



DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure to present the 59th Annual Report of the Corporation for the financial year ended 31st March, 2018, alongwith the Audited Standalone and Consolidated Financial Statements and Auditors' Report thereon. During the year, the Corporation continued to clock excellent performance on all operational parameters while meeting the energy needs and aspirations of the country. All the business verticals of the Corporation performed exceedingly well during the year.

PERFORMANCE REVIEW

FINANCIAL

	2017-18		2016-17	
	US\$ Million	₹ in Crore	US\$ Million	₹ in Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	78,565	5,06,428	66,395	4,45,442
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	6,683	43,079	5,364	35,989
Finance Cost	535	3,448	514	3,445
Depreciation	1,096	7,067	927	6,223
Profit Before Tax & Exceptional Items	5,052	32,564	3,923	26,321
Exceptional Items	-	-	-	-
Profit Before Tax	5,052	32,564	3,923	26,321
Tax Provision	1,740	11,218	1,075	7,215
Profit After Tax	3,312	21,346	2,848	19,106
Balance Brought Forward from Last Year				
Less: Appropriations				
Interim Dividend paid	1,397	9,005	1,272	8,531
Final Dividend paid	74	474	300	2,014
Corporate Dividend Tax	298	1,921	324	2,177
Insurance Reserve (Net)	3	20	3	20
Bond Redemption Reserve	78	503	69	466
CSR Reserve (Net)	-	(3)	-	(1)
General Reserve	1,462	9,426	880	5,899
Balance Carried to Next Year	-	-	-	-

SHARE VALUE

	2017-18		2016-17	
	US\$	₹	US\$	₹
Cash Earnings Per Share*	0.47	29.98	0.40	26.72
Earnings Per Share*	0.35	22.52	0.30	20.16
Book Value Per Share*	1.78	116.23	1.62	105.21

* Adjusted for Bonus Shares issued during 2017-18

Note: Exchange Rate used:-

For 2017-18: Average Rate 1 US\$ = ₹ 64.46 and Closing Rate 1 US\$ = ₹ 65.18 as on 31.03.2018

For 2016-17: Average Rate 1 US\$ = ₹ 67.09 and Closing Rate 1 US\$ = ₹ 64.86 as on 31.03.2017

PHYSICAL

Million Metric Tonnes

Particulars	2017-18	2016-17
Refineries Throughput	69.00	65.19
Pipelines Throughput	85.68	82.49
Product Sales (inclusive of Gas, Petrochemicals & Exports)	88.76	83.49

CHANGES IN SHARE CAPITAL

During the year, the Authorised Share Capital of the Corporation was increased from ₹ 6,000 crore to ₹ 15,000 crore. Your Corporation issued bonus shares in the ratio of 1:1, i.e., one bonus share in the ratio of one share held in March, 2018. Consequently, the paid-up capital increased from ₹ 4,855.90 crore to ₹ 9,711.81 crore.

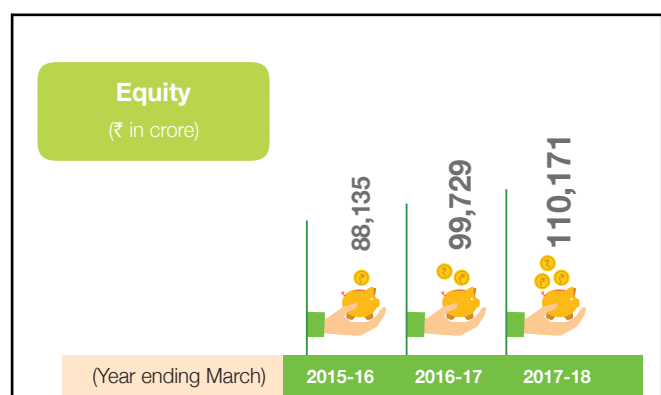
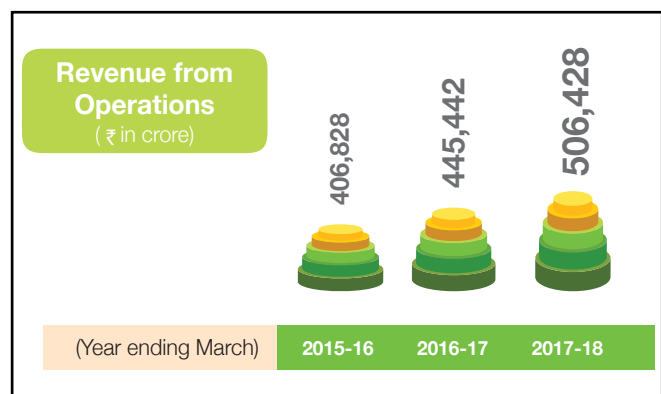
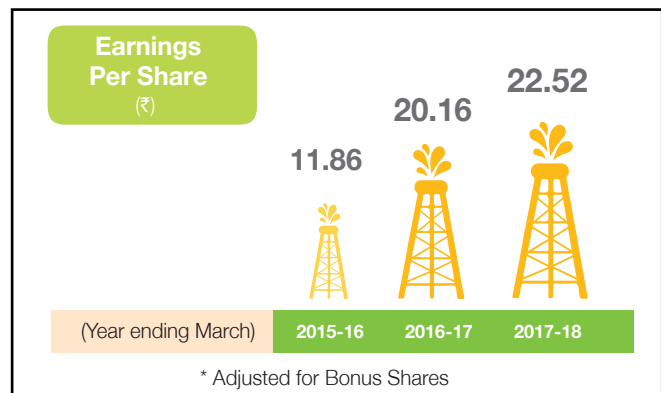
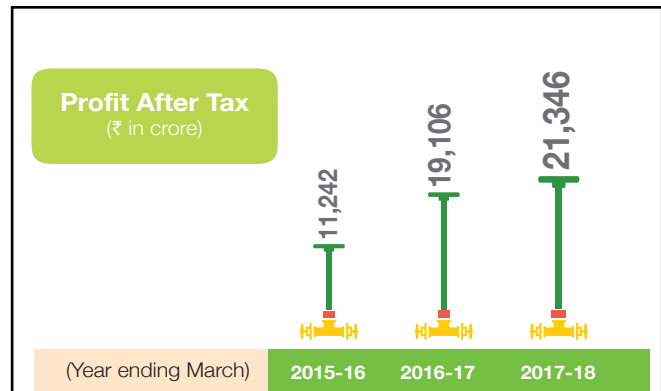
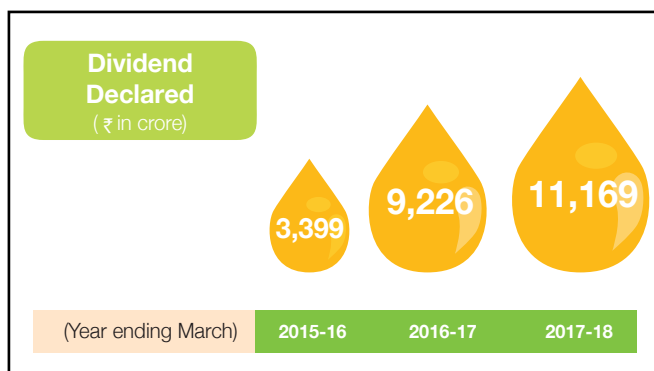
DISINVESTMENT BY THE GOVT. OF INDIA

The Government of India disinvested 1,75,62,435 equity shares of the Corporation in November, 2017 in favour of BHARAT 22 ETF (an exchange traded fund comprising 22 PSU stocks). Consequently, the holding of the President of India in the equity share capital was reduced to 56.98 per cent from 57.34 per cent.

DIVIDEND

The Board of Directors of your Corporation has recommended a final dividend of 20 per cent, i.e., ₹2/- per equity share of ₹10/- each, on the post Bonus paid-up Share Capital in addition to an interim dividend of ₹19 per share on the pre-bonus paid-up Share Capital paid in February 2018. This is the 51st consecutive year for which your Corporation has recommended payment of dividend. So far, your Corporation has paid a cumulative dividend of ₹49,167 crore, excluding the final dividend of ₹1,942.36 crore recommended for the current year, subject to approval by members. The final dividend shall be paid to the members, whose names appear in the Register of Members as well as the Beneficial Ownership Position provided by NSDL/CDSL as at the close of 22nd August 2018.

The Board of your Corporation has formulated a Dividend Distribution Policy. The Policy is annexed to the Board Report at **Annexure-I** and is also hosted on the website of the Corporation i.e. www.iocl.com.



IndianOil Group Refineries and Pipelines Network



(Figures in million metric tonnes per annum)

Map not to scale

As on 31st March 2018

CONTRIBUTION TO EXCHEQUER

Your Corporation has consistently been the largest contributor to the Government exchequer in the form of duties and taxes. During the year 2017-18, ₹ 1,90,670 crore was paid to the exchequer as against ₹ 1,79,014 crore paid in the previous year. An amount of ₹ 1,03,362 crore was paid to the Central Exchequer and ₹ 87,308 crore to the State Exchequer as against ₹ 1,02,817 crore and ₹ 76,197 crore paid in the previous year to the Central and State Exchequer respectively.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by the Institute of Chartered Accountants of India, your Corporation has prepared the Consolidated Financial Statement for the group, including its subsidiaries, joint venture entities and associates. The highlights of the Consolidated Financial Results are as follows:

Particulars	2017-18		2016-17	
	(US\$ Million)	(₹ in Crore)	(US\$ Million)	(₹ in Crore)
Revenue from Operations				
(Inclusive of Excise Duty & Sale of Services)	79,979	5,15,542	67,640	4,53,795
Profit Before Tax	5,344	34,450	4,167	27,956
Profit After Tax	3,510	22,626	3,038	20,385
Less: Share of Minority	68	437	80	536
Profit for the Group	3,442	22,189	2,958	19,849

Note: Exchange Rate used:-

For 2017-18: Average Rate 1 US\$ = ₹ 64.46

For 2016-17: Average Rate 1 US\$ = ₹ 67.09

MoU PERFORMANCE

The Memorandum of Understanding (MoU) with the Government of India setting performance parameters and targets for the year 2017-18 was signed by Chairman of the Corporation and

Secretary (P&NG), Govt. of India, on 4th July 2017. MoU targets for the Corporation continue to be more challenging and tougher over the years. However, the Corporation has been continuously striving to achieve new heights in terms of performance numbers surpassing all previous achievements.

Periodical review on the performance was carried-out throughout the year. The performance rating for 2017-18 is yet to be finalized by the Government. However, considering the performance on financial parameters as well as achievements towards physical parameters, overall MoU performance for the year is expected to be "Excellent".

INTERNATIONAL TRADE

In order to meet the crude oil requirement of its refineries, your Corporation imported 58.01 million metric tonnes of crude oil during the year, as against 55.71 million metric tonnes in the previous year. The selection of crude oil is carefully done from a diversified mix of supply sources. The import of petroleum products during the year was 6.53 million metric tonnes as against 7.21 million metric tonnes in the previous year. The Corporation also exported petroleum and petrochemical products during the year.

OPERATIONAL PERFORMANCE

Refineries

The 9 refineries of your Corporation achieved the highest ever crude throughput of 69.00 million metric tonnes during the year 2017-18 as against 65.19 million metric tonnes in 2016-17. The capacity utilisation was 99.7 per cent as against 94.2 per cent during 2016-17. The distillate yield of refineries of your Corporation improved to 80.4 per cent from 78.8 per cent achieved during the previous year. The refineries also achieved excellent energy parameters of Fuel & Loss and Specific Energy Consumption (MBN) at 8.75 per cent and 72.61 respectively, as against 9.4 and 74.9 registered during 2016-17.

The Mathura and Panipat refineries commenced BS-VI grade auto fuel supplies well in time to meet the 1st April 2018 timelines for National Capital Territory.

To boost flexibility in crude oil sourcing, the Corporation's crude oil basket was expanded with inclusion of 16 new grades, of which 11 were of US origin. Processing of cheaper, heavy & high-TAN grades was stepped up to over 21.4 per cent during the year, compared to 18.4 per cent in the previous year. Processing of high-sulphur crude oil was also higher at 55.6 per cent compared to 51.6 per cent in the previous year.

Pipelines

The cross-country network of crude oil, petroleum and gas pipelines of your Corporation has been its major strength in reaching out to new markets and customers and sustaining its competitive advantage as the least-cost supplier. The crude oil pipelines achieved a throughput of 51.08 million metric tonnes as against throughput of 51.34 million metric tonnes during the previous year. The petroleum product pipelines recorded the highest ever throughput of 34.60 million metric tonnes as against 31.15 million metric tonnes achieved last year, registering a growth of 11.06 per cent. The gas pipelines

Cross-country network of pipelines are a major strength in sustaining IndianOil's competitive advantage as the least-cost supplier.





IndianOil

also achieved the highest ever throughput of 1,683 MMSCM during the year, as against a throughput of 1,587 MMSCM in 2016-17.

With the commissioning of 543 km of new pipeline sections during the year and augmentation of existing pipelines, the total length of the pipeline network of crude oil, product and gas pipelines as on 31st March 2018 expanded to 13,391 km with cumulative throughput capacity of 94.79 MMTPA (crude oil and product) and 9.5 MMSCMD (gas pipelines).

Marketing

Your Corporation continued to energise and empower all sections of the economy during the year and achieved highest ever sales of 77.13 million metric tonnes of petroleum products during the year, as against 74.11 million metric tonnes during the previous year. In addition, 7.18 million metric tonnes of petroleum products were exported during the current year as against 4.72 million metric tonnes exported during the previous year.

During the year, the Corporation commissioned 953 retail outlets (fuel stations, including 502 Kisan Seva Kendra outlets in rural areas) taking their total number to 27,089. The Kisan Seva Kendra (KSK) outlets of the Corporation increased their contribution to the total sales of Corporation with Petrol (Retail) touching a new high of 15.7 per cent and Diesel (Retail) touching 15.1 per cent. In addition, CNG facilities were commissioned at 100 retail outlets during the year, which increased the CNG market share by 3.29 per cent. Your Corporation continued with its focus on the use of alternate energy, and 2,533 retail outlets were converted to operate on solar energy during the year, taking their number to 9,140 outlets i.e. 34 per cent of the total number of retail outlets.

During the year, the Corporation released new domestic LPG connections to 131.7 lakh customers, out of which, 73.8 lakh connections were released under Pradhan Mantri Ujjwala Yojana (PMUY), the flagship scheme of the Government of India, to the women of poor households with an objective to improve the health of poor families by providing clean cooking fuel. The Corporation achieved an all-time high LPG sales of more than 10.8 MMT and bottling capacity was augmented by 540 TMTPA to meet the increased demand of LPG.

In the Lubricants segment, *SERVO* maintained its market leadership position during the year and registered positive growth across all segments of finished lubricants.

Energy Brands That Make a Difference

New Generation Branded Fuels

- XTRAPREMIUM Petrol With Super Cleaners
- XTRAMILE SUPER DIESEL

India's #1 Lubricant Brand: SERVO MULTIGRADE LUBRICANTS

Effortless with Auto LPGs: auto gas

Bottling Services for Civil Aviation and General Aircraft: IndianOil Aviation

The Largest Packaged LPG Brand in the World: Indane

India's Premium Petrochemical Products: PROPEL

One-stop Shop for Autocare: SERVOXPRESS

Special format outlets for rural populace: KSKN

Innovative Loyalty Programmes: XTRAPOWER FUEL CARD, XTRAREWARDS, XTRAPOWER EASY FUEL

IndianOil spent over ₹ 20,000 crore on capital projects during the year.



PROJECTS

Your Corporation recognises the importance of infrastructure development and has been consistently investing in several projects across the country. The project teams across the divisions in the Corporation ensure that the projects are implemented seamlessly. The projects are financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets whenever required. During the year, the Corporation spent over ₹ 20,000 Crore on capital projects including ₹ 3,275 crore through Special Purpose Vehicle. Despite the significant capital expenditure, the overall borrowings of the Corporation increased only by ₹ 3,210 crore as most of the Capex requirement was met through internal accruals.

The details of the projects completed, ongoing and future are as under:-

Completed Projects

- Phase-I of BS-IV fuel quality upgradation projects at Barauni and Gujarat Refineries
- 1.3 MMTPA Petcoke evacuation facility at Paradip Refinery
- Feed Preparation Unit at Haldia Refinery
- Jharsuguda-Khunti section of Paradip-Raipur-Ranchi product pipeline
- 157 km of Paradip-Balasore section of Paradip-Haldia-Durgapur LPG Pipeline

Ongoing Projects

- Distillate yield improvement project at Haldia Refinery
- Propylene Unit at Paradip Refinery
- Phase-2 of BS-IV Fuel Quality Upgradation Projects at Barauni and Gujarat refineries
- BS-VI projects at all refineries
- Installation of INDMAX Unit alongwith associated facilities at Bongaigaon Refinery
- Infrastructure facilities at Gujarat Refinery and Dumad for Koyali-Ahmednagar-Solapur pipeline
- Infrastructure development for grid power import at 220 KV at Gujarat, Mathura and Barauni refineries
- 7 Nos. additional crude oil tanks at Paradip
- Paradip-Haldia-Durgapur LPG pipeline
- Paradip-Hyderabad pipeline
- Augmentation of Paradip-Haldia-Durgapur LPG pipeline and its extension up to Patna and Muzaffarpur
- Jaipur-Panipat naphtha pipeline, along with augmentation of Koyali-Sanganer pipeline
- CBR-Trichy pipeline
- Ennore-Trichy-Madurai LPG pipeline
- Ennore-Nagapattinam-Tuticorin-Madurai-Bengaluru natural gas pipeline
- 30" Crude Oil Pipeline in Haldia-Barauni section of

Paradip-Haldia-Barauni Pipeline and conversion of existing 18" twin pipeline in Haldia-Barauni section to product and gas pipeline.

- Branch pipeline on Barauni-Kanpur pipeline to Baitalpur and Motihari
- Motihari-Amlekhgunj pipeline
- Koyali-Ahmednagar-Solapur pipeline
- Augmentation of Chennai-Trichy-Madurai pipeline
- Dhamra-Haldia Refinery Gas Pipeline with spurline to Paradip Refinery.
- Tundla-Gawria Pipeline with augmentation of Mathura-Tundla Pipeline
- Dahej-Koyali Natural Gas Pipeline
- LPG import terminal at Paradip and Kochi
- Augmentation of LPG terminal at Kandla from 0.6 MMTPA to 2.5 MMTPA
- LPG bottling plants at Banka, Gorakhpur, Bathinda, Goindwal Sahib, Agartala, Mandla, Nagpur, Salem, Gwalior, Sitarganj, Trishundi, Korba Khurda, Shillong, Kharagpur and Jodhpur.
- Product storage depots at Una (H.P.), Guntakal (A.P.) and Asanur (T.N.)
- 5-MMTPA LNG import terminal project at Ennore (through a Joint Venture Company)
- Ethylene Glycol Project at Paradip

Future Projects

- Barauni Refinery expansion to 9 MMTPA
- Expansion of PX/PTA Plant at Panipat Refinery
- Installation of Indjet Unit at Barauni Refinery
- Residue Upgradation and quality improvement project at Mathura Refinery
- Panipat Refinery Expansion from 15 MMTPA to 25 MMTPA
- Acrylics / Oxo Alcohol Project at Dumad, Gujarat
- Gujarat Refinery Expansion to 18 MMTPA
- Catalytic Reforming Unit at Guwahati Refinery
- Catalytic De-Waxing Unit (2nd chain) at Haldia Refinery
- LAB Expansion at Gujarat Refinery
- PX/PTA Project at Paradip
- 3G Ethanol from off-gas at Panipat Refinery
- Expansion of Naphtha Cracker and revamp of MEG at Panipat
- 2G Ethanol Project at Panipat
- Guwahati-Silchar-Imphal product pipeline
- Paradip-Somnathpur-Haldia Pipeline
- Kandla-Gorakhpur LPG Pipeline through a Joint Venture Company.
- 60 MMTPA West Coast Refinery in Maharashtra through a Joint Venture Company.



IndianOil

37 new lube grades were introduced during 2017-18 and 34 product approvals were obtained from Original Equipment Manufacturers (OEMs). In the overseas markets also, *SERVO* registered excellent performance with a growth of 18 per cent. *SERVO* now has a global presence in 30 international markets.

The Aviation Service of the Corporation continued to maintain its leadership position during the year and improved its market share to 61 per cent. During the year, your Corporation commissioned its aviation fuel stations at Puducherry, Kadappa and Shillong.

Explosives & Cryogenics

During the year, the Explosives and Cryogenics businesses of your Corporation continued with excellent performance and recorded the highest ever production and sales of explosives

Business Group (Cryogenics) of IndianOil is a leading manufacturer with facilities for production of state-of-the-art vacuum super insulated cryogenic storage vessels



and cryocans. The Explosives group manufactured and sold 1,76,757 metric tonnes of explosives during the year, recording a growth of 12 per cent over the previous year's volume of 1,57,661 metric tonnes. The Cryogenics group sold 28,782 units of cryocans and cryovessels during 2017-18, as against previous year's sale of 27,694 units of cryocans and cryovessels.

RESEARCH & DEVELOPMENT

The year was marked by deployment of major technologies developed by R&D Centre at the Corporation's refineries. An Octamax unit was commissioned at Mathura Refinery to produce high-octane fuel for BS-VI gasoline pool. The unit is a true amplification of the 'Make in India' drive as the technology was conceptualised, engineered and executed by R&D team and Mathura Refinery. The DHDT Unit at Gujarat Refinery based on indDiesel technology developed by R&D centre was implemented during the year. The unit produces Diesel meeting BS-VI norms for Sulphur. The flagship innovation of R&D centre, INDMAX was adjudged winner in 22nd World Petroleum Congress in Turkey.

The R&D Centre filed for 82 patents and was granted 54 patents (14 Indian and 40 overseas) during the year. Your Corporation now has 611 active patents in its kitty.

IndianOil R&D is extending its facilities at an estimated outlay of ₹ 2500 crore to house exclusive scale-up/demo facilities of in-house technologies



India's quest for clean energy solutions crossed an important milestone with the commencement of demonstration trials on the country's first fuel cell-powered bus at the R&D Centre. Your Corporation has also acquired minority stake (4 per cent) in the LanzaTech New Zealand Limited for US\$ 20 million through its wholly owned subsidiary in Singapore. LanzaTech, a company registered in New Zealand, is the global leader in bio-based gas fermentation technology and the company provides novel and economic technologies for production of ethanol and other high value chemicals from industrial off-gases of steel mills, petroleum refineries etc.

BUSINESS DEVELOPMENT

In order to achieve its vision of becoming 'The Energy of India', your Corporation has been expanding its business beyond

IndianOil commissioned CNG fuelling facilities at 100 retail outlets during 2017-18 and became the No. 1 CNG company among the PSU OMCs.



petroleum refining and marketing. In this context, the verticals of Petrochemicals, Natural Gas, Exploration & Production, Alternative Energy and International Business are emerging as integral business drivers of the Corporation in integrating and diversifying

its business. Moreover, the portfolio of the Corporation in these sectors has proved to be immensely beneficial with the profits from these sectors offsetting the volatility from the Corporation's refining and marketing Business areas.

Petrochemicals

During the year 2017-18, the Corporation recorded petrochemicals sales (domestic and exports) of 2.37 MMT as against 2.58 MMT in 2016-17. The sales volumes were lower mainly due to shutdown of plants that restricted the production and resultantly the sales.

The Corporation's *PROPEL* brand of petrochemicals is the second largest in the Indian petrochemicals market. The Corporation's offerings include Polymers, Linear Alkyl Benzene, Paraxylene / Purified Terephthalic Acid, Glycols and Butadiene. The Corporation is a major supplier of Polymer products to leading multinationals. During the year, 30 new Original Equipment Manufacturers approvals were obtained and 3 new grades were rolled out. The global reach of *PROPEL* brand increased further, with its exports now reaching 75 countries. During the year, *PROPEL* was recognised by The Economic Times in the Best Plastics & Polymers Brands 2018 as a "Symbol of Excellence in Plastics & Polymers Industry".

Natural Gas

The Corporation is investing across the Natural Gas value chain in the country and is committed to enhancing availability through expansion of infrastructure of Natural Gas in the country. During the year, the overall Regasified Liquefied Natural Gas (R-LNG) sales of the Corporation was 1.89 MMT. The Corporation now has 58 R-LNG customers. In addition, 1.98 MMT of R-LNG was internally consumed in three of the Corporation's refineries, viz. Panipat, Mathura and Gujarat while its Digboi Refinery consumed 0.06 MMT of domestic gas.

Globally, the interest in usage of LNG as a transportation fuel is on the rise. The Corporation has also been the pioneer in India in supplying LNG to customers not located on the pipeline network through its 'LNG at Doorstep' service. During the year, sale of LNG through this model grew by 17.3 per cent over the previous year.

The Corporation imported 17 cargoes (1.13 MMT) of LNG during the year, against 11 cargoes (0.71 MMT) in the previous year. The Corporation has so far signed 22 Master Sales & Purchase Agreements (MSPAs) with various international suppliers for purchase of LNG on Spot/Short term basis of which 9 MSPAs were signed during the year.

The Corporation through its Joint Venture Company (JVC), IndianOil LNG Pvt. Ltd. (IOLPL) is setting up a 5 MMTPA LNG Terminal at Kamarajar Port, Ennore in Tamil Nadu, which will be the first LNG Terminal on the East Coast. The LNG Terminal is scheduled to be commissioned in 2018-19.

The Corporation is operating/implementing City Gas Distribution (CGD) network in 9 Geographical Areas (GAs) through its two JVCs viz. Green Gas Ltd. (GGL) in Lucknow & Agra and IndianOil-Adani Gas Pvt. Ltd. (IOAGPL) in Allahabad, Chandigarh, Panipat, Daman, Ernakulam, Udham Singh Nagar & Dharwad. IOAGPL participated in 8th Round of CGD Bidding invited by the Petroleum & Natural Gas Regulatory Board and emerged as winner for South Goa and

Technology at the core of IndianOil's operations



Bulandshahar GAs.

The Corporation is involved in developing three natural gas pipelines viz. Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline through the JVC GSPL India Transco Ltd. and Mehana-Bhatinda Pipeline & Bhatinda-Jammu Pipeline through the JVC GSPL India Gasnet Ltd.

Exploration & Production

The Corporation is engaged in upstream (Exploration & Production) activities through its joint operations, joint ventures and wholly owned subsidiaries (WoS). The upstream portfolio of the Corporation consists of 19 assets (9 domestic and 10 overseas) with active Participating Interests (PI) ranging from 3 to 100 per cent. Out of 19 assets, the Corporation has 8 Producing (7 overseas & 1 domestic), 3 domestic Discovered Small Fields, 2 Coal Bed Methane, 1 overseas under Development, 2 domestic Exploration with discoveries under appraisal and 3 under Exploration (2 overseas & 1 domestic) assets.

During the year, Hydrocarbon production increased by 66 per cent over last year from 1.61 MMT to 2.67 MMT from 6 overseas producing assets viz. Lower Zakum (UAE), Taas (Russia), Vankor (Russia), Niobrara Shale Oil (USA), Pacific Northwest (Canada), Carabobo (Venezuela) and one domestic producing asset i.e. Dirok (Assam, India).



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A major highlight during the year was acquisition of new blocks overseas. The Corporation acquired 3 per cent PI in Lower Zakum, Offshore Abu Dhabi (UAE) through a consortium with ONGC Videsh Ltd. and Bharat PetroResources Ltd. In addition to this, the Corporation acquired 17 per cent PI in Mukhaizna Oil Field, a producing field in Oman in April, 2018 resulting in an increase of its production profile by 20,400 boe/day.

A major milestone for the Corporation was the beginning of production of gas and condensate from its Pre-NELP asset AAP-

In 2017-18, IndianOil became the producer of gas and condensate from a Pre-NELP Assam oilfield.



ON-94/1 (Dirok Field) in August 2017. This marked the advent of its first domestic exploration asset maturing from exploration stage to a producing asset. The Corporation has 29.03 per cent PI in this asset.

Alternative Energy

The Corporation has a portfolio of 168 MW wind power and 34 MW solar PV, which includes 17.5 MW grid connected solar PV and 16.5 MW off-grid solar projects (as on 31.03.2018). The renewable power generated from the wind and solar projects was 337 GWh, which corresponds to an emission reduction of 277 TMTCO₂e (thousand metric tonnes carbon dioxide equivalent). During the year, 14 MW of solar PV capacity was installed and, work is in progress for installation of another 13 MW at various units of the Corporation.

The Corporation has also been selling solar lanterns as an energy access solution. During the year, around 14,000 solar lanterns were sold through its LPG network. Cumulatively, over 4.1 lakh solar lanterns have been sold by the Corporation.

The Corporation is setting-up three 2nd Generation Ethanol production plants at Panipat (Haryana), Gorakhpur (UP) and Dahej (Gujarat) of 100 KL per day capacity each.

Under the aegis of *Swachh Bharat* Mission of the Govt. of India, two waste-to-energy plants of 5 tons per day capacity each were commissioned in Varanasi by the Corporation. The plants process

The total installed renewable energy capacity of IndianOil is 202 MW.



organic Municipal Solid Waste and produce Biogas and Compost. The electricity produced from the generated Biogas is being used to energise street lights in the vicinity of each plant.

Sustainable Development

Your Corporation is deeply committed to the ethos of Sustainable Business. It has been publishing Annual Sustainability Report since 2005-06. During the year, the Corporation completed carbon and water foot-printing of all its refineries, pipelines & marketing installations, and its IndianOil Institute of Petroleum Management, Gurgaon, and the R&D Centre. The Corporation is replacing all the conventional lighting with LED lights across all its installations. Cumulatively, 3.4 lakh conventional lighting has been replaced with LED. During the year, 1.22 lakh trees were planted at various locations and units of the Corporation. Waste paper recycling is another major initiative of the Corporation and during the year 130 tonnes of waste paper was recycled, which includes selling of waste paper to designated recyclers. The Corporation has installed 561 rainwater harvesting systems and cumulatively the systems have harvested 3.26 billion litres of water during 2017-18.

Overseas Business Development

The Corporation has been constantly exploring various overseas downstream opportunities with special focus on the neighbouring countries. During the year, the Corporation opened offices in Dhaka, Bangladesh and Yangon, Myanmar. During the year, six export consignments totalling 123 TMT consisting ATF, MS and HSD were supplied to neighbouring countries.

INFORMATION SYSTEMS & OPTIMISATION

The year witnessed a lot of activity in the area of cyber security both in the Corporation and the cyber world with two major ransomware attacks globally, which affected India also. However, there was no impact on the Corporation. Cyber Security Audit of select locations was conducted to identify potential vulnerabilities and appropriate mitigation steps were taken to strengthen the security wherever vulnerabilities were found. A Centralized Security Operation Center (SOC) was commissioned in which

the security devices across the Corporation are now monitored centrally.

During the year, the customer-facing ePIC portal, first step towards delivering a next-generation customer experience was launched. Customers, who require service or support across any line of business of the Corporation, will have a single platform to voice their issues, which would be appropriately routed to the concerned person in a Centralised Grievance System, with a proper escalation matrix in place.

GST was successfully implemented in the Corporation on 1st July, 2017. The first invoice from SAP was generated on time and your Corporation was first among Oil Marketing Companies to roll out GST. During the year, *Indane* refill booking facility was enabled through Facebook and Twitter in addition to other existing channels.

The Optimisation group in the Corporation carries out detailed analysis of demand forecast for purchase of suitable crude oil cargoes through term contracts or spot purchases, logistics arrangements, export of products, etc., to maintain supply of products across the country as well as to optimise corporate profitability. During the year, based on evaluation of crudes, 12.1 MMT of cheaper opportunity crudes were procured and for the first time ever, 6.6 million barrels of US crude was also imported. The Optimisation group also plays an important role in evaluation of projects by carrying out a detailed analysis of supply & demand.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Your Corporation is committed to conduct business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and the community at large. All refineries of your Corporation are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001), besides having fully equipped occupational health centres. Compliance with safety systems and procedures and environmental laws is monitored at

IndianOil is committed to safe workplaces. Safety Audits are conducted routinely to sensitise its workforce.



the unit, division and corporate levels. The HSE activities of the Corporation are reviewed in Board meeting. During the year, safety audits were carried out at various offices and locations and various training programmes were also conducted across the Corporation covering safety-related topics.

ENERGY CONSERVATION

Energy conservation is important key parameter in refining business and high importance is accorded for the same at all the refineries and units of your Corporation. The performance of various units is continuously monitored and efforts are made to keep abreast of the latest technological developments and global best practices. As a result of various energy conservation measures undertaken, the energy performance parameter (indexed to the complexity of operations) in terms of MBN* of the refineries of your Corporation during the year is down to 72.61, which is the best ever achieved, as against the energy index of 81.9 in the previous year. The energy conservation schemes implemented during the year in various refineries resulted in an estimated fuel savings of 63,093 MT Standard Refinery Fuel (SRF) in the year, valued at about ₹ 149.4 crore. Under pipeline operations, various initiatives were taken during 2017-18, which resulted in improvement of Specific Range Consumption of Pipelines by 18.44 per cent.

*MBN—Thousand British Thermal Units / Barrel / Energy Factor (MBTU/BBL/NRGF)

HUMAN RESOURCES

Your Corporation has a strong and dedicated workforce as on 31st March 2018 of 33,157 consisting of 17,123 executives and 16,034 non-executives. This included 2,770 women employees comprising 8.36 per cent of the total workforce.

Your Corporation diligently follows the Presidential directives and guidelines issued by the Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Rosters are maintained as per the directives and are regularly inspected by the Liaison Officer(s) of the Corporation as well as the Liaison Officer of the Government of India to ensure proper compliance. Grievance/ Complaint Registers are also maintained at Division/ Region/ Unit levels for registering grievances from OBC/SC/ST employees. Efforts are made to promptly dispose of representations/grievances received from them. In accordance with the Presidential Directive, the details of representation of SC/ ST/OBC in the prescribed format are attached at **Annexure-II** to the Report.

During the year, the Corporation received Presidential Directives issued by the Ministry of Petroleum & Natural Gas for implementation of revision of pay and various allowances payable to the Board level executives and below Board level Executives of the Corporation. The Corporation is in the process of implementation of the directives received in a phased manner.

The provisions of 4 per cent reservation for Persons with Disabilities in line with guidelines/instructions issued by the Government of India are implemented by the Corporation. Necessary concessions/relaxations in accordance with the rules in this regard are also extended to physically challenged persons



IndianOil

IndianOil: Adjudged as the Best PSU to work for by the Great Place to Work Institute



in recruitment. The number of employees with disabilities as on 31st March 2018 was 611 constituting 1.84 per cent of the total employee strength.

Your Corporation maintained cordial industrial relations during the year, and continued to provide comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment, etc. and to enable them to give their best at the workplace. Your Corporation supports the participative culture in the management of the enterprise and has adopted a consultative approach with the collectives, establishing a harmonious relationship for industrial peace thereby leading to higher productivity. Employees' participation is ensured through information-sharing with collectives and employees on a regular basis while seeking their support, suggestions and cooperation. The efforts to promote employees' participation in management were continued during the year through Suggestions Scheme, Total Productivity Maintenance (TPM) and various employee engagement initiatives.

Your Corporation has initiated steps towards formulation of an Employee Value Proposition (EVP) with an objective of establishing and promoting the Corporation's Employee Brand amongst the potential employees. An EVP is a unique set of benefits, which employees receive in return for skills, capabilities and experience they bring to a Company. While addressing the basic question "Why should I work for you", it enables a firm to position itself as employer of choice and thus, attract best talent besides providing a reason to the existing employees for working with an organisation. During an experiential workshop facilitated by XLRI Jamshedpur, a taskforce of 25 officers framed few EVP statements. These statements are being tested externally with students of B-schools and engineering institutes as potential employees; and internally within the Corporation to validate their relevance and attractiveness after which a structured EVP will be finalised.

Your Corporation emerged as one of the best employers in India and first amongst the Public Sector Undertakings in the Great Place to Work assessment conducted by the Great Place to Work Institute, in association with the Economic Times. IndianOil YuvaUrja, a platform for connecting with Gen Y/Millennials and

sharing information on your Corporation's employee-friendly policies has been developed to connect with both potential employees and the executives joining your Corporation.

1145 Executives were recruited during 2017-18 from various reputed institutes and through all India open recruitment exercise. IndianOil has a well defined Common Corporate Induction Module (CCIM), a specially designed and standardised program to facilitate the transition of these young executives from academic life to professional life. To ensure that they get integrated in the organization, all the new executives are provided with Divisional Induction Module, followed by 'On-the-Job' training. The Induction Modules are tailor-made for Divisions to provide a holistic overview of the working of respective Divisions. Each executive is provided with a mentor within the first week of joining at their respective locations as part of IndianOil Mentoring Programme – "Gurumitra".

Your Corporation has a structured succession planning framework linked to the leadership development system for developing leaders at all levels from within. Besides regular developmental interventions, your Corporation's flagship Leadership Competency Development Programme for executives - "Saksham" is a progressive step towards 'need-based' development of leadership competencies – Strategic, Operational, Business Results, Customer,

An equal opportunity employer, IndianOil has 8.36% women in its workforce.



Talent, Content, Change and Relationship. The modules under Project "SAKSHAM" have been developed and being delivered by the best B-Schools in the country, viz. IIMs – Ahmedabad, Bangalore, Calcutta and XLRI Jamshedpur.

The scope of Project *Saksham*, which was earlier focused on officers transitioning from Middle to Senior Management (Grade F, G and H), was expanded during 2017-18 to include officers undergoing transition from Junior to Middle Management (Grade D & E). In 2017-18, nearly 400 executives in Grades F, G & H and nearly 250 executives in Grades D & E were covered under this programme. To meet the increased coverage, IndianOil tied up with other IIMs - Lucknow, Indore, Kozhikode and Shillong.

Your Corporation is committed to implementation of Hindi at

its various offices / locations / units in day-to-day functioning. The provisions of Official Language Act, 1963 and Rules notified thereunder are complied with. The communications received in Hindi and any application, appeal or representation written or signed by an employee in Hindi is replied-to in Hindi. The Official Language Implementation Committees (OLIC) have been formed and are functioning in all offices / units. The Committees review the progress of implementation of official language policies.

RIGHT TO INFORMATION ACT (RTI)

Your Corporation has put in place an elaborate mechanism across the organisation to deal with matters related to Right to Information Act, 2005 since its inception. The Corporation has designated one Nodal Officer based at Corporate Office and 34 First Appellate Authorities (FAAs), 45 Central Public Information Officers (CPIOs) and 45 Assistant Public Information Officers (APIOs). The details of all the designated officials, 3rd party audit reports etc. are hosted on the website of the Corporation.

Your Corporation has aligned with the online RTI portal launched by DoPT and all the applications / appeals received through the portal have been disposed off through the portal only. The Quarterly Reports / Annual Reports have been submitted through online portal of Central Information Commission – www.cic.gov.in within the prescribed time limit. A total of 7331 requests and 851 first appeals were received during the year and all have been disposed off within the stipulated time. 239 second appeals were filed before the Central Information Commission, New Delhi and all have been disposed off after due follow-up without any adverse remarks from the Hon'ble Commission.

COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been implemented across the Corporation with the clear objective of providing protection to women against sexual harassment at the workplace and for prevention and redressal of complaints. Internal Complaints Committees have been set up at Unit/Region/Head Office level, headed by senior level women executives, to deal with sexual harassment complaints, if any, and conduct enquiries.

There were six complaints of sexual harassment, which were pending as on 1st April, 2017. During the year 2017-18, one complaint was received and four complaints were disposed off. As on 31st March, 2018, three complaints are pending.

Regular workshops are held especially for women employees with an objective to bring awareness about their rights and facilities at workplace and emphasizing the provisions of the Act. During the year, 65 workshops/awareness programmes were conducted. Gender sensitization programmes, sensitizing the male employees, are also being conducted regularly. Newly recruited employees in the Corporation are made aware of the provisions of the Act and the measures adopted by the Corporation to prevent such incidents.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Corporation has utilized 100% of the CSR Budget allocated for the year 2017-18, amounting to ₹ 331.05 crore. This gratifying achievement exemplifies your Corporation's unstinted commitment to serve the society, which has been an integral philosophy of conducting its business operations since inception.

In addition to serving the Nation through thousands of marketing and operation touch-points across the country, your Corporation, through its CSR outreach, has touched hearts and souls of millions of under-privileged citizens with care and passion, the key values, which your Corporation actively nurtures and espouses.

During 2017-18, your Corporation reached out to a large number of beneficiaries through a variety of CSR initiatives. Under its flagship healthcare initiatives viz. Swarna Jayanti Samudayik Hospital, Mathura

IndianOilPeople lay emphasis on safety, security and maintenance of the highest levels of integrity.



(Uttar Pradesh); AOD Hospital, Digboi (Assam); Sarve Santu Niramaya, Digboi (Assam); your Corporation treated more than 76,100 patients. Assistive devices were provided to 900 Divyangjans across 4 States and about 23,400 animals were given various healthcare treatments for their well being. Under various Skilling initiatives across India viz. Skill Development Institute, Bhubaneswar (Odisha); Multi-Skill Development Institute, Digboi (Assam); Skill Development Centre, Barauni (Bihar) etc., 1,200 beneficiaries were skilled in various trades. Through projects like IndianOil Gyanodaya, scholarships were provided to more than 6,100 students across India. For meeting basic livelihood needs viz. drinking water and electricity, IndianOil Jal-Jeevan projects were rolled out in 30 villages and IndianOil Surya-Prakash (solar) projects were implemented in 25 villages.

As a progressive step towards strengthening Industry-Academia partnership, Institute of Chemical Technology (ICT) Mumbai and IndianOil have agreed to jointly start an Integrated Masters programme in Chemical Engineering (5-years), with a strong emphasis on industry internship. ICT Mumbai – IndianOil Odisha Campus (ICTM-IOC), Bhubaneswar will also offer Executive M. Tech. in Chemical Engineering and Ph. D. Programmes under UGC/Industry fellowships.



IndianOil

The Hon'ble President of India inaugurated Institute of Chemical Technology Mumbai - IndianOil Odisha Campus, Bhubaneswar and laid the foundation stone of the main campus of Skill Development Institute, Bhubaneswar on 18th March, 2018.

A report on your Corporation's CSR activities as per the provisions of the Companies Act, 2013 along with the CSR Highlights for FY 2017-18 is attached at **Annexure-III** to the report. The composition of the CSR Committee is provided in the Corporate Governance Report. The CSR Policy of the Corporation can be accessed at the website of the Corporation on the link https://iocl.com/aboutus/loc_S&CSR_policy.pdf

VIGILANCE

The Vigilance department acts as a link between the organisation and Chief Vigilance Commissioner. The objective of the vigilance function is to ensure maintenance of the highest level of integrity throughout the Corporation. The Vigilance group takes preventive, punitive and participative steps, with emphasis on the preventive and participative aspects. During the year, 94 vigilance awareness programmes were conducted, which were attended by about 2,300 employees.

Disciplinary action under applicable Conduct, Discipline and Appeal Rules, 1980 and Certified Standing Orders were taken by the Corporation for irregularities/lapses. The number of disciplinary matters related to vigilance cases disposed off during the year 2017-18 was 57. The number of such cases pending at the end of year 2017-18 was 35. The aforesaid cases pertain to irregularities such as indiscipline, dishonesty, negligence in performance of duty or neglect of work etc. The Corporation continuously and regularly endeavours to ensure fair and transparent transactions through technology interventions and system/process review in consultation with Central Vigilance Commission and Internal Vigilance set-up.

PUBLIC DEPOSIT SCHEME

The Public Deposit Scheme of the Corporation was closed with effect from 31st August, 2009. The Corporation has not invited any deposits from the public during the year and no deposits are outstanding as on 31st March, 2018 except the old cases amounting to ₹ 55,000/-, which remain unpaid due to unsettled legal / court cases.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report highlighting the endeavours of your Corporation in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming a part of the Annual Report.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

The Management's Discussion & Analysis (MDA) Report, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming a part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report covering initiatives taken with environmental, social and governance perspective has been

prepared in accordance with the directives of SEBI and forms a part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee of your Corporation comprises three members, all of whom are Independent Directors. The recommendations made by the Audit Committee during the year were accepted by the Board. The other details of the Audit Committee, like its composition, terms of reference, meetings held, etc., are provided in the Corporate Governance Report.

CODE OF CONDUCT

The Board of your Corporation has enunciated a code of conduct for the Directors and senior management personnel, which has been circulated to all concerned and has also been hosted on the Corporation's website. The Directors and senior management personnel have affirmed compliance with the code of conduct.

RISK MANAGEMENT

Your Corporation has a well laid-down risk assessment & management process. A Risk Management Compliance Board comprising senior management personnel and headed by Chief Risk Officer reviews the various risks associated with the Corporation's business. The Corporation has constituted a Risk Management Committee comprising whole-time Directors, which oversees risk management activities. A report is, thereafter, put up to the Audit Committee and the Board.

INTERNAL FINANCIAL CONTROLS

Your Corporation has put in place adequate internal financial controls for ensuring the efficient conduct of its business in

IndianOil has stringent internal controls for efficient conduct of its business.



adherence with laid-down policies; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable financial information, which is commensurate with the operations of the Corporation. The Corporation also has a separate Internal Audit department headed

by a Chief General Manager, who directly reports to the Chairman. The Internal Audit department has a mix of officials from finance and technical functions, who carry out extensive audit throughout the year. The statutory auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls of the Corporation under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act 2013. The report issued thereupon has been attached alongwith the Standalone and Consolidated Financial Statements respectively.

REMUNERATION TO THE AUDITORS

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2017-18. The Auditors' remuneration for the year 2017-18 has been fixed at ₹ 145 lakhs plus applicable taxes. In addition, reasonable out-of-pocket expenses incurred are also reimbursed at actuals.

COST AUDIT REPORT

Cost Auditors were appointed for conducting the cost audit of the Corporation's refineries, lube blending plants and other units for the year 2017-18. A remuneration of ₹ 18.50 lakhs and applicable taxes had been fixed by the Board for payment to the cost auditors for the year 2017-18, which was ratified by the shareholders in the last AGM. The cost audit for the year 2016-17 was carried out for various units of the Corporation and the cost audit report was filed by the Central Cost Auditor with the Central Government in the prescribed form within the stipulated time period. The cost audit report for 2017-18 would also be filed within the stipulated time.

SECRETARIAL AUDIT

The Secretarial Audit Report for the year 2017-18 confirms that the Corporation has complied with the applicable provisions of the corporate laws, guidelines, rules, etc., which are within the purview of the Corporation. The report, duly certified by a practising Company Secretary, is attached at **Annexure-IV** to this Report.

The Secretarial Auditor has made an observation that the Corporation has not complied with the conditions with regard to minimum number of non executive Directors and Independent Directors in the composition of Board of Directors for the period 01.04.2017 to 21.09.2017 and with regard to appointment of Woman Director for the period 01.04.2017 to 26.10.2017. In this regard, it is clarified that the Corporation being a Government Company under

the administrative control of the Ministry of Petroleum & Natural Gas, the selection and appointment of Directors, (including Independent Directors and Woman Director) vests with the Government of India as per the Government guidelines.

PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs) ORDER 2012

Your Corporation has taken steps for implementation of the Public Procurement Policy of the Government of India for procurement from MSEs. All efforts are made to procure items specified for procurement from MSEs. In addition, necessary provision has been made in all the tenders stating the eligibility of MSEs to participate in the tender. As against the target of 20 per cent for procurement from MSEs, the actual procurement of your Corporation from MSEs during the year was 24.09 per cent (excluding crude oil & gas). During the year, 54 vendor development programmes were conducted to develop small and medium enterprises.

SUBSIDIARIES AND JOINT VENTURES

During the year, a new Joint Venture Company, viz. Ratnagiri Refinery and Petrochemicals Limited between your Corporation, BPCL and HPCL was incorporated in Sept. 2017 for the purpose of setting up of 60 MMTPA Refinery and Petrochemical Project in Ratnagiri district of Maharashtra. The equity holding of partners is IndianOil : 50 per cent; BPCL : 25 per cent and HPCL : 25 per cent. Subsequently in April, 2018, an MoU was signed between the JV Partners and Saudi Aramco to explore the possibilities of joint development of the project with induction of Saudi Aramco as a strategic partner.

IndianOil CREDA Bio-fuels Ltd., a Subsidiary of the Corporation was wound-up during the year and the name of the Company was struck-off from the Register of Companies by Ministry of Corporate Affairs on 08.03.2018.

As required under the provisions of the Companies Act, 2013, a statement on the performance and financial position of each of the subsidiaries and joint venture companies is provided as an annexure to the Consolidated Financial Statement. The financial statements of the subsidiaries have also been hosted on the website of the Corporation i.e. www.iocl.com under 'Financial Performance' section.

In accordance with the provisions of the SEBI guidelines, your

With focus on strengthening its supply chain, IndianOil has automated 84 of its terminals and converted them to Smart Terminals.





Corporation has framed a policy for determining material subsidiaries, which can be accessed on the Corporation's website at the link https://www.iocl.com/InvestorCenter/Policy_on_Material_Subsiary.pdf

RELATED PARTY TRANSACTIONS (RPTs)

In line with the provisions of the Companies Act, 2013 and SEBI guidelines, a policy on material RPTs has been framed, which can be accessed on the website of the Corporation at link https://www.iocl.com/InvestorCenter/Policy_on_related_party_transactions.pdf. Your Corporation has undertaken transactions with related parties during the year in the ordinary course of business. In line with the RPT Policy, approval of the Audit Committee & Board, as the case may be, were obtained for such RPTs. As per the threshold mentioned in the policy, there was no material RPT during the year. The disclosures related to RPTs in accordance with applicable accounting standards are provided at Note-37 of the Standalone Financial Statement.

The details of contracts or arrangements with related parties referred to under Section 188 (1) of the Companies Act, 2013 in the prescribed Form AOC-2 are attached at **Annexure -V** of the report.

REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

In accordance with the provisions of the Companies Act, 2013 and rules framed thereunder, the details relating to Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo are annexed at **Annexure-VI** to the report.

PARTICULARS OF EMPLOYEES

The provisions of Section 197 of the Companies Act, 2013 and rules notified thereunder, regarding particulars of employees drawing remuneration in excess of limits specified are exempt for Government Companies.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The following changes occurred in the Board / Key Managerial Personnel of the Corporation:-

Appointment

1. Shri Vinoo Mathur, Shri Samirendra Chatterjee, Shri Vivek Rae, Shri Chitta Ranjan Biswal, Dr.Jagdish Kishwan, Shri Sankar Chakraborti, Dr.B.Mahadevan and Shri Dharmendra Singh Shekhawat, were appointed as Independent Directors w.e.f. 22.09.2017.
2. Smt. Urvashi Sadhwani was appointed as Government Director w.e.f. 27.10.2017.
3. Shri B.V.Rama Gopal was appointed as Director(Refineries) w.e.f. 12.02.2018.
4. Shri Ranjan Kumar Mohapatra was appointed as Director(Human Resources) w.e.f. 19.02.2018.
5. Ms. Sushma Taishete Rath was appointed as Government Director w.e.f. 11.05.2018.
6. Shri Kamal Kumar Gwalani was appointed as Company Secretary and Key Managerial Personnel w.e.f. 01.09.2017.

Cessation

7. Shri Verghese Cherian ceased to be Director (Human Resources) w.e.f. 01.11.2017 consequent upon his superannuation.
8. Shri B.S.Canth ceased to be Director(Marketing) w.e.f. 01.02.2018 consequent upon his superannuation.
9. Dr. B. Mahadevan, Independent Director resigned from the Board of the Corporation due to his pre-occupation on 19.03.2018.
10. Shri Anish Aggarwal ceased to be Director(Pipelines) w.e.f. 01.04.2018 consequent upon his superannuation.
11. Smt. Urvashi Sadhwani ceased to be Director w.e.f. 11.05.2018 consequent upon her elevation as Principal Adviser to MoP&NG.
12. Shri Vivek Rae, Independent Director resigned from the Board of the Corporation w.e.f. 04.06.2018.
13. Ms. Sushma Taishete Rath ceased to be a Director w.e.f. 06.07.2018, consequent upon her transfer from MoP&NG.
14. Shri Raju Ranganathan, ceased to be Company Secretary and Key Managerial Personnel w.e.f. 01.09.2017 consequent upon his superannuation.

The Corporation has received the Certificate of Independence from all the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

A separate meeting of Independent Directors was held during the year as per provisions of the Companies Act, 2013 and SEBI LoDR.

Shri G.K.Satish, Director(P&BD) is liable to retire by rotation and being eligible is proposed to be re-appointed at the forthcoming Annual General Meeting.

A brief profile of the Directors proposed to be appointed / re-appointed at the forthcoming AGM is provided in the notice of the AGM.

BOARD MEETINGS

During the year, 13 meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report and hence not repeated here to avoid duplication.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The provisions of Section 134(3)(p) of the Companies Act, 2013 require a listed entity to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are exempt for Government Companies as the performance evaluation of Directors is carried out by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MoP&NG) as per laid down evaluation methodology.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The provisions of Section 134(3)(e) of the Companies Act, 2013 regarding the policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) are exempted for Government Companies.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material orders were passed by the regulators or courts or tribunals that impact the going concern status of the Corporation and its operations in future.

VIGIL MECHANISM/WHISTLE-BLOWER POLICY

The Corporation has framed a whistle-blower policy wherein the employees are free to report any improper activity resulting in violation of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received is reviewed by the Competent Authority or Chairman of the Audit Committee as the case may be. The policy provides that the confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism/Whistle-Blower can be accessed on the Corporation's website at the link https://www.iocl.com/InvestorCenter/Whistle_Blower_policy.pdf

DETAILS OF LOANS/INVESTMENTS/GUARANTEES

Your Corporation has provided loans/guarantees to its subsidiaries/joint ventures and has made investments during the year in compliance with the provisions of the Companies Act, 2013. The details of such investments made and loans/guarantees provided as on 31st March, 2018 are given in the Standalone Financial Statement under Notes 4, 5, 36 and 42.

EXTRACT OF ANNUAL RETURN

As required under the provisions of the Companies Act, 2013, the extract of Annual Return for the financial year ended 31st March, 2018 in the prescribed form MGT-9 is attached at **Annexure-VII** to this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Corporation complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

DIRECTORS' RESPONSIBILITY STATEMENT

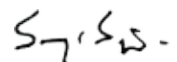
Pursuant to the requirement under clause (c) of sub-section (3) of Sec.134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors would like to express its deep appreciation for the dedicated and sincere efforts of the employees of the IndianOil family for the superlative performance achieved during the year 2017-18. The Board would also like to thank the Government of India, particularly the Ministry of Petroleum & Natural Gas as well as the various State Governments, regulatory and statutory authorities for their valuable guidance and support from time to time. The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, technology licensors, contractors, vendors, etc., for their continued support and confidence reposed in the Corporation. The Board would like to place on record its appreciation for the valuable guidance and significant contribution made by Shri Verghese Cherian, Shri B.S.Canth, Shri Anish Aggarwal, Dr.B.Mahadevan, Smt.Urvashi Sadhwani, Shri Vivek Rae and Ms. Sushma Taishete Rath during their tenure on the Board of the Corporation.

For and on behalf of the Board



(Sanjiv Singh)
Chairman
DIN: 05280701

Place: New Delhi
Date : 16th July 2018