

IMPORTANT NOTICE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT TO PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN AN OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU ON OR PRIOR TO THE CLOSING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to the Issuer, the Guarantor and the Joint Lead Managers (as defined herein) that (i) the electronic mail address that you gave to the Issuer, the Guarantor and the Joint Lead Managers (as defined herein) and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached document, you will be doing so pursuant to Regulation S under the Securities Act and (ii) you consent to delivery of such offering circular and any amendments and supplements thereto by electronic transmission. You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person. The materials relating to the offering of the securities (the “**Offering**”) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer or the Guarantor in such jurisdiction. This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Guarantor nor any of the Joint Lead Managers nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Oil India International Pte. Ltd.

(incorporated with limited liability in Singapore)

**U.S.\$500,000,000 4.00 per cent. Notes due 2027 (the “Notes”)
Issue price for the Notes: 99.584 per cent.**

Unconditionally and irrevocably guaranteed by



(incorporated with limited liability in India)

The U.S.\$500,000,000 4.00 per cent. notes due 2027 (the “Notes”) are issued by Oil India International Pte. Ltd. (the “**Issuer**”). The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Oil India Limited (the “**Guarantor**”) on an unsecured and unsubordinated basis (the “**Guarantee**”). The Guarantor’s potential liability under its Guarantee is capped at an amount equal to 110.0 per cent. of the total initial aggregate principal amount of the Notes being U.S.\$550,000,000 (the “**Guaranteed Amount**”). The Guaranteed Amount will be reduced by any amounts paid by the Guarantor under the Guarantee from time to time.

The Notes will be direct, senior, unconditional and unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all of the Issuer’s other outstanding unsecured and unsubordinated obligations, present and future. The Guarantees will be direct, senior, unconditional and unsecured obligations of the Guarantor and will rank *pari passu*, without preference among themselves, with all of the Guarantor’s other outstanding unsecured and unsubordinated obligations, present and future.

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, in the event of certain tax changes as described under “*Terms and Conditions of the Notes – Redemption and Purchase*”. The Notes mature on 21 April 2027. Noteholders may require the Issuer to redeem all, or some, of the Noteholders Notes at their principal amount together with any accrued but unpaid interest up to but excluding the Change of Control redemption date, which shall be 30 days after the Change of Control or 45 days following the date on which notice thereof is given to Noteholders. The Notes will be issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Approval-in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor or the Notes.

The Notes are expected to be rated BBB- by Fitch Ratings (“**Fitch**”) and Baa2 by Moody’s Investors Service, Inc. (“**Moody’s**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. This Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies in India in accordance with the Companies Act, 1956, Companies Act, 2013 and other laws for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities to the public or any person resident in India. The Notes have not been and will not be offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

The Notes will initially be represented by a global certificate in registered form (the “**Global Certificates**”) which will be registered in the name of a nominee of a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). It is expected that delivery of the Global Certificates will be made on 21 April 2017 or such later date as may be agreed (the “**Closing Date**”) by the Issuer, the Guarantor and the Joint Lead Managers (as defined under “*Subscription and Sale*”).

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “Risk Factors” on page 14.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

BARCLAYS

CITIGROUP

**STANDARD CHARTERED
BANK**

Joint Lead Managers and Joint Bookrunners

DBS BANK LTD.

MIZUHO SECURITIES

MUFG

The date of this Offering Circular is 11 April 2017.

NOTICE TO INVESTORS

Each of the Issuer and the Guarantor accepts responsibility for the Information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Offering Circular contains all material information with respect to the Issuer, the Guarantor and the Notes (including all information which, according to the particular nature of the Issuer, the Guarantor and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and of the rights attaching to the Notes), that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer and the Guarantor accept responsibility accordingly.

Neither the Joint Lead Managers nor the Agents (as defined in the Agency Agreement (as defined herein)) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer and the Guarantor in connection with the offering of the Notes. Neither the Joint Lead Managers nor the Agents accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer and the Guarantor in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, the Guarantor, or the Agents to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Joint Lead Managers or the Agents.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor, any of the Joint Lead Managers, the Agents that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, any of the Joint Lead Managers, or the Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Joint Lead Managers and the Agents do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Joint Lead Managers or the Agents which is intended to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, the European Economic Area, India, Hong Kong and Singapore, see “Subscription and Sale”.

IN CONNECTION WITH THE ISSUE OF THE NOTES, A JOINT LEAD MANAGER AS STABILISING MANAGER (THE “**STABILISING MANAGER**”) (OR PERSON(S) ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE CLOSING DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Each purchaser or holder of interests in the Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements as set out in “*Subscription and Sale*”.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute forward-looking statements. Generally, these forward- looking statements can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “project”, “should”, “view” and similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Guarantor to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Guarantor’s present and future business strategies and the environment in which the Guarantor will operate in the future. Among the important factors that could cause the Guarantor’s actual results, performance or achievements to differ materially from those in the forward-looking statements are included, amongst others, the condition of, and changes in, India’s political and economic status and the Indian oil refining and petroleum production industries. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*” and “*Business*”. These forward-looking statements speak only as of the date of this Offering Circular. The Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward- looking statement contained herein to reflect any changes in the Guarantor’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

ENFORCEMENT OF FOREIGN JUDGMENTS IN INDIA

The Guarantor is a limited liability public company incorporated under the laws of India. All of the Guarantor's directors and executive officers are residents of India and a substantial portion of the assets of the Guarantor and such persons are located in India. As a result, it may not be possible for investors to effect service of process on the Guarantor or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

The United Kingdom has been declared by the Indian Government to be a reciprocating territory and the High Courts in England as the relevant superior courts. In the case of a judgment of a court in a jurisdiction which is not a reciprocating territory, such judgement may be enforced only by a new suit upon the judgment and not by proceedings in execution.

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to repatriate outside India any amount recovered pursuant to execution, such amount may be subject to taxation. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. It cannot be predicted whether a suit in India will be disposed of in a timely manner or be subject to considerable delay. Also, it is uncertain as to whether an Indian court would enforce a foreign judgment that would contravene or violate Indian law.

ENFORCEMENT OF THE GUARANTEES

The primary exchange control legislation in India is the Foreign Exchange Management Act, 1999 (“**FEMA**”). Pursuant to FEMA, the Indian Government and the RBI have promulgated various regulations, rules, circulars and notifications in connection with various aspects of exchange control.

The Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended (the “**FEMA FS Regulations**”), “Master Direction- Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) Abroad” dated 1 January 2016 issued by the RBI, as amended, (the “**RBI Master Direction**”) and Foreign Exchange Management (Guarantee) Regulation, 2000, as amended, (the “**FEMA Guarantees Regulations**”, together with the FEMA FS Regulations and the RBI master Direction, the “**FEMA ODI Regulations**”) are the primary regulations governing overseas direct investments outside India by Indian residents as well as issuances of guarantees by Indian companies in favour of their overseas subsidiaries. The term “direct investment outside India” has been defined by the FEMA ODI Regulations to mean investment by way of contribution to the capital or subscription to the charter documents of a foreign entity or through purchase of existing shares of a foreign entity on the market, private placement or through stock exchange, but does not include portfolio investment.

Pursuant to the FEMA ODI Regulations, an Indian company is permitted to make direct investments outside India in its wholly owned subsidiaries and joint ventures, subject to conditions prescribed by the RBI and with the subsidiary and/or joint venture being engaged in bona fide business activities. The guarantee can only be given to an overseas joint venture or wholly owned subsidiary where there is an equity participation.

With effect from 3 July 2014, any financial commitment exceeding U.S.\$1 billion (or its equivalent) in a financial year would require prior approval of the RBI even when the total financial commitment of the Indian company must not exceed 400.0 per cent. of its net worth as determined by the last audited balance sheet.

For purposes of the FEMA ODI Regulations, “total financial commitment” includes, 100.0 per cent. of the amount of any equity shares, compulsorily and mandatorily convertible preference shares, other preference shares, loans, guarantees and bank guarantees and 50 per cent. of any performance guarantees, in each case, issued by the Indian party. The Guarantor is exempt from the financial commitment ceiling set out in the FEMA ODI Regulations. However, all such guarantees must specify a maximum amount and duration of the guarantee upfront so no guarantee can be open-ended or unlimited.

The Indian company is required to disclose certain terms of the guarantee to the RBI, in Form ODI- Part I, through an authorized dealer (bank) in India. For further details, please see “*Indian/Singapore Government Approvals/Filings*”.

Any payments in respect of indemnity claims will require RBI approval since such payments are not specifically permitted under the automatic route of the FEMA. For further details on the recognition and enforcement of foreign judgments in India, see “*Enforcement of Foreign Judgments in India*”. The Guarantor would not be entitled to immunity on the basis of sovereignty or otherwise from any legal proceedings in India to enforce the Guarantees or any liability or obligation of the Guarantor arising thereunder.

As the Guarantees are obligations of a type which Indian courts would usually enforce, the Guarantees should be enforced against the Guarantor in accordance with its terms by an Indian court, subject to the following exceptions: (i) enforcement may be limited by general principles of equity, such as injunctions; (ii) Indian courts have sole discretion to grant specific performance of the Guarantees and may not grant specific performance in instances such as where damages are considered by the Indian court to be an adequate remedy, or where the court does not regard specific performance to be the

appropriate remedy; (iii) actions may become barred under the Limitation Act, 1963, or may be or become subject to set-off or counterclaim, and failure to exercise a right of action within the relevant prescribed limitation period will operate as a bar to the exercise of such right; (iv) any certificate, determination, notification, opinion or the like will not be binding on an Indian court, which will have to be independently satisfied on the contents thereof for the purpose of enforcement despite any provisions in the relevant documents to the contrary; and (v) all limitations resulting from the laws of reorganisation, suretyship or similar laws of general application affecting creditors' rights.

For details on the requisite filings and the approval granted by the RBI pursuant to which the Guarantees are issued, see "*Indian/Singapore Government Approvals/Filings*." At all times, each of the Guarantees shall be in respect of an amount not exceeding 110.0 per cent. of the outstanding principal amount of the Notes. See "*Terms and Conditions of the Notes*".

INDIAN/SINGAPORE GOVERNMENT APPROVALS/FILINGS

The Issuer will make all required filings, registrations or reports with the relevant governmental authorities of Singapore from time to time.

The Offering is authorised under the automatic route of the RBI in accordance with and pursuant to the provisions of the FEMA ODI Regulations, as amended and updated.

The Guarantor will make or procure to make all required filings or reports with the requisite regulatory or governmental agency or body in India from time to time, including, but not limited to, the filing of Form ODI – Part I prescribed under the FEMA ODI Regulations of India in relation to the Guarantee within 30 days of the date of the Guarantee through the authorised dealer in India with the RBI.

INDUSTRY AND OTHER MARKET DATA

Information contained in this Offering Circular (including, without limitation, in “*Overview of the Indian and Global Oil and Gas Industry*”) regarding markets, market size, market share, growth rates and other industry data pertaining to the Guarantor’s business consists of estimates and data taken or derived from various public sources, including market research, publicly available information and industry publications. While the Issuer and the Guarantor have compiled, extracted, reproduced or incorporated by reference market or other industry data from external sources, including third parties, analysts or industry or general publications, the Issuer, the Guarantor and the Joint Lead Managers have not independently verified that data. Information in this Offering Circular that is based on or incorporated by reference to third party sources has been accurately reproduced and, as far as the Issuer, the Guarantor and the Joint Lead Managers are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Subject to the foregoing, none of the Issuer, the Guarantor or the Joint Lead Managers can assure investors of the accuracy and completeness of, or take any responsibility for, such data. The source of such third party information is cited whenever such information is used in this Offering Circular.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, the terms the “**Issuer**” or “**OIPL**”, unless otherwise specified or the context otherwise implies, refer to Oil India International Pte. Ltd. In this Offering Circular, the terms the “**Guarantor**”, the “**Company**” or “**OIL**”, unless otherwise specified or the context otherwise implies, refer to Oil India Limited and its consolidated subsidiaries. In this Offering Circular, references to “**Holder**” or “**Noteholders**” are to holders of the Notes from time to time. In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “**India**” are to the Republic of India and its territories and possessions, references to the “**U.S.**” and “**United States**” are references to the United States of America and its territories and possessions, references to the “**Indian Government**”, the “**GoI**” or the “**Government**” are to the Government of India and references to the “**Companies Act**” are to the Companies Act, 1956 and Companies Act, 2013, as the case may be, as amended.

Unless expressly stated otherwise, (i) all annual audited financial data in this Offering Circular are presented on a consolidated basis, and (ii) all interim unaudited reviewed financial data in this Offering Circular are presented on a non-consolidated basis in accordance with Indian Accounting Standards (“**IND-AS**”). The Guarantor’s financial year ends on 31 March of each year, accordingly, all references to a particular financial year or to a “**Fiscal Year**” are to the twelve months ended 31 March of that financial year.

The Guarantor has historically prepared its annual and interim financial statements in Rupees under Indian GAAP. However, moving forward public companies in India will be required to prepare annual and interim financial statements under IND-AS in accordance with the roadmap announced on 2 January 2015 by the Ministry of Corporate Affairs, Government of India (the “**MCA**”), in consultation with the National Advisory Committee on Accounting Standards (the “**MCA Press Release**”) for the Convergence of IND-AS with IFRS. On 16 February 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which have come into effect from 1 April 2016. As such, the Guarantor announced its financial results under IND-AS for the first time for the quarter ended 30 June 2016.

For a discussion of the principal differences between Indian GAAP, IFRS and IND-AS as they relate to the Guarantor, see “*Summary of Significant Differences Between Indian GAAP, IFRS and IND-AS*” and Risk Factor – “*The adoption of IND-AS could have a material adverse effect on the presentation of the Guarantor’s financial statements and the Guarantor’s financial statements prepared under IND-AS may not be directly comparable to financial statements prepared under Indian GAAP*”. Unless otherwise stated, all financial data contained herein is that of the Guarantor, its subsidiaries and joint venture companies on a consolidated basis. The financial statements for the years ended 31 March 2015 and 31 March 2016 included in this Offering Circular have been audited by the auditors as set out in the section entitled “*General Information*”. Please see the auditors’ report for the year ended 31 March 2016 and the auditors’ report for the year ended 31 March 2015 on the F-pages. The unaudited, reviewed financial statements of OIL for the nine months ended 31 December 2016 have been reviewed in accordance with the standards and guidance issued by The Institute of Chartered Accountants of India (the “**ICAI**”) by the auditors as set out in the section entitled “*General Information*”, and the auditors’ review report, is set out on the F-pages. Such financial statements have not been audited, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit.

The Guarantor publishes its financial statements in Indian Rupees. All references herein to “**Indian Rupees**”, “**Rupee**”, “**Rupees**”, “**Rs.**” and “**Re.**” are to Indian Rupees and all references herein to “**U.S. dollars**”, “**United States dollars**” and “**U.S.\$**” are to United States dollars. Unless otherwise stated, all translations from Indian Rupees to United States dollars have been made on the basis of the Rs./U.S.\$ exchange rate of State Bank of India BC Selling Rate at the respective dates. Any discrepancies between Rupee figures and their U.S. dollar translation are due to rounding as the Issuer has used the actual Rupee amount when making the translation. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into any other currency, at any particular rate, the above rates or at all.

PRESENTATION OF RESERVES DATA AND INFORMATION

The Guarantor discloses certain reserve and resource data on a standalone basis in this Offering Circular. The Guarantor reserves and resources consist of its percentage interest in total reserves or resources, as applicable, which in turn consists of its 100.00 per cent. interest in its independent oil and gas properties and its percentage interest in joint ventures and PSCs, and do not include any adjustments for royalties, cess, taxes or other amounts payable by the Guarantor. Production is calculated on the same basis. Independent reserves refer to the Guarantor reserves attributable to independent operations.

All reserve estimates presented in this Offering Circular as of 31 March 2015 and 2016 have been prepared internally and have not been subject to an audit by any third party or expert. Except as indicated otherwise, the Guarantor has carried out its estimation and categorisation of reserves in accordance with the reserve definitions and guidelines specified by the SPE PRMS (Society of Petroleum Engineers – Petroleum Resources Management System). All reserve estimates of crude oil in the Upper Assam basin presented in this Offering Circular as of 31 March 2015 and 2016 include condensate reserves from non-associated gas reservoirs. All reserve estimates of natural gas in the Upper Assam basin presented in this Offering Circular as of 31 March 2015 and 2016 include estimates of internal fuel gas consumption.

None of the reserve information as of 31 March 2016 appearing with respect to the Guarantor's participating interest in the PSC relating to the Kharsang field is covered by the Guarantor's internal management estimates. Where specified, reserve estimates with respect to the Guarantor's 40.00 per cent. working interest in the Kharsang field have been provided to the Guarantor by the operator. The estimates provide by the operator may be based on international standards that differ from those used by the Guarantor.

The Guarantor's reserves are presented as of 31 March 2014, 2015 and 2016 on a standalone basis in this Offering Circular, exclusive of those of its subsidiaries. The Guarantor's standalone reserves at of 31 March 2016 constitute approximately 43.00 per cent. of the Guarantor's current aggregate group 2P reserves. Reserve estimates of Guarantor's subsidiaries are prepared on a basis that may not be consistent with that of the Guarantor, and are not set forth in this Offering Circular.

Except where indicated to the contrary, units of oil have been converted at a rate of one standard cubic metre to 6.2929731 barrels.

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SUMMARY

Unless expressly stated otherwise, (i) all annual audited financial data in this Offering Circular is presented on a consolidated basis, and (ii) all interim unaudited reviewed financial data in this Offering Circular is presented on a non-consolidated basis in accordance with IND-AS. See “Presentation of Financial and Other Information”.

OVERVIEW

As of March 2016, the Guarantor was the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production according to the Indian Petroleum & Natural Gas Statistics 2015-16 published by the Ministry of Petroleum and Natural Gas of the Government of India (“**GoI**”). It is principally engaged in the exploration, development, production and transportation of crude oil, natural gas and petroleum products, and various downstream business activities. The Guarantor generates revenues primarily from the sale of crude oil, natural gas and liquefied petroleum gas (“**LPG**”), as well as from the transportation of crude oil (including crude oil produced by other producers, such as Oil and Natural Gas Corporation Limited (“**ONGC**”)), natural gas and petroleum products. The Guarantor is present internationally, principally through equity and participation interests, in the exploration of crude oil and natural gas in Gabon, Libya, Myanmar, Nigeria, Bangladesh, the United States, Venezuela, Mozambique, Yemen and Russia. It primarily conducts activities in its domestic producing blocks and exploration activities in its nomination blocks independently. It also conducts exploration activities, both in India and overseas, through joint venture arrangements and production sharing contracts (“**PSCs**”) with other oil companies.

The Guarantor was incorporated as a private limited company in 1959, and became a public sector undertaking (“**PSU**”) in 1981. It has been present in the Indian oil and gas exploration and production industry for over five decades and counts among its achievements the creation, operation and maintenance of a fully-automated crude oil pipeline.

As a PSU, the Guarantor was awarded “Navratna” status in 2010 by the GoI for its operational efficiency and financial strength. The Guarantor was ranked 201st in the Platts Top 250 Global Energy Company Ranking for 2016. It was awarded the “15th Annual Greentech Environment Award” in Fiscal Year 2015, 15th Annual Greentech Safety Award, 2016, the “Governance Now PSU Award 2016” in the category of Jury Choice for Strategic Investment at the fourth Governance Now PSU Awards and the “Best Company in CSR & Sustainability Award” at the India Today PSU awards in Fiscal Year 2016.

The Guarantor’s total consolidated revenues were Rs.112,785 million, Rs.112,368 million and Rs.111,041 million for Fiscal Year 2014, 2015 and 2016, respectively, and its profit after tax was Rs.29,224 million, Rs.24,849 million and Rs.18,148 million for Fiscal Year 2014, 2015 and 2016, respectively. For the nine months ended 31 December 2016, the Guarantor’s standalone revenues were Rs.78,821 million (U.S.\$ 1,150.17 million) and its profit after tax was Rs.15,294 million (U.S.\$223.17 million).

Production Business

Based on the Guarantor’s estimate, as of 31 March 2016, almost all of the Guarantor’s estimated independent proved plus probable oil reserves, as well as 94.98 per cent. of its estimated independent natural gas reserves, were located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. In addition, it has independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan.

Based on the Guarantor’s estimate, as of 31 March 2016, the Guarantor’s estimated proved plus probable crude oil reserves were approximately 574.55 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and its independent proved plus probable natural gas reserves were approximately 42,314 million cubic metres (which include certain reserves attributable to

fuel gas consumption). In addition to its independent reserves, the Guarantor also has a 40.00 per cent. participating interest in crude oil reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. See “– *Production Business – Production Business*”. For Fiscal Year 2016, its gross crude oil production amounted to 3.25 million metric tonnes (including production from its joint ventures) and 2.84 billion cubic metres of natural gas, representing an average daily production of approximately 63,000 barrels of oil and 7.78 million cubic metres of natural gas. The Guarantor’s production amounted to approximately 8.80 per cent. and 8.81 per cent. of India’s total production of crude oil and natural gas, respectively, for Fiscal Year 2016. For the nine months ended 31 December 2016, its production amounted to approximately 2.45 million metric tonnes (including production from its joint ventures) of oil and approximately 2.21 billion cubic metres of natural gas, representing an average daily production of approximately 63,000 barrels of oil and approximately 8.04 million cubic metres of natural gas. See “– *Production Business – Crude Oil and Natural Gas Reserves*”.

Exploration Business

As of 31 December 2016, the Guarantor had 39 exploratory blocks, covering a total area of approximately 24,149 square kilometres, 22 of these exploratory blocks, covering an area of 5,004 square kilometres, were acquired on a nomination basis under production licences, referred to as Petroleum Mining Leases (“**PMLs**”); five blocks, covering an area of 1,230 square kilometres, were acquired on a nomination basis under exploration licences, referred to as Petroleum Exploration Licences (“**PELs**”), and two blocks (as non-operator), covering an area of 121 square kilometres, were acquired through pre-NELP joint ventures. The remaining ten blocks (of which the Guarantor was the operator in five blocks and a joint operator in one block), covering an area of 17,794 square kilometres, were acquired through the New Exploration Licencing Policy (“**NELP**”) bidding process. All of the Guarantor’s independently held PELs and PMLs cover acreage in the Upper Assam and Assam-Arakan basin and the Rajasthan basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons.

Internationally, as of the date of this Offering Circular, the Guarantor had participating interests in 15 exploration, development and producing blocks covering 77,972 square kilometres of exploration acreages in Gabon, Libya, Myanmar, Nigeria, Bangladesh, Venezuela, the United States, Mozambique, Yemen and Russia. It is the operator in respect of one block in Gabon, and two blocks in Myanmar and is a joint operator in Venezuela, and non-operator in respect of blocks in the United States, Mozambique, Bangladesh, Nigeria, Libya, Yemen and Russia. See “– *Exploration and Development Business – International Exploration and Development*”.

Transportation Business

The Guarantor owns and operates a 1,157 kilometre cross-country crude oil pipeline which transports crude oil for the Guarantor, ONGC and Indian Oil Corporation Limited (“**IOCL**”). The pipeline has the capacity to transport over 44 million barrels of crude oil annually. It transported approximately 45 million barrels of crude oil in Fiscal Year 2016 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. It owns 11 crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar. The Guarantor also owns and operates a 660 kilometre petroleum product pipeline connecting Numaligarh Refinery Limited (“**NRL**”) to Siliguri in West Bengal. The Guarantor also holds a 23 per cent equity interest in Duliajan Numaligarh Pipeline Limited, a joint venture company of Assam Gas Company Ltd (AGCL), Numaligarh Refinery Limited (NRL) and Oil India Limited, which is operating a state of the art high pressure natural gas pipeline. See “– *Transportation Business – Domestic Pipeline*”. The Guarantor also holds a 10.00 per cent. participation interest in a joint venture with ONGC Videsh Limited (“**OVV**”) for the construction of a product pipeline in Sudan. See “– *Transportation Business – International Pipeline*”.

Downstream Investment Business

The Guarantor has equity interests in downstream activities through a 26.00 per cent. equity interest in NRL, a 10.00 per cent. equity interest in Brahmputra Cracker and Polymer Limited (“**BCPL**”) and 5.00 per cent. equity stake in IOCL. See “– *Downstream Investment Business*”.

In addition to its four key business segments, the Guarantor provides various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, pipeline consultancy services, drilling and well work-over services, research and development services and logging services. See “– *Other Services*”.

COMPETITIVE STRENGTHS

The Guarantor believes that it benefits from a combination of the following competitive strengths:

The Guarantor has an experienced management team with strong in-house technical expertise in the Guarantor’s core production and exploration business

The Guarantor’s senior management team has extensive experience in the oil and gas industry, with many of its executives having numerous decades of relevant industry experience. The Guarantor also benefits from the extensive in-house technical capabilities of its personnel, who form a highly experienced team of experts. Given the remote locations of the Guarantor’s oil and gas assets, the Guarantor was historically forced to develop the technical expertise required to conduct its operations internally, through a combination of recruitment, development and formal and experiential training of its personnel, given the relative costs of outsourcing certain functions to be performed in remote parts of North East India. Whilst the Guarantor currently outsources certain of its operational functions, it believes that it has benefitted significantly from the historical development of its technical in-house expertise across its exploration and production businesses.

In addition, the Guarantor has been able to deploy experienced management team members across its various geographic operations in order to implement projects and oversee operations. The Guarantor also has a proven track record of attracting and retaining talent throughout its organisation. The Guarantor believes that its management team has contributed significantly to its past success and will continue to contribute to its future growth.

The Guarantor is a Navratna company and benefits from strong links with the GoI

In Fiscal Year 2010, the Guarantor was awarded “Navratna” status by the GoI, having been identified as one of Indian central public sector enterprises (“**CPSEs**”) that have “comparative advantages”. The GoI has given greater autonomy to CPSEs with Navratna status to compete in the global market in order to support them in their drive to become global giants. Accordingly, as a Navratna company, the Guarantor is empowered to take all investment decisions without having to first seek the approval of the GoI, except for (i) making equity investments or establishing joint ventures or wholly-owned subsidiaries and for undertaking any mergers and acquisitions in India in amounts exceeding Rs. 10.00 billion, or 15.00 per cent. of its net worth (whichever is lower), on a single project; and (ii) for undertaking mergers and acquisitions overseas in amounts exceeding Rs.30.00 billion or 25.00 per cent. of its net worth (whichever is lower), on a single project. In addition, the overall limit of investments that the Guarantor is permitted to make in all such projects without requiring GoI approval is 40.00 per cent. of its net worth.

As of the date of this Offering Circular, the GoI held 66.60 per cent. of the issued share capital of the Guarantor, which is listed on the BSE Limited (“**BSE**”) and National Stock Exchange of India (“**NSE**”). In addition, other Indian CPSEs such as IOCL, Hindustan Petroleum Corporation Limited (“**HPCL**”) and Bharat Petroleum Corporation Limited (“**BPCL**”) owned in aggregate 8.90 per cent. of the issued share capital of the Guarantor as of the date of this Offering Circular. Maximising domestic oil and gas production is a strategic priority for the GoI, with its aim being to reduce Indian national

reliance on oil and gas imports, which currently accounts for approximately four-fifth of national consumption. See “*Overview of the Indian and Global Oil and Gas Industry*”. Accordingly, and as the second largest national public sector exploration and production company in India (measured by estimated proved plus probable oil and natural gas reserves), the Guarantor believes that it is of strategic importance to the GoI and India, resulting in the Guarantor receiving significant national support from the GoI. For example, in respect of its overseas operations in the oil and gas sector the Guarantor is permitted to make investments under the automatic route of the overseas direct investment policies of India, without needing to seek approval from the Reserve Bank of India (“**RBI**”). Other than OVL, the GoI and the RBI do not confer the same benefit on other PSUs in India. The Guarantor believes that this provides it with a competitive advantage over other companies and PSUs in India.

Accordingly, the Guarantor believes that the support it receives from the GoI as a Government-owned entity, coupled with the relative strategic decision-making autonomy derived from being a Navratna company, provides it with the benefits of being both state-owned, as well as having the ability to make commercial decisions on strategic investments independently of the GoI.

Large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin

Based on Guarantor’s estimate, as of 31 March 2016, the Guarantor had estimated proved plus probable crude oil reserves of approximately 574.55 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and proved plus probable natural gas reserves of approximately 42.31 billion cubic metres (which include certain reserves attributable to fuel gas consumption). As of 31 March 2016, almost all of the Guarantor’s estimated oil reserves and 94.80 per cent. of its estimated natural gas reserves were located in the Upper Assam basin, which has been in continuous production since 1889. The Guarantor’s production amounted to 3.25 million metric tonnes of crude oil and 2.84 billion cubic metres of natural gas for Fiscal Year 2016, which amounted to 8.80 per cent. and 8.81 per cent., respectively of India’s total production of crude oil and natural gas for the year. See “– *Production Business – Crude Oil and Natural Gas Reserves*”. The Guarantor believes that its reserves provide it with an abundant and stable long-term source of hydrocarbons for crude oil and natural gas production.

Sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons

The Guarantor focuses on reserves accretion through its exploration and development business. See “*Exploration and Development Business*”. As of 31 December 2016, the Guarantor had 39 exploratory blocks, covering a total area of approximately 24,149 square kilometres. 22 of these exploratory blocks, covering an area of 5,004 square kilometres, were acquired on a nomination basis under production licences, referred to as Petroleum Mining Leases (“**PMLs**”); five blocks, covering an area of 1,230 square kilometres, were acquired on a nomination basis under PEL and two blocks (as non-operator), covering an area of 121 square kilometres, were acquired through pre-NELP joint ventures. The remaining ten blocks (of which the Guarantor was the operator in five blocks and a joint operator in one block), covering an area of 17,794 square kilometres, were acquired through the NELP bidding process. All of the Guarantor’s independently held PELs and PMLs cover acreage in the Upper Assam, Assam-Arakan and the Rajasthan basins, each of which are basins with proven commercial production or known accumulation of hydrocarbons. See “– *Exploration and Development Business – Domestic Exploration and Development*”.

As of the date of this Offering Circular, the Guarantor had participating interests internationally in 15 exploration, development and producing blocks covering 77,972 square kilometres of exploration acreages in Gabon, Libya, Myanmar, Nigeria, Bangladesh, Venezuela, the United States, Mozambique, Yemen and Russia. It was the operator in respect of one block in Gabon, and two blocks in Myanmar, and is a joint operator in Venezuela, and non-operator in respect of blocks in the United States, Mozambique, Bangladesh, Nigeria, Libya, Yemen and Russia. See “– *Exploration and Development Business – International Exploration and Development*”.

The Guarantor believes that it has a geographically balanced acreage, with the domestic exploration acreage constituting 24.00 per cent., and the international exploration acreage constituting 76.00 per cent., of the Guarantor's total acreage as of 31 December 2016. See “– *Exploration and Development Business – International Exploration and Development*”.

The Guarantor believes that it will continue to accrete reserves and increase its production through its extensive proved undeveloped crude oil and natural gas reserves and underexplored sedimentary basins.

Strong reservoir management skills for ageing and depleting fields

Oil and natural gas production in India is derived mainly from ageing and depleting fields. The Guarantor deploys a wide array of improved oil recovery (“**IOR**”) and enhanced oil recovery techniques (“**EOR**”) at an early stage in the life of oil fields in order to achieve maximum recovery from its oil reserves from ageing and depleting fields. Such IOR and EOR techniques include:

- in-fill drilling to drain reservoirs more effectively;
- augmentation of water injection or flooding schemes;
- modern artificial pumping and lifting equipment (electrical submersible pumping);
- water arrest techniques; and
- work-over operations and gravel packs in sand ingress prone reservoirs.

The Guarantor believes that these measures have enabled it to maintain production rates in its fields in the Upper Assam basin, despite the declining rates of production from the majority of these fields in the last three decades.

In addition, the Guarantor has implemented a number of reservoir management initiatives that include IOR and EOR activities to optimize the development or redevelopment and management of its fields, which in turn results in sustainable oil and gas production and optimum recovery from its developing and mature fields. Numerical reservoir simulation studies are carried out on a regular basis and act as an effective tool for formulating strategies by the Guarantor, which include management planning, production forecasting and decision-making based on reasonable techno-economic considerations. Based on various analytical and numerical simulations studies, the Guarantor has implemented reservoir management practices such as water injection, gas injection and other IOR and EOR activities in its fields and the Guarantor has yielded recoveries of 10-20 per cent. in excess of normal depletion in most of its reservoirs under operation. For more information on reservoir management, see “– *Other Services – Reservoir Management*”.

Efficient and optimal cost structure resulting from its status as an integrated exploration and production company with over five decades of operating experience

The Guarantor has installed onshore infrastructure which has been built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and work-over rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in its main oil and gas producing regions of India, which the Guarantor believes provides it with a competitive advantage.

In addition, the Guarantor believes that its five decades of experience as an organisation, together with the training and experience of its personnel, allows it to devise operational procedures and maintenance schedules for its equipment and facilities that aim to minimise downtime and cost. The Guarantor also believes that its integrated oil and gas infrastructure, combined with its in-house expertise, enables it to manage its costs and time efficiently. Consequently, the Guarantor further believes that it benefits from

the deployment of its extensive in-house technical capabilities and services, which contributes to a reduction in its average costs of discovering hydrocarbons and all-in production costs, compared to retaining more expensive third-party contractors. See “– *The Guarantor has an experienced management team with strong in-house technical expertise in the Guarantor’s core production and exploration business*”.

The Guarantor believes it has a strong balance sheet position

The Guarantor believes that it has a strong balance sheet compared to other global oil and gas companies, with cash and cash equivalents of Rs.95,294 million (U.S.\$1,424.43 million) and cash from operating activities of Rs.31,258 million (U.S.\$467.23 million) in Fiscal Year 2016. As of 31 December 2016, the Guarantor had cash and cash equivalents of Rs.68,896 million (U.S.\$1,005.35 million) and cash from operating activities of Rs.10,356 million (U.S.\$151.11 million). The Guarantor believes that its balance sheet enables it to mitigate the inherent risks associated with the cyclicity of the oil and gas industry. The Guarantor believes its strong balance sheet, together with the support of the GoI enables it to consider and, if deemed feasible, make acquisitions or increase exploration operations in order to secure hydrocarbon resources.

STRATEGY

In pursuit of its strategic objectives, the Guarantor intends to:

Achieve a balanced growth of the Guarantor’s portfolio of assets by continuing to acquire exploration acreages, discovered blocks and producing properties domestically and internationally

The Guarantor intends to continue acquiring exploration acreages, discovered blocks and producing properties. Domestically, it plans to continue to pursue its selective bidding strategy in the future and also participate in new licencing regime of HELP/OALP rounds in order to acquire more geographically balanced exploration acreages across India. The Guarantor will continue to follow a bidding strategy pursuant to which it aggressively targets those blocks that it believes will offer the greatest exploration and production opportunities based on its five decades of exploration experience in Indian geological conditions. In the past nine rounds of NELP bidding, the Guarantor selectively bid for 58 exploration blocks and was successful in acquiring 40 of these blocks, 30 of which it has subsequently relinquished.

Internationally, the Guarantor plans to seek to continue acquiring both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. The Guarantor intends to implement this strategy both through joint ventures with other leading industry participants, as well as through its MoU with IOCL, pursuant to which it has a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Its MoU with IOCL also allows it to enter into project- specific agreements for overseas oil and natural gas exploration, development and production opportunities. In addition to its MoU with IOCL, the Guarantor has entered into certain other MoUs, with various companies in the upstream and downstream sectors in order to pursue exploration and production opportunities both in India and overseas.

The Guarantor, together with OVL, has also acquired a 10.00 per cent. participating interest in the Mozambique block in the Area 1 Rovuma Field by acquiring the shares of Beas Rovuma Energy Mozambique Limited (formerly known as Videocon Mozambique Rovuma 1 Limited) in 2014. The first production and revenue from the field is expected to be generated and recognised in Fiscal Year 2022. The Guarantor expects that this acquisition in Mozambique, once fully operational, will contribute significantly to its production base. See “– *Exploration and Development Business – International Exploration and Development – Mozambique Offshore Rovuma basin*”. The Guarantor has also recently acquired a 60.00 per cent. participating interest, as operator, in two offshore blocks in Myanmar. In addition, the Guarantor recently acquired a 50.00 per cent. equity interest in WorldAce Investments Limited, a Cyprus based wholly-owned subsidiary of PetroNeft Resources Limited, which owns License 61 in the Tomsk region in Russia. The Guarantor, together with IOCL and Bharat PetroResources Limited (“**BPRL**”), acting jointly as a consortium acquired in October 2016 participating shares

representing 29.90 per cent. of the charter capital of LLC Taas-yuryakh Neftegazodobycha (“TYNGD”) and participating shares representing 23.90 per cent. of JSC Vankorneft, which owns the Vankor field and the North Vankor License. For further information, please see “– *International Exploration and Development – Russia – TYNGD and JSC Vankorneft*”.

Continue to improve the Guarantor’s rate of recovery through the application of advanced recovery techniques

The Guarantor intends to implement a number of IOR and EOR techniques in order to redevelop its maturing fields in the Upper Assam basin and to improve the recovery of its existing crude oil reserves, with the goal of increasing its current average recovery rates. These techniques include the following:

- in-fill drilling/horizontal drilling to drain reservoirs more effectively;
- augmentation of water injection/flooding schemes;
- work-over operations and gravel packs in sand ingress prone reservoirs;
- modern artificial pumping and lifting equipment (electrical submersible pumping);
- water arrest techniques;
- hydro-frac operations to produce tight sands; and
- radial drilling technology.

The Guarantor believes that its use of advanced IOR and EOR techniques have enabled the Guarantor to maintain production rates in its fields in the Upper Assam basin, despite the declining rates of production from the majority of these fields in the last three decades.

In addition, the Guarantor has implemented modern reservoir management techniques. For more information, see “– *Competitive Strengths – Strong reservoir management skills for ageing and depleting fields*”.

The Guarantor believes that its implementation of advanced recovery techniques and development plans will enable it to maintain and increase its production levels, which may be further enhanced by its acquisition strategy.

Monetise and further leverage off its natural gas resources in the Upper Assam basin

Based on Guarantor’s estimate, as of 31 March 2016, the Guarantor had estimated proved plus probable natural gas reserves of 42.31 billion cubic metres (which include certain reserves attributable to fuel gas consumption), of which 94.80 per cent. are located in the Upper Assam basin, which is a basin with proven commercial production. The Guarantor has historically not conducted development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam. However, as of 31 March 2016, domestic consumption of natural gas exceeded domestic supply by 51.00 per cent. according to Indian Petroleum & Natural Gas Statistics 2015-16. The Guarantor believes that the demand for natural gas within the Indian market will continue to increase. The Guarantor, therefore, intends to continue to focus its attention and capital resources on the commercialisation of its natural gas reserves and resources through both upstream and downstream investment. It also intends to continue to improve its utilisation of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding its distribution network.

Selectively diversify its domestic operations through downstream integration and focus on its inorganic growth

The Guarantor intends to continue actively pursuing a strategy of selective vertical integration in order to diversify its sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and in order to maintain its long-term commercial relations with the companies in which the Guarantor holds an equity interest. For example, the Guarantor acquired a 12.35 per cent. equity interest in NRL in 2000 and a further 13.65 per cent. equity interest in 2007, a 10.00 per cent. equity interest in BCPL in 2008 and a 23.00 per cent. equity interest in DNP Limited in 2008 and a 5.00 per cent. equity stake in IOCL in 2014. For further information on these acquisitions, see “– *Transportation Business*” and “– *Downstream Investment Business*”.

In August 2008, the Guarantor commissioned a 660 kilometre domestic petroleum product pipeline connecting the NRL refinery to Siliguri, which has a capacity to transport approximately 1.70 million tonnes of refined petroleum products annually. During the Fiscal Year 2016, the Guarantor transported approximately 1.74 million tonnes of petroleum products for NRL. It also holds a 10.00 per cent. participating interest in a 741 kilometre pipeline project in Sudan that was completed in 2005. For additional information on this pipeline, see “– *Transportation Business – International Pipeline*”.

The Guarantor has also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business both in India and overseas, and leasing surplus fibre optic cable capacity in its pipeline infrastructure to telecom service providers, among others. It has entered into lease agreements with Bharat Sanchar Nigam Limited (“**BSNL**”), Power Grid Corporation of India Limited (“**PGCIL**”), Bharti Airtel, Reliance Jio, Dishnet Wireless Limited and Rail Tel Corp. The Guarantor has also leased out bandwidth to NRL and Assam Electronics Development Ltd. See “*Business – Pipeline Construction and Related Businesses and Services*”.

On 10 August 2016, the Guarantor entered into a MoU with HPCL for joint participation in laying, building, operating or expanding CGD networks. The MoU is valid until 9 August 2018. See “– *Downstream Investment Business*”.

The Guarantor intends to seek and develop additional diversification opportunities along the oil and gas value chain, particularly opportunities which will complement its existing expertise acquired over five decades in the upstream oil sector.

Diversify into non-conventional and renewable energy resources

The Guarantor has recently started to focus on non-conventional and renewable energy resources, including wind power projects, solar power projects and shale oil and gas, and believes that by diversifying into these areas, the Guarantor will have a more sustainable development of its business in the long run.

The Guarantor has installed and developed various wind energy projects, solar power projects and shale oil and gas projects as part of its strategy to develop non-conventional and renewable energy resources. For further information on these projects, see “– *Renewable And Non-Conventional Energy Business – Wind Energy*”, “– *Renewable And Non-Conventional Energy Business – Solar Power*” and “– *Renewable And Non-Conventional Energy Business – Shale Oil and Gas*”.

Accelerate its exploration and development in existing acreages to augment its current reserves and production

The Guarantor has developed a capital expenditure plan to accelerate its exploration and development activities in its existing acreages. For Fiscal Year 2017, the Guarantor has a capital expenditure plan of Rs.40,200.00 million for exploration and production activities in its existing domestic and overseas business operations.

RECENT DEVELOPMENTS

The management of the Guarantor has announced a buy back plan of 5.60 per cent. of its issued and paid up equity shares at a price of Rs.340.0 per share. Total buy back size is estimated to be Rs.15,270.1 million. The process of buy back is likely to be completed in May 2017.

Proposed acquisition of 25.00 per cent. participation interest in Block RJ-ONN-2004/2 from Geoglobal

As of the date of this Offering Circular, the Guarantor is in the process of acquiring a 25.00 per cent. participation interest from Geoglobal for Block RJ-ONN-2004/2 located in the Baghewala field in the Rajasthan basin. As of the date of this Offering Circular, the final approval is still pending from the MoPNG.

Proposed acquisition of 10.00 per cent. participation interest in Block KG-ONN-2004/1 from Geoglobal

As of the date of this Offering Circular, the Guarantor is in the process of acquiring a 10.00 per cent. participation interest from Geoglobal for Block KG-ONN-2004/1 located in the Krishna-Godavari basin. As of the date of this Offering Circular, the final approval is still pending from MoPNG.

Voluntary winding-up of Oil India International Limited

As of the date of this Offering Circular, the winding-up of Oil India International Limited, a wholly-owned subsidiary of the Guarantor is under process. The voluntary winding-up has been approved by the Guarantor's Board of Directors and the process for winding up has been initiated.

Proposed set up of a WEPP in the States of Madhya Pradesh and Gujarat

As of the date of this Offering Circular, the Guarantor is in the process of setting up of a WEPP with a total capacity of 52.50 MW split between the states of Madhya Pradesh and Gujarat. 25.2 MW of the WEPP will be executed at Unchwas, Madhya Pradesh and the remaining 27.3 MW will be executed at Kotiya, Gujarat. The project cost is estimated to be Rs.3,682 million with M/s Suzlon Energy Limited as the EPC contractor and project developer.

SUMMARY OF THE OFFERING

This Summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole.

Words and expressions defined in “*Terms and Conditions of the Notes*” shall have the same meanings in this Summary. Unless stated otherwise, references to the “Conditions” or the “Terms and Conditions of the Notes” shall be to the Terms and Conditions of the Notes.

Issuer:	Oil India International Pte. Ltd.
Guarantor:	Oil India Limited
The Notes:	U.S.\$500,000,000 4.00 per cent. Notes due 2027 (the “Notes”).
Joint Lead Managers: . .	Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Standard Chartered Bank, DBS Bank Ltd., Mizuho Securities Asia Limited and MUFG Securities Asia (Singapore) Limited
Fiscal Agent:	Citicorp International Limited
Principal Paying Agent: .	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Deutschland AG
Interest:	The Notes will bear interest from, and including 21 April 2017 at the rate of 4.00 per cent. per annum payable semi-annually in arrear on 21 April and 21 October of each year, commencing 21 October 2017 as further described in Condition 7 (Interest) of the Notes.
Denomination:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Status of the Notes:	The Notes will constitute direct, unconditional and (subject to the provisions of Condition 6 (Negative Pledge) unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Guarantee:	<p>The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the “Guarantee”) to be dated 21 April 2017 and executed by the Guarantor by virtue of English law.</p> <p>The Guarantor’s potential liability under the Guarantee is capped at an amount equal to 110.0 per cent. of the total initial aggregate principal amount of the Notes being U.S.\$550,000,000 (the “Guaranteed Amount”). The Guaranteed Amount will be reduced by any amounts paid by the Guarantor under the Guarantee from time to time.</p>

Status of

the Guarantee: The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Guarantor (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

Negative Pledge: The Conditions of the Notes contain a negative pledge provision with certain limitations on the ability of the Issuer, the Guarantor and its Principal Subsidiaries (as defined in the Conditions of the Notes) to create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest on its undertaking, assets or revenues to secure certain types of indebtedness, as set out in Condition 6 (*Negative Pledge*) of the Notes.

See “*Terms and Conditions of the Notes – Negative Pledge*”.

Redemption for

Taxation Reasons: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on any Interest Payment Date, on giving not less than 30 nor more than 60 days’ notice to the Noteholders and the Principal Paying Agent in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), at any time, at their principal amount (together with accrued but unpaid interest to but excluding the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10.2.(b)), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts where a payment in respect of the Notes is then due.

See “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons*”.

Events of Default: Events of Default under the Notes include, among others, non- payment of principal for three days; non-payment of interest for seven days; breach of other obligations under the Notes (which breach is not remedied within 30 days); cross-default of any Indebtedness for Borrowed Money (as defined in the Conditions of the Notes) subject to materiality threshold set out in Condition 12.1.(c), certain events related to the insolvency or winding up of the Issuer or any Principal Subsidiary; the nationalisation of the assets or shares of the Issuer or its Principal Subsidiaries; a moratorium being agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money of the Issuer or any of its Principal Subsidiaries and other events, each as described in Condition 12 (*Events of Default*) of the Notes.

See “*Terms and Conditions of the Notes – Events of Default*”.

Meetings of

Noteholders: The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

See “*Terms and Conditions of the Notes – Meetings of Noteholders and Modification*”. See also “*Risk Factors – risks relating to the Notes and the Guarantee – The Conditions of the Notes are subject to modification, waivers and substitution*”.

Modification, Waiver**Authorisation and**

Determination: The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification (except such modifications in respect of which an increased quorum is required as set out in the Agency Agreement) of the Notes, the Receipts, the Coupons, or the Agency Agreement which, in the opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

See “*Terms and Conditions of the Notes – Meetings of Noteholders and Modification – Modification*”.

Withholding Tax and

Additional Amounts: The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in India upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as described in Condition 10 (Taxation) of the Notes.

See “*Terms and Conditions of the Notes – Taxation*”.

Listing and Admission

to Trading: Approval-in-principle has been received for the listing of the Notes on the SGX-ST.

The Notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.

Form of the Notes: The Notes will be in registered form and will be initially represented by a Global Certificate which on the Closing Date will be deposited with, and registered in the name of a nominee of, a common depository for Euroclear and Clearstream.

Credit Ratings: The Notes are expected to be assigned a rating of BBB- by Fitch and Baa2 by Moody's on issue. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions: The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions (including the United Kingdom, India, Hong Kong and Singapore) only in compliance with applicable laws and regulations.

See "*Subscription and Sale*".

Use of Proceeds: The proceeds of the issue of the Notes, amounting to U.S.\$497,920,000, will be applied by the Issuer to refinance its existing bridge loan extended by international banks, including some of the Joint Lead Managers and their affiliates for financing the acquisition of a 23.90 per cent. participating interest in JSC Vankorneft and a 29.90 per cent. participating interest in TYNGD along with other consortium members. No proceeds of the Notes will be used in India.

See "*Use of Proceeds*".

Risk Factors: For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".

ISIN/Common

Code ISIN: XS1565437487
Common Code: 156543748

RISK FACTORS

An investment in the Notes involves a high degree of risk. The risks described below are relevant to the Issuer's and the Guarantor's business and the industry and countries in which it operates, as well as to the offering of the Notes. Additional risks, not presently known to the Issuer and Guarantor or that the Issuer and Guarantor currently deem immaterial, may also have an adverse effect on the Issuer's and Guarantor's business, results of operations and financial condition. You should carefully consider all the information in this Offering Circular, including the financial statements and the related notes thereto included elsewhere in this Offering Circular, as well as the risks and uncertainties described below, before making an investment in the Notes. You should also read this section in conjunction with the "Business" section. If any one or some combinations of the following risks were to occur, the Issuer's and the Guarantor's business, results of operations and financial condition could be materially and adversely affected, and the value of your investment in the Notes could decline. In making an investment decision, you must rely on your own examination of the Issuer and the Guarantor and the terms of the offering of the Notes. You should pay particular attention to the fact that the Issuer is incorporated under the laws of Singapore and the Guarantor is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

Unless expressly stated otherwise, (i) all annual audited financial data in this Offering Circular are presented on a consolidated basis, and (ii) all interim unaudited reviewed financial data in this Offering Circular are presented on a non-consolidated basis in accordance with IND-AS. See "Presentation of Financial and Other Information".

Risks relating to the Guarantor's Business

The GoI may divest its equity stake in the Guarantor, which may decrease its shareholding in the Guarantor.

As of the date of this Offering Circular, the GoI held 66.60 per cent. of the issued share capital of the Guarantor. As a part of the GoI's wider plan to raise funds from its equity stakes in PSUs to meet its disinvestment target, the GoI may divest some of its equity stake in the Guarantor. The amount or timing of such divestment of the GoI's equity stake is not determined, which are subject to a variety of factors, many of which are outside the Guarantor's control. The Guarantor cannot predict the potential effect such sale may have in its business and operations. If there are any material decrease in the GoI's shareholding in the Guarantor, there can be no assurance that it may not have a material adverse effect on the Guarantor's business, financial condition and results of operations.

Fluctuations in crude oil prices may adversely affect the Guarantor's revenues and profits and a substantial or extended decline in international prices for crude oil would have a material adverse effect on the Guarantor's business.

The prices the Guarantor receives for its sales of crude oil are generally linked to international price levels for crude oil. Historically, international prices for crude oil and natural gas have been volatile and have fluctuated widely in response to changes in many factors, including various external factors over which the Guarantor has no control, including product demand connected with global economic conditions, industry inventory levels, production quotas imposed by the Organisation of Petroleum Exporting Countries (the "OPEC"), exchange rate fluctuations, weather-related damage and disruptions, competing fuel prices, and regional supply interruptions or fears thereof that may be caused by military conflicts, civil unrest or political uncertainty. Lower oil prices may reduce the economic viability of projects planned or in development. In addition, lower oil prices may result in the impairment of higher cost reserves and other assets which may result in decreased earnings or losses. Conversely, the GoI's mechanism for sharing in the under-recovery by public sector oil marketing companies can reduce or eliminate any benefit received by the Guarantor with respect to increases in the price of crude oil. Rapid material or sustained changes in oil, gas and refined product prices can impact the validity of the assumptions on which strategic decisions are based and, as a result, the ensuing actions derived from

those decisions may no longer be appropriate. As such, any fluctuations in crude oil prices may adversely affect the Guarantor's revenues and profits, and substantial or extended declines in international prices for crude oil will have a material adverse effect on the Guarantor's business and financial condition, including its liquidity and ability to finance planned capital expenditure, and its results of operations.

Fuel prices have been subject to high volatility and have historically fluctuated significantly. Recently, fuel prices have declined or remained low. There can be no assurance that global economic conditions and such political instability will not have an impact on crude oil pricing in the future that materially impacts the Guarantor's operations, both domestically and internationally.

In addition, the prices that the Guarantor receives for crude oil produced from its nomination blocks are also impacted significantly by its obligation to share in the under-recoveries of India's public sector oil marketing companies with respect to certain refined petroleum products. For further details, see "*The requirement that the Guarantor shares in the under-recovery of the oil marketing companies as a result of subsidies on certain refined petroleum products may adversely affect the Guarantor's results of operations*".

It is not possible to forecast future oil price movements with accuracy. Fluctuations in crude oil prices may adversely affect the Guarantor's results of operations, and a substantial or extended decline in international prices for crude oil may have a material adverse effect on the Guarantor's business, results of operations and financial condition.

The requirement that the Guarantor shares in the under-recovery of the oil marketing companies as a result of subsidies on certain refined petroleum products may adversely affect the Guarantor's results of operations.

Although the prices of sales of crude oil are generally market determined, the prices of retail sales of liquid petroleum gas ("LPG") for domestic use and superior kerosene oil ("SKO") for public distribution system ("PDS") ("SKO (PDS)") by India's public sector oil marketing companies (BPCL, HPCL and IOCL) are capped by the GoI at a price below the international selling price. The price caps are revised by the GoI from time to time. The GoI operates a subsidy system pursuant to which the under-recoveries of these oil marketing companies resulting from the price caps are currently shared among the GoI and the upstream public sector companies (which includes the Guarantor and ONGC). Under-recoveries are determined and allocated by the GoI on a quarterly basis. The upstream companies' share of the under-recovery is implemented through a discount on crude oil and domestic LPG sale prices to the downstream companies. There have been significant improvements in the mechanism for the sharing of under-recoveries including removal of subsidy on diesel for all consumers in October 2014 which is expected to reduce the under-recoveries of the downstream oil marketing companies and, consequently, the Guarantor's share of these under-recoveries.

The Guarantor contributed Rs.87,369 million, Rs.55,226 million and Rs.1,551 million to the sharing of these under-recoveries for Fiscal Year 2014, Fiscal Year 2015 and Fiscal Year 2016, respectively. For the nine months ended 31 December 2016, the Guarantor did not contribute to the sharing of these under-recoveries. The sharing of the downstream companies' under-recovery has materially and adversely affected the Guarantor's results of operations since Fiscal Year 2005.

However there remains unpredictability as to the share of the under-recovery that is allocated to the upstream oil companies both individually and as a group. The average price of the Guarantor's basket of crude (comprising nine international crudes, namely, Cabinda, Ardjuna, Attaka, Bach Ho, Escravos, Qua Lboe, Duri, Labuan and Widuri) decreased by 45.00 per cent. from U.S.\$84.25 per barrel in Fiscal Year 2015 to U.S.\$46.35 per barrel in Fiscal Year 2016. The decrease in international crude oil prices resulted in a significant reduction in the Guarantor's contribution to the under-recoveries of public sector oil marketing companies in Fiscal Year 2016, resulting in a net price of U.S.\$45.31 per barrel for the Guarantor. For the nine months ended 31 December 2016, the average price of the basket of crude for

the Guarantor was U.S.\$45.66 per barrel, which was realised by the Guarantor as no contribution was made to the under-recoveries. The net price realisation for the Guarantor in Indian Rupee for Fiscal Year 2015, Fiscal Year 2016 and the nine months ended 31 December 2016 were Rs.2,881 per barrel, Rs. 2,966 per barrel and Rs.3,063 per barrel, respectively.

Since the allocation of under-recoveries by the MoPNG may vary from quarter to quarter, the allocations of under-recoveries for the nine months ended 31 December 2016 (which was nil) may not be indicative of the amount of under-recoveries that the Guarantor will be allocated for full Fiscal Year 2017.

In addition, the GoI may introduce other regulation relating to the pricing of petroleum products that could have a material adverse effect on the Guarantor’s business, financial condition and results of operations. For example, in June 2008, the GoI formed the B.K. Chaturvedi committee to examine the financial impact of the increase in oil prices between Fiscal Year 2005 and Fiscal Year 2008 on upstream exploration firms, refiners and downstream marketing entities. Among other things, the committee suggested that any incremental revenues earned above U.S.\$75 a barrel by public sector upstream exploration and production oil and gas companies should be paid to the government as part of subsidy-sharing in the oil sector. These recommendations have not been implemented by the GoI. However, based on the recommendation of an expert group, headed by Mr. Kirit S. Parikh, the GoI deregulated the retail selling price of motor spirit (“MS”) in June 2010. Another expert group was set up by the GoI headed by Mr. Kirit S. Parikh in 2012 that provided recommendations on the following formula for the sharing of under-recoveries from Fiscal Year 2015 onwards:

<u>Crude Price</u>	<u>Per cent. contribution of upstream companies</u>
Crude price < U.S.\$80/barrel	40.00 per cent. of crude price
Crude price U.S.\$80 – 120/barrel	40.00 per cent. + 0.25 per cent. for each U.S.\$1/barrel Increase beyond U.S.\$80/barrel
Crude price > U.S.\$120/barrel	50.00 per cent. of crude price

The GoI did not implement the aforesaid recommendations of the expert group. However, the prices of high speed diesel were deregulated effective October 2014. Although the prices of domestic LPG and SKO (PDS) have also increased periodically, their prices continue to be controlled and remain subject to the under-recovery sharing mechanism. There can be no assurances as to the form of any future regulation implemented by the GoI relating to the under-recovery sharing mechanism, the pricing of petroleum products or as to its impact on the Guarantor’s business, financial condition and results of operations.

The Guarantor’s crude oil and natural gas reserves estimates involve a degree of uncertainty and may not prove to be correct over time. Moreover, these estimates may be unaudited and may not accurately reflect actual reserves, or even if accurate, technical limitations may prevent the Guarantor from producing crude oil or natural gas from these reserves.

The reserves data included in this Offering Circular as of 31 March 2016 are based on the Guarantor’s internal management estimates. See “*Presentation of Reserves Data and Estimates*” and “*Business – Production Business – Presentation of Reserve Estimates*”.

Evaluations of crude oil and natural gas reserves involve multiple uncertainties and require exploration and production companies to make extensive judgments as to future events based upon the information available. Crude oil and natural gas reserves data are estimates based primarily on internal technical analysis using standard industry practices. See “*Business – Production Business – Presentation of Reserve Estimates*”. Such estimates reflect the Guarantor’s best judgment at the time of their preparation, based on geological and geophysical analyses and appraisal work (processes that are continual and yield new results over time), and may differ from previous estimates.

Reserves estimates are subject to various uncertainties, including those relating to the reservoir parameters of crude oil and natural gas fields. These reservoir parameters may be difficult to estimate and, as a result, actual production may be materially different from current estimates of reserves. Factors affecting the Guarantor's reserves estimates include:

- new production or drilling activities;
- assumptions regarding the future performance of wells and surface facilities;
- field reviews;
- the addition of new reserves from discoveries or extensions of existing fields;
- the application of improved/enhanced recovery techniques; and
- changed economic conditions.

The reliability of reserves estimates depends on the quality and quantity of technical and economic data, the production performance of the fields, and consistency in oil and gas policies of the GoI and the governments of other countries where the Guarantor has operations. The quantities of crude oil and natural gas that are ultimately recovered could be materially different from those set out in the Guarantor's reserves estimates, and downward revisions of such estimates could affect the Guarantor's results of operations and business plan. Published reserves estimates may also be subject to correction due to the subsequent application of published rules and guidance.

The Guarantor's reporting policy is not, and is not required to be, derived from, or consistent with oil and gas reserves reporting requirements for filings with the U.S. Securities and Exchange Commission (the "SEC") and differs from such requirements in certain material respects. The Guarantor's reserves would differ from those described herein if determined in accordance with oil and gas reserves reporting requirements for filings with the SEC. There are currently no clear regulations governing public disclosure of potential reserves by oil and gas companies operating in India or their use in securities offering documents. The Guarantor can give no assurance that the reserves estimates upon which it has made investment decisions accurately reflect actual reserves level, or even if accurate, that technical limitations will not prevent it from retrieving these reserves.

Further, the Guarantor has provided certain estimates regarding crude oil and natural gas reserves in this Offering Circular. These estimates are based solely on volumetric analysis of the Guarantor's various licence areas and are not used by it as the primary basis for development capital expenditure decisions. All reserves estimates and information derived therefrom as of 31 March 2016 contained in this Offering Circular are unaudited management estimates.

In calculating the Guarantor's domestic reserves, the Guarantor uses SPE PRMS definitions, guidelines and International Standards specified by the Society of Petroleum Engineers ("SPE PRMS"). See "*Business – Production Business – Reserves Classification Standards*". The Guarantor's estimates of the reserves are provided by the Reserve Estimate Committee (the "REC"). The Guarantor's domestic reserves (other than domestic reserves held through joint ventures) have historically been audited independently every four to five years. However, there can be no assurance that the Guarantor will conduct such audits regularly in the future.

As of 31 March 2016, the Guarantor's reserves data for the 1P, 2P and 3P reserves in the areas of operations of the Guarantor are set forth in "*Business – Production Business – Presentation of Reserve Estimates*".

Accordingly, investors should not rely on this crude oil or natural gas reserves data as the primary basis for their investment decision.

If the Guarantor fails to acquire or find and develop additional reserves, or if it fails to redevelop existing fields, its reserves, production and profitability may decline materially from its current levels over time.

Successful execution of the Guarantor's strategy depends critically on sustaining long-term reserves replacement. As of 31 March 2016, almost all of the Guarantor's estimated proved plus-probable oil reserves, as well as 94.8 per cent. of its estimated natural gas reserves are in the Upper Assam basin, which is a maturing resource province. See "*Business – Production Business – Crude Oil and Natural Gas Reserves*". Consequently, the Guarantor has experienced and may continue to experience decreasing production rates from such resources. Unless the Guarantor conducts successful exploration and development and redevelopment activities or acquires properties containing proved plus probable reserves, or both, its reserves will decline over time as existing reserves are produced. In addition, the volume of production from oil and natural gas properties generally declines as reserves are depleted.

For example, the Dikom field in the Upper Assam basin has been a major producing field since Fiscal Year 1991 and accounted for approximately 6 per cent. of the Guarantor's crude oil production for Fiscal Year 2016. After initial development and recording its peak annual production level of 5.69 million barrels for Fiscal Year 1999, it experienced declining production levels. For Fiscal Year 2016, the Guarantor's production from the Dikom field was 1.38 million barrels.

The Guarantor's future production will be highly dependent upon its success in acquiring or finding and developing additional reserves and redeveloping existing resources in a timely and cost-effective manner, and doing so will be increasingly challenging because the development and redevelopment of mature fields require increased levels of expenditure. In addition, the Guarantor may fail to obtain sufficient data acquisition, insufficiently coordinate its reservoir assessment and management or under-exploit its existing reserves and exploration acreages in a manner that impairs its ability to develop or redevelop fields, which could cause its reserves and production to decline. If the Guarantor is unsuccessful in acquiring or finding and developing reserves or redeveloping its existing fields, its reserves and production will decline, which will adversely affect the Guarantor's business, financial condition and results of operations.

The Guarantor has a limited global presence in oil exploration, development and production and may be unable to match the international oil majors in the quantity and rate of reserves accretion and discovery of commercially viable hydrocarbon reserves, which adversely affects its competitiveness.

The Guarantor has a limited global presence in the field of oil exploration, development and production. Most major international oil and gas exploration and production companies have been in the business of acquiring international assets for a long period of time and have accumulated a large share of the world's hydrocarbon resources. The Guarantor has implemented its strategy to acquire both producing properties and exploration acreages overseas (see "*Business – Strategy – Achieve a balanced growth of its portfolio of assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally*" and "*Business – Exploration and Development Business – International Exploration and Development*") but does not expect to be able to match the international oil majors in the quantity and rate of reserves accretion and discovery of commercially viable hydrocarbon reserves.

The Guarantor may also have to venture into more difficult and hostile environments, both politically and geographically, where exploration, production and development will be more technologically challenging and expensive. In the course of certain investments in joint ventures where the Guarantor is not the operator, it is dependent on the operating partner, including for initially qualifying to bid for a project and for the overall success of the joint venture. The Guarantor also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner. If the Guarantor fails to match the international oil majors in the quantity and rate of reserves accretion and discovery of commercially viable hydrocarbon reserves, its business, financial condition and results of operations could be materially and adversely affected.

The Government of India's proposal, as announced in the Union Budget 2017-18, to merge all public sector entities in oil and gas sector in to one entity may adversely affect the business and operations of the Guarantor.

The Finance Minister, in his budget speech on 1 February 2017 discussed the GoI's plan to strengthen the central public sector enterprises by way of consolidations, mergers or amalgamations. In addition, the possibilities of restructuring the oil and gas sector were put forward during the speech. The Government's view is that such a restructuring will increase their capacity to bear higher risks, avail economies of scale, take higher investment decisions and create more value for stakeholders as well as match the performance of international as well as domestic private sector oil and gas companies.

Such a restructuring may pose number of legal and organisational challenges to the Guarantor. As public sector entities created by the parliamentary mandates, legislative and regulatory hurdles may not only be difficult to clear, but also pose risks to functioning of the Guarantor. While such a restructuring may eliminate excess workforce and duplication of facilities, it may lead to other unintended consequences. Different firm cultures might be difficult to integrate into one proposed consolidated entity and collaboration of human resources may pose imminent risks to the functioning of the proposed entity. The aim of a proposed merger may not be achieved and may not lead to the synergies proposed. Various approvals from regulatory bodies and third parties may be required which may not be forthcoming or may have conditions which may be detrimental or not achievable.

A restructuring of the entire oil and gas public sector to consolidate all units in to one oil company may be difficult to achieve and it may have an adverse effect on the Guarantor's business, financial operations and results of operations as well as the Notes.

The Guarantor encounters competition from other oil and natural gas companies in all areas of its operations, including the acquisition of licences for exploratory prospects, and competitive pressure on its business is likely to continue.

The oil and gas industry is extremely competitive, especially with regard to exploration for, and exploitation and development of, new sources of oil and natural gas. The GoI implemented the NELP in 1999, whereby private participation in the allocation of exploration acreages in India was permitted through competitive bidding, which provides access to both domestic and international bidders, including the world oil majors and the Guarantor's other competitors. In the nine completed rounds of NELP bidding since 1999, the GoI has offered a total of 256 blocks, of which the Guarantor has bid for 58 and was awarded 40 (30 of which it has subsequently relinquished). The GoI now automatically approves 100 per cent. foreign equity ownership in exploration activities conducted under the NELP. This policy is aimed at encouraging foreign oil companies to invest in India, which increases the competitive environment for the acquisition of licences for exploratory prospects in India. Consequently, new domestic and foreign entrants, including the world oil majors, may seek to enter the exploration and production industry in India, and increased competition could adversely affect the Guarantor's business by limiting the number of new exploration blocks that will be available to it in the future. The companies that have been granted exploration licences in the various rounds of the NELP include other public sector companies such as ONGC, IOCL, GSPCL and GAIL, as well as private companies such as British Gas, RIL, Cairn Energy Limited and Niko Resources. Further, there can be no assurance that the Guarantor will not lose its existing PELs under the GoI's relinquishment policy, where, in the event of non-completion of the minimum work programmes or on account of environmental and other factors, the Guarantor may decide, or be asked by the GoI, to relinquish its PELs in respect of certain blocks held by it. For further details on the NELP, see "*Regulatory Matters*".

The Guarantor faces similar competition for the acquisition of exploration and production acreages internationally.

Some of the Guarantor's domestic and foreign competitors are much larger, more established companies with substantially greater resources. In addition, the Guarantor increasingly faces significant competition in acquiring global assets from national oil companies of other countries. These companies may be able to bid more aggressively for exploration blocks and may be able to acquire a greater number of properties and prospects, including operatorships and licences, in India and abroad, than the Guarantor is able to acquire.

In addition, the MoPNG announced in September 2009 that the GoI intends to implement a shift from the NELP to an Open Acreage Licencing Policy ("OALP"). The Government also recently announced its new Hydrocarbon Exploration Licencing Policy ("HELP"), which replaced the prior policy regime for the exploration of oil and gas in India. Under the OALP, all exploration areas in India that are not licenced or leased will be available for competitive bidding on a continuous basis without reference to pre-defined blocks or acreage. The Guarantor expects that the OALP will enhance competition for India's exploration acreages and permit increased competition from smaller crude oil and natural gas companies. Consequently, there can be no assurances as to the impact that the OALP or other regulatory changes will have on the Guarantor's ability to identify and acquire additional crude oil and natural gas exploration rights in India. On 25 May 2016, the GoI announced a bid for small discovered fields ("DSF") in which 46 contract areas were offered for bidding with the objective of monetising discovered fields to boost domestic oil and gas production, out of which 31 small discovered fields have been approved for the award of contracts based on the bids received.

In addition, the implementation of the Guarantor's strategy requires continued technological advances and innovation including advances in exploration and production and advances in technology related to energy usage. The Guarantor's performance could be impeded if competitors develop or acquire intellectual property rights to technology that it requires or if the Guarantor's innovation lags behind that of its industry.

Further, in the long-term, commercially viable production of proposed substitutes for oil and gas such as fuel cells or agro-fuels may be available at prices less than those for oil and gas. If such developments occur, additional expenditure on acquisition of oil and gas exploration licences may not be commercially viable.

The Guarantor is engaged in exploration and development activities under PELs, which are valid for a particular period. There can be no assurance that the Guarantor will be granted extension in respect of the PELs upon expiry and consequently, that it will not lose its nomination for these blocks.

The Guarantor is engaged in exploration and development activities in five independently held blocks in the states of Assam and Arunachal Pradesh under PELs, covering a total area of approximately 1,230 square kilometres.

If the Guarantor fails to obtain extensions of the expired PELs, or fails to obtain new PELs for the exploration and development of new blocks, its business, financial condition and results of operations could be adversely affected.

The Guarantor's PELs in respect of two of the five independently held blocks has expired and there can be no assurances that it will be granted extensions of these PELs and, consequently, that it will not lose its nomination for this block.

The Guarantor's PELs in respect of two of its five independently held blocks, covering an area of approximately 898 square kilometres in Dibrugarh and Tinsukia, Assam, has now expired. Although the Guarantor is in the process of obtaining an extension of these PELs, in the event that the PELs are not extended, the Guarantor will be prohibited from commencing or conducting further exploration activity in this block and may lose its nomination for these blocks.

For further details on PELs, see "Regulatory Matters".

If the Guarantor fails to obtain extensions of the expired PELs, or fails to obtain new PELs, its business, financial condition and results of operations could be adversely affected.

The Guarantor's PMLs in respect of two of the 22 independently held blocks have expired and there can be no assurances that it will be granted extensions of these PMLs and, consequently, that it will not lose its nomination for these blocks.

The Guarantor is engaged in mining activities in 22 independently held blocks in the states of Assam, Arunachal Pradesh and Rajasthan under PMLs, covering a total area of approximately 5,004 square kilometres. However, the Guarantor's PMLs in respect of two of the 22 independently held blocks, covering an area of approximately 616 square kilometres, have now expired. These PMLs are as follows:

- 541 square kilometres in Ningru, Arunachal Pradesh; and
- 75 square kilometres in Ningru Extension, Arunachal Pradesh.

Although the Guarantor has applied for extensions of the above-mentioned PMLs, it is currently awaiting approval from the GoI for such extensions. In the event that the PMLs are not extended, the Guarantor will be prohibited from commencing or conducting further mining activity in these blocks and may lose its nomination for these blocks. For further details on the PMLs, see "Regulatory Matters".

If the Guarantor fails to obtain extensions of the expired PMLs, or fails to obtain new PMLs, its business, financial condition and results of operations could be adversely affected.

The Guarantor requires certain registrations and permits from the GoI and regulatory authorities in the ordinary course of its business and the failure to obtain them in a timely manner or at all may adversely affect the Guarantor's operations.

In addition to the extension of the Guarantor's expired PMLs, the Guarantor requires certain other approvals, licences, registrations and permits, which it has applied for or is in the process of making an application for.

Furthermore, the Guarantor also requires certain licences under the Forest Conservation Act, 1980 in order to commence its exploration activities. The Guarantor applies for the necessary licences and permits as required. For further details of the approvals, licences, registrations and permits that the Guarantor requires in the ordinary course of its business, see "Regulatory Matters". If the Guarantor fails to obtain any of these approvals, licences, registrations or permits (or renewals thereof), in a timely manner, or at all, the Guarantor's business could be adversely affected.

Hydrocarbons exploration is capital-intensive and involves numerous risks, including the risk that, after substantial expenditures, the Guarantor will encounter crude oil or natural gas reservoirs that may not be commercially viable for production.

The Guarantor is exploring various geographic areas in India where environmental conditions are sensitive or challenging, limited data is available and the costs associated with exploration activities can be high. For example, the Guarantor is carrying out exploration activities in the mountainous and heavily forested North East Frontier areas, which currently lack the basic infrastructure (including transportation and supply of utilities) necessary to provide sufficient access to the sites to support its exploration activity, and carries out its exploration activity in the state of Assam, which is subject to heavy rainfall.

In addition, the Guarantor incurs substantial expenditures in its producing and exploration acreage in the North East region of India and its loss on such expenditure may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. The Guarantor is also involved in exploration activities in India and 10 other countries (including through its equity investments) where the Guarantor is not the operator in some of the areas and has limited control over expenditure and drilling decisions.

Furthermore, the Guarantor may become increasingly involved in deep-water projects, which require the use of high-resolution surveys and infrastructure for interpretation and involve greater exploration expenditures than traditional exploration practices.

The cost of drilling, completing and operating wells is often uncertain. As a result, the Guarantor has in the past incurred, and may continue to incur, cost overruns, or may be required to curtail, delay or terminate drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or variations in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. The Guarantor has encountered delays in domestic exploration projects due to failure of third party contractors hired for the particular project to complete their scope of work in a timely manner, as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations and unanticipated conditions prevailing in the areas of exploration.

The Guarantor's overall exploration activity within any particular project area may be unsuccessful. For example, the Guarantor has carried out exploration activities without any commercial success in the North Bank region of the Brahmaputra river bed in the North East (Lakhimpur), its operated block in the Mahanadi onshore basin and Mumbai deep-water with its joint venture partners. Internationally, the Guarantor has carried out exploration activity in the Ivory Coast, Area 86 and Block 102/4 in Libya without commercial success. In addition, the Guarantor has also acquired 60 per cent. participating interests, as operator, in two offshore blocks in Myanmar (see "*Business – Recent Developments*"), and there can be no assurance that the Guarantor's exploration activity in these newly acquired blocks will be successful. If such failures persists and continue to occur in the future, they may have a material adverse effect on the Guarantor's business, financial condition and result of operations.

Any failure by the Guarantor to effectively identify, manage and integrate acquisitions successfully could adversely affect its results of operations, business and prospects.

The Guarantor has made acquisitions of crude oil and natural gas assets in recent years and continues to evaluate merger and acquisition opportunities in India and internationally. It seeks to exploit its existing overseas exploration acreage, pursue attractive opportunities to acquire or obtain participation interests in additional assets and obtain exploration and development concessions in various overseas locations which may require significant investments. However, the Guarantor may not be able to fully realise all the anticipated benefits of any acquisition transactions within the anticipated time frame, or at all, owing to inadequacies in its operations due to factors that are beyond its control. In particular, such acquisitions involve a number of uncertainties and risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may become apparent only after the merger or acquisition is completed;
- integration and management of the operations and systems; and
- regulatory challenges for completing and operating the acquired crude oil and natural gas assets.

Part of the Guarantor's growth strategy includes pursuing strategic acquisition and alliances. However, if the Guarantor is unable to integrate successfully the operations of acquired assets or businesses, successfully establish and operate joint ventures in connection with such acquisition and alliances, derive favourable returns from its acquisitions, or manage such future acquisitions profitably, the Guarantor's growth plans may not be met and its cash generation and profitability may decline. In addition, any acquisition that it makes may result in the assumption of material liabilities. Assets that the Guarantor acquires may subject it to increased costs and liabilities, including environmental liabilities. The costs and liabilities associated with unknown risks may be greater than expected, and it may assume unforeseen contingent risks or latent liabilities that become apparent only after the

acquisition is completed. Foreign acquisitions involve risks in addition to those mentioned above, including those related to integration of operations across different languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

The Guarantor's failure to adequately estimate the value of and effectively exploit the crude oil and natural gas assets it acquires may adversely impact its business, result of operations, growth and profitability.

The Guarantor has made significant acquisitions of oil and gas assets in recent years and is continually evaluating acquisition opportunities as part of the Guarantor's growth strategy to exploit its existing overseas exploration and production acreage, pursue attractive opportunities to acquire or obtain participation interests in additional assets, and obtain exploration and development concessions in various overseas locations. Except as disclosed in this Offering Circular, the Guarantor has not entered into any definitive agreements with respect to acquisitions of any new assets; however, should the Guarantor decide to do so, it may make significant investments which may not result in favourable returns due to, among other things, the uncertainties inherent to the nature of the Guarantor's business for such acquisitions.

Each of the Guarantor's acquisitions will involve a number of challenges and uncertainties commonly encountered in making acquisitions of crude oil and natural gas assets of this nature, which may impact the Guarantor's investments in new assets, including:

- reliability of given data in making accurate evaluations and estimates of reserves and production rates of the assets it acquires;
- inadequacy of technical data and undertaking adequate due diligence of risks relating to the assets;
- planning for unforeseen technical and operating difficulties and expenditures, including assimilating the operations, systems and personnel associated with the acquired assets;
- role of local partners and or consortia parties to mitigate risks associated with the Guarantor's acquisitions and overseas operations;
- managing, reorganising, expanding or otherwise modifying existing operations to meet future production needs;
- complying with various local and international industrial standards and guidelines applicable to the assets it acquires; and
- changes in local tax laws.

In view of the various technical and commercial risks that are inherent to the Guarantor's core business of exploration and exploitation of hydrocarbon resources, if it is unable to accurately estimate the value of, or effectively exploit, the oil and gas assets it acquires, the anticipated benefits of the Guarantor's acquisitions may not be fully realised, if at all, and it may become subject to increased costs and liabilities, which could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The Guarantor may be unable to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with its international operations.

The Guarantor has participating interests in assets located in various countries including Myanmar, Libya, Sudan, Iran and Yemen. These international operations expose the Guarantor to a variety of risks, including risks arising from:

- potential for political unrest, war or acts of terrorism in countries in which the Guarantor operates such as Libya and erstwhile Sudan (prior to the separation of South Sudan);
- decrease in reserves estimates as a result of assets being lost due to political risk, which is not accounted for in the Guarantor's reserves estimates;
- difficulties in staffing and managing multiple international locations;
- any need to obtain governmental approvals and permits under unfamiliar regulatory regimes;
- increased costs resulting from the need to comply with complex foreign laws and regulations including those relating to payment of royalty, exploration and development of crude oil and natural gas reserves, trade restrictions, labour relations, environmental regulations, tax laws and other local laws that apply to the Guarantor's international operations;
- imposition of, or unexpected adverse changes in, the laws, regulatory requirements or trade policies of foreign governments;
- inconsistent application of laws and regulations by courts or applicable regulatory bodies in the countries in which the Guarantor operates;
- increased exposure to foreign currency exchange rate risk, particularly in the U.S. dollar;
- restrictions on transfer of funds into or out of a country;
- inability to obtain adequate insurance;
- inability to maintain or enforce legal rights and remedies, including those relating to intellectual property and trade secrets, at a reasonable cost or at all;
- challenges caused by distance, language and cultural differences and by doing business with foreign agencies and governments;
- credit risk and higher levels of payment fraud;
- potentially adverse tax consequences; and
- risks of expropriation, nationalisation, renegotiation, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, foreign government regulations that favour or require awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from a particular jurisdiction.

The Guarantor may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where it does business or plans to do business. The Guarantor's failure to manage these risks successfully could adversely affect its business, operating results and financial condition. Furthermore, it may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If the Guarantor is unable to successfully build its brand reputation and sale revenues in its international markets, it may limit its ability to grow its business.

The Guarantor's business is dependent on the continued operation of a single pipeline to transport all of its oil production.

For Fiscal Year 2016, standalone crude oil sales (including condensate) accounted for Rs. 68,489 million, or 70.00 per cent., of the Guarantor's standalone sales revenues. For the nine months ended 31 December 2016, standalone crude oil sales accounted for Rs.52,666 million (U.S.\$768.52 million), or

75.25 per cent., of the Guarantor's standalone sales revenues. All of the Guarantor's independent oil production is derived from its fields in the Upper Assam basin and is transported through its 1,157 kilometre cross-country crude oil pipeline to four public sector refineries in the North East region of India. Approximately 2 MMTPA of crude oil imported by IOCL was transported from Barauni in the state of Bihar to supply one of the four refineries in Assam by utilising the Guarantor's transportation system. See "*Business – Transportation Business – Domestic Pipeline*". The pipeline was first constructed in 1962 and needs to be continually updated and maintained to remain operational. In addition, the pipeline traverses difficult terrain and may be subject to acts resulting from insurgency, terrorism and civil strife in the North East region. The Guarantor's pipeline has, in the past, been targeted by insurgent groups. Most recently, in September 2007, the Guarantor's pipeline was bombed, which resulted in a disruption to its pipeline operations at Tengakhat in Dibrugarh district in the North-East region of India. The Guarantor's only alternative arrangement in the event of an interruption to the operation of its pipeline is storage facilities, which the Guarantor believes could accommodate its crude oil production for a period of up to fourteen days, based on its present production rate. Therefore, in the event that the Guarantor were to suffer a significant interruption in the flow of the pipeline due to natural catastrophe, breakdown, maintenance issues, terrorist activity, sabotage or any other factor, it would have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The Guarantor's exploration, development and production operations are subject to various risks and natural disasters, and resulting losses may cause material liabilities that are not covered by insurance.

Exploration for and production of oil and natural gas is hazardous, and man-made and natural disasters, operator error or other accidents can result in oil spills, blowouts, cratering, fires, equipment failure, and loss of well control, which can injure or kill people, damage or destroy wells and production facilities, and damage property and the environment. Offshore operations that the Guarantor may undertake may be subject to marine perils, including severe storms and other adverse weather conditions, vessel collisions and governmental regulations as well as interruptions or termination by governmental authorities based on environmental and other governmental considerations.

In addition, the Guarantor runs the risk that it may not find any economically productive natural gas or oil reservoirs in carrying out its exploration activities. In addition, the costs of drilling, completing and operating wells could be subject to shortages of, or delays in obtaining, equipment, and the inadequacy or unavailability of, or other problems with, transportation facilities. Breakdowns in the Guarantor's equipment or that of contractors, or in the infrastructure on which it relies, could disrupt the Guarantor's operations and adversely affect its business. In particular, the Guarantor's computers, telecommunications and electronic systems and equipment are vulnerable to breakdowns, disruptions or other problems that may adversely affect its operations.

The Guarantor maintains insurance coverage against some, but not all, potential losses. For example, the Guarantor has no insurance coverage for loss of profits or earnings, damaged or destroyed data or records, or damage or loss due to pollution or contamination arising out of its onshore exploration and production activities. Losses and liabilities arising from such events may significantly reduce the Guarantor's revenues or increase its costs (for example, by incurring extra costs on site restoration, disaster recovery and workers' compensation or rehabilitation) and have a material adverse effect on the Guarantor's financial condition and results of operations.

The Guarantor is exposed to risks brought about by asset concentration.

As of 31 March 2016, all of the Guarantor's estimated independent proved plus probable oil reserves and approximately 94.8 per cent. of its estimated independent proved plus probable gas reserves were concentrated in the Upper Assam basin in Assam and Arunachal Pradesh. See "*Business – Production Business – Crude Oil and Natural Gas Reserves*". All of the Guarantor's downstream investments and

businesses, including the majority of the Guarantor's 1,157 kilometre cross-country crude oil pipeline, the 660 kilometre product pipeline and the 192 kilometre gas pipeline to Numaligarh refinery, amongst others, are also concentrated in this region.

The concentration of the Guarantor's proved plus probable oil and natural gas reserves and all of its downstream investments in one region increases the Guarantor's exposure to an event that could adversely affect the development or production of oil and natural gas in a limited geographic area, including catastrophic damage to wells, pipelines, installations and natural catastrophes or events that could result in the loss of the Guarantor's oil or natural gas reserves or impact the supply of the Guarantor's oil and gas production.

In addition, the Guarantor faces security risks to some of its assets and in some of its basins in the North East region of India, and, because of its concentration of assets in this region, may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. For example, the Guarantor's pipeline has in the past been targeted by insurgent groups. See "*The Guarantor's business is dependent on the continued operation of a single pipeline to transport all of its oil production*". The region is also a difficult terrain geographically and is not easily accessible, which could increase the costs to the Guarantor of remedying damage to its assets. Any adverse event with respect to these areas will have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The non-completion of any minimum work programme mandated to the Guarantor pursuant to the PSCs signed by the Guarantor may result in the calling of the relevant bank guarantees by the GoI for the committed amount under the minimum work programme, and this may have an adverse impact on the Guarantor's business, financial condition and results of operations.

The minimum work programme is a regulatory mandate under a PSC signed under the NELP regime, pursuant to which the parties to the PSC, including the Guarantor, provide the mandate for a minimum work programme commitment (comprising 2D and 3D seismic data acquisition, the processing and interpretation of data and the drilling of exploratory and development wells), agreed between the parties, to be completed in a particular exploration area or block to which the PSC pertains in an exploration phase, against which requisite bank guarantees for an amount necessary to complete the minimum work programme commitments in an exploration phase are furnished to the GoI by parties to the PSC in proportion to their participating interest share in the PSC. The outstanding amounts in respect of bank guarantees furnished by the Guarantor are accounted for as contingent liabilities in the Guarantor's financial statements. See "*Financial Statements*". In the event the Guarantor fails to achieve its minimum work programme commitments stipulated in a PSC in an exploration phase, or is unable to seek an extension for a period necessary for completion thereof, the GoI may call the assessed value of the bank guarantee towards the incomplete minimum work programme. The Guarantor's non-completion of minimum work programme commitments and the subsequent encashment by the GoI of the outstanding amount of the bank guarantees may have a material adverse impact on the Guarantor's business, financial condition and results of operations.

The Guarantor's development projects have significant capital expenditure requirements and involve many uncertainties and operating risks that can prevent it from realising profits and may cause substantial losses.

The Guarantor's development projects may be delayed or may not be entirely successful for many reasons, including financial constraints, cost overruns, lower oil and gas prices, equipment shortages, mechanical and technical difficulties, the failure to obtain necessary governmental approvals and industrial action. These projects may also require the use of additional new and advanced technologies which can be expensive to acquire and implement and may not function as expected. In addition, some of the Guarantor's future development projects are expected to be located in logistically difficult environments, or will involve challenging reservoirs, which may exacerbate such problems. In addition, the Guarantor has encountered delays in certain other development projects due to a failure of third

party contractors hired for the project to complete their scope of work in a timely manner, as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations and unanticipated conditions prevailing in the areas of development activity. There is a risk that other development projects that the Guarantor undertakes may suffer from similar or additional problems.

The Guarantor is increasingly developing smaller satellite fields with shorter life spans and encounters the technological challenge of establishing re-usable facilities whilst remaining profitable. The Guarantor’s development projects in mature fields also face potentially higher operating costs and capital expenditure. In addition, the Guarantor’s development projects, particularly those in remote areas, could become less profitable, or unprofitable, if the Guarantor experiences a prolonged period of lower than expected oil or gas prices.

Gas prices relating to natural gas sales derived from the Guarantor’s nomination blocks are controlled by the GoI, which limits the profitability of the Guarantor’s gas production business.

The prices for most of the Guarantor’s natural gas sales are subject to certain GoI price limits, which are generally based on the region of production and, in some instances, type of customer. On 25 October 2014, GoI announced the “New Domestic Natural Gas Pricing Guidelines, 2014”. Under these guidelines, domestic gas price is determined based on a weighted average formula including the (a) annual average prices prevailing at Henry Hub, Alberta Hub, National Balancing Point and Russia; and (b) annual volume of natural gas consumed in the U.S., Mexico, Canada, the E.U. and former Soviet Union countries, excluding Russia, and Russia. These Guidelines were made effective from 1 November 2014. Domestic gas price is determined in advance on biannual basis, using trailing data of price formula for four quarter with a lag of one quarter. These guidelines are applicable to all gas produced from nomination fields, NELP blocks, Pre-NELP blocks in which the PSC provides for GoI approval of gas prices as well as CBM blocks. For certain customers in North-East India, the net consumer price is fixed at 60 per cent. of the price determined according to the guidelines while the remaining 40.00 per cent. is paid to the Guarantor as subsidy through a provision in the Union Budget of India. Domestic natural gas prices notified by the GoI from November 2014 until the date of this Offering Circular are as follows:

Period	Gross calorific value basis <i>(U.S.\$/MMbtu)</i>
1 November 2014 to 31 March 2015	5.05
1 April 2015 to 30 September 2015	4.66
1 October 2015 to 31 March 2016	3.82
1 April 2016 to 30 September 2016	3.06
1 October 2016 to 31 March 2017	2.50

On 21 March 2016, MoPNG announced its guidelines on the Marketing including pricing freedom (subject to a ceiling price on the basis of landed price of alternative fuels) for the gas to be produced from discoveries made in deep-water, ultra deep-water, and high pressure/high temperature areas. The proposed guidelines would be applicable to future discoveries as well as existing discoveries which are yet to commence commercial production as on 1 January 2016. All gas fields under production prior to this date will continue to be governed by the pricing regime which is currently applicable to them. In terms of the said notification, the GoI has notified the gas price ceiling of U.S.\$6.61/MMbtu (on gross calorific value basis) applicable for the period from 1 April 2016 to 30 September 2016 and US\$5.30/MMbtu for the period from 1 October 2016 to 31 March 2017.

These price caps are also subject to adjustment for calorific content and, for certain customers, inflation. There can be no assurances that the operation of the price caps or the GoI budgetary allocation will not be changed in a way that will adversely affect the Guarantor's gas monetisation strategy or otherwise have a material negative impact on its financial condition and results of operations. Any future GoI decisions affecting such budgetary allocations or changes in the natural gas pricing policy may affect the Guarantor's revenues and profitability from its natural gas business.

Domestic producers of crude oil and natural gas in India may face increased competition from importers and alternative sources of energy.

There is a relative lack of infrastructure for importing and distributing LNG, which has limited the quantities of liquefied natural gas imported into India, resulting in reduced competition for domestic natural gas producers. However, the development of the LNG market and related infrastructure such as import terminals could lead to increases in natural gas imports and increased competition for the development and production of domestic natural gas.

Furthermore, in the long-term, commercially viable production of proposed substitutes for crude oil and natural gas such as fuel cells or bio-fuels may be available at cheaper prices than crude oil and natural gas, reducing the demand for crude oil and natural gas and having a material adverse effect on the Guarantor's results.

The Guarantor's strategy to diversify its domestic operations through downstream integration may not be successful.

The Guarantor has begun to implement, and intends to continue to pursue, a strategy of selective vertical integration into downstream sectors such as refining, processing and distribution, cracking and fractionation of gas in order to maintain and increase its equity interests in various downstream companies. For further details, see "*Business – Strategy – Selectively diversify its domestic operations through downstream integration and focus on its inorganic growth*" and "*Business – Downstream Investment Business*". Currently, the Guarantor holds a 5 per cent. equity interest in IOCL, 26 per cent. equity interest in NRL, a 10.00 per cent. equity interest in BCPL and a 23 per cent. equity interest in DNP Limited. The continued implementation of this selective vertical integration strategy towards full integration of the Guarantor's business with the downstream sector will require focus on, and additional substantial investment into, business areas in which the Guarantor has no or limited experience and the Guarantor will face competitive disadvantages compared to companies that have more experience operating in downstream businesses. The success of the Guarantor's entry into various downstream businesses will also depend upon its ability to integrate those businesses with its upstream operations, which will require its management to devote significant time and resources. To the extent that the Guarantor is unable to successfully and profitably operate any downstream business in which it enters or to integrate those businesses into its upstream operations, it may recognise lower than expected returns on its current or future investments or suffer a loss on those investments.

The Guarantor may be expanding its ventures in business areas in which it has a limited operating history and such future performance is uncertain.

The Guarantor has limited operating history in sectors other than oil exploration and production. For example, the Guarantor has entered into dark fibre lease agreements with telecom service providers, including Power Grid Corporation of India Limited, Dishnet Wireless Limited and Bharti Airtel, amongst others, for leasing its spare dark fibre capacity as part of the dedicated telecommunication optical fibre cable in its trunk crude oil pipeline. See "*Business – Transportation Business – Pipeline Construction and Related Businesses and Services*". The Guarantor has also started to focus on the non-conventional and renewable energy resources, including wind power projects, solar power projects and shale oil and gas. While these sectors do not contribute to a significant portion of its revenue, there may in the future be business areas the Guarantor plans to diversify into more aggressively. See "*Business – Renewable and Non-conventional Energy Business*".

Because of the Guarantor's limited operating history in such business areas, its historical financial results may not accurately predict its future performance. Further, because of the Guarantor's narrow business focus on oil exploration and production, its financial results are more sensitive to changes and downturns within its industry than companies with more diversified lines of business. For example, as a result of industry factors or factors specific to the Guarantor, it may have to alter its anticipated methods of conducting its business, such as the nature, amount and types of risks it assumes.

The use of enhanced recovery methods creates uncertainties that could adversely affect the Guarantor's financial condition and results of operations.

As of 31 March 2016, all of the Guarantor's unconsolidated estimated proved plus probable oil reserves, as well as 94.8 per cent. of its estimated natural gas reserves, are in the Upper Assam basin which is a maturing resource province and where production has, historically, been declining. Specifically, 11 of the Guarantor's 15 producing fields are in decline. In order to increase the production of oil and gas in these fields, the Guarantor is currently using and intends to increase its use of improved and enhanced recovery methods. For further details on use of improved and enhanced recovery methods, see "*Business – Production Business – Improved Oil Recovery and Enhanced Oil Recovery Techniques*". If the Guarantor's improved and enhanced recovery methods do not allow for the extraction of oil and gas in the manner or to the extent that it anticipates, it could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The Guarantor depends in part on small to medium size discoveries within its existing acreage to maintain its levels of production.

In recent years, the Guarantor has depended in part on making small to medium size discoveries to maintain its levels of production. An ability to continue to make small to medium size discoveries will depend on a number of factors, many of which are outside the Guarantor's control. There are no assurances that the Guarantor will be able to continue to make or to exploit such discoveries in the future. In addition, the Guarantor may incur significant expenditures seeking small and medium size discoveries but may ultimately fail to realise additional reserves or production. If the Guarantor is unsuccessful in making and exploiting small and medium size discoveries, its reserves and production may decline, which may adversely affect its business, financial condition and results of operations.

The GoI allocates most of the crude oil the Guarantor produces to predetermined refinery companies, which reduces its negotiating power.

The GoI allocates most of the crude oil produced by the PSUs in the Indian oil and gas industry to predetermined refinery companies, including most of the crude oil that the Guarantor produces, and this reduces the Guarantor's negotiating power with respect to the prices for the crude oil that it provides to these allocated customers. Although the Guarantor's MoU with the GoI-controlled refining companies to which the Guarantor's crude oil is sold expired on 31 March 2004, at the direction of the GoI the Guarantor is still supplying crude oil to these refining companies. If and when the Guarantor enters into a new MoU, or offtake agreements, with its allocated customers, there can be no assurances as to the terms and conditions of such MoU or offtake agreements, the pricing terms of which will depend on the then-prevailing market conditions and its relative negotiating power. All of these factors may have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The Guarantor is required to seek the approval of the GoI for certain decisions under its PSCs, which may limit its ability to take certain actions under those contracts.

The PSCs that the Guarantor has entered into with the GoI and the other contractors as counterparties are in a standard format, confer certain rights on the GoI and require the Guarantor to seek the approval of the GoI in certain circumstances. For more information on the PSCs that the Guarantor has entered into, see "*Business – Production Business – Product Sharing Contracts*" and "*Business – Exploration and Development Business – Domestic Exploration and Development – Product Sharing Contracts*". For example:

- the GoI has the right to access the exploration acreage and to inspect and test the appliances used for measuring the volume and quality of petroleum, and may require the other parties to such PSCs to take remedial steps if it believes that the exploration activities are causing harm and damage to the environment;
- the operator of the exploration area cannot be changed without prior approval from the GoI; and
- in each exploration area, the GoI nominates two members of the management committee, which has a mandate to approve, *inter alia*, the annual work programmes, proposals for approval of development plans, appointment of auditors and proposals for abandonment plans and site restorations.

Consequently, the Guarantor faces the risk of substantial governmental involvement in its activities, which limits its ability to take certain actions under those contracts or may cause a delay in the Guarantor taking such actions, which could have a material adverse effect on its business, financial condition and results of operations.

Much of the Guarantor's equipment is old and significant expenditure may be required to maintain operability and operations integrity.

Much of the equipment which the Guarantor utilises in its business operations, including pipelines, drilling equipment and production facilities are old and require regular upgrading, revamping or replacement. Despite the planned significant operating and capital expenditure there can be no guarantee that the equipment will not suffer material damage through wear and tear, natural disasters or industrial accidents, or will not require further significant capital improvements or maintenance in the future which could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

In addition, the Guarantor may fail to maintain sufficient financing and budgetary controls, planning and monitoring systems, procurement coordination, scheduling for technology upgrading and maintenance and efficient use of hired services with respect to its equipment, all of which may increase the cost of its exploration and production activity which could have an adverse effect on its profitability.

The Guarantor may not be able to upgrade its existing technologies and assimilate and acquire new and more advanced technologies in a timely and cost-effective manner.

As of 31 March 2016, almost all of the Guarantor's unconsolidated estimated proved plus probable oil reserves, as well as 94.8 per cent. of its estimated natural gas reserves, are in the Upper Assam business, which is a maturing resource province. In order to optimise production from its reserves in these provinces, carry out exploration in deep-water areas, exploit non-producing basins and acquire knowledge and expertise about frontier basins, it is necessary that the Guarantor continues to adopt advanced technology rapidly and cost-effectively, and train its personnel in the operation and maintenance of such technology. If the Guarantor is unable to acquire such technology in a timely manner or if it fails to appropriately revamp existing technology, it may not be able to fully exploit its reserves.

As the acquisition of technology is highly capital intensive, if such technology is not utilised in a productive and efficient manner, the Guarantor may not realise the benefits it expects from such technology and its operations and profitability may be adversely affected. There can be no assurances that the Guarantor will be able to successfully implement the technology on which its strategy is dependent and its failure to do so could have a material adverse effect on its business, financial condition and results of operations. In addition, if it is unable to acquire new technology the Guarantor may have to incur even greater expense to lease such technology than it would have incurred to acquire it.

In addition, the Guarantor's ability to exploit, in a cost-effective manner, any reserves discovered will be dependent upon, among other things, the availability of the necessary infrastructure for the exploitation and transportation of oil and gas to potential buyers at a commercially acceptable price. Crude oil is usually transported by pipelines and ocean tankers to refineries, and natural gas is usually transported by pipelines to processing plants and end-users. For example, the Guarantor is currently conducting exploration activities in the deep waters of the Bay of Bengal on the east coast of India where no suitable transportation arrangements exist and infrastructure will have to be built if it is successful in the Guarantor's exploration in this region. The Guarantor may not be successful in its efforts to arrange suitable infrastructure in time for the cost-effective transportation of its potential production.

The Guarantor may not be able to successfully limit its gas flare in connection with its natural gas production.

As part of its strategy, the Guarantor intends to focus on the commercialisation of its natural gas reserves and resources and to improve its utilisation of natural gas. See "*Business – Strategy – Monetise and further leverage off its natural gas resources in the Upper Assam*". The Guarantor's ability to do so successfully is in part dependent upon its ability to limit its gas flaring. In particular, the Guarantor may be required to flare gas in the event that it is unable to establish surface production facilities by the time it first begins production within any given field. As development drilling is undertaken in a field, the Guarantor begins by installing surface facilities to handle the field's production. However, there is often a time lag between the start of production and surface facilities being ready for production. If the field is producing associated gas before surface facilities are available to handle production, the Guarantor is required to flare such gas, which results in a reduction in the amount of gas realised from its producing fields. The Guarantor's inability to successfully limit gas flaring could have an adverse effect on its ability to successfully implement its gas monetisation strategy. In addition, regulations governing gas flaring are less restrictive in India than in many other parts of the world. If India were to adopt more restrictive gas flaring regulations, there can be no assurance that the Guarantor would be able to comply with such regulations, or do so without incurring significant cost, thereby adversely affecting its profitability.

The Guarantor's experience is primarily limited to exploration and production activities onshore in India, which makes it dependent on the expertise of third parties in connection with offshore exploration and development.

Historically, the Guarantor's exploration and production activities have been primarily limited to onshore fields in India. However, the Guarantor intends to seek to acquire domestic or international offshore blocks. Owing to its limited experience in the exploration and production of oil from offshore blocks, the Guarantor enters into arrangements in respect of blocks in deep-water areas pursuant to which it is a non-operator, and therefore must rely on the technical know-how of the third party operator and is bound by the operator's actions under the terms of the relevant PSC. The Guarantor also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner. In addition, the Guarantor's need to enter into arrangements with third party bidders may put it at a competitive disadvantage in the domestic or international bidding processes for offshore blocks, as compared to bidders that are capable of operating the blocks.

The activities in certain countries, such as Russia, that are the subject of U.S. and European Union sanctions of the Guarantor could result in the possible imposition of sanctions, negative media and investor attention, and could materially and adversely affect an investment in the Notes.

The Guarantor conducted, currently conducts or is in the process of entering into business activities with countries and persons that are subject to sanctions and export controls administered or enforced by the United States, including the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, and the U.S. Department of Commerce; the United Nations Security Council; the European Union (the "EU") and Her Majesty's Treasury of the United Kingdom.

The OFAC administers a number of sanctions programmes and maintains a list of persons and entities which are subject to trade restrictions and economic embargoes that prohibit U.S. incorporated entities, U.S. citizens and permanent residents, and persons in the U.S. as well as in certain circumstance persons owned or controlled by U.S. persons, from engaging in, either directly or indirectly, commercial, financial, or trade transactions with such entities, unless authorised by OFAC or exempt by statute. The Guarantor intends to set up a segregated account so that funds raised from persons investing in this Offering are not commingled with funds for any business activity in any country subject to OFAC or other U.S. or international sanctions, including Iran. Nevertheless, investors in the Notes may incur reputational or other risks as a result of the Guarantor's dealings with sanctioned persons or countries.

Specifically, the Guarantor deals directly with a number of entities that are targeted by the United States and other sanctions programmes targeting Russia. The Guarantor participates in projects and other activities in a number of other countries or regions subject to heightened sanctions enforcement and scrutiny, including Sudan, Iran, Libya and Myanmar (Burma). There can be no assurance that further sanctions will not adversely affect the Guarantor's operations in these or other countries or regions and those investors in the Notes will not incur reputational or other risk as a result of the Guarantor's dealings with sanctioned persons, entities or countries.

In addition, the Guarantor holds 33.5 per cent. shares in the special purpose vehicles through which the Guarantor, together with IOCL and BPRL acting jointly as a consortium acquired participating shares representing 29.9 per cent. of the charter capital of LLC Taas -Yuryakh Neftegazodobycha ("**TYNGD**") as well as 23.9 per cent. of shares of JSC Vankorneft ("**Vankorneft**"), both being subsidiaries of Rosneft Oil Company ("**Rosneft**"). Rosneft, TYNGD and Vankorneft are each U.S. and EU sectoral sanctions targets. The President and Chairman of the Rosneft board, Igor Sechin, and one of the Russian government's nominees to the Rosneft board, Sergei Chernozov, are each identified on OFAC's Specially Designated Nationals and Blocked Persons List (the "**SDN List**"). In addition, Sergei Chernozov is the target of an EU asset freeze. In relation to Sudan, the Guarantor acquired a 10.00 per cent. participating interest in a multi-product pipeline by entering into a participation agreement with OVL for the construction of the pipeline in Sudan. This project was awarded by the Sudanese Ministry of Energy & Mining ("**MEM**") and involved a construction of 12" x 741 kilometres long cross-country multi-product pipeline from Al-Rawyan to Port Sudan. The pipeline has been built on a "Build, Operate, Lease and Transfer" basis and after its completion on 1 September 2005 it was handed back to the MEM. The consortium engaged Dodsal Pte Ltd. as the EPC contractor for the project. The Guarantor has generated revenues of Rs.695.10 million (U.S.\$13.40 million) from this project. See "*Business – Exploration and Development Business – International Exploration and Development – Sudan*". Sudan is the subject of a U.S. embargo. The U.S. government through, *inter alia*, Executive Orders ("**EOs**") 13067, 13400 and 13412, authorises the imposition of sanctions on individuals and entities for their involvement with the government of Sudan or contribution to the conflicts in the Darfur region. The OFAC may impose penalties on any persons that export US-originated goods or services to Sudan.

In relation to Iran, the Guarantor, in a consortium with OVL and IOCL, was awarded an exploration service contract for the Farsi offshore block by the National Iranian Oil Company ("**NIOC**") on 25 December 2002. The Guarantor held a 20.00 per cent. participating interest in the Farsi offshore block as non-operator, ONGC held a 40.00 per cent. participating interest as operator and IOCL held a 40.0 per cent. participating interest as non-operator. As of the date of this Offering Circular, the Guarantor does not hold any participating interest in the Farsi offshore block. The Guarantor's obligations under the exploration service contract have been fully discharged, and no field activity has been carried out since April 2007 (the contract expired in June 2009). See "*Business – Exploration and Development Business – International Exploration and Development – Iran*". The Guarantor has never generated any revenues from this project, and is not pursuing any further work on the Farsi block, or undertaking any other field activities in any block, field or project in Iran. The U.S. government imposes the most extensive sanctions on Iran of virtually any country in the world through, *inter alia*, EOs 12170, 12205, 12211, 12276 – 12284, 12294, 12613, 12957, 12959, 13059, 13553, 13574, 13590, 13599, 13606, 13608, 13622, 13628 and 13645. U.S. persons are generally prohibited from any dealings with Iran and

can be subject to penalties for such dealings. The US sanctions regime against Iran has an extraterritorial application to non-U.S. persons for their dealings related to Iran outside the U.S. Under the current sanctions regime, the U.S. authorities may impose draconian retaliatory sanctions on a non-U.S. person if it, among other things, engages in certain types of dealing with the Iranian energy sectors, including making an investment of more than U.S.\$20 million in one year in Iran's energy sector and engaging in a significant dealing with NIOC.

In relation to Libya, in 2006, Libya announced Bid Round-4 (Gas) under EPSA IV and 14 areas were on offer in this round. The Guarantor formed a consortium with IOCL. The consortium and Sonatrach International Petroleum Exploration & Production Corporation, BVI ("**SIPEX**") made a joint bid for Area 95/96 and were successful in winning the bid on the basis of a predetermined work programme and percentage production allocation. SIPEX holds a 50.00 per cent. participating interest in this area as operator. IOCL and the Guarantor hold a 25.00 per cent. participating interest each in this area as non-operator. See "*Business – Exploration and Development Business – International Exploration and Development – Libya – Area 95/96*". In addition, the Guarantor was awarded Area 86 and Area 102/4 as part of a consortium pursuant to the Libyan Exploration Production Sharing Agreement IV Bid Round I and Bid Round II in 2004 and 2005 respectively. It holds a 50 per cent. participating interest in each of the blocks as operator. See "*Business – Exploration and Development Business – International Exploration and Development – Libya – Area 86 and Block 102/4*". The Libyan Investment Authority ("**LIA**"), entities owned or controlled by the LIA, and certain individuals and institutions related to the former Qadhafi regime remain the targets of U.S. sanctions pursuant to Executive Order ("**EO**") 13566. In addition, other individuals in Libya are currently the targets of U.S. sanctions pursuant to EO 13726, which authorizes the imposition of sanctions on any person (individual or entity) determined by the U.S. Secretary of the Treasury, in consultation with the U.S. Secretary of State, to be engaged in certain specified activities contributing to the situation in Libya, such as, for example, undermining the peace, security, or stability of Libya; threatening or coercing Libyan state financial institutions or the Libyan National Oil Corporation ("**LNOC**"); being involved in attacks against any Libyan state facility or installation (including oil facilities) or targeting civilians; or being involved in the illicit exploitation of crude oil or other natural resources in Libya. Dealing with these individuals, entities, and institutions, or other U.S. sanctions targets, could result in sanctions risk, such as the imposition of fines, penalties, or other sanctions. LNOC and entities owned or controlled by LNOC are no longer the targets of U.S. sanctions pursuant to EO 13566 as the result of the issuance of General License No. 7A by the U.S. Department of the Treasury, OFAC. In addition, OFAC General License No. 11 unblocked all property and interests in property of the Government of Libya, its agencies, instrumentalities, and controlled entities (other than the LIA and entities owned or controlled by the LIA), and the Central Bank of Libya, blocked pursuant to EO 13566. Accordingly, while the LIA, entities owned or controlled by the LIA, and certain individuals and institutions associated with the former Qadhafi regime currently remain U.S. sanctions targets pursuant to EO 13566, and other individuals are currently U.S. sanctions targets pursuant to EO 13726, the Government of Libya is not currently itself a U.S. sanctions target.

In relation to Myanmar, in 2013 the State-owned oil and gas company, Myanmar Oil and Gas Enterprise ("**MOGE**"), invited bids from international oil companies to explore offshore hydrocarbons in Myanmar under the Myanmar Offshore Bidding Round-2013, offering a total of 30 oil and gas offshore blocks, 11 of which are in shallow water and 19 in deep water. On 26 March 2014, Myanmar's Ministry of Energy, through MOGE, announced that Oil India, together with its consortium partners Mercator Petroleum Limited, Oilmax Energy Pvt. Ltd. and OilStar Management Co. Ltd. ("**OilStar**"), won the bid to explore oil and gas in the M-4 and YEB shallow water blocks. As a condition to its bid, the consortium has partnered with OilStar, which is a national owned company in Myanmar. The Production Sharing Contracts have been signed in December, 2014. The Guarantor anticipates that its financial commitment in those blocks will be approximately U.S.\$127 million over a period of five to six years. See "*Business – Recent Developments*" and "*Business – Exploration and Development Business – International Exploration and Development – Myanmar Offshore blocks*". The U.S. government through, *inter alia*, EOs 13047, 13310, 13448, 13464, 13619 and 13651, authorises the imposition of economic sanctions on individuals and institutions for, among other things, their association or involvement with the

government of Myanmar and certain “Specially Designated Nationals” administered by the US Department of Treasury, Office of Foreign Assets Controls. Available sanctions include blocking assets in the U.S. and prohibiting U.S. persons from engaging in financial transactions with the sanctioned parties. In response to democratic reform measures undertaken by the government of Myanmar in recent years, the U.S. has significantly eased its sanctions regime against Myanmar since July 2012. Several General Licences were issued in 2012 and 2013 by OFAC to ease sanctions and which authorise US persons’ activities in Myanmar. In particular, General Licence 17 authorises new investment by U.S. persons in Myanmar, subject to certain limitations, including prohibitions of dealings with the Myanmar Ministry of Defence, any state or non-state armed group or any Myanmar specially designated national. Following these General Licences, U.S. and non-U.S. persons are now allowed to conduct broad-range business and investment in Myanmar. Currently, the Guarantor does not believe that any of its existing counterparties in Myanmar are affiliated with persons or entities that are subject to sanctions by the U.S., the European Union and/or other international bodies, which may result in reputational harm to the Guarantor. However, there is no assurance that any current or future counterparties of the Guarantor in Myanmar may be affiliated with persons or entities that are or may be subject of such sanctions.

Existing sanctions against Iran and Russia present challenges in conducting normal business operations, including international financial transfers. If these sanctions were to expand further, either in severity or in terms of the range of countries applying them, it could have a material adverse impact on the Guarantor’s ability to conduct business in or with any of these countries. In addition, the United States maintains comprehensive primary sanctions with respect to the following countries: Cuba, North Korea, Sudan and Syria, as well as the region of Crimea (collectively, “**Sanctioned Countries**”). As an entity organised in India, the Guarantor is generally not directly subject to these primary sanctions, except to the extent that it engages in activities that occur from, through or within the United States or otherwise involve U.S. persons. However, the United States also maintains a secondary sanctions regime applicable to persons worldwide who knowingly engage directly or indirectly in certain activities in Iran or involving certain Iranian counterparties or with certain other designated persons or entities, as well as a secondary sanctions regime applicable to persons worldwide who engage in certain activities in North Korea or in support of the Government of North Korea or the Workers’ Party of Korea.

Furthermore, as a result of its business activities with countries and persons that are subject to international sanctions, the Guarantor may be subject to negative media or investor attention, which may distract management, consume internal resources and affect certain international investors’ perceptions of the Guarantor. If the Guarantor were to increase its business in or with these countries, particularly relative to its total business, this could have a negative impact on its ability to raise money in international capital markets and on the international marketability of its securities.

There can be no assurance that the countries in which the Guarantor currently operates will not be subject to further and more restrictive sanctions in the future. There can be no assurance that OFAC or other U.S. and international government agencies will not impose sanctions on other countries or entities with which the Guarantor currently operates or may in the future operate. There can be no assurance that the Guarantor will not make future investments in countries subject to OFAC or other U.S. and international sanctions, or itself become subject to such sanctions.

The Guarantor has, in the past, had certain business dealings with entities in Iran, and may engage in transactions with countries or entities that are or could be subject to U.S. and international trade restrictions, economic embargoes and sanctions.

The United States’ implementation of the Joint Comprehensive Plan of Action (the “**JCPOA**”) on 16 January 2016 resulted in the lifting of many of the United States’ secondary sanctions with respect to Iran’s nuclear programme. It also resulted in the removal of a number of parties, including the National Iranian Oil Company (“**NIOC**”), from the SDN List. However, a number of activities in Iran or involving certain Iranian counterparties remain subject to secondary sanctions. Moreover, some or all of the sanctions that were lifted upon implementation of the JCPOA could “snap back” into place if any party to the JCPOA initiates the process delineated in the JCPOA. The United States also maintains

sanctions with respect to individuals and entities identified on lists administered by OFAC, including the Sectoral Sanctions Identifications List (the “SSI”), the SDN List, and the Foreign Sanctions Evaders List (the “FSE List”). The EU and other authorities maintain similar lists, and the individuals and entities identified on the SDN List, the SSI List, the FSE List and other similar lists are generally referred to as Prohibited Parties. In addition, the EU and the United States target particular countries or territories and persons or entities involved in certain transnational activities, such as terrorism, narcotics trafficking, and proliferation of weapons of mass destruction. Under the United States programmes, these list-based sanctions extend to entities that are directly or indirectly: (i) majority owned by one or more individuals or entities identified on the SDN List or (ii) majority owned by one or more individuals or entities identified on the SSI List pursuant to the same SS directive. Individuals or entities who engage in any transactions or dealings with individuals or entities identified on the SDN List or the FSE List may themselves be subject to sanctions (including identification on such lists). Violations of U.S. sanctions laws can result in substantial civil monetary and criminal fines and penalties, loss of business and other licences, freezing or forfeiture of assets or funds involved in or derived from the violative conduct, and reputational damage.

The Guarantor jointly with ONGC Videsh Ltd (“OVL”) and Indian Oil Corporation Ltd. had entered into an Exploration Service Contract (“ESC”) with the National Iranian Oil Company in 2002 to explore for oil and gas in the Farsi Block, Offshore Iran. The ESC had expired in 2009. United States and EU sanctions, including those directed at United States and non-United States financial institutions, have made banks reluctant to open letters credit or otherwise provide financial services in connection with certain of these projects, particularly those in Iran. Even with the recent easing of sanctions against Iran, there can be no assurance that certain financial institutions will not continue to avoid involvement in Iran-related transactions, even if technically not prohibited by applicable sanctions.

Furthermore, as a result of its business activities with countries and persons that are subject to international sanctions, the Guarantor may be subject to negative media or investor attention, which may distract management, consume internal resources and affect certain international investors’ perceptions of the Guarantor. If the Guarantor were to increase its business in or with these countries, particularly relative to its total business, this could have a negative impact on its ability to raise money in international capital markets and on the international marketability of its securities.

There can be no assurance that the countries in which the Guarantor currently operates will not be subject to further and more restrictive sanctions in the future. There can be no assurance that OFAC or other U.S. and international government agencies will not impose sanctions on other countries or entities with which the Guarantor currently operates or may in the future operate. There can be no assurance that the Guarantor will not make future investments in countries subject to OFAC or other U.S. and international sanctions, or itself become subject to such sanctions.

The Guarantor intends to set up a segregated account so that funds raised from persons investing in the offering contemplated in this Offering Circular are not commingled with funds for business activities in any country, or with any person or entity, subject to U.S. or international trade restrictions, economic embargoes and sanctions.

Some of the Guarantor’s Indian and international interests are located in politically and economically unstable areas which create security risks that have disrupted its operations in the past and could do so in the future.

The Guarantor faces security risks in some of its assets and basins in Assam and Arunachal Pradesh, which are located in the North East region of India. The Guarantor has suffered the adverse effects of insurgency, terrorism and civil strife in the region, and its oil installations have been targeted by insurgent groups. The Guarantor has had instances of attacks against its staff, including the kidnapping of and killing of its officials in the North East region in the past. The Guarantor has experienced interruptions in its production and exploration activities due to these attacks. The Guarantor’s pipeline network may also be targeted by insurgent groups operating in the North East region, which could

disrupt its deliveries to refineries and adversely affect its production and sales from that region. Minor security concerns throughout India include instances of oil pilferage, equipment sabotage and theft, which have an adverse effect on its operations. For further details, see “– *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Guarantor’s business*”.

The Guarantor has taken steps to enhance its security. The Guarantor interacts closely with various state administrations and security forces. It has instituted protective measures for the safety of personnel and installations, and it has disaster management contingency plans in place. The Guarantor has insurance coverage for losses arising from riot, strike and malicious and terrorist damage. However, its onshore insurance policy does not provide coverage for damage to insured properties arising out of total or partial cessation of work or retardation, interruption or cessation of any process or operations arising from such risks. Despite these measures, the Guarantor remains susceptible to security threats that may have an adverse effect on the conduct of its operations.

The Guarantor also has participating interests in assets located in Myanmar, Libya, Gabon, Yemen, Bangladesh, Venezuela, United States and Nigeria, many of which have experienced instability in the recent past, or may experience instability in the future, which may have a material adverse effect on the Guarantor’s operations in these countries. The Guarantor may also acquire new exploration or production acreages in these or other countries that are subject to instability.

The oil and gas industry has in the past been subjected to regulation and intervention by governments around the world, including in the regions and countries in which the Guarantor operates, relating to such matters as environmental protection, controls, restrictions on production, and potentially, nationalisation, expropriation or cancellation of contract rights, as well as restrictions imposed by other governments on entities conducting business in such countries. The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or other factors, the Guarantor could be required to curtail or cease certain operations, or it could incur additional costs. In the event that such adverse events that are beyond its control occur in the areas of its operations overseas, contractual provisions and bilateral agreements between countries may not be sufficient to safeguard the Guarantor’s interests, and its operations in those areas may be materially adversely affected.

Changes to, or termination of, the Guarantor’s arrangements with its exploration partners could have an adverse impact on the Guarantor’s business operations.

To reduce exploration risks, the Guarantor participates in joint operating or consortium agreements for exploration projects. The agreements include sharing of revenues, costs and technical expertise for the projects. Changes to, or termination of, such arrangements may impede the success of the projects.

In order to mitigate the risk, the Guarantor attempts to ensure that its partners for any of its business ventures are credible and reliable. The Guarantor also ascertains that every agreement it enters into contains remedy provisions that the defaulting or terminating party shall remain liable for its proportionate share in accordance with its PI at the time of default of all costs, expenses and all liabilities. If the Guarantor were to experience difficulties with the agreements with its exploration partners, it could have a material adverse effect on the Guarantor’s business, financial condition and results of operations.

The Guarantor's plans to accelerate its exploration and development has significant expenditure requirements and, if it is unable to obtain the necessary funds for such expenditure in a timely manner, its business may be adversely affected.

The Guarantor intends to make substantial additional investments in new projects to accelerate its exploration and development in existing acreages, which will require significant expenditure. For further details, see “*Business – Strategy – Accelerate its exploration and development in existing acreages to augment its current reserves and production*”. Such projects entail exploration, engineering, technological upgrades, construction and other commercial risks associated therewith, and the projects currently contemplated by the Guarantor may involve significant cost overruns, may not be completed in a timely manner or at all, or may not operate as planned. If the Guarantor does not have sufficient internal resources to fund its capital expenditure requirements in the future, it may need to raise funds through debt or equity financings or enter into joint ventures. If the Guarantor is unable to raise these funds or enter into joint ventures in a timely manner or at all, it will be unable to implement its business plan, which may have a material adverse effect on its business, financial condition and results of operations.

Further, the Guarantor requires GoI approval where making equity investments or establishing joint ventures or wholly owned subsidiaries, or for undertaking any mergers and acquisitions in amounts exceeding Rs.10 billion, or 15.00 per cent. of its net worth (whichever is lower) on a single project in respect of the Guarantor's domestic operations, and Rs.30 billion or 25.00 per cent. of its net worth (whichever is lower) on a single project in respect of its overseas operations. Moreover, the overall limit of investments that the Guarantor is permitted to make in all such projects without obtaining GoI approval is 40.00 per cent. of its net worth. The Guarantor cannot assure investors that such approvals will be issued or that such projects will be implemented as currently planned. In addition, delays in obtaining any such approvals may put the Guarantor at a competitive disadvantage.

Even if the Guarantor is able to obtain the necessary funds to meet its capital expenditure requirements, these expenditures may not result in the augmentation to its reserves and production that the Guarantor had anticipated.

The Guarantor may become increasingly dependent on third party expertise and equipment as a result of its strategy to acquire both producing properties and exploration acreages.

The Guarantor is significantly reliant on its existing infrastructure and equipment for its present exploration and production activities, which reduces its production costs. However, as a result of its strategy to acquire both producing properties and exploration acreages, the Guarantor may become increasingly reliant on the acquisition of new infrastructure and equipment. The Guarantor's ability to acquire such infrastructure and equipment in a cost-effective manner will be determined by market conditions, and there can be no assurances that the Guarantor will be able to acquire the new infrastructure and equipment it needs to support its strategy in a cost-effective manner or at all. Even if the Guarantor is able to acquire new infrastructure and equipment in a cost-effective manner, it may still face increased production costs.

The Guarantor is subject to certain contingent liabilities under Indian Accounting Standards.

As of 31 March 2016, the Guarantor's aggregate contingent liabilities not provided for were as follows:

Contingent Liabilities	As of 31 March 2016
Claims under the Assam General Sales Tax Act, 1993	Rs.84.10 million
Claims under the Assam VAT Act, 2003	Rs.13,277.40 million
Claims under the Central Sales Tax Act, 1956	Rs.0.70 million
Claims under the Central Excise Act and Service Tax	Rs.1,796.80 million
Claims under the Income Tax Act	Rs.1,904.10 million
Claims under the Other Acts	Rs.473.80 million
Claims by contractors pending decision in arbitration/courts	Rs.290.20 million
Share of claim on joint venture contract/PSC account	Rs.65.60 million
Claim of Royalty by Govt. of Assam on gross price of crude oil	Rs.97,495.50 million
Demand raised under Assam Taxation (on specified lands) Amendment Act, 2004 for the period from 2010 to 2015	Rs.7,552.10 million
Claims by Contractor pending in arbitration/court on capital accounts-NRL	Rs.291.40 million
Rental and supervision charges for ROW-DNP Limited	Rs.1.9 million
Under Service Tax-DNP Limited	Rs.0.50 million
On Taxation matters-Numaligarh Refinery Limited	Rs.721.00 million
Signature Bonus-Oil India Sweden AB	Rs.3,810.90 million
Signature Bonus-Oil India International B.V.	Rs.334.50 million
Economic Interest assignment-Suntera Nigeria 205 Ltd	Rs.459.90 million
Guarantees	
• Bank Guarantee to Superintendent of Taxes, Naharkatia, Assam, in relation to demand raised by the Department under Assam Taxation (on specified lands) Act 1990	Rs.7,020.20 million
• Guarantee to Oil Industry Development Board (“OIDB”) against loan by M/S BCPL from OIDB	Rs.363.40 million
• Counter Guarantee to GAIL against loan by M/S BCPL from OIDB	Rs.277.80 million
• Letter of Comfort to GAIL against Loan by M/S BCPL from OIDB	Rs.331.10 million
• Corporate Guarantee to Sumitomo Mitsui Banking Corporation against Loan taken by OIL INDIA (USA) INC.	Rs.6,021.00 million
• Guarantee to OIDB against Loan to M/S BCPL from OIDB-NRL	Rs.209.90 million

For further details, see “*Statement of Contingent Liabilities*”, which appears in the “Financial Statements”.

The contingent liability of Rs.97,495.50 million on account of royalty claim by the government of Assam included in the above details has been settled as of the date of issue of this Offering Circular. To the extent that any of the remaining or future contingent liabilities become actual liabilities, it would adversely affect the Guarantor's financial condition and results of operations.

The Guarantor is involved in legal, regulatory and arbitration proceedings that, if determined against it, may have an adverse impact on its business and financial condition.

There are certain outstanding legal proceedings against the Guarantor pending at various levels of adjudication before various courts, tribunals, authorities and appellate bodies in India. Should any new development arise, such as change in applicable laws or rulings against the Guarantor by the appellate courts or tribunals, the Guarantor may need to make provisions in its financial statements, which may increase the Guarantor's expenses and current liabilities. In addition, the Guarantor is presently and in the future may be subject to risks of litigation, including public interest litigation, in relation to the environmental impact of its projects or the construction activities of its projects. The Guarantor cannot give the investor any assurance that these legal proceedings will be decided in its favour. Any adverse decision may have a significant effect on the Guarantor's business including its financial condition, the implementation of its current or future projects and its results of operations. For further information, see “– *The Guarantor is subject to certain contingent liabilities under Indian Accounting Standards*”.

For further information, see “*Business – Legal and Regulatory Proceedings*”.

Attracting and retaining management and technical personnel is a challenge.

If the Guarantor is unable to attract or retain its managerial and technical personnel, its business and operations may be adversely affected. Attracting and retaining scarce, top quality managerial and technical talent has become a serious challenge for companies in India. In particular, the Guarantor depends on specific key talent such as geologists and upstream energy specialists. The Guarantor faces specific disadvantages in its efforts to attract and retain its management. As a public sector undertaking, GoI's policies regulate and control the emoluments, benefits and perquisites that the Guarantor pays to its employees, including its key managerial and technical personnel, and these policies may not permit the Guarantor to pay market rates. Consequently, private sector market participants that are able to pay market rates in exploration and production activities in the oil and gas industry have been attracting qualified personnel and diminishing the talent pool available to public sector undertakings.

The Guarantor may not have in place the necessary systems and processes to develop key personnel internally, which may limit its ability to retain such personnel. The Guarantor's failure to have or retain quality personnel in key positions and functions in place could have a material adverse effect on its business, financial condition and results of operations.

In addition, because the Guarantor's main operational activities lie in the remote and politically sensitive North East region of India, it faces competitive disadvantages in attracting and retaining key personnel.

The Guarantor's failure to attract or retain quality personnel in key positions and functions could have a material adverse effect on its business, financial condition and results of operations.

The interests of the Guarantor's directors may cause conflicts of interest in the ordinary course of its business.

Conflicts may arise in the ordinary course of decision-making by the Board. Some of the Guarantor's non-executive directors may also be on the board of directors of certain companies engaged in businesses similar to the business of the Guarantor. In accordance with the procedure laid down in the Companies Act, its directors are required to disclose any conflict of interest to the Board, following which they are allowed to participate in any discussions concerning the matters tabled before the Board. Although in the past the Guarantor has not had any incidence of conflict of interest, there is no assurance that its directors will not provide competitive services or otherwise compete in business lines in which it is already present or will enter into in the future.

The Guarantor may incur material costs to comply with, or suffer material liabilities as a result of health, safety and environmental laws and regulations.

The Guarantor's operations are subject to extensive laws and regulations pertaining to pollution and protection of the environment and health and safety of workers. These laws and regulations govern, among other things, emissions to the air, discharges onto land and into water, maintenance of safe conditions in the workplace, the remediation of contaminated sites and the generation, handling, storage, transportation, treatment and disposal of waste materials. The Guarantor incurs, and expects to continue to incur, significant capital and operating costs to comply with these requirements, including costs to reduce air emissions and discharges to the natural water bodies and to remedy contamination at various facilities where the Guarantor's products or wastes have been handled or disposed. The Guarantor could also incur significant costs, including clean-up costs, fines and civil and criminal sanctions, if it fails to comply with these laws and regulations or the terms of its permits. In addition, future changes to environmental laws and regulations relating to climate change could result in substantial additional capital expenditure, taxes and reduced profitability from increased operating costs or in restrictions on its revenue generation, operations or strategic growth opportunities.

The Guarantor's operations exposes it to risks inherent in the use of hazardous materials, including pipeline and storage tank leaks and ruptures, explosions and releases of hazardous or toxic substances. These operating risks can cause personal injury, property damage and contamination to the environment, and may result in the shutdown of affected facilities and the imposition of penalties on the Guarantor as well as its personnel.

The Guarantor may incur environmental liabilities in respect of its operations even for environmental damage caused by acts or omissions of its contractors. Under the production-sharing arrangements entered into by the Guarantor with various parties, it is required to indemnify the contractors, as well as the GoI and the relevant state government, for environmental damage and related losses caused by its exploration and production operations to the extent of its participating interest in such venture, subject to limited exceptions. In addition, some of its service contracts limit the contractors' liability for pollution caused by their activities. For instance, in some contracts, the Guarantor is obligated to indemnify the contractor for surface damage arising out of sub-surface damage caused by the personnel or equipment of the contractor irrespective of the cause for the damage, subject to limited exceptions. The Guarantor's insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by contractors, its joint venture partners or by the Guarantor itself and this may result in a material adverse impact on the Guarantor's results of operations. For example, the Guarantor's insurance policy in respect of its domestic onshore exploration and production operations does not cover liabilities arising from pollution or contamination. For further details on environmental regulations in India, see "*Regulatory Matters*".

The Guarantor is subject to stringent labour laws and trade union activity.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution and imposes financial obligations on employers upon employee layoffs. This makes it difficult for the Guarantor to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect its business and profitability.

The Guarantor's employees (workmen category) (as described in "*Business – Employees*") are represented by nine registered trade unions of which five are recognised by the Guarantor. Under the agreement signed between the Guarantor and its work contract labourers at its Duliajan field headquarters which took effect from 1 January 2010, (valid for a ten-year period), the labourers agreed not to raise any demands during the period of this agreement. Further, the memorandum of settlement between the Guarantor and workmen, represented by trade unions at Duliajan, Calcutta, Rajasthan, Delhi

and Bhubaneswar took effect from 1 January 2007 and is valid for a period of 10 years. Any work stoppage could have an adverse effect on the Guarantor's business, financial condition, results of operations and the price of the Notes.

The Guarantor does not have any registered patents or trademarks for technological advances, and failure to protect its intellectual property rights may adversely affect its business.

The Guarantor does not have registered patents for any of the technological advances it has made in its research and development activities. In addition, the Guarantor has not yet completed the registration of the following patents:

- formulation of dissolution of petroleum sludge or waxes and method for evaluation thereof (application filed jointly with IIT-Madras, Chennai);
- a novel method for investigation of solubility of tank bottom sludge with solvents (application filed jointly with IIT-Madras, Chennai); and
- a method for preventing wax deposition in oil wells with packers.

The Guarantor has not registered all of its trademarks or logos. Accordingly, the Guarantor cannot prohibit other persons from using the same or similar marks, which may materially and adversely affect its goodwill and business. As registration of the Guarantor's trademarks has not been granted, the Guarantor can only seek relief against "passing off" under common law and not statutory remedies under the Indian Trademark Act, 1999.

The Guarantor operates in an extremely competitive environment, in both its existing business and its planned ventures into the downstream businesses where generating brand recognition could be a significant element of its business strategy. If the Guarantor fails to protect its intellectual property rights, including patents, trademarks, trade secrets and copyrights, its business may be adversely affected.

The Guarantor relies on the GoI or its nominees to offtake crude oil in kind.

The Guarantor's PSCs under the NELP entitle the GoI to offtake its applicable share of crude oil throughout the term of the contract. While the Guarantor has the right to lay pipelines and the GoI has an obligation to lift the crude oil on a current basis so as not to cause a restriction of production or inconvenience, there is an on-going risk of offtake default. In particular, the responsibility (both financial and execution) of construction of infrastructure for offtake is not agreed upon at the time of entering into the PSC.

Similarly, the other parties to the PSCs have a similar obligation to offtake crude oil with the attendant risk of offtake defaults, including due to an inadequacy of infrastructure and transport logistics.

Some of the Guarantor's pre-NELP PSCs oblige sale of all crude oil to the GoI or its nominee. Although the obligation to make payments is that of the GoI, and it is the responsibility of the GoI to offtake crude oil on a current basis so as not to cause a restriction of production or inconvenience, there is a risk of offtake default as outlined for PSCs under NELP. Also, in the Guarantor's PSCs, the GoI typically nominates a third party to offtake crude oil and the Guarantor has no control on the selection of this assignee.

Some of the Guarantor's immovable properties have certain irregularities in title, as a result of which its operations may be impaired.

The Guarantor possesses immovable properties at various locations for the purpose of its business, held either on a freehold or a leasehold basis. Certain of the Guarantor's properties have also been acquired through processes instituted under the Land Acquisition Act, 1894. In some instances, the land

acquisition procedures prescribed under the Land Acquisition Act, 1894 are yet to be completed so as to provide the Guarantor with a clear and absolute title to the relevant immovable properties. Additionally, some of the Guarantor's immovable properties have one or more of the following irregularities in title:

- the conveyance/sale deeds have not been executed;
- the conveyance deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped;
- the process by which changes in beneficial ownership are formally recorded in the land registries in India, i.e. mutations, have not yet been carried out in the records of the local land registries;
- the lease deeds have not been executed;
- the lease deeds have not been registered in the land records maintained by the relevant authorities and are insufficiently stamped; and
- the lease deeds have expired and have not yet been renewed.

The Guarantor's business may be adversely affected if it is unable to continue to utilise these properties as a result of any irregularity of title or otherwise.

The Guarantor is subject to restrictive covenants under its credit facilities that limit its flexibility in managing its business.

There are certain restrictive covenants in the agreements the Guarantor has entered into with certain banks and financial institutions for its borrowings. For instance, under the terms of its agreements with one of the Guarantor's lenders for fund-based credit facilities, the Guarantor is required to seek the prior approval of the said lender for any transfer, disposal, alienation, charge or pledge of the assets in respect of which the Guarantor has granted a charge as security for its obligations to such lender. These restrictive covenants may restrict its operations and the Guarantor cannot assure investors that it has been compliant with the terms of such restrictive covenants in the past, or that the Guarantor shall receive consents from such banks and financial institutions in the future.

The Guarantor has incurred borrowings in connection with its exploration programme and may not be able to meet its obligations under these debt financing arrangements.

The Guarantor has certain short-term, long-term and unsecured loans from banks and financial institutions. The Guarantor's ability to meet its debt service obligations and to repay its outstanding borrowings will depend primarily upon the cash flow generated by its business. There can be no assurance that the Guarantor will generate sufficient cash to enable it to service existing or proposed borrowings, comply with covenants or fund other liquidity needs. If the Guarantor fails to meet its debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare the Guarantor in default under the terms of its borrowings, accelerate the maturity of its obligations. There can be no assurance that, in the event of any such acceleration, the Guarantor will have sufficient resources to repay these borrowings. Failure to meet its obligations under the debt financing arrangements could have a material adverse effect on its cash flows, business and results of operations.

Risks relating to the Oil and Gas Industry

The oil and gas industry is highly regulated in India and the other countries where the Guarantor currently or in the future conducts exploration and production activities and adverse changes in regulations could have a material adverse effect on its business, financial condition and results of operation.

The Guarantor is subject to comprehensive regulation in India and in the countries in which it conducts its international E&P activity, particularly in Russia. It is likely that any of the countries in which the Guarantor operates in the future may also have comprehensive oil and gas regulations. Changes to such regulations could require changes to the manner in which it conducts its business, and result in an increase in compliance costs which could have a material adverse effect on its business, financial condition and results of operation.

For example, the Petroleum and Natural Gas Regulatory Board (the “**PNGRB**”) was established in India in 2007 and has the authority to, amongst other things, regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas, excluding the production of crude oil and natural gas, monitoring prices and taking corrective measures to prevent restrictive trade practices, imposing fees and other charges and regulating technical and safety standards and specifications relating to petroleum, petroleum products and natural gas. There can be no assurance that such rules, regulations and jurisprudence of the PNGRB will not evolve in a manner that results in a material adverse effect on the Guarantor’s business, financial condition and results of operation, including through the imposition of pricing mechanisms for the sale of crude oil or natural gas.

In addition, the Indian oil and gas industry currently benefits from exemptions from custom duties, export duties and other charges on re-exportation on machinery, plant, equipment, materials and supplies imported solely and exclusively for use in petroleum operations. To the extent that such exemptions were to become unavailable due to changes in tax regulation, the Guarantor’s costs for the procurement of such items would increase, which may result in a material adverse effect on its business, financial condition and results of operation. For further details, see “*Regulatory Matters*”.

Operational failures and associated reputational consequences may lead to an increasingly stringent regulatory environment.

Operational failures of companies operating in crude oil and natural gas exploration, development and production, together with associated reputational consequences, may lead to increasingly stringent environmental and other regulations. Changes in foreign environmental laws and regulations, or their interpretation, may require the Guarantor to incur significant unforeseen expenditures to comply with such requirements, adding significantly to operating costs, or may significantly limit drilling activities.

Given the possibility of unanticipated regulatory or other developments, including more stringent environmental laws and regulations, the amount and timing of future environmental compliance expenditures could vary substantially from their current levels. The Guarantor cannot predict what additional environmental legislation or regulations will be enacted in the future or the potential effects on its financial position and results of operations, and potentially significant expenditures could be necessary in order to comply with future environmental laws. Also, such capital expenditure and operating expense relating to environmental matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards that impose additional requirements on its operations. Accordingly, there can be no assurance that the Guarantor will not be subject to stricter enforcement or interpretation of existing environmental laws and regulations, or that such laws and regulations will not become more stringent in the future.

Regulation of greenhouse gas emissions could increase the Guarantor's operational costs and reduce demand for its products.

Continued political attention to issues concerning climate change, the role of human activity in it and potential mitigation through regulation could have a material impact on the Guarantor's operations and financial results.

International agreements and national or regional legislation and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. For instance, the Kyoto Protocol, along with other regulations, envisions a reduction of greenhouse gas emissions through market-based regulatory programmes, technology-based or performance-based standards or a combination of them.

These and other greenhouse gas emissions-related laws, policies and regulations, may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with these laws and regulations is uncertain and is expected to vary by jurisdiction depending on the laws enacted in each jurisdiction, the Guarantor's activities in it and market conditions. The Guarantor's exploration and production of crude oil and natural gas, the conversion of crude oil and natural gas into refined products, the processing, liquefaction and re-gasification of natural gas, and the transportation of crude oil, natural gas and related products result in greenhouse gas emissions that could well be regulated. Some of these activities, as well as actions taken by the Guarantor's competitors in response to such laws and regulations, are beyond the Guarantor's control.

The effect of regulation on the Guarantor's financial performance will depend on a number of factors, including, among others, the sectors covered, the greenhouse gas emissions reductions required by law, the extent to which it would be entitled to receive emission allowance allocations or need to purchase compliance instruments on the open market or through auctions, the price and availability of emission allowances and credits, and the impact of legislation or other regulation on the Guarantor's ability to recover the costs incurred through the pricing of the Guarantor's products. Material price increases or incentives to conserve or use alternative energy sources could reduce demand for products the Guarantor currently sells and adversely affect its sales volumes, revenues and margins.

Risks relating to India

The adoption of IND-AS, which began for the Guarantor from 1 April 2016, could have a material adverse effect on the presentation of the Guarantor's financial statements and the Guarantor's financial statements prepared under IND-AS may not be directly comparable to financial statements prepared under Indian GAAP.

The Guarantor has historically prepared its annual and interim financial statements under Indian GAAP. However, moving forward public companies in India will be required to prepare annual and interim financial statements under IND-AS in accordance with the roadmap announced on 2 January 2015 by the Ministry of Corporate Affairs, Government of India (the "MCA"), in consultation with the National Advisory Committee on Accounting Standards (the MCA Press Release) for the Convergence of IND-AS with IFRS. On 16 February 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which have come into effect from 1 April 2016. As such, the Guarantor announced its financial results under IND-AS for the first time for the quarter ended 30 June 2016. The Guarantor was not required to prepare, and did not prepare, financial statements under Indian GAAP for the first quarter ended 30 June 2016, the first half ended 30 September 2016 or the nine months ended 31 December 2016. During this ongoing transition to IND-AS reporting, the Guarantor could encounter difficulties in the continuing process of implementing and enhancing management information systems. Moreover, there is increasing competition for the small number of IND-AS-experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Furthermore, there is no significant body of established practice on which to draw in forming judgments

regarding the new system's implementation and application. Therefore, there can be no assurance that the Guarantor's adoption of IND-AS has not or will not adversely affect the Guarantor's reported results of operations or financial condition.

The Guarantor began adoption of IND-AS from 1 April 2016 and therefore it announced its financial results under IND-AS for the first time for the quarter ended 30 June 2016 and subsequently also under IND-AS for the nine months ended 31 December 2016. Prior to the first quarter ended 30 June 2016, the Guarantor had prepared its annual and interim financial statement under Indian GAAP. Due to the differences in accounting standards, there can be no assurance that the Guarantor's financial condition, results of operations, cash flows or changes in shareholders' equity do not appear materially different under IND-AS than under Indian GAAP. Therefore, the Guarantor's financial statements prepared under IND-AS may not be directly comparable to financial statements prepared under Indian GAAP. For example, the Guarantor's profit after tax for the nine months ended 31 December 2015 was Rs.18,315 million (U.S.\$273.53 million) under IND-AS whereas profit after tax for the same period under Indian GAAP was Rs.18,609 million (U.S.\$277.91 million). As a further illustration, the Guarantor's financial statements for the nine months ended 31 December 2015 prepared pursuant to Indian GAAP are incorporated by reference into this Offering Circular and a comparison of those Indian GAAP financial statements versus the IND-AS financial statements including in this Offering Circular, and each for the same period, the nine months ended 31 December 2015, will provide further insight into the resulting differences due to the change in accounting standards. Finally, for a qualitative description of the differences in accounting standards, see "*Summary of Significant Differences between Indian GAAP, IFRS and IND-AS*". As a result of the foregoing, the Guarantor's IND-AS financial statements and its Indian GAAP financial statements may not be directly comparable.

A slowdown in economic growth or increased volatility of commodity prices in India could have an adverse effect on the Guarantor's business.

The growth of the Indian oil industry and the Guarantor's performance are dependent on the health of the overall Indian economy. The Indian economy has shown sustained growth over recent years with real gross domestic product ("**GDP**") (that is, GDP adjusted for inflation) growing at 7.6 per cent. in the year 2016, 7.3 per cent. in the year 2015, 6.2 per cent. in the year 2014 and 4.7 per cent. in the year 2013. However, the growth in industrial production in India has been variable. Any slowdown in the Indian economy or future volatility of global commodity prices could adversely affect the Guarantor's business, including its expansion plans, its financial performance and the trading price of the Notes.

Currently inflation has been contained considerably; any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact the Guarantor's business, financial condition and results of operations.

Economic developments and volatility in securities markets in other countries may negatively affect the Indian economy.

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effect on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. On 23 June 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and

any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, Brexit, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on the Guarantor's business, financial condition and results of operations.

In the event that the current difficult conditions in the global financial markets continue or if there are any significant financial disruptions, this could have an adverse effect on the Guarantor's cost of funding, loan portfolio, business, future financial performance and the trading price of the Notes. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt in other emerging market countries, may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Guarantor's business and activities are regulated by the Competition Act, 2002. Any application of the Competition Act, 2002 to the Guarantor may be unfavourable, and may have an adverse effect on its business and results of operations.

The Indian Parliament has enacted the Competition Act, 2002 (the "**Competition Act**") under the auspices of the Competition Commission of India to prevent business practices from having an adverse effect on competition, which (other than for certain provisions relating to the regulation of combinations) became effective in 2009. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the Competition Act and the Competition Commission of India may affect industries in India. Any application of the Competition Act to the Guarantor may be unfavourable, and may have an adverse effect on its business and results of operations.

A significant change in the GoI's economic liberalisation and deregulation policies could adversely affect general business and economic conditions in India and the Guarantor's business.

The GoI has traditionally exercised and continues to exercise a dominant influence over many aspects of the Indian economy. India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators has remained significant over the years. The governments have in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive governments have pursued policies of economic liberalisation, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers, service providers and regulators has remained significant, which can directly or indirectly affect the Guarantor's operations. For example, the GoI places price caps on sales of selected fuels by Government-owned entities, including the Guarantor, which directly impacts the sales turnover of the Guarantor given the volatility of commodity prices experienced in recent years.

Although the current GoI has continued India's economic liberalisation and deregulation programmes, there can be no assurances that these liberalisation policies will continue in the future. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India in general as well as the Guarantor's business and the Guarantor's future financial performance.

A change in the Government's policy on tariffs, direct and indirect taxation and fiscal or other incentives and payment for petroleum goods could adversely affect the Guarantor's business.

There can be no assurance that there will not be a significant change in Government policy which could adversely affect the Guarantor's financial condition and results of operations. The Guarantor's profitability is also significantly dependent on the policies of the central and state governments relating to various direct and indirect taxes (including sales tax and income tax), duties (including excise duties and import duties) and fiscal or other incentives. Any change in GoI policies relating to such taxes or duties or incentives could adversely affect the Guarantor's profitability.

Trade deficits could have a negative effect on the Guarantor's business and the trading price of the Notes.

India's trade relationships with other countries can influence Indian economic conditions. In Fiscal Year 2016, the trade deficit was U.S.\$130.1 billion compared to U.S.\$144.9 billion in Fiscal Year 2015, compared to U.S.\$147.6 billion in Fiscal Year 2014. This large merchandise trade deficit neutralises the surpluses in India's invisibles, which are comprised of international trade in services, income from financial assets, labour and property and cross border transfers of mainly workers' remittances in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Guarantor's business, future financial performance and the trading price of the Notes could be adversely affected.

The Guarantor is exposed to potentially adverse changes in the tax and royalty regimes of India and other jurisdictions in which it operates.

The Guarantor operates primarily in India and also operates in 10 other countries around the world, and any of these countries, including India and the states of India or other countries in which it may operate in the future, could modify their tax or royalty laws in ways that would adversely affect the Guarantor. Tax and royalty rates affecting the crude oil exploration and production industry tend to change in correlation to prices of crude oil. Significant changes in the tax or royalty regimes of India, including the states of India, and other countries in which the Guarantor operates could have a material adverse effect on its liquidity, financial condition and results of operations.

The tax regime applicable to the Guarantor in respect of fields awarded to it by the GoI on nomination basis is subject to change. For example, oil industry development cess (the "**OID cess**"), is payable under the Oil Industry (Development) Act, 1974, and the rate of such cess could be increased by the GoI. With effect from 1 March 2002, OID cess was Rs.1,800 per metric tonne sold. With effect from 1 March 2006, OID cess was increased to Rs.2,500 per metric tonne sold and, with effect from 17 March 2012, OID cess was increased to Rs.4,500 per metric tonne sold. This was concomitant with the increase in international crude oil prices, thus not allowing the Guarantor to benefit fully from the deregulation of oil prices in India and the increase in international oil prices. With effect from 1 March 2016, OID cess has been applied on domestically produced crude oil at a rate of 20 per cent., calculated ad valorem.

Royalties payable in respect of crude oil and natural gas under the Oilfield (Regulations and Development) Act, 1948 (the "**Oilfield Act**") and the Petroleum & Natural Gas Rules, 1959 can also be increased by the GoI by amending the schedule to this Act by issuing a notification. However, the Oilfield Act prevents the GoI from raising the rate of royalty above 20.00 per cent. of the well head value in the case of crude oil production and 10.00 per cent., in the case of natural gas production. Currently, the royalty rate for crude oil production is 20.00 per cent. for onshore production and 10.00

per cent. for offshore production in shallow water areas, while the royalty rate for natural gas production is 10.00 per cent. For deep-water production of oil and natural gas, the royalty rate is half of the applicable offshore rate for the first seven years from the date of commencement of commercial production and after a period of seven years, the royalty rate is the same as applicable to offshore production in shallow water areas. The GoI has the ability to increase the rate of royalty for offshore production of crude oil and natural gas up to the limits prescribed by the Oilfield Act by issuing a notification, without amending the Oilfield Act. It can also increase the prescribed limits by amending the Oilfield Act by an act of Parliament. In relation to royalties payable on onshore crude oil production, based on instructions from the GoI, several national oil companies in India, including the Guarantor, have paid royalties on the 'post-discount' price of crude oil since 2008 in light of the discount given to downstream companies on the sale of crude oil. However, in light of a judgment passed by the Gujarat High Court directing one of the national oil companies to pay royalties to the Gujarat government on the 'pre-discount' price of crude oil, there is ambiguity on whether royalties are payable on a 'post-discount' or 'pre-discount' price of crude oil. The Supreme Court has granted a stay on the execution of the overruled Gujarat judgment subject to the payment of royalties on a 'pre-discount' price with effect from 1 February 2014 by the aforementioned oil companies, including the Guarantor. Recently the GoI has reached a settlement with the Gujarat government where the GoI will pay the Gujarat government the differential royalty on the difference between pre-discount price and post-discounted prices for the period between 2008 and January 2014. The GoI will also enter into similar settlements with the other state governments.

Under most of the pre-NELP PSCs awarded by the GoI in respect of exploratory areas for which the Guarantor holds PELs, it had the option to take an initial participating interest (and contributed investment) of up to 10 per cent. during the exploration phase. Following any commercial discovery, the Guarantor has the option, without incurring the cost of past exploration activities, to increase its participating interest (and contributed investment) by up to an additional 30 per cent., which would allow it to obtain an aggregate stake of as much as 40 per cent. However, under such contracts, and regardless of whether the Guarantor takes such an initial or subsequent participating interest in the contract, it is required to make royalty and cess payments in respect of the entire production from the area. This means the Guarantor must make royalty and cess payments in respect of not only its own share of production but the participating interest of other participants as well. Large amounts of such statutory levies payable by the Guarantor in connection with these contracts may have an adverse effect on its results of operations.

The Guarantor's standalone principal statutory levies expenses comprise royalties and cess, which in Fiscal Year 2015, Fiscal Year 2016 and the nine months ended 31 December 2016 were Rs.28,111 million, Rs.26,833 million and Rs.18,332 million (U.S.\$267.51 million), respectively.

In addition, the government of Assam has imposed a tax on specified crude oil bearing lands, used for extracting crude oil and natural gas bearing lands, and used for extracting natural gas effective as of 1 January 2005. Under the present rates, the Guarantor is required to pay Rs.200 for every metric ton of the annual productivity of land used to extract crude oil and Rs.100 for every 1,000 cubic metre of the annual productivity of land used to extract natural gas. Although the Guarantor has filed an appeal before the Guwahati High Court challenging the legality of such taxation, there can be no assurance that the court will adjudicate in its favour and that the Guarantor will not have to pay such tax for the previous assessment years and for the future. As of 31 December 2016 the Guarantor has estimated the tax payable by it as Rs.14,572 million.

Future changes in the tax provisions applicable to the Guarantor could have a material adverse impact on its financial condition and results of operations.

Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect the Guarantor's tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, for fiscal 2016 and fiscal 2017 in relation to a domestic company is 30.00 per cent. However, for assessment year 2017-2018, the tax rate will be 29 per cent. if the turnover or gross receipt of the company does not exceed Rs.50 million. Additionally, a company is subject to a surcharge on tax and an education cess on tax and surcharge. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the Guarantor's business and results of operations.

Natural calamities, power outages and other disruptions could have a negative impact on the Indian economy and harm the Guarantor's business.

India has experienced natural calamities such as earthquakes, floods, drought and a tsunami in recent years. Natural calamities could have an adverse impact on the Indian economy which could adversely affect the Guarantor's business and the price of the Notes. India has also experienced localised blackouts due to the fact that power generation capacity has not kept pace with the growth in demand for power, despite significant improvements in India's power generation capacity. In addition, in July 2012, three of India's interconnected northern power grids collapsed for several hours, resulting in widespread power outages across the country. Prolonged power outages or other disruptions or natural calamities could have a negative impact on the Indian economy, adversely affecting the Guarantor's business and potentially causing the trading price of the Notes to decrease.

The regulatory framework in India is evolving, and regulatory changes as and when introduced by the GoI could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

The Guarantor is subject to regulation and supervision by the GoI and its departments. In addition, so long as the GoI's shareholding in the Guarantor equals or exceeds 51 per cent., it will continue to be classified as a Government company and will be subject to regulations generally applicable to PSUs in India as well as contractual obligations under the MoU signed with the GoI. These regulations concern personnel matters, including the appointment of key management personnel and the hiring, dismissal and compensation of employees, as well as budgeting and capital expenditure. As a PSU, the Guarantor's mandate includes a social responsibility that may not be consistent with its commercial objectives.

In addition to regulations specific to PSUs, the Guarantor is subject to various other governmental policies, laws and regulations in the crude oil and natural gas sector. The GoI has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian oil and natural gas industry. It exercises substantial control over the growth of the industry, for example, by awarding blocks in NELP rounds. There can be no assurance that the Guarantor will be successful in obtaining interests in blocks, awarded in bidding rounds in the future. In addition to its direct participation in the crude oil and natural gas exploration, development and production industry through the GoI and its indirect impact through environmental laws and regulations, the GoI awards licences and leases for exploration, production, development, transportation and sale of hydrocarbons. While many GoI policies, such as the APM for regulating oil prices, have been liberalised, and there has been a move towards market orientation, the Guarantor continues to be subject to regulated prices for gas, limitations on export of crude oil and natural gas, and requirements to contribute to GoI subsidies on LPG (for domestic use) and SKO (PDS). Further, in the exploration licences and mining leases in which the Guarantor has an interest, the GoI retains the ability to direct its actions in certain circumstances. The Guarantor's ability to pursue its own strategy fully in relation to development,

production and marketing of crude oil and natural gas and value-added products in accordance with its own commercial interests has been affected by such conditions. In addition, the GoI plays an important commercial role in the execution of crude oil and natural gas exploration, development and production activities in India, in particular through GoI-controlled companies such as ONGC and the Guarantor. The oil and gas industry worldwide is characterised by relatively frequent changes in economic and fiscal policy by governments depending largely on the prevailing world oil and gas price environment with periods of high prices usually resulting in an increased tax burden for the industry (whether through amendments to legislation or PSCs, changes in interpretation of legislative or contractual terms or similar actions). Although the fiscal regime applicable to the Indian oil and gas industry has been relatively stable in the past, there can be no assurance that this stability will continue in the future.

Presently, MoPNG discharges certain regulatory functions relating to the petroleum industry in India. Additionally, the Petroleum and Natural Gas Regulatory Board Act, 2006 (“**PNGRB Act**”) came into force in India in April 2006. The PNGRB Act provides for the creation of the PNGRB and vests the PNGRB with certain powers and functions, including: (i) the protection of Indian consumers’ interests by fostering fair trade and competition among those engaged in or intending to be engaged in refining, processing, storage, transportation, distribution, marketing, import and export of petroleum (defined by the PNGRB Act as including crude oil), petroleum products and natural gas including laying of pipelines for transportation of petroleum, petroleum products and natural gas; (ii) ensuring adequate availability in the Indian market of petroleum, petroleum products and natural gas; (iii) monitoring prices and taking corrective measures to prevent restrictive trade practices in relation to petroleum, notified petroleum, petroleum products and natural gas; (iv) securing equitable distribution of petroleum and petroleum products; (v) imposing fees and other charges; and (vi) regulating the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas. The majority of the provisions of the PNGRB Act came into effect from 1 October 2007, and the constitution of the PNGRB was re-notified with effect from 1 October 2007. In the future, Indian regulators, including the MoPNG and the PNGRB, may adopt new policies, laws or regulations. The Guarantor’s business could be materially adversely affected by any unfavourable regulatory changes.

In addition, existing Indian regulations require that the Guarantor applies for and obtains various GoI licences and other approvals, including in some cases extensions of exploration licences awarded under the NELP, grants of mining leases, and renewals or extensions of mining leases, in order for it to conduct its exploration, development and production activities. If in the future it is unable to obtain any such necessary approvals, its level of reserves and production would be adversely affected.

Although the Guarantor’s exploration, development and production activities will continue to be regulated by the MoPNG, its activities of storage and transportation of crude oil and natural gas (including the Guarantor’s pipeline business) fall under the jurisdiction of the PNGRB. There can be no assurance that the rules, regulations and jurisprudence of the PNGRB will not evolve in a manner which may result in a material adverse effect on the Guarantor’s business, financial condition and results of operations, including through the imposition of different pricing mechanisms for the refining, storage and transportation of crude oil or natural gas from what have otherwise been agreed or will be agreed in the various contracts governing the refining, storage and transportation of crude oil and natural gas to which the Guarantor is a party.

The Guarantor is subject to risks arising from exchange rate fluctuations.

The international prices of crude oil and value-added products, which account for the substantial majority of the Guarantor’s sales revenues, are denominated in U.S. dollars. Most of its expenditure as well as its accounts as a whole, are denominated in Indian Rupees. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of U.S. dollars for Indian Rupees, may materially affect its revenues and results of operations. The Guarantor does not currently hedge its foreign currency exchange rate exposure. Its results of operations are also subject to fluctuations in the currencies of the countries in which it undertakes its international exploration, development and production activities. The

Guarantor incurs a portion of its operational expenditure in the local currencies of these countries, particularly relating to labour, local materials and services and tax. Fluctuations in the value of such currencies against the U.S. dollar could impact its results of operations.

The Guarantor's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, the Guarantor is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain the Guarantor's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, the Guarantor cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on the Guarantor's business growth, financial condition and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Guarantor's business and the trading price of the Notes.

As of the date of this Offering Circular, India was rated Baa3 with positive outlook by Moody's, BBB- with stable outlook by Fitch and BBB- with stable outlook by S&P. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Guarantor's ratings and the terms on which the Guarantor is able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on the Guarantor's capital expenditure plans, business, cash flows and financial performance, and the trading price of the Notes.

There may be less company information available in Indian securities markets than in securities market in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. The Securities and Exchange Board of India ("SEBI") is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, investors may have access to less information about the business, results of operations and financial conditions of the Guarantor and those of its competitors that are listed on the BSE and the NSE and other stock exchanges in India than companies subject to the reporting requirements of other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain organisations for economic cooperation and development ("OECD") countries. The SEBI received statutory powers in 1992 to assist it in carrying out its responsibilities for improving disclosure and other regulatory standards for the Indian securities market. Subsequently, the SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. However, there may still be less publicly available information about Indian companies than is regularly made available by public companies in certain OECD countries.

Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Guarantor's business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. In particular, certain of the Guarantor's mining facilities are located in geographically remote areas that may be more prone to vandalism or other attacks by members of terrorist or political groups. Terrorist attacks and other acts of violence or war may also result in a loss of business confidence, make travel and other services more difficult, and

ultimately adversely affect the Guarantor's business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of the Notes.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the Guarantor. Such incidents could also create a larger perception that investment in Indian companies involves a higher degree of risk, and could have an adverse impact on its business and the price of the Notes.

The proposed new taxation system could adversely affect the Guarantor's business and the trading price of the Notes.

The GoI has proposed two major reforms in Indian tax laws, namely the goods and services tax (the "GST"), and provisions relating to general anti-avoidance rules ("GAAR").

The Lower House of the Parliament passed the Central GST Bill, 2017, the Integrated GST Bill, 2017, the GST (Compensation to States) Bill, 2017 and the Union Territory GST Bill, 2017 (collectively, the "GST Bills") on 29 March 2017. The GST Bills aim to create a GST regime to tax supply of goods and services and create a regulatory framework for its administration and regulation. The GoI also lays down the procedure for levy and collection of GST, registration, filing of returns and payment of tax under the GST regime. These legislations also deal with taxability of interstate supply of goods and services and disbursement of tax to states and union territories by the GoI. Major products handled by the Guarantor like natural gas and crude oil are not covered by GST and will continue to be governed by the existing taxes, for example excise duty and value added tax, until notified by the GoI. The GST Bills are yet to be passed by the Upper House of the Indian Parliament and receive presidential assent. As regards the implementation of the GST, the GoI has indicated 1 July 2017 as the date of implementation of GST. The impact of GST regime is uncertain and may adversely effect the Guarantor's business, financial condition or results of operation.

GAAR is being implemented from 1 April 2017. As per the new proposal, GAAR will not apply to income accruing, arising or received by any person from transfer of investments made before 1 April 2017.

As pertaining to the notification dated 23 September 2013 issued by the Central Board of Direct Taxes, provisions for GAAR have been introduced by the Finance Act 2012, which is scheduled to come into effect from 1 April 2017. The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Finance Act 2012 as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for *bona fide* purposes. The onus to prove that the transaction is an "impermissible avoidance agreement" is on the tax authorities. If GAAR provisions are invoked, then the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the consequential effects on the Guarantor cannot be determined as of the date of this Offering Circular and there can be no assurance that such effects would not adversely affect the Guarantor's business, future financial performance or the trading price of the Notes.

Inflation in India may adversely affect the Guarantor's business.

India has experienced in the past high rates of inflation. The Guarantor can provide no assurance that high rates of inflation will not increase in the future, which could have an effect on the demand for natural gas and the Guarantor's ability to sell those products. In addition, from time to time, the

Government has taken measures to control inflation, which have included tightening monetary policy by raising interest rates, restricting the availability of credit and inhibiting economic growth. Inflation, measures to combat inflation and public speculation about possible governmental actions to combat inflation have also contributed significantly to economic uncertainty in India and heightened volatility in the Indian capital markets. Periods of higher inflation may also slow the growth rate of the Indian economy which could also lead to a reduction in demand for natural gas and a decrease in the Guarantor's sales thereof. Inflation may also increase some of the Guarantor's costs and expenses. Moreover, the reporting currency of the Guarantor's financial statements is the Indian Rupee, and fluctuations in the value of the Indian Rupee that result from inflation, could affect the Guarantor's results of operations and financial condition. To the extent demand for the Guarantor's products decreases or costs and expenses increase and the Guarantor is not able to pass those increases in costs and expenses on to its customers, its operating margins and operating income may be adversely affected, which could have a material adverse effect on the Guarantor's business, financial condition and results of operations.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact the Guarantor's financial condition.

According to a weekly statistical supplement released by the RBI, India's foreign exchange reserves totalled over U.S.\$368.00 billion as of 4 November 2016 (*Source: RBI Website as of 11 November 2016*). Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee which could result in reduced liquidity and higher interest rates that could adversely affect the Guarantor's future financial performance.

Risks relating to the Notes and the Guarantee

The Guarantor's potential liability under the Guarantee will be capped at the Guaranteed Amount and will end after the guarantee period. Any demands by the Noteholders with respect to the Notes must be received by the Guarantor within the guarantee period. Further, any payment in excess of the Guaranteed Amount will require an RBI approval under the FEMA ODI Regulations.

The primary foreign exchange control legislation in India is FEMA. Pursuant to FEMA, the central government and the RBI have established various regulations, rules, circulars and press notes in connection with various aspects of exchange control. A guarantee issued by an Indian company on behalf of its non-Indian direct or indirect wholly owned subsidiaries or joint ventures is subject to certain regulations under FEMA, such as the FEMA ODI Regulations.

Under the FEMA Guarantees Regulations, an Indian company can provide a guarantee on behalf of its non-Indian direct or indirect wholly owned subsidiaries or joint ventures provided that it is in compliance with the FEMA ODI Regulations. Pursuant to the FEMA ODI Regulations, an Indian company is permitted to provide a guarantee on behalf of its non-Indian wholly owned subsidiaries or joint ventures, subject to certain conditions including, without limitation: such Indian company's total financial commitment does not exceed 400.0 per cent. of its net worth set forth in its last audited balance sheet at the time of issuance of any such guarantee. However, the Guarantor being a Navratna company is exempted from the limit prescribed above. Under the FEMA ODI Regulations, all financial commitments including all forms of guarantees should be within overall ceiling prescribed for the Indian party.

The guarantees must specify a maximum amount and duration of the guarantee upfront, so no guarantee can be open-ended or unlimited and the Indian company may provide the guarantee only to a joint venture or non-Indian wholly-owned subsidiaries in which it has equity participation.

In light of the above, the Guarantor's potential liability under the Guarantee will be capped at an amount equal to 110.0 per cent. of the total aggregate principal amount of the Notes outstanding from time to time.

In addition, the Guarantee shall be in effect for its guarantee period only and require that demands by Noteholders with respect to Notes must be received by the Guarantor within its guarantee period. The Guarantee will be released upon repayment in full of the respective Notes. See “*Terms and Conditions of the Notes*” and “*Enforcement of the Guarantee*”.

Under certain circumstances, including as a result of the accrual of interest over time, amounts due under the Notes or as a result of amounts due under a currency indemnity or any other indemnity under the documents may exceed the Guaranteed Amount. With respect to any such excess amount, you will not have any claim against the Guarantor under the Guarantee. Further, any payment in excess of each of the Guaranteed Amount will require prior RBI approval under the FEMA ODI Regulations.

There is no public market for the Notes.

The Notes will be a new issue of securities with no existing trading market. The Issuer has received the approval-in-principle from SGX-ST for the listing of the Notes on the official list of the SGX-ST.

However, neither the Issuer nor the Guarantor can make any assurances that the Notes will qualify for listing on the exchange or that a liquid trading market will develop for the Notes. Though the Notes may be listed on an exchange, neither the Issuer nor the Guarantor can make any assurances that an active market will develop for the Notes or as to the liquidity of, or the trading market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, (i) prevailing interest rates; (ii) the Guarantor’s results of operations and financial condition, performance and prospects; (iii) political and economic developments in India; and (iv) the market for securities similar to the Notes and the financial condition and stability of the oil and gas sector. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Guarantor’s revenues, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in prices for comparable companies and the GoI’s policy with respect to subsidy and/or compensation to OMCs could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Conditions of the Notes are subject to modification, waivers and substitution.

The Terms and Conditions of the Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which, in the opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or (ii) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

The Notes are not guaranteed by the Republic of India.

The Notes are not the obligations of, or guaranteed by, the Republic of India. Although the GoI owns 66.60 per cent. of the Guarantor's issued and paid up share capital as of the date of this Offering Circular, the GoI is not providing a guarantee in respect of the Notes. In addition, the GoI is under no obligation to maintain the solvency of the Guarantor. Therefore, investors should not rely on the GoI ensuring that the Guarantor or the Issuer will fulfil their respective obligations under the Notes.

Notes where denominations involve integral multiples: definitive Notes.

In relation to these Notes which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that these Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination.

The demonetisation of high denomination Indian currency notes could impact our business and financial performance.

In November 2016, the Government demonetised Rs.1,000.00 and Rs.500.00 denomination currency notes with effect from 9 November 2016 and launched a revised Rs.500.00 denomination and introduced a new Rs.2,000.00 denomination in accordance with the Ministry of Finance's notification no. S.O. 3407 (E) dated 8 November 2016 and other circulars and clarifications issued thereafter by the Government of India and the RBI.

This step was taken with the aim to curb the parallel economy and eliminate the use of counterfeit notes. The impact of the demonetisation on India's economic growth, credit demand, credit quality, liquidity and interest rates is uncertain. The short- and long-term effects of demonetisation on our business are uncertain and we cannot accurately predict the effect of the demonetisation on our business, results of operations, financial condition and prospects.

The Notes will initially be held in book entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note. Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Payments under the Notes in connection with the Guarantee are subject to the RBI guidelines regarding the remittance of funds outside of India.

Payments in connection with the Guarantee under any Guaranteed Notes are subject to the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 and the FEMA ODI Regulations, including without limitation, approval from the RBI, governing the remittance of funds outside India. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Authorised Dealer Category – I banks, as the case may be, and the Guarantor can give no assurance that it will be able to obtain such approvals.

The Conditions of the Notes are subject to the risk of change of law.

The Conditions of the Notes are based on English law in effect as of the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially and adversely impact the value of any Notes impacted by it.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. If adverse developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The enforceability of the Guarantee will be subject to the local laws of India in which the Guarantor is organized and the Noteholders' rights to receive payments is junior to certain tax and other liabilities preferred by law.

The laws of India in which the Guarantor is organized limit any obligations other than the Guarantor's direct obligations or the obligations of the Guarantor's subsidiaries and/or impose a time limit pursuant to which a claim must be made under a guarantee.

Any enforcement of the Guarantee after an insolvency event of the Guarantor will be subject to the insolvency and administrative laws of India, or the insolvency laws of the country where the centre of main interests of the Guarantor is situated. The insolvency, administrative and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, and could adversely affect the Noteholders' ability to enforce their rights under the Guarantee or could limit any amounts that the Noteholders may receive.

The Notes are unsecured obligations of the Issuer and will rank subordinated to certain liabilities preferred by law, such as workmen's due and liquidation costs. In particular, in the event of bankruptcy, liquidation or winding-up, the Issuer's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

Noteholders are subject to risks of changes in Singapore taxation laws.

The Notes are intended to be issued as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, subject to the fulfilment of certain conditions more particularly described in "*Taxation – Singapore Taxation*" of this Offering Circular. However, there is no assurance that the Notes will continue to be "qualifying debt securities" or that the tax concessions in connection therewith will apply throughout the tenure of the Notes should the relevant tax laws be amended or revoked at any time.

Foreign Account Tax Compliance Act withholding may affect payments on the Notes.

Whilst the Notes are held within Euroclear Bank SA/NV and Clearstream Banking S.A. (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding.

It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

Your rights as a creditor may not be the same under the insolvency laws applicable to the Guarantor and the Issuer as under United States or other insolvency laws.

The Guarantor is incorporated under the laws of India and the Issuer is incorporated under the laws of Singapore. The insolvency laws of India and Singapore are likely to differ and may not be as favourable to you as those of the United States or another jurisdiction with which you may be familiar.

Risks related to the market generally

Payments of principal and interest are subject to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

Investment in the Notes is subject to interest rate risks.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit ratings may not reflect all risks.

The Notes are expected to be rated BBB- by Fitch and Baa2 by Moody's. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and modification and except for the paragraphs in italics) will be endorsed on the Certificate issued in respect of the Notes.

The owners shown in the records of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”) of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement to be dated 21 April 2017 (the “Agency Agreement”). Copies of the Agency Agreement are available for inspection during normal business hours by the Noteholders appertaining to the Notes at the specified office of the Principal Paying Agent. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

1. KEY DEFINITIONS

The following definitions are used in these Terms and Conditions:

Issuer	Oil India International Pte. Ltd., a company incorporated under the laws of Singapore with corporate identity number 202612281W with its registered address at 8 Cross Street, #24-03/04, PwC Building, Singapore 048424
Guarantor	Oil India Limited, a company incorporated under the laws of the Republic of India with corporate identity number L11101AS1959GOI001148 with its corporate address at #19, Sector 16-A, Noida, India
Fiscal Agent	Citicorp International Limited 39/F Champion Tower Three Garden Road Central Hong Kong Attention: Agency and Trust Fax: +852 2323 0279
Principal Paying Agent and Transfer Agent	Citibank, N.A., London Branch c/o Citibank, N.A., Dublin Branch Ground Floor 1 North Wall Quay Dublin 1 Ireland Attention: Agency and Trust Fax: +353 1 622 2210

Registrar	<p>Citigroup Global Markets Deutschland AG Reuterweg 16 60323 Frankfurt Germany Attention: Germany Agency and Trust Department</p> <p>Fax: +49 69 1366 1429</p> <p>with a copy to: Citicorp International Limited 39/F Champion Tower Three Garden Road Central Hong Kong Attention: Agency and Trust</p> <p>Fax: +852 2323 0279</p>
Notes	U.S.\$500,000,000 4.00 per cent. notes due 2027 which also includes any further notes issued under Condition 16 (Further issues) and forming a single series with the Notes (unless the context otherwise requires)
Closing Date	21 April 2017
Maturity Date	21 April 2027
Noteholders	The person in whose name a Note is registered in the register of Noteholders

2. FORM, DENOMINATION AND TITLE

2.1 Form and denomination

The Notes are issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (referred to as the “**principal amount**” of a Note). A note certificate (each a “**Certificate**”) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

The Notes are not issuable in bearer form.

2.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or writing on it, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions “**Noteholder**” and (in relation to a Note) “**holder**” means the person in whose name a Note is registered in the register of Noteholders.

For a description of the procedures for transferring title to book-entry interests in the Notes, see “Clearing and Settlement Arrangements”.

3. TRANSFER OF NOTES AND ISSUE OF CERTIFICATES

3.1 Transfers

Subject to Condition 3.4 (Closed periods) and Condition 3.5 (Regulations) and the terms of the Agency Agreement, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Paying Agents. No transfer of title to a Note will be valid or effective unless and until entered on the Register.

For a description of certain restrictions on transfers of interests in the Notes, see “Subscription and Sale”.

3.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the relevant Paying Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail (and by airmail if overseas) at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, “**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see “The Global Certificates – Registration of Title”), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Paying Agent of the original Certificate, be mailed by uninsured mail (or by airmail if overseas) at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

3.3 Formalities free of charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.4 Closed periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

3.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one.

4. STATUS OF THE NOTES

The Notes are direct, unconditional and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as stated above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

5. GUARANTEE

5.1 Guarantee

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the "**Guarantee**") to be dated 21 April 2017 and executed by the Guarantor by virtue of English law.

Any payment in excess of the Guaranteed Amount will require prior RBI approval under the FEMA ODI Regulations.

5.2 Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 6 (*Negative Pledge*)) unsecured obligations of the Guarantor (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

5.3 Limitations on Amount of the Guarantee

The Guarantor's potential liability under the Guarantee is capped at an amount equal to 110.00 per cent. of the total aggregate principal amount of the Notes outstanding from time to time, being initially U.S.\$550,000,000.

No claim shall be made against the Guarantor in respect of its obligations under the Guarantee after the earlier of:

- (a) the date on which all amounts due and payable under the terms of the Notes have been unconditionally and irrevocably paid in full; and
- (b) the date falling one year after the Maturity Date of the Notes.

For the avoidance of doubt, any claim made against the Guarantor prior to the expiry of the period specified in Condition 11 shall survive such expiry.

6. NEGATIVE PLEDGE

6.1 Negative pledge

So long as any of the Notes remain outstanding, (i) the Issuer and the Guarantor will ensure that no Relevant Indebtedness (as defined below) of the Issuer or the Guarantor, as the case may be, and (ii) procure that no Relevant Indebtedness of any of the Guarantor's Principal Subsidiaries (as defined below) will be secured by any Security Interest (as defined below) upon, or with respect to, any of their respective present or future business, undertaking, assets or revenues of the Issuer, the Guarantor and/or any of the Guarantor's Principal Subsidiaries (as applicable), unless the Issuer or the Guarantor, as the case may be, in the case of the creation of a Security Interest, at the same time or prior thereto, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

6.2 Interpretation

In these Terms and Conditions:

- (a) **“Approved Investor”** means a person which has been duly registered with the Securities Exchange Board of India as a Foreign Institutional Investor in terms of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 or a Qualified Institutional Investor in terms of the Foreign Exchange Management (Transfer or Issue of Security) Regulations, 2000 or a Foreign Portfolio Investor in terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2013;
- (b) **“Principal Subsidiary”** means any Subsidiary of the Guarantor:
 - (A) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries, provided that, in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Guarantor;
 - (B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall become a Principal Subsidiary pursuant to this subparagraph 6.2.(b)(B) on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph 6.2.(b)(A) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
 - (C) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which

the then latest audited consolidated accounts of the Guarantor and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph 6.2.(b)(A) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph 6.2.(b)(A) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph 6.2.(b)(C) on the date on which the consolidated accounts of the Guarantor and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph 6.2.(b)(A) above or, prior to or after such date, by virtue of any other applicable provision of this definition;

- (c) **“Relevant Indebtedness”** means (i) any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (together, “Securities”) which (a) by their terms are payable in a currency other than Rupees or are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside of India (provided that, for these purposes, Securities sold to an Approved Investor will not be regarded as being distributed outside of India) by or with the authorisation of the Issuer and (b) are for the time being, or capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity of any such indebtedness;
- (d) **“Security Interest”** means any mortgage, charge, pledge, lien or other security interest; and
- (e) **“Subsidiary”** means, in relation to any person (the **first person**) at any particular time, any other person (the **second person**) (i) in which the first person holds a majority of the voting rights of the second person, (ii) of which the first person is a member and has the right to appoint or remove a majority of the board of directors of the second person, or (iii) of which the first person is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the second person.

7. INTEREST

7.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 21 April 2017 at the rate of 4.00 per cent. per annum, payable semi-annually in arrear on 21 April and 21 October of each year (each an **“Interest Payment Date”**). The first payment (representing a full six months’ interest) (for the period from and including 21 April 2017 to but excluding 21 October 2017) shall be made on 21 October 2017.

7.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

7.3 Calculation of broken interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

8. PAYMENTS

8.1 Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder or by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Noteholder if it does not have a registered account. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the “**record date**”) being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition, a Noteholder’s registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the register of Noteholders at the close of business, in the case of principal and interest due otherwise than on an Interest Payment Date, on the second Business Day (as defined below) before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date, and a Noteholder’s registered address means its address appearing on the register of Noteholders at that time.

The record date for Notes represented by a Global Certificate will be one business day prior to the Interest Payment Date.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of such Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

8.2 U.S. Paying Agent

Payments in respect of Notes may only be made at the specified offices of Paying Agents outside the United States of America, except that they may be made at the specified office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agent would be able to make payment at such offices of the full amount payable on the Notes in U.S. dollars when due, (ii) payment of the full amount due in U.S. dollars at all specified offices of the Paying Agent outside the United States of America is illegal or effectively precluded by exchange controls or other similar restrictions, and (iii) the relevant payment is permitted by applicable U.S. law. If a Note is presented for payment of principal at the specified office of any Paying Agent in the United States of America in circumstances where interest (if any is payable against presentation of the Note) is not to be paid there, the relevant Paying Agent will annotate the Note with the record of the principal paid and return it to the holder for the obtaining of payment elsewhere.

8.3 Payments subject to applicable laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 any law implementing an intergovernmental approach thereto.

8.4 No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

8.5 Payment on Business Days

8.5.1 Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Principal Paying Agent.

8.5.2 Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

8.5.3 In this Condition “Business Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong, Singapore and New York City and, in the case of presentation of a Note Certificate, in the place in which the Note Certificate is presented.

8.6 Partial payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the register of Noteholders with a record of the amount of principal or interest in fact paid.

8.7 Agents

The names of the initial Paying Agents and their initial specified offices are set out in Condition 1 (*Key Definitions*) of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent and a Principal Paying Agent;
- (b) there will always be a Principal Paying Agent in a jurisdiction other than the Relevant Tax Jurisdiction;
- (c) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST;
- (d) there will at all times be such other agents as may be required by any stock exchange on which the Notes may be listed;
- (e) there will at all times be a Registrar; and
- (f) there will at all times be a Transfer Agent.

Notice of any variation, termination or appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

9. REDEMPTION AND PURCHASE

9.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 21 April 2027.

9.2 Redemption for taxation reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 10.2 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after Closing Date, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

9.3 Redemption upon Change of Control

9.3.1 Following the occurrence of a Change of Control (as defined below), any Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all of such Noteholder's Notes in whole (but not in part) on the Change of Control Redemption Date (as defined below) at their principal amount (together with any accrued but unpaid interest up to but excluding the Change of Control Redemption Date).

9.3.2 To exercise such right, the Noteholder must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (the "**Change of Control Redemption Notice**") together with the Certificate evidencing the Notes to be redeemed by not later than 30 days following a Change of Control or, if later, 45 days following the date on which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 (*Notices*). A Change of Control Redemption Notice, once delivered, shall be irrevocable and the Issuer shall, subject to the receipt of any relevant regulatory approvals, redeem the Notes the subject of Change of Control Redemption Notices delivered as aforesaid on the Change of Control Redemption Date.

9.3.3 The Issuer shall give notice to Noteholders in accordance with Condition 14 (*Notices*) by not later than 15 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition and shall give brief details of the Change of Control.

9.3.4 In these Conditions:

(A) "**Control**" means (i) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or the Guarantor or (ii) the right to appoint or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(B) a "**Change of Control**" occurs when:

- (1) the Government of India will at any time cease to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Guarantor;
 - (2) the Guarantor will at any time cease to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer;
 - (3) any Person or Persons acting together acquires or acquire Control of the Guarantor if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Closing Date;
 - (4) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Guarantor or the successor entity; or
 - (5) one or more Persons (other than any entity or Person referred to in Condition 9.3.4(B)(3) and (4) above) acquires the legal or beneficial ownership of all or substantially all of the Guarantor's issued share capital;
- (C) "**Change of Control Redemption Date**" means the fourteenth day after the expiry of such period of 30 days after the later of a Change of Control or the date upon which notice of a Change of Control is given to Noteholders by the Guarantor in accordance with Condition 14 (*Notices*) as referred to above; and
- (D) "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer's or Guarantor's board of directors or any other governing board and does not include the Guarantor's or the Guarantor's wholly-owned direct or indirect subsidiaries.

9.4 Purchases

The Issuer, the Guarantor or any of the Guarantor's other Subsidiaries may at any time purchase Notes in any manner and at any price in the open market or otherwise.

9.5 Cancellations

All Notes which are (i) redeemed, or (ii) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries will be cancelled forthwith, and accordingly may not be reissued or resold.

9.6 Notices final

Upon the expiry of any notice as is referred to in paragraph 9.2, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

10. TAXATION

10.1 Payment without withholding

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Tax Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will

pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have otherwise been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

- (a) the holder of which is liable for Taxes in respect of such Note by reason of having some connection with the Relevant Tax Jurisdiction other than a mere holding of the Notes;
- (b) presented for payment by or on behalf of a holder of such Note who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim;
- (c) presented for payment in Singapore or India; or
- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day (as defined in Condition 8.5 (*Payment on Business Days*)).

10.2 Interpretation

In these Conditions:

- (a) “**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the relevant Paying Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 14 (*Notices*); and
- (b) “**Relevant Tax Jurisdiction**” means Singapore or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or India or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes.

10.3 Additional amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

11. PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 10.2 (*Interpretation*).

12. EVENTS OF DEFAULT

12.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) **Non-payment:** if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three days in the case of principal or seven days in the case of interest; or
- (b) **Breach of other obligations:** if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and (except in any case where the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) **Cross default:** if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment; (iii) any security given by the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; provided that no event described in this Clause 12.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least U.S.\$25,000,000 (or its equivalent in any other currency);
- (d) **Winding-up:** if any order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) **Cessation of business:** if the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (f) **Insolvency:** the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (g) **Liquidation or insolvency proceedings:** if (i) proceedings are initiated against the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or

an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, is not discharged within 14 days; or

- (h) **Creditors' arrangement:** if the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);
- (i) **Guarantee:** if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect;
- (j) **Nationalisation:** if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets or shares of the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries;
- (k) **Moratorium:** a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligations arising under guarantees) of the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries;
- (l) **Immunity:** if the Issuer, the Guarantor or any of the Guarantor's Principal Subsidiaries is or becomes entitled or subject to, or is declared by law or otherwise to be protected by, immunity (sovereign or otherwise) and Condition 17.3 (Appointment of process agent) is held to be invalid or unenforceable;
- (m) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (n) **Analogous event:** if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, an analogous effect to any of the events referred to in Conditions 12.1(d) (*Winding-up*) to 12.1(j) (*Nationalisation*) inclusive, 12.1(l) (*Immunity*) and 12.1(m) (*Unlawfulness*)

then any holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at their principal amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

12.2 Interpretation

For the purposes of this Condition, “Indebtedness for Borrowed Money” means any indebtedness (whether being principal, interest or other amounts) for or in respect of any borrowed money or liability under in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

12.3 Reports

A report by any director, authorised officer or their representative of the Guarantor that in their opinion a Principal Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties.

13. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14. NOTICES

14.1 Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholders maintained by the Registrar and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given on the fourth day after being so mailed or on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

So long as all the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

15.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of the Guarantee or certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting

not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

15.2 Modification

The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders, to:

- (a) any modification of the Notes or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, or
- (b) any modification (except a Basic Terms Modification (being a matter in respect of which an increased quorum is required as mentioned above)) of the Notes or the Agency Agreement which is not prejudicial to the interests of the Noteholders.

Any determination of prejudice applying to the interests of the Noteholders referred to in this Condition shall be made by the Issuer and the Guarantor, and the Fiscal Agent shall have no responsibility or liability whatsoever with respect to such determination.

Any modification shall be binding on the Noteholders and any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

16. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Guarantee and the Notes and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee or the Notes are governed by, and construed in accordance with, English law.

17.2 Submission to Jurisdiction

- (a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in

connection with the Notes (a “**Dispute**”) and each of the Issuer, the Guarantor and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition, the Issuer and the Guarantor waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

17.3 Appointment of process agent

Each of the Issuer and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute.

17.4 Sovereign immunity

Each of the Issuer and the Guarantor irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

18. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL CERTIFICATES

The Global Certificates contain the following provisions which apply to the Notes in respect of which the Global Certificates are issued, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in paragraphs 1 to 6 below.

1. Accountholders

For so long as all of the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression “**Noteholders**” and references to “**holding of Notes**” and to “**holder**” of Notes shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the nominee for the relevant clearing system (the “**Relevant Nominee**”) in accordance with and subject to the terms of the relevant Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

2. Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer, the Guarantor or any of the Guarantor’s Subsidiaries will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the Global Certificate.

3. Payments

Payments of interest in respect of Notes represented by a Global Certificate will be made upon presentation or, if no further interest payment falls to be made in respect of the Notes, payments of principal in respect of Notes represented by a Global Certificate will be made against presentation and surrender of the relevant Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of the relevant Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in a Global Certificate will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Certificate by or on behalf of the Registrar and shall be prima facie evidence that payment has been made.

4. Notices

So long as all the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions. For so long as the Notes are listed on the SGX-ST, notices shall also be published in the manner required by the rules and regulations of the SGX-ST.

5. Registration of Title

Each Global Certificate may be exchanged in whole but not in part (free of charge) for definitive Notes only upon the occurrence of an Exchange Event.

For these purposes, “**Exchange Event**” means that: (i) an Event of Default (as defined in Condition 12 (*Events of Default*)) has occurred and is continuing; (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by a Global Certificate in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (Notices) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur no later than 10 days after the date of receipt of the relevant notice by the Registrar.

The Registrar will not register title to the Notes in a name other than that of the Relevant Nominee who is a holder appearing on the register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) preceding the due date for any payment of principal, or interest in respect of the Notes.

6. Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream and their respective direct and indirect participants.

USE OF PROCEEDS

The proceeds of the issue of the Notes, amounting to U.S.\$497,920,000, will be applied by the Issuer to refinance its existing bridge loan extended by international banks, including some of the Joint Lead Managers and their affiliates for financing the acquisition of a 23.90 per cent. participating interest in JSC Vankorneft and a 29.90 per cent. participating interest in TYNGD along with other consortium members. No proceeds of the Notes will be used in India.

CAPITALISATION

Set out below is the Guarantor's total debt, shareholders' equity and capitalisation as of 31 March 2016 as derived from its audited consolidated financial statements as of 31 March 2016 and as adjusted to reflect the issue of the Notes. For additional information, see the Guarantor's financial statements and the notes thereto included in "Financial Statements". Except as disclosed herein, there have been no material changes in the Guarantor's capitalisation since 31 March 2016.

Consolidated:

	As of 31 March 2016			
	Actual		As adjusted ⁽¹⁾	
	Rs. (million)	U.S.\$ (million) ⁽²⁾	Rs. (million)	U.S.\$ (million) ⁽²⁾
Non-current liabilities				
Deferred tax liabilities (Net)	20,882.90	312.15	20,882.90	312.15
Long-term borrowings	93,169.70	1,392.67	93,169.70	1,392.67
Other Long-term liabilities	21.50	0.32	21.50	0.32
The Notes offered hereby	–	–	33,450.00	500.00
Long-term provisions	8,370.10	125.11	8,370.10	125.11
	122,444.20	1,830.25	155,894.20	2,330.25
Current liabilities				
Short-term borrowings	8,994.50	134.45	8,994.50	134.45
Trade payables	5,601.70	83.73	5,601.70	83.73
Other current liabilities.	15,114.10	225.92	15,114.10	225.92
Short-term provisions.	7,950.10	118.84	7,950.10	118.84
	37,660.40	562.94	37,660.40	562.94
Total liabilities	160,104.60	2,393.19	193,554.6	2,893.19
Shareholders' equity				
Share capital ⁽⁴⁾	6,011.40	89.86	6,011.40	89.86
Reserves and surplus	219,407.60	3,279.64	219,407.60	3,279.64
Total shareholders' equity	225,419.00	3,369.50	225,419.00	3,369.50
Total capitalisation⁽³⁾	385,523.60	5,762.69	418,973.60	6,262.69

Note:

- (1) The "as adjusted" columns reflect the aggregate principal amount of the Notes offered hereby.
- (2) Conversion from Indian Rupees to U.S. Dollars has been made at the rate of Rs.66.90 per U.S.\$1.00, the closing exchange rate on 31 March 2016 based on the SBI BC Selling Rate.
- (3) Total capitalisation consists of total shareholders' equity total liabilities, including the Notes to be issued in this offering.
- (4) The Guarantor issued bonus shares in January 2017, as a result, the Guarantor's share capital has increased to Rs.8,015.20 million as of the date of this Offering Circular.

Except as disclosed above, there have been no material changes to the Guarantor's capitalisation since 31 March 2016.

SELECTED FINANCIAL INFORMATION

The following table sets out a summary of the audited consolidated financial information of the Guarantor as of and for the years ended 31 March 2014, 2015 and 2016 and the unaudited, but reviewed, non-consolidated financial information of the Guarantor as of and for the nine month period ended 31 December 2016. This information should be read in conjunction with, and is qualified in its entirety by reference to, the Guarantor's audited and unaudited but reviewed financial statements and the related notes thereto included elsewhere in this Offering Circular. The Guarantor's audited financial statements as of and for the year ended 31 March 2016 were audited by A.K. Sabat & Co., Chartered Accountants and N.C. Banerjee & Co., Chartered Accountants. The Guarantor's audited financial statements as of and for the years ended 31 March 2014 and 2015 were audited by Saha Ganguli & Associates, Chartered Accountants and B.M. Chatrath & Co., Chartered Accountants. The Guarantor's unaudited, but reviewed, financial statements as of and for the nine months ended 31 December 2015 were reviewed by N.C. Banerjee & Co., Chartered Accountants and A.K. Sabat & Co., Chartered Accountants. The Guarantor's unaudited, but reviewed, financial statements as of and for the nine months ended 31 December 2016 were reviewed by N.C. Banerjee & Co., Chartered Accountants and B.N. Misra & Co., Chartered Accountants. These auditors' respective audit and review reports in relation to these financial statements are included in "Financial Statements".

Fiscal Year 2014, 2015 and 2016

Consolidated Statement of Profit and Loss:

	Year ended: 31 March (Audited)			
	2014	2015	2016	
	Rs. (million)	Rs. (million)	Rs. (million)	U.S.\$ (million) ⁽¹⁾
Revenue from operations	96,898.30	99,783.80	98,841.10	1,477.44
Other income	15,886.60	12,583.90	12,199.60	182.36
Total revenue	112,784.90	112,367.70	111,040.70	1,659.80
Expenses				
Changes in inventories of finished goods	78.70	(173.60)	267.30	4.00
Employee benefits expense	14,745.00	16,013.20	13,934.90	208.29
Finance costs	707.80	3,490.90	3,664.90	54.78
Depreciation, depletion and amortisation expense	8,215.80	8,647.50	11,052.20	165.21
Other expenses	45,612.80	47,618.50	49,825.30	744.77
Total expenses	69,360.10	75,596.50	78,744.60	1,177.05
Profit before exceptional items and tax	43,424.80	36,771.20	32,296.10	482.75
Exceptional items	0.00	0.00	2,481.90	37.10
Profit before tax	43,424.80	36,771.20	29,814.20	445.65
Tax expense:				
Current tax expense	13,245.00	8,486.50	7,219.50	107.91
Deferred tax	955.60	3,435.90	4,446.60	66.47
Total Tax Expense	14,200.60	11,922.40	11,666.10	174.38
Profit for the year from continuing operations	29,224.20	24,848.80	18,148.10	271.27
Profit for the year	29,224.20	24,848.80	18,148.10	271.27
Share of Profit in Associates	679.10	1,235.20	1,891.00	28.27
Group Profit for the year after tax	29,903.30	26,084.00	20,039.10	299.54
Earnings per share (Face value of				
Rs. 10/- per share) (Rs.):	Rs.	Rs.	Rs.	U.S.\$
Basic	49.74	43.39	33.34	0.50
Diluted	49.74	43.39	33.34	0.50

⁽¹⁾ For the readers' convenience, U.S. dollar translations of Indian rupee amounts for Fiscal Year 2016 have been provided at a rate of U.S.\$1.00 = Rs.66.90, the closing exchange rate on 31 March 2016 based on the SBI BC Selling Rate.

Consolidated Balance Sheet:

		As of 31 March (Audited)			
		2014	2015	2016	
		Rs. (million)	Rs. (million)	Rs. (million)	U.S.\$ (million) ⁽¹⁾
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	6,011.40	6,011.40	6,011.40	89.86
	(b) Reserves and surplus	200,800.20	209,003.10	219,407.60	3,279.63
		206,811.60	215,014.50	225,419.00	3,369.49
2	Non-current liabilities				
	(a) Long-term borrowings	15,152.50	83,994.20	93,169.70	1,392.67
	(b) Deferred tax liability (Net)	13,074.70	16,453.70	20,882.90	312.15
	(c) Other long-term liabilities	21.70	16.50	21.50	0.32
	(d) Long-term provisions	7,558.10	8,031.80	8,370.10	125.11
		35,807.00	108,496.20	122,444.20	1,830.25
3	Current liabilities				
	(a) Short-term borrowings	86,311.00	6,707.20	8,994.50	134.45
	(b) Trade payables	4,540.20	6,250.10	5,601.70	83.73
	(c) Other current liabilities	12,035.10	24,728.00	15,114.10	225.92
	(d) Short-term provisions	7,936.70	9,451.50	7,950.10	118.84
		110,823.00	47,136.80	37,660.40	562.94
Total:		353,441.60	370,647.50	385,523.60	5,762.68
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets				
	(i) Tangible assets	58,648.90	70,828.00	79,802.40	1,192.86
	(ii) Intangible assets	196.30	253.60	577.90	8.64
	(iii) Capital work-in-progress	28,155.10	37,548.10	40,355.50	603.22
	(b) Goodwill on Consolidation	53,169.40	55,680.70	56,686.80	847.34
	(c) Non-current investments	50,234.60	51,965.70	54,163.20	809.61
	(d) Long-term loans and advances	5,317.10	7,297.10	9,688.40	144.82
	(e) Other non-current assets	3,219.10	176.00	149.30	2.23
		198,940.50	223,749.20	241,423.50	3,608.72
2	Current assets				
	(a) Current investments	2,000.00	3,762.50	3,539.70	52.91
	(b) Inventories	9,846.60	10,514.20	10,244.50	153.13
	(c) Trade receivables	4,808.60	23,843.50	13,310.40	198.96
	(d) Cash and cash equivalents	116,601.10	88,189.50	95,294.40	1,424.43
	(e) Short-term loans and advances	13,633.30	14,869.70	16,205.10	242.23
	(f) Other current assets	7,611.50	5,718.90	5,506.00	82.30
		154,501.10	146,898.30	144,100.10	2,153.96
Total:		353,441.60	370,647.50	385,523.60	5,762.68

⁽¹⁾ For the readers' convenience, U.S. dollar translations of Indian rupee amounts for Fiscal Year 2016 have been provided at a rate of U.S.\$1.00 = Rs.66.90, the closing exchange rate on 31 March 2016 based on the SBI BC Selling Rate.

Consolidated Cash Flow Statement

	Year ended 31 March			
	2014	2015	2016	
	Rs. (million)	Rs. (million)	Rs. (million)	U.S.\$ (million) ⁽¹⁾
Operating Activity				
Net Profit Before Tax and Exceptional items	43,424.80	36,771.20	29,814.20	445.65
Depreciation, Depletion & Amortisation	8,215.80	8,647.50	11,052.20	165.20
Exploration Cost Written Off	4,618.70	3,120.10	4,751.80	71.03
Prior Period Items	(6.50)	9.20	(71.80)	(1.07)
Dividend Income	(1,274.40)	(1,699.70)	(1,910.50)	(28.56)
Interest Income	(11,716.00)	(10,404.60)	(9,759.00)	(145.87)
Interest Expenses	707.80	3,490.20	3,664.90	54.78
Foreign Exchange Loss/(Gain) – Net	(2,157.80)	(120.30)	958.60	14.33
Well abandonment provisions	2,477.20	0.00	0.00	0.00
Total	864.80	3,042.40	8,686.20	129.84
Cash flow from Operating Activity Before Changes in Assets and Liabilities.	44,289.60	39,813.60	38,500.40	575.49
Changes in Working Capital Inventories	(3,403.30)	(680.80)	117.80	1.76
Trade Receivables, Other current and non current assets	2,098.40	(19,743.10)	10,403.80	155.51
Long term and short term Loans and Advances	(112.80)	(1,889.80)	(2,148.50)	(32.12)
Long term and short term provisions	(427.60)	5,460.40	(3,382.00)	(50.55)
Trade payable, Other current and non current liabilities	1,707.80	6,042.80	(3,613.20)	(54.01)
Total	(137.50)	(10,810.50)	1,377.90	20.59
Cash flow from Operating Activity before Income tax	44,152.10	29,003.10	39,878.30	596.09
Income tax Payment (Net of Refund)	(17,991.30)	(11,467.60)	(8,620.50)	(128.86)
Net Cash generated from/(used in) Operating Activity (A)	26,160.80	17,535.50	31,257.80	467.23
Investing Activity				
Acquisition, Exploration & Development Cost	(23,351.30)	(24,073.10)	(23,647.50)	(353.48)
Other Capital Expenditure	(5,168.80)	(5,913.90)	(6,485.10)	(96.94)
Investment made	(87,338.60)	(3,765.30)	(3,980.50)	(59.50)
Sale of investment	3,000.30	0.00	0.00	0.00
Inter Corporate Loan	205.00	217.00	2,131.20	31.86
Interest Income	13,007.00	12,552.70	10,079.60	150.67
Dividend Income	1,274.40	1,699.70	1,910.50	28.56
Net Cash generated from/(used in) Investing Activity (B)	(98,372.00)	(19,282.90)	(19,991.80)	(298.83)
Financing Activity				
Repayment of Loan	0.00	(82,179.70)	0.00	0
Proceeds from Borrowings	88,854.20	69,386.50	11,462.80	171.34
Payment of Dividend	(19,054.60)	(6,325.70)	(10,850.50)	(162.19)
Corporate Dividend Tax	(1,838.90)	(2,274.60)	(2,202.80)	(32.93)
Interest Expenses	(704.00)	(2,157.40)	(3,578.90)	(53.49)
Foreign Exchange Loss/(Gain) – Net	2,460.00	(2,480.40)	(4,557.20)	(68.12)
Net Cash generated from/(used in) Financing Activity (C)	69,716.70	(26,031.30)	(9,726.60)	(145.39)
Net Increase in Cash and Cash Equivalents (A+B+C)	(2,494.50)	(27,778.70)	1,539.40	23.01
Cash and Cash equivalents at the beginning of the year	121,366.60	116,601.10	88,189.50	1,318.23
Add: Other Adjustments to Cash and Cash equivalents*	(2,271.00)	(632.90)	5,565.50	83.19
Cash and Cash equivalents at the end of the year	116,601.10	88,189.50	95,294.40	1,424.43
Notes				
Cash and Cash equivalents represents:				
Cash in hand	7.40	7.60	8.20	0.12
Current accounts & Term Deposits in Scheduled Banks	116,593.70	88,181.90	95,286.20	1,424.31
	116,601.10	88,189.50	95,294.40	1,424.43

⁽¹⁾ For the readers' convenience, U.S. dollar translations of Indian rupee amounts for Fiscal Year 2016 have been provided at a rate of U.S.\$1.00 = Rs.66.90, the closing exchange rate on 31 March 2016 based on the SBI BC Selling Rate.

OIL INDIA LIMITED

Statement of Profit and Loss for the nine months ended 31 December 2016

All interim unaudited reviewed financial data in this Offering Circular is presented on a non-consolidated basis, in accordance with IND-AS. See “Presentation of Financial and Other Information” and “Risk Factors – Risks relating to India – The adoption of IND-AS, which began for the Guarantor from 1 April 2016, could have a material adverse effect on the presentation of the Guarantor’s financial statements and the Guarantor’s financial statements prepared under IND-AS may not be directly comparable to financial statements prepared under Indian GAAP”.

	Nine Months ended 31 December 2016		
	Nine Months ended 31 December 2015	Nine months ended 31 December 2016	
	Rs. (million)	Rs. (million)	US\$ (million) ^(iv)
I. Revenue From Operations	77,556.20	69,985.00	1,021.23
II. Other Income ⁽ⁱⁱⁱ⁾	9,580.00	8,835.90	128.93
III. Total Income (I + II)	87,136.20	78,820.90	1,150.16
IV. Expenses:			
Changes in inventories of finished goods	241.90	(271.20)	(3.96)
Employee benefits expense	11,643.90	10,870.40	158.62
Finance costs	2,856.10	3,003.40	43.83
Depreciation, Depletion and Amortization expense ⁽ⁱ⁾	6,429.80	7,598.50	110.88
Other expenses	36,829.10	35,049.40	511.45
Total expenses	58,000.80	56,250.50	820.82
V. Profit before exceptional items and tax (I-I – IV)	29,135.40	22,570.40	329.35
VI. Exceptional Items	0.00	0.00	0.00
VII. Profit before tax – (V – VI)	29,135.40	22,570.40	329.35
VIII. Tax expense:			
(1) Current tax	7,536.30	5,605.00	81.79
(2) Deferred tax	3,283.70	1,671.70	24.39
IX. Profit for the period from continuing operations (V-I – VIII)	18,315.40	15,293.70	223.17
X. Profit/(Loss) for the period from discontinued operations	0.00	0.00	0.00
XI. Tax expense of discontinued operations	0.00	0.00	0.00
XII. Profit from discontinued operations after tax (X–XI)	0.00	0.00	0.00
XIII. Profit for the period (IX + XII)	18,315.40	15,293.70	223.17
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
(a) Gain/(Loss) on remeasurement of defined benefit obligation	77.40	106.20	1.55
(b) Net fair value gain on investments in equity shares at FVTOCI	7,271.70	31,138.50	454.38
(ii) Income tax relating to Items that will not be reclassified to profit or loss	(20.00)	(20.60)	–0.3
B (i) Items that will be reclassified to profit or loss	0.00	0.00	0
(ii) Income tax relating to Items that will be reclassified to profit or loss	0.00	0.00	0
Total Other Comprehensive Income	7,329.10	31,224.10	455.63
XV. Total Comprehensive Income for the period (XIII + XIV)	25,644.50	46,517.80	678.79
XVI. Earnings per equity share (for continuing operation) ⁽ⁱⁱⁱ⁾ :			
(1) Basic	22.85	19.08	0.28
(2) Diluted	22.85	19.08	0.28
XVII. Earnings per equity share (for discontinued operation) ⁽ⁱⁱⁱ⁾ :			
(1) Basic	0.00	0.00	0.00
(2) Diluted	0.00	0.00	0.00
XVIII. Earnings per equity share (for discontinued & continuing operation) ⁽ⁱⁱⁱ⁾ :			
(1) Basic	22.85	19.08	0.28
(2) Diluted	22.85	19.08	0.28

-
- (i) Includes depletion and write-offs.
 - (ii) Other income is mainly on account of interest/dividends from deposits/investments.
 - (iii) EPS for the periods are not annualised.
 - (iv) For the readers' convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.\$1.00 = Rs.68.53, the closing exchange rate on 31 December 2016 based on the SBI BC Selling Rate.

OVERVIEW OF THE INDIAN AND GLOBAL OIL AND GAS INDUSTRY

The information set forth in this section is based on publicly available information from various sources. Note that the Directorate General of Hydrocarbons (under the GoI's Ministry of Petroleum and Natural Gas) (the "DGH") and other independent sources provide their data in metric tonnes and cubic feet; for convenience, such data has been converted from metric tons to barrels, using a conversion factor of 1 metric tonne per 7.33 barrels and converted from cubic feet to cubic metres using a conversion factor of 1 cubic metre per 35.3146 cubic feet. All the absolute numbers in this section are rounded off and percentages are calculated based on the actual numbers.

Indian Oil and Gas Industry

Overview of the Indian Oil and Gas Industry

The Indian oil and gas industry traces its beginnings to the initial discoveries of crude oil in October 1889 in Digboi, Assam in the far northeast of the country by the Assam Railway and Trading Company. The industry saw modest growth in exploration, development and production activity for the next century.

Following independence, the GoI made accelerated development of the oil and gas sector a major priority, given the industry's strategic significance for industrial development and defence. In the 1950s, the GoI entered the oil and gas sector by establishing the Oil and Natural Gas Directorate (the predecessor to ONGC) in 1955, creating state-owned refinery companies (Indian Refineries Limited in 1958 and Indian Oil Company Limited in 1959, which were merged in 1964 to form IOC), and forming exploration and development joint ventures with existing domestic and foreign oil and gas companies (Oil India Limited with the Burma Oil Company and the Assam Oil Company, and Indo-Stanvac Petroleum Company Limited, a joint venture between the GoI and Standard Vacuum Oil Company).

The industry increased in size in the 1960s and became increasingly dominated by state-owned entities and joint ventures between the GoI and private oil and gas companies. In the 1970s, the GoI implemented nationalisation policies, taking over the operations of companies such as IBP, Esso, Caltex and Burmah-Shell. Following nationalisation, only state-owned enterprises were allowed to participate in the oil and gas industry (other than Castrol, which was permitted to remain in the niche lubricant segment). Virtually all aspects of the oil and gas industry were highly regulated, including investment, exploration, production, distribution and pricing of all petroleum products sold in the Indian market. In February 1974, ONGC discovered the large Mumbai High offshore oil field, which prompted large-scale expansion in the Indian oil and gas sector.

In the 1990s, as India's reliance on oil imports increased, the GoI embarked on a series of reforms aimed at reducing India's dependence on imports, deregulating the industry, improving efficiency and encouraging private and foreign investment. Measures included opening the refining segment to private investment, permitting the sale of limited amounts of LPG and kerosene by private entities outside of the state-owned distribution channels, and allowing foreign oil companies to enter the domestic lubricant market. In accordance with the liberalisation process and in order to introduce new technology for increasing oil production, the GoI offered 69 small and medium-sized oil and gas fields, both onshore and offshore, to the private sector in 1992 and 1993. Since 1993, the GoI has signed PSCs for 27 exploration blocks under pre-NELP rounds. Out of these 28 blocks, 13 blocks have since been relinquished or surrendered and 14 exploration blocks are under operation.

In 1997, the NELP was implemented and, since the launch of the NELP, there have been significant advances in exploring the hydrocarbon potential of sedimentary basins in India. Under the first round of NELP bidding, the GoI invited bids for 48 blocks for exploration of oil and natural gas, 24 blocks were awarded for hydrocarbon exploration, 17 blocks have been relinquished or surrendered and seven exploration blocks are presently under operation. In the subsequent five rounds of NELP, the GoI awarded 23, 23, 20, 20 and 52 blocks, respectively. In the seventh and eighth round of NELP, the GoI

awarded 41 and 32 blocks, respectively. The ninth and latest round of NELP (NELP IX) launched on 15 October 2010. 34 blocks covering an area of about 88,807 sq. km. were offered. The offered blocks included – eight deep-water blocks, seven shallow water blocks and 19 on land blocks.

Domestic Oil and Gas Consumption and Production

In India, the domestic production of oil and gas lags domestic consumption of oil and gas, which results in reliance on imports. Domestic deficit of crude oil and natural gas has increased at a compound annual growth rate (“CAGR”) of 5.80 per cent. and 13.37 per cent., respectively, during 2005-15.

The following table sets forth the total domestic production and consumption of crude oil and natural gas for calendar years 2005 through 2015.

Calendar Year	Oil		Deficit	Deficit
	Oil Production	Consumption		
	('000 barrels per day)	('000 barrels per day)	('000 barrels per day)	(%)
2005	737	2,606	1,869	71.72%
2006	760	2,737	1,977	72.23%
2007	768	2,941	2,173	73.89%
2008	803	3,077	2,274	73.90%
2009	816	3,237	2,421	74.79%
2010	882	3,319	2,437	73.43%
2011	916	3,488	2,572	73.74%
2012	906	3,685	2,779	75.41%
2013	906	3,727	2,821	75.69%
2014	887	3,849	2,962	76.96%
2015	876	4,159	3,283	78.94%

Calendar Year	Gas		Deficit	Deficit
	Production	Consumption		
	(bcm)	(bcm)	(bcm)	(%)
2005	29.6	35.7	6.1	17.09%
2006	29.3	37.3	8.0	21.45%
2007	30.1	40.3	10.2	25.31%
2008	30.5	41.5	11.0	26.51%
2009	37.6	50.7	13.1	25.84%
2010	49.3	61.5	12.2	19.84%
2011	44.5	61.9	17.4	28.11%
2012	38.8	57.5	18.7	32.52%
2013	32.2	50.4	18.2	36.11%
2014	30.4	50.6	20.2	39.92%
2015	29.2	50.6	21.4	42.29%

Note: Oil consumption comprises' inland demand, international aviation, marine bunkers, refinery fuel and loss, Fuel ethanol and biodiesel. Source: BP Statistical Review of World Energy 2016.

OIL and ONGC together (both majority controlled by the Government) have a combined share of approximately 69.3 per cent. and 74.5 per cent. in India's production of crude oil and natural gas in Fiscal Year 2016 respectively. Although deregulation and other government initiatives, such as the introduction of NELP rounds, have increased the level of private sector participation in the domestic production sector, the industry is still dominated by these two Government- controlled entities.

The remainder of the domestic crude oil and gas production comes primarily from public sector/private sector joint ventures. Significant private sector participants in India's hydrocarbon production joint ventures include Reliance Industries Limited, and smaller state-owned enterprises such as GSPC.

The following table provides a breakdown of India's major producers of crude oil and natural gas for Fiscal Year 2016:

Producer	Crude Oil	Percentage of Total Production in India	Natural gas	Percentage of Total Production in India
	(mmbbl)	(%)	(bcm)	(%)
ONGC	164.0	60.5	21.2	65.7
OIL	23.7	8.7	2.8	8.8
Private/Joint Venture	83.3	30.7	8.2	25.5
Total	270.9	100.0	32.3	100.0

Source: DGH Annual Report 2015-16.

According to the DGH, during Fiscal Year 2016, the total production of oil and gas in India was 270.9 mmbbl and 32.3 bcm, respectively.

Global Oil and Gas Markets

Global Oil and Gas Reserves

According to the BP Statistical Review of World Energy 2016 (the “BP Statistical Review”), total global proved oil reserves stood at 1,698 billion barrels (“b**nbbl**”) and total proved gas reserves stood at 187 trillion cubic metres (“t**cm**”) as of 31 December 2015. The majority of the global proved reserves are located in the Middle East.

Proved Oil Reserves	1995	2005	2014	2015	Share of Total
	(bn nbbl)	(bn nbbl)	(bn nbbl)	(bn nbbl)	In 2015
North America	126.9	223.6	238.0	238.0	14.0
South & Central America	83.7	103.6	331.7	329.2	19.4
Europe & Eurasia	141.2	139.5	154.6	155.2	9.1
Middle East	663.3	755.5	803.8	803.5	47.3
Africa	72.0	111.3	129.3	129.1	7.6
Asia Pacific	39.1	40.8	42.6	42.6	2.5
World	1,126.2	1,374.4	1,700.0	1,697.6	100.0

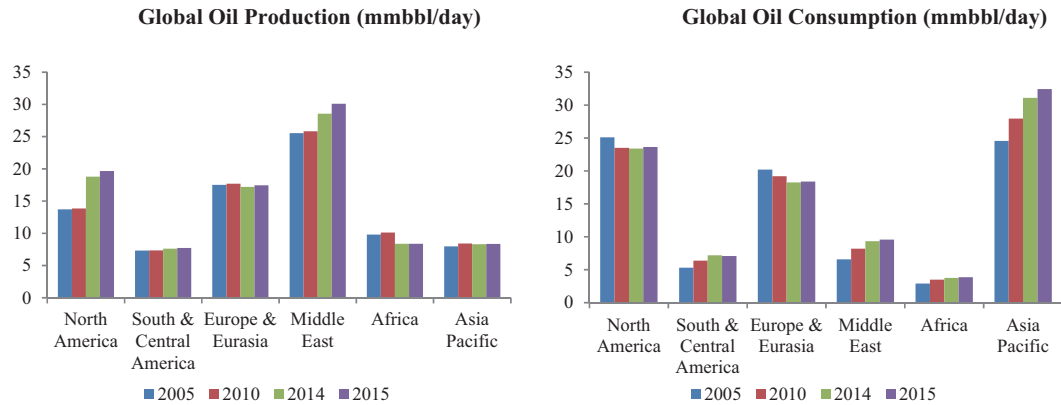
Source: BP Statistical Review of World Energy 2016.

Proved Natural Gas Reserves	1995	2005	2014	2015	Share of Total
	t cm	t cm	t cm	t cm	In 2015
North America	8.5	7.8	12.8	12.8	6.8
South & Central America	5.9	6.9	7.6	7.6	4.1
Europe & Eurasia	40.2	43.0	57.0	56.8	30.4
Middle East	45.3	72.6	80.1	80.0	42.8
Africa	9.9	14.1	14.1	14.1	7.5
Asia Pacific	10.1	13.0	15.4	15.6	8.4
World	119.9	157.3	187.0	186.9	100.0

Source: BP Statistical Review of World Energy 2016.

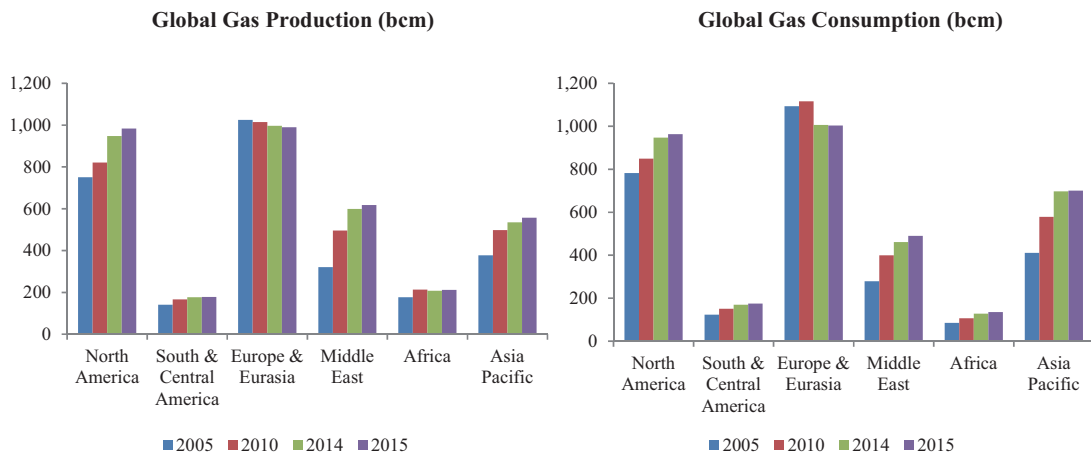
Global Oil and Gas Consumption and Production

According to the BP Statistical Review, global oil consumption grew to 95.0 mmbbl/day in 2015, an increase of 2.0 per cent. compared to 2014. Non-OECD consumption grew by 2.9 per cent., reaching 49.4 mmbbl/day in 2015 while OECD consumption grew by 1.1 per cent. to 45.6 mmbbl in 2015. Global oil production grew by 3.2 per cent., reaching 91.7 mmbbl in 2015. OPEC accounted for 41.7 per cent., or 38.2 mmbbl/day, of global production.



Source: BP Statistical Review of World Energy 2016

Global gas consumption increased by 1.7 per cent., or 58.5 bcm, to 3,468.7 bcm in 2015. Demand from the U.S., the world's largest gas consumer, increased by 3.0 per cent., or 22 bcm, to 778.0 bcm in 2015. Global gas production increased by 2.2 per cent., or 75.5 bcm, to 3,538.6 bcm in 2015. Gas production in the U.S. increased by 5.4 per cent., to 767.3 bcm in 2015.

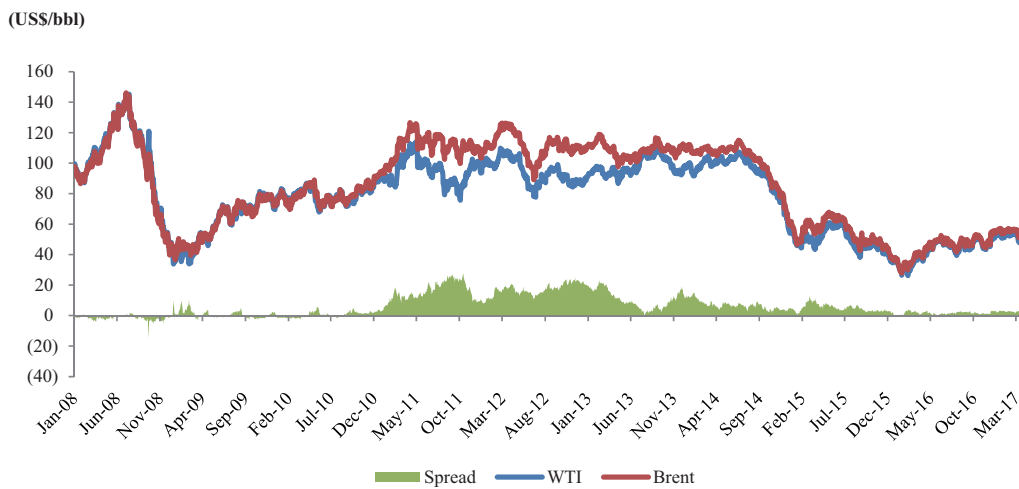


Source: BP Statistical Review of World Energy 2016

Oil Prices

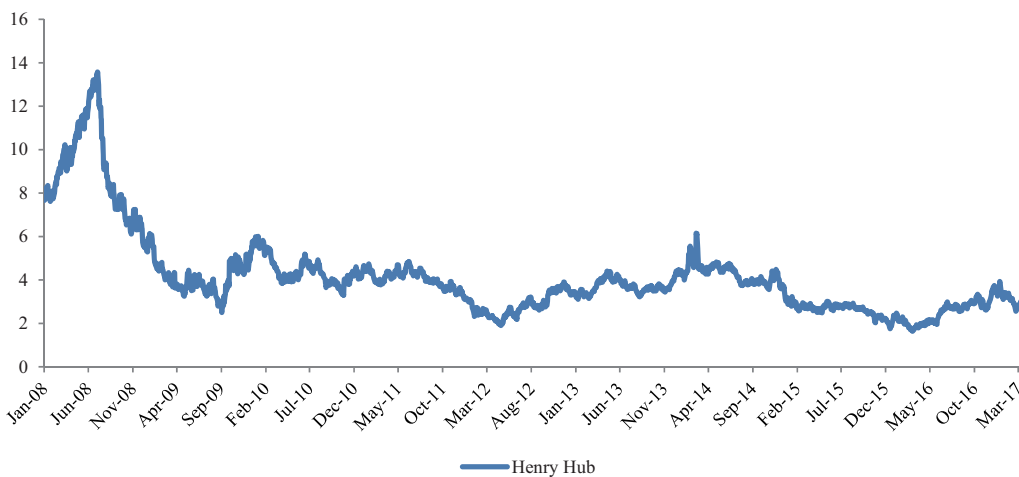
Oil prices (Brent) reached an all-time high of U.S.\$146 per barrel in July 2008 because of low levels of OPEC spare production capacity. In the subsequent six month period, the oil price decreased significantly, falling to U.S.\$37 per barrel in December 2008, owing to the global recession. Since 2011, political turmoil in Egypt, Libya, Yemen, Syria and Bahrain, termed the “Arab Spring”, has shaken the oil market. Continued unrest in the Middle East and unease caused by tensions between the U.S. and Iran had kept Brent above the U.S.\$90 per barrel level for almost four years.

Prices began to fall mid-2014 due to the combined effects of 1) the slowing of growth in economies such as China, placing a downward pressure on demand, and 2) the expansion of producers in countries such as the U.S. and Canada into shale and oil sands, cutting their oil imports and adding additional downward pressure on prices.



Gas Prices

Natural gas prices tend to be set locally and regionally (unlike crude oil prices that are global in nature). In the United States, Henry Hub traded on average at U.S.\$2.55 per mmbtu in 2016. Steep increase in the United States domestic natural gas production, fuelled by the shale gas boom, has resulted in lower gas prices. Low natural gas prices in the United States have presented a price advantage over coal and have further stimulated gas-fired power generation.



THE ISSUER

HISTORY AND BUSINESS

Oil India International Pte. Ltd., the Issuer, was incorporated in Singapore as a private limited liability company on 6 May 2016. It is a wholly-owned subsidiary of the Guarantor. A consortium comprising of BPRL, IOCL and the Guarantor recently acquired equity stakes in two Russian companies being participatory shares representing 29.90 per cent. of the charter capital of TYNGD and 23.90 per cent. of JSC Vankorneft. The equity interests were acquired through JVs named Taas India Pte. Ltd. and Vankor India Pte Ltd. respectively (both incorporated in Singapore as private limited liability companies). The Issuer holds 33.50 per cent. equity stake in both the acquiring JVs. In the case of TYNGD, the asset is currently producing approximately 22,000 boepd which is expected to increase to 100,000 boepd in the next 2-3 years and in case of JSC Vankorneft, the asset is currently producing approximately 420,000 boepd. The acquisitions were completed on 5 October 2016.

REGISTERED ADDRESS

The operating premises of the Issuer as of the date of this Offering Circular are located at 8 Cross Street, #24-03/04, PWC Building, Singapore 048424.

SHAREHOLDING AND CAPITAL

The issued share capital of the Issuer as at the date of this Offering Circular is U.S.\$1,000 comprising 1,000 Shares. These Shares have been fully paid up and are wholly-owned by the Guarantor.

DIRECTORS

Under its Constitution, the Issuer is required to have at least one director who is a natural person of full age and capacity and who is an ordinary resident in Singapore, and unless otherwise determined by a General Meeting, there is no maximum number of Directors holding office at any time. The Issuer currently has three Directors.

The following table sets out the details regarding the Issuer's board of directors as of the date of this Offering Circular:

<u>Name, Designation and Nationality</u>	<u>Age</u>	<u>Other Directorships Held</u>
Arvind Jaini, Director, Indian	59	5 Companies
Rabisankar Bhattacharjee, Director, Indian	58	2 Companies
Radhesh S/O R Vijayan, Director, Singapore Citizen	37	29 Companies

BUSINESS

Unless expressly stated otherwise, (i) all annual audited financial data in this Offering Circular is presented on a consolidated basis, and (ii) all interim unaudited reviewed financial data in this Offering Circular is presented on a non-consolidated basis in accordance with IND-AS. See “Presentation of Financial and Other Information”.

OVERVIEW

As of March 2016, the Guarantor was the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production according to the Indian Petroleum & Natural Gas Statistics 2015-16 published by the Ministry of Petroleum and Natural Gas of the Government of India (“GoI”). It is principally engaged in the exploration, development, production and transportation of crude oil, natural gas and petroleum products, and various downstream business activities. The Guarantor generates revenues primarily from the sale of crude oil, natural gas and liquefied petroleum gas (“LPG”), as well as from the transportation of crude oil (including crude oil produced by other producers, such as Oil and Natural Gas Corporation Limited (“ONGC”)), natural gas and petroleum products. The Guarantor is present internationally, principally through equity and participation interests, in the exploration of crude oil and natural gas in Gabon, Libya, Myanmar, Nigeria, Bangladesh, the United States, Venezuela, Mozambique, Yemen and Russia. It primarily conducts activities in its domestic producing blocks and exploration activities in its nomination blocks independently. It also conducts exploration activities, both in India and overseas, through joint venture arrangements and production sharing contracts (“PSCs”) with other oil companies.

The Guarantor was incorporated as a private limited company in 1959, and became a public sector undertaking (“PSU”) in 1981. It has been present in the Indian oil and gas exploration and production industry for over five decades and counts among its achievements the creation, operation and maintenance of a fully-automated crude oil pipeline.

As a PSU, the Guarantor was awarded “Navratna” status in 2010 by the GoI for its operational efficiency and financial strength. The Guarantor was ranked 201st in the Platts Top 250 Global Energy Company Ranking for 2016. It was awarded the “15th Annual Greentech Environment Award” in Fiscal Year 2015, 15th Annual Greentech Safety Award, 2016, the “Governance Now PSU Award 2016” in the category of Jury Choice for Strategic Investment at the fourth Governance Now PSU Awards and the “Best Company in CSR & Sustainability Award” at the India Today PSU awards in Fiscal Year 2016.

The Guarantor’s total consolidated revenues were Rs.112,785 million, Rs.112,368 million and Rs.111,041 million for Fiscal Year 2014, 2015 and 2016, respectively, and its profit after tax was Rs.29,224 million, Rs.24,849 million and Rs.18,148 million for Fiscal Year 2014, 2015 and 2016, respectively. For the nine months ended 31 December 2016, the Guarantor’s standalone revenues were Rs.78,821 million (U.S.\$ 1,150.17 million) and its profit after tax was Rs.15,294 million (U.S.\$223.17 million).

Production Business

Based on the Guarantor’s estimate, as of 31 March 2016, almost all of the Guarantor’s estimated independent proved plus probable oil reserves, as well as 94.98 per cent. of its estimated independent natural gas reserves, were located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. In addition, it has independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan.

Based on the Guarantor’s estimate, as of 31 March 2016, the Guarantor’s estimated proved plus probable crude oil reserves were approximately 574.55 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and its independent proved plus probable natural gas reserves were approximately 42,314 million cubic metres (which include certain reserves attributable to

fuel gas consumption). In addition to its independent reserves, the Guarantor also has a 40.00 per cent. participating interest in crude oil reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. See “– *Production Business – Production Business*”. For Fiscal Year 2016, its gross crude oil production amounted to 3.25 million metric tonnes (including production from its joint ventures) and 2.84 billion cubic metres of natural gas, representing an average daily production of approximately 63,000 barrels of oil and 7.78 million cubic metres of natural gas. The Guarantor’s production amounted to approximately 8.80 per cent. and 8.81 per cent. of India’s total production of crude oil and natural gas, respectively, for Fiscal Year 2016. For the nine months ended 31 December 2016, its production amounted to approximately 2.45 million metric tonnes (including production from its joint ventures) of oil and approximately 2.21 billion cubic metres of natural gas, representing an average daily production of approximately 63,000 barrels of oil and approximately 8.04 million cubic metres of natural gas. See “– *Production Business – Crude Oil and Natural Gas Reserves*”.

Exploration Business

As of 31 December 2016, the Guarantor had 39 exploratory blocks, covering a total area of approximately 24,149 square kilometres, 22 of these exploratory blocks, covering an area of 5,004 square kilometres, were acquired on a nomination basis under production licences, referred to as Petroleum Mining Leases (“**PMLs**”); five blocks, covering an area of 1,230 square kilometres, were acquired on a nomination basis under exploration licences, referred to as Petroleum Exploration Licences (“**PELs**”), and two blocks (as non-operator), covering an area of 121 square kilometres, were acquired through pre-NELP joint ventures. The remaining ten blocks (of which the Guarantor was the operator in five blocks and a joint operator in one block), covering an area of 17,794 square kilometres, were acquired through the New Exploration Licencing Policy (“**NELP**”) bidding process. All of the Guarantor’s independently held PELs and PMLs cover acreage in the Upper Assam and Assam-Arakan basin and the Rajasthan basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons.

Internationally, as of the date of this Offering Circular, the Guarantor had participating interests in 15 exploration, development and producing blocks covering 77,972 square kilometres of exploration acreages in Gabon, Libya, Myanmar, Nigeria, Bangladesh, Venezuela, the United States, Mozambique, Yemen and Russia. It is the operator in respect of one block in Gabon, and two blocks in Myanmar and is a joint operator in Venezuela, and non-operator in respect of blocks in the United States, Mozambique, Bangladesh, Nigeria, Libya, Yemen and Russia. See “– *Exploration and Development Business – International Exploration and Development*”.

Transportation Business

The Guarantor owns and operates a 1,157 kilometre cross-country crude oil pipeline which transports crude oil for the Guarantor, ONGC and Indian Oil Corporation Limited (“**IOCL**”). The pipeline has the capacity to transport over 44 million barrels of crude oil annually. It transported approximately 45 million barrels of crude oil in Fiscal Year 2016 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. It owns 11 crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar. The Guarantor also owns and operates a 660 kilometre petroleum product pipeline connecting Numaligarh Refinery Limited (“**NRL**”) to Siliguri in West Bengal. The Guarantor also holds a 23 per cent equity interest in Duliajan Numaligarh Pipeline Limited, a joint venture company of Assam Gas Company Ltd (AGCL), Numaligarh Refinery Limited (NRL) and Oil India Limited, which is operating a state of the art high pressure natural gas pipeline. See “– *Transportation Business – Domestic Pipeline*”. The Guarantor also holds a 10.00 per cent. participation interest in a joint venture with ONGC Videsh Limited (“**OVV**”) for the construction of a product pipeline in Sudan. See “– *Transportation Business – International Pipeline*”.

Downstream Investment Business

The Guarantor has equity interests in downstream activities through a 26.00 per cent. equity interest in NRL, a 10.00 per cent. equity interest in Brahmputra Cracker and Polymer Limited (“**BCPL**”) and 5.00 per cent. equity stake in IOCL. See “– *Downstream Investment Business*”.

In addition to its four key business segments, the Guarantor provides various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, pipeline consultancy services, drilling and well work-over services, research and development services and logging services. See “– *Other Services*”.

COMPETITIVE STRENGTHS

The Guarantor believes that it benefits from a combination of the following competitive strengths:

The Guarantor has an experienced management team with strong in-house technical expertise in the Guarantor’s core production and exploration business

The Guarantor’s senior management team has extensive experience in the oil and gas industry, with many of its executives having numerous decades of relevant industry experience. The Guarantor also benefits from the extensive in-house technical capabilities of its personnel, who form a highly experienced team of experts. Given the remote locations of the Guarantor’s oil and gas assets, the Guarantor was historically forced to develop the technical expertise required to conduct its operations internally, through a combination of recruitment, development and formal and experiential training of its personnel, given the relative costs of outsourcing certain functions to be performed in remote parts of North East India. Whilst the Guarantor currently outsources certain of its operational functions, it believes that it has benefitted significantly from the historical development of its technical in-house expertise across its exploration and production businesses.

In addition, the Guarantor has been able to deploy experienced management team members across its various geographic operations in order to implement projects and oversee operations. The Guarantor also has a proven track record of attracting and retaining talent throughout its organisation. The Guarantor believes that its management team has contributed significantly to its past success and will continue to contribute to its future growth.

The Guarantor is a Navratna company and benefits from strong links with the GoI

In Fiscal Year 2010, the Guarantor was awarded “Navratna” status by the GoI, having been identified as one of Indian central public sector enterprises (“**CPSEs**”) that have “comparative advantages”. The GoI has given greater autonomy to CPSEs with Navratna status to compete in the global market in order to support them in their drive to become global giants. Accordingly, as a Navratna company, the Guarantor is empowered to take all investment decisions without having to first seek the approval of the GoI, except for (i) making equity investments or establishing joint ventures or wholly-owned subsidiaries and for undertaking any mergers and acquisitions in India in amounts exceeding Rs. 10.00 billion, or 15.00 per cent. of its net worth (whichever is lower), on a single project; and (ii) for undertaking mergers and acquisitions overseas in amounts exceeding Rs.30.00 billion or 25.00 per cent. of its net worth (whichever is lower), on a single project. In addition, the overall limit of investments that the Guarantor is permitted to make in all such projects without requiring GoI approval is 40.00 per cent. of its net worth.

As of the date of this Offering Circular, the GoI held 66.60 per cent. of the issued share capital of the Guarantor, which is listed on the BSE Limited (“**BSE**”) and National Stock Exchange of India (“**NSE**”). In addition, other Indian CPSEs such as IOCL, Hindustan Petroleum Corporation Limited (“**HPCL**”) and Bharat Petroleum Corporation Limited (“**BPCL**”) owned in aggregate 8.90 per cent. of the issued share capital of the Guarantor as of the date of this Offering Circular. Maximising domestic oil and gas production is a strategic priority for the GoI, with its aim being to reduce Indian national

reliance on oil and gas imports, which currently accounts for approximately four-fifth of national consumption. See “*Overview of the Indian and Global Oil and Gas Industry*”. Accordingly, and as the second largest national public sector exploration and production company in India (measured by estimated proved plus probable oil and natural gas reserves), the Guarantor believes that it is of strategic importance to the GoI and India, resulting in the Guarantor receiving significant national support from the GoI. For example, in respect of its overseas operations in the oil and gas sector the Guarantor is permitted to make investments under the automatic route of the overseas direct investment policies of India, without needing to seek approval from the Reserve Bank of India (“**RBI**”). Other than OVL, the GoI and the RBI do not confer the same benefit on other PSUs in India. The Guarantor believes that this provides it with a competitive advantage over other companies and PSUs in India.

Accordingly, the Guarantor believes that the support it receives from the GoI as a Government-owned entity, coupled with the relative strategic decision-making autonomy derived from being a Navratna company, provides it with the benefits of being both state-owned, as well as having the ability to make commercial decisions on strategic investments independently of the GoI.

Large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin

Based on Guarantor’s estimate, as of 31 March 2016, the Guarantor had estimated proved plus probable crude oil reserves of approximately 574.55 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and proved plus probable natural gas reserves of approximately 42.31 billion cubic metres (which include certain reserves attributable to fuel gas consumption). As of 31 March 2016, almost all of the Guarantor’s estimated oil reserves and 94.80 per cent. of its estimated natural gas reserves were located in the Upper Assam basin, which has been in continuous production since 1889. The Guarantor’s production amounted to 3.25 million metric tonnes of crude oil and 2.84 billion cubic metres of natural gas for Fiscal Year 2016, which amounted to 8.80 per cent. and 8.81 per cent., respectively of India’s total production of crude oil and natural gas for the year. See “– *Production Business – Crude Oil and Natural Gas Reserves*”. The Guarantor believes that its reserves provide it with an abundant and stable long-term source of hydrocarbons for crude oil and natural gas production.

Sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons

The Guarantor focuses on reserves accretion through its exploration and development business. See “*Exploration and Development Business*”. As of 31 December 2016, the Guarantor had 39 exploratory blocks, covering a total area of approximately 24,149 square kilometres. 22 of these exploratory blocks, covering an area of 5,004 square kilometres, were acquired on a nomination basis under production licences, referred to as Petroleum Mining Leases (“**PMLs**”); five blocks, covering an area of 1,230 square kilometres, were acquired on a nomination basis under PEL and two blocks (as non-operator), covering an area of 121 square kilometres, were acquired through pre-NELP joint ventures. The remaining ten blocks (of which the Guarantor was the operator in five blocks and a joint operator in one block), covering an area of 17,794 square kilometres, were acquired through the NELP bidding process. All of the Guarantor’s independently held PELs and PMLs cover acreage in the Upper Assam, Assam-Arakan and the Rajasthan basins, each of which are basins with proven commercial production or known accumulation of hydrocarbons. See “– *Exploration and Development Business – Domestic Exploration and Development*”.

As of the date of this Offering Circular, the Guarantor had participating interests internationally in 15 exploration, development and producing blocks covering 77,972 square kilometres of exploration acreages in Gabon, Libya, Myanmar, Nigeria, Bangladesh, Venezuela, the United States, Mozambique, Yemen and Russia. It was the operator in respect of one block in Gabon, and two blocks in Myanmar, and is a joint operator in Venezuela, and non-operator in respect of blocks in the United States, Mozambique, Bangladesh, Nigeria, Libya, Yemen and Russia. See “– *Exploration and Development Business – International Exploration and Development*”.

The Guarantor believes that it has a geographically balanced acreage, with the domestic exploration acreage constituting 24.00 per cent., and the international exploration acreage constituting 76.00 per cent., of the Guarantor's total acreage as of 31 December 2016. See “– *Exploration and Development Business – International Exploration and Development*”.

The Guarantor believes that it will continue to accrete reserves and increase its production through its extensive proved undeveloped crude oil and natural gas reserves and underexplored sedimentary basins.

Strong reservoir management skills for ageing and depleting fields

Oil and natural gas production in India is derived mainly from ageing and depleting fields. The Guarantor deploys a wide array of improved oil recovery (“**IOR**”) and enhanced oil recovery techniques (“**EOR**”) at an early stage in the life of oil fields in order to achieve maximum recovery from its oil reserves from ageing and depleting fields. Such IOR and EOR techniques include:

- in-fill drilling to drain reservoirs more effectively;
- augmentation of water injection or flooding schemes;
- modern artificial pumping and lifting equipment (electrical submersible pumping);
- water arrest techniques; and
- work-over operations and gravel packs in sand ingress prone reservoirs.

The Guarantor believes that these measures have enabled it to maintain production rates in its fields in the Upper Assam basin, despite the declining rates of production from the majority of these fields in the last three decades.

In addition, the Guarantor has implemented a number of reservoir management initiatives that include IOR and EOR activities to optimize the development or redevelopment and management of its fields, which in turn results in sustainable oil and gas production and optimum recovery from its developing and mature fields. Numerical reservoir simulation studies are carried out on a regular basis and act as an effective tool for formulating strategies by the Guarantor, which include management planning, production forecasting and decision-making based on reasonable techno-economic considerations. Based on various analytical and numerical simulations studies, the Guarantor has implemented reservoir management practices such as water injection, gas injection and other IOR and EOR activities in its fields and the Guarantor has yielded recoveries of 10-20 per cent. in excess of normal depletion in most of its reservoirs under operation. For more information on reservoir management, see “– *Other Services – Reservoir Management*”.

Efficient and optimal cost structure resulting from its status as an integrated exploration and production company with over five decades of operating experience

The Guarantor has installed onshore infrastructure which has been built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and work-over rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in its main oil and gas producing regions of India, which the Guarantor believes provides it with a competitive advantage.

In addition, the Guarantor believes that its five decades of experience as an organisation, together with the training and experience of its personnel, allows it to devise operational procedures and maintenance schedules for its equipment and facilities that aim to minimise downtime and cost. The Guarantor also believes that its integrated oil and gas infrastructure, combined with its in-house expertise, enables it to manage its costs and time efficiently. Consequently, the Guarantor further believes that it benefits from

the deployment of its extensive in-house technical capabilities and services, which contributes to a reduction in its average costs of discovering hydrocarbons and all-in production costs, compared to retaining more expensive third-party contractors. See “– *The Guarantor has an experienced management team with strong in-house technical expertise in the Guarantor’s core production and exploration business*”.

The Guarantor believes it has a strong balance sheet position

The Guarantor believes that it has a strong balance sheet compared to other global oil and gas companies, with cash and cash equivalents of Rs.95,294 million (U.S.\$1,424.43 million) and cash from operating activities of Rs.31,258 million (U.S.\$467.23 million) in Fiscal Year 2016. As of 31 December 2016, the Guarantor had cash and cash equivalents of Rs.68,896 million (U.S.\$1,005.35 million) and cash from operating activities of Rs.10,356 million (U.S.\$151.11 million). The Guarantor believes that its balance sheet enables it to mitigate the inherent risks associated with the cyclicity of the oil and gas industry. The Guarantor believes its strong balance sheet, together with the support of the GoI enables it to consider and, if deemed feasible, make acquisitions or increase exploration operations in order to secure hydrocarbon resources.

STRATEGY

In pursuit of its strategic objectives, the Guarantor intends to:

Achieve a balanced growth of the Guarantor’s portfolio of assets by continuing to acquire exploration acreages, discovered blocks and producing properties domestically and internationally

The Guarantor intends to continue acquiring exploration acreages, discovered blocks and producing properties. Domestically, it plans to continue to pursue its selective bidding strategy in the future and also participate in new licencing regime of HELP/OALP rounds in order to acquire more geographically balanced exploration acreages across India. The Guarantor will continue to follow a bidding strategy pursuant to which it aggressively targets those blocks that it believes will offer the greatest exploration and production opportunities based on its five decades of exploration experience in Indian geological conditions. In the past nine rounds of NELP bidding, the Guarantor selectively bid for 58 exploration blocks and was successful in acquiring 40 of these blocks, 30 of which it has subsequently relinquished.

Internationally, the Guarantor plans to seek to continue acquiring both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. The Guarantor intends to implement this strategy both through joint ventures with other leading industry participants, as well as through its MoU with IOCL, pursuant to which it has a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Its MoU with IOCL also allows it to enter into project- specific agreements for overseas oil and natural gas exploration, development and production opportunities. In addition to its MoU with IOCL, the Guarantor has entered into certain other MoUs, with various companies in the upstream and downstream sectors in order to pursue exploration and production opportunities both in India and overseas.

The Guarantor, together with OVL, has also acquired a 10.00 per cent. participating interest in the Mozambique block in the Area 1 Rovuma Field by acquiring the shares of Beas Rovuma Energy Mozambique Limited (formerly known as Videocon Mozambique Rovuma 1 Limited) in 2014. The first production and revenue from the field is expected to be generated and recognised in Fiscal Year 2022. The Guarantor expects that this acquisition in Mozambique, once fully operational, will contribute significantly to its production base. See “– *Exploration and Development Business – International Exploration and Development – Mozambique Offshore Rovuma basin*”. The Guarantor has also acquired a 60.00 per cent. participating interest, as operator, in two offshore blocks in Myanmar. In addition, the Guarantor acquired a 50.00 per cent. equity interest in WorldAce Investments Limited, a Cyprus based wholly-owned subsidiary of PetroNeft Resources Limited, which owns License 61 in the Tomsk region in Russia. The Guarantor, together with IOCL and Bharat PetroResources Limited (“**BPRL**”), acting jointly as a consortium acquired in October 2016 participating shares representing 29.90 per cent. of the

charter capital of LLC Taas-yuryakh Neftegazodobycha (“**TYNGD**”) and participating shares representing 23.90 per cent. of JSC Vankorneft, which owns the Vankor field and the North Vankor License. For further information, please see “– *International Exploration and Development – Russia – TYNGD and JSC Vankorneft*”.

Continue to improve the Guarantor’s rate of recovery through the application of advanced recovery techniques

The Guarantor intends to implement a number of IOR and EOR techniques in order to redevelop its maturing fields in the Upper Assam basin and to improve the recovery of its existing crude oil reserves, with the goal of increasing its current average recovery rates. These techniques include the following:

- in-fill drilling/horizontal drilling to drain reservoirs more effectively;
- augmentation of water injection/flooding schemes;
- work-over operations and gravel packs in sand ingress prone reservoirs;
- modern artificial pumping and lifting equipment (electrical submersible pumping);
- water arrest techniques;
- hydro-frac operations to produce tight sands; and
- radial drilling technology.

The Guarantor believes that its use of advanced IOR and EOR techniques have enabled the Guarantor to maintain production rates in its fields in the Upper Assam basin, despite the declining rates of production from the majority of these fields in the last three decades.

In addition, the Guarantor has implemented modern reservoir management techniques. For more information, see “– *Competitive Strengths – Strong reservoir management skills for ageing and depleting fields*”.

The Guarantor believes that its implementation of advanced recovery techniques and development plans will enable it to maintain and increase its production levels, which may be further enhanced by its acquisition strategy.

Monetise and further leverage off its natural gas resources in the Upper Assam basin

Based on Guarantor’s estimate, as of 31 March 2016, the Guarantor had estimated proved plus probable natural gas reserves of 42.31 billion cubic metres (which include certain reserves attributable to fuel gas consumption), of which 94.80 per cent. are located in the Upper Assam basin, which is a basin with proven commercial production. The Guarantor has historically not conducted development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam. However, as of 31 March 2016, domestic consumption of natural gas exceeded domestic supply by 51.00 per cent. according to Indian Petroleum & Natural Gas Statistics 2015-16. The Guarantor believes that the demand for natural gas within the Indian market will continue to increase. The Guarantor, therefore, intends to continue to focus its attention and capital resources on the commercialisation of its natural gas reserves and resources through both upstream and downstream investment. It also intends to continue to improve its utilisation of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding its distribution network.

Selectively diversify its domestic operations through downstream integration and focus on its inorganic growth

The Guarantor intends to continue actively pursuing a strategy of selective vertical integration in order to diversify its sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and in order to maintain its long-term commercial relations with the companies in which the Guarantor holds an equity interest. For example, the Guarantor acquired a 12.35 per cent. equity interest in NRL in 2000 and a further 13.65 per cent. equity interest in 2007, a 10.00 per cent. equity interest in BCPL in 2008 and a 23.00 per cent. equity interest in DNP Limited in 2008 and a 5.00 per cent. equity stake in IOCL in 2014. For further information on these acquisitions, see “– *Transportation Business*” and “– *Downstream Investment Business*”.

In August 2008, the Guarantor commissioned a 660 kilometre domestic petroleum product pipeline connecting the NRL refinery to Siliguri, which has a capacity to transport approximately 1.70 million tonnes of refined petroleum products annually. During the Fiscal Year 2016, the Guarantor transported approximately 1.74 million tonnes of petroleum products for NRL. It also holds a 10.00 per cent. participating interest in a 741 kilometre pipeline project in Sudan that was completed in 2005. For additional information on this pipeline, see “– *Transportation Business – International Pipeline*”.

The Guarantor has also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business both in India and overseas, and leasing surplus fibre optic cable capacity in its pipeline infrastructure to telecom service providers, among others. It has entered into lease agreements with Bharat Sanchar Nigam Limited (“**BSNL**”), Power Grid Corporation of India Limited (“**PGCIL**”), Bharti Airtel, Reliance Jio, Dishnet Wireless Limited and Rail Tel Corp. The Guarantor has also leased out bandwidth to NRL and Assam Electronics Development Ltd. See “*Business – Pipeline Construction and Related Businesses and Services*”.

On 10 August 2016, the Guarantor entered into a MoU with HPCL for joint participation in laying, building, operating or expanding CGD networks. The MoU is valid until 9 August 2018. See “– *Downstream Investment Business*”.

The Guarantor intends to seek and develop additional diversification opportunities along the oil and gas value chain, particularly opportunities which will complement its existing expertise acquired over five decades in the upstream oil sector.

Diversify into non-conventional and renewable energy resources

The Guarantor has recently started to focus on non-conventional and renewable energy resources, including wind power projects, solar power projects and shale oil and gas, and believes that by diversifying into these areas, the Guarantor will have a more sustainable development of its business in the long run.

The Guarantor has installed and developed various wind energy projects, solar power projects and shale oil and gas projects as part of its strategy to develop non-conventional and renewable energy resources. For further information on these projects, see “– *Renewable And Non-Conventional Energy Business – Wind Energy*”, “– *Renewable And Non-Conventional Energy Business – Solar Power*” and “– *Renewable And Non-Conventional Energy Business – Shale Oil and Gas*”.

Accelerate its exploration and development in existing acreages to augment its current reserves and production

The Guarantor has developed a capital expenditure plan to accelerate its exploration and development activities in its existing acreages. For Fiscal Year 2017, the Guarantor has a capital expenditure plan of Rs.40,200.00 million for exploration and production activities in its existing domestic and overseas business operations.

RECENT DEVELOPMENTS

The management of the Guarantor has announced a buy back plan of 5.60 per cent. of its issued and paid up equity shares at a price of Rs.340.0 per share. Total buy back size is estimated to be Rs.15,270.1 million. The process of buy back is likely to be completed in May 2017.

Proposed acquisition of 25.00 per cent. participation interest in Block RJ-ONN-2004/2 from Geoglobal

As of the date of this Offering Circular, the Guarantor is in the process of acquiring a 25.00 per cent. participation interest from Geoglobal for Block RJ-ONN-2004/2 located in the Baghewala field in the Rajasthan basin. As of the date of this Offering Circular, the final approval is still pending from the MoPNG.

Proposed acquisition of 10.00 per cent. participation interest in Block KG-ONN-2004/1 from Geoglobal

As of the date of this Offering Circular, the Guarantor is in the process of acquiring a 10.00 per cent. participation interest from Geoglobal for Block KG-ONN-2004/1 located in the Krishna-Godavari basin. As of the date of this Offering Circular, the final approval is still pending from MoPNG.

Voluntary winding-up of Oil India International Limited

As of the date of this Offering Circular, the winding-up of Oil India International Limited, a wholly-owned subsidiary of the Guarantor is under process. The voluntary winding-up has been approved by the Guarantor's Board of Directors and the process for winding up has been initiated.

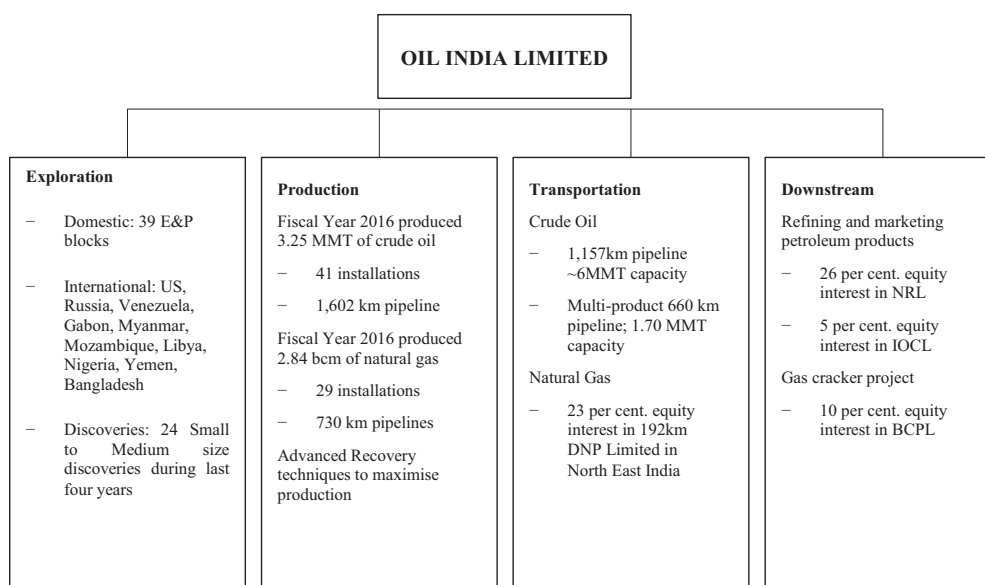
Proposed set up of a WEPP in the States of Madhya Pradesh and Gujarat

As of the date of this Offering Circular, the Guarantor is in the process of setting up of a WEPP with a total capacity of 52.50 MW split between the states of Madhya Pradesh and Gujarat. 25.2 MW of the WEPP will be executed at Unchwas, Madhya Pradesh and the remaining 27.3 MW will be executed at Kotiya, Gujarat. The project cost is estimated to be Rs.3,682 million with M/s Suzlon Energy Limited as the EPC contractor and project developer.

BUSINESS ORGANISATION AND CORPORATE STRUCTURE

The Guarantor is an integrated oil and gas company primarily engaged in the four key business segments of production, exploration, transportation (of crude oil, natural gas and petroleum products) and downstream investment businesses.

The diagram below sets forth the operational organisation of the Guarantor in each of its four key business segments, as at the date of this Offering Circular:



The Guarantor generates revenues primarily from the sale of crude oil, natural gas and LPG as well as from the transportation of crude oil (including crude oil produced by other producers, such as ONGC), natural gas and petroleum products.

The table below sets forth the revenue generated by each of the business segments of the Guarantor, and the proportion of total revenue for which they account, for each of Fiscal Year 2014, 2015 and 2016 and the nine month period ended 31 December 2016:

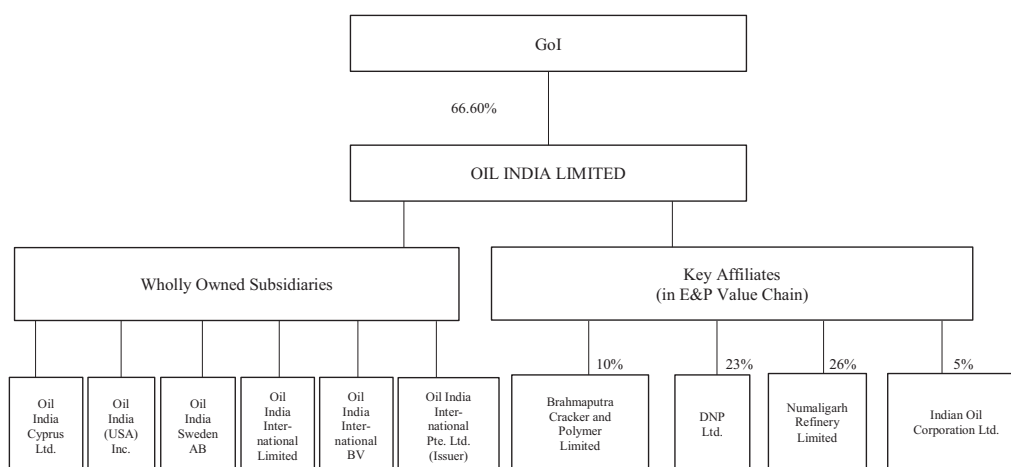
	Fiscal Year						Nine months ended		per cent.
	2014	per cent.	2015	per cent.	2016	per cent.	31 December 2016	(U.S. million) ⁽²⁾	
	(Rs. million)		(Rs. million)		(Rs. million)		(Rs. million)		
Crude Oil	74,620.50	77.01	73,046.60	73.21	69,648.30	70.46	52,666.40	768.51	75.25
Natural Gas	17,126.10	17.67	20,929.80	20.98	23,077.60	23.35	12,760.10	186.20	18.23
LPG	1,066.00	1.10	1,280.40	1.28	1,290.00	1.31	703.80	10.27	1.01
Transportation	3,292.40	3.40	3,685.30	3.69	3,629.90	3.67	2,797.20	40.82	4.00
Other ⁽¹⁾	793.30	0.82	841.70	0.84	1,195.30	1.21	1,057.50	15.43	1.51
Total:	96,898.30	100.00	99,783.80	100.00	98,841.10	100.00	69,985.00	1,021.23	100.00

(1) Other revenue includes dividends received from investments (primarily in downstream companies; see “– Downstream Investment Business”) and interest income.

(2) For the reader’s convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended 31 December 2016 have been provided at a rate of U.S.\$1.00 = Rs. 68.53, the closing exchange rate on 31 December 2016 based on the SBI BC Selling Rate.

Corporate Structure

The diagram below sets forth the corporate structure of the Guarantor as at the date of this Offering Circular:



PRODUCTION BUSINESS

Presentation of Reserves Estimates

The Guarantor estimates its reserves annually on 31 March of each year. These estimates are provided by the Reserve Estimate Committee (“**REC**”) and are approved by the Guarantor’s corporate management. For the Guarantor’s domestic operations through joint ventures, reserves estimates are approved by the management committee of the relevant joint venture, which consist of the Guarantor’s representatives and representatives of the other joint venture partners, the DGH and the operator and are adopted by the REC with reference to the Guarantor’s equity interest in the respective joint ventures. The Guarantor’s domestic reserves (other than domestic reserves held through joint ventures) are audited independently by an independent reserve evaluator periodically once in every four to five years. The last independent reserve evaluator’s audit report was issued as at 31 March 2013. See “*Presentation of Reserves Data and Information*” and “*Risk Factors – Risks relating to the Guarantor’s Business – The Guarantor’s crude oil and natural gas reserves estimates involve a degree of uncertainty and may not prove to be correct over time. Moreover, these estimates may be unaudited and may not accurately reflect actual reserves, or even if accurate, technical limitations may prevent the Guarantor from producing crude oil or natural gas from these reserves*”.

The Guarantor’s management estimates of its reserves are calculated on the following basis:

- For its domestic reserves, the Guarantor uses the SPE PRMS definitions, guidelines and International Standards specified by the Society of Petroleum Engineers. For further information relating to the SPE PRMS International Standards. See “– *Reserves Classification Standards*”. Investors should therefore not place undue reliance on the Guarantor’s management estimates of its reserves. See “*Risk Factors – Risks relating to the Guarantor’s Business – The Guarantor’s crude oil and natural gas reserves estimates involve a degree of uncertainty and may not prove to be correct over time. Moreover, these estimates may be unaudited and may not accurately reflect actual reserves, or even if accurate, technical limitations may prevent the Guarantor from producing crude oil or natural gas from these reserves*”.
- The Guarantor’s international reserves are calculated on the basis of various standards that are applicable in the relevant jurisdiction in which the relevant reserves are located.

All reserves estimates and information derived therefrom contained in this Offering Circular are unaudited management estimates. See “*Presentation of Reserves Data and Information*”.

Evaluations of crude oil and natural gas reserves involve various uncertainties and require exploration and production companies to make extensive judgments as to future events based upon the information available.

The Guarantor’s reporting policy is not, and is not required to be, derived from, or consistent with oil and gas reserves reporting requirements for filings with the US Securities and Exchange Commission and differs from such requirements in certain material respects. The Guarantor’s reserves would differ from those described herein if determined in accordance with oil and gas reserves reporting requirements for filings with the US Securities and Exchange Commission. There are currently no clear regulations governing public disclosure of potential reserves by oil and gas companies operating in India or their use in securities offering documents.

The crude oil and natural gas reserves data are estimates based primarily on internal technical analyses using standard industry practices. Such estimates reflect the Guarantor’s best judgment at the time of their preparation, based on geological and geophysical analyses and appraisal work (which are dynamic processes), and may differ from previous estimates. Reserves estimates are subject to various uncertainties, including those relating to the reservoir parameters of crude oil and natural gas fields. These reservoir parameters may be difficult to estimate and, as a result, actual production may be materially different from current estimates of reserves. Factors affecting the Guarantor’s reserves estimates include: (i) the outcome of new production or drilling activities; (ii) assumptions regarding the future performance of wells and surface facilities; (iii) the results of field reviews; (iv) the Guarantor’s ability to acquire new reserves from discoveries or extensions of existing fields; (v) the Guarantor’s ability to apply improved recovery techniques; and (vi) changed economic conditions.

The following table sets forth information relating to the Guarantor’s management estimates on a standalone basis of its crude oil (including condensate reserves from non-associated gas reservoirs) and natural gas reserves as of 31 March 2014, 2015 and 2016:

	Management Estimate Reserves for Owned and Operated Fields ⁽¹⁾									Management Estimate Reserves for JV (with Participating Interest) ⁽¹⁾⁽⁵⁾								
	As of 31 March									As of 31 March								
	2014			2015			2016			2014			2015			2016		
	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P
Crude Oil: ⁽²⁾																		
Domestic (Onshore) (MMT)	34.42	86.04	122.03	31.14	83.23	114.55	28.28	80.59	109.60	0.15	0.21	0.25	0.12	0.18	0.22	0.10	0.16	0.21
Domestic (Onshore) (MMbbls)	244.93	612.26	868.37	221.59	592.26	815.14	201.24	573.48	779.91	1.06	1.46	1.78	0.85	1.28	1.56	0.71	1.14	1.50
Domestic (Offshore) (MMT) ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic (Offshore) (MMbbls)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International (Onshore and Offshore) (MMT) ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International (Onshore and Offshore) (MMbbls)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (MMT) ⁽³⁾	34.42	86.04	122.03	31.14	83.23	114.55	28.28	80.59	109.60	0.15	0.21	0.25	0.12	0.18	0.22	0.10	0.16	0.21
Total (MMbbls)	244.93	612.26	868.37	221.59	592.26	815.14	201.24	573.48	779.91	1.06	1.46	1.78	0.85	1.28	1.56	0.71	1.14	1.50
Natural Gas:																		
Domestic (Onshore) (BCM) ⁽⁴⁾	24.71	47.44	69.80	23.79	44.10	65.90	22.36	42.31	62.36	-	-	-	-	-	-	-	-	-
Domestic (Offshore) (BCM) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International (Onshore and Offshore) (BCM) ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (BCM) ⁽⁴⁾	24.71	47.44	69.80	23.79	44.10	65.90	22.36	42.31	62.36	-	-	-	-	-	-	-	-	-
Grand Total (MMtoe):	59.13	133.48	191.83	54.93	127.33	180.45	50.64	122.90	171.96	0.15	0.21	0.25	0.12	0.18	0.22	0.10	0.16	0.21

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- (1) The management estimates of 1P, 2P, 3P reserves stated above have been prepared internally and have not been independently certified by independent technical experts, and investors are urged not to place undue reliance on the Guarantor's management estimates. See "*Presentation of Reserves Data and Information*".
 - (2) Units of oil have been converted at a rate of one standard cubic metre to 6.2929731 barrels.
 - (3) 1MMT = 7.116 million barrels.
 - (4) 1 BCM = 1MMtoe.
 - (5) Reserve estimates for JVs (with participating interests) are based on the estimates of the operator and have not been audited or verified by the Guarantor.

Reserves Classification Standards

SPE PRMS International Standards

As a result of a number of factors, including the continued evolution of the industry driven in part by technological advancements, as well as the international expansion of the exploration and production sector and the increasing role of unconventional resources in meeting global energy needs, the definitions in the SPE/WPC 1997 Standards were replaced by definitions in the SPE PRMS International Standards. The SPE PRMS International Standards develops on previous industry efforts and incorporates best practices identified in other international petroleum and minerals classification systems to achieve a high level of consistency in estimating resource quantities. The SPE PRMS International Standards is a project based standard that employs additional classification and categorisation terminology.

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must therefore satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates.

Proved Reserves

Proved Reserves are those quantities of petroleum which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90.00 per cent. probability that the quantities actually recovered will equal or exceed the estimate.

Unproved Reserves

Unproved Reserves are based on geo-science and/or engineering data similar to that used in estimates of Proved Reserves, but technical or other uncertainties preclude such reserves being classified as Proved. Unproved Reserves may be further categorised as Probable Reserves and Possible Reserves.

Probable Reserves

Probable Reserves are those additional Reserves which analysis of geo-science and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves ("**2P**"). In this context, when probabilistic methods are used, there should be at least a 50 per cent. probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves

Possible Reserves are those additional reserves which analysis of geo-science and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible Reserves (“3P”), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10.00 per cent. probability that the actual quantities recovered will equal or exceed the 3P estimate.

Reserve Status Categories under the SPE PRMS International Standards

Reserves status categories define the development and producing status of wells and reservoirs.

Developed Reserves

Developed Reserves are expected quantities to be recovered from existing wells and facilities. Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. When required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (i) completion intervals which are open at the time of the estimate but which have not yet started producing, (ii) wells which were shut-in for market conditions or pipeline connections, or (iii) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future recompletion prior to the start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves

Undeveloped Reserves are quantities expected to be recovered through future investments (i) from new wells on undrilled acreage in known accumulations, (ii) from deepening existing wells to a different (but known) reservoir, (iii) from infill wells that will increase recovery, or (iv) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

The extent to which probable and possible reserves ultimately may be reclassified as proved reserves is dependent upon future, drilling, testing and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element.

Developed and Undeveloped Reserves

Proved Developed Reserves

As of 31 March 2016, based on the Guarantor’s estimate, the Guarantor’s domestic proved developed crude oil and natural gas reserves were 48.56 MMtoe.

Proved Undeveloped Reserves

As of 31 March 2016, based on the Guarantor's estimate, the Guarantor's domestic proved undeveloped crude oil and natural gas reserves were 2.18 MMtoe.

Crude Oil and Natural Gas Reserves

Based on data in the Guarantor's estimate, as of 31 March 2016, almost all of the Guarantor's estimated independent proved plus probable oil reserves, as well as 94.80 per cent. of its estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. In addition, it has independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. In addition to the Guarantor's independent operations, it has a 40.00 per cent. participating interest in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. Based on Guarantor's estimate, as of 31 March 2016, the Guarantor's estimated proved plus probable crude oil reserves were approximately 574.55 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and its proved plus probable natural gas reserves from independent operations were approximately 42.31 billion cubic metres (which include certain reserves attributable to fuel gas consumption).

The following table sets forth the Guarantor's estimates of its reserves as of 31 March 2014, 2015 and 2016:

<i>(in mmbbls)</i>									
Reserve Source	CRUDE OIL ⁽¹⁾								
	Proved ⁽²⁾			Proved and Probable ⁽²⁾			Proved, Probable and Possible ⁽²⁾		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Independent:									
Upper Assam Basin	244.91	221.57	201.22	612.21	592.21	573.43	838.27	815.04	779.82
Rajasthan Basin	0.02	0.02	0.02	0.05	0.05	0.05	0.10	0.10	0.09
Total independent	244.93	221.59	201.24	612.26	592.26	573.48	868.37	815.14	779.91
PSC:									
Kharsang field ⁽³⁾	1.06	0.85	0.71	1.46	1.28	1.14	1.78	1.56	1.50
Total	245.99	222.44	201.95	613.72	593.54	574.62	870.15	816.70	781.41

- (1) All reserve estimates presented in this Offering Circular as of 31 March 2014, 2015 and 2016 have been prepared internally and have not been independently certified by independent technical experts and investors are urged not to place undue reliance on the Guarantor's management estimates. See "Presentation of Reserves Data and Information".
- (2) Units of oil have been converted at a rate of one standard cubic metre to 6.2929731 barrels.
- (3) Represents the Guarantor's 40.00 per cent. working interest in the Kharsang field pursuant to a joint venture arrangement. Reserve estimates with respect to the Guarantor's 40.00 per cent. working interest in the Kharsang field pursuant to a joint venture arrangement for 31 March 2014, 2015 and 2016 are provided by the operator. The estimates provided by the operator may be based on international standards that differ from those used by the Guarantor.

<i>(in bcm)</i>									
Reserve Source	NATURAL GAS								
	Proved ⁽¹⁾			Probable ⁽¹⁾			Proved, Probable and Possible ⁽¹⁾		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Independent:									
Upper Assam Basin	24.60	22.79	20.56	45.18	42.05	40.10	66.36	63.24	57.64
Rajasthan basin	0.11	1.00	1.80	2.26	2.05	2.21	3.45	2.67	4.72
Total	24.71	23.79	22.36	47.44	44.10	42.31	69.80	65.90	62.36

- (1) All reserve estimates presented in this Offering Circular as of 31 March 2014, 2015 and 2016 have been prepared internally and have not been independently certified by independent technical experts and investors are urged not to place undue reliance on the Guarantor's management estimates. See "Presentation of Reserves Data and Information".

See “Risk Factors – The Guarantor’s crude oil and natural gas reserves estimates involve a degree of uncertainty and may not prove to be correct over time. Moreover, these estimates may be unaudited and may not accurately reflect actual reserves, or even if accurate, technical limitations may prevent the Guarantor from producing crude oil or natural gas from these reserves”.

Crude Oil and Natural Gas Production

The following tables set forth the Guarantor’s annual gross crude oil production and natural gas production on a standalone basis (including condensate produced from non-associated gas reserves in respect of its independent operations) for Fiscal Year 2014, 2015 and 2016 and the nine months ended 31 December 2016 by independent and PSC operations.

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Crude Oil Production (mmbbls):⁽¹⁾⁽²⁾				
Independent Operations:				
– Assam	24.51	24.23	22.92	17.26
– Arunachal Pradesh	0.15	0.05	0.04	0.04
Total independent Operations	24.66	24.28	22.96	17.30
Production Sharing Contract	0.25	0.20	0.15	0.11
Total:	24.91	24.48	23.11	17.41

(1) Units of oil have been converted at a rate of one standard cubic metre to 6.2929731 barrels.

(2) Includes condensate produced from non-associated gas reservoirs in respect of the Guarantor’s independent operations.

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Natural Gas Production (bcm):⁽¹⁾				
Independent Operations:				
– Assam	2.43	2.51	2.62	2.02
– Arunachal Pradesh	0.00	0.01	0.01	0.01
– Rajasthan	0.20	0.20	0.21	0.18
Total Independent Operations	2.63	2.72	2.84	2.21
Production Sharing Contract ⁽²⁾	0	0	0	0
Total:	2.63	2.72	2.84	2.21

(1) Includes gas utilised for internal fuel and energy consumption, gas flare and gas used for LPG extraction and condensate.

(2) Natural gas production from the Kharsang field is utilised for internal consumption for crude oil production operations only.

The following table sets forth the Guarantor’s average daily crude oil production on a standalone basis (including condensate produced from non-associated gas reserves in respect of the Guarantor’s independent operations) for Fiscal Year 2014, 2015 and 2016 the nine months ended 31 December 2016 by independent and PSC operations.

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Average Daily Crude Oil Production (bbls per day):⁽¹⁾⁽²⁾				
Independent Operations				
– Assam	67,151	66,384	62,623	62,764
– Arunachal Pradesh	411	137	109	145
Total independent Operations	67,562	66,521	62,732	62,909
Production Sharing Contract	685	548	410	400
Total:	68,247	67,069	63,142	63,309

- (1) Units of oil have been converted at a rate of one standard cubic metre to 6.2929731 barrels.
- (2) Includes condensate produced from non-associated gas reservoirs in respect of the Guarantor's independent operations.

The following table sets forth the Guarantor's average daily domestic natural gas production on a standalone basis for Fiscal Year 2014, 2015 and 2016 and the nine month period ended 31 December 2016 by independent and PSC operations:

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Average Daily Natural Gas Production (mmscm per day): ⁽¹⁾				
Independent Operations				
– Assam	6.60	6.88	7.18	7.35
– Arunachal Pradesh	0.05	0.03	0.03	0.04
– Rajasthan	0.54	0.55	0.57	0.65
Total Independent Operations	7.19	7.46	7.78	8.04
Production Sharing Contract ⁽²⁾	0	0	0	0
Total:	7.19	7.46	7.78	8.04

- (1) Includes gas utilised for internal fuel and energy consumption, gas flare and gas used for LPG extraction and condensate.
- (2) Natural gas production from the Kharsang field is utilised for internal consumption for crude oil production operations only.

As of 31 December 2016, the Guarantor produced crude oil and natural gas on an independent basis in 17 onshore fields under 22 corresponding PMLs, each granted by the relevant state government pursuant to the recommendation of the MoPNG, with the approval of the GoI. PMLs are generally granted on a block-to-block basis for an initial period of 20 years. The Guarantor is also engaged in domestic oil production in the field in Kharsang pursuant to a PML as a non-operator under a PSC.

As of 31 December 2016, a total of 438 wells were in production in the Guarantor's independent blocks, 342 of which related to crude oil production and 96 of which related to natural gas production.

Principal Producing Areas

All of the Guarantor's independent producing oil fields, as well as substantially all of its independent producing natural gas fields, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. In addition, it has independent producing natural gas fields in the Jaisalmer basin in the state of Rajasthan. It also continually conducts exploration, development and redevelopment activities within its producing areas. In addition to the Guarantor's independent operations, it has a participating interest of 40.00 per cent. in the Kharsang field in the Assam-Arakan basin in the state of Arunachal Pradesh.

Upper Assam Basin

The operational area of the Guarantor in Upper Assam basin is located in the states of Assam and Arunachal Pradesh and covers approximately 56,000 square kilometres. As of 31 December 2016, the Guarantor has drilled 2,550 wells in 15 fields (including, the Digboi field) in this basin under 19 PMLs covering approximately 4,544 square kilometres and five PELs covering approximately 1,230 square kilometres. Production in the Upper Assam basin includes the crude oil, natural gas and condensate production.

The Upper Assam basin was the site of the first discoveries of crude oil on the Indian subcontinent in 1889 at Digboi in the state of Assam. After the independence of India, the Guarantor's first major discoveries of oil within the Upper Assam basin were by its predecessor companies in 1953, who commenced commercial production in the Upper Assam basin in the same year. The Guarantor increased its production following significant additional discoveries in Oligocene-Miocene structures during the period from 1956 through 1993. Its first major discovery in the Upper Assam basin in deeper formations

was made in 1990 and further deeper Eocene discoveries were made during the period from 1991 to 2003. Its production of oil within the Upper Assam basin from shallower formation reservoirs plateaued during the 1970s. The Guarantor made subsequent discoveries of deeper oil and has continued its efforts in exploring for such oil. It plans to implement advanced recovery methods in the ageing fields within the Upper Assam basin.

During the Fiscal Year 2016, the Guarantor has made six discoveries and its accretion of proved and probable reserves are estimated to be 2.28 million barrels of crude oil and 7.78 billion cubic metres of natural gas. All these discoveries were made in Assam.

The table below sets forth a summary of the Guarantor's fields in Assam-Arakan Basin as of 31 March 2016 and 31 December 2016:

<u>Fields</u>	<u>Area (Km²)</u>	<u>Wells in Production</u>	<u>Status</u>	<u>Production for Fiscal Year 2016</u>	<u>2P Reserves as on 31 March 2016</u>	<u>Production for the nine months ended 31 December 2016</u>
Greater Nahorkatiya. . .	85	51	Mature	4,404 barrels of oil per day 0.82 MMSCM of gas per day	93.46 MMBBL of crude oil 6,283.00 MMSCM of natural gas	3,873 barrels of oil per day 0.70 MMSCM of gas per day
Moran	20	24	Mature	925 barrels of oil per day 0.13 MMSCM of gas per day	20.73 MMBBL of crude oil 1,248.00 MMSCM of natural gas	1,068 barrels of oil per day 0.15 MMSCM of gas per day
Greater Jorajan	51	53	Mature	2,130 barrels of oil per day 1.26 MMSCM of gas per day	48.98 MMBBL of crude oil 5,876.00 MMSCM of natural gas	2,411 barrels of oil per day 1.24 MMSCM of gas per day
Greater Shalmari	18	19	Mature	3,393 barrels of oil per day 0.06 MMSCM of gas per day	28.02 MMBBL of crude oil 336.00 MMSCM of natural gas	3,266 barrels of oil per day 0.11 MMSCM of gas per day
Greater Dikom	18	22	Mature	3,769 barrels of oil per day 0.69 MMSCM of gas per day	39.19 MMBBL of crude oil 2,743.00 MMSCM of natural gas	3,472 barrels of oil per day 0.59 MMSCM of gas per day
Kathaloni	20	23	Mature	3,385 barrels of oil per day 0.09 MMSCM of gas per day	42.18 MMBBL of crude oil 690.00 MMSCM of natural gas	2,550 barrels of oil per day 0.08 MMSCM of gas per day
Tengakhat	7	17	Mature/ Dev.	1,661 barrels of oil per day 0.10 MMSCM of gas per day	24.54 MMBBL of crude oil 557.00 MMSCM of natural gas	1,425 barrels of oil per day 0.10 MMSCM of gas per day
Greater Hapjan.	42	88	Mature/ Dev.	26,471 barrels of oil per day 0.94 MMSCM of gas per day	135.09 MMBBL of crude oil 2,601.00 MMSCM of natural gas	25,617 barrels of oil per day 0.82 MMSCM of gas per day
Greater Chandmari	20	28	Dev.	8,734 barrels of oil per day 1.22 MMSCM of gas per day	46.76 MMBBL of crude oil 12,465.00 MMSCM of natural gas	9,493 barrels of oil per day 1.64 MMSCM of gas per day
Bhogpara	8	15	Mature	2,013 barrels of oil per day 0.03 MMSCM of gas per day	9.81 MMBBL of crude oil 81.00 MMSCM of natural gas	2,773 barrels of oil per day 0.03 MMSCM of gas per day
Kumchai	20	1	Dev.	114 barrels of oil per day 0.03 MMSCM of gas per day	3.70 MMBBL of crude oil	150 barrels of oil per day 0.03 MMSCM of gas per day
Central Small	54	31	Dev.	4,409 barrels of oil per day 1.56 MMSCM of gas per day	32.52 MMBBL of crude oil 5,779.00 MMSCM of natural gas	4,928 barrels of oil per day 1.62 MMSCM of gas per day
Eastern Satellite	24	5	Dev.	651 barrels of oil per day 0.25 MMSCM of gas per day	9.99 MMBBL of crude oil 984.00 MMSCM of natural gas	578 barrels of oil per day 0.23 MMSCM of gas per day
Western Satellite	43	7	Dev.	715 barrels of oil per day 0.03 MMSCM of gas per day	20.47 MMBBL of crude oil 460.00 MMSCM of natural gas	1,197 barrels of oil per day 0.05 MMSCM of gas per day
Digboi.	13	41	Mature	120 barrels of oil per day	4.81 MMBBL of crude oil	88 barrels of oil per day

Rajasthan Basin

The Rajasthan basin is located in the Great Thar Desert adjacent to the India-Pakistan border and covers approximately 1,260,000 square kilometres, comprised of the Jaisalmer basin and the Bikaner-Nagaur basin. The Guarantor operates under two PMLs in the Rajasthan basin, including the Jaisalmer PML in the Jaisalmer basin and the Baghewala PML in the Bikaner-Nagaur basin, covering approximately 460 square kilometres in aggregate.

Jaisalmer Basin

The table below sets forth a summary of the Guarantor's PML area in the Jaisalmer basin of the Rajasthan basin as of 31 December 2016:

<u>Fields</u>	<u>Area (Km²)</u>	<u>Wells in Production</u>	<u>Status</u>	<u>Production for Fiscal Year 2016</u>	<u>2P Reserves as on 31 March 2016</u>	<u>Production for the nine months ended 31 December 2016</u>
Jaisalmer	250	18	Mature	0.56 MMSCM of gas per day	2,211.00 MMSCM of natural gas	0.65 MMSCM of gas per day

Bikaner-Nagaur basin

The Guarantor operates under the Baghewala PML in the Bikaner-Nagaur basin, covering an area of 210 square kilometres. It has discovered the presence of heavy oil in the Baghewala field, which covers an area of 20 square kilometres. The Guarantor entered into an agreement with Venezuela-based Petróleos de Venezuela (“PDVSA”) in 2002 in order to carry out a detailed feasibility study and adopt a suitable thermal recovery technique for the development of heavy oil resources. Accordingly, experiments commenced in 2005 with the drilling of a pilot well and steam injection under the guidance of PDVSA experts. However, the operations were suspended due to technical problems.

The Guarantor also carried out experiments of cold production with work-over efforts resulting in the recovery of heavy oil at 30 barrels per day in well BGW-4 during August to October 2009, and 23 barrels per day in well BGW-1 during February 2010 with the assistance of sucker rod pumping. In 2012, the Guarantor discovered highly viscous heavy oil in another structure east of the Baghewala structure. Further production testing was carried out in new drilled wells followed by detailed experimental production testing in Fiscal Year 2015 to validate chemical stimulation process based on laboratory analysis of crude. As of the date of this Offering Circular, experimental production testing with sulphate removal package after stimulation is in progress in few wells.

The Guarantor has also planned further experiments and drilling in the Baghewala field in association with consultants for the exploitation of heavy oil in the Baghewala field. As of the date of this Offering Circular, the Guarantor has hired consulting services and the study is in progress. For further details regarding the Guarantor's operations in the Baghewala field, see “– *Principal Domestic Exploration and Development Areas–Rajasthan basin–Baghewala field*”.

Production Facilities

The Guarantor's independent crude oil production facilities include 41 installations and approximately 1,602 kilometres of internal crude oil pipeline grid (for Upper Assam basin operations), including approximately 1,330 kilometres of flow lines and an approximately 272 kilometre network for processed crude oil. The Guarantor also owns and operates crude oil storage facilities in Duliajan, Tengakhat, Digboi and Moran with a total storage capacity of 149,535 kilolitres.

The Guarantor's independent natural gas production facilities in Assam include 29 installations, comprising seven independent gas production installations (excluding gas produced in oil production facilities) and 20 gas processing or compressing facilities. These facilities also include approximately 730 kilometres of internal gas network pipelines, including approximately 226 kilometres of flow lines and an approximately 424 kilometre network for processed natural gas.

The Guarantor's independent natural gas production facilities in Rajasthan include two installations, comprising of one gathering station and one processing centre. These facilities also include approximately 3.50 kilometres of internal gas pipelines and approximately 76 kilometres of flow lines.

Production Sharing Contracts

In addition to its independent operations, the Guarantor engages in oil production as a non-operator pursuant to PSCs, as follows:

Kharsang

The Guarantor is engaged in oil production in the Kharsang fields as a non-operator pursuant to a PSC under a PML covering approximately 11 square kilometres. Under the PSC, it has a 40.00 per cent. participating interest in oil production from the fields as non-operator. The other participating interests are owned by GeoEnpro Petroleum Limited (which owns a 10.00 per cent. interest as operator), Jubilant Enpro Private Limited (which owns a 25.00 per cent. interest as non-operator) and Geopetrol International Inc (which owns a 25.00 per cent. interest as non-operator).

The Kharsang field is located in the Assam-Arakan basin, which is adjacent to the Upper Assam basin and covers approximately 60,000 square kilometres. The Kharsang field is located in the state of Arunachal Pradesh. The Kharsang field has been in production since 1976. For Fiscal Year 2016, the Guarantor's share of the average production from the Kharsang field was approximately 410 barrels of oil per day. For the nine months ended 31 December 2016 its share of the average production from the Kharsang field was approximately 400 barrels of oil per day. The Guarantor does not attribute any production of natural gas to the Kharsang field, as all natural gas produced from this field is utilised for internal consumption for crude oil production purposes.

As of 31 December 2016, a total of 70 wells have been drilled in the Kharsang fields, of which approximately 35 wells are in production.

Sales of Crude Oil and Natural Gas

For Fiscal Year 2014, 2015 and 2016, the revenues of the Guarantor from sales of crude oil (including condensate) were Rs.74,621 million, Rs.73,047 million and Rs.69,648 million respectively, and the revenues from sales of natural gas (including subsidy) were Rs.17,126 million, Rs.20,930 million and Rs.23,078 million, respectively. For the nine months ended 31 December 2016, the revenues of the Guarantor from sales of crude oil were Rs.52,666 million and the revenues from sales of natural gas were Rs.12,760 million.

The following table sets forth information with respect to the Guarantor's sales of crude oil for the periods indicated:

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Volume Sold (mmbbls) ⁽¹⁾	24.35	23.96	22.75	17.05
Average Net Realised Price (U.S.\$/bbl) ⁽²⁾	48.26	47.12	45.31	45.66
Average Benchmarked Price (U.S.\$/bbl) ⁽³⁾ . . .	106.40	84.25	46.35	45.66

- (1) The Guarantor's sales of crude oil are invoiced at a rate of 1 kilolitre to 6.2929731 barrels; volume sold has been converted at this rate.
- (2) Net of discount/subsidy on account of under-recoveries of oil marketing companies on Diesel, LPG and SKO. See "*Risk Factors – Risks Relating to the Guarantor's Business – The requirement that the Guarantor shares in the under-recovery of the oil marketing companies as a result of subsidies on diesel, LPG (for domestic use) and SKO (PDS) may adversely affect the Guarantor's results of operations*".
- (3) Benchmark price of basket of crudes.

The following table sets forth information with respect to the Guarantor's domestic sales of natural gas for the periods indicated:

	Fiscal Year			Nine months ended
	2014	2015	2016	31 December 2016
Volume Sold (bcm)	2.09	2.18	2.31	1.82
Average Net Realised Price after Reimbursement (U.S.\$/1000 scm) ⁽¹⁾	136.52	156.87	152.99	104.59

(1) Calculated as revenues from sales of natural gas after deduction of statutory levies, reimbursement from GoI budgetary allocation, applicable divided by sales volume and converted RBI average exchange rate.

Certain average realised price information set forth in the two preceding tables may be higher than and not directly comparable to actual prices due to currency translations and the depreciation of the Rupee against the U.S. Dollar.

The GoI allocates the Guarantor's domestic crude oil to four GoI-controlled refinery companies: IOCL (Guwahati), IOCL (Assam Oil Division), IOCL (Bongaigaon) and NRL. At the beginning of Fiscal Year 2009, the Guarantor's production of crude oil was benchmarked to baskets of crudes, adjusted for gross product value and bottom sediment and water. The applicable basket varies based on the source of the crude and is determined based on the refineries to which such crude is supplied.

For Fiscal Year 2016, the Guarantor's revenues from domestic sales of crude oil to IOCL (Guwahati), IOCL (Assam Oil Division), IOCL (Bongaigaon) and NRL were Rs.14,755 million, Rs.11,279 million, Rs.4,267 million and Rs.37,646 million, respectively. For the nine months ended 31 December 2016, its revenues from domestic sales of crude oil to IOCL (Guwahati), IOCL (Assam Oil Division), IOCL (Bongaigaon) and NRL were Rs.10,485 million, Rs.7,907 million, Rs.1,078 million and Rs.33,076 million, respectively.

Production, Sales and Marketing of LPG

In addition to the production of crude oil and natural gas, the Guarantor also produces LPG at its LPG plant at Duliajan, Assam. It opened its LPG plant, which uses gas turbo expander technology, in Fiscal Year 1982, and has a production capacity of 50,000 tons per annum. For the Fiscal Years 2014, 2015 and 2016, the Guarantor's production of LPG amounted to approximately 46,640 tons, 43,570 tons and 41,030 tons, respectively. For the Fiscal Years 2014, 2015 and 2016, its revenues from sales of LPG were Rs.1,066.00 million, Rs.1,280.40 million and Rs.1,290.00 million, respectively. For the nine months ended 31 December 2016, its production of LPG amounted to approximately 26,000 tons and its revenue from sales of LPG was Rs.703.77 million. The reduction in the Guarantor's LPG production is a result of the availability of leaner quality of gas.

The Guarantor sells LPG that it produces to IOCL for domestic use. The product is sold at import-parity prices. The Domestic LPG is currently subsidised by the GoI. The GoI guidelines on such subsidies presently in place may be revised by the GoI. See *“Risk Factors – The regulatory framework in India is evolving, and regulatory changes as and when introduced by the GoI could have a material adverse effect on the Guarantor's business, financial condition and results of operations”*.

Improved Oil Recovery and Enhanced Oil Recovery Techniques

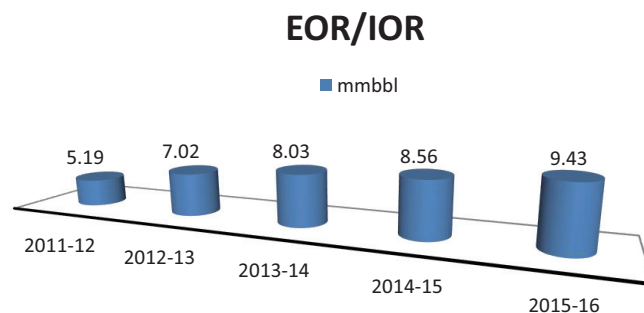
The Guarantor has deployed a wide array of IOR and EOR techniques at an early stage in the life of oil fields to achieve maximum recovery of oil reserves from ageing and depleting fields. These techniques include the following:

- in-fill drilling to drain the reservoir more effectively;
- augmentation of water injection/flooding schemes;

- work-over operations and gravel packs in sand ingress prone reservoirs;
- modern artificial pumping and lifting equipment (electrical submersible pumping);
- water arrest techniques.

The use of advanced IOR and EOR techniques have enabled the Guarantor to maintain production rates in the Upper Assam basin in the last three decades despite the majority of the fields being ageing and depleting.

The oil production contribution from the implementation of such IOR and EOR techniques was 38.23 mmbbl during the Fiscal Years 2012 to 2016 as shown by the chart below:



EXPLORATION AND DEVELOPMENT BUSINESS

India has a total of 26 sedimentary basins. The basins in India are categorised on the basis of their prospectivity into category-I, where commercial production has commenced, category-II, where hydrocarbons have accumulated but no commercial production has commenced, category-III, where geologically prospective hydrocarbon shows are indicated, and category-IV, which has uncertain potential that may be prospective. As of 31 December 2016, the Guarantor conducts its exploration activity (including in its non-operated blocks) in five of India's category-I basins (Assam and Assam-Arakan, Krishna-Godavari, Cauvery and Rajasthan basins), one of India's category-II basins (Mahanadi basin) and two of India's category-III basins (West Bengal and Saurashtra basins).

The Guarantor believes that it has a highly systematic and scientific approach to exploration, which has historically resulted in a success ratio of 65.00 per cent. of exploratory wells drilled. It also possesses 2D and 3D seismic data acquisition capabilities, with support services ranging from satellite navigation systems to remote blasting units.

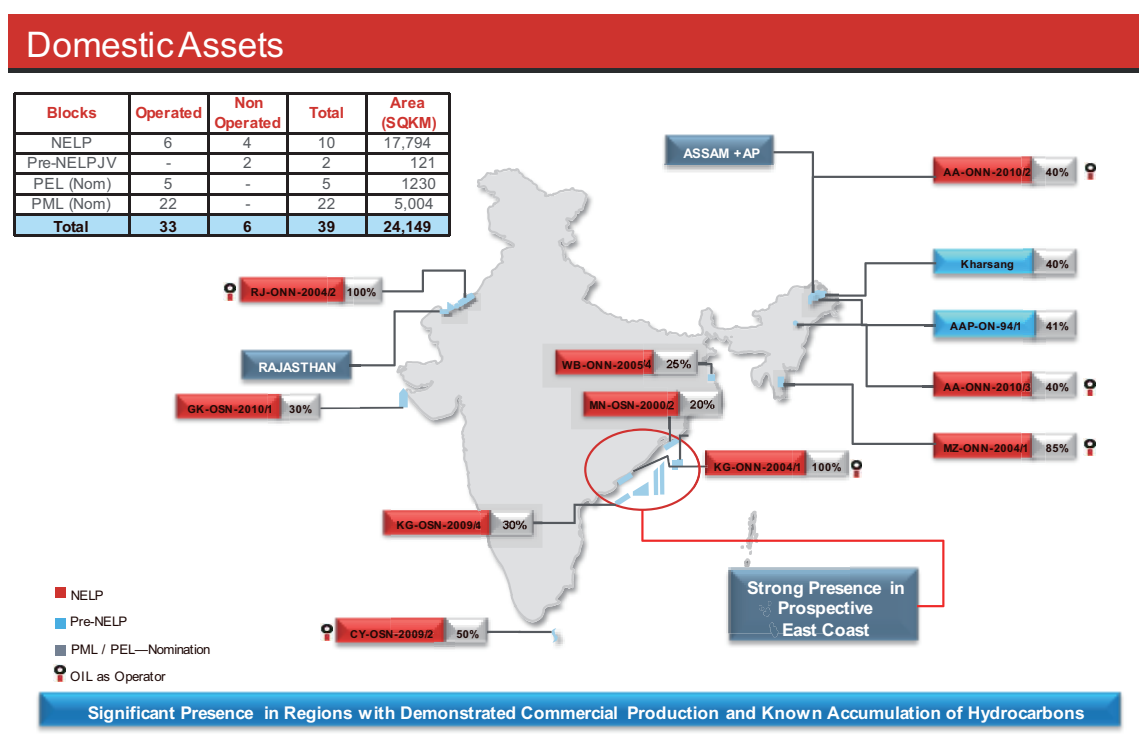
The Guarantor owns a variety of advanced computing systems and employs experienced personnel to process and interpret geo-scientific data through integrated exploration applications such as Remote Sensing, Structural and Stratigraphic Interpretation, Seismic Attribute Analysis, Source Rock Evaluation, Biostratigraphy, Petrophysics, Sequence Stratigraphy, Basin Analysis and Techno-economic Evaluation.

Formation evaluation through an integrated approach of geological, geophysical, geo-chemical and reservoir engineering studies has allowed the Guarantor to develop and exploit deep (3,500-4,700 m) thin sand prospects. The Guarantor has so far acquired, processed and interpreted over 64,000 ground line kilometres of 2D and 10,000 square kilometres of 3D seismic data in a variety of terrains, including hills, deserts, rivers and marshes.

As of the date of this Offering Circular, the Guarantor’s domestic acreages amounted to 24,149 square kilometres and its international acreages amounted to 77,972 square kilometres.

Domestic Exploration and Development

The following map illustrates the Guarantor’s primary domestic exploration and development activity areas and the locations of its major prospects in India, as of 31 December 2016:



Exploration and Development Activity

As of 31 December 2016, the Guarantor had 39 exploratory blocks, covering a total area of approximately 24,149 square kilometres. 22 of these exploratory blocks, covering an area of 5,004 square kilometres, were acquired on a nomination basis under PMLs; five blocks, covering an area of 1,230 square kilometres, were acquired on a nomination basis under PELs, and two blocks (as non-operator), covering an area of 121 square kilometres, were acquired through pre-NELP joint ventures. The remaining 10 blocks (of which the Guarantor is the operator in five blocks and a joint operator in one block), covering an area of 17,794 square kilometres, were acquired through the NELP bidding process. All of the Guarantor’s independently held PELs and PMLs cover acreage in the Upper Assam and Assam-Arakan basin and the Rajasthan basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons.

For the nine months ended 31 December 2016, the Guarantor has drilled a total of 16 exploratory wells and 26 development wells in connection with its independent domestic exploration and development activities. All of these wells are onshore wells. It has acquired a total of 84 kilometres of 2D seismic data and 8 square kilometres of 3D seismic data in its independent domestic exploration activities. The following table sets forth the Guarantor’s domestic independent 2D and 3D seismic surveys, exploratory and development wells, including a breakdown of successful wells and dry wells, drilled for Fiscal Years 2015 and 2016 and the nine month period ended 31 December 2016:

	Fiscal Year		Nine months ended 31 December
	2015	2016	2016
Independent:			
2-D Seismic Surveys Conducted (line kilometres)	242.68	1,496.38	84.08
3-D Seismic Surveys Conducted (square kilometres)	1,234.20	100.06	7.98
Exploratory Wells Drilled ⁽³⁾	13	16	16
– Successful ⁽¹⁾	7	8	11
– Dry ⁽²⁾	6	8	5
Development Wells Drilled ⁽³⁾	8	15	17
– Successful ⁽¹⁾	8	13	17
– Dry ⁽²⁾	0	2	0
Water Disposal Wells (WDW) Drilled	8	9	9
– Successful	8	9	9

-
- (1) A successful well is a well in which oil or gas has been discovered and the commercial flow of hydrocarbons has been established.
- (2) A dry well is either a well devoid of hydrocarbons, or a well where hydrocarbon indications are present but which is not economically feasible to develop.
- (3) Wells not categorised as successful or dry are presently awaiting further detailed testing.

Nomination Areas

Prior to 1999, the Guarantor’s exploration and development licences were awarded at the GoI’s discretion on a “nomination” basis to national oil and gas companies based on operating territory. Since 1999, the GoI has offered exploration licences pursuant to a competitive bidding process under its NELP. For a further description of NELP, see “*Exploration and Development Business – Domestic Exploration and Development – New Exploration Licensing Policy (the “NELP”)*” and “*Regulatory Matters*.”

The Guarantor holds 22 PMLs awarded on nomination basis covering an aggregate area of 5,004 square kilometres. The following table sets forth the distribution by region of its PMLs areas, as of the date of this Offering Circular:

Region	No. of Blocks	Area (Km ²)
Onshore:		
Assam	18	3,928
Arunachal Pradesh	2	616
Rajasthan	2	460
Total:	22	5,004

The Guarantor also holds five PELs awarded on nomination basis covering an aggregate area of 1,230 square kilometres. The following table sets forth the distribution by region of its PMLs areas, as of the date of this Offering Circular:

<u>Region</u>	<u>No. of Blocks</u>	<u>Area (Km²)</u>
Onshore:		
Assam	2	898
Arunachal Pradesh	3	332
Total:	5	1,230

Production Sharing Contracts (Pre-NELP)

The Guarantor has also entered into various PSCs prior to the GoI’s implementation of the NELP in respect of fields held by it.

The Guarantor has entered into five pre-NELP joint venture blocks, of which it has relinquished the following three blocks as of the date of this Offering Circular:

<u>Serial No.</u>	<u>Blocks</u>	<u>Location</u>
1.	CR-ON-90/1	Cachar
2.	SR-OS-94/1	Saurashtra
3.	GK-OSJ-3	Gujarat-Kutch

The Guarantor holds participating interests (as non-operator) in two pre-NELP blocks, in which it conducts exploration and development activities, which initially covered a total area of 6,595 square kilometres. As a result of the relinquishment of certain areas in these joint venture blocks, these blocks cover an aggregate area of 121 square kilometres, as of the date of this Offering Circular.

The following table sets forth the distribution by region of pre-NELP blocks in which it has a participating interest and the area covered by each such block, as of the date of this Offering Circular:

<u>Region</u>	<u>No. of Blocks</u>	<u>Area (Km²)</u>
Onshore:		
Assam	1	110
Arunachal Pradesh	1	11
Total:	2	121

New Exploration Licensing Policy (the “NELP”)

Prior to 1999, the Guarantor’s exploration and development licences were awarded at the GoI’s discretion on a “nomination” basis to national oil and gas companies based on operating territory. Since 1999, the GoI has offered exploration licences pursuant to a competitive bidding process under its NELP. For a further description of NELP, see “Regulatory Matters”.

A total of nine rounds of competitive oil and gas bidding has been conducted by the GoI under NELP and the Guarantor has been awarded a total of 40 exploration blocks, 30 of which it has subsequently relinquished.

Details of relinquished NELP blocks as of the date of this Offering Circular are as follows.

<u>Serial No.</u>	<u>Blocks</u>	<u>Location</u>	<u>Round</u>
	Operator		
1.	CY-OSN-97/2	Cauvery	NELP I
2.	AA-ONN-2003/3	Assam	NELP V
3.	MN-ONN-2000/1	Orissa	NELP II
4.	RJ-ONN-2000/1	Rajasthan	NELP II
5.	RJ-ONN-2001/1	Rajasthan	NELP III
6.	RJ-ONN-2002/1	Rajasthan	NELP IV
7.	RJ-ONN-2004/3	Rajasthan	NELP VI
8.	AA-ONN-2004/1	Amguri	NELP VI
9.	AA-ONN-2004/2	Assam	NELP VI
	Non-operator		
1.	MB-DWN-2000/2	Mumbai	NELP II
2.	CY-DWN-2001/1	Cauvery	NELP III
3.	KG-DWN-98/4	KG	NELP I
4.	KG-DWN-2002/1	KG	NELP IV
5.	MN-DWN-2002/1	Mahanadi	NELP IV
6.	KG-DWN-2004/5	KG	NELP VI
7.	KG-DWN-2004/6	KG	NELP VI
8.	KG-DWN-2009/1	KG	NELP VIII
9.	CR-ON-90/1	Cachar	Pre-NELP/JVC
10.	SR-OS-94/1	Saurashtra	Pre-NELP/JVC
11.	GK-OSJ-3	Gujarat-Kutch	Pre-NELP/JVC
12.	AN-DWN-2009/18	Andaman	NELP-VIII
13.	AN-DWN-2005/1	Andaman	NELP-VII
14.	AA-ONN-2005/1	Assam	NELP-VII
15.	AA-ONN-2005/1	Assam	NELP-VII
16.	AA-ONN-2002/4	Nagaland	NELP IV
17.	AN-DWN-2009/1	Andaman	NELP VIII
18.	AN-DWN-2009/2	Andaman	NELP VIII
19.	AN-DWN-2009/3	Andaman	NELP VIII
20.	AS-CBM2008/IV	Assam	CBM-IV
21.	AA-ONN-2009/3	Assam	NELP VIII

The Guarantor is an operator in respect of six of the blocks that it has been awarded under NELP. The following table sets forth the distribution by basin of NELP blocks for which it is the operator and the area covered by each such block, as of the date of this Offering Circular:

<u>Basin/Sector</u>	<u>No. of Blocks</u>	<u>Area (Km²)⁽¹⁾</u>
Onshore:		
Assam	2	567
Mizoram	1	3,213
Andhra Pradesh/Puducherry	1	549
Rajasthan	1	10
Offshore:		
Cauvery	1	1,621
Total:	6	5,960

(1) The area covered by NELP blocks where the Guarantor is the operator reflects the area subsequent to the relinquishments, if any, in these NELP blocks.

The Guarantor has a participating interest as non-operator in respect of four of the blocks that it has been awarded under NELP with other consortium partners. The following table sets forth the distribution by region of NELP blocks in which it has a participating interest and the area covered by each such block, as of the date of this Offering Circular:

Basin/Sector	No. of Blocks	Area (Km²)⁽¹⁾
Onshore:		
West Bengal	1	3,940
Offshore:		
Gujrat-Kutch (Shallow Offshore)	1	1,361
Deep-water:		
Mahanadi Offshore	1	4,061
Krishna Godavari (Deep-water & Shallow Offshore).	1	835
Total:	4	10,197

(1) The area covered by NELP blocks where the Guarantor is the non-operator reflects the area subsequent to the relinquishments, if any, in these NELP blocks.

Coal Bed Methane Policy

Since 1997, the GoI has offered exploration licences pursuant to a competitive bidding process under its CBM policy.

A total of four rounds of competitive bidding have been conducted by the GoI in respect to the implementation of its CBM policy and the Guarantor was awarded one exploration block covering an area of 113 square kilometres. The block has since been relinquished.

Principal Domestic Exploration and Development Areas

Upper Assam and Assam-Arakan basins

The Guarantor conducts significant onshore exploration and development activities in the Upper Assam and Assam- Arakan basins, in the states of Assam and Arunachal Pradesh.

The Guarantor conducts significant onshore exploration and development activities in the Assam-Arakan basins, in the states of Assam and Arunachal Pradesh, where it independently holds mining licences pursuant to its 20 PMLs within the Assam-Arakan basin covering a total area of 4,544 square kilometres.

The following table sets forth the nominated PML areas of Assam and Arunachal Pradesh, as of the date of this Offering Circular:

Region	Area (Km²)
Assam:	
Naharkatiya	1
Naharkatiya Extension	166
Moran	430
Moran Extn	560
Hugrijan	725
Dumduma	504
Digboi	49
Dibrugarh	186
Tinsukia	250
Dholiya	131
Borhajan	87
Chabua	189
Mechaki	195
Baghjan	75
Tinsukia Extension	185
Sapkaint	105
Borhat	81
Mechaki Extension	9
Sub Total:	3,928
Arunachal Pradesh:	
Ningru ⁽¹⁾	541
Ningru Extension ⁽¹⁾	75
Sub Total:	616
Grand Total:	4,544

(1) See “Risk Factors – The Guarantor’s PMLs in respect of two of the 21 independently held blocks have expired and there can be no assurances that it will be granted extensions of these PMLs and, consequently, that it will not lose its nomination for these blocks.”

In addition, the Guarantor is also continuing its exploration efforts in its PEL areas pursuant to its five exploration licences within the Assam-Arakan basin (covering a total area of 1,230 square kilometres).

The following table sets forth the nominated PEL areas of Assam and Arunachal Pradesh, as of the date of this Offering Circular:

Region	Area (Km²)
Assam:	
Tinsukia	471
Dibrugarh	427
Sub Total:	898
Arunachal Pradesh:	
Namchik	195
Jairampur Extn	23
Deomali ⁽¹⁾	114
Sub Total:	332
Grand Total:	1,230

(1) See “Risk Factors – The Guarantor’s PEL in respect of one of the five independently held blocks has expired and there can be no assurances that it will be granted extensions of this PEL and, consequently, that it will not lose its nomination for this block.”

The Guarantor also holds participating interests in respect of two pre-NELP blocks as non-operator in the Assam- Arakan basin on a production sharing basis, covering an aggregate area of 121 square kilometres.

The Guarantor also used to hold participating interests in respect of one pre-NELP joint venture exploration block CR-ON-90/1 in the Upper Assam and Assam-Arakan basin, covering an initial area of 2,542 square kilometres, which has now been entirely relinquished.

The Guarantor currently holds participating interests in respect of two blocks as operator in the Assam-Arakan basins granted under NELP on a production sharing basis under a PSC, covering an aggregate area of 567 square kilometres.

The Guarantor held a participating interest in respect of one block granted under CBM on a production sharing basis, covering an aggregate area of 113 square kilometres which has been relinquished.

The table below sets forth details of the Guarantor’s participating interests in exploration blocks in the Assam-Arakan basin, the area covered by such block and the status as of 31 December 2016:

Block No.	Area (Km²)	Interest (per cent.)	Partners	Operator	Status as of 31 December 2016
Kharsang	11	40.00	GeoEnpro (10.00 per cent.) Jubilant Enpro (25.00 per cent.) Geopetrol (25.00 per cent.)	GeoEnpro	– Guarantor’s share of production for the period ended 31 December 2016 is approximately 381 barrels of oil per day.
AAP-ON-94/1 . . .	190	44.09	IOCL (29.03 per cent.) HOEC (26.88 per cent.)	HOEC	– Discovery in one well drilled; – Plan of Development (PoD) is in progress.
MZ-ONN-2004/1 .	3,213	85.00	Shiv Vani (15.00 per cent.)	Guarantor	– 2D Acquisition, processing and interpretation of seismic data has been completed; – 3D seismic acquisition is in progress; – 2 wells has(ve) been drilled.
AA-ONN-2010/2 .	396	50.00	ONGC (30.00 per cent.) GAIL (20.00 per cent.)	Guarantor	– Grant of PEL from the state government is awaited.
AA-ONN-2010/3 .	171	40.00	ONGC (40.00 per cent.) BRPL (20.00 per cent.)	Guarantor	– Seismic data acquisition is in progress.

Rajasthan basin

The Rajasthan basin is located in the Great Thar Desert adjacent to the India-Pakistan border and covers approximately 1,260,000.00 square kilometres, comprised of the Jaisalmer basin and the Bikaner-Nagaur basin.

The Guarantor undertakes exploration and development activities in this basin pursuant to its two PMLs, the Jaisalmer PML and the Baghewala PML, covering the total area of 460.00 square kilometres.

For further details regarding its operations in the Jaisalmer basin, see “– *Principal Producing Areas– Rajasthan Basin*”.

The following table sets out the nominated PML areas of Rajasthan basis, as of the date of this Offering Circular:

<u>Region</u>	<u>Area (Km²)</u>
Rajasthan:	
Baghewala	210
Jaisalmer	250
Total:	460

Baghewala field

The Baghewala field is part of the Bikaner-Nagaur basin, and is located approximately 140 kilometres west of the city of Bikaner, encompassing an area of approximately 20 square kilometres. The Guarantor holds a PML in respect of one block in the Baghewala field granted as a nomination block, covering an area of 210.00 square kilometres.

Heavy oil was discovered in the Baghewala field in 1991. This oil is not producible by conventional production methods. The Guarantor also discovered highly viscous heavy oil in another structure east of Baghewala structure in 2012. Further production testing was done in Fiscal Year 2014 to validate chemical stimulation process. As of the date of this Offering Circular, experimental production testing with sucker rod pumping is in progress. The Guarantor has planned further experiments and drilling in association with consultants. As of the date of this Offering circular, the Guarantor has hired consultants and the studies are in progress.

The Guarantor also holds participating interests in respect of one block as operator in the Bikaner-Nagaur basin in the state of Rajasthan granted under NELP on a production sharing basis, covering an aggregate area of 10 square kilometres.

The table below sets forth details of the Guarantor's participating interests in exploration blocks in the Rajasthan basin, the area covered by such block and the status as of 31 December 2016.

<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
RJ-ONN-2004/2 .	2,196	75.00	Geoglobal (25.00 per cent.)	Guarantor	– Discovery in 1 well; – Appraisal plan is in progress. In process of taking over the participation interest from Geoglobal. For further information, please see “– Recent Developments – Proposed acquisition of 10.00 per cent. participation interest in RJ-ONN-2004/2”.

Krishna-Godavari basin

The Guarantor holds a participating interest in respect of one block as operator and in respect of one block as non- operator in the Krishna-Godavari basin granted under NELP on a production sharing basis covering an area of 1,384 square kilometres.

The table below sets forth details of the Guarantor's participating interests in exploration blocks in the Krishna- Godavari basin, the area covered by such block and the status as of 31 December 2016:

<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
KG-ONN-2004/1 .	549	90.00	Geoglobal (10.00 per cent.)	Guarantor	– Seismic activities are complete; – Drilled in four wells and discovery was made in one well and testing is in progress in two wells.
KG-OSN-2009/4 .	835	30.00	ONGC (50.00 per cent.) NTPC (10.00 per cent.) APGIC (10.00 per cent.)	ONGC	– Seismic activities have been completed; – Drilling is in progress with one well drilled.

Cauvery basin

The Cauvery basin extends along the coast of the south eastern state of Tamil Nadu from Chennai (Madras) to the east of Cape Comorin at the southern tip of the subcontinent and covers approximately 55,000.00 square kilometres, 30,000.00 square kilometres of which are offshore.

The Guarantor holds a participating interest as operator in respect of one block in the Cauvery basin granted under NELP on a production sharing basis, covering an aggregate area of 1,621.00 square kilometres.

The Guarantor used to hold a participating interest in respect of blocks CY-OSN-97/2 (as operator) and CY-DWN- 2001/1 (as non-operator) in the Cauvery basin granted under NELP covering an aggregate area of 17,640.00 square kilometres, which have been subsequently relinquished.

The table below sets forth details of the Guarantor's participating interest in the exploration block in the Cauvery basin, the area covered by such block and the status as of 31 December 2016:

<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
CY-OSN-2009/2 .	1,621	50.00	ONGC (50.00 per cent.)	Guarantor	– Acquisition, processing and interpretation of seismic data has been completed; – Drilling is in progress with one well drilled.

Mahanadi basin

The Mahanadi basin is located to the east, south east and north east of the city of Bhubaneswar in the state of Orissa and covers approximately 69,000.00 square kilometres, 14,000.00 square kilometres of which are offshore.

The Guarantor holds a participating interest in respect of one block as non-operator in the Mahanadi basin granted under NELP on a production sharing basis, covering an aggregate area of 4,061.00 square kilometres covered by block MN-OSN-2000/2 after relinquishment of an area of 4,239.00 square kilometres.

The table below sets forth details of the Guarantor's participating interests in its single exploration block in the Mahanadi basin, the area covered by such block and the status as of 31 December 2016:

<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
MN-OSN-2000/2.	4,061	20.00	ONGC (40.00 per cent.) IOCL (20.00 per cent.) GAIL (20.00 per cent.)	ONGC	– Acquisition processing and interpretation of seismic data 3D has been completed – Eight wells have been drilled and discovery was made in two wells; – The project is in the appraisal phase.

Bengal Onshore basin

The Bengal basin is a large sedimentary basin adjoining Bangladesh and areas falling in the states of Tripura, Assam and Nagaland. It is situated towards the north eastern part of the Indian peninsula in the state of West Bengal and extends offshore into Bay of Bengal. It covers approximately an area of 57,000.00 square kilometres onshore and 32,000.00 square kilometres offshore, measuring up to 200.00 metres in depth.

The Guarantor holds a participating interest in respect of one block as non-operator in the Bengal onshore basin granted under NELP on a production sharing basis, covering an aggregate area of 3,940 square kilometres.

The table below sets forth details of the Guarantor's participating interest in the onshore exploration block in the Bengal basin, the area covered by such block and the status as of 31 December 2016:

<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
WB-ONN-2005/4.	3,940	25.00	ONGC (75.00 per cent.)	ONGC	– Acquisition, processing and interpretation of 2D and 3D seismic data has been completed; – Drilling is in progress with one well drilled and abandoned due to no discovery and drilling of second well is in progress.

Saurashtra and Gujarat Offshore basin

The Saurashtra offshore basin is located approximately 150 kilometres south-west of the city of Rajkot, Gujarat and covers approximately 28,000.00 square kilometres. The Gujarat offshore basin is located approximately 200 kilometres west of the city of Rajkot and covers approximately 13,000.00 square kilometres.

The Guarantor holds a participating interest in respect of one block as non-operator in the Saurashtra and Gujarat Offshore basin granted under NELP on a production sharing basis, covering an aggregate area of 1,361.00 square kilometres.

The table below sets forth details of the Guarantor’s participating interest in the exploration block in the Saurashtra and Gujarat Offshore, the area covered by such block and the status as of 31 December 2016:

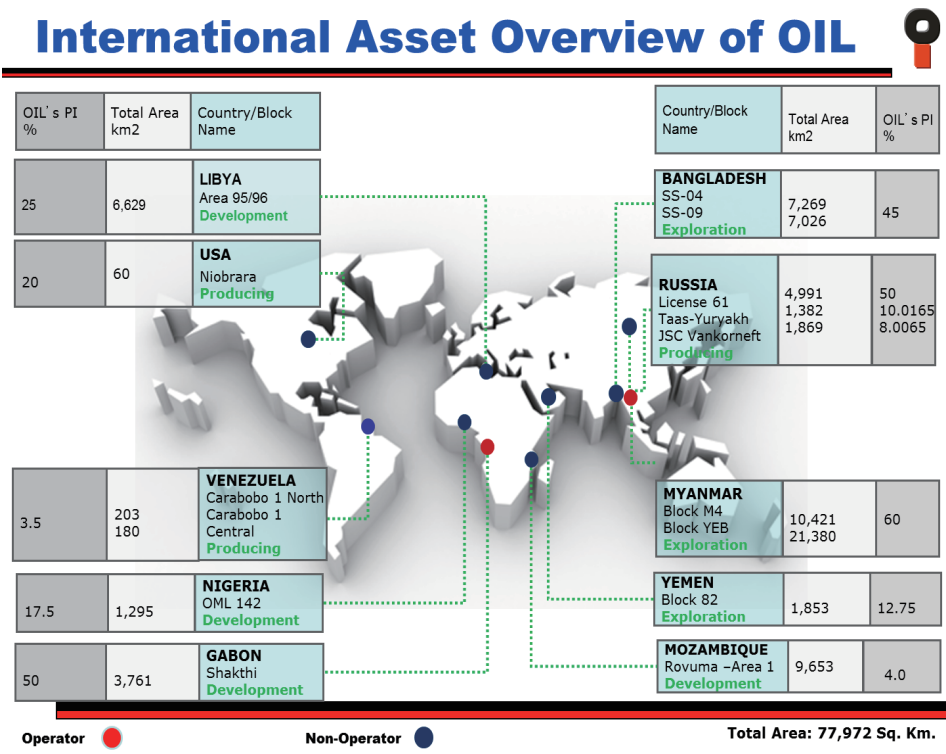
<u>Block No.</u>	<u>Area (Km²)</u>	<u>Interest (per cent.)</u>	<u>Partners</u>	<u>Operator</u>	<u>Status as of 31 December 2016</u>
GK-OSN-2010/1	1,361	30.00	ONGC (60.00 per cent.) GAIL (10.00 per cent.)	ONGC	– Seismic data has been collected; – Drilling is in progress with one well drilled.

International Exploration and Development

The Guarantor began its international upstream exploration and development activities in 1998 and in December 2004 it entered into a MoU with IOCL for joint participation in upstream petroleum opportunities overseas. In respect of its overseas operations in the oil and gas sector, the Guarantor only needs GoI approval for undertaking mergers and acquisitions in amounts exceeding Rs.30 billion or 25.00 per cent. of its net worth (whichever is lower) on a single project. In addition, the overall limit of investments that the Guarantor is permitted to make in all such projects without requiring GoI approval is 40 per cent. of its net worth.

The Guarantor has obtained participating interests in 15 exploration, development and producing blocks overseas in Gabon, Libya, Myanmar, Nigeria, Yemen, Venezuela, the United States, Mozambique, Bangladesh and Russia. It is the operator in respect of one block in Gabon, two blocks in Myanmar and is a joint operator through the joint venture company in Venezuela, and non-operator in respect of the remaining blocks in United States, Mozambique, Bangladesh, Nigeria, Libya, Yemen and Russia. The Guarantor further has a stake in a product pipeline in Sudan.

The following chart illustrates the international exploration acreage and production properties of the Guarantor, as of 31 December 2016:



Gabon

Block Shakti

The Guarantor acquired an interest in block Shakti as part of a consortium pursuant to an agreement signed on 17 April 2006. It held a 45.00 per cent. participating interest in the block as operator. The other consortium members were IOCL, which held a 45.00 per cent. participating interest as non-operator, and Marvis Petroleum Holding, which held a 10.00 per cent. participating interest as non-operator. On 23 January 2014 the Guarantor entered into a new agreement with the government of Gabon for block Shakti for a period of nine years (with three phases divided into three years each). Under the new agreement the Guarantor holds a 50.00 per cent. participating interest in the block as operator. The other consortium partner is IOCL, which holds a 50.00 per cent. participating interest as non-operator.

Block Shakti is located in the less explored interior basin towards the north eastern part of Gabon and covers an area of 3,761 square kilometres.

The Guarantor has completed the work commitment under the previous agreement.

The consortium has drilled three wells in the block of which Lassa-1 is a discovery well and tested oil. This discovery in the Shakti block, Gabon within the N'Dombo Formation (Lassa Structure) marks the Guarantor's first success in overseas exploration venture as operator. The consortium has acquired 1,213 line kilometres of 2D seismic data for bringing out the remaining prospectivity. The geological and geophysical interpretation is currently under progress.

Iran

Farsi offshore block

The Guarantor, in consortium with OVL and IOCL, was awarded an exploration service contract ("ESC") for the Farsi offshore block by the NIOC on 25 December 2002. The Guarantor held a 20.00 per cent. participating interest in the Farsi offshore block as non-operator. OVL held a 40.00 per cent. participating interest as operator and IOCL held a 40.00 per cent. participating interest as non-operator.

The Farsi offshore block is located in the eastern part of the Persian Gulf off the coast of the Islamic Republic of Iran near the Saudi Arabian border and covers an area of 3,500 square kilometres. The water depth in the block ranges from 20 to 90 metres.

Under the ESC, the consortium had completed the committed work programme. The Guarantor has incurred capital expenditure of approximately Rs.818 million in respect of its 20.00 per cent. participating interest.

The ESC provided that NIOC and the consortium will negotiate a development service contract if the Farsi offshore block is proven to be commercially viable during the exploration phase. In the event that the consortium is not awarded the development services contract, the consortium will retain the option to take up to a 30 per cent. participating interest in the development services contract.

In order for the Guarantor to enter into the development services contract and make any expenditure thereunder, a number of conditions would need to be satisfied and approvals obtained, including successful negotiation of the development services contract with the NIOC, the approval of the development services contract by the Iranian government and the approval of the development services contract by the Guarantor's board of directors and the GoI. No such approvals have been sought or obtained. Also, no further negotiations are going on with the Iranian government for development of the fields. For at least the last three years there has been no on-going contract.

See “*Risk Factors – The activities in certain countries that are the subject of U.S. and European Union sanctions of the Guarantor could result in the possible imposition of sanctions, negative media and investor attention, and could materially and adversely affect the investment in the Notes*”.

Libya

Area 95/96

In 2006, Libya announced Bid Round-4 (Gas) under EPSA IV and 14 areas were on offer in this round. The Guarantor formed a consortium with IOCL. The consortium and Sonatrach International Petroleum Exploration & Production Corporation, BVI (“**SIPEX**”) made a joint bid for Area 95/96 and were successful in winning the bid on the basis of work programme and percentage production allocation. SIPEX holds a 50.00 per cent. participating interest in this area as operator. IOCL and the Guarantor hold a 25.00 per cent. participating interest each in this area as non-operator.

Area 95/96 covers an area of approximately 6,629 square kilometres in the Ghadames basin in the south-western part of the country. This block is mainly identified in two prospective horizons, that is, Tadrat/Aouinet (Devonian) and Memouniat (Ordovician) with substantial gas reserves.

On 24 April 2009, the Guarantor signed a joint operating agreement with IOCL and SIPEX. The EPSA for this block was signed on 25 May 2008, and ratified on 1 June 2008. The work programme commitments include 2,000 standard line kilometres of 2D seismic data and 2,600 square kilometres of 3D seismic data to be acquired and the drilling of eight wild cat wells.

3D seismic data acquisition of Phase-I and Phase-II was completed by 2015. Out of the eight wells, drilling of five wells has been completed and all wells have resulted in oil or gas discoveries. Drilling of the sixth well was in progress when the unrest began and all operations in Area 95/96 has been suspended since May 2014.

Nigeria

The Guarantor acquired an indirect 17.50 per cent. participating interest in block OML-142 (Earlier Block OPL-205) through its acquisition of a 25.00 per cent. interest in a joint venture company, Suntera Nigeria 205 Limited, in 2006, which owns a 40.00 per cent. participating interest and 30.00 per cent. economic interest in the block. The other joint venture parties are Suntera Resources Limited, Cyprus (“**Suntera Cyprus**”), which holds a 50.00 per cent. equity interest in the joint venture and an indirect 35.00 per cent. interest in the block and IOCL, which holds a 25.00 per cent. equity interest in the joint venture and an indirect 17.50 per cent. interest in the block. Summit Oil International also retains a 30.00 per cent. participating interest in the block as the operator and Suntera Nigeria 205 Limited is the technical party of the block.

The oil prospecting licence relating to the block OPL 205 (“**OPL 205**”) was initially granted on 3 September 1990 to Summit Oil International and after drilling one well (which lead to a gas-condensate discovery), exploration activity in the block was suspended. This licence was subsequently renewed in January 2004 for a period of five years by the government of Nigeria until 19 January 2009. In November 2008, the operator submitted an application for conversion of the OPL 205 into an oil mining lease (“**OML**”) and this was approved by the Ministry of Petroleum Resources, Nigeria in June 2009 for a period of 20 years. Accordingly, the block was converted from OPL 205 to OML 142.

The on-land block, covering an area of 1,295 square kilometres, is located in the northern part of the Nigeria Delta approximately 20 kilometres south east of the city of Benin and has an old gas-condensate discovery which is yet to be developed.

The MWP under the OPL 205 was the acquisition, processing and interpretation of 1,000 square kilometres of 2D seismic data and the drilling of two wells. The joint venture has drilled one well in November 2007 within the block which did not yield any hydrocarbon discoveries.

The operator's plan for the development of the gas condensate discovery has been accepted by DPR, Nigeria and the block licence has been converted to mining lease OML 142. The operator has recently acquired 125 square kilometres of 3D seismic data over the discovery area for better imaging of the sub-surface. Processing and interpretation of the acquired 3D seismic data has been completed and the consortium has decided to re-enter the ready drilled discovery well (Otien-1).

Myanmar Offshore blocks

On 26 March 2014, the Guarantor acquired a 60.00 per cent. participating interest in Block M-4 and Block YEB in the Myanmar offshore blocks through a bidding process by MOGE.

In 2013, the State-owned oil and gas company, Myanmar Oil and Gas Enterprise (“**MOGE**”), invited bids from international oil companies to explore offshore hydrocarbons in Myanmar under the Myanmar Offshore Bidding Round 2013, offering a total of 30 oil and gas offshore blocks, 11 of which are in shallow water and 19 in deep water. On 26 March 2014, Myanmar's Ministry of Energy, through MOGE, announced that the Guarantor, together with its consortium partners Mercator Petroleum Limited (“**Mercator**”), Oilmax Energy Pvt. Ltd. (“**Oilmax Energy**”) and OilStar Management Co. Ltd. (“**OilStar**”), won the bid to explore oil and gas in the M-4 and YEB shallow water blocks. As a condition to its bid, the consortium partnered with OilStar, which is a national owned company in Myanmar. The Guarantor anticipates that its financial commitment in those blocks will be approximately U.S.\$127 million over a period of five to six years.

Offshore block M-4

The Guarantor's participating interest in the block is 60.00 per cent. as operator, and is held through a consortium comprising the Guarantor, Mercator Petroleum Limited (25.00 per cent. participating interest), Oil Max Energy (10.00 per cent. participating interest) and OilStar (5.00 per cent. participating interest).

The block covers an area of 10,421 square kilometres off the coast of Myanmar.

Offshore block YEB

The Guarantor's participating interest in the block is 60.00 per cent. as operator, and is held through a consortium comprising the Guarantor, Mercator Petroleum Limited (25.00 per cent. participating interest), Oil Max Energy (10.00 per cent. participating interest) and OilStar (5.00 per cent. participating interest).

The block covers an area of 21,380 square kilometres off the coast of Myanmar.

As of the date of this Offering Circular, the consortium is carrying out detailed geological and geophysical studies of the existing data on blocks M-4 and YEB.

See “*Risk Factors – The activities in certain countries that are the subject of U.S. and European Union sanctions of the Guarantor could result in the possible imposition of sanctions, negative media and investor attention, and could materially and adversely affect an investment in the Notes*”.

Mozambique Offshore Rovuma basin

On 7 January 2014, the Guarantor and OVL acquired a 10.00 per cent. participating interest in the Mozambique block in the Area 1 Rovuma Field by acquiring shares of Videocon Mozambique Rovuma 1 Limited (now Beas Rovuma Energy Mozambique Limited).

The Guarantor's participating interest in the block is 4.00 per cent. with the acquisition cost being U.S.\$ 2.52 billion and its share being U.S.\$ 1.01 billion. The block is in the appraisal stage and there has been abundant gas discoveries, with the proposal to set up LNG terminals.

The basin covers an area of 2.60 million acres offshore in the Area-1 block off the coast of Mozambique. Area-1 contains two confirmed discoveries, namely, Prosperidade field and Golfino/Atum complex. The basin has in place gas resources of up to c. 84 trillion cubic feet and probable recoverable resources of 50-75 trillion cubic feet.

The Guarantor expects that this new acquisition in Mozambique, once fully operational, will contribute significantly to its production base swing to India's advantageous geographic positioning as a high-demand market, which the Guarantor believes will mitigate against future off-take of LNG. There are also optimal shipping routes for the supply of LNG to buyers from Asia and the Middle East and access to the Indian west/east coast.

The first production and revenue from the region is expected in Fiscal Year 2023.

Yemen

Block 82

The Guarantor was awarded block 82 as part of a consortium pursuant to the Third Yemen International Bid Round in December 2006 and, as a result, holds a 12.75 per cent. participating interest as non-operator. The other consortium member in respect of block 82 is Medco Energi, which holds a 38.25 per cent. participating interest as operator, KEC, which holds a 21.25 per cent. participating interest as non-operator, IOCL, which holds a 12.75 per cent. participating interest as non-operator and Yemen Oil & Gas Company, which holds a 15.00 per cent. participating interest as non-operator.

The Guarantor, as a part of an international consortium led by Medco Energi, Indonesia, was awarded exploration block 82 in the 2006 bid round. Subsequently, a PSC was signed on 13 May 2008 and presidential decree was received on 17 March 2009. From the effective date of the PSC, Yemen General Corporation for oil and gas has acquired 15.00 per cent. of the consortium's rights and working interests in the block 82. The block covering combined acreage area of over 1,853 square kilometres is located in the South Central Part of the country within the Sayun Masila Basin.

The minimum committed work programme of block 82 is the reprocessing of existing available data, the acquisition, processing and interpretation of 330 standard line kilometres of 2D seismic data and 170 square kilometres of 3D seismic data, and the drilling of three exploration wells. Against this, the consortium had completed Acquisition, Processing and Interpretation ("API") covering 133.6 line kilometre of 2D seismic data and 236 square km of 3D seismic data. However, completion of work program was delayed due to frequent disturbances and the works was under suspension. The Block validity has expired in November 2015.

Bangladesh

The Guarantor, together with OVL, has acquired two blocks in Bangladesh, namely SS-04 and SS-09. Block SS-04 covers an area of 7,271 square kilometres and the Guarantor holds a 45.00 per cent. participating interest as non-operator. Block SS-09 covers an area of 7,022 square kilometres and the Guarantor holds a 45.00 per cent. participating interest in this block as non-operator. The other consortium partners in these blocks are OVL, which holds a 45 per cent. participating interest as the operator and Bangladesh Petroleum Exploration and Production Company Limited, which holds a 10.00 per cent. participating interest in each of the blocks.

PSCs for both blocks SS-04 and SS-09 were signed on 17 February 2014. The committed work programme for the two blocks are currently underway.

Venezuela

The Carabobo Project in Venezuela comprises the Carabobo I North (“**C1 North**”) and Carabobo I Central (“**C1 Central**”) blocks. The Guarantor holds a 3.50 per cent. participating interest as operator, IOCL, holds a 3.50 per cent. participating interest as operator, OVL, holds a 11.00 per cent. participating interest as operator, Repsol, Spain holds a 11.00 per cent. participating interest as operator and PDVSA holds a 71.00 per cent. participating interest as operator.

C1 North is located in the Orinoco heavy oil belt covering an area of 203 square kilometres. C1 Central is located in the Orinoco heavy oil belt covering an area of 180 square kilometres.

The Ministry of the Popular Power for Energy and Petroleum of the Bolivarian Republic of Venezuela (“**MENPET**”) in November 2008 offered a 40.00 per cent. participating interest for development in three onshore projects 1, 2 and 3 in the Carabobo region in the Orinoco heavy oil belt. Each project is to be operated by a joint venture company incorporated in Venezuela, with PDVSA having a minimum 60.00 per cent. equity interest through a wholly-owned subsidiary, Corporacion Venezolana del Petroleo, S.A. (“**CVP**”) in the joint venture company, for a term of 25 years and with a possibility of a 15 year extension. This joint venture company is responsible for developing the project as per the agreed development plan.

The project has sufficient proven reserves of ultra-heavy oil (around 8-9° API) to sustain production of at least 400,000-480,000 barrels of oil equivalent per day for a 25 to 40 year period. Cumulative production from the project during this period is estimated to be approximately three to five billion barrels of oil.

The project involves the exploitation of discovered extra heavy crude, the setting up of an upgrader and marketing the product. The upgrader is to be used to upgrade the API of the crude and remove metallic and other impurities. By improving the API of the crude, the upgrader would make the crude flow more easily. The joint venture company contract was executed on 12 May 2010. The joint venture company has already been incorporated and is the entity that is conducting operations in the block. Currently, the development activities in the field are under progress. Oil production from the project commenced on 27 December 2012 from well CGO-005. Currently, the average production for the project is about 25,000 boepd from 60 wells.

United States

Liquid rich Carrizo Shale Asset

In 2012, the Guarantor and IOCL jointly acquired 20.00 per cent. and 10.00 per cent., respectively, in Niobrara Shale Oil Asset Carrizo Oil & Gas Inc’s (“**Carrizo**”) liquid rich shale assets in the Denver – Julesburg (D-J) Basin in Colorado, the United States, at an acquisition cost of U.S.\$ 55 million. The remaining 60.00 per cent. and 10.00 per cent. acquisition is with Carrizo Oil & Gas Inc and Haimo Oil & Gas LLC, respectively.

The acquisition became effective from 1 October 2012. The Guarantor had formed a wholly-owned subsidiary in Texas in the name of Oil India (USA) Inc which holds the investment in Carrizo. As of the date of this Offering Circular, the Guarantor has acquired approximately 15,770 net acres, including 399.97 acres acquired during Fiscal Year 2016. During the Fiscal Year 2016, the Guarantor’s share of oil and gas production stood at 171,655 barrels of oil equivalent.

The Guarantor’s share of drilling costs as of 31 December 2016 is U.S.\$89.30 million for drilling approximately 396 wells. In addition, there are non-operated positions, partly owned by Carrizo, in the acreages which are owned by Noble and Whiting, which has also been acquired by the Guarantor through acquiring a participating interest in Niobrara Shale Oil Asset.

OIL India (USA) has earned revenue of U.S.\$51.90 million since October 2012 (to 31 December 2016) from this asset. The Guarantor now produces approximately 400 barrels of oil equivalent per day.

Russia

License 61

In 2016, the Guarantor completed the acquisition of a 50.00 per cent. equity interest in WorldAce Investments Limited, a Cyprus based wholly-owned subsidiary of PetroNeft Resources Limited (“PTR”), which owns License 61 in the Tomsk region in Russia through Stimul-T, a Russia based wholly-owned subsidiary. The acquisition became effective on 1 January 2014.

License 61 covers approximately 4,991 square kilometres and contains seven oil fields and over 25 identified prospects and leads. The block has been in production since 2010. Currently, the production rate is approximately 2,800 barrels of oil per day.

TYNGD and JSC Vankorneft

On 16 March 2016, the Guarantor, along with IOCL and BPRL, a wholly-owned subsidiary of BCPL and its exploration and production arm, acting jointly as a consortium, signed a definitive agreement to acquire participating shares representing 29.90 per cent. of the charter capital of TYNGD, a company organised under the law of Russian Federation, from LLC RN – Razvedka I Dobycha, a wholly-owned subsidiary of Rosneft Oil Company, the National Oil Company of Russia (“Rosneft”). Rosneft and BP holds 50.10 per cent. and 20.00 per cent. of the stake in TYNGD, respectively. TYNGD is one of the largest green field developments in the eastern Siberia region of Russia.

On 17 June 2016, the Guarantor, along with IOCL and BPRL, signed a definitive agreement to acquire approximately a 23.90 per cent. of participating interest in the JSC Vankorneft, which is a subsidiary of Rosneft with Rosneft Oil Company. JSC Vankorneft is a company organised under the laws of the Russian Federation, and is the owner of the Vankor field and North Vankor License. Rosneft and ONGC Videsh Limited holds 50.10 per cent. and 26.00 per cent. of the stake in JSC Vankorneft, respectively. The Vankor field is Russia’s second largest field by production located in the eastern Siberia region and account for approximately 10.00 per cent. of Rosneft’s entire oil production.

The Guarantor formed the Issuer, a wholly-owned subsidiary company in Singapore, for enabling the acquisition of TYNGD and JSC Vankorneft. The Issuer, with IOCL and BPRL, through joint venture formed two special purpose vehicles (“SPVs”) Taas India Pte. Ltd and Vankor India Pte. Ltd., which holds the acquired stakes in TYNGD and JSC Vankorneft. The Issuer holds 33.50 per cent. stake in each of the two SPVs.

All required approvals from the relevant government authorities of India and Russia were obtained and the acquisitions for TYNGD and JSC Vankorneft was completed on 5 October 2016. The currently production of TYNGD is approximately 22,000 boepd which is expected to increase to 100,000 boepd in the next two to three years. The current production of JSC Vankorneft is approximately 420,000 boepd. The current combined production from TYNGD and JSC Vankorneft is approximately 22 MMTPA and the Guarantor’s share of the two asset’s current oil production is 1.8 MMTPA. The assets are also producing approximately 5.6 BCM of gas per annum. The remaining oil and gas reserves of the two fields together are approximately 3.9 billion BOE.

TRANSPORTATION BUSINESS

Domestic Pipeline

The Guarantor owns and operates a 1,157 kilometre cross-country fully-automated crude oil trunk (main line) pipeline in North East India for the transportation of crude oil at the capacity of over 44 million barrels per annum. Crude oil produced by ONGC in the Upper Assam basin is also transported through this pipeline. The Barauni-Bongaigaon sector of the Guarantor's trunk pipeline is also utilised for reverse pumping in order to transport crude oil from the Barauni end to the Bongaigaon refinery.

The Guarantor owns 11 crude oil pumping stations and 17 repeater stations spread across the eastern Indian states of Assam, West Bengal and Bihar. The Guarantor is upgrading its pumping stations and four repeater stations by replacing old equipment, re-routing certain section of pipeline to submerged crossings and refurbishing the coating of a large section of the pipeline.

The pipeline section from Naharkatiya to Guwahati, with a length of 401 kilometres, was commissioned on 26 April 1962 and the pipeline section from Barauni to Bongaigaon with a length of 756 kilometres, was commissioned on 11 February 1963. The designed capacity of the Naharkatiya to Guwahati sector is 5.38 million metric tonnes per annum and the Barauni to Bongaigaon sector is 3 million metric tonnes per annum. On 11 May 2012, the Guarantor commissioned its 11th pumping station at Tengakhat and a new pipeline section of approximately 22 kilometres from Tengakhat to Fatengbor with a capacity of 2.11 million metric tonnes per annum.

The table below sets forth details of the Guarantor's yearly utilisation of its pipelines transporting crude oil:

Year	Crude Transported in Barauni-Bongaigaon Sector (MMTPA)	Capacity Utilisation (per cent.)	Crude Transported in Naharkatiya-Guwahati Sector (MMTPA)	Capacity Utilisation (per cent.)
2015-2016	2.23	74.33	4.140	76.95
2014-2015	2.31	77.00	4.43	82.34
2013-2014	1.96	65.33	4.64	86.25
2012-2013	1.52	50.67	4.272	79.40
2011-2012	1.64	54.67	4.128	76.73
2010-2011	1.24	41.33	4.468	83.04
2009-2010	1.52	50.67	4.236	78.73

On 29 August 2008, the Guarantor commissioned a multi-product pipeline of 660 kilometres connecting Numaligarh to Siliguri in West Bengal, with an annual capacity of 1.70 million metric tonnes. During the Fiscal Year 2016, the Guarantor transported approximately 1.74 million tonnes of petroleum products of NRL.

The DNP Limited, in which the Guarantor has a 23.00 per cent. equity interest, owns a 192 kilometre natural gas pipeline and is utilised for transporting natural gas to Numaligarh refinery. The DNP Limited was successfully commissioned in February 2011.

The Guarantor's natural gas production from the Upper Assam basin is transported by Assam Gas Company Limited and by dedicated lines owned by its customers. The Guarantor's natural gas production from the Jaisalmer basin is transported by Gail (India) Limited ("GAIL").

International Pipeline

In November 2004, the Guarantor entered into a participation agreement with OVL to form a joint venture where the Guarantor holds a 10.00 per cent. interest and OVL holds a 90.00 per cent. interest for the construction of a product pipeline in Sudan under a contract from the Sudanese government. This project was awarded by the Ministry of Energy & Mining (“MEM”) and involved a construction of a 12” x 741 kilometres cross-country multi-product pipeline from Al-Rawyan to Port Sudan. The pipeline was built on a “Build, Operate, Lease and Transfer” basis and after its completion was leased back to the MEM. The consortium engaged Dodsal Pte Ltd. as the EPC contractor for the project. Construction was completed in September 2005 and the pipeline is now operational, with a capacity to transport 18.62 million barrels per year.

As of the date of this Offering Circular, the Guarantor generated revenues of Rs.695.10 million (U.S.\$13.40 million) from this project.

After the completion of the project the Guarantor has not incurred any project costs but it has incurred marginal miscellaneous costs by way of reimbursements to OVL (as the operator), amounting to Rs.1.90 million in the last three Fiscal Years. Ownership of the pipeline is retained by the joint venture until full payment is received from the Sudanese government.

Pipeline Construction and Related Businesses and Services

The Guarantor has undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business both domestically and overseas and leasing surplus fibre optic cable capacity in its pipeline infrastructure to telecom service providers.

The Guarantor had entered into a participation agreement with OVL for the construction of a product pipeline in Sudan for the Sudanese government, as described above. See “*Downstream Investment Business – City Gas Business*” for the Guarantor’s partnership with HPCL.

In addition, the Guarantor owns and operates a dedicated telecommunication optical fibre cable along its trunk crude oil pipeline of 1,157 kilometres and leases surplus fibre optic cable capacity in its pipeline infrastructure to leading telecommunication service providers. In September 2007, it obtained a national long distance (“NLD”) licence and entered into a dark fibre lease agreement with BSNL, PGCIL, Bharti Airtel, Dishnet Wireless Limited and Rail Tel Corp. It has also leased out bandwidth to NRL, Reliance Jio and Assam Electronics Development Ltd.

The Guarantor also selectively leases out the right of way for the available portions of the 1,157 kilometres for laying oil and gas pipelines as part of its business venture.

DOWNSTREAM INVESTMENT BUSINESS

Operational Overview

The Guarantor has an active strategy of selective vertical integration into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas. This vertical integration strategy is aimed at achieving certain strategic objectives of the Guarantor, such as securing long term customers for crude oil and natural gas produced by it, the diversification of revenue sources and improving profitability by extending operations into higher-margin segments of the product value chain. For further information, see “– *Strategy – Selectively diversify its domestic operations through downstream integration and focus on its inorganic growth*”.

Refining and Marketing

The Guarantor holds a 26.00 per cent. equity interest in NRL, which is engaged in the refining of petroleum products. The other equity holders in NRL are BPCL and the government of Assam.

The Guarantor also holds a 5.00 per cent. equity interest in IOCL, which is primarily engaged in the refining, pipeline transportation and marketing of petroleum products. The GoI holds a 58.28 per cent. interest in IOCL.

Gas Cracker Project

The Guarantor holds a 10.00 per cent. equity interest in BCPL, which was incorporated with the objective of establishing a gas cracker project complex at Lepatkata, District Dibrugarh, Assam for the purpose of processing natural gas, naphtha or any petroleum product, and to distribute and market petrochemical products in India and abroad. The Guarantor has a gas supply agreement with BCPL for the supply of 0.50 billion cubic metres of natural gas annually.

The Guarantor also holds a 23.00 per cent. equity interest in DNP Limited which was incorporated with the objective of acquiring, transporting and distributing natural gas in all forms. DNP Limited owns a 192 kilometre domestic gas pipeline connecting Duliajan to the NRL refinery.

City Gas Business

The Guarantor has entered into a MoU with HPCL for laying, building, operating or expanding CGD networks.

RENEWABLE AND NON-CONVENTIONAL ENERGY BUSINESS

Wind Energy

The Guarantor has developed a 13.60 MW WEPP at Ludurva, Jaisalmer, Rajasthan. This project was commissioned on 31 March 2012 and the project cost was approximately Rs.856.00 million. The wind farm is connected to the power grid of Rajasthan Rajya Vidyut Prasaran Nigam Ltd at Amar Sagar. Up to 31 December 2016, this project had generated 94.57 million units of electrical energy since its commissioning. The Guarantor has generated revenue of Rs.629.80 million in this period.

The Guarantor has commissioned a 54 MW WEPP at Dangri, Jaisalmer, Rajasthan on 30 March 2013 and the project cost was approximately Rs.3,086.70 million. The wind farm is connected to the power grid of Rajasthan Rajya Vidyut Prasaran Nigam Ltd at Akal. Up to 31 December 2016, this project had generated 312.26 million units of electrical energy since its commissioning. The Guarantor has generated revenue of Rs.1,766.90 million in this period.

The Guarantor has also commissioned a cumulative of 54 MW WEPP split between the states of Gujarat (16 MW) and Madhya Pradesh (38 MW) on 30 March 2013 and the project cost was approximately Rs.3,754.46 million. The wind farms are connected to the power grid of Gujarat Urja Vikash Nigam Ltd. at Amrapur in Gujarat and MP Power Management Company Ltd. at Shajapur in Madhya Pradesh, respectively. Up to 31 December 2016, this project had generated 191.28 million units of electrical energy since its commissioning. The Guarantor has generated revenue of Rs.895.20 million in this period.

The Guarantor is setting up another WEPP with a total of 52.50 MW split between the states of Madhya Pradesh and Gujarat. 25.2MW of the WEPP is being executed at Unchwas, Madhya Pradesh and the remaining 27.3MW is being executed at Kotiya, Gujarat. The project cost is estimated to be Rs.3,682.47 million with M/s Suzlon Energy Limited as the EPC contractor and project developer.

Solar Power

The Guarantor has developed a 100 KWp solar power plant (grid interactive) which was established at the Joypur Oil Collecting Station and gas compressor station complex at the Guarantor's field headquarters in Assam. This project was commissioned on 31 March 2012 and the project cost was

approximately Rs.17.30 million. This project was established partially to cater for the internal requirements of the Guarantor in connection with the Joypur oil collection station and gas compressor station.

The Guarantor has also developed a 30 KWp roof-top solar power plant (grid interactive) which was established at the Guarantor's corporate office in Noida. This project was commissioned on 16 July 2012 and the project cost was approximately Rs.5.90 million. The project was registered for "online power generation" with effect from 8 October 2012.

The Guarantor has developed a 100 KWp solar power plant (grid interactive) which was established at Tanot village complex, Tanot, Rajasthan within the Guarantor's operational area in Rajasthan. This project was commissioned on 15 March 2013 and the project cost was approximately Rs.19.20 million.

The Guarantor has also developed a 5 MW solar power plant (grid connected) which was established at Ramgarh, Jaisalmer, Rajasthan. The project was commissioned on 23 January 2014 and the project cost was approximately Rs.417.30 million. The solar plant is connected to the power grid of Rajasthan Rajya Vidyut Prasaran Nigam Ltd at Ramgarh. Up to 31 December 2016, this project had generated 27.13 million units of electrical energy since its commissioning. The Guarantor has generated revenue of Rs.116.00 million in this period.

The Guarantor has also developed a 9 MW solar energy power plan (grid connected) which was established at Ramgarh, Jaisalmer, Rajasthan. The project was commissioned on 25 February 2016 and the project cost was approximately Rs.510.20 million. The solar plant is connected to the power grid of Rajasthan Rajya Vidyut Prasaran Nigam Ltd at Ramgarh. Up to 31 December 2016, this project had generated 13.97 million units of electrical energy since its commissioning. The Guarantor has generated revenue of Rs.37.00 million in this period.

Shale Oil and Gas

The Guarantor acquired a 20.00 per cent. equity interest in the Niobrara Liquid Shale asset in the United States in October 2012. The Guarantor's current share of production is 400 boepd. For further information on this acquisitions, see "*– International Exploration and Development – United States*".

OTHER SERVICES

The Guarantor provides a number of services to support its exploration, development and production activities. Additionally, from time to time it offers these services to third parties where it is economically viable to do so.

Oil Field Services

The Guarantor's in-house oil field services include geophysical data acquisition and analysis, drilling, mud engineering, cementing, wireline logging, well stimulation, work-over services, well testing, a variety of general engineering services related to wells, and inspection, maintenance and repair services.

Geoscientific Services

The Guarantor owns a variety of advanced computing systems and employs experienced personnel for processing and interpreting variety of geo-scientific data through integrated exploration applications, structural and stratigraphic interpretation, seismic attribute analysis, source rock evaluation, biostratigraphy, petrophysics, sequence stratigraphy, basin analysis and techno-economic evaluation. It has deployed one 2D seismic crew and one 3D seismic crew for onshore seismic data acquisition. These field seismic crews are equipped and capable of acquiring 2D and 3D seismic data with wide swath geometry in logistically difficult areas. Multi-component seismic data acquisition along with 2D profiles (2D-3C survey) was commenced by the Guarantor's in-house crew in its operational areas in the Upper Assam basin in March 2009. The Guarantor has also commenced a multi- component survey in three

directional mode (3D-3C) in its PML areas. The Guarantor processes its seismic data in-house at Duliajan, Assam and also engages third parties to carry out the acquisition, processing and interpretation of 2D and 3D seismic data.

Drilling Services

The Guarantor, in addition to charter hiring drilling rigs based on operational requirements, provides a range of drilling, mud engineering, well design and well cementing support. It operates a total of 20 drilling rigs (owned and leased from third parties) of different capacities, including rigs capable of drilling to depths of 6,000 metres. The Guarantor has drilled 2,657 wells covering an area of over 5.5 million metres, varying in depth from 1,000 to 5,500 metres, in various surface and sub-surface environments, including high sub-surface pressures and temperature conditions.

The Guarantor has experience in various areas of advanced drilling technology, such as extended reach drilling, side-track drilling and horizontal drilling. Its mud engineering and well cementing support requirements are met entirely through its in-house drilling services.

Well Services

The Guarantor provides in-house work-over, stimulation and well testing support for its production operations. It operates 24 onshore work-over rigs (owned and leased from third parties) for well servicing and repairs. Most of its internal requirements for well stimulation services, which include acidisation and coil tubing nitrogen application services, are provided in-house. In addition, the Guarantor also makes extensive use of coil tubing units for rigless work-over operations. Similarly, substantially all of the Guarantor's internal requirements for the design, installation, operation and maintenance of artifices lift systems, well completion, well testing and wireline operations are met by its in-house service teams. Since its crude is also high wax in content, the Guarantor possesses a number of heavy duty and light duty scraping winches which service the wells regularly.

Well Logging Services

The Guarantor's Well Logging Department ("WLD") was established in-house in 1978. The WLD, equipped with basic logging equipment, started its logging operations from 1979 by recording a Cement Bond Log ("CBL") in Well Jorajan #12. As of the date of this Offering Circular, the Guarantor had 10 logging units.

The WLD now provides approximately 65.00 per cent. of the Guarantor's total logging requirements, with the assistance of three cased hole and three open hole logging units and evaluates geological formations in support of the Issue's exploration and development operations. The remaining 35.00 per cent. of the Guarantor's logging requirements is provided by third party contractors.

The WLD currently provides self-designed, essential logging services to the Guarantor's operations, as required. However, the Guarantor outsources specialised logging services such as those for offshore, horizontal and multilateral wells.

Engineering Services

The Guarantor's in-house engineering services personnel are responsible for work relating to the design and construction of onshore production facilities, the laying and maintenance of onshore pipelines and the maintenance of equipment.

Reservoir Management

Numerical reservoir simulation was introduced by the Guarantor in India for the first time in early 1970s and has been its specialisation since inception. The Guarantor utilises numerical reservoir simulation as a tool for management planning, production forecasting and decision making. Based on numerical simulations, water and gas injection and polymer flooding projects have been implemented in its fields, yielding of over 20.00 per cent. in excess of the recoverables solely by primary depletion in some of the reservoirs.

The Guarantor has also developed expertise in the reservoir management of ageing fields, through numerical reservoir simulators with dedicated workstations and a knowledge-base in cost-effective reservoir evaluation, development and management (particularly in demanding environments such as the remote locations of the Guarantor's oil and gas assets in North East India). It has designed an integrated database management system for processing and analysing various monitoring data. It also conducts operations such as transient well tests, nodal analysis, the collection of crude and condensate gas samples for pressure volume temperature analysis and the analysis of side-wall and conventional cores as an integral part of reservoir management.

Technical Services

The Guarantor's in-house technical services personnel provide policy guidelines on equipment management, standardisation, technical audits, identification, acquisition, assimilation and dissemination of new techniques and technology relating to oil field equipment and services. It operates workshops at Duliajan that provide support for major repairs and maintenance of equipment including drilling rigs, work-over rigs, diesel engines, cementing units, mud pumps, blow-out preventers, motors and alternators.

MoUs, JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES

MoUs

The Guarantor from time to time enters into MoUs with various companies in the upstream and downstream sectors in order to jointly pursue available opportunities. Generally, these MoUs constitute non-legally binding commercial relationships with the relevant entities, except in relation to certain rights of first refusal which may be exercised by the parties until such time as the preliminary due diligence is completed. If so agreed between the relevant entities, the project opportunity will then become exclusive and all the costs of due diligence, making public announcements and maintaining confidentiality will constitute legally binding aspects of the MoUs and will be enforceable in a court of law. The MoUs are entered into in as part of the Guarantor's strategy of pursuing exploration, production and downstream opportunities both in India and overseas. See “– *Strategy – Achieve a balanced growth of the Guarantor's portfolio of assets by continuing to acquire exploration acreages, discovered blocks and producing properties domestically and internationally*”.

Joint Ventures

Other than the various blocks and projects in which the Guarantor has a share, both in India and overseas, as described in “*Production Business*” and “*Exploration and Development Business*”, the Guarantor is not a party to any other joint ventures.

Principal Subsidiaries

The principal subsidiaries of the Guarantor are classified as domestic and overseas subsidiaries, as follows:

<u>Name of the Subsidiary</u>	<u>Details of incorporation</u>
Domestic	
Oil India International Limited (wholly-owned subsidiary)	Incorporated (September 2013) as an overseas arm of the Guarantor. The Board of Directors has recently approved the voluntary winding-up of this subsidiary. For further information, please see “– <i>Recent Developments – Voluntary winding-up of Oil India International Limited</i> ”.
Overseas	
Oil India Sweden AB (wholly-owned subsidiary)	Incorporated to hold the Guarantor’s investment (equity component) in Carabobo Project in Venezuela. It holds a 50.00 per cent. equity interest in INDOIL Netherlands BV, which in turn holds 7.00 per cent. equity interest in Petrocarabobo SA (joint venture company).
Oil India Cyprus Ltd. (76.00 per cent. equity held by Oil India Limited and 24.00 per cent. by Oil India Sweden AB)	Incorporated to hold the Guarantor’s investment (debt component) in Carabobo Project in Venezuela.
Oil India (USA) Inc. (wholly-owned subsidiary)	Incorporated to hold the Guarantor’s investment in Niobrara Shale Oil and Gas Asset in the United States. It holds 20.00 per cent. interest in the asset.
Oil India International B.V. (wholly-owned subsidiary)	Incorporated to hold the Guarantor’s investment in License 61 in Russia.
Oil India International Pte. Ltd. (wholly-owned subsidiary)	Incorporated to hold the Guarantor’s investment in TNGYD and JSC Vankorneft in Russia.

Associates

The principal associates of the Guarantor are divided into domestic and overseas associates as follows:

<u>Name of the Associate</u>	<u>Details of incorporation</u>
Overseas	
Suntera Nigeria 205 Limited	The Guarantor holds a 25.00 per cent. equity interest in the company. The company holds a 70.00 per cent. participating interest in the block OML 142 in Nigeria.
Beas Rovuma Energy Mozambique Limited (formerly Videocon Mozambique Rovuma 1 Limited)	The Guarantor holds a 40.00 per cent. equity interest. The company holds a 10.00 per cent. participating interest in the Mozambique block in the Area 1 Rovuma Field.

<u>Name of the Associate</u>	<u>Details of incorporation</u>
<i>Domestic</i>	
NRL	The Guarantor holds a 26.00 per cent. equity interest in NRL and sells approximately 50.00 per cent. of its crude oil production to NRL.
IOCL.	The Guarantor holds a 5.00 per cent. equity interest in IOCL and sells approximately 50.00 per cent. of the crude oil production to IOCL refineries in Assam.
DNPL	The Guarantor holds a 23.00 per cent. equity interest in DNP Limited and transports its natural gas production from Assam to NRL through the pipeline owned by DNP Limited.
BCPL	The Guarantor holds a 10.00 per cent. equity interest in BCPL which is undertaking a gas cracker project. The Guarantor has a gas supply agreement with BCPL for the supply of 0.50 billion cubic metres of natural gas annually.

COMPETITION

Although the Guarantor encounters competition from other oil and natural gas companies in all areas of its operations, it believes that the primary area in which it faces competition domestically is for the acquisition of licences for exploratory prospects in the bidding process. The companies that have been granted exploration licences in various rounds of NELP include other public sector companies, such as ONGC, IOCL, Gujarat State Petroleum Corporation Limited (“GSPCL”) and GAIL, as well as private companies, including British Gas, RIL, Cairn Energy Limited and Niko Resources.

Additionally, the Guarantor faces similar competition to acquire exploration and production acreages. See “*Risk Factors – the Guarantor encounters competition from other oil and natural gas companies in all areas of its operations including the acquisition of licences for exploratory prospects, and competitive pressure on its business is likely to continue*”.

RESEARCH AND DEVELOPMENT

Since 1985, the Guarantor has maintained a department dedicated to research and development activities in order to ensure the continuous upgrading of its technology and expertise in its exploration, development and production activities. Its research and development department is recognized and registered with the GoI’s Department of Scientific & Industrial Research (“DSIR”) as an in-house research and development centre and is accredited with ISO/IEC 17025.2005 by the National Accreditation Board for Testing and calibration Laboratories (“NABL”). The research and development department is the recipient of the GoI’s prestigious National Petroleum Management Programme award for its work on geochemical identification of pay zones (that is, sections of the reservoir that contribute to the production of oil) in the wells.

The Guarantor maintains a research and development department for the purpose of devising feasible performance solutions within the budgeted costs for the various problems it encounters in its exploration, drilling, production and transportation operations. Its research and development department has developed and implemented a number of innovative technical processes, including:

- geochemical analysis for source rock evaluation;

- geochemical identification of pay zones in drilling wells;
- analysis of origin and maturity of hydrocarbons;
- water-oil-ratio control with polymer treatment for improved crude oil production and recovery;
- cost effective low dosage flow improver treatment of crude oil for pipeline transportation in place of thermal conditioning;
- arresting fluid loss in highly depleted reservoirs for quick flow back after work-over;
- flu boric acid and solvent based recipe for well stimulation and bioremediation of soil/water polluted by oil; and
- microbial paraffin deposition control in oil wells and a flow lines.

The Guarantor has established the Centre of Excellence for Energy Studies (“**CoEES**”) in Guwahati in 2011 as a research centre focused on carrying out studies in the field of enhanced oil recovery, reservoir engineering, petroleum systems modelling, geochemistry and unconventional hydrocarbons. The CoEES has been recognized as a research centre by the DSIR.

The CoEES is equipped with the following infrastructure:

- geological and geophysical software and hardware;
- reservoir engineering software;
- petroleum systems modelling software;
- server and workstation; and
- analytical instruments for geochemical studies.

The CoEES has recently completed or is recently working on projects in the following areas:

- enhanced oil recovery studies for a suitable reservoir in Upper Assam Basin;
- petroleum system modelling of Upper Assam Basin and KG Basin;
- reservoir compartmentalization studies in Upper Assam Basin;
- oil field water studies in Upper Assam Basin;
- organic petrographic studies in Upper Assam Basin and KG Basin;
- static geological modelling of Baghewala Field in Rajasthan;
- compositional simulation studies for an oilfield in Upper Assam Basin;
- well test analysis for wells in Upper Assam Basin and Gabon; and
- geochemical and thermal modelling (1D) study of shale oil/gas prospectivity in Upper Assam Basin and Rajasthan.

The CoEES has also developed an innovative technique titled “method to determine transformation of kerogen to oil/gas at different maturities using step-wise pyrolysis-gas chromatography” and has applied for a patent.

TRAINING

The Guarantor provides all of its employees with regular training and development to help them acquire the knowledge and skills necessary to perform in their present and future roles with it.

The table below sets forth the number of employees who received training during Fiscal Year 2014, 2015 and 2016 and the nine months ended 31 December 2016:

	<u>Fiscal 2014</u>	<u>Fiscal 2015</u>	<u>Fiscal 2016</u>	<u>Nine months ended 31 December 2016</u>
In-house	3,142	2,896	2,363	1,640
In-country	1,182	2,609	1,611	678
Overseas	<u>234</u>	<u>265</u>	<u>212</u>	<u>32</u>
Total:	<u>4,558</u>	<u>5,770</u>	<u>4,186</u>	<u>2,350</u>

The Guarantor’s Management Training and Development Center in Duliajan was established in 1996, and is the training institute for the Guarantor’s executives.

EMPLOYEES

The following table sets forth the number of employees of the Guarantor on 31 March 2014, 2015 and 2016 as well as 31 December 2016:

	<u>As of</u>			
	<u>31 March 2014</u>	<u>31 March 2015</u>	<u>31 March 2016</u>	<u>31 December 2016</u>
Executives	1,465	1,435	1,457	1,431
Workmen	<u>6,372</u>	<u>6,410</u>	<u>6,075</u>	<u>5,782</u>
Total:	<u>7,837</u>	<u>7,845</u>	<u>7,532</u>	<u>7,213</u>

The Guarantor also engages certain labourers on a contractual basis from time to time, depending on its prevailing operational requirements.

Its employees (workmen category) are affiliated with nine registered trade unions (registered under the Trade Unions Act, 1926) across India. At present, the Guarantor recognises five of these trade unions. The recognition of the trade unions by the Guarantor, assists it in collectively negotiating the terms and conditions of employment, including the pay scale of the employees, on behalf of a group of workers. The Guarantor recognises only one trade union in each area of its operations.

The Guarantor entered into a long-term settlement agreement with all of its recognised unions which are binding on all categories of regular workmen the Guarantor employs. The long-term settlement agreement came into effect on 1 January 1997 and was renewed for a period of 10 years from 1 January 2007. As of the date of this Offering Circular, the long-term settlement agreement with effect from 1 January 2017 has yet to be finalised. The Guarantor believes that its relationship with its employees is generally good and there have been no significant instances of labour unrest within the Guarantor that have had a material adverse effect on its business and operations.

As of the date of this Offering Circular, the Guarantor does not offer any voluntary retirement schemes to its employees but it may continue to introduce voluntary retirement schemes from time to time depending on the decision of its management.

As a matter of practice, the Guarantor recruits professionally qualified persons as its employees through open advertisements. In addition, the Guarantor also takes officials from the GoI, state governments and other PSUs on deputation at various levels to work within the Guarantor.

INSURANCE

The Guarantor currently has six insurance policies to cover standard fire and special perils policy (“**SFSP policy**”) for, *inter alia*, risks associated with physical damage to its properties, operations, assets and interests including its pipeline and rigs in connection with exploration and production related facilities at Duliajan and Moran in Upper Assam and at Rajasthan. The policy covers, *inter alia*, fire, lightning, explosion, implosion, aircraft damage, riot, strike and terrorism damage, damage caused by natural factors such as storm, typhoon and flood, impact damage, subsidence and landslides (including rock slides), bursting of water tanks, missile testing operations, leakage from automatic sprinkler installations, earthquakes and terrorism. The Guarantor’s policy does not cover liability arising from pollution or contamination. Its fixed onshore properties are not covered for war risks, in accordance with insurance industry practice worldwide. For its joint venture operations, as required by the terms of the PSCs, separate energy risk policies are taken for wells drilled under NELP joint venture contracts.

Other than the SFSP policies, the Guarantor has the following insurance policies:

- two public liability policies under (i) the Public Liability Insurance Act, 1991 for insurance against the risk of environmental liability and personal damages with insurance coverage of Rs.50.00 million for any one accident and Rs.150.00 million for any one period; (ii) the Public Liability Insurance Act, 1991 for insurance against the risk of environmental liability and personal damages with insurance coverage of Rs.75.00 million for any one accident and Rs.225.00 million for any one period;
- a policy covering well logging trucks and equipments as per the Oil & Gas Well Drilling Tools Floater Form with insurance coverage of Rs.758.60 million;
- a separate policy in the form of Group Personal Accident Policy for insurance against accidental risk of the Guarantor’s employees and executives;
- marine transit policies covering imports of local store items, personal effects and bowser movements;
- the boiler explosion policy covering property damage to the boiler as a result of bursting or explosion of the boilers with insurance coverage of Rs.304.92 million;
- a money policy covering cash in transit and the cash in safe with insurance coverage of Rs. 4.50 million in respect of single carrying limit;
- a burglary policy covering the LPG cylinder with insurance coverage of Rs.2.45 million; and
- a special contingency policy covering (i) locomotives with insurance coverage of Rs.9.00 million; (ii) personal effects in bungalows and godowns with insurance coverage of Rs.200.70 million; (iii) laptops with insurance coverage of Rs.43.72 million; and radiation hazard with insurance coverage of Rs.12.60 million.

In accordance with the accepted market practice of the insurance industry, the Guarantor’s fixed onshore properties are not covered for risks of war.

The Guarantor has not undertaken any business interruption policy.

For Fiscal Year 2016, the Guarantor had paid an aggregate amount of approximately Rs.201.50 million (including service tax) for premiums under the above listed insurance policies and the energy package policy, which covers wells drilled under NELP joint venture contracts and provides coverage for (a) physical damage, (b) operators extra expenses and (c) third party liability.

HEALTH, SAFETY AND ENVIRONMENT

The Guarantor is committed to maintaining high standards of occupational health, safety and environmental (“**HSE**”) protection. Due to the nature of its operations, it conducts and is subject to several internal and external safety audits to ensure its compliance with health, safety and environmental protection norms, and to maintain effective waste prevention and reduction capabilities.

For instance, the Oil Industry Safety Directorate, or OISD, an organisation under the control of the MoPNG, issues safety guidelines with which the Guarantor has to comply. It also has to comply with the safety regulations prescribed by the Directorate General of Mines and Safety (“**DGMS**”). Each work centre has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. The Guarantor’s HSE teams are also responsible for obtaining the necessary licences and clearances from the State Pollution Control Boards.

The Guarantor has established an HSE policy, with a focus on the abatement of pollution arising out of various operational activities, through regular monitoring and proper co-ordination. In order to achieve this, it has set up effluent treatment plants and adopted techniques of reuse and recycling at strategic locations, carried out carbon footprinting mapping and obtained ISO and OHSAS quality management system standard certifications for a number of its installations.

The Guarantor also has a focus on safety training and education, along with safety awareness programmes for its executives, employees and contractors’ workers. It has a crisis management team that is responsible for managing any crisis situations resulting from its operations. Regular mock drills are carried out at its facilities to prepare its employees for managing critical situations.

CORPORATE SOCIAL RESPONSIBILITY

The Guarantor views corporate social responsibility (“**CSR**”) as an important part of its business philosophy and values the fulfilment of its societal and environmental responsibilities. The Guarantor’s CSR endeavours and initiatives are governed by the Companies’ Act 2013, the GoI’s Department of Public Enterprises Guidelines on CSR & Sustainability 2014 and its CSR Vision of Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operation.

In line with the provisions of the Companies’ Act 2013, the Guarantor allocates at least two per cent. of its average net profits made during the three immediately preceding financial years towards CSR activities, in and around its operational areas in Assam and other states in India, such as Arunachal Pradesh, Mizoram, Andhra Pradesh and Rajasthan, in key focus areas such as healthcare, education, sustainable livelihood generation, skill development and capacity building, rural sports, augmentation of rural infrastructure and others.

A brief description of a few of the Guarantor's key CSR projects under different focus areas is given below:

Healthcare

Project Sparsh

The Guarantor's mobile health care and dispensary services covers the Tinsukia and Dibrugarh districts in Assam and a few areas of Arunachal Pradesh. This effort of the Guarantor caters to the primary health care needs of the people in the Guarantor's operational areas. The project is conducted through St. Luke's Hospital and Piramal Swasthya, in addition to the Guarantor's in-house mobile health care team.

Project Arogya

The Guarantor started Project Arogya in the Fiscal Year 2013, which is an initiative that focuses on reduction of infant mortality rate and maternal mortality rate in and around the Guarantor's operational areas in the states of Assam and Arunachal Pradesh in the North East. Project Arogya aims at caring for the new born, as well as addressing maternal and adolescent health issues at various stages.

Education development

Project OIL Super 30

The Guarantor started Project OIL Super 30 in July 2010 and it is an 11 months coaching programme offered completely in the student's residence for the Indian Institutes of Technology Joint Entrance Examination and other engineering entrance examinations for underprivileged students. As of the date of this Offering Circular, there were five OIL Super 30 centres at Guwahati, Jorhat and Dibrugarh in Assam, Jodhpur in Rajasthan and Itanagar in Arunachal Pradesh. Students have been admitted in various engineering institutes including the Indian Institute of Technology, the Indian Space Research Organisation, the National Institutes of Technology, state engineering colleges, medical institutes and other leading engineering colleges.

Project Dikhya

Project Dikhya is the Guarantor's initiative on imparting computer education to students in schools in the Guarantor's operational areas in the districts of Dibrugarh, Tinsukia and Sivasagar in Assam. This project is implemented through the State Institute of Rural Development, Assam ("SIRD") and IL&FS Education & Technical Services via mobile education vans and buses that visit each of the areas and schools.

Sustainable livelihood generation

Project Rupantar

The Guarantor, with the partnership of the SIRD, started Project Rupantar in 2003 which is a sustainable livelihood generation project based on the self-help group ("SHGs") and the joint liability group ("JLG") model in the agro-based sector. It has a central focus to assist SHGs for development of agro-based industries and other related activities and small business and it also offers a computer centre, thereby the project helps unemployed youth to find alternate employment and provides a basic framework for entrepreneurship.

Skill development

Project Swabalamban

The Guarantor started Project Swabalamban in Fiscal Year 2014 and provides skill-based placement oriented training to the youth in various employable skills in various trades such as hospitality and house keeping, industrial sewing, construction, electricians. Project Swabalambam also creates opportunities for the youth to generate a livelihood or be self-employed in rural areas by learning skills such as handloom & handicrafts, etc.

Empowerment of women

Handicraft Training & Production Centre (“HTPC”)

The Guarantor’s HTPC, located at Duliajan, Assam has offered nine-month paid training in weaving, cutting and tailoring, embroidery and knitting to young girls from the Guarantor’s operational areas. The students are selected through a written test and a oral examination. Post training assistance is also provided to the students. Since 1984, more than 900 women have been trained under the initiative.

OIL Nursing School

The OIL Nursing School at Duliajan, Assam, conducts a three-year certificate course in general midwifery training. The Guarantor started the school in 1991, and it has provided training to more than 300 candidates who have been employed in different health institutions across the state.

Swachha bharat abhiyan (“Clean India Mission”)

The Guarantor has undertaken the implementation of the Clean India Mission of the GoI through a number of activities and projects. The Guarantor has undertaken the following initiatives in and around its offices and areas in Rajasthan, the KG Basin project in Andhra Pradesh, Kolkata, and in and around its corporate office at Noida. The Guarantor has also undertaken the following implementing the Clean India Mission:

- construction of 1,471 school toilets in the seven districts of Assam;
- installation of 20 RO/UV drinking water plants in villages of East Godavari District, in the operational area of the Guarantor’s KG Basin project;
- construction of two separate toilet for men and women in the villages of Ranau and Ramgarh in the Jaisalmer district in the Guarantor’s operational area in Rajasthan;
- cleaning and maintenance of Bondajan water body within the periphery and campus of the Guarantor’s pipeline headquarters, at Narangi, Guwahati, Assam;
- provision of garbage bins and garbage disposal trucks to Guwahati Municipal Corporation for garbage collection and cleanliness in different locations of Guwahati city; and
- initiation of Project Anubhav, a program for training and awareness of the Guarantor’s sanitation workers.

Biodiversity conservation and environment

The Guarantor has undertaken various initiatives under its CSR for promoting biodiversity conservation in and around its operational areas in the North East region of India. The Guarantor has taken up a project for awareness generation for conservation of the hoolock gibbon, the highly endangered and the only ape species found in the Indian subcontinent.

In addition, the Guarantor has also provided solar lamps to the forest guards of the Kaziranga Tiger Reserve in Assam for supporting their anti-poaching vigils. The Guarantor has also adopted abandoned rhino calves in the Kaziranga Tiger Reserve to support their reintroduction in the wild in future years.

The Guarantor has taken up a project for wetland conservation through eco-tourism in the Sasoni Merbeel area, Dibrugarh district, Assam.

Augmentation of rural infrastructure

Over the years, the Guarantor has been providing financial assistance for augmentation of rural infrastructure such as roads, bridges, and community infrastructure across its operational areas under its CSR.

Promotion of rural sports

Since 2001, the Guarantor's contributions to and collaborations with the social groups and district administration and sports bodies have helped in making rural sports one of the most popular sporting events in the rural areas in its operational districts, thus creating a social benefit over the years. The Guarantor has also been providing financial assistance to several schools and sports organizations for the development of playgrounds benefitting larger numbers of youth.

INTELLECTUAL PROPERTY

The Guarantor's logo is registered under three various classes of the Trademarks Act, 1999. The details on the Guarantor's pending applications for various patents are as follows:

- formulation of dissolution of petroleum sludge or waxes and method for evaluation thereof (application filed jointly with IIT-Madras, Chennai);
- a novel method for investigation of solubility of tank bottom sludge with solvents (application filed jointly with IIT-Madras, Chennai);
- a system and method for screening solvents for dissolving tank bottom sludge (National phase applications filed for international patents under Patent Cooperation Treaty ("PCT") taking priority of the two applications above, filed in the USA, the European Patent Office, Russia, China and Japan and the processing of these applications are underway);
- a method for preventing wax deposition in oil wells with packers;
- a method for preventing wax deposition in oil wells with packers I (National phase applications filed for international patents under PCT taking priority of the application immediately above, filed in the USA, the European Patent Office, Russia and China and the processing of these applications are underway);
- an apparatus and resonant energy analysis method for active seismic operations;
- a method of quantification of low wax crude; and
- a method to determine transformation of kerogen to oil and gas at different maturities using step-wise pyrolysis-gas chromatography.

PROPERTIES

The Guarantor's registered office and field headquarters

The Guarantor's registered office and field headquarters is located at Duliajan, District Dibrugarh, Assam and covers a total area of approximately 2,023,428 square metres.

Corporate office

The Guarantor’s corporate office is located at Plot No. 19, Sector 16-A, Noida, District Gautam Budh Nagar, Uttar Pradesh. The office space has been leased from the New Okhla Industrial Development Authority for a period of 90 years from 7 April 1997.

Pipeline headquarters

The Guarantor’s pipeline, which is 1,157 kilometres long, passes through the states of Assam, West Bengal and Bihar. Its pipeline headquarters (covering an area of approximately 400 square metres) is located in its township situated at Udayan Vihar, Guwahati, Assam which covers a total area of approximately 561,885 square metres.

Project and branch offices

The Guarantor has project offices in Rajasthan, Orissa, Andhra Pradesh and a branch office in West Bengal. These properties are leased (except where otherwise mentioned) and the following table sets forth details of these properties:

<u>State</u>	<u>Address</u>
Rajasthan	2 A District Shopping Centre, Saraswati Nagar, Basni, Jodhpur, Rajasthan (owned property)
Orissa	3rd Floor of IDCO Towers, Janpath, Bhubaneshwar, Orissa
Andhra Pradesh.	3rd Floor, Nookamma Temple Street, Ramaraopet, Kakinada, Andhra Pradesh
West Bengal.	4, India Exchange Place, Kolkata, West Bengal

Other owned properties

Oil fields, installations and drilling locations

The Guarantor owns approximately 35,383,685 square metres of land in the districts of Dibrugarh, Tinsukia and Sibsagar, Assam where its drilling locations, production installations and oil fields are located. Additionally, it also owns approximately 157,526 square metres of land in the District of North Lakhimpur, Assam, which is utilised for drilling.

The Guarantor has also been allotted approximately 588,028 square metres of land by the Rajasthan state government in Jodhpur, Bikaner and Jaisalmer, Rajasthan where natural gas wells, gas gathering stations and stores are located.

Pipeline segment

The Guarantor has acquired land through processes instituted by the governments of Assam, West Bengal and Bihar under the Land Acquisition Act, 1894 for its 1,157 kilometre pipeline which spreads across these three states. The total land area over the pipeline segment (excluding the pipeline headquarters), is approximately 20,440,907 square metres. Certain of its pump stations and repeater stations are also located along the pipeline. Additionally, it has been granted a right of way over approximately 38,912 square metres of land in Guwahati from third parties on the land where its pipeline is situated.

Residential properties

The Guarantor also owns premises in New Delhi, Mumbai and Kolkata which are utilised for residential and guest house purposes. Its aggregate land holding in these properties is approximately 5,300 square metres.

Other leased properties

The Guarantor has taken certain properties on lease for various uses. The following table sets forth details of these properties:

Location	Area (m²)	Purpose
Paradip Port Trust, District Cuttack, Orissa	10,334	Office and Storage yard
Flats in Plot No. 250-C, Sector-15 A, Noida, Uttar Pradesh	7,438	Residential
Flats in CWG Village	1,127	Residential
NBCC Centre Flat Delhi	1,533	Office

Furthermore, the Guarantor has been allotted land, aggregating to approximately 12,500 square metres, on a leasehold basis by the government of Rajasthan in various places at Jodhpur and Sri Ganganagar, Rajasthan for its drilling operations. The Guarantor has also acquired approximately 46 hectares of land on sublease for the construction of wind power projects in Rajasthan.

The Guarantor has also been allotted land on lease by the government of Rajasthan aggregating to approximately 35 hectares for the construction of solar power plants.

LEGAL AND REGULATORY PROCEEDINGS

From time to time, the Guarantor may be involved in various disputes and proceedings. The Guarantor is currently a party to certain proceedings brought by various government authorities and private parties and has also instituted various proceedings against some of these entities.

The Oilfields (Regulation and Development) Act 1948 (the “**Oilfields Act**”) and the Petroleum and Natural Gas Rules, 1959, as amended (the “**PNG Rules**”), provide for the payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. In accordance with government directives, the Guarantor has had in place mechanisms for sharing under-recoveries of Oil Marketing Companies (the “**OMCs**”) on sale of certain petroleum products which was passed on through discounts on crude oil and liquefied petroleum natural gas. Due to policy changes in 2008, by the Ministry of Petroleum and Natural Gas (the “**MoP&NG**”), the Guarantor started paying royalties to the State Governments net of under-recoveries so shared with OMCs. In 2014, such payment of royalty on the price net of under recoveries was disputed by Government of Assam in Gauhati High Court. Government of Assam had claimed approximately Rs. 72,240 million towards differential royalty amount for the period starting from Fiscal Year 2009 to Fiscal Year 2014 including interest accrued thereon. MoP&NG in 2016 directed the Guarantor and Oil and Natural Gas Corporation Limited to pay royalty on crude oil on a pre-discount price to all state governments effective 1 February 2014. Pursuant to this, the Guarantor paid Rs.11,520 million to state governments pending final outcome. The GoI has recently settled the dispute with the Government of Assam. Under the settlement, the GoI will pay differential royalty to Government of Assam for the period starting from Fiscal Year 2009 to January 2014 and the Government of Assam has withdrawn all petitions filed before Gauhati High Court and Supreme Court of India with regards to this matter.

The Guarantor has challenged the Assam Taxation (on Specified Lands) Amendment Act, 2004, levying tax on crude oil and natural gas, before the Gauhati High Court on the grounds that taxation of crude oil and natural gas is an exclusive subject of the Union of India and beyond the power of the State Legislature and therefore challenged its constitutional validity. The Government of Assam has claimed approximately Rs. 14,572 million, by way of tax payable for the period starting from Fiscal Year 2005 to Fiscal Year 2015. Following an order passed by the Gauhati High Court, the Guarantor has submitted

bank guarantees amounting to Rs.7,020 million approximately. Further the demand of remaining Rs.7,552 million has been stayed by the Supreme Court of India and the case is pending for adjudication.

As of 31 December 2016, the total amount involved in the legal actions (including demands and claims by tax authorities (for direct and indirect taxes) and private parties and legal and arbitration proceedings) in connection with such claims against the Guarantor and its subsidiaries was approximately Rs.136,855 million out of which the royalty demand of Rs.104,056 million (including interest) has been settled as at the date hereof. Since most of these cases are at different stages of litigation, it is difficult to estimate a precise figure of the amounts of any losses that the Guarantor is likely to sustain as a result of such actions being decided against the Guarantor. See “*Risk Factors – Risks relating to the Issuer’s Business – The Issuer is involved in legal, regulatory and arbitration proceedings that, if determined against it, may have an adverse impact on its business and financial condition*”.

MANAGEMENT AND PRINCIPAL SHAREHOLDERS

Board of Directors

The Guarantor's Board of Directors (the "**Board**") consists of seven directors, including five Executive Directors (including the Chairman and Managing Director; also referred to as the Functional Directors) and two Government Nominee Director. Pursuant to Article 118, 119 and 120 of the Articles of Association of the Guarantor, all the directors of the Board of the Guarantor are appointed by the President of India through the Administrative Ministry

The following table sets out details regarding the Board as of the date of this Offering Circular.

<u>Name</u>	<u>Position</u>	<u>Other Directorships Held</u>
Mr. Utpal Bora	Chairman and Managing Director	Oil India (USA) Inc. Oil India International Limited Numaligarh Refinery Limited
Mrs. R. S. Borah	Director (Finance)	Brahmaputra Cracker and Polymer Limited Oil India (USA) Inc. Oil India Sweden AB Oil India International Limited
Mr. Biswajit Roy	Director (Human Resources and Business Development)	Oil India (USA) Inc. Oil India International Limited
Mr. P. K. Sharma	Director (Operations)	Oil India (USA) Inc. WorldAce Investment Limited
Dr. P. Chandrasekaran	Director (Exploration and Development)	–
Mr. Sunjay Sudhir	Government Nominee Director	ONGC Videsh Limited
Mr. Amar Nath	Government Nominee Director	Oil and Natural Gas Corporation Limited

The Board oversees the overall function of the Guarantor. The dates of the Board meetings are fixed in advance and communicated to the members of the Board. During Fiscal Year 2016, ten Board meetings were held: 29 May 2015, 30 June 2015, 12 August 2015, 26 August 2015, 25 September 2015, 9 November 2015, 22 December 2015, 12 January 2016, 2 February 2016 and 12 February 2016.

Set forth below is selected biographical information for the Guarantor's directors:

Mr. Utpal Bora
Chairman and Managing Director

Qualifications:

- B.Tech (Petroleum Engineering) from ISM, Dhanbad, Advanced Management Certificate from IIM, Lucknow
- Leadership Development Programme from ISB, Hyderabad

Experience:

- Over 33 years of experience in the E&P Sector
- Served in various capacities at ONGC Ltd including OVL in activities related to artificial lift, well completion, testing & control, reservoir management, crude transportation/quality assurance, framing of policy directives and its implementation, co-ordination with National oil company of Venezuela, PDVSA under projects like Petrocarabobo and San Cristobal.

Mrs. R.S.Borah
Director (Finance).

Qualifications:

- M.Com from Delhi School of Economics, University of Delhi
- Fellow member of Institute of Chartered Accountant of India
- Fulbright Hubert Humphrey Fellowship, USA

Experience:

- Over 31 years of experience in diverse fields of financial management, audit and strategic planning

Mr. Biswajit Roy Director
(Human Resources and Business Development).

Qualifications:

- B.Tech (Chemical Engineering) from IIT Roorkee
- National Management Programme (NMP) from Management Development Institute (MDI), Gurgaon

Experience:

- Over 33 years of experience in the oil industry, spanning across a spectrum of diverse functions such as marketing, operations, business development, human resources, including experience at the overseas office of OIL in Dubai

Mr. P.K.Sharma
Director (Operations)

Qualifications:

- M.Sc (Geophysics) from Banaras Hindu University (BHU), Varanasi (UP)
- Post Graduate Diploma in Management (PGDM) with specialization in HR & International Business, from All India Management Association (AIMA), New Delhi

Experience:

- Over 34 years of experience in the energy & production industry in India and abroad
- Held various senior positions at OIL at Duliajan, Assam

Dr. P.Chandrasekaran
Director
Exploration & Development

Qualifications:

- Post-graduation in Geology from Madras Presidency College
- Ph.D from IIT Roorkee

Experience:

- Over 33 years of experiences in various facets of petroleum exploration such as operations geology, G&G data interpretation, reserve estimation, petroleum risk and economic analysis, exploration management including drawing short, medium and long term plans, monitoring of exploration activities, exploration portfolio management

Mr. Sunjay Sudhir
Joint Secretary
(IC), Ministry of Petroleum & Natural
Gas Government Nominee

Qualifications:

- B. Tech from the Indian Institute of Technology, New Delhi
- Diplomatic Practice from Oxford University

Experience:

- Joined the Indian Foreign Service in 1993
- Before joining the Ministry of Petroleum & Natural Gas, he was Consul General of India in Sydney
- Served as Joint Secretary and Head of the Office of External Affairs Minister (2013-14)

Mr. Amar Nath
Joint Secretary (E), Ministry of
Petroleum & Natural Gas.

Qualifications:

- B.Sc (Mechanical Engineering) from National Institute of Technology, Kurukshetra, Kurukshetra University
- MA (International Development Policy) from Duke University, USA

Experience:

- Joined the Indian Administrative Service in 1994
- Before joining Ministry of Petroleum & Natural Gas, he was Secretary to the Department of Health, Government of National Capital Territory of Delhi.
- Held positions of Administrator of Union Territory of Lakshadweep, Chief Executive Officer of Delhi Urban Shelter Improvement Board, and Chief Executive Officer of Chandigarh Housing Board in Chandigarh

Corporate Governance

The Guarantor believes that corporate governance is about accountability, transparency, effectiveness and responsibility between various key players as well as a commitment to value and ethical conduct of business. The Guarantor's corporate governance policies revolve around two pillars – transparency and accountability, and emphasises independence and CSR. The Guarantor fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by the Board, management and employees. This has been articulated through the Guarantor's Code of Business Conduct and Ethics, Corporate Governance guidelines, charters of various committees of the Board and the Guarantor's disclosure policy.

Transparency

Transparency means explaining the Guarantor's policies and actions to those to whom the Guarantor is responsible. The Guarantor believes that transparency increases accountability. Members of the Board/committees have complete access to all the information about the Guarantor and are free to recommend inclusion of any matter in the agenda for discussion. The Guarantor has adopted a whistleblowing mechanism, and no employee has been denied access to the Audit Committee.

Accountability

The Guarantor believes that accountability is the obligation of an individual or organisation to account for its activities, accept responsibilities and to disclose the results in a transparent manner. It includes the responsibility for money or other entrusted properties. To ensure accountability, the Board formulates strategies and policies and reviews its performance periodically. The Chairman and Managing Director and the other Executive Directors manage the business of the Guarantor under the overall supervision, control and guidance of the Board. The Board has approved the "Code of Conduct/Regulation for Prevention of Insider Trading" whose objective is to prevent the purchase/sale of shares of the Guarantor by an insider on the basis of unpublished price-sensitive information.

Independence

Regulation 17 and 18 of the SEBI (LODR) Regulations, 2015 and the Department of Public Enterprises Guidelines require that at least half of the Board should comprise of Independent Directors. All the Independent Directors on the Board of OIL retired on 2 September 2015 on completion of their tenure. The Board is presently comprised of 7 (seven) persons, of which 5 (five) are functional directors and 2 (two) are Government Nominee Directors. The Company has one female functional director on its Board, Mrs. R.S.Borah, Director (Finance). OIL, being a Government company, is subject to its Independent Directors being appointed by the concerned Administrative Ministry of the Ministry of Petroleum and Natural Gas ("MOP&NG").

None of the Directors are a member of more than ten committees and chairman of more than five committees.

Corporate Social Responsibility

The Guarantor's management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence and the corporate responsibility towards the community. It is this twin objective of business and social commitment that has prompted the Guarantor to embark upon massive programmes of educational, health and infrastructural development endeavours. The Guarantor has enhanced the budgetary allocation for corporate social responsibility activities with an objective to spend at least two per cent. of the net profit of the previous year through its various continuing welfare schemes, including social welfare programmes for development of rural education and educational development through grants of scholarships and others.

Committees

The Guarantor has constituted eight committees of directors, namely: the Audit & Ethics Committee; the Stakeholders Relationship Committee; the Nomination & Remuneration Committee; the Human Resource Management Committee; the Business Development Committee; the Health, Safety and Environment Committee; the Corporate Social Responsibility and the Sustainable Development Committee; and the Risk Management Committee.

Audit & Ethics Committee

The Audit & Ethics Committee is constituted in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations 2015 and the DPE guidelines.

The terms of reference, role and power of the Audit Committee are stipulated by the Board and are in conformity with the Companies Act, 2013 and the SEBI (LODR) Regulations 2015. The powers of the Audit Committee include: (i) to investigate any activity within its terms of reference, (ii) to seek information from any employee, (iii) to obtain outside legal or other professional advice, and (iv) to secure attendance of outsiders with relevant expertise, if it considers necessary. The main roles and responsibilities of the Audit Committee include: (i) reviewing the Guarantor's financial reporting process and the disclosure of financial information, (ii) reviewing with the management the annual/half yearly/quarterly financial statements before submission to the Board for approval, and (iii) reviewing with the management the performance of internal auditors and the adequacy of the internal control systems.

During Fiscal Year 2016, the Audit & Ethics Committee met 7 times on 6 April 2015, 9 May 2015, 12 August 2015, 26 August 2015, 9 November 2015, 25 January 2016 and 12 February 2016.

The Director (Finance) is a permanent invitee to the Audit & Ethics Committee Meetings.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee specifically looks into addressing grievances of security holders of the Guarantor inter-alia including transfer of securities, non-receipt of balance sheet, and non-receipt of dividend. The Stakeholders Relationship Committee also oversees and reviews performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Company Secretary is the Secretary of the Committee and also Compliance Officer of the Guarantor. During Fiscal Year 2016, there was one meeting of the Stakeholders Relationship Committee on 9 November 2015.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee reviews and recommends perks and allowances and performance related payment (“PRP”) payable at Board level and below Board Level executives within the framework of the DPE Guidelines.

There were two meetings of the Nomination & Remuneration Committee held on 29 May 2015 and 25 January 2016 during Fiscal Year 2016. Pursuant to SEBI (LODR) Regulations 2015, the Nomination & Remuneration Committee is expected to formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy for the remuneration of directors, KMPs and other employees. The Nomination & Remuneration Committee also formulates criteria for evaluation of Independent Directors and Board and devise a policy on Board diversity.

OIL, being a CPSE, is subject to the selection of its directors appointed by the Public Enterprise Selection Board (“PESB”). After selection, PESB sends its recommendations to the concerned administrative ministry or department and thereafter, necessary clearances are sought and appointment order is issued by Administrative Ministry. Appointment generally lasts for 5 years or until the age of superannuation, whichever is earlier.

Human Resource Management Committee

The Human Resource Management Committee considers all issues and areas concerning human resource planning and management. The Human Resource Committee is responsible for human resource policies, initiatives and promotions up to the level of E-9 (Executive Directors). During Fiscal Year 2016, there was one meeting of Human Resource Management Committee on 11 August 2015.

Business Development Committee

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

Health, Safety and Environment Committee

The Health, Safety and Environment Committee is constituted to assist the Board in implementing and monitoring appropriate systems to deal with health, safety and environmental issues.

The terms of reference of the committee includes: (i) establish and review the Guarantor's health, safety and environmental strategy, (ii) monitor and review the health, safety and environmental performance of the Guarantor, and (iii) ensure compliance with applicable pollution, environmental and other laws at all locations of the Guarantor.

Corporate Social Responsibility and Sustainable Development Committee

The Corporate Social Responsibility and Sustainable Development Committee formulates policies, reviews and recommendations for budgets and activities to be undertaken by the Guarantor and ensures compliance to the statutory and regulatory provisions set out in law. During Fiscal Year 2016, one meeting of the Corporate Social Responsibility and Sustainable Development Committee was held on 29 May 2015.

The terms of reference of the committee include:

- (a) formulate and recommend to the Board a Corporate Social Responsibility Policy which sets out activities to be undertaken by the Guarantor as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;
- (b) recommend to the Board the annual budget for corporate social responsibility and sustainable development activities which is prepared in line with the provisions of the Companies Act, 2013;
- (c) monitor the corporate social responsibility and sustainable development activities of the Guarantor in accordance with the approved budget and suggest measures for improvement in implementation;
- (d) ensure compliance to the DPE Guidelines and provisions of the Companies Act, 2013 related to corporate social responsibility and sustainable development activities; and
- (e) any other matters the Board may delegate from time to time.

Risk Management Committee

Pursuant to SEBI (LODR) Regulations 2015 and Section 134 & 177 of Companies Act 2013, the Board is primarily responsible for risk management of the Guarantor. To assist the Board, a Risk Management Committee has been constituted and responsibilities of the Committee include the following:

- (a) carry out responsibilities as assigned by the Board;
- (b) monitor and review risk management plan as approved by the Board;
- (c) review and recommend risk assessment report and risk management report for approval of the Board;
- (d) ensure that appropriate system of risk management is in place;
- (e) oversee recent developments in the Guarantor and periodic updating of Guarantor's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks;
- (f) periodically, but not less than annually, review the adequacy of the Guarantor's resources to perform its risk management responsibilities and achieve objectives.

During Fiscal Year 2016, one meeting of the Risk Management Committee was held on 29 January 2016.

Shareholdings of the Board of Directors

As of 10 February 2017, the Executive Directors and the Company Secretary hold the following number of shares:

<u>Name</u>	<u>Designation</u>	<u>No. of shares</u>
Mr. Utpal Borah	Chairman and Managing Director	Nil
Mrs. R.S. Borah	Director (Finance)	6,666
Mr. Sudhakar Mahapatra	Director (E&D)	Nil
Mr. Biswajit Roy.	Director (HR & BD)	Nil
Mr. P.K. Sharma	Director (Operations)	3,000
Mr. S.K. Senapati	Company Secretary	Nil

Principal Shareholders

As of 10 February 2017, the following are the top 11 shareholders of the Guarantor's issued share capital:

<u>Shareholder</u>	<u>Number of shares held</u>	<u>Percentage of issued share capital (%)</u>
President of India	536,145,026	66.89
LIC of India	64,016,548	7.99
Indian Oil Corporation Limited	35,667,400	4.45
Hindustan Petroleum Corporation Limited.	17,833,700	2.23
Bharat Petroleum Corporation Ltd	17,833,700	2.23
ICICI Prudential Life Insurance Company Limited.	16,350,087	2.04
Life Insurance Corporation of India P & GS Fund	13,393,837	1.67
CPSE ETF	6,518,450	0.81
United India Insurance Company Limited	6,311,413	0.79
HDFC Trustee Company Limited – HDFC MID CAP Opportunities Fund	3,291,733	0.41
National Insurance Company Limited.	3,154,402	0.39
Total:	720,516,296	89.90

Ownership Structure

Below is the summary of the ownership structure of the Guarantor as of 10 February 2017:

<u>Category</u>	<u>Number of shareholders</u>	<u>Total shares</u>	<u>Percentage of equity (%)</u>
Promoters.	1	536,145,026	66.89
Bodies corporates	1,043	92,287,196	11.51
Indian financial institutions.	20	92,085,166	11.49
Resident individuals.	120,357	28,076,189	3.50
Foreign portfolio investors	113	22,751,697	2.84
Mutual funds	36	15,653,674	1.95
Foreign institutional investors	37	9,086,792	1.13
Trusts	20	1,140,347	0.14
HUF	3,192	886,003	0.11
Clearing members	229	873,429	0.11
Banks	8	824,863	0.10
Non resident Indian Non Repatriable	652	742,807	0.09
Non resident Indians	1,566	624,744	0.08
NBFC	8	327,008	0.04
Directors	2	9,666	0.00
Total:	127,284	801,514,607	100.00

REGULATORY MATTERS

The following description is a summary of various sector-specific laws and regulations in India prescribed by the GoI and various state governments, which are applicable to the Issuer. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Regulation of Exploration and Production of Natural Gas

Under Article 297 of the Constitution of India, the Union of India has jurisdiction over petroleum and natural gas in India, with the Indian Ministry of Petroleum and Natural Gas (the “**MoPNG**”) as the principal regulator of exploration and production of oil and natural gas. MoPNG is responsible for regulating the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas. MoPNG is also responsible for regulating the planning and development of oil field services.

The Directorate General of Hydrocarbons (“**DGH**”) was established under the aegis of the MoPNG in 1993, with the objective of promoting sound management of Indian petroleum and natural gas resources, taking into account the balance between environmental, economical and technological development and its overall safety. DGH, which remains under the control of the MoPNG, was established as the MoPNG acknowledged the need of an agency to not only advise the GoI, but also to regulate and oversee the upstream activities in the petroleum and natural gas sector. Hitherto the upstream petroleum sector was largely a monopoly of public sector companies and was being increasingly thrown open to private investment and was invariably leading to a number of new operating companies in the private and joint sectors entering the field. There was thus a need to establish an agency that could effectively supervise the activities of all these companies in the national interest. Taking all the above into consideration, GoI decided to set up the DGH under the administrative control of the MoPNG.

Other bodies under the MoPNG’s control include (i) the Oil Industry Development Board (“**OIDB**”), which provides financial and other assistance for development of the oil industry, (ii) Petroleum Conservation Research Association (“**PCRA**”), which promotes awareness of energy conservation and good practice in use and application of energy, (iii) Centre for High Technology, which serves as a nodal data-gathering agency with respect to technological matters, and (iv) Oil Industry Safety Directorate (“**OISD**”), which develops standards and codes for safety and fire-fighting and conducts periodic safety audits of petroleum handling facilities. In addition, the Director General of Mines and Safety of the Ministry of Labour and Employment (“**DGMS**”) issues directions in respect of onshore petroleum mining installations and the Directorate General Factory Advice Service and Labour Institutes of the Ministry of Labour and Employment (“**DGFASLI**”) administrates factory premises of the pipelines of the Guarantor, situated in Assam, West Bengal and Bihar.

The Oilfields (Regulation and Development) Act, 1948 (“Oilfields Act”)

Oil and natural gas exploration activities are governed by the Oilfields Act, which provides for regulation of oilfields and development of mineral oil resources. “Oilfields” are areas where any operation for the purpose of obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any of the products of petroleum in a liquid or solid state is to be or is being carried on. Petroleum exploration licences (“**PELs**”) and petroleum mining leases (“**PMLs**”) are granted pursuant to the Petroleum and Natural Gas Rules, 1959 (“**P&NG Rules**”), with respect to mineral oils (defined to include natural gas and petroleum).

Under the Oilfields Act, the GoI is empowered to frame rules with respect to regulating, among other things, the granting of mining leases, granting petroleum exploration or prospecting licences and the production of oil and regulation of the operations carried on in oilfields. The Oilfields Act also provides for payment of royalties, fees or charges in respect of mineral oils mined from the areas under PMLs.

The Mines Act, 1952 (“Mines Act”)

The Mines Act, along with the rules and regulations therein, seeks to regulate the working condition in mines (including oil and natural gas extraction facilities) by providing for measures to be taken for the safety of the workers employed. The Mines Act has been enacted with the objective of providing for the health, safety and welfare of workers employed in the mines against industrial and occupational hazards. The enactment provides

- (i) duties, guidelines and standards that are to be maintained during mining operations and management of mines,
- (ii) hours and limitation of employment, and (iii) leave with wages of mine workers. It empowers the GoI to appoint qualified persons as inspectors and chief inspectors of mines who shall have the power to inspect and examine any part of the mine at any time in order to ascertain whether the provisions of the Mines Act, and the rules and regulations therein, are being followed. General disobedience of orders or non-compliance of provisions of the Mines Act may result in both criminal and civil penalties.

The Mines Act is administered through the DGMS, which is the regulatory agency for safety in mines and oversees compliance, with the objective of reduction in risk of occupational diseases and casualty to persons employed in mines.

Oil Mines Regulations, 1984 (“Oil Mines Regulations”)

Under the Oil Mine Regulations, no mine shall be opened or processed without a manager and a safety officer who are duly appointed under the Oil Mines Regulations. Furthermore, one or more installation managers are required to be appointed to take charge of different installations at every mine. The owner, agent or manager of a mine is required to provide notice regarding the opening or closure of the mine and accidents associated with the mine to the Chief Inspector and to the Regional Inspector designated under the Oil Mine Regulations. The owner, agent or manager is also required to submit quarterly returns to the Chief Inspector and Regional Inspector, and annual returns to the District Magistrate and Chief Inspector, and is also mandatorily required to keep the following plans accurate and up to date, viz. (i) a key plan showing the area in which operations for mining of petroleum and ancillary operations are carried on, and (ii) a surface plan showing the location of all wells, including abandoned wells, railways, power transmission lines, public roads or other permanent structures not belonging to the owner and rivers and water courses within mining areas. A new pipeline or any significant alteration can be carried out in any existing pipeline only with the prior approval of the Regional Inspector and in accordance with such conditions as he may specify. The application for permission to open or process a mine shall be sent to the Chief Inspector and District Magistrate completed in the prescribed form, accompanied by copies of a plan of the area where the pipeline is proposed to be laid showing the extent of land and route over which Right of Use (“RoU”) is established.

The Directorate General of Mine Safety has notified the Draft Oil Mines Regulations, 2011. Additionally, Draft Oil Mines Regulations, 2016 were released on 27 June 2016 for public comments. These draft regulations, once notified in the official gazette, will supersede the current Oil Mines Regulations.

The Factories Act, 1948 (“Factories Act”)

The Factories Act, as amended, regulates occupational safety and health in factories and docks in India. The Factories Act is broadly applicable to any factory where 10 or more workers are working with the aid of electrically powered equipment or whereon 20 or more workers are working without the aid of power, in each case, on any day of the preceding 12 months, and in any part of such 12 months, a manufacturing process is being carried on, or would be ordinarily carried on. It deals with various problems concerning safety, health, efficiency and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory. The Factories Act is

administered by DGFASLI and by the state governments, who prescribe rules with respect to prior submission of plans for the establishment of factories, the approval of such plans and the registration and licensing of factories. In particular, the Factories Act includes provisions as to the approval of factory building plans before construction, investigation of complaints, maintenance of registers and the submission of annual and semi-annual returns.

Petroleum and Natural Gas Rules, 1959 (“PNG Rules”)

The PNG Rules, as notified by the GoI under the Oilfields Act, provide the framework for granting PELs and PMLs. The PNG Rules prohibit the prospecting or exploitation of any oil or natural gas in any area unless a license or lease is granted under the PNG Rules. A PEL grants the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. A PML grants the lessee to an exclusive right to extract oil and natural gas from the contract area. PELs and PMLs are granted by MoPNG with regards to offshore areas, while onshore areas require both prior approvals from the GoI and the approval by the relevant state governments.

Explosives Act, 1884 (“Explosives Act”) and the Explosives Rules, 2008 (“Explosives Rules”)

Under the Explosives Act, the GoI has the power to regulate the manufacture, possession, use, sale, transport and importation of explosives and the GoI can grant licenses for such activities. The GoI can further prohibit the manufacture, possession or importation of especially dangerous explosives.

The Explosives Rules regulates authorised explosives that may be manufactured, imported, exported, stored, transported, delivered or sold with a specific licence. The Explosives Rules applies to the marking or packing of explosives, as well as the safety requirements, special tools, personnel training and disposal of waste for the marking or packing of explosives. It classifies dangerous goods into six categories in accordance with the United Nations’ recommendations in the Model Regulation on the Transport of Dangerous Goods published in 2013, as amended. The Explosive Rules also regulate the licensing, import, export, storage and transportation of such explosives.

Inflammable Substances Act, 1952 (“Inflammable Substances Act”)

Under the Inflammable Substances Act, 1952, certain substances such as acetone, calcium phosphide, carbide of calcium, nitro-cellulose based cinematograph films, ethyl alcohol, methyl alcohol and wood naptha are categorised as dangerously inflammable. The GoI may categorise any of these substances in the same way as petroleum under the Petroleum Act and apply the Petroleum Act and rules thereunder, by official gazette notification of such inflammable substances. The GoI, can also frame rules to test dangerously inflammable substances.

Petroleum Act, 1934 (“Petroleum Act”)

The Petroleum Act empowers GoI to frame rules regarding the import, transport, storage, blending, refining and production of petroleum. It further empowers GoI to prescribe standards for pipelines, testing apparatus and storage receptacles for petroleum, and to inspect, make entry and search and certify grades of petroleum involved in a particular establishment.

Petroleum Rules, 2002 (“Petroleum Rules”)

The Petroleum Rules require, amongst other things, a company to obtain permission from the Chief Controller of Petroleum and Explosive Safety Organisation (“PESO”) for refining, cracking, storing, reforming or blending petroleum. These rules have been further amended as a result of the Petroleum (Amendment) Rules, 2011 dated 1 December 2011.

The Petroleum Rules define the various classes of petroleum, prescribe the conditions to be followed in blending, refining, storing and transporting petroleum and specify the permissions to be taken for the import and export of petroleum. Under the Petroleum Rules, no person is permitted to deliver or dispatch any petroleum to anyone in India other than the holder of a storage licence issued under the

Petroleum Rules or his authorised agent or a port authority or railway administration or a person who is authorised under the Petroleum Act to store petroleum without a licence. Petroleum Rules prohibit employment of children under the age of eighteen years and a person who is in a state of intoxication in the loading, unloading or transport of petroleum or in any premises licensed under these rules. Petroleum Rules also seek to regulate the importation of petroleum through licences.

Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 (“Petroleum Transportation Tariff Regulations”)

The Petroleum Transportation Tariff Regulations, made by the PNG Board, apply *inter alia*, to entities authorised for laying, building, operating or expanding a petroleum and petroleum products pipeline. The petroleum and petroleum products pipeline tariff in respect of entities covered under the Petroleum Transportation Tariff Regulations is determined for different tap-off points (a facility on the pipeline from where the petroleum products are diverted into a delivery terminal or into a spur line or another pipeline which may also be called the intermediate delivery station) as per the specified procedure which shall be charged on a non-discriminatory basis. The procedure that has been specified for determination of petroleum and petroleum products pipeline tariff is determined by benchmarking against alternate mode of transports, that is, rail at a level of 75 per cent. except LPG where it will be 100 per cent. on a train load basis for equivalent rail distance along the petroleum and petroleum product pipeline route.

New Exploration Licensing Policy (“NELP”)

Prior to the introduction of NELP, the issue of licences and PSC were regulated by the Oilfields Act and the PNG Rules, where exploration blocks were offered for exploration and production only to national oil companies.

NELP was formulated by the GoI in the Fiscal Year 1997 to provide a level playing field where prospective contractors in both the public and private sectors could compete on equal terms for the award of exploration and mining acreage. The NELP notification in 1999 specified that there would be no mandatory state participation through national oil companies and national oil companies could no longer obtain PELs on a nomination basis and would need to compete for PELs. Under NELP, the ‘carried interest’ or ‘inherent interest’ concept whereby national oil companies carried a 30 per cent. interest that was exercisable by them on discovery of oil or gas in exploration operations has been removed. Further, preferential treatment of national oil companies and reservation of blocks is no longer practiced. NELP provides that companies including the national oil companies are to be paid international prices for oil discoveries made in blocks offered under NELP.

The model production sharing contract (“**Model PSC**”) was notified in terms of NELP, to be regulated under the P&NG Rules, between GoI and a licensee or lessee with respect to grant of a PEL or PML. The Model PSC is an agreement between GoI and a licensee or lessee (in each case, a “**Contractor**”) with respect to grant of a PEL or PML. Under the Model PSC, the Contractor bears exploration risks and development and production costs in return for a stipulated share of the production. GoI’s share in a PSC is also subject to competitive bidding between prospective Contractors. The Model PSC defines participating interest of contracting parties and designates an operator for the contract area under the PEL or PML. Where the Contractor under the PSC includes more than one company or entity, such entities inter se are required to enter into a joint operating agreement. The contract period under the PSC includes (i) an exploratory phase which could be further split into two sub-phases, during which the Contractor operates under a PEL, and (ii) a development and production phase, during which the Contractor operates under a PML.

In addition, the PSC requires the Contractor to obtain GoI approval for (i) an appraisal programme appraising any discovery, delineating petroleum reservoirs to which the discovery relates in terms of thickness and lateral extent and determining the quantity of recoverable petroleum therein, (ii) a development plan with respect to development of each commercial discovery, (iii) an annual work programme for the contract period, (iv) a minimum work programme with respect to each exploration

phase, and (v) any abandonment or site restoration plans. A Contractor signing a PSC is free to market oil and gas it produces in the domestic market and has the option to amortise exploration and drilling expenditures over a period of ten years from first commercial production.

Other benefits under NELP include: (i) an income tax holiday for seven years from the commencement of commercial production, (ii) exemptions from, among other things, payment of signature, discovery or production bonus, (iii) exemption from the payment of import duty on goods imported for petroleum operations, (iv) a minimised expenditure commitment during the exploration period, and (v) no mandatory state participation/carried interest by or for national oil companies.

Other features as set out in the Model PSC include: (i) a defined procedure for the announcement of hydrocarbon discoveries; (ii) a requirement to prepare appraisal programmes of commercial discoveries made under nomination blocks, as well as development plan of such discoveries, in consultation with the DGH within the specified period; (iii) a cost recovery mechanism in favour of the operator and a profit-sharing mechanism in favour of the GoI. These mechanisms are distinguishable from the existing contracts applicable to coal/lignite bed methane blocks where there is no cost recovery mechanism for the operator, and payment to the GoI is production-linked; and (iv) a dispute resolution mechanism which applies the Arbitration and Conciliation Act, 1996 that is based on the United Nations Commission on International Trade Law model.

Hydrocarbon Exploration and Licensing Policy (“HELP”)

The GoI had proposed a new regime in support of its “Ease of Doing Business” policy. Since 2014, the GoI has launched regulatory reforms aimed at making it easier to do business in India. In a press note dated 10 March 2016, it was provided that the GoI shall receive a share of the gross revenue from the sale of oil and gas, amongst other items and would not be concerned with the cost incurred.

Pursuant to the HELP, a graded system of royalty rates have been introduced, in which royalty rates for ultra-deep water areas will be lower than deep water waters which will be lower than shallow water areas. At the same time, royalty rates for onshore areas will not change so that revenues to the state governments are not affected. Recognising the higher risks and costs involved in exploration and production from offshore areas, lower royalty rates for such areas have been proposed as compared to NELP royalty rates to encourage exploration and production in offshore areas. The implementation of HELP will increase domestic oil and gas production, bring substantial investment in the sector and generate sizable employment opportunities. The policy is also aimed at enhancing transparency and reducing administrative discretion.

In addition, the uniform licence proposed under HELP will enable the contractor to explore conventional as well as unconventional oil and gas resources including CBM, shale gas or shale oil, tight gas and gas hydrates under a single licence.

The four main facets of HELP are as follows:

- (i) uniform license for exploration and production of all forms of hydrocarbons, including oil, gas, coal bed and methane under a single license and policy framework;
- (ii) an open acreage policy – a policy which enables E&P companies to choose the blocks from the designated area. Under this policy, a bidder may apply to the GoI seeking exploration of any block not already covered by exploration. The GoI will examine the expression of interest and justification. If it is suitable for an award, the GoI will call for competitive bids after obtaining necessary environmental and other clearances. This will enable a faster coverage of the available geographical area;

- (iii) easy to administer revenue sharing model where the present fiscal system of production sharing based on investment multiple and cost recovery/production linked payment will be replaced by an easy to administer revenue sharing model. The earlier contracts were based on the concept of profit sharing where profits are shared between the GoI and the contractor after recovery of cost. Under the profit sharing methodology, it became necessary for the GoI to scrutinize cost details of private participants and this led to many delays and disputes; and
- (iv) marketing and pricing freedom for the crude oil and natural gas produced in the domestic market on an arms-length basis.

To safeguard the GoI revenue, the Government's share of profit will be calculated based on the higher of the prevailing international crude price and the actual price. Contracts will be based on "biddable revenue sharing", where the bidders will be required to quote revenue share in their bids and this will be a key parameter for selecting the winning bid. The bidders will quote share at two levels of revenue called "lower revenue point" and "higher revenue point". Revenue share for the intermediate points will be calculated by using linear interpolation. The bidder that gives the highest net present value of intermediate revenue share to the GoI, calculated using linear interpolation, will be given the highest score under this parameter.

The new policy regime marks a generational shift and modernization of the oil and gas exploration policy. It is expected to stimulate new exploration activity for oil, gas and other hydrocarbons and eventually reduce import dependence. It is also expected to create substantial new job opportunities in the petroleum sector. The introduction of the concept of revenue sharing is a major step in the direction of "minimum government maximum governance", as it will not be necessary for the GoI to verify the costs incurred by the contractor. Marketing and pricing freedom will further simplify the process.

Pipelines

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("Pipelines Act")

The Pipelines Act provides the framework governing acquisition of RoU in land for laying pipelines for transportation of petroleum and minerals and other matters connected therewith. The Pipelines Act is limited to the acquisition procedure, restrictions on use of land and compensation payable to persons interested in the land. RoU acquisition may be subject to conditions deemed fit by GoI in the public interest.

In addition to the Pipelines Act, other rules and regulations governing the laying of pipelines include the Guidelines for Laying Petroleum Product Pipelines, 2002, the Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006, the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 and the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorising Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009 ("**Carrier Guiding Principles**").

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for the establishment of the petroleum and natural gas regulatory board ("**PNG Board**"), and vests it with the authority to, among other things, (i) regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing, import, export and the sale of petroleum, petroleum products and natural gas (excluding the production of crude oil and natural gas), (ii) monitor prices and take corrective measures to prevent restrictive trade practices, (iii) impose fees and other charges, and (iv) regulate technical and safety standards and specifications relating to petroleum, petroleum products and natural gas.

The objectives of the PNG Board are to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of India and to promote a market which values the benefits of competition.

In March 2012, the MoPNG issued guidelines which apply to the “swapping” of natural gas (“**Swapping Guidelines**”) whereby a party (the first party) supplies gas to a second party, at a location specified by the second party, in exchange for the second party supplying the energy equivalent quantity of gas to the first party or first party’s representative at another location (along with an appropriate indemnity for so doing). The Swapping Guidelines require that all parties involved be revenue-neutral over the entire length of the pipeline and any swapping of gas would need to conform to the tariff and applicable PNGRB Act and any dispute regarding the same would need to be heard before the PNG Board.

Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Product Pipelines) Regulations, 2010 (“Petroleum Pipelines Regulations”)

The Petroleum Pipelines Regulations framed by the PNG Board apply, *inter alia*, to an entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a petroleum and petroleum products pipelines for transporting one or more petroleum products, including LPG and LNG. The laying, building, operating or expanding of a petroleum and petroleum products pipelines can be initiated either through an ‘expression of interest’ by an entity or on its own motion by the PNG Board. The Petroleum Pipelines Regulations lay down the bidding criteria and the criteria for selection of an entity for laying, building, operating or expanding of petroleum and petroleum product pipelines through the ‘expression of interest’ route. The fixation and recovery of petroleum and petroleum product pipelines tariff and the quality of service standards have also been provided by the Petroleum Pipelines Regulations.

Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for Petroleum and Petroleum Products Pipelines) Regulations, 2016 (“Technical Regulations”)

In February 2016, the PNG Board established the Technical Regulations which are applicable to all entities authorised to lay, build and expand petroleum and petroleum products pipelines under the Petroleum Pipelines Regulations. The Technical Regulations apply to both existing and new pipelines other than offshore crude, onshore well flow, feeder and collector pipelines. The Technical Regulations cover pipeline design, materials and equipment, piping systems, installation, testing, corrosion, operation and maintenance and safety of petroleum and petroleum product pipelines and aim to ensure uniform application of design principles and operation and maintenance of petroleum and petroleum product pipelines. Furthermore, the Technical Regulations also set out standards in relation to maintenance of petroleum and petroleum products pipelines system in order to ensure safety of employees, public and facilities associated with such pipelines.

Pricing and Sale of Oil and Natural Gas

Prior to 1998, prices of all major petroleum products were fixed pursuant to the Administered Pricing Mechanism (“**APM**”), which was based on a “cost plus” pricing system under which companies engaging in E&P, refining and marketing were guaranteed fixed returns on their net worth plus a reimbursement which covers eligible operating costs. In 1998, APM was replaced by the market-determined pricing mechanism coupled with the rationalisation of customs tariff and excise duty rates.

Pursuant to a notification issued by GoI on 6 March 2007, directions were issued to charge uniform pool prices on the supply of re-gasified liquefied natural gas (“**R-LNG**”) to all customers under all long term contracts on a non-discriminatory basis.

Further, the Essential Commodities Act, 1955 empowers GoI to issue notifications to control production, supply and distribution of certain essential commodities, which also include petroleum and petroleum products.

On 21 March 2016, MoPNG announced its guidelines on the marketing (including pricing freedom) for gas to be produced from discoveries in deepwater, ultra deepwater and high pressure – high temperature areas. Pursuant to these guidelines, producers are allowed marketing and pricing freedom for all discoveries in such areas which commenced operations after 1 January 2016. Pricing freedom is subject to a ceiling calculated on the basis of landed prices of alternative fuels. The guidelines further set out the calculation of such ceiling, which will be recalculated every six months applying prospectively.

Guidelines on Sale of Natural Gas by NELP contractors (“Gas Sale Guidelines”)

MoPNG issued a press note prescribing Gas Sale Guidelines on 25 June 2008. The Gas Sale Guidelines are applicable for an initial period of five years. Contractors are permitted to sell gas from NELP to consumers according to marketing priorities determined by GoI and on such price as approved by the GoI. A priority of supply of gas (divided on a sector-by-sector basis) exists and remains applicable only among customers who are connected to an existing and available pipeline network connected to the same sources. However, should the customer in a particular sector that is higher in priority not be in a position to take gas when it becomes available, the supply will go to the next sector in the queue as per the Gas Sale Guidelines. The Gas Sale Guidelines also provide that the priority would not impact the process of price discovery as all the customers would participate in the price discovery process and would be eligible for utilising natural gas subject to priority.

The Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Gas Distribution Network) Regulations, 2008 (“Exclusivity Regulations”)

The Exclusivity Regulations were notified by the PNG Board on 19 March 2009. The Exclusivity Regulations apply to any entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a city or local natural gas distribution network under Gas Pipeline Regulations. Under the Exclusivity Regulations, and subject to certain terms and conditions, the PNG Board may allow an entity to exclusively lay, build, or expand a CGD network over the economic life of the project, which is normally expected to be 25 years. The PNG Board may also provide exclusivity to an entity proposing to lay, build, operate or expand a network from the purview of common carrier or contract carrier for a period of five years from the date of authorisation provided that the entity meets the service obligations conditions as stipulated in the Exclusivity Regulations. At the end of the economic life of the project, the PNG Board may consider extending the exclusivity for a further period of 10 years which is dependent upon satisfactory compliance with the service obligations and the relevant entity’s quality of service.

The Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008 (“Affiliate Code of Conduct Regulations”)

The Affiliate Code of Conduct Regulations were notified by the PNG Board on 17 July 2008 under the PNGRB Act. The Affiliate Code of Conduct stipulates the engagement terms for the transportation and marketing of natural gas between an entity and its affiliate, and an entity on its own, in each case, on an arm’s length basis. The objectives of the Affiliate Code of Conduct Regulations include the prevention of preferential access or cross-subsidisation of costs between the regulated activity and any other non-regulated activity which could adversely affect or may potentially adversely affect fair trade and competition between such entities. In 2014, the PNGRB (Affiliate Code of Conduct for Entities Engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Amendment Regulations, 2014 under the Affiliate Code of Conduct Regulations were implemented which provide that an entity engaged in both marketing of natural gas and laying, building, operating or expanding pipelines for transportation of natural gas on common carrier or contract carrier basis, shall,

on or before 31 March 2017, create a separate legal entity so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall be available to the affiliate of such separate legal entity.

Further, the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 (“**Common Carrier Regulations**”) were notified by the PNG Board on 17 July 2008 under the PNGRB Act. The Common Carrier Regulations provide that the capacity of a natural gas pipeline shall be (i) as authorised by the PNG Board for new pipelines under the Gas Pipeline Regulations, (ii) as determined by the PNG Board under relevant regulations for declaring natural gas pipelines as common or contract carrier or under the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008 (“**Pipeline Tariff Regulations**”) as notified by the PNG Board, or (iii) as determined by the PNG Board under relevant regulations. The transporter is required to declare and inform the PNG Board of the pipeline’s available capacity and such capacity shall be available for use on common or contract carrier basis or both. Furthermore, under the Common Carrier Regulations, the authorised entity is required to formulate a calorific value band which complies with the various prescribed parameters. The Common Carrier Regulations set forth the transporter’s obligations at both entry and exit points, and provide for pipeline capacity booking and the interconnection of common or contract carrier natural gas pipelines. The Carrier Guiding Principles were notified by the PNG Board on 21 April 2009. The Carrier Guiding Principles prescribe certain guidelines for declaring any natural gas pipeline as a common or contract carrier for the transportation of natural gas along with guidelines on their capacity and system.

A contract carrier system implies that the capacity in a natural gas pipeline, over and above an entity’s own requirement, shall be available to any other entity subject to the latter entering into a firm contract for transportation of a volume of natural gas for a minimum period of one year and such other terms as mutually agreed. A common carrier system implies that the capacity in a natural gas pipeline, over and above an entity’s own requirement, shall be available to any other entity subject to the latter entering into a firm contract for transportation of a volume of natural gas for a period of less than one year and such other terms as mutually agreed. The contract carrier of common carrier capacity in respect of natural gas pipeline is determined in accordance with the provisions of the Gas Pipeline Regulations. The PNG Board has the power to declare any existing pipeline for transportation of natural gas as a common or contract carrier, if in the opinion of the PNG Board, it is expedient to do so, either by giving wide publicity of its intention by inviting objections. The PNG Board may also provide the entity owning the pipeline an opportunity of being heard within a minimum notice period of 15 days from the close of the invitation for objections.

New Domestic Natural Gas Pricing Guidelines, 2014 (“New Gas Pricing Guidelines”)

The GoI in 2014 laid down the New Gas Pricing Guidelines for the calculation of wellhead gas price. The calculation of price under the New Gas Pricing Guidelines is based on the volumes of natural gas consumed in the United States of America, Mexico, Canada, European Union and former Soviet Union countries (excluding Russia) and Russia and the average prices of natural gas at the Henry Hub, the National Balancing Point, the Alberta hub and Russia. Gas price is determined on a semi-annual basis and will be applicable to gas produced from nomination fields given to ONGC and the Guarantor, NELP blocks, pre-NELP blocks (where the PSC provides for GoI approval of gas prices) and CBM blocks. Gas prices determined under the New Gas Pricing Guidelines is not applicable where prices have been fixed contractually for a certain period of times or when the PSC provides for a specific formula for calculation of natural gas indexation or fixation or to such pre-NELP blocks which do not provide for GoI approvals for fixing gas prices. The New Gas Pricing Guidelines have been in effect prospectively since 1 November 2014.

Royalty

The Oilfields Act provides for payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. GoI may increase the rate of royalty payable for the production of crude oil and natural gas up to limits prescribed by the Oilfields Act by issuing a notification. Alternatively, the GoI could also increase prescribed limits by amending the Oilfield Act. Under the Oilfields Act and NELP, royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from sales price. Recognising the higher risks and costs involved in exploration and production from offshore areas, lower royalty rates for such areas have been provided.

Oil Cess

OIDB is constituted under the Oil Industry (Development) Act, 1974. OIDB receives GoI funding out of cess collected on crude oil and natural gas production in India, and provides financial and other assistance for development activities in the oil and natural gas sector in India out of the Oil Industry Development Fund.

Up to February 2016, OID cess on crude oil produced from nominated blocks was levied at a specific rate of Rs.4,500 per metric tonne. Effective from 1 March 2016, pursuant to its notification dated 28 March 2016, the Government has amended the Oil Industries Development Act, 1974, and made OID cess at 20 per cent. ad valorem. OID cess on pre-NELP blocks are levied in accordance with the terms of respective PSCs. No OID cess is levied on crude oil produced from blocks awarded under NELP or prospective award of blocks under HELP.

Pipeline Tariffs

Under the PNGRB Act, the PNG Board determines the transportation tariffs applicable to (i) common or contract carrier transmission pipelines, and (ii) city or local natural gas distribution networks. The tariffs are payable on a zonal basis. All users within the same zone are treated equally without any preferential treatment given to particular users. The PNG Board may separately charge additional compression charge for the compression of natural gas to the extent not included in the tariff. The Pipeline Tariff Regulations was notified by the PNG Board under the PNGRB Act on 20 November 2008. The Pipeline Tariff Regulation sets forth the procedure for determining the tariffs applicable to natural gas pipelines (“**NGS Tariff**”). The Pipeline Tariff Regulations do not apply to (i) any pipeline laid that is dedicated to transport natural gas to a specific customer as opposed to re-selling it further, and (ii) pipelines in a city or local gas distribution network which are regulated by the Gas Pipeline Regulations. Under the Pipeline Tariff Regulations, the NGS Tariff is the sum of (i) the operative expense for the operating of the natural gas pipeline, and (ii) a premium which takes into account the reasonable rate of return of the capital employed, each of (i) and (ii) should be calculated on a Normative Level basis. For the purpose of this paragraph, “**Normative Level**” means, in relation to the operating expense and capital (as the case may be), a level that is reasonable and justifiable having taken into account the amount incurred to lay, build, operate or expand an efficient natural gas pipeline over its entire economic life (being a period of 25 years commencing from the date when the authorisation is granted or the commencement date of the physical activities). Entities subject to the Pipeline Tariff Regulations are required to submit computation methods for determining the unit NGS tariff over all the tariff zones throughout the economic life of the project. The Pipeline Tariff Regulations also require the entity involved to submit, for the PNG Board’s approval, the calculations in respect of apportioning of the unit natural gas pipeline tariff over all the tariff zones during the economic life of the project.

Petroleum and Natural Gas Regulatory Board (Eligibility Conditions for Registration of LNG Terminal) Rules, 2012

These rules provide that any entity intending to establishing or operating an LNG terminal after the date of the establishment of the PNGRB shall be eligible to apply for registration before the PNGRB upon fulfilment of the following conditions, that they: (i) offer at all times, after registration, 20 per cent. of the higher of its short term (i.e. less than 5 years) uncommitted re-gassification capacity and 0.5 MMTPA, as common carrier capacity, (ii) adhere to technical standards and specifications which are in

force as prescribed by the PNGRB, and (iii) furnish a bank guarantee to the PNGRB for an amount equal to the lesser of one per cent. of the estimated project cost of establishing the LNG terminal and Rs.250 million.

Natural Gas Subsidy

GoI has notified the Natural Gas Subsidy Scheme, 2006, applicable to the Issuer in respect of subsidy relating to sale of gas by it to various customers in North East India under APM. This subsidy, which shall be the difference between product price to the Issuer and consumer price applicable to various customers for quantities of gas supplied, will be computed on a monthly basis and provided to the Issuer from MoPNG's budgetary grant.

Guidelines on Safety

Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008 (“Safety Rules”)

The Safety Rules which regulate the safety in offshore oil and gas exploration, exploitation, production, drilling and related matters were notified by MoPNG under the Oilfields Act on 18 June 2008. The Oil Industry Safety Directorate is the competent authority which exercises powers under the Safety Rules. Under the Safety Rules, the licensees, lessees or operators are required to undertake petroleum activities in a safe manner by implementing plans and activities which are not only healthy and safe for an individual but also environmentally friendly. Consent for new and existing mobile or fixed offshore installation is required from the competent authority within the period specified in the Safety Rules. The Safety Rules require operators of offshore installations to report to the competent authority within 30 days of commencement or cessation of operations. The operator is also responsible for (i) providing health related resources, (ii) establishing a safety management system, (iii) carrying out risk assessment, (iv) maintaining information and records for petroleum activities (including permanent plugging of wells), accidental pollution, recovery incidents, rescue measures and the remedial actions taken, and (v) environment reporting. In addition to the Safety Rules, the following rules and regulations setting the safety standards for petroleum and natural gas activities remain applicable:

- Petroleum and Natural Gas Regulatory Board (Procedure for Development of Technical Standards and Specifications including Safety Standards) Regulations, 2009 which stipulates the procedures for developing draft standards by technical committees or standard development organisations for activities relating to petroleum, petroleum products and natural gas, which includes the construction and operation of pipeline and infrastructure projects related to the downstream petroleum and natural gas sector;
- Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines) Regulations, 2009 which stipulates (i) safety matters pertaining to the common carrier or contract carrier natural gas pipelines, including pipeline design, materials and equipment, welding, fabrication, installation, testing, commissioning, operation and maintenance and corrosion control, and (ii) safety requirements for natural gas pipelines; and
- Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2009 which stipulates the safety aspects of the operation and maintenance of CGD networks.

The Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010 (“ERDMP Regulations”)

The ERDMP Regulations are applicable to, among other things, transportation of petroleum products by road and pipelines, processing installations, petroleum and gas storage facilities and terminals, and liquid petroleum product pipelines. The scope of the ERDMP Regulations covers identification of emergencies, mitigation measures that attempt to reduce and eliminate the risk of disasters and plans of action when emergencies occur.

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010

The Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010 apply to entities building, operating and expanding pipelines. These regulations apply to all new and existing pipelines and regulate, among other things, the applicable procedures and pipelines' parameters.

Guidelines for Management of Oil and Gas Resources

The MPoNG issues guidelines for management of oil and gas resources. These guidelines give broad powers to the DGH for management of oil and gas resources. The powers of the DGH include, among other things, monitoring the exploration programme for nomination blocks, monitoring the development of hydrocarbon discoveries and monitoring oil and gas reservoir management.

Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 ("Territorial Waters Act")

The Territorial Waters Act empowers GoI to extend the application of any central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant of PELs and PMLs by GoI (and in respect of land vested in a state Government, by that state Government with prior approval of GoI) to explore and exploit resources of the continental shelf and the exclusive economic zone.

Coastal Regulation Zone Notifications

GoI issued the Coastal Regulation Zone ("CRZ") Notification, 1991 under Section 3(1) and Section 3(2)(v) of the Environmental Protection Act, 1986 ("EPA") and Rule 5(3)(d) of the Environment (Protection) Rules 1986 for the purpose of conserving and protecting the coastal environment. By way of this CRZ Notification, 1991, the GoI has declared the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 metres from the High Tide Line ("HTL") and the land between the Low Tide Line ("LTL") and the HTL as Coastal Regulation Zones, and imposed certain restrictions on the setting up and expansion of industries, operations or processes. The Ministry of Environment, Forest and Climate Change ("MoEF") issued the CRZ Notification, 2011 on 6 January 2011. The CRZ Notification, 2011 provides a list of prohibited activities and permitted regulated activities within CRZ. The prohibited activities include the manufacturing and handling of oil or disposal of hazardous substances as specified in earlier notifications, excluding facilities for receipt and storage of petroleum products and LNG as specified in the CRZ Notification 2011 and facilities for re-gassification of LNG in areas not classified as CRZ-1.

Guidelines for Management of Oil and Gas Resources for Nomination Blocks ("Oil and Gas Nomination Block Management Guidelines")

The Oil and Gas Nomination Block Management Guidelines were announced by the MoPNG in 2007 to regulate nomination blocks that were awarded to national oil companies prior to the introduction of NELP and PSC. Under the Oil and Gas Nomination Block Management Guidelines, national oil companies are required to, among other things, prepare an appraisal programme of their discoveries made under nomination blocks, in consultation with the DGH under a specific time frame that is similar to the requirement set out in NELP. In addition, national oil companies are required to prepare development plans of their discoveries made under nomination blocks in consultation with DGH.

The Oil and Gas Nomination Block Guidelines prescribes the constitution of a management committee comprising of the DGH, representatives from MoPNG and a director-level representative from the relevant national oil company. The Director General of the DGH will act as chairman and the DGH is required to review and monitor the progress and performance of national oil companies in accordance with each PEL and international practice. Similar to the PSC requirements, the DGH could also frame

procedures for the announcement of hydrocarbon discoveries and the reporting of hydrocarbon reserves. Furthermore, the DGH is responsible for monitoring the development of hydrocarbon discoveries of nomination blocks and health of reservoirs of all producing fields operated by national oil companies.

National Rehabilitation and Resettlement Policy, 2007

The National Rehabilitation and Resettlement Policy, 2007 was notified by the GoI on 31 October 2007 to rehabilitate and resettle persons (i) affected by the acquisition of land for projects of public purpose or (ii) involuntary displacement due to any other reason. The appropriate government will establish a Rehabilitation and Resettlement Committee to monitor the implementation progress of any scheme or rehabilitation and resettlement of affected families in cases where the involuntary displacement involves (i) 400 or more families en masse in plain areas, or (ii) 200 or more families en masse in tribal or hilly areas, blocks of the Desert Development Programme of the Government (“**DDP**”) or areas mentioned in the Fifth or Sixth Schedule to the Constitution of India. DDP is a programme set up by the GoI which aims to (i) combat drought and desertification, (ii) mitigate the adverse effect of drought and desertification on crop production, livestock and people, and (iii) encourage restoration of the ecological balance by harnessing, conserving and developing natural resources. The Rehabilitation and Resettlement Committee will also carry out post-implementation social audits. The National Rehabilitation and Resettlement Policy, 2007, is a revised and improved version of the National Policy on Resettlement and Rehabilitation for Project Affected Families, 2003. Under the National Rehabilitation and Resettlement Policy, 2007, project promoters are required to consider alternative sites before submitting requests for land acquisitions. The area of land to be acquired will also be limited to a minimum size to commensurate with the purpose of the project. Projects should, as far as possible, be set up on wasteland, degraded land or un-irrigated land. The Governments should consider options that would minimise the number of people being displaced, the total area of land to be acquired and the acquisition of agricultural land for non- agricultural projects. In addition, a social impact assessment is required where an involuntary displacement will involve at least 400 families en masse in plain areas and 200 families en masse in hills.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“RFTLA Act”)

The RFTLA Act received the assent of the President of India on 27 September 2013 and came into force on 1 January 2014. The key provisions of the RFTLA Act are as follows, viz. (i) RFTLA Act completely replaces the Land Acquisition Act, 1894; (ii) the process for land acquisition involves a social impact assessment and environmental impact assessment survey, preliminary notification stating the intent for acquisition, a declaration of acquisition and compensation to be given by a certain time; (iii) all acquisitions require rehabilitation and resettlement to be provided to the people affected by the acquisition; (iv) compensation for the owners of the acquired land shall be four times the market value in case of rural areas and two times in case of urban areas, (v) in case of acquisition of land for use by private companies or public private partnerships, consent of 70.0 per cent. of the displaced people will be required. Purchase of large pieces of land by private companies will require provision of rehabilitation and resettlement; and (v) the provisions of the RFTLA Act shall not apply to acquisitions under 13 existing legislations including, *inter alia*, the Electricity Act, 2003, the Atomic Energy Act, 1962 and the Railways Act, 1989.

Environmental Regulations

The Environment Protection Act, 1986 (the “**Environmental Protection Act**”), Water (Prevention and Control of Pollution) Act, 1974 (the “**Water Act**”), the Water (Prevention and Control of Pollution) Cess Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981 (the “**Air Act**”) and various rules and regulations framed there under, each as amended, provide for the prevention, control and abatement of pollution. Pollution Control Boards (“**PCBs**”) have been constituted in all the states in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant state PCBs for emissions and discharge of effluents into the environment.

The Hazardous Waste (Management and Handling) Rules, 1989 include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly, including proper collection, treatment, storage and disposal. Every occupier and operator of a facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste. In addition, the Merchant Shipping Act, 1956 provides for liability arising out of loss or damage caused outside the ship by contamination resulting from escape or discharge of oil from such ship.

Further, the approval of the MoEF is required under the Environment Protection Act and/or the Forest (Conservation) Act, 1980 for any diversion of forest land in relation to a project or in case the project value exceeds certain specified limits for a new project or expansion of an existing project. In relation to any project which falls within 10 kilometres of a wildlife sanctuary or a national park or an ecologically sensitive zone, in accordance with the Wildlife Protection Act, 1972 and the rules, regulations and policies thereunder, environmental clearance under Environment Impact Assessment Notification, 2006 is required. After examining the proposal for environmental clearance, it is approved by the standing committee of the National Board of Wildlife and the Chief Wildlife Warden of the concerned state.

The Government has formulated legislation for exploration, production, refining and manufacturing companies that have operations in environmentally sensitive areas. A detailed environmental impact assessment study is required to be carried out in phases before commencement of certain operations so that the impact on biodiversity and ecological sensitivity can be reduced through mitigating measures. The Environment Protection Act, the Water Act and the Air Act provide for the prevention, control and abatement of pollution. PCBs have been established in all states in India to enforce these statutes in order to prevent and control pollution. Companies must obtain the prior clearance of the relevant state PCBs for emissions and discharge of effluents into the environment. If the project value exceeds Rs.1 billion for a new project or Rs.500 million for the expansion of an existing oil and gas exploration and production project, approval from the Ministry of Environment and Forests is also required.

The Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2016, lists processes such as petrochemical processes and pyrolytic operations, crude oil and natural gas production, petroleum refining or re-processing of used oil or recycling of waste oil as processes which generate hazardous waste. The hazardous waste generated by each of these processes is specified in Schedule 1 of the aforementioned rules and cause danger to health or environment due to their physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics. These rules impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes in accordance with the steps specified in the aforementioned rules. It also imposes obligations on the relevant state government, occupier, operator of a facility or any association of occupiers for the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an authorisation from the relevant state PCB for collecting, storing, handling and treating the hazardous waste. Moreover, the relevant state PCB is required to monitor the setting up and operation of the common or captive treatment, storage and disposal facility regularly. Further, registration has to be obtained by any person intending to recycle or reprocessing hazardous wastes. These rules also impose restrictions on the import and export of hazardous wastes. The MoEF is the designated ministry to deal with trans-boundary movement of hazardous wastes.

Furthermore, the MoEF has by way of the CRZ Notification, 2011, declared coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action that are up to 500 meters from the high tide line, and the land between the low tide line and high tide line, as coastal regulation zones and has imposed restrictions on setting up and expanding industries, operations or processes in these zones. In addition, the Territorial Waters, Continental Shelf, Exclusive Economic

Zone and other Maritime Zones Act, 1976, regulates the exploration and exploitation of resources of the continental shelf and exclusive economic zone. The exploration activities of the offshore blocks acquired may also be subject to this statute.

In addition, the Merchant Shipping Act, 1958 provides for liability for loss or damage from contaminations outside the ship as a result of escape or discharge of oil from the ship, wherever such escape or discharge occurs. Under the Indian Forest Act, 1927, state governments have the power to declare any land covered by forests or any wasteland in a state a “reserved forest”, “village forest” or “protected forest”. The conduct of upstream operations for petroleum or natural gas in such areas requires prior approval of the competent authority. Furthermore, exploration, development or production operations for petroleum and natural gas is not permitted in areas designated as sanctuaries or reserves under the Indian Wildlife (Protection) Act, 1972.

Other laws and regulations may apply to the Guarantor, *inter alia*, such as The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, Wildlife Protection Act, 1972, National Ambient Air Quality Standards, 2009, Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, Manufacture, Storage and Import of Hazardous Chemical (Amendment) Rules, 2000, Bio – Medical Waste (Management and Handling) Rules 1998, Bio – Medical Waste (Management and Handling) Amendment Rules, 2003), Municipal Solid Wastes (Management and Handling) Rules 2000, Recycled Plastics Manufacture and Usage Rules, 1999, Noise Pollution (Regulation and Control) Rules, 2000, Noise Pollution (Regulation and Control) Amendment Rules, 2010), Batteries (Management and Handling) Rules, 2001 and the Batteries (Management and Handling) Amendment Rules, 2010).

Foreign Investment Law and Foreign Exchange Laws

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI (“**DIPP**”) has issued ‘Consolidated FDI Policy’, with effect from June 2016, (“**FDI Circular**”) which consolidates the policy framework on foreign direct investment (“**FDI**”). The FDI Circular consolidates and subsumes all the press notes, press releases and clarifications on FDI issued by DIPP as on 6 June 2016. The GoI proposes to update the FDI Circular every year and, therefore, the FDI Circular will be valid until the DIPP issues an updated circular in April 2017.

In accordance with the FDI Circular, FDI up to 100 per cent. under the automatic route is permitted in exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas or LNG pipelines, LNG regasification infrastructure, market study and formulation and petroleum refining in the private sector. Such investment is subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of GoI on private participation in exploration of oil and the discovered fields of national oil companies. Further, FDI up to 49 per cent. under the government route is permitted for petroleum refining by the public sector undertakings without any disinvestment or dilution of domestic equity in the existing public sector undertakings.

Foreign Exchange Laws

The primary exchange control legislation in India is the FEMA. Pursuant to FEMA, the central GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of exchange control. The FEMA ODI Regulations are the primary regulations governing overseas direct investments outside India by Indian residents as well as issuances of guarantees by Indian companies in favor of their overseas joint ventures or subsidiaries. The term “**direct investment outside India**” has been defined by the FEMA ODI Regulations to mean investment by way of contribution to the capital or subscription to the charter documents of a foreign entity or by way of purchase of existing shares of a foreign entity either by market purchase or private placement or through stock exchanges, but does not include portfolio investment.

A guarantee issued by an Indian company on behalf of its non-Indian subsidiaries or joint ventures is also governed by the FEMA Guarantees Regulations. The FEMA Guarantees Regulations permit an Indian company to issue a guarantee on behalf of its overseas joint ventures and/or its subsidiary in connection with its business as long as such guarantee is in compliance with the FEMA ODI Regulations.

Pursuant to the FEMA ODI Regulations, an Indian company is permitted to provide a guarantee on behalf of its non-Indian wholly owned subsidiaries or joint ventures without the prior approval of the RBI under the automatic route, subject to certain conditions including such Indian company's total financial commitment does not exceed 400.0 per cent. of its net worth (being the aggregate of the paid-up capital and free reserves) set forth in its last audited balance sheet at the time of issuance of any such guarantee. For the purpose of determining the "**net worth**" of an Indian company, the net worth of the holding company (which holds a minimum 51.0 per cent. interest in such Indian company) or its Indian subsidiary (in which such Indian company holds a minimum 51.0 per cent. interest) may be taken into account to the extent such net worth has not been otherwise used by the holding company or the subsidiary and subject to a letter of disclaimer from the holding company and the subsidiary. Additionally, the non-Indian subsidiaries or joint ventures in which the investment is being made must be engaged in bona fide business activities. For the purposes of the FEMA ODI Regulations, "**total financial commitment**" includes the aggregate direct equity contributions and loans provided to, and the amount of all guarantees given by the Indian company on behalf of all non-Indian subsidiaries and joint ventures. For purposes of the FEMA ODI Regulations, "**total financial commitment**" includes the aggregate of 100.0 per cent. of the amount of equity shares, 100.0 per cent. of the amount of compulsorily and mandatorily convertible preference shares, 100.0 per cent. of the amount of other preference shares, 100.0 per cent. of the amount of loan, 100.0 per cent. of the amount of guarantee (other than performance guarantee) issued by the Indian company, 100.0 per cent. of the amount of bank guarantees issued by a resident bank on behalf of joint venture or non-Indian wholly owned subsidiaries of the Indian company provided the bank guarantee is backed by a counter guarantee or collateral by the Indian company, and 50 per cent. of the amount of performance guarantee issued by the Indian company.

However, the limits set out above is not applicable to investments in unincorporated and/or incorporated entities overseas in the oil sector by Navaratna public sector units, ONGC Videsh Limited and the Guarantor.

The FEMA ODI Regulations do not clearly specify the point of time at which the net worth of the Indian company must be taken into account in the event of enforcement of the guarantee but the market practice is to take into account the net worth as set out in the last audited balance sheet of the Indian company at the time of issuance of the guarantee, rather than at the time of invocation. This is consistent with the requirement that the Form ODI to be filed within 30 days of issuing the guarantee must include a certificate from the statutory auditors of the Indian company certifying that the guarantee is within 400.0 per cent. of the net worth of the Indian company. It is worth noting, however, that in the case of performance guarantees, the RBI has specified that where enforcement of the performance guarantee breaches the ceiling of 400.0 per cent. of the net worth of the Indian company, the India company must seek the prior approval of the RBI before remitting funds on account of such invocation. However, this limit would not apply to the Guarantor as a Navaratna public sector unit.

In addition to the above, the Indian company (which is providing the guarantee outside India) should not be on the RBI's exporters' caution list or list of defaulters to the system circulated by specified entities or under investigation by any investigative or enforcement agency or regulatory body. The Indian company may give a loan or extend a guarantee only to a joint venture or non-Indian wholly owned subsidiaries in which it has equity participation. Further, RBI has also permitted Indian entities to extend any form of guarantee such as corporate or personal (including the personal guarantee by the indirect resident individual promoters of the Indian company which is the shareholder of the overseas joint venture or subsidiary), primary or collateral guarantee by the promoter company or a guarantee by

a group company, affiliate or associate company in India subject to certain conditions including without limitation: (i) all financial commitments including all forms of guarantees are within the overall ceiling prescribed for overseas investment by the Indian company which is the shareholder of the overseas joint venture or subsidiary; and (ii) the guarantees must specify a maximum amount and duration of the guarantee upfront (i.e., no guarantee can be open-ended or unlimited).

Following the issue of the Guarantees, the Company will be required to disclose certain terms of the Guarantee to the RBI, in Form ODI – Part I through an authorized dealer (i.e. a bank) in India within 30 days from the date of issue of the Guarantees.

Further, in accordance with FEMA and the regulations framed thereunder, a person resident in India will be required to obtain the approval of the RBI for any payment in respect of any indemnities, that may be required to be made by such person to, or for the credit of, any person resident outside India, in rupees or foreign currency, before any such payment is made. Consequently an indemnity payment by the Issuer to Noteholders will require a prior RBI approval.

Investment by Foreign Portfolio Investor

Apart from investment under the FDI route, Registered Foreign Portfolio Investors (“**RFPI**”) are permitted to purchase and sell shares and convertible debentures of an Indian company through registered broker on recognised stock exchanges in India as well as purchases shares and convertible debentures which are offered to public in terms of relevant SEBI guidelines or regulations.

The individual and aggregate investment limits for the RFPIs shall be below 10 per cent. or 24 per cent. respectively, of the total paid-up equity capital, or 10 per cent. or 24 per cent. respectively, of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for RFPI investment shall also be within such overall FDI sectoral caps.

Under the RBI notification titled ‘Foreign Portfolio Investor – investment under Portfolio Investment Scheme, Government and Corporate debt’ dated 25 March 2014, any foreign institutional investor who holds a valid certificate of registration from SEBI shall be deemed to be an RFPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the SEBI (FPI) Regulations, 2014 for a period of one year from the date of commencement of these regulations, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Companies Act 2013

The Companies Act, 2013 (“**2013 Act**”) has been notified by the GoI on 30 August 2013. The provisions of the Companies Act 2013 will be effective on such date as is appointed by the GoI by notification in the official gazette and different dates may be appointed for different provisions. The Ministry of Corporate Affairs (“**MCA**”) has notified 98 sections of the 2013 Act which came into force from 12 September 2013. The MCA also notified on 27 February 2014 the corporate social responsibility (“**CSR**”) provisions (Section 135 and Schedule VII) of the 2013 Act along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”), which will come into effect from 1 April 2014. Further, the MCA has by its notification dated 26 March 2014 (“**March 26 Notification**”), notified 183 sections and Schedule I to VI of the 2013 Act, which will come into effect from 1 April 2014, 29 sections in relation to the National Company Law Tribunal and National Company Law Appellate Tribunal which were notified on 1 June 2016 and made effective on 1 June 2016 and nine sections in relation to winding up and the National Company Law Tribunal and National Company Law Appellate Tribunal which were notified and made effective on 9 September 2016. The 2013 Act seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive. The substantial operative part of the legislation is in the rules, and the rules for implementation of majority of the chapters of 2013 Act have also been notified.

The 2013 Act intends to strengthen corporate regulation by increasing the robustness of the existing provisions and introducing new measures, such as (i) increasing accountability of management by making independent directors more accountable; (ii) improving corporate governance practices; (iii) enhancing disclosure norms in relation to capital raising; (iv) enhancing audit procedures and audit accountability including establishment of the National Financial Reporting Authority for dealing with matters relating to accounting and auditing policies and standards; (v) increasing investor protection and activism by way of provisions relating to class action suits; (vi) ensuring protection of minority rights including exit options; (vii) promoting e-governance initiatives; (viii) ensuring stricter enforcement standards including establishment of Serious Fraud Investigation Office for investigation of frauds relating to companies and special courts for summary trial of offences under 2013 Act; (ix) better framework for insolvency regulation and (iii) making CSR mandatory for every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year. The provisions of the 2013 Act which require statutory/regulatory consultation or functioning of new bodies or prescription of relevant rules/forms will be brought in force after the preparatory action is completed. The 2013 Act has introduced various sections including those related to layering restrictions, corporate social responsibility, class actions, outbound mergers, minority exits and vesting of jurisdiction with the National Company Law Tribunal, which when enforced in its entirety, will significantly and substantially modify, repeal and replace the entire framework of law governing Indian companies including the Issuer. For transition purposes, the 2013 Act encapsulates grandfathering provisions whereby acts done, resolutions passed, documents entered, registers maintained under the Companies Act, 1956 (unless contrary to the 2013 Act) will continue to be valid under the 2013 Act.

Additionally, section 465 of the 2013 Act provides for repeals and savings where under anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of 2013 Act, be deemed to have been done or taken under the corresponding provisions of the 2013 Act.

The Insolvency and Bankruptcy Code, 2016 (“Bankruptcy Code”)

The Bankruptcy Code was passed by both houses of the Parliament of India and received the assent of the President of India. The Bankruptcy Code primarily consolidates the existing insolvency law, *inter alia*, relating to companies and corporate entities with the objective of providing clarity and consistency in the treatment of all the stakeholders in the insolvency process. The Bankruptcy Code classifies creditors into financial creditors and operational creditors, which includes creditors in respect of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The Bankruptcy Code proposes to appoint specialised insolvency professionals to assist companies and corporate entities through the insolvency process. The Bankruptcy Code provides a 180 day timeline which may be extended by an additional 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals must be approved by 75 per cent. of the financial creditors and further sanction from the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The disclosure norms for companies accessing the debt and equity capital market are prescribed in detail in various regulations. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the Listing Regulations will consolidate and streamline the provisions of existing listing agreements for different capital market. The Listing Regulations have been sub-divided into two parts: (a) substantive provisions incorporated in the main body of Listing Regulations; and (b) procedural requirements in the form of Schedules to the Listing Regulations. The main features of the Listing Regulations, include, *inter alia*, (i) principles for providing periodic disclosures by listed entities that are in line with International Organization of Securities Commission and the principles for corporate governance that are in line with the principles of Organization for Economic and Co-operation Development; (ii) obligations for all the listed entities to appoint common compliance officer and complete filings on electronic platform; (iii) obligations with respect to specific types of securities; (iv) alignment of related provisions under a single framework; (v) aligning the provisions of the Listing Regulations in line with those of the 2013 Act; (vi) incorporation of pre-listing requirements in SEBI Debt Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in each case as amended; (vii) responsibility being given to the stock exchanges for monitoring of compliance of the provisions of the Listing Regulations and to take action for non-compliance; and (viii) prescribing of an abridged version of the Listing Agreement for signing by the companies who are getting their securities listed on the stock exchanges. Our Company being a listed entity will be required to comply with the Listing Regulations.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India or the country of which they are residents.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by the Issuer. The summary is based on existing Indian taxation law and practice in force at the date of this Offering Circular and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes. This summary does not purport to provide tax advice to any entity.

Income and Withholding Taxes

Persons not resident in India shall be taxed in India only on income which is received, or accruing or arising, in India, or deemed to be received, accruing or arising in India. Payments of interest made by the Issuer on the Notes to Noteholders should not be subject to income tax or withholding taxes in India since the Issuer intends to use the proceeds from such Notes for the purpose of business carried out by the Issuer outside India and no income by way of interest can be said to be received, or accruing or arising, in India, or deemed to be received, accruing or arising in India. Consequently, such payments of interest should not be taxable in India and, there should not be any liability on the Issuer to withhold tax. Payments of principal made by the Issuer on the Notes should also not be subject to any Indian income or withholding taxes.

In the event the Guarantor is required to pay interest and principal on the Notes under the guarantee, that is likely to be construed as a loan granted to the Issuer and hence, such payments may also not be liable to any tax in India.

Capital Gains Tax

Subject to any beneficial provision under a Double Taxation Avoidance Agreement (“DTAA”), gains arising from transfer of capital assets situated in India are generally subject to income tax in India. However, since the Notes are issued by the Issuer, which is a non-resident under Indian tax laws and the proceeds raised from the issuance of Notes are proposed to be used for its business activities undertaken outside India, the Notes should be regarded as being situated outside India. Consequently, any capital gains arising from the transfer of the Notes should not be taxable in India.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30.0 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to **foreign pass thru payments** (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which (A) with respect to Notes that give rise solely to foreign pass thru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign pass thru payment are filed with the Federal Register and (B) with respect to Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986, is 1 July 2017, or (in each case) which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the US-UK IGA and it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

Hiring Incentives to Restore Employment Act

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the Code, which treats a “dividend equivalent” payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Proposed U.S. Treasury regulations expand the scope of withholding under Section 871(m) beginning 1 January 2016. Under these rules, withholding may be required even in the absence of any actual dividend-linked payment made pursuant to the instrument. While the proposed regulations provide for an exception for indices that satisfy certain criteria, it is not clear whether this exception will apply to the relevant underlying index, if any. While significant aspects of the application of Section 871(m) to the Notes are uncertain, if the relevant Issuer or any withholding agent determines that withholding is required, neither the relevant Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should consult their tax advisers on the potential application of Section 871(m) to the Notes.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Monetary Authority of Singapore (the “MAS”) in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Joint Lead Managers and any other persons involved in the issue of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the “ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Qualifying Debt Securities Scheme

Barclays Bank PLC, Singapore Branch is a Financial Sector Incentive (Standard Tier) Company, Citigroup Global Markets Singapore Pte. Ltd. is a Financial Sector Incentive (Standard Tier) Company, Standard Chartered Bank, Singapore Branch is a Financial Sector Incentive (Standard Tier) Company and DBS Bank Ltd. is a Financial Sector Incentive (Standard Tier) Company and MUFG Securities Asia (Singapore) Limited is a Financial Sector Incentive (Standard Tier) Company for the purposes of the ITA.

As the Notes are issued on or before 31 December 2018 and more than half of the lead managers are either a Financial Sector Incentive (Capital Market) Company, a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Bond Market) Company (each as defined in the ITA), the Notes would be qualifying debt securities pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by the MAS on 28 June 2013, to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
 - (aa) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (bb) the furnishing of a return on debt securities for the Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed,

payments of Qualifying Income derived from the Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (A) if during the primary launch of the Notes, the Notes are issued to less than four persons and 50 per cent. or more of the issue of such Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Notes would not qualify as “qualifying debt securities”; and
- (B) even though the Notes are “qualifying debt securities”, if at any time during the tenure of such Notes, 50 per cent. or more of the issue of such Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Notes held by:
 - (I) any related party of the Issuer; or

- (II) any other person where the funds used by such person to acquire such Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

For the purposes of the ITA and this Singapore tax disclosure:

- (a) “**break cost**” means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (b) “**prepayment fee**” means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- (c) “**redemption premium**” means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 (“**FRS 39**”) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on “*Adoption of FRS 39 Treatment for Singapore income tax purposes*”.

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

On 11 December 2014, the Accounting Standards Council issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follow FRS 39.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

CLEARING AND SETTLEMENT ARRANGEMENTS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor or the Joint Lead Managers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be represented by a Global Certificate registered in the name of a nominee of, and held by, a common depository for Euroclear and Clearstream. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of Euroclear or Clearstream to reflect the amounts of Notes held through Euroclear and Clearstream, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear, and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream and/or if individual Certificates are issued in the limited circumstances described under “The Global Certificate – Registration of Title”, holders of Notes represented by those individual Certificates. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuer will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by a Global Certificate. Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Closing Date against payment (value the Closing Date).

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Transfer of book-entry interests in the Notes between Euroclear or Clearstream may be effected in accordance with procedures established for this purpose by Euroclear and Clearstream.

General

None of Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Issuer, the Guarantor, the Agents or any of their agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

SUBSCRIPTION AND SALE

Each of Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Standard Chartered Bank, DBS Bank Ltd., Mizuho Securities Asia Limited and MUFG Securities Asia (Singapore) Limited (together the “**Joint Lead Managers**”) has, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 11 April 2017, severally agreed to subscribe or procure subscribers for the respective principal amount of Notes set out opposite its name below, subject to the provisions of the Subscription Agreement:

Name of Joint Lead Manager	Principal Amount of Notes (U.S.\$)
Barclays Bank PLC, Singapore Branch	83,335,000
Citigroup Global Markets Singapore Pte. Ltd.	83,333,000
Standard Chartered Bank	83,333,000
DBS Bank Ltd.	83,333,000
Mizuho Securities Asia Limited.	83,333,000
MUFG Securities Asia (Singapore) Limited.	83,333,000
Total	500,000,000

The Notes will be so subscribed at the issue price of 99.584 per cent. of the principal amount of the Notes. The Issuer will be paying a combined management and underwriting commission to the Joint Lead Managers and will reimburse the Joint Lead Managers in respect of certain of their expenses. The Issuer has also agreed to indemnify the Joint Lead Manager against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

Other Relationships

Certain of the Joint Lead Managers or their respective affiliates have provided from time to time, and expect to provide in the future, commercial lending, investment banking and other services to the Issuer, the Guarantor and their affiliates, for which such Joint Lead Managers or their affiliates have received and will receive customary fees and commissions. The Issuer and the Guarantor may enter into hedging or other derivative transactions as part of their risk management strategy with the Joint Lead Managers, which, in the case of the Issuer, may include transactions relating to its obligations under the Notes. The obligations of the Issuer and the Guarantor under these transactions may be secured by cash or other collateral.

Certain of the Joint Lead Managers or their respective affiliates may own securities issued by the Guarantor or its affiliates. Such Joint Lead Managers or their respective affiliates may purchase the Notes in this offering for their own accounts, subject to terms described in this Offering Circular. The Issuer may use some or all of the net proceeds from the sale of the Notes pursuant to this Offering Circular for the full or partial repayment of the Group’s foreign currency loans to its lenders, some of whom include the Joint Lead Managers or their affiliates.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in reliance on, and in compliance with, Regulation S.

Each Joint Lead Manager has represented and agreed that it has not offered and sold, and will not offer and sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act. Each Joint Lead Manager further represents and agrees that it, its affiliates or any

persons acting on its or their behalf, have not engaged and will not engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes, and the Joint Lead Managers, their respective affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.

Terms used in the above paragraphs have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer and the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Lead Managers; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer, the Guarantor or any Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

India

Each Joint Lead Managers has represented and acknowledged that (a) this Offering Circular has not been and will not be registered, produced or published as an offer document (whether a prospectus or statement in lieu of a prospectus in respect of a public offer or information memorandum or other offering material in respect of any private placement under the Companies Act, 1956, the Companies Act, 2013, (each as amended, supplemented or re-enacted from time to time) and the rules framed

thereunder or any other applicable Indian laws for the time being in force) with the Registrar of Companies, the Securities and Exchange Board of India, the RBI, any Indian stock exchanges or any other statutory or regulatory body of like nature in India, except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws; (b) the Notes have not been and will not be offered or sold in India by means of any document, other than to persons permitted to acquire the Notes under Indian law, whether as a principal or an agent, and (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or to the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of and offer to subscribe for or purchase any securities in violation of applicable Indian laws.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to (i) “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “CWUMPO”) or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager acknowledges that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the SFA or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND IND-AS

The financial information included herein is prepared and presented in accordance with Indian GAAP, except for the unaudited standalone financial results for the nine months period ended 31 December 2016 under IND-AS released to the Stock Exchanges and included in this Placement Document. Certain differences exist between Indian GAAP, IFRS and IND-AS which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP, IFRS and IND-AS that may be material. The Company is responsible for preparing the Summary below. The Company has not prepared a complete reconciliation of its standalone financial statements and related footnote disclosures between Indian GAAP, IFRS and IND-AS and has not quantified such differences. Accordingly, no assurance is provided that the following Summary of differences between Indian GAAP, IFRS and IND-AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP, IFRS and IND-AS, and how those differences might affect the financial information herein.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Revenue definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is disclosed net of excise duty.	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales taxes and service taxes and value added taxes are excluded from revenues.	Similar to IFRS.
Revenue measurement	Revenue is recognised at the nominal amount of consideration receivable.	Revenue shall be measured at the fair value of the consideration received or that may become receivable. Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method.	Similar to IFRS.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Revenue recognition	<p>Revenue from sale of goods is recognized when</p> <p>a) the seller of goods has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership; and</p> <p>b) no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.</p> <p>In a transaction involving the rendering of services, performance should be measured either under the completed service contract method or under the proportionate completion method, whichever relates the revenue to the work accomplished. Such performance should be regarded as being achieved when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service.</p>	<p>Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:</p> <p>(a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;</p> <p>(b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;</p> <p>(c) the amount of revenue can be measured reliably;</p> <p>(d) it is probable that the economic benefits associated with the transaction will flow to the entity; and</p> <p>(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably. In case of rendering of services; where revenue is recognised by reference to the transaction's stage of completion at the balance sheet date.</p>	Similar to IFRS.
Revenue – contract costs	Capitalization of contract cost is not permitted.	IFRS 15 contains criteria for determining when to capitalize costs associated with obtaining and fulfilling a contract.	Similar to IFRS.
Multiple element contracts	There is no specific guidance.	To present the substance of a transaction appropriately, it may be necessary to apply the recognition criteria to the separately identifiable component of a single transaction.	Similar to IFRS.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Accounting Treatment for Changes in Accounting Policies	The effect of a material change in accounting policies must be recorded in the income statement of the period in which the change is made, subject to certain limited exemptions. No restatement of past years' figures is required. If a change is made to a company's accounting policies that has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted. Up to March 31, 2016, changes in the method of depreciation for existing assets is considered as a change in accounting policy and the cumulative effect thereof is accounted. For accounting period beginning April 1, 2016; any change in the method of depreciation will be accounted for as change in accounting estimate in accordance with AS-5.	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated.	Similar to IFRS.
Changes in method of depreciation	It is treated as a change in accounting policy and its effect is quantified and disclosed. The depreciation is to be recomputed with retrospective effect from the date of acquisition of asset.	Changes in depreciation method is treated as change in accounting estimates and applied prospectively.	Similar to IFRS
Consolidation and Investment in Subsidiaries	Reporting date differences between the parent and the subsidiary cannot be more than six months. Adjustments should be made for effects of significant transactions occurring between two dates. Consolidated financial statements should be prepared using uniform accounting policies. If not practicable, the proportions of the items accounted for using the different accounting policies should be disclosed.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months. Uniform accounting policies should be followed. No exception is provided.	Similar to IFRS. Uniform accounting policies to be followed unless impracticable to do so.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Control	Control exists if: the ownership, directly or indirectly through subsidiary(ies), of more than one half of the voting power of an enterprise; or control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities.	Investor controls an investee if the investor has following: Power over the investee Exposure, or rights, to variable returns from its investment with the investee The ability to use power over the investee to affect the amount of investor's return.	Similar to IFRS.
Consolidation- Investment in Associates and Joint Ventures	<p>Significant influence is the power to participate in the financial and/ or operating policy decisions of the investee but not control over those policies.</p> <p>Joint Control: It is the contractually agreed sharing of control over an economic activity.</p> <p>Potential voting rights are not considered in assessing significant influence.</p> <p>In consolidated financial statements, interest in jointly controlled entities is to be accounted for using proportionate consolidation.</p>	<p>Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.</p> <p>Joint control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.</p> <p>The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.</p> <p>A joint venture applies the equity method, as described in IAS 28.</p>	<p>Similar to IFRS.</p> <p>Similar to IFRS.</p> <p>Similar to IFRS.</p> <p>Similar to IFRS.</p>
Impairment of assets	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired.	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.	Similar to IFRS.
Financial instruments	No specific guidance.	All financial instruments are initially measured at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component should initially be measured at transaction price as defined in IAS 18.	Similar to IFRS.

	Indian GAAP	IFRS	IND-AS
	An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flow of debtors. Different methods are used for making provision for bad debts including ageing analysis, individual assessment of recoverability. Impairment losses recognized in profit or loss for equity investments are reversed through profit or loss.	Impairment model in IFRS 9 is based on expected credit losses and it applies equally to debt instruments measured at amortized cost FVTOCI (the loss allowance is recognized in Other Comprehensive Income and not reduced from carrying amount of financial asset). Expected credit losses (with the exception of purchased or original credit impaired financial assets) are required to be measured through a loss allowance at an amount equal to a) 12 months expected credit losses b) lifetime expected credit losses if credit risk has increased significantly since initial recognition of financial instrument. Trade receivables or contract assets within the scope of IAS 18/IAS 11, loss allowance is measured at lifetime expected credit losses. For lease receivables within scope of IAS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses.	Similar to IFRS.
	Transaction costs incurred in connection with long term borrowings are charged to statement of profit and loss as no future economic benefits are envisaged.	The transaction costs are amortised to profit or loss using the effective interest method.	Similar to IFRS.
Property, Plant and Equipment	<p>a) Fixed Assets are stated at cost net of accumulated depreciation.</p> <p>b) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.</p> <p>c) The Government grant received against asset may be reduced from the cost of the asset. Alternatively, the grant can be recognized as deferred income and amortized to P&L on a systematic basis over the life of the depreciable asset.</p>	<p>If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. IFRS mandates entire class of assets to be revalued.</p> <p>The carrying amount of an item of PPE may be reduced by Govt. grants in accordance with IAS 20. Alternatively, it permits to set up deferred income and amortized to Profit or Loss on a systematic basis over the life of the PPE.</p>	<p>Similar to IFRS.</p> <p>Under IND-AS, items such as spare parts, stand-by equipment and servicing equipment are recognized in accordance with IND-AS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.</p> <p>IND-AS does not permit to reduce the carrying amount of the item of PPE by the amount of Govt. grant received in respect of such item.</p>
Intangible assets	No guidance on determining the cost of intangible asset when acquired with a group of other assets.	If an intangible asset is acquired with a group of other assets (but not those acquired in a business combination), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.	Similar to IFRS.
	Measured only at cost.	Measured at cost or revalued amounts.	Similar to IFRS.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Deferred Taxation	<p>Deferred tax is generally recognised for all timing differences. Timing differences are the differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the enacted or the substantially enacted tax rate.</p> <p>A deferred tax asset should be recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on unabsorbed depreciation and carried forward losses under tax laws should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.</p> <p>Deferred tax assets and liabilities should be disclosed under a separate heading in the balance sheet of the enterprise, separately from current assets and current liabilities.</p> <p>No exemptions are available for providing for deferred tax.</p>	<p>Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.</p> <p>Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.</p> <p>Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.</p>	<p>Similar to IFRS, except that if the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in other comprehensive income..</p> <p>Similar to IFRS.</p>
Foreign Exchange Differences	<p>All exchange difference relating to monetary assets and liabilities are required to be charged to profit and loss account with an option in respect of long term monetary items in relation to acquisition of fixed assets, where the exchange difference can be adjusted to the carrying value of such fixed assets or for other long term monetary items, in which case the exchange difference is transferred to "Foreign Currency Monetary Item Translation.</p>	<p>Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise, except when hedge accounting is applied.</p>	<p>Similar to IFRS. However an entity may continue the policy adopted for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first IND-AS financial reporting period as per previous GAAP.</p>

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
First time adoption	There is no specific standard dealing with the preparation of the first Indian GAAP financial statements. Thus, full retrospective application of Indian GAAP is required.	IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application.	IND-AS 101 gives detailed guidance on preparation of the first IND-AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application. IND-AS 101 gives few additional voluntary exemptions as compared to IFRS. For example, it gives an exemption whereby an entity can continue using its Indian GAAP carrying value of all its property, plant and equipment as deemed cost at transition date, provided that there is no change in functional currency. It also gives an exemption whereby a company can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first IND-AS financial reporting period.
Presentation of financial statements	<p>Financial statements in relation to a company, includes:</p> <ol style="list-style-type: none"> 1. Balance sheet as at the end of the financial year; 2. Profit or loss account for the financial year; 3. Cash flow statement for the financial year; 4. Explanatory notes annexed to, or forming part of, any document referred to above. 	<p>A complete set of financial statements under IFRS comprises:</p> <ol style="list-style-type: none"> 1. Statement of financial position as at the end of the financial year; 2. Statement of profit or loss and other comprehensive income for the financial year – Either as single statement or two separate statements; 3. Statement of changes in equity; 4. Statement of cash flows for the financial year; and 5. Notes comprising significant accounting policies and other explanatory information. 	<p>A complete set of financial statements under IND – AS comprises:</p> <ol style="list-style-type: none"> 1. Balance sheet as at the end of the financial year; 2. Single statement of profit or loss, with profit or loss and other comprehensive income for the financial year presented in two sections; 3. Statement of changes in equity; 4. Statement of cash flows for the financial year; and 5. Notes comprising significant accounting policies and other explanatory information.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Comparative figures	Comparative figures are presented for one year as per the requirements of schedule III.	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a statement of financial position is required as at the beginning of the earliest comparative period.	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a balance sheet is required as at the beginning of the earliest comparative period.
Formats for presentation of financial statement	Schedule III of the Companies Act 2013 prescribes the minimum requirements for disclosure on the face of the balance sheet and profit and loss account and notes. AS 3 provides guidance on the line items to be presented in the statement of cash flows.	IAS 1 does not prescribe any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity. IAS 7 provides guidance on the line items to be presented in the cash flow statement.	IND-AS 1 does not prescribe any rigid format for presentation of financial statement. However, it specifies the line items to be presented in the balance sheet, statement of profit and loss and statement of changes in equity. IND-AS 7 provides guidance on the line items to be presented in cash flow statement. In addition to above, IND-AS compliant Schedule III of the Companies Act, 2013 prescribes the format for presentation of balance sheet and statement of profit and loss which companies need to follow.
Presentation of income statement	Schedule III of the Companies Act 2013 requires an analysis of expenses by nature.	An analysis of expenses is presented using a classification based either on the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosure by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	Entities should present an analysis of expenses recognized in profit or loss using a classification based only on the nature of expense. IND-AS compliant Schedule III of the Companies Act 2013 also requires an analysis of expenses by nature.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Statement of other comprehensive income	No concept of other comprehensive income prevails.	<p>Among other items, the components of other comprehensive income includes:</p> <ol style="list-style-type: none"> 1. Changes in the revaluation surplus; 2. Foreign exchange translation differences; 3. Re-measurements of post-employment benefit obligations; 4. Gains or losses arising on fair valuation of financial assets; 5. Effective portion of gains or losses on hedging instruments in cash flow hedge; 6. Share of other comprehensive income of investments accounted for using the equity method; 7. Foreign currency exchange gains and losses arising on translation of net investment in a foreign operation. <p>These components are grouped into those that, in accordance with other IFRSs (a) will not be reclassified subsequently to profit or loss, and (b) will be reclassified subsequently to profit or loss when specific conditions are met.</p>	Similar to IFRS.
Presentation of profit or loss attributable to non-controlling interests	Profit or loss attributable to the minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense.	Profit or loss attributable to non-controlling interest and equity holders of the parent are disclosed in the statement of profit or loss and other comprehensive income as allocations of profit or loss and total comprehensive income for the period.	Similar to IFRS.
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to IFRS.
Correction of prior period items	These are reported as a prior period adjustment in the current year results. Comparative information of the earlier years is not restated.	Material prior period errors are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.	Similar to IFRS.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Disclosure of critical judgements and capital disclosures	There is no such requirement in AS 1 or Schedule III.	IAS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.	Similar to IFRS.
Measurement of investments	Under Indian GAAP, current investments are measured at lower of cost or market value. Accordingly unrealised increase in the value is not recognised in Income statement, only the unrealised diminution in the value is recognized. Long term investments are measured at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments.	Under IFRS 9, the investments are categorized as financial assets and can be classified in the following three categories based on the conditions mentioned therein: 1. Amortised cost; 2. Fair value through profit or loss; 3. Fair value through other comprehensive income.	Under IND-AS 109, the investments are categorized as financial assets and can be classified in the following three categories based on the conditions mentioned therein: 1. Amortised cost; 2. Fair value through profit or loss; 3. Fair value through other comprehensive income.
Investment property	It is initially recognised at cost as non current investment. Subsequently it is measured at cost less depreciation.	It is similar to IGAAP but can subsequently be measured using the cost or fair value method.	Fair value method is not permitted. However detailed disclosure relating to fair value have to be given.
Functional currency	Under Indian GAAP, there is no concept of functional currency. Generally, the books and records are maintained in the currency of the country in which the company is incorporated.	IAS 21 requires the assessment of functional currency basis the conditions specified therein. Functional currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency could be different from the currency of the country in which the company is incorporated.	Similar to IFRS.
Employee benefits	Net actuarial gains/losses i.e. after adjustment of charges in fair value of Plan liabilities (assets) to be recognised in profit and loss.	In IFRS and IND-AS remeasurement of the net defined benefit liability (Asset) comprising of actuarial gains/losses shall be recognised in Other comprehensive Income (OCI)	

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
	Market yield at the balance sheet date on government bonds are used as discount rates.	Discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds denominated in that currency should be used.	Discount rate is determined by reference to market yield on market yields at the end of reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India should use rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, market yield at the end of reporting period on government bonds of that country should be used. The currency and term of government bonds or corporate bonds should be consistent with the currency and estimated term of post-employment benefits.
Common control business combinations	Under Indian GAAP, none of the standards differentiate between common control and other business combinations. However, AS 14 requires the pooling of interest method to be applied to an “amalgamation in the nature of merger,” which is an amalgamation that satisfies five prescribed conditions. Under the pooling of interest method prescribed in AS 14, no goodwill or capital reserve is recognized in the financial statements. Also, if consideration paid through issuance of securities, AS 14 requires such securities to be recognized at fair value.	IFRS 3 does not prescribe any specific method for accounting of common control business combinations. Hence, either pooling or acquisition method may be possible.	IND-AS 103 mandates the recording of common control transactions using pooling of interest method.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Business Combination – Goodwill	Excess of consideration over the value of net assets of transferor company acquired by the transferee company is recognized as goodwill in the financial statement of transferee company. If the amount of consideration is lower than value of net assets acquired, the difference is recognized as capital reserve.	<p>Goodwill is measured as the difference between: Aggregate of</p> <ol style="list-style-type: none"> a) the acquisition-date fair value of the consideration transferred b) amount of non- controlling interest c) in a business combination achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquire and <ul style="list-style-type: none"> • net of acquisition date fair values of the identifiable assets acquired and the liabilities assumed. <p>If the above difference is negative, resultant gain is recognized as bargain purchase in profit and loss.</p>	Similar to IFRS. However, any gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain purchase, the resultant gain is recognized directly in equity as capital reserve.
Business Combination – Achieved in stages	If two or more investments are made over a period of time, the equity of the subsidiary at date of investment is generally determined on a step by step basis.	For business combinations achieved in stages, if the acquirer increase an existing equity interest so as to achieve control of the acquire, the previously held equity interest is remeasured at acquisition date fair value and any resulting gain or loss is recognised in profit & loss or other comprehensive income, as appropriate.	Similar to IFRS.
Dividend adjustment	As per requirements of AS 4, dividends proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision in the balance sheet.	Liability for dividends declared to holders of equity instruments is recognized in the period when declared. It is a non-adjusting event.	Similar to IFRS.

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Government Grant	<p>Two broad approaches may be followed – the capital approach or the income approach.</p> <p>Government grants in the nature of promoters’ contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders’ funds.</p> <p>Grants related to revenue are recognised in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.</p>	<p>Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis.</p> <p>Government grants are not directly credited to shareholders’ interests.</p> <p>Grants related to assets are presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of asset.</p>	<p>Grants related to assets, including non-monetary grants at fair value should be presented in the balance sheet only by setting up the grant as deferred income.</p>
Inventories	<p>No specific guidance in AS-2 for reversal of write down inventories. However, reversals may be permitted as AS-5 requires this to be disclosed as a separate line item in the statement of profit and loss.</p> <p>Inventories to be classified as per the requirements of Schedule III as:</p> <p>Raw material</p> <p>Work in progress Finished goods</p> <p>Stock in trade</p> <p>Stores and spares</p> <p>Loose tools and others.</p>	<p>Write down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or where there is a clear evidence of increase in net realizable value because of change in economic conditions. The amount of reversal is limited to amount of original write down.</p> <p>No specific classification requirements.</p>	<p>Similar to IFRS.</p> <p>Inventories to be classified as per the requirements of Schedule III.</p>
Borrowing costs	<p>A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale. A period of twelve months is considered a substantial period unless a shorter or longer period can be justified.</p> <p>No such scope exception similar to IND-AS.</p>	<p>Similar to Indian GAAP. However, unlike Indian GAAP, there is no bright line for the term ‘substantial period’.</p> <p>Borrowing costs need not be capitalized in respect of i) qualifying assets measured at fair value (e.g. biological assets) ii) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.</p>	<p>Similar to IFRS.</p> <p>Similar to IFRS.</p>

	<u>Indian GAAP</u>	<u>IFRS</u>	<u>IND-AS</u>
Provisions	<p>A provision shall be recognised when all of the following conditions are met:</p> <p>(a) an enterprise has a present obligation as a result of a past event;</p> <p>(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and</p> <p>(c) a reliable estimate can be made of the amount of the obligation.</p> <p>Discounting of liabilities is not permitted and provisions are carried at their full values except for decommissioning/restructuring liabilities w.e.f. April 1, 2016.</p>	<p>A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.</p> <p>When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.</p>	<p>Similar to IFRS.</p> <p>Similar to IFRS.</p>
Segment reporting	<p>AS 17 requires an entity to two sets of segments (business and geographical), using a risk and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for identification of such segments.</p>	<p>Operating segments are identified based on financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in accessing performance.</p>	<p>Similar to IFRS.</p>
Land Lease	<p>Land acquired on lease where the period of lease exceeds 99 years is treated as freehold land.</p> <p>Land acquired on lease for 99 years or less is treated as leasehold land and amortised over the lease period.</p> <p>Land lease is specifically excluded in the scope of AS 19.</p>	<p>Land leases are specifically covered under IAS 17 and accordingly land lease has to be categorized either as finance lease or operating lease and treated accordingly.</p>	<p>Similar to IFRS.</p>
Derivative Instruments	<p>Forward contracts are covered under AS 11.</p>	<p>IFRS 9 requires all derivatives (including forward exchange contracts) to be measured at fair value on the reporting date with both unrealised gains and unrealised losses being recognised in the income statement for the period in which such changes arise.</p>	<p>IFRS 9 requires all derivatives (including forward exchange contracts) to be measured at fair value on the reporting date with both unrealised gains and unrealised losses being recognised in the Profit and Loss Statement for the period in which such changes arise.</p>

GENERAL INFORMATION

Authorisation

The Board of the Guarantor has by a resolution dated 16 February 2017 approved the Guarantor guaranteeing the issue of Notes in total aggregate amount of U.S.\$800 million. The Guarantor does not require a shareholders' resolution giving a guarantee under Section 180(1)(c) of the Companies Act, 2013.

Listing

Approval-in-principle has been received for the listing of the Notes on the SGX-ST. Approval-in-principle for the listing and quotation of the Notes is not to be taken as an indication of the merits of the Notes or the Issuer. Permission will be granted when the Notes have been admitted to the Official List of the SGX-ST. So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Certificates in the definitive form. In addition, in the event that a Global Certificate is exchanged for Certificates in definitive form, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificates in definitive form, including details of the paying agent in Singapore.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. The ISIN for the Notes is XS1565437487. The Common Code for the Notes is 156543748.

No significant change

There has been no significant change in the financial or trading position of the Guarantor since 31 March 2016 and there has been no material adverse change in the financial position or prospects of the Guarantor since 31 March 2016.

Litigation

Other than as disclosed in the Offering Circular, the Guarantor is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position of the Guarantor.

Auditors

A.K. Sabat & Co, Chartered Accountants and N.C. Banerjee & Co, Chartered Accountants served as statutory auditors of the Guarantor in the year ended 31 March 2016 and audited the Guarantor's consolidated and non- consolidated accounts, without qualification, in accordance with generally accepted auditing standards in India for the financial year ended on 31 March 2016.

B.M. Chatrath & Co, Chartered Accountants and Saha Ganguli & Associates, Chartered Accountants served as statutory auditors of the Guarantor in the years ended 31 March 2014 and 31 March 2015 and (i) audited the Guarantor's consolidated and non-consolidated accounts, without qualification, in accordance with generally accepted auditing standards in India for the financial years ended on 31 March 2014 and 31 March 2015.

N.C. Banerjee & Co., Chartered Accountants, and B.N. Misra & Co., Chartered Accountants, reviewed the Guarantor's non-consolidated accounts, without qualification, for the nine months ended 31 December 2016, in accordance with generally accepted audited standard in India.

Documents

So long as the Notes are outstanding, copies of the following documents will be available for inspection from the registered office of the Guarantor and from the specified offices of the Principal Paying Agent:

- (i) the Memorandum and Articles of Association of the Guarantor;
- (ii) the Memorandum and Articles of Association of the Guarantor;

the consolidated and non-consolidated audited financial statements of the Guarantor in respect of the financial years ended 31 March 2014, 2015 and 2016 (in each case together with the audit reports in connection therewith). The Guarantor currently prepares audited consolidated and non-consolidated accounts on an annual basis;

- (iii) the most recently published unaudited, but reviewed, non-consolidated financial results (if any) of the Guarantor, in each case together with any review reports prepared in connection therewith. The Guarantor currently prepares unaudited, but reviewed, non-consolidated financial results on a quarterly basis; and
- (iv) the Agency Agreement.

Joint Lead Managers transacting with the Guarantor

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Guarantor and its affiliates in the ordinary course of business, for which they received, or will receive, customary fees and expenses.

The Joint Lead Managers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Joint Lead Managers or their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Guarantor or its subsidiaries or affiliates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

GLOSSARY OF TECHNICAL TERMS

Unless otherwise indicated in the context, the following terms have the following meanings in this Circular Offering.

Term	Description
ACL	Assam Company Limited
AGCL	Assam Gas Company Limited
AOA/AOP	Any One Accident/Any One Period
APGIC	Andhra Pradesh Gas Infrastructure Corporation Limited
API	American Petroleum Index
Bbls	Barrels
Bcm	Billion cubic metres
BCPL	Brahmaputra Cracker and Polymer Limited
BGEPIL	BG Exploration and Production India Limited
BPCL	Bharat Petroleum Corporation Limited
Boepd	Barrels of oil equivalent per day
Bpd	Barrels per day
BRPL	Bongaigaon Refinery Private Limited
BSE	BSE Limited
BSNL	Bharat Sanchar Nigam Limited
BVFCL	Brahmaputra Valley Fertilizer Corporation Limited
Carrizo	Carrizo Oil & Gas Inc.
CBL	Cement Bond Log
CBM	Coal/lignite Bed Methane
CGD	City Gas Distribution
CNG	Compressed Natural Gas
CPSE	Central Public Sector Enterprises

Term	Description
CSR	Corporate Social Responsibility
CVP	Corporacion Venezolana del Petroleo, S.A.
DGH	Directorate General of Hydrocarbons DGMS
DGMS	Directorate General of Mines and Safety
DND-GPC	Tanot-Gas Gathering Station and Dandewala-Gas Processing Centre
DNPL	Duliajan-Numaligarh gas pipeline
DPR	Department of Petroleum Resources
E&P	Exploration and Production
ECB Guidelines	The Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000 and circulars issued thereunder by the RBI including the Master Circular – External Commercial Borrowings and Trade Credits dated 1 July 2013, as amended from time to time.
EOR	Enhanced Oil Recovery
EPC	Engineering, Procurement and Construction
EPC	EPC International Private Limited
EPSA	Exploration Production Sharing Agreement
ESC	Exploration Service Contract
FOB	Free On Board meaning that the buyer pays for transportation of the goods
GAIL	Gail (India) Limited
GL	Ground land
GSPCL	Gujarat State Petroleum Corporation Limited
HMEL	HPCL-Mittal Energy Limited
HOEC	Hindustan Oil Exploration Company Limited
HPCL	Hindustan Petroleum Corporation Limited
HSE	Health, Safety and Environmental
HTPC	Handicraft Training and Production Centre
HUF	Hindu Undivided Family
IOCL	Indian Oil Corporation Limited

Term	Description
IOR	Improved Oil Recovery
ITERA	ITERA Oil and Gas Company, Russia
JV	Joint Venture
JVC	Joint Venture Contracts
KEC	Kuwait Energy Kcs
LNG	Liquefied Natural Gas
LNGD	Local Natural Gas Distribution
LPG	Liquefied Petroleum Gas
LPP	Petronet LNG Limited
Medco	Medco International Holding Private Limited
MEM	Ministry of Energy & Mining
MENPET	Ministry of the Popular Power for Energy and Petroleum of the Bolivarian Republic of Venezuela
MEOR	Microbial Enhanced Oil Recovery
Mmbbls	Million barrels
Mmcm or Mmscm	Million standard cubic metres
MMT	Million metric tonnes
MMTA or MMTPA	Million metric tonnes per annum
MMtoe	Million metric tonnes oil equivalent
MoPNG	Ministry of Petroleum and Natural Gas, Government of India
MWP	Minimum work programme
NELP	New Exploration Licensing Policy
NIOC	National Iranian Oil Company
NLD	National long distance
NRL	Numaligarh Refinery Limited
NSE	National Stock Exchange of India
NTPC	National Thermal Power Corporation Limited
OFS	Offer For Sale

Term	Description
OHASA	Operational Health and Safety Standard
OIRDS	Oil India Rural Development Society
OISD	Oil Industry Safety Directorate
OML	Oil Mining Lease
ONGC	Oil and Natural Gas Corporation Limited
OVL	ONGC Videsh Limited
PDVSA	Petróleos de Venezuela
PEL	Petroleum Exploratory License
PGCIL	Power Grid Corporation of India Limited
PGNiG	Polskie Gornictwo Naftowe I Gazownictwo SA, a national oil company owned by the government of Poland
PML	Petroleum Mining Lease
PNGRB (Act)	Petroleum and Natural Gas Regulatory Board Act, 2006
PSC	Production Sharing Contract
PSU	Profit Sharing Undertakings
RBI	Reserve Bank of India
REC	Reserve Estimate Committee
SCM	Standard cubic metre
SIPEX	Sonatrach International Petroleum Exploration & Production Corporation, BVI
SIRD	State Institute of Rural Development
SPE PRMS	Society of Petroleum Engineers – Petroleum Resources Management System
SPE/WPC	Society of Petroleum Engineers and the World Petroleum Congress
Summit	Summit Oil International Limited
Suntera Cyprus	Suntera Resources Limited, Cyprus WEPP
WEPP	Wind Energy Power Project
WLD	Well Logging Department

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N.C.BANERJEE & CO
Chartered Accountants

B.N.MISRA & CO
Chartered Accountants

LIMITED REVIEW REPORT

TO
THE BOARD OF DIRECTORS
OIL INDIA LIMITED

- 1) We have reviewed the accompanying statement of standalone unaudited financial results of Oil India Limited for the quarter and nine months ended 31st December 2016 prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this statement based on our review.
- 2) We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with applicable Accounting Standards i.e. the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 4) We draw attention to the following:

i) Refer to Note No.4 to the financial results, which describes uncertainty regarding the demand for Royalty raised by Director of Geology and Mines, Assam for 2008-09 to 2013-14.



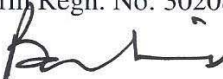
amounting to Rs 7224.20 crore including interest and further estimated claim of Rs3181.40 crore including interest upto 31st December 2016 considered as contingent liability. An amount of Rs 1151.73 has been paid by the Company, in view of the orders of MOP&NG, Govt of India and Gauhati High Court, pending disposal of appeal of ONGC Ltd on similar issue by Hon'ble Supreme Court.

ii) Refer to Note No. 2 to the financial results, relating to review and recommendation of the financial results by the Audit and Ethics Committee to the Board of Directors of the Company and approval thereof. However no Independent Directors have been appointed by the Central Government after 2nd September 2015 resulting in non-compliance of provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with regards to composition of Audit and Ethics Committee and Board of Directors of the Company.

Our opinion is not modified in respect of paras 4(i) & 4(ii) above.

For N.C.BANERJEE & CO

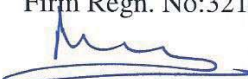
Chartered Accountants
Firm Regn. No: 302081E


(CA B.K. Biswas)
Partner
Membership No. 055623



For B.N.MISRA & CO

Chartered Accountants
Firm Regn. No: 321095E


(CA B.N. Misra)
Partner
Membership No. 083927



Place: Noida

Date: 31st January, 2017

OIL INDIA LIMITED
Regd. Office : Duliajan, Assam
CIN: L11101AS1959GOI001148

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DEC., 2016
(₹ in crore)

Particulars	Quarter ended			Nine months ended	
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
1. Income from operations					
(a) Net sales/Income from operations	2376.37	2242.72	2218.73	6752.40	7366.48
(b) Other operating income	69.56	88.66	122.83	246.10	389.14
Total income from operations (net)	2445.93	2331.38	2341.56	6998.50	7755.62
2. Expenses					
(a) Changes in inventories of finished goods	(7.58)	3.75	4.82	(27.12)	24.19
(b) Employee benefits expense	365.69	366.19	330.57	1087.04	1164.39
(c) Depreciation, Depletion and amortisation expense	278.87	252.08	243.23	759.85	642.98
(d) Royalty & Cess	663.57	599.98	661.40	1833.24	2126.17
(e) Contract Cost	228.20	193.27	193.02	654.94	615.61
(f) Other expenses	461.78	331.71	408.41	1016.76	941.13
Total expenses	1990.53	1746.98	1841.45	5324.71	5514.47
3. Profit from operations before other income, finance costs and exceptional items (1-2)	455.40	584.40	500.11	1673.79	2241.15
4. Other income ⁽ⁱ⁾	254.39	389.54	247.17	883.59	958.00
5. Profit from ordinary activities before finance costs and exceptional items (3 + 4)	709.79	973.94	747.28	2557.38	3199.15
6. Finance costs	102.35	98.93	96.95	300.34	285.61
7. Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	607.44	875.01	650.33	2257.04	2913.54
8. Exceptional items	0.00	0.00	0.00	0.00	0.00
9. Profit from ordinary activities before tax (7 - 8)	607.44	875.01	650.33	2257.04	2913.54
10. Tax expense					
(a) Current tax	145.05	166.64	233.60	560.50	753.63
(b) Deferred tax	7.70	128.10	34.07	167.17	328.37
Total tax expenses (a+b)	152.75	294.74	267.67	727.67	1082.00
11. Net Profit from ordinary activities after tax (9 - 10)	454.69	580.27	382.66	1529.37	1831.54
12. Extraordinary items	0.00	0.00	0.00	0.00	0.00
13. Net Profit for the period (11-12)	454.69	580.27	382.66	1529.37	1831.54
14. Other Comprehensive Income (after tax)	823.39	1720.63	321.65	3122.41	732.91
15. Total Comprehensive Income after tax (13+14)	1278.08	2300.90	704.31	4651.78	2564.45
16. Paid-up equity share capital (Face value of ₹ 10 each)	601.14	601.14	601.14	601.14	601.14
17. Earnings per share (EPS) ⁽ⁱⁱ⁾					
(i) Basic & Diluted EPS before extraordinary items (₹)	5.67	7.24	4.77	19.08	22.85
(ii) Basic & Diluted EPS after extraordinary items (₹)	5.67	7.24	4.77	19.08	22.85

(i) Other income is mainly on account of interest/dividends from deposits/investments;
(ii) EPS for the periods are not annualised also refer to point no. 9 of attached note.





OIL INDIA LIMITED
Regd. Office : Duliajan, Assam
CIN: L11101AS1959GOI001148

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER & NINE MONTHS ENDED 31.12.2016

(₹ in crore)

Particulars	Quarter ended			Nine months ended	
	31-12-2016	30-09-2016	31-12-2015	31-12-2016	31-12-2015
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
1. Segment Revenue					
(a) Crude Oil	1940.15	1721.14	1590.03	5266.64	5532.67
(b) Natural Gas	366.60	458.30	594.32	1276.01	1744.92
(c) LPG	26.03	22.14	33.64	70.38	96.49
(d) Pipeline Transportation	95.18	86.97	102.60	279.72	286.09
(e) Others	17.97	42.83	20.97	105.75	95.45
Total	2445.93	2331.38	2341.56	6998.50	7755.62
Less : Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
Net Sales/ Income from Operations	2445.93	2331.38	2341.56	6998.50	7755.62
2. Segment Results					
Profit Before Tax and Interest:					
(a) Crude Oil	570.47	527.18	329.84	1637.61	1726.26
(b) Natural Gas	48.86	173.65	272.96	414.66	874.31
(c) LPG	14.39	8.47	19.75	31.94	56.78
(d) Pipeline Transportation	24.52	24.13	43.26	78.05	96.34
(e) Others	(5.20)	18.61	1.33	35.15	29.83
Total	653.04	752.04	667.14	2197.41	2783.52
Add: Interest/Dividend Income	237.96	374.64	236.22	845.64	924.14
Less: Interest Expenses	102.35	98.93	96.95	300.34	285.61
Unallocable expenditure net of unallocable income	181.21	152.74	156.08	485.67	508.51
Profit Before Tax	607.44	875.01	650.33	2257.04	2913.54
3. Segment Assets					
(a) Crude Oil	7831.14	7371.71	6501.20	7831.14	6501.20
(b) Natural Gas	4296.43	4306.34	3902.18	4296.43	3902.18
(c) LPG	65.56	59.63	60.58	65.56	60.58
(d) Pipeline Transportation	1203.34	1125.08	911.02	1203.34	911.02
(e) Others	627.47	647.68	653.79	627.47	653.79
(f) Unallocated Assets	29722.91	29374.96	27571.88	29722.91	27571.88
Total segment Assets	43746.85	42885.40	39600.65	43746.85	39600.65
4. Segment Liabilities					
(a) Crude Oil	2016.76	1992.62	1890.07	2016.76	1890.07
(b) Natural Gas	524.84	522.38	511.93	524.84	511.93
(c) LPG	22.01	21.65	19.87	22.01	19.87
(d) Pipeline Transportation	232.72	224.62	362.31	232.72	362.31
(e) Others	1.74	1.57	3.25	1.74	3.25
(f) Unallocated Liabilities	12028.64	12374.96	11394.94	12028.64	11394.94
Total segment Liabilities	14826.71	15137.80	14182.37	14826.71	14182.37



Notes to financial results for the quarter and nine months ended 31st December, 2016

1. The above financial results for the quarter and nine months ended 31st December, 2016 have been reviewed by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 31st January, 2017.
2. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter and nine months ended 31st December, 2016 as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. Comparative figures for the quarter and nine months ended 31st December, 2015 have been restated as per requirements of the Indian Accounting Standards (Ind AS) and have also been reviewed by the Statutory Auditors.
3. The financial results have been prepared in compliance with Indian Accounting Standards (Ind AS) subsequent to its adoption with effect from 1st April 2015 pursuant to Ministry of Corporate Affairs' Notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. The comparative figures for the previous period have been restated to conform to the current period. Reconciliation of profit for the previous quarter and nine months ended 31.12.2015 as reported previously under IGAAP and Ind AS is shown in **Note 8**.
4. Government of Assam based on a claim from Director of Geology and Mining, has filed a writ petition in the Hon'ble Gauhati High Court for payment of differential royalty of ₹7,224.20 crore on post and pre-discounted sale price of crude oil for the period from 2008-09 to 2013-14 which is pending adjudication. The Company is paying royalty on post discounted price based on instructions issued by MOP&NG and in line with Oil Fields (Regulation and Development) Act, 1948 and subsequent notifications thereof and hence does not consider the claim as liability. The matter of payment of onshore royalty at pre-discounted prices has been examined by MOP&NG based on the interim decision of the Hon'ble Supreme Court dated 13th February 2014 and accordingly MOP&NG intimated vide letter dated 15th July, 2016 to pay royalty at pre-discount prices effective from 1st February 2014, pending outcome of Special Leave to Appeal (Civil) No 1596/2014 filed by ONGC Ltd. before the Hon'ble Supreme Court against Gujarat High Court's adverse order on a similar issue. The amount of demand as above together with amount of differential royalty up to 31.12.2016 including interest thereon aggregating to ₹10405.60 Crore is considered as contingent liability by the company. Following the order of the MOP&NG dated 15th July, 2016 the Company has paid to the respective State Govt an amount of ₹1151.73 crore being the differential amount of royalty on pre-discount price and post discount price of crude oil w.e.f. from 1st February, 2014 up to 31st December, 2016 and has shown such amount as deposit.
5. In terms of the decision of Government of India, there is no discount for the quarter and nine months ended 31.12.2016 on crude oil prices towards under recoveries of downstream Public Sector Oil Marketing Companies (Discount during corresponding quarter and nine months of the previous year was nil and ₹251.93 crore respectively).
6. The company had formed a Wholly Owned Subsidiary (WoS), Oil India International Pte Ltd. in Singapore on 6th May, 2016 to acquire E&P assets overseas. Oil India International Pte Ltd. jointly with subsidiaries of IOCL and BPRL has formed two separate SPVs, Vankor India Pte. Ltd. and Taas India Pte. Ltd which has completed the acquisition of 23.90% stake in CJSC Vankorneft and 29.90% stake in Taas - Yuryakh Neftegazodobycha respectively in Russia, on 5th October, 2016. OIL's stake in each of the SPVs is 33.50%.



7. Impairment loss, if any, on account of impairment of assets will be reviewed at the year end.
8. Reconciliation of net Profit for the quarter and nine months ended 31.12.2015 reported under previous IGAAP and Total Comprehensive Income as per Ind AS is as below:


(₹ in Crore)

Particulars	Quarter ended 31.12.2015	Nine months ended 31.12.2015
Profit as reported under previous IGAAP	410.65	1860.87
Other income		
Financial guarantee income	1.08	3.08
Interest on Fair value impact of loans to employees	3.90	10.55
Employee benefits expense (Re-measurement of defined employee benefits and amortization of deferred employee benefits on fair valuation of employee loans)	(5.03)	(15.09)
Contract cost (Recognition of development cost by way of capitalization)	2.37	5.51
Depreciation, depletion & amortization (change in decommissioning liability and capitalisation of spares to Property, plant and equipment)	5.11	14.34
Finance cost (Revaluation of borrowings and unwinding of decommissioning liability)	(9.58)	(28.38)
Other expenses (Accumulated balance in Foreign Currency Translation Reserve recognised in Profit, adjustment to FCMITDA balance, prior period adj)	(6.11)	20.28
Tax (Current and Deferred) adjustments	(19.73)	(39.62)
Net profit for the period as per Ind AS	382.66	1831.54
Other comprehensive income (net of tax)	321.65	732.91
Total comprehensive income as per Ind AS	704.31	2564.45

9. The Board of Directors in its meeting held on 28.11.2016 had recommended issue of Bonus Shares in the ratio of one equity share of ₹10/- each for three existing equity shares of ₹10/- each held. The issue of bonus shares was approved by the shareholders on 6th January, 2017 and accordingly the Company has allotted 200378652 number of equity shares on 16.01.2017. Pursuant to the above, Earnings Per Share (both basic and diluted) for the quarter and nine months ended 31.12.2016 and comparative periods have been calculated after adjustment of the number of bonus shares issued.
10. The Board of Directors in its meeting held on 31.01.2017 have declared an interim dividend of ₹ 9.50/- per share (face value of ₹10/- each) for the financial year 2016-17.
11. Previous period's figures have been reclassified/regrouped/restated, wherever necessary.

Place: Noida
Date: 31st January, 2017

For Oil India Limited


(Mrs. Rupshikha S. Borah)
Director (Finance)
DIN: 6700534



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OIL INDIA LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of OIL INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and Significant Accounting Policies and Additional Notes (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group, and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose

of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note 3.3 to the consolidated financial statements which specifies about repayment and servicing of overseas borrowings from domestic resources based on management opinion.
- b) Note 32.11(b) to the consolidated financial statements which describes uncertainty regarding payment related to the demand for Royalty raised by Director of Geology and Mines, Assam for 2008-09 to 2013-14 amounting to ₹7224.20 crore and further estimated liability of ₹2525.35 crore upto 31st March 2016 considered as contingent liability.
- c) The auditors of a subsidiary Oil India International BV, Netherlands have given a qualified opinion in their independent auditor's report as follows:

Oil India International B.V.'s investment in WorldAce Investments Limited, a foreign associate acquired during the year and accounted for by the equity method, is carried at USD 1 in the Balance Sheet as at 31 March 2016, the loan due from WorldAce Investments Limited is carried at USD 41,144,842 and Oil India International B.V.'s share of WorldAce Investments Limited's net loss of USD 17,215,336 is included in Oil India International B.V.'s result for the year then ended.

We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of Oil India International B.V.'s loan due from WorldAce Investments Limited as at 31 March 2016 and Oil India International B.V.'s share of WorldAce Investments Limited's result for the year, because there were no audited financial statements of WorldAce Investments Limited as at 31 March 2016 available to us.

The information available consisted of the audited financial statements of WorldAce Investments Limited as at 31 December 2015 and unaudited

management accounts of WorldAce Investments Limited as at 31 March 2016. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

- d) The auditors of Oil India International BV in their Emphasis of Matter Paragraph has reported the following:

We draw attention to the note 'going concern' of the notes to the financial statements which indicates that the company's interest in its joint venture incurred a significant loss during the year ended 31 December 2015. As of 31 March 2016, the company's equity became negative. As a result of this situation there is a material uncertainty about the joint venture's ability to fulfill its obligations toward Oil India International B.V. These conditions, along with other matters as set forth in the note 'going concern', indicate the existence of a material uncertainty which may cast significant doubt about Oil India International B.V.'s ability to continue as a going concern. However, Oil India International B.V.'s management has indicated that the shareholder will continue to support Oil India International B.V. and therefore the 'going concern' basis for the preparation of the financial statements is appropriate.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements / financial information of five subsidiaries, and two jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 2706.38 crores as at 31st March, 2016, total revenues of ₹ 139.81 crores and net cash flows amounting to ₹ 551.48 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profits of ₹ 189.10 crores for the year ended 31st March, 2016 as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly

controlled entities and associates, is based solely on the reports of the other auditors. In respect of one jointly controlled entity we have considered the audited accounts as of 31st December 2015 for our report duly adjusted with unaudited accounts as of 31st March 2016 and as of 31st March 2015.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st

For A.K.SABAT & CO.
Chartered Accountants
Firm Regn. No: 321012E

Sd/-
(CA A.K.SABAT)
Partner
Membership No.: 030310

Place : Noida
Date : 27.05.2016

March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associated companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, as required under Section 143 (3)(i) of the Act, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 32.14 I (i) (a) and 32.14 I (i) (b) to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For N.C. BANERJEE & CO.
Chartered Accountants
Firm Regn. No: 302081E

Sd/-
(CA B.K.BISWAS)
Partner
Membership No.: 055623

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in paragraph 1(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of OIL INDIA LIMITED on the Consolidated Financial Statements (CFS) for the year ended 31st March, 2016.

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Oil India Limited ("the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies which are companies incorporated in India are responsible for laying down and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group wherever applicable considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting, wherever applicable, based on our audit and audit report of the subsidiary companies, associate companies and jointly controlled companies. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports are sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group, wherever applicable, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

For A.K.SABAT & CO.
Chartered Accountants
Firm Regn. No: 321012E

Sd/-
(CA A.K.SABAT)
Partner
Membership No.: 030310

Place : Noida
Date : 27.05.2016

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- (i) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and two associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.
- (ii) Attention is invited regarding no independent directors having been appointed in the Holding Company till date after 2nd Sep 2015 by the Central Government resulting in non-compliance of certain provisions of the Act as well as SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 as to composition of Board of Directors, Audit Committee, CSR Committee and Nomination & Remuneration Committee as part of proper corporate governance.

Our opinion is not modified in respect of these matters.

For N.C. BANERJEE & CO.
Chartered Accountants
Firm Regn. No: 302081E

Sd/-
(CA B.K.BISWAS)
Partner
Membership No.: 055623

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL INDIA LIMITED FOR THE YEAR ENDED 31 MARCH, 2016

The preparation of consolidated financial statements of Oil India Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 27 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) read with section 129(4) of the Act of the consolidated financial statements of Oil India Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of Oil India Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities (as listed in Annexure-I) for the year ended on that date. Further, Section 139 (5) and 146 (6) (b) of the Act are not applicable to subsidiaries, associate companies and jointly controlled entities (as listed in Annexure-II) being entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(Praveer Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II
Kolkata

Place : Kolkata

Dated : The 27th of July, 2016

Annexure-I

Names of Subsidiaries, Associate Companies and Jointly Controlled Entities of Oil India Limited where supplementary audit was not conducted.

1. Oil India International B.V., Netherland
2. Beas Rovuma Energy Mozambique Limited
3. Oil India (USA) Inc.
4. Oil India International Limited
5. Oil India Sweden AB
6. Numaligarh Refinery Limited
7. DNP Limited
8. Oil India Cyprus Limited

Annexure-II

Names of Subsidiaries, Associate Companies and Jointly Controlled Entities of Oil India Limited being entities incorporated in foreign country.

1. Oil India International B.V., Netherland
2. Beas Rovuma Energy Mozambique Limited
3. Oil India (USA) Inc.
4. Oil India Sweden AB
5. Oil India Cyprus Limited

OIL INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in crore)

	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	601.14	601.14
(b) Reserves and surplus	3	21940.76	20900.31
		22541.90	21501.45
Minority Interest		0.00	0.00
2. Non-Current Liabilities			
(a) Long-term borrowings	4	9316.97	8399.42
(b) Deferred tax liabilities (Net)	5	2088.29	1645.37
(c) Other long-term liabilities	6	2.15	1.65
(d) Long-term provisions	7	837.01	803.18
		12244.42	10849.62
3. Current Liabilities			
(a) Short-term borrowings	7A	899.45	670.72
(b) Trade payables	8	560.17	625.01
(c) Other current liabilities	9	1511.41	2472.80
(d) Short-term provisions	10	795.01	945.15
		3766.04	4713.68
TOTAL		38552.36	37064.75
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	7980.24	7082.80
(ii) Intangible assets	12	57.79	25.36
(iii) Capital work-in-progress	13	4035.55	3754.81
(b) Goodwill on Consolidation		5668.68	5568.07
(c) Non-current investments	14	5416.32	5196.57
(d) Long-term loans and advances	15	968.84	729.71
(e) Other non-current assets	16	14.93	17.60
		24142.35	22374.92
2. Current assets			
(a) Current investments	17	353.97	376.25
(b) Inventories	18	1024.45	1051.42
(c) Trade receivables	19	1331.04	2384.35
(d) Cash and cash equivalents	20	9529.44	8818.95
(e) Short-term loans and advances	21	1620.51	1486.97
(f) Other current assets	22	550.60	571.89
		14410.01	14689.83
TOTAL		38552.36	37064.75
Additional Notes	32		
Significant Accounting Policies	1		

Notes referred to above form an integral part of the financial statements.
In terms of our report of even date

For A.K. SABAT & CO
Chartered Accountants
Firm Reg No- 321012E

For N. C. BANERJEE & CO
Chartered Accountants
Firm Reg No- 302081E

For and on behalf of the Board of Directors

sd/-
(CA A.K.SABAT)
Partner

sd/-
(CA B.K.BISWAS)
Partner

sd/-
(S.R.Krishnan)
Company Secretary

sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)
DIN 6700534

sd/-
(U. P. Singh)
Chairman & Managing
Director
DIN 00354985

Membership No: 030310
Place: Noida
Date: 27th May, 2016

Membership No: 055623

OIL INDIA LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016 (₹ in crore)

	Note No.	Year ended 31 st March, 2016	Year ended 31 st March, 2015
I. Revenue from operations	23	9884.11	9978.38
II. Other income	24	1219.96	1258.39
III. Total revenue (I +II)		11104.07	11236.77
IV. Expenses:			
Changes in inventories of finished goods	25	26.73	(17.36)
Employee benefits expense	26	1393.49	1601.32
Finance costs	27	366.49	349.09
Depreciation, Depletion and Amortization expense	28	1105.22	864.75
Other expenses	29	4982.53	4761.85
Total expenses		7874.46	7559.65
V. Profit before exceptional and extraordinary items and tax (III - IV)		3229.61	3677.12
VI. Exceptional Items	30	248.19	0.00
VII. Profit before extraordinary items and tax (V - VI)		2981.42	3677.12
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		2981.42	3677.12
X. Tax expense:			
(1) Current tax		721.95	848.65
(2) Deferred tax		444.66	343.59
XI. Profit for the year from continuing operations (IX-X)		1814.81	2484.88
XII. Profit for the year from discontinuing operations		0.00	0.00
XIII. Tax expense of discontinuing operations		0.00	0.00
XIV. Profit from discontinuing operations after tax (XII-XIII)		0.00	0.00
XV. Profit for the year (XI+XIV)		1814.81	2484.88
XVI. Add: Share of Profit in Associates		189.10	123.52
XVII. Group Profit for the year (XV+XVI)		2003.91	2608.40
XVIII. Earnings per equity share (₹):	31		
(1) Basic		33.34	43.39
(2) Diluted		33.34	43.39
Additional Notes	32		
Significant Accounting Policies	1		

Notes referred to above form an integral part of the financial statements.
In terms of our report of even date

For A.K. SABAT & CO
Chartered Accountants
Firm Reg No- 321012E

For N. C. BANERJEE & CO
Chartered Accountants
Firm Reg No- 302081E

For and on behalf of the Board of Directors

sd/-
(CA A.K.SABAT)
Partner
Membership No: 030310
Place: Noida
Date:27th May, 2016

sd/-
(CA B.K.BISWAS)
Partner
Membership No: 055623

sd/-
(S.R.Krishnan)
Company Secretary

sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)
DIN 6700534

sd/-
(U. P. Singh)
Chairman & Managing
Director
DIN 00354985

OIL INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (₹ in crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Cash flows from operating activities		
Profit before tax	2981.42	3677.12
Adjustments for:		
Depreciation, Depletion & Amortisations	1105.22	864.75
Exploration Cost written off	475.18	312.01
Prior period items	(7.18)	0.92
Dividend Income	(191.05)	(169.97)
Interest Income	(975.90)	(1040.46)
Interest Expenses	366.49	349.02
Foreign Exchange Loss/(Gain)- Net	95.86	(12.03)
Total	868.62	304.24
Operating profit before working capital changes	3850.04	3981.36
Changes in working capital		
Inventories - (increase)/Decrease	11.78	(68.08)
Trade & other Receivables - (increase)/Decrease	1040.38	(1974.31)
Loans and advances - (increase)/Decrease	(214.85)	(188.98)
Long term and short term provisions - increase/(Decrease)	(338.20)	546.04
Trade payables & Other current liabilities - increase/(Decrease)	(361.32)	604.28
Total	137.79	(1081.05)
Cash generated from operation	3987.83	2900.31
Income tax Payment (net of refund)	(862.05)	(1146.76)
Net cash from / (used in) operating activity	3125.78	1753.55
Cash flows from investing activities		
Acquisition, Exploration & Development Cost	(2364.75)	(2407.31)
Other Capital Expenditure	(648.51)	(591.39)
Investment made	(398.05)	(376.53)
Inter corporate loan	213.12	21.70
Interest income	1007.96	1255.27
Dividend income	191.05	169.97
Net cash from / (used in) investing activities	(1999.18)	(1928.29)
Cash flows from financing activities		
Repayment of Loan	0.00	(8217.97)
Proceeds from Borrowings	1146.28	6938.65
Payment of dividend	(1085.05)	(632.57)
Corporate dividend Tax	(220.28)	(227.46)
Interest expenses	(357.89)	(215.74)
Foreign exchange (loss)/gain- net	(455.72)	(248.04)

Net cash from / (used in) financing activities	(C)	(972.66)	(2603.13)
Net Increase in Cash and Cash Equivalents	(A+B+C)	153.94	(2777.87)
Cash and Cash equivalents at the beginning of the year		8818.95	11660.11
Add: Other Adjustments to Cash and Cash equivalents*		556.55	(63.29)
Cash and Cash equivalents at the end of the year		9529.44	8818.95
Notes:			
a. Cash and cash equivalents (Refer to Note 20) represents:			
i) Cash in hand		0.82	0.76
ii) Current accounts & Term Deposits in Scheduled Banks		9528.62	8818.19
		9529.44	8818.95

(*) Adjustment on account of increase in Shareholding in Subsidiary Companies.

- b. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3
- c. Cash & Cash equivalents includes Currency translation differences of ₹ 8.07 crore (Corresponding previous year ₹ 6.71 crore)
- d. Figures in parentheses represent cash outflows.
- e. Cash & Cash equivalents includes ear marked balances for unpaid dividend of ₹ 4.46 crore (Corresponding previous year ₹ 7.46 crore).
- f. Previous year's figures have been rearranged, regrouped, recast wherever necessary to conform current year's classification.

For A.K. SABAT & CO
Chartered Accountants
Firm Reg No- 321012E

For N. C. BANERJEE & CO
Chartered Accountants
Firm Reg No- 302081E

For and on behalf of the Board of Directors

sd/-
(CA A.K.SABAT)
Partner
Membership No: 030310
Place: Noida
Date:27th May, 2016

sd/-
(CA B.K.BISWAS)
Partner
Membership No: 055623

sd/-
(S.R.Krishnan)
Company Secretary

sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)
DIN 6700534

sd/-
(U. P. Singh)
Chairman & Managing
Director
DIN 00354985

Additional information - Instruction No 2 of Schedule III

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	as % of Amount consolidated net assets	Amount (₹ in Crore)	as % of Amount consolidated net assets	Amount (₹ in Crore)
1	2	3	4	5
Parent	99.00%	22316.18	116.28%	2330.11
subsidiaries:				
Indian				
Oil India International Limited	0.04%	9.46	0.31%	6.18
Foreign				
Oil India Sweden AB	0.41%	92.54	-0.02%	-0.47
Oil India Cyprus Limited *	0.00%	-0.26	-0.01%	-0.12
Oil India (USA) Inc.	-0.96%	-217.06	-9.18%	-183.9
Oil India International B.V.	-2.83%	-637.51	-3.71%	-74.29
Minority Interest in all subsidiaries	0.00%		0.00%	0
Associates (Investment as per the equity method)				
Indian				
Numaligarh Refinery Limited	1.70%	383.74	9.36%	187.54
DNP Limited	0.02%	5.51	0.08%	1.56
Less: Dividend from Associates			-7.18%	-143.87
Foreign				
"Joint Ventures (As per proportionate consolidation / investment as per the equity method)"				
Indian				
Foreign				
Beas Rovuma Energy Mozambique Ltd	3.24%	731.39	-0.38%	-7.63
Suntera Nigeria 205 Ltd	-0.63%	-142.09	-5.55%	-111.19
Total	100.00%	22541.90	100.00%	2003.91
* Oil India Sweden AB has remaining 24% shareholding.				

Note 1: PRINCIPLES OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements (CFS) comprise the financial statement of the Company (Oil India Limited), its' subsidiary, Joint Venture Entities and Associates. The Group (comprising of the Company and its subsidiaries, Joint Venture Entities and Associates) are mainly engaged in Exploration & Production (E&P) of Oil & Gas in India and abroad including Refinery, Power Generation and Transportation through pipeline. The CFS has been prepared on the following basis:

- 1.1 The Financial Statement of the Company and its' Subsidiary Companies are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenditure after eliminating the intra-group balances and intra-group transactions resulting in unrealized profits & losses in accordance with Accounting Standard-21 on "Consolidated Financial Statements".
- 1.2 The financial statements of Joint Venture Entities are combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard-27 "Financial Reporting of Interests in Joint Ventures".
- 1.3 Investments in Associates are accounted for using equity method in accordance with Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements".
- 1.4 Foreign subsidiaries and Joint Venture entities are non-integral foreign operations. Income and expense items of the foreign operation are translated at the average exchange rates for the year to which the financial statements relate. The assets and liabilities, both monetary and non-monetary, are translated at the average of the exchange rate prevailing on the date of the Balance Sheet. All resulting differences arising from translation of financial statements are accumulated in a foreign currency translation reserve ("FCTR") until the disposal of the net investment.
- 1.5 The CFS are prepared using uniform accounting policies for like transactions and events in similar circumstances to the extent possible, in the same manner as the Company's separate Financial Statements, except the following in view of

impracticability to follow uniform accounting policies:

- a) In respect of Subsidiaries and jointly controlled entities:
 - i) Deferred tax and tax payables are determined as per the tax laws in the country of the foreign subsidiaries/joint ventures.
 - ii) Abandonment Cost is initially capitalized at fair value of future cash outflow and discounted to its Present value by Oil India (USA) Inc and Oil India International B.V.
 - iii) Crude oil in field tank is considered as not produced and therefore not valued by Oil India (USA) Inc.
 - iv) Abandonment cost is provided as per respective agreements governing company's activities in the filed/project for Beas Rovuma Energy Mozambique Limited (BREML).
 - v) Depletion is charged on a unit of production basis over the proved and probable reserves by Oil India International B.V.
 - vi) Life of Property Plant & Equipment adopted by Oil India International B.V. is different from life taken by the Company on like assets under schedule II of the Companies Act, 2013. Straight line method of depreciation is used by Oil India International B.V.
- b) In respect of Associates:
 - i) Straight line method of depreciation is used by Numaligarh Refinery Limited and Duliajan Numaligarh Pipeline Limited;
 - ii) Assets given to employees are depreciated as per Company's policy by Numaligarh Refinery Limited;
 - iii) Intangible Assets below ₹ 0.50 crore is not capitalized and charged to revenue in year of expense. Other than above are amortized over estimated useful life or 5 years whichever is earlier from the time the intangible assets starts providing the economic benefit by Numaligarh Refinery Limited.
 - iv) Obsolete, Slow moving/ non-moving stores for 3 years and above and other materials including project material are provided for 100% and regular stores are provided for 98% by Numaligarh Refinery Limited.
 - v) When grants relate to expense items or

depreciable fixed assets, it is recognized as income over the period necessary to match them on a systematic basis to the costs by Numaligarh Refinery Limited.

- vi) Liquidated damages are booked when recovery is effected and matter is considered settled by the Management. Liquidated damages, if settled after capitalization of the assets and less than ₹0.05 crore in each case, are charged to revenue; otherwise adjusted against the cost of the relevant assets by Duliajan Numaligarh Pipeline Limited.
- vii) Prior period expenditure up to ₹0.01 crore is charged to the current year by Duliajan Numaligarh Pipeline Limited.
- viii) Prepaid expenses up to ₹0.01 crore in each

case are charged to revenue as and when incurred by Duliajan Numaligarh Pipeline Limited.

- ix) Capital commitments and contingent liabilities disclosed in each case are in respect of items which exceed ₹0.05 crore and ₹0.01 crore by Duliajan Numaligarh Pipeline Limited.

1.6 The excess/shortfall of cost of investment in the subsidiaries/associates/Joint venture entities over the net asset at the time of acquisition of shares in subsidiaries/associates/Joint ventures is recognized in the financial statements as goodwill/capital reserve respectively as the case may be.

1.7 The Consolidated Financial Statements include the results of the following entities:

Sl No.	Name of Company	Country of Incorporation	Relation	Ownership Interest	
				31.03.2016	31.03.2015
1.	Oil India Sweden AB	Sweden	Subsidiary	100%	100%
2.	Oil India Cyprus Limited*	Cyprus	Subsidiary	76%	76%
3.	Oil India (USA) Inc.	USA	Subsidiary	100%	100%
4.	Oil India International Limited	India	Subsidiary	100%	100%
5.	Oil India International B.V.	Netherlands	Subsidiary	100%	100%
6.	Beas Rovuma Energy Mozambique Ltd	British Virgin Islands	Joint Venture	40%	40%
9.	Suntera Nigeria 205 Ltd **	Nigeria	Joint venture	25%	25%
7.	Numaligarh Refinery Limited	India	Associates	26%	26%
8.	DNP Limited	India	Associates	23%	23%

* Oil India Sweden AB has remaining 24% shareholding.

** Not consolidated in FY 2014-15, as the Company had made full provisions on its investment as well as for all the receivables from the jointly controlled entity.

1.8 Whenever practicable the accounting policy of the subsidiaries, associates and joint venture entities are restated as per accounting policy of the Company as detailed below:

- Expenditure to acquire technical services and studies, seismic acquisition, common Geological and Geophysical Expenses as capitalized as intangible exploration and evaluation assets for Suntera Nigeria 205 Limited is changed as per the accounting policy of the Company.

1.9 The Company holds 76% in its subsidiaries Oil India Cyprus Limited and its 100% subsidiary Oil India Sweden AB holds remaining 24%, share the assets, liabilities, income and expenditure is consolidated as

100% subsidiary of the Company.

1.10 The audited consolidated accounts of Oil India Sweden AB which accounted Oil India Cyprus Limited as its associate has been recasted without consolidating the associate as per fact mentioned in Para 1.9 above.

1.11 Oil India International BV has consolidated the Joint Venture World Ace Investments Limited as associate which has been recasted for consolidation as Joint Venture.

B. SIGNIFICANT ACCOUNTING PLOICIES

1.1 ACCOUNTING CONVENTION:

These financial statements have been prepared in

accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013. “The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. from 1 April 2016”.

1.2 CLASSIFICATION OF ASSETS & LIABILITIES:

All the Assets and Liabilities of the Company are segregated into Current & Non-current based on the principles and definitions as set out in the Schedule III to the Companies Act, 2013 as amended. The Company has adopted a period of 12 months as its Operating Cycle.

1.3 PRE-ACQUISITION COSTS, ACQUISITION COSTS, EXPLORATION COSTS, DEVELOPMENT COSTS AND ABANDONMENT COSTS:

The Company follows the “Successful Efforts Method” (SEM) of Accounting in respect of its oil and gas exploration and production activities in accordance with the “Guidance Note on Accounting for Oil & Gas Producing Activities” issued by the Institute of Chartered Accountants of India.

1.3.1 PRE-ACQUISITION COSTS:

Costs of revenue nature incurred prior to obtaining the rights to explore, develop and produce Oil & Gas like data collection & analysis cost etc. are expensed to the Statement of Profit and Loss in the year of incidence.

1.3.2 GEOLOGICAL & GEOPHYSICAL COSTS:

Geological and Geophysical expenditure are charged as expense when incurred.

1.3.3 ACQUISITION COSTS:

- i) Acquisition costs include land acquired for drilling operations including cost of temporary occupation of the land, crop compensation paid to farmers, registration fee, legal cost, signature bonus, brokers’ fees, consideration for farm-in arrangements and other costs incurred in acquiring mineral rights.
- ii) Cost for retaining the mineral interest in properties like lease carrying cost, license fees & other cost are charged as expense when incurred.
- iii) Acquisition costs are initially recorded under Capital work in progress-Tangible & Intangible as the case may be.
- iv) On determination of proved developed reserves, associated acquisition costs are transferred to Fixed Assets-Producing Properties.
- v) Acquisition cost of Producing Properties is capitalized under Fixed Asset-Producing Properties.
- vi) Acquisition cost relating to an exploratory well that is determined to have no proved reserves and its status is decided as dry or of no further use for exploration purpose, is charged as expenses. In such cases, for land value forming part of acquisition cost, a nominal amount of ₹100 per bigha is transferred to Freehold land under Fixed Assets.

1.3.4 EXPLORATION COSTS:

- i) All exploration costs including allocated depreciation on support equipment and facilities involved in drilling and equipping exploratory and appraisal wells and cost of exploratory-type drilling stratigraphic test wells (net of sale proceeds of crude oil and gas produced from such wells) are initially shown as Intangible assets under capital work in progress as exploration cost till the time these are either transferred to Fixed Assets as Producing Properties on determination of Proved Developed Reserves or charged as expense when determined to be dry or of no further use.
- ii) Cost of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and activities are firmly planned in near future for further assessing the reserves and economic & operating viability of the project. Costs of written off exploratory wells are not reinstated in the books even if they start producing subsequently.

1.3.5 DEVELOPMENT COSTS:

Costs that are attributable to development activities including production and processing plant & facilities, service wells including allocated depreciation on support equipment and facilities are initially shown as Tangible Assets under Capital Work in Progress as Development Cost till such time they are capitalized as Producing Properties upon determination of Proved Developed Reserves.

1.3.6 PRODUCTION COSTS:

Production Cost consist of direct and indirect costs incurred to operate and maintain wells and related equipments and facilities, including depreciation and applicable operating cost of support equipment and facilities.

1.3.7 SIDE-TRACKING EXPENDITURE:

In case of exploratory wells, the cost of abandoned portion of side tracked well is charged off to Profit and Loss statement. In case of development wells, the entire cost of abandoned portion and side-tracking is capitalized. In case of existing producing wells, the cost of side – tracking is capitalized if it increases the proved developed reserves, otherwise is charged off to Statement of Profit and loss.

1.3.8 ABANDONMENT COSTS:-

- i. Estimated full eventual liability towards costs relating to dismantling, abandoning and restoring well sites and associated Production Facilities are recognized at the commencement of drilling a well or when facilities are installed, as the case may be. Liability for abandonment cost is updated annually based on the technical assessment available at current costs.
- ii. The actual cost incurred on abandonment is adjusted against the liability and the ultimate gain or loss is recognized in the Statement of Profit and Loss, when the designated oil/gas field or a group of oil/gas fields ceases to produce.

1.4 FIXED ASSETS, DEPRECIATION & DEPLETION

Fixed assets including wells, support equipment and facilities are stated at historical cost. All costs relating to acquisition of fixed assets till the time of commissioning of such assets and estimated abandonment cost of wells and production facilities are capitalized.

1.4.1 TANGIBLE ASSETS:

- i) Cost of Freehold & Leasehold land which are perpetual in nature used for other than exploration and development activity are not amortized. Leasehold land other than perpetual lease is amortized over the lease period.

- ii) All successful exploratory well cost, development well cost and other development cost viz. Production Facilities are capitalized when the same is ready to commence commercial production.
- iii) Costs relating to acquisition/ construction of tangible assets other than producing properties are capitalized on commissioning.
- iv) Land acquired on perpetual lease as well as on lease over 99 years is treated as free hold land and not amortized.
- v) Land acquired on lease for 99 years or less is treated as leasehold land and amortised over the lease period.
- vi) Any Tangible asset, when determined of no further use, is deleted from the Gross Block of assets. The deleted assets are carried as 'Assets awaiting disposal' under Inventories at lower of ₹1000 or 5% of the original cost and the balance Written down Value, is charged off.
- vii) Physical verification of the fixed assets is carried out by the Company in a phased manner to cover all the items over a period of five years. The discrepancies, if any, noticed are accounted for after reconciliation of the same.

1.4.2 INTANGIBLE ASSETS:

- i) Costs of intangible assets are capitalized when the asset is ready for its intended use.
- ii) Cost of right of use (ROU) / right of way (ROW) of land is capitalised and amortized on a straight line basis over the lower of period of such ROU / ROW or useful life of the related asset for which ROU/ROW is taken.
- iii) Cost incurred on computer software purchased /developed are capitalized as intangible asset and amortized over the useful life not exceeding five years from the date of capitalization.
- iv) Any intangible asset, when determined of no further use, is written off.

1.4.3 DEPRECIATION:

- i) Depreciation on Tangible Assets other than Producing Properties is provided for under the "Written down Value Method", in the manner specified in Schedule II to the Companies Act, 2013.
- ii) Capital assets costing up to Rs 5000 each are fully depreciated in the year of acquisition.

1.4.4 DEPLETION:

- i) Acquisition Costs are depleted using the "Unit of Production Method" with reference to the ratio of

production and related Proved reserves except in cases where life of assets is lower than life of the field.

- ii) Producing Wells and Production Facilities are depleted using the “Unit of Production Method”, with reference to ratio of production and the related Proved Developed Reserves except cases where life of assets is lower than life of the field.
- iii) Rate of depletion is determined based on production from the Oil/Gas field or a group of Oil/Gas fields identified with reference to the related reserves having common geological feature.

1.5 FOREIGN CURRENCY TRANSLATION

- i. Foreign currency transactions are initially recognised and accounted for at the exchange rates prevailing at the dates of transactions.
- ii. Foreign Currency monetary assets & liabilities outstanding at the close of the period are translated at the rates of exchange prevailing at the date of Balance Sheet. Resultant gains or loss is accounted for during the period, except those relating to long-term foreign currency monetary items.
- iii. Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with para 46A of Accounting Standard-11. In other cases, exchange differences are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of such long term foreign currency monetary item by recognition as income or expense in each of such periods.
- iv. Foreign currency transactions in relation to Joint Venture (Overseas) are treated in the following manner:
 - (a) Foreign currency transactions are initially recognised and accounted for at the exchange rates prevailing at the dates of transactions. However, the average exchange rate of relevant month is taken for the transactions of that month, where actual rate of transaction is not available or at the rate as agreed otherwise.
 - (b) Foreign Currency monetary assets & liabilities outstanding at the close of the year are translated at the rates of exchange prevailing at the date of Balance Sheet. Resultant gains or loss is accounted for during the year.

1.6 IMPAIRMENT OF ASSETS:

- (i) Acquisition costs, pending capitalization to Producing Properties and exploration costs under Intangible Assets-Capital Work in Progress are reviewed for indicators of impairment and if events and circumstances suggest, impairment loss is provided for and carrying amount is reduced accordingly.
- (ii) Producing fields, LPG Plant, Transportation Pipelines and Power Generating Units (other than Captive Power Plants) are considered as Cash Generating Units. A “Cash Generating Unit” is reviewed for impairment at each Balance Sheet date. An impairment loss is recognized, whenever the carrying amount of assets exceeds the recoverable amount by writing down such assets to their recoverable amount.

An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Impairment testing is normally carried out at the year-end unless compelling circumstances exist for review during the course of the year.

1.7 JOINT VENTURES:

Production Sharing Contracts (PSCs) executed with the Government of India / Government of Foreign Countries by the Company along with other entities to undertake exploration, development and production of Oil and/or Gas activities under a joint venture in various concessions/block/area are accounted as under:

- (i) The financial statements reflect the share of the Company’s assets, liabilities and also the income and expenditure of the Joint Venture in proportion to the participating interest of the Company as per the terms of the PSCs, on a line by line basis. Depreciation, depletion and impairment and value of Stock of Crude Oil are accounted for as per the relevant accounting policies of the Company whereas provision for abandonment is created as per terms of PSC. Proved Developed Reserve of Oil & Gas in such concessions/block/area are also considered in proportion to participating interest of the Company.
- (ii) Consideration recoverable from new Joint Venture Partners for the right to participate in operations are:

- a) Reduced from respective assets and/or expenditure to the extent of the new partners contribution towards past cost,
- b) Balance is considered as miscellaneous receipts/expenses.

1.8 INCOME TAX:

- i) The tax expense for the period comprises current tax and deferred tax.
- ii) Provision for current tax is made using the applicable tax rates on the taxable income for the relevant period determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and tax laws applicable for the relevant financial year. Deferred Tax Asset is reassessed and recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which the deferred tax asset will be realized in future.

1.9 INVESTMENTS:

- i) Non-Current investments are valued at cost. However, provision for diminution in value is made to recognise a decline in the value, other than temporary.
- ii) Current investments are valued at lower of cost or fair value.

1.10 INVENTORY:

- (i) Finished goods of Crude Oil, Liquefied Petroleum Gas and LPG condensate are valued at cost or net realizable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation & depletion.
- (ii) Crude oil in unfinished condition in the flow line up to Group Gathering Station and Natural Gas in Pipeline are not valued, as these pipeline fills are necessary to the operation of the facility.
- (iii) Stores and spares are valued at weighted average cost or net realizable value whichever is lower. Obsolete / unserviceable items, as and when identified, are written off. Any item of stores and spares not moved for last four years as on date of Balance Sheet are identified as slow moving items for which a provision of 95% of the value is made in the accounts.
- (iv) Renewable Energy Certificates (REC) received based on generation of renewable energy

certified by the competent authority, held for trading are not valued.

1.11 EMPLOYEE BENEFITS

- i) All short-term employee benefits are recognised as an expense at the undiscounted amount in the accounting period in which the related service is rendered.
- ii) Employee benefits under defined contribution plan such as provident fund is recognised based on the undiscounted obligations of the Company to contribute to the plan.
- iii) Employee benefits under defined benefit plans such as gratuity, leave encashment, post retirement medical benefits, pension are recognised based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial liability in excess of respective plan assets is recognised during the year and in case the plan assets exceed the Actuarial Liability, no further provision is considered. Actuarial gain and losses in respect of post employment and other long-term benefits are recognised during the year.

1.12 REVENUE RECOGNITION

- (i) Revenue from sale of products is recognized on custody transfer to customers.
- (ii) Sale of crude oil and gas produced from exploratory wells is deducted from expenditure on such wells.
- (iii) Sales are inclusive of statutory levies but excluding Value Added Tax (VAT), Central Sales Tax (CST), recoverable Royalty, Cess & Natural Calamity Contingent Duty (NCCD), and net of discounts & Company's share of profit petroleum paid to GOI. Any retrospective revision in prices is accounted for in the year of such revision.
- (iv) Claims on Government / Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance in principle by the authority.
- (v) Dividend income is recognized when the right to receive the dividend is established.
- (vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (vii) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:

- (a) Short lifted quantity of Crude Oil & Natural Gas, if any.
- (b) Interest on delayed realization from customers.
- (viii) Insurance claims other than for transit loss of stores items are accounted for on final acceptance by the Insurance Company.
- (ix) Recovery of liquidated damages is recognised in the Statement of Profit & Loss as income at the time of occurrence except in case of JVC which are governed by the respective Production Sharing Contracts. In case of return/refund of the liquidated damages, the same is accounted for as other expenses. In case of any dispute over the liquidated damages, provision is created in the accounts.
- (x) Revenue from sale of other services is recognised when service is rendered in line with contracts executed there with.
- (xi) Revenue from sale of Renewable Energy Certificates (REC) is recognised on sale of the certificates through the Exchange and included under other operating revenue.

1.13 GRANTS

Grants are recognised when there is reasonable assurance that the same would be realized. Grants related to specific assets are deducted from the gross value of the concerned assets.

1.14 BORROWING COSTS

- i) Borrowing costs during the construction period that are attributable to qualifying assets are capitalized and also includes exchange difference arising from Foreign Currency borrowings to the extent that they are regarded as an adjustment to interest cost.
- ii) Other borrowing costs are recognised as expenses when incurred.

1.15 SEGMENT ACCOUNTING

- i) Considering the nature and associated risks and return of products & services, the Company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline Transportation) as the primary reporting segments. There are no reportable geographical segments.

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

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- i) Provisions in respect of which a reliable estimate can be made are recognised where there is a present obligation as a result of past events and it is probable that there will be an outflow of resource.
- ii) Contingent liabilities, if material, are disclosed by way of notes to the accounts.
- iii) Contingent assets are neither recognised nor disclosed in the financial statements.

1.17 EARNINGS PER SHARE

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

1.18 GENERAL

- i) All revenue expenditure, incurred for Research & Development Projects / Schemes, net of grants-in-aid, if any, are charged to the Statement of Profit & Loss.
- ii) Assets given on finance lease are accounted as per Accounting Standard 19 "Leases". Such assets are included as a receivable at an amount equal to the net investment in the lease. Initial direct costs incurred in respect of finance leases are recognized in the Statement of Profit and Loss in the year in which such costs are incurred.
- iii) Prior period items/Prepaid expenses having value in each case up to ₹0.05 crore are booked under natural head of accounts.

NOTE - 2**Share capital**

(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Authorised: 200,00,00,000 (Previous year 200,00,00,000) Equity Shares of ₹10/- each	2000.00	2000.00
Issued, Subscribed and Fully Paid up: 60,11,35,955 (Previous year 60,11,35,955) Equity Shares of ₹10/- each fully paid up	601.14	601.14

2.1 Details of shareholders holding more than 5% shares in the Company is set out below:

Category	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	% to Equity	No of Shares	% to Equity
President of India	4066,20,507	67.64%	4066,31,998	67.64%

2.2 The reconciliation of the shares outstanding as at 31st March, 2016 & 31st March, 2015 is set out below:

Particulars	31st March, 2016	31st March, 2015
	No of Shares	No of Shares
Outstanding at the beginning of the period	6011,35,955	6011,35,955
Addition during the period	0	0
Outstanding at the end of the period	6011,35,955	6011,35,955

2.3 36,06,81,573 Equity shares of ₹10 each allotted as fully paid up bonus shares in the FY 2012-13.

2.4 Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

NOTE - 3**Reserves and Surplus**

(₹ in crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
(a) Securities Premium Reserve	2390.12		2390.12	
(b) Foreign Currency Translation Reserve				
Balance as per last financial statement	(251.28)		(187.99)	
Adjustments during the year (Refer Note No: 15.3)	556.55	305.27	(63.29)	(251.28)
(c) Foreign Currency Monetary Item Translation Difference Account				
Balance as per last financial statement	(229.85)		30.22	
Addition during the year	(483.60)		(291.55)	
Adjusted/Amortised during the year	120.60	(592.85)	31.48	(229.85)
(d) Debenture Redemption Reserve				
Balance as per last financial statement	236.96		0.00	
Add: Amount transferred from surplus balance	264.79	501.75	236.96	236.96

(e) General Reserve				
Balance as per last financial statement	18754.36		17847.67	
Less: Transitional depreciation	0.00		-14.37	
Add: Amount transferred from surplus balance	581.50		926.59	
Add: Subsidiaries Reserves	0.16		-10.41	
Add: Deferred tax adjustment	0.45	19336.47	4.88	18754.36
(f) Surplus Balance				
Balance as per Statement of Profit & Loss	2003.91		2608.40	
Less: Appropriations				
Interim Dividend	480.91		601.14	
Tax on Interim Dividend	97.90		120.19	
Proposed Final Dividend	480.91		601.14	
Tax on Proposed Final Dividend	97.90		122.38	
Debenture Redemption Reserve	264.79		236.96	
General Reserve	581.50	0.00	926.59	0.00
		21940.76		20900.31

3.1 The Board of Directors has recommended a final dividend of ₹8 per share which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹8 per share paid as interim dividend.

3.2 The accounting treatment effected in Foreign Currency Monetary Item Translation Difference Account is in line with the Para 46 A of Accounting Standard-11 issued by ICAI- reference note no. 1.5.

3.3 Pursuant to directive from Government of India, the Company has raised overseas borrowings for acquiring 4% participating interest in Rovuma 1 offshore block in Mozambique. In the opinion of the Management, there is no explicit restriction by the competent authority with regard to repayment and servicing of such overseas borrowings from domestic resources of the Company. Interest servicing on such overseas borrowings have been met from domestic resources. The Company has informed MoP&NG that servicing of interest on the external commercial borrowings raised to financing of above transaction is being done from domestic resources as the Company does not have any earnings abroad at present. Approval of MOP&NG is awaited.

3.4 The Debenture Redemption Reserve position for above is as under

(₹ in crore)

Particulars	As at 01.04.2015	Addition during the year	As at 31.03.2016
Unsecured 3.875% 5 years Reg S Bonds- USD 500 million			
Current Year	157.97	176.53	334.50
Previous Year	0.00	157.97	157.97
Unsecured 5.375% 10 years Reg S Bonds- USD 500 million			
Current Year	78.99	88.26	167.25
Previous Year	0.00	78.99	78.99
Total			
Current Year	236.96	264.79	501.75
Previous Year	0.00	236.96	236.96

		NOTE-4 (₹ in crore)	
Long -Term Borrowings		As at 31st March, 2016	As at 31st March, 2015
Unsecured Loan-Foreign Currency			
Bonds		6690.00	6319.00
External Commercial Borrowings from Banks		2508.75	2022.08
Term Loan from Other Parties		118.22	58.34
		9316.97	8399.42

4.1 Bonds represent

- (i) 5.375% Notes ₹ 3345 crore (USD 500 million) {Previous year ₹3159.50 crore (USD 500 million)} Reg S Bonds issued on 17.04.2014, payable on the date falling 10 years from the date of issue,
- (ii) 3.875% Notes ₹ 3345 crore (USD 500 million) {Previous year ₹ 3159.50 crore (USD 500 million)} Reg S Bonds issued on 17.04.2014, payable on the date falling 5 years from the date of issue.

4.2 External Commercial Borrowings represent

- (i) Syndication loan of ₹ 1672.50 crore (USD 250 million) {Previous year ₹1579.75 crore (USD 250 million)} drawn from banks on 26.12.2013 repayable on the date falling five years from the date of drawl at an interest rate of 3 month LIBOR + 1.18%,
- (ii) Syndication loan of ₹ 836.25 crore (USD 125 million) (Previous year ₹442.33 crore (USD 70 million) availed from banks drawl commencing from 06.01.2015 repayable on the date falling five years from the average date of drawl i.e. 22.03.2015 at an interest rate of 1 month LIBOR + 1.04%.

		NOTE-5 (₹ in crore)	
Deferred Tax Liabilities (Net)		As at 31st March, 2016	As at 31st March, 2015
A. Deferred tax liability Timing differences in "Depreciation/Depletion"		2436.32	1993.19
B. Deferred tax assets Timing differences in "Disallowance"		348.03	347.82
C. Deferred tax liability (Net) (A-B)		2088.29	1645.37

		NOTE-6 (₹ in crore)	
Other Long - Term Liabilities		As at 31st March, 2016	As at 31st March, 2015
Trade Payables			
Dues to Micro, Small and Medium Enterprises		0.00	0.00
Dues to Others		2.15	1.65
		2.15	1.65

Long - Term provisions

NOTE-7
(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Provision for employee benefits	334.20	330.25
(b) Other provisions		
Well Abandonment Cost		
Balance as per last financial statement	464.25	466.95
Addition during the year	38.56	9.20
Adjusted/reversal during the year	0.00	(3.22)
	<u>502.81</u>	<u>472.93</u>
	837.01	803.18

7.1 Provision for employee benefits represents defined benefit plans as per Note no 32.1.2. The figure represents Leave encashment ₹180.91 crore (Previous year ₹ 183.58 crore), Post retirement medical benefit ₹123.19 crore (Previous year ₹ 115.90 crore) and Long service award ₹ 30.10 crore (Previous year ₹ 30.77 crore).

Short term Borrowings

NOTE-7 A
(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Short term loans	310.73	203.11
Short term Credit - from Bank	588.72	467.61
	<u>899.45</u>	<u>670.72</u>

7A.1 Short term credit from bank represents loan taken by subsidiary Oil India (USA) Inc.. Total borrowings facility of \$ 90 million granted out of which \$ 88 million (₹ 588.72 crore) has been availed by the company as on 31.03.2016 @ Libor rate+ 0.75% per month for a tenure of 1 year

Trade Payable

NOTE-8
(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Trade Payables		
Dues to Micro, Small and Medium Enterprises	1.64	1.72
Dues to Others	558.53	623.29
	<u>560.17</u>	<u>625.01</u>

8.1 Refer to note no. 32.6 for dues to Micro, Small and Medium Enterprises.

NOTE-9

(₹ in crore)

Other Current Liabilities

	As at 31 st March, 2016	As at 31 st March, 2015
(a) Interest accrued but not due on borrowings	142.26	133.66
(b) Unpaid dividends	4.46	7.46
(c) Other payables		
- Statutory Liabilities	382.17	679.14
- Advance received from Customers/Vendors	6.12	13.31
- Liabilities- For Capital Expenditure & others	680.70	721.62
- Cash call payable to Joint Venture	166.69	194.54
- Employees	129.01	723.07
	1511.41	2472.80

9.1 In terms of Department of Public Enterprise (DPE) order for revision of pay package of executives and non-unionised supervisors of CPSEs w.e.f 01.01.2007 a superannuation defined contribution plan called Oil India Superannuation Benefit Scheme has been implemented. The scheme has started disbursement of pension to eligible retirees. An amount of ₹ 562.98 crore was lying under Employee Liabilities towards defined contribution benefit scheme in previous year which has been transferred to Oil India Superannuation Benefit Scheme Fund during the year.

9.1 Statutory Liabilities includes liability on account of Gratuity for ₹15.27 crore (Previous year ₹7.94 crore).

NOTE-10

(₹ in crore)

Short-Term Provisions

	As at 31 st March, 2016		As at 31 st March, 2015	
(a) Provision for employee benefits	83.44		75.16	
(b) Provision for others				
Final Dividend (Proposed)	480.91		601.14	
Tax on Final (Proposed) Dividend	97.90		122.38	
Cost of unfinished Minimum Work Programme				
Balance as per last financial statement	141.88		127.28	
Addition during the year	0.00		14.60	
Adjustment/Reversal during the year	(15.61)	126.27	0.00	141.88
Others				
Balance as per last financial statement	4.59		5.20	
Addition during the year	1.90	6.49	(0.61)	4.59
	795.01		945.15	

10.1 Provision for employee benefits represents defined benefit plan in Note no. 32.1.2. The figure represents Leave encashment ₹ 34.76 crore (Previous year ₹33.71 crore), Post retirement medical benefit ₹23.46 crore (Previous year ₹22.08 crore), Long service award ₹ 17.54 crore (Previous year ₹14.78 crore) & provision against ex-gratia bonus ₹7.67 crore (Previous year ₹4.59 crore).

10.2 Provision has been made towards cost of non-fulfilment of Minimum Work Programme (MWP) payable to Government of India as per terms of the Production Sharing Contract (PSC) of Blocks.

NOTE-11
(₹ in crore)

Tangible Assets

Particulars	Gross Block				Depreciation / Depletion / Amortisation				Net Block	
	Cost as at 1st April, 2015	Additions during the year	Deletions / Adjustments during the year	Cost as at 31st March, 2016	Up to 31st March, 2015	For the year	Deletions / Adjustments during the year	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Land										
- Freehold (Refer Note 11.2)	110.25	3.59	(4.15)	109.69	0.00	0.00	0.00	0.00	109.69	110.25
- Leasehold	7.54	0.00	3.84	11.38	0.58	0.67	0.00	1.25	10.13	6.96
Building (Including Roads & Bridges)	362.48	111.23	(6.68)	467.03	155.97	18.35	(0.38)	173.94	293.09	206.50
Producing Properties										
- Acquisition Cost	185.44	76.77	(2.04)	260.17	48.51	38.64	2.38	89.53	170.64	135.81
- Producing Wells	9542.25	1309.63	51.63	10903.51	4741.69	818.19	15.51	5575.39	5328.12	4768.88
- Production Facilities	1279.66	307.45	148.50	1735.61	792.23	84.50	44.76	921.49	814.12	520.23
Plant & Machinery	3148.41	213.69	(115.64)	3246.46	1922.42	188.84	(39.72)	2071.54	1174.92	1234.70
Furniture & Fixtures	31.00	4.14	(0.01)	35.13	22.78	3.35	(0.02)	26.11	9.02	5.67
Vehicles	35.33	15.08	(0.90)	49.51	27.69	5.16	(0.90)	31.95	17.56	6.35
Office equipment	327.54	55.96	(84.23)	299.27	235.75	42.44	(31.34)	246.85	52.42	86.94
Railway Siding	4.38	0.00	2.66	7.04	3.87	0.11	2.53	6.51	0.53	0.51
Total	15034.28	2097.54	(7.02)	17124.80	7951.49	1200.25	(7.18)	9144.56	7980.24	7082.80
Previous year	12887.50	2171.45	(24.67)	15034.28	7022.61	934.85	(5.98)	7951.48	7082.80	

11.1 Depreciation for the period includes ₹ 44.10 crore (Previous year ₹ 70.50 crore) capitalised under Development Cost shown under Note-13 and ₹ 5.45 crore (Previous year ₹ 0.92 crore) shown under Note -29 in prior period items.

11.2 Lands for projects and drillings operations are acquired primarily through bipartite negotiation with the occupiers/pattadars. In case, however, bipartite negotiation fails, lands are acquired with the intervention of government officials under the relevant land laws. Upon successful negotiation or government order, as the case may be, consent letters are obtained from the occupiers/pattadars and surface compensation for the standing crops on the lands are settled and the same are capitalized either as Land under Possession or as Pre Producing / Producing Properties. At the same time occupiers/pattadars are advised to submit documentary evidences in support of their legal possession of the lands. Pending submission of these documents and upon settlement of surface compensation, liability for land value is determined and capitalised under respective heads. Land cost forming part of Pre-Producing/Producing Properties is either amortized or charged off depending on discovery in the well. Land cost forming part of the Land under Possession is not amortized. Out of the total lands measuring 26315.23 Bighas under the possession of the Company, mutation completed for lands measuring 6730.01 Bighas, 3821.29 Bighas have been applied for mutation and for the balance, the company is in the process of execution of title deed/mutation. The Company is in the process of strengthening the acquisition process and the mutation of those lands including maintenance of systematic records thereof.

NOTE-12**Intangible Assets**

(₹ in crore)

Particulars	Gross Block				Amortisation				Net Block	
	Cost as at 1st April, 2015	Additions during the year	Deletions / Adjustments during the year	Cost as at 31st March, 2016	Up to 31st March, 2015	For the year	Deletions / Adjustments during the year	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Right of Use	11.76	0.00	0.00	11.76	0.23	2.76	0.00	2.99	8.77	11.53
Computer Software	69.49	48.00	0.42	117.91	55.66	13.52	(0.29)	68.89	49.02	13.83
Total	81.25	48.00	0.42	129.67	55.89	16.28	(0.29)	71.88	57.79	25.36
Previous year	68.33	8.16	4.76	81.25	48.70	4.22	2.97	55.89	25.36	

12.1 Right of use (ROU) to lay pipelines does not bestow ownership of land upon the company hence ROU treated as Intangible Assets.

NOTE-13**Capital Work-in-Progress**

(₹ in crore)

Particulars	As at 1st April, 2015	Additions during the year	Deletions / Adjustments during the year	Capitalised during the year	Transfer to Profit and Loss	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets							
Land-Freehold	0.41	3.95	0.00	3.59	0.00	0.77	0.41
Buildings (Including Roads & Bridges)	205.88	239.06	0.00	111.23	0.00	333.71	205.88
Plant & Machinery (Including Office Equipment)	570.60	512.68	0.00	269.15	0.00	814.13	766.98
Furniture & Fixture	3.25	4.19	0.00	4.14	0.00	3.30	3.25
Vehicles	0.03	15.60	0.00	15.01	0.00	0.62	0.03
Acquisition Cost-Land	21.83	11.09	(0.02)	2.77	1.70	28.43	21.83
Development Cost - Wells	509.32	704.49	(0.82)	875.55	0.00	337.44	509.32
Development Cost - Production Facilities	702.37	311.58	20.89	307.45	0.00	727.39	417.64
Total (A)	2013.69	1802.64	20.05	1588.89	1.70	2245.79	1925.34
Exploratory well in progress (Intangible Assets)							
- Acquisition Cost-Others	102.70	131.70	5.68	74.00	20.49	145.59	128.76
- Exploration Costs	1847.71	1010.61	11.92	374.34	535.89	1960.01	1910.00
- Software	12.03	37.60	0.00	48.00	0.00	1.63	12.03
Total (B)	1962.44	1179.91	17.60	496.34	556.38	2107.23	2050.79
Less: Provisions for Impairment (C)	221.32	176.37	0.00	0.00	80.22	317.47	221.32
Total D = (B - C)	1741.12	1003.54	17.60	496.34	476.16	1789.76	1829.47
Capital work in progress (Net) E = (A+D)	3754.81	2806.18	37.65	2085.23	477.86	4035.55	3754.81
Previous year	2815.51	3032.46	(42.52)	1772.14	278.50	3754.81	

Non-Current Investments
NOTE-14

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015	
A. Trade Investments (valued at cost)			
<u>Unquoted Equity Instruments</u>			
- IndOil Netherland B.V	Subsidiary	387.72	361.06
- Numaligarh Refinery Limited	Associates		
Value of Investment in Shares	924.64	849.95	
Add: Goodwill/(Capital Reserve)	(58.81)	(58.81)	791.13
- Duliajan Numaligarh Pipeline Limited	Associates		
Value of Investment in Shares	43.70	42.29	
Add: Goodwill/(Capital Reserve)	0.27	0.27	42.56
- Brahmaputra Cracker & Polymer Limited	-	126.90	126.90
<u>Quoted Equity Instruments</u>			
- Indian Oil Corporation Limited	-	2,670.75	2,670.75
B. Other Investments (valued at cost)			
<u>Quoted</u>			
Tax Free Bonds			
a) National Highway Authority of India		123.62	123.62
b) Power Finance Corporation Limited		35.67	28.48
c) Indian Railway Finance Corporation Limited		147.40	87.00
d) Rural Electrification Corporation Limited		334.35	300.00
e) National Thermal Power Corporation Limited		19.99	-
<u>Unquoted</u>			
<u>Tax Free Bonds</u>			
a) Power Finance Corporation Limited		100.01	100.01
b) Indian Railway Finance Corporation Limited		60.01	60.01
c) Rural Electrification Corporation Limited		200.02	200.02
d) India Infrastructure Finance Corp Ltd.		300.03	300.03
<u>Investment in Debentures</u>			
-The East India Clinic Limited, 5% Non Redeemable Debenture Stock1957 (Carried at a nominal value of ₹ 1/- only)	-	-	-
<u>Investment in Capital Fund</u>			
- Contribution to Capital Fund of Petroleum India International	-	0.05	5.00
	5,416.32	5,196.57	

14.1 The aggregate amount of unquoted investments is ₹ 2084.54 crore (Previous year ₹ 1986.72 crore).

14.2 The aggregate market value of quoted investments is ₹ 4524.98 crore (Previous year ₹ 5060.66 crore).

14.3 The details of investment are as under: -

Name of Body Corporate	As at 31.03.2016		As at 31.03.2015	
	No of Share	Face Value Per Share	No of Share	Face Value Per Share
M/s IndOil Netherland B.V	93940	EUR 454	92090	EUR 454
M/s Numaligarh Refinery Limited (NRL)	191264202	₹10	191264202	₹10
M/s Brahmaputra Cracker & Polymer Limited (BCPL)	126900010	₹10	126900010	₹10
M/s Duliajan Numaligarh Pipeline Limited (DNPL)	38460000	₹10	38460000	₹10
M/s Indian Oil Corporation Limited (IOCL)	121397624	₹10	121397624	₹10

14.4 Mode of valuation of investments is given in Note no 32.9.

14.5 Videocon Mauritius Energy Limited pursuant to the Share Sale and Purchase Agreement (SSPA) had submitted a closing statement for settlement of the transaction of acquisition of Beas Rovuma Energy Mozambique Limited (erstwhile Videocon Mozambique Rovuma 1 Limited). Through a Settlement Agreement dated 28.12.2015, by and between Videocon Mauritius Energy Limited (Seller) and ONGC Videsh Limited and Oil India Limited (Buyers), Videocon Hydrocarbon Holdings Limited and Beas Rovuma Energy Mozambique Limited, it was agreed to settle the closing amount at USD 14.55 million to be received by the buyers. The indemnity amount of USD 185.625 million retained by the escrow agent in escrow account, in terms of the SSPA and Escrow Agreement, was to be released to the Seller on 07.01.2016 and as per the Settlement Agreement an amount of USD 14.55 million was released to the Buyers and USD 171.075 million was released to the Seller on 31.12.2015. OIL's share in the final settlement i.e., US\$ 5.82 million (Rs. 36.60 crore), has been adjusted from the value of acquisition in Beas Rovuma Energy Mozambique Limited.

Long-term loans and advances

NOTE-15
(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
<u>Secured, considered good</u>		
Loans to M/s Brahmaputra Cracker & Polymer Limited (Secured by hypothecation of current assets)	93.75	218.75
Loans & advances to employees	174.87	174.74
<u>Unsecured, considered good</u>		
Loans & advances to related parties		
Advance against acquisition of Equity Shares	291.75	0.00
Loans to M/s Suntera Nigeria 205 Limited	121.16	
Less: Provision for diminution	30.85	0.00
Loans to M/s Duliajan Numaligarh Pipeline Limited	0.00	64.80
<u>Loans & advances to others</u>		
Loans & advances to employees	3.90	0.67
Carried Cost	305.74	268.26
Capital advances	0.33	0.83
Security Deposit	3.77	1.20
Advance recoverable in cash or kind or for value to be received	4.41	0.46
	968.84	729.71

15.1 Loans & advances to employees include amount due from Whole time directors and Other Officers of the Company as under:

(₹ in crore)

Particulars	Balance as at	
	31.03.2016	31.03.2015
Directors	1.19	0.12
Other Officers	0.23	0.24
Total	1.42	0.36

15.2 Advance against acquisition of equity shares includes advances amounting to ₹291.75 crore pertaining to JV company, pending allotment.

15.3 Loans represent loans given to

(i) M/s DNP Limited: has prepaid the outstanding loan during the year.

(ii) M/s Brahmaputra Cracker & Polymer Limited: Repayment scheduled in eight equal quarterly instalments maturing on 31st December, 2017, carries interest at SBI Base Rate plus 0.50% to be reset every year, last such reset was done on 21st Feb, 2016. BCPL has prepaid ₹124.32 crore during quarter ending 31.12.2015 against the first four quarterly instalments. The Current portion of the loan outstanding is shown under 'Short-term loans and advances'.

15.4 The Carried Cost pertains to ENH's (Government of Mozambique's Public Sector undertaking) whose 10% Participating Interest is being carried by all the remaining partners. The amount is recoverable from the revenue from this project which is likely to take place after the production commences, which is expected in the year 2018/19.

NOTE-16
(₹ in crore)**Other non-current assets**

	As at 31 st March, 2016		As at 31 st March, 2015	
Unsecured, considered good				
Deposit under Site Restoration Scheme	2.91		3.21	
Discount on issue of Notes	12.02	14.93	14.39	17.60
Unsecured, doubtful				
Decreed amount paid under appeal	99.05		99.05	
Less: Provision for doubtful assets	(99.05)	0.00	(99.05)	0.00
		14.93		17.60

16.1 Amortisation of Discount on Issue of Notes

(₹ in crore)

Particulars	2019 Notes	2024 Notes
Opening as on 01.04.2015	3.75	13.00
Amortised during the year (refer note 27)	0.93	1.44
Closing as on 31.03.2016	2.82	11.56

Current Investments**NOTE-17**
(₹ in crore)

	As at 31 st March, 2016	As at 31 st March, 2015
Other than Trade Investments		
Unquoted		
(a) Leave Encashment Fund Investment	172.98	166.25
(b) Mutual Funds		
i) Units of Unit Trust of India under Liquid Cash/Plus Plan Institutional	72.48	84.00
ii) Units of State Bank of India under Liquid Cash/Plus Plan Institutional	72.42	84.00
iii) Units of Canara Robeco Mutual Fund under Liquid Cash/Plus Plan Institutional	18.07	21.00
iv) Units of Industrial Development Bank of India under Liquid Cash/Plus Plan Institutional	18.02	21.00
	353.97	376.25

17.1 The aggregate amount of unquoted investments is ₹ 353.97 crore (Previous year ₹ 376.25 crore).

17.2 Mode of valuation of investments is given in Note no 32.9

Inventories
NOTE-18
(₹ in crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
Finished goods				
Crude Oil	74.14		100.70	
Liquefied Petroleum Gas	0.40		0.54	
Condensate	0.17	74.71	0.20	101.44
Stores and spares	1019.35		1004.48	
Less: Provision for slow / non-moving inventory and other stores	70.73	948.62	55.54	948.94
Assets awaiting disposal		1.12		1.04
		<u>1024.45</u>		<u>1051.42</u>

18.1 Stores and spares includes Goods in transit ₹ 91.66 crore (Previous year ₹ 97.55 crore).

18.2 Mode of valuation of inventories is given in Note no 1.10.

Trade Receivables
NOTE-19
(₹ in crore)

	As at 31 st March, 2016		As at 31 st March, 2015	
Outstanding for a period exceeding six months from the due date of payment				
(a) Unsecured, considered good	173.72		118.65	
(b) Doubtful	14.18		13.72	
		187.90		132.37
Less: Provision for doubtful debts	14.18	173.72	13.72	118.65
Others				
(a) Unsecured, considered good	1157.32		2265.70	
(b) Doubtful	5.74		0.46	
		1163.06		2266.16
Less: Provision for doubtful debts	5.74	1157.32	0.46	2265.70
		<u>1331.04</u>		<u>2384.35</u>

Cash and cash equivalents		NOTE-20 (₹ in crore)	
	As at 31st March, 2016	As at 31st March, 2015	
(a) Balances with Banks			
Current Accounts	131.35	65.35	
Term Deposits (Maturity of 12 months or less)	9396.66	8751.19	
Cash Credit Account with State bank of India, Kolkata	0.61	1.65	
(b) Cash on Hand	0.82	0.76	
	9529.44	8818.95	

20.1 Current Accounts includes an amount of ₹4.46 crore (Previous year ₹7.46 crore) in respect of earmarked balances with bank for unpaid dividend.

Short-term loans and advances		NOTE-21 (₹ in crore)	
	As at 31st March, 2016	As at 31st March, 2015	
Secured, considered good			
Loans & advances to employees	27.05	28.12	
Current maturity of Long term Loans to M/s Brahmaputra Cracker & Polymer Limited	31.93	31.25	
Unsecured, considered good			
Loans & advances to related parties			
Current maturity of Long term Loans to M/s Duliagan Numaligarh Pipeline Limited	0.00	24.00	
Loans & advances to employees	25.73	22.12	
Loans & advances to others			
Security Deposit	3.92	5.62	
Advance recoverable in cash or kind or for value to be received	189.36	154.64	
Income Tax paid (Incl. Demand)	2125.78	2041.45	
Less: Provision for Taxation	(806.57)	(860.60)	
Cash call receivable from JV Partners	23.31	40.37	

Unsecured, doubtful				
Advance recoverable in cash or kind	473.36		349.08	
Less: Provision for doubtful loans & advances	<u>473.36</u>	0.00	<u>349.08</u>	0.00
Inter Corporate Deposits (PSU) to M/s Indian Drugs Pharmaceuticals Ltd.	28.33		28.33	
Less: Provision for doubtful loans & advances	<u>28.33</u>	0.00	<u>28.33</u>	0.00
Cash call receivable from JV Partners	190.85		135.17	
Less: Provision for doubtful loans & advances	<u>190.85</u>	0.00	<u>135.17</u>	0.00
Loans & advances to M/s Suntera Nigeria 205 Limited	0.00		108.21	
Less: Provision for doubtful loans & advances	<u>0.00</u>	0.00	<u>108.21</u>	0.00
		<u>1620.51</u>		<u>1486.97</u>

21.1 Loans & advances to employees includes amount due from Whole time directors and Other Officers of the Company as under:

(₹ in crore)

Particulars	As at 31.03.2016	As at 31.03.2015
Directors	0.04	0.01
Other Officers	0.02	0.02
Total	0.06	0.03

NOTE-22

(₹ in crore)

Other current assets

	As at 31 st March, 2016	As at 31 st March, 2015
Accrued interest on Term Deposits	513.97	546.03
Other Receivables	34.27	23.50
Discount on issue of Notes (refer Note 16.1)	2.36	2.36
	550.60	571.89

NOTE-23

(₹ in crore)

Revenue from operations

	Year ended 31 st March 2016	Year ended 31 st March 2015
Sale of Products		
Crude Oil	6910.68	7221.62
Natural Gas	1816.54	1598.53
Liquefied Petroleum Gas	129.00	128.04
Condensate	54.15	83.04
Renewable Energy	101.93	62.56
Sale of Services		
Income from Pipeline Transportation		
Crude Oil	198.42	199.00
Refined Product	163.83	168.86
Natural Gas	0.74	0.67
Income from OFC Fibre Leasing	9.40	9.42
Others Operating Revenues		
Claims towards under-recovery of Natural Gas Price	491.22	494.45
Income from Business Development Services	4.68	6.25
Generation based incentive-Renewable Energy	3.52	4.94
Income from Finance Lease	0.00	1.00
	9884.11	9978.38

23.1 As per directive of MOP&NG, Crude Oil price calculation is based on the monthly average price of benchmarked International Basket of Crude Oil which is further adjusted for quality differential. As per directive of MOP&NG, Discount is allowed on the sale of crude oil and LPG.

23.2 LPG price is governed as per the MOU between the Company and Indian Oil Corporation Ltd.

23.3 Natural Gas price is as notified by MOP&NG and applicable to operating areas of the Company. Subsidy extended to the eligible customers in North East India is reimbursed by Government of India and shown as Other Operating Revenue.

23.4 In terms of decision of Government of India (GOI), the Company has shared under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz Crude Oil & LPG for the year ended by extending discount in the prices of Crude Oil & LPG based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas (MoP&NG). Sale values of Crude Oil & LPG are shown net of such discount of ₹155.06 crore (Previous year ₹5439.81 crore) and Nil (Previous year ₹ 82.77 crore) respectively. Under recovery represents parents company shares.

Other Income
NOTE-24

(₹ in crore)

	Year ended 31 st March 2016	Year ended 31 st March 2015
Interest Income (refer Note-32.9)	975.90	1040.46
Dividend from Equity Instruments	146.89	105.62
Dividend from Mutual Funds	44.16	64.35
Exchange Gain - Net	0.00	11.95
Miscellaneous Income	52.95	33.08
Excess provision written back	0.06	2.93
	1219.96	1258.39

Changes in inventories of finished goods
NOTE-25

(₹ in crore)

	Year ended 31 st March 2016	Year ended 31 st March 2015
Opening Stock		
Crude Oil	100.70	83.74
Liquefied Petroleum Gas	0.54	0.22
Condensate	0.20	0.12
	<u>101.44</u>	<u>84.08</u>
Closing Stock		
Crude oil	74.14	100.70
Liquefied Petroleum Gas	0.40	0.54
Condensate	0.17	0.20
	<u>74.71</u>	<u>101.44</u>
	<u>26.73</u>	<u>(17.36)</u>

NOTE-26		
(₹ in crore)		
Employee benefits expense	Year ended 31st March 2016	Year ended 31st March 2015
Salaries & Wages	1478.01	1477.40
Contribution to provident and other funds	353.62	591.54
Staff Welfare Expenses	81.55	94.03
	<u>1913.18</u>	<u>2162.97</u>
Less: Capitalised during the year	519.69	561.65
	<u>1393.49</u>	<u>1601.32</u>

NOTE-27		
(₹ in crore)		
Finance costs	Year ended 31st March 2016	Year ended 31st March 2015
Interest expenses		
- Secured loan	0.00	4.81
- Unsecured loan*	364.06	308.33
Other borrowing costs	2.43	35.95
	<u>366.49</u>	<u>349.09</u>

* Refer Note-3.3

NOTE-28		
(₹ in crore)		
Depreciation, Depletion and Amortization expense	Year ended 31st March 2016	Year ended 31st March 2015
Depreciation	213.24	178.59
Depletion	875.04	681.80
Amortisation	16.94	4.36
	<u>1105.22</u>	<u>864.75</u>

Other Expenses
NOTE-29

(₹ in crore)

	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
Statutory Levies	2722.57		2871.79	
Consumption of Stores & spares parts	185.89		160.17	
Consumption of Fuel	33.03		33.27	
Contract cost	851.39		687.94	
Insurance, rent, rates & taxes	40.08		38.92	
Exchange Loss-Net	95.86		0.00	
Exploratory Wells written off	475.18		312.01	
Provisions/Write off				
Impairment of Exploratory Wells	175.56		105.51	
Cost of unfinished Minimum Work Programme	66.00		17.11	
Well Abandonment	0.00		0.00	
Loans & advances (refer Note:32.9)	73.75		318.10	
Inventories	14.60		(1.50)	
Trade receivables	6.65		0.88	
Diminution in value of investment	0.00		0.01	
Others	2.22		(0.65)	
	338.78		439.46	
Prior period items				
Depreciation, Depletion and Amortisation expenses	5.45		0.92	
Exploration cost	21.36		0.00	
Employee benefit expense	0.00		(2.62)	
Contract cost	(10.10)		6.71	
Miscellaneous Expenses	42.79		0.51	
Miscellaneous Income	(2.53)		(24.21)	
	56.97		(18.69)	
CSR (Corporate social responsibility) expenditure	92.21		133.31	
Miscellaneous Expenses	90.57		103.67	
	4982.53		4761.85	

29.1 Statutory levies represent Royalty ₹ 1269.59 crore (Previous year ₹ 1279.78 crore) and Cess ₹ 1413.75 crore (Previous year ₹ 1531.36 crore).

29.2 CSR (Corporate social responsibility) expenditure

(₹ in crore)

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	In cash	yet to be paid in cash	In cash	yet to be paid in cash
(a) Gross amount required to be spent	88.31		98.19	
(b) Amount spent during the year				
(i) Construction/Acquisition of asset	1.98	0.00	0.00	0.00
(ii) On purpose other than (i) above	83.84	6.39	74.48	58.83
Total	92.21		133.31	

29.3 The details of fees to statutory auditors included under Sundry Expenses:

(₹ in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Fees to Statutory Auditors (including service tax):		
(a) As Auditor	1.64	1.16
(b) For Taxation matters (Tax Audit)	0.00	0.00
(c) For company law matters	0.00	0.00
(d) For Management services	0.00	0.00
(e) For Other Services-Certification	0.04	0.14
(f) For reimbursement of expenses	0.04	0.03
Total	1.72	1.33

29.4 Value of imports calculate on CIF basis:

(₹ in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Raw Materials	123.06	107.81
(b) Components & spare parts	33.35	31.72
(c) Capital goods	11.05	51.07
Total	167.46	190.60

29.5 Expenditure in foreign currency:

(₹ in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
(a) Professional & Consultation fees	382.46	298.29
(b) Foreign tours	15.16	17.80
(c) Unincorporated joint venture	165.65	153.79
(d) Finance Cost	332.16	266.60
(e) Others	126.54	142.24
Total	1021.97	878.72

29.6 Consumption of Stores and Spare parts:

(₹ in crore)

Particulars	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
a) Imported	248.32	54%	220.16	53%
b) Indigenous	216.59	46%	191.53	47%
Total	464.91	100%	411.69	100%

29.7 Earnings in foreign currency:

(₹ in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Other Income	23.75	9.14

29.8 Insurance, rent, rates & taxes

(₹ in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Insurance	20.15	22.29
Rent	12.34	11.44
Rates, Taxes & License Fees	5.88	5.92
PEL Fees	8.01	7.77
Total	46.38	47.42
Less: Capitalised during the year	6.30	8.50
Total	40.08	38.92

NOTE-30

(₹ in crore)

Exceptional Items

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Impairment of Goodwill	174.00	0.00
Impairment of License 61	43.34	0.00
Diminution in value of Loans	30.85	0.00
	248.19	0.00

Earnings per equity share
NOTE-31

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Basic & Diluted		
(a) Number of Equity Shares at the beginning of the year	601135955	601135955
Number of Equity Shares at the end of the year	601135955	601135955
Weighted average number of Equity Shares outstanding during the year	601135955	601135955
Face value of each Equity Share (₹)	10.00	10.00
(b) Profit after Tax available for Equity Shareholders (₹ in crore)	2003.91	2608.40
Earning Per Equity Share (₹) - Basic	33.34	43.39
Earning Per Equity Share (₹) - Diluted	33.34	43.39

31.1 Weighted average number of Equity Shares for Previous year figures have been restated for the purpose of computation of Earnings per share in accordance with AS-20 issued by ICAI.

NOTE-32 ADDITIONAL NOTES**32.1 Disclosure pursuant to Accounting Standard (AS) 15 (Revised 2005) – Employee Benefits:-****32.1.1 Defined Contribution Plans**

The Company's contribution to Provident Funds for employees and executives is ₹ 86.59 crore (Previous year ₹ 84.20 crore).

32.1.2 Defined Benefit Plans

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

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

32.1.3 Certified Actuarial Data:-

The following tables set out the status of the Defined Benefit plans as required under AS-15:

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

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the end of the year	352.60 (342.89)	280.92 (332.85)	1374.18 (1252.37)	215.67 (217.29)	146.65 (137.98)
Fair Value of Plan Asset at the end of the year	337.33 (334.95)	254.06 (318.54)	1264.18 (996.02)	172.98 (166.25)	0.00 (0.00)
Fund Status at end of the year {Net Assets(-)/Net liability}	15.27 (7.94)	26.86 (14.31)	110.00 (256.35)	42.69 (51.04)	146.65 (137.98)

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

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the beginning of the year	342.89 (337.05)	332.85 (373.85)	1252.37 (945.67)	217.29 (204.65)	137.98 (123.66)
Interest Cost	25.63 (25.44)	22.97 (26.31)	95.62 (72.96)	15.06 (14.29)	10.15 (9.22)
Current Service Cost	30.32 (27.42)	9.78 (12.29)	127.18 (115.92)	34.36 (34.49)	14.50 (14.58)
Benefits Paid	-44.98 (-38.13)	-91.32 (-89.85)	-114.20 (-67.28)	-57.89 (-52.17)	-22.17 (-16.72)
Actuarial gains(-)/loss on obligations	-1.26 (-8.89)	6.64 (10.25)	13.21 (185.10)	6.85 (16.03)	6.19 (7.24)
Present Value of obligation at the end of the year	352.60 (342.89)	280.92 (332.85)	1374.18 (1252.37)	215.67 (217.29)	146.65 (137.98)

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

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Fair Value of Plan Asset at Beginning of the year	334.95 (313.88)	318.54 (349.24)	996.02 (847.56)	166.25 (160.25)	NA*
Expected Return on Plan Assets	29.31 (27.46)	27.87 (30.56)	87.15 (74.16)	14.55 (14.02)	NA*
Contributions	7.94 (26.04)	14.31 (47.61)	256.35 (120.11)	51.04 (44.40)	NA*
Benefits Paid	-44.98 (-38.13)	-91.32 (-89.85)	-114.20 (-67.28)	-57.89 (-52.16)	NA*
Actuarial gain/loss(-) on Plan Assets	10.11 (5.70)	-15.34 (-19.02)	38.86 (21.47)	-0.97 (-0.26)	NA*
Fair Value of Plan Asset at the end of the year	337.33 (334.95)	254.06 (318.54)	1264.18 (996.02)	172.98 (166.25)	NA*

NA*: Not Applicable as Scheme is unfunded

D: Expenses Recognised in Statement of Profit / Loss:

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Current Service Cost	30.32 (27.41)	9.78 (12.29)	127.18 (115.92)	34.36 (34.49)	14.50 (14.58)
Interest Cost	25.63 (25.44)	22.97 (26.31)	95.62 (72.96)	15.07 (14.29)	10.15 (9.23)
Expected Return on Plan Assets	-29.31 (-27.46)	-27.87 (-30.56)	-87.15 (-74.16)	-14.55 (-14.02)	0.00 (0.00)
Actuarial gain(-)/loss	-11.37 (-14.59)	21.98 (29.27)	-25.65 (163.63)	7.81 (16.29)	6.19 (7.24)
Expense Recognized in Statement of Profit/Loss Account	15.27 (10.80)	26.86 (37.31)	110.00 (278.35)	42.69 (51.05)	30.84 (31.05)

E. Investment of Superannuation Funds

(₹ in crore)

Nature of Investment	Percentage of Investment					
	Gratuity Fund		Pension Fund (OIPF)		Pension Fund (OIEPF)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Central Govt.	34.91	32.99	39.27	38.37	45.64	39.75
State Govt.	12.37	12.87	24.43	25.20	13.58	17.30
PSU	34.09	37.31	31.40	32.02	40.52	42.64
Others	18.63	16.83	4.90	4.41	0.26	0.31
Total	100.00	100.00	100.00	100.00	100.00	100.00

F. Actuarial assumptions:

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Mortality Table (LIC)	2006/08	2006/08	2006/08	2006/08	2006/08
Superannuation Age	60 (60)	60 (60)	60 (60)	60 (60)	60 (60)
Early Retirement & Disablement (10 Per Thousand P.A)					
-age above 45	6 (6)	6 (6)	6 (6)	6 (6)	6 (6)
-age between 29 and 45	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
-age below 29	1 (1)	1 (1)	1 (1)	1 (1)	1 (1)
Discount Rate	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)	8.00% (8.00%)
Inflation Rate	6.00% (6.00%)	6.00% (6.00%)	6.00% (6.00%)	6.00% (6.00%)	0.00% (0.00%)
Expected Rate of Return on plan assets	8.75% (8.75%)	8.75% (8.75%)	8.75% (8.75%)	8.75% (8.75%)	0.00% (0.00%)
Remaining working life	10 (11)	5 (6)	10 (11)	10 (10)	11 (11)

G. Current/Non-current classification of Superannuation Funds/Employee benefits

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits	Long Service Award
Current Liability	15.27 (7.94)	26.86 (14.31)	110.00 (256.35)	34.76 (33.71)	23.46 (22.08)	17.54 (14.78)
Non-current Liability	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	180.91 (183.58)	123.19 (115.90)	30.10 (30.77)
Total	15.27 (7.94)	26.86 (14.31)	110.00 (256.35)	215.67 (217.29)	146.65 (137.98)	47.64 (45.55)

Note: Figures in parenthesis represent corresponding previous year's figure.

32.2 Information as per Accounting Standard (AS) 16 "Borrowing Costs"

Borrowing cost capitalized during the year is ₹ Nil (Previous year ₹ 7.24 crore).

32.3 Information as per Accounting Standard (AS) 17 - Segment Reporting

Consolidated Segment Revenue, Results, Assets and Liabilities for the year ended 31st March, 2016:

(₹ in crore)

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Revenue		
External sales		
Crude Oil	6964.83	7304.66
Natural Gas	2307.76	2092.98
LPG	129.00	128.04
Pipeline Transportation	362.99	368.53
Others	119.53	84.17
Total Revenue	9884.11	9978.38
Results		
Crude Oil	1745.79	2160.70
Natural Gas	1109.03	977.73
LPG	76.29	79.11
Pipeline Transportation	117.30	103.13
Others	24.82	21.53
Segment Results	3073.23	3342.20
Less: Unallocated expenses	945.28	574.38
Add: Unallocated income	53.01	47.96
Operating profit	2180.96	2815.78
Add : Interest / Dividend income	1166.95	1210.43
Less: Interest expense	366.49	349.09
Profit before tax	2981.42	3677.12
Tax expenses	1166.61	1192.24
Profit after tax	1814.81	2484.88
Segment Assets		
Crude Oil	7528.78	8271.13
Natural Gas	5643.03	5205.83
LPG	57.76	96.14
Pipeline Transportation	990.29	659.82
Others	675.89	654.87
Unallocated assets	23656.61	22176.96
Total Assets	38552.36	37064.75
Segment Liabilities		
Crude Oil	2531.64	3165.99
Natural Gas	1054.50	1039.83
LPG	19.83	28.80
Pipeline Transportation	311.56	334.29
Others	5.10	1.86
Unallocated liabilities	12087.83	10992.53
Liabilities	16010.46	15563.30
Shareholders' funds	22541.90	21501.45
Total Equity and Liabilities	38552.36	37064.75

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Capital Expenditure during the year		
Crude Oil	1010.09	987.37
Natural Gas	911.26	779.88
LPG	0.84	1.08
Pipeline Transportation	8.90	10.58
Others	76.04	377.90
Unallocated	138.41	22.80
Total Capital Expenditure during the year	2145.54	2179.61
Depreciation, Depletion and Amortisation		
Crude Oil	677.79	572.52
Natural Gas	293.31	203.45
LPG	10.97	7.24
Pipeline Transportation	19.09	20.38
Others	81.32	46.63
Unallocated	22.75	14.53
Total Depreciation, Depletion and Amortisation	1105.22	864.75
Non-cash expenses other than depreciation, depletion and amortisation		
Crude Oil	637.37	548.35
Natural Gas	176.42	194.41
LPG	0.00	0.00
Pipeline Transportation	0.00	0.00
Others	0.00	8.71
Unallocated	248.36	0.00
Total Non-cash expenses other than depreciation, depletion and amortisation	1062.15	751.47
Reconciliation of Revenue		
Total Segment Revenue	9884.11	9978.38
Add: Unallocated income	53.01	47.96
Add : Interest / Dividend income	1166.95	1210.43
Total Revenue for the year	11104.07	11236.77

Note:

1. Revenue and expenses directly identifiable to the segments have been allocated to the relative primary reportable segments.
2. Segment revenue and expenses which are not directly identifiable to the primary reportable segments have been disclosed under others which primarily includes renewable energy, business development services, leasing of OFC.
3. Assets and liabilities which are directly identifiable to the segments have been allocated to relative segments.
4. Assets and liabilities which are not directly identifiable to the segments have been disclosed under unallocated.
5. There are no reportable geographical segments.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Particulars	Oil India Sweden AB		Oil India Cyprus Ltd.		Oil India (USA) Inc.		Oil India International Ltd		Oil India International B.V.	
		31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2	Reporting Currency	Euro	USD	USD	USD	USD	USD	₹ Crore	₹ Crore	USD	USD
3	Exchange Rate (as on 31.03.2016)	Euro 1 = INR 75.93	USD 1 = INR 66.90	USD 1 = INR 66.90	USD 1 = INR 66.90	USD 1 = INR 66.90	USD 1 = INR 66.90	NA	₹ Crore	USD 1 = INR 66.90	USD 1 = INR 66.90
4	Share Capital	46,894,397	356.07	48,210	0.32	21,100,000	141.16	100.00	₹ Crore	35,117,589	234.94
5	Reserves & Surplus	3,955,672	30.04	-51,379	-0.34	-35,154,561	-235.18	9.95	₹ Crore	-47,816,871	-319.89
6	Total Assets	51,625,802	391.99	367	0.00	76,719,726	513.25	112.90	₹ Crore	42,074,600	281.48
7	Total Liabilities	775,733	5.89	3,536	0.02	90,774,287	607.28	2.95	₹ Crore	54,773,882	366.44
8	Investments	-	-	-	-	-	-	-	₹ Crore	-	-
9	Turnover	-	-	-	-	8,522,099	57.01	9.23	₹ Crore	9,538,781	63.81
10	Profit Before Taxation	-2,691,456	-20.44	-17,339	-0.12	-19,946,941	-133.45	9.23	₹ Crore	-21,190,284	-141.76
11	Provision for Taxation	-	-	-	-	5,758,938	38.53	3.05	₹ Crore	-	-
12	Profit After Taxation	-2,691,456	-20.44	-17,339	-0.12	-25,705,879	-171.97	6.18	₹ Crore	-21,190,284	-141.76
13	Proposed Dividend	-	-	-	-	-	-	-	₹ Crore	-	-
14	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:

1 Names of subsidiaries which are yet to commence operations

a) Oil India Cyprus Ltd.

b) Oil India International Ltd.

2 Names of subsidiaries which have been liquidated or sold during the year

a) Nil

3 Oil India Cyprus Ltd includes 24% held by Oil India Sweden AB.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Numaligarh . Refinery Ltd	Duliajan Numaligarh Pipeline Ltd.	Suntera Nigeria 205 Ltd.	Beas Rovuma Energy Mozambique Ltd.
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.12.2015	31.03.2016
2. Shares of Associates/ Joint Ventures held by the company on the year end				
No.	191264202	38460000	62502	5120
Amount of Investment in Associates/Joint Venture (Rs. in Crore)	483.65	38.46	0.01	6300.79
Extent of Holding %	26%	23%	25%	40%
3. Description of how there is significant influence	More than 20% stake	More than 20% stake	As per Shareholders Agreement	As per mutually agreed joint operating procedure
4. Reason why the Associate/Joint Venture is not consolidated	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in Crore)	1,030.61	43.46	-59.90	826.04
6. Profit / Loss for the year				
I. Considered in Consolidation	318.33	2.20	-7.58	-7.63
ii. Not Considered in Consolidation	NA	NA	NA	NA

Note:

1. Names of the associates or joint ventures which are yet to commence operations

Nil

2. Names of the associates or joint ventures which have been liquidated or sold during the year

Nil

32.4 Information as per Accounting Standard (AS) 18 "Related Party Disclosures"

a) Related party relationships

Name of related parties and nature of relationship (excluding the State controlled entities):

i) (a) Joint Ventures (Unincorporated):

Sl. No	Name of Joint Venture
1	MZ-ONN-2004/1
2	RJ-ONN-2004/2
3	KG-ONN-2004/1
4	RJ-ONN-2005/2
5	Kharsang PSC
6	AAP-ON-94/1
7	KG-DWN-2009/1
8	Area 95/96, Libya
9	Block 82, Yemen
10	Block 83, Yemen
11	AS-CBM-2008/IV-CBM
12	Block SS-04, Bangladesh
13	Block SS-09, Bangladesh
14	Block YEB, Myanmar
15	Block M-4, Myanmar

ii) Key Management Personnel:

Whole time Functional Directors:

- a) Mr. U.P. Singh Chairman and Managing Director (w.e.f. 01.07.2015)
- b) Mr. S.K.Srivastava Chairman and Managing Director (up to 30.06.2015)
- c) Mrs. R.S. Borah Director (Finance)
- d) Mr. S. Mahapatra Director (Exploration & Development)
- e) Mr. B. Roy Director (HR & BD) (w.e.f. 08.05.2015)
- f) Mr. P. K. Sharma Director (Operations) (w.e.f. 01.06.2015)
- g) Mr. S. Rath Director (Operations) (up to 31.05.2015)

Other Officers:

- a) Mr. S.R. Krishnan Company Secretary

b) Details of Transactions during the year (excluding State controlled entities):

(₹ in crore)

Sl. No.	Particulars	Joint Ventures/ Associates	Key Management Personnel	Total
1.	Sales proceeds and other income received from Joint Ventures	45.48 (96.01)	-	45.48 (96.01)
2.	Share of expenses for JVs paid/payable to partners	61.47 (87.98)	-	61.47 (87.98)
3.	Share of expenses for JVs received / receivable from partners	61.96 (26.08)		61.96 (26.08)
4.	Loan disbursed to JV entities	NIL		NIL
5.	Amount of debts due from JVs	NIL		NIL
6.	Remuneration to Functional Directors		2.03 (2.42)	2.03 (2.42)
7.	Amount outstanding from directors and other officers		1.48 (0.39)	1.48 (0.39)

Note: Figures in parenthesis represent corresponding previous year figure.

32.5 Information as per Accounting Standard (AS) 27 "Financial reporting of interest in Joint Ventures"

32.5.1 Company executed various JVCs/PSCs in India for oil and gas exploration, as Jointly Control Assets as on 31.03.2016, the details of which are given below:

Jointly controlled Assets in India

A. Operated/Jointly Operated

Sl. No.	Block No.	Company's Participating Interest	Other's Participating Interest
1.	AA-ONN-2009/4	50% (50%)	ONGCL - 50% (50%)
2.	AA-ONN-2010/2	40% (40%)	ONGCL - 30% (30%) GAIL-20% (20%), EWP-10%(10%)
3.	AA-ONN-2010/3	40% (40%)	ONGCL - 40% (40%), BPRL-20% (20%)
4.	AN-DWN-2009/3	40% (40%)	ONGCL - 60% (60%)
5.	CY-OSN-2009/2	50% (50%)	ONGCL - 50% (50%)
6.	KG-ONN-2004/1*	90% (90%)	GGR - 10% (10%)
7.	MB-OSN-2010/2	50% (50%)	HPCL - 30% (30%),BPRL - 20% (20%)
8.	MZ-ONN-2004/1	85% (85%)	SHIVVANI - 15% (15%)
9.	RJ-ONN-2004/2*	75% (75%)	GGR - 25%(25%)
10.	RJ-ONN-2005/2	60% (60%)	HMEL - 20% (20%), HOEC-20% (20%)

Note: Figures in parenthesis represent corresponding previous year figure.

*M/S Geo Global Resources Inc. holding 25% participating interest in RJ-ONN-2004/2 and 10% participating interest in KG-ONN-2004/1 has withdrawn from the blocks and the company is in the process of taking over the said participating interests for which final approval is pending from MOP&NG.

The Financial position of the above blocks are as under:

(₹ in crore)

Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
Operated / Jointly Operated - Audited Accounts									
1.	AA-ONN-2009/4 (CY)	0.00	0.00	0.00	0.00	1.48	0.00	3.25	0.00
	(PY)	0.00	0.00	0.00	0.00	1.79	0.00	4.81	0.00
2.	AA-ONN-2010/2 (CY)	0.00	0.00	0.00	0.00	1.71	0.00	1.15	0.00
	(PY)	0.00	0.00	0.00	0.00	0.38	0.00	0.23	0.00
3.	AA-ONN-2010/3 (CY)	0.00	0.00	0.00	0.00	-10.06	0.00	1.53	0.00
	(PY)	0.00	0.00	0.00	0.00	11.32	0.00	9.00	0.00
4.	RJ-ONN-2004/2 (CY)	0.00	0.00	0.00	26.59	4.64	0.42	1.43	0.00
	(PY)	0.00	0.00	0.00	18.39	9.20	-0.51	3.44	0.00
5.	RJ-ONN-2005/2 (CY)	0.00	0.00	0.00	0.26	12.00	0.00	32.09	19.77
	(PY)	0.00	0.00	0.00	0.00	13.21	0.00	2.17	0.00
6.	KG-ONN-2004/1 (CY)	1.81	0.00	0.00	254.35	-68.37	-0.01	22.33	46.64
	(PY)	1.18	0.00	0.00	128.31	213.13	1.21	17.90	0.00
	Total (CY)	1.81	0.00	0.00	281.20	-58.60	0.41	61.78	66.41
	(PY)	1.18	0.00	0.00	146.70	249.03	0.70	37.55	0.00
Operated / Jointly Operated - Un-Audited Accounts									
7.	AN-DWN-2009/3 (CY)	0.00	0.00	0.00	0.00	-0.77	0.00	5.89	0.00
	(PY)	0.00	0.00	0.00	0.00	-3.70	0.00	4.35	0.00
8.	CY-OSN-2009/2 (CY)	0.00	0.00	0.00	1.38	18.35	0.04	36.83	0.00
	(PY)	0.00	0.00	0.00	1.92	3.34	-0.06	2.06	0.00
9.	MB-OSN-2010/2 (CY)	0.00	0.00	0.00	0.00	-3.76	0.18	1.79	0.00
	(PY)	0.00	0.00	0.00	0.00	9.68	-0.07	26.46	0.00
10.	MZ-ONN-2004/1 (CY)	0.17	0.00	0.00	80.99	23.56	0.00	36.21	177.23
	(PY)	0.24	0.00	0.00	112.51	6.49	0.18	36.35	0.00
	Total (CY)	0.17	0.00	0.00	82.37	37.38	0.22	80.72	177.23
	(PY)	0.24	0.00	0.00	114.43	15.81	0.05	69.22	0.00

B. Non-operated

Sl. No.	Block No.	Company's Participating interest	Other's Participating Interest
1.	AAP-ON-94/1 *	44.086% (44.086%)	HOEC(O) - 26.882%(26.882%), IOCL -29.032%(29.032%)
2.	AA-ONN-2009/3	50% (50%)	ONGC - 50%(50%)
3.	AN-DWN-2009/1	30% (30%)	ONGC - 70%(70%)
4.	AN-DWN-2009/2	40% (40%)	ONGC - 60%(60%)
5.	AS-CBM-2008/IV	90% (40%)	DART ENERGY- 10% (60%)
6.	GK-OSN-2010/1	30% (30%)	ONGC (O)- 60%(60%) , GAIL - 10%(10%)
7.	KG-OSN-2009/4	30% (30%)	ONGC (O)- 50%(50%), NTPC - 10%(10%), APGICL - 10%(10%)
8.	Kharsang PSC *	40% (40%)	GEOENPRO - 10%(10%),GEOPETROL-25%(25%), JUBILANT ENERGY-25%(25%)
9.	MN-OSN-2000/2	20% (20%)	ONGC (O)- 40%(40%) ,IOC - 20%(20%), GAIL - 20%(20%)
10.	WB-ONN-2005/4	25% (25%)	ONGC (O)- 75% (75%)

Note: Figures in parenthesis represent corresponding previous year figure.

*Pre NELP Blocks

The Financial position of the above blocks are as under:

(₹ in crore)

Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
Non-Operated - Audited Accounts									
1.	AAP-ON-94/1 (CY)	0.00	0.00	0.00	42.60	-3.07	0.07	4.16	13.77
	(PY)	0.00	0.00	0.00	39.96	-0.22	0.00	0.09	0.00
	Total (CY)	0.00	0.00	0.00	42.60	-3.07	0.07	4.16	13.77
	Total (PY)	0.00	0.00	0.00	39.96	-0.22	0.00	0.09	0.00

Non-Operated - Un audited Accounts									
2.	AA-ONN-2009/3 (CY)	0.00	0.00	0.00	0.00	-0.19	0.00	1.82	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.10	0.00	0.23	0.00
3.	AN-DWN-2009/1 (CY)	0.00	0.00	0.00	0.00	-0.20	0.00	3.58	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.87	0.00	3.29	0.00
4.	AN-DWN-2009/2 (CY)	0.00	0.00	0.00	0.00	-0.39	0.00	4.81	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.79	0.00	3.77	0.00
5.	AS-CBM-2008/IV (CY)	0.00	0.00	0.00	0.00	7.94	0.00	19.23	0.00
	(PY)	0.00	0.00	0.00	0.00	-6.80	0.00	16.54	0.00
6.	GK-OSN-2010/1 (CY)	0.00	0.00	0.00	18.32	-15.09	0.00	1.63	0.00
	(PY)	0.00	0.00	0.00	0.00	3.46	0.00	3.00	0.00
7.	KG-OSN-2009/4 (CY)	0.00	0.00	0.00	0.04	0.37	0.00	3.44	0.00
	(PY)	0.00	0.00	0.00	0.00	-1.84	0.00	2.61	0.00
8.	KHARSANG (CY)	8.35	84.87	1.07	0.00	10.96	45.48	38.03	21.16
	(PY)	8.80	82.58	1.15	35.39	14.30	96.01	35.48	0.00
9.	MN-OSN-2000/2 (CY)	0.00	0.00	0.00	0.00	48.63	0.98	4.57	-3.82
	(PY)	0.00	0.00	0.00	0.01	-58.24	0.00	6.43	106.00
10	WB-ONN-2005/4 (CY)	0.00	0.00	0.00	0.00	7.66	0.00	5.70	19.84
	(PY)	0.00	0.00	0.00	17.16	-8.30	0.00	4.29	0.00
	Total (CY)	8.35	84.87	1.07	18.36	59.69	46.46	82.81	37.18
	Total (PY)	8.80	82.58	1.15	52.56	-59.18	96.01	75.64	106.00

Summarized Financial Position of Joint Venture Blocks in India is as under:
(₹ in crore)

Sl. No.	Particulars	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
1.	Operated (10 Blocks)								
	(CY)	1.98	0.00	0.00	363.57	-21.22	0.63	142.50	243.64
	(PY)	1.42	0.00	0.00	261.13	264.84	0.75	106.77	0.00
2.	Non-operated (10 Blocks)								
	(CY)	8.35	84.87	1.07	60.96	56.62	46.53	86.97	50.95
	(PY)	8.80	82.58	1.15	92.52	-59.40	96.01	75.73	106.00
	Total (CY)	10.33	84.87	1.07	424.53	35.40	47.16	229.47	294.59
	Total (PY)	10.22	82.58	1.15	353.65	205.44	96.76	182.50	106.00

C. Blocks relinquished/being relinquished

The required disclosures under AS 27 related to relinquished/being relinquished blocks against which full provision has been made are not disclosed since it does not affect the related disclosures materially. However, relinquished/being relinquished blocks against which balances are appearing in the books of accounts or transactions have taken place during the financial year are disclosed as under:

The Financial position of the above blocks are as under:

(₹ in crore)

Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
1.	AA-ONN-2003/3 (CY)	0.00	0.00	0.00	0.00	-1.02	2.86	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-15.28	0.00	16.31	0.00
2.	AA-ONN-2004/1 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.26	0.00	0.00	-0.11
3.	AA-ONN-2004/2 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.11	-0.01	1.60	-0.07
4.	AN-DWN-2005/1 (CY)	0.00	0.00	0.00	0.00	-0.24	0.00	0.24	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.53	0.00	0.00	0.00
5.	Block 83, Yemen (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	7.62
6.	CY-DWN-2001/1 (CY)	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.01
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	-8.10	0.00
7.	GK-OSJ-3 (CY)	0.00	0.00	0.00	0.00	-3.98	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-5.39	0.00	0.00	0.00
8.	KG-DWN-2002/1 (CY)	0.00	0.00	0.00	0.00	0.60	0.00	-0.01	0.00
	(PY)	0.00	0.00	0.00	0.00	-2.95	0.00	6.24	0.31
9.	KG-DWN-2004/5 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.03	0.00	0.01	0.00
10.	KG-DWN-2004/6 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.16	0.00	-0.12	0.12
11.	KG-DWN-2009/1 (CY)	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.09	0.00	0.03	0.00
12.	KG-DWN-98/4 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.05	0.00	0.00	0.00
13.	MN-DWN-2002/1 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-88.00	0.00	0.00	0.00

14.	MN-ONN-2000/1 (CY)	0.00	0.00	0.00	0.00	2.32	0.01	0.93	0.00
	(PY)	0.00	0.00	0.00	0.00	2.52	0.00	2.65	0.00
15.	RJ-ONN-2000/1 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	3.44	0.40	0.00	0.00
16.	RJ-ONN-2001/1 (CY)	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-15.22	0.61	-0.25	0.00
17.	RJ-ONN-2004/3 (CY)	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	2.21	0.71	0.00	0.00
18.	AA-ONN-2002/3 (CY)	0.00	0.00	0.00	0.00	0.53	0.00	0.14	3.46
	(PY)	0.00	0.00	0.00	3.82	1.06	0.00	1.45	0.00
	Total (CY)	0.00	0.00	0.00	0.00	-21.60	0.00	16.97	11.33
	Total (PY)	0.00	0.00	0.00	3.82	-97.46	1.72	4.07	0.01

Overseas Joint Venture Blocks

The Company has also executed contracts for oil and gas exploration in overseas block. The details of the block are given below:

Sl. No.	Block/Area No	Country of Origin	Company's Participating interest	Other's Participating interest
1.	Block SS-04	Bangladesh	45% (45%)	OVL -45%(45%), BAPEX -10%(10%)
2.	Block SS-09	Bangladesh	45% (45%)	OVL -45%(45%), BAPEX -10%(10%)
3.	Shakthi	Gabon	50% (50%)	IOCL - 50%(50%)
4.	Farsi (offshore) Block	Islamic Republic of Iran	20% (20%)	OVL (O)- 40%(40%), IOCL -40%(40%)
5.	Area 86	Libya	50% (50%)	IOCL - 50%(50%)
6.	Area 95/96	Libya	25% (25%)	SIPEX (O)- 50%(50%), IOCL - 25%(25%)
7.	Block 102/4	Libya	50% (50%)	IOCL - 50%(50%)
8.	Block M-4	Myanmar	60% (60%)	MPL - 25%(25%), Oilmax - 10%(10%) & Oil Star - 5% (5%)
9.	Block YEB	Myanmar	60% (60%)	MPL - 25%(25%), Oilmax - 10%(10%) & Oil Star - 5% (5%)
10.	Block 82,	Yemen	12.75% (12.75%)	MEDCO AMED- 38.25%,(38.25%) Kuwait Energy(O) - 21.25%(21.25%), Yemen Oil & Gas 15%(15%), IOCL - 12.75%(12.75%)

Note: Figures in parenthesis represent corresponding previous year figure.

The Financial position of the above blocks are as under:

(₹ in crore)

Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
Overseas Blocks - Audited Accounts									
1.	Block SS-04, Bangladesh (CY)	0.00	0.00	0.00	0.00	-1.62	0.01	4.29	0.00
	(PY)	0.00	0.00	0.00	0.00	-1.97	0.00	4.17	0.00
2.	Block SS-09, Bangladesh (CY)	0.00	0.00	0.00	0.00	-5.13	0.01	7.51	0.00
	(PY)	0.00	0.00	0.00	0.00	-1.95	0.00	3.31	0.00
3.	Farsi (offshore) Block (CY)	0.00	0.00	0.00	73.66	-0.56	0.01	1.36	0.00
	(PY)	0.00	0.00	0.00	73.66	-73.97	0.00	0.72	0.00
4.	Block M-4, Myanmar (CY)	0.00	0.00	0.00	0.00	1.14	0.00	1.38	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Block YEB, Myanmar (CY)	0.00	0.00	0.00	0.00	0.40	0.00	1.37	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Shakthi, Gabon (CY)	0.02	0.00	0.00	130.86	-2.77	0.00	75.60	0.00
	(PY)	0.00	0.00	0.00	0.00	-1.62	0.01	4.29	0.00
	Total (CY)	0.02	0.00	0.00	204.52	-8.54	0.03	91.51	0.00
	Total (PY)	0.00	0.00	0.00	73.66	-79.51	0.01	12.49	0.00
Overseas Blocks – Un-Audited Accounts									
7.	Area 86, Libya (CY)	0.00	0.00	0.00	0.00	-10.27	0.00	1.78	0.00
	(PY)	0.00	0.00	0.00	0.00	5.81	0.00	0.67	0.00
8.	Area 95/96, Libya (CY)	0.06	0.00	0.39	122.98	17.21	0.00	1.01	0.00
	(PY)	0.07	0.00	0.39	113.70	-31.22	0.00	1.95	0.00
9.	Block 102/4, Libya (CY)	0.00	0.00	0.00	0.00	-0.98	0.00	0.69	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.34	0.00	0.30	0.00
10.	Block 82, Yemen (CY)	0.06	0.00	0.03	5.86	-6.30	0.00	8.36	0.00
	(PY)	0.08	0.00	0.03	5.78	-5.21	0.00	7.05	0.00
	Total (CY)	0.12	0.00	0.42	128.84	-0.34	0.00	11.84	0.00
	Total (PY)	0.15	0.00	0.42	119.48	-30.96	0.00	9.97	0.00

*CY -Current Year PY -Previous Year

32.5.2 Company has sent for confirmation of balances to the JVC Partners which are yet to be received.

32.6 Micro, Small and Medium Enterprises Development Act, 2006:

The Company has identified Micro, Small and Medium Enterprises (MSMEs) to whom the Company owes dues, which are outstanding as at 31.03.2016.

(₹ in crore)

Particulars	2015-16	2014-15
a) Principal amount remaining unpaid but not due as at year end	1.64	1.72
b) Interest due thereon as at year end	0.00	0.00
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	0.00	0.00
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	0.00	0.00
e) Interest accrued and remaining unpaid as at year end	0.00	0.00
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	0.00	0.00

32.7 Income Tax

- For Assessment Years (AY) 2003-04 to 2007-08, 2009-10 and 2010-11, the appeals are pending for disposal before the Hon'ble Income Tax Appellate Tribunal (ITAT) with respect to the Company's claim of benefit u/s 80-IB / 80-IC of the Income Tax Act, 1961, herein after called as the Act.
- For Assessment Years (AY) 2008-09, 2011-12, 2012-13 and 2013-14 the appeals are pending for disposal before the CIT (A) against disallowances / additions made in the assessment u/s 143(3).
- The benefit u/s 80IB and 80-IC of the Act has not been considered to make the provisions of tax in the books.
- The resulting interest, whether receivable or payable, shall be accounted for on finalization of the matter by an appellate authority.
- Income tax assessments up to the Assessment Year 2013-14 have been completed and a demand of ₹ 188.23 crore has been raised by the Department over the period on account of certain disallowances / additions. Such disallowances/additions have not been provided for in the books as the same is likely to be deleted or may be reduced substantially on the grounds taken by the company before the first appellate authority. However, wherever demand is raised, the amount has been paid.
- The Current tax figure of the year includes ₹102.03 Crore on account of adjustments pertaining to previous year.
- Subject to the approval of the prescribed authority, Department of Scientific and Industrial Research, Company has claimed weighted deduction u/s 35(2AB) of the Income Tax Act, 1961, for the eligible amount incurred in the following respective year for capital and revenue expenditure on scientific research on in-house approved research and development facilities:

(₹ in crore)

Particulars	Financial Year	
	2015-16	2014-15
Capital Expenditure	4.26	21.73
Revenue Expenditure	42.50	49.38
Total Expenditure	46.76	71.11

32.8 Implementation of component accounting as per Schedule II to The Companies Act, 2013

In terms of Schedule II to The Companies Act, 2013, the Company has with effect from 01.04.2015 implemented component accounting in respect of assets. As a result, depreciation for the year ended 31.03.2016, calculated based on revised useful life of the components under written down value method is higher by ₹ 4.80 crore.

32.9 Provision for diminution in value of certain Investments through impairment test arising out of exceptional circumstances:

- (i) Investment in Beas Rovuma Energy Mozambique Limited (BREML)
The Company has acquired 40% stake in BREML in Financial Year 2013-14. Considering the prevailing low global oil/gas prices consequent to slowdown in global economy as an impairment indicator, a provision for diminution amounting to ₹174 crore in the value of investments in BREML has been made during the year based on the impairment test conducted arising out of exceptional circumstances.
- (ii) Investment in Suntera Nigeria 205 Limited (SUNTERA) including loans and advances
- The Long Term Loans & Advances to SUNTERA amounting to ₹161.55 crore as of 31.03.2016 represents the loan extended for Company's share of expenditure in Oil Mining Lease (OML) 142, Nigeria including accrued interest of ₹ 54.52 crore.
 - On expiry of the loan agreement on 31st December 2014, the outstanding loan amounting to ₹ 99.66 crore had been provided as doubtful of recovery in financial year 2014-15 accounts. Interest of ₹ 7.89crore upto 31.12.2009 had earlier been provided in Financial Year 2009-10 accounts. Further, provision was created as Diminution in value of investment of ₹ 0.01 crore and ₹ 0.67 crore recoverable on other accounts was provided as doubtful in 2014-15Accounts.
 - The loan agreement has now been extended up to 31.01.2022 on 23.10.2015 with retrospective effect from 1-1-2015 in supersession of earlier agreements to cover further development in the block.
 - Accordingly, aforesaid provisions taken in the previous year for above loan dues with interest and other provisions as referred in (b) above have been written back in the current year.
 - As the loan as well as total interest accrual thereof will be payable by 31.01.2022 as per fresh agreement reached duly approved by Board of Directors of the Company on 29.09.2015, accrued interest from 01.01.2010 to 31.03.2016 amounting to ₹46.64 crore (including ₹ 7.44 crore for 2015-16) have been accounted in the current year under accrual system of accounting being followed by the Company.

However considering the prevailing low global oil/gas prices consequent to slowdown in global economy as an impairment indicator, the Investment in SUNTERA by way of loans & advances including accrued interest thereon have been put to impairment test and ₹41.13 crore provision in diminution in value has been made in current year's accounts based on such test conducted arising out of exceptional circumstances.

However, in case of consolidated financial results, considering fall in global oil/gas prices and resultant impairment loss of ₹248.19 crore has been provided and disclosed in the accounts for the year ended 31.03.2016.

32.10 Disclosures as per Guidance Note on Oil & Gas Producing Activities (Revised 2013):

(Prepared by the management and Auditors have placed reliance being information of technical nature)

The disclosure relates to Parent Company.

- (i) Net quantities of interest in Proved Reserves of oil (including condensates) and natural gas as on 31.03.2016:

Area of Operation	Crude Oil				Natural Gas			
	Position as at 01.04.2015	Additions/Revisions	Production Quantity	Position as at 31.03.2016	Position as at 01.04.2015	Additions/Revisions	Adjusted Sales Quantity	Position as at 31.03.2016
	(Million KL)	(Million KL)	(Million KL)	(Million KL)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)
Assam	35.1532	0.2709	3.6130	31.8111	22787	264	2491	20560
Arunachal Pradesh	0.1176	0.0182	0.0066	0.1292	0	0	0	0
Rajasthan	0.0028	0.000	0.0003	0.0025	1000	1009	206	1803
Kharsang-JV*	0.9690	-0.7249	0.0057	0.2384	0	0	0	0
Total	36.2426	-0.4358	3.6256	32.1812	23787	1273	2697	22363

* Shown to the extent of participating interest of the Company

(ii) Net quantities of interest in Proved Developed Reserves of oil (including condensates) and natural gas as on 31.03.2016:

Area of Operation	Crude Oil				Natural Gas			
	Position as at 01.04.2015	Additions/Revisions	Production Quantity	Position as at 31.03.2016	Position as at 01.04.2015	Additions/Revisions	Adjusted Sales Quantity	Position as at 31.03.2016
	(Million KL)	(Million KL)	(Million KL)	(Million KL)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)
Assam	32.1886	0.6218	3.6130	29.1974	22787	264	2491	20560
Arunachal Pradesh	0.1176	0.0182	0.0066	0.1292	0	0	0	0
Rajasthan	0.0028	0.0000	0.0003	0.0025	1000	1009	206	1803
Kharsang-JV*	0.9690	-0.7249	0.0057	0.2384	0	0	0	0
Total	33.2780	-0.0849	3.6256	29.5675	23787	1273	2697	22363

* Shown to the extent of participating interest of the Company
Reserves are calculated in terms of Million kilo litres

(iii) Proved and Proved Developed Reserves of oil (including condensates) and gas are technically assessed and reviewed in-house at the end of each year in line with international practices. Reserves are audited by external experts at periodical intervals. For the purpose of estimation of Proved and Proved Developed Reserves, Deterministic Method is used by the company. Production pattern analysis, number of additional wells to be completed, application of enhanced recovery techniques, validity of mining lease agreements, agreements/MOU for sales are taken into consideration for determining reserves quantity.

32.11 VAT and Royalty on crude oil:

- The Company has received notice of demand for ₹ 1349.71 crore from Assam Value Added Tax Authority claiming VAT on sharing of under recoveries to downstream oil companies and on transportation charges of own crude oil. Out of this an amount of ₹21.97 crore pertains to VAT on transportation of crude oil for the period from FY 2009-10 to 2012-13. The company has provided ₹41.11 crore including interest for the period from 2009-10 to 2015-16 in the accounts for the quarter and year ended 31.03.2016. The demand for the balance ₹1327.74 crore, being VAT on sharing of under-recoveries has been contested by the Company before the Commissioner of Taxes, Assam. In a similar matter, the Gujrat High Court has passed order against applicability of VAT on the amount of under recoveries shared, which has been upheld by Supreme Court of India through dismissal of Special Leave Petition filed by Gujrat Government against the High Court decision.
- The Company has received claim of ₹ 7224.20 crore from Director of Geology and Mining, Assam claiming royalty on sharing of under recoveries to downstream oil companies on crude oil for the year 2008-09 to 2013-14 including interest upto 31.08.2014. Company is paying royalty on post-discounted price based on the instructions issued by MOP&NG and in line with Oil Field (Regulation & Development) Act 1948 and subsequent notifications thereof and hence does not consider the claim as liability. The Government of Assam has filed a writ petition before the Hon'ble Gauhati High Court which is pending adjudication. The amount of claim as above together with amount of differential royalty up to 31.03.2016 including interest thereon estimated to be ₹ 9749.55 crore has accordingly been included and shown as contingent liability.

32.12 Others

In respect of claims made against the Company to the extent they are not acknowledged as debt and where no provisions have been made, are disclosed under Contingent Liabilities 32.14(i).

32.13 Details of charge:

- The Company has created charge against Current Assets to the tune of ₹ 377.45 crore (previous year ₹ 377.45 crore) for availing Bank Guarantee.
- Further the Company has created charge against the Current Assets to the tune of ₹ 700.00 crore (previous year ₹ 700.00 crore) for availing Cash Credit/Letter of Credit/Bank Guarantee Facility.

32.14 Other disclosure under Schedule III to the Companies Act, 2013**I. Contingent Liabilities and commitments****(i) Contingent Liabilities:****(a) Claims against the Company not acknowledged as debts:****(₹ in crore)**

SI. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Under the Assam General Sales Tax Act, 1993	8.41	8.41
ii.	Under the Assam VAT Act, 2003	1327.74	1349.71
iii.	Under the Central Sales Tax Act, 1956	0.07	0.00
iv.	Under Central Excise Act and Service Tax	179.68	158.17
v.	Under Income Tax Act	190.41	204.46
vi.	Under Other Acts	47.38	46.39
vii.	By Contractor pending in Arbitration / Courts	29.02	24.52
viii.	Claim on JVC/PSC account	6.56	6.57
ix.	Claim of Royalty by Govt. of Assam on gross price of crude oil	9749.55	7224.20
x.	Demand raised under Assam Taxation (on specified lands) Amendment Act, 2004 for the period from 2010 to 2015	755.21	-
xi.	Under Service Tax – DNP Limited	0.05	0.05
xii.	Rental and supervision charges for ROW – DNP Limited	0.19	0.13
xiii.	Money appeal pending before the court - DNP Limited	-	0.01
xiv.	Claims by contractor pending in arbitration/court on capital accounts – Numaligarh Refinery Limited	29.14	27.64
xv.	On taxation matters – Numaligarh Refinery Limited	72.10	108.28
xvi.	Signature Bonus – Oil India Sweden AB	381.09	362.09
xvii.	Signature Bonus – Oil India International B.V	33.45	31.60
xviii.	Economic interest assignment – Suntera Nigeria 205 Ltd	45.99	31.60
	Total	12856.04	9583.83

Contingent liabilities of subsidiaries, joint ventures and associates represents Parent Company share.

(b) In respect of Guarantees :**(₹ in crore)**

SI. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
i.	Bank Guarantee issued to Superintendent of Taxes, Naharkatia, Assam, in relation to demand raised by the Department under Assam Taxation (on specified lands) Amendment Act, 2004 for the period from 2005 to 2009.	702.02	702.02
ii.	Guarantee to OADB against Loan by M/S BCPL from OADB	36.34	36.34
iii.	Counter Guarantee to GAIL against Loan by M/S BCPL from OADB	27.78	27.78
iv.	Letter of Comfort to GAIL against Loan by M/S BCPL from OADB	33.11	0.00
v.	Corporate Guarantee to Sumitomo Mitsui Banking Corporation against Loan taken by OIL INDIA (USA) INC.	602.10	568.71
vi.	Guarantee to OADB against Loan to M/S BCPL from OADB – Numaligarh Refinery Limited	20.99	13.56
	Total	1422.34	1348.41

Guarantees of associates represents Parent Company share.

(c) Other matters for which the Company is contingently liable:

(ii) Commitments:

(a) Capital Commitments:

- (i) The estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts:

Parent Company: ₹ 632.92 crore (previous year ₹ 246.20 crore).

DNP Limited: ₹ 0.35 crore (previous year ₹ 0.06 crore).

Numaligarh Refinery Limited: ₹ 87.17 crore (previous year ₹ 18.79 crore).

- (ii) Company's share in the amount of contracts remaining to be executed on Capital Accounts and not provided for in the account in respect of the un-incorporated Joint Ventures is ₹ 146.76 crore (previous year ₹ 18.13 crore).

Capital Commitment of associates represents Parent Company share.

(b) Other Commitment:

- (iii) The estimated amount of contracts remaining to be executed on Revenue Account and not provided for in the accounts: ₹ 283.07 crore (previous year ₹ 172.45 crore).

- (iv) Balance of Minimum Work Program Commitment (MWP) by OIL under Production Sharing Contracts (PSCs) entered for NELP Blocks with Govt. of India is ₹ 2200.62 crore (previous year ₹ 2371.00 crore) out of which ₹ 460.81 crore (previous year ₹ 883.00 crore) is covered by Bank Guarantee submitted to DGH.

- (v) Balance of Minimum Work Program Commitment (MWP) by OIL under Production Sharing Contracts (PSCs) entered for overseas Blocks is ₹ 388.03 crore (previous year ₹ 445.50 crore) out of which ₹ 345.34 crore (previous year ₹ 326.19 crore) is covered by Bank Guarantee.

- (vi) Performance Bonus – Beas Rovuma Energy Mozambique Ltd.: ₹ 84.38 crore (previous year ₹ 174.67 crore).

- (vii) The estimated amount of commitment relating to lease arrangement – Numaligarh Refinery Limited: ₹ 20.99 crore (previous year ₹ 13.56 crore).

Other Commitment of joint venture and associates represents Parent Company share.

32.15 RECLASSIFICATION/REGROUPING:

Previous year figures have been reclassified / regrouped wherever necessary to conform to current year figures.

For A.K. SABAT & CO
Chartered Accountants
Firm Reg No- 321012E

sd/-
(CA A.K.SABAT)
Partner

Membership No: 030310

Place: Noida
Date: 27th May, 2016

For N. C. BANERJEE & CO
Chartered Accountants
Firm Reg No- 302081E

sd/-
(CA B.K.BISWAS)
Partner

Membership No: 055623

sd/-
(S.R.Krishnan)
Company Secretary

For and on behalf of the Board of Directors

sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)
DIN 6700534

sd/-
(U. P. Singh)
Chairman & Managing
Director
DIN 00354985

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OIL INDIA LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of OIL INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and Significant Accounting Policies and Additional Notes (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Subsidiaries, Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its subsidiaries, associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries, associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note 2.4 to the financial statements which, describes the treatment of exchange fluctuation on long term borrowings in accounts based on management opinion.
- b) Note 31.13 (a) to the financial statements which, describes uncertainty related to the demand for Assam VAT of ₹ 1349.71 crores raised by Assam Value Added Tax Authority.
- c) Note 31.13 (b) to the financial statements which, describes uncertainty related to the demand for Royalty of ₹7224.20 crores raised by Director of Geology and Mines, Assam.

Our opinion is not modified in respect of these matters.

OTHER MATTERS

The attached financial statements include Company's share of net fixed assets, net current assets, expenditure and income aggregating to ₹ 1.43 crores, ₹ 195.29 crores, ₹ 128.07 crores and ₹ 0.76 crores respectively as at 31st March, 2015 in respect of eighteen of its unincorporated Joint Ventures, the accounts of which have been audited by the auditors of the respective Joint Ventures.

The attached financial statements include Company's share of net fixed assets, net current liabilities, expenditure and income aggregating to ₹ 8.95 crores, ₹ 97.40 crores, ₹ 85.59 crores and ₹ 96.01 crores respectively as at 31st March, 2015 in respect of eighteen of its unincorporated Joint Ventures, the accounts of which have not been audited and have been incorporated based on financial statements prepared and certified by the Management.

The audited and unaudited financial statements of the above unincorporated joint ventures are prepared to meet requirements of production sharing contracts and are special purpose statements and none of the statements audited as well as unaudited, are drawn up in the same format as presented by the Company and we did not audit the financial statements/financial information of eighteen unaudited Joint Ventures included as above.

OUR OPINION IS NOT MODIFIED IN RESPECT OF THESE MATTERS.

We did not audit the financial statements / financial information of five subsidiaries, and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹2369.34 crores as at 31st March, 2015, total revenues of ₹ 230.15 crores and net cash flows amounting to ₹ 58.51 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of net profits of ₹ 123.52 crores for the year ended 31st March, 2015 as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the Work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary company incorporated in India, and on the basis of our examination of the books and records of the company carried out in accordance

with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Associated companies incorporated in India have been consolidated in the Consolidated financial statements on Equity method as such their Companies (Auditor's Report) order, 2015 have not been taken into account in our above report.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

For SAHA GANGULI & ASSOCIATES

Chartered Accountants
Firm Regn. No: 302191E

sd/-
(S.K. Saha)
Partner
Membership No.: 051392

Place: Noida
Date: 29/05/2015

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 31.16 I (i)(a) and 31.16 I (i)(b)(i) to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For B.M.CHATRATH & CO.

Chartered Accountants
Firm Regn. No: 301011E

sd/-
(P.R. Paul)
Partner
Membership No.: 051675

ANNEXURE TO THE AUDITOR'S REPORT

- (i) (a) The Group has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the Management at reasonable interval in phased manner designed to cover all items over a period of five years. No material discrepancies have been noticed on such verification;
- (ii) (a) Inventories (excluding stock in transit and/or under inspection with suppliers/contractors) have been physically verified by the management during the year, except the inventories of stores and spare parts which have been physically verified by the management in a phased manner. The frequency of verification is reasonable;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business;
- (c) The Group is maintaining proper records of inventories. No material discrepancies have been noticed on physical verification;
- (iii) The Group has granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
 - (a) The receipt of principal amount and interest wherever applicable are regular except for loan granted by the Group to one party; and
 - (b) There is no overdue amount exceeding ₹ 1 lac except for loan granted by the Group to the aforesaid party for which necessary steps

have been taken for recovery of the principal and interest amount and provision has been made in the accounts for the same.

- (iv) There exists an adequate internal control system commensurate with the size of the Group and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have not come across any continuing failure to correct major weaknesses in internal control system.
- (v) The Group has not accepted deposits within the meaning of the Act. Hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable to the Group.
- (vi) We have broadly reviewed the books of account maintained by the Group, pursuant to the rules made by the Central Government for the maintenance of the cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Group is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it with the appropriate authorities.
- (b) Details of disputed dues in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates Financial year	Amount (in ₹ Crores)	Forum where Dispute is pending
Income Tax Act	Income Tax	2009-10 to 2013-14	3.96	CIT Appeals
Assam VAT ACT	Assam VAT	April'2005 to March' 2006	8.41	Assam Board of Revenue.
		2009-10 to 2012-13	1349.71	

Finance Act' 1994	Service Tax	April' 2011 to December' 2011	35.76	CESTAT, Kolkata
		January' 2012 to September' 2012	12.34	
		October' 2012 to March' 2013	5.98	
		July'2008 to March' 2009	0.34	
		April'2009 to March' 2010	0.40	
		Oct, 2012 to March, 2013	0.12	
Central Excise Act, 1944	Oil cess, NCCD and education cess	2011-12 to 2014-15	18.48	CESTAT, New Delhi
	Excise Duty	December' 2008 to December' 2009	14.27	CESTAT, Kolkata
		January' 2010 to December' 2010	11.92	
		January'2011 to December' 2011	17.47	
		January' 2012 to June' 2012	20.93	
		July' 2012 to December' 2012	10.48	
		January' 2013 to June' 2013	9.68	

(c) The amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made thereunder has been transferred to such fund within time.

(viii) The Group has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year and in the immediately preceding financial year;

(ix) The Group has not defaulted in repayment of dues to the financial institution or bank or debenture holders;

For SAHA GANGULI & ASSOCIATES

Chartered Accountants
Firm Regn. No: 302191E

sd/-
(S.K. Saha)
Partner
Membership No.: 051392

Place: Noida
Date: 29/05/2015

(x) The Group has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Group;

(xi) Term loans were applied for the purpose for which the loans were obtained;

(xii) No material fraud on or by the Company has been noticed or reported during the year.

For B.M.CHATRATH & CO.

Chartered Accountants
Firm Regn. No: 301011E

sd/-
(P.R. Paul)
Partner
Membership No.: 051675

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of consolidated financial statements of Oil India Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 29 May 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6)(a) read with section 129(4) of the Act of the consolidated financial statements of Oil India Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Oil India Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities (as listed in the Annexure) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(Yashodhara Ray Chaudhuri)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II
Kolkata

Place: Kolkata

Dated: The 7th of July, 2015

ANNEXURE

Names of Subsidiaries, Associate Companies and Jointly Controlled Entities of Oil India Limited where supplementary audit was not conducted.

1. Oil India International B.V, Netherland
2. Beas Rovuma Energy Mozambique Limited
3. Oil India (USA) Inc.
4. Oil India International Limited
5. Oil India Sweden AB
6. Numaligarh Refinery Limited
7. DNP Limited
8. Oil India Cyprus Limited

OIL INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in crore)

	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	601.14	601.14
(b) Reserves and surplus	2	20900.31	20080.02
		21501.45	20681.16
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	8399.42	1515.25
(b) Deferred tax liabilities (Net)	4	1645.37	1307.47
(c) Other long-term liabilities	5	1.65	2.17
(d) Long-term provisions	6	803.18	755.81
		10849.62	3580.70
(3) Current Liabilities			
(a) Short-term borrowings	7	467.61	8631.10
(b) Trade payables	8	608.73	454.02
(c) Other current liabilities	9	2692.19	1203.51
(d) Short-term provisions	10	945.15	793.67
		4713.68	11082.30
		37064.75	35344.16
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	7082.80	5864.89
(ii) Intangible assets	12	25.36	19.63
(iii) Capital work-in-progress	13	3754.81	2815.51
(iv) Goodwill on Consolidation		5568.07	5316.94
(b) Non-current investments	14	5196.57	5023.46
(c) Long-term loans and advances	15	461.45	531.71
(d) Other non-current assets	16	285.86	321.91
		22374.92	19894.05
(2) Current assets			
(a) Current investments	17	210.00	200.00
(b) Inventories	18	1051.42	984.66
(c) Trade receivables	19	2392.32	480.86
(d) Cash and cash equivalents	20	8818.95	11660.11
(e) Short-term loans and advances	21	1667.77	1363.33
(f) Other current assets	22	549.37	761.15
		14689.83	15450.11
		37064.75	35344.16

Additional Notes 31
Principle of Consolidation & Significant Accounting Policies 32

Notes referred to above form an integral part of the financial statements.
In terms of our report of even date.

For SAHA GANGULI & ASSOCIATES
Chartered Accountants
Firm Reg No- 302191E

For B. M. CHATRATH & CO
Chartered Accountants
Firm Reg No- 301011E

For and on behalf of the Board of Directors

Sd/-
(S.K.SAHA)
Membership No: 051392

Sd/-
(P.R.PAUL)
Membership No: 051675

Sd/-
(S.R.Krishnan)
Company Secretary

Sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)

Sd/-
(S.K.Srivastava)
Chairman & Managing Director

Place : Noida
Date : 29th May, 2015



OIL INDIA LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

	Note No.	Year ended 31 st March, 2015	Year ended 31 st March, 2014
I. Revenue from operations	23	9978.38	9689.83
II. Other income	24	1258.50	1588.66
III. Total revenue (I +II)		11236.88	11278.49
IV. Expenses:			
Changes in inventories of finished goods	25	(17.36)	7.87
Employee benefits expense	26	1601.32	1474.50
Finance costs	27	349.02	70.78
Depreciation, Depletion and Amortization expenses	28	864.75	821.58
Other expenses	29	4762.03	4561.28
Total expenses		7559.76	6936.01
V. Profit before exceptional and extraordinary items and tax (III - IV)		3677.12	4342.48
VI. Exceptional Items		0.00	0.00
VII. Profit before extraordinary items and tax (V - VI)		3677.12	4342.48
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		3677.12	4342.48
X. Tax expense:			
(1) Current tax		827.24	1324.50
(2) Deferred tax		365.00	95.56
XI. Profit for the year from continuing operations (IX-X)		2484.88	2922.42
XII. Profit for the year from discontinuing operations		0.00	0.00
XIII. Tax expense of discontinuing operations		0.00	0.00
XIV. Profit from discontinuing operations after tax (XII-XIII)		0.00	0.00
XV. Profit for the year (XI+XIV)		2484.88	2922.42
XVI. Add: Share of Profit in Associates		123.52	67.91
XVII. Group Profit for the year after Tax (XV+XVI)		2608.40	2990.33
XVIII. Earnings per equity share (₹):	30		
(1) Basic		43.39	49.74
(2) Diluted		43.39	49.74
Additional Notes	31		
Principle of Consolidation & Significant Accounting Policies	32		

Notes referred to above form an integral part of the financial statements
In terms of our report of even date.

**For SAHA GANGULI &
ASSOCIATES**

Chartered Accountants
Firm Reg No- 302191E

Sd/-

(S.K.SAHA)

Membership No: 051392

For B. M. CHATRATH & CO

Chartered Accountants
Firm Reg No- 301011E

Sd/-

(P.R.PAUL)

Membership No: 051675

Sd/-

(S.R.Krishnan)

Company Secretary

For and on behalf of the Board of Directors

Sd/-

(Mrs. Rupshikha S. Borah)

Director (Finance)

Sd/-

(S.K.Srivastava)Chairman & Managing
Director

Place : Noida

Date : 29th May, 2015

Additional information - Instruction No 2 of Schedule III

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	as % of Amount consolidated net assets	Amount (₹ in Crore)	as % of Amount consolidated net assets	Amount (₹ in Crore)
1	2	3	4	5
Parent	100.06%	21514.31	96.24%	2510.20
subsidiaries:				
Indian				
Oil India International Limited	0.02%	3.27	0.21%	5.58
Foreign				
Oil India Sweden AB	0.34%	73.82	3.09%	80.54
Oil India Cyprus Limited *	0.00%	-0.17	0.00%	-0.04
Oil India (USA) Inc.	-0.18%	-38.96	-1.36%	-35.42
Oil India International B.V.	-2.60%	-558.91	-0.40%	-10.36
Minority Interest in all subsidiaries*				
Associates (Investment as per the equity method)				
Indian				
Numaligarh Refinery Limited	1.43%	307.48	4.69%	122.24
DNP Limited	0.01%	2.66	0.05%	1.27
Less: Dividend from Associates			-1.18%	-30.87
Foreign				
Joint Ventures (As per proportionate consolidation / investment as per the equity method)				
Indian				
Foreign				
Beas Rovuma Energy Mozambique Ltd	0.92%	197.95	-1.33%	-34.75
Total	100.00%	21501.45	100.00%	2608.40
* Oil India Sweden AB has remaining 24% shareholding.				
** The company has not consolidated its joint venture Suntera Nigeria 205 Ltd, as full provisions against the diminution in the value of investment, which is other than of temporary nature and full provision against its loan.				



NOTE-1

Share Capital

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Authorised: 200,00,00,000 (Previous year 200,00,00,000) Equity Shares of ₹ 10/- each	2000.00	2000.00
Issued, Subscribed and Fully Paid up: 60,11,35,955 (Previous year 60,11,35,955) Equity Shares of ₹ 10/- each fully paid up	601.14	601.14

1.1 Details of shareholders holding more than 5% shares in the company is set out below:

Category	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	% to Equity	No of Shares	% to Equity
President of India	406,631,998	67.64%	406,631,998	67.64%

1.2 The reconciliation of the shares outstanding as at 31st March, 2015 & 31st March, 2014 is set out below:

Particulars	31 st March, 2015	31 st March, 2014
	No of Shares	No of Shares
Outstanding at the beginning of the year	601,135,955	601,135,955
Addition during the year	0	0
Outstanding at the end of the year	601,135,955	601,135,955

1.3 36,06,81,573 Equity shares of ₹10 each allotted as fully paid up bonus shares in the FY 2012-13.

NOTE-2

Reserves and Surplus

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
(a) Securities Premium Account	2390.12	2390.12
(b) Foreign Currency Translation Reserve		
Balance as per last financial statement	(187.99)	39.11
Addition during the period	(63.29)	(227.10)
	(251.28)	(187.99)
(c) Foreign Currency Monetary Item Translation Difference Account		
Balance as per last financial statement	30.22	0.00
Addition during the period	(291.55)	31.83
Adjusted/Amortised during the year	31.48	(1.61)
	(229.85)	30.22

(d) Debenture Redemption Reserve				
Balance as per last financial statement	0.00		0.00	
Add: Amount transferred from surplus balance	236.96	236.96	0.00	0.00
(e) General Reserve				
Balance as per last financial statement	17847.67		16218.41	
Add: Amount transferred from surplus balance	926.59		1478.23	
Add: Share of Profit in Associates	0.00		151.03	
Add: Subsidiaries Reserves	(10.41)		0.00	
Less: Transitional Depreciation	(14.37)		0.00	
Add: Deferred tax adjustment	4.88	18754.36	0.00	17847.67
(f) Surplus Balance				
Balance as per Statement of Profit & Loss	2608.40		2990.33	
Less: Appropriations				
Interim Dividend	601.14		1262.39	
Tax on Interim Dividend	120.19		214.54	
Proposed Final Dividend	601.14		30.06	
Tax on Proposed Final Dividend	122.38		5.11	
Debenture Redemption Reserve	236.96		0.00	
General Reserve	926.59	0.00	1478.23	0.00
		20900.31		20080.02

2.1 The Board of Directors has recommended a final dividend of ₹ 10 per share which is subject to the approval of the shareholders in the ensuing Annual General meeting over and above the interim dividend of ₹ 10 per share paid .

2.2 Foreign Currency Translation Reserve Account represents the exchange difference arising out of translation of monetary items related to advances paid to subsidiaries/joint venture being considered as Non-Integral Foreign Operation.

2.3 The treatment of Foreign Currency Monetary Item Translation Difference Account is accounted for in line with the para 46A of AS11 - Reference Note No. 32.5(i)(b).

2.4 Pursuant to directive from Government of India, company has raised overseas borrowings for acquiring 10% participating interest in Rovuma 1 offshore block in Mozambique. In the opinion of the management, there is no explicit restriction by the competent authority with regard to repayment and servicing of such overseas borrowings from domestic resources of the company. Interest servicing on this overseas borrowings have been met from domestic resources and accounting treatment of exchange fluctuation on such long term overseas borrowings is made accordingly.

2.5 The Debenture Redemption Reserve position for above is as under

Particulars	31 st March, 2014	Addition during the year	31 st March, 2015
Unsecured 3.875% Notes 5 years Reg S Bonds - USD 500 million	0.00	157.97	157.97
Unsecured 5.375% Notes 10 years Reg S Bonds - USD 500 million	0.00	78.99	78.99
Total	0.00	236.96	236.96

2.6 Share of Profits in Associates represent profit earned from date of acquisition up to date of transition till 31.03.2013.

NOTE-3

Long-Term Borrowings	(₹ in crore)	
	As at 31st March, 2015	As at 31st March, 2014
Unsecured Loan-Foreign Currency		
Bonds	6319.00	0.00
External Commercial Borrowings	2022.08	1515.25
Term Loan from Other Parties	58.34	0.00
	<u>8399.42</u>	<u>1515.25</u>

3.1 Bonds represent

- (i) 5.375% Notes USD 500 million Reg S Bonds issued on 17.04.2014, payable after 10 years from the date of issue.
- (ii) 3.875% Notes USD 500 million Reg S Bonds issued on 17.04.2014, payable after 5 years from the date of issue.

3.2 External commercial Borrowings represent

- (i) Syndication loan of USD 250 million (Previous year USD 250 million) drawn from banks on 26.12.2013 repayable on the date falling five years from the date of drawl.
- (ii) Syndication loan of USD 125 million availed from banks repayable on the date falling five years from the average date of drawl facility commencing from 06.01.2015. Amount drawn upto 31.03.2015 is USD 70 million.

3.3 Term loan from other parties represents loan outstanding in the books of Oil India International B.V.

NOTE-4

Deferred Tax Liabilities (Net)	(₹ in crore)	
	As at 31st March, 2015	As at 31st March, 2014
A. Deferred tax liability Timing differences in "Depreciation/Depletion"	1993.19	1717.13
B. Deferred tax assets Timing differences in "Disallowance"	347.82	409.66
C. Deferred tax liability (Net) (A-B)	<u>1645.37</u>	<u>1307.47</u>

NOTE-5
Other Long-Term Liabilities

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Trade Payables		
Dues to Micro, Small and Medium Enterprises	0.00	0.00
Dues to Others	1.65	2.17
	1.65	2.17

NOTE-6
Long-Term Provisions

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Provision for employee benefits	330.25	294.69
Other provisions		
Well Abandonment Cost	472.93	461.12
	803.18	755.81

6.1 Provision for employee benefits includes superannuation benefits as per Note no 31.1.2. The figure represents includes Leave encashment ₹ 183.58 crore (Previous year ₹ 172.11 crore), Post retirement medical benefit ₹ 115.90 crore (Previous year ₹ 104.77 crore) and Long service award ₹ 30.77 crore (Previous year ₹ 17.81 crore).

NOTE-7
Short-Term Borrowings

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Secured Loans		
Cash Credit from Bank (Secured by pledge of Term Deposit Receipts)	0.00	1971.78
Unsecured Loans (Foreign Currency)		
Short Term Credit - from Bank	467.61	413.13
Short Term Bridge Loan - from Bank	0.00	6246.19
	467.61	8631.10

7.1 Short term credit from bank represents loan taken by subsidiary Oil India (USA) Inc.



NOTE-8

Trade Payables		(₹ in crore)	
	As at 31st March, 2015	As at 31st March, 2014	
Trade Payables			
Dues to Micro, Small and Medium Enterprises	1.72	1.72	
Dues to Others	607.01	452.30	454.02
	<u>608.73</u>		<u>454.02</u>

8.1 Refer to note no. 31.9 for dues to Micro, Small and Medium Enterprises.

NOTE-9

Other Current Liabilities		(₹ in crore)	
	As at 31st March, 2015	As at 31st March, 2014	
(a) Interest accrued but not due on borrowings	133.66	0.38	
(b) Unpaid dividends	7.46	8.83	
(c) Other payables			
- Statutory Liabilities	678.25	228.17	
- Advance received from Customers	13.31	75.88	
- Liabilities- For Capital Exp. & others	1136.44	675.36	
- Employees	723.07	214.89	
	<u>2692.19</u>	<u>1203.51</u>	

9.1 In terms of Department of Public Enterprise (DPE) order for revision of pay package of executives and non-unionised supervisors of CPSEs w.e.f 01.01.2007 a superannuation defined contribution plan called Oil India Superannuation Benefit Scheme has been implemented. The scheme has started disbursement of pension to eligible retirees. Employee liability includes ₹ 562.98 crore as on 31.03.2015 towards Oil India Superannuation Benefit Scheme after payment of ₹ 70.41 crore to the trust fund. Corresponding figure included in the Previous year was ₹460.95 crore under Provision for employee benefits in Note-10 of year 2013-14 towards defined contribution benefit scheme as it was not implemented in previous financial year.

NOTE-10

Short-Term Provisions	(₹ in crore)	
	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employee benefits	75.16	523.86
(b) Provision for others		
Proposed Final Dividend	601.14	30.06
Tax on Proposed Final Dividend	122.38	107.27
Cost of unfinished Minimum Work Programme	141.88	127.28
Others	4.59	5.20
	<u>869.99</u>	<u>269.81</u>
	<u>945.15</u>	<u>793.67</u>

10.1 Provision for employee benefits includes superannuation benefits as Note no. 31.1.2. The figure represents Leave encashment ₹ 33.71 crore (Previous year ₹32.54 crore), Post retirement medical benefit ₹ 22.08 crore (Previous year ₹18.89 crore), Long service award ₹ 14.78 crore (Previous year ₹9.41 crore) & provision against ex-gratia bonus ₹ 4.59 crore (Previous year ₹ 2.07 crore) and also refer Note No. 9.1.

10.2 Provision has been made towards cost of non-fulfilment of Minimum Work Programme (MWP) payable to Government of India as per terms of the Production Sharing Contract (PSC) of Blocks.

NOTE-11

Tangible Assets

(₹ in crore)

Particulars	Gross Block				Depreciation/Depletion/Amortisation				Net Block	
	Cost as at 1 st April, 2014	Additions during the year	Deletions / Adjustments during the year	Cost as at 31 st March, 2015	Up to 31 st March, 2014	For the year	Deletions / Adjustments during the year	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Land										
-Freehold ^{11.2}	85.71	24.85	(0.31)	110.25	0.00	0.00	0.00	0.00	110.25	85.71
- Leasehold	4.39	3.15	0.00	7.54	0.44	0.14	0.00	0.58	6.96	3.95
Building (Including Roads & Bridges)	292.57	71.88	(1.97)	362.48	133.46	16.87	5.64	155.97	206.50	159.11
Producing Properties										
-Acquisition Cost	155.12	30.32	0.00	185.44	28.46	21.17	0.00	49.63	135.81	126.66
-Producing Wells	8441.35	1056.98	0.00	9498.33	4104.33	625.13	0.00	4729.46	4768.88	4337.02
-Production Facilities	1004.52	286.07	33.41	1324.00	742.11	48.92	12.74	803.77	520.23	262.41
Plant & Machinery	2582.39	666.76	(92.04)	3157.11	1756.88	188.31	(22.77)	1922.42	1234.70	825.51
Furniture & Fixtures	28.93	3.56	0.22	32.71	19.12	7.59	0.33	27.04	5.67	9.81
Vehicles	41.70	2.14	(9.91)	33.93	28.01	3.00	(3.44)	27.57	6.36	13.69
Office equipment	246.44	25.74	45.93	318.11	206.13	23.57	1.47	231.17	86.94	40.31
Railway Siding	4.38	0.00	0.00	4.38	3.67	0.16	0.04	3.87	0.51	0.71
Total	12887.50	2171.45	(24.67)	15034.28	7022.61	934.85	(5.99)	7951.47	7082.80	5864.89
Previous year	11282.77	1630.24	(25.51)	12887.50	6170.52	860.80	(8.71)	7022.61	5864.89	

11.1 Depreciation for the year includes ₹ 70.50 crore (Previous year ₹ 54.44 crore) capitalised under Development Cost (Note-13) and ₹ 0.92 crore [Previous year ₹ (0.65) crore] shown under Note-29 in prior period items.

11.2 Lands for projects and drillings operations are acquired primarily through bipartite negotiation with the occupiers/pattadars. In case, however, bipartite negotiation fails, lands are acquired with the intervention of government officials under the relevant land laws. Upon successful negotiation or government order, as the case may be, consent letters are obtained from the occupiers/pattadars and surface compensation for the standing crops on the lands are settled and the same are capitalized either as Land under Possession or as Pre Producing / Producing Properties. At the same time occupiers/pattadars are advised to submit documentary evidences in support of their legal possession of the lands. Pending submission of these documents and upon settlement of surface compensation, liability for land value is determined and capitalised under respective heads. Land cost forming part of Pre-Producing/Producing Properties is either amortized or charged off depending on discovery in the well. Land cost forming part of the Land under Possession is not amortized. Out of the total lands measuring 26164.65 Bighas under the possession of the company, title deed have been executed for lands measuring 12439.22 Bighas, mutation completed for lands measuring 6466.84 Bighas, 3720.39 Bighas have been applied for mutation and for the balance, the company is in the process of execution of title deed/mutation. The Company is in the process of strengthening the acquisition process and the mutation of those lands including maintenance of systematic records thereof.

NOTE-12
Intangible Assets

(₹ in crore)

Particulars	Gross Block				Amortisation				Net Block	
	Cost as at 1 st April, 2014	Additions during the year	Deletions / Adjustments during the year	Cost as at 31 st March, 2015	Up to 31 st March, 2014	For the year	Deletions / Adjustments during the year	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Right of Use	11.76	0.00	0.00	11.76	0.11	0.12	0.00	0.23	11.53	11.65
Computer Software	56.57	8.16	4.76	69.49	48.59	4.10	2.97	55.66	13.83	7.98
Total	68.33	8.16	4.76	81.25	48.70	4.22	2.97	55.89	25.36	19.63
Previous year	64.07	2.60	1.66	68.33	46.14	2.56	0.00	48.70	19.63	

12.1 Right of use (ROU) to lay pipelines does not bestow ownership of land upon the company hence ROU treated as Intangible Assets.

NOTE-13
Capital Work-In-Progress

(₹ in crore)

Particulars	As at 1 st April, 2014	Addition during the year	Deletion/ Adjustment during the year	Capitalised during the year	Transfer to Profit and Loss	Balance as at 31 st March, 2015	Balance as at 31 st March, 2014
<u>Tangible Assets</u>							
Buildings (Including Roads & Bridges)	145.92	158.83	0.00	98.46	0.00	206.29	145.92
Plant & Machinery including Furniture & Fixtures, Vehicles, Office Equipmnt and Railway Sidings	573.65	911.85	0.00	703.21	0.00	782.29	573.65
Acquisition Cost-Land	26.26	0.03	0.00	3.02	1.44	21.83	26.26
Development Cost - Wells	354.69	757.37	0.00	603.93	(1.19)	509.32	354.69
Development Cost - Production Facilities	489.86	137.26	0.00	209.48	0.00	417.64	489.86
<u>Intangible Assets</u>							
-Acquisition Cost-Others	152.84	26.06	(42.52)	0.00	7.62	128.76	152.84
-Exploration Costs	1195.72	1146.57	0.00	154.04	278.25	1910.00	1195.72
Capital work in progress (Gross)	2938.94	3137.97	(42.52)	1772.14	286.12	3976.13	2938.94
Less: Provisions	123.43	105.51	0.00	0.00	7.62	221.32	123.43
Capital work in progress (Net)	2815.51	3032.46	(42.52)	1772.14	278.50	3754.81	2815.51

NOTE-14

Non-current Investments

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
A. Trade Investments (valued at cost)		
Unquoted Equity Instruments		
- Indoil Netherland B.V	- 361.06	313.75
- Numaligarh Refinery Limited	Associates	
Value of Investment in Shares	849.95	739.18
Add: Goodwill/(Capital Reserve)	(58.81)	(58.81)
- Duliajan Numaligarh Pipeline Limited	Associates	
Value of Investment in Shares	42.29	40.85
Add: Goodwill/(Capital Reserve)	0.27	0.27
- Suntera Nigeria 205 Limited - Joint venture	0.01	0.01
Less: Diminution in value of Investment	-0.01	0.00
- Brahmaputra Cracker & Polymer Limited	- 126.90	113.29
Quoted Equity Instruments		
- Indian Oil Corporation Limited	- 2,670.75	2,670.75
B. Other Investments - Unquoted (Valued at cost)		
Investment in Debentures		
-The East India Clinic Limited, 5% Non Redeemable Debenture Stock 1957 (Carried at a nominal value of ₹ 1/- only)	- -	-
Investment in Capital Fund		
-Contribution to Capital Fund of Petroleum India International	- 5.00	5.00
Tax Free Bonds		
a) National Highway Authority of India	123.62	123.62
b) Power Finance Corporation Limited	128.49	128.49
c) Indian Railway Finance Corporation Limited	147.01	147.01
d) Rural Electrification Corporation Limited	500.02	500.02
e) India Infrastructure Finance Corp Ltd.	300.03	300.03
	5,196.57	5,023.46



14.1 The aggregate amount of unquoted investments is ₹ 2525.82 crore (Previous year ₹ 2352.71 crore).

14.2 The aggregate market value of quoted investments is ₹ 4475.32 crore (Previous year ₹ 3386.99 crore).

14.3 The details of investment are as under: -

Name of Body Corporate	31-03-2015		31-03-2014	
	No of Shares	Face Value	No of Shares	Face Value
Indoil Netherland B.V.	92090	EUR 454	83778	EUR 454
M/s Numaligarh Refinery Limited	191264202	₹10	191264202	₹10
M/s Brahmaputra Cracker & Polymer Limited (BCPL)	126900010	₹10	113287159	₹10
M/s Duliajan Numaligarh Pipeline Limited (DNPL)	38460000	₹10	38460000	₹10
M/s Indian Oil Corporation Limited	121397624	₹10	121397624	₹10
M/s Suntera Nigeria 205 Ltd	62502	Naira 1	62502	Naira 1

14.4 Mode of valuation of investments is given in Note no 32.9.

NOTE-15

Long-Term Loans and Advances

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Secured, considered good		
Capital advances	0.83	1.54
Loans & advances to employees	175.41	165.64
Unsecured, considered good		
Loans & advances to related parties		
Loans to M/s Duliajan Numaligarh Pipeline Limited	64.80	98.20
Loans & advances to others		
Advance against acquisition of Equity Shares	0.00	13.61
Loans to M/s Brahmaputra Cracker & Polymer Limited	218.75	250.00
Security Deposit	1.20	2.41
Advance recoverable in cash or kind or for value to be received	0.46	0.31
	461.45	531.71



15.1 Loans & advances to employees includes amount due from Whole time directors and Other Officers of the Company as under:

(₹ in crore)

Particulars	Balance as at	
	31-03-2015	31-03-2014
Directors	0.12	0.14
Other Officers	0.24	0.25
Total	0.36	0.39

15.2 Advance against acquisition of equity shares includes advances amounting to Nil (Previous year ₹ 13.61 crore) paid to M/s BCPL pending allotment.

15.3 Loans represents loans given to

(i) M/s DNP Limited: Repayment @₹ 2 crore per month maturing on 1st January, 2019, carries interest at SBI Base Rate plus 1.75% to be reset every 2 years, last such reset having done on 20th April, 2015. The Current portion of the loan outstanding is shown under 'Short-term loans and advances'.

(ii) M/s Brahmaputra Cracker & Polymer Limited: Repayment in eight equal quarterly instalments maturing on 31st December, 2017, carries interest at SBI Base Rate plus 0.50% to be reset every year, last such reset having done on 21st Feb, 2015. The Current portion of the loan outstanding is shown under 'Short-term loans and advances'.

NOTE-16

Other Non-Current Assets

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Others		
Deposit under Site Restoration Scheme	3.21	2.96
Discount on issue of Notes	14.39	0.00
Carried Cost	268.26	219.90
Doubtful		
Decreed amount paid under appeal	99.05	99.05
Less: Provision for doubtful assets	(99.05)	0.00
	0.00	99.05
	285.86	321.91

16.1 The Carried Cost pertains to ENH's (Government of Mozambique's Public Sector undertaking) whose 10% Participating Interest is being carried by all the remaining partners. The amount is recoverable from the revenue from this Project which is likely to take place after the production commences, which is expected in the year 2018/19.

NOTE-17
Current Investments

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Unquoted Investment		
Mutual Funds		
a) Units of Unit Trust of India under Liquid Cash/Plus Plan Institutional	84.00	0.00
b) Units of State Bank of India under Liquid Cash/Plus Plan Institutional	84.00	0.00
c) Units of Canara Robeco Mutual Fund under Liquid Cash/Plus Plan Institutional	21.00	0.00
d) Units of Industrial Development Bank of India under Liquid Cash/Plus Plan Institutional	21.00	0.00
e) Investment in Fixed Maturity Plan of SBI	0.00	100.00
f) Investment in Fixed Maturity Plan of UTI	0.00	100.00
	210.00	200.00

17.1 The aggregate amount of unquoted investments is ₹ 210.00 crore (Previous year ₹ 200.00 crore).

17.2 Mode of valuation of investments is given in Note no 32.9.

NOTE-18
Inventories

(₹ in crore)

	As at 31 st March, 2015	As at 31 st March, 2014
Finished Goods		
Crude Oil	100.70	79.20
Liquefied Petroleum Gas	0.54	0.22
Condensate	0.20	0.12
	101.44	79.54
Stores and spares	1004.48	958.35
Less: Provision for slow / non-moving inventory and other stores	55.54	54.22
	948.94	904.13
Assets awaiting disposal	1.04	0.99
	1051.42	984.66

18.1 Stores and spares includes Goods in transit ₹ 97.55 crore (Previous year ₹ 121.80 crore).

18.2 Mode of valuation of inventories is given in Note no 32.10.



NOTE-19

Trade Receivables

(₹ in crore)

	As at 31 st March, 2015		As at 31 st March, 2014	
Outstanding for a period:				
Exceeding six months				
(a) Unsecured, considered good	118.65		27.07	
(b) Doubtful	13.72		13.78	
	<u>132.37</u>		<u>40.85</u>	
Less: Provision for doubtful debts	13.72	118.65	13.78	27.07
Others				
(a) Unsecured, considered good	2273.67		453.79	
(b) Doubtful	0.46		0.12	
	<u>2274.13</u>		<u>453.91</u>	
Less: Provision for doubtful debts	0.46	2273.67	0.12	453.79
	<u>2392.32</u>		<u>480.86</u>	

NOTE-20

Cash and Cash Equivalents

(₹ in crore)

	As at 31 st March, 2015		As at 31 st March, 2014	
(a) Balances with Banks				
Current Accounts		69.14		240.88
Term Deposits (Maturity of 12 months or less)		8747.40		11414.10
Cash Credit Account with State Bank of India, Kolkata		1.65		4.39
(b) Cash on Hand		0.76		0.74
		<u>8818.95</u>		<u>11660.11</u>

20.1 Current Accounts includes an amount of ₹ 7.46 crore (Previous year ₹ 8.83 crore) in respect of earmarked balances with bank for unpaid dividend.

20.2 Term deposits includes Nil (Previous year ₹ 1971.78 crore), pledged as Security against Short Term Loans from Banks.

NOTE-21
Short-term Loans and Advances

(₹ in crore)

	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Loans & advances to related parties		
Loans to M/s Suntera Nigeria 205 Limited	0.00	94.47
Loans to M/s Duliajan Numaligarh Pipeline Limited	24.00	12.30
Loans & advances to others		
Security Deposit	5.62	1.13
Advance recoverable in cash or kind or for value to be received	209.66	163.56
Income Tax paid (Incl. Demand)	2041.35	1741.36
Less: Provision for Taxation	<u>(860.60)</u>	<u>(857.91)</u>
Loans to M/s Brahmaputra Cracker & Polymer Limited	31.25	0.00
Loans & advances to employees	50.24	48.17
Leave Encashment Fund Investment	166.25	160.25
Unsecured, Doubtful		
Advance recoverable in cash or kind	484.25	365.52
Less: Provision for doubtful loans & advances	<u>484.25</u>	<u>365.52</u>
	0.00	0.00
Inter Corporate Deposits (PSU) to M/s Indian Drugs Pharmaceuticals Limited	28.33	28.33
Less: Provision for doubtful loans & advances	<u>28.33</u>	<u>28.33</u>
	0.00	0.00
Loans & Advances to M/s Suntera Nigeria 205 Limited	108.21	7.89
Less: Provision for doubtful loans & advances	<u>108.21</u>	<u>7.89</u>
	0.00	0.00
	<u>1667.77</u>	<u>1363.33</u>



21.1 For Leave Encashment Fund Investment refer to note no. 31.1.

21.2 Loans & advances to employees includes amount due from Whole time directors and Other Officers of the Company as under:

(₹ in crore)		
Particulars	Balance as at 31-03-2015	Balance as at 31-03-2014
Directors	0.01	0.01
Other Officers	0.02	0.02
Total	0.03	0.03

NOTE-22

Other Current Assets

(₹ in crore)		
	As at 31 st March, 2015	As at 31 st March, 2014
Accrued interest on Term Deposits & investments	546.01	760.82
Other Receivables	3.36	0.33
	549.37	761.15

NOTE-23

Revenue from Operations

(₹ in crore)		
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Sale of Products		
Crude Oil	7221.62	7361.68
Natural Gas	1598.53	1305.98
Liquefied Petroleum Gas	128.04	106.60
Condensate	83.04	100.37
Income from Renewable resources	67.50	56.12
Sale of Services		
Income from Pipeline Transportation		
Crude Oil	199.00	183.61
Refined Product	168.86	144.96

Natural Gas	0.67	368.53	0.67	329.24
Income from OFC Fibre Leasing		9.42		10.09
Others Operating Revenues				
Claims towards under-recovery of Natural Gas Price		494.45		406.63
Income from Business Development Services		6.25		8.96
Income from Finance Lease		1.00		4.16
		9978.38		9689.83

23.1 As per directive of MOP&NG, Crude Oil price calculation is based on the monthly average price of benchmarked International Basket of Crude Oil which is further adjusted for quality differential. As per directive of MOP&NG, Discount is allowed on the sale of crude oil and LPG.

23.2 LPG price is governed as per the MOU between the Company and Indian Oil Corporation Ltd.

23.3 Natural Gas price is as notified by MOP&NG and applicable to operating areas of the company. Subsidy extended to the eligible customers in North East India is reimbursed by Government of India and shown as Other Operating Revenue.

23.4 In terms of decision of Government of India (GOI), the company has shared under-recoveries of Oil Marketing Companies (OMCs) on price sensitive products viz Crude Oil & LPG for the first three quarters by extending discount in the prices Crude Oil & LPG based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas (MoP&NG). Sales value of Crude Oil & LPG are shown net of such discount of ₹ 5439.81 crore (Previous year ₹ 8566.23 crore) and ₹ 82.77 crore (Previous year ₹ 170.62 crore) respectively.

23.5 Revenue from Crude oil is after netting off companies share of Profit petroleum paid to GOI for the year ₹12.79 crore (Previous year ₹18.26 crore).

NOTE-24

Other Income	(₹ in crore)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest Income	1040.46	1171.60
Dividend from Equity Instruments	105.62	0.00
Dividend from Mutual Funds	64.35	107.88
Exchange Gain- Net	12.03	215.78
Miscellaneous Income	33.11	36.75
Excess provision written back	2.93	56.65
	1258.50	1588.66

NOTE-25

Changes in Inventories of Finished Goods		(₹ in crore)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014	
Opening Stock			
Crude Oil	83.74	86.96	
Liquefied Petroleum Gas	0.22	0.40	
Condensate	0.12	0.05	87.41
	84.08		
Closing Stock			
Crude oil	100.70	79.26	
Liquefied Petroleum Gas	0.54	0.22	
Condensate	0.20	0.06	79.54
	101.44		
	(17.36)	7.87	

NOTE-26

Employee Benefits Expense		(₹ in crore)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014	
Salaries & Wages	1477.40	1490.17	
Contribution to provident and other funds	591.54	355.04	
Staff Welfare Expenses	94.03	112.53	
	2162.97	1957.74	
Less: Allocation to Capital account & recoveries	561.65	483.24	
	1601.32	1474.50	

26.1 Contribution to provident and other funds includes an amount of ₹ 172.44 crore (Previous year ₹ 106.55 crore) on account of superannuation defined contribution benefit plan. {Refer Note 10.1}

NOTE-27

Finance costs		(₹ in crore)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014	
Interest expenses			
-Secured loan	4.81	8.51	
-Unsecured loan	308.29	18.63	
Other borrowing costs	35.92	43.64	
	349.02	70.78	

NOTE-28

Depreciation, Depletion & Amortization	(₹ in crore)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Depreciation	178.59	257.75
Depletion	681.80	561.16
Amortization	4.36	2.67
	864.75	821.58

NOTE-29

Other Expenses	(₹ in crore)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Statutory Levies	2871.79	2877.14
Consumption of Stores & spares parts	160.17	137.76
Consumption of Fuel	33.27	32.94
Contract cost	687.94	708.64
Insurance, rent, rates & taxes	57.50	44.25
Exploratory Wells written off	312.01	461.87
Provisions		
Exploratory Wells	105.51	15.29
Cost of unfinished Minimum Work Programme	17.11	18.81
Well Abandonment	0.15	0.16
Loans & advances	318.10	137.60
Inventories	(1.50)	6.60
Trade receivables incl. write off ₹ 0.36 crore	0.88	0.30
Diminution in value of Investment	0.01	0.00
Others	<u>(0.65)</u>	<u>(1.60)</u>
	439.61	177.16
Prior period items		
Depreciation	0.92	(0.65)
Consumption of Stores & spares parts	0.00	(1.93)
Employee benefit expense	(2.62)	3.61



Sundry Expenses	0.51		0.00	
Contract cost	6.71		17.64	
Miscellaneous Income	<u>(24.21)</u>	(18.69)	<u>0.00</u>	18.67
CSR (Corporate social responsibility) expenditure		133.31		72.89
Sundry Expenses		85.12		29.96
		<u>4762.03</u>		<u>4561.28</u>

29.1 Statutory levies represent Royalty ₹ 1340.43 crore (Previous year ₹ 1281.82 crore) and Cess ₹ 1531.36 crore (Previous year ₹ 1595.32 crore).

29.2 CSR (Corporate social responsibility) expenditure

₹ in crore

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
(a) Gross amount required to be spent	98.19		-	
(b) Amount spent during the year				
(i) Construction/Acquisition of asset	0.00	0.00	0.00	0.00
(ii) On purpose other than (i) above	74.48	58.83	50.72	22.17
Total	133.31		72.89	

29.3 The details of Payment to statutory auditors included under Sundry Expenses:

₹ in crore

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Payments to Statutory Auditors (including service tax):		
(a) As Auditor	0.43	0.40
(b) For Taxation matters (Tax Audit)	0.00	0.00
(c) For company law matters	0.00	0.00
(d) For Management services	0.00	0.00
(e) For Other Services-Certification	0.13	0.03
(f) For reimbursement of expenses	0.03	0.02
Total	0.59	0.45

29.4 Value of imports calculate on CIF basis:

₹ in crore

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
(a) Components & spare parts	28.03	36.39
(b) Capital goods	14.34	18.50
Total	42.37	54.89

29.5 Expenditure in foreign currency:

₹ in crore

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
(a) Professional & Consultation fees	298.29	63.76
(b) Foreign tours	17.80	16.89
(c) Unincorporated Joint Venture	153.79	162.59
(d) Finance Cost	266.60	52.39
Total	316.09	295.63

29.6 Consumption of Stores and Spare parts:

₹ in crore

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
a) Imported	218.57	53%	180.97	55%
b) Indigenous	186.19	47%	148.06	45%
Total	404.76	100%	329.03	100%

29.7 Earnings in foreign currency:

₹ in crore

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Other income	0.23	0.26

NOTE-30
Earnings per Equity Share

	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Basic & Diluted		
(a) Number of Equity Shares at the beginning of the year	601135955	601135955
Number of Equity Shares at the end of the year	601135955	601135955
Weighted average number of Equity Shares outstanding during the year	601135955	601135955
Face value of each Equity Share (₹)	10.00	10.00
(b) Profit after Tax available for Equity Shareholders (₹ in crore)	2608.40	2990.33
Earning Per Equity Share (₹) - Basic	43.39	49.74
Earning Per Equity Share (₹) - Diluted	43.39	49.74

30.1 Weighted average number of Equity Shares for Previous period figures have been restated for the purpose of computation of Earnings per share in accordance with AS-20.

**NOTE-31: ADDITIONAL NOTES****31.1 Disclosure Pursuant to Accounting Standard (AS) 15 (Revised 2005) – Employee Benefits:-****31.1.1 Defined Contribution Plans**

The Company's contribution to Provident Funds for employees and executives is ₹ 84.20 crore (Previous year ₹ 79.79 crore).

31.1.2 Defined Benefit Plans

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

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

31.1.3 Certified Actuarial Data:-

The following tables set out the status of the Defined Benefit plans as required under AS-15:

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

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the end of the year	342.89 (337.05)	332.85 (373.85)	1252.37 (945.67)	217.29 (204.65)	137.98 (123.66)
Fair Value of Plan Asset at the end of the year	334.95 (313.88)	318.54 (349.24)	996.02 (847.56)	166.25 (160.25)	(0.00) (0.00)
Fund Status at end of the year {Net Assets(-)/Net liability}	7.94 (23.17)	14.31 (24.61)	256.35 (98.11)	51.04 (44.40)	137.98 (123.66)

B Reconciliation of opening and closing balances of Defined Benefits obligations:

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Present Value of obligation at the beginning of the year	337.05 (342.88)	373.85 (389.13)	945.67 (801.46)	204.65 (179.77)	123.66 (71.82)
Interest Cost	25.44 (27.75)	26.31 (29.68)	72.96 (65.67)	14.29 (13.83)	9.22 (5.46)
Current Service Cost	27.42 (25.62)	12.29 (13.80)	115.92 (87.53)	34.49 (47.12)	14.58 (15.05)
Benefits Paid	-38.13 (-32.90)	-89.85 (-79.94)	-67.28 (-57.76)	-52.17 (-34.04)	-16.72 (-15.17)
Actuarial gains(-)/loss on obligations	-8.89 (-26.30)	10.25 (21.18)	185.10 (48.77)	16.03 (-2.03)	7.24 (46.50)
Present Value of obligation at the end of the year	342.89 (337.05)	332.85 (373.85)	1252.37 (945.67)	217.29 (204.65)	137.98 (123.66)

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

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Fair Value of Plan Asset at Beginning of the year	313.88 (319.96)	349.24 (339.64)	847.56 (708.20)	160.25 (145.67)	NA*
Expected Return on Plan Assets	27.46 (25.60)	30.56 (27.17)	74.16 (56.66)	14.02 (11.65)	NA*
Contributions	26.04 (23.37)	47.61 (54.45)	120.11 (103.86)	44.40 (34.10)	NA*
Benefits Paid	-38.13 (-32.90)	-89.85 (-79.94)	-67.28 (-57.76)	-52.16 (-34.04)	NA*
Actuarial gain/loss(-) on Plan Assets	5.70 (-22.15)	-19.02 (7.92)	21.47 (36.60)	-0.26 (2.87)	NA*
Fair Value of Plan Asset at the end of the year	334.95 (313.88)	318.54 (349.24)	996.02 (847.56)	166.25 (160.25)	NA*

NA*: Not Applicable as Scheme is unfunded

D Expenses Recognised in Statement of Profit / Loss:

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Current Service Cost	27.41 (25.62)	12.29 (13.80)	115.92 (87.53)	34.49 (47.12)	14.58 (15.05)
Interest Cost	25.44 (27.76)	26.31 (29.68)	72.96 (65.67)	14.29 (13.83)	9.23 (5.46)
Expected Return on Plan Assets	-27.46 (-25.60)	-30.56 (-27.17)	-74.16 (-56.66)	-14.02 (-11.65)	0.00 (0.00)
Actuarial gain(-)/loss	-14.59 (-4.15)	29.27 (13.26)	163.63 (12.17)	16.29 (-4.90)	7.24 (46.50)
Expense Recognized in Statement of Profit/Loss Account	10.80 (23.63)	37.31 (29.57)	278.35 (108.71)	51.05 (44.40)	31.05 (67.01)

E Investment of Superannuation Funds

Nature of Investment	Percentage of Investment					
	Gratuity Fund		Pension Fund (OIPF)		Pension Fund (OIEPF)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Central Govt.	32.99	35.07	38.37	38.21	39.75	36.30
State Govt.	12.87	13.75	25.20	25.21	17.30	17.39
PSU	37.31	38.72	32.02	32.28	42.64	44.97
Others	16.83	12.46	4.41	4.30	0.31	1.34
Total	100.00	100.00	100.00	100.00	100.00	100.00

F Actuarial assumptions:

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits
Mortality Table (LIC)	2006/08	2006/08	2006/08	2006/08	2006/08
Superannuation Age	60 (60)	60 (60)	60 (60)	60 (60)	60 (60)
Early Retirement & Disablement (10 Per Thousand P.A)					
-age above 45	6 (6)	6 (6)	6 (6)	6 (6)	6 (6)
-age between 29 and 45	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
-age below 29	1 (1)	1 (1)	1 (1)	1 (1)	1 (1)
Discount Rate	8.00% (8.50%)	8.00% (8.50%)	8.00% (8.50%)	8.00% (8.50%)	8.00% (8.50%)
Inflation Rate	6.00% (6.00%)	6.00% (6.00%)	6.00% (6.00%)	6.00% (6.00%)	0.00% (0.00%)
Expected Rate of Return on plan assets	8.75% (8.00%)	8.75% (8.00%)	8.75% (8.00%)	8.75% (8.00%)	0.00% (0.00%)
Remaining working life	11 (10)	6 (7)	11 (10)	10 (11)	11 (10)

G Current/Non-current classification of Superannuation Funds/Employee benefits

(₹ in crore)

	Gratuity Fund	Pension Fund (OIPF)	Pension Fund (OIEPF)	Leave Encashment	Post Retirement Medical Benefits	Long Service Award
Current Liability	7.94 (23.17)	14.31 (24.61)	256.35 (98.11)	33.71 (32.54)	22.08 (18.89)	14.78 (9.41)
Non-current Liability	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	183.58 (172.11)	115.90 (104.77)	30.77 (17.81)
Total	7.94 (23.17)	14.31 (24.61)	256.35 (98.11)	217.29 (204.65)	137.98 (123.66)	45.55 (27.22)

Note: Figures in parenthesis represent corresponding previous year's figure.

31.2 Information as per Accounting Standard (AS) 16 "Borrowing Costs"

Borrowing cost capitalized during the year is ₹ 7.24 crore (Previous year ₹ 1.38 crore).

31.3 Consolidated Segment Revenue, Results, Assets and Liabilities for year ended 31st March, 2015 :

(₹ Crore)

	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Revenue		
External sales		
Crude Oil	7304.66	7462.05
Natural Gas	2092.98	1712.61
LPG	128.04	106.60
Pipeline Transportation	368.53	329.24
Others	84.17	79.33
Total Revenue	9978.38	9689.83
Results		
Crude Oil	2160.70	2430.35
Natural Gas	977.73	762.57
LPG	79.11	62.34
Pipeline Transportation	103.13	47.53
Others	21.53	(28.72)
Segment Results	3342.20	3274.07
Less: Unallocated expenses	574.56	449.47
Add: Unallocated income	48.07	309.18
Operating profit	2815.71	3133.78
Add : Interest / Dividend income	1210.43	1279.48
Less: Interest expense	349.02	70.78
Profit before tax	3677.12	4342.48
Tax expenses	1192.24	1420.06
Profit after tax	2484.88	2922.42
Segment Assets		
Crude Oil	8271.13	5874.21
Natural Gas	5205.83	3102.81
LPG	96.14	59.91
Pipeline Transportation	659.82	424.64
Others	654.87	323.76
Unallocated assets	22176.96	25558.83
Total Assets	37064.75	35344.16
Segment Liabilities		
Crude Oil	3165.99	2132.41
Natural Gas	1039.83	556.40
LPG	28.80	55.31
Pipeline Transportation	334.29	135.58
Others	1.86	2.71
Unallocated liabilities	10992.53	11780.59
Liabilities	15563.30	14663.00
Shareholders' funds	21501.45	20681.16
Total Equity and Liabilities	37064.75	35344.16



	(₹ Crore)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Capital Expenditure during the year		
Crude Oil	987.37	1136.09
Natural Gas	779.88	437.06
LPG	1.08	0.33
Pipeline Transportation	10.58	9.25
Others	377.90	40.07
Unallocated	22.80	10.04
Total Capital Expenditure during the year	2179.61	1632.84
Depreciation, Depletion and Amortisation		
Crude Oil	572.52	530.70
Natural Gas	203.45	131.68
LPG	7.24	7.18
Pipeline Transportation	20.38	33.96
Others	46.63	104.46
Unallocated	14.55	13.60
Total Depreciation, Depletion and Amortisation	864.75	821.58
Non-cash expenses other than depreciation, depletion and amortisation		
Crude Oil	548.50	489.94
Natural Gas	194.41	149.09
LPG	0.00	0.00
Pipeline Transportation	0.00	0.00
Others	8.71	0.00
Unallocated	0.00	0.00
Total Non-cash expenses other than depreciation and amortisation	751.62	639.03
Reconciliation of Revenue		
Total Segment Revenue	9978.38	9689.83
Add: Unallocated income	48.07	309.18
Add : Interest / Dividend income	1210.43	1279.48
Total Revenue for the year	11236.88	11278.49

Note:

1. Revenue and expenses directly identifiable to the segments have been allocated to the relative primary reportable segments.
2. Segment revenue and expenses which are not directly identifiable to the primary reportable segments have been disclosed under others which primarily includes renewable energy, business development services, leasing of OFC.
3. Assets and liabilities which are directly identifiable to the segments have been allocated to relative segments.
4. Assets and liabilities which are not directly identifiable to the segments have been disclosed under unallocated.
5. There are no reportable geographical segments.

31.4 Information as per Accounting Standard (AS) 18 “Related Party Disclosures”
a) Related party relationships

Name of related parties and nature of relationship (excluding the State controlled entities):

i) (a) Joint Ventures (Unincorporated):

Sl. No	Name of Joint Venture
1	MZ-ONN-2004/1
2	RJ-ONN-2004/2
3	KG-ONN-2004/1
4	RJ-ONN-2005/2
5	Kharsang PSC
6	AAP-ON-94/1
7	KG-DWN-2009/1
8	KG-OSN-2009/4
9	Shakthi, Gabon
10	Area 95/96, Libya
11	Block 82, Yemen
12	Block 83, Yemen
13	AS-CBM-2008/IV-CBM
14	Block SS-04, Bangladesh
15	Block SS-09, Bangladesh
16	Block YEB, Myanmar
17	Block M-4, Myanmar

(b) Jointly Controlled Entity:

(i) Suntera Nigeria 205 Ltd.

ii) Key Management Personnel:
Whole time Functional Directors:

a)	Mr. S.K.Srivastava	Chairman and Managing Director
b)	Mr. N.K. Bharali	Director (HR & BD)
c)	Mr. S. Rath	Director (Operations)
d)	Mrs. R.S. Borah	Director (Finance)
e)	Mr. S. Mahapatra	Director (E & D)

Part-time Directors:

a)	Mr. Anup Mukerji	Independent Director
b)	Mr. Suresh Chand Gupta	Independent Director
c)	Mr. Bhaskar Ramamurthi	Independent Director
d)	Mr. Shekhar Chaudhuri	Independent Director
e)	Mr. Gautam Barua	Independent Director

Other Officers:

a)	Mr.S.R.Krishnan	Company Secretary
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b) Details of Transactions during the year (excluding State controlled entities):

(₹ in crore)

Sl. No.	Particulars	Joint Ventures/ Associates	Key Management Personnel	Total
1.	Sales Proceeds received from Joint Venture	96.35 (151.45)	-	96.35 (151.45)
2.	Expenses reimbursed to Joint Ventures and Associates	87.98 (176.90)	-	87.98 (176.90)
3.	Remuneration to Functional Directors		2.42 (2.60)	2.42 (2.60)
4.	Sitting Fees to Part-time Directors		0.13 (0.18)	0.18 (0.18)
5.	Amount outstanding		0.13 (0.15)	0.13 (0.15)

Note: Figures in parenthesis represent corresponding previous year figure.**31.5 Information as per Accounting Standard (AS) 19 “Lease”**

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

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

Disclosures related to Finance Lease in line with AS 19

(₹ in crore)

(i)	Gross investment in the lease being Minimum Lease Payment (MLP)	31.03.2015		31.03.2014			
	Investment made	54.01		54.01			
	Lease rental receivable	46.30	100.31	46.30	100.31		
(ii)	Present value (PV) of MLP receivable as on 31.03.2015 (inclusive of exchange rate fluctuation)		0.00		8.19		
(iii)	Finance lease future installments receivable		0.00		11.19		
(iv)	Minimum lease payments receivable (converted at period end exchange rate) :						
		Gross Receivable		Unearned Lease Income		PV of MLP	
	Receivable :	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	a) not later than one year	0.00	11.19	0.00	3.00	0.00	8.19
	b) later than one year but not later than 5 years	0.00	0.00	0.00	0.00	0.00	0.00
	c) later than 5 years	0.00	0.00	0.00	0.00	0.00	0.00
	Total :	0.00	11.19	0.00	3.00	0.00	8.19

31.6 Since the company is not having any discontinuing operations and as such disclosure under AS-24 is not applicable.

31.7 Information as per Accounting Standard (AS) 27 “Financial reporting of interest in Joint Ventures”

31.7. Company executed various JVCs/PSCs in India for oil and gas exploration, as Jointly Control Assets as on 31.03.2015, the details of which are given below:

Jointly controlled Assets in India

A. Operated/Jointly Operated

Sl. No.	Block No.	Company's Participating interest
1.	AA-ONN-2002/3	30% (30%)
2.	MZ-ONN-2004/1	85% (85%)
3.	AA-ONN-2004/2	100% (100%)
4.	RJ-ONN-2004/2*	75% (75%)
5.	KG-ONN-2004/1*	90% (90%)
6.	RJ-ONN-2005/2	60% (60%)
7.	AA-ONN-2009/4	50% (50%)
8.	CY-OSN-2009/2	50% (50%)
9.	AN-DWN-2009/3	40% (40%)
10.	AA-ONN-2010/2	40% (40%)
11.	AA-ONN-2010/3	40% (40%)
12.	MB-OSN-2010/2	50% (50%)

Note: Figures in parenthesis represent corresponding previous year figure.

*M/S Geo Global Resources Inc. holding 25% participating interest in RJ-ONN-2004/2 and 10% participating interest in KG-ONN-2004/1 has withdrawn from the blocks and the company is in the process of taking over the said participating interests for which final approval is pending from MOP&NG.

The Financial position of the above blocks are as under:										(₹ in crore)
Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells	
Operated – Audited Accounts										
1	AA-ONN-2002/3	(CY) 0.00	0.00	0.00	3.82	1.06	0.00	1.45	0.00	
		(PY) 0.00	0.00	0.00	2.04	-3.02	0.00	2.47	0.00	
2	AA-ONN-2004/2	(CY) 0.00	0.00	0.00	0.00	-0.11	0.01	1.6	-0.07	
		(PY) 0.00	0.00	0.00	0.08	-0.33	0.00	1.07	28.65	



3.	AA-ONN-2009/4 (CY)	0.00	0.00	0.00	0.00	1.79	0.00	4.81	0.00
	(PY)	0.00	0.00	0.00	0.00	14.86	0.00	17.05	0.00
4	AA-ONN-2010/2 (CY)	0.00	0.00	0.00	0.00	0.38	0.00	0.23	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	AA-ONN-2010/3 (CY)	0.00	0.00	0.00	0.00	11.32	0.00	9.00	0.00
	(PY)	0.00	0.00	0.00	0.00	3.61	0.00	2.40	0.00
6	CY-OSN-2009/2 (CY)	0.00	0.00	0.00	1.92	3.34	-0.06	2.06	0.00
	(PY)	0.00	0.00	0.00	0.6	0.41	0.05	2.83	0.00
7	KG-ONN-2004/1 (CY)	1.18	0.00	0.00	128.31	213.13	1.21	17.9	0.00
	(PY)	0.51	0.00	0.12	21.62	203.24	0.16	54.56	0.00
8	MB-OSN-2010/2 (CY)	0.00	0.00	0.00	0.00	9.68	-0.07	26.46	0.00
	(PY)	0.00	0.00	0.00	0.00	0.57	0.00	9.12	0.00
9	MZ-ONN-2004/1 (CY)	0.24	0.00	0.00	112.51	6.49	0.18	36.35	0.00
	(PY)	0.21	0.00	0.00	34.38	5.16	45.94	34.22	0.00
10	RJ-ONN-2004/2 (CY)	0.00	0.00	0.00	18.39	9.2	-0.51	3.44	0.00
	(PY)	0.00	0.00	0.00	12.1	9.29	2.31	36.4	0.70
11	RJ-ONN-2005/2 (CY)	0.00	0.00	0.00	0.00	13.21	0.00	2.17	0.00
	(PY)	0.00	0.00	0.00	0.00	14.24	0.00	17.93	0.00
	Total (CY)	1.42	0.00	0.00	264.95	269.49	0.76	105.47	-0.07
	(PY)	0.72	0.00	0.12	70.82	248.03	48.46	178.05	29.35
Operated – Un-Audited Accounts									
1	AN-DWN-2009/3 (CY)	0.00	0.00	0.00	0.00	-3.70	0.00	4.35	0.00
	(PY)	0.00	0.01	0.00	0.00	-2.58	0.00	5.52	0.00
	Total (CY)	0.00	0.00	0.00	0.00	-3.70	0.00	4.35	0.00
	(PY)	0.00	0.01	0.00	0.00	-2.58	0.00	5.52	0.00

B. Non-operated

Sl. No.	Block No.	Company's Participating interest
1.	Kharsang PSC *	40% (40%)
2.	AAP-ON-94/1 *	16.129% in Expl Phase with additional 30% carrying interest. (16.129% in Expl Phase with additional 30% carrying interest.)
3	MN-OSN-2000/2	20% (20%)
4	AA-ONN-2001/3	15% (15%)
5.	AA-ONN-2002/4	10% (10%)
6	AA-ONN-2005/1	30% (30%)
7.	WB-ONN-2005/4	25% (25%)
8	AA-ONN-2009/3	50% (50%)
9	AN-DWN-2009/1	30% (30%)
10.	AN-DWN-2009/2	40% (40%)
11.	AN-DWN-2009/18	30% (30%)



12.	KG-OSN-2009/4	30% (30%)
13.	GK-OSN-2010/1	30% (30%)
14.	AS-CBM-2008/IV-CBM	40% (40%)

Note: Figures in parenthesis represent corresponding previous year figure.

*Pre NELP Blocks

The Financial position of the above blocks are as under: (₹ in crore)									
Sl. No.	Block No.	Net Fixed Asset	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
Non-Operated – Audited Accounts									
1	AAP-ON-94/1 (CY)	0.00	0.00	0.00	39.96	-0.22	0.00	0.09	0.00
	(PY)	0.00	0.00	0.00	38.03	1.24	0.00	1.27	0.00
2	GK-OSN-2010/1 (CY)	0.00	0.00	0.00	0.00	3.46	0.00	3.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-19.18	2.66	35.79	0.00
3	KG-OSN-2009/4 (CY)	0.00	0.00	0.00	0.00	-1.84	0.00	2.61	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.91	0.00	0.93	0.00
	Total (CY)	0.00	0.00	0.00	39.96	1.40	0.00	5.70	0.00
	Total (PY)	0.00	0.00	0.00	38.03	-18.85	2.66	37.99	0.00
Non-Operated – Un-Audited Accounts									
1	AA-ONN-2001/3 (CY)	0.00	0.00	0.00	0.00	0.43	0.00	0.02	0.09
	(PY)	0.00	0.00	0.00	0.09	0.43	0.00	0.01	0.00
2	AA-ONN-2002/4 (CY)	0.00	0.00	0.00	0.00	-0.02	0.00	0.03	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.01	0.00	0.02	0.00
3	AA-ONN-2005/1 (CY)	0.00	0.00	0.00	0.00	-0.03	0.00	0.08	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.01	0.00	0.05	0.00
4	AA-ONN-2009/3 (CY)	0.00	0.00	0.00	0.00	-0.10	0.00	0.23	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.87	0.00	5.18	0.00
5	AN-DWN-2009/1 (CY)	0.00	0.00	0.00	0.00	-0.87	0.00	3.29	0.00
	(PY)	0.00	0.00	0.00	0.00	-3.14	0.07	14.48	0.00
6	AN-DWN-2009/18 (CY)	0.00	0.00	0.00	0.00	-2.32	0.00	1.11	0.00
	(PY)	0.00	0.00	0.00	0.00	-1.20	0.08	3.32	0.00
7	AN-DWN-2009/2 (CY)	0.00	0.00	0.00	0.00	-0.79	0.00	3.77	0.00
	(PY)	0.00	0.00	0.00	0.00	-3.30	0.06	5.96	0.00
8	AS-CBM-2008/IV (CY)	0.00	0.00	0.00	0.00	-6.80	0.00	16.54	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.64	0.00	1.29	0.00
9	Kharsang (CY)	8.80	82.58	1.15	35.39	14.30	96.01	35.48	0.00
	(PY)	7.49	81.39	1.17	36.65	45.12	151.71	41.68	0.00
10	MN-OSN-2000/2 (CY)	0.00	0.00	0.00	0.01	-58.24	0.00	6.43	106.00
	(PY)	0.00	0.00	0.00	8.32	-17.12	0.00	3.31	112.23
11	WB-ONN-2005/4 (CY)	0.00	0.00	0.00	17.16	-8.30	0.00	4.29	0.00
	(PY)	0.00	0.00	0.00	0.57	-0.77	0.00	6.78	0.00
	Total (CY)	8.80	82.58	1.15	52.56	-62.74	96.01	71.27	106.09
	Total (PY)	7.49	81.39	1.17	45.63	18.49	151.92	82.08	112.23

Summarized Financial Position of Joint Venture Blocks in India is as under:

(₹ in crore)

Sl. No.	Particulars	Net Fixed Asset	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
1.	Operated (12 Blocks) (CY)	1.42	0.00	0.00	264.95	265.79	0.76	109.82	-0.07
	(PY)	0.72	0.01	0.12	70.82	245.45	48.46	183.57	29.35
2.	Non-operated (14 Blocks) (CY)	8.80	82.58	1.15	92.52	-61.34	96.01	76.97	106.09
	(PY)	7.49	81.39	1.17	83.66	-0.36	154.58	120.07	112.23
	Total (CY)	10.22	82.58	1.15	357.47	204.45	96.77	186.79	106.02
	Total (PY)	8.21	81.40	1.29	154.48	245.09	203.04	303.64	141.58

C. Blocks Relinquished/being Relinquished

The required disclosures under AS 27 related to relinquished/being relinquished blocks against which full provision has been made are not disclosed since it does not affect the related disclosures materially. However, relinquished/being relinquished blocks against which balances are appearing in the books of accounts or transactions have taken place during the financial year are disclosed as under:

The Financial position of the above blocks are as under:								(₹ in crore)	
Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
1.	AA-ONN-2003/3 (CY)	0.00	0.00	0.00	0.00	-15.28	0.00	16.31	0.00
	(PY)	0.00	0.00	0.00	0.00	1.04	0.00	0.00	0.00
2.	AA-ONN-2004/1 (CY)	0.00	0.00	0.00	0.00	-0.26	0.00	0.00	-0.11
	(PY)	0.00	0.00	0.00	0.00	-0.41	0.00	0.00	0.17
3	AN_DWN_2005/1 (CY)	0.00	0.00	0.00	0.00	-0.53	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.53	0.01	1.52	0.00
4	Block 83, Yemen (CY)	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	7.62
	(PY)	0.01	0.00	0.05	7.62	-7.77	0.00	9.86	0.00
5	CY-DWN-2001/1 (CY)	0.00	0.00	0.00	0.00	0.00	0.00	-8.10	0.00
	(PY)	0.00	0.00	0.00	0.00	-8.10	0.00	-0.03	0.00
6	GK-QSJ-3 (CY)	0.00	0.00	0.00	0.00	-5.39	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-5.39	0.00	0.00	0.00
7	KG-DWN-2002/1 (CY)	0.00	0.00	0.00	0.00	-2.95	0.00	6.24	0.31
	(PY)	0.00	0.00	0.00	0.00	-3.04	0.00	7.12	-0.15
8	KG-DWN-2004/5 (CY)	0.00	0.00	0.00	0.00	-0.03	0.00	0.01	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.02	0.00	0.56	0.00
9	KG-DWN-2004/6 (CY)	0.00	0.00	0.00	0.00	-0.16	0.00	-0.12	0.12
	(PY)	0.00	0.00	0.00	0.00	-0.15	0.00	2.07	38.87
10	KG-DWN-2009/1 (CY)	0.00	0.00	0.00	0.00	-0.09	0.00	0.03	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.10	0.00	0.10	0.00
11	KG-DWN-98/4 (CY)	0.00	0.00	0.00	0.00	-0.05	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.05	0.00	0.00	0.00
12	MN-DWN-2002/1 (CY)	0.00	0.00	0.00	0.00	-88.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	-88.00	0.00	0.00	0.00



13	MN-ONN-2000/1 (CY)	0.00	0.00	0.00	0.00	2.52	0.00	2.65	0.00
	(PY)	0.00	0.00	0.00	0.00	5.34	0.00	0.02	0.00
14	RJ-ONN-2000/1 (CY)	0.00	0.00	0.00	0.00	3.44	0.40	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	3.02	0.00	0.01	0.25
15	RJ-ONN-2001/1 (CY)	0.00	0.00	0.00	0.00	-15.22	0.61	-0.25	0.00
	(PY)	0.00	0.00	0.00	0.00	-16.89	0.11	0.84	0.34
16	RJ-ONN-2002/1 (CY)	0.00	0.00	0.00	0.00	-0.04	0.00	-0.05	0.00
	(PY)	0.00	0.00	0.00	0.00	-3.32	0.00	3.29	0.00
17	RJ-ONN-2004/3 (CY)	0.00	0.00	0.00	0.00	2.21	0.71	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	1.48	3.55	0.03	0.45
	Total (CY)	0.00	0.00	0.00	0.00	-119.83	1.72	16.68	7.94
	Total (PY)	0.01	0.00	0.05	7.62	-122.89	3.67	25.39	39.93

Overseas Joint Venture Blocks

The Company has also executed contracts for oil and gas exploration in overseas block. The details of the block are given below:

Sl. No.	Block/Area No	Country of Origin	Company's Participating interest
1	Farsi (offshore) Block	Islamic Republic of Iran	20% (20%)
2	Area 86	Libya	50% (50%)
3	Block 102/4	Libya	50% (50%)
4	Shakthi	Gabon	50% (50%)
5	Area 95/96	Libya	25% (25%)
6	Block 82,	Yemen	12.75% (12.75%)
7	Block SS-04	Bangladesh	45% (45%)
8	Block SS-09	Bangladesh	45% (45%)
9	Block YEB *	Myanmar	60% (Nil)
10	Block M-4 *	Myanmar	60% (Nil)

Note: Figures in parenthesis represent corresponding previous year figure. * PSC signed on 04.12.2014



The Financial position of the above blocks are as under:								(₹ in crore)	
Sl. No.	Block No.	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Pre Producing Property	Net Current Assets (+)/ Current Liabilities(-)	Income	Expenditure	Write Off EXP. - Dry & Abandoned Exploratory Wells
Overseas Blocks – Audited Accounts									
1	Block SS-04, Bangladesh (CY)	0.00	0.00	0.00	0.00	-1.97	0.00	4.17	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	Block SS-09, Bangladesh (CY)	0.00	0.00	0.00	0.00	-1.95	0.00	3.31	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Farsi (offshore) Block (CY)	0.00	0.00	0.00	73.66	-73.97	0.00	0.72	0.00
	(PY)	0.00	0.00	0.00	73.52	-74.27	0.00	1.93	0.00
4.	Shakthi, Gabon (CY)	0.01	0.00	0.00	130.86	2.29	0.00	8.70	0.00
	(PY)	0.00	0.00	0.00	78.19	17.85	0.00	4.27	11.02
	Total (CY)	0.01	0.00	0.00	204.52	-75.60	0.00	16.90	0.00
	Total (PY)	0.00	0.00	0.00	151.71	-56.42	0.00	6.20	11.02
Overseas Blocks – Un-Audited Accounts									
1	Area 86, Libya (CY)	0.00	0.00	0.00	0.00	5.81	0.00	0.67	0.00
	(PY)	0.00	0.00	0.00	0.00	6.49	2.54	1.72	-0.28
2.	Area 95/96, Libya (CY)	0.07	0.00	0.39	113.70	-31.22	0.00	1.95	0.00
	(PY)	0.14	0.00	0.34	100.94	-31.91	0.00	18.68	0.00
3.	Block 102/4, Libya (CY)	0.00	0.00	0.00	0.00	-0.34	0.00	0.30	0.00
	(PY)	0.00	0.00	0.00	0.00	-0.52	0.00	-0.10	-0.24
4	Block 82, Yemen (CY)	0.08	0.00	0.03	5.78	-5.21	0.00	7.05	0.00
	(PY)	0.01	0.00	0.06	5.34	-4.06	0.00	10.27	0.00
5	Block YEB, Myanmar (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Block M-4, Myanmar (CY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(PY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (CY)	0.15	0.00	0.42	119.48	-30.96	0.00	9.97	0.00
	Total (PY)	0.15	0.00	0.40	106.28	-30.00	2.54	30.57	-0.52
	Grand Total (CY)	0.16	0.00	0.42	324.00	-106.56	0.00	26.87	0.00
	(PY)	0.15	0.00	0.40	257.99	-86.42	2.54	36.77	10.50

*CY –Current Year PY –Previous Year



31.7.2 Statement containing the salient features of financial statement of its subsidiaries, Joint venture and Associates in Form AOC-I:

Form AOC-I										
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)										
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures										
Part "A": Subsidiaries										
(Information in respect of each subsidiary to be presented with amounts in Rs)										
Sl. No.	Particulars	Oil India Sweden AB		Oil India Cyprus Ltd.		Oil India (USA) Inc.		Oil India International Ltd.	Oil India International B.V.	
1	Reporting Year / Period ending on	31.03.2015		31.03.2015		31.03.2015		31.03.2015	31.03.2015	
2	Reporting Currency	Euro		USD		USD		₹ Crore	USD	
3	Exchange Rate (as on 31.03.2015)	Euro 1 = INR 68.56		USD 1 = INR 63.19		USD 1 = INR 63.19		NA	USD 1 = INR 63.19	
		Euro	₹ Crore	USD	₹ Crore	USD	₹ Crore	₹ Crore	USD	₹ Crore
4	Share Capital	460,23,734	315.54	1,380	0.01	100,00,000	63.19	100.00	7,885	0.05
5	Reserves & Surplus	66,47,128	45.58	-667	-	-75,24,528	-47.55	3.32	-266,30,898	-168.28
6	Total Assets	550,44,941	377.39	18,532	0.09	983,39,816	621.41	105.93	163,43,608	103.26
7	Total Liabilities	23,74,079	16.28	17,819	0.09	958,64,344	605.78	2.60	429,66,621	271.51
8	Investments	-	-	-	-	-	-	103.00	-	-
9	Turnover	-	-	-	-	202,40,188	124.85	-	170,71,401	105.30
10	Profit Before Taxation	102,68,603	80.54	-7,434	-0.04	-92,02,569	-56.75	8.13	-28,80,534	-17.76
11	Provision for Taxation	-	-	-	-	-34,71,143	-21.41	2.55	-12,00,000	-7.40
12	Profit After Taxation	102,68,603	80.54	-7,434	-0.04	-57,31,426	-35.34	5.58	-16,80,534	-10.36
13	Proposed Dividend	-	-	-	-	-	-	-	-	-
14	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations.
 - Oil India Cyprus Ltd.
 - Oil India International Ltd.
- Names of subsidiaries which have been liquidated or sold during the year
 - Oil Mauritius Energy International Ltd.



Part "B": Associates and Joint Ventures				
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures				
Name of Associates/Joint Ventures	Numaligarh Refinery Ltd.	Duliajan Numaligarh Pipeline Ltd.	Beas Rovuma Energy Mozambique Ltd.	Suntera Nigeria 205 Ltd
1. Latest audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.12.2014
2. Shares of Associates/Joint Ventures held by the company on the year end				
No.	191264202	38460000	5120	62502
Amount of Investment in Associates/Joint Venture (₹ in Crore)	483.65	38.46	338.45	0.01
Extent of Holding %	26%	23%	40%	25%
3. Description of how there is significant influence	More than 20% stake	More than 20% stake	As per mutually agreed joint operating procedure	As per Joint Operating Agreement
4. Reason why the Associate/Joint Venture is not consolidated	N/A	N/A	N/A	The company has made full provisions on its investment as well as for all the receivables from the company
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crore)	3,386.73	185.03	787.53	N/A
6. Profit / Loss for the year				
i. Considered in Consolidation (₹ in Crore)	122.24	1.27	-34.75	N/A
ii. Not Considered in Consolidation (₹ in Crore)	N/A	N/A	N/A	-8.61

Notes:

- Names of the associates or joint ventures which are yet to commence operations – Nil
- Names of the associates or joint ventures which have been liquidated or sold during the year – Nil

31.8 Disclosure pursuant to clause 32 of the Listing Agreement:

(₹ in crore)

Particulars	Outstanding as at 31.03.2015	Maximum Amount Outstanding during the year 2014-15	Outstanding as at 31.03.2014	Maximum Amount Outstanding during the year 2013-14
Loans & Advances in the nature of Loan to :				
a) Subsidiaries*	Nil	Nil	Nil	Nil
b) To Associates / Jointly controlled entity				
i) Suntera Nigeria 205 Ltd	108.21	108.21	102.36	102.36
ii) DNP Ltd	88.80	110.50	110.50	131.00
c) Where there is no repayment schedule	Nil	Nil	Nil	Nil



d) Having repayment schedule of beyond seven years: To employees	289.96	291.46	147.38	147.38
e) Where there is no interest or interest below Section 372A of Companies Act, 1956 / 186 of Companies Act, 2013	0.00	0.00	0.00	0.00
f) In the nature of loans to Firms/ companies in which directors are interested: BCP Ltd.	250.00	250.00	250.00	250.00
g) Investment by Loanee in Parent or other subsidiary company	Nil	Nil	Nil	Nil

* Excludes Current account transactions

31.9 Micro, Small and Medium Enterprises Development Act, 2006:

The Company has identified Micro, Small and Medium Enterprises (MSMEs) to whom the Company owes dues, which are outstanding as at 31.03.2015.

(₹ in crore)

Particulars	2014-15	2013-14
a) Principal amount remaining unpaid but not due as at year end	1.72	1.72
b) Interest due thereon as at year end	0.00	0.00
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	0.00	0.00
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	0.00	0.00
e) Interest accrued and remaining unpaid as at year end	0.00	0.00
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	0.00	0.00

31.10 Income Tax

- For Assessment Year (AY) 2003-04 to 2007-08, 2009-10 and 2010-11, the appeal is pending for disposal before the Hon'ble Income Tax Appellate Tribunal (ITAT) with respect to the Company's claim of benefit u/s 80-IB / 80-IC of the Income Tax Act, 1961, herein after called as the Act.
- For Assessment Year (AY) 2008-09, 2011-12 and 2012-13, the appeal is pending for disposal before the CIT (A) against disallowances / additions made in the assessment u/s 143(3).
- The benefit u/s 80IB and 80-IC of the Act has not been considered to make the provisions of tax in the books.
- The resulting interest, whether receivable or payable, shall be accounted for on finalization of the matter by an appellate authority.
- Income tax assessments up to the Assessment Year 2013-14 have been completed and a demand of ₹200.50 crore has been raised by the Department over the period on account of certain disallowances / additions. Such disallowances/additions have not been provided for in the books as the same is likely to be deleted or may be reduced substantially on the grounds taken by the company before the first appellate authority. However, wherever demand is raised, the amount has been paid.



- (f) The current tax figure of the year includes ₹93.76 crore (negative) on account of adjustments pertaining to previous years.
- (g) Subject to the approval of the prescribed authority, Department of Scientific and Industrial Research, company has claimed weighted deduction u/s 35 (2AB) of the Income Tax Act, 1961, for the eligible amount incurred in the following respective years for capital and revenue expenditure on scientific research on in-house approved research and development facilities:

(₹ in Crore)

Particulars	Financial Year	
	2014-15	2013-14
Capital Expenditure	21.73	7.48
Revenue Expenditure	49.38	31.27
Total Expenditure	71.11	38.75

31.11 Implementation of Schedule II of the Companies Act, 2013

In respect of Fixed assets other than those included under Producing Properties, the company has w.e.f. 01.04.2014 revised the depreciation rates based on the useful life of its various fixed assets as prescribed in Part-C of Schedule II to the Companies Act, 2013. As a result, depreciation for financial year, calculated on written down value method is lower by ₹ 28.84 crore. Similarly, in case of fixed assets whose useful life has already been completed as on March 31, 2014, the carrying value (net of residual value) of those fixed assets amounting to ₹14.37 crore (net of deferred tax ₹ 4.88 crore) have been debited to the opening balance of General Reserves.

31.12 Implementation of Guidance Note on Depletion of Producing Properties -Other Production Facilities:

Company following the Guidance note on Accounting for Oil and Gas Producing Activities (Revised), 2013 as well as ICAI Expert Advisory Committee, company has w.e.f. 01.04.2014 made changes in accounting estimates by changing the useful life of "Other production facilities" by linking it with the respective oil and gas reserves as against the existing practice of determination of the same on the basis of the Companies Act. Such reserves are assessed at the year end and impacts of changes to reserves are accounted for prospectively. As per (AS) 5, such change in accounting estimates do not require restatement of earlier financial statements or any retrospective adjustment. Accordingly, the effect of such changes including reversal of changes made consequent to implementation of Schedule II to the Companies Act, 2013 in respect of those "Other production facilities" resulted in depletion/depreciation for the year higher by ₹ 17.72 crore.

31.12.1 Disclosures as per Guidance Note on Oil & Gas Producing Activities (Revised 2013):

(Prepared by the management and Auditors have placed reliance being information of technical nature)

- (i) Net quantities of interest in Proved Reserves of oil (including condensates) and natural gas as on 31.03.2015:

Area of Operation	Crude Oil				Natural Gas			
	Position as at 01.04.2014	Additions/Revisions	Production Quantity	Position as at 31.03.2015	Position as at 01.04.2014	Additions/Revisions	Adjusted Sales Quantity	Position as at 31.03.2015
	(Million KL)	(Million KL)	(Million KL)	(Million KL)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)
Assam	38.5560	0.4285	3.8313	35.1532	24604	541	2358	22787
Arunachal Pradesh	0.3650	-0.2393	0.0081	0.1176	0	0	0	0
Rajasthan	0.0028	0.0004	0.0004	0.0028	113	1087	200	1000

Kharsang-JV*	1.0000	0.0003	0.0313	0.9690	0	0	0	0
Total	39.9238	0.1899	3.8711	36.2426	24717	1628	2558	23787

* Shown to the extent of participating interest of the Company

(ii) Net quantities of interest in Proved Developed Reserves of oil (including condensates) and natural gas as on 31.03.2015:

Area of Operation	Crude Oil				Natural Gas			
	Position as at 01.04.2014	Additions/Revisions	Production Quantity	Position as at 31.03.2015	Position as at 01.04.2014	Additions/Revisions	Adjusted Sales Quantity	Position as at 31.03.2015
	(Million KL)	(Million KL)	(Million KL)	(Million KL)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)	(Million Cubic Meter)
Assam	33.4455	2.5744	3.8313	32.1886	24604	541	2358	22787
Arunachal Pradesh	0.3650	-0.2393	0.0081	0.1176	0	0	0	0
Rajasthan	0.0028	0.0004	0.0004	0.0028	113	1087	200	1000
Kharsang-JV*	1.0000	0.0003	0.0313	0.9690	0	0	0	0
Total	34.8133	2.3358	3.8711	33.2780	24717	1628	2558	23787

* Shown to the extent of participating interest of the Company

Reserves are calculated in terms of Million kilo litres and reflect only Oil India Limited's share in oil and gas reserves.

(iii) Proved and Proved Developed Reserves of oil (including condensates) and gas are technically assessed and reviewed in-house at the end of each year in line with international practices. Reserves are audited by external experts at periodical intervals. For the purpose of estimation of Proved and Proved Developed Reserves Deterministic Method is used by the company. Production pattern analysis, no of additional wells to be completed, application of enhanced recovery techniques, validity of mining lease agreements, agreements/MOU for sales are taken into consideration for determining reserves quantity.

31.13 VAT and Royalty on crude oil:

- Company has received notice of demand for ₹1349.71 crore from Assam Value Added Tax Authority claiming tax on sharing of under recoveries to downstream oil companies and on transportation charges on crude oil. Company is contesting the demand and pursuant to directive of Gauhati High Court the matter is pending before the VAT Appellate Authority.
- Company has received claim of ₹7224.20 crore from Director of Geology and Mining, Assam claiming royalty on sharing of under recoveries to downstream oil companies on crude oil for the year 2008-09 to 2013-14. Company is paying royalty on post-discounted price based on the instructions issued by MOP&NG and in line with Oil Field (Regulation & Development) Act 1948 and hence does not consider the claim as liability.

31.14 Others

- In respect of claims made against the company to the extent they are not acknowledged as debt and where no provisions have been made, are disclosed under Contingent Liabilities 31.16(I)(i).

31.15 Details of charge:

- The company has created charge against Current Assets to the tune of ₹377.45 crore (Previous year ₹377.45 crore) for availing Bank Guarantee.
- The company is having Cash Credit /Letter of credit / Bank Guarantee facility against the security of its current assets to the tune of ₹700 crore.(Previous year ₹700 crore)



31.16 Other disclosure under Schedule III to the Companies Act, 2013

I. Contingent Liabilities and commitments

(i) Contingent Liabilities:

(a) Claims against the Company not acknowledged as debts:

- | | | |
|--|---|--|
| (i) In respect of claims under Sales Tax Act | : | ₹1358.12 crore (Previous year ₹8.41 crore) |
| (ii) In respect of claims under Central excise Acts & Service Tax | : | ₹ 158.17 crore (Previous year ₹114.73 crore) |
| (iii) In respect of claims under Income Tax Act | : | ₹3.96 crore (Previous year - nil) |
| (iv) In respect of claims under Other Acts | : | ₹46.39 crore (Previous year ₹ 42.26 crore) |
| (v) Claims by contractors pending in Arbitration / Courts. | : | ₹24.52 crore (Previous year ₹109.63 crore). |
| (vi) In respect of share of claim on JVC/PSC account | : | ₹6.57 crore (Previous year ₹ 27.36 crore) |
| (vii) In respect of claim of Royalty by Govt. of Assam on gross price of crude oil | : | ₹7224.20 crore (Previous year - nil) |

(b) In respect of Guarantees :

- (i) Bank Guarantee issued for ₹702.02 crore to Superintendent of Taxes, Naharkatia, Assam, in relation to demand raised by the Department under Assam Taxation (on specified lands) Act 1990. (Previous year ₹702.02crore).
- (ii) Guarantee to OIDB against Loan by M/S BCPL from OIDB: ₹36.34 crore (Previous year ₹36.34 crore).
- (iii) Counter Guarantee to GAIL against Loan by M/S BCPL from OIDB: ₹27.78 crore (Previous year ₹27.78 crore).
- (iv) Corporate Guarantee to Royal Bank of Scotland (Finance) Ireland against Loan taken by OIL INDIA (USA) INC. for USD Nil ₹ NIL (Previous year USD 90 million ₹ 545.49 crore).
- (v) Corporate Guarantee to Sumitomo Mitsui Banking Corporation against Loan taken by OIL INDIA (USA) INC. for USD 90 million ₹568.71 crore (Previous year USD Nil ₹Nil).

(c) Other money for which the company is contingently liable:

(ii) Commitments:

(a) Capital Commitments:

- (i) The estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts: ₹246.20 crore (Previous year ₹ 538.66 crore).
- (ii) Company's share in the amount of contracts remaining to be executed on Capital Accounts and not provided for in the account in respect of the Joint Ventures is ₹18.13 crore (Previous year ₹ 8.47 crore).

(b) Other Commitment:

- (iii) Balance of Minimum Work Program Commitment (MWP) by OIL under Production Sharing Contracts (PSCs) entered for NELP Blocks with Govt. of India is ₹2371 crore.(Previous year ₹ 2663 crore) out of which ₹ 883 crore (Previous year ₹314 crore) is covered by Bank Guarantee submitted to DGH.

31.17 Reclassification/Regrouping:

Previous year figures have been reclassified / regrouped wherever necessary to conform to current year figures.



32 PRINCIPLE OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements comprise the financial statement of the Company (Oil India Limited), its' subsidiary, Joint Ventures Entities and Associates. The Group (comprising of Company and its subsidiaries), Joint Venture Entities and Associate are mainly engaged in Exploration & Production (E&P) of Oil & Gas in India and abroad including Refinery, Power Generation and Pipeline Transportation. The Consolidated Financial Statement has been prepared on the following basis:

- 32.1.1** The Financial Statement of the Company and its' Subsidiary Companies are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenditures after eliminating the intra-group balances and intra-group transactions resulting in unrealized profits & losses in accordance with Accounting Standard-21 on "Consolidated Financial Statements".
- 32.1.2** The financial statements of Joint Ventures are combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures".
- 32.1.3** Investments in Associates are accounted for using equity method in accordance with Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements".
- 32.1.4** Foreign subsidiaries and Joint Ventures entities are non-integral foreign operations. Income and expense items of the foreign operation are

translated at the average exchange rates for the period to which the financial statements relate. The assets and liabilities, both monetary and non-monetary, are translated at the average of the exchange rate prevailing on the date of the balance sheet. All resulting differences arising from translation of financial statements are accumulated in a foreign currency translation reserve ("FCTR") until the disposal of the net investment.

- 32.1.5** The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances are presented to the extent possible, in the same manner as the Company's separate Financial Statements, except the following:
- i) Deferred tax and tax payables are determined as per the tax laws in the country of the foreign subsidiaries/joint ventures.
 - ii) Abandonment Cost is initially capitalized at fair value of future cash outflow and discounted to its Present value.
 - iii) Crude oil in field tank is considered as not produced and therefore not valued for Oil India (USA) Inc.
 - iv) SLM method of depreciation is used by Numaligarh Refinery Limited and DNP Limited.
- 32.1.6** The excess/shortfall of cost of investment in the subsidiaries/associates/Joint ventures over the net asset at the time of acquisition of shares in subsidiaries/associates/Joint ventures is recognised in the financial statements as goodwill/capital reserve respectively as the case may be.



32.1.7 The Consolidated Financial Statements include the results of the following entities:

SI No	Name of Company	Country of Incorporation	Relation	Ownership Interest	
				31.03.2015	31.03.2014
1.	Oil India Sweden AB	Sweden	Subsidiary	100%	100%
2.	Oil India Cyprus Limited	Cyprus	Subsidiary	76%*	76%*
3.	Oil India (USA) Inc.	USA	Subsidiary	100%	100%
4.	Oil India International Limited	India	Subsidiary	100%	100%
5.	Oil India International B.V.	Netherlands	Subsidiary	100%	-
6.	Beas Rovuma Energy Mozambique Ltd	British Virgin Islands	Joint Venture	40%	40%
7.	Numaligarh Refinery Limited	India	Associates	26%	26%
8.	DNP Limited	India	Associates	23%	23%
9.	Suntera Nigeria 205 Ltd**	Nigeria	Joint venture	25%	25%

* Oil India Sweden AB has remaining 24% shareholding.

** Not consolidated as the company has made full provisions on its investment as well as for all the receivables from the company

B. SIGNIFICANT ACCOUNTING POLICIES

32.1 ACCOUNTING CONVENTION

The Financial Statements are prepared under the historical cost convention on accrual method of accounting, in accordance with the Generally Accepted Accounting Principles and complying with the mandatory Accounting Standards notified by the Government of India under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions and presentational requirement of the Companies Act, 2013.

32.2 CLASSIFICATION OF ASSETS & LIABILITIES:

All the Assets and Liabilities of the Company are segregated into Current & Non-current based on the principles and definitions as set out in the Schedule III to the Companies Act, 2013 as amended. The Company has adopted a period of 12 months as its Operating Cycle.

32.3 PRE-ACQUISITION COSTS, ACQUISITION COSTS, EXPLORATION COSTS, DEVELOPMENT COSTS AND ABANDONMENT COSTS :

The Company follows the "Successful Efforts Method" (SEM) of Accounting in respect of its Oil and Gas exploration and production activities in accordance with the "Guidance Note on Accounting for Oil & Gas Producing Activities" issued by the Institute of Chartered Accountants of India.

32.3.1 PRE-ACQUISITION COSTS:

Costs of revenue nature incurred prior to obtaining the rights to explore, develop and produce Oil & Gas like data collection & analysis cost etc. are expensed to the Statement of Profit and Loss in the year of incidence.

32.3.2 GEOLOGICAL & GEOPHYSICAL COSTS:

Geological and Geophysical expenditure are charged as expense when incurred.

32.3.3 ACQUISITION COSTS:

- i) Acquisition costs include land acquired for drilling operations including cost of temporary occupation of the land, crop compensation paid to farmers, registration fee, legal cost, signature bonus, brokers' fees, consideration for farm-in arrangements and other costs incurred in acquiring mineral rights.
- ii) Cost for retaining the mineral interest in properties like lease carrying cost, license fees & other cost are charged as expense when incurred.
- iii) Acquisition costs are initially recorded under Capital work in progress-Tangible & Intangible as the case may be.
- iv) On determination of proved developed reserves, associated acquisition costs are transferred to Fixed Assets-Producing Properties.



- v) Acquisition cost of Producing Properties is capitalized under Fixed Asset-Producing Properties.
- vi) Acquisition cost relating to an exploratory well that is determined to have no proved reserves and its status is decided as dry or of no further use for exploration purpose, is charged as expenses. In such cases, for land value forming part of acquisition cost, a nominal amount of Rs.100 per bigha is transferred to Freehold land under Fixed Assets.

32.3.4 EXPLORATION COSTS:

- i) All exploration costs including allocated depreciation on support equipment and facilities involved in drilling and equipping exploratory and appraisal wells and cost of exploratory-type drilling stratigraphic test wells are initially shown as Intangible assets under Capital Work in Progress as exploration cost till the time these are either transferred to Fixed Assets as Producing Properties on determination of Proved Developed Reserves or charged as expense when determined to be dry or of no further use.
- ii) Cost of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and activities are firmly planned in near future for further assessing the reserves and economic & operating viability of the project. Costs of written off exploratory wells are not reinstated in the book even if they start producing subsequently.

32.3.5 DEVELOPMENT COSTS:

Costs that are attributable to development activities including production and processing plant & facilities, service wells including allocated depreciation on support equipment and facilities are initially shown as Tangible Assets under Capital Work in Progress as Development Cost till such time they are capitalized as Producing Properties upon determination of Proved Developed Reserves.

32.3.6 PRODUCTION COSTS:

Production Cost consist of direct and indirect costs incurred to operate and maintain wells and related equipments and facilities, including depreciation and applicable operating cost of support equipment and facilities.

32.3.7 SIDE-TRACKING EXPENDITURE:

In case of exploratory wells, the cost of abandoned portion of side tracked well is charged off to Profit and Loss statement. In case of development wells, the entire cost of abandoned portion and side-tracking is capitalized. In case of existing producing wells the cost of side – tracking is capitalized if it increases the proved developed reserves, otherwise is charged off to Profit and loss statement.

32.3.8 ABANDONMENT COSTS:-

- i) Estimated full eventual liability towards costs relating to dismantling, abandoning and restoring well sites and associated Production Facilities are recognized at the commencement of drilling a well or when facilities are installed, as the case may be. Liability for abandonment cost is updated annually based on the technical assessment available at current costs.
- ii) The actual cost incurred on abandonment is adjusted against the liability and the ultimate gain or loss is recognized in the Statement of Profit and Loss, when the designated oil/gas field or a group of oil/gas fields ceases to produce.

32.4 FIXED ASSETS, DEPRECIATION & DEPLETION

32.4.1 TANGIBLE ASSETS:

- i) Cost of Freehold & Leasehold land which are perpetual in nature used for other than exploration and development activity are not amortized. Leasehold land other than perpetual lease is amortized over the lease period.
- ii) All successful exploratory well cost, development well cost and other development cost viz. Production Facilities are capitalized when the same is ready to commence commercial production.



- iii) Costs relating to acquisition/construction of tangible assets other than producing properties are capitalized on commissioning.
- iv) Land acquired on perpetual lease as well as on lease over 99 years is treated as free hold land and not amortized.
- v) Land acquired on lease for 99 years or less is treated as leasehold land and amortised over the lease period.
- vi) Any Tangible asset, when determined of no further use, is deleted from the Gross Block of assets. The deleted assets are carried as 'Assets awaiting disposal' under Inventories at lower of ₹1000 or 5% of the original cost and the balance Written down Value, is charged off.
- vii) Physical verification of the fixed assets is carried out in a phased manner to cover all the items over a period of five years. The discrepancies, if any, noticed are accounted for after reconciliation of the same.

32.4.2 INTANGIBLE ASSETS:

- i) Costs of intangible assets are capitalized when the asset is ready for its intended use.
- ii) Cost of right of use/right of way for laying pipelines is capitalized and amortized on a straight line basis over the period of such right of use / right of way or 99 years whichever is lower, as per industry practice.
- iii) Cost incurred on computer software purchased /developed are capitalized as intangible asset and amortized over the useful life not exceeding five years from the date of capitalization.
- iv) Any intangible asset, when determined of no further use, is written off.

32.4.3 DEPRECIATION:

- i) Depreciation on Tangible Assets other than Producing Properties is provided for under the "Written down Value Method", in the manner specified in Schedule II to the Companies Act, 2013.

- ii) Capital assets costing up to Rs 5000 each are fully depreciated in the year of acquisition.

32.4.4 DEPLETION:

- i) Acquisition Costs are depleted using the "Unit of Production Method" with reference to the ratio of production and related Proved reserves.
- ii) Producing Wells and Production Facilities are depleted using the "Unit of Production Method", with reference to ratio of production and the related Proved Developed Reserves.
- iii) Rate of depletion is determined based on production from the Oil/Gas field or a group of Oil/Gas fields identified with reference to the related reserves having common geological feature.

32.5 FOREIGN CURRENCY TRANSLATION

- (i) Foreign currency transactions are initially recognised and accounted for at the exchange rates prevailing at the dates of transactions.
 - (a) Foreign Currency monetary assets & liabilities outstanding at the close of the year are translated at the rates of exchange prevailing at the date of Balance Sheet. Resultant gains or loss is accounted for during the year, except those relating to long-term foreign currency monetary items.
 - (b) Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets in line with para 46A of Accounting Standard-11. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term foreign currency monetary item by recognition as income or expense in each of such periods.
- (ii) Foreign currency transactions in relation to Joint Venture (Overseas) are treated in the following manner:
 - (a) Foreign currency transactions are initially recognised and accounted for at the exchange rates prevailing at the dates

of transactions. However, the average exchange rate of relevant month is taken for the transactions of that month, where actual rate of transaction is not available or at the rate as agreed otherwise.

- (b) Foreign Currency monetary assets & liabilities outstanding at the close of the year are translated at the rates of exchange prevailing at the date of Balance Sheet. Resultant gains or loss is accounted for during the year.

32.6 IMPAIRMENT OF ASSETS:

- (i) Acquisition costs, pending capitalization to Producing Properties and exploration costs under Intangible Assets-Capital Work in Progress are reviewed for indicators of impairment and if events and circumstances suggest, impairment loss is provided for and carrying amount is reduced accordingly.
- (ii) Producing fields, LPG Plant, Transportation Pipeline and Power Generating Units (other than Captive Power Plants) are considered as Cash Generating Units. A "Cash Generating Unit" is reviewed for impairment at each Balance Sheet date. An impairment loss is recognized, whenever the carrying amount of assets exceeds the recoverable amount by writing down such assets to their recoverable amount.

An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets. Impairment testing is normally carried out at the year-end unless compelling circumstances exist for review during the course of the year.

32.7 JOINT VENTURES:

Production Sharing Contracts (PSCs) executed with the Government of India / Government of Foreign Countries by the company along with other entities to undertake exploration, development and production of Oil and/or Gas activities under a joint venture in various concessions/block/area are accounted as under:

- (i) The financial statements reflect the share of the Company's assets, liabilities and also the income and expenditure of the Joint Venture in proportion to the participating interest of the Company as per the terms of the PSCs, on a

line by line basis. Depreciation, depletion and impairment and value of Stock of Crude Oil are accounted for as per the relevant accounting policies of the Company whereas provision for abandonment is created as per terms of PSC. Proved Developed Reserve of Oil & Gas in such concessions/block/area are also considered in proportion to participating interest of the Company.

- (ii) Consideration recoverable from new Joint Venture Partners for the right to participate in operations are:

- a) Reduced from respective assets and/or expenditure to the extent of the new partners contribution towards past cost,
- b) Balance is considered as miscellaneous receipts/expenses.

32.8 INCOME TAX:

- i) The tax expense for the year comprises current tax and deferred tax.
- ii) Provision for current tax is made using the applicable tax rates on the taxable income for the relevant period determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and tax laws applicable for the relevant financial year. Deferred Tax Asset is reassessed and recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which the deferred tax asset will be realized in future.

32.9 INVESTMENTS:

- i) Non Current investments are valued at cost. However, provision for diminution in value is made to recognise a decline in the value, other than temporary.
- ii) Current investments are valued at lower of cost or fair value.

32.10 INVENTORY:

- i) Finished goods of Crude Oil, Liquefied Petroleum Gas and LPG condensate are valued at cost or net realizable value, whichever is lower. Cost of finished goods is determined based on direct cost and directly attributable services cost including depreciation & depletion.



- ii) Crude oil in unfinished condition in the flow line up to Group Gathering Station and Natural Gas in Pipeline are not valued, as these pipeline fills are necessary to the operation of the facility.
- iii) Stores and spare are valued at weighted average cost or net realizable value whichever is lower. Obsolete / unserviceable items, as and when identified, are written off. Any item of stores and spares not moved for last four years as on date of Balance Sheet are identified as slow moving items for which a provision of 95% of the value is made in the accounts.

32.11 EMPLOYEE BENEFITS

- i) All short-term employee benefits are recognised as an expense at the undiscounted amount in the accounting period in which the related service is rendered.
- ii) Employee benefits under defined contribution plan such as provident fund is recognised based on the undiscounted obligations of the company to contribute to the plan.
- iii) Employee benefits under defined benefit plans such as gratuity, leave encashment, post retirement medical benefits, pension are recognised based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial liability in excess of respective plan assets is recognised during the year and in case the plan assets exceed the Actuarial Liability, no further provision is considered. Actuarial gain and losses in respect of post employment and other long-term benefits are recognised during the year.

32.12 REVENUE RECOGNITION

- i) Revenue from sale of products is recognized on custody transfer to customers.
- ii) Sale of crude oil and gas produced from exploratory wells is deducted from expenditure on such wells.
- iii) Sales are inclusive of statutory levies but excluding Value Added Tax (VAT) & Central Sales Tax (CST) and net of discounts & companies share of profit petroleum paid to GOI. Any retrospective revision in prices is accounted for in the year of such revision.
- iv) Claims on Government / Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance

in principle by the authority.

- v) Dividend Income is recognized when the right to receive the dividend is established.
- vi) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:
 - (a) Short lifted quantity of Crude Oil & Natural Gas, if any.
 - (b) Interest on delayed realization from customers.
- vii) Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the Insurance Company.
- viii) Recovery/Refund of Liquidated Damages are recognised in the Statement of Profit and Loss in the year of occurrence as income or expenditure as the case may be except in case of JVC which are governed by the respective PSC.
- ix) Revenue from sale of other services is recognised when service is rendered in line with contracts executed there with.

32.13 GRANTS

Grants are recognised when there is reasonable assurance that the same would be realized. Grants related to specific assets are deducted from the gross value of the concerned assets.

32.14 BORROWING COSTS

- i) Borrowing costs during the construction period that are attributable to qualifying assets are capitalized and also includes exchange difference arising from Foreign Currency borrowings to the extent that they are regarded as an adjustment to interest cost.
- ii) Other borrowing costs are recognised as expenses when incurred.

32.15 SEGMENT ACCOUNTING

- i) Considering the nature and associated risks and return of products & services, the company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline Transportation) as the primary reporting segments. There are no reportable geographical segments.
- ii) Segment assets, liabilities, income and expenses have been either directly identified or allocated to the segments on the basis



usually followed for allocation of cost adopted for preparing and presenting the financial statements of the Company.

32.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- i) Provisions in respect of which a reliable estimate can be made are recognised where there is a present obligation as a result of past events and it is probable that there will be an outflow of resource.
- ii) Contingent liabilities, if material, are disclosed by way of notes to the accounts.
- iii) Contingent assets are neither recognised nor disclosed in the financial statements.

32.17 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of

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

32.18 GENERAL

- i) All revenue expenditure, incurred for Research & Development Projects / Schemes, net of grants-in-aid, if any, are charged to the Statement of Profit & Loss.
- ii) Assets given on finance lease are accounted as per Accounting Standard 19 "Leases". Such assets are included as a receivable at an amount equal to the net investment in the lease. Initial direct costs incurred in respect of finance leases are recognized in the statement of profit and loss in the year in which such costs are incurred.
- iii) Prior period items/Prepaid expenses having value in each case up to ₹ 5 lacs are booked under natural head of accounts.

For SAHA GANGULI & ASSOCIATES
Chartered Accountants
Firm Reg No- 302191E

sd/
(S.K.SAHA)

Membership No: 051392

For B. M. CHATRATH & CO
Chartered Accountants
Firm Reg No- 301011E

sd/
(P.R.PAUL)

Membership No: 051675

For and on behalf of the Board of Directors

sd/
(S.R.Krishnan)
Company Secretary

sd/
(Mrs. Rupshikha S. Borah)
Director (Finance)

sd/
(S.K.Srivastava)
Chairman & Managing
Director

Place: Noida,
Date:29th May, 2015



OIL INDIA LIMITED
Consolidated Cash Flow Statement for the year ended 31st March,2015

(₹ in crore)

	Year ended 31 st March 2015	Year ended 31 st March 2014
Cash flows from operating activities		
Profit before tax	3677.12	4342.48
Adjustments for:		
Depreciation, Depletion & Amortisations	864.75	821.58
Exploration Cost written off	312.01	461.87
Prior period items	0.92	(0.65)
Dividend Income	(169.97)	(127.44)
Interest Income	(1040.46)	(1171.60)
Interest Expenses	349.02	70.78
Foreign Exchange Loss/(Gain)- Net	(12.03)	(215.78)
Well abandonment provisions	11.81	247.72
Total	316.05	86.48
Operating Profit before Working Capital changes	3993.17	4428.96
Changes in working capital		
Inventories - (Increase) / Decrease	(68.08)	(340.33)
Trade & other Receivables - (Increase) / Decrease	(1974.31)	209.84
Loans and advances - (Increase) / Decrease	(188.98)	(11.28)
Long term and short term provisions - Increase / (Decrease)	534.24	(42.76)
Trade payables & Other current liabilities - Increase / (Decrease)	604.28	170.78
Total	(1092.85)	(13.75)
Cash generated from operation	2900.32	4415.21
Income tax Payment (net of refund)	(1146.76)	(1799.13)
Net cash from / (used in) operating activities (A)	1753.56	2616.08
Cash flow from investing activities		
Acquisition, Exploration & Development Cost	(2407.31)	(2335.13)
Other Capital Expenditure	(591.39)	(516.88)
Investment made	(376.53)	(8733.86)
Sale of Investment	0.00	300.03
Inter corporate loan	21.70	20.50
Interest income	1255.27	1300.70
Dividend income	169.97	127.44
Net cash from / (used in) investing activities (B)	(1928.30)	(9837.20)
Cash flow from financing activities		
Repayment of Loan (net)	(8217.97)	0.00
Proceeds from Borrowings	6938.65	8885.42
Payment of dividend	(632.57)	(1905.46)
Corporate dividend Tax	(227.46)	(183.89)
Interest expenses	(215.74)	(70.40)
Foreign exchange (loss)/gain- net	(248.04)	246.00



Net cash from / (used in) financing activities (C)	(2603.13)	6971.67
Net Increase in Cash and Cash Equivalents (A+B+C)	(2777.87)	(249.45)
Cash and Cash equivalents at the beginning of the year	11660.11	12136.66
Add: Other Adjustments to Cash and Cash equivalents*	(63.29)	(227.10)
Cash and Cash equivalents at the end of the year	8818.95	11660.11
Notes:		
a. Cash and cash equivalents (Refer to Note 20) represents:		
i) Cash in hand	0.76	0.74
ii) Current accounts & Term Deposits in Scheduled Banks	8818.19	11659.37
	8818.95	11660.11

(*) Adjustment on account of increase in Shareholding in Subsidiary Companies.

- b. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3
- c. Cash & Cash equivalents includes Currency translation differences of ₹ 6.71 crore (Previous year ₹ 5.71 crore)
- d. Figures in parentheses represent cash outflows.
- e. Cash & Cash equivalents includes ear marked balances for unpaid dividend of ₹ 7.46 crore (Previous year ₹ 3.21 crore).
- f. Previous year's figures have been rearranged, regrouped, recast wherever necessary to conform current year's classification.

For SAHA GANGULI & ASSOCIATES

Chartered Accountants
Firm Reg No- 302191E

sd/-
(S.K.SAHA)

Membership No: 051392

For B. M. CHATRATH & CO

Chartered Accountants
Firm Reg No- 301011E

sd/-
(P.R.PAUL)

Membership No: 051675

For and on behalf of the Board of Directors

sd/-
(S.R.Krishnan)
Company Secretary

sd/-
(Mrs. Rupshikha S. Borah)
Director (Finance)

sd/-
(S.K.Srivastava)
Chairman & Managing
Director

Place: Noida,
Date:29th May, 2015

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JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

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