. 18.07.2018)
Shri Rajiv Bansal	Director	(till 17.02.2020)
Shri Rajesh Aggarwal	Director	(w.e.f. 01.01.2020)
Shri Diwakar Nath Misra	Director	(till 11.09.2019)
Shri Niranjana Kumar Singh	Director	(w.e.f 01.01.2020)
Shri B.N. Reddy	Director	(w.e.f 09.04.2019)
Shri H.P.S. Ahuja	CEO & MD	(w.e.f. 02.06.2017)
Ms. Kiran Vasudeva	Director	(till 31.05.2019)
Ms. Indrani Kaushal	Director	(w.e.f. 01.08.2019)

## Chief Executive Officer & Managing Director

Shri H.P.S. Ahuja

### COMPANY SECRETARY

Shri Arun Talwar

### STATUTORY AUDITORS

M/s Goyal & Goyal  
Chartered Accountants

### BANKERS

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

### REGISTERED OFFICE

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

### ADMINISTRATIVE OFFICE

OIDB Bhawan, 3rd Floor, Plot No.2, Sector-73, Noida-201301, U.P.  
Phone No. : 91-120-2594661, Fax No. 91-120-2594643  
Website : [www.isprlindia.com](http://www.isprlindia.com)  
Email : [isprl@isprlindia.com](mailto:isprl@isprlindia.com)

#### Visakhapatnam Project Office

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

#### Mangalore Project Office

Chandrasahas Nagar, Kalavar Post.,  
Bajpe via, Mangaluru-574142

#### Padur Project Office

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



## DIRECTOR'S REPORT

To,

**The Shareholders,  
Indian Strategic Petroleum Reserves Limited**

The Board of Directors of your Company is pleased to present the 16<sup>th</sup> Annual Report on the working of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Audited Statement of Accounts and Auditor's Report thereon.

### FINANCIAL RESULTS

The Highlights of the Financial Results of your Company for the Financial Year ended 31<sup>st</sup> March, 2020 are as under:

S.No.	Particulars	Figures in Lakhs	
		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
1	Gross Fixed Assets (Tangible & Intangible)	3,74,309.26	3,60,613.79
	Less :- Accumulated Depreciation	28,692.11	18,268.25
	<b>Net Fixed Assets</b>	<b>3,45,617.15</b>	<b>3,42,345.55</b>
2	Total Non Current Assets	694.15	13,132.38
3	Total Current Assets	78,041.66	11,483.12
	<b>Total Assets</b>	<b>4,24,352.96</b>	<b>3,66,961.05</b>
4	Total Equities including accumulated Losses	3,44,103.18	3,54,265.82
5	Total Non Current Liabilities	870.14	170.45
6	Total Current Liabilities	79,379.64	12,524.78
	<b>Total Liabilities</b>	<b>4,24,352.96</b>	<b>3,66,961.05</b>
7	Total Income	464.22	345.58
8	Total Expenses including Depreciation	10,624.11	7,062.26
	<b>Net Loss for the year (6) - (7)</b>	<b>-10,159.89</b>	<b>-6,716.68</b>
9	Total Grant received during the year for Phase II Project	635.00	225.00
10	Total Expenditures incurred during the year under Phase II including provisions for payable	89.68	205.73

### PERFORMANCE OVERVIEW

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



The RCE for the three locations are as follows: Visakhapatnam – ₹1,178.35 Crore; Mangalore – ₹1,227 Crore and Padur – ₹1,693 Crore. Thus, the total revised cost of the projects stands at ₹4098.35 crore. As per the decision taken by the Government of India, the capital cost would be met from the existing funds available with OIDB, except for the 0.3 MMT compartment at Visakhapatnam, which would be met by Hindustan Petroleum Corporation Limited on proportionate cost sharing basis. It was also decided that the operation and maintenance cost of the strategic storages shall be met by the Government of India.

Your company has successfully commissioned all the facilities at the three locations which marks a successful completion of Phase-I of the SPRs.

All the three locations were dedicated to nation by the Hon'ble Prime Minister Shri Narendra Modi on 10<sup>th</sup> February, 2019.

**1. Visakhapatnam (Storage Capacity: 1.33 MMT)**

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



*View of Visakhapatnam Plant*

## 2. Mangalore (Storage Capacity: 1.5 MMT)

Board is also pleased to inform the members that both the compartments of Mangalore Cavern have been commissioned in October 2016. The Cavern B has been filled with Government Crude Oil.

Cavern-A has been filled with the ADNOC crude oil. The crude oil for filling of this cavern has been filled by ADNOC as per the agreement signed between ADNOC and ISPRL.

As per the approval accorded by the Government, the crude stored in ISPRL caverns at Mangalore and Padur was transferred to MRPL on replacement basis. MRPL later purchased the crude oil for ISPRL as replacement for the crude oil it had consumed. The crude oil procured by MRPL has been received at Padur during February and March 2020.

During the year, first successful commercial transaction of DAS crude 8,68,591 BBLS to HPCL Vizag was carried out from December 2019 by ISPRL Mangalore for ADNOC, thereafter MRPL purchased 1,93,8812 bbls of crude from ADNOC which was transferred from Mangalore cavern A.

As per agreement ADNOC replenished the above quantity of Das crude in Mangalore between 6<sup>th</sup> to 10<sup>th</sup> May, 2020 through two vessels.



Dedication of SPR Mangalore and Padur by Hon'ble PM Shri Narendra Modi

## 3. Padur (Storage Capacity: 2.5 MMT)

Padur Cavern Project has been successfully commissioned in December 2018 by transferring crude oil (50% Iran Heavy + 50% Iran Light) available in the Cavern-B of Mangalore.



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

However, during the lock-down period, the caverns at Padur are filled with crude oil procured from the funds provided by the Government.



ISPRL Padur



Shaft Area of Padur

#### 4. Phase II of Strategic Storage Program

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

ISPRL hired transaction advisor M/s Deloitte for working out a suitable financial model with the interested oil and infrastructure companies and M/s DSK Legal as Legal Advisor. Based on the feedback and interaction with potential investors during Roadshows RFQ document for constructing SPR's of Phase 2 on PPP mode has been submitted to NitiAyog for PPPAC approval.

NEERI Nagpur has been awarded job for Risk Assessment and Environmental Impact Assessment Studies for the proposed Underground Rock Cavern Storage of Crude Oil at Chandikhol and Padur under Phase-II SPRs project. NEERI team had visited both the sites for data collection and carrying out studies and final EIA report for review has been now submitted to ISPRL by NEERI.

M/S Engineers India Limited has been awarded the job for preparing Detail Feasibility Report (DFR) for the SPM and associated pipeline work for Padur

#### Covid-19

In the month of March 2020, Covid-19 pandemic rapidly developed into a global crisis, forcing the Government to enforce lock-down on majority of activities. As a result of the Pandemic, the global crude prices fell down. Government of India sensing an opportunity immediately allocated funds for crude oil procurement and advised OMCs to fill the SPRs. The entire activity of crude procurement by the OMCs and filling of the SPRs was completed seamlessly with close coordination between MRPL, and other OMCs. A total of 13 vessels of crude oil were received during 8<sup>th</sup> April and 16<sup>th</sup> May, 2020 resulting in filling the SPRs. For the Company, the focus immediately shifted to ensuring the health and safety of all the working personnel and minimizing disruption to the activities of the company including site offices. All necessary precautions as per the guidelines issued by the Government were strictly followed.

A saving of approx. Rs 5,000/- (Rupees Five Thousand) Crore made on account of procuring crude oil at low prices during the lockdown period.

#### DIVIDEND

Your Board of Directors does not recommend any Dividend for the Financial Year ended 31<sup>st</sup> March, 2020.

#### TRANSFER TO RESERVES

The losses made during the financial year 2019-20 have been transferred to the reserves of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### **PUBLIC DEPOSITS**

Your Company has not invited, accepted or renewed any fixed deposit from the public as on 31<sup>st</sup> March, 2020 and accordingly there is no principal or interest outstanding in respect thereof.

### **AUDIT COMMITTEE**

The Board has constituted the Audit Committee. The Audit Committee comprised of the following Directors as on 31<sup>st</sup> March, 2020:

- |      |                                                                                             |            |
|------|---------------------------------------------------------------------------------------------|------------|
| (i)  | Shri Rajesh Aggarwal<br>Additional Secretary & Financial Advisor,<br>MoP&NG/Director, ISPRL | : Chairman |
| (ii) | Shri HPS Ahuja<br>CEO & MD, ISPRL                                                           | : Member   |

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

### **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC). The NRC comprised of the following Directors as on 31<sup>st</sup> March, 2020 :

- |      |                                                                  |            |
|------|------------------------------------------------------------------|------------|
| (i)  | Shri B. N. Reddy<br>Joint Secretary (IC), MoP&NG/Director, ISPRL | : Chairman |
| (ii) | Shri HPS Ahuja<br>CEO & MD, ISPRL                                | : Member   |

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

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

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

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

### **EXTRACT OF ANNUAL RETURN**

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



### MEETINGS OF THE BOARD

The Board of Directors of the Company met three times in the financial year 2019-20 as per the following details:

- 1) 24<sup>th</sup> June, 2019.
- 2) 6<sup>th</sup> September, 2019.
- 3) 1<sup>st</sup> January, 2020.

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

### CHANGE IN THE NATURE OF BUSINESS

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

### PARTICULARS OF EMPLOYEES

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

### DECLARATION BY THE INDEPENDENT DIRECTORS

There were no Independent Directors on the Board of the Company during the financial year 2019-20.

### RISK MANAGEMENT

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

### KEY MANAGERIAL PERSONNEL

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

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

### REMUNERATION

All Directors on the Board of ISPRL are ex-officio directors nominated by Ministry of Petroleum and Natural Gas (MoP&NG) except CEO & MD. No remuneration is paid to ex-officio director nominated by MOP&NG. Other officers of the Company including CEO & MD and KMPs are on deputation from oil sector PSUs. CEO & MD who was on deputation from ONGC got superannuated from ONGC on 31<sup>st</sup> October, 2019 and continued with ISPRL as CEO & MD on the terms and conditions approved by the Board.



### **MATERIAL CHANGES AND COMMITMENTS**

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

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

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

### **SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

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

### **COST AUDIT**

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

### **AUDITORS**

#### **STATUTORY AUDIT:**

The Comptroller & Auditor General of India (C&AG) has appointed M/s Goyal & Goyal (DE0577), New Delhi as Statutory Auditors of the Company, who have submitted their report on the accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 (**Annexure-B**). The Auditors Report to the Shareholders does not contain any qualification.

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 31<sup>st</sup> March 2020. There are no significant observations of C&AG on the Financial Statements.

#### **SECRETARIAL AUDIT:**

During the year, the Board of the Company had appointed M/s S. N. Agrawal & Co., Company Secretaries in Whole-time Practice (C. P. No. 3581), as Secretarial Auditors of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, for the financial year 2019-20. The Report given by Secretarial Auditors is annexed to this report as (**Annexure-C**). The Auditors Report to the Shareholders does not contain any qualification.

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

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

The Company does not have any foreign exchange earnings during the year. However, it has utilized foreign exchange for its business activities aggregating to ₹15.29 Crore during the period under review.

### **INTERNAL CONTROLS**

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

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has a policy on Prohibition and Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained in "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the said Act. During the year under review, the Company did not receive any complaint under the said Act.

### **BOARD EVALUATION**

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

### **REPORTING OF FRAUDS BY AUDITORS**

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

No loan / guarantee was given or investments were made by ISPRL during the year 2019-20.

### **RELATED PARTY TRANSACTIONS**

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

### **COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS**

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

A copy of the Annual Return of the Company shall be placed on the website of the Company [www.isprlindia.com](http://www.isprlindia.com).

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- (a) That in preparation of Annual Accounts for the financial year, the applicable Accounting Standards have been followed along with the proper explanations relating to material departures;



- (b) That Directors have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the Profit and Loss of the Company for that year;
- (c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors have prepared the Accounts for the Financial Year ended 31<sup>st</sup> March, 2020 on a “going concern” basis.
- (e) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **BOARD OF DIRECTORS**

Your Board of Directors comprises of five part-time Non-Executive Directors and one full-time CEO & MD as on 31<sup>st</sup> March, 2020 details are given below:

1. Dr. M. M. Kutty (DIN- 01943083), Secretary, MoP&NG – Chairman.
2. Shri Rajesh Aggarwal (DIN- 03566931), Additional Secretary & Financial Advisor, MoP&NG – Director.
3. Shri B. N. Reddy (DIN- 08389048), Joint Secretary (IC), MoP&NG – Director.
4. Shri Niranjana Kumar Singh (DIN- 03361541), Secretary, OI DB- Director.
5. Ms. Indrani Kaushal (DIN- 02091078), Economic Adviser, MoP&NG- Director.
6. Shri HPS Ahuja (DIN- 07793886), Chief Executive Officer & Managing Director.

The following changes took place in the Board of Directors since 1<sup>st</sup> April, 2019:

1. Shri B.N. Reddy (DIN-08389048), JS(IC), MoP&NG / Director, ISPRL (Appointment w.e.f 09/04/2019).
2. Smt. Kiran Vasudeva (DIN- 06419718), Director (GP), MoP&NG / Director, ISPRL (Cessation w.e.f. 31/05/2019).
3. Ms. Indrani Kaushal (DIN- 02091078), Economic Adviser, MoP&NG / Director, ISPRL (appointment w.e.f. 01/08/2019).
4. Shri Diwakar Nath Misra (DIN-07464700), Secretary, OI DB/ Director, ISPRL (Cessation w.e.f. 11/09/2019).
5. Shri Rajesh Aggarwal (DIN- 03566931), Additional Secretary & Financial Advisor, MoP&NG/ Director, ISPRL (Appointment w.e.f. 01/01/2020).

6. Shri Niranjan Kumar Singh (DIN- 03361541), Secretary, OI DB/ Director, ISPRL  
(Appointment w.e.f. 01/01/2020).
7. Shri Rajiv Bansal (DIN- 00245460), Additional Secretary, MoP&NG / Director, ISPRL  
(Cessation w.e.f. 17/02/2020).

#### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board.

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

**Sd/-**  
**(H P S Ahuja)**  
**CEO & MD**  
**(DIN# 07793886)**

Date: 11<sup>th</sup> November, 2020

Place: New Delhi

**(Annexure-I)**

**Details of the meetings of the Board Committees and Board and number of meetings attended by the Directors in FY 2019-20:**

**AUDIT COMMITTEE:**

The Audit Committee held three meetings in the financial year 2019-20. These meetings were held on 10<sup>th</sup> June, 2019; 26<sup>th</sup> August, 2019 and 10<sup>th</sup> December, 2019. The Director's attendance at the Audit Committee meetings are as follows:

Sl. No.	Members	Designation	No. of meetings attended
1.	Shri Rajiv Bansal	Chairman	3
2.	Shri HPS Ahuja	Member	3

**NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The NRC held two meetings in the financial year 2019-20. The meeting was held on 11<sup>th</sup> June, 2019 and 12<sup>th</sup> March, 2020. The Director's attendances at the NRC meetings are as follows:

Sl. No.	Members	Designation	No. of meetings attended
1.	Shri B. N. Reddy	Chairman	2
2.	Shri HPS Ahuja	Member	2

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

No meeting of CSR Committee held during the financial year 2019-20.

**BOARD OF DIRECTORS:**

The Board of Directors of the Company held three meetings in the financial year 2019-20 as per the following details:

- (i) 24/06/2019
- (ii) 06/09/2019
- (iii) 01/01/2020



Number of Board meetings attended by the Directors:

Sl. No.	Name of Directors	Designation	No. of board meetings attended during the 2019-20
1.	Dr. M. M. Kutty (cessation w.e.f. 30/04/2020)	Chairman	3
2.	Shri Rajiv Bansal (cessation w.e.f. 17/02/2020)	Director	3
3.	Shri Rajesh Aggarwal (appointment w.e.f. 01/01/2020)	Director	1
4.	Shri B. N. Reddy (appointment w.e.f. 09/04/2019)	Director	3
5.	Shri Diwakar Nath Misra (cessation w.e.f. 11/09/2019)	Director	1
6.	Shri Niranjana Kumar Singh (appointment w.e.f. 01/01/2020)	Director	1
7.	Ms. Indrani Kaushal (appointment w.e.f. 01/08/2019)	Director	2
8.	Ms. Kiran Vasudeva (cessation w.e.f. 31/05/2019)	Director	--
9.	Shri H.P.S. Ahuja	CEO & MD	3

**FORM NO. MGT.9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March, 2020**
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: U63023DL2004GOI126973
- ii) Registration Date – June 16, 2004
- iii) Name of the Company – INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
- iv) Category/ Sub-Category of the Company – UNLISTED PUBLIC LIMITED COMPANY
- v) Address of the Registered office and contact details – 301, World Trade Centre, 3<sup>rd</sup> Floor, Babar Road, New Delhi-110001. Tel : 011-23412278, 0120-2594661. Fax : 0120-2594643
- vi) Whether listed company - No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any – NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING COMPANY**

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (Number in Crore)				No. of Shares held at the end of the year (Number in Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	374.84	-	374.84	100	377.59	NIL	377.59	100	0.73
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>374.84</b>	<b>NIL</b>	<b>374.84</b>	<b>100</b>	<b>377.59</b>	<b>NIL</b>	<b>377.59</b>	<b>100</b>	<b>0.73</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>374.84</b>	<b>NIL</b>	<b>374.84</b>	<b>100</b>	<b>377.59</b>	<b>NIL</b>	<b>377.59</b>	<b>100</b>	<b>0.73</b>

Category of Share Holders	No. of Shares held at the beginning of the year (Number in Crore)				No. of Shares held at the end of the year (Number in Crore)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>374.84</b>	<b>NIL</b>	<b>374.84</b>	<b>100%</b>	<b>377.59</b>	<b>NIL</b>	<b>377.59</b>	<b>100%</b>	<b>0.73</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name *	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares (In crore)	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares (In crore)	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
<b>1</b>	<b>Oil Industry Development Board</b>							
	<b>Total</b>	<b>374.84</b>	<b>100</b>	<b>NIL</b>	<b>377.59</b>	<b>100</b>	<b>NIL</b>	<b>0.73</b>

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

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

**(iii) Change in Promoter's Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (Number in Crore)	% of total shares of the company	No. of shares (Number in Crore)	% of total shares of the company
	At the beginning of the year	<b>374.84</b>	100	<b>374.84</b>	100
	<u>Allotment of Shares during the FY 2019-20</u>				
	i) <b>2,75,00,000</b>	<u>Total Shares allotted in FY 2019-20</u>			
		2.75 Crore			
	At the end of the year	<b>377.59</b>	100	<b>377.59</b>	100


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

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

**(v) Shareholding of Directors and Key Managerial Personnel :**

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



**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director**

Sl No.	Particulars of Remuneration	Name of MD/WTD	Total Amount (₹ In Lakh)
		Shri H.P.S. Ahuja, CEO & Managing Director*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	₹ 61.03 (a +b +c)	₹ 61.03 (a +b +c)
2.	Stock Option	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA
5.	Others, please specify	NA	NA
	Total (A)	₹ 61.03	₹ 61.03
	Ceiling as per the Act	₹ 155.26	₹ 155.26

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


**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	-	-	-
	<ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	-
	Total (1)	-	-	-
	2. Other Non-Executive Directors			
	<ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	-
	Total (2)	-	-	-
	Total (B) = (1 + 2)	-	-	-
	Total Managerial Remuneration	61.03		
	Overall Ceiling as per the Act	155.26		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :**

Sl No.	Particulars of Remuneration	Key Managerial Personnel			(₹ in Lakh)
		CEO	CFO*	Company Secretary*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Already covered in Table at S.No. A.	₹ 63.31 (a+b +c)	₹ 45.54 (a+b +c)	₹ 108.85
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		₹ 63.31	₹ 45.54	₹ 108.85

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **INDIAN STRATEGIC PETROLEUM RESERVES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued the Central Government of India in terms of sub-section (11) of 143 of the Companies Act, 2013, we give in the "**Annexure B**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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 Control with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
- (g) With respect to other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended.

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

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

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

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

For Goyal & Goyal  
Chartered Accountants  
FRN:- 000066N

Shobhit Gupta  
(Partner)  
M.No.:- 502897

**Place :** New Delhi  
**Date :** 18<sup>th</sup> August, 2020  
**UDIN:** 20502897AAAABF4293



## "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

### **Report on the Auditor's responsibilities for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant 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

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

For Goyal & Goyal  
Chartered Accountants  
FRN:- 000066N

Shobhit Gupta  
(Partner)  
M.No.:- 502897

**Place :** New Delhi  
**Date :** 18<sup>th</sup> August,2020  
**UDIN:** 20502897AAAABF4293

**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2020, we report the following:

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

b) According to the information and explanations given to us and as certified by the management, the following statutory dues have not been deposited by the Company on account of dispute:-

Name of the statute	Nature of dues	Amount (Rs.in Lacs)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Minor Mineral Concession Rules 1996	Royalty	11794.95	Up to 31.03.2018	Directorate of Mines and Geology, Andhra Pradesh

With regard to disputes pending related to Income Tax for various assessments at different authorities, the company has availed the benefit of Vivad se Vishwas Act, 2020 and accounted/ deposited the amount as determined by the company and the same is pending for approval by the Income Tax Department.

- viii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not defaulted in repayment of loan or Borrowing from Government. The Company has not availed any borrowings from any financial institution, bank or debenture holders.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year; hence clause (ix) of paragraph 3 of the Order regarding default is not applicable to the Company.
- x. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 of the ACT.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and the details of such

transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanation given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into noncash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

For Goyal & Goyal  
Chartered Accountants  
FRN:- 000066N

Shobhit Gupta  
(Partner)  
M.No.:- 502897

**Place :** New Delhi  
**Date :** 18<sup>th</sup> August, 2020  
**UDIN:** 20502897AAAABF4293



## "ANNEXURE C" TO THE INDEPENDENT AUDITORS' REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (" the Act ")**

We have audited the Internal Financial Control with reference to financial statements of **INDIAN STRATEGIC PETROLEUM RESERVES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control with reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Control with reference to financial statements 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 Control with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Control with reference to financial statements included obtaining an understanding of Internal Financial Control with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



**Meaning of Internal Financial Control with reference to financial statements**

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

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

**Inherent Limitations of Internal Financial Control with reference to financial statements**

Because of the inherent limitations of the Internal Financial Control with reference to financial statements, 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 Control with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control system over financial reporting and such Internal Financial Control with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2020, 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 Control with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Goyal & Goyal  
Chartered Accountants  
FRN:- 000066N

Shobhit Gupta  
(Partner)  
M.No.:- 502897

Place : New Delhi  
Date : 18<sup>th</sup> August, 2020  
UDIN:20502897AAAABF4293



### **SECRETARIAL AUDIT REPORT**

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

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indian Strategic Petroleum Reserves Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N.A.
- (v) The following Regulations and Guidelines have been prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: N.A
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: N.A
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: N.A
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: N.A
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: N.A
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: N.A
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: N.A
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: N.A
- (i) The Securities and Exchange Board of India (Depositaries and Participants) Regulations, 1996:
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993:
- (vi) Other applicable laws :i) The Petroleum Act, 1934; ii) The Oil Industry (Development ) Act, 1974; iii) The Oil fields Act, 1948; iv) Indian Explosives Act, 1884

**Environmental Laws:**

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

**Misc Acts :**

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

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



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

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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, and during the period, following appointment and cessation held in the Board of Directors:

Sl.No.	Name of Director	Appointment / Cessation	Date
1	Shri B. N. Reddy	Appointment	09/04/2019
2	Smt. Kiran Vasudeva	Cessation	31/05/2019
3	Smt. Indrani Kaushal	Appointment	01/08/2019
4	Shri Diwakar Nath Misra	Cessation	11/09/2019
5	Shri Rajesh Aggarwal	Appointment	01/01/2020
6	Shri Niranjana Kumar Singh	Appointment	01/01/2020
7	Shri Rajiv Bansal	Cessation	17/02/2020

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

As per the minutes maintained by the Company for the Board/Committee and shareholders meetings, we noticed that all decisions were approved by the respective Board/Committee and shareholders without any dissent note. The Company has its Board Meetings on 24<sup>th</sup> June 2019, 6<sup>th</sup> September, 2019 and 1<sup>st</sup> January, 2020. The Company had scheduled its Board meeting on 27<sup>th</sup> March, 2020 and has issued notice for the same on 19<sup>th</sup> March, 2020. However, due to Covid-19 pandemic, Government of India has imposed nationwide lockdown and prohibits all gatherings including offices. Therefore the Company could not hold its Board Meeting scheduled for 27<sup>th</sup> March, 2020. Further, Ministry of Corporate Affairs has announced special measures under Companies Act 2013 in view of Covid-19 outbreak and has given relaxation in holding the Board Meeting vide its General Order No. 11/2020 dated 24<sup>th</sup> March, 2020.

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

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

FOR S. N. Agrawal & Co.

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

Place: Noida  
Date: 18.06.2020



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

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

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

FOR S. N. Agrawal & Co.

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

Place: Noida  
Date: 18.06.2020



**List of documents verified**

1. Memorandum of Association and Revised Articles of Association.
2. Annual Report for the financial year ending on 31<sup>st</sup> March, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee of the Board, Nomination and Remuneration Committee along with their respective attendance registers, held during the financial year under audit.
4. Minutes of Annual General Meeting held during the financial year under the audit.
5. Statutory Registers viz.
  - Register of Directors & KMP;
  - Register of transfers;
  - Register of members.
6. Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
8. All e-forms filed by the Company, from April 2019 to March 31, 2020, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under audit.
9. Licence to store LPG gas in pressure vessels valid upto 30.9.2022 for Mangalore location.
10. Consent for discharge of effluents under Water (Prevention and Control of Pollution) Act, 1974 and emission under the Air (Prevention and Control of Pollution) Act, 1981 for Mangalore facility valid till 30.6.2021.
11. CCOE approvals for Visakhapatnam, Mangalore and Padur are valid for the Financial Year 2019-20.
12. No objection certificate for height clearance from Airports Authority of India for facility at Mangalore valid upto 26.4.2021.
13. Constitution of ICC under the Sexual Harassment of Women at the workplace (Prohibition, Prevention and Redressal) Act, and Annual Return filed under the Act for the period 1.1.2019-31.12.2019.



**The Company has filed the following e-forms under the Companies Act, 2013 during the  
Financial Year 2019-20**

<b>Sl. No.</b>	<b>Form No. with SRN no.</b>	<b>Purpose of filing the form</b>	<b>Date of Filing</b>
1.	DIR-12H53239356	Appointment of Shri B. N. Reddy	20/04/2019
2.	GNL-2H57697963	Certificate from PCS for Reconciliation of Securities Capital Audit Report	29/04/2019
3.	PAS-6H58606237	Allotment of 2,75,00,000 Shares	08/05/2019
4.	DIR-12H64192156	Cessation of Smt. Kiran Vasudeva	12/06/2019
5.	INC-22AH64307697	ACTIVE (Active Company Tagging Identities and Verification) Form	13/06/2019
6.	DPT-3H72475791	Return of Deposits as at 31/03/2019 (initial)	29/06/2019
7.	DPT-3H72479538	Return of Deposits as at 31/03/2019 (annual)	29/06/2019
8.	MGT-14H77785855	Approval of Financial Statements for FY 2018-19, Approval of Directors Report for FY 2018-19 and Appointment of Secretarial Auditor for FY 2019-20	17/07/2019
9.	DIR-12H81624736	Appointment of Smt. Indrani Kaushal	08/08/2019
10.	DIR-3 KYCH82400 201	KYC of Shri H.P.S. Ahuja	13/08/2019
11.	DIR-12H97511760	Cessation of Shri Diwakar Nath Misra	30/09/2019
12.	ADT-1R01257344	Appointment of Statutory Auditor : M/s Goyal & Goyal (DE0577)	09/10/2019
13.	DIR-12R07014467	Regularisation of Directs: 1) Shri B. N. Reddy 2) Smt. Indrani Kaushal	22/10/2019
14.	AOC-4 XBRLR072 22094	Filing of Financial Statement for the FY 2018-19	23/10/2019
15.	MGT-7R14147094	Filing of Annual Return for the FY 2018-19	19/11/2019
16.	DIR-3 KYCR30394 555	KYC of Shri Rajesh Madan Aggarwal	16/01/2020
17.	MGT-14R31637 125	Appointment of Internal Auditor for FY 2019-20	29/01/2020
18.	DIR-12R31637853	Appointment of Additional Directors: 1) Shri Rajesh Aggarwal 2) Shri Niranjana Kumar Singh	29/01/2020
19.	DIR-12R35647114	Cessation of Shri Rajiv Bansal	17/03/2020

Place: Noida

Date: 18.06.2020

# **Annual accounts 2019-20**



<b>INDIAN STRATEGIC PETROLEUM RESERVES LIMITED</b>			
<b>BALANCE SHEET AS AT MARCH 31, 2020</b>			
<b>CIN :- U63023DL2004GOI126973</b>			
		<b>₹ in lakhs</b>	
<b>Particulars</b>	<b>Note</b>	<b>As At 31<sup>st</sup> March, 2020</b>	<b>As At 31<sup>st</sup> March, 2019</b>
<b>ASSETS</b>			
(I) <b>Non-Current Assets</b>			
(A) Property, Plant & Equipment	2	3,38,516.20	3,35,244.59
(B) Capital Work in Progress	2.1	-	42.57
(C) Intangible Assets	2.2	7,100.95	7,100.95
(D) <u>Financial Assets</u>			
(i) Loans	3	556.18	559.62
(ii) Other Financial Assets	4	74.64	210.67
(E) Income tax Assets (Net)		63.33	139.38
(F) Other Non Current Assets	5	-	12,180.15
<b>Sub Total</b>		<b>3,46,311.30</b>	<b>3,55,477.93</b>
(II) <b>Current Assets</b>			
(A) <u>Financial Assets</u>			
(i) Cash and cash equivalents	6	8,634.51	8,436.71
(ii) Bank Balances other than above	7	545.80	514.33
(iii) Other Financial Assets	8	3,629.52	1,948.78
(B) Other Current Assets	9	65,231.83	583.30
<b>Sub Total</b>		<b>78,041.66</b>	<b>11,483.12</b>
<b>TOTAL</b>		<b>4,24,352.96</b>	<b>3,66,961.05</b>
<b>EQUITY AND LIABILITIES</b>			
(I) <b>Equity</b>			
(A) Equity Share Capital	10	3,77,587.47	3,74,837.47
(B) Other Equity	11	(33,484.29)	(23,321.65)
(II) Share Application Money Pending Allotment		-	2,750.00
<b>Sub Total</b>		<b>3,44,103.18</b>	<b>3,54,265.82</b>
(III) <b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(A) <u>Financial Liabilities</u>			
Other Financial Liabilities	12	870.14	170.45
<b>Sub Total</b>		<b>870.14</b>	<b>170.45</b>
(IV) <b>Current Liabilities</b>			
(A) <u>Financial Liabilities</u>			
(i) Trade Payables	13	6,096.77	4,947.36
(ii) Other Financial Liabilities	14	7,359.65	7,090.34
(B) Other Current Liabilities	15	65,923.22	487.08
<b>Sub Total</b>		<b>79,379.64</b>	<b>12,524.78</b>
<b>TOTAL</b>		<b>4,24,352.96</b>	<b>3,66,961.05</b>
Significant Accounting Policies	1		
Notes on Accounts	2-27		
Notes referred above form an integral part of the Balance Sheet			
As per our report of even date attached			
<b>For Goyal &amp; Goyal</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN 000066N		Sd/-	Sd/-
Sd/-		(B.N. Reddy)	(H.P.S. Ahuja)
<b>(CA Shobhit Gupta)</b>		Director	CEO & MD
Partner		DIN : 08389048	DIN : 07793886
Membership No. 502897		Sd/-	Sd/-
Place : New Delhi		(Gautam Sen)	(Arun Talwar)
Date : 18.08.2020		CFO	Company Secretary

**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
**CIN :- U63023DL2004GOI126973**

Particulars	Note	₹ in lakhs	
		For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
<b>INCOME</b>			
Interest Income		358.13	119.91
Other Income	16	106.09	225.67
<b>Total Income</b>		<b>464.22</b>	<b>345.58</b>
<b>EXPENSES</b>			
Depreciation and Amortization	17	10,408.74	6,333.95
Finance Cost (Ind AS 116)	18	12.10	-
Other expenses	19	89.68	728.31
<b>Total Expenses</b>		<b>10,510.52</b>	<b>7,062.26</b>
Loss Before Tax		<b>(10,046.30)</b>	<b>(6,716.68)</b>
<b>Tax Expense:</b>			
Current Tax		-	-
Income Tax Paid for Earlier Years (Under Vsv Scheme)		650.12	-
Less:- Recovered/Recoverable from GOI		(536.53)	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>113.59</b>	<b>-</b>
<b>Loss for the year</b>		<b>(10,159.89)</b>	<b>(6,716.68)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)</b>		<b>(10,159.89)</b>	<b>(6,716.68)</b>
Earning per Equity Share (Par Value of Rs.10/ each)	20		
(i) Basic		(0.27)	(0.18)
(ii) Diluted		(0.27)	(0.18)
Significant Accounting Policies	1		
Notes on Accounts	2-27		
Notes referred above form an integral part of Statement of Profit and Loss As per our report of even date attached			
<b>For Goyal &amp; Goyal</b> Chartered Accountants FRN 000066N Sd/- <b>(CA Shobhit Gupta)</b> Partner Membership No. 502897 Place : New Delhi Date : 18.08.2020		<b>For and on behalf of the Board of Directors</b>	
		Sd/- <b>(B.N. Reddy)</b> Director DIN : 08389048	Sd/- <b>(H.P.S. Ahuja)</b> CEO & MD DIN : 07793886
		Sd/- <b>(Gautam Sen)</b> CFO	Sd/- <b>(Arun Talwar)</b> Company Secretary



<b>INDIAN STRATEGIC PETROLEUM RESERVES LIMITED</b>			
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020</b>			
<b>CIN :- U63023DL2004GOI126973</b>			
		₹ in lakhs	
Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(A)</b>	<b>CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit Before Taxation</b>	(10,046.30)	(6,716.68)
	Adjustments for :-		
	Tax	(113.59)	-
	Depreciation	10,408.74	6,333.95
	Finance Cost (Ind AS 116)	12.10	-
	Interest Income	(358.13)	(119.91)
	<b>Operating Profit Before Working Capital Changes</b>	<b>(97.18)</b>	<b>(502.64)</b>
	Adjustments for :-		
	(Increase)/ Decrease in Financial & Other Assets	(67,238.00)	1,003.04
	Increase/(Decrease) in Liabilities & Provisions	66,440.52	8,384.45
	<b>Net Increase/(Decrease) in Working Capital</b>	<b>(797.48)</b>	<b>9,387.49</b>
	<b>Cash Generated from Operations</b>	<b>(894.66)</b>	<b>8,884.85</b>
	Direct Taxes Paid (Net of Refunds)	76.05	(20.55)
<b>(B)</b>	<b>Total Cash Flow from Operation (A)</b>	<b>(818.61)</b>	<b>8,864.30</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES (Cr.)</b>		
	Purchase of Fixed Assets/ CWIP	(367.95)	(8,451.23)
	Disposal of Fixed Assets	-	-
	Purchase of Intangible Assets	-	(2,650.95)
	Interest Received	358.13	119.91
	<b>Net Cash Used in Investing Activities (B)</b>	<b>(9.82)</b>	<b>(10,982.27)</b>
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES (Cr.)</b>		
	Proceeds from issue of Share Capital/Share Application	-	9,050.00
	Proceeds from Grants	635.00	225.00
	Amortisation of Grant from OIDB	(89.68)	(205.73)
	Stamp Duty on Issue of Share Capital	(2.75)	(9.58)
	Interest Cost (Ind AS 116)	(12.10)	-
	Lease Liabilities (Ind AS 116)	568.70	-
	<b>Net Cash From Financing Activities (C)</b>	<b>1,099.17</b>	<b>9,059.69</b>
<b>(D)</b>	<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents (A-B+C)</b>	<b>270.74</b>	<b>6,941.72</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>(8,909.57)</b>	<b>(1,967.85)</b>
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>9,180.31</b>	<b>8,909.57</b>
As per our report of even date attached			
<b>For Goyal &amp; Goyal</b> Chartered Accountants FRN 000066N  Sd/- <b>(CA Shobhit Gupta)</b> Partner Membership No. 502897  Place : New Delhi Date : 18.08.2020		<b>For and on behalf of the Board of Directors</b>  Sd/- <b>(B.N. Reddy)</b> Director DIN : 08389048  Sd/- <b>(Gautam Sen)</b> CFO	
		Sd/- <b>(H.P.S. Ahuja)</b> CEO & MD DIN : 07793886  Sd/- <b>(Arun Talwar)</b> Company Secretary	



**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

<b>a. Equity share capital</b>		₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
Balance at the beginning of the reporting period	3,74,837.47	3,68,106.47	
Changes in equity share capital during the year	2,750.00	6,731.00	
<b>Balance at the end of the reporting period</b>	<b>3,77,587.47</b>	<b>3,74,837.47</b>	
<b>b. Other equity</b>		₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
	<b>Retained earnings</b>		
Balance at the beginning of the reporting period	(23,321.65)	(16,595.39)	
Profit / (Loss) for the year	(10,159.89)	(6,716.68)	
Stamp Duty on Share Issued	(2.75)	(9.58)	
Other comprehensive income for the year	-	-	
<b>Balance at the end of the reporting period</b>	<b>(33,484.29)</b>	<b>(23,321.65)</b>	
<b>For Goyal &amp; Goyal</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN 000066N			
Sd/-		Sd/-	
<b>(CA Shobhit Gupta)</b>		<b>(H.P.S. Ahuja)</b>	
Partner		CEO & MD	
Membership No. 502897		DIN : 08389048	
Place : New Delhi		DIN : 07793886	
Date : 18.08.2020		Sd/-	
		<b>(Arun Talwar)</b>	
		Company Secretary	

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED														
Notes Forming Part Of The Financial Statements														
Note No. 2 : Property, Plant and Equipment														
Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 1st April, 2019	Additions during the year	Impact of Ind AS 116	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31st March, 2020	Depreciation upto 31.03.2019	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31st March, 2020	AS AT 31st March, 2020	AS AT 31st March, 2019	₹ in lakhs		
(a) Building	18,341.95	161.78		-	18,503.73	929.72	509.95	-	1,439.67	17,064.06	17,412.23			
(b) Roads & culverts	3,165.30	-		-	3,165.30	885.31	436.81	-	1,322.12	1,843.18	2,279.99			
(c) Plant & Machinery	1,25,759.86	-		-	1,25,759.86	9,509.10	5,167.52	-	14,676.62	1,12,083.24	1,17,250.76			
(d) Caverns	2,03,344.20	235.36		-	2,03,579.56	5,943.95	3,381.90	-	9,325.85	1,94,253.71	1,97,400.25			
(e) Furniture and Fixtures	128.98	0.07		-	129.05	35.05	12.92	-	47.97	81.08	93.93			
(f) Transport Vehicles	131.41	-		-	131.41	26.45	15.61	-	42.06	89.35	104.96			
(g) Office equipment	424.92	11.62		-	436.54	247.70	81.84	-	329.54	107.00	177.22			
(h) Computer	1,216.22	16.81		-	1,233.03	690.97	284.24	-	975.21	257.82	525.25			
(i) Right of Use (Ind AS 116)	-	-	13,269.83	-	13,269.83	-	593.07	-	533.07	12,736.76	-			
<b>Total</b>	<b>3,53,512.84</b>	<b>425.64</b>	<b>13,269.83</b>	<b>-</b>	<b>3,67,208.31</b>	<b>18,266.25</b>	<b>10,423.86</b>	<b>-</b>	<b>28,692.11</b>	<b>3,38,516.20</b>	<b>3,35,244.59</b>			
Previous Year														
Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 1st April, 2018	Additions during the year	Impact of Ind AS 116	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31st March, 2019	Depreciation upto March, 2018	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31st March, 2019	AS AT 31st March, 2019	AS AT 31st March, 2018	₹ in lakhs		
(a) Building	9,544.41	8,239.07		558.47	18,341.95	1,486.26	355.68	(912.22)	929.72	17,412.23	8,058.15			
(b) Roads & culverts	1,375.27	1,790.03		-	3,165.30	601.51	295.65	(11.85)	885.31	2,279.99	773.76			
(c) Plant & Machinery	70,192.38	57,325.63		(758.15)	1,26,759.86	5,397.69	3,561.14	550.27	9,509.10	1,17,250.76	64,794.69			
(d) Caverns	1,07,238.72	96,620.13		(514.65)	2,03,344.20	3,711.23	2,250.81	(18.09)	5,943.95	1,97,400.25	1,03,527.49			
(e) Furniture and Fixtures	607.75	35.08		(513.85)	128.98	132.61	9.91	(107.47)	35.05	93.93	475.14			
(f) Transport Vehicles	61.92	69.49		-	131.41	16.68	9.77	-	26.45	104.96	45.24			
(g) Office equipment	278.13	26.36		120.43	424.92	155.11	77.68	14.91	247.70	177.22	123.02			
(h) Computer	432.47	430.50		353.25	1,216.22	433.21	231.77	25.99	690.97	525.25	(0.74)			
<b>Total</b>	<b>1,89,731.05</b>	<b>1,64,536.29</b>	<b>-</b>	<b>(754.50)</b>	<b>3,53,512.84</b>	<b>11,934.30</b>	<b>6,792.41</b>	<b>(458.46)</b>	<b>18,266.25</b>	<b>3,35,244.59</b>	<b>1,77,796.75</b>			

**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED**  
**Notes Forming Part of The Financial Statements**

<b>Note No. 2.1 : Capital Work in Progress</b>		₹ in lakhs	
Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Phase - I - Vishakhapatnam Cavern Storage Project	Opening Balance	42.57	-
	Add : Additions During the Year	119.21	42.57
	Less : Capitalized During the Year	(161.78)	-
	<b>Closing Balance (a)</b>	-	<b>42.57</b>
- Padur Cavern Storage Project	Opening Balance	-	1,55,373.12
	Add : Additions During the Year	-	9,221.65
	Less : Capitalized During the Year	-	(1,64,594.77)
	<b>Closing Balance (b)</b>	-	-
<b>Total (Capital Work in Progress)</b>	<b>(a) + (b)</b>	-	<b>42.57</b>
<b>Note No. 2.2 : Intangible Assets</b>			
Intangible Assets (ROU for Pipeline)		₹ in lakhs	
Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Gross Block as on beginning of the year		7,100.95	4,450.00
Addition/Transfer from other assets during the year		-	2,650.95
Disposal/Deductions/Transfer/Reclassification		-	-
Gross Block as at end of the year		7,100.95	7,100.95
Amortization as at beginning of the year		-	-
Amortization during the year		-	-
Disposal/Deductions/Transfer/Reclassification		-	-
Amortization as at end of the year		-	-
<b>Net Block</b>		<b>7,100.95</b>	<b>7,100.95</b>
Note : ROU for pipeline are acquired on perpetual basis, hence no amortization is being provided.			


**Notes Forming Part of The Financial Statements**

<b>Note No. 3 Loans</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(Unsecured considered good at amorised cost)</b>		
Security Deposits	556.18	559.62
<b>TOTAL</b>	<b>556.18</b>	<b>559.62</b>
<b>Note No. 4 Other Financial Assets</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance against demand of Entry Tax	74.64	210.67
<b>TOTAL</b>	<b>74.64</b>	<b>210.67</b>
<b>Note No. 5 Other Non Current Assets</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(Unsecured considered good at amortised cost)</b>		
Prepaid Rental (For Leasehold Land)	-	12,180.15
<b>TOTAL</b>	<b>-</b>	<b>12,180.15</b>
<b>Note No. 6 Cash &amp; Cash Equivalent</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Bank Balances :</b>		
In Current Accounts	3,793.69	5,403.51
In Fixed Deposit (Maturity within one year)	4,840.74	3,033.00
<b>Cash Balances :</b>		
Cash - In Hand	0.08	0.20
<b>TOTAL</b>	<b>8,634.51</b>	<b>8,436.71</b>
<b>Note No. 7 Bank Balances other than above</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposit (Under Lien for Bank Guarantee) (Maturity more than three months but due in one year)	-	41.47
Fixed Deposit (Maturity more than three months but due in one year)	545.80	472.86
<b>TOTAL</b>	<b>545.80</b>	<b>514.33</b>
<b>Note No.8 Other Financial Assets</b>		
	₹ in lakhs	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(Unsecured considered good at amortised cost)</b>		
O&M Expenses Receivable from GOI and/or HPCL	3,611.58	1,925.80
Accrued Interest	17.57	22.16
Advances recoverable in cash or kind	0.37	0.82
<b>TOTAL</b>	<b>3,629.52</b>	<b>1,948.78</b>

**Notes Forming Part of The Financial Statements**

Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Note No. 9 Other Current Assets</b>		
<b>(Unsecured considered good)</b>		
Advances against Stamp Duty on Shares Recoverable from MRPL in cash or in kind	0.01	2.76
Advances to Supplier	64,569.00	-
Prepaid Rental (For Leasehold Land)	7.87	62.59
GST Credit	-	517.95
Others	654.25	-
	0.70	-
<b>TOTAL</b>	<b>65,231.83</b>	<b>583.30</b>

**Notes Forming Part of The Financial Statements**

Particulars	₹ in lakhs				
	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019		
	Number of shares	Amount	Number of shares	Amount	
<b>Note No.10 : Share Capital</b>					
<b>Equity Share Capital</b>					
<b>(a) Authorised</b>					
Equity shares of Rs.10/- each	3,83,25,60,000	3,83,256.00	3,83,25,60,000	3,83,256.00	
<b>(b) Issued, Subscribed and fully paid up</b>					
Equity shares of Rs.10/- each	3,77,58,74,670	3,77,587.47	3,74,83,74,670	3,74,837.47	
<b>Notes :</b>					
<b>(i) Reconciliation of the number of equity shares :</b>					
Particulars		As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
Equity shares of Rs.10/- each					
Opening Balance		3,74,83,74,670		3,68,10,64,670	
Shares Issued		2,75,00,000		6,73,10,000	
Shares bought back		-		-	
Closing Balance		3,77,58,74,670		3,74,83,74,670	
<b>(ii) Details of shareholders holding more than 5% shares :</b>					
Name of shareholders	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019		
	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 & its nominees	3,77,58,74,670	100%	3,74,83,74,670	100%	
<b>TOTAL</b>	<b>3,77,58,74,670</b>	<b>100%</b>	<b>3,74,83,74,670</b>	<b>100%</b>	
<b>(iii) Terms/Rights attached to equity shares</b>					
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 corporation, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held					
<b>(iv) For the period of preceeding five years as on the Balance Sheet date, the :</b>					
(a) Aggregate numbers of 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				NIL	
(c) Aggregate numbers of shares and class of shares bought back				NIL	


**Notes Forming Part of The Financial Statements**

<b>Note No. 11 Other Equity</b>		
Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Balance of Retained Earnings :</b>		
Balance brought Forward from Last Year's Accounts	(23,321.65)	(16,595.39)
Less : Stamp Duty on Share Issued	(2.75)	(9.58)
Less : Loss for the Year	(10,159.89)	(6,716.68)
<b>TOTAL</b>	<b>(33,484.29)</b>	<b>(23,321.65)</b>
<b>Note No. 12 Other Financial Liabilities (At Amortized Cost)</b>		
Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Deposit/Retention from Suppliers/Contractors	304.70	170.45
Lease Obligation (Ind AS 116)	565.44	-
<b>TOTAL</b>	<b>870.14</b>	<b>170.45</b>
<b>Note No. 13 Trade Payable</b>		
Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
i) Dues of Micro & Small Enterprises	70.46	157.81
ii) Payable for Capital Expenditure	1,866.07	2,258.14
iii) Dues to others	4,160.24	2,531.41
<b>TOTAL</b>	<b>6,096.77</b>	<b>4,947.36</b>
<b>Note No. 14 Other Financial Liabilities (At Amortized Cost)</b>		
Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(At amortized cost)</b>		
Payable to ADNOC (Net)	6,719.22	6,758.11
Lease Obligation (Ind AS 116)	3.26	-
Deposit from Suppliers/Contractors	637.17	332.23
<b>TOTAL</b>	<b>7,359.65</b>	<b>7,090.34</b>
<b>Note No. 15 Other Current Liabilities</b>		
Particulars	₹ in lakhs	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Statutory Dues	700.05	357.92
Payable/Refundable to GOI	64,569.00	-
Payable to HPCL Vizag	76.97	97.28
Grant from OIDB	564.59	19.27
Others	12.61	12.61
<b>TOTAL</b>	<b>65,923.22</b>	<b>487.08</b>
<b>Note No.16 Other Income</b>		
Other Income in Profit & Loss Account	₹ in lakhs	
	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Other Income</b>		
Amortisation of Grant from OIDB (Phase II)	89.68	205.73
Liquidated Damages	3.62	11.98
Interest on Income Tax Refund	2.09	5.59
Prior Period Adjustments	10.70	2.37
<b>TOTAL INCOME</b>	<b>106.09</b>	<b>225.67</b>



<b>Note No. 17 Depreciation and Amortisation</b>		₹ in lakhs	
Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019	
Depreciation	9,890.79	6,333.95	
Amortisation of Lease Rental (Leasehold Land)	533.07	-	
Less :- Recovery as O&M Expenses from GOI (Ind AS 116)	(15.12)	-	
<b>Net Depreciation and Amortization</b>	<b>10,408.74</b>	<b>6,333.95</b>	
<b>Note No.18 Finance Cost</b>		₹ in lakhs	
Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019	
Interest on Lease Liabilities	41.83	-	
Less :- Recovery as O&M Expenses from GOI (Ind AS 116)	(29.73)	-	
<b>Net Depreciation and Amortization</b>	<b>12.10</b>	<b>-</b>	
<b>Note No. 19 Other Expenses</b>		₹ in lakhs	
Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019	
<b>O&amp;M Expenses</b>			
a) Manpower Expenses (Project site) (other than ITBP)	4,148.70	2,844.63	
b) Manpower Expenses - ITBP	4,001.51	-	
c) Electricity Expenses	1,455.19	1,050.12	
d) Insurance Expenses	1,874.62	1,593.00	
e) Consumable Expenses	384.42	377.53	
f) Mangalore Special Economic Zone O & M Charges	28.99	458.20	
g) Other Expenses	1,586.27	1,497.84	
h) Corridor Charges- Mangalore	289.86	-	
<b>Total</b>	<b>13,769.56</b>	<b>7,821.32</b>	
Less :- Received/Receivable from GOI and/or HPCL	13,769.56	7,821.32	
Net O & M Expenses	-	-	
Amortisation of Lease Rental (Leasehold Land)	-	522.58	
DFR Expenses for Phase II	89.68	205.73	
<b>TOTAL</b>	<b>89.68</b>	<b>728.31</b>	

<b>Note No. 20 Disclosures of EPS under Indian Accounting Standards - 33</b>		₹ in lakhs	
<b>Note</b>	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>
	<b>Earnings per share</b>		
(i)	<b>Basic</b>		
	Profit/(Loss) for the year attributes to the equity shareholders	(10,159.89)	(6,716.68)
	Weighted number of equity shares Outstanding	3,77,32,37,684	3,69,73,26,615
	par value per share	10.00	10.00
	Loss per share from continuing operations - Basic	(0.27)	(0.18)
(ii)	<b>Diluted</b>		
	Profit/(Loss) for the year attributes to the equity shareholders	(10,159.89)	(6,716.68)
	Weighted number of equity shares Outstanding - For Diluted	3,77,32,37,684	3,72,48,26,616
	par value per share	10.00	10.00
	Loss per share from continuing operations - Diluted	(0.27)	(0.18)
<b>Note No. 21 Leases, Commitments and Contingencies</b>			
<b>21.1</b>	<b>Leases</b>		
	<p>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.</p> <p>(i) Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transitions method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals 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:-</p> <p>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 March 31, 2019 as per Ind AS 17</p> <p>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</p> <p>iii. Leases for which the lease terms ends within 12 months of the date of initial application have been accounted as short time leases</p> <p>The Company has entered into lease arrangements related to land. There is no sale and lease back transactions arrangement under the reporting period.</p> <p>Details of significant leases for Leasehold Lands are as under:-</p> <p>(a) Arrangement with Vishakapatnam Port Trust for a period of 30 Years for 37 acres of land.</p> <p>(b) Arrangement with Mangalore Special Economic Zone for a period of 50 Years for 104.73 acres of land .</p> <p>(c) Arrangement with Karnataka Industrial Areas Development Board (KIADB) for a period of 20 years towards 138.56 acres of land .</p> <p>(d) Arrangement with Karnataka Industrial Areas Development Board (KIADB) for a period of 15 years towards 37.35 acres of land.</p>		

(ii)	<p><b>Amount recognised in the statement of Profit and Loss Account or Carrying Amount of Right of Use:</b> ₹ in lakhs</p> <p>-Prepaid Lease Rental (earlier shown as current Asset and Non current Asset as Operating Lease) capitalised as Right of Use 12698.11</p> <p>- Increase of Right of Use and Lease Obligation 571.72</p> <p>- Depreciation Recognised on increased Right of Use 15.12</p> <p>- Depreciation Recognised on Prepaid Lease Rental 517.95</p> <p>- Interest on Lease Obligation 41.83</p> <p>- Incremental Borrowing Rate 7.94%</p> <p>- Lease Rental Payment 44.85</p> <p><b>The Details of Right of Use included in PPE held as leases by class of underlying assets is presented below:</b></p> <p style="text-align: right;">₹ in lakhs</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset Class</th> <th style="text-align: center;">Item Added to RoU Asset as on 31.03.2019</th> <th style="text-align: center;">Depreciation Recognised during the year</th> <th style="text-align: center;">Net Carrying Value as on 31.03.2020</th> </tr> </thead> <tbody> <tr> <td>Leasehold land</td> <td style="text-align: center;">13269.83</td> <td style="text-align: center;">533.07</td> <td style="text-align: center;">12736.76</td> </tr> </tbody> </table>	Asset Class	Item Added to RoU Asset as on 31.03.2019	Depreciation Recognised during the year	Net Carrying Value as on 31.03.2020	Leasehold land	13269.83	533.07	12736.76
Asset Class	Item Added to RoU Asset as on 31.03.2019	Depreciation Recognised during the year	Net Carrying Value as on 31.03.2020						
Leasehold land	13269.83	533.07	12736.76						
	<p>*Items added to RoU Assets as on 31.3.2019 includes operating leases entered before 01.04.2019 on net carrying value of Rs. 12698.11 Lakhs which has been reclassified to Right to Use as on 01.04.2019.</p> <p>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:</p> <p>(i) <b>Variable Lease Payments</b></p> <p>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.</p> <p>(ii) <b>Extension and Termination Options</b></p> <p>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 it there is a significant change in circumstances within its control, However, where company has the solo discretion to extend the contract such lease term in included for the purpose of calculation of lease liabilities.</p> <p>(iii) <b>Residual value Guarantees</b></p> <p>There are no Residual value guarantees.</p> <p>(iv) <b>Committed lease which are yet to commence</b></p> <p>There is no committed lease which is yet to commence.</p> <p>(v) The difference between the future minimum lease rental commitment towards non-cancellable operating lease reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease 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.</p>								



(vi)	Application of this standard has resulted a net decrease in profit before Tax for the period April-Mar-2020 by Rs.-12.11 Lakhs (increase in Depreciation & Amortization expenses and Finance cost) by Rs.56.96 Lakhs respectively and decrease in office, Administration, Selling & other Expenses by Rs.44.85 Lakhs). Further there is a net Increase in property, plant and Equipment by Rs.-13269.83 Lakhs and lease obligation by Rs.-571.72 Lakhs respectively as on 31 <sup>st</sup> March 2020.
<b>21.2</b>	<p><b>Contingent liabilities and commitments (to the extent not provided for)</b></p> <p><b>Particulars</b></p> <p><b><u>(A) Contingent liabilities</u></b></p> <p><b>Claims against the company not acknowledged as debts amounting to ₹ 98866.59 (2019: ₹ 102960.10 Lakhs) comprising of</b></p> <p>a) Disputed demands of Income Tax ₹ Nil ( 2019: 489.56 Lakhs).</p> <p>b) Disputed Demand of Royalty by Department Of Mines and Geology at Vizag ₹ 11794.95 Lakhs ( 2019: ₹ 11794.95 Lakhs )</p> <p>c) Disputed claims by the contractors for ₹ 86997.00 Lakhs (2019: ₹ 86997.00 Lakhs ) rejected by EIL on account of projects undertaken on various sites for which cases are pending with Arbitrators.</p> <p>d) Disputed demands of Entry Tax ₹ 74.64 Lakhs ( 2019: ₹ 275.77 Lakhs). The Company has availed Kar Samadhan Scheme promulgated by Government of Karnatka 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 Rs.74.64 Lakhs toward entry tax and the matter is pending before Honourable Karnataka High Court.</p> <p>e) Disputed Demand of CST Reimbursement &amp; Green Belt ₹ NIL ( 2019: ₹ 611.00 lakhs). Company had reassessed this liability in financial year 2011-12 as contingent liability. The Company had reviewed the liability during the year and found that no such demand were raised and the amount is no longer considered to be contingent liability.</p> <p>f) Corridor O&amp;M charges payable to MSEZL ₹ Nil ( 2019: ₹ 208.82 lakhs).</p> <p>g) ITBP demands for security services at Vizag ₹ Nil ( 2019: ₹ 2583 lakhs).</p> <p><b><u>(B) Capital Commitments</u></b></p> <p>Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (2019: ₹ 119.2 Lac)</p>

<b>INDIAN STRATEGIC PETROLEUM RESERVES LIMITED</b>		
<b>Notes Forming Part of The Financial Statements</b>		
<b>Note No. 22 : Related Party Disclosures</b>		
Related party disclosure, as required by Ind AS 24, is as below :		
<b>Particulars</b>		
<b>Details of related Parties :</b>		
<b>Description of relationship</b>	<b>Names of related parties</b>	
Holding Organisation	Oil Industry Development Board (OIDB) holding 100% equity in the Company	
Key Management Personnel (KMP)	(1) Shri HPS Ahuja, CEO & MD (2) Shri Gautam Sen, CFO (3) Shri Arun Talwar, Company secretary	
	<b>Board of Directors (Ex-Officio)</b> Dr. M.M Kutty, Chairman (w.e.f 18.07.2018) Shri Rajiv Bansal, Director (upto 17.02.2020) Shri B.N Reddy, Director (W.e.f 09.04.2019) Smt. Indrani Kaushal, Director (W.e.f 01.08.2019) Shri Diwakar Nath Mishra, Director (Upto 11.09.2019) Shri Rajesh Agarwal, Director (W.e.f 01.01.2020) Shri Niranjan Kumar Singh, Director (W.e.f 01.01.2020) Smt. Kiran Vasudeva, Director (w.e.f 31.08.2018 till 31.05.2019 )	
<b>The following transactions were carried out with related parties :</b> (₹ in lakhs)		
<b>(i) KMP Remunerations</b> (Based on debits note received from respective parent company)	<b>For year ending on 31<sup>st</sup> March, 2020</b>	<b>For year ending on 31<sup>st</sup> March, 2019</b>
CEO & MD	61.03	71.26
CFO	63.31	70.79
CS	45.54	50.54
<b>TOTAL</b>	<b>169.88</b>	<b>192.59</b>
<b>(ii) Holding Company (OIDB)</b>		
Allotment of Shares/Share application money	2,750.00	9,050.00
Reimbursement of expenses to OIDB	25.96	50.54
Grant for Phase II expenditures	635.00	225.00
		-
<b>TOTAL</b>	<b>3,410.96</b>	<b>9,325.54</b>
<b>GRAND TOTAL (i) + (ii)</b>	<b>3,580.84</b>	<b>9,518.13</b>
<b>Balances outstanding with related parties :</b> (₹ in lakhs)		
	<b>As on 31<sup>st</sup> March, 2020</b>	<b>As on 31<sup>st</sup> March, 2019</b>
<b>(i) Holding Company (OIDB)</b>		
Share application pending allotment	-	2,750.00
Reimbursement of expenses payable to OIDB	22.12	22.77
<b>TOTAL</b>	<b>22.12</b>	<b>2,772.77</b>



<b>INDIAN STRATEGIC PETROLEUM RESERVES LIMITED</b> <b>Notes Forming Part of The Financial Statements</b>	
<b>Note No. 23 : SEGMENT REPORTING</b>	
1.	Company is creating storage assets for sovereign reserves of crude oil of Government of India and is also maintain of such assets, This is considered to constitute on single primary segment
2.	Geographical information is not applicable as all operation of the Company is within India
<b>Note No. 24 : FINANCIAL INSTRUMENTS</b>	
<b>Financial instruments by category</b>	
1)	The management assessed that Fair Value of Cash & Cash Equivalents, Other Current Financial Assets, Trade Payables, Short Term Borrowings and Other Current Financial Liabilities approximate their carrying amounts.
2)	The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
3)	Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.



**Note No. 25 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**1. Financial risk factors**

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

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

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

**2. Market risk**

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

**3. Credit risk**

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

**Liquidity risk**

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

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	₹ in lakhs				
	Less than 1 year	1-2 years	2-4 years	More than 4 yrs	Total
Borrowings	-	-	-	-	-
Trade payables	6,096.77	-	-	-	6,096.77
Other financial liabilities	7,359.65	308.22	7.90	554.02	8,229.79
<b>Total</b>	<b>13,456.42</b>	<b>308.22</b>	<b>7.90</b>	<b>554.02</b>	<b>14,326.56</b>

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

Particulars	₹ in lakhs				
	Less than 1 year	1-2 years	2-4 years	More than 4 yrs	Total
Borrowings	-	-	-	-	-
Trade payables	4,947.36	-	-	-	4,947.36
Other financial liabilities	7,090.34	170.45	-	-	7,260.79
<b>Total</b>	<b>12,037.70</b>	<b>170.45</b>	<b>-</b>	<b>-</b>	<b>12,208.15</b>

**Note No. 26 : CAPITAL MANAGEMENT**

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

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



**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED**  
**Notes Forming Part of The Financial Statements**

**Note No. 27 : OTHER NOTES**

**27 Others Notes**

(i) The Company has availed the benefit under Vivad se Viswas Act, 2020 and estimated a liability of Rs. 650.12 lakhs related to Assesment Year 2012-13 to 2017-18 out of which Rs. 469.25 lakhs has been paid in FY 2019-20 and the same has been recovered from GOI during the year 2020-21, an amount of Rs. 113.59 Lakhs has been adjusted from the amount lying under Income Tax Assets and balance amount of Rs. 67.27 Lakhs is payable and grouped as statutory dues under the other current liabilities. The matter is under review by Income Tax Department and the final liability, if any, shall be provided as and when determined by the department.

(ii) The Sovereign Crude Oil Reserves have been filled at Vishakhapatnam Cavern A and Mangalore Cavern B for Strategic Purpose. Cavern B at Visakhapatnam is used by HPCL for its operation and crude maintained therein is purely a property of HPCL. Cavern A at Mangalore has been assigned with Crude Oil owned by ADNOC under agreement with them. During FY 2018-19 Crude Oil has been filled by ADNOC towards its storage. During the FY 2019-20 ADNOC released 369119.7 MT Crude oil from Mangalore Cavern A to MRPL and HPCL. Iranian Crude Quantity 905029.6 MT was transferred from Mangalore Cavern B and Padur to MRPL as per the directives of MoPNG during FY2019-20. Given below are the statistics related to Crude Oil.

**GOVERNMENT OF INDIA- CRUDE OIL**

Particulars	Total (Qty. in MT)	Value (Rs/Lakhs)
Cummulative Total Quantity procured till 31 <sup>st</sup> March, 2019 (As per Bill of Lading)	19,72,229.01	-
Add:- Procured from MRPL during the year	8,29,778.73	2,23,098.00
Less:- Transferred to MRPL during the year	9,05,029.69	2,87,667.00
Net Quantity Procured till 31 <sup>st</sup> March, 2020	18,96,978.05	
Total quantity under Custody as on 31 <sup>st</sup> March, 2020.(As per Surveyor Report)	18,55,457.49	

**ADNOC- CRUDE OIL**

Particulars	Total (Qty. in MT)	Value (Rs/Lakhs)
ADNOC Crude Oil procured quantity till 31 <sup>st</sup> March, 2020	7,55,577.00	-
Less:- Sale by ADNOC during the year	3,69,119.70	-
Net Quantity Procured till 31 <sup>st</sup> March, 2020	3,86,457.30	-
Total quantity under Custody as on 31 <sup>st</sup> March, 2020 -ADNOC Crude Oil (As per Surveyor Report)	3,74,918.53	-

The Difference in value of Crude Oil transferred and procured from MRPL amounting to Rs.64569.00 Lakhs has been shown as receivable in other current assets. The amount, is pending for final settlement and shall be settled in receipt of crude oil to ISPRL caverns or in cash and shall be refunded to Government of India, therefore the liability has been booked as payable to Government of India under current liability.

Difference in the quantity of crude oil received and in the stock as on 31.03.2020 is on account of Dead Stock/ Commissioning losses and is in the opinion of the Board within acceptable limits.

(iii) Application for Land allotment for Chandikhol project was submitted and EIA studies were started for Phase 2 by NEERI during the FY 2019-20. The work for DFR for construction of SPM at Padur was awarded to M/S Engineers India Limited. The total expenditure on Phase-II is Rs 295.41 (including roadshows) Lakhs upto 31<sup>st</sup> March, 2020 which has been incurred from grant sanctioned/dispensed of Rs. 860 lakhs upto 31<sup>st</sup> March, 2020 by OIDB for Phase II.

(iv)	For second compartment at Mangalore, Oil storage and Management Agreement was signed with Abu Dhabi National Oil Company. As per the agreement, value of 1,20,000 US barrels (15831 MT) has to be paid to ADNOC toward dead stock loss/commissioning loss. The same is to be funded by GOI. The same has been estimated to be Rs. 7000 lakhs. This amount has been received from GOI but is yet to be disbursed to ADNOC pending claim from them. The same is grouped as other financial liabilities.																		
(v)	As on 31 <sup>st</sup> March, 2020, the Company's day to day work is handled by 15 personnel borrowed from various Oil Companies on deputation terms. Their salary and other retiral benefits are reimbursed to their respective parent companies on receipt of claim thereof. In addition the company has four employees on regular rolls. The process of formulation of Employee Policies and allowances for regular employees is under advanced stage of deliberation and finalisation. Shri HPS Ahuja CEO&MD has been enrolled as regular employee of ISPRL w.e.f 1 <sup>st</sup> Nov, 2019 consequent to his superannuation. No Employee of the ISPRL were entitled to any retirement benefit during the year and hence no provision for the same has been made.																		
(vi)	Advance recoverable in cash or kind for value to be received including amount due from other companies in which any director is a director or member is Rs. NIL (Previous Year-Rs. NIL).																		
(vii)	<p>The outbreak of Corona virus (COVID 19) Pandemic globally and in India has impacted businesses and economic activities in general. The spread of COVID 19, along with nationwide lockdown starting from 25<sup>th</sup> March, 2020 has caused serious threat to human lives and has impacted the global demand and resulted in disruption of supply chain which has adversely affected the business operations in short term.</p> <p>ISPRL is a Special Purpose Vehicle (SPV) created by Government of India to enhance the Energy security of the Nation. The crude oil stored in ISPRL caverns is strategic in nature and are to be used in case of supply disruption / unforeseen circumstances., It is therefore, perceived that COVID 19 pandemic shall have no material impact on functioning of ISPRL operations.</p> <p>As a result of the outbreak of the COVID 19 Pandemic, global crude oil price showed a significant down turn. In order to take the advantage of lower crude oil price, Government of India allocated additional funds to ISPRL for filling the available space in the caverns. Accordingly, during the lockdown period, ISPRL has filled up the caverns at Visakhapatnam, Mangalore and Padur in 2020-21 taking advantage of the lower crude oil price thereby saving huge foreign exchange outgo to the Government.</p> <p>The transactions related to filling of crude oil with OMCs and PSU are being settled as per the debit notes raised by the respective companies.</p> <p>The company has adhered to all applicable government guidelines / SOPs during the lockdown for safety of its employees and business partners.</p>																		
(viii)	Rocks excavated from Mangalore and Padur are lying at sites. During the year e-auction for Rock Debris at Padur was conducted through Mineral State Trading Corporation (MSTC) and the price of Rs 106 /MT was bid by the successful bidder for lifting 2 lakh MT of Rock debris from Padur.																		
(ix)	<table border="1"> <thead> <tr> <th><b>Details of O&amp; M Expenditure</b></th> <th><b>₹ in Lakhs</b></th> </tr> </thead> <tbody> <tr> <td>O&amp;M Expenditure Claimed from GOI/HPCL during the Year</td> <td>11,682.03</td> </tr> <tr> <td>Less:- O&amp; M Expenditure booked in previous year but claimed during the year</td> <td>1,042.39</td> </tr> <tr> <td>Add:- O&amp;M Expenditure for 2019-20 not claimed during the year, to be claimed</td> <td>3,711.30</td> </tr> <tr> <td>Net O &amp; M Expenditure incurred during the year (Inclusive of Depreciation, Finance Cost and Tax Expenses)</td> <td>14,350.94</td> </tr> <tr> <td>Amount Recoverable from GOI/HPCL as on 31<sup>st</sup> March, 2019</td> <td>1,925.80</td> </tr> <tr> <td>Net O &amp; M Expenditure for the year</td> <td>14,350.94</td> </tr> <tr> <td>Amount Recovered from GOI/HPCL during the year*</td> <td>12,665.16</td> </tr> <tr> <td>Amount Recoverable from GOI/HPCL as on 31<sup>st</sup> March, 2020</td> <td>3,611.58</td> </tr> </tbody> </table> <p>* This includes Rs. 1000.00 Lakhs taken from GOI as revolving advance towards O&amp;M Expenses.</p>	<b>Details of O&amp; M Expenditure</b>	<b>₹ in Lakhs</b>	O&M Expenditure Claimed from GOI/HPCL during the Year	11,682.03	Less:- O& M Expenditure booked in previous year but claimed during the year	1,042.39	Add:- O&M Expenditure for 2019-20 not claimed during the year, to be claimed	3,711.30	Net O & M Expenditure incurred during the year (Inclusive of Depreciation, Finance Cost and Tax Expenses)	14,350.94	Amount Recoverable from GOI/HPCL as on 31 <sup>st</sup> March, 2019	1,925.80	Net O & M Expenditure for the year	14,350.94	Amount Recovered from GOI/HPCL during the year*	12,665.16	Amount Recoverable from GOI/HPCL as on 31 <sup>st</sup> March, 2020	3,611.58
<b>Details of O&amp; M Expenditure</b>	<b>₹ in Lakhs</b>																		
O&M Expenditure Claimed from GOI/HPCL during the Year	11,682.03																		
Less:- O& M Expenditure booked in previous year but claimed during the year	1,042.39																		
Add:- O&M Expenditure for 2019-20 not claimed during the year, to be claimed	3,711.30																		
Net O & M Expenditure incurred during the year (Inclusive of Depreciation, Finance Cost and Tax Expenses)	14,350.94																		
Amount Recoverable from GOI/HPCL as on 31 <sup>st</sup> March, 2019	1,925.80																		
Net O & M Expenditure for the year	14,350.94																		
Amount Recovered from GOI/HPCL during the year*	12,665.16																		
Amount Recoverable from GOI/HPCL as on 31 <sup>st</sup> March, 2020	3,611.58																		



(x)	<b>Deferred Tax</b> In the absence of Taxable Income no provision for income tax has been considered necessary. Further, Deferred Tax Asset has also not been recognized as there is no reasonable certainty with convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be adjusted.		
(xi)	Dues to Micro and Small Enterprises have been determined as Rs. 70.46 lakhs as on 31 <sup>st</sup> March, 2020 (previous year Rs. 157.81 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' which came into force w.e.f October 2, 2006.		
(xii)	Amount payable / recoverable from Vendors/Contractors/service providers are subject to confirmation, reconciliation and consequential adjustments thereof, if any.		
(xiii)	All consumables/stores/spares parts are booked in O&M expenses at the time of purchases.		
(xiv)	Royalty payment on rock removal from Mangalore SEZ is to be borne by MSEZL/Contractor appointed by them for removal of the same.		
(xv)	The Company had reviewed the amount payable as statutory dues under the head Other Current Liabilities and found that an amount payable as Work Contract tax and service tax amounting to Rs. 10.85 Lakhs is not payable and hence written back. There is no such demand from the department and in future, if any liability or demand will be raised, appropriate provisions shall be made and paid.		
(xvi)	As required under additional information pertaining to general instructions for preparation of statements of Profit & loss (Given in the schedule III of companies Act, 2013) related to expenditure incurred during F.Y 2019-20 for the audit and other items are as follow:		
		<b>F.Y. 2019-20 (Lakhs in INR)</b>	<b>F.Y. 2018-19 (Lakhs in INR)</b>
	<b>Payment to Statutory Auditor</b>		
	Audit Fees (Incl. GST)	1.77	1.77
	Out of Pocket Expenses	0.00	0.10
	<b>Payment to Internal Auditor</b>		
	Audit Fees (Incl. GST)	0.35	0.48
	Other Services	NIL	NIL
	<b>Payment to Secretarial Auditor</b>		
	Audit Fees	0.25	0.25
(xvii)	Company has acquired 179.2 acre of land at Padur out of which 176.11 acre of land at Padur has been registered in the name of ISPRL. for balance 3.09 acre of land at Padur is yet to be registered in the name of the Company.		
(xviii)	Shares pending allotment as on the date of last Balance Sheet (2018-19), has been allotted on 06 <sup>th</sup> May, 2019.		
(xix)	Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.		
(xx)	The financial statements have been approved for by the Board of directors on 18 <sup>th</sup> August, 2020.		

## Corporate Information and Significant Accounting Policies

### 1. CORPORATE INFORMATION

Indian Strategic Petroleum Reserves Limited was incorporated on 16<sup>th</sup> 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 9<sup>th</sup> May, 2006.

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

#### **The main objects of the Company are:**

1. To store sovereign reserves of crude oil of the Government of India or crude oil of such other entities as Government of India may decide, subject to and in compliances of the following:-

The release of core critical sovereign reserves of crude oil from caverns and its replenishment will be done through an Empowered Committee constituted by the Government.

Provided that the core critical sovereign reserve of Government of India may also be drawn for crude circulation on account of quality requirement or repairs and maintenance.

2. To carry on the business of storage, handling, treatment, carriage, transport, dispatch, supply, market, research, advise, consultancy, service providers, brokers and agents, engineering and civil designers, contractors, wharf ringers, warehouseman, producers, dealers of oil and oil products, gas and gas products, petroleum and petroleum products, fuels, spirits, chemicals, liquids of all types and kind and the compounds, derivatives, mixtures, preparations and products thereof.

### **1A: SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of Preparation of Financial Statements**

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

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



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

## 1.2 Revenue Recognition

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

## 1.3 Property, Plant & Equipment and Intangible Assets:

- i) Properties, Plant & Equipment are carried at cost less accumulated depreciation/ amortization and impairment loss, if any. The cost of fixed assets includes cost of acquisition and directly attributable cost for bringing the assets in an operational condition for their intended use.
- ii) An intangible asset is recognized where it is probable that the future economic benefit attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Such assets are stated at cost less accumulated amortization.
- iii) Capital work- in-progress

Capital work - in-progress is carried at cost. Revenue expenses exclusively attributable to projects & incurred during construction period are capitalized.

## 1.4 Depreciation / Amortization

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

## 1.5 Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value

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

#### 1.6 Foreign Currency Transactions

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

#### 1.7 Financial instruments

**(i) Financial assets:**

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

**(ii) Financial Liabilities:**

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

**(iii) De-recognition**

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

#### 1.8 Taxes on Income

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted





by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which is deductible temporary differences can be utilized.

### 1.9 Government Grants

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

### 1.10 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying asset. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised / option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/ amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right of use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not

readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate.

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

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

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

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

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

### **1.12 Earnings per Share**

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

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

### **1B: Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020


**Annexure – C**
**11th November 2020**
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL) FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of Indian Strategic Petroleum Reserves Limited for the Year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 August 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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 auditors' report under section 143(6) (b) of the Act.

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

**Tanuja Mittal  
Principal Director of Commercial Audit  
Mumbai**

Place: Mumbai

Date: 13 October 2020

# 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 Gazettee, specify:
- Provided that until the Central Government specifies by such notification the rate of the duty of excise in respect of crude oil (being an item specified in the schedule) the duty of excise on crude oil under this sub-section shall be levied and collected at the rate rupees sixty per tonne. (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 91) on the items specified in the Schedule shall be in addition to any cess or duty leviable on those items under any other law for the time being in force.
  - (4) The provisions of the Central Excises and Salt, Act, 1944 and the rules made thereunder, including those relating to refunds and exemptions from duties shall, as far as may be, apply in relation to the levy and collection of duties of excise leviable under this section and for this purpose the provisions of that Act shall have effect as if that Act provided for the levy of duties of excise on all items specified in the Schedule.

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

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

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

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



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

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





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

INSTITUTION COMMITTED TOWARDS DEVELOPMENT OF OIL INDUSTRY IN THE COUNTRY.

**Registered Office :**

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

**Corporate Office:**

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