



**INDIAN OIL CORPORATION LIMITED
CORPORATE OFFICE – HR DEPARTMENT**

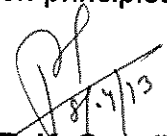
**Sadiq Nagar, J.B. Tito Marg,
New Delhi-110049**

Statement of Director (Finance) of Indian Oil Corporation Limited pledging continued support to Global Compact Program of United Nations

As a conscientious and responsible global Corporate Citizen, IndianOil is aware of its responsibility towards the rights of the current as well as future generations. Our present business practices as well as the vision are accordingly synergized with sustainability initiatives.

We take pride in the fact that our corporate strategies are aligned with the national priorities and envision a greater societal role in future to accomplish the cherished goal of a truly developed India, where all sections of citizens live with dignity. The Mission statement of IndianOil, "...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience..." succinctly portrays the importance IndianOil bestows on its social commitments.

Indian Oil Corporation Limited renews its commitment to the Global Compact Program of the United Nations and will endeavor to abide by all its ten principles through its policies, products, services, people and processes.


(P. K. Goyal)
Director (F)

Fuelling a Billion Aspirations



Sustainability Report 2011-12





Brand Indane now Delivers at the Highest Village in Asia

LPG supplies to Komic, a small village in Kaza town of Lahaul Spiti District of Himachal Pradesh.



**First Aadhaar
based biometric
authentication for
delivery of domestic
LPG pilot launched
at Venus Gas in
Mysore by IOCL**



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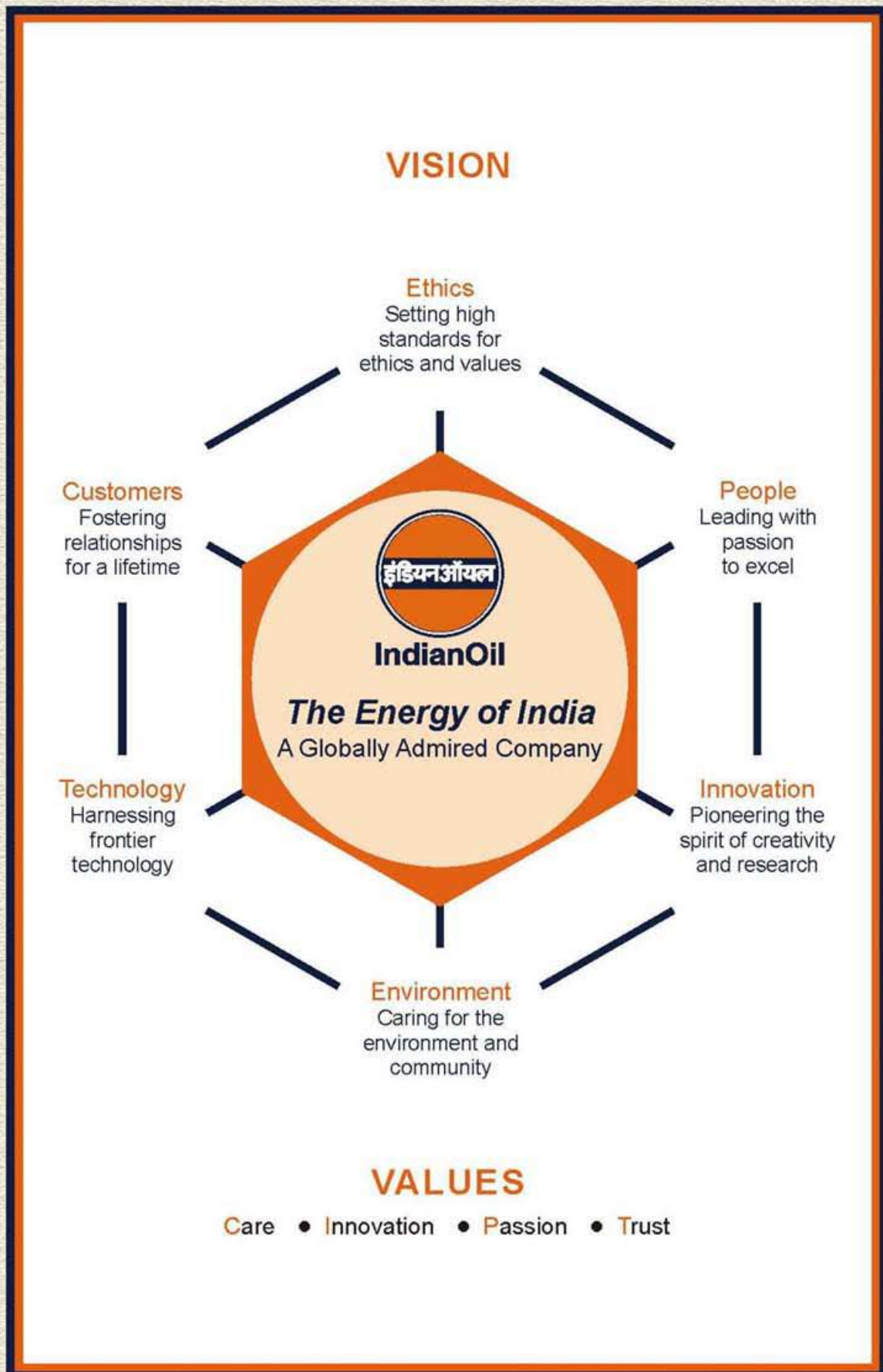
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IndianOil at a Glance

IndianOil is India's flagship national oil company, with business interests that straddle the entire hydrocarbon value chain - from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas as well as marketing of natural gas and petrochemicals. IndianOil is the highest ranked Indian corporate in the prestigious Fortune 'Global 500' listing, ranked at the 83rd position in the year 2012.

REFINERIES

IndianOil owns 10 of India's 22 refineries, including the 2 refineries of its subsidiary CPCL at Chennai and Nagapattinam, accounting for about 31% of the national refining capacity. The 8 refineries at Mathura, Panipat, Haldia, Barauni, Guwahati, Bongaigaon, Gujarat and Digboi recorded the highest ever refinery throughput of 55.62 MMT during the year 2011-12 surpassing the previous best of 52.96 MMT achieved last year. IndianOil's refineries have also recorded the lowest ever specific energy consumption of 57 MBN against earlier lowest of 59 in 2010-11.

PIPELINES

IndianOil and its subsidiary (CPCL) account for 71% downstream sector pipelines capacity in India. The pipeline network is the largest in the country and meets the vital energy needs of the consumers in an efficient, economical and environment-friendly manner. IndianOil's cross-country network of crude oil, product and gas pipelines, spanning 10,909 km, achieved the highest ever throughput of 75.55 million tonnes of crude oil and petroleum products as against 68.51 million tonnes in the previous year. The gas pipelines achieved a throughput of 671 MMSCM in 2011-12 vis-a-vis 344 MMSCM in 2010-11.

MARKETING

IndianOil reaches petroleum products to millions of people every day through an unmatched countrywide distribution network of 37,000 touch points, corresponding to about 55% of the industry infrastructure and 49% market share for petroleum products. IndianOil maintained its leadership position during the year, achieving domestic sales of 68.10 million tonnes of petroleum products vis-a-vis 65.31 MT in 2010-11, registering a growth of 4.3%. The retail outlet network has reached 20,575 including 4,225 KSKs with the commissioning of 1,205 retail outlets during the year including 731 Kisan Seva Kendra (KSK) outlets. 57.55 lakh new Indane LPG customers were enrolled during the year taking the customer strength to 668.2 lakh. 128 new regular and 377 rural LPG distributorships under the Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY) were commissioned during the year.

A growth of 2.6 % was registered in finished Lubricants sale. IndianOil continued to be a market leader in the aviation fuel business with a 61.7% market share during 2011-12.

RESEARCH & DEVELOPMENT

IndianOil places significant thrust on knowledge and research based growth. In the lubricant technology development area, endeavours were continued to maintain primacy of the flagship brand - SERVO. The R&D Centre developed 154 product formulations during the year and obtained 63 approvals/recertification from Original Equipment Manufacturers (OEMs) / customers / Defence. During the year, 15 Patents were filed. Of the 6 patents granted, 2 were Indian, 1 U.K., 1 U.S.A., 1 Chinese and 1 Singapore.

EXPANDING BUSINESS

PETROCHEMICALS

IndianOil is uniquely poised to take full advantage of the growth opportunities in petrochemicals business. During the year, IndianOil sold 1.473 MMT of petrochemical products in the domestic market, registering a 62% growth. During the year, four new grades of polymers were launched and 15 OEM approvals were obtained for Polymer products. IndianOil's petrochemicals export witnessed record sales of 76 TMT in 2011-12 against 30 TMT during 2010-11. World-scale mega petrochemicals plants for LAB, PX/PTA and Naphtha Cracker have already been established at its Refineries. IndianOil is envisaging an investment of Rs 30,000 crore in the petrochemicals business in the next few years.

GAS

IndianOil has co-promoted Petronet LNG Limited (PLL) and set up Liquefied Natural Gas terminals at Dahej & Kochi. Green Gas Ltd- IndianOil's joint venture with GAIL (India) Ltd. for citygas distribution is a rapidly growing segment. Empowered by its vast experience of constructing and maintaining of oil pipelines, IndianOil has made initial forays in the development of cross country gas pipelines in partnership with other State/Central entities. In a major step to increase IndianOil's presence in natural gas industry, the Corporation is currently setting up a 5 MMTPA LNG import terminal at Ennore near Chennai which is targeted for completion in 2015-16. Sale of LNG through the 'LNG at Doorstep' initiative recorded 14.6 TMT sales, registering a year-on-year growth of 82%. During the year, gas sales registered a significant growth of 27% with sales of 2.90 MMT (includes 1.18 MMT for internal consumption) as against 2.28 MMT (includes 0.64 MMT for internal consumption) in the previous year.

EXPLORATION & PRODUCTION

To enhance upstream integration, IndianOil has been increasing exploration portfolio, acquiring producing fields and enhancing exploration activities etc. while making concerted efforts to become an Operator. IndianOil has been in the upstream business for more than a decade and is holding 23 blocks/assets, which include 10 overseas acreages and 13 domestic blocks. IndianOil's E&P portfolio contains two Type 'S' on land blocks in Cambay basin in India where it is an independent operator with 100% participating interest. Recently concluded farm-in deal in Carrizo Oil & Gas Inc.'s producing oil shale asset in the United States has provided equity producing reserves for IndianOil. IndianOil has also been pursuing various acquisition opportunities in India and abroad under the NELP rounds by GoI. This approach has added one heavy oil development field namely Carabobo Project-1, Venezuela, expected to start production from April 2013 and has potential peak production of about 400,000 bpd by 2019. IndianOil is also in the process of creating its own geotechnical manpower workforce, which would be ready to take up activities ranging from preliminary exploration to development and production in upstream. Existing manpower is being deputed as well as being provided training/exposure at various projects/ongoing exploration sites including IndianOil's own operatorship blocks to develop confidence and expertise.

ALTERNATE ENERGY

IndianOil's commitment to sustainable development and its vision of being the 'Energy of India' have motivated its initiatives into the alternate energy such as Bio-fuels, Wind, Solar & Nuclear Power. IndianOil has set up a 21 MW wind power project in Gujarat which has been operational since January 2009. The project has been registered as a CDM project in May 2011. The second wind power plant of 48.3 MW in Andhra Pradesh is presently under implementation. IndianOil

won the competitive bid to install a 5 MW solar power project in Rajasthan under the Jawaharlal Nehru National Solar Mission Phase I Batch I. The solar power project was commissioned in February 2012.

Energy crop plantations on 8000 ha wasteland with an approximate plant population of about 60 lakh has been undertaken as of 2011-12 by IndianOil and its JV companies to generate feedstock for biodiesel production. About 1.2 lakh mandays of employment was generated at the grass-root level in 2011-12. Additional benefits include green belt development on wasteland, improvement in microclimate, carbon sequestration and soil & water conservation.

Also, IndianOil has set up a JV company with Nuclear Power Corporation of India Ltd. to put up a 2 X 700 MW Nuclear Power Plant at Rawatbhata, Rajasthan, with Pressurised Heavy Water Reactor (PHWR) technology. The project is scheduled for completion by 2016-17.

IndianOil has set up its subsidiaries in Sri Lanka, Mauritius and the United Arab Emirates (UAE) and is simultaneously scouting for new business opportunities in the energy markets of Asia and Africa. The exploration overseas portfolio includes nine blocks spanning Libya, Iran, Gabon, Nigeria, Timor-Leste, Yemen and Venezuela. IndianOil is associated with two successful discoveries in oil exploration blocks, one each in India and Iran. The operations of its subsidiary companies are as follows :

IndianOil (Mauritius) Ltd. : Terminalling, Retailing & Aviation refueling.

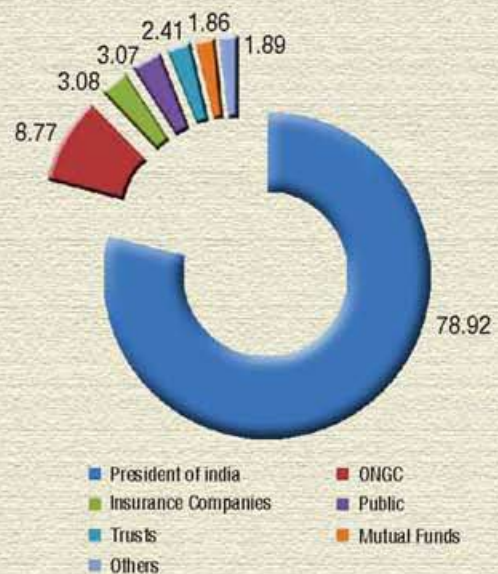
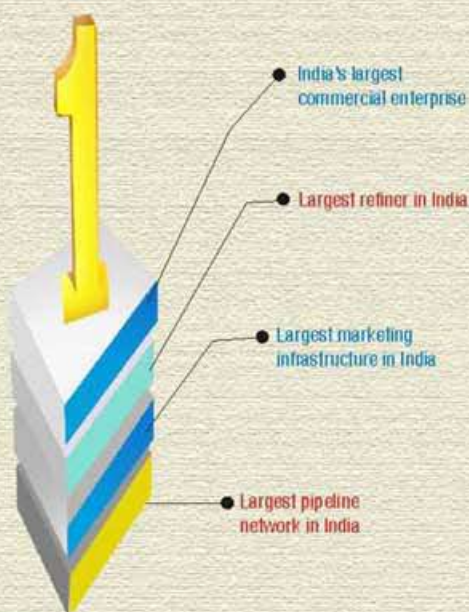
Lanka IOC PLC : Retailing, Terminalling & Bunkering

IOC Middle East FZE : Lube blending & Marketing of Lubricants.

IOC Sweden AB : Investment company for E&P Project in Venezuela.

Charters & Memberships

Council of Indian Employers (CIE), India	IndianOil Foundation, India
World LP Gas Association, Paris	Petroleum Federation of India (PetroFed), India
Standing Conference of Public Enterprises (SCOPE), India	National HRD Network (NHRD)
Indian Institution of Industrial Engineering ASSOCHAM / FICCI	Confederation Indian Industry (CII)
Institute of Chartered Accountants of India (ICAI)	TERI-Business Council for Sustainable Development
All India Management Association (AIMA)	Petrotech Society
United Nations Global Compact (UNGC)	International collaborations (U21 Global Universitas, Singapore, ifp School France, etc.)
Project Management Associates (PMA)	Transparency International India
Indian Institute of Management (IIMs)	Indian Institute of Technology (IITs)



Shareholding



R.S. Butola,
Chairman, IndianOil

“At IndianOil our endeavour is to create a sustainable business model in a manner that maximizes the services of our products while minimizing the throughput of resources”

Chairman's Message

The year 2011-12 has been a year of mixed outcomes for IndianOil with many ups but also a few downs. One thing, however, remains constant and that is IndianOil's commitment to sustainability and sustainable development. Stakeholder's perception has a huge bearing on the performance, products and profits of an organisation, IndianOil has therefore adopted Sustainability and Sustainable Development as the necessary ingredients of its operations and conduct of business. At IndianOil our endeavour is to create a sustainable business model in a manner that maximizes the services of our products while minimizing the throughput of resources.

The Sustainability Report 2011-12: Fuelling A Billion Aspirations, the seventh report in the series, gives a glimpse of IndianOil's performance on various sustainability parameters. This is also the first Sustainability Report of IndianOil prepared as per Global Reporting Initiative version 3.0 (GRI-G3) with external assurance by Det Norske Veritas AS and A+ rating.

As a leading supplier of refined petroleum products across the length and breadth of India, for over five decades and as an emerging but strong player in other forms of energy, expectations are high from IndianOil. This is a daunting task given the very nature of our products and processes and impact of environmental externalities on the same. In this background it is a matter of pride that we have been rated among the very best.

IndianOil is also presently undergoing a corporation-wide ecological footprint exercise. Activities like rainwater harvesting, promoting energy/water efficiency, making major events carbon neutral, responsibly managing waste and generating awareness on sustainability and related issues are being pursued pro-actively. To promote transparency in our approach towards sustainability, we have also participated in the Carbon Disclosure Project (CDP) India 2012.

Large-scale investments have been made in improving and expanding our pipeline network, which is safer and greener mode of transportation of liquid fuels. Our refineries have been constantly implementing various schemes that have resulted in improved energy efficiency. The energy consumption factor of IndianOil's refineries is among the best in the country. This has resulted in improved environment and at the same time enhanced profitability and productivity of the refineries. As a strong believer in the potential of renewable energy, we have continued to reinforce our presence in the field. IndianOil came up with its first 5MW grid-connected solar power project during the year. We have also strengthened our efforts in the decentralised solar arena, replacing consumption of diesel generators through solar photo voltaic systems at IndianOil's retail outlets across India. While augmenting its existing wind power capacities with a project in Andhra Pradesh, we are currently executing projects which will take our wind power capacity to near 100 MW. Our presence in Biofuels remains intact. We

are certain that with greater emphasis on fuel blending along with appropriate technological intervention for domestic feedstock generation and next-generation biofuels, our experience and immense infrastructural investments in the field would be suitably rewarded in the coming future.

Customer satisfaction and thus earning his/her loyalty is the basic core of our function to which we accord utmost priority. Ensuring timely delivery of quality products in the desired quantity is the buzz word around which we focus our service and product delivery.

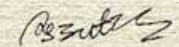
In this regard, our latest initiative is to automate our entire distribution chain and terminal & depot facilities for continued high level service and improving our customer connect.

Our efforts are not limited to greening of our own operations but also to improve the environmental footprint of the consumers of our products. More and more cities in India are now provided with BS-IV compliant auto fuels. We are also committed to supplying more green fuels like natural gas, Auto Gas, Industrial LPG and Hydrogen-CNG (HCNG) as part of our green business expansion.

Research & Development is a special dimension of our efforts in pursuit of long term competitive edge encompassing our existing and newer businesses such as petrochemicals and green fuels. Our R&D efforts are increasingly striving for amalgamation of environmental and economic sustainability objectives by developing energy-efficient and greener technologies and products. In line with this, IndianOil has already initiated research work in Alternative Energy and Green Technologies for reduction of the carbon footprint. These initiatives include Gasification, Hydrogen and Fuel Cell, Biofuels, Solar, Shale Oil and also Oil Shale as India is bestowed with some good reserves of Oil Shale.

Our sustainability focus with augmented R&D effort is poised to maintain our lead in the energy business even in the emerging green space.

We welcome you to continue this dialogue with us by offering your comments, suggestions and questions. Please send us your thoughts at sustainability@indianoil.in



(R.S. Butola)
Chairman

Scope, Boundary, Materiality, Limitations & Completeness

This Sustainability Report, prepared as per GRI G3.0 framework gives an expansive outlook including statistics, on the Corporation's proactive initiatives on social, economic and environmental aspects for the year 2011-12. The endeavours and compliances showcase the sincere collective efforts of the IndianOil team that is steadfast on the path of sustainable development.

The reporting takes the discerning reader through the domestic business horizon of IndianOil, primarily carried out through its four functions, viz., Refineries, Pipelines, Marketing and R&D. We have also given a peek into the Corporation's recent growth drivers beyond the core business viz., Alternate Energy & Sustainable Development, Petrochemicals, Oil Exploration & Production (E&P) and Gas Marketing.

This report does not include the performance of IndianOil's joint ventures and subsidiaries.

Our various stakeholders and readers of this report may appreciate that:

- ▶ IndianOil has vast and significant operations at different consumer locations known as direct customers (viz., Railways, Defence etc. and private industries) where we do not have operational control. Hence, the consumers have not been considered in the boundary of the report.
- ▶ The energy consumption and GHG emission data pertains to the scope 1 and 2 emissions of only the 8 Refineries at Panipat, Mathura, Gujarat, Haldia, Barauni, Bongaigaon, Guwahati and Digboi, under the operational control of IndianOil and excludes all locations under the Pipelines, Marketing and R&D divisions and IIPM. The data for waste water and effluents also pertains to the 8 refineries while water consumption data pertains to the entire organisation. The mammoth carbon accounting exercise for all the 500 plus locations within the marketing and pipelines divisions spread across the length and breadth of the country is currently being undertaken and emission data for these would be reported in the subsequent reports.

- ▶ The earnest intention of publication of this report is to suitably reflect the material risks and challenges inherent in each of the Company's business functions.

While compiling this report, IndianOil has carefully focused on the material aspects of its vast gamut of activities that come within the scope of corporate responsibility. The Company has been constantly engaging with all its stakeholders through various channels of dialogue, stipulations, and advice from time to time. The Government of India owns a majority of IndianOil shares at 78.92%. The Board of Directors of the Company discharges its responsibilities through the devolution of powers under several provisions of empowerment conferred upon it from time to time. The Government of India, besides issuing administrative and functional directives, has also formulated several policy guidelines that significantly impact the Company's operations and its socio-economic-environmental programmes. These issues have been paid assiduous attention while drawing the blue-print for the materiality of the report.

The completeness principle requires that the assurance process evaluate the extent to which the reporting organisation can identify and understand its sustainability performance associated with activities, products and services, for which it has management and legal responsibility. This report aims to properly reflect the implications, risks and challenges inherent in each of the Company's business functions. This Sustainability Report has been assured by M/s Det Norske Veritas AS as per AA1000AS (2008) with type 2 moderate level of engagement and GRI G3 principles.

Recognitions

- ▶ IndianOil has been ranked 285 in the Forbes Global list of 2000 biggest public companies and is in the top 10 of the India list.
- ▶ At 83rd rank, IndianOil is the country's highest ranked enterprise in the Fortune Global 500 list.
- ▶ IndianOil bagged the coveted Corporate Sustainability Vision Award 2012, instituted by the Indian Chamber of Commerce.
- ▶ IndianOil won the prestigious Asia's Best Employer Brand Awards 2011 in two categories - Excellence in Training and Excellence in HR through Technology at Singapore in recognition of its efforts to build a strong employer brand.
- ▶ The Corporation has bagged the third South-East CEO Awards 2011 in the category of Liquid Storage Company of the Year (Bunker) in recognition of IndianOil's efforts, innovations & excellence in improving product and service offerings as a major player in marine fuels.
- ▶ For the third time in a row, IndianOil was accorded the prestigious 'Business Superbrand' status by the Superbrands Council of India.
- ▶ The Corporation was also recognized as Asia's Most Preferred Brand (Petroleum, Oil & Gas) at the Asian Leadership Award hosted by the Asian Confederation of Business at Dubai.
- ▶ Acknowledging its excellent performance on several key parameters, IndianOil has been honoured with the India Pride Gold Award in Oil & Gas category, instituted by the Dainik Bhaskar Group to recognise excellent performance by the Public Sector Undertakings in their area of activities.
- ▶ At the World HRD Congress, IndianOil was awarded for Excellence in Training, Talent Management and Excellence in HR through Technology.
- ▶ IndianOil's XtraPower Easy Fuel Card was adjudged the Best Prepaid Gift Programme at the Prepaid Awards India 2012.
- ▶ For the fourth successive year, IndianOil bagged the Asia Retail Congress Award for Retail Excellence for the 'Rural Impact' category for its innovative rural initiative, Kisan Seva Kendra (KSK), special format petrol/diesel stations in rural areas.
- ▶ At the Employer Branding Awards 2012, IndianOil was felicitated as one of the top five Best Employer Brands.
- ▶ Fortune India has ranked IndianOil in the top 20 in 'India's 50 Most Admired Companies.'
- ▶ IndianOil won the prestigious Hart Energy Award for its contributions towards a cleaner environment. The Corporation was announced as the winner in the Refining & Energy Company of the Year awards category at the World Refining & FUEL conference held in San Diego.
- ▶ At the PetroFed awards 2011, IndianOil was declared as the Leading Oil & Gas Corporate of the Year, Oil & Gas Marketing Company of the Year and Project Management (above Rs. 2000 crore) - Company of the Year.
- ▶ IndianOil showed exemplary performance in the Annual Corporate Listings of Businessworld (BW500), Business Today (BT 500), Financial Express (FE 500) and Economic Times (ET 500).
- ▶ In the Platts 250 Global Energy Company rankings for 2010, IndianOil has been ranked 3rd in the Refining and Marketing category globally and 9th in overall performance in Asia. In the overall global rankings, the Corporation has moved to the top 50 this year, at 42nd position compared to 78 last year.



3271

**INDIAN
CHAMBER OF COMMERCE
CALCUTTA**

RAJEEV SINGH
Director General

February 27, 2012

**Corporate Governance
&
Sustainability Vision Awards**

Dear Mr. Butola,

This is in reference to the **Corporate Governance & Sustainability Vision Awards** held on 20th February 2012 at New Delhi.

At the outset, I would like to congratulate you for being selected as a winner in this prestigious Award.

We truly believe that your esteemed organization has done a remarkable work in the field of Sustainability and Governance. I am sure under your indomitable leadership it will achieve many more milestones.

Congratulations once again.

Warm regards,

Yours Sincerely,

Dr Rajeev Singh

Mr R.S Butola
CMD
Indian Oil Corporation Ltd

Enclosure: Laminated Summit photograph

ICC Towers - India Exchange
4, India Exchange Place, Calcutta-700 001 Telephone 2230 4088, Fax : 2231-3377, e-mail : sg@indianchamber.net

Our Offerings



Travel more. Save more.
Switch to Autogas. Always cheaper than petrol.

Auto LPG from IndianOil
autogas
EXPERIENCE THE ECO-DRIVE

Available in 100 cities in India

Ekdam tez service ka logo
Have. Tigger. Hain.

IndianOil XTRAPREMIUM

SERVO
100% PERFORMANCE. EVERYTIME.

YOU NEED MORE THAN A PAIR OF EYES TO SEE INDIA.



You need fuels that share your passion.



It is the passion to seek places that often don't exist in maps that separate travellers from tourists. The hunger to get lost, only to find your true self; the quest to make strangers friends for life; the dream to reach places which were once inaccessible. Now all it takes to fulfill your wanderlust are fuels that can take you to places that match your passion. XTRAPREMIUM petrol and XTRAMILE diesel from IndianOil. Enhanced with special additive that cleans your engine on the drive, giving you the benefit of extended engine life, smoother drive, lower emissions and overall better drivability. So switch to XTRAPREMIUM petrol and XTRAMILE diesel and simply go places.

**Cleaner Engine • Better Pick-up
Smoother Drive • Lower Emissions**

XTRAPREMIUM
Petrol With Super Cleaners
The best your vehicle can get



XTRAMILE
SUPER DIESEL

A perfect gift for this festive season.

IndianOil **XTRAPOWER** Easy Fuel Card.

IndianOil XTRAPOWER Easy Fuel Card

- Instant activation and top-ups
- Web-based monitoring of usage
- Accepted at over 6500 IndianOil Retail Outlets across India for fuels and lubricants
- Fully secure
- 24 x 7 Toll-free Helpline

www.iooxtrapower.com | Email: custserv@iooxtrapower.com

IndianOil XTRAPOWER EASY FUEL

FOR A BETTER TOMORROW

CAR-POOL TODAY

Car-pool and save fuel

Triple Bottom Line Performance 2011-12

ECONOMIC

Turnover	Rs Crore	4,09,957
Revenue	Rs Crore	4,34,509
Tax paid	Rs Crore	78,914
Net profit	Rs Crore	3,955
Earnings per share	Rs	16.29
Dividends	Rs Crore	1214

ENVIRONMENT

Total energy consumption	TJ	2,29,302.78
Total GHG emissions in CO ₂ equivalent *	MMTCO ₂ e	14.26
Primary emissions into the atmosphere - SO ₂ *	MT	33,687
Primary emissions into the atmosphere - NO _x *	MT	91,417.68
Pollutants discharged - SPM *	MT	4,066.80
Hazardous waste : Oily Sludge	MT	15,208.46
Water Consumption	M ³	9,03,95,092.40

SOCIAL

Employee Strength	No.	34,233
% of Women	%	7.83
Women on the Board of Directors	%	15.79
Voluntary social Expenditure	Rs Crore	82.73

*(Data pertains to 8 refineries)



New Projects (2011-12)

COMPLETED PROJECTS

- ▶ Diesel Hydro Treatment (DHDТ) Project at Bongaigaon Refinery
- ▶ MS Quality Upgradation Project at Bongaigaon Refinery
- ▶ Sulphur Recovery Unit IV at Mathura Refinery
- ▶ Augmentation of Chennai-Trichy-Madurai Pipeline from 1.8 MMTPA to 2.3 MMTPA
- ▶ Pipeline from North Oil Jetty to Paradip-Haldia-Barauni Pipeline, Paradip
- ▶ Automation of various product storage terminals
- ▶ Automation of Retail Outlets

ONGOING PROJECTS

- ▶ 15 MMTPA Grassroot Refinery at Paradip, Odisha
- ▶ Revamp of Fluidised Catalytic Cracking Unit (FCCU) at Mathura Refinery
- ▶ Coke chamber replacement & DCU modernisation at Guwahati Refinery
- ▶ Butadiene Extraction Unit (BDEU) at Panipat Refinery
- ▶ Butene-1 Project at Panipat
- ▶ Cauvery Basin Refinery Trichy Product Pipeline
- ▶ Viramgam-Kandla Branch Pipeline
- ▶ Augmentation of Paradip-Haldia-Barauni Pipeline
- ▶ Augmentation of Chennai-Bangalore Pipeline
- ▶ Construction of tanks and blending facility at Vadinar
- ▶ Paradip-Raipur-Ranchi Product Pipeline and associated ToP
- ▶ Debottlenecking of Salaya-Mathura Pipeline
- ▶ Integrated Crude Oil handling facilities at Paradip
- ▶ Paradip-Haldia-Durgapur LPG Pipeline
- ▶ Mourigram-Kolkata Airport ATF Pipeline
- ▶ Noonmati-Guwahati Airport ATF Pipeline
- ▶ New Tap Off Point at Jasidih, Jharkhand
- ▶ Modernisation of Lube Blending Plant, Trombay
- ▶ Remodelling & Automation for Allahabad Terminal

PROJECTS UNDER CONSIDERATION

- ▶ Distillate Yield Improvement project at Haldia Refinery
- ▶ INDMAX project at Bongaigaon Refinery
- ▶ Capacity Expansion of Gujarat Refinery to 18 MMTPA
- ▶ LPG Pipeline from Kandla to Panipat
- ▶ Paradip-Cherlapalli Pipeline
- ▶ Ennore-Pondicherry-Trichy LPG Pipeline

Retail Network Expansions

Network expansion in 2011-12	Numbers added during the year	Cumulative numbers as on 31.3.2012
Regular Retail Outlets (including KSKs)	1,205	20,575
Kisan Seva Kendra (KSK outlets)	731	4225
Indane LPG Customers (no. in lakhs)	57.55	668.20
LPG Bottling Plant Capacity (TMTPA)	667	6,178
Regular LPG Distributorships	128	5,412
RGGLVY Distributorships	377	530+

Over 37000 touch points accounting for 52% of Industry's Retail Network Infrastructure

Product Sales

Product	2011-12 (Million Tonnes)	2010-11 (Million Tonnes)	% Growth
Liquid Petroleum Gas	7.05	6.59	6.90
Naphtha	3.18	2.55	24.70
Motor Spirit	6.67	6.34	5.20
Aviation Gas/Aviation Turbine Fuel & Jet Fuel	3.41	3.13	8.80
High Speed Diesel-R	25.14	22.91	9.70
High Speed Diesel-D	8.95	8.67	3.20
Fuel Oil	3.72	4.50	- 17.40
Lubes/Greases	0.53	0.55	- 2.80
Others	11.58	11.59	- 0.10
All, Excl. LNG	70.23	66.85	5.10

Materiality Issues

IndianOil adopts robust systems and procedures to identify, prioritise and address the needs and concerns, catering to all our stakeholders, internal as well as external to the company. The process of mapping the expectations of the stakeholders and aligning them in the company's strategy by the management at the corporate level is our key focus. We identify issues by monitoring stakeholder's expectations and concerns

through direct dialogue, public debate, legislation, international agreements and surveys. IndianOil adopts the Precautionary Principle in addressing the environmental issues by adopting a proactive approach and going beyond compliance of CPCB standards in effluent management and SO₂ emissions at refinery locations.

MATERIAL ISSUES - ECONOMIC

Issue	Action for Mitigation
1. Uncertainty of price of crude oil	Efforts made to have alternate overseas crude supply points; acquiring versatile crude processing capabilities.
2. Geo-political incidents affecting availability of raw materials as major input i.e. crude oil, is imported.	We plan to diversify global fuel centres and secure E&P assets in countries having low geo-political risks; converting domestic E&P potential into tap-off points.
3. Fluctuating foreign exchange rates	Efforts are in place to further optimise the crude basket, minimize inventories, pursue higher value products and cost reductions.
4. Government policies on subsidies	IndianOil, jointly with OMCs is constantly following up with the Government of India.
5. Unavailability of finished products at distribution points	Pre-monsoon and pre-winter stocking of petroleum products at designated storage points located in difficult hilly terrain areas ensures product availability in the areas which experience isolation through seasonal disruptions in transportation links. We have a transport emergency management plan to effectively handle supply crisis situations.

MATERIAL ISSUES - ENVIRONMENT

Issue	Action for Mitigation
1. Water use for the refinery processes	81.45% of the refinery water is being reused. Effluent treatment plants (ETP) are established at all the refineries. More than 200 rainwater harvesting facilities are installed at various units.
2. Pollution/ GHG Emissions	Regular monitoring and checks are conducted at all installations as per Pollution Control Board (PCB) guidelines and necessary actions are taken. IndianOil has put up 5 MW solar power plant, 21 MW wind farm and is coming up with 75 MW wind farms, and off-grid renewable initiatives like Retail Outlet Solarisation, Solar heaters, Solar lighting, etc to offset the emissions.
3. Energy Consumption	The Energy Conservation (ENCON) projects implemented during the year resulted in fuel savings of about 95,800 Standard Refinery Fuel Tonne (SRFT), valued at about Rs 340 crore. As a result of various energy conservation measures undertaken, the energy index in terms of MBN of IndianOil refineries during the year came down to 57 from 59 in the last year. Apart from these, all the locations are taking up energy reduction targets and initiatives like Energy efficient buildings, offgrid solarisation projects etc.
4. Waste Management	Many waste recycling projects are implemented such as Organic waste converters and buy-back policies of waste materials for responsible disposal.

	Waste water is processed in the effluent treatment plants for reusing the water and discharging as per Minimal National Standard (MINAS).
5. Supply Chain Management	<p>With more than 37,000 marketing touch points, 10,903 km of pipeline and 8 refineries, supply chain management is a major task.</p> <p>Systems are integrated centrally and monitored.</p>
MATERIAL ISSUES - SOCIAL	
Issue	Action for Mitigation
1. Transparency in operations	<p>IndianOil is a signatory of the UN Global Compact and Transparency International India.</p> <p>The existing e-Payment process has been extended to more banks and over 98.5% of payments were made through the electronic mode. Similarly, around 85% of total collections from the customers were made through an e-Collection module. The e-Tendering application was also adopted as a procurement solution which enabled significant efficiencies.</p> <p>IndianOil has taken up initiatives to promote transparency such as "LPG Transparency Portal" which benefits over 6 crore Indane customers giving them details of their LPG supplies at the click of a button at the designated portal.</p>
2. Health, Safety and Environment (HSE)	Health, Safety and Environment department is a well established department across IndianOil. HSE department establishes and maintains good standards for safety of the people, the processes and the assets of IndianOil installations. It also complies with all rules and regulations on safety, occupational health and environmental protection.
3. Gender sensitivity, safeguarding the interests and rights of women employees	<p>IndianOil conducts special seminars and conferences for its women employees. It also provides special benefits to them.</p> <p>IndianOil has established 17 women's Cells across the company, each of which is headed by an organisational level person known as the Apex Level WIPS (Forum of Women in Public Sector) Leader.</p>
4. Training and Development	<p>Trainings are the integral part of IndianOil Career Development Plan.</p> <p>Developmental and functional trainings are provided to employees regularly for skill enhancement.</p>
5. Affordability of petroleum products	IndianOil strives to provide best priced fuel to the consumers. Regular customers are benefited with number of schemes and concepts. KSK and RGGLVY are some of the initiatives in this direction.



Business Risks

OPERATIONAL THREATS

There are Operational threats like new developments taking place in Oil and Gas exploration and refining technologies.

Businesses are susceptible to macro threats like physical calamities due to drastic climate change and extreme weather events. IndianOil's refineries and major installations, particularly those located in coastal areas need to gear up to meet these kind of threats.

In addition to climate change threats, there is also a need to maintain highest standards of safety and security at all our installations.

The oil and gas sector is particularly vulnerable to sectoral threats like depletion of resources. Global oil and gas crises and political uncertainties is a matter of

SECTORAL THREATS

MACRO THREATS

concern for this industry. Speculations have increased the cost of crude which in turn is affecting the refining margins.

As per the 'Risk Management Policy' of IndianOil, a 'Risk Management Compliance Board' is in place. A meeting of Senior Officials of IndianOil (typically Heads of Departments of Executive Director rank) is convened once every quarter to assess various risks (both internal & external, including climate change related risks) to the Corporation and are categorized as 'A' and 'B' category risks. This committee debates these issues threadbare and devises action plans to mitigate them. These are presented to the Executive Committee, which consists of Chairman and functional Directors of the Board.

MAJOR RISKS

1. Profit erosion due to government policies: under recoveries due to product pricing
2. Threat to market share due to competition
3. Availability of LPG
4. Inventory Loss due to Crude price movement
5. Cost and time overruns in completion of refinery and pipeline projects
6. Safety and security of property and people
7. Diversification Risks-Petrochemicals, E&P & Bio fuel
8. Exposure to borrowings and foreign exchange fluctuations
9. Non-availability of adequate skill sets
10. Erosion in Refining Margins
11. Non-recovery/ delays in recovery of outstanding dues resulting in blockage of working capital

MINOR RISKS

1. Investments in Subsidiaries and Joint Ventures
2. Loss of sensitive information and Security & Safety of Information System
3. Tax disputes and litigation
4. Limited efforts in new innovations and long term research
5. Non-Compliance with operating guidelines

In addition to the above issues identified as risks as per the Risk Management Policy of IndianOil, the following are the material issues:

1. Supply shocks- Raw material availability from overseas and indigenous sources: Disruption attributable to suppliers viability, Crude oil quality, Geo-political incidents impacting crude oil availability.
2. Supply shocks-Finished products availability at storage and retail points: disruption of road, rail and pipeline transportation links due to natural calamities, and emergencies impacting sales and distribution of finished products.
3. Greening of products and product supply chains-environmental obligations: achieving and demonstrating sound environmental performance by minimizing impact of operations and products on the environment in light of environmental regulations regarding:
 - ▶ Reducing emissions
 - ▶ Energy efficiency
 - ▶ Water consumption
 - ▶ Waste management
 - ▶ Renewable energy
4. Optimal use of resources to achieve efficiency and reduce waste.
5. Technological innovation for remaining competitive.
6. Retaining talent (manpower).
7. Availability of natural resources like water due to climate change impacts.
8. Conservation of biodiversity.
9. Harmonious relations with surrounding communities and peaceful Industrial Relations.

POLICY CHALLENGES AND RISKS

High Debt level: During 2011-12, the high crude oil prices coupled with the weakening of the Rupee against the Dollar put pressure on the Corporation's costs. With price control operative on Diesel, LPG (Dom) & SKO (PDS), during the course of the year, IndianOil operated in a situation where price of these products was lower than the desired price. As there was a significant time lag between incurrence of under-recoveries and cash compensation provided under the Burden Sharing Mechanism of the Government, IndianOil's borrowings from the market rose for meeting the working capital requirement. Further, with high interest rates in the country as a result of anti-inflationary policy measures, the debt servicing burden has also been rising.

Geo-Political: The escalation of geo-political tensions as witnessed during the year, not only adversely affect prices but also risk long held supply relations.

Rupee Depreciation: The weakening of the Rupee against the Dollar during the year escalated

Corporation's crude oil costs. Exchange rate movements will continue to be a serious area of concern for the Corporation given its high and growing import dependency.

High Domestic Inflation: In the context of high domestic inflation, passing of high international crude prices to the consumers has become increasingly difficult. Should the inflation levels in the economy remain high it would act as a major deterrent for market determined petroleum product prices. The continuation of a confluence of high domestic inflation & high international crude oil prices poses considerable business challenge.

Safety & Security: For the Corporation's pan India refinery, marketing & pipeline infrastructure safety and security is a priority concern at all times and at all locations. Given the hazardous nature of products handled the Corporation is fully committed to compliance to all guidelines with respect to health, safety & environment.

Stakeholder Engagement

At IndianOil, we have robust systems and procedures to identify, prioritise and address the concerns of all our key stakeholders in our business activities as well as at the corporate level. Over the years, the stakeholder engagement process has evolved based on mutual trust and respect.

The major stakeholder groups for IndianOil are its Shareholders, Customers, Employees, Government Bodies/Departments, Financial Institutions, Subsidiaries, Joint Ventures, Dealers/Distributors and academic institutes.

STAKEHOLDERS

The philosophy of customer relationship so valued by IndianOil has been extended to investor relationships as well. The company has also constituted a Shareholders / Investors Grievance Committee (SIGC) of Directors to redress complaints of investors such as transfer or credit of shares to dematerialized accounts, non-receipt of dividend / notices / annual reports and so on.



The quarterly, half-yearly and annual results of the Corporation are published in leading newspapers in India. The results are also displayed on the Corporation's Website <http://www.iocl.com>. Presentations made to the Institutional investors and analysts after declaration of the quarterly, half-yearly and annual results are also available on the Corporation's website.

Through our relationship-building process, we not only strengthen our bonds with the customers, but also build and nurture them through specific service commitments. This is coordinated through our 'Key Accounts Managers', a set of dedicated group of officers at different locations across the company. Our relationships with bulk customers is regularly assessed by

senior officers of the company during periodic reviews and corrective actions are initiated on a priority basis.

We also meet the bulk petroleum requirements of many Government Organisations (viz. Defence, Railways, State utilities, Transport undertakings, Paramilitary groups etc.)

IndianOil is also the sole canalizing agent for the petro-goods requirements of neighbouring countries like Nepal and Bhutan.

Seminars, workshops, co-ordination meeting and trainings are some of the few forums where we engage with our bulk customers like Defence, Railways, Airlines, Power Plants, Cement Plants and Fertilizer Plants etc. Retail customers of Petrol, Diesel, LPG, Lubricants are informed through Safety clinics and campaigns conducted from time to time.

A customer satisfaction survey is conducted regularly through the services of an independent consultant. Our commitment to forging relationships has helped us secure strong customer loyalty.

RESELLERS

The Dealers and Distributors are our most important business partners. It would not be wrong to say that they form the face of IndianOil in the market place.

The reseller network is serviced through dedicated officers at Sales Offices and Supply Locations. They have access to their accounts through internet on the web portal of IndianOil.

The Dealers & Distributors are engaged through structured meetings like Dealer/Distributor Conventions, Gold Circle Dealer Conventions, KSK Conventions, and Indane Star Distributor Conventions at the State level. Gold Circle and Indane Star are forums of high performing resellers at the State Level for interacting with State Level management and raising the bar of customer service. The Chairman's Panel comprising of high performing dealers and distributors at the national level is an important forum for interaction between our resellers and the top management.

EMPLOYEES

IndianOil has a strong workforce of 34,233. It offers a unique work culture based on trust, openness and a commitment to innovation and creativity and consultation. Bright and professionally qualified people are recruited for its executive cadre through open and campus recruitment. A plethora of opportunities is offered across more than 600 locations including refineries, pipeline terminals, marketing units such as LPG Bottling Plants, Bulk Storage Terminals, Aviation

Fuel Stations, Retail/Consumer/Lubricants sales groups and at the R&D Centre. Career growth opportunities are based on the individual's performance and contribution to the common organisational goal.

The Chairman and Functional Directors, apart from their routine interactions with employees during the course of normal work, communicate through, periodic publications like the Chairman's 'Straight Talk, Face-to-Face interactions and Divisional Communication Channels.

To improve the level of engagement, a number of new initiatives like on-boarding and welcoming of newly recruited executives, mentoring etc, have been initiated.

The channels for employee communication have been revamped and e-platform has been created in the form of a 'Discussion Forum' on the intranet for exchange of views and ideas amongst the employees.

The employees have been empowered to forward their grievances directly to the Director (HR) through the 'Personnel Touch' forum.

Since the implementation of the workers' participation in management scheme, the emphasis has been on sharing information with the collectives (Worker's Unions & Officers' Association) in seeking their continuous support and co-operation at various levels in managing the challenges being faced by the Corporation.

The participative culture is further augmented in the form of Works Committees, Canteen Committees, Grievance Committees, Safety Committees, House Allotment Committees, Super-annuation Benefit Fund Trust, EPF Trust, Joint Management Councils and other similar committees.

To develop an inclusive, collaborative and shared mindset amongst the employees, the management holds Structured Communication Meeting with both Workers' Unions and Officers' Association at regular intervals.

The general information shared in these meetings is on Corporate Financial Highlights, Performance Highlights of Corporation and the Divisions, Future plan outlay, Progress of major projects, new frontiers, globalization and diversification, Key corporate challenges and expectations from collectives in achieving the goals.

These meetings essentially have 'Open House' sessions during which, the collectives raise queries or make suggestions related to business strategies, employee related issues, etc. The queries are directly responded to by the Chairman and Directors. These meetings are also webcast to the benefit of a large number of employees connected online.

The Corporation has taken initiatives for the implementation of Total Productive Maintenance (TPM) in the Refineries for leveraging the inherent strengths of the people, changing the work culture and improving operating & maintenance practices.

A well-thought system for acceptance, evaluation and rewarding the creative ideas coming from employees has been laid out under the 'IndianOil Suggestion Scheme'. This improves the ownership of the employees and their involvement with the Corporation.

Employees' families are invited to participate in the functions like IndianOil Day, Republic Day, Independence Day, where Long Service Awards, meritorious children awards are given to eligible employees and their children. These functions are held each year covering all the units and employees.

IndianOil engages with a wide range of organisations to help provide a focus and leadership in different areas.

IndianOil closely works with a host of organizations through its memberships. The company is nominated on number of occasions by the Government of India as a nodal agency to work on an industry basis in different research works and the implementation of projects of national interests.

COMMUNITIES

IndianOil has a policy of engaging with local communities in the areas in which they operate. IndianOil's concerted social responsibility programme partners communities in health, family welfare, education, environment protection, provision of clean drinking water, sanitation and empowerment of women.

ACADEMIA

To meet the emerging challenges of post-deregulated era of the oil sector, IndianOil set up the IndianOil Institute of Petroleum Management (IIPM) as an apex centre for learning in 1995. The only one of its kind in the petroleum sector, IIPM aims to create a vibrant bank of knowledge managers to lead the Indian energy companies. IIPM has been conducting globally benchmarked international business management programmes for executives along with various management development programmes.

PARTNER/SUPPLIERS

IndianOil partners, subsidiaries, and its vendors are also stakeholders.

HOW DO WE ENGAGE?

Effective stakeholder engagement depends upon relationships built on honest, timely, and transparent communication.

The way we engage with each stakeholder group varies, depending on the local, business-specific or global nature of our relationship with them. In all cases, we aim

to be open and transparent in our discussions, aiming to resolve issues in a manner that meets our stakeholders' expectations and our business objectives.

We value feedback from our stakeholders and use the information to review and refine our business goals and approach. These changes are integrated into our continuous improvement processes and are regularly reassessed as part of our standard business practices.

Customer Education
Programs / Meet /
Grievance
Redressal Forums

Employee Meet /
Engagement Survey

Meets with Government
bodies/Departments

Dealer/Distributor
Conventions

Transporters Meet

Suppliers /
Vendors Meet

Others (Academic Institutions, Local Communities, Charitable Trust, Financial Institutions, Media)

OUR COMMITMENTS

- ▶ **Towards customers and dealers:** To provide prompt, courteous and efficient service and quality products at competitive prices.
- ▶ **Towards suppliers:** To ensure prompt dealings with integrity, impartiality and courtesy and help promote ancillary industries.
- ▶ **Towards employees:** To develop their capabilities and facilitate their advancement through appropriate training and career planning. To have fair dealings with recognised representatives of employees in pursuance of healthy industrial relations practices and sound personnel policies.
- ▶ **Towards community:** To develop technoeconomically viable and environment-friendly products. To maintain the highest standards in respect of safety, environment protection and occupational health at all production units.
- ▶ **Towards Defence Services:** To maintain adequate supplies to Defence and other para-military services during normal as well as emergency situations.

Our Actions

STAKEHOLDERS

MEDIUM OF ENGAGEMENT

Shareholders/ Investors

Shareholders/Investors Grievance Committee (SIGC)
Publishing quarterly, half-yearly and annual results in newspapers
Website
Investor Service Cell
Presentations to Institutional Investors / Analysts
Dedicated e-mail

Customer/ Consumer

Continuous dialogue and open channel communication by feedback collation through call centre and official websites. All feedbacks are electronically tracked till its resolution.
For direct customers: organize seminars, workshops, co-ordination meeting and training formidable network of customer touch-points.
20,575 petrol and diesel stations, including 4,225 Kisan Seva Kendra (KSKs) in the rural markets, 5,412 Indane distributorships and more than 530 RGGLVY distributorships.
Over 37000 sales points, backed for supplies by bulk storage terminals and depots, aviation fuel stations and LPG bottling plants.
Structured meetings, Dealer/Distributor Conventions, Gold Circle Dealer Conventions, KSK Conventions, Indane Star Distributor Conventions.

Employees

Structured periodical staff meetings to discuss various issues.
New Vision: 'Bottom Up Approach' to formulate vision as 'shared vision'
Employee engagement programs: Display of monthly Bulletin on location's / employees achievements -production, employee related information / notice and photographs etc, Display of notices, Bulletins, posters and messages from Chairman, Directors of the Company, Birthday greetings to employees/information sharing through e-magazine 'IndianOil express', celebration of national events, Farewell functions for superannuating employee.
Surveys, Discussion forums and 'personnel touch'
Dissemination of important information on Corporate financial and operational performances, achievement of significant milestones, future plans, new steps, challenges being faced and ahead, expectations of collectives in achieving the goal etc is done through a open house sessions with Chairman and Directors.
Suggestion schemes/ Quality circles and TPM groups

Communities

Regular interactions with the communities to fulfill their needs
Local Community meetings
Community Development Programmes

Business partners

Relationship requirements

Engagement level

Distributors	Operational matters	Head Office, Regional Office, State Office, Unit Level
Dealers	Operational matters	Head Office, Regional Office, State Office, Unit Level
Transporters	Operational matters	Head Office, Regional Office, State Office, Unit Level
Government & Regulatory authorities	Policy issues, compliance, product pricing, MOU targets, Performance Review meetings	Corporate, Head Office, Regional Office, State Office, Unit level
Subsidiaries/ Joint Ventures	Synergy in operations	Corporate level
Vendor/Supplier	Operational matters	Head Office, Regional Office, State Office, Unit level
Business Analysts	Competitive reports, Industry Trends	Corporate & Head Office level
Academic Institutions	Operational Synergy	Corporate & Head Office level
Lenders including Institutional Investors, Retail Investors, Banks & Financial Institutions	Investment, Business Plans, Sustainability Performance	Corporate level
Media	Annual Reports, Business plan, Events	Corporate level

Community Engagement

Community development/awareness programs were implemented in villages enroute Right of Way (ROW) to create public awareness on national importance of petroleum product pipeline and disastrous effect in case of any untoward incident like leakage, burst etc in mainline and causing long term damage to

environment. Pocket calendars with "Do's & Don'ts" of mainline are distributed among the villagers.

Safety and conservation programmes are conducted near installations spreading safety and health awareness amongst communities.



KEY CONCERNS RAISED BY STAKEHOLDERS

Unions: The Long Term Settlement signed with the Unions had provided for introduction of a new Pay Grade and the migration of workmen from the highest Grade to the newly evolved Grade is under discussion. This has been the main concern of the Unions apart from their routine demands.

IOOA: The Pay revision provided for Cafeteria Approach to regulating allowances @ 50 % of Basic Pay. The Government guideline in the matter of implementing the provision has been a matter of concern for the Association and they have been representing to the Government on the issue. They are also concerned about growing inequity between pay revision of officers as compared to workmen and consequent anomalies in pay.

Marketing HO Consumer Sales: Stakeholders have raised commercial considerations in terms of discounts and credits from the Corporation which are suitably addressed keeping in view Corporation's own resource concerns.

INDIANOIL'S COMMUNITY-FOCUSED INITIATIVES

- 1) Allotment of petrol/diesel station dealerships and LPG distributorships to beneficiaries from among Scheduled Castes, Scheduled Tribes, Physically Handicapped, ex-servicemen, War widows, etc.
- 2) Unveiling of Kisan Seva Kendras as small-format retail outlets to reach quality products and services to people in the rural areas.
- 3) Setting up of the Indian Oil Foundation (IOF) as a non-profit trust to protect, preserve and promote national heritage monuments.
- 4) Supporting a variety of endeavours in arts, culture, music and dance, apart from organising programs under its own banners of IndianOil Art Exhibition, IndianOil Sangeet Sabha and IndianOil Kavi Sammelan.

Sustainable Development

Economic development alone is no longer viewed as a strategy for poverty reduction and well-being of society. The economic goals are intertwined with social and environmental goals. This realization is also the guiding force behind IndianOil's commitment to build a strong sustainable business that is firmly rooted in the community and demonstrates concern for the environment.

The Renewable Energy & Sustainable Development (RE&SD) department has been set up at the corporate level with designated nodal officers at Divisional level to drive & implement the sustainable development action plan. The main objectives of this plan are to minimize GHG and other emissions from our operations, making IndianOil water positive and responsibly managing the waste. Efforts are being made to improve resource efficiency in operations, especially for key resources like energy and water and adopt the "3-R" (reduce, reuse and recycle) philosophy for all types of wastes. Efforts are being made to treat waste water and maximising re-use. Sustainability professionals are being recruited to create a cadre of trained manpower. A Board-level committee for Sustainable Development is being formed to monitor and guide the sustainable development activities in the Corporation.

In our resolve to integrate sustainability with our core business and for attaining transparency in communicating our efforts in this direction, IndianOil has participated in the Carbon Disclosure Project of 2012. This is the first time that our Corporate

Sustainability Report is also undergoing third party assurance and verification. IndianOil has been associating itself with various industry bodies and task forces working in the area of sustainable development and climate change.

Further, there is growing policy thrust on initiatives in the domain of sustainability. Through its Memorandum of Understanding (MoU) with the Public Sector Undertakings, the Government of India has been bringing enhanced focus on sustainable development and CSR activities. This is a welcome step; IndianOil has already incorporated targets pertaining to these areas in its MoU with the Government. The main areas where annual performance targets have been set are:

- ▶ Footprinting exercise for measuring GHG emissions, water consumption and waste generation across all business units of the Corporation.
- ▶ Rainwater harvesting
- ▶ All major events in the Corporation are made carbon neutral by calculating the carbon emissions resulting from the event and planting of requisite number of trees to offset them.
- ▶ Awareness generation workshops on Sustainability.
- ▶ Retail outlet/KSK Solarisation by installation of SPV modules to provide solar energy in lieu of power from diesel gensets during power outages.

Sustainability Performance - Achievements for the year 2011-12

Parameter	Target (No.)	Achievement (No.)
Organising Carbon neutral Events	10	18
Rainwater Harvesting projects undertaken at locations.	35	46
Retail Outlet Solarisation projects undertaken.*	100	103
Awareness generation workshops on sustainability.	15	30
Carbon footprinting exercise undertaken at locations.	20	20

*While the other 4 activities formed a part of the government MoU for 2011-2012, this activity has been undertaken internally.

Sustainability Performance - Target for the year 2012-13

Parameter	Target (No.)
Installing Organic Waste Converters at locations.*	5
Rainwater Harvesting projects at locations.	40 locations
Energy Audit to be undertaken at office buildings.*	5
Carbon footprinting exercise to be undertaken.	30 locations
Awareness generation workshops on sustainability.	2500 manhours

*New activities selected from the activities listed under schedule A & B of the DPE guidelines on sustainable development in the Govt. MoU

The Sustainability Policy of IndianOil is currently under preparation.
Some of the planned areas for sustainability performance are:

Parameter	Short Term (< 2 years)	Medium Term (2-5 years)	Long Term (>5 years)
Waste Management	Waste Footprinting exercise. Developing Policy framework for IndianOil on waste management. Installation of Organic Waste Converters.	Installation of organic waste converters. Waste-to-energy projects.	Waste-to-energy Projects.
Water Management	Water Footprinting. Developing Policy framework for IndianOil on implementation of water conservation measures. Rain Water Harvesting. Re use of treated water from effluent treatment plants. Packaged Sewage Treatment Plants.	Process improvements. Recycling waste water. Desalination Plants.	Watershed Development
Energy Management	Developing Policy framework for implementation of energy efficiency measures. Energy Audit. Energy Efficiency initiatives. Energy Conservation initiatives.	ENCON Projects. Targets for reducing energy consumption.	Achieving industry benchmark in energy consumption.
Bio, Renewable and Clean Energy Portfolio.	Solar PV Project. Wind Power Project.	Solar PV Project. Solar CSP Project. Wind Power Project. Waste / Biomass-based energy Project.	Solar CSP Project. Biomass Energy Project. Nuclear Energy Projects.
Carbon Management	Carbon Foot printing. Carbon sequestration measures like tree plantation.	Emission Reduction-Processes. Targets for GHG emission reduction. Strategy development for reducing GHG emissions.	Emission Reduction-Processes Implementation of organisation-wide GHG emission reduction strategies to achieve target.
Supply Chain and Channel Partners Management	Awareness Generation on SD. Solarisation of Units. Rainwater harvesting (RWH) LED/ Induction Lighting Fuel Efficiency of transportation fleet.	Solarisation of units. Wind-Solar Hybrid RWH. LED/ Induction Lighting. Waste Management	Wind-Solar Hybrid LED/ Induction lighting Waste Management
Sustainability Reporting/ Disclosures	Reporting as per GRI G3 guidelines with external assurance. Participation in Carbon Disclosure Project.	Reporting as per GRI G3 guidelines with external assurance. Participation in Carbon Disclosure Project.	Reporting as per GRI G3 guidelines with external assurance. Participation in Carbon Disclosure Project.
Training	Sustainability Awareness Generation programmes-workshops, conferences, video conferencing.	Sustainability Awareness Generation programmes-workshops, conferences, video conferencing. Capacity Building. Formation of Sustainability Circles.	Capacity Building of Stakeholders-Transporters, Suppliers, Vendors, Dealers, Distributors etc. Sustainability circles.

Economic **Performance**

**TAKING
YOUR
TRUST
TO THE
NEXT
LEVEL**

**IndianOil. Moved up to
83rd rank**

in the 2012 Fortune 'Global 500' listing.

Yes, this year too we have improved our rankings in the Fortune 'Global 500' listings. From 98th last year to 83rd largest company globally this year. But this is not surprising, considering that for over five decades we have been committed to advancing technologies and delivering superior products and services to millions of Indians across the country. Going forward, we will continue to pursue excellence in all that we do. After all, your trust is our inspiration.

Thank You India



IndianOil

The highest ranked Indian Company in the top 100 of the Fortune 'Global 500' listing.

Our Strategy

The basic economic canvas in which the Corporation was operating weakened during the year. The path taken by various economic indicators during the year had repercussions on the Corporation. Looking at the overall economic environment, there was a perceptible deterioration in global growth during the year. At the core of this was the intensification of the sovereign debt crisis in global heavyweight Europe. The euro area experienced significant weakening of economic activity, with a fall in output in the last quarter of 2011. The emerging economies, which had been leading the recovery, also experienced deceleration in growth.

While India continues to be amongst the fastest growing economies, there has been a marked slowdown in its growth momentum. For the Indian economy, both external and domestic channels worked adversely. Lower external demand coupled with high international crude oil prices resulted in the widening of the economy's current account deficit. On top of it, the slump in capital flows emanating from the weak global financial conditions also contributed to the fall in value of Rupee vis-à-vis the US Dollar. On the domestic front, the persistence of the high inflation rate and the tight monetary stance to curb it dampened demand, especially investment demand. In addition, there was deterioration in the fiscal situation during the year due to overshooting of the subsidies expenditure, which led to the Government missing its deficit targets. Looking ahead, how effectively India tackles its twin (Current Account & Fiscal) deficit problem will be critical to the macroeconomic stability and growth of the economy.

ENERGY SECTOR

During 2011, global energy consumption grew by 2.5 per cent, decelerating from 5.1 per cent recorded in 2010 on account of weakened economic activity. On the supply side, geo-political uncertainties, disruptions in oil supply and high crude oil prices on one hand constrained the market, while high growth in production of natural gas in North America contributed to buoyancy in the energy supplies. Emerging economies continued to account for all of the net growth in energy consumption, while demand in the advanced economies fell for the third time in the last four years. Fossil fuels dominate the global energy mix, and within the fossil fuels group, it is oil with overall share of 33 per cent in the energy basket that dominates as world's largest energy source. Renewable energy's share in the global energy is small at about 2 per cent, but the sector is expected to continue growing at high rates through the long term.

BUSINESS STRATEGY

India's long term growth prospects and its linked energy

demand growth make the Indian market a frontrunner of energy demand. At present, India's per capita energy consumption at 560 kgoe is less than a third of the world average of 1788 kgoe. This difference highlights the potential of the Indian Energy Sector. Being a major energy supplier in India, this places IndianOil in a very opportune position, presenting prospects for growth and innovation. IndianOil's long-term vision of being the 'Energy of India' is based on this principal feature of the Indian market.

CORE BUSINESS

India's rapid vehicular growth, urbanization and industrialization are seen as the driving factors for demand for refined petroleum products in the country.

Besides investments in capacity addition, investments for matching the changing demand patterns, compliance to tighter regulations and for maximization of margins are also called for. Investments in marketing and distribution network are called for, especially in the rural market. The renewed thrust of the Government towards the basic energy needs of the Below Poverty Line (BPL) families through focused schemes such as Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY) is unleashing the potential of the rural sector. As a means of transportation, pipelines stand out as the cheapest and the most environmentally benign. Plans are afoot to connect more and more primary distribution points viz. depots and terminals through pipelines from supply sources. IndianOil aims to automate its entire distribution chain and marketing facilities. Simultaneously through supply chain optimization, efforts for making infrastructure development efficient & effective are a priority for the Corporation.

BEYOND CORE

Beyond its core business, IndianOil has been straddling across the energy value chain in line with its vision. IndianOil's endeavour is to emerge as an integrated energy company providing clean and sustainable energy solutions to its customers.

Petrochemicals: IndianOil has become a major player in the field of Petrochemicals & Polymers within a short time. With the coming on stream of the Naphtha Cracker unit in Panipat and consequent entry of the Corporation in the polymers market, Corporation's petrochemicals product-market matrix has expanded manifolds.

Exploration & Production: IndianOil has been in pursuit of tapping E&P opportunities and through a consortium approach for entrenching its upward integration.

Gas: With the increase in the availability of sourcing avenues in the last few years, and the growing demand for gas, the growth opportunities for gas business have increased manifolds. IndianOil has investments planned in LNG import terminals and gas pipelines.

Renewable Energy: IndianOil has been making inroads into the renewable and alternative energy space through investments in Bio-fuels, Wind, Solar & Nuclear Power.

RESEARCH & DEVELOPMENT

In the present scenario of high international crude oil prices and the price control in domestic market, where margins are under pressure, investment in proprietary research in lubricants, petrochemicals, catalyst, gas & refinery operations and product offerings is viewed as a thrust area. IndianOil appreciates the importance of R&D as a key competitive advantage driver for its new businesses, especially, petrochemicals and alternative energy and has been working in building a base for knowledge based growth in these areas.

SKO Re-routing at Bijwasan by Hooking Up Two Sections:

Allocation of SKO during July 2011 was 3028 kl on industry basis as against approximately 10,000 kl per month till June 2011. Considering an average input of 8500 kl per month and a quota of 3000 kl, there is a surplus of 5500 kl per month. This surplus SKO needed to be evacuated Ex Bijwasan towards Rewari.

Various options were explored. Considering time constraints and huge expenditure incurred by Marketing

towards bridging excess SKO from Bijwasan. The most economical way out, both in terms of time and expenditure, was hooking up of BPNPL and PDPL at Bijwasan and Panipat and reroute ex-PR SKO towards Panipat again through BPNPL. Re-routing front SKO of Ex-PR ATF from PDPL to BPPL through Bijwasan hook up, resulted in **recurring savings of Rs. 9.7 crores per annum** as per following breakup:

1. Avoiding rake movement from PNP to Bijwasan - 6 rakes per month - Rs. 36 Lakhs.
2. Stoppage of SKO bridging - Rs.15 Lakhs per month.
3. Increased movement of Naphtha by Pipeline from MR to PR and thereby reducing rail movement - 3 rakes per month - Rs. 30 Lakhs.

Additionally, movement of nearly 180 tankers per month of various capacities was stopped mainly between Rewari and Bijwasan, thereby decongesting the highway and avoidance of carbon emission en route in the process.

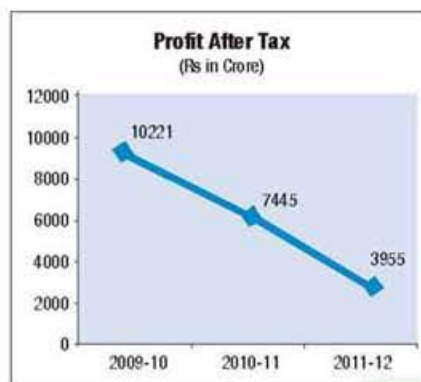
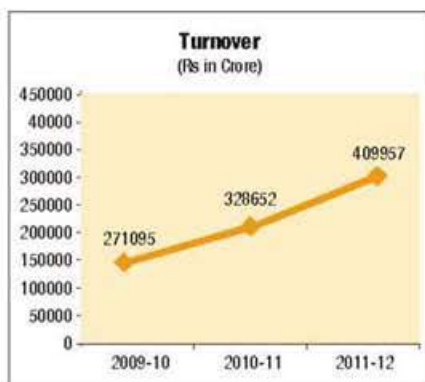
BORROWINGS

The borrowings of the Corporation were Rs. 75,447 crore as on March 31, 2012 as compared to Rs. 52,734 crore as on March 31, 2011. The Total Debt to Equity ratio as on 31st March, 2012 worked out to 1.30:1 as against 0.95:1 as on 31st March, 2011. IndianOil's borrowing does not include any assistance from Government.

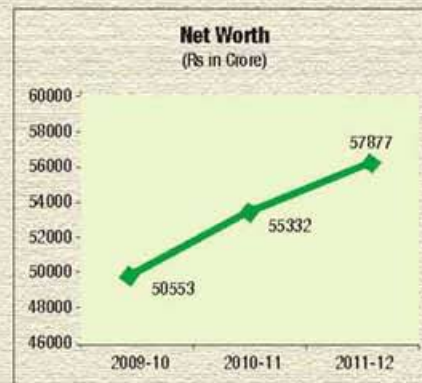
Purchase Preference Policy for SME

Normally no purchase or price preference is permissible. However, as per the extant guidelines of Government of India (Purchase Preference Policy) from time to time, purchase preference may be allowed to the Small & Medium Enterprise (SME) to the extent permitted. If there is a purchase preference available to a particular category or class of bidders shall be stated in the Bid Documents specifically.

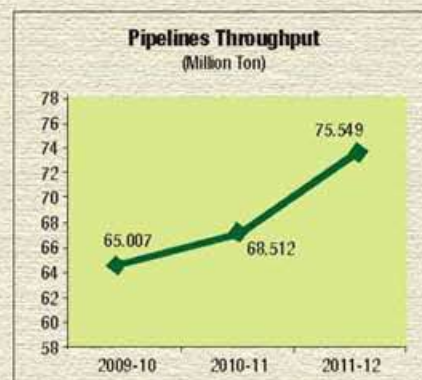
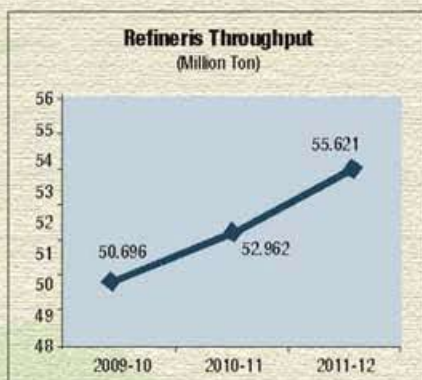
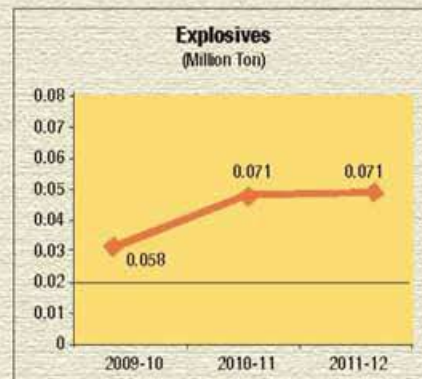
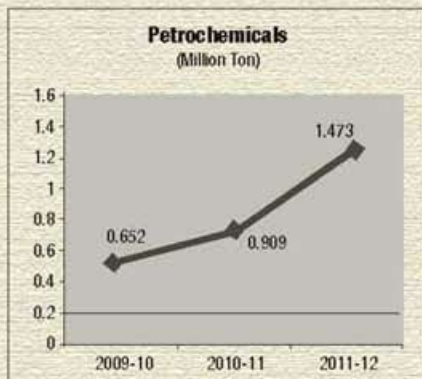
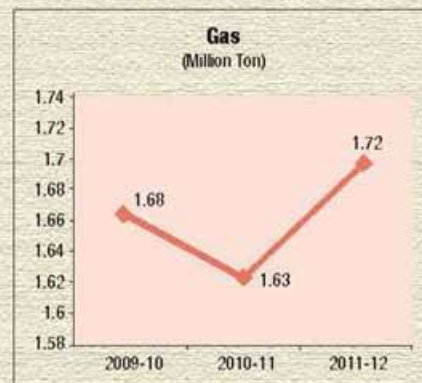
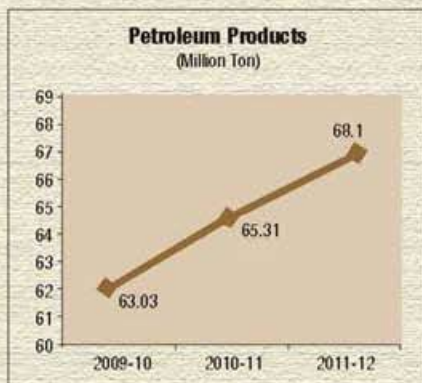
Financial Performance Review



Financial Performance Review



Domestic Product Sales



Environmental Performance

Wow! So much cheaper than petrol?

IndianOil Autogas is about 40%* cheaper than petrol. It has added benefits like economy, efficiency and is also eco-friendly. So switch to IndianOil Autogas** and start saving today.

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* Percentage of savings may vary from state to state.
** Available selectively in all major towns and cities.

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सर्वो एग्रो स्प्रे
फसलें जैसे सोना,
और सेहत भी
अच्छी है ना।

सब किसान भाईयों को मिलेगा अपनी मेहनत का पूरा फायदा और वो भी बहुत कम समय में। क्योंकि इंडियन ऑइल ने बनाया है सर्वो एग्रो स्प्रे। बरसों की मेहनत और पिसार के बाद ये एक्साप्लस रिजल्ट लाएगा है जो बीजों को बीजों की तरह मजबूत करेगा। इन पर एक पलट कर देना है जिससे वो हम फसल को जल्दी से और बेफायदा पर जोड़ें। साथ-साथ इसे कुछ दिनों में उड़ान दे दें।

अच्छी पैदावार प्राप्त करने में आपकी मदद करेंगे।



 **SERVO**
Agrospray Oils
100% PERFORMANCE. EVERYTIME.



Energy of India

As a dominant player in the Indian hydrocarbon sector, IndianOil recognises preservation of ecological balance as a core commitment for ensuring a better world for the future generations.

IndianOil's vision, of being **"Energy of India"**, playing a national role in energy security, gives an impetus to explore/diversify into new type of energy sources that can be tapped and marketed. With increasing focus on environment and climate change, it has become necessary to explore renewable/clean energy sources. Being a major diversified, integrated energy company with a strong environment conscience and focus on sustainable energy, it is imperative for IndianOil to explore and diversify into alternative energy sources, which can be tapped and marketed on commercial scale. At IndianOil, sustainable development means helping meet the growing energy needs of the nation in economically, environmentally and socially responsible ways. This involves running the operations responsibly today and building a dependable and sustainable energy system for tomorrow.

IndianOil takes pride in its continuous investments in innovative technologies and solutions for sustainable energy flow and economic growth, and in developing techno-economically viable and environment-friendly products & services for the benefit of its consumers. With focus on energy security for the nation, the Corporation has started diversifying its energy portfolio to cover alternative, green and clean energy.

In its endeavour towards sustainable energy solutions for the nation, IndianOil is diversifying its energy portfolio and focusing on sustainable business. IndianOil has already ventured into wind power generation, solar PV power under JNNSM, Biofuels and solarisation of retail



outlets to get experience and understand the business aspects. Also, research options are being explored in Solar Energy as well as on Hydrogen, biofuels, fuel cells etc.

With a view to contribute in the national agenda for climate change, IndianOil is successfully implementing action plans to exploit the domestic renewable energy potentials as well as to reduce ecological footprints of its core business operations.



In 1998-99, the Salaya-Mathura pipeline and the Koyali Ahmedabad pipeline became the first oil pipelines in the world to be accredited with ISO-14001 for Environment Management Systems. Our Mathura Refinery became the first refinery in the world to be certified for Occupational Health and Safety Management System (OHSMS). It was also the first refinery in Asia and the third in the world, in the petroleum sector, to be certified ISO-14001 for its efficient environmental management.

SOLAR ENERGY

IndianOil was the sole CPSE selected to implement a 5 MW Solar PV Power Project under the **Jawaharlar Nehru National Solar Mission (JNNSM)**, Phase-I, Batch-I. The project was successfully commissioned on January 31, 2012 at Rawra, in Rajasthan.

WIND ENERGY

As of now wind is one of the most cost competitive grid-fed renewable. Wind is already cost-competitive with fossil fuel-generated electricity in many markets, when considering time to market, siting requirements, and overall costs. Of the total installed renewable energy capacity of 17.6 GW in our country, wind energy comprises nearly 70% on the back of policy support and industry growth.

IndianOil's first wind power project of 21 MW in Kutch, Gujarat has been registered as CDM project in May 2011. IndianOil's second wind power project of 48.3 MW capacity (23 WTGs) was approved in June 2011 and is under implementation in Andhra Pradesh. 8 WTGs corresponding to 16.8 MW have been commissioned as of March 2012. The balance would be commissioned during 2012-13.



GREEN POWER PROJECTS (OFF-GRID)

In order to make retail outlets sustainable, the solar PV panels are installed as part of the Solarisation project. Solarisation of 103 ROs has been completed. The Pipelines Division Head Office located in Noida and the R&D Centre in Faridabad have been provided with Solar photovoltaic systems.



BIOFUELS

IndianOil has undertaken large scale Jatropha plantations with the objective of feedstock generation for biodiesel production. The initiatives include a captive pilot plantation project on 300 ha of revenue wasteland in Jhabua. In Chhattisgarh, IndianOil's Joint Venture Company with Chhattisgarh State Renewable Energy Development Agency (CREDA) namely 'IndianOil - CREDA Biofuels Ltd.' has undertaken captive Jatropha plantation on 6000 ha revenue wasteland.

In Uttar Pradesh, the Limited Liability Partnership firm of IndianOil & Ruchi Soya Industries Ltd (RSIL) namely 'IndianOil Ruchi Biofuels LLP' have facilitated Jatropha plantation on 1700 ha on Panchayat wasteland under Public-Private-Panchayat Plantation Model (P4) through Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).



Barren Land transformed to green

SOLAR LANTERNS

In order to provide energy access to the 'base of the pyramid' which is deprived of grid power, an initiative of selling solar lanterns has been taken up by IndianOil.



Nearly 3500 solar lanterns were sold in the rural areas of the country through the Kisan Seva Kendras.

NUCLEAR

A joint venture company 'NPCIL IndianOil Nuclear Energy Corporation Limited' has been formed in April 2011 in partnership with Nuclear Power Corporation of India Ltd. for implementation of nuclear power projects in India. IndianOil holds a 26% share in the Rajasthan Atomic Power Project (RAPP)-7 & RAPP-8, each having capacity of 700 MW. The project is scheduled to be completed by 2017.



Green Product

SERVO Orchard Spray Oil: The R&D division of IndianOil has formulated this oil which is blended from high quality base stock especially for protection of apple trees from San Jose scale. The oil is sprayed in the form of oil-in-water emulsion on apple orchards during the months of December / January when the ambient temperature is around 3 to 4 degrees C. The emulsion dissolves the waxy protective shield of the insect and the oil film envelops it thereby killing the insect by cutting off its air supply. It can be used for protection of eucalyptus, cinchona etc. The oil does not have any toxic influence and is approved by Fruit Research Station, Shalimar.

SERVO Rubber Spray Oil: This Oil is a low viscosity product developed for use in rubber plantations. This oil has an excellent solvency power with copper oxychloride for spray on rubber plantations to combat the severe attack of fungus PHYTOPHTHORA which leads to abnormal leaf fall affecting the vitality of the trees and resulting in loss of latex yield. The mixture of oil and copper oxychloride is applied either by mini micron sprayers or aerial spraying. The spreading characteristics of the oil enable the copper particles to readily and uniformly distribute on the leaf surfaces and leaf stalks and at the same time not permitting copper to be easily washed out. It is approved by Rubber Research Institute of India, Kottayam.

Renewable Energy Map of IndianOil



Collaboration for Solar Energy Research

IndianOil has signed a tripartite Memorandum of Collaboration (MoC) with BHEL and Indian Institute of Technology, Jodhpur for research and development of solar energy technologies to carry out basic research, performance validation and up-scaling of Solar Technologies. IndianOil will work towards building a centre of excellence in solar energy which commands respect all across the country and the globe. IndianOil will participate in this consortium of R&D efforts with an interest in solar thermal technologies as the company has a synergy in thermic fluids, chemicals and heat storage materials that are used in huge quantities in such technologies. IndianOil would also envisage novel solar product concepts, product designs and evaluation of the developed product(s). It will undertake projects of solar energy which have the potential to replace conventional petroleum products and also market solar energy in off-grid & remote areas of the country. As fossil fuels are fast depleting, this joint venture in solar energy with the industrial and academic stalwarts is expected to usher in a new dimension in the energy map of the country.

Green Fuel

Hydrogen holds the potential to provide a clean and reliable source of energy that can be used in a wide range of applications, including the transport sector. Besides ensuring energy security to the nation, the environmental benefits of using Hydrogen in a fuel cell vehicle could be significant.

IndianOil's R&D Centre is the nodal agency of the hydrocarbon sector for ushering in Hydrogen energy use in the country. As a part of its roadmap for a Hydrogen-fuelled economy, IndianOil recently commissioned India's first Hydrogen-CNG fuel dispensing station at its R&D Centre at Faridabad. The pilot station provides a hands-on experience with on-site Hydrogen production, storage, distribution and supply. In due course of time, IndianOil, in coordination with vehicle manufacturers, will take up lab scale development of H-CNG engines. Some of the other projects identified include development of Hydrogen-powered three-wheeler and bus engines in association with SIAM (Society of Indian Automobile Manufacturers), conversion of CNG three-wheelers and buses to H-CNG mixture and development of Hydrogen conversion kits for portable gensets.

As part of its environment-protection initiatives, IndianOil has invested in state-of-the-art technologies at its refineries for production of green fuels meeting global standards. To further reduce dependence on precious petroleum products and secure the nation's energy security, IndianOil is now in the process of commercialising various options in alternative fuels such as ethanol-blended petrol, biodiesel, and Hydrogen and Hydrogen-CNG mixture.

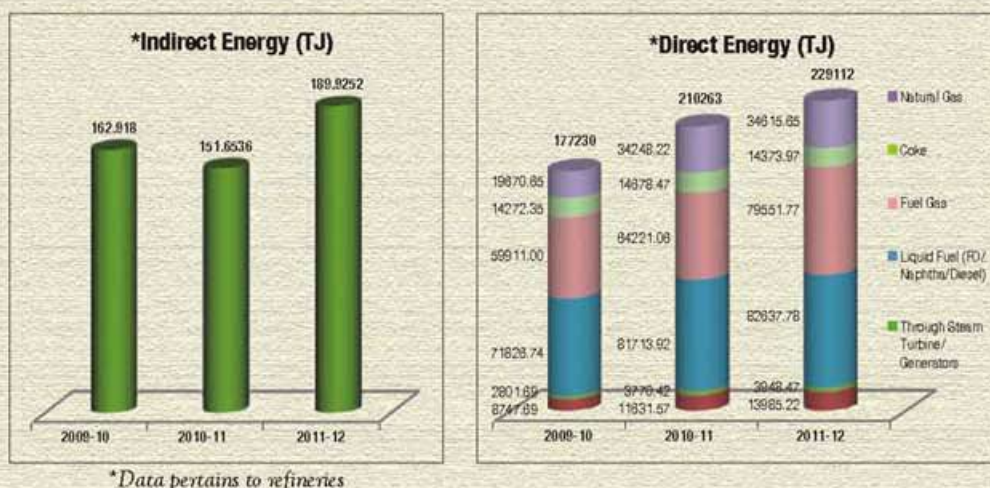
CDM Projects

Sl. No.	Location	Project	Expected CER per annum	Date of Registration	Status
1.	Digboi Refinery	AVU Energy Optimization	2,510	04.12.08	Final verification report submitted to UNFCCC for issuance of CER in July'12. Issuance of CER expected by Dec'12
2.	Haldia Refinery	Flare Gas Recovery	17,610	19.02.09	Final Report by TUV is expected to be submitted to UNFCCC for issuance of CER by Sep'12. Issuance of CER is expected by Dec'12.
3.	Barauni Refinery	Flare Gas Recovery	8,320	04.05.09	Deviation of methodology obtained from UNFCCC in May'12. Final verification process started.
4.	Gujarat Refinery	Flare Gas Recovery	27,834	30.10.09	Final report by TUV is expected to be submitted to UNFCCC for issuance of CER by Sep'12.
5.	Guwahati Refinery	Flare Gas Recovery	3,690	27.10.10	Draft Monitoring Report under scrutiny by the consultant, M/s Ernst & Young.
6.	WRPL Pipeline	21 MW Wind Power Project	36,979	23.05.11	Verification of CER is to be performed.
		TOTAL	96,943		

Energy Sourcing & Consumption

In search for a better quality of life, there is constant increase in energy demand, pressure on population and economic development. The burden on the environment is increasing to such an extent that in various parts of the world natural resources that always have been classified as renewable such as fresh water, clean air, soil, forest and fisheries are losing their ability to regenerate and sustain.

IndianOil being sensitive to these global concerns is placing greater emphasis on understanding the varied needs and expectations of the country and communities. IndianOil's Health Safety and Environment Policy establishes the framework for sound safety, health & environment management. Energy consumption data is calculated using GRI indicator protocol as a reference while the GHG emissions have been computed using IPCC methodology.

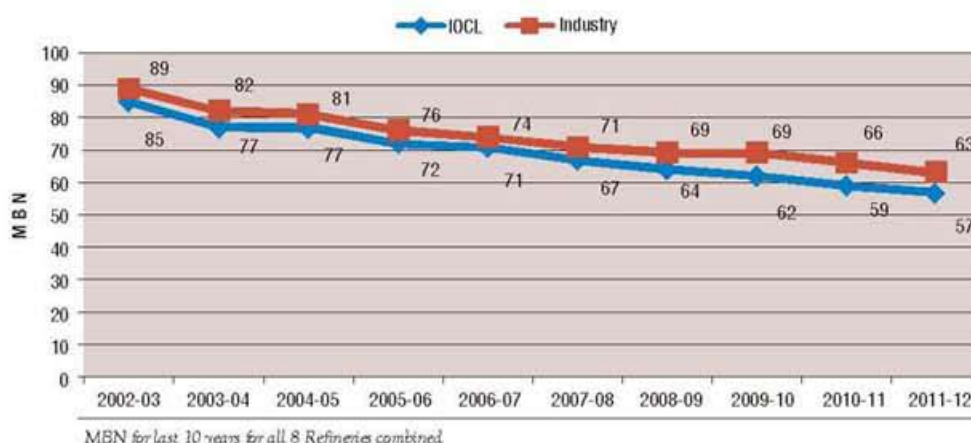


The energy consumption data for the other divisions of the corporation is being compiled. However, Refineries continue to be the major consumers of energy with the absolute energy consumption increasing due to the complex processes being established at the refineries and the increasing quantity of crude processed.

ENERGY REDUCTION TARGETS & ACHIEVEMENTS IN OUR REFINERIES:

IndianOil's refineries have clear cut target for 'reduction in fuel and loss' and 'specific energy consumption', which are critical in reducing emissions. Specific energy consumption in refineries is measured in MBNs (MBTU/BBL/NRGF). MBN is the amount of energy consumed in a refinery per barrel of crude processed per unit energy factor.

So far, the energy reduction achievements of the past 10 years and the targets set for next 3 years are as follows:



The specific energy consumption of refineries during 2011-12 was 57 MBN against the target of 58.5. The MBN targets set for the years 2012-13, 2013-14 and 2014-15 are 55, 53 and 51 MBN respectively.

GHG EMISSIONS:

Absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous years at the refineries.

Year	Carbon Emission (MTCO ₂ e)		Remark
2009-10	Total: 1,28,19,209		Base Year (combined data of all the 8 refineries of IndianOil, certified and verified by external agency as per ISO 14064)
	Direct emissions: 1,27,30,375	Indirect emissions: 88,834	
2010-11	Total: 1,40,84,411		The increase in the emissions was due to the increase in production & increasingly complex operations like the commissioning of the Residue upgradation Units at Gujarat Refinery, Hydrocracker Project at Haldia refinery and MSQ project at Barauni refinery.
	Direct emissions: 1,39,88,581	Indirect emissions: 95,830	
2011-12	Total: 1,42,60,000		Although the emissions have increased in absolute terms, the rate of increase of emissions has decreased from 9.87% during 2010-11 to 1.25% 2011-12. This reduction was achieved by implementing upgraded technologies and various ENCON measures.
	Direct emissions: 1,41,54,000	Indirect emissions: 1,06,000	

World Environment Day observed across IndianOil locations

Every year June 5, is celebrated as World Environment Day. It is one of the prime vehicles through which the United Nations creates worldwide awareness of the environment and enhances political attention and action.

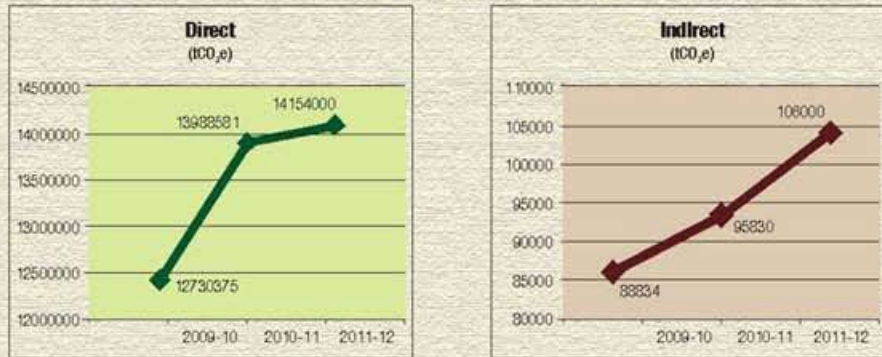
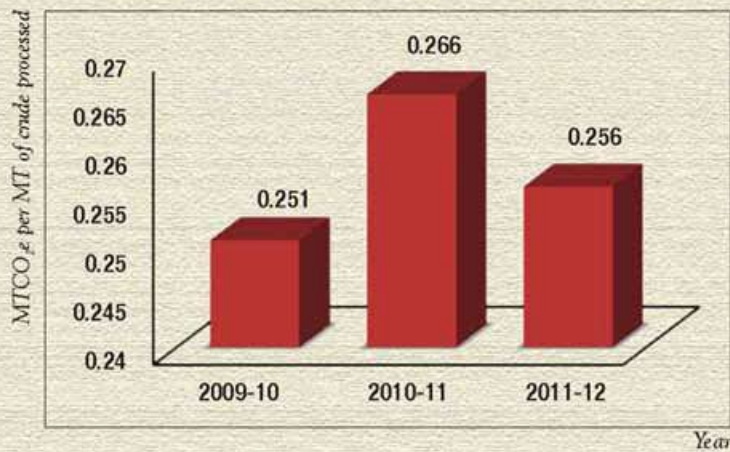
The aim of the day is to give a human face to environmental issues; empower people to become active agents of sustainable and equitable development; Promote an understanding that communities are pivotal to changing attitudes towards environmental issues;

Advocate partnership which will make certain all nations and people enjoy a safer and more prosperous future.

IndianOil promotes solar lantern

IndianOil took a significant step in promoting renewable energy and conservation of fossil fuels in Chhattisgarh by distributing solar lanterns to the villagers. 185 lanterns were distributed on two occasions recently. This socially empowering initiative is aimed to benefit the rural population with a renewable and reliable source of light.

Direct & Indirect Emission

Carbon Emission (MTCO₂e) Per Metric Ton of Crude Processed

The Carbon emissions per ton of Crude refined has decreased from 0.266 in 2010-11 to 0.256 in 2011-12. (Refinery Division)

AIR POLLUTANTS

Air Pollutants	Refineries (MT)
SPM	4066.80
SO ₂	33,687.00
NO _x	91,417.68
CO ₂	14,16,800.00

The refineries take extra care to reduce the release of harmful pollutants during the production process. All the installations operate under consent from State Pollution Control Boards (SPCB) to operate under Water Act, Air Pollution Act and Hazardous Waste Acts. Compliance to the pollution control norms laid down by the State Pollution Control Boards and Central Pollution Control Board (CPCB) is mandatory. Actions are taken for finding technological solutions, rigorously tracking performance, training and education to achieve continuous improvement.

Ozone Depleting Substances (ODS)

IndianOil is working towards gradual phasing out of its use of ODS in the air conditioning systems. For the year 2011-12, the refineries consumption of the Refrigerant 22 (R22) Gas stands at 3.85 MT.

Environment Stewardship Through Responsible Management

ENERGY & SURVEILLANCE AUDITS

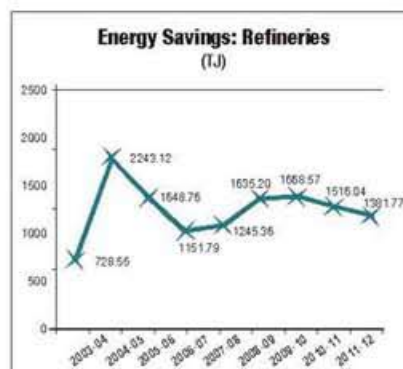
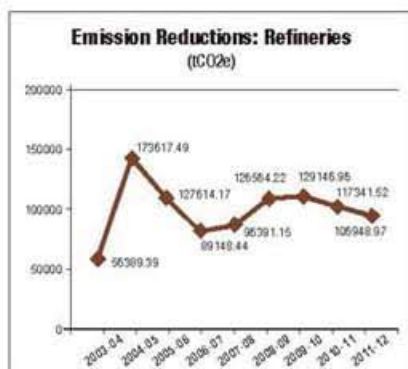
All the refineries, pipeline locations and marketing locations of IndianOil are certified for Energy Management Systems, Quality Management Systems, Occupational Health and Safety Advisory Services.

A three-day surveillance audit for Integrated Management System (IMS); EMS: 14001:2004, OHSAS: 18001:2007 and Recertification of QMS: 9001:2008 for the year 2012 at Refineries was taken up.

ENERGY CONSERVATION & SAVINGS

Sharing the global concerns, IndianOil has been according utmost importance to protection of the environment and eco-system.

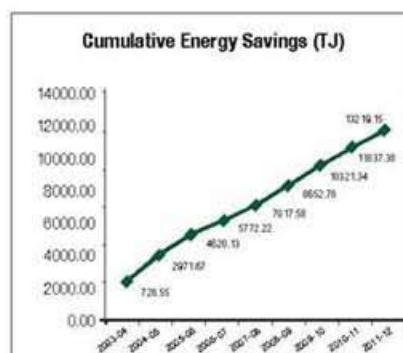
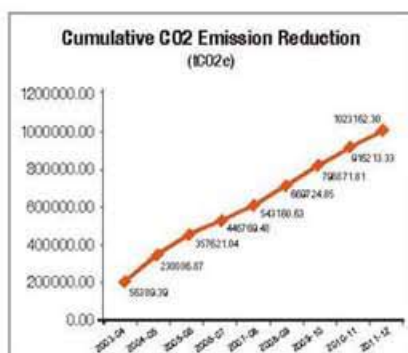
Energy Conservation Projects (ENCON) are being taken up at all refineries and this trend of technology updation started in the year 2003-04. The continual reduction in specific energy consumption has been achieved due to the saving of 95,800 SRFT (Standard Refinery Fuel Ton) through the implementation of various energy conservation schemes.



In the year 2011-12, Energy Conservation Projects (ENCON) implemented resulted in fuel savings of about 95,800 Standard Refinery Fuel Tonne (SRFT), valued at about Rs 340 crore.

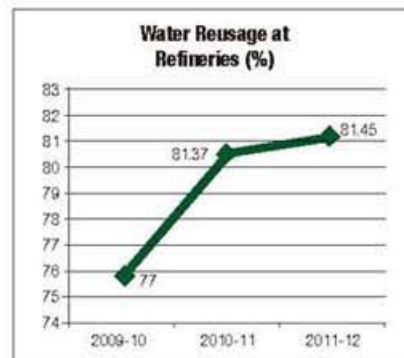
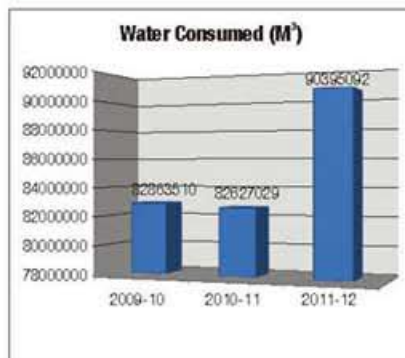
The energy saving in SRFT have been converted to TJ (Tera Joules) & the corresponding emissions factor as per IPCC index has been used to calculate the CO₂ equivalent emissions.

All the refineries of IOCL are ISO 14064:1-2006 compliant.



Water Consumption

Data 2011-12 (M ³)	Refineries	Pipelines	Marketing	R&D	LiPM	Total
Surface Water	6,52,82,262	10,144	48,682	-	-	8,30,25,173.9
Ground Water	1,64,37,579	2,15,325.9	10,31,181	2,46,000	35,405	1,79,65,490.9
Municipal/Industrial estate water	68,81,261	1,06,240.5	98,912	-	2,100	70,88,513.5
Total Water Consumed	8,86,01,102	3,31,710.4	11,78,775	2,46,000	37,505	9,03,95,092.40



Year on year, IndianOil is making efforts for improving conservation of water in our facilities by various means such as effluent treatment plants in refineries, sewage treatment plants at locations and rainwater harvesting at most of the installations. The water consumption has increased compared to the previous year due to the increase in crude processed. But, the M³ water consumption at refineries per MT of crude processed has been reduced from 1.528 to 1.522 in this year by adopting the "Reduce, Reuse and Recycle" approach.

Provision of Clean Drinking Water to Neighbourhood

In the last five years, Gujarat Refinery has invested total Rs. 64.98 Lakh for providing clean drinking water to rural and tribal belts of Gujarat. A total of 13 water resource facilities such as water tanks, borewells, tube-wells, pipelines have been developed in the surrounding villages. And these efforts have led to 11 neighbouring villages being benefitted with better water facilities.

Efficient Usage of Industrial Water

Improved use of CEPT effluent: Monthly industrial fresh water consumption of Gujarat Refinery has reduced by 3.5% (i. e. by around 55 M³/hr) due to higher CETP effluent reuse (figures, as per Feb 2012 data).

Side stream filter maintenance: Sustained servicing efforts taken over the last one year have resulted in better performance of side stream filters of some cooling towers which has reduced turbidity, thereby resulting in fewer blows down and in turn reducing fresh water consumption.

Rainwater harvesting: Irrigation of Gujarat Refinery stadium is done through rainwater harvesting system

wherein a bore-well dug in a corner of stadium is charged with the help of storm water drain and watering of the ground is done through sprinkler system. Likewise, total 12 bore-wells in township and battery area have led to improvement in quality of the underground water and water-table of the area.



Upcoming Reverse Osmosis Plant: Installation of RO plant with capacity of 1200 M³/Hr has long term objective of making open channel discharge dry. 700 M³/Hr. RO water will be used in the De-Mineralisation plant and the balance water will be used for Cooling Tower and Fire Water resulting in substantive reduction of fresh water consumption by 150 M³/hr.

Efficient usage of domestic water: Repair and maintenance of 75% of water lines in Gujarat Refinery Township have led to arresting water leakages and thus saving freshwater. In addition to this, rescheduling of water timings has resulted in reduction in consumption of water.

Water Conservation at NRPL, Bijwasan

Cleaning of 700 kl fire fighting water pond of Bijwasan is an annual activity. Water of fire fighting pond is topped up through bore well situated within the installation by harnessing ground water.

In earlier years, before undertaking cleaning activities, 700 kl of water was simply wasted by draining out of fire fighting water pond. However, it was felt that 700 kl of ground water is required to be conserved and to be judiciously utilised. Cleaning of fire fighting pond was

undertaken in the month of Feb 2012. As Pipeline fire fighting water network is hooked up with that of Marketing fire fighting system, a minor modification was carried out at common interconnection point in fire fighting network and entire 700 kl water of the fire fighting pond was pumped into overhead water tanks of Marketing Terminal without wasting a trace thereby preserving huge quantum (700 kl) of ground water. After cleaning of pond, water was taken back from Marketing Division system.

WATER AND EFFLUENTS

The refineries of Indian Oil are fully compliant with MINAS (Minimal National Standards) set by the MOEF, GOI and the CPCB (Central Pollution Control Board) with regard to use of water resources and the quality of effluents discharged.

Waste Water Treatment at Refineries (M ³)	
Quantity of waste water generated	3,46,77,055
Quantity of reused water	2,86,63,311
Quantity of waste water from ETP	60,13,744
Discharge of treated waste water from ETP	Treated waste water from ETP is discharged to outfall channels

All 8 refineries are equipped with Effluent Treatment Plants (ETP). Liquid effluent is collected through underground network of Oily Water Sewer (OWS), Contaminated Rainy Water Sewer (CRWS) and Sanitary Sewer. The treatment comprises of physical, chemical, biological and tertiary treatment sections.

The physical treatment comprises of Gravity Separators

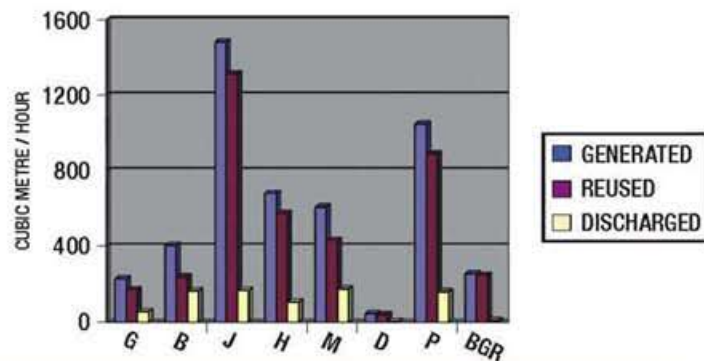
(API / Tilted Plate Interceptor (TPI) Separators) for removal of free oil. The API and TPI are covered so that there are no fugitive emissions to atmosphere. The chemical treatment section comprises of Dissolved Air Floatation (DAF) where chemicals like poly-electrolytes are added for removal of emulsified oil. The intermediate effluent streams are stored in Equalization/ Surge Tanks to avoid fugitive emissions. The biological treatment section comprises of Bio Towers and Activated Sludge Treatment Processes for removal of sulphides, phenols, suspended solids, trace oil and reduction of Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD). The tertiary treatment section comprises of Sand Pressure Filter, Activated Carbon Filter which reduces the trace pollutants. The effluent is then routed to guard ponds and polishing ponds for further polishing of effluents by natural oxidation.

State of the art Reverse Osmosis Plant / Ultra Filtration Plant is provided at Panipat, Mathura and Haldia for further treatment of the final treated effluent ex ETP. The RO / Ultra Filtration Treated Water is used as De-Mineralised (DM) Water. All the refineries were complying with the minimal national standards of CPCB for discharge of liquid effluent.

The effluent generation, reuse of treated effluent and discharge at refineries are indicated below.

Refinery	Effluent Balance (M ³ /Hr) (2011-12)			
	Gross Effluent Generated	Net Discharge	Reuse	Reuse%
Guwahati (G)	228.60	56.60	172	75.24
Barauni (B)	405.60	165.40	240.20	59.22
Gujarat (J)	1,479.90	168	1,311.90	88.65
Haldia (H)	681.10	106.10	575	84.42
Mathura (M)	607.90	175.40	432.50	71.15
Digboi (D)	44.50	4.0	40.50	91.01
Panipat (P)	1,046.80	160	886.80	84.72
Bongaigaon (BG)	256.60	7.20	249.40	97.19
TOTAL	4751	842.7	3908.3	81.45

EFFLUENT GENERATION, REUSE AND DISCHARGE 2011-12



In the refinery units, the specific water consumption (M³/MT of crude processed) during 2011-12 was 1.522 as compared to 1.528 during 2010-11

Material Use

IndianOil recognises the need to diversify the energy sources and strategically spread its business tie-ups for crude oil to ensure seamless and smooth procurement of raw materials. Optimised use of raw materials and improvement of Gross Refinery Margin (GRM) has been a critical area of focus for sustained growth.

Raw Material Components	Consumption of Raw Materials		
	Imported (%)	Indigenous (%)	Total Quantity (MTs in lakh)
Crude Oil	88	12	544.29
Base Oil	0	100	4.31
Ethanol	0	100	1.10
Benzene	0	100	0.08
Natural Gas/ RLNG	0	100	3.85
Additives	17	83	0.52
Packaging Materials	0	100	380.7 (Cr Rs)
Steel coils/ Sheets/ Stores/ Components and Spare Parts	28	72	0.07
Raw Materials for Explosives	19	81	0.57

Biodiversity

IndianOil refineries and other major establishments are landscaped with green belts and award winning ecological parks. The various plants and trees in green belts are planted in consultation with eminent botanists and scientific planning. During the year 2011-12, more than 85271 trees were planted. The ecological parks set up at refineries are akin mini-wildlife sanctuaries, attracting migratory birds and other wildlife. The area covered by Refineries and Pipelines division for tree plantation is 61,92,904.38 sq meter and 2,63,652 sq. meter respectively.



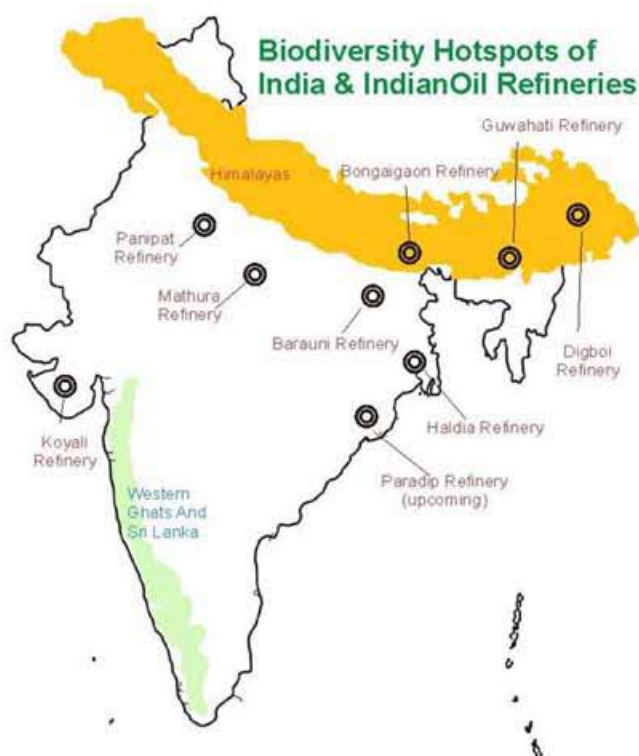
Tree plantation details	Refineries Division	Marketing Division	Pipelines Division	R&D	IiPM
Number of trees planted in installations	26,557	45,404	3,297		1,350
Number of trees for social afforestation	1,500	1,171	7,342	320	

Some of the unique ecological parks of IndianOil are applauded and appreciated by various dignitaries, distinguished visitors and media as well. Three of our refineries located at Bongaigaon, Guwahati and Digboi are located near the biodiversity hotspots in India. Although all the refineries are committed for maintaining green belts, ecological parks and ponds in their premises, greater emphasis is being laid for preserving biodiversity in these regions.

Bongaigaon Refinery: The original vegetation of this area was seasonally inundated flood plain forest and grassland within adjacent strip of undulating land (Terai) at the base of the foot hills (Northern side). This land was often marshy and supported tall elephant grass and forest. More than 40% of the complex is under green cover. The complex has many low lying sites forming natural water bodies during the rainy season

which attract different varieties of migratory birds. An ecological park inside the complex comprising of artificial water body (lake) has been developed to regulate and control peripheral drains. The refinery attracts more than 1300 different bird species, 7000 known endemic (found only in a single niche habitat) plant species, and 50 endemic threatened amphibians and mammals. Nandan Kanan a herbal and orchid garden was developed which has almost 100 varieties of herbs and medicinal plants.

Digboi Refinery complex is visited by more than 200 unique species of birds, 20 species of mammals and countless species of amphibians and reptiles. An Ecopark was developed in 2002. More than 35000 trees have been planted covering around 630 acres of land. A garden of medicinal plants (pathyavan), Fruit garden, Arboretums has also been developed.



Guwahati Refinery: Scientifically designed green belts have been developed to serve as pollution sinks. Extensive plantation of over 1 lakh trees covers about 30 ha of land. Ecological parks and 'Sanjeevani Udyan', a

herb, medicinal and ornamental flower garden serves as a nursery and a techno-botanical information dissemination centre for employees and outsiders.

BIODIVERSITY AND ECOSYSTEM SERVICE

The large number of rich fauna and flora in the biodiversity parks of IndianOil vicinity is a clear testimony of the clean and eco friendly environment in

and around the refineries. Periodic campaigns are also carried out in the neighbourhood to bring home the importance of clean environment.



Plant view from the wetlands



Herbal Garden inside Bongaigaon Township

Waste Management

IndianOil follows the principle of 'prevent, reduce, re-use and recover' for solid waste management. Oily sludge generated in Crude and Product tanks, chemical sludge, bio sludge and spent catalyst are the main hazardous wastes generated in Refinery units. Oily Sludge is generated from Crude and Product Tanks at Pipelines and Marketing Installations. IndianOil refineries follow a mix of strategies for management of oily sludge, which include minimization of generation at source, advanced in-situ tank cleaning methods, biodegradation using advanced microbial treatment, and disposal in secured landfill sites. Safe disposal of residual sludge is done. Oilivorous 'S' is being used for bio-remediation of oily sludge at all our units and installations. Oilivorous 'A' was also developed for bio-remediation of acidic sludge at Digboi Refinery.

18208.46 MT of oily sludge has been generated from crude tanks, chemical sludge and bio sludge in the refineries, marketing and the pipelines locations during the year, of which 7186.98 MT has been disposed off safely through bio-remediation. 149.46 MT of oily

sludge has been disposed off through sale to the required buyers or industries.

Biological Sludge generated in the Activated Sludge Treatment Plant of ETPs of Refinery Units is disposed off in green belts as manure. FCC spent catalyst is sold to cement industry for use as a filler material and is also used for road construction as a filler. The spent catalyst of CRU and HGU is sent back to the supplier. Slop generated at refineries is reprocessed.

Oily Sludge	
Generated (MT)	18208.46
Reused	1.44%
Disposed off through sale	0.82%
Disposed off through bio remediation	39.47%

During the year 2011-12 around 6,486 MT of spent catalyst was generated in Refineries, of which 363 MT was safely disposed off by selling to CPCB approved parties.

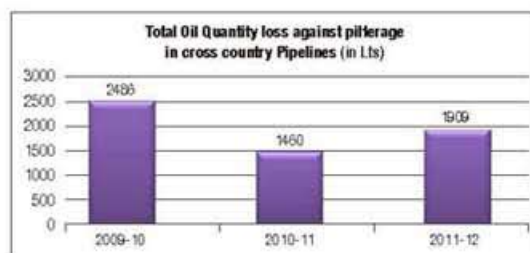
Solid Waste Data	2011-12
Canteen Waste	Processed in organic waste converter to produce organic fertilizer
Horticulture Waste	Partly in organic waste converter and rest composted
Paper Waste	Disposed through paper recyclers
Metal Waste	Disposed through metal recyclers
E-waste	Minimized through buy-back policy with manufacturers
Others	Batteries for UPS etc are procured under buy-back arrangements with suppliers

In Marketing Division, hazardous waste is stored as per PCB norms in HDPE lined pits and treated through bio-

remediation under guidance of R&D, Faridabad.

OIL SPILLS

Oil spill response facilities such as oil dispersant liquid & absorbent pads are made available at all installations. Oil spill mock drills are conducted on high seas at the Single Point Mooring (SPM) system. Associated oil spill equipments like skimmers, floating tanks, OSD spray arms, beach cleaning equipments, etc. are demonstrated during the drill jointly with mutual aid partners.



Some of the environmental damage caused by an oil spill can last for decades after the spill. The long term damage to various species, and to the habitat and nesting or breeding grounds those species depend upon for their survival is one of the most far reaching environmental effect caused by oil spills.

IndianOil has put in place measures for Oil spill response. Oil spill response facilities are provided at IndianOil port locations. Tier I facilities are being maintained by respective Port Trusts. For Tier II (1000 tonnes) and Tier III (beyond 1000 tonnes), the services of East Asia Response Limited, Singapore are being used.

Mitigation Actions

Rainwater Harvesting: During 2011-12, 45 rainwater harvesting projects were completed across the organisation. Last year, 74 Rainwater harvesting facilities were put up in Marketing installations, 16 in Refinery Units and 23 in pipelines locations.

Data 2011-12 (M ³)	Refineries	Pipelines	Marketing	liPM	Total
Rainwater Harvesting	29,937	15,000	63,041	20,454	1,28,432

Carbon Neutral events: A conscious effort is being made to reduce the carbon footprint created as a result of holding major events in the organization involving travel by a large number of people. Against a target of 12, a total of 18 events were made carbon-neutral in year 2011-12. Sources of carbon emissions arising out of air travel undertaken by officials, electricity consumption during the event, ground transportation of officials, fuel for cooking food and waste generated during the events were identified and resultant carbon emissions calculated. A corresponding number of trees are then planted to take care of the carbon emissions by carbon sequestration.

Carbon, water, waste footprinting exercise: The ecological footprint of IndianOil's operations is currently being assessed as a first step towards minimizing it. So far, this exercise has been carried out in 20 locations during the year 2011-12.

Eco-friendly utilization of organic waste: In order to dispose of kitchen/horticultural organic waste in an environmentally-friendly manner, the use of Organic Waste Converters (OWC) is being promoted at locations.

A quiz titled 'Solaris' was conducted to promote learning and interest in energy and environment, in association with PCRA. 1714 officers participated in the on-line preliminaries.

OTHER MITIGATION EFFORTS

To reduce water consumption:

- ▶ Reuse of water used for Calibration of Tank Trucks.
- ▶ Arresting water leakages to reduce water wastage.
- ▶ Providing float valve in washing machine, water coolers, water tanks, etc.
- ▶ Auto stop systems/ sensor systems with float valves in water tanks
- ▶ Recycling of fire engine cooling water.
- ▶ Hydrant line flushing done through recirculation line.
- ▶ Overflow from tanks directed towards static water tanks.
- ▶ Plantation of trees is done on a regular basis so as to capture surface water caused by rains/ water used in Fire-fighting.
- ▶ Drip system for watering in plants and trees have been provided in locations in arid area.
- ▶ In some LPG Bottling Plants, Cylinder washing units have been provided with recirculation tanks where water is collected & reused for cleaning the cylinders.
- ▶ Use of waste water for gardening and housekeeping purposes.

- ▶ Testing of OWS water samples & ground water samples conducted.

To reduce air emissions:

- ▶ Checks are carried out at locations to ensure that all bulk trucks entering the locations have valid PUC certificates.
- ▶ Regularly monitoring the quality of DG exhaust stack and air quality in TLF area of locations through approved agency of Pollution Control Board.
 

Solar Street lights, Solar Water Heaters
- ▶ Induction of Mobile Oil Spill Response Unit (MOSRU) for mainline emergency.
 

Mobile Oil Spill Recovery Unit in Operation
- ▶ Portable hydrocarbon and oxygen gas detectors have been made available at many installations.
- ▶ Green fuels (Petrol & Diesel) conforming to BS-IV standards. IndianOil is marketing CNG from nearly 117 IndianOil outlets.
- ▶ Auto-gas (LPG) as a clean-burning fuel.
- ▶ Launching of Ethanol Blended Petrol (5% ethanol) Market Development of Bio-Diesel is in pipeline. Ambient air monitoring & exhaust stack monitoring is being carried out at several locations.
- ▶ Solar water heating plant for heating of process water for crude oil centrifuge.

AUTO FUEL QUALITY IMPROVEMENT

Partnering the nation in its quest for energy security and reducing dependence on conventional fossil fuels, IndianOil has taken a number of steps to usher in cleaner and sustainable alternative sources of energy. IndianOil is currently focussing on Ethanol-blended petrol, Bio-diesel, auto LPG, CNG and Hydrogen energy, besides promoting use of wind and solar energies.

IndianOil has progressively upgraded quality of auto fuels in terms of emission related parameters and to meet the quality requirement of new generation vehicles. Our refineries have implemented various projects (Diesel Hydro Desulphurisation, Diesel Hydrotreater, Motor Spirit Quality Upgradation), for meeting this objective.

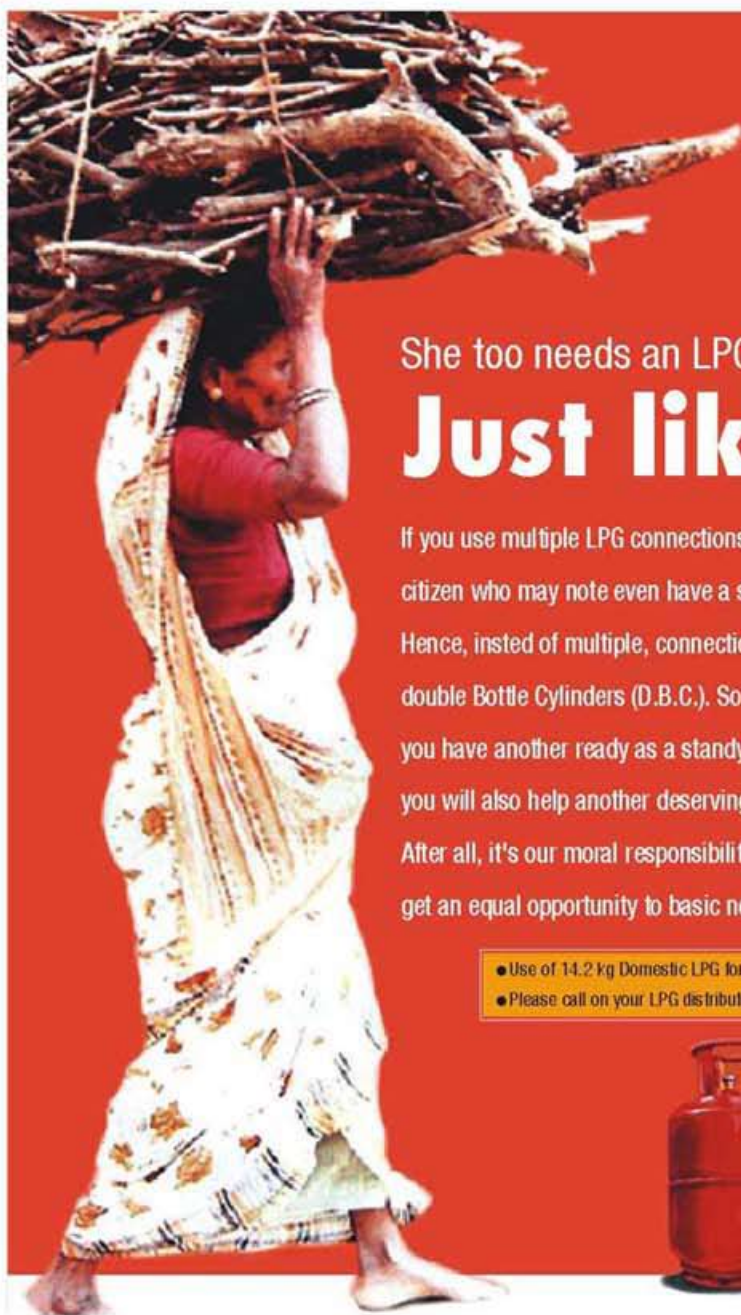
Various Auto Fuel Quality Improvement Initiatives include:

- ▶ Installation of a 1.2 MMTPA capacity Diesel Hydrotreater (DHD) and Phase-II of the MSQ Project at Bongaon refinery
- ▶ BS-IV Fuels made available in seven more cities namely Mathura, Hisar, Vapi, Ankleshwar, Jamnagar, Puducherry and Bharatpur from Dec 2011 increasing the no. of cities having BS-IV fuels to 20. By 2015 it will be made available in 43 more cities.

GREEN FUELECONOMY

- ▶ **Auto-gas (LPG)** as a clean-burning fuel is now available at 346 IndianOil outlets across the country.
- ▶ CNG is being marketed from select IndianOil outlets in Mumbai and Delhi as a franchisee of Mahanagar Gas Ltd., Mumbai, and Indraprastha Gas Ltd., Delhi, respectively. As on date, CNG is available at 117 IndianOil outlets in Mumbai and Delhi.
- ▶ Marketing Division has launched **Ethanol blended petrol (5% ethanol)** which reduces carbon monoxide levels in auto emission.
- ▶ Facilities have been identified for storage, testing, blending of bio diesel. Very soon marketing of bio-diesel blends with High Speed Diesel is expected to start.
- ▶ Studies on use of **Multi functional additives** in Gasoline and Diesel fuels carried out by R&D.
- ▶ Studies on use of **10% Ethanol in Gasoline** carried out by R&D.
- ▶ Optimization of blends of HCNG for use in 3-Wheelers.

Social Performance



She too needs an LPG cylinder...

Just like you

If you use multiple LPG connections you are depriving another citizen who may not even have a single connection. Hence, instead of multiple connections you have a choice - double Bottle Cylinders (D.B.C.). So if you exhaust one cylinder you have another ready as a standby. In the process, you will also help another deserving citizen to obtain a connection. After all, it's our moral responsibility to ensure that others also get an equal opportunity to basic needs - Just like you.

- Use of 14.2 kg Domestic LPG for commercial purpose is illegal
- Please call on your LPG distributor for surrender of extra cylinder



Human Resources

A major challenge for an organisation is to offer an environment that can attract, motivate and retain competent employees who are willing to give their best to the organisation. Human Resource seeks to achieve this by recruiting and training employees to enhance the capabilities of their workforce, with the organisation's ongoing and future business plans. With the increasing dynamic shifts in the market, rising competition and technological advances, employees need to be adoptive and innovative at workplaces. IndianOil's work culture encourages openness and trust combined with a commitment to enhancing the bottomline. The organisation ethos is focussed on providing opportunities for skill development, enhancing exposure to a wide range of job roles as well as mentoring of young recruits. IndianOil has been continuously benchmarking its HR processes and labour practices and has won recognition as a pioneer in evolution of robust human resource development system, including recruiting training and development, employee engagement and succession planning and other sub-systems.

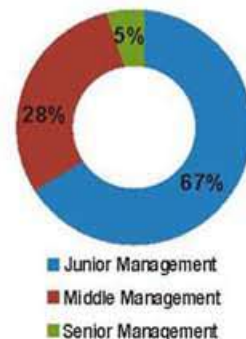
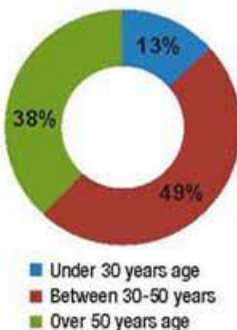
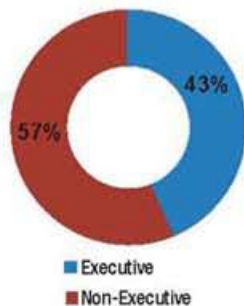
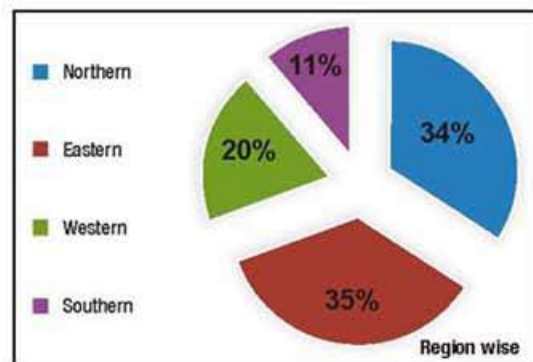
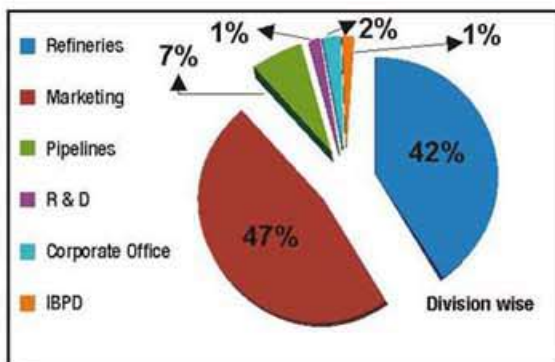
STRENGTH IN NUMBERS

Human capital is at the core of the success of any organisation. IndianOil acquires the best talent in the country from leading institutes and universities. It has been working towards nurturing and retaining talent. In our new business areas of Petrochemical, Gas and Exploration & Production, getting the right talent is pivotal to the future of these ventures. The employee strength of IndianOil as on 31st March, 2012 was 34,233 including 14,851 Officers and 19,382 staff.

The Presidential Directives and various instructions/guidelines issued by Government of India regarding reservation in services for SC/ST/PH/OBCs etc. are scrupulously followed. As per Policy, IndianOil recruits only on Permanent contract basis.

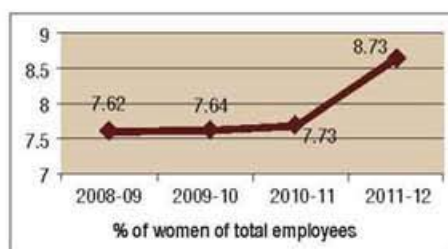
Permanent/ full time employees	34,233
Temporary/ part time /contract employees	64,162

The Divisional & Regional distributions of manpower:



Employee Turnover		2011-12		Total No.
		Male %	Female %	
Number of new employees hired (Officers)	Under 30 years of age	85	15	718
	Between 30- 50 years	Nil	Nil	Nil
Number of new employees hired who left within the first year	Under 30 years of age	100	0	14
	Between 30-50 yrs age	Nil	Nil	Nil
Number of employees resigned	Under 30 years of age	89	11	161
	Between 30- 50 yrs. of age	70	30	10
	Over 50 years of age	75	25	4
Total		87.5	12.5	175

7.83 % of IndianOil workforce comprises of women. A study has been initiated on "Women Development Initiatives" to assess the impact on professional growth of women in IndianOil. The study will develop a multiple criteria for measuring success in true integration of women in their multiple roles. IndianOil also has policies for women employees such as:



135 days maternity leave

2 years child care paid leave (without pay), once in entire service

Leave without pay for a period of 3 years during the entire service

Child Adoption Leave for a period of 135 days with pay

RECRUITMENT

IndianOil recruits bright and professionally qualified people in the executive cadre through open as well as campus recruitment from prestigious universities. For open recruitments, advertisements are published in leading national dailies. Campus interviews are conducted at the IITs, NITs and other reputed technical campuses of the country for recruiting final year engineering students. Interviews are also held at business management institutes to recruit final year MBA students. IndianOil inducts officers at the junior

most level of the management. During 2011-12, 718 Officers and 626 Staff were recruited in the Corporation.

The Recruitment is facilitated to include persons from weaker sections of society classified under Scheduled Caste, Scheduled Tribes, Physically Handicapped etc.

IndianOil's recruitment process is spread across the country and since it is a Public sector undertaking under the Government, only Indian nationals are recruited in IndianOil.

Training & Development

MENTORING

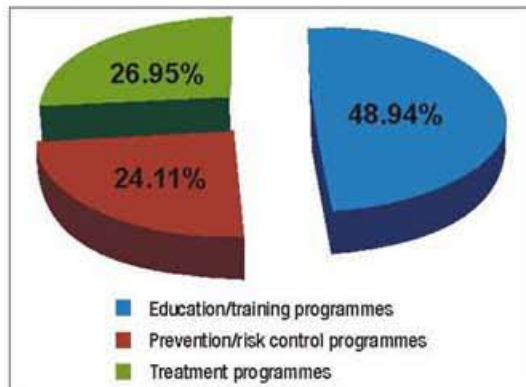
'Mentoring' is an integral part of IndianOil's employee growth plan. It is a vital tool for the retention of talent since it increases engagement and plays an important role in the grooming of the employee and integrating the person to the value of the organisation. The various functional groups of IndianOil undertake this keeping in mind specific operational requirements. To familiarise freshly recruited employees to know with IndianOil and its business lines, we expose them to a

viewfinder course through an induction training programme at the IndianOil Institute of Petroleum Management (IIPM), our world class training institute located at Gurgaon. Our various induction training programmes are custom made to provide inputs for start-up and exposures on work culture, organisational structure, corporate vision and ethics, etc. Career planning program for retiring employees to plan their after retirement life are also conducted.

TRAINING

Trainings are conducted as per the training modules given in OISD-154 (Oil Industry Safety Directorate) to various stakeholders like employees, contract workers, tank truck crew and security personnel. Training are conducted by specialized in house faculty as well as by outside expert faculties. Employees are also sent outside the organization to attend the specialized HSE Training courses. The training also covers Fire/Safety/Standard Operating Procedures/Occupational Health/Environment/Sustainable Development, Human Right etc.

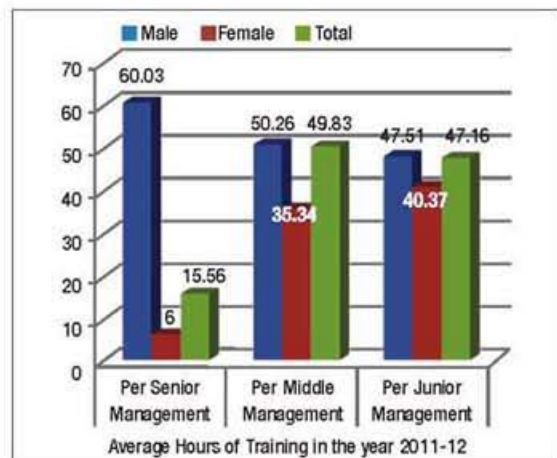
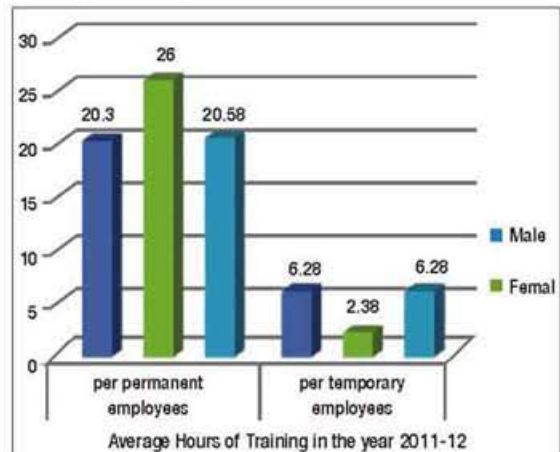
All divisions of IndianOil & IIPM conduct functional and development training programmes for the employees and staff.



In order to assist workforce, their families, or community members regarding serious diseases, 141 trainings programmes and workshops were conducted during the year covering 6,071 participants. 49% of the programmes were educational, 24% prevention and risk control while the balance 27% were related to treatment issues. Average number of participants per category of programme were 37, 41 and 56 respectively.

AVERAGE HOURS OF TRAININGS IN THE YEAR

5,38,757 hours of training have been conducted on skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. Of the total, 83% of trainings were internal and 17% were external trainings/funding.



14,985 hours of employee training were held on policies and procedures concerning aspects of Human Rights that are relevant to the operations covering 0.02% of the total employees.

0.02% of the employees received training on organization's Anti-corruption policies and procedures.

Human Rights

IndianOil conforms to human rights principles and has ensured that no violation occurs in its vicinity. IndianOil is an equal opportunity employer and believes in fostering an environment of equality at the workplace and ensures the recognition of the equal and inalienable rights. IndianOil conforms to Global Compact Society (India) and is a staunch supporter of the UN Global Compact principles.

ETHICS, CONDUCT AND DISCRIMINATION

IndianOil conducts its business on the foundation of its core values & in support of the universal human rights of its employees & the communities in which it operates. IndianOil also has an approved policy for handling grievances of employees and customers. Issues of other stakeholders like contractors, Dealers, Vendors and local Communities are resolved promptly. IndianOil shares information on different issues under the 'Right to Information Act' with the respective stakeholder.

SUPPLIER

It has been IndianOil's effort to ensure that the entire supply chain comprising of vendors, sub-vendors, transporters, contractors, business associates, dealers, distributors, etc. provide further strength to its efforts in upholding human rights and no discriminatory practice is followed in any form. IndianOil acknowledges its responsibility by demanding a statutory compliance from every member of the supply chain and upholds a code of conduct as a guide for action.

GENDER SENSITIVITY

IndianOil regularly sensitizes employees on the transactional relationships that would lead to a more harmonious workplace. Regular workshops and training programs and talks by eminent women rights activists on gender sensitivity, prevention of sexual harassment at workplace, etc. are organised in the offices/units of IndianOil. Moreover IndianOil has established 17 women's Cells across the company, each of which is headed by an Apex Level WIPS (Forum of Women in Public Sector) Leader. A study has been initiated on "Women Development Initiatives" to assess the impact on professional growth of women in IndianOil". The study will also attempt to develop a multiple criteria for measuring success in true integration of women in their multiple roles.

There is a 33% reservation for Women in the allotment of Kisan Seva Kendra dealerships.

CHILD LABOUR

IndianOil stands strictly in support of the abolition of child labour. To implement the child labour policy, the General Conditions of Contract (GCC) - the guidelines

for any contract drawn with IndianOil, have a clause where all bidders are required to submit a written declaration that they do not engage in child labour. IndianOil supports effective abolition of child labour by ensuring that no child labour is allowed to work in any of its establishments.

- ▶ IndianOil has prescribed the minimum age limit of 18 years for employment/contract labour.
- ▶ IndianOil does not buy products / services from industries deploying child labour.

FORCED AND COMPULSORY LABOUR

IndianOil supports the elimination of all forms of forced and compulsory labour. The Company believes in voluntary labour and during the reporting year no instance of forced/compulsory or bonded labour has come to light. There are in-built provisions in the company policy for ensuring payment of minimum wages to contract labour.

DISCRIMINATION

IndianOil is an equal opportunity employer. There is no discrimination for employment or growth and development on the basis of caste, colour, gender, religion or region. IndianOil is one of the largest employers of women in the public sector.

The pay structure of women and men employee is same. IndianOil discourages any type of discrimination on women even dealing with contractors and other stakeholders.

HIV/AIDS POLICY

HIV/AIDS is one of the humankind's deadliest scourges in the modern era. There is no medical cure available at present and the strongest medicine to fight and contain this threat is prevention through awareness about HIV/AIDS. IndianOil as a socially responsible Corporate Citizen, reiterates its intense commitment to join the fight against HIV/AIDS by creating awareness on prevention of HIV/AIDS amongst its stakeholders and also by extending necessary care and support to the affected employees and their family members. Based on the National Policy on HIV/AIDS and the World of Work, IndianOil has responded with the HIV/AIDS policy for employees. IndianOil implements all policies, guidelines and directives of the GoI on HIV/AIDS. IndianOil identifies HIV/AIDS as a workplace issue and endeavours to create and promote a favourable work environment for free information, free exchange and awareness on prevention care and support including promotion of counselling HIV/AIDS among the employees and their families.

SECURITY PERSONNEL TRAINED

Being a part of India's strategic industrial landscape, IndianOil has a stringent security network which is periodically bolstered by cutting edge training. The training includes latest technique from the security domains and behavioural responsibilities and human rights issues such as dealing with employees, visitors and contract labourers. Besides ensuring a high level of alertness and vigilance, the security person also focuses on frisking and checking of personnel entering Corporation's premises. Regular feedback is sought to

identify and resolve grievances of security staff. 0.07% of Security Personnel have received training on the organisation's policies and procedures concerning aspects of Human Rights that are relevant to operations.

Indian Oil Corporation is the founder-member of the United Nations Global Compact (UNGC), an international initiative that brings companies together with UN agencies, labour and civil society to support universal environmental and social principles.

Collective Bargaining

Freedom of association is available to all employees. IndianOil has established policies and practices through which the collectives exercise the freedom of collective bargaining on issues of common interest and sign long term settlements for salaries, wages and perks.

IndianOil respects and supports the right of our workers to free association and collective bargaining in area where we operate. IndianOil has 23 recognized unions representing employees of the organisation. IndianOil's Unions have common and shared set of industrial relation values and strategies between management, collectives and employees which has evolved over time, resulting in harmonious industrial relation. Unions within our businesses are interested in upholding workers' rights and interests. Remuneration, work hours, collective bargaining and health and safety are some of the issues that have been raised in relation to our operations.

The participative culture is further augmented in the

Parameters	2011-12
Percentage of employees covered by collective bargaining agreements	100%
Minimum notice period(s) significant operational changes (weeks)	As per Section 9A of I.D. Act, 1947, regarding employer can propose to effect any change in the conditions of service applicable to any workman in any matter within 21 days of giving such notice.

form of Works Committee, Canteen Committees, Grievance Committees, Safety Committees, House Allotment Committees, Superannuation Benefit Fund Trust, EPF Trust, Joint Management Councils and other similar committees.

TOTAL SPENDING ON SOCIAL BENEFITS FOR EMPLOYEES

Social Benefits	2010-11	2011-12
Health Care	156.50 Crores	176.07 Crores
Accident and death insurance	Payment to LIC in lieu of EDLI: Rs. 1.75 (2012-13) crore. Premium payment data towards GSLI coverage towards risk coverage (death / accidental death)	
Loan subsidies	Within perks ceiling of 50 % of Basic Pay -for Officers	
Personal transport	Within perks ceiling of 50 % of Basic Pay -for Officers	

BENEFIT SCHEMES FOR EMPLOYEES

- ▶ Subsidised canteen facilities
- ▶ Housing facility
- ▶ Festival advance
- ▶ Leave Travel Concessions and Holiday Homes
- ▶ Long Service Awards
- ▶ Computer Advance for workmen
- ▶ Schools
- ▶ Rationalisation adjustment cum skill up-dation expenses
- ▶ Cable TV charges
- ▶ Transport facility
- ▶ House Building Advance
- ▶ Conveyance Advance
- ▶ Medical facilities
- ▶ Liberal leave for female employees

- ▶ Furniture Advance
- ▶ Sports / Club facilities
- ▶ Incentive scheme for higher education
- ▶ Conveyance running and maintenance expenses
- ▶ Children Education Assistance
- ▶ Protective clothing

THE BENEFITS PROVIDED TO FULL-TIME EMPLOYEES ARE FOLLOWING:

Life Insurance

Group Savings Linked Insurance Scheme

- ▶ To provide the member the twin benefits of an insurance cover to help their families in the event of death in service and a lumpsum payment to augment their resources after attaining the age of superannuation.

Health Insurance

- ▶ IndianOil provides liberal medical facilities to its employees and their dependent family members. IndianOil maintains its own hospitals at the townships attached to each Refinery. Employees at other locations can obtain domiciliary/ indoor hospitalization treatment of self/dependent family from an Authorized Medical Attendant (AMA)/ Specialist.

Disability, invalidity coverage

- ▶ Disability Leave upto a period of 120 days or more is granted to an employee disabled by injury caused by accident while on duty.

Parental Leave

- ▶ Maternity Leave
- ▶ Child Care Leave
- ▶ Child Adoption Leave

Retirement Plans

- ▶ As per DPE guidelines, the Superannuation Benefits to employees in IndianOil in each Grade are admissible out of Company's contribution during service, which comprises of Provident Fund, Gratuity, Post Retirement Medical Attendance Scheme and Pension under a 'Defined Contribution Scheme'.

THE COVERAGE OF THE ORGANIZATION'S DEFINED RETIREMENT BENEFIT PLAN

Contributory Provident Fund

Contributory Employee Pension Scheme

Gratuity

Post Retirement Medical Attendance Scheme

Superannuation Benefit Fund Scheme

Safety And Occupational Health

IndianOil's commitment to safe work places is reflected in the well-established, world-class safety management systems at all its operational locations. Safety Management is an integral part of the overall management ethos of the Company and the highest priority is accorded to Safety & Occupational Health. IndianOil diligently follows the standards laid down by the Oil Industry Safety Directorate (OISD) on matters of safety & occupational health and the norms set by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB) for environmental protection. Safety Awareness Survey is regularly carried out at all IndianOil's installations to check the preparedness of organisation.

FIRE & SAFETY

Disaster Management: An onsite disaster mock drill guiding fire-fighting, rescue & control operations along with rehabilitation & restoration take place regularly. Such exercises are a part of Emergency Response Disaster Management Plan (ERDMP) set to all refineries.

An off-site disaster mock drill aimed at assessing the in-house preparedness and alertness during the crisis situation also take place. A scenario of leakage of crude oil and subsequently culminating into minor fire are envisaged.



Fire fighters rescue a casualty during the mock drill

The training model (classroom sessions and mock drills) comprise of operation & maintenance of Fire Extinguishers, ensuring electrical safety at Pump Island, Sales Building, regular checks of equipments like Air compressor, DG Sets, DUs and Fire Extinguishers. The important safety measures for TT unloading are also covered in such programmes.

Safety Committee

IndianOil has two tier Safety Committee: (i) Management Safety Committee. (ii) Shop-floor Safety Committee.

Management Safety Committee headed by unit head consists of other members up to HOD and workmen representatives. Shop floor committees are formed at various sections in the refinery with intensive participation from the workmen side. Designated

person from the non-executive cadre represent the shop floor committees, so that continuity and personnel involvement are ensured.

Detailed analyses of the occurrences that have emerged are being strictly implemented. Reporting of 'Near Miss Incidents' is encouraged at all locations for understanding the accidents in practicality. National Safety Day on 4th March and Fire Service Day on 14th April are observed at all installations. On site & off site mock drills are carried out at all locations as per schedule. Safety instruction card covering Do's &



Don'ts have been prepared at all installations for instructions to visitors entering premises. Disaster Management Plans have been established in place.

During the year, site safety checks and surprise inspections, OISD, ESA, SSC & internal multidisciplinary safety audit and internal safety audit carried out. Job safety analysis, Safety/Tool box talks & sensitization of workers by ELC prior to commencement of job on hazards is involved in the work.

Heroic IOCIans Douse Village Fire

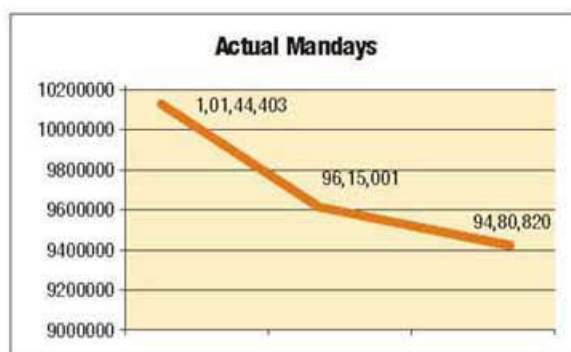
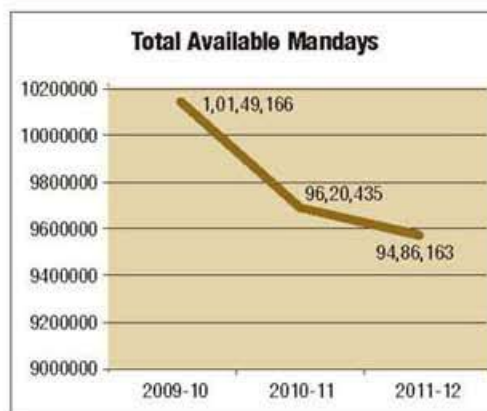
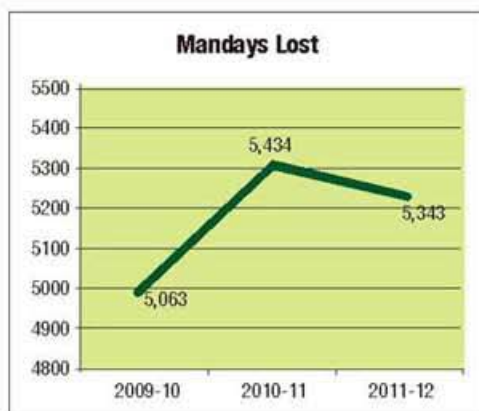
At IndianOil, safety comes first - whether it is within IndianOil installations or outside. Recently, brave-heart IOCIans from WRPL, Ramsar fought courageously to douse a massive fire that broke out in a village near Ramsar pump station. The incident which could have led to large casualties was timely averted simply because of quick action taken by a dedicated team of IOCIans.

A fire broke out at the Mavashiya village after which the panic-stricken villagers quickly informed IndianOil's WRPL, Ramsar Office. A valiant team of IOCIans rushed to the spot with dry chemical powder extinguishers and other fire fighting equipment. They started to extinguish the fire on a war-footing. After a valiant fight for almost an hour, the team managed to control the fire and thus saved the day for the villagers.



Brave heart IOCIans from WRPL, Ramsar

DIVISION	2011-12 (No.)			
	FATAL ACCIDENTS	FATALITIES	NEAR MISS	OCCUPATIONAL DISEASES
REFINERIES	4	4	72,897	NIL
MARKETING	7	8	377	NIL
PIPELINES & R&D	NIL	NIL	20	NIL
TOTAL	11	12	73,294	NIL



OCCUPATIONAL HEALTH

To ensure a healthy work environment, IndianOil has provided full-fledged Occupational Health Centres (OHC) equipped with the latest medical, trained doctors and paramedical staff at operational locations. All IndianOil refineries are certified for occupational health and safety management systems as per ISO-18001. During the year, health check up for all employees and

contract labours are carried out as per policy. Audiometric tests are conducted for all the persons working in high noise area. Health & Hygiene audits and surveys of canteens, drinking water are carried out. Aqua guard filters/RO plants have been provided at all drinking water outlets as a part of management of hygiene at canteen and drinking water facilities in installations.



Other Initiatives

Screening of safety films is done to expose the employees to standard safety procedures to be followed while carrying out a job, use of fire & safety equipment, fire fighting installations etc.

Social Responsibility Initiatives

"... We, at IndianOil understand our responsibility towards society and believe in fulfilling them unconditionally. It's all about feeling responsible from inside. That's why we come forward to extend a helping hand, whenever and wherever needed..."

IndianOil has a policy of setting aside up to 2% of the retained profit of the previous year towards CSR projects which are taken up in a planned manner, based on the local communities' requirements. As per the existing CSR policy, expenditure may be incurred on making donations and contributions and community development activities every year. This is inclusive of the annual contribution of Rs.10 crore towards IndianOil Foundation.

IndianOil contributes 20% of the CSR budget for taking up LPG scheme(s) of the Government of India. Donations/contributions and Community Development activities are focused in specific target areas to establish a corporate culture on the subject. After allocating annual contribution towards IndianOil Foundation and LPG Scheme(s), the remaining amount may be utilized as under:

- ▶ A minimum of 35% towards national causes/natural calamities.
- ▶ Up to 5% is utilized for donations/contributions.
- ▶ 30% is kept aside for the IndianOil scholarships, of which 50% is utilized for providing scholarships to students belonging to the weaker sections of society.
- ▶ 30% is apportioned for community development activities including Special Component Plan and Tribal Sub Plan.

A greater emphasis is laid on utilizing the community development funds for projects on providing clean drinking water, health & medical care and education to the extent possible. Any unspent amount is carried forward to the next year.

A CSR Committee of IndianOil Board has been constituted for guiding and undertaking CSR activities in a focused and structured manner and reviewing IndianOil's existing CSR policy from time to time as per guidelines issued by Department of Public Enterprises. The Committee also advises on new flagship CSR projects to be undertaken on a pan-India basis in consonance with IndianOil's Vision and CSR Policy.

In the year 2010-11, on recommendations of the Committee, a dedicated cell was created at Corporate Office to specifically plan, monitor and co-ordinate CSR activities. Further, in the year 2011-12, additional dedicated manpower in middle management and senior management cadres were deployed at Divisional,

Regional and Unit levels.

HEALTHCARE

IndianOil Sachal Swasthya Seva

Majority of India lives in its villages. In the absence of proper medical services, villagers normally rely on home-made remedies and/or quacks for even their basic medical needs. While Government of India has created a nation-wide network of Primary Health Centers (PHCs), often inaccessibility and inadequacy of medical services and unavailability of qualified doctors have been the main bottleneck in improving rural health. Often common diseases go un-diagnosed or untreated causing major diseases, sometimes leading to death.



IndianOil Sachal Swasthya Seva will touch lives of >1.5 million villagers / yr in > 1000 villages in UP & AP

In Jan-2012, IndianOil launched a nation-wide primary mobile health care scheme titled "IndianOil Sachal Swasthya Seva" for running Mobile Medical Units (MMUs) in Andhra Pradesh and Uttar Pradesh. The objective of launching this service was to provide primary healthcare services to the villagers near IndianOil's Kisan Seva Kendras through regular and routine visits of MMUs, to treat commonly prevailing diseases in the locality to reduce incidence and recurrence, to provide accessibility to villagers to a qualified doctor free of cost, to disburse medicines to villagers free of cost, early diagnosis of diseases and counseling patients regarding health & hygiene, HIV/AIDS, birth control, etc. and referring patients to nearby hospitals, as and when required.



Mobile Medical Unit

52 MMUs have so far been launched in this pilot project. The MMUs, stationed at IndianOil's KSKs travel to the



MMU Team



Doctor examining patients



Free medicine distribution

nearby villages to provide primary healthcare to the poor and needy population. Villages, where these services are provided, have been shortlisted through a Baseline Survey, as per which primary healthcare facilities in these villages are either inadequate or non-existent. Each MMU has a 4-member team comprising of a registered qualified Doctor, a pharmacist, a driver and a community mobilizer. Each MMU visits the same village once every week and 52 MMUs would touch and impact the lives of about 1.5 million patients every year. Permanent posters, showing day/time of MMU arrival and contact no. of community mobilizer, etc. are placed at pre-specified locations in the villages, where MMU is stationed. This project has been implemented in collaboration with the Wockhardt Foundation.

IndianOil has invested about Rs. 27 crore for implementation of this project, which includes capital expenditure for 52 MMUs and operational cost for three years.

For periodic review and monitoring of the project, for the States of AP & UP, two Project Implementation Committees (PIC) comprising of 6 members each (3 members each nominated by IndianOil and Wockhardt) have been constituted, which meet regularly, review progress/operational issues and take remedial actions.

MMUs are able to provide curative as well as preventive medical services to the villagers, who are otherwise unable to avail healthcare services due to high cost as well as low accessibility to hospitals. Since MMU staff members have been trained as first-aid givers, they come handy in times of emergencies. Drugs are made available in the MMU and sufficient inventory is maintained at KSKs.



Smt. Laxminarayanamma (48 years, Vill: Dharmapuram, Mandal: Peddapappur, Dist: Anathapur):

"So far, we do not have health services in our village. When we fall sick, we have to travel 30 kms to reach hospital. In our village, old people, pregnant ladies and children are suffering due to lack of hospital facilities. We are getting very good support from IndianOil & Wockhardt Foundation. IndianOil is providing free medical checkup and free medicines. We are thankful to IndianOil to come to this remote village and distribute free medicines."

Shri Mangilal Badhawar (Vill: Ganeswaram, Dist: Khammam):

"Your mobile health van, free health checkups and free medicine facility are very much useful to us. Earlier we used to go 10 kms for health checkup and medicines, but now, we are happy as IndianOil is providing us free medical services in our village itself. We are very happy and we wish and request you to provide this in future also."



Smt. Savitrama (Vill: Chinnappapur, Mandal: Peddapappur):

"Free mobile health services provided by IOC are very helpful for poor people like us. Since 3 months, we are visiting your services and the diseases have been decreased compared to before. Medicines provided in the ambulance are working. But instead of giving those medicines separately, provide them in strips."

Assam Oil Division Hospital, Digboi

IndianOil's Assam Oil Division Hospital in Digboi is 106 year old, has 200 beds and equipped with modern medical facilities. It caters to approximately 2 lakh population, with catchment area extending to neighboring Arunachal Pradesh and other nearby areas of the North East. It provides medical facilities to the community at large, besides employees and dependents of IndianOil and Oil India Ltd. The hospital is recognized by the Medical Council of India for compulsory rotating internship and resident housemanship, by National Board of Examinations for Diplomate of National Board in Medicine and by Govt. of Assam for Radiographer and Laboratory Technician training. Besides, the hospital is also certified as 'Baby Friendly Hospital' by the Govt. of India.

IndianOil (AOD) hospital boasts of advanced medical facilities and offers specialized care and treatment to community of Digboi and surrounding areas at very nominal rates. This multi specialty tertiary care hospital provides outpatient (OPD) services, inpatient services, 24 hours emergency, has well equipped operation theatres, a burn unit, diagnostic services, telemedicine centre, substance abuse and treatment centre, blood bank, medical stores, morgue dispensary, etc. IndianOil



Front view Accident and Emergency

(AOD) hospital also runs a dispensary at IndianOil's Tinsukia Terminal Depot. The Hospital also organizes free health camps of general and specialized nature as a part of community outreach services, which was initiated way back in 1984.

IndianOil incurs an annual investment of about Rs. 25 crore on this hospital. About 25% of the patients are from the community.

The annual OPD attendance of this hospital is more than 1 lakh patients. Hospital also registers 4,000 patients for indoor admissions and conducts operative procedures on 2,000 patients every year. The health camps of general and specialized nature are organized regularly by the Hospital to reach out to the poor villagers, who have no access to medical consultations or treatment. The hospital has helped bring relief and comfort to people of varied age groups and backgrounds in Digboi and the surrounding areas of the North East. Sample of beneficiary feedback is given below:

Smt. Jyotsna Paul, 70 yrs / female from Anandapara, Digboi was admitted on 31/07/2012 for diabetes, hypertension, left ventricular failure, COPD. Patient's daughter-in-law Smt. Sefali Paul spoke to us on behalf of the patient as patient is not in a position to talk. "She got admitted many times in the past in this hospital on various occasions for her chronic illness. This time she was admitted for chronic Asthma, heart failure, high blood pressure, leg swelling. Our economic condition is very bad and can't afford treatment at Nursing home, Dibrugarh. We are very lucky that IndianOil (AOD) is offering treatment at nominal charge for private patients like us."



Swarna Jayanti Samudaik Hospital, Mathura

In the year 1999, IndianOil set up a 50 bed hospital (Swarna Jayanti Samudaik Hospital) at village Raunchi Bangar, Mathura, Uttar Pradesh (near Mathura Refinery of IndianOil) for providing medical assistance

to the residents of the area. In addition, two mobile dispensaries have been set up to provide primary medical care in the nearby villages of Mathura Refinery. The entire cost of operation and maintenance of hospital including operation of two mobile dispensaries is borne by the Organisation. The hospital provides free treatment to the destitute and offers subsidized treatment to others. Naujhil Integrated Rural Project for Health & Development (NIRPHAD), a Society registered under the registration of Societies Act, runs this hospital.



Swarna Jayanti Samudaik Hospital, Mathura

Out of 50-beds, 10 beds are designated to provide free treatment to the destitute. A mutually agreed concession policy has been drawn up to provide concession services to the poor. The hospital operates with 8 consultants (MD/MS), 4 emergency medical officers (MBBS), 34 nursing staff, 21 ward aids and 42 other staff members. IndianOil's CSR investment for running this hospital is Rs. 2.7 crore per year.



Community Health Programmes

IndianOil Tata Care Centre, Kolkata

Adding one more feather in its CSR thrust area of "Health & Medical Care", IndianOil has launched Cancer Care Initiative and signed an MoU with TATA Medical Centre Trust & TATA Eastern Medical Trust for development of Phase-II of TATA Medical Centre, Kolkata for addition of 250 beds in a new building, which will have well-trained professional staff and a comprehensive Cancer Care Center equipped with modern facilities. The new facility will be named as 'IndianOil TATA Care Center'.



'IndianOil TATA Care Center'.

At present, TATA Medical Center (TMC) runs a 167 bed cancer hospital in Kolkata since May 2011, which provides the entire spectrum of services from Prevention, Diagnosis and therapy to Rehabilitation and Palliative support. With IndianOil's contribution, TMC will add 250 beds by constructing a new structure with a basement and six floors and seamlessly integrating with the existing hospital facilities. The project will primarily benefit the underprivileged cancer patients. The hospital will also conduct regular preventive oncology activities through an extensive outreach program, which will include awareness campaigns and cost-effective cancer screening in poor rural and urban areas in the East and the North-East. IndianOil will contribute Rs. 66 crore for this project, which is expected to be completed by 2015.

Other Initiatives For Health & Medical Care

Other health and medical care areas, in which IndianOil has been extending support, include Medical/Health Camps on Family Planning, Immunization, HIV/AIDS awareness, Pulse Polio, Eye and Blood Donation, Pre and Post-natal Care, Homeopathic Medicines, distribution of free condoms, providing anti-mosquito fogging treatment, toilets, medicines to primary health centers, mosquito nets, ambulances to Medical Centers/Hospitals/NGOs, hearing aids/wheel chairs to physically challenged, financial assistance medical equipments to hospitals, etc.

Education & Skill Development

Assam Oil School Of Nursing, Digboi

Assam Oil School of Nursing (AOSN), Digboi was established on 4th June, 1986 with the sole objective of providing professional training to unemployed girls in the field of nursing and midwifery. AOSN is recognized by the Indian Nursing Council (INC), a statutory body under Government of India, Ministry of Health and family Welfare. INC was constituted by the Central Government under section 3(1) of the Indian Nursing Council Act, 1947 of Parliament to establish a uniform standard of training for Nurses, Midwives and Health workers. AOSN is also recognized by Government of Assam. AOSN celebrated its Silver Jubilee on 4th June 2011.



AOSN offers Diploma in General Nursing and Midwifery (GNM) course, which is of 4 years duration

(including internship). This course is offered to young girls (after 10+2), who wish to be professionals in the field of nursing services. 20 girls are selected on merit every year through a written entrance test. After completion of diploma, students are attached to AOD Hospital for 12 months for their internship. Nursing Council, Govt. of Assam conducts theory and practical examinations before issuing certificates and registrations. The latest nursing curriculum also includes "community health nursing" as part of the nursing syllabus, which are conducted at neighboring rural and urban health centers. Students also attend different health program viz. the pulse polio program, village medical health program, mass education program through health talk in outpatient department of hospital, etc.

The students are paid monthly stipend of Rs. 2500/-, 2700/-, and 2900/- for the 1st, 2nd and 3rd years respectively. Uniform and free accommodations are also provided to the students. During the 4th year (internship), girls are paid Rs. 5000/- per month for the first six months and Rs 6000/- per month for the subsequent six months. Under the umbrella of student welfare, IndianOil also provides facility of annual medical examination, free medical treatment, routine and special care, immunization, health record maintenance, separate sick room and sick leave to the students.



The entire cost of the school and students is borne by IndianOil, which is about Rs. 50 lakh every year.

Before AOSN came into being, there was dearth of qualified nurses in Assam and the entire North East region. After establishment of AOSN, medical service in the North East has improved immensely and the young under-privileged girls have found stable careers. This is the only institution of its kind providing an indispensable medical service. AOSN students, who are mainly from economically backward and under-privileged families from the seven north eastern states, have moved on to find jobs in reputed hospitals in various Government and private establishments not only within the state of Assam but in other metro cities of India and some have even found placements in foreign countries viz. Nepal and Australia. Some of the reputed organizations engaging them are IndianOil, NRL, Govt. of Assam, Peerless General Hospital, Apollo

Hospitals etc. Since its establishment in 1986, the school started with a batch of 14 students and soon increased to 20 students per batch per year and the total students in the school at present are 80. Till date, 316 students have successfully completed the course and the placement record is 100%.

AOSN Alumni Speak Out

Mrs. Jaya Chakraborty is employed as staff nurse in IndianOil (AOD) Hospital, Digboi. Her comments "I was from a poor family background. My father expired when I came for training and my mother was the only person to look after the family. After I joined in Nursing, the amount I got as a stipend was of great help to me as well as to my family. My present occupation is a great support to my family. I am very grateful to Nursing School and IOCL Digboi".



Mrs. Ranjuman Saikia is working as a staff nurse in Occupational Health Centre (AOD) Hospital, Digboi. Her comments "I am very much grateful to Assam Oil School of Nursing and IOCL Digboi for giving me the opportunity to become a part of this institution and making me able to support my family and the society as well."

IndianOil Education Scholarship Scheme

IndianOil Education Scholarship Scheme for the poor and deserving SC/ST students started in the year 1984-85. It started with 50 scholarships to SC/ST students pursuing full time graduation courses in Engineering/Medical and post-graduation courses in Business Administration/ Management. Today, IndianOil awards 2600 Scholarships on merit-cum-means basis to students pursuing full-time courses in 10+/ITI, Engineering, Medical and Business Administration to nurture and support talent among the deserving students belonging to families with less than Rs. 1 lakh gross annual family income. 50% scholarships are reserved for SC/ST/OBC students. 25% for girl students and 10% to Persons with Disabilities (PWD) are reserved in each category/sub-category.

Indian Oil offers 2600 Scholarships for Students on merit cum means basis

Sl. No.	Stream	Duration for which Scholarship will be awarded and minimum duration of course	No. of Scholarship	Qualifying Examination	Minimum Eligibility marks in qualifying Exam			Scholarship amount per month
					GEN	SC/ST/OBC/Girls	PwDs	
1	10+ITI	2 years	2000	10th	65%	60%	50%	Rs. 1000
2	Engineering	4 years	300	12th	65%	60%	50%	Rs. 3000
3	MBBS	4 years	200	12th	65%	60%	50%	Rs. 3000
4	MBA	2 years	100	Graduation	65%	60%	50%	Rs. 3000

Of the 2600 scholarships awarded, 600 scholarships (300 for Engineering, 200 for MBBS and 100 for MBA) are awarded @ Rs. 3000/- per month for full duration of the course. 2000 scholarships are awarded to students pursuing 10+/ITI courses @ Rs. 1000/- per month for two years. Popularity of the scheme may be gauged from the fact that in the year 2010-11 about 40,000 applications were received for 2600 scholarships.

IndianOil's CSR investment for running this educational scholarship scheme is about Rs.10 crore per annum.

INDIANOIL SPORTS SCHOLARSHIP SCHEME

Eminent sports persons on rolls



Rohit Sharma



Aparna Popat



Sharath Kamal



P. Gopichand



Prabhjot Singh



Wasim Jaffer

IndianOil has been promoting Sports in a big way for over three decades now. In line with the sports policy adopted in 1985, IndianOil has, over the years, recruited many promising sportspersons who then went on to reach their peak in their chosen disciplines. The purpose of recruiting sportsperson is, to nurture their talent early on, enhance their performance at the National & International level & bring laurels for the Company and Country.

IndianOil introduced a Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing State in team games and National ranking in others. This scheme started with 55 scholarships in 7 games/sports. At present, 150 scholarships for 10 games/sports (Cricket, Table Tennis, Badminton, Tennis, Chess, Hockey, Golf, Billiards/Snooker, Carrom and Athletics) are awarded to upcoming junior players up to 19 years of age. The scholarship amount varies from Rs.9000/- to Rs.14000/- per month for 3 years and cost of kit items is also paid by IndianOil. IndianOil also provides assistance towards travel, lodging etc. for scholars in individual games.

Seven IndianOil Star Sportsmen in London Olympics 2012

7 IndianOil sportspersons participated in the just concluded London Olympics. They are Mr. Rohan Bopana & Ms. Rushmi Chakravathy (Lawn Tennis), Mr. P. Kashyap (Badminton), Mr. V. R. Raghunath, Mr. S. K. Uthappa, Mr. Dharamveer Singh and Mr. S. Kathajit (Hockey).

Seventy Seven Star Sportsmen on IndianOil's Rolls

IndianOil has 77 star sportsmen on its roll, who have been recruited through Sports Promotion Policy. Out of them 9 are Olympians, 11 are Arjuna Awardees and 1 is a Rajeev Khel Ratna Awardee. The galaxy of Indian sports stars include the following:

- ▶ Mr. P. Gopichand, Mr. P. Kashyap & Ms. Aparna Potat in Badminton
- ▶ Mr. S. Raman, Mr. A. Sharat Kamal, Mr. Soumyadeep Roy & Ms. Shamini in Table Tennis
- ▶ Mr. Rohan Bopanna, Ms. Rushmi Chakravathy in Lawn Tennis
- ▶ Grand Masters Mr. D. V. Prasad, Mr. Abhijit Kunte, Mr. S. S. Ganguly in Chess
- ▶ Mr. Wasim Jaffer, Mr. Rohit Sharma, Mr. Cheteshwar Pujara, Mr. Ajinkya Rahane in Cricket
- ▶ Mr. Deepak Thakur, Mr. Prabhjyot Singh, Mr. Devesh Chauhan, Mr. Baljeet Singh, Mr. S. K. Uthappa in Hockey
- ▶ Mr. Gagan Verma in Golf
- ▶ Mr. Yogesh Pardeshi & Ms. Parimala Devi in Carrom
- ▶ Mr. Aditya Mehta in Billiards & Snooker

IndianOil has also been sponsoring major sporting events in the country like Surjit Hockey Cup, Subroto Cup, SAARC Golf Tournament, Statesman Vintage Car Rally, SERVO Challenger Tennis tournament, Indian Open Golf Tournament, Thomas Uber Cup (Badminton), Asian Badminton Championship, Polo Championship, SERVO Beighton Cup (Hockey), etc.

IndianOil's CSR investment on sports scholarships and PSPB is about Rs. 2 crore per annum.

IndianOil (AOD) Industrial Training Centre, Digboi

Due to remoteness and sensitive social environment of the North East region, many young students of the region tend to miss focus on their careers. Industrial Training Centre (ITC) at IndianOil (AOD), Digboi under the aegis of National Council for Vocational Training (NCVT), Ministry of Labour and Employment, Government of India provides a befitting solution to these young aspirants. It conducts Industrial Trade Course in various technical disciplines.

ITC has a capacity of 68 seats and it is approved by

Regional Directorate of Apprenticeship Training (RDAT) Eastern Region. Class X pass candidates are invited through local employment exchange for personal



Students on Practical Job

interview. After selection, the candidates join as Fresher Apprentice. Similarly ex-ITI students are invited for interview through their Principals and are enrolled for the course. Enrolment is done in two batches every year. ITC offers a three year Fresher Trade course (for NCVT Certification) and specialization in jobs viz. Fitter, Electrician, Turner, Mechanic (Motor Vehicle, Refrigeration, Air Conditioning, etc.). After completion of training, students become eligible to appear in the AITT (All India Trade Test) conducted by NCVT. After successfully clearing AITT, students are awarded National Trade Certificate (NTC) in the respective trades by NCVT.

The youth from poor economic backgrounds not only gain through skill enhancement but also are relieved of the financial burden through monthly stipend which supports them throughout the duration of the course. The trade apprentices are given a stipend ranging from Rs.1490/- to Rs.2220/- per month.

IndianOil invests about Rs.25 lakh every year for running this Industrial Training Centre.

IndianOil has initiated a placement plan for the students through other Public Sector companies like Oil India Limited, Coal India Ltd, and Brahmaputra Valley Fertilizer Limited, CPL, Assam Gas Company limited, ONGC, etc. Since 1975, 1,126 no. of students have successfully completed the various Trade Courses from this Institute and have been absorbed in various Public & Private sector organisations.

Automated (Computer) Learning Centre, Digboi

In June 1995, IndianOil (AOD) set up an India's 4th Automated Learning Centre (ALC) at Digboi (After Delhi, Mumbai and Bangalore) in collaboration with NIIT. Subsequently, IndianOil (AOD) started handling the centre independently. The familiarity and use of computers had gained momentum by 1995 and IndianOil helped the citizens living and working in this remote oil town of Digboi get access to the latest advancements in computer education.

ALC is well equipped with the latest machines and experienced faculty and has the capability to offer

Certificate and Diploma Courses in many Computer Applications. At present, education in 13 different computer courses covering several specializations viz. MS Office, Tally, C, C++ Programming, JAVA, HTML, Visual Basic, etc. are imparted. Access to these facilities is open to the employees as well as outsiders. Ever since its establishment, about 600 aspirants have been trained at this facility. Access to this facility is open to employees free of cost and to outsiders at a highly minimized cost.



CLEAN DRINKING WATER

Drinking Water Project at Mathura

IndianOil successfully implemented a clean drinking water project in two water-stressed villages near Mathura Refinery for providing drinking water to the doorstep of villagers. For this project, IndianOil got the 'Best CSR Project' award at National CSR Conference at XIM-Bhubaneswar in Feb-2012, which was jointly organized by TISS, Mumbai and XIM-Bhubaneswar.

Water Parched Area / Saline Water Table

Due to various agro-climatic, geographic and anthropogenic reasons, water table in 60-80% of the areas in Barsana Tehsil (Mathura district) has turned saline. This has made most of the water supply projects in these areas dysfunctional since many years. When the villagers had lost all hopes to get clean drinking water, IndianOil's support brought in cheers through realization of their dream of 'Clean drinking water at doorstep'. This innovative project was implemented for villagers of two contiguous villages viz. Chiksauli and Maanpur in Barsana Tehsil, Mathura district with ground level support from Braj Foundation, a local NGO.



Water tank on the hill top

The first task was to find a nearby location with good quality ground water, from where water could be brought to these villages. Good quality water table



Water supply points in the villages

was fortunately found in the open fields across a small hill, only about 1 km away from these 2 villages. Across this small hill, there was a small green belt of very old Kadam trees, which has a natural ability to treat ground water and increase level of water table. At this location, water could be found at a depth of only 30 ft as against normal water table depth of more than 100 ft elsewhere in the region. Borewell was put up at this location and water was transported for use by the target villagers through a 1 km long 4 inch diameter pipeline, which was laid underground across the fields.

The key challenge was to store water at an appropriate location without incurring too much capital expenditure on construction of tank on towers. The small hill, across which the bore well was constructed, provided the innovative answer.



Water tank at the foothill

On this hill top, located at a height of 95 meters, a 1.25 lakh litres capacity water tank was constructed and another similar sized water tank was put up near the foothill. Drinking water was pumped from the borewell 1 km away into the foothill tank, from where it is once again pumped up to the hilltop tank, which allowed supply of water to all the major common points in the villages without use of any motor. The gravitational force helped supply of water to the common points / houses. The motor at the ground level was also utilized to boost water supply to 400 houses of both the villages. To take care of erratic grid power, a 5 kVA genset was installed for uninterrupted water supply at predecided time slots.

Water Management by Village Management Committee

In the first few months, water was supplied to the common points in these villages twice a day for 1 hour each, free of cost. But later on, in order to ensure accountability, responsibility and develop stakeholder relationship, a Village Management Committee was formed, which was entrusted with the responsibility of running & maintenance of this project. For long-term sustainability of this project, the Committee has been collecting a nominal amount (Rs 100/- per house per

month) from the villagers for maintenance and upkeep of the equipment (salary of plumber/electrician, electricity bills, motor repair, etc.).



Water is being supplied twice daily, typically between 6-8 AM and 4-6 PM. The Committee was registered in May 2010 and is running the project successfully.



Barren land before the project - Greenery after the project

One of the most significant benefits of this project is that the womenfolk of these villages do not have to go too far off places any more in search of clean drinking water. Additionally, green cover in this area has also increased, contributing to the feel good factor about environment and cleaner ambience. Availability of clean water has also helped villagers develop pasture lands for cattle and grow cattle feed plants. Cattle population has grown by nearly 15% after successful implementation of this project. Earlier, cattle used to die due to lack of sufficient supply of drinking water and cattle feed.

This success story is a feather in the cap of IndianOil & Braj Foundation. The key to this success is not only funding (Rs. 40 Lakh) and innovative implementation of the project; it is also the planned institutionalization of long-term self-sustainability of the project by making the Village Management Committee and 400 households stakeholders of this project. The success of this project has spread far and wide primarily through word of mouth and has prompted nearby villagers to adopt such schemes in their villages as well.

Water Distribution Network in Dhotane (Nashik), Maharashtra

Dhotane village, the location of IndianOil's LPG Bottling Plant, is situated at a distance of 7 kms from Manmad (Nashik) in Maharashtra. The village has a population of 2100, out of which 50% belong to SC/ST/ OBC community. Most of the contract laborers working at the Bottling Plant are inhabitants of this village. Villagers of Dhotane had been facing severe water scarcity since many years. Though the village had an overhead water tank (46 KL capacity) at a relatively higher ground level, there was no dedicated distribution network to deliver water to the households. Villagers, especially the womenfolk, used to climb and trek long distances to fetch water either from



the overhead tank or from 3 wells in the village.

IndianOil, under CSR, took the initiative to lay 1.2 km long underground pipelines to provide drinking water at each and every home of Dhotane and completed the project in April 2011 at an investment of Rs. 7.46 lakh.

This project not only helped alleviate the hardships of villagers, it also helped the villagers to develop pasture lands for cattle, thereby promoting greener environment. Moreover, safety of the womenfolk has improved, as they do not have to travel far off distances to fetch water.

Provision of Arsenic Free Drinking Water at Beldanga, WB

In Murshidabad district, 26 blocks including Beldanga block had a huge problem of ground water arsenic contamination. A large section of the community in this area has already been affected after



drinking arsenic water over the years. In spite of repeated reminders from NGOs and WHO, the District Authority was unable to supply arsenic free water. Consumption of arsenic contaminated water results in many serious ailments, which may lead to gangrene and amputation of body parts, liver/lung-cancer, etc.

IndianOil officials discussed the issues with the local public representatives and decided to install two deep tube-wells with arsenic removal facility in two wards (no. 13 and 14) as a pilot project. With help from Jadavpur University, Oxide India Catalyst Pvt. Ltd., Durgapur and Pal Trockner (P) Ltd, Kolkata, IndianOil provided two Arsenic Removal Plants at an investment of Rs. 9.74 lakh. Now, Beldanga Municipality is taking care of maintenance of the 2 Arsenic Removal Plants. One of the most significant benefits of this project is that 30,000 residents of the area were saved from drinking arsenic contaminated water.

Two villages in Rajasthan (Ramgarh & Kriparam Pura) & one village in Gujarat (Naliya Timbo) had acute shortage of potable water, which were brought out through the Baseline survey carried out by M/s TERL. The villagers were dissatisfied with the odour, taste and colour of the drinking water. Villagers suffered from stomach ailments, allergies and diseases like diarrhoea, malaria and filaria. A few instances of teeth being affected by fluoride were also reported by hand pump users.

Drinking Water Project in Village Ramgarh (Rajasthan)

Village Ramgarh (Pali District, Rajasthan) has a population of around 1000 (Mostly OBC with 22% SC). Water is sourced from hand pumps, an open well and a village pond. Water from hand pumps and open well were severely contaminated with bacteria, TDS, fluoride, sulphate, nitrate, magnesium, etc., beyond permissible limits. Due to bad economic condition, villagers were unable to regularly afford tanker water supply, which costs around Rs. 300 for a 5 KL tanker.



IndianOil officials, after discussions with community leaders, villagers, Panchayat members, women's groups and opinion makers, decided to put up roof-top rain-water harvesting structure on 4 government buildings, 3 govt. school buildings and an aanganwadi office building in partnership with a local NGO, Vaagdhara, at an investment of Rs. 3.26 lakh. A pipeline network was also laid to direct the roof top rain water to a storage tank. Each & every tank was fitted with an online filtration unit so that the stored water remains potable. Post implementation, the villagers now has 4 more sources of potable water. Capability building was a major thrust of this project and villagers were made aware about how to replicate this experiment for creating their own storage tanks. Operation and maintenance of this project will be undertaken by a committee of volunteers from the village.

Drinking Water Project in Village Kriparam Pura (Rajasthan)

Village Kripa Rampura (Chaksu Tehsil, Jaipur District) has a population of around 425. Villagers depended on 2 hand pumps and an open well on nearby Bandi River bed for water. Water from hand pumps and open well had above-limit quantities of TDS, fluoride, sulphate, nitrate, magnesium, etc., and coliform, thus making it unfit for human consumption. The ground water level had decreased over the last decade. The over head tank and pipeline system in the village were in a severely dilapidated condition. Earlier, a water pipeline existed from Bandi river to the over head tank but the same was defunct now. Water tankers were used by the villagers to alleviate the water problem.

IndianOil partnered with a local NGO, GVNML-Jaipur, to lay a 2-km long 3 PVC water pipeline from Bandi river to the village. The entire village was connected by three public stand posts consisting of multiple taps. The entire project was executed at an investment of Rs 7.85 lakh. The villagers now have the facility of potable drinking water at their doorsteps. Women, who used to walk long distances daily to fetch water, are able to save their time and energy. Earlier, some women had to walk more than 1 km through difficult terrain to get water from the river well. All these problems are now a thing of the past. Operation and maintenance of this project will be undertaken by a committee of the villagers.

Drinking Water Project in Village Naliya Timbo (Gujarat)

Village Naliya Timbo (Kutch District, Gujarat) has a population around 1000 comprising of 118 households. 90% of community depends on agriculture while remaining 10% depend upon labour services for livelihood. Drinking water is provided through a pipeline by Gujarat Water Supply & Sewerage Board and village community has installed own connections in their households. Water is supplied from an Over-Head Tank of 30 KL capacity. Through this OHT, water is supplied once in 2 days for 3 hours. Water line in the village is operated/ maintained by Gram Panchayat which collects Rs.60 per annum from each household. Additionally, water is supplied by Panchayat through tankers at time of scarcity. The OH tank, constructed in 2004, was damaged resulting wastage. The water pipelines to the tank as well as to the households were also damaged at innumerable places, adding to wastage of scare water resource. Other water resources of the villagers consisted of one open well and 3 tube wells. The water supplied by tube wells and open well has large amount of TDS and varying quantities of salts & coliform rendering it unfit for consumption. The ground water level has decreased over the last decade.

IndianOil, in partnership with a local NGO, M/s Sahjeevan, decided to clean & repair the OHT, damaged pipelines and lay 600 meters of 3 pipeline, besides taking up other connected jobs at an investment of Rs 3.02 lakhs. Optimum functioning of OHT & repairing of pipelines ensured supply of potable water to all the villagers. Water wastage has been fully eliminated.



MANAGING COMMUNITY IMPACTS

Kisan Seva Kendra (KSK): Kisan Seva Kendra (KSK), is an award winning model as a retail outlet in the rural, committed to serve the Rural Masses at Door Steps. Typical Merchandise are available at KSKs in addition to MS/HSD.



IndianOil adopts welfare programmes that benefit the immediate community living in the vicinity of its major units and installations. A multi-disciplinary approach is adopted for various actions such as provision of drinking water, sanitation, health and family welfare, education



including adult education, empowerment of women, environment protection, under-privileged and economically weaker sections of society and other marginalised group.

Our Rural Initiatives: At IndianOil, we are supporting villages and communities near our Bongaigaon Refinery in various ways. The Darbar Hall was built which will serve as a hub for the educational and social activities, besides being a cultural centre of the locality. Solar lanterns are distributed to students belonging to the surrounding villages to encourage their education. Bongaigaon Refinery has undertaken the responsibility to construct 314 sanitation facilities in 10 neighbouring villages. An institution named 'aagar daagra afad' which means 'weaving centre of colourful design' run by the

self-help groups comprising women of the Bodo tribe where Bongaigaon has been providing infrastructural support for women empowerment and income generation. This institution imparts training to unemployed women and is presently attracting customers throughout India and even abroad.

Solar Lantern Distribution: IndianOil has built a rapport with rural community at grassroots by creating employment opportunities through its energy crop plantation projects in the states of Madhya Pradesh, Uttar Pradesh and Chhattisgarh. Erratic availability of power and power cuts during the nights were observed to be a major constraint in many villages of the project area. To improve the quality of life of the inhabitants of these areas, a CSR initiative of solar lantern (with mobile charging facility) distribution was undertaken.

During the year 2011-12, 132 solar lanterns were



Solar Lantern Distribution Program at Chhattisgarh

distributed to the BPL families at Paledi village, Jhabua M.P and 185 solar lanterns were distributed to the rural community of Dhengujhariya, Kanakpur and Khajuri in Chhattisgarh. Sh.Raman Singh, Hon'ble Chief Minister of Chhattisgarh, was present during the solar lantern distribution to the beneficiaries of Dhengujhariya.

Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY): "Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY)" was launched on October 16, 2009. The Scheme aims at setting up small size LPG distribution agencies in order to increase rural penetration and to cover remote as well as low potential areas (locations having potential of 600 cylinders (refill sales) per month). The scheme is currently being launched in all states across the country.

Selective Community Infra-development Projects: IndianOil, took the initiative to lay 1.2 km long underground pipelines to provide drinking water at each and every home of Dhotane and completed the project in April 2011 at an investment of Rs. 7.46 lakh.

IndianOil volunteered for community development to

put up roof-top rain-water harvesting structure on 4 government buildings, 3 govt. school buildings and an aanganwadi office building in partnership with a local NGO, Vaagdhara, at an investment of Rs. 3.26 lakh. A pipeline network was also laid to direct the roof top rain water to a storage tank. Each & every tank was fitted with an online filtration unit so that the stored water remains potable. Post implementation, the villagers now have 4 more sources of potable water. Capability building was a major thrust of this project and villagers were made aware about how to replicate this experiment for creating their own storage tanks. Operation and maintenance of this project will be undertaken by a committee of volunteers from the village.

IOCians and channel partners extend help to earthquake victims

IndianOil is proactively working on providing relief to victims of natural calamities. IndianOil during the earthquake in Sikkim has provided the consignments of relief to earthquake victims along with the help of Goonj (an NGO). The relief material was handed over to the Secretary Land Revenue-cum-Relief Commissioner of Sikkim. The IndianOil People and channel partners under Siliguri DO have also contributed voluntarily in cash towards Chief Minister's Relief fund, Sikkim, to the tune of Rs. 2.24 lacs.

Corporate Governance

HIGHEST LEVEL OF DIRECT RESPONSIBILITY FOR CLIMATE CHANGE WITHIN OUR COMPANY

IndianOil, A Maharatna Company complies with the Corporate Governance guidelines stipulated by the SEBI and Department of Public Enterprises (DPE) and other statutory authorities. A Board Committee of Directors for Sustainable Development is formed at the apex level to oversee the Sustainable Development performance of the Corporation including the climate change issues. The committee is headed by Independent Director, Shri Shyam Saran as Chairman. The 3 Independent Directors members of this sub-committee are.

Sh. Shyam Saran (Chairman)

Sh. Gautam Baruah

Sh. Sudhakar Rao

The 3 full-time Directors of the sub-committee are:

Sh. A.M.K. Sinha, Director (Planning & Business Development)

Sh. Makrand Nene, Director (Marketing)

Sh. Rajkumar Ghosh, Director (Refineries)

The Renewable Energy & Sustainable Development' department was formed in 2010 at the corporate level is developing policies and plans on Sustainable Development.

In addition to this department, Nodal Officers are nominated from each of the Divisions of IndianOil viz, Refineries, Pipelines Marketing, R&D divisions and IIPM for implementing Sustainability initiatives in respective Divisions.

The board Committee on Health, Safety & Environment was formed in November, 2009 with an independent Directors as its Chairman. It comprises of two independent Directors and two functional Directors. There is also a department for Safety, Health at Corporate level headed by and Executive Director (ED) who looks into all regulatory and statutory compliance issues.

DRIVING THE SUSTAINABILITY QUOTIENT THROUGH INCENTIVES

Incentive to the Corporation: 'Emission targets' / efficiency measures are a parameter in the 'performance contract' between IndianOil & its majority owner, i.e. Government of India. IndianOil's performance is measured based on these performance parameters & accordingly, "Excellent", "Very Good", "Good", "Fair" and "Poor" ratings is provided. One part of the total annual bonus (monetary reward) receivable by the employees is dependent on the above rating. The other part is based on collective/individual performance.

Incentive to the Employees: Employees are also provided targets for implementing Sustainability initiatives which are embedded into the Key Result Areas (KRA) for evaluating their performance.

Incentivised performance indicators:

- ▶ Awareness as well as creating importance for Sustainable Development
- ▶ Mitigating Environmental Issues
- ▶ Creating inclusiveness to Sustainable Development

Performance Management System (e-PMS) at IndianOil

IndianOil has in place an online Performance Management System (e-PMS) since 2005-2006, and by following the guidelines of the Department of Public Enterprises (DPE) regarding PMS, IndianOil brought in new structural changes to the existing PMS in order to enhance transparency and implemented them from 2009-2010. IndianOil has been able to successfully link the departmental promotions, incentives for individuals and the Performance Related Pay (PRP) to the ratings of the PMS. The pay-out of the PRP has

been initiated from the year 2009. In following the guidelines of the DPE, IndianOil has modified its PMS by aligning the performance year with the financial year. IndianOil e-PMS is transparent, involves goal setting across all grades through KRAs with specific weightages and the appraisal is based on role based KRA and competencies and level based values and potential. The e-PMS is one of the key initiatives which has contributed towards IndianOil being conferred the "Best Employer Brand in Asia-2010" award given by Employer Branding Institute, CMO Asia, with their strategic partner, CMO Council, in Suntec, Singapore.



ऊर्जा... जिसने सजाई करोड़ों मुस्कुराहटें।

पिछले 50 वर्षों से भारतवासियों की संतोषपूर्ण मुस्कुराहटें ही इंडियनऑयल की प्रेरणा रही हैं। यही वह प्रेरणा है जिसकी बदौलत 1959 में शुरू हुई एक छोटी सी राष्ट्रीय कम्पनी, आज 35,000 से अधिक बिक्री केन्द्रों से युक्त देश का सबसे विशाल व्यवसायिक प्रतिष्ठान बन गया है। हमारे एक अरब से अधिक ग्राहकों का दिल एक साथ घड़कता है और हमारी ऊर्जा से उनके मुख पर खिलती मुस्कान और खिल उठी है जो देश ही नहीं पूरी दुनिया को रोशन कर रही है!

इंडियनऑयल. भारत की ऊर्जा



Sitting (from left to right): Dr. Sudhakar Rao, Smt. Shyamala Gopinath, Shri Sudhir Bhargava, Dr. Indu Sahani, Shri R.S. Butola, Smt. Sushama Nath, Shri Anand Noorani, Shri Michael Bastian and N.K. Poddar

Standing behind (from left to right): Shri V.S. Okhde, Shri R.K. Ghosh, Shri V.K. Bhalla, Dr. R.K. Malhotra, Prof. Gautam Barua, Shri A.M.K. Sinha, Shri P.K. Goyal, Shri M. Nene and Shri Shyam Saran



Shri Sudhir Bhalla (in absence)

Board Meetings and Broad Topics of Discussion

- ▶ Annual operating plans and Capital and Revenue budgets.
- ▶ Quarterly and Annual Financial results of the Company.
- ▶ Dividend declaration.
- ▶ Quarterly report on borrowings and treasury operations.
- ▶ Constitution of Board committees with terms of reference.
- ▶ Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- ▶ Proposals for Amalgamation, Mergers and Acquisitions.
- ▶ Details of investment in any Joint Venture/ Subsidiary.
- ▶ New projects and expansion plans.
- ▶ Status of various projects.
- ▶ Risk management and minimization process.
- ▶ HR related issues.
- ▶ Safety/ Security related matters
- ▶ General notices / matters of interest of Directors.
- ▶ Periodic reports to the Board on :-
 - Treasury Operations
 - Project status
 - Risk Management
 - Secretarial reports
 - Compliance of laws
 - Disciplinary cases
 - Action Taken Report (ATR) on decisions of the Board
 - Foreign tour report of Whole time Functional Directors / Officials.

VARIOUS BOARD COMMITTEES AS ON 31.03.2012

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	Project Evaluation Committee	To appraise projects costing Rs. 250 crore and above before the Projects are submitted to the Board for approval.	Three Part-time Non-Executive Independent Directors, one Part time Non-Executive Government Director and Director (Finance).
2.	CSR Committee	To monitor and administer CSR activities	One part time Non-Executive Government Director & Two Part-time Non-Executive Independent Directors, Director (Marketing) & Director (Human Resources).
3.	Health, Safety & Environment Committee	To review compliance of safety systems Procedures, rules & regulations on safety, occupational health and environment protection and to review the safety audit in various Divisions.	Three Part-time Non-Executive Independent Directors, Director (Marketing), Director (Refineries), Director in-Charge of Safety, Health & Environment.
4.	Marketing Strategies Committee	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation including revival of dealerships/distributorships.	Two Part-time Non-Executive Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development)
5.	Establishment Committee	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (GM) and above.	Chairman and all Whole-time Non-time Executive Government Director, Functional Directors, one Part time Executive Government Director and one Part-time Non-Executive Independent Director.
6.	Deleasing of Immoveable Properties Committee	To consider Deleasing of Company leased flats/accommodation/ immoveable properties.	Chairman, Director (Human Resources), Director (Finance) and one Part-time Non-Executive Government Director.
7.	Contracts Committee	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Wholetime Functional Directors.
8.	Planning & Projects Committee	To consider and approve all Project Proposals upto Rs. 100 crore.	Chairman and all Wholetime Functional Directors.
9.	Oil Price Risk Management Committee	To approve the derivative transactions above USD 50 million on 'mark to market' basis.	Chairman, Director (Finance) and Director (Refineries).

INTEGRITY PACT

IndianOil believes in total transparency, integrity and accountability in its functioning. It values its business relationships with its numerous domestic & International contractors and vendors of goods &



services, and is committed to dealing with them in a fair and transparent manner by maintaining the highest ethical standards in its transactions with them.

ETHICS AND CODE OF CONDUCT

IndianOil has a Code of Conduct for the Board members and the senior management which was formed on 1st Jan, 2006. This code establishes that employees must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.

The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and to sustain the trust and confidence reposed in the Officers by the shareholders of the Company. Officers are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

The Company currently has in place Conduct, Discipline & Appeal Rules, (the "CDA Rules"), which govern the conduct of all employees of the Company including Whole-time Directors but excluding Non Whole-time Directors. The Board has enunciated a Code of Conduct for the Directors and Senior Management personnel of IndianOil, which has been hosted on the website of the Organisation. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct as required under the Corporate Governance guidelines of Clause 49 of the Listing Agreement and DPE guidelines.

TRANSPARENCY

IndianOil has entered into a Memorandum of Understanding with Transparency International India (TII) for implementing an Integrity Pact Programme focused on enhancing transparency in its business transactions, contracts and procurement processes.

Under the MoU, IndianOil is committed to implementing the Integrity Pact in all its major procurement and work contract activities. Four Independent External Monitors nominated by TII in consultation with the Central Vigilance Commission (CVC) will monitor the activities. The Integrity Pact would strengthen established systems and procedures by creating trust and would have the full support of the Central Vigilance Commission. To mark the occasion and to spread awareness about various vigilance related issues, a special publication "Vigil" was released by IndianOil.

Transparency International India, launched in 1997, is the Indian Chapter of Berlin-based Transparency International (TI), which has presence in 93 countries. The Integrity Pact Programme was launched in the mid-90s by TI to create 'Islands of Integrity' through a voluntary contract between the buyer and the seller to eliminate unfair practices. It establishes mutual contractual rights and obligations and brings transparency and enhances the credibility of the organisations.

During 2011-12, 42 Vigilance Awareness Programmes were conducted. Training programmes on 'Fostering Ethical management through Vigilance' were organised on all-India basis. With a view to enthuse and provide a fillip to the customer confidence a large number of joint surprise inspections were also conducted, along with the oil industry, on the dealers/distributors network to check Quality & Quantity of products.

CORRUPTION

IndianOil works against corruption in all its forms, including extortion and bribery. The organisation has adopted Conduct, Discipline and Appeal rules that bar acceptance of bribes and describes it as misconduct. Printed Booklets of these rules are circulated to the concerned employees.

- ▶ Checks and measures are in-built in the organisational system that helps in preventing corruption.
- ▶ Numerous training programmes and workshops are held for disseminating knowledge about organisational systems, as also for checking corruption.
- ▶ An employee violating the code of conduct and ethics is subjected to investigation and appropriate action is initiated against him based on result of investigation.

SECRETARIAL AUDIT

IndianOil carried out a Secretarial Audit of its records and documents for the year 2011-12 as a Good Corporate Governance practice. The Secretarial Audit Report confirms that the Corporation has complied with all the applicable provisions of the Corporate Laws, guidelines, rules etc. The Report, duly certified by a practising Company Secretary, is provided in the Annual Report.

PUBLIC POLICY PARTICIPATION

IndianOil strives hard to put its strong opinion on industry related issues and other public policies. IndianOil was involved in many such committees viz.

- ▶ National Mission for Enhanced Energy Efficiency
- ▶ DPE guidelines for Sustainable Development
- ▶ DPE Guidelines for CSR

COMPLIANCE

Based on the compliance certificate received from various functional heads, there has been no instance of non-compliance with any statutory body during the year, both monetary as well as non-monetary.

For disputed cases, please refer Auditors Report, Annual Report, page 81

<http://www.iocl.com/InvestorCenter/AnnualReport.aspx>

Product Responsibility

Product responsibility forms the critical area focusing on consistent product quality and a continuous upgradation of product profile. For IndianOil, product responsibility means offering as much customer utility as possible while at the same time maintaining the highest safety standards and setting benchmarks when it comes to environmental and climate compatibility.

EFFICIENT SUPPLY CHAIN

Gujarat Refineries has introduced a 'D' shaped manifold in its pipelines. With this modification there

will be minimal chances of contamination in the products such as Pipeline Compatible Kerosene (PCK), Superior Kerosene (SKO), Euro IV MS, ATF, army diesel, among others which the pipeline carries. The pipeline manifold modified to 'D' shape will help improve the quality of the product, reduce the interface and improve the bottom-line of the refinery.

This type of modification in the pipeline is expected to be implemented in other refineries also.

USE OF TECHNOLOGY FOR FACILITATING ETHICAL BUSINESS PRACTICES AND IMPROVED QUALITY ASSURANCE

Sr. No	Technology Initiative	Area	Benefits
1	Vehicle Tracking System (VTS)	Supply & Distribution	All tank trucks carrying MS/HSD are fitted VMUs and are tracked through VTS. This has helped in elimination of unauthorized route diversions / stoppages minimizing chances of enroute adulteration / pilferage.
2	Retail Outlet Automation	Retail Sales	High Selling ROs are progressively being automated from TT loading point to final sales into customers' vehicle. Over 2,700 outlets across the country have been fully automated. Extending Technology driven surveillance assuring good quality & quantity product to customers.
3	No Automation No Fuel	Retail Sales	In further pursuit of excellence automated ROs are progressively (NANO) being converted to NANO i.e. no manual intervention is allowed. This further strengthens the surveillance & also reaffirms customers' faith in IndianOil's Quality & Quantity.
4	Depot Automation	Supply Location Operation	IndianOil is on a path for full automation wherever possible.
5	Electronic Carousels	Indane (LPG) Plants	For better quality assurance, Manual machines are being replaced with Electronic Carousels at all Indane Bottling Plants.
6	Transparency Portals e-CFS	Public Grievance Handling	Feedbacks / grievances from all customers and business associates are received through Electronic Feedback system (e-CFS). The system has facilitated accountability for time bound grievance redressal. It has also improved response time to customers' registered feedbacks.
	www.Indane.co.in - Transparency Portal	Information & Services to Indane (LPG) Customers	Indane.co.in is an exclusive portal available to our Indane customers where they can seek all Indane related assistances / information. The site also hosts a transparency portal within where anyone can track details of LPG refill supplies made by a distributor anywhere in the country. It provides complete details of the beneficiaries of subsidized Indane cylinders from any Indane distributor.
	e-ledger	All Channel Partners	E-ledger provides a direct access to all our dealers / distributors and other channel partners with respect to business transaction with IndianOil.
7	Customer centric offerings: SMS / IVRS booking for Indane refills	LPG domestic customers	City specific single mobile numbers have been introduced to facilitate customer refill bookings through SMS. Customers can call a unique no. to book their refill request through IVRS.

SUSTAINABLE PRODUCT AND TECHNOLOGY DEVELOPMENT

- ▶ IndianOil R&D entered into an MOU with Department of Bio-Technology (DBT) for setting up of an advanced bio-energy research centre to carry out research in 2nd/3rd generation bio-fuels.
- ▶ R&D developed bio-remediation technology was applied for the cleaning of beaches, during accidental oil spills by collision of ships at Mumbai with good results.
- ▶ A technology for augmentation of ETPs performance to meet a modified MINAS standard developed, patented successfully.
- ▶ Complete characterisation of various ligno cellulosic biomass carried out to assess their feasibility for 2nd generation Bio-ethanol.

PRODUCT TRANSPORT

IndianOil's products are transported from the refineries to marketing terminals or major locations by the pipelines infrastructure. From these locations, Retail Outlets and KSKs receive the product by tank trucks. Transporters are one of our stakeholders. Regular interaction takes place with them during Transporters meets. Tanks trucks are protected by tank locks eliminating the possibility of product adulteration. More and more, transportation is being done through pipelines instead of tank trucks to reduce the carbon footprint. Currently, the scope 3 emissions arising out of product transport is not in the report boundary.

Vehicle-tracking system was fully implemented in all States, except Northeast and J&K, during the year. Tank-truck monitoring through the new system has commenced and corrective action is being taken on exception reports as per the ITDG (Industry Transport Discipline Guidelines).

Number of Meets (2011-12)	Marketing Division
Customer Satisfaction Survey/Meet (High volume/Direct Customers/Others)	579
Employee Meet/Engagement Survey	1149
Meets with Government bodies/Departments	570
Dealer/Distributor Conventions (Gold Circle, KSK, Indane)	235
Transporters	289
Suppliers/Vendors	331
Others (Academic Institutions, Local Communities, Charitable Trust, Financial Institutions, Media)	86

PRODUCT INFORMATION & LABELLING

Our products like lubricants and petrochemicals are subject to product information and labelling. Every packed lubricants carry necessary safety and disposal instructions on them. Petrochemical products adhere to corresponding Food Grade Certificates, compliance to Restriction of Hazardous Substances, Durability properties, BTU/lb i.e. heat capacity details, Material Safety Data Sheet. All our products are as per the Bureau of Indian Standards (BIS).

MARKETING COMMUNICATION

All marketing communications from IndianOil are designed to inform a diverse cross section of customer segments. Periodic media campaigns provide a window to IndianOil's products and services portfolio range and are targeted at capturing both mindshare and market share in an increasingly competitive market. Such initiatives like the selection of dealers & distributors, details of customer service cell and emergency service cells operating in different areas, branding of products and services, legal matters, stakeholder communiqués and statutory notices play an important role in strengthening the close connect that IndianOil has with all its stakeholders.

CUSTOMER SATISFACTION

Third-party audit and certification has been taken up at outlets selling more than 100 kl per month on defined parameters such as customer service, equipment maintenance, housekeeping, etc. The Marketing Division team achieved excellent performance levels on all Government MoU parameters. Version IV of eCFS, a single-point electronic customer feedback system with enhanced features, has been launched for better customer experience. Our research and development (R&D) division helps us develop the advanced technologies to unlock energy resources more sustainably, improve efficiency and offer customers better products.



Sustainability With Servo

TRANSPORT SECTOR

Two decades into opening up of Indian Automobile Sector and environmental legislation keeping pace with global developments, IndianOil has leapfrogged for reducing tailpipe emission and making available commensurate quality auto fuels confirming to Bharat Stage III and IV. Accordingly, Servo Lubricants and their performance specifications have been on a continuous upgradation path.

For the gasoline driven passenger car segment, IndianOil has progressed to successful commercialization of API SM GF-4 fuel economy enabling viscometrics like 5W-30 and 10W-30. **On the test scale and as per standards these products are expected to give fuel economy improvement of atleast 1.5% and 0.8% respectively.** For market leader Maruti Suzuki, IndianOil had developed and successfully commercialized fuel economy gasoline engine oils exceeding API SG requirements tailored to 5W-30 viscometrics with synergistic friction modifiers for extracting the fuel economy potential. On even keel with International standards, IndianOil have launched API SN/GF 5 oils with 5W-30 viscometrics to ensure right balance of reliability and fuel economy. **As per standards, a fuel economy improvement of 1.9% min is expected.**

For the two wheeler segment, IndianOil has been upgrading performance of our 4T Formulations and successfully commercialized Servo 4T Goblen 10W-30 and positioned it as a 4T Oil with fuel economy benefits. Recently, IndianOil had also launched Servo 4T Synth 10W-30 with Group III Base Oils continuing the fuel economy lineage. The challenge of extracting fuel economy with use of 4T oils is to reduce viscosity for less viscous drag without sacrificing anti-wear characteristics by incorporating suitable additive systems.

In the heavy duty segment, IndianOil have moved from API CF-4 to API CH 4 in mid 2000s and recently commercialized our "API CI-4 Plus Oils". This in essence have enhanced the oil drain periods from 8000 KMs in 80s to 80000 KMs now with introduction of our CI Plus Engine Oils. **If practiced, this will bring in atleast 50% reduction in specific engine oil consumption.** This is possible due to some clever formulation work with our Haldia Group II Base Oils. In the Drive line category, the gear oils and axle oils drain periods have been enhanced from 36000 km in 90s to 120000 km now. IndianOil has also introduced range of gear oils and axle oils with 75W-90 viscometrics formulated with Group III Base Oils which is expected to give double benefits of enhanced drain periods and improvements in drive line efficiency.

POWER SECTOR

There are three main categories of Turbines namely steam, hydro and gas turbines. In order to satisfy the demands of steam and hydro turbines, conventional turbines lubricants are being used for smooth and satisfactory operation. In the recent past gas turbines in India are coming up at brisk pace. IndianOil's conventional turbine oil like Servo Primes Series, Servo Prime T Series have built in creditable track record for last more than 30 years and ensuring reliability of power sector. To cater to steam turbines and gas turbines of Super thermal variations, IndianOil has developed and commercialized, Servo Prime G and Servo Prime XL Series of Turbines Oils. These new products possess outstanding thermal oxidation stability of more than 10000 Hrs. TOST Life compared to 5000 Hours for conventional oils. These oils meet turbine oil requirements of global OEMs like Alstom, Man Turbo, MHI, GE and others. **Servo Prime series of oils are in use in some of the Hydel turbines for more than 2,40,000 hours of operation.**

RAILWAY SECTOR

The challenge for Rail Road Oil Development Programme had been to provide economic viability for rail road operations through High performance lubricant design and energy savings by bringing down significantly the consumption of fuel and lube oil. A fuel efficient multigrade high performance Rail Road Oil 'Servo RR 606MG' has been designed evaluated and successfully introduced in Indian Rail Road Operations. This product symbolizes the introduction of a new philosophy of multigrade engine oil in the diesel locos for Indian Railways. This innovation is a first breakthrough in the Indian subcontinent. **During the monitoring period a statistically significant fuel economy of 3-5% and lower oil consumption of 14% was observed.** Subsequently, IndianOil had developed Servo RR 606MG Plus in the next generation platform. It has been developed with Group II Base Oils with incorporation of Friction Modifiers and thus and expected to bring in more fuel economy benefits to Indian Railways.

CEMENT SECTOR: Industrial Gear Oils

Anti-micro-pitting Industrial Gear Oils: Industrial Gear Oil technology, worldwide, is based on conventional sulphur phosphorus chemistry. With an aim to achieve satisfactory performance, micro-pitting resistant industrial gear oils should meet U S Steel 225 specification and additionally FZG (with higher speed) and micro-pitting test requirements. Micro-pitting occurs in rolling element of bearings and most often on gear teeth thereby directly impacting reliability and

endurance. Considering this new requirement, IndianOil has developed Servomesh Plus Series (Mineral oil type) and Servosyn gear plus & Servosyn gear AMP synthetic type which would overcome this problem and also gives much longer useful life in the system.

Energy Efficient Gear Oils: The cement industry is one of the energy intensive with more than 40% of the manufacturing cost goes as energy input. IndianOil Servomesh EE Series of Oils have established in the Industry by clocking significant energy savings. Considerable reduction in temperature rise was also observed indicating prospective enhancement of hardware life. The formulation achieves energy conservation through the following two approaches:

- ▶ By reducing the viscous drag through choosing optimum viscosity of the lubricant.
- ▶ By reducing the frictional losses in boundary or mixed lubricants regime through the use of friction reducers.

During the trial period Servomesh EE 460 gave an energy savings of 5% in Translation Gear Box and 5.8% in Elevation Gear Box.

PETROCHEMICAL AND REFINING SECTOR

Modern Refinery and Petrochemical units deploy wide use of Screw and Reciprocating compressors for compressing hydrocarbon gases like Propane, LPG, hydrogen and tail gases. These compressors use synthetic oils of PAO or PAG base depending upon application and gases compressed. This had been the domain of multinational oil companies who have marketed this oils at premium prices. IndianOil have made inroads into this business through performance selling of our synthetic lubricants Servosynco E Series and Servocress Series of Oils. They have not only established in fulfilling the performance requirements but also improved the reliability of the equipment by lowering bearing temperatures and life of Seals. Due to factors such as these, improved filterability and prevention of intermittent stoppages, these oils have improved both productivity and reliability of the equipments. Tail gas recovery plant using screw compressors in ONGC's gas processing plant has been able to extend the oil drain periods up to 20000 hrs. There are other benefits like filter life, seal compatibility, and drop in bearing temperatures which indicate substantial value in terms of reduction in life cycle costs.

AGRICULTURE SECTOR

Indian economy is based on agriculture sector. In order to maintain high productivity, traditionally agriculture

sector is consuming variety of chemicals as insecticides, pesticides, herbicides etc. to control pests and plant diseases. These chemicals have serious drawbacks such as high cost, contamination of land, contamination of water, development of resistance to pesticides by the pests, outbreak of secondary pests, harmful effect on human health and environment.

Therefore, it was decided to have a non-conventional approach towards control menace of insects and pests through environmental friendly means by using highly refined mineral oils which are biodegradable and non-toxic. These products were found to be quite effective in controlling pests and insects in crops like apple, rubber, tea, grapes, banana etc. These products have been evaluated jointly with leading agriculture institutes for various crops. These new grades of agriculture oils have more than 70% bio-degradability, non-toxic to the friendly pests and meet the criteria of organic farming. Besides, bio-efficacy studies and detailed evaluation were also carried out for phyto-toxicity of oil at different dosage levels. We branded them as Servo Orchard Spray Oil for apple, Servo Horticulture spray oil for Horticulture, flower crops etc and Servo Agrospray Oils. This development was awarded gold peacock award in innovative product category in 2008 and also awarded Green Tech Award for Environmental Excellence 2009.

MARINE SECTOR

Global Marine Oil Market Potential is around 2.2 Million MTs. Of this, around 55% account for Marine Cylinder and System Oil and 45% for Trunk Piston Engine Oil. Approval of this oil by Major Marine Engine Builders is based on exhaustive filed trials fulfilling various performance requirements like reliability, Cleanliness of the Engine, Filterability, control on oil consumption, oil life, etc. IndianOil has developed oils for these applications indigenously and won the approval from major engine builders by establishing product credentials through trials.

Portfolio of Marine Oils

- ▶ Servo Marine K Series from Wartsila-Sulzer for their entire family of 4 stroke engines (global).
- ▶ Servo Marine 7050 and 0530 from MAN B&W, Denmark and Wartsila, Switzerland for their respective entire families of marine 2 stroke engines (global).

IndianOil is the first Asia Pacific oil company to have accorded approval for the 2-stroke Marine engines of Wartsila & MAN B&W make.

It takes a leader to run a nation.



India's Most Preferred* Lubricant.

From Automotive to Industrial Oils, from Marine to Agricultural Spray Oils and from Greases to Speciality Oils, **SERVO** from IndianOil continues to power virtually every walk of life, making it the No.1* lubricant brand in the country by choice*.



Automotive Oils | Industrial Oils | Marine Oils | Greases | Speciality Oils

* No.1 by sales volume.

SERVO Industrial lubes are an essential element of virtually every Indian industry.

Over a thousand formulations of high performance lubricants find application in power generation, marine, mining, cement, steel, transport and a myriad other industries. Well oiled, well toiled.

When the Going Gets Tough ; **The Tough Gets going**

Helping masses beyond the call of the
duty above the commercial interest,
IndianOil is always the first,
to be there in the times of crisis to
extend that friendly hand to
those who require it the most.



Quality Assurance – Hall Mark for IndianOil's Product & Services

- ▶ IndianOil conducted countrywide campaign "Check & Fill" across over 18400 ROs
- ▶ Over 7.80 lakh customers tested the Product quality themselves during the campaign and found it good every time.

LIST OF ABBREVIATIONS AND ACRONYMS

Term	Description
AFS	Aviation Fuel Station
AR	Annual Report
ASSOCHAM	Associated Chambers of Commerce and Industry
CIE	Council of Indian Employers
CII	Confederation of Indian Industry
CISF	Central Industrial Security Force
CSR	Corporate Social Responsibility
CVC	Central Vigilance Commission
DPE	Department of Public Enterprises
E & P	Exploration and Production
EBP	Ethanol Blended Petrol
ERM	Enterprise Risk Management
ETP	Effluent Treatment Plants
FCC	Fluidised Catalytic Cracker
GCC	General Conditions of Contract
GRI	Global Reporting Initiatives
GRM	Gross Refining Margin
IIPM	Indian Institute of Petroleum Management, Gurgaon
IMA	IndianOil Management Academy, Haldia
IMCL	IndianOil Management Centre for Learning, Mumbai
IndianOil/IOCL	IndianOil Corporation Ltd
ITI	Industrial Training Institutes
KSK	Kishan Seva Kendra
LAB	Linear Alkyl Benzene
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTC	Leave Travel Concessions
LTS	Long Term Settlement
MINAS	Minimal National Standard
MoP&NG	Ministry Of Petroleum and Natural Gas
MoU	Memorandum of Understanding
NELP	New Exploration Licensing Policy
NGO	Non Governmental Organisations
NHRD	National Human Resource Development Network
NREL	National Renewable Energy Laboratory
OISD	Oil Industry Safety Directorate
PetroFed	Petroleum Federation of India
PTA	Purified Terephthalic Acid
R & D	Research and Development
RO	Retail Outlets
S,H&E	Safety, Health & Environment
SC / ST / OBC	Scheduled Caste / Scheduled Tribe / Other Backward Castes
SCOPE	Standing Conference of Public Enterprises
SCP	Special Component Plan
SIGC	Shareholders/Investors Grievance Committee
STEPS	Sustainable Transportation Energy Pathways Program
TBL	Triple Bottom Line
TERI	The Energy Research Institute
TII	Transparency International India
TPM	Total Productive Maintenance
TSP	Tribal Sub-Plan
WIPS	Forum of Women In Public Sector

Independent Assurance Statement



Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Indian Oil Corporation Limited ('IOCL' or 'the Company') to carry out an assurance engagement on the IOCL's Sustainability Report 2011-12 ('the Report'), against the Global Reporting Initiative 2006 Sustainability Reporting Guidelines Version 3.0 (GRI G3) and AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS 2008). This verification engagement was carried during August - November 2012, by a multidisciplinary team of qualified and experienced DNV sustainability report assurance professionals for the activities covered in the report for the period i.e. 1st April 2011 to 31st March 2012.

DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV states its independence and impartiality with regard to this assurance engagement. DNV did not conduct any other third party assessment work for the Company during the period 1st April 2011 to 31st March 2012. DNV was not involved in the preparation of any statements or data included in the Report, with the exception of this Assurance Statement. DNV maintains complete impartiality towards any people interviewed. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

The intended users of this assurance statement are the readers of IOCL's Sustainability Report 2011-12. The management of IOCL is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting the information. DNV's responsibility regarding this verification is to the Company only and in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true.

Scope of Assurance and limitations of Assurance

The scope of work agreed upon with IOCL included the following:

- Assurance of Corporate Sustainability Report 2011-12. The assurance process to be carried out as per AA1000AS (2008) with Type 2 moderate level of engagement, including at least the following:
- Review of Indian Oil's Corporate Sustainability Report for 2011-12 so developed as per application level A of the GRI 03 guidelines.
- Verification of the self-declared application level A and evaluation of the adherence to the principles set out in the AA1000 Assurance Standard (2008), and the principles of Global Reporting Initiative (2006), Version 3.0 Sustainability Reporting Guidelines.
- Evaluation of the reliability of information and performance data relating to sustainability parameters

as reported in the Sustainability Report 2011-12

- Visits to sample locations to verify data/details presented in the Sustainability Report and interview target groups and hold discussions with senior management of Indian Oil. In addition to Indian Oil's Corporate Office at Delhi, visits to the following sites: Panipat Refinery, Bijwasan Terminal, Delhi; Palam AFS, Delhi; Asauti Lube Oil Bottling Plant, Faridabad; UP State Office-II, NOIDA; R&D Centre, Faridabad; IIPM, Gurgaon; Mathura Jalandhar Pipeline (MJPL), Bijwasan, Gurgaon; LPG Bottling Plant, Delhi;
- Providing an Assurance Statement on the Company's Corporate Sustainability Report for 2011-12 which would form a part of the final report.

The reporting boundary is as set out in the Report, no limitations on the scope of the assurance engagement were encountered during the verification process.

Verification Methodology

This assurance engagement was planned and carried out in accordance with the AA1000AS (2008) and the DNV Protocol for Verification of Sustainability Reporting. The Report has been evaluated against the following criteria:

- Adherence to the principles of Inclusivity, Materiality and Responsiveness as set out in the AA1000AS (2008); the Reliability of specified sustainability performance information, as required for a Type 2, moderate level assurance engagement.
- Adherence to the additional principles of Completeness and Neutrality as set out in DNV's Protocol, and
- The principles and requirements of the GRI G3.0 for an application level A+.

As part of the engagement, DNV has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. In doing so, we have:

- Reviewed the Company's approach to stakeholder engagement and its materiality determination process;
- Verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Examined and reviewed documents, data and other information made available to DNV by IOCL;
- Visited the aforementioned sites in the verification scope section for the purpose of verification of qualitative & quantitative information presented in this report;
- Conducted In-person interviews with management officials at the aforementioned sites and IOCL corporate office in New Delhi, including but not limited to data owners and decision-makers from different divisions and functions of the Company.

- Performed sample-based reviews of the mechanisms for implementing the company's own sustainability-related policies, as described in the report, and for determining material issues to be included in the report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative and qualitative data included in the report;
- Reviewed the process of acquiring information and economic-financial data from the 2011-12 certified consolidated balance sheets.

Conclusions

In DNV's opinion, the Report is a fair representation of the Company's sustainability-related strategies, management systems and performance. The Report meets the general content and quality requirements of the GRI G3.0, and DNV confirms that the GRI requirements for Application Level 'A+' have been met. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement'.

AA1000AS 2008 principles

Inclusivity: Acceptable. The Company demonstrates an active commitment in the Report to dialogue with selected stakeholders. The engagement process may be further strengthened by formally documenting the expectations on sustainability expressed by stakeholders through different engagement channels.

Materiality: Acceptable. The process developed internally has not missed out any significant, known material issues, but the process may further be validated with more specific inputs for each business area to bring out material issues that reflect short, medium and long term impacts.

Responsiveness: Acceptable. We consider that the Company has fairly responded to key stakeholder concerns through its policies and management systems, and this is reflected in the report.

Reliability: Need improvement. The Report contains data that is measured and estimated. In accordance with the AA1000AS requirements for a Type 2, Moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report is generally reliable and the company is in the process of developing its own data management system for capturing and reporting its sustainability performance.

Additional Parameters as per DNV's Protocol

Completeness: Need improvement. The reporting boundary is limited, Page No. 9 of the Report and does not cover the entirety of IOCL. Within the reporting boundary

defined by IOCL, the exclusion in the performance disclosure for most of environment related indicators was not brought out clearly in the Report.

Neutrality: Acceptable. The Company has reported sustainability issues, including references to IOCL Annual Report 2011-12 on corporate governance performance in a fairly balanced manner, in terms of content and tone. Challenges and limitations are fairly presented with commitments to future improvements.

Specific evaluation of the information on sustainability performances

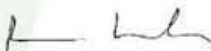
We consider the methodology and process for gathering information developed by the company for its sustainability performance reporting is appropriate and the qualitative and quantitative data included in the Report, was found to be identifiable and traceable; the personnel responsible was able to demonstrate the origin and interpretation of the data reliably. We also assessed the reported progress against the company's commitments as disclosed in its previous Report and observed that the Report presents a faithful description of the sustainability activities and the goals achieved. DNV confirms that the GRI Application Level A+ has been attained in reference to the various application levels defined in the GRI G3.0.

Opportunities for Improvement

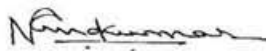
The following is an excerpt from the observations and opportunities for improvement reported to the Management of IOCL and are considered for drawing our conclusion on the report; however, they are generally consistent with the Management's objectives:

- Materiality determination may be adopted as a full-scale companywide process to bring out specific key material issues in sustainability context.
- Extend the boundary of the Report to include the entities under its sphere of control and influence i.e. Joint ventures, Company owned and operated service stations and Key supply chain partners;
- The claim for making events 'Carbon Neutral' may be validated against Publicly Available Specification (say, PAS 2060) which defines a consistent set of measures and requirements for entities (e.g. organisations, governments, communities, families, individuals) to demonstrate carbon neutrality for a product, service, organisation, community, event or building.
- Implementing a systematic process for data management and its quality assurance procedure will further help improve the reliability of sustainability performance monitoring and reporting process.

For Det Norske Veritas AS,



Prasun Kundu
Project Manager
Head-Sustainability &
Business Excellence Services (East)
Det Norske Veritas AS, India.



Nandkumar Vadakepatth
Reviewer
National Head-Sustainability &
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Det Norske Veritas AS, India
Kolkatta, India,



AA1000
Licensed Assurance Provider
000-10

Kolkatta, India, 21st November 2012

STANDARD DISCLOSURES PART I: Profile Disclosures							
1. Strategy and Analysis							
Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
1.1	Statement from the most senior decision-maker of the organisation.	Fully	Chairman's Message	6			
1.2	Description of key impacts, risks, and opportunities.	Fully	Materiality Issues, Business Risks	15-18			
2. Organisational Profile							
2.1	Name of the organisation.	Fully	Cover Page	Cover Page			
2.2	Primary brands, products, and/or services.	Fully	Our Offerings	11			
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	IndianOil at a Glance	3-4	12, 21-23, 31		
2.4	Location of organisation's headquarters.	Fully	Main offices & Major units	Back Cover	21		
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	IndianOil at a Glance, Scope, Boundary, Materiality, limitations and completeness	4, 8	12, 21-22		
2.6	Nature of ownership and legal form.	Fully	Shareholding	5			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	IndianOil at a Glance, Scope Boundary, Materiality, limitations and completeness	3-4, 8			
2.8	Scale of the reporting organisation.	Fully	Triple Bottom Line	12			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	New Projects, Retail Network Expansion	13-14	23-26		
2.10	Awards received in the reporting period.	Fully	Recognitions	9	52		
3. Report Parameters							
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Scope, Boundary, Materiality, limitations and completeness	8			
3.2	Date of most recent previous report (if any).	Fully	Chairman's Message	6			
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Chairman's Message, Scope, Boundary, Materiality, limitations and completeness	6, 8			
3.4	Contact point for questions regarding the report or its contents.	Fully	Chairman Message	6			
3.5	Process for defining report content.	Fully	Materiality Issues, Business Risks, Sust. Development	15-18, 24-25			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Scope, Boundary, Materiality, limitations and completeness	8			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Scope, Boundary, Materiality, limitations and completeness	8			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not	Not applicable			The reporting boundary does not cover JVs, subsidiaries, leased facilities, or outsourced operation	Does not exist
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Sustainable Development	24-25, 38			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of	Not	Not applicable				Does not exist

	business, measurement methods).						
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	GRI content index	80		No significant changes compared to last reporting periods.	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI content index	80			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Scope, Boundary, Materiality, limitations and completeness	8			
STANDARD DISCLOSURES PART I: Profile Disclosures							
1. Strategy and Analysis							
Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
4. Governance, Commitments, and Engagement							
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	CG* Highest level of direct responsibility for Climate Change within company	66	60-69		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	CG* Highest level of direct responsibility for Climate Change within company	66	60-69		
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance - Various Board Committees	69	60-69		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Stakeholder Engagement	19-22	60-69		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	Corporate governance Driving the sustainability quotient through incentive	66	60-69		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	CG* Highest level of direct responsibility for Climate Change within company	66	60-69		
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	CG* Highest level of direct responsibility for Climate Change within company	66	60-69		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Vision	2	14		
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Business Rules	17-18			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Corporate governance - HSE & SD committee	66			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Materiality Issues	15-16			
4.12	Externally developed economic,	Fully	Charters & Membership	5			

*CG-Stands for Corporate Governance

	environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.						
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Charters & Membership	5			
4.14	List of stakeholder groups engaged by the organisation.	Fully	Stakeholders Engagement	19-20			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholders Engagement	19-23			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholders Engagement-How Do We Engage	21-23			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholders Engagement-Community Engagement	25			
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)							
G3 DMA	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
DMA EC	Disclosure on Management Approach EC						
Aspects	Economic performance	Fully	Economic Our Strategy	27			
	Market presence	Fully	Retail Network Expansions	14			
	Indirect economic impacts	Fully	Social Responsibility Initiatives	55			
DMA EN	Disclosure on Management Approach EN						
Aspects	Materials	Fully	Environment - Material Use	41			
	Energy	Fully	Environment - Energy of India	31			
	Water	Fully	Environment - Water Consumption	39			
	Biodiversity	Fully	Environment - Biodiversity	41			
	Emissions, effluents and waste	Fully	Environment - Water & Effluents	40			
	Products and services	Fully	Product Responsibility	71			
	Compliance	Fully	Compliance	70	81		
	Transport	Fully	Product Responsibility - Product Transport	72			
	Overall	Fully	Environment - Energy of India	31			
DMA LA	Disclosure on Management Approach LA						
Aspects	Employment	Fully	Human Resources	47			
	Labor/management relations	Fully	Human Resources	47			
	Occupational health and safety	Fully	Safety & Occupational Health	53			
	Training and Education	Fully	Training & Development	48			
	Diversity and equal opportunity	Fully	Human Rights - Gender Sensitivity/ Discrimination	50			
DMA HR	Disclosure on Management Approach HR						
Aspects	Investment and procurement practices	Fully	Human Rights	50			
	Non-discrimination	Fully	Human Rights - Discrimination	50			
	Freedom of association and collective bargaining	Fully	Collective Bargaining	51			
	Child labour	Fully	Human Rights - Child Labour	50			
	Forced and compulsory labour	Fully	Human Rights - Forced & Compulsory Labour	50			
	Security practices	Fully	Human Rights - Security Personnel Trained	51			
	Indigenous rights	Fully	Human Rights	50			
DMA SO	Disclosure on Management Approach SO						
Aspects	Community	Fully	Social Responsibility	55			

			Initiatives				
	Corruption	Fully	Corporate Governance - Corruption	70			
	Public policy	Fully	Corporate Governance - Public Policy Participation	70			
	Anti-competitive behavior	Fully	GRI content index	80		IndianOil is a PSU, governed by Govt guidelines	
	Compliance	Fully	Compliance	70	81		
DMA PR	Disclosure on Management Approach PR						
Aspects	Customer health and safety	Fully	Product Information & Labelling, Customer Satisfaction	85			
	Product and service labelling	Fully	Product Responsibility - Product Information & Labelling	85			
	Marketing communications	Fully	Product Responsibility - Marketing Communication	85			
	Customer privacy	Fully	GRI content index	80		No case is reported during the Reporting Year	
	Compliance	Fully	Compliance	81			
STANDARD DISCLOSURES PART III: Performance Indicators							
G3 DMA	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Triple Bottom Line	12	24,29,30		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Partially	Business Risks	17-18	57	Financial implication of climate change is not reported	Not available
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	Collective Bargaining - Employee Benefits	51-52			
EC4	Significant financial assistance received from government.	Fully	Borrowing	28	59		
Market presence							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	Human Rights - Forced & Compulsory Labour	50			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Purchase Preference Policy for SME	28			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Human Resource - Recruitment	48	50		
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Social Responsibility Initiatives	55			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Our Strategy	27			

Performance Indicator	Description	Reported	Environmental		Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
			Cross-reference/ Direct answer					
Materials								
EN1	Materials used by weight or volume.	Fully	Environment -Material Use	47				
EN2	Percentage of materials used that are recycled input materials.	Fully	Environment - Water & Effluents	40				
Energy								
EN3	Direct energy consumption by primary energy source.	Fully	Energy Sourcing & Consumption - Direct Energy (Graph)	35				
EN4	Indirect energy consumption by primary source.	Fully	Energy Sourcing & Consumption - Indirect Energy (Graph)	35				
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy Conservation & Savings	38				
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Energy of India	31				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Energy Sourcing & Consumption -Energy Reduction Targets & Achievements in our Refineries	35				
Water								
EN8	Total water withdrawal by source.	Fully	Environment -Water Consumption	39				
EN9	Water sources significantly affected by withdrawal of water.	Not	Not Reported				Not available	
EN10	Percentage and total volume of water recycled and reused.	Fully	Environment -Water Consumption - Water Re-usage (graph)	39				
Biodiversity								
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Environment -Biodiversity	41-43				
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Environment -Biodiversity	41-43				
EN13	Habitats protected or restored.	Fully	Environment -Biodiversity	41-43				
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	Sustainable Development	24-25			To be incorporated in the subsequent reports	Not available
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	Not Reported				To be incorporated in the subsequent reports	Not available
Emissions, effluents and waste								
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Energy Sourcing & Consumption -GHG Emissions	36				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Partially	Product Responsibility - Product Transport	72			Quantitative details not reported, scope 3 emissions are out of boundary	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Energy Sourcing & Consumption -Energy Reduction Targets & Achievements in our Refineries, Environment Stewardship through responsible management Energy Conservation & Savings	35, 38	37			

EN19	Emissions of ozone-depleting substances by weight.	Fully	Environment - Air Pollutants - Ozone Depleting Gas	37			
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Environment - Air Pollutants	37			
EN21	Total water discharge by quality and destination.	Fully	Environment - Water & Effluents	40			
EN22	Total weight of waste by type and disposal method.	Fully	Environment - Water & Effluents	40			
EN23	Total number and volume of significant spills.	Fully	Environment - Oil Spills	44			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported wastes shipped internationally.	Fully	GRI content index	80		Scope 3 emissions are out of boundary	Not applicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	GRI content index	80		To be incorporated in the subsequent reports	Not available
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Green Products, Auto fuel Quality Improvement, Green Fuel Economy Sustainability with SERVO	32, 45, 73			
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Product Sales, Domestic Product Sales, Environment - Material Use	14, 29, 41		Indian Oil reclaims 100% of LPG cylinders. To be incorporated in the subsequent reports	
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Corporate Governance - Compliance	70			
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Product Transport	72		Scope 3 emissions are out of boundary	Not applicable
Overall							
EN30	Total environmental protection expenditures and investments by type.	Partially	Energy Conservation & Savings	38		ENCON Project costs declared	Not available
Social: Labor Practices and Decent Work							
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
LA1	Total workforce by employment type, employment contract, and region.	Fully	Human Resource - Strength in numbers	47			
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	Human Resource - Employee Turnover	48			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Collective Bargaining - Employee Benefits	51-52			
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Collective Bargaining (Table)	51			
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Collective Bargaining (Table)	51			
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	Safety & Occupational Health - Safety Committee	53		% of total workforce representation in safety committee is not reported	Not available

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Safety & Occupational Health	54			
LA8	Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Training & Development	48-49			
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Safety & Occupational Health - Safety Committee	53			
Training and education							
LA10	Average hours of training per year per employee by employee category.	Fully	Training & Development	48-49			
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Training & Development	48-49			
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	ePMS	67			
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Human Resource - Strength in numbers, Corporate Governance - Various Board Committees	47, 69			
LA14	Ratio of basic salary of men to women by employee category.	Fully	Human Rights - Discrimination	50			
Social: Human Rights							
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Human Rights - Child Labour	50		IndianOil is a PSU, governed by Govt guidelines. All the agreements & Contracts (100%) include Human Right Clauses	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Partially	Human Rights - Supplier	50		Percentage of significant suppliers and contractors that have undergone screening on human rights is not reported	Not available
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Training & Development	48-49			
Non-discrimination							
HR4	Total number of incidents of discrimination and actions taken.	Fully	Human Right - Gender Sensitivity, Discrimination, GRI Content Index	50		No case is reported during the Reporting Year	
Freedom of association and collective bargaining							
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Collective Bargaining	50, 80			
Child labour							
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Fully	Human Right - Child Labour	51			
Forced and compulsory labor							
HR7	Operations identified as having	Fully	Human Right - Forced or	50			

	significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.		Compulsory Labour				
Security practices							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Human Rights - Security Personnel Trained	51			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Human Rights	50		No case is reported during the Reporting	
Social: Society							
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
Community							
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Social Responsibility Initiatives	55-65			
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Corporate Governance - Corruption, Transparency	70			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Training & Development	48-49			
SO4	Actions taken in response to incidents of corruption.	Fully	Corporate Governance - Corruption, Transparency	70			
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Corporate Governance - Public policy participation	80			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	GRI content index	80		IndianOil is a PSU, governed by Gov guidelines	
Anti competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	GRI content index	80		IndianOil is a PSU, governed by Gov guidelines	
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Corporate Governance - Compliance	70	81		
Social: Product Responsibility							
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	Sustainability Report Page No.	Annual Report Page No.	If applicable, indicate the part not reported	Reason for omission
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Green Products Auto Fuel & Green Fuel, Product Responsibility-Table & Innovation, Sustainability with SERVO,	32, 45, 71, 73			
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	Corporate Governance - Compliance	70	81		
Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and	Fully	Product Responsibility - Product Information & Labelling, GRI Content	72		100% significant products and services subject	

	services subject to such information requirements.		Index			to such information requirements	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	Corporate Governance-Compliance	70	81		
PR5	Practices related to customersatisfaction, including results of surveys measuring customersatisfaction.	Fully	Product Responsibility-Customer Satisfaction	72			
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Product Responsibility-Marketing Communication	72			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	Corporate Governance-Compliance	70	81		
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	GRI content index	80		No case is reported during the Reporting Year Compliance	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Corporate Governance-Compliance	70	81		

APPLICATION Level Criteria

	C	C+	B	B+	A	A+✓
Standard Disclosures	<div>Disclosures</div> <div>OUTPUT</div> <div>Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4 , 4.14 - 4.15</div>	<div>Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17</div>	<div>Same as requirement for Level B</div>			
	<div>G3 Management Approach Disclosures</div> <div>OUTPUT</div> <div>Not Required</div>	<div>Management Approach Disclosures for each Indicator Category</div>	<div>Management Approach disclosed for each Indicator Category</div>			
	<div>G3 Performance Indicators & Sector Supplement Performance Indicators</div> <div>OUTPUT</div> <div>Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.</div>	<div>Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.</div>	<div>Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.</div>			



The smiles we multiply

IndianOil, India's # 1 energy brand with presence across the entire hydrocarbon value chain, is spreading smiles in the lives of over a billion people. And we multiply these smiles through well-defined, concerted, social responsibility programmes that are aimed at inclusive growth. Today, we are partnering with communities in several activities:

Healthcare- Mobile healthcare scheme (Sachal Swasthya Seva) in rural India; IndianOil Tata Care Centre for cancer treatment; Assam Oil Division hospital to cater to people in the northeast; drinking water facilities in remote & rural areas; etc.

Nurturing Talent- Academic and sports scholarships for deserving, young talent.

Women Empowerment- Managing the Assam Oil School of Nursing in the northeast since 1986; financial assistance for girls to pursue diploma in nursing and midwifery.

IndianOil Foundation- Preserving the rich cultural heritage of India and creating tourist-friendly facilities at heritage sites.

In the Service of the Nation- Community initiatives during natural calamities and other national exigencies.

Backed by the collective dedication of 34,000 people, IndianOil is a force that is fast emerging as the energy of India.



IndianOil

- Petroleum Refining and Marketing
- Pipeline Transportation Research & Development
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- Gas Marketing
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