

IndianOil transforms into an integrated, diversified transnational major under Mr. Behuria

“For me, good management is a 24x7x365 job. The top management should be fully in tune with the ever-changing dynamics of business and the need for accepting and resolving challenges within and outside the organisation. Overall, you need to convey a strong and unambiguous vision of where you want the organisation to be in future to all the team members. A strong vision would serve as a solid foundation for an organisation, with inspiring leadership as its superstructure.”

– Sarthak Behuria

These thoughts reflect the leadership and management perspective of Mr. Sarthak Behuria, who, as Chairman of Indian Oil Corporation Ltd. India’s largest commercial enterprise with US\$62.03 billion turnover for the year 2008-2009, since 2005. He is also Chairman (part-time) of group company Chennai Petroleum Corporation Ltd., besides heading IOT Infrastructure & Energy Services Ltd., a joint venture for building and operating terminalling services for petroleum products.

Under Mr. Behuria’s stewardship, IndianOil is transforming into a major, diversified, transnational integrated energy company. Besides consolidation in the core areas of refining and marketing, the Corporation is vigorously pursuing a string of strategic initiatives across the hydrocarbon value chain for upstream integration into exploration & production of oil, downstream integration into petrochemicals and diversification into natural gas marketing and alternative fuels, besides globalisation of downstream operations.

Mr. Behuria is the Chairman of Petroleum Federation of India (PetroFed), which represents Indian and international companies and organisations associated with the Indian hydrocarbon sector. He is also Chairman of the Council of Indian Employers (CIE), an apex body of employers in India. He was Chairman of SCOPE (Standing Conference of Public Enterprises), the apex body of public enterprises in India, for two consecutive terms.

Mr. Behuria is President of the World LPGas Association (WLPGA) since September 2008, being the first Indian to head the global body. Earlier, during 2006-08, he was First Vice-President of WLPGA representing the LPG industry of Asia.

Mr. Behuria has been named as one of the top 10 most influential oilmen in India by *Upstream*, the internationally acclaimed oil & gas journal. He has been conferred the Honorary Fellowship of the Energy Institute, UK, which is the highest-level of professional recognition reserved for those who have made a notable and distinguished contribution to the energy industry. His expertise in India’s oil & gas sector has been sought at many national and international forums, where he chaired sessions and presented papers.

Known to be a strong “people’s man”, Mr. Behuria practices a management style that is both open and transparent.

Maintaining Downstream Dominance

IndianOil is India's flagship national oil company with a sales turnover of Rs. 285,337 crore (US \$ 62 billion) for the year 2008-09. The IndianOil Group of companies owns and operates 10 of India's 20 refineries with a combined capacity of over 60 million tonnes per annum, accounting for 34% of the national refining capacity. It owns and operates a cross-country crude oil and products pipeline network spanning over 10,000 km. For the year 2008-09, the IndianOil Group sold 66 million tonnes of petroleum products, accounting for 48% of the petroleum products market share.

While initiating mega ventures for diversification and integration across the hydrocarbon value chain, besides expanding overseas business, Mr. Behuria is clear that IndianOil's core downstream strengths in petroleum refining, logistics and marketing should be well secured and consolidated.

Innovating to Exploit Opportunities

Mr Behuria's unerring instinct for identifying new opportunities enabled IndianOil obtain the Government of India's permanent approval for chartering crude oil carriers on its own instead of going through TransChart, the chartering wing of the Ministry of Shipping. This is enabling the organisation to optimise on freight costs and achieve significant savings through direct negotiation of commercial terms with vessel owners, besides bringing in better coordination from 'procurement to processing.'

Another landmark development under Mr. Behuria's stewardship has been the commencement of trading activity on the domestic commodities & derivatives exchange (NCDEX), which offers energy contracts – a first among oil companies in India.

Mr. Behuria presided over one of the largest SAP (Enterprise Resource Planning software) implementations in Southeast Asia at IndianOil, with over 600 locations and 5,000 concurrent users conducting business transactions on a common IT platform through a countrywide communication network. SAP is now being extended to subsidiaries for unifying the business processes of all the group companies.

In order to derive superior operational synergies and ensure optimum utilisation of resources, Mr Behuria set in motion the merger process of subsidiaries with IndianOil. The merger of the wholly-owned subsidiary, Indian Oil Blending Ltd., with the parent company was completed during the year 2006. The stand-alone marketing subsidiary, IBP Company Ltd., was merged with the parent company in 2007 and the refining subsidiary Bongaigaon Refinery & Petrochemicals Ltd. (BRPL) in 2009.

Mr. Behuria has been steering IndianOil's overseas initiatives to establish it as a major player outside India and ensuring its future growth as a transnational energy major. Its overseas subsidiaries in Sri Lanka, Mauritius and UAE are consolidating and expanding their business activities.

Improving Quality of Life

Sustainable development and preservation of ecology and environment is a major challenge for the industry. Mr. Behuria has been continuously building environmental concerns into all facets of IndianOil's operations. He believes in conducting business with a strong environment conscience to ensure safe workplaces and enrichment of quality of life of community. Not only does IndianOil run clean, non-toxic and eco-friendly manufacturing facilities, but also its R&D Centre has taken on the task of ushering India into an era of clean fuels through its cutting edge research into alternative fuels.

IndianOil has invested more than Rs. 30,000 crore at its refineries to improve fuel quality to meet Euro-II & Euro-III standards. Projects worth over Rs. 12,000 crore are in full swing for upgradation of Petrol / Diesel quality for supply of green, environment-friendly auto fuel to all notified areas the Auto Fuel Policy guidelines of the Government of India.

By rolling-out customised retail outlets to the rural hinterland – providing fuels & lubricants, clean drinking water and day-to-day essentials, IndianOil has taken a step ahead in improving the quality of life of the rural populace and contributing to the resurgence of rural India. So far, 2500 villages have been reached and the number is growing.

Taking Intellectual Capital to the World

Mr Behuria takes immense pride in IndianOil's intellectual capital and has been guiding the organisation in actively pursuing EPCC (Engineering, Procurement, Construction & Commissioning) contracts, product upgradation and refinery turnaround jobs, petroleum pipeline commissioning and maintenance jobs in various overseas markets. The Corporation's presence in the global arena is apparent with operations in countries as diverse as Sri Lanka, Mauritius, UAE, Libya, Iran, Oman and Nigeria.

Golden Jubilee

IndianOil is celebrating 2009 as the Golden Jubilee year. During the past five decades, IndianOil has grown to emerge as the country's largest commercial enterprise and India's highest ranked company in the prestigious Fortune 'Global 500' listing, at 105th position. It has achieved a significant portion of the aspirations enunciated in the Vision – to emerge as 'an integrated, diversified, transnational energy major.' However, in the backdrop of a fast changing business scenario, the Corporation embarked upon a comprehensive exercise to re-visit the Vision. The new Vision sees IndianOil as 'the energy of India' and aspiring to be 'a globally admired company,' with its core values, Ethics, Customers, People, Technology, Innovation and Environment, as its cornerstones.

PSE Reforms as the Way Forward

Mr. Behuria takes pride in having worked in the Indian public sector enterprises (PSEs) and has seen the sector assume a competitive, competent approach like never before. As Chairman of a blue chip *Navratna* PSE and in his capacity as the head of several industry bodies, he has continuously focussed the Government's attention on policy reforms that would further empower the PSEs.

As Chairman of SCOPE, Mr. Behuria emphasised the need for more functional and financial autonomy to PSEs and has convinced the Adhoc Group of Experts appointed by the

Government of India into recommending the strengthening of PSEs through autonomy. He has simultaneously taken up with the Government issues like reduction of multiple control mechanisms through Government agencies and abolition of supplementary audit by the Comptroller & Auditor General, especially for Navratna companies. An amendment to this effect may be introduced in the Companies Act as a result of these efforts.

Under Mr. Behuria's leadership, SCOPE sought a review of Parliamentary accountability in terms of the performance of the PSEs, urging the Government to answer only those queries that are within the realm of sound Corporate Governance and not those related to day-to-day administration of the corporates.

Impacting Labour Policies

Since June 2006, Mr. Behuria has been the Chairman of the Council of Indian Employers (CIE), an apex body of employers in India. In this capacity, he has been interacting with the Government on the formulation of labour policies as well as economic and social welfare policies that concern labour and employers. This is a sensitive role that Mr. Behuria has embraced with a strategy of fostering mutual cooperation between workers' organisations and employers.

Ensuring India's Representation in Global Policy

Mr. Behuria has been a regular spokesperson for India on matters of policy related to the hydrocarbon sector on the global level.

He accompanied the Minister for Petroleum & Natural Gas, Government of India, to the 3rd OPEC International Seminar at Vienna in March 2009, where India's call for access to affordable energy was placed on the OPEC agenda. Matters concerning the hydrocarbon sector were negotiated with many countries, including India's request to Qatar for increased LNG supplies, which came through at this event.

As Chairman of CIE, Mr. Behuria was nominated by the Government of India as the leader of the Employers delegation to the 95th Session of the International Labour Conference (ILC) Geneva during June 2009. He was part of the Indian ministerial delegation to the 19th World Petroleum Congress held at Madrid, Spain in June 2008.

Mr. Behuria delivered a special address at the Asia-Pacific Business Forum at UNESCAP held at Bangkok in April '08. Mr. Behuria was part of the Indian ministerial delegation to the Second Asian Ministerial Energy Roundtable Meeting hosted by Saudi Arabia at Riyadh in May 2007. As a part of the Indian team at the 5th Eurasian Conference at Cambridge, UK, in September 2006, Mr. Behuria effectively highlighted the need for Caspian producers to reorient their crude oil export strategy towards Asian consumers like India and China, which are emerging as new and viable outlets.