



2022
YEAR OF DIGITALISATION
Transforming Processes

CHAIRMAN'S ADDRESS

Commitments Made, Promises Delivered



61st ANNUAL GENERAL
MEETING



distancing norms in place. Swift steps were taken to facilitate a work-from-home arrangement for employees in non-critical locations to support frontline operations from the backend. LPG distributorships and fuel stations were kept well stocked and customers were advised not to resort to panic booking or hoarding.

While the lockdown and flight restrictions brought down the demand for transport and aviation fuels, the demand for LPG cooking gas went up. IndianOil teams had to deliver on an average 25-lakh LPG cylinders every day, peaking at 33 lakhs in April 2020, to the doorsteps of customers despite restrictions on movement of men and material. Its refineries in turn had to optimise LPG yields even as their throughputs came down due to destruction in demand for other products. Supplementary imports were also arranged as per need. LPG customers were encouraged to book for refills from their own homes through SMS/IVRS, WhatsApp or online, make payments digitally, and receive the cylinders safely at their doorsteps.

All 119 Aviation Fuel Stations of your Company across the country operated with optimum strength and full safety protocols to refuel Defence aircraft, cargo flights, air ambulances and rescue flights to and from other countries to ferry stranded people.

The Corporation took swift steps to provide insurance cover to its 'corona-warriors' working on the frontlines of its business. Petrol pump attendants, POL tank-truck drivers, packed and bulk LPG truck drivers, LPG delivery men, DGR guards patrolling the cross-country pipeline routes, etc., were brought under a medical insurance policy, which also included COVID-19 related ailments. Over 3.2 lakh people, who are a part of the extended IndianOil family, benefited from this scheme, including the families of the insured. An ex-gratia Covid-19 insurance cover of Rs. 5 lakhs was also extended for people manning the supply chain in case of death due to Covid-19.

Stay and food arrangements were made for contract workers and migrant labourers wherever needed.

“ Among the major refinery projects of your Company under execution is capacity expansion of Barauni Refinery from the current installed capacity of 6 million tonnes per annum to 9 million tonnes per annum, together with a petrochemicals complex. ”

DEAR VALUED SHAREHOLDERS OF INDIANOIL,

On behalf of the Board of Directors and the IndianOil family, I extend a warm welcome to each one of you at the 61st Annual General Meeting of your Company.

To begin with, I convey my best wishes for your health & safety, and that of your family members, in the backdrop of the Covid-19 pandemic. I am sure that all of us will come out of the crisis soon and resume our normal lives.

This AGM, the first on a virtual platform, reflects the power of digitalisation as well as the resilience and adaptability of organisations and people in challenging times.

COVID-19 AND THE WORLD

These are indeed unprecedented times for India and IndianOil. As the whole world reels under the influence of Covid-19 for over nine months now, its impact on lives and livelihoods has been so devastating that there is no parallel in recent history.

The current crisis is quite different from previous ones. It began with initial trade shocks as well as travel restrictions to prevent the outbreak of the virus, and soon led to national lockdowns to contain its community spread. Global efforts to tackle the virus disrupted production flows and supply lines within and across nations, destroyed demand for goods & services, and forced a multitude of enterprises across sectors to suspend or scale down operations.

With an unpredictable trajectory, the pandemic continues to impact both the demand and supply sides of the labour market, pushing millions of people into poverty despite extraordinary steps taken by the various Governments to stimulate economies, support enterprises and create employment.

INDIANOIL HOLDS SUPPLY LINE IN COVID-19

Now let me brief you on how your Company, one of the frontline organisations reaching essential fuels to millions, is holding the supply line intact and resilient through the Covid-19 crisis.

In the face of the lockdown brought on by the pandemic in March 2020, your Company quickly put in place a robust plan for POL movement and stock-ups at upcountry locations to maintain smooth fuel supplies to households as well as essential and emergency services.

All its operating locations – refineries, pipeline networks, bulk storage terminals & depots, and LPG bottling plants – functioned right through the lockdown period with all necessary health, hygiene and social

“ IndianOil takes pride in marketing 28 types of oil & gas products, over 450 grades of lubricants & greases, about 53 types of petrochemical intermediates and polymer grades, etc., through its own network of nearly 53,000 customer touch-points. ”

COVID-19 IMPACT ON OIL & GAS SECTOR

Let us now briefly look at the impact of the novel Coronavirus on the oil & gas sector.

The Covid-19 pandemic came in the back of the lower growth rates posted by the global economy as well as Indian economy in 2019. Its effects on economies and businesses were being felt as early as in January 2020.

Acknowledging it as a crisis like no other, the International Monetary Fund (IMF), in its June 2020 World Economic Outlook update, has projected global GDP growth to drop to -4.9% in 2020, from 2.9% in 2019, and then recover to 5.4% in 2021. India is projected to register -4.5% growth in 2020, from 4.2% in 2019.

India's GDP has contracted by 23.9% between April to June 2020, due to the lockdown measures for curtailing the pandemic. The effect has further prompted various agencies to revise their GDP growth forecast for India in September 2020, with Goldman Sachs and S&P pegging the expected GDP growth for 2020 at -14.8% and -9% respectively.

In 2019, global oil consumption rose by only 0.8 million barrels per day, or mbpd, to 99.8 mbpd, growing at a lower 0.7% as compared to 1% in the previous year, while global oil production remained flat at 100.5 mbpd. Covid-19 led to curtailment in mobility, freight movement and aviation, the sectors which account for nearly 60% of the global oil demand, bringing it down to 93.3 mbpd in the first quarter of 2020. Growth in natural gas consumption too slowed down to 2% in 2019, from 5.3% in 2018, while production went up by 3.4%.

The International Energy Agency (IEA) in its latest monthly report has projected that oil demand is likely to fall by 8.4 mbpd in 2020, the largest in history, and may subsequently recover by 5.5 mbpd in 2021.

BP, in its 2020 Energy Outlook sees overall global primary energy demand increasing by around 25% in 2050 from 2018 levels, with India accounting for about 35% in this overall increase. It specifically



expects India's oil consumption doubling and reaching 10 million barrels by 2050 under the business-as-usual scenario.

With the pandemic weighing down on the fourth quarter of the last fiscal, India's petroleum products consumption, which had registered a healthy CAGR of 3.7% in the last five years, climbed down to 0.2% in 2019-20.

INDIANOIL'S PERFORMANCE IN 2019-20

The details of IndianOil's performance in 2019-20 have already been shared with you through the Annual Report. I shall briefly touch upon a few significant highlights here.

For your Company, 2019-20 was yet another year of excellent performance in the core refining & marketing business, with a strong show in Gas and Petrochemicals verticals, and launch of key initiatives to integrate alternative and renewable sources in its energy value chain.

Among the key highlights were:

- ◆ Pan-India transition from BS-IV grade auto fuels directly to BS-VI fuels a full fortnight ahead of the timeline - Digboi Refinery was the first to become BS-VI compliant in August 2019 followed by Mathura and Panipat refineries in January 2020. This was followed by the other remaining refineries, and the upgraded fuel was made available through the Company's fuel stations across the country with effect from 16th March 2020, ahead of 1st April 2020, the deadline stipulated by the Government of India. This transition has taken just three years for us. The new fuel will result in reduction in NOx in BS-VI compliant vehicles, by 25 per cent in petrol cars and by 70 per cent in diesel cars.
- ◆ Commissioning of India's first transnational Motihari-Amlekhganj products pipeline to Nepal eight months ahead of schedule - This is South Asia's first cross-border oil pipeline, allowing the landlocked Himalayan nation to receive uninterrupted supply of petroleum products. With this pipeline, two million tonnes of clean petroleum products will be available to the people of Nepal at very affordable rates.
- ◆ Your Company has incorporated a JV, IHB Private Ltd., in July 2019, along with Bharat Petroleum Corporation Ltd. and Hindustan Petroleum Corporation Ltd., for building and operating an LPG pipeline from Kandla in Gujarat to Gorakhpur in UP. The pipeline will be directly linked with 22 LPG bottling plants en route. Upon completion, this single pipeline will have a throughput capacity of 8.25 million tonnes of LPG annually, which is about one-third of India's extant LPG demand. It is also envisaged to link this pipeline with the under implementation "augmentation and extension of existing Paradip-Haldia-Durgapur LPG pipeline" in future to create an integrated East-West LPG pipeline grid for the country. The 193-km long Durgapur-Banka section of the 679-km long Paradip-Haldia-Durgapur LPG Pipeline augmentation project was recently inaugurated by the Hon'ble Prime Minister. Pipeline infrastructure creation is essential to sustain current LPG penetration level of 98%.
- ◆ IndianOil's presence in Natural Gas business has been strengthened with sales registering a growth of 19% year-on-year
- ◆ About 1,400 new fuel stations were commissioned, the highest number in the industry, which included 664 Kisan Seva Kendra in rural areas and 273 CNG-dispensing stations
- ◆ 125% of the overall Capex target of Rs. 25,084 crore was achieved in 2019-20.

Among the major achievements for the year were:

- ◆ Commissioning of Polypropylene plant at Paradip Refinery and IndMax unit at Bongaigaon Refinery
 - ❖ The Polypropylene plant at Paradip is another step towards IndianOil's vision of expanding its Crude Oil-to-Chemicals (COTC) value-chain

Your Company introduced several innovative and pioneering products & services in the market during the year, chief among them being

- ◆ An IMO-compliant low-sulphur (0.5%) marine fuel and lubricants
- ◆ A special winter-grade BS-VI diesel for the high-altitude regions of the Himalayas

“Crude Oil-to-Chemicals (COTC) is a technology frontier to capture the opportunity presented by the immense potential in petrochemicals demand. IndianOil refineries at Panipat and Paradip would achieve a Petrochemical Intensity Index (PII) of 15-20% with the completion of the ongoing projects.”

- ◆ The Company took a significant step in promoting bio-fuels in the country during the year with the commencement of sale of Compressed Bio-Gas or CBG with the brand name 'IndiGreen', under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of the Government of India. CBG is similar to CNG but is a renewable fuel produced from organic waste. Sale of 'IndiGreen' was initiated from select fuel stations at Pune and Kolhapur. With the commissioning of a CBG plant at Namakkal by IOT Biogas Pvt. Ltd. in June 2020, CBG retailing has begun from five more fuel stations in Tamil Nadu.
- ◆ A diesel exhaust fluid under the brand name IOC Clear Blue was launched, that can further reduce exhaust emissions
- ◆ IndianOil's differentiated LPG with the brand name Indane "Xtra Tej" was launched during the current month. This LPG with nano-additives is meant for non-domestic customers and will yield approx. 5-8% savings in fuel consumption over normal LPG. As of now, Indane XtraTej is being offered to customers at the same price as that of normal LPG.

Several breakthroughs have boosted the Company's business potential overseas:

- ◆ In a first-ever overseas agreement of its kind, your Company's IndMax technology was licenced to M/s. NIS of Serbia for improving propylene yield at their refinery at Pancevo
- ◆ Acquisition of equity stake in Phinergy, an Israel-based company specialising in Aluminium-Air battery systems for automobiles, through IOC Sweden AB, a wholly-owned subsidiary
- ◆ Formation of a JV company with M/s. Al-Jeri of Saudi Arabia for developing a retail network in Saudi Arabia and other countries in the region, through IOC Middle East FZE

Several innovative initiatives were launched to optimise operations and expand the scope and scale of the Company's business:

- ◆ Diversification of sources and upgradation to trading desk mechanism in procurement of crude oil helped enhance flexibility and best price discovery

Your Company made good progress in sustainable development and alternative, renewable energy initiatives:

- ◆ A 2G-ethanol production plant of 100 kl per day capacity is coming up at Panipat, with bio-waste as feedstock.
- ◆ As a stepping stone to become a plastic neutral company, Indian Oil's R&D Centre has developed in house novel process technology called 'INDEcoP2F Technology' for conversion of waste plastic into fuels like LPG, Gasoline and middle distillates through delayed coker unit. The successful demo run of the technology has recently been completed at our Digboi Refinery.
- ◆ Work has commenced on a Bio-fuels Complex at Gorakhpur. A Rs.150 crore plant is being set up in the first phase to process 200 tonnes per day of rice-straw, cattle dung and press mud into CBG. A 2G-ethanol plant of 100 kl capacity will come up in the second phase
- ◆ Technical pathways have been developed for reuse of waste plastic in various ways – in laying of bituminous roads, manufacture of special-grade bitumen, poly-bags and paver blocks, and also for gainful use in the secondary process units of refineries
- ◆ An agreement has been signed with the US Trade & Development Agency (USTDA) for grant of US\$ 5 lakhs in support of a feasibility study of the project on carbon dioxide capture from Gujarat Refinery and its utilisation for enhanced oil recovery at the Gandhar oil fields of ONGC.

OUTLOOK FOR THE YEAR

Now, let me brief you on the outlook for the current year.

At the peak of the national lockdown, India's petroleum products consumption plunged to 9.4 million tonnes in April 2020, from 16



million tonnes in the previous month. With gradual easing of the lockdown, the numbers improved to 15.6 million tonnes in July 2020, still lower by 12.3% compared to July 2019. During the current month, Petrol demand has climbed back to pre-covid levels while Diesel demand is still lower by around 9%.

LPG demand stood its ground during April-August 2020, with a growth of 6%.

Aviation sector being the worst hit, ATF demand shrank by 90% in April 2020 but slowly recovered to 38% of August 2019 levels in August 2020.

Your Company's financial performance in the quarter April-June 2020 showed signs of improvement despite lockdowns during April-May 2020. Total Income in Q1 was Rs. 89,579 crore with a Profit After Tax of Rs. 1,911 crore.

FUTURE TRENDS IN OIL & GAS SECTOR

Now a word about the future trends in the oil & gas sector in the long-term.

The negative impact of Covid-19 on economic activity, corporate profitability and investments is translating into a tepid domestic POL demand in the short-term. Behavioural shifts and realignment of businesses may even have a medium to long-term impact on energy demand growth and energy mix of the future.

Demand for natural gas and petrochemicals too has seen a downswing in the short-term, with the exception of certain grades of polymers used in health & sanitation and packaging of essential commodities.

In the long-term, revival of economic growth and GDP, passenger and freight movement, and urbanisation will drive energy demand, as also the country's ongoing efforts to provide energy access to the common man. With resumption of economic growth and industrial revival, we foresee growing demand for natural gas and petrochemicals too over the long-term.

At the same time, India's growth potential driven by domestic demand is seen to be intrinsically robust, fully backed by the Government's focus on boosting manufacturing to increase its contribution in the country's GDP.

“The IndianOil Board has accorded its approval for implementation of Petrochemical and Lube Integration at Gujarat Refinery at an estimated cost of Rs. 17,825 crore. The integration of Polypropylene and Lube Oil Base Stock (LOBS) units will enhance the petrochemical and specialty products integration index of Gujarat Refinery to 20.7% on incremental throughput.”

Plans for the energy needs in post-Covid growth also need to take into account the country's aspirations with respect to reduction in import dependence in oil & gas. This necessitates investments in novel energy delivery pathways and leveraging domestic capabilities.

Your Company, therefore, recognises transition to cleaner and greener fuels and energy alternatives, driven by policy and technology changes, as a reality of the future. Therefore, its long-term strategy would be to continue to meet the country's oil & gas demand growth while at the same time aligning its business initiatives and investments with the emerging trends of energy transition.

INDIANOIL'S GROWTH AGENDA

Let me now briefly outline your Company's growth agenda.

At IndianOil, we strongly believe that energy in its various forms is essential for human progress. And our job, as 'the energy of India,' is to deliver what the customers want, where they want.

And we are confident that petroleum fuels still have a long way to go before others overtake them. This confidence is backed by projections from almost all the reputed agencies monitoring the sector.

Your Company takes pride in marketing 28 types of oil & gas products, over 450 grades of lubricants & greases, about 53 types of petrochemical intermediates and polymer grades, etc., through its own network of nearly 53,000 customer touch-points.

The Covid-19 crisis has showcased your Company's commitment to customer service and the robustness of its countrywide infrastructure in maintaining the supply line in every nook and corner of the country.

“IndianOil would focus on entry into new segments like polyester filament yarn, polyester staple fibre, polybutadiene rubber and ammonium thiosulphate along the COTC value-chain.”

We had been, and will continue to be, an integral part of national programmes for inclusive growth, like the Ujjwala LPG scheme. And also Government initiatives to reach out to the poor and the downtrodden, especially in times of national emergencies, like free LPG refills under Pradhan Mantri Garib Kalyan Yojana.

CONSOLIDATION OF CORE BUSINESS

With its frontline role in India's energy security vision, your Company is on track to achieve its capital expenditure target of Rs. 26,233 crore in the current fiscal. With the easing of lockdown from mid-April 2020 onwards, all possible efforts were made for commencement of on-site project activities. As on 15th August 2020, IndianOil has restarted 2,814 projects with a combined cost of Rs. 2.05 lakh crore.

Among the major refinery projects of your Company under execution is capacity expansion of Barauni Refinery from the current installed capacity of 6 million tonnes per annum to 9 million tonnes per annum, together with a petrochemicals complex.

With the ethos of Make in India in perspective and to address the ever-increasing demand for specialty chemicals, your Company is implementing specific projects like the ethylene glycol project at Paradip Refinery; acrylics/oxo-alcohol project at Gujarat Refinery; needle coke production at Paradip Refinery; PX-PTA plant at Paradip and capacity expansion of the naphtha cracker and PX-PTA plant at Panipat Complex. These mentioned projects have an estimated outlay of Rs 28,869 Crores.

Crude Oil-to-Chemicals (COTC) is a technology frontier to capture the opportunity presented by the immense potential in petrochemicals demand. IndianOil refineries at Panipat and Paradip would achieve a Petrochemical Intensity Index (PII) of 15-20% with the completion of the ongoing projects. As a long-term strategy, your Company plans to enhance its petrochemicals integration to about 14 to 15% of PII on a corporate basis by the year 2030.

In fact, today, the IndianOil Board has accorded its approval for implementation of Petrochemical and Lube Integration at Gujarat Refinery at an estimated cost of Rs. 17,825 crore. The integration of Polypropylene and Lube Oil Base Stock (LOBS) units will enhance the petrochemical and specialty products integration index of Gujarat Refinery to 20.7% on incremental throughput.

Your Company is already the second largest player in petrochemicals in the country, with production capabilities in LAB, glycols, butadiene, PX-PTA and a wide range of polymer grades. For the future, we would focus on entry into new segments like polyester filament yarn, polyester staple fibre, polybutadiene rubber and ammonium thiosulphate along the COTC value-chain.

Major pipeline projects of your Company under implementation include the Paradip-Hyderabad products pipeline; augmentation of the Paradip-Haldia-Durgapur LPG pipeline and its extension to Patna and Muzaffarpur. Additionally, in order to supply natural gas to various consumers in Tamil Nadu and Karnataka, IndianOil is laying a 1,244-km pipeline of R-LNG from Ennore terminal. This pipeline will serve as the key enabler for development of City Gas Distribution (CGD) networks in the region.

Your Company's pipelines network grew by over 400 km last fiscal to span more than 14,600 km in length. With ongoing pipeline projects in different stages of execution at an investment of Rs. 24,000 crore, the network is set to expand to 21,000 km, excluding CGD and JV projects.

IndianOil is part of a joint venture, Indradhanush Gas Grid Ltd., with ONGC, OIL, GAIL and NRL as partners, to develop a 1,656-km gas grid connecting the seven State capitals of the North-east. The Cabinet Committee on Economic Affairs has in January 2020 approved viability gap funding of 60% of the estimated cost of Rs. 9,265 crore for this project.

Work is also in progress on your Company's LPG import facilities at Paradip and Kochi; several grassroots LPG bottling plants; upcountry terminals/depots; and other activities under city gas distribution.



“ Our R&D Centre is focussed on making significant contribution in developing Hydrogen Economy infrastructure in the country. ”

All these projects are crucial from the perspective of addressing the country's future energy needs as well as employment generation, with focus on Atmanirbhar Bharat.

SCALE-UP OF OTHER VERTICALS

Going beyond its core strengths in oil refining and marketing, your Company has reshaped its business profile with ambitious forays into vertical integration and diversification.

With a growing portfolio of oil & gas assets in India and abroad, your Company's participating interest in 12 overseas blocks has already translated into production levels of 4.3 million tonnes of oil equivalent in 2019-20. We are evaluating more upstream assets across the globe that have lower breakeven cost of production, substantial reserves and resource base, and are techno-commercially viable.

Natural Gas is proving to be another major value-driver of the future, with enormous growth potential. It is gaining most relevance in the Indian context in the short-term, given that it is the only option that can be scaled up in line with the country's growing energy demand. Increasing its share in the nation's energy mix from the current 6% to 15% by the year 2030 will also help address India's sustainability goals.

With sales of 4.7 million tonnes of LNG in 2019-20 (including own use), your Company has established itself as the second largest player in natural gas in India. We are now scaling up investments in LNG import terminals, cross-country pipelines and CGD infrastructure. IndianOil already has 40 Geographical Areas (GA) in its CGD ambit. We are also looking at opportunities in small-scale LNG dispensing and mobile CNG dispensing for promoting gas as a green transportation fuel.

Your Company is also developing three natural gas pipelines –Mehsana-Bhatinda, Bhatinda-Jammu-Srinagar and Mallavaram-Bhopal-Bhilwara-Vijaipur – through JVCs.

SUSTAINABILITY IN PERSPECTIVE

IndianOil prides itself for its strong environment conscience that drives its sustainability agenda. The Company's business strategy focusses on offering cleaner conventional fuels, renewable energy, operational & supply chain excellence, energy conservation and mitigation of greenhouse gas emissions. From rollout of BS-VI fuels to seeding the Indian energy market with compressed bio-gas (CBG), the Company is committed to align its operations and products towards achieving India's targets under the Sustainable Development Goals (SDGs) and the Paris Agreement.

GROWTH IN SYNC WITH THE EMERGING ENERGY LANDSCAPE

IndianOil's business objectives are closely aligned with the country's aspirations for growth and sustainability in the emerging energy landscape. The Atmanirbhar Bharat initiative, encompassing a Rs. 20 lakh crore fiscal stimulus package, is poised to lead the post-Covid recovery. There are several other policy-drivers that provide a broad framework for enhanced economic activity in the future. They include thrust on a gas-based economy, bio-fuels, renewables and infrastructure growth through Smart Cities Mission, Bharatmala and Sagarmala.

Your Company is gearing up with great zest in the bio-fuels space, emboldened by the renewed policy thrust on modern bio-energy. We have been raising the percentage of ethanol-blending in petrol gradually over the years. We are now aggressively promoting the use of compressed bio-gas, 2-G ethanol and bio-diesel produced from used cooking oil, besides integrating our refinery processes with bio-fuels production.

Your Company sees compressed bio-gas as a game-changer in view of the nature of localised self-sufficiency it offers. In fact, CBG can address multiple energy objectives, like energy access, energy security, energy sustainability and beyond. Large-scale adoption of CBG can not only bring down dependency on crude oil imports

significantly but also enhance farmers' income, rural employment and entrepreneurship. It will also address the problem of air pollution from stubble-burning. Considering this, your Company has issued Letters of Intent (LOIs) to prospective entrepreneurs for setting up 321 plants as on 31.08.20 for production and supply of 0.8 million tonnes per annum of CBG.

An expression of interest has also been issued for procurement of bio-diesel produced from used cooking oil, with guaranteed off-take for 10 years.

With electric mobility gaining traction from a sustainability perspective, your Company is focussing on value creation through collaborations in the EV space. We have already set up EV-charging and battery-swapping facilities at select retail outlets, and plan to scale up this high-potential segment. We are also evaluating different advanced battery technologies and intend to set up a metal-air battery-manufacturing facility for EVs as well as for stationary applications.

In the long run, your Company also intends to develop fuel cells and indigenous Hydrogen storage solutions for promoting green mobility. Our R&D Centre is pursuing research in this area and is focussed on making significant contribution in developing Hydrogen Economy infrastructure in the country. H-CNG studies currently underway on BS-IV CNG engines have shown promising results in improvement of their emission profiles with slight modifications. IndianOil is operating two Hydrogen-dispensing stations with on-board Hydrogen production (from electrolysis of water) and compression facility.

IndianOil R&D Centre is equipped with cutting-edge research facilities on fuel cells, that is, for both Proton Exchange Membrane (PEM) and Solid Oxide fuel cells. Extensive research is also going on to back-integrate our own products like petcoke and polymers for deployment in fuel cells. With refineries presenting a very attractive case for acting as Hydrogen production and supply centres, IndianOil is looking forward to pioneering the deployment of fuel cell technology in the country.

Our R&D Centre is also working on carbon dioxide-to-lipids conversion pathways, further strengthening its position in advanced bio-fuels research.

With this, I can say with confidence that IndianOil's growing bouquet of energy offerings will have a prominent place for transition fuels. And our retail outlets of the future will be 'energy pumps' that offer a wide assortment of cleaner, greener and more efficient fuel options to millions of our customers.

Together with emphasis on digitalisation for added efficiency in operations and optimisation of resources, these efforts shall sustain our growth and competitiveness in the years to come.

A RESPONSIBLE CORPORATE: NURTURING THROUGH CSR

The ethos of 'Pehle Indian Phir Oil' is equally showcased by our Initiatives in CSR which are focused on nurturing and social enablement of the weakest sections of the society through education, skilling and health. In compliance to Department of Public Enterprises (DPE) guidelines issued from time to time for CSR Expenditure by Central Public Sector Enterprises (CPSE), IndianOil spent ₹455 crore (which is 84% of total CSR expenditure for the year) on thematic areas i.e. School Education, Healthcare and Nutrition in FY 2019-20.

Under Education, your Company's Vidushi initiative is providing free residential coaching to girls from far-flung areas and from the lower strata of society, to help them get admission into prestigious engineering institutes like IITs, NITs, CETs, etc. In 2019-20, 70% of our Vidushi girls have cleared the JEE Mains in the results declared on 11th Sept 2020.

Another initiative in the area of technical education, the Institute of Chemical Technology, Mumbai-IndianOil Odisha Campus (ICTM-IOC) has been set up at Bhubaneswar in 2018, in collaboration with ICT Mumbai. ICTM-IOC offers 5-year integrated M.Tech, 2-year Executive M.Tech and Ph.D. programmes. The institute aspires to be a high-end R&D & innovation hub in chemical engineering, petrochemicals,



textiles and pharmaceuticals, and eventually shape into a Centre of Excellence in chemical engineering & technology.

In the field of skilling, your Company had set up a Skill Development Institute (SDI) at Bhubaneswar for providing vocational training to unemployed and under-privileged youth. So far, over 2,200 youth have been skilled, certified and helped in job placement. A mega campus of the institute is being set up at Taraboi, Odisha, to elevate it into a world-class skills academy.

To provide primary healthcare in rural areas, IndianOil Aarogyam, a flagship CSR scheme was launched in 2018-19, which has been operating since then. Twelve Mobile Medical Units, each with a 4-member medical team are operating in the catchment areas of 3 Refinery Units, i.e. Mathura (Uttar Pradesh), Bongaigaon (Assam) & Paradip (Odisha).

OUR STARS SHINING IN THE SPORTS ARENA

IndianOil has been promoting sports and sportspersons for the last two to three decades now. It is extremely satisfying to see our budding sportspersons grow into international champions.

You will be happy to know that our international champions, Mr. Rohit Sharma (cricket) and Ms. Manika Batra (table tennis) received Rajiv Gandhi Khel Ratna Awards; Mr. Divij Sharan (Tennis) and Mr. Chirag Shetty (Badminton) received Arjuna Awards; and Ms. Trupti Murgunde (Badminton) received Dhyanchand Award under National Sports Awards-2020 of the Government of India.

“With refineries presenting a very attractive case for acting as Hydrogen production and supply centres, IndianOil is looking forward to pioneering the deployment of fuel cell technology in the country.”

SUMMING UP

To sum up, I strongly believe that India's energy demand is poised for robust growth in the long-term. And that disruptions like Covid-19 will only change the form in which the energy demand manifests itself. In the light of the evolving energy dynamics, IndianOil envisions leading the energy transition with the following roadmap:

- ◆ Calibrated expansion of refining capacity, with focus on improvement in margins and value-added products along the crude oil-to-chemicals (COTC) value chain
- ◆ Aggressive growth in the natural gas vertical – from sourcing to supply & distribution among diverse segments
- ◆ Judicious investments in high-potential oil & gas assets overseas
- ◆ Innovative energy solutions for mobility in the form of CBG, EV-charging infrastructure, advanced battery technologies, Hydrogen, H-CNG, fuel cells, etc.
- ◆ Enhanced synergy with group companies & subsidiaries, and fruitful partnerships for growth and competitive advantage
- ◆ Leadership in petroleum R&D, digitalisation and least-cost-last-mile delivery
- ◆ Environmental stewardship with sustainable operations and inclusive energy basket

All these elements have the potential to accelerate the pace of your Company's transition to a bright future and enhance stakeholder value.

In the end, I would once again reiterate that your Company is not just one of India's iconic corporates. It is a company that has been delivering on national priorities, and in national emergencies, for over six decades. A company that has been partnering the nation in inclusive growth programmes. A company with presence in every city, highway, village and hamlet. And a company with a spirited team that is ready to go the extra mile at all times.

It is a company forever committed to the philosophy of 'Pehle Indian, Phir Oil.' With a mission to serve the nation with 360-degree energy solutions.

CORPORATE GOVERNANCE

Now, a word about Corporate Governance, a key driver of sustainable growth at IndianOil. Good corporate governance practices enable the Company to attract valuable resources, which are leveraged to maximise stakeholder value, while taking care of the interests of multiple stakeholders and society at large.

IndianOil and IndianOilPeople are guided by the values of collaborative spirit, dedication and expert thinking. These values are core to our operations. Your Company has created an eco-system for preventive vigilance leading to the highest standards of integrity. In challenging times, the principles of Corporate Governance become the guiding light for IndianOil.

Your Company complies with the guidelines issued by the Department of Public Enterprises as applicable to public sector undertakings, the details of which are provided in the Corporate Governance Report forming part of the Annual Report.

ACKNOWLEDGEMENTS

On behalf of the IndianOil Board, I convey my sincere appreciation of the unstinted support and cooperation of IndianOil employees during the year, and their dedicated efforts in ensuring uninterrupted supply of petroleum products across the country during the lockdown period. The extended IndianOil family of channel partners and their teams deserve rich compliments for standing by your Company and helping maintain the supply line in these challenging times of Covid-19.

The Board is grateful to the Government of India, particularly our parent ministry, the Ministry of Petroleum & Natural Gas, for their continued valuable support and guidance.

Our sincere thanks to various State Governments, Union Ministries of Road Transport & Highways and Environment & Forests; the Comptroller & Auditor General of India; Central Vigilance Commission; Petroleum Planning and Analysis Cell; Oil Industry Development Board; Oil Industry Safety Directorate; Centre for High Technology; Petroleum & Explosives Safety Organisation; other regulatory bodies and statutory authorities; banks and financial institutions for their guidance and valuable support.

I also express my gratitude to all our customers, contractors and vendors for their continued patronage and support to the Company.

The Board also wishes to place on record its deep appreciation of the valuable contributions made by Mr. Sanjiv Singh, Mr. B.V. Rama Gopal, Mr. Ashutosh Jindal, Mr. Parindu Bhagat and Mr. Ashish Chatterjee during their tenure on the Board of the Company.

In the end, I thank each and every one of you, our valued shareholders, for joining us here today and look forward to your continued support in strengthening and improving your Company's performance in the coming years.

Date: 21st Sept. 2020

(Shrikant Madhav Vaidya)
Chairman

(Note: This does not purport to be report of the proceedings of the Annual General Meeting)



Indian Oil Corporation Ltd.

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