

50th

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IndianOilPeople lending a helping hand during crisis

Driving the fundamentals of resurgent India.

directors' review (human resources)

The year 2008-09 witnessed significant human resource interventions, whether it was revisiting the corporate vision, integration of operations, recruitment of manpower at different levels or a revision in employee compensation structure.

A fifty-year young corporate, IndianOil has lived up to its entrusted mandate of providing energy security to the country. In the last five decades, while IndianOil evolved from a fledgling company to a confident conglomerate straddling the entire spectrum of the hydrocarbon value chain, the oil & gas industry in India and abroad matured and metamorphosed. We perceived a need to revisit and redefine our corporate vision to uphold and protect IndianOil's leadership position. The exercise of recreating the Vision was completed during the year with the new vision having been approved by the IndianOil Board.

With business interests traversing the core areas of refining & marketing and extending to newer verticals such as exploration & production, petrochemicals, natural gas, bio-fuels, etc., there is a mounting need for manpower in IndianOil, especially in the new and emerging areas. During 2008-09, we recruited over 900 engineering & management graduates and CAs, the highest ever in a year, through open and campus recruitment. To immediately bridge the gap between skill requirement and availability in areas such as petrochemicals and bio-fuels, 23 executives were also recruited at the mid-level during the year.

This was a year of integration for IndianOil. The

marketing operations of Assam Oil Division (AOD) and IndianOil's Marketing Division were amalgamated. A series of confidence-building measures ensured that the sensitive people-related issues were ironed out to ensure a smooth, organisation-benefitting fusion. The process of integration of IBP, which started in the year 2007-08, was also completed during the year. Consequent upon the merger of BRPL with IndianOil effective 25th March 2009, activities are currently underway to ensure its seamless integration as our eighth refinery.

As part of IndianOil's petrochemicals master plan, a Naphtha Cracker complex equipped with downstream polymer units is coming up at Panipat Refinery. In a relatively short span of time since its entry into the new business segment, IndianOil has stabilised the petrochemical production facilities, added new product lines and continues to acquire new customers. Such a scale of investment warranted redefining business strategies and re-aligning the organisational structure of the petrochemicals group. A reputed management consultant was engaged for this purpose.

IndianOil's commitment to good corporate citizenship got a boost during the year with enhancement of the ceiling on annual expenditure for corporate social responsibility activities from 0.75% of the net profit of the previous year to 2% of the retained profit of the previous year. With more funds at its disposal now, IndianOil will identify and undertake more community welfare projects. In



V.C. Agrawal
Director (Human Resources)

pursuance of the best Corporate Governance practices and to ensure greater transparency in the Corporation's functioning, a 'Whistle Blower Policy' was framed and a procedure formulated to safeguard IndianOilPeople from the fear of victimisation in reporting incidents of malpractices.

The Government of India had set up the second Pay Revision Committee for Public Sector Enterprises on 30th November 2006 under the chairmanship of Justice MJ Rao to give recommendations in respect of pay revision for Board & below Board level executives and non-unionised supervisors. Based on the recommendations of the Committee, the Department of Public Enterprises has advised the revision of pay scales w.e.f 1st January 2007 in Central Public Sector Enterprises. The revised scales are currently under implementation at IndianOil.

2008-09 marked a steady flow of accolades to IndianOil. The Corporation emerged as the only PSU in the list of the top '25 Best Employers' in a nationwide survey conducted by *Outlook* and *Hewitt Associates*. IndianOil won the Petroleum Federation of India (Petrofed) Oil & Gas Industry Award for the best Human Resources Management Company of the year 2008. The prestigious 'BML Munjal Award for Excellence in Learning and Development' for the year 2008-09 too came our way. This award validates the innovative learning & development measures undertaken by IndianOil and reinforces its reputation of being an 'academy company.'



From a fledgling company to a confident conglomerate straddling the entire spectrum of Hydrocarbon value chain.