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**BOARD OF DIRECTORS****Chairman and Managing Director**

Shri N.M. Borah

Government Nominee DirectorsShri D.N. Narasimha Raju
Dr. (Smt.) Archana S. Mathur**Functional Directors**Shri T.K. Ananth Kumar, Director (Finance)
Shri B.N. Talukdar, Director (E & D)
Shri Ashok Anand, Director (HR & BD)**Independent Directors**Shri Vinod K. Misra
Shri Alexander K. Luke
Shri Sushil Khanna
Shri Arun K. Gupta
Shri Pawan K.Sharma
Shri G.H. Amin**Company Secretary**

Shri S.R. Krishnan

BOARD COMMITTEES**Audit Committee**Shri Pawan K. Sharma Chairman
Shri Vinod K. Misra Member
Dr. (Smt.) Archana S. Mathur Member**Remuneration Committee**Shri Vinod K.Misra Chairman
Prof. Sushil Khanna Member
Shri D.N. Narasimha Raju Member
Shri T.K. Ananth Kumar Member
Shri Ashok Anand Member**Business Development Committee**Chairman
Prof. Sushil Khanna Member
Shri Pawan K. Sharma Member
Shri D.N. Narasimha Raju Member
Shri N.M. Borah Member
Shri T.K. Ananth Kumar Member
Shri B.N. Talukdar Member
Shri Ashok Anand**Shareholders' / Investors' Grievance Committee**Shri G.H. Amin Chairman
Shri Arun Kumar Gupta Member
Shri T.K. Ananth Kumar Member
Shri Ashok Anand Member**Human Resource Management Committee**Shri Alexander K. Luke Chairman
Shri G.H. Amin Member
Shri D.N. Narasimha Raju Member
Shri N.M. Borah Member
Shri T.K. Ananth Kumar Member
Shri B.N. Talukdar Member
Shri Ashok Anand Member**Share Transfer Committee**Shri Arun K. Gupta Chairman
Shri Alexander K. Luke Member
Shri T.K. Ananth Kumar Member
Shri Ashok Anand Member**Registered Office**P.O.Duliajan,
Distt. Dibrugarh,
Assam – 786 602
Ph : 0374-2800427
Fax : 0374-2800522**Bankers**State Bank of India
Allahabad Bank
United Bank of India
Punjab National Bank
Corporation Bank
Indian Overseas Bank
ICICI Bank
Union Bank of India
Standard Chartered Bank
HDFC Bank
Axis Bank
Syndicate Bank**Registrar and Share Transfer Agent****M/s Karvy Computershare Pvt. Ltd.**
(UNIT : OIL INDIA LIMITED)
Plot no. 17-24, Vittalrao Nagar
Madhapur ,
Hyderabad-500081,
Tel No : 040-23420818-825
Fax No : 040-23420814
E-mail : mailmanager@karvy.com**Corporate Office**Plot No. 19, Sector – 16A,
Noida, Distt. G.B.Nagar,
U.P – 201301
Ph : 0120-2488333-47
Fax : 0120-2488310
Visit us at : www.oil-india.com**Statutory Auditors****M/s. A. K. Sabat & Co.**
Chartered Accountants,
A348,
Sahid Nagar,
Bhubaneswar-751007
Fax no. : 0674-2542264**M/s.Chatterjee & Co.,**
Chartered Accountants,
153, 3rd Floor,
Rash Behari Avenue,
Kolkata-700029
Fax No. : 033-24669310**Cost Auditor****Shri Chittaranjan Musib**
M/s. Musib and Associates
803C, Techno Park II,
Thakur Village,
Kandivalli (E)
Mumbai – 400 101

**OIL INDIA LIMITED**

Regd. Office: P.O. Duliajan, Distt. Dibrugarh, Assam – 786 602

NOTICE

NOTICE is hereby given that the 50th Annual General Meeting of the Shareholders of Oil India Limited will be held on Monday, the 17th day of August, 2009 at 10.30 AM at Bihutoli, Duliajan, Distt. Dibrugarh, Assam –786 602, to transact the following business:-

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with Reports of the Auditors, Directors and comments of the Comptroller & Auditor General of India thereon.
2. To confirm the payment of Interim Dividend for the financial year 2008-09 and to declare the Final Dividend for the financial year 2008-09 on the equity shares of the Company.
3. To appoint a Director in place of Shri B.N.Talukdar, Director (Exploration & Development) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok Anand, Director (Human Resource & Business Development), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Vinod K. Misra, Director, who retires by rotation and being eligible, offers himself for re-appointment.

(B) SPECIAL BUSINESS

- 6 To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 224(8)(aa) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company be and are hereby authorized to fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India under Section 619 of the Companies Act, 1956.

7. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

“RESOLVED THAT Dr. (Smt) Archana S. Mathur, who was appointed as a Government Nominee Director by the President of India w.e.f 09.02.2009 and who holds office upto this Annual General Meeting as an Additional Director and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board
OIL INDIA LIMITED

Sd/-

(S.R. KRISHNAN)**COMPANY SECRETARY**

Place : NOIDA

Dated : 18.07.2009



NOTES

1. Explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed below.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY STAMPED AND EXECUTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
3. No person shall be entitled to attend and vote at the meeting as a duly authorized representative of a company or any other body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true, shall have been deposited at the Registered Office/Corporate Office of the Company at least 48 hours before the time fixed for commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 10.8.2009 to 17.8.2009 (both days inclusive). Final Dividend, if approved at the Annual General Meeting, will be paid to those Members whose names appear on the Register of Members/Beneficial Owners as per lists furnished by NSDL & CDSL as on 9.8.2009.
5. Members holding shares in physical form are requested to notify changes in address, if any, to the Company's Registrar and Share Transfer Agent (RTA) at :

M/s. Karvy Computershare Private Limited

(unit: Oil India Limited)

Plot No. 17-24
Vittalrao Nagar, Madhapur,
Hyderabad – 500081

Tel No : 040-23420818-825

Fax No : 040-23420814

E-mail : mailmanager@karvy.com

105-108, Arunachal Building

19, Barakhamba Road,

Connaught Place,

New Delhi - 110001

Tel No : 011-23324401, 23324409, 43509200

Fax No : 011-23730824

E-mail : delhi@karvy.com

6. Members seeking further information about the Accounts/Working of the Company are requested to write to the Company Secretary atleast 7 days in advance of the meeting so as to enable the Directors to keep the information ready for the meeting.
7. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of the Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting.
8. The balance lying in the Unpaid Dividend Account 2001-02 of the Company will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by October 30, 2009. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company for obtaining payments thereof at the earliest. Reminder letters to the respective members, whose names are appearing in the unpaid list of the Company have already been dispatched.
9. The Company has already joined the Depository System and the ISIN for the equity shares of the Company is INE274J01014. Members, who desire to have their holding of shares dematerialized are requested to approach the Company's RTA through a Depository Participant.
10. In terms of Section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Company's Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited.
11. SEBI vide its Circular No. MRD/Dop/Cir-05/2009 dated 20.5.2009 has made it mandatory to submit PAN for registration of physical share transfer requests.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The Statutory Auditors of the Company for the financial year 2009-10 shall be appointed by the Comptroller & Auditor General of India as per the provisions of Section 619 of the Companies Act, 1956. However, in terms of Section 224(8)(aa) of the Act the remuneration of the Auditors appointed under Section 619 by the Comptroller & Auditor General of India shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. It is therefore proposed that the Board of Directors of the Company may be authorized to fix the remuneration of the Statutory Auditors.

Your Directors recommend passing of the above Resolution.

None of the Directors of the Company is interested or concerned in the Resolution.

Item No. 7

The Government of India vide Ministry of Petroleum & Natural Gas letter No. 31023/1/2007-CA Desk Part dated 09.02.2009 had advised the appointment of Dr. (Smt.) Archana S. Mathur as Government Nominee Director on the Board of the Company. Accordingly, she was appointed as an Additional Director of the Company with effect from 09.02.2009.

In terms of the provisions of Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company she will be holding office upto the ensuing AGM.

The Company has received a notice in writing from a Member of the Company pursuant to Section 257 of the Companies Act, 1956, signifying his intension to propose the name of Dr. (Smt.) Archana S. Mathur as a Director on the Board of the Company.

The Board of Directors recommends the Resolution for your approval.

None of the Directors except Dr. (Smt.) Archana S. Mathur is interested or concerned in the Resolution.

By Order of the Board
OIL INDIA LIMITED

Sd/-

(S.R. KRISHNAN)
COMPANY SECRETARY

Place : NOIDA
Dated : 18.07.2009



Details of Directors seeking appointment/re-appointment at the ensuing AGM.

Name of Director	Shri B.N.Talukdar	Shri Ashok Anand	Shri Vinod K. Misra	Dr. (Smt.) Archana S. Mathur
Date of Birth	01.01.1955	15.04.1950	24.06.1947	22.11.1958
Date of Appointment	01.12.2007	01.02.2008	30.07.2008	09.02.2009
Experience in specific functional areas	Has experience of more than 32 years in oil and petroleum industry. He has been working in the Company since last 32 years.	Has experience of almost 34 years in oil and petroleum industry. He has been working in the Company since last 33 years.	He has a total of 40 years of professional experience. He joined the Indian Defence Accounts Services in 1969. During his years in Government service, he has served on deputation in various capacities and Ministries with the Government of India. He served as Secretary, Defence Finance in the Ministry of Defence until his superannuation in 2007.	She joined the Indian Economic Service in 1982. During the past 26 years in Government Service, she has served various economic Ministries of Government of India. Currently she is the Economic Advisor in the Ministry of Petroleum & Natural Gas.
Qualification	B.Tech. (Petroleum Engineering)	B.Sc, MBA	M.Sc (Physics) M.Phil	M.A. (Economics) and Ph.D (Int'l Trade)
Directorship in other Public Limited companies.	Nil	Nil	Kribhco Shyam Fertilisers Limited	Nil
Member/Chairman of the Committee of the Board of the Public Limited companies on which he/she is a Director	Nil	Nil	Member, Audit Committee, Oil India Limited	Member, Audit Committee, Oil India Limited. (Since 9.4.2009)



DIRECTORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY

Dear Shareholder,

On behalf of the Board of Directors of the Company, I take great pleasure in presenting the 50th Annual Report on the working of the Company for the financial year ended 31st March, 2009 along with the Audited Statement of Accounts, Auditors' Report and the Comments on Accounts by the Comptroller and Auditor General of India.

A SCINTILLATING HALF A CENTURY

You will be pleased to know that your Company has completed a long and eventful 50 years of its existence on 18th February, 2009. It has come a long way from those early days when it started operating in the Naharkatiya field.

Your Company is now the second largest national oil and gas Company in India as measured by total proved plus probable oil and natural gas reserves and production. It is now operating in India with 3 pre-NELP JV blocks (1 production and 2 exploratory) and 24 NELP blocks (Operatorship in 12 onshore blocks) besides having participating interest in 17 blocks in 7 countries overseas (Operator in 2 countries).

Your Company now produces about 10.41% of overall domestic crude oil and 6.91% of natural gas production which translates to over 25% of the total onshore production of oil and gas.

Your Company has large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin.

Your Company has also diversified into the midstream and downstream sector of the hydrocarbon industry. In the midstream sector your Company is holding a 10% stake in a 741 kilometre product pipeline in Sudan, constructed in 2005 on BOO basis in addition to owning (i) 100% in Trunk Crude Oil Pipeline between Duliajan and Barauni (ii) 100% in Product Pipeline between Numaligarh and Siliguri (iii) 23% stake in DNP Limited. In the downstream sector your Company is holding 26% stake in Numaligarh Refinery Limited and 10% stake in the Brahmaputra Cracker & Polymer Limited.

PERFORMANCE NUGGETS

- a) Highest ever profit of Rs. 2161.68 crores during 2008-09
- b) Highest ever crude oil production. About 12 % more than the 2007-08 production.
- c) Highest ever crude oil sale. About 12 % more than the 2007-08 sale.
- d) Highest ever daily gas production rate of 6.43 MMSCMD in the North East.
- e) Enhancement of daily production potential to 0.93 MMSCMD in Rajasthan (highest ever production potential).
- f) Achieved highest ever horizontal displacement of 846m with S-bend trajectory (NHK #575).
- g) Made 4 commercial hydrocarbon discoveries in Assam. Mechaki-2 discovery is the deepest on-land commercial hydrocarbon discovery in India (5556 m) so far and the well is already contributing to production of oil & gas.
- h) Highest ever 3D seismic survey: 3495 SQKM, about 305 % higher than 2007-08 (Earlier highest: 1145 SQKM in 2007-08).
- i) Completed acquisition and processing of first ever 4D seismic survey in OIL over Dikom field.
- j) The GIS application centre is now fully operational for planning and execution of seismic survey operations.
- k) Completed and commissioned 660 km long Numaligarh – Silliguri Product Pipeline.
- l) Bagged 4 nos. blocks in NELP-VII round of bidding, 1 block as operator and 3 blocks with PIs.



- m) Acquisition (farming in) of overseas blocks in East Timor Leste (offshore block) and Egypt (two offshore blocks).
- n) Four of our AC-SCR drilling rigs S-2, S-3, S-4 and S-7 were accredited with ISO 9001-2000 certification.
- o) Creation of a Technology Park in the vicinity of OIL's discovery well NHK#1. The Park was inaugurated and declared as OIL Heritage Site by Honourable Chief Minister of Assam.
- p) Five nos. of 600 HP new Workover rigs were procured and commissioned during the year. These have replaced five old workover rigs.
- q) Trained 732 numbers contract workers in the field of S.H.E for the first time in OIL.
- r) As part of our continuous effort to comply with the requirements and guidelines of IE Rules, OISD and DGMS, the earthing systems were revamped in 5 substations and 7 industrial installations.
- s) Carried out mechanical repair/overhauling jobs of over 40 heavy and critical field equipment (drawworks, rig pumps, engines etc.) with in-house infrastructure. Similarly electrical repair jobs were carried out for a variety of about 750 electrical machines with in-house expertise.
- t) Power availability from the captive Power Station at Duliajan was 99.96%.
- u) The total station power consumption in the captive Duliajan Power Station was 1.04% of the total power generation, against industrial standard of 1-1.5%.
- v) 2 nos of new ACPCRs for ACSCR Drilling rigs were commissioned.
- w) Services in the form of equipment on rental, R&D & chemical laboratory services, well completion service etc. were rendered to other E&P operators and generated revenues of over Rs. 22 Crores.
- x) Won the prestigious Greentech Environmental Excellence Gold Award – 2007 for its efforts in green movement and environmental protection in its oil fields.
- y) Received national level award for best performance amongst upstream sector oil companies for the activities/ programs carried out by Oil India Limited during OGCF 2008.
- z) OIL's 190-bed hospital (Oil India Hospital) at its field headquarter obtained Integrated Management System Certification (ISO9001:2000, ISO 14001:2004 and ISO 18001:2007) during the year. Oil India Hospital is the first public sector hospital in the north-east to be ISO accredited.
- aa) Six Independent Directors inducted into OIL Board as part of Good Corporate Governance.
- ab) Introduced "e-sampatti" for online submission of property returns.
- ac) Introduced Revised Employees' Suggestions Scheme.
- ad) OIL's Football Team is first ever team from North-East to have qualified for Federation Cup Football Tournament.
- ae) Won prestigious PSPB and AIPSSB Golf Tournaments.
- af) Shri Subhajit Saha, Table Tennis Player was awarded Arjuna Award and the Company awarded him with a cash prize of Rs. 3.00 lacs.
- ag) OIL's Women Table Tennis Team was the winner in PSPB.



1.0 PERFORMANCE

FINANCIAL HIGHLIGHTS

Rs / Crore

	2008-09	2007-08
A. INCOME		
a) Operating Income	7241.45	6081.95
b) Interest & dividend income	671.10	492.56
c) Gas subsidy	142.77	155.27
d) Misc income	123.31	29.16
e) Other adjustments including prior period items	(40.75)	36.51
Total	8137.88	6795.45
B. EXPENSES		
a) Operating Expenses	1006.96	763.63
b) (Increase)/decrease in stock	13.00	(22.06)
c) Statutory duties	2216.10	2260.32
d) Interest & Exchange loss	2.59	38.29
e) Depreciation, Depletion write offs of assets/wells/debts and G&G cost/ Corporate Office Expenditure	1454.21	956.18
f) Business Development Expenses	32.02	27.51
g) Other adjustments including prior period items	26.03	58.19
Total	4750.91	4082.06
C. Profit before Tax	3386.97	2713.40
D. Less: Provision for Tax (including deferred tax liability)	1225.29	924.47
E. Profit after Tax & available for distribution	2161.68	1788.93

- The Company earned higher profit after tax despite sharing a higher subsidy burden on crude oil and LPG and paying higher amount of statutory levies compared to previous year. The total subsidy share was Rs. 3023.28 Crore in 2008-09, compared to Rs. 2305.09 Crore in 2007-08, which works out to 31.16% increase.
- The Shareholders' Fund as on 31.03.2009 was Rs. 9331.02 Crore against long term loan amount of Rs. 56.45 Crore giving a Debt Equity Rates of 1:173.04 against 1:113.33 in the previous year.
- Earning per Share (EPS) had increased to Rs. 101.01 in 2008-09 compared to Rs. 83.59 in 2007-08.

APPROPRIATION

Directors recommend the following appropriations:

Rs/ Crore

	2008-09	2007-08
a) Interim Dividend @ 150 % (Previous Year – 125%)	321.01	267.51
b) Final Dividend @ 155 % (Previous Year – 150%)	331.70	321.01
c) Corporate Dividend Tax	110.93	100.01
d) Transfer to General Reserve	1398.04	1100.40
Total	2161.68	1788.93

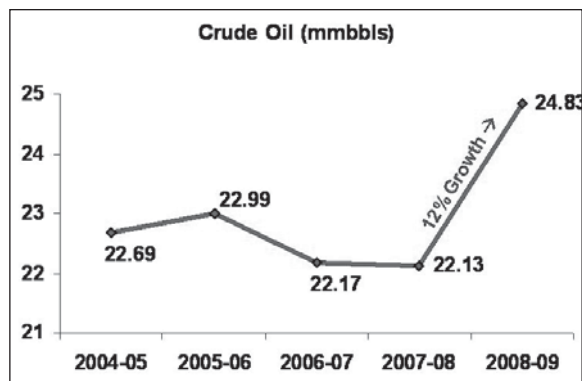
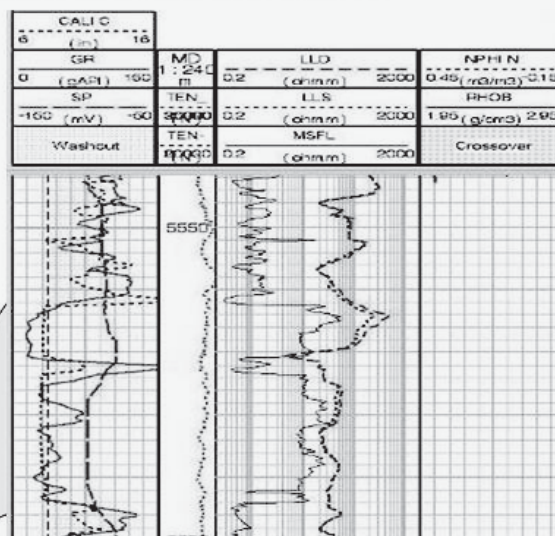
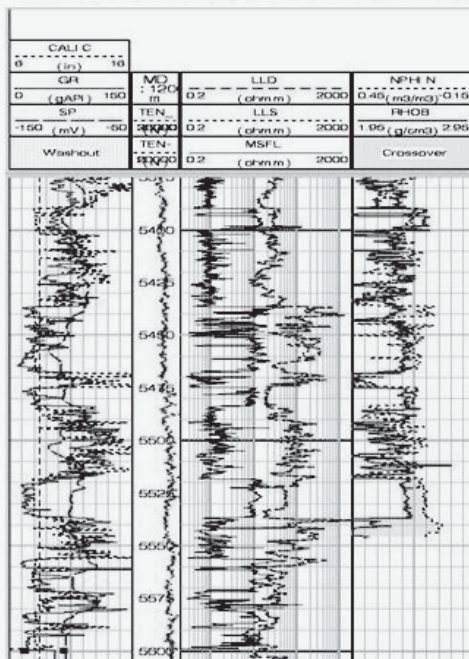
**DIVIDEND**

The Company paid an interim dividend @ 150% (previous year 125%), based on the provisional financial trend of the Company. The Board of Directors are now pleased to recommend a final dividend @ 155 % on the paid up capital making the total dividend of 305% (Previous year 275 %) for the financial year, subject to the approval of the shareholders at the ensuing Annual General Meeting. It is also proposed to transfer the balance of Rs. 1398.04 Crore to the General Reserve.

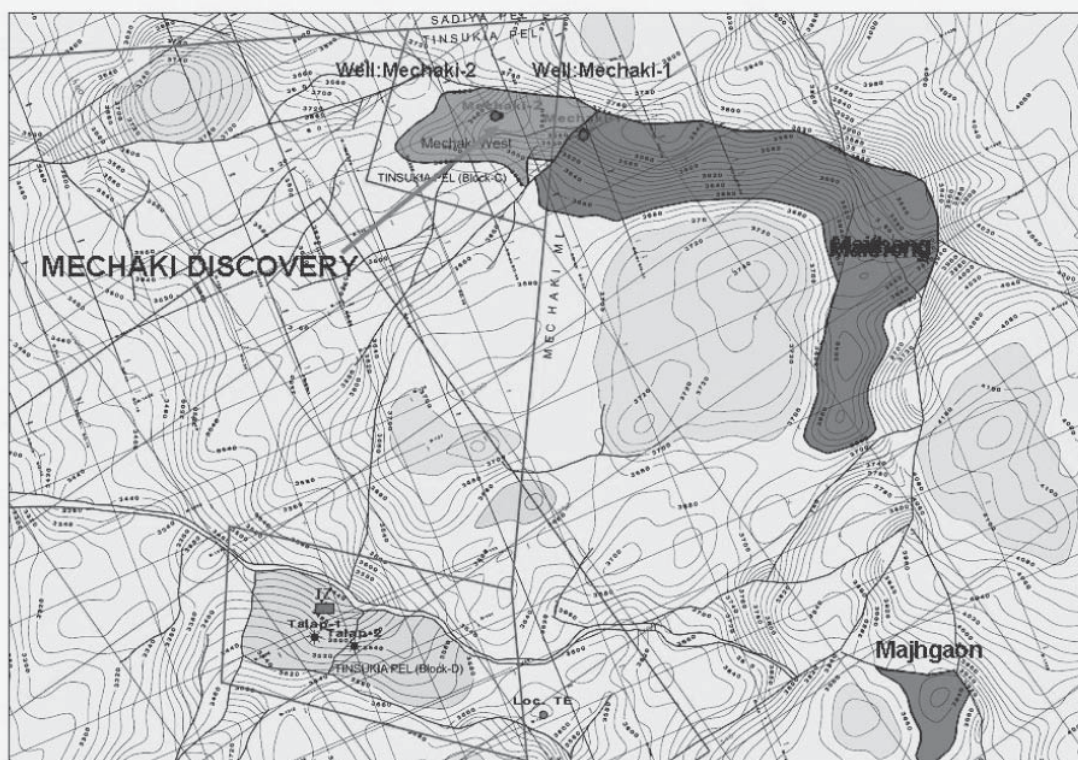
PHYSICAL PERFORMANCE

a) The crude oil production (3.47 MMT) during the year was the highest ever by the Company so far. The increase of about 12% in oil production vis-à-vis the previous year (2007-08) is the most significant physical achievement of the year. In terms of natural gas, the production potential was enhanced, but the actual gas production and sale was less than the previous year due to markets inability to uplift committed quantities of gas.

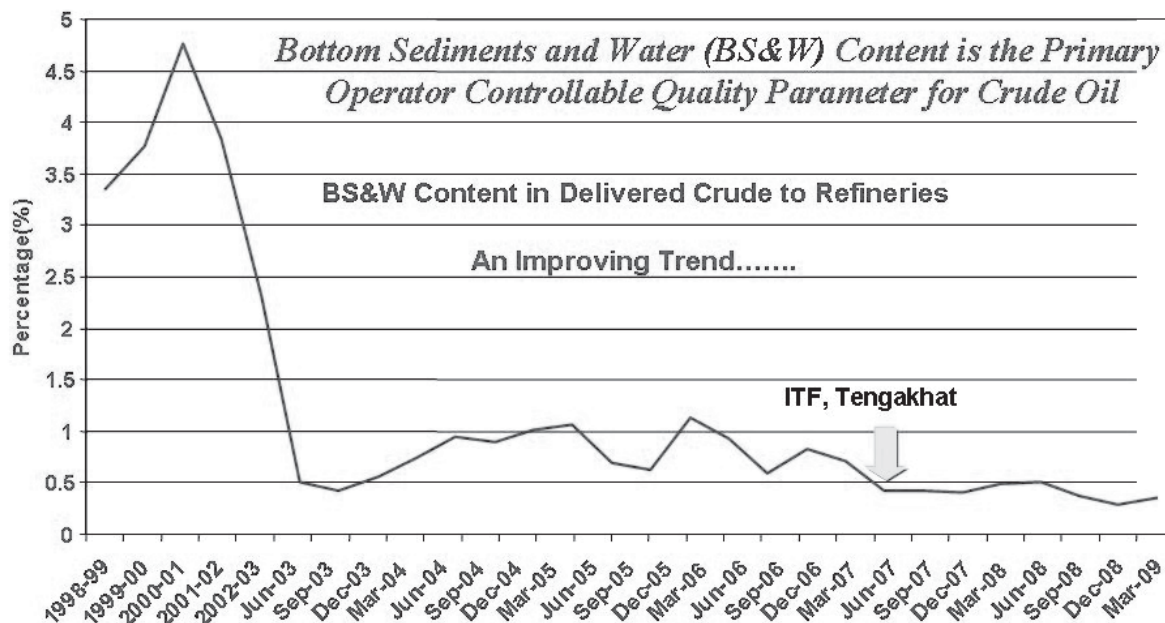
b) The recent discovery of commercial hydrocarbon in Mechaki west structure at a depth of 5550 m, in upper Assam basin is the deepest onshore commercial discovery of the nation. The discovery well Mechaki 2, drilled to a depth 5600 m+ has opened up a new vista for exploration in the Upper Assam basin. The well was drilled and completed with complete in-house efforts and is currently producing both crude oil and natural gas.

**Reaching Deeper Horizon****– Producing Commercial Oil from below 5500 Mtrs**

Mechaki 2 is Country's Deepest Producing Well



- c) The Company was able to set new records of performance in respect of the following amidst adverse environmental condition in some of its major operational areas during the year.
- Highest ever crude oil production about 12% more than the 2007-08 production.
 - Highest ever crude oil sale. About 12% more than the 2007-08 sale.
 - Highest ever daily gas production rate of 6.43 MMSCM in the North East.
 - Highest ever 3D seismic acquisition of 3495 SQKM (1,145 SQKM in 2007-08)
 - Highest ever terminal rate of crude oil production 3.51 MTPA [3.43 MTPA in 2007-08].
 - Highest ever CTU operation of 163 (previous highest 129 in 2007-08).
 - Highest ever daily average gas processing of 79.52 MMSCF in LPG plant since its inception.
 - Highest ever average daily production of condensate in last 12 years (73.07 Tonnes/day).
- d) The Company is making continuous effort in various fronts for exploration activities and business expansion. A few activities of strategic importance pursued during the year are as under:
- There have been four new commercial hydrocarbon discoveries during the year, all in Upper Assam.
 - As compared to 100 drilling locations available in April, 2008, 144 locations have been approved for drilling as on April, 2009, indicating a comfortable position of the Company in respect of forward drilling locations.
 - Drilling of horizontal wells helped in augmenting production buildup in Makum area.
 - Percentage of suspended water in delivered crude to Refineries could be restricted to 0.42 % by weighted average with significant improvement compared to previous year (0.46% in 2007-08).



- 721 GLKM of 2D Seismic survey was completed in Gabon. Another 279 GLKM of 2D survey is being completed in 2009-10.
- 3D acquisition of 700 SQKM in Libya was completed during the year. Two wells are planned to be drilled during 2009-10.
- The Company was rated, "Very Good" in MOU for the year 2007-08 and expected to be rated 'Excellent', in 2008-09.
- Introduction of solar power system for Jorajan Magazine House for area lighting.
- Introduction of solar water heating system in residential bungalows.

2.0 STATUS OF RESERVES

The status of oil and gas reserves of the Company as at 31.03.2009 is as under:

Proved Developed Reserves

Area of operation	Crude Oil				Natural Gas			
	Position as at 01.04.08	Additions / Revisions	Production Quantity (2008-09)	Position as at 31.03.09	Position as at 01.04.08	Additions/ Revisions	Sale Quantity (2008-09)	Position as at 31.03.09
	MMKL	MMKL	MMKL	MMKL	MMKL-OE	MMKL-OE	MMKL-OE	MMKL-OE
Assam	35.0350	3.3560	3.8593	34.5317	23.5600	10.3660	1.573	32.3530
Arunachal Pradesh (Kumchai)	0.9104	-0.2271	0.0413	0.6420	0.0000	0.0000	0.0000	0.0000
Rajasthan	0.0000	0.0000	0.0000	0.0000	2.4040	0.0000	0.2040	2.2000
JVC-India	1.2888	0.0000	0.0300	1.2588	0.0000	0.0000	0.0000	0.0000
Total	37.2342	3.1289	3.9306	36.4325	25.9640	10.3660	1.7770	34.5530

3.0 TECHNOLOGY INDUCTION, UP-GRADATION AND INNOVATION

The Company is continuously striving for enhancing technological capabilities for exploration success, enhanced production, operational improvement and efficient performance. A Technology Management Team (TMT) was formed in January 2006 which continuously scouts for technologies suitable for oil field operations resulting in production enhancement and cost reduction. The following are some of the technologies absorbed/ upgraded during the year.



- The existing geologic modelling software PETREL was upgraded to PETREL 2009 which now makes it possible to work on multiple regional 2D and 3D datasets under the same canvas.
- Acquired the Integrated Irap RMS solution which allows multiple disciplines to work together in parallel leading to acceleration of the field development planning cycle.
- An E&P Field Development Centre equipped with state-of-the-art industry standard software, hardware and aesthetic working environment is now fully functional at Duliajan.
- Pilot study on curvature analysis, spectral decomposition and multi component 2D data acquisition in Geophysical front.
- Use of Solid control equipment like LMSS, Centrifuges etc of latest technology (OIL own 3 sets of LMSS and procurement process for another 6 sets are on) for better mud engineering.
- Use of Amine mud in drilling the curve sections of horizontal wells have resulted in trouble free drilling and Non Damaging Drilling Fluid (NDDF) used for the drain hole sections have provided fast activation of wells and better productivity.
- Use of microbial paraffin remediation technique to minimize wax deposition in tubing.
- New state-of-the-art IP based Avaya make survivable media gateways (mini exchanges) installed at Digboi, Kharsang, Manabhum, South Bank, Tengakhat, Dikom and Kathalguri replacing cable network and nearly obsolete MART communication system.
- Two new open-hole logging units having state of art "Log-IQ System".
- 2nd generation micro-imaging XRM tool capable of measuring high resistivity formations in a highly conductive borehole.
- 3rd generation crossed dipole WSS tool capable of measuring slowness, porosity and anisotropy of formations using shear and compressional waves.
- Introduction of multivariable transmitters, electronic level transmitters, digital smart transmitters and electronic digital valve controllers in place of mass flow meter, pneumatic level transmitters, analog transmitters and pneumatic valve positioners respectively in the LPG processing plan.
- A new smoke detection system was installed in LPG Recovery plant as a part of the up-gradation of the fire protection system of the plant.
- Solids free and environment friendly Potassium Formate drilling fluid system was introduced for drilling operations.
- Solids free and environment friendly Sodium Formate brine system was introduced as the regular fluid workover operations.
- Video conferencing facility between Corporate Office, NOIDA and Duliajan office.
- Document Management System (DMS) for maintaining land records.
- Introduction of Blade servers which reduces space and power requirements.
- Implementation of enterprise-wide email solution using Microsoft Exchange.
- Implementation of SAP Travel Management module for arrangement of passage booking and settlement of claims for official visits as well as LFA / LTC.
- The latest 2D and 3D drawing software AUTOCAD 2009 with 10 nos. of work stations were installed in the Design, Drawing and Survey section of Civil Engineering department.
- Total Station, a Theodolite with built in Electronic Distance Measuring and Microprocessor, was installed and commissioned which will save a lot of time and paper work in survey works.
- An integrated system of anaesthesia machine with multi parameter monitors for better and safer delivery of anaesthetics was put into operation in Oil India hospital.



- Energy efficient rotary compressors were selected to replace the old reciprocating compressors while procuring new air-conditioners.
- Introduced maintenance free polycrystalline CTs and PTs for H.V. switchyards, totally eliminating the need for any maintenance.
- Highly accurate Numeric protection relays, which also require less maintenance, were introduced in the power distribution network replacing the older electro-mechanical relays in the H.V. substations.
- Multi-component seismic data acquisition along 2D profiles (2D-3C survey) introduced in the Upper Assam basin, two nos. of state-of-art high capacity 3D data acquisition systems were procured and commissioned, seismic data retrieval and archiving system is upgraded with new generation high density data storage media.

4.0 DISCOVERY OF OIL AND GAS

The following oil and gas discoveries were made during the year.

4.1 Nominated Areas

NHK-568 (Loc. HTA)

Central part of the West Madhuting structure, Assam

On testing, the well produced gas.

Established In-Pace and EUR accretion of 1.84 MMStdKIs (2P) and 0.98 MMStdKIs (Best Estimates) O+OEG respectively in this area.

Makum-29 (Loc. HQN)

West Makum Structure, Assam

On testing, the well produced oil.

Established In-Pace and EUR accretion of 1.90 MMStdKIs (2P) and 0.57 MMStdKIs (Best Estimates) O+OEG respectively in this area.

NHK-572 (Loc. HTB)

Madhuting Structure, Assam

On testing, the well produced oil.

Established In-Pace and EUR accretion of 1.71 MMStdKIs (2P) and 0.71 MMStdKIs (Best Estimates) O+OEG respectively in this area.

Mechaki-2 (Loc. TX)

Mechaki West Structure, Assam

On testing, the well produced oil and gas.

Established In-Pace and EUR accretion of 4.95 MMStdKIs (2P) and 1.87 MMStdKIs (Best Estimates) O+OEG respectively in this area.

5.0 PROJECTS IN NOMINATED AREAS (IN-COUNTRY)

5.1 Rajasthan

Jaisalmer PML area

Gas fields of Tanot, Dandewala & Bagi Tibba are within this PML. The gas produced in this area is being supplied to M/s RRVUNL through GAIL (India) Limited for generation of electricity. New gas supply agreement has been entered with M/s RRVUNL with enhanced price of gas for supply @ 0.90 MMSCMD against the current withdrawal level of approximately 0.654 MMSCMD for three (3) year period. To meet with the enhanced gas demand, three development gas wells were drilled during 2008-09 in Dandewalla area.

Baghewala PML area

Heavy Oil field of Baghewala is located in this PML area. Baghewala field was being studied jointly in two phases by OIL and M/s Petroleos de Venezuela SA (PDVSA) of Venezuela under a technological tie up for last



few years. On completion of its Integrated Reservoir Study under phase-I, M/s PDVSA Intevep (Venezuela), the collaborator; indicated 53 MMT (Indicated Category) oil-in-place in upper carbonate and 78MMT(25 MMT-proved category) oil-in-place in lower Bilara + Jodhpur sand stone. Based on this study, Company decided to carry out implementation of pilot project in Baghewala field, which included drilling of two pilot wells, cyclic steam injection and production of heavy oil and bitumen for about one year under technical guidance of PDVSA Intevep. Drilling of the first pilot test well was completed during 2005. Trial steam injection was carried out for a few days during July' 2006 and also during December' 2007. Steam injection was temporarily suspended since continuous injection could not be sustained mainly due to surface and sub-surface problem.

5.2 Ganga Valley Project (GVP)

OIL carried out an in-depth analysis of all available geoscientific data through in-house efforts, by engaging consultants from in-country and abroad. All these studies suggested that the area is of high risk and low return. The GVP area was relinquished. In future, OIL might however, pursue exploration activities in Ganga Valley areas through future bidding rounds, depending on merits of the block(s) with consortium partners.

5.3 North East Frontier Project (NEF)

The E&P activities under NEF project spread over in two PMLs are Ningru and Ningru Extension and four nomination PEL areas Jairampur, Namchik, Namsai and Deomali.

NINGRU

(Manabum)

OIL acquired around 554 GLKM of seismic data in the logistically difficult areas of Manabum in Arunachal Pradesh since 2003. During 2004-05, around 350 GLKM seismic data was simultaneously processed by M/s FSIL, UK and M/s TEEC, Germany and the same was interpreted by M/s FRL, UK. Based on interpretation, three drillable prospects were identified. One exploratory drilling location (NMA) has been released. Meanwhile, civil survey for road & plinth preparation has been completed and your Company has applied for de-reservation of forest land involved. Actions for civil construction work would start once forest clearance is obtained. Exploratory drilling is expected during 2010-11.

JAIRAMPUR (THRUST BELT)

Jairampur

OIL acquired around 75 GLKM seismic data during 2004-05. In-house processing and interpretation of the data has been completed. Simultaneously, the data had been outsourced to M/s Paradigm, Mumbai for processing and interpretation to identify drillable prospects. Based on the integrated interpretation seismic and other geological data, one location .(Location-JRB) in the Jairampur area was released for exploratory drilling during the year. However, the original surface position of the Location JRB was on a hill top at a height of around 600 m from the foot of the hill. Considering the logistic difficulties, the location was subsequently re-oriented to a new position having less elevation and a J-bend drilling is planned from the revised position to probe the hydrocarbon prospectivity of Jairampur area. Civil survey for road and plinth has been completed and your Company has applied for forest clearance. Action for civil construction would start once forest clearance is obtained.

Namsai

For location-NSA (Namsai area), Pre-drilling EIA study has been completed, Public Hearing was held and finally environment clearance was obtained on 02.12.2008. Civil preparations are completed. Your Company is planning to spud the well by 2nd quarter of 2009-10.

Namchik (Kharsang-Sonking)

2D seismic acquisition commenced after the monsoon break. Meanwhile, after carrying out processing and interpretation of old data, one prospective location was identified and civil survey completed. Deforestation proposal was submitted to CCF, Itanagar.

**Deomali**

Your Company has planned to acquire 100 GLKM of 2D seismic data and based on the results of new seismic survey to drill one well under the minimum work programme.

BRAHMAPUTRA RIVER BED SURVEY

Your Company has a plan to carry out 1,700 GLKM of 2D seismic survey in parts of river Brahmaputra in Upper Assam as a part of its hydrocarbons exploration activities. A few NGOs and Public Organizations had expressed their concerns against the survey apprehending ecological imbalance in river Brahmaputra, particularly of threat to river dolphins present in the river. Presently a Multidisciplinary Advisory Group (MDAG) consisting of experts on the subject is studying the various aspects of the issue. The MDAG will also guide Oil India Limited (OIL) on this issue in future. OIL decided to keep the BRB survey plan in abeyance till clearance is received from MOEF to go ahead with the survey.

6.0 NELP BLOCKS

OIL acquired varied participating interests in a total of 24 blocks up to the end of NELP-VII bidding round. Out of these, 16 are onshore and the rest 8 are offshore blocks. OIL is the operator in 12 onshore blocks. Work is in progress in all these blocks as per the committed Minimum Work Programme (MWP).

6.1 NELP Blocks – with OIL's Operatorship

Out of the 12 OIL operated blocks, four blocks are in the State of Assam (AA-ONN-2002/3, AA-ONN-2003/3, AA-ONN-2004/1, AA-ONN-2004/2), one block in Mizoram (MZ-ONN-2004/1), six blocks in Rajasthan (RJ-ONN-2000/1, RJ-ONN-2001/1, RJ-ONN-2002/1, RJ-ONN-2004/2, RJ-ONN-2004/3 and RJ-ONN-2005/2), and one is in Krishna Godavari basin in Andhra Pradesh and partly in Puduchery (KG-ONN-2004/1).

In **Assam**, survey operation in Sadiya Block under NELP-V commenced in January 2008 and a total of 46 SQKM of data has been acquired so far. The Data acquisition in respect of the two NELP-VI blocks in Assam, was taken up on a fast track basis. 3D acquisition of total 157 SQKM has been completed in Dibrugarh block during the year. Meanwhile, on the basis of available data and interpretation result, drilling plan has been firmed up for Amguri & Dibrugarh block and drilling will be taken up during the 4th quarter of 2009-10. In respect of NELP-IV block in Karbi-Anglong, severe environmental problems have led to slow progress of work.

In **Mizoram**, despite difficult logistic and remote road connectivity, data acquisition through 2D survey is under progress and 550 GLKM of data has been acquired during the year.

In **KG Basin**, actions are on for acquisition of 549 LKM of Aeromagnetic survey data and 400 SQKM of 3D survey data in the KG-Block during 2009. However, reprocessing and interpretation of old 2D data for the block was completed during the year.

In **Rajasthan**, exploratory works in six NELP blocks, acquired up to the end of NELP-VII bidding round are at different stages of scheduled work program. So far, four exploratory wells have been drilled in two NELP blocks. Drilling at one location at Pinodah-1, under NELP-II block was completed during 2007-08. Evidences show presence of heavy bituminous oil in the upper carbonate formation in this location





requiring special thermal/ chemical stimulation technique for flow of oil. Three wells, drilled in NELP-III block during 2006-07 have undergone post drilling evaluation in 2007-08 and JV partners decided to pursue further exploration entering into phase-II. Your Company has completed API of 155 SQKM of 3D survey in this block and one location has been released. Similarly, actions are on for carrying out survey in 1 block under NELP-IV and 2 blocks under NELP-VI. The PEL in respect of the remaining block under NELP-VII is awaited.

6.2 NELP Blocks – with OIL's Participating Interest

OIL with other consortium partners has participating interest in 12 NELP blocks. Out of these, four (4) blocks are in onshore areas in Assam and West Bengal, eight (8) are in offshore (1 shallow water + 7 in Deep water) in Mahanadi, Krishna-Godavari, Cauvery and Andaman. In all these NELP blocks, exploratory works are in progress and are at different stages of completion.

Area	Basin	Blocks	No. of Blocks
Onshore	Assam-Arakan	AA-ONN-2001/3 AA-ONN-2002/4 AA-ONN-2005/1	3
	West Bengal	WB-ONN-2005/4	1
Offshore	Mahanadi	MN-OSN-2000/2	1
	Krishna-Godavari	KG-DWN-98/4 KG-DWN-2002/1 KG-DWN-2004/5 KG-DWN-2004/6	4
	Cauvery	CY-DWN-2001/1	1
Deepwater	Mahanadi	MN-DWN-2002/1	1
	Andaman	AN-DWN-2005/1	1
Total			12

6.3 Pre-NELP Blocks

Blocks Under JVC

Exploration Blocks

Your Company is carrying out exploration activities in 2 pre–NELP JV blocks. M/s Reliance Industries Ltd (RIL) is the operator for the offshore block, GK-OSJ-3 in Gujrat-Kutch Offshore while M/s Hindustan Oil Exploration Ltd. (HOEC) is operator in the onshore block, AAP-ON-94/1 in Assam-Arakan Basin. OIL has a participating interest of 16.129% with Carried Interest of 30% in AAP-ON-94/1. In this block, discovery of commercial gas in the shallow Girujan reservoirs was established in the well Dirak-1. The appraisal programme has been submitted to DGH and approval obtained.

Production Block

Kharsang Oil Field In Arunachal Pradesh:

Company with a Participating Interest of 40%, entered into a PSC with Government of India in consortium with M/s Geo Petrol International Inc, France (25%), M/s Jubilant Enpro Ltd., India (25%) and M/s Geo Enpro Petroleum Ltd, India (10%) on 16.06.1995. The field produced 66,099 Tonnes during 2008-09 (previous year 60,174 Tonnes) of crude oil, out of which your Company's share was 26,440 Tonnes (Previous year 24,285 Tonnes).



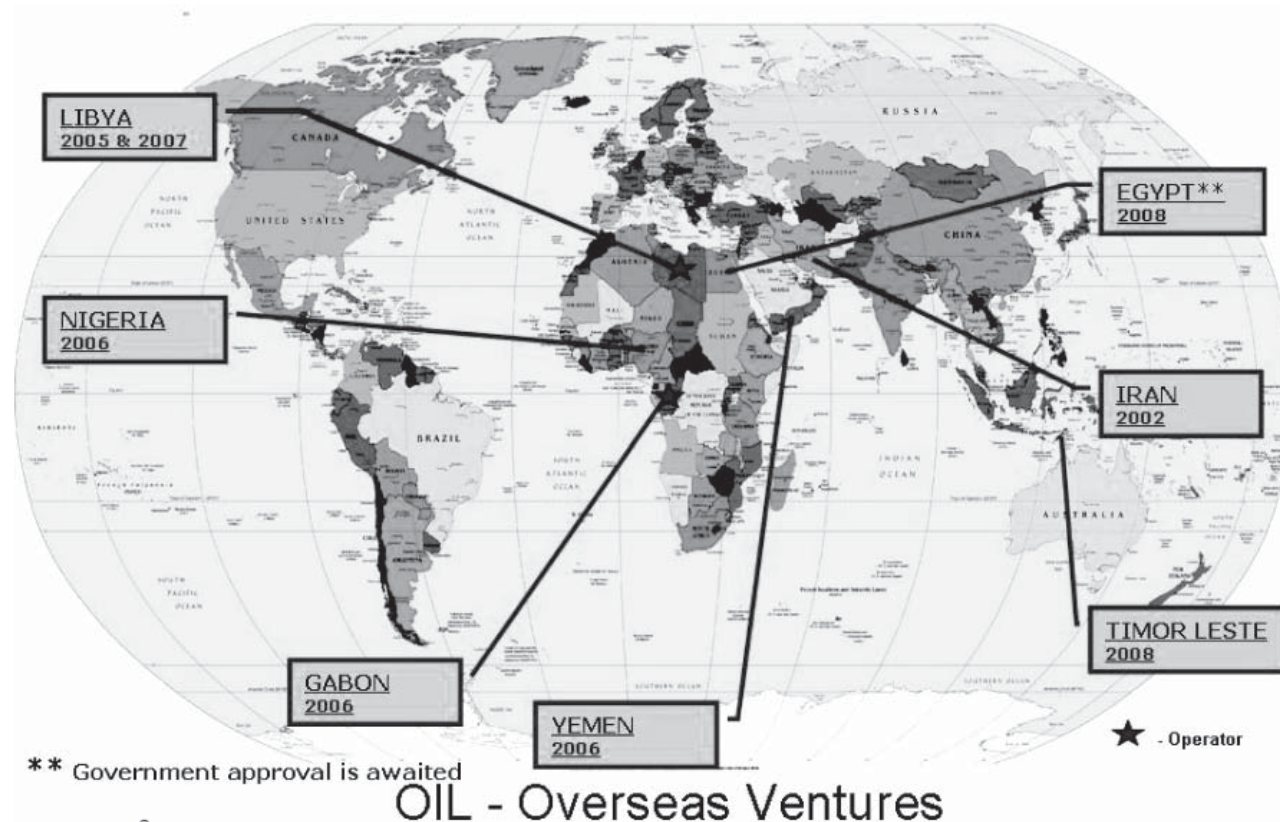
6.4 Projects Overseas

Overseas acquisition efforts of your Company continued throughout the year and the achievements as well as status of the ongoing overseas projects are summarized below:

6.4.1 Status of Ongoing Projects

Iran: Exploration Service Contract – Farsi Offshore [OVL-40% (Operator), IOCL -40 % & OIL -20 %]

Master Development Plan for gas production has been approved by National Iranian Oil Company (NIOC). OVL submitted a field development plan to Iranian Offshore Oil Company (IOOC). Future course of action by the consortium partners is under various stages of discussion.



Libya: Area 86, and Block 102/4 [OIL-50% (Operator) & IOCL -50%]

OIL as operator of the consortium has completed the 2D & 3D seismic data API. It is proposed to spud-in the first exploratory well by 3rd Quarter of 2009-10.

Libya: Area 95/96 [Blocks 95/ 2, 96 / 1, 2 & 4] [Sonatrach – 50% (Operator), OIL- 25% & IOCL- 25%]

OIL in consortium with M/s SONATRACH, Algerian National Oil Company was successful in acquiring 4 Blocks under the Libyan EPSA Gas Bid Round IV held during 2007. The consortium was awarded this area (comprising of 4 blocks - 6934 sq km) located in the south western part of Libya amidst stiff international competition. The consortium is led by Sonatrach (50% -Operator) with OIL & IOCL 25% each. The PSC for the acreage was signed on 25th May, 2008. Acquisition of 2D & 3D seismic data is planned in 2nd quarter of 2009-10.

Gabon: Block Shakti [OIL - 45%, (Operator), IOCL - 45% & Marvis Petroleum 10%]

OIL as operator of the consortium has set up its office at Libreville and started its work commitment. OIL completed 2D survey data acquisition of about 700 GLKM in the area. Processing and interpretation of the



data is being undertaken. Based on 2D data interpretation, 3D seismic data is planned prior to taking up drilling activities.

Nigeria: Block OPL-205 [M/s Suntera Nigeria 205 Limited -70% & M/s Summit Petroleum (Operator) - 30%]

OIL and IOCL each are holding 25% equity stakes in Suntera Nigeria 205 Limited and effectively have 17.5% of PI in Block OPL- 205. The JV has since drilled 1 well, Otein - 2, inside the acreage as part of the work commitment. The well failed to encounter hydrocarbon and was abandoned. Contracts for carrying out 2D/3D seismic acquisition have since been awarded and work is expected to start shortly. Application for mining lease conversion has since been approved. The process for execution of necessary agreement has been initiated by the Operator.

Yemen: Block 82 & 83 [Medco Energi - 45% (Operator); Kuwait Energy-25%, OIL - 15% & IOCL - 15%]

The consortium led by M/s Medco Energi, Indonesia signed the PSC agreement with Yemen Government on 13th of April, 2008 and the same was approved by Yemen Parliament in February 2009. Actions to meet work commitment under different phases of exploration are being started.

Timor Leste (East Timor): Area K [Reliance Energy Limited-75% (Operator), OIL- 12.5% and IOCL-12.5%]

The Farm-in-agreement was executed on 02.06.2008. 3D seismic survey of 1,300 SQKM has been completed. Interpretation is in progress in Dubai.

Sudan: Product Pipeline [OVL-90% (Operator) & OIL -10%]

Further to completion of the product pipeline, the consortium has received 1 more instalment of payment during the year from MEM, Sudan, totalling 7 instalments so far.

6.4.2 Acquisition During 2008-09

During 2008-09, the Company was successful in acquisition of exploration acreage in Egypt as follows:

Egypt: Blocks 3 & 4 [OIL - 25%, GSPC - 50% (Operator) & HPCL – 25%]

OIL in consortium with GSPC and HPCL was successful in winning 2 blocks, Block Nos. 3 and 4, in the last bid round offered by GANOPE, Egypt.

Apart from the above, the Company is scouting for various E & P opportunities in Algeria, Kazakhstan etc. as well as M&A portfolio of various small sized E & P companies across the Globe.

7.0 BUSINESS DEVELOPMENT

Business Development and Third Party Project

During the year, the Company generated revenue to the tune of Rs 0.61 Crore and US \$ 23,340 by providing laboratory, rental or expert consultative services to a number of parties. The department is continuously scouting for E&P business both in-country and overseas. Flow of large number of enquiries and tenders from national and international companies for providing E&P services shows an optimistic scenario and scope for business expansion through this project wing. In order to expand its strategic areas of E&P Service Business activities and to establish as a leading E & P Service provider, new initiatives have been undertaken to explore the possibility of Joint Venture / Strategic Alliance arrangement with internationally reputed Company(ies) and the preliminary progress in this regard has been satisfactory. In consideration of the enormous potential in E & P Service Business sector both in India as well as abroad, a review on the subject of acquiring additional resources solely for the purpose of service business activities has been undertaken.

Coal Liquefaction Project:

The Company entered into a contract with M/s HCTL of USA for this project in 2007. So far Process Optimisation test, process guarantee run, preliminary coal gasification assessment and product upgrading tests have been completed.



Telecom Project

Till date 3108 pair route kilo meter of dark fibre of pipeline department has been commercialized by leasing the same to different telecom operators in the State of Assam and West Bengal. This has earned revenue of Rs. 1070.31 lacs.

Your Company has also leased out telecom bandwidth of 2 Mb capacity and is in the process of leasing out an additional 2 Mb bandwidth. The expected revenue from the leasing of bandwidth would be around Rs. 9.7 lakhs per annum. The Company has received number of enquires and expression of interest from different telecom service providers for availing bandwidth under the NLD agreement.

NRL-Silliguri Product Transportation Pipeline

The pipeline was successfully put into commercial operation with effect from June, 2009.

8.0 POLICY INITIATIVES FOR FUTURE

Exploring In-Country traditional basins

- In view of the mandatory relinquishment policy of government in respect of pre-NELP nominated PELs, the Company is prioritizing activities in such areas for conversion of PELs into PMLs wherever discovery and commercial producibility have been established.
- Systematic implementation of recommendations of various geo-scientific consultative studies of the recent past for exploration of stratigraphic traps, re-development & revitalization of matured declining fields, intensive reservoir revitalization initiatives etc.
- Efforts will be to cover seismically logistically difficult areas including Brahmaputra River Bed, rugged hilly terrain in river confluence and various difficult hilly areas in the NE.
- Efforts will be enhanced to reduce the number of sick wells by bringing them back to production.

Acquiring Exploration Blocks through NELP

OIL has so far acquired 24 NELP blocks with operatorship in twelve (12) blocks with Participating Interest ranging from 10% to 90% with other consortium partners. Various exploration activities are underway in respect of all these blocks. The Company will look for prospective opportunities in future too.

Acquisition of Equity abroad

OIL's E&P initiatives overseas at present extend to seven countries including Libya, Gabon, Iran, Nigeria, Yemen, Timor Leste and Egypt. Exploration along with acquisition of producing property overseas is considered a major thrust area. A number of such potential opportunities are currently being examined. In order to firm up a policy and to prepare a check list for screening potential overseas E & P opportunities, a study is nearing completion with the help of an internationally reputed consultancy firm.

Crude oil production:

OIL has been maintaining an increasing trend in indigenous crude oil production during the year 2008-09. The Company has initiated a number of measures in its main producing fields in Assam and Arunachal Pradesh to increase production, which are listed below:

- A number of geo-scientific studies like Integrated Basin modeling studies, Revitalization of old fields, Jorajan re-development, Thrust belt prospects, Stratigraphic trap prospects, Non-Associated Gas Field development, Pilot study for carrying out Seismic Reservoir characterization of Eocene Reservoirs, Post Drill Analysis of exploratory wells, Audit and certification of oil and gas reserves etc. were carried out in the recent past with the help of internationally reputed consultants and their recommendations like infill drilling, workover and enhancement in water injection are being implemented.
- Various IOR/EOR measures like enhancing water injection, MEOR technique by using micro-organisms, optimization through artificial lift methods by use of Electric Submersible Pumps (ESP), Jet-pumps etc. for bringing into production shut in wells have been implemented/intensified.



- Drilling of Horizontal and J-bend wells.
- Charter hiring of six drilling rigs to compensate the shortfall of four in-house rigs retired in the recent past and also to intensify drilling operation including that in NELP areas of the NE.
- In order to produce heavy oil and bitumen from the Baghewalla field in Jaisalmer district of Rajasthan, OIL had entered into technical collaboration with M/s PDVSA of Venezuela and drilled the first pilot well, the testing of which remained inconclusive. Actions are now in hand to set up alternative arrangements for experimental cold production of heavy oil.

Natural Gas Production

OIL is presently producing around 6.0 MMSCMD of natural gas from its Upper Assam & AP fields to meet its internal requirement and market commitment of 5.472 MMSCMD. OIL has committed to supply 1.0 MMSCMD natural gas to Numaligarh Refinery by 2009-10 and 1.35 MMSCMD natural gas (feedstock+fuel) to Brahmaputra Cracker and Polymer Ltd. from 2011-2012.

- a) OIL plans to enhance its production potential from the present level to 10.0 MMSCMD in the north-east mainly from non-associated gas source to meet the future requirement of natural gas, compensation for calorific value to consumers in post cracker scenario and cushion gas required for operational flexibility. In order to meet the demand, your Company has initiated various time bound actions for development of Non-Associated Gas fields and distribution network infrastructure.
 - Drilling of development gas wells (drilled 12 NAG well since 2002-03)
 - Conversion of wells to gas wells through workover.
 - Debottlenecking pipeline network system and augmentation of compressor capacity for optimum utilization of available gas thereby reducing technical flaring to minimum.
 - Construction of a Central Gas Gathering Station (CGGS) and Field Gas Gathering Stations (FGGS) for N.A. gas well production.
 - Development of gas network infrastructure for supply of natural gas to BCPL.
 - Construction of a 6" dia x 70 KM gas pipeline from Kumchai to Dumduma to evacuate the flared gas at Kumchai.
 - Construction of gas pipelines from Baghjan and Chabua to CGGS for collection of N.A. gas.
- b) Similarly, gas production requirement in Rajasthan has gone up to 0.90 MMSCMD against the current withdrawal level of approximately 0.654 MMSCMD after the recent gas sale agreement with RRVUNL. To meet this enhanced gas demand, 8 development wells were drilled during the last two years in Dandewalla field.

Business Development Initiatives

- a) A comprehensive road map was prepared for engaging in prospective business opportunities. A few projects are in the pipeline for providing E&P services to 3rd parties
 - Purchasing of one no. 1000 HP mobile drilling rig and 1500 HP drilling rig
 - Formation of joint ventures with reputed international companies
- b) For monetizing stranded gas and reducing flare, the Company has initiated actions for installation of mini-LNG plant.
- c) A 198 Km gas pipeline from Duliajan to Numaligarh Refinery is under construction by a JV Company DNP Limited where OIL has a stake of 23%. The pipeline is being laid in the OIL's right-of-way (ROW) of crude oil trunk pipeline.
- d) In continuation of its efforts to set up a commercial coal liquefaction plant and after completing the various process tests, OIL will now carry out a Pre-Feasibility Study for setting up of a medium size commercial



coal-to-liquid plant which will be integrated with an existing refinery and located near coal mine mouth. Contract has been awarded to the process licensors to provide the process inputs of a 10,000 bpd CTL plant which will be utilised in the study.

Health, Safety and Environment Initiatives

- a) P&IDs, PFDs, Mine Plan, Surface Plan (containing the water bodies, well locations, public roads, buildings, railways, power transmission lines etc.), cable lay out, electrical circuit diagram etc. of most of the production installations shall be created as - built, digitised and software will be used to make it intelligent.
- b) Reclamation of abandoned drill sites.
- c) Compliance tracking and reporting mechanism from the beginning of any project in connection with implementation of environment regulatory conditions.
- d) Commissioning of municipal solid waste disposal & treatment facility.
- e) Use of impervious HDPE lining for all effluent pits in drilling locations to prevent seepage of effluent to surrounding environment.
- f) Deployment of mobile effluent treatment plants for drilling locations.

9.0 HUMAN RESOURCE DEVELOPMENT

HR initiatives during the year 2008-09:

Formulation of Policy for Reward / Recognition of Executives: A Task Force is working to formulate a policy on an effective system of recognition of performance and reward. The Task Force has combined inputs from questionnaire, random group discussions, benchmarking with 6 nos. of PSU and Private sectors and various other feedbacks. It is now in the final stage of approval.

“e-Sampatti”: An on-line property return system “e-Sampatti” has been introduced through the intranet portal OILWEB. This has made easy accessibility of submitted data by the user, as well as by the Personnel and Vigilance departments.

Revision of pay scale w.e.f. 1st January 2007: Revision of pay scale for executives has been approved by Govt. with effect from 1st January 2007, which is under implementation.

Suggestion Scheme: A new suggestion scheme was introduced in the organization from 22.12.2008. This is aimed at generation of ideas and suggestions from workpersons and officers for improved work safety processes, better quality of work life etc. leading to enhanced productivity for the organization.

Training:

A total of 3,276 persons inclusive of both executive and workpersons (which is about 39% of total strength) attended various training programs during the year. The segment wise break up compared to the last year is shown below.

	2008-09	2007-08
In-house	2,361	2,960
In-country	681	680
Overseas	234	201
Total	3,276	3,841

OIL continues to sponsor two executives every year for the National Management Program PGDM course of one and a half years duration at MDI, Gurgaon. The fourth batch was nominated during the year.



OIL has extended its training facility to its JV partners and service providers and also to the district authority during the year. Under the industry academia interaction 215 students from 3 institutions were provided with valuable inputs regarding career building prospects in geo-science discipline.

Under the provisions of the Apprenticeship Act, 75 Trade apprentices and 34 Diploma apprentices were trained during the year. Apart from this 364 students from different institutions were given opportunity for summer training / Project work in their relevant branches of study.

Recruitment in Executive Category

27 nos. (Gen – 17, SC – 2, ST – 1, OBC – 7) of direct recruitments against posts and 41 nos. (Gen – 16, SC – 6, ST – 5, OBC – 14) of recruitment against executive trainees were completed during the year.

As on 31.03.2009, 51 (Gen – 24, SC – 6, ST – 5 and OBC - 16) Executive Trainees are undergoing training, who would be absorbed in permanent Executive cadre after successful completion of one year training.

22 executives are on deputation to various petroleum organizations in the country.

A total of 14 work persons were promoted to Executive cadre during the year

Recruitment in Workmen Category

In accordance with Government directives, Company has taken steps in recruiting candidates belonging to SC, ST and OBC categories. A total of 37 (SC-5, ST-9 and OBC-23) candidates were appointed during the year.

Employment of Women Employees

As on 31.03.2009 there are 324 women employees (73 in officer category and 251 are in non-officer category) out of the total manpower of 8387 (1260 in officer category and 7127 in non-officer category) constituting 3.86% (3.82 % previous year) of the total workforce.

10.0 QUALITY ASSURANCE

OIL's improved quality control initiatives have helped to bring down the BS&W content in delivered crude to the refineries from the level of 0.63 in 2006-07 to 0.42 during 2008-09. Efforts are still on to bring down the same to match international standards.

11.0 RESEARCH AND DEVELOPMENT

Your Company gives great importance to continuous up-gradation of technologies and expertise in different areas of activities through its own Research & Development Centre. The details of activities carried out are given in Form - B of this Report.

12.0 ENVIRONMENT AND POLLUTION CONTROL

All statutory requirements were complied with and Environmental Clearances from MOEF obtained wherever applicable. New initiatives like bioremediation of oily sludge in collaboration with TERI, phyto-remediation of oil contaminated soil and disposal of MSW in a scientific way have brought encouraging results in controlling pollution and maintaining better environment in OIL's operational areas.

- Facilities such as effluent treatment plant, waste disposal facilities, recycle and reuse of drilling effluent, bio-diesel project, phasing out of ozone depleting substances, reduction in hazardous waste generation, introduction of eco-friendly chemicals, adoption of noise reduction methods in the installations etc. have significantly helped in protecting the environment.
- Your Company with the help of Assam Agricultural University, Jorhat has completed a couple of projects related to the effects of oil field activities on the environment and its preventive measures.
- All necessary measures for environmental protection and pollution control with radio active sources and explosives were taken and no untoward incident took place.



- A biomedical waste water treatment plant and an advanced digital incinerator installed in OIL hospital at Duliajan will pave the way for proper disposal of biomedical wastes and will go a long way in controlling environmental pollution.
- 26 Kms of effluent line was laid at various drilling locations to keep the areas free from pollution.
- Small capacity diesel engine driven generating sets are procured with acoustic enclosure for arresting sound pollution.
- 1067 nos. of samplings have been planted in along the roads and in parks in Duliajan and Moran. Apart from this 1029 nos. of samplings were distributed to various school, colleges and NGOs.
- Creation of green belt at newly constructed OCSs.
- Construction of fire brick wall around flare pits to arrest heat radiation.

13.0 SAFETY

Your Company strongly believes that safety, health and environment management performances are integral parts of its business and accordingly considers the same as part of its corporate objectives. Your Company is focusing and emphasizing on behavioural safety besides implementing traditional safety methods with an aim to improve the overall safety performance. In compliance of the recommendations of the 10th Conference on Safety in Mines, the Company is focusing on contract work vis-à-vis HSE requirement.

During the year, as a part of the HSE management system, safety audits as well as review audits of its installations were carried out to check the level of safety and recommend for further improvement. In order to continue the HSE awareness amongst its workforce, on-site HSE awareness training of workers have been intensified. In addition to personal safety, process safety is also given high priority right from the design stage itself. The entire PPE schedule of the Company has been reviewed including the requirement for contract workers.

14.0 OCCUPATIONAL HEALTH:

Occupational Health monitoring for work persons is done in a regular and systematic manner. Your Company is committed not only to meet the various statutory public regulatory requirements but is also going much beyond. Your Company has a 190-bed fully equipped modern hospital at Duliajan and also primary dispensaries at its operational areas in South Bank, Moran, Kumchai and at various pump stations. Apart from these, your Company provides regular Mobile Dispensary services to the adjoining villages in and around its main operational areas in the district of Tinsukia, Dibrugarh and Sivsagar in Assam besides similar services in Manabum and Kumchai areas in Arunachal Pradesh. Occupational Health monitoring for work persons is done in a regular and systematic manner. Your Company is committed not only to meet the various statutory and regulatory requirements but is also going much beyond and conducting health checkup to every employee in a block of 5 years.

15.0 CORPORATE SOCIAL RESPONSIBILITY

Your Company's social welfare and community development initiatives focus on the key areas of education, healthcare and the overall development of basic infrastructure for the benefits of the neighbouring localities in its operational areas.

Social Welfare Programme and Area Development Scheme: The scheme 'Social Welfare Programme' was instituted to cater to the growing need, demands and requirements of OIL's operational areas. Today the programme is protecting the environment by uplifting Education, Health and socio-economic development. Some of the main activities taken up under this program during the last year are development of education, development of roads and bridges, development of sports, OIRDS, Rural development etc. A total amount of Rs 13.90 Crore has been spent during the year 2008-09 against the total sanctioned budget of Rs 16.25 Crore on this account.

The Area Development scheme was formulated to cater to the specific and developmental needs of the communities. With expansion of Company's operational areas, more villages have been covered under



the welfare umbrella of OIL. The scheme covers the construction of roads, setting up of educational institutions and primary health centres in North Bank of Brahmaputra, South Bank of Brahmaputra and other spheres coming under the operational areas of the Company. A total amount of Rs 3.61 Crore has been spent during the year 2008-09 on this account.

Special Golden Jubilee year initiatives have been initiated to support around 250 Self Help Groups in its neighbouring areas.

Gender Budgeting: Your Company has constituted Gender Budgeting Cell comprising women employees from different departments to decide, formulate and execute plan in respect of the gender specific need of its female employees. The cell also plays an important role in designing strategies for overall development of female employees. A few of the ongoing schemes like imparting training to women on Handicraft, Weaving, Embroidery in its Handicraft Training and Production Center at Duliajan, Contribution to Women College and girl's schools in its operational areas, sponsoring women members for National and International seminars / training courses, providing hostel accommodation to working women employees, encouraging rural women Self Help Groups, training on spinning & weaving of Eri and Muga Silk in advanced looms in the Growth Centre set-up at Duliajan etc. OIL Hospital, Duliajan conducts three years General Nursing Midwifery (GNM) training course to twenty students on yearly basis with stipend, free hostel accommodation, uniform, books and protective clothing etc.



Mobile Health Care Services: The Mobile Dispensary service of your Company is one of the most significant community welfare projects of the Company. At present, OIL is conducting nearly 500 camps, screening and extending primary healthcare services to more than 75,000 patients in Dibrugarh & Tinsukia districts every year. OIL started a new project "SPARSHA" in association with St. Luke's Hospital to extend this service to the people in areas like Baghjan, Mechaki, Kakapothar etc.

16.0 DONATION

Company donated a sum of Rs 50 lakh and Rs. 25 lakh for the people of the State of Assam and Arunachal Pradesh respectively during the year through respective Chief Minister's Relief Funds.

17.0 SPORTS & CULTURE:

OIL hosted the 4th OIL Challenge Gold Cup Football Tournament, the PSPB Table Tennis Tournament and the XXIX Inter Unit PSPB Football Tournament during the year.

Your Company continues to encourage its employees to take part in various sports/games and cultural activities for development of their physical and mental abilities besides bringing laurels to the organization. During the year a number of sportspersons of the Company participated in various State/ National and International level tournaments in different sports/games as well as tournaments organized by PSPB and brought laurels to the Company.

Your Company won the prestigious Bordoloi Trophy Football Tournament this year which was held at Guwahati and the 4th OIL Challenge Gold Cup Football held at Duliajan. Your Company won the PSPB Table Tennis Tournament in the women category which was held at Guwahati and secured third position in the men's category. OIL was the winner of the PSPB Golf Tournament and runner-up in the XXIX Inter Unit PSPB Football Tournament held at Duliajan. OIL won the All India Public Sector Sports Promotion Board Table Tennis Tournament held at Chandigarh in the women's category and was runner-up in the men's category. OIL



became champion in the XXIX PSPB Inter Unit Cricket (Mini) Tournament held at Dehradun. OIL for the first time qualified to participate in the Federation Cup Football Tournament.

18.0 INDUSTRIAL RELATIONS

Harmonious and cordial relations were maintained with the employees' recognized Union. The employees' Union has extended full co-operation and actively participated with the Management in sorting out employees' problems and grievances. There was no incident of man-days loss by unionized employees due to industrial relations problems.

19.0 IMPLEMENTATION OF OFFICIAL LANGUAGE

In pursuance of Official Language Act/Rules of the Govt. of India efforts are continuing towards increased use of Official Language Hindi in Official work. Hindi Workshops were conducted from time to time so as to enable officers and employees to work in Hindi conveniently and efficiently. Quarterly Meetings of Official Language Implementation Committee were held at the end of each quarter. The responsibility of the Chairmanship of Duliajan Town Official Language Implementation Committee (TOLIC) was also borne by our Company. Employees were encouraged to attend Hindi Training Classes, Assamese Classes and to write more and more words in Hindi through Incentive Schemes formulated by the Company. Circulars, letters and other publication materials were made bilingual and trilingual as per requirements. Important documents, to be laid on the table of Parliament, were also brought out in bilingual form.

A total of 11 Nos. of Officers and employees were trained in Hindi in the year 2008-09. In House Journal of the Company was published in Trilingual i.e. Assamese, Hindi and English. An in-house Hindi Magazine "OIL KIRAN" was published bi-annually to motivate and encourage the officers & employees, their dependents, teachers and students of different educational institutions of Duliajan Township to contribute Hindi articles for the said Magazine. Hindi Month 2008 was observed in a befitting manner from 15.09.08 to 14.10.08 at Field Headquarter Duliajan. To propagate Official Language Hindi, amongst employees and school going children, various competitions were held during Hindi Month Celebration and mementos/prizes were distributed to the prize winners.

20.0 CORPORATE GOVERNANCE

Corporate Governance is generally understood as the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations. It involves a set of relationship amongst the Company's Management, its Board of Directors, Shareholders and other Stakeholders.

The concept and principles of Corporate Governance introduced by the Securities & Exchange Board of India through Listing Agreement, though is mandatory only for listed companies, but the wide spread acceptance of the concept has made unlisted entities also to follow and practice the spirit of Corporate Governance.

Thus, even though, not listed, your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement.

A separate Report on Corporate Governance is enclosed as part of the Annual Report.

21.0 DIRECTORS

Shri. M. R. Pasrija demitted the office of Chairman & Managing Director on 30.11.2008 on attaining superannuation. Your Directors placed on record their sincere appreciation for the valuable services rendered by Shri M. R. Pasrija during his tenure as CMD of the Company.

Shri N.M. Borah, Director (Operations) has been appointed as the Chairman & Managing Director of the Company w.e.f. 01.12.2008.

Dr. (Smt.) Archana S. Mathur, Government Nominee was appointed as an Additional Director of the Company w.e.f 09.02.2009. She holds office up to the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing her name for appointment as a Director liable to retirement by rotation.



In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri B.N. Talukdar, Director (Exploration & Development), Shri Ashok Anand, Director (Human Resource & Business Development) and Shri Vinod K. Misra, Director of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume of the Directors seeking appointment/re-appointment, together with the nature of their expertise in specific functional areas and names of the companies in which they hold the directorship, number of shares held and the membership/chairmanship of Committees of Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Notice convening the Annual General Meeting of the Company and forms part of the Annual Report.

22.0 STATUTORY DISCLOSURES

None of the Directors of your Company is disqualified as per provisions of Section 274 (1) (g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I forming part of this Report.

Details of the Employees who drew remuneration exceeding the limits laid down under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time) are attached to this report as Annexure II.

23.0 AUDIT COMMITTEE

The Audit Committee constituted by the Board of Director of the Company comprises of three non-executive Directors, out of which two are independent. The Chairman of the Audit Committee is an Independent Director. The composition and terms of reference of the Audit Committee are in line with and is compliant to the provisions of Section 292A of the Companies Act, 1956.

24.0 STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG) in terms of Section 619 (2) of the Companies Act, 1956.

M/s A.K.Sabat & Co., Chartered Accountants and M/s. Chatterjee & Co., Chartered Accountant were appointed as Joint Statutory Auditors for the financial year 2008-09. There is no qualification in the Report of the Statutory Auditors.

The Comments of C&AG forming part of the Annual Report are given elsewhere in the Report.

Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanations.

25.0 COST AUDITORS

Pursuant to the directions of the Central Government for Audit of Cost Accounts, your Company has re-appointed M/s. Musib & Associates as the Cost Auditor for the financial year 2009-10.

26.0 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- b. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of



the Company at the end of the financial year as on 31st March, 2009 and of the Profits of the Company for the year ended 31st March, 2009.

- c. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities
- d. Directors have prepared the Annual Accounts on a going concern basis

27.0 ACKNOWLEDGEMENT

Your Directors acknowledge the involvement of the Government of India in the Ministry of Petroleum & Natural Gas and support of all other Ministries and other agencies in Central and State Governments.

Your Directors express their gratitude and thanks to the Shareholders, Customers, Suppliers and other business partners/associates for their continued co-operation and patronage.

Your Directors wish to place on record their sincere appreciation for the dedicated contribution by the OIL Indians in the remarkable performance and impressive results of the Company.

28.0 CONCLUSION:

With the initiatives through the renewed Vision of enlarging the Company's contribution and with our combined zeal, commitment, experience and expertise, your Directors look forward to another year of fruitful operations combined with an overall improvement in efficiency during the year 2008-2009. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives and all the Workmen of the Company for its success.

For and on behalf of the Board of Directors

Sd/-

(N.M. Borah)

CHAIRMAN AND MANAGING DIRECTOR

**ANNEXURE-I**

**PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS
IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

A. ENERGY CONSERVATION

I. Various measures adopted by the Company for conservation of energy

a) CONSERVATION OF CRUDE OIL

A total quantity of 9489.8 KL of Crude oil has been saved/retrieved from different operational activities during the year under review by adopting the following measures :

- Use of Aluminium paint in all crude oil storage tanks to minimize evaporation loss.
- Use of Oil Soluble Demulsifier (OSD).
- Use of dual fuel (Natural Gas and Crude Oil as fuel) engine in Crude Oil Despatch Pumps in PS-1 & PS-2 since natural gas is available.
- Regular & proper maintenance of Crude Oil Transportation Trunk/ Branch Pipelines to minimize pumping power requirement. This is further reduced by treating the crude oil with flow improver chemical/heat treatment.
- Water Clarification Plant and use of De-Oiler.
- Retrieved from various pits and sumps.

b) RECOVERY OF CONDENSATE

Total volume of condensate recovered during the year was about 101286.03 KL which in terms of money amounts to Rs. 17527.26 lakhs (approx.)

- By the operation of Condensate Recovery Plant (CRP) at Moran, a total quantity of 5000.00 KL condensate recovered.
- Condensate recovered from Duliajan Field -96181 KL
- Condensate recovered from Rajasthan Project- 105.03 KL
- The condensate produced at LPG Plant used to be mixed with Crude Oil from 1st Dec'08 it is being sold separately.

c) CONSERVATION OF NATURAL GAS**Reduction in natural gas consumption in COCPs at Duliajan and Moran**

During the year, the crude oil of both OIL & ONGC was treated with Flow Improver chemical instead of thermal conditioning and thereby the consumption of natural gas in COCPs at Duliajan has been reduced considerably and as a result the total saving of natural gas was around 6.84 MMSCUM (amounts to Rs. 218.8 lakhs approx.).

Reduction of gas flare

The following steps were taken for the reduction of natural gas flare during 2008-09.

- (i) By judicious use of low pressure gas, the gas flare in Moran has been as low as 1%.
- (ii) A total of 1.2 MMSCUM very low pressure gas (about 0.7 kg / cm²) stabilizer gas which is normally being flared in many OCSs is being utilized from Moran OCS as domestic fuel in housing area.
- (iii) After commissioning of stabilizer compressor and water seal system at OCS-5, utilized 1.1 MMSCUM low pressure stabilizer gas (0.7 kg / cm²) as housing fuel which otherwise would have been flared.



- (iv) After commissioning of two nos. gas distribution pipe line to utilize associated gas produced at Barekuri EPS and NKL/NKL QPS, resulted in reduced gas flaring and saving of 2102500 SCUM of natural gas.
- (v) During the year 48,460 SCUM low pressure gas (30 psig) of Deroi EPS sold to Moran Gas Grid.
- (vi) Low pressure gas coming out from flash separator in Kushijan-2 FGS is used as a fuel and servo gas.

Gas Holder

With the commissioning of the 30 psig Gas Holder the gas flaring caused by surging effect of the gas lift has been restrained.

Setting of Flare Controller

Periodic (weekly) flare controller setting at 35 psig is being carried out to avoid flaring of 30 psig gas at various OCSs.

Supervisory Control and Data Acquisition (SCADA)

The SCADA project commissioned on 15 March 1998 is presently being used to control the gas flare, accurate gas measurement, monitor consumption of gas as fuel in both OCSs and GCSs and for maximum utilization of produced gas etc.

The table below shows the year wise comparative study of gas flared and gas injected vs. gas produced :

Year	Total Gas Produced MMSCM	Gas Flared MMSCM	% of Gas Flared to Gas Produced	Gas Injected for storage	% of Gas Injected to Gas Produced
2004-05	1814.74	161.24	8.88	NIL	NIL
2005-06	2043.11	149.36	7.31	NIL	NIL
2006-07	2039.62	140.84	6.91	NIL	NIL
2007-08	2343.96	129.986	5.55	NIL	NIL
2008-09	2268.38	148.39	6.54	NIL	NIL

d) CONSERVATION OF ELECTRICITY

Industrial Lighting

26 Nos. of 125W MV, 11 Nos. 150W SON, 2 Nos. 250W SON, 131 Nos. of 400W SON and 28 Nos. 400W MH lamps fitting were installed in various industrial installations to get better area illumination which will give an annual saving of 257,894.4 Kwh (amounts to about Rs.4.77 lakhs) of energy compared to the energy consumption by ordinary tube light fittings.

Civic/Housing Area

For conservation of electrical energy & better illumination, 40 Watt & 60 Watt incandescent bulb at different housing and civic areas have been replaced with 36 Nos. 9W CFL, 464 Nos. 15W CFL, 20 Nos. 11W CFL lamp fitting. This has resulted in an annual saving 18009.6 Kwh (amounts to about Rs. 33500.00) of electrical energy.

Others

Use of Gas for preparing distilled water instead of conventional electric boiler capacity to prepare distilled water. This has resulted in saving of 1920 Kwh of electrical energy.

The facilities of COCPs at Duliajan and Moran were utilized only for heating the crude oil for Flow Improver Treatment which resulted saving of electrical energy of about 5205500 Kwh which in terms of financial savings amounts to Rs. 96.30 lakhs.



e) CONSERVATION OF DIESEL (HSD) AND PETROL

Total quantity of about 918.5 KL (amounts to about Rs.158.94 lakhs) of diesel has been conserved during the year under review by adopting the following measures:

- (i) By installation of one Gas Engine Driven Gen Set in place of Diesel Engine Driven Gen Set at Barekuri EPS about 11.0 KL of HSD are being saved.
- (ii) Five nos. of work over wells were provided with electrical power by tapping electrical power from nearest overhead transmission line this resulted in a saving 5.76 KL of HSD.
- (iii) Use of solar lighting at Tanot-GGS (Rajasthan) & Pilot Plant at Baghewala (Rajasthan), resulted in saving of 2.34 KL of HSD
- (iv) In pipeline operation 45 Nos. of old Dorman engines of generating sets having fuel (HSD) consumption in the range 3.6 to 4.0 Ltr/Hr, at various repeater stations have been replaced by Koel engines having fuel consumption rate of 2.6 to 2.8 Ltr/Hr. which resulted in saving of about 150 KL of HSD.
- (v) By using PDC Bits which cuts down the round trip time and resulting in reduction of the rig hours consequently there is considerable reduction in HSD consumption.
- (vi) By adopting and continuing cluster drilling techniques, consumption of fuel (particularly HSD) is reduced considerably. Rig dragging were carried out at five different locations whereby a rig was moved onto next cluster location without any rigging down operation. This additionally eliminates rig movements which resulted in considerable saving in HSD consumption.
- (vii) By adopting Horizontal Drilling technique, one full plus two part horizontal well were completed. Production from a horizontal well is three times than of a conventional well thereby saving in construction cost of two well as well as considerable saving in HSD consumption.
- (viii) By using motor driven hydraulic power unit instead of engine driven hydraulic power unit for torque up casings during drilling operation resulted in considerable saving in HSD consumption.
- (ix) Minimized workover and swabbing operation wherever feasible by using Coil Tubing Units (CTU) – Nitrogen Pumping Units (NPU). During the year 2008-09 total 163 nos. of workover equivalent job were carried out by deploying CTUs & NPUs, resulted in considerable saving of HSD
- (x) Two nos. Fuel Mag (It cleans fuel continuously by deactivating the live micro organism present in the fuel) installed in the diesel suction line of S-2 Drilling Rig. It has improved the fuel efficiency, minimized filter failure rate and engine damage.
- (xi) TADGER emission reduction units have been installed in Power Pack engines of S-1 and S-4 Rigs and have resulted in 5% reduction in fuel consumption.

f) CONSERVATION OF LUBE OIL

- (i) By using Lube oil analysis kit, carrying out chemical analysis from time to time and revising and setting up of lube oil standard, the lube oil consumption has been optimized which in fact contributed to the conservation of lube oil. The lube oil change period for caterpillar engine has been re-scheduled from 500 Hrs. (manufacturer's recommendation) to around 1000 Hrs. (OIL's practice) without any adverse affect on the engine, which resulted in considerable saving of lube oil.
- (ii) By elegant maintenance of water oil separator trap, 920 liters of reusable quality of lube oil have been collected.
- (iii) Due to installation of de-mister, the lube oil consumption has come down significantly.

g) UTILISATION OF NON-CONVENTIONAL ENERGY

- (i) A total of about 218 nos. of MART terminals were provided with Solar Photo Voltaic Panels to achieve energy saving and cost reduction. By adopting these measures about 5202 Kwh electrical energy has been saved.



- (ii) Use of solar lighting at Tanot Gas Gathering Station and at Pilot plant, Baghewala resulted in saving of 2.34 KL of HSD.

h) ADDITIONAL INVESTMENT AND PLANNING

The following are the energy conservation projects the Company has planned to undertake in future:

- (i) More energy efficient SON lamps, CFL etc. will be installed and used for industrial, area lighting, offices and residential houses in place of ordinary incandescent lamps and other energy inefficient lamps.
- (ii) Solar Distilled water plant will be commissioned by June, 2009 which will save electrical energy considerably.
- (iii) Solar Power System will be installed in Jorajan Magazine House for area lighting.
- (iv) Deployment of Gas Engines for future installations wherever techno- economically viable.

i) CONCLUSION

- (i) By implementing the above energy conservation measures, OIL has saved around 1176.049×10^6 Kwh of energy equivalent to an amount of Rs. 19823.577 lakhs (approx.) during the year 2008-09 the details of which are given in Annexure-1.
- (ii) In order to make progressive improvement in industrial and non-industrial spheres and in the present day context of energy crisis, conservation of energy (conventional & non-conventional) has become a very important issue. OIL from its very inception has been aware of this and the best efforts are being made to conserve energy in various areas of its operation. OIL is also looking towards the new technological development in the fields of energy conservation and use of non-conventional sources of energy.
- (iii) In addition to above mentioned energy conservation measure, OIL conducts numerous energy conservation awareness programs like imparting training to vehicle drivers / operators / technicians on fuel efficient driving techniques, organizing workshops on oil & gas conservation for its own employees, auto fuel efficiency check-up camps, campaigns for promoting fuel efficient stove, organizing technical meetings on substitution of petroleum products with alternate sources of energy etc.

B. TECHNOLOGY ABSORPTION

Necessary information regarding disclosure of particulars with respect to technology absorption, adoption and innovation are furnished in "FORM B"

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

		Rs. in Lakh	
		2008-09	2007-08
(i)	Foreign Exchange Earnings	5.74	4.65
(ii)	Foreign Exchange Outgo	34897.59	24359.78



FORM-A

**CONSERVATION OF ENERGY AS WELL AS COST REDUCTION
ACHIEVED THEREOF DURING THE YEAR 2008-09**

Sl. No.	Form of Energy	Unit	Conservation achieved		Approx. Amt. Rs. in lakh
			Qty.	Equv. Kwh	
1.0	H.S.D.				
1.1	By installation of Gas Engine Driven Gen Set in place of Diesel Engine Driven Gen Set	KL	25.55	0.01x10 ⁶	8.30
1.2	By replacing with fuel efficient generating sets at repeater stations in pipeline operations	KL	150.00	1.35x10 ⁶	48.75
1.3	By carrying out well jobs deploying CTU-NPU units	KL	218.40	2.5x10 ⁶	70.98
1.4	Saving in electrical operations	KL	5.76	0.052x10 ⁶	1.872
1.5	By adopting horizontal Drilling Technique/ cluster drilling/ use of PDC bit etc	KL	639.2	5.75x10 ⁶	207.74
2.0	Natural Gas				
	Saving in Duliajan COCPs	MMSCUM	6.84	78.87x10 ⁶	218.88
3.0	Crude Oil				
3.1	Retrieved from various sumps and pits and Water Clarification Plants	KL	9415.8	91.98x10 ⁶	1629.377
3.2	Conserved in Pipeline operations.	KL	74.0	0.722x10 ⁶	12.8
4.0	Condensate Recovery				
4.1	Condensate recovered in the fields of Duliajan, Moran & Rajasthan Project	KL	101286.03	989.57x10 ⁶	17527.26
5.0	Electricity				
	Due to introduction of energy efficient luminaries, CFL lamps, etc. and closure of COCP	Kwh	5225429.6	5.22x10 ⁶	96.67
6.0	By use of alternate sources of energy				
6.1	Solar Photo Voltaic Panel (Saved H.S.D.)	KL	0.578	0.0045x 10 ⁶	0.188
6.2	Saving in GGS of Rajasthan Project due to use of Solar lighting (saved HSD)	KL	2.34	0.021x10 ⁶	0.76
TOTAL:				1176.049x10⁶	19823.577

UNIT RATE (Approx.)

1.	Crude Oil/Condensate	-	Rs. 17304.714/KL
2.	Natural Gas	-	Rs. 3200.00 per 1000 SCUM
3.	H.S.D	-	Rs. 32.5/Ltr *
4.	LDO	-	Rs. 42.72/Ltr *
5.	Petrol	-	Rs. 46.23/Ltr *
6.	K. Oil	-	Rs. 8.33/Ltr *
7.	LPG	-	Rs. 34513.23/Ton *
8.	Lube Oil	-	Rs. 68.00/Ltr *
9.	Electricity	-	Rs. 1.85/ Kwh
10.	LPG Condensate	-	Rs. 21277.81/Ton*

* Taken average cost for 2008-09

**FORM-B****I) SPECIFIC AREA IN WHICH RESEARCH & DEVELOPMENT CARRIED OUT BY THE COMPANY:****1. Oil to oil and oil source rock correlation studies in Upper Assam basin**

A total of 53 crude oil samples of Girujan, Tipam, Barail, Narpuh, Lakadong and Langpar Formation from various oilfields were collected and analyzed using HPLC and GC-MS/MS. Further, a total of 140 source rock samples from Barail, Kopili, Lakadong and Langpar Formations were collected from a wide geographical area and analyzed using Rock Eval. The source rocks were further extracted and the extracted bitumen were analyzed using GC-MS/MS.

2. Origin and Maturity of Hydrocarbons from Mechaki Oilfield

Mechaki 2 oil produced from one Langpar and two Lakadong sands were analyzed on GC-MS/MS after removal of n-alkanes. The gas sample was analyzed using GC-IRMS.

3. Geochemical Evaluation of Well Lunkha 1, Rajasthan

The drill cutting and conventional cores from Lunkha 1 were analyzed using Rock Eval to determine their bitumen content and hydrocarbon generation potential. The samples were also extracted and the extracts were analyzed using GC-MS.

4. Geochemical Evaluation of Well Sadhupur 1, Orissa

A total of 97 drill cutting samples were analysed using Rock Eval for source rock evaluation from Well Sadhupur 1, Orissa. Six drill cutting samples were subjected to detailed geochemical analysis and thirty nine sidewall cores were also analyzed for reservoir fluid identification. Twenty drill cutting samples and six sidewall core samples were analyzed using X-ray Diffractometer to determine the minerals present in the rocks.

5. Reservoir Fluid Identification Through Geochemical Analysis of Sidewall Cores

Sidewall core samples numbering 719 were received from 26 wells that were drilled. All the sidewall core samples were extracted and the extracts were analyzed using Thin Layer Chromatograph with Flame Ionization Detector and Gas Chromatograph and the results were promptly communicated to G&R Department for decision making regarding production testing of the well.

6. Control of Paraffin Deposition in Production Tubing of Producing Wells:

A treatment using microbial formulation in collaboration with TERI and IRS, ONGCL was field implemented in 3 wells viz. Shalmari #9, Shalmari #32 and Moran #89 to inhibit paraffin deposition in production tubing.

7. Study on Low Injectivity Problem in Water Disposal Wells at a Depth Below 1,000m:

The extended field trial for arresting SRB growth in produced water handling set up using two identified Bactericides was completed successfully at Kathaloni OCS. R&D Department continuously made dosing plans, monitored dosing and carried out tests for SRB activity in treated water during the entire 2008-2009 period.

8. Control of Scale problem in ITF and Shalmari OCS formation water flow lines with suitable scale inhibitor

A project was undertaken to control scale deposition in formation water flow lines of ITF and Shalmari OCS1 by injection of two scale inhibitors viz 1. Nalco 7401 from M/s NLC NALCO INDIA LTD. 2. Navdescale 12M from M/s Navdeep Chemicals Pvt. Ltd. at a regular dose of 5 ppm.

9. Surface Geochemical Soil Sample Analysis to Detect Underlying Hydrocarbon Traps

About 2000 surface soil samples (1 meter and 2 meter depth) were received from Dibrugarh, Amguri, Mizoram and Sadiya block. Geo-chemical analysis of about 1000 soil samples (2 meter depth) from these blocks were completed. Although preliminary results indicates presence of hydrocarbon, further study has to be done to get conclusive evident of the presence of hydrocarbon.

10. Coal Liquefaction Project:

OIL in collaboration with M/s Headwaters CTL LLC (HCTL), USA carried out process optimization tests, process guarantee run, preliminary coal & resid gasification assessment for hydrogen production, product stabilization



tests and generated data for developing the process design and economics for a standalone 44,000 BPD commercial plant.

11. Ambient Air Quality Monitoring in OIL's Operational Area:

Monitoring of air pollutants like carbon monoxide, nitric oxide, sulphur dioxide, hydrocarbons, hydrogen sulphide and suspended particulate matter were carried out in various OIL's installation like Electrical Power House, GCS 1, GCS 4, GCS 5, LPG Recovery Plant, LPG filling station, Transport Department, Tengaghat OCS, Loc DIAN, Pump Station 1 and Barekuri EPS.

II) BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D EFFORTS:

1. Oil to oil and oil source rock correlation studies clearly show the different families of oils present in the basin and identify the source rock from which these oils are derived.
2. Mechaki study shows that the source for Mechaki oils is different from oils from other Eocene oilfields like Dikom, Kathalani, Tengaghat etc.
3. Geochemical Evaluation of Well Lunkha 1, Rajasthan shows that the hydrocarbons present in both the formations in the well are derived from marine shale/carbonate.
4. The detailed geochemical evaluation of Well Sadhupur 1, Orissa helped in determining the hydrocarbon prospects in this well as well as in this block.
5. This application of Reservoir Fluid Identification technique has helped in identifying and delineating oil-bearing and water-bearing zones.
6. Microbial treatment for paraffin inhibition in three wells has resulted in reduction of severity of paraffin deposition in producing wells treated.
7. SRB growth could be successfully arrested in the entire surface set up handling produced water of Kathaloni OCS.
8. The results of Scale Inhibitor study were found to be quite encouraging in ITF and Shalmari OCS1.
9. The results of Surface Geochemical prospecting could supplement the ongoing exploration efforts of OIL.
10. The current studies on direct coal Liquefaction have confirmed the liquid yield from Assam coal using direct coal liquefaction and would help in estimating investment required for a 44,000 BPD DCL plant for producing synthetic crude from Assam coal.
11. Monitoring of ambient air quality would help to control the air pollution level in various OIL's installations.

III) FUTURE PLAN OF ACTION:

1. More efforts will be given in providing techno-economical solution of the problem faced by our Company in the areas of exploration, drilling, production and transportation of crude oil and natural gas.
2. Adoption of new technologies and their implementation will be encouraged.
3. OIL plans to carry out a pre-feasibility study to explore the possibility of a mid -sized (10,000 BPD capacity) commercial DCL plant integrated with an existing refinery prior to setting up the full scale 44,000 BPD capacity plant.

IV) EXPENDITURE OF R&D:

Rs / Crore

	2007-08	2008-09	% increase(+) / Decrease(-)	Turnover	% of Turnover
Budget	35.63	46.76	+31.23	-	-
Actual	16.75	18.86	+12.60	7241.45	0.26

Break-Up of R & D expenditure for the year 2008-09

■ Capital	0.65 crore
■ Revenue	16.10 crore
■ Total R&D expenditure as a percentage of total turnover	0.26%

**ANNEXURE II**

INFORMATION AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ ALONG WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 (AS AMENDED FROM TIME TO TIME) FORMING PART OF THE DIRECTORS' REPORT IN RESPECT OF THE YEAR ENDED 31ST MARCH, 2009.

A. Employees who were employed throughout the aforesaid year and were in receipt of remuneration for the said year which in the aggregate, was not less than Rs. 24,00,000/-

Sl. No.	Name	Age	Designation	Remuneration (In Rupees)	Qualification	Experience (Years)	Date of Appointment	Last Employment (Position Held)
1	Shri. N.M.Borah	57	Chairman & Managing Director	2610978.98	B.E. (Petroleum Engineering), ISM, Dhanbad PGD (Petroleum Prospecting & Reservoir Evaluation), NIT, Norway.	35	18.04.1974	Not Applicable
2	Shri. B.N.Talukdar	54	Director (Exploration & Development)	2462297.98	B.E. (Petroleum Engineering), ISM, Dhanbad	32	23.05.1977	Asst. Engineer (Reservoir), ONGC Limited
3	Shri. H.K.Sharma	57	Chief Chemist	4253699	M.Sc (Chem)	33	19.10.1976	Teacher, D.P.I., Assam

B. Employees who were employed for a part of the aforesaid year and were in receipt of remuneration for any part of the said year at a rate which in the aggregate was not less than Rs. 2,00,000/- per month.

Sl. No.	Name	Age	Designation	Remuneration (In Rupees)	Qualification	Experience (Years)	Date of Appointment	Last Employment (Position Held)
NIL								

Note:

- The remuneration shown here in above in this statement comprises of salary, bonus, house rent allowance, company's contribution to provident fund, gratuity fund, leave travel assistance and other perquisites valued in accordance with the provision of the Income Tax Act, 1961 read with rules made there under and does not include arrear paid in respect of earlier years arising out of pay revision.
- None of the above employees holds by himself or alongwith his spouse and dependent children 2% or more of the equity shares of the Company.
- All employments are contractual.
- None of the above employee is relative of any Director of the Company.
- Pension is payable only to such of those employees who were on the Company's role as on 14.10.1981, in accordance with the pension scheme of the Company, subject to their fulfillment of the conditions as provided in the rules of the said fund.



MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statements

These discussions are “forward looking” within the meaning of the applicable laws and regulations. Actual performance may deviate from the explicit or implicit expectations.

Your Company

Your Company is the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production. It is primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. It also processes the produced natural gas to extract LPG.

Over the years, your Company has successfully established itself as a major player in the International Crude Oil & Natural Gas Sector. Presently, the Company has presence in Egypt, Gabon, Iran, Libya, Nigeria, Yemen and Timor Leste for the exploration of crude oil and natural gas.

Your Company primarily conducts its activities with respect to its domestic producing blocks and exploration activities in our nomination blocks independently. Exploration activities, both in India and overseas are also being carried out through joint venture arrangements and PSCs with other oil companies.

As of March 31, 2009, the Company's estimated independent proved plus probable crude oil reserves were approximately 577.47 million barrels which included condensate reserves for 2.07 million barrels and proved plus probable natural gas reserves were approximately 63.41 billion cubic meters which also included gas reserves used for internal fuel consumption for 9.05 bcm. In addition to the Company's independent reserves, it has a participating interest of 8.19 million barrels of proved plus probable and possible reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh.

For Financial Year 2008-09, the Company's gross production amounted to approximately 24.95 million barrels of oil which included natural gas condensate of 0.15 million barrels and approximately 2.27 billion cubic meters of natural gas, representing an average daily production of approximately 68,357 barrels of oil and 6.22 billion cubic meters of natural gas which is approximately 10.41% and 6.91% of India's total production of crude oil and natural gas, respectively.

Industry Overview

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 since then has seen exceptional growth in exploration, development and production activity.

The significant growth of India's economy over the past decade has led to increases in domestic energy consumption. However, the increase in demand for petroleum products in India has lagged behind the growth in GDP. During the 5 years period ended March 31, 2009, the consumption of petroleum products has grown significantly from 107,751 thousand metric tons for the year 2003-04 to 133,400 thousand metric tons (provisional) for the year 2008-09, representing a CAGR of consumption of petroleum products of approximately 4.36% but has not matched the progression of the GDP over the same period.

Consumption of domestic natural gas during the past decade has grown in absolute terms, from approximately 29.5 billion cubic meters for the year ended December 31, 2003 to approximately 41.4 billion cubic meters for the year ended December 31, 2008, representing a CAGR of approximately 7.%. Despite this high rate of growth, natural gas consumption as a percentage of total domestic energy consumption has remained relatively flat over this period, increasing from 8.41% for the year ended December 31, 2003 to 8.59% for the year ended December 31, 2008, and remains well below the world average of 24.14% for the year ended December 31, 2008. This is mainly due to supply constraints caused by low growth in domestic production.

Growth in energy consumption has tended to lag behind GDP growth over the past half decade due to several factors, including increased oil prices and price volatility and perhaps most significantly, due to the fact that the



expansion in the Indian economy has been disproportionately concentrated in the services sector rather than in more energy-intensive sectors such as heavy industry and agriculture.

Crude oil demand is projected to increase to about 1,393 million barrels per year by 2012. Rising global crude oil prices have triggered increased domestic exploration and production activity. Gas demand is expected to reach 330 million standard cubic meters per day by 2012, which represents a CAGR of 10% for the period between 2005 and 2012. Increased use of gas for power generation, petrochemicals, fertilisers and city gas distribution is expected to drive demand growth in the Country.

In addition to demand for energy, the Oil and Gas Industry is significantly affected by demand for a variety of refined and processed products derived from crude oil and natural gas, which are used in a variety of industrial, consumer and agricultural applications. Examples of non-fuel end products include lubricants, fertilizer, plastics and other petrochemicals.

While domestic consumption of petroleum products increased at a CAGR of approximately 4.36% during the 5-year period ended March 31, 2009, indigenous production of petroleum products in India has not been able to grow at the same level. Though the domestic utilisation of natural gas has been limited by supply and distribution factors, it increased at a CAGR of approximately 6.99% during this period due to additional infrastructure. Domestic reserves of crude oil have declined over the 5 years period ended March 31, 2008 from 5431.53 million barrels to 5314.25 million barrels. Domestic gas reserves however, have increased at a CAGR of 7.03% over the same period, from 751 billion cubic meters to 1055 billion cubic meters.

Even, though the per capita energy consumption in India is quite low as compared to the world average, still there is a mismatch between demand and supply of both natural gas and crude oil in India with the demand for both sources of energy outweighing the domestic production and this has made India a net importer of petroleum products and natural gas.

This has necessitated opening up of highly regulated and capital intensive domestic exploration and development activities to attract more players and investments. The steps initiated to increase the areas and investments for exploration and development activities have started yielding positive results. In the last 8 years, India's national oil companies, private and joint venture companies have made 183 significant hydrocarbon discoveries of which 60 are in NELP Blocks.

Although exploration activities have increased with the entry of new participants, to a significant degree a number of large basin areas remain unexplored and in years to come there are possibilities of large discoveries of both crude oil and natural gas.

Competitive Strength

Your Company is one of the oldest in India engaged in the field of exploration and development of crude oil and natural gas.

Your Company as an Operator covers approximately 26,661 square kilometres of exploration acreage indigenously, all of which is in basins with proven commercial production or known accumulation of hydrocarbons. As a non-operator, your Company has a participating interest in 84,484 square kilometres of exploration acreage indigenously.

Your Company has also acquired participating interest in various oil rich countries such as Iran, Libya, Nigeria, Egypt, Timor Leste and Gabon of which your Company is the operator in two blocks in Libya.

Your Company has the expertise and proven record of accomplishment of making and exploiting small to medium size discoveries

Your Company with years of experience has necessary expertise and technology to maximise recovery from the ageing and depleting oil fields.

Your Company's nearly five decades of experience as an entity, together with the training and expertise of its human resources, enables it to devise operational procedures and maintenance schedules for optimum utilization of equipments and facilities to minimize the downtime and cost.



Opportunities

The global crude oil supply and demand ratio has remained unbalanced historically. With growing urbanization and development of infrastructures, the demand for oil and natural gas has gone up considerably triggering an upward movement of prices.

In order to reap the advantage of growing demand, better price and profitability, companies all over the world engaged in the exploration and development activities, have stepped up efforts to acquire new blocks and have new commercially viable discoveries of crude oil and natural gas.

The demand for both oil and natural gas in India has also grown manifold during the past decades making India a net importer. Government of India in order to boost the production and availability of crude oil and natural gas has taken various steps including allotment of Blocks under NELP Rounds. It is expected that with new discoveries and commercial exploration of the same, the supply and demand ratio in India would improve largely.

Your Company with its inherent strength and over five decades of experience coupled with large proven plus probable oil and gas reserves has to surge ahead of competitors both domestic as well as International and is well set to enhance its production capacity to maximise its profitability.

Risks & Concerns

Exploration & Production business is highly capital intensive and involves numerous risks, including discovery of commercially unviable oil or natural gas reservoirs.

In India, crude oil price is heavily depended on the international prices and Government policies. Subsidies being provided to Oil Marketing companies have an adverse impact on the profitability of the Company.

The Exploration & Production business is becoming highly competitive and failure to acquire or find and develop additional reserves may adversely influence the production and profitability of the Company.

The volatility of oil price and the increasing input prices for exploration and development of oil and gas fields may also affect the performance of the Company.

Your Company makes substantial purchases of services and equipment in foreign currencies and the prices of crude oil and LPG are linked to the international prices of such products, which are traditionally denominated in U.S. Dollars, thus the Company is exposed to risks relating to exchange rate fluctuations.

Your Company makes short-term investments with banks and other financial institutions and a decrease in the interest rates in the domestic market will result in lower interest earnings on short-term deposits.

Your Company has recently completed an exercise for Risk Assessment in order to develop a risk mitigation framework and institute benchmarked processes and internal controls. The process of internal controls has been audited and the testing in respect thereof is being undertaken.

Strategy & Future Outlook

In order to achieve sustained growth in long term while maintaining satisfactory profitability, your Company's strategy is three pronged:

- Increase exploration and production in the existing areas.
- Enhance acreage for exploration through competitive bidding or farming-in both in India as well as overseas.
- Acquisition of producing properties overseas including mergers.

The focus of your Company will continue to be E&P, where the Company strongly believes that there exists enormous opportunity, as there is large potential yet to be tapped. To grow in upstream business one has to increase the acreage in addition to augmenting exploration efforts in the existing areas. Further, for accelerated growth of an upstream Company, the organic growth has to be combined with growth through acquisition of new reserves, which is a global trend.



In India due to rapid urbanization and massive development of infrastructure, the demand for natural gas is on a rise for the last couple of years and it holds a lot of promise. To derive maximum benefit from the increasing demand, your Company intends to put substantial investments for commercial exploitation of its available gas reserves.

Your Company is also negotiating with International Companies having thrust belt and/or other relevant experience for strategic alliance in order to leverage mutual strengths.

To sustain and further improve the growth, your Company has been working on the strategy of vertical integration to have a diversified business portfolio through selective presence in the oil and gas value chain covering amongst others refining, gas monetization through cracker/power generation, ventures for gas pipelines and city gas networks and extension of existing business of pipeline services and E&P services as a service provider.

FINANCIAL PERFORMANCE

(Rs. In Lakhs)

	Financial Year 2008-09	Financial Year 2007-08
INCOME		
Sales	713972	596531
Income from Transportation	10173	11664
Other Income	93718	67700
Other adjustments	(4075)	3651
Total Income	813788	679546
EXPENDITURE		
Increase/(Decrease) In Stock	1300	(2206)
Production, Transportation & Other Expenditure	396125	356489
Provision against debts, advances and other provisions/write-offs	37120	13341
Depletion	20877	21748
Depreciation	16808	9186
Interest & Debt Charges	874	3436
Exchange Loss/(Gain) - Net	(615)	392
Other Adjustments	2139	5707
Total Expenditure	474628	408093
Profit for the year	339160	271453
Less: Prior Period items (Net)	463	113
Profit Before Tax	338697	271340
Less: Provision for Taxation	122529	92447
Profit After Tax	216168	178893

COMPARISON

Revenues

Total revenues increased by 19.75% to Rs. 813788 lakhs in financial year 2008-09 from Rs. 679546 lakhs in financial year 2007-08. The increase was primarily due to an increase in sales revenue of crude oil, natural gas and LPG.

Sales Revenues

Sales revenues (including income from transportation) increased by 19.06% to Rs. 724145 lakhs in financial year 2008-09 from Rs. 608195 lakhs in financial year 2007-08.



The increase was primarily due to an increase of 21.18% in our crude oil sales revenue consequent upon a 10.85% increase in the sales volume of crude oil. The net realized price of crude oil per barrel increased by 9.18% primarily due to 14.2% depreciation in the average exchange rate of INR against USD for financial year 2008-09, which was partially offset by the Company's increased contribution towards the sharing of the under recoveries of the PSU Oil Marketing companies.

Natural gas sales revenue increased by 0.88%. This increase was primarily due to a 6.36% increase in the price of natural gas, which was offset by a 5.0% decrease in the sales volume of natural gas.

LPG sales revenue increased by 15.37%. This increase was primarily due to increase in the realized price after subsidy for LPG which was partially offset by 1.01% decrease in the sales volume.

Revenues from Transportation

The revenues from transportation decreased by 12.78% to Rs. 10173 lakhs in financial year 2008-09 from Rs. 11664 lakhs in financial year 2007-08, primarily resulting from a downward revision in the transportation tariff charged to refineries by PPAC. This was partially offset by an increase in the volume transported from 44.06 million barrels in financial year 2007-08 to 45.32 million barrels in financial year 2008-09 and additional revenue from transportation through the new product pipeline.

Other Revenues

Other revenues increased by 38.4% to Rs. 93718 lakhs in financial year 2008-09, as compared to Rs. 67700 lakhs in financial year 2007-08 primarily due to an increase in interest income and income from outsourcing in-house services.

Expenditure

Total expenditures increased by 16.30% to Rs 474628 lakhs for financial year 2008-09 from Rs. 408093 lakhs in financial year 2007-08. This increase was primarily due to an increase in Production, Transportation and Other Expenditure in financial year 2008-09, total expenditures were 58.32% of total revenues, as compared to 60.05% of total revenues in financial year 2007-08.

Production, Transportation and Other Expenditure

Production, Transportation and Other Expenditure increased by 11.12% to Rs. 396125 lakh in financial year 2008-09 from Rs. 356489 lakhs in financial year 2007-08. In financial year 2008-09, our Production, Transportation and Other Expenditure was 48.68% of total revenues, as compared to 52.46% in financial year 2007-08.

Operating costs

Operating costs increased by 32.27% to Rs. 98875 lakhs in fiscal 2009 from Rs. 74753 lakhs in financial year 2007-08. The increase was primarily due to an increase in well work-over expenditure towards accelerated implementation of improved recovery programmes for revitalization of the fields towards which additional hired rigs were also deployed, increase in expenditure on water injection primarily due to increase in installations for augmentation of IOR and to increase the total volume of water injection, increase in expenditure on operation and maintenance of production installations towards augmentation and re-orientation of the collection and distribution grid and an increase in expenditure on Operation & Maintenance of Production Facilities due to addition of one QPS and three Gas Gathering Stations.

The foregoing includes a provision for an increase in manpower costs in field operations to cater for the long term pay revision.

For financial year 2008-09, operating expenses were 12.15% of total revenues, as compared to 11% in financial year 2007-08.

Geological and Geophysical Expenditure

The Geological and geophysical expenditure increased by 73.49% to Rs. 47087 lakhs for financial year 2008-09 from Rs. 27141 lakhs in financial year 2007-08 due to increase in exploration activities. The geological and geophysical expenditure was 5.79% of total revenues, as compared to 3.99% in financial year 2007-08.



Statutory Levies

Statutory levies decreased by 1.96% to Rs. 221610 lakhs in financial year 2008-09 from Rs. 226032 lakhs in financial year 2007-08. In financial year 2008-09, statutory levies were 27.23% of total revenues, as compared to 33.26% of total revenues in financial year 2007-08.

Other Expenses

Other expenses decreased by 0.04% to Rs. 28552 lakhs for financial year 2008-09 from Rs. 28562 lakhs for financial year 2007-08. In financial year 2008-09, other expenses were 3.51% of total revenues, as compared to 4.20% of total revenues in financial year 2007-08.

Provisions against debts, advances and other provisions and write-offs

Provisions made against debts, advances and other provisions and write-offs increased by 178.24% to Rs. 37120 lakhs for financial year 2008-09 from Rs. 13341 lakhs for financial year 2007-08, primarily as a result of a 148.44% increase in abandonment and write-off of dry exploratory wells from Rs. 11350 lakhs for financial year 2007-08 to Rs. 28197 lakhs for financial year 2008-09, which includes a provision of Rs. 8198 lakh for write-off of expenditure incurred in ten PELs whose extended exploration licences have expired.

Depletion

Total depletion charges decreased by 4.01% to Rs. 20877 lakhs in financial year 2008-09 from Rs. 21748 lakhs in financial year 2007-08. This was primarily due to an increase in the reserves base of natural gas upon revaluation and relative increase in our production that was derived from investments in producing properties, which bear a higher amortization rate. The decrease was partially offset by a relative reduction in our production from maturing fields. In financial year 2008-09, depletion were 2.57% of total revenues, as compared to 3.20% of total revenues in financial year 2007-08.

Depreciation

Depreciation charges increased by 82.97% to Rs.16808 lakhs in financial year 2008-09 from Rs. 9186 lakhs in financial year 2007-08, primarily due to a higher capitalization of newer assets which depreciate at a higher rate. In financial year 2008-09, depreciation charges were 2.07% of total revenues, as compared to 1.35% in financial year 2007-08.

Interest and Debt Charges

Interest and debt charges decreased by 74.56% to Rs. 874 lakhs in financial year 2008-09 from Rs. 3436 lakhs in financial year 2007-08, primarily due to decrease in short term borrowings for temporary requirements. In financial year 2008-09, interest & debt charges were 0.11% of total revenues, as compared to 0.51% of total revenues in financial year 2007-08.

Profit before Tax

Profit before tax increased by 24.82% to Rs. 338697 lakhs in financial year 2008-09 from Rs. 271340 lakhs in financial year 2007-08, primarily because of increased crude oil sales revenue, partially offset by increased operating expenditures. Profit before tax as a percentage of total revenues was 41.62% for financial year 2008-09, as compared to 39.93% in financial year 2007-08.

Net Profit after Tax

Net profit after tax increased by 20.84% to Rs. 216168 lakhs for financial year 2008-09 from Rs. 178893 lakhs for financial year 2007-08. Net profit after tax was 26.56% of total revenues in financial year 2008-09, as compared to 26.33% in financial year 2007-08.

Internal Control Systems

The Company has an adequate system of internal control and budgetary control. The Internal Audit department and Internal Auditors regularly audit various operational and financial matters.



The Audit Committee of the Company meets at regular interval, reviews the adequacy and effectiveness of the internal control systems and monitors the internal audit recommendations.

The internal controls manual has been formalized this year and the processes have been audited by Pricewaterhouse and CAG w.r.t ERP. Testing of the internal controls post the Risk Assessment exercise is being undertaken.

Human Resources/Industrial Relations

The Company's Human Resources philosophy is to establish, build and retain a strong performance and competency driven culture with greater sense of accountability and responsibility. Towards this end, the Company, as a matter of practice, recruit professionally qualified persons through open advertisements and has a host of welfare measures for the benefit of its employees and their families.

The Company provides regular and periodic training and development to help its employees acquire new knowledge and skills necessary for them to perform better in their present and future roles.

The pay roll strength as on March 31, 2009 was 8387.

Health, Safety and Environment

The Company is committed to conducting business with strong emphasis for environment preservation, sustainable development, safe workplaces high standards of occupational health and safety.

Regular safety audits with the objective of improving the standard of environment are organized. Number of CDM projects for reduction of flaring gas as well as reduction of burning of fossil fuels used for industrial and domestic purposes are being undertaken by the Company.

Activities for Carbon Footprinting and Green House Gas Accounting are being initiated in line with international standards laid down under ISO 14064 or WBCSD Corporate GHG Accounting & Reporting Standards.

During the Financial year 2008-09, the Company received the following awards and reorganizations:

- Greentech Environment Excellence Gold Award - 2007.
- Oil and Gas Conservation Award for overall performance in upstream sector by Ministry of Petroleum & Natural Gas and Petroleum Conservation Research Association.

The Company as a part of its policy conducts regular occupational health monitoring in a systematic manner not only to meet the various statutory public regulatory requirements but with a genuine concern and care.

Corporate Social Responsibility

The Company views corporate social responsibility as a genuine expression of goodwill and gratitude towards society. It has been a practice to take active interest and put necessary efforts in social welfare, rural development activities, promotion of education and sports, development of women and other welfare services.

The Company has been contributing a minimum of 0.75% of its net profit towards CSR activities. Most of the CSR activities are being carried out through two of its ongoing schemes viz. 'Social Welfare Scheme' and 'Area Development Scheme', which cover a wide gamut of activities like construction of roads, setting up of educational institutions, sports, investing in agro-based projects like Project Rupantar in collaboration with SIRD, Oil India Rural Development Society, primary health centres and other infrastructural support primarily in the North East region and its other operational areas. The Company also extends its helping hand towards Disaster Relief Measures, as and when required.

In terms of the directives of Ministry of Petroleum & Natural Gas, the Company has approved the proposal to increase the contribution towards CSR activities to 2% of the net profit from financial year 2009-10.

All these sustainability initiatives go a long way in strengthening the Company's role as an active member of the Global Compact Programme of the United Nations which has earned it host of awards and recognitions.

We strive to remain a Company with a human face.



CORPORATE GOVERNANCE REPORT

Corporate Governance is conceptualized on the principles of transparency, accountability, disclosure and value creation. Stakeholders across the globe evince keen interest in the performance and practices of companies across the Globe, leading to Corporate Governance emerging on the centre stage.

The principles of integrity, fairness, equity, transparency, accountability and commitment to values are the cornerstones of OIL's value systems. These aids in guiding the Company's Management in all aspects of business conduct and also lead to the creation of value for all its stakeholders, including its shareholders, customers, employees and the community in which it operates. The Company treats Corporate Governance as an ongoing phenomenon and an ideology to be imbibed rather than mere compliance procedures.

Along with compliance of all statutory requirements, elaborate and effective governance systems and practices aimed towards the improvement of transparency, disclosures, internal controls and promotion of ethics at work place are being incorporated. The Company recognizes good Corporate Governance as an exercise of continuing nature and reiterates its commitment towards the pursuance of highest standards of Corporate Governance in the overall interest of all stakeholders of the Company.

1. BOARD OF DIRECTORS

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Whole-time Directors manage the business of the Company under the overall supervision, control and guidance of the Board.

1.1 COMPOSITION

The Board of the Company has an adequate combination of Executive Directors and Non-Executive Directors and the Company is fully compliant with the provisions of Clause 49 of the Listing Agreement in this regard. It consists of eminent persons with considerable professional experience and expertise in business and industry, finance, audit, law and public enterprises. None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he/she is a Director.

The composition of the Board and the details of the attendance of the meetings are given in Annexure 'A' and 'B'.

None of the Directors of the Company except the CMD and Whole-time Directors has any pecuniary relationship with the Company except to the extent of receipt of sitting fees for meetings of the Board/Committee(s) of Directors attended by them. Government Nominee Directors do not receive any pecuniary benefit including sitting fees from the Company.

No Director is related to any Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

1.2 BOARD COMMITTEES

The Company has the following Committees of the Board:

AUDIT COMMITTEE

The composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956.

The terms of reference, role and power of the Audit Committee as has been stipulated by the Board are also in conformity and in line with the Statutory and Regulatory requirements which inter-alia includes :

- Review the financial reporting process and disclosure of its financial information.
- Review with the Management the annual/half yearly/quarterly financial statements before submission to the Board for approval.
- Review with the Management the performance of the Statutory Auditors, Internal Auditors and the adequacy of internal control systems.



- Review of Company's Accounting Policies.
- Recommending the appointment and removal of Statutory Auditors, Internal Auditors, Cost Auditors (wherever required), fixation of audit fee and also approval for payment for any other services.
- Other functions as required by applicable regulations.

Director (Finance) is a permanent invitee to the Audit Committee Meetings. Further, representatives from various departments of the Company, Statutory Auditors and Internal Auditors also attend the meeting as and when desired by the Members of the Audit Committee to answer and clarify questions raised at the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee and the details of the meetings are given in Annexure 'A' and 'B'.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee specifically looks into redressing of shareholders' and investors' complaints/grievances. The Committee also oversees and reviews performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The total number of complaints received during the year was pegged at 70. All complaints received during the year have been duly attended to by the Company/RTA and as on 31.3.2009 there was no outstanding complaint.

The Composition of the Shareholders'/Investors' Grievance Committee and the details of the attendance at the meetings are given in Annexure 'A' and 'B'.

REMUNERATION COMMITTEE

The Company being a Public Sector Undertaking the appointment and terms & conditions of remuneration of CMD/Whole-time Directors are determined by the Administrative Ministry i.e Ministry of Petroleum & Natural Gas.

The Remuneration Committee reviews and approves the perquisites, facilities etc. not specifically spelt out in the terms of appointment and to be extended by the Company to CMD/Whole-time Directors and Executives one level below the Board. Further, the Remuneration Committee also has responsibility for administering the issue of shares under Employees' Quota, ESOS, ESOP etc. to the Eligible Employees.

The Composition of the Remuneration Committee and the details of the attendance at the meetings are given in Annexure 'A' and 'B'.

Details of remuneration of CMD/Whole-time Directors for the year ended 31st March, 2009 is furnished as under:

(Rs. in lakhs)

Sl. No.	Names	Salary including DA	Other Benefits	Performance Incentives	Contribution to PF & other Funds	Total Amount	Tenure
1.	*Shri N.M.Borah, Chairman & Managing Director	12.98	7.13	0.59	5.40	26.10	For a period of 5 years w.e.f 1.12.2008 or till his superannuation or until further orders whichever event occurs the earliest.
2	Shri T.K.Ananth Kumar, Director (Finance)	11.30	6.51	0.55	1.68	20.04	For a period of 5 years w.e.f 18.1.2007 or until further orders whichever is earlier.



Sl. No.	Names	Salary including DA	Other Benefits	Performance Incentives	Contribution to PF & other Funds	Total Amount	Tenure
3	Shri B.N.Talukdar Director (Exploration & Development)	11.14	8.24	0.55	4.67	24.60	For a period of 5 years w.e.f 1.12.2007 or till his superannuation or until further orders whichever is earliest.
4.	Shri Ashok Anand Director (Human Resource & Business Development)	11.43	7.61	0.56	3.71	23.31	W.e.f. 1.2.2008 till his superannuation or until further orders whichever is earlier.
5.	Shri M.R.Pasrija, Chairman & Managing Director (upto 30.11.2008)	11.03	1.33	0.61	1.98	14.95	Superannuated on 30.11.2008.

* Director (Operations) till 30.11.2008 and holding additional charge of Director (Operations) w.e.f 01.03.2009

HUMAN RESOURCE MANAGEMENT COMMITTEE

The terms of reference of the Human Resource Management Committee include consideration of all issues / areas concerning the Human Resource Planning & Management, HR Policies & Initiatives and Promotions to Executive Director level.

The Composition of the Human Resource Management Committee and the details of the attendance at the meetings are given in Annexure 'A' and 'B'.

BUSINESS DEVELOPMENT COMMITTEE

The Business Development Committee oversees and explores new areas of business, proposals for collaborations, joint ventures, amalgamations, mergers and acquisitions etc.

The Composition of the Business Development Committee and the details of the attendance at the meetings are given in Annexure 'A' and 'B'.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee, inter-alia, approves issue of duplicate share certificates and oversees & reviews all matters connected with the securities transfers.

The Company has in place a proper and adequate share transfer system. M/s. Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company.

In order to expedite the process of share transfers and other related matters, the Share Transfer Committee has constituted a sub-committee comprising of Shri T.K.Ananth Kumar, Director (Finance) and Shri Ashok Anand, Director (Human Resource & Business Development). The sub-committee attends to the share transfer and other related matters at regular intervals.

The Composition of the Share Transfer Committee and the details of the attendance at the meetings are given in Annexure 'A' and 'B'.

2. COMPLIANCE OFFICER

The Company Secretary has been nominated as the Compliance Officer.



3. ANNUAL GENERAL MEETINGS

Location, date and time of Company's last three AGMs with details of special resolutions passed:

Date	September 23, 2006	September 29, 2007	September 27, 2008
Time	10.30.A.M.	10.30 AM	10.30 AM
Venue	Bihutoli, Duliajan, Assam	Bihutoli, Duliajan, Assam	Bihutoli, Duliajan, Assam
Details of Special Resolutions passed in the AGM	Amendment to Memorandum and Articles of Association	None	None

4. DISCLOSURES

a. Related Party Transactions

The Company does not have any material related party transactions, which may have potential conflict with its interests. Disclosures regarding transactions with related parties are given in the Notes to Accounts of the Financial Statements.

b. Penalties or strictures imposed on the Company by Statutory Authorities

No penalty or strictures have been imposed on the Company by any Statutory Authorities during the last three years. The Equity Shares of the Company are not listed in any Stock Exchanges in India or Abroad.

5. SHAREHOLDERS' INFORMATION :

Annual General Meeting

Date : August, 17, 2009
Day : Monday
Time : 10.30 AM
Venue : Bihutoli, Duliajan

Book Closure Period

10.08.2009 to 17.08.2009 (both days inclusive)

6. DEMATERIALISATION OF SHARES

The Company had executed the Tripartite Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN allotted to the Company's shares is INE274J01014.

Shareholders desirous of dematerialization of their shares should approach their respective Depository Participants.

7. DISTRIBUTION OF SHAREHOLDING

(A) Categorywise (31.3.2009)

Sl.No	Description	No of Share Holders (Folios)	No. of Shares	% to Equity
1	President of India	7	210000000	98.13
2	Resident Individuals	6321	3947510	1.84
3	Bodies Corporates	34	56890	0.03
	Total	6362	214004400	100

**(B) Valuewise (31.3.2009)**

Sl. No	Category (Amount)		Number of Shareholders (Folios)	% to total number of shareholders	Value	% to total number of shares
	From	To				
1	1	5000	2699	42.42	6932100	0.32
2	5001	10000	3446	54.17	28369900	1.32
3	10001	20000	149	2.34	2039500	0.10
4	20001	30000	33	0.52	828500	0.04
5	30001	40000	16	0.25	564500	0.03
6	40001	50000	4	0.06	184000	0.01
7	50001	100000	5	0.08	366500	0.02
8	100001	above	10	0.16	2100759000	98.16
	TOTAL		6362	100	2140044000	100.00%

8. REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Karvy Computershare Pvt. Ltd. (UNIT : OIL INDIA LIMITED) 105-108, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 Tel No. : 011- 23324401, 23324409, 43509200 Fax No. : 011 – 23730824 E-mail : delhi@karvy.com	M/s Karvy Computershare Pvt. Ltd. (UNIT : OIL INDIA LIMITED) Plot no. 17-24, Vittalrao Nagar Madhapur , Hyderabad-500081, Tel No. : 040 – 23420818 – 824 Fax No. : 040 - 23420814 E-mail : mailmanager@karvy.com
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ANNEXURE 'A'**i. COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2009**

Sl. No	Name	Type	Date of Appointment	Directorship in other Public Limited Companies	Number of Shares held In the Company
1.	Shri N.M. Borah	Chairman & Managing Director	01.12.2008	1	2000
2.	Shri T. K. Ananth Kumar	Director (Finance)	18.01.2007	1	NIL
3.	Shri B. N. Talukdar	Director (E&D)	01.12.2007	-	900
4.	Shri Ashok Anand	Director (HR&BD)	01.02.2008	-	2900
5.	Shri D. N. Narasimha Raju	Government Nominee Director	01.08.2008	-	NIL
6.	Dr. (Smt.) Archana S. Mathur	Government Nominee Director	09.02.2009	-	NIL
7.	Shri Arun K. Gupta	Independent Director	30.07.2008	-	NIL
8.	CA Pawan K. Sharma	Independent Director	30.07.2008	-	NIL
9.	Prof Sushil Khanna	Independent Director	30.07.2008	3	NIL



Sl. No	Name	Type	Date of Appointment	Directorship in other Public Limited Companies	Number of Shares held In the Company
10.	Shri Vinod K. Misra	Independent Director	30.07.2008	1	NIL
11.	Shri Ghanshyambhai Hiralal Amin	Independent Director	30.07.2008	1	500
12.	Shri Alexander K. Luke	Independent Director	30.07.2008	2	NIL

- N.B. 1. Shri N.M.Borah is also holding the additional charge of Director (Operations) w.e.f 01.03.2009
 2. Shri. T. K. Ananth Kumar is a Member of Audit Committee of Brahmaputra Cracker and Polymer Limited.

ii. PARTICULARS OF DIRECTORS WHOSE TERM HAS ENDED DURING 2008-09

Sl. No.	Name	Type	Date of Cessation
1.	Shri M.R.Pasrija	Chairman and Managing Director	30.11.2008
2.	Shri A.K.Jain	Government Nominee Director	31.07.2008
3.	Smt Aditi S. Ray	Government Nominee Director	14.07.2008

iii. COMPOSITION OF COMMITTEES OF THE BOARD OF THE COMPANY AS ON 31.3.2009

Committees	Chairman	Members
Audit Committee	CA Pawan Kumar Sharma	Shri Vinod K. Misra
		Shri D. N. Narasimha Raju
Shareholders' / Investors' Grievance Committee (SIGC)	Shri G.H.Amin	Shri Arun Kumar Gupta
		Shri T.K.Ananth Kumar
		Shri Ashok Anand
Remuneration Committee	Shri Vinod Misra	Prof. Sushil Khanna
		Shri D.N.Narasimha Raju
		Shri T.K.Ananth Kumar
		Shri Ashok Anand
Business Development Committee	Prof. Sushil Khanna	Shri P.K.Sharma
		Shri D.N.Narasimha Raju
		Shri N.M.Borah
		Shri T.K.Ananth Kumar
		Shri B.N.Talukdar
		Shri Ashok Anand
Share Transfer Committee	Shri Arun Kumar Gupta	Shri Alexander K. Luke
		Shri T.K.Ananth Kumar
		Shri Ashok Anand
Human Resource Management Committee	Shri Alexander K. Luke	Shri G.H.Amin
		Shri D.N.Narasimha Raju
		Shri N.M.Borah
		Shri T.K.Ananth Kumar
		Shri B.N.Talukdar
		Shri Ashok Anand



ANNEXURE 'B'

**DETAILS OF ATTENDANCE OF DIRECTORS (DURING THEIR TENURE)
AT BOARD/COMMITTEE MEETINGS/AGM**

Sl No.	Name	Board Meeting	Audit Committee Meeting	SIGC Meeting	Remuneration Committee Meeting	BDC Meeting	STC Meeting	HRM Committee Meeting	Last AGM
		Attended / Held	Attended / Held	Attended / Held	Attended / Held	Attended / Held	Attended / Held	Attended / Held	
1.	Shri N.M.Borah	9/9	--	--	--	1/1	--	3/3	Yes
2.	Shri T.K.Ananth Kumar	9/9	--	1/1	1/1	1/1	10/10	3/3	Yes
3.	Shri B. N. Talukdar	8/9	2/2	--	--	0/1	8/8	2/3	Yes
4.	Shri Ashok Anand	9/9	--	1/1	1/1	1/1	2/2	3/3	Yes
5.	Shri D. N. Narasimha Raju	4/5	2/5	--	--	0/1	--	0/3	No
6.	Dr. (Smt.) Archana S. Mathur	1/1	--	--	--	--	--	--	NA
7.	Shri Arun K. Gupta	5/5	--	1/1	--	--	2/2	--	Yes
8.	CA Pawan K. Sharma	5/5	5/5	--	--	1/1	--	--	Yes
9.	Prof. Sushil Khanna	4/5	--	--	1/1	1/1	--	--	No
10.	Shri Vinod K. Misra	5/5	5/5	--	1/1	--	--	--	Yes
11.	Shri Ghanshyam Bhai Hiralal Amin	5/5	--	1/1	--	--	--	3/3	No
12.	Shri Alexander K. Luke	5/5	--	--	--	--	2/2	3/3	Yes
DETAILS OF ATTENDANCE OF DIRECTORS WHOSE TERM HAS ENDED DURING 2008-09									
1.	Shri M. R. Pasrija	7/7	--	--	0/1	0/1	--	0/1	Yes
2.	Shri A.K.Jain	3/4	2/2	--	--	--	--	--	NA
3.	Smt Aditi S. Ray	3/3	2/2	--	--	--	--	--	NA
		Dates of Meetings	Dates of Meetings	Date of Meeting	Date of Meeting	Date of Meeting	Dates of Meetings	Dates of Meetings	Date of Meeting
		07.05.08 09.06.08 25.06.08 30.07.08 12.08.08 29.08.08 24.11.08 30.01.09 23.03.09	07.05.08 09.06.08 29.08.08 26.09.08 24.11.08 20.12.08 06.03.09	30.01.09	24.11.08	24.11.2008	09.04.08 27.04.08 07.05.08 23.05.08 06.06.08 26.06.08 05.07.08 30.07.08 29.08.08 27.09.08	24.11.08 30.01.09 06.03.09	27.09.08

KEY: SIGC : Shareholders'/Investors' Grievance Committee

BDC : Business Development Committee

STC : Share Transfer Committee

HRM : Human Resource Management Committee

N.A. : Not Applicable



AUDITORS' REPORT TO THE SHAREHOLDERS OF OIL INDIA LIMITED

1. We have audited the attached Balance Sheet of Oil India Limited, as at 31st March, 2009 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto in which are incorporated the Company's share in the total value of assets, liabilities, expenditure and income of thirty three Joint Ventures for exploration and production based on 13 Nos. audited and 20 Nos. unaudited financial statements (Refer Note 1 (E) of Schedule 28). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid Order.
4. Attention is invited to the following:
 - (a) Accounting Policy No.2 of Schedule-27 relating to treatment of exploration costs, development expenditure and abandonment costs and Accounting Policy No. 4.1(b) of Schedule-27 relating to capitalization of depreciation to exploration and development wells are significant to the oil and gas exploration and production industry under the "Successful Efforts Method".
 - (b) Categorization of wells as exploratory (whether successful in discovery of commercial hydrocarbons and producing properties or otherwise) or development and depletion of producing properties on the basis of proved and developed hydrocarbon reserves are based on Management's evaluation whether technical or otherwise, which we have relied upon.
 - (c) Accounting Policy No.6 of Schedule-27 and Note No. 5 of Schedule-28 relating to impairment of assets are based on Management's evaluation/ estimates, whether technical or otherwise, which we have relied upon.
5. Further to our comments in the Annexure referred under Para(3) above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appear from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and



- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies (Schedule 27) and the Notes to Accounts (Schedule 28) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For Chatterjee & Co.
Chartered Accountants

Sd/-
(S. K. CHATTERJEE)
Partner
Membership No. 3124

For A.K. Sabat & Co.,
Chartered Accountants

Sd/-
(A. K. SABAT)
Partner
Membership No. 30310

Place : NOIDA
Date : 29.05.2009



ANNEXURE TO THE AUDITORS' REPORT OF OIL INDIA LIMITED
(Referred to in our Report of even date attached)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that certain fixed assets of the Company have been physically verified by the Management during the year in accordance with a phased programme designed to cover all items over a period of five years, which is considered to be reasonable.
As per information and explanations available, no material discrepancies have been observed on such verification. Adjustment, if any, required for such discrepancies is carried out on final reconciliation with books of account.
Land records along with documents and Fixed Assets register are pending reconciliation.
- (c) According to the information and explanations provided to us, a substantial part of the fixed assets have not been disposed off during the year, which might affect the going concern concept.
2. (a) As explained to us, stocks of Crude Oil and Liquefied Petroleum Gas (LPG) have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers/contractors) have been physically verified by the Management in accordance with the phased programme. However, stock of stores at certain storage locations valued at Rs.92.65 Crores have not been covered during the year under such phased programme.
- (b) In accordance with the information and explanations received by us, the procedures of physical verification of inventory followed by the Management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records in respect of stocks of crude oil and LPG and in respect of stock of stores and spare parts. No material discrepancies have been noticed between physical and book stocks of crude oil and LPG. In respect of stores and spare parts, the discrepancies on physical verification noticed by the Management between physical stock and book records are not material considering the size of the Company and the nature of its business and the same have been properly adjusted in the accounts to the extent reconciliations have been completed.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions regarding rate of interest, payment of principal and interest and overdue amount as per sub clauses (b) to (g) of this clause are not applicable.
4. According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence, the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
7. The Company has its internal audit system, which appears to be commensurate with its size and nature of its business. However, as explained to us, the Management is taking necessary measures to further strengthen the system.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.



9. (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance (not applicable to the Company), income tax, sales tax, wealth tax, fringe benefit tax, service tax, customs duty, excise duty, cess and any other statutory dues with the appropriate authorities. There are no outstanding dues as of the last date of financial year concerned for a period more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us, as at 31st March 2009, details of disputed dues in respect of income tax, sales tax, wealth tax, fringe benefit tax, service tax, customs duty, excise duty and cess are given below:-

Name of the Statute	Nature of Dues	Period to which the amount relates (Financial Year)	Amount (Rs in Lakhs)	Forum where Dispute is pending
Assam Taxation (On Specified Land) Act, 2004	Tax on land	2004-05 to 2008-09	34555.46	Supreme Court

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of paragraph 4 (xiii) of the Order is not applicable to the Company.
14. According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4 (xv) of the Order are not applicable to the Company.
16. According to the records of the Company and information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
17. On an overall examination of the Balance Sheet of the Company and according to information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money during the year by public issue.
21. During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the Management.

For Chatterjee & Co.
Chartered Accountants

Sd/-
(S. K. CHATTERJEE)
Partner
Membership No. 3124

For A.K. Sabat & Co.,
Chartered Accountants

Sd/-
(A. K. SABAT)
Partner
Membership No. 30310

Place : NOIDA
Date : 29.05.2009



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF OIL INDIA LTD. FOR THE YEAR ENDED 31 MARCH 2009**

The preparation of financial statements of Oil India Limited for the year ended 31 March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29.05.09.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Oil India Limited for the year ended 31 March 2009. 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 under Section 619(4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(Dr. Smita S. Chaudhri)
Pr. Director of Commercial Audit &
Ex-officio Member, Audit Board - II
Kolkata**

Place : Kolkata
Dated : 10.07.09



OIL INDIA LIMITED

Balance Sheet as at 31st March, 2009

				(Rs. in lakh)
SCHEDULE		As at		As at
		31st March, 2009		31st March, 2008
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	21400.44	21400.44	
Reserves and Surplus	2	911701.51	771896.60	
		933101.95		793297.04
LOAN FUNDS				
Secured Loans	3(A)	270.25	10488.52	
Unsecured Loans	3(B)	5375.00	7000.00	
		5645.25		17488.52
DEFERRED TAX LIABILITY (NET)		89982.46		86551.70
WELL ABANDONMENT SINKING FUND		145.66		114.06
TOTAL		1028875.32		897451.32
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	297203.78	232277.36	
Less: Depreciation		183826.24	161991.52	
Net Block		113377.54		70285.84
Capital Work-in-progress	5	31858.78		64455.33
PRODUCING PROPERTIES				
Gross Cost	6	476600.45	430361.39	
Less: Depletion		224455.22	203578.83	
Net Cost		252145.23		226782.56
PRE-PRODUCING PROPERTIES	7	56228.72		44810.83
		453610.27		406334.56
INVESTMENTS	8	48866.06		48866.06
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	9	50099.54	45089.46	
Sundry Debtors	10	40473.38	61099.53	
Cash and Bank Balances	11	607000.84	428082.48	
Interest accrued on Term Deposits		35246.51	22836.18	
Interest accrued on Investments		0.75	0.69	
Loans and Advances	12	102714.27	60548.09	
		835535.29		617656.43
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	13	146366.51	110160.01	
Provisions	14	162769.79	65245.72	
		309136.30		175405.73
NET CURRENT ASSETS		526398.99		442250.70
TOTAL		1028875.32		897451.32
INFORMATION UNDER SCHEDULE VI				
TO THE COMPANIES ACT, 1956	25			
SEGMENT REPORTING	26			
SIGNIFICANT ACCOUNTING POLICIES	27			
NOTES TO ACCOUNTS	28			
Schedules 1 to 28 form an integral part of Accounts.				

In terms of our report of even date attached

For **CHATTERJEE & CO.** For **A.K.SABAT & CO.**
 CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/- (S.K.CHATTERJEE) PARTNER Membership No. 3124	Sd/- (A.K.SABAT) PARTNER Membership No. 30310	Sd/- (S.R.KRISHNAN) COMPANY SECRETARY	Sd/- (T.K.ANANTH KUMAR) DIRECTOR (FINANCE)	Sd/- (N.M. BORAH) CHAIRMAN & MANAGING DIRECTOR
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PLACE : NOIDA, DATE : 29TH MAY, 2009



OIL INDIA LIMITED

Profit and Loss Account for the year ended 31st March, 2009

			(Rs. in lakh)
	SCHEDULE	Year ended 31st March, 2009	Year ended 31st March, 2008
INCOME			
Sales	15	713971.91	596530.51
Income from Transportation	16	10173.00	11664.29
Other Income	17	93717.49	67700.06
Other adjustments	22(A)	(4074.65)	3651.44
		<u>813787.75</u>	<u>679546.30</u>
EXPENDITURE			
(Increase)/Decrease in stocks	18	1300.14	(2205.71)
Production, Transportation & Other Expenditure	19	396124.93	356488.88
Provision against debts, advances and other write-offs	20	37119.77	13340.73
Depletion		20876.39	21748.00
Depreciation		16807.86	9185.98
Interest & Debt Charges	21	874.41	3436.42
Exchange Loss/(Gain) - Net		(615.08)	392.13
Other Adjustments	22(B)	2139.27	5706.48
		<u>474627.69</u>	<u>408092.91</u>
Profit for the year		<u>339160.06</u>	<u>271453.39</u>
Prior Period items - (Net)	22(C)	463.03	113.18
Profit Before Tax		<u>338697.03</u>	<u>271340.21</u>
Provision for Taxation			
- Current Tax (Including Wealth Tax)	23	118484.26	85102.56
- Tax for earlier years		0.00	26.26
- Deferred Tax		3430.75	7068.27
- Fringe Benefit Tax		613.62	250.00
		<u>122528.63</u>	<u>92447.09</u>
Profit After Tax		<u>216168.40</u>	<u>178893.12</u>
BALANCE AVAILABLE FOR APPROPRIATION		<u>216168.40</u>	<u>178893.12</u>
APPROPRIATIONS			
Interim Dividend		32100.66	26750.55
Tax on Interim Dividend		5455.51	4546.26
Final Dividend (Proposed)		33170.06	32100.66
Tax on Proposed Dividend		5637.26	5455.50
Transferred to General Reserve Account		<u>139804.91</u>	<u>110040.15</u>
		<u>216168.40</u>	<u>178893.12</u>
Earning Per Share (Rupees) - (Face value of Rs. 10/- each)	24	101.01	83.59
INFORMATION UNDER SCHEDULE VI TO			
THE COMPANIES ACT, 1956	25		
SEGMENT REPORTING	26		
SIGNIFICANT ACCOUNTING POLICIES	27		
NOTES TO ACCOUNTS	28		
Schedules 1 to 28 form an integral part of the Accounts			

In terms of our report of even date attached

For **CHATTERJEE & CO.**

For **A.K.SABAT & CO.**

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANTS

Sd/-
(S.K.CHATTERJEE)
PARTNER

Sd/-
(A.K.SABAT)
PARTNER

Sd/-
(S.R.KRISHNAN)
COMPANY SECRETARY

Sd/-
(T.K.ANANTH KUMAR)
DIRECTOR (FINANCE)

Sd/-
(N.M. BORAH)
CHAIRMAN & MANAGING DIRECTOR

Membership No. 3124

Membership No. 30310

PLACE : NOIDA, DATE : 29TH MAY, 2009

**SCHEDULE - 1**

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
SHARE CAPITAL		
Authorised:	50000.00	50000.00
50,00,00,000 (Previous year 50,00,00,000) Equity Shares of Rs. 10/- each		
Issued, Subscribed and Paid up:	21400.44	21400.44
21,40,04,400 (Previous year 21,40,04,400) Equity Shares of Rs 10/- each fully Paid up		
Note: The above includes 18,46,69,600 (Previous year 18,46,69,600) shares of Rs. 10/- each issued as fully paid up bonus shares by capitalisation of Share Premium and General Reserve.		

SCHEDULE - 2

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
RESERVES AND SURPLUS		
General Reserve		
Opening Balance	771896.60	663506.71
Less: AS-15 (Revised 2005) provision for LFA / LTC as on 01.04.2007 (Net of Deferred Tax Assets of Rs. 849.75 lakh)	0.00	(1650.26)
Add: Transfer from Profit and Loss Account	139804.91	110040.15
	911701.51	771896.60
	911701.51	771896.60

SCHEDULE - 3

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
LOAN FUNDS		
(A) Secured Loans		
Cash Credit/Working Capital Demand Loan with State Bank of India, Kolkata (Secured by hypothecation of all current assets including goods-in-transit wherever situated, excluding assets under Joint Venture, ranking pari passu with hypothecation created in favour of SBI, Kolkata for Cash Credit, Working Capital Demand Loan and LC/Bank Guarantee with limit of Rs. 45000 lakh) (Previous year Rs. 27000 lakh)	270.25	10488.52
	270.25	10488.52
(B) Unsecured Loans		
From Oil Industry Development Board (Repayable within one year Rs. 1625 lakh; Previous year Rs. 1625 lakh)	5375.00	7000.00
	5375.00	7000.00



SCHEDULE - 4

FIXED ASSETS

(Rs. in lakh)

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 31st March, 2008	Additions during the year	Deletions/ Adjustments during the year	Cost as at 31st March, 2009	Upto 31st March, 2008	For the year	Deletions/ Adjustments during the year	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
Land - Freehold	5262.17	245.34	0.00	5507.51	0.00	0.00	0.00	0.00	5507.51	5262.17
- Leasehold	1170.70	48.96	0.00	1219.66	0.00	0.00	0.00	0.00	1219.66	1170.70
Building (Including Roads & Bridges)	22369.17	1159.85	(26.74)	23502.28	10097.12	722.48	(21.50)	10798.10	12704.18	12272.05
Railway Sidings	192.83	0.00	0.00	192.83	128.05	8.94	0.00	136.99	55.84	64.78
Plant & Machinery	199155.59	64325.48	(1086.09)	262394.98	148747.58	21944.36	(1029.25)	169662.69	92732.30	50408.01
Furniture & Fittings	1564.93	221.35	(21.59)	1764.69	1069.68	129.80	(21.21)	1178.27	586.42	495.24
Motor Vehicles	2561.98	140.03	(80.18)	2621.83	1949.09	170.82	(69.72)	2050.19	571.64	612.89
Total :	232277.36	66141.01	(1214.60)	297203.78	161991.52	22976.40	(1141.68)	183826.24	113377.54	70285.84
Previous Year :	218890.61	20222.46	6835.71	232277.36	155213.57	13402.26	6624.31	161991.52	70285.84	

2008-09

2007-08

Depreciation charged to:-

- Profit and Loss Account

16807.86

9185.98

- Prior Period Items

525.53

0.00

- Pre Producing Property

5641.31

4216.28

- Projects & Capital Accounts

1.70

0.00

Total**22976.40****13402.26**

SCHEDULE - 5

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
CAPITAL WORK-IN-PROGRESS		
Buildings (Including Roads & Bridges)	2126.19	1300.63
Plant & Machinery	29732.59	63154.70
	31858.78	64455.33

SCHEDULE - 6

PRODUCING PROPERTIES

(Rs. in lakh)

FIELD/AREA	GROSS COST			DEPLETION			NET COST	
	As at 31st March, 2008	Transfer from Pre-producing Properties	As at 31st March, 2009	Upto 31st March, 2008	During the year	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
Assam	403930.68	41029.10	444959.78	191738.52	19497.78	211236.30	233723.48	212192.16
Arunachal Pradesh	4634.99	0.00	4634.99	2943.05	152.29	3095.34	1539.65	1691.94
Rajasthan	16531.38	3684.64	20216.02	7151.61	1109.17	8260.78	11955.24	9379.77
JVC- India	5264.34	1525.32	6789.66	1745.65	117.15	1862.80	4926.86	3518.69
TOTAL :	430361.39	46239.06	476600.45	203578.83	20876.39	224455.22	252145.23	226782.56
Previous Year :	384408.05	45953.34	430361.39	181830.83	21748.00	203578.83	226782.56	

**SCHEDULE - 7****PRE - PRODUCING PROPERTIES**

(Rs. in lakh)

FIELD/AREA	Balance as at 31st March, 2008	Adjustments	Expenditure during the year	Transfer to Producing Properties	Transfer to Profit and Loss Account	Balance as at 31st March, 2009
Assam	28802.89	0.00	60781.90	41029.10	10829.99	37725.70
Arunachal Pradesh	114.10	0.00	101.26	0.00	0.00	215.36
Rajasthan	2017.56	0.00	3724.87	3684.64	0.00	2057.79
JVC						
- India	4491.36	0.00	9912.82	1525.32	9089.71	3789.15
- Overseas	9384.92	0.00	3055.80	0.00	0.00	12440.72
TOTAL :	44810.83	0.00	77576.65**	46239.06	19919.70	56228.72
Previous Year :	38859.61	0.00	63254.13**	45953.34	11349.56	

** Includes allocated depreciation for the year Rs.5641.31 lakh (Previous year Rs. 4216.28 lakh)

SCHEDULE - 8

(Rs. in lakh)

	No. of shares/ Bonds/ Units	Face Value Rs.	As at 31st March, 2009	No. of shares/ Bonds/ Units	Face Value Rs.	As at 31st March, 2008
INVESTMENTS (Unquoted and fully paid up)						
A. TRADE - LONG TERM						
EQUITY SHARES						
- Numaligarh Refinery Limited	191264202	10.00	48365.34	191264202	10.00	48365.34
- Suntera Nigeria 205 Ltd	62502	Naira 1	0.22	62502	Naira 1	0.22
- Brahmaputra Cracker & Polymer Limited	5010	10.00	0.50	5010	10.00	0.50
B. NON TRADE - LONG TERM						
(a) The East India Clinic Limited 6 Nos. of 5% Non Redeemable Debenture Stock 1957 (Carried at a nominal value of Re 1/- only)	6	1000.00	0.00	6	1000.00	0.00
(b) Contribution to Capital Fund of Petroleum India International Consortium	0	0.00	500.00	0	0.00	500.00
C. OTHERS						
MUTUAL FUND						
a) Units of UTI - Fixed Maturity Plan Quarterly Series QFMP/0407/I - Dividend Plan - 5,00,00,000 Units purchased, 10,28,452 Units cumulated, 5,10,28,452 units sold during the year (Current Investments) (Previous year Nil).			0.00			0.00
b) Units of Unit Trust of India under Liquid Cash/Plus Plan Institutional - daily income option - 29749506 units purchased and sold during the year (Current Investment) (Previous year 21511690 Units purchased and sold)			0.00			0.00
c) Units of State Bank of India under Liquid Cash Plan Institutional - daily income option - 289789552 units purchased and sold during the year (Current Investment) (Previous year NIL)			0.00			0.00
			48866.06			48866.06

**SCHEDULE - 9**

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
INVENTORIES (As valued and certified by the Management)		
Stores and spare parts (including goods in transit)		
At Cost	50420.27	40230.19
Less : Provision against inventory in various locations	2291.40	—
Less : Provision for slow/ non-moving inventory	3497.27	1892.54
	44631.60	38337.65
Crude Oil	5395.68	6699.91
Liquefied Petroleum Gas	19.78	15.68
Assets awaiting disposal	52.48	36.22
	<u>50099.54</u>	<u>45089.46</u>

SCHEDULE - 10

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
SUNDRY DEBTORS		
(Unsecured, Considered Good unless otherwise stated)		
Debts Outstanding for a period more than six months		
- Considered Good	5706.27	14712.39
- Considered Doubtful	2714.21	693.89
	8420.48	15406.28
Other Debts		
- Considered Good	30557.35	42673.93
	38977.83	58080.21
Less : Provision for doubtful debts	2714.21	693.89
	(A) 36263.62	57386.32
Future Instalments receivable against Lease Rent	6594.58	6018.59
Less : Unearned Income	2384.82	2305.38
(Refer Note No. 1(D)(vii) of Schedule 28)	(B) 4209.76	3713.21
Total (A+B)	<u>40473.38</u>	<u>61099.53</u>

SCHEDULE - 11

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
CASH AND BANK BALANCES		
Cash & Cheques in Hand	161.07	105.94
Balance with Scheduled Banks in :		
Current Accounts	8512.43	14889.52
Term Deposits	598327.34	413087.02
	<u>607000.84</u>	<u>428082.48</u>

**SCHEDULE - 12**

(Rs. In lakh)

	As at 31st March, 2009	As at 31st March, 2008
LOANS AND ADVANCES		
Loans and advances to employees (Including Directors) (Refer Note No. 6(B)(i) of Schedule 28)	26978.98	18798.26
Contribution for working capital to IOTL-OIL Consortium (Refer Note No. 1(I) of Schedule 28)	250.00	250.00
Advance against acquisition of Shares in Brahmaputra Cracker & Polymer Limited pending allotment	3247.20	419.20
Advance against acquisition of Shares in DNP Ltd. pending allotment	2438.00	0.00
Advance recoverable in cash or in kind or for value to be received.	38416.11	22485.28
Loan to Suntera Nigeria OPL 205 Ltd. {Ref note no. 1(D)(viii) of Sch. 28}	4646.36	3201.42
Direct Tax payments (Net of Provisions)	0.00	10329.02
Deposits/Balances with Customs, Excise, Port Trust etc.	4711.36	2153.59
Deposits with Companies (ICD) including Public Sector Companies	24784.55	2758.15
Deposits with Others	449.36	527.67
	105921.92	60922.59
Less: Provision for doubtful advances/claims	3207.65	374.50
	102714.27	60548.09
PARTICULARS OF LOANS AND ADVANCES		
Secured	26978.98	18798.26
Unsecured - Considered good	75735.29	41749.83
Unsecured - Considered doubtful & provided for	3207.65	374.50
	105921.92	60922.59

SCHEDULE - 13

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
CURRENT LIABILITIES:		
Sundry Creditors (Refer Note 6D of Schedule-28)	34033.32	25181.02
Statutory Liabilities	21352.85	24168.14
Liability towards Investor Education and Protection Fund u/s 205C of the Companies Act, 1956 not due		
- Unpaid Dividend	143.97	60.72
Liabilities (Others)	71037.01	40363.54
Liabilities (Employees)	19799.36	20386.59
	146366.51	110160.01

**SCHEDULE - 14**

(Rs. in lakh)

	As at 31st March, 2009	As at 31st March, 2008
PROVISIONS:		
Final Dividend (Proposed)	33170.06	32100.66
Tax on Proposed Dividend	5637.26	5455.51
Leave encashment	7507.99	5588.68
Post retirement Medical benefits for employees	4918.35	4684.14
Revision of Salaries & Wages	29333.04	14010.76
Long Service Award	505.88	552.62
Provision for Gratuity	13685.47	0.00
LFA/LTC	2335.11	2326.26
Direct Tax Provisions (Net of payment)	56411.96	0.00
Fringe Benefit Tax Provisions (Net of payment)	613.62	0.00
Wealth Tax (Net of payment)	8.42	4.00
Against Fixed Assets not in use	444.59	523.09
Provision against 10 PELs (Refer Note No. 1G of Schedule 28)	8198.04	0.00
	<u>162769.79</u>	<u>65245.72</u>

SCHEDULE - 15

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
SALES*		
Crude Oil	659421.82	544177.62
Natural Gas	44835.35	44443.89
Liquefied Petroleum Gas	9025.34	7826.69
Condensate	689.40	82.31
	<u>713971.91</u>	<u>596530.51</u>

* Includes Sales Tax of Rs.24978.39 lakh (Previous Year Rs. 20668.11 lakh) on Crude Oil, Rs. 6592.81 lakh (Previous Year Rs. 6431.93 lakh) on Natural Gas and Rs.12.25 lakh (Previous Year Rs. 5.51 lakh) on LPG and Rs.1.90 lakh (Previous Year Rs 2.95 lakh) on Condensate shown separately as expenses in Schedule-19.

SCHEDULE - 16

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
INCOME FROM TRANSPORTATION		
Crude Oil - Pipeline	11389.99	12435.76
Less : Service Tax	<u>1455.03</u>	<u>818.62</u>
	9934.96	11617.14
NSPL Product Pipeline	213.72	0.00
Less : Service Tax	<u>22.01</u>	<u>0.00</u>
	191.71	0.00
Natural Gas - Pipeline	51.96	51.52
Less : Service Tax	<u>5.63</u>	<u>4.37</u>
	46.33	47.15
	<u>10173.00</u>	<u>11664.29</u>

**SCHEDULE - 17**

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
OTHER INCOME		
Claims towards under-recovery of Natural Gas Price	14277.06	15527.41
Dividend from Numaligarh Refinery Ltd.-Trade Investment	3825.28	4781.61
Income from Distribution of Surplus by Petroleum India International	5.51	0.00
Dividend from UTI - Current Investment Mutual Fund	524.12	186.30
Dividend from SBI Liquid Fund	79.01	0.00
Interest (Gross)		
On Investments in GOI Special Bonds - Trade Investment	0.00	439.23
On Term Deposits with Banks (Tax Deducted at Source Rs.11117.96 lakh; Previous Year Rs. 9313.18 lakh)	60182.22	42364.42
From Others (Tax Deducted at Source NIL; Previous Year NIL)	967.39	615.51
On Deposit with Companies (ICD) (Tax Deducted at Source Rs. 328.89 lakh; Previous Year Rs. 179.93 lakh)	1526.40	869.26
	62676.01	44288.42
Other items :		
Electricity Recoveries	15.37	10.91
Scrap Disposal	88.45	204.80
Profit on Sale of Assets	9.04	3.24
Liquidated damages etc.	3937.04	578.79
Income from Services (exclusive of service tax collected and paid Rs. 27.12 lakh; Previous Year Rs. NIL)	3009.69	355.88
Income from Finance Lease	581.32	533.03
Income from OFC fibre leasing	620.17	0.00
Miscellaneous Income	4069.42	1229.67
	12330.50	2916.32
	<u>93717.49</u>	<u>67700.06</u>

SCHEDULE - 18

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
(INCREASE)/DECREASE IN STOCKS		
Opening Stock		
Crude oil	6699.92	4495.71
Liquefied Petroleum Gas	15.68	14.18
	6715.60	4509.89
Closing Stock		
Crude oil	5395.68	6699.92
Liquefied Petroleum Gas	19.78	15.68
	5415.46	6715.60
	<u>1300.14</u>	<u>(2205.71)</u>

**SCHEDULE - 19**

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
PRODUCTION, TRANSPORTATION & OTHER EXPENDITURE		
CRUDE OIL		
Raising Cost	58059.05	42293.65
Royalty	96741.17	114784.75
Cess (Inclusive of Education Cess and NCC Duty)	90550.60	81272.47
Sales Tax (includes Rs. 1.90 lakh for condensate)	24980.29	20671.05
Previous Year Rs. 2.95 lakh)	270331.11	259021.92
NATURAL GAS		
Raising Cost	24114.02	18510.03
Royalty	2733.36	2866.33
Sales Tax	6592.81	6431.93
	33440.19	27808.29
LIQUEFIED PETROLEUM GAS		
Extraction Cost	3251.79	2805.01
Sales Tax	12.25	5.51
	3264.04	2810.52
PIPELINE OPERATION & MAINTENANCE EXPENDITURE	13450.05	11144.33
BUSINESS DEVELOPMENT EXPENDITURE	3201.49	2750.50
GEOLOGICAL & GEOPHYSICAL EXPENDITURE	47087.33	27141.34
CARRYING COSTS OF PEL AREAS	1242.91	1158.17
ADMINISTRATIVE EXPENDITURE	22287.07	23044.22
RESEARCH & DEVELOPMENT EXPENDITURE	1820.74	1609.59
	<u>396124.93</u>	<u>356488.88</u>

SCHEDULE - 20

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
PROVISIONS AND WRITE OFFS		
Against Assets not in use	(78.50)	402.66
Loss on deletion of assets	58.50	191.33
Against slow and non moving and other stores	1654.89	925.86
Against inventory in various locations	2291.40	0.00
For Doubtful Debts/Claims/Deposits/Loans	4925.34	471.32
Bad Debt Written off	71.43	0.00
Abandonment and write off of exploratory dry Wells (other than JVC)	10829.99	11342.73
Well Write Off (JVC)	9137.08	0.00
For Well abandonment cost (JVC)	31.60	6.83
Reversal of Provision for Diminution of Investment	0.00	(2261.04)
Loss on sale of Investments	0.00	2261.04
Provision against 10 PELs (Ref. note no. 1G of Sch. 28)	8198.04	0.00
	<u>37119.77</u>	<u>13340.73</u>

**SCHEDULE - 21**

	(Rs. in lakh)
	Year ended 31st March, 2009
	Year ended 31st March, 2008
INTEREST & DEBT CHARGES	
Income Tax Authorities	6.29
Oil Industry Development Board Loan	325.56
Banks :	
Short Term Loan from Bank	0.00
Cash Credit - Bank	68.47
Others	474.09
	<u>874.41</u>
	<u>1657.66</u>
	<u>61.95</u>
	<u>1272.51</u>
	<u>3436.42</u>

SCHEDULE - 22 (A)

	(Rs. in lakh)
	Year ended 31st March, 2009
	Year ended 31st March, 2008
OTHER ADJUSTMENTS (Income)	
Excess amount received from AGCL(2006-07)	(7.44)
Natural Gas MGQ (NE Thermion)(2007-08)	123.12
Services Charges of earlier years received from ONGC (2006-07)	14.91
Adjustment in assay allowed to NRL(2007-08)	9.72
RAVVA Crude transportation revision (2007-08)	(4741.80)
Sales Tax on New Assay (2007-08)	(47.99)
Provision against BS & W	(118.20)
Provision for World Bank Loan prepayment Guarantee Commission written back	895.13
Excess B&W on ONGC Crude	(202.10)
For Farm-out to Suntera	0.00
For OIDB Grant for earlier years	0.00
Reversal of Provision against ICSA Contract	0.00
Stale Cheques Written Back	0.00
GSPL maintenance charges for the period 2002-03 to 2006-07	0.00
	<u>(4074.65)</u>
	<u>0.00</u>
	<u>2427.98</u>
	<u>22.95</u>
	<u>225.18</u>
	<u>1.56</u>
	<u>973.77</u>
	<u>3651.44</u>

SCHEDULE - 22 (B)

	(Rs. in lakh)
	Year ended 31st March, 2009
	Year ended 31st March, 2008
OTHER ADJUSTMENTS (Expenses)	
CISF Pay Revision (2006-07 & 2007-08)	636.16
Waiver of liquidated damage deducted in earlier years	0.00
Income Tax on Accommodation Perks (2006-07)	0.00
Provision for Pay Revision (Executive & Employees) (2007-08)	148.43
Provision for DA Merger (2006-07 and 2007-08)	1085.61
Arrears Payment for increase in Minimum Wages for WCL	0.00
Short Provision for Gratuity (2007-08)	0.00
Land Revenue provision (2006-07)	0.00
New Assay (2006-07) for Crude Oil (Net of VAT Rs. 48.00 lakh and royalty Rs. 185.00 lakh)	0.00
IOTL-OIL JV Service Charge	146.64
Golden Jubilee Short Provision	335.57
Disallowance of OIDB Grant	0.00
Old Balances adjusted upon reconciliation	(213.14)
	<u>2139.27</u>
	<u>0.00</u>
	<u>1.81</u>
	<u>671.72</u>
	<u>2289.53</u>
	<u>457.18</u>
	<u>15.29</u>
	<u>310.63</u>
	<u>3.94</u>
	<u>1566.98</u>
	<u>0.00</u>
	<u>0.00</u>
	<u>393.00</u>
	<u>(3.60)</u>
	<u>5706.48</u>



SCHEDULE - 22 (C)

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
PRIOR PERIOD ITEMS (NET)		
OFC Bill for 2007-08 raised 2008-09	(44.35)	0.00
Sales Tax 2007-08	(18.15)	0.00
Prior Period Depreciation	525.53	0.00
Sudan Pipeline Expenses (Net of Income)	0.00	2.09
Exchange Loss (Suntera)	0.00	51.12
Excess Interest on Employee loan (2006-07)	0.00	59.97
	<u>463.03</u>	<u>113.18</u>

SCHEDULE - 23

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
PROVISION FOR TAXATION		
Current Tax		
Income Tax	118479.84	85100.00
Wealth Tax	4.42	2.56
	<u>118484.26</u>	<u>85102.56</u>

SCHEDULE - 24

	Year ended 31st March, 2009	Year ended 31st March, 2008
EARNINGS PER SHARE (Basic & Diluted)		
(a) Number of Equity Shares at the beginning of the year	214004400	214004400
Number of Equity Shares at the end of the year	214004400	214004400
Weighted average number of Equity Shares outstanding during the year	214004400	214004400
Face value of each Equity Share (Rs.)	10.00	10.00
(b) Profit after Tax available for Equity Shareholders (Rs. in lakh)	216168.40	178893.12
Earning Per Equity Share - (Rs.)	101.01	83.59

SCHEDULE- 25

INFORMATION UNDER SCHEDULE VI TO THE COMPANIES ACT, 1956

1. SALES TURNOVER

	Unit	Year ended 31st March, 2009		Year ended 31st March, 2008	
		QUANTITY	VALUE (Rs. in lakh)	QUANTITY	VALUE (Rs. in lakh)
Crude Oil -					
Assam	Kilo Litres	3858014.699	642529.58	3470914.174	529282.75
Arunachal Pradesh	Kilo Litres	41391.134	9523.95	46777.683	9473.71
JVC(India)	Kilo Litres	29305.705	7368.29	26519.670	5421.16
Natural Gas -					
Assam	Million Standard Cubic Metres	1540.104	41232.89	1596.360	40188.37
Rajasthan	Million Standard Cubic Metres	197.224	3602.46	232.491	4255.52
Liquefied Petroleum Gas	Metric Tonnes	47572.004	9025.34	48057.329	7826.69
Condensate - Rajasthan	Kilo Litres	48.000	12.09	356.000	82.31
Assam	Kilo Litres	4214.379	677.31	0.000	0.00
Crude Oil Transportation	Metric Tonnes	6182824.804	9934.96	6011285.281	11617.14
Natural Gas Transportation	Million Standard Cubic Metres	92.393	46.33	99.663	47.15
Product Transportation (NSPL)	Metric Tonnes	28842.496	191.71	0.000	0.00
Total			<u>724144.92</u>		<u>608194.80</u>

**SCHEDULE - 25 (contd..)****2. OPENING AND CLOSING STOCK OF GOODS PRODUCED**

Unit	Year ended 31st March, 2009		Year ended 31st March, 2008	
	QUANTITY	VALUE (Rs. in lakh)	QUANTITY	VALUE (Rs. in lakh)
OPENING STOCK				
Crude Oil -				
Assam	Kilo Litres	113112.02	113393.00	4459.67
Arunachal Pradesh	Kilo Litres	670.93	183.00	7.20
JVC (India)	Kilo Litres	1495.95	1057.00	28.84
		115278.90	114633.00	4495.71
Liquefied Petroleum Gas	Metric Tonnes	313.73	223.80	14.18
CLOSING STOCK				
Crude Oil -				
Assam	Kilo Litres	124923.00	113112.02	6638.77
Arunachal Pradesh	Kilo Litres	479.00	670.93	39.38
JVC (India)	Kilo Litres	1785.00	1495.95	21.76
		127187.00	115278.90	6699.91
Liquefied Petroleum Gas	Metric Tonnes	344.08	313.73	15.68

3A. LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Item Produced	Licensed Capacity	Installed Capacity		Unit	Actual Production	
					Year ended 31st March, 2009	Year ended 31st March, 2008
Crude Oil :						
- ASSAM	Not Applicable	Not Applicable	Gross	Kilo Litres	3859460	3445940
			Net	Kilo Litres	3836973	3432953
- AP	Not Applicable	Not Applicable	Gross	Kilo Litres	41199	47266
			Net	Kilo Litres	41199	47266
- JVC (India)	Not Applicable	Not Applicable	Gross	Kilo Litres	29595	26958
			Net	Kilo Litres	29595	26958
Condensate - Assam	Not Applicable	Not Applicable	Gross	Kilo Litres	37067	37680
			Net	Kilo Litres	37067	37680
Natural Gas - Assam	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	2043	2077
			Net	Million Standard C. Mtr.	1904	1963
AP	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	22	25
			Net	Million Standard C. Mtr.	3	3
Rajasthan	Not Applicable	Not Applicable	Gross	Million Standard C. Mtr.	204	239
			Net	Million Standard C. Mtr.	202	237
L P G	50,000 tonnes	50,000 tonnes	Gross	Metric Tonnes	47610	48165
			Net	Metric Tonnes	47602	48147
Condensate- Rajasthan	Not Applicable	Not Applicable	Gross	Kilo Litres	115	324
			Net	Kilo Litres	65	311
	41.5 M.W.	41.5 M.W.	Gross	Million Kilowatt Hours	99	102.17
			Net	Million Kilowatt Hours	95	97.69



SCHEDULE - 25 (contd..)

3 B. RESERVES OF OIL & GAS AND PRODUCTION THEREOF:

Area of Operation	Crude Oil				Natural Gas			
	Position as at 01.04.2008	Additions/Revisions	Production Quantity	Position as at 31.03.2009	Position as at 01.04.2008	Additions/Revisions	Production Quantity	Position as at 31.03.2009
	(MMKL)	(MMKL)	(MMKL)	(MMKL)	(MMKL-OE)	(MMKL-OE)	(MMKL-OE)	(MMKL-OE)
Proved Developed Reserves								
Assam	35.0349	3.3526	3.8593	34.5318	23.0550	16.0008	2.0648	36.9910
Arunachal Pradesh (Kumchai)	0.9104	(0.2271)	0.0413	0.6420	0.0000	0.0000	0.0000	0.0000
Rajasthan	0.0000				2.4040	0.0000	0.2040	2.2000
JVC-India *	1.2824	1.9038	0.0740	3.1122	0.0000	0.0000	0.0000	0.0000
Total	37.2277	5.0293	3.9746	38.2860	25.4590	16.0008	2.2688	39.1910

* Shown to the extent of participating interest of the Company

Gas figures shown against Assam includes figures of Arunachal Pradesh also.

4. DETAILS OF EXPENDITURE

(Rs. in lakh)

	Year ended 31st March, 2009	Year ended 31st March, 2008
(a) Details of expenditure incurred during the year on production, exploration, development, R&D and operation & maintenance of pipelines		
Salaries & Wages	74999.07	75227.52
Incentives (Bonus, REH, PLIS/PRP)	11356.49	7603.86
Contribution to Pension Fund	13029.18	7943.42
Contribution to Provident Fund	4085.80	3212.78
Fuel	4676.82	4710.76
Stores Consumed	22604.25	21515.22
Insurance	270.11	481.58
Rent	308.18	721.45
Rates, Taxes, License Fee etc.	633.18	769.48
Contract - Casual labour	2038.43	1238.53
Contract - Transport	7546.13	7928.01
Contract - Construction	6769.00	7772.95
Contract- Survey & Data Processing	49658.18	22709.08
Contract- Others	25311.99	26257.87
Contract - NELP/JVC/PSC/Overseas	22603.49	10798.71
Security expenses	5171.33	3947.21
Travelling and Halting expenses	2978.06	2113.97
Medical expenses - Reimbursement	2314.99	2901.88
Sundries (Donations, Courtesy, Training fees etc.)	2868.40	2991.96
Others	16254.89	5109.81
Total	275477.97	215956.05
Less: Allocation to Pre-producing properties, Capital account, Recoveries and others	100963.52	85536.46
	174514.45	130419.59
Add: Royalty	99474.53	117651.07
Cess	90550.60	81272.47
Sales Tax	31585.35	27145.74
Total	396124.93	356488.88

**SCHEDULE - 25 (contd..)**

	Year ended 31st March, 2009 (Rs. in lakh)	Year ended 31st March, 2008 (Rs. in lakh)
(b) Included under various heads in Note 4(a) above - Net of Recoveries, if any		
(i) Repairs, Maintenance & Replacement		
Building (including Township)	6305.17	5801.32
Plant & Machinery	37614.03	28853.40
Total	43919.20	34654.72
(ii) Public Relations Expenses		
Salaries, Allowances etc.	256.02	194.51
Oil News & Employees Communication Programme	8.35	9.01
Advertisement	409.00	329.91
Others	74.94	51.80
Total	748.31	585.23
(iii) Social Overhead Expenses		
Township	3806.42	3403.75
Education	1262.77	944.86
Social & cultural amenities	3176.96	3197.20
Medical	6584.15	5451.18
Hired buses for Employees	587.85	558.63
Total	15418.15	13555.62
(iv) Directors' Remuneration		
Remuneration paid/payable to wholetime		
Directors including Chairman and Managing Director :		
i) Salary & Allowances	60.76	59.31
ii) Contribution to Provident Fund	11.78	5.57
iii) Contribution to Pension Fund	5.49	1.84
iv) Contribution to Social Security Scheme	0.21	0.18
v) Tax on perks value of accommodation borne by the company	2.69	8.35
vi) Other benefits & perquisites being LFA/LTC, Medical & Club etc.	28.15	18.05
Total	109.08	93.30

NOTE:

Provisions for contribution to employees retirement/post retirement and employees benefits which are based on actuarial valuations done on an overall company basis are excluded from above disclosure.



SCHEDULE - 25 (contd..)

	Year ended 31st March, 2009 (Rs. in lakh)	Year ended 31st March, 2008 (Rs. in lakh)
(v) Auditors' Remuneration		
(i) Audit fees (including Service tax)	16.55	16.85
(ii) Tax Audit fees	8.27	8.43
(iii) Out of pocket and travelling expenses (Including for Tax Audit)	9.50	11.36
(iv) Certification Fees (including Service Tax and IPO-DRHP)	7.14	15.73
Total	41.46	52.37

	Year ended 31st March, 2009	Year ended 31st March, 2008
	Quantity Million Standard Cubic Metres	Quantity Million Standard Cubic Metres
	Value (Rs. in lakh)	Value (Rs. in lakh)
(c) Raw Materials consumed		
(For production of Liquefied Petroleum Gas)	74.98	34.70
Natural Gas (out of own Production)	113.73	477.26

	Year ended 31st March, 2009 (Rs. in lakh)	%	Year ended 31st March, 2008 (Rs. in lakh)	%
(d) Consumption of Stores and Spare parts				
Imported	11754.21	52.00	11833.37	55.00
Indigenous	10850.04	48.00	9681.85	45.00
Total	22604.25	100.00	21515.22	100.00
(e) Value of Imports on C.I.F basis				
Capital Goods	7611.95		5427.15	
Stores and Spare parts	8935.76		7907.37	
Total	16547.71		13334.52	
(f) Expenditure in foreign currency				
Services Contracts	17805.60		10568.23	
Foreign Tours	544.28		457.03	
Total	18349.88		11025.26	
5. EARNINGS IN FOREIGN CURRENCY				
Others (forfeiture of Bid Bonds etc.)	5.74		4.65	

6. MICRO, SMALL AND MEDIUM ENTERPRISE		
Vendor Name	Vendor Code	Amount (Rs.)
SAIKIA PRINTERS	201243.00	48578.00
NORTH EASTERN CABLES PVT. LTD.	201932.00	1650062.00
A PLUS PROJECTS & TECHNOLOGY (P) LTD.	202907.00	7734514.00
Total		9433154.00



SCHEDULE-26

Segment Reporting for the year ended 31st March, 2009

(Rs. in lakh)

Particulars	Total		Crude Oil		Natural Gas				LPG		Transportation		Unallocated	
	2008-09	2007-08	2008-09	2007-08	Assam		Rajasthan		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUE														
External Sales	724144.91	608194.80	659421.82	544177.63	41232.89	40188.37	3602.46	4255.52	9025.34	7826.69	10173.00	11664.29	689.40	82.30
Other Income	93717.49	67700.06	0.00	0.00	14277.06	15527.41	0.00	0.00	0.00	0.00	0.00	0.00	79440.43	52172.65
Other Adjustment- Income	(4074.65)	3651.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4074.65)	3651.44
Total Income	813787.75	679546.30	659421.82	544177.63	55509.95	55715.78	3602.46	4255.52	9025.34	7826.69	10173.00	11664.29	76055.18	55906.39
EXPENDITURE														
Decrease in Stock	1300.14	(2205.71)	1304.24	(2204.21)	0.00	0.00	0.00	0.00	(4.10)	(1.50)	0.00	0.00	0.00	0.00
Production, Pipeline Expenses	396124.93	356488.88	270331.11	259021.92	28057.68	26156.68	5382.51	1651.61	3264.04	2810.52	13450.05	11144.33	75639.54	55703.82
Provisions & Write Offs	37119.77	13340.73	7052.76	2534.74	2273.14	933.85	325.24	0.00	0.00	0.00	0.00	0.00	27468.63	9872.14
Depletion	20876.39	21748.00	14613.47	15223.60	5153.76	5491.04	1109.16	1033.36	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	16807.86	9185.98	7899.69	4317.41	5547.56	2549.06	335.19	666.03	336.16	183.72	2521.18	1377.90	168.08	91.86
Interest & Debt Charges	874.41	3436.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	874.41	3436.42
Exchange Loss	(615.08)	392.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(615.08)	392.13
Other Adjustment- Expenses	2139.27	5706.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2139.27	5706.48
Prior Period Item- Expenses	463.03	113.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	463.03	113.18
Total Expenses	475090.72	408206.09	301201.27	278893.46	41032.14	35130.63	7152.10	3351.00	3596.10	2992.74	15971.23	12522.23	106137.88	75316.03
Profit before Tax	338697.03	271340.21	358220.55	265284.17	14477.81	20585.15	(3549.64)	904.52	5429.24	4833.95	(5798.23)	(857.94)	(30082.70)	(19409.64)
Provisions for Taxation	122528.63	92447.09	129591.55	90383.75	5237.56	7013.47	(1284.13)	308.17	1964.11	1646.95	(2097.59)	(292.30)	(10882.86)	(6612.96)
Profit after Tax	216168.40	178893.12	228629.00	174900.42	9240.25	13571.67	(2265.51)	596.35	3465.13	3187.00	(3700.63)	(565.63)	(19199.84)	(12796.68)
Segment Assets	1338011.62	1072857.05	355070.06	314852.39	214090.71	186688.95	12159.00	10241.28	3911.34	3111.89	33170.34	40958.01	719610.18	517004.53
Segment Liabilities	1338011.62	1072857.05	86501.90	65108.47	32209.83	27091.83	8772.79	7455.28	4391.00	3727.64	11709.32	9940.37	1194426.78	959533.46



SCHEDULE -26 (contd.)

NOTES ON SEGMENT REPORTING

1. (a) In accordance with the existing Management reporting system, the Company has adopted :-
 - (i) the following business segments as the primary reporting segments :
 - Crude Oil
 - Natural Gas
 - LPG
 - Transportation
 - and
 - (ii) the following geographical segments as the secondary reporting segments :
 - Assam / Arunachal Pradesh (AP)
 - Rajasthan
- (b) All inter-segment transfers have been measured using actual price used for transfer pricing.
2. Segment sales revenues are directly identifiable with the respective segments and therefore, have been directly allocated to the segments. Other income which can be directly attributed to a particular segment has been shown as segment revenue. Other income which cannot be attributed to any of the segments have been disclosed as unallocated.
3. Expenditure incurred directly by the segments are directly allocated to them. Expenditure incurred by Services departments have been allocated to the segments in proportion to the actual services rendered to the respective segments. Overhead expenditure have been allocated to the segments on the basis of direct emoluments. Exploration expenditure pertaining to the areas having joint production of Crude Oil & Natural Gas, charged to the Profit and Loss Account have been allocated to the Crude Oil and Natural Gas segments on the basis of thermal equivalence. Research & Development expenditure have been considered as unallocated.
4. Other adjustments in the income and expenditure not relating to the year of reporting have been disclosed as unallocated corporate income/expenses.
5. Share capital, Reserves and Surplus and Loans have been treated as unallocated corporate liabilities.
6. Liabilities and Current Assets relating to purchase of materials and hiring of services, used jointly by two or more segments have been allocated to the segments on the basis of average consumption/utilization of the previous two years.
7. Liabilities and Advances arising out of payment to employees, used jointly by two or more segments, have been allocated to the respective segments, on the same basis as followed for allocation of employees cost .
8. Fixed assets and depreciation thereon have been identified cost center wise and after allocation of the amounts under services and overhead cost centers on the basis mentioned in para 3 above, the segment assets have been determined.
9. Producing properties, pre producing properties and depletion pertaining to the areas having joint production of Crude Oil & Natural Gas, have been allocated to crude oil and gas segments on the basis of Proved-Developed-Producing reserves.
10. Investments outside the business and Cash and Bank balances are treated as unallocated corporate assets.
11. Any other revenue, expenditure, assets or liabilities, which cannot be directly attributed to one or more segments, have been treated as unallocated corporate revenue, expenditure, assets or liabilities as the case may be.
12. Exploration expenditure, assets, liabilities pertaining to the project areas where commercial production of Hydrocarbons has not yet commenced, have been shown in the unallocated corporate head.
13. Individual items of assets or liabilities used jointly by two or more segments, the amount of which is insignificant and are not considered material, have been allocated to Crude Oil and Natural Gas segment on the basis of thermal equivalence.
14. Inter segment sales not considered in total revenue are shown under elimination.



SCHEDULE -27

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

- (a) The financial statements are prepared under the historical cost conventions in accordance with Generally Accepted Accounting Principles (GAAP). Generally, revenues are recognized on accrual basis with provision made for known losses and expenses.
- (b) All the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) as mandatory and as applicable to the Company are complied with while preparing the Accounts unless otherwise stated.

2. EXPLORATION COSTS, DEVELOPMENT EXPENDITURE AND ABANDONMENT COSTS

The Company generally follows the internationally accepted “Successful Efforts Method” (SEM) of Accounting in respect of its Oil and Gas exploration and production activities read with the guidance note on “Accounting for oil & gas producing activities” issued by the Institute of Chartered Accountants of India (ICAI) except for abandonment costs, as explained below :-

2.1 EXPLORATION COSTS AND DEVELOPMENT EXPENDITURE

- (a) Geological and Geophysical expenditure, other than cost of tangible assets, equipment and facilities deployed in relation thereto on which usual depreciation allowance as admissible, are expensed in the year of incidence.
- (b) Lease carrying costs including license fees are expensed in the year of incidence.
- (c) All acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type stratigraphic test wells are initially capitalized as pre-producing property till the time these are either transferred to producing properties on completion or expensed in the year when determined to be dry or of no further use, as the case may be.
- (d) Cost of successful exploratory wells and completed development wells including allocated depreciation on support equipment and facilities are capitalized as producing property. Wells are treated as completed only after completion of production testing of the same.
- (e) Cost of unsuccessful / dry exploratory wells or part(s) thereof including allocated depreciation on support equipment and facilities, which do not lead to discovery of / accretion to hydrocarbon reserves, are expensed.
- (f) Charges towards unfinished Minimum Work Programme (MWP) and for extension of exploration period under PSC/JVC are treated as Geological & Geophysical or Drilling expenses etc. as the case may be.
- (g) Cost of incomplete wells/wells under production testing/completed exploratory wells pending determination of commercial viability including allocated depreciation on support equipment and facilities, are classified as Pre-producing Properties.
- (h) Cost of exploratory wells in progress are not carried over for more than two years from the date of completion of the drilling of the well, unless it could be reasonably demonstrated that the well has proved reserves and development of the field in which the well is located has been planned.

2.2 ABANDONMENT COSTS

Abandonment costs relating to dismantling and restoration of well sites (net of salvage value), if any, are accounted for in the year in which the same are incurred instead of creating provision in line with Guidance Note issued by ICAI as the Salvage Value is expected to take care of the Abandonment Costs except in case of Joint Ventures, the policy in respect of which is specified in Policy No.7 below.

3. FIXED ASSETS :

- (a) Fixed assets including support equipment & facilities are stated at historical cost. All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.



- (b) Computer software acquired and developed to suit Company's internal use being intangible asset is capitalized along with hardware cost.
- (c) Leasehold lands including the Right of Use (ROU) which are perpetual in nature are not amortized.
- (d) Any asset, when of no further use, is deleted from the Block. The Written Down Value, if any, in excess of Rs.1000/- or 5% of the original cost, whichever is less is charged to Profit and Loss Account. The deleted assets are carried as Current Assets at adjusted value awaiting disposal through normal tendering procedure. The sale proceeds in excess of adjusted value against individual asset are accounted for as miscellaneous income, when realized.
- (e) 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.

4. DEPRECIATION/ DEPLETION

4.1 DEPRECIATION

- (a) Depreciation on Fixed Assets is provided for under the "Written Down Value Method" (WDV), at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 and the fixed assets are stated at cost less depreciation.
- (b) Depreciation as computed above on Fixed Assets deployed in exploration and development drilling activities is charged to the cost of each well.
- (c) Computer software acquired and developed to suit Company's internal use, being intangible asset, is depreciated at the rate applicable to Computer (Hardware).
- (d) Assets costing upto Rs. 5000 each are depreciated fully in the year of capitalization.

4.2 DEPLETION

- (a) The producing properties including acquisition costs are depleted using the "Unit of Production Method", based on the related Proved Developed Reserves.
- (b) Proved and Developed Reserves of oil and gas are technically assessed regularly and are finally reviewed and estimated at the end of each year in-house by following International practices.
- (c) The rate of depletion is computed on a consistent basis with reference to an area designated as Oil / Gas field or a group of Oil/Gas fields, which are aggregated either based on a common geological feature or for operational purpose.

5. FOREIGN CURRENCY TRANSLATION

- (a) All non-monetary transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- (b) Monetary items in the form of Loan, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gains or loss is accounted during the year.
- (c) Foreign currency transactions in relation to Joint Venture Operations (Overseas) are treated in the following manner:-
 - (i) Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transactions. For practical reasons, the average exchange rate of relevant month is taken for the transactions of the month in respect of such Joint Venture Operations, where actual date of transaction is not available or as agreed otherwise.
 - (ii) At the Balance Sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the Balance Sheet date.

6. IMPAIRMENT OF ASSETS

Producing Properties and Fixed Assets of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case events and circumstances indicate any impairment, recoverable amount of



these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. The recoverable amount is its 'value in use'. In assessing value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. 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. Subsequent to Impairment, depletion/ depreciation is provided on the revised carrying value of the assets over the remaining useful life as per relevant policy.

7. JOINT VENTURES

In respect of Production Sharing Contracts (PSCs) executed by the Company with other companies and the Government of India to undertake exploration, development and production of Oil and / or Gas activities under a joint venture in various concessions:-

- (a) The financial statements reflect the share of the Company's assets, liabilities and also the income and expenditure of the Joint Venture Operations 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.
- (b) Proved and Developed Reserve of Oil & Gas in such concessions are also considered in proportion to participating interest of the Company.
- (c) The unamortized balance in the producing property accounts and / or the written down values of the fixed assets installed therein in respect of such concessions, are netted off by the consideration due/ received from other participating companies.

8. INCOME TAX

(a) Current Tax

Income tax is computed as per provisions of the Income tax Act, 1961, read with the terms of the Agreement entered into by the Company with the Government of India under Section 42 of the Income Tax Act, 1961 and accordingly in addition to other items of allowances, the following are considered: -

- (i) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration Licence areas, excluding expenditure on assets for which usual depreciation allowance is admissible, whether abortive or not, is allowed as a deduction equally over a period of three years commencing from the year in which it is incurred.
 - (ii) All intangible expenditure on exploration /prospecting /drilling in Mining Lease areas, excluding expenditure on assets for which usual depreciation allowance is admissible, is allowed as a deduction in the year in which it is incurred; and
 - (iii) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under the Written Down Value (WDV) method.
- (b) Fringe Benefit Tax is computed and accounted in line with the provisions of Income Tax Act, 1961.
- (c) Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted up to the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to assess realization.

9. INVESTMENTS

- (a) Long term investments are valued at cost unless there is a permanent diminution in value.
- (b) Current investments are valued at lower of cost or fair value.



10. INVENTORY

- (a) Stocks of Crude Oil and Liquefied Petroleum Gas are valued at cost (after bifurcation of joint cost on thermal equivalence basis in case of crude oil) or net realizable value, whichever is lower, including applicable excise duty.
- (b) Natural Gas in pipeline and crude oil in flow line are not valued.
- (c) The stock of stores and spare parts are valued at weighted average cost. 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. Against these Slow moving items a provision of 95% of value is made in the accounts towards likely diminution in value. The stores and spare parts include goods-in-transit which represents items pending arrival and/or acceptance at stipulated destinations.

11. EMPLOYEE BENEFITS

- (a) Defined Contribution Plans such as Provident Fund, etc. – Contributions are charged to the Profit and Loss Account as incurred.
- (b) Defined Benefit Plans – The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.
- (c) The contribution to Provident Fund, Gratuity Fund, and Pension Funds are paid to the respective Funds administered through Trusts having exemptions under Employees' Provident Funds and Miscellaneous Provision Acts 1952 above as applicable. The interest payable by the Provident Fund Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.
- (d) Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.
- (e) Termination benefits are recognized as and when incurred.

12. REVENUE RECOGNITION

- (a) Revenue from sale of products and transportation income are recognized on transfer of custody to customers.
- (b) Sale of crude oil and gas produced from exploratory wells-in-progress in exploratory areas is deducted from expenditure on such wells.
- (c) Sales are inclusive of statutory levies but net of discounts. Any retrospective revision in prices is accounted for in the year of such revision.
- (d) Claims on Government/Petroleum Planning & Analysis Cell (PPAC) are booked on acceptance in principle thereof.
- (e) Dividend Income is recognized when the right to receive the dividend is established.
- (f) Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate realization:
 - (i) Short lifted quantity of crude oil, if any.
 - (ii) Interest on delayed realization from customers.
- (g) Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the Insurance Company.
- (h) Liquidated Damages for delay in execution of contracts/supplies are accounted for as per the terms of the contracts and are recognized as income in the year of deduction. In case the same is refunded due to reconsideration/justification of the waiver request, the same is accounted for as expense in the year of acceptance.



13. GRANTS & SUBSIDIES

Grants and Subsidies are accounted in revenue or capital account according to their nature, 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 while arriving at their book value.

14. BORROWING COSTS

Borrowing costs during the construction period, net of Income if any, that are attributable to qualifying assets are capitalized.

15. SEGMENT ACCOUNTING

- (a) In accordance with the existing management reporting system, the Company has adopted its products & services (viz. Crude Oil, Natural Gas, LPG and Pipeline Transportation) as the primary reporting segments and the geographical segments viz. Assam & Arunachal Pradesh, Rajasthan etc. as the secondary reporting segments.
- (b) 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.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) The Company generally provides for present obligations resulting from past event, the amount of which can be estimated with reasonable accuracy.
- (b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration exceeding Rupees Five Lakh in each case are recognized as contingent liability, if contested.
- (c) Contingent assets are not recognized.

17. GENERAL

- a) Prior Period Items exceeding Rupees Five Lakh in each case are separately disclosed in the Profit and Loss Account.
- b) Adjustments pertaining to earlier years but crystallized during the year, exceeding Rupees Five Lakh in each case are separately disclosed under "Other Adjustments".
- c) All expenditure, other than assets, on which usual depreciation allowance is admissible, incurred for Research & Development Projects / Schemes, net of grants-in-aid if any, are charged to the Profit & Loss Account.
- d) Joint cost of production relating to crude oil and natural gas is apportioned on thermal equivalence basis.
- e) Refunds / Duty drawbacks and Demands from / in relation to Revenue Authorities are accounted for on the basis of acceptance considering information available upto the date of finalization of Accounts.
- f) Assets given under finance leases are recognized as receivable at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment in line with AS 19 issued by the ICAI.
- g) General administrative expenses including corporate overhead are charged to Profit & Loss Account.
- h) Accounting of Contract works under various Projects for the Company carried out by the Company in consortium with other entities is accounted in line with AS 7 issued by ICAI after neutralizing the profit earned by the Company in it from the Project cost.
- i) Costs of Intangible assets are accounted for in line with AS 26 issued by ICAI.



SCHEDULE - 28

NOTES TO ACCOUNTS

1. Joint Ventures Contracts (JVCs) / Production Sharing Contracts (PSCs) Accounts:

A. The Company executed various JVCs/PSCs in the Indian Sub-Continent as detailed below:

Sl. No.	Block No.	Date of execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Kharsang PSC	16.06.1995	40%	JEPL Geo- Petrol Geoenpro	25% 25% 10%	Geoenpro
2.	AAP-ON-94/1	30.06.1998	16.129% in Expl Phase Addl 30% carried interest	IOCL HOEC.	43.548% 40.323%	HOEC
3.	SR-OS-94/1	12.04.2000	30% Carried Interest	RIL	100%	RIL
4.	RJ-ONN-2000/1	17.07.2001	60%	SUNTERA	40%	OIL
5.	GK-OSJ-3	06.09.2001	15%	ONGCL RIL	25% 60%	RIL
6.	MB-DWN-2000/2*	17.07.2001	10%	ONGCL IOCL GAIL GSPCL	50% 15% 15% 10%	ONGCL
7.	KG-DWN-98/4	12.04.2000	15%	ONGCL	85%	ONGCL
8.	MN-OSN-2000/2	17.07.2001	20%	ONGCL GAIL IOCL	40% 20% 20%	ONGCL
9.	MN-ONN-2000/1#	17.07.2001	25%	ONGCL GAIL IOCL SUNTERA	20% 20% 20% 15%	OIL
10.	RJ-ONN-2001/1	04.02.2003	40%	ONGCL SUNTERA	30% 30%	OIL
11.	AA-ONN-2001/3	04.02.2003	15%	ONGCL	85%	ONGCL
12.	CY-DWN-2001/1	04.02.2003	20%	ONGCL PIBBV	55% 25%	ONGCL
13.	AA-ONN-2002/3	06.02.2004	20%	ONGCL SUNTERA	70% 10%	OIL



14.	AA-ONN-2002/4	06.02.2004	10%	ONGCL	90%	ONGCL
15.	RJ-ONN-2002/1	06.02.2004	60%	ONGCL	40%	OIL
16.	KG-DWN-2002/1	06.02.2004	20%	ONGCL	70%	ONGCL
				BPCL	10%	
17.	MN-DWN-2002/1	06.02.2004	20%	ONGCL	70%	ONGCL
				BPCL	10%	
18.	CR-ON-90/1**	06.04.2005	20%	POC	29%	POC
				IOCL	35%	
				EOL	16%	
19.	AA-ONN-2003/3	23.09.2005	85%	HPCL	15%	OIL
20.	MZ-ONN-2004/1	02.03.2007	75%	SUNTERA	10%	OIL
				SHIVVANI	15%	
21.	AA-ONN-2004/1	02.03.2007	85%	SHIVVANI	15%	OIL
22.	AA-ONN-2004/2	02.03.2007	90%	SUNTERA	10%	OIL
23.	RJ-ONN-2004/2	02.03.2007	75%	GGR	25%	OIL
24.	RJ-ONN-2004/3	02.03.2007	60%	GGR	25%	OIL
				HPCL	15%	
25.	KG-DWN-2004/5	02.03.2007	10%	ONGCL	50%	ONGCL
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
				BPCL	10%	
26.	KG-DWN-2004/6	02.03.2007	10%	ONGCL	60%	ONGCL
				GAIL	10%	
				GSPCL	10%	
				HPCL	10%	
27.	KG-ONN-2004/1	02.03.2007	90%	GGR	10%	OIL
28.	RJ-ONN-2005/2	22.12.2008	60%	HOEC	20%	OIL
				HMEL	20%	
29.	AA-ONN-2005/1	22.12.2008	30%	ONGCL	60%	ONGCL
				ACL	10%	
30.	AN-DWN-2005/1	22.12.2008	10%	ONGCL	90%	ONGCL
31.	WB-ONN-2005/2	22.12.2008	25%	ONGCL	75%	ONGCL

* Since relinquished on 15.08.2006

** Since relinquished on 21.10.2007

Since relinquished on 16.01.2009



(B) The Company also executed various contracts for oil and gas exploration in overseas, the details of which are as under :

Sl. No.	Block/Area No.	Date of execution	Company's Participating interest	Other partners	Partners' participating interest	Operator
1.	Farsi (offshore) Block (in the Persian Gulf in Islamic Republic of Iran)	25.12.2002	20%	OVL IOCL	40% 40%	OVL
2.	86, Libya	20.03.2005	50%	IOCL	50%	OIL
3.	102/4, Libya	03.12.2005	50%	IOCL	50%	OIL
4.	Shakthi-Gabon	17.04.2006	45%	IOCL MARVIS	45% 10%	OIL
5.	Area 95/96 Libya	01.06.2008	25%	SIPEX IOCL	50% 25%	SIPEX
6.	Timor Leste –Block 'K', East Timor	02.06.2008	12.5%	IOCL RE&P DMCC	IOCL-12.5% RE&P DMCC-75%	RE&P DMCC
7.	Block 82, Yemen	17.03.2009	15%	MEDCO AMED, KUWAIT ENERGY, IOCL	MEDCO AMED– 45% Kuwait Energy – 25% , IOCL – 15%	MEDCO AMED (100% subsidiary of MEDCOENERGI)
8.	Block 83, Yemen	17.03.2009	15%	MEDCO ARAT, KUWAIT ENERGY, IOCL	MEDCO ARAT – 45% Kuwait Energy – 25% , IOCL – 15%	MEDCO ARAT (100% subsidiary of MEDCOENERGI)

(C) The Company also executed participating agreement with ONGC Videsh Limited (OVL) for construction of a Pipeline under Build, Own, Lease and Transfer (BOLT), the details of which are as under:-

Sl. No.	Block/Area No.	Date of execution	Company's Participating interest	Other partner	Partner's participating interest	Operator
1.	Sudan Product Pipeline	10.11.2004	10%	OVL	90%	OVL

(D) The Company has acquired 25% equity shares of Suntera Nigeria 205 Ltd. (a company incorporated under the Laws of Nigeria) from Suntera Resources Ltd., a company incorporated under the Laws of Cyprus. The other shareholders of Suntera Nigeria 205 Ltd. are Suntera Resources Ltd. and IOCL with 50% and 25% equity holding respectively. Suntera Nigeria 205 Ltd. holds participating interest of 40% and a further Economic Interest of 30% in onland Block OPL-205 in Nigeria in which the exploration work is yet to commence.

Sl. No.	Block/Area No.	Date of execution	Company's Participating interest	Other partner	Partner's participating interest	Operator
1.	Oil Petroleum License 205	31.08.2006	17.5%*	Summit Oil International Ltd Suntera Resources Ltd IOCL	30% 35% 17.5%	SOIL

* Indirectly through equity holding in Suntera Nigeria 205 Limited.

**ABBREVIATIONS :**

ONGCL	Oil & Natural Gas Corporation Limited
IOCL	Indian Oil Corporation Limited
GAIL	GAIL (India) Limited
BPCL	Bharat Petroleum Corporation Ltd
HPCL	Hindustan Petroleum Corporation Ltd.
GSPCL	Gujarat State Petroleum Corporation Ltd.
HOEC	Hindustan Oil Exploration Ltd
GGR	Geo Global Resources (Barbados) Inc.
SUNTERA	Suntera Resources Ltd.
SHIVVANI	Shiv-vani Oil & Gas Exploration Services Ltd.
OIL	Oil India Limited
Geoenpro	Geo Enpro Petroleum Limited
POC	Premier Oil Cachar BV
JEPL	Jubilant Enpro Pvt Ltd.
Geo-Petrol	Geo-Petrol International Inc.
EOL	Essar Oil Limited
RIL	Reliance Industries Ltd.
Marvis	Marvis Pte Ltd.
OVL	ONGC Videsh Ltd
Summit	Summit Oil International Ltd
PIBBV	Petrobras International Braspetro
SIPEX	Sonatrach International Petroleum Exploration and Production Corporation BVI
RE&P DMCC	Reliance Exploration & Production DMCC
HMEL	HPCL Mittal Energy Ltd.
ACL	Assam Co. Ltd.
MEDCOENERGI	Pt. Medco Energi International Tbk
MEDCO AMED	Medco Yemen Amed Limited (100% Subsidiary of MEDCO ENERGI)
MEDCO ARAT	Medco Yemen Arat Limited (100% Subsidiary of MEDCO ENERGI)

Notes :

- (i) The Exploration Service Contract for the Block at Sl. No. B (1) above was signed with National Iranian Oil Company (NIOC), the State owned company, of the Government of Iran, in consortium with ONGC Videsh Limited (OVL) and Indian Oil Corporation Limited (IOCL). The exploration work has resulted in discovery of Gas & Oil. The development plan of block is in progress.
- (ii) The Company signed two "Exploration and Production Sharing Agreement (EPSA)" for the blocks at Sl. No. B (2) and B (3) above with National Oil Corporation of Libya in consortium with Indian Oil Corporation Limited. The Company is the operator of these blocks; exploration activity in both the blocks is in progress.
- (iii) The Company acquired a Participating Interest of 45% in onshore Block Shakthi in Gabon, West Africa (Sl. No. B (4) above) through a farm-out agreement signed on 17.04.2006 with Marvis Pte Ltd., a company incorporated in Singapore, which was holding 100% Participating Interest (PI) in the Block. The acquisition has been approved by the Govt. of Gabon. The Company is the Operator of the Block. The exploration work in the block is in progress.



- (iv) The Company has acquired 15% Participating Interest (PI) in the Onshore blocks 82 and 83, Republic of Yemen. Both the areas are being operated by MEDCOENERGI through its 100% subsidiaries. The Production Sharing Agreements (PSA) for both the exploration blocks were signed on 13th April, 2008 and Government of Yemen accorded its approval on 17th March, 2009. Accordingly the Company has paid its share of Signature Bonus for US\$2.55 Million (Rs.1295.72 Lakhs) for completing minimum work programme of the first phase.
- (v) The Consortium of GSPCL-OIL-HPCL has been awarded Block 3 (South Quseir) and Block 4 (South Sinai) on 05.11.2008 in Egypt, in Ganope International Bid Round 2008. GSPC is the Operator for both the blocks and OIL's PI in both the blocks is 25%. Approval of the Egyptian Government is awaited. Meanwhile OIL has furnished BG for USD 0.8 Million valid upto 31.07.2009 representing 5% of its share of financial commitment for the first exploration phase for both blocks as per its PI.
- (vi) The Company has entered into a Farm-in Agreement with Reliance Exploration and Production DMCC (REP) on 02.06.2008 for acquiring 12.50% Participating Interest (PI) in Block K, Timor Leste. The assignment of the PI to the Company by REP has been approved by the Government of Timor Leste on 15.10.2008. The Company has accordingly booked its share in the expenses relating to the Block upto 31.03.2009.
- (vii) The Company has signed a "Participating Agreement" (PA) for the product pipeline at SI. No. C above with ONGC Videsh Limited (OVL) for a 10% participating interest (balance 90% being with OVL) in the pipeline project awarded by Ministry of Energy & Mining (MEM), Govt. of Sudan (GOS) through a separate agreement entered into by OVL in this regard. The construction of the pipeline project was completed on 01.09.2005 and handed over to MEM under Build, Own, Lease and Transfer (BOLT) basis.

The "PA" entered into between OVL and OIL 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 MEM 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.

The Company has been informed by OVL that the EPC contractor for constructing the pipeline has raised further invoices for an amount of approximately Rs.13159.72 lakh (US\$ 25.53 million) and OVL has in turn raised a claim on MEM of GOS as per the agreement between GOS and OVL. OIL's share related to both the claims i.e. by the pipeline contractor on OVL (though accepted by OVL) and OVL's claim on GOS shall be accounted for upon acceptance by GOS and on suitable amendment of repayment schedule by MEM. OVL has received an additional claim of Rs. 5989.76 lakh (US\$ 11.62 million) which has not been acknowledged as debt in the books of the operator (OVL). Pending this, the Company's share of the amount claimed by the pipeline contractor has not been accounted for but disclosed under "Contingent Liabilities".

In terms of such "PA", the Company has received its share of (7th) seventh installment of lease rentals due as on 31.12.2008. Moreover the Company has also received, in terms of the agreement, the interest on the delayed rental payments by the MEM and the same is shown under miscellaneous income. The regular installments are accounted for as income from Finance Lease.

Other disclosures related to Finance Lease in line with AS 19 issued by the ICAI :

(Rs. in lakh)

		2008-09	2008-09	2007-08	2007-08
(i)	Gross investment in the lease being Minimum Lease Payment (MLP)				
	Investment made	5401.53		5401.53	
	Lease rental receivable	4634.03	10035.56	3973.28	9374.81
(ii)	Present value (PV) of MLP receivable as on 31.03.2009 (inclusive of exchange rate fluctuation)		4209.76		3713.21
(iii)	Finance lease future installments receivable		6594.58		6018.59



(iv) Minimum lease payments receivable (converted at year end exchange rate):-							
		Gross Receivable		Unearned Lease Income		PV of MLP	
	Receivable:	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
a)	not later than one year	1256.08	962.96	571.73	481.18	684.35	481.78
b)	later than one year but not later than 5 years	5024.34	4574.04	1727.74	1701.50	3296.60	2874.54
c)	Later than 5 years	314.16	481.59	85.35	122.70	228.81	358.89
	Total :	6594.58	6018.59	2384.82	2305.38	4209.76	3713.21

(viii) The Company has acquired 25% equity in Suntera Nigeria 205 Ltd., a company incorporated under the Laws of Nigeria, from Suntera Resources Ltd., Cyprus, through a Share Purchase Agreement (SPA) signed with them on 31st August, 2006 (effective dated 27th September, 2006), for Rs. 0.22 lakh (Nigerian Naira 62502 USD 488.87 approximately) at par and also signed a Shareholders Agreement (SHA) with Suntera Resources Ltd. and IOCL, the other shareholders of the company. Suntera Nigeria 205 Ltd. had entered into an Acquisition Agreement (AA) and Economic Interest Assignment Agreement (EIAA) with Summit Oil International Limited (original 100% Participating Interest holder in OPL-205 and the operators of the Block) on 10.05.2006 for acquiring 40% Participating Interest and 30% Economic Interest in onland Block OPL-205 in Nigeria. Suntera Nigeria 205 Ltd. also entered into a Joint Operating Agreement (JOA) and Technical Service Agreement (TSA) with Summit Oil International Limited on 10.05.2006 for providing the technical support for the operations in OPL-205. Accordingly, the Company indirectly, through 25% equity holding in Sunetra Nigeria 205 Ltd., owns a combined Participating and Economic interest of 17.5% in OPL-205. The Company is required to contribute its 25% share of all the expenses in the Block by way of loan to Suntera Nigeria 205 Ltd. as agreed by all the shareholders in the SHA, and accordingly a loan agreement has been signed on 30.08.2007. In terms of the loan agreement, the Company has disbursed loan amounting to Rs. 4021.44 lakh (US\$ 7801050.31) as of 31.03.2009 carrying a simple interest of 8.75% per annum is payable. Accordingly, Rs. 624.92 lakh (Previous year Rs.211.69 lakh) has been charged to Suntera Nigeria 205 Ltd. as interest up to 31.03.2009. As per the loan agreement with Suntera Nigeria 205 Limited, the principal amount along with simple interest @ 8.75% p.a. is repayable by 31.12.2010.

- (E) The assets, liabilities, income and expenditure of the Joint ventures as shown in (A), (B), (C) and (D) above are Rs. 4012.36 lakh, Rs. 2296.04 lakh, Rs. 45289.88 lakh and Rs. 7407.71 lakh respectively (Previous year Rs. 791.36 lakh, Rs. 1994.04 lakh, Rs. 5993.96 lakh and Rs. 19403.50 lakh respectively), being the proportionate value relating to Company's Participating Interest which have been incorporated in the books of accounts on the basis of Audited 13 nos. (Previous year 20) and Unaudited 20 nos. (Previous year 11) Statement of Accounts received from the respective operators. No material changes are expected by the Company in the Unaudited Statement of Accounts.
- (F) i) As per the terms of the Kharsang PSC, the applicable price for crude oil produced and saved from the field is to be ascertained online from Reuters' daily publication for the previous month. Accordingly the invoices are being raised by the operator of the field at the rates, as applicable.
- ii) As per the terms of the respective PSCs, provision for Abandonment Costs is to be made and accordingly a sum of Rs. 31.60 lakh (Previous Year Rs 6.83 lakh) has been provided through creation of a Sinking Fund as per Joint Operating Agreement. Such sinking Fund on cumulative basis has been disclosed separately in the Balance Sheet.
- (G) The Company is carrying out exploration activities in 33 blocks in India, by obtaining Petroleum Exploration Licenses (PEL). Out of these PELs, 10 (ten) nos. PELs allotted on nomination basis by the Government of India (GoI) have not yet been renewed after expiry of their original term, as intimated to the Company by GoI for relinquishment w.e.f. 01.04.2009. The Company has submitted detailed justification for further extension of these PELs. In these 10 PELs, the Company has spent Rs. 78976.15 lakh upto 31.03.2009. Out of this sum, an amount of Rs. 57069.41 lakh has been charged off in the Accounts till 31.03.2009 as per the accounting policy of the Company leaving a balance amount of Rs. 8198.04 lakh in Pre-Producing Property Account



(PPPA) and Rs. 13708.70 lakh transferred to Producing Property Account (PPA) (Total Rs. 21906.74 lakh) in the Balance Sheet as on 31.03.2009. Pending the final decision from the GoI about the extension/conversion of the PELs to ML or otherwise, provision for Rs. 8198.04 lakh has been created against the amount spent on wells which are in progress i.e. PPPA on conservative basis without changing the status of PPA/PPPA.

- (H) The Company's Share of Contingent liability and Capital Commitment, if any, under the PSC are shown in Note No. 9 (A) & (C) below.
- (I) In terms of the Memorandum of Understanding dated 27.12.2005 with M/s. Indian Oil Tanking Limited (IOTL), the Company has entered into a consortium agreement dated 13.10.2006 with IOTL for jointly bidding and securing a contract for laying a part of the Numaligarh – Siliguri product pipeline for the Company on 50: 50 sharing basis and the consortium has been awarded with a contract for laying 115 km of the pipeline at a total contract value of Rs 5001.21 lakh by the Company. Pending receipt of Audited Statement of Accounts relating to the contract (complying with the requirement of Accounting Standard 7 issued by ICAI for recognition of Profit/Loss on execution of contract) from IOTL (Project Leader), the Company has accounted for Rs.5325.00 lakh being the project cost incurred by the consortium. The initial contribution of Rs 250.00 lakh paid by the Company to the consortium towards its share of working capital requirement as per the Consortium Agreement has been shown under Loans and Advances. The project as such has been completed in 2008-09 and on receipt of the Audited Statement of Accounts of the Consortium necessary adjustment for final accounting of profit/loss of this Consortium will be accounted for.

2. Information as per Accounting Standard (AS) 18 "Related Party Disclosures" issued by ICAI.

a) Related party relationships

Name of related parties and description of relationship (excluding the State controlled entities):-

i) Joint Ventures :

Sl. No.	2008-09	2007-08
1.	Kharsang	Kharsang
2.	CR-ON-90/1	CR-ON-90/1
3.	AAP-ON-94/1	AAP-ON-94/1
4.	GK-OSJ-3	GK-OSJ-3
5.	MZ-ONN-2004/1	MZ-ONN-2004/1
6.	KG-ONN-2004/1	KG-ONN-2004/1
7.	Block CI-112, Cote D'Ivoire	Block CI-112, Cote D'Ivoire
8.	SR-OS-94/1	SR-OS-94/1
9.	Yemen 82, 83	Nil
10.	East Timor, Block "K"	Nil
11.	Libya 95/96	Nil

ii) Associates :

IOTL – OIL Consortium

iii) Key Management Personnel

- | | | |
|----|------------------------|--|
| a) | Mr. N. M. Borah | Chairman and Managing Director (From 01.12.2008) |
| b) | Mr. M. R. Pasrija | Chairman and Managing Director (Till 30.11.2008) |
| c) | Mr. N. M. Borah | Director (Operations) |
| d) | Mr. T. K. Ananth Kumar | Director (Finance) |
| e) | Mr. B. N. Talukdar | Director (Exploration & Development) |
| f) | Mr. A. Anand | Director (HR & BD) |
| g) | Mr. S. R. Krishnan | Company Secretary (From 10.04.2009) |
| h) | Mr. S. K. Senapati | Company Secretary (Till 09.04.2009) |



b) Details of Transactions during the year (excluding State controlled entities):

(Rs in lakh)

Sl. No.	Particulars	Joint Ventures/ Associates	Key Management Personnel	Total
1	Joint Venture and Associates	11336.68 (6422.62)	-	11336.68 (6422.62)
2	Remuneration to Directors	-	109.08 (93.30)	109.08 (93.30)
3	Amount outstanding	-	56.79 (60.09)	56.79 (60.09)

Figures in the bracket indicate previous year figures.

3. Deferred Tax

a) In accordance with the Accounting Standard – 22, the Company has net deferred tax liability as at 31.03.2009 of Rs. 92169.43 lakh (Previous year Rs. 86551.70 lakh).

b) Major components of Deferred Tax Asset & Deferred Tax Liability :

(Rs. in lakh)

	Description	Differential Value (Rs)	As at 31.03.2009		Differential Value (Rs)	As at 31.03.2008	
			Deferred Tax Assets (A)	Deferred Tax Liabilities (B)		Deferred Tax Assets (A)	Deferred Tax Liabilities (B)
A.	Difference between Written Down Value of Depreciable assets as per Companies Act and as per Income Tax Act	837.28	-	284.59	3609.41	-	1226.84
B.	Difference between Producing & Pre producing Property as per Companies Act and Unamortised expenditure as per I.Tax Act (including casing & tubing in incomplete wells)	298128.73	-	101333.97	264826.07	-	90014.38
C.	Provision for Doubtful Claims debited to Profit & Loss A/c but not allowable under the I.Tax Act	5324.79	1809.90	-	471.32	160.20	-
D.	Provision for Material in Storage Location debited to Profit & Loss Account but not allowed under the Income Tax Act	2291.40	778.85	-	-	-	-
E.	Provision for Leave Encashment debited to Profit & Loss A/c but not allowable under the I.Tax Act	7508.00	2551.97	-	5588.68	1899.59	-
F.	Provision for Long Service Award created	505.88	171.95	-	552.62	187.84	-



G.	Provision for post retirement medical benefit debited to Profit & Loss A/c but not allowable under the I. Tax Act.	4918.35	1671.75	-	4684.14	1592.14	-
H.	Provision for Gratuity debited to P&L A/c but not allowable under the Income Tax Act.	13685.47	4651.69	-	-	-	-
I.	Total	-	11636.10	101618.56	-	3839.77	91241.22
J.	Net Deferred Tax Liability (B-A)	89982.46	-	-	87401.45	-	-
K.	Net incremental liability charged to Profit & Loss Account	3430.75	-	-	7068.27	-	-
L.	Deferred Tax Impact on recognition of opening balance provisions for LFA/ LTC as per AS-15 (Revised 2005) for Rs. 2500.01 lakh, taken to General Reserve	-	-	-	(849.75)	-	-
M.	Deferred Tax liability disclosed in Balance Sheet (J-L)	89982.46	-	-	86551.70	-	-

4. Fixed Assets:

- A. Land in possession of the Company, includes some areas for which title/ conveyance deeds are yet to be executed and / or mutation in settlement records is pending. Documentation formalities are in progress.
- B. The Company has identified various Plant & Machinery, which are not in use for considerable time. Pending writing off of these assets from the gross block, the Company has taken a provision of Rs. 78.05 lakh (Previous year Rs. 402.66 lakh) during the year towards the difference between the WDV as on 31.03.2009 and 5% of original cost as the residual value of the respective assets.
- C. For infrastructure development to facilitate the supply of natural gas to Brahmaputra Cracker and Polymer Ltd. (BCPL), the Company will have to augment / modify the existing gas pipeline network, construction of lean gas distribution network and setting up of gas sale off-take point with metering facility. Government of India has agreed to release one time subsidy to a maximum of Rs.21500.00 lakh to the Company through BCPL subject to incurring the actual expenditure more than that. The expenditure will be vetted by Engineers India Ltd. (EIL).

Towards this arrangement, the Company has started incurring expenditure for various assets and has been claiming the amount in stages from BCPL after the same is vetted by EIL. BCPL has deposited Rs. 2281.58 lakh up to 31.03.2009 in this regard.

Pending completion of all the facilities, the Company is maintaining the separate identity to record capital expenditure and the receipt of the claim till incurring the total expenditure on capital assets and receipt of final amount of subsidy. Necessary accounting related to subsidy/adjustment thereof with assets will be carried out on completion of the project.

5. Impairment of Assets

In terms of the Significant Accounting Policy No. 6, the Company assessed the Cash Generating Assets for the Impairment as required under AS-28 issued by ICAI and found that no cash generating Asset needs impairment as on 31.03.2009.

**6. (A) Sundry Debtors:**

- i) The settlement of outstanding dues from Assam State Electricity Board (ASEB) for sale of Natural Gas amounting to Rs. 16196.87 lakh was under process. The Government of Assam has decided to discharge the liability from its budgetary support. Accordingly the Government of Assam has already released Rs. 3000.00 lakh on 31.03.2008 being the 1st installment, Rs.5197.00 lakh on 02.09.2008 being 2nd installment and Rs.4000.00 lakh being the 3rd installment on 28.03.2009. Hence, entire amount due from ASEB has been classified as "Unsecured, Considered Good" under Sundry Debtors. Interest receivable, if any, on the dues will be accounted in the year of final settlement.
- ii) All other Sundry Debtors including the overdue amount are considered good and realizable, unless stated otherwise.

(B) Loans and Advances include :

- (i) Amount due by Directors and Other Officers of the Company:

(Rs. in lakh)

	Balance as at		Maximum amount due at any time during the year	
	31.03 2009	31.03.2008	31.03 2009	31.03.2008
(a) Directors	42.83	45.13	45.94	46.39
(b) Other Officers	13.96	14.96	14.62	15.31
Total	56.79	60.09	60.56	61.70

- (ii) Advances recoverable in cash or in kind or for value to be received includes materials given on loan to Public Sector Undertakings amounting to Rs. 294.00 lakh (Previous year Rs. 279.41 lakh).
 - (iii) Arising out of one time settlement with M/s Indian Drugs and Pharmaceuticals Limited (IDPL) (a Government of India Undertaking) the provision for doubtful advance/claim amounting to Rs. 1500.00 lakh created in earlier years was written back during financial year 2006-07. As per the revival package the principal along with interest of 5% was to be settled by IDPL. As no significant improvement on the revival package is forth coming, the Company has created a provision of Rs. 2833.16 lakh in the books of Accounts during the year against the principal and interest dues from IDPL.
 - (iv) In terms of the Joint Operating Agreement and the Memorandum and Articles of Association of Brahmaputra Cracker and Polymer Limited (BCPL), the Company has paid an amount of Rs 50,100 to Brahmaputra Cracker and Polymer Limited (BCPL) towards acquisition of 5,010 shares of Rs 10 each. The amount paid has been accounted under Investments. In addition the Company has paid Rs. 3247.20 lakh toward acquisition of 32472000 nos. of Equity Shares of Rs. 10 each and is shown under Loans & Advances pending allotment of Shares to the Company.
 - (v) The Company has acquired 23% Equity Shares of DNP Limited and paid Rs.2438.00 lakh toward its contribution to Equity Capital so far and the same is shown under Loans & Advances pending allotment of Shares to the Company.
- (C) Balance shown creditors, debtors, claims, recoverable and advances are reconciled from time to time on an on-going basis. Provisions, wherever considered necessary, have been made.
- (D) Micro, Small and Medium Enterprises Act, 2006 :
- Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2009 and the details as required to be disclosed are given in Schedule 25 (Para 6) as identified on the basis of information available with the Company.

7. Current Liabilities:

Sundry creditors include materials received on loan from other Public Sector Undertakings amounting to Rs. 365.85 lakh (Previous Year Rs. 351.56 lakh)



8. Disclosure pursuant to AS 15 (Revised 2005) – Employee Benefits:-

The Company has adopted AS 15 (Revised 2005) for Employee Benefits issued by ICAI as against erstwhile AS 15. Consequent to the adoption, the following disclosures related to accounting etc are made as far as practicable under AS 15 (Revised 2005) requirement:

Defined Contribution Plans

The Company's contribution to Provident Funds for employees and executives is Rs. 4085.99 lakh.

Defined Benefit Plans

The various Benefits Plans which are in operation are Gratuity Fund, Pension Funds, Leave Encashment, Leave Fare Assistance/ Leave Travel Concession, Pre & Post Retirement Medical Benefit and Long Service Award. The present value of the obligation is determined based on Actuarial valuation 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.

Various data as certified by Actuary:-

A. Reconciliation of opening and closing balances of Defined Benefits obligation.

(Rs in lakh)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	LFA/LTC	Post Retirement Medical Benefits
Present Value of obligation at the beginning of the year i.e. 01.04.08	10870.36	26122.33	35351.99	5588.68	2326.33	4684.14
Acquisition Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Interest Cost	786.40	1878.22	2594.20	405.86	71.87	330.33
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
Current Service Cost	1391.07	1655.48	2130.27	1670.58	0.00	0.00
Curtailment Cost	0.00	0.00	0.00	0.00	0.00	0.00
Settlement Cost	0.00	0.00	0.00	0.00	0.00	0.00
Benefits Paid	(770.00)	(2158.80)	(1525.20)	(354.30)	(2736.17)	(559.42)
Actuarial gains/loss on obligations	16533.83	5750.94	11144.83	197.17	2673.08	463.30
Present Value of obligation at the end of the year i.e 31.03.09	28811.66	33248.17	49696.10	7507.99	2335.11	4918.35

B. Reconciliation of opening and closing balances of fair value of plan assets

(Rs in lakh)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	LFA/LTC	Post Retirement Medical Benefits
Fair Value of Plan Asset at Beginning of the year 01.04.08	15300.16	12726.71	30475.00	NA*	NA*	NA*
Acquisition Adjustments	0.00	0.00	0.00	NA*	NA*	NA*
Expected Return on Plan Assets	1224.01	1018.14	2438.00	NA*	NA*	NA*
Contributions	0.00	1642.49	0.00	NA*	NA*	NA*
Benefits Paid	770.00	2158.00	1525.20	NA*	NA*	NA*
Actuarial gain/loss on Plan Assets	3801.83	2058.46	6674.60	NA*	NA*	NA*
Fair Value of Plan Asset at the end of the year 31.03.09	19556.00	15287.00	38062.40	NA*	NA*	NA*

NA* : Not Applicable as Scheme is unfunded

**C. Expenses Recognised in Statement of Profit / Loss**

(Rs in lakh)

	Gratuity Fund *	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	LFA/LTC	Post Retirement Medical Benefits
Current Service Cost	1391.07	1655.48	2130.27	1670.58	0.00	0.00
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00
Interest Cost	786.40	1878.22	2594.20	405.86	71.86	330.33
Expected Return on Plan Assets	1224.01	1018.14	2438.00	0.00	0.00	0.00
Curtailment Cost	0.00	0.00	0.00	0.00	0.00	0.00
Settlement Cost	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gain/loss recognised in the year	12732.00	3692.48	4470.23	197.17	2673.09	463.30
Expense Recognized in Statement of Profit/Loss Account	13685.46	6208.04	6756.70	2273.61	2744.95	793.63

* Ref. to note E(i) below

D. Actuarial assumptions

(Rs in lakh)

	Gratuity Fund	Pension Fund (Old)	Pension Fund (New)	Leave Encashment	LFA/LTC	Post Retirement Medical Benefits
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96	1994-96	1994-96
Superannuation Age	60	60	60	60	60	60
Early Retirement & Disablement (10 Per Thousand P.A)						
-age above 45	6	6	6	6	6	6
-age between 29 and 45	3	3	3	3	3	3
-age below 29	1	1	1	1	1	1
Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Inflation Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expected Rate of Return on plan assets	8.00%	8.00%	8.00%	0.00%	0.00%	0.00%
Remaining working life	12	12	14	12	12	12

E. Notes on above

- In view of the Government decision for increasing the ceiling of Gratuity to Rs. 10.00 lakh from existing limit of Rs. 3.50 lakh, the Company has adopted the higher limit for provisioning of Gratuity liability and accordingly based on the liability determined actuarially as on 31.03.2009, an amount of Rs. 13685.47 lakh has been accounted during the year.
- Long Service Award liability as on 31.03.2009, actuarial determination has been charged to Profit and Loss Account.
- The Company's Provident fund is exempted under section 17 of Employees' Provident Fund and Miscs. Provisions Act, 1952. The Company has also taken exemption under Para 39 of Employees Pension Schemes 1995 and extending the Pension benefits through Oil India Employees Pension Fund. Conditions for grant of exemptions stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate in case of Employee Provident Fund and deficiency, if any in extending the pensionary benefits will be made good by the Company in the Employee Pension Fund.



9 (A) Contingent Liabilities:

Claims against the Company not acknowledged as debts amounting to Rs. 198362.49 lakh (Previous year Rs. 62196.30 lakh) include:-

- (a) In respect of claims under Income Tax, Sales Tax, Service Tax and Other Acts:
 - (i) Rs. 1452.53 lakh (Previous year Rs. 1424.54 lakh):- Demand raised by the District Revenue Authorities on account of premium / revenue on Government ceiling surplus land occupied by the Company.
 - (ii) Rs. 1198.54 lakh (Previous year Rs. 1088.47 lakh) – Demand raised by District Revenue Authorities on Account of revised rate of Land revenue against which has been disputed by the Company and obtained Stay from the Gauhati High Court.
 - (iii) Rs. 314.74 lakh (Previous year Rs. 293.94 lakh) being the demand raised by Govt. of Rajasthan for alleged short payment of PEL fee and penalty thereon, which has been disputed by the Company.
 - (iv) Rs. 34555.46 lakh (Previous year Rs. 25908.74 lakh) being the tax imposed under “Assam Taxation (on specified land) Act 2004”, the validity of the imposition of which has been challenged by the Company before the Supreme Court of India.
 - (v) Rs. 125794.66 lakh (Previous year Nil) in respect of discount allowed to MOCS {Refer note no. 10A(x) below}.
- (b) In respect of claims other than under Income Tax, Sales Tax, Service Tax and Other Acts:
 - (i) Rs. 32241.47 lakh (Previous year Rs. 31712.47 lakh) :- Claims by contractors pending decision in Arbitration / Courts.
 - (ii) Rs. 10.57 lakh (Previous year Nil) :- Provisional assessment of CESC against the damage of supply line to the Guest House at Kolkata.
 - (iii) Rs. 5.43 lakh (Previous year Nil) :- Claim of Indian Chamber of Commerce towards the Company's proportionate share of Kolkata Municipality Corporation.
- (c) In respect of share of claim on JVC/ PSC account:
 - (i) Rs. 75.19 lakh (Previous Year Rs. 75.19 lakh) being the value of 19.28 GLK 2D Seismic Survey carried out in one of the block in Karbi Anglong, Assam.
 - (ii) Rs. 1397.93 lakhs (Previous Year Nil) being proportionate (45%) value of claim on OIL for 3.094 billion FCFA raised by Mr. Paul Tomo, Power of Attorney Holder of M/s Import Commerce General (IGC) in Block “Shakthi” ,Gabon (JV).
 - (iii) Rs. 1315.97 lakh (Previous Year Rs. 1692.95 lakh) being the Company's share of claim made by the Sudan pipeline contractor on OVL, pending acceptance.

(B) Letter of Credit and Bank Guarantees.

- (i) Letters of Credit outstanding as on 31.03.2009 amounting to Rs. 4478.10 lakh (Previous year Rs. 7806.71 lakh) for which there is a floating charge on Current Assets of the Company.
- (ii) Letters of Credit outstanding as on 31.03.2009 amounting to US dollars of 1.032 million equivalent to Rs.518.32 lakh (Previous year Nil) towards OIL's share(50%) for Area 86 and Block 102/4, Libya issued by M/s ICICI Bank Limited, New Delhi.
- (iii) Rs. 16674.43 lakh (Previous year Rs. 8238.02 lakh) :- Bank Guarantee in US Dollars of 364.22 Million issued by SBI CAG Branch, Kolkata in favour of Ministry of Petroleum & Natural Gas, Govt. of India towards Company's obligation under various rounds of Production Sharing Contracts.
- (iv) Rs. 401.44 lakh (Previous year – Nil) :- Guarantee / Standby Letter of Credits in US dollars of 0.80 Million issued in favour of Ganoub Ei Wadi Holding Petroleum Company, Cairo, Egypt towards 5% of the total financial commitment of the first exploration phase as per Company's participating interest.



- (v) Rs. 2000.00 lakh (Previous year – Nil) :- Bank Guarantee issued by SBI, CAG Branch Kolkata in favour of Department of Telecommunication (DOT) as per License Agreement for National Long Distance (NLD) Service.
- (C) (i) The estimated amount on account of contracts remaining to be executed on Capital Account and not provided for in the accounts :- Rs. 18256.83 lakh (Previous year Rs. 22044.23 lakh).
- (ii) Company's share of amount of contracts remaining to be executed on Capital Account and not provided for in the account as on 31.03.2008 in respect of the Joint Ventures is Nil. (Previous Year Nil).

10. General

- (A) (i) With effect from 01.04.2002, the price of Crude Oil and LPG is market determined in terms of the Policy of the Government of India. Accordingly, the crude oil price is determined based on the terms and condition of the Memorandum of Understanding (MOU) signed with various buyers of crude oil for the period from 01.04.2002 to 31.03.2004. Though the MOU for the period effective from 01.04.2004 has not yet been finalized, the Company is continuing to bill and the buyers are continuing to pay on the terms and conditions of the MOU for the period from 01.04.2002 to 31.03.2004. In terms of the notification from MOP&NG dated 01.05.2009, the Company w.e.f. 01.04.2008 has accounted for on a monthly average price of crude oil bench marked to Basket Price of crude oil (ascertained from Reuter) after adjustment for gross product worth (quality differential) and discount on account of Base Sediment & Water (BS&W). As regards LPG price, the same continues to be notified by Indian Oil Corporation Ltd. (IOC) every month.
- (ii) The Ministry of Petroleum & Natural Gas (MOP&NG), Govt. of India, vide its letter dated 01.05.2009 allowed the Company to realize the sales tax for the financial year 2008-09, similar to decision in 2006-07 and 2007-08, in respect of crude oil supplies to refineries which were borne by the Company up to financial year 2005-06.
- (iii) In terms of decision of the Govt. of India, conveyed by Petroleum Planning and Analysis Cell, the Company has allowed discount of Rs. 294853.19 lakh (Previous year Rs. 223562.73 lakh) on sale price of Crude oil and Rs. 7475.48 lakh. (Previous year Rs. 6946.08 lakh) on sale price of LPG during the year. Accordingly, the sales revenue in respect of crude oil and LPG is net of the aforesaid discounts, which have the effect of reduction of the profit for the year by that amount.
- (iv) The price of Natural Gas was revised by the Ministry of Petroleum and Natural Gas, Government of India vide letter No. L-12015/5/04-GP (i) dated 20th June, 2005. The revised price applicable w.e.f. 01.07.2005 in respect of APM gas quantity, being the quantity of gas produced as on 30.06.2005 and sold to consumers other than those with whom the Company had signed Gas Sale and Purchase Agreement (GSPA) with mutually agreed price. The gas price for gas sale in Rajasthan is governed by the MOU dated 11th October, 2004 between the Company and GAIL, which is a mutually agreed price.
- (v) Pending finalization of the Transportation Tariff by the Government for Crude Oil, the Company has on a provisional basis accounted for the transportation Income of Crude Oil, for the year from all the refineries as fixed by the Petroleum Planning & Analysis Cell (PPAC) for the year 2001-02. In regards to the transportation income in respect of crude oil of M/s Oil & Natural Gas Corpn. Ltd. (ONGC) and Conoro Resources Limited the same are accounted for based on the MOU/Crude Oil Transportation Agreement (COTA) signed with the respective companies.
- (vi) The Company is holding in its safe custody, Fixed Deposit Receipts issued in its favour by Contractors / Suppliers as Security Deposit / Earnest Money amounting to Rs. 160.70 lakh (Previous year Rs. 159.10 lakh), which are not included in the accounts.
- (vii) The total Gas Reserve as on 31.03.2009 in Assam & Arunachal Pradesh has been ascertained field wise based on the report of the outside expert as on 01.04.2008.
- (viii) Exchange gain of Rs. 615.08 lakh (Previous year loss of Rs. 392.13 lakh) includes, exchange gain of Rs nil (Previous Year Rs. 21.75 lakh) related to Assets charged off in line with the changed Accounting Policy no. 5 due to applicability of AS 11 (Revised).



- (ix) OIL has entered into a MOU with HPCL, GAIL, Mittal Energy Investment Pte. Ltd. and TOTAL France S.A. on 18.10.2007 for setting up of an integrated Refinery cum Petrochemical Complex at Vishakapatnam in Andhra Pradesh. A provision of Rs.92.29 lakh (Previous year Rs. 81.00 lakh) is been carried over in the accounts upto 31.03.2009 towards OIL's share of cost for feasibility study for the said project.
- (x) The Income Tax Assessing Officers while completing the Assessment for Assessment Year 2003-04, 2004-05, 2005-06 & 2006-07 had rejected the claims of the Company for certain reliefs and concessions u/s 80IB/80IC and further did not allow the discount on Crude oil and LPG being allowed to Oil Marketing Companies (OMC) as per the Government order/notification, as expense, resulting to a demand of Rs. 84023.00 lakh on the Company. The Company had preferred Appeal before the first Appellate Authority against such order/demand and succeeded in the appellate proceeding resulting into refund of Rs. 69551.07 lakh (including interest of Rs. 7524.82 lakh). No accounting action has been taken either for reversal of the tax provision or the interest receipt in view of second appeal having been filed by the Income Tax Department before Income Tax Appellate Tribunal (ITAT). The Committee on Dispute (COD-constituted by Govt of India) while considering both the disputes allowed the first dispute i.e., the claim of the company, under 80IB and 80IC to be decided by the ITAT and has referred the second matter to Ministry of Law, Govt. of India, for its opinion on the allowability or otherwise under the Income Tax Act of the discount allowed by the Company to the OMC.

For the Assessment Year 2007-08, the Assessing Officer continued the disallowance of both the above two claims of the Company in the Assessment order and demanded Rs. 71660.86 lakh. The Company has preferred Appeal before CIT (Appeals) disputing such disallowance.

Pending finalization of appellate proceedings by ITAT, the amount related to above disallowances has been disclosed as Contingent Liability net of provision existing in the books of accounts for the relevant years.

- (B) The salaries and other benefits of the Unionized Employees as well as Executive Employees (below Board level) are due for revision with effect from 01.01.2007. Pending finalization and implementation of the same a sum of Rs. 14159.18 lakh for the period 01.01.2007 to 31.03.2008 and Rs. 15173.86 lakh for the current year have been provided in the accounts on adhoc basis (Rs. 15322.28 lakh accounted during the year and Rs. 14010.76 lakh accounted in the previous year).
- (C) Borrowing cost capitalized during the year is nil.
- (D) Previous year's figures have been reclassified/ regrouped wherever necessary to conform to current year's classifications.

Sd/-
(S. R. KRISHNAN)
Company Secretary

Sd/-
(T. K. ANANTH KUMAR)
Director (Finance)

Sd/-
(N. M. BORAH)
Chairman & Managing Director

Place : NOIDA
Date : 29th May, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs. in lakh)

	Year ended 31.03.2009	Year ended 31.03.2008
Cash flows from Operating Activities :		
Profit before Tax and Prior Period :	339160.06	271453.39
Adjustments for:		
- Depreciation	16807.86	9185.98
- Depletion	20876.40	21748.00
- Leave Encashment	1919.31	610.17
- Foreign Exchange Loss/(Gain)	(615.08)	392.13
- Post Retirement Medical Benefits for Employees	234.21	343.13
- Provision for LFA/LTC	8.85	978.97
- Provision for Gratuity	13685.47	0.00
- Provision for Long Service Award	(46.74)	0.00
- Well Abandonment Provision	31.60	6.83
- Dividend Income	(4433.92)	(4781.61)
- Interest Income	(62676.01)	(44288.42)
- Interest Expenses	874.41	3436.42
Operating Profit before Working Capital Changes	325826.42	259084.99
Adjustments for :		
- Inventories	(5010.08)	(4287.07)
- Sundry Debtors	20626.15	(20231.77)
- Loans and Advances	(52495.23)	65559.17
- Provisions	23429.66	20496.52
- Current Liabilities	37126.59	28500.32
Cash generated from operations	349503.51	349122.16
Direct Taxes paid (Net of tax refunds)	(52646.82)	(85352.56)
Cash generated before prior period items	296856.69	263769.60
Prior Period Items	(463.03)	(113.18)
Net Cash from Operating Activities (A)	296393.66	263656.42
Cash flows from Investing Activities:		
Capital Expenditure	(84959.90)	(79169.66)
Purchase of Investment	0.00	(8111.55)
Sale/Maturity/Redemption of Investments	0.00	0.00
Dividend Income	4433.92	4781.47
Interest Income	50265.62	37171.29
Net Cash from Investing Activities (B)	(30260.36)	(45328.45)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (contd.)

(Rs. in lakh)

	Year ended 31.03.2009	Year ended 31.03.2008
Cash flows from Financing Activities:		
Repayment of long term borrowings and cash credit advance	(11843.27)	(74348.43)
Proceeds from long term borrowings	0.00	10436.19
Interest Expenses	(874.41)	(3436.42)
Dividend paid	(64201.32)	(42800.33)
Dividend Tax	(10911.02)	(7274.01)
Foreign Exchange Gain/(Loss)	615.08	(392.13)
Net Cash from Financing Activities (C)	(87214.94)	(117815.13)
Net Increase in Cash and Cash Equivalents (A+B+C)	178918.36	100512.84
Cash and Cash equivalents at the beginning of the year	428082.48	327569.64
Cash and Cash equivalents at the end of the year	607000.84	428082.48

Notes :

a. Cash and cash equivalents (Schedule-11) represents:

i) Cash & Cheques in hand	161.07	105.94
ii) Current accounts & Term Deposits in Scheduled Banks	606839.77	427976.54
	607000.84	428082.48

b. The above cash flow statement has been prepared under the "indirect method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the The Institute of Chartered Accountants of India.

c. Figures in parentheses represent cash outflows.

d. Previous year's figures have been rearranged, regrouped, recast wherever necessary to confirm current years' classification.

For **CHATTERJEE & CO.**
CHARTERED ACCOUNTANTS

For **A.K.SABAT & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-
(S.K.CHATTERJEE)
PARTNER
Membership No. 3124

Sd/-
(A.K.SABAT)
PARTNER
Membership No. 30310

Sd/-
(S.R.KRISHNAN)
COMPANY SECRETARY

Sd/-
(T.K.ANANTH KUMAR)
DIRECTOR (FINANCE)

Sd/-
(N.M. BORAH)
CHAIRMAN & MANAGING DIRECTOR

PLACE : NOIDA

DATE : 29TH MAY, 2009

**INFORMATION UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956****Balance Sheet abstract and Company's General Business Profile****I. Registration Details- Registrar of Companies, Assam, Shillong**

Registration Number :

1	8	/	1	1	4	8				
O	f	1	9	5	8	-	1	9	5	9

0	2
---	---

Balance Sheet Date :

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

 Employees Issue

N	I	L
---	---	---

III. Position of Mobilization and deployment of Funds (Amount in Rs. Thousand)

Total Liabilities <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>0</td><td>2</td><td>8</td><td>8</td><td>7</td><td>5</td><td>3</td><td>2</td></tr></table>	1	0	2	8	8	7	5	3	2	Total Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1</td><td>0</td><td>2</td><td>8</td><td>8</td><td>7</td><td>5</td><td>3</td><td>2</td></tr></table>	1	0	2	8	8	7	5	3	2		
1	0	2	8	8	7	5	3	2													
1	0	2	8	8	7	5	3	2													
Source of Funds :																					
Paid -up Capital <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>2</td><td>1</td><td>4</td><td>0</td><td>0</td><td>4</td><td>4</td></tr></table>			2	1	4	0	0	4	4	Reserves & Surplus <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>9</td><td>1</td><td>1</td><td>7</td><td>0</td><td>1</td><td>5</td><td>1</td></tr></table>			9	1	1	7	0	1	5	1	
		2	1	4	0	0	4	4													
		9	1	1	7	0	1	5	1												
Secured Loans <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>2</td><td>7</td><td>0</td><td>2</td><td>5</td></tr></table>					2	7	0	2	5	Unsecured Loans <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>5</td><td>3</td><td>7</td><td>5</td><td>0</td><td>0</td></tr></table>					5	3	7	5	0	0	
				2	7	0	2	5													
				5	3	7	5	0	0												
Deferred Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>8</td><td>9</td><td>9</td><td>8</td><td>2</td><td>4</td><td>6</td></tr></table>			8	9	9	8	2	4	6	Well Abandonment Sinking Fund <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>1</td><td>4</td><td>5</td><td>6</td><td>6</td></tr></table>					1	4	5	6	6		
		8	9	9	8	2	4	6													
				1	4	5	6	6													
Application of Funds :																					
Net Fixed Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>4</td><td>5</td><td>3</td><td>6</td><td>1</td><td>0</td><td>2</td><td>7</td></tr></table>			4	5	3	6	1	0	2	7	Investments <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>4</td><td>8</td><td>8</td><td>6</td><td>6</td><td>0</td><td>6</td></tr></table>				4	8	8	6	6	0	6
		4	5	3	6	1	0	2	7												
			4	8	8	6	6	0	6												
Net Current Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>5</td><td>2</td><td>6</td><td>3</td><td>9</td><td>8</td><td>9</td><td>9</td></tr></table>			5	2	6	3	9	8	9	9	Misc. Expenditure <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L
		5	2	6	3	9	8	9	9												
							N	I	L												
Accumulated Losses <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>								N	I	L											
							N	I	L												

IV. Performance of Company (Amount in Rs. Thousands)

Turnover <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>8</td><td>1</td><td>3</td><td>7</td><td>8</td><td>7</td><td>7</td><td>5</td></tr></table>			8	1	3	7	8	7	7	5	Total Expenditure <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>4</td><td>7</td><td>4</td><td>6</td><td>2</td><td>7</td><td>8</td><td>9</td></tr></table>			4	7	4	6	2	7	8	9
		8	1	3	7	8	7	7	5												
		4	7	4	6	2	7	8	9												
Profit Before Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>3</td><td>3</td><td>8</td><td>6</td><td>9</td><td>7</td><td>0</td><td>3</td></tr></table>			3	3	8	6	9	7	0	3	Profit After Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>2</td><td>1</td><td>6</td><td>1</td><td>6</td><td>8</td><td>4</td><td>0</td></tr></table>			2	1	6	1	6	8	4	0
		3	3	8	6	9	7	0	3												
		2	1	6	1	6	8	4	0												
Earning per Share in Rupees <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>1</td><td>0</td><td>1</td><td>.</td><td>0</td><td>1</td></tr></table>					1	0	1	.	0	1	Dividend Rate % <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>3</td><td>0</td><td>5</td></tr></table>								3	0	5
				1	0	1	.	0	1												
							3	0	5												

V. Generic Names of Three principal Products/ Services of Company (As per monetary terms)

Item Code No. (ITC Code)

2	7	-	0	9
---	---	---	---	---

Product Description

C	R	U	D	E		O	I	L
---	---	---	---	---	--	---	---	---

Item Code No. (ITC Code)

2	7	1	1	-	2	1
---	---	---	---	---	---	---

Product Description

N	A	T	U	R	A	L		G	A	S
---	---	---	---	---	---	---	--	---	---	---

Item Code No. (ITC Code)

2	7	-	1	1
---	---	---	---	---

Product Description

L	I	Q	U	E	F	I	E	D		P	E	T	R	O	L	E	U	M		G	A	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---

For and on behalf of the Board of Directors

Sd/-
(S.R. KRISHNAN)
COMPANY SECRETARY

Sd/-
(T.K. ANANTH KUMAR)
DIRECTOR (FINANCE)

Sd/-
(N.M. BORAH)
CHAIRMAN & MANAGING DIRECTOR



Disclaimer

"Oil India Limited is proposing, subject to market conditions and other considerations, a public issue of its equity shares and has filed a Draft Red Herring Prospectus with the Securities and Exchange Board of India ("SEBI"), which is available on the website of SEBI at www.sebi.gov.in and the respective websites of the Book Running Lead Managers at www.jmfinancial.in, www.morganstanley.com/indiaofferdocuments, www.citibank.co.in and www.hsbc.co.in/1/2/corporate/equities-global-investment-banking. The Draft Red Herring Prospectus has been subsequently updated and filed with SEBI. The Red Herring Prospectus shall be made available on the aforementioned websites. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the Red Herring Prospectus. This presentation does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. The Company has not and does not intend to register any securities under the U.S. Securities Act of 1933, as amended, and does not intend to offer any securities to the public in the United States. The Company will not be registered under the U.S. Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of that Act. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted."

OIL INDIA LIMITED
Regd. Office : Duliajan, Distt. Dibrugarh, Assam - 786602

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DUTY FILLED IN BE HANDED OVER AT THE MEETING)

Name of the Member (in Block Letters).....

Member's Folio Number

Client ID* DP ID*

Name of proxy (s) (in Block Letters).....
(to be filled in, if a Proxy attends instead of the member)

No. of Shares held

I hereby record my presence at the 50th Annual General Meeting of the Company held at Duliajan, Distt. Dibrugarh, Assam on Monday, the 17th day of August, 2009 at 10.30 AM.

Member's / Proxy's
Signature

*Applicable for investors holding share(s) in electronic form.

(Tear Here)



OIL INDIA LIMITED
Regd. Office : Duliajan, Distt. Dibrugarh, Assam - 786602

Folio No. _____ Client ID* _____ DP ID* _____

PROXY FORM

I/we of

being a member/members of Oil India Limited hereby appointof

..... or failing him

of

as my/our proxy to vote for me/us and on my/our behalf at the 50th Annual General Meeting to be held on Monday, the 17th day of August, 2009 at 10.30 AM or at any adjournment thereof.

Affix
Revenue
Stamp

Signed this day of 2009

Signature of Member

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

THE PROXY NEED NOT BE A MEMBER OF THE COMPANY

*Applicable for investors holding share (s) in electronic form.

