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Amrit Mahotsav

OIL INDUSTRY DEVELOPMENT BOARD

MINISTRY OF PETROLEUM & NATURAL GAS
Government of India

ANNUAL REPORT 2020-21



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MEMBERS OF THE BOARD

(During the period under Report)

CHAIRMAN



Dr. M.M. Kutty
Secretary, Ministry of Petroleum
& Natural Gas
(Up to 30.04.2020)



Shri Tarun Kapoor
Secretary, Ministry of Petroleum
& Natural Gas
(w.e.f. 01.05.2020)

MEMBERS



Shri P. Raghavendra Rao
Secretary, Department of
Chemicals & Petrochemicals
(up to 31.05.2020)



Shri Rajesh Kumar Chaturvedi
Secretary, Department of
Chemicals & Petrochemicals
(from 01.06.2020 onwards)



Shri Rajeev Ranjan
Additional Secretary
Department of Expenditure
(from 20.11.2020 onwards)



Shri Rajesh Aggarwal
Additional Secretary
& Financial Adviser
Ministry of Petroleum & Natural Gas



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



Shri S.C.L. Das
Director General
Directorate General
of Hydrocarbons



Shri Sanjiv Singh
Chairman
Indian Oil Corporation Ltd.
(Up to 30.06.2020)



Shri Shrikant Madhav Vaidya
Chairman
Indian Oil Corporation Ltd.
(from 01.07.2020)



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



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



Shri D. Rajakumar
Chairman & Managing Director
Bharat Petroleum Corporation Ltd.
(Up to 31.08.2020)



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
ShramikVikas Parishad,
Indian Oil Barauni Refinery
(Up to 19.01.2021)



Shri Pramod Ram
General Secretary
ShramikVikasParishad,
Indian Oil Barauni Refinery
(from 20.01.2021)

MEMBER SECRETARY



Dr. Niranjan Kumar Singh
Secretary
Oil Industry Development Board


**OFFICERS/BANKERS/AUDITORS
OF THE BOARD**

(DURING THE PERIOD UNDER REPORT)

Secretary	Dr. Niranjana Kumar Singh
FA & CAO	Shri Gautam Sen
Bankers	i) State Bank of India ii) Punjab National Bank (Erstwhile Oriental Bank of Commerce) iii) Union Bank of India (Erstwhile Corporation Bank) iv) Indian Overseas Bank
Auditors	Comptroller & Auditor General of India
Registered Office of the Board	Oil Industry Development Board 301, World Trade Centre Babar Road New Delhi – 110 001
Secretariat	Oil Industry Development Board OIDB Bhawan Plot No.2, 3rd Floor, Sector-73 NOIDA – 201 301 Uttar Pradesh
Telephone Nos.	+91-0120-2594602 +91-0120-2594603
Fax	+91-0120-2594630
E-mail	facao.oidb@nic.in
Website	www.oidb.gov.in


AIMS & Objectives

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



Chapter- 01

Organisational setup & Functions



1. Introduction

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

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

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

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

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

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

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

Source: Ministry of Finance

- 3.2 As per section 16 of Oil Industry (Development) Act, the proceeds of the duties of excise levied are first credited to the Consolidated Fund of India. The Central Government may, if Parliament by appropriation made by law in this behalf, so provides, pay to the Board from time to time, from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit 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 OI DB

4.1 OI DB 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.11900.09 crore as on 31st March, 2021 with the contribution of cess receipts and the internal resources generated by OI DB.

4.2 The cumulative amount of cess collected has increased from Rs.30.82 crore in 1974-75 to Rs.2,35,051.07 crore in 2020-21. Out of which, OI DB has been allocated an amount of Rs.902.40 crore till 1991-92. Thereafter, no amount out of cess collection has been allocated to OI DB. 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 31.03.2021

(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	-
29	2002-03	4873.17	-
30	2003-04	4919.49	-
31	2004-05	5033.97	-
32	2005-06	4857.58	-
33	2006-07	6875.53	-
34	2007-08	6854.00	-
35	2008-09	6680.94	-
36	2009-10	6637.13	-
37	2010-11	7671.44	-
38	2011-12	8065.46	-
39	2012-13	14473.16	-
40	2013-14	14,542.38	-
41	2014-15	14,677.24	-
42	2015-16	14,468.94	-
43	2016-17	12,778.20	-
44	2017-18	14246.20	-
45	2018-19	18556.09	-
46	2019-20	15800.92	-
47	2020-21	11474.15	-
	Total	235051.07	902.40

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

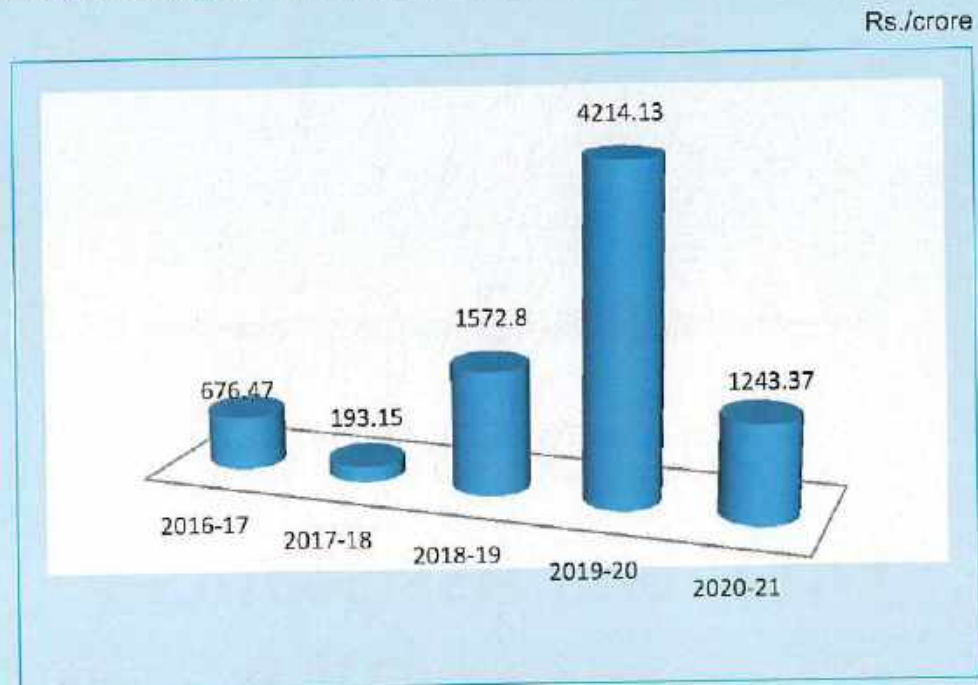


Chapter- 02

Financial Assistance: Loans to Oil & Gas Concerns



1. OIBD 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 OIBD from 2016-17 to 2020-21 is shown in the following graph:



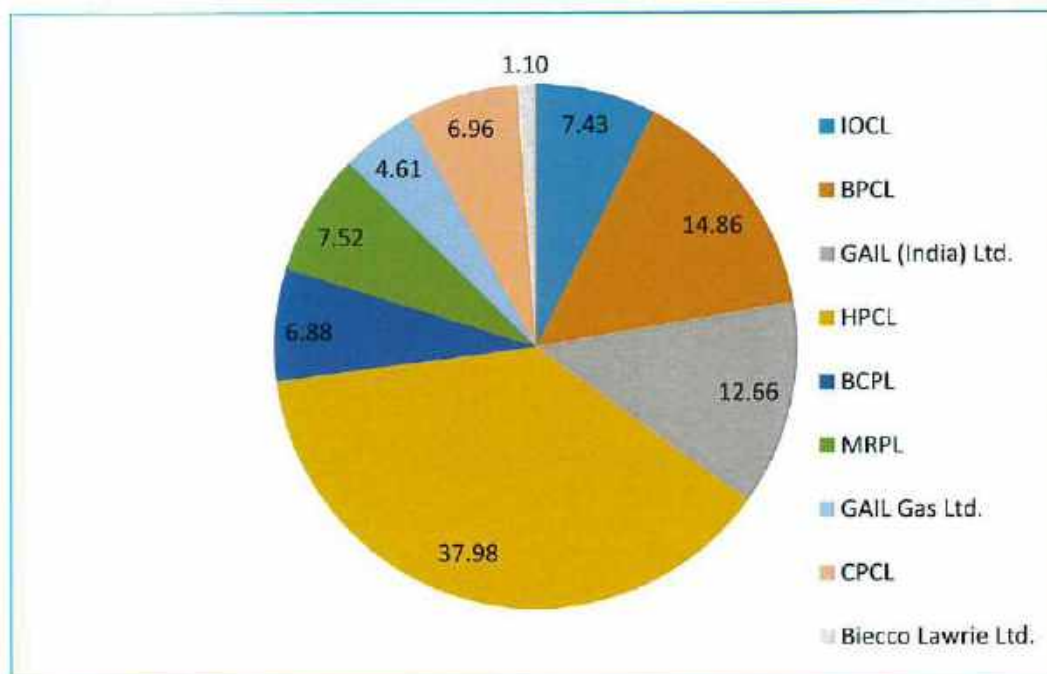
3. The Company-wise details of the loan disbursed by OIBD to finance oil and gas sector projects in the last five years is given in the following table:

Rs. in crore

Sl.No.	Name of the Oil concern	Financial Years					Total for 5 years
		2016-17	2017-18	2018-19	2019-20	2020-21	
1	IOCL	0.00	0.00	0.00	150.00	437.00	587.00
2	BPCL	346.00	0.00	500.00	328.25	0.00	1174.25
3	GAIL (India) Ltd.	0.00	0.00	0.00	850.00	150.00	1000.00
4	HPCL	0.00	0.00	600.00	2300.00	100.00	3000.00
5	BCPL	243.12	157.58	46.37	0.00	96.69	543.76
6	MRPL	0.00	0.00	268.00	271.00	55.25	594.25
7	GAIL Gas Ltd.	87.35	35.57	36.66	0.00	204.43	364.01
8	CPCL	0.00	0.00	50.00	300.00	200.00	550.00
9	Biecco Lawrie Ltd.	0.00	0.00	71.77	14.88	0.00	86.65
	Total	676.47	193.15	1572.80	4214.13	1243.37	7899.92

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 OIDB during 2016-17 to 2020-21. The following graph gives the company-wise share of loan disbursed during 2016-17 to 2020-21:

Percentage of loans disbursed



5. As on 31.3.2021, there is a total outstanding loan of Rs.7621.09 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
1.	Hindustan Petroleum Corporation Limited	2850.00
2.	Bharat Petroleum Corporation Limited	789.75
3.	Brahmaputra Cracker and Polymer Limited	893.21
4.	GAIL (India) Limited	1000.00
5.	Mangalore Refinery and Petrochemicals Limited	527.25
6.	Chennai Petroleum Corporation Limited	537.50
7.	Indian Oil Corporation Limited	587.00
8.	GAIL Gas Limited	337.73
9.	Biecco Lawrie Limited	98.65
	Total	7621.09

6. The details of loan disbursed during 2020-21 are as below:

(Rs. in crore)

Sl.No.	Name of Oil Concerns	Amount
1.	Hindustan Petroleum Corporation Limited	100.00
2.	GAIL (India) Limited	150.00
3.	Chennai Petroleum Corporation Limited	200.00
4.	Mangalore Refinery and Petrochemicals Limited	55.25
5.	Indian Oil Corporation Limited	437.00
6.	GAIL Gas Limited	204.43
7.	Brahmaputra Cracker and Polymer Ltd	96.69
	Total	1243.37

7.0 Projects funded by OIDB during the financial year 2020-21

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.

OIDB has sanctioned a loan assistance of Rs.2900 crore to HPCL for part financing of their Visakh Refinery Modernisation Project (VRMP) and Mumbai Refinery Expansion Project (MREP). During the year 2020-21, HPCL has availed a loan assistance of Rs. 100 crore from OIDB 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 have upgraded MS/HSD treating/upgradation facilities to meet BS VI Fuels. This has resulted 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



CDU Overall View of Visakh Refinery Modernization Project

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. The LC Max reactors have reached at the site and the project is expected to be mechanically completed by Q3 2022.

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. The mechanical completion of the unit is by Q3 2021.

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. The units are under construction and is expected to be mechanically completed by Q4 2021.

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. The revamp of the units are mechanically completed and the pre-commissioning activities are in progress.

A new Hydrogen Generation unit is being put up to meet the increased Hydrogen requirement. The unit is mechanically completed and pre-commissioning activities are in progress. Refinery Crude processing capacity will go up from 7.5 to 9.5 MMTPA post project implementation.

The project implementation is being done keeping SO₂ emission within the existing norms of 12.6 TPD.



Mumbai Refinery Expansion Project

7.2 GAIL (India) Limited

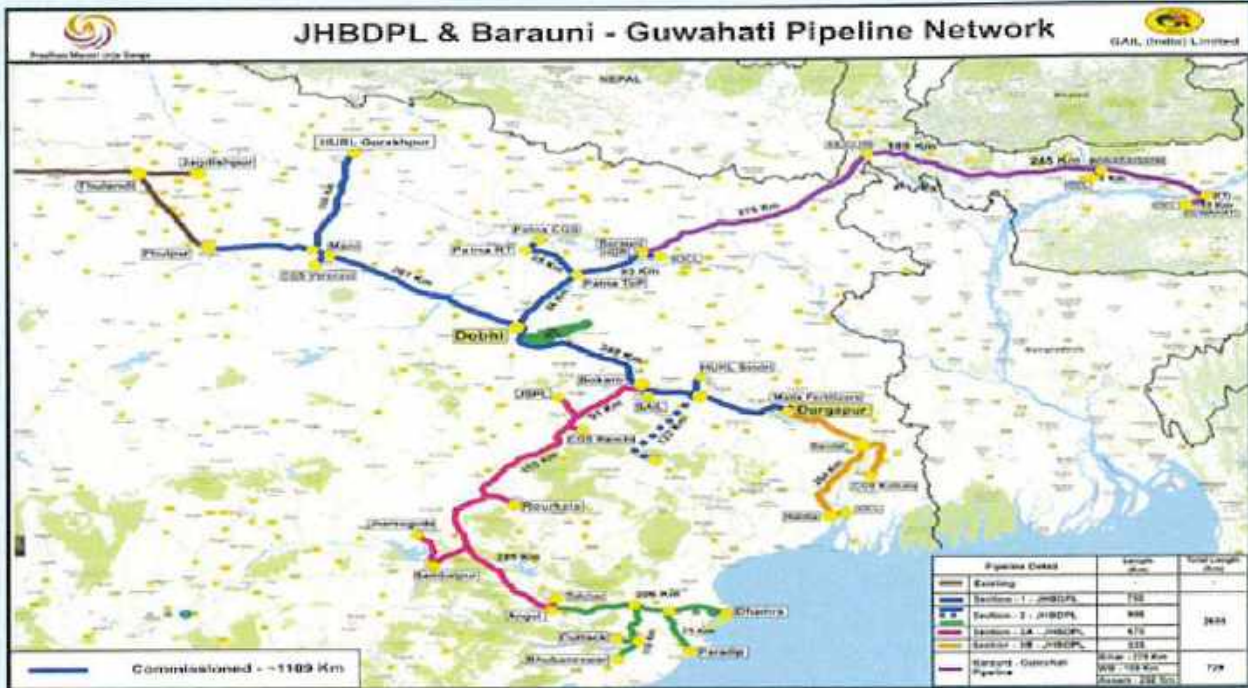
GAIL (India) Limited is a “Maharatna” company and is the largest state-owned natural gas processing and distribution company in India with NG pipeline network of 12400 Km. The company has diversified into upstream and downstream businesses and has extended presence in power, liquefied natural gas (LNG) 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. Out of the approved loan assistance of Rs.1000 crore, GAIL has availed loan assistance of Rs. 850 crore in 2019-20 and balance loan assistance of Rs. 150 crore in 2020-21 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, a Maharatna Public sector company, 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.

This pipeline shall supply gas to fertilizer plants at Gorakhpur, Barauni and Sindri. The capacity of the pipeline network is 16 MMSCMD. Physical progress has been achieved 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. Presently CNG and PNG Gas supplies commenced in Hazaribagh, Bokaro and Dhanbad of Jharkhand & Purulia, Asansol and Durgapur of West Bengal.

The construction of the pipeline system is under progress in phases. Out of this, 1109 Kms pipeline section from Phulpur (U.P.) to Dobhi(Bihar) to Barauni (Bihar) with spur lines to Varanasi, Patna and Gorakhpur (750 Km) and Dobhi-Durgapur with spur line to Matix, Durgapur and HURL, Sindri (359 Km) have been commissioned. The 350 km Dhobi-Durgapur section with spur line upto Matrix Fertilizer has been dedicated to nation by Honorable Prime Minister Shri Narendra Modi on 07.02.2021. The work is in progress for balance sections.

7.3 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 (MMPA). Presently, CPCL has two refineries with a combined refining capacity of 12.1 Million Tonnes Per Annum (MMPA). The Manali Refinery has a capacity of 11.1 MMPA 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.450 crore to Chennai Petroleum Corporation Limited (CPCL) for its BS-VI Auto Fuel Project. Out of which, Rs.250 crore was disbursed during 2019-20 and Rs.200 crore during 2020-21 to CPCL for the said Projects. Brief details of the project is given below:

BS-VI Auto Fuel Project:

7.3.1 As part of fuel quality upgradation, CPCL has commissioned following units:

- A. **Gasoline Desulphurization (GDS) unit 0.6 MMTPA:** Unit was successfully commissioned on 13th January, 2021. Gasoline Desulphurization (GDS) unit was dedicated to the nation on 17th February, 2021 by Hon'ble Prime Minister, Shri Narendra Modi through video conferencing.



- B. **Demountable Flare:** Unit was mechanically completed on 10th March, 2021. Successfully, lighted up with pilot burner on 26th March, 2021.



C. **New Sulphur Recovery Block:** Piping & Equipment erection & associated units erection in progress. The unit is expected to be mechanically completed by 2nd quarter of 2021-22. The estimated cost of Fuel Quality Upgradation project is Rs. 1858 Cr. The physical progress of the project as on 31st March 2021 is 97.2 %.

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.

In the Financial Year 2020-21, the following units were converted for using of RLNG as fuel.

- GT-01 - Commissioned on 10th Jul 2020
- Boiler-03 - Commissioned on 19th Aug 2020
- GT-05 - Commissioned on 17th Dec 2020

Balance conversion facilities for Boilers-04 & 05 and for HGU-205 are expected to be completed in phased manner by the 2nd quarter of 2021-22. The Physical progress of the project as on 31st March, 2021 is 87.6%.



Receiving Station

7.4 Mangalore Refinery and Petrochemicals Limited

Mangalore Refinery and Petrochemicals Limited (MRPL) is a Schedule 'A' Miniratna Company. MRPL was set up as a joint venture between HPCL and Aditya Birla Group in 1987. 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 last expansion of the Refinery was completed with the last of the units (Polypropylene Unit) commissioned in 2015. The present installed capacity of MRPL is 15 MMTPA. 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 contributes to 6% of the country's refining capacity. The Refinery configuration is quite complex with a nelson complexity factor of around 10. The Refinery is capable to optimally process wide grades of crude oil ranging from 20 API to 45 API. MRPL has processed more than 80 different types of crudes from around the world. Crudes have been sourced from Middle East, Asia, South America, USA and Russia. Refinery has been 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 significant quantities of LPG, Motor Spirit, Aviation Turbine Fuel and High Speed Diesel. The Refinery commenced the production of BS-VI grade compliant fuel in October 2019. The Refinery complex includes a high severity fluidized catalytic cracking unit producing high value polymer grade propylene. MRPL has installed the only polypropylene producing unit in southern India. The table below captures the product slate of MRPL:

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

The company had net-revenue of Rs.32,182 crore from operations in the year 2020-21 and a Net Worth of Rs.7528 crore.

BS-VI Project

BS-VI Project comprises additional facilities like new FCC Gasoline Treatment Unit (FGTU), Sulphur Recovery Unit and other facilities like Nitrogen, Utilities and Offsites. The FCC Gasoline Treatment Unit has been mechanically completed and commissioned. Other facilities are in an advanced stage 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) has been met through OIDB loan assistance. OIDB has disbursed approved loan of Rs.268 crore in FY 2018-19 and Rs. 184 crore in FY 2019-20 to 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 provided with the installation of a sea water desalination plant. This plant of current capacity of 30MLD expandable to 70MLD will cater to the immediate and future water requirements of the company. The Mechanical construction of the plant is nearing completion. OIDB assistance to the tune of Rs. 142.25 Crore has been availed for the project.



SWDP Project MRPL

OIDB has sanctioned approved loan assistance of Rs. 142.25 crore for this Project, out of which Rs. 87 crore has been disbursed during FY 2019-20 and Rs.55.25 disbursed during FY 2020-21.

7.5 Indian Oil Corporation Limited (IOCL)

Indian Oil Corporation Limited (Indian Oil), 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 212th largest public corporation, according to the Fortune Global 500 list published for the year 2021. Indian Oil 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, Indian Oil accounts for over 32% share in the domestic refining capacity. Indian Oil's cross country pipeline network of more than 15000 km accounts for put ~51% crude and product pipelines capacity (by length) in the country. With more than 55,000 marketing and distribution touch points across the country, Indian Oil dominates put ~42% market share of POL products 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 approved loan amount of Rs.587 crore to the company during FY 2019-20 (Rs.150 crore) and FY 2020-21 (Rs.437 crore) 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. The main objective of the projects were:

1. Improve distillate yields of refinery by upgrading black oils.
2. Black oil production shall be NIL and reduction in RPC production shall be reduced by 70 TMTPA.
3. Increase LPG and MS production by 200 & 320 TMTPA respectively. The MS production meets BS VI specification.

The project has two licensed process units:

1. Indmax FCC unit : to process low value components to produce higher value added products like Gasoline and LPG
2. IGHDS unit : to remove sulphur from Indmax Gasoline.

The associated offsite facilities, including storage and utilities are also envisaged under the project.

In addition to refinery's profitability, the 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 31.03.2021, both the process units have been commissioned.

1. Indmax FCC unit was commissioned on 7th Nov 2020
2. IGHDS unit was commissioned on 5th Dec 2020
3. The offsite utilities are under stage wise commissioning.
4. The total project progress is 99.72%.
5. Expenditure of Rs.2165.72 crore has been incurred against project cost of Rs. 2582crore.



INDMAX Project IOCL

7.6 GAIL Gas Limited

GAIL Gas Limited, a leading City Gas Distribution Company, is poised to accelerate City Gas Distribution business in focused manner in various cities across the nation. Company is a wholly owned subsidiary of Maharatna GAIL (India) Limited and was incorporated in May 2008 for the smooth implementation of City Gas Distribution (CGD) projects. GAIL Gas Limited is a limited company under the Companies Act, 1956.

Petroleum and Natural Gas Regulatory Board (PNGRB) has authorized GAIL Gas to implement CGD Projects in Dewas, Raisen-Shajapur-Sehore District (Madhya Pradesh); Sonipat (Haryana); Meerut, Taj Trapezium Zone, Mirzapur-Chandauli-Sonbhadra (Uttar Pradesh); Bengaluru Urban and Rural Districts and Dakshin Kannada (Karnataka); Dehradun District (Uttarakhand); Puri-Ganjam-Nayagarh District & Sundergarh-Jharsuguda District (Odisha); Giridih-Dhanbad District, Seraikela-Kharsawan District and West Singhbhum District (Jharkhand).

In addition, GAIL Gas is pursuing City Gas Business in Andhra Pradesh, Karnataka, Rajasthan, Vadodara (Gujarat), Haridwar (Uttarakhand), North Goa and Assam through its Joint Ventures. It is also identifying various industrial clusters along the pipeline corridor for distribution of Natural Gas in various states.

GAIL GAS Limited has been granted authorisation by PNGRB for laying, building, operating or expanding CGD network in authorised area of Bengaluru rural and urban districts of Karnataka w.e.f 18.02.2021 for 25 years. The authorised area for laying, building, operating or expanding the cgd network shall cover an area of 4395 Sqkms.

OIDB has disbursed the loan assistance of Rs.204.43 crore to M/s GAIL Gas Limited for their City Gas Distribution Project during the F.Y. 2020-21.

The minimum work program as per regulations to be completed during first five years of exclusivity is as below:

Inch Km Pipeline to be laid	No of Domestic PNG connections
1582.20	131156

GAIL Gas limited has achieved its 5 year MWP w.r.t Inch KM and doemstic PNG connections within due date. The yearwise achievement is as below:

Target (As per MWP of PNGRB)	Year 1 (15-16)	Year 2 (16-17)	Year 3 (17-18)	Year 4 (18-19)	Year 5 (19-20)	Actual Achievement as on 31.8.21
Inch-Km of pipeline to be laid (Cumulative)	316	791	1266	1424	1583	
Actual achievement (inch Km) cumulative	347	1358	2568.12	3377.8	3816.06	4641.754
PNG Domestic Connections (Cumulative)	0	19,673	65,578	91,809	1,31,156	
Actual achievement (Domestic PNG connections) cumulative	1004	20595	50548	97,299	150702	2,15,299
Five year MWP has been already achieved by GGL Bengaluru within due date.						

The Progress during FY 2020-21 and cumulative achievement as on 31.03.2021 is as below-

Particulars	UoM	As on 31.03.2020	As on 31.03.2021	FY 2020-21
P/L Network (MDPE +Steel)	Inch Km	3816.06	4381.50	565.44
CNG station	Nos	19	33	14
Industrial connections [connected]	Nos	99	129	30
Commercial connections [connected]	Nos	168	241	73
Domestic Connections[connected]	Nos	150701	195083	44382



7.7 Brahmaputra Cracker and Polymer Limited (BCPL)

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

OIDB has sanctioned a loan assistance of Rs.96.69 crore to Brahmaputra Cracker and Polymer Limited (BCPL) for their Assam Gas Project during the F.Y. 2020-21. OIDB has disbursed full approved loan amount of Rs.96.69 crore to BCPL approved for the FY 2020-21 to part finance the project. Brief details of the project is given below:

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


The plant has been operating at more than 100% capacity since more than 3 years. BCPL has constantly endeavoured to overcome challenges related to feedstock supply affecting capacity utilization through various alternative measures for procurement of Naphtha, Butene-1 and Propylene and has been successful in ensuring stable and sustained operation of the plant.

After sustaining initial losses during stabilization period, BCPL has been making profits since FY 2018-19. During the financial year 2020-21, BCPL has earned a net profit of Rs. 739.90 crore from Revenue from Operation of Rs. 2902.63 crore. The new worth of the BCPL is Rs. 2811.26 crore as at 31.03.2021 against paid-up equity of Rs. 1417.67 crore.

The project is the largest petrochemical complex in North East India and there has been substantial increase in the consumption of polymer in NER due to BCPL. The plant potentially has a dominant position in terms of geographical proximity to countries like Bangladesh, Nepal, Myanmar etc. and is exporting polymers to Bangladesh for last couple of years. The plant employs 628 permanent employees. Additionally around 2600 manpower under contract are working inside the petrochemical complex. Further, huge number of jobs are created in the region for the vendors, transporters, suppliers etc. Altogether, a robust ecosystem thrives around this sophisticated plant. Moreover, downstream plastic processing units will involve significant additional income generation in NER. BCPL has not only provided employment opportunities but also has contributed in skill development of the local populace who have been working inside the plant.


Till 31.03.2021, OI DB has released loan of Rs. 1853.76 crore and is a major stakeholder of the project.





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 (RGIPT) for its projects at Sivasagar, Assam and Jaes, Rae Bareilly and IIT (Indian School of Mines), Dhanbad for Foam Assisted Oil-Water Nanoemulsion for enhanced Oil Recovery : Experimental and Molecular Dynamic Simulation Studies and Indian Oil Corporation Ltd. for their R&D project titled "Ethanol Production Plant using refinery off gases at Panipat Refinery".
3. Since its inception in 1974-75, OIDB has disbursed a cumulative grant of Rs.4610.77 crore till 31.3.2021. During 2020-21, a total grant of Rs.407.38 crore was disbursed of which Rs.297.01 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	2016-17	2017-18	2018-19	2019-20	2020-21	Total
DGH	121.53	189.50	238.99	192.91	176.84	919.77
PCRA	41.25	43.88	60.95	67.30	60.00	273.38
PPAC	20.82	21.34	23.96	22.61	22.04	110.77
OISD	16.06	16.39	25.98	21.65	22.88	102.96
CHT	19.82	32.12	20.58	18.08	15.25	105.85
Total	219.48	303.23	370.46	322.55	297.01	1512.73

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 2020-21, a grant of Rs.176.84 crore was disbursed to DGH. Following major activities have been carried out by DGH during the year 2020-21:

5.1.1 Hydrocarbon Exploration and Licencing Policy / Open Acreage Licensing Programme (March 2016)

Government notified Hydrocarbon Exploration and Licencing Policy (HELP) on 30th March 2016 and formally put in operation w.e.f. 1st July, 2017 with notification of Open Acreage Licensing Programme (OALP) and operationalisation of National Data Repository (NDR).

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 nonconventional 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. In five rounds of bid under OALP, 110 blocks were on offer and 105 exploration blocks covering an area of 1,56,580 sq. Km. were awarded to successful bidders. 205 bids were received for remaining 105 blocks that are spread over 16 Sedimentary Basins.

Summary of Blocks awarded under OALP bid rounds till 31-Mar-2021 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	18,510
OALP Round-V	11	11	11	19,790
OALP Total	110	105	105	1,56,580

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. Out of 254 blocks, at present 43 blocks are operational, PEL (Petroleum Exploration License) is awaited in 2 exploration blocks, 209 blocks have either been relinquished or proposed for relinquishment.

During 2020-21, Total 4 (one oil and three gas discoveries) have been notified in NELP Blocks. A sneak preview of status of discoveries notified under NELP Blocks so far is as under:

Status of Discovery	Oil	Gas	Total
Discoveries which have been put on Production	32	13	45
Discoveries which are under Development or on way to production	12	21	33
Commerciality established (DoC Reviewed)	2	14	16
Discoveries in Early Stage, DoC to be submitted	4	12	16
Discoveries not pursued by Operator/relinquished/proposed for relinquishment	17	49	66
Total	67	109	176

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, Annual Work Programme and budget.

Production performance from fields/blocks under PSC regime, during 2020-21 is as under:

Regime	Oil + Condensate (in MMT)	Gas in BCM
Pre- NELP Discovered Fields	0.82	0.404
NELP Exploration Blocks	0.23	0.942
Pre-NELP Exploration Blocks	6.33	2.33
CBM Blocks	0.00	0.642
Total	7.37	4.32

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 un-appraised 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 crores and it is expected to be completed by 2021-22. As on 31.03.2021, surface coverage of 46003.55 LKM (95.36%) out of 48,243 LKM has been achieved under 2D Seismic data acquisition under National Seismic Programme.

5.1.5 National Data Repository (NDR):

Quality geoscientific data is a critical input for success in upstream oil and gas exploration and production activities. It plays an important role in identifying the techno-commerciality of a field development project. Considering the importance of providing access to quality data, National Data Repository has been established in DGH office in Noida with Secondary Data Centre (SDC) in Bhubaneswar.

Current Status- As on 01.04.2021, there are 281 registered companies and 875 registered users. The quantum of data available in NDR is given below: -

- 2D Seismic Data: 2.603 Mn. LKM
- 3D Seismic Data: 0.879 Mn. SKM
- Seismic Reports: 15,528 nos.
- Well log data: 19,317 nos.
- Well Reports: 40,245 nos.

5.1.6 NATIONAL GAS HYDRATE PROGRAMME (NGHP)

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

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

Technology for production of gas from gas hydrate is not yet matured and is at R & D stage world over. The planning and execution of NGHP Expedition-03 to test the technology and assess the commerciality of Gas Hydrates exploitation in Indian offshore. Based on collation and interpretation of data acquired from NGHP-02, five sites have been found suitable for acquiring additional data those can be suitable for pilot production testing. A tentative action plan is firming up and with help of NGHP member organisations based on the Advisory committee recommendations.

NGHP member organizations are working on projects for the development of feasible Production technology. The various jobs are being carried out by member organisation will envisage the potential resource and firm up strategy for the execution of Gas Hydrate pilot production testing in Indian offshore. Action plan will be implemented after approval the area/sites of interest and development of production technology for pilot production tests.

5.1.7 COAL BED METHANE (CBM):

The cumulative CBM production from CBM blocks up to FY 2020-21 is 4.4 BCM from 5 CBM blocks including test production from Jharia CBM block. The average gas production rate in the FY 2020-21 was 1.76 MMSCMD.

At present, 8 CBM Blocks are active, 4 of which are in the production phase and 4 in the development phase. The first commercial production from the CBM blocks commenced in the year 2007 from Raniganj (South) block). Raniganj (East) Block started its commercial production from July 2016, Sohagpur (West) started producing from March 2017 and Bokaro from August 2019. In addition to this incidental CBM gas is being produced during testing of CBM wells in Jharia block'

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 to promote an 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 to the Energy Security of India.

5.1.8 Discovered Small Field Bid Round

Discovered Small field 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 forth with 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 On land 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.
- 24 Contract Areas (15 Onland and 09 Shallow Offshore) comprising of 58 discoveries were awarded and the Revenue Sharing Contracts were signed.

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)	24 (58 Fields)	3004.2
Total	71 (126 Fields)	54 (101 Fields)	3780.9	

5.1.9 ESSENTIALITY CERTIFICATES

During the year 2020-21, DGH issued a total 14560 Nos. of Essentiality Certificates having CIF value of Rs.37,070.72 crores.

5.1.10 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 Mar 2021) is tabulated below:

Status	Regime	Cumulative (in Numbers)
No. of Fields Covered Under the Scheme	ONGC Nomination	147
	OIL Nomination	18
	PSC/RSC	51
	Total	216
No. of Proposals received for Screening	ONGC Nomination	20
	OIL Nomination	4
	PSC/RSC	9
	Total	33
No. of Proposals agreed	ONGC Nomination	11
	OIL Nomination	2
	PSC/RSC	1
	Total	14
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

5.1.11 Implementation of Single Window Clearance system

As part of the notification dated 28.02.2019 on 'Reforms in E&P Sector, Directorate General of Hydrocarbons (DGH) of behalf of MOP&NG has launched a portal that connects upstream companies to different arms of the government and allows electronic filing/online submission of applications to obtain various clearances / approvals / Certificates like PEL / PML, Vessel Clearance, Expat Clearance, PSC Contract Management Processes, Essentiality Certificates etc. In addition, DGH portal also provide an online submission of applications through MoEF&CC portal and viewing status of application. Primary purpose of Single Window Clearance System is to provide a single point to potential investors for accessing all relevant information about clearances/approvals required to start business operations in any sector. It will be a one stop platform for capturing all relevant information and documents for multiple clearances into one single unified information database through single time upload.

The status of various processes made operational by DGH through Single window clearance system are as under:-

Status Electronic Single Window and monitoring of contracts Status

Sl.No	Module	Current Status
1	Contract Management : PSC Management System	The online PSC Workflow Management system with 47 PSC processes requests for approval to clear proposals and manage contracts had gone live from October 2019.
2	Contract Management : Simplification of Procedures	A transition phase feature-allowing operator to submit documents either via self-certification or via normal submission has gone live from 29/08/2020. All Category A, B & C processes simplified to 20 have been deployed. Flow changes for 4 processes have been received & have deployed. Factsheet module has been deployed for initial data entry. Further rationalization of PSC processes is in progress
3	Contract Management: CBM contracts.	The software development simplified to 31 processes for CBM contracts and testing completed. All 31 processes have been deployed and gone live.
4	Contract Management : RSC Management System	Draft templates for OALP received. Preparing resources for development
5	Clearance & Approvals : EC Monitoring system	Online submission of digitally signed EC issuance gone live from 28/02/2019 Integration with Customs for online issuance of ECs for Imported items gone live from 28/02/2019 Integration with GSTN for issuance of EC for Indigenous Purchase items gone live 31/01/2020. EC against multiple bocks across multiple regimes had gone live from 17/8/2020. API integration of ECMS system with ICE GATE portal of customs department has gone live from 28/09/2020.

6	Clearance & Approvals : Online PEL / PML Application system	Gone Live since October 2019. Total Applications received: 82 (PEL-27, PML-55) / (Offshore - 21, Onshore- 61). Ten states have registered in the system. (I.e. Assam, Tripura, Arunachal Pradesh, Chhattisgarh, Orissa, Himachal Pradesh, Rajasthan, Gujarat, Madhya Pradesh, West Bengal).
7	Clearance & Approvals : Vessel Clearance Management System (VCMS):	The online processing of vessel clearance applications was facilitated among Operator, DGH and MoD through an online portal developed by DGH which was operational since March 2018. In June 2020, MoD launched its own portal for issuance of NOC for RSEE (Research Survey Exploration & Exploitation) activities. DGH has requested MoD to map DGH internal workflow in this new MoD online NOC clearance portal for end-to-end online processing of applications within DGH.
8	Site Restoration Fund Management portal	Portal has been hosted on the internet after successful completion of security audit by independent 3rd party User IDs for both Operators and DGH users have been created in the portal. Issuance of formal intimation letter from DGH to operators to operationalize the portal, by the user group, is awaited
9	ER application portal	The revised design for submission & subsequent workflow of submission of ER screening report has been developed.
10	Revenue Management System (RMS)	Upgrade of RMS Application based on received functional requirement specifications has been completed & tested on Staging. API integration RMS with Bharatkosh has gone live from 01.04.2021.

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. It is a national government agency engaged in promotion of energy efficiency in various sectors of economy. It helps the government in proposing policies and strategies for petroleum conservation, aimed at reducing excessive dependence of the country on oil requirement. 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. In addition, Print, Electronic Media and MyGov platform are also used to influence masses. Tips on Fuel savings and Fuel efficiency and update on PCRA's conservation activities are posted regularly on various social media platforms of PCRA. Various contests and campaigns are organized time to time to engage the masses. A number of films, TV spots and radio jingles developed by PCRA in various languages are used to promote oil conservation.

During 2020-21, an amount of Rs. 60 crore was released by OIDB to PCRA for performing its activities including administrative expenditure. A glimpse of activities carried out during the year are given below:

5.2.1 Sectoral Activities

Field activities are one of the core areas of PCRA operations. Various activities pertaining to energy conservation and energy efficiency are specifically designed to cover a large spectrum of socio-economic profile of our country in different sectors viz. Industry, Transport, Domestic & Agriculture.

5.2.2 Industrial Sector

PCRA activities in this sector focus on improvement in fuel efficiency through upgradation of technologies and reducing wastages in large, medium and small-scale industries. Besides this, awareness and competency building exercises are also taken up through Seminars, Workshops and Training programmes for the Industry Personnel. Activities in this sector consists of

- ✓ **Energy Audit**
 - o Energy Audits of various Industries (categorized as i) with Annual energy consumption of ≤ 100 TOE and ii) > 100 TOE)
 - o Compliance Audit for all Energy Audits of Industries conducted in the previous Year.
 - o Studies in Small Scale Industries
- ✓ **PAT Audit**
 - o PCRA conducts Mandatory Energy Audit (MEA) and Monitoring & Verification Audit (M&V) under PAT (Perform Achieve Trade) programme. It has received an order for carrying out of MEA of 15 Nos of PSU Refineries under PAT cycle VI. It will be completed within December 2021. PCRA has identified 1,01,238 TOE Energy Savings through PAT Audit in 2020-21.
- ✓ **Consultancy for ISO 50001- 2018**
- ✓ **Training and Workshops programme**
 - o Industrial Units
 - o Institutions (e.g. Polytechnics, Technical Colleges and Industry bodies etc.).
 - o Participation in Seminar/ Technical Lectures/ Consumer Meet.

5.2.3 Transport Sector

PCRA conducts a variety of programmes for State Transport Undertakings (STUs), Private fleet operators, organizations in the private and public sector to promote efficient use of petrol, diesel, lubricants and greases through better maintenance practices, better driving habits, emission awareness programmes, exhibitions, workshops etc. all over the country. Its activities comprise -

- (i) **Driver Training Programme (DTP) for STUs (State Transport Undertaking) and others** - The main objective of the Driver Training Programme is to train the drivers on good driving habits & maintenance practices in order to promote and propagate fuel efficiency in the Transport Sector. Under DTP, drivers from STUs, Army, Air Force, Para Military Forces, Oil Companies & Private Fleet Operators are imparted training to improve their driving skills.

- (ii) **Transport Workshop** - Half-day transport workshops are conducted to bridge the considerable information gap amongst drivers and mechanics regarding proper operational and maintenance practices for achieving optimum fuel consumption.
- (iii) **Fuel Efficiency Improvement Programme (FEIP)** - Fuel Efficiency Improvement programme is a unique initiative undertaken by PCRA to improve fuel efficiency of Bus depots by training the low performing drivers together with maintenance of low performing buses and monitoring of their performance. Low performing drivers are trained as per the prescribed training module and then they are subjected to 2 weekly follow-up training module.
- Low performing buses are subjected to Tier I maintenance protocol; 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 (Tier-I,II,III) covering about 30% low performing drivers & 30% low performing buses.
- (iv) **STU Awards scheme** - The objective of the Award scheme was to encourage & motivate STUs drivers, maintenance staff & other depot personnel for Fuel savings by recognizing the Best Depot/Depots in each STU at State level & Best STU at National level by way of awarding an Annual trophy & Cash Award. Six awards were presented to Best STUs and Sixty six awards to Best Depots during Saksham 2021.
- (v) During the FY 2020-21, PCRA organized three MoRTH sponsored training programme cum workshop at Bhubaneswar, Mohali and Chennai to deliberate on various aspects Fuel Efficiency in transport sector.



5.2.4 Agriculture Sector

PCRA's efforts in agriculture sector focuses on reaching to the farming community for creating

awareness on the importance and methods of oil conservation in the farming equipment. To create awareness in the farming sector, PCRA reaches out to the vast farming community through the various means e.g.

- a. Agriculture Workshops
- b. Participation in Agro Fairs/Exhibitions, Kisan Melas
- c. Association with Agriculture Universities and Kisan Vikas Kendras for the dissemination of fuel conservation measures to farmers. In this regard, during 2020-21, PCRA has signed MoU with 3 Agricultural Universities

5.2.5 Awareness Campaign: Under this, PCRA conducted activities e.g.

- Domestic Workshop - Housewives were educated on Fuel Efficient cooking habits, cost benefits in using ISI marked products & star rated LPG stoves. Various Energy Conservation tips on household appliances were also imparted
- Awareness Campaign for Students and Youth
- Participation in Exhibitions
- Media Campaign – During Saksham-2021, Mega Media campaigns were successfully run on national and regional channels of Doordarshan Network, All India Radio, Lok Sabha TV, Pvt. FM and TV channels across the country educating people about the need for fuel conservation and fuel efficiency. During pre-buzz campaign of Saksham-2021, the Appeal of Hon'ble Minister of P&NG was aired on 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 Online Contests, Daily theme based topics / creatives, live coverage of several events like Saksham Day, Swachhata Pakhwada etc. In addition to above, 24 Twitter trending activities were done in FY 2020-21, gathering a large number of impressions. 17 social media campaigns were carried out to spread the message of fuel conservation and environment protection.

- Distribution of Literature- 10.05 lakh copies of PCRA literature were printed and distributed to more than 130 locations and 822 Krishi Vikas Kendras across country.

5.2.6 SAKSHAM

In order to provide sustained impetus to its fuel conservation endeavours, PCRA in association with PSU Oil & Gas Companies organizes "Saksham", a nationwide people centric mass fuel conservation awareness campaign, from 16th January to 15th February every year. Tagline of this year's event was "Green and Clean Energy / हरित एवं स्वच्छ ऊर्जा".

Under the month-long Saksham-2021 programme, many activities were conducted by oil companies and state level conveners of oil companies, in which people from different segments such as school children, youths, LPG users, drivers of light, medium & heavy commercial vehicles, fleet operators, industrial employees/workers, farmers, residential societies, NGOs, groups/societies/clubs etc. took part. Some of the main events held under SAKSHAM are as follows:

- a) Inauguration and Valedictory function on 16th Jan and 15th February respectively at State Capitals, offices/locations/units etc. of Oil CPSEs
- b) Saksham Cycle Day in 280 cities throughout the country on 31st January 2021 and E-Cycle Rally at New Delhi and Mumbai on 6th and 11th February 2021 respectively
- c) CNG Car Rally on 7th February, 2021 in various cities e.g. Mumbai, Pune, Bengaluru, Patna, Cuttack and others.
- d) Debate Competition/Group Talk/Graffiti/Wall Painting Competition on Fuel Conservation in Schools/Colleges.
- e) Workshop in Engineering Colleges/ Technical Meet in Industrial Sectors on Fuel Conservation.
- f) Group Talk at RWAs/Housing Societies/Colonies.
- g) Cycle Rally/Online pledge/Quiz/Essay competition/ Fuel Efficient Cooking Competitions for women in residential societies for Clubs/Societies/NGOs/Groups etc.
- h) Fuel Efficient Driving Contest for Cars and Trucks.
- i) 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.
- j) Press conference / press release.
- k) LPG Panchayats and training of LPG delivery boys on LPG saving tips and Health Camps at all LPG Distributorships.
- l) Group Talk at Retail Outlets & CNG Stations.
- m) Agriculture workshops for farmers.
- n) Workshops/Group Talks for STUs/ Fleet Operators (Organized/Unorganized Sector).
- o) Various events at Units and Establishments of Oil CPSEs. These include Group talk involving employees and Distributors and other stakeholders, Emission Check of all petroleum consuming Equipment and Vehicles, Cycle Rally, quiz competitions, Message on Hoardings/Digital Displays etc.



E-Cyclothon being held at New Delhi during SAKSHAM event



Shri Ram Kripal Yadav, Hon'ble MP participating in Saksham Cyclothon held at Patna on 31st Jan 2021

5.2.7 National Level Competition-2020 for School Children

Children are the future of India and the harbinger of change. National Competition on Essay, Painting and Quiz are held every year to inculcate the spirit of energy conservation and energy efficiency among impressionable young minds. National Level Essay, Painting & Quiz Competitions for 2020 have been held in completely online mode, because of prevailing pandemic. Approximately 3.36 Lakh students from class 7 to 10 participated in the competition. Winners of Essay, Painting competitions at State Level and National Level Quiz have been declared. National Level Competitions for Essay, Painting will be held soon.

1. RESEARCH & DEVELOPMENT: Two project proposals were completed in FY 2020-21.

Title of R&D Project:	Research Organization:
Improving thermal efficiency of LPG domestic cooking stoves.	BPCL Corporate R&D Centre, Greater Noida.
Development of methodology for traffic circulation plans around Metro stations and their impact quantification using Microscopic Simulation.	CSIR-CRRI, New Delhi

- LPG Stove Burners developed by BPCL R&D centre (BPCL RAMAN-1 and BPCL RAMAN-2) as a PCRA sponsored R&D project has a thermal efficiency of around 74% (whereas average efficiency of available burners is around 68%) and crores of Rupees will be saved over the years due to this low cost innovation.

- 5.2.8 Five new project proposals were approved in the 85th SCM (Screening Committee Meeting) held on 08.12.2020.

R&D Project Title	Institution/ Organization	Total Project Cost (Rs. Lakhs)	PCRA Contribution (Rs. Lakhs)
Design and development of a micro turbine combustor working on biogas	IIT Jodhpur & IIP Dehradun	97.38	24.98
Design and Development of Inline Bio-methane Enrichment and CO ₂ Separation System	CSIR-CMERI -CoEFM, Ludhiana	24.79	19.96
Interventions to Improve Performance of Combustion Systems in MSMEs	IIT Delhi	24.93	24.93
Performance evaluation of a bio gas Integrated Semi-Transparent Photovoltaic Thermal (SPVT) collectors (Bi-SPVT)	RGIPT, Amethi	25.00	25.00
Development of Encapsulated Asphalt-rubber Pavement (EARPAVE) Product for Road Applications	IIT Tirupati	42.54	42.54

5.2.9 Other notable achievements in R&D sector are-

- a. Domestic PNG Stove of higher thermal efficiency has been developed by IIP-Dehradun in collaboration with PCRA. The average thermal efficiency of the developed PNG burner, when

tested in laboratory, is in the range of 52% to 56% as against 40% for an LPG stove used for PNG service. PCRA has entered into an MOU with EESL on 16.01.2021 to distribute 10 Lakh Pieces of PNG Stove among PNG customers pan India. The initial tender of procuring 10,000 PNG stoves has been floated.

- b. PCRA had approached LERC to design a Retrofit kit for enhancing the efficiency of existing domestic LPG stoves. Retrofit kit with fuel efficiency of around 75% has been designed by LERC. M/s Super LPG Appliances has developed the prototype and it has been tested and approved by LERC.

5.2.10 Policy Initiatives

- a. Standards and Labelling (S&L) Programme is one of the key areas of PCRA. The main objective of S&L is to provide customer with an informed choice about the energy saving and thereby the cost saving potential of the marketed product.

- b. Development of Fuel Efficiency (FE) Norms.

Initiatives under S&L and FE Norms are as follows:

- I. The transport sector is the major consumer of diesel and accounts for more than 70% of total diesel sales in India. Mandating Fuel Economy norms for Heavy Duty, Light & Medium Commercial Vehicles will help a lot in saving diesel consumed in this sector.

FE Norms for HDV

MoPNG constituted a steering committee to develop FE norms for HDV. PCRA was the member secretary of the steering committee. Ministry of Power (MoP) notified Fuel Economy Norms for BSIV Heavy Duty Vehicles (HDVs) on 16.08.2017 which was further revised on 16.08.2018. The Ministry of Power issued the amended notification vide S.O. 3215(E) on 21.09.2020 with date of implementation of Phase-1 norms from 1st January 2021.

FE Norms for L&MCV

MoPNG constituted a Steering Committee on 27.11.2017, under the chairmanship of Joint Secretary (R) to develop FE Norms for Light & Medium Commercial vehicles (L&MCVs) having Gross Weight (GW) of 3.5 Tonnes to 12 Tonnes. PCRA was the member secretary of the steering committee.

Ministry of Power (MoP) notified the Fuel Economy Norms for Light & Medium Commercial vehicles (L&MCVs) on 16.07.2019.

Development of Correction Factor for BS-VI compliant vehicles:

- I. Above-mentioned Notifications dated 16.07.2019 (for L&MCV) and 21.09.2020 (for HDV) are for BS-IV emission norms. BS-VI emission norms were to be derived by applying a correction factor on BS-IV emission norms. Accordingly, MoPNG constituted a technical committee headed by ED-PCRA to derive the correction factor for BS-VI compliant HDV and L&MCV. MoPNG has forwarded the technical committee report on Correction Factors to BEE for issuing of amended notification.
- II. Tyres, as a component, have been identified to have a huge potential for improving fuel efficiency of vehicles. A Technical Committee under the chairmanship of ED PCRA was

formed for development of S&L of Tyres in India. The Technical Committee had submitted their report on 06.08.2019. The Ministry of Power has approved the proposal on 19th March 2021. BEE is in the process for launch of Voluntary phase of S&L of tyres.

- III. MoPNG constituted a Steering Committee under the chairmanship of Joint Secretary (R) in March 2018 to develop and monitor fuel economy norms for tractors. PCRA was the member secretary of the steering committee. The Steering Committee has approved the bandwidth and draft schedule for implementation of voluntary phase of tractors labelling. BEE has to finalize the FE Norms for Tractors.
- IV. Development of Vecto Type Simulation Tool to measure fuel consumption of Light, Medium and Heavy Commercial Vehicles – Financial approval by BEE is in progress.
- V. S&L Programme for Domestic LPG Stove: With the efforts of PCRA, BIS Standard IS 4264: 2002 for “Domestic Gas Stove for use with Liquefied Petroleum Gases - specifications” has been mandated for all the domestic LPG stoves manufactured, imported or sold in India with effect from 01.06.2020. With this, every LPG stove model needs to have a minimum thermal efficiency of 68%.

These activities and measures pertaining to fuel efficiency and fuel conservation have been making positive contributions towards the Government’s ambitious programme 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 Petroleum Planning & Analysis Cell (PPAC) was created effective 1st April, 2002 as an attached office of the Ministry of Petroleum and Natural Gas, to carry out the following activities :

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

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 & Gas PSUs. The Director General is on deputation from the Central Government, under the Central Staffing Scheme.

During the year 2020-21, an amount of Rs.22.04 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 Companies

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 3,658 crore (including project management expenses) were received and reviewed for the year 2020-21.

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 were to be provided to women belonging to BPL households. The scheme was extended to cover 8 crore BPL households over a period of 4 years (till 2019-20). The target of 8 crore connections was achieved well in advance in September 2019. Under the scheme, Government of India reimbursed Rs.1600 & Rs.1150 per connection for 14.2 kg cylinder and 5 kg cylinder respectively, to Oil companies for issuance of security deposit free connection to poor household women beneficiaries. PPAC has processed total claims amounting to Rs.12,750 crore (including project management expenses) up to FY 2020-21 towards PMUY, since inception of the scheme.

5.3.2 Settlement of claims under Pradhan Mantri Garib Kalyan Package

To help the poor to fight the battle against corona virus, the Government decided to provide gas cylinders free of cost to the beneficiaries under PMUY for a period of 3 months under "Pradhan Mantri Garib Kalyan Package" (PMGKP). These cylinders were initially supplied for the period April-June 2020.

This scheme was further extended for 3 months w.e.f. 1st July 2020, for those beneficiaries who had been credited with the advance for buying first/ second cylinder but were not able to buy the free cylinders till 30th June 2020.

This scheme was further extended for another 3 months, i.e. till 31st December 2020, for those beneficiaries who were given the advance but had not been able to avail the benefit of the scheme till 30th September 2020.

PPAC has processed total claims amounting to Rs. 8162 crore for FY 2020-21 under PMGKP.

5.3.3 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 2020-21, PPAC has received and reviewed claims amounting to Rs. 336 crore.

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 2020 to September 2020 and October 2020 to March 2021.

5.3.5 Gas Price Ceiling Notification

Ministry of Petroleum & Natural Gas allowed marketing freedom including pricing freedom subject

to the ceiling price on the basis of landed price of alternate fuels for the gas produced from discoveries in Deep-water, Ultra deep water and High pressure-High Temperature areas vide notification dated 21st March 2016. Ministry of Petroleum & Natural Gas authorized Director General, PPAC to notify the periodic revision of gas price ceiling under the said notification. Accordingly, gas price ceiling was notified by PPAC for the period April 2020 to September 2020 and October 2020 to March 2021.

5.3.6 Study & Analysis of difference between sum of production & imports data and sum of consumption & exports data

A detailed working on the above subject was carried out by PPAC along with the working group comprising of members from OMCs, MoPNG & PPAC and the difference of supply quantity and consumption quantity in overall oil industry Supply Consumption Balance (SCB) is now minimized to zero to 4 MMT during last one decade as compared to the earlier difference of 20 to 25 MMT. PPAC has submitted a comprehensive report on "Supply Consumption Balance" to MoPNG in March 2021.

5.3.7 PPAC has implemented Information Security Management System and is now an 'ISO 27001:2013 Certified Entity'

With this implementation, the policy framework for operation & management of Information systems has been created. PPAC has established processes for Information risk and security management; assessed & mitigated vulnerabilities in the IT Infrastructure. ISMS has ensured secure practices, established reporting & monitoring mechanism for Information systems.

5.3.8 Study on Sectoral Demand for MS and HSD

A study to update the Sectoral Demand on MS and HSD was commissioned by PPAC with BPCL as the Industry Coordinator. This study report will bring forth updated data on sectoral demand for MS and HSD, thereby plugging the data gap identified by Energy Data Management Sub Group.

5.3.9 Updation of Energy Demand Projection Model (EDPM)

The Energy Demand Projection Model (EDPM) was developed by PPAC, originally with 2015 as the baseline year. In 2020-21 PPAC has updated the model with the assistance of Industry experts, on energy data projections and POL consumption from 2020-2045. This model is helpful for understanding the future outlook of energy landscape by policy makers and industry stakeholders.

5.4 Oil Industry Safety Directorate (OISD)

Oil Industry Safety Directorate (OISD) is a technical directorate under the Ministry of Petroleum and Natural Gas and has been entrusted with the responsibility of formulating standards, overseeing its implementation through safety audits in petroleum industry with aim to enhance safety levels and reduce risks inherent with this industry. OISD standards cover the entire activities pertaining to hydrocarbon sector i.e. exploration & production, refining, gas processing, storage, distribution, environment etc. which are implemented on self-regulatory basis by the Oil & Gas companies. OISD achieved record performance during 2020-21 surpassing previous records in auditing, PCSA, conferences/workshop and revenue generation.

During the year 2020-21, an amount of Rs.22.88 crore was disbursed to OISD as grant-in-aid by OIDB. As per OISD, following major activities were carried out by OISD during the year:

5.4.1 Safety Audits by OISD: FY 2020-21

OISD carries out periodic safety audits of Oil & gas installations to monitor their compliance with OISD Standards.

During the year 2020-21, OISD out record 206 audits of oil and gas installation apart from audit of 8778 km of pipeline as detailed below:

Actions	Unit	Plan	Actuals
Core Audits			
Refineries & Gas Processing plants	Nos	17	22
Mktg. Installations (POL/LPG)	Nos	70	91
E&P Offshore Installations	Nos	16	17
E&P Onshore Installations	Nos	50	76
Cross Country Pipelines	Kms	8000	8778

In addition, audit of 02 major ports; POL handling and storage facilities of Mumbai Port Trust and Chennai Port Trust were also carried out as per the request of MoPSW.

5.4.2 Pre-Commissioning Safety Audits (PCSA)

To ensure safe and timely commencement of production, refining, storage and distribution activity of hydrocarbon produced and transported in India, OISD carries out pre-commissioning safety audits of projects across the Oil & gas industry. The purpose of these audits is to ensure that grass root developments and major additional facilities at existing locations are compliant with OISD standards at the construction stage itself.

During 2020-21, 80 nos. of such audits were conducted, which is all time high, on the request of the industry members.

Actions	Unit	Actuals
Pre Commissioning Safety Audits (PCSA)- 2019-20		
Refineries & Gas Processing plants	Nos	19
Mktg. Installations	Nos	47
E&P sector (onshore and offshore installation)	Nos	1
Cross Country Pipelines	Kms	13 (covered 239.6 kms)

5.4.3 "Consent to Operate" for Offshore Installations

OISD, as the competent authority to oversee implementation of the Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008 accords "consent to operate" to offshore fix and mobile installations. Total 14 nos. of offshore platforms and 5 nos. of offshore rigs have been accorded "consent to operate" during the year 2020-21.

5.4.4 Safety Council meeting

To ensure proper implementation of various aspects of safety in the oil & gas industry, Government of India had set up a 'Safety Council' at the Apex in Ministry of Petroleum & Natural Gas. 37th meeting of the Council was held on 7th August, 2020.

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

- Major activities undertaken by OISD in 2019-20 & activity plan of OISD for 2020-21
- Review of compliance status of OISD Safety Audit recommendations pending for more than 02 years.
- Release of Errata/ Updation to already published OISD Standards and reaffirmation of standard.
- Appointment of consultants in E&P group.
- Revision of PCSA tariff for Oil & gas sector.
- Introduction of PCSA in E&P installations
- Introduction of tariff towards grant of 'Consent to Operate' for offshore installations under the Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008
- Approval of actual expenditure of OISD in FY 2019-20 and Budget Estimate for FY 2020-21
- Adoption of annual audited accounts of OISD for FY 2019-20.
- Root cause analysis of major onsite incidents.



Shri Tarun Kapoor, Secretary, MoP&NG presiding over 37th Safety Council meeting

5.4.5 Steering Committee meeting

55th Steering Committee meeting was held on 28th January, 2021 with representatives from oil & gas industry (Principal Panelists). Some of the major points discussed during the meeting are as under:

- ✓ Apprising key decision of 37th Safety Council meeting.

- ✓ Adoption of four revised OISD Standards
- ✓ OISD's ESA plan vis-à-vis actual for the year 2020-21 and plan for the year 2021-22.
- ✓ Review of the implementation status of ESA/ SSA recommendations pending for more than two years.
- ✓ Incident analysis for last three years and discussions about few incidents across industry segment.



Shri Arun Mittal Executive Director-OISD presiding over 55th Steering Committee meeting

5.4.6 Development of Safety Standards

OISD develop Standards 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 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.

As on 31.03.2021, 30 existing Standards are under revision at various stages.

5.4.7 Incident Investigation & Analysis

OISD Investigates major on site incidents which take place 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 "Suraksha Chetna". During 2020-21, five major incidents were investigated by OISD.

5.4.8 Technical Seminar / Conference / Workshops

Technical seminars/ conferences/ workshops for the oil & gas industry are conducted by OISD to

discuss the latest technological developments, sharing of knowledge, incident experiences etc.

During the year 2020-21, OISD has organized record ten seminars/workshops, details of which are as follows:

1. Two-day virtual workshop on enhancing HSE awareness for HPCL officers of POL Terminal/ Depot by MO-POL on 13th – 14th July 2020. The workshop was attended by 90 participants.
2. One-day virtual workshop on enhancing HSE through effective audits for HPCL officers of LPG Plants on 17th July 2020. The workshop was attended by 130 participants
3. One-day virtual workshop on enhancing HSE through effective audits for IOCL officers of LPG Plants on 14th August 2020. The workshop was attended by 180 participants
4. One-day virtual workshop on enhancing HSE through effective audits for BPCL officers of LPG Plants on 1st September, 2020. The workshop was attended by 125 participants.
5. One-day virtual workshop on enhancing HSE awareness for IOCL officers of POL Terminal/ Depot was conducted by MO-POL on 4th September 2020. The workshop was attended by 259 participants
6. One-day virtual workshop on enhancing Safety & Reliability through Robust Safety Culture for BPCL Refinery Officers on 23rd October 2020 by Process & Engineering Group of OISD. The symposium is also attended by ED-BPCL, Kochi Refinery along with 50 participants.
7. Two-day virtual workshop on Best HSE practices in E&P industry conducted by E&P section of OISD on 10th & 11th December, 2020. The workshop was attended by 200 participants
8. One-day virtual workshop on Safety aspects of on-shore cross-country product/ crude pipelines was organized by pipeline section of OISD on 5th March 2021 during National Safety Week. The workshop was attended by 111 participants.
9. One-day virtual workshop on Internal Safety Audit was conducted thru VC for all E&P companies on 9th March 2021 during National Safety Week. The workshop was attended by more than 300 participants.
10. One day seminar was conducted through video conferencing on enhancing safety & reliability through inculcating a robust safety culture on 26th March 2021. The seminar was jointly organized by OISD, HMEL & HPCL. The seminar was attended by 271 participants.

5.4.9 Financial performance:

The actual expenditure incurred in FY 2020-21 is ₹ 2420 lacs. The budget for FY 2021-22 is ₹2639 Lacs. In FY 2020-21, OISD earned record income of ₹440 Lakhs from conducting pre-commissioning safety audits and sale of standards.

5.4.10 World Environment Day celebration at OISD

Oil Industry Safety Directorate (OISD) celebrated the World Environment Day on 5th June 2020. The World Environment Day 2020's theme was 'Celebrate Biodiversity'. The theme is extremely relevant because human beings are part of the ecosystem and cannot continue to survive in isolation.

Speaking on the occasion, Executive Director shared his thoughts about biodiversity which is of utmost importance for the survival of all living things big and small, on land, or in water. He emphasized that we all need to understand that while there may be a food chain and ranking of species, every living thing is connected to another living thing, and together it forms a network of diverse life forms on the planet. He also stressed that these efforts should not be limited to just a few days beyond the world environment day; but should be a sustained journey for a healthy environment for mankind as well as flora and fauna. Several activities were organized to commemorate the occasion. These included Quiz competition, slogan completion and poetry recitation.

5.4.11 Sixth International Yoga day

Oil Industry Safety Directorate (OISD) observed the 6th International Yoga Day 2020 on 21st June 2020. All officers and staff of OISD practiced yoga on the occasion of International Yoga Day, 2020 with their families at their home by participating in the 45 min Common Yoga Protocol (CYP) drill.

5.4.12 Swachhta Pakhwada

Swachhta Pakhwada-2020 was commemorated in Oil Industry Safety Directorate by taking the Swachhta Pledge in Hindi and English by all the employees and contractual workers of OISD on 1st July 2020. The pledge was taken following the norms of social distancing and wearing face mask while taking the pledge. Executive Director addressed the gathering by sharing his thoughtful insight regarding the importance of cleanliness in our life and motivated everyone to create self-awareness and a sense of responsibility in keeping our environment clean. He encouraged everyone to promote cleanliness and hygiene in and around the office as well as their residences & society and encourage others as well. There was also an interactive sharing of knowledge and health hygiene related practices between the officers of OISD on various precautionary measures and lifestyle changes to fight the current pandemic scenario of COVID-19.

5.4.13 OISD Foundation Day

Oil Industry Safety Directorate (OISD) was established on 10th January 1986. In order to commemorate the occasion, OISD has started observance of 'Foundation Day' from this year and celebrated its 36th 'Foundation Day'. During the occasion, the genesis & journey of OISD in last 35 years was briefed and on the spot quiz competition on OISD was organized.

5.4.14 National Safety Day

OISD has observed 50th National Safety Day on 4th March 2021 and National Safety week celebration started from 4th to 10th March 2021. The celebrations were formally inaugurated with administration of safety pledge by Executive Director, followed by address to OISDians. During the National Safety week celebration, following programs were organized:

- ✓ Workshop on Safety aspects of on-shore cross-country product/ crude pipelines
- ✓ Program for OISD employees' spouse was conducted thru virtual platform. During the program, video on activities of OISD and operation of LPG Bottling Plant was shown. Innovative talk on kitchen safety, electrical safety & precautions during earthquake was delivered. At the end, quiz was organized for the spouses on safety awareness.

- ✓ Safety awareness programmes & quiz for employees of all organizations (other than OISD) located in OIDB Bhawan.
- ✓ One day industry workshop on Internal Safety Audit.



5.4.15 ISO 9001:2015 Surveillance Audit of OISD

In the year 2013, systems and procedures of OISD were validated through certification of ISO 9001: 2008 by M/s DNV and OISD became the first ISO 9001 certified organization amongst all the OIDB grantee Organizations.

In the year 2020-21, the ISO certification of OISD has been continued by M/s DNV during surveillance audit on 15th December, 2020.

5.5 Centre for High Technology (CHT)

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

- Performance Benchmarking of Refineries and Pipelines
- Performance Improvement in Refineries through Best Practices, Special Studies, Operational Improvement and Process Technology
- Energy Efficiency Improvement in Downstream Hydrocarbon Sector
- Petroleum Product Quality Improvement
- Sharing of Best Practices and Information & Knowledge Dissemination
- Integration with Alternative Energies and New Initiatives in Downstream Sector for Future Sustainability
- Promoting Innovations and R&D in Downstream Hydrocarbon Sector. Co-ordination of activities of Scientific Advisory Committee (SAC) on Hydrocarbons of MoP&NG

- Reduction of Water foot print
- Development of import substitute fuels, chemicals and catalysts

During the year 2020-21, an amount of Rs 15.25 crore was received by CHT as grant-in-aid from OIDB. The major activities undertaken by CHT during 2020-21 are as below:

5.5.1 Performance Benchmarking of PSU refineries and pipelines

(a) Performance Benchmarking of PSU refineries

Performance benchmarking of PSU refineries is being conducted regularly since 2010 by CHT through M/s Solomon Associates (SA), USA. A long-Term Agreement upto 2028 has been made with SA for undertaking benchmarking of the PSU refineries. The study for PSU Refineries for 2020 cycle is in progress.

(b) Performance Benchmarking of PSU Pipelines

Performance Benchmarking Study for Pipelines (Liquid, Gas, LPG) and SPMs for 2018 cycle was initiated for the first time through M/s Solomon Associates (SA), USA. The contract agreement for the second i.e. 2020 cycle was signed on 10th November 2021 and the study is in progress.

5.5.2 Energy Efficiency improvement

1. PAT (Perform, Achieve and Trade)

PAT is a market based regulatory instrument to reduce specific energy consumption in the energy intensive sector of the economy. PAT is one of the initiatives under The National Mission for Enhanced Energy Efficiency (NMEEE), which is one of the eight missions under the National Action Plan on Climate Change for enhancing energy efficiency, to enhance the cost effectiveness through tradable energy saving certificates.

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

The energy reduction Target for refining sector in PAT cycle -2 was set at 5.49% equivalent to 1.01 Million TOE. Against this, the actual energy reduction of 8.05%, equivalent to 1.48 Million TOE was achieved.

For the current PAT cycle-6 (2020-21 to 2022-23), the sectoral energy reduction Target of 5.49% has been retained, which is equivalent to energy saving target of 1.17 Million TOE.

2. Long term energy saving Target till 2030 in PSU refineries

A Roadmap on specific energy consumption for PSU Refineries, aligned with India's NDC of 33-35% reduction in Specific Energy Consumption by 2030 over the base year of 2005, have been prepared. The roadmap has prepared based on various studies conducted both in-house as well as through consultants. The targets are also assigned for midterm (2023-24) based on already identified energy

saving scheme as well as long-term (2030) for each PSU refinery.

3. Annual audit on furnace efficiency and steam leaks

In order to improve energy efficiency and reduce energy consumption, CHT in association with the refineries organize surveys every year in the areas of 1) Furnace/Boiler efficiency and 2) Steam leak. These two areas are taken up every alternate year. Survey in area of Furnace/Boiler efficiency was carried out in Jan 2020.

5.5.3 Refinery Performance Improvement Programme (RPIP)

CHT in coordination with the refineries finalized refinery-wise global consultants for carrying out refinery performance improvement programme for 15 PSU refineries which aims at yield and energy improvement. RPIP Phase -I has already commenced in seven refineries (HPC-Mumbai and Visakh, BPC-Mumbai and Kochi, IOC-Panipat, Paradip and Mathura) and the programme is under various stages of implementation

In the second phase, EOI was floated again on 30th July, 2020 to identify new consultants over and above the existing ones who are already carrying out RPIP Phase I. Consultant shortlisting through EOI is complete and refinery specific tender shall be floated once clearance is received from the refineries (IOC-Barauni, Gujarat, Haldia, Bongaigaon, Guwahati, Digboi, CPCL-Manali and NRL).

5.5.4 Special studies for the PSU refineries

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

CHT in association with refineries carried out a study through EIL for Development of Water Consumption Norms and prepared a roadmap for Reduction of Water Footprint in refineries with short term (<2 years) and long term (>2 years) targets.

Feasibility study for production of ethanol using waste gases through M/s Lanza Tech, USA

The study for BPCL-Mumbai Refinery has been completed. The study for Numaligarh Refinery (NRL) is in progress.

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. The study has been planned in three phases. The study for Phase-1 (Paper Blend using LP Model) has been completed and Phase-2 (lab blending) is in progress. It is possible to make Reference Gasoline from IOC-PR streams based on the Laboratory study. Quality issue of Reference Diesel being addressed using different grades of Bio-diesels and additives.

5.5.5 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 along with MRPL in Bengaluru during 19th to 21st January, 2020. The event had presentation of 80 oral papers spread over 15 Technical Sessions and 78 papers in Poster Sessions along with 16 Exhibition Stalls and was

attended by around 1500 delegates/invitees from India and abroad. The 25th RPTM was planned in Mumbai in association with HPCL but could not be held due to COVID-19 pandemic.

5.5.6 Implementation of PM JIVAN Yojna

Pradhan Mantri JI-VAN Yojana was announced in March, 2019 for promotion of 2G ethanol by providing Viability Gap Fund (VGF) for setting up of 12 commercial units (combined capacity of ~40 crore litre per annum) and 10 demonstration units at semi commercial level. CHT has been nominated as nodal agency for implementation of PM JIVAN Yojana. Request for Selection (RFS) for shortlisting of eligible Project Developers (PD) was issued on 26th August, 2019. The project proposals were evaluated by SAC and based on its technical recommendation, Steering Committee of CHT for PM JI-VAN Yojana, approved VGF / Financial assistance for 4 commercial projects and 1 demonstration project.

As advised by SAC, it is proposed to incorporate few amendments in the scheme to enlarge the scope and solicit broader participation. Subsequently, RFS shall be issued for remaining 8 Commercial and 9 Demonstration projects after the amendments.

5.5.7 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 2020-21, SAC had three meetings till December 2020. SAC had detailed review of the ongoing projects and new project proposals.

During the year, M/s EIL along with BPC Kochi has developed indigenous Desalter Technology under the project funded by CHT.

ED CHT has been nominated as Technology officer to represent MoP&NG. CHT provided input for the development of Science, Technology and Innovation Policy (STIP) of Govt. of India.

5.5.8 Hydrogen Research

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

5.5.9 Development of Catalyst Manufacturing Plant in India :

The Refining Industry employs many catalytic processes where catalysts play major role in operation and profitability improvement. However, there is no major catalyst manufacturing facility in India and the country is mostly dependent on catalyst import leading to vulnerability of this sector. It is with this intent that MoP&NG constituted a Committee for Setting up of Catalyst Manufacturing Unit in India vide F. No. R-11029/34/2020-OR-II/E-34716 dated 6th August, 2020. Catalyst suppliers from across the world were invited for the deliberations with the committee to understand their

capabilities & intent. Out of eight potential catalyst suppliers, the Committee shortlisted five potential ones for detailed specific interaction. The committee suggested the path forward to materialise the intended purpose and concluded that in the coming years, the burgeoning refinery and petrochemical industry would require a secure supply of huge quantity of different types of catalysts, hence, it is imperative to invest in the indigenous production of catalyst and associated research and development. Committee recommends formation of Joint Venture/s among interested partners wherever there is synergy in the catalyst manufacturing value chain. The details of the JV can be formulated based on the mutual agreement among the prospective partners. Catalyst manufacturing units demand huge investment and a suitable government policy to bolster the initiative. The committee is of the view that policy intervention by the government is required to promote indigenous catalyst manufacturing. A report including above activities submitted to MoP&NG in month of Feb 2021. Further discussions with the prospective partners is led by HPCL.

5.5.10 Integrated Monitoring and Advisory Council (IMAC)

During 2nd meeting of IMAC chaired by Hon'ble Minister, P&NG, it emerged that holistic and coordinated strategy in close coordination with all IMAC Member Ministries is imperative towards the exercise of Reassessment of the Roadmap to implement the Hon'ble Prime Minister's vision of reducing oil import dependency. Accordingly, 6 Working Groups have been constituted for monitoring the progress on various initiatives, schemes, projects and strategies taken under respective Member Ministries domain with a view to augment Supply of energy, Savings in energy as a means to achieving oil import reduction.

Meetings of the Working Group on R&D and Innovation as well as of Working Group on Biofuels, constituted under IMAC were held. The baseline as well as final report has been submitted to MoP&NG.

5.5.11 Report on enhancing Production of Petrochemicals in Refineries

A Committee was constituted by MoP&NG to undertake detailed study on Business Opportunity for Petrochemicals in India. The Committee identified major petrochemicals based on consumption, value, import, growth and capacity in India including projected capacity addition for identified petrochemicals. The detailed report was submitted to MoP&NG.

5.5.12 Study on Additional Strategic/Operational Crude Oil Storage

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

5.5.13 Awards

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

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

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

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


These awards are presented during the Inaugural function of the Refining & Petrochemicals Technology Meet (RPTM).

5.5.14 Activity Committee Meetings

With the aim of sharing of best operational practices & improvements and dissemination of information on latest developments, CHT organised various two nos. online Activity Committee Meetings in critical areas/ technologies in refining sector and pipelines operations. Activity Committee Meet on "Strategies for Turnaround Management" was organized by CHT for the first time virtually in collaboration with HPCL-Visakh Refinery. The Activity Committee Meet on Digitalization in Refining Business Process was also held online in association with BPCL-Kochi Refinery.


5.5.15 Swachhata Ranking for Oil & Gas PSUs & attached offices

MoP&NG, its attached offices and Oil & Gas CPSEs under the administrative control of MoP&NG celebrated Swachhata Pakhwada fortnight from 1st to 15th July, 2020. During Swachhata Pakhwada, Oil & Gas CPSEs and attached offices of MoP&NG were ranked based on the Swachhata Index developed by Centre for High Technology. The awards were presented to the winners by Hon'ble Minister of Petroleum & Natural Gas and Steel on 14th December, 2020.



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/partially explored acreages through Oil Industry Development Board cess and other innovative resource mobilization approaches.

2. UPSTREAM SECTOR

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

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

2.1 Review of the Projects

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

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/Oil PSUs/CSIR Laboratories

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

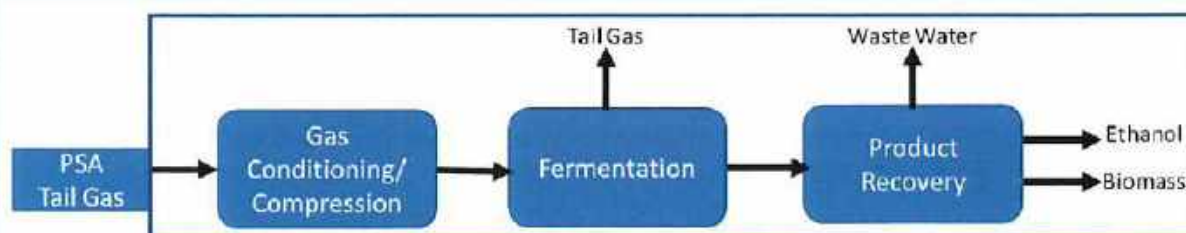
During the year 2020-21, OIDB has released following amounts as grant towards funding of R&D projects etc. :-

		Rs./crore
1.	Ethanol Production Plant using refinery off gases at Panipat Refinery: Indian Oil Corporation Limited	103.38
2.	Study on Underground Gas Storage need and feasibility in India - ONGC	0.42
3.	Foam assisted Oil Water Nano-emulsion for Enhance Oil Recovery experimental and Molecular Dynamic Simulation Studies – IIT (ISM), Dhanbad	0.28
4.	Use of Natural Extracts as Pour Point Depressants for Flow Assurance of Waxy Crude - IIT (ISM), Dhanbad	0.34
5.	Pre-project activities of ISPRL Phase-2 SPMs	5.95
	Total	110.37

4.1 Indian Oil Corporation Limited (R&D) - Ethanol Production Plant using refinery off gases at Panipat Refinery – Rs.103.38 crore

Indian Oil Corporation Ltd. is setting up world’s first hydrogen generation unit (HGU) off gas to ethanol generation plant based on gas fermentation technology. Indian Oil has deployed LanzaTech’s gas fermentation technology for the 3G ethanol plant at Panipat Refinery. In this technology, carbon monoxide, carbon dioxide and hydrogen present in the HGU pressure swing adsorption unit off gas are converted to ethanol and other products by LanzaTech’s proprietary microbes (biocatalysts). Ethanol production capacity of the proposed plant is 100 Tonnes Per Day (128 kiloliters per day, KLPD). This plant will also generate approximately 3 tons per day high protein biomass as a by-product which can be used as animal feed ingredient.

IOCL is the first Oil Refining Company in the world which has adopted this technology for conversion of refinery off gas to ethanol. This plant will help in reducing 11,600 metric tons per annum carbon dioxide emissions. The following is the schematic of ethanol production from HGU PSA off gas.



Flow scheme for production of ethanol from PSA tail gas

Due to Covid-19 pandemic, installation of the plant has been delayed and the plant is expected to be installed and commissioned by Feb'22. Currently civil and structural jobs, and fabrication of plant equipment are under progress. OIDB has sanctioned a grant of Rs.158.75 crore for this project of National Importance to meet the ethanol blending mandate as per the Biofuel Policy. Out of which, an amount of Rs.103.38 crore was released as grant during 2020-21.

4.2 Oil & Natural Gas Corporation Ltd.- “Study on Underground Gas Storage need and feasibility in India” – Rs.0.42 crore

India is amongst the fastest growing economies of the world. Energy demand in the country will

continue to rise for meeting the needs of a rapidly growing economy. Primary energy consumption in India has increased at a CAGR of 5.4 percent over the last decade and is projected to grow at 4.2 percent per annum till 2035. India's natural gas uptake is around 6.2 percent of primary energy mix against a global average of 24.1 percent. The availability of natural gas is expected to increase primarily because of commissioning of planned LNG terminals and materialisation of nation-wide gas pipeline network. The Government is committed to create a "Gas based Economy" and increase the share of natural gas to 15 percent in the country's primary energy mix in coming years.

To ensure timely supply of gas and smooth out the fluctuations due to peak load demands and supply variations from the sources, a need is felt for gas storage facilities connected to supply grid and capable of accumulating gas surpluses. This may also cover the risk of continuity and security of gas supplies as at present more than 50% gas supplies are import dependent.

Worldwide various gas storage options are used along the gas supply chain. Therefore, in line with the energy security mandate, Government of India has initiated Underground Gas Storage (UGS) project for assessing the need and maintaining gas reserves in India as a part of long-term strategy of Gas based economy.

MoP&NG, vide letter dated 07.09.2018, had constituted a taskforce with representatives from ONGC, GAIL (India), OIDB and PLL to evaluate the need for strategic gas storage and prepare a plan for developing strategic and commercial natural gas storages in the country.

As per the direction of ministry, the taskforce had to take support of reputed international consultants/companies with significant experiences in Gas Storage development projects and the cost of engaging such consultant through ONGC was to be borne by OIDB.

Oil and Natural Gas Corporation (ONGC) is the largest upstream oil and natural gas exploration and production PSU in India, contributing around 70 per cent to Indian domestic production. M/s PWC was engaged by ONGC to conduct study on behalf of the task force constituted by MoP&NG. The total cost of engaging the consultant to conduct this study was Rs.41.3 Lakh which was reimbursed by OIDB as a grant to ONGC.

The consultant, in its report, has recommended consideration for developing UGS under Phase 1 with initial working gas volume capacity of 1.5 BCM and further ramp up to 4.2 BCM under Phase 2 which shall cater the demand of priority sectors from 2030-31.

The study report states that depleted reservoirs are best suited for India for developing UGS considering their cost economics, gestation period, ease of availability and learning from successful implementation in other parts of the world. However, detailed technical and commercial evaluation of reservoirs is to be undertaken for strengthening their case and finalisation. As India has no experience of underground gas storage, a quick pilot may be helpful in understanding the dynamics governing these storages.

4.3 Foam Assisted Oil-Water Nanoemulsion for Enhanced Oil Recovery: Experimental and Molecular Dynamic Simulation Studies Department of Petroleum Engineering, Indian Institute of Technology (Indian School of Mines), Dhanbad— Rs.0.28 crore

After conventional water-flood, the residual oil in the reservoir remains as a discontinuous phase in

the form of oil droplets trapped by capillary forces. Approximately 70% of original oil in place (OOIP) is left in the reservoir after conventional oil recovery (primary and secondary) due to high capillary forces and heterogeneity of reservoir which leads to low oil production. Technically it is possible to improve this recovery efficiency by applying Enhanced Oil Recovery (EOR) processes through application of chemicals (surfactant, alkali, and polymer). Surfactants play an important role in transport of fluid in porous media by acting as effective agents for mobility improvement of the oil by reducing the interfacial tension (IFT) between oil and water (O-W) and by wettability alteration. But due to the inconveniences caused in chemical methods such as loss of expensive surfactants in the form of sorption and retention in the reservoir, high project cost and decreasing oil prices affect the process efficiency and pose problems in its application. Thus, the use of nanotechnology in emulsions (Nanoemulsions) can be a breakthrough in EOR, as it has the potential to revolutionize the current scenario of oil production from the matured oil fields. Nano-emulsions are a class of emulsions with a droplet size in the range of 50–500 nm and have attracted a great deal of attention in recent years because of their wide range of practical applications. Nano-emulsions are, generally, stable against sedimentation or creaming, owing to their small droplet size.

Nanoemulsions stabilized by surfactants and colloidal particles (nanoparticles) are gaining popularity in petroleum industry due to their high strength, thermodynamic stability and stabilized flow behaviour. Recently published research paper highlighted the formulation and characterization of SPN Pickering emulsions for application in enhanced oil recovery. This nanoemulsion can enter into the very fine pores where oil is trapped particularly in tight reservoirs and displace it. However, another main accepted mechanism of mobile residual oil after water flooding is that there must be a rather large viscous force perpendicular to the oil-water interface to push the residual oil. This force must overcome the capillary forces retaining the residual oil, move it, mobilize it, and recover it.

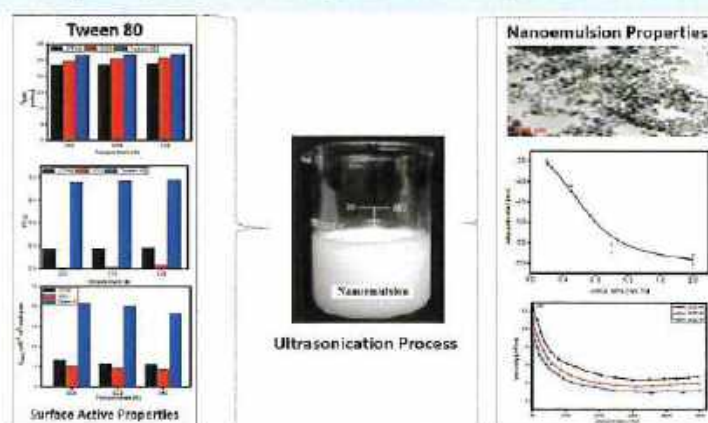


Fig.1: Schematic for nanoemulsion and its properties desirable for EOR application.

Foam has an effective viscosity much higher than that of gas; it has been investigated as a method for improving sweep efficiency in processes where gases such as N₂ or supercritical CO₂ are injected to improve oil recovery from underground formations. The injection of gas along with surfactant solution can produce a foam that exhibits an apparent viscosity much higher than its constituent phases: liquid and gas. Because of its high apparent viscosity, foam has a mobility much lower than the mobility of gas alone and, therefore, provides an effective means of reducing mobility of the displacing fluid. Foam can reduce viscous fingering and gravity override caused by the low viscosity and density of the gas. Recently a published article discussed the stabilization of CO₂ foam by ionic and nonionic surfactants in presence of different additives. Foam flooding may offer similar

advantages to that of ASP flooding for enhanced oil recovery. Therefore, a combination of both the technologies i.e. 'Foam-assisted nanoemulsion' flooding for enhanced oil recovery is a promising technology.

Using flue gas (rather than nitrogen) captured from hydrocarbon or coal-fired power plants to assist the surfactant EOR is an innovative process. It will combine new developments in both enhanced oil recovery and CO₂ managed power generation. In this combined process, the surfactant has to play a dual role at the various interfaces: to lower the IFT at the oil- water interface and to stabilize the foam at the gas- aqueous interface. Additionally, CO₂ may help to enhance the recovery by miscible flooding. The complexity of the combined process necessitates a fundamental investigation to understand the role of the surfactant/gas partitioning between the various interfaces, and the way in which the gas-water-oil-solid phases co-exist in the porous media. Moreover, as time elapses either be nanoemulsion or foam both gradually decay. Aqueous foam is a metastable system that shows continuous drainage of aqueous phase from plateau border or lamella of foam bubbles. Slower the rate of drainage, greater is the stability of foam. Most of the fluid, rock and other properties can be measured at the surface condition, But the in-situ lab measurements measurement possess great difficulties, which could be very challenging in harsh reservoir condition such as high pressure and high temperature. Molecular Dynamic Simulation (MDS) provides us alternative approach to model different properties and in-situ process at the molecular scale which cannot be experimentally authenticated. The MDS can also be used as a precursor to experiential studies for the screening of surfactant and other chemicals by quantifying their properties. Using MDS the effect of rock mineral constituent and fluid composition, as well as temperature and pressure can be investigated extensively. Previous studies have confirmed that MDS technique is indeed a beneficial route to predicting oil displacement behavior on a micro-model scale with desirable constraints.

The understanding of the mechanisms of multiphase flow in porous media has progressed considerably in the last two decades. In particular, displacement of one fluid by another in porous media raises interest at both the micro-scale and macro-scale. The physical movements of constituting phases and surfaces on a molecular scale can be predicted with the objective of studying the dynamic evolution of the rock system from oil-wet (or intermediate-wet) to favorable water-wet condition. Therefore, it is necessary to analyze the physic chemical attributes and performance evaluation of foam-assisted nanoemulsion formulations to gain a thorough perspective into their utility and functionality in EOR applications.

4.4 Use of Natural Extracts as Pour Point Depressants for Flow Assurance of Waxy Crude - IIT (ISM), Dhanbad – Rs.0.34 crore

Demand of crude oil is increasing rapidly in the developing countries due to rapid energy requirement in industrial sector. The amount of crude oil is limited. As a result of continuous extraction from wells, the amount of crude oil is decreasing and it becomes heavy & waxy. Crude oil is a mixture of hydrocarbons of paraffins, aromatics, asphaltenes and resins. At elevated temperature the paraffins get dissolved in crude oil. The paraffins gradually turned in to crystals to form an interlocking network at lowered temperature. The temperature of oil significantly cooled down to approximately 40 °F when it flows through pipeline on ocean floor. At this condition, the waxy components begin to precipitate out from the crude oil and starts forming wax deposition on the wall of the pipe. Production, storage, transportation of crude oil is greatly hampered by wax deposition. This problem can be overcome by applying some polymeric additive, commonly known as Pour Point Depressants (PPDs) or Flow Improver which reduces both the pour point and viscosity

of crude oil. Specific flow improver is required for specific crude oil. Our target is to study wax deposition thoroughly for Indian Crude Oil. We want to focus on design and development of different pour point depressants (PPDs) from natural resources and check the effectiveness of these PPDs on crude oil. As PPDs are synthesized from natural resources, so these are renewable, biodegradable & environmental friendly. We are trying to choose natural waste material as starting material to make the production cost less.

4.5 Pre-project activities of ISPRL Phase-2 SPMs – Rs.5.95 crore

The Union Cabinet on 27th June'2018 gave "In Principle" approval for establishing 6.5MMT 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.

On completion of 6.5 MMT storage envisaged in Phase II, there will be an additional storage capacity created to cover another 12 days of crude oil requirement. Thus, the total cover would be approximately 21 days.

100th PPPAC meeting held on 15th March'2021 under the chairmanship of Secretary, DEA. "In Principle" approval for the project has been accorded to seek Cabinet Approval for going ahead with the grant route.

Marine survey for SPM at Padur has been done . NEERI has carried out the EIA for Phase 2.

5. Hydrogen Corpus Fund (HCF)

The Ministry of Petroleum & Natural Gas has set up a Hydrogen Corpus Fund on the use of hydrogen as a 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 31.03.2021, OIDB has released grant of Rs.42.73 crore approx. for funding of HCF projects out of Hydrogen Corpus Fund. As on 31.03.2021, funds amounting to Rs.156.33 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 31.03.2021 from HCF	Executing agency
1	Scale up studies and process development by hydrogen production by catalytic decomposition of natural gas	29.46	16.92	1.24	HPCL/IITD/CeNS

2	Solar based H2 Production System & Dispensing Station for Refueling H2 Fuel Cell Vehicle	65.16 25.00 HCF 40.16 IOC	25.00	0.00	IOC (R&D)
3	Setting up of compact Reformer Unit of capacity 4 TPD for producing Hydrogen blend HCNG and trials demonstration at Rajghat Bus Depot at Delhi	33.39 9.20 HCF 9.20 IOC 15.00 by Delhi Govt.	9.20	7.64	IOC (R&D)
4.	Development & Demonstration of Commercially Viable Fuel Cell Buses based on Hydrogen produced from multiple pathway	296.66	97.52	11.10	IOC (R&D)
Total		424.67	148.64	19.98	



Chapter- 05

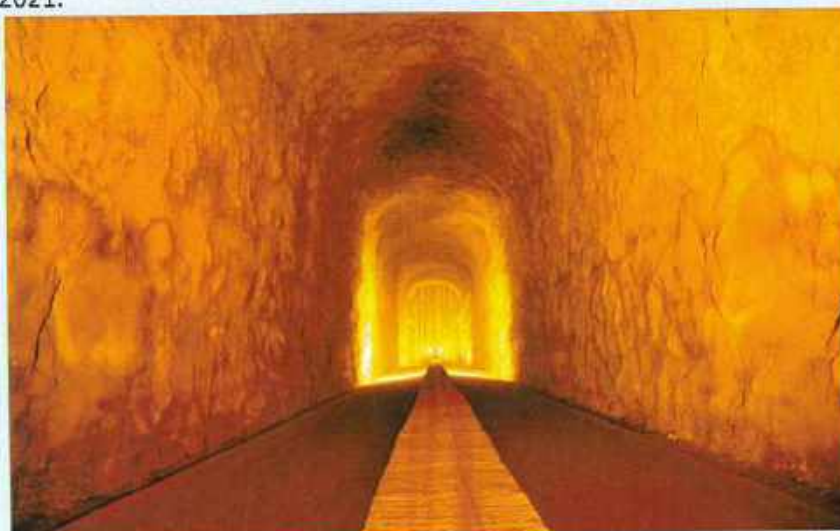
OIDB's Contribution for Energy Security



1. 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 31.03.2021 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 31.03.2021.



View of underground strategic cavern



View of above ground facilities at cavern area

1.1 ISPRL Phase – I

Under Phase I of Strategic Petroleum Reserve (SPR) programme, Government through ISPRL has built SPR facilities with a total capacity of 5.33 MMT at three locations viz. Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). The total reserve of Phase-I of SPR is currently estimated to supply approximately 9.5 days of India’s crude requirement.

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

ISPRL Crude was first time released for Mangalore Refinery and Petrochemicals Limited (MRPL) from ISPRL Mangalore Cavern in Aug 2019. Subsequently crude oil was released from Padur facility also to MRPL in Oct 2019.

The COVID-19 pandemic that gripped the world, and effected sever lockdowns globally, impacted the crude oil demand world over and India was no exception. The refineries operated at a bare minimum capacities, as a result of drastic reduction in the demand for petroleum products. This coupled with increase in supply of crude, resulted in a demand supply imbalance which saw the crude oil prices nosedive across the globe. To take advantage of the prevailing low crude oil prices, Govt. of India decided to fill the Strategic Reserves on priority.



Secretary, MoPNG at Padur site

In this context, the Government had earlier allocated Rs.690 Crores from the Budgetary allocation for the year 2020-21 for filling one compartment at Padur. To leverage the down turn in global crude prices, Government of India further allocated Rs.3184 Crores towards filling the SPRs in Phase I during the year 2020-21.

MoPNG, advised the Oil Marketing Companies (OMCs), BPCL, IOCL, HPCL and MRPL to fill the crude in the SPRs. Approximately, 16.37 million bbls for Mangalore and Padur and 0.34 million bbls of crude oil for Vishakhapatnam, thus total of 16.71 Million Bbls was procured for filling the SPR. The strategic reserves at all the three locations were completely filled during April & May’2020, and a small quantity in October, 2020.

The average cost of procurement was 19\$/bbl as compared to US\$60 per bbl prevailing at the beginning of the year in Jan 2020. This resulted in substantial savings to Govt. of India to the tune of Rs 5069 Crore (US\$685.11 Million).



Secretary, MoPNG being briefed at Padur Site


1.2 Agreement with ADNOC

An agreement was signed between ADNOC and ISPRL on 10th Feb'2018, permitting ADNOC to use one compartment at Mangalore. As per the agreement, ADNOC stored approx. 5.8 Million Barrels of crude at ISPRL's Mangalore cavern. ADNOC can use a portion of this oil as commercial supply to its customers in India, while the rest will remain as strategic storage to be released to meet emergencies such as supply disruptions due to natural disaster or geopolitical factors. The Mangalore facility has two compartments of 0.75 MMT each. One of the compartments has been given to Abu Dhabi National Oil Company (ADNOC).

In order to enhance the commercial viability of the existing Strategic Petroleum Reserves of ISPRL, Government of India approved modification of 'ADNOC Model' in October 2020, wherein the Caverns can be offered to ADNOC on 50:50 basis i.e. 50% strategic and 50% commercial, from the current 65:35 applicable presently.


1.3 Commercial utilization of ISPRL facilities

On request of ADNOC, ISPRL successfully loaded first commercial consignment containing approx. 8,68,000 Barrels of Das grade crude oil to HPCL, Vizag on 11-13th December 2019 as per the terms of Agreement between ADNOC and ISPRL. Thereafter ADNOC has sold crude consignments from the SPR to MRPL and BPCL and replenished it as per the contractual terms.



Chapter- 06

Other Initiatives/ Activities



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

Oil Industry Development Board follows the guidelines in respect of the reservation for Scheduled Castes/Scheduled Tribes, Other Backward Classes and physically handicapped persons issued from time to time by the Government in this regard. For the monitoring of the implementation of reservation policy and redressal of grievances of SC/ST/OBC employees, a Liaison Officer has been appointed in OIDB. Rosters are being maintained for each category of posts as per Government guidelines and checked by the Liaison Officer. Further there is no backlog or shortfall in the employment of SC/ST/OBC/PH against their reserved quota. No complaints with regard to harassment or discrimination against such employees have been received during the year.

2. Welfare and Empowerment of Women

Oil Industry Development Board is proactive in dealing with gender issue and to promote the cause of women empowerment OIDB has setup a Committee to attend to redressal of complaints on 'sexual harassment at workplace'. As on 31.03.2021, there are 3 women employees as against the working strength of 16 employees in OIDB.

3. Implementation of Government's Official Language Policy

Oil Industry Development Board has implemented the Rules and Policies of Official Language Act in its Secretariat office. 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 implementation of Government's Official Language Policy 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 2020-21, following activities were undertaken for promotion of Hindi as official language:

- On the occasion of Hindi Diwas, Hindi Pakhwara was organized in OIDB from 14.09.2020 to 28.09.2020. 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.
- During the year OIDB continued to publish its annual in-house Hindi Magazine titled "Anubhuti" and unveiled its 17th E-issue on the occasion of OIDB's Foundation Day (i.e. 13th January, 2021). 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.



4. Raj Bhasha Kirti Puraskar

Oil Industry Development Board was awarded "Raj Bhasha Kirti Puraskar" for the year 2019-20 & 2020-21 in the category 'A' region for autonomous bodies and boards, for its efforts towards promotion & implementation of Hindi as the Official Language.

The award was presented by Shri Amit Shah, Honourable Minister of Home Affairs and Honourable Minister of Cooperation, Government of India, at Vigyan Bhawan, New Delhi on the occasion of Hindi Diwas on September 14, 2021.





Dr. Niranjan Kumar Singh, Secretary, OIDB receiving the 'Raj Bhasha Kirti Puruskar' from the Honourable Shri Amit Shah , Honourable Minister of Home Affairs and Honourable Minister of Cooperation, Government of India, on behalf of OIDB.

- During the year, the OIDB E-Calendar for the year 2021 was also released.

OIDB
OIL INDUSTRY DEVELOPMENT BOARD
(Ministry of Petroleum & Natural Gas)
OIDB Bhawan Sector-10, Gurgaon-122 002, Haryana, India

2021 Calendar

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6	1	2	3	4	5	6		
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				

April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	3						1			1	2	3	4	5
4	5	6	7	8	9	10	3	4	5	6	7	8	6	7	8	9	10	11	12	
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

July							August							September											
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa					
					1	2	3						1	2	3	4						1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11					
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18					
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25					
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30							

October							November							December										
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa				
					1	2						1	2	3	4						1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11				
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18				
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25				
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31					
31																								

5. Celebration of International Yoga Day

Oil Industry Development Board celebrated "International Yoga Day 2020" on online platform on 21.06.2020 held at OIDB Bhawan, Noida. All OIDB employees and employees of the grantee organisations located in OIDB Bhawan, Noida, participated in the "International Yoga Day".



6. Celebration of the 46th Foundation Day

Oil Industry Development Board celebrated its 46th Foundation day on 13th January, 2021. All officers & employees of OIDB as well as grantee organisations located in OIDB Bhawan, Noida, were also present. On the Foundation Day, a cultural programme was organised in the auditorium of OIDB Bhawan, Noida.



7. Celebration of the Swachhta Pakhwada


Oil Industry Development Board celebrated the “Swachhta Pakhwada” during 01.07.2020 to 15.07.2020. The various activities like Pledge on Swachhta, Lecture on Hygiene, Lecture on “No Single Use Plastic” and Distribution of Sanitization kit, cleanliness drive, awareness drive and review of activities, etc. had been celebrated in OIDB.



8. Right to Information Act

Right to Information (RTI) Act, 2005 has been implemented in the OIDB in letter and spirit. OIDB is already aligned to the DOPT’s RTI portal where RTI applications are received/transferred/ disposed of online. As per provisions of Section 5 and 19 of the Right to Information Act, 2005, FA&CAO, DCF&AO, Manager (P&A) and Section Officer are designated as Transparency Officer, Appellate Authority, Nodal Officer and Public Information Officer, respectively.


During the year 2020-21, 11 applications/receipts were received under RTI Act, 2005 in the OIDB. All the 11 applications/receipts were disposed of within the stipulated timeframe.



Chapter- 07

Annual Accounts

2020-21



OIL INDUSTRY DEVELOPMENT BOARD

Balance Sheet As At 31.03.2021

(Rs.in Lakh)

Corpus / Capital Fund And Liabilities	Sch	Current Year	Previous Year
Corpus / Capital Fund	1	90240	90240
Reserves And Surplus	2	1099769	1092349
Earmarked / Endowment Funds	3	-	-
Secured Loans And Borrowings	4	-	-
UNSECURED LOANS AND BORROWINGS	5	-	-
DEFERRED CREDIT LIABILITIES	6	-	-
CURRENT LIABILITIES AND PROVISIONS	7	8829	11689
TOTAL		1198838	1194278
ASSETS			
FIXED ASSETS (Net Block)	8	7638	8347
WORK IN PROGRESS	8	50	50
INVESTMENTS - EARMARKED / ENDOWMENT FUNDS	9	-	-
INVESTMENTS - OTHERS	10	382621	382621
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	808530	803260
MISCELLANEOUS EXPENDITURE			-
(to the extent not written off or adjusted)			
TOTAL		1198838	1194278
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 : 12.08.2021
PLACE : NEW DELHI

OIL INDUSTRY DEVELOPMENT BOARD

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31.03.2021

(Rs.in Lakh)

INCOME	Sch	Current Year	Previous Year
Income from Sales / Services	12	-	-
Grants / Subsidies	13	-	-
Fees / Subscriptions	14	-	-
Income from Investments	15	-	-
Income from Royalty, Publication, Sale of Data by DGH etc.	16	369	969
Interest Earned	17	54866	53900
Other Income	18	794	3508
Increase / (decrease) in stock of Finished goods and works-in-progress.	19	-	-
TOTAL (A)		56029	58378
EXPENDITURE			
Establishment Expenses	20	385	480
Other Administrative Expenses etc.	21	1095	1142
Expenditure on Grants, Subsidies etc.	22	40738	32890
Interest paid	23	-	-
Royalty to State Governments	24	-	-
Depreciation (Net Total at the year-end - corresponding to Schedule 8)	8	704	784
TOTAL (B)		42922	35296
Balance being excess of Income over Expenditure (A-B)		13107	23082
Less : Provision for taxation		5687	8240
Transfer to Special Reserve (Specify each)		-	-
Transfer to General Reserve		-	-
BALANCE BEING SURPLUS CARRIED TO CORPUS / CAPITAL FUND		7420	14842
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 : 12.08.2021
PLACE : NEW DELHI

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021**

(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			-	
BALANCE AS AT THE YEAR-END		90240		90240

(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		1092349		1077552
Addition/ deletion during the year				
(i) Excess of Income over Expenditure	7420		14842	
(ii) less: Adjustment of tax provision etc	0	7420	45	14797
TOTAL:		1099769		1092349

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2021

(Rs. in Lakh)

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

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021**

(Rs.in Lakh)

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

Note: Amounts due within one year.

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021

(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)		
TOTAL:		

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		
TOTAL:		

Note: Amounts due within one year.

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021**

(Rs.in Lakh)

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS	Current Year		Previous Year	
A. CURRENT LIABILITIES				
1. Acceptances				-
2. Sundry Creditors:				
a) For Goods			-	
b) Others			-	-
3. Advances Received				-
4. Interest accrued but not due on:				
a) Secured Loans / borrowings			-	
b) Unsecured Loans / borrowings			-	
5. Statutory Liabilities:				
a) Overdue			-	
b) Others			-	
6. Other current liabilities				
a) Royalty payable to State Government(s) & others	0		0	
b) I.Tax/TDS/Works Contract Tax payable	11		10	
c) Payable to Contractors	178		220	
d) others (i) Outstanding - Rs. 58 Lakh	-		-	
(ii) Other BLL- Rs. 2705 Lakhs				
(iii) Other - Rs. 28 Lakhs	2791		2960	
e) Security Deposits including EMD	107		107	
f) Amount Withheld include Labour Cess (Payable to Contractors)	38	3126	47	3344
TOTAL (A) :		3126		3344
B. PROVISIONS				
1. For Taxation		5602		8240
2. Gratuity		-		-
3. Superannuation / Pension		-		-
4. Accumulated Leave Encashment		97		101
5. Trade Warranties / Claims		-		-
6. Others - Provision for Auditors Remuneration		4		4
TOTAL (B) :		5703		8345
TOTAL (A + B) :		8829		11689

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2021

(Rs.in Lakh)

SCHEDULE 8 - FIXED ASSETS	GROSS BLOCK			DEPRECIATION/AMORTISATION*			NET BLOCK			
	Cost/Valuation as at beginning of the year 01.04.20	Additions during the year	Deductions during the year	Cost / valuation at the year-end 31.03.21	As at the beginning of the year 01.04.20	Additions during the year	Deductions during the year	Total up to the Year-end 31.03.21	As the Current year-end 31.03.21	As the Previous year-end 31.03.20
A. FIXED ASSETS:										
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	47	899	135	20	7	148	751	811
2. BUILDING:										
a) On Freehold Land	0	0	0	0	0	0	0	0	0	0
b) On Leasehold Land	10181	47	0	10228	5793	444	0	6237	3991	4388
c) Ownership Flats / Premises	0	0	0	0	0	0	0	0	0	0
d) Superstructures on Land not belonging to the entity	32	0	0	32	21	1	0	22	10	11
3. Plant Machinery & Equipment	2955	0	0	2955	2195	114	0	2309	646	758
4. Vehicles	5	0	0	5	5	0	0	5	0	0
5. Furniture, Fixtures	3171	0	0	3171	1817	135	0	1952	1219	1355
6. Office Equipment	62	3	0	65	47	2	0	49	16	14
7. Computer /Peripherals	70	0	1	70	61	4	0	65	5	8
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	21	1	0	22	5	6
Total of Current Year :	18444	49	48	18446	10095	720	7	10808	7638	8347
Previous Year :	18426	15	1	18441	9177	918	0	10095	8347	9248
B. CAPITAL WORK-IN-PROGRESS:										
	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 31.03.2021**

(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)		
TOTAL:	-	-

(Rs.in Lakh)

SCHEDULE 10 - INVESTMENTS - OTHERS	Current Year	Previous Year
1. In Government Securities	-	-
2. Other approved Securities	-	-
3. Shares	-	-
Biecco Lawrie Limited	5034	5034
4. Debentures and Bonds		-
5. Subsidiaries and Joint Ventures (ISPRL)	377587	377587
6. Others (to be specified)		-
TOTAL:	382621	382621

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021

(Rs.in Lakh)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year		Previous Year	
A. CURRENT ASSETS:				
1. Inventories:				
a) Stores and Spares	-		-	
b) Loose Tools	-		-	
c) Stock-in-trade				
Finished Goods	-		-	
Work-in-progress	-		-	
Raw Materials	-		-	
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months	-		-	
b) Others	-	-	-	-
3. Cash balances in hand (including cheques / drafts and imprest)	0		0	0
4. Bank Balances:				
a) With Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts (In FDR)	10405		15100	
- On Saving Accounts	66	10471	8589	23689
b) With Non-Scheduled Banks:				
- On Current Accounts	-		-	
- On Deposit Accounts	-		-	
- On Savings Accounts	-	-	-	-
5. Post Office - Savings Accounts			-	-
TOTAL (A) :		10471		23689

OIL INDUSTRY DEVELOPMENT BOARD
**SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31.03.2021**

(Rs.in Lakh)

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year		Previous Year	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
a) Staff	9		10	
b) Oil PSUs (Annexure-II)	762109		744904	
c) Others(specify)	-		-	
		762118		744914
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		0	
b) Advance Rent	218		218	
c) Others (including Advance Tax, TDS, MM Cell & Security Deposits)	22666	22884	21268	21486
3. Income Accrued:				
a) On investments from Earmarked / Endowment Funds	-		-	
b) On Investments - Others	11		57	
c) On Loans and Advances -	2819		2820	
Less: Provision for doubtful debts made in earlier years	2711		2711	
d) Others (Data sale Proceeds From DGH)	0	119	12	178
4. Claims Receivable				
i) tax paid under protest	12896		12897	
ii) Accounts Receivable	42	12938	95	12993
TOTAL (B) :		798059		779571
TOTAL (A + B) :		808530		803260

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(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)				
TOTAL:				
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)				
TOTAL:				

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(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)				
TOTAL:				

(Rs.in Lakh)

SCHEDULE 15 INCOME FROM INVESTMENTS	Investment from		Investment from	
	Current Year	Previous Year	Current Year	Previous Year
(Income on Investment from Earmarked / Endowment Funds)	NIL			
1. Interest:				
a) On Govt. Securities				
b) Other Bonds / Debentures				
2. Dividends:				
a) On Shares				
b) On Mutual Fund Securities				
3. Rents				
4. Others				
TOTAL:				
TRANSFERRED TO EARMARKED / ENDOWMENT FUNDS				

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(Rs.in Lakh)

SCHEDULE-16 INCOME FROM ROYALTY, PUBLICATION, SALE OF DATA BY DGH ETC.	Current Year	Previous Year
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others - Sale of data by DGH	369	969
TOTAL:	369	969

SCHEDULE 17 - INTEREST EARNED	Current Year	Previous Year
1. On Term Deposits:		
a) With Scheduled Banks(FDRs)	425	12050
b) With Non-Scheduled Banks	-	-
c) With Institutions	-	-
d) Others	-	-
2. On Savings Accounts:		
a) With Scheduled Banks	16	16
b) With Non-Scheduled Banks	-	-
c) Post Office Savings Accounts	-	-
d) Others		18
3. On Loans:		
a) Employees / Staff	0	1
b) Oil Companies	53516	41816
4. Interest on Debtors and Other Receivables		
a) Interest on Mobilisation advance		0
b) Interest on Income Tax refund	909	0
TOTAL:	54866	53900
Note - Tax deducted at source.	4086	5437

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(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 etc - Rs. 308.49		
(ii) Reimbursement against Grant etc Rs. 463.74	794	3508
(iii) Sundry Balances Written Back Rs. 22.00		
TOTAL:	794	3508

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		
NET INCREASE (DECREASE) (a+b)	-	-

SCHEDULE 20 - ESTABLISHMENT EXPENSES	Current Year	Previous Year
a) Salaries and Wages	298	239
b) Allowances and Bonus	6	11
c) Contribution to Provident Fund	0	0
d) Contribution to OIIB Employees Group Gratuity and Pension Fund	55	180
e) Staff Welfare Expenses including medical expenses	25	41
f) Expenses on Employees' Retirement and Terminal Benefits	0	8
g) Others	1	1
TOTAL:	385	480

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(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		370	424
e) Water Charges		1	2
f) Insurance		11	5
g) Repairs and maintenance		151	160
h) Excise Duty		0	0
i) Rent, Rates and Taxes		25	25
j) Vehicles Running and Maintenance		22	18
k) Postage, Telephone and Communication Charges		7	7
l) Printing and Stationery		5	6
m) Misc. expenses		6	3
n) Expenses on Seminar / Workshops		6	6
o) Subscription Expenses		0	0
p) Expenses on Fees		0	0
q) Auditors Remuneration		4	0
r) Hospitality Expenses		0	0
s) Professional Charges		74	51
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	2
z) Others - Prior Peirod Expenditure	9	410	434
Others	401		
TOTAL:	410	1095	1142

OIL INDUSTRY DEVELOPMENT BOARD
SCHEDULES FORMING PART OF
INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2021

(Rs.in Lakh)

SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC.	Current Year	Previous Year
a) Grants given to Institutions / Organizations (Annexure -III -a)	40143	32255
b) Assistance for Govt./ OI DB sponsored Schemes & Projects (Annexure-III-b)	595	635
TOTAL:	40738	32890
Note - Name of the Entities along with the amount of Grants / Subsidies are disclosed in Annexure- III (a) & (b).		

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
Total:	0	0

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

OIL INDUSTRY DEVELOPMENT BOARD

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED March 2021

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 OIBD has established two trusts namely "OIBD employees Group Gratuity Scheme" & "OIBD employee's superannuation Scheme" covering the liability of OIBD 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 2021

SCHEDULE 26 – CONTINGENT LIABILITIES & NOTES ON ACCOUNTS

1. Contingent liabilities

- (a) The outstanding claims on account of TDS as on 31.03.2021 are Rs.6.95 lakhs on the basis of default summary downloaded from TRACES (Income Tax Department) as compared to Rs.7.18 lakh as on 31.03.2020.
- (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) and directed to A.O. for re-assessment	-	
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	-	0.00	Case has been set aside (restored) by ITAT to AO
7	2012-13		-	20.51	Revenue Appeal has been dismissed by ITAT
8	2013-14		-	3.85	Appeal is pending before CIT(A)
9	2014-15		-	14.71	Appeal is pending before CIT(A)
10	2017-18		-	35.90	Appeal is pending before CIT(A)
	TOTAL	59.08		109.57	

Further for AY 2009-10, Income Tax Department's appeal before ITAT has been set aside to assessing officer, which is having contingent liability to the extent of Rs 17.74 crores.

- (c) An Arbitration claim of Rs. 180.41 lakh was filed by M/s Godrej & Boyce Mfg. Ltd. (Godrej), against

OIDB in respect of short payment and deduction related to the Work Order for interior works of G+3 block of OIDB Bhawan. In the said arbitration case, OIDB lodged a counter claim of Rs.384 lakhs (approx) for loss of rental including maintenance and electricity charge due to delay in completion of work by M/s Godrej & Boyce Mfg. Ltd.

The Arbitrator by the award dated 30.01.2021 allowed claim of Godrej to the extent of Rs.62.78 lakhs with 12% interest and refused to entertain OIDB's counter claims. OIDB challenged the Award in Hon'ble Delhi High Court. However, the Hon'ble High Court vide judgment order dated 16.09.2019 upheld the sum awarded to Godrej and further held that Counter Claim of OIDB could not be rejected without considering the same. The Hon'ble Court gave liberty to pursue OIDB's counter claim under law. Accordingly, OIDB requested the arbitrator for adjudicating OIDB's counter claim.

However, Godrej has simultaneously filed an application in court for release of awarded sum from OIDB. The said petition is being contested by OIDB on the ground that the sum to be released to Godrej shall get determined only after counter claim of OIDB is settled by Arbitrator.

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 not paid any amount to M/s Indian Strategic Petroleum Reserves Limited (ISPRL) for investment as equity in the Company up to end of March 2021 (Previous Year Rs. 377587 lakhs). The company has already allotted and issued 3,77,58,74,670 share certificates of Rs.10/- each for the total amount of Rs. 3775,87,46,700/- 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 requirements 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).The utilization advice of the same is awaited form MoP&NG.

- b) Provision for doubtful debt towards interest recoverable to the extent of Rs.2443 lakh from Canfina and Rs.268 lakh from Bieeco Lawrie Ltd. has been provided. The Canfina matter relates to securities under UTI 1964 Scheme Units and is under litigation. As the recovery of these amounts continue to remains doubtful, the same has already been provided in the accounts as 'doubtful debt' as per existing accounting practice.
 - c) The 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. ISPRL the wholly subsidiary of OI DB is also exempted from payment of rent.
 - d) Proportionate cost of telephone, Facility Management, Electricity and diesel Charges as incurred by OI DB during the year have been debited to the ISPRL.
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. Interest from BLL amounting to Rs 95.15 lakhs has not been recorded in Income as per clause 5 of Schedule -25 Significant Accounting Policy of the Balance sheet.
 - 6(i) In terms of the provisions of the AS-15, issued by the ICAI for creation of Superannuation and Gratuity Fund for retirement benefits of its existing employees, the Board 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 outcome of the same are awaited.
 7. Provision of Taxation includes Rs.85.00 lakhs for the F.Y. 2019-20.
 8. Accounting Standards as issued by the Institute of Chartered Accountants of India have been followed, to the extent applicable.
 9. Schedules 1 to 26 are annexed and form an integral part of the Income & Expenditure Account & Balance Sheet as at 31st March, 2021.
 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 : 12.08.2021
PLACE : NEW DELHI

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

OIL INDUSTRY DEVELOPMENT BOARD

Profit & Loss Account for the year ended 31st March, 2021

(Rs.in Lakh)

Particulars	Sch No.	2020-21	2019-20
Income			
Interest Income	17	54866	53900
Income from Investment	15	0	0
Other income	16 & 18	1163	4478
Total		56029	58378
Expenditure			
Expenses on direct operation	22 & 24	40738	32890
Salaries and amenities to staff	20	385	480
Administrative expenses	21	1095	1142
Depreciation on Fixed Assets Rs. 720	8	704	784
Less:- Previous years Amortization Rs. 16			
Total		42922	35296
Profit for the year		13107	23082
Profit before tax		13107	23082
Less : Provision for taxation		5687	8240
Net Profit after tax carried to balance sheet		7420	14842
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 : 12.08.2021
PLACE : NEW DELHI

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

**Details of outstanding balance of loan
 as on 31st March, 2021 from Oil PSUs**

(Rs.in Lakh)

Sl.No.	Name of the Company	O.B. as on 01.04.2020	Loan Disbursed during 2020-21	Loan received Back during 2020-21	C.B. as on 31.03.2021
1	IOCL	32,781.00	43,700.00	17,781.25	58,699.75
2	BPCL	1,18,731.00	-	39,756.00	78,975.00
3	HPCL	2,93,119.00	10,000.00	18,119.00	2,85,000.00
4	BCPL	1,01,036.00	9,669.00	21,383.75	89,321.25
5	BLL	9,865.00	-	-	9,865.00
6	MRPL	53,900.00	5,525.00	6,700.00	52,725.00
7	GAIL Gas Ltd.	15,472.00	20,443.00	2,142.00	33,773.00
8	CPCL	35,000.00	20,000.00	1,250.00	53,750.00
9	GAIL(India) Ltd.	85,000.00	15,000.00	-	1,00,000.00
	Total	7,44,904.00	1,24,337.00	1,07,132.00	7,62,109.00

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

Statement Showing payments of grants during 2020-21

(Rs.in Lakh)

Sl. No.	Name of the Institutes	2020-21	2019-20
A.	Regular Grantee Institutes		
1	Directorate General of Hydrocarbons	17684	19291
2	Petroleum Conservation Research Association	6000	6730
3	Centre for High Technology	1525	1808
4	Petroleum Planning & Analysis Cell	2205	2261
5	Oil Industry Safety Directorate	2288	2165
	Total (A)	29702	32255
B	R & D Grants		
1	IOCL (Lanza Tech)	10338	0
2	ONGC LTD	41	0
3	IIT ISM Dhanbad	62	0
	Total (B)	10441	0
	Total (A+B)	40143	32255

Annexure-III (b)
(Reference Schedule-22)Expenditure on Schemes/
Projects sponsored by Govt. of India/OIDB during 2020-21


(Rs.in Lakh)

Sl. No.	Name of the Institutes	2020-21	2019-20
1	Indian Strategic Petroleum Reserves Limited	595	635
	Total (C)	595	635

OIL INDUSTRY DEVELOPMENT BOARD
**RECEIPTS AND PAYMENT FOR
THE YEAR ENDED ON 31.03.2021**


(Rs.in Lakh)

RECEIPTS	2020-21	2019-20	PAYMENTS	2020-21	2019-20
I. Opening Balance			I. Expenses		
a) Cash-in-Hand	0.02	-	a) Establishment Expenses	367.29	208.14
b) Bank Balances			b) Administrative Expenses	1046.74	626.88
i) In current account		-			
ii) In deposit account		-	II. Payments made against funds for various Projects		
iii) In savings account	8,589.32	87.38	a) Grant to IIT	61.98	-
			b) Grant to ISPRIL	594.91	635.00
			c) Grant to ONGC	41.30	-
II. Grants Received			d) Grant to CHT	1,519.23	1,810.13
a) From Government of India		-	e) Grant to DGH	17,300.00	18,261.00
b) From State Government		-	f) Grant to OISD	2,279.80	2,165.05
c) From other Sources		-	g) Grant to PCRA	5,980.16	6,730.00
			h) Grant to PPAC	2,204.80	2,260.57
			i) Grant to IOCL	10,338.00	-
III) Income on Investment from					
a) Fixed Deposits	79,060.00	823,215.07	III) Investment and Deposit made		
b) Own Funds (other investments)	107,132.25	111,548.06	a) Fixed Deposits	74,365.00	525,085.00
			b) Out of Own Funds (other investments)	124,337.00	421,413.53
IV) Interest Received			IV) Expenditure on Fixed Assets and Capital work - in -process		
a) On Bank deposits		-	a) Purchase of Fixed Asset	2.88	15.37
b) Loans, advances etc	53,515.75	41,891.01	b) Expenditure in Capital Work-in-progress		-
c) Saving a/c	17.82	13.17			
d) Fixed Deposits	469.31	16,546.84	V) Refund of Surplus Money/Loans		
			a) To the Government of India		-
V) Other Income			b) To the State Government		-
a) From Rent	415.71	451.70	c) To other provider of funds	11,318.67	-
b) from Fixed Assets	0.37	-			
c) From Establishment		-	VII) Finance Charge (Interest)		
d) From Administration		-			
e) Sale of Data		-	VII) Other Payments		
			a) Business Provisions		-
VI) Amount Borrowed			b) Other Payables	6824.58	9,000.27
a) Loans & Advances	8,983.79	-			
			VIII) Closing Balances		
			a) Cash in Hand	0.01	0.02
			b) Bank Balances		
VII) Any other Receipts			i) In current account		-
a) Unspent Grant received back	463.74	3,047.05	ii) In deposit account		-
b) Other Miscellaneous receipts		-	iii) In savings account	65.73	8,589.32
TOTAL	258,648.08	996,800.28	TOTAL	258,648.08	996,800.28



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 2021..

We have audited the attached Balance Sheet of Oil Industry Development Board (OIDB) as at 31 March 2021 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 Fixed Asset (Net Block) (Schedule-8): Rs.7638 lakh

The above includes an amount of Rs.995 lakh pertain to Leasehold Land at Dwarka-Delhi acquired by Oil Industry Development Board, Noida from Delhi Development Authority.

As per Lease Agreement, accounting for land should have been done at a cost of Rs.940 lakh# instead of Rs.995 Lakh. Thus, the value of land was overstated by Rs.55.00 lakh.

Rs.8,98,04,935+Rs.41,40,035+Rs.50,000+Rs.100=Rs.9,39,95,070 i.e. say Rs. 940 lakh

B. Income & Expenditure Account**B.1 Other Administrative Expenses – Provision for bad & doubtful debts/ advances: Rs. NIL****Balance Sheet****Investment – Other (Schedule-10): Rs.382621 lakh**

M/s. Biecco Lawrie Limited (BLL), a loss making company, was declared as sick industrial company in October 2015 and Cabinet Committee on Economic Affairs (CCEA) has also approved its closure in February 2018. As informed by M/s. BLL, as on 31 March 2021, it has accumulated losses of Rs.190.07 crore with a negative net worth of Rs.115 crore.

Thus, investment is overstated by Rs.5034 lakh due to non-reduction of equity investment in M/s Biecco Lawrie Limited (BLL) in line with the decision of CCEA. Consequently, 'Excess of Income over Expenditure' is also over stated by the same amount.

Despite, CAG of India's comment on the accounts of OIDB in the earlier years (2017-18, 2018-19 and 2019-20), the Board has not provided for diminution in the value of investment in equity shares of BLL.

B.2 Other Administrative Expenses - Provision for bad & doubtful debts/ advances: Rs. NIL**Balance Sheet****Current Assets, Loans, Advances etc. (Schedule 11): Rs. 808530 lakh**

Considering the poor financial condition of M/s. Biecco Lawrie Limited there is no reasonable certainty of recovering the following loan amounts given to BLL:-

(i) Bridge loan of Rs.1200 lakh given to M/s. Biecco Lawrie Limited through payments of instalments were not forthcoming.

(ii) Loan of Rs.8665 lakh given to M/s. Biecco Lawrie Limited during the years 2018-19 and 2019-20 for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employee secured loans from banks and Contingent liabilities.

Non-provision of the above uncertain/doubtful recoverable loans has resulted into overstatement of 'Current Assets, Loans, Advances etc.' and 'Excess of Income over Expenditure' by Rs.9865 lakh.

Despite, CAG of India's comment on the accounts of OIDB in the earlier years (2017-18, 2018-19 and 2019-20), the Board has not made provision against the loans given to BLL.

B.3 Other Administrative Expenses etc.: Rs.1095 lakh**Depreciation: Rs.704 lakh****Balance Sheet****Fixed Assets (Net): Building (on leasehold land): Rs.3991 lakh**

An amount of Rs.47 lakh had wrongly been capitalized under the head 'Land- Leasehold Noida Land' which included advance lease rent of Rs.21 lakh paid, during 2006-07. Consequent upon audit objection raised during the previous year audit, the same has been de-capitalized from Land during current year (i.e. 2020-21). It was, however, observed that instead of charging Rs.21 lakh (i.e. advance lease rent) to Income & Expenditure Account and capitalizing Rs.26 lakh into 'Building on Lease Land', OI DB has capitalized the entire amount of Rs.47 lakh into 'Building on Lease Land'. Further, an amount of Rs.2.10 lakh has been charged as Depreciation, against the capitalized amount of advance lease rent.

This has resulted into Overstatement of 'Building on Leasehold Land' by Rs.21 lakh, overstatement of 'Depreciation' by 2.10 lakh, understatement of 'Other Administrative Expenses' by Rs.21 lakh and consequential overstatement of 'Excess of income over expenditure' by Rs.18.90 lakh.

C. Grant-in-aid

OI DB has not received any grant from Government and Government agencies during the year 2020-21.

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 2021; and
 - b) In so far as it relates to Income & Expenditure Account, of the excess of Expenditure over income for the year ended on that date.

For and on behalf of C&AG of India
Sd/-
(C. M. Sane)
Director General of Commercial Audit
Mumbai

Annexure
{Referred to in Para 4 (v)}

1	Adequacy of Internal Audit System	OIDB had appointed M/s Susheel Gupta & Co. Chartered Accountants as Internal Auditor for the year under review. There the job responsibility included internal control system review of Annual Accounts and assist in Internal control system and tax advisory services. It is further Informed that the new contract has been awarded to M/s. V.K. Dhingra & Co., Chartered Accountants and the work related to audit of contracts entered into by OIDB has been specifically incorporated.
2	Adequacy of Internal Control	<p>The major portion of the grant released by OIDB to its grantee institutions is to meet their salary and allowances and other routine administrative expenses. As regards monitoring of proper utilization of grant, the grantee institutions are required to furnish their monthly demand in the prescribed Proforma, devised by OIDB, which includes details of head-wise approved budget and expenditure incurred till previous month & demand for the current month. All proposals are received in the prescribed Proforma and are examined with respect to approved head-wise budget before releasing grants. Scrutiny of these details enables OIDB to ensure that neither the expenditure is incurred in excess of the budgeted grant nor there is idling of funds because release of grants depend upon the utilization of grants released/utilized till the previous month. At the end of the financial year, Utilization Certificates are also obtained in the GFR prescribed format along with audited statements of accounts.</p> <p>Board is apprised of the status of utilization of grants in its various meetings. Further, the budget estimates of all grantee organizations are approved by OID Board followed by Central Government approval. However, no effective mechanism has been developed to monitor the manner of proper utilization of grants in view of unspent balances with Grantees.</p>
3	System of Physical Verification of Fixed Assets	As per CAG audit observations to maintain asset register in proper manner as per GFR format-22, the work relating to physical verification of assets and preparation of Fixed Asset Register in the prescribed format as defined in the GFR was assigned to M/s Deepak Bhargava & Associates, Chartered Accountants. The Asset Register upto the FY. 2020-21, in the prescribed format has been prepared and physical verification of assets was also done.
4	Regularity in payments of statutory Dues applicable to them.	All taxes and statutory dues have been paid on time during the year under review.

Sd/-
(C. M. Sane)
Director General of Commercial Audit
Mumbai

C&AG AUDIT OBSERVATION ON THE ACCOUNTS OF OIBD FOR THE F.Y. 2020-21 AND OIBD'S REPLIES THERETO

Sl. No.	Audit Observation	Replies
A.	<p>Balance Sheet</p> <p>A.1 Fixed Asset (Net Block) (Schedule-8): Rs.7638 lakh</p> <p>The above includes an amount of Rs.995 lakh pertain to Leasehold Land at Dwarka-Delhi acquired by Oil Industry Development Board, Noida from Delhi Development Authority.</p> <p>As per Lease Agreement, accounting for land should have been done at a cost of Rs.940 lakh# instead of Rs.995 Lakh. Thus, the value of land was overstated by Rs.55.00 lakh.</p>	<p>The observation of audit has been noted and necessary rectification will be done while finalizing the Annual Accounts for the F.Y.2021-22.</p>
B.	<p>Income & Expenditure Account</p> <p>B.1 Other Administrative Expenses – Provision for bad & doubtful debts/ advances: Rs. NIL</p> <p>Balance Sheet</p> <p>Investment – Other (Schedule-10): Rs.382621 lakh</p> <p>M/s. Biecco Lawrie Limited (BLL), a loss making company, was declared as sick industrial company in October 2015 and Cabinet Committee on Economic Affairs (CCEA) has also approved its closure in February 2018. As informed by M/s. BLL, as on 31 March 2021, it has accumulated losses of Rs.190.07 crore with a negative net worth of Rs.115 crore.</p> <p>Thus, investment is overstated by Rs.5034 lakh due to non-reduction of equity investment in M/s Biecco Lawrie Limited (BLL) in line with the decision of CCEA. Consequently, 'Excess of Income over Expenditure' is also over stated by the same amount.</p> <p>Despite, CAG of India's comment on the accounts of OIBD in the earlier years (2017- 18, 2018-19 and 2019-20), the Board has not provided for diminution in the value of investment in equity shares of BLL.</p>	<p>B.1 and B.2</p> <p>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.</p> <p>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</p>

B.2 Other Administrative Expenses - Provision for bad & doubtful debts/ advances: Rs. NIL

Balance Sheet

Current Assets, Loans, Advances etc. (Schedule 11): Rs.808530 lakh

Considering the poor financial condition of M/s. Biecco Lawrie Limited there is no reasonable certainty of recovering the following loan amounts given to BLL:-

(i) Bridge loan of Rs.1200 lakh given to M/s. Biecco Lawrie Limited through payments of instalments were not forthcoming.

(ii) Loan of Rs.8665 lakh given to M/s. Biecco Lawrie Limited during the years 2018-19 and 2019-20 for meeting out the expected expenditure on voluntary retirement scheme, cost of existing employees, outstanding salary dues of employee secured loans from banks and Contingent liabilities.

Non-provision of the above uncertain/doubtful recoverable loans has resulted into overstatement of 'Current Assets, Loans, Advances etc.' and 'Excess of Income over Expenditure' by Rs.9865 lakh.

Despite, CAG of India's comment on the accounts of OIDB in the earlier years (2017-18, 2018-19 and 2019-20), the Board has not made provision against the loans given to BLL.

B.3 Other Administrative Expenses etc.: Rs. 1095 lakh

Depreciation: Rs.704 lakh

Balance Sheet

Fixed Assets (Net): Building (on leasehold land): Rs.3991 lakh

An amount of Rs.47 lakh had wrongly been capitalize under the head 'Land- Leasehold Noida Land' which included advance lease rent of Rs.21 lakh paid, during 2006-07. Consequent upon audit objection raised during the previous year audit, the same has been de-capitalized

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.

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.

These transactions pertain to F.Y. 2006-2007, whereas OIDB Bhawan constructed on Plot no. 02, Sector-73 was capitalized in the F.Y. 2011-12. As per established accounting practice, all the expenses prior to capitalization should be capitalized.

	<p>from Land during current year (i.e. 2020-21). It was, however, observed that instead of charging Rs.21 lakh (i.e. advance lease rent) to Income & Expenditure Account and capitalizing Rs.26 lakh into 'Building on Lease Land', OIBD has capitalized the entire amount of Rs.47 lakh into 'Building on Lease Land'. Further, an amount of Rs.2.10 lakh has been charged as Depreciation, against the capitalized amount of advance lease rent.</p> <p>This has resulted into Overstatement of 'Building on Leasehold Land' by Rs.21 lakh, overstatement of 'Depreciation' by 2.10 lakh, understatement of 'Other Administrative Expenses' by Rs.21 lakh and consequential overstatement of 'Excess of income over expenditure' by Rs.18.90 lakh.</p>	<p>Hence, correct accounting has been followed.</p> <p>Since, correct accounting treatment has been given related to Noida land as mentioned above, depreciation has not been overstated.</p>
<p>C.</p>	<p>Grant-in-aid</p> <p>OIBD has not received any grant from Government and Government agencies during the year 2020-2021.</p>	<p>Factual position.</p>


Sl. No.	Audit Observation	Replies
1.	<p>Adequacy of Internal Control System</p> <p>OIDB had appointed M/s Susheel Gupta & Co. Chartered Accountants as Internal Auditor for the year under review. There the job responsibility included internal control system review of Annual Accounts and assist in internal control system and tax advisory services. It is further Informed that the new contract has been awarded to M/s. V.K. Dhingra & Co., Chartered Accountants and the work related to audit of contracts entered into by OIDB has been specifically incorporated.</p>	<p>As already informed to Audit, that the new contract has been awarded to M/s. V.K. Dhingra & Co., Chartered Accountants and the work related to audit of contracts entered into by OIDB has been specifically incorporated.</p>
2.	<p>Adequacy of Internal Control</p> <p>The major portion of the grant released by OIDB to its grantee institutions is to meet their salary and allowances and other routine administrative expenses. As regards monitoring of proper utilization of grant, the grantee institutions are required to furnish their monthly demand in the prescribed Proforma, devised by OIDB, which includes details of head-wise approved budget and expenditure incurred till previous month & demand for the current month. All proposals are received in the prescribed Proforma and are examined with respect to approved head-wise budget before releasing grants. Scrutiny of these details enables OIDB to ensure that neither the expenditure is incurred in excess of the budgeted grant nor there is idling of funds because release of grants depend upon the utilization of grants released/utilized till the previous month. At the end of the financial year, Utilization Certificates are also obtained in the GFR prescribed format along with audited statements of accounts.</p>	<p>While releasing grants to its grantee institutions, necessary checks have been ensured as mentioned in the para itself i.e. grantee institutions are required to furnish their monthly demand in the prescribed Proforma, devised by OIDB, which includes details of head-wise approved budget and expenditure incurred till previous month & demand for the current month. All proposals are received in the prescribed Proforma and are examined with respect to approved head-wise budget before releasing grants. Scrutiny of these details enables OIDB to ensure that neither the expenditure is incurred in excess of the budgeted grant nor there is idling of funds because release of grants depend upon the utilization of grants released/utilized till the previous month.</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 meetings. Further, the budget estimates of all grantee organizations are approved by OID Board followed by Central Government approval.</p> <p>However, no effective mechanism has been developed to monitor the manner of proper utilization of grants in view of unspent balances with Grantees.</p>	<p>Board is apprised of the status of utilization of grants in all its meetings. Further, the budget estimates of all grantee organizations are approved by OID Board followed by Central Government approval.</p> <p>Besides above, the activities carried out by these organisations are incorporated in the Annual Report of OIDB with photographs of the events. The progress of these organisations are also being reviewed regularly by their respective Administrative Council/Governing Body/Safety Council etc.</p>
<p>3. System of Physical Verification of Fixed Assets</p> <p>As per CAG audit observations to maintain asset register in proper manner as per GFR format-22, the work relating to physical verification of assets and preparation of Fixed Asset Register in the prescribed format as defined in the GFR was assigned to M/s. Deepak Bhargava & Associates, Chartered Accountants. The Asset Register upto the F.Y. 2020-21, in the prescribed format has been prepared and physical verification of assets was also done.</p>	<p>Factual position.</p>
<p>4. Regularity in payments of statutory Dues applicable to them.</p> <p>All taxes and statutory dues have been paid on time during the year under review.</p>	<p>Factual position.</p>



Chapter- 09

Annual Report & Accounts of Indian Strategic Petroleum Reserves Limited (ISPRL)



Board of Directors

Shri Tarun Kapoor	Chairman	(w.e.f. 15.05.2020)
Shri Rajesh Aggarwal	Director	(w.e.f. 01.01.2020)
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. 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

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

Visakhapatnam Project Office

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

Mangalore Project Office

Chandrasah 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 17th Annual Report on the working of the Company for the Financial Year ended 31st March, 2021 together with the Audited Statement of Accounts and Auditor's Report thereon.

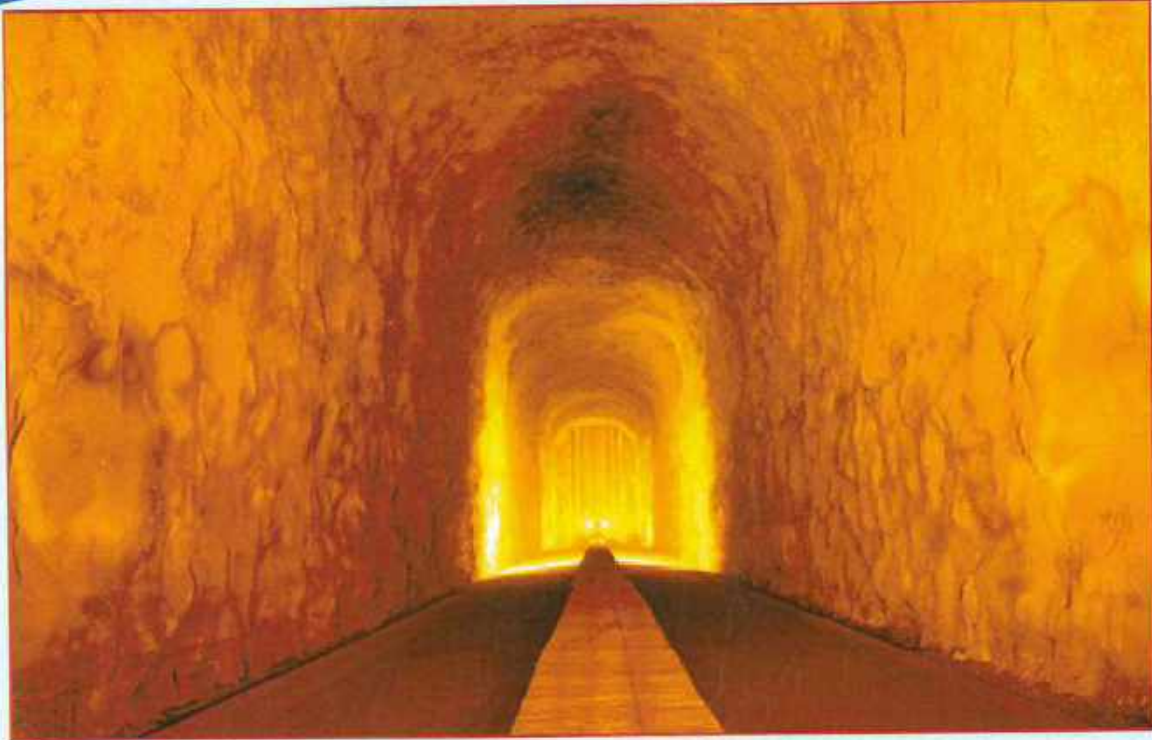
FINANCIAL RESULTS

The Highlights of the Financial Results of your Company for the Financial Year ended 31st March, 2021 are as under:

S.No.	Particulars	Figures in Lakhs	
		31 st March, 2021	31 st March, 2020
1	Gross Fixed Assets (Tangible & Intangible)	373685.45	374309.26
	Less :- Accumulated Depreciation	38575.39	28692.11
	Net Fixed Assets	335110.06	345617.15
2	Total Non Current Assets	10616.68	694.15
3	Total Current Assets	20559.96	78322.44
	Total Assets	366286.70	424633.74
4	Total Equities including accumulated Losses	334051.81	344103.18
5	Total Non Current Liabilities	562.12	870.14
6	Total Current Liabilities	31672.77	79660.42
	Total Liabilities	366286.70	424633.74
	Items of Profit and Loss Account		
1	Total Incomes including prior period adjustments, if any	599.01	464.22
2	Total Expenses including Depreciation	10650.38	10624.11
	Net Loss for the period (1) - (2)	-10051.37	-10159.89
	Phase II (Receipts and Expenditure)		
1	Total Grant received during the year for Phase II project (on net basis) including Advance for land	10051.30	635.00
2	Total Expenditure incurred during the year under Phase II including provisions for payable	10586.53	89.68

PERFORMANCE OVERVIEW

To ensure energy security, Government of India had decided to build a strategic crude oil reserve of 5.33 MMT through a Special Purpose Vehicle (SPV). The SPV Indian Strategic Petroleum Reserves Limited (ISPRL) was initially a subsidiary of Indian Oil Corporation Limited, which w.e.f. 09.05.2006, became a wholly owned subsidiary of Oil Industry Development Board (OIDB).



View of underground strategic cavern



View of above ground facilities at cavern area

ISPRL Phase - I

Under Phase I of Strategic Petroleum Reserve (SPR) program, Government through ISPRL has built SPR facilities with a total capacity of 5.33 MMT at three locations viz. Visakhapatnam (1.33 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT). The total reserve of Phase-I of SPR is currently estimated to supply approximately 9.5 days of India's crude requirement.

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

ISPRL Crude was first time released for Mangalore Refinery and Petrochemicals Limited (MRPL) from ISPRL Mangalore Cavern in August 2019. Subsequently crude oil was released from Padur facility also to MRPL in October 2019.

The COVID-19 pandemic that gripped the world, and effected lockdowns globally, impacted the crude oil demand world over and India was no exception. The refineries operated at a bare minimum capacities, as a result of drastic reduction in the demand for petroleum products. This coupled with increase in supply of crude, resulted in a demand supply imbalance which saw the crude oil prices nosedive across the globe. To take advantage of the prevailing low crude oil prices, Govt. of India decided to fill the Strategic Reserves on priority.



Secretary, MoPNG at Padur site

To leverage the down turn in global crude prices, Government of India allocated Rs.3,000 Crore towards filling the SPRs in Phase-I during the year 2020-21.

MoPNG, advised the Oil Marketing Companies (OMCs), BPCL, IOCL, HPCL and MRPL to fill the crude in the SPRs. Approximately, 16.37 million bbls for Mangalore and Padur and 0.34 million bbls of crude oil for Vishakhapatnam, thus total of 16.71 Million bbls was procured for filling the SPR' The strategic reserves at all the three locations were completely filled during April & May'2020, and a small quantity in October 2020.

The average cost of procurement was 19\$/bbl as compared to US\$60 per bbl prevailing at the beginning of the year in Jan 2020. This resulted in substantial savings to Govt. of India to the tune of Rs. 5069 Crore (US\$685.11 Million).



Covid Vaccination Drive at Vizag Site



Secretary, MoPNG being briefed at Padur Site

AUDIT COMMITTEE

The Board has constituted the Audit Committee. The Audit Committee comprised of the following Directors as on 31st March, 2021:

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

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

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 31st March, 2021:

- | | | | |
|------|--|---|----------|
| (i) | Shri B. N. Reddy
Joint Secretary (IC), MoP&NG/Director, ISPRL | : | Chairman |
| (ii) | Shri H.P.S. Ahuja
CEO & MD, ISPRL | : | Member |

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

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 CSR Committee comprised of the following Directors as on 31st March 2021:

- | | | | |
|------|--|---|----------|
| (i) | Shri B. N. Reddy
Joint Secretary (IC), MoP&NG/Director, ISPRL | : | Chairman |
| (ii) | Shri H.P.S. Ahuja
CEO & MD, ISPRL | : | Member |

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

ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and Rule of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link : <https://isprlindia.com/annual-report.asp>.

MEETINGS OF THE BOARD

The Board of Directors of the Company met five times in the financial year 2020-21 as per the following details:

- 1) 26th June, 2020
- 2) 18th August, 2020
- 3) 5th November, 2020
- 4) 29th January, 2021
- 5) 15th March, 2021

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

CHANGE IN THE NATURE OF BUSINESS

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

However, the Cabinet Secretariat, GOI in July 2021 has allowed ISPRL to undertake following commercial activities with the crude stored in caverns under Phase-I of SPR programme i.e.

1. Leasing / Renting of 30% of overall oil storage capacity of caverns to Indian or foreign companies with the condition that in case of any exigency, the GOI will have the first right on the entire crude oil stored in the caverns.
2. To Sale / purchase of upto 20% of overall Crude oil quantity stored in ISPRL caverns to Indian companies.

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 2020-21.

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 Gopeshwar Kumar Singh
(appointment w.e.f. 05/11/2020)
- c) Chief Finance Officer - Shri Gautam Sen
(cessation w.e.f. 16/10/2020)
- d) 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). CEO & MD is appointed by the ISPRL Board. No remuneration is paid to ex-officio director nominated by MOP&NG. Other officers of the Company are on deputation from oil sector PSUs. CEO & MD who was on deputation from ONGC got superannuated from ONGC on 31st October 2020 and continued with ISPRL as CEO & MD on the terms and conditions approved by the Board. The remuneration paid to CEO & MD is approved by ISPRL 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 31st March, 2021 (**Annexure-B**). The Auditors in their report to the Shareholders at Annexure-B (ii) of their report, reported that quantification of data of crude oil held by the Company needs independent technical assessment to evaluate the same. The management reply on the same is attached as **Annexure-C**.

Supplementary audit conducted by C&AG under Section 143 (6) (a) of the Companies Act, 2013 of the Financial Statements of the Company for the Financial Year 31st March 2021. There are no significant observations of C&AG on the Financial Statements (**Annexure-D**).

SECRETARIAL AUDIT:

During the year, the Board of the Company had appointed M/s PG & Associates, Company Secretaries, 106, Mahagun Morpheus, E-4, Sector-50, Noida-201301, Uttar Pradesh, as Secretarial Auditors of the Company to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, for the financial year 2020-21. The Report given by Secretarial Auditors is annexed to this report as **(Annexure-E)**. The Auditors Report to the Shareholders does not contain any qualification.

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 ₹9.36 Crore during the period under review.

INTERNAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements during the Financial Year 2020-21.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has a framework for employees to report sexual harassment cases at work place. 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

The Company has given a Bank Guarantee of Rupees Fifty Thousand only in favour of ACCT, LGSTO-260, Mangalore

RELATED PARTY TRANSACTIONS

All related party transactions were limited to Equity capital participation by OIDB and payment of 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.

COVID-19 PANDEMIC

The COVID-19 pandemic developed rapidly into a global crisis forcing the Central Government to order a complete lockdown of all economic activities in India from end-March 2020.

During the Covid pandemic, ISPRL facilities were operational following the covid protocol and behaviour. The medical kits were given to all the employees of ISPRL and regular sanitation of work place is maintained to ensure the protection of employees.

During the Covid-19 pandemic, the Company signed large deals for procurement of crude oil for filling the caverns. A total of 13 vessels of crude oil were received during 8th April 2020 till 16th May 2020.

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, 2021 and of the Profit and Loss of the Company for that year;
- (c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors have prepared the Accounts for the Financial Year ended 31st March, 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 31st March, 2021 details are given below:

1. Shri Tarun Kapoor (DIN- 00030762), Secretary, MoP&NG – Chairman
(Appointment w.e.f. 15/05/2020).
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 Niranjan Kumar Singh (DIN- 03361541), Secretary, OIDB- Director.
5. Ms. Indrani Kaushal (DIN- 02091078), Economic Adviser, MoP&NG- Director.
6. Shri H.P.S. Ahuja (DIN- 07793886), Chief Executive Officer & Managing Director.

Following changes took place in the Board of Directors after 01st April, 2020:

1. Shri Tarun Kapoor (DIN- 00030762), Secretary, MoP&NG – Chairman
(Appointment w.e.f. 15/05/2020).
2. Dr. M. M. Kutty (DIN- 01943083), Secretary, MoP&NG – Chairman
(Cessation w.e.f. 30/04/2020)

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/-
(Navneet Mohan Kothari)
Director
(DIN# 02651712)

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

Date: 23rd November, 2021

Place: New Delhi

(Annexure-A)

Details of the meeting of the Board Committees and Board and number of meetings attended by the Directors in FY 2020-21:

AUDIT COMMITTEE:

The Audit Committee held three meetings in the financial year 2021-22. These meetings were held on 14th July, 2020; 2nd September, 2020 and 4th December, 2020. The Director's attendances at the Audit Committee meetings are as follows:

Sl. No.	Members	Designation	No. of meetings attended in FY 2020-21
1.	Shri Rajesh Aggarwal	Chairman	3
2.	Shri H.P.S. Ahuja	Member	3

NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC held five meetings in the financial year 2020-21. The meetings were held on

1. 23rd June, 2020
2. 7th August, 2020
3. 1st October, 2020
4. 14th October, 2020
5. 15th January, 2021 reconvened the same meeting on 22nd January, 2021.

The Director's attendances at the NRC, meetings are as follows :-

Sl. No.	Members	Designation	No. of meetings attended in FY 2020-21
1.	Shri B. N. Reddy	Chairman	5
2.	Shri H.P.S. Ahuja	Member	5

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

No meeting of CSR Committee held during the financial year 2020-21.

BOARD OF DIRECTORS:

The Board of Directors of the Company held three meetings in the financial year 2020-21 as per the following details:

- 1) 26th June, 2020
- 2) 18th August, 2020
- 3) 5th November, 2020
- 4) 29th January, 2021
- 5) 15th March, 2021

Number of Board meetings attended by the Directors:

Sl. No.	Name of Directors	Designation	No. of board meetings attended during the 2020-21
1.	Shri Tarun Kapoor	Chairman	5
2.	Shri Rajesh Aggarwal	Director	4
3.	Shri B. N. Reddy	Director	5
4.	Dr. Niranjana Kumar Singh	Director	4
5.	Ms. Indrani Kaushal	Director	5
6.	Shri H.P.S. Ahuja	CEO & MD	5

INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
INDIAN STRATEGIC PETROLEUM RESERVES LIMITED

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

We have audited the accompanying financial statements of **INDIAN STRATEGIC PETROLEUM RESERVES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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, 2021, and the, **LOSS**, total comprehensive income, 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 ICAI's Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") 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, total comprehensive income, 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, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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:
- The Company has disclosed the impact of pending litigations on its financial positions in its IND AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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:

- The company has system in place to process all the accounting transactions through IT system.
- 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.
- 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 : 15th September, 2021
UDIN: 21502897AAAADI2122

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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 : 15th September, 2021
UDIN: 21502897AAAADI2122

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2021, 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.

Refer to Note No. 28 (ii) for quantification date of crude of crude provided by the management. We have observed that there is shortage in crude oil held by the company on behalf of GOI and excess in crude oil held by the company on behalf of ADNOC.

Shortage in one case and excess in another case, needs independent technical assessment to evaluate the same.

- 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.

Therefore, provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.

- 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 and there are no undisputed dues outstanding as on 31st March, 2021 for a period of more than six months from the date they become payable.
- 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, 2021 and accounted/ deposited the amount as determined by the company and the same is pending for approval by the Income Tax Department for issuance of form 5.

- 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. The Company has not availed any borrowings from any financial institution, bank or debenture holders except a short-term borrowing from OIDB.
- 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 : 15th September, 2021
UDIN:21502897AAAADI2122

"ANNEXURE C" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statement 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, 2021 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 with reference to financial statement based on Guidance Note on Audit of Internal financial control over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial control with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial control over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial 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 control with reference to financial statements.

Meaning of Internal Financial Control with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and such internal financial control with reference to financial statements were operating effectively as at 31st March 2021, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial control over financial reporting 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 : 15th September, 2021

UDIN:21502897AAAAD12122

FORM MR-3**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]

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Strategic Petroleum Reserves Limited** (hereinafter called the company) [CIN No.U63023DL2004GOI126973] Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indian Strategic Petroleum Reserves Limited ("the Company") for the financial year ended on 31st March, 2021 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 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:
- (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
- (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
- (vii) Environmental Laws:
 - i) The Water (Prevention and Control of pollution) Act, 1974
 - ii) The Air (Prevention and Control of pollution) Act, 1981
 - iii) The Environment (Protection) Act, 1986
 - iv) Hazardous Wastes(Management and handling) Rules 1989
- (viii) 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 Regulations to the Company.

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 for the financial year ended 31.3.2021 to the extent applicable.

We further report that

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

During the year under review, some Board Meetings and Committee Meetings were called at shorter notice, agenda alongwith detailed notes on agenda were sent at short notice and consent was taken from the directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/Committee meetings all the decisions have been carried out unanimously. The members of the Board have not expressed any dissenting views on any of the agenda items during the period under review.

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

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

FOR PG & ASSOCIATES

Sd/-
(PREETI GROVER)
Company Secretary
FCS No.5862
C P No.:6065

PEER REVIEW NO. 772/2020

Place : Noida

Date : 17/08/2021

UDIN : F005862C000795057

To,

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have not conducted any business and/or financial audit of the Company and the figures mentioned by the company are assumed to be true.
3. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
4. We have followed the audit practice and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

FOR PG & ASSOCIATES

Sd/-

(PREETI GROVER)

Company Secretary

FCS No.5862

C P No.:6065

PEER REVIEW NO. 772/2020

Place : Noida

Date : 17/08/2021

List of documents verified

1. Annual Report for the financial year ending on 31st March, 2020.
2. 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.
3. Minutes of General Body Meeting held during the financial year under the audit.
4. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of transfers
 - Register of members
5. Notice and Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
7. All e-forms filed by the Company, from April 2020 to March 31, 2021, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under audit.
8. License to store LPG gas in pressure vessels valid upto 30.09.2022 for Mangalore, 31.12.2025 for Padur location and 30.09.2021 for Visakhapatnam.
9. Consent for discharge of effluents under section 25(4) of Water(Prevention and Control of Pollution) Act, 1974 and emission under section 21 of Air(Prevention and Control of Pollution) Act, 1981 for Padur facility valid till 30.6.2021.
10. No objection certificate for height clearance from Airports Authority of India for facility at Mangalore valid upto 26.4.2021.
11. Storage of crude oil is valid upto 31.12.2023 for Visakhapatnam.
12. Constitution of ICC under the Sexual Harassment of Women at the workplace (Prohibition, Prevention and Redressal) Act, and Annual Return filed under the Act for the period 1.1.2020-31.12.2020.

COMMENTS OF THE STATUTORY AUDITORS OF ISPRL ON THE FINANCIAL STATEMENTS OF INDIAN STRATEGIC PETROLEUM RESERVES LIMITED (ISPRL) FOR THE YEAR ENDED 31st MARCH 2021

The Financial Statements have been audited by M/s Goyal & Goyal (DE0577), Statutory Auditors of the Company appointed by the C&AG for the Financial Year 2020-21. The Statutory Auditors has given their remarks in their Audit Report in Annexure B of the report. The Management referring to note no. 28 (ii) of the notes to accounts which are given in the below mentioned table :

With reference to the observations of Statutory Auditor, ISPRL Management has clarified on loss gain determination method of stored crude by Company in its given below reply.

Statutory Auditors Comment	Management Reply
<p>Refer to Note No. 28 (ii), for quantification date of crude provided by the management. We have observed that there is shortage in crude oil held by the Company on behalf of Gol and excess in crude oil held by the company on behalf of ADNOC.</p> <p>Shortage in one and excess in another case, needs independent technical assessment to evaluate the same.</p>	<p>The excess of crude oil reflected in ADNOC stock is based on flow meter measurement readings for sale of crude oil. In the caverns for stock reconciliation, Tank Farm Management System (TFMS) is installed and level is measured through level transmitters. After every crude purchase and crude out / sale, level of crude oil in cavern is measured and certified by the Surveyor. The stock of ADNOC is fully reconciled when the same system of quantification i.e. level transmitters is used and loss of 2662 MT is observed and there is no crude oil gain in ADNOC stock.</p> <p>For loss or gain calculations, TFMS readings of cavern levels are used as reference level as opening and closing stock of Cavern are also based on TFMS. The pattern of loss in both the cases of GOI and ADNOC is same considering the same reference of quantification. All the crude oil readings both for ADNOC and Government of India's crude oil are certified by Surveyor. For GOI crude, the cumulative loss is 0.004% and for ADNOC crude, the</p>

Statutory Auditors Comment	Management Reply
	<p>cumulative loss is 0.002%. These are within the acceptable limit of loss of 0.03%.</p> <p>As per the advice of ISPRL Board, ISPRL is in process to prepare a concept paper with respect to crude oil stock quantity measurement based on best international practices.</p>



Annual Accounts 2020-21



INDIAN STRATEGIC PETROLEUM RESERVES LIMITED			
BALANCE SHEET AS AT MARCH 31, 2021			
CIN :- U63023DL2004GOI126973			
		₹ in lakhs	
Particulars	Note	As At 31 st March, 2021	As At 31 st March, 2020
ASSETS			
(I) Non-Current Assets			
(A) Property, Plant & Equipment	2	3,28,009.11	3,38,516.20
(B) Capital Work in Progress	2.1	-	-
(C) Intangible Assets	2.2	7,100.95	7,100.95
(D) Financial Assets			
(i) Loans	3	556.18	556.18
(ii) Other Financial Assets	4	74.64	74.64
(E) Income tax Assets (Net)		169.69	63.33
(F) Other Non Current Assets	5	9,816.17	-
Sub Total		3,45,726.74	3,46,311.30
(II) Current Assets			
(A) Financial Assets			
(i) Cash and cash equivalents	6	2,270.93	8,634.51
(ii) Bank Balances other than above	7	13,897.71	545.80
(iii) Other Financial Assets	8	3,012.64	3,910.30
(B) Other Current Assets			
	9	1,378.68	65,231.83
Sub Total		20,559.96	78,322.44
TOTAL		3,66,286.70	4,24,633.74
EQUITY AND LIABILITIES			
(I) Equity			
(A) Equity Share Capital	10	3,77,587.47	3,77,587.47
(B) Other Equity	11	(43,535.66)	(33,484.29)
Sub Total		3,34,051.81	3,44,103.18
(II) LIABILITIES			
Non-Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings		-	-
(ii) Other Financial Liabilities	12	562.12	870.14
Sub Total		562.12	870.14
(III) Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	13	9,816.17	-
(ii) Trade Payables	14	1,709.67	6,096.77
(iii) Other Financial Liabilities	15	14,127.49	7,640.43
(B) Other Current Liabilities			
	16	5,019.44	65,923.22
Sub Total		31,672.77	79,660.42
TOTAL		3,66,286.70	4,24,633.74
Significant Accounting Policies	1		
Notes on Accounts	2-28		
Notes referred above form an integral part of the Balance Sheet			
As per our report of even date attached			
For Goyal & Goyal		For and on behalf of the Board of Directors	
Chartered Accountants			
FRN 000066N		Sd/-	Sd/-
		(B.N. Reddy)	(H.P.S. Ahuja)
Sd/-		Director	CEO & MD
(CA Shobhit Gupta)		DIN : 08389048	DIN : 07793886
Partner			
Membership No. 502897		Sd/-	Sd/-
		(Gopeshwar Kumar Singh)	(Arun Talwar)
Place : New Delhi		CFO	Company Secretary
Date : 15.09.2021			

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021
CIN :- U63023DL2004GO1126973

Particulars	Note	₹ in lakhs	
		For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
INCOME			
Interest Income		85.56	358.13
Other Income	17	775.32	95.39
Total Income		860.88	453.52
EXPENSES			
Depreciation and Amortisation	18	9,868.16	10,408.74
Finance Cost (Ind AS 116)	19	11.86	12.10
O & M Expenses	20	11,446.95	13,769.56
Less:- O & M Expenses Recoverable/Recovered from GOI, ADNOC and/or HPCL		-	-
Expenses for Phase II		770.35	89.68
Total Expenses		10,650.38	10,510.52
Extra Ordinary			
Prior Period Adjustments		(261.87)	10.70
Loss Before Tax		(10,051.37)	(10,046.30)
Tax Expense:			
Current Tax		-	-
Income Tax Paid for Earlier Years (Under Vsv Scheme)		13.35	650.12
Less:- Recovered/Recoverable from GOI		(13.35)	(536.53)
Deferred Tax		-	-
Total Tax Expenses		-	113.59
Loss for the year		(10,051.37)	(10,159.89)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		(10,051.37)	(10,159.89)
Earning per Equity Share (Par Value of Rs.10/ each)	21		
(i) Basic		(0.27)	(0.27)
(ii) Diluted		(0.27)	(0.27)

Significant Accounting Policies

Notes on Accounts

Notes referred above form an integral part of Statement of Profit and Loss

As per our report of even date attached

1

2-28

For Goyal & Goyal

Chartered Accountants

FRN 000066N

Sd/-

(CA Shobhit Gupta)

Partner

Membership No. 502897

Place : New Delhi

Date : 15.09.2021

For and on behalf of the Board of Directors

Sd/-

(B.N. Reddy)

Director

DIN : 08389048

Sd/-

(Gopeshwar Kumar Singh)

CFO

Sd/-

(H.P.S. Ahuja)

CEO & MD

DIN : 07793886

Sd/-

(Arun Talwar)

Company Secretary

**INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021**

CIN :- U63023DL2004GOI126973

₹ in lakhs

Sr. No.	Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(A)	CASH FLOW STATEMENT FROM OPERATING ACTIVITIES		
	Net Profit Before Taxation	(10,051.37)	(10,046.30)
	Adjustments for :-		
	Tax	-	(113.59)
	Depreciation	9,883.28	10,408.74
	Finance Cost (Ind AS 116)	11.86	12.10
	Interest Income	(85.56)	(358.13)
	Operating Profit Before Working Capital Changes	(241.79)	(97.18)
	Adjustments for :-		
	(Increase)/ Decrease in Financial & Other Assets	54,935.14	(67,279.47)
	Increase/(Decrease) in Liabilities & Provisions	(57,573.34)	66,440.52
	Net Increase/(Decrease) in Working Capital	(2,638.19)	(838.95)
	Cash Generated from Operations	(2,879.98)	(936.13)
	Direct Taxes Paid (Net of Refunds)	(106.36)	76.05
	Total Cash Flow from Operation (A)	(2,986.34)	(860.08)
(B)	CASH FLOW FROM INVESTING ACTIVITIES (Cr.)		
	Purchase of Fixed Assets/ CWIP	(12.91)	(367.95)
	Decapitisation of Property Plant and Machinery	636.72	-
	Investment in FDR's (More than 3 months)	(13,352.43)	(31.47)
	Interest Received	85.56	358.13
	Net Cash Used in Investing Activities (B)	(12,643.06)	(41.29)
(C)	CASH FLOW FROM FINANCING ACTIVITIES (Cr.)		
	Proceeds from Borrowings	9,816.17	-
	Proceeds from Grants (Net of Refund)	235.13	635.00
	Amortisation of Grant from OIDB	(770.36)	(89.68)
	Stamp Duty on Issue of Share Capital	-	(2.75)
	Interest Cost (Ind AS 116)	(11.86)	(12.10)
	Lease Liabilities (Ind AS 116)	(3.26)	568.70
	Net Cash From Financing Activities (C)	9,265.82	1,099.17
(D)	Net Increase/ Decrease in Cash & Cash Equivalents (A-B+C)	(6,363.58)	197.80
	Opening Balance of Cash & Cash Equivalents	8,634.51	8,436.71
	Closing Balance of Cash & Cash Equivalents	2,270.93	8,634.51

As per our report of even date attached

For Goyal & Goyal

Chartered Accountants

FRN 000066N

Sd/-

(CA Shobhit Gupta)

Partner

Membership No. 502897

Place : New Delhi

Date : 15.09.2021

For and on behalf of the Board of Directors

Sd/-

(B.N. Reddy)

Director

DIN : 08389048

Sd/-

(Gopeshwar Kumar Singh)

CFO

Sd/-

(H.P.S. Ahuja)

CEO & MD

DIN : 07793886

Sd/-

(Arun Talwar)

Company Secretary

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Balance at the beginning of the reporting period	3,77,587.47	3,74,837.47	
Changes in equity share capital during the year	-	2,750.00	
Balance at the end of the reporting period	3,77,587.47	3,77,587.47	
b. Other equity		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
	Retained earnings		
Balance at the beginning of the reporting period	(33,484.29)	(23,321.65)	
Profit / (Loss) for the year	(10,051.37)	(10,159.89)	
Stamp Duty on Share Issued	-	(2.75)	
Other comprehensive income for the year	-	-	
Balance at the end of the reporting period	(43,535.66)	(33,484.29)	
For Goyal & Goyal Chartered Accountants FRN 000066N Sd/- (CA Shobhit Gupta) Partner Membership No. 502897 Place : New Delhi Date : 15.09.2021		For and on behalf of the Board of Directors Sd/- (B.N. Reddy) Director DIN : 08389048 Sd/- (Gopeshwar Kumar Singh) CFO Sd/- (H.P.S. Ahuja) CEO & MD DIN : 07793886 Sd/- (Arun Talwar) Company Secretary	

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

Note No. 2 : Property, Plant and Equipment

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1 st April, 2020	Additions during the year	Impact of Ind AS 116	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31 st March, 2021	Depreciation upto 31.03.2020	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31 st March, 2021	AS AT 31 st March, 2021	AS AT 31 st March, 2020	₹ in lakhs
(a) Building	18,503.73	-	-	(56.23)	18,447.50	1,439.57	511.56	(0.61)	1,950.52	16,496.88	17,064.06	
(b) Roads & culverts	3,165.30	-	-	-	3,165.30	1,322.12	291.91	-	1,614.03	1,551.27	1,843.18	
(c) Plant & Machinery	1,26,759.86	-	-	-	1,26,759.86	14,676.62	5,159.21	-	19,835.83	3,08,924.03	1,12,083.24	
(d) Caverns	2,03,579.56	-	-	(631.23)	2,02,948.33	9,325.85	3,392.87	(10.52)	12,708.20	1,96,240.13	1,94,253.71	
(e) Furniture and Fixtures	129.05	-	-	38.06	167.11	47.97	17.13	1.25	66.35	100.76	81.09	
(f) Transport Vehicles	131.41	-	-	-	131.41	42.06	15.61	-	57.67	73.74	89.35	
(g) Office equipment	436.54	6.29	-	8.79	451.62	329.54	53.28	0.58	383.40	68.22	107.00	
(h) Computer	1,233.03	6.62	-	3.89	1,243.54	975.21	135.25	(218.31)	892.15	350.39	257.82	
(i) Right of Use (Ind AS 116)	13,269.83	-	-	-	13,269.83	533.07	533.07	-	1,066.14	12,203.69	12,736.76	
Total	3,67,208.31	12.91	-	(636.72)	3,66,584.50	28,682.11	10,110.89	(227.61)	38,575.39	3,28,009.11	3,36,516.20	
Previous Year	₹ in lakhs											
Particulars	As at 1 st April, 2019	Additions during the year	Impact of Ind AS 116	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	As at 31 st March, 2020	Depreciation upto March, 2019	Depreciation during the year	Disposals/ Deductions/ Transfers / Reclassifications/ Reestimation of Life	Total Depreciation upto 31 st March, 2020	AS AT 31 st March, 2020	AS AT 31 st March, 2019	
(a) Building	18,341.95	161.78	-	-	18,503.73	925.72	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	1,26,759.86	-	-	-	1,26,759.86	9,509.10	5,167.52	-	14,676.62	1,12,083.24	1,17,250.76	
(d) Caverns	2,03,304.20	235.36	-	-	2,03,579.56	5,543.95	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	26.05	15.61	-	42.06	89.35	104.96	
(g) Office equipment	424.52	11.62	-	-	436.54	247.70	81.84	-	329.54	107.00	177.22	
(h) Computer	1,216.42	16.81	-	-	1,233.03	890.97	284.24	-	975.21	257.82	525.25	
(i) Right of Use (Ind AS 116)	-	-	13,269.83	-	13,269.83	533.07	533.07	-	533.07	12,736.76	-	
Total	3,53,512.84	425.84	13,269.83	-	3,67,208.31	18,268.25	10,423.86	-	28,692.11	3,38,516.20	3,35,244.59	

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

Note No. 2.1 : Capital Work in Progress

		₹ in lakhs	
Particulars		As at 31 st March, 2021	As at 31 st March, 2020
Phase - I			
- Vishakhapatnam Cavern Storage Project	Opening Balance	-	42.57
	Add : Additions During the Year	-	119.21
	Less : Capitalized/Decapitalized during the Year	-	(161.78)
Total (Capital Work in Progress)	Closing Balance	-	-

Note No. 2.2 : Intangible Assets

		₹ in lakhs	
Particulars		As at 31 st March, 2021	As at 31 st March, 2020
Intangible Assets (ROU for Pipeline)			
Gross Block as on beginning of the year		7,100.95	7,100.95
Addition/Transfer from other assets during the year		-	-
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		-	-
Net Block		7,100.95	7,100.95
Note : ROU for pipeline are acquired on perpetual basis, hence no amortization is being provided.			

Notes Forming Part of The Financial Statements

Note No. 3 Loans		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
(Unsecured considered good at amorised cost)			
Security Deposits	556.18	556.18	
TOTAL	556.18	556.18	
Note No. 4 Other Financial Assets		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Advance against demand of Entry Tax	74.64	74.64	
TOTAL	74.64	74.64	
Note No. 5 Other Non Current Assets		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
(Unsecured considered good at amortised cost)			
Capital Advance to KIADB for Land (Phase II)	9,816.17	-	
TOTAL	9,816.17	-	
Note No. 6 Cash & Cash Equivalent		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Bank Balances :			
In Current Accounts	2,222.73	3,793.69	
In Fixed Deposit (Maturity within three months)	48.00	4,840.74	
Cash Balances :			
Cash - In Hand	0.20	0.08	
TOTAL	2,270.93	8,634.51	
Note No. 7 Bank Balances other than above		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Fixed Deposit (Maturity more than three months but due in one year)	13,897.71	545.80	
TOTAL	13,897.71	545.80	
Note No. 8 Other Financial Assets		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
(Unsecured considered good at amortised cost)			
O&M Expenses Receivable From GOI	-	2,460.21	
O&M Expenses Receivable From HPCL	2,015.94	1,151.37	
Phase II Expenses Receivable From GOI	49.15	-	
Operating and Other Expenses recoverable from ADNOC	877.28	280.78	
Fixed Deposits (Maturity more than one year)	0.52	-	
Accrued Interest	19.33	17.57	
Advances recoverable in cash or kind	50.42	0.37	
TOTAL	3,012.64	3,910.30	

Notes Forming Part of The Financial Statements

Note No. 9 Other Current Assets	₹ in lakhs	
	As at 31 st March, 2021	As at 31 st March, 2020
Particulars		
(Unsecured considered good)		
Recoverable from MRPL in cash or in kind	-	64,569.00
Advances to Supplier	3.77	7.87
Prepaid Expenses	735.78	-
GST Credit	639.12	654.25
Others	0.01	0.71
TOTAL	1,378.68	65,231.83

Note No.10 : Share Capital				
Particulars	₹ in lakhs			
	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Share Capital				
(a) Authorised				
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) Issued, Subscribed and fully paid up				
Equity shares of Rs.10/- each	3,77,58,74,670	3,77,587.47	3,77,58,74,670	3,77,587.47
Notes :				
(i) Reconciliation of the number of equity shares :				
Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
Equity shares of Rs.10/- each				
Opening Balance	3,77,58,74,670		3,74,83,74,670	
Shares Issued	-		2,75,00,000	
Shares bought back	-		-	
Closing Balance	3,77,58,74,670		3,77,58,74,670	
(ii) Details of shareholders holding more than 5% shares :				
Name of shareholders	As at 31 st March, 2021		As at 31 st March, 2020	
	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%	3,77,58,74,670	100%
TOTAL	3,77,58,74,670	100%	3,77,58,74,670	100%
(iii) Terms/Rights attached to equity shares				
The company has only one class of equity shares having par value of Rs. 10 each and is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held				
(iv) For the period of preceeding five years as on the Balance Sheet date, the :				
(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

Note No. 11 Other Equity		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Balance of Retained Earnings :			
Balance brought (Loss) Forward from Last Year's Accounts	(33,484.29)	(23,321.65)	
Stamp Duty on Share Issued	-	(2.75)	
(Loss) for the year	(10,051.37)	(10,159.89)	
TOTAL	(43,535.66)	(33,484.29)	
Note No. 12 Other Financial Liabilities (At Amortized Cost)		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Deposit/Retention from Suppliers/Contractors	0.20	304.70	
Lease Obligation (Ind AS 116)	561.92	565.44	
TOTAL	562.12	870.14	
Note No. 13 Borrowings		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
i) Unsecured Loans from Related Parties (OIDB) (Interest Free)	9,816.17	-	
TOTAL	9,816.17	-	
Note No. 14 Trade Payable		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
i) Dues of Micro & Small Enterprises	0.52	70.46	
ii) Payable for Capital Expenditure	94.71	1,866.07	
iii) Dues to others	1,614.44	4,160.24	
TOTAL	1,709.67	6,096.77	
Note No. 15 Other Financial Liabilities (At Amortized Cost)		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
(At amortized cost)			
Payable to Adnoc	7,000.00	7,000.00	
Lease Obligation (Ind AS 116)	3.52	3.26	
Advance Received from GOI against O&M Expenses	6,209.81	-	
Deposit from Suppliers/Contractors	914.16	637.17	
TOTAL	14,127.49	7,640.43	
Note No. 16 Other Current Liabilities		₹ in lakhs	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020	
Statutory Dues	149.18	700.05	
Payable/Refundable to MoPNG (Crude Oil)	4,182.15	64,569.00	
Payable to MoPNG (Interest on Unspent Amount)	1,548.86	-	
Payable to HPCL Vizag	97.28	76.97	
Grant from OIDB	29.36	564.59	
Others	12.61	12.61	
TOTAL	6,019.44	65,923.22	

Note No.17 Other Income

Other Income in Profit & Loss Account Particulars	₹ in lakhs	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Other Income		
Amortisation of Grant from OIDB (Phase II)	770.36	89.68
Penalty and Liquidated Damages	2.62	3.62
Interest on Income Tax Refund	2.34	2.09
TOTAL INCOME	775.32	95.39

Note No. 18 Depreciation and Amortisation

Particulars	₹ in lakhs	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Depreciation	9,350.21	9,890.79
Amortisation of Lease Rental (Leasehold Land)	533.07	533.07
Less :- Recovery as O&M Expenses from GOI (Ind AS 116)	(15.12)	(15.12)
Net Depreciation and Amortization	9,868.16	10,408.74

Note No.19 Finance Cost

Particulars	₹ in lakhs	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest on Lease Liabilities	41.59	41.83
Less :- Recovery as O&M Expenses from GOI (Ind AS 116)	(29.73)	(29.73)
Net Depreciation and Amortization	11.86	12.10

Note No. 20 Other Expenses

Particulars	₹ in lakhs	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
O&M Expenses		
a) Manpower Expenses (Project site) (other than ITBP)	4,309.17	4,148.70
b) Manpower Expenses - ITBP	1,311.96	4,001.51
c) Electricity Expenses	1,360.10	1,455.19
d) Insurance Expenses	2,428.52	1,874.62
e) Consumable Expenses	472.94	384.42
f) Mangalore Special Economic Zone O & M Charges	107.13	28.99
g) Other Expenses	1,367.36	1,586.27
h) Corridor Charges- Mangalore	89.77	289.86
Total	11,446.95	13,769.56
Less :- O & M Expenses Recoverable/Recovered from GOI and/or HPCL	11,069.92	13,769.56
Less :- Operational Cost Recoverable from ADNOC	377.03	-
DFR Expenses for Phase II	770.36	89.68
TOTAL	770.36	89.68

Note No. 21 Disclosures of EPS under Indian Accounting Standards - 33		₹ in lakhs	
Note	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
	Earnings per share		
(i)	Basic		
	Profit/(Loss) for the year attributes to the equity shareholders	(10,051.37)	(10,159.89)
	Weighted number of equity shares Outstanding	3,77,58,74,700	3,77,32,37,684
	Par value per share	10.00	10.00
	Loss per share from continuing operations - Basic	(0.27)	(0.27)
(ii)	Diluted		
	Profit/(Loss) for the year attributes to the equity shareholders	(10,051.37)	(10,159.89)
	Weighted number of equity shares Outstanding - For Diluted	3,77,58,74,700	3,77,32,37,684
	Par value per share	10.00	10.00
	Loss per share from continuing operations - Diluted	(0.27)	(0.27)

Note No. 22 Leases, Commitments and Contingencies

22.1	Leases
	<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. 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 OIDB'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>

Amount recognised in the statement of Profit and Loss Account or Carrying Amount of Right of Use:		(₹ in lakhs)	
		2020-21	2019-20
(ii)	-Prepaid Lease Rental (earlier shown as current Asset and Non current Asset as Operating Lease) capitalised as Right of use	NA	12698.11
	- Increase of Right of Use and Lease Obligation	NA	571.72
	- Depreciation Recognised on increased Right of Use	15.12	15.12
	- Depreciation Recognised on Prepaid Lease Rental	517.95	517.95
	- Interest on Lease Obligation	41.59	41.83
	- Incremental Borrowing Rate	7.94%	7.94%
	- Lease Rental Payment	44.85	44.85
The Details of Right of Use included in PPE held as leases by class of underlying assets is presented below:			
		₹ in lakhs	
Asset Class	Item Added to RoU Asset as on 31.03.2019	Accumulated Depreciation	Net Carrying Value as on 31.03.2021
Leasehold land	13,269.83	1,066.14	12,203.69
<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>			
(i)	<p>Variable Lease Payments</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>		
(ii)	<p>Extension and Termination Options</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 if there is a significant change in circumstances within its control, However, where company has the solo discretion to extend the contract such lease term is included for the purpose of calculation of lease liabilities.</p>		
(iii)	<p>Residual value Guarantees</p> <p>There are no Residual value guarantees.</p>		
(iv)	<p>Committed lease which are yet to commence</p> <p>There is no committed lease which is yet to commence.</p>		
(v)	<p>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 year by Rs-11.86 Lakhs (Previous Year :- Rs. 12.11 Lakhs) (Increase in Depreciation & Amortization expenses and Finance cost) by Rs.56.71 Lakhs (Previous Year Rs. 56.96 Lakhs) respectively and decrease in office, Administration, Selling & other Expenses by Rs. 44.85 Lakhs (Previous Year Rs. 44.85 Lakhs).
22.2	<p>Contingent liabilities and commitments (to the extent not provided for)</p> <p>Particulars</p> <p>(A) Contingent liabilities</p> <p>Claims against the company not acknowledged as debts amounting to ₹96174.59 lakhs (2020: ₹98866.59 Lakhs) comprising of</p> <p>a) Disputed Demand of Royalty by Department of Mines and Geology at Vizag ₹11794.95 Lakhs (2020: ₹11794.95 Lakhs)</p> <p>B) Disputed claims by the contractors for ₹84305.00 Lakhs (2020: ₹86997.00 Lakhs) rejected by EIL on account of projects undertaken on various sites for which cases are pending with Arbitrators. For one of the claim, an arbitration award in favour of HCC Limited for ₹3599.86 Lakhs has been made along with legal cost of ₹75 lakhs and interest @9 % from 10th November 2017, which is estimated to be ₹1098 Lakhs till 31st March 2021 on 26th June 2021. The company is in process of filing an appeal against the same.</p> <p>C) Disputed demands of Entry Tax ₹74.64 Lakhs (2020: ₹74.64 Lakhs). The Company has availed Kar Samadhan Scheme promulgated by Government of Karnataka for resolution of dispute of Entry Tax. As per Company there is no liability and the Company has filed writ petition against the coercive recovery of ₹74.64 Lakhs toward entry tax and the matter is pending before honourable Karnataka High Court.</p> <p>(B) Capital Commitments</p> <p>Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (2020: Nil)</p>

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED
Notes Forming Part of The Financial Statements
Note No. 23 : Related Party Disclosures

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

Particulars
Details of related Parties :

Description of relationship	Names of related parties
Holding Organisation	Oil Industry Development Board (OIDB) holding 100% equity in the Company
Key Management Personnel (KMP)	(1) Shri HPS Ahuja, CEO & MD (2) Shri Gopeshwar Kumar Singh, CFO (w.e.f. 05.11.2020) (3) Shri Gautam Sen, CFO (upto 16.10.2020) (4) Shri Arun Talwar, Company Secretary Board of Directors (Ex-Officio) Shri Tarun Kapoor, Chairman (w.e.f 15.05.2020) Shri M M Kutty, Chairman (upto 30.04.2020) Shri Rajesh Agarwal, Director (W.e.f 01.01.2020) Shri B.N Reddy, Director (W.e.f 09.04.2019) Dr. Niranjan Kumar Singh, Director (W.e.f 01.01.2020) Ms. Indrani Kaushal, Director (W.e.f 01.08.2019)

(₹ in lakhs)

(i) KMP Remunerations (Based on debits note)	For year ending on 31 st March, 2021	For year ending on 31 st March, 2020
	CEO & MD	47.29
CFO	74.43	63.31
CS	56.34	45.54
TOTAL	178.06	169.88
(ii) Holding Company (OIDB)		
Allotment of Shares/Share application money	-	2,750.00
Reimbursement of expenses to OIDB	22.12	25.96
Grant for Phase II expenditures	594.91	635.00
Return of unutilized Grant for Phase II	359.78	-
Interest Free Unsecured Loan	9,816.17	-
Balances outstanding with related parties :		
		(₹ in lakhs)
	As on 31 st March, 2021	As on 31 st March, 2020
(i) Holding Company (OIDB)		
Unsecured Loan	9,816.17	-
Reimbursement of expenses payable to OIDB	20.49	22.12

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

Note No. 24 : SEGMENT REPORTING

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

Note No. 25 : FINANCIAL INSTRUMENTS

Financial instruments by category

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

Note No. 26 : 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. Presently company has no revenue model and O&M are met with GBS hence it is not exposed to any material interest rate risk.

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

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

2) Market risk

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

3) Credit risk

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

4) Liquidity risk

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

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

₹ in lakhs

Particulars	Less than 1 year	1-2 years	2-4 years	More than 4 yrs	Total
Borrowings	9,816.17	-	-	-	9,816.17
Trade payables	1,709.67	-	-	-	1,709.67
Other financial liabilities	14,127.49	4.00	8.52	549.60	14,689.61
Total	25,653.33	4.00	8.52	549.60	26,215.45

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

₹ in lakhs

Particulars	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	7,640.43	308.22	7.90	554.02	8,510.57
Total	13,737.20	308.22	7.90	554.02	14,607.34

Note No. 27 : 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 31st March, 2021 and 31st March, 2020.

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

Note No. 28 : OTHER NOTES

28 Others Notes

(i) The company had availed the benefit under Vivad se Vishwas Act, 2020 and paid a liability of Rs. 663.47 lakhs. The matter is under review by Income Tax Department for issuance of Form-5.

(ii) The Sovereign Crude Oil Reserves have been kept at three sites Padur, Mangalore and Visakhapatnam. Cavern B at Visakhapatnam is used by HPCL for its operation and property in crude is purely owned by HPCL. Cavern A at Mangalore is used by ADNOC for Crude Oil owned by ADNOC under agreement with ISPRL.

GOVERNMENT OF INDIA- CRUDE OIL

Particulars	31.03.2021 (Qty. in MT)	31.03.2020 (Qty. in MT)
Opening Stock of Crude Oil (As per Surveyor Report) (a)	18,55,457.49	19,47,211.00
Add:- Procured during the year :		
As per Bill of lading (b)	24,10,121.63	8,29,778.73
Actual as per Surveyor Report (c)	24,10,095.82	8,26,700.49
Less:- Transferred (d)	41,453.00	9,05,029.69
Net Quantity as per actual as on close of the year (a+c)-(d)	42,24,100.31	18,68,881.80
Total quantity under Custody as at close of the year (As per Surveyor Report)	42,13,678.99	18,55,457.49

ADNOC- CRUDE OIL

Opening Stock of Crude Oil (As per Surveyor Report) (a)	3,74,918.53	7,28,846.84
Add:- Procured during the year		
As per Bill of lading (b)	5,16,604.00	-
Actual as per Surveyor Report (c)	4,98,308.11	-
Less:- Transfer by ADNOC during the year (d)	3,69,702.30	3,69,119.70
Net Quantity as per actual as on close of the year (a+c)-(d)	5,03,524.34	3,59,727.14
Total quantity under Custody as on 31 st March 2021 (As per Surveyor Report)	5,17,387.96	3,74,918.53

PAYABLE TO MOPNG (CRUDE OIL)

	2020-21	2019-20
Payable/Refundable to GOI/MoPNG as at 01st April 2020	64,569.00	-
Add:- Amount received for Crude Oil during the year	3,00,000.00	-
Less:- Crude Oil Procured (Net of Transfer) (Including Clearing and Other Expenses) during the year	2,85,386.85	-64,569.00
Less:- Amount refunded to GOI/MoPNG	75,000.00	-
Payable/Refundable to GOI/MoPNG as at 31 st March, 2021	4,182.15	64,569.00

(iii) Application for Land allotment for Chandikhol project was submitted to Government of Odisha, ASI survey of land has been completed and clear report submitted to government. EIA studies were started for Phase 2 by NEERI during the FY 2019-20 and draft report has been received. The DFR for construction of SPM and associated pipeline at Padur was awarded to M/S Engineers India Limited. Rs 98.16 crores was paid to KIADB for land acquisition of Phase-II of Padur Project this amount was funded by OIDB on returnable basis and shown as unsecured loan from related parties under the head borrowings. The proposal for Phase 2 on PPP mode has been approved by cabinet in the meeting held on 8th July 2021.

(iv) For Cavern "A" 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 AMI India(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 receipt of invoice from ADNOC. The same is grouped as other financial liabilities.

	<p>The Parties acknowledge and agree that ISPRL, will, at all times, continue to retain an ownership interest in the AMI India (ADNOC) oil equal to the Dead Stock quantity.</p> <p>Provision for liability, if any, towards the storage loss and operational loss relating to agreement with ADNOC oil will be made after quantification by Company.</p>																				
(v)	<p>As on 31st March, 2021, the Company's day to day work is handled by 16 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 five 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 employee of ISPRL w.e.f 1st Nov, 2019 on contractual basis consequent to his superannuation from parent company ONGC. No Employee of the ISPRL were entitled to any retirement benefit during the year and hence no provision for the same has been made.</p>																				
(vi)	<p>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).</p>																				
(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 25th 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 company has adhered to all applicable government guidelines / SOPs during the lockdown for safety of its employees and business partners.</p>																				
(viii)	<p>Rocks excavated from Mangalore and Padur are lying at sites. E-auction for Rock Debris at Padur was conducted through Mineral State Trading Corporation (MSTC) and the price of Rs 106 /MT was bid by the successful bidder for lifting 2 lakh MT of Rock debris from Padur. There is no lifting/sale of Rock during the year.</p>																				
(ix)	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Details of O & M Expenditure</th> <th style="text-align: right;">₹ in Lakhs</th> </tr> </thead> <tbody> <tr> <td>O&M Expenditure Claimed from GOI/HPCL/ADNOC during the Year (2020-21)</td> <td style="text-align: right;">14,569.47</td> </tr> <tr> <td>Less:- O & M Expenditure booked in previous year but claimed during the year</td> <td style="text-align: right;">3,711.30</td> </tr> <tr> <td>Add:- O & M Expenditure for the period not claimed during the year, to be claimed</td> <td style="text-align: right;">1,367.87</td> </tr> <tr> <td>Less:- O & M Expenditure Extra Claimed/ Prepaid Expenses</td> <td style="text-align: right;">820.89</td> </tr> <tr> <td>Net O & M Expenditure incurred during the year (Inclusive of Depreciation, Finance Cost and Tax Expenses)</td> <td style="text-align: right;">11,505.15</td> </tr> <tr> <td>Amount Recoverable from GOI/HPCL at the year end (2019-20)</td> <td style="text-align: right;">3,611.58</td> </tr> <tr> <td>Add:- Net O & M Expenditure for the year</td> <td style="text-align: right;">11,505.15</td> </tr> <tr> <td>Less:- Amount Recovered from GOI/HPCL during the year (Including Rs. 4800.00 Lakhs from GOI as revolving advance towards O&M Expenses)</td> <td style="text-align: right;">18,933.57</td> </tr> <tr> <td>Amount Recoverable (Received in advance) from GOI/HPCL/ADNOC as on 31st March 2021</td> <td style="text-align: right;">(3,816.84)</td> </tr> </tbody> </table>	Details of O & M Expenditure	₹ in Lakhs	O&M Expenditure Claimed from GOI/HPCL/ADNOC during the Year (2020-21)	14,569.47	Less:- O & M Expenditure booked in previous year but claimed during the year	3,711.30	Add:- O & M Expenditure for the period not claimed during the year, to be claimed	1,367.87	Less:- O & M Expenditure Extra Claimed/ Prepaid Expenses	820.89	Net O & M Expenditure incurred during the year (Inclusive of Depreciation, Finance Cost and Tax Expenses)	11,505.15	Amount Recoverable from GOI/HPCL at the year end (2019-20)	3,611.58	Add:- Net O & M Expenditure for the year	11,505.15	Less:- Amount Recovered from GOI/HPCL during the year (Including Rs. 4800.00 Lakhs from GOI as revolving advance towards O&M Expenses)	18,933.57	Amount Recoverable (Received in advance) from GOI/HPCL/ADNOC as on 31st March 2021	(3,816.84)
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Amount Recoverable (Received in advance) from GOI/HPCL/ADNOC as on 31st March 2021	(3,816.84)																				

(x)	Deferred Tax In the absence of Taxable Income no provision for income tax has been considered necessary. Further, Deferred Tax Asset has also not been recognized as there is no reasonable certainty with convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Asset can be adjusted.		
(xi)	Dues to Micro and Small Enterprises have been determined as Rs.0.52 lakhs as on 31 st March, 2021 (previous year Rs. 70.46 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)	Interest earned by the company on advances received from Govt for procurement of crude oil are payable to Govt and have been shown under other current liabilities.		
(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 FY 2020-21 for the audit and other items are as follow:		
		F.Y. 2020-21 (Lakhs in INR)	F.Y. 2019-20 (Lakhs in INR)
	Payment to Statutory Auditor		
	Audit Fees (Incl. GST)	1.77	1.77
	Certification (Incl. GST)	0.06	0.02
	Out of Pocket Expenses	0.00	0.00
	Payment to Internal Auditor		
	Audit Fees (Incl. GST)	0.35	0.35
	Other Services	NIL	NIL
	Payment to Secretarial Auditor		
	Audit Fees	0.10	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)	ISPRL had obtained interest free unsecured loan of Rs. 98,16,17,120/- for payment to KIADB demand letter No. KIADB/CK/LAQ/M/2542/10953/2020-21 dated 31st December 2020 against land acquisition cost for acquiring 210 acres 4 cents land at Padur and Kalathur village for ISPRL Padur Phase II project.		
(xix)	Manpower Expenses for Phase II projects was paid from internal accruals and the same will be charged to grant for Phase-II project released during the year 2021-22.		
(xx)	Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.		
(xxi)	The financial statements have been approved for by the Board of directors on 15 th September, 2021.		

Note No. 1 : Significant Accounting Policies

Corporate Information and Significant Accounting Policies

1. CORPORATE INFORMATION

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

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

The main objects of the Company are:

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

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

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

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

1A: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The Financial statements are prepared 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. An impairment loss is recognized in the statement of profit and loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the assets.

1.6 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 1st April, 2021

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 31ST MARCH 2021

The preparation of financial statements of Indian Strategic Petroleum Reserves Limited for the Year ended 31st March, 2021 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 129 (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 15th September, 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Strategic Petroleum Reserves Limited (ISPRL) for the year ended 31st March, 2021 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**

**Sd/-
C.M. Sane
Director General of Commercial Audit, Mumbai**

Place: Mumbai

Date: 02nd November, 2021



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 or any oil industrial concern repayable within a period not exceeding twenty-five years from the date on which they are subscribed to:

Provided that nothing contained in this clause shall be deemed to preclude the Board from subscribing to the debentures of any oil industrial concern, the amounts outstanding

thereon may be convertible at the option of the Board into stock or shares of that concern within the period the debentures are repayable.

Explanation : In this clause, the expression "amounts outstanding thereon" used in relation to any loan or advance shall mean the principal, interest and other charges payable on such loan or advance as at the time when the amounts are sought to be converted into stock or shares.

- (3) Without Prejudice to the generality of the provisions of sub-section (1), the measures for the promotion of which the board may render assistance under that sub-section may include measures for or by way of—
- (a) Prospecting for an exploration of mineral oil within India (including the continental shelf thereof) or outside India;
 - (b) The establishment of facilities for production, handling, storage and transport of crude oil;
 - (c) Refining and marketing of petroleum and petroleum products;
 - (d) The manufacture and marketing of petrochemicals and fertilizers;
 - (e) Scientific, technological and economic research which could be, directly or indirectly, useful to oil industry;
 - (f) Experimental or pilot studies in any field of oil industry;
 - (g) Training of personnel, whether in India or outside, engaged or to be engaged in any field of oil industry, and such other measures as may be prescribed.
- (4) The Board may charge such fees or receive such commission as it may deem appropriate for any services rendered by it in the exercise of its functions.
- (5) The Board may transfer for consideration any instrument relating to loans or advances granted by it to any oil industrial concern or other person.
- (6) The Board may do all such things as may be incidental to or consequential upon the discharge of its functions under this Act.

FINANCE, ACCOUNTS AND AUDIT

SECTION 15 OF THE OIL INDUSTRY (DEVELOPMENT) ACT, 1974– DUTIES OF EXCISE

15 (1) There shall be levied and collected, as a cess for the purposes of this Act, on every item specified in column 2 of the schedule, which is produced in India (including the continental shelf thereof) and-

- (a) removed to a refinery or factory; or
- (b) transferred by the person by whom such item is produced to another person,

a duty of excise at such rate not exceeding the rate set forth in the corresponding entry in column 3 of the Schedule, as the Central Government may, by notification in the Official Gazettee, specify:

Provided that until the Central Government specifies by such notification the rate of the duty of excise in respect of crude oil (being an item specified in the schedule) the duty of excise on crude oil under this sub-section shall be levied and collected at the rate rupees sixty per tonne. (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