RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated August 25, 2009
(This Red Herring Prospectus will be updated upon RoC filing)
100% Book Built Issue

OIL INDIA LIMITED

Our Company was incorporated on February 18, 1959 under the Companies Act, 1956 ("**Companies Act**") as a private limited company. The name of our Company was changed from Oil India Private Limited to Oil India Limited with effect from May 4, 1961. **Registered Office**: P.O. Duliajan, District Dibrugarh, Assam 786 602, India. Tel: +91 (374) 2800 508. Fax: +91 (374) 2800 433. **Corporate Office**: OIL House, Plot Number 19, Sector 16A, Noida, District Gautam Budh Nagar, Uttar Pradesh 201 301, India. Tel: +91 (120) 2488 333. Fax: + 91 (120) 2488 310. For details of changes in our name and registered office, see "***History and Certain Corporate Matters***" on page 106. **Contact Person and Compliance Officer**: Mr. S.R. Krishnan, Company Secretary, Tel: +91(120) 2488 307. Fax: +91(120) 2488 412. E-mail: investors@oilindia.in Website: www.oil-india.com

PUBLIC ISSUE OF 26,449,982 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE OF OIL INDIA LIMITED ("OIL INDIA", "THE COMPANY" OR "THE ISSUER") AGGREGATING RS. [●] MILLION ("ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 24,045,438 EQUITY SHARES ("NET ISSUE") AND A RESERVATION OF 2,404,544 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"), AT THE ISSUE PRICE. THE ISSUE SHALL CONSTITUTE 11% OF THE FULLY DILUTED POST-ISSUE CAPITAL OF THE COMPANY.

PRICE BAND: RS. 950 TO RS. 1,050 PER EQUITY SHARE OF FACE VALUE RS. 10 EACH.

THE FACE VALUE OF EQUITY SHARES IS RS.10 EACH. THE FLOOR PRICE IS 95 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 105 TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional Business Days after revision of the Price Band subject to the Bid/Issue Period not exceeding 10 Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers (**"BRLMs"**) and at the terminals of the members of the Syndicate.

This is an Issue of less than 25% of the post-Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2) (b) of the SCRR (as defined herein) through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allocated to Qualified Institutional Buyers (**"QIBs"**) on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds subject to valid Bids being received at or above Issue Price. In addition, in accordance with Rule 19(2) (b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Net Issue will aggregate at least Rs. 1,000 million. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees (as defined herein), subject to valid Bids being received at or above the Issue Price.

Resident Retail Individual Investors may participate in this Issue through an Application Supported by Blocked Amount providing details of the bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Bank. For details see ***"Issue Procedure"*** on page 293.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of our Equity Shares, there has been no formal market for our Equity Shares. The face value of our Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for our Equity Shares by way of Book Building Process) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active or sustained trading in our Equity Shares or regarding the price at which our Equity Shares will be traded after listing. As this is an issue of Equity Shares, our Company has not opted for credit rating from a Securities and Exchange Board of India ("**SEBI**") registered credit rating agency.

IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned a grade of 4/5. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For more information on the IPO Grading, see "***General Information***" and *"**Appendix C**"* on page 12 and 516, respectively.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page xix.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer has made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

Our Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. We have received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated January 22, 2008 and January 8, 2008, respectively. The NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
JM FINANCIAL	Morgan Stanley	citi	HSBC	KARVY Karvy Computershare Private Limited
JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai 400 021 Maharashtra, India. Tel: +91 (22) 6630 3030 Fax: +91 (22) 2204 7185 Email: oilipo@jmfinancial.in Investor Grievance e-mail: grievance.ibd@jmfinancial.in Website:www.jmfinancial.in Contact Person: Mr. Munindra Sehgal SEBI Registration Number: INM000010361	**Morgan Stanley India Company Private Limited** 1102-1115, Trident, Nariman Point, Mumbai 400 021. Maharashtra, India Tel: +91 (22) 6621 0555 Fax: +91 (22) 6621 0556 E-mail: oilindia@morganstanley.com Investor Grievance e-mail: investors_india@morganstanley.com Website: www.morganstanley.com/ indiaofferdocuments Contact Person: Ms. Sonali Johari/ Mr. Vishal Gahlaut SEBI Registration Number: INM000011203	**Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6631 9999 Fax: +91 (22) 6631 9803 E-mail: oil.ipo@citi.com Investor Grievance e-mail: investors.cgmib@citi.com Website: www.citibank.co.in Contact Person: Mr. Shitij Kale SEBI Registration Number: INM000010718	**HSBC Securities and Capital Markets (India) Private Limited** 52/60 Mahatma Gandhi Road Fort, Mumbai - 400 001 Maharashtra, India Tel: +91 (22) 2269 4921 Fax: +91 (22) 2263 1984 Email: oilindiaipo@hsbc.co.in Investor Grievance email : investorgrievance@hsbc.co.in Website:http://www.hsbc.co.in/1/2/corporate/ equities-global-investment-banking Contact Person: Mr. Gaurav Shimpi SEBI Registration Number: INM000010353	**Karvy Computershare Private Limited** Karvy House, 46, Avenue 4, Street Number 1, Banjara Hills, Hyderabad 500 034, Andhra Pradesh, India. Tel: +91 40 2342 0815 Toll Free Number: 1-800-345 4001 Fax: +91 40 2342 0814 Email: ganapathy@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR000000221

ISSUE PROGRAMME

BID/ISSUE OPENS ON : SEPTEMBER 7, 2009	**BID/ISSUE CLOSES ON : SEPTEMBER 10, 2009**

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DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the following meanings in this Red Herring Prospectus. Further, all references to any Acts, Rules, Regulations, Guidelines or other applicable laws, shall include any amendments thereto.

Company Related Terms

In this Red Herring Prospectus, unless the context otherwise indicates, all references to "OIL", the "Company", the "Issuer", "we", "us" and "our" are to Oil India Limited, a public limited company incorporated in India under the Companies Act, with its registered office currently situated at P.O. Duliajan, District Dibrugarh, Assam, 786 602, India.

Term	Description
Appraisal Programme	As described in "***History and Certain Corporate Matters***" on page 106
APWA	Assam Petroleum Workers Association
APWU	Assam Petroleum Workers Union
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board described in "***Our Management***" on page 133
Auditors	The joint statutory auditors of our Company, M/s A.K. Sabat & Co. and M/s Chatterjee & Co.
Board or Board of Directors	The board of directors of our Company, including a duly constituted committee thereof
Buyers	As described in "***History and Certain Corporate Matters***" on page 106
Contractor	As described in "***History and Certain Corporate Matters***" on page 106
Corporate Office	The corporate office of our Company, currently situated at OIL House, Plot Number 19, Sector 16A, Noida, District Gautam Budh Nagar, Uttar Pradesh 201 301
Custody Transfer Tank	As described in "***History and Certain Corporate Matters***" on page 106
Director(s)	The director(s) of our Company
Financial Year/fiscal/FY	The period of 12 months ending on March 31 of a particular year, unless otherwise stated
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
MWA	Motor Workers Association
OILU	Oil India Labour Union
OIWA	Oil India Workers' Association
OMDWU	Oil Management Drilling Workers' Union
Promoter	The President of India, acting through the MoPNG, GoI
Registered Office	The registered office of our Company, currently situated at P.O. Duliajan, District Dibrugarh, Assam 786 602, India
RoC	The Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Mizoram and Arunachal Pradesh, at Shillong, Meghalaya, India
Sellers	As described in "***History and Certain Corporate Matters***" on page 106

Issue Related Terms

Term	Description
Allocation Amount	The amount payable by a Bidder on or prior to the Pay-in Date after deducting the Margin Amount
Allotment/Allot	The Allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom our Equity Shares are Allotted

Term	Description
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by a Resident Retail Individual Investor to make a Bid authorizing the concerned SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Account	The bank account of, or utilized by, the ASBA Bidder, in which an amount equivalent to such Bidder's ASBA Bid shall be blocked by the concerned SCSB until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be
ASBA Bid cum Application Form or ASBA BCAF	The form used by an ASBA Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus which includes both the electronic and physical Bid cum Application forms
ASBA Bidders	Any Resident Retail Individual Investor who applies through ASBA and (i) is bidding at Cut-off Price, with single option as to the number of Equity Shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/her bid; and (iv) is not bidding under the Employee Reservation Portion
ASBA Public Issue Account	A bank account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Bankers to the Issue	The bankers to the Issue in this case being ABN Amro Bank N.V., Axis Bank Limited, Citibank N.A., Deutsche Bank A.G., HDFC Bank Limited, Kotak Mahindra Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Standard Chartered Bank Limited, State Bank of India, The Hongkong and Shanghai Banking Corporation, and Yes Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "***Issue Procedure***" on page 293
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder, pursuant to submission of a Bid cum Application Form to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bid/Issue Period by a Resident Retail Individual Investor to subscribe to the Equity Shares at the Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid
Bid cum Application Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for issue of our Equity Shares pursuant to the terms of this Red Herring Prospectus and the Prospectus
Bid/Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue and which shall be notified in one English national daily newspaper, one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation
Bid/Issue Opening Date	The date on which the members of the Syndicate and SCSBs start accepting Bids for the Issue and which shall be notified in one English national daily newspaper, one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) during which Bidders can submit Bids, including any revisions thereof

Term	Description
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder, unless specifically stated otherwise
Book Building Process	The book building process as described in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Issue, in this case being JM Financial Consultants Private Limited, Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids will be accepted, including any revision thereto
Confirmation of Allocation Note or CAN	The note, advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLMs. A Bid submitted at the Cut-off Price is a valid Bid. Only Retail Individual Bidders and Eligible Employees are entitled to bid at the Cut-off Price for a Bid Amount not exceeding Rs. 100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price. It is mandatory for ASBA Bidders to Bid at the Cut-Off Price
Demographic Details	As described in "***Issue Procedure***" on page 293
Designated Branches	Such branches of the SCSBs which shall collect ASBA Bid cum Application Form from the ASBA Bidders, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account to the Issue Account and the SCSBs transfer amount blocked in the bank accounts of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	NSE
Draft Red Herring Prospectus	The draft red herring prospectus dated December 14, 2007 issued in accordance with section 60B of the Companies Act and the SEBI Guidelines, which does not contain complete particulars of the price at which our Equity Shares are offered and the Issue size in terms of value

Term	Description
Eligible Employee	All or any of the following: (a) a permanent employee of our Company as of the date of filing of this Red Herring Prospectus and based, working and present in India as on the date of submission of the Bid cum Application Form. (b) a Director of our Company (excluding Government Nominee Directors) as of the date of filing of this Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form. For the purpose of this definition, an employee who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a permanent employee. (It may be noted that all participation by Directors and employees of the Company will be in accordance with any laws, regulations, guidelines, circulars or notifications applicable to them.)
Eligible NRI	An NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for our Equity Shares
Employee Reservation Portion	The portion of the Issue being 2,404,544 Equity Shares available for allocation to Eligible Employees
Equity Shares	Unless the context otherwise indicates, the Equity Shares of our Company with a face value of Rs. 10 each
Escrow Account	An account to be opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid and the Allocation Amount paid thereafter
Escrow Agreement	The agreement to be entered into among our Company, the Registrar, the BRLMs, the other members of the Syndicate and the Escrow Collection Bank(s) for collection of the Bid Amounts and, where applicable, remitting refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Banks	The escrow collection banks in this case being ABN Amro Bank N.V., Axis Bank Limited, Citibank N.A., Deutsche Bank A.G., HDFC Bank Limited, Kotak Mahindra Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Standard Chartered Bank Limited, State Bank of India, The Hongkong and Shanghai Banking Corporation and Yes Bank Limited, which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Account will be opened
Executive Summary	The executive summary of the summary independent technical report from Gaffney, Cline & Associates (Consultants) Pte Ltd describing its conclusions as of March 31, 2007 which appears at Appendix A of this Red Herring Prospectus
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted including any revisions thereof.
Issue	The public issue of 26,449,982 Equity Shares at the Issue Price for cash aggregating Rs. [●] million. The Issue comprises a Net Issue to the public of 24,045,438 Equity Shares and an Employee Reservation Portion of 2,404,544 Equity Shares for subscription by Eligible Employees
Issue Account	The account to be opened with the Banker(s) to the Issue to receive monies from the Escrow Account on the Designated Date

Term	Description
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidder. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of this Red Herring Prospectus
Margin Amount	The amount paid by the Bidder or blocked in the bank account of the ASBA Bidders, at the time of submission of the Bid and which may range between 10% to 100% of the Bid Amount
Memorandum of Understanding	The agreement entered into on December 12, 2007 between our Company and the BRLMs pursuant to which certain arrangements are agreed in relation to the Issue
Monitoring Agent	IFCI Limited
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion or 721,363 Equity Shares available for allocation to Mutual Funds only out of the QIB Portion
Net Issue	Issue net of Employee Reservation Portion, consisting of 24,045,438 Equity Shares to be Allotted in the Issue at the Issue Price
Net Proceeds	Proceeds of the Issue, after deducting the underwriting and management fees, selling commission and other expenses associated with the Issue
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have bid for Equity Shares for an amount higher than Rs. 100,000 (but not including NRIs, other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than 10% of the Net Issue or 2,404,544 Equity Shares at the Issue Price available for allocation to Non-Institutional Bidders
Non-Resident Indian or NRI	A person resident outside India, as defined under the FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Pay-in Date	With respect to, Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the last date specified in the CAN sent to such Bidders.
Pay-in Period	The period commencing on the Bid/Issue Opening Date and extending until the Pay-in Date
Price Band	The price band between the Floor Price of Rs. 950 per Equity Share and a Cap Price of Rs. 1,050 per Equity Share, including all revisions thereof as may be permitted by the SEBI Guidelines
Pricing Date	The date on which our Company, in consultation with the BRLMs, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC pursuant to section 60 of the Companies Act, 1956 containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process on the Pricing Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount being the amount QIBs are required to pay at the time of submitting a Bid
QIB Portion	The portion of the Net Issue being at least 60% of the Net Issue or at least 14,427,263 Equity Shares at the Issue Price to be allocated to QIBs on a proportionate basis

Term	Description
Qualified Institutional Buyers or QIBs	Public financial institutions specified in section 4A of the Companies Act, FIIs and their sub-accounts registered with SEBI, other than sub-accounts which are foreign corporates or foreign individuals, scheduled commercial banks, Mutual Funds, a multilateral and bilateral development financial institution, venture capital funds registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million and the national investment fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 Government of India published in the Gazette of India
Qualified Purchaser	As defined in the U.S. Investment Company Act and related rules
Red Herring Prospectus or RHP	This red herring prospectus dated August 25, 2009 issued in accordance with section 60B of the Companies Act which does not have complete particulars of the price at which our Equity Shares are offered and the Issue size in terms of value and which will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date
Refund Account	The account opened with (an) Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made
Refund Bank	The Bankers to the Issue, in which an account is opened and from which a refund of the whole or part of the Bid Amounts, if any, shall be made, in this case being, Citibank N.A. and The Hongkong and Shanghai Banking Corporation
Refund through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, NEFT or RTGS, as applicable
Registrar to the Issue	Karvy Computershare Private Limited, having its registered office at Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034, India
Resident Retail Individual Investor(s)	Retail Individual Bidder who is a person resident in India as defined under FEMA and who is eligible to apply in this Issue through the ASBA process
Retail Individual Bidder(s)	Individual Bidders (including HUFs and Eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being not less than 30% of the Net Issue or not less than 7,213,631 Equity Shares at the Issue Price available for allocation to Retail Individual Bidders
Revision Form	The form used by Bidders, excluding ASBA Bidders, to modify the number of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Banks / SCSBs	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Share Purchase Agreement	The share purchase agreement dated December 27, 2007 entered between the President of India, IOCL, HPCL, BPCL and our Company for the Transfer
Stock Exchanges	BSE and NSE
Summary Independent Technical Report 2007	The summary independent technical report from Gaffney, Cline & Associates (Consultants) Pte Ltd describing its conclusions as of March 31, 2007

Term	Description
Summary Independent Technical Report 2008	The summary independent technical report from Gaffney, Cline & Associates (Consultants) Pte Ltd describing its conclusions as of March 31, 2008 which appears at Appendix B of this Red Herring Prospectus
Summary Independent Technical Reports	Summary Independent Technical Report 2007 and Summary Independent Technical Report 2008
Syndicate Agreement	The agreement between the members of the Syndicate and our Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate Member	JM Financial Services Private Limited
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Member
Regulation S	Regulation S under the U.S. Securities Act
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be to a Bidder as proof of registration of the Bid
Transfer	Transfer by the MoPNG of 10,700,220 Equity Shares to Indian Oil Company Limited, 5,350,110 Equity Shares to Hindustan Petroleum Corporation Limited and 5,350,110 Equity Shares to Bharat Petroleum Corporation Limited at the Issue Price pursuant to the Share Purchase Agreement
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. Person	As defined in Regulation S under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
UIN	Unique identification Number as described in "***Issue Procedure***" on page 293
Underwriters	BRLMs and the Syndicate Member
Underwriting Agreement	The agreement between our Company, and the Underwriters to be entered into on or after the Pricing Date

Conventional and General Terms

Term	Description
ACCE	Assistant Commissioner of Central Excise
ACIT	Additional Commissioner of Income Tax
Act or Companies Act	Companies Act, 1956
ADJ	Assistant District Judge
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standard, as issued by the Institute of Chartered Accountants of India
Assam Land Revenue Reassessment Amendment Act	Assam Land Revenue Reassessment (Amendment) Act, 1997
Assam Taxation Amendment Act	Assam Taxation (Specified Lands) (Amendment) Act, 2004
AY	Assessment Year
CAGR	Compounded Annual Growth Rate
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
Central Excise Rules	Central Excise Rules, 2002
CESC	Calcutta State Electricity Corporation Limited
CIT (A)	Commissioner of Income Tax (Appeals)
Citi	Citigroup Global Markets India Private Limited
COD	Committee on Disputes
CPIO	Central Public Information Officer
CRZ	Coastal Regulation Zones
CST Rules	Central Sales Tax (Registration and Turnover) Rules, 1957
Depository	A body corporate registered as a depository with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act

Term	Description
Depositories	NSDL and CDSL (defined hereinafter)
Depositories Act	The Depositories Act, 1996
DGH	Directorate General of Hydrocarbons
DGMS	Directorate General of Mines Safety
DPE	Department of Public Enterprises
E&P	Exploration and Production
EC Act	The Essential Commodities Act, 1955
ECS	Electronic clearing service
EGM	Extraordinary general meeting of our shareholders
Environment Protection Act	The Environmental Protection Act, 1986
EPS	Earnings per share, i.e., profit after tax for a fiscal year divided by the number of Equity Shares outstanding at the end of the fiscal year
EU	European Union
FCNR Account	Foreign Currency Non-Resident Account established in accordance with the FEMA
FDI	Foreign direct investment as understood under applicable Indian regulations
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations thereunder and amendments thereto
FEMA Overseas Investment Regulations	The Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000
FIIs	Foreign institutional investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
FIPB	Foreign Investment Promotion Board
Forest Conservation Act	Forest Conservation Act, 1980
FVCI	Foreign venture capital investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR No	General index register number
GoI or Government	Government of India
Government of Sudan	Government of Sudan, Khartoum, Sudan
Government of Timor Leste	Democratic Republic of Timor Leste
Hazardous Waste Rules	The Hazardous Waste (Management and Handling) Rules, 1989
HSBC	HSBC Securities and Capital Markets (India) Private Limited
HUF	Hindu undivided family
I.T. Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP	Generally accepted accounting principles in India
Industrial Policy	The policy and guidelines relating to industrial activity in India, issued by the Government of India from time to time
IPO	Initial public offering (i.e., the Issue, unless specifically stated otherwise)
ISO	International Standardisation Organisation
ITAT	Income Tax Appellate Tribunal
JM Financial	JM Financial Consultants Private Limited
KG	Krishna Godavari
Km	Kilometers
MAT	Minimum Alternate Tax
MF	Mutual Fund
MICR	Magnetic Ink Character Recognition
MoEF	Ministry of Environment and Forests, Government of India
MoF	Ministry of Finance
MoPNG	Ministry of Petroleum and Natural Gas, Government of India
Morgan Stanley	Morgan Stanley India Company Private Limited

Term	Description
MoU	Memorandum of Understanding
Mts	Meters
N/A	Not applicable
NEFT	National Electronic Fund Transfer
NGO	Non-governmental Organisation
NLD Guidelines	Guidelines issued by the Ministry of Telecommunications, Department of Telecommunications, GoI for Issue of License for NLD Service on December 14, 2005
NLD	National Long Distance
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes a NRI
NRE Account	Non-Resident External Account established in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with the FEMA
NSCC	National Schedule Caste Commission
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
OFC	Optic fibre cable
OFC Network	Optic fibre cable network
OHSAS	Operational Health and Safety Standard
OIDB	Oil Industry Development Board
P/E Ratio	Price to earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PCB	Pollution Control Board
PDS	Public Distribution System
PLP	Production Linked Payment
P-Notes	As defined in "***Issue Procedure***" on page 293
PSU	Public Sector Undertaking
QMS	Quality management services
RBI	Reserve Bank of India
Re.	One Indian Rupee
RONW	Return on Net Worth
RRB	Rehabilitation and Resettlement Bill, 2007
Rs.	Indian rupees
RTGS	Real time gross settlement
RTI Act	Right to Information Act, 2005
SBAR	State Bank of India Applicable Lending Rate
SCRA	Securities Contract (Regulations) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992
SIA	Social Impact Assessment
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Telegraph Act	Indian Telegraph Act, 1885
UNCITRAL	United Nations Commission on International Trade Law

Term	Description
US or United States	United States of America or as defined under Regulation S, as the context requires
US GAAP	Generally accepted accounting principles in the United States of America
USD or US$	United States Dollar
VCF(s)	Venture capital funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996
VRS	Voluntary Retirement Scheme
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Industry-Related Terms

Term	Description
ACL	Assam Company Limited
Affiliate Code of Conduct Regulations	The Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008
ANG	Adsorbed Natural Gas
API	American Petroleum Index
APM	Administered Pricing Mechanism
Bbls	Barrels
Bcm	Billion cubic meters
BICP	Bureau of Industrial Cost and Price
Bpd	Barrels per day
Carrier Guiding Principles	The Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorising Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009
CBM	Coal/lignite Bed Methane
CGD	City Gas Distribution
CNG	Compressed Natural Gas
Common Carrier Regulations	Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 notified by the PNG Board
Cost Petroleum	As described in "***History and Certain Corporate Matters***" on page 106
Dedicated-pipelines	As described in "***Regulations and Policies***" on page 93
EIA Notification	Environment Impact Assessment Notification (Notification No. SO 60(E)) dated January 27, 1994
EPSA	Exploration and Production Sharing Agreement
Exclusivity Regulations	Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Gas Distribution Network) Regulations, 2008
GAB	Gas Advisory Board
Gas Sale Guidelines	Press note issued on June 25, 2008 by MoPNG prescribing guidelines for the sale of natural gas by NELP contractors
GDP	Gross Domestic Product
GL	Ground land
GL KM	Ground land kilometer
IMR	Inspection, Maintenance and Repair
ISO	International Standardisation Organisation
JOA	Joint Operating Agreement
KL	Kilo liter
KM	Kilometer
L	Liter
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas

Term	Description
Mandatory Work Programme	As described in "***History and Certain Corporate Matters***" on page 106
MDPM	Market Determined Pricing Mechanism
Minimum Work Programme	As described in "***History and Certain Corporate Matters***" on page 106
Mmbbls	Million barrels
Mmcm or Mmscm	Million standard cubic meters
MMSCUMD	Million standard cubic meter per day
MMTA or MMTPA	Million metric tonnes per annum
Model PSC	The model production sharing contract notified in terms of NELP, to be regulated under the PNG Rules, between GoI and a licensee or lessee with respect to grant of a PEL or PML
MS	Motor spirit
MT	Metric tonnes
NANG	As described in "***Regulations and Policies***" on page 93
NELP	New Exploration Licensing Policy
NGL	Natural Gas Liquids
Nomination Blocks	As described in "***Regulations and Policies***" on page 93
Non-dedicated pipelines	As described in "***Regulations and Policies***" on page 93
OCC	Oil Co-ordination Committee
OID Cess	Oil Industry Development Cess
Oil and Gas Nomination Block Management Guidelines	Guidelines for Management of Oil and Gas Resources for Nomination Blocks
Oil Mine Regulations	Oil Mines Regulations, 1984
Oil pool	As described in "***Regulations and Policies***" on page 93
Oilfield Act	Oilfield (Regulations and Development) Act, 1948
OISD	Oil Industry Safety Directorate
OPEC	Organisation of Petroleum Exporting Countries
PCRA	Petroleum Conservation Research Association
PDS	Public Distribution System
PEL	Petroleum Exploratory License
Petroleum Act	Petroleum Act, 1934
Petroleum Guidelines	Guidelines for Laying Petroleum Product Pipelines, 2002
Pipeline Policy	Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006
Pipeline Regulations	Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008
Pipeline Tariff Regulations	The Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008
Pipelines Act	Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962
PML	Petroleum Mining Lease
PNG Board	Petroleum and Natural Gas Regulatory Board
PNG Rules, 2002	Petroleum and Natural Gas Rules, 2002
PNG Rules	Petroleum and Natural Gas Rules, 1959
PNGRB Act	Petroleum and Natural Gas Regulatory Board Act, 2006
PPAC	Petroleum Planning and Analysis Cell
Pre-NELP Contracts	As described in "***Regulations and Policies***" on page 93
Profit Petroleum	As described in "***History and Certain Corporate Matters***" on page 106
PSC	Production Sharing Contract
RLNG	Re-Gasified Liquid Natural Gas
Safety Rules	Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008
SCM	Standard cubic meter
SKO	Superior Kerosene Oil

Term	Description
Technical and Safety Standard Regulations	Petroleum and Natural Gas Regulatory Board (Procedure for Development of Technical Standards and Specifications including Safety Standards) Regulations, 2009
Territorial Waters Act	Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976

References to other business entities

ACABL	Assam Co-operative Apex Bank Limited
AGCL	Assam Gas Company Limited
BCPL	Brahmaputra Cracker and Polymer Limited
BPCL	Bharat Petroleum Corporation Limited
BPMEL	Bharat Process and Mechanical Engineers Limited
British Gas	British Gas Exploration and Production India Limited
BRPL	Bongaigaon Refinery Private Limited
BSNL	Bharat Sanchar Nigam Limited
Buildsworth	Buildsworth (Private) Limited
Dewanchand	Dewanchand Ramsaran Industries Limited
DNV	Det Norske Veritas
ENI	ENI India Limited
Enpro	Enpro India Limited, subsequently renamed Jubilant India Limited
Essar	Essar Oil Limited
G.R. Engineering	G.R. Engineering Works Limited
GAIL	Gail (India) Limited
Ganoub	Ganoub El-Wadi Petroleum Holding Company, Egypt
Geoenpro	Geo-Enpro Petroleum Limited
Geoglobal	Geoglobal Resources (Barbados) Incorporated
Geopetrol	Geoglobal International Incorporated
Goswami Associates	Goswami and Associates (Private) Limited
GSPCL	Gujarat State Petroleum Corporation Limited
HDFC	HDFC Bank Limited
HOEC	Hindustan Oil Exploration Company Limited
HPCL	Hindustan Petroleum Corporation Limited
IBP	Indo Burma Petroleum Company Limited
ICG	Import Commerce General
ICSA	ICSA (India) Limited
Indus	Indus Pipeline Company Limited
IOCL	Indian Oil Corporation Limited
IOTL	Indian Oil Tanking Limited
ITERA	ITERA Oil and Gas Company, Russia
KEC	Kuwait Energy Kcs
KEK	Kuwait Energy Company
KPTL	Kalpataru Power Transmission Limited
Lloyd	Lloyd Steel Industries Limited
Marvis	Marvis Pte Limited, Singapore
Mech Technik	Mech Technik (India) Private Limited
Medco	Medco International Holding Private Limited
MKB	MKB (Asia) Private Limited
Nandlal	Nandlal and Sons Tea Industries Private Limited
NIOC	National Iranian Oil Company
NRL	Numaligarh Refinery Limited
ONGC	Oil and Natural Gas Corporation Limited
OVL	ONGC Videsh Limited
PGNiG	Polskie Gornictwo Naftowe I Gazownicto SA, a national oil company owned by the Government of Poland
POC	Premier Oil Cachar B.V.
Reliance DMCC	Reliance Exploration and Production DMCC

RIL	Reliance Industries Limited
SBI	State Bank of India
Schlumberger	Schlumberger Asia Services Limited
SEAMEC	South East Asia Marine Engineering and Construction Limited
Shiv Vani	Shiv Vani Oil and Gas Exploration Services Limited
Shivdham	Shivdham Tea Company Limited
SIOPL	Santos International Operations Proprietary Limited
SIPEX	Sonatrach International Petroleum Exploration & Production Corporation, British Virgin Islands
Summit Oil	Summit Oil International Limited, Nigeria
Suntera Cyprus	Suntera Resources Limited, Cyprus
Suntera Nigeria	Suntera Nigeria 205 Limited, Nigeria
Technostrength	Technostrength Private Limited
TISCO	Tata Iron and Steel Company Limited
TVPL	Trans Virtual Private Limited

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA, CURRENCY OF PRESENTATION AND RESERVE INFORMATION AND CONVERSION OF DATA

Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India. All references in this Red Herring Prospectus to the "US", "USA" or "United States" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our audited restated financial statements as of and for the three months ended June 30, 2009 and 2008 and as of and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005 prepared in accordance with Indian GAAP and the Companies Act and adjusted in accordance with the SEBI Guidelines, as stated in the report of our Auditors, included in "***Financial Statements***" on page 152.

Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancy in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, IFRS and US GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by any persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We urge you to consult your own advisors regarding such differences and their impact on our financial data.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market and Industry Data

Market and industry data used throughout this Red Herring Prospectus has been obtained from various government, multilateral and industry publications. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but it has not been independently verified by us and its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in this Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

Period*	Period end (in Rupees)	Period average (in Rupees)
Fiscal 2005	43.75	43.75
Fiscal 2006	44.61	44.28
Fiscal 2007	43.59	45.29
Fiscal 2008	39.97	40.26

Period*	Period end (in Rupees)	Period average (in Rupees)
Fiscal 2009	50.95	45.99
April 1, 2009 to June 30, 2009	47.87	48.67

** Source: www.rbi.org.in*

Reserve Information and Conversion of Data

In this Red Herring Prospectus, we report certain reserve and resource data. Our reserves and resources consist of our percentage interest in total reserves or resources, as applicable, which in turn consists of our 100% interest in our independent oil and gas properties and our percentage interest in joint ventures and PSCs, and do not include any adjustments for royalties, cess, taxes or other amounts payable by us. Production is calculated on the same basis. Independent reserves refer to our reserves attributable to independent operations.

All reserve estimates presented in this Red Herring Prospectus as of March 31, 2009 have been prepared internally and have not been subject to an audit by any third party or expert. Except as indicated otherwise, we have carried out our estimation and categorization of reserves in line with the reserve definitions and guidelines of the Society of Petroleum Engineers/World Petroleum Congresses/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE). All reserve estimates of crude oil in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include condensate reserves from non-associated gas reservoirs. All reserve estimates of natural gas in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include estimates of internal fuel gas consumption.

At our request, Gaffney, Cline & Associates (Consultants) Pte Ltd, independent petroleum engineering consultants, carried out audits of our reserves in certain of our independent producing areas as of March 31, 2007 and March 31, 2008—see Appendix A and Appendix B to this Red Herring Prospectus for further details. Based on our own estimate of our total proved plus probable reserves as of March 31, 2007, the reserves covered in the Gaffney, Cline & Associates (Consultants) Pte Ltd audit as of March 31, 2007 constituted 99.03% of our independent proved plus probable oil reserves, 99.28% of our independent proved plus probable gas reserves, 97.50% of our total proved plus probable oil reserves and 99.28% of our total proved plus probable gas reserves. Based on our own estimate of our total proved plus probable reserves as of March 31, 2008, the reserves covered in the Gaffney, Cline & Associates (Consultants) Pte Ltd audit as of March 31, 2008 constituted 100% of our independent proved plus probable oil reserves, 100% of our independent proved plus probable gas reserves, 100% of our total proved plus probable oil reserves and 100% of our total proved plus probable gas reserves.

None of the reserve information as of March 31, 2007 appearing with respect to our Digboi field in the Upper Assam basin is covered by the Summary Independent Technical Report 2007 or has been subject to an audit on our behalf. None of the reserve information as of March 31, 2007 and March 31, 2009 appearing with respect to our participating interest in the PSC relating to the Kharsang field is covered by the Summary Independent Technical Report 2007 or our internal management estimates has been subject to an audit on our behalf.

A summary of the most significant differences between our internal estimates of our proved plus probable reserves of crude oil and natural gas, as of March 31, 2009 and Gaffney Cline & Associates (Consultants) Pte Ltd.'s estimates of our proved plus probable reserves of crude oil and natural gas as of March 31, 2008 is included in ***"Our Business—Crude Oil and Nature Gas Reserves"*** on page 62.

Where specified, reserve estimates with respect to our 40% working interest in the Kharsang field have been provided to us by the operator. Such estimates have not been subject to an audit by Gaffney Cline & Associates (Consultants) Pte Ltd. The estimates provided by the operator may be based on international standards that differ from those used by us.

Except where indicated to the contrary, units of oil have been converted at a rate of one standard cubic meter to 6.289 barrels. However, our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels; volume sold has been converted at this rate. For further information, see "***Management's Discussion and Analysis Financial Condition and Results of Operation-Note on Presentation***" on page 197.

Certain Exploration and Development Acreage

Our exploration and development acreage includes 16 independently held nomination blocks covering a total area of approximately 5,367 square kilometers. However, our PELs in respect of 15 of the 16 independently held blocks, covering an area of approximately 4,997 square kilometers, have now expired which prohibits us from commencing or conducting further exploration activity. Although we have applied for extensions of these PELs, we are currently awaiting approval from the GoI for such extensions. Unless indicated to the contrary, our exploration and development acreage includes the 4,997 square kilometers covered by the 15 expired PELs and exploration and development activity related thereto. In the event that the PELs are not extended we will not be able to conduct further exploration activities and we may lose our nomination for these blocks. For further details, see ***"Risk Factors—Our PELs in respect of 15 of the 16 independently held blocks have expired; there can be no assurances that we will be granted extensions of these PELs and, consequently, that we will not lose our nomination for these blocks"*** on page xxii.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "propose", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Similarly statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has its businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, change in global and domestic oil and gas prices, change in the subsidy regime in India, technological changes, our exposure to market risks, supply and demand of petroleum and natural gas products in global markets, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic tax rates and changes in competition in our industry.

For further details that could cause our current plans and expectations and actual results to differ, see "***Risk Factors***" on page xix. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as of the date of this Red Herring Prospectus. Neither our Company, nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for our Equity Shares Allotted pursuant to the Issue.

RISK FACTORS

*An investment in equity securities involves a high degree of risk. The risks and uncertainties described below together with the other information contained in this Red Herring Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are relevant to our business, the industry and the country in which we operate our business and the offering of Equity Shares. Additional risks, not presently known to us or that we currently deem immaterial, may also impair our business operations. You should carefully consider all the information in this Red Herring Prospectus (including the restated summary financial statements on page 7), including the risks and uncertainties described below, before making an investment in our Equity Shares. You should read this section in conjunction with the sections "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" on pages 58 and 197, respectively. If any one or some combinations of the following risks were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. You should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

*This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See "**Forward-Looking Statements**" on page xviii. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risk factors described in this section.*

Internal Risk Factors

1. There are certain criminal proceedings and motor vehicle related compensation claims involving our Company and certain officials that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

There are two criminal proceedings that have been initiated against our Company/our employees on violations of certain provisions of the Mines Act, 1952 in relation to, *inter alia*, the death/injury of certain personnel as a result of accidents during the course of their employment. These cases have been filed against employees who were supervising the oil wells or drilling locations at the time of the accident, including Mr. N.R. Deka (Head-Land) and Mr. Naba Jyoti Bhuyan (Head-Production Gas).

Additionally, there are three motor vehicle related compensation claims involving our Company and certain officials. The aggregate claims against us in these cases aggregate Rs. 7.40 million approximately.

Our Company has also filed two criminal cases against certain third parties on allegations of theft and damage to property and manhandling of one of the officials of our Company.

For further details of the cases mentioned above, see "***Outstanding Litigation and Material Developments - Mines Accident/Safety cases***", "***Outstanding Litigation and Material Developments – Motor Accident Claims***" and "***Outstanding Litigation and Material Developments – Litigation filed by our Company – Criminal Cases***" on pages 236, 237 and 259, respectively.

Risk Factors relating to our Industry

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

Fluctuations in crude oil prices may adversely affect our revenues and profits, and substantial or extended declines in international prices for crude oil will have a material adverse effect on our financial condition, including our liquidity and our ability to finance planned capital expenditure, and our results of operation. Historically, international prices for oil have been volatile and have fluctuated widely in response to changes in many factors. For example, after a period of a sustained and substantial increase in the price of crude oil that reached record levels in July 2008, the price of crude oil has declined significantly and has been highly volatile. Such fluctuations may result in fluctuations in our results of operations. We do not and will not have control over the factors affecting prices for oil. These factors include:

- global and domestic economic conditions;
- global and regional economic and political developments in resource-producing regions, particularly the Middle East;
- global and regional supply and demand;
- the ability of the Organization of Petroleum Exporting Countries and other oil and gas producing nations to set and maintain global production levels and prices;
- discoveries of, and commercial availability of, alternative fuels at cheaper prices that affect our realized prices under our oil and value-added products sales contracts;
- Indian and foreign governmental regulations and actions, fiscal or otherwise, including tariffs on imports and sharing of subsidies;
- price and availability of new technology; and
- environmental conditions.

It is not possible to forecast future oil product price movements with accuracy.

In addition, the United States is considering implementing regulation that would restrict speculative trading in markets for oil, gas and other energy products, and in the future other jurisdictions may elect to implement similar legislation. Although the purpose of such regulation would be to limit the volatility in the prices of the energy products it covers, which may include crude oil, there can be no assurance as to whether such regulation will be implemented and, if implemented, as to the form or scope of such regulation or its impact on the volatility of prices of the crude oil or other energy products.

Our profitability is primarily determined by the difference between prices received for crude oil, natural gas and LPG produced by us and the costs of finding, developing and producing and transporting these hydrocarbons and, in the case of crude oil, our sharing in the under-recoveries of oil marketing companies. We do not enter into oil or gas hedging contracts to reduce our exposure to fluctuations in oil and gas prices. For more detailed analysis of the impact of fluctuation of prices for oil on our results of operations and financial condition, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting our Results of Operations***" on page 201. Lower prices of oil may also reduce the economic viability of projects planned or in development. In addition, lower oil prices may result in the impairment of higher cost reserves and other assets which may result in decreased earnings or losses. Conversely, higher prices of oil could increase our shares in the under-recovery of oil marketing companies as a result of the GoI subsidy system for MS, diesel, LPG (for domestic use) and SKO (PDS), which could reduce or eliminate any benefit received by us with respect to such increases. For further details, see "***—The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations***" on page xxvii. All these factors may have a material adverse effect on our business, financial condition and results of operations.

3. If we fail to acquire or find and develop additional reserves, or if we fail to redevelop existing fields, our reserves, production and profitability may decline materially from their current levels over time.

As of March 31, 2009, all of our estimated independent proved plus-probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves are in the Upper Assam basin, which is a maturing resource province. Consequently, we currently experience and will continue to experience decreasing production rates from such resources. Unless we conduct successful exploration and development and redevelopment activities or acquire properties containing proved plus probable reserves, or both, our reserves will decline over time as existing reserves are produced. In addition, the volume of production from oil and natural gas properties generally declines as reserves are depleted.

For example, the Dikom field in the Upper Assam basin has been a major producing field since fiscal 1991 and accounted for approximately 9.31% of our crude oil production for fiscal 2009. After initial development and recording its peak annual production level of 5.69 million barrels for fiscal 1999, it experienced declining production levels. For fiscal 2009, our production from the Dikom field was 2.32 million barrels.

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

4. ***The global financial crisis and global and domestic economic conditions may have a material adverse effect on our business, financial condition and results of operations.***

Global economic conditions have deteriorated in the recent past. Since the second half of 2008, global financial markets have been experiencing a period of unprecedented turmoil and upheaval characterized by extreme volatility and declines in prices of securities, diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse, nationalization or sale of financial institutions and an unprecedented level of governmental intervention. The Indian economy and financial markets are also significantly influenced by global economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Indian financial markets have also experienced the contagion effect of the volatility and turmoil in the global financial markets, which is evident from the sharp decline in the benchmark indices of SENSEX and NIFTY. A continuation of the current economic conditions, either globally or domestically could result in a further decrease in the demand for crude oil and natural gas and keep downward pressure on the prices for crude oil and natural gas which have declined significantly from the record levels reached in July 2008. Additionally, due to the conditions in the global and domestic financial markets, we cannot be certain that funding will be available or that we would be able to raise funds, if needed or to the extent required and we may be unable to implement our strategy, including our exploration and development plans in existing acreage and our acquisition of additional acreage domestically and internationally.

5. ***We have limited global presence in the field of oil exploration, development and production and may be unable to match the international oil majors in the quantity and rate of reserve accretion and discovery of commercially viable hydrocarbon reserves.***

We have a limited global presence in the field of oil exploration, development and production. Most major international oil and gas exploration and production companies have been in the business of acquiring international assets for a long period of time and have accumulated a large share of the world's hydrocarbon resources. We have now initiated a strategy to acquire both producing properties and exploration acreages overseas but we expect to be unable to match the international oil majors in the quantity and rate of reserve accretion and discovery of commercially viable hydrocarbon reserves. We may also have to venture into more difficult and hostile environments, both politically and geographically, where exploration, production and development will be more technologically challenging and expensive. In the course of certain investments in joint ventures where we are not the operator, we are dependent to an extent on the operating partner, including for initially qualifying to bid for a project and for the overall success of the joint venture. We also may disagree with actions proposed to be taken by the operating partner and may be exposed to liability for actions taken by the operating partner.

6. ***We encounter competition from other oil and natural gas companies in all areas of our operations, including the acquisition of licenses for exploratory prospects, and competitive pressure on our business is likely to continue.***

The oil and gas industry is extremely competitive, especially with regard to exploration for, and exploitation and development of, new sources of oil and natural gas. The GoI implemented NELP, in 1999 whereby private participation in the allocation of exploration acreages in India was permitted through competitive bidding. In the seven completed rounds of NELP bidding since 1999, the GoI has offered a total of 256 blocks, of which we have bid for 55 and were awarded 27 (three of which we have subsequently relinquished). The GoI now automatically approves 100% foreign equity ownership in exploration activities conducted under NELP. This policy is aimed at encouraging foreign oil companies to invest in India, which increases the competitive environment for the acquisition of licenses for exploratory prospects in India. Consequently, new domestic and foreign entrants, including the world oil majors, may seek to enter the exploration and production industry in India, and increased competition could adversely affect our business by limiting the number of new exploration blocks that will be available to us in the future. For example, further licensing rounds under NELP may involve many of the large international oil companies seeking to acquire licenses for exploration through their subsidiaries and joint ventures. The companies that have been granted exploration licenses in the various rounds of NELP include other public sector companies such as ONGC, IOCL, GSPCL and GAIL, as well as private companies such as British Gas, RIL, Cairn Energy Limited and Niko Resources. Further, there can be no assurance that we will not lose our existing PELs under the GoI's relinquishment policy, where in the event of non-completion of the minimum work programs or on account of environmental and other factors, we may decide to or be asked by the GoI to relinquish our PELs in respect of certain blocks held by us. For further details on NELP, see "***Regulations and Policies***" on page 93.

We face similar competition for acquisition of exploration and production acreages internationally.

Some of our domestic and foreign competitors are much larger, more established companies with substantially greater resources. These companies may be able to bid more aggressively for exploration blocks and may be able to acquire a greater number of properties and prospects, including operatorships and licenses, in India and abroad, than we are able to acquire.

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

7. Our PELs in respect of 15 of the 16 independently held blocks have expired; there can be no assurances that we will be granted extensions of these PELs and, consequently, that we will not lose our nomination for these blocks .

We are engaged in exploration and development activities in 16 independently held blocks under PELs, covering a total area of approximately 5,367 square kilometers. However, our PELs in respect of 15 of the 16 independently held blocks, covering an area of approximately 4,997 square kilometers, have now expired which prohibits us from commencing or conducting further exploration activity.

These PELs are as follows:

- 85 square kilometers in Dirak, Assam;
- 2,100 square kilometers in Lakhimpur;
- 565 square kilometers in Sadiya, Assam;
- 18 square kilometers in Jairampur;
- 23.25 square kilometers in Jairampur Extension;
- 449 square kilometers in Murkongselek (NF), Assam;
- 95 square kilometers in Murkongselek (F), Assam;
- 184 square kilometers in Margherita, Assam;
- 480 square kilometers in Tinsukia, Assam;
- 110 square kilometers in Borhat, Assam;
- 427 square kilometers in Dibrugarh, Assam;
- 19 square kilometers in Dumduma Extension (F), Assam;
- 113.50 square kilometers in Deomali, Arunachal Pradesh;
- 195 square kilometers in Namchik, Arunachal Pradesh; and
- 133 square kilometers in Dumduma Extension (NF), Tinsukia, Assam.

Although we have applied for extensions of the PELs in respect of the above-mentioned blocks, we are currently awaiting approval from the GoI for such extensions. We have also applied for a new PEL covering an area of 2,754 square kilometers within the Brahmaputra river bed that would cover certain portions of the expired PELs and certain areas earlier relinquished by us in respect of such PELs. In the event that the PELs are not extended, or the new PEL for the area within the Brahmaputra river bed is not granted, we will not be able to conduct further exploration activities and we may lose our nomination for these blocks. During fiscal 2009 and the three months ended June 30, 2009, we have written-off all capitalized expenditure related to the nomination blocks for which our PELs have expired other than the new block within the Brahmaputra river bed for which we have applied for a fresh PEL. For further details regarding our provisioning of these expired PELs, see ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** on page 197. For further details on the PELs, see ***"Government and Other Approvals"*** on page 262. If we fail to obtain extensions of the expired PELs our business could be adversely affected.

8. We require certain registrations and permits from the GoI and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

In additional to the extension of our expired PELs, we require certain other approvals, licenses, registrations and permissions, which we have applied for or are in the process of making an application for such approvals, licenses, registrations and permissions.

For example, subsequent to our execution of certain PSCs which provide for our right to share in the production of any crude oil or natural gas from the relevant block, we are required to apply to the state governments for grant of PELs in order to commence our exploration in such block. Although we have applied for grant of PELs covering an area of 38 square kilometers for block KG-ONN-2004/1 in Pondicherry and block RJ-ONN-2005/2 in Rajasthan, the PELs have not yet been granted, and consequently, we will not be able to commence exploration activities.

Furthermore, we also require certain licenses under the Forest Conservation Act, 1980. Although we have applied for permission to carry out, among other things, seismic survey in some forest areas, such as the Abhoypur Reserve Forest, Namchik and Namphai Reserve Forest, Tinkopani and Namphai Reserve Forest, Koriapani and Namsai Reserve Forest and the Tarani Reserve Forest, such approvals have not been received and consequently, we have not been able to commence exploration activity in such forest areas. For further details, see ***"Government and Other Approvals - Approvals under the Forest Conservation Act, 1980 – Pending Applications"*** on page 270. Similarly, though we have applied for grant of certain approvals required for our pipeline projects, such approvals have not yet been received.

For further details, see ***"Government and Other Approvals"*** on page 262. If we fail to obtain any of these approvals or licenses or renewals thereof, in a timely manner, or at all, our business could be adversely affected.

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

We are exploring various geographic areas in India where environmental conditions are sensitive or challenging, limited data are available and costs can be higher. For example, we are planning to conduct exploration in the mountainous and heavily forested North East Frontier areas, which currently lack the basic infrastructure (including transportation and supply of utilities) necessary to provide sufficient access to the sites to support our exploration activity and, if we are granted a new PEL for the Brahmaputra river bed, we will commence our exploration activity in this area, which is subject to inundation by flooding. Additionally, we make substantial expenditures in our producing and exploration acreage in the North East region of India and our loss on such expenditure may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. We are also involved in exploration activities in India and seven other countries (including through our equity investments in Suntera Nigeria) where we are not the operators in some of the areas and have limited control over expenditure and drilling decisions. In addition, we may become increasingly involved in deep-water projects, which require the use of high-resolution surveys and infrastructure for interpretation and involve greater exploration expenditures than traditional exploration practices.

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

Our overall exploration activity within any particular project area may be unsuccessful. For example, we have carried out exploration activities without any commercial success in the North Bank region of Brahmaputra river in the North East (Lakhimpur), our operated block in the Mahanadi onshore basin and along with our joint venture partners in Mumbai deep-water. Internationally, we have carried out exploration activity in the Ivory Coast without commercial success. If such failures continue to occur in the future, they may have a material adverse effect on our business, financial condition and result of operations.

10. We are effectively prohibited from exporting crude oil under our PSCs.

The PSCs signed by us under NELP effectively bar us from exporting crude oil, as under the terms of the PSCs we are under an obligation to sell all our entitlement to crude oil in the domestic market until such time as the total availability of the crude oil and condensate from all petroleum production activities in the country meets the total national demand. There is currently a mismatch between the demand and the supply for crude oil in India, with the demand outweighing the domestic production of crude oil. For the year ended December 31, 2008, domestic consumption of crude oil exceeded domestic production by 73% (*Source: BP Statistical Review of World Energy, 2009*) and we believe that the demand for crude oil within the Indian market is likely to increasingly exceed crude oil production. Our inability to export crude oil produced from NELP blocks could restrict our ability to monetize the applicable reserves.

Risk Factors relating to our Business

11. We have received five demand notices from the income tax authorities that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

The Income Tax Assessing Officers while completing the assessment for Assessment Years 2003-04, 2004-05, 2005-06 & 2006-07 had rejected the claims of our Company for certain reliefs and concessions and disallowed the discount on crude oil and LPG to oil marketing companies as per the Government order/notification, as expense for Assessment Year 2005-2006 and 2006-2007, resulting in an aggregate demand of approximately Rs. 12,315.59 million on our Company. Our Company had preferred an appeal before the first Appellate Authority against such order/demand and succeeded in the appellate proceeding, resulting in refund of Rs. 6,955.11 million. However, the Income Tax department has filed its appeal before the Income Tax Appellate Tribunal ("**ITAT**"). The matter has been referred to the Committee of Disputes, Government of India ("**CoD**"), which has allowed the ITAT, Delhi to hear the issue pertaining to Section 80IB/IC of the I.T. Act and has referred the issue pertaining to discounts granted to the oil marketing companies to the Ministry of Law and Justice, GoI. The Assistant Legal Advisor, Ministry of Law and Justice, GoI, has on July 23, 2009, concurred with the order dated February 29, 2008 of the CIT (A), Shillong, that the discounts allowed to oil marketing companies on crude oil and LPG sales be allowed. The same has been confirmed by the Additional Secretary, Ministry of Law and Justice, GoI on July 25, 2009 and is subject to the approval of the CoD.

For the Assessment Year 2007-08, the Income Tax Assessing Officers continued to disallow certain relief/concession and the discount on crude oil and LPG being allowed to oil marketing companies and imposed a demand of Rs. 7,166.10 million. Our Company has preferred an appeal before CIT (A), Shillong disputing such disallowance.

Whilst as on June 30, 2009, our Company does not make any provision in its books of accounts for any of the demands raised by the income tax authorities as mentioned above. If these proceedings are determined against us, we would be liable to pay the demand raised and any additional amounts as may be imposed by the income tax authorities, which could have a material adverse impact on our financial condition and results of operations. For further details, see "***Outstanding Litigation and Material Developments***", "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition***" on pages 236, 152 and 197, respectively.

12. We have been involved in environment-related public interest litigations.

We have been involved in public interest litigations, some of which were based on alleged environmental violations and were filed by public organisations and NGOs. For example, there was a case filed against us in the Guwahati High Court alleging that the seismic survey on the Brahmaputra river bed was being conducted without appropriate scientific assessment of the concerns raised by the environmental impact assessment report. Similarly there have been cases where our proposal to carry out surveys in the Brahmaputra river bed had been challenged on grounds that the survey would damage the environment and wild life in the surrounding areas. We have currently suspended our seismic survey activity in the concerned areas. A multi-disciplinary advisory group of MoEF has been established to review the environmental impact in relation to our proposed seismic studies. Since our operations are regulated by various regulations including those pertaining to the environment, we cannot assure you that we shall not be subject to environmental litigation in future challenging our actions. Any environmental litigations or such claims in the future if instituted against us could require us to cease our operations, relinquish the relevant PELs under which we are operating in that area, pay monetary compensation, which could harm our reputation and have material adverse affect on our business, financial condition and results of operations.

13. We are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

We are involved in a number of proceedings including civil, employee grievances, labour disputes, consumer proceedings, land acquisition and land title matters, which are related primarily to our ordinary course of business. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it would have a material adverse affect on our financial condition, results of operations and cash flows. Brief details of such proceedings and the claim amounts in relation to these cases, where claims have been quantified, are set forth below:

- There are 49 civil suits filed against us for claims aggregating to Rs. 4,040.77 million and 2.75 billion CFA Francs approximately.

- There are 16 employee related cases filed against us on issues related to, *inter alia*, promotion and arrears of salary and pension for claims aggregating to Rs. 0.66 million approximately.

- There are 25 labour cases filed against us in relation to, *inter alia*, termination of services and demands for service benefits by workmen.

- There are seven arbitration claims pending against us for claims aggregating to Rs. 563.71 million and US$ 11.53 million approximately. We have also filed counter claims aggregating to Rs. 378.21 million and US$ 0.01 million approximately in such proceedings.

- There is one consumer complaint pending against us for a claim aggregating to Rs. 1.50 million approximately.

- There are 10 title suits and land related proceeding against us for claims aggregating to Rs. 0.81 million approximately.

- There are 40 cases against us in relation to demands for enhanced compensation in relation to land acquisition for claims aggregating to Rs. 42.30 million.

- There are six statutory notices pending against us for claims aggregating to Rs. 56.15 million approximately.

- There are 13 applications pending under the Right to Information Act, 2005.

- There are nine civil suits filed by our Company for claims aggregating to Rs. 43.33 million approximately.

In addition, Mr. A.A. Waheed, an ex-employee of our Company, and his wife Mrs. Padma Waheed, have written various letters (including letters dated August 12, 2008, September 22, 2008, November 3, 2008, May 27, 2009, July 13, 2009 and July 23, 2009). These letters contain, inter alia, allegations of non-enhancement of monthly pension, non-reimbursement of certain medicals expenses of Mr. and Mrs. Waheed and non-disclosure of liability of Rs. 20,000 million as dues payable to pensioners eligible under the Oil India Pension Fund (such as Mr. Waheed) in the cash reserves of our Company as stated in the Draft Red Herring Prospectus. In relation to the same, we have written to Mr. and Mrs. Waheed, denying such statements and allegations.

For details of such proceedings, see "***Outstanding Litigation and Material Developments***" on page 236.

14. We are involved in a number of tax related legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations.

We are also involved in certain tax related legal proceedings that are incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various tribunals and appellate tribunals and if determined against us, could have a material adverse impact on our financial condition and results of operations.

Furthermore, apart from the income tax demand of Rs. 19,481.69 million as stated aforesaid, we are also involved in an excise tax proceeding where we have claimed refund of Rs. 11.77 million.

For further details, see "***Outstanding Litigation and Material Developments***" on page 236.

15. The crude oil and natural gas initially in place and reserves in this Red Herring Prospectus are estimates, and our actual production, revenues and expenditure with respect to our reserves may differ materially from these estimates.

Petroleum engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. Estimates of the value and quantity of economically recoverable crude oil and natural gas reserves and rates of production necessarily depend upon several variables and assumptions, including the following:

- Historical production from the area compared with production from other comparable producing areas;
- Interpretation of geological, geochemical and geophysical data;
- Assumptions concerning the future performance of wells and surface facilities;
- Assumptions concerning the future availability of physical facilities including drilling rigs and infrastructure;
- Assumptions concerning development planning;
- Assumed effects of regulations and fiscal policies adopted by governmental agencies;
- Assumptions concerning future crude oil and natural gas prices, and the fiscal taxation regime;
- Capital expenditures; and
- Assumptions concerning future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs.

Many of the factors, assumptions and variables involved in estimating reserves are based on data that are currently available and subject to variations over time. Results of drilling, testing and production after the date of the estimates may require upward or downward revisions in our reserve data, which could be significant. Any downward adjustment could lead to lower future production and thus adversely affect our financial condition, future prospects and market value.

All reserve estimates presented in this Red Herring Prospectus as of March 31, 2009 have been prepared internally and have not been subject to an audit by any third party or expert. All reserve estimates of crude oil in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include condensate reserves from non-associated gas reservoirs. All reserve estimates of natural gas in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include estimates of internal fuel gas consumption.

At our request, Gaffney, Cline & Associates (Consultants) Pte Ltd, independent petroleum engineering consultants, carried out audits of our reserves in certain of our independent producing areas as of March 31, 2007 and March 31, 2008—see Appendix A and Appendix B to this Red Herring Prospectus for further details. Based on our own estimate of our total proved plus probable reserves as of March 31, 2007, the reserves covered in the Gaffney, Cline & Associates (Consultants) Pte Ltd audit as of March 31, 2007 constituted 99.03% of our independent proved plus probable oil reserves, 99.28% of our independent proved plus probable gas reserves, 97.50% of our total proved plus probable oil reserves and 99.28% of our total proved plus probable gas reserves. Based on our own estimate of our total proved plus probable reserves as of March 31, 2008, the reserves covered in the Gaffney, Cline & Associates (Consultants) Pte Ltd audit as of March 31, 2008 constituted 100% of our independent proved plus probable oil reserves, 100% of our independent proved plus probable gas reserves, 100% of our total proved plus probable oil reserves and 100% of our total proved plus probable gas reserves.

None of the reserve information as of March 31, 2007 appearing with respect to our Digboi field in the Upper Assam basin is covered by the Summary Independent Technical Report 2007 or has been subject to an audit on our behalf. None of the reserve information as of March 31, 2007 and March 31, 2009 appearing with respect to our participating interest in the PSC relating to the Kharsang field is covered by the Summary Independent Technical Report 2007 or our internal management estimates or has been subject to an audit on our behalf.

A summary of the most significant differences between our internal estimates of our proved plus probable reserves of crude oil and natural gas, as of March 31, 2009 and Gaffney Cline & Associates (Consultants) Pte Ltd.'s estimates of our proved plus probable reserves of crude oil and natural gas as of March 31, 2008 is included in the section "***Our Business—Crude Oil and Nature Gas Reserves***" on page 62.

Where specified, reserve estimates with respect to our 40% working interest in the Kharsang field have been provided to us by the operator. Such estimates have not been subject to an audit by Gaffney Cline & Associates (Consultants) Pte Limited. The estimates provided by the operator may be based on international standards that differ from those stated by us.

Because all reserves estimates are subjective and judgmental, each of the following items may differ materially from those assumed in estimating reserves as set forth in the Summary Independent Technical Reports in relation to reserve estimates:

- the quantities and qualities of crude oil and natural gas that are ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future crude oil and natural gas sales prices and fiscal regulations.

Many of the assumptions used in estimating reserves are beyond our control and may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties and require us to make our best judgments as to future events based upon information available. The accuracy of any reserves or resources evaluation depends on the quality of available information and petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in our reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. Changes in the price of crude oil and natural gas may also materially adversely affect the estimates of our proved and probable reserves because the reserves are evaluated based on prices and costs as of the appraisal date.

Further, we have provided certain estimates regarding oil and gas initially in place in this Red Herring Prospectus. These estimates are based solely on volumetric analysis of our various license areas and are not used by us as the primary basis for development capital expenditure decisions. Accordingly, you should not rely on this oil or gas in place data as the primary basis for your investment decision.

The reserve information included in this Red Herring Prospectus also is not intended to comply with the reporting requirements of the SEC. There are currently no clear regulations governing public disclosure of potential reserves by oil and gas companies operating in India or their use in securities offering documents. On May 25, 2006, the MoPNG issued guidelines for the announcement of new discoveries and on May 30, 2006, the DGH issued guidelines for the classification of resources and reserves. Since these guidelines were issued, the DGH has publicly stated that it is working to formulate a new set of guidelines that would govern public statements of commercial discoveries or potential reserves by oil and gas companies in India. Although the DGH guidelines on classification of resources and reserves are being complied with by us, our ability to make disclosure of our reserves estimates would be subject to any changes to law, regulation or guidelines that may occur and we may be restricted or prevented from making such disclosure in the future as a result of any such changes.

16. The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations.

Although the prices of our sales of crude oil are generally market determined, the prices of retail sales of MS, diesel, LPG (for domestic use) and SKO (PDS) by India's public sector oil marketing companies (BPCL, HPCL and IOCL) are capped by the GoI at a price below the international selling price. The price caps are changed by the GoI from time to time. The GoI operates a subsidy system pursuant to which the under-recoveries of these oil marketing companies resulting from the price caps are currently shared among the GoI, the public sector oil marketing companies and the public sector companies (which include us, ONGC and GAIL). The upstream oil companies' share of the under-recovery is generally allocated based on the upstream oil companies' relative prior-year profits. However, there remains unpredictability as to the share of the under-recovery that is allocated to the upstream oil companies both individually and as a group. The upstream companies' share of the under-recovery is implemented through a discount on crude oil and domestic LPG and PDS kerosene sale prices to the downstream companies.

For fiscal 2005, we contributed Rs. 7,045.85 million to the sharing of these under-recoveries, by providing a discount of US$ 6.44 per barrel of crude oil and Rs. 11,286.27 per ton of LPG. For fiscal 2006, we contributed Rs. 9,774.94 million to the sharing of these under-recoveries, by providing a discount of US$ 9.22 per barrel of crude oil and Rs. 10,260.53 per ton of LPG. For fiscal 2007, we contributed Rs. 19,937.48 million to the sharing of these under-recoveries, by providing a discount of US$ 19.26 per barrel of crude oil and Rs. 14,898.94 per ton of LPG. For fiscal 2008, we contributed Rs. 23,050.88 million to the sharing of these under-recoveries, by providing a discount of US$ 25.08 per barrel of crude oil and Rs. 14,482.87 per ton of LPG. For fiscal 2009, we contributed Rs. 30,232.87 million to the sharing of these under-recoveries, by providing a discount of US$ 26.13 per barrel of crude oil and Rs. 15,714.03 per ton of LPG. For the three months ended June 30, 2008, we contributed Rs. 10,508.36 million to the sharing of these under-recoveries, by providing a discount of US$ 40.48 per barrel of crude oil and Rs. 14,860.70 per ton of LPG. For the three months ended June 30, 2009, we contributed Rs. 576.09 million to the sharing of these under-recoveries, by providing a discount of US$ 1.83 per barrel of crude oil and Rs. 3,014.60 per ton of LPG. The decrease in our contribution to the sharing in the under-recoveries of the public sector oil marketing companies for the three months ended June 30, 2009 primarily resulted from lower crude oil prices and that we were only required to share in under-recoveries with respect to MS and diesel.

This sharing of the downstream companies' under-recovery has materially and adversely affected our results of operations since fiscal 2005. The GoI has not announced the subsidy sharing formula for fiscal 2010; consequently it is possible our subsidy burden may increase, particularly if oil prices are higher in fiscal 2010. However, in view of the increase in the price of crude oil since December 2008, the MoPNG announced that it was raising the retail price of MS and diesel, which is expected to reduce the under-recoveries of the downstream oil marketing companies with respect to these products and, consequently, our share of these under-recoveries. Notwithstanding the increase in crude oil prices, the MoPNG has not elected to increase the retail price for LPG or SKO. If we are required to contribute to a greater extent to the sharing of any under-recovery for fiscal 2010 or beyond, it will have a material impact on our financial condition and results of operations.

Additionally, the GoI may introduce other regulation relating to the pricing of petroleum products that could have a material adverse effect on our business, financial condition and results of operations. For example, in June 2008, the GoI formed the B.K. Chaturvedi committee to examine the financial impact of the increase in oil prices between fiscal 2005 and fiscal 2008 on upstream exploration firms, refiners and downstream marketing entities. Among other things, the committee suggested that any incremental revenues earned above US$75 a barrel by public sector upstream exploration and production oil and gas companies should have to be paid to the government as part of subsidy-sharing in the oil sector. These recommendations have not been implemented by the GoI. There can be no assurances as to the form of any future regulation implemented by the GoI relating to the pricing of petroleum products or as to its impact on our business, financial condition and results of operations.

17. Our business is dependent on the continued operation of a single pipeline to transport all of our oil production.

For fiscal 2009, crude oil sales accounted for Rs. 65,942.18 million, or 92.36%, of our sales revenues. For the three months ended June 30, 2009, crude oil sales accounted for Rs. 17,551.76 million, or 92.28% of our sales revenues. All of our independent oil production is derived from our fields in the Upper Assam basin and is transported via a 1,157 kilometer cross-country crude oil pipeline to four public sector refineries in the North East region of India. The pipeline was first constructed in 1962 and needs to be continually updated and maintained to remain operational. Additionally, the pipeline traverses difficult terrain and is subject to acts resulting from insurgency, terrorism and civil strife in the region. Our pipeline has in the past been targeted by insurgent groups. In particular, our pipeline has been bombed on a number of occasions, most recently, in September 2007, which resulted in a disruption to our pipeline operations at Tengakhat in Dibrugarh district in the North-East region of India. Our only alternative arrangement in the event of an interruption to the operation of our pipeline is certain storage facilities, which we believe could accommodate our crude oil production for a period of up to four days, based on our present production rate. Therefore, in the event that we were to suffer a significant interruption in the flow of the pipeline due to natural catastrophe, breakdown, maintenance issues, terrorist activity, sabotage or any other factor, it would have a material adverse effect on our business, financial condition and results of operations.

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

Exploration for and production of oil and natural gas is hazardous, and man-made and natural disasters, operator error or other accidents can result in oil spills, blowouts, cratering, fires, equipment failure, and loss of well control, which can injure or kill people, damage or destroy wells and production facilities, and damage property and the environment. Offshore operations are subject to marine perils, including severe storms and other adverse weather conditions, vessel collisions, and governmental regulations as well as interruptions or termination by governmental authorities based on environmental and other governmental considerations. Also, we run the risk that we may not find any economically productive natural gas or oil reservoirs. In addition, the costs of drilling, completing and operating wells could be subject to shortages of, or delays in obtaining, equipment, and the inadequacy or unavailability of, or other problems with, transportation facilities. Breakdowns in our equipment or that of contractors, or in the infrastructure on which we rely, could disrupt our operations and adversely affect our business. In particular, our computers, telecommunications and electronic systems and equipment are vulnerable to breakdowns, disruptions or other problems that may adversely affect our operations. We maintain insurance coverage against some, but not all, potential losses. For example, we have no insurance coverage for loss of profits or earnings, damaged or destroyed data or records, or damage or loss due to pollution or contamination arising out of our onshore exploration and production activities. Losses and liabilities arising from such events may significantly reduce our revenues or increase our costs (for example, by incurring extra costs on site restoration, disaster recovery and workers' compensation or rehabilitation) and have a material adverse effect on our financial condition and results of operations.

19. We are exposed to risks brought about by asset concentration.

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves and approximately 93.66% of our estimated independent proved plus probable gas reserves were concentrated in the Upper Assam basin in Assam and Arunachal Pradesh. All of our downstream investments and businesses, including the 1,157 kilometer cross-country crude oil pipeline, the 660 kilometer product pipeline and the 192 kilometer pipeline to Numaligarh refinery, amongst others, are also concentrated in this region.

The concentration of our proved plus probable oil and natural gas reserves and all of our downstream investments in one region increases our exposure to an event that could adversely affect the development or production of oil and natural gas in a limited geographic area, including catastrophic damage to wells, pipelines, installations and natural catastrophes or events that could result in the loss of our oil or natural gas reserves or impact the supply of our oil and gas production. Additionally, we face security risks in some of our assets and basins in the North East region of India, and, because of our concentration of assets in this region, we may be more susceptible to any instances of insurgency, terrorism and civil strife in the region. For example, our pipeline has in the past been targeted by insurgent groups. Our pipeline has been bombed on a number of occasions, most recently, in September 2007, which resulted in a disruption to our pipeline operations at Tengakhat in Dibrugarh district in the North-East region of India. The region is also a difficult terrain geographically and not easily accessible, which could increase the costs associated with remedying damage to our assets. Any adverse event with respect to these areas will have a material adverse effect on our business, financial condition and results of operations.

20. ***The non-completion of any minimum work program mandated to the Company pursuant to the PSCs signed by the Company may result in the encashment of the relevant bank guarantees by the GoI for the committed amount under the minimum work program and this may have an adverse impact on our business, financial condition and results of operations.***

The minimum work program is a regulatory mandate under a PSC signed under the NELP regime, pursuant to which the parties to the PSC are under a contractual obligation to complete the minimum work program commitments in connection with the 2D and 3D seismic data acquisition, processing and interpretation and the drilling of exploratory and development wells, as stipulated in the PSC and agreed between the parties. The parties to the PSC are under an obligation to furnish a requisite bank guarantee equivalent to the assessed amount for such minimum work program commitments. Each of the PSCs entered into by our Company under the NELP regime provides the mandate for a minimum work program to be completed in a particular exploration area or block to which the PSC pertains in an exploration phase, against which requisite bank guarantees for an amount necessary to complete the minimum work program commitments in an exploration phase are furnished to the GoI by parties to the PSC in proportion to their participating interest share in the PSC. The outstanding amounts in respect of bank guarantees furnished by our Company on this account are disclosed under the heading of "***Contingent Liabilities***" in Annexure XVII of the Restated Financial Statements on page 196. In the event we fail to achieve our minimum work program commitments stipulated in a PSC in an exploration phase and we are unable to seek an extension for a period necessary for completion thereof, the GoI may encash the assessed value of the bank guarantee towards the incomplete minimum work program. The non-completion of our minimum work program commitments and the subsequent encashment by the GoI of the outstanding amount of the bank guarantees may have a material adverse impact on our business, financial condition and results of operations.

21. We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, the limitations of liability set forth in our insurance policies may not be enforceable in all instances or may not protect us from liability for damages. These may lead to financial liability and other adverse consequences for us. Further, even where we have availed of insurance cover, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. This may have a material adverse effect on our business, financial condition and results of operations.

22. Our development projects involve many uncertainties and operating risks that can prevent us from realizing profits and may cause substantial losses.

Our development projects may be delayed or may not be entirely successful for many reasons, including financial constraints, cost overruns, lower oil and gas prices, equipment shortages, mechanical and technical difficulties, the failure to obtain necessary governmental approvals, and industrial action. These projects may also sometimes require the use of additional new and advanced technologies, which can be expensive to acquire and implement, and may not function as expected. In addition, some of our future development projects are expected to be located in logistically difficult environments, or will involve challenging reservoirs, which may exacerbate such problems. For example, the Brahmaputra river-bed is frequently inundated due to perennial rainfall in the region and consequently, undertaking exploration activities in this region involve more expensive technology than that which is deployed for our onshore exploration activities. We have encountered delays in certain other development projects due to failure of third party contractors hired for the project to complete their scope of work in a timely manner as well as delays and cost overruns due to such factors as inflation, foreign currency exchange rate fluctuations, and unanticipated conditions prevailing in the areas of development activity. There is a risk that other development projects that we undertake may suffer from similar or additional problems.

We are increasingly developing smaller satellite fields with shorter life spans and we encounter the technological challenge of establishing re-usable facilities, and also face the challenge of remaining profitable. Our development projects in mature fields also face potentially higher operating costs and capital expenditure. In addition, our development projects, particularly those in remote areas, could become less profitable, or unprofitable, if we experience a prolonged period of lower than expected oil or gas prices.

23. Our gas prices relating to natural gas sales derived from our nomination blocks are controlled by the GoI, which limits the profitability of our gas production business.

The prices for most of our natural gas sales are subject to certain GoI price limits, which are generally based on the region of production and, in some instances, type of customer. These price caps are subject to adjustment for calorific content and, for certain customers, inflation. In addition to the price caps, we are required to sell natural gas at a price below the price fixed by the GoI to certain customers, primarily power sector companies, fertilizer producers and small consumers, to the extent of certain pre-existing commitments. With respect to our sales that occur below the price caps, we were, until July 2005, entitled to claim reimbursement of the difference from a gas pool account. Since July 2005, we are reimbursed for the shortfall from the capped price through a GoI budgetary allocation. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operation—Factors affecting our Results of Operations—Gas Pricing***" on page 204. There can be no assurances that the operation of the price caps or the GoI budgetary allocation will not be changed in a way that will adversely affect our gas monetization strategy or otherwise have a material negative impact on our financial condition and results of operations.

24. Our strategy to diversify our domestic operations through downstream integration may not be successful.

We have begun to implement and intend to continue to pursue a strategy of vertical integration into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. For further details, see "***Our Business—Strategy***" on page 60. Currently, we hold a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. The continued implementation of this strategy will require continued focus on and additional substantial investment into business areas in which we have no or limited experience and we will face competitive disadvantages against companies that have more experience operating in downstream businesses. The success of our entry into downstream businesses will also depend upon our ability to integrate those businesses with our upstream operations, which will require our management to devote significant time and resources. To the extent that we are unable to successfully and profitably operate any downstream business in which we enter or to integrate those businesses into our upstream operations, we may recognize lower than expected returns on our current or future investments or suffer a loss on those investments.

25. We may be expanding our ventures in areas in which we have a limited operating history and such future performance is uncertain.

We have limited operating history in sectors other than oil exploration and production. While these sectors do not contribute to a significant portion of our revenue, they may in the future be areas we plan to diversify into more aggressively. We have entered into dark fiber lease agreements with telecom service providers, including Vodafone Essar Spacetel Limited, Power Grid Corporation of India Limited, Dishnet Wireless Limited and Bharti Airtel, amongst others, for leasing our telecom infrastructure in India.

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

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

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are in the Upper Assam basin which is a maturing resource province and where production has, historically, been declining. Specifically, ten of our 15 producing fields are in decline. In order to increase the production of oil and gas in these fields, we are currently using and intend to increase our use of enhanced recovery methods. If our enhanced recovery methods do not allow for the extraction of oil and gas in the manner or to the extent that we anticipate, it could have a material adverse affect on our business, financial condition and results of operations.

27. We depend in part on small to medium size discoveries within our existing acreage to maintain our levels of production.

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

28. The GoI allocates most of the crude oil we produce, which reduces our negotiating power.

The GoI allocates most of the crude oil produced by the public sector undertakings in the Indian oil and gas industry, including most of the crude oil we produce, and this reduces our negotiating power with respect to the prices for the crude oil we provide to these allocated customers. Although our memoranda of understanding with the GoI-controlled refining companies to which our crude oil is sold expired on March 31, 2004, at the direction of the GoI we are still providing crude oil to our customers on the same terms and conditions as were provided in the expired MoU. For fiscal 2010, the MoPNG has directed us to enter into crude offtake and sale agreements with the North East region refineries to which we transport our crude oil production in order to determine the allocation of the offtake of our crude oil production. If and when we enter into a new MoU or such offtake agreements, with our allocated customers, there can be no assurances as to the terms and conditions of such MoU or offtake agreements, the pricing terms of which will depend on the then prevailing market conditions and our relative negotiating power. All of these factors may have a material adverse effect on our business, financial condition and results of operations.

29. We are required to seek the approval of the GoI for certain decisions under our PSCs, which may limit our ability to take certain actions under those contracts.

The PSCs that we have entered into with the GoI and the other parties are in a standard format and confer certain rights on the GoI and require us to seek the approval of the GoI in certain circumstances. For example:

- the GoI has the right to access the exploration acreage and to inspect and test the appliances used for measuring the volume and quality of petroleum, and may require the other parties to such PSCs to take remedial steps if it believes that the exploration activities are causing harm and damage to the environment;

- the operator of the exploration area cannot be changed without prior approval from the GoI; and

- in each exploration area, the GoI nominates two members of the management committee, which has a mandate to approve, inter alia, the annual work programs, proposals for approval of development plans, appointment of auditors and proposals for abandonment plans and site restorations.

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

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

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

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

31. We may not be able to upgrade our existing technologies and to assimilate and acquire new, more advanced technologies in a timely and cost-effective manner.

As of March 31, 2009, all of our estimated proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are in the Upper Assam business, which is a maturing resource province. In order to optimize production from these provinces, carry out exploration in deep-water areas, exploit non-producing basins and acquire knowledge and expertise about frontier basins, it is necessary that we adopt advanced technology rapidly and cost-effectively, and train our personnel in the operation and maintenance of such technology. If we are unable to acquire such technology in a timely manner or fail to appropriately revamp existing technology, we may not be able to fully exploit our reserves.

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

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

32. We may not be able to successfully limit our gas flare in connection with our natural gas production.

As part of our strategy, we intend to focus on the commercialization of our natural gas reserves and resources and to improve our utilization of natural gas. Our ability to do so successfully is in part dependent upon our ability to limit our gas flaring. In particular, we may be required to flare gas in the event we are unable to establish surface production facilities by the time we first begin production within any given field. As development drilling is undertaken in a field, we begin to install surface facilities to handle the field's production. However, there is often a time lag between the start of production and surface facilities being ready for production. If the field is producing associated gas before surface facilities are available to handle production, we are required to flare such gas, which results in a reduction in the amount of gas realized from our producing fields. Our inability to successfully limit gas flaring could have an adverse effect on our ability to successfully implement our gas monetization strategy. Additionally, regulations governing gas flaring are less restrictive in India than in many other parts of the world. If India were to adopt more restrictive gas flaring regulations, there can be no assurance that we would be able to comply with such regulations.

33. Our experience is primarily limited to exploration and production activities onshore in India, which makes us dependent on the expertise of third parties in connection with offshore exploration and development.

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

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

We face security risks in some of our assets and basins in Assam and Arunachal Pradesh, which are located in the North East region of India. We have suffered the adverse effects of insurgency, terrorism and civil strife in the region, and our oil installations have been targeted by insurgent groups. We have had several instances of attacks against our staff, including the kidnapping of and killing of our officials in the North East region. We have experienced interruptions in our production and exploration activities due to these attacks. Our pipeline network may also be targeted by insurgent groups operating in the North East region, which could disrupt our deliveries to refineries and adversely affect our production and sales from that region.

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

We also have participating interests in assets located in Iran, Libya, Gabon, Yemen and Nigeria and have also recently farmed-in in exploration blocks located in Timor Leste and Egypt, many of which have experienced instability in the recent past, or may experience instability in the future, which may have a material adverse effect on our operations in these countries. We may also acquire new exploration or production acreages in these or other countries that are subject to instability. The oil and gas industry has in the past been subjected to regulation and intervention by governments around the world, including in the regions and countries in which we operate, relating to such matters as environmental protection, controls, restrictions on production, and potentially, nationalization, expropriation or cancellation of contract rights, as well as restrictions imposed by other governments on entities conducting business in such countries. In the event that such adverse events that are beyond our control occur in the areas of our operations overseas, contractual provisions and bilateral agreements between countries may not be sufficient to safeguard our interests, and our operations in those areas may be materially adversely affected.

35. Failure to implement our gas monetization strategy may adversely affect our business and financial results.

As of March 31, 2009, we had estimated independent proved plus probable natural gas reserves of approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). However, for fiscal 2009 and for the three months ended June 30, 2009, our natural gas production amounted to only 2.27 billion cubic meters of natural gas and 0.60 billion cubic meters of natural gas, respectively, representing an average production of approximately 6.22 million cubic meters and approximately 6.64 million cubic meters of natural gas per day. Historically, we have not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam. However, as part of our strategy, we intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment, which we refer to as our gas monetization strategy. For further details on this strategy, see "***Our Business—Strategy***" on page 60. This strategy involves a number of risks and uncertainties including the following:

- our limited track record in investing in gas facilities, gas transmission or distribution systems and that we have not engaged in investing in distribution on the scale contemplated by our strategy;
- our lack of self-owned infrastructure required for the supply of natural gas produced by us;
- our lack of available consumers (non-captive) resulting in part from our poor connectivity with the national gas grid in the North East region;
- significant additional capital expenditure may be required to implement our gas strategy which may require us to seek additional funding;
- we may face competition for the commercialization of our gas resources from a number of other national and multinational oil and gas companies;
- our gas strategy may subject us to additional governmental and regulatory requirements that we currently are not exposed to with our existing oil exploration and production business;
- the development of demand for natural gas in certain markets within India, particularly in Assam, that currently have low levels of natural gas consumption;
- the quality of the natural gas that we are able to commercialize; and
- future pricing of gas, which may be subject to subsidies or concessions over which we have no control.

Should any of these risks and uncertainties arise, we may fail to implement our gas monetization strategy, which may adversely affect our financial performance.

36. Our plan to accelerate our exploration and development has significant expenditure requirements and, if we are unable to obtain the necessary funds for such expenditure in a timely manner, our

business may be adversely affected.

We intend to make substantial additional investments in new projects to accelerate our exploration and development in existing acreages, which will require significant expenditure. For further details, see "***Our Business—Strategy***" on page 60, "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources***" on page 226 and "***Objects of the Issue***" on page 33. Such projects entail exploration, engineering, technological upgrades, construction and other commercial risks, and the projects currently contemplated by us may involve significant cost overruns, may not be completed in a timely manner or at all, or may not operate as planned. If we do not have sufficient internal resources to fund our capital expenditure requirements in the future, we may need to raise funds through debt or equity financings or enter into joint ventures. If we are unable to raise these funds or enter into joint ventures in a timely manner or at all, we will be unable to implement our business plan, which may have a material adverse effect on our business, financial condition and results of operations.

In addition, specific projects contemplated by us requiring investment above Rs. 1,500 million are subject to independent technical and financial review and to formal approvals pursuant to established rules and procedures. Further, we need GoI approval for all investments in joint ventures (in India or overseas) in amounts exceeding Rs. 2,000 million. We cannot assure you that such approvals will be issued or that such projects will be implemented as currently planned. In addition, delays in obtaining any such approvals may put us at a competitive disadvantage.

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

37. We may become increasingly dependent on third party expertise and equipment as a result of our strategy to acquire both producing properties and exploration acreages.

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

38. Information contained in our Restated Financial Statements included in this Red Herring Prospectus has been extracted from our audited financial statements and our auditor's reports on those financial statements are qualified.

Information contained in our Restated Financial Statements included in this Red Herring Prospectus has been extracted from our audited financial statements for, fiscal 2005, fiscal 2006, fiscal 2007, fiscal 2008, fiscal 2009 and for the three months ended June 30, 2009 and June 30, 2008. These audited financial statements are not included in this Red Herring Prospectus. Our auditor’s reports on the financial statements for fiscal 2005, fiscal 2006 and fiscal 2007 contained certain qualifications as follows:

- For the audited financial statements for fiscal 2005, the auditors qualified the accounts as regards their inability to ascertain adjustments to the accounts whilst reconciliation of physical inventory fixed assets with the fixed assets register was pending.

- For the audited financial statements for fiscal 2006, the auditors qualified the accounts in respect of a net credit of Rs. 68.28 million which, upon shifting to the ERP accounting system, was taken to account through write-offs of certain old debits and write-backs of old credits and renting through inventory stores and spares under ERP for certain items changed to consumption under the earlier accounting system.

- For the audited financial statements for fiscal 2007, the auditors qualified the accounts with respect to: (a) the non-accounting of profit and loss (in compliance with AS-7 issued by ICAI) arising out of the execution of pipeline contract under the consortium agreement with IOTL; and (b) a net debit of Rs. 65.06 million being taken to account in respect of which certain old debit balances have been written-off and credit balances have been written-back.

- For the audited financial statements for each of fiscal 2005, fiscal 2006 and fiscal 2007, the auditors qualified the accounts with respect to: (a) the unavailability of confirmations of balances from sundry debtors, creditors and loans and advances; and (b) the assets and liabilities of the joint venture having been incorporated in the books of accounts on the basis of unaudited financials received from the operator.

For additional information, see "***Auditor's Qualifications and Treatment in Restated Financial Information***" which appears in Annexure IV C to "***Financial Statements***" on page 152.

Additionally, we are in the process of implementing a risk management system, an internal control system and a legal compliance system in order to comply with our requirements as a company having public shareholders. However, there can be no assurances that that we will have sufficient resources to successfully implement these systems or maintain them or that they will be adequate to serve the purposes for which they are designed.

39. We are subject to certain contingent liabilities under Indian Accounting Standards.

As of June 30, 2009, our aggregate contingent liabilities not provided for under Indian Accounting Standards amounted to Rs. 9,437.62 million, including contingent liabilities relating to:

- lawsuits and other claims that are being contested by us and the liabilities whereof are not admitted by us;

- letters of credit and bank guarantees executed by us;

- claims against us or for which we may otherwise be liable in respect of our joint ventures;

- claims against us in respect of various income tax appeals and other taxes (such as land, sales and services and PEL fees) and the liabilities whereof are not admitted by us;

- other liabilities and claims; and

- capital commitments in relation to certain contracts that are pending execution.

For further details, see "***Statement of Contingent Liabilities***", which appears in Annexure XVII to "***Financial Statements***" on page 196.

To the extent that any of these or future contingent liabilities become actual liabilities, it would adversely affect our financial condition and results of operations.

40. We may be unable to obtain payment for transportation costs and sales taxes for the crude oil produced by us that we transport to the GoI controlled refineries.

The MoPNG determines annually whether to permit us to recover our transportation costs and sales tax from the public sector refineries to which we transport our crude oil production. The determination was made retroactively for the prior fiscal year. For fiscal 2005 and fiscal 2006 the MoPNG allowed us to recover 50% of our transportation tariffs for crude oil that we produced and transported to IOCL and did not allow us recovery from NRL. For fiscal 2005 and fiscal 2006, the MoPNG did not allow us to recover sales tax amounts. For fiscal 2007 through fiscal 2009, the MoPNG allowed us full recovery, on a net basis, of our transportation tariffs and sales tax for crude oil that we produced and transported to all public sector refineries. For fiscal 2010, the MoPNG has directed us to enter into crude offtake and sale agreements with the North East region refineries to which we transport our crude oil production in order to determine the allocation of transportation and sales tax as between us and the refineries. We are expecting a full recovery of transportation tariffs and sales tax for fiscal 2010 and, consequently, we have not provided for any under-recovery during the three months ended June 30, 2009; however, this remains subject to our commercial negotiations with the refineries and the policy of the MoPNG.

There can be no assurances as to whether the MoPNG will not change its directive, or if and when we enter into such agreements, there can be no assurances as to the terms and conditions of such agreements and whether we will be permitted recovery of our transportation tariffs and sales tax from the public sector refineries to which we transport our crude oil production for fiscal 2010 or future periods. All these factors may have a material adverse effect on our business, results of operations and results of operations.

41. Attracting and retaining management and technical personnel is a challenge.

If we are unable to attract or retain our managerial and technical personnel, our business and operations may be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge for companies in India. In particular, we depend on specific key talent such as geologists and upstream energy specialists. We face specific disadvantages in our efforts to attract and retain our management. As a public sector undertaking, GoI policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel and these policies may not permit us to pay market rates. Consequently, private sector market participants that are able to pay at market rates in exploration and production activities in the oil and gas industry have been attracting qualified personnel and diluting the talent pool available to public sector undertakings. Also, because our main operational activities lie in the remote and politically sensitive North East region of India, we face competitive disadvantages in attracting and retaining key personnel. Additionally, we may not have in place the necessary systems and processes to develop key personnel internally.

Our failure to have or retain quality personnel in key positions and functions in place could have a material adverse effect on our business, financial condition and results of operations.

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

Our operations are subject to extensive laws and regulations pertaining to pollution and protection of the environment and health and safety of workers. These laws and regulations govern, among other things, emissions to the air, discharges onto land and into water, maintenance of safe conditions in the workplace, the remediation of contaminated sites, and the generation, handling, storage, transportation, treatment and disposal of waste materials. We incur, and expect to continue to incur, significant capital and operating casts to comply with these requirements, including costs to reduce air emissions and discharges to the natural water bodies and to remedy contamination at various facilities where our products or wastes have been handled or disposed. We also could incur significant costs, including cleanup costs, fines and civil and criminal sanctions, if we fail to comply with these laws and regulations or the terms of our permits. Future changes to environmental laws and regulations could cause us to incur significant additional expense or result in restrictions to our operations.

Our operations expose us to risks inherent in the use of hazardous materials, including pipeline and storage tank leaks and ruptures, explosions and releases of hazardous or toxic substances. These operating risks can cause personal injury, property damage and contamination to the environment, and may result in the shutdown of affected facilities and the imposition of penalties on our Company as well as our personnel.

We may incur environmental liabilities in respect of our operations even for environmental damage caused by acts or omissions of our contractors. Under the production-sharing arrangements entered into by us with various parties, we are required to indemnify the contractors, as well as the GoI and the relevant state government, for environmental damage and related losses caused by our exploration and production operations to the extent of our participating interest in such venture, subject to limited exceptions. Also, some of our service contracts limit the contractors' liability for pollution caused by their activities. For instance, in some contracts, we are obligated to indemnify the contractor for surface damage arising out of sub-surface damage caused by the personnel or equipment of the contractor irrespective of the cause for the damage, subject to limited exceptions. Our insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by contractors, our joint venture partners or by us and this may result in a material adverse impact on our results of operations. For example, our insurance policy in respect of our domestic onshore exploration and production operations does not cover liabilities arising from pollution or contamination. For further details on environmental regulations in India, see "***Regulations and Policies***" on page 93.

43. We are subject to stringent labor laws and trade union activity.

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

Under the agreement signed between our Company and our work contract laborers at our Duliajan field headquarters on January 1, 2000 (valid for a ten-year period), the laborers agreed not to raise any demands during the period of this agreement. Further, the memorandum of settlement between our Company and workmen, represented by trade unions at Calcutta, Rajasthan, Delhi and Bhubaneswar dated January 1, 1997 expired on December 31, 2006 and is currently in process of renewal. Any work stoppage could have an adverse affect on our business, financial condition, the results of operations and the price of our Equity Shares.

44. We do not have any registered patents or trademarks, and failure to protect our intellectual property rights may adversely affect our business.

We have not yet completed the registration of the Company's trademark or logo, although we have made applications to do so. We also do not have registered patents for any of the technological advances we have made in our research and development activities We operate in an extremely competitive environment, in both our existing business and our planned ventures into the downstream businesses where generating brand recognition could be a significant element of our business strategy. If we fail to protect our intellectual property rights, including patents, trademarks, trade secrets and copyrights, our business may be adversely affected.

45. Some of the countries in which we operate, such as Iran and Sudan, are subject to certain international sanctions.

Economic sanctions and restrictions on exports and other transfers of goods have been implemented by the United States or the European Union, or both, in relation to certain countries in which we do business, including Iran and Sudan. None of the proceeds of the Issue will be used to fund activities that are subject to US or EU economic sanctions or export controls. Our current operations in these jurisdictions are not material to our revenue, profit or financial condition. We seek to comply fully with international sanctions to the extent they are applicable to us. However, in doing so our ability to do business in these jurisdictions may be limited. Future changes in international sanctions may prevent us from doing business in certain jurisdictions entirely.

In particular, we, in consortium with OVL and IOCL, were awarded an exploration service contract for the Farsi offshore located in the eastern part of the Persian Gulf off the coast of the Islamic Republic of Iran near the Saudi Arabian border block by the NIOC. We hold a 20% participating interest in the Farsi offshore block as non-operator. OVL holds a 40% participating interest as operator and IOCL holds a 40% participating interest as non-operator. For further details on, see "***Our Business—International Exploration—Iran***" on page 83.

The exploration service contract provides that NIOC and the consortium will negotiate a development service contract if the Farsi offshore block is proven to be commercially viable during the exploration phase. A master development plan for a gas discovery in the Farsi offshore block was submitted to the NIOC in April 2009 by OVL on behalf of the consortium. No timeline has been established for the implementation of the master development plan.

The NIOC and the consortium have not reached any agreement on the terms of the development services contract. However, if the consortium reaches agreement on the master development plan with the NIOC and reaches agreement on a development services contract, current estimates are that the consortium will invest approximately US$ 5 billion over a seven- to eight-year period, which we do not expect would begin during 2009. None of the proceeds from the Issue will be used to fund any activities with respect to the Farsi offshore block. We also do not anticipate that any revenues derived from any future investment in the Farsi offshore block will constitute a material portion of our total revenues in any year in which we derive revenues from the Farsi offshore block or in the aggregate.

In order for us to enter into the development services contract and make any expenditure thereunder, a number of conditions would need to be satisfied and approvals obtained, including successful negotiation of the development services contract with the NIOC, the approval of the development services contract by the Iranian government and the approval of the development services contract by our board of directors and a number of GoI ministries. No such approvals have been sought or obtained.

However, in the event that we were to enter into the development services contract, we would likely become subject to sanctions under the US Iran Sanctions Act as a result of the expenditure contemplated thereby.

46. We rely on the GoI or its nominees to offtake crude oil in kind.

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

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

Some of our pre-NELP PSCs oblige sale of all crude oil to the GoI or its nominee. Though the obligation to make payments is with the GoI and it is the responsibility of the GoI to offtake crude oil on a current basis so as not to cause a restriction of production or inconvenience, there is a risk of offtake default as outlined for PSCs under NELP.

Also, in our PSCs, the GoI typically nominates a third party to offtake crude oil and we have no control on the selection of this assignee.

47. Some of our immovable properties have certain irregularities in title, as a result of which our operations may be impaired.

We possess immovable properties at various locations for the purpose of our business, held either on a freehold or a leasehold basis. Certain of our properties have also been acquired through processes instituted under the Land Acquisition Act, 1894, upon payment of compensation as determined through examinations conducted by the Land Acquisition Officer. In some instances, the land acquisition procedures prescribed under the Land Acquisition Act, 1894 are yet to be completed so as to provide us with a clear and absolute title to the relevant immovable properties. Additionally, some of our immovable properties have one or more of the following irregularities in title:

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

Our business may be adversely affected if we are unable to continue to utilize these properties as a result of any irregularity of title or otherwise.

48. We are subject to restrictive covenants under our credit facilities that limit our flexibility in managing our business.

There are certain restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our borrowings. For instance, under the terms of our agreements with OIDB and State Bank of India for certain long term borrowings, we are required to seek the prior approval of OIDB and State Bank of India or the assets over which we have created a charge, in case we have to transfer, dispose of, alienate, charge, pledge or part possessions such assets. These restrictive covenants may restrict our operations and we cannot assure you that we have been compliant with the terms of such restrictive covenants in the past or that we shall receive favorable permissions from such banks and financial institutions in the future.

For further details of these restrictive covenants, see "***Financial Indebtedness***" on page 234.

49. We have incurred borrowings in connection with our exploration program and may not be able to meet our obligations under these debt financing arrangements.

We have availed of certain short term and unsecured loans from banks and financial institutions. See "***Financial Indebtedness***" on page 234. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. There can be no assurance that we will generate sufficient cash to enable us to service existing or proposed borrowings, comply with covenants or fund other liquidity needs. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed project. There can be no assurance that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have a material adverse effect on our cash flows, business and results of operations.

50. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price.

Our financial statements, including the restated financial statements provided in this Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which all public companies in India, including our Company, will be required to prepare their annual and interim financial statements under IFRS beginning with fiscal period commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on the price of our Equity Shares.

Risk Factors relating to this Issue

51. Our funding requirements for the Objects are based on management estimates prepared by our management and our actual requirements may vary from those estimates; pending utilization of the Net Proceeds our management will have significant flexibility in temporarily investing the Net Proceeds.

We intend to utilize the Net Proceeds of the Issue for the Objects. For details on the Objects, see "***Objects of the Issue***" on page 33. Our funding requirements for the fiscal 2010 and fiscal 2011 are based on estimates prepared by our management. The funding requirement and intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of the inherent uncertainties relating to the oil and gas exploration process and the competitive and dynamic nature of the exploration and production industry, we may have to revise our expenditure, fund requirements and estimates of the completion dates. Moreover, these funding requirements are based on our existing estimates and the actual expenditure may vary. Our funding requirements are also dependent on a number of factors which may not be in the control of our management, including variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of our management.

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In particular, orders that are yet to be placed and orders where only tenders have been floated account for approximately 55.70% of our funding requirements for purchase of capital equipments and facilities for fiscal 2010 and fiscal 2011. For such equipments which are yet to be ordered, we have relied upon budgetary quotations received by us and based on our past experience. Consequently our actual procurement cost may vary from our estimates.

Pending utilization for the purposes described above, our Company may temporarily invest the funds in accordance with the PSE policy and Board approvals from time to time.

52. The interests of the GoI as our controlling shareholder may conflict with your interests as a shareholder.

Upon the completion of the Issue, the GoI will hold approximately 188.60 million shares, or approximately 78.43%, of our fully diluted post-Issue paid up Equity Share capital. Additionally, upon completion of the Issue, IOCL, HPCL and BPCL, each a government-controlled oil company, will own in aggregate approximately 21.40 million shares, or approximately 8.91% of our fully diluted post-Issue paid up Equity Share capital. Consequently, the GoI, acting through the MoPNG, will continue to control us and will have the power to elect and remove our directors and determine the outcome of most proposals for corporate action requiring approval of our Board of Directors or shareholders, such as proposed five-year plans, revenue budgets, capital expenditure, dividend policy, transactions with other GoI-controlled companies such as GAIL, IOCL, BPCL or ONGC or the proposed assertion of claims against such companies and other public sector companies. In addition, under the MoU signed with the MoPNG and our Articles of Association, the President of India may issue directives with respect to the conduct of our business or our affairs for as long as we remain a Government Company under the Companies Act. For instance, under article 162 of our Articles of Association, we require the prior approval of the President of India to undertake any capital expenditure exceeding Rs. 1,000 million as long as the President of India continues to hold 51% of our Equity Share Capital. Similarly, under articles 116 and 118 of our Articles of Association, the President of India, by virtue of holding 51% of our Equity Share Capital, has the power to appoint the non-retiring Directors on our Board, i.e. one-third of the members of the Board, and also has the power to appoint our Chairman and Managing Director and determine the terms and conditions including remuneration and tenure applicable to the appointment.

The interests of the GoI may be different from our interests or the interests of our other shareholders. In addition, most of the companies we do business with or compete with domestically are also GoI controlled entities and are subject to similar risks arising out of the GoI controlling interests in them. As a result, the GoI may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests. The GoI could, by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, takeover or other business combinations involving us or our competitors and peers, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company or initiate a merger with another public sector undertaking. In particular, given the importance of the petroleum industry to the economy and the mass consumption of certain petroleum products by the Indian public, the GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximize our profits.

53. You will not be able to sell immediately any of the Equity Shares you subscribe to in this Issue on an Indian stock exchange.

The Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with Depositary Participants in India are expected to be credited within two Business Days of the date on which the Issue and Allotment is approved by the Board. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

54. There is no existing market for the Equity Shares and the price of the Equity Shares may be volatile and fluctuate significantly in response to various factors.

An active market for the Equity Shares may not develop or be sustained after the Issue. The market price of our Equity Shares may vary from the Issue Price after the Issue.

The market price of our Equity Shares may fluctuate significantly due to factors beyond our control, including, but not limited to: volatility in the Indian and global securities markets; external factors affecting our operating results, including the risks outlined in this section; investor perceptions of our future performance; changes in factors affecting general market valuations of companies in the oil and natural gas industry, including changes in the price of crude oil and natural gas; announcements by us or others of significant technological developments, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments; political developments or other governmental action or regulation in India or other countries; and additions or departures of key personnel.

In addition, the BSE or the NSE may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. There is a risk that you will not be able to sell your Equity Shares at a price at or above the Issue Price.

55. Future sales of Equity Shares by shareholders, including by the GoI, or any future equity offerings by us may adversely affect the market price of the Equity Shares.

Upon the completion of the Issue, the GoI will hold approximately 188.60 million shares, or approximately 78.43%, of our fully diluted post-Issue paid up Equity Share capital. Additionally, upon completion of the Issue, IOCL, HPCL and BPCL, each a government-controlled oil company, will own in aggregate approximately 21.40 million shares, or approximately 8.91% of our fully diluted post-Issue paid up Equity Share capital. The market price of the Equity Shares could be affected by sales of a large number of the Equity Shares by the GoI or another of our shareholders (including IOCL, HPCL and BPCL) or by a perception that such sales may occur.

In addition, if we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding to the extent that we conduct future equity or convertible equity offerings. Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

56. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds in future periods.

External Risk Factors

1. Our performance is linked to the performance of the oil and gas industry in India.

The increase in demand for petroleum products in India has lagged behind the growth in gross domestic product. During the five-year period ended March 31, 2009, the consumption of petroleum products has grown significantly from 107,751 thousand metric tons for fiscal 2004 to 133,400 thousand metric tons (provisional figure) for fiscal 2009 *(Source: PPAC, June 2009)*, 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. 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.

2. Recent announcements by the GoI relating to increased wages for government employees will increase our expenses and may adversely affect our financial condition in the years of implementation.

Pursuant to memoranda issued by the Department of Public Enterprises ("**DPE**") on November 26, 2008 and April 2, 2009, the GoI has increased the pay scales of board members and executive officers of government enterprises, including our Company. These directives also require such government enterprises to implement salary increases for employees below executive level and these wage increases are to be determined by the boards and management of the relevant government enterprises. Salary increases for all affected government employees will be retrospectively effective from January 2007.

As of June 30, 2009, we have made total provisions of Rs. 3,226.72 million for this retrospective salary payment. This provision has been based on our estimates taking into account the payment requirements outlined in the DPE memoranda. The increased employee cost may adversely affect our financial condition in the years following implementation.

In addition, the pay committee has recommended that all public sector undertakings should formulate an employees' stock option plan ("**ESOP**") and that 10% to 25% of the performance related payment should be paid as ESOPs. The effect of the implementation of such an ESOP scheme by our Company is not presently possible to quantify.

3. Political instability or changes in the GoI may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our future prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may change, and specific laws and policies affecting banking and finance companies, foreign investment and other matters affecting investment in our securities may change as well. Any major change in government policies might affect the growth of Indian economy and thereby our growth prospects. Additionally, any change in these policies may have a significant impact on the oil and gas sector development and business and economic conditions in India generally, which may adversely affect our business, our future financial performance and the price of our Equity Shares.

4. We are exposed to potentially adverse changes in the tax and royalty regimes of India, including the states of India, and other jurisdictions in which we operate.

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

The tax regime applicable to us in respect of fields awarded to us by the GoI on nomination basis is subject to change. For example, oil industry development cess (the **"OID cess"**), is payable under the Oil Industry (Development) Act, 1974, and the rate of such cess could be increased by the GoI. With effect from March 1, 2002, OID cess was Rs. 1,800 per metric ton sold. With effect from March 1, 2006, OID cess was increased to Rs. 2,500 per metric ton sold. This was concomitant with the increase in international crude oil prices, thus not allowing us to benefit fully from the deregulation of oil prices in India and the increase in international oil prices.

Royalty payable in respect of crude oil and natural gas under the Oilfield (Regulations and Development) Act, 1948 (the **"Oilfield Act"**), can also be increased by the GoI by amending the schedule to this Act by issuing a notification. However, the Oilfield Act prevents the GoI from raising the rate of royalty above 20% of the well head value in the case of crude oil production and 10%, in the case of natural gas production. Currently, the royalty rate for crude oil production is 20% for onshore production and 10% for offshore production in shallow water areas, while the royalty rate for natural gas production is 10%. For deep-water production of oil and natural gas, the royalty rate is half of the applicable offshore rate for the first seven years from the date of commencement of commercial production and after a period of seven years, the royalty rate is the same as applicable to offshore production in shallow water areas. The GoI has the ability to increase the rate of royalty for offshore production of crude oil and natural gas up to the limits prescribed by the Oilfield Act by issuing a notification, without amending the Oilfield Act. It can also increase the prescribed limits by amending the Oilfield Act by an act of Parliament.

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

Additionally, the Government of Assam has imposed a tax on specified crude oil bearing lands, used for extracting crude oil and natural gas bearing lands, used for extracting natural gas effective as of January 1, 2005. Under the present rates, we are required to pay Rs. 200 for every metric ton of the annual productivity of land used to extract crude oil and Rs. 100 for every 1,000 cubic meter of the annual productivity of land used to extract natural gas. Although we have filed an appeal before the Guwahati High Court challenging the decision of the court to dismiss our petition challenging the legality of such taxation, there can be no assurance that the court will adjudicate in our favour and that we will not have to pay such tax for the previous assessment years and for the future. As of June 30, 2009, we have estimated the tax payable by our Company as Rs. 3,685.11 million. For further details of this case, see "***Outstanding Litigation and Material Developments—Litigation by the Company—Civil Suits***" on page 239.

In India, we utilize various tax deductions as well as fiscal benefits, including certain tax holidays. For further details, see "***Statement of Tax Benefits***" on page 43 and "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting our Results of Operations***" on page 201. Future changes in the tax provisions applicable to us could have a material adverse impact on our financial condition and results of operations.

5. Certain changes in the regulatory framework in India could have a material adverse effect on our business, financial condition and results of operations.

Among other recent developments, the Petroleum and Natural Gas Regulatory Board Act, 2006 (the **"PNGRB Act"**) came into force in India in April 2006 and was renotified on October 1, 2007, the new effective date. The PNGRB Act provides for the creation of a Petroleum and Natural Gas Regulatory Board (the **"PNG Board"**) and vests the PNG Board with certain powers and functions, including: (a) the protection of Indian consumers' interests by fostering fair trade and competition among those engaged in or intending to be engaged in refining, processing, storage, transportation, distribution, marketing, import and export of petroleum (defined by the PNGRB Act as including crude oil), petroleum products and natural gas including laying of pipelines for transportation of petroleum, petroleum products and natural gas; (b) ensuring adequate availability in the Indian market of petroleum, petroleum products and natural gas: (c) monitoring prices and taking corrective measures to prevent restrictive trade practices in relation to petroleum, notified petroleum, petroleum products and natural gas; (d) securing equitable distribution of petroleum and petroleum products; (e) imposing fees and other charges and (f) regulating the technical standards and specifications including safety standards in activities relating to petroleum, petroleum products and natural gas.

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

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

We are subject to regulation and supervision by the GoI and its departments. In addition, so long as the GoI's shareholding in our Company equals or exceeds 51%, we will continue to be classified as a Government Company and will be subject to regulations generally applicable to PSUs in India as well as contractual obligations under the MoU signed with the MoPNG. These regulations concern personnel matters, including the appointment of key management personnel and the hiring, dismissal and compensation of employees, as well as budgeting and capital expenditure. As a PSU, our mandate includes a social responsibility that may not be consistent with our commercial objectives. For instance, the GoI mandates that public sector enterprises like us give preferences to other public sector enterprises over private sector companies when they bid for our contracts.

Under the current policy of the GoI, disputes between public sector enterprises such as our Company and GoI departments, or between different public sector enterprises, must be referred to, and clearance must be obtained from, a committee of secretaries of the GoI known as the Committee on Disputes (the **"COD"**), before any legal action may be commenced. This limits our ability to take legal action in the event of a dispute between us and another public sector enterprise or between the GoI and us.

In addition to regulations specific to PSUs, we are subject to various other governmental policies, laws and regulations in the oil and gas sector. The GoI has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian oil and natural gas industry. It exercises substantial control over the growth of the industry, for example, by awarding blocks in NELP rounds. There can be no assurance that we will be successful in obtaining interests in blocks, awarded in NELP rounds in the future. In addition to its direct participation in the oil and gas exploration, development and production industry through the MoPNG and its indirect impact through environmental laws and regulations, the GoI awards licenses and leases for exploration, production, development, transportation and sale of hydrocarbons. While many GoI policies, such as the administered pricing mechanism for regulating oil prices, have been liberalized, and there has been a move towards market orientation, we continue to be subject to regulated prices for gas, limitations on export of crude oil and natural gas, and requirements to contribute to the GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS). For further details, see "***—The requirement that we share in the under-recovery of the oil marketing companies as a result of GoI subsidies on MS, diesel, LPG (for domestic use) and SKO (PDS) will adversely affect our results of operations***" on page xxvii and "***—Our gas prices relating to natural gas sales derived from our nomination blocks are controlled by the GoI, which limits the profitability of our gas production business***" on page xxx. Further, in the exploration licenses and mining leases in which we have an interest, the GoI retains the ability to direct our actions in certain circumstances. Our ability to pursue our own strategy fully in relation to development, production and marketing of oil and gas and value-added products in accordance with our own commercial interests has been affected by such conditions. In addition, the GoI plays an important commercial role in the execution of crude oil and natural gas exploration, development and production activities in India, in particular through GoI-controlled companies such as ONGC and us. The oil and gas industry worldwide is characterized by relatively frequent changes in economic and fiscal policy by governments depending largely on the prevailing world oil and gas price environment with periods of high prices usually resulting in an increased tax burden for the industry (whether through amendments to legislation or PSCs, changes in interpretation of legislative or contractual terms or similar actions). Although the fiscal regime applicable to the Indian oil and gas industry has been relatively stable in the past, there can be no assurance that this stability will continue in the future.

Presently, MoPNG discharges certain regulatory functions relating to the petroleum industry in India. Additionally, the PNGRB Act came into force in India in April 2006. The PNGRB Act provides for the creation of the PNG Board and vests the PNG Board with certain powers and functions relating to refining, storage and transportation of petroleum, petroleum products and natural gas. The majority of the provisions of the PNGRB Act came into effect from October 1, 2007, and the constitution of the PNG Board was re-notified with effect from October 1, 2007. For further details, see "***—Certain changes in the regulatory framework in India could have a material adverse effect on our business, results of operations and financial condition***", on page xliv. In the future, Indian regulators, including the MoPNG and the PNG Board, may adopt new policies, laws or regulations. Our business could be materially adversely affected by any unfavorable regulatory changes.

In addition, existing Indian regulations require that we apply for and obtain various GoI licenses and other approvals, including in some cases extensions of exploration licenses awarded under the NELP, grants of mining leases, and renewals or extensions of mining leases, in order for us to conduct our exploration, development and production activities. If in the future we are unable to obtain any such necessary approvals, our level of reserves and production would be adversely affected. For further details on regulation affecting the oil and gas exploration development and production industry, see "***Regulations and Policies***" on page 93.

7. We are subject to risks arising from exchange rate fluctuations.

The international price of crude oil and value-added products, which account for the substantial majority of our sales revenues, is denominated in U.S. Dollars. Most of our expenditure, as well as our accounts as a whole, are denominated in Indian Rupees. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of U.S. Dollars for Indian Rupees, may materially affect our revenues and results of operations. We do not currently hedge our foreign currency exchange rate exposure. For further details, see "***Management's***

Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting our Results of Operations" on page 201.

Notes to Risk Factors:

- Public issue of 26,449,982 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue would constitute 11% of the fully diluted post Issue paid-up capital of our Company.

- The net worth of our Company before the Issue as of March 31, 2009 was Rs. 93,870.47 million.

- The net asset value per Equity Share as of March 31, 2009 was Rs. 438.64 per Equity Share.

- Our Promoter, the President of India holds 98.13% of our paid-up share capital. The average cost of acquisition per Equity Share by the Promoter is Rs. 1.69. The average cost of acquisition of our Equity Shares by our Promoter has been calculated by taking into account the amount paid to acquire the Equity Shares including the issue of bonus shares. For further details, see "***Capital Structure***" on page 25.

- The aggregate value of the related party transactions entered into during fiscal 2009 (excluding state controlled entities) is Rs. 1,144.58 million. Also see "***Financial Statements—Statement of Related Party Transactions***", "***Financial Statements – Statement of Loans & Advances***" and "***Financial Statements – Contingent Liabilities***" on pages 190, 184 and 196, respectively.

- Investors may contact the BRLMs and the Compliance Officer, for any complaints, information or clarifications pertaining to the Issue. Any clarifications or information relating to the Issue shall be made available by the BRLMs and the Company to the investors at large and no selective or additional information would be available for a selection of investors in any manner whatsoever.

- Investors are advised to see "***Basis for Issue Price***" on page 40.

- Under subscription in the Issue in any category, except in the QIB Portion, will be met with spill-over from other categories at the sole discretion of our Company, in consultation with the BRLMs. If at least 60% of the Net Issue is not allocated to QIBs, the entire application money will be refunded forthwith. In case of over-subscription in all categories, at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs.

- In terms of to Rule 19(2)(b) of the SCRR, this being an Issue of less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allotted to QIBs on a proportionate basis out of which, 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

- Except, as disclosed in "***Capital Structure***" on page 25, neither the President of India who is our Promoter, nor our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

- Except, as disclosed in "***Our Management***" on page 133, none of our Directors or key managerial personnel have any interest, in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

- Trading in our Equity Shares for all investors shall be in dematerialised form only.

SUMMARY

OVERVIEW

We are the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production (*Source: DGH*). We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are present internationally through the exploration of crude oil and natural gas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for over five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. As of March 31, 2009, our unaudited estimated independent proved plus probable crude oil reserves were approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and our independent proved plus probable natural gas reserves were approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). In addition to our independent reserves, we also have a 40% participating interest in crude oil reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. For fiscal 2009, our gross production amounted to approximately 24.95 million barrels of oil and approximately 2.27 billion cubic meters of natural gas, representing an average daily production of approximately 68,358 barrels of oil and 6.22 million cubic meters of natural gas. Our production amounted to approximately 10.41% and 6.91% of India's total production of crude oil and natural gas, respectively, for fiscal 2009 (*Source: PPAC*). For the three months ended June 30, 2009, our production amounted approximately 6.34 million barrels of oil and approximately 0.60 billion cubic meters of natural gas, representing an average daily production of approximately 69,619 barrels of oil and approximately 6.64 million cubic meters of natural gas.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 45 million barrels of crude oil in fiscal 2009 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar. We also own and operate a 660 kilometer petroleum product pipeline connecting NRL to Siliguri in West Bengal, which was commissioned in August 2008.

We have interests in downstream activities through a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in Sudan that was completed in 2005. We have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2005 and 2006 and "Very Good" for fiscal 2007 and fiscal 2008. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 60,099.89 million, Rs. 67,954.63 million and Rs. 81,378.77 million, for fiscal 2007, 2008 and 2009, respectively. Our profit after tax as restated was Rs. 15,403.91 million, Rs. 17,795.97 million and Rs. 22,308.50 million for fiscal 2007, 2008 and 2009, respectively. For the three months ended June 30, 2009, our revenues were Rs. 21,381.46 million and our profit after tax as restated was Rs. 7,396.92 million.

COMPETITIVE STRENGTHS

We believe that our success can be attributed to a combination of the following competitive strengths:

Our large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin. As of March 31, 2009, we had unaudited estimated independent proved plus probable crude oil reserves of approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and independent proved plus probable natural gas reserves of approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). As of March 31, 2009, all of our estimated independent oil reserves and 93.66% of our estimated independent natural gas reserves are located in the Upper Assam basin, which has been in continuous production since 1889. All of our production of crude oil consists of sweet crude which through fiscal 2008 was benchmarked to Nigerian Bonny Light under our sales contracts. Beginning in fiscal 2009, pursuant to a MoPNG decision our production of crude oil is benchmarked to baskets of crudes. The applicable basket varies based on the source of the crude and is determined based on the refineries to which such crude is supplied. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations—International Prices of Crude Oil***" on page 201.

Our sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons. As of June 30, 2009 we hold PELs as operator covering a total area of approximately 26,660 square kilometers, of which 21,293 square kilometers were acquired through the NELP bidding process and the remaining 5,367 square kilometers of which were acquired on a nomination basis (although our PELs for 15 of the 16 nominations blocks are expired and applications for extensions are pending). All such PELs cover acreage in the Upper Assam and Assam-Arakan basin, the Krishna-Godavari basin and the Rajasthan basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons. The PELs in which we have a participating interest as non-operator cover a total exploration acreage of 88,205 square kilometers, of which 82,175 square kilometers were acquired through NELP and the remaining 6,030 square kilometers of which were acquired through our joint ventures. We have obtained participating interests in 41,273 square kilometers of exploration acreages overseas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen.

Our track record of making and exploiting small to medium size discoveries. From fiscal 2007 through June 30, 2009, we made 11 small to medium size discoveries, which we define as those discoveries with an estimated proved plus probable reserves size of less than 30 million barrels of oil and oil equivalent gas, in addition to two major discoveries with an estimated proved plus probable reserves size of over 30 million barrels of oil and oil equivalent gas. We believe small and medium size discoveries have contributed to our reserve replacement ratio and production capacity. We view our expertise in the exploration and development of deep-seated thin reservoirs as a competitive advantage with respect to both our existing acreage and acreage we seek to acquire.

Our reservoir management skills for ageing and depleting fields. Oil and natural gas production in India is derived mainly from ageing and depleting fields. We deploy a wide array of improved oil recovery techniques and enhanced oil recovery techniques to achieve maximum recovery from our oil reserves. As part of our reservoir management strategy, we induct these techniques at an earlier stage in the life of our oil fields to try to achieve maximization of our recoveries. We believe these measures have enabled us to maintain production rates in our fields in the Upper Assam basin despite the declining nature of majority of the fields in the last three decades.

Our beneficial cost structure resulting from our status as an integrated exploration and production company with over five decades of operating experience. We have an installed onshore infrastructure built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and workover rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in our main oil- and gas-producing regions of India, which we believe provides us with a competitive advantage. Additionally, our five decades of experience as an organization, together with the training and experience of our human resources, allows us to devise operational procedures and maintenance schedules for our equipment and facilities that strive to minimize downtime and cost. Our integrated oil and gas infrastructure, combined with our in-house expertise enables us to manage our costs and time efficiently. Consequently, our average finding costs and all-in production costs benefit from our optimized manpower costs, low interest expense, relatively high use of in-house services in place of more expensive third-party contractors, utilization of depreciated infrastructure and equipment, adoption of cost-saving technology in our exploration, development and production operations, and effective use of our large store of geological data and expertise.

STRATEGY

In pursuit of our strategic objectives, we intend to:

Achieve a balanced growth of our portfolio of assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally. We intend to acquire exploration acreages, discovered blocks and producing properties. Domestically, we intend to continue to pursue our selective bidding strategy in future NELP rounds to acquire more geographically balanced exploration acreage across India. We will continue to follow a bidding strategy pursuant to which we aggressively target those blocks that we believe offer the most opportunity based on our five decades of exploration experience with the geological conditions in India. In the past seven rounds of NELP bidding, we selectively bid for 55 exploration blocks and were successful in acquiring 27 of these blocks, three of which we have subsequently relinquished. Internationally, we will seek to acquire both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. We intend to implement our acquisition strategy utilizing both joint ventures with other leading players in the industry, as well as through our arrangement with IOCL pursuant to which we have a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Our MoU with IOCL allows us to enter into project-specific agreements for overseas oil and natural gas exploration, development and production opportunities. In addition, we have entered into MoUs with ITERA and Santos International Operations Pty Ltd, among others, in respect of pursuing exploration and production opportunities in India and Libya, and overseas, respectively. We have recently entered into a MoU with Advanced Well Technologies Pty Limited for identifying and evaluating opportunities for the acquisition and development of upstream petroleum assets in Australia and elsewhere. We have also entered into a MoU with Mittal Energy Investments Pte Limited to explore the possibility of entering into a consortium or a joint venture to pursue opportunities for joint co-operation in the upstream, midstream and downstream oil and gas businesses, in India and overseas. For further details, see "***History and Certain Corporate Matters***" on page 106.

Accelerate our exploration and development in existing acreages to augment our current reserves and production. We have a developed expenditure plan to accelerate our exploration and development activities in our existing acreages.

In our nomination blocks, which are at different stages of exploration, development or production of crude oil and natural gas, we propose to conduct 700 GL kilometers of 2D seismic data acquisition, processing and interpretation and 790 square kilometers of 3D seismic data (including 150 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in fiscal 2010. In fiscal 2011, we propose to conduct 200 GL kilometers of 2D seismic data acquisition, processing and interpretation and 900 square kilometers of 3D seismic data acquisition, processing and interpretation in our nomination blocks. We also propose to drill 17 and 22 exploratory wells in our nomination blocks in fiscal 2010 and fiscal 2011, respectively. In addition, we propose to drill 44 and 46 development wells in fiscal 2010 and fiscal 2011, respectively.

In our pre-NELP blocks and NELP blocks where we are the operator in 12 blocks, we propose to conduct 1,825 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,075 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2010. In fiscal 2011, we propose to conduct 316 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,825 square kilometers of 3D seismic data (including 108 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in these blocks. We also propose to drill eight and 22 exploratory wells during fiscal 2010 and fiscal 2011, respectively. Additionally, we also propose to drill four development wells in fiscal 2011.

In our pre-NELP blocks and NELP blocks where we are the non-operator under a PSC, we estimate we will make an aggregate contribution of Rs. 825.49 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 5,440.43 million towards our proportionate share of cost of exploratory drilling in fiscal 2010 and fiscal 2011. In our pre-NELP blocks, where we are the non-operator, we estimate we will make an aggregate contribution of Rs. 238 million towards our proportionate share in cost of development drilling in fiscal 2010.

In our overseas blocks where we are the operator in three blocks, we propose to conduct 278 GL kilometers of 2D seismic data acquisition, processing and interpretation in fiscal 2010. We also propose to drill two exploratory wells in our overseas operated blocks, each during fiscal 2010 and fiscal 2011, respectively. In our non-operator overseas blocks, we estimate we will make an aggregate contribution of Rs. 528.75 million towards our proportionate share of cost of 2D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 1,850.61 million towards our proportionate share of cost of exploratory drilling in our non-operator overseas blocks, in fiscal 2010 and fiscal 2011.

We plan to spend approximately Rs. 28,279.71 million in connection with our exploratory and appraisal activities, including 2D seismic data and 3D seismic data acquisition, processing and interpretation and exploratory drilling, approximately Rs. 10,455.96 million in connection with development activities to accelerate our exploration and development in producing fields and approximately Rs. 6,862.80 million in connection with purchase of capital equipments and facilities during fiscal 2010 and fiscal 2011, respectively.

Continue to improve our rate of recovery through the application of advanced recovery techniques. We intend to implement a number of improved and enhanced oil recovery techniques to redevelop our maturing fields in the Upper Assam basin and improve recovery of our crude oil reserves, with a goal of increasing our current average recovery rates. These measures include:

- capacity augmentation to increase water injection in matured fields combined with in-fill drilling to drain the reservoirs more effectively;
- implementation of suitable enhanced oil recovery techniques in selected reservoirs;
- a prioritized work-over program and gravel packs in sand ingress prone reservoirs;
- resiting, augmentation and upgradation of existing production facilities, work-over and coil tubing units and drilling rigs to improve operational efficiency;
- the installation of modern artificial pumping and lifting equipment; and
- implementation of water arrest techniques.

We believe that our implementation of advanced recovery techniques and development plans will enable us to maintain and increase our production levels, which may be further enhanced by our acquisition strategy.

Monetize our natural gas resources in the Upper Assam basin. As of March 31, 2009, we had unaudited estimated independent proved plus probable natural gas reserves of approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption), of which 93.66% are located in the Upper Assam basin, which is a basin with proven commercial production. We have historically not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam in the past. However, for the year ended December 31, 2008, domestic consumption of natural gas exceeded domestic supply by 26% (*Source: BP Statistical Review of World Energy, 2009*) and we believe that the demand for natural gas within the Indian market is likely to increasingly exceed natural gas production. We therefore intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment. We also intend to improve our utilization of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding of our distribution network.

We entered into a MoU in September 2008 with IOCL to supply gas to its refinery in Guwahati, Assam and to develop gas pipeline infrastructures for transmission of gas from the Krishna-Godavari basin blocks and for the marketing of gas to small customers through retail networks. Pursuant to this MoU, we also intend to explore the possibility of joint participation with IOCL in the development of city gas distribution projects in the north-eastern, south-eastern and central states in India as well as in other countries.

Selectively diversify our domestic operations through downstream integration. We intend to continue an active strategy of vertical integration in order to diversify our sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. We have acquired a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. We have entered into a MoU with two public sector undertakings, HPCL and GAIL, and two private companies, Total France S.A. and Mittal Energy Investments Pte Limited, to establish a refinery and a petrochemical complex at Vishakhapatnam, Andhra Pradesh. In addition, we have entered into a MoU with BPCL in June 2009 to explore opportunities for, joint participation in laying, building, operating or expanding natural gas pipelines along identified routes, or competitive bidding in respect of CGD networks in geographical areas as notified by PNGRB, and developing CNG corridors along certain national and state highways.

In January 2008, we acquired a 23% equity stake in DNP Limited which is incorporated with the objective acquiring, transporting and distributing natural gas in all forms. It is also proposed to lay a 192 kilometer domestic gas pipeline connecting Duliajan to the NRL refinery. We believe this acquisition will enable us to extend our natural gas supply to customers beyond the refinery's location in Numaligarh, to Guwahati, and facilitate city gas distribution projects in the future. We are also undertaking pre-project activities with AGCL for distributing clean natural gas and piped natural gas in the North East region of India.

In August 2008, we commissioned a 660 kilometer domestic petroleum product pipeline connecting the NRL refinery to Siliguri, which has a capacity to transport approximately 2.13 million kiloliters of refined petroleum products annually. We also hold a 10% equity stake in a 741 kilometer pipeline project in Sudan that was completed in 2005.

We have also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business in India and overseas in partnership with IOTL, and leasing surplus fiber optic cable capacity in our pipeline infrastructure to telecom service providers, among others. Recently, we entered into lease agreements with Vodafone Essar Spacetel Limited, Power Grid Corporation of India Limited, Bharti Airtel, Dishnet Wireless Limited and Rail Tel Corp.

We intend to seek and develop additional diversification opportunities along the oil and gas value chain as they arise, particularly in the areas of expertise gained during our five decades of upstream oil operation.

We have also initiated a research program to carry out technological and economic viability studies for the production of synthetic crude oil from coal pursuant to which we have established a pilot coal liquefaction plant at our research and development center in Duliajan. The process optimization tests conducted through the pilot plant for conversion of coal to syncrude and the liquefaction assessment of coal were successfully completed and a feasibility report has been formulated.

THE ISSUE

Issue:	26,449,982 Equity Shares.
Which comprises:	
Employee Reservation Portion:	2,404,544 Equity Shares.
Net Issue:	24,045,438 Equity Shares.
Of which:	
Qualified Institutional Buyers Portion(1):	At least 14,427,263 Equity Shares (allocation on proportionate basis) out of which 5% of the QIB Portion or 721,363 Equity Shares (assuming the QIB Portion is 60% of the Net Issue) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and 13,705,900 Equity Shares (assuming the QIB Portion is 60% of the Net Issue) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion(2):	Not less than 2,404,544 Equity Shares (available for allocation on a proportionate basis).
Retail Portion(2):	Not less than 7,213,631 Equity Shares (available for allocation on a proportionate basis).
Equity Shares outstanding prior to the Issue:	214,004,400 Equity Shares.
Equity Shares outstanding post the Issue:	240,454,382 Equity Shares.
Objects of the Issue:	See "***Objects of the Issue***" on page 33.

If at least 60% of the Net Issue cannot be allocated to QIBs, the entire application money will be refunded.

(1) Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

(2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the non-institutional categories and retail categories, would be allowed to be met with a spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLMs. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the ratio among the investor categories shall be at the discretion of our Company and the BRLMs.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our selected historical financial information derived from the audited and restated financial statements for the three month period ended June 30, 2009 and June 30, 2009 and fiscal 2009, 2008, 2007, 2006 and 2005 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI Guidelines as described in the Auditors Report including in "***Financial Statements***" on page 152. The summary financial information presented below should be read in conjunction with the restated financial statements included in this Red Herring Prospectus, the notes thereto and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 197.

SUMMARY OF STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in million)

	Quarter ended 30.06.2009	**Quarter ended 30.06.2008**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
INCOME							
Sales	19,020.73	23,126.63	71,397.19	59,653.05	52,850.89	54,705.79	38,415.38
Income from Transportation	297.58	251.62	1,017.30	1,166.43	1,041.16	796.07	742.99
Other Income	2,063.15	1,556.04	9,371.75	6,770.01	5,334.94	3,639.29	1,904.26
Other adjustments	-	-461.35	-407.47	365.15	872.90	1,110.72	117.71
Total Income	**21,381.46**	**24,472.93**	**81,378.77**	**67,954.63**	**60,099.89**	**60,251.87**	**41,180.35**
EXPENDITURE							
Increase/(Decrease) In Stock	-146.07	-10.25	130.01	-220.57	22.12	-113.70	-69.09
Production, Transportation & Other Expenditure	9,717.27	10,399.39	39,612.49	35,648.89	30,439.30	27,048.70	21,100.61
Provision against debts, advances and other provisions/write-offs	178.44	277.90	3,711.98	1,334.07	1,927.05	1,121.73	676.77
Depletion	527.63	578.75	2,087.64	2,174.80	1,776.52	1,881.23	1,733.86
Depreciation	511.47	205.72	1,680.79	918.60	818.34	1,432.38	561.61
Interest & Debt Charges	9.02	14.23	87.44	343.64	139.55	161.87	166.51
Exchange Loss/(Gain)	-60.83	-49.30	-61.51	39.21	11.24	-9.72	-0.62
VRS Compensation written off	-	-	-	-	-	299.62	99.87
Other Adjustments	-	633.38	213.93	570.65	84.94	1,701.95	607.15
Total Expenditure	**10,736.94**	**12,049.81**	**47,462.77**	**40,809.29**	**35,219.06**	**33,524.05**	**24,876.68**
Profit for the period / year	10,644.52	12,423.12	33,916.00	27,145.34	24,880.83	26,727.82	16,303.66
Prior Period items	-	-	46.30	11.32	-54.56	16.16	-72.23
Profit Before Tax	**10,644.52**	**12,423.12**	**33,869.70**	**27,134.02**	**24,826.27**	**26,743.98**	**16,231.44**
Provision for Taxation:							
- Current Tax (Including Wealth Tax)	3,157.60	4,345.84	11,848.43	8,510.26	7,380.30	9,249.59	5,454.79
- Tax for earlier years	-	-	-	2.63	0.93	66.24	85.21
- Deferred Tax	90.00	125.84	343.07	706.83	1,020.18	497.85	74.60
- Fringe Benefit Tax	-	19.25	61.36	25.00	25.00	31.00	-
	3,247.60	**4,490.93**	**12,252.86**	**9,244.71**	**8,426.41**	**9,844.67**	**5,614.60**
Profit After Tax as per audited statement of accounts	**7,396.92**	**7,932.19**	**21,616.84**	**17,889.31**	**16,399.86**	**16,899.31**	**10,616.84**
Adjustments on account of :							

a) Changes in Accounting Policies	-	-	-	-	-	2,060.73	51.27
b) Other Adjustments and Prior Period Items	-	1,094.73	943.51	-150.28	-1,478.06	-1,192.94	608.30
c) Current Tax Impact on Adjustments	-	(248.14)	-251.85	67.50	468.21	443.97	-316.94
d) Deferred Tax Impact on Adjustments	-	-	-	-10.56	13.90	159.84	-151.02
Total of Adjustments after tax impact	-	-	**691.66**	**-93.34**	**-995.95**	**1,471.60**	**191.61**
Profit after Tax as Restated	-	**846.59**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
APPROPRIATIONS:							
Interim Dividends	-	-	3,210.07	2,675.06	3,959.08	3,959.08	1,284.03
Tax on Interim Dividends	-	-	545.55	454.63	555.26	555.26	172.19
Final Dividend (Proposed)	-	-	3,317.01	3,210.07	1,605.03	1,712.04	2,140.04
Tax on Proposed Dividend	-	-	563.73	545.55	272.78	240.11	300.14
Transfer to General Reserve	-	-	14,672.14	10,910.68	9,011.76	11,904.42	6,912.05
Balance of Profit and Loss Account	7,396.92	8,778.78	-	-	-	-	-
TOTAL	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**

Notes :

1. The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IVA), Notes on Adjustments not made for Restated Financial Statements (Annexure IVB), Auditors' qualifications and treatment in Restated Financial information (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).
2. The reconciliation between the Audited and Restated accumulated Profit and Loss balance is given in Notes on Adjustments made for Restated Financial Statements (Annexure IV A.)
3. Negative figures have been shown in brackets.

SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
							(Rs. in million)
-	**As at 30.06.2009**	**As at 30.06.2008**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 31.03.2007**	**As at 31.03.2006**	**As at 31.03.2005**
FIXED ASSETS							
Gross Block	29,997.21	23,432.45	29,720.38	23,227.74	21,889.06	20,951.83	18,846.29
Less: Accumulated Depreciation	19,078.75	16,515.43	18,382.62	16,146.60	15,521.36	14,892.21	12,844.28
Net Block	10,918.46	6,917.02	11,337.75	7,081.14	6,367.70	6,059.62	6,002.01
Capital Work in progress	3,441.93	6,751.99	3,185.88	6,445.53	5,301.18	3,118.45	2,368.65
	14,360.38	**13,669.01**	**14,523.63**	**13,526.67**	**11,668.89**	**9,178.07**	**8,370.66**
PRODUCING PROPERTIES							
Gross Cost	48,671.68	44,583.54	47,660.05	43,036.14	38,440.81	35,563.95	32,270.90
Less: Depletion	22,973.15	20,936.64	22,445.53	20,357.88	18,183.08	16,406.56	14,578.49

Net Cost	**25,698.53**	**23,646.90**	**25,214.51**	**22,678.26**	**20,257.72**	**19,157.39**	**17,692.41**
PRE-PRODUCING PROPERTIES	**7,549.33**	**4,298.44**	**5,622.87**	**4,481.08**	**3,885.96**	**2,260.16**	**1,298.20**
INVESTMENTS	**6,430.41**	**4,886.60**	**4,886.61**	**4,886.61**	**4,075.45**	**4,301.53**	**1,819.31**
CURRENT ASSETS,LOANS AND ADVANCES							
Inventories	5,009.56	4,888.96	5,009.95	4,508.95	4,080.24	3,989.46	2,607.82
Sundry debtors	7,337.35	7,166.78	4,047.34	5,608.54	3,726.98	5,286.78	5,513.46
Cash and Bank Balances	65,685.51	59,526.66	60,700.08	42,808.25	32,756.96	31,015.02	18,640.39
Interest /Dividend accrued Term Deposits / Investments	1,666.57	1,160.99	3,517.23	2,150.37	1,453.67	1,094.13	596.32
Loans and Advances	11,801.05	6,209.28	10,443.95	6,069.83	12,805.41	4,458.75	9,260.39
	91,500.03	**78,952.66**	**83,718.55**	**61,145.93**	**54,823.26**	**45,844.13**	**36,618.38**
Total Assets	**1,45,538.67**	**1,25,453.61**	**1,33,966.18**	**1,06,718.55**	**94,711.28**	**80,741.28**	**65,798.96**
LIABILITIES AND PROVISIONS							
Secured Loans	4.03	850.21	27.02	1,048.85	7,090.08	1,550.24	950.00
Unsecured Loans	512.50	675.00	537.50	700.00	1,050.00	1,400.00	1,861.61
Current Liabilities	16,357.37	16,622.52	14,636.65	11,127.39	7,948.92	8,964.25	5,612.11
Provisions	18,854.84	11,251.57	15,866.09	6,114.57	2,373.38	2,596.66	3,445.39
	35,728.74	**29,399.30**	**31,067.26**	**18,990.81**	**18,462.37**	**14,511.15**	**11,869.12**
DEFERRED TAX LIABILITY (NET)	**9,088.25**	8,781.01	**9,013.88**	**8,670.80**	**8,038.39**	**7,004.31**	**7,309.97**
WELL ABANDONMENT SINKING FUND	**14.57**	11.41	**14.57**	**11.41**	**10.72**	**10.00**	**0.00**
Total Liabilities	**44,831.55**	**38,191.71**	**40,095.71**	**27,673.02**	**26,511.49**	**21,525.46**	**19,179.09**
NET WORTH	**1,00,707.11**	**87,261.90**	**93,870.47**	**79,045.53**	**68,199.79**	**59,215.82**	**46,619.87**
REPRESENTED BY							
Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Reserves and Surplus	98,567.07	85,121.86	91,730.43	76,905.49	66,059.75	57,075.78	44,479.83
	1,00,707.11	**87,261.90**	**93,870.47**	**79,045.53**	**68,199.79**	**59,215.82**	**46,619.87**

Notes :

1.The above statement should be read with the Notes on Adjustments made for Restated Financial Statements(Annexure IVA), Notes on Adjustments not made for Restated Financial Statements (Annexure IVB), Auditors' qualifications and treatment in Restated Financial Informations (Annexure IV C), Significant Accounting Policies (Annexure VA) and Other Notes on Restated Financial Statements (Annexure VB).

2.Reserve and Surplus comprises entirely General Reserve.

SUMMARY OF STATEMENT OF CASH FLOW, AS RESTATED							
	-						**(Rs. in million)**
	Quarter ended 30.06.2009	**Quarter ended 30.06.2008**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
Cash flow from operating activities :							
Profit before tax	10,644.52	12,423.12	33869.70	27,134.02	24,826.27	26,743.98	16,231.44
Adjustments (See Annexure IVA)	-	1,094.73	943.51	(150.28)	(1,478.06)	867.79	659.57
Restated Profit Before Tax	**10,644.52**	**13,517.85**	**34813.21**	**26983.74**	**23348.21**	**27611.77**	**16891.01**
Adjustment for :							
- Depreciation	511.47	205.72	1628.24	971.15	818.34	(144.60)	588.98
- Depletion	527.63	578.75	2087.64	2,174.80	1,776.52	1,750.25	1,749.35
- Provision for leave encashment	-20.51	109.88	191.93	329.45	71.65	45.45	18.55
- Foreign Exchange (Gain)/Loss	-60.83	49.03	(61.51)	39.21	11.24	(9.72)	(0.62)
- Provision for Post retirement medical benefits	6.95	22.22	23.42	86.39	9.62	59.23	320.01
- Interest	9.02	14.23	87.44	343.64	139.55	161.87	166.51
- Interest Income	-1,489.11	-940.53	(6141.79)	(4,421.34)	(3,188.70)	(2,006.17)	(1,399.87)
- Dividend Income	-4.44	-31.79	(443.39)	(496.79)	(173.76)	(154.40)	(79.92)
-Other provision, adjustment and write offs	-	559.91	2585.02	3,025.07	2,513.65	799.28	(1,298.17)
	(519.82)	**567.42**	**(43.00)**	**2051.58**	**1978.12**	**501.19**	**64.83**
Operating profit before working capital changes	**10124.70**	**14085.27**	**34770.21**	**29035.32**	**25326.33**	**28112.95**	**16955.84**
Adjustment for Changes in WC							
- Debtors	(3290.01)	(1518.17)	1561.20	(1,881.56)	1,559.80	226.68	425.51
- Loans & Advances	328.54	(1059.68)	(4374.12)	6,735.58	(8,346.66)	4,801.64	834.96
- Inventories	0.40	(380.01)	(501.00)	(428.71)	(90.78)	(1,381.64)	(235.41)
- Sundry Creditors & other current liabilities	2596.75	6162.12	3509.26	3,178.47	(1,015.33)	3,352.14	2,722.22
Net Changes in Working Capital	(364.32)	3204.26	195.34	7,603.78	(7,892.97)	6,998.82	3,747.28
Cash generated from operation	**9760.38**	**17289.53**	**34,965.55**	**36,639.10**	**17,433.36**	**35,111.77**	**20,703.12**
Direct Taxes paid (Net of Refund)	(1381.38)	(424.66)	(5264.68)	(8,756.19)	(7,406.23)	(9,222.79)	(5,940.47)
Net cash flow from operating activities 'A'	**8378.99**	**16864.87**	**29,700.87**	**27,882.91**	**10,027.14**	**25,888.99**	**14,762.65**
Cash flow from investing activities :							
Purchase of Fixed Assets (Net)	(3286.31)	(1875.92)	(8495.99)	(9,492.01)	(9,370.32)	(6,108.39)	(6,283.27)
Investment Made	(1543.80)	-	-	(4,228.37)	(0.02)	(2,482.17)	-
Interest received	1489.11	1935.54	5026.56	3,717.12	2,718.37	1,515.87	1,234.57
Dividend received	4.44	31.79	443.39	496.79	173.76	154.40	79.92

Investment Realised	-	-	-	3,417.22	-	-	426.54
Net cash flow from investing activities 'B'	**(3336.56)**	**91.41**	**(3,026.04)**	**(6,089.25)**	**(6,478.22)**	**(6,920.30)**	**(4,542.23)**
Cash flow from financing activities :							
Repayment of borrowings	(47.99)	(223.64)	(1184.33)	(7,434.84)	(740.77)	(441.89)	(374.11)
Proceeds from borrowings	-	-	-	1,043.62	5,539.83	600.24	589.71
Interest paid	(9.02)	(14.23)	(87.44)	(343.65)	(139.55)	(161.87)	(166.51)
Dividend paid	-	-	(6420.13)	(4,280.09)	(5,671.12)	(5,735.13)	(2,996.06)
Tax on dividend	-	-	(1091.10)	(727.41)	(795.37)	(855.40)	(391.55)
Net cash flow from financing activities 'C'	**(57.01)**	**(237.87)**	**(8,783.00)**	**(11,742.37)**	**(1,806.98)**	**(6,594.05)**	**(3,338.52)**
Net Increase in cash and cash equivalents (A+B+C)	**4985.43**	**16718.41**	**17,891.83**	**10,051.29**	**1,741.94**	**12,374.63**	**6,881.90**
Cash and Cash equivalent at the beginning of the year	**60700.08**	**42808.25**	**42808.25**	**32,756.96**	**31,015.02**	**18,640.39**	**11,758.49**
Cash and Cash equivalent at the end of the year	**65685.51**	**59526.66**	**60700.08**	**42808.25**	**32756.96**	**31015.02**	**18640.39**
Components of Cash and Cash equivalents:							
Cash & Cheques in Hand	23.59	22.80	16.11	10.60	10.01	13.04	7.21
Balance with scheduled banks							
Current Account	337.60	397.81	851.24	1,488.95	883.94	1,130.88	404.68
Term Deposits	65324.31	59106.05	59832.73	41,308.70	31,863.01	29,871.10	18,228.50
	65685.51	**59526.66**	**60700.08**	**42,808.25**	**32,756.96**	**31,015.02**	**18,640.39**
Notes :							
1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.							
2. Cash outflows have been shown in brackets.							

GENERAL INFORMATION

Registered Office

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P.O. Duliajan
District Dibrugarh
Assam 786 602, India
Tel: +91 (374) 2800 508
Fax: +91 (374) 2800 433
Email: oilindia@oilindia.in

Corporate Office

Oil India Limited
OIL House, Plot Number 19
Sector 16 A, Noida
District Gautam Budh Nagar
Uttar Pradesh 201 301, India
Tel: +91 (120) 2488 333
Fax: +91 (120) 2488 310

Registration Number: 001148

Company Identification Number: U11101AS1959GOI001148

Website: www.oil-india.com

Except to the extent expressly set out in this Red Herring Prospectus, neither the content of Oil India Limited's website (or any other website) nor the content of any website accessible from hyperlinks of Oil India Limited's website (or any other website) is incorporated into, or forms part of this Red Herring Prospectus.

Address of the Registrar of Companies

Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Mizoram and Arunachal Pradesh
Morello Building
Ground Floor
Shillong 793 001
Meghalaya, India

Board of Directors

The following persons constitute our Board:

Name	Designation	Age	Address	DIN
Mr. N. M. Borah	Chairman and Managing Director	57 years	M-125 Greater Kailash - II, First Floor, New Delhi 110 048	00489006
Mr. T.K. Ananth Kumar	Director (Finance)	56 years	S1/522, Asian Games Village, New Delhi 110 009	00337930
Mr. B.N. Talukdar	Director (Exploration and Development)	54 years	B-11, Asian Games Village, New Delhi- 110 009	01926119
Mr. Ashok Anand	Director (Human Resources & Business Development)	59 years	M-125, Ground Floor, Greater Kailash - II, New Delhi 110 048	02040015
Mr. D.N. Narasimha Raju	Government Nominee Director	53 years	K-62, Nivedita Kunj, Sec-10, R.K. Puram, New Delhi 110 022	01070476

Name	Designation	Age	Address	DIN
Dr. Archana Saharya Mathur	Government Nominee Director	50 years	A-20, HUDCO Place, Andrews Ganj, New Delhi – 110 049	02555904
Mr. Ghanshyambhai Hiralal Amin	Independent Director	62 years	61, "Hiramani", Shilp Park, Behind Bandhu Samaj Society, Usmanpura, Ahmedabad 380 013	02284350
Prof. Sushil Khanna	Independent Director	58 years	218 B, Lake Terrace Extension, Kolkata 700 029	00115364
Mr. Arun K. Gupta	Independent Director	65 years	D-4/4211, Vasant Kunj, New Delhi 110 070	00836934
Mr. Alexander K. Luke	Independent Director	60 years	"Salin", Chathannoor, P.O. Kollam District, Kerala 691 572	00085916
Mr. Vinod K. Misra	Independent Director	62 years	56/1, Friends Colony (East), New Delhi 110 065	01641492
Mr. Pawan K. Sharma	Independent Director	51 years	Jagdishwar Palace, M.S. Road, Fancy Bazar, Guwahati 781 001	00682428

For further information, see "***Our Management***" on page 133.

Company Secretary and Compliance Officer

Mr. S.R. Krishnan
OIL House, Plot Number 19
Sector 16A, Noida
District Gautam Budh Nagar
Uttar Pradesh 201301, India
Tel: + 91 (120) 2488 307
Fax: +91(120) 2488 412
E-mail: investors@oilindia.in

Investors can contact the Compliance Officer, the Registrar, or the BRLMs, in case of any pre- or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refund orders, etc.

Book Running Lead Managers

JM Financial Consultants Private Limited
141, Maker Chambers III
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: + 91 (22) 6630 3030
Fax: + 91 (22) 2204 7185
Email: oilipo@jmfinancial.in
Investor Grievance e-mail: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Munindra Sehgal
SEBI Registration Number: INM000010361

Morgan Stanley India Company Private Limited
1101-1115, Trident
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Maharashtra, India
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Fax: +91 (22) 6621 0556
Email: oilindia@morganstanley.com
Investor Grievance e-mail: investors_india @morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Ms. Sonali Johari/ Mr. Vishal Gahlaut
SEBI Registration Number : INM000011203

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Nariman Point
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Maharashtra, India
Tel: +91 (22) 6631 9999
Fax: +91 (22) 6631 9803
Email: oil.ipo@citi.com
Investor Grievance e-mail: investors.cgmib@citi.com
Website: www.citibank.co.in
Contact Person: Mr. Shitij Kale
SEBI Registration Number : INM000010718

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Maharashtra, India
Tel: +91 (22) 2269 4921
Fax: + 91 (22) 2263 1984
Email: oilipo@hsbc.co.in
Investor Grievance e-mail: investorgrievance@hsbc.co.in
Website: http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking
Contact Person: Mr. Gaurav Shimpi
SEBI Registration Number: INM000010353

Domestic Legal Advisors to our Company

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216, Okhla Industrial Estate, Phase III
New Delhi 110 020, India
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Domestic Legal Advisors to the Underwriters

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International Legal Counsel to the Issue (as to English, New York and US federal law)

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Tel: +44 (20) 7638 1111
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Syndicate Member

JM Financial Services Private Limited
Apeejay House, 3rd Floor
3 Dinshaw Vachha Road,
Churchgate Mumbai 400 020
Tel: +91 (22) 6704 3184/3185

Fax: +91 (22) 6654 1511
Website: www.jmfinancial.in
Email: Deepak.vaidya@jmfinancial.in, tn.kumar@jmfinancial.in
Contact Person: Mr Deepak Vaidya/Mr T N Kumar
SEBI Registration Nos.: BSE INB/F 011054831, NSE INB/F231054835

Bankers to our Company

Indian Overseas Bank 70, Golf Links New Delhi 110 060, India Tel: +91 (11) 2463 4703 Fax: +91 (11) 2463 4703 E-mail: golffbr@delirc01.iobnet.co.in Contact Person: Mr. M. Lakshminarayana	**IDBI Bank Limited** Corporate Banking IFCI Tower, 12th Floor 61, Nehru Place New Delhi 110 019, India Tel: +91 (11) 4130 6641 Fax: +91 (11) 4130 6650 E-mail: vikas.singh@idbi.co.in Contact Person: Mr. Vikas Singh
Punjab National Bank N-Block, Connaught Place New Delhi 110 001, India Tel: +91 (11) 2331 9923 Fax: +91 (11) 2331 9925 E-mail: dharampal@pnb.co.in Contact Person: Mr. Dharampal	**Union Bank of India** SSI Branch, Sector 15 Naya Bans, Noida 201 301, India Tel: +91 (120) 2514 124 Fax: +91 (120) 2511 426 E-mail: ssinoida@unionbankofindia.com Contact Person: Mr. P.K. Srivastava
Allahabad Bank 17, Parliament Street New Delhi 110 001, India Tel: +91 (11) 2374 3695 Fax: +91 (11)2336 3694 E-mail: delpst@allahabadbank.co.in Contact Person: Mr. L.M. Pandey	**United Bank of India** Connaught Circus Branch J.C. Das Building P 9/80, Connaught Circus New Delhi 110 001, India Tel: +91 (11) 2336 0661 Fax: +91 (11) 2334 7012 E-mail: bmasa@unitedbank.com Contact Person: Mr. A.K. Gupta
HDFC Bank Safdarjung Enclave DDA Commercial Complex New Delhi 110 209, India Tel: +91 (11) 4139 2121 Fax: +91 (11) 4165 2283 E-mail: l.k.dhamija@hdfcbank.com Contact Person: Mr. L.K. Dhamija	**Corporation Bank** H-54, Connaught Circus New Delhi 110 001, India Tel: +91 (11) 2341 6038 Fax: +91 (11) 2327 603 E-mail: cb141@corpbank.co.in Contact Person: Mrs. S.M. Swathi
Axis Bank K-21&22 Sector 18, Noida 201 301, India Tel: +91 (120) 4348 012 Fax: +91 (120) 4348 015 E-mail: ashish.sahni@axisbank.com Contact Person: Mr. Ashish Sahani	**ICICI Bank Limited** 9-A, Phelps Building Connaught Place New Delhi 110 001, India Tel: +91 (11) 6631 0400 Fax: +91 (11) 2436 5231 E-mail: satish.mohan@icicibank.com Contact Person: Mr. Satish Mohan

Standard Chartered Bank H – 2, Connaught Circus New Delhi 110 001, India Tel: +91 (11) 2340 6720 Fax: +91 (11) 2332 0641 E-mail: saket.kaura@in.standarchartered.com Contact Person: Mr. Saket Kaura	**State Bank of India** Corporate Accounts Group Jawahar Vyapar Bhawan Tolstoy Marg New Delhi 110 001, India Tel: +91 (11) 2335 2995 Fax: +91 (11) 2335 2793 E-mail: chandrakunkan@sbi.co.in Contact Person: Mr. Chandra Bhushan Kunkan
Syndicate Bank K.G. Marg New Delhi 110 001, India Tel: +91 (11) 2331 5681 Fax: +91 (11) 2373 7695 E-mail: dinpai.2007@rediffmail.com Contact Person: Mr. Dinesh Pai	**UCO Bank** Flagship Corporate Centre 5, Parliament Street, New Delhi 110 001, India Tel: +91 (11) 2371 0014 Fax: +91 (11) 2371 0015 E-mail: bo.fccnewdelhi@ucobank.in Contact Person: Mr. Abhijit Chatterjee
Canara Bank H 54, Connaught Circus Branch Near Plaza Cinema New Delhi 110 001, India Tel: +91 (11) 2332 2734 Fax: +91 (11) 2372 1413 E-mail: managerdelhi2009@canbank.co.in Contact Person: Mr. R.Y. Kamath	

Registrar to the Issue

Karvy Computershare Private Limited
Karvy House,
46, Avenue 4, Street Number 1
Banjara Hills
Hyderabad 500 034
Andhra Pradesh, India
Tel: +91 (40) 2342 0815
Toll Free Number: 1-800-345 4001
Fax: +91 (40) 2342 0814
E-mail: ganapathy@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murli Krishna

Bankers to the Issue

Escrow Collection Banks and Refund Banks

ABN Amro Bank N.V. Brady House, 14 Veer Nariman Road, Hornimon Circle, Fort, Mumbai 400 023 Tel: +91 (22) 6658 5858 Direct Line: +91 (22) 66585817 E-mail: chaitali.nandi@in.abnamro.com Contact Person: Ms. Chaitali Nandi SEBI Registration No.: INBI00000034	**Axis Bank Limited** K-21 and K-22, Sector 18 Noida 201301, Uttar Pradesh Tel: +91 (120) 4350 358 Fax: +91 (120) 4348 015 Website: www.axisbank.com E-mail: sector18noida.operationshead@axisbank.com Contact Person: Mr. Manu Pratap SEBI Registration: INBI00000017

Citibank N.A. Citigroup Centre C-61, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Tel: +91 098104 62666 Tel: +91 098205 12828 Website: www.citibank.co.in E-mail: ruchita.taneja.aggarwal@citi.com, zersis.irani@citi.com Contact Person: Ms. Ruchita Aggarwal, Mr. Zersis Irani SEBI Registration: INBI00000037	**Deutsche Bank AG** Kodak House, 222, Dr. D.N. Road, Fort, Mumbai 400 001 Tel: +91 (22) 6658 4045 Fax: +91 (22) 6706 3860 Website: www.db.com E-mail: shyamal.malhotra@db.com Website: www.db.com Contact Person: Mr. Shyamal Malhotra SEBI Registration No.: INBI0000003
HDFC Bank Limited BTI Ops Department Manekji Wadia Building Nanik Motwani Marg, Fort Mumbai 400 001 Tel: +91 (22) 6657 3746 Fax: +91 (22) 2270 0272 Website: www.hdfcbank.com E-mail: deepak.rane@hdfcbank.com Contact Person: Mr. Deepak Rane SEBI Registration: INBI00000083	**Kotak Mahindra Bank Limited** Kotak Mahindra Bank, Cash Management Services Kotak Towers, 6th Floor, Zone 3, Building No. 21, Infinity Park Off Western Express Highway Goregaon Mulund Link Road Malad (E), Mumbai 400 097 Tel: +91 (22) 6605 6825 Fax: +91 (22) 6646 6907 Website: www.kotak.com E-mail: ibrahim.sharief@kotak.com Contact Person: Mr. Ibrahim Sharief SEBI Registration No.: INBI00000927
ICICI Bank Limited Capital Markets Group No. 30, Mumbai Samachar Marg Fort, Mumbai 400 001 Tel: +91 (22) 3043 7000 Fax: +91 (22) 3043 7275 E-mail: venkataraghavan.t@icicibank.com Contact Person: Mr. Venkatararaghavan T.A. SEBI Registration No.: INBI00000004	**IDBI Bank Limited** Unit No. 2, Corporate Park Sion Trombay Road Chembur, Mumbai 400 071 Tel: +91 (22) 6690 8402 Fax: +91 (22) 6690 8423 Website: idbibank.com E-mail: mn.kamat@idbibank.com Contact Person: Mr. M.N. Kamat SEBI Registration: INBI00000076
Standard Chartered Bank 270 D.N. Road Fort, Mumbai 400 001 Tel: +91 (22) 2268 3955 Fax: +91 (22) 2209 2216 Website: www.standardchartered.co.in E-mail: joseph.george@sc.com Contact Person : Mr. Joseph George SEBI Registration No.: INBI00000885	**State Bank of India Limited** Cash Management Centre 31, Mahal Industrial Estate Off. Mahakali Caves Road Andheri (East), Mumbai 400 093 Tel: +91 (22) 2681 4805 Fax: +91 (22) 2687 5060 Website: www.statebankofindia.com E-mail: agmpi.cmp@sbi.co.in Contact Person: Mr. Ejaz Hussain SEBI Registration: INBI00000038
The Hongkong and Shanghai Banking Corporation Limited JMD Regent Square, DLF Phase II Gurgaon Mehrauli Road Gurgaon 122 002 Tel: +91 (124) 4182 209 Fax: +91 (22) 40357 657 Website: www.hsbc.co.in E-mail: manupratapverma@hsbc.co.in Contact Person: Mr. Manu Pratap SEBI Registration: INBI00000027	**Yes Bank Limited** 2nd Floor, Tiecicon House Dr. E. Moses Road Mahalaxmi, Mumbai 400 011 Tel: +91 (22) 6622 9232 Fax: +91 (22) 2497 4875 Website: www.yesbank.in E-mail: dlbtiservices@yesbank.in Contact Person: Mr. Mahesh Shirali SEBI Registration: INBI00000935

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA process are provided at http://www.sebi.gov.in/pmd/scsb.pdf.

Petroleum Engineer

Gaffney Cline & Associates (Consultants) Pte Ltd
80, Anson Road, #31-01C
Fuji Xerox Towers
Singapore 079 907
Tel: + 65 6225 6951
Fax: +65 6224 0842
Email: ajohnson@gaffney-cline.com
Contact Person: Mr. Alex Johnson

Statutory Auditors of our Company

M/s. A.K. Sabat & Co.
A-348, Sahid Nagar
Bhubaneshwar 751 007
Orissa, India
Tel: +91 (674) 2542 383
Fax: +91 (674) 2542 264
Email: cadvijaya@rediffmail.com
Contact Person: Mr. Vijaya Kumar
Membership No.: 51961

M/s. Chatterjee & Co.
153, Rash Behari Avenue, 3rd floor
Kolkata 700 029
West Bengal, India
Tel: +91 (33) 2465 6114
Fax: +91 (33) 2466 9310
Email: chaterji@vsnl.net
Contact Person: Mr. S.K. Chatterjee
Membership No.: 3124

Monitoring Agency

IFCI Limited
IFCI Tower
61, Nehru Place
New Delhi 110 019
Tel: +91 (11) 2623 0194
Fax: +91 (11) 2648 7440
Email: sachikanta.mishra@ifciltd.com
Contact Person: Mr. Sachikanta Mishra

IPO Grading Agency

CRISIL Limited
1061, Solitaire Corporate Park
Andheri (East)
Mumbai 400 093, India
Tel: +91 (22) 6644 4148
Fax: +91 (22) 6702 6954
Email: chetanmajithia@crisil.com
Website: www.crisil.com

Contact Person: Mr. Chetan Majithia

Statement of Inter se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities among the BRLMs:

	Activities	Responsibility	Coordinator
(i)	Capital structuring with the relative components and formalities such as type of instruments, etc.	JM Financial, Morgan Stanley, Citi, HSBC	HSBC
(ii)	Due diligence of our Company's operations/management/business plans/legal. ▪ Drafting and designing of the offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalization of the Prospectus and filing with the Stock Exchanges.	JM Financial, Morgan Stanley, Citi, HSBC	JM Financial, Morgan Stanley
(iii)	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisements and brochures.	JM Financial, Morgan Stanley, Citi, HSBC	Citi
(iv)	Appointment of other Intermediaries: (a) Printers; (b) Registrar; (c) Advertising agency; (d) Bankers to the Issue; (e) IPO Grading Agency; (f) Legal Counsels; and (g) Other Agencies	HSBC	HSBC
(v)	International institutional marketing strategy, preparation of road show marketing presentation, frequently asked questions ("**FAQ**") and co-ordination for all road show logistics including: ▪ Finalizing the list and division of investors for one on one meetings, institutional allocation	JM Financial, Morgan Stanley, Citi, HSBC	HSBC
(vi)	Domestic institutions/banks/mutual funds marketing strategy Finalize the list and division of investors for one on one meetings, institutional allocation	HSBC, Citi, JM Financial, Morgan Stanley	Citi
(vii)	Retail/Non-institutional marketing strategy which will cover, *inter alia*, ▪ Finalize media, marketing and public relation strategy, ▪ Finalize centers for holding conferences for brokers, etc. ▪ Finalize collection centers, ▪ Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material, ▪ Domestic institutions/banks/mutual funds marketing strategy, ▪ Finalize the list and division of investors for one on one meetings, institutional allocation	JM Financial, Morgan Stanley, Citi, HSBC	JM Financial, Morgan Stanley
(viii)	Managing the Book, coordination with Stock Exchanges, pricing and allocation to QIB Bidders.	JM Financial, Morgan Stanley, Citi, HSBC	JM Financial, Morgan Stanley

Activities		Responsibility	Coordinator
(ix)	Post-Bidding activities including management of Escrow Accounts, co-ordinate non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities of the Issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the Refund Bank. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with our Company.	JM Financial, Morgan Stanley, Citi, HSBC	Citi

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

IPO Grading

This Issue has been graded by CRISIL Limited and has been assigned a grade of 4/5. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For more information on IPO Grading, see "***Appendix C***" on page 516. Attention is drawn to the disclaimer appearing on page 524.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

(1) Our Company;
(2) Book Running Lead Managers;
(3) Syndicate Member who is an intermediary registered with SEBI or registered as a broker with BSE/NSE and eligible to act as an underwriter. The Syndicate Member is appointed by the BRLMs;
(4) Registrar to the Issue; and
(5) Escrow Collection Banks.

This is an Issue of less than 25% of the post Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2) (b) of the SCRR through the 100% Book Building Process wherein at least 60% of the Net Issue size is required to be allocated to QIBs on a proportionate basis out of which, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. In addition, in accordance with Rule 19(2) (b) of the SCRR, a minimum of 2 million securities are being offered to the public and the size of the Net Issue will aggregate to at least Rs. 1,000 million. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 2,404,544 Equity Shares shall be available for allocation on a proportionate basis to our Eligible Employees, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% margin amount upon submission of the Bid cum Application Form during the Bid/Issue Period and Allocation to QIBs will be on a proportionate basis. For further details, see "***Terms of the Issue***" on page 291.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed JM Financial Consultants Private Limited, Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited as the BRLMs to manage the Issue and to procure subscriptions to the Issue.

Illustration of Book Building and Price Discovery Process *(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)*

Bidders (excluding the ASBA Bidders who can only Bid at Cut-Off Price) can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 Equity Shares and receipt of nine bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book, as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of Equity Shares bid for	Bid Price (Rs.)	Cumulative Equity Shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42 in the above example. The issuer, in consultation with the BRLMs will finalize the issue price at or below such cut off price i.e. at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

The process of Book Building under the SEBI Guidelines is relatively new and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Steps to be taken for bidding:

1. Check eligibility for making a Bid (see "***Issue Procedure - Who Can Bid?***" on page 293).
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. Ensure that you have mentioned your PAN on the Bid cum Application Form (see "***Issue Procedure - 'PAN' or 'GIR' Number***" on page 310).
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.
5. Ensure the correctness of your demographic details (as defined in "***Issue Procedure – Bidders Depository Account Details***" on page 305), given in the Bid cum Application Form, with the details recorded with your Depository Participant.
6. Bids by ASBA Bidders will only have to be submitted to the SCSB. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining (a) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (b) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Period

BID/ISSUE OPENS ON:	September 7, 2009
BID/ISSUE CLOSES ON:	September 10, 2009

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs, Syndicate Member and the SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e. any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional Business Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for our Equity Shares proposed to be offered through the Issue, except for ASBA Bids. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfill their underwriting obligations, save and except for underwriting obligations resulting from ASBA Bids. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In million)
JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai 400 021 Maharashtra, India Tel: + 91 (22) 6630 3030 Fax: + 91 (22) 2204 7185 Email: oilipo@jmfinancial.in	[●]	[●]
Morgan Stanley India Company Private Limited 1101-1115, Trident Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6621 0555 Fax: +91 (22) 6621 0556 Email: oilindia@morganstanley.com	[●]	[●]
Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6631 9999 Fax: +91 (22) 6631 9803 Email: oil.ipo@citi.com	[●]	[●]
HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001 Maharashtra, India Tel: +91 (22) 2269 4921 Fax: + 91 (22) 2263 1984 Email: oilipo@hsbc.co.in	[●]	[●]
Syndicate Member JM Financial Services Private Limited Apeejay House, 3rd Floor 3 Dinshaw Vachha Road, Churchgate Mumbai 400 020 Tel: +91 (22) 6704 3184/3185 Fax: +91 (22) 6654 1511 Website: www.jmfinancial.in Email: Deepak.vaidya@jmfinancial.in, tn.kumar@jmfinancial.in Contact Person: Mr Deepak Vaidya/Mr T N Kumar SEBI Registration Nos.: BSE INB/F 011054831, NSE INB/F231054835	[●]	[●]

The above mentioned amount is indicative and this would be finalised after determination of Issue Price and actual allocation of our Equity Shares. The Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on a certificate dated [●] given to them by BRLMs and the Syndicate Member), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to our Equity Shares allocated to investors procured by them. In the event of any default, the respective

Underwriter, in addition to other obligations to be defined in the Underwriting Agreement, will be required to procure subscriptions or subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our share capital as on the date of filing of this Red Herring Prospectus is set forth below.

(Rs. in million, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorized Capital*		
500,000,000 Equity Shares	5,000.00	[•]
B. Issued, Subscribed and Paid-Up Capital before the Issue**		
214,004,400 Equity Shares each	2,140.04	[•]
C. Present Issue in terms of this Red Herring Prospectus		
Issue of: Up to 26,449,982 Equity Shares fully paid up	264.50	[•]
Comprising:		
• Net Issue of up to 24,045,438 Equity Shares fully paid up	240.45	[•]
• Employee Reservation of up to 2,404,544 Equity Shares fully paid-up	24.04	[•]
D. Net Issue to the Public		
Up to 24,045,438 Equity Shares fully paid-up	240.45	[•]
Of Which:		
QIB Portion of at least 14,427,263 Equity Shares	144.27	
Non-Institutional Portion of up to 2,404,544 Equity Shares	24.04	
Retail Portion of up to 7,213,631 Equity Shares	72.14	
E. Issued, Subscribed and Paid-Up Capital after the Issue		
240,454,382 Equity Shares fully paid-up	2,404.54	[•]
F. Share Premium Account		
Before the Issue	Nil	
After the Issue	[•]	

* *The authorised equity share capital of our Company was increased from Rs. 500 million divided into 500,000 equity shares of Rs. 1,000 each to Rs. 2,500 million divided into 2,500,000 equity shares of Rs. 1,000 each, through a special resolution of our shareholders dated September 23, 1994. By way of a special resolution of our shareholders dated August 11, 1995, the equity shares of Rs. 1,000 each were split into Equity Shares of the face value of Rs. 10 each. In addition, the authorised equity share capital of our Company was increased from Rs. 2,500 million divided into 250,000,000 equity shares of Rs. 10 each to Rs. 5,000 million divided into 500,000,000 Equity Shares of Rs. 10 each, through a special resolution of our shareholders dated September 23, 2006.*

** *The Company has entered into a Share Purchase Agreement dated December 27, 2007 with the President of India, IOCL, HPCL and BPCL for transfer by the President of India (acting through the MoPNG) of 10,700,220 Equity Shares of our Company to IOCL, 5,350,110 Equity Shares to HPCL and 5,350,110 Equity Shares to BPCL ("**Transfer**"). The Transfer will be done at the Issue Price after the determination of the Issue Price, in terms of this Red Herring Prospectus and the Share Purchase Agreement. However, the Transfer shall be concluded prior to the filing of the Prospectus with the RoC.*

The President of India, acting through the MoPNG presently holds 98.13% of the issued and paid up Equity Share capital of our Company. Post the Transfer but prior to the Issue, the President of India, acting through the MoPNG will hold 188,599,560 Equity Shares, i.e. 88.13% of the fully diluted post-Issue paid-up Equity Share capital of our Company. Post the Transfer and after the Issue, the President of India, acting through the MoPNG, will hold 188,599,560 Equity Shares, i.e. 78.43% of the fully diluted post-Issue paid-up Equity Share capital of our Company.

Notes to the Capital Structure

1. Share Capital History of our Company:

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of equity shares	Face Value (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
May 9, 1959	120,000	1,000*	1,000	Cash	Issue to the President of India and Burma Oil Company Limited (including subscription to the shares on signing of the Memorandum of Association by the President of India and Burmah Oil Company Limited)	Nil	120,000,000
January 29, 1960	60,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited	Nil	180,000,000
January 24, 1961	30,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited	Nil	210,000,000
April 28, 1961	30,000	1,000*	1,000	Cash	Further issue to the President of India and Burmah Oil Company Limited	Nil	240,000,000
November 2, 1961	40,000	1,000*	1,000	Cash	Further issue to the President of India	Nil	280,000,000
September 23, 1994	420,000	1,000*	N.A.	Bonus issue (in the ratio of 1.5 Equity Shares for every 1 Equity Share held)***	Capitalisation of reserves	Nil	700,000,000
August 11, 1995	Split of 700,000 equity shares of Rs. 1,000 each to 70,000,000 Equity Shares of Rs. 10 each						
March 29, 1996	1,334,800	10	109	Cash	Issue to employees of our Company	132,145,200	713,348,000
July 2, 1996	71,334,800	10	N.A.	Bonus issue (in the ratio of 1 Equity Share for every 1 Equity Share held)***	Capitalisation of reserves	132,145,200	1,426,696,000
December 26, 2000	71,334,800	10	N.A.	Bonus issue (in the ratio of 1 Equity Share for every 2 Equity Share held)***	Capitalisation of reserves	0**	2,140,044,000
Total	**214,004,400**						**2,140,044,000**

**With effect from August 11, 1995, the equity shares of Rs. 1,000 each have been split into Equity Shares of the face value of Rs. 10 each. As of the date of this Red Herring Prospectus, the outstanding pre-Issue share capital of our Company is 214,004,400 Equity Shares of face value of Rs. 10 each.*

*** The Share Premium Account was capitalised in order to issue bonus shares on December 26, 2000.*

**** The bonus issues of equity shares of the Company have been made by way of capitalisation of general reserves/profit and loss account/share premium account. The following table gives details of the bonus issue.*

Date of	Ratio of the	Number of	Face Value of Shares	Amount of reserves/profit

allotment of Bonus Shares	Bonus Issue	equity shares issued as Bonus Shares	(Rs.)	and loss account capitalised (Rs.)
September 23, 1994	1.5:1	420,000	1,000	420,000,000
July 2, 1996	1:1	71,334,800	10	713,348,000
December 26, 2000	1:2	71,334,800	10	713,348,000

2. Promoters' Contribution and Lock-in

(a) Details of Promoters Contribution locked in for three years are as follows:

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue paid up capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

S. Number	Name of Shareholder	Date on which the Equity Shares were allotted/ acquired	Date when made fully paid-up	Nature of consideration	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of pre-Issue paid-up equity capital	% of post-Issue paid-up equity capital
1.	President of India	December 26, 2000	December 26, 2000	Bonus issue (in the ratio of 1:2)	48,090,877	10	N.A.	22.47	20
	Total				**48,090,877**			**22.47**	**20**

The Equity Shares proposed to be included as part of the minimum Promoter's contribution are arising out of the bonus issue to the Promoter out of the share premium account and free reserves of our Company, and hence are eligible for computation of Promoter's contribution.

Such Equity Shares being locked in for a period of three years towards Promoters contribution:

- have not been acquired in the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- are not resulting from any bonus issues in the last three years made out of revaluation reserves or reserves created without accrual of cash resources or against Equity Shares which are otherwise ineligible for computation of promoter's contribution. The bonus issue pursuant to which such Equity Shares have resulted has been made out of share premium account and free reserves built out of the profits;
- have not been acquired in the preceding one year at a price lower than the Issue Price;
- have not been pledged; and
- do not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The MoPNG has, through letter dated November 26, 2007, granted consent from the President of India for the lock-in of 20% of the fully diluted post-Issue paid-up Equity Share capital of our Company, held by it, for three years from the date of Allotment and lock-in of the balance pre-Issue Equity Share capital of our Company, held by it for a period of one year from the date of Allotment.

Lock-in period shall start from the date of Allotment of the Equity Shares as per the terms of this Red Herring Prospectus.

In terms of clause 4.15.1 of the SEBI Guidelines, locked-in Equity Shares held by the Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of the sanction of the loan provided that locked-in Equity Shares may be pledged, only, if in addition to fulfilling the requirements of clause 4.15.1 of the SEBI Guidelines, the loan has been granted by such banks or financial institutions for the purpose of financing one or more "***Objects of the Issue***". In terms of clause 4.16.1 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable. We will also inform the Stock Exchanges about the details of the Equity Shares locked-in for a period of three years.

Furthermore, in terms of clause 4.16.1 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per clause 4.14 of the SEBI Guidelines, subject to the lock-in continuing to remain in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable.

Furthermore, the Equity Shares subject to the lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

(b) Details of share capital locked in for one year:

Other than the three years lock-in on the Equity Shares held by our Promoter as stated above, the balance Pre-Issue Equity Share capital of our Company, i.e. 165,913,523 Equity Shares, will be locked in for a period of one year from the date of Allotment in this Issue. On finalisation of the basis of Allotment for the Equity Shares to be issued pursuant to this Issue, we would mail stickers (to all shareholders holding shares in physical form) indicating the lock-in period to all shareholders whose Equity Shares are to be locked-in for a period of one year. The lock-in for Equity Shares held in dematerialised form would be created as per the bye laws of the Depositories.

Pursuant to the Transfer, 21,400,440 Equity Shares shall be locked-in for a period of one year from the date of Allotment in this Issue and shall also be subject to the terms and conditions of the Share Purchase Agreement.

Furthermore, in terms of clause 4.16.1 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per clause 4.14 of the SEBI Guidelines, subject to the lock-in continuing to remain in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

3. Shareholding pattern of our Company

(a) Shareholding pattern of our Company before the Issue and prior to the Transfer*, and post Transfer but prior to the Issue, and after the Transfer and post-Issue would be as follows:\

Name of Shareholder		Pre-Issue but prior to Transfer		Post Transfer but prior to the Issue		Post Transfer Post-Issue	
		Number of Equity Shares	**Percentage of Holding (%)**	**Number of Equity Shares**	**Percentage of holding (%)**	**Number of Equity Shares**	**Percentage of holding (%)**
1.	President of India	210,000,000	98.13	188,599,560	88.13	188,599,560	78.43
2.	Public (including Employees)**	4,004,400	1.87	4,004,400	1.87	30,454,382	12.66
3.	IOCL	-	-	10,700,220	5.00	10,700,220	4.45
4.	HPCL	-	-	5,350,110	2.50	5,350,110	2.23
5.	BPCL	-	-	5,350,110	2.50	5,350,110	2.23
	Total	**214,004,400**	**100**	**214,004,400**	**100**	**240,454,382**	**100**

** The Company has entered into a Share Purchase Agreement dated December 27, 2007 with the President of India, IOCL, HPCL and BPCL for transfer by MoPNG of 10,700,220 Equity Shares of our Company to IOCL, 5,350,110 Equity Shares to HPCL and 5,350,110 Equity Shares to BPCL ("**Transfer**"). The Transfer will be done at the Issue Price after the determination of the Issue Price, in terms of this Red Herring Prospectus and the Share Purchase Agreement. However, the Transfer shall be concluded prior to the filing of the Prospectus with the RoC.*

*** Pursuant to the Issue (including the Employee Reservation Portion), assuming that the entire Employee Reservation Portion is subscribed*

(b) Shareholding pattern of our Company as per clause 35 of the listing agreement, as on date of this Red Herring Prospectus is as follows:

					TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
CATE GORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREH OLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERI ALIZED FORM	AS a PERCENT AGE of (A+B)	As a PERCEN TAGE of (A+B+C)	NUM BER OF SHAR ES	AS a PERCENTA GE
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN							
(a)	Individual /HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/State Government(s)	1	210,000,000	0	98.13	98.13	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(1) :	**1**	**210,000,000**	**0**	**98.13**	**98.13**	**0**	**0.00**
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total A=A(1)+A(2)	**1**	**210,000,000**	**0**	**98.13**	**98.13**	**0**	**0.00**
(B)	**PUBLIC SHAREHOLDING**							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	0	0	0	0.00	0.00		
(b)	Financial Institutions /Banks	0	0	0	0.00	0.00		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	**0**	**0**	**0**	**0.00**	**0.00**		
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	28	43,450	36,550	0.02	0.02		
(b)	Individuals							
	(i) Individuals holding nominal share capital up to Rs.1 lakh	6,316	3,889,500	273,350	1.82	1.82		

					TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
CATE GORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREH OLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERI ALIZED FORM	AS a PERCENT AGE of (A+B)	As a PERCEN TAGE of (A+B+C)	NUM BER OF SHAR ES	AS a PERCENTA GE
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	3	70,550	17,150	0.03	0.03		
(c)	Others							
	NON RESIDENT INDIANS	1	900	0	0.00	0.00		
	Sub-Total B(2) :	6,348	4,004,400	327,050	1.87	1.87		
	Total B=B(1)+B(2) :	6,348	4,004,400	327,050	1.87	1.87		
	Total (A+B) :	6,349	214,004,400	327,050	100.00	100.00		
(d)	Shares held by custodians, against which							
	Depository Receipts have been issued	0	0	0	0.00	0.00		
	GRAND TOTAL (A+B+C) :	**6,349**	**214,004,400**	**327,050**	**100.00**	**100.00**	**0**	**0.00**

4. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

5. In case of over-subscription in all categories, at least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except in the QIB Portion, would be met, with spill-over from other categories, at the sole discretion of our Company, in consultation with the BRLMs.

6. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Employees other than as defined in this Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue Portion to the public and such Bids shall not be treated as multiple Bids. In case of an over subscription in the Employee Reservation Portion, all valid applicants under the Employee Reservation Portion will be allotted a minimum of: (i) 10 times the minimum bid size; or (ii) all the Equity Shares applied for. Thereafter, Allotment in excess of this minimum application lot as aforesaid would be made on a proportionate basis to all Eligible Employees. However, in case of an over subscription in the Employee Reservation Portion, the maximum Allotment to any Eligible Employee will be capped at 2,404,544 shares. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.

7. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

8. The top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) The top ten shareholders of our Company as on the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sundar Chowkhani	41,300	Negligible
3.	Mr. Pawan Bansal	21,000	Negligible
4.	Hasanpur Cold Storage Private Limited	17,800	Negligible
5.	Mr. Yogesh Kumar Karwa	15,600	Negligible
6.	Shweta Agarwal	10,550	Negligible
7.	Mr. Om Prakash Rathi	6,850	Negligible
8.	Ms. Vandana Agarwal	6,500	Negligible
9.	R.K. Kedia & Sons	6,200	Negligible
10.	Ms. Babita Singh	6,100	Negligible

(b) The top ten shareholders of our Company two years before the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sunder Chowkhani	41,000	Negligible
3.	Mr. Yogesh Kumar Karwa	15,100	Negligible
4.	Mr. Anshu Aggarwal	10,350	Negligible
5.	Mr. Selvarani Thangavel	4,700	Negligible
6.	Mr. Lakshman Govender	4,000	Negligible
7.	Ms. Mita Nahata	3,900	Negligible
8.	Mr. Mahavir Prasad Karwa	3,700	Negligible
8.	Mr. Kailash Agarwal	3,600	Negligible
10.	Venture Merchandise Private Limited	3,450	Negligible

(c) The top ten shareholders of our Company ten days prior to the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	President of India acting through the MoPNG	210,000,000	98.13
2.	Mr. Shyam Sundar Chowkhani	41,300	Negligible
3.	Mr. Pawan Bansal	21,000	Negligible
4.	Hasanpur Cold Storage Private Limited	17,800	Negligible
5.	Mr. Yogesh Kumar Karwa	15,400	Negligible
6.	Ms. Shweta Agarwal	9,950	Negligible
7.	Mr. Om Prakash Rathi	6,850	Negligible
8.	Ms. Vandana Agarwal	6,500	Negligible
9.	R.K. Kedia & Sons	6,200	Negligible
10.	Ms. Babita Singh	6,100	Negligible

9. Except Mr. Ghanshyambhai Hiralal Amin, neither the President of India, acting through the MoPNG, who is our Promoter, nor our Directors have purchased or sold any Equity Shares during a period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI, and until the date of filing of this Red Herring Prospectus.

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

11. There are no partly paid up Equity Shares in our Company. The Equity Shares offered through this Issue shall be fully paid up.

12. Except our Chairman and Managing Director, Mr. N.M. Borah and our Directors, Mr. B.N. Talukdar, Mr. Ghanshyambhai Hiralal Amin who hold Equity Shares in our Company, none of the other Directors hold any Equity Shares. Mr. Ashok Anand, one of our Directors does not hold any Equity Shares in our Company. However, his relatives hold certain Equity Shares. Further, all of our key managerial employees (excluding Mr. S. R. Krishnan) hold Equity Shares in our Company. For further details, see "***Our Management***" on page 133.

13. There would be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner, during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares have been listed.

14. Except for the Transfer, presently we do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, either by way of split or consolidation of the denomination of Equity Shares or by further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements. We may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

15. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

16. As of the date of the filing of this Red Herring Prospectus the total number of shareholder folios of our Equity Shares was 6,349.

17. Our Company has not raised any bridge loans against the proceeds of the Issue.

18. Except as disclosed above, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

19. Our Company has not granted any options or issued any shares under any employee's stock option or employees stock purchase scheme.

20. No Equity Shares held by our Promoter are subject to any pledge.

21. Our Promoter shall not participate in this Issue.

22. Any over subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the basis of Allotment.

23. We have not made any issue of Equity Shares during the preceding one year.

24. Under subscription, if any, in the Retail Portion and Non-Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs. However, if at least 60% of the Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith.

OBJECTS OF THE ISSUE

The objects of the Issue are to achieve the benefits of listing and to fund requirements for fiscal 2010 and 2011 towards (a) exploration and appraisal activities; (b) development activities in producing fields; and (c) purchase of capital equipments and contracts for facilities (the ''**Objects**'').

Our Company intends to utilize the proceeds of the Issue, after deducting underwriting and management fees, IPO grading fees, selling commission and other expenses associated with the Issue (the "**Issue Expenses**"), (the ''**Net Proceeds**'') for the Objects.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

Our funding requirements for fiscal 2010 and 2011 are based on estimates prepared by our management. The funding requirement and intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of the inherent uncertainties relating to the oil and gas exploration process and the competitive and dynamic nature of the exploration and production industry, we may have to revise our expenditure, fund requirements and estimates of the completion dates. Moreover, these funding requirements are based on our existing estimates and the actual expenditure may vary. Our funding requirements are also dependent on a number of factors which may not be in the control of our management, including variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of our management.

Funding Requirement

The table below sets forth funding requirements for fiscal 2010 and 2011 for the Objects which are estimated at Rs. [●] million approximately.

(Rs. in million)

S. No.	Object	Total Estimated Cost	Estimated Deployment in fiscal 2010	Estimated Deployment in fiscal 2011	Amount already Deployed in fiscal 2010
1.	Exploration and appraisal activities [(a)]	28,279.71	13,001.94	15,277.77	2,491.75[e]
2.	Development activities in producing fields[(b)]	10,455.96	4,928.73	5,527.23	1,642.14[e]
3.	Purchase of capital equipments & facilities [(c)]	6,862.80	4,170.00	2,692.80	455.61[f]
4.	Issue expenses[(d)]	[●]	-	-	-
	Total	[●]	**22,100.67**	**23,497.80**	

(a) *Exploration and appraisal activities include 2D and 3D seismic data acquisition, processing and interpretation and exploratory drilling.*
(b) *Development activities include development drilling and completion of wells.*
(c) *Capital equipments include investments relating to purchase of capital equipment, contracts relating to creation of infrastructure, surface facilities and service contracts.*
(d) *To be incorporated at the time of filing the Prospectus.*
(e) *Based on the certificate issued by M/s A.D. Sharma & Associates, Chartered Accountants dated August 20, 2009. The figures have been certified as of July 31, 2009.*
(f) *Based on the certificate issued by M/s Nath & Mahesh Associates, Chartered Accountants dated August 18, 2009.*

We propose to fund the Objects through the cash and bank balance and the Net Proceeds as set forth in the table below:

(Rs. in million)

S. No.	Means of finance	Amount
1.	Cash and bank balance*	[●]
2.	Issue Proceeds**	[●]

* *As on June 30, 2009, our Company had a cash and bank balance of Rs. 65,685.51 million. The exact amount of cash and bank balance of the Company required to be utilized for the Objects shall be disclosed at the time of filing of the Prospectus when Issue Proceeds are determined. We confirm that we shall not utilize such earmarked cash and bank balance for any purpose other than funding the Objects. Our Audit Committee shall monitor this utilization from time to time, as appropriate.*

** *To be incorporated at the time of filing the Prospectus.*

1. Exploration and appraisal activities

We are currently conducting exploration activities in 16 blocks located in Assam, Arunachal Pradesh and Rajasthan under PELs granted by the GoI, and 12 NELP blocks, where we are the operator in the states of Assam, Arunachal Pradesh, Mizoram, Rajasthan, Orissa, Andhra Pradesh and Pondicherry. Additionally, we are also involved in exploration activities in certain overseas blocks.

Our exploratory and appraisal activities include 2D and 3D seismic data acquisition, processing and interpretation and drilling of exploratory wells and are estimated to cost Rs. 28,279.71 million. In addition to our own in house acquisition capability, we also engage third parties to carry out acquisition, processing and interpretation of 2D and 3D seismic data. The table below sets forth the details of such contracts existing as on June 30, 2009:

S. No.	Name of the Contractor	Address	Total value of the contract(In Rs. million)*
1.	M/S Kazakhstan Caspishelf JSC (KCS)	Almaty, Kazakhstan	541.95
2.	M/S Kazakhstan Caspishelf JSC (KCS)	Almaty, Kazakhstan	411.04
3.	M/S PGS Data Processing Middle East	Cairo, Egypt	30.01
4.	M/S PGS Data Processing Middle East	Cairo, Egypt	38.26
5.	M/s Fugro Robertson Limited	North Wales, UK	34.09
6.	M/s Geofizyka Torun Sp. Zoo.	Torun, Poland	1,003.70
7.	M/s Geofizyka Torun Sp. Zoo.	Torun, Poland	318.91
8.	M/s Fugro Geoscience (India) Private Limited	Navi Mumbai, India	47.04
9.	M/s IOT Infrastructure & Energy Services Limited	Mumbai, India	239.30
10.	M/s C.A.T. Geodata GmbH	Vienna, Austria	192.74
11.	M/s C.A.T. Geodata GmbH	Vienna, Austria	112.54
12.	M/s Asian Oil Field Services Limited	Vadodara, India	718.63
	Total		**3,688.21**

**For the purposes of calculation, we have taken the exchange rates of Rs. 48.50, Rs. 68.50 and Rs. 80.00, for one USD, Euro and GBP, respectively.*

(A) Our funding requirements for 2D and 3D seismic data acquisition, processing and interpretation, including our proportionate share of costs for such studies where we are non-operator, are set forth below:

Fiscal	2D (in Gl km)*	3D (in square kilometers)*	Aggregate cost (Rs. in million)
Fiscal 2010	2,803	1,865	4,533.07
Fiscal 2011	516	2,725	2,992.33
Total	**3,319**	**4,590**	**7,525.40**

** Consists of physical target quantities only in relation to nominated, NELP and Overseas blocks where we are the operator.*

A detailed explanation of our estimated costs in relation to the aforesaid is as follows:

Nomination Blocks: In our nomination blocks, which are at different stages of prospecting, development or production of crude oil and natural gas, we propose to cover 700 GL kilometers of 2D seismic data acquisition, processing and interpretation and 790 square kilometers under 3D seismic data (including 150 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in fiscal 2010 and 200 GL kilometers under 2D seismic data acquisition, processing and interpretation and 900 square kilometers under 3D seismic data acquisition, processing and interpretation in fiscal 2011. The total expenditure for 2D and 3D seismic data acquisition, processing and interpretation in fiscal 2010 and 2011 is estimated at Rs. 1,687.56 million and Rs. 1,387.32 million respectively, aggregating to Rs. 3,074.88 million.

Pre-NELP and NELP blocks: In our NELP blocks, where we are the operator, we propose to cover 1,825 GL kilometers under 2D seismic data acquisition, processing and interpretation and 1,075 square kilometers under 3D seismic data acquisition, processing and interpretation in fiscal 2010 and 316 GL kilometers under 2D seismic data acquisition, processing and interpretation and 1,825 square kilometers under 3D seismic data (including 108 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in fiscal 2011. The total expenditure for 2D and 3D seismic data acquisition, processing and interpretation in fiscal 2010 and 2011 is estimated at Rs. 1,499.04 million and Rs. 1,383.75 million respectively aggregating to Rs. 2,882.79 million.

In our non-operator blocks, we expect to contribute Rs. 696.59 million and Rs. 128.90 million as our proportionate share of the cost of the survey during fiscal 2010 and 2011 respectively, aggregating to Rs. 825.49 million.

Overseas Blocks: In our overseas blocks, where we are the operator, we propose to cover 278 GL kilometers in 2010 under 2 D seismic data acquisition, processing and interpretation.

However we do not envisage any expense towards this activity during fiscal 2011. Further, we also do not foresee any funds being deployed towards 3D surveys over fiscal 2010 and 2011. The total expenditure for 2D seismic data acquisition, processing and interpretation in fiscal 2010 is estimated to be Rs. 213.49 million.

In our non-operator blocks, we expect to contribute Rs. 436.39 million and Rs. 92.36 million as our proportionate share of the cost of the survey during fiscal 2010 and 2011 respectively, aggregating to Rs. 528.75 million.

(B) Our funding requirements for drilling exploratory wells, including our proportionate share of costs for exploratory drilling where we are non-operator, are set forth below:

Fiscal	No. of Wells*	Aggregate cost (Rs. in million)
Fiscal 2010	27	8,468.87
Fiscal 2011	46	12,285.44
Total	**73**	**20,754.31**

**Consists of physical target quantities in relation to nominated, NELP and Overseas blocks where we are the operator.*

A detailed explanation of our funding requirements in relation to such activities is as follows:

Nomination Blocks: We propose to drill 17 exploratory wells in fiscal 2010 and 22 exploratory wells in fiscal 2011, respectively. Our estimated funding requirement for drilling these exploratory wells is Rs. 3,022.32 million and Rs. 5,497.87 million during fiscal 2010 and 2011, respectively, aggregating to Rs 8,520.19 million.

NELP and Pre NELP blocks: In our NELP blocks, where we are the operator, we propose to drill 8 exploratory wells during fiscal 2010 and 22 exploratory wells during fiscal 2011 respectively at an expected outlay of Rs. 882.55 million and Rs. 3,034.41 million, respectively, aggregating to Rs. 3,916.96 million.

In our non-operated blocks, we estimate we will contribute Rs. 3,017.44 million and Rs. 2,422.99 million towards our proportionate share in cost of exploratory drilling during fiscal 2010 and 2011, respectively, aggregating to Rs. 5,440.43 million.

Overseas Blocks: In our overseas blocks, where we are operator, we propose to drill 2 exploratory wells in fiscal 2010 and 2 exploratory wells in fiscal 2011 at an expected outlay of Rs. 685.02 million and Rs. 341.10 million, respectively, aggregating to Rs. 1,026.20 million.

In our non-operator blocks, we expect to contribute Rs. 861.54 million and Rs. 989.07 million as our proportionate share of the cost of exploratory drilling during fiscal 2010 and 2011 respectively, aggregating to Rs. 1,850.61 million.

As of July 31, 2009, we have incurred an expenditure of Rs. 2,491.75 million as per the certificate of M/s A.D. Sharma & Associates, Chartered Accountants dated August 20, 2009, towards acquisition, processing and interpretation of 2D and 3D seismic data and drilling of exploratory wells in our Nomination, NELP and Pre-NELP, Overseas and Non Operator Blocks. These funds have been deployed from our internal accruals.

2. Development Activities

Our development efforts are primarily focused in the areas falling under 19 PMLs in Assam, Arunachal Pradesh and Rajasthan. In our nomination blocks, we propose to drill 44 wells in fiscal 2010 and 46 wells in fiscal 2011 respectively and plan to spend Rs. 4,690.73 million in fiscal 2010 and Rs. 5,278.04 million in fiscal 2011 on these activities. Our total expenditure on drilling activities for our nominated blocks is Rs. 9,968.77 million.

Additionally, we also intend to drill 4 wells in fiscal 2011 at an estimated outlay of Rs. 249.19 million in our NELP blocks, where we are the operator.

Furthermore, we estimate to contribute Rs. 238.00 million towards our proportionate share in the cost of drilling during fiscal 2010 for our blocks, where we are the non-operator.

As of July 31, 2009, we have incurred an expenditure of Rs. 1,642.14 million as per the certificate of M/s A.D. Sharma & Associates, Chartered Accountants dated August 20, 2009, towards development drilling of wells in our Nomination, NELP and Pre NELP, Overseas (including non-operated blocks for all of the aforesaid). These funds have been deployed from our internal accruals.

3. Purchase of capital equipments to augment our E&P operations

To augment our E&P operations, we are required to purchase capital equipments on an ongoing basis. We have included investments relating to purchase of capital equipment, contracts relating to creation of infrastructure, surface facilities and service contracts in our planned outlay for capital equipments. Accordingly, we estimate that Rs. 6,862.80 million will be required for purchase of capital equipment during fiscal 2010 and 2011. The estimates are based on the budgetary quotations received by the Company or on prior orders.

We have placed orders/entered into contracts with various vendors for an aggregate amount of Rs. 3,102.54 million as on August 18, 2009. The details of the top ten orders/ contracts placed by us for procurement of capital goods and services aggregating to Rs. 2,036.52 million are as follows:

(Rs. in million)

S. No.	Name of Vendor	Date and Contract No.	Type of Services	Quantity	Contract Expiry Date*	Amount **
1.	M/s.Schlumberger Asia Services Ltd., Mumbai	OIL/CCO/GEOL/GLOBAL/145(R)/2006 dated May 1, 2007	Hiring of wireline logging and perforation services	N.A.	Contract to supply services up to September 6, 2010	620.56
2.	M/s. Bharat Heavy Elec. Ltd., Lodhi Road	7902865 dated April 18, 2008	Refurbishment and upgradation of rigs	4	May 15, 2010	417.89
3.	M/s. Bharat Heavy Elec. Ltd., Lodhi Road	7901969 dated March 12, 2007	Refurbishment and upgradation of rigs	4	January 31, 2010	346.44
4.	M/s.Turbocare SPA, Italy	7950488 dated November 21, 2008	Supply of zero hour rotor	1	November 30, 2009	172.87

S. No.	Name of Vendor	Date and Contract No.	Type of Services	Quantity	Contract Expiry Date*	Amount **
5.	M/s. Bharat Pumps & Compressors Ltd, Naini, UP	7902498 dated November 3, 2007	Supply of gas engine driven gas compressors	5	November 30, 2009	169.85
6.	M/s. Kirtanlal International DMCC, Dubai	7201328 dated June 8, 2009	Acquisition, processing and interpretation casing (13-3/8 Inch OD)	16,000 meters	October 30, 2009	75.11
7.	M/s. Kirtanlal International DMCC, Dubai	7201236 dated February 23, 2009	Acquisition, processing and interpretation casing (9-5/8 Inch OD)	15,000 meters	September 30, 2009	68.39
8.	M/s. Kirtanlal International DMCC, Dubai	7201352/SDG/P1	Acquisition, processing and interpretation casing (5-1/2 Inch OD)	50,000 meters	January 31, 2010	62.27
9.	M/s. Regency Steel ASIA Pte Ltd, Singapore	7201344 dated June 27, 2009	Acquisition, processing and interpretation casing (9-5/8 Inch OD)	18,000 meters	October 31, 2009	53.03
10.	M/s. MACO Corporation (India) Pvt Ltd, Kolkata	7902978 dated June 19, 2008	Disc brake package	3	September 15, 2009	50.11
Total						**2,036.52**

** Actual delivery depends upon the receipt of the order and submission of a bank guarantee by the vendors and processing time required for opening of letter of credit by the Company. In light of the same, the contract expiry dates mentioned above are based on management estimates.*

*** For the purposes of calculation, we have taken the exchanges rate of Rs. 48.50, Rs. 68.50 and Rs. 80.00, for one USD, Euro and GBP, respectively.*

Orders remaining to be placed for capital equipments, on which tenders have been floated, are worth Rs. 2,643.15 million. Orders that are yet to be placed for capital equipments towards which no action has been initiated yet by our Company are worth Rs. 1,117.11 million. Orders that are yet to be placed and orders where only tenders have been floated account for approximately 54.79% of our funding requirements for purchase of capital equipments and facilities. For such equipments which are yet to be ordered, we have relied upon budgetary quotations received by us and our past experience. Consequently our actual procurement cost may vary from the ones indicated above. Any shortfall on account of actual cost of equipment will be met from our internal accruals. For further details, see "***Risk Factors - Our funding requirements for the Objects are based on management estimates prepared by our management and our actual requirements may vary from those estimates; pending utilization of the Net Proceeds our management will have significant flexibility in temporarily investing the Net Proceeds"*** on page xl.

No second hand equipment or equipments have been purchased or are proposed to be purchased from the Net Proceeds.

As of August 18, 2009, we have incurred an expenditure of Rs. 455.61 million (as per the certificate of M/s Nath and Mahesh Associates, Chartered Accountants dated August 18, 2009), towards purchase of capital equipments. These funds have been deployed from the internal accruals of the Company.

We undertake that none of the proceeds of this Issue will be used to fund existing or future participation, investment or activities in Iran, Sudan, Myanmar or any other countries or persons that are subject to economic sanctions imposed by the U.S. government and administered by the U.S. Export Administration Regulation and Office of Foreign Assets Control of the U.S. Treasury Department or that are subject to EU legislation, including Council Regulation (EC) No. 1354/2005 and Council Regulation (EC) Nop 1184/2005 or used in downstream investments.

Issue Expenses

The Issue Expenses include, among others, lead management fees, underwriting and selling commissions, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, IPO grading fees, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges. All expenses with respect to the Issue will be borne by our Company. The estimated Issue expenses are as follows:

S. No.	Activity Expense	(Rs. in million)	% of Issue Size	% of Issue Expenses
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)*	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertising and marketing expenses*	[●]	[●]	[●]
5.	Printing, distribution and stationery expenses*	[●]	[●]	[●]
6.	IPO Grading fees*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total estimated Issue expenses*		**[●]**	**[●]**	**[●]**

** To be incorporated at the time of filing of the Prospectus.*

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In the event of significant variations in the proposed utilization, approval of our shareholders shall be duly sought. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through internal accruals and debt.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, our Company may temporarily invest the funds in accordance with the PSE policy and Board approvals from time to time. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds

We have appointed IFCI Limited as the Monitoring Agency in relation to the Issue. Our Board and IFCI Limited will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our financial statements along with details, for all such proceeds of the Issue that have not been utilized. We will indicate investments, if any, of unutilized proceeds of the Issue in our balance sheet for the relevant Financial Years subsequent to our listing.

Pursuant to Clause 49 of the Listing Agreement, the Company shall on a quarterly basis place before the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report shall be submitted by the monitoring agency to our Company who in turn shall place the same before the Audit Committee, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit Committee/Monitoring Agency public through advertisement in newspapers, one in English national daily newspaper, one in Hindi national daily newspaper and one in Assamese daily newspaper, each with wide circulation.

Our Company will disclose the utilisation of proceeds of the Issue under a separate heading in our Director's Reports for fiscal 2010 and 2011 clearly specifying the purpose for which such proceeds have been utilised. Our Company will also, in our Directors' Reports for fiscal 2010 and 2011 provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Our Company will not pay any part of the Issue proceeds as consideration to our Directors or key management personnel, except in the usual course of business.

BASIS FOR ISSUE PRICE

*The Issue Price will be determined in consultation with the BRLMs on the basis of assessment of market demand from investors for the Equity Shares through the book building process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the "**Risk Factors**" and "**Financial Statements**" on pages xix and 152, respectively, for a more informed view before making the investment decision.*

Qualitative Factors

Factors Internal to the Company

- We are the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production *(Source: DGH)*. As of March 31, 2009, our unaudited estimated independent proved plus probable crude oil reserves were approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and our independent proved plus probable natural gas reserves were approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption).

- All of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan.

- We have been present in the India oil and gas exploration and production industry for over five decades and count among our achievements the creation of a fully automated crude oil pipeline.

For a detailed discussion of these factors, see "***Our Business***" on page 58.

Factors External to the Company

- The significant growth of India's economy over the past decade has led to increases in domestic energy consumption. During the five year period ended March 31, 2009, the CAGR of consumption of petroleum products was has grown significantly from 107,751 thousand metric tons for fiscal 2004 to 133,400 thousand metric tons (provisional figure) for fiscal 2009. *(Source: PPAC, June 2009)*

- Crude oil demand is projected to increase to about 1,393 million barrels per year by 2012. 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 are expected to drive demand growth in the country *(Source: Investment Commission of India)*.

- India is a net importer of crude oil and natural gas. There is currently a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production. In 2008, India daily consumed 1051.90 million barrels of crude oil but produced only 279.40 million barrels. Similarly, India consumed 41.40 billion cubic meters of natural gas but produced only 30.60 billion cubic meters (*Source: BP Statistical Review of World Energy, 2009*).

For a detailed discussion of these factors, see "***The Indian Oil and Gas Industry***" and "***Risk Factors***" on pages 51 and xix respectively.

Quantitative Factors

1. Restated Earning Per Share of the face value of Rs.10 each (EPS)

Year Ended	EPS (Rs.)	Weight
Fiscal 2007	71.98	1

Year Ended	EPS (Rs.)	Weight
Fiscal 2008	83.16	2
Fiscal 2009	104.24	3
Weighted Average	91.84	

Notes:
1. The Earning per Share has been computed on the basis of the restated profits and losses of the respective years.
2. The denominator considered for the purpose of calculating Earnings per Share is the number of Equity Shares outstanding at the end of the respective years.

We have reported an Earning Per Share of Rs. 138.26 as at June 30, 2009.

2. Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●]

i) Based on fiscal 2009, Restated EPS of Rs. 104.24, the P/E ratio at the Floor Price is 9.1 and the Cap Price is 10.1.
ii) Based on Weighted average Restated EPS of Rs.91.84, the P/E ratio is [●]
iii) Industry P/E

Highest	37.3
Lowest	7.3
Industry Composite*	17.7

Source: Capital Market magazine Vol. no. XXIV/ 12 dated August 10 – 23, 2009.

** Industry composite has been computed as the average of the P/E ratios for the companies enlisted under the industry segment "Oil Drilling/ Allied Services" covered in the Capital Market magazine Vol. no. XXIV/ 12 dated August 10 – 23, 2009.*

3. Return on Net Worth

Year	RONW (%)	Weight
Fiscal 2007	22.59%	1
Fiscal 2008	22.51%	2
Fiscal 2009	23.77%	3
Weighted Average Return on Net Worth	23.15%	

Net Worth is defined as share capital plus reserves and surplus – miscellaneous expenses.

We have reported a return on net worth of 7.34% as at June 30, 2009.

Return on Net Worth has been calculated as per the following formula:
(*Net Profit after tax as restated/ Net worth at the end of the year or period*)

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS

The minimum return on increased net worth required to maintain pre-Issue EPS:

At Cap Price	21.06%
At Floor Price	20.61%

5. Net Asset Value (NAV) per Equity Share of the face value of Rs.10 each

Issue Price per share	[●]
Net Asset Value per share as at March 31, 2009	Rs.438.64
Net Asset Value per share as at March 31, 2008	Rs.369.36
Net Asset Value per share after the Issue	[●]

NAV has been calculated as per the following formula:

Net Asset Value per Equity Share represents Net Worth, as restated divided by the number of Equity Shares outstanding at the end of the period.

We have reported a Net Asset Value of Rs. 470.58 per Equity Share as at June 30, 2009.

6. Comparison with Listed Industry Peers as on March 31, 2009

Name of Companies	EPS (Rs.)	P/E (times)	RONW (%)	NAV per Equity Share (Rs.)
Oil India Limited(1)	104.24	[●]	23.77%	438.64
Peer Group(2)				
ONGC	75.20	17.50	25.20	365.10
Cairn India Limited	0.20			168.00
Hindustan Oil Exploration Company Limited	4.10	37.30	3.50	81.20
Selan Exploration Technologies Limited	32.60	7.50	26.00	68.20

(1) *Earnings Per Share, Return on Net Worth and Net Asset Value of the Company are based on the last audited restated financial statements for the year ended March 31, 2009.*
(2) *Source: "Capital Market" magazine Vol. no. XXIV/ 12 dated August 10 - 23, 2009.*

The BRLMs believes that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Specific attention of the investors is invited to "***Risk Factors***", "***Our Business***" and "***Financial Statements***" on page xix, 58 and 152 respectively.

The Issue Price of Rs. [●] has been determined by us in consultation with the BRLMs and on the basis of the demand from the investors for the Equity Shares through the Book Building Process and is justified on the basis of the above accounting ratios.

STATEMENT OF TAX BENEFITS

AUDITOR'S REPORT

To
The Board of Directors,
Oil India Limited,
P.O. Duliajan, Dist. Dibrugarh,
Assam 786 602.

Dear Sirs,

We hereby report that the enclosed statement states the possible tax benefits available to Oil India Limited ('Oil India Limited' or 'Company') and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. The benefits outlined in the statement will be dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be 'dependent upon such conditions being fulfilled. Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

(i) the Company is currently availing any of these benefits or will avail these benefits in future; or
(ii) the Company's share holders will avail these benefits in future; or
(iii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of the understanding of the business activities and operations of the Company.

Place: Noida	**For A.K. Sabat & Co.,**	**For Chatterjee & Co.,**
Date: 21.08.2009	**Chartered Accountants**	**Chartered Accountants**
	(A.K. Sabat)	**(S.K.Chatterjee)**
	Partner	**Partner**
	Membership No. 30310	**Membership No. 3124**

STATEMENT OF TAX BENEFITS

A. To the Company - Under the Income Tax Act, 1961

i) Specific Benefits

° The company is entitled to claim deduction under section 33ABA in respect of amounts deposited in special account with State Bank of India and interest accruing thereon under the Site Restoration Fund Scheme, 1999. The amount of deduction cannot exceed 20% of the taxable income for the year before allowing deduction under section 33ABA. The funds deposited in the special account can be withdrawn only for the purpose of carrying site restoration and no deduction would be admissible for the expenditure incurred on site restoration out of the amount withdrawn from the special account.

° In respect of areas awarded to the company 'on nomination basis in terms of section 42 of the Income Tax Act, 1961, read with the agreement entered into by the Company with the Central Government, the company is entitled to deduct the following costs in computing its taxable income:-

(a) All intangible expenditure on exploration / prospecting / drilling in Petroleum Exploration License areas excluding expenditure on assets for which usual depreciation allowance is eligible 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.

(b) 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

(c) Depreciation on tangible drilling expenditure and fixed assets is allowed in accordance with rates prescribed under the Income Tax Rules, 1962 under Written Down Value (WDV) method.

° In respect of areas where the company has entered into Production Sharing Contracts with the GoI and some bodies corporate; the company is entitled to deduct exploration, drilling and development costs under section 42, in terms of Production Sharing Contracts in the manner laid down in each of the Contracts.

ii) General Benefits

° The company is entitled to claim deduction under section 35AC in respect of amounts paid to a public sector company, local authority, or to an approved association or institution, for carrying out any eligible project or scheme.

° In accordance with and subject to the provisions of Section 35DDA, the company is entitled to deduction of expenditure incurred by way of payment to an employee at the time of his voluntary retirement in five equal annual instalments beginning from the year in which the expenditure is incurred.

° In accordance with and subject to the conditions specified in Section 80-IC of the Income Tax Act, 1961, the company is entitled to deduction of the entire profits derived from its Undertaking(s), which have begun or begins to manufacture or produce any article or thing, specified in the Fourteenth Schedule (Gas based intermediate products under item no. 13 and mineral based industry under item no. 16 covered under Part A of the Schedule) or commences any operation specified in that Schedule, or which manufactures or produces any article or things , specified in the Fourteenth Schedule or commences any operation specified in that Schedule and undertakes substantial expansion during the period beginning on 24th day of December, 1997 and ending before the 1st day of April'2007, in any of the North Eastern States for ten assessment years.

° In accordance with and subject to the provisions of Section 35 the Company is entitled to deduction in respect of expenditure laid out or expended on Scientific Research related to the business.

° MAT credit allowable is the difference between MAT paid and the tax computed as per the normal provisions of the Act and can be utilised in those years in which tax becomes payable under the normal provisions of the Act. MAT credit can be utilised to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. MAT credit cannot be carried forward and set off beyond 10 years immediately succeeding the assessment year in which it becomes allowable under section 115JAA(1A) of the Act (section 115 JAA of the Act).

° By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in Section 115-O of the IT Act, are exempt from tax in the hands of the Company.

° By virtue of Section 10(35) of the Income Tax Act, 1961, the following income shall be exempt in the hands of the company:-

(a) income received in respect of the units of a Mutual Fund specified under clause (23D); or
(b) income received in respect of units from the Administrator of the specified undertaking; or
(c) income received in respect of units from the specified company.

Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be. For this purpose-

(a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.

(b) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

° By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

Equity oriented fund means a fund :

(i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five per cent of the total proceeds of such fund; and
(ii) which has been set up under a scheme of Mutual Fund specified under clause (23D);

Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

° Under section 48 of the Income Tax Act, 1961, if any shares or units of mutual fund specified under clause (23D) of Section 10 are sold by the Company after being held for more than twelve months, the gains (in cases not covered under section10(36) / 10(38) of the Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

° Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(36) / 10(38) of the I.T. Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

i) National Highway Authority of India constituted under section 3 of the National Highway authority of India Act, 1988 and
ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

° Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 15% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT and transaction of sale is entered on or after 01.10.2004 (section 111A of the I.T. Act).

° Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, long term capital gains (not covered under section 10(36) of the I. T. Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge & education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48] or at 10% (plus applicable surcharge & education cess) (without indexation], at the option of the company.

° As per the provisions of the Act, where the Tax Treaty has been signed between India and another country for the purposes of avoiding double taxation, then the taxpayer has option to be governed by the provisions of the Tax Treaty to the extent they are more beneficial. Thus, the taxpayer can avoid double taxation of the same income by using the tax treaty.

Where the income is taxed by a country with which India does not have a tax treaty, then the taxpayer is entitled to get a deduction from the Indian income tax payable of the taxes paid in the other country. However, if the tax rate is higher in the other country, the credit will be restricted to the tax payable as per the Indian tax rate (section 90, 91 of the Act).

° Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head “Profits and gains of business or profession” then securities transaction tax paid on such transactions will be allowed as deduction from income under the head “Profits and gains of business or profession” under clause (xv) to subsection (1) of section 36 of the Income Tax Act, 1961.

B. To the Members of the Company - Under the Income Tax Act, 1961

B. 1 Resident Members

° In terms of section 10(23D) of the Income Tax Act, 1961 all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including income from investment in the shares of the company,

° By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the IT Act, is exempt from tax in the hands of the shareholders.

° By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

° Under section 48 of the Income Tax Act, 1961, if the company's shares are sold after being held for more than twelve months, the gains (in cases not covered under section 10(36) / 10(38) of the Act) if any will be treated as long tern capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

° Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(36) / 10(38) of the Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April’2007, minimum for a period of 3 years in bonds issued by-

i) National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988 and

ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

° Under section 54F of the Income Tax Act, 1961 long term capital gains (in cases not covered under section 10(36) / 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the sale proceeds from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

° Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 15% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT (section 111A of the Act) and transaction of sale is entered on or after 01.10.2004.

° Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, long term capital gains arising (in cases not covered under section 10(38) of the I.T. Act), i.e., if shares are held for a period exceeding 12 months, on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge & education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge & education cess) without indexation, at the option of the shareholder.

° Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains of business or profession" then securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to subsection (1) of section 36 of the Income Tax Act, 1961.

B. 2 Non-Resident Indians/Non Residents Members [Other than Flls and Foreign venture capital investors]

° By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the IT Act, is exempt from tax in the hands of the shareholders.

° By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund [where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

Provided that the income by way of long term capital gain of a company shall be taken into account in computing the book profit and income tax payable under section 115JB.

° Under the first proviso to section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

° Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

i) National Highway Authority of India constituted under section3 of the National Highway Authority of India Act, 1988 and

ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

° Under section 54F of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the sale proceeds from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

° Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains of business or profession" then securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to subsection (1) of section 36 of the Income Tax Act, 1961.

° Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 15% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT and transaction of sale is entered on or after 01.10.2004 (section 111A of the I.T. Act).

° Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains (not covered under section 10(38) of the Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge & education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48 stated above] or at 10% (plus applicable surcharge & education cess) [without indexation], at the option of the shareholder.

° A non-resident Indian (i.e. an individual being a citizen, of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating To Certain Incomes of Non-Residents".

° Under section 115E of the Income Tax Act, 1961, where shares in the company are subscribed for in convertible Foreign Exchange by a 'Non Resident Indian', capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (without indexation benefit but with protection against foreign exchange fluctuation) plus applicable surcharge.

° Under provisions of section 115F of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the Act) arising to a non resident Indian from the
transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from Income tax, if the net consideration is invested in specified assets or specified savings certificates within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

° Under provisions of section 115G of the Income Tax Act, 1961 it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there-from.

° Under section 115-I of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing Return of' Income under section 139 of the Income Tax Act declaring therein that the provisions of the chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him instead the other provisions of the Act shall apply.

- ° Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains of business or profession" then securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to subsection (1) of section 36 of the Income Tax Act, 1961.

- ° A non resident taxpayer has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the I.T. Act).

B. 3 Foreign Institutional Investors (FIIs)

- ° By virtue of section 10 (34) of the Income Tax Act, 1961, dividend income referred to in section 115-O of the I.T. Act, is exempt from tax in the hands FIIs and accordingly no taxes are required to be withheld on dividend payment.

- ° By virtue of section 10(38) of the Income Tax Act, 1961, any long term capital gain arising from the transfer of a long term capital asset being an equity share in a company or unit of an equity oriented fund where the transaction of sale of such equity share or unit is entered into on or after 01.10.2004 and such transaction is chargeable to securities transaction tax would not be liable to tax.

- ° Under section 54EC of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains (not covered under section 10(38) of the Act) arising on the transfer of shares by the Company will be exempt from capital gains tax if the capital gains are invested within a period of 6 months after the date of such transfer, subject to maximum limit of Rs. 5.00 million during any financial year if investment is made on or after 1st April'2007, minimum for a period of 3 years in bonds issued by-

  i) National Highway Authority of India constituted under section3 of the National Highway Authority of India Act, 1988 and
  ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

- ° Any short-term capital gains arising from the transfer of equity shares in any other company or units of equity oriented fund are taxed at the rate of 15% (plus applicable surcharge and education cess) provided the transaction for sale of such equity shares or units is subject to STT (section 111A of the I.T. Act) and transaction of sale is entered on or after 01.10.2004.

- ° Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains (not covered under section 10(38) of the Act) arising on transfer of shares in the Company, i.e. if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge & education cess) [after indexation as provided in the second proviso to section 48; indexation not available if investments made in foreign currency as per the first proviso of Section 48] or at 10% (plus applicable surcharge & education cess) [without indexation], at the option of the shareholder.

- ° Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains of business or profession" then securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to subsection (1) of section 36 of the Income Tax Act, 1961.

- ° A non resident taxpayer has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the I.T. Act).

UNDER THE WEALTH TAX ACT, 1957

Shares in a Company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a Company.

UNDER THE GIFT TAX ACT, 1958

Gift of shares of the Company made on or after October 1, 1998 are not liable to gift tax.

Note: -

1. The tax benefits listed above are the possible benefits which the Company may avail depending upon its investment decisions/business activities. Several of these benefits will also be dependent upon OIL or its Shareholders fulfilling the conditions prescribed under the relevant tax laws (and acceptance of same by the Revenue authorities). Hence, the ability of OIL to derive the tax benefits is dependent upon full filling such conditions, which based on business imperatives OIL faces in the future, it may or may not choose to fulfill. The information provided is generic in nature and each investor is advised to consult his or her own consultant with respect to the specific tax implications arising out of their participation in the Issue.

THE INDIAN OIL AND GAS INDUSTRY

The information set forth in this section is based on publicly available information from various sources, including officially prepared material from the GoI and its various ministries, including the MoPNG, which we have not independently verified. Note that DGH and MoPNG provides its data in metric tons; for convenience we have converted such data from metric tons to barrels, using a conversion factor of 1 metric ton per 7.33 barrels.

GENERAL

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

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

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

In the 1990s, as India's reliance on oil imports increased, the GoI embarked on a series of reforms aimed at reducing India's dependence on imports, deregulating the industry, improving efficiency and encouraging private and foreign investment. Measures included opening the refining segment to private investment, permitting the sale of limited amounts of LPG and kerosene by private entities outside of the state-owned distribution channels, and allowing foreign oil companies to enter the domestic lubricant market. In accordance with the liberalization process and in order to introduce new technology for increasing oil production, the GoI offered 69 small and medium-sized oil and gas fields, both onshore and offshore, to the private sector in 1992 and 1993. Since 1993, the GoI has signed PSCs for 28 exploration blocks under pre-NELP rounds. Out of these 28 blocks, 11 blocks have since been relinquished or surrendered, 16 exploration blocks are under operation and 1 block has been converted to mining lease *(Source: DGH)*.

In 1997, NELP was implemented. Under the first round of NELP bidding, the GoI invited bids for 48 blocks for exploration of oil and natural gas, 24 blocks were awarded for hydrocarbon exploration, 11 blocks have been relinquished or surrendered and 13 exploration blocks are presently under operation. In the subsequent five rounds of NELP, the GoI awarded 23, 23, 20, 20, 52 blocks, respectively. In the seventh and latest completed round of NELP, the GoI has received 181 bids for 57 blocks, and 41 blocks were awarded. A total of 96 companies including 21 foreign companies and 75 Indian companies have bid either on their own or as consortia. (*Source: DGH*). In the eighth round of NELP currently underway, a total of 70 blocks have been offered *(Source: http://www.economictimes.indiatimes.com)*.

DOMESTIC ENERGY DEMAND

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-year period ended March 31, 2009, the consumption of petroleum products has grown significantly from 107,751 thousand metric tons in fiscal 2004 to 133,400 thousand metric tons (provisional figure) in fiscal 2009 *(Source: PPAC, June 2009)*, 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.

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 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.

Over the past 5 years, domestic natural gas consumption has grown significantly 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 *(Source: BP Statistical Review of World Energy, 2009)*, 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 *(Source: BP Statistical Review of World Energy, 2009)*. Domestic natural gas consumption has historically been limited by supply constraints caused by low growth in domestic production.

The following table sets forth total domestic energy consumption, and the relative contributions of major primary energy sources to total domestic consumption, for the ten years ended December 31, 2008.

Year Ended December 31	Total Domestic Energy Consumption	Energy Sources (% of Total Domestic Consumption)[1]				
	Primary (mmtoe)	Coal	Crude Oil	Natural Gas	Hydro-electric	Nuclear
1997	260.6	52.1	33.2	7.7	6.1	0.9
1998	272.1	50.0	34.0	8.1	6.9	1.0
1999	280.1	48.5	35.8	8.1	6.6	1.0
2000	295.1	48.9	36.0	8.0	5.9	1.2
2001	296.5	49.0	36.1	8.0	5.5	1.4
2002	307.8	49.3	36.2	8.1	5.0	1.4
2003	316.2	49.5	35.8	8.4	5.0	1.3
2004	343.9	50.1	35.0	8.3	5.5	1.1
2005	362.2	50.9	33.0	8.9	6.1	1.1
2006	378.8	51.6	31.8	8.9	6.7	1.1
2007	409.2	52.0	31.4	8.8	6.8	1.0
2008	433.3	53.4	31.2	8.6	6.0	0.8

(Source: BP Statistical Review of World Energy, 2009)

[1] *These figures are derived from the source using the calculation methodology of: Consumption in India of the energy source in mtoe/total primary domestic energy consumption in mmtoe*100.*

On a per capita basis, energy consumption in India is relatively low in comparison to much of the world. In 2008, India's per capita energy consumption was 347 kilograms of oil equivalent, as compared to a world average of approximately 1,637 kilograms of oil equivalent *(Source: PPAC, June 2009)*. However, there is currently a mismatch between the demand and supply for both natural gas and crude oil in India, with the demand for both sources of energy outweighing the domestic production.

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 are expected to drive demand growth in the country *(Source: Investment Commission of India)*.

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.

DOMESTIC OIL AND NATURAL GAS PRODUCTION

While domestic consumption of petroleum products increased at a CAGR of approximately 4.36% during the 5-year period ended March 31, 2009 *(Source: PPAC, June 2009),* indigenous production of petroleum products in India has not been able to grow at the same level. Though domestic utilization 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 *(Source: BP Statistical Review of World Energy, 2009)*. Domestic reserves of crude oil have declined over the 5-year period ended March 31, 2008, from 5,431.53 million barrels to 5,314.25 million barrels. Domestic gas reserves however, have increased at a CAGR of 7.03% over the same period, from 751 billion cubic meters to 1,055 billion cubic meters *(Source: MoPNG, Petroleum Statistics, 2008)*.

The following table sets forth the total daily domestic production and consumption of crude oil for the ten-year period ended December 31, 2008.

Year Ended December 31	Domestic Consumption (mmbbls)	Domestic Production (mmbbls)	Deficit (mmbbls)	Deficit (%)
1997	667.2	275.1	392.1	59
1998	716.3	268.9	447.4	62
1999	778.8	268.7	510.1	65
2000	822.7	264.8	557.9	68
2001	833.6	265.3	568.3	68
2002	866.5	274.9	591.5	68
2003	883.2	276.1	607.1	69
2004	939.3	282.0	657.2	70
2005	937.7	269.3	668.4	71
2006	941.6	278.1	663.5	70
2007	1003.1	280.9	722.2	72
2008	1051.9	279.4	772.5	73

(Source: BP Statistical Review of World Energy, 2009)

A gap between consumption and production of natural gas has developed up during the last three years and India is increasingly becoming a net importer of natural gas. The following table sets forth the total domestic production of natural gas during the ten year period ended December 31, 2008, all of which was consumed domestically

Year Ended December 31	Domestic Consumption (bcm)	Domestic Production (bcm)	Deficit (bcm)	Deficit (%)
1997	22.3	22.3	0.0	0
1998	24.5	24.5	0.0	0
1999	25.1	25.1	0.0	0
2000	26.4	26.4	0.0	0
2001	26.4	26.4	0.0	0
2002	27.6	27.6	0.0	0
2003	29.5	29.5	0.0	0
2004	31.9	29.2	2.7	8
2005	35.7	29.6	6.1	17
2006	37.3	29.3	8.0	22
2007	40.2	30.1	10.1	25
2008	41.4	30.6	10.8	26

(Source: BP Statistical Review of World Energy, 2009)

India's production of both crude oil and natural gas is dominated by ONGC and Oil India Limited. The following table sets forth India's crude oil and natural gas production by producer for the year ended March 31, 2009.

Total Domestic Crude Oil and Natural Gas Production by Major Producers, Year Ended March 31, 2009				
Producer	**Crude Oil (million barrels)**	**(%)**	**Natural Gas (billion cubic meters)**	**(%)**
ONGC	185.96	76.1%	22.49	68%
Oil India Limited	25.42	10.4%	2.27	7%
Others	32.93	13.5%	8.09	25%
Total	244.31	100%	32.85	100%

(Sources: PPAC, June 2009, http://www.ongcindia.com, and annual accounts of Oil India Limited for the financial year ended March 31, 2009)

The remainder of the domestic crude oil production comes primarily from public sector/private sector joint ventures, mostly producing in offshore areas. Significant private-sector participants in the country's crude oil production joint ventures include Reliance Industries Limited, British Gas, Cairn Energy and Petrocon (formerly Videocon).

The remainder of the domestic natural gas production sector consists of smaller state-owned enterprises such as the GSPC and private-sector oil and gas companies such as Cairn Energy and HOEC that engage in exploration, development and production and, in some cases, direct sales of natural gas to wholesale and retail customers and end-users. The contribution of private sector and joint venture companies to India's total oil and gas production has increased from 12.40% for fiscal 2001 to 19% for fiscal 2008 *(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)*.

LEASED DOMESTIC PRODUCTION AREAS

Oil India Limited and ONGC hold the largest portion of leased acreage under PMLs for oil and natural gas production, accounting collectively for approximately 81% of the total territory licensed by the GoI for commercial production of crude oil and natural gas as of March 31, 2008.

The following table provides a breakdown by operator of mining lease area as of April 1, 2008:

Company/Operator	ML area of April 1, 2008	
	Square Kilometers	%
ONGC	23,954.31	67.28
Oil India Limited	4,811.01	13.51
Cairn Energy India Pty Limited	2,934.96	8.24
BG/Reliance Industries Limited/ONGC	2,678.00	7.52
Reliance Industries Limited	389.41	1.09
Selan Exploration Technologies Limited	189.65	0.53
OILEX	172.80	0.49
Hindustan Oil Exploration Company Limited	120.84	0.34
Hardy Exploration & Production (India) Inc	81.00	0.23
Niko Resources Limited	74.25	0.21
Joshi Technologies Incorporated	57.00	0.16
Canoro Resources	52.75	0.15
Heramec Limited	34.15	0.10
Gujarat State Petroleum Corporation Ltd	19.75	0.06
Interlink Petroleum Limited	16.70	0.05
Geoenpro Petroleum Limited	11.00	0.03
HYDRO.RES.DEV. – PPCL	4.40	0.01
TOTAL	35,601.98	100.00

(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)

DOMESTIC EXPLORATION

General

As of April 1, 2008, India's total hydrocarbon resources, including deep-water resources, are estimated at 205.9 billion barrels of oil and oil equivalent gas, of which 67.9 billion barrels of oil and oil equivalent gas is onland or onshore and 137.9 billion barrels of oil and oil equivalent gas is offshore *(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)*. As of April 1, 2008, India is estimated to have initial in-place oil and oil equivalent gas reserves of 66.96 billion barrels and 24.93 billion barrels of oil and oil equivalent gas in its ultimate reserves *(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)*.

Sedimentary Basins

The sedimentary basins of India cover an area of approximately 3,134,700 square kilometers.

The basins have been classified by the GoI into the following four categories:

Basin Category	Nature	No. of Basins	Onland and Offshore Areas (square kilometers)	Basins
Category I	Proven commercial production	7	518,500	Cambay, Assam Shelf, Mumbai offshore, Krishna-Godavari, Cauvery, Assam-Arakan Fold Belt, Rajasthan
Category II	Identified prospectivity – Known accumulation of hydrocarbons, but no commercial production	3	164,000	Kutch, Mahanadi-NEC, Andaman-Nicobar
Category III	Geologically prospective basins – Vindhyan, Saurashtra, Kerala Konkan-Lakshadweep, Mahanadi, Bengal	6	641,000	Himalayan Foreland, Ganga, Vindhyan, Saurashtra, Kerala-Konkan-Lakshadweep, Bengal
Category IV	Potentially prospective basins	10	461,200	Karewa, Spiti-Zanskar, Satpura South Rewa-Damodar, Narmada, Deccan Syneclise, Bhima-Kaladgi, Cuddapah, Pranhita-Godavari, Bastar, Chhatisgarh
Sub-total	N.A.	26	1,784,700	N.A.
Deep waters	N.A.	-	1,350,000	N.A.
Total	**N.A.**	**26**	**3,134,700**	N.A.

(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08; Categorization based on the prospectivity of the basin as presently known).

Exploration licences

The following table sets forth domestic exploration area granted to lessees under PELs, in effect as of April 1, 2008.

Company/Operator	PEL area at April 1, 2008	
	Square Kilometers	%
ONGC	512,753.79	48.36
Reliance Industries Limited	341,359.00	32.19
Oil India Limited	39,326.25	3.70
Cairn Energy India Pty Limited	38,338.50	3.62
Hindustan Oil Exploration Company Limited	25,124.00	2.37
FOCUS	20,999.59	1.98
SANTOS	16,496.00	1.56
ENI SpA	14,445.00	1.36
Prize Petroleum	13,277.00	1.25
Gujarat State Petroleum Corporation Ltd	11,057.17	0.47
OAO Gazprom	7,779.00	0.73
Geo Global Resources Inc	5,804.00	0.55
NAFTOGAZ	3,789.00	0.36
Jubilant Oil and Gas Pvt. Ltd	2,534.39	0.23
Essar Oil Limited	1,728.50	0.16
Canoro Resources Limited	1,444.70	0.14
Tullow Oil Plc	1,277.00	0.12
Niko Resources Limited	957.00	0.09
Hardy Exploration & Production (India) Inc	859.00	0.08
PetroGas	741.00	0.07
Geopetrol	295.00	0.03

Company/Operator	PEL area at April 1, 2008	
	Square Kilometers	%
TOTAL	1,060,294.89	100

(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)

Exploration Activity

Domestic exploration and development activity was historically highly regulated, with work being exclusively undertaken by two national oil companies, Oil India Limited and ONGC. Given that exploration and development activities are very capital intensive and that historically only two national oil companies were engaged in the business, the sector received a low level of investment.

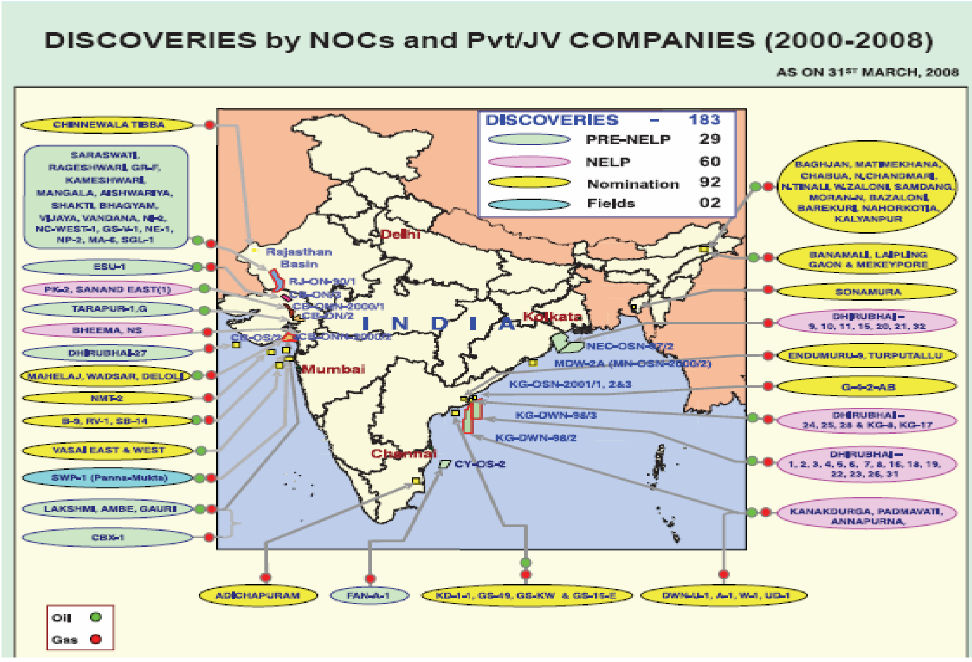
After more than a decade of private sector participation, we and ONGC still account for approximately 10.40% and 76.12% of domestic crude oil production, and 6.91% and 68.46% of natural gas production, respectively, as of March 31, 2008. However, the recent increase in exploration activities has resulted in new discoveries, particularly for natural gas. Between fiscal 1996 and fiscal 2008, exploration was initiated in approximately 71% of previously unexplored areas *(Source: DGH)*.

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. During fiscal 2008, a total of 67 discoveries were made of which ONGC made 38 significant hydrocarbon discoveries, Oil India Limited made 8 significant hydrocarbon discoveries and the private and joint venture companies have made 21 significant hydrocarbon discoveries. These discoveries were made in Kutch and Mumbai Basins, western offshore, KG basin, eastern offshore, Upper Assam Shelf, Krishna-Godavari Offshore, Mahanadi-NEC Offshore, Gulf of Cambay, onland Rajasthan and Cambay Basins *(Source: DGH)*.

Although exploration activities have increased with the entry of new participants, to a significant degree a number of large basin areas remain unexplored. The following table sets forth the level of exploration in sedentary basins:

Level of exploration in sedimentary basin areas	Area (million square kilometers)			
	1995-96	1998-99	2004-05	2007-08
Unexplored	1.6	1.3	0.7	0.5
Exploration Initiated	0.6	0.8	1.2	1.4
Poorly Explored	0.5	0.5	0.7	0.6
Moderate To Well Explored	0.5	0.5	0.6	0.7

(Source: DGH - Petroleum Exploration and Production Activities, India 2007-08)



(Source: DGH – Petroleum Exploration and Production Activities, India 2007-08) (Map not to scale)

CRUDE OIL AND NATURAL GAS TRANSPORTATION

Crude oil produced onshore is primarily transported to refineries through trunk pipelines, with a small percentage transported by tanker. The total network of pipelines is more than 10,000 kilometers long with a capacity of 1.5 million barrels per day *(Source: http://www.industrialinfo.com)*.

Natural gas is transported through pipelines to end-users (through producer-owned pipeline or through transporters). India has an existing gas pipeline network of 10,000 kilometers of which Gas Authority of India Limited, India's largest gas-transmission and marketing company, owns 55%. The remaining 45% is held in partnership with the private sector. States that have existing regional pipeline networks include Gujarat, Andhra Pradesh, Assam and Tripura. Gujarat is laying a 1,200-kilometer Gujarat gas grid while Andhra Pradesh has further invested in augmenting the present gas distribution network. It is estimated that a total investment of $9.2 billion until 2012 will be made for laying the gas pipeline network in India, according to Industrial Info Resources (Sugar Land, TX) *(Source: http://www.industrialinfo.com)*.

OUR BUSINESS

OVERVIEW

We are the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production (*Source: DGH*). We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are present internationally through the exploration of crude oil and natural gas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for over five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. As of March 31, 2009, our unaudited estimated independent proved plus probable crude oil reserves were approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and our independent proved plus probable natural gas reserves were approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). In addition to our independent reserves, we also have a 40% participating interest in crude oil reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. For fiscal 2009, our gross production amounted to approximately 24.95 million barrels of oil and approximately 2.27 billion cubic meters of natural gas, representing an average daily production of approximately 68,358 barrels of oil and 6.22 million cubic meters of natural gas. Our production amounted to approximately 10.41% and 6.91% of India's total production of crude oil and natural gas, respectively, for fiscal 2009 (*Source: PPAC*). For the three months ended June 30, 2009, our production amounted approximately 6.34 million barrels of oil and approximately 0.60 billion cubic meters of natural gas, representing an average daily production of approximately 69,619 barrels of oil and approximately 6.64 million cubic meters of natural gas.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 45 million barrels of crude oil in fiscal 2009 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar. We also own and operate a 660 kilometer petroleum product pipeline connecting NRL to Siliguri in West Bengal, which was commissioned in August 2008.

We have interests in downstream activities through a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in Sudan that was completed in 2005. We have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2005 and 2006 and "Very Good" for fiscal 2007 and fiscal 2008. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 60,099.89 million, Rs. 67,954.63 million and Rs. 81,378.77 million, for fiscal 2007, 2008 and 2009, respectively. Our profit after tax as restated was Rs. 15,403.91 million, Rs. 17,795.97 million and Rs. 22,308.50 million for fiscal 2007, 2008 and 2009, respectively. For the three months ended June 30, 2009, our revenues were Rs. 21,381.46 million and our profit after tax as restated was Rs. 7,396.92 million.

COMPETITIVE STRENGTHS

We believe that our success can be attributed to a combination of the following competitive strengths:

Our large proved plus probable reserves of crude oil and natural gas in the Upper Assam basin. As of March 31, 2009, we had unaudited estimated independent proved plus probable crude oil reserves of approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and independent proved plus probable natural gas reserves of approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). As of March 31, 2009, all of our estimated independent oil reserves and 93.66% of our estimated independent natural gas reserves are located in the Upper Assam basin, which has been in continuous production since 1889. All of our production of crude oil consists of sweet crude which through fiscal 2008 was benchmarked to Nigerian Bonny Light under our sales contracts. Beginning in fiscal 2009, pursuant to a MoPNG decision our production of crude oil is benchmarked to baskets of crudes. The applicable basket varies based on the source of the crude and is determined based on the refineries to which such crude is supplied. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations—International Prices of Crude Oil***" on page 201.

Our sizeable domestic and international exploration acreage in basins with a track record of commercial discoveries and known accumulations of hydrocarbons. As of June 30, 2009 we hold PELs as operator covering a total area of approximately 26,660 square kilometers, of which 21,293 square kilometers were acquired through the NELP bidding process and the remaining 5,367 square kilometers of which were acquired on a nomination basis (although our PELs for 15 of the 16 nominations blocks are expired and applications for extensions are pending). All such PELs cover acreage in the Upper Assam and Assam-Arakan basin, the Krishna-Godavari basin and the Rajasthan basin, each of which are basins with proven commercial production or known accumulation of hydrocarbons. The PELs in which we have a participating interest as non-operator cover a total exploration acreage of 88,205 square kilometers, of which 82,175 square kilometers were acquired through NELP and the remaining 6,030 square kilometers of which were acquired through our joint ventures. We have obtained participating interests in 41,273 square kilometers of exploration acreages overseas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen.

Our track record of making and exploiting small to medium size discoveries. From fiscal 2007 through June 30, 2009, we made 11 small to medium size discoveries, which we define as those discoveries with an estimated proved plus probable reserves size of less than 30 million barrels of oil and oil equivalent gas, in addition to two major discoveries with an estimated proved plus probable reserves size of over 30 million barrels of oil and oil equivalent gas. We believe small and medium size discoveries have contributed to our reserve replacement ratio and production capacity. We view our expertise in the exploration and development of deep-seated thin reservoirs as a competitive advantage with respect to both our existing acreage and acreage we seek to acquire.

Our reservoir management skills for ageing and depleting fields. Oil and natural gas production in India is derived mainly from ageing and depleting fields. We deploy a wide array of improved oil recovery techniques and enhanced oil recovery techniques to achieve maximum recovery from our oil reserves. As part of our reservoir management strategy, we induct these techniques at an earlier stage in the life of our oil fields to try to achieve maximization of our recoveries. We believe these measures have enabled us to maintain production rates in our fields in the Upper Assam basin despite the declining nature of majority of the fields in the last three decades.

Our beneficial cost structure resulting from our status as an integrated exploration and production company with over five decades of operating experience. We have an installed onshore infrastructure built over nearly five decades, including 2D and 3D seismic crews with modern acquisition, processing and interpretation facilities, drilling and workover rigs, electronic logging units, mud engineering and laboratory facilities, onshore production facilities, well stimulation services, land pipelines, gas processing and fractionation facilities, transport fleet, storage facilities and other infrastructure located in our main oil- and gas-producing regions of India, which we believe provides us with a competitive advantage. Additionally, our five decades of experience as an organization, together with the training and experience of our human resources, allows us to devise operational procedures and maintenance schedules for our equipment and facilities that strive to minimize downtime and cost. Our integrated oil and gas infrastructure, combined with our in-house expertise enables us to manage our costs and time efficiently. Consequently, our average finding costs and all-in production costs benefit from our optimized manpower costs, low interest expense, relatively high use of in-house services in place of more expensive third-party contractors, utilization of depreciated infrastructure and equipment, adoption of cost-saving technology in our exploration, development and production operations, and effective use of our large store of geological data and expertise.

STRATEGY

In pursuit of our strategic objectives, we intend to:

Achieve a balanced growth of our portfolio of assets by acquiring exploration acreages, discovered blocks and producing properties domestically and internationally. We intend to acquire exploration acreages, discovered blocks and producing properties. Domestically, we intend to continue to pursue our selective bidding strategy in future NELP rounds to acquire more geographically balanced exploration acreage across India. We will continue to follow a bidding strategy pursuant to which we aggressively target those blocks that we believe offer the most opportunity based on our five decades of exploration experience with the geological conditions in India. In the past seven rounds of NELP bidding, we selectively bid for 55 exploration blocks and were successful in acquiring 27 of these blocks, three of which we have subsequently relinquished. Internationally, we will seek to acquire both exploration acreages and, in order to mitigate the risks associated with exploration, producing properties. We intend to implement our acquisition strategy utilizing both joint ventures with other leading players in the industry, as well as through our arrangement with IOCL pursuant to which we have a mutual right of first refusal in connection with bidding activity for certain exploration acreages and producing properties identified by either party. Our MoU with IOCL allows us to enter into project-specific agreements for overseas oil and natural gas exploration, development and production opportunities. In addition, we have entered into MoUs with ITERA and Santos International Operations Pty Ltd, among others, in respect of pursuing exploration and production opportunities in India and Libya, and overseas, respectively. We have recently entered into a MoU with Advanced Well Technologies Pty Limited for identifying and evaluating opportunities for the acquisition and development of upstream petroleum assets in Australia and elsewhere. We have also entered into a MoU with Mittal Energy Investments Pte Limited to explore the possibility of entering into a consortium or a joint venture to pursue opportunities for joint co-operation in the upstream, midstream and downstream oil and gas businesses, in India and overseas. For further details, see "***History and Certain Corporate Matters***" on page 106.

Accelerate our exploration and development in existing acreages to augment our current reserves and production. We have a developed expenditure plan to accelerate our exploration and development activities in our existing acreages.

In our nomination blocks, which are at different stages of exploration, development or production of crude oil and natural gas, we propose to conduct 700 GL kilometers of 2D seismic data acquisition, processing and interpretation and 790 square kilometers of 3D seismic data (including 150 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in fiscal 2010. In fiscal 2011, we propose to conduct 200 GL kilometers of 2D seismic data acquisition, processing and interpretation and 900 square kilometers of 3D seismic data acquisition, processing and interpretation in our nomination blocks. We also propose to drill 17 and 22 exploratory wells in our nomination blocks in fiscal 2010 and fiscal 2011, respectively. In addition, we propose to drill 44 and 46 development wells in fiscal 2010 and fiscal 2011, respectively.

In our pre-NELP blocks and NELP blocks where we are the operator in 12 blocks, we propose to conduct 1,825 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,075 square kilometers of 3D seismic data acquisition, processing and interpretation in fiscal 2010. In fiscal 2011, we propose to conduct 316 GL kilometers of 2D seismic data acquisition, processing and interpretation and 1,825 square kilometers of 3D seismic data (including 108 square kilometers of 3D-3C seismic data) acquisition, processing and interpretation in these blocks. We also propose to drill eight and 22 exploratory wells during fiscal 2010 and fiscal 2011, respectively. Additionally, we also propose to drill four development wells in fiscal 2011.

In our pre-NELP blocks and NELP blocks where we are the non-operator under a PSC, we estimate we will make an aggregate contribution of Rs. 825.49 million towards our proportionate share of cost of 2D seismic data and 3D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 5,440.43 million towards our proportionate share of cost of exploratory drilling in fiscal 2010 and fiscal 2011. In our pre-NELP blocks, where we are the non-operator, we estimate we will make an aggregate contribution of Rs. 238 million towards our proportionate share in cost of development drilling in fiscal 2010.

In our overseas blocks where we are the operator in three blocks, we propose to conduct 278 GL kilometers of 2D seismic data acquisition, processing and interpretation in fiscal 2010. We also propose to drill two exploratory wells in our overseas operated blocks, each during fiscal 2010 and fiscal 2011, respectively. In our non-operator overseas blocks, we estimate we will make an aggregate contribution of Rs. 528.75 million towards our proportionate share of cost of 2D seismic data acquisition, processing and interpretation and an aggregate contribution of Rs. 1,850.61 million towards our proportionate share of cost of exploratory drilling in our non-operator overseas blocks, in fiscal 2010 and fiscal 2011.

We plan to spend approximately Rs. 28,279.71 million in connection with our exploratory and appraisal activities, including 2D seismic data and 3D seismic data acquisition, processing and interpretation and exploratory drilling, approximately Rs. 10,455.96 million in connection with development activities to accelerate our exploration and development in producing fields and approximately Rs. 6,862.80 million in connection with purchase of capital equipments and facilities during fiscal 2010 and fiscal 2011, respectively.

Continue to improve our rate of recovery through the application of advanced recovery techniques. We intend to implement a number of improved and enhanced oil recovery techniques to redevelop our maturing fields in the Upper Assam basin and improve recovery of our crude oil reserves, with a goal of increasing our current average recovery rates. These measures include:

- capacity augmentation to increase water injection in matured fields combined with in-fill drilling to drain the reservoirs more effectively;
- implementation of suitable enhanced oil recovery techniques in selected reservoirs;
- a prioritized work-over program and gravel packs in sand ingress prone reservoirs;
- resiting, augmentation and upgradation of existing production facilities, work-over and coil tubing units and drilling rigs to improve operational efficiency;
- the installation of modern artificial pumping and lifting equipment; and
- implementation of water arrest techniques.

We believe that our implementation of advanced recovery techniques and development plans will enable us to maintain and increase our production levels, which may be further enhanced by our acquisition strategy.

Monetize our natural gas resources in the Upper Assam basin. As of March 31, 2009, we had unaudited estimated independent proved plus probable natural gas reserves of approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption), of which 93.66% are located in the Upper Assam basin, which is a basin with proven commercial production. We have historically not elected to focus our development activity in the natural gas sector because of the lack of demand for natural gas in markets within Assam in the past. However, for the year ended December 31, 2008, domestic consumption of natural gas exceeded domestic supply by 26% (*Source: BP Statistical Review of World Energy, 2009*) and we believe that the demand for natural gas within the Indian market is likely to increasingly exceed natural gas production. We therefore intend to focus our attention and capital resources on the commercialization of our natural gas reserves and resources through both upstream and downstream investment. We also intend to improve our utilization of natural gas by reducing gas flaring principally through the implementation of advanced technology and techniques and through upgrading and expanding of our distribution network.

We entered into a MoU in September 2008 with IOCL to supply gas to its refinery in Guwahati, Assam and to develop gas pipeline infrastructures for transmission of gas from the Krishna-Godavari basin blocks and for the marketing of gas to small customers through retail networks. Pursuant to this MoU, we also intend to explore the possibility of joint participation with IOCL in the development of city gas distribution projects in the north-eastern, south-eastern and central states in India as well as in other countries.

Selectively diversify our domestic operations through downstream integration. We intend to continue an active strategy of vertical integration in order to diversify our sources of revenue into downstream sectors such as refining, processing, distribution and retailing, cracking and fractionation of gas, and to improve our profitability by extending our operations into higher-margin segments of the product value chain. We have acquired a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. We have entered into a MoU with two public sector undertakings, HPCL and GAIL, and two private companies, Total France S.A. and Mittal Energy Investments Pte Limited, to establish a refinery and a petrochemical complex at Vishakhapatnam, Andhra Pradesh. In addition, we have entered into a MoU with BPCL in June 2009 to explore opportunities for, joint participation in laying, building, operating or expanding natural gas pipelines along identified routes, or competitive bidding in respect of CGD networks in geographical areas as notified by PNGRB, and developing CNG corridors along certain national and state highways.

In January 2008, we acquired a 23% equity stake in DNP Limited which is incorporated with the objective acquiring, transporting and distributing natural gas in all forms. It is also proposed to lay a 192 kilometer domestic gas pipeline connecting Duliajan to the NRL refinery. We believe this acquisition will enable us to extend our natural gas supply to customers beyond the refinery's location in Numaligarh, to Guwahati, and facilitate city gas distribution projects in the future. We are also undertaking pre-project activities with AGCL for distributing clean natural gas and piped natural gas in the North East region of India.

In August 2008, we commissioned a 660 kilometer domestic petroleum product pipeline connecting the NRL refinery to Siliguri, which has a capacity to transport approximately 2.13 million kiloliters of refined petroleum products annually. We also hold a 10% equity stake in a 741 kilometer pipeline project in Sudan that was completed in 2005.

We have also undertaken several initiatives in pipeline-related businesses, including pursuing the pipeline construction business in India and overseas in partnership with IOTL, and leasing surplus fiber optic cable capacity in our pipeline infrastructure to telecom service providers, among others. Recently, we entered into lease agreements with Vodafone Essar Spacetel Limited, Power Grid Corporation of India Limited, Bharti Airtel, Dishnet Wireless Limited and Rail Tel Corp.

We intend to seek and develop additional diversification opportunities along the oil and gas value chain as they arise, particularly in the areas of expertise gained during our five decades of upstream oil operation.

We have also initiated a research program to carry out technological and economic viability studies for the production of synthetic crude oil from coal pursuant to which we have established a pilot coal liquefaction plant at our research and development center in Duliajan. The process optimization tests conducted through the pilot plant for conversion of coal to syncrude and the liquefaction assessment of coal were successfully completed and a feasibility report has been formulated.

CRUDE OIL AND NATURAL GAS RESERVES

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. In addition to our independent operations, we have a participating interest in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. As of March 31, 2009, our unaudited estimated independent proved plus probable crude oil reserves were approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and our proved plus probable natural gas reserves from independent operations were approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). In addition, we also have a 40% participating interest in the crude oil reserves in the Kharsang field.

The following table sets forth our estimated reserves as of March 31, 2009, March 31, 2008 and March 31, 2007. All reserve estimates of crude oil in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include condensate reserves from non-associated gas reservoirs. All reserve estimates of natural gas in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include estimates of internal fuel gas consumption.

(in mmbbls)

CRUDE OIL									
	Proved*			**Proved and Probable***			**Proved, Probable and Possible***		
	March 31,								
Reserve Source	**2009(1)**	**2008**	**2007**	**2009(1)**	**2008**	**2007**	**2009(1)**	**2008**	**2007**
Independent									
Upper Assam basin(2)	279.84(3)	292.97(4)	277.94(4)	570.31(3)	582.53(4)	534.47(4)	993.53(3)	1030.85(4)	994.55(4)
Digboi field	5.09	0.61(4)	5.19(5)	5.09	0.62(4)	5.19(5)	5.09	0.63(4)	5.19(5)
Total independent	284.93	293.58	283.13	575.40	583.15	539.66	998.62	1031.48	999.74
PSC									
Kharsang field (6)	—(7)	2.09(4)	—(7)	—(7)	4.62 (4)	—(7)	—(7)	7.74(4)	—(7)
Total	284.93(3)	295.67	283.13	575.40(3)	587.77	539.66	998.62(3)	1039.22	999.74

***** *Oil reserves have been converted at a factor of 1 standard cubic meter to 6.289 barrels.*

(in bcm)

NATURAL GAS									
	Proved			**Proved and Probable**			**Proved, Probable and Possible**		
	March 31,								
Reserve Source	**2009(1)**	**2008**	**2007**	**2009(1)**	**2008**	**2007**	**2009(1)**	**2008**	**2007**
Independent									
Upper Assam basin (2) (8)	36.99	35.34(4)	26.56(4)	59.39	52.40(4)	43.17(4)	79.68	69.77(4)	69.36(4)
Digboi field	-	-	0.33(5)	-	-	0.33(5)	-	-	0.33(5)
Rajasthan basin	2.20	1.75(4)	1.75(4)	4.02	2.54(4)	2.54(4)	6.69	5.22(3)	5.22(4)
Total(8)	39.19	37.09	26.89	63.41	54.94	46.04	86.37	74.99	74.91

(1) All reserve estimates presented in this Red Herring Prospectus as of March 31, 2009 have been prepared internally and have not been certified by Gaffney Cline & Associates (Consultants) Pte Ltd.

(2) Excludes Digboi field and Kharsang field.

(3) All reserve estimates of crude oil in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include condensate reserves from non-associated gas reservoirs.

(4) As certified by Gaffney Cline & Associates (Consultants) Pte Ltd.

(5) The reserve estimates for Digboi field as of March 31, 2009 and March 31, 2007 in this Red Herring Prospectus have been prepared internally and have not been certified by Gaffney Cline & Associates (Consultants) Pte Ltd.

(6) Represents our 40% working interest in the Kharsang field pursuant to joint venture arrangement.

(7) Reserve estimates with respect to our 40% working interest in the Kharsang field pursuant to joint venture arrangement for March 31, 2009 and March 31, 2007 are provided to us by the operator. The estimates provided by the operator may be based on international standards that differ from those used by us. The operator has provided us with estimates of proved, probable and possible reserves of 8.56 million barrels, 8.38 million barrels and 8.19 million barrels for March 31, 2007, 2008 and 2009, respectively, as reported by the operator to DGH. We do not receive separate estimates for each of estimates of proved reserves, probable reserves and possible reserves from the operator. These estimates for March 31, 2007, 2008 and 2009 have not been audited by Gaffney & Associates (Consultants) Pte Ltd.

(8) All reserve estimates of natural gas in the Upper Assam basin presented in this Red Herring Prospectus as of March 31, 2009 include estimates of internal fuel gas consumption. We estimate our proved plus probable reserves for the Upper Assam basin attributable to internal fuel gas consumption at 9.05 billion cubic meters as of March 31, 2009.

For further details, see "***Risk Factors - The crude oil and natural gas initially in place and reserves in this Red Herring Prospectus are estimates, and our actual production, revenues and expenditure with respect to our reserves may differ materially from these estimates***" on page xxvi.

A summary of the most significant differences between our internal estimates of our proved plus probable reserves of crude oil and natural gas, as of March 31, 2009 and Gaffney Cline & Associates (Consultants) Pte Ltd.'s estimates of our proved plus probable reserves of crude oil and natural gas as of March 31, 2008 follows.

Crude Oil

Upper Assam Basin

Greater Nahorkatiya fields. As of March 31, 2009, we estimate our proved plus probable crude oil reserves for the Greater Nahorkatiya fields at 71.57 million barrels while Gaffney Cline & Associates (Consultants) Pte Ltd. estimated our proved plus probable reserves for this field at 80.20 million barrels as of March 31, 2008. We believe the reason for this difference is primarily attributable to downgrading of recovery factors for certain of the reservoirs based on our production performances. Moreover, four work-over jobs could not be completed successfully during fiscal 2009.

Greater Hapjan fields. As of March 31, 2009, we estimate our proved plus probable crude oil reserves for the Greater Hapjan fields at 142.78 million barrels while Gaffney Cline & Associates (Consultants) Pte Ltd. estimated our proved plus probable reserves for this field at 120.89 million barrels as of March 31, 2008. We believe the reason for this difference is primarily due to the identification of 13 new locations for drilling and six additional wells for work-over during fiscal 2009. In addition, our average production from these fields increased from 17,986.54 barrels of oil per day in fiscal 2008 to 22,451.73 barrels of oil per day in fiscal 2009, which resulted in positive accretion and an increased base estimate of oil reserves for this field as of March 31, 2009.

Greater Shalmari fields. As of March 31, 2009, we estimate our proved plus probable crude oil reserves for the Greater Shalmari fields at 16.77 million barrels of oil reserves while Gaffney Cline & Associates (Consultants)

Pte Ltd. estimated our proved plus probable reserves for this field at 22.01 million barrels as of March 31, 2008. We believe the reason for this difference is primarily due to poor prospects in a new well which was expected to perform with higher potential. Two work-over jobs also could not be completed successfully during fiscal 2009.

Digboi field. As of March 31, 2009, we estimate our proved plus probable crude oil reserves for Digboi field at 5.09 million barrels, while Gaffney Cline & Associates (Consultants) Pte Ltd. estimated our proved plus probable reserves for this field at 0.61 million barrels as of March 31, 2008. We believe the principal reason for this difference is primarily attributable to the identification of a new well for drilling in fiscal 2009, as well as consideration of five additional work-over jobs for completion during fiscal 2009. We believe that since Digboi is one of our oldest oil fields, significant fluctuations in estimates of its reserve are likely to arise from identification of significant locations for drilling and work-over jobs.

Natural Gas

Upper Assam basin. As of March 31, 2009, we estimate our proved plus probable natural gas reserves in the Upper Assam basin at 59.39 billion cubic meters, while Gaffney Cline & Associates (Consultants) Pte Ltd. estimated our proved plus probable natural gas reserves for this basin at 52.40 billion cubic meters as of March 31, 2008. We believe the principal reason for the difference is the inclusion of estimates of internal consumption of natural gas and condensate of non-associated gas reservoirs in the reserve estimates for natural gas as of March 31, 2009. We estimate our proved plus probable reserves for the Upper Assam basin attributable to internal fuel gas consumption at 9.05 billion cubic meters as of March 31, 2009.

Rajasthan basin. As of March 31, 2009, we estimate our proved plus probable natural gas reserves in the Rajasthan basin at 4.02 billion cubic meters, while Gaffney Cline & Associates (Consultants) Pte Ltd. estimated our proved plus probable natural gas reserves for this basin at 2.54 billion cubic meters as of March 31, 2008. We believe the principal reason for the difference is primarily attributable to the completion of drilling of four development wells in this basin.

CRUDE OIL AND NATURAL GAS PRODUCTION

The following tables set forth our annual gross crude oil production and natural gas production (including condensate produced from non-associated gas reserves in respect of our independent operations) for the three months ended June 30, 2009 and fiscal 2009, 2008 and 2007 by independent and PSC operations.

	Three months ended June 30,	Year ended March 31,		
	2009	2009	2008	2007
Crude Oil Production (mmbbls)*				
Independent Operations				
-Assam	6.21	24.50	21.91	21.99
-Arunachal Pradesh	0.07	0.26	0.30	-
Total independent Operations	6.28	24.76	22.21	21.99
Production Sharing Contract	0.06	0.19	0.17	0.18
Total	6.34	24.95	22.38	22.17

** Oil production has been converted at a factor of 1 standard cubic meter to 6.289 barrels.*

	Three months ended June 30,	Year ended March 31,		
	2009	2009	2008	2007
Natural Gas Production (bcm)(1)				
Independent Operations				
-Assam	0.54	2.04	2.08	2.26
-Arunachal Pradesh	0.01	0.02	0.02	-
-Rajasthan	0.05	0.21	0.24	-
Total Independent Operations	0.60	2.27	2.34	2.26
Production Sharing Contract(2)	-	-	-	-
Total	0.60	2.27	2.34	2.26

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

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

The following table sets forth our average daily crude oil production (including condensate produced from non-associated gas reserves in respect of our independent operations) for the three months ended June 30, 2009 and fiscal 2009, 2008 and 2007 by independent and PSC operations.

	Three months ended June 30,	Year ended March 31,		
	2009	2009	2008	2007
Average Daily Crude Oil Production (bbls per day)* (1)				
Independent Operations				
-Assam	68,280	67,138	60,023	60,238
-Arunachal Pradesh	726	710	815	-
Total independent Operations	69,006	67,848	60,838	60,238
Production Sharing Contract	613	510	464	486
Total	69,619	68,358	61,302	60,724

** Oil production has been converted at a factor of 1 standard cubic meter to 6.289 barrels.*

(1) Includes condensate produced from non-associated gas reservoirs in respect of our independent operations.

The following table sets forth our average daily domestic natural gas production for the three months ended June 30, 2009 and fiscal 2009, 2008 and 2007 by independent and PSC operations.

	Three months ended June 30,	Year ended March 31,		
	2009	2009	2008	2007
Average Daily Natural Gas Production (mmcm per day) (1)				
Independent Operations				
-Assam	6.00	5.60	5.69	6.21
-Arunachal Pradesh	0.06	0.06	0.07	-
-Rajasthan	0.58	0.56	0.65	-
Total Independent Operations	6.64	6.22	6.41	6.21
Production Sharing Contract (2)	-	-	-	-
Total	6.64	6.22	6.41	6.21

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

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

As of June 30, 2009, we produce crude oil and natural gas on an independent basis in 18 onshore fields under 19 corresponding production licenses, referred to as "Petroleum Mining Leases" ("**PMLs**"), each granted pursuant to the recommendation of the MoPNG with the approval of the GoI by the relevant state government. PMLs are generally granted on a block to block basis for an initial period of 20 years. We are also engaged in domestic oil production in the field in Kharsang pursuant to a PML as a non-operator under a PSC. For additional details regarding the terms and conditions of these licenses and related information, see "***Government and Other Approvals***" on page 262.

As of June 30, 2009, a total of 424 wells were in production in our independent blocks, 377 of which related to crude oil production and 47 of which related to natural gas production.

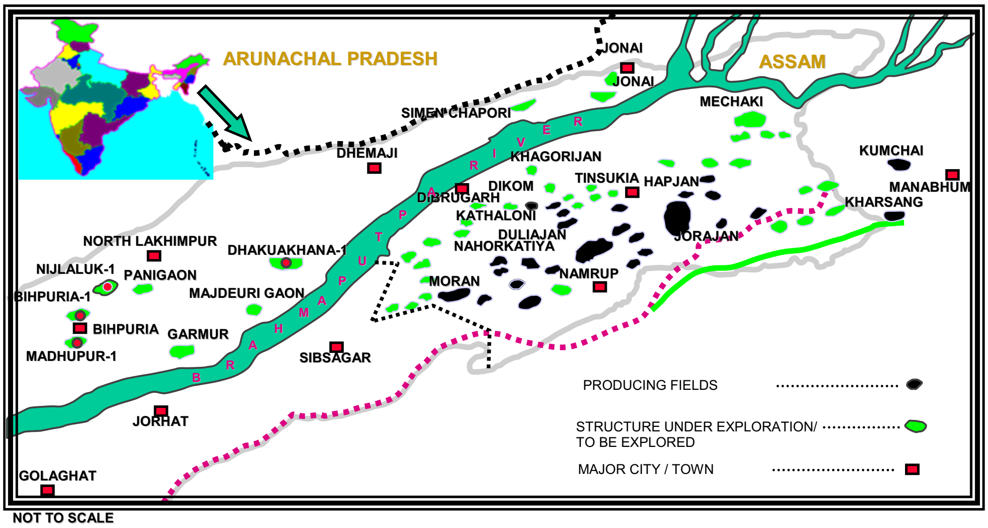
PRINCIPAL PRODUCING AREAS

All of our independent producing oil fields, as well as substantially all of our independent producing natural gas fields, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent producing natural gas fields in the Jaisalmer basin in the state of Rajasthan. We also continually conduct exploration, development and redevelopment activities within our producing areas. In addition to our independent operations, we have a participating interest in the Kharsang field in the Assam-Arakan basin in the state of Arunachal Pradesh.

Upper Assam Basin

Upper Assam Basin

PRODUCING FIELDS AND STRUCTURES (Assam & AP)



The Upper Assam basin is located in the states of Assam and Arunachal Pradesh and covers approximately 56,000 square kilometers. As of June 30, 2009, we have drilled 2,147 wells in 15 fields (including Digboi field) in this basin under 17 PMLs covering approximately 4,351 square kilometers in aggregate. Production in the Upper Assam basin includes the crude oil and condensate production.

The Upper Assam basin was the site of the first discoveries of crude oil on the Indian subcontinent in 1889 at Digboi in the state of Assam. After the independence of India, our first major discoveries of oil within the Upper Assam basin were by our predecessor companies in 1953, who commenced commercial production in the Upper Assam basin in the same year. We increased our production following significant additional discoveries in Oligocene-Miocene structures during the period from 1956 through 1993. Our first major discovery in the Upper Assam basin in deeper formations was made in 1990 and further deeper Eocene discoveries were made during the period from 1991 to 2003. Our production of oil within the Upper Assam basin from shallower formation reservoirs plateaued during the 1970s. We made subsequent discoveries of deeper oil and have continued our efforts for such oil. We plan to implement advanced recovery methods in the ageing fields within the Upper Assam basin.

Greater Nahorkatiya Fields. The Greater Nahorkatiya fields are located approximately 50 kilometers south-east of the town of Dibrugarh and cover an aggregate area of 85 square kilometers, comprised of eight contiguous fields: Nahorkatiya Main, Zaloni, West Zaloni, Jutlibari, Madhunting-Tipling, Rajali, East Rajali and Bordubi. The Greater Nahorkatiya fields are mature fields, some of which have been in production since the 1950s. Oil production from Nahorkatiya Main field plateaued between 1968 and 1972 and has since experienced a steady decline. However, in recent years the trend has been reversed. Gas production from the field has been on a steady decline since 1985. The Rajali and Bordubi fields have not been in production for the last nine years.

As of March 31, 2009, our estimated total proved plus probable reserves from the Greater Nahorkatiya fields were 71.57 million barrels of crude oil and 11,265 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Nahorkatiya fields was 4,597 barrels of oil per day and 0.77 million standard cubic meters of gas per day. For the three months ended June 30, 2009, our average production from the Greater Nahorkatiya fields was 4,676 barrels of oil per day and 0.78 million standard cubic meters of gas per day.

As of June 30, 2009, a total of 303 wells have been drilled in the Greater Nahorkatiya fields. The producing wells in this area include self-flowing wells, wells producing with artificial lifting methods and wells producing with the help of the sucker-rod pumping system. Gas lifting is the dominant artificial lift method used in these fields and gas lift is provided by seven gas compressor stations.

Since 1966, we have implemented water injection, gas injection and polymer flooding for pressure maintenance and enhanced oil recovery in the Greater Nahorkatiya fields.

As of June 30, 2009, five water injection installations with a total injection capacity of 51,000 barrels per day are available to meet the water injection requirements for the field. Since fiscal 2007, the enhanced recovery method used in this field is water injection flooding and we plan to enhance the water injection rate by drilling new water injection wells.

In order to identify and recover unswept oil from the mature Greater Nahorkatiya fields, studies on the basis of reservoir and structure are being undertaken in a phased manner.

Our redevelopment plan for the Nahorkatiya fields involves reservoir management including in-fill drilling, augmentation of water injection/flooding schemes, reservoir monitoring and well stimulation, workover operations and artificial-lift optimization. We have plans to carry out a feasibility study of mature reservoirs which are undergoing water injection. Following a joint study undertaken by our geoscientists and ISIS in the Greater Nahorkatiya fields, we have identified nine development and two exploratory locations for drilling in Greater Nahorkatiya fields in the next three years until fiscal 2012. We also have plans to establish a pilot-scale project for advanced reservoir surveillance.

Moran Field. The Moran field is located approximately 50 kilometers southwest of the Greater Nahorkatiya fields and cover an aggregate area of approximately 20 square kilometers. The Moran field is a mature field that has been in regular production since 1963. Production from the Moran field plateaued between 1972 and 1982 and experienced a steady decline until 2005, when production stabilised due to development activities. Having reached its peak gas production in 1979, the gas production from the field was on steady decline until becoming relatively stable in 1998.

As of March 31, 2009, our estimated total proved plus probable reserves from the Moran field were 25.43 million barrels of oil and 1.16 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Moran field was approximately 1,840 barrels of oil per day and 0.11 million standard cubic meters of gas per day. For the three months ended June 30, 2009, our average production from the Moran field was 1,858 barrels of oil per day and 0.11 million standard cubic meters of gas per day.

As of June 30, 2009, a total of 111 wells have been drilled in the Moran field. The majority of the wells in these fields are producing wells utilizing the artificial gas lift technique. Lift gas is supplied by one gas lift station.

Since July 1969, we have implemented water injection for pressure maintenance at the Moran field. As of June 30, 2009 one water injection installation with a total injection capacity of 6,600 barrels per day is available to meet the water injection requirements for the field.

Our redevelopment plan for the Moran field involves arresting natural decline by increasing the water injection rate through new wells. We also propose to undertake recompilation of selected sick and shut-in wells to increase the rate of recovery. Detailed studies of the Moran fields and adjoining areas have been carried out, based on which a number of wells have been drilled in the area. In order to identify bypassed hydrocarbon, studies on reservoir scale are being undertaken in a phased manner. Additionally, two development and three exploratory locations have been identified for drilling in this field.

Greater Jorajan Fields. The Greater Jorajan fields are located 18 kilometers east of the Nahorkatiya fields and cover an aggregate area of 51 square kilometers, comprised of seven fields: Langkasi, Kathalguri, Nagajan, Jorajan, Jaipur, Santi and Tarajan. The Greater Jorajan fields are mature fields, most of which have been in production since the early 1970s. Production from these fields peaked in the late 1980s to early 1990s and has since experienced a steady decline. In recent years, oil production has been relatively stable due to development activities.

As of March 31, 2009 our estimated total proved plus probable reserves from the Greater Jorajan fields were 50.69 million barrels of oil and 12,112 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Jorajan fields was 2,729 barrels of oil per day and 1.38 million standard cubic meters of gas per day. For the three months ended June 30, 2009, our average production from the Greater Jorajan fields was 2,692 barrels of oil per day and 1.39 million standard cubic meters of gas per day.

As of June 30, 2009, a total of 256 wells have been drilled in the Greater Jorajan fields. The wells in these fields are producing wells utilizing the artificial gas lift technique. Lift gas is supplied by six gas lift station.

Since the 1980s, we have implemented water injection for pressure maintenance in the Greater Jorajan fields. As of June 30, 2009, two water injection installations with a total injection capacity of 5,600 barrels per day are available to meet the water injection requirements for the field. We have also begun to implement capacity augmentation projects to increase the daily rate of injection. We have applied the MEOR method in respect of seven wells in these fields and the results thereof are yet to be ascertained. A multidisciplinary study of selected reservoirs in these fields as well as a study of certain identified problematic wells has been recently completed by Schlumberger and we are currently conducting an in-house review of the resultant proposals. We also plan to undertake in-fill drilling as well as remedial measures for the problematic wells. Based on an in-house study, we have identified three exploratory locations for probing newly identified prospects and two in-fill locations within existing fields.

In addition, we have conducted 3D seismic surveys in the area. IPR International Ltd., USA has also recently concluded a detailed study of the Greater Jorajan fields.

Greater Shalmari Fields. The Greater Shalmari fields are located approximately 20 kilometers west of the Naharkotia Main field and cover an aggregate area of 18 square kilometers, comprised of three fields: the Shalmari, Tinali and North Tinali fields. The Shalmari field is a mature field, which has been in production since 1986. Production from the Shalmari field peaked in 1996 and has since experienced a steady decline. Tinali and North Tinali fields came into production in 2003 and 2004, respectively.

As of March 31, 2009, our estimated total proved plus probable reserves from the Greater Shalmari fields were 16.77 million barrels of oil and 502 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Shalmari fields was 2,485 barrels of oil per day and 0.07 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Greater Shalmari fields was 2,537 barrels of oil per day and 0.07 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 55 wells have been drilled in the Greater Shalmari fields. The majority of the producing wells in these fields utilize the gas lifting technique as well as the sucker-rod pumping system. Lift gas is supplied by one gas lift station.

We initiated water injection for pressure maintenance of the Greater Shalmari fields in the early 1990s which has begun arresting reservoir pressure decline. As of June 30, 2009, one water injection installation with a total injection capacity of 8,700 barrels per day is available to meet the water injection requirements for the field.

Our redevelopment plan for the Greater Shalmari fields primarily involves the identification and development of the deeper Eocene reservoirs in these fields. Accordingly, we have formulated plans to probe new reserves by drilling in the mature overlying Barail reservoirs, the low prospect areas and the new Tipam reserves of the Greater Shalmari fields. In addition, we have plans to drill one development well to provide adequate drainage of deeper reservoirs. One exploratory location has also been identified.

Greater Dikom Field. The Greater Dikom field is located approximately 25 kilometers north west of the Nahorkatiya Main field and covers an aggregate of 18 square kilometers, comprised of five fields: Dikom, Madarkhat, Kuhiarbari, Hatiali and Sealkati fields. The Greater Dikom field is a mature field, which has been producing since 1990. After recording its peak annual production level in 1998, the Greater Dikom field experienced declining production levels. Production was subsequently enhanced between 2003 and 2005, through development and in-fill drilling. However, since 2006 production is declining.

As of March 31, 2009, our estimated total proved plus probable reserves from the Greater Dikom field were 56.71 million barrels of oil and 4,945 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Dikom field was 6,363 barrels of oil per day and 0.95 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Greater Dikom field was 6,380 barrels of oil per day and 1.01 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 55 wells have been drilled in the Greater Dikom field. The majority of the producing wells in this field are self-flowing, with limited deployment of artificial lifting methods and sucker-rod pumping systems. One gas compressor station supplies low pressure gas lift, with the required gas lift supplied by the gas compressor station in Kathaloni fields.

Our redevelopment plans in the Greater Dikom field primarily involve the drilling of additional development and in-fill wells for optimizing the drainage of the reservoirs. Following a detailed review, we have identified locations for a total of three development wells and one exploratory well for drilling by fiscal 2012. A further detailed review will be undertaken once drilling and production results of these locations become available.

Kathaloni Fields. The Kathaloni fields are located approximately 12 kilometers south of Dikom Field and cover an aggregate area of 20 square kilometers, comprised of two fields: the Kathaloni and Bachmatia fields. The Kathaloni fields are mature fields that have been in regular production since 1991. Production from the Kathaloni fields peaked in 1999 and thereafter experienced a decline.

As of March 31, 2009, our estimated total proved plus probable reserves from the Kathaloni fields were 33.99 million barrels of oil and 1,661 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Kathaloni fields was 4,083 barrels of oil per day and 0.21 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Kathaloni fields was 4,166 barrels of oil per day and 0.30 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 46 wells have been drilled in the Kathaloni fields. The producing wells in these fields utilize artificial lifting techniques. Gas lift is supplied by one gas compressor station.

We have plans for one exploratory well to probe newly identified structures near the existing fields. We also plan to undertake a detailed review of the Kathaloni fields using static and dynamic modelling software to enable more effective reservoir management.

Tengakhat Fields. The Tengakhat fields are located approximately 20 kilometers north west of the Nahorkatiya field and cover an aggregate area of seven square kilometers, comprised of the Tengakhat and Rungoliting fields. The fields have been in production since 1994. Oil production from the Tengakhat fields peaked during 2001 to 2003 and gas production peaked during 2003 to 2005. We subsequently implemented additional development activities to arrest the decline of these fields, and oil and gas production has increased.

As of March 31, 2009, our estimated total proved plus probable reserves from the Tengakhat fields were 33.41 million barrels of oil and 2,027 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Tengakhat fields was 8,307 barrels of oil per day and 0.96 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Tengakhat fields was 8,584 barrels of oil per day and 0.97 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 41 wells have been drilled in the Tengakhat fields. Almost all the producing wells in these fields are self-flowing, and the artificial gas lifting methods are deployed in respect of four wells. Gas lift is provided by the gas compressor station in the Kathaloni fields.

Our redevelopment activity in the Tengakhat fields primarily involves the drilling of additional development and in-fill wells to optimize drainage of the reservoir. We plan to undertake a detailed review of the Tengakhat fields in fiscal 2010 to formulate a redevelopment plan and we are in the process of collecting and preparing relevant data.

Greater Hapjan Fields. The Greater Hapjan fields are located approximately 20 kilometers north east of the Greater Nahorkatiya fields and cover an aggregate area of 42 square kilometers, comprised of seven fields: Hapjan, Makum, North Hapjan, North Makum, Bazaloni, Borhapjan and Samdang. The North Hapjan field and the Makum field have been in production since 1993. Oil and gas production has increased in the Hapjan, North Hapjan, Makum and Bazaloni fields due to ongoing development activities.

As of March 31, 2009, our estimated total proved plus probable reserves from the Greater Hapjan fields were 142.78 million barrels of oil and 3,842 standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Hapjan fields was 21,676 barrels of oil per day and 0.59 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Greater Hapjan fields was 22,096 barrels of oil per day and 0.62 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 94 wells have been drilled in the Greater Hapjan fields. Due to decline in reservoir pressure, nearly all wells in the Hapjan field have been converted into gas lift wells. Gas lift is provided by one gas compressor station. In the Makum and North Hapjan areas, nearly all the wells are self-flowing. We have also conducted 3D seismic surveys in the area.

We have formulated a development plan for this field, based on the results of a recent multi-disciplinary study carried out by us in collaboration with Halliburton. This plan principally involves the drilling of development and in-fill wells as well as horizontal wells. A total of 29 locations, including locations for ten horizontal wells, have been identified and planned for drilling by fiscal 2012. We also have plans for drilling eight exploratory wells to probe newly identified structures which are contiguous to the existing fields.

Greater Chandmari Fields. The Greater Chandmari fields are located approximately 25 kilometers north east of the Naharkatia field and cover an aggregate area of 20 square kilometers, comprised of three fields: the Baghjan, Barekuri, and South Chandmari fields. The fields have been in oil production since 2003 and are presently under initial appraisal and development. The gas reserves in the South Chandmari field and the Barekuri field came into production in 2004 and reached their peak production in February 2007.

As of March 31, 2009, our estimated total proved plus probable reserves from the Greater Chandmari fields were 57.96 million barrels of oil and 13,374 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Greater Chandmari fields was 7,993 barrels of oil per day and 0.19 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Greater Chandmari fields was 8,269 barrels of oil per day and 0.29 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 18 wells have been drilled in the Greater Chandmari fields.

We have formulated a development plan for these fields, based on the results of a recent multi-disciplinary study carried out by us in collaboration with Halliburton. This plan principally involves drilling of 11 exploratory wells and 11 development wells.

Bhogpara Field. The Bhogpara field is located approximately 10 kilometers west of the Dikom field and covers an area of about 8 square kilometers. The Bhogpara field has been in production since 1997. Oil and gas production from the field plateaued in 2004 and 2005, respectively. Subsequently, production from the Bhogpara field has fluctuated due to development activities.

As of March 31, 2009, our estimated total proved plus probable reserves from the Bhogpara fields were 21.40 million barrels of oil and 278 million cubic meters of natural gas. For fiscal 2009, our average production from the Bhogpara fields was 3,804 barrels of oil per day and 0.05 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Bhogpara fields was 3,883 barrels of oil per day and 0.06 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 15 wells had been drilled in the Bhogpara field. All producing wells in this field are self-flowing, save for two wells, one of which is producing with the help of an electrical submersible pump and the other well is producing with the help of sucker-rod pump..

On the basis of a detailed review undertaken by us in this field, our redevelopment plans in the Bhogpara field primarily involve the drilling of additional development and in-fill wells for optimizing drainage of the reservoirs. As of June 30, 2009, we have identified four development wells and one exploratory well for drilling by fiscal 2012. A further detailed review will be undertaken once drilling and production results of these locations become available.

Central Small Fields. The Central Small fields consist of the Bhekulajan, Tamulikhat-North Tamulikhat, Deohal-East Deohal, Chabua, Jaraipather, Matimekhana-North Matimekhana, North Balijan, Khagorijan and Kamkhat fields, which are located around the Tengakhat field and cover an aggregate area of about 54 square kilometers. All of the Central Small fields except Jaraipather came into in regular production between 1995 and 2004, and production has since been declining since. Since 2006, gas production has been on the increase in Tamulikhat-North, Tamulikhat and Deohal-East Deohal fields. Since 2004, the declining trend in oil production has been reversed in Bhekulajan field.

As of March 31, 2009, our estimated total proved plus probable reserves from the Central Small fields were 34.19 million barrels of oil and 6,204 million standard cubic meters of natural gas. For fiscal 2009, our average production from the Central Small fields was 2,116 barrels of oil per day and 0.26 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Central Small fields was 2,135 barrels of oil per day and 0.30 million standard cubic meters of natural gas per day.

As of June 30, 2009, 59 wells had been drilled in the Central Small fields.

Our redevelopment plan in the Central Small fields primarily involves drilling of more development and in-fill wells to optimize drainage of the reservoirs. As of June 30, 2009, 12 exploratory and ten development wells have been identified for drilling in the Central Small fields. In addition, we are currently undertaking a detailed study of the structures present in the Central Small fields in a phased manner. The study of Chabua area has been completed and ten development and extension wells have been proposed for drilling in that area.

Eastern Satellite Fields. The Eastern Satellite fields are located to the east of Greater Jorajan Field and cover an aggregate area of 24 square kilometers, comprised of the Kherem, Kusijan, Bogapani, Duarmara and Mechaki fields. The Bogapani and Kusijan fields began commercial oil production in 1986 and 1969, respectively, and are now in declining stage.

As of March 31, 2009, our total proved plus probable reserves from the Eastern Satellite fields were 8.53 million barrels of and 1,104 million cubic meters of natural gas. For fiscal 2009, our average production from the Eastern Satellite fields was 284 barrels of oil per day and 0.07 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Eastern Satellite fields was 289 barrels of oil per day and 0.08 million standard cubic meters of natural gas per day.

As of June 30, 2009, 36 wells had been drilled in the Eastern Satellite fields.

We are currently undertaking a detailed study of the structures present in the Eastern Satellite fields in a phased manner. The study of Kusijan area has been completed and two development wells have been proposed for drilling in that area. As of June 30, 2009, three exploratory wells and one development well are planned for drilling by fiscal 2012.

Western Satellite Fields. The Western Satellite fields are located in the western part of the Greater Nahorkatiya Field and cover an aggregate area of 43 square kilometers, comprising the Haldhibari, Dipling, Sarojani, Diroi, Borbil, Dholiya, Rajgarh, South Rajgarh and Sapekhati fields. Most of these fields were producing in the early 1990s. Commercial production has only been established in the Borbil, Dholiya, Diroi, Dipling, Sarojani, Rajgarh and Haldibari fields.

As of March 31, 2009, our estimated total proved plus probable reserves from the Western Satellite fields were 9.88 million barrels of oil and 917 million cubic meters of natural gas. For fiscal 2009, our average production from the Western Satellite fields was 99.93 barrels of oil per day and 0.005 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Western Satellite fields was 101 barrels of oil per day and 0.006 million standard cubic meters of natural gas per day.

As of June 30, 2009, 41 wells had been drilled in the Western Satellite fields.

We have completed a detailed in-house study based on recently acquired 3D seismic and other available data a number of prospective locations have been identified and proposed for exploratory drilling. Our redevelopment plans in the Western Satellite fields primarily involve the drilling of two exploratory wells to probe new reserves.

Digboi Field. The Digboi field is located approximately 30 kilometers east of Greater Nahorkatiya Fields and covers an area of 13 square kilometers. The Digboi field has been in production since 1891 and is a mature field in permanent decline. The Digboi field reached plateau production between 1934 and 1958, and since 1960 the oil production has been declining at a steady rate.

As of March 31, 2009, our estimated total proved plus probable reserves in the Digboi field were 5.09 million barrels of oil. For fiscal 2009, our average production from the Digboi field was 119 barrels of oil per day and 0.007 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Digboi field was 119 barrels of oil per day and 0.006 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 1,002 wells have been drilled in the Digboi field. All the producing wells in this field utilize artificial gas lifting method. Gas lift is supplied from one gas compressor station.

We have plans to undertake a review of the Digboi field based on the latest technology and utilize in-house resources and external consultants in order to formulate a redevelopment plan for this field.

Greater Kumchai Fields. The Greater Kumchai fields are located in the most eastern portion of Upper Assam basin approximately 45 kilometers north east of the Digboi field, and cover an area of 20 square kilometers.

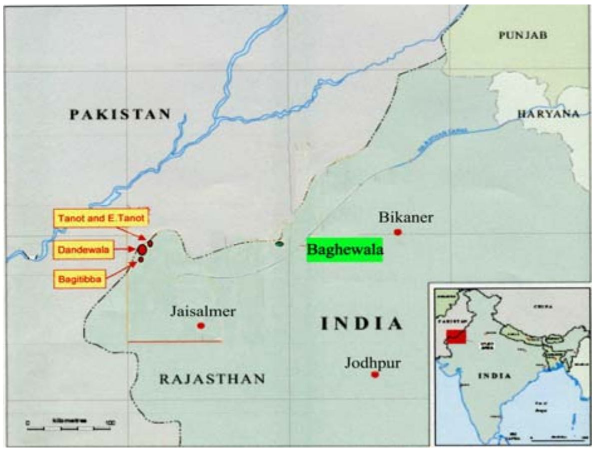
The Greater Kumchai fields have been in production since 1987 and production peaked in 1993. Subsequent to 1993, production from the Greater Kumchai fields has fluctuated due to workover activities. There are no gas reserves allocated to the Greater Kumchai field due to gas flaring and gas disposal.

As of March 31, 2009, our estimated total proved plus probable reserves in the Greater Kumchai fields were 7.01 million barrels of oil. For fiscal 2009, our average production from the Greater Kumchai fields was 712 barrels of oil per day and 0.06 million standard cubic meters of natural gas per day. For the three months ended June 30, 2009, our average production from the Greater Kumchai fields was 726 barrels of oil per day and 0.06 million standard cubic meters of natural gas per day.

As of June 30, 2009, a total of 15 wells have been drilled in the Greater Kumchai fields.

We also have plans to undertake a new review of the Greater Kumchai fields based on the latest techniques and technology and utilizing in-house resources and external consultants in order to formulate a redevelopment plan. Additionally, one exploratory well is planned to probe a new prospect west of the Greater Kumchai fields.

Rajasthan Basin



(Map not to scale)

The Rajasthan basin is located in the Great Thar Desert adjacent to the India-Pakistan border and covers approximately 126,000 square kilometers, comprised of the Jaisalmer basin and the Bikaner-Nagaur basin. We operate under two PMLs in the Rajasthan basin--the Jaisalmer PML in the Jaisalmer basin and the Baghewala PML in the Bikaner-Nagaur basin--covering approximately 460 square kilometers in aggregate.

Jaisalmer basin. The Jaisalmer basin covers an area of 250 square kilometers. Our four gas fields within the Jaisalmer basin are: the Tanot field, East Tanot field, Dandewala field and Bagitibba field. The fields have been in production since 1996.

As of March 31, 2009, our estimated total proved plus probable reserves in these gas fields were 4,019 million standard cubic meters of natural gas. For fiscal 2009, our average production from these gas fields was 0.56 million standard cubic meters of natural gas per day. For fiscal 2009, our average production from these gas fields was 0.58 million standard cubic meters of natural gas per day.

As at June 30, 2009, 18 wells are active in these gas fields and our produced gas is collected and processed in a gas gathering station at Dandewala.

In the event we are able to identify sufficient demand, our development plan for the Jaisalmer basin will primarily involve the drilling of nine development wells.

Bikaner-Nagaur basin. We operate under the Baghewala PML in the Bikaner-Nagaur basin, covering an area of 210 square kilometers. We have established the presence of heavy oil in the Baghewala field, which covers an area of 20 square kilometers. For further details regarding our operations in the Baghewala field, see "—***Principal Domestic Exploration and Development Areas—Rajasthan Basin—Baghewala field***" on page 79.

PRODUCTION FACILITIES

Our independent crude oil production facilities include 40 installations and approximately 1,365 kilometers of internal crude oil pipelines grid, including approximately 1,134 kilometers of flow lines and an approximately 231 kilometer network for processed crude oil. We also own and operate crude oil storage facilities in Duliajan, Tengakhat, Digboi, Moran and Jorhat with a total storage capacity of 149,535 kiloliters. We have also undertaken the construction of a secondary oil tank farm with a capacity of 40,000 kiloliters.

Our independent natural gas production facilities include 29 installations and approximately 591 kilometers of internal gas network pipelines, including approximately 74 kilometers of flow lines and an approximately 517 kilometer network for processed natural gas.

TRANSPORTATION

We also operate a crude oil pipeline in the North East region of India for transportation of crude oil produced by both us and ONGC in the Upper Assam basin to the Numaligarh, Guwahati and Bongaigaon refineries and crude oil produced by us through a branch line to the Digboi refinery. The Barauni-Bongaigaon sector of our trunk pipeline is now utilised for reverse pumping by us to transport crude oil from the Barauni end to the Bongaigaon refinery. On August 29, 2008, we commissioned a multi-product pipeline of 660 kilometers from Numaligarh to Siliguri, which is now running to its full capacity. We also own ten crude oil pumping stations and 17 repeater stations, in the three eastern India states of Assam, West Bengal and Bihar. Our natural gas production from the Upper Assam basin is transported by AGCL and by dedicated lines owned by our customers. Our natural gas production from the Jaisalmer basin is transported by GAIL. For additional details relating to our crude oil transportation business, see "***History and Certain Corporate Matters—Material Agreements—Natural Gas, Oil and Condensate Sale Agreements***" on page 126.

PRODUCTION SHARING CONTRACTS

In addition to our independent operations, we engage in oil production in the Kharsang fields as a non-operator pursuant to a PSC under a PML covering approximately ten square kilometers. Under the PSC, we have a 40% participating interest in oil production from the fields as non-operator. The other participating interests are owned by GeoEnpro Petroleum Limited which owns a 10% interest as operator, Jubilant Enpro Private Limited which owns a 25% interest as non-operator and Geopetrol International Inc which owns a 25% interest as non-operator.

The Kharsang field is located in the Assam-Arakan basin, which is adjacent to the Upper Assam basin and covers approximately 60,000 square kilometers. The Kharsang field is located in the state of Arunachal Pradesh and covers an area of approximately ten square kilometers. The Kharsang field has been in production since 1976. For fiscal 2009, our share of the average production from the Kharsang field was approximately 510 barrels of oil per day. For the three months ended June 30, 2009 our share of the average production from the Kharsang field was approximately 613 barrels of oil per day. We do not attribute any production of natural gas to the Kharsang field, as all natural gas produced from this field is utilized for internal consumption for crude oil production purposes.

As of June 30, 2009, a total of 50 wells have been drilled in the Kharsang fields.

SALES OF CRUDE OIL AND NATURAL GAS

For fiscal 2007, 2008 and 2009 our revenues from sales of crude oil were Rs. 48,056.59 million, Rs. 54,417.76 million and Rs. 65,942.18 million, respectively, and our revenues from sales of natural gas were Rs. 5,782.40 million, Rs. 5,997.13 million and Rs. 5,911.25 million, respectively. For the three months ended June 30, 2009 our revenues from sales of crude oil were Rs. 17,551.76 million and our revenues from sales of natural gas were Rs. 1,638.60 million.

The following table sets forth information with respect to our sales of crude oil for the periods indicated.

	Three months ended June 30,	**Fiscal**		
	2009	**2009**	**2008**	**2007**
Volume Sold (mmbbls) (1)	6.22	24.72	22.30	22.28
Average Net Realized Price (US$/bbl) (2)	39.45	41.22	38.47	29.55

Average Benchmarked Price (US$/bbl) (3)	58.42	84.83	84.58	66.30

(1) *Our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels; volume sold has been converted at this rate.*

(2) See "***Management's Discussion and Analysis of Financial Conditions and Results of Operations—Key Performance Indicators***" on page 206.

(3) *Benchmark price of Nigerian Bonny Light (35 degree API) through fiscal 2008 and basket of crudes beginning fiscal 2009.* See "***Management's Discussion and Analysis of Financial Conditions and Results of Operations—International Prices of Crude Oil***" on page 201.

The following table sets forth information with respect to our domestic sales of natural gas for the periods indicated.

	Three months ended June 30,	Fiscal		
	2009	**2009**	**2008**	**2007**
Volume Sold (mmcm) (1)	470.99	1737.33	1828.85	1767.51
Average Net Realized Price after Reimbursement (US$/1000 scm) (1)	60.29	62.31	68.82	60.84

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

Certain average realised price information set forth in the two preceding tables may be higher than and not directly comparable to actual prices due to currency translations and the appreciation of the Rupee against the U.S. Dollar. For a more detailed discussion, see "***Currency of Presentation and Reserve Information and Conversion of Data—Currency of Presentation***" on page xv.

The GoI allocates our domestic crude oil to four GoI-controlled refinery companies: IOCL (Guwahati), IOCL (Assam Oil Division), BRPL and NRL. Although our MoU with the GoI-controlled refining companies to which our crude oil is allocated expired on March 31, 2004, at the direction of the GoI we are still providing crude oil to our allocated customers on the same terms and conditions of the MoU as were provided in the expired MoUs. For fiscal 2010, the MoPNG has directed us to enter into crude offtake and sale agreements with the North East Region refineries to which we transport our crude oil production in order to determine the allocation of the offtake of our crude oil production.

Our domestic crude oil was benchmarked against Nigerian Bonny Light crude until fiscal 2008, and pursuant to the terms established by the MoUs, our prices of crude oil were determined until fiscal 2008 by the FOB price of Nigerian Bonny Light crude (35 degree API), adjusted for quality variation on respective yields. The MoPNG has decided that, beginning in fiscal 2009, our production of crude oil is benchmarked to baskets of crudes, adjusted for gross product value and bottom sediment and water. The applicable basket varies based on the source of the crude and is determined based on the refineries to which such crude is supplied. For further details, see "***Management's Discussion and Analysis of Financial Conditions and Results of Operations—Factors Affecting Our Results of Operations—International Prices of Crude Oil***" on page 201.

For fiscal 2009, our revenues from sales of crude oil to IOCL (Guwahati), IOCL (Assam Oil Division), BRPL and NRL were Rs. 6,036.53 million, Rs. 4,267.46 million, Rs. 7,233.69 million and Rs. 47,667.67 million, respectively. For the three months ended June 30, 2009, our revenues from sales of crude oil to IOCL (Guwahati), IOCL (Assam Oil Division), BRPL and NRL were Rs. 3,840.57 million, Rs. 1,302.81 million, Rs. 2,080.48 million and Rs. 10.173.22 million, respectively. For further details, see "***Regulations and Policies***" on page 93.

For further details regarding additional agreements relating to the sale and purchase of natural gas entered into by our Company, see "***History and Certain Corporate Matters***" on page 106.

PRODUCTION, SALES AND MARKETING OF LPG

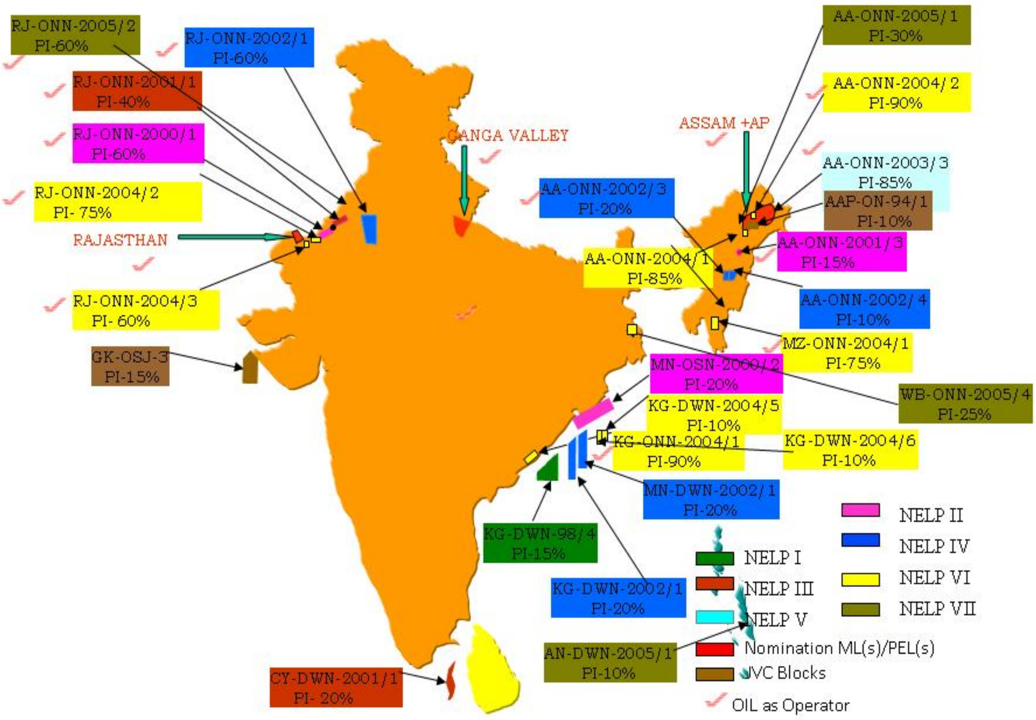
In addition to the production of crude oil and natural gas, we also produce LPG at our LPG plant at Duliajan, Assam. We opened our LPG plant, which uses gas turbo expander technology, in fiscal 1982, and has a production capacity of 50,000 tons per annum. For the fiscal years 2007, 2008 and 2009, our production of LPG amounted to approximately 43,806 tons, 48,057 tons and 47,572 tons, respectively. For the fiscal years 2007, 2008 and 2009, our revenues from sales of LPG were Rs. 514.00 million, Rs. 782.67 million and Rs. 902.94 million, respectively. For the three months ended June 30, 2009, our production of LPG amounted to approximately 8,131.44 tons and our revenue from sales of LPG was Rs. 169.90 million. Our reduction in LPG production has resulted from availability of leaner quality of gas. During fiscal 2009, we completed modification of our LPG plant to increase LPG production by recycling natural gas liquid condensate.

Under GoI regulations, consumer prices of LPG are subsidised and the products may only be sold to domestic public sector oil marketing companies for domestic use. The products are sold at controlled prices based on import-parity prices. The GoI guidelines presently in place may be revised by notification by the GoI. We currently supply the LPG we produce to IOCL.

EXPLORATION AND DEVELOPMENT

Domestic Exploration and Development

The following map illustrates our primary domestic exploration and development activity areas and the locations of our major prospects in India, as of June 30, 2009.



(Map not to scale)

Exploration and Development Activity

Our independent exploration and development areas include 16 nomination blocks located in the states of Assam and Arunachal Pradesh which we hold independently. We are also involved in exploration and development activities through PSCs in 24 blocks that were acquired through the NELP bidding process and participating interests in two pre-NELP joint venture blocks. Additionally, within our producing assets, we conduct our exploration and development activity pursuant to our 19 PMLs. For further details regarding our exploration and development activity within our producing acreage, see "***—Crude Oil and Natural Gas Production—Principal Producing Areas***" on page 65.

With respect to our nomination blocks, our exploration and development activities is conducted independently pursuant to PELs covering a total area of approximately 5,367 square kilometers. However, our PELs in respect of 15 of the 16 independently held blocks have now expired. We have made applications to the MoPNG for grant of extension of the PELs in respect of these 15 blocks and are actively pursuing the grant of extensions with the GoI. However, pending receipt of GoI approval for these extensions, during fiscal 2009 and the three months ended June 30, 2009, we made provision for the write-off of our exploration expenditure in respect of these expired PELs. For further details regarding our provisioning of these expired PELs, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 197. In addition, we have also applied to DGH proposing that portions of seven of the expired PELs and other blocks that we have previously relinquished covering the Brahmaputra river bed area be merged to form one block covering the Brahmaputra river bed and that a PEL in respect of this new Brahmaputra river bed block be granted to us. We are awaiting a decision from MoPNG on our application. For further details, see ***"Risk Factors—Our PELs in respect of 15 of the 16 independently held blocks have expired; there can be no assurances that we will be granted extensions of these PELs and, consequently, that we will not lose our nomination for these blocks"*** on page xxii.

With respect to our 24 blocks that were acquired through the NELP bidding process, we are the operator in respect of 12 of these blocks, which initially covered a total area of 26,763 square kilometers and as a result of our relinquishment of certain areas cover a total area of 21,293 square kilometers as of the date of this Red Herring Prospectus. We hold participating interests as non-operator in the remaining 12 blocks, which initially covered a total area of 91,414 square kilometers and as a result of relinquishment of certain areas cover a total area of 82,175 square kilometers as of the date of this Red Herring Prospectus.

With respect to our participating interests in two pre-NELP joint venture blocks, we are involved in exploration and development activities as non-operator, which initially covered a total area of 6,595 square kilometers. As a result of relinquishment of certain areas in these joint venture blocks, these joint venture blocks cover an aggregate area of 6,030 square kilometers as of the date of this Red Herring Prospectus.

As of June 30, 2009, we have drilled a total of 285 exploratory wells and 983 development wells in connection with our independent domestic exploration and development activities. Of this total, 268 were onshore exploratory wells and 17 were offshore exploratory wells. We have acquired a total of 61,548.71 line kilometers of 2D seismic data and 7,124.28 square kilometers of 3D seismic data in our independent domestic exploration activities. The following table sets forth our domestic independent 2D and 3D seismic surveys, exploratory and development wells, including a breakdown of successful wells and dry wells, drilled for fiscal 2007, 2008 and 2009 and for the three months ended June 30, 2009.

	Three months ended June 30,	**Fiscal**		
	2009	**2009**	**2008**	**2007**
Independent				
2-D Seismic Surveys Conducted (line kilometers)	103.47	241.77	143.34	410.37
3-D Seismic Surveys Conducted (square kilometers)	137.85	1,106.91	917.95	923.39
Exploratory Wells Drilled	-	12	11	6
-Successful (1)	-	8	9	5
-Dry (2)	-	4	2	1
Development Wells Drilled	6	28	30	23
-Successful (1)	6	28	30	23
-Dry (2)	-	-	-	-

(1) A successful well is a well in which oil or gas has been discovered and the commercial flow of hydrocarbons has been established.

(2) A dry well is either a well devoid of hydrocarbons, or a well where hydrocarbon indications are present but which is not economically feasible to develop.

New Exploration Licensing Policy ("NELP")

Prior to 1999, our exploration and development licenses were awarded at the GoI's discretion on a "nomination" basis to national oil and gas companies based on operating territory. Since 1999, the GoI has offered exploration licenses pursuant to a competitive bidding process under its New Exploration Licensing Policy. For a further description of NELP, see "***Regulations and Policies***" on page 93.

A total of seven rounds of competitive oil and gas bidding has been held by the GoI under NELP and we have been awarded a total of 27 exploration blocks, three of which we have subsequently relinquished. We were awarded a total of four blocks (one as operator and three as non-operator) under the seventh and last completed round of bidding under NELP.

Out of the 27 blocks awarded to us under NELP, we have relinquished three: CY-OSN-97/2 in the Palk Bay area in the Cauvery basin, which was awarded under NELP-I, MB-DWN-2000/2 in the Mumbai offshore deep water basin and MN-ONN-2000/1 in the Mahanadi onshore basin, both of which were awarded under NELP-II.

We are an operator in respect of 12 of the blocks that we have been awarded under NELP. The following table sets forth the distribution by basin of NELP blocks for which we are operator and the square area covered by each such block, as of June 30, 2009:

Basin/Sector	No. of Blocks	Area (square kilometers) (1)
Rajasthan (Rajasthan)	6	15,434
Krishna-Godavari basin (Andhra Pradesh)	1	549
Assam-Arakan basin	5	5,310
Total	12	21,293

(1) The area covered by NELP blocks where we are the operator reflects subsequent relinquishment of certain areas, if any, in these NELP blocks.

We have a participating interest as non-operator in respect of 12 of the blocks that we have been awarded under NELP with other consortium partners. The following table sets forth the distribution by region of NELP blocks in which we have a participating interest and the square area covered by each such block, as of June 30, 2009:

Basin/Sector	No. of Blocks	Area (square kilometers) (1)
Onshore		
Assam	2	473
Nagaland	1	1,060
West Bengal	1	3,940
Offshore		
Mahanadi Offshore (Orissa)	2	14,041
Deep-water		
Andaman Offshore	1	11,837
Cauvery Offshore	1	12,425
Krishna Godavari Offshore	4	38,399
Total	12	82,175

(1) The area covered by NELP blocks where we are the non-operator reflects subsequent relinquishments of certain areas, if any, in these NELP blocks.

Production Sharing Contracts

We enter into PSCs with the GoI and our joint venture partners, if any, in connection with each block awarded under the NELP bidding process. For additional details regarding the PSCs under NELP, see "***Regulations and Policies***" on page 93. We have also entered into various PSCs prior to the GoI's establishment of NELP in respect of fields held by us. For additional details regarding PSCs signed prior to NELP, see "***Regulations and Policies***" on page 93.

We hold participating interests as non-operator in two pre-NELP joint venture blocks in which we are involved in exploration and development activities, which initially covered a total area of 6,595 square kilometers. As a result of relinquishment of certain areas in these joint venture blocks, these joint venture blocks cover an aggregate area of 6,030 square kilometers as of the date of this Red Herring Prospectus.

Principal Domestic Exploration and Development Areas

Upper Assam and Assam-Arakan basins

We conduct significant onshore exploration and development activities in the Upper Assam and Assam-Arakan basins in the states of Assam and Arunachal Pradesh where we hold 16 nominated blocks under 16 PELs covering a total area of approximately 5,367 square kilometers. However, our PELs in respect of 15 of the 16 independently held blocks have now expired. We have made applications to the MoPNG for grant of extension of the PELs in respect of these 15 blocks and are actively pursuing the grant of extensions with the GoI. However, pending receipt of GoI approval for these extensions, during fiscal 2009 and the three months ended June 30, 2009, we made provision for the write-off of our exploration expenditure in respect of these expired PELs. For further details regarding our provisioning of these expired PELs, see "***Management's Discussion and***

Analysis of Financial Condition and Results of Operations" on page 197. In addition, we have also applied to the DGH proposing that portions of the expired PELs and other blocks that we have previously relinquished covering the Brahmaputra river bed area be merged to form one block covering the Brahmaputra river bed and that a PEL in respect of this new Brahmaputra river bed block be granted to us. We are awaiting a decision from MoPNG on our application. For further details, see ***"Risk Factors—Our PELs in respect of 15 of the 16 independently held blocks have expired; there can be no assurances that we will be granted extensions of these PELs and, consequently, that we will not lose our nomination for these blocks"*** on page xxii.

In addition to the exploration activities in these blocks, we are also continuing our exploration efforts in our PML areas pursuant to our 17 PMLs within the Upper-Assam and Assam-Arakan area. See "***—Principal Producing Areas***" on page 65 for further details.

We also hold exploration licenses as operator under NELP in respect of five exploration blocks and have participating interests as non-operator in respect of three NELP blocks in the Upper Assam and Assam-Arakan basins on a production sharing basis, covering an aggregate area of 6,843 square kilometers. Additionally, we hold participating interests in one pre-NELP joint venture exploration block AAP-ON-94/1 in the Upper Assam and Assam-Arakan basins covering approximately an area of 305 square kilometers. We have relinquished an area of 565 square kilometers covered by block AAP-ON-94/1. We also earlier held a participating interest in respect of one pre-NELP joint venture exploration block CR-ON-90/1 in the Upper Assam and Assam-Arakan basin, covering an initial area of 2,542 square kilometers, which has now been entirely relinquished.

Additionally, we have suspended acquisition of seismic data in block AA-ONN-2002/3 in Karbi-Anglong and North Cachar hill districts in Assam, which was awarded under NELP IV and where we are the operator. The exploration of this block is currently under review by management. In block AA-ONN-2002/4 the acquisition of seismic data is currently suspended pursuant to instructions from the Forest Department and in block AA-ONN-2001/3 exploration and development activities are also currently suspended on account of a dispute relating to the PEL between the states of Assam and Nagaland. In block AA-ONN-94/1 there has been a discovery of hydrocarbons which is currently being appraised.

As of March 31, 2009, we (in respect of our independent operations in our nominated blocks in the Upper Assam and Assam-Arakan basins) and the consortium of which we form part (in respect of our NELP, pre-NELP and joint venture blocks in the Upper Assam and Assam-Arakan basin), had in aggregate acquired approximately 25,448 line kilometers of 2D seismic data and 6,878 square kilometers of 3D seismic data, and have drilled 236 exploration wells and 967 development wells in this basin. As of March 31, 2009, under the minimum work programs in respect of the NELP blocks in the Upper Assam and Assam-Arakan basin, an additional 1,001 standard line kilometers of 2D seismic data, 850 square kilometers of 3D seismic data and 16 square kilometers of 3D-3C seismic data are planned to be acquired and 16 exploratory wells and 1 development well are to be drilled by fiscal 2012. In respect of our nominated blocks and PML areas in the Upper Assam and Assam-Arakan basins, as of March 31, 2009, an additional 900 standard line kilometers of 2D seismic data, 2,440 square kilometers of 3D seismic data and 150 square kilometers of 3D-3C seismic data are planned to be acquired and 64 exploratory and 108 development wells are to be drilled by fiscal 2012.

In the three months ended June 30, 2009, we (in respect of our independent operations in our nominated blocks in the Upper Assam and Assam-Arakan basins) and the consortium of which we form part (in respect of our NELP, pre-NELP and joint venture blocks in the Upper Assam and Assam-Arakan basin), had in aggregate acquired approximately an additional 951 line kilometers of 2D seismic data and 691 square kilometers of 3D seismic data, and have drilled an additional 16 development wells in this basin.

The table below sets forth details of our participating interests in exploration blocks in the Upper Assam and Assam-Arakan basin and the square area covered by each such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
AAP-ON-94/1 (1)	305	Pre-NELP	16.13% plus 30% carried interest	IOCL (43.55%) HOEC (40.32%)	HOEC
AA-ONN-2001/3	110	NELP	15%	ONGC 85%	ONGC
AA-ONN-2002/3	1,460	NELP	20%	ONGC (70%) Suntera Cyprus (10%)	Oil India Limited
AA-ONN-2002/4	1,060	NELP	10%	ONGC (90%)	ONGC
AA-ONN-2003/3	275	NELP	85%	HPCL (15%)	Oil India Limited
AA-ONN-2004/1	144	NELP	85%	Shiv Vani (15%)	Oil India Limited
AA-ONN-2004/2	218	NELP	90%	Suntera Cyprus	Oil India Limited

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
				(10%)	
MZ-ONN-2004/1	3,213	NELP	75%	Suntera Cyprus (10%) Shiv Vani (15%)	Oil India Limited
AA-ONN-2005/1	363	NELP	30%	ONGC (60%) ACL (10%)	ONGC

Rajasthan basin

We hold exploration licenses in respect of six blocks in the Bikaner-Nagaur basin in the state of Rajasthan granted under NELP on a production sharing basis, which initially covered an aggregate area of 20,904 square kilometers. We have relinquished an area of 1,267 square kilometers covered by block RJ-ONN-2000/1, an area of 1,727 square kilometers covered by block RJ-ONN-2001/1 and an area of 2,475 square kilometers covered by block RJ-ONN-2002/1, and our PELs in the Rajasthan basin currently cover an aggregate area of 15,434 square kilometers.

We also undertake exploration and development activities in this basin pursuant to our two PMLs, the Jaisalmer PML and the Baghewala PML. For further details regarding our operations in the Jaisalmer basin, see "***—Principal Producing Areas—Rajasthan Basin—Jaisalmer basin***" on page 72.

Baghewala field

The Baghewala field is part of the Bikaner-Nagaur basin, and is located approximately 140 kilometers west of the city of Bikaner, encompassing an area of approximately 20 square kilometers. We hold a PML in respect of one block in the Bagwhela field granted as a nomination block, covering an area of 210 square kilometers.

Heavy oil was discovered in the Baghewala field in 1991. This oil is not producible by conventional production methods. We have undertaken a pilot project for experimental production of this oil. If the pilot project for experimental production of heavy oil and bitumen is successful, we have plans to formulate a full development plan for drilling of pattern injection and producer wells in consultation with PDVSA, Venezuela.

As of March 31, 2009, we (in respect of our independent operations in our nominated blocks in the Rajasthan basin) and the consortium of which we form part (in respect of our NELP blocks in the Rajasthan basin), had in aggregate acquired 12,973 ground line square kilometers of 2D seismic data and approximately 2,688 square kilometers of 3D seismic data and have drilled 32 exploratory and 30 development wells in this basin. As of March 31, 2009, under the minimum work programs in respect of the NELP blocks in the Rajasthan basin, a further 1,180 standard line kilometers of 2D seismic data and 1,740 square kilometers of 3D seismic data are to be acquired and 29 further exploratory and ten further development wells are to be drilled in the basin by fiscal 2012. In respect of our two PML areas, as of March 31, 2009, an additional 200 standard line kilometers of 2D seismic data are planned to be acquired and 34 development wells are to be drilled in this basin by fiscal 2012.

In the three months ended June 30, 2009, we (in respect of our independent operations in our nominated blocks in the Rajasthan basin) and the consortium of which we form part (in respect of our NELP blocks in the Rajasthan basin), had in aggregate acquired approximately an additional 202 square kilometers of 3D seismic data in this basin.

The table below sets forth details of our independent and participating interests in exploration blocks in the Rajasthan basin and the square area covered by each such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
RJ-ONN-2000/1	1,268	NELP	60%	Suntera Cyprus (40%)	Oil India Limited
RJ-ONN-2001/1	1,698	NELP	40%	ONGC (30%) Suntera Cyprus (30%)	Oil India Limited
RJ-ONN-2002/1	7,425	NELP	60%	ONGC (40%)	Oil India Limited
RJ-ONN-2004/2	2,196	NELP	75%	Geoglobal (25%)	Oil India Limited
RJ-ONN-2004/3	1,330	NELP	60%	Geoglobal (25%) HPCL (15%)	Oil India Limited
RJ-ONN-2005/2	1,517	NELP	60%	HMEL(20%)	Oil India Limited

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
				HOEC(20%)	

Krishna-Godavari basin

The Krishna-Godavari basin is located in the state of Andhra Pradesh and covers approximately 52,000 square kilometers, of which 28,000 square kilometers are onshore and the remaining 24,000 square kilometers extend beyond the Andhra Pradesh coastline into the adjoining shallow waters of the Bay of Bengal. We hold an exploration license in respect of one block and participating interests in respect of four blocks in the Krishna-Godavari basin granted under NELP on a production sharing basis, covering an aggregate area of 43,918 square kilometers. We have subsequently relinquished an area of 4,970 square kilometers covered by block KG-DWN-98/4, where we are non-operator and the participating interests held by us in the Krishna-Godavari basin currently cover an aggregate area of 38,948 square kilometers.

As of June 30, 2009, the consortium had acquired approximately 21,398 line kilometers of 2D seismic data and 11,548 square kilometers of 3D seismic data, and has drilled three wells in this basin. Under the minimum work programs, a further 5,320 square kilometers of 3D seismic data is to be acquired and 24 further wells are to be drilled in the basin.

The table below sets forth details of our participating interests in exploration blocks in the Krishna-Godavari basin and the square area covered by each such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
KG-DWN-98/4	4,970	NELP	15%	ONGC (85%)	ONGC
KG-DWN-2002/1	10,600	NELP	20%	ONGC (70%) BPCL (10%)	ONGC
KG-ONN-2004/1	549	NELP	90%	Geoglobal (10%)	Oil India Limited
KG-DWN-2004/5	11,922	NELP	10%	ONGC (50%) GAIL (10%) GSPCL (10%) HPCL (10%) BPCL (10%)	ONGC
KG-DWN-2004/6	10,907	NELP	10%	ONGC (60%) GAIL (10%) GSPCL (10%) HPCL (10%)	ONGC

Cauvery basin

The Cauvery basin extends along the coast of the south eastern state of Tamil Nadu from Chennai (Madras) to the east of Cape Comorin at the southern tip of the subcontinent and covers approximately 55,000 square kilometers, 30,000 square kilometers of which are offshore. We hold a participating interest in respect of one block in the Cauvery basin granted under NELP on a production sharing basis, covering an aggregate area of 12,425 square kilometers.

As of June 30, 2009, the consortium had acquired approximately 3,631 line kilometers of 2D seismic data and 3,447 square kilometers of 3D seismic data and have drilled two wells in this basin. Under the minimum work program, three further wells are to be drilled in the basin.

The table below sets forth details of our participating interest in the exploration block in the Cauvery basin and the square area covered by such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
CY-DWN-2001/1	12,425	NELP	20%	ONGC (80%)	ONGC

Mahanadi basin

The Mahanadi basin is located to the east, south-east and north-east of the city of Bhubaneswar in the state of Orissa and covers approximately 69,000 square kilometers, 14,000 square kilometers of which are offshore. We hold participating interests in respect of two blocks in the Mahanadi basin granted under NELP on a production sharing basis, covering an aggregate area of 18,310 square kilometers. We earlier held block MN-ONN-2000/1 as operator, covering an entire initial onshore area of 7,900 square kilometers, part of which was relinquished earlier and the remaining 5,903 square kilometers has now been subsequently relinquished. We have also relinquished an area of 4,239 square kilometers covered by block MN-OSN-2000/2 where we are non-operator and the participating interests held by us in the Mahanadi basin currently cover an aggregate area of 14,041 square kilometers.

In block MN-OSN-2000/2 there has been a discovery of gas in the Miocene-Pliocene sequences which is currently being appraised.

As of June 30, 2009, the consortium had acquired approximately 3,478 line kilometers of 2D seismic data and 4,259 square kilometers of 3D seismic data and has drilled three wells in this basin. Under the minimum work programs, a further 500 square kilometers of 3D seismic data is to be acquired and eight further wells are to be drilled in the basin.

The table below sets forth details of our participating interests in the two exploration blocks in the Mahanadi basin and the square area covered by such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
MN-OSN-2000/2	4,061	NELP	20%	ONGC (40%) IOCL (20%) GAIL (20%)	ONGC
MN-DWN-2002/1	9,980	NELP	20%	ONGC (36%) BPCL (10%) ENI (34%)	ONGC

Andaman-Nicobar Offshore basin

The Andaman-Nicobar basin is located in the south-eastern part of the Bay of Bengal and covers approximately an area of 47,000 square kilometers, including deep waters. This basin forms a part of island arc system which extends from Myanmar in the north to Indonesia in the south.

We hold a participating interest in respect of one block in the Andaman-Nicobar basin granted under NELP on a production sharing basis, covering an aggregate area of 11,837 square kilometers. Under the minimum work program, 1,060 standard line kilometers of 2D seismic data and 500 square kilometers of 3D seismic data are to be acquired and one well is to be drilled in this basin.

The table below sets forth details of our participating interest in one exploration block in the Andaman-Nicobar basin and the square area covered by such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
AN-DWN-2005/1	11,837	NELP	10%	ONGC (90%)	ONGC

Bengal Onshore basin

The Bengal basin is a large sedimentary basin adjoining Bangladesh and areas falling in the states of Tripura, Assam and Nagaland. It is situated towards the north-eastern part of the Indian peninsula in the state of West Bengal and extends offshore into Bay of Bengal. It covers approximately an area of 57,000 square kilometers onshore and 32,000 square kilometers offshore, measuring up to 200 meters in depth.

We hold a participating interest in respect of one block in the Bengal onshore basin granted under NELP on a production sharing basis, covering an aggregate area of 3,940 square kilometers. Under the minimum work program, 720 standard line kilometers of 2D seismic data and 1,020 square kilometers of 3D seismic data are to be acquired and six exploratory wells are to be drilled in this basin.

The table below sets forth details of our participating interest in one onshore exploration block in the Bengal basin and the square area covered by such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
WB-ONN-2005/4	3,940	NELP	25%	ONGC (75%)	ONGC

Saurashtra and Gujarat Offshore basin

The Saurashtra offshore basin is located approximately 150 kilometers south-west of the city of Rajkot, Gujarat and covers approximately 28,000 square kilometers. The Gujarat offshore basin is located approximately 200 kilometers west of the city of Rajkot and covers approximately 13,000 square kilometers. We hold participating interests in respect of one block in the Saurashtra and Gujarat Offshore basin granted pre-NELP on a production sharing basis, covering an aggregate area of 5,725 square kilometers and we are the non-operator in respect of this joint venture block. We earlier held a participating interest in respect of block SR-OS-94/1 in the Saurashtra and Gujarat Offshore basin granted pre-NELP covering an area of 9,150 square kilometers, which was relinquished by us in May 2009.

As of June 30, 2009, we together with the joint venture partner in block GK-OSJ-3 have acquired approximately 1,307 line kilometers of 2D seismic data and 1,155 square kilometers of 3D seismic data. Three discovery prospects have also been identified in this basin. A further 693 square kilometers of 2D seismic data is planned to be acquired in this basin.

The table below sets forth details of our participating interest in the one exploration block in the Saurashtra and Gujarat Offshore basin and the square area covered by such block, as of June 30, 2009:

Block Number	Area (square kilometers)	NELP or Pre-NELP	Our interest	Other interests	Operator
GK-OSJ-3	5,725	Pre-NELP	15%	RIL (60%) ONGC (25%)	RIL

International Exploration

We started our efforts for overseas upstream ventures in 1998 and in December 2004 we entered into a MoU with IOCL to explore joint participation in upstream petroleum opportunities overseas. Our acquisition of overseas exploration blocks and development properties are subject to the approval of various GoI ministries and departments. In December 2005, the GoI established an Empowered Committee of Secretaries comprised of representatives of the various ministries and departments from which approval for our acquisitions of overseas exploration and development properties of above US$ 75 million is required. As a result, our acquisition of overseas exploration blocks and development properties of above US$ 75 million are now subject to a unified and expedited approval process.

We have obtained participating interests in 17 exploration and development blocks overseas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen. We are the operator in respect of three blocks in Gabon and two blocks in Libya, and non-operator in respect of the remaining blocks in Egypt, Iran, Libya, Nigeria, Timor Leste and Yemen. We, along with our joint venture partner, have also completed the construction of a product pipeline in Sudan and have been generating revenue from the pipeline since 2005.

Egypt

Block 3 and Block 4. Ganoub El Wadi Holding Petroleum Company, Egypt announced the international bid round in January 2008. We, together with HPCL and GSPC, as members of the consortium participated in the bidding round and won two offshore acreages of block 3 (South Quesir) and block 4 (South Sinai). We hold a 25% participating interest in the block as non-operator. The other consortium members are HPCL, which holds a 25% participating interest as non-operator, and GSPC, which holds a 50% participating interest as operator.

Block 3 and block 4 cover an approximate area of 8,287 square kilometers and 2,600 square kilometers, respectively and are located within a range of 200 meters to 1,000 meters water depth.

Our bid for blocks 3 and 4 was accepted on November 5, 2008 and we are currently awaiting award of these blocks from the Egyptian government.

Gabon

Block Shakti. We acquired an interest in block Shakti as part of a consortium pursuant to an agreement signed on April 17, 2006. We hold a 45% participating interest in the block as operator. The other consortium members are IOCL, which holds a 45% participating interest as non-operator, and Marvis Petroleum Holding, which holds a 10% participating interest as non-operator. The original contract of exploration was signed on November 23, 2005 and is valid until November 22, 2009 in respect of the first phase of exploration in the block and for a period of three years thereafter until November 22, 2012. The consortium has met with significant delays in completing its work commitments in the first phase of exploration in the block due to delays in finalizing our contract with LGC Chine for 2D seismic data acquisition and unanticipated litigation against certain consortium members in Gabon. Consequently, the consortium has requested the government of Gabon to merge the first and the second phase of exploration. We are currently awaiting a response from the government of Gabon.

Block Shakti is located in the north-eastern part of Gabon and covers an area of 3,761 square kilometers.

As of June 30, 2009, the consortium had acquired a total of approximately 1,000 line kilometers of 2D seismic data, of which approximately 867 line kilometers of 2D seismic data were acquired by us. The acquisition of 36,412 standard line kilometers of aeromagnetic data and the processing and interpretation have been completed. The committed work program of the block is the reprocessing of existing 2D seismic data, the acquisition, processing and interpretation of 36,400 standard line kilometers of aeromagnetic data and 700 line kilometers of 2D seismic data and the drilling of two firm wells and one optional well. It is currently proposed to acquire an additional 278 standard line kilometers of 2D seismic data and 100 square kilometers of 3D seismic data in this block.

Iran

Farsi offshore block. We, in consortium with OVL and IOCL, were awarded an exploration service contract for the Farsi offshore block by the National Iranian Oil Company (**"NIOC"**) on December 25, 2002. The Company holds a 20% participating interest in the Farsi offshore block as non-operator. OVL holds a 40% participating interest as operator and IOCL holds a 40% participating interest as non-operator.

The Farsi offshore block is located in the eastern part of the Persian Gulf off the coast of the Islamic Republic of Iran near the Saudi Arabian border and covers an area of 3,500 square kilometers. The water depth in the block ranges from 20 to 90 meters.

The exploration service contract provides that NIOC and the consortium will negotiate a development service contract if the Farsi offshore block is proven to be commercially viable during the exploration phase. Fugro Robertson Limited was engaged to conduct a commercial viability study of the Farsi offshore block. The commercial viability study in respect of a gas discovery was completed in November 2007 and the report in respect of the commercial viability of an oil discovery was completed in April 2008. The commerciality study for the gas discovery was submitted to the NIOC in December 2007 and accepted by the NIOC in September 2008, whereupon the gas field was named the Farzad-B offshore gas field. The approval did not include any timelines or deadlines for further discussions. As required under the exploration services contract, a master development plan for the discovery was submitted to the NIOC in April 2009. The master development plan was submitted by OVL on behalf of the consortium. The oil discovery was held to be non-commercial.

In the event that the NIOC and the consortium fail to reach an agreement in respect of the master development plan of the Farzad-B offshore gas field within six months from October 1, 2008, the first date of the month following the date on which NIOC approved the commerciality study, either party may elect to withdraw from the negotiations unless the period is extended by agreement between the parties. Thereafter, NIOC may invite interested applicants and the consortium to submit their proposals for the master development plan under competitive conditions, although priority will be given to the proposal submitted by the consortium. No timeline has been established for the implementation of the master development plan. Once the agreement on the master development plan is reached, the NIOC will invite the consortium to negotiate the development services contract.

The NIOC and the consortium have not reached any agreement on the terms of the development services contract. In the event that the consortium is not awarded the development services contract, the consortium will retain the option to take up to a 30% participating interest in the development services contract.

Current estimates for the cost of developing the Farzad-B offshore gas field pursuant to the master development plan submitted by the consortium is approximately US$ 5 billion over a seven- to eight-year period, which we do not expect would begin during 2009.

The original estimate of aggregate expenditure over the life of the exploration services contract for the consortium was US$38 million, which was subsequently revised to US$79 million and then to US$89 million. Based on the revised budget of US$89 million, our 20% estimated share of expenditure is US$17.80 million, of which approximately US$17 million has been incurred.

In order for us to enter into the development services contract and make any expenditure thereunder, a number of conditions would need to be satisfied and approvals obtained, including successful negotiation of the development services contract with the NIOC, the approval of the development services contract by the Iranian government and the approval of the development services contract by our board of directors and a number of GoI ministries. No such approvals have been sought or obtained.

Libya

Area 86. We were awarded Area 86 as part of a consortium pursuant to the Libyan Exploration Production Sharing Agreement (EPSA–IV) Bid Round I in 2004. We hold a 50% participating interest in the block as operator. The other consortium member is IOCL, which holds a 50% participating interest as non-operator. We entered into an EPSA for the block on March 20, 2005 and have commenced the first phase of exploration along with the contiguous block 102/4. The term of the exploration period lasts five years, followed by a further 25 year production term if commercially viable discoveries are made.

Area 86 is located in south western Libya, approximately 700 kilometers south of Tripoli and covers an area of 7,087 kilometers.

The minimum work program in respect of Area 86 under the EPSA requires acquisition, processing and interpretation of 1,000 standard line kilometers of 2D seismic data and the drilling of two wells. As of June 30, 2009, the consortium had acquired approximately 1,787 standard line kilometers of 2D seismic data and 200 square kilometers of 3D seismic data. It is currently planned to drill one well in this area during this year.

Block 102/4. We were awarded block 102/4 as part of a consortium pursuant to the Libyan Exploration Production Sharing Agreement (EPSA – IV) Bid Round II in 2005. We hold a 50% participating interest in the block as operator. The other consortium member is IOCL, which holds a 50% participating interest as non-operator. We entered into an EPSA for the block on December 3, 2005 and have commenced the first phase of exploration for the block along with the contiguous Area 86. The term of the exploration period lasts five years, followed by a further 25 year production term if commercially viable discoveries are made.

Block 102/4 is located in south western Libya, approximately 700 kilometers south of Tripoli, shares its northern boundary with block 86 and covers an area of 2,710 kilometers. The main tectonic units within the block are Udaan platform, Zella trough and Hon graben and part of the Abettor high.

The committed minimum work program for the block is 1,000 standard line kilometers of 2D seismic data and 500 square kilometers of 3D seismic data to be acquired and for one well to be drilled. As of June 30, 2009, the consortium had acquired a total of approximately 1,287 standard line kilometers of 2D seismic data and 500 square kilometers of 3D seismic data. It is currently planned to drill one well in this block during the year 2010.

Area 95/96. In 2006, Libya announced Bid Round - 4 (Gas) under EPSA IV and 14 areas were on offer in this round. The OIL–IOCL consortium and Sonatrach International Petroleum Exploration & Production Corporation, BVI ("**SIPEX**") made a joint bid for Area 95/96 and were successful in winning the bid on the basis of work programme and percentage production allocation. SIPEX holds a 50% participating interest in this area as operator. IOCL and our Company hold a 25% participating interest each in this area as non-operator.

Area 95/96 covers an area of approximately 6,629 square kilometers in the Ghadames basin. On April 24, 2009 we signed a joint operating agreement with IOCL and SIPEX. The EPSA for this block was signed on May 25, 2008, and ratified on June 1, 2008. The work program commitments include 2,000 standard line kilometers of 2D seismic data and 2,600 square kilometers of 3D seismic data to be acquired and the drilling of eight wild cat wells.

Nigeria

Block OPL-205. We acquired an indirect 17.5% participating interest in block OPL-205 through our acquisition from Summit Oil International Limited ("**Summit**"), of a 25% interest in a joint venture, Suntera Nigeria in 2006, which owns a 40% participating interest and 30% economic interest in the block. The other joint venture parties are Suntera Resources Limited, Cyprus ("**Suntera Cyprus**"), which holds a 50% equity interest in the joint venture and an indirect 35% interest in the block and IOCL, which holds a 25% equity interest in the joint venture and an indirect 17.5% interest in the block, and Summit Oil, which retains a 30% interest in the block as operator.

The block is located in the northern part of Nigeria approximately 20 kilometers south east of the city of Benin and covers an area of 2,094 square kilometers.

The oil prospecting licence relating to the block ("**OPL 205**") was initially granted on September 3, 1990 and after drilling one well which lead to a gas discovery, exploration activity in the block was suspended. This licence was subsequently renewed in January 2004 for a period of five years by the Government of Nigeria until January 19, 2009.

The minimum work program under the OPL 205 granted was the acquisition, processing and interpretation of 1,000 square kilometers of 2D seismic data and the drilling of two wells. The drilling of the second well was carried out in November 2007 and thereafter the well was abandoned due to the absence of hydrocarbons. In November 2008, the operator submitted an application for conversion of the OPL 205 into an oil mining lease and this was approved by the Ministry of Petroleum Resources, Nigeria in June 2009.

Timor Leste

Block K. We, together with IOCL have entered into two separate farm-in agreements with Reliance Exploration and Production DMCC dated June 2, 2008 pursuant to which we have farmed–in into an offshore block in the Democratic Republic of Timor Leste, named block K. The block is operated by Reliance Exploration and Production DMCC, which holds a participating interest of 75% in the block as operator and we and IOCL hold a participating interest of 12.5% each in the block as non-operator.

Block K covers an approximate area of 2,384 square kilometers in shallow to deep water zone. The first exploration phase is of three years, which involves work program commitments of acquisition, processing and interpretation of 2D and 3D seismic data and the drilling of one well. The consortium has commenced the acquisition of 2D and 3D seismic data. The drilling of the well is likely to get delayed due to non-availability of deep water drilling rigs. Accordingly, the operator of the block has submitted a proposal for extension of the exploration period, with the Government of Timor Leste. We are currently awaiting approval in this regard.

Yemen

Blocks 82 and 83. We were awarded blocks 82 and 83 as part of a consortium pursuant to the Third Yemen International Bid Round in December 2006 pursuant to which we hold a 15% participating interest as non-operator. The other consortium member in respect of block 82 is Medco Yemen Amed Limited, which holds a 45% participating interest as operator, KEC, which holds a 25% participating interest as non-operator and IOCL, which holds a 15% participating interest as non-operator. The other consortium members in respect of block 83 are Medco Yemen Arat Limited, which holds a 45% participating interest as operator, KEC, which holds a 25% participating interest as non-operator and IOCL, which holds a 15% participating interest as non-operator. We entered into PSAs for the two blocks with Yemen General Corporation for Oil and Gas and other members of the consortium on April 13, 2008 and on February 15, 2009 the PSAs were ratified by the Parliament of Yemen. Presidential decree for the blocks was received on March 17, 2009. From the effective date of the PSA, Yemen General Corporation for Oil and Gas has acquired 15% of the consortium's rights and working interest in both blocks 82 and 83.

Blocks 82 and 83 are located in the south central part in the Messila basin of Yemen. Block 82 is the south-western part of the blocks and covers an area of 1,857 square kilometers. Block 83 is the north eastern block covering an area of 364 square kilometers.

The committed work program of block 82 is the reprocessing of existing available data, the acquisition, processing and interpretation of 330 standard line kilometers of 2D seismic data and 170 square kilometers of 3D seismic data and the drilling of three exploration wells. The committed work program of block 83 is the reprocessing of existing available data, the acquisition, processing and interpretation of 330 standard line kilometers of 2D seismic data and 155 square kilometers of 3D seismic data and the drilling of three exploration wells.

DOWNSTREAM INVESTMENTS

We hold a 26% equity stake in NRL, which is engaged in refining and marketing petroleum products. The other equity holders in NRL are BPCL and the Governor of Assam. We also hold a 10% equity stake in BCPL, which was incorporated with the objective to establish a gas cracker project complex at Lepetkata, District Dibrugarh, Assam to, primarily, process natural gas, naphtha or any petroleum product and to distribute and market petrochemical products in India and abroad. We also hold a 23% equity stake DNP Limited which was incorporated with the objective of acquiring, transporting and distributing natural gas in all forms. It is also proposed to lay a 192 kilometer domestic gas pipeline connecting Duliajan to the NRL refinery. We believe this acquisition will enable us to extend our natural gas supply to customers beyond the refinery's location in Numaligarh to Guwahati and facilitate city gas distribution projects in the future.

INTERNATIONAL PIPELINE

In November 2004, we entered into a participation agreement with OVL to form a joint venture for the construction of a product pipeline in Sudan under a contract from the Sudanese government. We hold a 10% interest in the joint venture and OVL holds a 90% interest. Construction of the 741 kilometer pipeline was completed in September 2005, and the pipeline is now operational, with a capacity to transport 18.62 million barrels per year. Ownership of the pipeline is retained by the joint venture until full payment is received from the Sudanese government. Upon final payment, ownership will be transferred to the Sudanese Ministry of Energy and Mines. As of June 30, 2009 we had received a total payment of Rs. 402.12 million, in respect of our 10% interest in the joint venture. The last instalment of the payment is due to be received in June 2014.

PIPELINE BUSINESS

We offer pipeline construction and related services to third parties, including pipeline construction, pipeline cathodic protection services and other specialized pipeline services such as hot tapping and line tracking. In July 2005, we entered into a MoU with IOTL for pursuing opportunities in the pipeline construction business. We have awarded the IOTL-OIL consortium, formed under the terms of the MoU, a contract to provide pipeline laying services and associated facilities for expansion of the Numaligarh-Siliguri pipeline by 115 kilometers. The contract was awarded on the basis of international competitive bidding process.

In addition, we own a dedicated telecommunication infrastructure including optical fibre cable along our trunk crude oil pipeline of 1,157 kilometers and leasing surplus fiber optic cable capacity in our pipeline infrastructure to leading telecom service providers. In September 2007, we entered in to a dark fibre lease agreement with BSNL to lease out our spare dark fibre capacity for use by BSNL for a period of three years. We have also entered into similar dark fibre lease agreements with telecom service providers, including Vodafone Essar Spacetel Limited, Power Grid Corporation of India Limited, Bharti Airtel, Dishnet Wireless Limited, Rail Tel Corp, amongst others.

NON-CONVENTIONAL ENERGY

We have initiated a research program to carry out technological and economic viability studies for the production of synthetic crude oil from coal pursuant to which we have established a pilot coal liquefaction plant at our research and development center in Duliajan and have completed successfully research pilots for the production of synthetic crude oil from coal and also completed a pre-feasibility study on coal liquefaction process in conjunction with Headwaters CTL LLC, Inc, USA for a standalone 44,000 direct coal liquefaction plant. The economic analysis and emission estimates for the conceptual design of a standalone 44,000 direct coal liquefaction plant has also been completed. However, in order to mitigate the risk associated with a plant of this size due to, among other things, the current uncertainty as to the availability of coal required for a plant with a capacity of 44,000 bpd, it is currently proposed to set up a small scale commercial direct coal liquefaction plant. Accordingly, a pre-feasibility study has been undertaken with the project's technology provider and Engineers India Limited to assess the viability for setting up of a 10,000 bpd semi-commercial plant.

OTHER SERVICES

We provide a number of services to support our exploration, development and production activities. Additionally, from time to time we offer these services to third parties where it is economically viable to do so based on our internal needs for these services.

Oil Field Services

Our in-house oil field services include geophysical data acquisition and analysis, drilling, mud engineering, cementing, wireline logging, well stimulation, workover services, well testing, a variety of general engineering services, and inspection, maintenance and repair services.

Geoscientific Services

We own a variety of advanced computing systems and employ experienced personnel for processing and interpreting variety of geoscientific data through integrated exploration applications, including remote sensing, structural and stratigraphic interpretation, seismic attribute analysis, source rock evaluation, biostratigraphy, petrophysics, sequence stratigraphy, basin analysis and techno-economic evaluation. We have deployed one 2D seismic crew and two 3D seismic crew for onshore seismic data acquisition. These field seismic crews are equipped and capable of acquiring 2-D and 3-D seismic data with wide swath geometry in logistically difficult areas. Multi-component seismic data acquisition along with 2D profiles (2D-3C survey) was commenced by our in-house crew in our operational areas in the Upper Assam basin in March 2009. Multi-component survey in three directional mode (3D-3C) is also planned in the future. We process our seismic data in-house at Duliajan, Assam and also engage third parties to carry out acquisition, processing and interpretation of 2D and 3D seismic data. For further details of such third party contracts existing as on June 30, 2009, see "***Objects of the Issue – Exploration and Appraisal Activities***" on page 34. In addition, we have interpretation centers at Duliajan and at our office in Noida.

Drilling Services

We provide a range of drilling, mud engineering, well design and well cementing support. We own and operate ten onshore drilling rigs of different capacities, including rigs capable of drilling to depths of 6,000 meters. We have experience in various areas of advanced drilling technology, such as extended reach drilling and side-track drilling and horizontal drilling. Our entire mud engineering and well cementing support requirements are met through our in-house drilling services. In fiscal 2009, we provided rig package services to one well in our onshore exploration block in the Mahanadi basin.

Well Services

We provide in-house workover, stimulation and well testing support for our production operations. We own and operate 14 onshore workover rigs for well servicing and repairs. Most of our internal requirements for well stimulation services, which include acidisation and coil tubing nitrogen application services, are provided in-house. In addition, we also make extensive use of coil tubing units for rig-less workover operations. Similarly, substantially all of our internal requirements for the design, installation, operation and maintenance of artifices lift systems, well completion, well testing and wireline operations are met by in-house service teams. Since our crude is also high wax in content, we possess a number of heavy duty and light duty scraping winches which service the wells regularly.

Well Logging Services

We provide wireline logging services on an in-house basis to evaluate geological formations in support of our exploration and development operations. A total of three cased hole and three open hole logging units are deployed in support of our onshore operations. Our in-house team is able to support a large part of our well logging services needs, the remainder of which we obtain from third party contractors. In fiscal 2009, we provided wireline logging services to one well in our onshore exploration block in the Mahanadi basin. We also have in place a contract with Bangladesh Gas Fields Company Limited which is valid until December 31, 2010 for providing wireline services in five wells.

Engineering Services

Our in-house engineering services personnel are responsible for work relating to the design and construction of onshore production facilities, the laying and maintenance of onshore pipelines and the maintenance of equipment.

Reservoir Management

We utilize numerical reservoir simulation as a tool for management planning, production forecasting and decision making. Based on numerical simulations, water and gas injection and polymer flooding projects have been implemented in our fields. We have developed expertise in reservoir management of ageing fields, in terms of numerical reservoir simulators with dedicated workstations and a knowledge-base in cost effective reservoir evaluation, development and management particularly in demanding environments. We have designed an integrated database management system for processing and analysing various monitoring data. We also conduct operations such as transient well tests, nodal analysis, collection of crude and condensate gas samples for pressure volume temperature analysis and analysis of side-wall and conventional cores as an integral part of reservoir management.

Technical Services

Our in-house technical services personnel provide policy guidelines on equipment management, standardization, technical audits, identification, acquisition, assimilation and dissemination of new techniques and technology relating to oil field equipment and services. We operate work shops at Duliajan that provide support for major repairs and maintenance of equipment including drilling rigs, workover rigs, diesel engines, cementing units, mud pumps, blow-out preventors, motors and alternators.

RESEARCH AND DEVELOPMENT

Since 1985, we have maintained a center fully devoted to research and development activities in order to ensure the updating of our technology and expertise in our exploration, development and production activities. Our research and development department is officially recognized by the GoI's Department of Science and Technology and is the recipient of the prestigious National Petroleum Management Programme award for its work on geochemical identification of pay zones.

We maintain a research and development department for the purpose of devising techno-economically feasible solutions for the various problems we encounter in our exploration, drilling, production and transportation operations. Our research and development department has developed and implemented a number of innovative technical processes, including:

- geochemical analysis for source rock evaluation;
- geochemical identification of pay zones in drilling wells;
- analysis of origin and maturity of hydrocarbons;
- water-oil-ratio control with polymer treatment for improved crude oil production and recovery;
- cost effective low dosage flow improver treatment of crude oil for pipeline transportation in place of thermal conditioning;
- arresting fluid loss in highly depleted reservoirs for quick flow back after workover;
- flu boric acid for well stimulation and bioremediation of soil/water polluted by oil; and
- microbial paraffin deposition control in oil wells and a flow lines.

During the fiscal years 2007, 2008 and 2009, we spent approximately Rs. 115.01 million, Rs. 167.50 million, and Rs. 212.42 million, respectively, on research and development activities. For the three months ended June 30, 2009, we spent approximately Rs. 75.44 million on research and development activity. We have allocated a total of approximately Rs. 273.92 million for fiscal 2010 for expenditure on research and development.

TRAINING

We provide all of our employees with regular and periodic training and development to help them acquire new knowledge and skills necessary for them to perform better in their present and future roles with us.

The table below provides figures in respect of the number of employees who received training during the three months ended June 30, 2009 and fiscal 2009, 2008 and 2007:

	Three months ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
In-house	565	2,361	2,960	2,146
In-country	77	681	680	717
Overseas	41	242	201	151

Our Management Training and Development Center in Duliajan was established in 1996, and is the training institute for executives of the Company.

EMPLOYEES

The following table sets forth the number of employees of the Company as on June 30, 2009, March 31, 2009, 2008 and 2007:

	As on			
	June 30, 2009	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Executives				
Technical	1,010	1,001	937	925
Non-Technical	266	259	246	247
Non-Executives				
Technical	5,278	5,290	5,382	5,389
Non-Technical	1,822	1,837	1,867	1,915
Total	**8,376**	**8,387**	**8,432**	**8,476**

We also engage certain labourers on a contractual basis for our business operations from time to time.

Our employees are affiliated with 13 registered trade unions across India. At present, we recognize five of these trade unions namely, the Indian Oil Workers' Union, Assam, Mahanadi Petroleum Employees' Union, Bhubaneswar, Petroleum Workers Union, Delhi, Oil India Calcutta Employees' Union, Kolkata and Rajasthan Oil Employees' Union, Rajasthan.

We entered into a long-term settlement agreement with all our recognized unions which are binding on all categories of regular workmen employed by us. The long-term settlement agreement was effective from January 1, 1997 until December 31, 2006 and has currently expired. We are currently in process of negotiating the terms and conditions of a new settlement agreement. We believe that our relationship with our employees is generally good and there have been no significant instances of labour unrest in our Company that have had a material adverse effect on our business and operations.

We introduced a voluntary retirement scheme in fiscal 2001, which was effective from September 19, 2000 until March 31, 2001. A total of 438 employees were granted voluntary retirement under this scheme. Subsequently, we introduced another VRS scheme from May 15, 2003 to September 13, 2003. Under this scheme, 651 employees were granted voluntary retirement. We may continue to introduce voluntary retirement schemes from time to time depending on the decision of our management.

As a matter of practice, we recruit professionally qualified persons as our employees through open advertisements. Additionally, we also take officials from the GoI, State Governments and other public sector undertakings on deputation at various levels to work in our Company.

INSURANCE

We have a standard fire and special perils policy for, inter alia, risks associated with physical damage to our properties including our pipeline and rigs in connection with exploration and production related facilities at Duliajan and Moran in Upper Assam, and at Rajasthan and elsewhere. The policy covers, inter alia, fire, lightning, explosion, implosion, aircraft damage, riot, strike and terrorism damage, damage caused by natural factors such as storm, typhoon and flood, impact damage, subsidence and land slide including rock slide, bursting of water tanks, missile testing operations, leakage from automatic sprinkler installations, earthquake and terrorism. Our policy does not cover liability arising from pollution or contamination. Our fixed onshore properties are not covered for war risks as per the insurance industry practice worldwide.

For fiscal 2009, we paid an aggregate amount of approximately Rs. 16.72 million for premiums under the above.

COMPETITION

Although we encounter competition from other oil and natural gas companies in all areas of our operations, we believe the primary area in which we face competition domestically is for the acquisition of licences for exploratory prospects in the NELP bidding process. The companies that have been granted exploration licences in various rounds of NELP include other public sector companies, such as ONGC, IOCL, GSPCL and GAIL, as well as private companies, including British Gas, RIL, Cairn Energy Limited and Niko Resources. For further information about NELP, see "***Regulations and Policies***" on page 93.

Additionally, we face similar competition to acquire exploration and production acreages. See "***Risk Factors—We encounter competition from other oil and natural gas companies in all areas of our operations including the acquisition of licenses for exploratory prospects, and competitive pressure on our business is likely to continue***" on page xxi for further details.

CORPORATE SOCIAL RESPONSIBILITY

We view corporate social responsibility as a genuine expression of goodwill and gratitude towards society, and we consider that we have a role to play in social welfare efforts, rural developments activities, the promotion of education and sports and the development of women and welfare services.

We have a policy in place of contributing 0.75% of all profits to social welfare measures. However, pursuant to a recent MoPNG decision, with effect from fiscal 2010, all public sector oil companies are required to contribute at least 2% of the net profits of the previous financial year towards corporate social responsibility activities and any unspent amount allocated to such activities will be carried forward to the next year.

In fiscal 2009, we made contributions towards various social development programmes and area development schemes which include construction of roads, setting up of educational institutions, primary health centres and other infrastructural support in the North East region and other operational areas of our Company. Additionally, we have also contributed funds towards charitable causes in Assam and Arunachal Pradesh, intended for providing relief to victims of natural calamities and other disasters, as well as generally to poverty stricken people of the region.

HEALTH, SAFETY AND ENVIRONMENT

We are committed to maintaining high standards of occupational health, safety and environmental protection. Due to the nature of our operations, we conduct and are subject to several internal and external safety audits to ensure our compliance with health, safety and environmental protection norms, and to maintain effective waste prevention and reduction capabilities.

For instance, the Oil Industry Safety Directorate, or OISD, an organization under the control of the MoPNG, issues safety guidelines with which we have to comply. We also have to comply with the safety regulations prescribed by the Directorate General of Mines and Safety ("**DGMS**"). Each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. Our health, safety and environment, or HSE, teams are also responsible for obtaining necessary licences and clearances from the State Pollution Control Boards.

We have established a Health, Safety and Environment policy, with a focus on abatement of pollution arising out of various operational activities, through regular monitoring and proper co-ordination. In order to achieve this, we have set up effluent pits at strategic locations, recycled our drilling effluent and taken actions to obtain ISO and OHSAS quality management system standard certifications. For further details, see "***History and Certain Corporate Matters—Quality Management System Standard Certifications***" on page 108.

The Company also has a focus on safety training and education, along with safety awareness programs for its executives, employees and contractors' workers.

We have a crisis management team that is responsible for managing any crisis situations resulting from our operations. Regular mock drills are carried out at our facilities to prepare our employees for managing critical situations.

TRADEMARKS AND INTELLECTUAL PROPERTY

We have applied for registration of our logo under various classes of the Trademarks Act, 1958, which are currently pending registration. For details on our applications, see "***Government and Other Approvals***" on page 262.

PROPERTIES

Our registered office and field headquarters

Our registered office and field headquarters is located at Duliajan, District Dibrugarh, Assam and covers a total area of approximately 2,023,428 square meters. The office space covers an area of approximately 500 square meters.

Corporate office

Our corporate office is located at Plot No. 19, Sector 16-A, Noida, District Gautam Budh Nagar, Uttar Pradesh. The office space has been leased from the Okhla Industrial Development Authority for a period of 90 years from April 7, 1997.

Pipeline headquarters

Our pipeline, which is 1,157 kilometers long, passes through the states of Assam, West Bengal and Bihar. Our pipeline headquarters (covering an area of approximately 400 square meters) is located in our township situated at Udayan Vihar, Guwahati, Assam which covers a total area of approximately 561,885 square meters including the pipeline headquarters.

Project and branch offices

We have project offices in Rajasthan and Orissa and a branch office in Kolkata. These properties are leased and the following table sets forth details of these properties:

State	Address
Rajasthan	12, Old Residency Road, Jodhpur, Rajasthan
Orissa	Third Floor of IDCO Towers, Janpath, Bhubaneshwar, Orissa
West Bengal	4, India Exchange Place, Kolkata, West Bengal

Other owned properties

Oil fields, installations and drilling locations

We own approximately 22,956,986 square meters of land in the districts of Dibrugarh, Tinsukia and Sibsagar, Assam where our drilling locations, production installations and oil fields are located. Additionally, we also own approximately 157,526 square meters of land in the District of North Lakhimpur, Assam, which is utilised for drilling. We have also been allotted approximately 588,028 square meters of land by the Rajasthan State Government in Jodhpur, Bikaner and Jaisalmer, Rajasthan where natural gas wells, gas gathering stations and stores are located. Furthermore, we have also been allotted land in Cuttack District, Orissa, for drilling purposes by the Government of Orissa.

Pipeline segment

We have acquired land through processes instituted by the Governments of Assam, West Bengal and Bihar under the Land Acquisition Act, 1894 for our 1,157 kilometer pipeline which spreads across these three states. The total land area over the pipeline segment, (excluding the pipeline headquarters), is approximately 20,440,907 square meters. Certain of our pump stations and repeater stations are also located along the pipeline. Additionally, we have been granted a right of way over approximately 38,912 square meters of land in Guwahati from third parties along the land where our pipeline is situated.

Residential properties

We also own premises in New Delhi, Mumbai and Kolkata which are utilised for residential and guest house purposes. Our aggregate land holding in these properties is approximately 4,173 square meters.

Other leased properties

We have taken certain properties on lease for various uses. The following table sets forth details of these properties:

Location	Area (square meters)	Purpose
Paradip Port Trust, District Cuttack, Orissa	10,334	Office and Storage yard
Flats in Plot No. 250-C, Sector-15 A, Noida, Uttar Pradesh	7,438	Residential
Plot No. 2A, District Centre, Pali Road, Saraswati Nagar, Jodhpur, Rajasthan	4,364	Land for construction of an office complex
Ground Floor, First Floor and Second Floor, Hotel Durjan Niwas, Old Loco Shed, Ratanada, Jodhpur	2,613	Offices

Furthermore, we have been allotted land, aggregating to approximately 12,500 square meters, on a leasehold basis by the Government of Rajasthan in various places at Jodhpur and Sri Ganganagar, Rajasthan for our drilling operations.

REGULATIONS AND POLICIES

The following description is a summary of various sector-specific laws and regulations in India prescribed by GoI and various State governments, which are applicable to our Company. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

This section provides a brief overview of the regulatory framework governing upstream activities of exploration and production in the petroleum and natural gas industry in India.

Regulation of Exploration and Production

Under Article 297 of the Constitution of India, jurisdiction over petroleum and natural gas occurring in their natural state in India, is vested with the Union of India. MoPNG is the principal regulator of exploration and production of oil and natural gas in India. MoPNG is responsible for regulating exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas, and is also responsible for planning, development and regulation of oil field services.

The Directorate General of Hydrocarbons ("**DGH**") was established under the aegis of MoPNG in 1993, with the objective of promoting sound management of Indian petroleum and natural gas resources, with regard to environment, safety, technological and economic aspects. The MoPNG felt the need to have an appropriate agency to regulate and oversee the upstream activities in the petroleum and natural gas sector and also advise the GoI in these areas. The Dasgupta Committee, which had reviewed the management of the Bombay High reservoir, had recommended the creation of an autonomous conservation board to oversee and review that oilfield development conforms to sound reservoir engineering practices in line with national interest. The Kaul Committee, which examined ONGC's organizational structure, also recommended the establishment of an independent regulatory body called the Directorate General of Hydrocarbons. Hitherto the upstream petroleum sector was largely a monopoly of public sector companies and was being increasingly thrown open to private investment and was invariably leading to a number of new operating companies in the private and joint sectors entering the field. There was thus a need to establish an agency that could effectively supervise the activities of all these companies in the national interest. Taking all the above into consideration, GoI decided to set up the DGH under the administrative control of the MoPNG.

The objective of the DGH is to promote sound management of the Indian petroleum and natural gas resources have a balanced regard for the environment, safety, technological and economic aspects of the petroleum activity.

The DGH has the following functions and responsibilities:

(a) to provide technical advice to the MoPNG on issues relevant to the exploration an optimal exploitation of hydrocarbons in the country and on the strategy of taking up exploration and exploitation of oil and gas reserves abroad by the national oil companies.

(b) to review the exploration programmes of companies operating under Petroleum Exploration Licenses granted under the Oil Fields (Regulation and Development) Act, 1948 (the "**Oilfields Act**") and the Petroleum and Natural Gas Rules, 1959 (the "**PNG Rules**") with a view to advising the GoI on the adequacy of these programmes;

(c) to reassess the hydrocarbon reserves discovered and estimated by the operating companies in discussion with them;

(d) to advise the GoI on the offering of acreage for exploration to companies as well as matters relating to relinquishment of acreage by companies;

(e) to review the development plans for commercial discoveries of hydrocarbon reserves proposed by the operating companies and advise the GoI on the adequacy of such plans and the exploitation rates proposed and matters relating thereto;

(f) to review and audit concurrently the management of petroleum reservoirs by operating companies and advise on any mid course correction required to ensure sound reservoir management practices in line with the optimal exploitation of reserves and the conservation of petroleum resources.

(g) to regulate the preservation, upkeep and storage of data and samples pertaining to petroleum exploration, drilling production of reservoirs etc. and to cause the preparation of data packages for acreage on offer to companies;

(h) to advise the GoI on the laying down of safety norms and framing regulations on safety in oilfield operations, prescribe pollution control measures and assist in inspection and periodic safety audit;

(i) all other matters incidental thereto and such other functions as may be assigned by the GoI from time to time.

The DGH has an Advisory Council, appointed by the GoI, comprising a Chairman and members, who are eminent persons in the field of oil exploration and production. The Advisory Council is serviced by the DGH which is headed by a Director General who is also the Member Secretary to the Council. The DGH is manned by such staff as the MoPNG in consultation with the DGH decides and is drawn from the oil industry on deputation/tenure basis. The Directorate General is appointed by the GoI on tenure/deputation basis and drawn from the oil industry/government. Specialists from outside the oil companies, as considered necessary, are also be appointed as consultants/ advisers on contractual basis. The expenditure of the DGH is funded by grants from the Oil Industry Development Board. The headquarters of the Directorate General is at New Delhi.

Other bodies under the MoPNG's control include the (a) Oil Industry Development Board, which provides financial and other assistance for development of the oil industry; (b) Petroleum Conservation Research Association ("**PCRA**"), which promotes awareness of energy conservation and good practices in use and application of energy, (c) Centre for High Technology, which serves as a nodal data-gathering agency with respect to technological matters; and (d) Oil Industry Safety Directorate ("**OISD**"), which develops standards and codes for safety and fire-fighting and conducts periodic safety audits of petroleum handling facilities. In addition, DGMS issues directions in respect of onshore petroleum mining installations.

Oilfields Act

Oil and natural gas exploration activities are governed by the Oilfields Act, which provides for regulation of oilfields and development of mineral fuel oil resources. "**Oilfields**" are areas where any operation for obtaining natural gas and petroleum, crude oil, refined oil, partially refined oil and any petroleum products in liquid or solid state, is to be or is being carried on. PELs and PMLs are granted under the Oilfields Act, with respect to mineral oils including crude oil and natural gas. The Oilfields Act vests GoI with the authority to make rules for development and conservation of mineral oils, to amend the terms of the PELs and PMLs, and to levy royalty, fees or charges on extraction of mineral oil from areas under the PMLs.

On September 1, 2006, GoI designated DGH as the authority to exercise powers and functions of GoI with a view to promote sound management of hydrocarbon resources in India. Accordingly, DGH shall (a) monitor upstream petroleum operations in India; (b) review and monitor exploration programs and development plans for commercial discoveries of hydrocarbon reserves proposed by a licensee or lessee; (c) review management of petroleum reservoirs by a licensee or a lessee; (d) ask for and maintain geo-scientific data, reports and information from a licensee or a lessee; (e) review reserves discovered by a licensee or lessee in accordance with generally accepted international petroleum industry practices; (f) lay down norms for declaration or announcement of discoveries by a licensee or a lessee; and (g) monitor oil and gas production and payment of royalties, cess or other charges due to GoI.

Oil Mines Regulations, 1984 ("Oil Mine Regulations")

Under the Oil Mine Regulations, no mine shall be opened or worked without a duly appointed manager and a safety officer. Further, one or more installation managers are required to be appointed to hold charge of different installations at every mine. The owner, agent or manager of a mine is required to provide notice of events including opening, closure and accidents, to the Chief Inspector and to the Regional Inspector designated under the Oil Mine Regulations. The owner, agent or manager is also required to submit quarterly returns to the Chief Inspector and Regional Inspector, and annual returns to the District Magistrate and Chief Inspector, in the prescribed form, including a key plan showing the area in which operations for mining of petroleum and ancillary operations are carried on, a surface plan showing the location of all wells including abandoned wells, railways, power transmission lines, public roads, or other permanent structures not belonging to the owner, rivers and water courses within mining areas. A new pipeline or any significant alteration can be carried out in any existing pipeline only with the prior approval of the Regional Inspector and in accordance with such conditions as he may specify. The application for permission shall be in the prescribed form, and a copy thereof shall also be sent to the Chief Inspector and District Magistrate, accompanied by copies of a plan of the area where the pipeline is proposed to be laid showing the extent of land and route over which Right of Use ("**RoU**") is established.

Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act empowers GoI to frame rules regarding import, transport, storage, blending, refining and production of petroleum. It further empowers GoI to prescribe standards for pipelines, testing apparatus and storage receptacles for petroleum, and to inspect, make entry and search and certify grades of petroleum involved in a particular establishment.

Petroleum and Natural Gas Rules, 1959 ("PNG Rules")

The PNG Rules notified by GoI under the Oilfields Act provide the framework for grant of PELs and PMLs. The PNG Rules prohibit prospecting or exploitation of any oil or natural gas unless a license or lease is granted under the PNG Rules. A PEL entitles the licensee to an exclusive right to a lease for extracting oil and gas from the contract area. A PML entitles the lessee to an exclusive right to extract oil and natural gas from the contract area. PELs and PMLs are granted by MoPNG for offshore areas, and by the relevant state governments, with prior GoI approval, for onshore areas.

GoI amended the PNG Rules in 2006 to provide that a licensee or lessee is required to provide to GoI or its designated agency, being the DGH, all data obtained or to be obtained as a result of petroleum operations under the license or lease, including geological, geophysical, geochemical, petrophysical, engineering, well logs, maps, magnetic tapes, cores, cuttings and production data, as well as all interpretive and derivative data, including reports, analysis, interpretations and evaluations prepared in respect of petroleum operations. Such data shall be GoI's property, provided that the licensee or lessee shall have the right to make use of such data free of cost, for purposes of petroleum operations under the license or lease. GoI has the right to disclose to the public all non-proprietary data without consent of the licensee or lessee, and all proprietary data with consent of the licensee or lessee. GoI is the sole authority to determine proprietary nature of the concerned data.

Highlights of India's exploration licensing regime (Pre-NELP regime)

Prior to NELP, the Oilfields Act and the PNG Rules regulated the issue of licences and PSCs. Under the Industrial Policy prevailing at the time, exploration blocks were offered for exploration and production only to national oil companies. ONGC and our Company, both public sector undertakings, were the two major entities involved in exploration of petroleum until 1997 while IOCL was the primary entity concerned with refining and processing oil after extraction. Private companies had access to hydrocarbon resources prior to NELP only through joint venture arrangements entered into with GoI, instead of complete participation through a bidding process. These joint venture arrangements contemplated mandatory participation of GoI through the national oil companies.

GoI offered acreages for exploration in 1980, 1982 and 1986. In 1986, in addition to offering exploration blocks ("**Nomination Blocks**") to national oil companies, GoI extended the offering of oil and gas acreages to private investors, including foreign investors. GoI further liberalised the petroleum exploitation and exploration policy in 1991 inviting discovered fields for joint or independent development to national oil companies as well as to private or international investors, on a competitive bidding basis. Companies would bid for the minimum work commitment for each phase of exploration, indicating in their bids the share of profit petroleum expected by them at various levels of returns, based on either multiples of investment recovered or on post-tax rates of return. Cost recovery was ring-fenced by producing area, with development and production costs in respect of a producing area being recoverable only from revenues of that producing area. However, exploration costs incurred in a block in which producing area was located could be recovered from revenues of that producing area. There was no minimum commitment regarding expenditure. The companies winning the blocks would enter into a PSC with GoI ("**Pre-NELP Contracts**").

National oil companies had the option of taking 30% participating interest in a Pre-NELP Contract at the time of a commercial discovery, such that they would meet their proportionate share of development and production costs, as well as an additional 10% working participation in any blocks they chose, with 10% exploration costs being borne by them. Contractors were required to offer the entire share of oil accruing to them as cost oil or profit oil to GoI during this Pre-NELP Contract phase.

Pre-NELP Contracts were for a period of up to 25 years, in case of crude oil and associated gas ("**ANG**"), extendable by another five years. The contract period for non-associated gas ("**NANG**") would extend for up to 35 years, taking into consideration the longer gestation period for gas projects. This included an exploration period of a maximum of 7 years. A seismic option was provided for in the first phase of exploration. Contractors would be required to relinquish 25% of the contract area to GoI at the end of the first phase of exploration and a further 50% of the original contract area at the end of the second exploration phase. However, this was negotiable, particularly for blocks requiring greater exploration input. Only producing and producible areas for which a mutually agreed work programme had been drawn up could be retained by contractors at the end of the exploration period. Pre-NELP Contractors were not liable to pay signature or production bonus or any royalty or cess on production, and were fully exempted from payment of customs duties and other taxes on imports required for petroleum operations. Further, they would enjoy income tax holiday for seven years from the start of commercial production.

Separate provisions were made for development of commercially exploitable natural gas resources, with priority being given to development of natural gas for the domestic market. Where GoI or its nominee elected to purchase gas, the price would be related to the replacement value of alternative liquid hydrocarbons.

New Exploration Licensing Policy ("NELP")

NELP was formulated by GoI in 1997-98, to provide a level playing field where prospective contractors, including the public and private sectors, compete on equal terms for award of exploration and mining acreage. The NELP notification of 1999 specifies that there would be no mandatory state participation through the national oil companies and that national oil companies would be required to compete for obtaining PELs on a competitive basis instead of the previous system of obtaining PELs on a nomination basis. Under NELP, the 'carried interest' or 'inherent interest' concept whereby national oil companies carried a 30% interest that was exercisable by them on discovery of oil or gas in exploration operations has been removed. Further, preferential treatment of national oil companies and reservation of blocks is no longer practiced. NELP provides that companies including the national oil companies are to be paid international prices for oil discoveries made in blocks offered under NELP.

The model production sharing contract ("**Model PSC**"), was notified in terms of NELP, to be regulated under the PNG Rules, between GoI and a licensee or lessee with respect to grant of a PEL or PML. The Model PSC is an agreement between the contractor and GoI, under which the contractor bears exploration risks and development and production costs in return for a stipulated share of production resulting from this effort. Costs are recovered from commercial production. GoI's share in a PSC is also subject to competitive bidding between prospective contractors. The Model PSC defines participating interest of contracting parties and designates an operator for the contract area under the PEL or PML. Where the contractor under the PSC includes more than one company or entity, such entities inter se are required to enter into a JOA. The contract period under the PSC includes an exploratory phase, including two sub-phases, during which time the contractor operates under a PEL, and a development and production phase, during which time the contractor operates under a PML.

Among other things, the PSC requires the contractor to obtain GoI approval for (a) an appraisal programme appraising any discovery, delineating petroleum reservoirs in terms of thickness and lateral extent and determining quantity of recoverable petroleum therein; (b) a development plan with respect to development of each commercial discovery; (c) an annual work programme for the contract period; (d) a minimum work programme with respect to each exploration phase; and (e) any abandonment or site restoration plans. A contractor signing a PSC is free to market oil and gas in the domestic market and the option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production. Other benefits under NELP include income tax holiday for seven years from the start of commercial production; and exemptions from, among other things, payment of signature, discovery or production bonus; customs duty on imports required for petroleum operations; minimum expenditure commitment during the exploration period; no mandatory state participation/carried interest by or for national oil companies. Under the Model PSC regime, the procedure for announcement of hydrocarbon discoveries is defined. Further, companies are required to prepare appraisal programmes of commercial discoveries made under nomination blocks, as well as development plan of such discoveries, in consultation with DGH within the specified period. The Model PSC features cost recovery to the operator and share of profit petroleum to GoI, as distinguished from existing contracts for CBM blocks, which feature production linked payment ("**PLP**") to GoI and no cost recovery to the operator. In matters of dispute resolution, the Arbitration and Conciliation Act, 1996, based on the United Nations Commission on International Trade Law model, applies.

The first round for offer of blocks under NELP was in 1999. To date, there have been seven rounds of competitive bidding for award of PSCs under NELP.

For further information on the PSCs entered into by our Company, see "***History and Certain Corporate Matters- Material Agreements***" on page 116.

Petroleum and Natural Gas Rules, 2002 ("PNG Rules, 2002")

The PNG Rules, 2002 require, among other things, a company to obtain permission of the Chief Controller of Explosives for refining, cracking, storing, reforming or blending petroleum.

Pipelines

Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 ("Pipelines Act")

The Pipelines Act provides the framework governing acquisition of RoU in land for laying pipelines for transportation of petroleum and minerals and other matters connected therewith. The Pipelines Act is limited to the acquisition procedure, restrictions on use of land, and compensation payable to persons interested in the land. RoU acquisition may be subject to conditions deemed fit by GoI in the public interest.

Petroleum and Natural Gas Regulatory Board Act, 2006 ("PNGRB Act")

The PNGRB Act provides for establishment of the PNG Board, and vests it with the authority to, among other things, regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas, excluding the production of crude oil and natural gas, monitoring prices and taking corrective measures to prevent restrictive trade practices, imposing fees and other charges and regulating technical and safety standards and specifications relating to petroleum, petroleum products and natural gas. The objectives are to protect interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of India and to promote competitive markets.

The majority of the provisions of the PNGRB Act came into effect from October 1, 2007, and the constitution of the PNG Board was re-notified with effect from October 1, 2007. Pursuant to the above, all entities currently engaged in, or proposing or contemplating any downstream petroleum activities, will be governed by the PNGRB Act and would be required to follow intimation and authorisation procedures, as well as the downstream pricing mechanism prescribed hereunder. For entities already engaged in downstream petroleum activities in India, the intimation and authorisation process were required to be completed within six months from the appointed date, i.e., by March 31, 2008.

Guidelines for Laying Petroleum Product Pipelines, 2002 ("Petroleum Guidelines")

The Petroleum Guidelines provide that RoU under the Pipelines Act will be granted to an applicant company or joint venture for captive use on an exclusive basis, subject to sharing of portions of acquired RoU falling in reserve forests, wildlife sanctuaries, or other restricted areas, and with any intersecting pipeline in respect of which any other party has RoU. As per the Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006 ("**Pipeline Policy**"), RoU acquisition for any transmission pipeline or city or local gas distribution project under the Pipelines Act will only be considered by GoI after it is authorised by the PNG Board.

GoI has also notified a draft strategy paper on simultaneous exploration and production of CBM with oil and gas. This strategy paper envisages drafting a model joint interaction agreement between parties for setting up of CBM/crude oil and natural gas wells and for laying pipelines and other installations in the same area.

The PNG Board is empowered to, among other things, authorise entities to lay, build, operate or expand a common or contract carrier or a city or local natural gas distribution network. Without such authorisation, an entity is prohibited from engaging in laying, building, operating or expanding a pipeline. Subject to compliance with the PNGRB Act, the PNGRB Act provides for deemed authorisation for any existing entity laying, building, operating, or expanding any pipeline as common or contract carrier.

Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006 ("Pipeline Policy")

The objective of the Pipeline Policy is to facilitate open access for all players to the pipeline network on a non-discriminatory basis, and promote competition among entities thereby avoiding abuse of the dominant position by any entity. The Pipeline Policy applies to "**non-dedicated**" pipelines and not to "**dedicated**" pipelines. The latter are pipelines laid to supply gas to specific consumers originating from regulated pipelines, provided the same are for their own use and not for resale. No non-dedicated gas pipeline or city or local gas distribution network may be laid, built, operated or expanded without authorisation by the PNG Board. If a company's pipelines come within the definition of dedicated pipelines, it is required to furnish certain details to the PNG Board every six months. If any such pipeline ceases to be a dedicated pipeline, the same may be brought to the notice of the PNG Board, and will require authorisation by the PNG Board under the PNGRB Act. The Pipeline Policy envisages constitution of a Gas Advisory Body ("**GAB**") for giving advice to GoI, to promote and develop the gas pipeline network and city or local gas distribution networks in India.

Pricing

The mechanism for pricing of oil and natural gas was based on import parity until the mid 1970s. Prior to 1998, prices of all major petroleum products were fixed pursuant to the APM, which was based on a "cost plus" pricing system under which companies engaging in exploration and production, refining and marketing were guaranteed fixed returns on net worth plus reimbursement of eligible operating costs. Under APM, selling prices of any petroleum product was uniform for each marketing company within a specific area except for variances resulting from differing tax rates from one state to another. APM operated through a system of "**oil pool**" accounts through which cash flows relating to various charges, subsidies and other adjustments were managed, allowing for certain products including kerosene and domestic LPG, based on cross-subsidisation from certain products including petrol and indigenous crude oil. With the objective of encouraging private sector as well as foreign direct investment while removing distortions caused by subsidies and cross-subsidies, GoI, through its Resolution No. 224 dated November 21, 1997, decided "in principle" to dismantle APM in a phased manner, commencing from April, 1998. APM would be replaced by a phased movement to Market Determined Pricing Mechanism ("**MDPM**") and rationalisation of customs tariff and excise duty rates. Further, as per GoI Resolution dated November 21, 1997, oil exploration and production companies producing at least 3 million tonnes of crude oil annually or companies owning and operating refineries with an investment of at least Rs.20,000 million, are entitled for marketing rights for transportation fuels, namely, motor spirit, high speed diesel and aviation turbine fuel.

APM was discontinued with effect from April 1, 2002, through Notification No.P-23015/1/2001-Mkt dated March 8, 2002. As per the Model PSC, the Indian domestic market has the first call on production of gas. Although the contractor is free to sell gas within India, he is required to do so only on the basis of arms-length transactions between non-affiliates. In terms of the Model PSC, parties may either determine sales price of crude oil or natural gas through a competitive bidding process or may negotiate sales price of crude oil or natural gas, subject to GoI approval of the formula or basis on which such prices were determined, prior to sale of crude oil or natural gas to buyers. For this purpose, GoI may take into consideration any prevailing pricing policy or any linkages with traded liquid fuels. Typically, each long-term crude oil or natural gas supply contract has a price review clause every 5 years.

GoI, through a notification dated March 6, 2007, has issued directions that uniform pool prices shall be charged on supply of Re-Gasified Liquid Natural Gas ("**RLNG**") to all customers under all long term contracts, on a non-discriminatory basis.

Essential Commodities Act, 1955 ("EC Act")

The EC Act vests GoI with authority to issue notifications for controlling production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

Guidelines for Management of Oil and Gas Resources for Nomination Blocks ("Oil and Gas Nomination Block Management Guidelines")

The Oil and Gas Nomination Block Management Guidelines were announced by the MoPNG. Nomination blocks are those which were awarded to national oil companies before the NELP and PSC regimes. Under the Oil and Gas Nomination Block Management Guidelines, the national oil companies are required to, among other things, prepare an appraisal programme of the discoveries made under nomination blocks in consultation with DGH within the specified time frame similar to the NELP regime. Additionally, the development plan of the discoveries made under nomination blocks has to be prepared by the national oil companies in consultation with DGH. Furthermore, the Oil and Gas Nomination Block Management Guidelines prescribe constitution of a management committee with a representative each from MoPNG, Director General, DGH and a director level representative from the Company. The Director General, DGH will act as chairman and the DGH is required to review and monitor progress and performance of national oil companies to the extent that optimal exploratory inputs are provided in each PEL, in accordance with international practice. DGH also has the power to frame procedures for announcement of hydrocarbon discoveries and reporting of hydrocarbon reserves similar to those under the PSC regime. Further, DGH is responsible for close monitoring of development of hydrocarbon discoveries from these blocks as well as monitoring reservoir health of all producing fields operated by national oil companies.

Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008 ("Safety Rules")

MoPNG notified the Safety Rules on June 18, 2008, under the Oilfields Act, for regulation of safety in offshore oil and gas exploration, exploitation, production, drilling and matters connected therewith. The OISD is the competent authority to exercise powers under the Safety Rules. Under the Safety Rules, the licensees, lessees, or operators are required to undertake petroleum activities in a safe manner, in relation to an individual and after overall consideration of all factors of importance to planning and implementation of activities regarding health, safety and environment. Consent for new and existing mobile or fixed offshore installation is required from the competent authority within the period specified in the Safety Rules. The Safety Rules require operators of offshore installations to intimate the competent authority within 30 days of commencement, or cessation of operations. The operator is also responsible for providing health related resources, establishing a safety management system, carrying out risk assessment, maintaining information and records for petroleum activities including permanent plugging of wells, accidental pollution, recovery, rescue and remedial actions taken, and environment reporting.

Petroleum and Natural Gas Regulatory Board (Procedure for Development of Technical Standards and Specifications including Safety Standards) Regulations, 2009 ("Technical and Safety Standard Regulations")

The Technical and Safety Standard Regulations were notified by the PNG Board on May 14, 2009. The Technical and Safety Standard Regulations cover the procedures for development of draft standards by technical committees or standard development organisations for the activities relating to petroleum, petroleum products and natural gas, including the construction and operation of pipeline and infrastructure projects related to downstream petroleum and natural gas sector. The PNG Board may either develop standards for the purpose of regulation under the PNGRB Act itself or utilise the services of any standards development organisation. The PNG Board, when it decides to develop any standard, is also required to constitute an expert technical committee of independent experts in the relevant technical areas, stakeholders, consumer groups, oil and natural gas and other energy related bodies, government organisations and representatives of industry bodies. When any standard development organisation is developing a standard, it shall constitute the technical committee with the approval of the PNG Board. The standard shall be published by the PNG Board after it has been adopted.

Guidelines on Sale of Natural Gas by NELP contractors

MoPNG issued a press note prescribing guidelines for the sale of natural gas by NELP contractors ("**Gas Sale Guidelines**") on June 25, 2008. The Gas Sale Guidelines are applicable for an initial period of five years. Contractors are permitted to sell gas from NELP to consumers in accordance with marketing priorities determined by GoI on the basis of the formula for determining the price as approved by GoI. The Gas Sale Guidelines also provide that in case consumers in a particular sector which is higher in priority are not in a position to take gas when it becomes available, it would go to the sector next in the order of priority. The priority for supply of gas from a particular source would be applicable only amongst those customers who are connected to an existing and available pipeline network connected to a source. The Gas Sale Guidelines provide that the priority would not impact the process of price discovery as all the customers would participate in the price discovery process and would be eligible for utilizing natural gas subject to priority.

Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 ("Pipeline Regulations")

The PNG Board notified the Pipeline Regulations on May 6, 2008, under the PNGRB Act. The Pipeline Regulations require all entities proposing, or directed by the PNG Board, to lay, build, operate, or expand a natural gas pipeline to obtain authorisation from the PNG Board, on submission of documents demonstrating financial and technical adequacy, including possession of all requisite regulatory and corporate approvals. The PNG Board may exempt an applicant from any of the eligibility requirements under the Pipeline Regulations, on such conditions as it may deem appropriate. Any such authorised entity is required to enter into an agreement for transport of natural gas with any entity, on arms-length basis, equal to at least 50% of the natural gas pipeline volume bid for a minimum of five years from the commissioning of such pipeline. Authorisation under the Pipeline Regulations shall not be renounced by way of sale, assignment, transfer, or surrender to any person or entity for a period of three years from the date of issue. Subsequent to this three-year period, authorisation under the Pipeline Regulations may be renounced with adequate notice to the PNG Board, and the PNG Board may reject any such proposal for renunciation in the public interest, on providing reasons for such rejection. The PNG Board may also cancel such authorisation under the Pipeline Regulations, if the authorised entity fails to achieve the prescribed conditions precedent, including achievement of financial closure or submission of required documentation such as requisite corporate approvals and the executed gas transportation agreement.

In case of dedicated pipelines, which are laid to transport natural gas to a specified customer and not for resale, the entity is required to submit to the PNG Board the details of the pipeline and the PNG Board has the right to convert such pipeline into a natural gas pipeline in public interest. An authorised entity may not apply for conversion of a dedicated pipeline for a minimum of three years from commissioning of such dedicated pipeline, unless the PNG Board otherwise decides in public interest.

The PNG Board carries out post-authorisation monitoring (in terms of the authorised entity's detailed feasibility report as approved by its board of directors, and including safety and technical standards) of the laying, building, operating, or expanding, of natural gas pipelines, the conversion of a dedicated pipeline for supply of natural gas to a specific consumer to a natural gas pipeline, as well as monitoring of existing entities authorised by GoI for laying, building, operating, or expanding a natural gas pipeline prior to the appointed day, i.e., October 1, 2007. Regulated entities are subject to quarterly reporting requirements, and may be further subject to penalties for defaults including delay in or non-achievement of annual transportation targets or filing requirements.

An entity authorised under the Pipeline Regulations may expand its authorised capacity up to 10%, or reroute a pipeline such that the pipeline length increases by up to 10%, on immediately informing the PNG Board of such increase. Increase in capacity or route length beyond 10% is subject to the authorisation of the PNG Board upon submission of a proposal for consideration. However, no change in the natural gas pipeline tariff is permitted post such expansion, except with the authorisation of the PNG Board.

The PNG Board notified the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Gas Distribution Network) Regulations, 2008 ("**Exclusivity Regulations**") on March 19, 2009. The Exclusivity Regulations apply to any entity which is laying, building, operating or expanding or which proposes to lay, build, operate or expand a city or local natural gas distribution network under the Pipeline Regulations. Under the Exclusivity Regulations, the PNG Board may allow an entity exclusivity for laying, building, or expanding city gas distribution network over the economic life of the project, which is normally expected to be twenty five years, subject to certain terms and conditions. The PNG Board may also provide exclusivity to an entity proposing to lay, build, operate or expand a city gas distribution network from the purview of common carrier or contract carrier for a period of five years from the date of authorisation subject to the conditions that the entity meets the service obligations as stipulated in the Exclusivity Regulations. At the end of the economic life of the project, the PNG Board may consider further extension of the period of exclusivity, depending upon satisfactory compliance with the service obligations and quality of service norms, for a period of 10 years at a time.

The PNG Board notified the Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities engaged in Marketing of Natural Gas and Laying , Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008 ("**Affiliate Code of Conduct Regulations**") on July 17, 2008, under the PNGRB Act, setting forth the manner of the interaction between an entity and its affiliate or for engagement by an entity on its own, in either case, for transportation and marketing of natural gas at arm's length. The objectives of the Affiliate Code of Conduct Regulations include the prevention of preferential access or cross-subsidization of costs between the regulated activity and any other non-regulated activity, which adversely affects or has potential to adversely affect fair trade and competition between such entities.

Further, the PNG Board notified the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 ("**Common Carrier Regulations**") on July 17, 2008, under the PNGRB Act. The Common Carrier Regulations provide that capacity of a natural gas pipeline shall be (a) as authorised by the PNG Board for new pipelines under the Pipeline Regulations; (b) as determined by the PNG Board under relevant regulations for declaring natural gas pipelines as common or contract carrier or under the Pipeline Tariff regulations notified by the PNG Board, or (c) as determined by the PNG Board under relevant regulations. The transporter is required to declare and intimate the PNG Board of the pipeline's available capacity and such capacity shall be available for use on common or contract carrier basis or both. Further, under the Common Carrier Regulations, the authorised entity is required to formulate the calorific value band keeping in view various parameters. The Common Carrier Regulations set forth the transporter's obligations at entry and exit points, and provide for pipeline capacity booking and interconnection of common or contract carrier natural gas pipelines. The PNG Board also notified the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorising Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009 ("**Carrier Guiding Principles**") on April 21, 2009. The Carrier Guiding Principles prescribe certain guidelines for declaring any natural gas pipeline as a common or contract carrier for transportation of natural gas along with their capacity and system.

Royalty

The Oilfields Act provides for payment of royalties in respect of any mineral oil mined, quarried, excavated or collected from the leased area. GoI may increase the rate of royalty payable for production of crude oil and natural gas up to limits prescribed by the Oilfields Act by issuing a notification, without amending the Oilfields Act. It can also increase prescribed limits by amending the Oilfield Act by an act of Parliament. Under the Oilfields Act, and consequently as per NELP, royalty on crude oil and natural gas is payable as a percentage of wellhead value derived from sales price. Royalty for oil extraction is payable at the rate 20% in onshore areas, and 10% in shallow water areas. Royalty is payable at the rate 10% for natural gas extraction in both onshore and offshore areas. Royalty for discoveries in deep water areas beyond 400m iso-bath is chargeable at half the applicable rate for shallow water (offshore) areas for the first seven years of commercial production and at normal rates applicable for shallow water areas for other periods.

Oil Cess

OIDB, constituted under the Oil Industry (Development) Act, 1974, receives grants from GoI out of cess collected on crude oil and natural gas production in India, and renders financial and other assistance for development activities in the oil and natural gas sector in India, out of the Oil Industry Development Fund. Such cess is currently payable to OIDB at the rate of Rs.2,500 per MT plus an education cess of 3% and Natural Calamity Contingency Duty at the rate of Rs. 50 per MT.

Excise Duty

Every duty of excise leviable under the Central Excise and Salt, Act, 1944, shall be payable by the person by whom such item is produced, and in case of crude oil, excise shall be collected on the quantity received in a refinery. The proceeds of excise levied under the Central Excise and Salt Act, 1944, are first credited to the Consolidated Fund of India.

Service Tax

Service tax is levied under the Finance Act, 1994, as amended, wherein tax is levied on certain identified services rendered in India by specified service providers. Currently, service tax is levied at the rate 10% plus an education cess of 3% and a secondary and higher education cess at the rate 1%. Therefore, the effective rate is 10.3% on gross value of taxable services. With respect to upstream activities, relevant taxable services include site formation and clearance, and excavation, earth moving and demolition services, survey and exploration of mineral services and mining services.

Pipeline Tariffs

Transportation tariffs of common or contract carrier transmission pipelines or city or local natural gas distribution networks as also the manner of determining such tariffs are laid down by the PNG Board under the PNGRB Act. Such tariffs are prescribed by the PNG Board on a zonal basis, and are recovered through invoices on a non-discriminatory basis, i.e., without any premium from, or discount to, any customers. The PNG Board may separately charge additional compression charge for compression of natural gas, to the extent not included in the Pipeline Tariff. The PNG Board notified the Petroleum and Natural Gas Regulatory Board (Determination of Natural gas Pipeline Tariff) Regulations, 2008 ("**Pipeline Tariff Regulations**") on November 20, 2008, under the PNRGB Act, setting forth the procedure for determination of natural gas pipeline tariff. The Pipeline Tariff Regulations do not apply to any dedicated pipeline laid to transport natural gas to a specific customer to meet its requirements and not for resale, and pipelines in a city or local gas distribution network which are regulated by the Pipeline Regulations. Under the Pipeline Tariff Regulations, the natural gas pipeline tariff shall be determined by considering a reasonable rate of return on normative level of capital employed plus a normative level of operating expenses in the natural gas pipeline. Normative level refers to a level which is both reasonable and justifiable in terms of capital and operating expenditure incurred on laying, building, operating or expanding an efficient natural gas pipeline over its economic life. The economic life of the project shall be a period of 25 years from the date of grant of authorisation or the start up date of the commencement of physical activities. The Pipeline Tariff Regulations also require the entity involved to submit for the PNG Board's approval, the calculations in respect of apportioning of the unit natural gas pipeline tariff over all the tariff zones during the economic life of the project.

Natural Gas Subsidy

GoI has notified the Natural Gas Subsidy Scheme, 2006, applicable to our Company in respect of subsidy relating to sale of gas by us to various customers in North East India under APM. This subsidy, which shall be the difference between product price to our Company and consumer price applicable to various customers for quantities of gas supplied, will be computed on a monthly basis and provided to our Company from MoPNG's budgetary grant.

Public Distribution Scheme Kerosene and Domestic LPG Subsidy Scheme, 2002

With effect from April 1, 2002 the GoI approved the Public Distribution System ("**PDS**") Kerosene and Domestic LPG Subsidy Scheme, 2002 for administering the post administered pricing mechanism subsidy on PDS Kerosene and Domestic LPG. The subsidy under the scheme is provided on sales made by participating companies of Kerosene under the PDS (PDS Kerosene) and LPG Cylinders for Domestic Use (Domestic LPG). The quantity of PDS Kerosene on which subsidy is allowed for each states are limited to the allocations made by the MoPNG subject to actual quantities sold. The subsidy on PDS Kerosene and Domestic LPG are met from the budgetary grants of MoPNG.

The subsidy per selling unit is equal to the difference between cost price and issue price per selling unit, and is computed ex-depot for domestic kerosene and ex-bottling plant for LPG. While the PDS Kerosene and the Domestic LPG Subsidy Scheme was initially intended to be phased out in three to five years, the GoI on October 12, 2007 announced that the Scheme shall remain in effect until March 31, 2010. As per GoI press releases, upstream oil companies are presently expected to bear up to a third of total under-recoveries by notified downstream oil companies, and GoI shall issue oil bonds in respect of remaining subsidy.

Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 ("Territorial Waters Act")

The Territorial Waters Act empowers GoI to extend the application of any Central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant of PELs and PMLs by GoI (and in respect of land vested in a State Government, by that State Government with prior approval of GoI) to explore and exploit resources of the continental shelf and exclusive economic zone.

Coastal Regulation Zone Notifications

MoPNG issued certain notifications on February 19, 1991, August 16, 1994, July 9, 1997 and August 12, 2001 declaring coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action (in the landward side) up to 500 meters from the high tide line, and the land between the low tide line and high tide line as "**Coastal Regulation Zones**" ("**CRZs**") and imposing restrictions on setting up and expansion of industries, operations or processes in the said CRZ.

National Resettlement and Rehabilitation Policy, 2007

The National Rehabilitation and Resettlement Policy was notified by the GoI on October 31, 2007, to rehabilitate and resettle persons affected by the acquisition of land for projects of public purpose or involuntary displacement due to any other reason. The policy covers all cases of involuntary displacements. In case of each such project, which involves involuntary displacement of four hundred or more families *en masse* in plain areas, or two hundred or more families *en masse* in tribal or hilly areas, Desert Development Programme blocks or areas mentioned in the Fifth or Sixth Schedule to the Constitution of India, the appropriate Government shall constitute a committee under the chairpersonship of the Administrator for rehabilitation and resettlement, to be called the Rehabilitation and Resettlement Committee, to monitor progress of implementation of a scheme of rehabilitation and resettlement of the affected families, and to carry out post-implementation social audits.

The National Rehabilitation and Resettlement Policy, 2007 provides that wherever possible, projects should be non-displacing, while the National Policy on Resettlement and Rehabilitation for Project Affected Families, 2003, only talked about least displacing projects. The new policy tries to improve upon the earlier policy by stating that promoters of projects should come up with alternative sites when making requests for acquisition and that only the minimum area of land commensurate with the purpose of the project may be acquired. Also as far as possible, projects may be set up on wasteland, degraded land or un-irrigated land. The new policy further adds that before taking up a project governments should consider options that would minimize the displacement of people, the total area of land to be acquired and the acquisition of agricultural land for non-agricultural projects. Unlike the previous policy, the new policy calls for a social impact assessment ("**SIA**") of projects that may displace a large number of people. SIA will be necessary for projects causing involuntary displacement of at least 400 families in plains and 200 families in hills.

The GoI also plans to introduce the Rehabilitation and Resettlement Bill, 2007 ("**RRB**") in the Parliament. The RRB provides for the basic minimum requirements that all projects leading to involuntary displacement must address. The RRB will be applicable to the rehabilitation and resettlement of persons adversely affected by the acquisition of land for projects and other reasons. The RRB also envisages a SIA of proposals leading to displacement of large populations. The SIA report is to be submitted to the appropriate government for its examination by an independent multi-disciplinary expert group. It is provided that in case of a large scale displacement, the state government shall appoint in respect of that project, an officer not below the rank of District Collector to be the Administrator for Rehabilitation and Resettlement for the formulation, execution and monitoring of the rehabilitation and resettlement plan. One of the Administrators main functions is to minimize displacement of persons and to identify non-displacing or least displacing alternatives in consultation with the requiring body. The Administrator also has to prepare a draft scheme for the rehabilitation and resettlement of the affected families after consultation with their representatives. The RRB clearly provides that the compensation award, full payment of compensation and adequate progress in rehabilitation and resettlement shall precede the actual displacement of the affected families. Apart from a standing Rehabilitation and Resettlement Committee under the chairmanship of the collector at the district level, for each project displacing 400 or more families, the bill provides there shall be a committee called the Rehabilitation and Resettlement Committee to monitor and review the progress of the implementation of the rehabilitation scheme and to carry out post implementation social audits.

Environmental Regulations

The Environmental Protection Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 ("**Hazardous Waste Rules**") include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste. In addition, the Merchant Shipping Act, 1956 provides for liability arising out of loss or damage caused outside the ship by contamination resulting from escape or discharge of oil from such ship.

In case the project value exceeds Rs. 1,000 million for a new project (including oil and gas exploration and production activities) or Rs. 500 million for the expansion of an existing project, the project requires the approval of the MoEF. Further, the approval of the MoEF is required under Environment Protection Act the Forest (Conservation) Act, 1980 ("**Forest Conservation Act**"), for any diversion of forest land in relation to such project.

*Government Policy for Foreign Direct Investment ("**FDI**")*

In terms of Press Note 4 (2006) Series dated February 10, 2006, as amended by Press Note 5 (2008) Series dated March 12, 2008 of the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, the applicable FDI policy is as follows:

Petroleum and Natural Gas sector	
All activities other than refining and including market study and formulation; investment/financing; setting up infrastructure for marketing in Petroleum and Natural Gas sector).	FDI up to 100% is allowed under the automatic route, subject to sectoral regulations issued by MoPNG FDI up to 100% is allowed under the automatic route, in oil exploration for both small and medium sized fields, subject to and under the GoI policy on private participation in (a) exploration for oil; and (b) the discovered fields of national oil companies.

Automatic approval is not available in cases where the foreign investor has an existing joint venture or technology transfer/trademark agreement in the same field. The definition of 'same' field is as per the 4 digit National Industrial Classification Code notified by GoI in 1987. The onus to provide requisite justification that the investment proposal would not jeopardise interests of the existing joint venture or technology/trademark partner or other stakeholders would lie equally on the foreign investor/technology supplier and the Indian partner. However, even in such cases where the foreign investor has a joint venture or technology transfer/trademark agreement in the 'same' field, certain exceptions for requirement to obtain approval of GoI, acting through the Foreign Investment Promotion Board ("**FIPB**"), have been prescribed, including: (i) investments made by Venture Capital Funds registered with SEBI; (ii) where in the existing joint venture, investment by either of the parties is less than 3%; and (iii) where the existing venture/collaboration is defunct or sick.

Telecommunications

Indian Telegraph Act, 1885 ("Telegraph Act")

Under the Telegraph Act, GoI has the exclusive privilege of establishing, maintaining and working telegraphs, which means any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, writing, images and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, radio, hertzian, galvanic, electric or magnetic waves. GoI has the power to grant a licence to any person to establish, maintain or work a telegraph in any part of India, subject to any restrictions and conditions it may deem fit. GoI also has the power to revoke a license so granted or to impose a penalty on breach of any conditions or on default of any consideration payable under the Telegraph Act.

Pursuant to the New Telecom Policy of 1999, which replaced the Telecom Policy of 1994 and opened National Long Distance ("**NLD**") services beyond the service area to private operators with effect from January 1, 2000, the Ministry of Telecommunications, Department of Telecommunications, GoI issued the Guidelines for Issue of License for NLD Service on December 14, 2005 ("**NLD Guidelines**"). The NLD Guidelines prescribe, among other things, the eligibility criteria for these private operators and provides a format of the application. The eligibility criteria under the NLD Guidelines include financial criteria and that the applicant must be an Indian company registered under the Companies Act. The licence for National Long Distance Operator is issued on a non-exclusive basis for a period of 20 years, extendable by 10 years at a time, for inter-circle long distance operations within India. The total foreign equity in an applicant company may not exceed 49% during the licence period, and an applicant company is required to make its own arrangements for right of way.

Crude oil benchmarking

Our domestic crude oil was benchmarked against Nigerian Bonny Light crude until fiscal 2008, and pursuant to the terms established by the MoUs, our prices of crude oil were determined until fiscal 2008 by the FOB price of Nigerian Bonny Light crude (35 degree American Petroleum Index), adjusted for quality variation on respective yields.

However, pursuant to letter dated May 1, 2009, the MoPNG decided that, beginning in fiscal 2009, our production of crude oil is benchmarked to baskets of crudes, adjusted for gross product value and bottom sediment and water. The applicable basket varies based on the source of the crude and is determined based on the refineries to which such crude is supplied.

The MoPNG vide letter dated September 20, 2007, had advised the Petroleum Planning and Analysis Cell ("**PPAC**") to appoint an independent and reputed consulting agency, for carrying out a study on benchmarking of Assam crude oil for the purpose of its pricing, based on the latest available crude oil assay. The PPAC appointed M/s Purvin & Gertz Inc. as the consultant to study the benchmark pricing of Assam crude oil. M/s Purvin & Gertz Inc. submitted its report dated October 10, 2008. After considering all the relevant factors, including the representations made by the upstream oil companies, and the north east refineries, the pricing formula recommended in the report of M/s Purvin & Gertz Inc. for each of the seven varieties of Assam crude oil was accepted by the MoPNG. The new benchmark price for Assam crude oil was made effective from April 1, 2008.

For information on the regulatory approvals obtained and applied for by our Company, see "***Government and other Approvals***" on page 262.

HISTORY AND CERTAIN CORPORATE MATTERS

Incorporation of our Company

Our Company was incorporated as a private limited company on February 18, 1959 under the name "Oil India Private Limited", pursuant to a promoters' agreement dated January 14, 1958, between the President of India, Burmah Oil Company Limited and Assam Oil Company Limited. At the time of our incorporation, Burmah Oil Company Limited and the President of India held two-thirds and one third of our Equity Share capital, respectively. Our Company was incorporated with the main object of exploration and production of crude oil (including natural gas). Our Company became a deemed public limited company with effect from March 28, 1961 and the word "private" was deleted from the name of our Company on May 4, 1961.

Pursuant to an agreement dated July 27, 1961, between Burmah Oil Company Limited and Assam Oil Company Limited and our Company, Burmah Oil Company Limited transferred certain of its Equity Shares to the President of India, and both became equal partners holding a 50:50 interest in the Equity Share capital of our Company. Thereafter, pursuant to the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited) Act, 1981, the Equity Shares in our Company held by Burmah Oil Company Limited were transferred to the President of India, pursuant to which our Company became a wholly owned Government company. We received a fresh certificate of incorporation on conversion to a public limited company from the RoC on August 30, 1995.

Changes in our Registered office

The table below encapsulates changes in registered office of our Company.

Date of resolution	Change in address of the Registered Office
April 11, 1962	Change in registered office from Digboi, District Dibrugarh Assam, 786 171 to Jasmine Road, P.O. Duliajan, District Dibrugarh, Assam 786 602 w.e.f April 12, 1962.

Major events

The following table illustrates the major events in the history of our Company since our incorporation in 1959.

Year	Event
1959	Oil India Private Limited incorporated with Burmah Oil Company Limited holding two-thirds of the Equity Share capital and the President of India holding one-third of the Equity Share capital
1961	• Oil India Private Limited transformed into an equal partnership joint venture company between Burmah Oil Company Limited and the President of India • Gas-based power plant commissioned at Duliajan, Assam
1962	Completed construction of a 401 km (16 inch diameter) pipeline from Duliajan to Guwahati
1963	Completed construction of a 756 km (14 inch diameter) pipeline from Guwahati to Barauni
1972	Discovery of commercially producible crude oil in Jorajan fields and Kharsang fields
1981	Became a wholly owned enterprise of the GoI
1982	LPG plant based on turbo expander technology commissioned at Duliajan, Assam
1988	Discovery of commercially exploitable gas reserves in Tanot, Rajasthan
1989	Discovery of commercially exploitable gas reserves in Dandewala, Rajasthan
1990	Discovery of commercially producible crude oil in ecocene formation in Dikom
1991	Discovery of commercially producible crude oil in ecocene formation in Kathaloni
1992	Entered into an agreement with Hydrocarbon Research Incorporated, for initiating coal oil co-processing studies
1995	Entered into PSCs with various companies, to revive the declining Kharsang producing field
2000	Acquired 12.35% equity stake in NRL
2002	Entered into a consortium with OVL and IOCL to execute a service contract with the National Iranian Oil Company for the Farsi Block, Iran
2004	• Upgrading of our Company to a 'schedule A' company • Entered into a memorandum of understanding with IOCL for pursuing overseas exploration and production opportunities • Acquired a 10% participating interest in a pipeline outside India by entering into an agreement with OVL for construction of a 741 km long pipeline in Sudan
2005	• Entered into a memorandum of understanding with IOTL for jointly taking up pipeline and related projects in India and overseas • Entered into a memorandum of understanding with ITERA Oil and Gas Company, Russia, to

Year	Event
	jointly pursue exploration and production opportunities in India and overseas, including in Libya • Awarded Area 86 (Sirte basin) and Block 102/4 in Libya, along with IOCL
2006	• Executed a farm in agreement with IOCL and Marvis Pte Limited, Singapore acquiring a participating interest in Block Shakthi, Gabon • Awarded eight blocks in NELP-VI, out of which our Company is operator in six blocks • Awarded block 82 and 83 in Yemen • Acquired a 25% equity stake in Suntera Nigeria
2007	• BCPL was incorporated with a 10% equity stake for our Company • Entered into a memorandum of understanding with British Gas for pursuing exploration and production opportunities • Entered into a memorandum of understanding with HPCL, GAIL, Total France, SA, and Mittal Energy Investment Private Limited for promoting a refinery-cum-petrochemical complex at Visakhapatnam • Entered into a memorandum of understanding with HPCL to jointly pursue oil and gas opportunities in the downstream and upstream segment in India as well as overseas • Enhanced equity stake in NRL from 12.35% to 26% • Received NLD licence in order to expand its business in telecommunication sector
2008	• Entered into two farm-in agreements with Reliance Exploration and Production DMCC for a 12.5% equity stake in block K, Timor Leste • Awarded Area 95/96 (comprising 4 blocks) in the Libyan EPSA Gas Bid Round IV 2007 to a consortium comprising of our Company, Sonatrach International Petroleum Exploration and Production BVI (a National Oil Company of Algeria) and IOCL • Constructed and commissioned the Numaligarh Siliguri product pipeline • Acquired 23% equity stake in DNP Limited • Entered into a memorandum of understanding with IOCL for co-operation in purchase and sale of natural gas, joint development of city gas projects (in India and overseas) and development of gas pipeline infrastructure • Entered into farm-out agreements and a joint operating agreement with Reliance Exploration and Production DMCC and IOCL for Block K in Timor Leste • Awarded four blocks in NELP VII, out of which our Company is the operator in one block • Entered into an MoU with GSPCL to evaluate the Lavan gas field in Iran
2009	• Entered into a MoU with Advanced Well Technologies Pty Limited to form a joint venture for identifying acquisition opportunities for upstream petroleum assets in Australia and elsewhere • Entered into a memorandum of understanding with BPCL for mutual cooperation in gas related business in India and overseas to pursue business opportunities • Entered into a memorandum of understanding with DNP Limited for leasing of our Company's right of way through the Duliajan Numaligarh Pipeline • Received parliamentary approval from the Government of Yemen for block 82 and 83 to carry out exploration activities

Awards and Recognitions

We have received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Certification/Award
1997	Grant of Mini Ratna-I status
2002	Golden Peacock award for corporate social responsibility, awarded by the Federation of Indian Chambers of Commerce and Industry
2003	Award for excellent safety performance, awarded by the Oil Industry Safety Directorate
2005	• Annual award for environment excellence, awarded by Greentech Foundation • Corporate social responsibility award, awarded by the Tata Energy Research Institute • Award for best performance in energy conservation, awarded by PCRA
2006	Best public sector unit award in a survey of public enterprises conducted by the Department of Public Enterprises, GoI
2007	• Enterprise excellence award, awarded by the Indian Institute of Industrial Engineering • SAP-ACE-2007 award for customer excellence in the best oil and gas sector implementation category
2008	• Annual award for environment management, awarded by Greentech Foundation • Oil and Gas Conservation Award presented for overall performance in upstream sector by the MoPNG and PCRA
2009	• "Best overall performance in upstream sector" award by PCRA • Certificate of merit for being one of the "PSU with Highest Book Value" from Dalal Street Investment Journal

Additionally, in recognition of our performance and our consistent achievement of targets negotiated under the memorandum of understanding entered into with the MoPNG on an annual basis, we have received the award for excellence in performance for the years 2003-2004, 2004-2005 and 2005-2006. We were also ranked as the best public sector undertaking by the DPE in its annual survey for fiscal 2006.

Quality Management System Standard Certifications

We have received the following certifications:

Year	Certification/Award
2003	Our Company certified to conform to Quality Management System ("**QMS**") Standard: International Standardisation Organisation ("**ISO**") 9001:2000 from Det Norske Veritas ("**DNV**") for "production, storage and filling of LPG in cylinders and tankers for distribution to marketing agency". The certificate is valid until October 31, 2009
2004	• Our pipeline department at Noomati, Guwahati certified to conform to QMS Standard: ISO 9001:2000, Operational Health and Safety Standard ("**OHSAS**") 18001:1999 and ISO 14001:1996 from DNV for "operations and maintenance of cross country pipelines". The certificates are valid until April 30, 2010 • Our gas turbine power station at Duliajan, Assam was certified to conform to Standard ISO 9001:2000 from Bureau Veritas Certification. The certificate is valid until January 27, 2010
2005	• Our LPG recovery and bottling plant was certified to conform to Occupational Health and Safety Management System Standard: OHSAS 18001:2007 and Environmental Management System Standard: ISO 14001:2004 from DNV for "recovery, storage, bottling and dispatch of LPG in cylinders and road tankers and condensate in road tankers". The certificates are valid until March 19, 2012. • Our chemical laboratory at Duliajan, Assam was certified by Bureau Veritas Certification Standard: ISO 9001:2000. The certificate is valid until November 15, 2010. • Our gas turbine power station at Duliajan, Assam was certified to conform to Standard ISO 14001:2004 from Bureau Veritas Certification. The certificate is valid until March 7, 2011 • Our gas turbine power station at Duliajan, Assam was certified to conform to Standard OHSAS 18001:2007 from Bureau Veritas Certification. The certificate is valid until March 7, 2011
2007	• Our Research and Development Department at Duliajan is accredited by the National Accreditation Board for Testing and Calibration Laboratories, India in accordance with the standard "ISO/IEC 17025:2005" for "general requirements for the competence of testing and calibration laboratories" in the field of chemical testing. The certificate is valid until April 4, 20011 • Our Fire Service at Moran was certified to conform to the QMS Standard: ISO 9001:2000, ISO 14001:2004 and ISO 18001:1999 from DNV for "operation and maintenance of fire service". The certificates are valid until February 6, 2010 • Our fire service at Duliajan was certified to conform to QMS Standard: ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 from DNV for "operation and maintenance of fire service". The certificates are valid until February 6, 2010
2008	• Our hospital at Duliajan, Assam was certified by BVQI Standard OHSAS 18001:2007. The certificate is valid until August 25, 2011 • Our hospital at Duliajan, Assam was certified by Bureau Veritas Certification (formerly, "BVQI") Standard ISO 9001:2000, ISO 14001:2004. The certificate is valid until August 25, 2011

Our Main Objects

The objects, *inter alia,* contained in the Memorandum of Association of our Company include:

- To search for, purchase, take on lease or licence, obtain concessions over or otherwise acquire for any estate or interest in, develop the resources of work, dispose of, or otherwise turn to account, land or sea or any other place in the whole of India or in any other part of the world containing or likely to contain, petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas, chemicals or any substance used, or which is likely to be useful for any purpose for which petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas is or could be, used and to that end to organise, equip and employ expeditions, commissions, experts and other agents.

- To carry on exploration and to develop and optimise production of hydrocarbon, any by-products or products to be made thereof and other petro-chemicals whether within or outside India in order to maximise the contribution to the economy of the country, to carry out geological, geophysical or any other kind of surveys for exploration of petroleum resources, to carry out drilling, both onshore and offshore and other prospecting operations, to probe and estimate the reserves or petroleum resources, to undertake, encourage and promote such other activities as may lead to the establishment of such reserves including but not limited to geological, geophysical, geo- chemical, scientific and other investigations.

- To carry on in all their respective branches all or any of the businesses of refining, blending, processing, producing, treating (including refining of crude oil), storing, transporting, exporting and generally dealing in, or with, petroleum and petroleum products and other crude oils, asphalt, bitumen, natural gas, CBM, LPG, LNG, NGL, CNG and all other kinds of petroleum products, by-products and products to be made thereof, chemicals and any such substances as aforesaid and production of oil and other petroleum products from coal using different technologies.

- To carry on in all their respective branches the marketing and distribution of all kinds of petroleum products and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, blend, purify and pump, store, hold, transport, use, experiment with, market, distribute, exchange, supply, sell and otherwise dispose of, import, export, and trade and generally deal in any and all kinds of petroleum and petroleum products, oil, gas and other volatile substances, asphalt, bitumen, bituminous substances, carbon, carbon-black, hydro-carbon and mineral substances and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances.

- To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and all kinds of petroleum products, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all kinds of petroleum products, chemicals and any such substances as aforesaid.

- To receive, take over, acquire and undertake all or any part of the business, property, including Mining Leases and Prospecting Licences, and all other rights, benefits or advantages belonging to and duties, obligations and liabilities of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of our Company for such consideration and upon such terms and conditions as may be thought fit.

- To plan, design and construct pipelines for gas including but not limited to CNG, LNG, NGL and CBM, oil, and oil products and other related facilities and systems for collection, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale or otherwise dealing of gas, oil and oil products including but not limited to petroleum and crude oil products, by-products and products to be made thereof.

- To plan, develop, assist, aid to, erect and set up terminal(s) of all kinds including but not limited to LNG, receiving terminal(s), oil tanking terminal(s), etc. for providing terminalling services and activities for receipt (including import), storage, dispatch (including export), handling and treatment of various kinds and forms of crude oil and refined petroleum products, gases, chemicals, liquids their by-products, products to be made thereof and all types of related facilities.

- To plan, establish, develop and to lay cables, provide, operate and maintain all types of telecommunication services including telephony, telex as well as wireless, data communication, telematics and other forms of communication and to maintain and to manage, to acquire from any person, from body corporate or other establishment whether in India and/or outside India, technical information, know-how, process engineering, manufacturing and operating data, plans layouts and blue prints useful for designing, erection, construction, commissioning, operation and maintenance of the plant and equipment required for any of the business of the Company and to acquire or grant license and other rights and benefits in the foregoing matters and things, to act as carriers/carrier, domestic provider, internet service provider, broadband provider, video conference facilities, to maintain and manage distance leased services, to provide technical specifications, standards and norms of services in the local and long distance communication, to provide interconnection of the local network services, long distance transmission systems and overseas communication systems.

Changes in our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder resolution/Gazette of India Notification	Details
June 22, 1972	Amendment by insertion of a new clause (3-A) after the existing clause 3(3): (3-A) To establish, provide, maintain and perform engineering and related technical and consulting services including but without limitation technical studies, design, construction, maintenance and repair of all kinds of works and buildings, procurement, inspection, expediting, management of construction and related services for petroleum reservoirs, storage and transportation of oil, gas and other minerals by pipeline.
October 14, 1981 (Notification)	Amendment in sub-clause (2) of clause 3 whereby the words "(except refining of crude oil)" were substituted by the words "(including refining of crude oil)" and the words "and all other kinds of petroleum products" were inserted after the words "liquefied petroleum gas". The amended clause 3(2) is reproduced below: "To carry on in all their respective branches all of any of the businesses of producing, treating (including refining of crude oil), storing, transporting, exporting, and generally dealing with, or with, petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all other kinds of petroleum products, chemicals and any such substances as aforesaid."
October 14, 1981 (Notification)	Amendment in sub-clause (3) of clause 3 whereby the words "any such substances as aforesaid, and other kindred businesses" were substituted by the words "all kinds of petroleum products and other kindred businesses", the words "(except refining of crude oil)" were omitted and the words "and all kinds of petroleum products" were inserted after the words "liquefied petroleum gas". Therefore, the old clause which stated: "To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, chemicals and any such substances as aforesaid, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and any such substances as aforesaid" was replaced by the amended clause. The amended clause reads as follows: "To carry on all or any of the businesses of consignees and agents for the sale of, and dealers in petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, chemicals and all kinds of petroleum products, and other kindred businesses, wharfingers, merchants, carriers, ship-owners and charterers, lightermen, barge owners, factors and brokers in all or any of their branches, and to treat and turn to account in any manner whatsoever any petroleum and other crude oils, asphalt, bitumen, natural gas, LPG, and all kinds of petroleum products, chemicals and any such substances as aforesaid."
October 14, 1981 (Notification)	Clause 2-A inserted after Clause 2, reproduced as under: "To carry on in all their respective branches the marketing and distribution of all kinds of petroleum products and to purchase or otherwise acquire, manufacture, refine, treat, reduce, distil, blend, purify and pump, store, hold, transport, use, experiment with, market, distribute, exchange, supply, sell and otherwise dispose of, import, export, and trade and generally deal in any and all kinds of petroleum and petroleum products, oil, gas and other volatile substances, asphalt, bitumen, bituminous substances, carbon, carbon-black, hydro-carbon and mineral substances and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances."
October 14, 1981 (Notification)	Deletion of the words "and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company" in sub-clause (28) of clause 3. The old clause 3(28) read as follows: "To enter into any arrangement and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the

Date of Shareholder resolution/Gazette of India Notification	Details
	Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications in the constitution of the Company or furthering the interests of its members and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to obtain from any such Government authority or any company any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions. The amended clause reads as follows: "To enter into any arrangement and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications in the constitution of the Company or furthering the interests of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to obtain from any such Government authority or any company any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions."
October 14, 1981 (Notification)	Deletion of clause 32 which stated the following: "To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade".
September 23, 1994	The authorised share capital of the Company was increased from Rs. 500,000,000 comprising 500,000 Equity Shares of Rs. 1,000 each to Rs. 2,500,000,000 comprising 2,500,000 Equity Shares of Rs. 1,000 each.
August 11, 1995	Amendment in Clause 5 of the Memorandum of Association altering the authorised capital of our Company to Rs. 2,500,000,000 million divided into 250,000,000 Equity Shares of Rs. 10 each on account of the split of equity shares of Rs. 1,000 each to Rs. 10 each.
September 23, 2006	The authorised share capital of the Company was increased from Rs. 2,500,000,000 comprising 250,000,000 Equity Shares of Rs. 10 to Rs. 5,000,000,000 comprising 500,000,000 Equity Shares of Rs. 10 each.
September 23, 2006	Amendment in clause 3 (1) to insert the following words "land or sea or any other place in the whole of India or in any other part of the world" to read as follows: "To search for, purchase, take on lease or license, obtain concessions over or otherwise acquire for any estate or interest in, develop the resources of work, dispose of, or otherwise turn to account, land or sea or any other place in the whole of India or in any other place in the whole of India or in any other part of the world containing or likely to contain, petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas, chemicals or any substance used, or which is likely to be useful for any purpose for which petroleum or other oils in any form, asphalt, bitumen or similar substances or natural gas is or could be, used and to that end to organise, equip and employ expeditions, commissions, experts and other agents."
September 23, 2006	Clause 3(1-A) inserted after clause 3(1) reproduced as under: "To carry out exploration and to develop and optimise production of hydrocarbon, any by-products or products to be made thereof and other petro-chemicals whether within or outside India in order to maximise the contribution to the economy of the country, to carry out geological, geophysical or any other kinds of surveys for exploration of petroleum resources, to carry out drilling, both onshore and offshore and other prospecting operations, to probe and estimate the reserves or petroleum resources, to undertake, encourage and promote such other activities as may lead to the establishment of such reserves including but not limited to geological, geophysical, geo-chemical, scientific and other

Date of Shareholder resolution/Gazette of India Notification	Details
	investigations.”
September 23, 2006	Existing clause 3(2) substituted with the following: “To carry on in all their respective branches all or any of the businesses of refining, blending, processing, producing, treating (including refining of crude oil), storing, transporting, exporting and generally dealing in, or with, petroleum and petroleum products and other crude oils, asphalt, bitumen, natural gas, CBM (Coal Bed Methane), LPG, LNG, NGL, CNG and all other kinds of petroleum products, by- products and products to be made thereof, chemicals and any such substances as aforesaid and production of oil and other petroleum products from coal using different technologies.”
September 23, 2006	Existing clause 3(3-A) substituted with the following: “To establish, provide, maintain and perform scientific, technical, engineering, project management, consulting/contracting services including but not limiting to technical studies, design, construction, maintenance and repair of all kind of works and buildings, procurement, inspection, expediting, management of construction and related services for petroleum reservoir, refinery, storage and transportation of oil, gas and other minerals by pipeline or otherwise, seismic data acquisition, processing, interpretation, logging, drilling, cementing and other oil field related services or processes.”
September 23, 2006	Existing clause 3(26) substituted with the following: “To form, assist, aid to, incorporate or promote any company or companies, joint ventures, consortium, or firm whether within or outside India having amongst its other objects the acquisition of all or any of the assets or control management or development of the company or any other objects or object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company or in which the Company is interested or the establishment of which may seem profitable to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for guaranteeing the subscriptions of or placing of any shares in the capital of the Company or any stock, shares, bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.”
September 23, 2006	Existing clause 3(27) substituted with the following: “To merge, acquire, takeover, amalgamate or consolidate with any other company or companies, carrying on or engaged in, or about to carry on or engage in, or being authorised to carry on or engage in any business or transaction which the Company is authorised to carry on in accordance with these presents in such manner as may be permitted by law.”
September 23, 2006	Insertion of the following new clauses after clause 3(37): 3(38) “To plan, design and construct pipelines for gas including but not limited to CNG, LNG, NGL and CBM, oil, and oil products and other related facilities and systems for collection, gathering, treatment, fractionation, processing, blending, purification, distribution, marketing and sale or otherwise dealing of gas, oil and oil products including but not limited to petroleum and crude oil products, by- products and products to be made thereof.” 3(38-A): “To plan, develop, assist, aid to, erect and set up terminal(s) of all kinds including but not limited to LNG, receiving terminal(s), oil tanking terminal(s) etc. for providing terminalling services and activities for receipt (including import), storage, dispatch (including export), handling and treatment of various kinds and forms of crude oil and refined petroleum products, gases, chemicals, liquids their by- products, products to be made thereof and all types of related facilities.”

Date of Shareholder resolution/Gazette of India Notification	Details
	Clause 3(39): "To carry out the business including research and development for generation, distribution and marketing of other sources of energy, including but not limited to solar, nuclear, wind, non-conventional and bio-technical sources, on a commercial basis and other related ancillary/associated businesses." Clause 3(40): "To plan, establish, develop and to lay cables, provide, operate and maintain all types of telecommunication services including telephony, telex as well as wireless, data communication, telematics and other forms of communication and to maintain and to manage, to acquire from any person, from body corporate or other establishment whether in India and/or outside India, technical information, know-how, process engineering, manufacturing and operating data, plans layouts and blue prints useful for designing, erection, construction, commissioning, operation and maintenance of the plant and equipment required for any of the business of the Company and to acquire or grant license and other rights and benefits in the foregoing matters and things, to act as carriers/carrier, domestic provider, internet service provider, broadband provider, video conference facilities, to maintain and manage distance leased services, to provide technical specifications, standards and norms of services in the local and long distance communication, to provide interconnection of the local network services, long distance transmission systems and overseas communication systems." Clause 3(40-A): "To build, construct, maintain, improve, develop, manage and control any buildings, offices, godowns, warehouses, shops, machinery and plant and telephone exchanges, telegraph office, co-axial stations, microwave stations, repeater stations, telecommunication lines, cables, towers or any other equipments, pipelines, machinery connected with design, development, construction, maintenance and operation of telecommunication services and conveniences, which may seem or calculated, directly or indirectly to advance the interests of the Company and to subsidise, contribute or to otherwise assist or take part in doing any of these things and/or to join with any other person and/or company and/or with any Governmental authority in doing any of these things." Clause 3(41): "To enter into agreements and contracts with foreign companies, individuals, firms or other organisations with regard to technology transfer, know-how, technical process, technical assistance, financial assistance, technical or other collaboration, in connection with setting up and operation of any industrial undertaking or undertakings, manufacturing, marketing, importing and exporting of equipments, plans, technical know-how, process know-how, laboratory equipment, apparatuses and other articles and things or any of them for all or any of the business of the Company."

Entities in which our Company has substantial investment

(a) Numaligarh Refinery Limited

NRL was incorporated on April 22, 1993 with the main object of refining and marketing petroleum products and received its certificate of commencement of business on May 24, 1994. Its registered office is situated at 147, Udayan, R.G. Baruah Road, Guwahati 781 005, India. Our Company holds 26% of the equity share capital of NRL. NRL owns and operates a 3 MMTPA petroleum refinery located at Numaligarh, Assam and Siliguri, West Bengal. NRL is operated as a refining as well as a marketing company.

Shareholding Pattern (as on the date of filing of this Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Rs.10)	Percentage Shareholding (%)
BPCL	453,545,964	61.65
Governor of Assam	90,821,337	12.35
Oil India Limited	191,264,202	26.00
Other nominees	41	Negligible
Total	**735,631,544**	**100**

Board of Directors

The board of directors of NRL as on the date of filing of this Red Herring Prospectus comprises Mr. Ashok Sinha, Dr. B.K. Das, Mr. Dipak Chakravarty, Mr. Nilmoni Bhakta, Mr. J.P. Rajkhowa, Mr. H.S. Das, Mr. Ravi Capoor, Mr. Manu Srivastava, Mr. S. Radhakrishnan, Mr. S. K. Joshi, Mr. R. K. Singh and Mr. N. M. Borah.

Financial Performance

The audited financial results of NRL for the last three financial years are as follows:

(Rs. in million, except per share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Share Capital	7,356.32	7,356.32	7,356.32
Gross sales turnover	88,533.53	87,641.59	79,303.22
Profit after Tax	2,356.38	3,728.11	5,688.03
Reserves and Surplus	16,150.15	15,084.65	13,093.36
Earnings per Share (Rs.)	3.20	5.07	7.73
Book Value per share (Rs.)	31.96	30.51	27.80

(b) Brahmaputra Cracker and Polymer Limited

Corporate Information

Our Company entered into a joint venture agreement dated October 18, 2006, with GAIL, NRL and the Government of Assam, to incorporate a company to establish a gas-based cracker project at Lepetkata, Assam with GAIL as the main promoter contributing 70% of the equity share capital of the joint venture company and our Company, NRL and the Government of Assam each contributing 10% of the equity share capital of the joint venture company. The joint venture agreement provides for transfer of shareholding from GAIL, in the event the Government of Assam desires to procure further equity stake in the joint venture company. Under this joint venture agreement, our Company is required to supply 6 MMSCUMD of rich gas for production of polymer under a firm contract for a minimum period of 15 years and also supply additional natural gas on mutually agreed terms. Further, our Company is required to provide land and other utilities and facilities, if available, for setting up a compressor station at Duliajan for boosting gas and pressure and transportation of gas to the joint venture company's plant at Lepetkata. Our Company is also entitled to nominate one director to the board of the joint venture company. Under the joint venture agreement, none of the parties thereto are entitled to sell, transfer or assign their shares, without prior approval of the GoI, for a period of five years from the initial date of allotment of shares in the joint venture company. The joint venture agreement can be terminated on account of, *inter alia*, bankruptcy, liquidation or winding up of any of the parties. Further, in the event of breach of material provisions of the joint venture agreement, each party has an option to terminate the agreement by prior written notice of 90 days to the other parties in the event such breach is not rectified.

Accordingly, BCPL was incorporated on January 8, 2007 with the objective of establishing a gas cracker project complex at Lepetkata, Dibrugarh, Assam, to, *inter alia*, process natural gas, naphtha or any petroleum product and to distribute and market petrochemical products in India and abroad. BCPL received its certificate of commencement of business on September 12, 2007. The registered office of BCPL is located at Hotel Brahmaputra Ashok, M.G. Road, Guwahati 781 001, Assam, India.

Shareholding Pattern (as on the date of filing of this Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Rs.10)	Percentage Shareholding (%)
Gail (India) Limited	35,000	70
Government of Assam	5,000	10
NRL	5,000	10
Oil India Limited	5,000	10
Other nominees	70	Negligible
Total	**50,070**	**100.00**

Board of Directors

The board of directors of BCPL as on the date of filing of this Red Herring Prospectus comprises Mr. B.C. Tripathi, Mr. R.K. Goel, Mr. A.K. Purwaha, Mr. M.R. Hingnikar, Mr. Mr. P.C. Sharma, Mr. R.K. Dutta, Mr. T.K. Ananth Kumar, Mr. B.K. Das, Mr. Neel Kamal Darbari and Mr. Manu Srivastava.

Financial Performance

BCPL was incorporated on January 8, 2007. The audited financial results of BCPL for fiscal 2009 and 2008 are as follows:

(Rs. in million, except per share data)

Particulars	Fiscal 2009	Fiscal 2008
Equity Share Capital	0.50**	0.50*
Gross sales turnover	NA	NA
Profit before interest, depreciation and tax	Nil	Nil
Interest	Nil	Nil
Depreciation	18.16	0.25
Profit before tax	Nil	Nil
Profit after tax	Nil	Nil
Reserves and Surplus	1,374.27	300.00
Earnings per Share (Rs.)	NA	NA
Book Value per share (Rs.)	NA	NA

**Advance against share capital is Rs. 754.86*

***Advance against share capital is Rs. 1,654.62*

(c) Suntera Nigeria 205 Limited

Our Company has acquired a 25% equity stake in Suntera Nigeria 205 Limited, Nigeria ("**Suntera Nigeria**") pursuant to a share purchase agreement dated August 31, 2006 with Suntera Cyprus and IOCL.

Under the terms of the share purchase agreement, in the event of any further issue of shares or any further financing required by Suntera Nigeria, the contribution of the parties would continue to be in the same proportion as their current shareholding. Our Company and IOCL collectively have the right to nominate one half of the directors of Suntera Nigeria, and the prior approval of our Company and IOCL collectively, is required for certain reserved matters including any change in the nature of Suntera Nigeria's business, its entry into any joint ventures or material contracts and any declaration of dividend by Suntera Nigeria. Pursuant to the above, our Company has entered into an agreement dated August 30, 2007, with Suntera Nigeria, under which our Company will provide Suntera Nigeria with a loan of up to USD 11.23 million in relation to Nigerian Oil Prospecting Licence 205. As of March 31, 2009, we had made an advance of Rs. 464.64 million to Suntera Nigeria.

Suntera Nigeria 205 Limited was incorporated with the main object to engage in the petroleum business including the prospecting and exploration for and production and development of crude oil and natural gas. The registered office of Suntera Nigeria is at 2, Siji Soetan Street, Off Onikepo Akande Street, Lekki Peninsula, Lagos, Nigeria.

Shareholding Pattern (as on the date of filing of this Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Naira 1)*	Percentage Shareholding (%)
Suntera Resources Limited	125,004	50
Oil India Limited	62,502	25
IOCL	62,502	25
Total	**250,008**	**100.00**

** As on June 23, 2009, 1 Naira = Rs. 0.32 (Source: www. oanda.com)*

Board of Directors

The board of directors of Suntera Nigeria as on the date of filing of this Red Herring Prospectus comprises Mr. B.N. Talukdar, Mr. V.S. Okhde and Mr. Andrey Lepikhin.

Financial Performance

The audited financial results for the year ended December 31, 2008 are currently not available. The audited financial results of Suntera Nigeria for year ended December 31, 2007 and December 31, 2006 are as follows:

(In USD)

	Year ended December 31, 2007	Year ended December 31, 2006
Total Assets	38,172,451	18,180,307
Accumulated losses	(2,340,337)	(689,315)
Net loss	(1,651,022)	(689,315)
Equity Share Capital	1,900	1,900

(d) DNP Limited

DNP Limited was incorporated on June 15, 2007, as joint venture between Assam Gas Company Limited ("**AGCL**") and NRL with AGCL holding 60% and NRL holding 40%. The main object of DNP Limited is acquisition, transportation and distribution of natural gas in all forms. The registered office of DNP Limited is situated at Manik Nagar, R.G. Baruah Road, Guwahati 781 005. Our Company has acquired a 23% equity stake in DNP Limited, pursuant to a Supplemental Agreement dated March 17, 2009 entered into between AGCL, NRL and our Company. Additionally, our Company has entered into a loan agreement dated April 20, 2009 with DNP Limited for providing an inter-corporate loan of Rs. 1,310 million pursuant to a resolution by our Board dated November 24, 2008 for a term of 10 years at a rate of interest of 8% per annum. The final approval of our Board for the loan was given on April 9, 2009. The purpose of the loan is to meet the project expenditure relating to the project of Duliajan-Numaligarh Natural Gas Pipeline being executed by DNP Limited. DNP Limited has not started commercial operations as on date of filing of this Red Herring Prospectus.

Shareholding Pattern (as on the date of filing of this Red Herring Prospectus)

Name of Shareholder	Number of Shares (face value Rs. 10)	Percentage Shareholding (%)
AGCL	54,059,960	51
NRL	27,559,970	26
OIL India Limited	24,380,000	23
Other nominees	70	Negligible
Total	106,000,000	100

Board of Directors

The board of directors of DNP Limited as on the date of filing of this Red Herring Prospectus comprises of Mr. P.C. Sharma, Mr. Bhupen Borpatragohain, Mr. Dipak Chakravarty, Mr. Utpal Borah (Nominee director of our Company) and Ms. Amiya Gogoi.

Financial Performance

DNP was incorporated on June 15, 2007. The audited financial results of DNP Limited for fiscal 2009 are currently not available. The audited financial results of DNP Limited for fiscal 2008 are as follows:

(In Rs. except per share data)

Particulars	Fiscal 2008
Equity Share Capital	500,700*
Gross sales turnover	Nil
Profit after Tax	Nil
Reserves and Surplus	Nil
Earnings per Share (Rs.)	Nil
Book Value per share (Rs.)	Nil

** Advance against share capital is Rs. 33,800,000*

Material Agreements

Share Purchase Agreement

A share purchase agreement has been entered into between the President of India (the "**Seller**"), IOCL, HPCL, BPCL (the "**Buyers**") and the Company on December 27, 2007, whereby the Seller has agreed to sell 21, 400,400 fully paid equity share of Rs. 10 each to IOCL, HPCL and BPCL in the ratio of 2:1:2 respectively, at the Issue Price. As per the agreement, the Company shall inform the Seller and the Buyers of the Issue Price, within twenty four hours of the board /committee approving the Issue Price and the Buyers shall pay the consideration to the Seller in the prescribed form within twenty four hours of receipt of notice. Upon the payment of consideration, the Seller shall provide to the Buyer, valid instructions addressed to the depository participant to transfer and credit the dematerialised account of the Buyers with the shares. The sale and purchase of the shares shall be completed within forty eight hours after the Issue Price is determined through the Book Building method. The agreement may be terminated prior to the determination of the Issue Price by the written consent of each of the party or the failure of either party to fulfil their obligation under the agreement.

Production Sharing Contracts

Our Company has entered into PSCs with the GoI and certain other parties, with respect to exploration and mining operations in various blocks in India. These PSCs are awarded by GoI to the parties (including our Company) constituting the "**Contractor**", in a standard form prescribed under NELP as per the PNG Rules. The PSCs prescribe the initial participating interest of the parties. The rights and obligations of the Contractor include: (a) right to take the portion of total value of petroleum produced and saved from the PSC area, which the Contractor is entitled to take in a particular period, for recovery of contract costs ("**Cost Petroleum**"); (b) right to take its participating interest share of total value of petroleum produced and saved from the PSC area in a particular period, as reduced by Cost Petroleum ("**Profit Petroleum**"); (c) right to receive its participating interest share of any incidental income and receipts arising from petroleum operations; and (d) obligation to contribute its participating interest share of costs and expenses including contract costs.

The Contractor shall execute and provide GoI with a copy of a JOA consistent with the PSC, which shall provide for, among other things: (a) appointment, resignation, removal and responsibilities of the Operator; (b) establishment of an Operating Committee chaired by a representative of the Operator; (c) functions of Operating Committee taking into account provisions of the PSC; and (d) contribution to costs, disposal of petroleum and assignment between parties to the JOA. No change in Operatorship under PSC shall be effected without GoI's consent.

The Contractor shall commence operations not later than six months from the effective date of PSC. The details of the work programme commitment ("**Minimum Work Programme**") shall be as per the Contractor's bid, as accepted by GoI. In addition, the Contractor shall be required to undertake and complete the 2D seismic survey of the entire PSC area ("**Mandatory Work Programme**") during the first exploration phase. The operation of the block under the PSC shall be through a Management Committee, which shall be chaired by a GoI representative. At least one representative of each party to the PSC shall ordinarily constitute the quorum of Management Committee. The Management Committee shall approve the Minimum, Mandatory and Annual Work Programmes and budgets and any abandonment or site restoration plans, which are required to be submitted by the Contractor. On submission of a development plan of a commercial discovery, the Contractor shall submit an application for a PEL in respect of the proposed development area. Such PEL may be granted on terms decided by GoI; provided that such area is: (a) not subject to a PEL or PML granted to any other person; (b) not the subject of negotiations/bidding for a PEL or PML; and (c) available for licensing (i.e. is not an area over which petroleum operations are excluded).

The exploration period under the PSC shall comprise two exploration phases. Unless extended under the PSC, the total exploration period shall not exceed seven consecutive years and eight consecutive years, respectively, in case of onshore and shallow water blocks, and in case of deep-water and frontier areas. At the expiry of any phase of the exploration period, provided the Contractor has completed the Minimum Work Programme specified with respect to each exploration phase, the Contractor has the option, exercisable by due notice to GoI, either: (a) to proceed to the next exploration phase on presentation of the requisite guarantees; or (b) to relinquish the entire PSC area except for any discovery Area (defined as that part of the PSC area about which, based upon discovery and the results obtained from well(s) drilled in such part, Contractor is of the opinion that petroleum exists and is likely to be produced in commercial quantities) and any part of the PSC area which encompasses a commercial discovery and any additional area required for proper development of such commercial discovery and established as such in accordance with the provisions of the PSC and to conduct development and production operations in relation to any commercial discovery in accordance with the PSC, and Contractor has no further obligation in respect of Minimum Work Programme for subsequent phases of the exploration period. If neither option provided in (a) and (b) above is exercised by the Contractor, the PSC shall terminate at the end of the then current exploration phase and the license shall be automatically cancelled. If at the end of an exploration phase the Minimum Work Programme for that phase is not completed, the time for completion of said Minimum Work Programme shall be extended for a period necessary to enable completion thereof but not exceeding six months, provided, among other things, the Contractor submits his request to GoI and the Management Committee consents to the said extension.

In case the Contractor fails to fulfil the Mandatory or Minimum Work Programme(s) by the end of the relevant exploration phase or due to early termination of the PSC by GoI for any reason, each company constituting the

Contractor shall pay to GoI its participating interest share for an amount, evaluated in terms of the Mandatory or Minimum Work Programme for the relevant phase, equal to the amount required to complete said Work Programme(s). If the Minimum Work Programme for the second exploration phase is completed earlier than 18 months from the end of such phase, the Contractor shall meet GoI to discuss early relinquishment, unless the Contractor undertakes further work with approval of Management Committee. In case the Contractor has carried out work in excess of Minimum Work Programme in any exploration phase, such excess shall be set off against the Minimum Work Programme for the following exploration phase.

If at expiry of exploration period, no commercial discovery has been made in the PSC area, the PEL shall be cancelled and the PSC shall terminate. If a development plan for a commercial discovery and application for PML is under consideration by the Management Committee or GoI, as the case may be, the PEL shall continue in force only with respect to that part of the PSC area to which application for PML relates. If at the end of the first exploration phase, the Contractor elects to continue exploration operations, the Contractor has the option to relinquish a part of the PSC area, which shall not be less than 25% of original PSC area. At the end of the second exploration phase, the Contractor shall retain only development and discovery area(s). As and when the PSC is terminated in accordance with the provisions of the PSC, the entire PSC area remaining with the Contractor shall be deemed to have been relinquished by the Contractor as on the date of the PSC's termination. Relinquishment of all or part of the PSC area or termination of the PSC shall not be construed as absolving the Contractor of any liability incurred in respect of PSC area until the date of such relinquishment or termination. However, if a discovery is made within the PSC area, the Contractor shall, among other things, inform the Management Committee and GoI of the discovery and submit a report to the Management Committee, together with a notification of whether, in the Contractor's opinion, such discovery is of potential commercial interest and merits appraisal. If the Contractor notifies the Management Committee that the discovery is of potential commercial interest, the Contractor shall prepare and submit to the Management Committee a programme appraising a discovery and delineating petroleum reservoirs in terms of thickness and lateral extent and determining quantity of recoverable petroleum therein ("**Appraisal Programme**") with a proposed work programme and budget, which shall be revised or amended by the Contractor in light of Management Committee review.

If the Contractor declares the discovery a commercial discovery after taking into account the advice of the Management Committee, the Contractor shall submit to the Management Committee a comprehensive Development Plan of the commercial discovery, including a Work Programme and budget.

On submission of a Development Plan for such commercial discovery, the Contractor shall submit an application for a PML in respect of the proposed development area to the relevant State Government(s), which shall be granted on the recommendation of the GoI, acting through DGH. The PML shall be granted for an initial period of 20 years subject to cancellation in accordance with its terms or for termination of the PSC in accordance with its terms; and extension by mutual agreement between the parties for five years or such period as may be agreed after taking into account the balance recoverable reserve and balance economic life of the development area. In case of commercial production of Non Associated Natural Gas ("**NANG**"), the extension may be for 10 years or such period as may be mutually agreed between the parties after taking into account the balance recoverable reserves and balance economic life of the development area.

If a reservoir in a discovery area is situated partly within PSC area and partly in an area in India over which other parties have exploration or mining rights, and both parts of the reservoir can be more efficiently developed together on a commercial basis, GoI may by notice in writing to the Contractor, require the Contractor to collaborate with such other parties on joint development of the reservoir, as per an agreement required to be executed between the Contractor and such other parties. Such agreement shall be submitted to GoI for approval, pursuant to which the parties shall prepare a plan for joint development of the said reservoir.

The Contractor shall take necessary steps to prevent and minimise environmental damage and consequential effects on property and people, and to ensure adequate compensation for injury to persons or damage to property. If GoI has good reason to believe that any installations or operations by the Contractor are endangering or may endanger any persons or property, or are harming or may harm environment to a degree which GoI deems unacceptable, GoI may require Contractor to take remedial measures or to discontinue operations in whole or in part until the Contractor has taken such remedial measures. The obligations and liability of the Contractor for the environment shall be limited to damage to the environment which occurs after the effective date of the PSC, and which results from an act or omission of the Contractor.

The Contractor shall be required to pay royalty to GoI for offshore areas at 10% of well-head value of crude oil and natural gas and to the respective State Government at 12.5% of well-head cost in case of an onshore area.

Royalty on natural gas shall be 10% of well-head value. In case of an offshore area falling beyond 400 meter isobaths, the rate of royalty payable by Companies to GoI shall be 5% of the well-head value of crude oil and natural gas for the first seven years from the date of commencement of Commercial Production in the Field.

Machinery, plant, equipment, materials and supplies imported by the Contractor and its Subcontractors solely and exclusively for use in petroleum operations under the PSC shall be exempt from customs and export duties or other charges. Any tax payable on sale(s) of petroleum or natural gas under the PSC shall be borne/reimbursed by the respective buyer(s). Subject to the above, the Contractor shall be liable for payment of, among others, payments for purchase, lease or rental of land or land rights in connection with petroleum operations.

The Indian domestic market has the first call on utilisation of natural gas discovered and produced from PSC area, until India attains self sufficiency in this sector, subject to the Contractor having the right to use oil and gas produced from the PSC area for captive use in connection with its petroleum operations and subject to generally applicable destination restrictions to countries with which GoI, for policy reasons, has restricted trade.

Contractor shall endeavour to sell all natural gas produced and saved from the PSC area at arms-length prices to benefit of parties to the PSC. Among other things, (a) gas which is used flared with the approval of GoI or re-injected or sold to GoI shall be ascribed a zero value; and (b) gas which is sold to GoI or any other GoI nominee shall be valued on the terms actually obtained including pricing formula and delivery; and gas which is sold or disposed of otherwise than in accordance with the above (a) or (b) shall be valued on the basis of competitive arms length sales in the region for similar sales under similar conditions. The formula or basis on which the prices shall be determined pursuant to the above shall be approved by GoI prior to the sale of natural gas to the consumers/buyers.

GoI shall, throughout the term of the PSC, have the right to separately take in kind and dispose of its share of crude oil and has the obligation to lift said oil on a current basis and in such quantities so as not to cause a restriction of production or inconvenience to the Contractor. For the purpose, a lifting procedure and sales agreement based on generally acceptable international terms shall be agreed upon by Contractor with buyer(s) with GoI's consent prior to commencement of production in a field. Such lifting procedure shall be made available to all parties to PSC.

The Contractor shall, during the term of the PSC, maintain and obtain insurance coverage for and in relation to petroleum operations for such amounts and against such risks as are customarily insured in the international petroleum industry, and shall furnish to GoI, certificates evidencing that such coverage is in effect. Such insurance policies shall include GoI as additional insured and shall waive subrogation against GoI. The said insurance shall, without prejudice to the generality of the foregoing, cover, among others: (a) loss or damage to all installations, equipment and assets used in connection with petroleum operations; (b) loss, damage or injury caused by pollution as a result of petroleum operations; (c) loss of property or damage or bodily injury suffered by any third party as a result of petroleum operations for which the Contractor may be liable; (d) any claim for which GoI may be liable relating to loss of property or damage or bodily injury suffered by any third party in the course of or as a result of petroleum operations for which the Contractor is liable to indemnify GoI or the State Government; (e) with respect to petroleum operations offshore, the cost of removing wrecks and cleaning up operations following any accident as a result of petroleum operations; and (f) the Contractor's/Operator's liability to its employees engaged in petroleum operations. The Contractor shall require its Subcontractors to obtain and maintain insurance against the risks relating *mutatis mutandis* to such Subcontractors. The Contractor shall indemnify GoI and the State Government harmless against all claims, losses and damages of any nature whatsoever, including claims for loss or damage to property or injury or death to persons caused by or resulting from any petroleum operations conducted by or on behalf of the Contractor.

The Contractor shall submit to GoI the annual audit report and regular statements relating to petroleum operations. Appointment of auditor and scope of audit requires prior approval of Management Committee.

All data obtained as a result of petroleum operations under the PSC shall be the property of GoI, provided that Contractor has the right to make use of such data, free of cost, for petroleum operations under PSC. All data obtained or prepared by, for or on behalf of, Contractor pursuant to the PSC shall be treated as confidential and parties shall not disclose the contents thereof to any third party without consent in writing of the other parties. The obligation specified above shall not prevent disclosure to, among others, contractors, employees, consultants, advisers, data processing centres or financial institutions, in connection with petroleum operations, or to the extent required by any applicable law or GoI requirement. Prompt notice of any disclosures made by Contractor shall be given to GoI. GoI has the right to disclose and freely use all data at its sole discretion except data of proprietary nature. For any relinquished areas, GoI has the right to disclose and freely use all data immediately after relinquishment.

GoI shall remain the sole owner of petroleum produced pursuant to the PSC except as regards that part of crude oil, condensate or gas, title whereof has passed to the Contractor or any other person in accordance with the PSC. Title to petroleum to which the Contractor is entitled under the PSC, and title to petroleum sold by the companies shall pass to the relevant buyer party at the delivery point. Contractor shall be responsible for all costs and risks prior to and including at the delivery point and each buyer party shall be responsible for all costs and risks associated with such buyer party's share after the delivery point. Title to all data specified herein shall vest in GoI and the Contractor has the right to use thereof as therein provided. Assets purchased by the Contractor for use in petroleum operations shall be owned by the parties comprising the Contractor in proportion to their participating interest, provided that GoI has the right to require vesting of full title and ownership in it, free of charge and encumbrances, of any or all assets acquired and owned by Contractor for use in petroleum operations inside or outside, such right to be exercisable at GoI's option upon expiry or earlier termination of the PSC.

Any party comprising the Contractor may assign or transfer part or all of its participating interest, with GoI's prior consent. In case of any change in status of a company or its shareholding resulting in a change in (a) the control of the company; or (b) its relationship with the company (ies) providing the requisite guarantee; such company shall seek GoI's consent for assigning the participating interest.

A party comprising the Contractor may encumber at its own risk and cost all or part of its participating interest for purposes of security relating to finance to the extent required for performing its obligations under the PSC, provided: (a) such party shall remain solely liable for all obligations relating to its participating interest; (b) encumbrance shall be expressly subordinated to rights of other parties under the PSC; (c) such party has given reasonable notice of such encumbrance and furnishes to all other parties a certified copy of the executed instrument(s) evidencing the encumbrances; (d) prior consent of GoI shall be required of the list of potential lenders with whom such party can consider hypothecation; and (e) the party creating the charge shall ensure that such charge shall not affect the interest of other parties or result in interference with joint operations. In case of any claims or liabilities imposed on other parties because of the creation of such charge, the party having created charge on its participating interest shall indemnify the other parties; in case lender elects to participate directly or through a company other than the borrower under a financing arrangement under PSC, the same shall be subject to the rights of GoI and pre-emptive rights of parties as contained in the Operating Agreement. Any party wishing to exercise said pre-emptive rights will assume the obligation on the same terms as the borrower.

Each of the companies constituting Contractor shall procure and deliver to GoI (a) an irrevocable, unconditional renewable bank guarantee from a bank of good standing in India, for the amount specified in the PSC; (b) financial and performance guarantee in favour of GoI from a parent company, or, where there is no parent company, financial and performance guarantee from the company itself; and (c) a legal opinion from its legal advisors, to the effect that such guarantees are duly signed and delivered with due authority and are legally valid, enforceable and binding.

The term of the PSC shall be for the period of PEL and any PML granted thereunder, unless terminated earlier. The PSC may be terminated by the Contractor upon due notice, or by GoI upon due notice with reasons if the Contractor, among other things, (a) intentionally extracted or authorised extraction of hydrocarbons not authorised to be extracted without GoI's authority except such extractions as may be unavoidable and which, when so extracted, were immediately notified to GoI; (b) assigned any interest in the PSC without GoI's prior consent; (c) failed to make any payment required by law or under the PSC by the due date or within such further period as specified by GoI; (d) failed to comply with the PSC in a material particular; (e) failed to observe any conditions of the PEL/PML or provisions of the applicable laws in force; or (f) on notice of termination. However, where the Contractor comprises two or more parties, GoI shall not exercise its rights of termination if any other (non-defaulting) party constituting the Contractor satisfies GoI that it is willing and able to carry out the Contractor's obligations, or where the non-defaulting party with GoI's consent has acquired participating interest of defaulting party pursuant to the JOA and has procured and delivered to GoI a guarantee in respect such participating interest. If the circumstance(s) giving rise to right of termination are remedied within stipulated time, termination shall not become effective. On termination, rights and obligations of the Contractor shall cease but shall not affect rights or obligations of any party which may have accrued and not been discharged prior to termination.

Domestic Blocks

The following table sets forth details of our material agreements in relation to our operated and non-operated blocks in India:

Parties	Contract Area	Contract Date	Present Participating Interest	Term
JVs with Indian Partners where our Company is the Operator				
GoI, our Company and Shiv Vani Oil	Approximately 144 square kilometers in onshore block AA-ONN-2004/1 in Assam	March 2, 2007	85% for our Company and 15% for Shiv Vani	Period of the PEL and any PML granted thereunder
GoI, our Company and HPCL	Approximately 275 square kilometers in onshore block AA-ONN-2003/3 in Arunachal Pradesh	September 23, 2005	85% for our Company and 15% for HPCL	Period of the PEL and any PML granted thereunder
GoI, our Company and ONGC	Approximately 7,425 square kilometers in onshore block RJ-ONN-2002/1 in Rajasthan	February 6, 2004	60% for our Company and 40% for ONGC	Period of the PEL and any PML granted thereunder
GoI, our Company, ONGC and Suntera Cyprus	Approximately 1,460 square kilometers in onshore block AA-ONN-2002/3 in Assam	February 6, 2004, amended on November 26, 2007	70% for ONGC, 20% for our Company and 10% for Suntera Cyprus	The period of the PEL and any PML granted thereunder
GoI, our Company, ONGC and Suntera Cyprus	Approximately 1,698 square kilometers in onshore block RJ-ONN 2001/1 in Rajasthan	February 4, 2003, amended on November 23, 2007	40% for our Company, 30% for ONGC and 30% for Suntera Cyprus	The period of the PEL and any PML granted thereunder
GoI, our Company and Suntera Cyprus	Approximately 1,267.50 square kilometers, in onshore block RJ-ONN-2000/1 in Rajasthan	July 17, 2001, amended on November 26, 2007	60% for our Company and 40% for Suntera Cyprus	The period of the PEL and any PML granted thereunder
GoI, our Company, HOEC and HPCL Mittal Energy Limited	Approximately 1517 square kilometers, in onshore block RJ-ONN-2005/2 in Rajasthan	December 22, 2008	60% for our Company, 20% each for HOEC and HPCL Mittal Energy Limited each	The exploration period is divided into two exploration phases, each of which shall not exceed two consecutive periods of four years for the first exploration phase and three years, for the second exploration phase respectively
JVs with Indian partners where our Company is not the Operator				
ONGC, Gas Authority of India Limited and IOCL, with ONGC as operator	Approximately 4,061 square kilometers in offshore block MN-OSN 2000/2	July 17, 2001	40% for ONGC and 20% each for GAIL, IOCL and our Company	Period of the License and any Lease granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 110 square kilometers in onshore block AA-ONN-2001/3	February 4, 2003	85% for ONGC and 15% for our Company	The duration for the contract shall be divided into three exploration phases, each of which shall not exceed three contract years, for a total period not exceeding seven consecutive contract years.
GoI, our Company,	Approximately	March 2, 2007	60% for ONGC and	For the period of the

Parties	Contract Area	Contract Date	Present Participating Interest	Term
ONGC, GAIL and GSPCL and HPCL, with ONGC as operator	10,907 square kilometers in deep-water block KG-DWN 2004/6		10% each for GAIL, GSPCL, HPCL and our Company	PEL and any PML granted thereunder
GoI, our Company, ONGC, GAIL, GSPCL, BPCL and HPCL, with ONGC as operator	Approximately 11,922 square kilometers in deep-water block KG-DWN 2004/5 in Andhra Pradesh	March 2, 2007	50% for ONGC and 10% each for GAIL, GSPCL, HPCL, BPCL and 10% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC and BPCL, with ONGC as operator	Approximately 9,980 square kilometers in offshore block MN-DWN-2002/1 in Orissa	February 6, 2004, amended on February 7, 2008	36% for ONGC, 34% for ENI India Limited, 20% for our Company and 10% for BPCL	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC and BPCL, with ONGC as operator	Approximately 10,600 square kilometers in offshore block KG-DWN-2002/1 in Andhra Pradesh	February 6, 2004	70% for ONGC and 20% for our Company and 10% for BPCL	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 12,425 square kilometers in offshore block CY-DWN-2001/1	February 4, 2003	80% for ONGC and 20% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 1,060 square kilometers in onshore block AA-ONN-2002/4 in Assam	February 6, 2004	90% for ONGC and 10% for our Company	For the period of the PEL and any PML granted thereunder
GoI, our Company and ONGC, with ONGC as operator	Approximately 4,970 square kilometers in offshore block KG-DWN-98/4	April 12, 2000, amended on February 15, 2003	85% for ONGC and 15% for our Company	For the period of the PEL and any PML granted thereunder
GoI, ONGC and our Company	Approximately 3,940 square kilometers in Block WB-ONN-2005/4	December 22, 2008	75% for ONGC and 25% for our Company	The exploration period is divided into two exploration phases and shall not exceed two consecutive periods of five years for the first exploration phase and three years, for the second exploration phase respectively
GoI, ONGC and our Company	Approximately 11,837 square kilometers in AN-DWN-2005/1	December 22, 2008	90% for ONGC and 10% for our Company	The exploration period is divided into two exploration phases and shall not exceed two consecutive periods of five years for the first exploration phase and three years, for the second exploration phase respectively
GoI, ONGC, our Company and Assam Company Limited ("**ACL**")	Approximately 363 square kilometers AA-ONN-2005/1	December 22, 2008	60% for ONGC, 30% for our Company and 10% for ACL	The exploration period is divided into two exploration phases and shall not exceed two consecutive periods of four years for the first exploration phase and three years, for the

Parties	Contract Area	Contract Date	Present Participating Interest	Term
				second exploration phase respectively
JVs with foreign partners where our Company is the Operator				
GoI, our Company and Geoglobal Resources (Barbados) Incorporated ("**Geoglobal**"), with our Company as Operator	Approximately 2,196 square kilometers in onshore block RJ–ONN-2004/2 in Rajasthan	March 2, 2007	75% for our Company and 25% for Geoglobal	The duration of the first exploration phase shall be for four consecutive contract years and the second shall be for three years
GoI, our Company, Geoglobal, and HPCL, with our Company as Operator	Approximately 1,330 square kilometers in onshore block RJ–ONN-2004/3 in Rajasthan	March 2, 2007	60% for our Company, 25% for Geoglobal and 15% for HPCL	For the period of the PEL and any PML granted thereunder
GoI, our Company and Suntera Cyprus, with our Company as Operator	Approximately 218 square kilometers in onshore block AA-ONN-2004/2 in Assam	March 2, 2007	90% for our Company and 10% for Suntera Cyprus	The total duration of the contract shall not exceed eight years in two phases.
GoI, our Company, Suntera Cyprus and Shiv Vani, with our Company as Operator	Approximately 3,213 square kilometers in frontier area onshore block MZ-ONN-2004/1 in Mizoram	March 2, 2007	75% for our Company, 10% for Suntera Cyprus and 15% for Shiv Vani	For the period of the PEL and any PML granted thereunder
GoI, our Company and Geoglobal, with our Company as Operator	Approximately 549 square kilometers in onshore block KG-ONN-2004/1 in Andhra Pradesh	March 2, 2007	90% for our Company and 10% for Geoglobal	For the period of the PEL and any PML granted thereunder
Pre-NELP JVs				
GoI, our Company, HOEC and IOCL, with HOEC as operator	Approximately 305 square kilometers in onshore block AAP-ON-94/1 in Assam	June 30, 1998, amended on December 29, 2003 and August 24, 2006	40.32% for HOEC, 16.13% for our Company, 43.548% for IOCL	25 years, which may be extended for a further period of five years. In the event of commercial production of NANG, the PSC may be extended for a further period not exceeding 35 years
GoI, RIL, ONGC and our Company, with RIL as operator	Approximately 5,725 square kilometers in offshore block GK-OSJ-3	September 6, 2001	60% for RIL, 25% for ONGC and 15% for our Company	25 years which may be extended for a further period of five years. In the event of commercial production of NANG, the PSC may be extended for a further period not exceeding 35 years

Kharsang PSC

Parties	Contract Area	Contract Date	Production Sharing	Term

GoI, Geopetrol International Incorporated ("**Geopetrol**"), Enpro India Limited ("Enpro", subsequently renamed Jubilant Enpro India Limited) and Geoenpro Petroleum Limited, with Geoenpro Petroleum Limited as operator	Approximately 10 square kilometers onshore in Kharsang producing block in Arunachal Pradesh	June 16, 1995	40% for our Company, 25% each for Geopetrol and Enpro, 10% for Geoenpro	For the period of the PEL and any PML granted thereunder

Overseas Blocks

Where our Company is the Operator

Block Shakthi, Gabon

Our Company has entered into a farm-in agreement dated April 17, 2006, with IOCL and Marvis Private Limited, Singapore, under which it has been assigned a participating interest in Block Shakthi in Gabon. Pursuant to this agreement, our Company and IOCL each hold 45% participating interest, and 10% participatory interest is held by Marvis Private Limited, with our Company as the operator. Subsequently, our Company has entered into a JOA dated April 27, 2007 with IOCL and Marvis Private Limited, Singapore for Block Shakthi, Gabon.

Area 86 and Block 102/4, Libya

Our Company has entered into two separate exploration and production sharing agreements dated March 20, 2005 and December 3, 2005, with National Oil Corporation, Libya, and IOCL, in relation to Area 86 and Block 102/4 in Libya. Our Company and IOCL each hold 50% participating interest. Our Company is the operator for each of the said agreements. Either party may terminate this agreement upon a notice of 30 days. Pursuant to the above, our Company has entered into two separate JOAs dated September 14, 2005 and May 10, 2007 with IOCL, for Area 86 and Block 102/4, Libya.

Where our Company is not the Operator

Farsi Block, Iran

Our Company, in consortium with OVL and IOCL, has entered into a service contract dated December 25, 2002, with National Iranian Oil Company for Farsi Block, Iran. The exploration period under this contract was due to expire in four years, which was extended by the National Iranian Oil Company until December 24, 2007, through letter dated December 23, 2006. The service contract was later extended by the National Iranian Oil Company until June 24, 2009. Thereafter, OVL has made an application dated June 18, 2009 to the National Iranian Oil Company for further extension of the exploration service contract period until June 24, 2010. The contract is terminable by a written notice by National Iranian Oil Company. Pursuant to the same, National Iranian Oil Company and the consortium between our Company, OVL and IOCL have also entered into an agreement on procedures for arbitration, dated December 25, 2002.

Subsequently, upon discovery of commercial fields in this block, our Company has entered into a JOA dated January 3, 2003, with OVL and IOCL, for Farsi Block, Iran. OVL and IOCL shall each hold 40% participating interest and 20% participating interest is held by our Company. OVL is the operator. The contract for this block is to be entered into prior to the development stage. The service contract provides that National Iranian Oil Company and the consortium will negotiate a development service contract if the Farsi offshore block is proven to be commercially viable during the exploration phase. Further, as required under the services contract, a master development plan for the discovery was submitted to the NIOC in April 2009 by OVL on behalf of the consortium where the oil discovery was held to be non-commercial. The NIOC and the consortium have not reached any agreement on the terms of the development services contract.

Blocks 82 and 83, Yemen

In December 2006, our Company was awarded blocks 82 and 83 in Sayun Masilah Basin, Yemen, as part of a consortium as per a joint bid submitted by Medco International Holding Private Limited ("**Medco**"), IOCL, Kuwait Energy Kcs ("**KEK**") and our Company, to the Government of Yemen, Ministry of Oil and Minerals, Petroleum Exploration and Production Authority. Subsequently, our Company entered into two production sharing agreements dated April 13, 2008 with the Ministry of Oil and Minerals, Government of Yemen, Medco Yemen Amed Limited, IOCL, Kuwait Energy Company ("**KEC**") and Yemen General Corporation for Oil and Gas for block 82 and with Ministry of Oil and Minerals, Government of Yemen, Medco Yemen Arat Limited, IOCL, Kuwait Energy Company and Yemen General Corporation for Oil and Gas for block 83. Pursuant to the production sharing agreements, Medco Yemen Amed Limited / Medco Yemen Arat Limited, KEC, IOCL and our Company hold 45%, 25%, 15% and 15% participating interest, respectively, with Medco Yemen Amed Limited and Medco Yemen Arat Limited as the operator for block 82 and 83, respectively. Additionally, the production sharing agreements provide that from the effective date, Yemen General Corporation for Oil and Gas will acquire 15% of the consortium's rights and working interest in both blocks 82 and 83. Final Parliamentary approval, for the blocks, of the Government of Yemen for the execution of the production sharing contract with the Ministry of Oil and Minerals of Yemen, and the JOAs pursuant thereto was received on March 17, 2009.

Block OPL-205, Nigeria

We acquired an indirect 17.5% participating interest in Block OPL-205 through our acquisition from Summit Oil, of a 25% interest in a joint venture, Suntera Nigeria OPL 205 in 2006, which owns a 40% participating interest and a 30% economic interest in the oil prospecting license 205. The other joint venture parties are Suntera Cyprus, which holds a 50% interest in the joint venture and an indirect 35% interest in the block and IOCL, which holds a 25% equity interest in the joint venture and an indirect 17.5% interest in the block, and Summit Oil, which retains a 30% interest in the block. After the expiry of the prospecting license on January 19, 2009, the operator submitted an application for conversion of the OPL in an Oil Mining Lease. The approval of the Federal Government of Nigeria to convert OPL 205 to an Oil Mining Lease was received on June 25, 2009. For details on our investment and on Suntera Nigeria, see "***History and Certain Corporate Matters - Entities in which our Company has substantial investment***" on page 113.

Area 95/96 in Libya

In December 2007, our Company, in consortium with SIPEX and IOCL has been awarded Area 95/96 (comprised of four blocks located in the Ghadames Basin in South Western Libya), in the Libyan EPSA Gas Bid Round IV held in 2007. SIPEX, IOCL and our Company hold 50%, 25% and 25% share in the consortium, respectively, with SIPEX as operator. Pursuant to this award, the consortium has executed an Exploration and Production Sharing Contract dated May 25, 2008 with the National Oil Corporation of Libya, and a Joint Operating Agreement dated April 24, 2009. The approval decree of the General People's Committee for the Exploration and Production Sharing Contract was received on June 1, 2008.

Timor Leste

Reliance Industries Limited ("**RIL**") executed a PSC dated November 16, 2006 with the Ministry of Natural Resources, Minerals and Energy Policy, acting on behalf of the Democratic Republic of Timor Leste ("**Government of Timor Leste**"), under which RIL was granted 100% participating interest for exploration and production of petroleum in Contract Area K in Timor Leste. By a deed of assignment dated September 10, 2007, RIL assigned 100% participating interest in favour of its affiliate, Reliance Exploration and Production DMCC ("**Reliance DMCC**"), which was approved by the Government of Timor Leste on February 7, 2008. Pursuant to the above, two separate farm-out agreements dated June 2, 2008 were executed between Reliance DMCC and our Company and Reliance DMCC and IOCL, respectively for assigning and transferring 12.5% participating interest in Block-K to each of the Company and IOCL. The approval of the *Autoridade Nacional do Petroleo*, after consent from the Secretary of State for Natural Resources, Government of Timor Leste was received on October 15, 2008, pursuant to which a deed of assignment between Reliance DMCC and our Company for assignment of 12.5% participating interest in deepwater offshore block K in Timor Leste was intended to be executed. Pursuant to the above, a JOA dated August 26, 2008 has been executed between Reliance DMCC, IOCL and our Company, under which the participating interest of Reliance DMCC (as operator) is 75% and IOCL and our Company hold 12.5% each.

Blocks 3 and 4 in South Quesir and South Sinai, Egypt

Our Company entered into a joint study and bidding agreement on July 8, 2008 with GSPCL, HPCL and Essar Exploration and Production Limited to jointly explore the potential for forming a bidding consortium with a view to submit bids for blocks offered by the Ganoub El-Wadi Petroleum Holding Company, Egypt ("**Ganoub**") under International Bid Round 1 2008 for areas including South Sinai, Wadi Mahareeth and El

Ghazaliat. However, bid for the above blocks was made only by GSPCL, HPCL and our Company with a 50%-25%-25% participating interest respectively. On November 5, 2008, GSPCL received intimation from Ganoub suggesting that GSPCL's offer for blocks 3 and 4 in South Quesir and South Sinai, Egypt, have been accepted, subject to final approval from the Government of Egypt. The approval of the Government of Egypt is currently awaited.

Other Information

Sudan Pipeline Contracts

ONGC Videsh Limited ("**OVL**") has entered into a pipeline contract agreement dated June 30, 2004, with the Ministry of Energy & Mining, Government of Sudan, Khartoum, Sudan ("**Government of Sudan**"), for, setting up pipelines in Sudan. Pursuant to the above, our Company has entered into a participation agreement dated November 10, 2004, with OVL, for the construction of the above 741 km long pipeline in Sudan for transportation of petroleum products, under which OVL's initial participating interest is 90% equity stake while 10% equity stake is held by our Company. OVL is the leader of the consortium. The construction of the pipeline was completed in September 2005 and the pipeline is now operational with a capacity to transport 18.62 million barrels per year. The ownership of the pipeline will be transferred to the Sudanese Ministry of Energy and Mines upon payment, by the Sudanese Ministry of Energy and Mines, of the last instalment in 2014.

Natural Gas, Oil and Condensate Sale Agreements

The following table sets forth brief details of our natural gas, oil and condensate sale agreements:

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Off take	Committed Maximum Yearly Off take	Pricing	Validity
1.	Memorandum of understanding with for sale of natural gas dated January 27, 2003	AGCL	Moran Plantation Gas Grid Suppliers' Association	0.1 MMSCUMD	11.20 MMSCUM	Subject to GoI's decision from time to time	10 years, renewable for a further period on mutually agreed terms, or until a formal agreement is signed between the parties. Consolidated gas supply contract to be executed by December 2002[1]
2.	Memorandum of understanding for sale of natural gas dated May 19, 1993	AGCL	Margherita Gas Grid	0.075 MMSCM	7.79 MMSCM	Subject to GoI's decision from time to time	10 years, renewable for a further period on mutually agreed terms, or until a formal agreement is signed between the parties. Consolidated gas supply contract to be executed by December 2002[1]
3.	Agreement for sale and purchase of natural gas dated February 26, 1991[1]	AGCL	Dibrugarh Gas Grid	0.186 MMSCUMD	24.39 MMSCUM	Subject to GoI's decision from time to time	15 years, renewable for a further period on mutually agreed terms
4.	Agreement for supply to natural gas dated October 19, 2001	Hindustan Fertiliser Corporation Limited	Namrup, Dibrugarh, Assam	1.10 MMSCUMD for the first phase, 1.72 MMSCUMD for the second	-	Continued as per APM, as per GoI's instructions	10 years, which may be renewed for a further period of five years

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Off take	Committed Maximum Yearly Off take	Pricing	Validity
				phase			
5.	Agreement for sale and purchase of natural gas dated October 11, 2004	GAIL	Dandewala, Rajasthan	Initially 0.50 MMSCUMD, enhanced to 0.70 MMSCUMD after two years, further enhanced to 0.90 MMSCUMD	-	US$ 4.21 per MMBTU including royalty and taxes at present rate for entire quantity of gas, on attaining the agreed gas quantum of 0.90 MMSCUMD having calorific value in the range of 4,000-4,400 Kcal/SCM	10 years from October 11, 2004, with a mid-term mutual review after completion of five years
6.	Agreement for supply of natural gas dated January 13, 2005	North Eastern Electric Power Corporation Limited	Power Plant in Bokuloni, Dibrugarh, Assam	1.40 MMSCUMD	-	Up to 1 MMSCUMD as per the Administered Pricing Mechanism, and beyond 1 MMSCUMD as per GoI's latest instructions (Non APM) which will escalated on yearly basis on AICPI	10 years, renewable for a further period of five years
7.	Agreement for supply of natural gas dated September 2, 2005	Assam Power Generation Corporation Limited	Lakwa Thermal Power Station, Assam	0.50 MMSCUMD	-	For supply up to 0.50 MMSCUMD, pricing continued as per GoI's instructions (Non APM)	10 years from the date of initial gas supply which may be renewed for a further period of five years
8.	Agreement for supply of natural gas dated August 9, 2006	Ne Thermion Private Limited	Jayanagar, Duliajan	After the full commissioning of Ne Thermion's plant, 0.02 MMSCUMD	-	Prices escalated annually based on the All India Consumer Price Index	Five years from the date of signing this agreement, renewable for a further five years on mutually agreed terms
9.	Agreement for supply of natural gas dated March 17, 2005	NRL	3.00 MMTPA refinery in Numaligarh, Assam	0.8/1.0 MMSCM	270/300 MMSCM	Pricing subject to GoI's decision from time to time (Non APM)	15 years from date of initial commencement of supply, renewable for a further five years on mutually agreed terms
10.	Agreement for supply of natural gas dated March 22, 2005	AGCL	Jorhat and Golaghat Gas Grid	0.1 MMSCUMD	-	Pricing set by GoI notification (Non APM) escalated	10 years from October 11, 2004, renewable for a further period on mutually agreed

S. No.	Description of Agreement	Purchaser	Supplied To	Committed Maximum Daily Off take	Committed Maximum Yearly Off take	Pricing	Validity
						annually based on All India Consumer Price Index	terms
11.	Crude oil sale and purchase agreement dated April 9, 2003	NRL	3.00 MMTPA refinery in Numaligarh, Assam	-	-	Subject to GoI's decision from time to time	Valid until March 31, 2004 unless replaced by a Crude Oil Sales Agreement.[1]
12.	Memorandum of understanding for crude oil sale and purchase dated April 7, 2003	IOCL	Refineries of IOCL and its subsidiary BRPL	-	-	Subject to GoI's decision from time to time	Valid until March 31, 2004 unless replaced by Crude Oil Sales Agreement.[1]
13.	Agreement for the sale of light crude oil dated September 7, 2007 and amendment agreement dated May 23, 2009	Indu Organic Corporation	Chittorgarh, Rajasthan	-	-	Subject to GoI's decision from time to time	One year from April 20, 2009
14.	Agreement for sale of natural gas dated September 19, 2007	BCPL	Assam gas cracker project at Lepetkata	6 MMSCUMD, for extraction of C2+ components by BCPL[2]	-	As provided in the agreement and subject to GoI's decision from time to time	15 years from commissioning date, which shall be within 18 months from date of agreement
15.	Agreement for sale of condensate dated October 31, 2008	EPC International Private Limited	Jalpaiguri, West Bengal	65-70 MT	-	As provided in the agreement	One year from the first month of upliftment of condensate
16.	Agreement for sale of condensate dated October 20, 2008	M/s Sikkim Organics	Manpur, Sikkim	65-70 MT	-	As provided in the Agreement	One year from the first month of upliftment of condensate

[1] *While the indicated memoranda of understanding have expired, our Company continues to supply natural gas at prices notified by GoI from time to time.*
[2]*After removal of the C2+ hydrocarbon fractions and sulphur compounds and carbon dioxide, and meeting internal consumption and fuel requirements, BPCL shall return remaining gas to our Company.*

Our Company also continues to supply natural gas in small quantities (0.019 to 0.313 MMSCUMD) to various small consumers including tea gardens at prices set as per notifications issued by GoI from time to time.

Crude Oil Transportation Agreements

Our Company has entered into a memorandum of understanding dated April 25, 2007 with ONGC, for the transport of crude oil produced by ONGC from its oil fields in Assam to the refineries located at Numaligarh (NRL), Guwahati (IOCL) and Bongaigaon (BRPC). Under this memorandum of understanding, ONGC is required to provide crude oil to our Company at our Custody Transfer Tank ("**CTT**"), Moran (not to exceed 1.10 MMTA) and Jorhat (not to exceed 1.34 MMTA) for transportation to various refineries. In respect of ONGC crude oil transportation by our Company, ONGC would pay to our Company as per the price worked out for the year 2005-06 based on the price fixed by OCC for the year 2001-2002. These rates would be escalated by wholesale price index from April 1, 2006 on annual basis with March 2006 as the base. In respect of services provide by our Company, ONGC would pay to our Company at the rates as prevalent for the year 2001-2002 escalated by wholesale price index (applicable to "all commodities") with March 2002 as the base. The agreement shall remain valid from April 1, 2007 to March 21, 2012, unless replaced by a Crude Oil Transportation Agreement.

In addition, our Company has entered into a crude oil transportation agreement dated April 17, 2003 with IOCL's subsidiary, BRPL for the transportation of 1.50 MMTA crude oil through our Company's pipeline terminal from Barauni, Assam, to BRPL's refinery at Dhaligaon, Assam. While the provisional transportation tariff is fixed at Rs. 300 per Metric Tonne for each tonne of wet crude effective from April 1, 2003, the tariff will escalate at 10% per annum. The agreement shall remain valid for a period of five years from April 1, 2003 unless terminated earlier by a 45 day prior written notice. Even though the agreement has expired, the parties are still continuing their activities as per the terms and conditions of the agreement.

Upstream Business Opportunities

Our Company has entered into a MoU dated August 18, 2005, with ITERA Oil and Gas Company, Russia ("**ITERA**"), to jointly pursue opportunities in oil and gas exploration, development and production in India, Libya and internationally. For exploration and production projects in India, ITERA would operate through Suntera Cyprus, its joint venture with the SUN Group. The parties have agreed to enter into project-specific consortia, with 50% participating interest each, unless specifically decided otherwise. Our Company may invite IOCL to participate in any petroleum rights to be acquired by the parties, while ITERA may invite Zarubezhneft or the SUN Group for opportunities outside India. Further, either party may invite any third parties to participate in any petroleum rights acquired by the parties jointly, subject to the prior consent of the other party. This MoU is valid for five years, and may be terminated by either party providing six months prior notice.

Our Company has entered into a MoU dated December 8, 2004, with IOCL for jointly pursuing upstream overseas petroleum opportunities, for a period of 10 years. The parties have agreed to enter into project-specific consortia, with 50:50 participating interest, unless specifically decided otherwise. Wherever the acquisition of exploration and production properties overseas results in other opportunities in the hydrocarbon value chain, both parties shall mutually decide on participation in the same. The obligations of the parties are several and not joint. Any press release or advertisement by either party with respect to this MoU or any business opportunity arising therefrom, will require prior consent of the other party.

Other Business Opportunities

Our Company has entered into a MoU dated July 30, 2005, with IOTL with respect to jointly taking up pipeline and related projects and services in India and overseas for a period of five years, which period is extendable by mutual consent of the parties. The parties have agreed to enter into project-specific consortia, with 50:50 participating interest. During the subsistence of this MoU, the parties shall not enter into any contracts or discussions with respect to the subject matter of this MoU, with any third party. The agreement may be terminated by mutual consent of parties or by prior notice of 30 days by either party or upon material breach by either party, or upon liquidation of either party to this agreement.

Our Company has entered into a MoU dated October 12, 2007 with British Gas Exploration and Production India Limited to enter into a strategic relationship to evaluate joint participation in mutually identified exploration blocks proposed to be offered by the GoI in the forthcoming NELP VII licensing rounds. The parties agree to execute a joint bidding agreement before bidding for any project and also agree that our Company will be considered as the operator for onshore bid blocks and BGEPIL shall be considered the operator for offshore (shallow and deep-water) bid blocks. BGEPIL has also agreed to jointly operate with our Company in one of the bid blocks in deep-water areas in NELP VII. The parties have also agreed to examine possibilities of joint participation in acquiring upstream acreages outside India. The MoU shall be valid for a period of two years from the date of execution of the agreement and can be extended as mutually agreed. Either party can terminate the MoU upon a 30 day prior written notice to the other party.

Our Company has entered into a MoU dated October 18, 2007 with HPCL, GAIL, Mittal Energy Investments Pte Limited and Total France S.A., with the objective of studying and evaluating feasibility of building an integrated refinery and petrochemical complex at Visakhapatnam. The parties have agreed that any decision to enter into a binding agreement for carrying our front end engineering design studies in the next phase shall be taken after undertaking certain feasibility studies with respect to the project. The MoU shall be valid for a period of two years from the date of execution of the agreement and can be extended upon extension at least 30 days prior to such expiry.

Our Company has entered into a memorandum of agreement dated November 6, 2007 with HPCL for jointly pursuing oil and gas opportunities in the upstream as well as the downstream sector in India and overseas. The parties have agreed to jointly participate in bidding for a few prospective blocks under NELP VII. HPCL has also agreed to explore the possibility of inducting our Company in Bhagyanagar Gas Limited, if feasible, for distribution of compressed natural gas and city gas distribution in Andhra Pradesh. Additionally, both parties have also agreed to evaluate options to jointly participate in construction and operation of a gas pipeline in Andhra Pradesh and any other areas of mutual interest. Our Company has also agreed to offer HPCL an opportunity to jointly bid for overseas upstream projects in case IOC is unwilling to join such a project. The memorandum of agreement is valid for a period of two years or until terminated by a prior notice of 60 days by either party and is renewable by mutual consent.

We have also entered into a MoU with Transparency International India on November 29, 2007 to implement their integrity pact program within our organisation in consultation with the Central Vigilance Commission. This integrity pact program has been developed to ensure that all activities and transactions between a company or government departments and their suppliers are handled in a fair, transparent and corruption free manner. The MoU is valid until terminated by mutual consent upon a 30 day prior written notice by either party.

Our Company has executed a MoU dated June 27, 2008 with Mittal Energy Investments Private Limited, Singapore, to jointly pursue exploration and production opportunities in NELP VII in India and to explore other areas of mutual interest in the upstream, midstream, and downstream oil and gas business in India and overseas other than in countries where Mittal Investments has exclusive arrangements with ONGCL, ONGC Videsh Limited, or other parties. This MoU is non-exclusive and the parties have agreed that an overseas alliance between them may include IOCL. The MoU is valid for a period of three years or until terminated by a prior notice of 60 days by either party. The MoU may be renewed by mutual consent.

Our Company has entered into a MoU dated March 14, 2008, with KPTL to jointly pursue opportunities related to the Assam Renewal Project initiated by ONGC. Pursuant to the above, our Company and KPTL executed a joint venture agreement dated May 6, 2008 to jointly participate in the Assam Renewal Project, initially as an unincorporated 50:50 joint venture and subsequently as an incorporated joint venture, and to jointly pursue further opportunities in pipeline business in as well as outside India.

Our Company has entered into a MoU dated December 27, 2007 with GAIL for co-operation in joint participation in exploration and production activities (subject to IOCL's participation in overseas upstream opportunities), transmission, and marketing of natural gas, city gas distribution network, CBM, gas based petrochemicals, and sharing of technology and knowledge between the parties, in as well as outside India. The MoU shall be valid for a period of two years from the date of its execution, within which the parties shall endeavour to enter into joint co-operation agreements.

Our Company has entered into a MoU dated February 26, 2008 with SIOPL, to jointly pursue exploration and production opportunities in NELP VII in India, as well as exploration and production opportunities overseas in alliance with IOCL. The MoU shall be valid for a period of two years from the effective date, unless otherwise renewed by the parties by mutual agreement.

Our Company has entered into a MoU dated May 26, 2008 with Perdaman Industries Pty Limited, to form a joint venture to pursue gas related business in Western Australia. The MoU may be terminated by either party by a notice in writing in the event the parties fail to enter into the joint venture agreement within 12 months of the execution of the agreement.

Our Company has entered into a MoU dated September 16, 2008 with IOCL for co-operation in purchase and sale of natural gas, joint development of city gas projects (in India and overseas) and development of gas pipeline infrastructure. The MoU is valid for a period of two years from the date of execution or such extended period as may be mutually agreed between the parties or upon execution of definitive agreements for the implementation of the project(s) whichever is earlier.

Our Company has entered into an agreement dated February 5, 2009 with DNP Limited for leasing of our right of way to DNP Limited from Duliajan to Numaligarh via Budalipar for laying of a 406 mm dia natural gas pipeline from Duliajan to Numaligarh for transportation of natural gas from our Company's off take point near well No. 50 at Madhuban near Duliajan to Numaligarh Refinery Limited at Numaligarh. Under the MoU, our Company shall also be responsible for providing support in establishing the CP system for the pipeline as well as extending operation and maintenance services on chargeable basis. The agreement is valid for a period of 10 years from the date of signing and may be renewed for a further period of 10 years on terms and conditions mutually agreed between the parties. Furthermore, the agreement cannot be terminated by either of the parties within 10 years of signing.

Our Company has entered into a MoU with BPCL dated June 16, 2009 for mutual co-operation to pursue business opportunities both in India and overseas. The scope of co-operation includes, joint participation in competitive bidding, submitting expression of interests for laying, building, operating or expanding City Gas Distribution ("**CGD**") networks in geographical areas as notified by the PNG Board, or marketing of natural gas within other notified geographical areas post exclusivity period in areas not falling under the notified geographical areas. It also includes joint bidding or actual laying, building and operating (either on common carrier or contract carrier basis) or expanding natural gas pipelines along mutually identified routes. Further, the scope of cooperation also includes examining proposals for developing CNG corridors along national and state highways, sourcing of natural gas for CGD Networks from our Company's oilfields or other producers either from India or overseas and evaluating technical and economic viability of proposals for use of natural gas from our Company's oilfields including generating power. Under the MoU, our Company and BPCL have agreed to enter into a definitive joint venture agreement and allow equity participation by Assam Gas Company Limited in the proposed joint venture. The MoU is valid for a period of two years or such extension as mutually agreed between the parties and is terminable by 30 days notice by either party.

Our Company has entered into a MoU dated April 27, 2009 with an Australian company, Advanced Well Technologies Pty Limited, by which both parties have agreed to form a joint venture company for the purpose of (a) identifying and evaluating acquisition opportunities for upstream petroleum assets in Australia and elsewhere, and (b) acquiring upstream petroleum assets, and developing such assets. Any acquisition opportunity identified by Advanced Well Technologies Pty Limited and presented to our Company prior to formation of such a joint venture company will, if approved by both parties, be pursued further after formation of the joint venture. The joint venture company is required to be formed within a period of six months from the date of the MoU. The MoU is valid for a period of six months, and is terminable by 30 days notice by either party.

Further to an MoU dated February 6, 2008 between Polskie Gornictwo Naftowe I Gazownicto SA ("**PGNiG**"), a national oil company owned by the Government of Poland, and the National Iranian Oil Company of Iran ("**NIOC**"), PGNiG has carried out due diligence of the Lavan Gas Field in Iran offered by NIOC. PGNiG invited our Company for discussions and GSPCL has also shown interest in participation in the development of this gas field. The Company has entered into a MoU dated November 27, 2008 with GSPCL, to jointly evaluate the field. The parties have acknowledged that our Company may invite IOCL with which we have an existing understanding to exclusively pursue all overseas E&P opportunities, and further, that our Company and GSPCL and their respective affiliates shall not either individually or in consortium with any third party (excluding PGNiG and IOCL) bid for the Lavan Gas Field, except where the other party to this MoU has declined to bid for the field. If awarded, the respective participating interests of the parties in the Lavan Gas Field will be as mutually agreed upon in consultation with PGNiG. The MoU may be immediately terminated if (a) either party notifies the other that it has resolved not to enter into the joint venture agreement, (b) a party fails to enter into the joint venture agreement within 12 months of this MoU, or (c) either party notifies the other that it no longer wishes to be a party to the joint venture agreement. If a party resolves not to continue with the joint venture, it is required to not initiate, enter into, continue or pursue any discussions or negotiations with NIOC or anyone representing NIOC in relation to purchase of the Lavan reserves for a period of one year from the date of the MoU.

Our Company entered into an agreement with IOCL to form a company with the object of availing opportunities in the international market to acquire assets of, or equity in, overseas midsize exploration and production properties. Consequently, IOCL has incorporated a Company by the name Ind-Oil Overseas Limited in Mauritius. As on date of this Red Herring Prospectus, all shares of Ind-Oil Overseas Limited are held by IOCL.

Other Contracts

We own a dedicated telecommunication infrastructure including optical fibre cable along our trunk crude oil pipeline of 1,157 kilometers and we lease surplus fiber optic cable capacity in our pipeline infrastructure to leading telecom service providers. Our Company has entered into a dark fibre lease agreement dated September 19, 2007 with BSNL, with respect to a three year lease of our Company's optical fibre cable network from Duliajan, Assam, to Barauni, Bihar ("**OFC network**"), comprising part of our Company's telecom infrastructure in terms of the licence granted to us by the GoI, Department of Telecom/Telecom Regulatory Authority of India. This agreement shall come into effect with effect from the date of commencement of first service under this agreement, and BSNL will issue separate purchase orders at a specified rate, and will provide separate service level guarantees, for usage rights to each phase or section of our Company's OFC network, based on BSNL's requirement and subject to availability from our Company's telecom links and all applicable law. Subject to priority to our Company's oil transportation business, our Company shall take necessary steps to meet its obligations under this agreement and shall not terminate BSNL's usage rights under this agreement without its prior consent. The responsibility to maintain the OFC network upstream of the access points shall be that of our Company, while BSNL shall be responsible for maintenance of access points and all downstream distribution facilities. Our Company shall not be responsible for any disruption in telecommunication services due to failure of any component of the OFC network downstream from its access points. BSNL shall require our Company's prior consent to sublease, assign, transfer or create any other third party rights in respect of the leased dark fibres, provided that this shall not restrict BSNL from providing or leasing bandwidth to its customers within its normal business activities. The agreement is terminable upon a 30 day prior notice by either party.

Our Company has entered into similar agreements dated January 21, 2008 and February 22, 2008, with Bharti Airtel Limited and Railtel Corporation of India Limited, respectively. Recently, our Company has entered into similar agreements with Vodafone Essar Spacetel Limited, Power Grid Corporation of India Limited and Dishnet Wireless Limited dated April 1, 2009, March 5, 2009 and July 6, 2009 respectively.

A National Long Distance ("**NLD**") Licence Agreement dated December 27, 2007, was executed between the Department of Telecommunications, GoI, and our Company, to install, operate, and maintain an NLD service network and provide NLD services which is the carrying of switched bearer telecommunications service over a long distance, within territorial boundaries of India. The agreement permits our Company to make mutually agreed arrangements with basic service providers for picking up, carriage and delivery of the traffic from different legs between long distance charging center and short distance charging centers. Further, our Company shall not, without the prior written consent of the Department of Telecommunications, GoI, either directly or indirectly transfer the licence to any third party or enter into any agreement for sub licence. The Department of Telecommunications, GoI, also has the right to suspend the lease on the ground of public interest, in the interest of the security of the State or for proper conduct of NLD service. This NLD licence is valid for an initial period of 20 years, extendable by a single additional term of 10 years.

Our Company has entered into a capacity agreement dated July 3, 2009 with Trans Virtual Private Limited ("**TVPL**"), with respect to a three year lease (w.e.f. April 1, 2009) of end-to-end bandwidth, from Guwahati to Bongaigaon, on our Company's telecommunications network in terms of the license granted to us by the Department of Telecommunications, GoI for offering NLD services. In providing such capacity our Company shall use such transmission routings on the network as it may determine from time to time at its sole discretion. Additional capacity may be given before the expiry of the agreement by a purchase order on the same terms and conditions and such purchase orders will become an integral part of this agreement. Our Company has to ensure that usage rights of the capacity granted to TVPL is available as per service level guarantee of 98% of the time calculated on each link on quarterly basis, except for outages on account of force majeure events and for reasons attributable to TVPL. The agreement is terminable upon a 45 days prior notice by either party in case the other party fails to comply with any of the terms and conditions of this agreement.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have no less than three directors and no more than 16 directors. Our Board presently consists of twelve Directors out of which four are our whole-time Directors, two are nominees of the GoI and six are independent Directors.

The following table sets forth the details of our Board of Directors:

Name, Father's Name, Designation and Occupation and Nationality	Age	Address	DIN	Other Directorships
Mr. N. M. Borah S/o Late Mr. D. D. Borah **Designation**: Chairman and Managing Director **Occupation**: Service **Nationality**: Indian	57 years	M-125 Greater Kailash - II, First Floor, New Delhi 110 048	00489006	▪ Numaligarh Refinery Limited
Mr. T.K. Ananth Kumar S/o Mr. T.A. Krishnan **Designation**: Director (Finance) **Occupation**: Service **Nationality**: Indian	56 years	S1/522, Asian Games Village, New Delhi 110 009	00337930	▪ Brahmaputra Cracker and Polymer Limited
Mr. B.N. Talukdar S/o Late Mr. R. K. Talukdar **Designation**: Director (Exploration and Development) **Occupation**: Service **Nationality**: Indian	54 years	B-11, Asian Games Village, New Delhi- 110 009	01926119	▪ Suntera Nigeria 205 Limited
Mr. Ashok Anand S/o Mr. Ramji Dass Anand **Designation:** Director (Human Resources & Business Development) **Occupation:** Service **Nationality:** Indian	59 years	M-125, Ground Floor, Greater Kailash - II, New Delhi 110 048	02040015	▪ Nil
Mr. D.N. Narasimha Raju S/o Mr. Kempanna Narasappa **Designation**: Government Nominee Director **Occupation:** Service **Nationality**: Indian	53 years	K-62, Nivedita Kunj, Sec-10, R.K. Puram, New Delhi 110 022	01070476	▪ Nil

Name, Father's Name, Designation and Occupation and Nationality	Age	Address	DIN	Other Directorships
Dr. Archana Saharya Mathur D/o Mr. Suresh Behri Saharya **Designation**: Government Nominee Director **Occupation**: Service **Nationality**: Indian	50 years	A-20, HUDCO Place, Andrews Ganj, New Delhi 110 049	02555904	▪ Nil
Mr. Ghanshyambhai Hiralal Amin S/o Mr. Hiralal Aashabhai Amin **Designation:** Independent Director **Occupation:** Advocate **Nationality:** Indian	62 years	61, "Hiramani", Shilp Park, Behind Bandhu Samaj Society, Usmanpura, Ahmedabad 380 013	02284350	▪ Cosmos Co-operative Bank Limited; ▪ National Federation of State Co-operative Limited; and ▪ National Film and Fine Arts Co-operative Limited
Prof. Sushil Khanna S/o Late Mr. Chand Karan Khanna **Designation:** Independent Director **Occupation:** Professor/Academic **Nationality:** Indian	58 years	218 B, Lake Terrace Extension, Kolkata 700 029	00115364	▪ Kerala Finance Corporation; ▪ Nicco Ventures Limited; and ▪ The Information Company Private Limited
Mr. Arun K. Gupta S/o Late Col I. C. Gupta **Designation:** Independent Director **Occupation:** Advisor/Consultant **Nationality:** Indian	65 years	D-4/4211, Vasant Kunj, New Delhi 110 070	00836934	▪ Xcellence Software Solutions Private Limited
Mr. Alexander K. Luke S/o Late Mr. K.A. Luke **Designation:** Independent Director **Occupation:** Retired Indian Administrative Service Official **Nationality**: Indian	61 years	"Salin", Chathannoor, P.O. Kollam District, Kerala 691 572	00085916	▪ Gharda Chemicals Limited
Mr. Vinod K. Misra S/o Late Mr. Gangesh Misra **Designation:** Independent	62 years	56/1, Friends Colony (East), New Delhi 110 065	01641492	▪ M Bros Developers Private Limited; ▪ Crescendo Trading Private Limited; and ▪ Kribhco Shyam Fertilizers

Name, Father's Name, Designation and Occupation and Nationality	Age	Address	DIN	Other Directorships
Director **Occupation:** Retired Secretary, Defence (Finance), Ministry of Defence **Nationality**: Indian				Limited
Mr. Pawan K. Sharma S/o Late Mr. Kaviraj Jagdishwar Sharma **Designation:** Independent Director **Occupation:** Practicing Chartered Accountant **Nationality**: Indian	51 years	Jagdishwar Palace, M.S. Road, Fancy Bazar, Guwahati 781 001	00682428	▪ Life Saving Diagnostic & Hospital Private Limited; and ▪ J.S. Management & Financial Services Private Limited

Details of our Directors

Mr. N.M. Borah, aged 57 years, is our Chairman and Managing Director. He also currently holds the additional charge of Director (Operations) of our Company. He holds a bachelor's degree in petroleum engineering from the Indian School of Mines, Dhanbad. He also holds a post graduate diploma in petroleum prospecting and reservoir evaluation from the Norwegian Institute of Technology, Trondheim, Norway. He is also associated with the Society of Petroleum Engineers, USA and the Society of Petroleum Geophysics. He has over 35 years of experience in the oil and gas exploration and production industry. He is a member of the top level strategy team in our Company and is responsible for our Company's foray into international exploration activities. As Director (Operations) he is responsible for our Company's exploration, development, resource management, oil, gas and LPG production and pipeline business in North India. Previously, he also held the post of Group General Manager (Main Producing Area) and General Manager (Geosciences) at our Company. He joined our Board on May 6, 2004 as Director (Operations) and was elevated to the position of Chairman and Managing Director with effect from December 1, 2008.

Mr. T.K. Ananth Kumar, aged 56 years, is our Director (Finance). He holds a bachelor's degree in commerce from Osmania University. He is also a member of the Institute of Chartered Accountants of India. He has 28 years of experience in the oil and petroleum industry. Prior to joining our Company, he was the Director (Finance) of NRL for over three years and prior to joining NRL he worked with HPCL for 22 years. He is responsible for the entire financial management as well as the strategic management of the Company. He joined our Board on January 18, 2007.

Mr. B.N. Talukdar, aged 54 years, is our Director (Exploration and Development). He holds a bachelor's degree in technology (petroleum engineering) from the Indian School of Mines, Dhanbad. He has over 32 years of experience in the oil and petroleum industry. He heads all exploration, development, reservoir management and well construction management activities in the South Bank region. Prior to joining our Company on May 23, 1977, he worked as an Assistant Engineer (Reservoir) with ONGC. He joined our Board on December 1, 2007.

Mr. Ashok Anand, aged 59 years, is our Director (Human Resources and Business Development). He holds a bachelor's degree in Science from Government College, Rohtak. He also holds a master's degree in business administration from Himachal Pradesh University. He has almost 34 years of experience in the oil and petroleum industry. Prior to joining our Company on December 16, 1974, he was employed with Bajrang Engineering Works and Jawala Textile Mills. He is in charge of all matters relating to human resources including employees relations, security, public relations, training and development. He is also responsible for business development and is currently part of the strategic planning team of our Company. He is also a member of the Indian Council of Arbitration and the National Institute of Personnel Management. He joined our Board on February 1, 2008.

Mr. D. N. Narasimha Raju, aged 53 years, is a Government Nominee Director on our Board. He holds a master's degree in science (Horticulture) from University of Agricultural Sciences, Bangalore and a post graduate degree in master of business laws from the National Law School of India University, Bangalore. He joined the Indian Administrative Service in 1984 and has worked in various capacities with the Karnataka State government including having served as the Deputy Commissioner in Bangalore City Corporation, Bidar District and Bangalore Rural District. He has about 25 years of professional experience. He has also served in GoI on deputation basis as Deputy Secretary/Director in Department of Economic Affairs, Ministry of Finance and as Private Secretary to Commerce Minister. He was working as Joint Secretary (Marketing) in Ministry of Petroleum and Natural Gas from October 2006 to January 2009 and has also been working as Joint Secretary (Exploration) since August 2008. He has also been nominated as a special invitee on the board of ONGC Videsh Limited He joined our Board on August 1, 2008.

Dr. Archana Saharya Mathur, aged 50 years, is a Government Nominee Director on our Board. She holds a masters degree in economics, Delhi University and a doctorate in the field of international trade from Jawaharlal Nehru University, Delhi. She joined the Indian Economic Service in 1982. Dr. Mathur has professional experience of 26 years in government service, where she has served in various Economic Ministries of the GoI. She is currently an Economic Advisor in the MoPNG. She joined our Board on February 9, 2009.

Mr. Ghanshyambhai Hiralal Amin, aged 62 years is an independent Director. He holds a bachelor's degree in science and law from Gujarat University. He has 35 years experience as an advocate in the Gujarat High Court. He is also currently the director of National Federation of State Co-operative Limited, National Film and Fine Arts Co-operative Limited and is also the director and chairman of Gujarat region in Cosmos Co-operative Bank Limited. He was the former Chairman of the Bar Council of Gujarat and the Ahmedabad District Co-operative Bank. Mr. Amin is also a President of the National Cooperative Union of India. He joined our Board on July 30, 2008.

Prof. Sushil Khanna, aged 58 years is an independent Director. He holds a bachelor's degree in Science and Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta. Prof. Khanna has a total of 37 years of professional experience. He is a faculty member in the areas of Economics and Strategic Management at Indian Institute of Management, Calcutta. He is also a member of the Board for Restructuring Public Sector Enterprises constituted by the GoI. He is currently the Chairman of Kerala Finance Corporation. He joined our Board on July 30, 2008.

Mr. Arun K. Gupta, aged 65 years is an independent Director. He holds a bachelor's degree in science from the University of Allahabad and a post graduate diploma in systems management from the Bajaj Institute of Management, University of Bombay and is also a mechanical engineer. Mr. Gupta has about 40 years of professional experience. He joined the Indian Railways Service of Mechanical Engineers and retired as the Chief Administrative Officer (Railways) in Diesel Loco Modernization Works. He has served as a director on the boards of several public sector undertakings and is currently working as an advisor with RITES Limited. He is a member or fellow of a number of engineering and management institutes and associations. He is also currently a Trustee of the Kanhaiya Lal Trust, Roorkee. He joined our Board on July 30, 2008.

Mr. Alexander K. Luke, aged 61 years is an independent Director. He holds a bachelor's degree in civil engineering from Indian Institute of Technology, Mumbai. Mr. Luke has a total of 34 years of professional experience. He joined the Indian Administrative Service in 1975 and took voluntary retirement in 2006. During his years in the government service, he has served as Managing Director in various companies including Gujarat State Fertilizer and Chemicals Limited, Gujarat Alkalies and Chemicals Limited, Gujarat Narmada Valley Fertilizer Limited, Gujarat Industrial Investment Corporation and Sardar Sarovar Narmada Nigam Limited. He was also the Chairman and Managing Director of the Kerala Minerals and Metals Limited and Travancore Titanium Products Limited. Mr. Luke is currently a member of the governing body of the Centre for Management Development, Thiruvananthapuram. He joined our Board on July 30, 2008.

Mr. Vinod K. Misra, aged 62 years is an independent Director. He holds a bachelor's degree and a post-graduate degree in physics from the University of Delhi. He also holds a master's degree in philosophy from Indian Institute of Public Administration. Mr. Misra 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 GoI. He also served as Secretary, Defence (Finance) in the Ministry of Defence until his superannuation in 2007. He joined our Board on July 30, 2008.

Mr. Pawan K. Sharma, aged 51 years is an independent Director. He holds a bachelor's degree in commerce and law from Guwahati University. He has been a practicing chartered accountant since 1984 and has a total professional experience of 25 years. He is a member of the ad-hoc Task Force constituted by the Ministry of Heavy Industries, GoI, the 17th Central Council of the Cost and Works Accountants of India and the Institute of Chartered Accountants of India. He has served as director on the board of several companies including Vijaya Bank, Assam Financial Corporation, Assam Conductors and Tubes Limited. He has been a life member of the Indian Council of Arbitrators since 2002. He joined our Board on July 30, 2008.

Borrowing Powers of the Board of Directors of our Company

In accordance with section 293 (1)(d) of the Companies Act our Board of Directors are authorized to borrow funds up to the aggregate of the paid-up Equity Share capital of our Company and the free reserves.

Details of Appointment of our Directors

Name of Director	Appointment Letter from MoPNG	Term
Mr. N. M. Borah*	31017/8/2006-CA dated October 16, 2008	Five years from the date of assumption of charge of the post of Chairman and Managing Director i.e. December 1, 2008 or until the date of his superannuation, whichever event occurs earlier
Mr. T. K. Ananth Kumar	31017/3/2006-CA dated December 21, 2006	Five years from the date of assumption of charge of the post i.e. January 18, 2007 or until further orders, whichever event occurs earlier
Mr. B.N. Talukdar	31017/4/2005-CA dated September 21, 2007	Five years from the date of assumption of charge, i.e. December 1, 2007 or until the date of his superannuation or until further orders whichever is earlier
Mr. Ashok Anand	31017/6/2006-CA dated November 1, 2007	From the date of assumption of charge i.e. February 1, 2008 until the date of his superannuation or until further orders whichever is earlier
Mr. D.N. Narasimha Raju	31023/1/2007-CA(Part) dated August 1, 2008	From the date of assumption of charge i.e. August 1, 2008 until further orders of the MoPNG
Dr. Archana Saharya Mathur	31023/1/2007-CA Desk (Part) dated February 9, 2009	From the date of assumption of charge i.e. February 9, 2009 until further orders of the MoPNG
Mr. Ghanshyambhai Hiralal Amin	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier
Prof. Sushil Khanna	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier
Mr. Arun K. Gupta	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier
Mr. Alexander K. Luke	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier
Mr. Vinod K. Misra	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier
Mr. Pawan K. Sharma	C-34011/19/2005-CA dated July 22, 2008	Three years from the date of induction on the Board, i.e. July 30, 2008 or until further orders whichever is earlier

* *He also currently holds the additional charge of Director (Operations) of our Company pursuant to letters of the MoPNG dated March 2, 2009 and June 11, 2009, until further orders.*

Except for our whole-time Directors, who are entitled to statutory benefits and post retirement medical benefits upon termination of their employment with us, no other Director is entitled to any benefit upon their disassociation from our Company.

Remuneration of our whole-time Directors in fiscal 2009

The following table sets forth the details of the remuneration received by our whole-time Directors in fiscal 2009. In addition to the amounts specified below, our whole-time Directors are also entitled to an official vehicle, gratuity, club membership and reimbursements for maintenance of a residential office and reimbursements for official entertainment.

(In Rs.)

S No.	Name	Basic Salary*	Dearness Allowance	Other pays and Allowances**	Perquisites and Other Benefits***	Contribution towards provident fund and other funds	Total
1.	Mr. N.M.	4,37,905.17	4,36,410.29	3,98,983.92	7,96,846.60	5,40,833	**26,10,978.98**

S No.	Name	Basic Salary*	Dearness Allowance	Other pays and Allowances**	Perquisites and Other Benefits***	Contribution towards provident fund and other funds	Total
	Borah						
2.	Mr. T.K. Ananth Kumar	3,85,413.55	3,82,557.16	3,33,042.58	7,36,468.16	1,68,268.00	**20,05,749.45**
3.	Mr. B.N. Talukdar	4,07,180.00	4,03,815.00	2,80,301.38	903,778.60	4,67,223.00	**24,62,297.98**
4.	Mr. Ashok Anand	4,03,572.00	3,99,672.00	315,041.00	842,280.60	3,72,646.00	**23,33,211.60**

** Includes special personal pay and stagnation pay*

*** Includes profit related pay, drilling allowance, technical allowance, north east allowance and children education allowance*

**** Includes performance linked incentive, reserve establishments, canteen/lunch subsidy, periodicals, books, papers and journals, leave fare assistance, perks and leave encashment*

The Directors who have been nominated by the GoI are not entitled to receive any remuneration from our Company.

Pursuant to memoranda issued by the DPE on November 26, 2008 and April 2, 2009, the GoI has increased the pay scales of board members and executive officers of government enterprises, including our Company. Salary increases for all affected government employees will be retrospectively effective from January 1, 2007. In light of the above, the above mentioned remunerations are subject to revision. For further details, see "***Risk factors – Recent announcements by the GoI relating to increased wages for government employees will increase our expenses and may adversely affect our financial condition in the years of implementation***" on page xlii.

Details of terms and conditions of employment of our Directors

Our whole-time Directors are appointed by the President of India through the MoPNG. The MoPNG also prescribes the terms and conditions of employment of our whole-time Directors. Pursuant to memoranda issued by the DPE dated November 26, 2008 and April 2, 2009, the GoI has increased the pay scales of board members and executive officers of government enterprises, including our Company. Salary increases for all affected government employees will be retrospectively effective from January 1, 2007. In light of the above, the terms and conditions and remuneration set forth below is subject to revision.

(a) Mr. T. K. Ananth Kumar has been appointed as Director (Finance) of our Company for a period of five years with effect from January 18, 2007, pursuant to letter no. 31017/3/2006-CA dated September 19, 2007. The terms and conditions as set forth vide the above-mentioned letter, governing the appointment of Mr. T. K. Ananth Kumar are set forth below. However, the terms and conditions and remuneration set forth below are subject to revision, pursuant to the DPE memoranda dated November 26, 2008 and April 2, 2009:

Term	For a period of five years w.e.f. January 18, 2007 or until he attains the age of superannuation or unit further orders of the MoPNG. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu thereof
Basic salary	Rs. 28,350 per month in the scale of Rs. 25, 750-650-30, 950 from the date he assumes office i.e. January 18, 2007 at the time of appointment
Dearness allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the DPE dated June 25, 1999
Housing and furnishing	Entitled to suitable residential accommodation to be provided by our Company. In the event he is desirous of taking his own house on a self lease basis, he is required to execute a lease deed in favour of our Company. Our Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by our Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by our Company
Annual Increment	Eligible to draw an annual increment of Rs. 650 subject to a maximum basic salary of Rs. 30,950. Upon reaching this maximum amount, he is further entitled to an increment at the rate of the last drawn increment after the

	completion of every two years from the date of reaching such maximum remuneration, subject to a maximum of three such increments
Provident fund and gratuity	Entitled to provident fund and gratuity in accordance with the rules of our Company
City compensatory allowance	Entitled to a city compensatory allowance as per existing rates subject to a maximum cap depending upon the city
Other benefits and incentives	Entitled to medical facilities, travelling allowance, leave travel concession, disability leave in accordance with the rules of our Company
Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the Department of Public Enterprises dated June 25, 1999 and March 27, 2000
Leave	Entitled to leave as per the terms of our Company
Club membership	Entitled to become a member of two clubs at the expense of our Company subject to the condition that such memberships shall be co-terminus with his tenure as Director (Finance)
Other conditions	Not entitled to accept any appointment or post, without prior approval for a period up to two years from retirement

(b) Mr. B. N. Talukdar has been appointed as Director (Exploration & Development) of our Company for a period of five years with effect from December 1, 2007, pursuant to letter no. 31017/4/2006-CA dated August 6, 2008. The terms and conditions governing the appointment of Mr. B. N. Talukdar are set forth below. However, the terms and conditions and remuneration set forth below are subject to revision, pursuant to the DPE memoranda dated November 26, 2008 and April 2, 2009:

Term	For a period of five years w.e.f. December 1, 2007 or until he attains the age of superannuation or unit further orders of the MoPNG. The appointment may be terminated by either side on providing three months notice or on payment of three months salary in lieu thereof
Basic salary	Rs. 27,050 per month in the scale of Rs. 25,750-650-30,950 from the date he assumes office i.e. December 1, 2007 at the time of appointment
Dearness allowance	In accordance with the New Industrial Dearness Allowance Scheme prescribed in the Office Memorandum of the DPE dated June 25, 1999
Housing and furnishing	Entitled to suitable residential accommodation to be provided by our Company. In the event he is desirous of taking his own house on a self lease basis, he is required to execute a lease deed in favour of our Company. Our Company shall be entitled to recover 10% of the basic salary on account of rent recovery. In the event that the actual rent payable by our Company in respect of a leased accommodation is less than 10% of the basic salary, then the recovery of rent would be restricted to the actual rent payable by our Company
Annual Increment	Eligible to draw an annual increment of Rs. 750 subject to a maximum basic salary of Rs. 31,500 in the scale and further increments on the same date in subsequent years until the maximum of pay scale is reached. Upon reaching this maximum amount, he is further entitled to an increment at the rate of the last drawn increment after the completion of every two years from the date of reaching such maximum remuneration, subject to a maximum of three such increments
Provident fund and gratuity	Entitled to provident fund and gratuity in accordance with the rules of our Company
City compensatory allowance	Entitled to a city compensatory allowance as per existing rates subject to a maximum cap depending upon the city
Other benefits and incentives	Entitled to medical facilities, travelling allowance, leave travel concession, disability leave in accordance with the rules of our Company
Productivity linked incentive scheme	Entitled to incentive payments under the Productivity Linked Incentive Scheme as per the Office Memorandum of the DPE dated June 25, 1999 and March 27, 2000
Leave	Entitled to leave as per the terms of our Company
Club membership	Entitled to become a member of two clubs at the expense of our Company subject to the condition that such memberships shall be co-terminus with his tenure as Director (Exploration & Development)
Restriction on joining private commercial undertakings after retirement	Not entitled to accept any appointment or post, whether advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of resignation/retirement without prior approval of the Government
Other conditions	The perquisites and allowances may be up to a maximum of 50% of the basic pay and payments over and above the ceiling of 30% should be entirely in the nature of performance related payments/performance linked incentives scheme

	as per the office memorandum of the DPE dated June 25, 1999 and March 27, 2000

Detailed terms and conditions of employment of our Chairman and Managing Director, Mr. N. M. Borah and our Director (Human Resources and Business Development), Mr. Ashok Anand are yet to be notified by the MoPNG.

Additionally, Mr. D.N. Narasimha Raju and Dr. Archana Saharya Mathur being Government nominee Directors are not entitled to any remuneration from our Company. Further, our Independent Directors Company are entitled to a sitting fee of Rs. 20,000 per meeting of the Board/Committees of the Board pursuant to the resolution passed at the meeting of the Board of Directors of our Company on August 12, 2008.

Corporate Governance

B. Formation/Reconstitution of the Board committees

The Board at its meeting held on August 12, 2008 formed/reconstituted the following committees and approved their respective terms of reference:

(i) Audit Committee;
(ii) Investors'/Shareholders Grievance Committee;
(iii) Remuneration Committee;
(iv) Human Resource Management Committee;
(v) Business Development Committee; and
(vi) Share Transfer Committee.

Audit Committee

The Audit Committee currently comprises the following Directors:

i) Mr. Pawan K. Sharma (Chairman);
ii) Mr. Vinod K. Misra;
iii) Dr. Archana Saharya Mathur.

The Company Secretary is the secretary to the Committee.

Meetings of Audit Committee

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall at least two independent Directors in every meeting of the Audit Committee.

Powers of Audit Committee

The powers of the Audit Committee include the following:

(i) To investigate any activity within its terms of reference;
(ii) To seek information from any employee;
(iii) To obtain outside legal or other professional advice; and
(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Roles and Responsibilities of the Audit Committee:

(i) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(ii) Recommending to the Board, the appointment, re-appointment and if, required, the replacement or removal of the Statutory Auditor, fixation of audit fee and also approval for payment for any other services rendered by the Statutory Auditors;
(iii) Recommending to the Board, the appointment of the Cost Auditor and the fixation of the Cost Audit Fee;

(iv) Reviewing with management, the Annual Financial Statements before submission to the Board, focusing primarily on:
  (a) Major accounting entries involving estimates based on exercise of judgment by management;
  (b) Qualifications in the draft audit report;
  (c) Significant adjustments made in the financial statements arising out of audit findings;
  (d) Compliance with listing and other legal requirements concerning financial statements; and
  (e) Disclosure of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of our Company.

(v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Reviewing with the management, performance of Statutory, Cost & Internal Auditors and the adequacy of internal control & cost control systems;

(viii) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(ix) Discussing with the Internal Auditors about any significant findings and follow up thereon;

(x) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;

(xi) Discussing with Statutory Auditors before the audit commences, about the nature and scope of audit as well as have post audit discussion to ascertain any area of concern;

(xii) Discussing with Cost Auditors for ascertaining any area of concern;

(xiii) Reviewing our Company's financial and risk management policies;

(xiv) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

(xv) Defining the significant related party transactions; and

(xvi) Any other term as per the Listing Agreement.

Review of Information by the Audit Committee:

The Audit Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and results of operations;

(ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

(iii) Management letters/letters on internal control weakness issued by the Statutory Auditors;

(iv) Internal audit reports relating to internal control weakness; and

(v) Appointment, removal and terms of remuneration of Chief Internal Auditor, shall be subject to review by the Audit Committee.

Disclosures before the Audit Committee:

(i) A statement in summary form of transactions with related parties in the ordinary course of business;

(ii) Details of material individual transactions with related parties which are not in the normal course of business;

(iii) Details of material individual transactions with related parties or others, which are not on an arms length basis together with management's justifications for the same; and

(iv) Use/application of funds raised through public issue, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital) on a quarterly basis as a part of their quarterly declaration of financial results and statement of funds utilised for purpose other than those stated in the offer document/prospectus/notice on annual basis. The Audit Committee is required to make appropriate recommendations to the Board to take up steps in this matter.

Investors'/Shareholders' Grievance Committee

The Investors'/Shareholders' Grievance Committee currently comprises the following Directors:

(i) Mr. Ghanshyambhai Hiralal Amin (Chairman);
(ii) Mr. Arun K. Gupta;
(iii) Mr. T. K. Ananth Kumar; and
(iv) Mr. Ashok Anand.

Meetings of Investors'/Shareholders' Grievance Committee

The Investors'/Shareholders' Grievance Committee is required to meet at reasonable intervals and is required to meet at least four times in a financial year. The quorum is two directors including one Independent Director.

Terms of Reference

The Investors'/Shareholders' Grievance Committee specifically looks into redressing of investors' and shareholders' complaints/grievances pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission (with or without legal representation) of shares and other miscellaneous complaints. The committee oversees and reviews performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

Remuneration Committee

The Remuneration Committee currently comprises the following Directors:

(i) Mr. Vinod K. Misra (Chairman);
(ii) Prof. Sushil Khanna;
(iii) Mr. D.N. Narasimha Raju;
(iv) Mr. T.K. Ananth Kumar; and
(v) Mr. Ashok Anand.

Terms of Reference

Our Company being a PSU, the appointment and terms and conditions of remuneration of our Functional Directors are determined by the administrative ministry, i.e., the MoPNG. However, certain perquisites, facilities and terms and conditions not specifically set forth in their appointment letters would be governed in accordance with the rules and regulations of our Company. The Remuneration Committee reviews and approves the perquisites and facilities etc. extended by our Company to the Executive Directors and the Functional Directors. Further, the Remuneration Committee is also responsible for administering any issue of shares under employees' quota, employees stock option scheme or employees stock purchase scheme to employees who are eligible under the quota/scheme as applicable.

Human Resource Management Committee

The Human Resource Management Committee currently comprises the following Directors:

i) Mr. Alexander K. Luke, (Chairman);
ii) Mr. Ghanshyambhai Hiralal Amin;
iii) Mr. D.N. Narasimha Raju;
iv) Mr. N. M. Borah;
v) Mr. T. K. Ananth Kumar;
vi) Mr. B. N. Talukdar; and
vii) Mr. Ashok Anand.

Terms of Reference

The terms of reference of the Human Resource Management Committee include consideration of all issues or areas concerning human resource planning and management, human resource policies and initiatives and promotions to Executive Director level.

Business Development Committee

The Business Development Committee currently comprises the following Directors:

i) Prof. Sushil Khanna, (Chairman);
ii) Mr. Pawan K. Sharma;
iii) Mr. D.N. Narasimha Raju;
iv) Mr. N. M. Borah;
v) Mr. T. K. Ananth Kumar;
vi) Mr. B. N. Talukdar; and
vii) Mr. Ashok Anand.

Terms of Reference

The Business Development Committee has been constituted to oversee new areas of business including proposals for collaborations, joint ventures, amalgamation and mergers and acquisitions.

Share Transfer Committee

The Share Transfer Committee currently comprises the following Directors:

i) Mr. Arun K. Gupta, (Chairman);
ii) Mr. Alexander K. Luke;
iii) Mr. T. K. Ananth Kumar; and
iv) Mr. Ashok Anand.

Terms of Reference

The Share Transfer Committee has been empowered to approve requests received for share transfer/transmission/transposition, issue of duplicate share certificates, sub-division, consolidation and change of status.

Further, the Government Nominee Directors do not draw any remuneration or sitting fees from us. Our Independent Directors receive sitting fees for each Board or Committee Meeting attended by them in accordance with the Companies Act or the Rules made thereunder and the approval of the Board from time to time as recommended by the Remuneration Committee. At present the sitting fees is Rs. 20,000 as approved by a resolution of our Board dated August 12, 2008.

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares. The following table details the aggregate of our Equity Shares held by our Directors in their individual capacities along with their relatives:

Name of Director	Number of Equity Shares
Mr. N.M. Borah*	2,000
Mr. B.N. Talukdar	900
Mr. T.K. Ananth Kumar	Nil
Mr. Ashok Anand*	2,900
Mr. D. N. Narasimha Raju	Nil
Dr. Archana Saharya Mathur	Nil
Mr. Ghanshyambhai Hiralal Amin*	1.500
Prof. Sushil Khanna	Nil
Mr. Arun K. Gupta	Nil
Mr. Alexander K. Luke	Nil
Mr. Vinod K. Misra	Nil
Mr. Pawan K. Sharma	Nil

** including Equity Shares held by their relatives*

Interest of our Directors

All of our Directors, except the Government Nominee Directors, may be deemed to be interested to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. The Independent Directors of our Company are entitled to a sitting fee of Rs. 20,000 per meeting of the Board/Committees pursuant to the resolution of the Board of Directors of our Company dated August 12, 2008.

Mr. N.M. Borah, Mr. B.N. Talukdar, Mr. Ashok Anand and Mr. Ghanshyambhai Hiralal Amin hold Equity Shares and hence, they may be deemed to be interested to the extent of their shareholding in our Company. Further, our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by us within two years of the date of filing of this Red Herring Prospectus. For details of the related party transactions, see "***Financial Statements — Statement of Related Party Transactions***" on page 190 of this Red Herring Prospectus.

Changes in our Board during the last three years

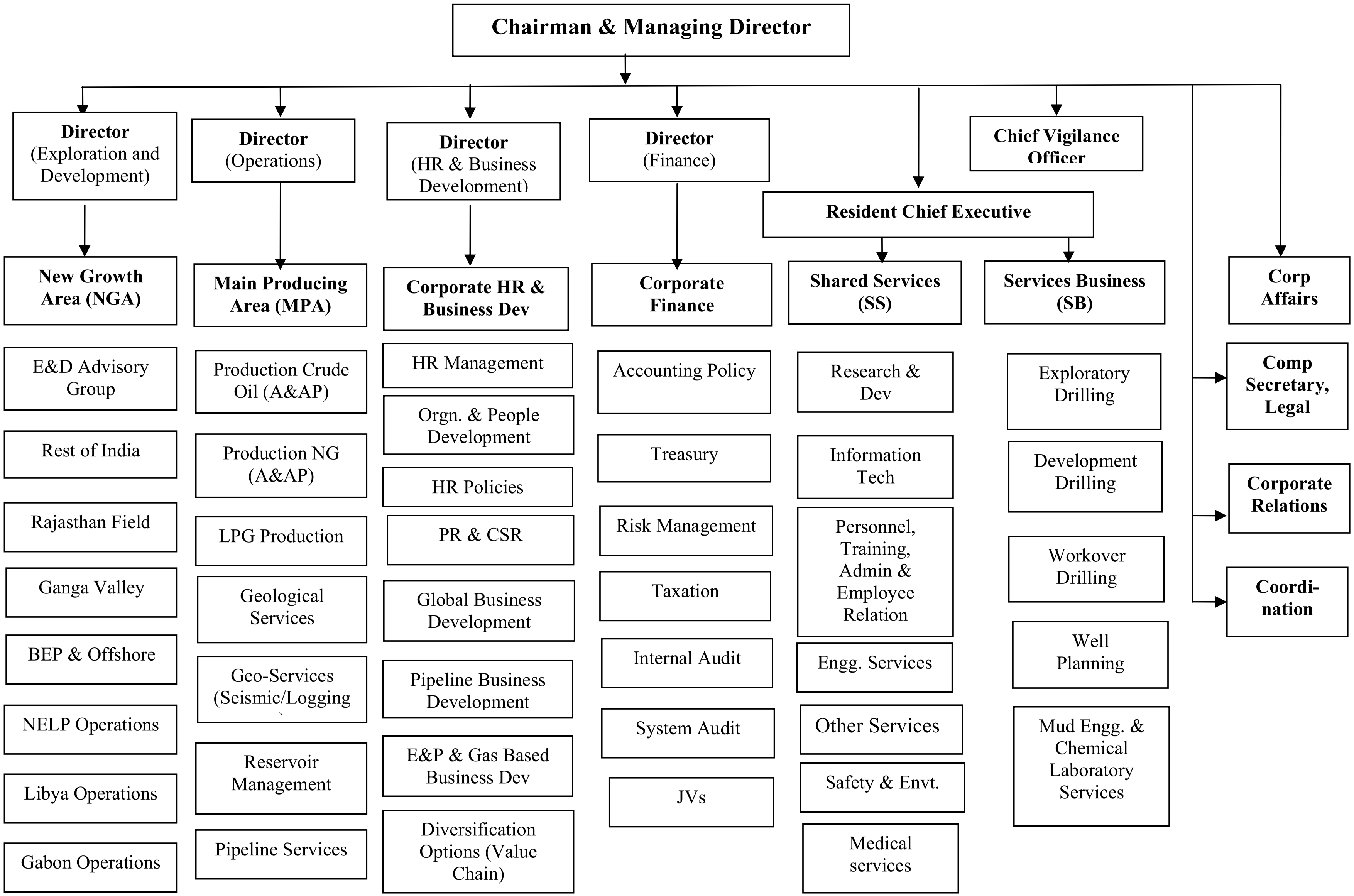
The changes in our Board in the last three years are as follows:

Name	Date of Joining	Date of Cessation	Reason
Dr. Archana Saharya Mathur	February 9, 2009	Continuing	Appointment
Mr. M.R. Pasrija*	March 14, 2006	November 30, 2008	Superannuation
Mr. N.M. Borah	May 6, 2004	November 30, 2008	Promotion
Mr. N.M. Borah**	December 1, 2008	Continuing	Appointment as the Chairman and Managing Director
Mr. D.N. Narasimha Raju	August 1, 2008	Continuing	Appointment as Director
Mr. Ghanshyambhai Hiralal Amin	July 30, 2008	Continuing	Appointment as Director
Prof. Sushil Khanna	July 30, 2008	Continuing	Appointment as Director
Mr. Arun K. Gupta	July 30, 2008	Continuing	Appointment as Director
Mr. Alexander K. Luke	July 30, 2008	Continuing	Appointment as Director
Mr. Vinod K. Misra	July 30, 2008	Continuing	Appointment as Director
Mr. Pawan K. Sharma	July 30, 2008	Continuing	Appointment as Director
Mr. J.K. Talukdar	June 9, 2006	January 31, 2008	Superannuation
Ms. Aditi S Ray	June 8, 2006	July 14, 2008	Resignation vide letter dated July 14, 2008
Mr. S.K. Patra	May 2, 2000	November 30, 2007	Superannuation
Mr. Ashok Anand	February 1, 2008	Continuing	Appointment as Director
Mr. B.N. Talukdar	December 1, 2007	Continuing	Appointment as Director
Mr. T.K. Ananth Kumar	January 18, 2007	Continuing	Appointment as Director
Mr. A.K. Jain	November 30, 2006	August 1, 2008	Nomination withdrawn by the appointing authority vide letter of MoPNG No.31023/1/2007-CA (Part) dated August 1, 2008.
Mr. D.N. Narasimha Raju	October 19, 2006	November 30, 2006	Ceased to be a Director as per the directive of the MoPNG letter no. 31019/1/2006-CA dated November 30, 2006
Mr. S. Joshi	May 23, 2001	August 1, 2006	Resignation
Mr. C.B. Singh	April 20, 2005	June 8, 2006	Ceased to be a Director as per the directive of the MoPNG letter no. 136/EA/06/CA dated June 8, 2006
Mr. R.K. Dutta	May 1, 2002	February 28, 2006	Superannuation
Mr. N. K. Singh	May 23, 2001	February 2, 2006	Resignation

** Mr. M. R. Pasrija also held additional charge as Director (Finance) from March 14, 2006- January 18, 2007.*

*** He also currently holds the additional charge of Director (Operations) of our Company pursuant to letters of the MoPNG dated March 2, 2009 and June 11, 2009 until further orders.*

MANAGEMENT ORGANISATION CHART



Key Managerial Employees

All of our key managerial employees are permanent employees of our Company and none of them are related to each other or to any Director of our Company.

The remuneration payable to our key managerial personnel is subject to change pursuant to memoranda issued by the DPE on November 26, 2008 and April 2, 2009, wherein the GoI has increased the pay scales of board members and executive officers of government enterprises, including our Company. These directives also require such government enterprises to implement salary increases for employees below executive level and these wage increases are to be determined by the boards and management of the relevant government enterprises. Salary increases for all affected government employees will be retrospectively effective from January 1, 2007. Accordingly, the remuneration set forth below is subject to further revision. For further details, see "***Risk factors – Recent announcements by the GoI relating to increased wages for government employees will increase our expenses and may adversely affect our financial condition in the years of implementation***" on page xlii.

Mr. N. Bhalla, aged 58 years, is our Executive Director (Corporate Affairs). He holds a bachelors degree in commerce (with honours) from the Sri Ram College of Commerce, Delhi University. He has 32 years of experience in the oil and gas industry. Prior to joining our Company on September 21, 1977, he was a partner with Mohindra and Narendra, Chartered Accountants. He oversees strategic and corporate planning and is responsible for ensuring formulation of business strategies and business plans, supporting and monitoring implementation, reviewing results achieved, reviewing environment and organisational changes and updating strategies, budgets and plans. He received a gross remuneration of Rs. 16,46,998 in fiscal 2009.

Mr. T.K. Bhattacharjee, aged 59 years, is our Executive Director (Rajasthan Project). He holds a bachelors degree in science (mechanical engineering) from the Benaras Hindu University. He has 34 years of experience in the oil and gas industry. He joined our Company on January 1, 1975 and is responsible for project management and engineering. He received a gross remuneration of Rs. 15,85,994 in fiscal 2009.

Mr. Utpal Borah, aged 59 years, is the resident chief executive of our Company. He graduated with a bachelor's degree in mechanical engineering from the Assam Engineering College. He has 36 years of professional experience in the oil and gas industry. He joined our Company on May 7, 1973 and is currently in charge of our field headquarters in Duliajan, the Arunachal Pradesh and Moran pipelines and the Kolkata branch office of our Company. He received a gross remuneration Rs. 13,95,955 in fiscal 2009.

Mr. N. K. Agarwal, aged 57 years, is our Group General Manager (Audit). He holds a bachelors degree in commerce from Dibrugarh University. He is a fellow member of the Institute of Chartered Accountants and Institute of Company Secretaries of India. He has also completed an advance management programme from Management Development Institute, Gurgaon. He has 28 years of experience in the oil and gas industry and a total work experience of 32 years. Prior to joining our Company on December 9, 1980, he worked as an internal auditor with SAIL and Pratap Steel Rolling Mills and as an associate with Sharma Agarwal & Company. He is responsible for the internal audit of our Company. He received a gross remuneration of Rs. 19,31,660 in fiscal 2009.

Mr. Manas Jyoti Bordoloi, aged 59 years, is our Group General Manager (Engineering). He holds a bachelor's degree in electrical engineering from the Banaras Engineering College, Banaras Hindu University. He has 36 years of professional experience in the oil and gas industry. He joined our Company on August 14, 1972 and is in overall in charge of the engineering group including the electrical department, field engineering department, transport department, instrumentation department and the field communication department. He received a gross remuneration of Rs. 15,07,553 in fiscal 2009.

Mr. Indreswar Bharali, aged 59 years, is our Group General Manager (Production). He holds a bachelor's degree in science from the Institute of Technology, Benaras Hindu University. He has 38 years of professional experience, including 37 years in the oil and gas industry. Prior to joining our Company, Mr. Bharali was a lecturer at the Jorhat Engineering College, Assam. He joined our Company on August 14, 1972. He is currently in charge of the production department of our Company. He received a gross remuneration of Rs. 14,87,674 in fiscal 2009.

Mr. R.K. Mohanty, aged 59 years, is our Group General Manager (Administration). He holds a master's degree in economics from Ravenshaw College, Cuttack, under Utkal University. He also holds a bachelor's degree in law from M.S. Law College, Utkal University. He has 37 years of professional experience, including 29 years with the oil and gas industry. He was deputed to the erstwhile Oil Coordination Committee, where he served as Additional Director (Personal and Administration) from 1993-1998. He has also served in the capacity of Senior Advisor (Administration, Personal Relations and Coordination) and was also assigned the additional charge of Project Manager, Bay Exploration Project, Orissa of our Company. Prior to joining our Company, he worked for ports trusts including Vishakapatnam Port Trust and Paradip Port Trust. He is overall in-charge of all Administrative functions in the Corporate Office including Employee Relations, Welfare, Security and Estate Management. He received a gross remuneration of Rs. 16,31,032 in fiscal 2009.

Mr. A.N. Saikia, aged 59 years, is our Group General Manager (North East Frontier). He graduated with a bachelor's degree in mechanical engineering from the Assam Engineering College. His total professional experience is 37 years out of which he has been associated in the oil and gas industry for 36 years. Mr. Saikia received the SAP's ACE-2007 award for best implementation of ERP in the Oil and Gas Industry (Large Enterprises) under our Company's ERP Project where Mr. Saikia was the program manager. He joined our Company on May 15, 1973 and is currently in charge of the North East Frontier project of our Company for which exploration activities are being conducted in certain blocks in the states of Assam, Arunachal Pradesh and Mizoram. He received a gross remuneration of Rs. 16,51,796 in fiscal 2009.

In addition to the key managerial personnel mentioned above, our Company Secretary who is presently on probation is also important and key to our organisation. His brief profile is as provided below:

Mr. S.R. Krishnan, 52 years, is our Company Secretary. He holds a Bachelors Degree in commerce and a bachelor's degree in law from Bangalore University. Mr. Krishnan has a total of 33 years of professional experience. He is also a fellow member of the Institute of Company Secretaries of India. Prior to joining our Company on March 26, 2009 he worked as a company secretary with Canara Bank and also briefly as a deputy company secretary in ONGCL. He was appointed as a Company Secretary of our Company with effect from April 10, 2009 pursuant to a resolution of the Board dated April 9, 2009. He is responsible for all secretarial matters in our Company. He received a total remuneration of Rs. 9,340.83 in fiscal 2009.

In addition to the amounts specified above, each of our key managerial employees is also entitled to an official vehicle, gratuity and reimbursements for maintenance of a residential office and reimbursements for official entertainment.

Shareholding of the key managerial employees

The following table details the aggregate of the shares held by our key managerial employees in their individual capacity in our Company:

Name of Key managerial employee	Number of Equity Shares
Mr. N. Bhalla	900
Mr. T. K. Bhattacharjee	900
Mr. N. K. Agarwal	2,100
Mr. Utpal Borah	900
Mr. R.K. Mohanty	900
Mr. Manas Jyoti Bordoloi	900
Mr. Indreswar Bharali	900
Mr. A.N. Saikia	2550

Bonus or profit sharing plan for our key managerial employees

All our employees, including our key managerial employees, are entitled to performance related payment (productivity linked incentive scheme, reserve establishment honorarium and profit related pay). The DPE, through a circular dated September 12, 2000, clarified that:

- Perquisites and allowance are subject to a ceiling of 50% of basic pay, for all executives;
- Payment over and above the ceiling would be entirely in the nature of performance related payment; and
- Performance related payment should not exceed 5% of the distributable profits of our Company.

Changes in our key managerial employees during the last three years

The changes in our key managerial employees during the last three years are as follows:

Name	Date of Appointment as a Key Managerial Personnel	Date of Change	Reason for change
Mr. S.K. Senapati	August 5,2003	April 9, 2009	Assignment of other responsibilities
Mr. P.C. Khaund	January 1, 2006	March 31, 2009	Superannuation
Mr. S. N. Borah	January 1, 2006	July 31, 2008	Superannuation
Mr. S.K. Bora	January 1, 2008	March 31, 2008	Superannuation
Mr. Ashok Anand	January 1, 2007	February 1, 2008	Promotion. Appointed as Director of our Company
Mr. A.N. Saikia	January 1, 2008	Continuing	Promotion
Mr. Indreswar Bharali	January 1, 2008	Continuing	Promotion
Mr. Manas Jyoti Bordoloi	January 1, 2008	Continuing	Promotion
Mr. R.K. Mohanty	January 1, 2008	Continuing	Promotion
Mr. B.N. Talukdar	January 1, 2007	December 1, 2007	Promotion. Appointed as Director (Exploration and Development)
Mr. K.V. Rajan	January 1, 2005	October 31, 2007	Superannuation
Mr. Utpal Borah	January 1, 2007	Continuing	Promotion
Mr. N.K. Agarwal	January 1, 2007	Continuing	Promotion
Mr. T.K. Bhattacharjee	January 1, 2007	Continuing	Promotion

In addition Mr. S.R. Krishnan was appointed as Company Secretary on April 10, 2009 pursuant to Board resolution dated April 9, 2009.

Employees

Our Company does not have any employee stock option scheme or employees stock purchase scheme.

Payment or benefit to officers of our Company

Except certain post retirement medical benefits and statutory benefits upon termination of their employment in our Company or upon superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

PROMOTERS AND GROUP COMPANIES

Our Promoter is the President of India. Our Promoter currently holds 98.13% of the paid-up share capital.

Subsidiaries

We do not have any subsidiary.

Group Companies

We do not have any group companies.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see "***Financial Statements-Statement of Related Party Transactions***" on page 190.

DIVIDEND POLICY

Pursuant to the guidelines on expenditure management, fiscal prudence and austerity from the GoI, all profit-making PSUs in the oil, petroleum, chemicals and other infrastructure sectors have to declare a minimum dividend of 30% on post-tax profits. The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividend and dividend tax paid by our Company during the last five fiscal years is presented below.

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Number of Equity Shares of Rs.10 each	214,004,400	214,004,400	214,004,400	214,004,400	214,004,400
Rate of Dividend (%)	305	275	260	265	160
Interim	150	125	110	110	60
Second Interim	-	-	75*	75	-
Final	155	150	75	80	100
Amount of Dividend on Equity Shares (Rs. in million)	6, 527.08	5,885.13	5,564.11	5,671.12	3,424.07
Interim	3,210.07	2,675.06	2,354.05	2,354.05	1,284.03
Second Interim*	-	-	1,605.03	1,605.03	-
Final	3,317.01	3,210.07	1,605.03	1,172.04	2,140.04
Total Dividend Tax paid (Rs. in million)	1109.28	1000.18	828.04	795.37	472.33

* *Special interim dividend*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Pursuant to the terms of certain of our loan agreements, we cannot declare or pay any dividend to our shareholders during any financial year unless we have paid all the dues to the respective lenders or paid or have made satisfactory provisions therefore or if we are in default of the terms and conditions of such loan agreements. For further details, see "***Financial Indebtedness***" and "***Risk Factors***" on page 234 and xix, respectively.

FINANCIAL STATEMENTS

AUDITORS' REPORT

To
The Board of Directors
Oil India Limited
P.O. Duliajan, Dist. Dibrugarh
Assam 786 602.

1) We have examined the attached financial information of Oil India Limited ("Company") as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part - II of Schedule II of the Companies Act,1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 10.06.2009 in connection with the proposed issue of Equity Shares of the Company.

2) These information have been extracted by the Management from the financial statements for the Quarters ended 30th June'09 and 30th June'08 and financial years ended 31.03.2009, 31.03.2008, 31.03.2007, 31.03.2006 and 31.03.2005. Audit for the financial years ended 31.03.2009 and 31.03.2008 were conducted jointly by the existing auditors M/s A.K. Sabat & Co., and M/s Chatterjee & Co., Audit for the financial years ended 31.03.2007, 31.03.2006 and 31.03.2005 were conducted jointly by the existing auditors M/s A.K. Sabat &Co., and previous auditors M/s P.K. Mitra & Co. The financial information included for these financial years i.e. 2004-05, 2005-06 and 2006-07 are based on reports submitted by them and have been relied upon by us while expressing our opinion and reporting on various restated financial information and Annexures thereof expressly stated in the following paragraphs.

3) We have also examined the financial information of the Company for the quarter ended 30.06.2009 and corresponding quarter ended 30.06.2008 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of proposed issue of equity shares of the company.

   The financial information of the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standard issued by Institute of Chartered Accountants of India. Those Standard require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

   Based on the above we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the financial information appropriately.

4) Further to our report under paragraphs (1) to (3) above, in accordance with the requirements of paragraph B, Part-II of Schedule-II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we report that:

   a) The Restated Summary of Statement of Assets and Liabilities of the Company as at 30.06.2009, 30.06.2008, 31.03.2009, 31.03.2008, 31.03.2007, 31.03.2006 and 31.03.2005 as set out in Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Annexures referred under para 4.

   b) The Restated Summary of Statement of Profit and Loss of the Company for the quarters ended 30.06.2009 and 30.06.2008 and the years ended 31.03.2009, 31.03.2008, 31.03.2007, 31.03.2006 and 31.03.2005 as set out in Annexure II to this report are after making adjustments as regroupings as in our opinion were appropriate and more fully described in Annexures referred under para 4.

c) The Restated Summary of Statement of Cash Flow of the Company for the quarters ended 30.06.2009 and 30.06.2008 and the years ended 31.03.2009, 31.03.2008, 31.03.2007, 31.03.2006 and 31.03.2005 as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate.

5) We have described, as referred above, under various Annexures 'Notes on Adjustments made for Restated Financial Statements' (Annexure IVA), 'Notes on Adjustments not made for Restated Financial Statements' (Annexure IVB), 'Auditors' qualifications and treatment in Restated Financial Information' (Annexure IVC), 'Significant Accounting Policies' (Annexure VA) and 'Other Notes on Restated Financial statements' (Annexure V B) .

6) Based on the above, we are of the opinion that the Restated Financial information have been made in accordance with the provisions of paragraph 6.10.2 of the SEBI Guidelines, and after incorporating;

(i) Adjustments suggested in paragraph 6.10.2.7 of the SEBI Guidelines,

(ii) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods; and

(iii) Adjustments for the material amounts in the respective financial years to which they relate.

7) (i) There are no qualifications in the auditors' reports which remain to be adjusted in the Restated Summary Statements, except as mentioned in Annexures IV B and IV C, read with "Significant Accounting Policies" (Annexure VA) and "Other Notes on Restated Financial statements" (Annexure VB).

(ii) There are no extraordinary items that need to be disclosed separately in the accounts.

8) We have also examined the following other financial information as restated related to the Company set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the quarters ended 30.06.2009 and 30.06.2008 and the years ended 31.03.2009, 31.03.2008, 31.03.2007, 31.03.2006 and 31.03.2005:

(i) Statement of Dividends paid/proposed – Annexure VI
(ii) Statement of Accounting Ratios included – Annexure VII
(iii) Statement of Capitalization as at 30.06.2009 – Annexure VIII
(iv) Statement of Secured and Unsecured loans-Annexure IX
(v) Statement of Tax Shelter-Annexure X
(vi) Statement of Loans and Advances-Annexure XI
(vii) Statement of Sundry Debtors-Annexure XII
(viii) Statement of Investments-Annexure XIII
(ix) Statement of Other Income-Annexure XIV
(x) Statement of Related Party Transactions-Annexure XV
(xi) Statement of Segment Reporting-Annexure XVI
(xii) Statement of Contingent Liabilities-Annexure XVII

In our opinion the financial information contained in Annexure VI to XVII of this report read along with statement of Notes on Adjustments made for Restated Financial Statements (Annexure IV A), Notes on Adjustments not made for Restated Financial statements (Annexure IV B), Auditors' Qualifications and treatment in restated financial information (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B) have been prepared after making adjustments and regrouping as considered appropriate in accordance with Paragraph B, Part II of Schedule II of the Act and SEBI Guidelines.

9) This report is intended solely for the use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company and should not be used, referred to or circulated for any other purpose without our prior written consent.

For Chatterjee & Co.,	**For A.K. Sabat & Co.,**
Chartered Accountants	**Chartered Accountants**
(S. K. Chatterjee)	**(A.K. Sabat)**
Partner	**Partner**
Membership No. 3124	**Membership No. 30310**

Place: Noida
Date: 21st August, 2009

OIL INDIA LIMITED

SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED **Annexure I**

(Rs. in million)

-	**As at 30.06.2009**	**As at 30.06.2008**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 31.03.2007**	**As at 31.03.2006**	**As at 31.03.2005**
FIXED ASSETS							
Gross Block	29,997.21	23,432.45	29,720.38	23,227.74	21,889.06	20,951.83	18,846.29
Less: Accumulated Depreciation	19,078.75	16,515.43	18,382.62	16,146.60	15,521.36	14,892.21	12,844.28
Net Block	10,918.46	6,917.02	11,337.75	7,081.14	6,367.70	6,059.62	6,002.01
Capital Work in progress	3,441.93	6,751.99	3,185.88	6,445.53	5,301.18	3,118.45	2,368.65
	14,360.38	**13,669.01**	**14,523.63**	**13,526.67**	**11,668.89**	**9,178.07**	**8,370.66**
PRODUCING PROPERTIES							
Gross Cost	48,671.68	44,583.54	47,660.05	43,036.14	38,440.81	35,563.95	32,270.90
Less: Depletion	22,973.15	20,936.64	22,445.53	20,357.88	18,183.08	16,406.56	14,578.49
Net Cost	**25,698.53**	**23,646.90**	**25,214.51**	**22,678.26**	**20,257.72**	**19,157.39**	**17,692.41**
PRE-PRODUCING PROPERTIES	**7,549.33**	**4,298.44**	**5,622.87**	**4,481.08**	**3,885.96**	**2,260.16**	**1,298.20**
INVESTMENTS	**6,430.41**	**4,886.60**	**4,886.61**	**4,886.61**	**4,075.45**	**4,301.53**	**1,819.31**
CURRENT ASSETS,LOANS AND ADVANCES							
Inventories	5,009.56	4,888.96	5,009.95	4,508.95	4,080.24	3,989.46	2,607.82
Sundry debtors	7,337.35	7,166.78	4,047.34	5,608.54	3,726.98	5,286.78	5,513.46
Cash and Bank Balances	65,685.51	59,526.66	60,700.08	42,808.25	32,756.96	31,015.02	18,640.39
Interest /Dividend accrued Term Deposits / Investments	1,666.57	1,160.99	3,517.23	2,150.37	1,453.67	1,094.13	596.32
Loans and Advances	11,801.05	6,209.28	10,443.95	6,069.83	12,805.41	4,458.75	9,260.39
	91,500.03	**78,952.66**	**83,718.55**	**61,145.93**	**54,823.26**	**45,844.13**	**36,618.38**
Total Assets	**1,45,538.67**	**1,25,453.61**	**1,33,966.18**	**1,06,718.55**	**94,711.28**	**80,741.28**	**65,798.96**
LIABILITIES AND PROVISIONS							
Secured Loans	4.03	850.21	27.02	1,048.85	7,090.08	1,550.24	950.00
Unsecured Loans	512.50	675.00	537.50	700.00	1,050.00	1,400.00	1,861.61
Current Liabilities	16,357.37	16,622.52	14,636.65	11,127.39	7,948.92	8,964.25	5,612.11
Provisions	18,854.84	11,251.57	15,866.09	6,114.57	2,373.38	2,596.66	3,445.39
	35,728.74	**29,399.30**	**31,067.26**	**18,990.81**	**18,462.37**	**14,511.15**	**11,869.12**

DEFERRED TAX LIABILITY (NET)	**9,088.25**	8,781.01	**9,013.88**	**8,670.80**	**8,038.39**	**7,004.31**	**7,309.97**
WELL ABANDONMENT SINKING FUND	**14.57**	11.41	**14.57**	**11.41**	**10.72**	**10.00**	**0.00**
Total Liabilities	**44,831.55**	**38,191.71**	**40,095.71**	**27,673.02**	**26,511.49**	**21,525.46**	**19,179.09**
NET WORTH	**1,00,707.11**	**87,261.90**	**93,870.47**	**79,045.53**	**68,199.79**	**59,215.82**	**46,619.87**
REPRESENTED BY							
Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Reserves and Surplus	98,567.07	85,121.86	91,730.43	76,905.49	66,059.75	57,075.78	44,479.83
	1,00,707.11	**87,261.90**	**93,870.47**	**79,045.53**	**68,199.79**	**59,215.82**	**46,619.87**

Notes :

1.The above statement should be read with the Notes on Adjustments made for Restated Financial Statements(Annexure IVA), Notes on Adjustments not made for Restated Financial Statements (Annexure IVB), Auditors' qualifications and treatment in Restated Financial Informations (Annexure IV C), Significant Accounting Policies (Annexure VA) and Other Notes on Restated Financial Statements (Annexure VB).

2.Reserve and Surplus comprises entirely General Reserve.

OIL INDIA LIMITED

SUMMARY OF STATEMENT OF PROFIT AND LOSS, AS RESTATED **Annexure II**

(Rs. in million)

	Quarter ended 30.06.2009	Quarter ended 30.06.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005
INCOME							
Sales	19,020.73	23,126.63	71,397.19	59,653.05	52,850.89	54,705.79	38,415.38
Income from Transportation	297.58	251.62	1,017.30	1,166.43	1,041.16	796.07	742.99
Other Income	2,063.15	1,556.04	9,371.75	6,770.01	5,334.94	3,639.29	1,904.26
Other adjustments	-	-461.35	-407.47	365.15	872.90	1,110.72	117.71
Total Income	**21,381.46**	**24,472.93**	**81,378.77**	**67,954.63**	**60,099.89**	**60,251.87**	**41,180.35**
EXPENDITURE							
Increase/(Decrease) In Stock	-146.07	-10.25	130.01	-220.57	22.12	-113.70	-69.09
Production, Transportation & Other Expenditure	9,717.27	10,399.39	39,612.49	35,648.89	30,439.30	27,048.70	21,100.61
Provision against debts, advances and other provisions/write-offs	178.44	277.90	3,711.98	1,334.07	1,927.05	1,121.73	676.77
Depletion	527.63	578.75	2,087.64	2,174.80	1,776.52	1,881.23	1,733.86
Depreciation	511.47	205.72	1,680.79	918.60	818.34	1,432.38	561.61
Interest & Debt Charges	9.02	14.23	87.44	343.64	139.55	161.87	166.51
Exchange Loss/(Gain)	-60.83	-49.30	-61.51	39.21	11.24	-9.72	-0.62
VRS Compensation written off	-	-	-	-	-	299.62	99.87
Other Adjustments	-	633.38	213.93	570.65	84.94	1,701.95	607.15
Total Expenditure	**10,736.94**	**12,049.81**	**47,462.77**	**40,809.29**	**35,219.06**	**33,524.05**	**24,876.68**
Profit for the period / year	10,644.52	12,423.12	33,916.00	27,145.34	24,880.83	26,727.82	16,303.66
Prior Period items	-	-	46.30	11.32	-54.56	16.16	-72.23
Profit Before Tax	**10,644.52**	**12,423.12**	**33,869.70**	**27,134.02**	**24,826.27**	**26,743.98**	**16,231.44**
Provision for Taxation:							
- Current Tax (Including Wealth Tax)	3,157.60	4,345.84	11,848.43	8,510.26	7,380.30	9,249.59	5,454.79
- Tax for earlier years	-	-	-	2.63	0.93	66.24	85.21
- Deferred Tax	90.00	125.84	343.07	706.83	1,020.18	497.85	74.60
- Fringe Benefit Tax	-	19.25	61.36	25.00	25.00	31.00	-
	3,247.60	**4,490.93**	**12,252.86**	**9,244.71**	**8,426.41**	**9,844.67**	**5,614.60**
Profit After Tax as per audited statement of accounts	**7,396.92**	**7,932.19**	**21,616.84**	**17,889.31**	**16,399.86**	**16,899.31**	**10,616.84**
Adjustments on account of :							
a) Changes in Accounting Policies	-	-	-	-	-	2,060.73	51.27
b) Other Adjustments and Prior Period Items	-	1,094.73	943.51	-150.28	-1,478.06	-1,192.94	608.30
c) Current Tax Impact on Adjustments	-	(248.14)	-251.85	67.50	468.21	443.97	-316.94
d) Deferred Tax	-	-	-	-10.56	13.90	159.84	-151.02

Impact on Adjustments							
Total of Adjustments after tax impact	-	-	**691.66**	**-93.34**	**-995.95**	**1,471.60**	**191.61**
Profit after Tax as Restated	-	**846.59**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
APPROPRIATIONS:							
Interim Dividends	-	-	3,210.07	2,675.06	3,959.08	3,959.08	1,284.03
Tax on Interim Dividends	-	-	545.55	454.63	555.26	555.26	172.19
Final Dividend (Proposed)	-	-	3,317.01	3,210.07	1,605.03	1,712.04	2,140.04
Tax on Proposed Dividend	-	-	563.73	545.55	272.78	240.11	300.14
Transfer to General Reserve	-	-	14,672.14	10,910.68	9,011.76	11,904.42	6,912.05
Balance of Profit and Loss Account	7,396.92	8,778.78	-	-	-	-	-
TOTAL	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**

Notes :

1. The above statement should be read with the Notes on Adjustments made for Restated Financial Statements (Annexure IVA), Notes on Adjustments not made for Restated Financial Statements (Annexure IVB), Auditors' qualifications and treatment in Restated Financial information (Annexure IV C), Significant Accounting Policies (Annexure V A) and Other Notes on Restated Financial Statements (Annexure V B).

2. The reconciliation between the Audited and Restated accumulated Profit and Loss balance is given in Notes on Adjustments made for Restated Financial Statements (Annexure IV A.)

3. Negative figures have been shown in brackets.

SUMMARY OF STATEMENT OF CASH FLOW, AS RESTATED **Annexure III**

(Rs. in million)

		Quarter ended 30.06.2009	Quarter ended 30.06.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005
A	**Cash flow from operating activities :**							
	Profit before tax	10,644.52	12,423.12	33869.70	27,134.02	24,826.27	26,743.98	16,231.44
	Adjustments (See Annexure IVA)	-	1,094.73	943.51	(150.28)	(1,478.06)	867.79	659.57
	Restated Profit Before Tax	**10,644.52**	**13,517.85**	**34813.21**	**26983.74**	**23348.21**	**27611.77**	**16891.01**
	Adjustment for :							
	- Depreciation	511.47	205.72	1628.24	971.15	818.34	(144.60)	588.98
	- Depletion	527.63	578.75	2087.64	2,174.80	1,776.52	1,750.25	1,749.35
	- Provision for leave encashment	-20.51	109.88	191.93	329.45	71.65	45.45	18.55
	- Foreign Exchange (Gain)/Loss	-60.83	49.03	(61.51)	39.21	11.24	(9.72)	(0.62)
	- Provision for Post retirement medical benefits	6.95	22.22	23.42	86.39	9.62	59.23	320.01
	- Interest	9.02	14.23	87.44	343.64	139.55	161.87	166.51
	- Interest Income	-1,489.11	-940.53	(6141.79)	(4,421.34)	(3,188.70)	(2,006.17)	(1,399.87)
	- Dividend Income	-4.44	-31.79	(443.39)	(496.79)	(173.76)	(154.40)	(79.92)
	-Other provision, adjustment and write offs	-	559.91	2585.02	3,025.07	2,513.65	799.28	(1,298.17)
		(519.82)	**567.42**	**(43.00)**	**2051.58**	**1978.12**	**501.19**	**64.83**
	Operating profit before working capital changes	**10124.70**	**14085.27**	**34770.21**	**29035.32**	**25326.33**	**28112.95**	**16955.84**
	Adjustment for Changes in WC							
	- Debtors	(3290.01)	(1518.17)	1561.20	(1,881.56)	1,559.80	226.68	425.51
	- Loans & Advances	328.54	(1059.68)	(4374.12)	6,735.58	(8,346.66)	4,801.64	834.96
	- Inventories	0.40	(380.01)	(501.00)	(428.71)	(90.78)	(1,381.64)	(235.41)
	- Sundry Creditors & other current liabilities	2596.75	6162.12	3509.26	3,178.47	(1,015.33)	3,352.14	2,722.22
	Net Changes in Working Capital	(364.32)	3204.26	195.34	7,603.78	(7,892.97)	6,998.82	3,747.28
	Cash generated from operation	**9760.38**	**17289.53**	**34,965.55**	**36,639.10**	**17,433.36**	**35,111.77**	**20,703.12**
	Direct Taxes paid (Net of Refund)	(1381.38)	(424.66)	(5264.68)	(8,756.19)	(7,406.23)	(9,222.79)	(5,940.47)
	Net cash flow from operating activities 'A'	**8378.99**	**16864.87**	**29,700.87**	**27,882.91**	**10,027.14**	**25,888.99**	**14,762.65**
B.	**Cash flow from investing activities :**							

	Purchase of Fixed Assets (Net)	(3286.31)	(1875.92)	(8495.99)	(9,492.01)	(9,370.32)	(6,108.39)	(6,283.27)
	Investment Made	(1543.80)	-	-	(4,228.37)	(0.02)	(2,482.17)	-
	Interest received	1489.11	1935.54	5026.56	3,717.12	2,718.37	1,515.87	1,234.57
	Dividend received	4.44	31.79	443.39	496.79	173.76	154.40	79.92
	Investment Realised	-	-	-	3,417.22	-	-	426.54
	Net cash flow from investing activities 'B'	**(3336.56)**	**91.41**	**(3,026.04)**	**(6,089.25)**	**(6,478.22)**	**(6,920.30)**	**(4,542.23)**
C.	**Cash flow from financing activities :**							
	Repayment of borrowings	(47.99)	(223.64)	(1184.33)	(7,434.84)	(740.77)	(441.89)	(374.11)
	Proceeds from borrowings	-	-	-	1,043.62	5,539.83	600.24	589.71
	Interest paid	(9.02)	(14.23)	(87.44)	(343.65)	(139.55)	(161.87)	(166.51)
	Dividend paid	-	-	(6420.13)	(4,280.09)	(5,671.12)	(5,735.13)	(2,996.06)
	Tax on dividend	-	-	(1091.10)	(727.41)	(795.37)	(855.40)	(391.55)
	Net cash flow from financing activities 'C'	**(57.01)**	**(237.87)**	**(8,783.00)**	**(11,742.37)**	**(1,806.98)**	**(6,594.05)**	**(3,338.52)**
	Net Increase in cash and cash equivalents (A+B+C)	**4985.43**	**16718.41**	**17,891.83**	**10,051.29**	**1,741.94**	**12,374.63**	**6,881.90**
	Cash and Cash equivalent at the beginning of the year	**60700.08**	**42808.25**	**42808.25**	**32,756.96**	**31,015.02**	**18,640.39**	**11,758.49**
	Cash and Cash equivalent at the end of the year	**65685.51**	**59526.66**	**60700.08**	**42808.25**	**32756.96**	**31015.02**	**18640.39**
	Components of Cash and Cash equivalents:							
	Cash & Cheques in Hand	23.59	22.80	16.11	10.60	10.01	13.04	7.21
	Balance with scheduled banks							
	Current Account	337.60	397.81	851.24	1,488.95	883.94	1,130.88	404.68
	Term Deposits	65324.31	59106.05	59832.73	41,308.70	31,863.01	29,871.10	18,228.50
		65685.51	**59526.66**	**60700.08**	**42,808.25**	**32,756.96**	**31,015.02**	**18,640.39**

Notes :

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) Cash Flow Statement issued by the Institute of Chartered Accountants of India.

2. Cash outflows have been shown in brackets.

Annexure IV A

NOTES ON ADJUSTMENTS MADE FOR RESTATED FINANCIAL STATEMENTS

1. Adjustments on changes in Accounting Policies and Prior period items:

(Rs. in million)

	Quarter ended 30.06.2009	**Quarter ended 30.06.2008**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
Profit after tax as per Audited Statement of Accounts: (A)	**7396.92**	**7932.19**	**21616.84**	**17,889.31**	**16,399.86**	**16,899.31**	**10,616.84**
Adjustments on account of:							
i). Changes in Accounting Policies: (B)							
(a) Method of providing depreciation. [Note No. 2.1]	-	-	-	-	-	1,576.97	-27.36
(b) Provision of depletion on change in method of providing depreciation.	-	-	-	-	-	130.98	-15.49
(c) Write off / provisions in respect of dry/ abandoned wells on change in method of depreciation.	-	-	-	-	-	53.16	-5.75
(d) Method of accounting payment towards VRS [Note No. 2.2]	-	-	-	-	-	299.62	99.87
Sub Total (B)	**-**	**-**	**-**	**-**	**-**	**2,060.73**	**51.27**
ii). Other Adjustments and Prior Period Items: (C)							
(a) Arrears of revenue under to sales revenue, pipeline revenue and other income [Note 2.8]	-	461.35	496.98	-39.80	-328.06	-1,207.06	132.87
(b) Statutory levies on Arrears [Note No.2.8]	-	-	-	0.39	5.68	-6.08	125.18
(c) Prior Period Items [Note 2.4]	-	-	46.30	(34.99)	43.24	(70.72)	88.39
(d) Expenses / provisions [Note No.2.5]	-	633.38	400.23	-75.88	-1,198.92	90.92	261.86
Sub Total (C)	**-**	**1094.73**	**943.51**	**-150.28**	**-1,478.06**	**-1,192.94**	**608.30**
Total adjustments (B+C)	**-**	**1094.73**	**943.51**	**-150.28**	**-1,478.06**	**867.79**	**659.57**
iii). Tax Adjustments : (D)							
(a) Normal Tax impact of adjustments [Note 2.6]	-	(248.14)	**(251.85)**	**67.50**	**468.21**	**443.97**	**(316.94)**
(b) Deferred Tax impact of the adjustments [Note 2.7]	-	-	-	(10.56)	13.90	159.84	(151.02)
Sub Total (D)	**-**	**(248.14)**	(251.85)	56.94	482.11	603.81	(467.96)
Total adjustments (B+C+D) (E)	**-**	**846.59**	**691.66**	**-93.34**	**-995.95**	**1,471.60**	**191.61**
Net Adjusted Profits after Tax (A) + (E)	7,396.92	**8778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**

2. Other changes and Adjustments.

2.1 The Company has been providing depreciation on fixed assets under Straight Line Method at rates prescribed in Schedule XIV of the Companies Act, 1956. However, in the financial year 2005-06, the Company changed the method of depreciation from Straight Line Method to Written Down Value Method at rates prescribed under Schedule XIV of the Companies Act, 1956. Accordingly, adjustment has been carried out for the previous financial years i.e. 2004-05 and for earlier years to the appropriate heads of accounts.

2.2 The Company has been treating the compensation under Voluntary Retirement Scheme (VRS) as a deferred revenue expenditure charging the same to Profit and Loss Account in five annual equal instalments during the financial year 2004-05. During the financial year 2005-06, the policy has been changed so as to charge the VRS in full in the year of incidence itself. The impact on such change has been taken to respective years.

2.3 Adjustments pertaining to earlier years but crystallized during the current year are disclosed separately under "Other Adjustments" read with Accounting Policy No.17 (b) of Annexure VA. For preparation of Restated summarized Profit and Loss Account and Balance Sheet, other adjustments related to earlier years have been taken to respective years.

2.4 The prior period items in the Profit and Loss Account have been re-allocated to respective years.

2.5 Certain arrears of expenses shown in the year of incurrence earlier have now been taken to respective years.

2.6 Provision for tax for earlier years have been bifurcated and considered under respective years.

2.7 The Company has accounted for the deferred tax assets & liabilities for earlier years in terms of 'Accounting for Taxes on Income' (AS 22) issued by the Institute of Chartered Accountants of India (ICAI). Current tax and Deferred tax impact of adjustments made have been computed on the profit arrived after making the adjustment and on the basis of rates applicable to respective years.

2.8 The sales revenue has been accounted for at the price fixed by the Government of India from time to time and are inclusive of statutory levies. The Company has received arrears on account of retrospective revision of product prices, pipeline revenue and other income towards reimbursement costs. The same has been presently taken to respective years.

2.9 The accounts for the years have been restated considering the Guidance Note "Reports in Company Prospectuses" issued by Institute of Chartered Accountants of India and other changes/adjustments referred to above. Effect of these changes has been shown as separate line items under para 1 referred above. Effect of changes for financial years prior to 2004-05 have been adjusted in General Reserve as on 31.03.2005 net of taxes including deferred tax relatable to financial years prior to 2004-05.

NOTES ON ADJUSTMENTS NOT MADE FOR RESTATED FINANCIAL STATEMENTS

1. The Company has changed the Accounting Policy regarding the charging of administrative overhead including corporate overheads to Profit and Loss Account in the financial year 2005-06 from the earlier method of allocating the same between capital and revenue activity. The adjustment on this account has not been carried out in the earlier year as information to that effect is not available. However, the impact of the same to Profit and Loss Account is not expected to be material.

2. During the year 2005-06, the Company has reviewed the valuation of Insurance spares including the item related to deferred project/drilling wells & accessories of Plant & equipment. Accordingly, insurance spares have been capitalized and depreciated in line with 'Valuation of Inventories" (AS 2) read with 'Accounting for Fixed Assets' (AS 10) issued by ICAI. The other spares have been considered as part of other stores & spares for valuation as per the Significant Accounting Policy No.10 (C) of the Company. Due to the above change, a sum of Rs 21.54 million has been charged to depreciation and Rs 194.91 million has been charged to Profit & Loss Account during the year 2004-05. The said amounts have not been recast to the earlier years as the same is not measurable and would not be material.

3. During financial year 2005-06, the Company changed the accounting policy creating a provision of 95% of the value of such items of stores and spares which have not moved for four years as on the date of Balance Sheet, instead of charging the same as consumption. Since the change of accounting policy has no impact on the profit of the Company or the value of stores and spares, no restatement in the accounts is considered.

4. The Company has for the first time provided liability towards post retirement medical benefit given to employees based on actuarial valuation carried out at the end of the financial year 2004-05 and accordingly a sum of Rs 320.01 million has been provided towards such liability which has the effect of reduction of profit for the financial year 2004-05 by the like amount. The same has not been recast in the previous year as the same is not evaluated in the earlier year and would not be material.

5. During financial year 2005-06, reserves of Oil and Gas have been estimated as per International Practice with overall reduction of Reserves by 20.92% as compared to the reserves calculated as per earlier practice. Depletion rates have been revised and recomputed based on such revised estimates prospectively. The accounts for earlier financial year 2004-05 have not been recast as the same is not measurable and requires prospective adjustment only.

6. The field areas grouping (i.e. producing properties consisting of distinct structures) have been realigned during financial year 2005-06 in Assam & Arunachal Pradesh related to Oil and Gas. Written down value (WDV) of realigned fields have been recomputed based on field-wise reserves and production since inception and necessary adjustments to WDV of realigned fields have been made on 31.03.2005 for computation of depletion prospectively. No recasting of accounts of earlier financial year i.e. and 2004-05 has been made based on such realigned fields since the relevant data is not available and normal practice requires prospective adjustment only.

7. During the financial years 2005-06 and 2006-07, the Company implemented Enterprise Resource Planning (ERP) System. Arising out of shifting from earlier system to ERP, certain old debits and credits including inventory items carried forward in accounts were written off/ written back. Net write off in financial year 2005-06 is Rs 68.28 million and net write back in financial year 2006-07 is Rs 65.06 million. Such amounts have not been recast under respective years since relevant data are not available.

8. The Company has entered into Production Sharing Contract in respect of certain properties with the Govt. of India and some bodies corporate. Upon receipt of Audited Statement of Accounts of the Joint Ventures, differential amounts (compared to the amounts appearing in unaudited statement of accounts which have been considered for audited accounts) are incorporated in the books of accounts in the year of receipt. No restatement has been done in respect of such differential amount since the amounts are found not to be material.

9. Effective 1st April, 2007, the Company has adopted AS 15 (Revised 2005) Employee Benefits issued by ICAI as against erstwhile AS 15, being mandatorily applicable from 01.04.2007 and no restatement has been done for earlier years as the same requires prospective adjustment only.

10. As per the notification dated 26.11.2008 of Ministry of Heavy Industries & Public Enterprises, Govt. of India, while revising the pay scale of the employees of PSUs, inter-alia revised the ceiling on Gratuity to Rs 1.00 million from Rs. 0.35 million w.e.f. 01.07.2007. Accordingly, Gratuity liability as per AS 15 has been accounted under employees cost in the year 2008-09 and such amount has not been recast to the relevant earlier years as the same has not been ascertained.

Annexure IV C

AUDITOR'S QUALIFICATIONS AND TREATMENT IN RESTATED FINANCIAL INFORMATION

Sl No.	Financial Year ended	Auditors Qualification	How dealt with in the restated financial information
1	31.03.2007 31.03.2006 31.03.2005	The assets, liabilities, income and expenditure of the joint venture have been incorporated in the books of accounts on the basis of un-audited Statement of Accounts received from the respective operator.	Such audited statements of accounts are received within the end of next accounting year and the difference is incorporated in the books of accounts which are found to be not material.
2	31.03.2007	Non-accounting of Profit & Loss (in compliance with AS-7 issued by ICAI) if any arising out of execution of pipeline contract under the Consortium Agreement with IOTL and consequential impact thereon the account not ascertained.	Necessary accounting of estimated loss of this project of the consortium has been accounted in 2007-08 based on relevant accounting standards.
3	31.03.2007 31.03.2006 31.03.2005	Confirmation of balances from sundry debtors, creditors and loans and advances are not available.	The Company is in the process of reconciling the accounts. Adjustments required are carried out in the year of reconciliation.
4	31.03.2007	Upon shifting from existing accounting system to ERP system, certain old debit balances have been written off and credit balances have been written back, arising out of which net debit of Rs.65.06 million has been taken to account.	No restatement of such balances has been made since the data regarding dates of origin of such balances which are large in number not readily available.
5	31.03.2006	Upon shifting to ERP system, (SAP) during the year, arising out of which net credit of Rs.68.28 million taken to account through write off of certain old debits and write back of old credits and routing through inventory stores and spares under ERP for certain items charged to consumption under earlier system.	No restatement of such balances has been made since the information about dates of origin of such balances which are large in number was not available.
6	31.03.2005	Pending reconciliation of physical inventory of fixed assets with Fixed Assets Register, resultant adjustments, if any, which are required to be made in these accounts are not ascertainable at this stage.	This has been fully ascertained and necessary accounting has been done during financial year 2006-07

Annexure V

A 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 (AS) 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 strategraphic 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 unfurnished minimum work programme and for extension of exploration period under PSC/JVC are treated as Geological and 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 Computers (Hardware).

(d) Assets costing up to 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 up to 31.03.2009 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 4 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. EMPLOYEES 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 account 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 0.5 Million 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 0.5 Million 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 and 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 up to 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 ICAI.

g) General administrative expenses including corporate overhead are charged to Profit and 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 for 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 .

Annexure V B

OTHER NOTES ON RESTATED FINANCIAL STATEMENTS

1. The Company generally follows the Successful Efforts Method of Accounting for its Oil and Gas exploration and production activities. It has adopted the Guidance Note on Accounting for Oil & Gas Producing Activities issued by Institute of Chartered Accountants of India (ICAI) for accounting its transactions with effect from 01.04.2003 as referred in Accounting Policy No. 1(b) of Annexure V A.

   The major difference between the Accounting recommended as per the Guidance Note and the Accounting followed in the Company being that the abandonment costs relating to dismantling and restoration of well sites (net of salvage value), if any, except in case of Joint Venture Accounting are accounted for in the year in which the same is incurred instead of creating provision in line with the Guidance Note issued by ICAI, as the salvage value is expected to take care of abandonment costs.

2. 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 conditions of the Memorandum of Understanding (MOU) signed with various buyers of crude oil for the period 01.04.2003 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 aforesaid MOU for the period 01.04.2004 to 31.03.2008.

   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 benchmarked 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 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.

3. In terms of the decision of Govt. of India, Ministry of Petroleum & Natural Gas (MOP&NG) vide letter No. P-20012/28/97-PP dated 23.07.2004 and further communications in this regard, the Company has allowed a discount of Rs.6,481.57 million on the sale of Crude oil and Rs.564.28 million on the sale of LPG for the financial year 2004-05, Rs.9,276.00 million on the sale of Crude oil and Rs.498.94 million on the sale of LPG for the financial year 2005-06, Rs.19,284.82 million on the sale of Crude oil and Rs.652.66 million on the sale of LPG for the financial year 2006-07 and Rs.22,356.27 million on the sale of Crude oil and Rs.694.61 million on the sale of LPG for the financial year 2007-08 and Rs.29,485.32 million on sale of Crude oil and Rs.747.55 million on sale of LPG for the financial year 2008-09 and Rs. 551.58 million on sale of Crude oil and Rs. 24.51 million on sale of LPG for the quarter ended 30.06.2009. Accordingly, the sales revenue in respect of Crude Oil and LPG are net of the aforesaid discounts, which have the effect of reduction of profit for the respective periods by such amounts.

4. 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 relief 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 demand of Rs 8,402.30 million on the Company. The Company had preferred Appeal before the first Appellate Authority against such order/demand and succeeded in the appellate proceeding resulting in refund of Rs 6,955.11 million (including interest of Rs 752.48 million). Accounting action has not 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 Government 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 by the Company in the Assessment Order and demanded Rs 7,166.09 million. The Company has preferred Appeal before CIT (A) 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.

5. 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. However, pending any decision from Govt. of India, it was assumed that the same basis will be continued and as such an amount of Rs 731.70 million has been recognized during the quarter ended on 30.06.2009.

6. 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 & Gas Corpn. Ltd. (ONGC), Conoro Resources Limited and BRPL the same are accounted for based on the MOU/Crude oil Transportation Agreement (COTA) signed with the respective companies.

7. M/s Luit India Inc., (formerly known as Sakhalin India Inc.) incorporated in United States of America became fully owned subsidiary of Oil India Limited with effect from 10.05.2003. The subsidiary company was subsequently wound up on 31.12.2004. As the subsidiary company does not exist as of 30.06.2009, no consolidated Statement of Assets and Liabilities and Profit and Loss Account has been prepared.

8. 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 Rs. 293.41 million has been provided during the quarter ended 30.06.2009 in addition to Rs.2933.30 million already provided upto the year ended 31.03.2009 on adhoc basis.

9. Land in possession of the Company include some areas for which title/conveyance deeds are yet to be executed and/or for mutation in settlement records are pending. Documentation formalities are in progress.

10. Arising out of one time settlement with Indian Drugs and Pharmaceuticals Limited (IDPL), (a Government of India undertaking) the provision for doubtful advance/claim amounting to Rs. 150.00 million made in earlier year 2004-05 was written back during financial year 2006-07. As per the revival package the principal along with simple 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. 283.32 million in the books of Accounts during the year financial year 2008-09 against the principal and interest dues from IDPL. For the quarter ended 30.06.2009, no interest has been accounted for.

11. The settlement of outstanding dues from Assam State Electricity Board (ASEB) for sale of Natural Gas amounting to Rs. 1,619.69 million 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. 300.00 million on 31.03.2008 being the 1st instalment, Rs.519.70 million on 02.09.2008 being 2nd instalment and Rs.400.00 million being the 3rd instalment on 28.03.2009 and Rs. 100.00 million on 22.06.2009 being the 4th instalment. 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.

12. 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. 500.12 million 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. 532.50 million being the being the project cost incurred by the consortium. The initial contribution of Rs 25.00 million 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 has been completed during the financial year 2008-09 and on receipt of Audited Statement of Accounts of the Consortium necessary adjustment for the final accounting of profit/loss of this Consortium will be accounted for.

13. In terms of the Significant Accounting Policy No.6 (Ref. Para 6 of Annexure VA), 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 30.06.2009.

14. The Company has signed a "Participating Agreement" (PA) for the product pipeline at Sudan 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), Government 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 AS 19 issued by ICAI 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.1,236.07 million (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.562.61 million (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 (8^{th}) eighth instalment of lease rentals due as on 30.06.2009. 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 instalments are accounted for as income from Finance Lease.

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

(Rs. in million)

(i)	**Gross investment in the lease being Minimum Lease Payment (MLP)**		Quarter ended 30.06.2009		Quarter ended 30.06.2008
	Investment made	**540.15**		**540.15**	
	Lease rental receivable	**448.92**	**989.08**	**418.91**	**959.06**
(ii)	**Present value (PV) of MLP receivable as on 31.03.2009 (inclusive of exchange rate fluctuation)**		**380.00**		**384.29**
(iii)	**Finance lease future instalments receivable**		**589.92**		**631.88**
(iv)	**Minimum lease payments receivable (converted at year end exchange rate):**				

	Gross Receivable		Unearned Lease Income		PV of MLP	
	Quarter ended 30.06.2009	Quarter ended 30.06.2008	Quarter ended 30.06.2009	Quarter ended 30.06.2008	Quarter ended 30.06.2009	Quarter ended 30.06.2008
a) not later than one year	**117.98**	**105.31**	**52.39**	**51.74**	**65.59**	**53.57**
b) later than one year but not later than 5 years	**471.94**	**513.39**	**157.53**	**183.57**	**314.41**	**329.82**
c) Later than 5 years	**0.00**	**13.18**	**0.00**	**12.27**	**0.00**	**0.91**
Total :	**589.92**	**631.88**	**209.92**	**247.59**	**380.00**	**384.29**

16. **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 31^{st} August, 2006 (effective dated 27^{th} September, 2006), for Rs. 0.02 million (Nigerian Naira 62502 US$ 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 Suntera 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. 377.73 million (US$ 7.80 Million) as of 30.06.2009 carrying a simple interest of 8.75% per annum is payable. Accordingly, Rs.66.94 million (Previous year Rs. 30.33 million) has been charged to**

Suntera Nigeria 205 Ltd. as interest up to 30.06.2009. As per the loan agreement with Suntera OPL-205 Limited, the principal amount along with simple interest @ 8.75% p.a. is repayable by 31.12.2010.

17. 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 M/s 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. 324.72 million toward acquisition of 32,472,000 nos. of equity shares of Rs. 10 each and the same is shown under "Loans & Advances" pending allotment of Shares to the Company.

18. For infrastructure development to facilitate the supply of natural gas to Brahmaputra Cracker and Polymers 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 upto a maximum of Rs. 2,150.00 million 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.228.16 million up to 30.06.2009 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.

19. The Company has acquired 24380000 numbers of Equity Shares of Rs 10 each in DNP Limited and paid Rs.243.80 million toward its contribution to Equity Capital, so far and the same was shown under "Loans & Advances" pending allotment of Shares as on 31.03.2009. On being allotted 24380000 equity shares as fully paid up, the amount is transferred from "Loans & Advances" and shown under "Investment" during the quarter ended 30.06.2009.

20. 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 30.06.2009.

21. 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. 8102.75 million upto 30.06.2009. Out of this sum, an amount of Rs. 5,721.52 million has been charged off in the Accounts till 30.06.2009 as per the accounting policy of the Company leaving a balance amount of Rs. 996.00 million in Pre-Producing Property Account (PPPA) and Rs. 1385.22 million transferred to Producing Property Account (PPA) (Total Rs. 2381.22 million) in the Balance Sheet as on 30.06.2009. Pending the final decision from the Government of India about the extension/conversion of the PELs to ML or otherwise, provision for Rs. 995.99 million upto 30.06.2009 (Rs 819.80 million upto 31.03.2009 and Rs. 176.19 million for the quarter ended 30.06.2009) 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.

22. 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.9.23 million (Previous year 8.10 million)is been carried over in the accounts upto 30.06.2009 towards OIL's share of cost for feasibility study for the said project.

23. Joint Venture Contracts (JVCs) / Production Sharing Contracts (PSCs) Accounts:

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

S. No.	Block No.	Date of execution	Company's Participating interest	Other partners and their participating interest		Operator
1.	Kharsang PSC	16.06.1995	40%	JEPL	25%	Geoenpro
				Geo- Petrol	25%	
				Geoenpro	10%	
2.	AAP-ON-94/1	30.06.1998	16.129% in Expl Phase	IOCL	43.548%	HOEC

			Addl 30% carried interest	HOEC	40.323%	
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	25%	RIL
				RIL	60%	
6.	MB-DWN-2000/2*	17.07.2001	10%	ONGCL	50%	ONGCL
				IOCL	15%	
				GAIL	15%	
				GSPCL	10%	
7.	KG-DWN-98/4	12.04.2000	15%	ONGCL	85%	ONGCL
8.	MN-OSN-2000/2	17.07.2001	20%	ONGCL	40%	ONGCL
				GAIL	20%	
				IOCL	20%	
9.	MN-ONN-2000/1#	17.07.2001	25%	ONGCL	20%	OIL
				GAIL	20%	
				IOCL	20%	
				SUNTERA	15%	
10.	RJ-ONN-2001/1	04.02.2003	40%	ONGCL	30%	OIL
				SUNTERA	30%	
11.	AA-ONN-2001/3	04.02.2003	15%	ONGCL	85%	ONGCL
12.	CY-DWN-2001/1	04.02.2003	20%	ONGCL	55%	ONGCL
				PIBBV	25%	
13.	AA-ONN-2002/3	06.02.2004	20%	ONGCL	70%	OIL
				SUNTERA	10%	
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	23.9.2005	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-2004/3	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%	
7.	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 as detailed below.

Sl. No.	Block/Area No.	Date of Execution	Company's Participating interest	Other Partners' and their Participating Interest		Operator
				Partners		
1.	Farsi (offshore) Block in the Persian Gulf in Islamic Republic	25.12.2002	20%	OVL	40%	OVL
				IOCL	40%	
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	45%	OIL
				Marvis Pte. Ltd	10%	
5.	Area 95/96, Libya	01.06.2008	25%	IOCL	25%	SIPEX
				SIPEX	50%	
6.	Timor Leste –Block 'K', East Timor	02.06.2008	12.5%	IOCL	12.5%	REPDMCC
				RE&P DMCC	75%	
7.	Block 82, Yemen	17.03.2009	15%	MEDCO AMED	15%	MEDCO AMED (100% subsidiary of MEDCOENERGI
				Kuwait Energy	25%	
				IOCL	15%	
8.	Block 83, Yemen	17.03.2009	15%	MEDCO ARAT	45%	MEDCO ARAT (100% subsidiary of MEDCOENERGI)
				Kuwait Energy	25%	
				IOCL	15%	

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:-

Block/Area No.	Date of execution	Company's Participating interest	Other partner	Partner's participating interest	Operator
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 started. Further the said block (OPL-205) had a hydrocarbon (gas) discovery in structure "Otien". To appraise the discovery of the said prospect it was earlier decided to drill two more appraisal wells. Drilling of the first well started on 24.11.2007 and was suspended in

January, 2008 for future re-entry after acquisition of seismic data. Meanwhile OPL was valid only till 19.01.2009 and in the absence of the possible extension prevailed in Nigerian Law, OML (Oil Mining Lease) conversion was the only option available to retain the acreage and execute the drilling of the third well. Accordingly the Board of Directors has given an approval on 19.11.2008 for application by the JVC (M/s Summit Oil International Limited) to Department of Petroleum Resources (DPR) in Nigeria for conversion of OPL to OML which is received on 25.06.2009.

Note: The proportionate value relating to Company's participating interest in the assets, liabilities, income and expenditure of the joint and other ventures as referred above have been incorporated based on unaudited financial statement of accounts received from respective operators. No material changes are expected by the Company in the account on receipt of Audited statement of accounts of the joint / other ventures.

ABBREVIATIONS USED ABOVE:

ONGCL	Oil & Natural Gas Corporation Limited
IOCL	India 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	Shivani 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 Internasional Tbk
MEDCO AMED	Medco Yemen Amed Limited (100% Subsidiary of MEDCO ENERGI)
MEDCO ARAT	Medco Yemen Arat Limited (100% Subsidiary of MEDCO ENERGI)

24. 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. 111.28 million for the quarter ended 30.06.2009.

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.

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.

For quarter ended 30.06.2009 provision for Employee Benefits in respect of Pension, Gratuity, Leave Encashment, LTC/LFA, Long service award and Post Retirement Medical Benefit has been taken for Rs. 811.56 million at 25% of the respective amount charged to Profit & Loss Account for the year ended 31.03.2009 (which has been determined actuarially).

25. Balance shown under creditors, debtors, claims, recoverable and advances includes balances subject to confirmation / reconciliation and consequential adjustment, if any. Reconciliation are carried out on on-going basis. Provisions, wherever considered necessary, have been made.

26. The Company provides 95% of the value of slow/non moving stores and spares beyond four years at the year end Accounts. [Ref. para 10(c) Annexure V A]. and amount of Rs 165.49 million has been provide in financial year 2008-09. No such assessment has been done as of 30.06.2009 as well as 30.06.2008 and accordingly no provision has been made in the Accounts for the quarter ended 30.06.2009 as well as 30.06.2008, the amount whereof would not be material.

27. Sales include sales tax as given below:

(Rs in million)

	Quarter ended 30.06.2009	**Quarter ended 30.06.2009**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
Crude Oil	669.71	797.75	2,497.84	2,066.81	1,827.58	1,884.89	1,342.45
Natural Gas	181.64	164.54	659.28	643.19	600.96	512.10	273.84
Liquefied Petroleum Gas	0.49	0.06	1.22	0.55	1.32	1.70	3.84
Condensate	0.03	0.02	0.02	0.29	0.32	0.33	0.26
Total	851.87	962.37	3,158.36	2,710.84	2,430.18	2,399.02	1,620.39

28. Previous year's figures along with the Restated Financial Statement of the earlier years, as may be required has been reclassified/regrouped wherever necessary to conform to year end classification.

STATEMENT OF DIVIDENDS PAID/PROPOSED **Annexure VI**

(Rs in million)

Particulars	**Quarter ended 30.06.2009**	**Quarter ended 30.06.2008**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
Equity Share Capital	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04	2,140.04
Face Value (Rs)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
No. of Shares	214004400	214004400	214004400	214004400	214004400	214004400	214004400
Rate of Dividend(%)	-	-	**305.00%**	**275.00%**	**260.00%**	**265.00%**	**160.00%**
Interim First	-	-	150.00%	125.00%	110.00%	110.00%	60.00%
Interim Second	-	-	0.00%	0.00%	75.00%	75.00%	0.00%
Final	-	-	155.00%	150.00%	75.00%	80.00%	100.00%
Amount of Dividends							
Interim	-	-	3210.07	2675.06	3,959.08	3,959.08	1,284.03
Final	-	-	3317.01	3210.07	1,605.03	1,712.04	2,140.04
Total Dividend	-	**-**	**6527.08**	**5885.13**	**5,564.11**	**5,671.12**	**3,424.07**
Corporate Dividend Tax							
Interim	-	-	545.55	454.63	555.26	555.26	172.19
Final	-	-	563.73	545.55	272.78	240.11	300.14
Total	-	**-**	**1109.28**	**1000.18**	**828.04**	**795.37**	**472.33**

STATEMENT OF ACCOUNTING RATIOS INCLUDED AS RESTATED

Annexure VII

(Rs in million)

Sl. No.	Particulars	Quarter ended 30.06.2009	Quarter ended 30.06.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005
1	Restated Profit after Tax	7396.92	8778.78	22,308.50	17,795.97	15,403.91	18,370.91	10,808.45
2	Net Worth	1,00,707.11	87,261.90	93,870.47	79,045.53	68,199.79	59,215.82	46,619.87
3	No of equity shares outstanding at the end of the year	214004400	214004400	214004400	214004400	214004400	214004400	214004400
4	Earnings Per Share (Rs)	138.26	164.09	104.24	83.16	71.98	85.84	50.51
5	Return on Net Worth (%)	7.34%	10.06%	23.77%	22.51%	22.59%	31.02%	23.18%
6	Net Asset Value/Share (Rs)	470.58	407.76	438.64	369.36	318.68	276.70	217.85

Formula:

Earnings per Share (Rs.) = $\frac{\text{Restated Profit after tax}}{\text{No. of equity shares}}$

Return on Net Worth (%) = $\frac{\text{Restated Profit after tax}}{\text{Net Worth}}$

Net Asset Value Per Share (Rs.) = $\frac{\text{Net Worth}}{\text{No. Of equity shares}}$

Notes :

1. The Earnings per share is calculated is accordance with "Earnings Per Share" (AS-20) issued by ICAI
2. Net worth means Equity share Capital + Free Reserves and Surplus
3. Ratios have been have been computed adjusted on the basis of adjusted Profit/Loss for the respective years
4. No dilution of equity in any of the Period / years referred above.

Annexure VIII

STATEMENT OF CAPITALIZATION AS ON 30.06.2009

(Rs. in million)

	Pre-issue as at 30.06.2009	**Post Issue ***
Debt:		
Short Term debt	4.03	
Long-Term Debt	512.50	
Total Debt	516.53	
Shareholders' Funds:		
Share Capital	2,140.04	
Reserves and Surplus	98,567.07	
Total Shareholders' Funds	1,00,707.11	
Debt/equity Ratio	0.01	
Long Term Debt/Equity	0.01	

Notes :

1. Long Term debt includes Loans / Bonds repayable within one year Rs. 162.50 million.

2.*The figures can be ascertained only on the conclusion of book building process.

3.The above has been computed on basis of the restated financial statements of the Company.

Annexure IX

STATEMENT OF SECURED AND UNSECURED LOANS, AS RESTATED

(Rs in million)

DETAILS	As at 30.06.2009	As at 30.06.2008	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005
A. Secured Loans							
Cash Credit/Working Capital Loan with State Bank of India, CAG Branch,	4.03	840.11	27.02	1,048.85	5.23	600.00	950.00
Loan from banks	-	10.10	-	-	7,084.84	950.24	-
Total (A)	**4.03**	**850.21**	**27.02**	**1,048.85**	**7,090.08**	**1,550.24**	**950.00**
B. Unsecured Loans							
From Oil Industries Development Board (OIDB)	512.5	675.00	537.50	700.00	1,050.00	1,400.00	1,861.61
Loan from ONGC Videsh Limited	-	-	-	-	-	390.77	371.04
Less: Adjustments	-	-	-	-	-	(390.77)	(371.04)
Total (B)	**512.50**	**675.00**	**537.50**	**700.00**	**1,050.00**	**1,400.00**	**1,861.61**
Total Secured and Unsecured Loans (A) +(B)	**516.53**	**1525.21**	**564.52**	**1,748.85**	**8,140.08**	**2,950.24**	**2,811.61**

Cash Credit :-
(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 L/C, Bank Guarantee with limit of Rs.4,500 Million)

Rate of Interest

Loan from OIDB - 5%
Loan from ONCG Videsh
Limited - 5%

STATEMENT OF TAX SHELTERS **Annexure X**

(Rs in million)

PARTICULARS	**Quarter ended 30.06.2009**	**Quarter ended 30.06.2008**	**Year ended 31.03.2009**	**Year ended 31.03.2008**	**Year ended 31.03.2007**	**Year ended 31.03.2006**	**Year ended 31.03.2005**
Profit before Tax as per Audited accounts	10644.52	12423.12	33,869.70	27,134.02	24,826.27	26,743.98	16,231.44
Adjustments (See Annexure IVA)	0.00	1094.73	943.51	(150.28)	(1,478.06)	867.79	659.57
Restated Profit Before Tax (A)	**10644.52**	**13517.85**	**34,813.21**	**26,983.74**	**23,348.21**	**27,611.77**	**16,891.01**
Applicable Tax rate	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
Tax on Restated Profit	3618.07	4795.02	11,833.01	9,171.77	7,859.01	9,294.12	6,180.42
Adjustments			-				
Permanent Differences (B) :			-				
Interest payment / received from Income Tax Authorities (Net)	(0.06)	179.67	718.69	-	(86.09)	(6.01)	37.50
Dividend exempt u/s 10(34)	(150.00)	(110.71)	(442.84)	(496.79)	(173.76)	(154.40)	(79.92)
Deduction u/s 80IC	0.00	0.00	(16,264.93)	(13,260.62)	(13,059.25)	(11,748.72)	-
Deletion of Assets	0.37	1.46	5.85	19.13	39.91	8.55	9.23
Excess contribution to Superannuation fund on a/c of Pension, Gratuity	125.00	94.29	377.17	384.92	73.01	1,042.95	357.53
Income from Sale of assets	0.00	0.00	-	-	-	(0.07)	(0.06)
Perquisite Tax paid by the Company	26.14	26.14	104.55	147.37	-	-	-
Prior period Items	0.00	0.00	52.55	-	54.56	-	-
Total Permanent Differences (B)	**1.45**	**190.86**	**(15,448.96)**	**(13,205.99)**	**(13,151.61)**	**(10,857.70)**	**324.28**
Timing Differences (C) :			-				
Provision for medical benefits	5.86	5.86	23.42	86.33	9.62	52.46	320.01
Difference between tax depreciation and book depreciation	(38.37)	(172.98)	(691.91)	(498.45)	(784.94)	(88.27)	(753.93)
Deduction u/s 35 Capital Expenditure							
on Scientific Research	(1.74)	(1.74)	(6.96)	(6.54)	(2.45)	(3.61)	(8.29)
Difference of amortisation of Survey, Exploratory & Development Expenses as claimed in Income Tax & Accounts	(1793.52)	(355.63)	(1,422.53)	(1,923.37)	(2,188.06)	(2,177.42)	(1,507.11)
Difference of leave encashment paid over provision made in books	47.98	47.98	191.93	329.45	71.65	33.84	18.55
Provision for Long Service Award	(1.17)	(1.17)	(4.67)	55.26	-	-	-

Provision for Gratuity	342.14	342.14	1,368.55	-	-	-	-
Deferred instalments of Voluntary Retirement Scheme u/s 35DDA	0.00	0.00	-	(99.87)	-	(99.87)	(99.87)
Provisions for doubtful debts, claims, advances & items (net of write back)	(9.91)	178.44	713.76	(159.86)	231.36	(191.87)	208.03
Provision for Non-Moving inventory / Stores	0.00	0.00	-	92.59	60.21	36.55	-
Other adjustments	0.00	(1094.73)	(943.51)	150.28	1,478.06	1,192.94	(608.30)
Total Timing Differences (C)	**(1448.73)**	**(1051.83)**	**(771.92)**	**(1,974.18)**	**(1,124.54)**	**(1,245.26)**	**(2,430.91)**
Net Adjustments: **D (B+C)**	**(1447.28)**	**(860.98)**	**(16,220.88)**	**(15,180.17)**	**(14,276.16)**	**(12,102.96)**	**(2,106.62)**
Tax (Saving) / Outgo thereon **(E) (D* Tax Rate)**	(491.93)	(288.18)	(5,513.48)	(5,159.74)	(4,805.35)	(4,073.86)	(770.81)
Taxable Income from Business: **F (A + D)**	9199.12	12670.01	18,592.33	11,803.57	9,072.05	15,508.81	14,784.39
Total Taxable Income as per Return of Income	Note 2	Note 2	Note 1	11,803.57	9,072.05	15,508.81	14,784.39
Tax on business Income	3126.78	4306.54	6319.53	4012.03	3053.65	5220.27	5409.61
Total Tax as per Return of Income	Note 2	**0.00**	Note 1	**4,012.03**	**3,053.65**	**5,220.27**	**5,409.61**

Note 1 : Income Tax Return for the financial year 2008-09 corresponding to Assessment Year 2009-10 has not yet been submitted. The due date of submission of such return is 30.9.2009.

Note 2 : Income Tax Return for the Quarter ending 30.06.2009 and 30.06.2008 is not required to be filled

Annexure XI

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Rs in million)

Particulars	As at 30.06.2009	As at 30.06.2008	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005
A. Loans & Advances							
- Employees	2786.90	2174.77	2692.22	1,873.82	1,206.49	1,200.04	1,261.51
- Directors	4.22	6.03	5.68	6.01	0.73	0.95	1.06
- Recoverable in cash or in kind for value to be received	5339.70	3106.12	3841.61	2,336.89	2,654.07	2,955.01	5,425.55
- Luit India Limited	-	-	-	-	-	-	-
- For investment in NRL Equity Shares:-							
a) Oil Industries Development Board	-	-	-	-	3,551.19	-	-
b) Bharat Petroleum Corporation Ltd	-	-	-	-	377.13	-	-
- Loan to DNP Limited	300	-	-	-	-	-	-
TOTAL (A)	**8430.82**	**5286.922**	**6,539.51**	**4,216.72**	**7,789.60**	**4,156.00**	**6,688.12**
B. Deposits							
- I.Tax, Customs, Excise	539.53	254.65	471.14	215.36	239.43	133.79	20.65
- Companies(ICD) including Public Sector Companies	2333.32	277.69	2330.20	165.02	3,800.00	39.21	2,527.10
- Others	25.643	26.94	44.94	52.77	51.80	64.10	24.52
TOTAL (B)	**2898.48**	**559.276**	**2,846.28**	**433.15**	**4,091.23**	**237.10**	**2,572.27**
C. Others							
- Contribution to IOTL-OIL Consortium for working capital	25.00	25.00	25.00	25.00	25.00	-	-
- Direct Tax Payments(Net of provisions)	-	-	-	1,032.90	899.58	65.65	-
- Loan to Suntera Nigeria POL 205 Ltd.	444.67	367.49	464.64	320.14	-	-	-
- Advance against acquisition of Shares in DNP pending allotment	0.00	243.80	243.80	-	-	-	-
- Advance against acquisition of Shares in BCPL pending allotment	324.72	41.92	324.72	41.92	-	-	-

TOTAL (C)	**794.39**	**678.21**	**1,058.16**	**1,419.96**	**924.58**	**65.65**	**-**
TOTAL (A+B+C)	**12123.68**	**6,524.41**	**10,443.95**	**6,069.83**	**12,805.41**	**4,458.75**	**9,260.39**
Particulars of Loans & Advances							
Secured	2791.12	2180.80	2697.90	1,879.83	1,207.22	1,200.99	1,262.57
Unsecured-Considered good	9009.93	4028.47	7425.29	4,152.55	11,560.74	3,070.31	7,822.66
Unsecured-Considered doubtful & provided for	322.635	315.14	320.76	37.45	37.45	187.45	175.16
Total	**12123.68**	**6,524.41**	**10,443.95**	**6,069.83**	**12,805.41**	**4,458.75**	**9,260.39**

Annexure XII

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs in million)

Particulars	As at 30.06.2009	As at 30.06.2008	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005
A. Debts outstanding for a period exceeding six months:							
Unsecured:							
Considered good	126.98	1,225.80	570.63	969.83	1,466.47	1,640.20	2,028.48
Considered doubtful	271.42	62.20	271.42	69.39	22.26	48.17	38.01
Secured:							
Total (A)	**398.40**	**1,288.00**	**842.05**	**1,039.22**	**1,488.73**	**1,688.37**	**2,066.49**
B. Other Debts							
Unsecured:							
Considered good	6,830.36	5,548.21	3,055.74	4,267.39	1,720.65	3,102.30	3,484.97
Considered doubtful	-	-	-	-	-	-	-
Secured:							
Total (B)	**6,830.36**	**5,548.21**	**3,055.74**	**4,267.39**	**1,720.65**	**3,102.30**	**3,484.97**
Total (A)+(B)	**7,228.77**	**6,836.21**	**3,897.79**	**5,306.61**	**3,209.38**	**4,790.67**	**5,551.47**
Less: Provision for Bad & Doubtful Debts {C}	271.42	62.20	271.42	69.39	22.26	48.17	38.01
Total (A)+(B)-{C}	**6,957.35**	**6,774.01**	**3,626.37**	**5,237.22**	**3,187.12**	**4,742.51**	**5,513.46**
Future Instalments receivable against Lease rent (Net of Unearned Income)	380.00	392.76	420.97	371.32	539.85	544.27	-
Total Debtors including Lease rent receivable	**7,337.35**	**7,166.77**	**4,047.34**	**5,608.54**	**3,726.98**	**5,286.78**	**5,513.46**

Annexure XIII

STATEMENT OF INVESTMENTS, AS RESTATED

(Rs in million)

Particulars	**As at 30.06.2009**	**As at 30.06.2008**	**As at 31.03.2009**	**As at 31.03.2008**	**As at 31.03.2007**	**As at 31.03.2006**	**As at 31.03.2005**
INVESTMENT - LONG TERM							
Unquoted and fully paid-up							
(A) Investment in Shares of Numaligarh Refinery Limited	4836.53	4836.53	4,836.54	4,836.54	908.21	908.21	908.21
191264202 equity shares of Rs.10/- each fully paid up							
(Previous year 191264202 of Rs.10/- each fully paid-up)							
(B) Suntera Nigeria 205 Ltd.	0.02	0.02	0.02	0.02	0.02	-	-
62502 Equity Shares of Naira 1							
(C) Investment in shares of Luit India Inc. Texas USA - 1000 Equity	-	-	-	-	-	-	-
Shares of US$ 1 each (Previous year-1000 Equity Shares of							
US$ 1 each)							
(D) Investment in 6.96% Oil Companies Govt. of India	-	-	-	-	-	-	0.80
Special Bond - 2009							
(E) Investment in 5.00% Oil Companies Govt. of India	-	-	-	-	910.30	910.30	910.30
Special Bond - 2009.							
(H) Investment in 7% Oil Companies Government of India	-	-	-	-	2,483.02	2,483.02	-
Special Bond-2012							
(I) Brahmaputra Cracker & Polymers Limited	0.05	0.05	0.05	0.05	-	-	-
(J) Investment in Shares in DNP Limited	243.8	-	-	-	-	-	-
24380000 equity shares of Rs.10/- each fully paid up							
(Previous year Nil)							
Other Investments							
(A) The East India Clinic Limited 6 Nos. of 5% Non-redeemable	-	-	-	-	-	-	-
Debenture Stock 1957 of Rs.1000.00 each carried nominal value of Rs. 1.00							

(B) UTI Liquid Fund	650.00	-	-	-	-	-	-
(C) Contribution to Capital Fund of Petroleum India International	50.00	50.00	50.00	50.00	-	-	-
(D) State Bank of India Liquid Fund	650.00	-					
	6430.41	**4886.60**	**4,886.61**	**4,886.61**	**4,301.55**	**4,301.53**	**1,819.31**
Less: Provision for diminution in value of Bonds	-	-	-	-	226.10	-	-
Total	**6430.41**	**4886.60**	**4,886.61**	**4,886.61**	**4,075.45**	**4,301.53**	**1,819.31**

Annexure XIV

STATEMENT OF OTHER INCOME, AS RESTATED

(Rs in million)

Particulars	Quarter ended 30.06.2009	Quarter ended 30.06.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2007	Year ended 31.03.2006	Year ended 31.03.2005	Nature of Income
Gas Subsidy Claim	404.57	374.79	1427.71	1,552.74	1,497.85	1,211.05	338.20	Recurring
Dividend from Trade investment-NRL	0.00	0.00	382.53	478.16	172.56	154.40	79.92	Recurring
Dividend from UTI MF	1.53	31.79	52.41	18.63	1.20	-	-	Non-Recurring
Dividend for SBI Liquid Fund	2.91	0.00	7.90	-	-	-	-	Non-Recurring
Distribution of Surplus by PII	0.00	0.00	0.55	-	-	-	-	Non-Recurring
Interest from :								
-Term Deposit with Banks	1407.19	917.45	6018.22	4,236.44	2,526.87	1,785.82	976.77	Recurring
-Investments in GOI Special Bonds	0.00	0.00	-	43.92	219.33	132.40	57.84	Recurring
-Income Tax Authorities	0.00	0.00	-	-	86.09	31.01	1.00	Non-Recurring
-Deposit with Companies (ICD)	60.31	1.87	152.64	86.93	62.34	42.22	193.28	Recurring
-Others	21.61	21.20	96.74	61.55	301.58	22.22	178.48	Recurring
Other items :								
-Electricity Recovery	0.91	0.26	1.54	1.09	0.98	1.01	0.61	Recurring
-Sale of Scrap	0.31	2.17	8.85	20.48	10.43	12.39	12.13	Recurring
-Profit on sale of Assets	0.00	0.00	0.90	0.32	40.39	0.15	0.06	Non-Recurring
-Liquidated damages etc.	24.35	48.01	393.70	57.88	163.07	40.57	24.46	Recurring
-Income from Services	23.24	22.70	300.97	35.59	131.74	123.50	22.49	Recurring
Income from Financial Lease	14.08	13.45	58.13	53.30	62.79	51.31	-	Recurring
Income from OFC fibre leasing	0.00	0.00	62.02	-	-	-	-	Non-Recurring
Miscellaneous Income	102.14	122.35	406.94	122.97	57.75	31.24	19.03	Recurring
Total	**2063.15**	**1556.04**	**9,371.75**	**6,770.01**	**5,334.94**	**3,639.29**	**1,904.26**	

Annexure XV

STATEMENT OF RELATED PARTY TRANSACTIONS

Information on Related Party Disclosures as per Accounting Standard (AS-18) of ICAI on Related Party Disclosures is given below:

A. Related Party relationships

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

a) Joint Ventures :

S.No.	Period ended 30.06.2009	Period ended 30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
1	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.	JEPL Geo Petrol Geo-Enpro in Kharsang PSC.
2	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1	HOEC in AAP-ON-94/1
3	Suntera Shiv Vani in MZ-ONN-2004/1	Suntera Shiv Vani in MZ-ONN-2004/1	Suntera Shiv Vani in MZ-ONN-2004/1	Suntera Shiv Vani in MZ-ONN-2004/1	Suntera Shiv Vani in MZ-ONN-2004/1	GSPCL in MB-DWN-2000/2	GSPCL in MB-DWN-2000/2
4	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	POC EOL in CR-ON-90/1	EOL POGC in RJ-ON-90/5
5	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3	RIL in GK-OSJ-3
6	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1	GGR in KG-ONN-2004/1	
7	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1	RIL in SR-OS-94/1
8	Shiv Vani in AA-ONN-2004/1	Shiv Vani in AA-ONN-2004/1	Shiv Vani in AA-ONN-2004/1	Shiv Vani in AA-ONN-2004/1	Shiv Vani in AA-ONN-2004/1		
9	Suntera in AA-ONN-2004/2	Suntera in AA-ONN-2004/2	Suntera in AA-ONN-2004/2	Suntera in AA-ONN-2004/2	Suntera in AA-ONN-2004/2		
10	GGR in RJ-ONN-2004/2	GGR in RJ-ONN-2004/2	GGR in RJ-ONN-2004/2	GGR in RJ-ONN-2004/2	GGR in RJ-ONN-2004/2		
11	GGR in RJ-ONN 2004/3	GGR in RJ-ONN 2004/3	GGR in RJ-ONN 2004/3	GGR in RJ-ONN 2004/3	GGR in RJ-ONN 2004/3		
12	GGR in KG-ONN 2004/1	GGR in KG-ONN 2004/1	GGR in KG-ONN 2004/1	GGR in KG-ONN 2004/1	GGR in KG-ONN 2004/1		
13	MARVIS in Shakthi-Gabon	Suntera in RJ-ONN-2000/1	MARVIS in Shakthi-Gabon	MARVIS in Shakthi-Gabon	MARVIS in Shakthi-Gabon		
14	Suntera in RJ-ONN-2000/1	Suntera in RJ-ONN-2001/1	Suntera in RJ-ONN-2000/1	Suntera in RJ-ONN-2000/1			
15	Suntera in RJ-ONN-2001/1	Suntera in MN-ONN-2000/1	Suntera in RJ-ONN-2001/1	Suntera in RJ-ONN-2001/1			
16	Suntera in MN-ONN-2000/1	Suntera in AA-ONN-2000/1	Suntera in MN-ONN-2000/1	Suntera in MN-ONN-2000/1			
17	Suntera in AA-	SIPEX in Area	Suntera in AA-	Suntera in			

	ONN-2000/1	95/96 Libya	ONN-2000/1	AA-ONN-2000/1			
18	SIPEX in Area 95/96 Libya		SIPEX in Area 95/96 Libya				
19	REPDMCC in Timor Leste – Block 'K', East Timor		REPDMCC in Timor Leste – Block 'K', East Timor				
20	MEDCOAMED in Block 82, Yemen		MEDCOAMED in Block 82, Yemen				
21	MEDCOARAT in Block 83, Yemen		MEDCOARAT in Block 83, Yemen				

ABBREVIATIONS USED ABOVE:

JEPL - Jubilant Enpro Pvt. Ltd.
Geopetrol - Geopetrol International Inc.
Geoenpro - Geoenpro Petroleum Limited
GSPCL - Gujarat State Petroleum Corporation Ltd.
HOEC - Hindustan Oil Exploration Ltd.
GGR - Geo Global Resources (Barbados) Inc.
Suntera - Suntera Resources Ltd.
Shiv Vani - Shiv Vani Oil & Gas Exploration Services Ltd.
POC - Premium Oil Cachar BV
EOL - Essar Oil Ltd.
RIL - Reliance Industries Ltd.
POGC - Polish Oil & Gas Co. Ltd.
SIPEX - Sonatrach International Petroleum Exploration and Production Corporation BVI

b) Associates :

S.No.	**Period ended 30.06.2009**	**Period ended 30.06.2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
1	IOTL-OIL Consortium	IOTL-OIL Consortium	IOTL-OIL Consortium	IOTL-OIL Consortium	IOTL-OIL Consortium	-	-
2	Brahmaputra Cracker & Polymer Ltd.(BCPL)	Brahmaputra Cracker & Polymer Ltd.(BCPL)	Brahmaputra Cracker & Polymer Ltd.(BCPL)	Brahmaputra Cracker & Polymer Ltd.(BCPL)	-	-	-
3	DNP Pvt. Ltd.	DNP Pvt. Ltd.	DNP Pvt. Ltd.	-	-	-	-

c) Key Management Personnel :

i). Directors:

S.No.	**Period ended 30.06.2009**	**Period ended 30.06.2008**	**2008-09**	**2007-08**	**2006-07**	**2005-06**	**2004-05**
1	Mr. N.M. Borah C&MD (From 01.12.2008)	Mr. M.R. Pasrija, C&MD	Mr. N.M. Borah C&MD (From 01.12.2008)	Mr. M.R. Pasrija, C&MD	Mr. M.R. Pasrija, C&MD	Mr. R.K. Dutta, C &MD (Upto 14.03.2006)	Mr. R.K. Dutta, C &MD
2	Mr. M.R. Pasrija, C&MD (Upto 30.11.2008)	Mr. S.K. Patra (Upto 30.11.2007)	Mr. M.R. Pasrija, C&MD (Upto 30.11.2008)	Mr. S.K. Patra (Upto 30.11.2007)	Mr. S.K. Patra,	,Mr. M.R. Pasrija, C & MD	Mr. S.K. Patra
3	Mr. T.K. A. Kumar	Mr. N.M. Borah	Mr. T.K. A. Kumar	Mr. N.M. Borah	Mr. N.M. Borah	Mr. S.K. Patra,	Mr. M.R. Pasrija
4	Mr. B.N. Talukdar	Mr. J.K. Talukdar (Upto 31.01.2008)	Mr. B.N. Talukdar	Mr. J.K. Talukdar (Upto 31.01.2008)	Mr. J.K. Talukdar	Mr. N.M. Borah	Mr. V.K. Sibal
5	Mr. A Anand	Mr. T.K. A. Kumar	Mr. A Anand	Mr. T.K. A. Kumar	Mr. T.K. A. Kumar	Mr. J.K. Talukdar	Mr. P.K. Deb
6	Mr. A.K. Jain (Upto 31.07.2009)	Mr. A.K. Jain	Mr. A.K. Jain (Upto 31.07.2009)	Mr. A.K. Jain	Mr. A.K. Jain	Mr. A.K. Jain	Mr. Sunjay Joshi
7	Mrs. Aditi S. Roy	Mrs. Aditi S.	Mrs. Aditi S. Roy	Mrs. Aditi S.	Mrs. Aditi S.	Mrs. Aditi S.	Mr. N.K.

	(Upto 14.07.2008)	Roy	(Upto 14.07.2008)	Roy	Roy	Roy	Singh
8	Dr. (Mrs) Archana S. Mathur (From 09.02.2009)	Mr. B.N. Talukdar (From 01.12.2007)	Dr. (Mrs) Archana S. Mathur (From 09.02.2009)	Mr. B.N. Talukdar (From 01.12.2007)		Mr. Sunjoy Joshi	Mr. N.M. Borah
9	Mr G.H. Amin (From 30.07.2008)	Mr. A Anand (From 01.02.2008)	Mr G.H. Amin (From 30.07.2008)	Mr. A Anand (From 01.02.2008)		Mr. N.K. Singh	Mr. Sunjoy Joshi
10	Mr. A.K. Luke (From 30.07.2008)		Mr. A.K. Luke (From 30.07.2008)			Mr. C.B. Singh	
11	Mr Vinod K. Misra (From 30.07.2008)		Mr Vinod K. Misra (From 30.07.2008)				
12	Mr. P.K. Sharma (From 30.07.2008)		Mr. P.K. Sharma (From 30.07.2008)				
13	Mr. A.K. Gupta (From 30.07.2008)		Mr. A.K. Gupta (From 30.07.2008)				
14	Mr. Sushil Khanna (From 30.07.2008)		Mr. Sushil Khanna (From 30.07.2008)				
15	Mr. D.N. Narasimha Raju (From 01.08.2008)		Mr. D.N. Narasimha Raju (From 01.08.2008)				

ii). Company Secretary:

S. No.	Period ended 30.06.2009	Period ended 30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
1	S.K. Senapati (Upto 09.04.2009)	S.K. Senapati	S.K. Senapati (Upto 09.04.2009)	S.K. Senapati	S.K. Senapati	S.K. Senapati	S.K. Senapati
2	S.R. Krishnan (From 10.04.2009)		S.R. Krishnan (From 10.04.2009)				

B. Details of Transactions during the period/year ended (excluding state-controlled entities)

(Rs in million)

		Nature of transaction	Remuneration to Directors	Amount outstanding
30.06.2009	Joint Venture/Associates	368.31	0	3270.01
	Key Management Personnel	0	1.75	4.28
30.06.2008	Joint Venture/Associates	561.45	0	3318.89
	Key Management Personnel	0	2.60	6.03
2008-09	Joint Venture/Associates	1,133.67	0	4232.16
	Key Management Personnel	0	10.91	5.68
2007-08	Joint Venture/Associates	642.26	0	2682.56
	Key Management Personnel	0	9.33	6.01
2006-07	Joint Venture/Associates	433.60	0	1231.49
	Key Management Personnel	0.00	4.98	0.73
2005-06	Joint Venture/Associates	127.76	0	1205.99
	Key Management Personnel	0	4.97	0.02
2004-05	Joint Venture/Associates	0.62	0	1261.83
	Key Management Personnel	0	4.86	0.32

ANNEXURE 16

STATEMENT OF SEGMENT REPORTING,
During the period ended / year

Description	Total						
	30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
REVENUE							
External Sales	21381.46	24472.93	81,378.77	67,954.63	60,099.89	60,251.87	41,180.35
Inter Segment Sales	-	-	-	-	-	-	-
Total Revenue	21381.46	24472.93	81,378.77	67,954.63	60,099.89	60,251.87	41,180.35
RESULTS							
Unallocated Corporate expenses	635.56	860.06	2,228.71	2,547.97	1,340.84	983.00	-
Interest expenses	9.02	14.23	87.44	343.64	139.55	161.87	166.51
Interest/ Dividend income	1493.55	972.32	6,585.18	4,918.13	3,362.46	2,160.57	1,479.79
Profit Before Tax	10644.52	12423.12	33,869.70	27,134.02	24,826.27	26,743.98	16,231.44
Provision for Tax	3247.60	4490.93	-12,252.86	-9,244.71	-8,426.41	-9,844.67	-5,614.60
Net Profit	7396.92	7932.19	21,616.84	17,889.31	16,399.86	16,899.31	10,616.84
Adjustments for Restatement	-	846.59	691.66	-93.34	-995.95	1,471.60	191.61
Restated Segment Results	7396.92	8778.78	22,308.50	17,795.97	15,403.91	18,370.91	10,808.45
SEGMENT ASSETS	145538.67	125453.61	1,33,966.18	1,06,718.55	94,711.28	80,741.28	65,798.96
SEGMENT LIABILITIES	145538.67	125453.61	1,33,966.18	1,06,718.55	94,711.28	80,741.28	65,798.96

Crude oil						
Assam& AP						
30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
17,551.76	21,770.37	65,942.18	54,417.76	48,056.59	49,960.97	35,622.95
3.28	2.30	9.63	59.20	10.20	34.20	40.20
17,551.76	21,770.37	65,951.81	54,476.96	48,066.79	49,995.17	35,663.15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,985.95	13,835.13	35,865.59	26,528.42	22,099.20	26,526.40	16,828.10
0.00	0.00	0.00	0.00	0.00	0.00	0.00
9,985.95	13,835.13	35,865.59	26,528.42	22,099.20	26,526.40	16,828.10
-	-	-	25.74	-219.35	43.42	5.06
9,985.95	13,835.13	35,865.59	26,554.16	21,879.85	26,569.82	16,833.16
37,648.54	31,560.28	33,657.65	29,831.35	30,485.75	23,470.39	24,238.23
20,789.77	9,633.59	10,273.81	6,877.72	4,850.22	5,342.92	3,355.59

Natural Gas						
Assam						
30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
1,547.06	1,039.32	5,551.00	5,571.58	5,371.40	4,639.60	2,403.70
156.68	120.64	478.28	632.90	552.50	556.00	515.40

1,547.06	1,039.32	6,029.28	6,204.48	5,923.90	5,195.60	2,919.10
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
519.60	1,757.26	1,463.82	2,058.51	2,129.00	967.00	-408.30
0.00	0.00	0.00	0.00	0.00	0.00	0.00
519.60	1,757.26	1,463.82	2,058.51	2,129.00	967.00	-408.30
-	-	-	-	-	-1,905.29	10.23
519.60	1,757.26	1,463.82	2,058.51	2,129.00	-938.29	-398.07
21,004.54	19,844.80	21,163.61	18,766.11	16,491.97	14,886.31	13,646.30
7,746.69	3,587.93	3,826.37	2,560.32	1,804.57	1,988.55	1,251.24

Natural Gas						
Rajasthan						
30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
94.237	82.5	360.25	425.55	411.00	1,628.60	256.90
-	-	-	-	-	-	-
94.237	82.5	360.25	425.55	411.00	1,628.60	256.90
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30.36	21.50	-354.96	90.45	163.60	182.20	80.00
	-	-	-	-	-	-
30.36	21.50	-354.96	90.45	163.60	182.20	80.00
-	-	-	-	-	-	-
30.36	21.50	-354.96	90.45	163.60	182.20	80.00
3633.33	2109.99	2250.21	2071.60	2009.35	2002.94	1922.48
2112.73	978.53	1043.56	698.27	492.15	542.33	341.25

LPG						
(Assam)						
30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
169.90	233.88	902.94	782.67	514.00	705.40	475.70
-	-	-	-	-	-	-
169.90	233.88	902.94	782.67	514.00	705.40	475.70
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
81.43	167.90	542.92	483.40	197.90	403.40	207.00
	-	-	-	-	-	-
81.43	167.90	542.92	483.40	197.90	403.40	207.00
-	-	-	-	-	-	-2.65
81.43	167.90	542.92	483.40	197.90	403.40	204.35
1037.07	327.79	349.57	311.23	293.13	256.19	214.97

1056.37	489.26	521.78	349.13	246.08	271.17	170.62

Transportation						
Crude oil (Assam)						
30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
297.58	251.62	1,017.30	1,166.43	1,036.90	775.20	737.30
-	-	-	-	-	-	-
297.58	188.46	1,017.30	1,166.43	1,036.90	775.20	737.30
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-314.96	-152.80	-579.82	-85.79	-3.20	-386.70	-239.80
	-	-	-	-	-	-
-314.96	-152.80	-579.82	-85.79	-3.20	-386.70	-239.80
-	304.53	303.96	-32.42	-100.51	-140.86	11.99
-314.96	151.73	-275.86	-118.21	-103.71	-527.56	-227.81
5054.59	4,252.06	4,534.63	4,088.59	3,577.01	2,463.28	2,158.61
2816.98	1,304.70	1,391.41	931.03	656.21	723.11	455.00

Description	**Unallocated**						
	30.06.2009	30.06.2008	2008-09	2007-08	2006-07	2005-06	2004-05
REVENUE							
External Sales	1720.923	1095.24	7,605.10	5,590.64	4,710.00	2,542.10	1,683.80
Inter Segment Sales	-	-	-	-	-	-	-
Total Revenue	1720.923	1556.59	7,605.10	5,590.64	4,710.00	2,542.10	1,683.80
Unallocated Corporate expenses	635.56	860.06	2,228.71	2,547.97	1,340.84	983.00	-
Interest expenses	9.02	14.23	87.44	343.64	139.55	161.87	166.51
Interest/ Dividend income	1493.55	972.32	6,585.18	4,918.13	3,362.46	2,160.57	1,479.79
Profit Before Tax	342.135	(3205.87)	-3,067.85	-1,940.97	239.77	-948.32	-235.56
Provision for Tax	3247.60	4490.93	-12,252.86	-9,244.71	-8,426.41	-9,844.67	-5,614.60
Net Profit	-2,905.47	(7696.80)	-15,320.71	-11,185.68	-8,186.64	-10,792.99	-5,850.16
Adjustments for Restatement	-	542.06	387.70	-86.66	-676.09	3,474.33	166.97
Restated Segment Results	-2905.47	(7154.74)	-14,933.01	-11,272.34	-8,862.73	-7,318.66	-5,683.19
SEGMENT ASSETS	77160.60	67358.69	72,010.52	51,649.66	41,854.06	37,662.17	23,618.37
SEGMENT LIABILITIES	111016.14	109459.60	1,16,909.26	95,302.08	86,662.05	71,873.20	60,225.27

Annexure XVII

Contingent Liabilities

(A) Claims against the Company not acknowledged as debts as on 30.06.2009 amounting to Rs. 5771.26 million (Previous year Rs. 19,836.25 million) include:-

(a) In respect of claims under Income Tax, Sales Tax , Service Tax and Other Acts:

(i) Rs. 150.08 million (Corresponding quarter Rs. 142.45 million):- Demand raised by the District Revenue Authorities on account of premium / revenue on Government ceiling surplus land occupied by the Company.

(ii) Rs. 119.85 million (Corresponding quarter Rs. 108.85 million) :- 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. 31.47 million (Corresponding quarter Rs. 29.39 million):- 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. 3685.11 million (Corresponding quarter Rs. 2836.02 million):- 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. Nil (Previous year 12,579.47 million) in respect of discount allowed to OMCs .

(b) In respect of claims other than under Income Tax, Sales Tax , Service Tax and Other Acts:

(i) Rs. 1511.45 million (Corresponding quarter Rs. 1485.55 million):- Claims by contractors pending decision in Arbitration / Courts.

(ii) Rs. 0.53 million (Corresponding quarter Rs nil):- Provisional assessment of CESC against the damage of supply line to the Guest House at Kolkata.

(c) In respect of share of claim on JVC/PSC account:

(i) Rs. 7.52 million (Corresponding quarter Rs. 7.52 million) being the value of 19.28 GLK 2D Seismic Survey carried out in one of the block in Karbi Anglong, Assam.

(ii) Rs.141.64 million (Corresponding quarter Rs 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. 123.61 million (Corresponding quarter Rs. 169.30 million) 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 30.06.2009 amounting to Rs.531.50 million (Corresponding quarter Rs.710.43 million) for which there is a floating charge on Current Assets of the Company.

(ii) Letters of Credit outstanding as on 30.06.2009 amounting to US dollars of 0.69 million equivalent to Rs.34.03 million (Corresponding quarter Rs.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 1,117.08 million (Corresponding quarter Rs. 1666.46 million) :- Bank Guarantee in US Dollars of 22.01 million (Corresponding quarter USD 38.55 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.40.14 million (Corresponding quarter Rs 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.200.00 million (Corresponding quarter Rs 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) Capital Commitment:

(i) The estimated amount on account of contracts remaining to be executed on Capital Account and not provided for in the accounts :- Rs. 1743.34 million (Corresponding quarter Rs. 557.23 million).

(ii) Company's share of amount of contracts remaining to be executed on Capital Account and not provided for in the account as on 31.03.2009 in respect of the Joint Ventures is Rs. Nil. (Corresponding quarter Rs Nil).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated audited financial statements for the three months ended June 30, 2009 and June 30, 2008 and each of the fiscal years 2005, 2006, 2007, 2008 and 2009, including the notes thereto and the reports thereon, which appear elsewhere in this Red Herring Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the report of our auditors dated August 21, 2009, which is included in this Red Herring Prospectus under "Financial Statements". The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

Our fiscal year ends on March 31 of each year; all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. As used in this discussion, the term "revenues" refers to the term "income" in our restated financial statements.

Overview

We are the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production (*Source: DGH*). We are primarily engaged in the exploration, development, production and transportation of crude oil and natural gas onshore in India. We also process our produced natural gas to extract LPG. We are present internationally through the exploration of crude oil and natural gas in Egypt, Gabon, Iran, Libya, Nigeria, Timor Leste and Yemen. We primarily conduct our activities with respect to our domestic producing blocks and exploration activities in our nomination blocks independently. We also conduct exploration activity, both in India and overseas, through joint venture arrangements and PSCs with other oil companies.

We were incorporated as a private limited company in 1959. We have been present in the Indian oil and gas exploration and production industry for over five decades and count among our achievements the creation, operation and maintenance of a fully automated crude oil pipeline.

As of March 31, 2009, all of our estimated independent proved plus probable oil reserves, as well as 93.66% of our estimated independent natural gas reserves, are located onshore in the Upper Assam basin in the states of Assam and Arunachal Pradesh. Additionally, we have independent natural gas reserves in the Jaisalmer basin in the state of Rajasthan. As of March 31, 2009, our unaudited estimated independent proved plus probable crude oil reserves were approximately 575.40 million barrels (which include certain reserves attributable to condensate from non-associated gas reservoirs) and our independent proved plus probable natural gas reserves were approximately 63.41 billion cubic meters (which include certain reserves attributable to fuel gas consumption). In addition to our independent reserves, we also have a 40% participating interest in crude oil reserves in the Kharsang fields in the Assam-Arakan basin in the state of Arunachal Pradesh. For fiscal 2009, our gross production amounted to approximately 24.95 million barrels of oil and approximately 2.27 billion cubic meters of natural gas, representing an average daily production of approximately 68,358 barrels of oil and 6.22 million cubic meters of natural gas. Our production amounted to approximately 10.41% and 6.91% of India's total production of crude oil and natural gas, respectively, for fiscal 2009 (*Source: PPAC*). For the three months ended June 30, 2009, our production amounted approximately 6.34 million barrels of oil and approximately 0.60 billion cubic meters of natural gas, representing an average daily production of approximately 69,619 barrels of oil and approximately 6.64 million cubic meters of natural gas.

We own and operate, as a common carrier for us, ONGC and BRPL, a 1,157 kilometer cross-country crude oil pipeline. The pipeline has the capacity to transport over 44 million barrels of crude oil annually. We transported approximately 45 million barrels of crude oil in fiscal 2009 to four public sector refineries in the North East region of India located in Digboi, Numaligarh, Guwahati and Bongaigaon. We own ten crude oil pumping stations and 17 repeater stations, spread across the states of Assam, West Bengal and Bihar. We also own and operate a 660 kilometer petroleum product pipeline connecting NRL to Siliguri in West Bengal, which was commissioned in August 2008.

We have interests in downstream activities through a 26% equity stake in NRL, a 10% equity stake in BCPL and a 23% equity stake in DNP Limited. We also hold a 10% equity stake in a 741 kilometer pipeline construction project in Sudan that was completed in 2005. We have the ability to provide various exploration and production-related services to the oil and gas industry, both domestically and internationally, including pipeline construction, pipeline consultancy services, drilling and well work-over services, research and development services and logging services.

As a public sector undertaking, we have been accorded "Mini Ratna Category I" status since 1997 by the GoI for our operational efficiency and financial strength. In recognition of our performance and our consistent achievement of targets negotiated under the memoranda of understanding that we enter into with the GoI on an annual basis, the GoI has rated our performance as "Excellent" for fiscal 2005 and 2006 and "Very Good" for fiscal 2007 and fiscal 2008. We were also ranked as the best public sector undertaking by the Department of Public Enterprises in its annual survey for fiscal 2006.

We had revenues of Rs. 60,099.89 million, Rs. 67,954.63 million and Rs. 81,378.77 million, for fiscal 2007, 2008 and 2009, respectively. Our profit after tax as restated was Rs. 15,403.91 million, Rs. 17,795.97 million and Rs. 22,308.50 million for fiscal 2007, 2008 and 2009, respectively. For the three months ended June 30, 2009, our revenues were Rs. 21,381.46 million and our profit after tax as restated was Rs. 7,396.92 million.

Critical Accounting Policies

Our financial statements are prepared under the historical cost conventions in accordance with Indian GAAP and the relevant provisions of the Companies Act. We have been using the 'successful efforts method' of accounting for our oil and gas exploration and production activities since fiscal 1995. We have also adopted the Guidance Note issued on March 12, 2003 by the ICAI on 'Accounting for Oil and Gas Producing Activities' (the "**Guidance Note**") in accounting for transactions except for abandonment costs. We have restated our financial statements for the three months ended June 30, 2009 and June 30, 2008 and for each of fiscal 2005, fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009 included elsewhere in this Red Herring Prospectus in accordance with the SEBI Guidelines.

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect guidance as per SEBI Guidelines, require our management to make judgements, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgements, assumptions and estimates are reflected in our accounting policies, which are more fully described in the auditors' report in "***Financial Statements—Significant Accounting Policies***" on page 165.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our 'critical accounting policies'. Our management uses its historical experience and analyzes the terms of existing contracts, historical cost conventions, global industry practices and information provided by outside sources, as appropriate when forming its assumptions and estimates. However, this task is inexact because our management is making assumptions and providing estimates on matters that are inherently uncertain.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

Revenue Recognition

Revenue from sale of products and transportation income is recognized on transfer of custody to customers. Sale of crude oil and gas produced from exploratory wells-in-progress in exploratory areas is deducted from expenditure on such wells. Any retrospective revision in prices is accounted for in the year of such revision. Claims on the GoI or PPAC are booked on acceptance in principle thereof. Dividend income is recognized when the right to receive the dividend is established. Revenues in respect of the short lifted quantity of crude oil, if any, and interest on delayed realization from customers are recognized when there is reasonable certainty regarding ultimate realization. Insurance claim other than for transit loss of stores items are accounted for on final acceptance by the insurance company. 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.

Exploration Costs and Development Expenditure

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. Lease carrying costs including license fees are expensed in the year of incidence.

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 until 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.

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. Cost of unsuccessful or dry exploratory wells or part(s) thereof, including allocated depreciation on support equipment and facilities, which do not lead to discovery of or accretion to hydrocarbon reserves are expensed.

Cost of incomplete wells or wells under production testing or completed exploratory wells pending determination of commercial viability, including allocated depreciation on support equipment and facilities, are classified as pre-producing properties. 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.

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 the ICAI as the salvage value is expected to take care of the abandonment costs except in case of joint ventures where the provision for abandonment is created as per the terms of the PSC.

Fixed assets

Fixed assets including support equipment and facilities are stated at historical cost. All costs relating to acquisition of fixed assets until the time of commissioning of such assets are capitalized. Computer software acquired and developed to suit our internal use, being intangible asset, is capitalized along with hardware cost. Leasehold lands including the right of use which are perpetual in nature are not amortized. Any asset, when of no further use, is deleted from the block. The written down value, if any, in excess of Rs. 1,000 or 5.00% of the original cost, whichever is less, is charged to the 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. Physical verification of the fixed assets is carried out by our Company in a phased manner to cover all the items over a period of five years. Any discrepancies noticed are accounted for after reconciliation of the same.

Depreciation

Depreciation on fixed assets is provided under the written-down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except on some fixed assets costing up to Rs. 5,000 each, which are fully depreciated in the year of capitalization. The fixed assets are stated at cost less depreciation.

Depreciation on fixed assets used for exploration and development drilling activities is charged to the cost of each well.

Computer software acquired and developed to suit our Company's internal use, being intangible asset, is depreciated at the rate applicable to computers (hardware).

Depletion

Producing properties, including acquisition costs, are depleted using the 'Unit of Production Method', based on the related proved developed reserves. 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. The rate of depletion is computed on a consistent basis with reference to an area designated as oil or gas field or a group of oil or gas fields, which are aggregated based on a common geological feature or for operational purpose.

Impairment of Assets

Producing properties and fixed assets of a 'Cash Generating Unit' are reviewed for impairment at each balance sheet date. If 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.

Foreign Currency Transactions

All non-monetary foreign currency transactions are recorded on the basis of the exchange rate on the date of the transaction. In respect of foreign currency transactions involving loans, current assets and current liabilities, the outstanding balances at the end of the relevant financial year are converted at the rates of exchange prevailing on the date of the balance sheet and the exchange rate difference between the transaction date and the balance sheet date or the year end date, as the case may be, is adjusted or booked in the profit and loss account during the year.

In respect of foreign currency transactions in relation to overseas joint venture operations, 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. At the balance sheet date, foreign currency items are translated using the average of the exchange rates prevailing on the balance sheet date.

Joint Ventures

In respect of PSCs executed by our Company with other companies and the GoI to undertake exploration, development and production of oil and gas activities under a joint venture in various concessions, our financial statements reflect the share of our assets, liabilities and also the income and expenditure of the joint venture operations in proportion to our participating interest as per the terms of the PSCs on a line by line basis. Provisions for depreciation, depletion and impairment and valuation of stock of crude oil are accounted for as per our relevant accounting policies whereas provisions for abandonment are created as per the terms of the PSC. Proved and Developed Reserves of oil and gas in such concessions are also considered in proportion to our participating interest. 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 or received from other participating companies.

Income Tax

Income tax is computed as per provisions of the I.T. Act read with the terms of the agreement entered into by our Company with the GoI under section 42 of the I.T. Act and, accordingly, in addition to other items of allowances, the following are considered:

- All intangible expenditure on exploration or prospecting or drilling in PEL 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;

- All intangible expenditure on exploration or prospecting or drilling in ML 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

- 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 method.

Fringe benefit tax is computed and accounted in line with the provisions of the Income Tax Act, 1961.

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 realisation.

Value of Investments

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

Retirement and other Benefits

Contributions to approved gratuity and pension funds and provision in respect of leave encashment and leave fare assistance liability and post-retirement medical benefit liability are based on actuarial valuation carried out at the end of each year as required under Accounting Standard 15 (Employee Benefits) issued by ICAI. The contribution to provident fund, gratuity fund and pension funds are paid to the respective funds administered through trusts. Compensation paid or payable to the employees under the voluntary retirement scheme is charged to profit and loss account.

Grants and 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 realised. Grants related to specific assets are deducted from the gross value of the concerned assets while arriving at their book value.

Segment Accounting

In accordance with the existing management reporting system, we have adopted our products and services (crude oil, natural gas, LPG and pipeline transportation) as the primary reporting segments and the geographical segments (Assam and Arunachal Pradesh and Rajasthan) as the secondary reporting segments. 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 our financial statements.

Contingent Assets and Liabilities

We generally provide for present obligations resulting from past event, where the amount can be estimated with reasonable accuracy. Liabilities contingent upon happening of future events 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 Rs. 500,000 are recognized as contingent liability, if contested. Contingent assets are not recognized.

Note on Presentation

Our sales of crude oil are invoiced at a rate of 1 kiloliter to 6.2929731 barrels. For purpose of "***—Factors affecting our Results of Operation***", "***Key Performance Indicators***" and "***Our Results of Operation***" volume sold of crude oil has been converted at this rate.

Factors Affecting Our Results of Operations

Various factors have affected our results of operations in the past and may continue to do so in the future, including:

International Prices of Crude Oil

Our profitability is primarily determined by the difference between prices received for crude oil, natural gas and LPG produced by us and the costs of finding, developing and producing and transporting these hydrocarbons. The sales prices of our crude oil and LPG are primarily determined by the prevailing international prices of crude oil and LPG. International prices of crude oil and LPG therefore significantly affect our revenues and profitability. However, due to the operation of the subsidy system for public sector oil marketing companies, we generally do not receive the full benefit of increases in the international prices of crude oil. Since 2004, international prices of crude oil have increased significantly. Through fiscal 2008, our production of crude oil was benchmarked to Nigerian Bonny Light (35 degree API), adjusted for gross product value and bottom sediment and water. The average price per barrel of Nigerian Bonny Light (35 degree API) was US$ 59.54, US$ 66.30 and US$ 84.58 for fiscal 2006, fiscal 2007 and fiscal 2008, respectively. The average price per barrel of Nigerian Bonny Light (35 degree API) was US$122.74 for the three months ended June 30, 2008.

The MoPNG has decided that, beginning in fiscal 2009, our production of crude oil is benchmarked to baskets of crudes, adjusted for gross product value and bottom sediment and water. The applicable basket varies based on the source of the crude and was determined based on the refineries to which such crude is supplied. The following table sets out the basket of crude applicable to each source of supply, its API and the percentage of our crude oil sales that such source represented for fiscal 2009.

Source of crude supply	Applicable benchmarked basket	API	Percentage of crude oil sales for fiscal 2009
Duliajan [1]	Escarvas, Qua Iboe, Ardjuna, Duri and Labuan	32.21	77.17
Moran[2]	Cabianda, Ardjuna, Attaka and Bach Ho	37.46	6.09
Digboi [3]	Qua Iboe, Ardjuna, Duri, Labuan and Widuri	30.02	16.73

(1) The supply point at Duliajan includes the crude oil supplied from the Greater Nahorkatia fields, Greater Jorajan fields, Greater Dikom fields, Kathaloni fields, Greater Hapjan fields, Bhogpara field, partially from Greater Chandmari fields, Tengakhat field, Central Small fields and Rajgarh of Western fields.

(2) The supply point at Moran includes the crude oil supplied from the Moran field, Greater Shalmari fields and the remaining Western Small fields, together with the supplies of crude oil in the pipeline from Duliajan up to Moran.

(3) The supply point at Digboi includes the crude oil supplied from the Digboi field, Kumchai fields, Eastern Small fields and partially from the Bagjan field in Greater Chandmari, together with the supplies of crude oil in the pipeline from Duliajan.

The average price per barrel for the above baskets of crudes, weighted to reflect the percentage of our crude oil sales for fiscal 2009 that was benchmarked to each such basket, was US$ 84.83 for fiscal 2009. The average price per barrel for the above baskets of crudes, weighted to reflect the percentage of our crude oil sales for the three months ended June 30, 2009 that was benchmarked to each such basket, was US$ 58.42 for the three months ended June 30, 2009.

Declines in crude oil prices may adversely affect our revenues and profits, and substantial or extended declines will have a material adverse effect on our financial condition, including our liquidity and our ability to finance planned capital expenditure, and our results of operation. Historically, international prices for oil have been volatile and have fluctuated widely in response to changes in many factors. These fluctuations are expected to result in fluctuations in our results of operations. Lower prices of oil may also reduce the economic viability of projects planned or in development. In addition, lower oil prices may result in the impairment of higher cost reserves and other assets which may result in decreased earnings or losses. Conversely, higher prices of oil could increase our shares in the under-recovery of oil marketing companies as a result of the GoI subsidy system for MS, diesel, LPG (for domestic use) and SKO (PDS), which could reduce or eliminate any benefit received by us with respect to such increases. For further details, see ***"—Subsidy System for Public Sector Oil Marketing Companies***" on page 202. We expect that variations in the international prices of crude oil will be a primary determinant of changes in our results of operations from period to period.

Subsidy System for Public Sector Oil Marketing Companies

Although the prices of our sales of crude oil are generally market determined, the prices of retail sales of MS, diesel, LPG (for domestic use) and SKO (PDS) by India's public sector oil marketing companies (BPCL, HPCL and IOCL) are capped by the GoI at a price below the international selling price. The price caps are changed by the GoI from time to time. The GoI operates a subsidy system pursuant to which the under-recoveries of these oil marketing companies resulting from the price caps are currently shared among the GoI, the public sector oil marketing companies and the public sector companies (which include us, ONGC and GAIL). The upstream oil companies' share of the under-recovery is generally allocated based on the upstream oil companies' relative prior-year profits. However, there remains unpredictability as to the share of the under-recovery that is allocated to the upstream oil companies both individually and as a group. The upstream companies' share of the under-recovery is implemented through a discount on crude oil and Domestic LPG and PDC kerosene sale prices to the downstream companies.

For fiscal 2005, we contributed Rs. 7,045.85 million to the sharing of these under-recoveries, by providing a discount of US$ 6.44 per barrel of crude oil and Rs. 11,286.27 per ton of LPG. For fiscal 2006, we contributed Rs. 9,774.94 million to the sharing of these under-recoveries, by providing a discount of US$ 9.22 per barrel of crude oil and Rs. 10,260.53 per ton of LPG. For fiscal 2007, we contributed Rs. 19,937.48 million to the sharing of these under-recoveries, by providing a discount of US$ 19.26 per barrel of crude oil and Rs. 14,898.94 per ton of LPG. For fiscal 2008, we contributed Rs. 23,050.88 million to the sharing of these under-recoveries, by providing a discount of US$ 25.08 per barrel of crude oil and Rs. 14,482.87 per ton of LPG. For fiscal 2009, we contributed Rs. 30,232.87 million to the sharing of these under-recoveries, by providing a discount of US$ 26.13 per barrel of crude oil and Rs. 15,714.03 per ton of LPG. For the three months ended June 30, 2008, we contributed Rs. 10,508.36 million to the sharing of these under-recoveries, by providing a discount of US$ 40.48 per barrel of crude oil and Rs. 14,860.70 per ton of LPG. For the three months ended June 30, 2009, we contributed Rs. 576.09 million to the sharing of these under-recoveries, by providing a discount of US$ 1.83 per barrel of crude oil and Rs. 3,014.60 per ton of LPG. The decrease in our contribution to the sharing in the under-recoveries of the public sector oil marketing companies for the three months ended June 30, 2009 primarily resulted from lower crude oil prices and that we were only required to share in under-recoveries with respect to MS and diesel.

This sharing of the downstream companies' under-recovery has materially and adversely affected our results of operations since fiscal 2005. The GoI has not announced the subsidy sharing formula for fiscal 2010; consequently it is possible our subsidy burden may increase, particularly if oil prices are higher in fiscal 2010. However, in view of the increase in the price of crude oil since December 2008, the MoPNG announced that it was raising the retail price of MS and diesel, which is expected to reduce the under-recoveries of the downstream oil marketing companies with respect to these products and, consequently, our share of these under-recoveries. Notwithstanding the increase in crude oil prices, the MoPNG has not elected to increase the retail price for LPG or SKO. If we are required to contribute to a greater extent to the sharing of any under-recovery for fiscal 2010 or beyond, it will have a material impact on our financial condition and results of operations.

Additionally, the GoI may introduce other regulation relating to the pricing of petroleum products that could have a material adverse effect on our business, financial condition and results of operations. For example, in June 2008, the GoI formed the B.K. Chaturvedi committee to examine the financial impact of the increase in oil prices between fiscal 2005 and fiscal 2008 on upstream exploration firms, refiners and downstream marketing entities. Among other things, the committee suggested that any incremental revenues earned above US$75 a barrel by public sector upstream exploration and production oil and gas companies should have to be paid to the government as part of subsidy-sharing in the oil sector. These recommendations have not been implemented by the GoI. There can be no assurances as to the form of any future regulation implemented by the GoI relating to the pricing of petroleum products or as to its impact on our business, financial condition and results of operations.

Production Volumes

Our oil and gas production volumes, which depend on the yield from our producing fields and our ability to recover oil and gas from such fields at economically practicable levels, particularly given the pricing environment for these products in India, have a significant impact on our results of operations. Our actual crude oil production volumes were 22.36 million barrels, 22.71 million barrels, 22.17 million barrels and 22.38 million barrels and 24.95 million barrels in fiscal 2005, fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our actual crude oil production volume was 6.34 million barrels for the three months ended June 30, 2009. Our future production of crude oil will be highly dependent upon our success in acquiring or finding and developing additional reserves and redeveloping our existing resources in a timely and cost-effective manner.

Our gross natural gas production volumes were 2.01 billion cubic meters, 2.30 billion cubic meters, 2.26 billion cubic meters, 2.34 billion cubic meters and 2.27 billion cubic meters in fiscal 2005, fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our gross natural gas production volume was 0.60 billion cubic meters for the three months ended June 30, 2009. For further details, see "***Our Business—Strategy—Monetize our natural gas resources in the Upper Assam basin***" on page 4. The volume of production from oil and natural gas properties generally declines as reserves are depleted. Our future production will be highly dependent not only upon our success in acquiring or finding and developing additional reserves and redeveloping our existing resources in a timely and cost-effective manner, but also on the development of demand and infrastructure for natural gas.

Foreign Exchange Rate Fluctuations

The internationally traded prices of crude oil, sales of which accounted for 92.36% of our sales revenues in fiscal 2009 are denominated in U.S. Dollars. The substantial majority of our expenditure, as well as our accounts as a whole are denominated in Indian Rupees. As a result, fluctuations in foreign exchange rates, in particular the exchange rate of U.S. Dollars for Indian Rupees, may materially affect our revenues and results of operations. We do not currently hedge our foreign currency exchange rate exposure. The average exchange rate for the Indian Rupee to the U.S. Dollar was 44.28, 45.29, 40.26 and 45.99 for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively (*Source: RBI*). The average exchange rate for the Indian Rupee to the US Dollar was 48.79 for the three months ended June 30, 2009 (source: RBI). In general, a decrease in the value of the US Dollar as compared to the Indian Rupee can be expected to decrease our reported earnings and vice versa.

Gas Pricing

The prices for most of our natural gas sales are subject to certain GoI price limits, which are generally based on the region of production and, in some instances, type of customer. In addition to the price caps, we are required to sell natural gas at a price below the price fixed by the GoI to certain customers, primarily power sector companies, fertilizer producers and small consumers, to the extent of certain pre-existing commitments. With respect to our sales that occur below the price caps, we were, until July 2005, entitled to claim reimbursement of the difference from a gas pool account. Since July 2005, we are reimbursed for the shortfall from the capped price through a GoI budgetary allocation.

The GoI price caps are subject to adjustment for calorific content and, for certain customers, inflation.

North East Region. With respect to power sector companies and fertilizer producers who accounted for approximately 66% of our natural gas sales in the North East Region, the GoI price caps for natural gas sales for North East region were Rs. 1,700 per thousand standard cubic meters up to July 1, 2005 in fiscal 2006 and Rs. 1,920 per thousand standard cubic meters for fiscal 2007, fiscal 2008 and fiscal 2009, which was 60% of the price fixed for the North East Region. With respect to other consumers with commitments of less than 0.05 million standard cubic meters per day who accounted for approximately 10% of our total natural gas sales, the price caps were increased by 20% to Rs. 2,304 per thousand standard cubic meters and which was 60% of the price fixed for the North-East Region. The remaining customers who accounted for approximately 24% of our total natural gas sales are paying market-driven prices. The differential of the 40% price fixed for the North-East Region is reimbursed through budgetary allocation from the GoI.

Our volume of natural gas sold from natural gas produced in the North East region constituted 87.23%, 87.55%, 90.42% and 88.64% of our total volume of natural gas sold for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our volume of natural gas sold from natural gas produced in the North East region constituted 89.62% and 89.07% of our total volume of natural gas sold for the three months ended June 30, 2008 and June 30, 2009, respectively.

Our net realized price for natural gas sales for North East region natural gas production, after giving effect to the price caps and the GoI budgetary allocation, as applicable, was Rs. 2,605.79 per thousand cubic meters, Rs. 2,919.97 per thousand cubic meters, Rs. 2,941.27 per thousand cubic meters and Rs. 3,028.19 per thousand cubic meters for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our net realized price for natural gas sales for North East region natural gas production, after giving effect to the price caps and the GoI budgetary allocation, as applicable, was Rs. 3,034.47 per thousand cubic meters and Rs. 3106.28 per thousand cubic meters, for the three months ended June 30, 2008 and June 30, 2009, respectively.

Rajasthan Region. The GoI price cap for natural gas sales for Rajasthan region natural gas production was Rs. 4,000 per thousand standard cubic meters for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009. The GoI price cap for natural gas sales for Rajasthan region natural gas production was Rs. 4,000 per thousand cubic meters and Rs. 4,000 per thousand cubic meters for the three months ended June 30, 2008 and June 30, 2009, respectively.

Our volume of natural gas sold from natural gas produced in the Rajasthan region constituted 12.77%, 12.45%, 9.58% and 11.36% of our total volume of natural gas sold for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our volume of natural gas sold from natural gas produced in the Rajasthan region constituted 10.38% and 10.93% of our total volume of natural gas sold for the three months ended June 30, 2008 and June 30, 2009, respectively.

Our net realized price for natural gas sales for Rajasthan region natural gas production, after giving effect to the price cap, was Rs. 1,600.00 per thousand cubic meters for fiscal 2006, fiscal 2007 and fiscal 2008 and Rs. 1,596.66 per thousand cubic meters for fiscal 2009. Our net realized price for natural gas sales for Rajasthan region natural gas production, after giving effect to the price cap was Rs. 1,585.56 per thousand cubic meters and Rs. 1,600.01 per thousand cubic meters, for the three months ended June 30, 2008 and June 30, 2009, respectively. Our net realized price for natural gas sales for Rajasthan region natural gas production was below the GoI price cap due to adjustments for calorific content. Net realized prices do not allocate costs.

Recovery of Transportation Tariff and Sales Tax

The MoPNG determines annually whether to permit us to recover our transportation costs and sales tax from the public sector refineries to which we transport our crude oil production. The determination was made retroactively for the prior fiscal year. For fiscal 2005 and fiscal 2006 the MoPNG allowed us to recover 50% of our transportation tariffs for crude oil that we produced and transported to IOCL and did not allow us recovery from NRL. For fiscal 2005 and fiscal 2006, the MoPNG did not allow us to recover sales tax amounts. For fiscal 2007 through fiscal 2009, the MoPNG allowed us full recovery, on a net basis, of our transportation tariffs and sales tax for crude oil that we produced and transported to all public sector refineries. For fiscal 2010, the MoPNG has directed us to enter into crude offtake and sale agreements with the North East region refineries to which we transport our crude oil production in order to determine the allocation of transportation and sales tax as between us and the refineries. We are expecting a full recovery of transportation tariffs and sales tax for fiscal 2010 and, consequently, we have not provided for any under-recovery during the three months ended June 30, 2009; however, this remains subject to our commercial negotiations with the refineries and the policy of the MoPNG.

Fiscal Regulation

Statutory Levies

Indirect taxes or statutory levies such as royalty, cess, and sales tax are levied on our products and are an important component of our total expenditure. Changes in royalty, cess, and sales tax and other fiscal levies affect the cost of producing hydrocarbons and therefore affect our operating results. Our aggregate statutory levies were Rs. 17,437.04 million, Rs. 20,660.72 million, Rs. 22,603.20 million and Rs. 22,161.05 million for fiscal 2006, fiscal 2007, fiscal 2008 and fiscal 2009, respectively. Our aggregate statutory levies for the three months ended June 30, 2008 and June 30, 2009 were Rs. 6,558.29 million and Rs. 5,822.97 million respectively.

Royalty. Royalty is payable in respect of crude oil and natural gas under the Oilfield (Regulation and Development) Act of 1974. For crude oil, royalty is charged at 20% of well-head value, after deducting sales tax and transportation costs. For fiscal 2006 and fiscal 2007, well-head value was determined by deducting 7.5% of the gross sales price as production cost. Well-head value has been revised with effect from fiscal 2008 by allowing a fixed deduction from sales price of Rs. 1,251 per ton. In fiscal 2009, a further change was implemented pursuant to which well-head value was determined on the net sale price after discount and subsidy to which the fixed deduction of Rs. 1,251 per ton was made.

For natural gas, well-head value is determined by deducting actual post-well-head costs from sales price.

Cess. The OID cess is payable under the Oil Industry (Regulation and Development) Act, 1974 with respect to our crude oil sales. With effect from March 1, 2002, OID cess was Rs. 1,800 per metric ton sold. With effect from March 1, 2006, OID cess was increased to Rs. 2,500 per metric ton sold.

We also pay a National Calamity Contingency Fund cess on each metric ton of crude oil we produce. For fiscal 2006 through the three months ended June 30, 2009 national calamity contingency fund cess was Rs. 50 per metric ton produced.

Additionally, we pay an education cess surcharge on each metric ton of crude oil we produce or sell. For fiscal 2006 through March 1, 2007, the education cess was equal to 2% of national calamity contingency fund cess for each metric ton produced and 2% of the OID cess for each metric ton sold. From March 1, 2007 through the three months ended June 30, 2009, the surcharge rate has been 3% of national calamity contingency fund cess for each metric ton produced and 3% of the OID cess for each metric ton sold.

Sales Tax. For fiscal 2006 through the three months ended June 30, 2009, sales tax was payable at a rate of 4% on crude oil sold.

Other

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

We utilise various tax deductions as well as fiscal benefits, including certain tax holidays. For further information, see "***Statement of Tax Shelters***", which appears in Annexure X to "***Financial Statements***" on page 182.

The level of import tariffs on petroleum products is also an important factor affecting our revenues. We currently benefit from a competitive advantage in relation to exporters of petroleum products to India, since import tariffs are not payable by our customers for the purchase of our products. Regulatory changes that may be introduced in order to comply with India's obligations as member of the World Trade Organization or for any other reason that would reduce import tariffs on petroleum products would increase competition from oil exporters to India and tend to reduce the selling price of our crude oil and value-added products.

Key Performance Indicators

Our operating results are highly sensitive to changes in the international prices of crude oil and our revenues are dependent on the realized price we achieve for the crude oil produced by us.

Through fiscal 2008, our production of crude oil was benchmarked to Nigerian Bonny Light (35 degree API), adjusted for gross product value and bottom sediment and water. The MoPNG has decided that, beginning in fiscal 2009, our production of crude oil is benchmarked to baskets of crudes, adjusted for gross product value and bottom sediment and water. The applicable basket varies based on the source of the crude and was determined based on the refineries to which such source is supplied. We do not believe the change in benchmark will have a material impact on our revenue from crude oil sales.

The following table sets out the benchmark prices for our crude oil and our realized crude oil prices for the three months ended June 30, 2009 and June 30, 2008, fiscal 2009, fiscal 2008, fiscal 2007 and fiscal 2006.

(All figures in Rs/barrel, unless otherwise stated)

	Three months ended June 30,		Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
	2009	2008				
Benchmark (US$/barrel)	58.421 (1)	122.737 (1)	84.83(1)	84.58(2)	66.30(2)	59.54(2)
Average Rs. to US$ exchange rate (3)	48.79	41.66	45.99	40.26	45.29	44.28
Benchmark (Rs/barrel)	2,850.36	5,113.22	3,901.33	3,405.23	3,002.73	2,636.43
Gross Realized Price	2,805.15	5,063.18	3,858.81	3,443.68	3,022.23	2,594.28
Subsidy/Discount	89.51	1,686.29	1,201.58	1,009.92	872.48	408.05
Realized Price after Subsidy/Discount (4)	2,715.64	3,376.89	2,657.23	2,433.76	2,149.75	2,186.23
Royalty	423.44	532.23	393.71	518.27	446.33	379.41
Sales Tax (5)	0.00	0.00	-	-	-	82.93
Cess	367.41	367.27	367.66	366.55	364.96	271.50
Total Statutory Levies	790.85	899.50	761.37	884.82	811.29	733.84

Transportation Tariff Under-recovery (6)	-	-	-	-	-	10.10
Net Realized Price	1,924.80	2,477.39	1,895.86	1,548.94	1,338.46	1,441.85
Net Realized Price (US$/barrel)	39.45	59.47	41.22	38.47	29.55	32.56

(1) *Benchmark is calculated as the average price per barrel for the baskets of crudes to which our crude oil sales are benchmarked, weighted to reflect the percentage of our crude oil sales for the applicable period that was benchmarked to each such basket. For further information, see "**—Factors Affecting our Results of Operations—International Prices of Crude Oil**" on page 201.*

(2) *Nigerian Bonny Light (35 degree API). For further information, see "**—Factors Affecting our Results of Operations—International Prices of Crude Oil**" on page 201.*

(3) *Source: RBI.*

(4) *Realized price after subsidy represents our invoiced price to refineries.*

(5) *Calculated as sales tax paid less any recovery of sales tax. For further information, see "**—Factors affecting our Results of Operations—Recovery of Transportation Tariff and Sales Tax**" on page 205.*

(6) *Calculated as our under-recovery of transportation costs. For further information, see "**—Factors Affecting our Results of Operations —Recovery of Transportation Tariff and Sales Tax**" on page 205.*

Our Results of Operations

Revenues

Our revenues primarily consist of the following:

- Revenue from sales of crude oil, natural gas, LPG and condensate. Sales are presented before deduction of statutory levies which are shown as an item of expenditure.
- Revenues from transportation, which consist of revenues from crude oil pipelines and from natural gas pipelines.
- Other revenues, which primarily include gas pool account reimbursement or GoI budgetary allocation, as applicable, and interest and dividend income and miscellaneous incomes.

Expenditure

Our expenditure primarily consists of the following:

- Production, transportation and other expenditure, which primarily includes:
  - Operating expenses, which primarily consists of raising cost of crude oil and natural gas, extraction costs for LPG and pipeline operation and maintenance expenditure;
  - Statutory levies such as cess, royalty and sales tax. For more information, see "***—Factors affecting our Results of Operations—Fiscal Regulation***" on page 205;
  - Geological and geophysical expenditures; and
  - Other expenditures, which primarily include administrative expenditure and carrying costs of PEL areas, business development expenditure and research and development expenditure;
- Provision against debts, advances and other provisions and write-offs, which include write-off of unsuccessful exploratory dry wells, provisions for abandonment, doubtful claims and advances, non-moving stores and spares and impairment (net of write-backs).
- Depletion, which includes depreciation associated with capital expenditures with respect to producing properties.
- Depreciation.
- Interest expense and debt charges.
- Exchange gain or loss.
- VRS compensation written-off, if applicable.

- Other adjustments such as revenues and expenses not related to the current period and prior period adjustments and extraordinary items, if any.

The table below sets forth certain information with respect to our revenues, expenditure and profits for the three months ended June 30, 2009 and June 30, 2008, and fiscal 2009, 2008, 2007, 2006 and 2005 (as restated).

Summary Statement of Profit and Loss, as Restated

(Rs. in millions)

	Three months ended June 30		**Fiscal**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
INCOME							
Sales	19,020.73	23,126.63	71,397.19	59,653.05	52,850.89	54,705.79	38,415.38
Income from Transportation	297.58	251.62	1,017.30	1,166.43	1,041.16	796.07	742.99
Other Income	2,063.15	1,556.04	9,371.75	6,770.01	5,334.94	3,639.29	1,904.26
Other adjustments	-	(461.35)	(407.47)	365.15	872.90	1,110.72	117.71
Total Income	**21,381.46**	**24,472.93**	**81,378.77**	**67,954.63**	**60,099.89**	**60,251.87**	**41,180.35**
EXPENDITURE							
Increase/(Decrease) In Stock	(146.07)	(10.25)	130.01	(220.57)	22.12	(113.70)	(69.09)
Production, Transportation & Other Expenditure	9,717.27	10,399.39	39,612.49	35,648.89	30,439.30	27,048.70	21,100.61
Provision against debts, advances and other provisions/write-offs	178.44	277.90	3,711.98	1,334.07	1,927.05	1,121.73	676.77
Depletion	527.63	578.75	2,087.64	2,174.80	1,776.52	1,881.23	1,733.86
Depreciation	511.47	205.72	1,680.79	918.60	818.34	1,432.38	561.61
Interest & Debt Charges	9.02	14.23	87.44	343.64	139.55	161.87	166.51
Exchange Loss/(Gain)	(60.83)	(49.30)	(61.51)	39.21	11.24	(9.72)	(0.62)
VRS Compensation written off	-	-	-	-	-	299.62	99.87
Other Adjustments	-	633.38	213.93	570.65	84.94	1,701.95	607.15
Total Expenditure	**10,736.94**	**12,049.81**	**47,462.77**	**40,809.29**	**35,219.06**	**33,524.05**	**24,876.68**
Profit for the period / year	10,644.52	12,423.12	33,916.00	27,145.34	24,880.83	26,727.82	16,303.66
Prior Period items	-	-	46.30	11.32	(54.56)	16.16	(72.23)
Profit Before Tax	**10644.52**	**12,423.12**	**33,869.70**	**27,134.02**	**24,826.27**	**26,743.98**	**16,231.44**
Provision for Taxation:							
- Current Tax (Including Wealth Tax)	3,157.60	4,345.84	11,848.43	8,510.26	7,380.30	9,249.59	5,454.79
- Tax for earlier years	-	-	-	2.63	0.93	66.24	85.21
- Deferred Tax	90.00	125.84	343.07	706.83	1,020.18	497.85	74.60
- Fringe Benefit Tax	-	19.25	61.36	25.00	25.00	31.00	-
	3,247.60	**4,490.93**	**12,252.86**	**9,244.71**	**8,426.41**	**9,844.67**	**5,614.60**
Profit After Tax as per audited statement of accounts	**7,396.92**	**7,932.19**	**21,616.84**	**17,889.31**	**16,399.86**	**16,899.31**	**10,616.84**
Adjustments on account of :							
a) Changes in Accounting Policies	-	-	-	-	-	2,060.73	51.27
b) Other Adjustments and Prior Period Items	-	1,094.73	943.51	(150.28)	(1,478.06)	(1,192.94)	608.30
c) Current Tax Impact on Adjustments	-	(248.14)	(251.85)	67.50	468.21	443.97	(316.94)
d) Deferred Tax Impact on Adjustments	-	-	-	(10.56)	13.90	159.84	(151.02)
Total of Adjustments after tax impact	-	846.59	**691.66**	**(93.34)**	**(995.95)**	**1,471.60**	**191.61**
Profit after Tax as Restated	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
BALANCE AVAILABLE FOR APPROPRIATION, AS RESTATED	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**
APPROPRIATIONS:							
Interim Dividends	-	-	3,210.07	2,675.06	3,959.08	3,959.08	1,284.03
Tax on Interim Dividends	-	-	545.55	454.63	555.26	555.26	172.19
Final Dividend (Proposed)	-	-	3,317.01	3,210.07	1,605.03	1,712.04	2,140.04
Tax on Proposed Dividend	-	-	563.73	545.55	272.78	240.11	300.14

	Three months ended June 30		Fiscal				
	2009	2008	2009	2008	2007	2006	2005
Transfer to General Reserve	7,396.92	8,778.78	14,672.14	10,910.68	9,011.76	11,904.42	6,912.05
TOTAL	**7,396.92**	**8,778.78**	**22,308.50**	**17,795.97**	**15,403.91**	**18,370.91**	**10,808.45**

Notes:
1. Negative figures have been shown in brackets.

Three Months Ended June 30, 2009 compared with Three Months Ended June 30, 2008

Revenues

Our total revenues decreased by 12.63% to Rs. 21,381.46 million for the three months ended June 30, 2009 from Rs. 24,472.93 million for the three months ended June 30, 2008. The decrease was primarily due to a decrease in sales revenue from crude oil resulting from the decline in crude oil prices.

Sales Revenues

Our sales revenues decreased by 17.75% to Rs. 19,020.73 million for the three months ended June 30, 2009 from Rs. 23,126.63 million for the three months ended June 30, 2008. The decrease was primarily due to an decrease of 19.38% in crude oil sales revenue to Rs. 17,551.76 million for the three months ended June 30, 2009 from Rs. 21,770.37 million for the three months ended June 30, 2008, primarily resulting from a 52.40% decrease in the average selling prices of the baskets of crude oil against which our production is benchmarked from US$ 122.74 per barrel for the three months ended June 30, 2008 to US$ 58.42 per barrel for the three months ended June 30, 2009.

The decrease in crude oil sales prices was partially offset by:

- A decrease in our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales by 94.67% to Rs. 551.58 million or Rs. 89.51 per barrel for the three months ended June 30, 2009 from Rs. 10,355.97 million or Rs.1,686.29 per barrel for the three months ended June 30, 2008 as a result of which our average realized price after subsidy per barrel of crude oil decreased by 19.58% to Rs. 2,715.65 for the three months ended June 30, 2009 from Rs. 3,376.89 for the three months ended June 30, 2008. The decrease in our contribution to the sharing in the under-recoveries of the public sector oil marketing companies for the three months ended June 30, 2009 primarily resulted from lower crude oil prices and that we were only required to share in under-recoveries with respect to MS and diesel.

- A 0.54% increase in the sales volume of crude oil to 6.22 million barrels for the three months ended June 30, 2009 from 6.18 million barrels for the three months ended June 30, 2008.

- A depreciation of 17.11% in the average exchange rate of the Indian Rupee against the U.S. Dollar from Rs. 41.66 for the three months ended June 30, 2008 to Rs. 48.79 for the three months ended June 30, 2009.

Our natural gas sales revenue before subsidy increased by 10.25% to Rs. 1,236.73 million for the three months ended June 30, 2009 from Rs. 1,121.77 million for the three months ended June 30, 2008. This increase was primarily due to a 2.67% increase in the price before subsidy of natural gas to Rs. 2082.65 per thousand standard cubic meters for the three months ended June 30, 2009 from Rs. 2028.52 per thousand cubic meters for the three months ended June 30, 2008 and a 7.52% increase in the sales volume of natural gas to 470.99 million cubic meters for the three months ended June 30, 2009 from 438.04 million cubic meters for the three months ended June 30, 2008.

Our LPG sales revenue decreased by 27.36% to Rs. 169.90 million for the three months ended June 30, 2009 from Rs. 233.88 million for the three months ended June 30, 2008. This decrease was primarily due to a 8.39% decrease in the realized price after subsidy for LPG to Rs. 20,894.08 per ton for the three months ended June 30, 2009 from Rs. 22,807.70 per ton for the three months ended June 30, 2008 and a 20.70% decrease in the sales volume of LPG to 8131.44 tons for the three months ended June 30, 2009 from 10,254.56 tons for the three months ended June 30, 2008. The decrease in sales volume primarily resulted from our scheduled shut-down of the LPG processing plant for scheduled maintenance during the three months ended June 30, 2009.

Revenues from Transportation

Our revenues from transportation increased by 18.27% to Rs. 297.58 million for the three months ended June 30, 2009 from Rs. 251.62 million for the three months ended June 30, 2008. The increase primarily resulted from revenue of Rs. 58.03 million resulting from the transportation of approximately 82,970 kiloliters of refined petroleum products through the refined petroleum product pipeline that we commissioned in August 2008, which was offset partially by a 2.03% decrease in the volume of crude oil transported from 9.70 million barrels for the three months ended June 30, 2008 to 9.50 million barrels for the three months ended June 30, 2009.

Other Revenues

Our other revenues increased by 32.59% to Rs. 2,063.15 million for the three months ended June 30, 2009 from Rs. 1,556.04 million for the three months ended June 30, 2008. This increase was primarily due to a 58.33% increase in interest income to Rs. 1,489.11 million for the three months ended June 30, 2009 from Rs. 940.53 million for the three months ended June 30, 2008 primarily due to higher cash balances and higher yields in the three months ended June 30, 2009. For the three months ended June 30, 2009 our dividends received from our downstream and other investments decreased by 86.03% to Rs. 4.44 million from Rs. 31.79 million for the three months ended June 30, 2008 primarily due to the absence for the three months ended June 30, 2009 of certain dividends on financial investments that we had received during the three months ended June 30, 2008.

Expenditure

Our total expenditures decreased by 10.90% to Rs. 10,736.94 million for the three months ended June 30, 2009 from Rs. 12,049.81 million for the three months ended June 30, 2008. This decrease was primarily due to a decrease in statutory levies, the absence of other adjustments made during the three months ended June 30, 2008 and a decrease in production, transportation and other expenditure.

Production, Transportation and Other Expenditure.

Our production, transportation and other expenditure decreased by 6.56% to Rs. 9,717.27 million for the three months ended June 30, 2009 from Rs. 10,399.39 million for the three months ended June 30, 2008. For the three months ended June 30, 2009, our production, transportation and other expenditure was 45.45% of total revenues, as compared to 42.49% for the three months ended June 30, 2008.

Operating Costs. Our operating costs increased by 15.94% to Rs. 2,495.42 million for the three months ended June 30, 2009 from Rs. 2,152.35 million for the three months ended June 30, 2008. Our operating costs increased primarily due to:

- An increase of 38.13% in well servicing and workover costs to Rs. 435.24 million for the three months ended June 30, 2009 from Rs. 315.09 million for the three months ended June 30, 2008. This was primarily due to higher number of high cost workover wells and deployment of additional hired workover rigs.

- An increase of 13.90% in expenditure on operation and maintenance of production installations to Rs. 1,048.41 million for the three months ended June 30, 2009 from Rs. 920.47 million for the three months ended June 30, 2008. This was primarily due to addition of one new quick production system and one gas gathering station.

- An increase of 21.43% in collection and distribution costs to Rs. 388.25 million for the three months ended June 30, 2009 from Rs. 319.72 million for the three months ended June 30, 2008. This was primarily due to operation of one additional offtake point for customers of natural gas.

- An increase of 11.20% in artificial lifting costs to Rs. 151.46 million for the three months ended June 30, 2009 from Rs. 136.20 million for the three months ended June 30, 2008. This was primarily due to additional wells put on artificial lift systems.

For the three months ended June 30, 2009, operating expenses were 11.67% of total revenues, as compared to 8.79% for the three months ended June 30, 2008.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure decreased by 18.17% to Rs. 611.50 million for the three months ended June 30, 2009 from Rs. 747.25 million for the three months ended

June 30, 2008 primarily due to higher levels of 3D seismic data acquisition during the three months ended June 30, 2008. Geological and geophysical expenditure was 2.86% of total revenues, as compared to 3.05% for the three months ended June 30, 2008.

Statutory Levies. Statutory levies decreased by 11.21% to Rs. 5,822.97 million for the three months ended June 30, 2009 from Rs. 6,558.29 million for the three months ended June 30, 2008. Our statutory levies decreased primarily due to:

- A decrease of 19.08% in royalty to Rs. 2,701.36 million for the three months ended June 30, 2009 from Rs. 3,338.38 million for the three months ended June 30, 2008 due to decrease in the average realized price after subsidy per barrel of crude oil.

- A decrease of 12.11% in sales tax to Rs. 845.83 million for the three months ended June 30, 2009 from Rs. 962.37 million for the three months ended June 30, 2008 due to decrease in the average realized price after subsidy per barrel of crude oil.

Cess increased by a 0.81% to Rs. 2,275.78 million for the three months ended June 30, 2009 from Rs. 2,257.54 million for the three months ended June 30, 2008 due to the increase the sales volume.

For the three months ended June 30, 2009, statutory levies were 27.23% of total revenues, as compared to 26.80% for the three months ended June 30, 2008.

Other Expenses. Our other expenses decreased by 16.37% to Rs. 787.38 million for the three months ended June 30, 2009 from Rs. 941.50 million for the three months ended June 30, 2008. For the three months ended June 30, 2009, other expenses were 3.68% of total revenues, as compared to 3.85% for the three months ended June 30, 2008.

Provisions against Debts, Advances and other Provisions and Write-offs

Provisions made against debts, advances and other provisions and write-offs decreased by 35.79% to Rs. 178.44 million for the three months ended June 30, 2009 from Rs. 277.90 million for the three months ended June 30, 2008, primarily as a result of the absence in the three months ended June 30, 2009 of a write-off of inventories made in the three months ended June 30, 2008, which was which was partially offset by a provision of Rs. 176.20 million for write-off of expenditure incurred with respect to expired PELS.

For the three months ended June 30, 2009, provisions made against debts, advances and other provisions and write-offs were 0.83% of total revenues, as compared to 1.14% for the three months ended June 30, 2008.

Depletion

Our total depletion charges decreased by 8.83% to Rs. 527.63 million for the three months ended June 30, 2009 from Rs. 578.75 million for the three months ended June 30, 2008 due to a decrease in wells capitalized during the three months ended June 30, 2009. For the three months ended June 30, 2009, depletion charges were 2.47% of total revenues, as compared to 2.36% for the three months ended June 30, 2008.

Depreciation

Our depreciation charges increased by 148.63% to Rs. 511.47 million for the three months ended June 30, 2009 from Rs. 205.72 million for the three months ended June 30, 2008, primarily due to an increase in fixed assets which depreciate at a higher rate. For the three months ended June 30, 2009, depreciation charges were 2.39% of total revenues, as compared to 0.84% for the three months ended June 30, 2008.

Interest and Debt Charges

Our interest and debt charges decreased by 36.57% to Rs. 9.02 million for the three months ended June 30, 2009 from Rs. 14.22 million for the three months ended June 30, 2008, primarily due to a lower level of short-term borrowings. For the three months ended June 30, 2009, interest and debt charges were 0.04% of total revenues, as compared to 0.06% for the three months ended June 30, 2008.

Exchange Gain

Our exchange gain due to foreign currency translation increased to Rs. 60.83 million for the three months ended

June 30, 2009 from Rs. 49.30 million for the three months ended June 30, 2008 primarily due to depreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For the three months ended June 30, 2009, our exchange gain was 0.28% of total revenues, as compared to 0.20% exchange gain for the three months ended June 30, 2008.

Other Adjustments

We had nil other adjustments for the three months ended June 30, 2009 as compared to other adjustments of Rs. 633.38 million for the three months ended June 30, 2008 that primarily resulted from provision for arrears relating to pay revision. For the three months ended June 30, 2008, other adjustments were 2.59% of total revenues.

Profit before Tax

Our profit before tax decreased by 14.32% to Rs. 10,644.52 million for the three months ended June 30, 2009 from Rs. 12,423.12 million for the three months ended June 30, 2008, primarily as a result of the decline in the price of crude oil. Profit before tax as a percentage of total revenues was 49.78% for the three months ended June 30 2009, as compared to 50.76% for the three months ended June 30, 2008.

Provision for Taxation

Our provision for taxation decreased by 27.69% to Rs. 3,247.60 million for the three months ended June 30, 2009 from Rs. 4,490.93 million for the three months ended June 30, 2008 due to lower profits and the revocation of the fringe benefits tax. Our effective tax rate for the three months ended June 30, 2009 and June 30, 2008 was 33.99%.

Net Profit after Tax

Our net profit after tax decreased by 6.75% to Rs. 7,396.92 million for the three months ended June 30, 2009 from Rs. 7,932.19 million for the three months ended June 30, 2008. Our net profit after tax was 34.60% of total revenues for the three months ended June 30, 2009, as compared to 32.41% for the three months ended June 30, 2008.

Adjusted Net Profit after Tax

Our adjusted profit after tax for the three months ended June 30, 2009 was Rs. 7,396.92 million, which was the same as our net profit after tax as per our audited statement of accounts.

Fiscal 2009 compared with Fiscal 2008

Revenues

Our total revenues increased by 19.75% to Rs. 81,378.77 million in fiscal 2009 from Rs. 67,954.63 million in fiscal 2008. The increase was primarily due to an increase in sales revenue from crude oil.

Sales Revenues

Our sales revenues increased by 19.69% to Rs. 71,397.19 million in fiscal 2009 from Rs. 59,653.05 million in fiscal 2008. The increase was primarily due to an increase of 21.18% in crude oil sales revenue to Rs. 65,942.18 million in fiscal 2009 from Rs. 54,417.76 million in fiscal 2008, primarily resulting from:

- A 10.85% increase in the sales volume of crude oil to 24.72 million barrels in fiscal 2009 from 22.30 million barrels in fiscal 2008.

- A 9.18% increase in our realized price after subsidy per barrel of crude oil to Rs. 2,657.23 for fiscal 2009 from Rs. 2,433.76 for fiscal 2008 resulting from a depreciation of 14.2% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2009, as compared to fiscal 2008. The increase resulting from the depreciation of the Indian Rupee was partially offset by an increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 1,201.58 per barrel for fiscal 2009, as compared to Rs. 1,009.92 per barrel for fiscal 2008. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 31.89% to Rs. 29,485.32 million in fiscal 2009 from Rs. 22,356.27 million in fiscal 2008.

Our natural gas sales revenue (before subsidy) increased by 0.88% to Rs. 4,483.54 million in fiscal 2009 from Rs. 4,444.39 million in fiscal 2008. This increase was primarily due to a 6.36% increase in the price before subsidy of natural gas to Rs. 2,043.90 per thousand standard cubic meters in fiscal 2009 from Rs. 1,921.73 per thousand cubic meters in fiscal 2008, which was offset by a 5.00% decrease in the sales volume of natural gas to 1,737.33 million cubic meters for fiscal 2009 from 1,828.85 million cubic meters for fiscal 2008.

Our LPG sales revenue increased by 15.37% to Rs. 902.94 million in fiscal 2009 from Rs. 782.67 million in fiscal 2008. This increase was primarily due to an increase in the realized price after subsidy for LPG to Rs. 18,971.95 per ton for fiscal 2009 from Rs. 16,286.15 per ton for fiscal 2008 which was partially offset by 1.01% decrease in the sales volume of LPG to 47,572 tons for fiscal 2009 from 48,057 tons for fiscal 2008.

Revenues from Transportation

Our revenues from transportation decreased by 12.78% to Rs. 1,017.30 million in fiscal 2009 from Rs. 1,166.43 million in fiscal 2008. The decrease primarily resulted from a downward revision in the transportation tariff charged to refineries by PPAC which was partially offset by a 2.85% increase in the volume transported over our crude oil pipeline to 45.32 million barrels in fiscal 2009 from 44.06 million barrels in 2008, additional revenue of Rs. 19.71 million resulting from the transportation of approximately 34,613 kiloliters of refined petroleum products through our new product pipeline which was commissioned in August 2008 and a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

Our other revenues increased by 38.43% to Rs. 9,371.75 million in fiscal 2009, as compared to Rs. 6,770.01 million in fiscal 2008. This increase was primarily due to:

- A 41.52% increase in interest income to Rs. 6,267.60 million for fiscal 2009 from Rs. 4,428.84 million for fiscal 2008 primarily due to higher bank balances and higher yielding investments.

- A 369.71% increase in income from services to Rs. 422.66 million for fiscal 2009 from Rs. 89.98 million in fiscal 2008, primarily through leasing of our spare capacity in OFC to other telecom service providers to our strategy to utilize in-house services in our PSC operations where we are an operator.

This increase was partially offset by:

- An 8.05% decrease in our budgetary allocation from the GoI for gas sales to Rs. 1,427.71 million for fiscal 2009 from Rs. 1,552.74 million in fiscal 2008 due to decreased revenues in respect of gas sales for which we receive a budgetary allocation.

- An 10.75% decrease in dividends received from our downstream and other investments to Rs. 443.39 million in fiscal 2009 from Rs. 496.79 million in fiscal 2008 due to decreased dividends from our existing investments.

Expenditure

Our total expenditures increased 16.30% to Rs. 47,462.77 million for fiscal 2009 from Rs. 40,809.29 million in fiscal 2008. This increase was primarily due to an increase in operating costs within production, transportation and other expenditure.

Production, Transportation and Other Expenditure.

Our production, transportation and other expenditure increased by 11.12% to Rs. 39,612.49 million in fiscal 2009 from Rs. 35,648.89 million in fiscal 2008. In fiscal 2009, our production, transportation and other expenditure was 48.67% of total revenues, as compared to 52.46% in fiscal 2008.

Operating Costs. Our operating costs increased by 32.27% to Rs. 9,887.49 million in fiscal 2009 from Rs. 7,475.30 million in fiscal 2008. Our operating costs increased primarily due to:

- An increase of 24.50% in expenditure on operation and maintenance of production installations to Rs. 5,643.88 million in fiscal 2009 from Rs. 4,533.33 million in fiscal 2008, which included an increase of 27.25% in expenditure on collection and distribution costs relating to further augmentation and re-orientation of our internal pipeline grid and an increase of 23.54% in expenditure on operation and maintenance of production facilities relating primarily to addition of one quick production system and three gas gathering stations.

- An increase of 52.88% in well work-over expenditure to Rs. 1,163.15 million for fiscal 2009 from Rs. 760.83 million for fiscal 2008. This was primarily due accelerated implementation of IOR programmes which was further increased by our deployment of additional hired rigs.

- An increase of 38.21% in expenditure on water injection to Rs. 400.21 million in fiscal 2009 from Rs. 289.58 million in fiscal 2008, primarily due to increased installations for augmentation of IOR and to increase the total volume of water injection.

- An increase in provisions for manpower costs in field operations pursuant to long-term pay revisions which has been allocated among various categories of operating costs.

For fiscal 2009, operating expenses were 12.15% of total revenues, as compared to 11.00% in fiscal 2008.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 73.49% to Rs. 4,708.73 million for fiscal 2009 from Rs. 2,714.13 million in fiscal 2008 due to increase in exploration activities. The geological and geophysical expenditure was 5.79% of total revenues, as compared to 3.99% in fiscal 2008.

Statutory Levies. Statutory levies decreased by 1.96% to Rs. 22,161.05 million in fiscal 2009 from Rs. 22,603.20 million in fiscal 2008. Our statutory levies decreased primarily due to a 15.45% decrease in royalty to Rs. 9,947.45 million in fiscal 2009 from Rs. 11,765.11 million in fiscal 2008, primarily due to the change in the basis of deriving the well-head value, which was partially offset due to a 11.64% increase in crude oil production. For further information on the calculation of well-head value for determining royalty, see "***Factors affecting our Results of Operations—Fiscal Regulation—Statutory Levies—Royalty***" on page 205. The decrease in royalties was partially offset by:

- An 11.42% increase in cess expenditure to Rs. 9,055.06 million in fiscal 2009 from Rs. 8,127.25 million in fiscal 2009 due to a 10.85% increase in crude oil sales volume.

- A 16.51% increase in sales tax to Rs. 3,158.36 million for fiscal 2009 from Rs. 2,710.85 million in fiscal 2008, primarily due to increases in the sales revenues on which sales tax is payable.

In fiscal 2009, statutory levies were 27.23% of total revenues, as compared to 33.26% of total revenues in fiscal 2008.

Other Expenses. Our other expenses decreased by 0.04% to Rs. 2,855.22 million for fiscal 2009 from Rs. 2,856.25 million for fiscal 2008. In fiscal 2009, other expenses were 3.51% of total revenues, as compared to 4.19% of total revenues in fiscal 2008.

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. 3,711.98 million for fiscal 2009 from Rs. 1,334.07 million for fiscal 2008, primarily as a result of:

- A 148.44% increase in abandonment and write-off of dry exploratory wells from Rs. 1,134.96 million in fiscal 2008 to Rs. 2,819.67 million for fiscal 2009, which includes a provision of Rs. 819.80 million for write-off of expenditure incurred with respect to expired PELs.

- A 960.25% increase in write-off of bad and doubtful debts to Rs. 499.70 million in fiscal 2009 from Rs. 47.13 million in fiscal 2008 based on an evaluation of our bad and doubtful debts in accordance with our accounting policies.

For fiscal 2009, provisions made against debts, advances and other provisions and write-offs was 0.73% of total revenues, as compared to 0.16% in fiscal 2008.

Depletion

Our total depletion charges decreased by 4.01% to Rs. 2,087.64 million in fiscal 2009 from Rs. 2,174.80 million in fiscal 2008 due to an increase in the reserves base of natural gas upon revaluation, a relative increase in our production that was derived from investments in producing properties that bear a higher amortization rate and a readjustment of reserves based upon a year-end reserve review. In fiscal 2009, depletion charges were 2.57% of total revenues, as compared to 3.19% in fiscal 2008

Depreciation

Our depreciation charges increased by 82.97% to Rs. 1,680.79 million in fiscal 2009 from Rs. 918.60 million in fiscal 2008, primarily due to a higher capitalization of newer assets which depreciate at a higher rate. In fiscal 2009, depreciation charges were 2.57% of total revenues, as compared to 1.35% in fiscal 2008.

Interest and Debt Charges

Our interest and debt charges decreased by 74.55% to Rs. 87.44 million in fiscal 2009 from Rs. 343.64 million in fiscal 2008, primarily due to a decrease in borrowings. For fiscal 2009, interest and debt charges were 0.11% of total revenues, as compared to 0.51% in fiscal 2008.

Exchange Gain

Our exchange gain due to foreign currency translation was Rs. 61.51 million for fiscal 2009 from an exchange loss of Rs. 39.21 million for fiscal 2008 primarily due to the depreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For fiscal 2008, exchange gain was 0.08% of total revenues, as compared to 0.06% exchange loss in fiscal 2007.

Other Adjustments

Our other adjustments decreased by 62.51% to Rs. 213.93 million in fiscal 2009 from Rs. 570.65 million in fiscal 2008, primarily resulting from a reduction in provision for arrear pay revision and the absence in 2009 of any crude oil quality adjustment to customers. For fiscal 2009, other adjustments were 0.26% of total revenues, as compared to 0.84% in fiscal 2008.

Profit before Tax

Our profit before tax increased by 24.82% to Rs. 33,869.70 million in fiscal 2009 from Rs. 27,134.02 million in fiscal 2008, primarily as a result 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 fiscal 2009, as compared to 39.93% in fiscal 2008.

Provision for Taxation

Our provision for taxation increased by 32.54% to Rs. 12,252.86 million in fiscal 2009 from Rs. 9,244.71 million in fiscal 2008 due to the increase in profit. Our taxation increased disproportionately with our profit increase due to variances between book profits and taxable profits. Our effective tax rate for fiscal 2009 and fiscal 2008 was 33.99%.

Net Profit after Tax

Our net profit after tax increased by 20.84% to Rs. 21,616.84 million for fiscal 2009 from Rs. 17,889.31 million for fiscal 2008. Our net profit after tax was 26.56% of total revenues in fiscal 2009, as compared to 26.33% in fiscal 2008

Adjusted Net Profit after Tax

Our adjusted profit after tax for fiscal 2009 was Rs. 22,308.50 million, which was higher by Rs. 691.66 million than our net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of the allocation of expenses to the year of incurrence and the related tax impact.

Fiscal 2008 compared with Fiscal 2007

Revenues

Our total revenues increased by 13.07% to Rs. 67,954.63 million in fiscal 2008 from Rs. 60,099.89 million in fiscal 2007. The increase was primarily due to an increase in sales revenue for crude oil.

Sales Revenues

Our sales revenues increased by 10.69% to Rs. 59,653.05 million in fiscal 2008 from Rs. 52,850.89 million in fiscal 2007. The increase was primarily due to an increase of 13.24% in crude oil sales revenue to Rs. 54,417.76 million in fiscal 2008 from Rs. 48,056.59 million in fiscal 2007, primarily resulting from:

- A 13.21% increase in our realized price after subsidy per barrel of crude oil to Rs. 2,433.76 for fiscal 2008 from Rs. 2,149.75 for fiscal 2007. The increase in our realized price after subsidy per barrel of crude oil primarily resulted from a 27.57% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 84.58 for fiscal 2008 as compared to US$ 66.30 for fiscal 2007. This increase was partially offset by an increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 1,009.92 per barrel for fiscal 2008, as compared to Rs. 872.48 per barrel for fiscal 2007. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 15.93% to Rs. 22,356.27 million in fiscal 2008 from Rs. 19,284.82 million in fiscal 2007.

- A 0.09% increase in the sales volume of crude oil to 22.30 million barrels in fiscal 2008 from 22.28 million barrels in fiscal 2007.

These increases were partially offset by an appreciation of 11.11% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2008, as compared to fiscal 2007.

Our natural gas sales revenue (before subsidy) increased by 3.73% to Rs. 4,284.55 million in fiscal 2008 from Rs. 4,272.04 million in fiscal 2007. This increase was primarily due to a 3.47% increase in the sales volume of natural gas to 1,828.85 million cubic meters for fiscal 2008 from 1,767.51 million cubic meters for fiscal 2007 and a 0.71% increase in the price (before subsidy) of natural gas to Rs. 1,921.73 per thousand standard cubic meters in fiscal 2008 from Rs. 1,908.23 per thousand cubic meters in fiscal 2007.

Our LPG sales revenue increased by 52.22% to Rs. 782.67 million in fiscal 2008 from Rs. 514.00 million in fiscal 2007. This increase was primarily due to a 30.24% increase in the realized price after subsidy for LPG to Rs. 16,286.15 per ton for fiscal 2008 from Rs. 11,735.08 per ton for fiscal 2007 and a 9.70% increase in the sales volume of LPG to 48,057 tons for fiscal 2008 from 43,806 tons for fiscal 2007.

Revenues from Transportation

Our revenues from transportation increased by 12.49% to Rs. 1,166.43 million in fiscal 2008 from Rs. 1,036.90 million in fiscal 2007, primarily resulting from a 11.58% increase in the volume transported through our crude oil pipeline to 44.06 million barrels in fiscal 2008 from 43.62 million barrels in fiscal 2007.

Other Revenues

Our other revenues increased by 26.90% to Rs. 6,770.01 million in fiscal 2008, as compared to Rs. 5,334.94 million in fiscal 2007. This increase was primarily due to:

- A 38.57% increase in interest income to Rs. 4,428.84 million for fiscal 2008 from Rs. 3,196.21 million for fiscal 2007 primarily due to higher bank balances and higher yielding investments.

- A 185.91% increase in dividends received from our downstream investments to Rs. 496.79 million in fiscal 2008 from Rs. 173.76 million in fiscal 2007 due to increased dividends from our existing investments.

- A 3.66% increase in our budgetary allocation from the GoI for gas sales to Rs. 1,552.74 million for fiscal 2008 from Rs. 1,497.85 million in fiscal 2007 due to increased revenues in respect of gas sales for which we receive a budgetary allocation.

This increase was partially offset by a 53.98% decrease in income from services to Rs. 89.98 million for fiscal 2008 from Rs. 195.51 million in fiscal 2007, primarily due to our strategy to utilize services in-house rather than offer them to third parties due to increase in cost of procuring outsourced services.

Expenditure

Our total expenditure increased 15.87% to Rs. 40,809.29 million for fiscal 2008 from Rs. 35,219.06 million in fiscal 2007. This increase was primarily due to an increase in operating costs and statutory levies.

Production, Transportation and other Expenditure.

Our production, transportation and other expenditure increased by 17.11% to Rs. 35,648.89 million in fiscal 2008 from Rs. 30,439.30 million in fiscal 2007. In fiscal 2008, our production, transportation and other expenditure was 52.46% of total revenues, as compared to 50.65% in fiscal 2007.

Operating Costs. Our operating costs increased by 31.68% to Rs. 7,475.30 million in fiscal 2008 from Rs. 5,676.82 million in fiscal 2007. Our operating costs increased primarily due to:

- An increase of 23.37% in expenditure on operation and maintenance of production installations to Rs. 4,533.33 million in fiscal 2008 from Rs. 3,674.54 million in fiscal 2007 primarily due to an augmentation and re-orientation of our internal pipeline grid.

- A 77.10% increase in well work-over expenditure to Rs. 760.83 million for fiscal 2008 from to Rs. 429.60 million for fiscal 2007 primarily due to an increase in well servicing jobs for revitalization of fields.

- An increase of 114.47% in expenditure on water injection to Rs. 289.58 million in fiscal 2008 primarily due to an increase in installations to augment IOR and to increase the total volume of water injection.

- An 111.98% increase in water handling and disposal costs to Rs. 269.80 million in fiscal 2008.

- An increase in provisions for manpower costs in field operations pursuant to long-term pay revisions which has been allocated among various categories of operating costs.

For fiscal 2008, operating expenses were 11.00% of total revenues, as compared to 9.45% in fiscal 2007.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 12.38% to Rs. 2,714.13 million for fiscal 2008 from Rs. 2,415.21 million in fiscal 2007 due to increased exploration activity. The geological and geophysical expenditure was 3.99% of total revenues, as compared to 4.02% in fiscal 2007.

Statutory Levies. Statutory levies increased by 9.40% to Rs. 22,603.20 million in fiscal 2007 from Rs. 20,660.72 million in fiscal 2006. Our statutory levies increased primarily due to:

- A 15.76% increase in royalty to Rs. 11,765.11 million in fiscal 2008 from Rs. 10,163.69 million in fiscal 2007, primarily due to an increase in revenue on which royalty is payable and the change in the basis of deriving the well-head value. For further information on the calculation of well-head value for determining royalty, see "***Factors affecting our Results of Operations—Fiscal Regulation—Statutory Levies—Royalty***" on page 205.

- A 11.55% increase in sales tax to Rs. 2,710.85 million for fiscal 2008 from Rs. 2,430.18 million in fiscal 2007, primarily due to increases in the sales revenues on which sales tax is payable.

- A 0.75% increase in cess expenditure to Rs. 8,127.25 million in fiscal 2008 from Rs. 8,066.85 million in fiscal 2007.

In fiscal 2008, statutory levies were 37.61% of total revenues, as compared to 34.29% of total revenues in fiscal 2007.

Other Expenses. Our other expenses increased by 69.36% to Rs. 2,856.25 million for fiscal 2008 from Rs. 1,686.54 million for fiscal 2007, primarily as a result of increased general and administrative expenditure due to provisions for pay scale revision and provision for employee benefits per actuarial valuations as required under Indian GAAP. In fiscal 2008, other expenses were 4.20% of total revenues, as compared to 2.81% of total revenues in fiscal 2007.

Provisions against Debts, Advances and other Provisions and Write-offs

Provisions made against debts, advances and other provisions and write-offs decreased by 30.77% to Rs. 1,334.07 million for fiscal 2008 from Rs. 1,927.05 million for fiscal 2007, primarily as a result of:

- A 27.85% decrease in abandonment and write-off of dry and exploratory wells to Rs. 1,134.96 million for fiscal 2008 from Rs. 1,573.11 million for fiscal 2007.

- The absence in 2008 of provisions made of Rs. 226.10 million in fiscal 2007 in respect of the diminution in value of investment in GoI bonds.

For fiscal 2008, provisions made against debts, advances and other provisions and write-offs was 1.96% of total revenues, as compared to 3.21% in fiscal 2007.

Depletion

Our total depletion charges increased by 22.42% to Rs. 2,174.80 million in fiscal 2008 from Rs. 1,776.52 million in fiscal 2007 due to a relative increase in our production that was derived from investments in producing properties that bear a higher amortization rate and a readjustment of reserves based on a year-end review. In fiscal 2008, depletion charges were 3.20% of total revenues, as compared to 2.96% in fiscal 2007.

Depreciation

Our depreciation charges increased by 12.25% to Rs. 918.60 million in fiscal 2008 from Rs. 818.34 million in fiscal 2007, primarily due to a higher capitalization of newer assets which depreciate at a higher rate. In fiscal 2008, depreciation charges were 1.35% of total revenues, as compared to 1.36% in fiscal 2007.

Interest and Debt Charges

Our interest and debt charges increased by 146.25% to Rs. 343.64 million in fiscal 2008 from Rs. 139.55 million in fiscal 2007, primarily due to increase in short-term borrowings. For fiscal 2008, interest and debt charges were 0.51% of total revenues, as compared to 0.23% in fiscal 2007.

Exchange Loss

Our exchange loss due to foreign currency translation increased to Rs. 39.21 million for fiscal 2008 from Rs. 11.24 million for fiscal 2007 primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For fiscal 2008, exchange loss was 0.06% of total revenues, as compared to 0.02% in fiscal 2007.

Other Adjustments

Our other adjustments increased by 571.83% to Rs. 570.65 million in fiscal 2008 from Rs. 84.94 million in fiscal 2007, primarily resulting from provision for arrear pay revision for Rs. 374.44 million and adjustment to customers of Rs.156.70 million for crude oil quality. For fiscal 2008, other adjustments were 0.84% of total revenues, as compared to 0.14% in fiscal 2007.

Profit before Tax

Our profit before tax increased by 9.30% to Rs. 27,134.02 million in fiscal 2008 from Rs. 24,826.27 million in fiscal 2007, primarily as a result of increased crude oil sales revenue, partially offset by increased operating expenditures. Profit before tax as a percentage of total revenues was 39.93% for fiscal 2008, as compared to

41.31% in fiscal 2007.

Provision for Taxation

Our provision for taxation increased by 9.71% to Rs. 9,244.71 million in fiscal 2008 from Rs. 8,426.41 million in fiscal 2007 primarily due to the increase in profit. Our effective tax rate for fiscal 2008 and fiscal 2007 was 33.99% and 33.66%, respectively.

Net Profit after Tax

Our net profit after tax increased by 9.08% to Rs. 17,889.31 million for fiscal 2008 from Rs. 16,399.86 million for fiscal 2007. Our net profit after tax was 26.33% of total revenues in fiscal 2008, as compared to 27.29% in fiscal 2007.

Adjusted Net Profit after Tax

Our adjusted profit after tax for fiscal 2008 was Rs. 17,795.97 million, which was lower by Rs. 93.34 million than our net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of the allocation of expenses to the year of incurrence and the related tax impact.

Fiscal 2007 Compared to Fiscal 2006

Revenues

Our total revenues decreased by 0.25% to Rs. 60,099.89 million in fiscal 2007 from Rs. 60,251.87 million in fiscal 2006. The decrease was primarily due to a decrease in crude oil sales revenue, partially offset by an increase in other revenues.

Sales Revenues

Our sales revenues decreased by 3.39% to Rs. 52,850.89 million in fiscal 2007 from Rs. 54,705.79 million in fiscal 2006. The decrease was primarily due to a decrease of 3.81% in crude oil sales revenue to Rs. 48,056.59 million in fiscal 2007 from Rs. 49,960.97 million in fiscal 2006, primarily resulting from:

- A 1.67% decrease in our realized price after subsidy per barrel of crude oil to Rs. 2,149.75 for fiscal 2007 from Rs. 2,186.23 for fiscal 2006. The decrease in our realized price after subsidy per barrel of crude oil primarily resulted from an increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 872.48 per barrel for fiscal 2007, as compared to Rs. 408.05 per barrel for fiscal 2006, which was partially offset by a 11.35% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 66.30 for fiscal 2007, as compared to US$ 59.54 for fiscal 2006. Our total contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 107.90% to Rs. 19,284.82 million in fiscal 2007 from Rs. 9,276.00 million in fiscal 2006.

- A 2.66% decrease in the sales volume of crude oil to 22.28 million barrels in fiscal 2007 from 22.89 million barrels in fiscal 2006.

These decreases were partially offset by:

- A depreciation of 2.28% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2007, as compared to fiscal 2006.

- An increase in our recovery of sales tax in respect of crude oil to Rs. 1,545.83 million in fiscal 2007. We did not have any recovery of sales tax in respect of crude oil in fiscal 2006.

Our natural gas sales revenue (before subsidy) decreased by 15.28% to Rs. 4,284.55 million in fiscal 2007 from Rs. 5.057.15 million in fiscal 2006. This decrease was primarily due to the absence in fiscal 2007 of our receipt in 2006 of a one-time subsidy relating to Rajasthan region natural gas production that was accounted for as part of sales revenue, which was partially offset by a 6.27% increase in the price before subsidy of natural gas to Rs. 1,908.23 per thousand cubic meters in fiscal 2007 from Rs. 1,795.67 per thousand cubic meters in fiscal 2006 and a 1.35% increase in the sales volume of natural gas to 1,767.51 million cubic meters for fiscal 2007 from

1,743.96 million cubic meters for fiscal 2006.

Our LPG sales revenue decreased by 27.13% to Rs. 514.00 million in fiscal 2007 from Rs. 705.40 million in fiscal 2006. This decrease was primarily due to a decrease in the realized price after subsidy for LPG to Rs. 11,735.08 per ton for fiscal 2007 from Rs. 14,506.57 per ton for fiscal 2006 and a 9.91% decrease in the sales volume of LPG to 43,806 tons for fiscal 2007 from 48,627 tons for fiscal 2006.

Revenues from Transportation

Our revenues from transportation increased by 33.76% to Rs. 1,036.90 million in fiscal 2007 from Rs. 775.20 million in fiscal 2006, primarily resulting from our full recovery, on a net basis, of transportation tariffs in respect of crude oil that we produced and transported, amounting Rs. 226.70 million in fiscal 2007, as compared to an under-recovery of Rs. 239.49 million in fiscal 2006 and a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

Our other revenues increased by 46.59% to Rs. 5,334.94 million in fiscal 2007, as compared to Rs. 3,639.29 million in fiscal 2006. This increase was primarily due to:

- A 58.73% increase in interest income to Rs. 3,196.21 million for fiscal 2007 from Rs. 2,013.67 million for fiscal 2006 primarily due to higher bank balances and substitution to higher yielding investments such as bonds and term deposits.

- A 23.68% increase in our budgetary allocation from the GoI for gas sales to Rs. 1,497.85 million for fiscal 2007 from Rs. 1,211.05 million in fiscal 2006 due to increased revenues in respect of gas sales for which we receive a budgetary allocation.

- A 12.54% increase in dividends received from our downstream investments to Rs. 173.76 million in fiscal 2007 from Rs. 154.40 million in fiscal 2006 due to increased dividends from our existing investments.

- A 11.20% increase in income from services to Rs. 195.51 million for fiscal 2007 from Rs. 175.82 million in fiscal 2006, primarily due to increases in pipeline services and laboratory testing and analysis services.

Expenditure

Our total expenditures from increased 5.06% to Rs. 35,219.06 million for fiscal 2007 from Rs. 33,524.05 million. This increase was primarily due to an increase in statutory levies.

Production, Transportation and Other Expenditure

Our production, transportation and other expenditure increased by 12.54% to Rs. 30,439.30 million in fiscal 2007 from Rs. 27,048.70 million in fiscal 2006. In fiscal 2007, our production, transportation and other expenditure was 50.65% of total revenues, as compared to 44.89% in fiscal 2006.

Operating Costs. Our operating costs decreased by 8.02% to Rs. 5,676.82 million in fiscal 2007 from Rs. 6,171.86 million in fiscal 2006. Our operating costs increased primarily due to:

- A decrease of 62.11% in well work-over expenditure to Rs. 429.60 million for fiscal 2007 from to Rs. 1,133.88 million for fiscal 2006. This was primarily due to our use of lower cost technology.

- A decrease of 72.91% in expenditure on water injection to Rs. 135.02 million in fiscal 2006 primarily due to increased centralization of water injection activities that led to economies of scale, which was partially offset by a reduction in the total volume of water injection.

These decreases were partially offset by:

- An increase of 8.44% in expenditure on operation and maintenance of production installations to Rs. 3,674.95 million in fiscal 2007 from Rs. 3,388.92 million in fiscal 2006 due to full year operations of new production installations commissioned in 2006.

For fiscal 2007, operating expenses were 9.45% of total revenues, as compared to 10.24% in fiscal 2006.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 11.21% to Rs. 2,415.21 million for fiscal 2007 from Rs. 2,171.70 million in fiscal 2006. The geological and geophysical expenditure was 4.02% of total revenues, as compared to 3.60% in fiscal 2006.

Statutory Levies. Statutory levies increased by 18.49% to Rs. 20,660.72 million in fiscal 2007 from Rs. 17,437.04 million in fiscal 2006. Our statutory levies increased primarily due to:

- A 14.63% increase in royalty to Rs. 10,163.69 million in fiscal 2007 from Rs. 8,866.18 million in fiscal 2006, primarily due to an increase in revenue on which royalty is payable.

- A 30.70% increase in cess expenditure to Rs. 8,066.85 million in fiscal 2007 from Rs. 6,171.84 million in fiscal 2006. The increase in cess was primarily attributable to an increase in the rate at which cess was levied on crude oil to Rs. 2,500.00 per metric ton in fiscal 2007 from Rs. 1,800.00 per metric ton in fiscal 2006, which was partially offset by the reduction in the volume of crude oil sales in fiscal 2007.

- A 1.30% increase in sales tax to Rs. 2,430.18 million for fiscal 2007 from Rs. 2,399.02 million in fiscal 2006, primarily due to increases in the sales revenues on which sales tax is payable.

In fiscal 2007, statutory levies were 34.29% of total revenues, as compared to 28.94% of total revenues in fiscal 2006.

Other Expenses. Our other expenses increased by 33.00% to Rs. 1,686.54 million for fiscal 2007 from Rs. 1,268.10 million for fiscal 2006, primarily as a result of increased general and administrative expenditure. In fiscal 2007, other expenses were 2.81% of total revenues, as compared to 2.10% of total revenues in fiscal 2006.

Provisions against Debts, Advances and other Provisions and Write-offs

Provisions made against debts, advances and other provisions and write-offs increased by 71.79% to Rs. 1,927.05 million for fiscal 2007 from Rs. 1,121.73 million for fiscal 2006, primarily as a result of:

- A 58.65% increase in abandonment and write-off of dry and exploratory wells to Rs. 1,573.11 million for fiscal 2007 from Rs. 991.56 million for fiscal 2006.

- Provisions made of Rs. 226.10 million in fiscal 2007 in respect of the diminution in value of investment in GoI bonds.

For fiscal 2007, provisions made against debts, advances and other provisions and write-offs was 3.21% of total revenues, as compared to 1.86% in fiscal 2006.

Depletion

Our total depletion charges decreased by 5.57% to Rs. 1,776.52 million in fiscal 2007 from Rs. 1,881.23 million in fiscal 2006 due to a relative increase in our production that was derived from investments in producing properties that bear a higher amortization rate. In fiscal 2007, depletion charges were 2.96% of total revenues, as compared to 3.12% in fiscal 2006.

Depreciation

Our depreciation charges decreased by 42.87% to Rs. 818.34 million in fiscal 2007 from Rs. 1,432.38 million in fiscal 2006, primarily due to a higher concentration of newer assets which depreciate at a higher rate. In fiscal 2007, depreciation charges were 1.36% of total revenues, as compared to 2.38% in fiscal 2006.

Interest and Debt Charges

Our interest and debt charges decreased by 13.79% to Rs. 139.55 million in fiscal 2007 from Rs. 161.87 million in fiscal 2006, primarily due to the effect of a waiver of the outstanding balance of unsecured loan from OVL, the absence of an interest payment to tax authorities made in fiscal 2006 and our repayment of an OIDB loan. For fiscal 2007, interest and debt charges were 0.23% of total revenues, as compared to 0.27% in fiscal 2006.

Exchange Loss

Our exchange loss due to foreign currency translation increased to Rs. 11.24 million for fiscal 2007 from a gain of Rs. 9.72 million for fiscal 2006 primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments.

VRS Compensation written-off

We did not make write-offs of VRS Compensation for fiscal 2007, as compared to Rs. 299.62 million of write-offs in fiscal 2006, which resulted from a change of accounting policy.

Other Adjustments

Our other adjustments decreased by 95.01% to Rs. 84.94 million in fiscal 2007 from Rs. 1,701.95 million in fiscal 2006, primarily resulting from arrear depreciation provided in fiscal 2006 due to our adoption of the written down value method from the straight line method.

Profit before Tax

Our profit before tax decreased by 7.17% to Rs. 24,826.27 million in fiscal 2007 from Rs. 26,743.98 million in fiscal 2006, primarily as a result of our increased contribution towards sharing in the under-recoveries of the public sector oil marketing companies and increased statutory levies. Profit before tax as a percentage of total revenues was 41.31% for fiscal 2007, as compared to 44.39% in fiscal 2006.

Provision for Taxation

Our provision for taxation decreased by 14.41% to Rs. 8,426.41 million in fiscal 2007 from Rs. 9,844.67 million in fiscal 2006, due to the decrease in profit. Our effective tax rate for both fiscal 2006 and fiscal 2007 was 33.66%.

Net Profit after Tax

Our net profit after tax decreased by 2.96% to Rs. 16,399.86 million for fiscal 2007 from Rs. 16,899.31 million for fiscal 2006. Our net profit after tax was 27.29% of total revenues in fiscal 2007, as compared to 28.05% in fiscal 2006.

Adjusted Net Profit after Tax

Our adjusted profit after tax for fiscal 2007 was Rs. 15,403.91 million, which was lower by Rs. 995.95 million than our net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of the allocation of expenses to the year of incurrence and the related tax impact.

Fiscal 2006 Compared to Fiscal 2005

Revenues

Our total revenues increased by 46.31% to Rs. 60,251.87 million in fiscal 2006 from Rs. 41,180.35 million in fiscal 2005. The increase was primarily due to an increase in crude oil sales revenue.

Sales Revenues

Our sales revenues increased by 42.41% to Rs. 54,705.79 million in fiscal 2006 from Rs. 38,415.38 million in fiscal 2005. The increase was primarily due to an increase of 40.25% in crude oil sales revenue to Rs. 49,960.97 million in fiscal 2006 from Rs. 35,622.95 million in fiscal 2005, primarily resulting from:

- A 39.48% increase in our realized price after subsidy per barrel of crude oil to Rs. 2,186.23 for fiscal 2006 from Rs. 1,567.38 for fiscal 2005. The increase in our realized price after subsidy per barrel of crude oil primarily resulted from a 40.76% increase in the average international crude oil price for Nigerian Bonny Light (35 degree API) to US$ 59.54 for fiscal 2006, as compared to US$ 42.30 for fiscal 2005, which was partially offset by a 41.11% increase in our contribution toward sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales to Rs. 408.05 per barrel for fiscal

2006, as compared to Rs. 289.18 per barrel for fiscal 2005. Our total contribution towards sharing of the under-recoveries of the public sector oil marketing companies in respect of our crude oil sales increased by 43.11% to Rs. 9,276 million in fiscal 2006 to from Rs. 6,481.57 million in fiscal 2005.

- A 1.59% increase in the sales volume of crude oil to 22.88 million barrels in fiscal 2006 from 22.27 million barrels in fiscal 2005.

This increase was partially offset by:

- An appreciation of 1.49% in the average exchange rate of the Indian Rupee against the U.S. Dollar for fiscal 2006, as compared to fiscal 2005.

Our natural gas sales revenue (before subsidy) increased by 117.76% to Rs. 5,057.15 million in fiscal 2006 from Rs. 2,322.40 million in fiscal 2005. This increase included a one-time subsidy relating to Rajasthan region natural gas production that was accounted for as part of sales revenue, 23.51% increase in the average price (before subsidy) of natural gas to Rs. 1,795.67 per thousand cubic meters in fiscal 2006 from Rs. 1,453.85 per thousand cubic meters in fiscal 2005 and a 18.48% increase in the sales volume of natural gas to 1,743.95 million cubic meters for fiscal 2006 from 1,471.95 million cubic meters for fiscal 2005.

Our LPG sales revenue increased by 48.29% to Rs. 705.40 million in fiscal 2006 from Rs. 475.70 million in fiscal 2005. This increase was primarily due to a 53.60% increase in the realized price after subsidy of LPG to Rs. 14,506.57 per ton in fiscal 2006 from Rs. 9,444.54 per ton in fiscal 2005, partially offset by an 2.92% decrease in the sales volume of LPG to 48,627 tons for fiscal 2006 from 50,086 tons for fiscal 2005.

Revenues from Transportation

Our revenues from transportation increased by 5.14% to Rs. 775.20 million in fiscal 2006 from Rs. 737.30 million in fiscal 2005, primarily resulting from a higher volume of throughput and a 10% contractual tariff escalator with respect to certain of our third party crude oil transportation.

Other Revenues

Our other revenues increased by 90.59% to Rs. 3,639.29 million in fiscal 2006, as compared to Rs. 1,904.26 million in fiscal 2005. This increase was primarily due to:

- A 258.09% increase in our receipt of reimbursement from the gas pool account to Rs. 1,211.05 million for fiscal 2006 from Rs. 338.20 million in fiscal 2005 due to an increase in the GoI sales price against which our reimbursement is based.

- A 43.08% increase in interest income to Rs. 2,013.67 million for fiscal 2006 from Rs. 1,407.37 million for fiscal 2005 primarily due to increased interest earned on term deposits.

- A 661.13% increase in income from services to Rs. 175.82 million for fiscal 2006 from Rs. 23.10 million in fiscal 2005, primarily due to contracts for drilling and other services secured during the year.

- A 93.19% increase in dividends received from our downstream investments to Rs. 154.40 million in fiscal 2006 from Rs. 79.92 million in fiscal 2005 due to increased dividends from our existing investments.

Expenditure

Our total expenditure increased 34.76% to Rs. 33,524.05 million for fiscal 2006 from Rs. 24,876.68 million for fiscal 2005. This increase was primarily due to an increase in statutory levies and operating costs.

Production, Transportation and Other Expenditure

Our production, transportation and other expenditure increased by 28.19% to Rs. 27,048.70 million in fiscal 2006 from Rs. 21,100.61 million in fiscal 2005. In fiscal 2006, our production, transportation and other expenditure was 44.89% of total revenues, as compared to 51.24% in fiscal 2005.

Operating Costs. Our operating costs increased 15.55% to Rs. 6,171.86 million in fiscal 2006 from Rs. 5,341.30

million in fiscal 2005. Our operating costs increased primarily due to:

- A 14.47% increase in expenditure on operation and maintenance of production installations to Rs. 3,674.95 million for fiscal 2006 from Rs. 2,960.31 million in fiscal 2005 due to commissioning of production installations.
- A 52.82% increase in expenditure on operational set-up of free gas wells to Rs. 506.12 million for fiscal 2006 from Rs. 331.19 million in fiscal 2005. During fiscal 2006, seven additional gas wells were brought to production.
- A 80.61% increase in expenditure on water injection to Rs. 275.23 million for fiscal 2006 from Rs. 152.77 million for fiscal 2005 due to the costs associated with implementing increased water injection capacity.
- A 14.70% increase in well work-over expenditure to Rs. 1,133.88 million for fiscal 2006 from Rs. 988.52 million for fiscal 2005.

For fiscal 2006, operating expenses were 10.24% of total revenues, as compared to 12.97% in fiscal 2005.

Geological and Geophysical Expenditure. Our geological and geophysical expenditure increased by 18.62% to Rs. 2,171.70 million for fiscal 2006 from Rs. 1,830.77 million in fiscal 2005.

Statutory Levies. Statutory levies increased by 29.74% to Rs. 17,437.04 million in fiscal 2006 from Rs. 13,439.86 million in fiscal 2005. Our statutory levies increased primarily due to:

- A 41.64% increase in royalty to Rs. 8,866.18 million in fiscal 2006 from Rs. 6,259.73 million in fiscal 2005 due to the increase in the sale revenues on which royalty is payable.
- A 48.07% increase in sales tax to Rs. 2,399.02 million for fiscal 2006 from Rs. 1,620.14 million in fiscal 2005, primarily due to the increase in the sales revenues on which sales tax is payable.
- A 5.72% increase in cess expenditure to Rs. 6,171.84 million in fiscal 2006 from Rs. 5,837.94 million in fiscal 2005, due to the increase in volume of sales.

In fiscal 2006, statutory levies were 28.94% of total revenues, as compared to 32.64% of total revenues in fiscal 2005.

Other Expenses. Our other expenses increased by 499.69% to Rs. 1,268.10 million for fiscal 2006 from Rs. 211.46 million for fiscal 2005, primarily as a result of a change in accounting convention in fiscal 2006 pursuant to which certain expenditure is allocated centrally, rather than to specific activities. In fiscal 2006, other expenses were 2.10% of total revenues, as compared to 0.51% of total revenues in fiscal 2005.

Provisions against Debts, Advances and other Provisions and Write-offs

Our provisions made against debts, advances and other provisions and write-offs increased by 65.75% to Rs. 1,121.73 million for fiscal 2006 from Rs. 676.77 million for fiscal 2005, primarily as a result of a 117.16% increase in abandonment and write-off of dry and exploratory wells to Rs. 991.56 million for fiscal 2006 from Rs. 456.61 million for fiscal 2005. For fiscal 2006, our provisions made against debts, advances and other provisions and write-offs was 1.86% of total revenues, as compared to 1.11% in fiscal 2005.

Depletion

Our total depletion charges increased by 8.50% to Rs. 1,881.23 million in fiscal 2006 from Rs. 1,733.86 million in fiscal 2005 due to a relative increase in our production that derived from investments in producing properties that bear a higher amortization rate. In fiscal 2006, depletion charges were 3.12% of total revenues, as compared to 4.21% in fiscal 2005.

Depreciation

Our depreciation charges increased by 155.05% to Rs. 1,432.38 million in fiscal 2006 from Rs. 561.61 million in fiscal 2005, primarily due to commissioning of newer assets, which depreciate at a faster rate. In fiscal 2006, depreciation charges were 2.38% of total revenues, as compared to 1.36% in fiscal 2005.

Interest and Debt Charges

Our interest and debt charges decreased by 2.79% to Rs. 161.87 million in fiscal 2006 from Rs. 166.51 million in fiscal 2005. For fiscal 2006, interest and debt charges were 0.27% of total revenues, as compared to 0.40% in fiscal 2005.

Exchange Loss

Our exchange gain due foreign currency translation was Rs. 9.72 million for fiscal 2006 from a gain of Rs. 0.62 million for fiscal 2005 primarily due to the appreciation of the Rupee in respect of the currencies of denomination of our existing foreign investments. For fiscal 2006, exchange losses were 0.02% of total revenues, as compared to 0.002% in fiscal 2005.

VRS Compensation written-off

Our write-offs of VRS Compensation increased by 200.00% to Rs. 299.62 million for fiscal 2006 from Rs. 99.87 million for fiscal 2005, primarily due to a change in policy requiring full amortisation of all such expenditure.

Other Adjustments

Our other adjustments increased by 180.32% to Rs. 1,701.95 million in fiscal 2006 from Rs. 607.15 million in fiscal 2005, primarily resulting from additional depreciation provided in fiscal 2006 due to our adoption of the written down value method from the straight line method.

Profit before Tax

Our profit before tax increased by 64.77% to Rs. 26,743.98 million in fiscal 2006 from Rs. 16,231.44 million in fiscal 2005 primarily as a result of increased crude oil sales revenue, partially offset by increased statutory levies. Profit before tax as a percentage of total revenues was 44.39% for fiscal 2006, as compared to 39.42% in fiscal 2005.

Provision for Taxation

Our provision for taxation increased by 75.34% to Rs. 9,844.67 million in fiscal 2006 from Rs. 5,614.60 million in fiscal 2005, primarily due to the increase in profit, partially offset by a decrease in effective tax rates. Our effective tax rate for fiscal 2006 was 33.66%, as compared to an effective tax rate of 36.59% for fiscal 2005.

Net Profit after Tax

Our net profit after tax increased by 59.17% to Rs. 16,899.31 million for fiscal 2006 from Rs. 10,616.84 million for fiscal 2005. Our net profit after tax was 28.05% of total revenues in fiscal 2006, as compared to 25.78% in fiscal 2005.

Adjusted Net Profit after Tax

Our adjusted profit after tax for fiscal 2006 was Rs. 18,370.91 million, which was higher by Rs. 1,471.60 million, as compared to the net profit after tax as per our audited statement of accounts. The adjustment to net profit after tax was primarily as a result of adjustments due to our adoption of the written down value method of depreciation from the straight line method, which was partially offset by an adjustment to allocate expenses to the year of incurrence and the related tax impact.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs and our capital expenditure. To fund these costs, we have relied on cash flows from operations and short-term and long-term borrowings.

Dividends

Our dividend payout and tax on dividend payout for fiscal 2009, 2008, 2007 and 2006 was as follows:

	Fiscal			
	2009	2008	2007	2006
Dividend per Equity Share (Rs.)	30.50	27.50	26.00	26.50
Dividend Payout (Rs. in millions)	6,527.08	5,885.13	5,564.11	5,671.12
Dividend Tax (Rs. in millions)	1,109.28	1,000.18	828.04	795.37

Dividends are declared at the annual general meeting of the shareholders based on the recommendation by the board. Our board may recommend dividends, at its discretion, to be paid to our shareholders. Our board may also declare interim dividends. Our board considers a number of factors in making a recommendation to pay dividend, including but not limited to, our profits, capital requirements and overall financial condition. Pursuant to the guideline on expenditure management, fiscal prudence and austerity dated October 18, 2004 from the GoI, all profit-making PSUs, are required to declare the higher of a minimum dividend of 20.00% on equity or a minimum dividend of 20.00% of post-tax profits. According to the October 18, 2004 guideline, the minimum pay-out in respect of enterprises in the oil, petroleum, chemicals and other infrastructure sectors (such as OIL) is 30.00% of post-tax profits. Our dividend pay-out ratio, based on profit after tax, for fiscal 2009, fiscal 2008, fiscal 2007 and fiscal 2006 was 30.19%, 32.90%, 33.93% and 33.56%, respectively. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy in the future. For more information on our dividend policy, see "***Dividend Policy***" on page 151.

Cash Flows

The table below summarises our cash flows for the three months ended June 30, 2009 and June 30, 2008 and fiscal 2009, fiscal 2008, fiscal 2007 and fiscal 2006.

(Rs. in millions)

	Three months ended June 30,		Fiscal			
	2009	2008	2009	2008	2007	2006
Net Cash from Operating Activities	8,378.99	16,864.87	29,700.87	27,882.91	10,027.14	25,888.99
Net Cash Used in Investing Activities	(3,336.56)	91.41	(3,026.04)	(6,089.25)	(6,478.22)	(6,920.30)
Net Cash Used in Financing Activities	(57.01)	(237.87)	(8,783.00)	(11,742.37)	(1,806.98)	(6,594.05)
Net Increase/(Decrease) in Cash and Cash Equivalents	4,985.42	16,718.41	17,891.83	10,051.29	1,741.94	12,374.63

Net Cash from Operating Activities

Our main source of cash flows is funds from operations. Changes in our funds from operations are primarily determined by changes in the prices we receive for our products and our production volumes.

Our net cash flows from operating activities decreased to Rs. 8,378.99 million in the three months ended June 30, 2009 from Rs. 16,864.87 million in the three months ended June 30, 2008. This is primarily due to a decrease in operating profits and working capital adjustments due to an increase in debtors by Rs. 1,771.84 million and a decrease in current liabilities and provisions by Rs. 3,565.37 million. The decrease was partially offset by cash inflows associated with a reduction in inventories and loans and advances by Rs. 380.41 million and Rs. 1,388.22 million, respectively.

Our net cash flows from operating activities increased to Rs. 29,700.87 million in fiscal 2009 from Rs. 27,882.91 million in fiscal 2008. This is primarily due to our increased operating profit and realization from debtors of Rs. 1,561.20 million. Working capital adjustments included an increase in loans and advances of Rs. 4,374.12 million, which included advances to employees, advances to suppliers and increases to funds used for application for shares in DNP Limited and BCPL, which were offset by cash outflows associated with an increase in current liabilities and provisions by Rs. 3,509.26 million primarily due to provision for employees liabilities.

Our net cash flows from operating activities increased to Rs. 27,882.91 million in fiscal 2008 from Rs. 10,027.14 million in fiscal 2007. This is primarily due to an increase in operating profits and decrease in loans and advances due to a liquidation of deposits for Rs. 3,634.98 million, conversion of application money to shares in NRL for Rs. 3,928.32 million and increase in current liabilities and provisions by Rs. 6,919.66 million, which was offset by an increase in sundry debtors by Rs. 1,881.56 million.

Our net cash flows from operating activities decreased to Rs. 10,027.14 million in fiscal 2007 from Rs. 25,888.99 million in fiscal 2006. This is primarily due to a Rs. 3,760.79 million increase in deposits with PSUs, payment of application money for shares of NRL for Rs. 3,928.32 million and cash outflows associated with a Rs. 1,238.61 million decrease in current liabilities.

Net Cash used in Investing Activities

Our net cash flow used in investing activities increased to Rs. 3,336.56 million in the three months ended June 30, 2009 from an inflow of Rs. 91.41million in the three months ended June 30, 2008. Our primary use of cash for investing activities in the three months ended June 30, 2009 was Rs. 3,286.31 million for the purchase of fixed assets, which represented an increase of Rs. 1,410.39 million as compared to the three months ended June 30, 2008. In the three months ended June 30, 2009, our cash used in investing activity also included purchase of investments in mutual funds for Rs. 1,300.00 million and acquisition of shares of DNP Limited for Rs. 243.80 million. These outflows were partially offset by receipt of Rs. 1,493.55 million in interest and dividends in the three months ended June 30, 2009, which was a decrease of Rs. 473.78 million from the three months ended June 30, 2008.

Our net cash used in investing activities decreased to Rs. 3,026.04 million in fiscal 2009, from Rs. 6,089.25 million in fiscal 2008. Our primary use of cash for investing activities in fiscal 2009 was Rs. 8,495.99 million for the purchase of fixed assets, which was a decrease of Rs. 996.02 million from fiscal 2008. The overall decrease in cash used in investing activities was primarily due to an increase in our cash flow from receipt of interest of Rs. 1,321.78 million offset by a decrease in our cash flow from receipt of dividend Rs. 53.40 million primarily resulting from higher bank balances and higher yielding investments.

Our net cash used in investing activities decreased to Rs. 6,089.25 million in fiscal 2008, from Rs. 6,478.22 million in fiscal 2007. Our primary use of cash for investing activities in fiscal 2008 was Rs. 9,492.01 million for the purchase of fixed assets, which was an increase of Rs. 121.69 million from fiscal 2007. Our cash used in investing activity also included Rs. 3,928.33 million used for investments made in NRL. These were offset by receipt of Rs. 4,213.91 million in interest and dividend in fiscal 2008, an increase of Rs. 1,321.78 million from fiscal 2007, resulting from higher bank balances and higher yielding investments and Rs. 3,417.22 million received on maturity of investments.

Our net cash used in investing activities decreased to Rs. 6,478.22 million in fiscal 2007, from Rs. 6,920.30 million in fiscal 2006. Our primary use of cash for investing activities in fiscal 2007 was Rs. 9,370.32 million for the purchase of fixed assets, which was an increase of Rs. 3,261.93 million from fiscal 2006. This increase was offset by a decrease of funds used for investments to Rs. 0.02 million in fiscal 2007, from Rs. 2,482.17 million in fiscal 2006 and an increase in our cash flow from receipt interest and dividend to Rs. 2,892.13 million in fiscal 2007 from Rs. 1,670.27, million in fiscal 2006. In fiscal 2006, our funds used for investments included an investment made by us in GoI bonds against settlement of certain claims in kind against the gas pool account.

Net Cash Used in Financing Activities

Our net cash used in financing activities decreased to Rs. 57.01 million in the three months ended June 30, 2009 from Rs. 237.87 million in the three months ended June 30, 2008. Our primary use of cash for financing activities in the three months ended June 30, 2009 was Rs. 47.99 million for repayment of borrowings, which was a decrease of Rs. 175.65 million in comparison with the three months ended June 30, 2008 due to lower levels of short-term borrowings.

Our net cash used in financing activities decreased to Rs. 8,783.00 million in fiscal 2009 from Rs. 11,742.37 million in fiscal 2008. Our primary use of cash for financing activities in fiscal 2009 was Rs. 7,511.23 million for the payment of dividends and dividend tax, which was an increase of Rs. 2,503.73 million from fiscal 2008. This increase was offset by a reduction in funds used for the repayment of borrowings, which decreased to Rs. 1,184.33 million for fiscal 2009 from Rs. 7,434.84 million in fiscal 2008 as a result of lower borrowing in fiscal 2009.

Our net cash used in financing activities increased to Rs. 11,742.37 million in fiscal 2008 from Rs. 1,806.98 million in fiscal 2007. Our primary use of cash for financing activities in fiscal 2008 was Rs. 7,434.84 million for the repayment of borrowings primarily relating to short-term loans, which was an increase of Rs. 6,694.07 million from fiscal 2007, and Rs. 5,007.43 million for the payment of the prior year's final dividends and dividend tax, which was a decrease of Rs. 1,458.99 million from fiscal 2008. The increased use of cash for financing activities also resulted from a decrease in proceeds from borrowings, which amounted to Rs. 1,043.62 million for fiscal 2008, as compared to Rs. 5,539.63 million in fiscal 2007.

Our net cash used in financing activities decreased to Rs. 1,806.98 million in fiscal 2007 from Rs. 6,594.05 million in fiscal 2006. Our primary use of cash for financing activities in fiscal 2007 was Rs. 6,466.49 million for the payment of dividends and dividend tax, which was a decrease of Rs. 124.04 million from fiscal 2006. The decrease in cash used in financing activity primarily resulted from an increase proceeds from borrowings, which were Rs. 5,539.83 million in fiscal 2007 and consisted of short-term loans, as compared to Rs. 600.24 million in fiscal 2006.

Indebtedness

Key terms of our outstanding indebtedness as of June 30, 2009 are as follows:

Indian Rupee Loans

We had an aggregate principal amount of Rs. 516.53 million in Indian Rupee borrowings outstanding as of June 30, 2009. This includes an aggregate principal amount of Rs. 4.03 million outstanding under secured loan facilities and an aggregate principal amount of Rs. 512.50 million outstanding under five separate unsecured long-term loan facilities from OIDB. The interest rate applicable to each of these unsecured long-term loan facilities is 5% per annum, payable in quarterly instalments.

The table below sets out our loan facilities from OIDB as of June 30, 2009.

Amount of facility	Aggregate principal amount outstanding	Repayment Particulars
Rs. 700 million	Rs. 350.00 million	Eight annual equal instalments until March 21, 2013.
Rs. 200 million	Rs. 25.00 million	Eight annual equal instalments until July 1, 2010.
Rs. 40 million	Rs. 10.00 million	Eight annual equal instalments until July 6, 2010.
Rs. 300 million	Rs. 112.50 million	Eight annual equal instalments until October 1, 2011.
Rs. 60 million	Rs. 15.00 million	Eight annual equal instalments until July 12, 2010.

As of June 30, 2009, we have an aggregate principal amount of Rs. 4.03 million outstanding under a working capital facility of Rs. 4,500 million from the State Bank of India, CAG Branch. The loan is secured by hypothecation of all current assets, including goods in transit wherever situated. The interest rate applicable to the loan is 0.75% below the SBAR where the present effective rate is of 11% per annum with monthly rests, payable in quarterly instalments.

For further details regarding our indebtedness, see "***Financial Indebtedness***" on page 234.

In addition, as of June 30, 2009, we have issued guarantees in an aggregate principal amount of Rs. 1,391.52 million. As of, June 30, 2009, we also had outstanding letter of credit of Rs. 531.50 million. For further information, see "***Statement of Contingent Liabilities***", which appears in Annexure XVII to "***Financial Statements***" on page 196 and "***Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards***" on page xxxvi.

Foreign Currency Loans

We do not have any foreign currency loans outstanding as of June 30, 2009.

Historical and Planned Capital Expenditure and Other Investments

Capital expenditures represent the increase in the value of our fixed assets plus changes in capital work in progress (i.e., expenses incurred in relation to work in progress but not capitalised), advance payments on account of capital expenditures and surveys (which are expensed to the profit and loss account as per our accounting convention), exploratory drilling and development drilling.

In the three months ended June 30, 2009, our total capital expenditure was Rs. 3.286.31 million of which 78.96% was utilized for the purposes of development and exploration activities in the Assam Basin, 1.54% was invested in development and exploration activities in the Rajasthan basin, 15.91% was utilized in exploration activities in the areas under domestic PSCs and 3.59% was utilized in overseas exploration ventures.

In fiscal 2009, our total capital expenditure was Rs. 8,495.99 million of which 63.72% was utilized for the purposes of development and exploration activities in the Assam Basin, 3.57% was invested in construction of a product pipeline in Assam connecting Numaligarh to Siliguri, 4.94% was invested in development and exploration activities in the Rajasthan basin, 20.23% was utilized in exploration activities in the areas under domestic PSCs and 7.54% was utilized in overseas exploration ventures.

In fiscal 2008, our total capital expenditure was Rs. 9,492.01 million of which 62.05% was utilized for the purposes of development and exploration activities in the Assam Basin, 17.92% was invested in construction of a product pipeline in Assam connecting Numaligarh to Siliguri, 3.96% was invested in development in the Rajasthan basin, 6.71% was utilized in exploration activities in the areas under domestic PSCs and 9.36% was utilized in overseas exploration ventures.

In fiscal 2007, our total capital expenditure was Rs. 9,370.32 million, of which 64.47% was utilized for the purposes of development and exploration activities in the Assam Basin, 14.66% was invested in construction of a product pipeline in Assam connecting Numaligarh to Siliguri, 1.38% was invested in development in the Rajasthan basin, 10.10% was utilized in exploration activities in the areas under domestic PSCs and 9.39% was utilized in overseas exploration ventures.

In fiscal 2006, our total capital expenditure was Rs. 6,108.39 million, of which 71.41% was utilized for the purposes of development and exploration activities in the Assam Basin, 8.09% was invested in construction of a product pipeline in Assam connecting Numaligarh to Siliguri, 5.83% was invested in development in the Rajasthan basin, 11.87% was utilized in exploration activities in the areas under domestic PSCs and 2.80% was utilized in overseas exploration ventures.

For fiscal 2009, 2008, 2007 and 2006, our total capital expenditure was 94.75%, 70.53%, 161.45% and 96.07% of our budgeted expenditure for each of those years, respectively. We have received the necessary authorizations for budgeted expenditure of an aggregate amount of Rs. 22,763.10 million in fiscal 2010 for exploration and development activities and up to Rs. 124,390.16 million in total by fiscal 2012.

For further details regarding our planned capital expenditure, see "***Objects of the Issue***" on page 33.

As of June 30, 2009, we have a total of Rs. 6,430.41 million in investments, which primarily consisted of an investment in the amount of Rs. 4,836.53 million and Rs.243.80 million in the equity shares in NRL and DNP Limited, respectively, a Rs. 50.00 million contribution to the capital fund of Petroleum India International, which is a consortium of India PSUs in the upstream and downstream oil and gas industry formed for the purpose of outsourcing Indian expertise and services overseas, and Rs. 1,300.00 million in units in mutual funds. In addition to these investments, we have also made an advance to BCPL in the amount of Rs. 324.72 million for the acquisition of shares which are pending allotment as of June 30, 2009.

Research and Development

For the fiscal 2009, 2008, 2007 and 2006, we spent Rs. 212.42 million, Rs. 167.5 million, Rs. 115.01 million and Rs. 125.81 million respectively, on research and development activities. For the three months ended June 30, 2009, we spent Rs. 75.44 million on research and development activities.

The following table sets forth a breakdown of our research and development expenditure by type and our total research and development expenditure as a percentage of total revenues for the three months ended June 30, 2009 and fiscal 2009, 2008, 2007 and 2006.

(Rs. in millions)

	Three months ended June 30,	Fiscal			
	2009	2009	2008	2007	2006
Capital	0.03	30.35	6.54	2.45	3.61
Recurring	75.41	182.07	160.96	112.56	122.20
Total	75.44	212.42	167.5	115.01	125.81
Total research and development expenditure as a percentage of total revenues	0.35	0.26	0.25	0.19	0.21

For more information, see "***Our Business—Research and Development***" on page 88.

Principal Sources of Liquidity

At June 30, 2009, our cash and cash equivalents amounted to Rs. 65,685.51 million. We believe that our anticipated cash flow from operations, together with our existing cash, will be sufficient to meet our operating and capital expenditure requirements for fiscal 2010. Our anticipated cash flows depend on several factors beyond our control, such as international prices of crude oil and LPG, GoI regulation of prices, and the rates of subsidies and other levies by the GoI. We may therefore be required to incur additional indebtedness or issue equity in the future. For further information, see "***Risk Factors***" on page xix.

Off-Balance Sheet Arrangements and Financial Instruments

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of June 30, 2009 and March 31, 2009, 2008 and 2007.

(Rs. in millions)

Particulars	As of June 30	As of March 31,		
	2009	2009	2008	2007
Statutory claims against the Company not acknowledged as debts (1)	3,986.51	16,331.59	2,871.56	2,131.86
Contractual claims against the Company not acknowledged as debts (2)	1,784.75	3,504.66	3,348.07	1,546.64
Letters of Credit outstanding for which there is a floating charge on the Company's current assets	565.53	447.81	780.67	568.58
Guarantees executed by the Company in favour of the GoI and other parties	1,357.22	1,959.41	824.87	351.86
Capital Commitments in respect of contracts remaining to be executed on capital account and not provided for in the accounts	1,743.34	1,825.68	2,204.42	717.77
Total	**9,437.62**	**24,069.15**	**10,029.59**	**5,316.71**

(1) These include claims under income tax, sales tax, service tax and other acts.

(2) These include claims other than those covered in (1) and include claims under Customs Act, and Company's share of claims under PSCs.

The reduction in contingent liabilities of Rs. 9,437.62 million as of June 30, 2009 resulted from, among other things, lower statutory and contractual claims due to the extinguishment of the claims from the Income Tax Authority relating to disallowance of discounts allowed to oil marketing companies.

Contingent liabilities of Rs. 24,069.15 million as of March 31, 2009 included statutory claims raised during fiscal 2009 by the Income Tax Authority relating to disallowance of discounts allowed to OMCs and disallowance of reliefs and concessions under section 80 IB/80 IC of the Income Tax Act.

Contingent liabilities of Rs. 10,029.59 million as of March 31, 2008 included commitments during fiscal 2008 in respect of contracts remaining unexecuted on capital account as a result of expansion in business activities requiring higher expenditures due to increased commitments in our NELP and nomination blocks and contractual claims against us.

Contingent liabilities of Rs. 5,316.71 million as of March 31, 2007 included statutory claims raised during fiscal 2007 by the Central Excise Authority relating to alleged service tax demand in transportation of crude oil.

For further information, see "***Statement of Contingent Liabilities***", which appears in Annexure XVII to "***Financial Statements***" on page 196 and "***Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards***" on page xxxvi.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist principally of the following, as on June 30, 2009, classified by maturity:

(Rs. in millions)

Particulars	Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt obligations	512.50	137.50	187.50	87.50	0
Capital lease obligations	–	–	–	–	–
Operating lease obligations	–	–	–	–	–
Other long-term liabilities(1)	–	–	–	–	–
Total	512.50	137.50	187.50	87.50	0

*(1) Excludes capital commitments and other obligations arising under MWPs. See "**—Off-Balance Sheet Arrangements and Financial Instruments—Contingent Liabilities**" and "**Business – Exploration and Development**" and "**Objects of the Issue**" on pages* 230, 75 and 33, respectively.

Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

The prices of our products, in particular, crude oil and LPG, are linked to the international prices of such products. Our revenues are exposed to the risk of fluctuation in prices in the international markets. We do not currently have in place any hedging mechanisms. For more information on international crude oil prices, see "***—Factors affecting our Results Of Operations—International Prices of Crude Oil***" on page 201 and "***Risk Factors— A substantial or extended decline in international prices for crude oil would have a material adverse effect on our business***" on page xix.

Operating Risk

We are exposed to operating risks, including reservoir risk, risk of loss of oil and gas, risk of terrorist attacks and natural calamities risk in respect of all our installations and facilities. We have, however, insured our installations and facilities under a standard fire and special perils policy, under which most replacement costs will be borne by the insurance company. We are however, not covered for lost profits. The premium for insurance coverage at replacement cost for fiscal 2009 was Rs. 16.72 million, exclusive of service tax.

Exchange Rate Risk

We make 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. We are exposed to risks relating to exchange rate fluctuations. We have no hedging or derivative program to cover these risks. However, the risk involved in our required payments in foreign currencies is offset to some degree by our revenues from sales of crude oil and LPG, which are linked to the U.S. Dollar currency exchange rates and increase if the U.S. Dollar strengthens against the Indian Rupee.

Interest Rate Risk

We are exposed to interest rate risk on our earnings. We make 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.

Effect of Inflation

During fiscal 2009, 2008, 2007 and 2006 the All India Consumer Price Index increased by 7.20%, 6.91%, 5.76% and 4.81%, respectively, and during fiscal 2010 the All India Consumer Price Index is forecast to increase by 8.3% *(Source: http://web.worldbank.org)*. We set the price for our products sold in India based on various factors, including inflation. Inflation has not had a significant impact on the results of our operations.

Related Party Transactions

As of June 30, 2009, we had provided an aggregate principal amount of Rs 3,270.01million as loans and advances to our joint venture partners, related parties and associates other than State or Central government-owned entities, which includes a loan of Rs. 444.66 million to Suntera Nigeria, in which we hold a 25% interest, and our proportional contribution towards the preliminary expenses of Rs. 9.23 million for assessing the feasibility of setting up of an integrated refinery and petrochemical complex in Vishakhapatnam, Andhra Pradesh, with Mittal Energy Investment Private Limited and an advance of Rs. 25 million to the OIL-IOTL consortium, towards our share of the working capital as per the terms of the Consortium Agreement.

As of June 30, 2009, we had an aggregate principal amount of Rs. 4.22 million outstanding in loans to directors, who are entitled to loans in accordance with normal policy applicable to employees and an aggregate principal amount of Rs. 2,786.90 million outstanding in loans to other employees of the Company. In addition, we have provided several significant guarantees to the GoI and others in respect of performance obligations in the PSCs. For further information, see "***Statement of Contingent Liabilities***", which appears in Annexure XVII to "***Financial Statements***" on page 196 and "***Risk Factors—We are subject to certain contingent liabilities under Indian Accounting Standards***" on page xxxvi. For more information, see "***Financial Statements—Related Party Transactions***", "***Financial Statements—Statement of Loans and Advances***" and "***Financial Statements— Contingent Liabilities*** " on pages 190, 184 and 196, respectively.

Significant Developments After June 30, 2009 That May Affect Our Future Financial Operations

Since June 30, 2009, certain significant events have occurred. We anticipate that each of these significant events may have an adverse impact on our financial condition and results of operations in the future financial periods. These significant developments are as under.

- Our management has relinquished Block MN-ONN-2000/1 in the Mahanadi onshore basin which was acquired in the NELP-II round, where we had a 25.00% participating interest as operator, and Block SR-05-94/5 in the Saurashtra and Gujarat offshore basin which was a pre-NELP block where we had a participating interest of 30.00%.

- We have repaid an aggregate amount of Rs. 25 million outstanding under a long-term loan facility from OIDB.

- One of our PELs in respect of our independently held blocks in the Upper Assam and Assam-Arakan basin have expired (bringing the total number of expired PELs to 15 of 16). We have made applications to the MoPNG for grant of extension of these PELs and are actively pursuing the grant of extensions with the GoI. As of the date of this document, the applications remain unresolved.

Analysis of Certain Changes

Unusual and Infrequent Events or Transactions

To our knowledge, there have been no unusual or infrequent events or transactions that have taken place in the last three years except as we have described in this Red Herring Prospectus.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that were not yet effective as at March 31, 2009 that may result in a change in our Company's significant accounting policies.

Significant economic changes

To our knowledge, except as we have described in this Red Herring Prospectus, there are no known factors which we expect to occur which will bring about significant economic changes.

Known trends or uncertainties

Our business has been, and we expect it to continue to be, affected by the trends identified above in "***-Factors affecting our Results of Operations***" in this section and the uncertainties described in "***Risk Factors***", on pages 201 and xix, respectively. To the best of our knowledge and belief, there are no known factors which we expect to have a material adverse impact on our revenues or income from continuing operations, except as described in this Red Herring Prospectus.

Future relationship between expenditure and revenues

Except as described herein and in the sections "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on pages xix, 58 and 197, respectively, to the best of our knowledge and belief there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Increase in our revenue

Other than the general growth anticipated to be achieved in our Company's business, we believe that the introduction of new services in the ordinary course of business would also contribute to increase in our revenue.

Significant regulatory changes

There have been no significant regulatory changes that we expect could affect our income from continuing operations. For details of the regulatory framework presently applicable to our Company, see "***Regulations and Policies***" on page 93.

New products or business segments

We intend to continue to explore other business opportunities, which allow us to leverage on our existing business. However, our Company has not entered into any material agreements since the date of the last audited financial statements, June 30, 2009, except as otherwise described above in "***—Significant developments after June 30, 2009***" in this section and "***Our Business***" on pages 232 and 58, respectively.

Competitive condition

We expect to face the competitive conditions as described in "***Our Business***" and "***Risk Factors***" on pages 58 and xix, respectively.

FINANCIAL INDEBTEDNESS

As of June 30, 2009, our Company had an aggregate of Rs. 4.03 million of outstanding secured loans and an aggregate of Rs. 512.50 million of outstanding unsecured loans. Set forth below is a brief summary of our current financing arrangements.

A. Secured Working Capital Loans

(Rs. in million)

S. No.	Lender	Facility	Amount outstanding as of June 30, 2009	Interest Rate	Security
1.	State Bank of India	Rs. 4,500 million through sanction letter dated July 14, 2008 from State Bank of India*	Rs. 4.03 million	Presently 0.75% below SBAR (present effective rate 11%) per annum with monthly rests	Hypothecation of the entire present and future current assets of the Company including stocks of crude oil, other raw materials, semi processed goods, finished goods, stores, book debts and all other current assets of the Company, in course of manufacture and/or in transit of the Company.

**Some of the terms and conditions of the financing arrangements are-*

(i) Our Company cannot withdraw except with the bank's prior permission in writing or divert or misuse the funds and assets invested in or brought into the business by our Company as capital, deposits or otherwise.
(ii) Our Company is also required to keep the bank informed of any adverse circumstances affecting its financial position.
(iii) Our Company has to notify the bank immediately in case of:

- *any change or alteration in the capital structure;*
- *execution of any scheme of amalgamation or reconstitution;*
- *undertaking any major scheme of expansion or a new project unless the expenditure on this is covered by the company's net cash accrual after providing for dividends, investments from long term funds received/raised for financing such expansion or project;*
- *undertaking of guarantee obligations on behalf of any other company save and except, guarantee obligation on behalf of any subsidiary/group company or joint venture company in which our Company is a promoter or holds equity;*
- *entering into borrowing arrangement with other banks; and*
  declaration of dividends for the year except out of profits relating to that year.

(iv) In case of default, the State Bank of India may charge penal interest above 1% of the interest rate and disclose and furnish such information to the Credit Information Bureau (India) Limited, and any other agency authorised in this behalf by Reserve bank of India.
(v) The loan is contingent upon our Company not having defaulted under any financing obligation to any bank and/or institution.

Pursuant to letter dated July 22, 2009 State Bank of India has given its consent to our Company to undertake this Issue.

B. Domestic Unsecured Borrowings (Long Term)

The total outstanding amount with respect to our domestic unsecured long term facilities is Rs. 512.50 million as of June 30, 2009. The details of these facilities are set forth below.

(Rs. in million)

S. No.	Lender	Facility	Amount outstanding (as at June 30, 2009)	Interest Rate	Repayment Terms
1.	Oil Industrial Development Board	Loan of Rs. 200 million through memorandum of undertaking dated June 14, 2001(1)(2)	25	5.00%	Repayable in eight equal annual instalments by July 1, 2010
2.	Oil Industrial Development Board	Loan of Rs. 40 million through memorandum of understanding dated June 14, 2001(1)(2)	10	5.00%	Repayable in eight equal annual instalments by July 6, 2010
3.	Oil Industrial	Loan of Rs. 60	15	5.00%	Repayable in eight equal

S. No.	Lender	Facility	Amount outstanding (as at June 30, 2009)	Interest Rate	Repayment Terms
	Development Board	million through memorandum of understanding dated June 14, 2001[1][2]			annual instalments by July 12, 2010
4.	Oil Industrial Development Board	Loan of Rs. 300 million through memorandum of undertaking dated November 28, 2001 [1][2]	112.50	5.00%	Repayable in eight equal annual instalments by October 1, 2011
5.	Oil Industrial Development Board	Loan of Rs. 700 million through memorandum of undertaking dated June 2, 2003[1][2]	350.00	5.00%	Repayable in eight equal annual instalments by March 21, 2013

(1) Loan is only to undertake exploration programme in high risk areas and is not to be utilised directly or indirectly, for any other purpose.

(2) Our Company shall not, except with the written consent of the lender, so long as the debt is due, transfer, dispose of, alienate, encumber, charge or pledge or part possession with any of its assets.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against us or our Directors, that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional or bank dues or dues payable to holders of any debentures, bonds and fixed deposits, that would have a material adverse effect on our business other than unclaimed liabilities against us and our Directors as of the date of this Red Herring Prospectus. Our Company and our Directors are not on the list of wilful defaulters of the RBI.

I. Litigation against our Company:

A. Contingent liabilities not provided for as of June 30, 2009:

As of June 30, 2009, the contingent liabilities appearing in our restated unconsolidated financial statements are as follows:

(In Rs. million)

Contingent Liabilities	Amount
A. Claims against the Company not acknowledged as debts including:	**5,771.26**
Claims under Income Tax, Sales Tax , Service Tax and other Acts	3,986.51
Other claims in respect of (other than Income tax, Excise, Service tax and other acts)	1,511.98
Claims under the Customs Act	Nil
Company share of claims on JVC	272.77
B. Letters of Credit and Bank Guarantee:	**1923.024**
Letters of Credit outstanding for which there is a floating charge on Current Assets of the Company	531.50
Guarantees executed by the Company	1,392.52
C. Capital Commitment:	**1,743.34**
Capital commitment on account of contract remaining to be executed on capital account and not provided for in the accounts	1,743.34
Company's share of amount of contracts remaining to be executed on Capital Account and not provided for in the accounts in respect of the Joint Ventures	Nil
Total	**9,437.62**

B. Pending litigation against our Company:

Mines Accident/Safety Cases

There are two mine accident related criminal cases filed against our Company and certain officials of our Company pending in the Guwahati High Court in India. The details are as follows:

(a) The Director of Mines and Safety filed a criminal complaint (Case No. 38(C)/2002) against Mr. N.R. Deka (Head – Land) and certain other of our employees, before the Chief Judicial Magistrate, Tinsukia, alleging negligence and violation of the Oil Mines Regulations, 1984, on account of an accident caused at a rig pump which resulted in the death of one worker and serious bodily injuries to two other personnel. The Chief Judicial Magistrate, Tinsukia, by order dated July 26, 2005, imposed Mr. Deka and the others with six months rigorous imprisonment and fine of Rs. 5,000 each. The respondents filed an appeal (Criminal Appeal No. 41(3)/2005) before the District and Sessions Judge, Tinsukia. The District and Sessions Judge, Tinsukia, by order dated April 20, 2006, partly allowed the appeal, setting aside the conviction of Mr. Arup Arandhara and reducing Mr. Deka's sentence to payment of fine of Rs. 5,000. Mr. Deka filed a criminal revision petition (No. 285/2006) in the Guwahati High Court to set aside the order, which is currently pending.

(b) The Deputy Director of Mines Safety and Inspector of Mines filed a criminal complaint (C.C. No. 160C/2006) against Mr. Nava Jyoti Bhuyan (Head – Production Gas), a manager at one of our mines, and others, before the Chief Judicial Magistrate, Tinsukia, alleging violations of the Mines Act, 1952, that lead to an accident at one of our oil wells. Mr. Bhuyan filed an application for referral of the complaint to a committee in lieu of prosecution and prayed for grant of a stay on the criminal proceedings. The Chief Judicial Magistrate, Tinsukia, by order dated November 16, 2006, rejected this application. Mr. Bhuyan filed a criminal petition (No. 251/2006) before the Guwahati High Court for quashing the complaint. The Guwahati High Court, by order dated December 11, 2006, granted a stay on the criminal proceedings before the Chief Judicial Magistrate, Tinsukia, pending determination by the Guwahati High Court. The case is currently pending.

Motor Accident Claims

There are three motor vehicle accident related compensation cases filed against our Company and certain officials, pending before various authorities in India. The aggregate claim against our Company in these cases is Rs. 7.40 million approximately along with interest. The details are as follows:

(a) Mr. Neil Rose filed a compensation claim (No. 809/1995) against our Company, Mr. Pradip Deka (driver of the vehicle), and others, before the Motor Accident Claims Tribunal ("**MACT**"), Kamrup, claiming Rs. 2 million with interest as damages for the death of his wife due to our bus driver's rash and negligent driving. The MACT, by order dated October 15, 2004, awarded Mr. Rose Rs. 0.20 million with interest. Our Company filed an appeal (MAC Appeal No. 38/2005) before the Guwahati High Court to set aside the MACT's order. The Guwahati High Court has, vide its order issued an *ad interim* stay on proceedings at the MACT, pending determination before the Guwahati High Court. The case is currently pending.

(b) Ms. Molika Gogoi and others have filed a compensation claim (MACT No. 855/2007) against our Company, Mr. Sarat Duwarah (driver of the vehicle), and others, before the MACT, Kamrup, claiming Rs. 5 million with interest as damages for the death of Ms. Gogoi's husband, Mr. Mulen Gogoi, in an accident involving our driver. The case is currently pending.

(c) Mr. Dilip Saikia filed a compensation claim (MACT No. 75/2007) against our Company, Mr. Prokash Rai (driver of the vehicle) and others, before the MACT, Dibrugarh, claiming Rs. 0.4 million with interest as damages for injuries suffered in an accident involving our driver. The case is currently pending.

Income Tax

There are five income tax cases involving us, which are pending before the income tax authorities, in relation to various assessment years. The aggregate sum in demand is Rs. 19,481.69 million along with interest and costs. The details are as follows:

(a) The Additional Commissioner of Income Tax, Circle 2, Dibrugarh ("**ACIT**"), through assessment order dated November 30, 2005 for assessment year 2003-2004, disallowed our claim for deduction of Rs. 620.73 million in relation to profits against certain new wells under Section 80IB, Income Tax Act, 1961 and imposed a tax of Rs. 228.12 million along with interest. Our Company filed an appeal (No. 24-DIB/2005-06) before the Commissioner of Income Tax (Appeals) ("**CIT (A)**"), Shillong on January 7, 2006. The CIT (A), Shillong, by order dated February 29, 2008 allowed the appeal on the ground that our Company's claim for deduction for assessment years 2003-04, 2004-05, 2005-06 and 2006-07 was adequately explained by our Company and deserving of relief. Pursuant to the order of the CIT (A), Shillong dated February 29, 2008 the ACIT Dibrugarh by order dated April 7, 2008 granted a refund of Rs. 6,955.1 million approximately (along with interest) for assessment years 2003-2004, 2004-2005, 2005-2006 and 2006-2007. However, the Ministry of Finance ("**MoF**") (Department of Revenue), Central Board of Direct Taxes ("**CBDT**"), by a note (Ref. No. 279/COD-126/2008-ITJ) dated July 4, 2008, referred the matter to the Committee of Disputes ("**CoD**") for obtaining clearance to take up the matter further in litigation against our Company.

(b) The ACIT, through assessment order dated November 30, 2005 for assessment year 2004-2005, disallowed our claims for deduction of Rs. 1,717.98 million, in relation to profits against certain new wells under Section 80 IB of the Income Tax Act, 1961 and imposed a tax of Rs. 616.32 million along with interest. Our Company filed an appeal (No. 24-DIB/2006-07) dated January 7, 2006 before the CIT (A), Shillong. The CIT (A), Shillong, by order dated February 29, 2008, allowed the appeal on the ground that our Company's claim for deduction for assessment years 2003-04, 2004-05, 2005-06 and 2006-07 was adequately explained by our Company and deserving of relief. Pursuant to the order of the CIT (A), Shillong dated February 29, 2008 the ACIT Dibrugarh by order dated April 7, 2008 granted a refund of Rs. 6,955.1 million approximately (along with interest) for assessment years 2003-2004, 2004-2005, 2005-2006 and 2006-2007. However, the MoF (Department of Revenue), CBDT, by a note (Ref. No. 279/COD-128/2008-ITJ) dated July 4, 2008 referred the matter to the CoD for obtaining clearance to take up the matter further in litigation against our Company.

(c) The ACIT, through assessment order and notice of demand (F.No.O-1/Addl.CIT/R-2/518) dated November 29, 2007, imposed a demand of Rs. 3,303.79 million on our Company for assessment year 2005-2006, on account of disallowance of our claim for deduction of income under section 80 IC of the Income Tax Act, 1961 and discount granted to oil marketing companies on crude oil and LPG sales. Our Company filed an appeal (No. 28-Dib/2007-08) before the CIT (A), Shillong, on December 31, 2007. The CIT (A), Shillong, by order dated February 29, 2008, allowed the appeal on the ground that the discount allowed by our Company on account of under recovery by the oil marketing companies for assessment years 2005-06 and 2006-07 was adequately explained by our Company and deserving of relief. Pursuant to the order of the CIT (A), Shillong dated February 29, 2008 the ACIT Dibrugarh by order dated April 7, 2008 granted a refund of Rs. 6,955.1 million approximately (along with interest) for assessment years 2003-2004, 2004-2005, 2005-2006 and 2006-2007. However, the MoF (Department of Revenue), CBDT, by a note (Ref. No. 279/COD-125/2008-ITJ) dated July 4, 2008, referred the matter to the CoD for obtaining clearance to take up the matter further in litigation against our Company.

(d) The ACIT, through assessment order and notice of demand (F.No.O-1/Addl.CIT/R-2/513) dated November 29, 2007, imposed a demand of Rs. 8,167.36 million on our Company for assessment year 2006-2007, on account of disallowance of our claim for deduction of income under section 80 IC of the Income Tax Act, 1961 and discount granted to oil marketing companies on crude oil and LPG sales. Pursuant to a rectification order by the ACIT, on the same date, the demand was reduced to Rs. 5,098.51 million. Our Company filed an appeal (No. 29-Dib/2007-08) before the CIT (A), Shillong, on December 31, 2007. The CIT (A), Shillong, by order dated February 29, 2008, allowed the appeal on the ground that the discount allowed by our Company on account of under recovery of the oil marketing companies for assessment years 2005-06 and 2006-07 was adequately explained by our Company and deserving of relief. Pursuant to the order of the CIT (A), Shillong dated February 29, 2008 the ACIT by order dated April 7, 2008 granted a refund of Rs. 6,955.1 million approximately (along with interest) for assessment years 2003-2004, 2004-2005, 2005-2006 and 2006-2007. However, the MoF (Department of Revenue), CBDT, by a note (Ref. No. 279/COD-127/2008-ITJ) dated July 4, 2008, referred the matter to the CoD for obtaining clearance to take up the matter further in litigation against our Company.

(e) The ACIT, through assessment order dated September 26, 2008 for assessment year 2007-2008, imposed a demand of Rs. 7807.2 million. By order dated November 11, 2008, the ACIT reduced the demand to Rs. 7166.1 million under Section 154 of the Income Tax Act, 1961. For the assessment year 2007-2008, the ACIT, disallowed our claim for deduction of income under section 80 IC of the Income Tax Act, 1961 and discount allowed to oil marketing companies on crude oil and LPG sales. Our Company filed an appeal (No.DBR/8/2008-09) dated November 17, 2008 before the CIT (A), Shillong. By order dated December 19, 2008 the ACIT, directed our Company to pay 50% of the demand in three instalments of Rs. 1195 million each on January, February and March 2009. The case is currently pending.

The CoD with respect to cases mentioned above in (a), (b), (c) and (d) on December 30, 2008 allowed the ITAT, Delhi to hear the issue pertaining to Section 80IB/IC of the Income Tax Act, 1961 and has referred the issue pertaining to discounts granted to the oil marketing companies to the Ministry of Law and Justice, GoI. The Assistant Legal Advisor, Ministry of Law and Justice, GoI, has on July 23, 2009, concurred with the order dated February 29, 2008 of the CIT (A), Shillong, that the discounts allowed to oil marketing companies on crude oil and LPG sales be allowed. The same has been confirmed by the Additional Secretary, Ministry of Law and Justice, GoI on July 25, 2009 and is subject to the approval of the CoD.

Accordingly, as on June 30, 2009, our Company does not make any provision in its books of accounts for any of the demands raised by the income tax authorities as mentioned above. For further details, see "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 152 and 197, respectively.

Civil Suits

There are 49 civil suits filed against our Company pending before various courts in India. The aggregate claim against our Company in these cases, where such claims have been quantified, is Rs. 4,040.77 million and 2.75 billion CFA Francs approximately along with interest and costs. The details are as follows:

(a) The Bhubaneswar Bar Association filed a public interest litigation (O.J.C. No. 80/1997), against our Company, the Union of India and others, before the Orissa High Court, praying that the Orissa High Court issue directions to the respondents to explore the oil potentiality of the Mahanadi basin with the latest technology, and to prevent our Company from transferring staff and dismantling installations which would lead to closure of our exploration and drilling activities in the Mahanadi basin. The Orissa High Court, by order dated February 22, 1999, directed that any attempt to close our Company's Mahanadi basin project not be given effect without seeking the prior leave of the Orissa High Court. The case is currently pending.

(b) Mr. Kirti Rajkhowa filed a title suit (T.S. No. 52/2006) against our Company before the Munsif No. 2, Dibrugarh, praying for, among other things, grant of a perpetual injunction restraining our Company from conducting drilling operations in one of our wells in Assam and discharge of industrial wastes in Mr. Rajkhowa's paddy field, and a mandatory injunction directing our Company to demolish the construction made for drilling operations. During the pendency of the suit, Mr. Rajkhowa filed an application (Misc (J) 49/2006) for grant of temporary injunction against our Company, which was rejected by the Munsif No. 2, Dibrugarh, by order dated July 12, 2006. Mr. Rajkhowa filed an appeal (Misc. (A) No. 31/2006) before the Assistant District Judge ("**ADJ**"), Dibrugarh. The ADJ, Dibrugarh, by order dated June 20, 2008, stayed the hearing of the appeal until further orders and ordered that the case records of Title Suit No. 52/2006 and Misc (J) 49/2006 be sent to the Munsiff No. 2, Dibrugarh, so that the title suit can be disposed of expeditiously. The case is currently pending.

(c) Sunita Transport Agency filed a civil suit (M.S. No. 4/1989) against our Company and others before the ADJ, Dibrugarh, claiming Rs. 2.68 million in respect of outstanding bills and loss of goodwill, with interest and costs, for recovery of dues on account of services provided under a contract for collection and transportation of kerosene, and light diesel oil. The ADJ, Dibrugarh, through judgment dated May 17, 2008 decreed the suit in favour of Sunita Transport Agency for recovery of Rs. 0.18 million *pendente lite* and future interest and for release of the fixed deposit of Rs. 0.01million by Allahabad Bank without interest. Our Company filed an appeal (M.A. No. 2/2008) dated June 30, 2008 before the District Judge, Dibrugarh, seeking to set aside the judgment and decree dated May 17, 2008 and May 26, 2008 respectively of the ADJ, Dibrugarh. Subsequently, Sunita Transport Agency filed an appeal before the High Court of Guwahati (R.F.A 25/08) where the High Court passed an order dated January 28, 2009 and stayed the proceedings in M.A. No. 2/2008. The case is currently pending.

(d) C.K. Namsoom, our contractor for seismic survey contract work, filed a money suit (M.S. No. 19/1995) against our Company before the ADJ, Dibrugarh, claiming damages of Rs. 0.58 million with interest for the period of execution of the contract, for non-payment of dues on account of work performed in excess of the parameters for which the rate was quoted in the original tender. The case is currently pending.

(e) Lloyd Steel Industries ("**Lloyd**") filed two writ petitions (W.P. No. 1624/1991) and (W.P. No. 19/1996) against our Company before the Bombay High Court and the Rajasthan High Court, respectively, challenging the encashment of bank guarantees worth Rs. 9.83 million by our Company on account of non-performance of Lloyd's contractual obligations for the placement of certain rigs for drilling operations. The writ petitions were rejected by both the Bombay and Rajasthan High Courts, by orders dated June 8, 1991 and September 19, 2002, respectively. Lloyd filed a special leave petition (S.L.P. No. 2124/2003) before the Supreme Court of India against our Company and others. The Supreme Court of India by order dated August 25, 2005 disposed off the special leave petition and sent the matter to the Bombay High Court for revival but our Company has not yet received any notice to this effect. The amount in dispute is Rs. 9.83 million. The case is currently pending.

(f) Schlumberger Asia Services Limited and others ("**Schlumberger**") filed a writ petition (W.P. No. 4394/1998) before the Guwahati High Court against our Company and others challenging our Company's deduction of tax at source under the Assam General Sales Tax Act, 1993, on the ground that the deduction was in violation of their fundamental rights and prayed that the Guwahati High

Court issue a writ of *certiorari* directing our Company not to deduct tax from the source on bills raised by Schlumberger. The case is currently pending.

g) Commercial Traders filed a money suit (M.S. No. 47/88) against our Company and others before the ADJ, Dibrugarh, claiming Rs. 8 million, with interest, as compensation for the alleged illegal termination of its contract with our Company for carrying and transporting crude oil. The ADJ, Dibrugarh, by order dated September 17, 1999 entitled Commercial Traders to receive Rs. 1.17 million. Commercial Traders filed an appeal (R.F.A. No. 91/99) before the Guwahati High Court on November 22, 1999. The Guwahati High Court, by order dated December 7, 1999, while admitting the appeal, directed our Company to deposit the amount of Rs. 1.17 million, which was submitted by our Company in December 1999. The case is currently pending.

(h) B. Fam Automobile filed a civil writ petition (C.W.P. No. 7995/2002) against the State of Assam, our Company and others, before the Guwahati High Court claiming refund of Rs. 0.10 million, which was deducted as sales tax at source, on the ground that it is not liable to pay sales tax on the transactions arising out of the contract for providing services for our exploring and drilling activities. The case is currently pending.

(i) Balaji Network Private Limited filed a money suit (No. 23/2005) against our Company before the Civil Judge (Senior Division), Dibrugarh, alleging non-payment for the supply of a paraffin control device to our Company and claiming an aggregate of Rs. 2.46 million, including interest and damages. The case is currently pending.

(j) Ms. Mrinalini Deka filed a civil suit (T.S. No. 6/2005) against our Company and others, before the Court of the Civil Judge, (Senior Division), Sivasagar, claiming compensation of Rs. 0.06 million and has prayed for grant of a permanent injunction restraining our Company from taking possession of the plaintiff's house. The case has been transferred to the court of Munsiff, Sharaideo, Sonari and has been re-numbered as T.S. 39/ 2006. The case is currently pending.

(k) The Commissioner of Taxes, Assam, by letter dated August 17, 2007 imposed a demand of Rs. 204.73 million on our Company under the Assam Taxation (Specified Lands) Act, 1990. Subsequently, our Company filed a civil writ petition (C.W.P. No. 736/2005) against the State of Assam and others, before the Guwahati High Court, challenging the imposition of the impugned tax on mineral oil under the Assam Taxation (Specified Lands) (Amendment) Act, 2004 ("**Assam Taxation Amendment Act**") on the ground that it was beyond the competence of the State Legislature to enact the Assam Taxation Amendment Act. Our Company prayed for declaration of the Assam Taxation Amendment Act as void and unconstitutional and therefore, for a stay on the realisation of the impugned tax until the disposal of the writ petition. The Guwahati High Court, by order dated September 26, 2005, dismissed the writ petition and held that the Assam Taxation Amendment Act falls within the State List and therefore, the State Legislature was competent to enact it. Our Company filed an appeal (W.A. No. 599/2005) before the Division Bench of the Guwahati High Court praying that the order dated September 26, 2005 be set aside. Subsequently, our Company filed a transfer petition (T.P. (C) No. 433/2008) dated April 3, 2008 before the Supreme Court of India, seeking the transfer of W.A. No. 599/2005 (Oil India Limited v. State of Assam) connected with W.A. No. 769/2005 (ONGC Limited v. State of Assam), both pending before the Guwahati High Court, as well as W.P. No. 2362/2006 (ONGC Limited v. State of Andhra Pradesh) pending before the Andhra Pradesh High Court, to the Supreme Court of India. The Supreme Court of India, by order dated May 5, 2008, ordered a stay on the proceedings before the Guwahati High Court and tagged the matter with S.L.P. No.3849/2006. In light of the order of the Supreme Court of India, the Guwahati High Court by order dated May 26, 2008 adjourned proceedings before it with liberty to the parties to move the Court as and when the transfer petition is disposed off by the Supreme Court of India. However, the Supreme Court of India by order dated April 8, 2009 disposed off the transfer petition (T.P. (C) No. 433/2008) and the case is now currently pending before the Guwahati High Court. As of June 30, 2009, our Company has estimated the tax payable by us as Rs. 3,685.11 million.

(l) SKN Associates Private Limited and another filed a writ petition (W.P. No. 14682-83/2006) against the Union of India, our Company and others, before the Delhi High Court for a declaration that certain clauses of the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000, in relation to pressure regulators, are in violation of the rights to freedom and to carry on any profession, trade, occupation or business, under the Constitution of India. The Delhi High Court by order dated

September 25, 2006 has restrained our Company, Directors/employees/agents of our Company from prosecuting SKN Associates Private Limited. The case is currently pending.

(m) Mr. Ravindra Kumar Bhati filed a case (Succession Case No. 77A/2006) before the District Judge, Rajasthan, against Mr. Manish Bhati, our Company and others, praying for a declaration that he is the legal heir of his deceased father, Mr. B.L. Bhati, and for the grant of an equal share in the Mr. B.L. Bhati's service benefits, aggregating Rs. 3.50 million. The case is currently pending.

(n) G.R. Engineering Works Limited ("**G.R. Engineering**") filed a writ appeal (W.A. No. 164/2007) before a division bench of the Guwahati High Court, challenging the order dated March 19, 2007 passed by a single judge of the Guwahati High Court in writ petition (C.W.P. No. 4672/2006), previously filed by G.R. Engineering against our Company and others which challenged the action of our Company in granting a contract for implementation of design and engineering of LPG storage bullets to Fabtech Projects and Engineers Private Limited in April 2006. Further, G.R. Engineering also prayed for this contract award to be set aside. The case is currently pending.

(o) Mr. Nain Singh Solanki filed three cases (C.O. Nos. 1, 2 and 3/2007) against the State of Rajasthan, our Company and others before the Civil Judge, Jaisalmer, challenging collection of royalty on supply of mining materials used at drilling sites. Mr Solanki also prayed for an injunction restraining our Company from deducting royalty from payments due to Mr. Solanki, on the ground that the required royalty had already been paid by Mr. Solanki. The case is currently pending before the Civil Judge, Jaisalmer.

(p) Goswami and Associates (Private) Limited ("**Goswami Associates**") filed a money suit (M.S. No. 12/1990) against our Company and others, before the Civil Judge, Senior Division, Dibrugarh. Our Company entered into a contract with Goswami Associates for design, supply, fabrication, testing and commission of 7 km of single circuit transmission line and transmission towers at our Company's oilfield in Nahorkatia. Goswami Associates claimed Rs. 1.69 million including interest for alleged breach of this contract for procurement of steel and possession of land. The Civil Judge, Senior Division, Dibrugarh, by order dated November 29, 2006, decreed the suit in favour of Goswami Associates, and awarded them Rs. 0.22 million with interest. Our Company filed an appeal (Appeal No. 8/2007) against the aforesaid decree before the Guwahati High Court. Separately, Goswami Associates filed an execution petition (M. Ex. No. 6/2007) before the Civil Judge, Senior Division, Dibrugarh. Our Company filed an application (Misc. Case 768/2007 before the Guwahati High Court for a stay of the execution petition, which was granted by the court by order dated July 23, 2007. The case is currently pending.

(q) Technostrength Private Limited ("**Technostrength**") filed a writ petition (WP (C) No. 2274/2008 against our Company and others before the Guwahati High Court alleging that after submission of a tender document by Technostrength on time, our Company did not invite Technostrength in the second stage of the bidding process in spite of Technostrength fulfilling all the eligibility criteria of the global tender issued by our Company for the installation and commission items listed in the tender paper. Technostrength prayed for an order directing our Company to permit it to participate in the tender process. Gaurav Associates, another bidder, filed an application (Misc Case 943 of 2009) before the Guwahati High Court to implead them as a respondent in the aforesaid case, which was permitted by the court vide their order dated April 29, 2009. The case is currently pending.

(r) SMS Construction Company filed a civil suit (No. 3/2008) against our Company before the Civil Judge, Jaisalmer for refund of security deposit aggregating Rs. 0.02 million including interest, which was deposited by SMS Construction Company while bidding for a tender floated by our Company. The case is currently pending.

(s) Mr. Khetradhar Gogoi filed a writ petition (W.P. (C) No. 1169/2008) before the Guwahati High Court against our Company and others for appointment to the post of Junior Engineer-I (Production) in the ex-servicemen reservation quota. Mr. Gogoi prayed for orders calling for records of the written test/interview conducted in connection with the vacancy notification dated October 31, 2005 issued by us, with other relevant records. Mr. Gogoi also prayed that our Company be directed to reserve a vacant post for facilitating Mr. Gogoi's appointment in future in the event that the writ petition filed by him was allowed. The case is currently pending.

(t) Mr. Surajit Phukan filed a writ petition (W.P. (C) No. 1752/2008) before the Guwahati High Court against our Company and others, challenging our Company's decision to cancel his selection to the post of Junior Engineer I (Production). Mr. Phukan prayed, *inter alia*, for an order setting aside our Company's decision and to appoint Mr. Phukan to the post of Junior Engineer I (Production) or in the alternative keep at least one post vacant until the disposal of the writ petition. The case is currently pending.

(u) Mr. Pabitra Chawrok filed a writ petition (W.P. (C) No. 3727/2008) before the Guwahati High Court against our Company and others, challenging, *inter alia*, our decision to cancel his provisional selection to the post of Assistant Operator I (Production) on medical grounds. The case is currently pending.

(v) Mr. Gobinda Karmakar filed a complaint (Sorbhog P.S. Case No. 45/09) against Mr. P.L. Acharya and Ludwig Pfefiffer-Gypsum Structural India Private Limited before the court of Chief Judicial Magistrate, Barpeta. Mr. Karmakar is the attorney holder of Mr. Maninder Singh who is a proprietor of Mideast Pipeline Products. Ludwig and Mideast Pipe Products are sub-contractors of our Company and Mr. Gobinda Karmakar is the contractor of our Company. As a result of a dispute between the contractor and the sub-contractor the sub-contractors seized pipes worth Rs. 50 lakhs belonging to our Company due to which Mr. Karmakar filed a complaint. Subsequently, our Company filed a petition with the CJM, Barpeta dated February 27, 2009 claiming ownership and title to the said pipes. The CJM by order dated March 17, 2009 gave the possession of the seized pipes to our Company on furnishing a bond for Rs. 50 lakhs. Mr. Karmakar challenged the order of the CJM Barpeta dated February 27, 2009 by a revision case (No. 8/2009) at the Court of Sessions Judge, Barpeta which was admitted by order dated March 10, 2009. The case is currently pending.

(w) Mr. E Samuel Daniel filed a writ petition (W.P. (C) No. 5964/2009) against our Company before the Orissa High Court challenging the action of our Company in initiating disciplinary proceedings against him and transferring him from Paradeep to Bhubaneswar and subsequently holding him guilty of wilful insubordination and disobedience. The Disciplinary Authority of our Company had dismissed Mr. Daniel on April 2, 2009. However, the High Court of Orissa vide its order dated May 7, 2009 directed Mr. Daniel to join his new place of posting and stayed further proceedings in the disciplinary proceedings initiated against him and directed our Company to not impose any penalty on him. Our Company filed an application (Misc Case No. 5897 of 2009) to recall the interim order dated May 7, 2009, which was granted by the High Court by order dated May 19, 2009. The writ petition is currently pending.

(x) Mr. R. Kapliana filed a civil suit (Civil Suit No. 30/2009) before the Court of Senior Civil Judge, Aiwa against our Company claiming an amount of Rs. 2 million on allegations that our Company by carrying out exploration activities for oil and by planning construction of a fish pond and a swimming pool had destroyed Theirekawr, a small stream which is a perennial source of water supply to his farm and also his only source of livelihood. The case is currently pending.

(y) Mr Arun Chandra Saikia filed a contempt case (No. 191/2009) before the Guwahati High Court against Mr. Utpal Bora and Anjan Hazarika and others, officials of our Company for wilful disobedience of order of the High Court dated July 28, 2008 passed by the High Court in writ petition (W.P. (C) No. 955/08). Mr. Saikia challenged a certain clause of our Company's recruitment as violative of Article 16(2) of the Constitution of India as it denied employment to a candidate in the unskilled category, if a family member was already employed with our Company. The High Court by order dated July 28, 2008 took the view that Mr. Saikia could not be denied employment on the ground that his brother was employed by our Company and directed us to complete the process of appointment of Mr. Saikia, subject to Mr. Saikia being approved through police verification and other legal requirements. However, Mr. Saikia alleged contempt on part of officials of our Company in not completing his appointment in terms of the order of the High Court under section 12 of the Contempt of Courts Act, 1973. The High Court has issued a show cause to the above-mentioned officials of our Company as to why contempt proceedings should not be initiated against them on or before July 3, 2009. The case is currently pending.

(z) Mr. Ganesh Bahadur Chetry filed a writ petition (W.P(C) No. 1191/2009) before the Guwahati High Court against our Company and others to set aside a letter denying employment to Mr. Chetry and to direct our Company to appoint him under unskilled labour category. Previously, Mr. Chetry had filed a writ petition (W.P. (C) 6186/03) against our Company before the Guwahati High Court challenging the action of our Company whereby our Company had communicated to Mr. Chetry and another Mr. Kamal Raj Chetry seeking a declaration from them as to which one of them was desirous of getting employed in our Company. According to the rules of our Company under the category of land affected and local men reservations for unskilled labour was available to only one member of a family. Mr. Ganesh Chetry contended that he was not related to Mr. Kamal Raj Chetry and also that land was acquired from his father by our Company entitling him to the reservation. The Guwahati High Court by order dated July 24, 2007 in W.P. (C) 6186/03 directed our Company to strike down the aforementioned rule. However, Mr. Chetry has filed the writ petition (W.P(C) No. 1191/2009) contending that our Company has denied employment to him on the ground that no land was acquired from his father. The case is currently pending.

(aa) Mr. Jadav Chetia filed a money suit (Money Suit No. 14/2008) dated November 14, 2008 before the Court of the Civil Judge, Dibrugarh against our Company for recovery of Rs. 4.72 million along with interest and costs in respect of land acquired by our Company from Mr. Chetia. Our Company has filed its written statement countering Mr. Chetia's claim. The case is currently pending.

(bb) Mr. Arup Kumar Borah filed a writ petition (W.P(C) No. 1005/2007) against our Company before the Guwahati High Court challenging the withdrawal of provisional appointment for the post of an executive trainee (mechanical) under a special recruitment drive for scheduled caste/scheduled tribe candidates on the ground that Mr. Borah was medically unfit. Our Company has filed its written statement countering Mr. Borah's claim. The case is currently pending.

(cc) The Management of Tengapani Tea Company filed a writ petition (W.P.C. 119/2009) against our Company before the Guwahati High Court challenging the order of the Deputy Commissioner, Tinsukia dated December 8, 2008 granting authority to our Company to enter upon and carry oil extraction activities within the tea estate of the Tengapani Tea Company. The case is currently pending.

(dd) Mr. Nripen Gohain filed a writ petition (W.P.(C) No.3182/2008) before the Guwahati High Court against the Deputy Commissioner, Tinsukia, our Company and others for issuing a writ of mandamus to direct us to pay damages/compensation as assessed by the District Collector, Tinsukia through his order dated May 10, 2006. Mr. Gohain contends that our Company had carried our exploration/pipeline laying activities on his piece of land but never paid him any compensation for damages. The case is currently pending.

(ee) Mech Technik (India) Private Limited ("**Mech Technik**") has filed a writ petition (W.P(C) No. 2349/2009) before the Guwahati High Court against our Company and others in relation to a work order, whereby our Company had invited tenders for hiring services for construction of crude oil and formation water storage tanks at Bhogpara. Mech Technik alleges that the bid evaluation criteria laid down certain requirements which were fulfilled by them, however our Company had rejected their bid on the basis of a criterion which was not specifically mentioned in the bid evaluation criterion, and hence the rejection was arbitrary and illegal. The Guwahati High Court by order dated June 15, 2009 has directed our Company to not issue any work order in relation to the abovementioned tender. The case is currently pending.

(ff) Mech Technik filed two writ petitions (W.P.(C) No. 5213/2008 and W.P.(C) No. 5207/2008) before the Guwahati High Court against our Company challenging the deduction of Rs. 0.57 million by our Company. Our Company entered into various contracts with Mech Technik and one of the terms common to all these contracts was that Mech Technik had to deposit provident fund contributions monthly and submit documentary evidence to our Company. In the event of failure to produce such documentary evidence, our Company was entitled under the contract to deduct 12% on account of such contributions. Mech Technik contends that such contributions were made by it regularly and it had submitted documentary evidence, but our Company continued to deduct such amount. Mech Technik has also prayed to the Guwahati High Court to restrain our Company from making any further such deductions as provident fund contributions. The cases are currently pending.

(gg) Technogrid filed a writ petition (W.P.(C) No. 4853/2008) before the Guwahati High Court against our Company and others challenging the decision of our Company in accepting the technical bid of Mr. Jayanta Kumar Gogoi, pursuant to a notice inviting tender dated May 8, 2008. The High Court by order dated November 2, 2008 had directed the parties to maintain status quo i.e. our Company not to proceed with awarding the technical bid or execution of work. Subsequently, the Guwahati High Court by order dated January 16, 2009 directed our Company to pass necessary orders to cancel the tender process initiated by the notice inviting tender dated May 8, 2008 and to initiate a fresh process for inviting tenders. The case is currently pending.

(hh) Labour Supply Contractors Association filed a writ petition (W.P.C No. 56/2008) and a contempt petition (CAVT 12/2008) before the Guwahati High Court against our Company challenging the enhancement of the percentage of security deposit from two and a half percent to 10 percent in tender notices dated December 3, 2007 and December 5, 2007. The case is currently pending.

(ii) Assam Company Limited filed a writ petition (W.P.(C) No. 4172/2002) against the State of Assam and others before the Guwahati High Court. Assam Company Limited contends that in the year 1994 our Company agreed to purchase some land located at the tea estate of Assam Company Limited, and entered into the said property and carried out some alterations to the land. However, the Additional Deputy Commissioner, Dibrugarh by order dated January 16, 2002 and the Deputy Commissioner by order dated February 20, 2002 granted our Company the right of entry on payment of certain compensation to Assam Company Limited without having to purchase the land. Assam Company has challenged this order as illegal and arbitrary and to be set aside as our Company could indefinitely stay on its plot of land without paying compensation for acquisition. The case is currently pending.

(jj) Ms. Chandrawati Balmiki filed a suit (T.S. No. 167/2007) against Mr. Bhaggulal Balmiki and officials of our Company before the Court of Munsiff, Dibrugarh seeking for declaration of right and possession of a plot of land allotted to Ms. Balmiki's husband who was an employee of our Company and a mandatory injunction against being evicted from the said plot of land by the officials of our Company. The case is currently pending.

(kk) Mr. C.R. Dash filed a writ petition (W.P. (C) No. 1522/2009) against our Company before the Guwahati High Court. Mr. Dash has filed this writ petition against our Company alleging violation of certain provisions of our Executives Recruitment and Promotion Policy and Rules, as Mr. Dash's professional qualifications had not been considered in order to promote him to the next grade. Mr. Dash had earlier filed a writ petition (W.P No. 7251/2005) against our Company before the Guwahati High Court which was disposed off by order of the Guwahati High Court dated April 14, 2008. The case is currently pending.

(all) Mr. Kiron Prabha Bora filed a writ petition (W.P.(C) No. 3184/2008) against our Company before the Guwahati High Court for granting an injunction against our Company from entering upon his land and laying a pipeline because it would cause irreparable damage and injury to the property of Mr. Bora. The case is currently pending.

(mm) The Import Commerce General ("**ICG**"), Gabon filed an appeal before Appeal Court, Gabon, Sao Tome dated December 2, 2008 against our Company, IOCL and Marvis Pte Limited, Singapore ("**Marvis**") against the order dated August 8, 2008 of the Appeal Court, Sao Tome, Gabon vacating the order of attachment dated July 15, 2008 of the Bailiff Court, Libreville, Gabon. The Court of First Instance, Libreville, Gabon had earlier on October 12, 2007 directed our Company, IOCL and Marvis to pay 2.75 billion CFA Francs to the ICG, block Shakti, Gabon on the basis of a contract between Marvis and ICG dated December 3, 2004. The order was notified on October 25, 2007 and subsequently the Court of First Instance, Libreville passed a final order on April 29, 2008 directing our Company and IOCL to pay 2.75 billion CFA Francs to Import Commerce General. Our Company and IOCL filed an appeal before Appeal Court for vacation of this order which was granted to us on August 8, 2008. Subsequently, Marvis also filed an opposition before the Judicial Appellate Court, Libreville seeking the court to direct that ICG had no legal right to claim 2.75 billion CFA Francs as the agreement dated December 3, 2004 had been terminated by Marvis, which termination was upheld by the Court of First Instance, Libreville by an order dated April 13, 2006. The case is currently pending.

(nn) The Government of Assam's revenue authority imposed a land revenue tax in respect of land used for our operations. Aggrieved by such imposition, our Company filed two civil writ petitions (C.W.P. Nos. 4172/2002 and 963/2003), against the State of Assam and others before the Guwahati High Court. The Government of Assam's revenue authorities imposed enhanced land revenue tax in respect of the land used for our operations, through notice dated April 4, 2002, issued under the Assam Land Revenue Reassessment (Amendment) Act, 1997 ("**Assam Land Revenue Reassessment Amendment Act**"). Our Company prayed that the relevant provisions of the Assam Land Revenue Reassessment

Amendment Act be declared arbitrary and unreasonable, and accordingly, be set aside. The Guwahati High Court by orders dated June 28, 2002 in C.W.P. 4172 of 2002 and order dated July 3, 2002 in C.W.P 963/2003 has stayed the demand for enhanced land revenue. As of June 30, 2009 our Company had made a provision of Rs. 119.85 million in its books of account pending the adjudication of these cases.

(oo) Reliance Industries Limited ("**RIL**") and others filed a complaint (No. 4/2008) before the PNGRB against ONGC, IOCL, BPCL our Company and others on account of certain restrictive and unfair trade and marketing practices and cartelization in respect of marketing and sale of petroleum and petroleum products. The PNGRB passed an order dated December 12, 2008. Aggrieved by the said order IOCL and others filed a writ petition (W.P (C) No. 171/2009) before the Delhi High Court. The Delhi High Court by order dated January 13, 2009 held that in accordance with section 33 of the Petroleum and Natural Gas Regulatory Board Act, 2006 any party aggrieved by the order or decision of the PNG Board could prefer an appeal to the Appellate Tribunal constituted under the Petroleum and Natural Gas Regulatory Board Act, 2006 and hence allowed the parties to appeal to the said Appellate Tribunal. The case is currently pending.

(pp) The Brahmaputra Health Care Society has filed a title suit (T.S. No. 306/09) against our Company and certain employees of our Company before the Munsiff No.1, Kamrup, Guwahati for a permanent injunction along with an application (Misc.(J) Case No. 486/09) for grant of a temporary mandatory injunction. The Brahmaputra Health Care Society alleges that our Company had given them permission by letter dated April 27, 2004 for laying out an aqua park on our pipelines, however, our Company subsequently, without revoking the permission given to the Brahmaputra Health Care Society, granted permission to Mr. Rajesh Jalan for using the same area. The Brahmaputra Health Care Society has asked for a permanent injunction against our Company from granting the right of way to anybody without revoking the permission granted to it along with a prayer for a temporary mandatory injunction until the disposal of the title suit. The matter is currently pending.

(qq) Ms. Drishti Gogoi has filed a writ petition (W.P.(C) No. 2377/2009) before the Guwahati High Court against our Company for setting aside the recruitment process held by our Company for the post of a senior assistant alleging certain irregularities in the recruitment process. Ms. Gogoi has also asked for an interim order restraining our Company to proceed on the basis of the alleged recruitment process. The matter is currently pending.

Employee cases

There are 16 compensation cases filed against our Company pending before various courts in India. These cases involve various issues related to promotion, arrears, non-payment of salary and pension, recruitment and unlawful termination of services. The aggregate claim against our Company, where such claims are quantified, is Rs. 0.66 million. The details are as follows:

(a) Mr. Hemadhar Gogoi filed a writ petition (W.P. No. 3036/1999) against the State of Assam, our Company and others before the Guwahati High Court, praying for compensation of Rs. 0.66 million for services performed by him. The Guwahati High Court by order dated May 16, 2002, directed the respondents to pay Mr. Gogoi the claimed amount. The respondents have not paid the compensation amount. The case is currently pending.

(b) Mr. Niresh Ranjan Dev filed a writ petition against our Company (W.P. No. 8595/2001), our Director (Personnel) and others, before the Guwahati High Court, challenging an order issued by our Company requesting Mr. Deb to produce certain documents on the expenditure incurred to fund his children's education, and certain property return assessment papers in connection with his promotion. Mr. Deb prayed for a writ of mandamus against our Company, setting aside the letter dated November 21, 2001 issued to him by the Chief Manager (Vigilance) I.O.C., Duliajan, and for a direction that non-submission of the requisite papers, during the pendency of the writ petition, would not bar Mr. Deb's promotion. The case is currently pending.

(c) Mr. Ramprit Harijan filed a writ petition (W.P. (C) No. 980/2001) against our Company before the Guwahati High Court challenging an order issued by our Company to terminate Mr. Harijan's services on medical grounds. Mr. Harijan prayed for a writ of certiorari to quash the order and a writ of mandamus for reinstatement of his services with our Company. The case is currently pending.

(d) Mr. Deepak Kumar Khinvasara, a former employee of our Company, who was dismissed for disciplinary reasons, filed a writ petition (C.W.P. No. 3310/1990) against our Company and others before the Rajasthan High Court, challenging his dismissal. The Rajasthan High Court, by order dated November 27, 1996, directed his reinstatement with back wages and consequential benefits. However, the Supreme Court of India, while hearing the special leave petition (S.L.P. No. 12275/1997) filed by our Company directed that disciplinary proceedings against Mr. Khinvasara required reconsideration. The disciplinary advice given after the reconsideration was again challenged by Mr. Khinvasara by a writ petition (W.P. No. 2808/1998) before the Rajasthan High Court, which was summarily dismissed. The Supreme Court of India affirmed the dismissal order of the Rajasthan High Court. Our Company has paid Rs. 0.06 million in full and final settlement towards wages for the time period when Mr. Khinvasara was dismissed and he was granted time bound promotion in group VIII with effect from November 27, 2000. Subsequently, Mr. Khinvasara filed writ petition (W.P. (C) No. 2705/2002) against our Company and others, before the Rajasthan High Court praying for grant of his promotion in order to maintain his seniority *vis-à-vis* other junior officials. The case is currently pending.

(e) Mr. P.K. Dutta filed a writ petition (W.P. No. 6575/2002) against our Company before the Guwahati High Court, alleging that our Company illegally denied his promotion to the next grade. Mr. Dutta filed a supplemental suit (Misc. Case No. 479/2003) before the Guwahati High Court, praying for orders restraining our Company from giving effect to any further promotion to Mr. V.K. Sibal as Director and Mr. Bharali as our group general manager, respectively. The case is currently pending.

(f) Mr. A.K. Sahoo filed a writ petition (O.J.C. No. 9537/2003) against our Company and others, before the Orissa High Court claiming arrears pursuant to his retirement under the voluntary retirement scheme ("**VRS**"). Mr. Sahoo prayed that his service from June 9, 1980 to January 2, 1982 be considered regular service and that he be granted the benefits arising out of the VRS for this period. During the pendency of this writ petition, Mr. Sahoo filed two applications (Nos. 3101 and 14508 of 2006) against our Company before the Orissa High Court, praying for payment of provisional pension until the disposal of the writ petition. The case is currently pending.

(g) Mr. Lolit Rajkonwar filed a writ petition (W.P. (C) No. 6047/2004) against our Company before the Guwahati High Court challenging his dismissal by our Company's order dated May 8, 2003 as a violation of Mr. Rajkonwar's fundamental rights. Separately, Mr. Rajkonwar filed another writ petition (W.P. (C) No. 6047/2004) against our Company before the Guwahati High Court, claiming release of differential amounts between actual pay and subsistence allowance. The case is currently pending.

(h) Mr. N.R. Mallick filed a writ petition (W.P. No. 6413/2004) against our Company and others, before the Orissa High Court, challenging our Company's decision to terminate his services. Mr. Mallick applied for a stay on the operation of our dismissal order, until final disposal of this writ petition, which was granted by the Orissa High Court on August 2, 2004 of. The case is currently pending.

(i) Ms. Fatima Khatun filed a writ petition (W.P. (C) No. 614/2004) against our Company and others before the Guwahati High Court praying for grant of the family pension subsequent to her husband's demise. The case is currently pending.

(j) Mr. Baikuntha Bordoloi filed a writ petition (W.P. No. 1783/2005) against our Company before the Guwahati High Court alleging discriminatory treatment while granting certain officials promotions to the post of Assistant Electrical Engineer over Mr. Bordoloi. Mr. Bordoloi prayed for directions to our Company to consider him for promotion. The case is currently pending.

(k) Mr. Bubul Hazarika filed a writ petition (W.P. (C) No. 2303/2007) against our Company and others before the Guwahati High Court, challenging our Company's decision to select 14 candidates for the post of Junior Engineer-I (Production) and Assistant Operator-I (Production). The Guwahati High Court, though interim order dated June 22, 2007, directed our Company to keep 17 posts of Junior Engineer I (Products) and 5 posts of Assistant Operator I vacant until final disposal of this writ petition. The case is currently pending.

(l) Mr. Babul Phukan filed a writ petition (W.P. (C) No. 2613/2007) against our Company and others before the Guwahati High Court, challenging our Company's decision to select six candidates for the post of Junior Engineer-I (Production) and Assistant Operator-I (Production). The case is currently pending.

(m) Mr. Ramesh Mahanta filed a writ petition (W.P. (C) No. 3408/2007) against our Company and others before the Guwahati High Court, challenging our Company's decision to select seven candidates for the post of Junior Engineer-I (Production) and Assistant Operator-I (Production). The case is currently

(n) Mr. Uttam Datta filed a writ petition (W.P. (C) No. 3915/2007) against our Company and others before the Guwahati High Court, challenging our Company's decision to select 14 candidates for the post of Junior Engineer-I (Production) and Assistant Operator-I (Production). The next hearing has not been listed.

(o) Mr. Ram Bhajan Harijan filed a suit (T.S. No. 15/2008) before the Munsif No. 1, Dibrugarh, against Ms. Katari Devi Harijan and others praying for a declaration that Ms. Harijan is not Mr. Harijan's legally married wife and that the order passed by the Chairperson, Women Cell, Dibrugarh, dated March 10, 2004 is null and void. Mr. Harijan also prayed for a permanent injunction restraining our Company to stop paying maintenance to Ms. Harijan by deducting half of Mr. Harijan's monthly salary. Mr. Harijan also filed an application (Misc. (J) Case No. 5/2008) before the Munsif No. 1, Dibrugarh, seeking an *ad interim* temporary injunction against our Company restraining us from deducting half of Mr. Harijan's monthly salary for the maintenance of Ms. Harijan and her sons unless the same is decreed by a competent court. The Munsif No. 1, Dibrugarh by order dated May 14, 2009 has ordered Misc. (J) Case No. 5/2008 to be stayed until further orders. The case is currently pending.

(p) Mr. Hem Kanta Senapati filed a writ petition (W.P. (C) No. 1369/2008) against our Company and others before the Guwahati High Court praying for an order directing our Company to correct his year of birth, which is wrongly recorded by our Company as 1950 instead of 1952. The case is currently pending.

Industrial Disputes/Conciliation proceedings

There are 25 labour related cases filed against our Company pending before various courts and Tribunals in India. These cases involve various issues related to unlawful termination of services, recruitment and demands for service benefits by non-permanent employees and casual labourers. The claims in these cases have not been quantified. The details are as follows:

(a) Mahanadi Petroleum Exploration Employees Union filed a writ petition (O.J.C. No. 16257/2001) against our Company and others, before the Orissa High Court challenging the award of the Central Industrial Tribunal cum Labour Court, Bhubaneswar issued on June 14, 2001 arising out of the industrial dispute (No. 135/2001) which rejected the promotion of an employee of our Company, Mr. B.K. Dash. The case is currently pending.

(b) Mr. Binan Pator filed a writ petition (W.P. (C) No. 730/2003) against our Company before the Guwahati High Court challenging our Company's decision not to appoint him as an unskilled worker. Mr. Pator has prayed for direction from the Guwahati High Court to consider him for the post. The case is currently pending.

(c) Mr. Luhit Bhuyan, Rama Choudhury and others filed a writ petition (W.P. (C) No. 8946/2003) against our Company before the Guwahati High Court, alleging discriminatory treatment by our Company in fixation of daily wages for workers, made to them under a memorandum of settlement dated October 4, 2002 and claiming that they were not treated at par with similarly placed workers. The plaintiffs prayed for payment of Rs. 108 as daily wages against their existing wages. The Guwahati High Court directed that the memorandum of settlement dated October 4, 2002 be set aside. The case is currently pending.

(d) Mr. Kushal Singh filed a writ petition (W.P. No. 4332/2004) before the Rajasthan High Court, against our Company and others, challenging an order of the Government dated January 27, 2004 whereby his grievance on his services being terminated by our Company was dismissed and not referred to the Industrial Tribunal for adjudication. Mr. Singh prayed that the order of the Government dated January 27, 2004 be set aside and that the dispute be referred to the appropriate Labour Court or Industrial Tribunal. The case is currently pending.

(e) Oil India Workers' Association ("**OIWA**") raised an industrial dispute (No. 2(18)/2004-D/A) before the Assistant Labour Commissioner (Central) on behalf of 33 workmen of our civil engineering department, alleging that our Company was not following our recruitment and promotion policy by treating certain employees as technicians instead of treating them as junior engineers as stated in our recruitment and promotion policy. The OIWA threatened to call a strike in the event its demands are not fulfilled. The Assistant Labour Commissioner (Central) referred the dispute for conciliation. The case is currently pending.

(f) OIWA issued a notice (Ref No. OIWA/WCL-00114/2008) dated September 15, 2008 demanding that all contract workers who are exempt from pension scheme and pension fund pursuant to the directions of the Central Pension Fund Commissioner by letter No.Ex-2(3)/07/As/Con/EX/15648 dated July 13, 2008, be extended certain benefits of the golden jubilee of our Company. The case is currently pending.

(g) Oil India Welders Association issued a notice (Ref No. U.C.W.A/ALS(C).04.08) dated October 20, 2008 on behalf of welders and helpers demanding enhanced wages and other service benefits at par with the regular employees of our Company. The Assistant Labour Commissioner, Dibrugarh by his letter dated December 19, 2008 and May 27, 2009 has requested our Company to look into the matter of enhanced wages for the welders and helpers. The case is currently pending.

(h) OIWA by letter (OIWA/WCL-0086/08) dated July 4, 2008 on behalf of security guards alleged that our Company has not granted annual leave and national holidays to security guards from the period starting from January 1, 2006 to December 31, 2007, due to which OIWA has claimed compensation on their behalf. The ALC, Dibrugarh by letter dated August 12, 2008 requested our Company and each of the contractors employing the security guards to give comments on the same. The case is currently pending.

(i) OIWA raised an industrial dispute (Ref. No. OIWA/WCL-00135/2008) dated November 1, 2008 over the illegal removal of 10 working contract labourers engaged as grass cutters in the Digboi oilfield of our Company through a contractor R.K. Dutta & Company, whose names were not listed in the rolls of our Company. OIWA has claimed for their reinstatement along with back-wages. The ALC, Dibrugarh by his letter dated December 22, 2008 ordered for an investigation/verification of the matter. Our Company by its letter dated January 12, 2009 replied to the ALC that our Company did not come within the purview of a principal employer under the Contract Labour (R&A) Act, 1970 and hence was not required in giving a one month notice along with compensation for retrenchment. The case is currently pending.

(j) Two ex-contract workmen Mr. Ema Sonar and Mr. Jayanta Bhuyan have through their letters dated October 29, 2007 and March 28, 2008 requested our Company for their enrolment as working contract labourers of our Company. The ALC, Dibrugarh through his letters dated January 22, 2008 and April 9, 2008 requested our Company to look into the matter. Our Company filed a reply dated June 16, 2008 stating that the names of Mr. Sonar and Mr. Bhuyan do not appear in the conciliatory settlement signed between our Company and all contract labour unions of our Company dated August 30, 2006 which was a full and final settlement between the management of our Company and the contract labourers. The case is currently pending.

(k) Assam Petroleum Workers Union ("**APWU**"), Digboi branch through their letter dated October 24, 2008 claimed that our Company has not paid bonus to six Digboi oilfield canteen workers for the accounting year 2007-2008, in accordance with the memorandum of settlement signed between our Company and the APWU. The ACL, Dibrugarh through his letter (No.8/ID/MISC/2009-D/A/559-61) dated March 6, 2009 requested our Company to confirm whether we have paid the said bonus and if not to give reasons for the same. Our Company replied stating that the six contract labourers did not form part of any of conciliatory settlements and hence were not entitled to any bonus. The case is currently pending.

(l) OIWA through its letter (OIWA/WCL-0037/2009) dated February 20, 2009 claimed that a contractor Mr. Narayan Mukherjee engaged by our Company has not paid overtime wages for holidays and leave days to certain working contract labourers engaged as security guards at our Company's Digboi oilfield. The ALC, Dibrugarh by his letter (8/ID/Misc/2009-DA/531-534) dated March 5, 2009 requested our Company and the contractor to offer their comments within seven days. The case is currently pending.

(m) OIWA through its letter (Ref No. OIWA-105/WCL/2009 dated May 18, 2009 demanded arrears of wage as well as implementation of minimum wage rate for 210 workers of the civil engineering department engaged through a contractor in road and other services of our Company. The ALC, Dibrugarh through his letter (No.8/ID/MISC/2009-D/A/1368-69) dated May 20, 2009 requested our Company to take necessary action in this regard. Our Company through its letter (Ref No. ER:CONT/144/138/2009) dated May 30, 2009 replied asking for further information regarding these 210 working contract labourers. The case is currently pending.

(n) Mr. P.K Sharma filed a reference petition (No. 5/2005) against our Company before the Industrial Tribunal cum Labour Court, Assam, challenging the termination of his services on account of adverse findings during a departmental enquiry of our Company. Mr. Sharma has prayed for reinstatement with full back wages. The case is currently pending

(o) Mr. Sultan Singh Rathore filed a writ petition (No. DBCSA/Writ No. 307/2004) against our Company and others, before the Rajasthan High Court, praying for retrospective regularisation benefits prior to his regularisation in our Company. The Rajasthan High Court, by order dated April 13, 2004, dismissed the writ petition on the ground that it was not the appropriate forum to redress the grievance and directed Mr. Rathore to raise an industrial dispute before the appropriate authorities. Mr. Rathore filed a revision petition before a Division Bench of the Rajasthan High Court. The Division Bench, by order dated January 19, 2005, upheld the order of the High Court dated April 13, 2004. Accordingly, Mr. Rathore raised an industrial dispute (No. 39/2005) before the Industrial Tribunal Cum Labour Court, Jaipur. The case is currently pending.

(p) The Rajasthan Oil Casual Employees Union, Jodhpur filed a case (No. 2/2005), against our Company and others, before the Industrial Tribunal Cum Labour Court, Jaipur, on behalf of certain contract labourers, praying that our Company regularise certain contract labourers since they have completed over 15 years of service and grant all consequential benefits to such employees. The case is currently pending.

(q) 14 unlisted wage contract labourers raised an industrial dispute (No. 47(13)/2006-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh by issuing a notice dated October 9, 2006, alleging discrimination as they were not included in the list of wage contract labourers attached to memorandum of settlement dated August 30, 2006. The Assistant Labour Commissioner, Dibrugarh, by letter dated July 27, 2007 had requested our Company to submit our reply. Our Company has submitted our reply by letter (Ref. No. ER:30/6/13-1424) dated September 10, 2007 to the Assistant Labour Commissioner (Central), Dibrugarh informing him that the name of the 14 wage contract labourers were included in the list of unlisted wage contract labourers attached to the memorandum of settlement dated August 30, 2006 as per the list submitted by the concerned unions. The case is currently pending.

(r) Oil India Labour Union ("**OILU**") filed a writ petition (W.P. (C) No. 2922/2007) against our Company and others before the Guwahati High Court claiming that our Company was granting preferential treatment to casual labourers forming part of a particular labour union over the members of OILU and the workers of our Company who were members of OILU were not receiving the same benefits as the other labour union. OILU prayed for the issuance of a show cause notice to our Company for an explanation for the preferential treatment in recruitment and other policies accorded to one labour union over OILU. The case is currently pending.

(s) Oil Management Drilling Workers' Union ("**OMDWU**") filed a writ petition (W.P. (C) No. 265/2007) against our Company and others before the Guwahati High Court challenging the award of the Industrial Tribunal, Guwahati, upholding our Company's preliminary objection to the maintainability of the reference of the dispute raised by OMDWU for regularization of services in our Company. The case is currently pending.

(t) Assam Petroleum Workers Association ("**APWA**") raised an industrial dispute (No. 8(7)/2007-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh demanding payment of bonus at an enhanced rate of 20% to the wage contract labourers forming part of APWA.

The Assistant Labour Commissioner (Central), by order dated August 24, 2007 referred the dispute for conciliation. However, certain financial and administrative matters remained unresolved during these discussions. Subsequently, APWU along with two other unions namely Asom Toila Shramik Santha and Shramik Nyaik Dabi Prasad served a notice of strike jointly on September 22, 2008 and October 23, 2008 for a series of agitation in November 2008 demanding a 20% bonus. The dispute was seized into conciliation and by order dated November 10, 2008 the conciliation officer requested our Company to examine the issue of 20% bonus and adjourned the conciliation until further notice. Subsequently, the Assistant Labour Commissioner, Dibrugarh has through his letter dated December 23, 2008 closed the earlier File No. 8(7)/2007-D/A and has processed the dispute under the present file No. 8(31)/2008-D/A. The matter is currently pending.

(u) OIWA raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central), Dibrugarh, demanding payment of bonus at an enhanced rate of 20% to wage contract labourers forming part of the OIWA and creation of a provident fund for wage contract labourers. The Assistant Labour Commissioner (Central), by an order referred the dispute for conciliation. The case is currently pending.

(v) OIWA raised an industrial dispute (No. 8/ID/MISC/2007-D/A) against our Company before the Assistant Labour Commissioner (Central), Dibrugarh alleging the non-inclusion of 18 wage contract labourers working at our chemical department in the list made pursuant to the memorandum of settlement negotiated between OIWA and our Company on August 30, 2006. The Assistant Labour Commissioner, Dibrugarh, by letter dated July 27, 2007 has requested our Company to settle the matter with OIWA. Our Company's views were submitted to the Assistant Labour Commissioner (Central), Dibrugarh by letters dated August 16, 2007, February 22, 2008 and May 24, 2008. The case is currently pending.

(w) OIWA raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central) on behalf of wage contract workers working in the Civil Engineering Department claiming that they have not been provided wages as per the revised wage rate fixed by our Company. The Assistant Labour Commissioner (Central), though order dated October 30, 2007 referred the dispute for conciliation. Our Company's views were submitted to the Assistant Labour Commissioner (Central), Dibrugarh by letters dated August 16, 2007, February 22, 2008 and May 24, 2008. The case is currently pending.

(x) OIWA raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central), alleging that the chief engineer of our Company, without informing the registered trade unions and the Central Government Labour Department, changed the service conditions of 30 listed wage contract labourers of our Company by making 48 hours of work compulsory instead of 44 hours per week, and also made rules for duty in shifts. OIWA further alleged that employees and wage contract labourers of our Company get paid for working overtime beyond 44 hours of work per week and also if they work for 8 hours on Saturday. Since the above does not apply to the listed contract labourers of our field communication department, OIWA contended that the same is in violation of the Industrial Disputes Act, 1947. Our Company submitted its reply by letters dated April 16, 2008 and May 26, 2008. On September 4, 2008 the Assistant Labour Commissioner noted that the conciliation proceedings ended in a failure. Subsequently, the Government of India through the Ministry of Labour by order dated December 24, 2008 referred the dispute for adjudication to the Central Government Industrial-Tribunal-cum-Labour Court, Guwahati which was listed as a reference case (No. 01/09) dated January 7, 2009 on the issue of whether there is a master servant relationship between our Company and the workmen and whether their service conditions are governed by Contract Labour (Regulation and Abolition) Act, 1970. The case is currently pending.

(y) Shramik Sangram Manch raised an industrial dispute against our Company before the Assistant Labour Commissioner (Central) alleging non-implementation of the memorandum of settlement dated August 30, 2006. Shramik Sangram Manch alleged that some wage contract labourers covered under the list of unlisted wage contract labourers of the conciliatory settlement dated August 30, 2006 have been omitted and hence were deprived of certain benefits under the aforesaid memorandum of settlement. Our Company has submitted its reply by letter dated May 26, 2008. The case is currently pending.

Arbitration Proceedings

There are seven arbitration claims pending against our Company. The amounts claimed from us in these cases aggregate Rs. 563.71 million and USD 11.53 million approximately along with interest and costs. We have filed counter claims aggregating Rs. 378.21 million and USD 0.01 million along with interest and costs, approximately. The details are as follows:

(a) Shiv Vani Oil and Gas Exploration Services Limited ("**Shiv Vani**"), which had entered into an agreement with our Company for providing integrated performance drilling services in respect of six exploratory oil wells, filed an arbitration petition in August 1998, raising a claim of Rs. 480.76 million and USD 3.16 million by way of refund of various amounts deducted from its bills by our Company and praying for a declaration that Shiv Vani was not liable to any monetary consequences under the contract. Our Company counterclaimed Rs. 318.96 million and USD 0.01 million with interest for losses incurred on account of defective services provided by Shiv Vani, damages on account of delay in performance beyond the extended contract period with interest, and refund for excess mobilisation charges paid to Shiv Vani. The arbitral proceeding is currently pending.

(b) Essar Oil Limited ("**Essar**"), which had entered into an agreement with our Company for providing drilling and auxiliary services in respect of four exploratory oil wells, filed an arbitration petition against our Company, claiming Rs. 521.15 million and USD 17.78 million, on account of the cost of material procured by Essar Oil on our Company's behalf, interest on delayed payment of invoices by our Company, refund of deductions by our Company and damages for alleged wrongful invocation of bank guarantee by our Company. Our Company filed a counterclaim of Rs. 59.25 million against Essar Oil, on grounds including excess payment made to Essar Oil on account of variation in exchange rate, excess expenditure on equipment and by way of liquidated damages. The arbitral tribunal, constituted under the aegis of the Indian Council of Arbitration, by order dated August 6, 2004, awarded Rs. 6.83 million and USD 8.37 million, with interest, to Essar, and allowed our Company's counterclaim to the extent of Rs. 8.51 million with interest. Our Company challenged the majority arbitral award before the Delhi High Court (No. 416/2004), praying, among things, that the arbitral award be set aside. The case is currently pending.

(c) Our Company filed an arbitration appeal (A.A. No. 2/2004) before the Guwahati High Court against the judgment dated December 31, 2003 of the Additional District Judge (in Misc. Arb. Case No. 529/2002), by which our Company's challenged the arbitration award by the sole arbitrator, dated June 16, 2002 (in arbitration case No. 1/2000), awarding Rs. 3.05 million to Buildsworth (Private) Limited ("**Buildsworth**"), our former contractor, be set aside on technical grounds, and the arbitration award be confirmed. In the interim, our Company filed an application (Misc. Case No. 793/2004) before the Guwahati High Court, praying for a stay on the execution of the impugned arbitration award. The Guwahati High Court, by order dated June 1, 2004, directed our Company to deposit 25% deposit of the arbitration award amount, i.e., Rs. 0.76 million with the Registrar General of the Guwahati High Court as a precondition for realization of the balance amount, the matter to be heard and for a stay on the execution of the award. The required amount was deposited in June 2004. The case is currently pending.

(d) MKB Asia (Private) Limited (previously known as M.K. Bhattacharjee and Company (Private) Limited) ("**MKB**") filed an arbitration claim against our Company, before a three-member arbitral tribunal. The aggregate claim against our Company is Rs. 0.26 million, against recovery of cost of unused pipes supplied by our Company to MKB, which were not returned by MKB to our Company at the time of termination of their contract with us. Our Company filed its counterclaim on November 16, 2006 challenging the claim on various technical and substantive grounds. The case is currently pending.

(e) South East Asia Marine Engineering and Construction Limited ("**SEAMEC**") filed an arbitration claim before a three member arbitral tribunal, praying for award of additional cost of Rs. 19.44 million with Rs. 5.32 million as interest, in relation to a contract between SEAMEC and our Company, which provided that SEAMEC would drill wells and complete all auxiliary operations in connection therewith for our Company within two years. SEAMEC completed the performance of the contract, but incurred an additional cost of Rs. 19.44 million due to increase in the price of fuel as compared to the price quoted at the time of submitting their tender. The arbitral tribunal issued an award dated December 19, 2003 in favour of SEAMEC (including one dissenting award). Subsequently, our Company filed a petition (No. 2/2004) before the District Judge, Dibrugarh, praying for grant of a stay on the operation and setting aside of the arbitral award. The District Judge, Dibrugarh, by order dated July 4, 2006, dismissed our petition and upheld the impugned arbitral award. SEAMEC also filed a writ petition (W.P. (C) No. 4136/2004) before the Guwahati High Court challenging the jurisdiction of the District Court, Dibrugarh to entertain the arbitration proceedings in the aforesaid petition (No. 2/2004). Our Company filed an appeal (Appeal No. 11/2006) before the Guwahati High Court praying for the setting aside of the order of the District Judge, Dibrugarh dated July 4, 2006. The Guwahati High Court by judgment and order dated December 13, 2007 set aside the judgment of the District Judge, Dibrugarh, as well as the impugned arbitral award on the grounds that they were not sustainable in law and that the award was passed in contravention of the terms and conditions of the contract. Apprehending that SEAMEC may file a special leave petition in the Supreme Court of India, our Company filed a caveat petition dated January 17, 2008 in the Supreme Court of India. Subsequently, SEAMEC filed a special leave petition (S.L.P. (C) No. 6560/2008) dated March 7, 2008 in the Supreme Court of India praying for an order to allow the appeal and to stay the operation of the judgment and order of the Guwahati High Court dated December 13, 2007. Our Company also filed a special leave petition (SLP No. 9944/2008) in the Supreme Court of India praying for an order to allow the appeal and grant an *ex parte ad interim* stay against part of the final judgment and order dated December 13, 2007 passed by the Guwahati High Court in Arbitration Appeal No. 11/2006, where the Guwahati High Court held that notifications governing price of petroleum products have the force of law. The case is currently pending.

(f) Tata Iron and Steel Company Limited ("**TISCO**"), filed an arbitration claim (No. 322/1998) against our Company in relation to certain guidelines issued by the Bureau of Industrial Cost and Price ("**BICP**"), claiming an aggregate of Rs. 48.81 million. Our Company filed a counterclaim dated January 18, 2007, stating that TISCO had accepted a cheque dated February 8, 1995, of Rs. 24.20 million as full and final settlement and that therefore, no further amount on account of the enhanced rate is due from our Company. On August 10, 2007, our Company was informed by the sole arbitrator that he has vacated his office as arbitrator in this matter. By order dated February 21, 2008, the Calcutta High Court appointed Justice Ronojit Kumar Mitra as a sole arbitrator. The case is currently pending.

(g) Dewanchand Ramsaran Industries Limited ("**Dewanchand**") filed an arbitration claim against our Company and others (Arbitration Case No. 1/2008) before a three member arbitral tribunal in connection with the release of a bank guarantee aggregating USD 7,644,120 provided by Dewanchand to our Company as performance security. Dewanchand's claim is that our Company was bound to release the performance security once the contract between Dewanchand and our Company was terminated by Dewanchand's letter dated April 26, 2007. Dewanchand sought to restrain the encashment of the performance security by our Company, invoking the *force majeure* clause under the contract, on the ground that security concerns and threats from local militant outfits such as the United Liberation Front of Assam have rendered performance of the contract impossible, and that Dewanchand was not made aware of such security concerns at the time of signing the contract with our Company. Accordingly, Dewanchand prayed for an order directing our Company to release the performance security aggregating USD 7,644,120 with 24% interest w.e.f. April 26, 2007. The arbitration case is currently pending. In the meanwhile, Dewanchand has also filed a case (Misc. (ARB.3/2007) before the District Judge, Dibrugarh, against our Company to obtain directions restraining our Company from encashing the said bank guarantee and to obtain an injunction and ad interim directions against our Company. The District Judge, Dibrugarh by order dated April 10, 2007, accordingly granted an ad interim injunction restraining our Company and our employees and agents from encashing the bank guarantee during the pendency of the case. The case is currently pending.

Consumer Complaints

There is one pending consumer complaint involving our Company, where the aggregate amount in dispute is Rs. 1.50 million. The details are as follows:

Ms. Anjana Barua filed a complaint (No. 26/1994) against our Company before the District Consumer Redressal Forum, Dibrugarh, alleging deficiency in medical services provided by our hospital and claiming Rs. 1.50 million as compensation. The District Consumer Redressal Forum, by order dated June 18, 1997 upheld the maintainability of the suit. Our Company filed an appeal (C.A. No. 108/97) before the Assam State Consumer Disputes Redressal Commission, challenging the order of the District Consumer Redressal Forum. The case is currently pending.

Title Suits and Land Related Proceedings

There are 10 cases filed against our Company pending before various courts in India. The aggregate claims against our Company in these cases, where claims are quantified, are Rs. 0.81 million approximately along with interest and costs. The details are as follows:

(a) Mr. Buas Christan filed a suit (T.S. No. 7/1996) against Mr. John Kachap and others, including officials of our Company, before the ADJ, Dibrugarh dated January 19, 1996 regarding the ownership of certain land taken over by our Company. Mr. Christan claims ownership of the land as against Mr. Kachap. Mr. Christan has filed an application before the court of ADJ, Dibrugarh seeking to restrain officials of our Company from paying compensatory allowance to Mr. Kachap. The ADJ, Dibrugarh by order dated February 18, 1996 granted an ad-interim temporary injunction in favour of Mr. Christan restraining officials of our Company from paying compensatory allowance to Mr. Kachap. The matter is currently pending.

(b) Mr. Biplob Kishore Roy filed a suit (T.S. No. 64/2001) against our Company before the Civil Judge (Junior Division) challenging the rejection of his privilege leave. Mr. Roy prayed for directions to our Company to grant the privilege leave with consequential benefits such as payment of deducted salary amount. Mr. Roy filed an application dated July 27, 2006, to implead our Company as a defendant. Our Company filed its objection on October 31, 2006. The Civil Judge (Junior Division), by order dated May 29, 2007, rejected Mr. Roy's petition. Meanwhile, Mr. Roy filed a revision petition (No. 322/2007) before the Guwahati High Court, challenging the order of the Civil Judge (Junior Division). The Civil Judge (Junior Division) fixed November 23, 2007 for passing necessary orders, subject to receipt of directions from the Guwahati High Court. The Guwahati High Court granted a stay order on September 21, 2007. The case is currently pending.

(c) Mr. Tarun Bhuyan filed a suit (Misc. (J) No. 80/2002) against Ms. Pohila Borgohain and our Company, before the Civil Judge (Senior Division), Sibsagar, raising an objection regarding the ownership of certain land acquired by our Company. Mr. Bhuyan has obtained a stay order dated June 7, 2002 from the Civil Judge (Senior Division), Sibsagar, restraining our Company from making payment of the land value aggregating Rs. 0.13 million to Ms. Borgohain until the ownership of the property is legally determined. The case is currently pending.

(d) Ms. Ram Piyari and others filed a suit (No. 40/2004) against our Company and others before the Civil Judge (Junior Division), Dibrugarh, praying that the road on which their shops are situated be declared as a public road, and praying for grant of a permanent and mandatory injunction restraining our Company from inconveniencing the public by blocking the road on account of certain construction activities undertaken by our Company. The case is currently pending.

(e) Mr. Lokeswar Lohar filed a suit (No. 52/2004) against Mr. Lakhi Chandra Paul and others, including our Company before the Civil Judge, Junior Division, Dibrugarh, for a declaration of right, title and interest, possession and ownership in the suit land to be acquired by our Company and for grant of permanent injunction restraining our Company from paying compensation to Mr. Paul and others. The Civil Judge, Junior Division, Dibrugarh, by order dated November 17, 2005 decreed the suit in the favour of Mr. Lohar. Mr. Paul and another filed an appeal (T.A. No. 55/2005), impleading our Company as *pro forma* respondents, before the Civil Judge, Senior Division, Dibrugarh to set aside the order of the lower court. The Civil Judge, Junior Division, Dibrugarh, by judgment dated May 14, 2008 set aside the judgment and decree dated November 17, 2005 and November 23, 2005 respectively and remanded the case to the Civil Judge (Junior Division) No. 1 to frame issues. The case has resumed before the court of Civil Judge (Junior Division) and is currently pending.

(f) Ms. Manju Bora and others filed a suit (T.S. No. 42/2005) against her brother Mr. Ruben Bora and others including our Company, before the Civil Judge Senior Division, Dibrugarh for recovery of Rs. 0.68 million with interest and costs in relation to certain dues payable by our Company to her deceased father Mr. Mohan Borah, our former employee. Ms Manju Bora also prayed for an injunction restraining our Company from releasing any dues to her brother, without providing prior information to her. The case is currently pending.

(g) Mr. Rajesh Salhotra filed a suit (T.S. No. 188/2007) before the Civil Judge (Junior Division No. 1), Dibrugarh, against our Company and others, praying that since his father, who was our employee, has been missing and unheard of for the last seven years, the Civil Judge (Junior Division No. 1), Dibrugarh, should declare that he is presumed dead. The case is currently pending.

(h) Mr. Harish Chutia and others filed a writ petition (W.P. (C) No. 3181/2008) against the Deputy Commissioner, Tinsukia and others including our Company before the Guwahati High Court praying for an order directing our Company to pay compensation as assessed by the Deputy Commissioner, Tinsukia in relation to the damages suffered by Mr. Chutia and for the release of his land. Mr. Chutia contends that the Deputy Commissioner, Tinsukia, by order dated May 10, 2006, supplemented by order dated April 9, 2007, permitted our Company to lay pipelines through his tea gardens instead of the earlier sanctioned route and our Company removed fencing, crops and structures without informing Mr. Chutia. The case is currently pending.

(i) Mr. Tirtha Nath Bora and Mr. Gukul Chetia filed a suit (T.S. No. 106/2008) against our Company and the Secretary, Press Club, Duliajan, before the Munsif No. 1, Dibrugarh, seeking a declaration that Mr. Bora and Mr. Chetia are entitled to remain in possession of their respective shops situated on the suit land. Mr. Bora and Mr. Chetia also prayed for a temporary injunction to restrain our Company and the Secretary from demolishing the shops and constructing any other structure on the land, from disturbing the peaceful possession of Mr. Bora and Mr. Chetia of their properties and a permanent injunction against our Company for removal of any unauthorised and illegal construction that may be made in the future by our Company. Mr. Bora and Mr. Chetia also filed an application (Misc. (J) No. 52/2008) dated June 17, 2008, before the Munsif No. 1, Dibrugarh, praying for an *ad interim* injunction restraining the defendants from constructing any structure by demolishing the suit premises. The application (Misc. (J) No. 52/2008) was disposed off by the Munsif No. 1, Dibrugarh by an order dated June 23, 2009. The case is currently pending.

(j) Mr. Debraj Islary filed a suit (T.S. No. 12/2008) before the Civil Judge, Bongaigaon, against our Company and others, seeking a declaration that Mr. Islary is the lawful and *bona fide* purchaser and owner of M.G. Railway Bridge No. 467 at K.M.105/15-106/1 between Sorbhog and Barpeta Road railway stations which he purchased at the auction sale dated January 24, 2008, conducted by the Deputy Chief Materials Manager, N.F. Railway Authority, for a total consideration of Rs. 7.13 million. Mr. Islary also prayed for a declaration that our Company is legally bound to hand over peaceful delivery of possession of the bridge. Mr. Islary also filed a application (Misc. (J) No. 14/2008) dated March 13, 2008, before the Civil Judge, Bongaigaon, against our Company and others, seeking a temporary injunction restraining us from constructing or installing any new pipeline from and over the said bridge with a direction to the defendants to shift the existing oil trunk pipeline from and over the said bridge. The case is currently pending.

Land Acquisition Disputes/Land related Disputes

There are 40 cases in relation to demands for enhanced compensation for land acquired by our Company for its operations by proceedings instituted by the GoI under the Land Acquisition Act that have been filed against our Company and are pending before various courts in India. The aggregate claims against our Company in ten of these cases, where claims are quantified, are Rs. 18.86 million approximately along with interest and costs. Additionally, our Company has quantified the claims in relation to the 27 land acquisition cases pending before the District Judge, Kamrup, to Rs. 23.44 million. The details are as follows:

(a) Mr. Jitendra Das and others filed a title suit (No. 47/1993) against Ms. Doirai Das and others, before the Munsif Court, Dibrugarh, praying for title to the suit property so that compensation for acquisition of such land by our Company on January 30, 1989, is paid to Mr. Jitendra Das and others, instead of to Ms. Doirai Das and others. The case is currently pending.

(b) Assam Co-operative Apex Bank Limited ("**ACABL**") filed a writ petition (W.P. No. 3967/1997) against the State of Assam, our Company and others, before the Guwahati High Court. Mr. Shah had taken a loan mortgaging some of his land on April 27, 1989 with ACABL which was later acquired by our Company under the Land Acquisition Act, 1894. Mr. Shah has sought an order from the Guwahati High Court, directing our Company to withhold payment of compensation in respect of the scheduled land for which acquisition proceedings have been initiated by our Company until the legally admissible dues from Mr. Shah are paid to ACABL. The case is currently pending.

(c) Nandlal and Sons Tea Industries Private Limited ("**Nandlal**") filed a writ petition (W.P. No. 1721/2002) against the State of Assam, our Company and others, before the Guwahati High Court. Nandlal has challenged the constitutional validity of Rules 189 and 190 of the Assam Land Regulation Rules, 1886 and has also prayed for quashing the order of the Deputy Commissioner and Collector, Tinsukia, dated July 26, 2001 whereby he authorised our Company to prepare an award for surface compensation in relation to land belonging to Nandlal. Nandlal also prayed for compensation aggregating Rs. 1.33 million from our Company on account of rent of the land, properties standing, surface damages and other corrective measures for land measuring 16 bigha 2 kathas and 15 lessas. The case is currently pending.

(d) Nandlal filed a writ petition (W.P. No. 1722/2002) against the State of Assam, our Company and others, before the Guwahati High Court. Nandlal has challenged the constitutional validity of Rules 189 and 190 of the Assam Land Regulation Rules, 1886 and prayed for quashing the order of the Deputy Commissioner and Collector, Tinsukia dated, July 26, 2001 whereby he authorised our Company to prepare an award for surface compensation in relation to land belonging to Nandlal. Nandlal has also prayed that the Guwahati High Court set aside the Collector's award aggregating Rs. 0.04 million and enhance compensation payable by our Company to Rs. 3.59 million on account of rent of the land, properties standing, surface damages and other corrective measures for land measuring 6 bigha 4 kathas and 18 lessas. The case is currently pending.

(e) Nandlal filed a writ petition (W.P. No. 1680/2002) against the State of Assam, our Company and others, before the Guwahati High Court. Nandlal has challenged the constitutional validity of Rules 189 and 190 of the Assam Land Regulation Rules, 1886 and prayed for quashing the order of the Deputy Commissioner and Collector, Tinsukia, dated July 26, 2001 whereby he had authorised our Company to prepare an award for surface compensation in relation to land belonging to Nandlal. Nandlal has also prayed that the Guwahati High Court set aside the Collector's award aggregating Rs. 42,831 and enhance the compensation payable by our Company to Rs. 2.51 million on account of rent of the land, properties standing, surface damages and other corrective measures for land measuring 8 bigha 1 katha and 5 lessas. The case is currently pending.

(f) Nandlal filed a writ petition (W.P. No. 1681/2002) against the State of Assam, our Company and others, before the Guwahati High Court. Nandlal has challenged the constitutional validity of Rules 189 and 190 of the Assam Land Regulation Rules, 1886 and prayed for quashing the order of the Deputy Commissioner and Collector, Tinsukia, dated July 26, 2001 which whereby he had authorised our Company to prepare an award for surface compensation in relation to land belonging to Nandlal. Nandlal has also prayed that the Guwahati High Court set aside the Collector's award aggregating Rs. 0.32 million and enhance the compensation payable by our Company to Rs. 5.74 million on account of rent of the land, properties standing, surface damages and other corrective measures for land measuring 25 bigha and 5 lessas. The case is currently pending.

(g) Assam Company Limited filed a writ petition (W.P. No. 961/2002) against the State of Assam, our Company and others, before the Guwahati High Court praying for quashing the order of the Additional Deputy Commissioner, Dibrugarh, dated January 16, 2002 granting right of entry to our Company under Rule 189 of the Assam Land Revenue Regulation Rules, 1886 over an area of land belonging to the Assam Company Limited and pending disposal of the case to maintain *status quo* on the aforesaid land. The case is currently pending.

(h) Ms. Benarashi Devi and others filed a case for reference (No. 07/2003) before the Additional District Judge, Kamrup, challenging the Collector's award dated July 7, 1997 regarding compensation for land acquired under the Land Acquisition Act, 1894. While total compensation paid by our Company was Rs. 0.11 million Ms. Benarashi Devi claimed higher compensation between Rs. 0.15 million to Rs. 0.20 million per katha with additional compensation and interest. The Additional District Judge, Kamrup, by order dated September 28, 2006 awarded compensation of Rs. 0.12 million per katha. Our Company filed an appeal (No. 10/2007) before the Guwahati High Court. The Guwahati High Court by order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 0.07 million per katha. In compliance of the said order, our Company deposited Rs. 0.53 million with the District Judge, Kamrup. Ms. Benarashi Devi and others filed an application (Misc. Case No. 321/2008) before the Guwahati High Court seeking permission to withdraw 50% of the deposited amount, which was allowed by the Guwahati High Court by order dated April 24, 2008. Subsequently, Ms. Benarashi Devi and others also filed application (No. 714/2008) before the District Judge, Kamrup, and by order dated April 30, 2008, the District Judge, Kamrup, released 50% of the amount deposited to Ms. Benarashi Devi and others. The land acquisition appeal is currently pending.

(i) Mr. Lalbabu Das and others filed a case for reference (No. 08/2003) before the Additional District Judge, Kamrup, challenging the Collector's award dated July 7, 1997 regarding compensation for land acquired under the Land Acquisition Act, 1894. While total compensation paid by our Company was Rs. 0.03 million, Mr. Das claimed higher compensation between Rs. 0.15 million and Rs. 0.20 million per katha with additional compensation and interest. The Court by order dated September 28, 2006 awarded compensation of Rs. 0.12 million per katha. Our Company filed an appeal (No. 8/2007) before the Guwahati High Court. The Guwahati High Court by order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 0.07 million per katha. In compliance of the said order, our Company deposited Rs. 0.17 million with the District Judge, Kamrup, Guwahati. Mr. Das and others filed an application (Misc. Case No. 320/2008) before the Guwahati High Court seeking permission to withdraw 50% of the deposited amount, which was allowed by the Guwahati High Court by order dated April 24, 2008. Subsequently, Mr. Das and others also filed an application (No. 713/2008) before the District Judge, Kamrup, and by order dated April 30, 2008, the District Judge, Kamrup, released 50% of the amount deposited to Mr. Das and others. The land acquisition appeal is currently pending.

(j) Mr. Uday Das and others filed a case for reference (No. 09/2003) before the Additional District Judge, Kamrup, challenging the Collector's award dated July 7, 1997 regarding compensation for land acquired under the Land Acquisition Act, 1894. While total compensation paid by our Company was Rs. 0.01 million Mr. Das claimed higher compensation between Rs. 0.15 million and Rs. 0.20 million per katha with additional compensation and interest. The Guwahati High Court by order dated September 28, 2006 awarded compensation of Rs. 0.12 million per katha. Our Company filed an appeal (No. 10/2007) before the Guwahati High Court. The Court by order dated September 20, 2007 directed our Company to pay 50% of the enhanced amount of Rs. 0.07 million per katha. In compliance of the said order, our Company deposited Rs. 0.06 million with the District Judge, Kamrup. Mr. Das and others filed an application (Misc. Case No. 319/2008) before the Guwahati High Court seeking permission to withdraw 50% of the deposited amount, which was allowed by the Guwahati High Court by order dated April 24, 2008. Mr. Das and others filed application (No. 718/2008) before the District Judge, Kamrup, and by order dated April 30, 2008, the District Judge, Kamrup, released 50% of the amount deposited to Mr. Das and others. The land acquisition appeal is currently pending.

(k) Mr. Atul Moran and others filed a writ petition (W.P. No. 2234/2006), against our Company and others, before the Guwahati High Court challenging our Company's alleged illegal and arbitrary action for non-payment of the land value for the land acquired measuring 7 bigha 13 lessa from Mr. Moran and others. Mr. Moran also challenged the order of the Deputy Commissioner, Tinsukia, dated June 24, 2005 fixing land compensation at the rate of Rs. 0.10 million per bigha. Mr. Moran and others prayed for quashing our order and the action, and raised a claim of Rs. 0.71 million. The case is currently pending.

(l) Shivdham Tea Company ("**Shivdham**") filed a writ petition (W.P. (C) No. 831/1999) against our Company before the Guwahati High Court praying that our Company be directed to release payment of surface compensation with interest for late payment as well as the value of the land in accordance with the agreement to sell entered into between Shivdham and our Company by letter dated May 4, 1990 for land measuring 7 bigha 1 katha 10 lessa. Shivdham alleged a total due of Rs. 4.12 million from our Company. The Guwahati High Court by order dated November 11, 2006 directed the parties to settle the dispute between them in accordance with the terms agreed between the counsels. However, no such settlement was reached. In the interim, our Company filed an application (Misc. Case No. 980/2008) before the Guwahati High Court for correction in the verdict pronounced on November 11, 2006 whereby the Guwahati High Court erred in mentioning that the total land executed by Shivdham in our favour were two plots of land measuring 122 bighas each and for one full compensation was paid whereas for the other 90% of the compensation was paid by our Company. Our Company prayed that the Guwahati High Court record correctly that there was a sale of only 122 bighas of land in our favour, for which our Company had paid full value. The case is currently pending.

(m) Shivdham filed a writ petition (W.P. No. 838/1999) against our Company before the Guwahati High Court praying for directions to our Company to pay surface compensation for damages suffered due to laying down pipelines on a plot of land as well as rental compensation for the last six and a half years with interest for illegally occupying the plot of land and not executing the agreement of sale, aggregating to Rs. 0.86 million. The Guwahati High Court by order dated November 11, 2006 directed the parties to settle the dispute in accordance with the terms agreed between the counsels. However, no such settlement was reached. In the interim, our Company filed an application (Misc. Case No. 979/2008) before the Guwahati High Court for correction in the verdict pronounced on November 11, 2006 whereby the Guwahati High Court erred in mentioning that the total land executed by Shivdham in our favour were two plots of land measuring 122 bighas each and for one full compensation was paid whereas for the other 90% of the compensation was paid by our Company. Our Company prayed that the Guwahati High Court record correctly that there was a sale of only 122 bighas of land in our favour, for which our Company had paid full value. The case is currently pending.

(n) In addition to the above, various persons including Mr. Bharatchandra Mishra, Mr. P.K. Medhi, Mr. D.N. Das, Mr. G.C. Bhuyn, Mr. N.N. Burman, Mr. R. Chauwdhary, Mr. D.K. Mohonto, Ms. Anima Barman, Mr. R.N. Daimary, Mr. L.C. Medhi, Mr. K.C. Barman, Ms. Umadevi, Ms. Uttara Devi, Ms. Panchali Devi, Mr. Sanjeev Narayan Deb, Mr. Abani Mohanta, Mr. Srikanta Patowary, Ms. Gauri Das, Mr. Shashi Mohan Das, Mr. Ram Krishna Das, Ms. Renu Das, Mr. Gunindranath Das, Ms. Thunu Gayan, Mr. Basudev Das, Ms. Sabita Das, Mr. Bijoy Ram Rahang, Mr. Bichitra Mikir, and others have filed cases for reference (Nos. 12 to 22 and Nos. 129-132 of 1999, Nos. 56-58 of 2000, Nos. 1 to 7 of 2004 and Nos. 19 and 20 of 2007) before the District Judge, Kamrup, challenging the Collector's respective awards of compensation for land acquired by our Company under the Land Acquisition Act. The respective claimants have claimed higher compensation per unit of land acquired, with interest. All of these cases are currently pending.

Claims and notices from statutory authorities

There are six statutory notices pending before various authorities in India. The aggregate claim made under these notices is Rs. 56.15 million along with interest and costs, where claims have been quantified. The details are as follows:

(a) The Government of Rajasthan by letters dated August 13, 2003, February 3, 2004, November 11, 2004, August 19, 2003, February 28, 2004 and January 7, 2006 imposed a demand of Rs. 85.37 million as PEL principal fees along with a penalty of Rs. 32. 52 million in respect of 80,900 square kilometer PEL in Tanot, 210 square kilometer in PEL in Jaisalmer and 1,571.5 square kilometer in Baghewala, Jaisalmer. Our Company deposited the principal PEL fees of Rs. 85.37 million by December 10, 2003. The Government of Rajasthan on January 17, 2008, revised our principal amount due to Rs. 76.00 million and the penalty to Rs. 19.89 million. As we have already paid a principal fee of Rs. 85.37 million, the total penalty outstanding from us is Rs. 10.52 million along with interest and costs. The Secretary, Ministry of Mines and Petroleum, Rajasthan has referred the issue pertaining to interest and penalty on the PEL fees to the Ministry of Petroleum and Natural Gas by letter dated February 5, 2008. The matter is currently pending.

(b) The Additional Commissioner, Central Excise and Service Tax, Dibrugarh issued a show cause notice (C. No. V(12)11/CE/HQAE/DIB/06/147) dated February 14, 2007, and imposed a demand of Rs. 3.58 million with interest and penalty on account of service and education cess under the Finance Act, 1994. Our Company replied to the show cause notice by letter dated April 5, 2007. The matter is currently pending.

(c) The Guwahati Municipal Corporation by letters (Reference Nos. GEF/2009/2004/67/3857 and GEF/209/2004/70) dated March 11, 2008 and May 7, 2008 respectively, claimed Rs. 34.22 million for realisation of property tax for land used for running the oil pipeline within the Guwahati Municipal Corporation area. Our Company replied by letters dated April 1, 2008 and June 27, 2008, respectively. The matter is currently pending.

(d) The National Scheduled Caste Commission ("**NSCC**") issued a notice (Ref. No. NCSC/S (MB) ASSAM/07) dated July 21, 2008 to our Company, based on a complaint filed by Duliajan Sanitation Services Co-operative Society Limited. Our Company replied on August 13, 2008 requesting the NSCC for some time to file its defence. The matter is currently pending.

(e) The Calcutta State Electricity Corporation Limited ("**CESC**") by its order dated May 28, 2009 raised a claim of Rs. 1.06 million against our Company in relation to unauthorised use of electricity charge and the government duty thereof. The matter is currently pending.

(f) The Office of the Deputy Commissioner, Dibrugarh has issued a notice (No. DRS-15/98/130) dated May 29, 2001 to our Company imposing a demand of Rs. 6.77 million on account of payment of premium for allotment of ceiling surplus land in Tengaghat. Our Company is yet to pay this demand.

Letters received from Mr. A.A. Waheed/Ms. Padma Waheed

Mr. A.A.Waheed, an ex-employee of our Company, and his wife Mrs. Padma Waheed, have written various letters (including letters dated August 12, 2008, September 22, 2008, November 3, 2008, April 28, 2009, May 27, 2009, July 13, 2009 and July 23, 2009). These letters contain, *inter alia*, allegations of non-enhancement of monthly pension, non-reimbursement of certain medical expenses of Mr. and Mrs. Waheed and non-disclosure of liability of Rs. 20,000 million as dues payable to pensioners eligible under Oil India Pension Fund (such as Mr. Waheed) in the cash reserves of our Company as stated in the Draft Red Herring Prospectus. In relation to the same, we have written to Mr. and Mrs. Waheed, denying such statement and allegations.

Pending applications under the Right to Information Act, 2005 ("RTI Act")

There are 13 pending right to information ("**RTI**") applications pending against us, the details of which are set forth below:

(a) Mr. Alok Gogoi filed a RTI application dated May 21, 2009 to the Central Public Information Officer ("**CPIO**") of our Company seeking information in relation to the written test for the post of stenographer in our Company held on May 3, 2009 including the total number of candidates who have appeared, the number of candidates who passed and did not pass the said examination, the total marks of the question paper and the pass mark.

(b) Mr. Bhaskar Jyoti Gogoi filed a RTI application dated June 9, 2009 to the CPIO of our Company seeking information in relation to the result list for the post of J.E. (Civil) held on May 25, 2009 including the candidates who were selected for the post, the total marks obtained in the written test and the oral test respectively by the selected candidates.

(c) Mr. Bobby Angami, secretary to the Energy Consumers Association of Eastern India has filed an RTI application dated June 18, 2009 to the CPIO of our Company seeking information *inter-alia* in relation to directives of the MoP&NG fixing gas sale price applicable in 2006-07, 2007-08, 2008-09, request for additional quantity of gas requested by Assam Gas Company Limited ("**AGCL**") and if any additional quantity of gas was supplied to AGCL, list of buyers of gas in Assam to whom our Company supplied gas in the years 2006, 2007, 2008 and 2009.

(d) Mr. Afsha Sahil filed an RTI application dated July 4, 2009 to the competent authority of our Company seeking information in relation to the total number of advertisements given to channels, magazines and newspapers in the Financial Years 2005-2006, 2006-2007, 2007-2008 and 2008-2009, the total amount of money spent on advertisements in the above-mentioned financial years and the list of channels, magazines and newspapers which have been given the maximum and minimum revenue for the said advertisements.

(e) Mr. Danishuddin Ahmed filed an RTI application dated July 17, 2009 to the resident chief executive information officer of our Company seeking information in relation to a certificate of payment made by our Company to Duliajan Sanitation Services Cooperative Society Limited and the register of wages submitted by Duliajan Sanitation Services Cooperative Society Limited.

(f) Mr. A.K. Das filed an RTI application dated July 27, 2009 to the Head (Land) of our Company seeking information in relation to whether a certain plot of land located at dag number 315 of P.P number 23, situated at no. 2, Naoholia village, district Dibrugarh has been acquired by our Company. Mr. Das also seeks information pertaining to the compensation paid by us in case of acquisition of the land including details of the person to whom such compensation was paid and if there was any outstanding amount to be paid by us.

(g) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information in relation to copies of answer sheets of certain individuals for the written test conducted by us for the post of senior assistant held on May 3, 2009 along with copies of answer sheets of individuals who have cleared the examination for written tests conducted for certain other posts including that of assistant operator production and assistant technician.

(h) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information in relation to the total number of permanent employees of our Company along with the total number of permanent employees of our Company who belong to the Moran community.

(i) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information including in relation to the profits earned by our Company from fiscal 1998 to fiscal 2009 along with details of percentage of profits spent by our Company on social welfare for the said period and schemes implemented by our Company for social welfare.

(j) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information in relation to the proposed percentage of profits to be deployed by us from the present fiscal for social welfare projects along with information relating to the details of social welfare projects taken up by our Company in Tinsukia district, Assam in the present fiscal.

(k) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information in relation to the percentage of profits deployed by our Company from fiscal 2005 to fiscal 2009 on cultural and social events along with details of *inter alia*, the events and venue.

(l) Mr. Arunjyoti Chutia filed an RTI application dated August 13, 2009 to the resident chief executive information officer of our Company seeking information in relation to the details of the total number of registered contractor and suppliers of our Company along with the details of the total number of registered contractors and suppliers belonging to the Moran community.

(m) Mr. Dipak Kumar Das filed an RTI application dated August 19, 2009 to the resident chief executive information officer of our Company seeking information in relation to debit of Rs. 0.05 million from the account of our Company to that of Mr. Dipak Kumar Das.

II. Litigation filed by our Company

Excise Tax

There is one excise tax case involving us, pending before the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Kolkata. The demand by our Company aggregates Rs. 11.77 million. The details are as follows:

The Deputy Commissioner of Central Excise, Dibrugarh, by order (No. V(18)58/Ref/ACD/2002/4300) dated September 16, 2003, granted our Company a refund of Rs. 50 million (exclusive of interest charges) that was pre-deposited against a dispute on classification of lean gas and gas condensate produced by our Company. Aggrieved by non-payment of interest on the refund, our Company filed various applications for grant of interest aggregating Rs. 11.77 million. The Assistant Commissioner of Central Excise ("**ACCE**"), Dibrugarh, by order dated May 26, 2006 rejected our request for grant of interest. Our Company filed an appeal (No. 10/CE (A)/GHY/07) before the Commissioner (Appeals) Central Excise, Guwahati. The Commissioner, Customs and Central Excise (Appeals), Guwahati by order dated July 30, 2007 rejected our appeal and upheld the order of the ACCE. Our Company filed an appeal before the CESTAT, Kolkata to set aside the order dated July 30, 2007. The appeal is currently pending.

Criminal Cases

There are two criminal cases, pending before the Sub-Divisional Judicial Magistrate, Bhubaneswar, India. The details are as follows:

(a) Our Company filed a criminal complaint (I.C.C. No 817/2003) against Mr. N.R. Mallick and others before the Sub-Divisional Judicial Magistrate, Bhubaneswar, alleging theft, property damage and misbehaviour. The Sub-Divisional Judicial Magistrate, Bhubaneswar, by order dated May 7, 2003 directed the concerned police station to register a case against the accused and accordingly a first information report (No. 107/2003) and criminal case (No. GR-1602/2003) was registered against Mr. Mallick and others. Our Company also filed another criminal complaint (I.C.C. No. 2229/2006) before the Sub-Divisional Judicial Magistrate, Bhubaneswar alleging that the police had not acted on the earlier criminal complaint on account of political pressure and prayed that the protest petition may be heard with case No. GR-1602/2003 after taking cognizance against the accused. The case is currently pending.

(b) Our Company filed a criminal complaint (I.C.C. No 1496/2006) against Mr. N.R. Mallick and others before the Sub-divisional Judicial Magistrate, Bhubaneswar. Our Company prayed for directions to the Inspector In-charge of Saheednagar police station to register a criminal case under the Code of Criminal Procedure, 1973, against Mr. Mallick and others for manhandling our manager, finance and accounts, Bay Exploration project, Bhubaneswar. The Sub-divisional Judicial Magistrate, Bhubaneswar, by order dated May 7, 2003 directed that a case be registered against Mr. Mallick and others. Thereafter, a first information report (No. 183/2006) and criminal case (No. GR-2487/2006) was registered against Mr. Mallick and others. Further to the same, our Company filed an application dated July 4, 2006 before the Sub-divisional Judicial Magistrate, Bhubaneswar seeking directions to the Investigating Officer for Mr. Mallick's arrest. The case is currently pending.

Civil Suits

There are nine civil suits filed by our Company, pending before various courts in India, in which we have claimed an aggregate of Rs. 43.33 million approximately along with interest and costs. The details are as follows:

(a) Our Company filed a suit (No. 36/1993) against Bharat Process and Mechanical Engineers Limited ("**BPMEL**") before the Guwahati High Court, claiming an aggregate of Rs. 1.35 million, including indemnity bond of Rs. 0.45 million and refund of Rs. 0.90 million paid to BPMEL with respect to procurement of heater separator units, with interest. Meanwhile, BPMEL went into liquidation and the matter was referred to its liquidator for the recovery of the amount. The case is currently pending.

(b) Our Company filed a civil suit (No. 29/1998) against Saligram and Company before the Civil Judge, Senior Division, Dibrugarh, for recovery of dues for non-delivery of an order of motorcycles, against which our Company made certain advances. Our Company was awarded Rs. 115,027 by the Civil Judge, Senior Division, Dibrugarh, by order dated July 15, 1999. However, since Saligram and Company failed to make the payment as per the order, our Company filed an execution petition (M. Ex. No. 34/1999) before the Guwahati High Court with an application for attachment of movables for realization of the amount decreed, Rs. 104,766, including interest and costs. The case is currently pending.

(c) Our Company filed two money suits (M.S. Nos. 21/2000 and 1/2001) against Mr. S.M. Saifullah, our then senior manager (land), before the Civil Judge (Senior Division), Dibrugarh. These matters relate to losses suffered by our Company due to payment in excess of land acquired by our Company, due to misinformation by Mr. Saifullah in relation to area of land acquired by our Company, and in relation to the rate of land value, respectively. The respective claims in these money suits are for Rs. 2.64 million, and future and *pendente lite* interest in M.S. 1/2001 and for recovery of Rs. 4.07 million with future and *pendente lite* interest, in M.S. 21/2000. The case is currently pending.

(d) Our Company filed a civil suit (No. 205/2003) against Mr. N.R. Mallick before the Civil Judge (Junior Division), Bhubaneswar, seeking directions permanently restraining Mr. Mallick and his supporters from entering our Bhubaneswar office premises and causing any disturbances in the premises. The Civil Judge (Junior Division), Bhubaneswar, by order dated April 19, 2006 dismissed our petition. Our Company filed an appeal (R.F.A. No 114/2006) before the District Judge, Bhubaneswar challenging the decision of the Civil Judge. During the pendency of the appeal, our Company filed an application (I.A. No. 399/2006) before the Civil Judge, Junior Division, Bhubaneswar, praying for an order to detain Mr. Mallick in a civil prison for a term of three months and for the attachment of his suspension allowance and other dues for having violated the injunction order passed in I.A. No. 238/2003 dated September 29, 2003. The Civil Judge (Junior Division), Bhubaneswar, by order dated October 3, 2007 found Mr. Mallick guilty and ordered his detention in a civil prison for a period of one month. Mr. Mallick filed F.A.O. No. 98/2007 before the District Judge, Bhubaneswar. By order dated October 31, 2007, the District Judge, Bhubaneswar, stayed Mr. Mallick's detention until disposal of the appeal. The case is currently pending.

(e) Our Company filed a money suit (M.S. No. 27/2006) against Indus Pipeline Company and others ("**Indus**") before the Civil Judge, Dibrugarh, for recovery of a principal, interest and compensation for man hours lost amounting to Rs. 24.23 million, on the ground that on inspection of casings delivered by Indus to our Company, it was found that the casings were not as per the quality prescribed in the contract. Indus has not refunded the claimed amount nor has it replaced the defective casings. Our Company filed an application dated May 10, 2007, before the Civil Judge, Dibrugarh, to proceed *ex parte*. The court proceeded to examine the postal officers to ascertain whether the service of summons for non-receipt of proof of summons. The case is currently pending.

(f) Our Company, along with the Oil India Limited Employees' Provident Fund, filed a money suit (M.S No. 38/2007) against Kalyanbhai Mayabhai Financial Services Private Limited and others, before the Civil Judge, Dibrugarh, for recovery of dues on account of non-receipt of interest on certain bonds allotted by the defendants and claiming Rs. 2.63 million with interest and costs. The case is currently pending.

(g) Our Company, along with the OIL Gratuity Fund has filed a money suit, (M.S No. 04/2009) before the Court of Civil Judge, Dibrugarh against Shikshak Sahakari Bank Ltd and others for recovery of a sum of Rs. 3.55 million and interest thereon aggregating to a total of Rs. 7.87 million in relation to certain bonds of Vidharba Irrigation Development Corporation held in trust for the benefit of Oil Gratuity Fund for the period beginning from March 15, 2000 until December 31, 2001. The case is currently pending.

(h) Our Company has filed an appeal before the Guwahati High Court against Shukla Trading Company to set aside the judgment dated June 13, 2008 and decree dated June 18, 2008 of the Additional District Judge, Dibrugarh in title suit (T.S. No. 22/2001). The Additional District Judge, Dibrugarh had decreed an amount of Rs. 0.44 million in favour of Shukla Trading Company on account of increase in the price of certain chassis after an order of purchase was placed by our Company. Our Company alleges that Shukla Trading Company was only entitled to Rs. 0.41 million on account of the increase in price. The matter has not yet been admitted/listed. The case is currently pending.

III. Material Developments

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 197, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

IV. Litigation against our Directors

There are no pending adjudicatory, regulatory or arbitral proceedings involving any of our Directors as of the date of this Red Herring Prospectus. Further, as of the date of this Red Herring Prospectus, neither our Company nor any of our Directors has received any notices from any regulatory body or any other persons, with respect to any threatened or potential litigation or regulatory proceedings or investigations.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

A. APPROVALS FOR THE ISSUE

Our Board of Directors has, pursuant to a resolution passed at its meeting held on September 12, 2007, authorised this Issue, subject to the approval or our shareholders under section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution passed at its meeting held on October 31, 2007 authorised this Issue, under section 81(1A) of Companies Act.

The MoPNG, through letter no. G-34014/2/2000-Fin.III, dated September 11, 2007, granted approval for an initial public offering of 11% of our post-Issue paid-up capital (including a reservation of 1% of our post-Issue paid-up capital for our employees).

Further, the MoPNG has through a letter dated November 26, 2007, granted approval for lock-in of 20% of the fully diluted post-Issue paid-up Equity Share capital of our Company for three years from the date of Allotment of Equity Shares in this Issue and lock-in of the balance pre-Issue Equity Share capital of our Company for a period of one year from the date of Allotment of Equity Shares in this Issue.

B. APPROVALS FOR OUR BUSINESS

We have obtained several approvals, licences and permissions from various government departments and governmental agencies and other authorities in relation to our business operations of exploration, development, production and transportation of crude oil and natural gas.

The approvals include, amongst others:

- PMLs and PELs issued under the PNG Rules;
- Environmental approvals and clearances from the State PCB(s) and MoEF, including consents to establish and operate in respect of Air Act and Water Act and environmental clearances for exploration and appraisal drilling under the Environment Impact Assessment Notification (Notification No. SO 60(E)) dated January 27, 1994 as amended ("**EIA Notification**");
- Licence for usage, carriage and storage of explosives under the Explosives Act, 1884 issued by the Controller of Explosives;
- Approvals issued under the Water Act, Air Act or Hazardous Waste Rules, by the concerned State PCB; and
- Licence/approval for the construction, addition, alteration or storage of hydrocarbon products for various plants such as gas compressor plants, group gathering stations, LPG, effluent treatment plants, well heads issued by the DGMS under the Mines Act, 1952 and under the Oil Mine Regulations.

The material licenses and approvals received for our business operations are set forth below:

Petroleum Mining Leases

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
Assam			
Re-grant of PML for an area measuring 1.42 square kilometers in Naharkatiya, Dibrugarh, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/317 ONG/89/D/IV dated September 10, 2004	PEM.66/59/196	February 18, 2005, w.e.f February 4, 2004	Valid for 20 years
Grant of PML for an area measuring 165.76 square kilometers in Naharkatia Extension	PEM.130/92/18	May 23, 1995 w.e.f January	Valid for 20 years

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
area in Dibrugarh, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/8/91-ONG.D.IV dated May 20, 1994		10, 1991	
Regrant of PML for an area measuring 429.42 square kilometers in Moran, Sibsagar, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/60/2000.ONG.D.IV dated August 6, 2001	PEM. 66/59/Pt/30	December 18, 2001, w.e.f January 10, 2001	Valid for 20 years
Re-grant of the PML for an area measuring 560 square kilometers for Moran Extension, Sibsagar, under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/10/2006-ONG-III dated August 31, 2007	PEM.145/86/55	April 5, 2008, w.e.f November 1, 2006	Valid for 20 years
Regrant of PML for an area measuring 725.197 square kilometers in Hugrijan, Dibrugarh and Tinsukia, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/61/2000.ONG.D.IV dated August 2, 2001	PEM. 66/59/456	December 11, 2001, w.e.f January 9, 2001	Valid for 20 years
Re-grant of PML for an area measuring 506.21** square kilometers in Dum Duma in Dibrugarh, Tinsukia and Sibsagar districts, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/74/89-ONG.D.IV dated May 20, 1994	PEM. 41/95/16	June 28, 1995 w.e.f November 26, 1989	Valid for 20 years
Grant of PML for an area measuring 250 square kilometers in Tinsukia, Tinsukia district, by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/50/2000.ONG.D.IV dated August 2, 2000	PEM. 21/2000/21	December 7, 2001 w.e.f December 7, 2001	Valid for 20 years
Grant of PML for an area measuring 185 square kilometers in Tinsukia Extension in Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/49/1999-ONG/D-IV dated March 17, 2004	PEM.93/2003/89	February 17, 2005, w.e.f May 17, 2003	Valid for 20 years
Grant of PML for an area measuring 87 square kilometers in Borhapjan, Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/65/2000-ONG/D-IV dated August 7, 2001	PEM.9/2001/17	December 13, 2001, w.e.f December 7, 2000	Valid for 20 years
Grant of PML for an area measuring 189 square kilometers in Chabua area in Dibrugarh and Tinsukia by the Government of Assam under the PNG Rules pursuant to the approval of the GoI through letter no. O-12012/33/98-ONG/D-IV (PT) dated May 11, 2004	PEM.147/2002/27	May 12, 2005, w.e.f June 12, 2002	Valid for 20 years
Grant of PML for an area measuring 186 square kilometers in Dibrugarh, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI letter no. O-12012/46/2000-ONG-IV, dated August 6, 2001	PEM. 42/2000/19	December 14, 2001 w.e.f January 21, 1998	Valid for 20 years

Description	Reference Number	Date of issue	Date of Expiry/Conditions*
Grant of PML for an area measuring 131 square kilometers in Dholiya area in Dibrugarh and Sibsagar by the Government of Assam, under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/66/2000-ONG/D.IV dated August 2, 2001	PEM. 10/2001/30	December 20, 2001 w.e.f. October 18, 2002	Valid for 20 years
Regrant of PML for an area measuring 49.33 square kilometers in Digboi, Tinsukia, by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/62/2000.ONG.D.IV dated August 6, 2001	PEM. 82/82/pt-II/29	January 3, 2002 w.e.f October 13, 2001	Valid for 20 years
Grant of PML for an area measuring 75 square kilometers in Baghjan, Tinsukia by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/98/2003/ONG/D-IV dated April 15, 2004	PEM.93/2003/138	December 12, 2005, w.e.f May 14, 2003	Valid for 20 years
Grant of PML for an area measuring 195 square kilometers in Mechaki block, Tinsukia by the Government of Assam under the PNG Rules, pursuant to the approval of the GoI through letter no. O-12012/99/2003-ONG/D-IV dated April 8, 2004	PEM.93/2003/161	June 16, 2008, w.e.f May 19, 2003	Valid for 20 years
Arunachal Pradesh			
Approval for re-grant of PML for an area measuring 540.67 square kilometers in Ningru Block, Arunachal Pradesh, under the PNG Rules by the GoI	O-12012/60/2003-ONG/D/IV	January 23, 2004 w.e.f November 27, 2003	Valid for 20 years
Approval for re-grant of PML for an area measuring 75 square kilometers in Ningru Extension Block, Arunachal Pradesh, under the PNG Rules by the GoI	O-12012/4/1993-ONG/D-IV (Pt)	May 11, 2004, w.e.f June 4, 2003	Valid for 20 years
Rajasthan			
Grant of PML for an area measuring 250 square kilometers in Jaisalmer by the Government of Rajasthan	P17:38:Mine/Gr-1/96	July 8, 1996, w.e.f January 1, 1996	Valid for 20 years
Grant of PML for an area measuring 210 square kilometers in Baghewala, Jaisalmer and Bikaner, Rajasthan, by the Government of Rajasthan under the PNG Rules, pursuant to approval of the GoI through letter no. 0-12012/24/2004-ONG-IV dated March 23, 2004	F19(4) Mines/Gr.2/2003	June 30, 2004, w.e.f May 30, 2003	Valid for 20 years

** The PML is subject to the following conditions, among others:*
1. The lease is only in respect to crude oil and natural gas.
2. The lease is subject to the provisions of the Oilfields Act and PNG Rules.
3. Royalty on crude oil, condensate and natural gas and CBM shall be payable by our Company as per the terms of the PSC entered into between the lessee and GoI in respect to the said block/area at such rates as may be fixed by GoI in consultation with the State Government. Royalty shall be paid on monthly basis.
4. Necessary approval from the competent authority should be obtained for the reserved forest falling in the leased area. Our Company is permitted to carry out survey for oil exploration in the reserved forest area falling in such leased area without obtaining prior approval from MoEF, provided the survey does not involve cutting of trees. Our Company shall not carry out survey in specially protected areas like sanctuaries, national parks and sample plots demarcated by the forest department.

*** By letter dated June 28, 1995, our Company was granted an approval for an area of 668.22 square kilometers. However, by letter dated January 6, 2000, our Company was granted an approval for relinquishment of 162.01 square kilometers.*

Pending Application

1. Our Company has made an application dated August 11, 2008 to the Directorate of Geology & Mining, Government of Assam to convert an area measuring 105 square kilometers out of 133 square

kilometers of the Dumduma Extension PEL to Sapkaint PML. Furthermore, the Government of Assam vide letter dated March 21, 2009 has recommended to the MoPNG for grant of PML for Sapkaint area measuring 105 square kilometers to our Company for a period of 20 years.

2. Our Company has made an application dated April 9, 2009 to the Directorate of Geology & Mining, Government of Assam for an extension of the Dumduma PML for a period of 20 years with effect from November 26, 2009.

Petroleum Exploration Leases

(A) Nominated Blocks

Description	Reference Number	Date of issue	Date of Expiry
Arunachal Pradesh			
Approval for extension of PEL for an area measuring 370 square kilometers in Namsai block by the GoI	O-31018/56/2006-ONG-III	May 21, 2008 w.e.f November 25, 2007	Valid for a period of two years and five months

Pending Applications

Nominated Blocks

Assam

1. Our Company has made an application dated April 20, 2009 to the Director of Geology and Mining, Assam for an extension of the Dumduma Extension (Non Forest) PEL measuring 133 square kilometers for a period of two years with effect from August 1, 2009.

Arunachal Pradesh

1. Our Company has made an application dated April 4, 2009 to the Director of Geology and Mining, Arunachal Pradesh for an extension of the Namchik PEL measuring 195 square kilometers for a period of one year with effect from May 1, 2009.
2. Our Company has made an application dated February 6, 2009 to the MoPNG for an extension of the Deomali PEL measuring 113.50 square kilometers for a period of two years and six months (w.e.f. from February 18, 2009). However, the MoPNG vide letter dated July 1, 2009 has asked our Company to furnish some additional information for further consideration of the extension.

Brahmaputra River Bed

Our Company has made an application dated August 9, 2007 to the DGH proposing that parts of the seven previously expired PELs falling under the Brahmaputra river bed measuring 2144.24 square kilometers (located in Lakhimpur, Dibrugarh, Murkongselek-NF, Murkongselek-F, Tinsukia, Sadiya and Pasighat in Assam and Arunachal Pradesh) and the total previously relinquished area measuring 609.52 square kilometers in the same locations, to merged and be considered as one single block and that the PEL may be considered under the new BRB PEL.

Following the GoI order for surrender/relinquishment of the below mentioned PELs in Assam, our Company has made the following applications for re-grant of these PELs on the basis of committed minimum work programme.

1. Our Company has made an application dated March 12, 2009 to the Directorate of Geology and Mining, Assam, for a one year extension of the PEL (w.e.f April 1, 2009) for an area measuring 19 square kilometers in Dumduma Extension (Forest). The MoPNG vide letter dated April 23, 2009 asked for additional information from our Company for further consideration of the extension. Furthermore, the DGH vide letter dated May 6, 2009, has agreed to recommended to the MoPNG for consideration of grant of extension for a period up to the completion of well under drilling at the Dumduma Extension (Forest) PEL.

2. Our Company has made an application dated March 12, 2009 to the Directorate of Geology and Mining, Assam, for a one year extension of the PEL (w.e.f April 1, 2009) for an area measuring 184 square kilometers in Margherita. Further, our Company also made an application to the MoPNG vide letter dated April 6, 2009, for a one year extension of the Margherita PEL (w.e.f. April 1, 2009) for an area measuring 184 square kilometers in Margherita. The MoPNG vide letter dated April 23, 2009 asked for additional information from our Company for further consideration of the extension. However, the DGH vide letter dated May 6, 2009, asked our Company to relinquish the Margherita PEL w.e.f April 1, 2009. Thereafter, our Company made an application vide letter dated May 18, 2009 to the MoPNG, requesting them to consider the extension of the Margherita PEL for a period of one year.

3. Our Company has made an application dated March 12, 2009 to the Directorate of Geology and Mining, Assam, for a one year extension of the PEL (w.e.f April 1, 2009) for an area measuring 427 square kilometers in Dibrugarh. Further, our Company also made an application to the MoPNG vide letter dated April 6, 2009, for a one year extension of the Dibrugarh PEL (w.e.f. April 1, 2009) for an area measuring 427 square kilometers in Dibrugarh. However, the MoPNG vide letter dated April 1, 2009 and the DGH vide letter no. dated May 6, 2009, asked our Company to relinquish the Dibrugarh PEL w.e.f April 1, 2009. In the meantime, the MoPNG vide letter dated April 23, 2009 had asked for additional information from our Company for further consideration of the extension. Thereafter, our Company made an application vide letter dated May 18, 2009 to the MoPNG, requesting them to consider the extension of the Dibrugarh PEL for a period of one year.

4. Our Company has made an application dated March 12, 2009 to the Directorate of Geology and Mining, Assam, for a one year extension of the PEL (w.e.f April 1, 2009) for an area measuring 110 square kilometers in Borhat. Further, our Company also made an application to the MoPNG vide letter dated April 6, 2009, for a one year extension of the Borhat PEL (w.e.f. April 1, 2009) for an area measuring 110 square kilometers in Borhat. However, the MoPNG vide letter dated April 1, 2009 and the DGH vide letter dated May 6, 2009, asked our Company to relinquish the Borhat PEL w.e.f April 1, 2009. In the meantime, the MoPNG vide letter dated April 23, 2009 had asked for additional information from our Company for further consideration of the extension. Thereafter, our Company made an application vide letter dated May 18, 2009 to the MoPNG, requesting them to consider the extension of the Borhat PEL for a period of one year.

5. Our Company has made an application dated March 12, 2009 to the Directorate of Geology and Mining, Assam, for a one year extension of the PEL (w.e.f April 1, 2009) for an area measuring 480 square kilometers in Tinsukia. The MoPNG vide letter dated April 23, 2009 asked for additional information from our Company for further consideration of the extension. Furthermore, the DGH vide letter dated May 6, 2009, has agreed to recommended to the MoPNG for consideration of grant of extension for a period up to the completion of well under drilling at the Tinsukia PEL.

6. Our Company had made an application dated March 15, 2007 to the Director of Geology and Mining, Assam for extension of the Murkongselek (Non Forest) PEL. The extension applied for the non-riverine area of 328 square kilometers was for a period of 2 years w.e.f April 1, 2007. The extension applied for the riverine area of 325 square kilometers was for a period of 4 years from the date of clearance from the Pollution Control Board, Assam. The MoPNG vide letter dated December 5, 2007 asked our Company to relinquish the Murkongselek (Non Forest) PEL. However, vide letter dated April 20, 2009, the MoPNG has asked for additional information from our Company for further consideration of the extension. Additionally, our Company made another application to the DGH dated March 17, 2008, after review of the Murkongselek (Non Forest) PEL, for grant of the Murkongselek (Non Forest) PEL for a further period of two years. Our Company proposed to retain 31 square kilometers of non-riverine part and 418 square kilometers of the the riverine BRB part and decided to relinquish 204 square kilometers of non-riverine areas.

7. Our Company made an application dated March 15, 2007 to the Director of Geology and Mining, Assam, for the extension of the Murkongselek (Forest) PEL. The extension applied for the non-riverine area of 40 square kilometers was for a period of 2 years w.e.f. April 1, 2007. The extension applied for the riverine area of 55 square kilometers was for a period of 4 years from the date of clearance from the Pollution Control Board, Assam. The MoPNG vide letter dated December 5, 2007 asked our Company to surrender the Murkongselek (Forest) PEL. Thereafter, the MoPNG vide letter dated May 21, 2008 informed our Company that in case approvals from statutory authorities are not obtained before March

31, 2009, PEL in respect of Murkongselek would have deemed to have expired on March 31, 2007. The approval of the MoEF for diversion of 2.896 hectares of forest land for exploratory drilling was obtained vide letter dated July 1, 2008. Thereafter, our Company wrote to the MoPNG vide letter dated February 6, 2009, informing them that exact time of statutory delay can be quantified only after formalities such as public hearing, environmental clearance and a ‘no objection’ from PCB, Assam are obtained.

8. Our Company has made an application dated September 19, 2007 to the Director of Geology and Mining, Assam, for a two year extension of the PEL (w.e.f. November 18, 2007) for an area measuring 85 square kilometers in Dirak. The MoPNG vide letter dated November 15, 2007 asked our Company to relinquish the Dirak PEL. However, vide letter dated April 20, 2009, the MoPNG has asked for additional information from our Company for further consideration of the extension.

9. Our Company has made an application dated March 15, 2007 to the Director of Geology and Mining, Assam, for the extension of the Lakhimpur PEL. The extension applied for the non-riverine area of 1,605 square kilometers was for a period of 2 years w.e.f. December 20, 2006. The extension applied for the riverine area of 495 square kilometers was for a period of 4 years from the date of clearance from the Pollution Control Board, Assam. The MoPNG vide letter dated November 15, 2007 asked our Company to relinquish the Lakhimpur PEL. However, vide letter dated April 20, 2009, the MoPNG has asked for additional information from our Company for further consideration of the extension.

10. Our Company made an application dated March 15, 2007 to the Director of Geology and Mining, Assam, for the extension of the Sadiya PEL. The extension applied for the non-riverine area of 110 square kilometers was for a period of 2 years w.e.f. November 18, 2006. The extension applied for the riverine area of 455 square kilometers was for a period of 4 years from the date of clearance from the Pollution Control Board, Assam. The MoPNG vide letter dated April 27, 2007 asked our Company to surrender the Sadiya PEL. Thereafter, our Company made an application dated January 16, 2008 to the MoPNG for a re-grant of the Sadiya PEL for a period of two years.

Following the GoI order for surrender/relinquishment of the below mentioned PELs in Arunachal Pradesh, our Company has made the following application for re-grant of the following PEL on the basis of committed minimum work programme.

1. Our Company had made an application dated June 15, 2007 to the MoPNG for extension of the Jairampur and Jairampur Extension PEL for a period of 2 years (w.e.f. April 1, 2007) for an area measuring 18 square kilometers and 23.25 square kilometers respectively. The MoPNG vide letter dated September 17, 2008 asked our Company to relinquish the Jairampur and Jairampur Extension PELs. However, vide letter dated April 20, 2009, the MoPNG has asked for additional information from our Company for further consideration of the extension.

(B) NELP Blocks (where our Company is the Operator)

Description*	Reference Number	Date of issue	Date of Expiry/Conditions**
Regrant of PEL for block RJ-ONN-2001-1 (NELP III) measuring 1,698 square kilometers in Siyasar block in Bikaner and Ganganagar by the Rajasthan Government, pursuant to the grant by the Rajasthan Government through letter no. P19(2) Mine/Gr-2/2003 dated July 23, 2003	P19(2) Mine/Gr-1/2003	April 9, 2003 w.e.f. July 23, 2007	Valid for three years
Grant of PEL for block RJ-ONN-2002/1 (NELP IV) measuring 7,425 square kilometers, in Jaisalmer, by the Rajasthan Government, pursuant to the approval of the GoI through a letter no. O-12012/04/2004-ONG/D-IV, dated March 23, 2004	F.18(6)Mines/GrII/2004	Jun 22, 2004 w.e.f. March 23, 2004	Valid for seven years
Grant of the PEL for block AA-ONN-2002/3 (NELP IV) measuring 1,460 square kilometers in the Karbi-Anglong and N.C. Hill, Assam to a consortium of our Company	PEM.89/2003/53	February 5, 2005	Valid for seven years

Description*	Reference Number	Date of issue	Date of Expiry/Conditions**
and ONGC by the Government of Assam, pursuant to the approval of the GoI through letter no. O-12012/8/2004-ONG/D-IV dated March 17, 2004			
Grant of PEL for block AA-ONN-2003/3 (NELP V) measuring 275 square kilometers in Sadiya, Tinsukia District, Assam to a consortium of our Company and HOEC by Government of Assam, pursuant to the approval of the GoI through letter no. O-12012/13/2005 dated July 10, 2006	PEM.64/2005/53	October 19, 2006	Valid for seven years
Grant of PEL for block AA-ONN-2004/1 (NELP V) measuring 144 square kilometers in Sibsagar and Dibrugarh, Assam to a consortium of our Company and Shiv Vani Oil, by Government of Assam under the PNG Rules	PEM.36/2007/36	June 13, 2007	Valid for seven years
Grant of PEL for block AA-ONN-2004/2 (NELP VI) measuring 218 square kilometers in Dibrugarh, Assam, to consortium of our Company and Suntera Cyprus by Government of Assam under the PNG Rules	PEM.36/2007/36	June 13, 2007	Valid for eight years
Grant of PEL for block RJ-ONN-2004/2 measuring 2,196 square kilometers in the districts of Bikaner and Jaisalmer, Rajasthan, to consortium of our Company and Geo Global Resources (Barbados) Inc, by the Government of Rajasthan, pursuant to the approval of the GoI through letter no. O-12012/6/2007-ONG/III dated March 14, 2007	F.18(3)Mines/Gr.2/2007	January 21, 2008	Valid for seven years
Grant of PEL for block RJ-ONN-2004/3 measuring 1,330 square kilometers in the districts of Bikaner and Jaisalmer, Rajasthan, to consortium of our Company, Geo Global Resources (Barbados) Inc and HPCL, by the Government of Rajasthan, pursuant to the approval of the GoI through letter no. O-12012/6/2007-ONG/III dated March 14, 2007	F.18(2)Mines/Gr.2/2007	January 21, 2008	Valid for seven years
Grant of PEL for block KG-ONN-2004/1 (NELP VI) measuring 511 square kilometers in East Godavari District, to consortium of our Company and Geo Global Resources (Barbados) Inc, pursuant to the approval of the GoI through letter no. O-12012/74/2007/ONG-III dated July 18, 2007	G.O.Ms No. 48	February 16, 2008	Valid for four years
Grant of PEL for block MZ-ONN-2004/1 (NELP VI) measuring 3,213 square kilometers in Mizoram to consortium of our Company, Suntera Cyprus and Shiv Vani Oil pursuant to approval of the GoI through letter no. O-19018/16/2006-ONG.VI dated February 12, 2007	B.19011/82/2007-IND	February 6, 2008 w.e.f. May 25, 2007	Valid for eight year
Approval of the GoI to award the block RJ-ONN-2005/2 (NELP VII) measuring 1,517 square kilometers in Rajasthan to consortium of our Company, Hindustan Oil Exploration Company Limited, HPCL and Mittal Energy Limited	O-19018/12/2008-ONG-I	December 1, 2008	Valid for seven years

** From time to time, we relinquish portions of our explorations acreages. The areas mentioned hereinabove refer to the current acreage held by us in the blocks.*

****** *The PEL is, inter alia, subject to the following conditions:*
1. Our Company is required to adhere to the provisions of the Oilfields Act and PNG Rules
2. Grant is with respect to the work program submitted by our Company along with the application.

3. No right to explore for coal/lignite bed methane from the PEL area.
4. If any reserve forest is included in the PEL area, necessary approval from the competent authority will be required.
5. Our Company is permitted to carry out surveys for oil exploration in the reserved forest falling within such licensed area without obtaining prior clearance of the MoEF, GoI under the Forest Conservation Act,1980 as long as the surveys do not involve cutting of trees. However, our Company is not permitted to carry out such surveys in specially protected areas such as the wildlife sanctuary, national park and preservation or sample plots demarcated by the Forest Department.

Pending Applications

1. Our Company has made an application dated June 4, 2009 addressed to the Government of Rajasthan, for the extension of the PEL for block RJ-ONN-2000/1 measuring 899 square kilometers in the district of Jaisalmer up to the end of the exploration period i.e. November 21, 2009;
2. Our Company has made an application for the grant of the PEL dated March 22, 2007 addressed to the Government of Pondicherry, for block KG-ONN-2004/1 measuring 38 square kilometers in onland areas of Yanam, Pondicherry subsequent to the execution of the PSC on March 2, 2007; and
3. Our Company has made an application for grant of PEL dated January 2, 2009 addressed to the Government of Rajasthan, for block RJ-ONN-2005/2 measuring 1,517 square kilometers in Jaisalmer, Rajasthan for a period of seven years.

Approvals under the Forest Conservation Act, 1980 ("Forest Conservation Act")

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Permission to carry out seismic survey operations in Joypore and Dillibari Reserve Forests for petroleum exploration granted by Principal Chief Conservator of Forest	GC/87/07/1807-808	March 21, 2007	Not applicable
Permission to carry out seismic survey operations in Upper Dehing Reserve Forest (West Block) and Upper Dehing Reserve Forest (East Block) granted by Principal Chief Conservator of Forest, Assam	FG.27/Nodal Seismic Survey/OIL/Digboi	February 14, 2007	Not applicable
Permission to carry out seismic survey operations in Duarmara Reserve Forest granted by the Principal Chief Conservator of Forest, Assam	FG.27/Nodal/Seismic survey/Oil Doom Dooma	February 14, 2007	Not applicable
Permission to carry out seismic survey operations in Namdang, Telpani and Jokai for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	GC/87/07/724-25	February 6, 2007	Not applicable
Permission to carry out seismic survey operations in Sapekhati Reserve Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG 27/Nodal/Seismic Survey OIL- Sibsagar	November 30, 2006	Not applicable
Permission to carry out seismic survey operations in Poba and Gali Reserve Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG 27/Nodal/Seismic Survey/OIL/Dhemaji	November 30, 2006	Not applicable
Permission to carry out seismic survey operations in Phillobari, Nalani, Takauni, Tarani and Kakojan Reserved Forests for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG- 27/Nodal/Seismic Survey/OIL/Dumduma	April 6, 2006	Not applicable
Permission to carry out seismic survey operations in Phillobari, Naloni, Takauni, Kakejan and Tarani Reserve Forest by the Divisional Forest Dumduma & Khatang Pni range, Tinsukia granted by the Principal Chief Conservator of Forest,	GL.123(MISC)06/1670-73 DT	April 6, 2006	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
Assam			
Assam			
Permission to carry out seismic survey operations in Buridehing Reserve Forest granted by the Principal Chief Conservator of Forest, Assam	FG.27/Nodal/Seismic survey/Oil Doom Dooma	March 7, 2006	Not applicable
Permission to carry out seismic survey operations in Kotha, Bogapani and Upper Dehing (East Block) Reserved Forest for petroleum exploration granted by Principal Chief Conservator of Forest, Assam	FG. 27/Nodal/Seismic Survey/Digboi Division	August 17, 2005	Not applicable
Final approval for diversion of 2.896 hectares of forest land for exploratory drilling location 'MSC', falling under the Murkongselek (Forest) Area by MoEF	No.3-AS B 053/2007-SHI/1342-44	July 1, 2008	Not applicable
Arunachal Pradesh			
Permission to carry out seismic survey operations for petroleum exploration over an area of 9,259 hectare in Manabum, Noa- Dehing, Namsai, Koriapani, Kotha and Miao reserved forest granted by MoEF	11-92/2005-FC	November 24, 2005	Not applicable

** The permission is subject to, inter alia, the following conditions.*
1. Survey and investigation work is restricted only to hydro carbon exploration.
2. No survey and investigation works are to be carried out in the national park/wildlife sanctuaries and sample plots demarcated by the forest department..
3. If any crater is created, it must be sealed to the original level.
4. No camp hut shall be allowed to be erected inside the forest hut.

Pending Applications

1. Our Company has made an application dated July 5, 2007 to the Divisional Forest Officer, Sibsagar for seeking permission to carry out seismic survey operations in Abhoypur Reserve Forest.
2. Our Company has made an application dated May 29, 2008 to the Divisional Forest Officer, Jairampur for seeking a two years extension to carry out seismic operation in Namchik and Namphai Reserve Forest granted to us vide letter no. FOR.8-32/CONS/2005/14093-95 dated September 22, 2006.
3. Our Company has made an application dated May 20, 2008 to the Divisional Forest Officer, Digboi vide letter no. HGP/A.2/02 seeking permission to carry out seismic survey operations in the Tinkopani and Namphai Reserve Forest for petroleum exploration.
4. Our Company has made an application dated July 11, 2008 to the Divisional Forest Officer, Miao vide letter no. HGP/A.2/02/forst-A.P. seeking permission to carry out seismic survey operations in the Koriapani and Namsai Reserve Forest for petroleum exploration.
5. Our Company has made an application dated July 10, 2008 to the Divisional Forest Officer, Dumduma vide letter no. HGP/A.2/02/Tarani seeking permission to carry out seismic survey operations in the Tarani Reserve Forest for petroleum exploration.

Approvals for the Pipeline Project

Our Company has received the following major approvals in relation to our Pipeline Project.

Description	Reference Number	Date of issue	Date of Expiry
Approval from the DGMS			
Permission under the Oil Mines Regulations for laying out and maintenance of pipelines of 1,157 km between Nahorkatiya (Assam) and Barauni (Bihar) via Noonmati (Guwahati)	S2/Oil/1778	September 29, 2004	Not applicable
Approval under the Oil Mines Regulations, for construction of 112 km pipeline loops between repeater stations at Kaziranga and Ghani and between Noonmati and Barpeta repeater stations	MII/011/105/76/7780 of 24- 0578	May 24, 1976	Not applicable
Permission under the Oil Mines Regulations for laying a multi product pipeline from Numaligarh	S2/48-49	January 13, 2005	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
(Assam) to Siliguri (West Bengal)			
Permission under the Oil Mines Regulations for laying and commissioning of a 47.6 km of 16 inch diameter pipeline from Ghani repeater station to Jagi road repeater station	S2/1825	October 14, 2004	Not applicable
Permission under the Oil Mines Regulations for laying and occasioning of 13.2 km long, 16 inch diameter pipeline with accessories between Badulipara repeater station and Numaligarh refinery	S4/AS/Oil/Perm/13(96)/732	August 1, 1997	Not applicable
Permission under the Oil Mines Regulations for two scraper traps with valve and fittings at Ghani and Jagiroad repeater station	S2/1985	November 17, 2004	Not applicable
Approval under the Oil Mines Regulations for construction of a pump station at Barauni for pumping crude oil to Bongaigaon	S4/735	May 26, 2000	Not applicable
No objection to the construction of pump station at Tengakhat in the district of Dibrugarh, Assam	S29020/28/2007/RN2(EZ)/100009/2657	September 12, 2007	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at repeater station number 10 at Pratapkhat, number 11 at Chepani, number12 at Binaguri, number13 at Udlabari, number14 at Kishanganj, number 15 at Belgachi, number 16 at Thanabihpur and number 17 at Khagaria	S4/744	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at pump station number 6 at Bongaigaon	S4/749	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant alteration in pipeline interchangeability of scraper traps at pump station number 7 at Madarihat, number 8 at Sonapur, and number 9 at Domer	S4/754	May 31, 2000	Not applicable
Permission under the Oil Mines Regulations for carrying out significant changes/alteration at river crossings in 16 inch diameter and 14 inch diameter existing Nahorkatiya (Assam) - Barauni (Bihar) pipeline	S29020/27/2007/RN2(EZ)/100009/2743-45	September 18, 2007	Not applicable
Approval from the PESO			
Approval for laying and commissioning of Nahorkotiya to Barauni Crude Oil Pipeline	P.2(4)385	January 5, 2001	Not applicable
Approval for laying and commissioning of 16 km long 16'' diameter pipeline with accessories between Badulipar repeater station and Numaligarh in Golaghat, Assam	P.2(4) 227	January 5, 2000	Not applicable
Approval for laying of pipeline under the pipeline expansion project from Numaligarh to Siliguri	P2(4)492	October 26, 2004	Not applicable
Renewal of Licence for importation and storage of 4,546 L of the Petroleum Class A, 18,184 of Petroleum Class B at Dumar, Jharkhand	P/EC/BI/16/150(P224440)	January 14, 2009	December 31, 2011
Renewal of Licence for importation and storage of 1,269 KL of the Petroleum Class A and storage at Sonapur, Dakshin Dinajpur, West Bengal	P/HQ/WB/15/74(P321)	March 26, 2009	December 31, 2011
Renewal of Licence for importation of 4.546 KL of the Petroleum Class A, 4.546 KL of the Petroleum Class B and 13.638 KL of the Petroleum Class C and storage at thereof at Sonapur, Uttar Dinajpur, West Bengal	P/EC/WB/16/146 (P 188888)	March 26, 2009	December 31, 2011
Renewal of licence for importation and storage of 500 KL of the Petroleum Class A at Udayan Vihar, Numaligarh, Golaghat, Assam	P/HQ/AS/15/418 (P1399)	May 4, 2009	December 31, 2011
Renewal of Licence for importation and storage of 15 KL of the Petroleum Class A at Guwahati,	P/EC/AS/14/85(P51977)	March 13, 2009	December 31, 2011

Description	Reference Number	Date of issue	Date of Expiry
Kamrup, Assam			
Renewal of licence for importation and storage of 30,000 KL of petroleum of class B at Jorhat, Assam	P/HQ/AS/15/248 (P968)	January 22, 2009	December 31, 2011
Renewal of licence for importation and storage of 1,281.5 KL of the Petroleum Class A at Chegaligam, Sibsagar, Assam	P/HQ/AS/15/38(P406)	January 22, 2009	December 31, 2011
Renewal of explosive licence No. GE (LPG) - 145/AS for the possession of cylinder filled with compressed gas at Birkuchi, Assam	G/EC/AS/06/11 (G8602)	September 24, 2008	September 30, 2011
Renewal of Licence for importation and storage of 3,781 KL of the Petroleum Class A at Rangali, Assam	P/HQ/AS/15/39(P407)	January 22, 2009	December 31, 2011
Renewal of Licence for importation and storage of 38,149 KL of the Petroleum Class A at Bongaigaon, Golpara, Assam	P/HQ/AS/15/87 (P486)	March 24, 2009	December 31, 2011
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A, 4,545 L of the Petroleum Class B and 13,637 of Petroleum Class C at Sakoni, Nowgong, Assam	P/EC/AS/16/85(P118088)	January 22, 2009	December 31, 2011
Renewal of licence for importation and storage of 4,545 L of the Petroleum Class B and 13,637 of Petroleum Class C at Jorhat, Assam	P/EC/AS/16/145 (P145389)	January 22, 2009	December 31, 2011
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A, 4,545 L of the Petroleum Class B and 13,600 of Petroleum Class C at Guwahati, Kamrup, Assam	P/EC/AS/16/24 (P117903)	January 22, 2009	December 31, 2011
Renewal of Licence for importation and storage of 1,269.2 KL of the Petroleum Class A at Dumar, Hazaribagh, Jharkhand	P/HQ/BI/15/112 (P9223)	December 11, 2008	December 31, 2011
Renewal of Licence for importation and storage of 4,545 L of the Petroleum Class A and 4,545 L of Class B and 13,637 L at Bongaigaon, Golpara, Assam	P/EC/AS/16/38(P117957)	January 22, 2009	December 31, 2011
Renewal of license for importation and storage of 1244.5 KL of petroleum class A & B at Barauni, Begusrai, Bihar	P/HQ/BI/15/408(P9616)	June 24, 2008	December 31, 2011
Renewal of license for installation for storing 14.5 KL of petroleum class A at dispatch station, Numaligarh, Golaghat, Assam	P/HQ/AS/15/803(P163296)	January 22, 2009	December 31, 2011
Approval from the PCB			
Consent to operate under the Water Act and Air Act for the unit at Numaligarh Terminal, Siliguri	16890	June 11, 2008	October 31, 2010
No objection certificate for pipeline expansion project from Numaligarh to Siliguri	WB/Z-1/T-3072/04-05/117/1892	November 9, 2004	Not applicable
Approvals under the Forest Conservation Act			
Approval for diversion of 35.63 hectares of forest land (i.e. 9.20 hectare in Mahananda Wildlife Sanctuary, 23.249 hectares in Buxar Tiger Reserve Forest and 3.184 hectare in North Barjhar Reserve Forest, Jaldapara) in West Bengal for laying an oil pipeline by the MoEF	5-WBC007/2006/BHU	January 31, 2007	Not applicable
Approval for diversion of 18.53 hectares (two hectares in Diana Reserve Forest, 7.531 hectares in Upper Tandu Reserve Forest, 2.40 hectares in Baikunthpur Reserve Forest in district of Jalpaiguri and 6.60 hectares in Mongpong Reserve Forest) of forests in Darjeeling, West Bengal by the MoEF	5-WBC004-2006/BHU	July 9, 2006	Not applicable
Consent for diversion of 1.0 hectares of forest land for laying of pipeline parallel to existing pipeline crossing Panbari Reserve Forest, issued by the Government of West Bengal	3789 For/FR/O/L/10T/4/2001	April 8. 2005	Not applicable
In principle approval for diversion of 0.5 hectares of forest land for laying of a product pipeline along with the existing pipeline under the Goma,	3ASB009/2005-SIII/3293-75	February 1, 2005	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
Phukagaon and Magurmari Reserve Forests, Kokrajhar, Assam by the MoEF			
Consent to expand the existing pipeline system within its existing right of way from Numaligarh to Siliguri by the MoEF	J-11011/108/2005-IA II(1)	September 21, 2004	Not applicable
Permission for laying pipe line within the Kaziranga National Park, issued by the Government of Assam, office of the Chief Conservator of Forests	Number WLF/FG 35/Nodal Proposal/2003 - 4	September 9, 2004	Not applicable
Miscellaneous Approvals			
Approval from the Central Electricity Authority, Ministry of Power for the energization of 63 kVA, DG set and associated electrical distribution system at 'Siliguri Marketing Terminal Point', NRL complex, Siliguri	RIO/ER/Oil India/644	May 2, 2008	May 1, 2010
Approval from the Central Electricity Authority, Ministry of Power for energisation of HV/MV installation at OIL pumping station at Numaligarh Refinery Complex, Numaligarh	RIO/NER/OIL/Numaligarh	August 11, 2008	April 10, 2010
No objection to lay a product pipeline from Numaligarh refinery to Siliguri (Rangapani) issued by the District Magistrate, Darjeeling, West Bengal	172/J(Arms)	August 9, 2006	Not applicable
No objection for construction of terminal facilities at the Numaligarh refinery issued by District Magistrate, Golaghat, Assam	GAW 18/2005/16	March 21, 2006	Not applicable
Approval by the local military authority for the laying of a second pipeline through military station, Narangi, as per conditions laid down by the Defence Estate Officer	6555/8/Gen/Q3/PC-5	April 23, 2005	Not applicable
Approval by office of the Defence Estates Officer, Guwahati Circle for laying of an oil pipeline on the existing pipeline route passing through military station, Narangi	DEO/GAU/LANDS/R-5/14/485	March 15, 2005	Not applicable
Permission for expanding pipeline on certain villages in Jalpaiguri, issued by the Government of West Bengal, office of the District Magistrate, Jalpaiguri, West Bengal	177/J	February 17, 2005	Not applicable
Approval by North Bengal Flood Control Commission, West Bengal, to increase the number of crossings of water bodies along the pipeline in the pipeline expansion project from Numaligarh to Siliguri	590/M-3/NBFC	December 31, 2004	Not applicable
Permission for expanding pipeline through certain villages in Darjeeling district, issued by the Government of West Bengal, office of the District Magistrate, Darjeeling, West Bengal	680/J	November 10, 2004	Not applicable
No objection for laying 16 inch pipe line through Cooch Bihar district, issued by the Government of West Bengal, office of the District Magistrate, Cooch Bihar	1/903/III 9	September 3, 2004	Not applicable
Approval by the Water Resources Department, Guwahati, Assam, for laying pipeline in the pipeline expansion project from Numaligarh to Siliguri	WR(C)167/2004/37	August 18, 2004	Not applicable
Approval granted by the Water Resources Department, Guwahati, Assam, for laying a 16'' diameter pipeline across rivers in alignment with right of way, in the pipeline expansion project from Numaligarh to Siliguri	WR(G)8/2004/71	August 17, 2004	Not applicable
No objection for expansion of pipeline through certain villages in Guwahati district, issued by the Government of Assam, office of Deputy Commissioner, Barpeta, Guwahati, Assam	BRLA 19/99/85 A	August 16, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Bongaigaon, issued by the	3/98/Pt/291	August 2, 2004	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
Government of Assam, office of the Deputy Commissioner, Bongaigaon, Assam			
Approval for expansion of pipeline parallel to the existing pipeline at Kokrajhar, issued by the Government of Assam, office of the Deputy Commissioner, Kokrajhar, Assam	KDO 1/2003/13	July 29, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Golaghat, issued by the Government of Assam, office of the Deputy Commissioner, Golghat, Assam	GRS 44/2003/9	July 8, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Morigaon, issued by the Government of Assam, office of the Deputy Commissioner, Morigaon, Assam	MRK 8/2004/12	June 28, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Kamrup, issued by the Government of Assam, office of the Deputy Commissioner, Kamrup, Assam	KAV 38/2004/9	June 22, 2004	Not applicable
Approval for expansion of pipeline parallel to the existing pipeline at Nagaon, issued by the Government of Assam, office of the Deputy Commissioner, Nagaon, Assam	NRQ (OIL) 4/2004/8	June 9, 2004	Not applicable

Applications made

1. Our Company has made an application (PL/S&E/EXPL/3-2/162) dated November 3, 2008 to the Controller of Explosives for the renewal of explosive licence No. PHQ/WB/15/73(P320) for the importation and storage of 1,269 KL of petroleum class A at Jalpaiguri, West Bengal;

2. Our Company has made an application (PL/S&E/9-3/144) dated May 21, 2009 to the PCB, Assam for renewal of license to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste at pump station number 4 at Sekoni, Assam;

3. Our Company has made an application (PL/S&E/9-4/145) dated May 21, 2009 for renewal of license to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste at pump station number 5 at Noonmati, Assam;

4. Our Company has made an application (PL/S&E/9-5/146) dated May 21, 2009 to operate a facility for collection, reception, treatment, transport, storage and disposal of hazardous waste at pump station number 6 at Bongaigaon, Assam;

5. Our Company has made an application (PL/S&E/9-2/143) dated May 21, 2009 to operate a facility for storage and disposal of hazardous waste at pump station number 3 at Jorhat, Assam;

6. Our Company has made an application (OIL/PLP/PEP-NSPL/6-4(i)/1201) dated February 18, 2009 to the PCB, Assam for consent to operate under the Water Act and Air Act for the year 2009-10 for the pipeline expansion project from Numaligarh to Siliguri product pipeline;

7. Our Company has made an application (S&E/E/26/748) dated June 22, 2009 for renewal of approval in relation to the collection, reception, treatment, storage, transport and disposal of hazardous waste at oil fields at Moran, Digboi and Duliajan;

8. Our Company has made an application (PL/S&E/EXPL/3-2/161) dated November 5, 2008 to the Controller of Explosives, West Bengal for renewal of license for importation and storage of 4.50 KL of Petroleum Class and A and 18,184 of Petroleum Class B at Madarihat, Jalpaiguri, West Bengal; and

9. Our Company has made an application (PL/S&E/EXPL/3-2/164) dated November 3, 2008 to the Controller of Explosives, West Bengal for renewal of license for importation and storage of 14.50 KL of Petroleum Class and A at the 'Siliguri Receiving Terminal' in Siliguri, West Bengal.

Miscellaneous Licences

Permanent Account Number (PAN)

Description	Reference Number	Date of issue	Date of Expiry
PAN allotted by the Joint Commissioner of Income Tax, Dibrugarh, Assam	AAACO2352C	January 17, 2000	Not applicable

Central Excise Registrations

Description	Reference Number	Date of issue	Date of Expiry
Central Excise Registration issued under the Central Excise Rules, 2002 ("**Central Excise Rules**") by the Deputy Commissioner Central Excise, Dibrugarh, Assam, for our operations at Assam	AAACO2352CXM002	September 8, 2003	Not applicable
Central Excise Registration issued under the Central Excise Rules by the Deputy Commissioner of Central Excise, Jodhpur, Rajasthan, for our operations at Rajasthan	AAACO2352CXM001	April 16, 2003	Not applicable

Service Tax Registrations

Description	Reference Number	Date of issue	Date of Expiry
Registration under the Finance Act, 1994, issued by the Assistant Commissioner, Central Excise, Dibrugarh, Assam, for our operations in Duliajan, Assam	AAACO2352CST007	January 31, 2006	Not applicable
Registration under the Finance Act, 1994, issued by the Central Excise Division, Jodhpur, Rajasthan, for our operations in Jodhpur, Rajasthan	3563/ST/TIC/JDR104	May 28, 2004	Not applicable
Registration under the Finance Act, 1994, issued by the Central Excise Division, Bhubaneswar, Orissa, for our operations in Bhubaneswar, Orissa	AAACO2352CST009	April 30, 2009	Not applicable

Importer Exporter Code Registration

Description	Reference Number	Date of issue	Date of Expiry
Importer Exporter Code issued by GoI, Ministry of Commerce, Foreign Trade Department	1488000930	July 28, 1988	Not applicable

Sales Tax Registrations

Description	Reference Number	Date of issue	Date of Expiry
Registration as a trader, allotted under the Central Sales Tax (Registration and Turnover) Rules, 1957 ("**CST Rules**"), for our office at Duliajan, Assam	CST - 18759918502	January 3, 1985	Not applicable
Registration as a trader allotted under the CST Rules, for our office at Jodhpur,	CST/1932/01932	September 13,1996 w.e.f. August 16, 1996	Not applicable

Description	Reference Number	Date of issue	Date of Expiry
Rajasthan			
Registration as a dealer allotted under the CST Rules, for our office at Bhubaneswar, Orissa	BHC (Central)914	February 27, 1980	Not applicable
Registration as a dealer allotted under the Assam Value Added Tax (Registration and Turnover) Rules, 2005 for our office at Duliajan, Assam	18620023278	May 1, 2005	Not applicable
Registration as a dealer allotted under the Assam Entry Tax (Registration and Turnover) Rules, 2001 for our offices at Duliajan	NHR/ETAX/0025	June 1, 2008	Not applicable
Registration as a dealer allotted under the Central Sales Tax Act for our place of business at Khumsai, Arunachal Pradesh	CST/CLG/15/01/2004	December 9, 2004	Not applicable
Registration as dealer allotted under the Arunachal Pradesh Goods Tax Act, 2005 for our place of business at Khumsai, Arunachal Pradesh	12120034105	April 1, 2005	Not applicable

Registration for Infrastructure Provider Category

Description	Reference Number	Date of issue	Date of Expiry
Registration as an Infrastructure Provider category-I to establish and maintain the assets including dark fibres, right of way, duct space and tower to grant on lease/rent/sale basis to the licensee of telecom services licensed by the Department of Telecommunications, GoI	64/2003	February 17, 2003	Not applicable

Registrations under the local Shops and Establishments Acts

Description	Reference No.	Date of Issue	Date of Expiry
Registration certificate issued by the Inspector of Shops for our Company's corporate office in Noida, Uttar Pradesh under the Uttar Pradesh Shops and Commercial Establishments Act, 1962	35/24	February 23, 1998	March 31, 2011
Registration certificate issued by the Office of Labour Commissioner, for our Company's office in Jodhpur, Rajasthan under the Rajasthan Shops and Establishments Act, 1958	0/2666/85	July 27, 1985	Not applicable
Registration certificate issued by the Office of Labour Commissioner, for our Company's office in Jodhpur, Rajasthan under the Rajasthan Shops and Establishments Act, 1958	0/267/85	July 27, 1985	Not applicable
Registration certificate issued by the Inspector of Shops and Establishments, for our Company's office in Kolkata, West Bengal under the West Bengal Shops and Establishments Act, 1963	CAL/HARE/P-II/16556	May 15, 1983	Not applicable

Employee Provident Fund Registration

Description	Reference No.	Date of Issue	Date of Expiry
Approval for the Oil India Limited Staff	8/P.Fund/JDL/77-78/14126-	January 30, 1982	Not applicable

Provident Fund by the Commissioner of Income Tax, Shillong	28		
Approval for the Oil India Limited Employees Provident Fund by the Commissioner of Income Tax, Shillong	8/P.Fund/JDL/77-78/14129-31	January 30, 1982	Not applicable
Approval for the Oil India Employees Pension Fund by the Commissioner of Income Tax, Shillong	37/SF/CA/97-98/1190-91	February 9, 1998	Not applicable

Intellectual Property Registrations

Applications pending

Our Company has made the following applications for the registration of our logo under the Trademarks Act, 1958:

1. Application dated November 23, 2007 for registration of our logo under class 42 in respect of "carrying out various seismic surveys for exploration and drilling";
2. Application dated November 23, 2007 for registration of our logo under class 39 in respect of " transportation of crude oil and finished products";
3. Application dated November 23, 2007 for registration of our logo under class 4 in respect of "production of hydrocarbon (crude oil and natural gas), transportation of crude oil and finished products and production and packaging of LPG cylinders"; and
4. Application dated November 23, 2007 for registration of our logo under class 36 in respect of "acquisition of overseas properties and acreages".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

Our Board, through its resolution dated September 12, 2007, has authorised this Issue subject to the approval of our shareholders under section 81(1A) of the Companies Act. Our shareholders have authorised this Issue, through special resolution dated October 31, 2007 under section 81(1A) of the Companies Act.

Approvals from the MoPNG

The MoPNG through letter no. G-34014/2/2000-Fin.III, dated September 11, 2007, granted approval for an initial public offering of 11% of our post-Issue paid-up capital (including a reservation of 1% of the post issue paid up capital for our employees).

Prohibition by SEBI

Our Company, our Directors, our Promoter and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI and have not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoter in the past or pending against our Promoter.

Eligibility for the Issue

We are eligible for the Issue as per Clause 2.2.1 of the SEBI Guidelines as:

- We have net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets comprising of cash and bank balances;
- We have a pre-Issue net worth of not less than Rs. 10 million in each of the three preceding full years;
- We have a track record of distributable profits as per Section 205 of Companies Act for at least three out of immediately preceding five years; and
- We have not changed our name in the last one year.

The Issue size of up to Rs. [●] million aggregates Rs [●] million. The said aggregate, i.e., Rs. [●] million, does not exceed five times the pre-Issue net worth as per the audited accounts for fiscal 2009 which is Rs. [●] million (i.e., 5 x Rs. [●] million = Rs. [●] million).

Our Company's net profit, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Red Herring Prospectus under "***Financial Statements***", as at, and for the last five years ended fiscal 2009 are set forth below:

(Rs. in million)

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Net Tangible Assets*	102,884.35	87,716.33	76,238.19	66,220.13	53,929.84
Monetary Assets**	60,700.08	42,808.25	32,756.96	31,105.02	18,640.39
Monetary Assets as a % of Net Tangible Assets	59.00	48.80	42.97	46.97	34.56
Net profits, as restated (i.e. distributed profits as per section 205 of the Companies Act)	22,308.50	17,795.97	15,403.91	18,370.91	10,808.45
Net worth, as restated	93,870.47	79,045.53	68,199.79	59,215.82	46,619.87

* *Net tangible assets are defined as the sum of net fixed assets, producing properties, pre-producing properties, investments, current assets, loans and advances less current liabilities and provisions (excluding deferred tax liability (net)).*

** *Monetary assets include cash and bank balances. Detailed figures are given in "**Financial Statements**" on page 152.*

Hence, we are eligible for the Issue under Clause 2.2.1 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of Allottees, i.e. persons to whom our Equity Shares will be allotted under the Issue shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED & MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE BOOK RUNNING LEAD MANAGERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED & MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED

DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH OTHER DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SEBI GUIDELINES AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(III) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.*

(IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

(V) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(VI) WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(VII) WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI GUIDELINES SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE

(VIII) WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE, ARE NOT APPLICABLE TO THE ISSUER.

(IX) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(X) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.

(XI) WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.-NOT APPLICABLE.

(XII) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME."

***PLEASE NOTE, HOWEVER,**

- **THAT THE SEBI REGISTRATION OF ONE OF THE BOOK RUNNING LEAD MANAGERS TO THE ISSUE, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, WAS VALID UP TO AUGUST 15, 2009. THE APPLICATION FOR RENEWAL OF THE CERTIFICATE OF REGISTRATION IN THE PRESCRIBED MANNER HAS BEEN MADE BY JM FINANCIAL CONSULTANTS PRIVATE LIMITED ON MAY 11, 2009 TO SEBI, THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992. THE APPROVAL OF SEBI IN THIS REGARD IS PRESENTLY AWAITED. NO COMMUNICATION HAS BEEN RECEIVED FROM SEBI REJECTING THE SAID APPLICATION;**
- **THAT THE SEBI REGISTRATION OF ANOTHER ONE OF THE BOOK RUNNING LEAD MANAGERS TO THE ISSUE, HSBC SECURITIES AND CAPITAL MARKETS (INIDA) PRIVATE LIMITED, WAS VALID UP TO FEBRUARY 21, 2009. THE APPLICATION FOR RENEWAL OF THE CERTIFICATE IN THE PRESCRIBED MANNER HAS BEEN MADE BY HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED ON NOVEMBER 20, 2008 TO SEBI, THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKER) REGULATIONS, 1992. THE APPROVAL OF SEBI IS PRESENTLY AWAITED. NO COMMUNICATION HAS BEEN RECEIVED FROM SEBI REJECTING THE SAID APPLICATION; AND**
- **THAT THE CERTIFICATE OF REGISTRATION GRANTED TO KARVY COMPUTERSHARE PRIVATE LIMITED, THE REGISTRAR TO THIS ISSUE, TO ACT AS CATEGORY I REGISTRAR AND SHARE TRANSFER AGENT HAS EXPIRED ON JULY 31, 2009. KARVY COMPUTERSHARE PRIVATE LIMITED HAS APPLIED, FOR RENEWAL OF SUCH REGISTRATION, TO SEBI ON APRIL 30, 2009.**

The filing of the Red Herring Prospectus does not, however, absolve our Company from any liabilities under sections 63 and 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act, 1956. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from our Company and the BRLMs

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire our Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Company, the Underwriters and their respective directors, officers, agents and the agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our websites, www.oilindia.in, www.oilindia.nic.in and/or www.oil-india.com would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among our Company and the BRLMs, dated December 12, 2007 and the Underwriting Agreement to be entered into among our Company and the Underwriters.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres, etc.

Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, FIIs and sub-account registered with SEBI, other than which is a foreign corporate or foreign individual and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI and SEBI pursuant to its letter CFD/DIL/ISSUES/SM/137426/2008 dated September 11, 2008 has given its observations to the Draft Red Herring Prospectus. Accordingly, our Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Our Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and we have not been and will not be registered under the U.S. Investment Company Act. The Equity Shares may not be offered or sold within the United States (as defined in Regulation S) or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act. Our Equity Shares are only being offered or sold in the United States (as defined in Regulation S) to (i) entities that are both "Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act and "Qualified Purchasers" as defined under the U.S. Investment Company Act and related rules and (ii) outside the United States (as defined in Regulation S) to non-U.S. Persons (as defined in Regulation S) in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

Further, each Bidder may be required to agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic, interest therein, including any so-called 'Participatory Notes' or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/64167-Z dated January 8, 2008, permission to the Issuer to use NSE's name in this offer document. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has, through letter No. DCS/IPO/NP/IPO/IP/1710/2007-08 dated January 22, 2008, granted permission to our Company to use BSE's name in this offer document as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that the offer document has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at the Division of Issues and Listing, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to NSE and BSE for permission to deal in and for an official quotation of our Equity Shares. The NSE shall be the Designated Stock Exchange with which the basis of Allotment will be finalised for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven Business Days of finalisation of the basis of Allotment for the Issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:
"Any person who:
(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to our Company; and (b) the BRLMs, the Syndicate Member, the Escrow Collection Bankers, SCSBs and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

CRISIL Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Gaffney, Cline & Associates (Consultants) Pte Ltd, have given their written consent to the inclusion of the Executive Summary and the Summary Independent Technical Report 2008 dated December 5, 2007 and October 30, 2008, respectively, in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s A.K. Sabat & Co. and M/s Chatterjee & Co., our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated in “***Financial Statements***” on page 152, the Executive Summary and the Summary Independent Technical Report 2008 furnished by Gaffney, Cline & Associates (Consultants) Pte Limited dated December 5, 2007 and October 30, 2008,respectively, in the form and context in which it appears in this Red Herring Prospectus, on pages 358 and 366 respectively, the report provided by CRISIL Limited (a copy of which report will be annexed to the Red Herring Prospectus), furnishing the rationale for its IPO grading which will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC, pursuant to the SEBI Guidelines, we have not obtained any expert opinions.

Issue Expenses

The Issue Expenses include, among others, lead management fees, underwriting and selling commissions, registrar’s fees, advertisement and marketing expenses, printing and distribution expenses, IPO grading fees, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges. All expenses with respect to the Issue will be borne by our Company. The estimated Issue expenses are as follows:

S. No.	Activity Expense	(Rs. in million)	% of Issue Size	% of Issue Expenses
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission (including commission to SCSBs for ASBA Applications)*	[●]	[●]	[●]
3.	Registrar’s fees*	[●]	[●]	[●]
4.	Advertising and marketing expenses*	[●]	[●]	[●]
5.	Printing, distribution and stationery expenses*	[●]	[●]	[●]
6.	IPO Grading fees*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total estimated Issue expenses*		**[●]**	**[●]**	**[●]**

** To be incorporated at the time filing of the Prospectus.*

Fees Payable to the BRLMs and Syndicate Member

The total fees payable to the BRLMs and Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is also available for inspection at our corporate office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue including fees for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register, etc will be Rs. 2.90 per application as per the Memorandum of Understanding signed with our Company, a copy of which is also available for inspection at our corporate office. The above fee is in addition to fee payable for Basis of Allotment at the rate of Rs. 10,000 per basis and fee payable for coordination, collection of applications and schedules, provisional and final certificates from the collecting branches at the rate of Rs. 200 per branch per day.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by our Company during the last five years.

Issues otherwise than for Cash

Except as disclosed in "***Capital Structure***" on page 25, we have not issued any Equity Shares for consideration other than cash.

Commission and Brokerage paid on Previous Issues of our Equity Shares

No sums have been paid or are payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for our Equity Shares since the inception of our Company.

Companies under the Same Management

There are no companies under the same management within the meaning of former Section 370 (1B) of the Companies Act.

Promise vs. Performance – Last Three Issues

There has not been any previous public issue of our Equity Shares.

Promise vs. Performance – Last Issue of Group/Associate Companies

Our Company has no subsidiary or group companies.

Outstanding Debentures or Bonds

There has not been any previous public issue of debentures or bonds.

Outstanding Preference Shares

There are no outstanding preference shares issued by our Company.

Stock Market Data of our Equity Shares

Our Equity Shares are not listed on any stock exchange and thus there is no stock market data for the same.

Purchase of Property

Our Promoter and our Directors have no interest in any property acquired by us within two years of the date of filing of this Red Herring Prospectus. For details of the related party transactions, see "***Financial Statements-Statement of Related Party Transactions***" on page 190.

Other Disclosures

Except as stated in "***Capital Structure***" on page 25, our Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

Mechanism for Redressal of Investor Grievances by our Company

The Memorandum of Understanding between our Company and the Registrar to the Issue, provides for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the concerned SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs in case of ASBA Bidders for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. S.R. Krishnan as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. S.R. Krishnan
OIL House
Plot Number 19, Sector 16A
Noida, District Gautam Budh Nagar
Uttar Pradesh, 201 301, India
Tel: +91(120) 2488 307
Fax: +91 (120) 2488 412
E-mail: investors@oilindia.in

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

We do not have any other company under the same management within the meaning of former Section 370 (1B) of the Companies Act.

Changes in Auditors

Our statutory auditors are appointed by the CAG for every fiscal. The following are the details of the changes in auditors in the last five fiscal years:

S. No.	Name of Auditor	Date of Appointment	Date of Cessation	Reason for change
1.	M/s Ray & Ray	October 5, 2002	November 1, 2004	Completion of tenure
2.	M/s P.K. Mitra & Co.	November 11, 2003	July 30, 2007	Completion of tenure

3.	M/s A.K. Sabat & Co.	November 2, 2004	Continuing	Appointment
4.	M/s Chatterjee & Co.	July 31, 2007	Continuing	Appointment

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time during last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company since incorporation.

Payment or benefit to offices of the Company

Except as may be otherwise stated in this Red Herring Prospectus, no amount or benefit has been paid, given or is intended to be paid or given to any of our offices, employees or Directors, except as normal remuneration for services rendered.

None of the beneficiaries of loans or advances and sundry debtors are related to our Directors.

ISSUE STRUCTURE

The present Issue of 26,449,982 Equity Shares is being made through the Book Building Process. The Issue comprises a Net Issue of 24,045,438 Equity Shares and a reservation for Eligible Employees of 2,404,544 Equity Shares.

	Eligible Employees	**QIB Bidders**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation*	2,404,544 Equity Shares**	At least 14,427,263 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 2,404,544 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 7,213,631 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for allocation	Up to 9.09% of the Issue***	At least 60% of Net Issue or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 10% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 30% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	Six Equity Shares	Such number of Equity Shares in multiples of six Equity Shares so that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares in multiples of six Equity Shares so that the Bid Amount exceeds Rs. 100,000	Six Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of six Equity Shares so that the Bid Amount does not exceed Rs. 2.50 million	Such number of Equity Shares in multiples of six Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of six Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of six Equity Shares so that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Bid Lot	Six Equity Shares and in multiples of six Equity Shares thereafter	Six Equity Shares and in multiples of six Equity Shares thereafter	Six Equity Shares and in multiples of six Equity Shares thereafter	Six Equity Shares and in multiples of six Equity Shares thereafter
Allotment Lot	Six Equity Shares and in multiples of one Equity Share thereafter	Six Equity Shares and in multiples of one Equity Share thereafter	Six Equity Shares and in multiples of one Equity Share thereafter	Six Equity Shares and in multiples of one Equity Share thereafter
Who can Apply ****	All or any of the following: (a) a permanent employee of our Company as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application	Public financial institutions specified in section 4A of the Companies Act, FIIs and their sub-accounts registered with SEBI, other than sub-accounts which are foreign corporates or foreign individuals, scheduled commercial banks, Mutual Funds, a multilateral and bilateral development financial institution, venture capital funds registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value

	Eligible Employees	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
	Form (b) a Director of our Company (excluding Government Nominee Directors) as of as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form	corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million and pension funds with a minimum corpus of Rs. 250 million and the national investment fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 Government of India published in the Gazette of India		
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Member	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Member	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Member	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Member*****
Margin Amount	100% of Bid Amount	At least 10% of Bid Amount	100% of Bid Amount	100% of Bid Amount

* *Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except in the QIB Portion, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded.*

** *In case of an over subscription in the Employee Reservation Portion, all valid applicants under the Employee Reservation Portion will be allotted a minimum of: (i) 10 times the minimum bid size; or (ii) all the Equity Shares applied for. Thereafter, Allotment in excess of this minimum application lot as aforesaid would be made on a proportionate basis to all Eligible Employees. However, in case of an over subscription in the Employee Reservation Portion, the maximum Allotment to Eligible Employees will be capped at 2,404,544 shares.*

*** *Any under subscription in Equity Shares, if any, reserved for Eligible Employees would be allocated at the discretion of the Company in accordance with the description in "**Issue Procedure-Basis of Allotment**" as described on page 313.*

**** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

***** *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment, without assigning any reason thereof. The Issue is subject to our Company obtaining final listing and trading approval and final RoC approval.

Letters of Allotment or Refund Orders

Our Company shall give credit of Equity Shares Allotted, if any, to the beneficiary account with Depository Participants within two Business Days from the date of the finalisation of Basis of Allotment. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 under Certificate of Posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post or Direct Credit, NEFT, RTGS or ECS at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date.

We will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Period

BID/ISSUE OPENS ON	September 7, 2009
BID/ISSUE CLOSES ON	September 10, 2009

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs, Syndicate Member and the SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e. any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional Business Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

TERMS OF THE ISSUE

Our Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. Our Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

Our Equity Shares are being issued in terms of the Red Herring Prospectus at a total price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for our Equity Shares.

The Floor Price is 95 times the face value and the Cap Price is 105 times the face value.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements with the Stock Exchanges and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see “***Main Provisions of Articles of Association of our Company***” on page 332.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, our Equity Shares shall be Allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiple of one Equity Share subject to a minimum Allotment of six Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, our Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to our Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of our Equity Shares; or
b. to make such transfer of our Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer our Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of our Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue, including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of Allottees, i.e. persons to whom our Equity Shares will be Allotted under the Issue shall be not less than 1,000.

In the event we are not able to allocate at least 60% of the Net Issue to QIBs, we shall refund the entire application money.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles of Association. For further details, see "***Main Provisions of our Articles of Association***" of the Company on page 332.

Application by eligible NRIs, FIIS and FVCIs Registered with SEBI

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue. Equity Shares acquired by Eligible NRIs can only be sold to Indian residents and other NRIs.

There is no reservation in the Issue for NRIs, FIIs or FVCIs registered with SEBI.

Further, sub-accounts of FIIs which are foreign corporates or foreign individuals also cannot participate in the QIB portion. However, they may apply in the Non-Institutional Portion.

ISSUE PROCEDURE

Book Building Procedure

This is an Issue of less than 25% of the post-issue capital through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to QIB Bidders on a proportionate basis, including 5% of the QIB Portion which shall be available for allocation to the Mutual Funds only. Further, not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company, in consultation with BRLMs, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that our Equity Shares would be Allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting Allotment of our Equity Shares in physical form. Our Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis.	White
Non Residents, Eligible NRIs or FIIs applying on a repatriation basis.	Blue
Eligible Employees in the Employee Reservation Portion.	Pink
ASBA	Green

Who can Bid?

1. Indian nationals residing in India who are majors in single or joint names (not more than three);
2. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in Equity Shares;
5. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in Equity Shares;
6. Scientific and/or industrial research authorised to invest in Equity Shares;
7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
8. Mutual funds registered with SEBI;

9. FIIs, on a repatriation basis;
10. Multilateral and bilateral development financial institutions;
11. Venture capital funds registered with SEBI;
12. FVCIs registered with SEBI;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
15. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in Equity Shares;
16. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in Equity Shares;
17. Eligible Employees of our Company; and
18. The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India.

Participation by associates of BRLMs and Syndicate Member

Associates of BRLMs and Syndicate Member may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such Bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLMs and Syndicate Member shall be on a proportionate basis.

However, the BRLMs and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

The information below is given for the benefit for the Bidders. Our Company and the BRLMs are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure the number of Equity Shares Bid for do not exceed the applicable limits under the applicable laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of six Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of Bidding at Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under ***"Issue Procedure-Payment of Refund"*** on page 318.

(c) **For Bidders in the Employee Reservation Portion**

The Bid must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at Cut-off Price. However, the maximum Bid by an Eligible Employee cannot exceed Rs. 2.50 million. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an over subscription for all valid application of the eligible employees, our Company will allot a minimum of (i) 10 times the minimum bid size; or (ii) all the equity shares applied for. Thereafter, Allotment in excess of this minimum application lot as aforesaid would be made on a proportionate basis to all eligible applicants in the Employee Reservation Portion up to a minimum of six Equity Shares and in multiples of one Equity Share thereafter. In the event of under subscription, if any, allotment will be at the discretion of the Company in consultation with the BRLMs. Further, in case of an oversubscription in the Employee Reservation Portion, the maximum allotment to Eligible Employees will be capped at up to 2,404,544 Equity Shares.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Corporate Office or from any of the members of the Syndicate.
(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers, one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(b) The Bid/Issue Period shall be a minimum of three Business Days and shall not exceed seven Business Days. In case the Price Band is revised, the revised Price Band and Bid/Issue Period will be published in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, and the Bid/Issue Period may be extended, if required, by an additional three days, subject to the total Bid/Issue Period not exceeding 10 Business Days.

(c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see "***Issue Procedure- Bids at Different Price Levels***" on page 296) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(d) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under "***Issue Procedure - Build up of the Book and Revision of Bids***" on page 301.

(e) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(f) During the Bid/Issue Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under "***Issue Procedure- Terms of Payment and Payment into the Escrow Account***" on page 299.

Bids at different price levels

(a) The Price Band has been fixed at Rs. 950 to Rs. 1,050 per Equity Share each, Rs. 950 being the Floor Price and Rs. 1,050 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of six.

(b) In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bid/Issue Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(d) Our Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders in excess of Rs. 100,000 and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who bid at Cut-off Price and Eligible Employees Bidding under the Employee Reservation Portion at Cut-Off Price agree that they shall purchase our Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion at Cut-Off Price, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.

Application in the Issue

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialised form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 721,363 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under the applicable laws or regulations.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Form from our corporate office, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (white in colour). All instruments accompanying Bids shall be payable at Mumbai only.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue equity capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulation, 1995, as amended, and pursuant to SEBI's press release number 286 of 2007 dated October 25, 2007, FIIs, may issue, deal in or hold, off-shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against the Equity Shares allocated in this Issue (all such off-shore derivative instruments referred to as "**P-Notes**"). P-Notes may only be held in favor of entities that are regulated by regulatory authorities in their countries of incorporation or establishment, subject to "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Any P-Notes that may be issued are not the securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. Accordingly, the holding by any Venture Capital Fund should not exceed 25% of the corpus of the Venture Capital Fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

SEBI has issued a notification dated October 16, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the red herring prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the restrictions applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the

BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Escrow Mechanism

Our Company shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement, this Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details see "***Issue Procedure- Payment Instructions***" on page 308.) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.

Each category of Bidders i.e. QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in "***Issue Structure***" on page 288. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bid/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be displayed on-line at all bidding centers and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bid/Issue Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s)
- Investor category – individual, corporate, or Mutual Fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Margin Amount paid-upon submission of Bid cum Application Form
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that our Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the 'online IPO system' should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(h) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on BSE and NSE.

(i) In case of QIB Bidders, the BRLMs and/or their affiliates have the right to accept the Bid or reject the Bids. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except as described in "- ***Grounds for Technical Rejection***" on page 311.

(j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of the Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the members of the Syndicate shall be electronically transmitted to BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in our Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bid/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of NSE and BSE shall be considered for Allocation. In case of discrepancy of data between BSE or NSE and the members of the Syndicate, the data provided by BSE and NSE shall be considered for allocation, subject to receipt of valid Bids by Registrars.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.

(b) Our Company, in consultation with the BRLMs, shall finalise the Issue Price and the number of Equity Shares to be allocated in each investor category.

(c) The Allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus and in consultation with Designated Stock Exchange subject to valid Bids being received at or above Issue Price.

(d) In case of over subscription in all categories, at least 60% of the Net Issue shall be allocated to QIB Bidders on a proportionate basis out of which 5% shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 721,363 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. Further, not less than 10% of the Net

Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. In the event of under subscription in the Employee Reservation portion, allotment will be at the discretion of the Company in consultation with the BRLMs.Under subscription, if any, in any category of the Net Issue, other than the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company, in consultation with the BRLMs. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded.

(e) Allocation to Non Residents applying on a repatriation basis will be subject to the terms and conditions stipulated by the RBI while granting permission for the transfer of Equity Shares to them and to applicable law.

(f) The BRLMs, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

(h) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(i) Details of the Allotment shall be available on the website.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would file the Prospectus with the RoC. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in one English national daily newspaper and one Hindi national daily newspaper and an Assamese daily newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

Subject to "***Notice to QIBs – Allotment Reconciliation and Revised CANs***", below:

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;

(b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all our Equity Shares allocated to such Bidder; and

(c) Such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all our Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company will ensure credit to the successful Bidders' depository accounts of the allotted Equity Shares to the Allottees within two Business Days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and Allotted only in the dematerialised form to the Allottees**. Allottees will have the option to rematerialize our Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept our Equity Shares that may be allocated to them pursuant to this Issue.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants within two Business Days from the date of the Allotment. Applicants residing at 68 centres where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 under certificate of posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post intimating them about the mode of credit of refund within 15 Business Days of the closure of the Issue. Our Company shall ensure dispatch of refund orders/refund advice (for Direct Credit, NEFT, RTGS or ECS), if any, under certificate of posting or registered post or speed post, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid/Issue Closing Date and adequate funds for making refunds to applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and

- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode, i.e. Direct Credit, NEFT, RTGS or ECS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by our Company as an Escrow Collection Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Ensure that you Bid within the Price Band;

c) Read all the instructions carefully and complete the Bid cum Application Form (white or blue or pink or green in colour) as the case may be;

d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialised form only;

e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g) Each of the Bidders, should mention their Permanent Account Number ("**PAN**") allotted under the I.T. Act;

h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form; and

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, by money order or by postal order or by stock invest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders and Bidders bidding under the Employee Reservation Portion, for whom the Bid Amount exceeds Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that our Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the Bid without the margin amount, in the case of a QIB Bidder; and

(i) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue or pink or green in colour);

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details);

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form;

(d) The Bids from the Retail Individual Bidders must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter subject to a maximum Bid Amount of Rs. 1,00,000;

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter, such that the Bid Amount exceeds Rs. 1,00,000. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations;

(f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of six Equity Shares and in multiples of six, thereafter; and

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS

MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or give credit through Direct Credit, NEFT, RTGS or ECS and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit or credit through Direct Credit, NEFT or RTGS for refunds/CANs/allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the sole or Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bidder's Bank Details

Bidders should note that on the basis of names of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the sole or Bidders sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

In case of the Bids made pursuant to a power of attorney by FIIs and their sub-accounts not being foreign corporates and foreign individuals, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLMs may deem fit.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

(a) a permanent employee of our Company as of the date of filing of this Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.
(b) a Director of the Company (excluding Government Nominee Directors) as of the date of filing of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour Form).
- Eligible Employees should mention the Eligible Employee Number at the relevant place in the Bid cum Application Form;
- The sole/first Bidder should be Eligible Employees;
- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion;
- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category;
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000;
- The maximum Bid under Employee Reservation Portion by an Eligible Employee cannot exceed Rs. 2.50 million;
- Bid by Eligible Employees can be made also in the 'Net Issue' category and such Bids shall not be treated as multiple bids;
- If the aggregate demand in this category is less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.In the event of under subscription in the Employee Reservation Portion, allotment will be at the discretion of the Company in consultation with the BRLMs.; and
- If the aggregate demand in this category is greater than 2,404,544 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate Basis of Allotment, see "***Issue Procedure-Basis of Allotment***" on page 313.

All participation by Directors and employees of the Company will be in accordance with any laws, regulations, guidelines, circulars or notifications applicable to them.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Non Residents, including Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter, such that the Bid Amount exceeds Rs. 1,00,000. For further details, see "***Issue Procedure - Maximum and Minimum Bid Size***" on page 294.

4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

5. Individual and corporate FII sub-accounts may apply under the Non-Institutional Portion.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External ("**NRE**") accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, including Eligible NRIs, FIIs and FVCIs and all Non Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bid/Issue during the Bid/Issue Period is less than the Issue Price multiplied by our Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident QIB Bidders: "**Escrow Account – OIL Public Issue-QIB-R**"
(b) In case of Non Resident QIB Bidders: "**Escrow Account-OIL Public Issue-QIB-NR**"
(c) In case of resident Bidders: "**Escrow Account – OIL Public Issue-R**"
(d) In case of Non Resident Bidders: "**Escrow Account – OIL Public Issue-NR**"
(e) In case of Eligible Employees: "**Escrow Account- OIL Public Issue- Eligible Employees**"

In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary ("**NRO**") Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.

In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on our Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

(v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

(vii) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

(viii) Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid-cum-Application Form.

(ix) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India's Circular Number DBOD Number FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will issue a TRS giving the details of the Bids registered and acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be taken to check for common names.

4. The applications will be scanned for same or identical DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.

5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

All participation by Directors and employees of the Company will be in accordance with any laws, regulations, guidelines, circulars or notifications applicable to them.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Pursuant to SEBI circular dated August 24, 2004 and all supplementary circulars issued thereto, including circulars dated July 20, 2006, September 26, 2006 and April 3, 2008 each Bidder should mention his/her Permanent Account Number ("**PAN**") allotted under the I.T. Act. **Applications without this information and documents will be considered incomplete and are liable to be rejected except bids on behalf of Central Government, State Government and official liquidator.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 1,00,000 to Rs. 5,00,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 5,00,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. On June 25, 2007, SEBI has decided to discontinue with the requirement of UIN under the SEBI MAPIN Regulation.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion, our Company has the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. NRIs, except Eligible NRIs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. **PAN not stated, or GIR number furnished instead of PAN. See "*Issue Procedure—PAN or GIR Number*"** on page 310;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of six;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Member;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that match three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in "***Issue Procedure – Bids at Different Price Levels***" on page 296;
22. Bids by OCBs;
23. Bids by U.S. Persons (as defined in Regulation S) other than entities in the United States (as defined in Regulation S) that are both 'qualified institutional buyers' as defined in Rule 144A of the U.S. Securities Act and Qualified Purchasers as defined under the U.S. Investment Company Act and related rules;

24. Bids by sub-accounts of FIIs, which are a foreign corporate/ foreign individual bidding under the QIB Portion;
25. Bids by QIBs not submitted through members of the Syndicate;
26. Bids by employees of our Company or Directors of our Company not eligible to apply in the Employee Reservation Portion;
27. In case of Bid cum Application forms are not available with Registrar to the Issue for reasons such as force majeure, acts of god, flood or similar circumstances;
28. Bids not uploaded in the book would be rejected; and
29. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 4.00 p.m. or any such time as prescribed by Stock Exchanges on the Bid/Issue Closing Date.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, our Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated April 7, 2008 between NSDL, us and Registrar to the Issue;
b) an agreement dated April 11, 2008 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid;

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form;

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder;

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository;

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected;

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant;

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL; and

h) The trading of our Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders, etc.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. S.R. Krishnan, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. S.R. Krishnan
OIL House
Plot Number 19, Sector 16A
Noida, District Gautam Budh Nagar
Uttar Pradesh, 201 301, India
Tel: +91(120) 2488 307
Fax: +91 (120) 2488 412
E-mail: investors@oilindia.in

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"**Any person who:**

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(c) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category are for less than or equal to 7,213,631 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this category are for more than 7,213,631 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis at a minimum of six Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment, see below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category is for less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

- In case the valid Bids in this category are for more than 2,404,544 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis at a minimum of six Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Net Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of 721,363 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see "***-Illustration of Allotment to QIBs***" appearing below. If the valid Bids by Mutual Funds are for less than 721,363 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Net Issue size, i.e. at least 14,427,263 Equity Shares.

- Allocation shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

  (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
  (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
  (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below.

(b) In the second instance allocation to all QIBs shall be determined as follows:

  (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non-Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis of at least 14,427,263 Equity Shares at a minimum of six Equity Shares and in multiples of one Equity Share, thereafter. For the method of proportionate Basis of Allotment refer below.

D. For Employee Reservation Portion

- Bids received from Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 2,404,544 Equity Shares at or above the Issue Price, full allocation shall be made to Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 2,404,544 Equity Shares at or above the Issue Price, the Allotment, for all valid application of the Eligible Employees, shall be a minimum of (i) 10 times the minimum bid size; or (ii) all the Equity Shares applied for. Thereafter, Allotment in excess of this minimum application lot as aforesaid would be made on a proportionate basis to all eligible applicants in the Employee Reservation Portion at a minimum of six Equity Shares and in multiples of one Equity Share, thereafter. In the event of under subscription, if any, allotment will be at the discretion of the Company in consultation with the BRLMs. For the method of proportionate Basis of Allotment, refer below.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the Issue

Bidders will be categorised according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than six Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of six Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner approved by the Designated Stock Exchange.

If the proportionate allotment to a Bidder is a number that is more than six but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5*,* it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If our Equity Shares allocated on a proportionate basis to any category are more than our Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The Basis of Allotment on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

S. No	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Allocation to Mutual Funds (5%)	6 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	6	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "***Issue Structure***" on page 288.
2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 114 million Equity Shares [i.e. 120 - 6 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "***-Allocation of balance 114 million Equity Shares to QIBs proportionately***" in the above illustration are arrived as under:
    1. For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 114/494
    2. For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114/494
    3. The numerator and denominator for arriving at allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 Business Days of the Bid/Issue Closing Date. Applicants residing at 68 centers where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by under certificate of posting, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 Business Days of closure of the Issue.

Our Company shall ensure dispatch of refund orders, if any, by under certificate of posting or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

Our Company shall ensure dispatch of allotment advice, refund orders and shall give credit of Equity Shares allotted, if any to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two Business Days of date of Allotment.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where our Equity Shares are proposed to be listed, are taken within seven Business Days of the finalisation of the basis of Allotment.

Payment of Refunds

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- Refunds shall be made within 15 days from the Bid/Issue closing date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS; and
- Our Company - shall pay interest at 15% per annum if allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the sole or Bidder's sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

I. Direct Credit

Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

II. NEFT

Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

III. RTGS

Applicants having a bank account at any of the below mentioned 15 centres and whose refund amount exceeds Rs. 1.00 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

IV. ECS

Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Vishakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur).This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 68 centres.

Note: We expect that all payments including where refund amounts exceed Rs. 1,000,000 shall be made through NEFT, however in some exceptional circumstances where refund amounts exceed Rs. 1,000,000, refunds may be made through RTGS.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that applicants having a bank account at any of the 68 centres where the clearing houses for ECS are managed by RBI , State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under certificate of posting for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

Undertakings by our Company

We undertake as follows:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where our Equity Shares are proposed to be listed within seven Business Days of finalisation of the basis of Allotment;
- That the funds required for dispatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- That no further issue of Equity Shares shall be made until our Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription, etc;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days or 15 days of closure of the Issue, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/refund orders to the non resident Indians shall be dispatched within specified time; and
- That we shall adhere to the disclosure and accounting norms specified by SEBI from time to time.

Utilisation of Issue proceeds

Our Board certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested.

Our Company shall not have recourse to the Issue proceeds until the approval for trading of our Equity Shares from all the Stock Exchanges where listing is sought has been received.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer to the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The concerned SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of this Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be green.

Who can Bid?

In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter. The maximum ASBA Bid cannot exceed such number of Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

a. The BRLMs shall ensure that adequate arrangements are made to circulate copies of this Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Bid cum Application Forms should bear the code/stamp of the Syndicate Member and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares.

f. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

g. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

h. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

i. ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Guidelines and this Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

c. Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to Bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price..

d. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

e. If sufficient funds are not available in the ASBA Account, the Designated Branch of the concerned SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

f. If sufficient funds are available in the ASBA Account, the concerned SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a TRS. The TRS shall be furnished to the ASBA Bidder on request.

g. An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after Bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the concerned SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

a. The Price Band has been fixed at Rs. 950 to Rs. 1050 per Equity Share of Rs. 10 each, Rs. 950 being the Floor Price and Rs. 1,050 being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

b. In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bid/Issue Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 Business Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national daily newspapers (one each in English and

Hindi) and an Assamese daily newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

d. Our Company in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Guidelines, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

    (i) it has received the ASBA in a physical or electronic form; and

    (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bid/Issue Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s)
- Application Number
- Permanent Account Number
- Number of Equity Shares Bid for
- Depository Participant identification No.
- Client identification No. of the Bidder's beneficiary account

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h. The concerned SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

i. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, the Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the BRLMs and the Stock Exchanges on a regular basis.

c. ASBA Bidders shall not revise their Bids.

d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSBs of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, the Company and the Designated Stock Exchange, in this regard shall be final and binding.

e. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to "***Issue Procedure***" on page 293.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national daily newspaper and a Hindi national daily newspaper of wide circulation and an Assamese daily newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and Allotted** only **in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity

Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process;
b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process;
c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is green in colour);
d. Ensure that your Bid is at the Cut-off Price;
e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form;
f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only;
g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue;
h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder;
i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form;
j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB;
l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form;
m. Ensure that you have mentioned your PAN allotted under the I.T. Act;
n. Ensure that the name(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form; and
j) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor;
b. Do not submit an ASBA Bid if you are applying under any reserved category;
c. Do not revise your Bid;
d. Do not Bid for lower than the minimum Bid size;
e. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB;
f. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process;
g. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only;
h. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000;
i. Do not submit the GIR number instead of the PAN; and
j. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is green in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of six Equity Shares and in multiples of six Equity Shares thereafter subject to a maximum of such number of Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000.

e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications is described in "- ***Multiple Bids***" on page 310.

Permanent Account Number

For details, see "***Issue Procedure - 'PAN' or 'GIR' Number***" on page 310.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "-***Grounds for Technical Rejection***" on page 311, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given; Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. PAN not stated, or GIR number furnished instead of PAN. See "***Issue Procedure - PAN or GIR Number***" on page 310;
7. Bids for number of Equity Shares, which are not in multiples of six;
8. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
9. Multiple Bids as defined in this Red Herring Prospectus;
10. In case of Bid under power of attorney, relevant documents are not submitted;
11. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
12. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
13. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
14. ASBA Bid cum Application Form does not have the Bidder's depository account details;
15. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and this Red Herring Prospectus;
16. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
17. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and
18. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Member and the Registrar accept no responsibility for errors, omissions, commission or any acts of the SCSBs including any defaults in complying with its obligations under applicable SEBI Guidelines.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "***Issue Procedure- Impersonation***" on page 313.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section "***Issue Procedure- Basis of Allotment***" on page 313.

Method of Proportionate Basis of Allotment in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "***Issue Procedure - Undertaking by our Company***", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the Basis of Allotment.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For further details see "***Terms of the Issue***" on page 291.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments. The GoI policy for FDI in the petroleum and natural gas sector is as follows:

Petroleum and Natural Gas sector	
All activities other than refining and including market study and formulation;	FDI up to 100% is allowed under the automatic route, subject to sectoral regulations issued by MoPNG

Petroleum and Natural Gas sector	
investment/financing; setting up infrastructure for marketing in Petroleum and Natural Gas sector).	FDI up to 100% is allowed under the automatic route, in oil exploration for both small and medium sized fields, subject to and under the GoI policy on private participation in (a) exploration for oil; and (b) the discovered fields of national oil companies.
Refining	FDI up to 49% in case of public sector undertakings is allowed without involving any divestment of dilution of domestic equity in the existing PSUs. 100% FDI is allowed in the private sector, subject to sectoral regulations issued by MoPNG.

Subscription by Eligible NRIs/FIIs/FVCIs

It is to be distinctly understood that there is no reservation for Non Residents including Eligible NRIs, FIIs and FVCIs and all Non Residents will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue. Further, sub-accounts of FIIs being a foreign corporate/individual also cannot participate in this Issue under the QIB portion.

Our Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and we have not been and will not be registered under the U.S. Investment Company Act. The Equity Shares may not be offered or sold within the United States (as defined in Regulation S) or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act. Our Equity Shares are only being offered or sold in the United States (as defined in Regulation S) to (i) entities that are both "Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act and "Qualified Purchasers" as defined under the U.S. Investment Company Act and related rules and (ii) outside the United States (as defined in Regulation S) to non-U.S. Persons (as defined in Regulation S) in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of our Articles of Association, relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or their consolidation/splitting are as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Division of Capital	5	**CAPITAL** The Authorised Capital of the Company shall be such amount and be divided into such Shares as may from time to time be provided in Clause 5 of the Memorandum of Association with power to increase or reduce the capital and divide the Shares in the capital of the Company for the time being into equity Share capital and preference Share capital and to attach thereto respectively any preferential, qualified or special rights including as to voting, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges, or conditions in such manner as may for the time being be permitted by the Act.
Register of Members/Debenture Holders	6	The Company shall cause to be kept at its Office or at such other place as may be decided by the Board, the Register and Index of Members, Register and Index of Debenture holders, in accordance with the applicable provisions of the Act and the Depositories Act, with the details of Shares/Debentures held in physical and dematerialised form, in any medium permitted by law, including the electronic medium. The Register and Index of Beneficial Owner maintained by a Depository under the Depositories Act shall also be deemed to be the Register and Index of Members/Debenture holders for the purpose of the Act. The Company shall have power to keep in any State or Country outside India, a Register of Members/Debenture holders for residents of that State or Country. The instrument of transfer shall after registration remain in the custody of the Company. The Board may require preserving the transfer deeds for a period of at least 8 (eight) years.
Serving of beneficial ownership records	6A	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held by a Depository, the records of the beneficial ownership may be served by such Depository to the Company in electronic mode or by delivery of floppies or discs.
Allotment Of Shares	7	Subject to the provisions of the Act and these Articles, the Shares shall be under the control of the Board who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions, and either at a premium or at par, or (subject to compliance with Section 79 of the Act), at a discount and at such time as the Board may consider fit, and subject to Section 77A of the Act with the sanction of the Company in a General Meeting to give to any person or persons the option or right to call for any Shares either at premium or at par during such time and for such consideration as the Board may think fit, and may issue and allot Shares in the capital of the Company in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares

Provided that option or right to call for or be allotted Shares shall not be given to any person except with the sanction of the Company in General Meeting.

Return Of Allotments 8 As regards all allotments made from time to time, the Company shall duly comply with Section 75 of the Act.

Further Issue Of Capital 9 (1) Where at the time after the expiry of 2 (two) years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of the unissued capital or out of the increased share capital then:

(a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at the date.

(b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than 30 (thirty) days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may renounce the Shares offered to him.

(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner and to such person(s) as it may in its sole discretion, think fit.

(2) Notwithstanding anything contained in sub-clause (1) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in General Meeting, or
(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where Proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
(a) To extend the time within which the offer should be accepted; or
(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

		(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company: (i) To convert such Debentures or loans into Shares in the Company; or (ii) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise.) PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term: (a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and (b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in a General Meeting before the issue of such Debentures or raising of the loans.
Instalments on Shares to be duly paid	10	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
Issue of Securities in dematerialised form	10A	Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialised form as required by applicable laws and subject to the provisions of applicable law. Trading in the Securities of the Company post listing shall be in the demat segment of the relevant Stock Exchange(s) where the Securities issued by the Company are listed for trading, in accordance with the directions of SEBI, the Stock Exchange(s) and in terms of the listing agreements to be entered into with the said Stock Exchange(s).
Information on transfer of securities in dematerialised form	10B	(a) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the beneficial owner thereof, at such intervals and in such manner as may be specified by its bye-laws and the Company in that behalf. (b) The Company shall make available to the Depository copies of the relevant records in respect of Securities held by such Depository.
Joint holding provisions to apply to dematerialised shares	10C	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien, on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held by a Depository so far as they apply to Shares held in physical form subject to the provisions of the Depositories Act.
Intimation to the Depository on allotment	10D	Notwithstanding anything in the Act or these Articles to the contrary, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.
How far new shares To rank with Shares in Original Capital	11	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the original equity capital and shall be subject to the

		provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.
Inequality in number of New Shares	12	If, owing to any inequality in the number of new Shares to be issued, and the number of Shares held by Members entitled to have the offer of such new Shares, any difficulty shall arise in the apportionment of such new Shares, or any of them amongst the Members, such difficulty shall, in the absence of any direction in the resolution creating the Shares or by the Company in General Meeting, be determined by the Board.
Allotment of Shares For Consideration in kind	13	Subject to the provisions of the Act and these Articles, the Directors may allot and issue Shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and, if so issued, shall be deemed to be fully or partly paid up Shares as aforesaid.
Acceptance of Shares	14	An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any share therein, shall be an acceptance of Shares within the meaning of these Articles; and every person who thus or otherwise accepts any Shares and whose name is on the Register shall for the purpose of these Articles, be a Member.
Who may be Registered	15	Share may be registered in the name of any person, a limited company or other corporate body. Not more than 4 (four) persons shall be registered as Joint holders of any share.
Deposit and calls etc. to be debt payable	16	The money (if any) which the Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall, immediately on the insertion of the names of the allottees in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company, from the allottee thereof and, shall be paid by him accordingly.
Calls on uniform basis	17	Where any calls for further share capital are made on Shares, such calls shall be made on a uniform basis on all Shares falling under the same class. For the purpose of this article, Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.
Company not bound to recognize any interest in shares other than that of the registered holders	18	Save as herein otherwise provided, the Company shall be entitled to treat the persons whose name appears on the Register of Members/Debenture Holders as the holder of any Share/Debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust for equity or equitable contingent or other claim to or interest in such Share/Debenture on the part of any other person whether or not it shall have express or implied notice thereof.
Company's fund not to be applied or lent in purchase of shares of the Company and power of Company to purchase its own shares	19	Save as authorized by Sections 77, 77A, 77AA and 77B of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of Shares of the Company and the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise, any financial assistance for the purpose of or in connection with any purchase of or subscription for any Shares in the Company.

Evidence in actions by Company against shareholders	20	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the Register as a holder, or one of the holders, of the number of the Shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever.
Inspection of Register of Members/Debenture holders etc.	21	The Register of Members, Index of Members, Register and Index of Debenture-holders, copies of all annual returns prepared under the Act, together with the copies of the Certificates and documents required to be annexed thereto under the Act shall except when the Register of Members or Debenture-holders is closed under the provisions of the Act or these Articles, be open to inspection at least for 2 (two) hours daily during business hours, of any Member or Debenture-holder gratis and to inspection of any other person on payment of such sum as may be prescribed from time to time by the Central Government for each inspection. Any such Member or person may take extracts there from on payment of such sum as may be prescribed from time to time by the Central Government.
Commission for placing shares, debentures etc.	22	**UNDERWRITING AND BROKERAGE** Subject to the applicable provisions of the Act, the Company may, at any time, pay commission and/or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares, Debentures, Debenture-stock or any other Security of the Company or procuring or agreeing to procure subscription (whether absolutely or conditionally) for any Shares, Debentures, Debenture-stock or any other Security of the Company; provided that such commission shall not exceed in the case of shares 5 (five) percent (or such other percentage as may be prescribed by the Act or the Rules framed thereunder) of the price at which such shares are issued and in case of debentures or other securities 2½ (two and a half) percent (or such other percentage as may be prescribed by the Act or the Rules framed thereunder or by any statutory authority) of the price at which the debentures or other securities are issued. . The Commission and/or brokerage may be paid or satisfied in cash or allotment of fully or partly paid-up Shares, Debentures, Debenture-stock or other Securities of the Company, or partly in one way and partly in another.
Certificates	23	**CERTIFICATES** (a) Every Member shall be entitled, without payment, to receive one or more certificates in marketable lots for all Securities of each class or denomination specifying the certificate number, name of the person in whose favour it is issued, the distinctive number of the Securities to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in case of issue of bonus Shares. (b) Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the two Directors or other attorney and the Secretary or other person shall sign the certificate; provided that if the composition of the Board so

permits, at least one of the aforesaid two Directors shall be a person other than a managing or a whole time Director. Particulars of every certificate issued shall be entered in the Register of Members or Debenture holders as the case may be against the name of the person to whom it has been issued indicating the date of issue. The certificate of such Securities shall be delivered within 3 (three) months after the allotment or within 1 (one) month from the receipt of application for the registration of the transfer, transmission, sub-division, consolidation or renewal of such Securities as the case may be provided always that notwithstanding anything contained in these Articles the certificate of title to Securities may be executed and issued in accordance with such other provisions of this Act or, any other provisions of law or Rules made thereunder, as may be in force for the time being and from time to time.

(c) Any two or more joint allottees of a Security shall, for the purpose of this Article, be treated as a single Member, and the certificate of any Security, which may be the subject of joint ownership, may be delivered to the first named joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge. The Company shall comply with the provisions of Section 113 of the Act.

(d) Director may sign a certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Numbering of shares

24 The Shares in the Company's capital shall be numbered progressively according to their several denominations and except in the manner mentioned in these Articles no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Issue of new certificate in place of one defaced, lost or destroyed

25 (a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate being provided, a new certificate in lieu thereof shall be provided to the party entitled to such certificate. Every certificate under this Article shall be issued on payment of such fees as the Board may prescribe, not exceeding Rs. 2 (two) for each certificate (or such rate as may be prescribed under the Act or the Rules framed thereunder). Provided that no fee shall be charged for issue of new certificates in replacement of certificates which are worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer.

Provided that, notwithstanding the above, the Board shall comply with all applicable provisions of the Act, the Securities Contracts (Regulation) Act, 1956, any other applicable legislation and rules and regulations framed thereunder. The provisions of this Article shall apply mutatis mutandis to the debentures of the Company.

(b) Where a new certificate has been issued in pursuance of the last preceding paragraph particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new

		certificate is issued, and the necessary changes indicated in the Register of Members or the Register of Debenture holders, as the case may be, by suitable cross reference in the 'remarks' column. All entries made in the Register of Members, the Register of Debenture holders or in the Register of Renewed and duplicate certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for purpose of sealing and signing the certificate under paragraph (a) hereof.
Dematerialized Securities to be in fungible form	25A	All Securities held by a Depository shall be dematerialised and be in fungible form and shall not be progressively numbered, and the provisions relating to progressive numbering shall not apply to the Securities of the Company which have been so dematerialised. No certificate shall be issued in respect of the Securities so held in dematerialised form by a Depository.
Other provisions regarding dematerialization and rematerialisation of Securities	25B	(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize and rematerialize its Securities (both present and future) held with a Depository, and to offer its Securities in dematerialised form pursuant to the Depositories Act, and the rules framed thereunder. (b) Every person subscribing to Securities offered by the Company shall have the option to receive the certificate or to hold the Security with a Depository. Such a person who is the beneficial owner of a Security may at any time opt out of the depository mechanism if permitted by law, in respect of the Securities held by him, and the Company shall in the manner and within the time prescribed under the Depositories Act, issue the required certificates of Securities to such beneficial owner. (c) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company held by it, on behalf of the beneficial owner. Save as otherwise provided in herein, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. (d) Notwithstanding anything to the contrary contained in these Articles, every person holding Securities of the Company whose name is entered as the beneficial owner of such Securities in the records of the Depository shall be deemed to be a Member/Debenture holder, as the case may be, of the Company. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of all Securities so held with a Depository.
Procedure for dematerialization of Securities	25C	Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Depository Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said Securities and shall inform the Depository accordingly.
Procedure for rematerialisation of Securities	25D	(a) If a beneficial owner seeks to opt out of the depository mechanism in respect of any Security of the Company, such beneficial owner shall inform the Depository accordingly. (b) The Depository shall, on receipt of intimation as above make appropriate entries in its records and shall inform the Company. (c) The Company shall within 30 (thirty) days of the receipt of such intimation from the Depository and on fulfilment of such conditions and on payment of such fee as may be specified by the regulations, issue the certificates of Securities to the beneficial owner or the transferee as the case may be
Board to observe	26	The Board shall observe the restrictions contained in Sections 69 and 70 of

certain restrictions as to allotment		the Act as to allotment of Shares to the public and shall cause to be made the Returns as to all allotments provided for in Section 75 of the Act.
Calls	27	**CALLS** The Board may, from time to time, subject to the terms on which any Shares may have been issued, and subject to the provisions of Section 91 of the Act and subject to the applicable guidelines issued by SEBI, make such calls upon the Members in respect of moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. A call may be made subject to the above payable by instalments and shall be deemed to have been made when the Resolution of the Board authorising such call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
When interest on call or instalments payable	30	If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.
Money due from Members and not paid will be deducted from dividends	33	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
Company to have lien on Shares/Debentures	34	**LIEN** The Company shall have a first and paramount lien upon all the Shares, Debentures (other than fully paid-up) registered in the name of each Member/Debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares/Debentures shall be created provided that such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed, the registration of transfer/transmission of Shares/Debentures shall operate as a waiver of the Company’s lien, if any on such Shares/Debentures The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
Notice for non-payment of calls	37	**FORFEITURE** If any Member or Debenture-holder fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
In default of payment Shares/Debentures to be forfeited	39	If the requirements of any such notice as aforesaid are not complied with, every or any share or debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or interest or any other moneys payable in respect of the forfeited Shares or Debentures and not actually paid before the forfeiture.
Notice of forfeiture	40	When any Share or Debenture have been so forfeited, notice of the

and entry of forfeiture in Register of Members/Debenture holders		forfeiture shall be given to the Member or Debenture holder in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members or Register of Debenture holders but no forfeiture shall, in any manner, be invalidated by any omission or neglect or to make any such entry as aforesaid.
Forfeited Shares/Debentures to be property of the Company and may be sold etc.	41	Any Share or Debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board may think fit.
Power to annul forfeiture	42	The Board may at any time before any Share or Debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Shareholders/Debenture holders still liable to pay money and interest owing at the time of forfeiture	43	Any Member whose Shares or Debenture holder whose Debentures have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares or Debentures at the time of forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 18 (eighteen) percent per annum as the Board may determine and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the Shares/Debentures at the time of forfeiture, but shall not be under any obligation to do so.
Extinction of right	44	The forfeiture of a Share or Debenture shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share or Debenture and all other rights incidental to the Share/Debenture, except only such of the rights as by these Articles are expressly saved.
Declaration of forfeiture	45	A declaration in writing that the declarant is a Director or Secretary of the Company and that a share or debenture in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares or Debentures and such declaration and the receipt of the Company for the consideration, if any, given for the Shares/Debentures on the sale or disposition thereof shall constitute a good title to such Shares/Debentures; and the person to whom the Shares/Debentures are sold shall be registered as the holder of such Shares/Debentures and shall not be bound to see to the application of the purchase money, nor shall his title to such Shares/Debentures be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Board may issue new certificates	46	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares or Debentures shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member or Debenture holder) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares or Debentures to the person or persons entitled thereto.
Validity of sales in exercise of lien and after forfeiture	47	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the Shares or Debentures sold and cause the purchaser's name to be entered in the register in respect of the

Shares or Debentures sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such Shares or Debentures, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Directors may refuse to register transfer

48 **TRANSFER AND TRANSMISSION**

The Company shall register the transfer of Securities subject to the applicable provisions of the Companies Act, Depositories Act, Listing Agreements with the Stock Exchanges where the securities of the Company are listed and any other applicable law from time to time.

Subject to the provisions of Section 111A of the Act and Section 22A of the Securities Contracts (Regulations) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within 1 (one) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

A common form of transfer of Shares or Debentures as the case may be, shall be used by the Company.

Further, the Board may, subject to applicable law and these Articles and further subject to the right of appeal, decline to register:

(a) the transfer of a Share or Debentures not being fully paid-up, to a person of whom they do not approve;

(b) any transfer of Shares or Debentures on which the Company has a lien, or when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;

(c) when the transferor object to the transfer, provided he serves on the Company within a reasonable time, a prohibitory order of a Court of competent jurisdiction.

Application of transfer

49 Application for the registration of the transfer of a share/debenture may be made either by the transferor or by the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid Shares/Debentures, be effected unless the Company give notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for the registration of the transfer was made by the transferee.

Register of transfer

51 The Company shall, if the Shares/Debentures/Securities of the Company are not in dematerialised form, keep the Registers of Transfer of Shares

Debentures (or other Securities, as applicable) and therein enter the particulars of all transfers or transmissions of any Shares, Debentures or other securities, as applicable.

Transfer to be left at Office when to be retained	52	Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Securities to be transferred or if no such certificate is in existence by the letter of allotment of the Securities and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the Shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same
Execution of transfer	53	The instrument of transfer of any Share, Debenture or other Security of the Company shall be executed by both the transferor and the transferee, and the former shall be deemed to remain holder of the Share, Debenture or other security of the Company, until the name of the transferee is entered into the Register of Members or Debenture or other Security holders in respect thereof.
Transmission of registered Shares	55	The Nominee or the Executor or Administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares/Debentures registered in the name of such member, and, in case of death or anyone or more of the joint holders of any registered Shares/Debentures, the survivor shall be the only person recognised by the Company as having any title to or interest in such Shares/Debentures, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares/Debentures held by him, jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a Grant of Probate, Letters of Administration, Succession Certificate or other legal representation, having effect in India as the case may be, from some competent Court in India. Provided nevertheless that in any case where the Board in their absolute discretion think fit, it shall be lawful for the Board to dispense with the production of Probate, Letters of Administration, Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board, in their absolute discretion, may consider adequate.
Registration of persons entitled to Shares otherwise than by transfer {Transmission Article}	56	Any person becoming entitled to any Shares in consequence of death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Directors (which they shall not be under any obligation to give) and upon producing such evidence as may from time to time properly be required by the Board, either be registered as a Member in respect of such Shares or may, subject to the regulations as to transfer in these Articles contained, transfer such Shares to some other person. This Article is referred to as "The Transmission Article."
Nomination of Securities	59	For the purpose of this Article unless the context otherwise requires: (i) Every Share/Debenture/Security holder may at any time, nominate in the prescribed manner, a person to whom his Shares/Debentures/or Securities shall vest in the event of his death. (ii) Where the Shares, Debentures or Securities are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares, Debentures or securities, as the case may be, shall vest in the event of death of all the joint holders

(iii) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Shares/Debentures/Securities, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares/Debentures/Securities, the nominee shall on the death of the Share/Debenture/Security holder or on the death of the joint holders as the case may be, become entitled to all the rights in such Shares/Debentures/Security, as the case may be, to the exclusion of all persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) A nominee shall be entitled to the same dividends/interests and other advantages to which he would be entitled to, if he were the registered holder of the Share/Debenture/Security except that he shall not, before being registered as a Member in respect of his Share/Debenture/Security be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/Debenture/Security, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable or rights accruing in respect of the Shares/Debentures/Securities, until the requirements of the notice have been complied with.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares/Debentures/Securities, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares/Debentures, in the event of his death during his minority.

Transmission of Shares by nominee	60	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

i) To be registered himself as holder of the Share/Debenture/Security, as the case may be; or

ii) To make such transfer of the Share/Debenture/Security, as the case may be, as the deceased Share/Debenture/Security holder could have made;

iii) If the nominee elects to be registered as holder of the Share/Debenture/Security, himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/Debenture/Security holder, as the case may be; and

iv) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled, if he were the registered holder of such Shares/Debentures/Securities, except that he shall not, before being registered as a Member in respect of his Shares/Debentures or Securities be entitled in respect thereof to exercise any right conferred by Membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares/Debentures or Securities, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other money(s) payable or right(s) accruing in respect of such Shares/Debentures or Securities, until the requirements of the notice have been complied with.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of Capital

64 Subject to the provisions of the Act, the Company in General Meeting may increase the authorised share capital by such sum to be divided into Shares of such amount as the resolution shall prescribe.

On what conditions new Shares be allotted

65 Subject to the provisions of the Act, new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation whereof shall direct and, if no direction be given, as the Directors shall determine, and in particular, whether such share may be preference share or not. Provided that no Shares (not being preference Shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other Shares (not being preference Shares).

Issue of convertible Debentures or Securities

66 Any Debentures, Debenture stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Reduction of Capital

67 Subject to the provisions of Sections 100 to 104 of the Act, the Company may from time to time, by Special Resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon, against or otherwise and the Board may subject to the provisions of the Act, accept surrender of Shares.

Power to sub-divide and consolidate shares

68 The Company may by Ordinary Resolution

(a) Consolidate and divide all or any of its share capital into Shares of large amount than its existing Shares;

(b) Subdivide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum subject, nevertheless, to the provisions of clause (d) of sub-section (1) of Section 94 of the Act; and

(c) Cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Redeemable Preference Shares

69 Subject to the provision of Section 80 of the Act and all other applicable laws, the Company shall have the power to issue and redeem Preference Shares which shall be redeemed not later than 10 (ten) years from the date of each issue and the resolution authorising such issue shall prescribe the manner, terms and conditions of the redemption.

MODIFICATION OF RIGHTS

Power to modify rights of different classes of Shareholders and the rights

70 (a) If at any time the share capital of the Company is divided into different classes of Shares the rights attached to the Shares of any class may be varied with the consent in writing of the holders of not less than three fourths of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued Shares of that class.

(b) This Article is not to derogate from any power the Company would have had, if this Article were omitted and the right of the dissenting shareholders being holders of not less in the aggregate than 10 percent of the issued Shares of that class to apply to the Court to have the variations or modifications cancelled as provided in Section 107 of the Act.

Issue of Equity shares with Differential Rights	71	Notwithstanding anything contained in these Articles and in pursuance of provisions of Section 86 of the Act and subject to the Rules and Regulations prescribed thereunder, the Company may from time to time sub-divide or consolidate its un-issued authorized equity capital into ordinary equity capital with voting rights and equity capital with differential rights divided into Shares of different class with one or more differential rights and privileges whether deferred, guaranteed, qualified or otherwise with respect to dividend, voting or any other matter, as may be permitted by the Act from time to time. The Company may vary, modify, amalgamate or abrogate any such rights and privileges on such conditions and to such an extent, as may be permitted by the Act and the Rules prescribed at the relevant time on optional basis or otherwise.
General Meeting	72	**GENERAL MEETINGS** The first Annual General Meeting of the Company shall be held within 18 (eighteen) months of its incorporation. The next Annual General Meeting shall be held within 6 (six) months after the expiry of the financial year. Except in the case when for any special reason time for holding any annual general meeting (not being the first annual general meeting) is extended under Section 166 of the Act, no greater interval than 15 months shall be allowed to elapse between the date of 1 (one) Annual General Meeting and that of the next. All other meetings of the Company shall be called "Extra-ordinary General Meetings."
Voting Rights	92	**VOTES OF MEMBERS** (1) Subject to the provisions of Section 87 of the Act, every Member entitled to vote and present in person (a) shall, upon a show of hands, have 1 (one) vote; and (b) shall, (subject to the provisions of Section 92 of the Act and Article 32) upon a poll have voting rights in proportion to his share of the paid-up equity capital of the Company. (2) Subject to the provisions of Section 92 of the Act and Article 32 every Member of the Company holding any preference share capital shall in respect of such capital have a right to vote on resolutions to the extent and in the manner laid down in sub-section (2) of Section 87 of the Act. (3) Provided, however, that so far as the President is concerned a vote may be given on his behalf on a show of hands or on a poll by any person whether a member or not, authorised by him to be present and vote at all or any of the meetings of the Company. The President may at any time revoke or cancel the authority of any person to vote on his behalf as aforesaid and make fresh authorisation. An order of the President authenticated as provided by the Constitution of India in respect of any such authorisation or revocation thereof shall be sufficient and conclusive evidence thereof.
Postal Ballot	93	Notwithstanding anything contained elsewhere in these Articles, but subject to the provisions of Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 the Company, may and in the case of resolutions relating to such business, as the Central Government may by the Rules and/or notifications, declare to be conducted only by Postal Ballot, shall get such resolutions passed by means of Postal Ballot (which includes voting in electronic mode) instead of transacting the business in a General Meeting personally.
Management	114	**BOARD OF DIRECTORS** The business of the Company shall be managed by a Board of Directors. The Directors shall not be required to hold any qualification Shares.

Number of Directors	115	Unless otherwise determined by the Company in General Meeting, the number of Directors shall be not less than 3 (three) and not more than 16 (sixteen). These Directors may be functional directors on a whole-time basis or part-time Directors.
Appointment of Board of Directors	116	$2/3^{rd}$ (Two-third) (any fraction to be rounded off to the next number) of the Directors of the Company shall be persons whose period of office shall be liable to determination by retirement by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting. The remaining Directors shall not be liable to retire by rotation and shall, subject to the provisions of these Articles, be appointed by the President of India so long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company. Subject to Section 256 of the Act, at every Annual General Meeting of the Company $1/3^{rd}$ (one-third) of such Directors for the time being as are liable to retire by rotation and if their number is not 3 (three) or a multiple of 3 (three), then the number nearest to $1/3^{rd}$ (one third), shall retire from office.
Which Directors to retire	117	Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairman-cum-Managing Director of the Company and such other non-retiring directors, if any) who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, be determined by lot.
Appointment of Chairman-cum-Managing Director	118	So long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company, the Chairman cum Managing Director of the Company shall be appointed by the President on such terms & conditions, remuneration and tenure as the President may determine from time to time. The Chairman cum Managing Director shall be the Chief Executive of the Company and a non-retiring Director.
Appointment of Functional Directors	119	The President shall, subject to the provisions of Section 255 of the Act and Article 116 appoint in consultation with the Chairman of the Company, such number of functional Directors on whole-time basis as deemed fit on such terms and conditions, remuneration and tenure, as the President may from time to time determine.
Nominee Part-time Directors	120	So long as the President holds 51 (fifty one) percent or more of the paid up equity share capital of the Company, the President may appoint nominee part-time Directors representing various Ministries of the GoI. A nominee part time Directors shall cease to be a Director of the Company on his ceasing to be an official of that Ministry.
Retiring Directors eligible for re-election	121	A retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which the Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto (i) at that Meeting or at the previous Meeting, a resolution for the re-appointment of such Director has been put to the Meeting and lost; (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed; (iii) he is not qualified or is disqualified for appointment; and (iv) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act.

Meetings of Directors	145	**MEETINGS OF THE BOARD** The Directors may meet together as Board for the dispatch of business from time to time, and shall so meet at least once in every 3 (three) months and at least 4 (four) such meetings shall be held in every year. The Directors may adjourn and otherwise regulate the meetings as they think fit.
General Power of the Company vested in the Board	161	**POWERS OF THE BOARD** Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do: Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent there with and duly made thereunder, including regulations made by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
Specific powers given to the Directors	162	**Subject to the provisions of the Act and without prejudice to the general powers conferred by these Articles, the Directors shall have the following specific powers, that is to say**: To make Bye-laws 1. To make, vary and repeal from time to time, bye-laws for the regulation of the business of the Company and for governing its officers and servants including wage as may be prescribed by the Government and welfare policy, terms and conditions of service, discipline etc. Local Management 2. The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any special locality in India) in such manner as they shall think fit. Local Directorate Delegation 3. The Board from time to time and at any time, may establish any local directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration and, save as provided in Section 292 of the Act, the Board, from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may, at any time, remove any persons so appointed and may annul or vary any such delegation. To pay and charge interest etc. 4. To pay and charge to the capital account of the Company any interest lawfully payable thereat under the provisions of the Act.

To acquire property

5. To purchase, take on lease or otherwise acquire or deal with the property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

(i) Capital Works undertaking of

6. So long as the President holds 51 % of the Equity Share Capital of the Company, to authorise from time to time, undertaking of works of capital nature, subject to the condition that all cases involving a capital expenditure exceeding Rs.100 crores or such higher amount as may be determined by the Board from time to time, shall be referred to the President for approval and provided that :

i) within any financial year the funds required will be found from the internal resources and within the budget allocation for the project;

ii) the expenditure on such works in subsequent years would be the first call on the respective budget allocations;

To pay for property in Debentures

7. To pay for any property or rights acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debentures stock or in shares, that may be issued as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debenture, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by Mortgage

8. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit;

To refer to Arbitration

9. To refer any claim or demand by or against the Company to arbitration and to challenge, observe and perform the awards;

To invest money

10. So long as the Company is a Government Company within the meaning of the Act, to invest and deal with any of the surplus moneys of the Company not immediately required for the purposes thereof as per Government guidelines on this subject and realise such investment.

To give bonus and provide for welfare of employees and to create Provident Funds

11. To provide for the welfare of employees or ex-employees of the Company or of its predecessors in business and the wives, widows and families or the dependents or connections of such employees or ex-employees by building or contributing to the building of houses, dwellings or chawls or by grants of money, allowances, bonuses, profit sharing bonuses or benefit of any other kind or by creating and from time to time

subscribing or contributing to provident and other association, institution, funds, profit sharing or other scheme or trusts or by providing or subscribing or contributing towards places of interest and recreation; hospitals and dispensaries, medical and other attendances and any other form of assistance, welfare or relief as the Directors shall think fit;

To subscribe to other Funds

12. To subscribe or otherwise to assist either in cash or in kind to scientific institutions or objects.

To create Depreciation and other funds or reserves

13. To set aside before recommending any dividend out of the profit of the Company such sums as they may think proper / for depreciation or to depreciation fund, Reserve or to Reserve Fund to meet contingencies or Insurance Fund or any special or other fund to meet contingencies or to repay Redeemable Preference Shares, and for special dividends and for equalising dividends and for repairing, replacing, improving, extending and maintaining any part of the properties of the Company and for such other purposes (including the purposes referred to in the sub-clause (12)] as the Directors may, in their absolute discretion think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit; and from time to time to deal with and vary such investments and. dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the reserve fund into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same, with power, however, to the Directors at their discretion to pay or allow to credit such fund interest at such rate as the Directors may think proper.

To Create Posts and appoint officers

14. To create posts and to appoint and at their discretion remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants from permanent, temporary or special service, as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or any other part of the world in such manner as they think fit;

To delegate
15. Subject to Sections 292 and 293 of the Act, to delegate all or any of the powers, authorities and discretions for the time being vested in the Directors, subject however to the ultimate control and authority being retained by them.

Authority to further sub-delegate

16. Any such delegatee or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

To lend money

17. To lend moneys to subsidiaries and associate organisations, on such terms and conditions as they may consider desirable subject to the provisions of the Act.

To insure property etc.

18. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, products and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

To Open Bank Accounts

19. To open accounts with any bank or bankers in any currency, and pay money into and draw money from any such account from time to time as the Directors may think fit.

To accept surrender of shares

20. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

To appoint Trustees

21. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To give receipt

22. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

To authorise acceptance etc.

23. To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.

To give security by way of indemnity

24. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain power of sale and such other powers, covenants and provisions as

shall be agreed to.

To subscribe to charitable and other funds

25. To subscribe or otherwise to assist in cash or in kind to charitable, benevolent, religious, scientific, national, public or any other institutions or objects, or for any exhibition

To appoint Attorneys

26. At any time and from time to time by Power of Attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) may be made in favour of the members or any of the members of any Local Board established as aforesaid or in favour of any company or the members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Directors may think fit. .

To enter into contracts

27. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name of and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To Institute or Defend action

28. To institute, conduct, defend, compound or abandon any legal proceedings by or against the company of its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

To maintain foreign register

29. To keep Foreign Register of Members/Debenture-holders in accordance with the provisions of the Act.

Division of Profits 166 **DIVIDEND AND RESERVES**

Subject to Section 206 of the Act and any restrictions and limitations or special rights relating thereto created or authorised to be created by the Memorandum or by these Articles, the profits of the Company shall be divisible among the Members in proportion to the amount of capital paid up in the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid up on shares during the period in respect of which dividend is declared shall, unless the Directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.

The Company in General Meeting may declare a dividend 167 The Company in General Meeting may declare dividend to be paid to the Members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board.

Power of Directors to limit Dividends	168	(a) No larger dividends shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend; (b) No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived after providing for the depreciation in accordance with the provisions of the Act or out of profits of the Company for any previous financial year or years arrived after providing for the depreciation in accordance with applicable laws and remaining undistributed or out of both or out of moneys provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company. For the purpose of this Article, the declaration of the Directors as to the amount of the profits of the Company shall be conclusive; (c) Subject to the provisions of the Companies Act as amended from time to time, no dividend shall be payable except in cash; and (d) Any one of the several persons who are registered as the joint holders of any Share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
Interim Dividends	170	The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Unclaimed Dividend	175	Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "OIL-Unpaid Dividend Account". Any money transferred to the unpaid dividend of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.
Indemnity	205	**INDEMNITY** (a) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against any bona fide liability and it shall be the duty of the Directors to pay out of the Funds of the Company, all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Officers or employees may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Director, General Manager, Manager, Officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims. (b) Subject as aforesaid every Director, Manager, Officer or (with the consent of the Directors), Auditors of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgment is given in his or their favour

or in which he or they are acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office situated at OIL House, Plot Number 19, Sector 16A, Noida, District Gautam Budh Nagar, Uttar Pradesh, 201 301 from 10.00 am to 4.00 pm Indian Standard Time on any Business Day from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letters dated September 10, 2007 for appointment of JM Financial Consultants Private Limited & Morgan Stanley India Company Private Limited, Citigroup Global Markets India Private Limited and HSBC Securities and Capital Markets (India) Private Limited as BRLMs.
2. Memorandum of Understanding dated December 12, 2007 between our Company and the BRLMs.
3. Memorandum of Understanding dated December 1, 2007 executed between our Company and the Registrar to the Issue.
4. Escrow Agreement dated [●] between our Company, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between our Company, the BRLMs and Syndicate Member.
6. Underwriting Agreement dated [●] between our Company, the BRLMs and Syndicate Member.

Material Documents

1. Our Memorandum and Articles of Association as amended.
2. Our certificate of incorporation dated February 18, 1959.
3. Letter Number G-34014/2/2000-Fin.III dated September 11, 2007 issued by the President of India acting through the Ministry of Petroleum and Natural Gas, granting approval for the Issue.
4. Resolutions of the Board dated September 12, 2007 authorising the Issue.
5. Shareholders' resolutions dated October 31, 2007 in relation to the Issue and other related matters.
6. Resolutions of the IPO Committee dated December 12, 2007, and [●], respectively, approving the Draft Red Herring Prospectus, and the Prospectus.
7. Resolution of the Board of Directors dated August 24, 2009 approving the Red Herring Prospectus.
8. Copies of the letters by the Ministry of Petroleum and Natural Gas, GoI, for appointment and remuneration of our Directors.
9. Report of the Auditors on the restated financial statements, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus and letters from the auditors dated August 21, 2009.
10. Copies of annual reports of our Company for the past five financial years.
11. Consents of the Auditors for inclusion of their report on accounts and Statement of Tax Benefits in the form and context in which they appear in this Red Herring Prospectus.
12. General Powers of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.
13. Consents of the IPO Grading Agency, Auditors, Gaffney, Cline & Associates (Consultants) Pte Ltd, Bankers to our Company, BRLMs, Syndicate Member, Registrar to the Issue, Banker to the Issue, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
14. Summary Independent Technical Reports by Gaffney, Cline & Associates (Consultants) Pte Ltd.
15. IPO Grading Letter by CRISIL Limited dated August 12, 2009.
16. Applications dated December 14, 2007 and December 17, 2007 for in-principle listing approval from BSE and the NSE, respectively.
17. In-principle listing approvals dated January 22, 2008 and January 8, 2008 from BSE and NSE, respectively.
18. Agreement between NSDL, our Company and the Registrar to the Issue dated April 7, 2008.
19. Agreement between CDSL, our Company and the Registrar to the Issue dated April 11, 2008.
20. Due diligence certificate dated December 14, 2007 to SEBI from the BRLMs.
21. SEBI interim observation letter CFD/DIL/SL/112621/2008 dated January 3, 2008 and *in-seriatim* reply to the same dated January 15, 2008.

22. Letter dated January 16, 2008 from the BRLMs requesting SEBI to allow revisions in the basis of Allotment to Eligible Employees to ensure minimum Allotment to Eligible Employees (in case of oversubscription in the Employee Reservation Portion) pursuant to recommendations of the MoPNG.
23. Letter dated August 14, 2008 from the BRLMs intimating SEBI of our Board composition in compliance with clause 49 of the Listing Agreement.
24. Letter dated September 2, 2008 from the BRLMs summarizing some of the significant business developments since the filing of the DRHP with SEBI on December 14, 2007 along with the auditors report for restated accounts up to June 30, 2008.
25. SEBI observation letter CFD/DIL/ISSUES/SM/137426/2008 dated September 11, 2008 and *in-seriatim* reply to the same dated July 27, 2009.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act and the guidelines issued by the GoI or the guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, or the rules or guidelines issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

Signed by all Directors

____
Mr. N.M. Borah, Chairman and Managing Director

____
Mr. T.K. Ananth Kumar, Director (Finance)

____
Mr. B.N. Talukdar, Director (Exploration and Development)

____
Mr. Ashok Anand, Director (Human Resource and Business Development)

____
Mr. D.N. Narasimha Raju, Government Nominee Director

____
Dr. Archana Saharya Mathur, Government Nominee Director

____
Mr. Ghanshyambhai Hiralal Amin, Independent Director

____
Prof. Sushil Khanna, Independent Director

____
Mr. Arun K. Gupta, Independent Director

____
Mr. Alexander K. Luke, Independent Director

Mr. Vinod K. Misra, Independent Director

Mr. Pawan K. Sharma, Independent Director

Mr. S.R. Krishnan
Company Secretary

Mr. T.K. Ananth Kumar
Director (Finance)

Date: August 25, 2009
Place: New Delhi

APPENDIX A – EXECUTIVE SUMMARY OF THE SUMMARY INDEPENDENT TECHNICAL REPORT 2007

Gaffney, Cline & Associates (Consultants) Pte Ltd
Technical and Management Advisers to the Petroleum Industry Internationally Since 1962
Principals:
William B. Cline
Peter D. Gaffney

80 Anson Road, #31-01C
Fuji Xerox Towers
Singapore 079907
Telephone: +65 6225 6951
Facsimile: +65 6224 0842
email:gcas@gaffney-cline.com
www.gaffney-cline.com
Registered No. 01453/1987-N

ASJ/dh/L0450/2007/KK814.02 **5 December 2007**

OIL INDIA LIMITED
Plot No. 19, Sector-16A
Noida 201 301
Uttar Pradesh

CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021

HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED
52/60 Mahatma Gandhi road
Fort
Mumbai 400 001

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
117 Himalaya House
23 KG Marg
New Delhi

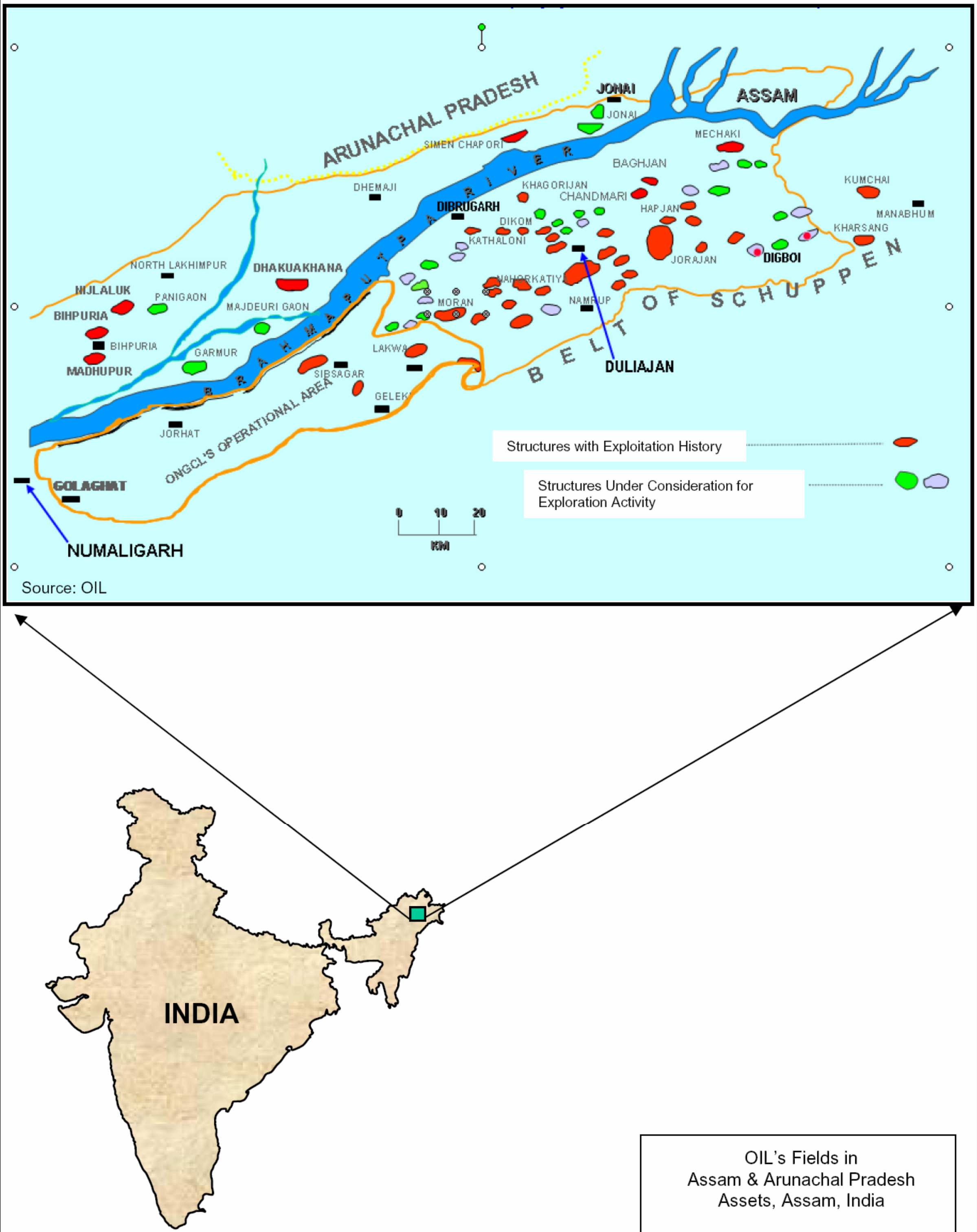
MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED
Hilton Towers, Floor 11
Nariman Point
Mumbai (Ex Bombay) 400 021

Dear Sirs,

SUMMARY INDEPENDENT TECHNICAL REPORT

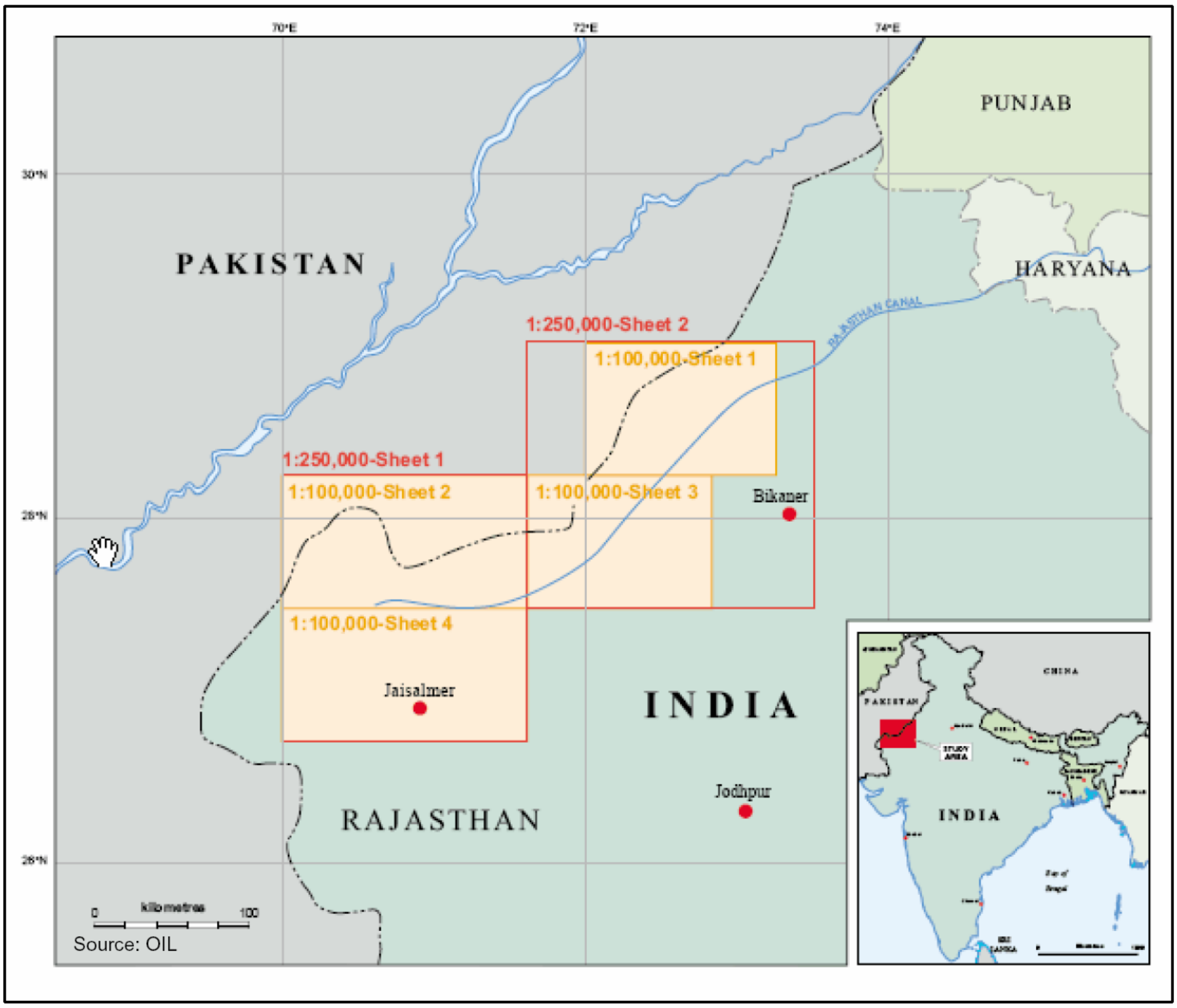
INTRODUCTION

In accordance with the instructions of Oil India Limited (OIL), Gaffney, Cline & Associates (Consultants) Pte Ltd (GCA) has initiated an independent professional assessment of OIL's portfolio of oil and gas property interests as of 31st March 2007. OIL's oil and gas assets are primarily located in India and those reviewed in this report are divided between Assam & Arunachal Pradesh and Rajasthan. See **Figures 1** and **2** for maps of the respective areas.



OIL's Fields in
Assam & Arunachal Pradesh
Assets, Assam, India

KK814.02 Nov 07	Checked:	Fig 1



OIL's Assets
Rajasthan, India

KK814.02 Nov 07	Checked:	Fig 2

OIL has made available to GCA a data-set of technical information, including geological, geophysical, and engineering data and reports, together with financial data and fiscal terms applicable to each of the assets. GCA has also had meetings and discussions with OIL technical and managerial personnel. In carrying out this review, GCA has relied on the accuracy and completeness of the information received from OIL. GCA carried out a review of all the available data and interpretations for reasonableness and adjusted where considered appropriate.

GCA has not undertaken any site visits in connection with this work and has relied on representations made by OIL in respect of the facilities.

GCA uses the Petroleum Resources Management System (SPE PRMS) published by the Society of Petroleum Engineers/World Petroleum Congresses/ American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) in March, 2007, as the basis for its classification and categorization of hydrocarbon volumes. An abbreviated form of these definitions and guidelines is included as Attachment 1.

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of Reserve volumes quoted herein have been determined within the context of an economic limit test on the basis of a constant price and cost (pre-tax and exclusive of accumulated depreciation amounts).

GCA reviewed and audited OIL's reserves estimates for Proved (1P), Proved plus Probable (2P), and Proved plus Probable plus Possible (3P) cases for all the fields as of 31st March 2007. GCA has applied the SPE Reserves Definitions as follows:

- Proved Developed Producing (PDP) reserves are assigned for reservoirs which were on production at the time of estimation at 31st March 2007. They are estimated based on production characteristics and decline curve analysis by extrapolating the trend to the termination date of the respective Mining Licences (ML) or a technical minimum oil production limit is reached before the end of the termination date of the ML.

- Proved Developed non-Producing (PDnP) reserves are estimated as the volumes of oil that are recoverable from existing wells that have penetrated the reservoir but which are not opened at the time of estimation. Reservoirs presently shut-in because of mechanical problems and which can be brought back to production through normal workover operation are also assigned in the PDnP category.

- Proved Undeveloped (PUD) reserves are considered for reservoirs where development activities are ongoing or planned in the near-to-medium term. Reservoirs having undeveloped drainage areas where interpretation of geological and engineering data from existing wells indicates that the reservoir is laterally continuous and excessive water or gas production is not expected (reasonably certain that the well will produce once drilled) are the candidates for assigning PUD reserves. In addition, PUD reserves are calculated as the volume of oil recoverable from the development locations which are released and planned for drilling within a reasonable time frame.

- Probable and Possible reserves are estimated as the volumes of oil recoverable in the future which are dependent on additional development activities, operating methods, technological improvements, future economic conditions and government regulations. These are not restricted to the validity periods/termination dates of the MLs. Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) reserves are calculated based on analogy of recovery factors.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no evident viable markets, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

It must be clearly understood that any determination of Reserve volumes, particularly those involving continuing field development, will be subject to significant variations over short periods of time as new information becomes available and perceptions change.

GCA is an independent energy consultancy specialising in petroleum reservoir evaluation and economic analysis. In the preparation of this report, GCA has maintained, and continues to maintain, a strict consultant-client relationship with OIL. The directors of GCA have been, and continue to be, independent of OIL in the services they provide to OIL including the provision of the opinion expressed in this review. Furthermore, the directors of GCA have no interest in any assets or share capital of OIL, or in the promotion of OIL.

This report must only be used for the purpose for which it was intended.

SUMMARY

In 2005, GCA conducted an independent audit of OIL's oil and gas reserves for the fields in Assam & Arunachal Pradesh and Rajasthan and for its Contingent Resource gas volumes. The current audit for OIL's existing fields was based where possible on the results of the 2005 reserves audit as of 31st March 2005. The estimated reserves were updated, taking into account changes in volumetric compilations, field producing and development activities that occurred between 2005 and 2007 to update the status as of 31st March 2007. Additionally, Contingent Resource heavy oil has been discovered in both regions but, as indicated elsewhere herein, these volumes have not thus far been formally audited by GCA.

All OIL's assets are held under Mining Licences issued by the GoI and each licences is held solely by OIL. The expiry dates of the licences vary and are summarised in the Table below.

Mining Licences – Termination Dates
Assam and Arunachal Pradesh

Licence	Fields	Termination Date
Nahorkatiya	Nahorkatiya Main, Madhuting-Tipling, Zaloni, East Zaloni, Santi, Jaipur, Dighaliya	9th January, 2011
Hugrijan	Dikom-Madarkhat-Kuhiarbari, Kathaloni-Bachmatia, South Kathaloni, Tengakhat-Rungoliting, Hatiali, Tamulikhat, North Tamulikhat, Rajali, East Rajali, Bhekulajan, Deohal-East Deohal, Jutlibari, Langkasi, Kathalguri, Nagajan, Jorajan, Bazaloni, Tarajan, East Langkasi, Bordubi, North-Balijan, Kamkhat, Mohanbari, Makum, Hapjan, North Hapjan, Uriamguri, Sealkati, Lohali, Kasomari, Ghugoloni, Jengoni	9th January, 2021
Moran	Moran, Thoura West, Haldibari	9th January, 2021
Dumduma	Bogapani, Samdang, Duarmara, Kusijan, Borbil, Shalmari, West Shalmari, Tinali, North Tinali, South Tinali, North Makum	25th November, 2009
Moran Extension (4)	Rajgarh, South Rajgarh, Dipling, Diroi, Saroniji, Sapekhati	31st October, 2026

Dibrugarh	Bhogpara	20th January, 2018
Tinsukia	Khagorijan, Matemekhana-1, Jaraipather	6th December, 2021
Borhapjan (1)	Borhapjan, North Borhapjan, Hukanguri	31st March, 2025
Dholiya	Dholiya, Bamunpukhuri, Teloijan	17th October, 2022
Chabua (2)	Chabua, North Dikom, Matimekhana-2	11th May, 2022
Mechaki (3)	Mechaki	18th May 2023
Baghjan (1)	Baghjan	13th May, 2023
Tinsukia Extension (1)	Barekuri (North Chandmari), South Chandmari	16th May, 2023
Ningru	Kumchai, Shonking, Manabum	26th November, 2023
Ningru Extension (2)	Kherem	3rd June, 2023

Notes:

(1) Licence awarded – Waiting for Signing of Deed.
(2) Licence awarded – Waiting for Signing of State Government.
(3) Licence awarded – Waiting for finalization of grant.
(4) Applied for extension – Paid additional Security deposit to State Government, waiting for formal letter of extension from the State Government.
(5) The above data provided by OIL.

For Rajasthan, the Mining Licence for the Tanot, Dandewala and Bagitibba Block expires 1st January 2016.

The hydrocarbon volumes presented in the Tables below are both gross and net, these being the same since OIL hold 100% of the licences. Oil volumes are presented in both millions of standard cubic meters (MMscm) and millions of barrels (MMstb), gas as millions of standard cubic meters (MMscm) and billions of standard cubic feet (Bscf)

As at 31st March 2007, OIL was producing 63,789 barrels of oil per day (10,143 cubic meters per day of oil), and 204.12 million standard cubic feet of gas (5.78 million cubic meters per day of gas) from Assam & Arunachal Pradesh and 20.48 million standard cubic feet of gas (0.58 million standard cubic meters per day of gas) in Rajasthan.

The results presented herein are based upon information and data made available to GCA on or before 12th October 2007.

RESERVES

OIL's reserves are divided between assets in Assam & Arunachal Pradesh and those in Rajasthan.

Assam & Arunachal Pradesh Reserves

The following tables present the Proved, Proved plus Probable, and Proved plus Probable plus Possible oil and gas reserves attributable to OIL.

Oil Reserves
As at 31st March 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Assam and Arunachal Pradesh	44.195	277.942	84.985	534.471	158.141	994.549

Gas Reserves
As at 31st March, 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh	26,557	937.860	43,170	1,524.549	69,361	2,449.484

Notes:

1. The Digboi Field is not included in these estimates due to non-availability of suitable data.

Rajasthan Reserves

The following tables present the gas Reserves attributable to OIL in Rajasthan.

Gas Reserves
As at 31 March 2007

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Rajasthan	1,753	61.907	2,544	89.841	5,217	184.238

RESOURCES

Contingent Resources – Gas

OIL has Contingent Resources in the form of gas and heavy oil in both Assam & Arunachal Pradesh and Rajasthan. In the case of the gas resources, the volumes are contingent on entering into additional gas sales agreements and the renewal of the mining leases. **Note: Contingent Resource volumes of oil or gas are not additive to those classified as Reserve volumes.**

Potentially Recoverable Contingent Resource Gas Volumes
As at 31 March 2007

Region	Low		Best Estimate		High	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh + Rajasthan	19,052	672.821	30,425	1,074.459	34,488	1,217.944

Heavy Oil In-Place

Heavy (high pour point) oil has been discovered in both Assam & Arunachal Pradesh as well as in Rajasthan. However, these accumulations are thus far undeveloped and there is no current record of successful pilot exploitation tests. OIL has estimated the **oil-in-place** for Assam & Arunachal Pradesh at 6.7135 MMSCM (42 MMstb) with associated **gas-in-place** of 522.3303 MMscm (18.446 Bscf). OIL has not been able to calculate a range of potentially recoverable volumes for Assam & Arunachal Pradesh, hence a corresponding range of recoverable Contingent Resources has yet to be established.

OIL has estimated a range of **oil-in-place** volumes for Rajasthan at: **Low Case** 42.932 MMscm (270 MMstb), **Best Estimate** Case 52.314 MMscm (329 MMstb) and **High Case** 61.695 MMscm (388 MMstb). OIL has not presented GCA with its contemporary estimate of associated gas-in-place.

GCA has not formally audited these heavy oil estimates of Contingent Resources and is therefore not in a position to comment further in this regard. Further, it must be understood that the volumes quoted above are 'in-place' volumes only and that the corresponding 'recoverable' (given that suitable exploitation solutions may be determined) Contingent Resource volumes can be expected to be only a fraction of these in-place estimates.

Prospective Resources

No Prospective Resources were included in GCA's examination.

DETAILS OF RESERVES AND RESOURCES

Regional and field-by-field summaries and analyses are provided in Attachments II to XII. Note that, in all cases, the Attachments list volumes in standard cubic meters only. The conversion factors to oil field units are: 1 scm oil = 6.289 barrels, 1 scm gas = 35.315 cubic feet.

QUALIFICATIONS

GCA is an independent international energy advisory group of 45 years' standing, whose expertise includes petroleum reservoir evaluation and economic analysis. The report is based on information compiled by professional staff members who are full time employees of GCA.

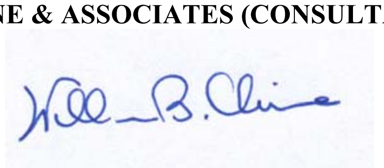
Staff who participated in the compilation of this summary report includes Mr William B. Cline, Mr Brian Rhodes and Mr Alex Johnson. All hold at least a bachelor's degree in geoscience, petroleum engineering or related discipline. Mr Cline is a Senior Partner and Principal of GCA, with over 48 years of industry experience. He has a B.Sc. in Petroleum and Natural Gas Engineering, is a Chartered Engineer in the U.K. and Registered Professional Engineer in the State of Texas, U.S.A. He is also a Member of the Institute of Gas Engineers, the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Rhodes holds a B.Sc. (Hons) Geology, is a member of the Energy Institute, the Petroleum Exploration Society of Great Britain, the Society of Petroleum Engineers and the European Association of Geoscientists and Engineers, and has more than 33 years industry experience. Mr Johnson holds a B.Sc. in Geological Engineering, is a member of the Society of Petroleum Engineers and has over 32 years in the petroleum industry.

BASIS OF OPINION

This assessment has been conducted within the context of GCA's understanding of the effects of petroleum legislation, taxation, and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title, financial interest relationships or encumbrances thereon for any part of the appraised properties.

It should be understood that any determination of Reserve or Resource volumes, particularly involving petroleum developments, may be subject to significant variations over short periods of time as new information becomes available and perceptions change.

Yours sincerely,
GAFFNEY, CLINE & ASSOCIATES (CONSULTANTS) PTE LTD



William B. Cline BSc, CEng. FIGM, PE

GCA Gaffney, Cline & Associates (Consultants) Pte Ltd
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APPENDIX B - SUMMARY INDEPENDENT TECHNICAL REPORT 2008

ASJ/dh/L0379/2008/KK1299 **30th October 2008**

The Directors
OIL INDIA LIMITED
Plot No. 19, Sector-16A
Noida 201 301
Uttar Pradesh

Mr Rahul Saraf
Vice President
CITIBANK NA
Dalamal Towers
Nariman Point
Mumbai

Mr. Sumit Kr Khanna
Director and Head, Northern India
HSBC SECURITIES & CAPITAL MARKETS (INDIA) PVT LTD
3rd Floor,
25 Barakhamba Road
New Delhi 110 001

Mr. Sudhir Bassi
Executive Director
MORGAN STANLEY INDIA CO PVT LTD
Oberoi Hotels
Mumbai 400 020

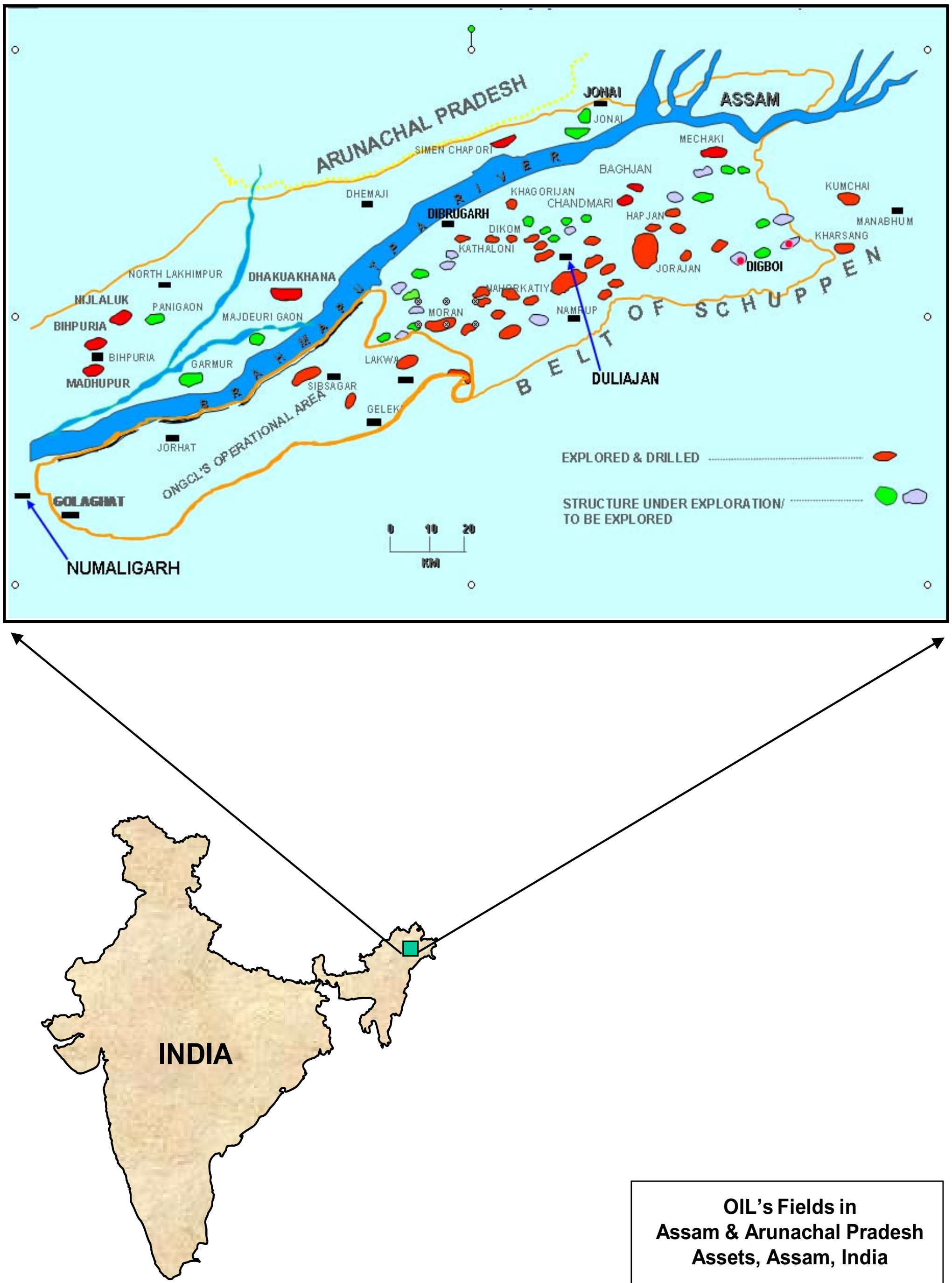
Ms Sanchita Chadha
Executive Director
JM FINANCIAL CONSULTANTS PVT LTD
117, Himalaya House
23, KG Marg
New Delhi

Dear Sirs,

SUMMARY INDEPENDENT TECHNICAL REPORT

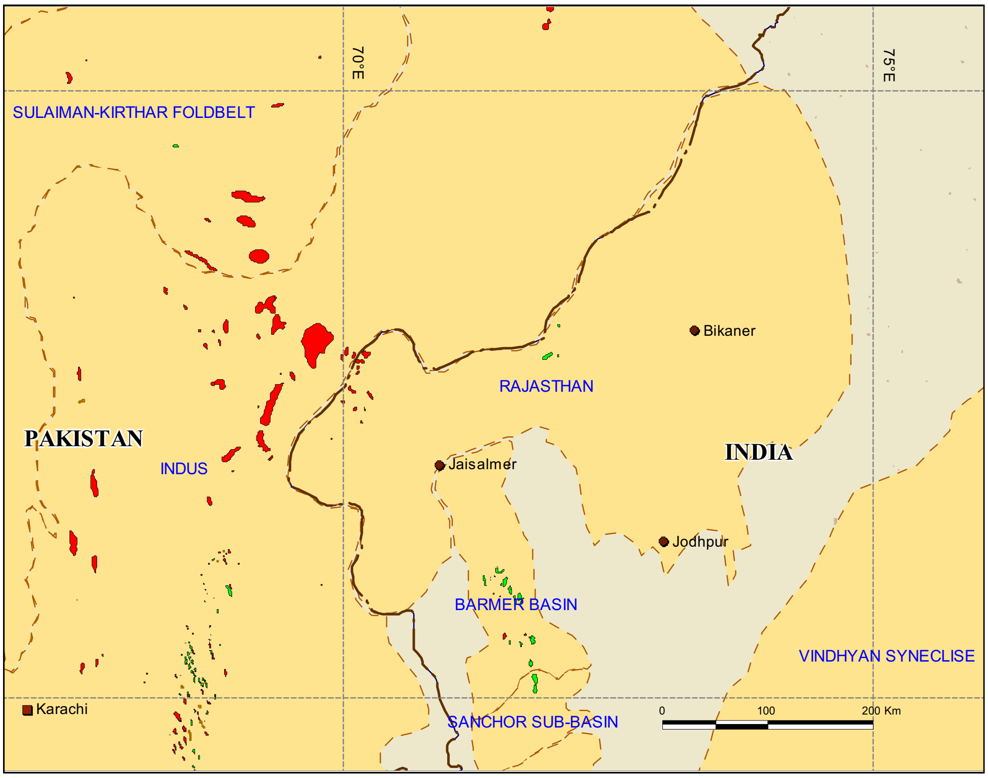
INTRODUCTION

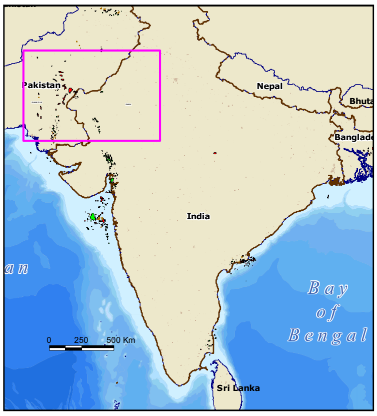
In accordance with the instructions of Oil India Limited (OIL), Gaffney, Cline & Associates (Consultants) Pte Ltd (GCA) has initiated an independent professional assessment of OIL's portfolio of oil and gas property interests as of 31st March 2008. OIL's oil and gas assets are primarily located in India and those reviewed in this report are divided between Assam & Arunachal Pradesh and Rajasthan. See **Figures 1** and **2** for maps of the respective areas.



OIL's Fields in Assam & Arunachal Pradesh Assets, Assam, India

Project: KK1299 Oct 08	Checked:	Fig 1





OIL's Assets
Rajasthan, India

Project: KK1299 Oct 08 | Checked: | Fig 2

1. OIL's Fields in Assam & Arunachal Pradesh Assets, Assam, India

2. OIL's Assets Rajasthan, India

OIL has made available to GCA a data-set of technical information, including geological, geophysical, and engineering data and reports, together with financial data and fiscal terms applicable to each of the assets. GCA has also had meetings and discussions with OIL technical and managerial personnel. In carrying out this review, GCA has relied on the accuracy and completeness of the information received from OIL. GCA carried out a review of all the available data and interpretations for reasonableness and adjusted where considered appropriate.

GCA has not undertaken any site visits in connection with this work and has relied on representations made by OIL in respect of the facilities.

GCA uses the Petroleum Resources Management System (SPE PRMS) published by the Society of Petroleum Engineers/World Petroleum Congresses/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) in March, 2007, as the basis for its classification and categorization of hydrocarbon volumes. An abbreviated form of these definitions and guidelines is included as Attachment 1.

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of Reserve volumes quoted herein have been determined within the context of an economic limit test on the basis of a constant price and cost (pre-tax and exclusive of accumulated depreciation amounts).

GCA reviewed and audited OIL's reserves estimates for Proved (1P), Proved plus Probable (2P), and Proved plus Probable plus Possible (3P) cases for all the fields as of 31st March 2008. GCA has applied the SPE Reserves Definitions as follows:

- Proved Developed Producing (PDP) reserves are assigned for reservoirs which were on production at the time of estimation at 31st March 2007. They are estimated based on production characteristics and decline curve analysis by extrapolating the trend to the termination date of the respective Mining Licences (ML) or a technical minimum oil production limit is reached before the end of the termination date of the ML.
- Proved Developed non-Producing (PDnP) reserves are estimated as the volumes of oil that are recoverable from existing wells that have penetrated the reservoir but which are not opened at the time of estimation. Reservoirs presently shut-in because of mechanical problems and which can be brought back to production through normal workover operation are also assigned in the PDnP category.
- Proved Undeveloped (PUD) reserves are considered for reservoirs where development activities are ongoing or planned in the near-to-medium term. Reservoirs having undeveloped drainage areas where interpretation of geological and engineering data from existing wells indicates that the reservoir is laterally continuous and excessive water or gas production is not expected (reasonably certain that the well will produce once drilled) are the candidates for assigning PUD reserves. In addition, PUD reserves are calculated as the volume of oil recoverable from the development locations which are released and planned for drilling within a reasonable time frame.
- Probable and Possible reserves are estimated as the volumes of oil recoverable in the future which are dependent on additional development activities, operating methods, technological improvements, future economic conditions and government regulations. These are not restricted to the validity periods/termination dates of the MLs. Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) reserves are also estimated taking into account anticipated recovery factors for the respective reserves categories.

- In each of the above Reserves cases, and specifically in relation to gas Reserves, a further overriding constraint has been applied based on the expected level of gas sales, in accordance with the degree of confidence associated with the respective Reserves category.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no evident viable markets, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. In the context of this audit, estimated technically recoverable volumes in excess of projected gas sales quantities have been classified as Contingent Resources.

Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

It must be clearly understood that any determination of Reserve volumes, particularly those involving continuing field development, will be subject to significant variations over short periods of time as new information becomes available and perceptions change.

GCA is an independent energy consultancy specialising in petroleum reservoir evaluation and economic analysis. In the preparation of this report, GCA has maintained, and continues to maintain, a strict consultant-client relationship with OIL. The directors of GCA have been, and continue to be, independent of OIL in the services they provide to OIL including the provision of the opinion expressed in this review. Furthermore, the directors of GCA have no interest in any assets or share capital of OIL, or in the promotion of OIL.

This report must only be used for the purpose for which it was intended.

SUMMARY

In 2005 GCA first conducted an independent audit of OIL's oil and gas reserves for the fields in Assam & Arunachal Pradesh and Rajasthan and for its Contingent Resource gas volumes. This original audit was updated last year as of 31st March 2007. The current audit for OIL's existing fields was based where possible on the results of the 2007 reserves audit as of 31st March 2007. The estimated reserves were updated, taking into account changes in volumetric compilations, field producing and development activities that occurred between 2007 and 2008 to update the status as of 31st March 2008. Additionally, Contingent Resource heavy oil has been discovered in both regions but, as indicated elsewhere herein, these volumes have not thus far been formally audited by GCA.

All OIL's assets are held under Mining Licences issued by the Government of India and each licence is held solely by OIL. The expiry dates of the licences vary and are summarised in the Table below.

Mining Licences – Termination Dates
Assam and Arunachal Pradesh

Licence	Fields	Termination Date
Nahorkatiya	Nahorkatiya Main, Madhuting-Tipling, Zaloni, East Zaloni, Santi, Jaipur, Dighaliya	9th January 2011
Hugrijan	Dikom-Madarkhat-Kuhiarbari, Kathaloni-Bachmatia, South Kathaloni,Tengakhat-Rungoliting, Hatiali, Tamulikhat, North Tamulikhat, Rajali, East Rajali, Bhekulajan, Deohal-East Deohal, Jutlibari, Langkasi, Kathalguri, Nagajan, Jorajan, Bazaloni, Tarajan, East Langkasi, Bordubi, North-Balijan, Kamkhat, Mohanbari, Makum, Hapjan, North Hapjan, Uriamguri, Sealkati, Lohali, Kasomari, Ghugoloni, Jengoni	9th January 2021
Moran	Moran, Thoura West, Haldibari	9th January 2021
Dumduma (5)	Bogapani, Samdang, Duarmara, Kusijan, Borbil, Shalmari, West Shalmari, Tinali, North Tinali, South Tinali, North Makum	25th November 2009
Moran Extension (4)	Rajgarh, South Rajgarh, Dipling, Diroi, Saroniji, Sapekhati	31st October 2026
Dibrugarh	Bhogpara	20th January 2018
Tinsukia	Khagorijan, Matemekhana-1, Jaraipather	6th December 2021
Borhapjan (1)	Borhapjan, North Borhapjan, Hukanguri	31st March 2025
Dholiya	Dholiya, Bamunpukhuri, Teloijan	17th October 2022
Chabua (2)	Chabua, North Dikom, Matimekhana-2	11th May 2022
Mechaki (3)	Mechaki	18th May 2023
Baghjan (1)	Baghjan	13th May 2023
Tinsukia Extension (1)	Barekuri (North Chandmari), South Chandmari	16th May 2023
Ningru	Kumchai, Shonking, Manabum	26th November 2023
Ningru Extension (2)	Kherem	3rd June 2023

Notes:
(1) Licence awarded – Waiting for Signing of Deed.
(2) Licence awarded – Waiting for Signing of State Government.
(3) Licence awarded – Waiting for finalization of grant.
(4) Applied for extension – Paid additional Security deposit to State Government, waiting for formal letter of extension from the State Government.
(5) Initiated application process for extension to 2029.
(6) The above data provided by OIL.

For Rajasthan, the Mining Licence for the Tanot, Dandewala and Bagitibba Blocks expires 1st January 2016.

The hydrocarbon volumes presented in the Tables below represent both gross and net volumes attributable to OIL, these being the same since OIL holds 100% of the licences. **The Reserves volumes herein also incorporate the attributable Royalty volumes as Royalty is paid in cash and in this circumstance is treated as a cost. The inclusion of the Royalty volumes is appropriately offset by including the Royalty payments as an operating expense in the economic limit test.**

Oil/condensate volumes are presented in both millions of standard cubic metres (MMscm) and millions of barrels (MMstb), gas as millions of standard cubic metres (MMscm) and billions of standard cubic feet (Bscf).

At OIL's request, estimates for future internal fuel gas consumption have also been reported below for each Reserves category. These volumes are significant in relation to the gas Reserves and, although not directly monetised, do provide the benefit of reducing operating costs compared to the alternative of using a more expensive alternative source of energy.

As at 31st March 2008, OIL was producing 66,670 barrels of oil per day (10,600 standard cubic metres of oil per day), and 204 million standard cubic feet of gas per day (5.78 million standard cubic metres of gas per day) from Assam & Arunachal Pradesh and 22.25 million standard cubic feet of gas (0.63 million standard cubic metres per day of gas) in Rajasthan.

The results presented herein are based upon information and data made available to GCA on or before 15th October 2008.

RESERVES

OIL's reserves are divided between assets in Assam & Arunachal Pradesh and those in Rajasthan.

Assam & Arunachal Pradesh Reserves

The following tables present the Proved, Proved plus Probable, and Proved plus Probable plus Possible oil and gas reserves attributable to OIL.

Oil Reserves
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Assam and Arunachal Pradesh	46.681	293.614	92.726	583.228	164.014	1031.615

Condensate Reserves
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Assam and Arunachal Pradesh	0.966	6.075	1.332	8.377	1.768	11.119

Gas Reserves
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh	35,335	1,248	52,401	1,851	69,766	2,464

Fuel Gas Consumption
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh	5,277	186	11,663	412	22,650	800

Note: The above table presents estimates of internal fuel gas consumption for the respective reserves categories. The Kharsang Field Oil Reserves are detailed separately below:

Kharsang Oil Reserves
40% OIL INDIA Working Interest
As at 31st March 2008

Field	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Kharsang	0.332	2.089	0.735	4.623	1.231	7.741

Rajasthan Reserves

The following tables present the gas Reserves attributable to OIL in Rajasthan.

Gas Reserves
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Rajasthan	1,753	62	2,544	90	5,217	184

Fuel Gas Consumption
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Rajasthan	51	2	83	3	128	5

Note: The above table presents estimates of internal fuel gas consumption for the respective reserves categories.

Condensate Reserves
As at 31st March 2008

Region	Proved		Proved plus Probable		Proved plus Probable plus Possible	
	MMscm	MMstb	MMscm	MMstb	MMscm	MMstb
Rajasthan	0.0036	0.0226	0.0076	0.0478	0.0122	0.0767

RESOURCES

Contingent Resources – Gas

OIL has Contingent Resources in the form of gas and heavy oil in both Assam & Arunachal Pradesh and Rajasthan. In the case of the gas resources, the volumes are contingent on entering into additional gas sales agreements and the renewal of the mining leases. **Note: Contingent Resource volumes of oil or gas are not additive to those classified as Reserve volumes.**

Potentially Recoverable Contingent Resource Gas Volumes
As at 31st March 2008

Region	1C		2C		3C	
	MMscm	Bscf	MMscm	Bscf	MMscm	Bscf
Assam and Arunachal Pradesh + Rajasthan	12,121	428	20,864	737	32,461	1,146

Heavy Oil In-Place

Heavy (high pour point) oil has been discovered in both Assam & Arunachal Pradesh as well as in Rajasthan. However, these accumulations are thus far undeveloped and there is no current record of successful pilot exploitation tests. OIL has estimated the **oil-in-place** for Assam & Arunachal Pradesh at 6.7135 MMscm (42 MMstb) with associated **gas-in-place** of 522.3303 MMscm (18.446 Bscf). OIL has not been able to calculate a range of potentially recoverable volumes for Assam & Arunachal Pradesh, hence corresponding estimates of recoverable Contingent Resources have yet to be established.

OIL has estimated a range of **oil-in-place** volumes for Rajasthan at: **Low Case** 42.932 MMscm (270 MMstb), **Best Estimate** Case 52.314 MMscm (329 MMstb) and **High Case** 61.695 MMscm (388 MMstb). OIL has not presented GCA with its contemporary estimate of associated gas-in-place for Rajasthan.

GCA has not formally audited these heavy oil estimates of Contingent Resources and is therefore not in a position to comment further in this regard. Further, it must be understood that the volumes quoted above are 'in-place' volumes only and that the corresponding 'recoverable' (given that suitable exploitation solutions may be determined) Contingent Resource volumes can be expected to be only a fraction of these in-place estimates.

Prospective Resources

No Prospective Resources were included in GCA's examination.

DETAILS OF RESERVES AND RESOURCES

Regional and field-by-field summaries and analyses are provided in Attachments II to XII. Note that, in all cases, the Attachments list volumes in standard cubic metres only. The conversion factors to oil field units are: 1 scm oil = 6.2898 barrels, 1 scm gas = 35.315 cubic feet. There royalties paid by OIL based on revenue in the amounts of: 20% for oil and 10% for gas.

QUALIFICATIONS

GCA is an independent international energy advisory group of 45 years' standing, whose expertise includes petroleum reservoir evaluation and economic analysis. The report is based on information compiled by professional staff members who are full time employees of GCA.

Staff who participated in the compilation of this summary report includes Mr William B. Cline, Mr Brian Rhodes and Mr Alex Johnson. All hold at least a bachelor's degree in geoscience, petroleum engineering or related discipline. Mr Cline is a Senior Partner and Principal of GCA, with over 48 years of industry experience. He has a B.Sc. in Petroleum and Natural Gas Engineering, is a Chartered Engineer in the U.K. and Registered Professional Engineer in the State of Texas, U.S.A. He is also a Member of the Institute of Gas Engineers, the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Rhodes holds a B.Sc. (Hons) Geology, is a member of the Energy Institute, the Petroleum Exploration Society of Great Britain, the Society of Petroleum Engineers and the European Association of Geoscientists and Engineers, and has more than 33 years industry experience. Mr Johnson holds a B.Sc. in Geological Engineering, is a member of the Society of Petroleum Engineers and has over 32 years in the petroleum industry.

BASIS OF OPINION

This assessment has been conducted within the context of GCA's understanding of the effects of petroleum legislation, taxation, and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title, financial interest relationships or encumbrances thereon for any part of the appraised properties.

It should be understood that any determination of Reserve or Resource volumes, particularly involving petroleum developments, may be subject to significant variations over short periods of time as new information becomes available and perceptions change.

Yours sincerely,
GAFFNEY, CLINE & ASSOCIATES (CONSULTANTS) PTE LTD

Brian Rhodes

Enclosures:

Attachment I:	SPE PRMS Definitions and Guidelines
Attachment II:	Assam Oil and Gas Reserves by Field
Attachment III:	Assam Well Count by Field
Attachment IV:	Assam Oil and Gas Cumulative Production as at 31st March 2008, by Field
Attachment V:	Assam Oil and Gas Production rate as at 31st March 2008, By Field
Attachment VI:	Assam Oil Production History Plots by Field
Attachment VII:	Assam Gas Production History Plots by Field
Attachment VIII:	Rajasthan Gas Reserves by Field
Attachment IX:	Rajasthan Active Well Count by Field
Attachment X:	Rajasthan Gas Cumulative Production as at 31st March 2008, by Field
Attachment XI:	Rajasthan Gas Production Rate as at 31st March 2008, by Field
Attachment XII:	Rajasthan Gas Production History Plots by Field

ATTACHMENT I

SPE PRMS DEFINITIONS AND GUIDELINES

Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers
Petroleum Resources Management System

Definitions and Guidelines (1)

March 2007

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be-discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

International efforts to standardize the definition of petroleum resources and how they are estimated began in the 1930s. Early guidance focused on Proved Reserves. Building on work initiated by the Society of Petroleum Evaluation Engineers (SPEE), SPE published definitions for all Reserves categories in 1987. In the same year, the World Petroleum Council (WPC, then known as the World Petroleum Congress), working independently, published Reserves definitions that were strikingly similar. In 1997, the two organizations jointly released a single set of definitions for Reserves that could be used worldwide. In 2000, the American Association of Petroleum Geologists (AAPG), SPE and WPC jointly developed a classification system for all petroleum resources. This was followed by additional supporting documents: supplemental application evaluation guidelines (2001) and a glossary of terms utilized in Resources definitions (2005). SPE also published standards for estimating and auditing reserves information (revised 2008).

These definitions and the related classification system are now in common use internationally within the petroleum industry. They provide a measure of comparability and reduce the subjective nature of resources estimation. However, the technologies employed in petroleum exploration, development, production and processing continue to evolve and improve. The SPE Oil and Gas Reserves Committee works closely with other organizations to maintain the definitions and issues periodic revisions to keep current with evolving technologies and changing commercial opportunities.

The SPE PRMS document consolidates, builds on, and replaces guidance previously contained in the 1997 Petroleum Reserves Definitions, the 2000 Petroleum Resources Classification and Definitions publications, and the 2001 "Guidelines for the Evaluation of Petroleum Reserves and Resources"; the latter document remains a valuable source of more detailed background information.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that SPE PRMS will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

The full text of the SPE PRMS Definitions and Guidelines can be viewed at:
www.spe.org/specma/binary/files/6859916Petroleum_Resources_Management_System_2008.pdf

RESERVES

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

[1] These Definitions and Guidelines are extracted from the Society of Petroleum Engineers / World Petroleum Council / American Association of Petroleum Geologists / Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) Petroleum Resources Management System document ("SPE PRMS"), approved in March 2008.

Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

On Production

The development project is currently producing and selling petroleum to market.

The key criterion is that the project is receiving income from sales, rather than the approved development project necessarily being complete. This is the point at which the project "chance of commerciality" can be said to be 100%. The project "decision gate" is the decision to initiate commercial production from the project.

Approved for Development

A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.

At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project "decision gate" is the decision to start investing capital in the construction of production facilities and/or drilling development wells.

Justified for Development

Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.

In order to move to this level of project maturity, and hence have reserves associated with it, the development project must be commercially viable at the time of reporting, based on the reporting entity's assumptions of future prices, costs, etc. ("forecast case") and the specific circumstances of the project. Evidence of a firm intention to proceed with development within a reasonable time frame will be sufficient to demonstrate commerciality. There should be a development plan in sufficient detail to support the assessment of commerciality and a reasonable expectation that any regulatory approvals or sales contracts required prior to project implementation will be forthcoming. Other than such approvals/contracts, there should be no known contingencies that could preclude the development from proceeding within a reasonable timeframe (see Reserves class). The project "decision gate" is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.

Proved Reserves

Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes:

(1) the area delineated by drilling and defined by fluid contacts, if any, and

(2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.

In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines," Chapter 8). Reserves in undeveloped locations may be classified as Proved provided that the locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.

Probable Reserves

Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.

It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

Possible Reserves

Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves

The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain**.** Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.

Probable and Possible Reserves

(See above for separate criteria for Probable Reserves and Possible Reserves.)

The 2P and 3P estimates may be based on reasonable alternative technical and commercial interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing, faults until this reservoir is penetrated and evaluated as commercially productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil (HKO) elevation and there exists the potential for an associated gas cap, Proved oil Reserves should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

Developed Reserves

Developed Reserves are expected quantities to be recovered from existing wells and facilities.

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

Developed Producing Reserves

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves

Shut-in Reserves are expected to be recovered from:

(1) completion intervals which are open at the time of the estimate but which have not yet started producing,

(2) wells which were shut-in for market conditions or pipeline connections, or

(3) wells not capable of production for mechanical reasons.

Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves

Undeveloped Reserves are quantities expected to be recovered through future investments:

(1) from new wells on undrilled acreage in known accumulations,

(2) from deepening existing wells to a different (but known) reservoir,

(3) from infill wells that will increase recovery, or

(4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to

  (a) recomplete an existing well or

  (b) install production or transportation facilities for primary or improved recovery projects.

CONTINGENT RESOURCES

Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Development Pending

A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.

The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. Note that disappointing appraisal/evaluation results could lead to a re-classification of the project to "On Hold" or "Not Viable" status. The project "decision gate" is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.

Development Unclarified or on Hold

A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.

The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to "Not Viable" status. The project "decision gate" is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.

Development Not Viable

A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential.

The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project "decision gate" is the decision not to undertake any further data acquisition or studies on the project for the foreseeable future.

PROSPECTIVE RESOURCES

Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.

Prospect

A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.

Project activities are focused on assessing the chance of discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.

Lead

A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.

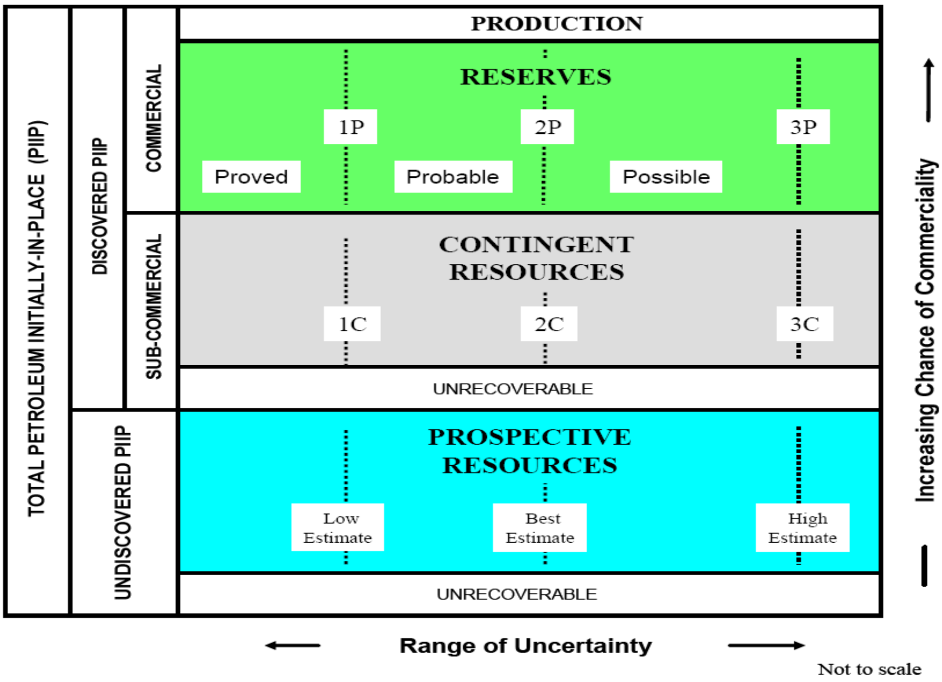
Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the lead can be matured into a prospect. Such evaluation includes the assessment of the chance of discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.

Play

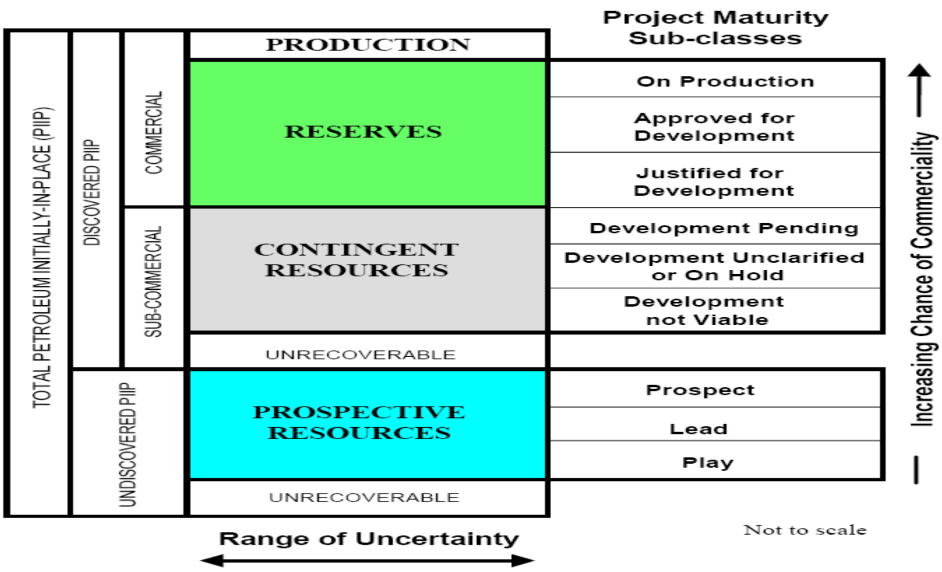
A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific leads or prospects for more detailed analysis of their chance of discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

RESOURCES CLASSIFICATION



PROJECT MATURITY



ATTACHMENT II

ASSAM OIL AND GAS RESERVES BY FIELD

OIL RESERVES TABLES

The following Tables present a summary of the oil reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. These tables show a breakdown of the oil volumes for Assam and Arunachal Pradesh, and breakdown for individual fields.

Proved and Unproved Oil Reserves as at 31st March 2008
Asssam and Arunachal Pradesh
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	2.273	12.753	29.392
Moran Field	0.961	4.236	9.752
Greater Jorajan Field	2.039	8.643	19.312
Greater Hapjan Field	13.784	19.221	27.412
Greater Shalmari Field	2.275	3.500	5.345
Greater Dikom Field	3.947	8.843	15.230
Kathaloni Field	2.729	6.144	8.759
Tengakhat Field	4.624	6.543	8.115
Greater Chandmari Field	6.387	8.951	15.976
Bhogpara Field	3.497	4.334	5.133
Greater Kumchai Field	0.783	1.131	3.830
Central Small Fields	2.807	5.526	10.478
Eastern Satellite Fields	0.128	1.226	2.867
Western Satellite Fields	0.348	1.576	2.313
Digboi Field	0.097	0.098	0.100
Total	**46.681**	**92.726**	**164.014**
Condensate	0.966	1.332	1.768
Grand Total	**47.647**	**94.058**	**165.782**

Proved and Unproved Oil Reserves as at 31st March 2008
Kharsang Field
Million Standard Cubic Metres
Attributable to OIL's 40% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Kharsang Field	0.332	0.735	1.231
Grand Total	0.332	0.735	1.231

Proved and Unproved Oil Reserves as at 31st March 2008
Greater Nahorkatiya Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
NHK Main	1.097	9.109	22.639
Zaloni-West Zaloni	1.138	2.493	4.693
Jutlibari	0.016	0.043	0.251
Madhuting- Tipling	0.016	0.316	0.781
Rajali-East Rajali	0.008	0.010	0.012
Bordubi	0.000	0.782	1.018
Total	**2.273**	**12.753**	**29.392**

Moran Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Moran	0.961	4.236	9.752
Total	**0.961**	**4.236**	**9.752**

Greater Jorajan Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Langkasi-Kathalguri-Nagajan-Jorajan	1.343	5.248	12.211
Santi	0.475	1.310	2.030
Jaipur	0.151	1.886	4.692
Tarajan	0.071	0.200	0.380
Total	**2.039**	**8.643**	**19.312**

Greater Hapjan Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Hapjan	1.802	4.071	7.821
North Hapjan	5.444	6.692	7.820
Borhapjan	0.497	0.662	0.973
Makum	5.629	6.970	8.728
North Makum	0.057	0.154	0.569
Samdang	0.007	0.171	0.732
Bazaloni	0.348	0.500	0.770
Total	**13.784**	**19.221**	**27.412**

Greater Shalmari Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Shalmari	1.784	2.512	3.874
Tinali	0.018	0.019	0.019
North Tinali	0.428	0.682	0.987
Sapkaint	0.046	0.287	0.464
Total	**2.275**	**3.500**	**5.345**

Greater Dikom Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	3.947	8.843	15.230
Total	**3.947**	**8.843**	**15.230**

Kathaloni Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Kathaloni- Bachmatia	2.729	6.144	8.759
Total	**2.729**	**6.144**	**8.759**

Tengakhat-Rungoliting Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Tengakhat-Rungoliting	4.624	6.543	8.115
Total	**4.624**	**6.543**	**8.115**

Greater Chandmari Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Barekuri	3.746	4.708	9.371
Baghjan	2.641	4.244	6.605
Total	**6.387**	**8.951**	**15.976**

Bhogpara Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Bhogpara	3.497	4.334	5.133
Total	**3.497**	**4.334**	**5.133**

Greater Kumchai Field

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Kumchai	0.783	1.131	3.830
Total	**0.783**	**1.131**	**3.830**

Central Small Fields

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	0.203	0.756	1.631
Tamulikhat-North Tamulikhat	0.453	0.736	1.074
Deohal-East Deohal	0.032	0.115	0.674
Chabua	0.566	1.398	2.954
Jaraipather	0.000	0.007	0.051
Matimekhana- North Matimekhana	0.560	1.028	1.569
North Balijan	0.041	0.198	0.632
Khagorijan	0.175	0.273	0.572
Kamkhat	0.778	1.015	1.322
Total	**2.807**	**5.526**	**10.478**

Eastern Satellite Fields

Area/Structure	1P MMscm	2P MMscm	3P MMscm
Mechaki	0.000	0.085	0.527
Bogapani	0.026	0.704	1.416
Kusijan	0.102	0.437	0.924
Kherem	0.000	0.000	0.000

Total	**0.128**	**1.226**	**2.867**

Western Satellite Fields

Area/Structure	**1P MMscm**	**2P MMscm**	**3P MMscm**
Rajgarh	0.011	0.118	0.275
South Rajgarh	0.281	0.631	0.757
Diroi	0.007	0.068	0.068
Borbil	0.028	0.063	0.079
Dipling	0.000	0.026	0.053
Sarojini	0.000	0.099	0.294
Sapekhati	0.021	0.572	0.787
Haldibari	0.000	0.000	0.000
Total	**0.348**	**1.576**	**2.313**

Digboi Field

Area/Structure	**1P MMscm**	**2P MMscm**	**3P MMscm**
Digboi	0.097	0.098	0.100
Total	**0.097**	**0.098**	**0.100**

GAS RESERVES TABLES

The following tables present a summary of the gas reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. These tables show a breakdown of the gas volumes for Assam and Arunachal Pradesh, and breakdown for individual fields.

Proved Associated Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)
Greater Nahorkatiya Field	2,908
Moran Field	366
Greater Jorajan Field	2,883
Greater Hapjan Field	2,167
Greater Shalmari Field	478
Greater Dikom Field	1,275
Kathaloni Field	702
Tengakhat Field	2,036
Greater Chandmari Field	817
Bhogpara Field	199
Greater Kumchai Field	0
Central Small Fields	675
Eastern Satellite Fields	160
Western Satellite Fields	103
Digboi Field	0
Grand Total	**14,768**

Proved Non-Associated Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)
Greater Nahorkatiya Field	2,336
Moran Field	104
Greater Jorajan Field	6,186
Greater Hapjan Field	217
Greater Shalmari Field	20
Greater Dikom Field	0
Kathaloni Field	41
Tengakhat Field	52
Greater Chandmari Field	7,081
Bhogpara Field	0
Greater Kumchai Field	0
Central Small Fields	3,821
Eastern Satellite Fields	413
Western Satellite Fields	295
Digboi	0
Grand Total	**20,568**

Proved Total Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)
Greater Nahorkatiya Field	5,244
Moran Field	470
Greater Jorajan Field	9,069
Greater Hapjan Field	2,384
Greater Shalmari Field	498
Greater Dikom Field	1,275
Kathaloni Field	743
Tengakhat Field	2,089
Greater Chandmari Field	7,897
Bhogpara Field	199
Greater Kumchai Field	0
Central Small Fields	4,496
Eastern Satellite Fields	573
Western Satellite Fields	399
Digboi Field	0
Grand Total	**35,335**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	2,908	4,567	5,838
Moran Field	366	898	1,309
Greater Jorajan Field	2,883	5,007	6,520
Greater Hapjan Field	2,167	3,030	3,874
Greater Shalmari Field	478	624	771
Greater Dikom Field	1,275	2,838	4,591
Kathaloni Field	702	1,169	1,745
Tengakhat Field	2,036	3,029	3,987
Greater Chandmari Field	817	1,524	4,227
Bhogpara Field	199	255	323
Greater Kumchai Field	0	0	0
Central Small Fields	675	959	1,272
Eastern Satellite Fields	160	704	1,346
Western Satellite Fields	103	188	249
Digboi Field	0	0	0
Grand Total	**14,768**	**24,791**	**36,052**

Proved and Unproved Non-Associated Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	Total Proved (1P)	Proved plus Probable (2P)	Proved plus Probable plus Possible (3P)
Greater Nahorkatiya Field	2,336	2,933	3,595
Moran Field	104	166	230
Greater Jorajan Field	6,186	8,432	9,995
Greater Hapjan Field	217	372	514
Greater Shalmari Field	20	32	43
Greater Dikom Field	0	0	0
Kathaloni Field	41	65	89
Tengakhat Field	52	62	75
Greater Chandmari Field	7,081	9,641	11,634
Bhogpara Field	0	0	0
Greater Kumchai Field	0	0	0
Central Small Fields	3,821	4,758	5,866
Eastern Satellite Fields	413	587	763
Western Satellite Fields	295	563	911
Digboi Field	0	0	0
Grand Total	**20,568**	**27,610**	**33,714**

Proved and Unproved Total Gas Reserves as at 31st March 2008
Assam and Arunachal Pradesh (excluding Digboi Field)
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Area / Structure	**Total Proved (1P)**	**Proved plus Probable (2P)**	**Proved plus Probable plus Possible (3P)**
Greater Nahorkatiya Field	5,244	7,500	9,432
Moran Field	470	1,064	1,539
Greater Jorajan Field	9,069	13,439	16,515
Greater Hapjan Field	2,384	3,402	4,388
Greater Shalmari Field	498	655	814
Greater Dikom Field	1,275	2,838	4,591
Kathaloni Field	743	1,234	1,833
Tengakhat Field	2,089	3,091	4,061
Greater Chandmari Field	7,897	11,165	15,861
Bhogpara Field	199	255	323
Greater Kumchai Field	0	0	0
Central Small Fields	4,496	5,717	7,138
Eastern Satellite Fields	573	1,291	2,110
Western Satellite Fields	399	751	1,160
Digboi Field	0	0	0
Grand Total	**35,335**	**52,401**	**69,766**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Nahorkatiya Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
NHK Main	2,333	3,313	3,982
Zaloni - West Zaloni	381	703	986
Jutlibari	31	37	40
Madhuting - Tipling	159	208	241
Rajali - East Rajali	4	25	60
Bordubi	0	282	530
Total	**2,908**	**4,567**	**5,838**

Non-Associated Gas Reserves
Greater Nahorkatiya Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
NHK Main	831	1,022	1,247
Zaloni - West Zaloni	401	484	581
Jutlibari	446	547	656
Madhuting - Tipling	631	844	1066
Rajali - East Rajali	0	0	0
Bordubi	27	36	45
Total	**2,336**	**2,933**	**3,595**

Total Gas Reserves
Greater Nahorkatiya Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
NHK Main	3,164	4,335	5,229
Zaloni - West Zaloni	782	1,187	1,566
Jutlibari	478	583	696
Madhuting - Tipling	790	1,052	1,307
Rajali - East Rajali	4	25	60
Bordubi	27	317	575
Total	**5,244**	**7,500**	**9,432**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Moran Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Moran	366	898	1,309
Total	**366**	**898**	**1,309**

Non-Associated Gas Reserves
Moran Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Moran	104	166	230
Total	**104**	**166**	**230**

Total Gas Reserves
Moran Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Moran	470	1,064	1,539
Total	**470**	**1,064**	**1,539**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Jorajan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan - Jorajan	2,264	4,160	5,519
Santi	268	393	480
Jaipur	298	393	457
Tarajan	54	61	65
Total	**2,883**	**5,007**	**6,520**

Non-Associated Gas Reserves
Greater Jorajan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan - Jorajan	5,249	7,186	8,380
Santi	711	936	1,219
Jaipur	82	128	175
Tarajan	145	182	221
Total	**6,186**	**8,432**	**9,995**

Total Gas Reserves
Greater Jorajan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Langkasi - Kathalguri - Nagajan - Jorajan	7,513	11,346	13,899
Santi	978	1,329	1,698
Jaipur	380	522	632
Tarajan	198	242	286
Total	**9,069**	**13,439**	**16,515**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Hapjan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Hapjan	452	638	764
North Hapjan	848	1,130	1,391
Borhapjan	48	49	50
Makum	742	977	1,205
North Makum	10	122	285
Samdang	10	23	41
Bazaloni	58	91	138
Total	**2,167**	**3,030**	**3,874**

Non-Associated Gas Reserves
Greater Hapjan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Hapjan	21	37	54
North Hapjan	38	60	81
Borhapjan	80	150	219
Makum	66	100	124
North Makum	0	0	0
Samdang	0	0	0
Bazaloni	12	25	36
Total	**217**	**372**	**514**

Total Gas Reserves
Greater Hapjan Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Hapjan	473	675	818
North Hapjan	886	1,190	1,472
Borhapjan	128	199	270
Makum	808	1,077	1,329
North Makum	10	122	285
Samdang	10	23	41
Bazaloni	70	116	174
Total	**2,384**	**3,402**	**4,388**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Shalmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Shalmari	411	490	538
Tinali	32	62	84
North Tinali	23	41	105
Sapkaint	12	31	44
Total	**478**	**624**	**771**

Non-Associated Gas Reserves
Greater Shalmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Shalmari	20	32	43
Tinali	0	0	0
North Tinali	0	0	0
Sapkaint	0	0	0
Total	**20**	**32**	**43**

Total Gas Reserves
Greater Shalmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Shalmari	431	521	581
Tinali	32	62	84
North Tinali	23	41	105
Sapkaint	12	31	44
Total	**498**	**655**	**814**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Dikom Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati - Hatiali	1,275	2,838	4,591
Total	**1,275**	**2,838**	**4,591**

Non-Associated Gas Reserves
Greater Dikom Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati - Hatiali	0	0	0
Total	**0**	**0**	**0**

Total Gas Reserves
Greater Dikom Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Dikom - Kuhiarbari - Madarkhat - Sealkati - Hatiali	1,275	2,838	4,591
Total	**1,275**	**2,838**	**4,591**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Kathaloni Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Kathaloni - Bachmatia	702	1,169	1,745
Total	**702**	**1,169**	**1,745**

Non-Associated Gas Reserves
Kathaloni Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Kathaloni - Bachmatia	41	65	89
Total	**41**	**65**	**89**

Certified Total Gas Reserves
Kathaloni Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Kathaloni - Bachmatia	743	1,234	1,833
Total	**743**	**1,234**	**1,833**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Tengakhat-Rungoliting Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Tengakhat - Rungoliting	2,036	3,029	3,987
Total	**2,036**	**3,029**	**3,987**

Non-Associated Gas Reserves
Tengakhat-Rungoliting Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Tengakhat - Rungoliting	52	62	75
Total	**52**	**62**	**75**

Total Gas Reserves
Tengakhat-Rungoliting Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Tengakhat - Rungoliting	2,089	3,091	4,061
Total	**2,089**	**3,091**	**4,061**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Greater Chandmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Barekuri - South Chandmari	441	904	2,069
Baghjan	376	620	2,158
Total	**817**	**1,524**	**4,227**

Non-Associated Gas Reserves
Greater Chandmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Barekuri - South Chandmari	1,010	1,630	1,906
Baghjan	6,070	8,011	9,727
Total	**7,081**	**9,641**	**11,634**

Total Gas Reserves
Greater Chandmari Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Barekuri - South Chandmari	1,451	2,534	3,975
Baghjan	6,447	8,631	11,886
Total	**7,897**	**11,165**	**15,861**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Bhogpara Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhogpara	199	255	323
Total	**199**	**255**	**323**

Non-Associated Gas Reserves
Bhogpara Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhogpara	0	0	0
Total	**0**	**0**	**0**

Total Gas Reserves
Bhogpara Field

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhogpara	199	255	323
Total	**199**	**255**	**323**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Central Small Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	109	201	319
Tamulikhat - North Tamulikhat	128	129	130
Deohal - East Deohal	27	45	61
Chabua	179	300	441
Jaraipather	0	1	2
Matimekhana - North Matimekhana	96	101	102
North Balijan	63	75	83
Khagorijan	26	35	41
Kamkhat	47	72	92
Lohali	0	0	0
Total	**675**	**959**	**1,272**

Non-Associated Gas Reserves
Central Small Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	7	11	14
Tamulikhat - North Tamulikhat	0	0	0
Deohal - East Deohal	931	1,208	1,623
Chabua	2,656	3,252	3,876
Jaraipather	0	0	0
Matimekhana - North Matimekhana	22	34	47
North Balijan	5	8	10
Khagorijan	0	0	0
Kamkhat	0	0	0
Lohali	200	245	295
Total	**3,821**	**4,758**	**5,866**

Certified Total Gas Reserves
Central Small Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Bhekulajan	115	212	334
Tamulikhat - North Tamulikhat	128	129	130
Deohal - East Deohal	958	1,253	1,684
Chabua	2,835	3,551	4,318
Jaraipather	0	1	2
Matimekhana - North Matimekhana	118	135	149
North Balijan	68	83	93
Khagorijan	26	35	41
Kamkhat	47	72	92
Lohali	200	245	295
Total	**4,496**	**5,717**	**7,138**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Eastern Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	7	15
Bogapani	59	120	164
Kusijan	101	578	1,168
Kherem	0	0	0
Duarmara	0	0	0
Total	**160**	**704**	**1,346**

Non-Associated Gas Reserves
Eastern Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	0	0
Bogapani	212	274	340
Kusijan	120	187	255
Kherem	68	106	145
Duarmara	14	19	23
Total	**413**	**587**	**763**

Certified Total Gas Reserves
Eastern Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Mechaki	0	7	15
Bogapani	270	394	504
Kusijan	222	765	1,423
Kherem	68	106	145
Duarmara	14	19	23
Total	**573**	**1,291**	**2,110**

Proved and Unproved Associated Gas Reserves as at 31st March 2008
Western Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Rajgarh	3	20	33
South Rajgarh	51	68	79
Diroi	4	10	15
Borbil	10	14	16
Dipling	0	4	7
Sarojini	0	8	13
Sapekhati	36	64	84
Haldibari	0	0	0
Dholiya	0	0	0
Total	**103**	**188**	**249**

Non-Associated Gas Reserves
Western Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Rajgarh	15	23	32
South Rajgarh	0	0	0
Diroi	0	0	0
Borbil	0	0	0
Dipling	0	0	0
Sarojini	0	0	0
Sapekhati	224	438	722
Dholiya	0	0	0
Total	57	101	157

Total Gas Reserves
Western Satellite Fields

Area / Structure	1P MMscm	2P MMscm	3P MMscm
Rajgarh	18	44	65
South Rajgarh	51	68	79
Diroi	4	10	15
Borbil	10	14	16
Dipling	0	4	7
Sarojini	0	8	13
Sapekhati	260	502	806
Dholiya	0	0	0
Total	57	101	157

ATTACHMENT III

ASSAM WELL COUNT BY FIELD

Assam Well Count by Field

FIELD	NO. OF WELLS
Greater Nahorkatiya Field	297
Moran Field	111
Greater Jorajan Field	255
Greater Hapjan Field	91
Greater Shalmari Field	53
Greater Dikom Field	54
Kathaloni Field	45
Tengakhat-Rungoliting Field	38
Greater Chandmari Field	15
Bhogpara Field	13
Greater Kumchai Field	15
Central Small Fields	57
Eastern Satellite Fields	35
Western Satellite Fields	39
Digboi Field	1002
Total	2120

ATTACHMENT IV

ASSAM OIL AND GAS CUMULATIVE PRODUCTION AS AT 31ST MARCH 2008, BY FIELD

Assam Oil and Gas Cumulative Production as at 31st March 2008, by Field

FIELD	AREA/STRUCTURE	Cum Oil Prod (MMscm)	Cum Gas Prod (MMscm)
Greater Nahorkatiya Field	NHK Main	46.1862	20,426
	Zaloni-West Zaloni	17.3067	4,613
	Jutlibari	0.0155	12
	Madhuting- Tipling	1.9691	3,775
	Rajali-East Rajali	0.0155	12
	Bordubi	0.0287	4
Moran Field	Moran	21.1716	5,636
Greater Jorajan Field	Langkasi-Kathalguri-Nagajan-Jorajan	13.0039	10,832
	Santi	2.0085	1,497
	Jaipur	2.7192	394
	Tarajan	0.0863	194
Greater Hapjan Field	Hapjan	3.0512	875
	North Hapjan	1.7620	471
	Borhapjan	0.0042	1
	Makum	2.9225	424
	North Makum	0.0276	69
	Samdang	0.0033	7
	Bazaloni	0.0435	13
Greater Shalmari Field	Shalmari	3.9591	1,551
	Tinali	0.0182	8
	North Tinali	0.1453	8
	Sapkaint	0.0032	0
Greater Dikom Field	Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	8.1566	2,438
Kathaloni Field	Kathaloni- Bachmatia	6.1081	1,781
Tengakhat-Rungoliting Field	Tengakhat-Rungoliting	5.9992	2,338
Greater Chandmari Field	Barekuri	0.5832	68
	Baghjan	0.1222	10
Bhogpara Field	Bhogpara	1.5387	155
Greater Kumchai Field	Kumchai	0.6136	493

Continued over page

Assam Oil and Gas Cumulative Production as at 31st March 2008, by Field
(Continued)

FIELD	AREA/STRUCTURE	Cum Oil Prod (MMscm)	Cum Gas Prod (MMscm)
Central Small Fields	Bhekulajan	0.9610	300
	Tamulikhat-North Tamulikhat	0.4488	175
	Deohal-East Deohal	0.0288	138
	Chabua	0.2600	51
	Jaraipather	0.0000	0
	Matimekhana- North Matimekhana	0.0933	36
	North Balijan	0.3179	124
	Khagorijan	0.0356	2
	Kamkhat	0.3035	84
	Lohali	0.0000	0
Eastern Satellite Fields	Mechaki	0.0000	0
	Bogapani	0.0734	25
	Kusijan	0.1866	344
	Kherem	0.0000	0
	Duarmara	0.0000	1
Western Satellite Fields	Rajgarh	0.1965	39
	South Rajgarh	0.0000	0
	Diroi	0.2310	60
	Borbil	0.0867	26
	Dipling	0.0017	1
	Sarojini	0.0019	6
	Sapekhati	0.0001	0
	Haldibari	0.0004	0
	Dholiya	0.0000	0
Digboi Field	Digboi	13.8512	3,896
TOTAL		**156.6513**	**63,413**

ATTACHMENT V

ASSAM OIL AND GAS PRODUCTION RATE AS AT 31ST MARCH 2008, BY FIELD

Assam Oil and Gas Production Rate as at 31st March 2008, by Field

FIELD	AREA/STRUCTURE	OIL PRODUCTION RATE (scmd)	GAS PRODUCTION RATE (mscmd)
Greater Nahorkatiya Field	NHK Main	542	371
	Zaloni-West Zaloni	221	267
	Jutlibari	6	4
	Madhuting- Tipling	17	83
	Rajali-East Rajali	4	2
	Bordubi	0	93
Moran Field	Moran	286	82
Greater Jorajan Field	Langkasi-Kathalguri-Nagajan-Jorajan	180	1,284
	Santi	130	272
	Jaipur	61	37
	Tarajan	0	0
Greater Hapjan Field	Hapjan	317	68
	North Hapjan	1198	272
	Borhapjan	0	0
	Makum	1856	127
	North Makum	10	20
	Samdang	0	0
	Bazaloni	39	5
Greater Shalmari Field	Shalmari	263	58
	Tinali	6	2
	North Tinali	94	8
Greater Dikom Field	Dikom-Kuhiarbari-Madarkhat-Sealkati-Hatiali	1133	1,144
Kathaloni Field	Kathaloni- Bachmatia	605	168
Tengakhat-Rungoliting Field	Tengakhat-Rungoliting	1361	902
Greater Chandmari Field	Barekuri	749	81
	Baghjan	290	26
Bhogpara Field	Bhogpara	679	50
Greater Kumchai Field	Kumchai	117	56
Central Small Fields	Bhekulajan	53	40
	Tamulikhat-North Tamulikhat	37	39
	Deohal-East Deohal	11	145
	Chabua	105	24
	Jaraipather	0	0
	Matimekhana- North Matimekhana	44	16
	North Balijan	10	10
	Khagorijan	0	0
	Kamkhat	122	14
	Lohali	0	0

Continued over page

Assam Oil and Gas Production Rate as at 31st March 2008, by Field
(Continued)

FIELD	AREA/STRUCTURE	OIL PRODUCTION RATE (scmd)	GAS PRODUCTION RATE (mscmd)
Eastern Satellite Fields	Mechaki	0	0
	Bogapani	0	0
	Kusijan	21	11
	Kherem	0	0
	Duarmara	0	0
Western Satellite Fields	Rajgarh	2	0
	South Rajgarh	0	0
	Diroi	5	2
	Borbil	7	2
	Dipling	0	0
	Sarojini	0	0
	Sapekhati	0	0
	Haldibari	0	0
	Dholiya	0	0
Digboi Field	Digboi	15	-
TOTAL		**10,596**	**5,785**

ATTACHMENT VI

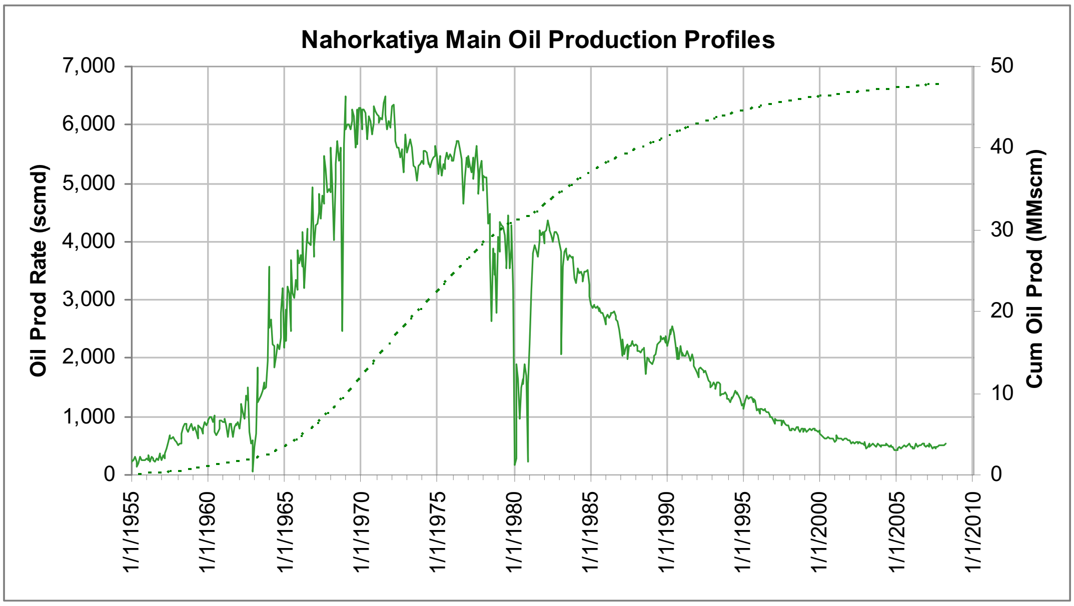
ASSAM OIL PRODUCTION HISTORY PLOTS BY FIELD

Greater Nahorkatiya Field

The Greater Nahorkatiya Field consists of Nahorkatiya Main, Zaloni, West Zaloni, Jutlibari, Madhuting-Tipling, Rajali, East Rajali, and Bordubi Areas.
Oil reserves estimated for Greater Nahorkatiya Field in this Certification Study are shown below.

Nahorkatiya Main Area

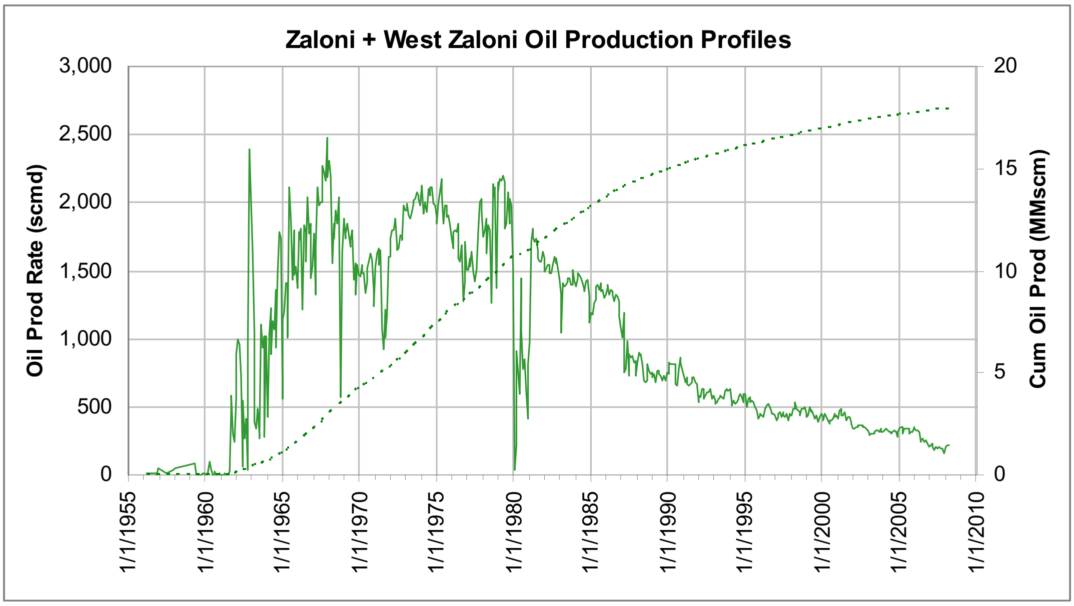
The oil production history for the Nahorkatiya Main Area is shown below:



The Nahorkatiya Main is a mature area which has been producing since the 1950s. A plateau oil rate of 6,000 scmd was achieved in 1968 and maintained until 1972. Since then, the area has been in a steady decline except for a period when production was halved in 1980. In recent years, the decline trend has been reversed. Currently, the area production rate is some 570 scmd.
OIL's 1P STOIIP estimate for the area is 151.0 MMscm. Some 46.2 MMscm of oil have been recovered up to 31st March 2008, giving a current recovery factor of 30.6%.
OIL carries a Proved (1P) oil reserve of 1.119 MMscm for the area. The Company's Proved plus Probable (2P) and Proved plus Probable plus Possible (3P) oil reserves are 9.109 and 22.639 MMscm, respectively.

Zaloni + West Zaloni Area

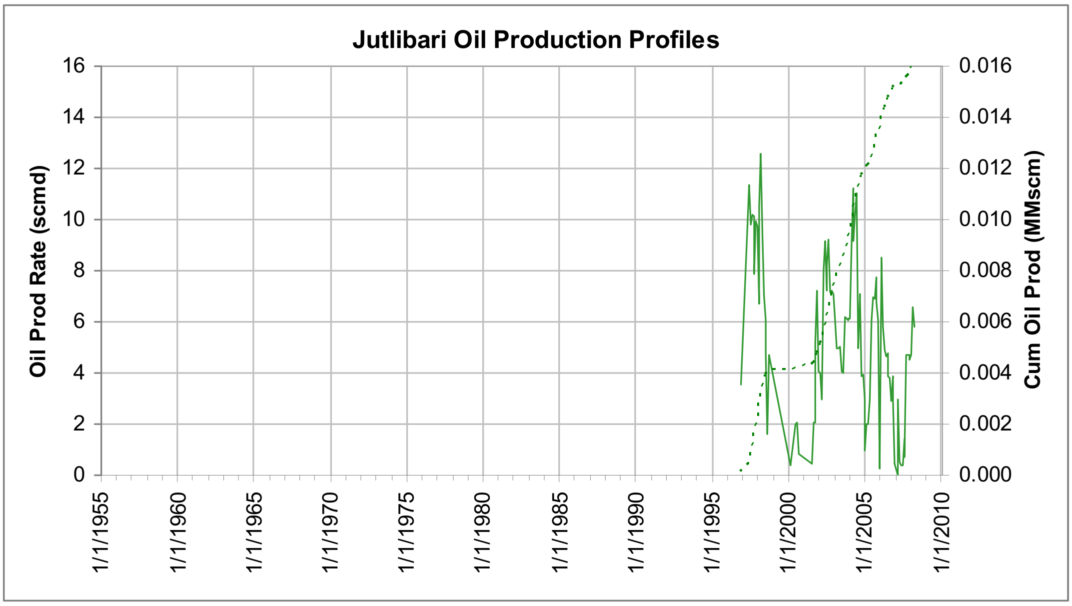
The historical oil production profiles for the Zaloni + West Zaloni Area are shown below.



The Zaloni + West Zaloni comprise a mature area which has been producing since the 1960s. The oil production rate varied between 1,000 and 2,400 scmd from 1965 until 1980. In 1982 the area began a steady decline.
OIL's 1P STOIIP estimate for the area is 49.4 MMscm. Some 17.3 MMscm of oil have been recovered giving a current recovery factor of 35.0%.

Jutlibari Area

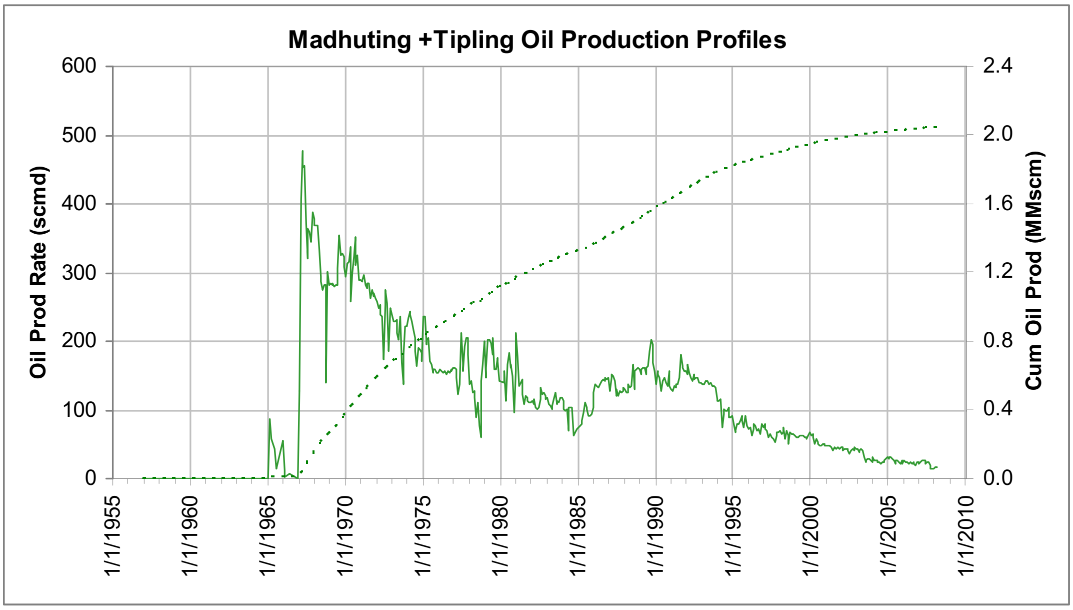
The historical oil production profiles for the Jutlibari Area are shown below.



The Jutlibari Area has a chequered production history. It produced intermittently since 1996, with oil rates ranging up to 12 scmd.
OIL's 1P STOIIP estimate for the area is 1.39 MMscm. Some 0.016 MMscm of oil have been recovered giving a current recovery factor of about 1.1%.

Madhuting + Tipling Area

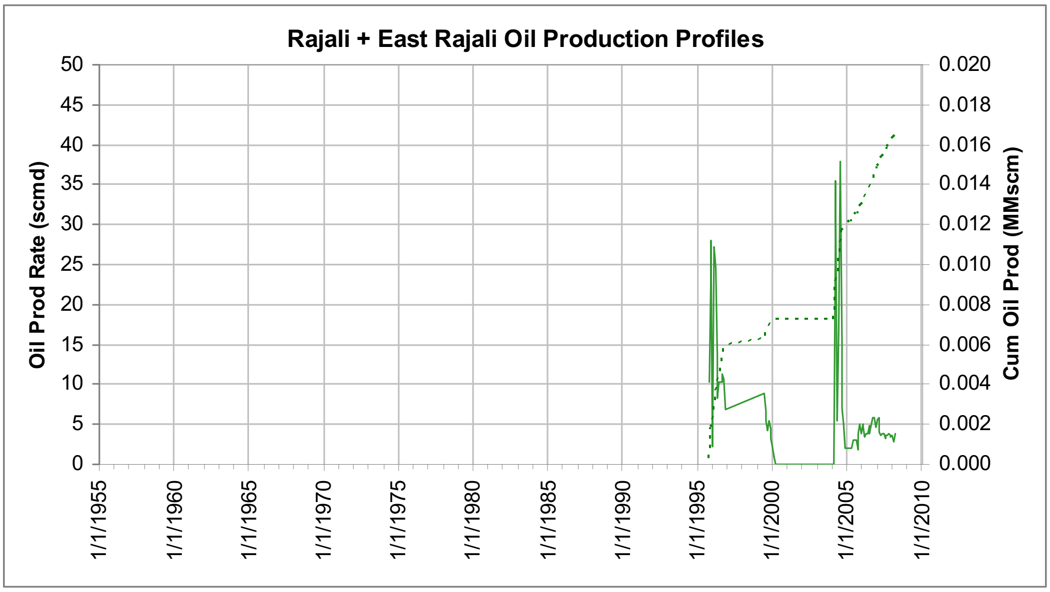
The historical oil production profiles for the Madhuting + Tipling Area are shown below.



Madhuting + Tipling comprise a mature area which has been producing since the 1950s. A peak oil rate in excess of 480 scmd was achieved briefly in 1967. Since then, the area has been in a decline which was, up to 1980, erratic in nature. OIL's 1P STOIIP estimate for the area is 9.43 MMscm. Some 1.97 MMscm of oil have been recovered giving a current recovery factor of 20.9%.

Rajali + East Rajali Area

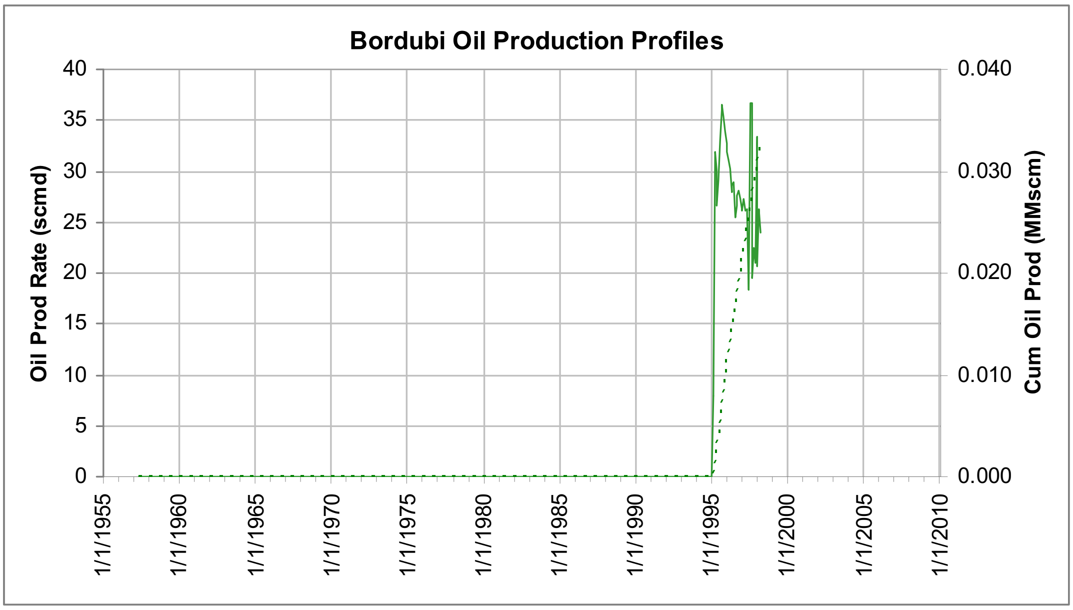
The historical oil production profiles for the Rajali + East Rajali Area are shown below.



The Rajali + East Rajali Area produced between 1996 and the year 2000. It has not produced since. In March 2004, production began from East Rajali. A peak oil rate of about 38 scmd was achieved briefly in July 2004.
OIL's 1P STOIIP estimate for the area is 1.18 MMscm. Some 0.016 MMscm of oil have been recovered giving a current recovery factor of about 1.3%.

Bordubi Area

The historical oil production profiles for the Bordubi Area are shown below.

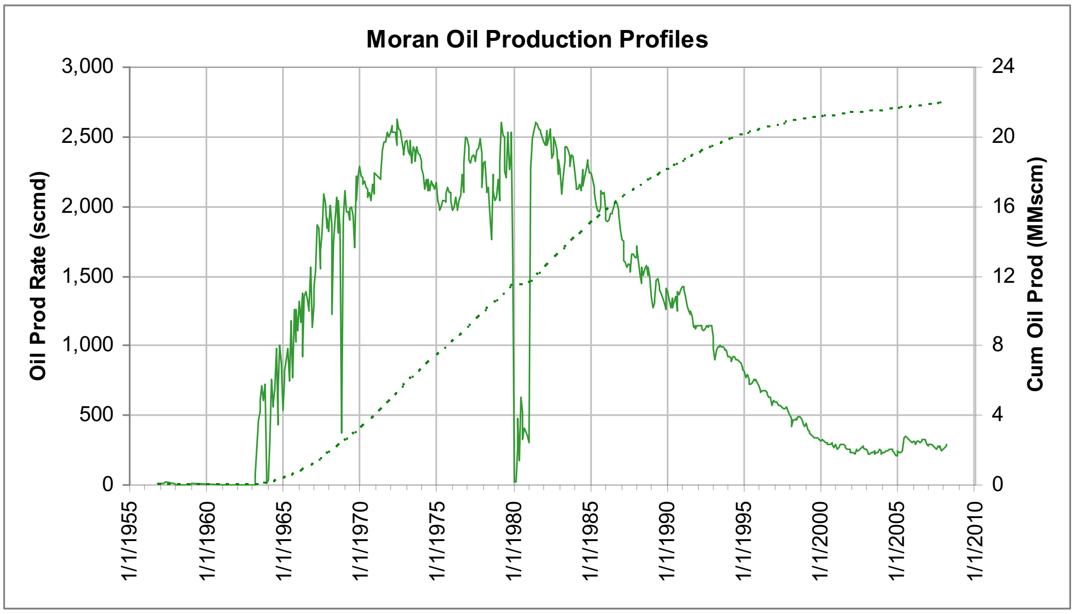


The Bordubi Area produced in the period from 1995 to 1998 and it has not produced since.
OIL's 1P STOIIP estimate for the area is 2.73 MMscm. Some 0.029 MMscm of oil have been recovered giving a current recovery factor of 1.1%.

Moran Field

Moran Area

The historical oil production profiles for the Moran Area are shown below.



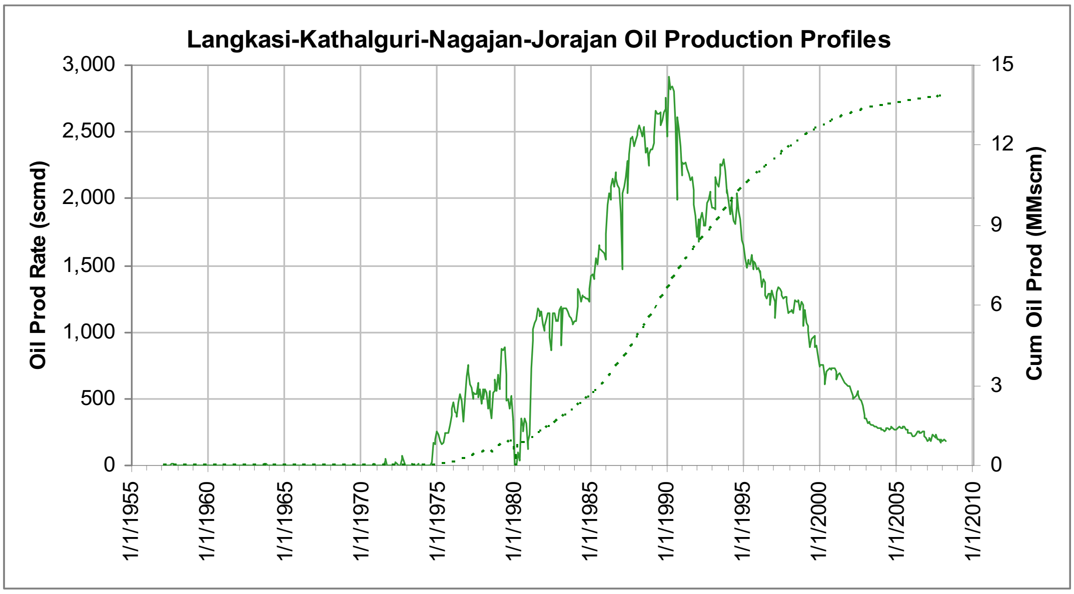
Moran is a mature area which has been producing since 1963. A plateau oil rate of in excess of 2,000 scmd was achieved in 1970 and maintained through until 1986. Since then the area had been in a steady decline until 2005 when the trend was reversed due to development activities.
OIL's 1P STOIIP estimate for the area is 79.5 MMscm. Some 21.2 MMscm of oil have been recovered, giving a current recovery factor of about 26.6%.

Greater Jorajan Field

The Greater Jorajan Field consists of Langkasi, Kathalguri, Nagajan, Jorajan, Santi, Jaipur and Tarajan Areas.

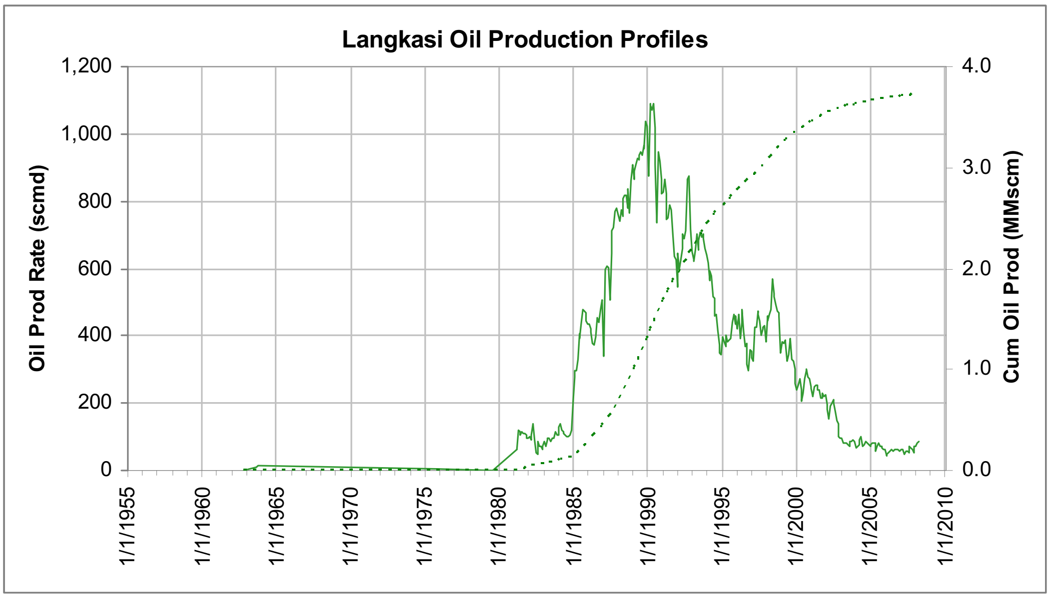
Langkasi-Kathalguri-Nagajan-Jorajan Area

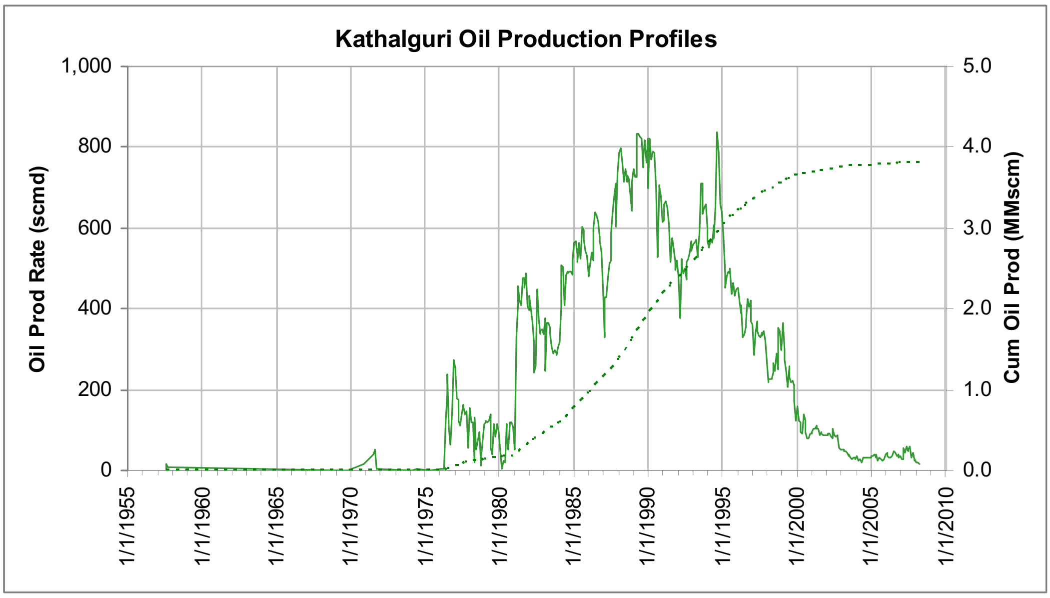
The historical oil production profiles for the Langkasi-Kathalguri-Nagajan-Jorajan Area are shown below.

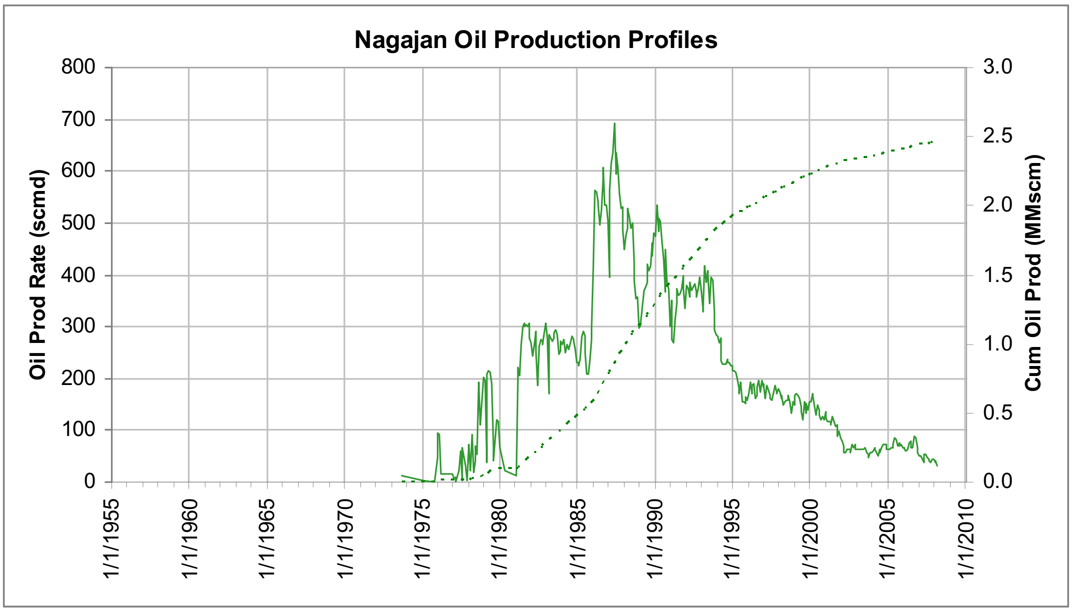


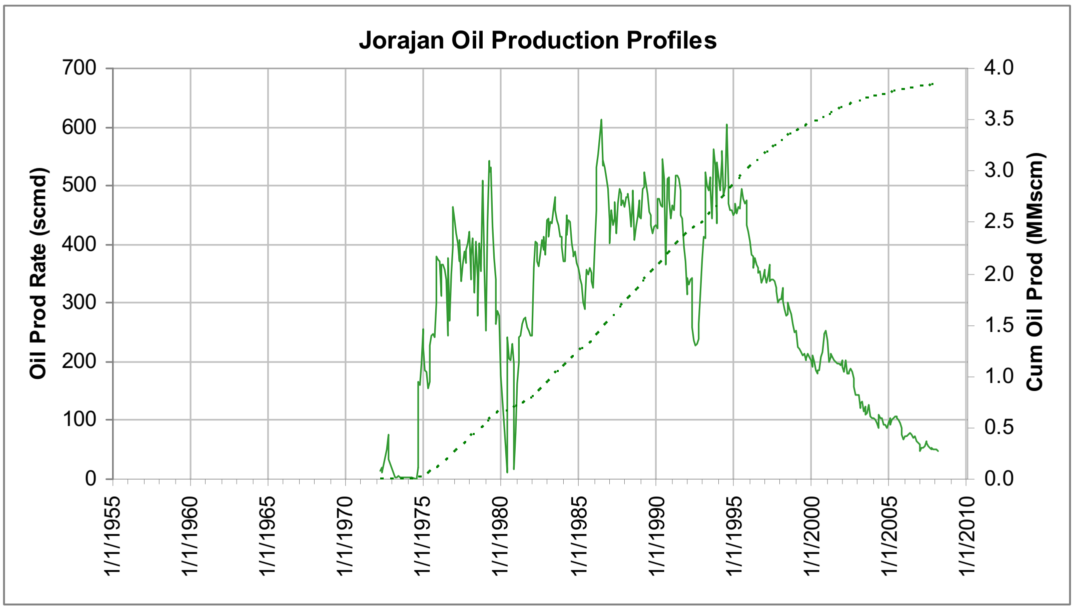
The Langkasi-Kathalguri-Nagajan-Jorajan Area is mature and has been producing since 1970. A peak oil rate of 2,920 scmd was achieved briefly in 1990 and, since then, the area has been in a steady decline.

OIL's 1P STOIIP estimate for the area is 120.2 MMscm. Some 13.8 MMscm of oil have been recovered, giving a current recovery factor of 11.5%.
The individual historical oil production profiles for the Langkasi, Kathalguri, Nagajan, and Jorajan Area are shown below.



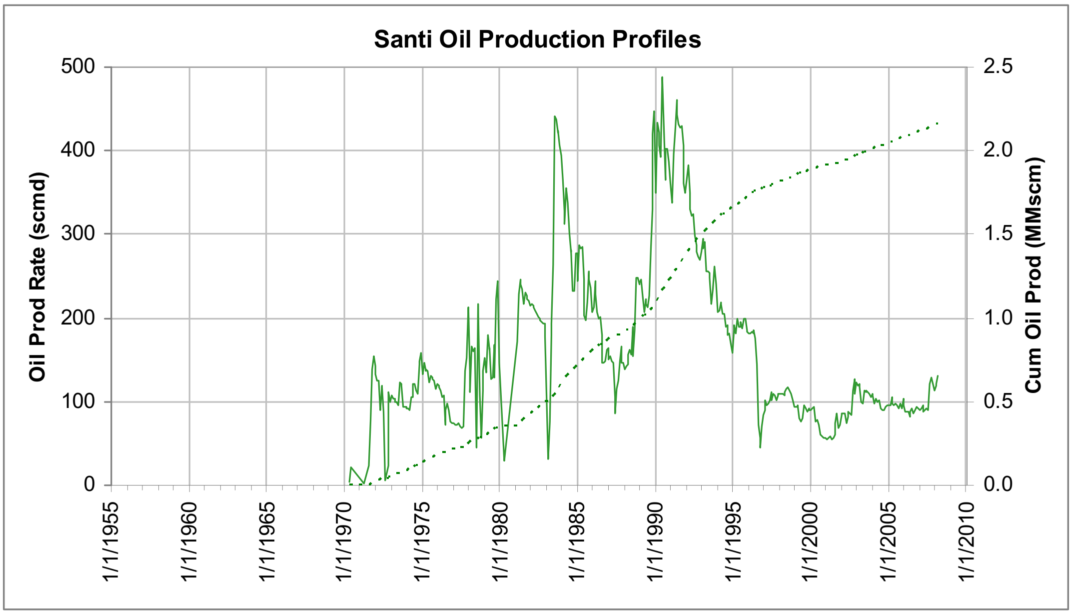



Nagajan Oil Production Profiles
Oil Prod Rate (scmd)
Cum Oil Prod (MMscm)
800
700
600
500
400
300
200
100
0
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010


Jorajan Oil Production Profiles
Oil Prod Rate (scmd)
Cum Oil Prod (MMscm)
700
600
500
400
300
200
100
0
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010

Santi Area

The historical oil production profiles for the Santi Area are shown below.

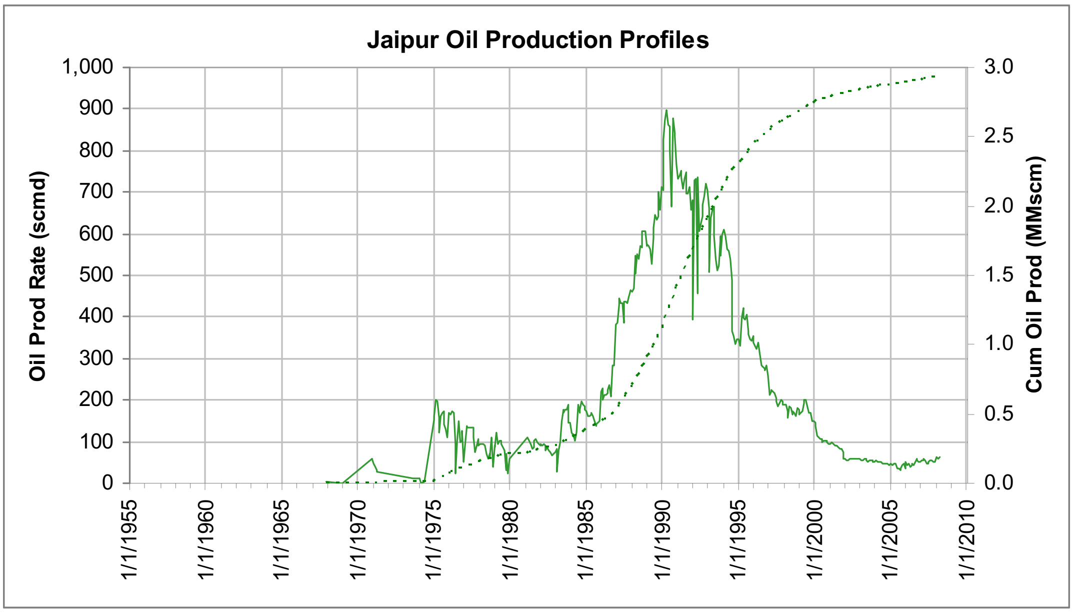


Santi is a mature area which has produced erratically since 1974. A peak oil rate in excess of 400 scmd was achieved briefly in 1983, 1990 and 1991. Since 2003, the area production rate has been in a decline until recently, when the trend was reversed.

OIL's 1P STOIIP estimate for the area is 19.6 MMscm. Some 2.01 MMscm of oil have been recovered, giving a current recovery factor of 10.2%.

Jaipur Area

The historical oil production profiles for the Jaipur Area are shown below.

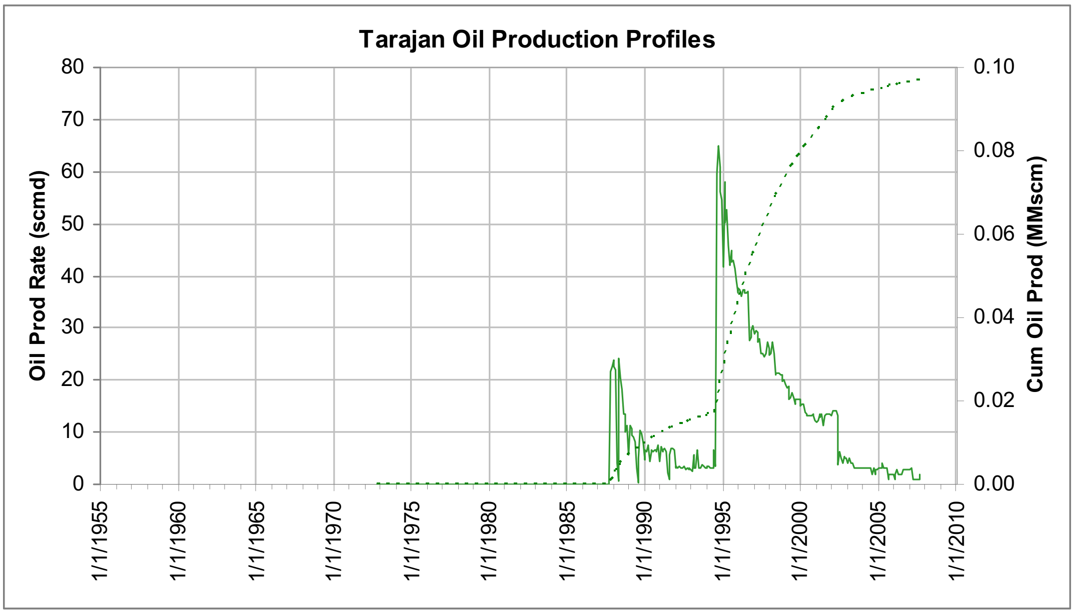


Jaipur is a mature area which has been producing since 1974. A peak oil rate of 900 scmd was achieved in 1991. Since then, the area has been in a steady decline trend until recent years when the trend reversed.

OIL's 1P STOIIP estimate for the area is 32.8 MMscm. Some 2.72 MMscm of oil have been recovered giving a current recovery factor of about 8.3%.

Tarajan Area

The historical oil production profiles for the Tarajan Area are shown below.



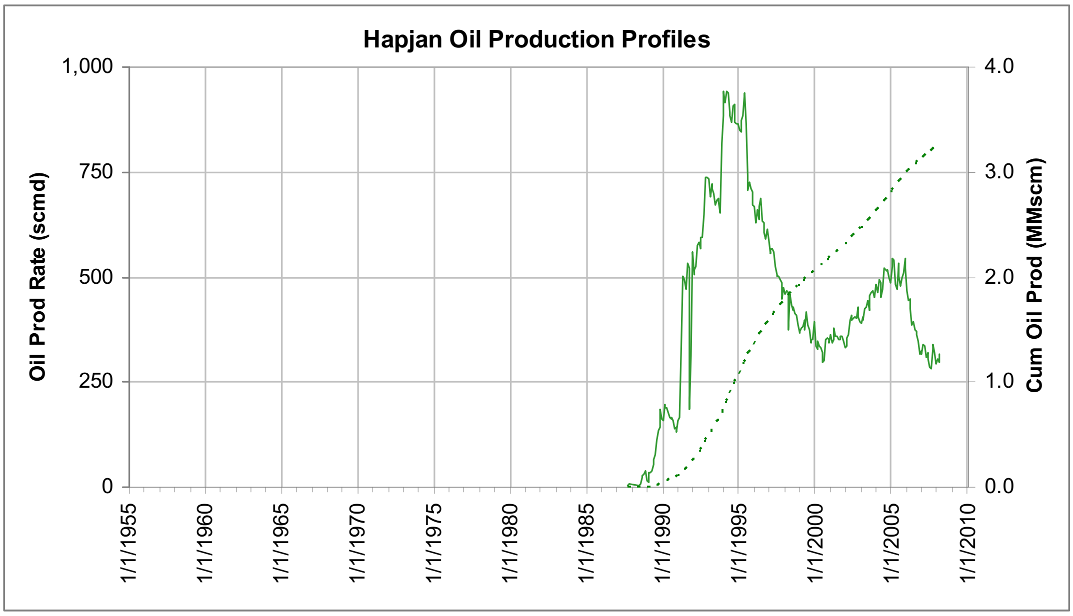
The Tarajan Area has had an erratic production history since 1988. A peak oil rate in excess of 60 scmd was achieved briefly in 1994. Since then, the area has been in decline.
OIL's 1P STOIIP estimate for the area is 2.03 MMscm. Some 0.086 MMscm of oil have been recovered, giving a current recovery factor of about 4.3%.

Greater Hapjan Field

The Greater Hapjan Field consists of Hapjan, North Hapjan, Borhapjan, Makum, North Makum, Samdang, and Bazaloni Areas.

Hapjan Area

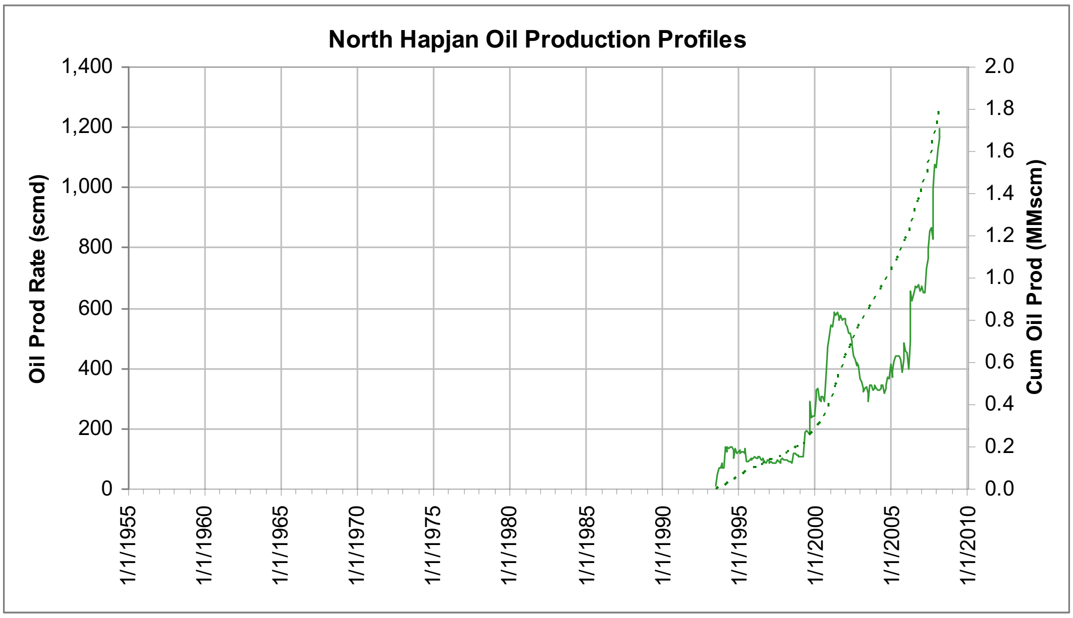
The historical oil production profiles for the Hapjan Area are shown below.



The Hapjan Area has been producing since 1988. It reached a peak oil rate in excess of 900 scmd in 1994, before declining. In 2000, the oil rate started to increase, reaching a lower peak of 540 scmd in 2005 before decline again. Recently, the decline trend has been reversed due to development activities.
OIL's 1P STOIIP estimate for the area is 34.4 MMscm. Some 3.05 MMscm of oil have been recovered, giving a current recovery factor of 8.9%.

North Hapjan Area

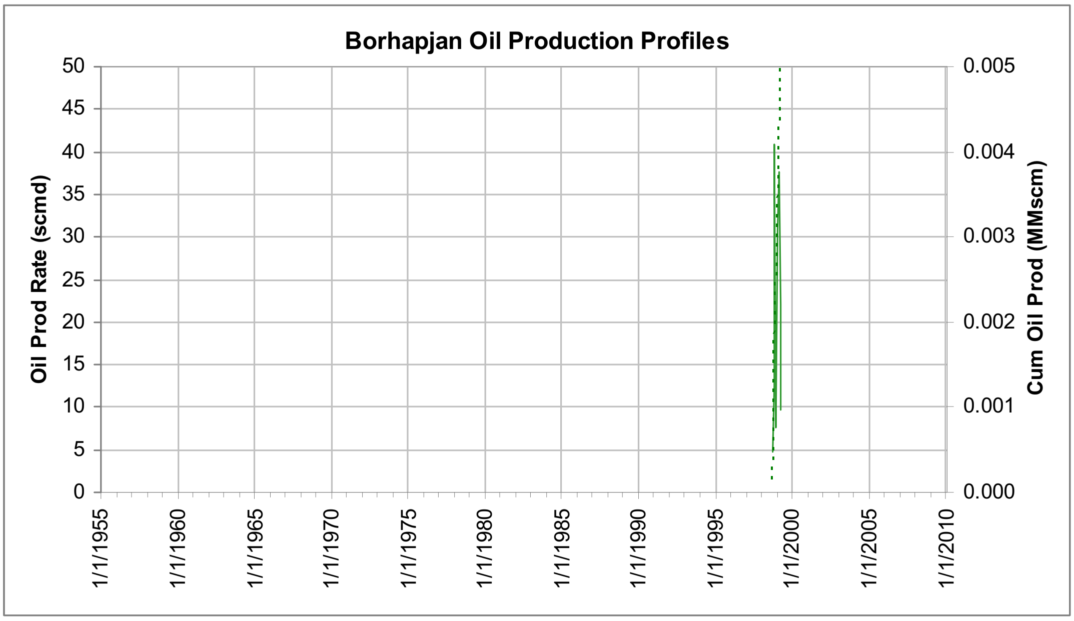
The historical oil production profiles for the North Hapjan Area are shown below.



The North Hapjan Area has been producing since 1993. A peak oil rate of 580 scmd was achieved in 2001. In recent years, the oil rate has been on the increase due to development activities.
OIL's 1P STOIIP estimate for the area is 21.0 MMscm. Some 1.76 MMscm of oil have been recovered, giving a current recovery factor of 8.4%.

Borhapjan Area

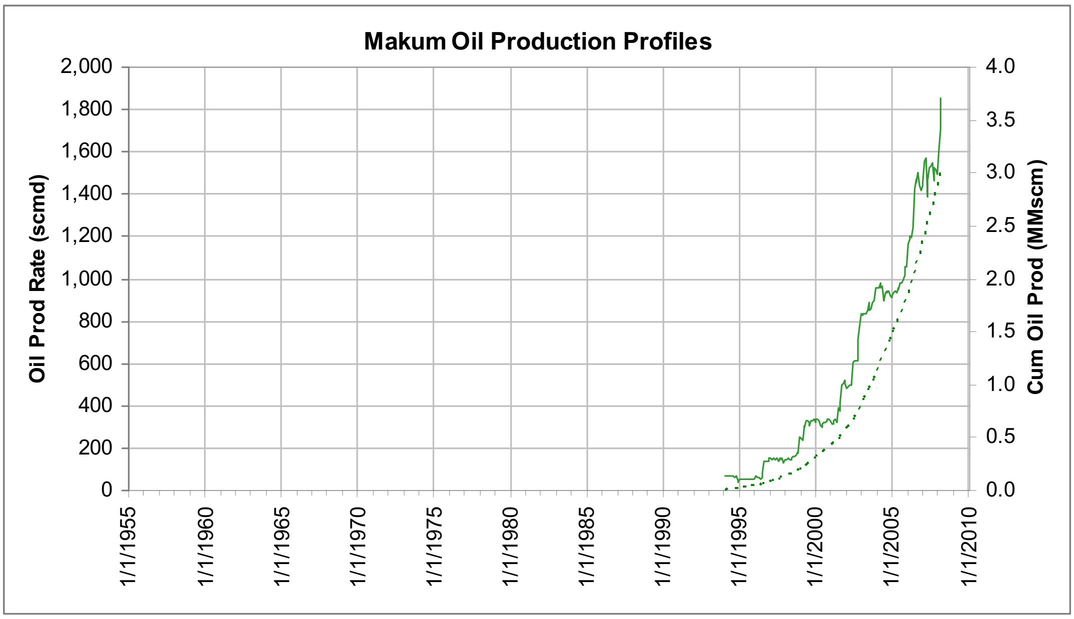
The historical oil production profiles for the Borhapjan Area are shown below.



The Borhapjan Area produced briefly in 1998, when it achieved a rate of 40 scmd of oil. It was then shut in for six years until 2005 when production was revived. Production rate started at 38 scmd, but quickly fell to 8 scmd. The area was then shut-in again.
OIL's 1P STOIIP estimate for the area is 2.17 MMscm. Some 0.004 MMscm of oil have been recovered, giving a current recovery factor of 0.2%.

Makum Area

The historical oil production profiles for the Makum Area are shown below.

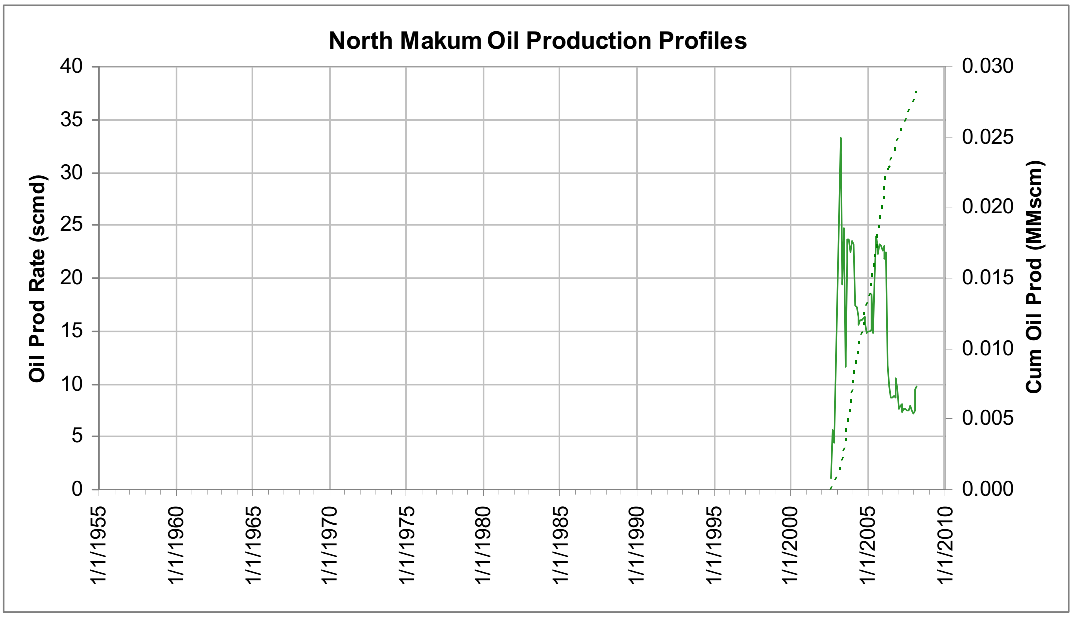


The Makum Area started production in 1994. Since then the oil rate has increased steadily due to ongoing development activities.

OIL's 1P STOIIP estimate for the area is 27.3 MMscm. Some 2.92 MMscm of oil have been recovered giving a current recovery factor of 10.7%.

North Makum Area

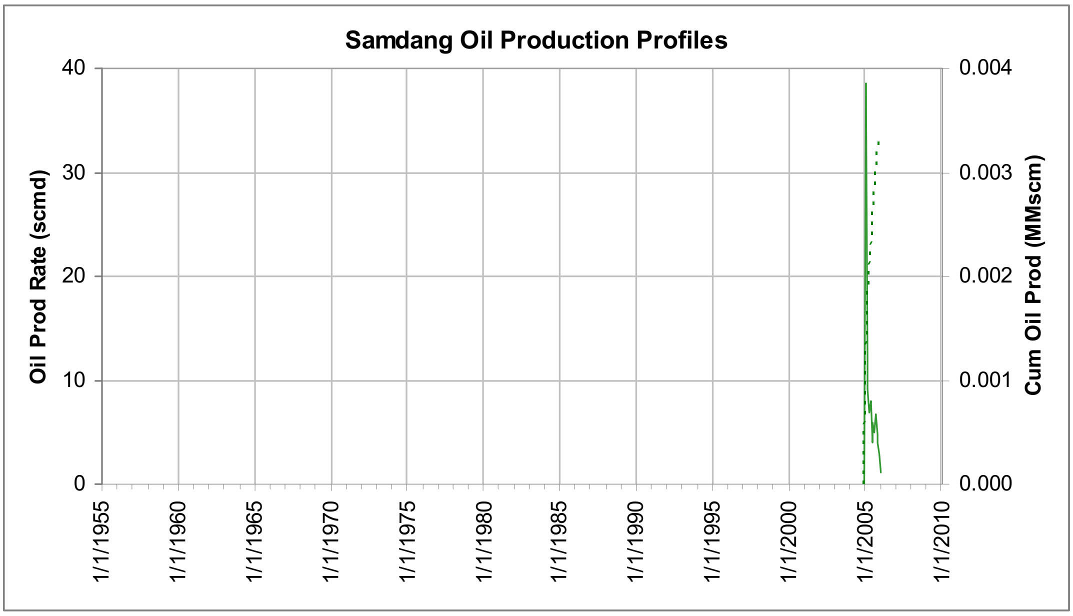
The historical oil production profiles for the North Makum Area are shown below.



The North Makum Area started production in 2002. In recent years, the oil rate has declined.
OIL's 1P STOIIP estimate for the area is 0.49 MMscm. Some 0.028 MMscm of oil have been recovered, giving a current recovery factor of 5.6%.

Samdang Area

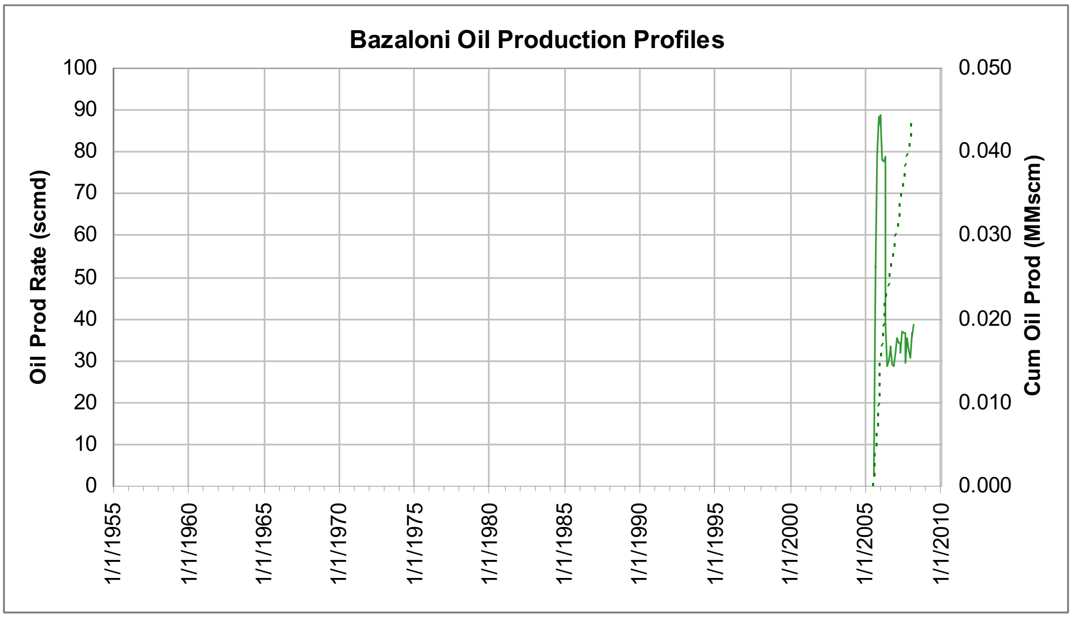
The historical oil production profiles for the Samdang Area are shown below.



The Samdang Area produced briefly in 2005. Its oil rate declined rapidly and the area is currently shut-in.
OIL's 1P STOIIP estimate for the area is 1.49 MMscm. Some 0.003 MMscm of oil have been recovered, giving a current recovery factor of 0.2%.

Bazaloni Area

The historical oil production profiles for the Bazaloni Area are shown below.



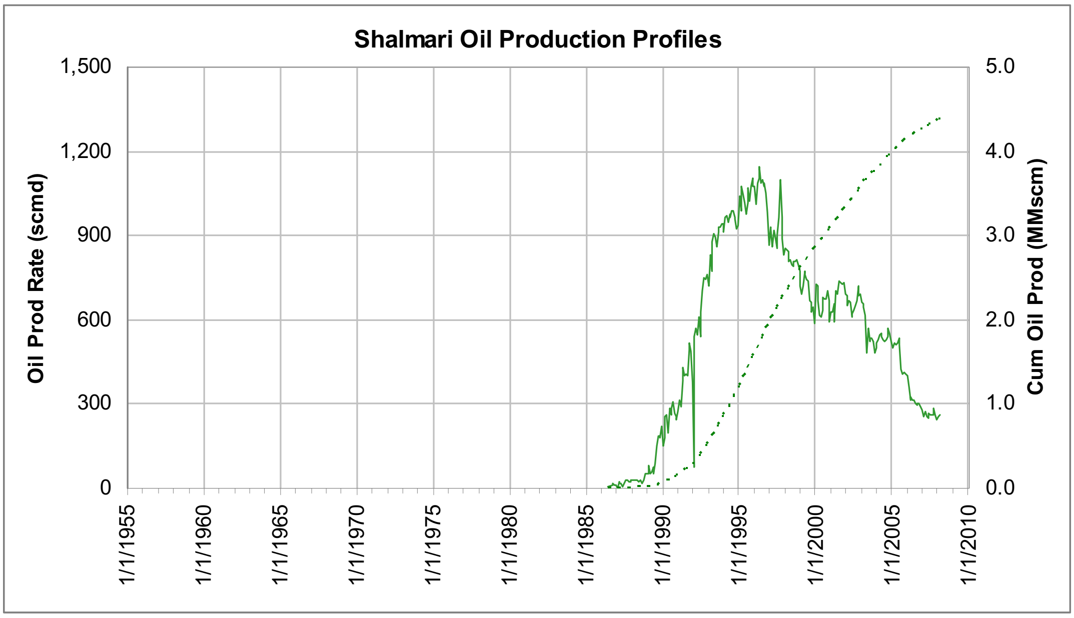
The Bazaloni Area started production in 2005. The oil rate reached a peak rate of 90 scmd before decline to about 32 scmd. Recently, the decline trend has since been reversed.
OIL's 1P STOIIP estimate for the area is 2.11 MMscm. Some 0.044 MMscm of oil have been recovered, giving a current recovery factor of 2.1%.

Greater Shalmari Field

The Greater Shalmari Field consists of Shalmari, Tinali, and North Tinali Areas.

Shalmari Area

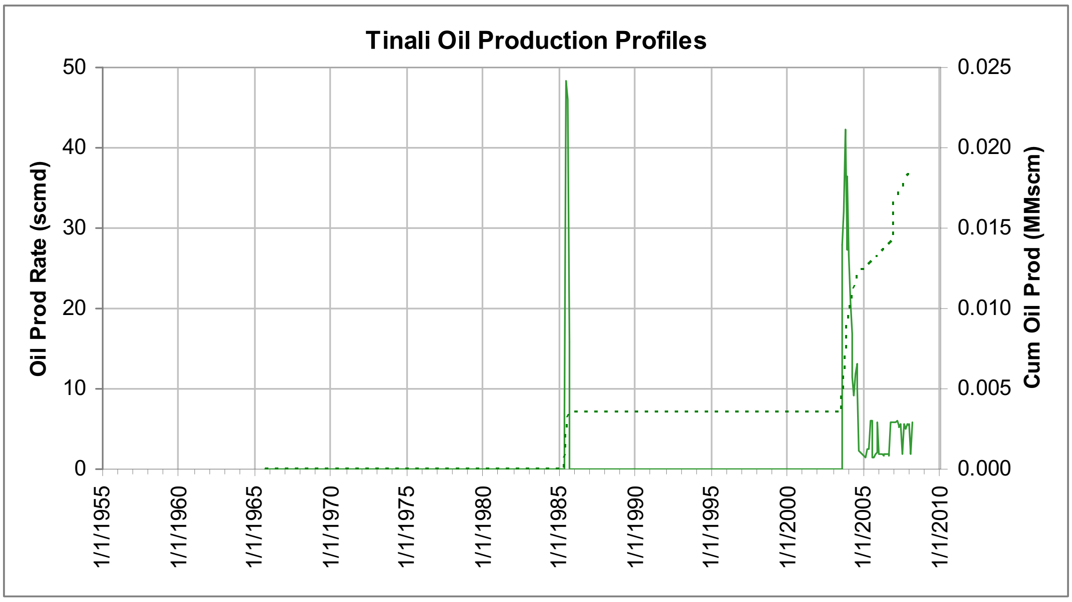
The historical oil production profiles for the Shalmari Area are shown below.



Shalmari is a mature area which has produced since 1986. A peak oil rate in excess of 1,100 scmd was achieved in 1996. Since then, the area has been in a steady decline.
OIL's 1P STOIIP estimate for the area is 18.8 MMscm. Some 3.96 MMscm of oil have been recovered giving a current recovery factor of 21.1%.

Tinali Area

The historical oil production profiles for the Tinali Area are shown below.

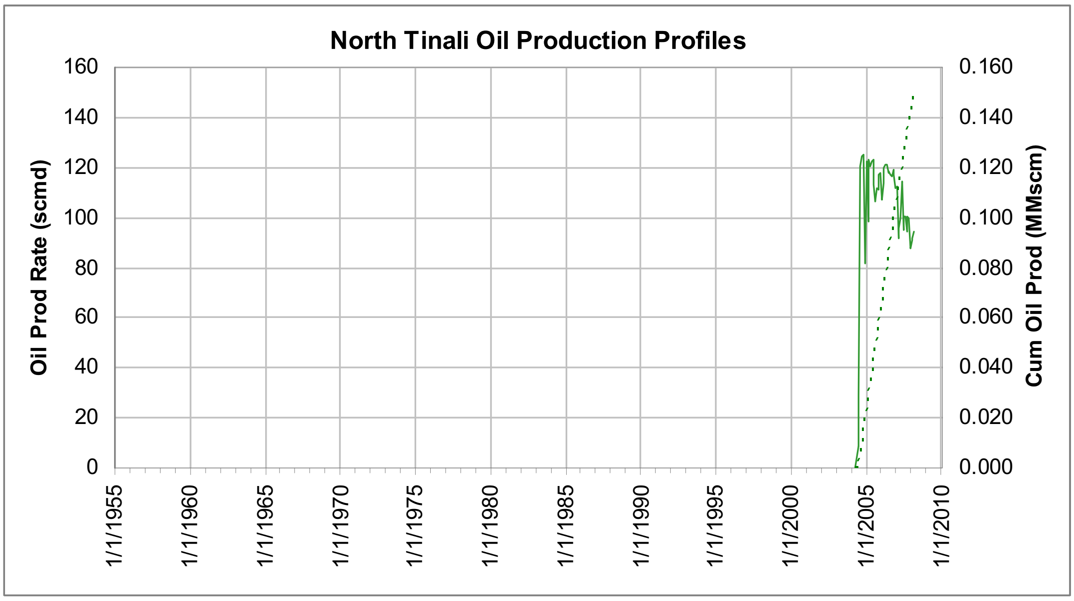


The Tinali Area was tested at various times. It came onto continuous production in 2003 with a peak rate of 42 scmd.

OIL's 1P STOIIP estimate for the area is 2.53 MMscm. Some 0.018 MMscm of oil have been recovered, giving a current recovery factor of only 0.7%.

North Tinali Area

The historical oil production profiles for the North Tinali Area are shown below.



The North Tinali Area came onto production in 2004 and reached an oil rate of 120 scmd. Recently, its oil rate has seen a steadily decreasing trend.
OIL's 1P STOIIP estimate for the area is 1.39 MMscm. Some 0.145 MMscm of oil have been recovered giving a current recovery factor of 10.4%.

Sapkaint Area

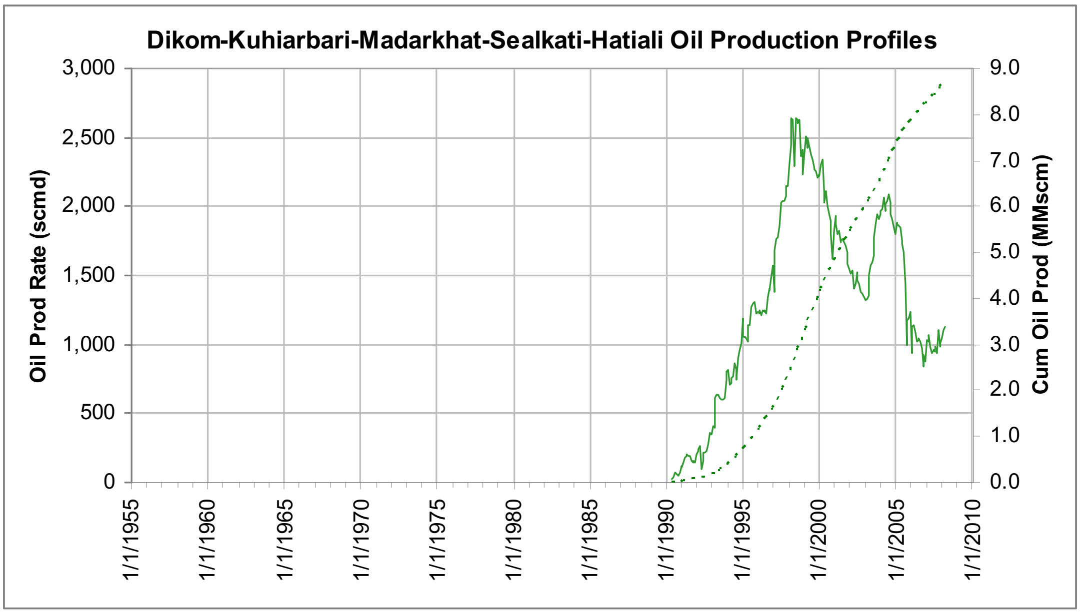
OIL's 1P STOIIP estimate for the area is 0.994 MMscm. The field has not produced.

Greater Dikom Field

The Greater Dikom Field is an amalgamation of Dikom, Madarkat, Kuhiarbari, and Sealkati, and Hatiali Areas.

Dikom-Madarkat-Kuhiarbari-Sealkati-Hatiali Area

The historical oil production profiles for the Dikom-Madarkat-Kuhiarbari-Sealkati-Hatiali Area are shown below.



The Greater Dikom Field is a mature field which has been producing since 1990. A plateau oil rate of in excess of 2,500 scmd was achieved in 1998. Since then, the field had been in a steady decline until 2003 when the trend was reversed. It reached a lower peak of 2,000 scmd before decline. In recent years, the oil rate has been stabilised due to development activities.

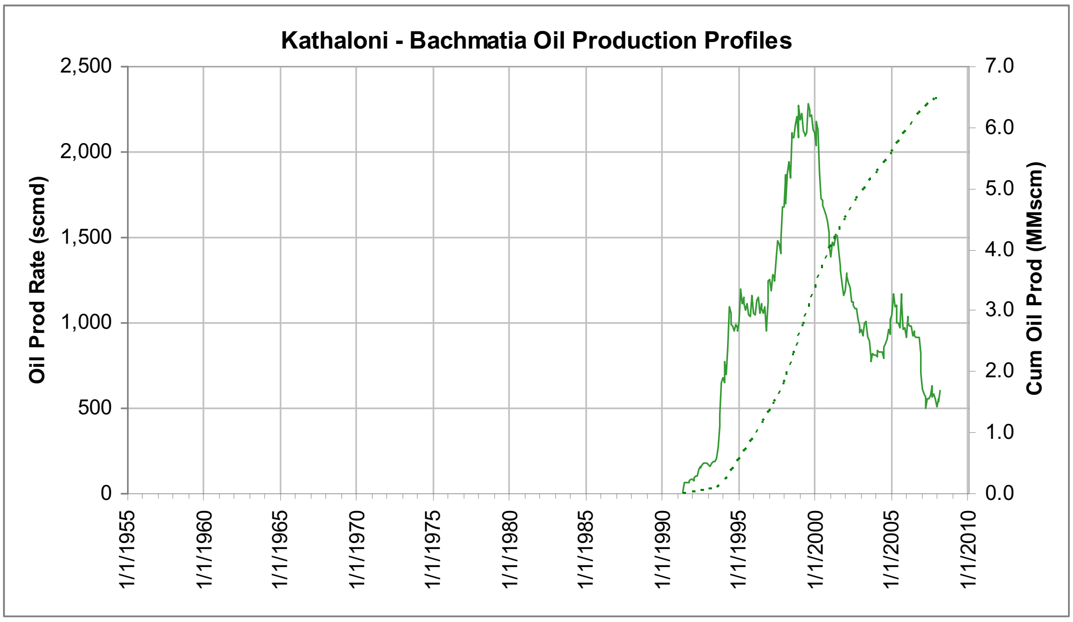
OIL's 1P STOIIP estimate for the field is 25.2 MMscm. Some 8.16 MMscm of oil have been recovered, giving a current recovery factor of about 32.4%.

Kathaloni Field

The Kathaloni Field is an amalgamation of Kathaloni and Bachmatia Areas.

Kathaloni - Bachmatia Area

The historical oil production profiles for the Kathaloni - Bachmatia Area are shown below.



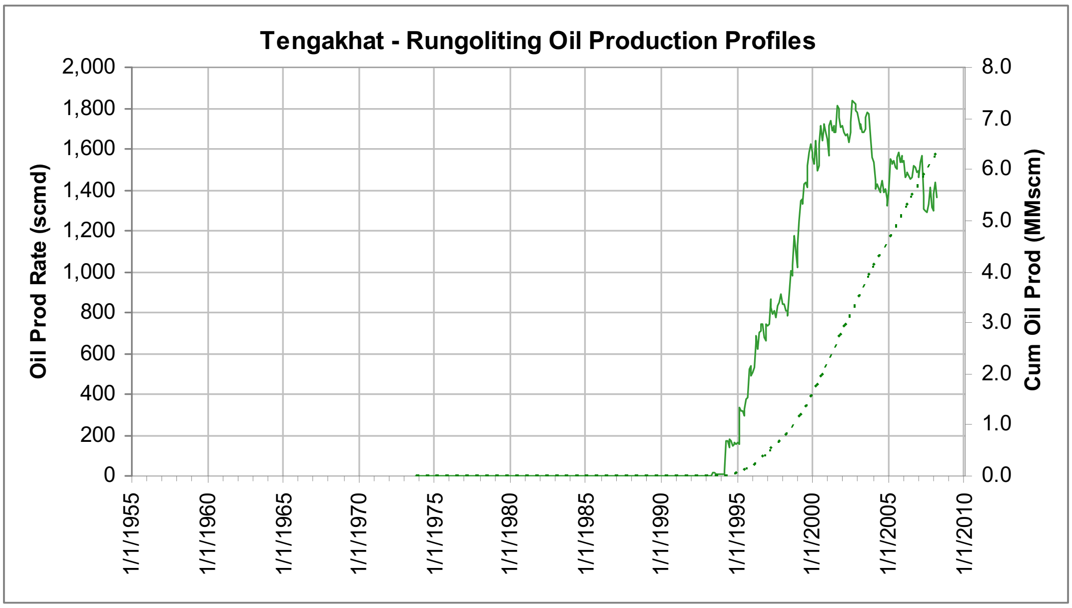
Kathaloni - Bachmatia is a mature area which has been producing since 1991. A peak oil rate of in excess of 2,200 scmd was achieved. Since 1999, the area had been in a steady decline until 2004, when the trend was reversed. It reached a lower peak of 1,200 scmd before decline.
OIL's 1P STOIIP estimate for the area is 25.7 MMscm. Some 6.11 MMscm of oil have been recovered, giving a current recovery factor of about 23.7%.

Tengakhat Field

The Tengakhat Field is an amalgamation of Tengakhat and Rungoliting Areas.

Tengakhat - Rungoliting Area

The historical oil production profiles for the Tengakhat - Rungoliting Area are shown below.



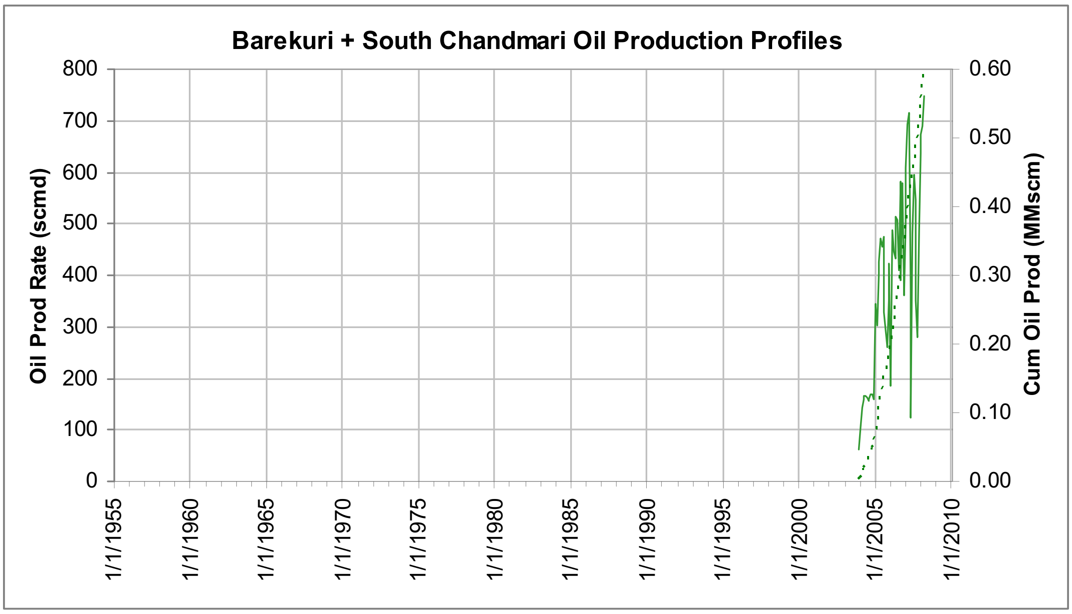
The Tengakhat - Rungoliting Area has been producing since 1994. A peak oil rate of 1,800 scmd was achieved during 2001 to 2003. Recently, following a decline to about 1,400 scmd, the oil rate has increased slightly due to development activities. GCA revised the STOIIP estimate for this area to 23.6 MMscm (1P). Some 6.00 MMscm of oil have been recovered, giving a current recovery factor of 23.5%.

Greater Chandmari Field

The Greater Chandmari Field consists of Barekuri, South Chandmari, and Baghjan Areas.

Barekuri + South Chandmari Area

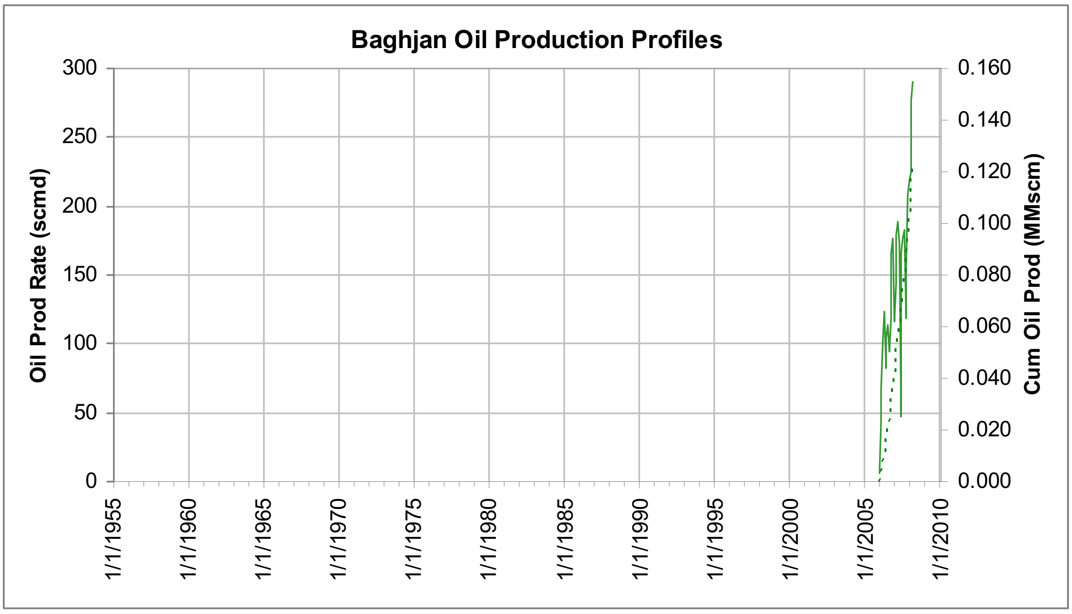
The historical oil production profiles for the Barekuri + South Chandmari Area are shown below.



The Barekuri + South Chandmari Area came onto production in 2003. The oil production rate is increasing steadily due to development activities.
OIL's 1P STOIIP estimate for the area is 7.95 MMscm. Some 0.583 MMscm of oil have been recovered, giving a current recovery factor of 7.3%.

Baghjan Area

The historical oil production profiles for the Baghjan Area are shown below.

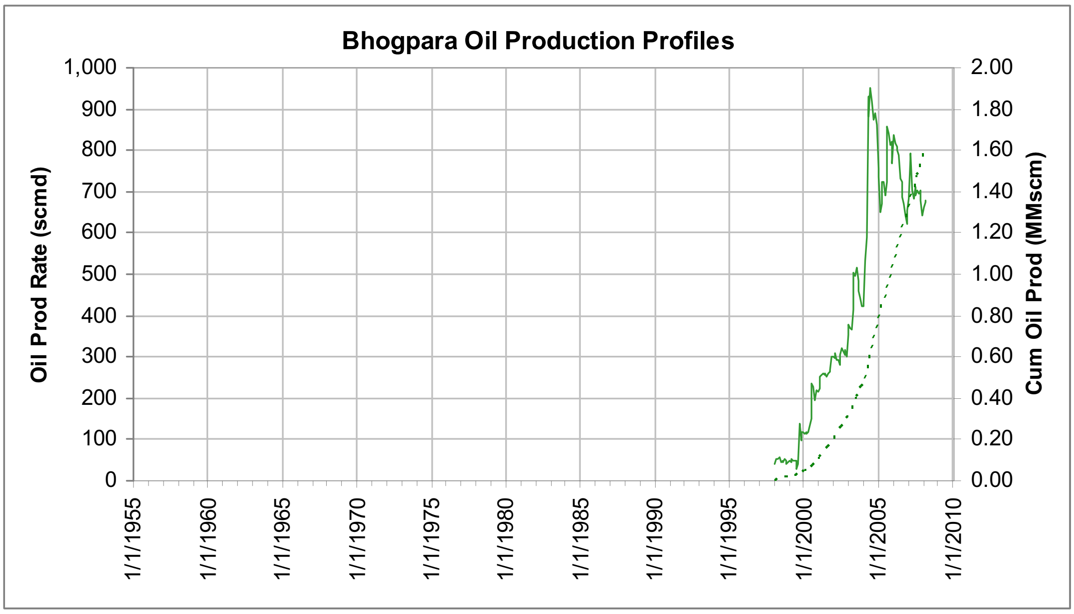


The Baghjan Area came onto production in 2003.
OIL's 1P STOIIP estimate for the area is 7.63 MMscm. Some 0.122 MMscm of oil have been recovered, giving a current recovery factor of 1.6%.

Bhogpara Field

Bhogpara Area

The historical oil production profiles for the Bhogpara Area are shown below.

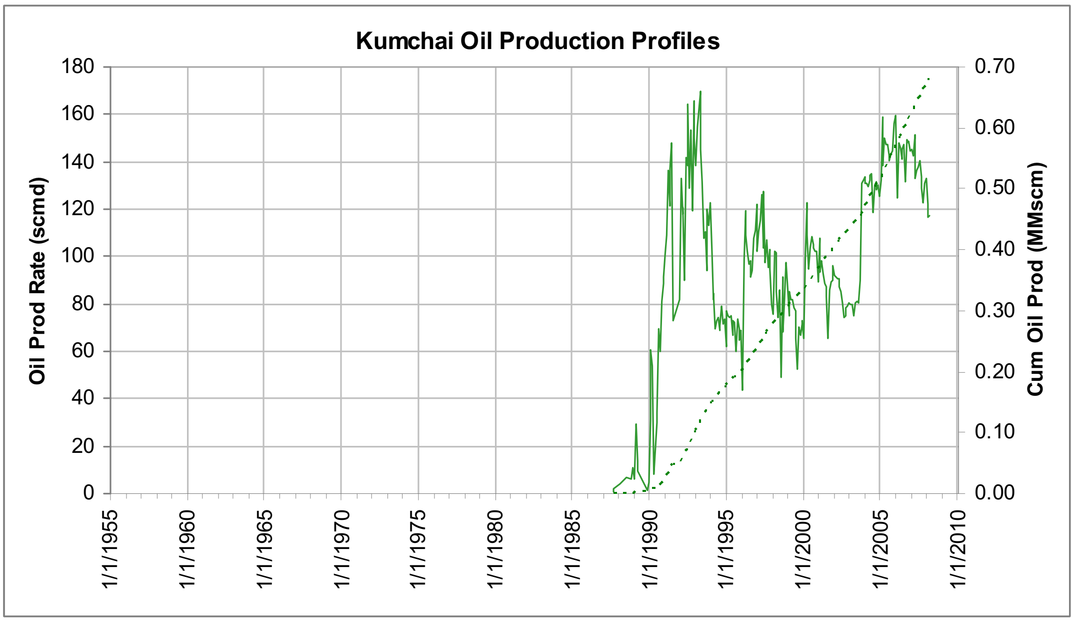


The Bhogpara Area started producing in 1997. Production increased over the years reaching a peak oil rate of 900 scmd in 2004. Since then, production has fluctuated but generally declined.
GCA revised the STOIIP estimate for this area to 11.2 MMscm. Some 1.54 MMscm of oil have been recovered, giving a current recovery factor of 13.8%.

Greater Kumchai Field

Kumchai Area

The historical oil production profiles for the Kumchai Area are shown below.



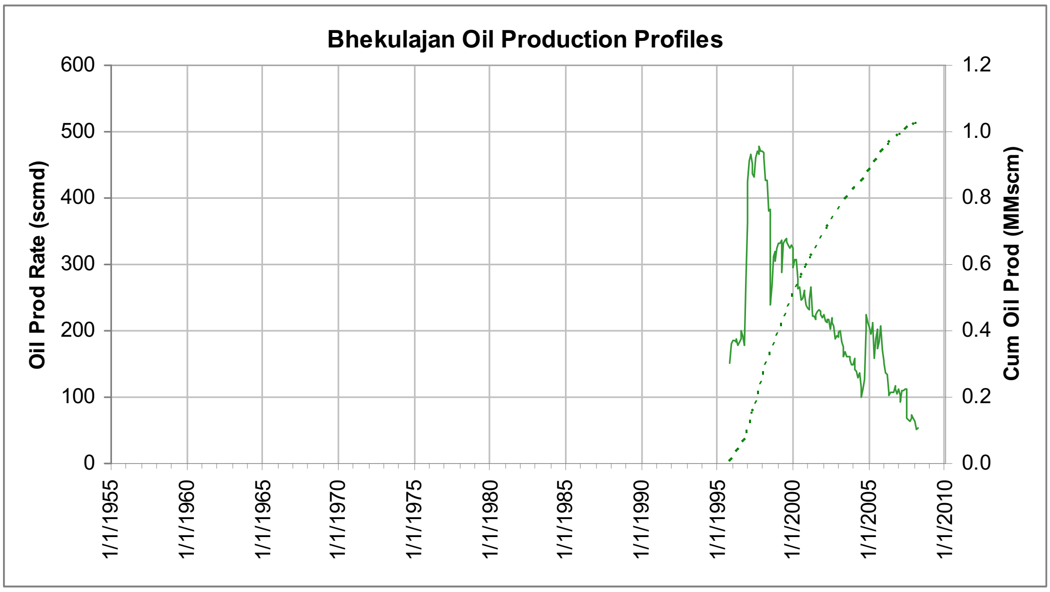
The Kumchai Area has had a jagged production history since 1987. A peak oil rate in excess of 170 scmd was achieved briefly in 1993. Since 2007, oil production has been on decreasing trend.
OIL's 1P STOIIP estimate for the area is 14.7 MMscm. Some 0.614 MMscm of oil have been recovered, giving a current recovery factor of 4.2%.

Central Small Fields

The Central Small Fields consists of Bhekulajan, Tamulikhat-North Tamulikhat, Deohal-East Deohal, Chabua, Jaraipather, Matimekhaha-North Matimekhaha, North Balijan, Khagorijan, and Kamkhat Areas.

Bhekulajan Area

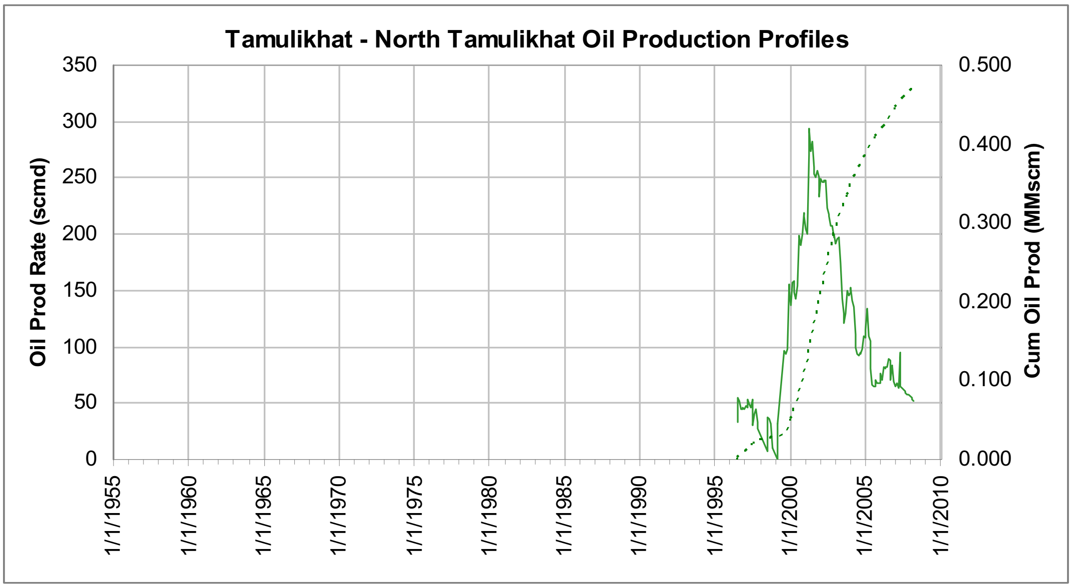
The historical oil production profiles for the Bhekulajan Area are shown below.



The Bhekulajan Area has been producing since 1995. A peak oil rate of 480 scmd was achieved in 1997, but the production then declined sharply. After a production boost in 2004, the oil rate continued its decline.
OIL's 1P STOIIP estimate for the area is 3.53 MMscm. Some 0.96 MMscm of oil have been recovered, giving a current recovery factor of 27.2%.

Tamulikhat - North Tamulikhat Area

The historical oil production profiles for the Tamulikhat - North Tamulikhat Area are shown below.

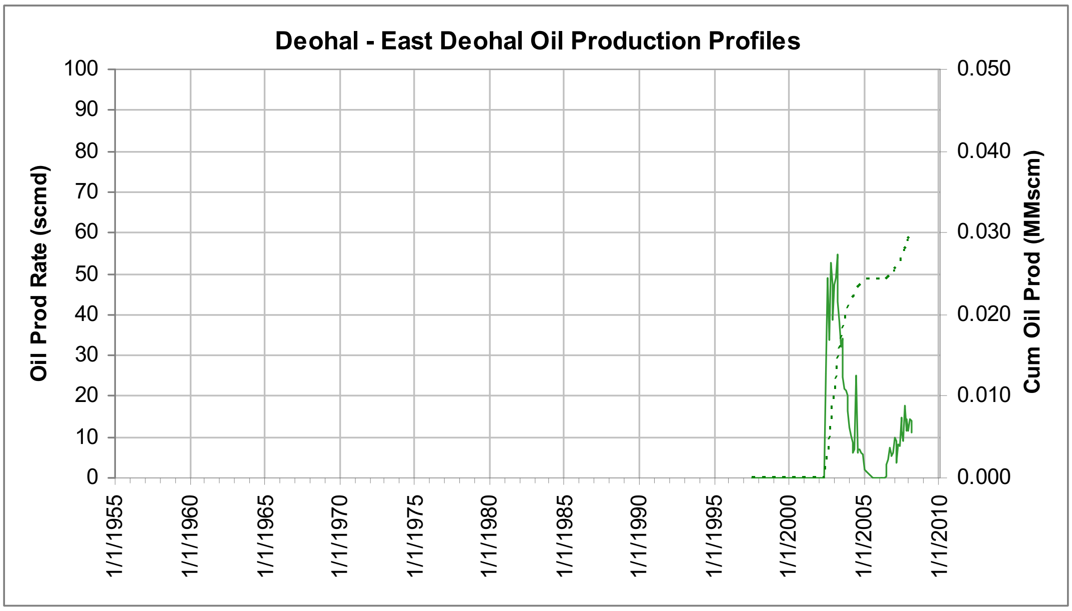


The Tamulikhat - North Tamulikhat Area has been producing since 1995. A peak oil rate of 280 scmd was achieved in 2001 and then the area began to decline.

OIL's 1P STOIIP estimate for the area is 2.87 MMscm. Some 0.45 MMscm of oil have been recovered, giving a current recovery factor of 15.6%.

Deohal - East Deohal Area

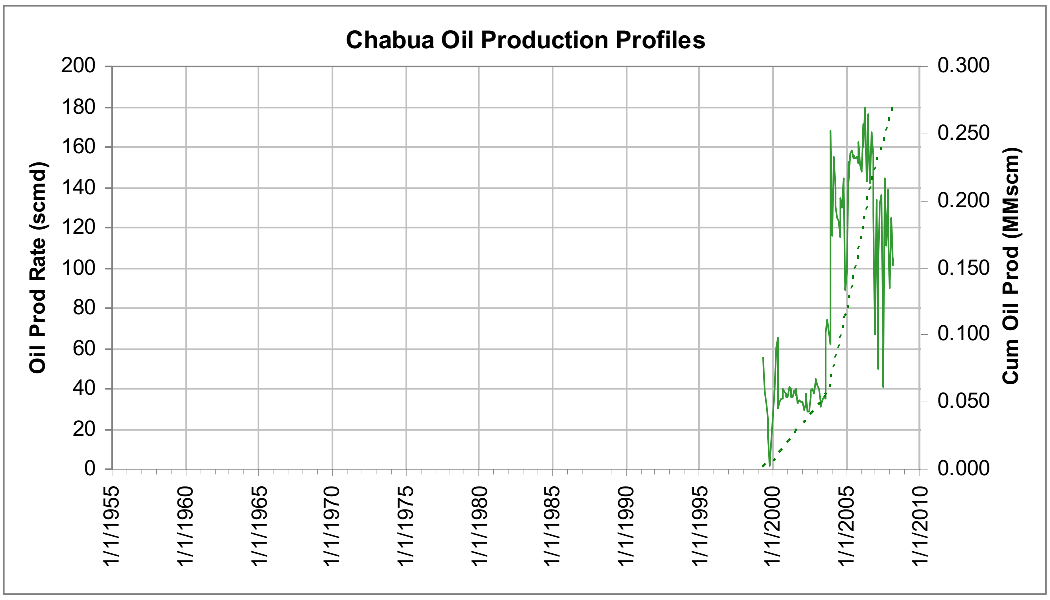
The historical oil production profiles for the Deohal – East Deohal Area are shown below.



The Deohal - East Deohal Area was tested in 1976 and 1997, and came onto production in 2002. A peak oil rate of 50 scmd was achieved briefly in that year, followed by a steep decline. Since 2006, the oil rate has been on an increasing trend due to development activities.
OIL's 1P STOIIP estimate for the Deohal-East Deohal Area is 2.74 MMscm. Some 0.029 MMscm of oil have been recovered, giving a current recovery factor of 1.0%.

Chabua Area

The historical oil production profiles for the Chabua Area are shown below.



The Chabua Area started producing in 1999 at an oil rate of 40 scmd. Production increased to 130 scmd in 2004 and further increased to 180 scmd in 2006 before experiencing a drop. Since then, the oil rate has reversed its decline and recently has fluctuated between 100 and 120 scmd.

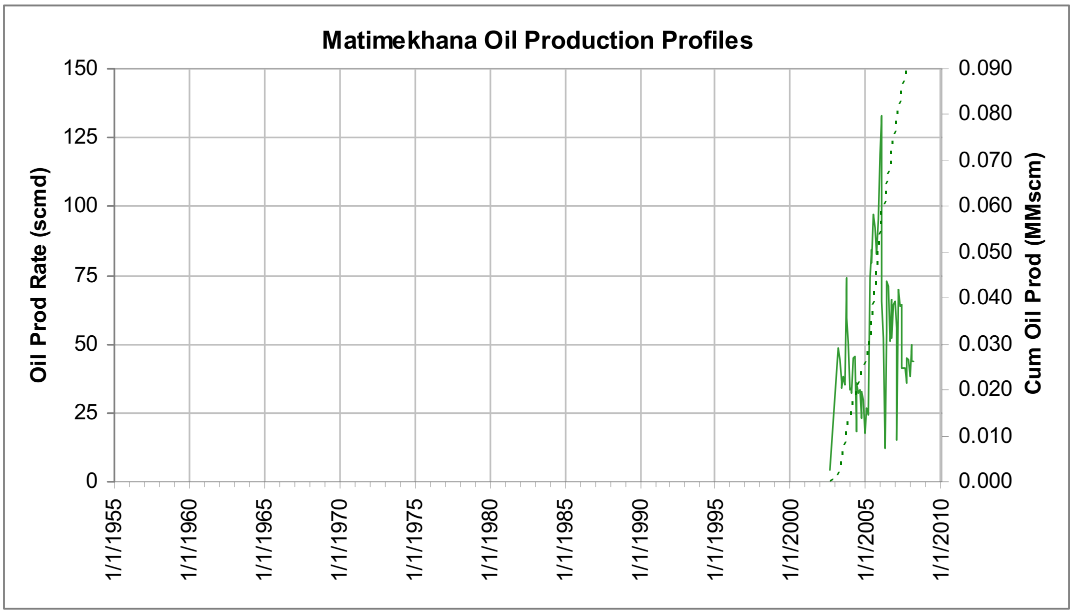
OIL's 1P STOIIP estimate for the area is 4.32 MMscm. Some 0.26 MMscm of oil have been recovered, giving a current recovery factor of 6.0%.

Jaraipather Area

OIL's 1P STOIIP estimate for the area is 0.102 MMscm. The field has not produced.

Matimekhana Area

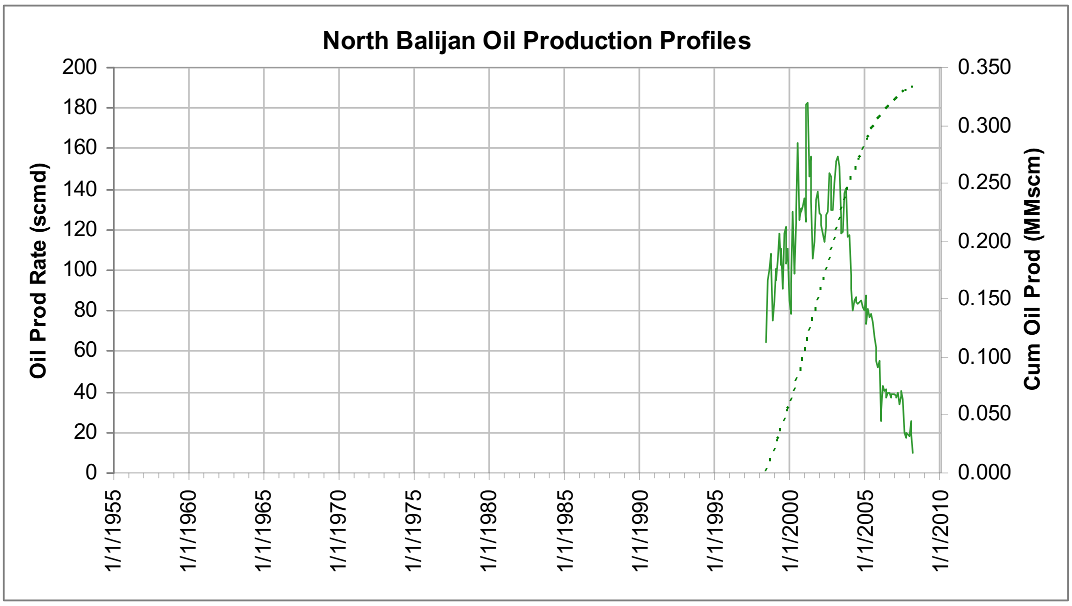
The historical oil production profiles for the Matimekhana Area are shown below.



The Matimekhana Area came onto production in 2003, declined in 2004, and increased its production in 2005. The rate increased briefly to 130 scmd and then declined. Recently the oil rate has maintained at about 40 scmd.
OIL's 1P STOIIP estimate for the area is 3.86 MMscm. Some 0.09 MMscm of oil have been recovered, giving a current recovery factor of 2.4%.

North Balijan Area

The historical oil production profiles for the North Balijan Area are shown below.

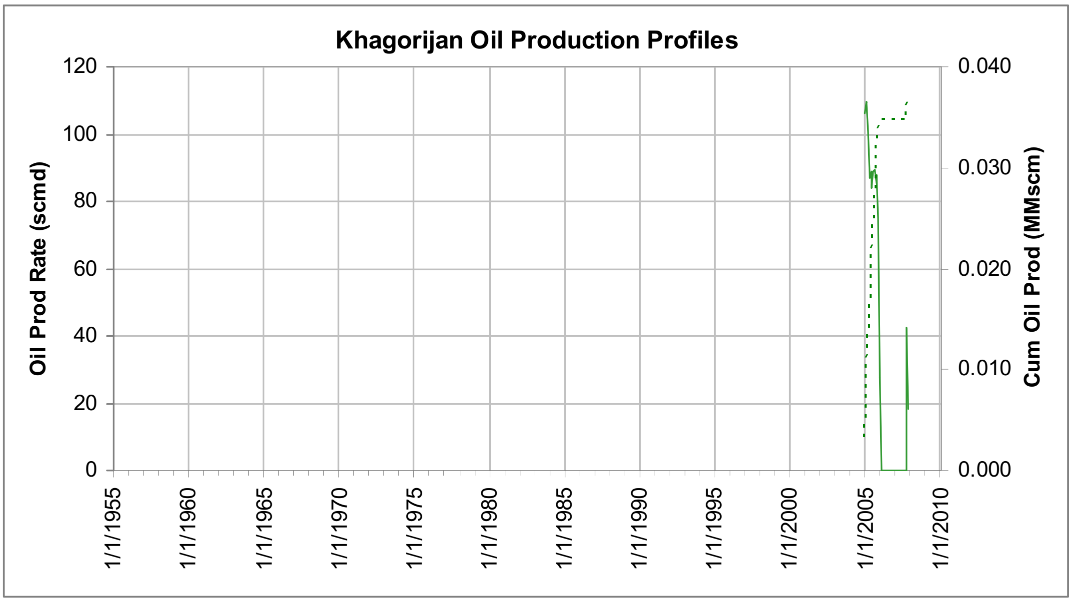


The North Balijan Area came onto production in 1998. In 2001, an instantaneous peak oil rate of 180 scmd was achieved. In recent years the oil rate has been on decline.

OIL's 1P STOIIP estimate for the area is 3.48 MMscm. Some 0.318 MMscm of oil have been recovered, giving a current recovery factor of 9.1%.

Khagorijan Area

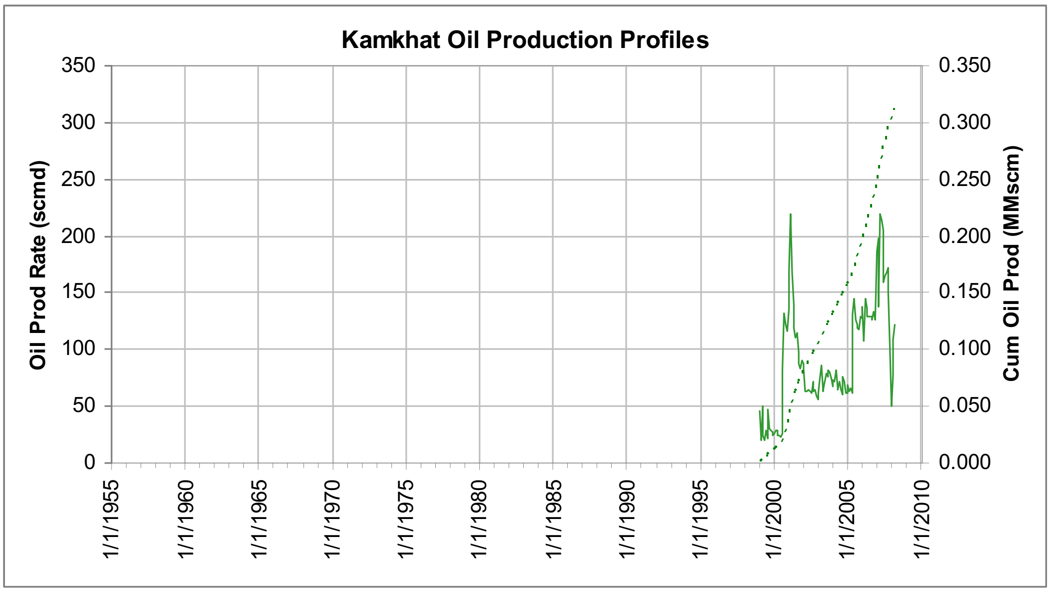
The production profiles for the Khagorijan Area are shown below.



The Khagorijan Area started production in 2005. The oil production briefly reached a peak of 110 scmd before steeply declining. Currently, the area is shut in.
OIL's 1P STOIIP estimate for the area is 1.51 MMscm. Some 0.036 MMscm of oil have been recovered, giving a current recovery factor of about 2.4%.

Kamkhat Area

The historical oil production profiles for the Kamkhat Area are shown below.



The Kamkhat Area came onto production in 1999. The oil production briefly reached a peak rate of 220 scmd in 2000 before decline. Since 2005, the oil rate has increased steadily due to development activities. The oil rate trend reversed in 2007 but has been on the increase again recently.

OIL's 1P STOIIP estimate for the area is 2.35 MMscm. Some 0.30 MMscm of oil have been recovered giving a current recovery factor of 12.9%.

Eastern Satellite Fields

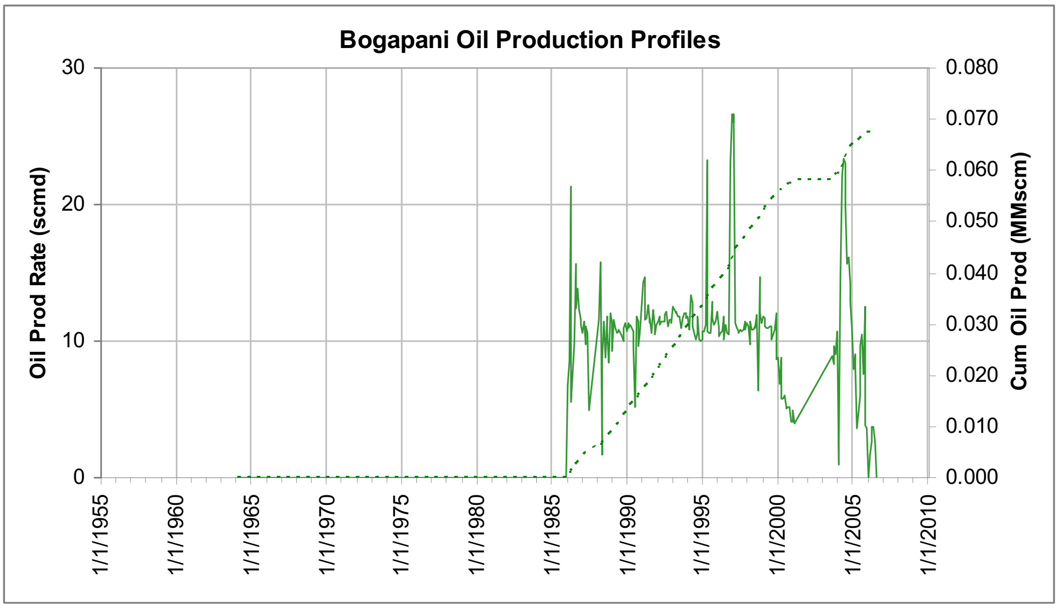
The Eastern Satellite Fields consists of Mechaki, Bogapani, Kusijan, and Kherem Areas.

Mechaki Area

OIL's 1P STOIIP estimate for the area is 1.32 MMscm. The area has not been produced.

Bogapani Area

The historical oil production profiles for the Bogapani Area are shown below.

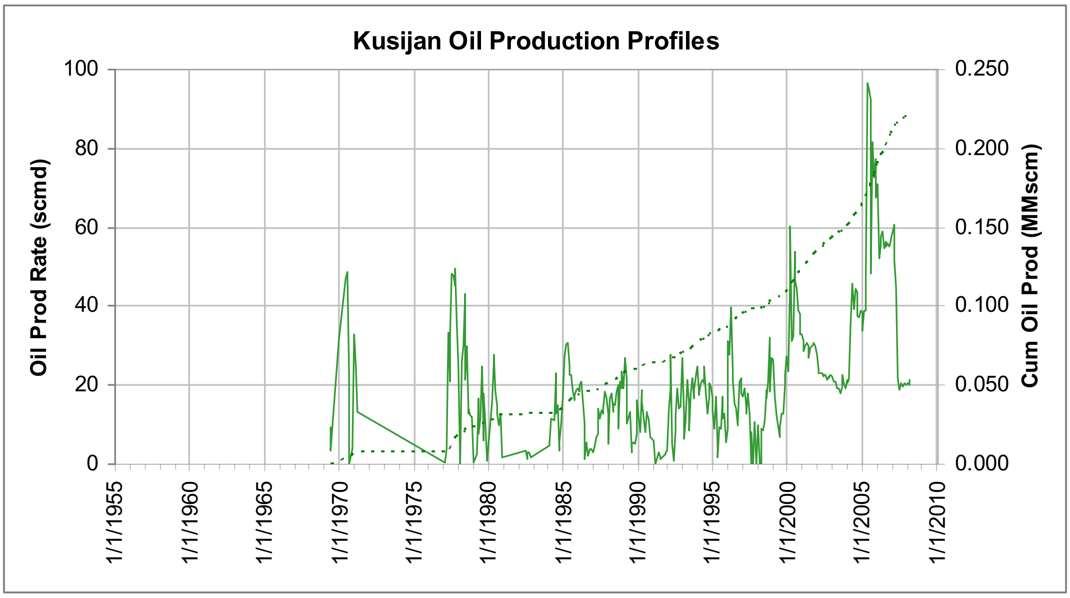


The Bogapani Area came onto production in 1986 and has been producing at a rate of about 10 scmd of oil. The area stopped producing at the end of 2006.

OIL's 1P STOIIP estimate for the area is 9.11 MMscm. Some 0.073 MMscm of oil have been recovered, giving a current recovery factor of 0.8%.

Kusijan Area

The historical oil production profiles for the Kusijan Area are shown below.



The Kusijan Area came onto production in 1969 and had produced at rates below 50 scmd until 2000. Recently, the production rate reached a peak of 96 scmd before declining.

OIL's 1P STOIIP estimate for the area is 2.73 MMscm. Some 0.187 MMscm of oil have been recovered, giving a current recovery factor of about 6.8%.

Kherem Area

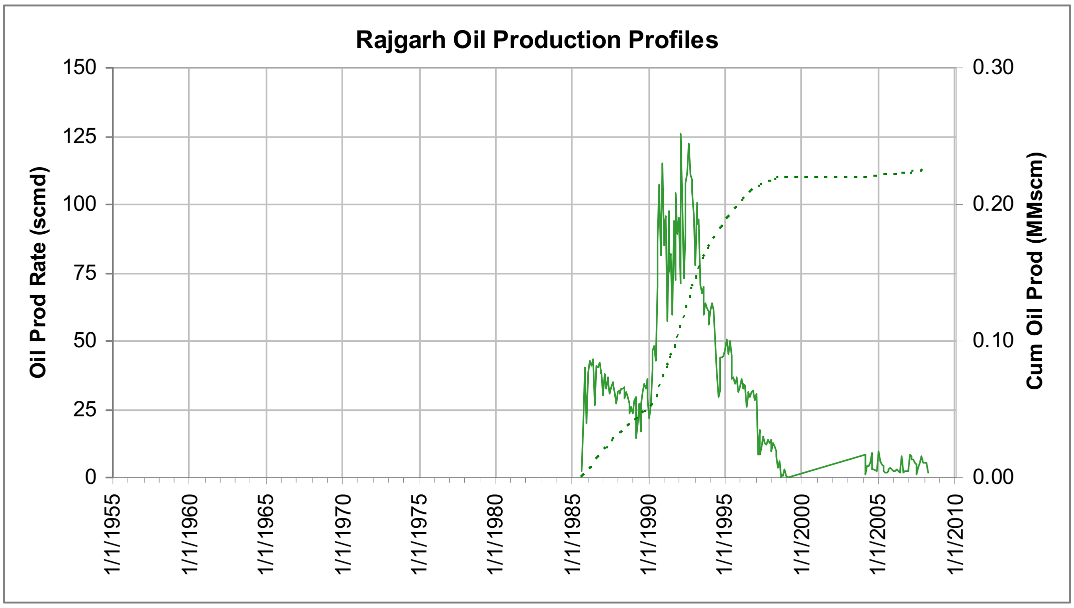
OIL's 1P STOIIP estimate for the area is 0.463 MMscm. No oil reserves were assigned to the Kherem as there is no firm plan to develop the area.

Western Satellite Fields

The Western Satellite Fields consists of Rajgarh, South Rajgarh, Dirol, Borbil, Dipling, Sarojini, Sapekhati, and Haldibari Areas.

Rajgarh Area

The historical oil production profiles for the Rajgarh Area are shown below.



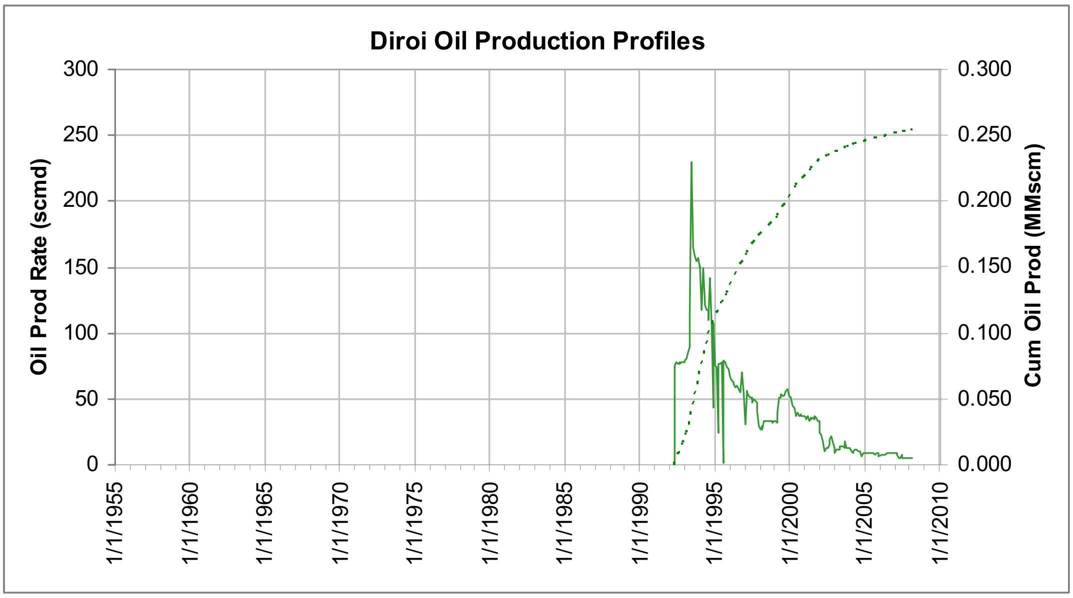
The Rajgarh Area has been producing since 1995. A peak oil rate of 120 scmd was achieved in 1992. After that, the oil rate declined steadily and production ceased in 1998. Production was restarted in 2004.
OIL's 1P STOIIP estimate for the area is 3.14 MMscm. Some 0.197 MMscm of oil have been recovered, giving a current recovery factor of 6.3%.

South Rajgarh Area

OIL's 1P STOIIP estimate for the area is 1.68 MMscm. The area has not produced but has good potential to produce from the proved non-producing reserve.

Diroi Area

The historical oil production profiles for the Diroi Area are shown below.

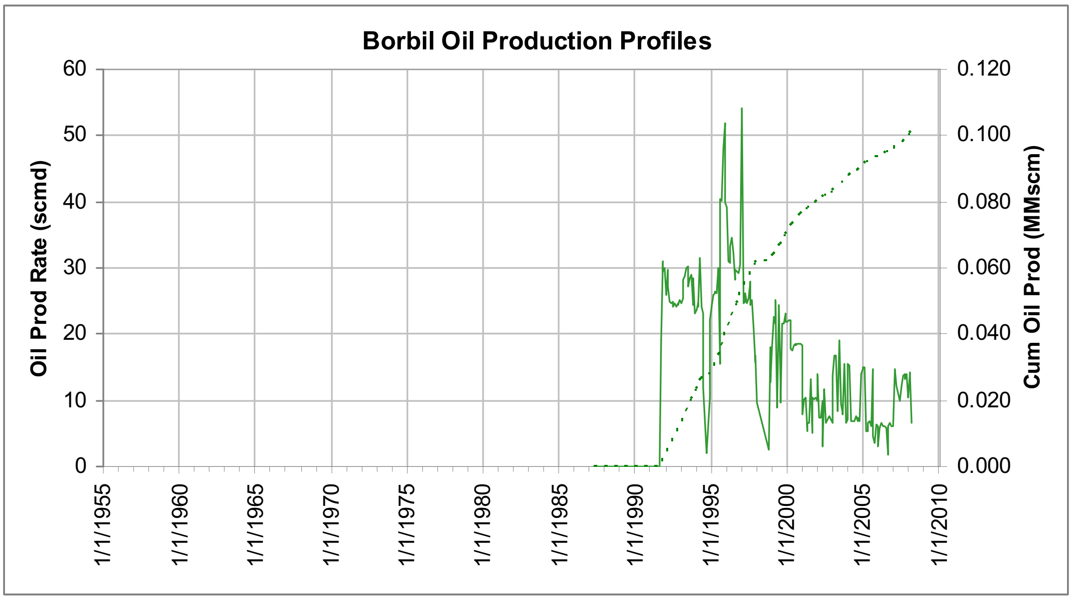


The Diroi Area came onto production in 1993. In that year, a peak oil rate of 230 scmd was achieved. Since then the oil rate has been on decline.

OIL's 1P STOIIP estimate for the area is 1.66 MMscm. Some 0.231 MMscm of oil have been recovered, giving a current recovery factor of 13.9%.

Borbil Area

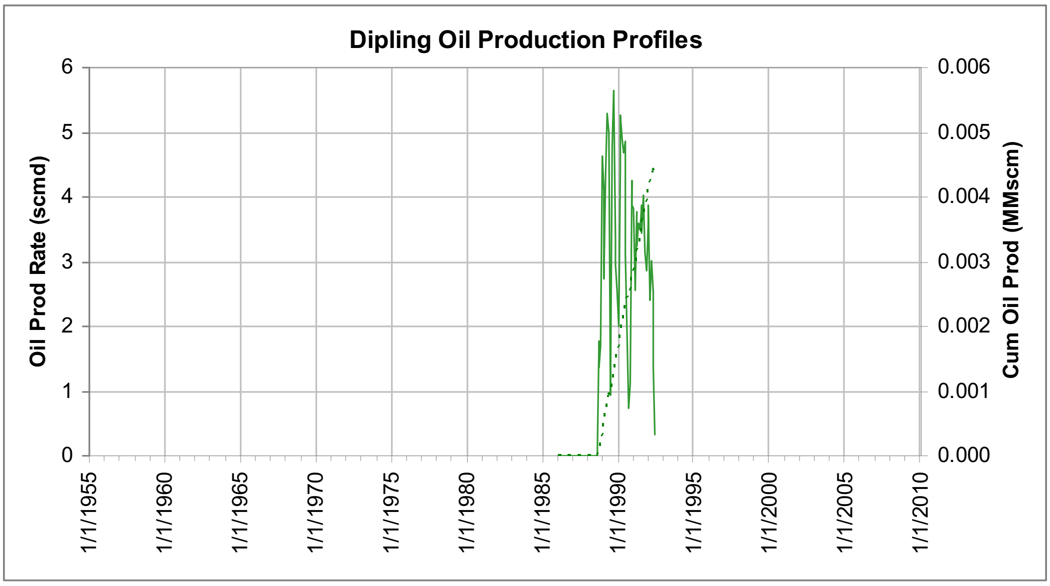
The historical oil production profiles for the Borbil Area are shown below.



The Borbil Area came on production in 1987 and has produced erratically. It reached a peak oil rate of 54 scmd in 1997. OIL's 1P STOIIP estimate for the area is 0.83 MMscm. Some 0.087 MMscm of oil have been recovered giving a current recovery factor of 10.4%.

Dipling Area

The historical oil production for the Dipling Area is shown below.

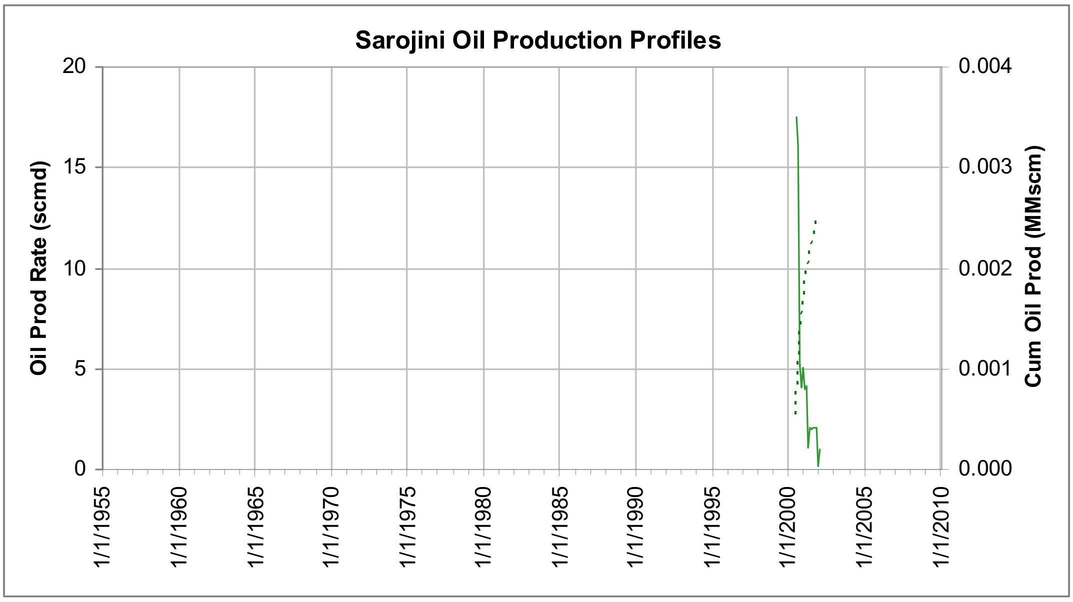


The Dipling Area produced between 1989 and 1992. It has not produced since.

OIL's 1P STOIIP estimate for the area is 4.70 MMscm. Some 0.002 MMscm of oil have been recovered, giving a current recovery factor of only 0.04%.

Sarojini Area

The historical oil production profiles for the Sarojini Area are shown below.



The area started production at an oil rate of 18 scmd in the year 2000. By 2002, the area ceased production OIL's 1P STOIIP estimate for the area is 1.24 MMscm. Some 0.002 MMscm of oil have been recovered, giving a current recovery factor of only 0.2%.

Sapekhati Area

OIL's 1P STOIIP estimate for the area is 2.03 MMscm. The area has not been produced.

Haldibari Area

OIL's 1P STOIIP estimate for the area is 0.050 MMscm. The area was tested and the results were disappointing and, as such, there are no plans to develop it. No reserves were assigned to the area.

ATTACHMENT VII

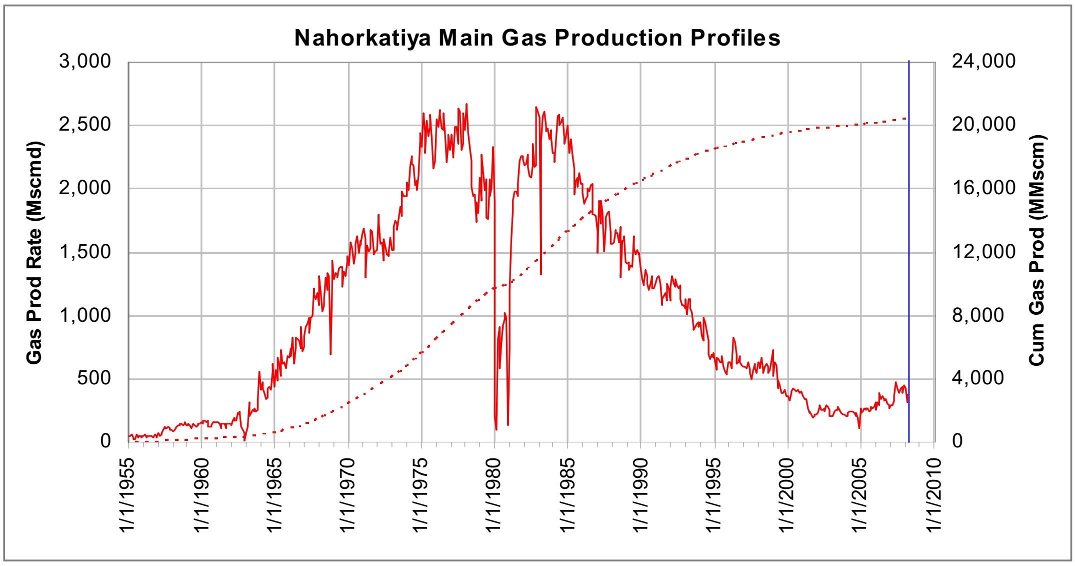
ASSAM GAS PRODUCTION HISTORY PLOTS BY FIELD

Greater Nahorkatiya Field

The Greater Nahorkatiya Field consists of Nahorkatiya Main, Zaloni, West Zaloni, Jutlibari, Madhuting-Tipling, Rajali, East Rajali, and Bordubi Areas.

Nahorkatiya Main Area

The gas production history for the Nahorkatiya Main Area is shown below.

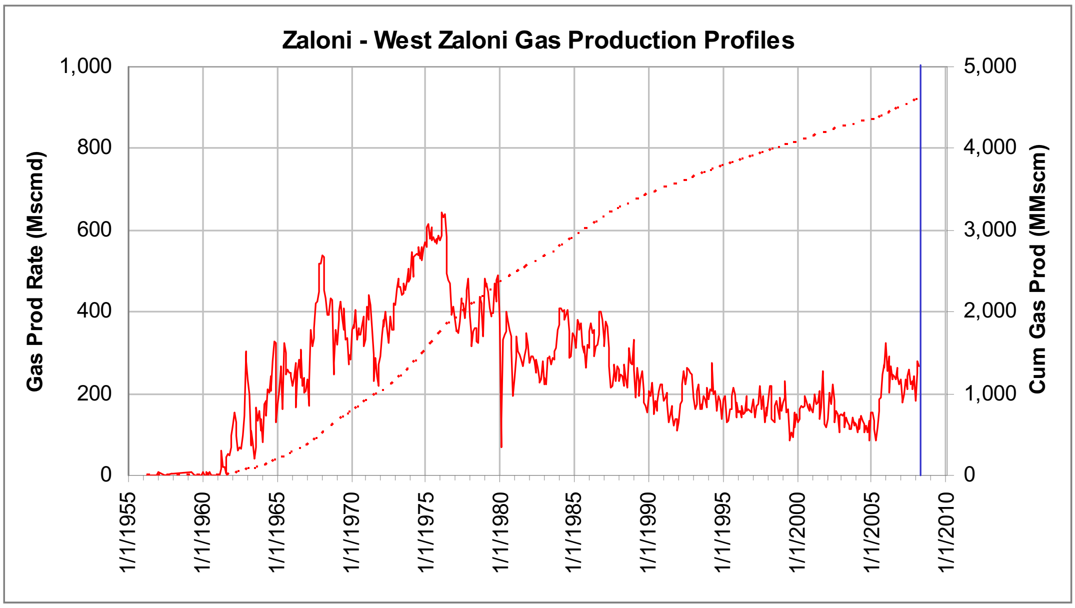


Nahorkatiya Main is a mature area which has been producing since the 1950s. A gas plateau rate of 2,500 Mscmd was achieved in 1975 and maintained until early 1978. The gas production declined in early 1980. It was reactivated in late 1982 and reached a second plateau of 2,500 Mscmd until December 1984. From early 1985, the area has been in a steady decline.

OIL's 2P GIIP estimate for the area is 42,350 MMscm. Some 20,280 MMscm of gas have been recovered up to 31st March 2008, giving a current recovery factor of 47.9%.

Zaloni - West Zaloni Area

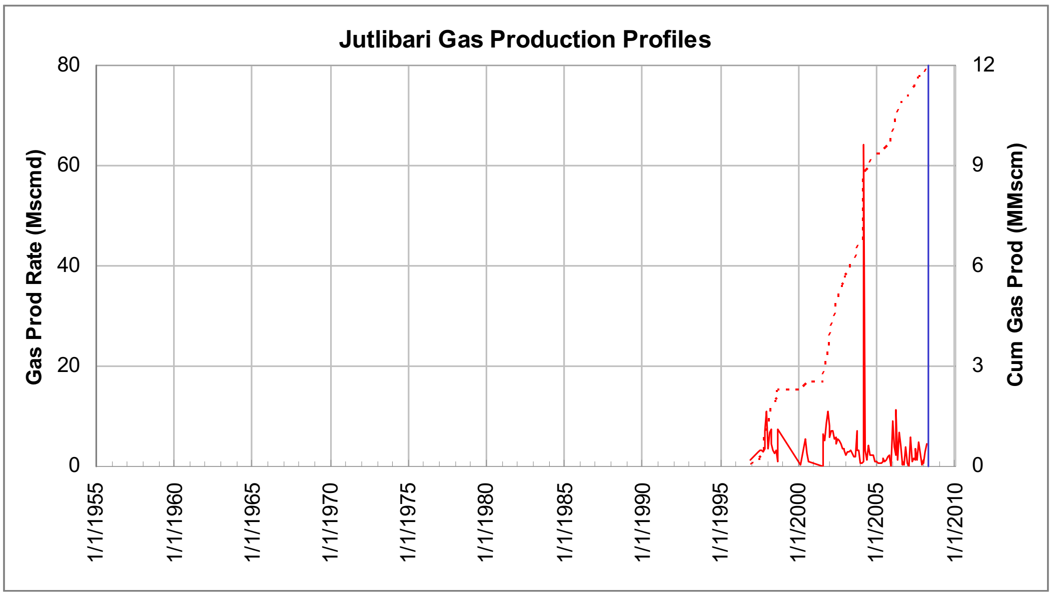
The historical gas production profiles for the Zaloni - West Zaloni Area are shown below.



Zaloni - West Zaloni is a mature area which has been producing since the 1960s. The gas production rate varied between 400 and 600 Mscmd from 1973 until 1987, and the production increased to 600 Mscmd from 1973 to 1976. From 1987, the production had ranged around 200 Mscmd and peaked to 300 Mscmd in early 2006. OIL's 2P GIIP estimate for the area is 10,088 MMscm. Some 4,615 MMscm of gas have been recovered, giving a current recovery factor of 45.8%.

Jutlibari Area

The historical gas production profiles for the Jutlibari Area are shown below.

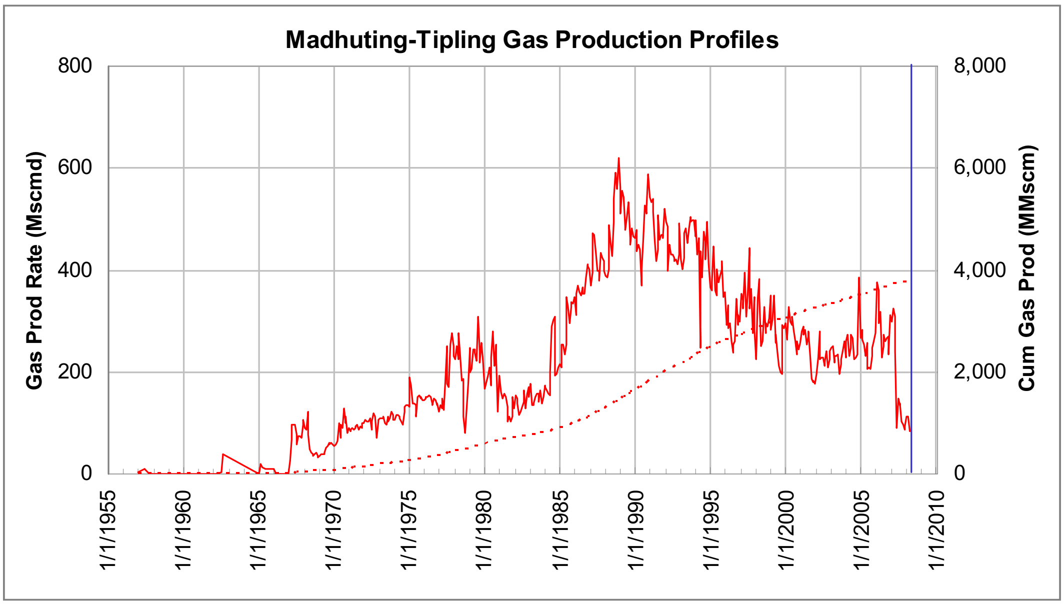


The area produced intermittently since 1996, with gas rate reaching an instantaneous peak rate of 64 Mscmd. GCA assumes there will be a development plan for this area in the future.

OIL's 2P GIIP estimate for the area is 1,729 MMscm. Some 12 MMscm of gas have been recovered, giving a current recovery factor of about 0.7%.

Madhuting - Tipling Field

The historical gas production profiles for the Madhuting - Tipling Area are shown below.

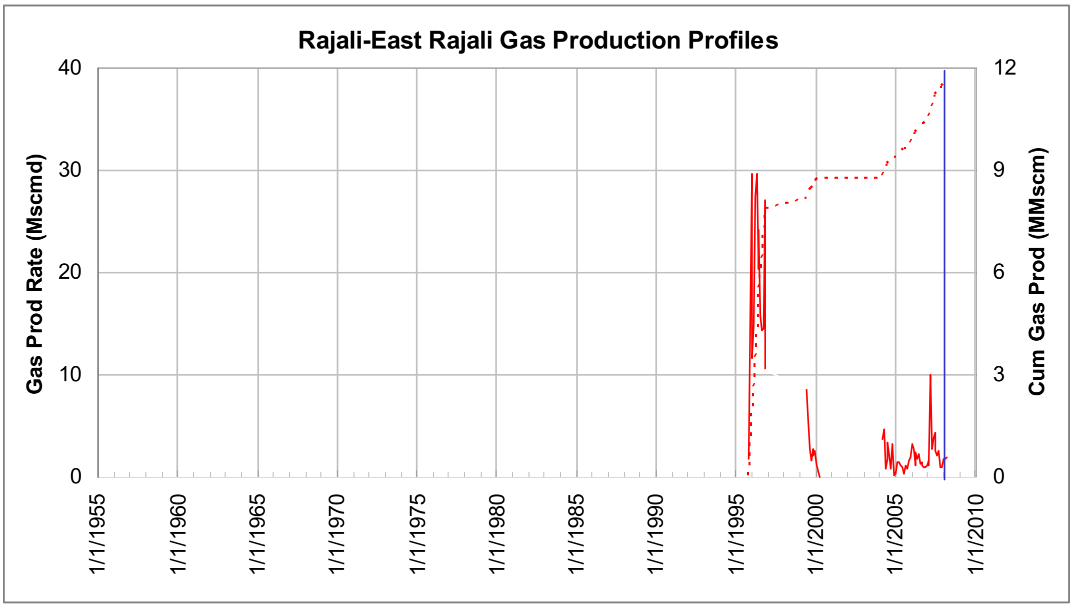


Madhuting - Tipling is a mature area which has been producing since the 1950s. Gas production increased steadily since 1985 and reached a peak of 600 Mscmd in late 1988. From 1990 to 2000, production decreased to 200 Mscmd. Production stabilised to about 250 Mscmd from 2000 to 2005.

OIL's 2P GIIP estimate for the area is 7,092 MMscm. Some 3,776 MMscm of gas have been recovered, giving a current recovery factor of 53.2%.

Rajali - East Rajali Area

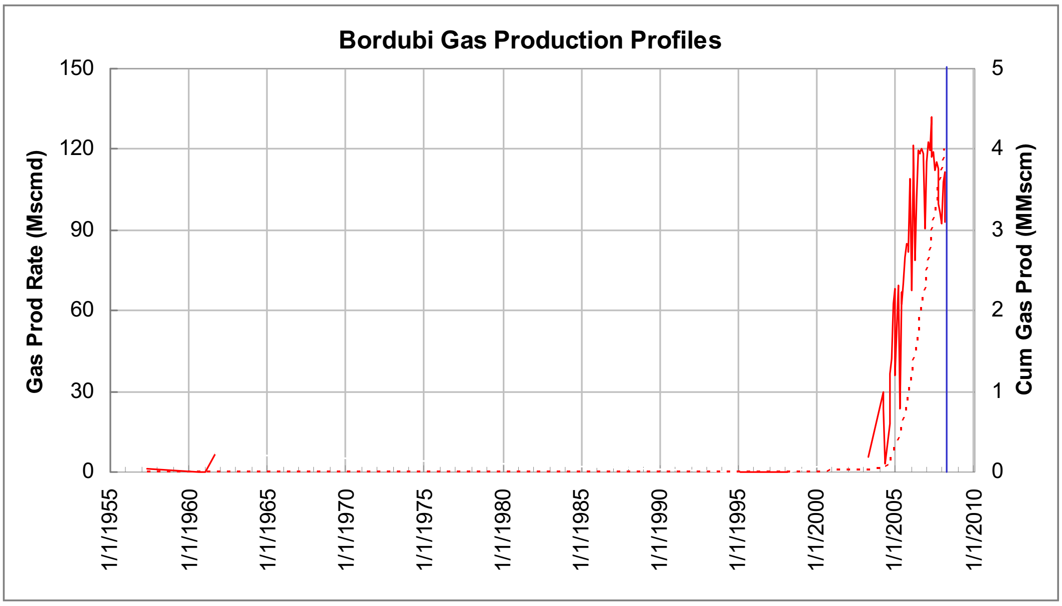
The historical gas production profiles for the Rajali - East Rajali Area are shown below.



The Rajali Area produced between 1996 and 2000 and the Rajali Field has not produced since then. In March 2004, production began from East Rajali. A peak gas rate of about 29 Mscmd was achieved briefly in March / April 1996. OIL's 2P GIIP estimate for the area is 257 MMscm. Some 12 MMscm of gas have been recovered giving a current recovery factor of about 4.5%.

Bordubi Area

The historical gas production profiles for the Bordubi Area are shown below.



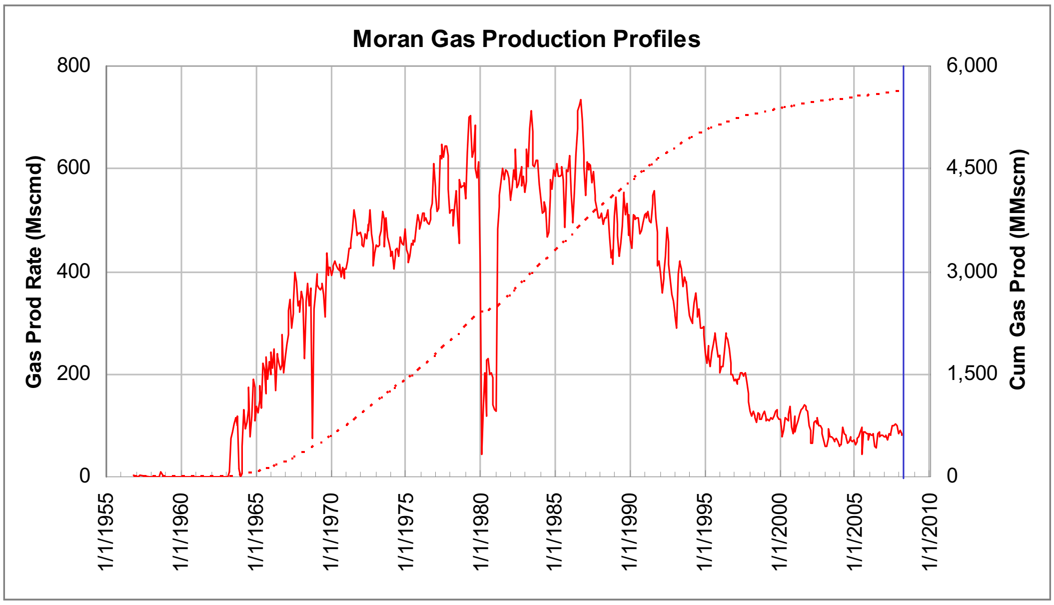
Gas produced intermittently from April 1957 to April 1961, after that the gas production stopped. Gas production was restarted in April 2003 and production has reached its current level of around 120 Mscmd.

OIL's 2P GIIP estimate for the area is 2,226 MMscm. Some 122 MMscm of gas have been recovered, giving a current recovery factor of 5.5%.

Moran Field

Moran Area

The historical gas production profiles for the Moran Area are shown below.



Moran is a mature area which has been producing since 1963. The production reached its peak of 680 Mscmd in August 1979. The production rate was maintained at 600 Mscmd level other than for a short period at 200 Mscmd from late 1980 to early 1981. From mid-1991, the area was in a steady decline until 1998, and thereafter the production has been maintained at about 70 to 90 Mscmd.

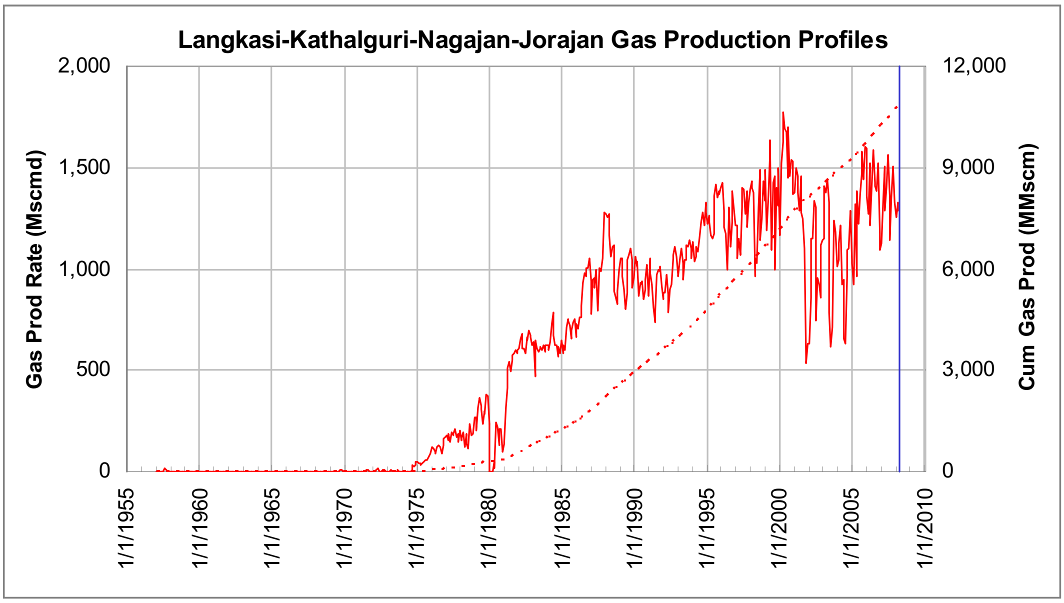
OIL's 2P GIIP estimate for the area is 18,411 MMscm. Some 5,643 MMscm of gas have been recovered, giving a current recovery factor of about 30.6%.

Greater Jorajan Field

The Greater Jorajan Field consists of Langkasi – Kathalguri – Nagajan - Jorajan, Santi, Jaipur and Tarajan Areas.

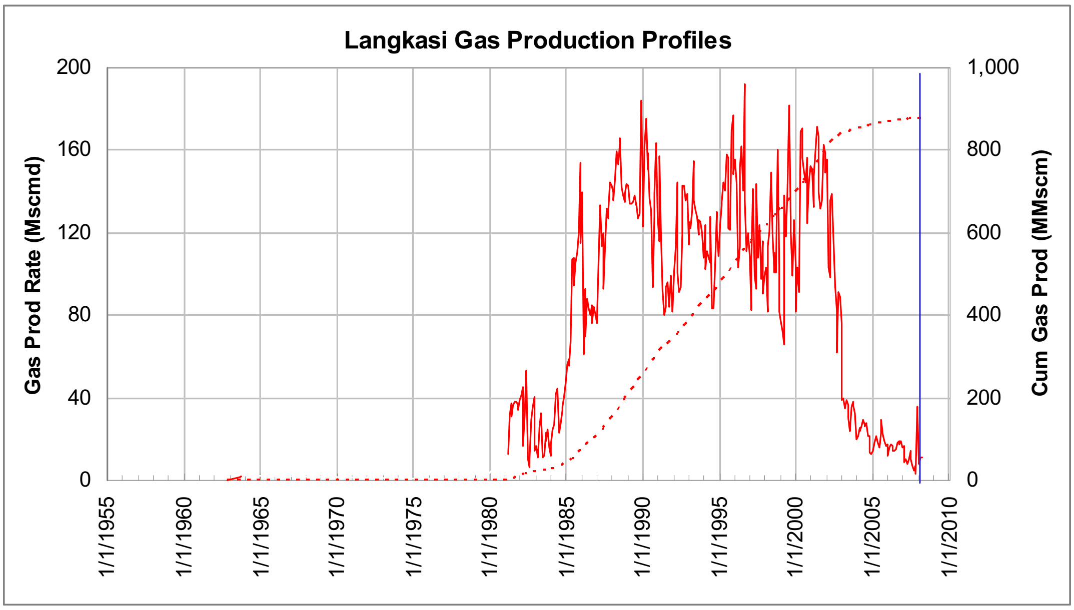
Langkasi – Kathalguri – Nagajan - Jorajan Area

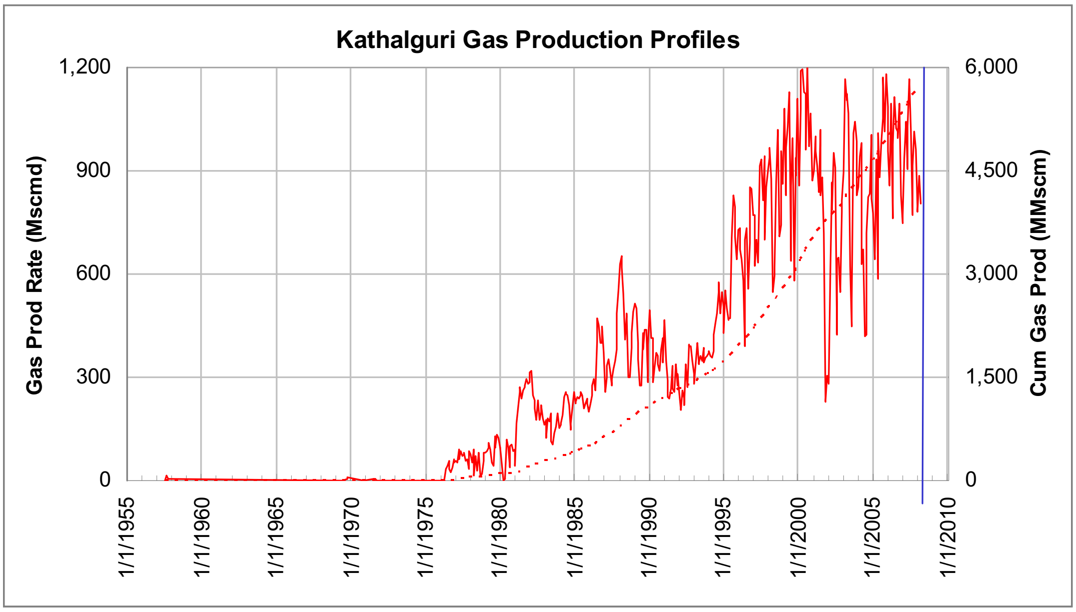
The historical gas production profiles for the Langkasi – Kathalguri – Nagajan - Jorajan Area are shown below.

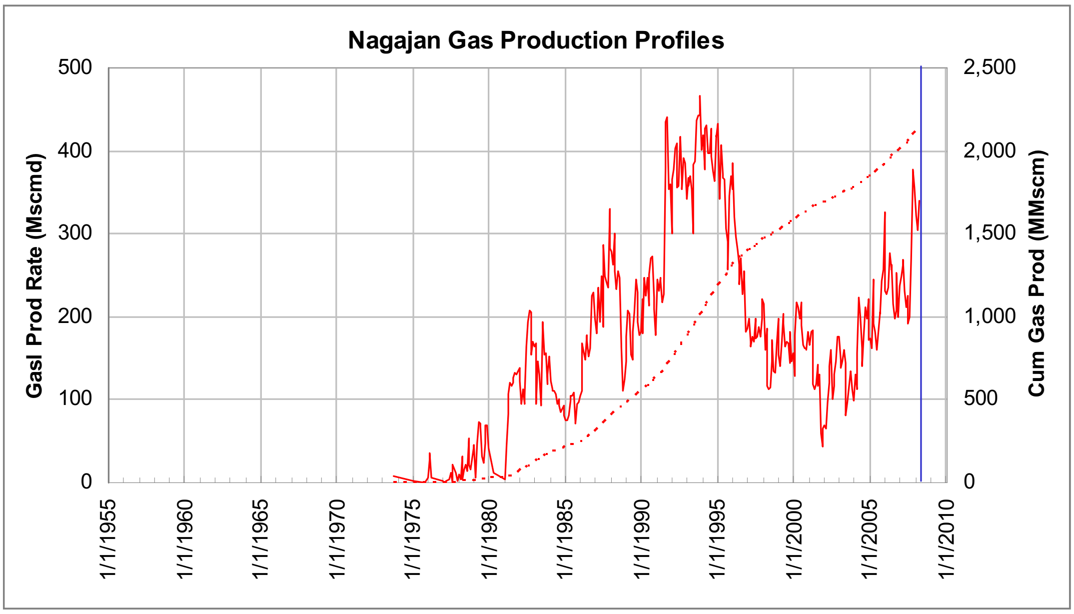


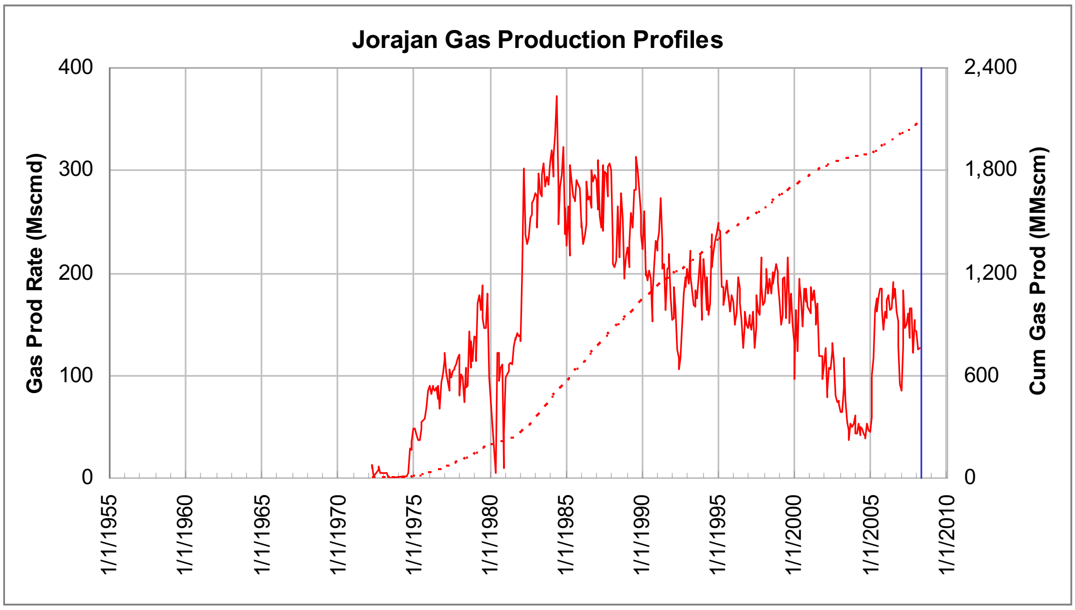
In the Langkasi-Kathalguri-Nagajan-Jorajan Area, Kathalguri is the oldest area for OIL in Assam and produced for several months in 1957. Steady gas production started in early 1975 and reached a peak rate of 1,700 Mscmd in April 2000. In recent years the gas rate has stabilised at about 1,500 Mscmd.
OIL's 2P GIIP estimate for the area is 54,312 MMscm. Some 10,836 MMscm of gas have been recovered giving a current recovery factor of 20.0%.

The individual historical gas production profiles for the Langkasi, Kathalguri, Nagajan, and Jorajan Areas are shown below.


Langkasi Gas Production Profiles
Gas Prod Rate (Mscmd)
Cum Gas Prod (MMscm)
200
160
120
80
40
0
1,000
800
600
400
200
0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010

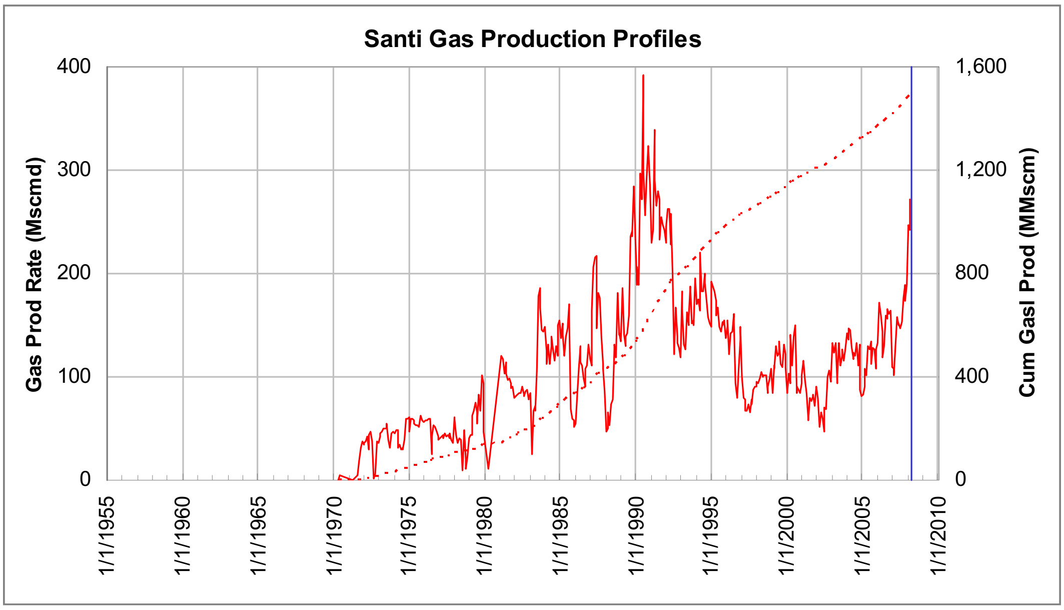

Kathalguri Gas Production Profiles
Gas Prod Rate (Mscmd)
Cum Gas Prod (MMscm)
1,200
900
600
300
0
6,000
4,500
3,000
1,500
0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010


Nagajan Gas Production Profiles
Gasl Prod Rate (Mscmd)
Cum Gas Prod (MMscm)
500
400
300
200
100
0
2,500
2,000
1,500
1,000
500
0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010


Jorajan Gas Production Profiles
Gas Prod Rate (Mscmd)
Cum Gas Prod (MMscm)
400
300
200
100
0
2,400
1,800
1,200
600
0
1/1/1955
1/1/1960
1/1/1965
1/1/1970
1/1/1975
1/1/1980
1/1/1985
1/1/1990
1/1/1995
1/1/2000
1/1/2005
1/1/2010

Santi Area

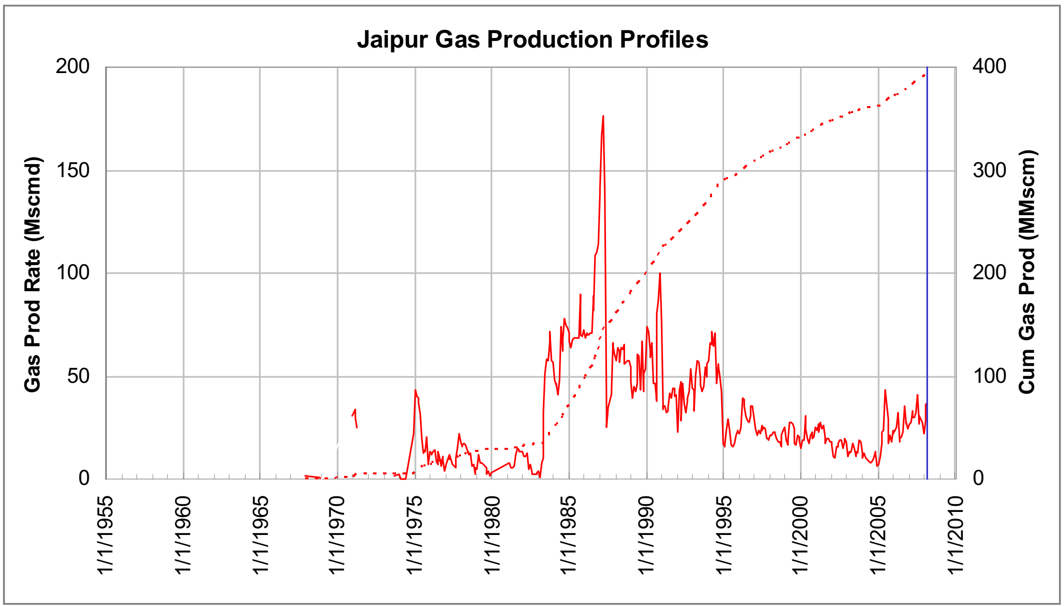
The historical gas production profiles for the Santi Area are shown below.



Santi is a mature area which has produced erratically since 1974. A peak gas rate of about 400 Mscmd was achieved briefly in June 1990. Since mid 2000, the area production rate declined until mid 2002, when the trend was reversed. OIL's 2P GIIP estimate for the field is 8,117 MMscm. Some 1,497 MMscm of gas have been recovered, giving a current recovery factor of 18.4%.

Jaipur Area

The historical gas production profiles for the Jaipur Area are shown below.

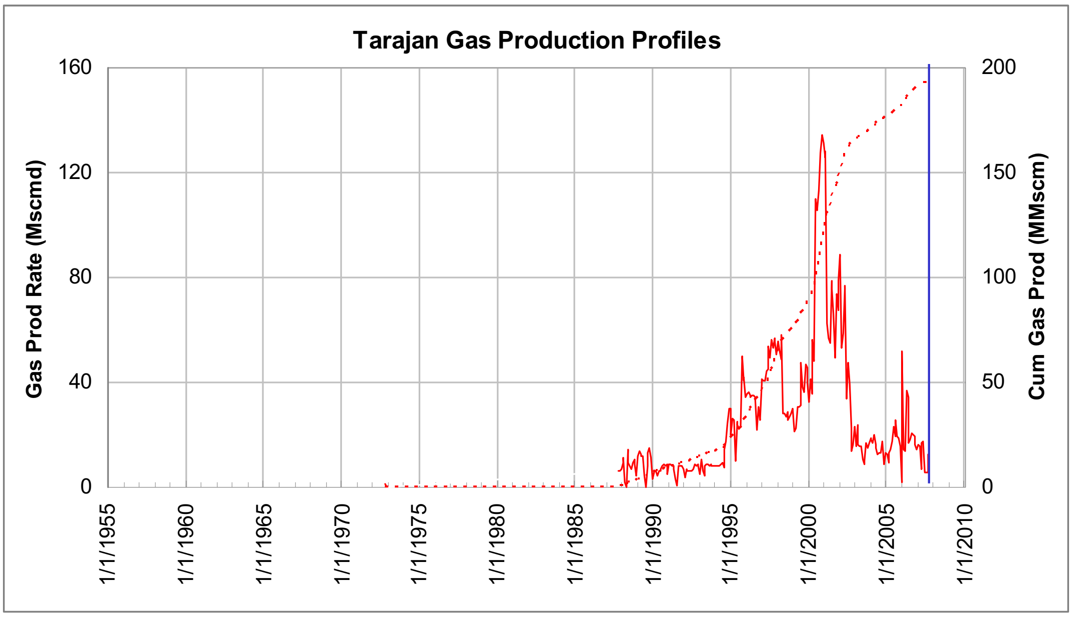


Jaipur is a mature area which has been producing since 1974. A peak gas rate of 176 Mscmd was achieved briefly in March 1987. Since then, the area was in a decline trend until early 2005 when the production performance improved slightly.

OIL's 2P GIIP estimate for the area is 4,496 MMscm. Some 394 MMscm of gas have been recovered, giving a current recovery factor of about 8.8%.

Tarajan Area

The historical gas production profiles for the Tarajan Area are shown below.



The Tarajan Area produced erratically until 1988. A peak gas rate in excess of 120 Mscmd was achieved briefly in December 2000. Since then, the area has been in decline.

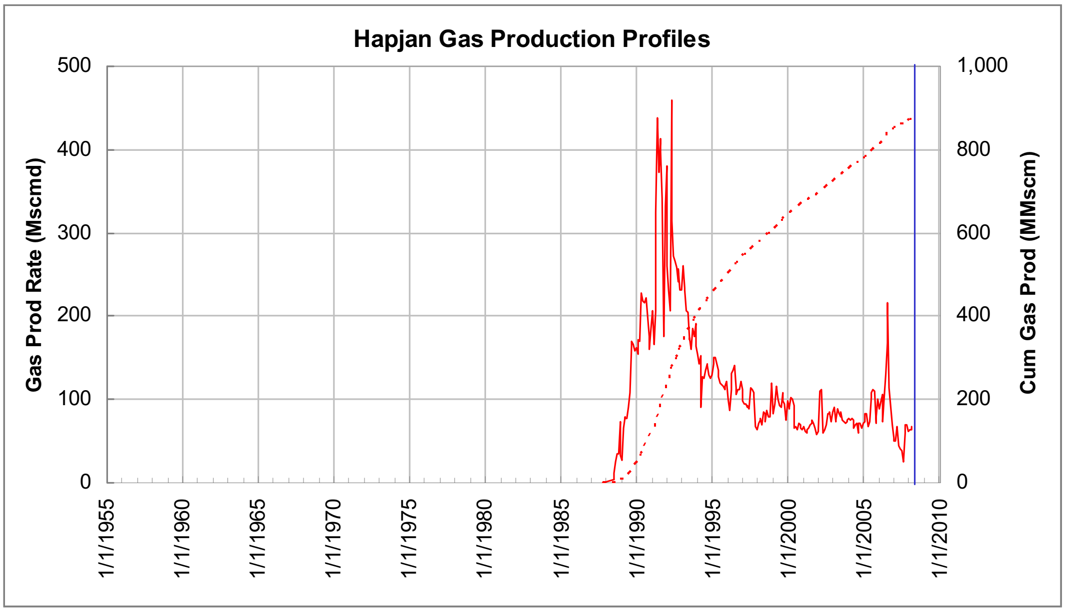
OIL's 2P GIIP estimate for the area is 936 MMscm. Some 194 MMscm of gas have been recovered, giving a current recovery factor of about 20.7%.

Greater Hapjan Field

The Greater Hapjan Field consists of Hapjan, North Hapjan, Borhapjan, Makum, North Makum, Samdang, and Bazaloni Areas.

Hapjan Area

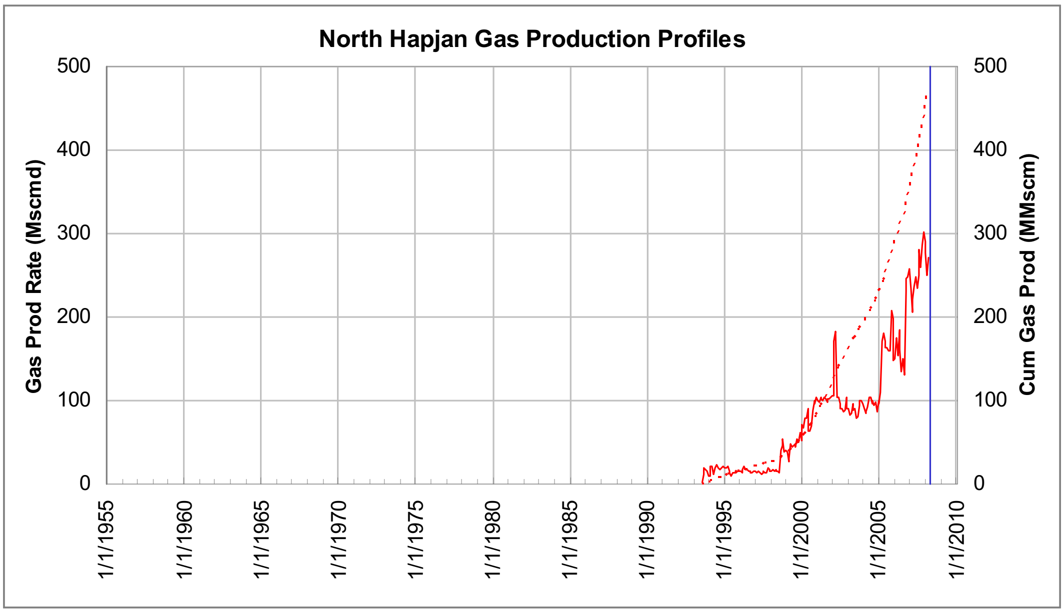
The historical gas production profiles for the Hapjan Area are shown below.



The Hapjan Area has produced since 1988. It reached a peak rate in excess of 400 Mscmd in April 1992 before decline. In early 2005, the gas rate increased and reached a lower peak of 220 Mscmd in August 2006, before continuing to decline.
OIL's 2P GIIP estimate for the area is 7,597 MMscm. Some 868 MMscm of gas have been recovered, giving a current recovery factor of 11.4%.

North Hapjan Area

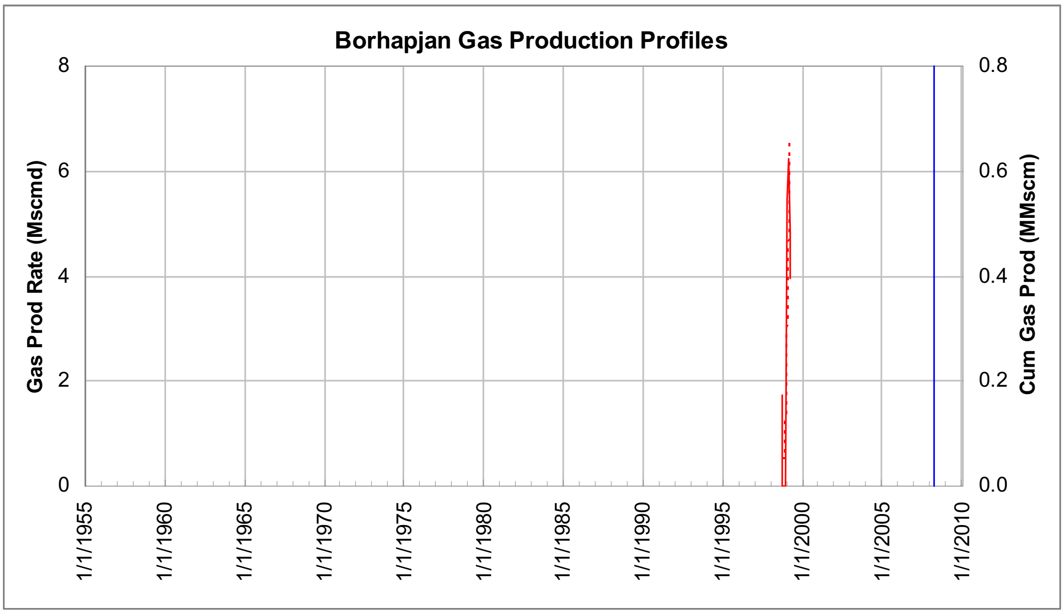
The historical gas production profiles for the North Hapjan Area are shown below.



The North Hapjan Area has been producing since 1993. A peak gas rate of 180 Mscmd was achieved in 2002. The area reached a higher peak of 260 Mscmd in late 2006, due to development activities.
OIL's 2P GIIP estimate for the area is 8,175 MMscm. Some 480 MMscm of gas have been recovered giving a current recovery factor of 5.9%.

Borhapjan Area

The historical gas production profiles for the Borhapjan Area are shown below.

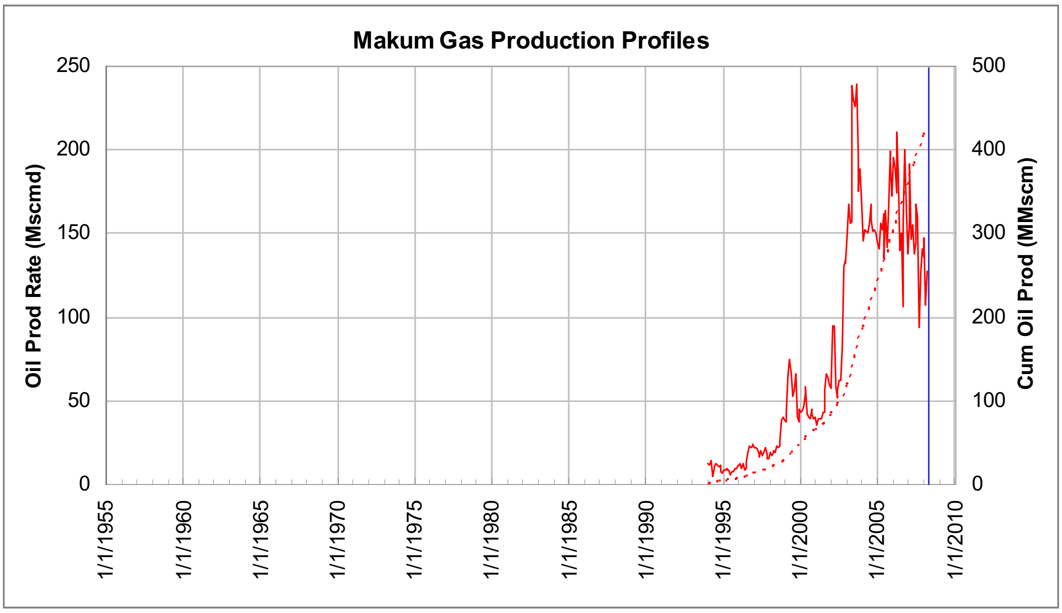


The Borhapjan Area produced briefly in September 1998. It was then restarted in early 1999 for four months. The peak production rate was only 6 Mscmd. Since then, the area has been shut-in.

OIL's 2P GIIP estimate for the area is 841 MMscm. Some 1 MMscm of gas have been recovered, giving a current recovery factor of 0.1%.

Makum Area

The historical gas production profiles for the Makum Area are shown below.

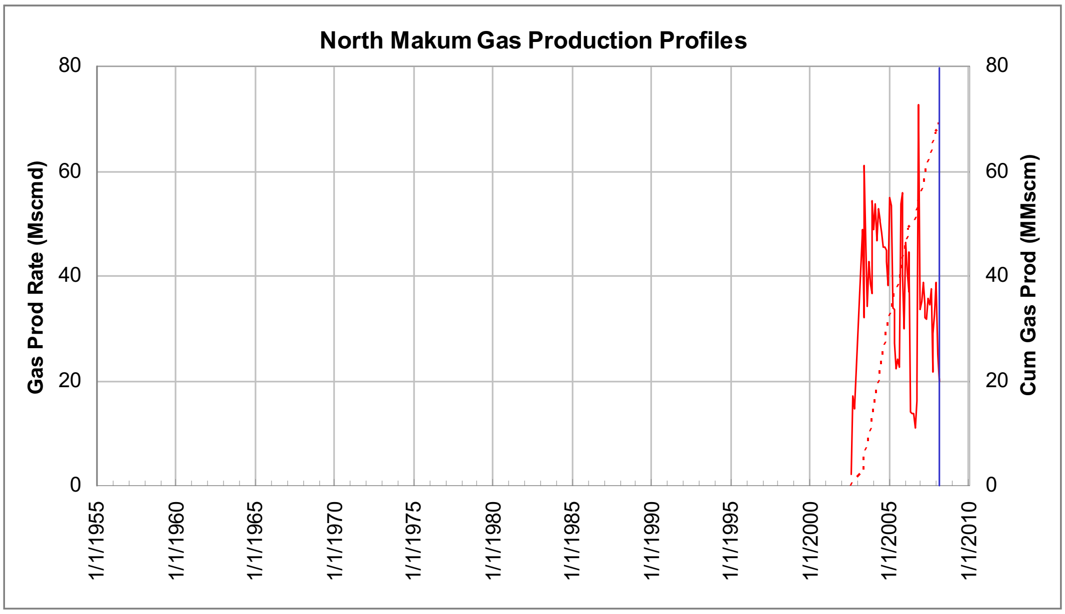


The Makum Area started production in 1994. Since then, the gas rate has increased steadily due to ongoing development activities. A peak production rate of 240 Mscmd was reached in August 2003.

OIL's 2P GIIP estimate for the area is 9,381 MMscm. Some 424 MMscm of gas have been recovered, giving a current recovery factor of 4.5%.

North Makum Area

The historical gas production profiles for the North Makum Area are shown below.

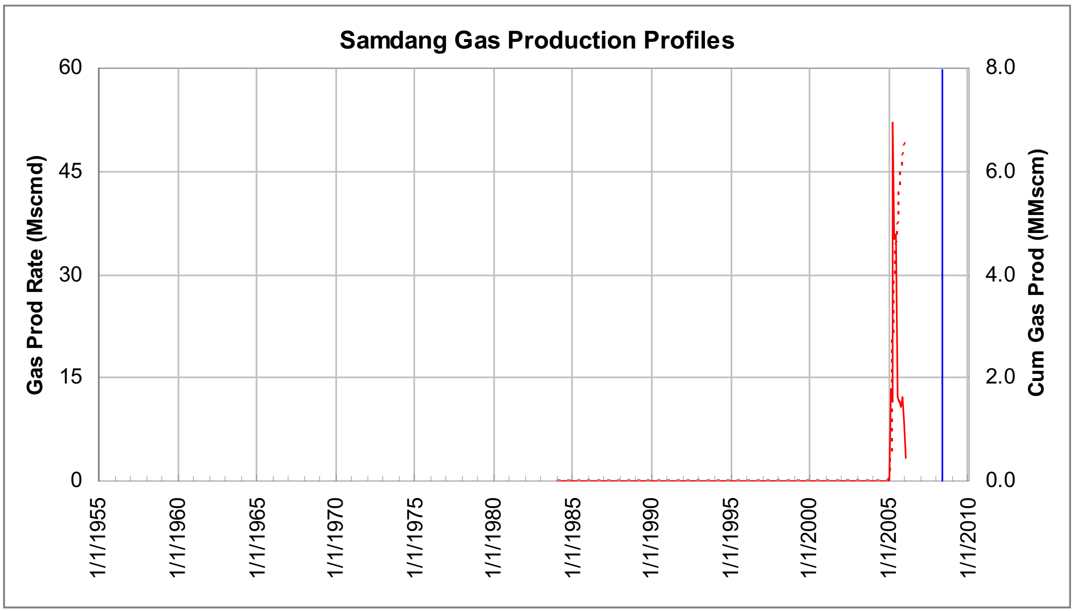


The North Makum Area started production in 2002. A peak production rate of 72 Mscmd was reached in November 2006.

OIL's 2P GIIP estimate for the area is 1,308 MMscm. Some 70 MMscm of gas have been recovered, giving a current recovery factor of 5.3%.

Samdang Area

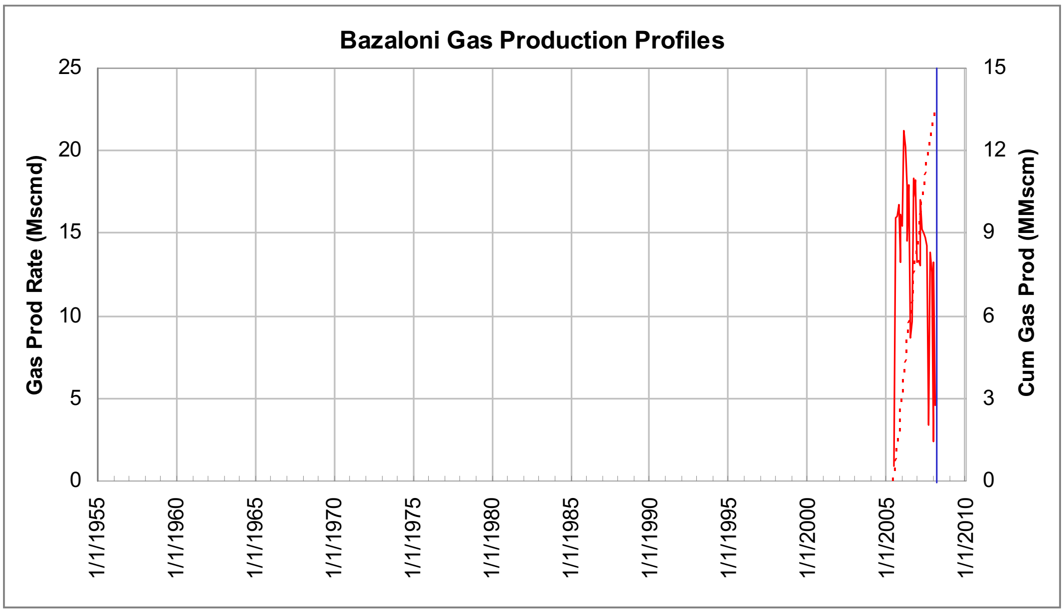
The historical gas production profiles for the Samdang Area are shown below.



The Samdang Area produced briefly in 2005. Its gas rate declined rapidly and the area is currently shut-in. OIL's 2P GIIP estimate for the area is 284 MMscm. Some 7 MMscm of gas have been recovered giving a current recovery factor of 2.3%.

Bazaloni Area

The historical gas production profiles for the Bazaloni Area are shown below.



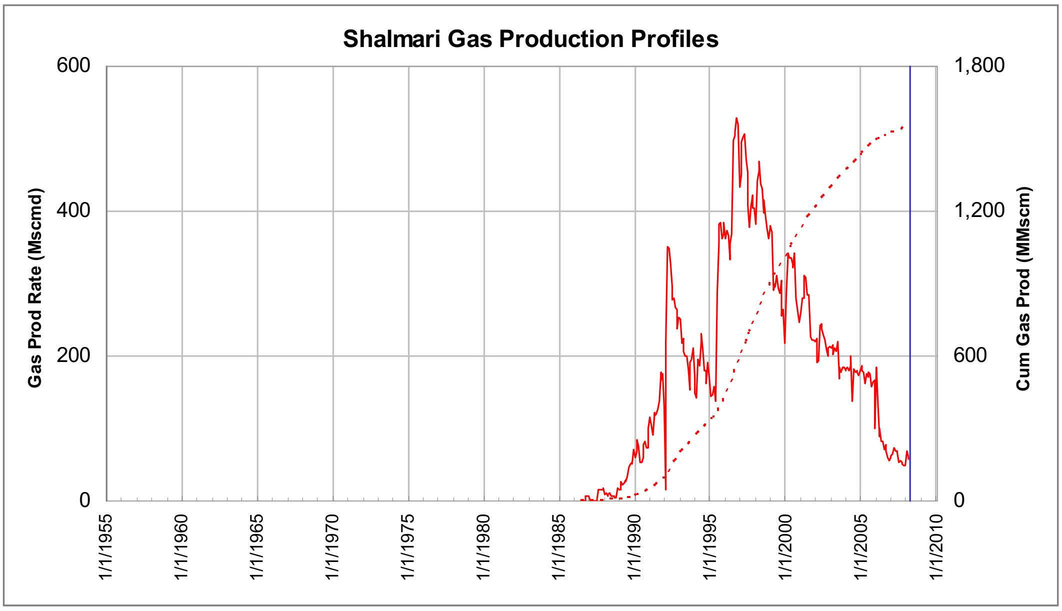
The Bazaloni Area started production in 2005. The gas rate reached a peak rate of 21 Mscmd in February 2006. OIL's 2P GIIP estimate for the area is 533 MMscm. Some 13 MMscm of gas have been recovered, giving a current recovery factor of 2.5%.

Greater Shalmari Field

The Greater Shalmari Field consists of Shalmari, Tinali, and North Tinali Areas.

Shalmari Area

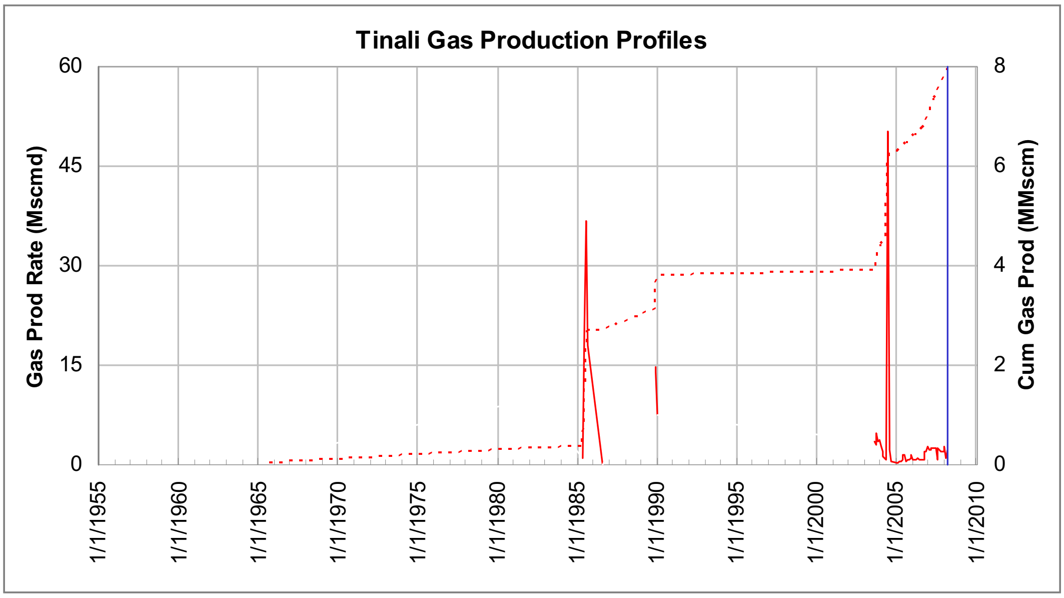
The historical gas production profiles for the Shalmari Area are shown below.



Shalmari is a mature area which has been produced since 1986. A peak gas rate in excess of 500 Mscmd was achieved in late 1996 before decline.
OIL's 2P GIIP estimate for the area is 3,985 MMscm. Some 1,554 MMscm of gas have been recovered, giving a current recovery factor of 39.0%.

Tinali Area

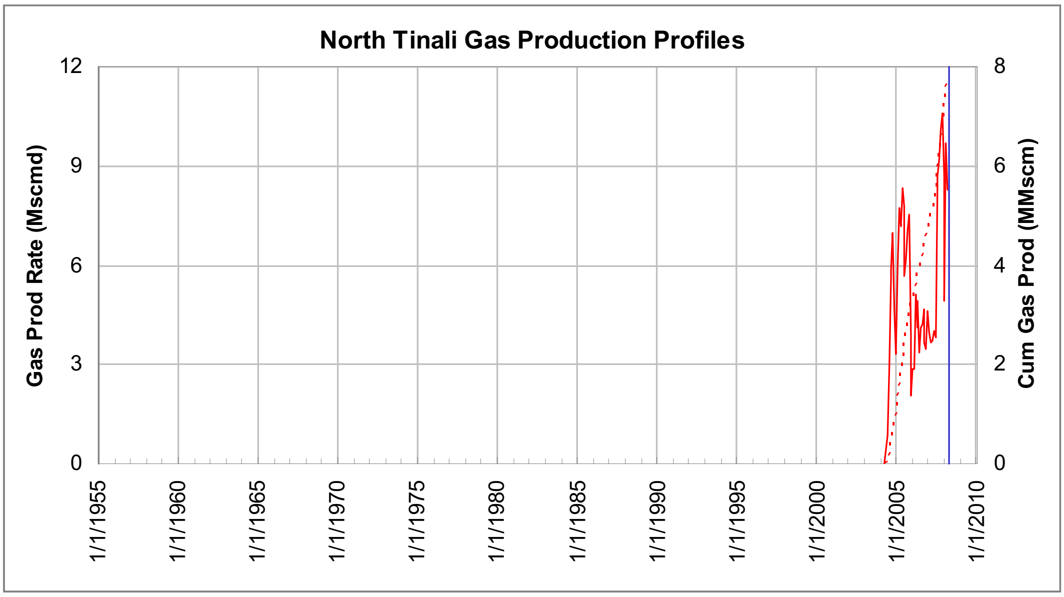
The historical gas production profiles for the Tinali Area are shown below.



The Tinali Area was tested at various times. It came onto continuous production in 2003 with a peak rate of 50 Mscmd in June 2004. Since then, the gas production has declined rapidly.
OIL's 2P GIIP estimate for the area is 531 MMscm. Some 8 MMscm of gas have been recovered, giving a current recovery factor of only 1.5%.

North Tinali Area

The historical gas production profiles for the North Tinali Area are shown below.



The North Tinali Area came onto production in 2004 and reached a peak rate of 8 Mscmd in May 2005. Since then, the production has declined.
OIL's 2P GIIP estimate for the area is 283 MMscm. Some 8 MMscm of gas have been recovered, giving a current recovery factor of 2.7%.

Sapkaint Area

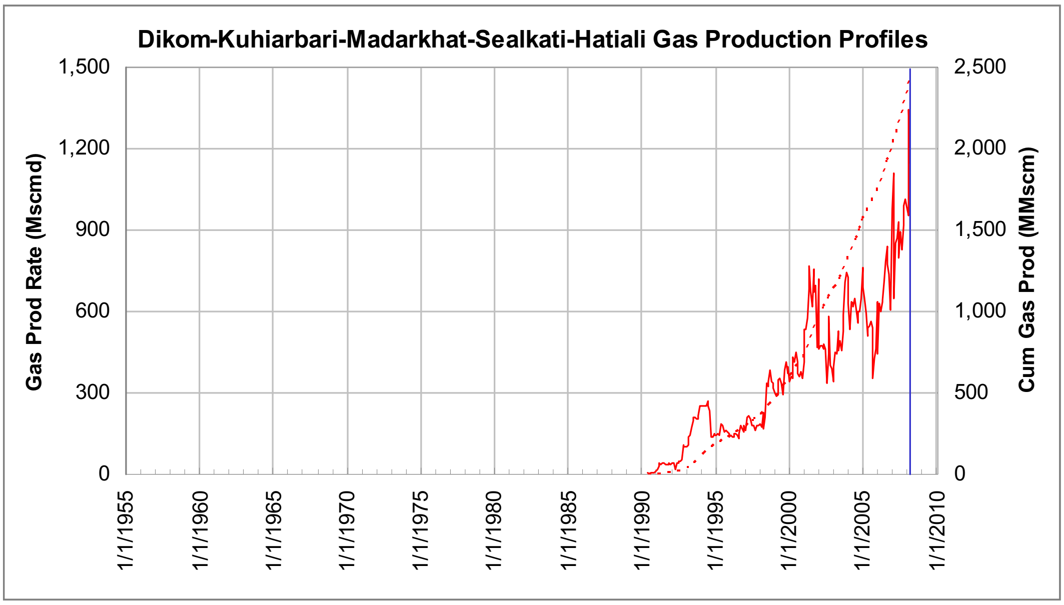
OIL's 2P GIIP estimate for the area is 327 MMscm. Some 0.5 MMscm of gas have been recovered, giving a current recovery factor of 0.2%.
GCA assumes there will be a development plan for this area in the future.

Greater Dikom Field

The Greater Dikom Field is an amalgamation of Dikom, Madarkat, Kuhiarbari, Sealkati, and Hatiali Areas.

Dikom-Madarkat-Kuhiarbari-Sealkati-Hatiali Area

The historical gas production profiles for the Dikom-Madarkat-Kuhiarbari-Sealkati-Hatiali Area are shown below.



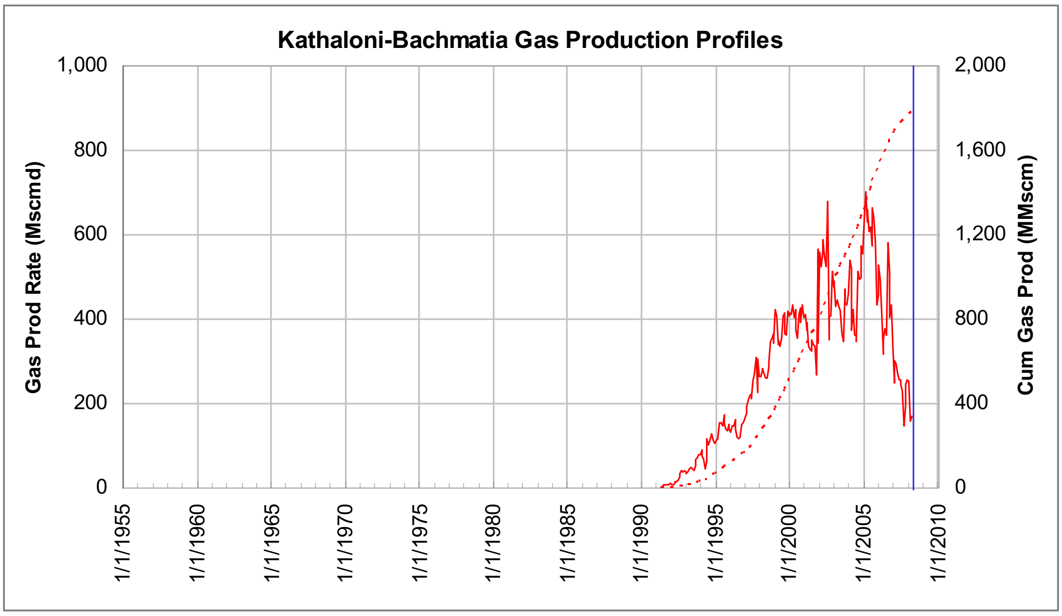
The Greater Dikom Field has been producing since 1990. The production increased steadily and reached a peak production of 980 Mscmd.
OIL's 2P GIIP estimate for the field is 13,640 MMscm. Some 2,436 MMscm of gas have been recovered, giving a current recovery factor of about 17.9%.

Kathaloni Field

The Kathaloni Field is an amalgamation of Kathaloni and Bachmatia Areas.

Kathaloni - Bachmatia Area

The historical gas production profiles for the Kathaloni - Bachmatia Area are shown below.



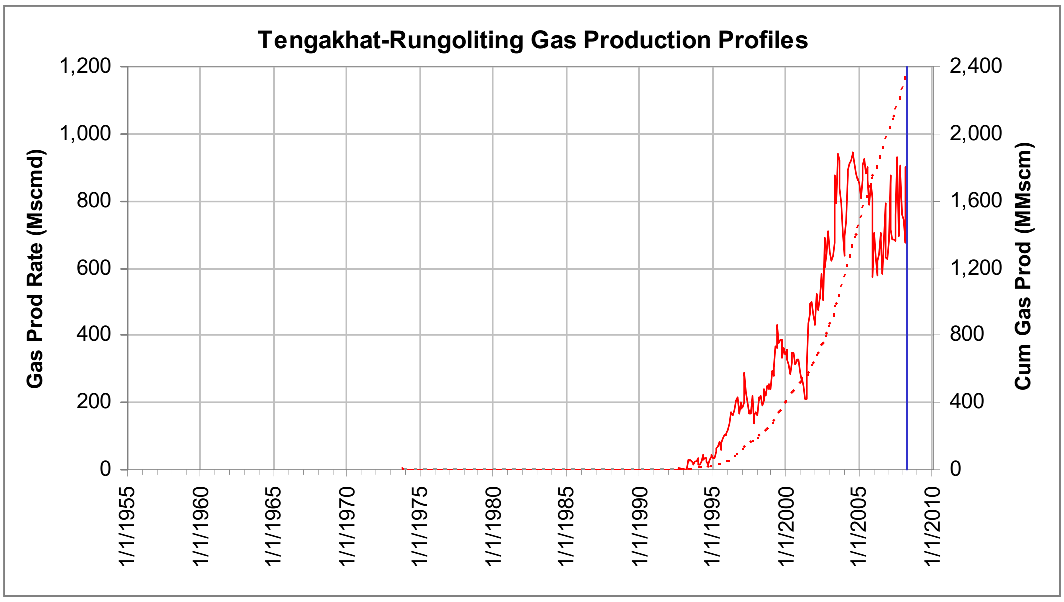
The Kathaloni - Bachmatia Area has been producing since 1991. A peak gas rate in excess of 600 scmd was achieved before decline in 2005.
OIL's 2P GIIP estimate for the area is 5,013 MMscm. Some 1779 MMscm of gas have been recovered, giving a current recovery factor of about 35.5%.

Tengakhat Field

The Tengakhat Field is an amalgamation of Tengakhat and Rungoliting Areas.

Tengakhat - Rungoliting Area

The historical gas production profiles for the Tengakhat - Rungoliting Area are shown below.



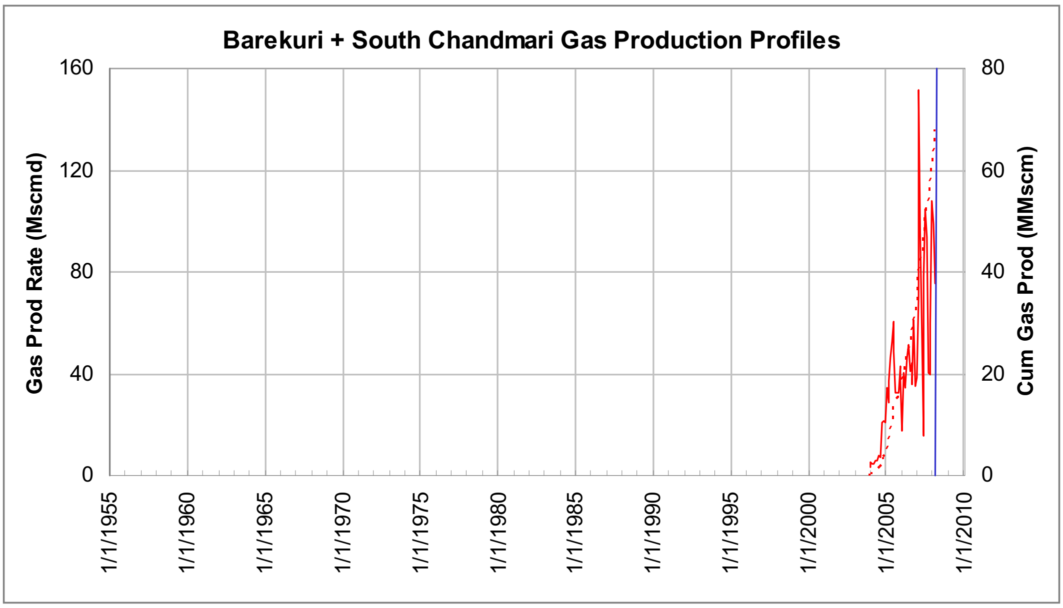
The Tengakhat - Rungoliting Area has been producing since 1994. A peak gas rate of about 900 Mscmd was achieved during 2003 to 2005. The production then declined to some 600 Mscmd. In early 2008, the gas production rate has increased due to development activities.
OIL's 2P GIIP estimate for the area is 9,056 MMscm. Some 2,338 MMscm of gas have been recovered, giving a current recovery factor of 25.8%.

Greater Chandmari Field

The Greater Chandmari Field consists of Barekuri, South Chandmari, and Baghjan Areas.

Barekuri + South Chandmari Area

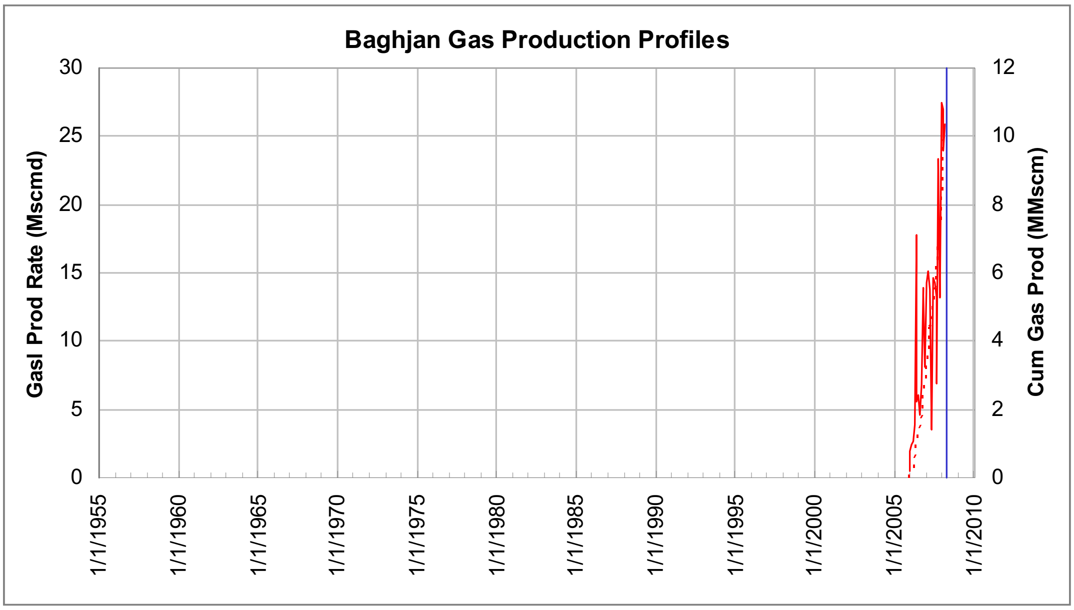
The historical gas production profiles for the Barekuri + South Chandmari Area are shown below.



The Barekuri + South Chandmari Area came on production in 2004. The gas production rate increased steadily due to development activities and reached a peak rate of 150 Mscmd in February 2008.
OIL's 2P GIIP estimate for the area is 8,383 MMscm. Some 68 MMscm of gas have been recovered, giving a current recovery factor of 0.8%.

Baghjan Area

The historical gas production profiles for the Baghjan Area are shown below.

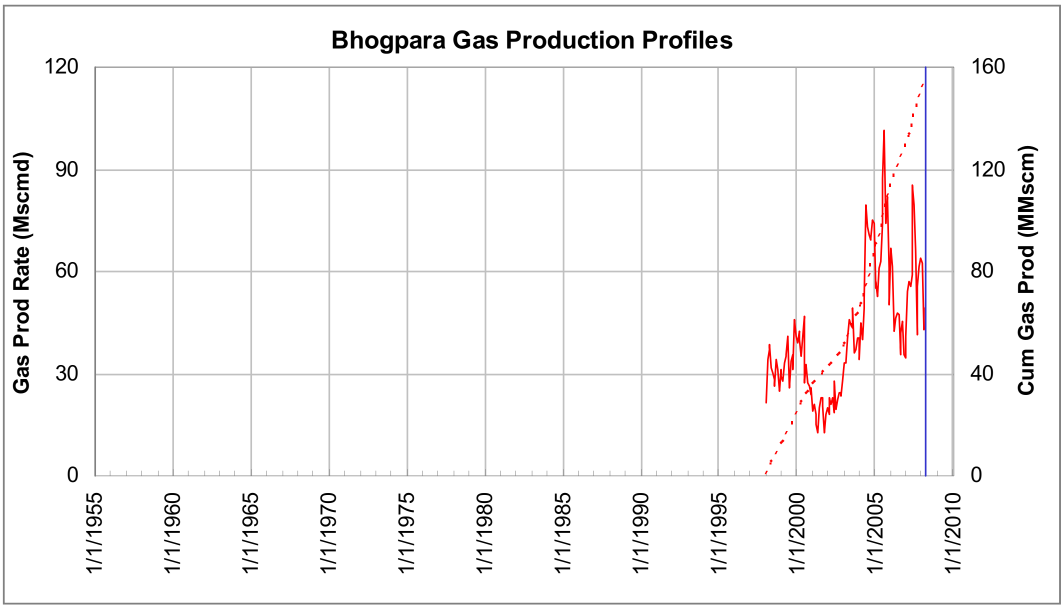


The Baghjan Area came onto production in 2003 and currently the area is producing gas at a rate of 14 Mscmd. OIL's 2P GIIP estimate for the area is 30,871 MMscm. Some 10 MMscm of gas have been recovered, giving a current recovery factor of 0.03%.

Bhogpara Field

Bhogpara Area

The historical gas production profiles for the Bhogpara Area are shown below.



The Bhogpara Area started producing in 1997. Production increased over the years reaching a peak gas rate of 100 Mscmd in August 2005. Since then production has declined.

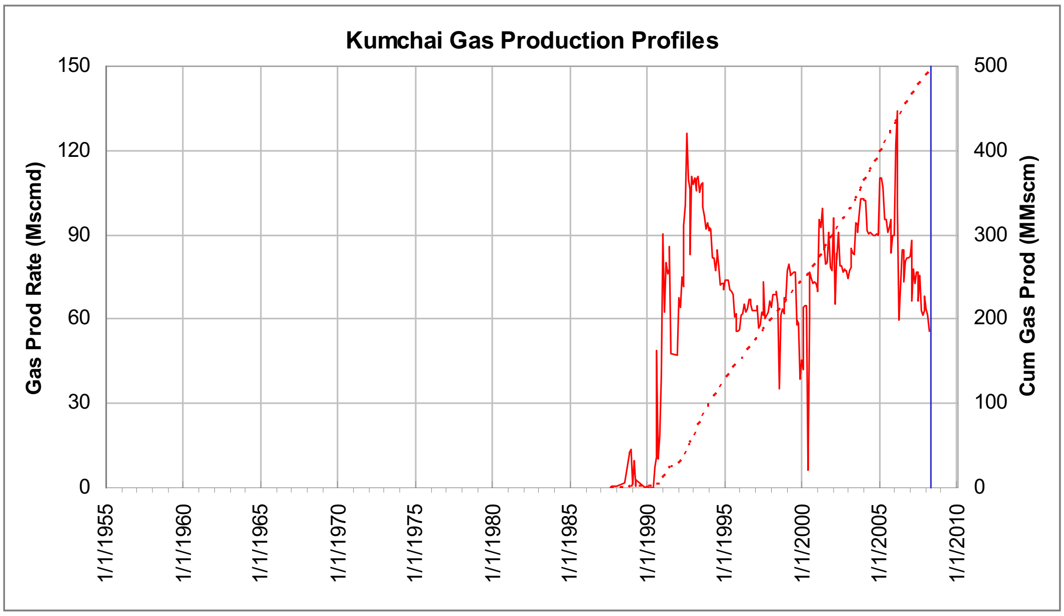
OIL's 2P GIIP estimate for the area is 915 MMscm. Some 155 MMscm of gas have been recovered, giving a current recovery factor of 17.0%.

Greater Kumchai Field

There are no Reserves allocated to the Greater Kumchai Field due to the unavoidably lost (gas flaring) and gas disposal. There are no recorded gas sales deliveries from this field.

Kumchai Area

The historical gas production profiles for the Kumchai Area are shown below.



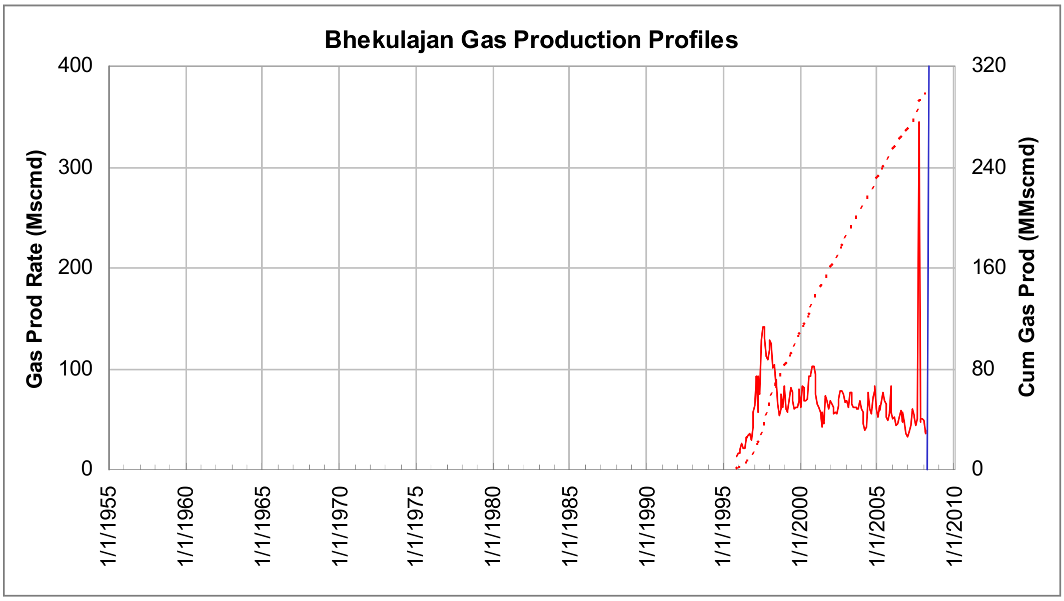
The Kumchai Area has had a jagged production history since 1987. A peak gas rate in excess of 130 Mscmd was achieved briefly in 1992. Since then, the production declined until 1996 when the trend was reversed. A second peak rate of 130 Mscmd was reached in February 2006. Recently, the production has dropped.
OIL's 2P GIIP estimate for the area is 4,941 MMscm. Some 493 MMscm of gas have been recovered, giving a current recovery factor of 10.0%.

Central Small Fields

The Central Small Fields consists of Bhekulajan, Tamulikhat - North Tamulikhat, Deohal - East Deohal, Chabua, Jaraipather, Matimekhana, North Balijan, Khagorijan, Kamkhat and Lohali Areas.

Bhekulajan Area

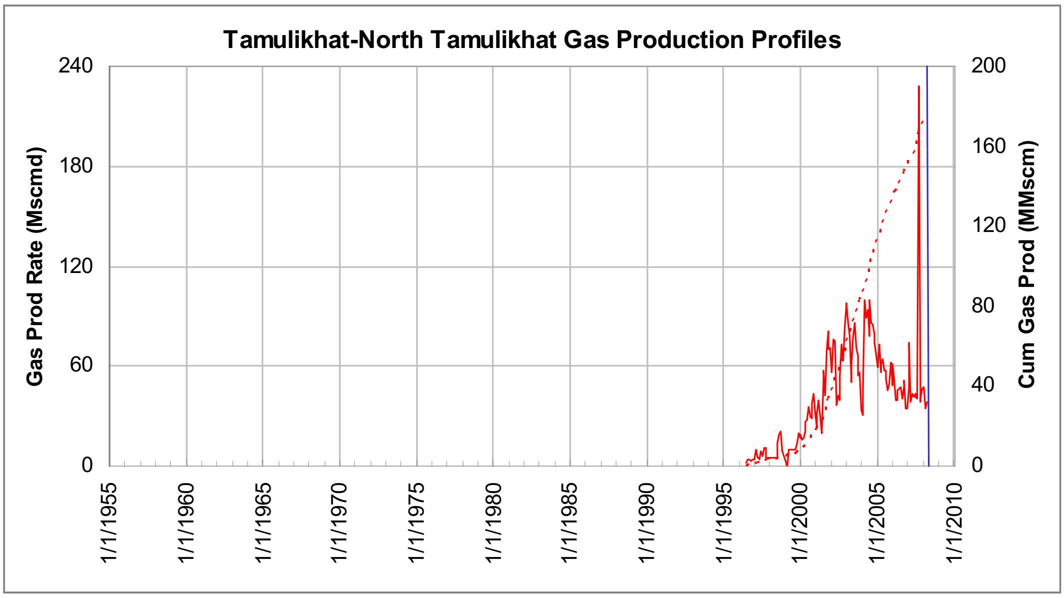
The historical gas production profiles for the Bhekulajan Area are shown below.



The Bhekulajan Area has been producing since 1995. A peak gas rate of 140 Mscmd was achieved in 1997. Since then, production has fluctuated and showed a generally declining trend.
OIL's 2P GIIP estimate for the area is 763 MMscm. Some 299 MMscm of gas have been recovered, giving a current recovery factor of 39.2%.

Tamulikhat - North Tamulikhat Area

The historical gas production profiles for the Tamulikhat - North Tamulikhat Area are shown below.

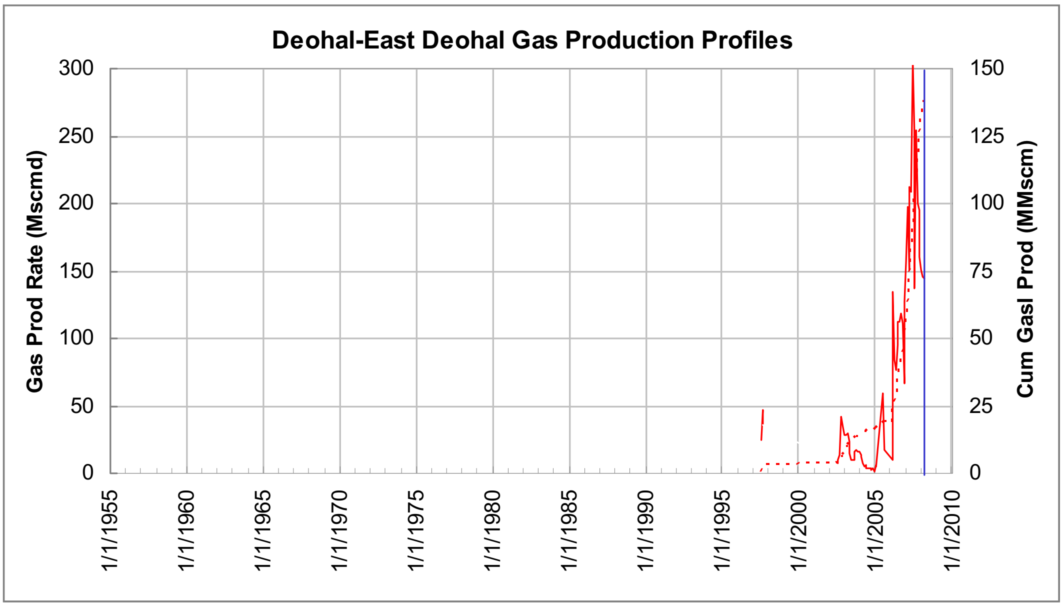


The Tamulikhat - North Tamulikhat Area has been producing since 1995. A peak gas rate of 100 Mscmd was achieved in 2004 and then the production generally declined.

OIL's 2P GIIP estimate for the area is 443 MMscm. Some 175 MMscm of gas have been recovered, giving a current recovery factor of 39.5%.

Deohal - East Deohal Area

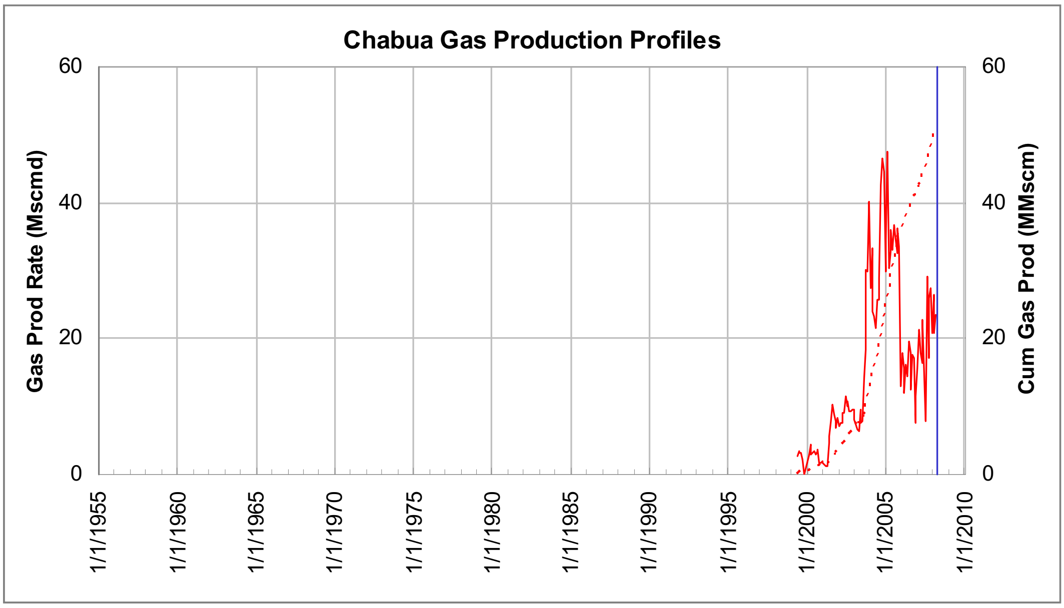
The historical gas production profiles for the Deohal – East Deohal Area are shown below.



The Deohal - East Deohal Area was tested in 1976 and 1997, and came on production in 2002. A peak gas rate in of 50 Mscmd was achieved briefly in that year. From 2006, the production performance has improved.
OIL's 2P GIIP estimate for the Deohal - East Deohal Area is 3,759 MMscm. Some 139 MMscm of gas have been recovered, giving a current recovery factor of 3.7%.

Chabua Area

The historical gas production profiles for the Chabua Area are shown below.



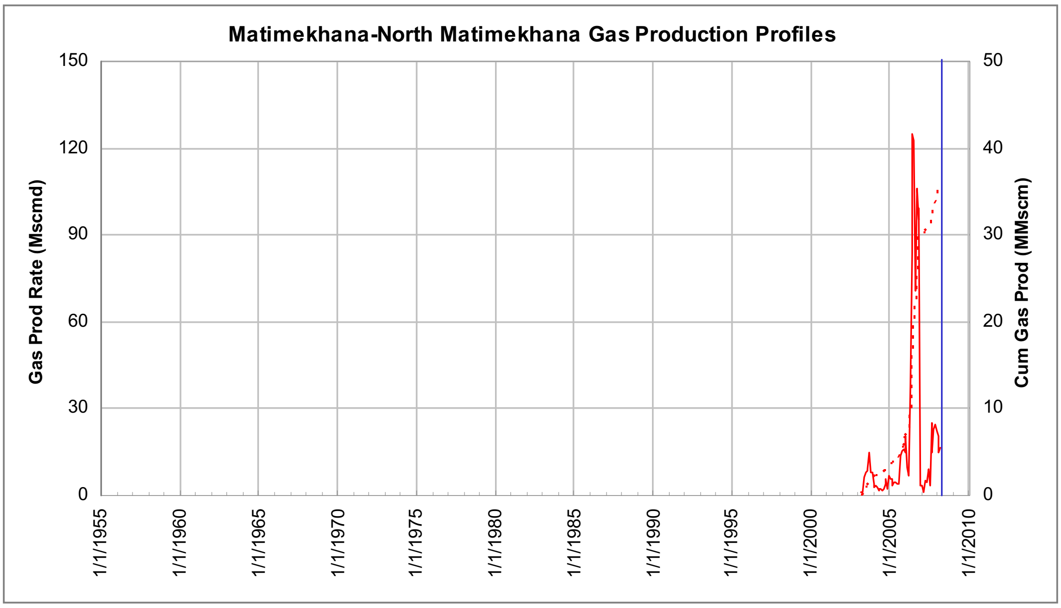
The Chabua Area started producing in 1999. Production increased to 48 Mscmd in February 2005. Since then, the production has declined.
OIL's 2P GIIP estimate for the area is 9,753 MMscm. Some 51 MMscm of gas have been recovered giving a current recovery factor of 0.5%.

Jaraipather Area

OIL's 2P GIIP estimate for the area is 13 MMscm. There has been no production from the area to date.

Matimekhana Area

The combined historical gas production profiles for the Matimekhana Area are shown below.

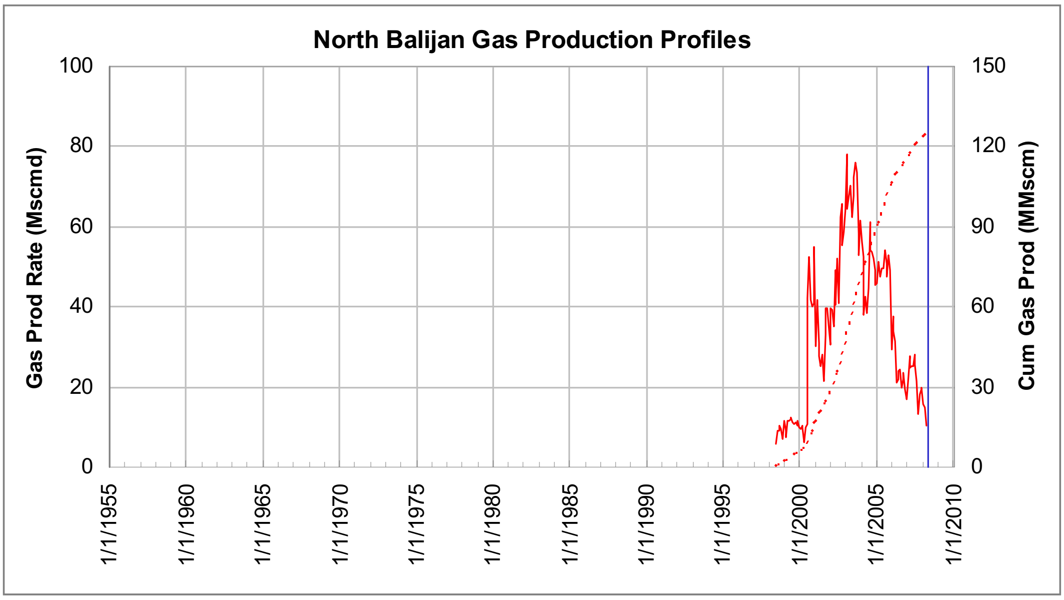


The Matimekhana Area came on production in 2003. The production increased and reached its peak rate of 120 Mscmd in 2006. Since early 2008, the production has been in rapid decline.

OIL's 2P GIIP estimate for the area is 607 MMscm. Some 36 MMscm of gas have been recovered, giving a current recovery factor of 5.9%.

North Balijan Area

The historical gas production profiles for the North Balijan Area are shown below.

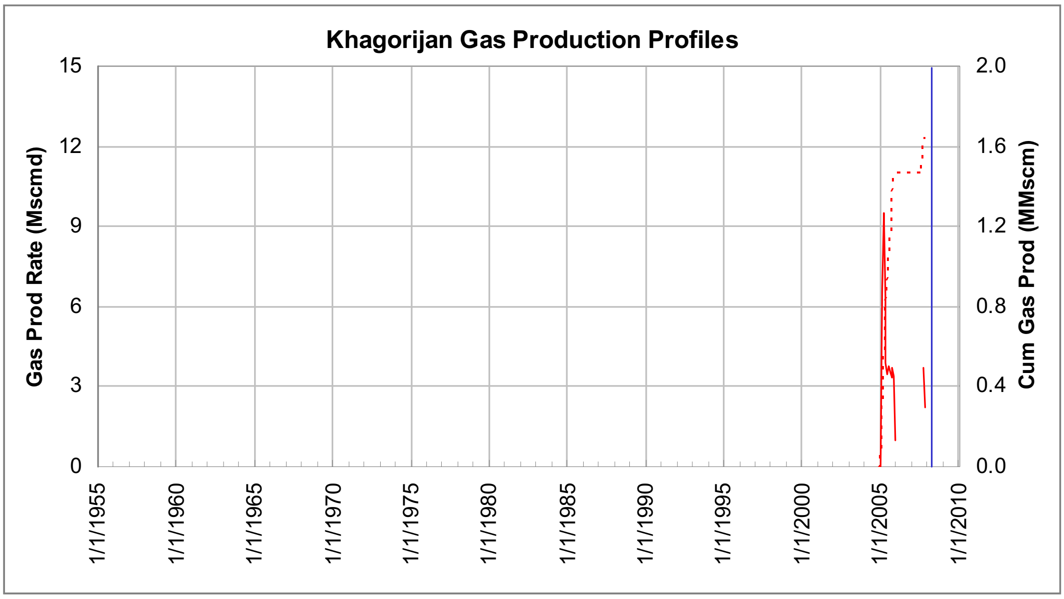


The North Balijan Area came on production in 1998. In 2001, an instantaneous peak rate of 55 Mscmd was achieved. The area reached its higher peak of about 80 Mscmd in 2003. Since then, the production has been declining.

OIL's 2P GIIP estimate for the area is 635 MMscm. Some 124 MMscm of gas have been recovered, giving a current recovery factor of 19.6%.

Khagorijan Area

The production profiles for the Khagorijan Area are shown below.

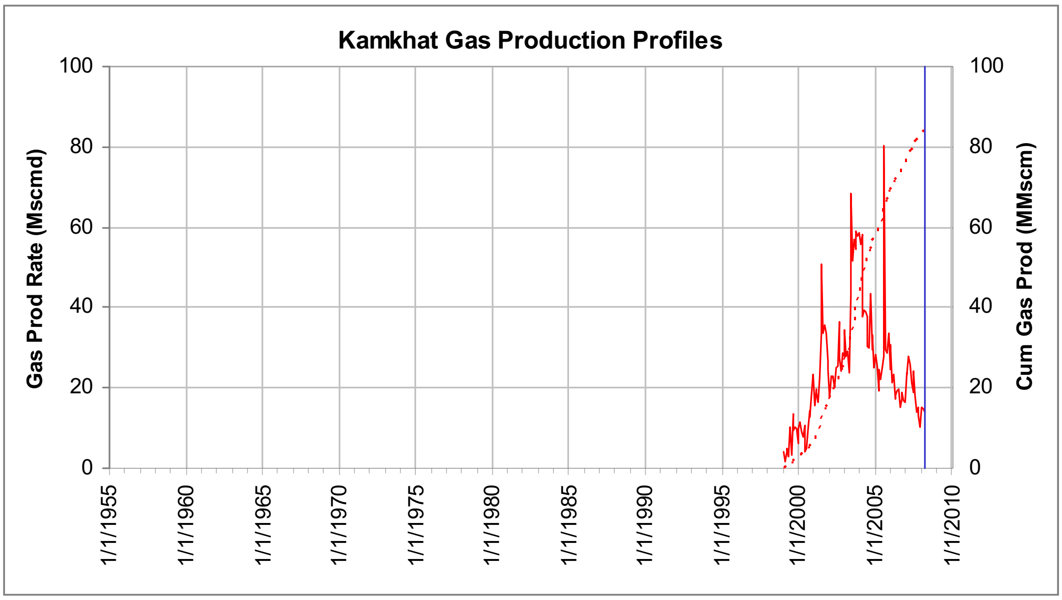


The Khagorijan Area started production in 2005. The gas production briefly reached a peak of 10 Mscmd before decline. Currently, the area is shut-in.

OIL's 2P GIIP estimate for the area is 189 MMscm. Some 2 MMscm of gas have been recovered, giving a current recovery factor of about 0.9%.

Kamkhat Area

The historical gas production profiles for the Kamkhat Area are shown below.



The Kamkhat Area came on production in 1999. The production had been steadily increasing. The peak production of 80 Mscmd was reached in 2005 before declining.
OIL's 2P GIIP estimate for the area is 494 MMscm. Some 84 MMscm of gas have been recovered, giving a current recovery factor of 17.0%.

Lohali Area

OIL's 2P GIIP estimate for the area is 651 MMscm. There has been no production from the area to date.
GCA assumes there will be a development plan for this area in the future.

Eastern Satellite Fields

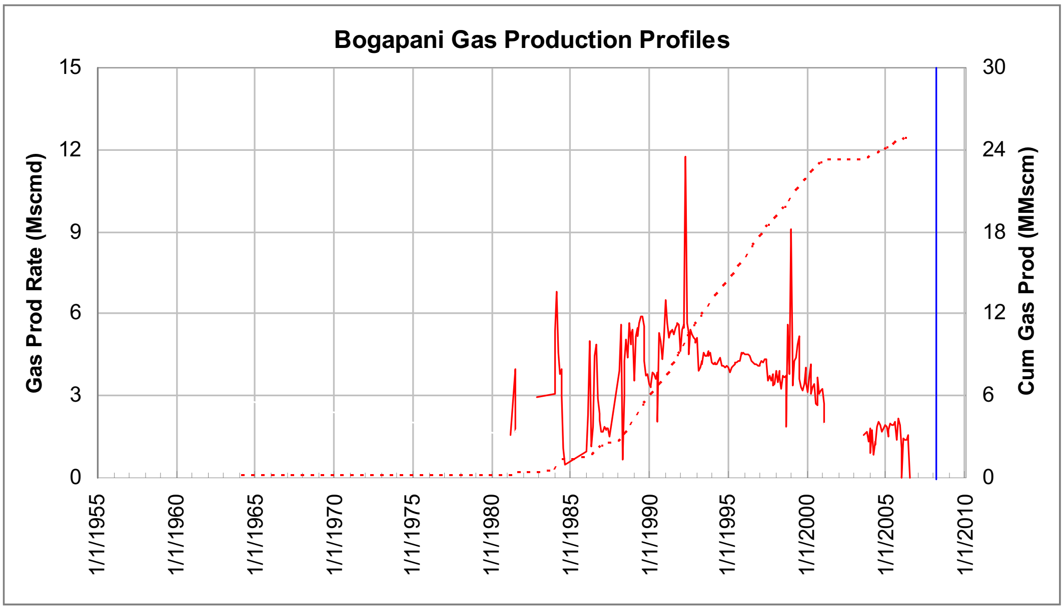
The Eastern Satellite Fields consists of Mechaki, Bogapani, Kusijan, Kherem and Duamara Areas.

Mechaki Area

OIL's 2P GIIP estimate for the field is 132 MMscm. The area has not been produced.

Bogapani Area

The historical gas production profiles for the Bogapani Area are shown below.

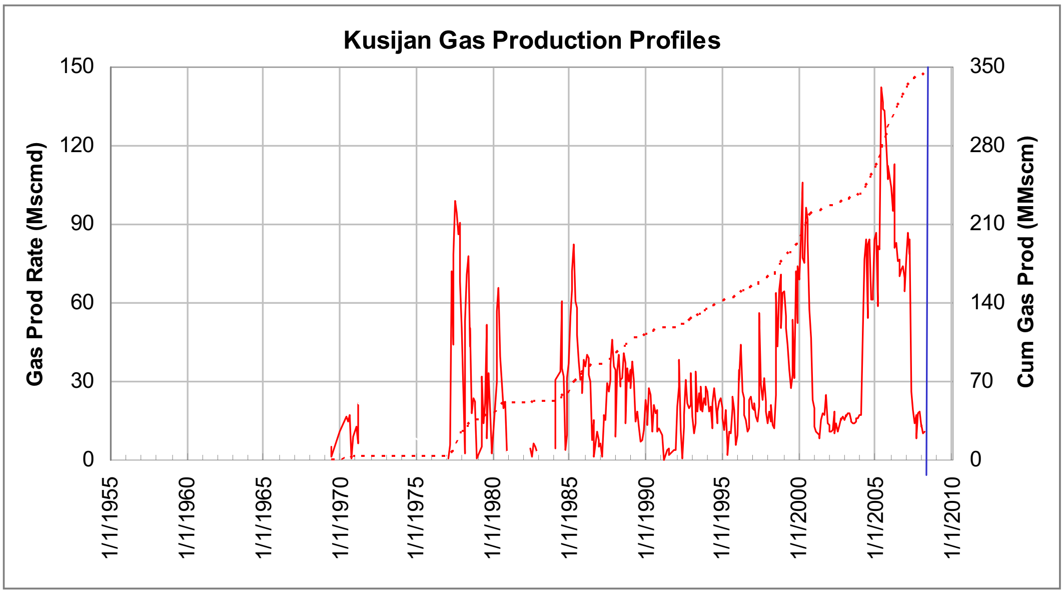


The Bogapani Area came on production in 1986 and produced at a rate of about 5 Mscmd. The area stopped production at the end of 2006.

OIL's GIIP estimate for the area is 1,928 MMscm. Some 25 MMscm of gas have been recovered, giving a current recovery factor of 1.3%.

Kusijan Area

The historical gas production profiles for the Kusijan Area are shown below.



The Kusijan Area came on production in 1969 and the production rate fluctuated. The production reached its first peak of some 100 Mscmd in 1977. In 2005, the production reached its highest peak of 140 Mscmd. Since then, production has rapidly declined.

OIL's 2P GIIP estimate for the area is 6,982 MMscm. Some 344 MMscm of gas have been recovered, giving a current recovery factor of about 4.9%.

Kherem Area

OIL's 2P GIIP estimate for the area is 403 MMscm. No estimate for Remaining Producible Gas Volume was assigned to the Kherem Area. GCA assumes there will be a development plan for this field in the future.

Duarmara Area

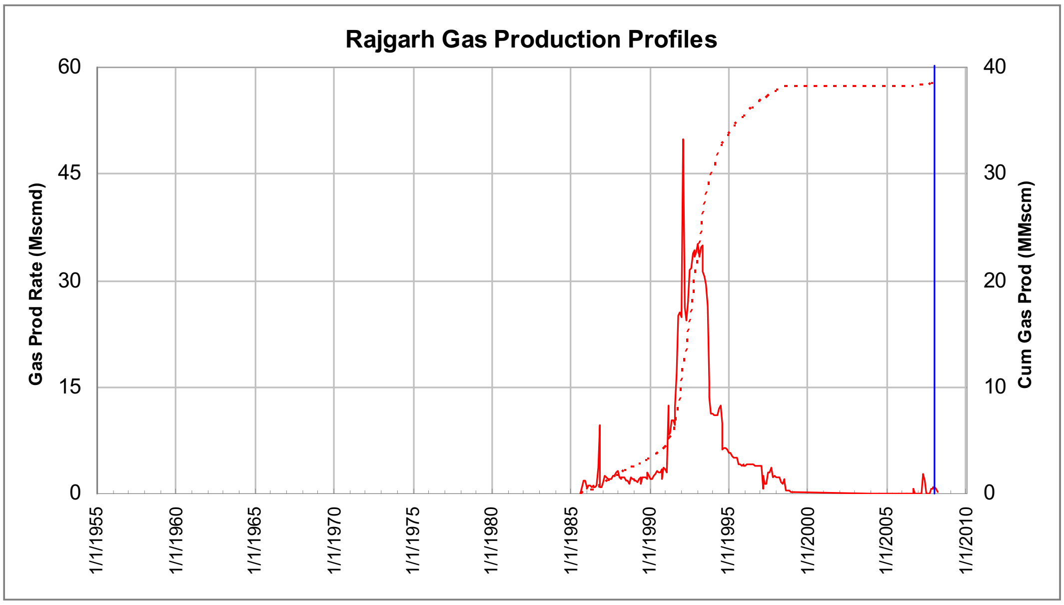
OIL's 2P GIIP estimate for the area is 80 MMscm. There has been no production from the area to date.

Western Satellite Fields

The Western Satellite Fields consists of Rajgarh, South Rajgarh, Dirol, Borbil, Dipling, Sarojini, Sapekhati, Haldibari and Dholiya Areas.

Rajgarh Area

The historical gas production profiles for the Rajgarh Area are shown below.



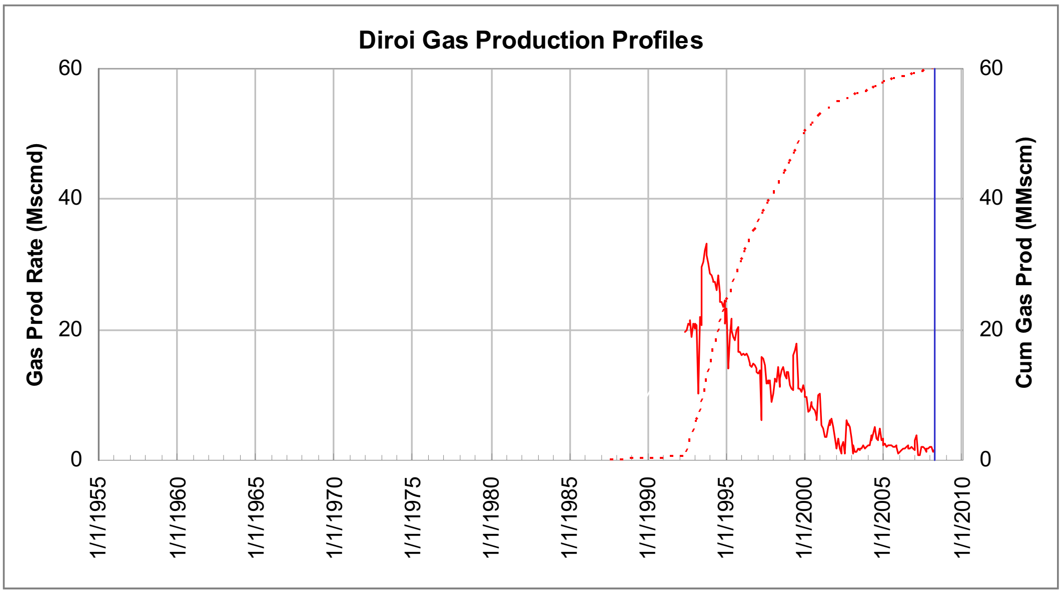
The Rajgarh Area has been producing since 1995. A peak gas rate of 50 Mscmd was achieved in 1992. After that, the production rate declined steadily and ceased in 1998. Production was restarted briefly in September 2004 and September 2006. Currently, the area is shut-in.
OIL's 2P GIIP estimate for the area is 221 MMscm. Some 39 MMscm of gas have been recovered, giving a current recovery factor of 17.4%.

South Rajgarh Area

OIL's 2P GIIP estimate for the area is 357 MMscm. The area has not produced.

Diroi Area

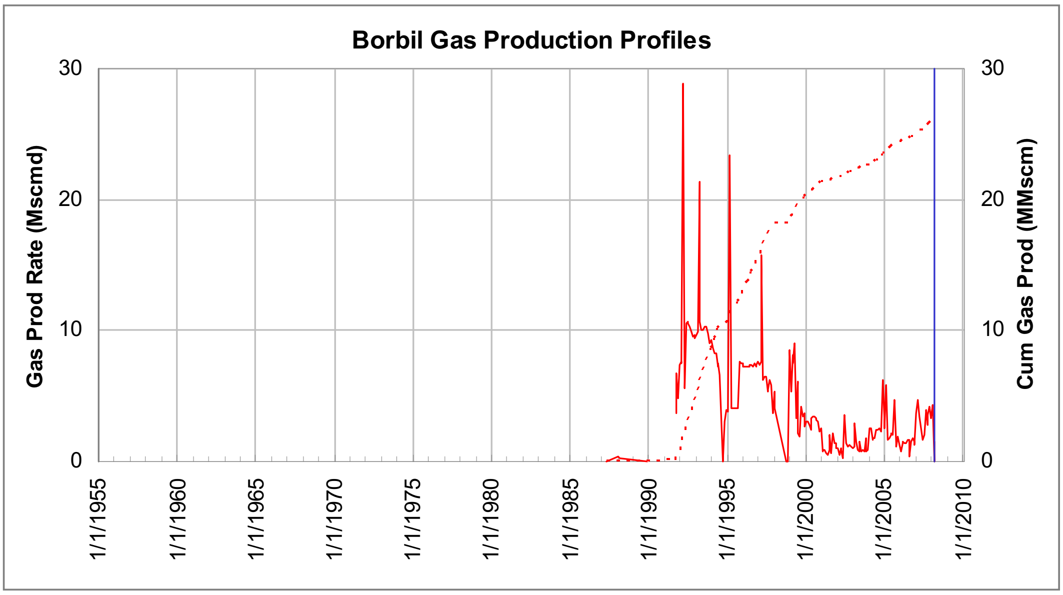
The historical gas production profiles for the Diroi Area are shown below.



The Diroi Area came onto production in 1993. In that year, a peak gas rate of 32 Mscmd was achieved. OIL's 2P GIIP estimate for the area is 217 MMscm. Some 60 MMscm of gas have been recovered, giving a current recovery factor of 27.5%.

Borbil Area

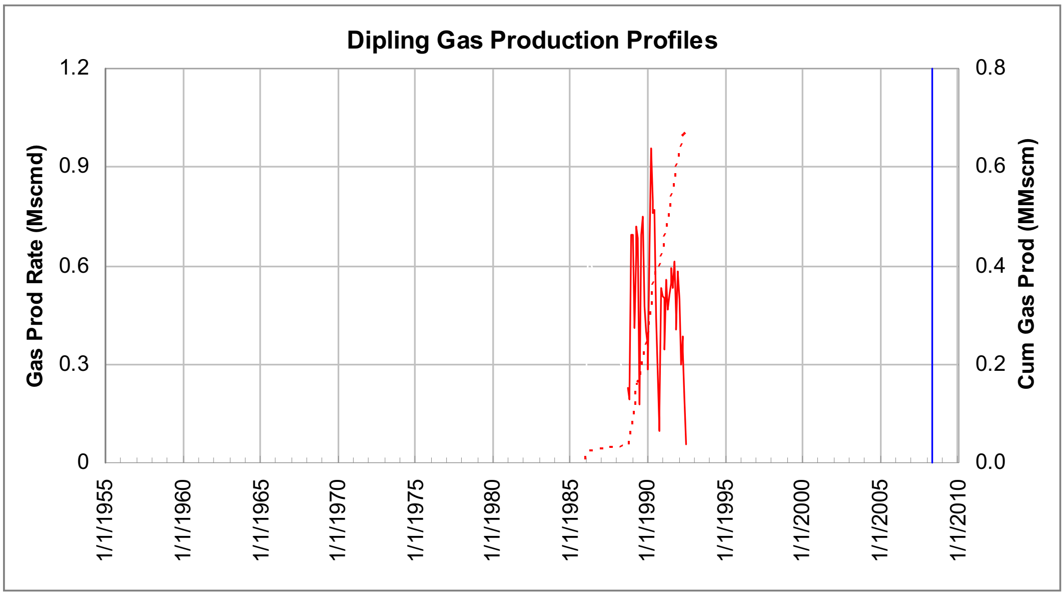
The historical gas production profiles for the Borbil Area are shown below.



The Borbil Area came on production in 1987 and has produced erratically. It reached a peak gas rate of 29 Mscmd in 1992. OIL's 2P GIIP estimate for the area is 158 MMscm. Some 26 MMscm of gas have been recovered, giving a current recovery factor of 16.4%.

Dipling Area

The historical gas production for the Dipling Area is shown below.

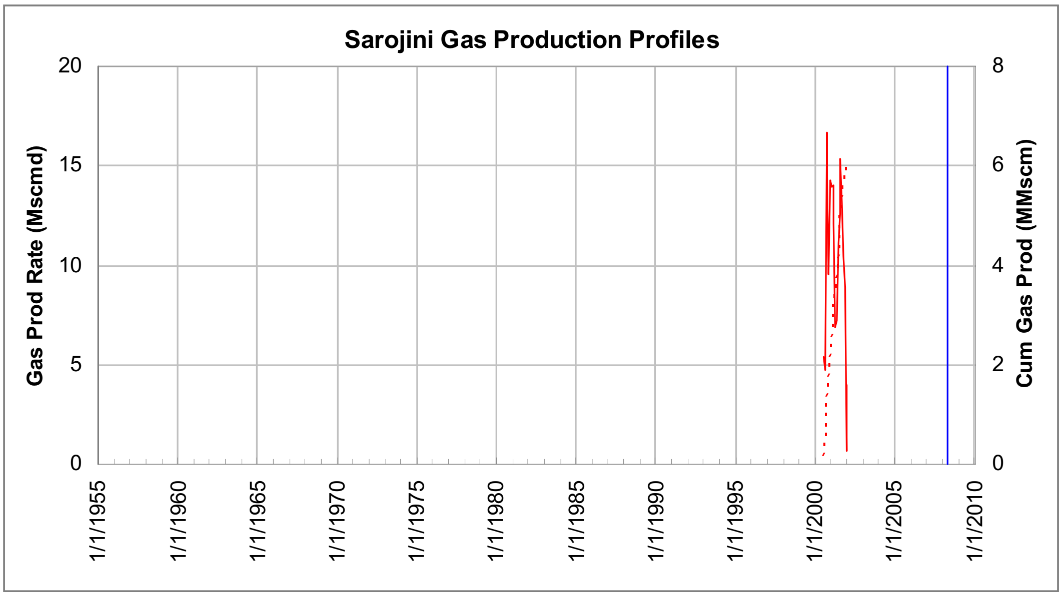


The Dipling Area produced between 1986 and 1992. It has not produced since.

OIL's 2P GIIP estimate for the area is 799 MMscm. Some 1 MMscm of gas have been recovered, giving a current recovery factor of only 0.1%.

Sarojini Area

The historical gas production profiles for the Sarojini Area are shown below.



The area started production at gas rate of 5 Mscmd in 2000 and a peak production rate of 17 Mscmd was also reached in 2000. By 2002, the area ceased production.

OIL's 2P GIIP estimate for the area is 55 MMscm. Some 6 MMscm of gas have been recovered, giving a current recovery factor of only 10.8%.

Sapekhati Area

OIL's 2P GIIP estimate for the area is 2,025 MMscm. There has been no production from this area to date.

GCA assumes there will be a development plan for this area in the future.

Haldibari Area

OIL's 2P GIIP estimate for the area is 5 MMScm. The area was tested and the results were disappointing. There is no production plan and no Reserves were assigned to it.

Dholiya Area

OIL's 2P GIIP estimate for the area is 466 MMscm. There has been no production from this area to date.

Digboi Field

There are no reserves allocated to the Digboi Field due to the unavoidably lost (gas flaring) and gas disposal. There have been no gas sales from this field.

Digboi Area

OIL's 2P GIIP estimate for the area is 4,810 MMscm. Some 3,896 MMscm of gas have been recovered, giving a current recovery factor of 81.0%.

ATTACHMENT VIII

RAJASTHAN GAS RESERVES BY FIELD

GAS RESERVES TABLES

The following tables present a summary of the gas reserves attributable to OIL which were estimated in accordance with SPE PRMS guidelines. This table shows the gas reserves for Rajasthan, and breakdown for individual fields.

Gas Reserves Volumes at 31st March 2008
Million Standard Cubic Metres
Attributable to OIL's 100% Working Interest

Field	1P	2P	3P
	MMscm	MMscm	MMscm
Dandewala	1,756	2,946	4,192
Tanot	32	230	369
East Tanot	14	128	202
Bagitibba	17	42	70
Total Rajasthan	**1,819**	**3,346**	**4,833**

ATTACHMENT IX

RAJASTHAN ACTIVE WELL COUNT BY FIELD

RAJASTHAN ACTIVE WELL COUNT
AS AT 31ST MARCH 2008, BY FIELD

Block	Active Well Count at 31st March 2008
Dandewala	15
Tanot	1
East Tanot	1
Bagitibba	2
Total Rajasthan	19

ATTACHMENT X

RAJASTHAN GAS CUMULATIVE PRODUCTION AS AT 31ST MARCH 2008, BY FIELD

RAJASTHAN GAS CUMULATIVE PRODUCTION
AS AT 31ST MARCH 2008, BY FIELD

Block	Cumulative Production up to 31st March 2008
	MMscm
Dandewala	1,380
Tanot	136
East Tanot	265
Bagitibba	105
Total Rajasthan	**1,886**

ATTACHMENT XI

RAJASTHAN GAS PRODUCTION RATE
AS AT 31ST MARCH 2008, BY FIELD

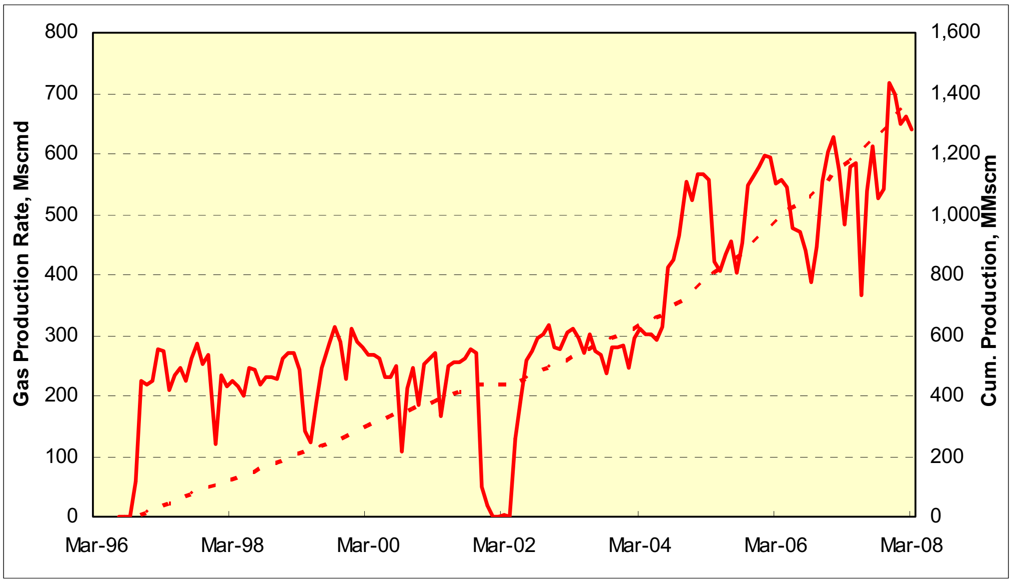
RAJASTHAN GAS PRODUCTION RATE
AS AT 31ST MARCH 2008, BY FIELD

Block	Gas Production Rate at 31st March 2008
	Mscmd
Dandewala	628
Tanot	-
East Tanot	-
Bagitibba	-
Total Rajasthan	628

ATTACHMENT XII

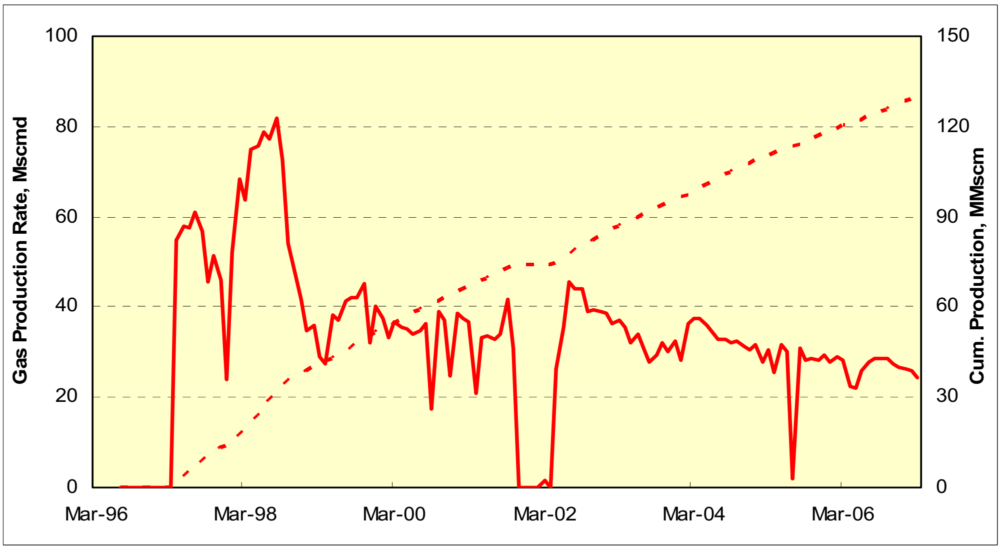
RAJASTHAN GAS PRODUCTION HISTORY PLOTS BY FIELD

Historical Production at 31st March 2008
Dandewala



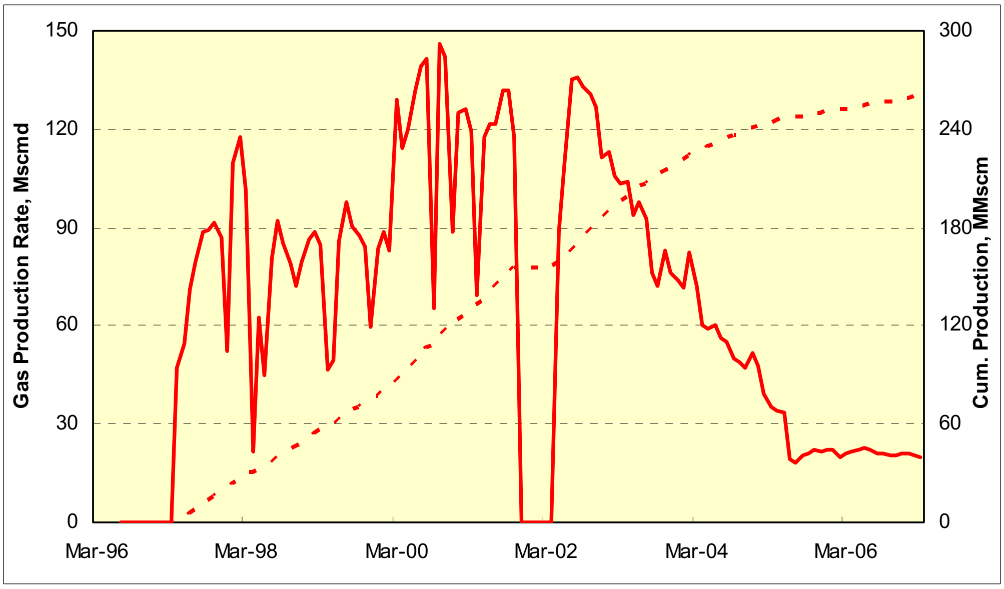
Current production from Dandewala is only from Pariwar and Khuiala sand. Production started from October1996. Cumulative production up to 31st March 2008 is 1380 MMscm.

Historical Production at 31st March 2008
Tanot Field



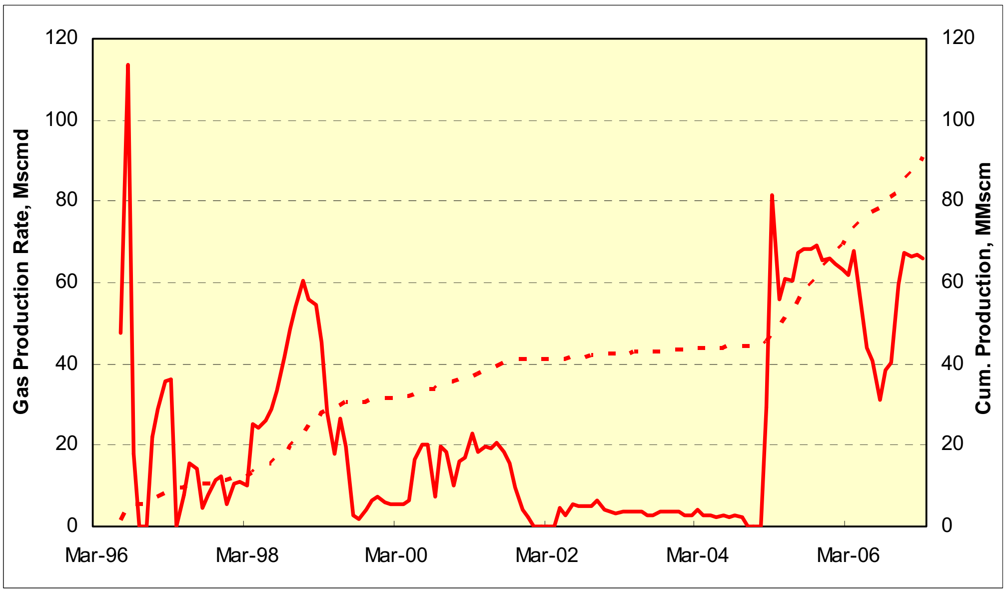
Current production from Tanot is only from Lower Goru sand. The Upper Goru sand has not been produced as yet. Production started from April 1997. Cumulative production up to 31st March 2008 is 136 MMscm. Note that gas production for April 2007 though March 2008 was provided only as a total volume.

Historical Production at 31st March 2008
East Tanot Field



Production from East Tanot is mainly from Lower Goru sand. Production started from April 1997. Cumulative production up to 31st March 2008 is 265 MMscm. Note that gas production for April 2007 though March 2008 was provided only as a total volume.

Historical Production at 31st March 2008
Bagitibba Field



Current production from Bagitibba is only from Sanu and Upper Goru sand. Production started from July1996. Cumulative production up to 31st March 2008 is 105 MMscm. Note that gas production for April 2007 though March 2008 was provided only as a total volume.

APPENDIX C - IPO GRADING REPORT

CRISIL RESEARCH

CONFIDENTIAL

Ref.: OIL \ AV \ 04-08-09 \ 26

Dated: August 12, 2009

Mr. K.V Rajan,
Chief Advisor (Co-Ordination),
Oil India Ltd,
OIL House,
Plot No. 19, Sector – 16A,
Noida – 201301, U.P (India)

Dear Mr. K.V Rajan,

Re: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Oil India Limited (OIL)

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "4/5"** (pronounced "four on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are above average relative to other listed equity securities in India.

The assigned grade is a one time assessment valid for a period of 60 Calendar days only from the date of this letter. In the event of your company not opening the captioned issue within a period of 60 days from the above date, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Chetan Majithia	Arun Vasu
Head, Equities – CRISIL Research	Research Analyst – CRISIL Research

A CRISIL IPO Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO Grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO Grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO Grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-66913561, or via e-mail: clientservicing@crisil.com.

For more information on CRISIL IPO Gradings, please visit http://www.crisil.com/ipo-gradings

Oil India Ltd (OIL)

CRISIL IPO Grade 4/5 (above average)

August 12, 2009

Grade
CRISIL IPO Grade '4/5': The grade indicates that the fundamentals of the issue are above average relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals

Media Contact:	*Analytical Contacts:*	*Client- servicing Contact:*
Mitu Samar Head, Market Development & Communications CRISIL Limited Phone: +91-22-66441838 Mobile: +91-9820061934 Fax: +91-22-66441810/1830 Email: msamar@crisil.com	Chetan Majithia Head, Equities CRISIL Equities Phone: +91-22-6644 4148 Mobile: +91-97692 00201 Email: chetanmajithia@crisil.com	Client servicing Tel: +91-22-6691 3561 Email: clientservicing@crisil.com

Issue Details	
Shares offered to public	26,449,982
As % of post issue equity	11 per cent shares outstanding (240,454,382)
Lead managers	JM Financial Consultants Private Ltd, Morgan Stanley India Company Private Ltd, Citigroup Global Markets India Private Ltd, HSBC Securities and Capital Markets (India) Private Ltd.

Company Background
OIL, a 'Mini-Ratna' company, was set up with the objective of exploration and production (E&P) of crude oil (including natural gas). It was incorporated as a private limited company on February 18, 1959 under the name "Oil India Private Ltd", pursuant to a promoters' agreement dated January 14, 1958 between the President of India, Burmah Oil Company and Assam Oil Company Ltd. It became a deemed public limited company with effect from March 28, 1961.

Grading Highlights
Business Prospects
➢ OIL has an excellent track record in the exploration of onshore reserves ➢ The company has been fairly successful in winning blocks under the New Exploration Licensing Policy (NELP) rounds held so far ➢ Winning onshore blocks for exploration outside of its traditional resource base in Assam widens its geographical reach ➢ Long experience in onshore exploration coupled with its current resource profile enhances OIL's volume growth prospects ➢ The company's geographical distribution of producing assets remains inadequate ➢ OIL's expertise in offshore and deep-water fields is still at the rudimentary stage, which limits its ability to make significant progress in this space over the medium term ➢ The company forms a part of the government's loss sharing mechanism
Financial Performance
➢ Operating income has grown at a CAGR of 17.3 per cent between 2004-05 and 2008-09, fuelled by increasing crude oil prices ➢ Strong cash flows, healthy liquidity position and very low gearing levels augurs well for the company's growth and aggressive capital expenditure plans ➢ However, downstream subsidy burden limits its topline growth potential
Management Capabilities
➢ Strong management capability to handle aggressive growth plans ➢ Management's sound understanding of E&P activities in onshore areas ➢ Company's ability to attract experienced personnel, especially in offshore and deep-water regions, is constrained by its limited autonomy in deciding pay packages.
Corporate Governance
➢ Independent directors bring a wealth of experience to the company's board ➢ Government's majority shareholding in the company may limit the influence of independent directors on business decisions that overlap with public policy.

Detailed Grading Rationale

Overall Grading Summary (CRISIL IPO Grade 4/5)

To arrive at the overall grade, CRISIL has considered the following parameters:

- Business prospects and financial performance
- Management capability
- Corporate governance

CRISIL has assigned a CRISIL IPO Grade '4/5' (pronounced 'four on five') to the proposed Initial Public Offer of Oil India Ltd. The grade indicates that the fundamentals of the issue are above average relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The offer price for the issue may be higher or lower than the level justified by its fundamentals. The grade is not a recommendation to buy / sell or hold the graded instrument, the graded instrument's future market price or its suitability for a particular investor.

The grading reflects OIL's strong position in the oil and gas E&P space, especially in the onshore areas in the north-eastern region. It considers OIL's advantage over its competitors in terms of low finding and lifting costs. Further, OIL's management has a strong understanding of E&P activities in onshore areas. However, this grading is tempered by the fact that OIL is obligated to be part of the subsidy sharing mechanism formed by the Government of India (GoI). Hence, OIL's shareholders remain vulnerable to the GoI's continued usage of its business more as a tool for public policy than as an engine for profit maximisation. Moreover, its limited geographical distribution of producing assets and low offshore experience may hinder its growth prospects over the medium term.

- ***Good track record in exploration of reserves***

OIL has been consistently adding to its reserve base, with its average reserve replacement ratio being greater than 2 for most of the last 5 years (2008-09 - 1.64; previous 5 yrs - greater than 2). This along with a favourable resource mix (OIL currently operates and has won blocks as an operator only in onshore areas where it possesses immense experience as it has been operating in the difficult terrains of Assam) and strong track record lends comfort to the company's capability to increase its recoverable reserves at a healthy rate.

- ***Focused approach in building capability and optimal portfolio***

The company, in line with its long-term strategy of augmenting its onshore business and gaining expertise in offshore fields, has made aggressive bids and won onshore blocks as an operator in the NELP rounds conducted so far. In order to build its expertise in offshore blocks, OIL has entered into bids and won blocks as a non-operator by forming consortiums with companies who have credible offshore expertise. In all, OIL has won 25 blocks under NELP, wherein it is an operator in 13 (all onshore) of the blocks and is part of consortiums largely led by ONGC in the remaining blocks, which are in offshore and deepwater areas as ONGC has higher expertise in these areas.

- ***Strong cash flows, healthy cash balance and very low gearing augurs well for OIL's growth plans***

As of March 2009, the company had a cash and cash equivalent of Rs 61 billion. This coupled with OIL's cash generating ability and very low gearing (0.01 times) would enable it to pursue its aggressive capital expenditure plans of around Rs 104 billion for the Eleventh 5-year Plan period.

OIL has increased its investment targets in the Eleventh Plan period by more than twice its actual spend in the Tenth Plan period (around Rs 48 billion) in order to enhance growth in production and reserves. The sharp increase in outlay, though partly attributable to rising costs, is largely due to its intensive efforts to find / acquire and develop new reserves outside of its traditional resource base. Nearly 75 per cent of the planned domestic investment will be used for exploration and development activities. As the company has won blocks that are in highly prospective onshore areas under the NELP rounds conducted thus far, it stands a good chance to augment its reserves.

- **Subsidy borne by the company caps upside**

OIL, along with ONGC and GAIL, currently bears a part of the total losses made by the oil marketing companies (OMCs) by selling crude oil to these companies at a substantial discount to international prices. For 2008-09, the company contributed Rs 30,232.87 million as subsidy by providing a discount of $26.13 per barrel of crude oil and Rs 15,714.03 per tonne of LPG. This caps the upside potential of the company in a rising oil price scenario, which adversely impacts shareholder returns.

- ***Inadequate distribution of assets geographically and limited capability in offshore and deep-water areas***

As of March 2009, all of the company's independent proved plus probable (2P) oil reserves and over 90 per cent of its independent 2P gas reserves were concentrated in the Upper Assam basin and Arunachal Pradesh. OIL has had a presence in its current area of operations for more than two decades, and has gained immense experience in exploring, developing and producing from onshore blocks. However, this regional concentration increases the company's exposure to events that could result in the loss of oil or natural gas reserves. Moreover, owing to the company's asset concentration in the north-eastern region, it is more susceptible to instances of insurgency, terrorism and civil strife in the region.

In the various NELP rounds, OIL has made a conscious effort to diversify its location and asset mix (it has won one block each in the Mahanadi basin and the Krishna-Godavari basin as an operator) and also entered offshore areas (it has participating interests in one shallow offshore and 8 deepwater blocks in the country). In the rounds conducted so far, the company has led consortiums in an attempt to be an operator for onshore blocks and also participated in consortiums led by ONGC for offshore blocks. This is mainly driven by the company's long-term ambition to acquire offshore expertise while continuing its onshore exploration activities. However, at present, OIL's offshore and deep-water capabilities are at rudimentary levels, and hence limit the company's ability to operate in these areas in the medium term.

Business Profile

OIL is a 'Mini-Ratna' public sector undertaking (PSU) in which the GoI has a 98.1 per cent stake. The company is under the administrative control of the Ministry of Petroleum & Natural Gas (MoPNG).

OIL traces it roots back to Oil India Pvt Ltd, which was formed in 1959. The Burmah Oil Company Ltd had a two-third stake in the company and the balance was held by the GoI. In 1961, Oil India Pvt Ltd evolved into Oil India Ltd, which was an equal partnership between Burmah Oil and GoI. In 1981, OIL became a wholly-owned GoI enterprise.

OIL is primarily engaged in the exploration, development, production and transportation of crude oil and natural gas in India. Currently, most of its exploration, development and production activities pertain to onshore areas within the country. The company also processes natural gas to extract LPG.

Its exploration activities are spread across the onshore areas of Ganga Valley, Mahanadi, North East and Rajasthan. In addition, OIL holds participation interest in NELP exploration blocks in Mahanadi offshore, Andaman and Krishna-Godavari deep water. The company is an operator in 13 blocks and has participating interest in another 12 blocks won under the seven rounds of NELP conducted so far. Furthermore, the company has been actively pursuing opportunities in the international space and has acquired participating interests in various overseas projects in the Middle East and Africa.

As on March 31, 2009, OIL had 2P reserves of around 586 million barrels (mnbbls) and 63.41 billion cubic meters (bcm) of gas. It produced around 3.5 million tonnes (mt) of crude oil and 2,268 million metric standard cubic metres (mmscum) of natural gas in 2008-09. The company manages the entire chain of operations required for onshore oil and gas production including well completion, well-bore servicing, installation, operation and maintenance of modern surface handling facilities. It currently owns and operates 11 drilling rigs and 15 work-over rigs. In addition, the company also charter hires drilling rigs (5) and work-over rigs (4).

OIL owns and operates a 1,157 km-long crude oil pipeline, which was commissioned in 1962. This pipeline has the capacity to transport 44 mnbbls of crude oil. The company has also constructed a product pipeline in Sudan in partnership with ONGC Videsh Ltd (OVL) and holds a 10 per cent interest in it.

OIL plans to utilise the issue proceeds to fund its capital expenditure requirements for exploration and appraisal activities, development activities in producing fields, purchase of capital equipment and facilities and diversification of existing business in downstream activities over the next 2 years.

Financial Profile

Of the total topline of Rs 72 billion in 2008-09, sale of crude oil and natural gas accounted for around 95 per cent, while crude oil transportation and LPG sales contributed about 5 per cent. Total subsidy borne by the company during the year was around Rs 30.2 billion.

OIL's crude oil production increased by around 12 per cent to 3.5 mt in 2008-09 as compared with 2007-08, driven by technology related initiatives. However, its natural gas production decreased by around 3 per cent, to about 2,268 mmscum during the same period from around 2,341 mmscum in 2007-08.

OIL's operating income grew at a CAGR of 17.3 per cent in 2004-05 to around Rs 72 billion in 2008-09, attributable to higher crude prices. However, the company hasn't been able to realise the full benefit of the rising crude oil prices due to subsidy borne by it. Between 2004-05 and 2008-09, crude oil prices increased at a CAGR of 19 per cent, while the company's operating income rose at a CAGR of 17.3 per cent due to its role in the subsidy sharing mechanism developed by the GoI. The company posted an EPS of Rs 101 in 2008-09, a growth of 22 per cent over 2007-08. Book value stood at Rs 436 per share. The company's return on capital employed (RoCE) and return on equity (RoE) in 2008-09 stood at 35.0 per cent and 25 per cent, respectively. OIL has cash of Rs 61 billion as at March 2009 translating into cash per share of Rs 283.6.

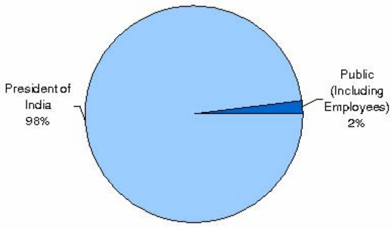
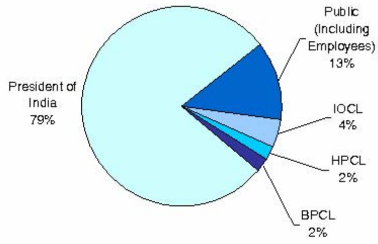
Financial Performance Snapshot

Particulars	Unit	2007-08	2008-09
Operating income	Rs billion	59.9	71.8
Operating margins	Per cent	46	48.8
Net profits	Rs billion	17.7	21.6
Net margins	Per cent	29.6	30.1
ROCE	Per cent	31.3	35
Return on equity	Per cent	24	25
No. of equity shares	Million	214	214
Net worth	Rs billion	79.3	93.3
Basic earnings per share	Rs	82.8	101
Diluted earnings per share	Rs	82.8	101
Book value	Rs per share	370.7	436.1
Gearing	Times	0.02	0.01

Note: The above figures have been reclassified as per CRISIL standards;

Source: CRISIL Research, Company reports

OIL: Shareholding Pattern

Pre-IPO	Post-IPO
	

Note:

The transfer of shares to IOC, BPCL and HPCL has been completed. The consideration is yet to be paid and would be based on the issue price.

Source: DRHP

Profile of Management and Board

OIL's management is headed by its CMD, Mr N M Borah who took over reins of the company from Mr M.R Pasrija in December 2008. Mr Borah has been working with the company since two decades in various capacities, including as Director (Operations) of the company, a position that he continues to hold as an additional charge. He heads a well-experienced team of senior management and key management personnel who possess rich domain expertise and experience. The senior management of the company, including the Chairman, Director (Finance) - Mr T K Ananth Kumar; Director (E&D) - Mr B N Talukdar; Director (HR and BD) - Mr Ashok Anand and the key management personnel have been with the company for several years. OIL's Board consists of 12 members - 6 independent directors, 2 government nominees and 4 whole-time directors. The independent directors appointed on the Board of the company have an excellent reputation in their respective fields.

Annexure: Profile of the Directors

Board of directors

Name of Directors	Designation	Age (years)	Date of joining as director of the company	Qualification	Previous employment	Other directorships / memberships
Mr N M Borah	Chairman and Managing Director	57	May 6, 2004	B.E (Petroleum Engineering) ISM, Dhanbad; PGD (Petroleum Prospecting and Reservoir Eveluation) NIT, Norway	Nil	Numaligarh Refinery Ltd
Mr T K Ananth Kumar	Director (Finance)	56	January 18, 2007	B.Com; FCA	Director (Finance) with NRL, prior to which he was worked with HPCL	Brahmaputra Cracker and Polymer Ltd
Mr B.N Talukdar	Director (E&D)	54	December 1, 2007	B.Tech (Petroleum Engineering) ISM, Dhanbad	Assisstant Engineer (reservoir) with ONGC	Suntera Nigeria 205 Ltd
Mr Ashok Anand	Director (HR and BD)	59	February 1, 2008	B.Sc; MBA	Worked with Bajrang Engineering Works and Jawala Textile Mills	Nil
Mr D N Narasimha Raju	Government Nominee	53	August 1, 2008	IAS, M.Sc (Horti); M.BL, NLSIU, Bangalore	Joint Secretary (Marketing) in Ministry of Petroleum and Natural Gas (MoPNG) from October 2006 to January 2009. Currently serving as a Joint Secretary with MoPNG (Exploration) since August 2008.	Nil
Dr Archana Saharya Mathur	Government Nominee	50	February 9, 2009	Masters degree in economics, Delhi University; Doctorate in the field of international trade from Jawaharlal Nehru University, Delhi.	Currently an Economic Advisor in the MoPNG	Nil
Mr Ghanshyambhai Hiralal Amin	Independent Directo	62	July 30, 2008	B.Sc; LLB	Advocate	Cosmos Co-operative Bank Ltd, National Federation of State Co-operative Ltd and National Film and Fine Arts Co-operative Ltd
Mr Arun Kumar Gupta	Independent Directo	65	July 30, 2008	Graduate Engineer (Mechanical, Electrical & Production)	Advisor / Consultant	Xcellence Software Solutions Pvt Ltd
Prof. Sushil Khanna	Independent Director	58	July 30, 2008	B.Sc; PGDM and Fellow (IIM)	Professor / Academic	Kerala Financial Corp; The Information Co Ltd; Shree Bhawani Paper Mills Ltd; Nicco Internet Ventures Ltd.
Mr Alexander k Luke	Independent Director	60	July 30, 2008	B.Tech (IIT); IAS	Retired IAS Offical	Nil
Mr Vinod Kumar Misra	Independent Director	62	July 30, 2008	M.Sc (Physics)	Retired Secretary, Defence Finance, Ministry of Defence	Kribhco Shyam Fertlisers Ltd, Mbros Developers Pvt Ltd, Crescendo Trading Pvt Ltd
Mr Pawan Kumar Sharma	Independent Director	51	July 30, 2008	B.Com; LLB; FCA	Practicing Chartered Accountant	J.S Management & Financial Services Pvt Ltd, Life Saving Diagnostic and Hospital Pvt Ltd

Source: Company prospectus

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