

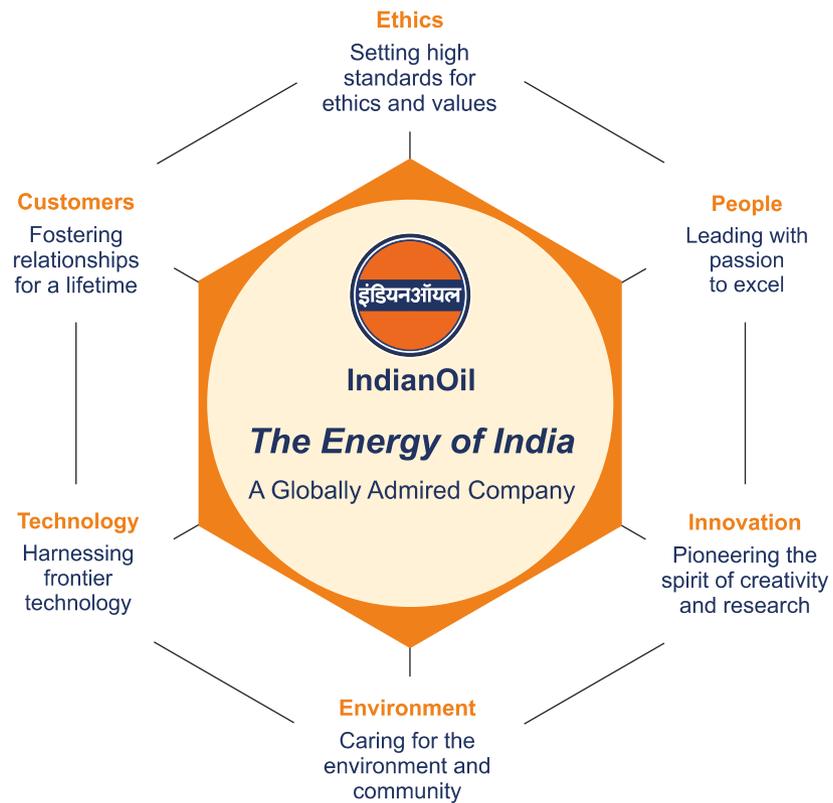


IndianOil



LIVING BY
OUR **CORE**
VALUES

VISION



VALUES

Care • Innovation • Passion • Trust

IndianOil@Work *Values in action*

Care
Caring for the environment and community

Innovation
Pioneering the spirit of creativity & innovation

Trust
Fostering relationships for a lifetime

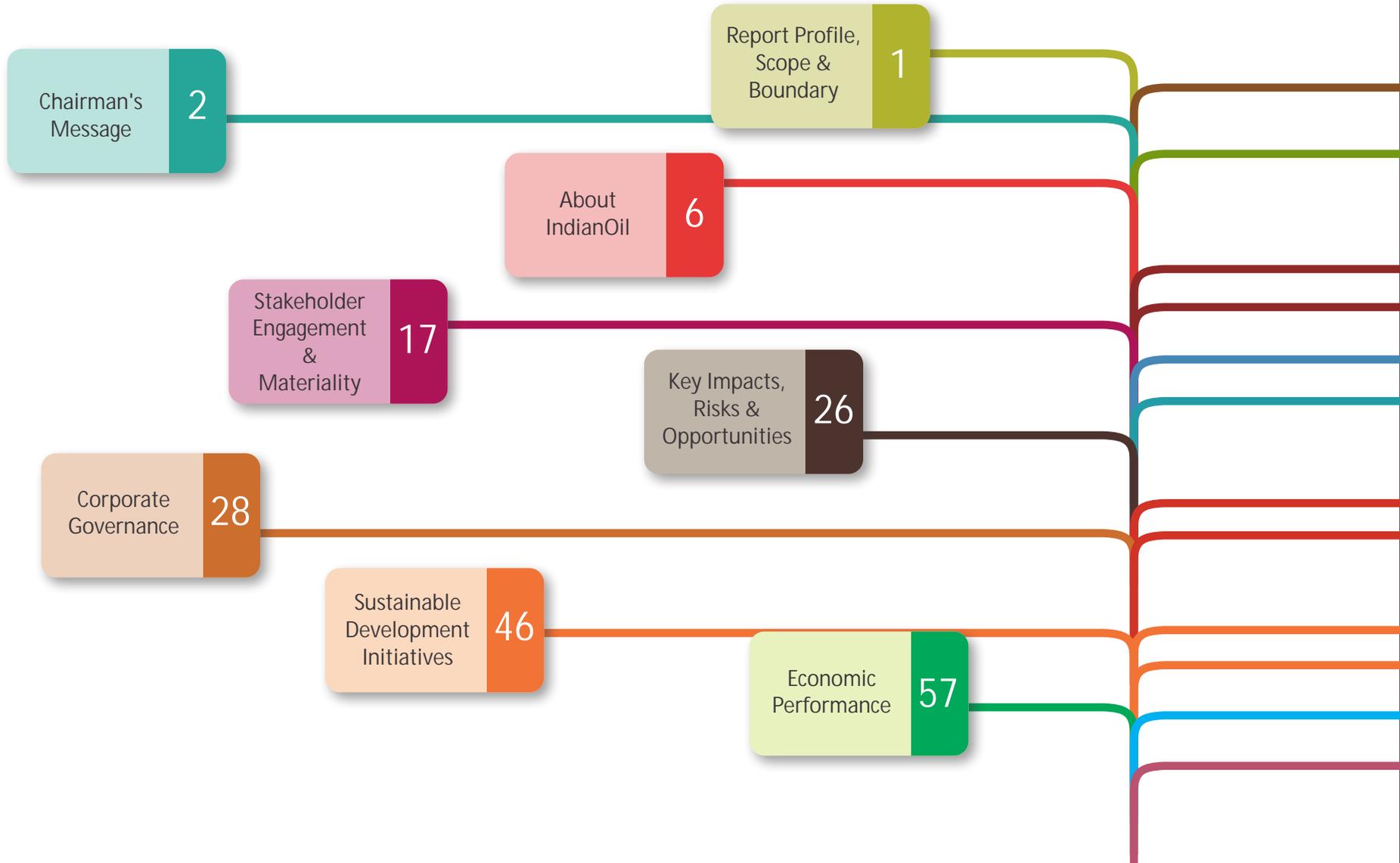
Passion
Leading with passion to excel

IndianOil

2016
Year of Core Values

Care • Innovation • Passion • Trust

Contents



66	Environmental Performance
81	Social Performance
90	Employees
101	Health & Safety
105	Product Responsibility
112	GRI Guidelines
124	UNGC Principles Linkage
127	Abbreviations



Report Profile, Scope & Boundary

In fulfilment of our commitments, IndianOil has been voluntarily reporting on its sustainability performance every year. The year 2016 is celebrated as the year of Core Values; hence, we have decided to theme our Sustainability Report 2015-16 as 'Living by our Core Values'. This is the eleventh report on our sustainability disclosures and is prepared in accordance with the 'Comprehensive' requirements of the Oil & Gas Sector Supplement (OGSS), Global Reporting Initiative (GRI) G4 guidelines and the principles of the United Nations Global Compact (UNGC). This report provides an insight to the Sustainability activities and advancements made by IndianOil during the period 1st April 2015 to 31st March 2016. The report provides a summarized view of our enviro-socio-economic initiatives while also sharing our corporate values and our long term vision.

Our endeavours towards sustainability have been determined and prioritized based on the materiality analysis conducted by us, engaging all the relevant stakeholders who have helped in identifying the risks and opportunities associated with our business, and across our value chain.

The data for this report has been screened by our in-house experts, in accordance with the principles

of GRI guidelines, maintaining the required quality and transparency at all levels. This report has not been assured by a third party. Although, we acknowledge the value of external assurance, we have opted to give priority to developing and streamlining our in-house processes.

The reporting boundary for disclosing on our sustainability performances includes all our national operations of Refineries, Pipelines, Marketing, R&D, and Business Development activities. The report, however, excludes performance of our subsidiaries/ Group's Associates and Joint Ventures.

In reporting our sustainability performance for 2015-16, there have been no significant changes in the scope, boundary, or measurement methods, from our last reporting period. Neither, are there any restatements from the previous year.

While this report will only be available in soft-copy PDF format, we are publishing a 20-page abridged version of the Sustainability Report as our Sustainability Highlights 2015-16. This is in line with our sustainability commitment of saving paper. To access both our Sustainability Report and Sustainability Highlights 2015-16, stakeholders can visit our sustainability web page at: <https://www.iocl.com/AboutUs/sustainability.aspx>

IndianOil@Work
Values in action

2016
Year of Core Values

Care
Caring for the environment and community

Innovation
Pioneering the spirit of creativity & innovation

Trust
Fostering relationships for a lifetime

Passion
Leading with passion to excel

Chairman's Message

Dear Stakeholders,

On behalf of the IndianOil family, I have great pleasure in presenting to you the 11th edition of our Sustainability Report, for the financial year 2015-16.

Sustainable development, that is, economic development without depletion of natural resources and without compromising the ability of future generations, has been engaging global attention for many years now. Besides scarcity of natural resources like water, the impact of rise in pollution levels, natural disasters and adverse climatic changes are being felt by one and all across the world.

The hydrocarbon energy that has powered mankind's rapid growth is coming under intense scrutiny from all corners of society today. Its adverse impact on climate change, on environment and ecological balance, is on the agenda of global leaders, together with the need for sharing and utilising this valuable resource well. This has prompted nations as well as corporates to work towards a balanced and holistic growth, with prudent use of energy and resources as a clear goal.

The year 2015 was a breakthrough year in the prolonged deliberations on global climate change. In the landmark COP-21 Meet at Paris during Nov-Dec. 2015, global leaders finally agreed on a common pathway for the resurgence of Planet Earth's eco-system. India, led by Prime Minister Narendra Modi, has committed to reduce its dependence on fossil fuels by 40% by the year 2030 and lower its emission levels by 30-35% from the 2005 levels.

As India's flagship downstream oil & gas company with a proud legacy of fuelling the nation's growth for over five decades now, IndianOil is committed to environment conservation and ecological balance as integral to its business. Its mandate to fuel the growth of India and its people in the spirit of a national trust for economic prosperity is reflected in its corporate Vision, to be *The Energy of India* and to become *A Globally Admired Company*. At the organisational level, the



commitment of IOCIans in serving the nation manifests itself in the core values of Care, Innovation, Passion and Trust, making it a 'Vision with Values.' The legacy of positivity emerging from this has made IndianOil a well-respected business house. As we celebrate 2016 as the Year of Core Values, we have chosen the theme 'Living by our Core Values' for our Sustainability Report 2015-16.

The year 2015-16 was a remarkable year for IndianOil in terms of operational performance even as it worked to consolidate its core business and expand new businesses. The Corporation set new records in product sales, refinery and pipelines through puts and distillate yield, besides registering the lowest fuel losses and better energy utilisation.

Our state-of-the-art 15-million tonnes per annum Paradip Refinery, dedicated to the nation by the Hon'ble Prime Minister in February 2016, is the most modern refinery with capabilities to produce BS-VI norm fuels and other green auto-fuel variants.

As a responsible corporate citizen, IndianOil is deeply committed to creating a low-carbon economy. Fuel standards and specifications have seen significant improvement since the launch of the country's emission control programme in 2003, with plans already being drawn up to

The realities of the current times demand prudent deployment of key public resources, including oil & gas. While smooth and uninterrupted supply of petroleum products is crucial to turn the wheels of progress of nations, creating benevolent social impact and minimising the adverse impact of energy use on ecology is equally important.

achieve the ambitious target of achieving BS-VI fuel standards by the year 2020. This will help reduce automobile emissions further. IndianOil is also focussing on production of bio-CNG from agricultural waste and municipal solid waste, as an alternative to transportation fuels.

Electric mobility is a promising solution for vehicular emissions and IndianOil is actively involved in energy storage solutions besides charging stations at select retail points.

The National Policy on Bio-fuels envisages accelerated promotion of bio-fuels to reduce dependency on crude oil imports and at the same time avail of the resultant economic, social and environmental benefits. As part of this, IndianOil is gearing to set up second-generation ethanol production units using agriculture waste as feedstock.

With the commissioning of IndianOil Group's 11th refinery at Paradip Refinery, we own and operate

35% of the nation's refining capacity. Our refineries constitute about 93% of our net energy consumption. We are pursuing various strategies to reduce energy imports and operational fuel consumption, chief among them being process efficiency improvements by incorporating best global practices, introduction of renewable energy, optimisation of steam and other resources, etc. These measures helped us achieve an all-time low specific energy consumption (MBN) of 53.8 in our refineries, and reduce the overall specific carbon footprint by 7.2% from 2012-13 to 2015-16.

Large-scale automation of our operations, reduction in fugitive emissions, vapour recovery units, etc., being carried out across refineries are helping to bring down fuel losses further. Also, initiatives to improve energy efficiency of office buildings through use of improved lighting and appliances, use of renewable energy and other green building measures, are also being widely practiced. We are also augmenting our vast pipelines network of nearly 12,000 km, a low-carbon fuel-transport alternative to road, rail or ship movement.

As a corporate that aspires to be 'The Energy of India', development of environment-friendly, alternative sources of energy is a priority area at IndianOil. We have been targeting to increase our

renewable energy generation capacity by four-folds from the current level of 80 MW to 340 MW by the year 2020. During 2015-16, our renewable energy projects generated 134 GWh of energy with an estimated emissions savings of 1,10,000 tonnes of CO2 equivalent. Additionally, as part of our retail network solarisation initiative, solar PV systems of about 15 MW capacity have been installed in more than 4,000 fuel stations.

IndianOil has already forayed into nuclear energy and the notification of the Atomic Energy (Amendment) Act, 2015 by the Government of India has paved the way for our JV, NPCIL-IndianOil Nuclear Energy Corporation Ltd., to build and operate nuclear power plants.

Besides the vibrant research undertaken in tribology, refinery process technologies and catalysts specially suited to Indian conditions, IndianOil's cutting-edge R&D is fully focussed on alternative energy programmes in bio-energy, solar energy, Hydrogen energy, H-CNG blends, synthetic fuels and shale oil. Sustainable technologies such as bio-degradable, synthetic lubricants and plastics is another focus area. We are also augmenting our existing R&D capabilities and accordingly expanding the facilities with a new centre that would have demo-scale plants on renewable energy.

Water and waste management also forms a key

part of our sustainability agenda. I am happy to share that, through implementation of various water-saving measures, we have been able to reduce the specific water footprint of our refineries by about 5% between 2012-13 and 2015-16. We have also enhanced the net water reuse capability in our refineries to 87.5% and installed more than 500 rainwater harvesting systems across operating locations.

In waste management, apart from our in-house practices, we are also undertaking a municipal solid waste-to-fuel project in Varanasi, under the Swachh Bharat Abhiyan. IndianOil is also setting up the country's biggest sewage treatment plant in Mathura at an investment of Rs. 40 crore. This plant will treat the sewage water from Mathura and Vrindavan towns, which was so far being discharged into River Yamuna, for use in IndianOil's Mathura Refinery operations. Moreover, the quantum of water being drawn by the refinery for processing purposes will no longer be required.

Safety in operations is of paramount importance in the oil & gas sector. Through regular training, mock fire-drills and state-of-the-art systems, we are ensuring that safety becomes an integral part of the daily routine and that our operating locations remain safe and incident-free.

I have always held the belief that we are blessed to be in a business that continuously brings energy to

the daily lives of our customers, empowering them and helping them live better. This way, we have successfully combined our corporate social responsibility agenda with our business offerings, meeting the energy needs of millions of people across the country every day, while at the same time growing to be the largest commercial enterprise in India. As a public sector company, we have always striven to build infrastructure ahead of demand, even in areas that were initially not viable for operations or profitable for business.

Today, as always, we are proud to spearhead the Government's agenda to make energy accessible and affordable across the socio-economic divides. During the year 2015-16, IndianOil spearheaded the successful implementation of PaHaL (Pratyaksha Hastantrit Labh) scheme by the oil marketing companies for direct benefit transfer of LPG to customers across the nation. The ambitious scheme of the Union Government, covering over 92% of LPG customers as on 31st March, 2016, has won the Guinness Book of World Records recognition as the world's largest cash transfer programme for households. IndianOil also led from the front in successfully rolling out the Government of India's 'Give It Up' campaign for LPG consumers. In the wake of the hugely successful PaHaL and Give It Up initiatives, Pradhan Mantri Ujjwala Yojana is now reaching out

to 50 million women from BPL (below poverty line) families in the next three years, offering them deposit-free LPG cooking gas connections. To my mind, this is the biggest social transformation programme of its kind in the world.

In the past five-and-a-half decades, IndianOil has supported innumerable community initiatives in India, touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programmes.

During 2015-16, as part of our ongoing corporate responsibility programme, we undertook CSR initiatives to the tune of Rs. 156 crore. We have constructed over 2,850 toilets in schools across 16 States in support of the Swachh Vidyalaya Abhiyan of the Government of India.

With serving the nation at the very core of their business values, IndianOil People have always led from the front in times of national emergencies. A recent example of our commitment to the 'people-first' philosophy is the way our teams serve the nation in times of natural calamities and national emergencies. In November 2015, the worst floods to hit Chennai in a hundred years stranded millions and paralysed the metro. The city's infrastructure was under threat and supplies of daily essentials were fast depleting. In this hour of crisis, IndianOil People fanned out and worked tirelessly to secure fuel supply both for vehicles

and kitchens, besides providing other required assistance, giving hope to the hapless citizens.

In another major catastrophe, our neighbouring country Nepal experienced one of the most devastating earthquakes in 2015, resulting in huge losses to life and property. During this dire period, IndianOil extended complete support to the state-owned Nepal Oil Corporation and set up 12 disaster relief camps to ensure that fuel and other requirements of the affected areas are fully met.

IndianOil's Sustainability Report 2015-16 showcases how IndianOil People are relentlessly

pursuing multiple commitments – at the operational, social and environmental levels – to fully realise IndianOil's potential as the prime mover of a resurgent India. Your valuable suggestions, comments and questions are welcome at sustainability@indianoil.in

I look forward to your support and best wishes!


(B Ashok)
Chairman



About IndianOil

IndianOil is the country's largest commercial enterprise, with a sales turnover of INR 3,99,601 crore (US\$ 61 billion) and profit after tax of INR 10,399 crore (US\$ 1,589 million) for the financial year 2015-16. IndianOil is ranked 161st among the world's largest corporates and first among Indian enterprises in the prestigious Fortune 'Global 500' listing for the year 2016. Renewing its commitment to the Corporate Vision of being 'The Energy of India,' IndianOil maintained its sustained growth and market leadership in 2015-16.

With a 33,000-strong work-force currently, IndianOil is meeting India's energy demands for over five decades. With a corporate vision to be 'The Energy of India' and to become 'A globally admired company,' IndianOil's business interests extend across the entire hydrocarbon value-chain –from refining, pipeline transportation and marketing of petroleum products besides exploration & production of crude oil & gas, marketing of natural gas and petrochemicals, alternative energy and globalisation of downstream operations.

During the year, IndianOil has commissioned its state-of-the-art Paradip Refinery on the eastern coast of India. With the commissioning of Paradip

refinery, the company now owns and operates 11 refineries with a combined refining capacity of 80.7 MMTPA (million metric tonnes per annum). Sustaining its market leadership, IndianOil accounts for nearly half of India's petroleum products market share, 35% of national refining capacity (together with its subsidiary Chennai Petroleum Corporation Ltd., or CPCL), and 71% of downstream sector pipelines through capacity.

The Group headquartered in Delhi, has its subsidiaries operating from Mauritius, Sri Lanka, United Arab Emirat, Sweden, Netherlands and United States of America. The company also formed about 15 joint ventures with reputed business partners from India and abroad to pursue diverse business interests.

Besides reaching every nook and corner of the country with a 45,000 plus customer touch-points, the company also owns a pipeline network spans about 11,750 km with a throughput capacity of 85.5 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas. Indane LPG cooking gas reaches the doorsteps of 9.88 crore households through a network of 9144 distributors.

During 2015-16, IndianOil has sold 80.72 million tonnes of finished products, including POL, Gas,

Petrochemicals, Explosives, and Exports; the refineries clocked a throughput of 56.69 million tonnes with 102.2% capacity utilisation; and pipelines network has registered the highest ever throughput of 79.8 million tonnes in the year 2015-16. With sustained focus on expanding its Exploration & Production portfolio, IndianOil is actively engaged in exploration activities in 8 domestic blocks and 7 overseas blocks, with working interest in each ranging from 3.5% to 50%.

Being the second largest player in the domestic petrochemicals, IndianOil is setting up a polypropylene plant and an ethylene glycol plant at its Paradip Refinery to consolidate its presence in the petrochemicals business. Currently, the Group offers a full slate of petrochemical products and intermediates which covers over 80% of the plastics applications.

Our R&D Centre at Faridabad has pioneered the development of lubricant formulations, refinery processes, pipeline transportation technologies and alternative fuels. IndianOil holds 454 active patents, including 184 Indian patents, 92 US patents and 178 patents of other countries. The incorporation of a 4.17 MMTPA INDMAX unit based on IndianOil R&D developed technology, at

Paradip Refinery marked a major milestone in IndianOil's quest to emerge as a world-class technology solutions provider.

During the year, IndianOil spearheaded successful implementation of PaHaL (Pratyaksha Hastantrit Labh) scheme by the oil marketing companies for direct benefit transfer of LPG to customers across

the nation. This ambitious scheme of the Union Government has covered over 92% of LPG customers and has won recognition as the world's largest cash transfer programme for households by the Guinness Book of World Records.

IndianOil has instigated the successful rolling out of Government of India's 'GiveltUp' and 'GiveBack'

campaigns for LPG consumers. IndianOil pioneered the implementation of "smokeless village" programme by providing more than 1,60,000 LPG connections and declared over 3,400 villages as smokeless villages as on 31st March 2016.





IndianOil

The Energy of India

Strong Support
from
Government
of India



सत्यमेव जयते

- Maharatna CPSE; GoI Control: 58.57%
- Government nominated Directors on IOC Board
- Contribution to exchequer of US\$20.17 Billion in 2015-16

Largest
Refiner in
India



- 11 refineries with 80.7 MMTPA Capacity
- 35.08% of Domestic Refining Capacity

Pan-India
Pipeline
Infrastructure



- About 11,750 km long pipelines for crude oil, petroleum products and gas with a throughput capacity of 85.5 MMTPA of petroleum products and 9.5 MM Standard Cubic Meter Per Day of gas.

Leading Market
Share Across
Energy Portfolio



- 46.7% petroleum market share with over 45,000 + touch points

Integrated
Operations across
the entire Energy
Value Chain



- 2nd largest domestic player in Petrochemicals
- E&P: 8 domestic and 7 overseas blocks

Strong Focus on
Innovation
through R&D
and Alternate
Energy Sources

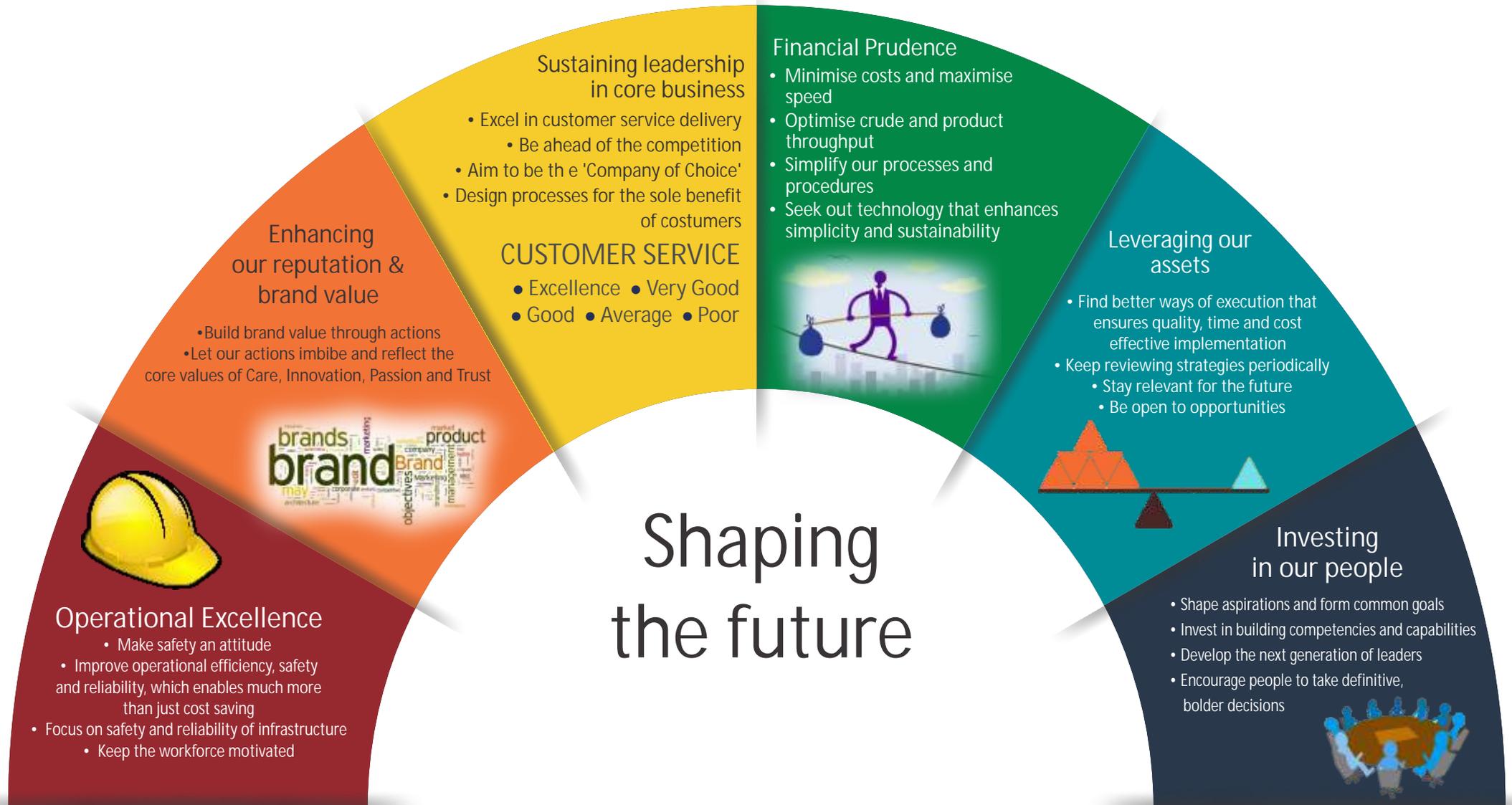


- Overall 454 patents as on 31.03.2016
- New focus on Alternate and Renewable Energy (Wind, Solar, Biofuels, Nuclear)

Driven by strong
Management
and dedicated
employees



- Consistent growth and profitability
- Highest ever profit of INR 10,399 crore
- Debt / Equity of 0.71x (as on March 31, 2016)



Our Business

Refineries:

- Total refining capacity of 80.7 MMTPA
- Highest ever crude oil throughput of 56.69 million tonnes
- Best-ever combined distillate yield of 80.6 wt%
- Lowest specific energy consumption (in terms of MBN) at 53.8



Petrochemicals

- Highest ever petrochemical sales of 2.54 million metric tonnes
- Operates country's largest LAB and PX/PTA plants
- PROPEL's presence in 71 countries



Pipelines

- Total pipeline network of 11,750 km
- Highest ever throughput of 79.8 million tonnes
- Added 525 km pipeline length



R&D

- Garnered 454 patents including 92 US patents, 184 indian patents and 178 other international patents
- Developed 125 product formulations
- Setting-up new R&D centre exclusively for Alternate & Renewable Energy



Marketing

- 72.65 million tonnes of petroleum products sold
- 45,000+ customer touch points
- Automated 2,069 fuel stations
- Aviation fuel stations in 100 cities



Exploration & Production

- 8 domestic assets
- 7 overseas assets
- 3 producing Oil & Gas assets



Gas

- 1.92 million tonnes of Natural Gas sold
- LNG at doorstep initiative has achieved a sales of 19,000 tonnes
- City Gas Distribution is operational in two cities
- Started direct import of LNG at Dahej

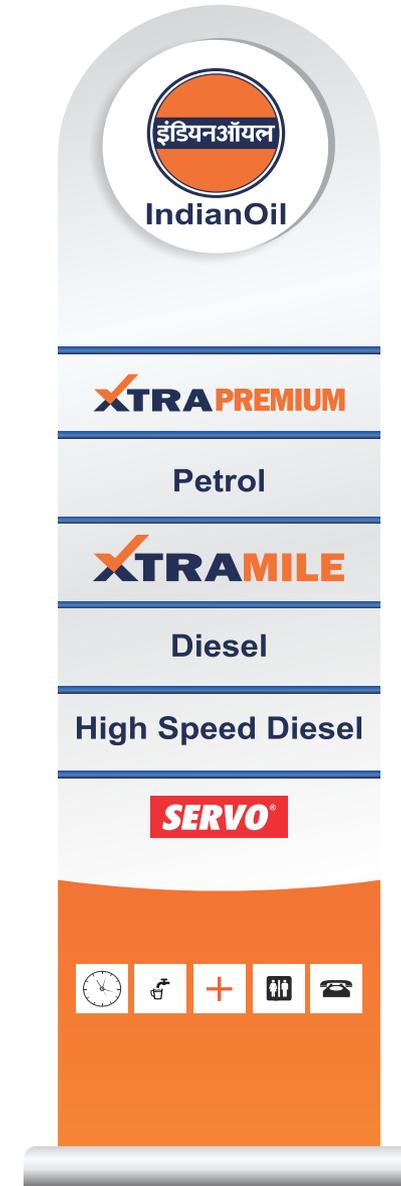


Alternate Energy & Sustainable Development:

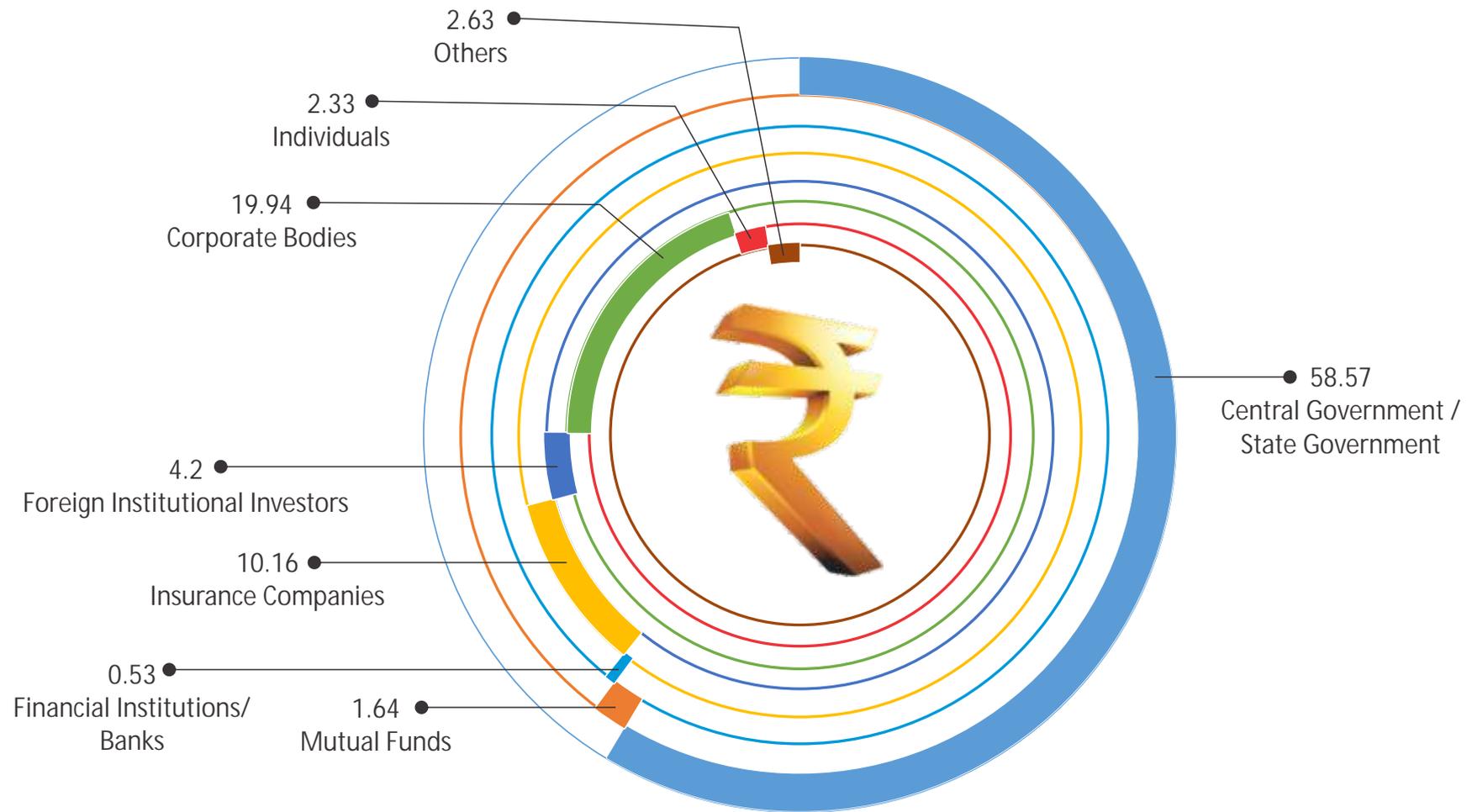
- Total installed capacity of 80 MW of grid connected Renewable Energy
- Total installed capacity of 1.7 MW of off-grid solar power systems
- Solarized about 4,200 retail outlets
- Implemented nearly 500 Rainwater Harvesting Systems
- 70 events made carbon neutral



Brand Portfolio



Shareholding Pattern



Value Chain

Exploration & Production

To meet the growing energy demand in long term, we discover and develop oil and gas fields in India and overseas.

Transportation

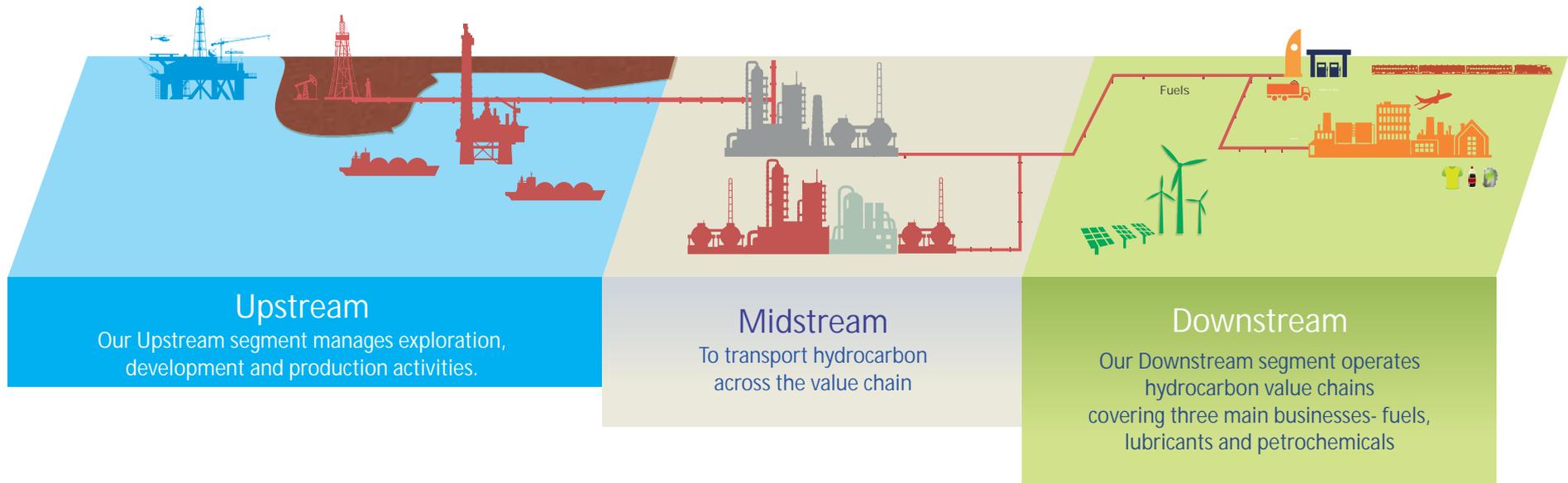
We transport crude and finished oil & gas products through various modes such as ship, road, rail and pipelines.

Refining

We refine and process crude oil to produce petroleum products such as petrol, diesel, LPG, lubricants and petrochemicals etc.

Marketing

We deliver finished products to our customers through our 45,000+ touch points.



Group Companies and Foreign Subsidiaries

Expanding Horizons

IndianOil is currently metamorphosing from a pure downstream oil & gas major in India to a vertically integrated, transnational energy company. IndianOil is already on the way to becoming a major player in petrochemicals by integrating its

existing refining business with petrochemical facilities, besides making large investments in E&P and marketing ventures for oil and gas in India and abroad.

IndianOil is strengthening its existing overseas

marketing ventures and simultaneously scouting new opportunities for marketing and export of petroleum products to new energy markets in Asia and Africa.



Joint Ventures

Avi-Oil India Pvt. Ltd.
Speciality lubricants

NYCO SA, France and
Balmer Lawrie & Co. Ltd.

Delhi Aviation Fuel Facility Private Limited
Setting up and operation of
Aviation Fuel Facility at Delhi Airport.

DIAL and BPCL

Green Gas Ltd.
City gas distribution

GAIL

GSPL India Transco Ltd.
Setting up of Natural Gas Pipelines

GSPL, HPCL, BPCL

GSPL India Gasnet Ltd.
Setting up of Natural Gas Pipelines

GSPL, HPCL, BPCL

IOT Infrastructure & Energy Services Ltd.
Terminalling services

Oiltanking GmbH, Germany.

IndianOil Adani Gas Pvt. Ltd.
City gas distribution

Adani Gas Ltd.

IndianOil Petronas Pvt. Ltd.
Terminalling services and parallel
marketing of LPG

Petronas, Malaysia.

IndianOil LNG Pvt. Ltd.
Setting up of 5 MMTPA
LNG terminal at Ennore

IDFC Alternatives Ltd.,
ICICI Bank Ltd.

IndianOil Skytanking Ltd.
Aviation fuel facility projects

IOT Infrastructure & Energy Services Ltd.,
Skytanking GmbH, Germany.

Kochi Salem Pipelines Pvt Limited
Laying pipeline for transport of
LPG from Kochi to Salem

BPCL

Indian Synthetic Rubber Limited
Manufacturing of Styrene Butadiene
Rubber at Panipat

TSRC Taiwan and Marubeni Japan

Lubrizol India Pvt. Ltd.
Lube Additives

Lubrizol Inc., USA

Mumbai Aviation Fuel Farm
Facility Pvt. Ltd.
Setting up of common-user integrated
aviation fuel infrastructure.

BPCL, HPCL, & MIAL

NPCIL – IndianOil Nuclear
Energy Corporation Limited
For setting up Nuclear Power Plant

Nuclear Power Corporation
of India Limited

Petronet LNG Ltd.
LNG Imports/distribution

BPCL, ONGC, GAIL,
GDFI and ADB

Suntera Nigeria 205 Limited
Oil exploration activities

Oil India Ltd. and Suntera
Resources Ltd., Cyprus

BPCL - Bharat Petroleum Corporation Ltd., HPCL - Hindustan Petroleum Corporation Ltd., ONGC - Oil and Natural Gas Corporation Ltd., GAIL - GAIL (India) Ltd., RIL - Reliance Industries Ltd., IL&FS - Infrastructure Leasing & Financial Services Ltd., ICICI - ICICI Bank, SBI - State Bank of India, EOL - Essar Oil Ltd., PIL – Petronet India Ltd., KPT - Kandla Port Trust, GIIC - Gujarat Industrial Investment Corporation Ltd., CB - Canara Bank., DIAL - Delhi International Airport Pvt. Ltd., TSRC – TSRC Corporation, Taiwan, ADB - Asian Development Bank, GSPL - Gujarat State Petronet Ltd., GDF - Gaz de France, MIAL - Mumbai International Airport Limited

Subsidiaries

National

Chennai Petroleum Corporation Limited

Refining of petroleum products

Indian Catalyst Private Limited

Manufacturing and marketing of FCC catalyst/additive

IndianOil-Creda Biofuels Limited

Plantation of jatropha & extraction of oil for bio-diesel

IndianOil (Mauritius) Ltd., Mauritius

Terminalling, retailing & aviation refuelling

Lanka IOC PLC, Sri Lanka

Retailing, terminalling & bunkering

IOC Middle East FZE, UAE

Lube blending & marketing of lubricants & base oil

IOC Sweden AB, Sweden

Investment company for E&P project in Venezuela

IOCL (USA) Inc., USA

Participation in shale gas asset project

IndOil Global B.V., The Netherlands

Investment company for integrated LNG project in Canada

International

Our Associations, Charters & Membership

Advertising Standards Council of India (ASCI)

National

International Indian Auto LPG Coalition (IAC)

National

Standing Conference of Public Enterprises (SCOPE)

National

Association of Business Communicators of India

National

Indian Institution of Industrial Engineering

National

TER I-BusinessCouncil for Sustainable Development

National

Indian Society of Advertisers (ISA)

National

Indian LP Gas Industry Association (ILPGIA)

National

World LP Gas Association, Paris

International

International Advertising Association (IAA)

National

Associated Chambers of Commerce and Industry of India (ASSOCHAM)

National

India International collaborations (U21 Global Universitas, Singapore, IFP France, etc.)

International

Council of Indian Employers (CIE)

National

Confederation of Indian Industry (CII)

National

International Transparency India (TII)

International

All India Management Association (AIMA)

National

Federation of Indian Chambers of Commerce and Industry (FCCI)

National

United Nations Global Compact (UNGC)

International

National HRD Network (NHRD)

National

Petroleum Federation of India (PetroFed)

National

International Air Transport Association (IATA)

International

Stakeholder Engagement & Materiality

IndianOil values its stakeholders and continuously engaged them through various forums throughout the year. These forums are aimed to understand stakeholders opinions and to build trust and long-term relationships by structured collaborations and communications across earmarked channels. On account of our large business units, supply chain and a huge product mix catering to the needs of customers spread over entire nation, we understand our business is closely related to a diverse stakeholder group who can influence our business directly or indirectly.

We have a vast number of forums in place, for our stakeholders, to communicate with us regularly. These channels help us to gain deeper insights into the expectations of our stakeholders have. Considering the vast expanse of the organization, we cater to a wide array of stakeholders and resolve issues, if any, with mutual concern. We have adopted a structured approach for promoting sustainable business practices while creating enduring value for all our stakeholders.

The major focuses of stakeholder engagement are:

To build trust through high transparency and demonstrating accountability at all levels

To frequently monitor the issues/ concerns raised by our stakeholders

To evaluate the concerns/ situations and develop appropriate measures

To make sure the concerns are addressed in timely manner through appropriate measures

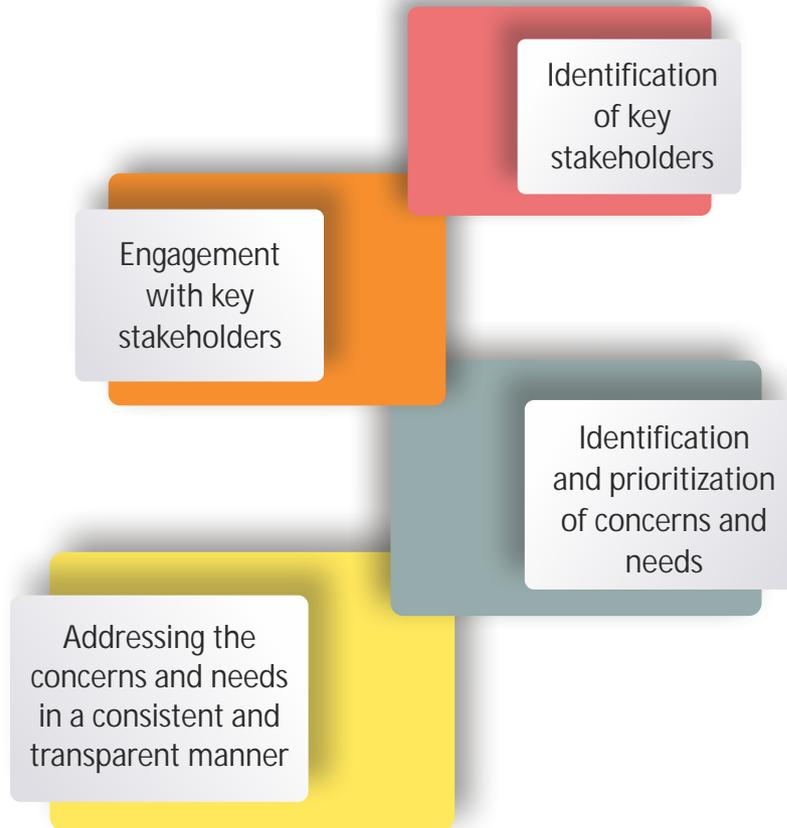
To review the actions taken to reinstate the faith in our stakeholders

To ensure the stakeholders are integral part of firm's triple bottom line growth

WAY
WE CONNECT

Investor Meet | Annual General Meetings | Events | Seminars | Workshops | Trainings | Awareness Programmes | Dealers' Meet | Transporters' Meet | KSK Conventions | Consumers' Meet | Public Hearing | Grievance Redressal Forums | Customer Care Programmes | Helpline Numbers | Website | Periodicals

IndianOil has endeavoured to institutionalise the existing relationships through a formal process that includes :



Stakeholders Engagement:

IndianOil interacts with its stakeholders through various forums focussing on subjects pertinent to them and the organization as well. We maintain continuous relationship to understand the stakeholder’s opinions, perceptions and expectations and hence, we were able to engage with them to derive a mileage on all sustainability related issues and minimise negative impacts on our businesses. Besides conducting customer survey/market feedback and regular meetings etc., we also monitor the brand’s social media profile, press relations and published content, and other aspects.



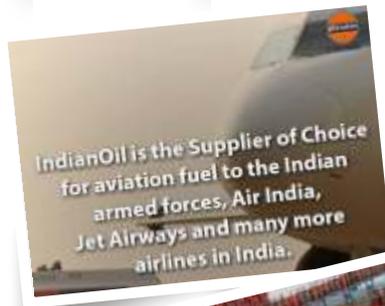
Shareholders

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Annual General Meetings, Regular Communication through website, Report etc	Annual, Quarterly, Need based	Financial Performance, Future strategies, Shareholders grievance	Shareholders/ Investors Grievance Committee (SIGC) -Investor Service Cell -Dedicated Email



Employees

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Meetings, Workshops, Surveys, Performance Review	Annual, Quarterly, Monthly, weekly	Communicating Policies & Performance -Employee Satisfaction -Transparency	Employee Satisfaction Survey





Customers



Government/
Regulatory
Bodies

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Customer Surveys, Customer Meetings, Training, Customer Education Programmes/ Meet/ Grievance redressal forums	As required	Product Quality & Quantity, Suggestions and Complaints redressal -Customer Satisfaction	Customer Satisfaction Survey, Feedback

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Meetings, Industry forum	Annual, Quarterly, Monthly, weekly	Policy implementation review, Apprising the Gov. on Plans and progress, Communicating Industry's challenges and issues	Minutes of Meeting, Action Plan



Stakeholder Engagement & Materiality

About IndianOil

Key Impacts, Risks & Opportunities



Industry / Trade Associations

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Meetings/ Seminar/ Workshops	Need based	Policy advocating, Interfacing for policy framing/ implementation	Meetings -Reports etc

Business Partners



Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Dealer/ Distributor/ KSK Conventions, Transporters Meet, Meeting with Contractors/ Vendors, Seminar/ Workshops	Annually, Quarterly, Need based	Supply & Distribution, Quality & Quantity Health & Safety Customer satisfaction	Dedicated email, Meetings etc.





Community

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Meetings, Public Hearing	Daily	Corporate Social Responsibility initiatives, Capturing societal issues Community Development	Community feedback, Minutes of Meeting



Media

Consultation mechanism	Frequency of consultation	Key concerns/ issues	Feedback assessment
Website, Events, Conferences, Media Cell	Need based	Sharing information to stakeholders	Feedback on company's website



Materiality

Materiality assessment carried out in the year 2015-16 and our internal assessment of stakeholder needs continue to drive sustainability initiatives at IndianOil. The management and a robust in-house reporting system provide mandatory assurance over the materiality of the information and data which is reproduced in this report from our database maintained at respective locations. Our materiality analysis is based upon the following three tier structured approach:-

Identification of Material Aspects

IndianOil assessed its relevance in terms of the boundary of the impacts for each GRI-G4 defined aspect. Additionally, IndianOil also cognised for business sector specific topics based on GRI Sustainability Topics for Sectors. The vast range of internal and external data, including analyst reports, media articles and stakeholder feedback was evaluated and the most relevant issues were identified. The result was a list of material aspects considering their significance to the business and a matrix of aspects identified to be material for the key stakeholders.

Prioritization of Issues

In order to prioritise the material aspects identified, the degree of importance for each material aspect to its key stakeholders and the

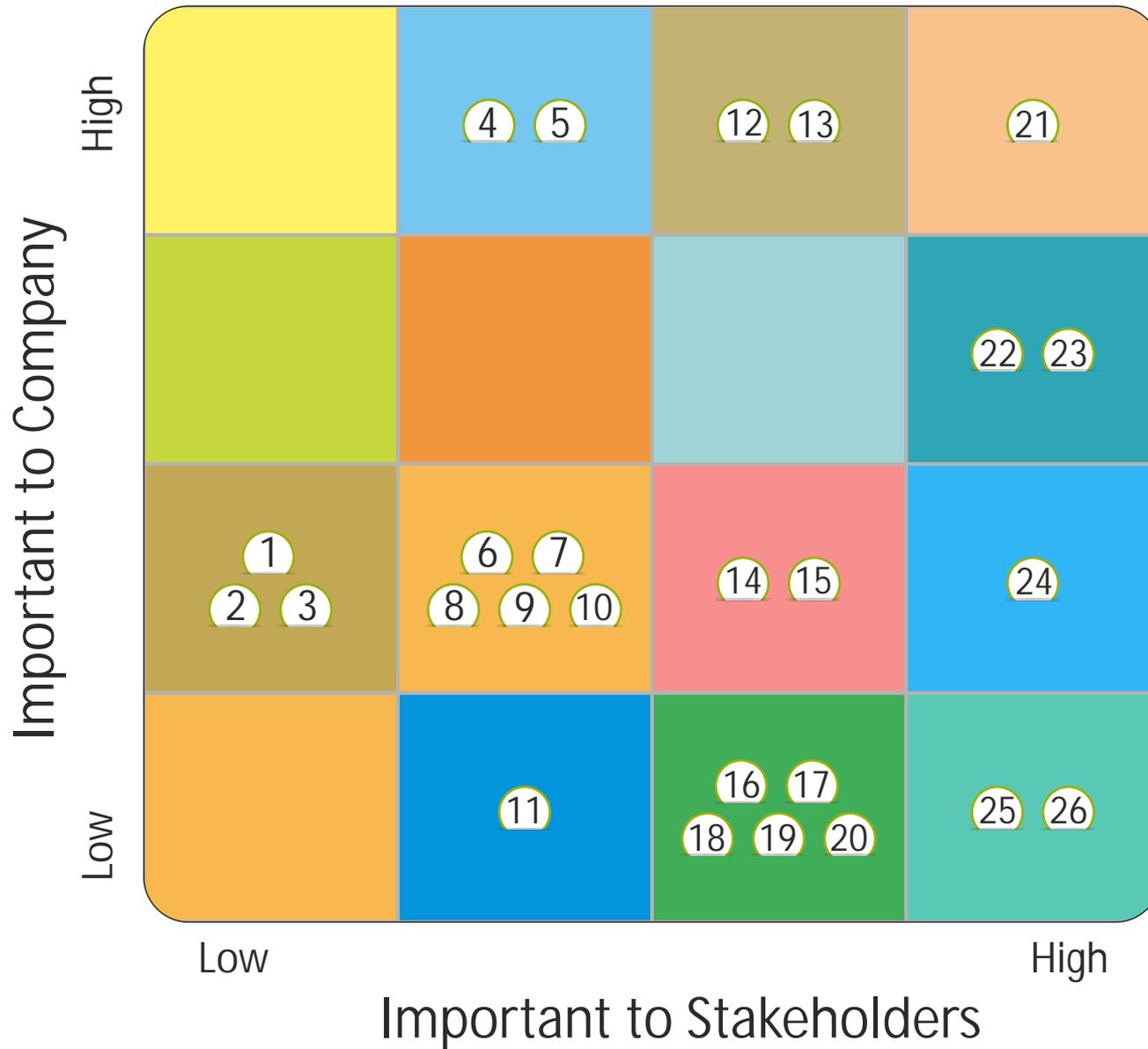
business is further assessed. The basis for material issues prioritization are the key concerns, needs and expectations of stakeholders identified through past as well as on-going engagement.

Validation

We conducted an in-depth stakeholder mapping exercise and identified important key external stakeholders. Subsequently, Cross sections of internal stakeholders were surveyed through personal interviews and an online questionnaire to determine the issues material to IndianOil.

Based on the inputs, the materiality matrix was prepared which provided a reasonable and balanced picture of the organisation's Triple Bottom Line impacts and its performance. However, in this report, all critical issues, which are of concern to stakeholders and Company are considered. The critical material issues together with our action plan are described under respective topics as Disclosure on Management Approach.





- 1 Indirect Economic Impact
- 2 Security & safety of Information Systems
- 3 Regulatory & Legal Challenges
- 4 Product/ Service Cost Competitiveness
- 5 New Business Marketing Opportunity & Overseas Venture
- 6 Training & Development
- 7 Labor Rights & Compensation
- 8 Recruitment & Succession Planning
- 9 Market Share
- 10 Collective Bargaining
- 11 Human Rights
- 12 Employee Satisfaction
- 13 Employee Engagement
- 14 Occupational Health & Safety
- 15 Impact on Communities
- 16 Waste management
- 17 Stakeholder Engagement
- 18 Corruption
- 19 Energy Conservation
- 20 Diversity & Equal Opportunity
- 21 Product & Operational Efficiency
- 22 Product/ Service Quality & Safety
- 23 Customer Satisfaction
- 24 Climate Change
- 25 Carbon Emission
- 26 Water Management

- Economic
- Environment
- Social (Labor Practices and Decent Work)
- Social (Human Rights)
- Social (Society)
- Social(Product responsibility)

Materiality Table Linkages

Material Issues	Linked with Heading	Aspect Boundary outside IndianOil
Carbon Emission	Sustainable Development Initiatives- Water and Carbon Footprint, Environmental Performance- Emissions	Our Suppliers, Distributors & Retailers
Human Right	Corporate Governance- Human Rights	Contractors
Climate Change	Sustainable Development Initiatives, Environmental Performance	Communities where we operate
Collective Bargaining	Employees- Employee Engagement	Not material
Corruption	Corporate Governance- Corruption and Anti-Competitive Behavior	Our Suppliers, Distributors & Retailers
Customer Satisfaction	Product Responsibility- Marketing Communications	Our Customers
Diversity & Equal Opportunity	Corporate Governance- Inclusiveness	Not material
Employee Engagement	Employees- Employee Engagement	Not material
Employee Satisfaction	Employees	Not material
Energy Conservation	Environmental Performance- Energy	Not material
Impact on Communities	Social Performance	Communities where we operate
Labor Rights & Compensation	Employees- Employee Engagement, Contract Labour	Not material
Occupational Health & Safety	Health & Safety	Not material
Product & Operational Efficiency	Product Responsibility	Not material
Product/ Service Quality & Safety	Health & Safety, Product Responsibility	Our Suppliers, Distributors, Retailers & Transporters
Recruitment & Succession Planning	Employees – Talent Recruitment, Employees – Career Transition	Not material
Stakeholder Engagement	Stakeholder Engagement & Materiality	All Stakeholders
Training & Development	Employees – Training	Not material
Waste management	Environmental Performance – Waste	Not material
Water Management	Environmental Performance – Water	Not material
Product/ Service Cost Competitiveness	Economic Performance	Our Suppliers, Distributors, Retailers & Transporters
Market Share	Economic Performance	Not material
New Business Marketing Opportunity & Overseas Venture	Economic Performance	Not material
Indirect Economic Impact	Economic Performance	Not material
Security & safety of Information Systems	Corporate Governance – E-initiatives	Not material
Regulatory & Legal Challenges	Key Impacts, Risks & Opportunities	Not material

Key Impacts, Risks & Opportunities

Risk review & management

IndianOil recognises that risk is an integral component of business and is committed to managing it in a proactive and professional manner. Our Enterprise Risk Management involves risk identification, assessment and categorisation (based on risk appetite) and is reviewed through risk owners regularly to optimise identified risks with appropriate mitigation strategies.

Some of the risks & concerns identified during the year 2015-16 are as follows:

Crude Oil Price Fluctuation

IndianOil is required to hold adequate crude oil inventory at any given time in refinery storage, crude stock in transit through pipelines feeding inland refineries and in tankers on high seas from the supplying countries. Any sharp variation in international oil prices results in huge inventory gain/loss depending upon the direction of price movement. Moreover, fluctuations in international oil prices have implications on upstream investments as well.

Geopolitical Risks

Security concerns and political instability, especially in the Middle East & North Africa region, is a major risk to the company as the bulk of the crude oil is imported from this geographical area. Any disturbance in this region also affects the company's overseas investments made there.

Foreign Exchange Fluctuations

Volatility in the global financial markets and consequently in exchange rate movement and capital flows also pose a risk to IndianOil. Given the country's high dependence on import of crude oil

and exposure to foreign borrowings, sharp fluctuations in exchange rates will have a direct impact on our financials.

Safety and Security of Assets and People

The huge risk potential of the hazards in the hydrocarbon industry calls for preventive actions in our processes and work culture. Human behaviour is widely recognised as an important factor in both cause and prevention of accidents. Therefore, in addition to strict compliance with the existing safety systems and procedures, improvement in



safety culture and personal safety behaviour is being addressed effectively for sustenance of a safe working environment. Similarly, increased sensitivity towards physical and cyber-security also entails appropriate technological and human interventions.

Pipeline Pilferage

Pipeline pilferage poses a major risk to the smooth & safe management of the supply chain. It not only leads to disruptions in crude oil and product supplies but puts lives and property at risk. IndianOil is taking a number of pro-active measures

to curtail incidents of pilferage, such as round-the-clock monitoring, physical patrolling of the right-of-way, engagement with villagers, electronic surveillance and seeking the help of the local police for continuous monitoring.

Policy & Regulatory Risks

Changes in policy, regulations, tax rates, delay in project clearances poses profit and investment risks to IndianOil.

We have laid down the Enterprise Risk Management Policy and Procedures thereof for periodical information to the Board about the risk

assessment and mitigation procedures. As per the 'Risk Management Policy' of IndianOil, a 'Risk Management Compliance Board' is also established which reviews the various risks associated with our businesses. The committee debates all risks and related issues threadbare and devises action plans to mitigate those risks. These are, then, appraised to the Executive Committee, which consists of Chairman and functional Directors of the Board.

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Working of the committee
Six-monthly or quarterly	Board or individual/sub-set of the Board or committee appointed by the Board	All over India and the countries from which crude oil is sourced	3 years or more	Risk Management committee comprising of senior executives monitors, accesses and discusses both, internal & external risks associated with business, diversification, pricing, climate change etc. and categorizes them as 'A' and 'B' category risks. 'A' category risks are material to the organisation and need immediate action plan.

Corporate Governance

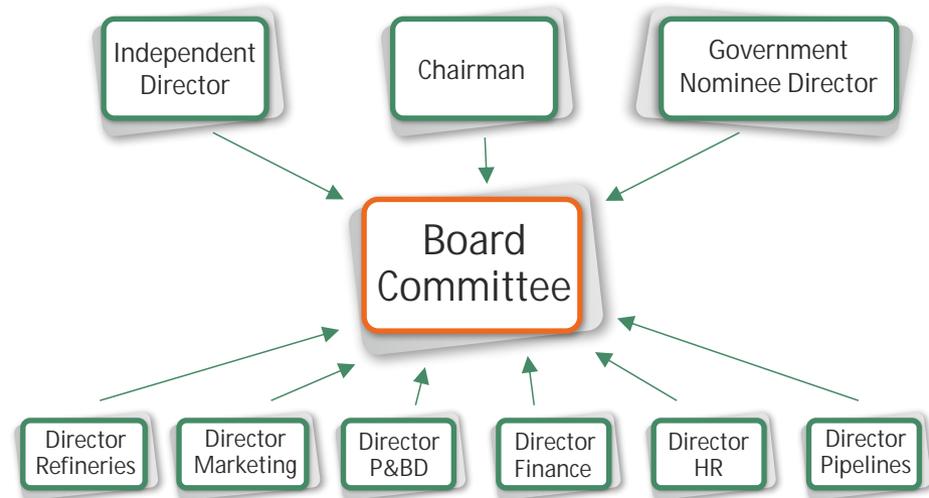
At IndianOil, we believe in conducting our business with utmost accountability, transparency and integrity, ensuring fairness for all the stakeholders. To ensure an ethical and efficient business conduct

at all levels and in order to maximize the value for every stakeholder, we have been striving to build an environment of trust and confidence around us. A well-defined policy framework and strong

structural set-up have been the key to effective implementation of corporate governance initiatives. Policies are considered as key for good corporate governance practices.



Our Governance Structure:



The Board of Directors

IndianOil, being a Central Public Sector Enterprise, is under the administrative control of the Ministry of Petroleum & Natural Gas, Government of India. The Board of Directors is the highest governing body in the organization and the Board represents an optimum combination of whole-time Directors and part-time Directors. The Directors are nominated by the government and represents the Board. The part-time Directors are Independent and Government Nominated Directors and are eminent personalities with proven records in various fields including energy, law, marketing, academics, administration, finance etc.

As on 31.03.2016, the Board had strength of 12 members, which includes seven whole-time Directors (Including Chairman) and five part-time Directors. The part-time Directors constitutes of three Independent Directors and two Government Nominee Directors.

IndianOil has not been able to comply with the requirement of possessing 50% Independent Directors on its Board since nominated representatives of the Ministry of PNG are yet to be provided for our Board. The matter is being pursued with the Government of India to induct the requisite number of Independent Directors as required under the provisions of the Companies

Act 2013, as well as the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE). All the Directors have made the

requisite disclosures pertaining to any directorial/committee positions held by them in other companies in the Annual report.



Standing from Left to Right: Shri Subroto Bagchi, Independent Director; Shri Verghese Cheria, Director (Human Resources); Shri Anish Aggarwal, Director (Pipelines); Shri B.S. Canth, Director (Marketing); Shri A. K. Sharma, Director (Finance); Shri D. Sen, Director (Planning & Business Development); and Shri Sanjay Kapoor, Independent Director.

Sitting from Left to Right: Shri Ashutosh Jindal, Government Nominee Director; Shri A.P. Sawhney, Government Nominee Director; Shri B. Ashok, Chairman; Shri Parindu Bhagat, Independent Director; and Shri Sanjiv Singh, Director (Refineries).



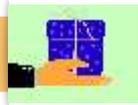
At the beginning of each financial year, IndianOil signs a Memorandum of understanding with the Government of India which monitors our performance targets. MoU targets are based around the long-term targets of the organization as well as critical performances under economic, social and environment categories.

Our Board Committees



Audit Committee

- o To examine, decide and deal with all issues relating to Ethics in the Corporation



Nomination and Remuneration Committee

- o To approve certain perquisites and Performance Related Pay (PRP) as per the DPE guidelines.
- o To consider and approve promotions to Grade 'I' (Executive Director)



Shareholders Relationship Committee

- o To examine and redress the grievances of shareholders, investors and to approve issuance of share certificates



Project Evaluation Committee

- o To appraise projects costing Rs.250 crores and above



Corporate Social Responsibility and Sustainable Development Committee

- o To recommend, monitor and administer Sustainability and CSR activities



Health, Safety and Environment Committee

- o To review compliance of safety systems, procedures, rules & regulations on safety, occupational health and environment protection



Marketing Strategies Committee

- o To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities



De-leasing of Immovable Properties Committee

- o To consider Deleasing of Company leased flats/ accommodation / immoveable properties



Spot LNG Purchase Committee

- o To approve LNG price formula / gas pricing / SPA terms, execution of Master Sales & Purchase Agreement (MSPA), deviation to standard MSPA, bids for purchase of LNG.



LNG Sourcing Committee

- o To review and recommend the terms and conditions of LNG Sales & Purchase Agreement



Dispute Settlement Committee

- o To examine the settlement proposals with financial implication of more than Rs. 25 crore and provide recommendation



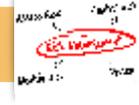
Contracts Committee

- o To approve contracts beyond certain limits as provided in the DoA of the Corporation



Planning & Projects Committee

- o To consider and approve all Project Proposals above Rs. 100 crore and upto Rs.250 crore



Risk Management Committee

- o To review the Risk Management Process and to approve the derivative transactions above USD 50 million on 'mark to market' basis

Board Meetings

The Board of Directors hold meeting once every month to review the corporate strategies and oversee our management's functions to ensure that the long-term objectives are met and the

interest of our stakeholders are protected. Various committees are constituted by the Board to ensure efficient and smooth flow of decision making process. The Board held 10 such meetings during

2015-16. The maximum gap between any two consecutive Board meetings is 56 days, whereas the maximum gap between any two consecutive audit committee meetings is 100 days.



Remuneration of Directors

Being a Central Public Sector Enterprise, the nomination and fixation of remuneration of Directors is decided by the Government of India. However, the perquisites for the Directors and performance related pay are approved by the remuneration committee, which are within the powers of the Board. The remuneration does not include any provision made on actuarial valuation of retirement benefit schemes or any provision made during the year towards post retirement benefits as the same are not ascertainable individually for Directors. During the year under review, no Stock Options were issued to Whole-time Functional Directors. As per the directives issued by the Government of India, the terms of appointment of the Whole-time Functional Directors provide for a 3 month notice or salary in lieu of release from service.

A ratio of 10.42:1 was observed as the ratio of the total annual compensation of the organization's highest paid individual to the median annual total compensation.

Whistle Blower Policy

Indian Oil has a whistle blower policy accessible to

all employees which gives them the authority to report any activity which violates the laws, rules, regulations or code of conduct by an employee to the Chairman of the Audit Committee or the competent authority. The audit committee maintains complete anonymity and confidentiality of any such reporting to avoid any discrimination at workplace, whatsoever.

The policy on Vigil Mechanism/Whistle-blower can be accessed on our corporate website at the link https://www.iocl.com/InvestorCentre/Whistle_Blower_policy.pdf

Corruption and Anti-Competitive Behavior

The "Conduct, Disciplines and Appeal Rules (the CDA Rules)," which govern the conduct of all officers of the company have outlined the company's approach to assess and ascertain fraud risks and reporting, investigating and responding to suspected incidents of corruption. We have adequate measures in place to address issues relating to ethics, bribery and corruption in the context of appropriate policy guidelines issued by the Government from time to time. Our employees are mandated to comply with anti-corruption

policies. Our vigilance department carries out various preventive activities viz., awareness creation through training/ workshop on the Central Vigilance Commission (CVC) rules/guidelines, ensuring quality and quantity of products in transit as well as sales points across the country, studies to bring out irregularities/inconsistencies, bringing transparency and economy in awarding as well as execution of contracts. There is an inbuilt mechanism at IndianOil to check anti-competitive behaviors which comply with all government policies. We have implemented Grievance Redressal Mechanism and Whistle Blower's policy which ensured availability of adequate mechanism to encourage disclosures of any misconduct. These policies cover all the employees of the organization as well as the business partners.

All our units are reviewed for any corruption or related risks. During the year no incidents of corruption were reported. 79 vigilance awareness programs were conducted during the year to promote transparency and efficiency in the working and the vigilance programs were attended by about 2,200 employees. Two cases were filed against the company regarding anti-competitive behavior. One Case is pending before Competition

Commission of India (CCI) wherein complainant has alleged cartelization by Oil Marketing Companies, for collusive bidding against in a tender for ATF supplies. The Delhi High Court has stayed the proceedings before CCI. In another case, a party has alleged non-competitive price due to cartelization by Sugar Manufacturers & joint tendering by OMCs for ethanol. The party had appealed before Competition Appellate Tribunal (COMPAT) CCI's interim order and also filed application for interim relief of stay of the tender process. The COMPAT dismissed both Appeal and Application for stay. The party has now filed Civil Appeal before the Supreme Court against COMPAT's order. The matter is pending in the Supreme Court.



Public Procurement Policy For Micro, Small & Medium Enterprises (MSME)

As per the Public Procurement Policy of the Govt. of India for procurement from Micro, Small and Medium Enterprises (MSME), various divisions of IndianOil have taken necessary steps to implement the policy. Endeavors are made to procure items specified for procurement from MSMEs. Necessary provision has been made in all the tenders stating the eligibility of MSMEs to participate in the tender. The MSMEs and NSICs are exempted from payment of tender fees / earnest money deposit. As against the target of procurement of 20% from MSMEs, the procurement from MSMEs during the year stood at 45.50%.

External Commitments And Public Policy Participation

In association with various national and international professional bodies, IOC actively participates and firms up opinions on Industry related issues which have significant impact on public policy. References of different ministries of the government are attended to with in-depth analysis.

IndianOil, a founder and permanent member of UNGC, extends support in implementing the ten guiding principles in United Nations' agenda on human rights, labour standards, environment and anti-corruption.

IndianOil also actively participates with various committees of Government of India and other organizations for advancement or improvement of public good by contributing to Economic Reforms, Sustainable Business Principles, Energy Security, Inclusive Development Policies, etc.

Human Rights

In pursuance to our commitment to meet the societal needs and safeguard human rights, we have Zero Tolerance towards any kind of discrimination, whatsoever, for employment, growth, remuneration or development on the grounds of caste, colour, gender, religion or region-across all our establishments. We have a structured grievance handling mechanism accessible to all our employees. As per the terms and conditions laid down in the General Conditions of Contract (GCC), all our vendors and suppliers have to comply with the human rights aspects including separate

toilets, washing places for men and women, compulsory canteen facilities and medical services for all employees. We have carried out regular monitoring and reviews at all the locations to minimise and reduce human rights violations. There were no incidents of human rights violations reported during the year. No incidents involving rights of indigenous people and discriminated practices or significant disputes involving local communities and indigenous people were reported during the year 2015-16. We have a stringent policy on prevention of sexual harassment at the workplace which is implemented across all our installations. Reported cases of sexual harassment are inquired into by a Complaint Committee and disciplinary action, as per Conduct, Discipline and Appeal Rules, against the delinquent employees is taken.

IndianOil does not support any form of forced or compulsory labour. We ensure that the salary paid for employees of all categories fulfils the norms of minimum wages act prescribed by the Government of India. As per the provisions of the Minimum wages Act 1971, the minimum wages payable to employees/ contractors are revised at regular intervals. No instances of forced, compulsory or bonded labour were reported during the year.

As per the conditions of the General Conditions of Contract (GCC)- the guidelines for any contract drawn with IndianOil, a written declaration has to be submitted by the bidder that no child labour is engaged at his/her facilities. IndianOil does not encourage business activity with industries deploying child labour. No child labour is employed at any of our establishments and a minimum age

limit of 18 years for permanent and contract labour is maintained. No complaints, whatsoever, were reported during the year pertaining to child labour.

No political contributions – financial or in-kind - were made directly or indirectly to any recipient or beneficiary by IndianOil.

Sl. No.	Category (2015-16)	No. of complaints filed	No. of complaints pending
1	Child labor/forced labor/ involuntary labor	Nil	Nil
2	Sexual harassment	2	4
3	Discriminatory employment	Nil	Nil

Sustainable Sourcing

Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. IndianOil has long and short term contracts in place for its crude oil procurement and diversified its global fuel sourcing centers. Further, the company has strengthened its position as an upstream player by building a sizeable portfolio of oil & gas assets, with participating interest in 8 domestic and 7 international blocks.

As pipeline transportation is the most sustainable mode of transportation for petroleum products, IndianOil has been expanding the pipeline network relentlessly. As on 31.3.2016 the total length of pipelines stands at about 11,750 KMs.

The Company purchases LNG, crude oil, gas and other raw material under long term as well as short term purchase contract from national and global sources. Also, e-Tendering, e-Procurement and e-Payment procedures are followed relentlessly as a mode for sustainable sourcing.

Inclusiveness

IndianOil scrupulously follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/

OBC/ PWD (Persons with Disabilities)/ Ex-servicemen to promote inclusive growth. Grievance/ Complaint Registers are also maintained at Division/ Region/ Unit levels for registering grievances. Efforts are made to promptly dispose off representations / grievances received from OBC/ SC/ ST employees. Facilities like Braille machine, ramp, etc. are being provided across our installations, offices for PWDs.

For engagement of disadvantaged, vulnerable and marginalized external stakeholders, various initiatives viz. allotment of dealership/ distributorship, petty contracts, CSR initiatives, etc. are undertaken. Under CSR, 22.8 lakhs new LPG connections were released to BPL families during 2015-16 taking the total beneficiaries under the scheme to 32.4 lakhs BPL families cumulatively. IndianOil also pioneered the implementation of "smokeless village" programme by providing more than 1,60,000 new LPG connections and declared over 3,400 villages as smokeless villages as on 31st March 2016.



Integrity and Accountability

IndianOil believes in total transparency, integrity and accountability in its functioning. We value our business relationships with all the domestic & international contractors and suppliers of goods & services, and are dedicated to deal with them in a fair and transparent manner by maintaining the highest ethical standards in all our business transactions with them. Being committed to uphold the trust and fair practices, IndianOil has signed a MoU with Transparency International India (TII) in 2008 for implementing Integrity Pact (IP) in all its major procurement and work contract activities. There is an enhanced emphasis on ensuring transparency, probity, equity and competitiveness in procurement processes. The Integrity pact has not only strengthened the trust and support of the Central Vigilance Commission but has also toughened up the existing systems. Four Independent External Monitors have been nominated by TII in consultation with the Central Vigilance Commission (CVC) to monitor all tenders of value INR 10 Crore and above, across IndianOil.

During the year 10 meetings of IEM's (Independent External Monitors) were conducted. Based on the above threshold value, 288 tenders floated by the Corporation came under the purview of IP during

the year 2015-16 against which 2 complaints were received which were referred to the IEMs and deliberated. A total of 4,62,348 customer complaints were received and 462239 (99.97%) complaints were resolved. 7,030 complaints were received related to services, tenders and through public grievance redressal system and 7,362 (100%) were resolved which includes grievances pending at the beginning of the year.

Information on various issues is shared under the 'Right To Information' to all stakeholders. Additionally, other initiatives like bill watch system, standardisation of schedule of rates, file tracking system etc. have also been implemented.

Compliance

IndianOil carries out Secretarial Audit of the records and documents every year as a good Corporate Governance practice. All the applicable

provisions of Corporate Law, guidelines and rules etc. were fully complied with. The secretarial Audit report is published as a part of the Annual Report after getting duly verified by Company Secretary.

To ensure implementation of government directives, liaison officers are appointed across various locations.

911 investor complaints were received from SEBI, MCA and Stock Exchanges which were subsequently solved.



E-initiatives

To keep up with the pace of the changing scenario in the technologically advanced world, the Information Systems department has come out with various web-based portals to decrease the

processing time as well as reduce the paper work and associated costs involved. A list of such initiatives are listed as under:



ESS-
Employee Self Seva

to enable employees make various claims and track their processing status

E-360

-A portal for employees in the manager grade and above; where they are assessed by their peers, subordinates and seniors

E-Suvidha

All application not covered under ESS have been attached here

E-Audit

Used by the Audit team to speed up the process of audit

E- Sahyog

A centralized portal for the CSR department across the organization to update and share information pertaining to various initiatives.

E-PMS

Employee Performance Management System - to enable employees define their KRAs and KPIs

E-Drive

An intranet based facility where upto 1 GB of data can be transferred via uploading the documents at one system and sharing the link to download the same at another location.

E-Tender

A portal where all the tenders floated across the organization are posted. This has resulted in saving of time, paper as well as costs involved in floating a physical tender.

HR – A&W services: A portal has been formed where all administration work related formats have been attached and the names of officers responsible to take actions have been mentioned.

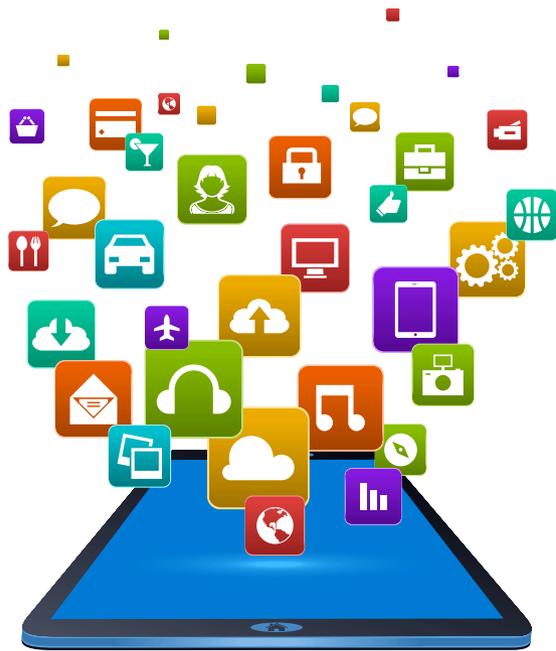
File Tracking System: A system where one can route and track the files going for approvals outside respective departments.

Hello IOCian: A comprehensive directory of all the employees, both executives and non-executives, has been built to ease out the process of finding the contact details and designation of any employee across the organization.

PF Management System: A portal to help employees get an insight into their existing PF balance and apply for refundable and non-refundable loans against PF.

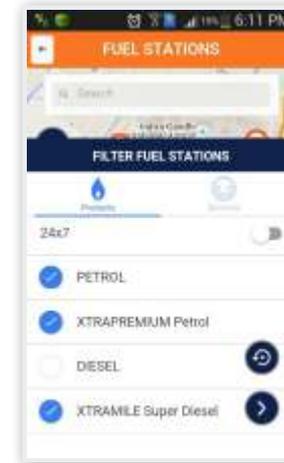
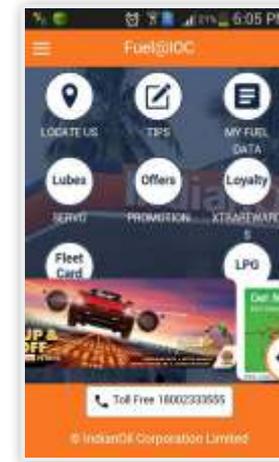
Moving with Time: Mobiles App

In the technologically advanced age of today, our Information Systems team has been working relentlessly to make things easier for the employees and customers, alike. A number of mobile applications have been devised for use by our vendors and dealers like x-sparsh, fuel@IOC and mPower.



Fuel@IOC: The target audience of this mobile application are the end customers who purchase petrol and diesel from Indian Oil's retail outlets. Following are the features of this application:

- ▶ Retail Outlet locator based on the user's geographical position
- ▶ Retail Outlet search by services.
- ▶ Easy availability of the customers' fuel transactions
- ▶ Easy lodging of the feedback and rating of retail outlets
- ▶ Safety tips, Lube and air pressure reckoner
- ▶ Loyalty program integration
- ▶ Tracking of the grievances filed by the user.



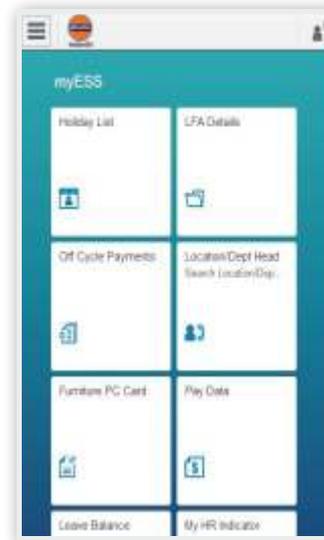
Parivahak: The target audience of this mobile application are all the Transporters of Indian Oil. Following are the features of this application:

- a) Real time payment information of the transporter's bills.
- b) Real time position of the transporter's truck.
- c) Details of the transporter's fleet of trucks (No of trucks and the details of each truck)



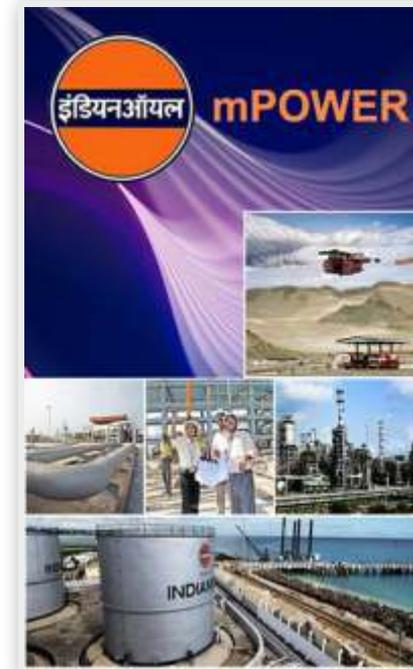
myESS: The target audience of this mobile application are our internal employees. This application allows the mobile workforce of Indian Oil to access employee data on the go. Following data is made available in the mobile application:

- a) Payslip
- b) Holiday Listing
- c) Employee Search
- d) Off cycle payment details
- e) Know your pending claims
- f) Leave Balance



mPower: The target audience of this mobile application is our mobile workforce. Following are the features of this application:

- a) Customer Payments
- b) Customer balances
- c) Pending Orders
- d) Sales Analytics



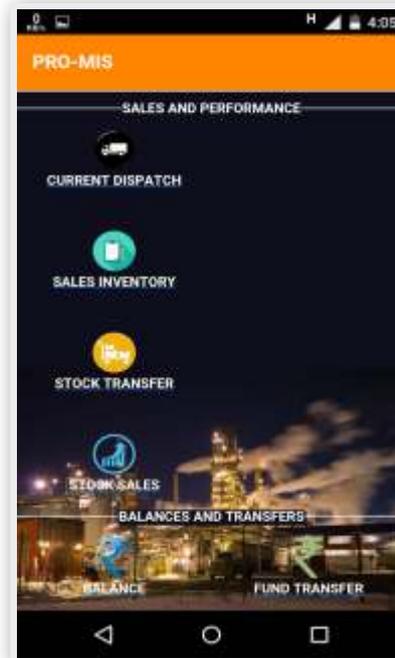
xSparsh: The target audience of this mobile application are the various channel partners of Indian Oil. Following are the features of this application:

- Customer balance
- Indent / Order Management
- Payment Details
- Sales
- Consumption statistics



PROMIS: The target audience of this application are Indian Oil's BD channel partners. It caters to all the types of customers i.e. PTA/DC, CS and DCAs. Following are the features of this application:

- Balance Enquiry
- Sales enquiries
- Stock inventory listing
- Payment details



Digital/e-Governance initiative to go paperless

In a pioneering initiative, the Board members of IndianOil held their first paperless Board meeting which was attended by all the functional directors, Government nominee Directors and independent Directors. This initiative focuses on two core values:

- Care, i.e., caring for the environment
- Innovation, i.e., bringing in the latest technology to ensure ease of operations and adding pace to the day-to-day activities of the Corporation

For the paperless Board meeting, the agenda items were shared through the digital platform using exclusive software. All the accompanying presentations were also uploaded on i-pads for deliberations by the Board members. The initiative also ensures security and confidentiality of the agenda items, the discussions upon them and the outcome.

Corporate E-Security

IndianOil has adopted and implemented a defense-in-depth cyber security architecture to face today's era of ever growing cyber threats to critical government infrastructure. We own one of the largest data networks in India and our management is deeply committed to secure the same from any kind of cyber threats. Regulatory requirements and guidelines for securing public sector undertaking's critical IT infrastructure for business critical applications as issued by Government from time to time are followed and complied by IndianOil.

We have already obtained ISO 27001 certification for our Corporate Data Centre, Near Recovery Site at Gurgaon and Remote Business Continuity Service Centre at Bengaluru from Standardization Testing and Quality Certification Directorate, DeitY, Government of India. The Near Recovery Site and Remote Business Continuity Service Centre are also certified for Business Continuity (BS 25999) and IT Service Management (ISO 20000). A Corporate IT Policy and IT Security policy are in place which cover majority of the policies mentioned in the National Cyber Security Policy (NCSP) 2013. The Corporate IT Policy is under revision for inclusion of latest technologies & cyber security requirements.

IndianOil has implemented a robust, state-of-the-art network security architecture at its corporate data center which comprise of a unique mix of technologies.

The whole setup has been deployed in high availability and redundant mode. All the devices in our Data & Communications Centre are put in High Availability mode to ensure 99.9% availability. A Security Operation Centre (SOC) is maintained at Corporate Data Centre which is manned 24x7 by highly skilled IT security professionals. The processes at SOC haven been designed with full compliance to industry best practices in order to rapidly adapt to the evolving threats.

For the year 2015-16, Corporate E-security has redesigned its infrastructure & security architecture including security operations center (SOC). Complete revamping of old architecture were done which includes implementation of best of breed next generation firewall, IPS, Link controller etc. Remote Business continuity site has also been upgraded similar to corporate data center. Web Application security audit of organization's public facing sites hosted by Corporate Office conducted to ensure the compliance as per Govt. guidelines.

In the process of building in-house capability of ISO 27001, 13 employees have attended the ISO 27001 lead auditor training & have been certified as lead auditors. Various training sessions have also been conducted for IndianOil employees for cyber security awareness.

In pursuit of IT Act and NCSP-2013, E-Security team has conducted many sessions for implementation on ISO 27001, Business Continuity Plan and Crisis



Management Plan for the divisions. E-Security team has also ensured standardization of Endpoint Security policy across organization and conducted knowledge sharing session for the same.

A secure access to various applications has been provided to overseas employees on deputation through SSL-VPN. The team has also coordinated and provided all levels of support for various kinds of IT Security issues to maintain secure cyber ecosystem across the organization.

E-PMS

In order to increase transparency and clarity in the Key Result Areas (KRAs) as well as Key Performance Indices (KPIs), an online system of Employee Performance Management System was introduced across the organization and covers all employees. At the beginning of every year, employees are asked to fill in the details pertaining to the respective KPIs on a web-based portal and select parameters on which their individual performance would be mapped at the end of the year. Each KPI is given a specific weightage and the year-end performance of the employee is calculated against the degree of achievement of the target. Performance Related Pay, individual ratings and departmental promotions are all linked to the e-pms score. Along with the employees, all whole-time functional Directors, who receive their Performance Related Pay as regular employees of the company, are also covered under this scheme.



RTI

A robust feedback mechanism is in place, whereby various stakeholders and shareholders can file an RTI and gather information, which might not be otherwise available through sources like the Annual Report and the corporate website. Important information including names, designations and addresses of the Chief Public Information Officers and Assistant Public Information Officers and Appellate Authority are hosted on the website to allow an access to the public. Apart from this, an RTI manual has also been uploaded on the website for providing guidelines to those who want to file an RTI. All The same can be accessed from the following link: <https://www.iocl.com/Talktous/right-to-information.aspx>



Global Reporting Initiative (GRI)



Global Reporting Initiative (GRI) is an international independent organization that has outlined guidelines to help businesses, governments and other organizations understand and communicate the impact of business on critical issues such as climate change, human rights, and corruption among several others related to sustainability.

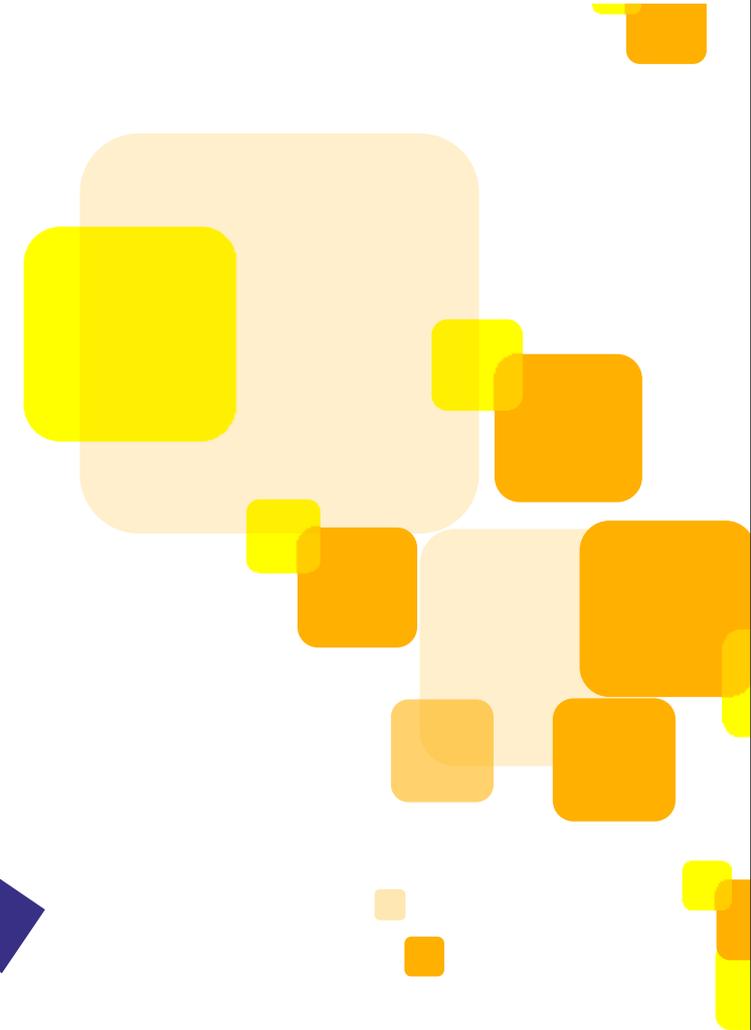
IndianOil has been publishing its Sustainability Report since last 10 years. The first report was published in the year 2005-06. Since 2007-08, IndianOil has been preparing its Sustainability Report in accordance with the guidelines laid down by the Global Reporting Initiatives. It has graduated along with the GRI guidelines from its first version, G-1 to the most recent being GRI G4 guidelines. A special effort has also been made to comply with the Oil & Gas Sector Specific guidelines and all disclosures are being made in the Annual Sustainability Report. Since 2012-13, IndianOil has involved itself in printing an abridged version of the Sustainability Report in the form of a 20-page Sustainability Highlights. This initiative has not only helped us in reducing the cost of paper and time involved but has also helped in bring down the carbon footprint involved in the same.

Vigilance

The objective of vigilance is to ensure maintenance of the highest level of integrity throughout the organization. To achieve this objective, the Vigilance group carries out preventive and punitive actions, with greater emphasis on the preventive aspects. During the year, 79 vigilance awareness programmes were conducted, which were attended by about 2,200 employees. In order to promote transparency and efficiency in the

working of the organization, various initiatives like e-tendering, e-collections, e-payments, file tracking system, etc. have been implemented. A Chief Vigilance Officer (CVO) is also appointed by the government of India to look into the various cases of vigilance across the organization.

**YOUR VIGILANCE
YOUR DETERMINATION
YOUR RESPONSIBILITY
WILL BRING US SECURITY**



Sustainable Development Initiatives

In an effort to align our initiatives towards achieving Sustainable Development, IndianOil formed the Renewable Energy and Sustainable Development (RE&SD) Group under Planning and Business Development (P&BD) at the corporate level in 2009-10.

Under the over-arching umbrella of our CSR and Sustainability and emphasizing on commitment towards sustainability, IndianOil has implemented organizational policies/guidelines for the following areas:



These policies are expected to drive sustainability related initiatives across our widespread locations.



IndianOil's Sustainability & CSR Policy

IndianOil has merged its Sustainability Policy with the CSR Policy in line with DPE's "Guidelines on Corporate Social Responsibility and Sustainability for CPSEs"

dated 21.10.2014, which proposed single policy for 'CSR and Sustainability'. Our new Sustainability & CSR Policy delineates the vision, mission, thrust areas and

key requirements as per Companies Act 2013, Companies (CSR Policy) Rules 2014, Schedule-VII and DPE's guidelines on CSR & Sustainability

Vision:

IndianOil's Sustainability & CSR vision is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimises negative impact on environment and enhances the quality of life of the community, towards sustaining a holistic business



Mission:



Meet stakeholders' aspirations for value creation and grow along with the society.

Ensure a safe & healthy working environment.

Incorporate environmental and social considerations in business decisions.

Earn stakeholders' goodwill and build a reputation as a responsible corporate citizen.

Conduct business with ethics and transparency & follow responsible business practices.

Thrust Areas



Promotion of responsible business practices:
Conduct business with transparency, integrity and accountability.

Renewable Energy

IndianOil has continued to strengthen its business position on alternate energy sources with greater focus renewable energy. We aim to increase our Renewable Energy share through Grid connected Renewable Energy, off-grid solar projects and Solarization of Retail Outlets.



Grid connected Renewable Energy

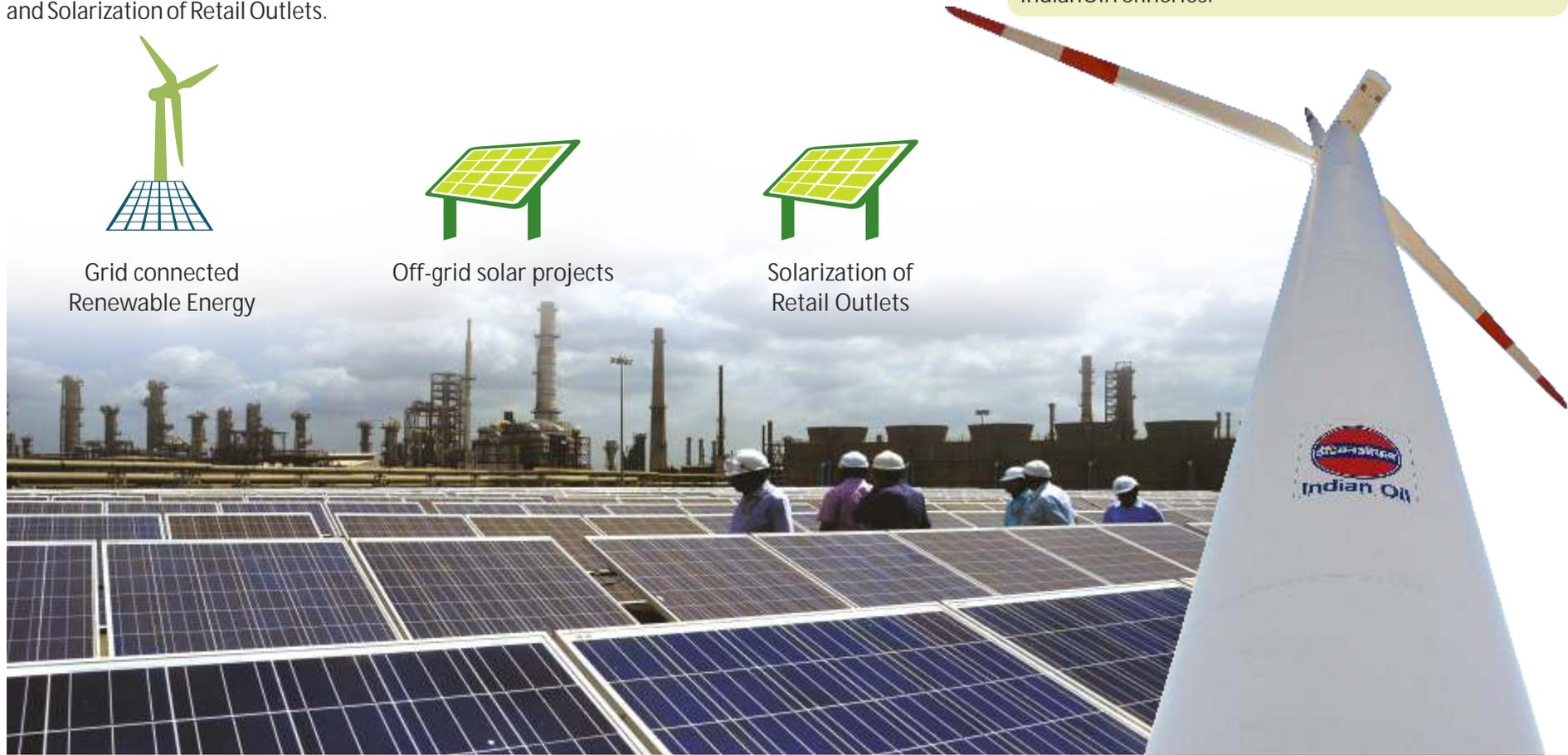


Off-grid solar projects



Solarization of Retail Outlets

The grid-connected and off-grid renewable power plants of the company has generated around 133 million units during the year 2015-16 which is about 3 per cent of the total electricity consumption of IndianOil refineries.

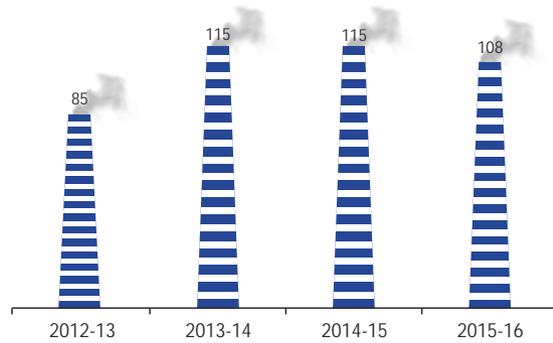


Grid connected renewable power

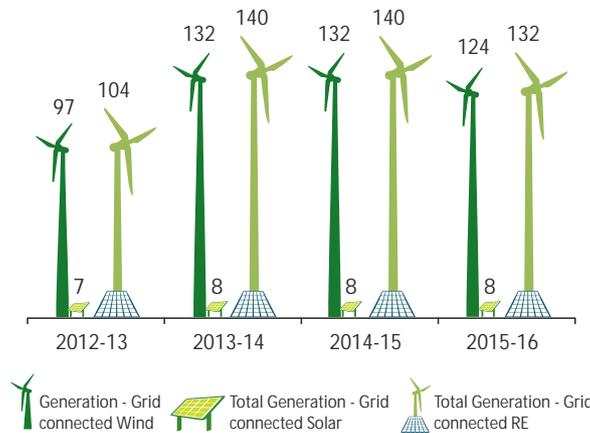
IndianOil aims to increase the installed capacity of grid connected renewable energy (wind and solar) by 260 MW over next five years. Till date, IndianOil has installed 80 MW of grid connected renewable energy projects, including 69.3 MW of wind power and 10 MW of solar power. Our total grid connected renewable energy generation for the current year is 132 GWh which helped in avoiding GHG emissions equivalent to 1,08,279 tCO₂.



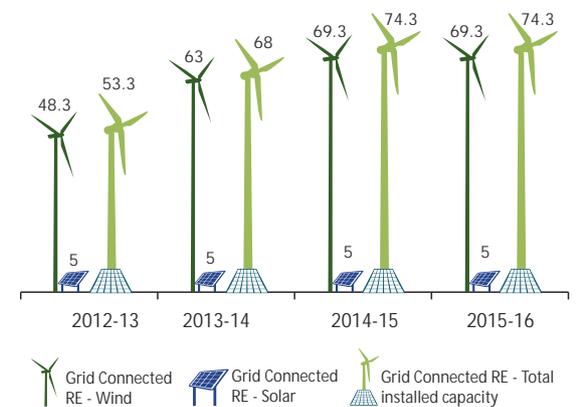
Avoided CO₂ equivalent in '000 tonnes



Renewable Energy - Generation in GWh



Renewable Energy - Installed Capacity (MW)

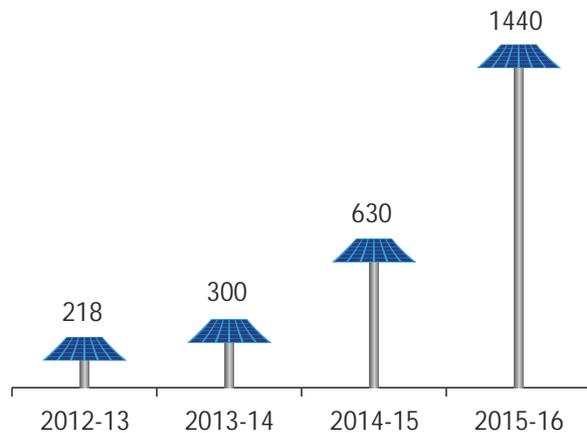


Off grid solar power

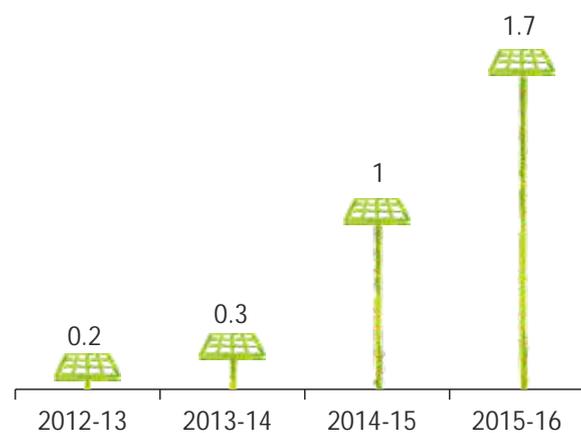
IndianOil targets to set-up off-grid solar power systems on all the available rooftop and surplus lands areas across IndianOil installations. To this effect, a solar policy was adopted in 2015-16. Accordingly, we have installed 1.7 MW of off-grid solar plants as on 31st march 2016 which would be able to generate 1.7 million units and avoid GHG emissions equivalent to 1,394 tCO2 annually.



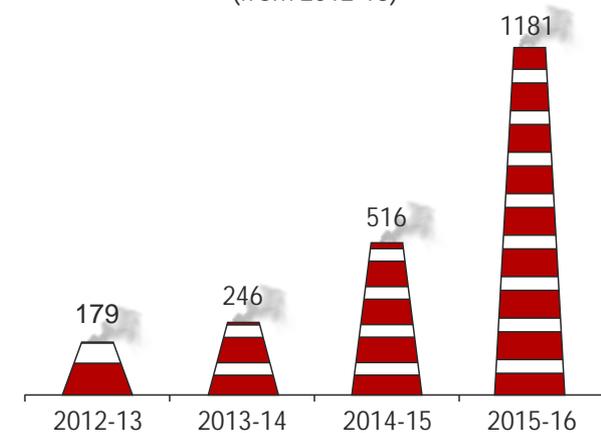
Off-grid Solar - Generation in MWh



Off-grid Solar Installed capacity in MW



Avoided CO2 equivalent - Cumulative in tonnes (from 2012-13)

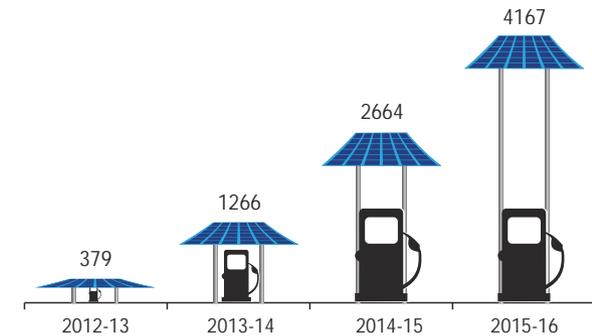


Retail Outlet solarization

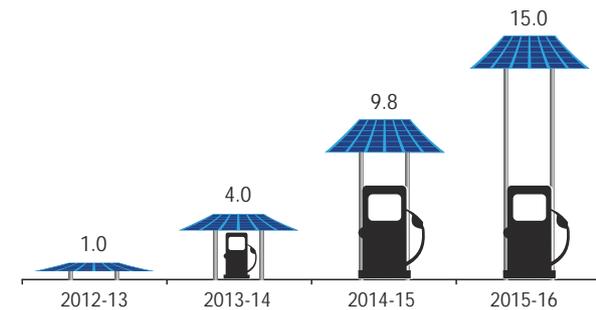
IndianOil has initiated solarization of its retail outlets in 2010-11. Retail Outlet solarization has helped reducing the dependability on grid power and diesel generators besides reducing overall energy cost. With continued focus, we have solarized around 4,200 retail outlets with a cumulative installed capacity of 15 MW as on 31st March 2016.



Cumulative number of ROs solarised



Off-grid solar in retail outlets -
Cumulative installed capacity in MW



Sustainability Conference

The 4th National Seminar on Sustainable Development: 'Reinforcing India's Sustainability Commitments: Corporate Vision on Climate

Change' was held at IIPM, Gurgaon, on the 18th of March 2016. This year we organized an in-house seminar, inviting participants from

within IndianOil. The conference deliberated upon various sustainability issues within IndianOil and across the world.

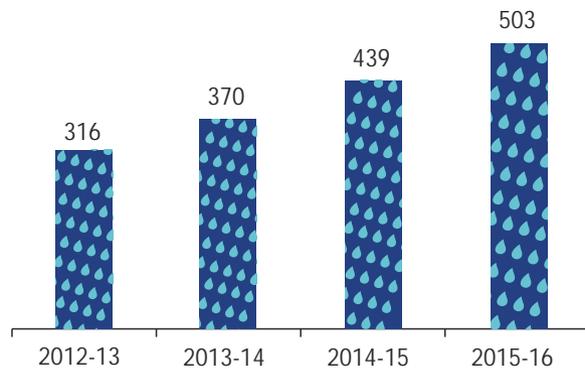


Rainwater Harvesting

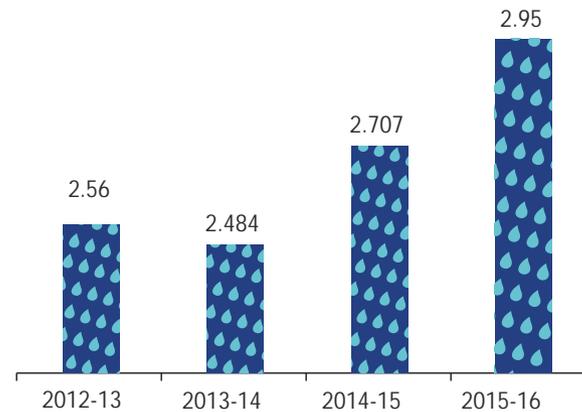
Rainwater Harvesting, is identified as the most effective method of water conservation and IndianOil has adopted the Rainwater Harvesting policy aimed at implementing rainwater harvesting systems across the IndianOil locations. As on 31st March 2016, we have implemented nearly 500 Rainwater Harvesting systems covering a total catchment area of 950 Ha. It is estimated that we currently harvest rainwater, either in recharging groundwater or for reuse at locations, to the extent of around 3% of our annual water consumption. While roof area has been the most commonly tapped catchment area, collection and reuse of treated storm water and surface overflow from suitable area is also practiced.



Number of RWH measures cumulative



Total Water harvested in million m3

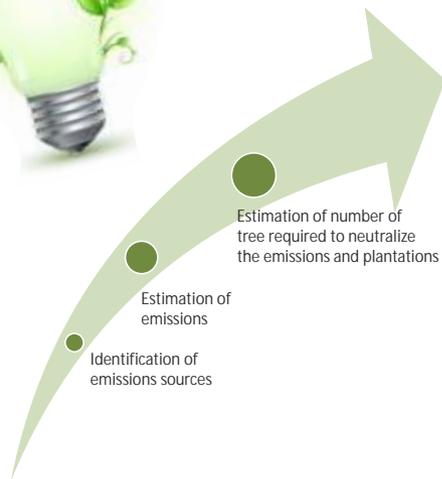


LED Implementation

IndianOil has drafted and adopted LED policy at organization level, as energy efficiency measure. Efficient Lighting is one of the most effective ways to address the challenges of high energy demand and resultant GHG emissions. The major highlight of the policy is to:

- Replace all our existing lighting fixtures with LED lighting

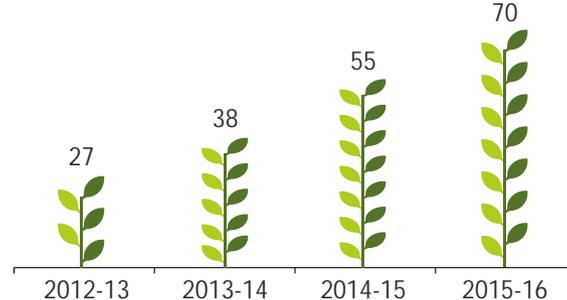
As on 31st march 2016, we have installed over 46,000 LED lights at our installations.



Carbon neutral events

In an attempt to reduce our carbon footprints, we strive to make all our major events/workshops/seminars/conferences carbon neutral, in which we are committed to offset the carbon-di-oxide generate from the events by planting trees in our campuses. Accordingly, we have planted around 18,000 saplings and declared 70 carbon neutral events till 2015-16. While choosing sapling, we ensure native species to the region is chosen.

Cumulative number of carbon neutral events



Waste management

IndianOil has installed 17 organic waste converters / Bio-methanization plants at its various installations to convert wastes like kitchen waste and horticultural waste to manure and biogas. The biogas is used as fuel in kitchens and the slurry is used as manure in gardens and tree belts. Further, we have also recycled over 25,000 kg of paper waste against our target of 10,000.

Under Swatch Bharat Abhiyan, IndianOil is setting up 10 de-centralized wastes to fuel plants of 5 tonnes per day (TPD) capacity each in Varanasi, Uttar Pradesh.



Water and Carbon footprint

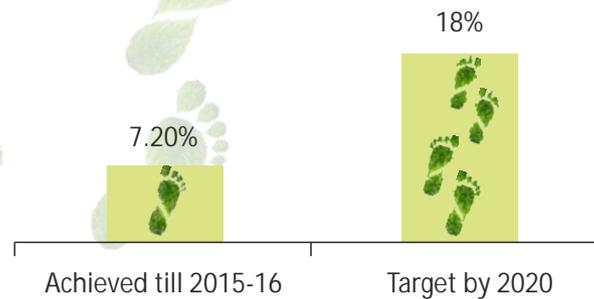
IndianOil has achieved specific carbon footprint reduction of 7.2% till 2015-16. The major initiatives undertaken to reduce our organizational carbon footprint are:

- (i) Energy conservation/efficiency measures
- (ii) Renewable energy projects implementation
- (iii) Tree plantation

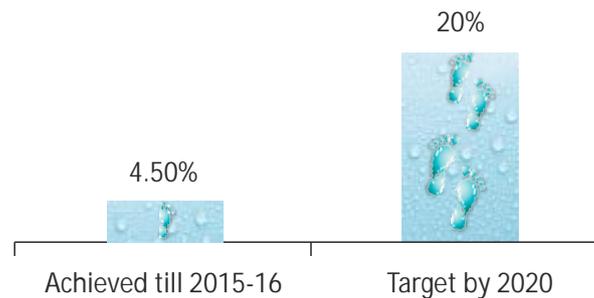
IndianOil is carrying out carbon footprint exercise across the locations accounting 100% of scope 1 and scope 2 emissions. Under scope 3, we have only covered few pilot locations.

IndianOil has achieved 4.5% reduction of specific water footprint till 2015-16. At present, IndianOil is carrying out water footprinting every year across all its installations.

Specific carbon footprint reduction



Specific water footprint reduction



“We are committed to reduce our specific carbon footprint by 18% and specific water footprint by 20% by 2020 with 2012-13 as the base year.”

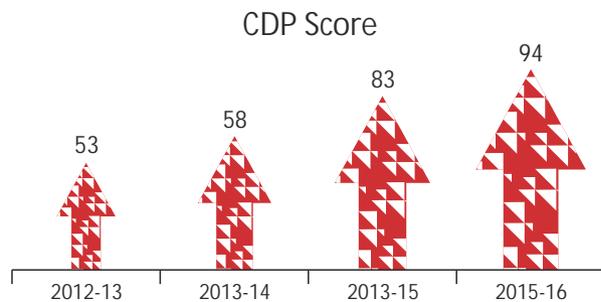




Carbon Disclosure Project (CDP)

IndianOil is voluntarily participating in CDP's climate change program every year since 2012 that shows our commitment to reduce the carbon emissions and strong environmental conscience.

Highlighting our efforts on sustainability and climate change, IndianOil has improved on its disclosure score to 94/100 points in 2014-15, as compared to 83/100 in 2013-14, in the Carbon Disclosure Leadership Index (CDLI).



United Nations Global Compact

United Nations Global Compact (UNGC)

UNGC is the world's largest corporate sustainability initiative that aims to align the strategies and operations of organizations across the world with universal principles on human rights, labour, environment and anti-corruption and guide them in taking steps which will help in achieving societal goals. We are also a signatory and member of the UN's Global Compact since 2001, and adhere to all its principles. Special efforts are made to ensure a systematic implementation of the UNGC principles and guidelines.

Business Responsibility Report (BRR)



As per the guidelines laid down by SEBI in 2012, the top 100 companies listed on the BSE and NSE indices according to their market capitalization, are required to include the Business Responsibility Report (BRR) as a part of the Annual Report. Certain listing conditions have been specified in the guidelines in order to enhance the quality of disclosures made by various companies.

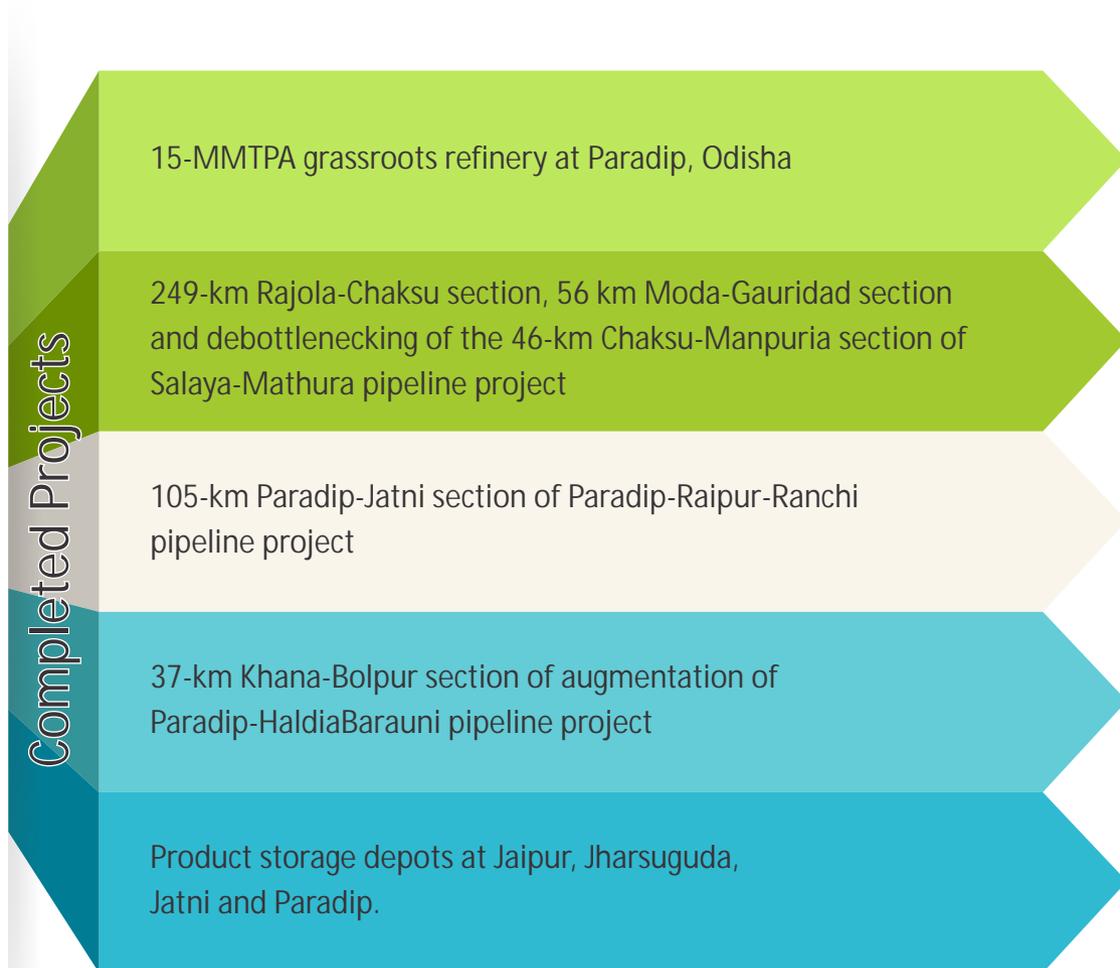
Being a Government of India undertaking and one among the top 100 companies listed on the BSE and NSE, IndianOil has been publishing its Business Responsibility Report as a part of its Annual report every year, since 2012-13. The report is being prepared in line with the suggested format for the BRR and all the mandatory disclosures are being made as a part of the report.

Economic performance

2015-16 has been a landmark year for IndianOil in terms of operational and economic performance. But the year was marked by the commissioning of our state-of-the-art Paradip refinery. With the commissioning of Paradip refinery, IndianOil's total refining capacity has increased to 80.70 million tonnes per annum (including CPCL's refining capacities).

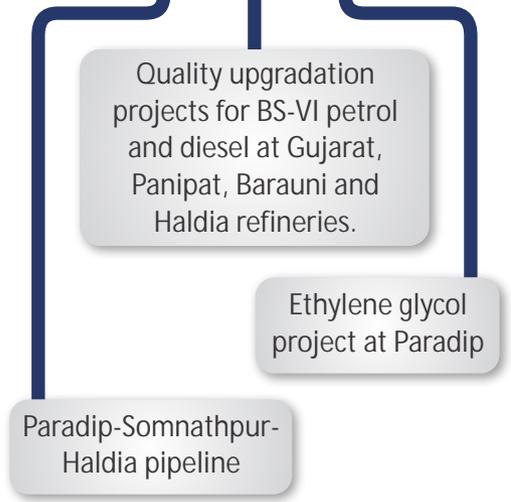
IndianOil has achieved sales of 80.72 million tonnes of finished products, including POL, Gas, Petrochemicals, Explosives, and Exports in 2015-16 and has continued to lead the market in its core product categories. Our refineries clocked a record throughput of 56.69 million tonnes with 102.2% capacity utilisation; and cross-country network of pipelines registered the highest ever throughput of 79.80 million tonnes in the year 2015-16.

IndianOil, through a series of strategic decisions, has been consistently investing in several mega projects across the country. The projects are financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets. Some of the projects under different stages are as follows:

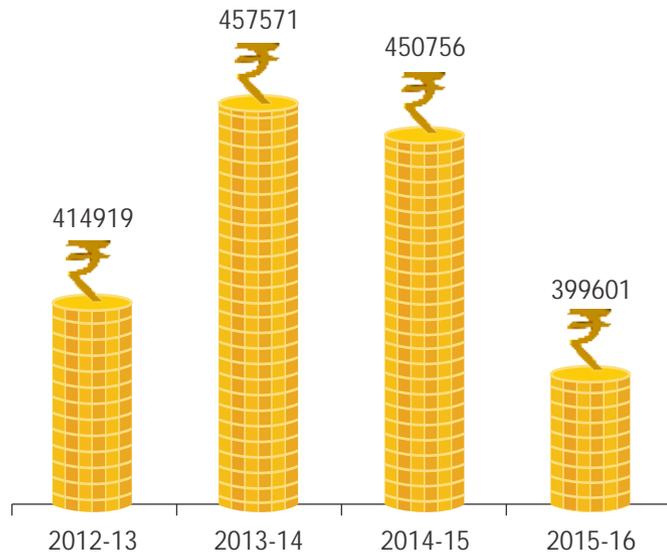


Distillate yield improvement project at Haldia Refinery	Ongoing Projects	Coke chamber replacement at Coker-A in Barauni Refinery
Demonstration unit of INDAdapt at Guwahati Refinery		Installation of INDMAX Unit along with associated facilities at Bongaigaon Refinery
Paradip-Raipur-Ranchi product pipeline and associated tap-off points		Paradip-Hyderabad pipeline
Augmentation of Paradip-Haldia-Durgapur LPG pipeline & its extension up to Patna & Muzaffarpur		Jaipur-Panipat Naphtha Pipeline, along with augmentation of Koyali-Sanganer pipeline
Ennore-Trichy-Madurai LPG pipeline		Ennore-Nagapattinam-Tuticorin-Madurai-Bengaluru natural gas pipeline
Haldia-Barauni pipeline		Branch pipeline from Barauni-Kanpur pipeline to Baitalpur and Motihari and extension to Raxaul.
Koyali-Ahmednagar-Solapur pipeline		LPG import terminal at Paradip and Kochi
LPG bottling plants at Banka (Bihar), Gorakhpur, Bathinda and Goindwal Sahib		LPG terminals at Paradip and Kandla.
5-MMTPA LNG import terminal project at Ennore (through a Joint Venture Company)		Polypropylene project at Paradip Refinery
Styrene Recovery Unit at Panipat		98.3-MW Wind Power projects.

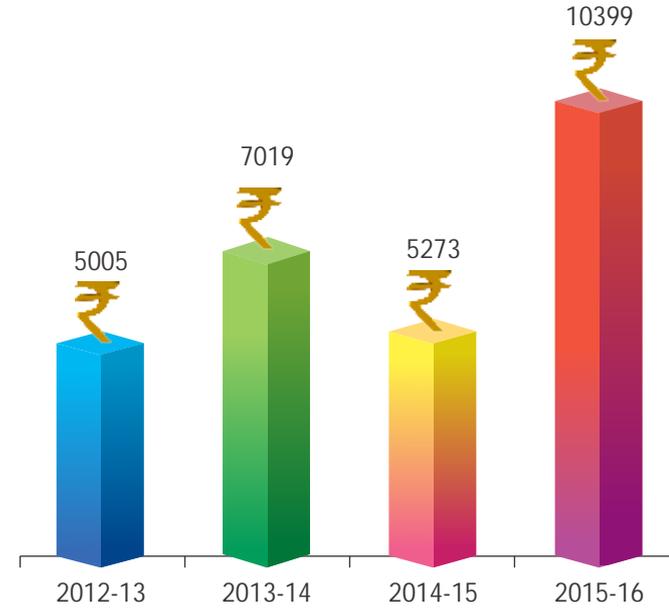
Future Projects



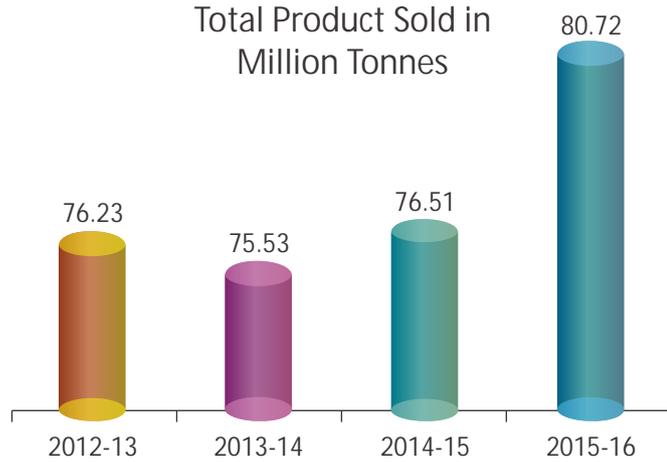
Turnover in (INR crore)



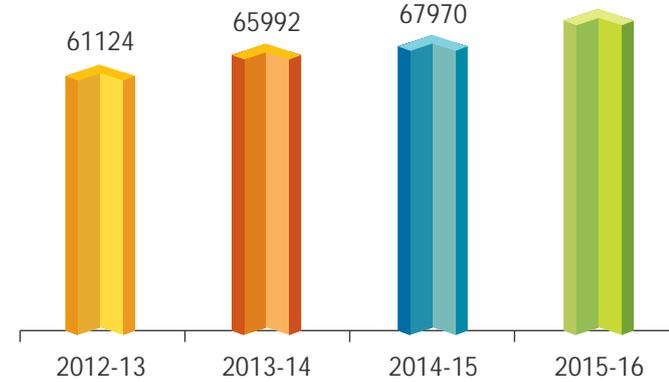
Profit after Tax (INR crore)



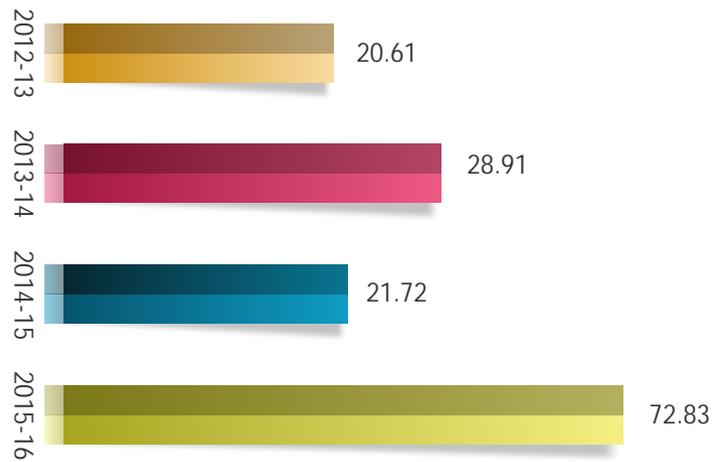
Total Product Sold in Million Tonnes



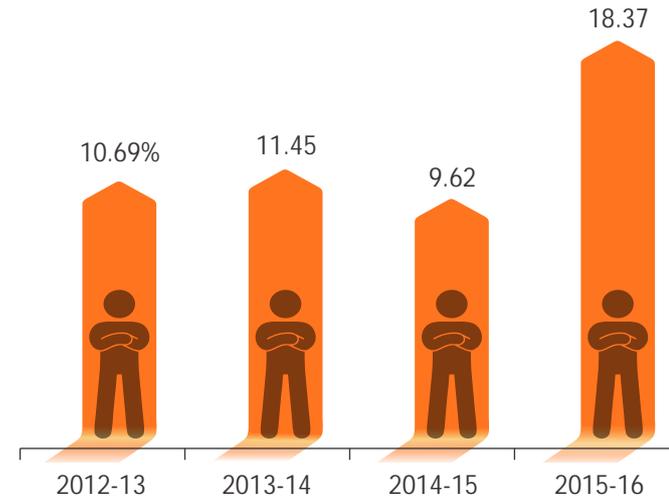
Networth (INR Crore)



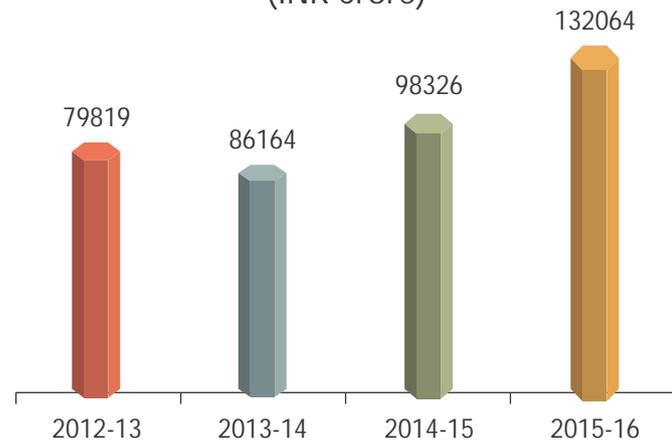
Earning per share



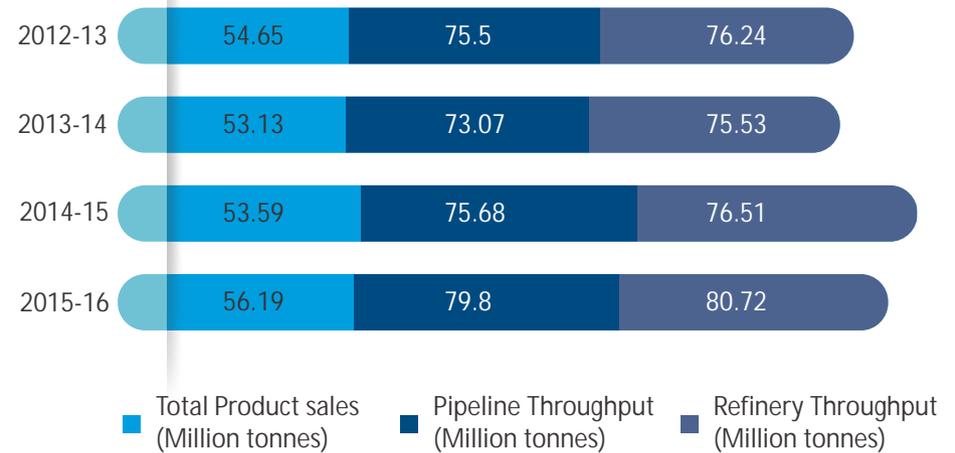
Return on Average capital employed (%)



Contribution to central & State Exchequer (INR Crore)



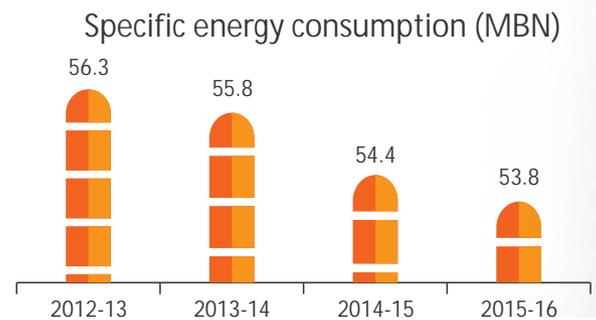
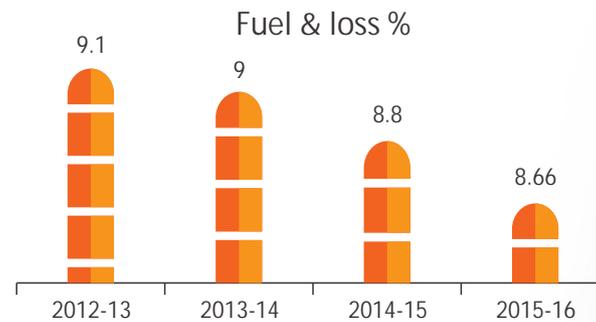
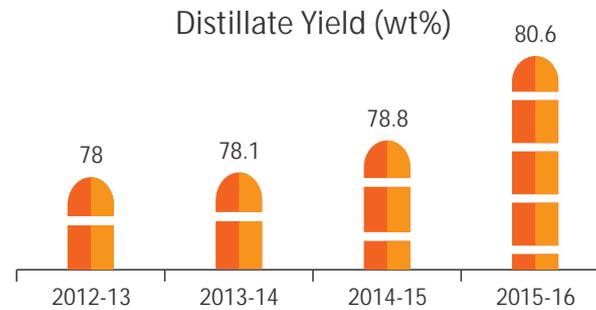
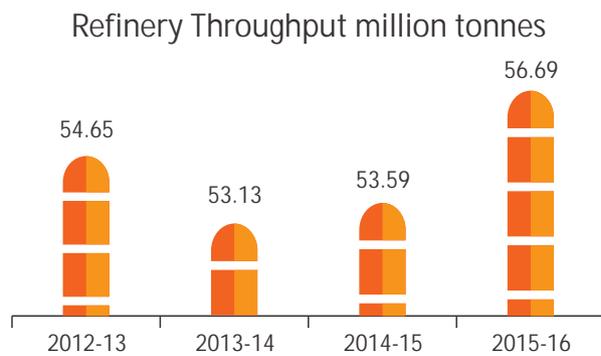
Operational Performance



Performance highlights -Refineries

IndianOil's refineries achieved the highest ever crude oil throughput of 56.69 million tonnes in 2015-16, with a capacity utilisation of 102.2% and the best-ever combined distillate yield of 80.6 wt%.

Focused efforts on energy conservation has enabled us to register the lowest Fuel & Loss (F&L), Specific Energy Consumption (in terms of MBN) and Energy Intensity Index (EII), at 8.66%, 53.8 and 101.2 respectively. During the year, the energy conservation measures implemented in refineries resulted in total savings of 47,480 SRFT valued at about INR 90.60 crores.

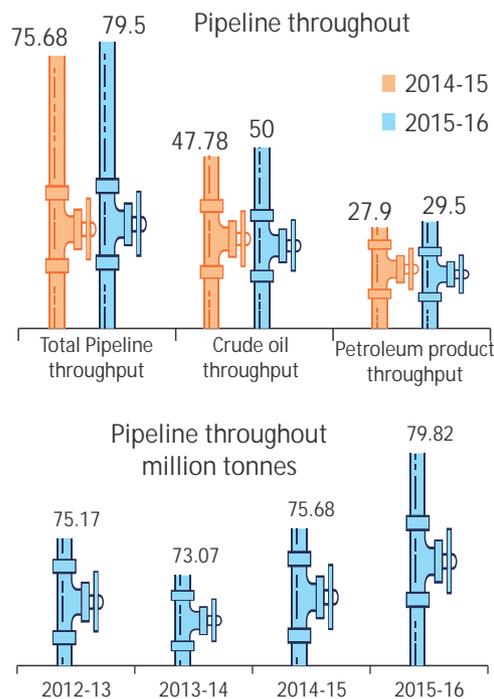


IndianOil continued its efforts to widen its crude oil basket and tie-up new supply sources to de-risk supply. Eight new grades of crude oil were processed in its refineries for the first time during the year. The company has over the years built up capabilities to process 174 grades of crude oil from over 40 different sources across geographies.



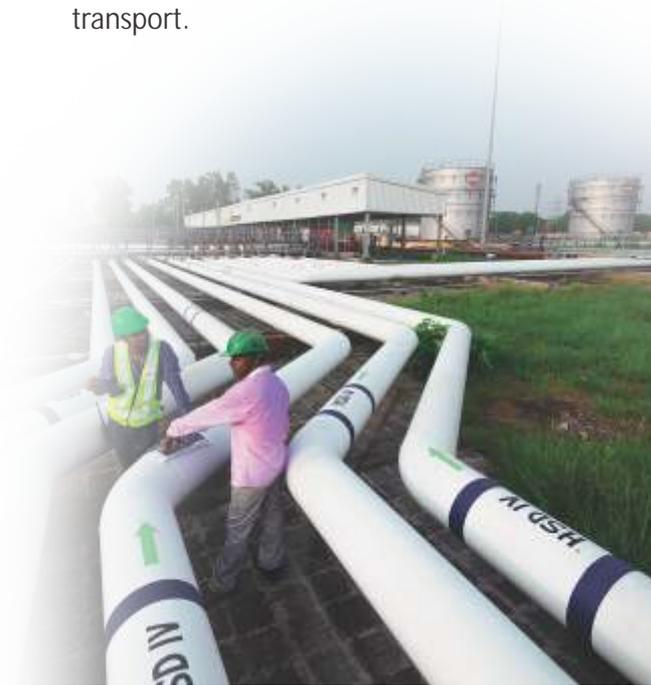
Pipeline

IndianOil has now expanded its pipeline network to about 11,750 kms, transporting both crude oil and finished products. Our Pipeline Division has achieved its highest ever throughput of 79.5 MMTPA in the year 2015-16. The installed throughput capacity of pipelines stands at 85.49 MMTPA for crude oil and petroleum products and 9.5 MMSCMD for gas. Some of the achievements of the divisions are as follows:



- Gas pipeline achieved a highest throughput of 1367 MMSCM in 2015-16.
- Pipeline division is executing 1175 km Ennore - Thiruvallur - Bengaluru - Puducherry - Nagapattinam -Madurai - Tuticorin gas pipeline project

Pipelines are the least emitting mode of transport and as per our internal estimates, we save close to 50% of emissions by adopting pipeline transport. Pipelines therefore, become our choice of fuel transport.



Marketing

IndianOil's marketing division achieved its highest ever sales volume in the year 2015-16 with the help of 45,000 plus pan India customer touch points. Some of the major achievements of the divisions are highlighted below:

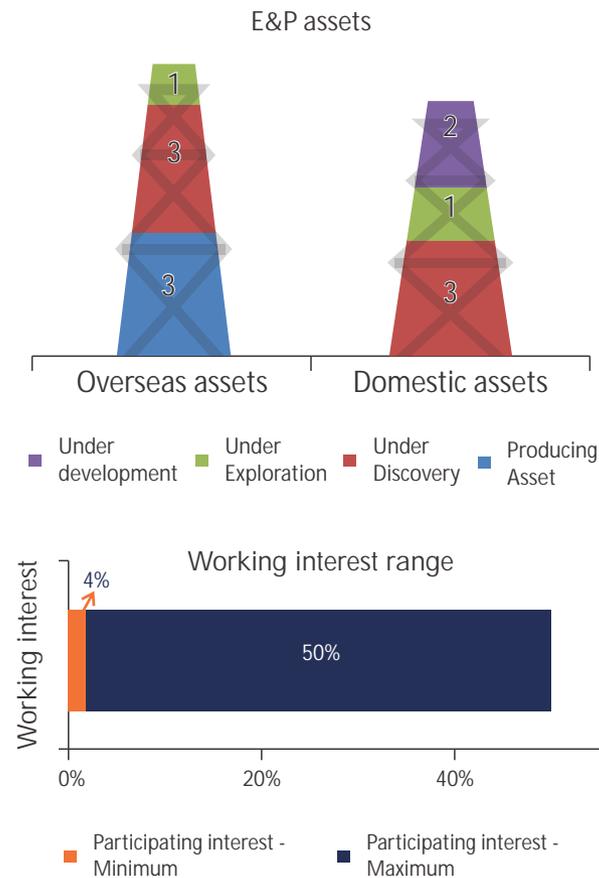
- IndianOil sold 72.65 million tones of petroleum products in 2015-16, and continues to be the market leader in core petroleum product categories, i.e., Petrol, Diesel and LPG
- We commissioned 1,032 retail outlets including 481 Kisan Seva Kendra outlets in rural areas during the year, raising the total number of retail outlets to 25,363.
- 2,069 retail outlets were automated in 2015-16 taking the cumulative of number of automated fuel stations to 9,400
- A total of 1,180 LPG distributorships were given in 2015-16, the highest ever for any financial year
- Increased the Indane customer strength to 9.91 crore by providing new domestic LPG connections to a record 1.03 crore customer during the year
- Pioneered in implementing government initiatives such as the 'Give it up' and the 'Give back' campaigns

- Pioneered the smokeless village campaign, declared 3,400 villages as smokeless villages in 2015-16
- Launched the Aviation Fuel Stations in Mohali and Rourkela adding up the number of cities in which it operates its stations to 100 cities
- Re-launched XtraPremium branded petrol in 2,600 fuel station which helped achieving sales volume of 205 TMT
- Introduced servo lubricants in two more countries taking the brand presence to 27 countries



Exploration and Production

IndianOil actively engaged in exploration activities and our portfolio consists of eight domestic (including 2 coal-bed methane blocks) and seven overseas assets under various phases as depicted below:



Domestic blocks

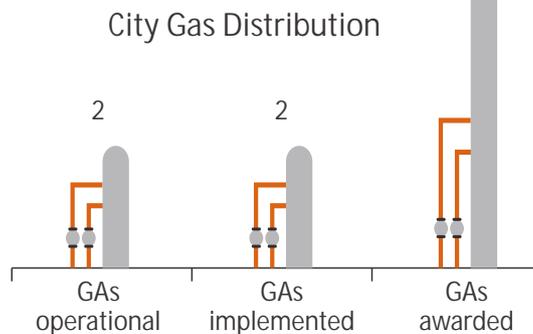
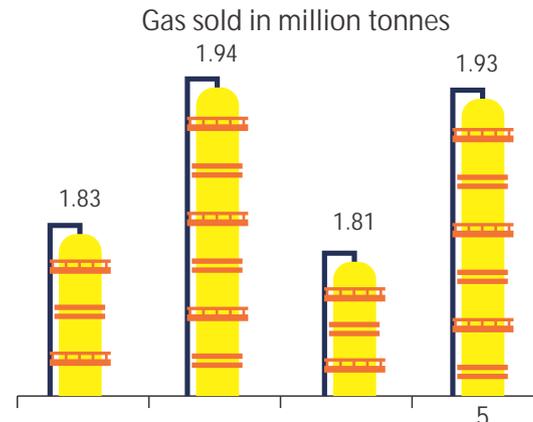
- Operator in two onshore exploration blocks in the Cambay Basin with 100% participating interest and holds non-operating participating interest ranging from 20% to 43.5% in the remaining domestic blocks



Gas

Being a cleaner fuel, Natural gas is gradually increasing its share in the primary energy consumption in India, providing high growth opportunity in this segment for IndianOil. We have taken various initiatives to seize the natural gas business in India viz., building gas import terminals and pipelines, taking up piped natural gas distribution in cities etc., One of the innovative initiative is 'LNG at the doorstep' which has greatly benefitted bulk users located away from gas pipelines.

IndianOil has sold 1.929 million tonnes of Natural Gas with an annual growth rate of 6.9% for the year 2015-16. Sale of over 19,000 tonnes of gas was achieved under 'LNG at the Doorstep' initiative.



City Gas distribution

- IndianOil's joint venture with Adani Gas Ltd.
 - o Awarded - Panipat, Daman, Ernakulam, Udham Singh Nagar and Dharwad
 - o Implemented - Chandigarh & Allahabad.
- IndianOil's joint venture with GAIL
 - o Operational - Agra & Lucknow.

Infrastructure

- Authorized by the Petroleum and Natural Gas Regulatory Board (PNGRB) to develop Ennore-Thiruvallur-Bengaluru-Puducherry-Nagapattinam-Madurai-Tuticorin gas pipeline of 1175 km

Gas sourcing

- Equity acquired for 1.2 MMTPA on FOB basis in Pacific North West LNG Project for a minimum of 20 years and gas delivery is expected by 2020
- Imported 9 LNG Cargoes at Dahej in 2015-16, the first by IndianOil

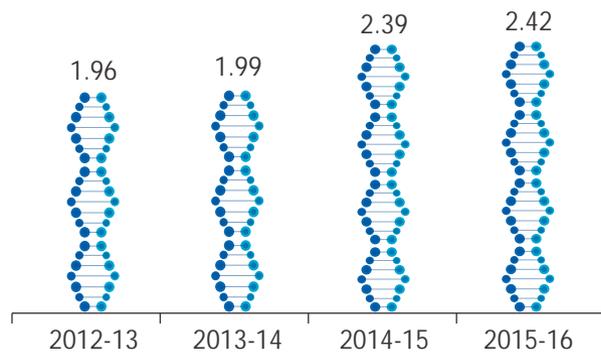
Petrochemicals

IndianOil has established itself as country's second largest player in petrochemicals. Stable supply chain, high customer orientation, strong technical and new application development capabilities are some of the hallmarks of the company's petrochemicals business.

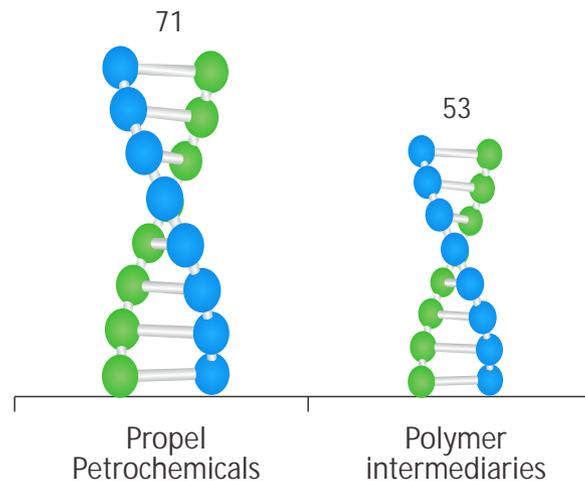
- IndianOil is now the second largest polymer supplier in the country. Further, the brand PROPEL has expanded its footprint to 71 countries.
- During the year, IndianOil registered the highest ever sales of petrochemicals at 2.54 million tonnes

- Being a major supplier of polymer products to leading multinationals, the division has 104 Original Equipment Manufacturer (OEM) approvals with the addition of 15 OEM approvals for the current year
- An integrated PX/PTA (Paraxylene/Purified Terephthalic Acid) plant, set up at Panipat, is the single largest unit in India, with a capacity of 5,53,000 MTPA producing various polyester intermediates

Petrochemicals sold in million tonnes



Overseas Presence (Countries)



Environmental performance

Material

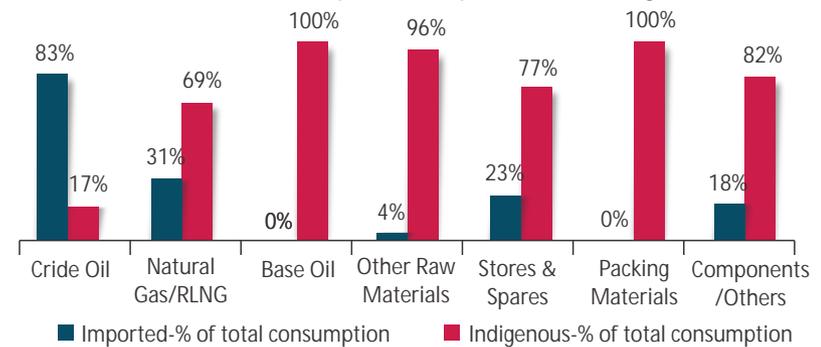
IndianOil imports significant proportion of raw materials for the core operations and hence, the company has strategically designed its sourcing mechanism to ensure continuous inflow of raw materials. We put continuous efforts to improve upon utilization of recycled materials, minimize loss, improve operational efficiency and reduce material use intensity ensuring optimum use of raw materials across operations.

Material	Actual production ('000MTs)			
	2015-16	2014-15	2013-14	2012-13
Petroleum	50,710	47,194	47,247	48,561
LAB	100	105	103	118
PTA	514	534	388	567
PNCP	1,899	1,815	1,552	1,440
Total	53,223	49,648	49,290	50,686

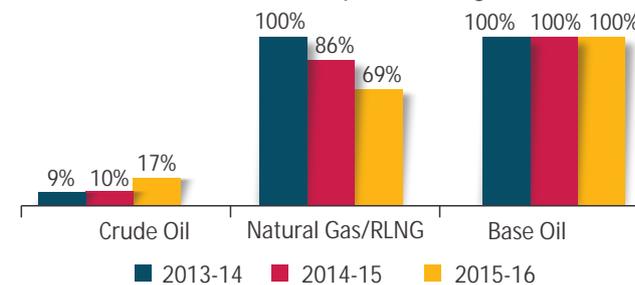
There were no significant fines, monetary or non-monetary, and no non-monetary sanctions for non-compliance with environmental laws and regulations. No grievances were filed regarding adverse environmental and societal impacts caused by our operations

Material	Quantity of material consumed in Lakhs MT			
	2015-16	2014-15	2013-14	2012-13
Crude Oil	580.08	535.86	530.95	530.61
Natural Gas/RLNG	12.52	6.3	4.18	3.44
Base Oil	4.41	4.18	4.25	4.01

Material consumption: Imported vs Indigenous



% of total consumption Indigenous



Refinery-wise performance

Paradip refinery

Paradip refinery is the nation's most-modern refinery, with a complexity factor of 12.2 based on Nelson Index, and is configured to process high-sulphur heavy crude oils with major secondary processing units like Fluidised Catalytic Cracker, Delayed Coking Unit, besides Diesel Hydro-treatment and Catalytic Reformer, Alkylation

unit, Merox, etc., in place for quality up-gradation of products.

The commissioning of INDMAX Unit at Paradip with a capacity 4.17 MMTPA, marks a major milestone in the history of Indian refining. With this, IndianOil is now recognized globally as a technology licensor.

The INDMAX (FCC) Unit is designed to produce 44% LPG, the highest yield from such plants.

Paradip refinery can produce BS VI compliant fuel. With an integrated petrochemical section, the refinery is designed to cater to the growing demand of petrochemical products.



Bongaigaon Refinery

Bongaigaon refinery achieved highest ever annual crude throughput of 2453 TMT and highest ever annual LPG production of 58 TMT in 2015-16. It is envisaged that INDMAX unit at Bongaigaon, coupled with INDMAX gasoline Hydrodesulphurization (IGHDS) unit and associated facilities will increase distillate yield of the refinery making it BS-VI capable. The refinery produced first batch of 624 KL special grade Navy Diesel and ATF in 2015-16.

ENCON measures implement

- Processing of hot feed in NHT
- Use of Fuel gas in HRSG ignitor
- Replacement of conventional shell & tube exchangers with Plate type
- Installation of 200 KW Solar PV (Photo Voltaic) System

Bio-diversity

Bongaigaon refinery planted 1,195 trees in the year 2015-16 resulting in total plantation of 85,740 trees.

Awards, Honours and certifications

- 'International Safety Award 2015' with merit for demonstrating its commitment towards health, safety and well being of its workforce

- The prestigious 'Safety Innovation Award 2015' in the Oil & Gas Category from Institution of Engineers (India)
- The Shrestha Surakasha Puraskar (2nd Level) for the year 2015 in the manufacturing category by National Safety Council of India



Panipat refinery & PNCC

Panipat refinery recorded its highest ever distillate yield of 83.2%. With exceptional efforts towards energy efficiency measures, Panipat refinery achieved its lowest fuel & loss at 7.98% and lowest MBN at 47.9 in 2015-16.

Panipat Naphtha Cracker unit also achieved highest-ever Naphtha processing of 2905 TMT & Polymer production of 1276 TMT during 15-16.

ENCON measures implemented

- Installation of evaporative coolers in two GTs
- Replacement of MP with MLP steam as stripping steam in VDU-I
- Replacement of HP with MP steam in IFO heater of Merox
- Replacement of HP with MP steam for heating in Penex charge heater
- Installation of 1 MW solar Power Plant

Bio-diversity

Panipat Refinery and PNCC planted around 4142 trees during 2015-16 contributing to the existing greenbelt area of 500 acres having more than 6,00,00 trees.

Awards, Honours and certifications

- 'International Safety Award 2015' with merit by British Safety Council, UK
- PX complex was declared "Zero Steam Leak Zone"



Guwahati Refinery

Guwahati refinery has successfully completed the revamp of INDMAX unit to 150% of the original design.

ENCON measures implemented

- Installation of stepless capacity control in MUG of HDT
- Stoppage of HDT heater by improving heat integration
- Recovery of heat from RFO stream for preheating BFW

Bio-diversity

Guwahati refinery planted 1,000 trees in 2015-16 including 20 trees under carbon neutral event. The refinery has carried out Tree plantation adopting Japanese Akira Miyawaki model.

Awards, Honours and certifications

- Accredited with ISO 50001:2011 certification on energy management systems by M/s SGS India Pvt. Ltd. in July' 15



Gujarat refinery

Gujarat refinery has achieved a record distillate yield of 83% in 2015-16 bettering its previous best of 80.1% in 2014-15. The refinery has achieved its lower ever MBN of 55.4 and highest ever High Sulphur crude processing of 55.4 wt% in 2015-16.

ENCON measures implemented

- Idling old TPS de-aerator with stoppage of BFW pumps
- Additional Pre-heat exchanger in CRU Reactor-Effluent circuit for pre-heat improvement



Bio-diversity

A total of 126 acres of greenbelt area has been developed by Gujarat Refinery. With additional plantation of 2,030 trees in 2015-16, the greenbelt area has more than 2,00,000 trees of indigenous species which includes Subabul, Kaner, Siris, Eucalyptus, Neem, Kalarsiris, Shisham, Pltophorum, Kasid, Gosas, Imli etc.,

Awards, Honours and certifications

- The refinery was awarded first prize in the prestigious 'National Energy Conservation Award' 2015



Barauni Refinery

Barauni refinery achieved highest ever distillate yield of 89% and lowest Fuel & Loss at 8.73 wt% in 2015-16. The refinery maintained consistent Catalytic Performing Unit (CRU) operation at 120% of design capacity for enhancing Motor Spirit production and achieved highest ever Motor Spirit production of 1215 TMYT in 2015-16.

ENCON measures implemented

- Capacity augmentation of CO-Boiler
- Replacement of CAPH modules in AVU-I/II
- Routing of hot condensate from MSQ to TPS
- Solarization of office and other buildings (1 MWH)

Bio-diversity

Barauni refinery has planted 1627 trees in 2015-16 and contributed towards two carbon neutral events in 2015-16.



Haldia Refinery

Haldia refinery has achieved highest ever bitumen production of 645 TMT in 2015-16.

ENCON measures implemented

- Tube Inserts in CDU-II,
- Installation of LRVP in VDU-II and
- Installation of magnetic Resonator in GT-1 & GT-2

Bio-diversity

Haldia refinery has planted 200 trees in 2015-16 and implemented two rain water harvesting system in refinery township with a total catchment area of 3700 m².



Awards, Honours and certifications

- 16th National Award for Excellence in Energy Management 2015 from CII
- Certificate of merit in the refinery sector in National Energy Conservation Award 2015 by BEE
- Prestigious 'Safety Innovation Award 2015' in the Oil & Gas Category from Institution of Engineers (India)

Mathura refinery

Mathura refinery started producing superior VG-40 grade bitumen in 2015-16 and dispatched its first batch of VG-40 grade Bitumen in September 2015.

ENCON measures implemented

- Heat Recovery from BBU incinerator flue gas
- VAC slop injection in FCCU
- Re-claiming spilled bitumen in SR feed by melting pit facility

Bio-diversity

Mathura refinery has planted 1000 trees in 2015-16 and contributed towards two carbon neutral events in 2015-16.

Awards, Honours and certifications

- The prestigious Golden Peacock Environment Management Award 2015
- Prestigious 'Safety Innovation Award 2015' in the Oil & Gas Category from Institution of Engineers (India)



Digboi refinery

Digboi refinery has completed bio-remediation of 1500MT of acidic sludge and 1700MT of oily sludge in 2015-16.

ENCON measures implemented

- Application of coatings inside DCU furnace surfaces
- Routing of Hydrogen rich off gas from HDTU to Hydrogen Recovery system



Bio-diversity

The refinery has planted 2,168 saplings in 2015-16, with a total plantation of more than 25,000 trees.

Awards, Honours and certifications

- Sarvashresth Suraksha Puraskaar (1st Level Golden Trophy and Certificate) for the year 2015 in the manufacturing category by National Safety Council of India

Energy

IndianOil has continued its focused efforts towards energy conservation which has enabled them to register lowest ever Fuel & Loss (F&L), lowest ever specific energy consumption (in terms of MBN) and improved performance on Energy Intensity Index at 8.66%, 53.8 and 101.2 respectively in our refineries during the year 2015-16.

We are making continuous attempts to save electricity and direct fuel consumption across our operations. Various energy conservation measures are being implemented with an aim to reduce our carbon footprint from our operations.

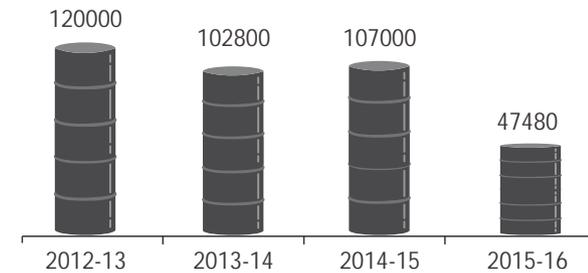
During FY 2015-16, the energy conservation measures implemented in our refineries has resulted in total fuel savings of 47,480 SRFT valued at about 90.60 crores.



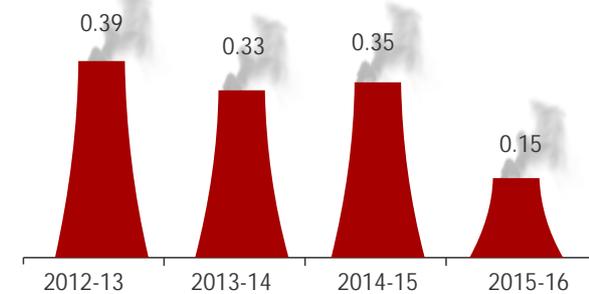
Energy Conservation (ENCON) Measures

Over the years, IndianOil has given more emphasis towards reducing its specific energy consumption by implementing various operational efficiency measures and global best practices. Energy conservation projects implemented across refineries during 2015-16 have resulted in total energy savings of 47,480 Standard Refinery Fuel Tonnes (SRFT) equivalent to 90.60 crores, which helped in avoiding GHG emissions equivalent to 1,53,862 tCO₂e.

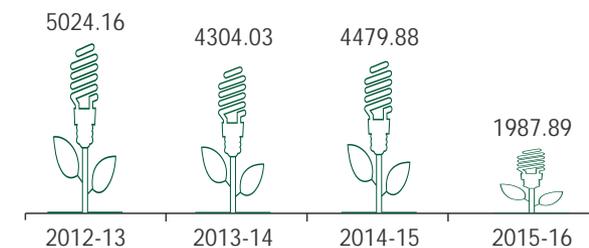
Estimated Savings by ENCON Projects
Standard Refinery Fuel Tonnes (SRFT)



ENCON: Carbon Saving Million tCO₂e



ENCON: Energy Saving



Emissions

Global warming has been established to be a complex and long-term challenge. Globally agreed to pursue the efforts to limit the temperature increase to 1.5°C above pre-industrial levels, IndianOil is committed to address the climate change issues through adoption of various mitigation and adaptation measures. we at IndianOil have committed to reduce our specific carbon footprint by 18% with 2012-13 as base year as part of our mitigation strategy.

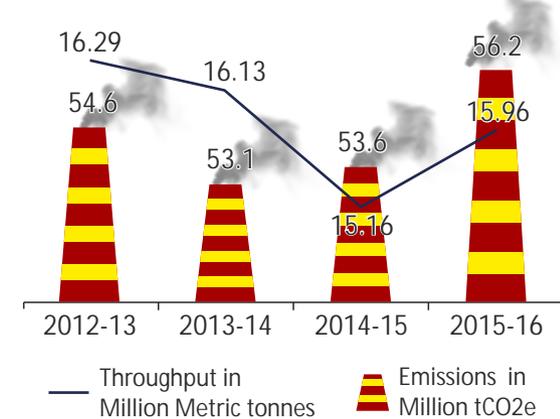
Our refineries contribute to nearly 90% of IndianOil's total emission and various efforts are being undertaken by the company to reduce the refineries' carbon footprint. With a view to own the most advanced refining facilities, we have



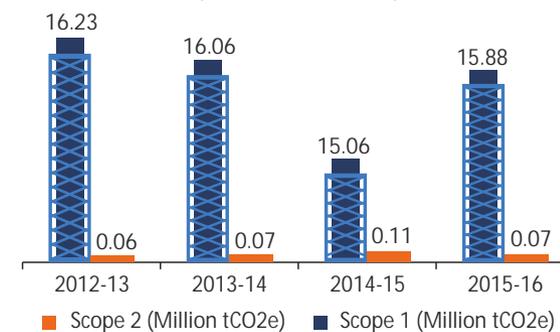
undertaken global benchmarking studies. At IndianOil, there is a continuous thrust on energy conservation across all refineries and units through extensive performance monitoring and by keeping abreast of the latest technological developments and global best practices. Implementation of ENCON projects helped in reducing the specific emission of our refineries from 0.264 to 0.243, a reduction of 7.2% compared to base year of 2012-13 which illustrates that we are on course to achieve our voluntary commitment to reduce the specific carbon footprint. Despite, an increase in throughput by 2.82%, the total emissions have actually decreased by 4.60% as compared to 2012-13. With the series of ENCON measures implemented, we are able to achieve optimum utilization of energy consumption which has resulted in significant reduction of scope1 and scope 2 emissions. All the emissions are being reported as per international protocols and relevant industry guidelines.

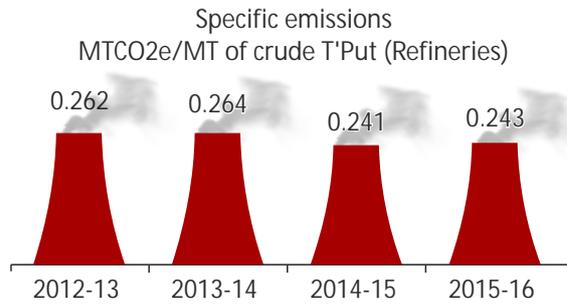
In addition to reducing the emissions intensity through process improvement, IndianOil has focused on progressively enhancing the sequestration of GHGs by measures like increasing the renewable energy share and extensive tree plantations.

Total Throughput vs Emissions (Refineries+PNCC) Million tCO2e

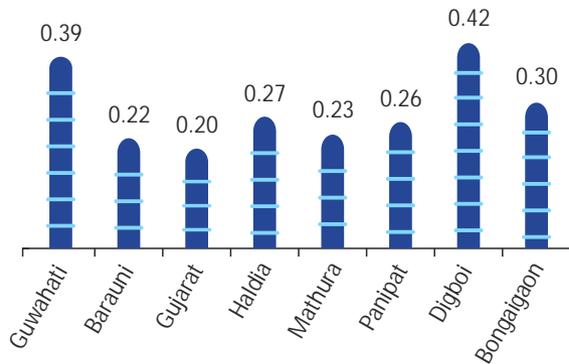


Scope 1 & 2 emissions (Refineries +PNCC)

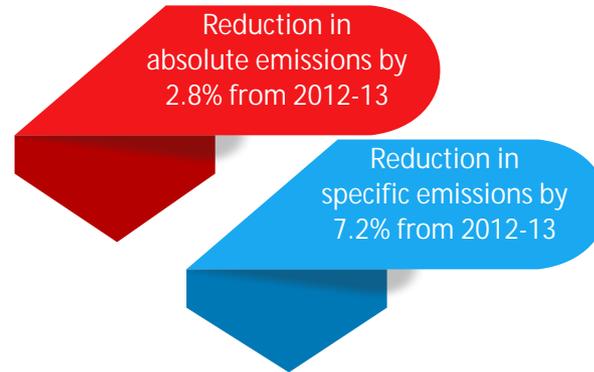




Specific emission Refinery-wise
in tCO₂e/MT of crude T'Put



Our Journey towards reducing specific emissions by 18% compared to 2012-13



A strict adherence by all locations to the pollution control norms as laid down by the State Pollution Control Boards and Central Pollution Control Board (CPCB) are being followed.

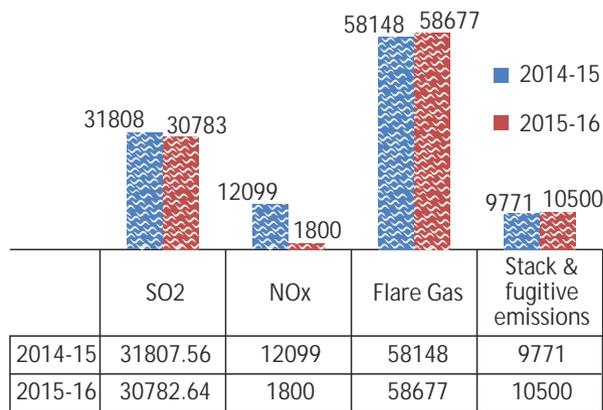


Prevention of Air pollution

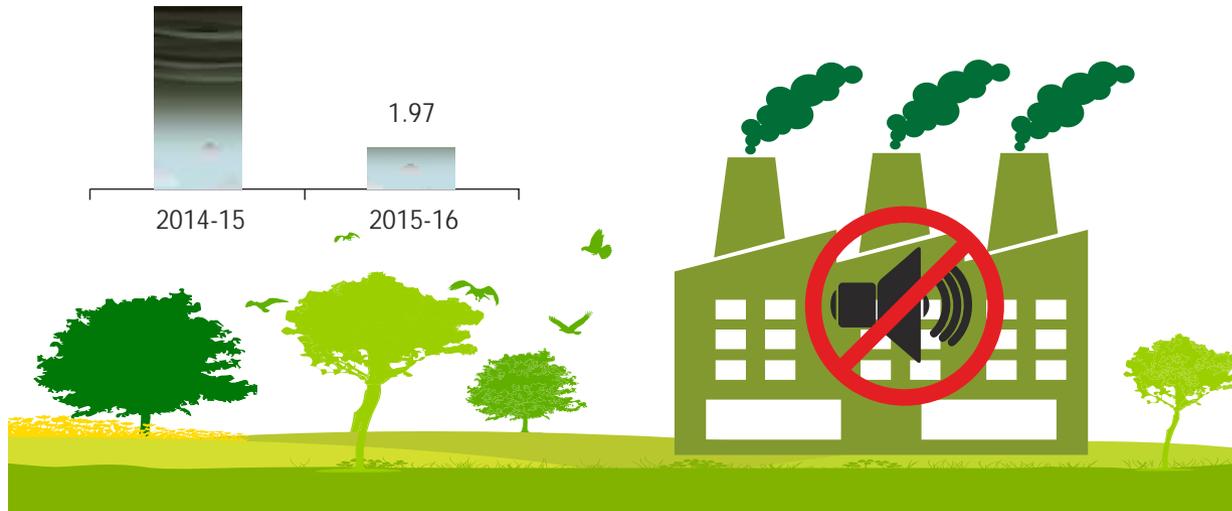
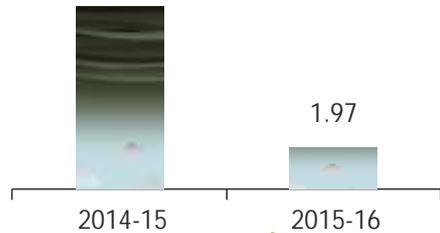
We continuously track all emissions released from our refinery operations, in part of our commitment to environment sustainability. Major emissions from our refineries includes Flue gases from boilers, heaters, FCC regenerators and Sulphur Recovery Units, hydrocarbon leaks and evaporation during storage, handling and transportation of petroleum products and crude oil.

Fixed monitoring stations have been set up across our refineries to ensure monitoring and maintenance of air quality. However, Mathura, Panipat and Gujarat Refineries uses Mobiles van's equipped with sophisticated monitoring equipment. Our total SO₂ emissions have been decreased by 3% despite increase of throughput by 4.86% compared to 2014-15. The stack emissions are continuously monitored and effective dispersion of gases is ensured in line with existing pollution norms at all our refineries.

Stack Emission in tonnes



Ozone depleting substance
8.66



Noise pollution control

Our refineries have adopted following measures to control noise all source:

- Regular Maintenance of Machines
- Use of low Noise Machines
- Suitably Designed Enclosure for Both Source and Receiver
- Use of Sound Absorbing Material/devices

Personnel Protective Equipment (PPEs) like ear plugs, earmuffs are also used. Acoustic insulation is used in DG set site at Pipeline location(s) to achieve 20 dB noise reduction



Bio-diversity

IndianOil is committed to promote biodiversity at all its operational areas. We follow a proactive approach in management of biodiversity as rich biodiversity plays an important role in creating a healthy and sustainable environment at all our operational areas. To promote diversity, we have adopted two approaches:

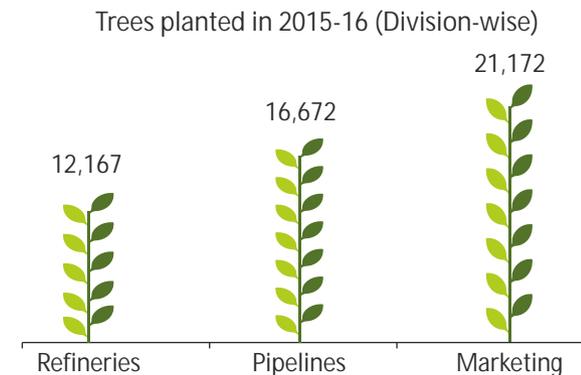
- Development of Green Belts and Ecoparks
- Climate Neutral events

Development of Green Belts and Ecoparks

IndianOil develops greenbelt areas and tree plantations in and around its operational areas.

We have developed green belts area with tree cover numbering 2 million at various installations. Around 50,000 saplings were planted in 2015-16

while guidance from qualified third parties were obtained in terms of choosing the natives species, age of saplings required, plantation density etc.,



Water

UN projected a 40% global water deficit by 2030 under the business-as-usual (BAU) climate scenario and India is particularly vulnerable to water stress due to overall development, urbanisation, pressures of food production, population growth and increasing demand from all segment of society. As water scarcity is already affecting every continent, around 1.2 billion people, or nearly one-fifth of the world's population, live in areas of physical scarcity, and another 500 million people are approaching this situation .

In India, wide scale groundwater extraction through tube well have ensured more food relieving poverty, but the increase in demand for irrigation has resulted in severe groundwater stress. Watershed management and Rainwater harvesting is acknowledged to be the most effective strategy to combat water scarcity. Indianoil has adopted a Rainwater Harvesting policy to implement rainwater harvesting across catchment area available in all the refineries by 2017-18. Till date, we have implemented nearly 500 rainwater harvesting systems across the refineries covering total catchment area of 951 Ha

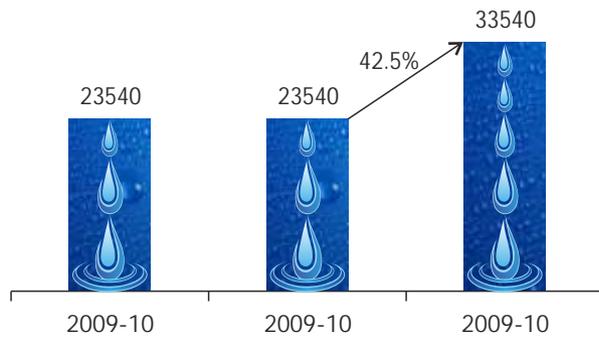
as on 31st March 2016. As a result, our water consumption from harvested rainwater has increased by 42.5% in 2015-16 compared to previous year which helped in reducing the water intake from other fresh water sources as well as ensuring ground water aquifers recharge.

IndianOil has undertaken various measures to recycle and reuse every possible drop of water and thereby reducing pressure on our water resources and the environment. Surface water is a major source of fresh water for Indianoil refineries followed by ground water. In addition to complying with the prescribed limit of water withdrawal, we have been continuously focusing on reducing specific water consumption and making progress

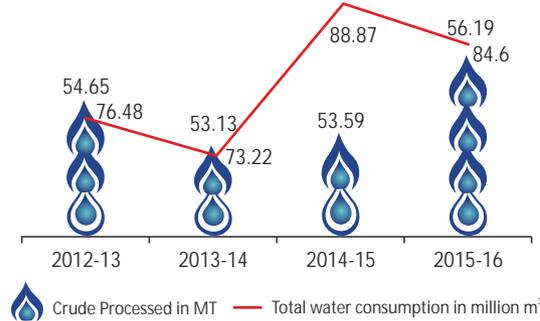
towards achieving the voluntary target reduction of specific water footprint by 20% by 2020. We have implemented various measures viz., arresting leakages, automatic water sensing taps, water free urinals, water sprinkling systems and quarter turn/self closing taps etc., under water conservation program and achieved a reduction of specific water footprint by 4.5% compared to 2012-13. Through recycling and reuse of treated effluents, we have reduced our intake of fresh water by 30%. The treated water is used in various functions like fire & cooling water make-up, coke cutting in Delayed Coker Unit (DCU), as DM Water in boilers and process plants and landscaping.



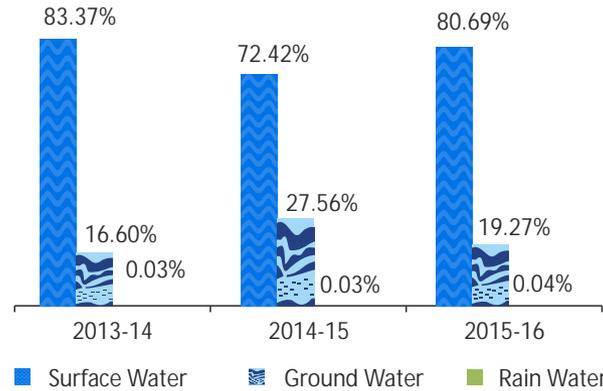
Water Consumption from RWH measures in m³



Total Throughput vs water consumption in Million m³



Source-wise share of water consumption



Waste

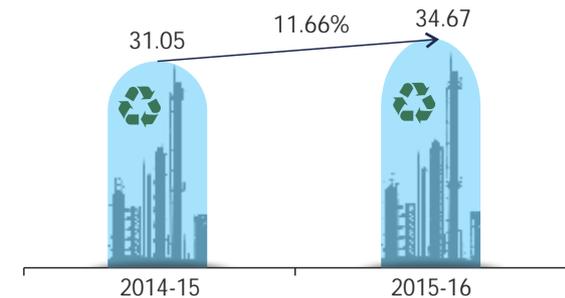
Panipat Naphtha Cracker Complex (PNCC) is our first facility to be declared as zero discharge unit. IndianOil continuously strives to maximize reusing and recycling of treated effluent. In case of discharging the treated effluents outside the facilities, we monitor the quality of treated water regularly to ensure adherence to all applicable environmental norms of State Pollution Control Boards (SPCBs), Control Boards (CPCBs) and MINAS (Minimal National Standard) set by the Ministry of Environment & Forests, Government of India. For 2015-16, the total waste water generated by all the refineries amounts to 39.61 million m³, out of which 34.67 million m³ is reused/recycled, which is 87.5% of total waste

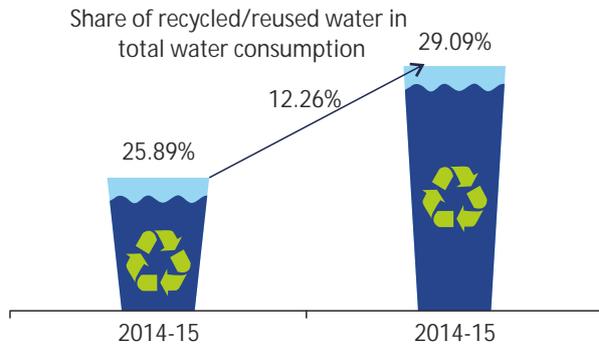
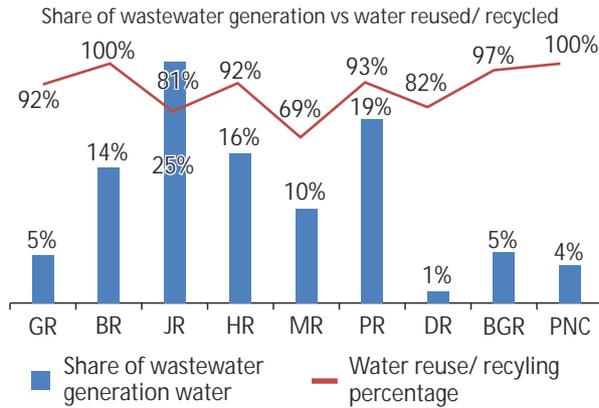
water generated. The volume and the percentage of effluent reused/recycled in 2015-16 have increased by 11.66% and 5.2% respectively. Recycled/reused water constitutes 29.06% of total water consumption in 2015-16 compared to 25.89% in 2014-15.

Percentage of water reused/recycled



Volume of Water reused/recycled in refineries in million m³





IndianOil aims to reduce the amount of waste generated and reuse/recycle the waste wherever possible by adopting technologies such as Organic Waste Converters, bio-remediation of oily sludge and sale of waste to recycles etc., Oil water separators are available at all marketing locations to separate out oil and water, which reclaim and recycle the oil while draining out the water in drains, ponds or pits.

During 2015-16, we recycled around 25 Tonnes of waste paper. Spent catalyst, bio-sludge and oily sludge generated in crude and product tanks are the primary hazardous wastes generated in refinery units. Oily sludge is also generated in product and crude tanks at pipelines and marketing locations. Minimization of generation at source, advanced in-situ tank cleaning methods, bio-degradation using advanced microbial treatment and safe disposal in secured landfill sites is some of the methods refineries resort to, to dispose off the hazardous waste. While in marketing division, hazardous waste is stored as per PCB norms in HDPE lined pits and treated through bio-remediation method under guidance of R&D Centre, Faridabad; at many locations oilivorous is used for bio-remediation of oily-sludge. Skimmed oil is chemical and heat treated, with recovered oils transferred back to the refinery

for reprocessing. Oily sludge is thickened and then transferred back to the delayed coker unit for reprocessing. Biological Sludge generated in the Activated Sludge Treatment Plant of ETPs of Refinery Units is used as manure in eco-parks in refineries. The spent catalyst generated in the catalytic reformer unit (CRU) and hydrogen generation unit (HGU) is collected back by the supplier. Fluid catalytic cracking (FCC) spent catalyst is used for construction of roads and by cement industry as a filler material.



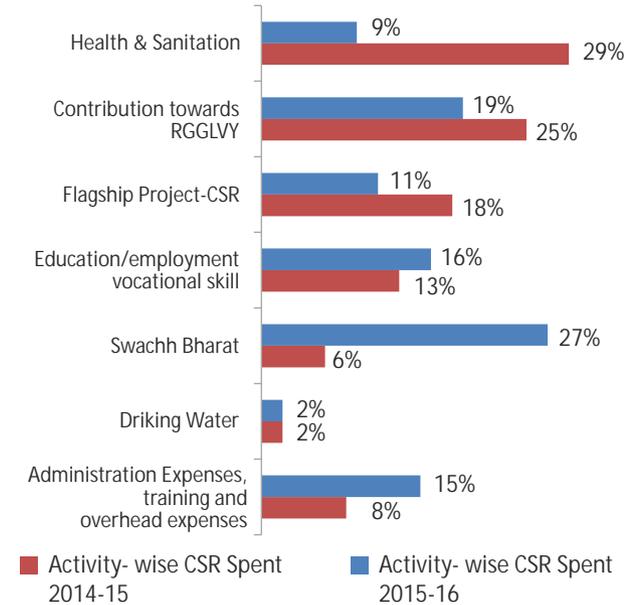
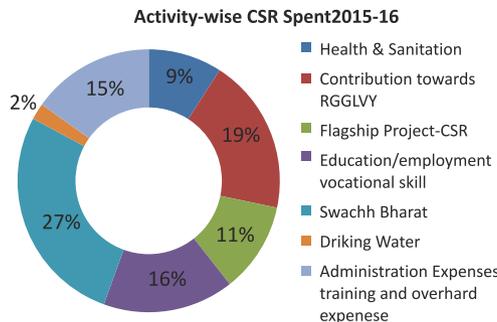
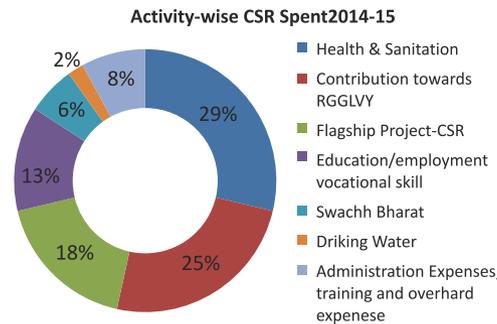
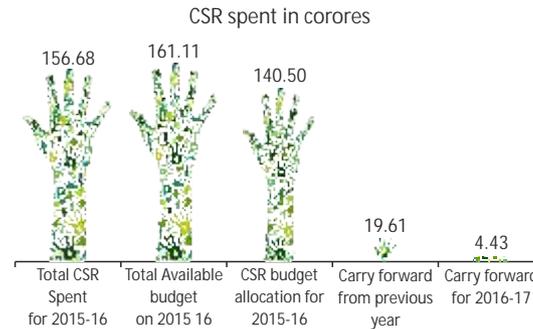
#GreenInitiatives

The R&D Centre of IndianOil devises eco-friendly biodegradable lube formulations to help protect the environment.

Social performance

Social responsibility is intrinsic part of the IndianOil's core values since its inception. With the company's CSR objectives enshrined in its Mission statement: "to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience", IndianOil is committed to create a path for economic and societal prosperity for various sections of society, empowerment of women and other marginalized groups etc., with focus towards inclusive growth.

Our efforts are focused on a variety of social welfare initiatives such as safe drinking water, healthcare & sanitation, education & employment enhancing vocational skills, empowering women & socially/economically backward groups, environment sustainability, protection of national heritage and promotion of art & culture, rural development, etc. We have ensured that all of our focus areas are inline with the Schedule VII under the New Companies Act 2013 and Corporate Social Responsibility Rules, 2014.



Our CSR projects are undertaken preferably in the vicinity of IndianOil's major installations/ establishments to improve the quality of life of the socially backward, underprivileged communities, which include marginalized groups such as SCs, STs, etc. There are dedicated Social Responsibility Programs in partnership with different communities in various focused areas. In many cases, MoU are signed with the implementing partners or beneficiary organizations for successful adoption and sustainability of the projects.

Major highlights of the CSR activities in 2015-16 are as follows:

- Plans underway to install ten decentralized waste-to-fuel plants in the city of Varanasi with a total waste recycling capacity of 50 tons/day.
- 22.8 lakh new LPG connections for BPL families
- Constructed/repaired 2855 toilets in government schools in 16 states across the country under the Swachh Bharat Mission.
- Undertook more than 3600 cleanliness activities, drives and events.
- Around 69,000 non-employee patients were treated at IndianOil's Assam Oil Division Hospital, Digboi and the Swarna Jayanti Samudaik Hospital, Mathura.
- Over 250 beneficiaries have successfully completed vocational training on skills and competencies linked to industries
- 16 students successfully completed the GNM (General Nursing & Midwifery) course at the IndianOil's Assam Oil School of Nursing, Digboi.
- 3,137 students benefitted under IndianOil Academic Scholarship Scheme



LPG Scheme for BPL families

IndianOil contributes 20% of its CSR fund towards the MNRES LPG scheme for release of new LPG connections. As a means to promote this scheme, the security deposit for 1 cylinder and 1 pressure regulator is provided from budget allocated for the scheme. During 2015-16, 22.8 lakh new connections provided under this scheme.



Swachh Bharat Abhiyaan

IndianOil has been actively undertaking efforts towards adapting various activities under Swachh Bharat Abhiyaan activities across the country at various installations/ locations. IndianOil has organized more than 3,600 campaigns viz., cleanliness drives, walkathons, debates, street plays, skits, tree plantations, poster making competitions, etc. across India to sensitize its employees, their families and general public. Sports icons on the rolls of IndianOil have also actively participated in some of the campaign.



Swachh Vidyalaya Abhiyaan

Under Government of India's Swachh Bharat - Swachh Vidyalaya Abhiyaan, IndianOil took the initiative to construct/repair 2855 toilets in Govt. schools across 16 States. Most of the schools allocated were in remote and backward areas of Assam, Bihar, Chhattisgarh, Odisha, etc.



Waste to fuel plants

IndianOil is undertaking Waste to Fuel project at Varanasi, UP by installing ten decentralized plants of 5 Tons per day (TPD) capacity each.



Assam Oil School of Nursing & Assam Oil College of Nursing, Digboi, Assam

Assam Oil School of Nursing (AOSN), established in 1986, offers professional nursing courses viz., General Nursing & Midwifery, GNM and B.Sc. (Nursing) course. During 2015-16, 16 students successfully completed the GNM courses.



Health camps

IndianOil's Assam Oil Division Hospital in Digboi organized various general and specialized health camps and benefitted around 16,423 poor villagers nearby, who have no access to medical facilities.

Swarna Jayanti Samudayik Hospital in Mathura, reaches out to nearby villages with the help of two mobile dispensaries to provide free medical services to the poor villagers. A total of 52,660 patients were treated during 2015-16.



IndianOil Multi-Skill Development Institute, Digboi, Assam

IndianOil Multi-Skill Development Institute, Digboi (iMSDI) provides vocational training on skills & competencies in electrical repair & maintenance, masonry, welding, electrical repair & maintenance, masonry, welding, hospitality, fitter, retail, beauty & wellness, medical equipment operation, auto & two-wheeler service & maintenance, etc.. A total of 271 person were trained at the institute during 2015-16.



Sarve Santu Niramaya (SSN), Digboi, Assam

This unique CSR project was launched in 2012 to provide free health consultation and medicines for both human beings and livestock population of Digboi and nearby areas. During 2015-16, 2500 patients and 12,200 livestock were treated under this project.



IndianOil Industrial Training Centre, Digboi, Assam

IndianOil Industrial Training Centre (ITC) offers a three-year Fresher Trade course and specialization in jobs like Fitter, Electrician, Turner, Mechanic (Motor Vehicle, Refrigeration, Air Conditioning, etc) the institute trained 61 beneficiaries during 2015-16.



Shikshak Dakshata Vikas Abhiyaan, Digboi, Assam
 'Shikshak Dakshata Vikas Abhiyaan', unique training initiative launched by IndianOil (AOD) has trained 81 teachers during 2015-16.



IndianOil Sports Scholarship Scheme
 Currently under Sports Scholarship Scheme, 150 scholarships in 20 sports are awarded to upcoming junior players from 14 to 19 years of age.



Shikshak Dakshata Vikas Abhiyaan
 IndianOil Education Scholarships has benefitted 3,137 underprivileged poor and deserving students in 2015-16 on merit-cum-means basis to pursue full-time courses in 10+/ITI, Engineering, Medical and MBA. 49.5% scholarships are reserved for SC/ST/OBC students in which 25% scholarships are reserved for girl students and 10% for Persons with Disabilities (PWD) under each category.



IndianOil Muskaan
 Under this initiative, IndianOil has provided support to carry out corrective surgeries for cleft. A total of 204 persons (including 90 girls) from 26 districts in Assam were benefitted from this initiatives so far .

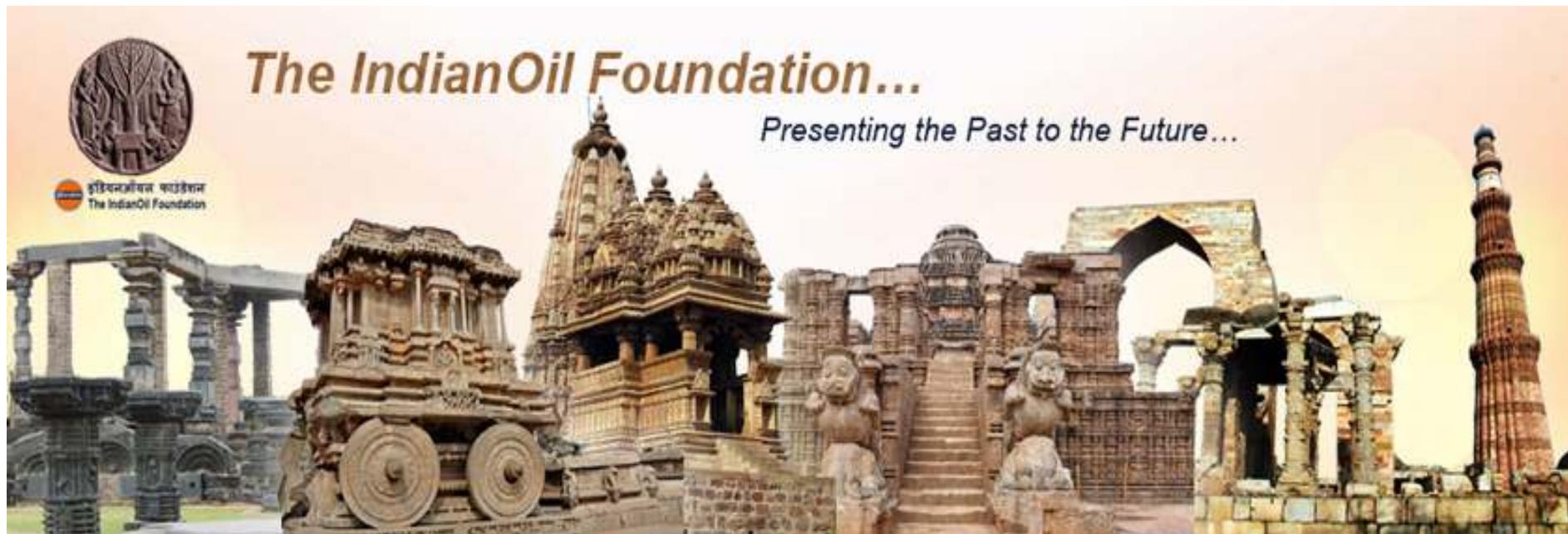
IndianOil Foundation - Presenting the Past to the Future

IndianOil has created IndianOil Foundation (IOF) in collaboration with the Archaeological Survey of India (ASI) and the National Culture Fund of the Ministry of Culture, Government of India, in the year 2000. The company contributes INR 10 crores annually to the foundation with the objective of protecting, preserving and promoting India's heritage monuments. Currently, the foundation is

carrying out infrastructure development activities in the following monument sites:

- Konark Sun Temple Complex, Odisha
- Khajuraho Group of Temples, Madhya Pradesh
- Kolhua, near Vaishali, Bihar
- Kanheri caves, Maharashtra
- Bhoganandishwara Temple, Karnatak

IOF has also identified new projects at (i) Hampi in Karnataka, (ii) Golconda Fort in Andhra Pradesh, (iii) Chittorgarh Fort in Rajasthan, (iv) Rani Ki Vav in Gujarat, and (v) Lucknow Residency in Uttar Pradesh. IOF also aims to create awareness and interest among the students about the rich cultural heritage through an innovative program called "Cultivating Awareness Towards Conservation of Heritage (CATCH)".



Smokeless villages

Lower penetration of LPG in rural areas

Accessibility - Limited availability of LPG in rural areas

Affordability - Low purchasing power of the people

Availability - Lesser number of distribution network in rural areas

Awareness - Rural population not aware of LPG as a cleaner/safer fuel

Free availability of biomass fuels

Health and socio-economic Impacts of conventional fuelwood cooking:

Conventional cooking emits hazardous pollutants including particulate matter, carbon monoxide, nitrogen dioxide, sulphur oxides (mainly from coal), formaldehyde, and polycyclic organic matter, including carcinogens such as benzopyrene

Indoor air pollution ranks fourth in terms of the risk factors that results to disease and death. Exposure to household air pollution results in pneumonia, stroke, ischaemic heart disease, chronic obstructive pulmonary disease (COPD), and lung cancer

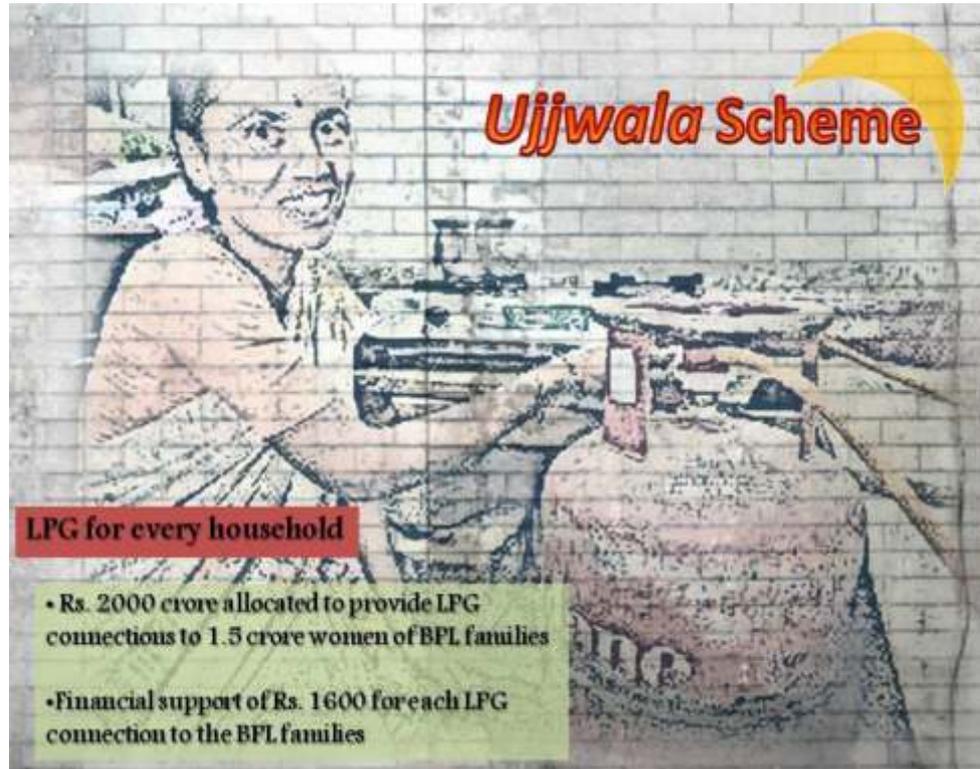
The cost of serious health consequences from indoor air particulate pollution is estimated at 1.3 per cent of India's GDP

Reliance on wood as a household fuel results in unsustainable wood harvesting which puts considerable pressure on forests, particularly in areas where fuelwood is scarce.

Inefficient cooking stove leads to incomplete combustion which results in emissions of short-lived pollutants such as black carbon and methane, which significantly contribute to climate change

In order to overcome the issues of lack of awareness and non-accessibility to LPG and to prevent the negative health and socio-economic impacts caused by traditional cooking methods, IndianOil is committed to provide an LPG connection to every rural household across India. The specific focus was to promote the adoption of clean and efficient fuels which can improve life of millions of people and prevent premature death.

Our belief in promoting socially inclusive growth, inspired us to pioneer the implementation of "smokeless village" programme in November 2015. Consequently, Vychakurahalli in Karnataka was declared as first smokeless village of India on 28th November 2015. The field officers and distributors were encouraged to adopt a village and work towards converting it into a smokeless village. As on 31st March 2016 under this scheme, around 3,400 villages & towns were made smokeless and more than 1,60,000 LPG connections were provided. Our implementation strategy addressed the three major concerns viz., awareness, availability and affordability.



Awareness: Raising public awareness about the health costs of conventional cooking. Villagers were further educated about safe use of LPG, with a demonstration carried out as part of the programme. IOCL officers visited the villages on regular basis to ensure the LPG provided under subsidy are being utilized for residential purpose before declaring the village “smokeless”.

Affordability: Preliminary survey with distributors and government agencies is done with respect to number of households to be covered, economic condition of villagers and number of BPL families, their willingness to take an LPG connection and their affordability to refill the cylinders. Based on the affordability, 5 kg cylinders have been promoted to extremely poor families who could not afford 14.2 kg cylinders. Though no connection has been released for free, the distributor could provide the connection on installment basis.

Availability/accessibility: With the availability of LPG connections to each and every household of the identified villages, accessibility to LPG becomes unproblematic. The improved availability of LPG shall result in less reliance on biomass fuels and the women could spend productive time on other income generating activities.

Ensuring uninterrupted supply in times of natural calamities and disasters

Chennai floods

IndianOil worked vigorously during North-East monsoon, 2015, which left Chennai and other parts of rain-ravaged Tamil Nadu marooned and flooded with signs of devastation and claimed over 270 lives. Normal life came to a grinding halt whereas, Industrial and commercial activities were badly hit by the floods as Chennai airport was closed for a week since the flood waters inundated the airport.

Despite the continuous and heavy downpour, IndianOil employees worked tirelessly in coordination with the channel partners. Our Area Office and Divisional Offices in Chennai made all the efforts to effectively dispense fuels and deliver

LPGs wherever it is feasible and ensured that the customer's needs are taken care to the best possible extent.

Tamil Nadu State Office (TNSO) retail team collected data on the availability of fuel in retail outlets under Chennai metropolitan area every four hours and the list of RO with address and telephone numbers were drawn and uploaded on IndianOil websites and other social media platforms. The list was also made available with the link to all English and vernacular press for publishing.

In order to ease LPG refill supplies, IndianOil organised 'LPG Refill Camps' and 'Indane LPG Refill Service Facilitators' to guide customers on LPG

refill queries. IndianOil LPG Refill Camp teams at Chennai, Cuddalore, Vridachalam and Chidambaram together delivered 15,007 Indane cylinders on December 10, 2015.



Nepal earthquake – 2015

Nepal earthquake in April 2015 was one of the worst ever natural disasters experienced by Nepal which killed more than 8,000 people. IndianOil pulled out all the stops in a bid to boost relief efforts and fuel the rescue operations in Nepal.

IndianOil moved large volumes of petrol, diesel, ATF and LPG into the Himalayan nation to meet its

fuel demand and liaised with Nepal Oil Corporation (NOC) to ensure that adequate quantities of fuel are provided to the earthquake-ravaged country on a daily basis. Petrol, diesel, LPG and aviation turbine fuel (ATF) were supplied to Nepal using truck tankers from Raxaul in Bihar.

Further, we ensured sufficient stocks of ATF (aviation turbine fuel) at IndianOil's aviation fuel stations (AFS) at Gorakhpur and Hindon to meet

the enhanced requirements of the Indian Air Force for rescue and relief operations. Besides fuel supply, our team has handed over stocks of essential medicines and infant food to designated authority of Government of Nepal and also rushed relief material such as tents, blankets, etc, for use of the quake-affected.



IAF's C-17 aircraft engaged in relief and rescue operations in Nepal being refuelled at the Hindon airfield



Bihar State Office at IndianOil control room, Raxaul Depot



Relief camp at Ghalghalia Dist Kishanganj

Employees

The strength of an organization lies truly with its manpower. An organization is what its employees make it. We, at IndianOil, recognize the vital importance of this stream that has held strong through the years and makes us one of the most respectable companies of the country. Our physical network has ensured our presence in every nook and corner of the country, but, it is the employees who have added the human touch to all our dealings and made us a nationally admired entity. It is our core values, "Care, Innovation, Passion and Trust", that is shared by generation of IndianOil employees. Our Human Resource department act as an enabler by simplifying processes and policies, designing training modules, building work-place culture, maintaining industrial relations etc.



The IndianOil family consists of employees as well as contract workers who work relentlessly to make sure that we fulfil our responsibility for our country. With a strong workforce of 32,803 employees, IndianOil proved its mettle in all spheres across its business verticals. Job contractors are hired who further employ contract workers to take assist in operational needs, labour demand and allied activities among other support services. IndianOil, realizing its responsibility being the principle employer, ensures that all the statutory requirements are met while employing the contractors.



खुशियां बांटने की खुशी

Training

Each employee has a distinct responsibility of serving the people at large. A proper and dedicated training of the employees is needed to polish their talent and bring out the best in them. Focused functional and developmental training are undertaken through-out the year on an array of topics including technical knowledge, human rights, health & safety, sustainability and career development among others. Trainings are also imparted pertaining to the managerial levels eg. induction training for new recruits; trainings on managing and leveraging diversity, project management and operational excellence; programs on inspiring leadership and building the next generation officers and special programs on career transition for superannuating employees. Specialised training programs are also undertaken across the locations to impart training on issues pertaining to disaster management, safety and security of company operations. To seek feedback of the employees on various systems and procedures, an internal customer satisfaction survey is also undertaken.

8.47 lakh man-hours of training to employees was imparted during the year 2015-16. On an average, 41.6 man-hours of trainings was provided to each employee of the officer grade while 13.52 man-hours of training was imparted to non-officer grade employees.

More than 750 employees participated in 37 'Gender Sensitization' programmes conducted to create awareness on the subject.

As part of HR initiative on 'investing in our people', a Help Desk Portal launched in the Marketing Division. The Help Desk caters to the long felt requirement of employees working in field, to have a single-point contact for all HR related queries.

The Marketing Division hosted a 2-day workshop involving all State Heads and Functional Heads to create a road map for "Sustaining Leadership on Core Business".

- To imbibe a culture of innovation and creativity in the Division, "Festival of Ideas" was organized throughout the Pipelines Division in February 2016. 971 creative/innovative ideas were received during the period, which are being evaluated for implementation.
- 64 training programmes on H, S & E covered 991 employees across Pipelines Division.
 - Special Training Programmes for Designed Electrical Safety Officers were organized at various locations.

Skill Development Institute

- In line with the National Skill Development Mission of the Government of India, IndianOil is leading the initiative of setting up a Skill Development Institute at Bhubaneswar, with support from other PSUs under MoP&NG, for providing skill development courses aligned to the National Skills Qualification Framework (NSQF).
- The institute would focus on the skills pertaining to downstream petroleum sector and petrochemicals, in addition to other skills for meeting the requirement of the industry. In addition to specialised technical training, followed by stringent assessment and certification process, a training on soft skills and language proficiency is provided to make the candidates job-fit for the Industry.



Special initiatives undertaken at IIPM

1. At IIPM, the focus of training and development shifted from 'Routine' training to 'Niche' programmes.
2. The course content of staple programmes such as Senior Management Programme, threshold and cutting edge were modified in consultation with knowledge partners to make them more relevant to the current business scenario.
3. Twelve new training programmes were conducted for the first time, focussing in diverse topics such as IndianOil's vision, managing diversity, business analytics, competition law and HR. Special programmes were conducted to coincide with 2016 as the Year of Core Values.
4. A slew of finance-centric programmes were conducted to address the emerging development needs.
5. During 2015-16, IIPM launched a video-conferencing facility based on Intranet as well as Internet to facilitate e-sessions across the Corporation.

Sports

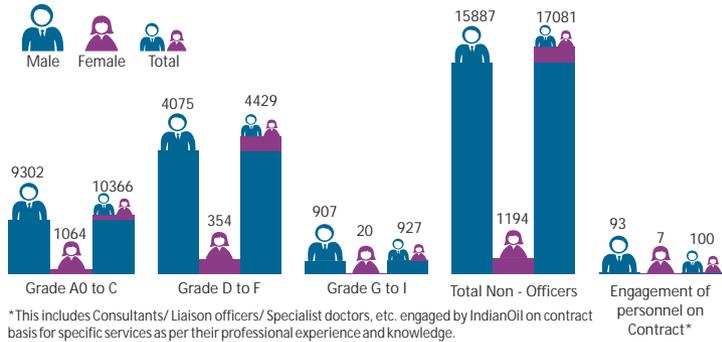
1. IndianOil has, over the years, recruited many promising sportspersons who have made the nation proud with their remarkable sporting achievements across the globe. As on date, total 73 sportspersons in 10 disciplines are on company rolls (including tenure base) and about 80 budding sportspersons are availing the IndianOil's sports scholarships.
2. In contribution to this, a new sports policy approved by the management came into effect from April 2015. Induction of about 40 sports persons in 10 thrust games has been planned to strengthen the team. About 140 sports scholarships are being awarded in 20 different games to eligible candidates.



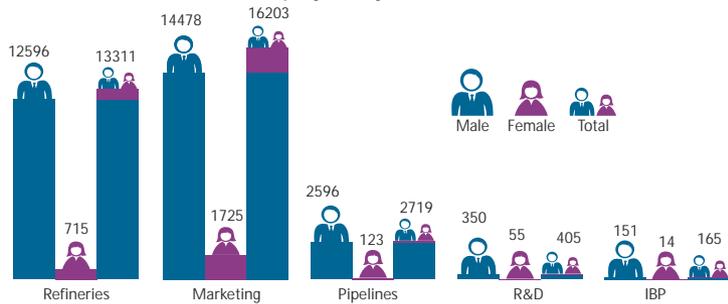
Project "Saksham"

- As part of the organization's focus on "Investing in our People", Project Saksham (meaning "Competent") – a structured leadership competency development programme was designed and launched during the year with a view to develop leadership competencies in sync with IndianOil's leadership competency framework.
- This unique learning and development initiative aims to provide senior executives with the best of inputs required to effectively play their leadership roles. As a part of this initiative, customised and specialised developmental modules on each leadership competency have been designed exclusively for IndianOil by some of the best B-schools in the country eg Strategic Leadership by IIM-Ahmedabad, Customer Leadership and Operational Leadership by IIM-Bangalore, Business Results leadership by IIM-Calcutta, Talent Leadership by XLRI-Jamshedpur and so on.
- The process of Leadership centre has been institutionalised in the Corporation, with five cycles already completed, covering over 7000 executives in Grades C to H.
- The participants for a specific leadership module under Project "Saksham" are selected on the basis of the developmental needs identified during the Leadership Centres.
- Project "Saksham", thus, is a major shift from the standardized training model to a need-based development model and 200 senior executives have been covered in 10 programmes during the year.

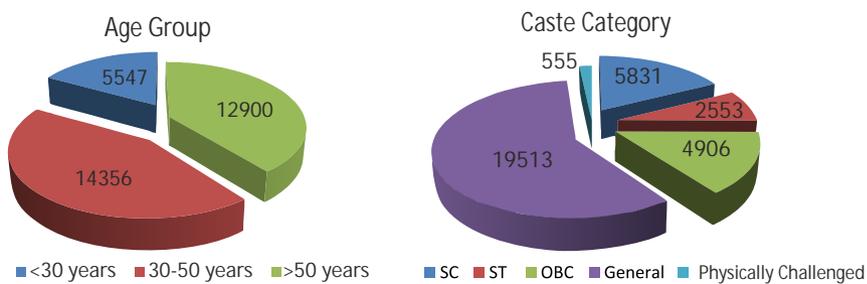
Total no. of employees (as on 31.03.2016)



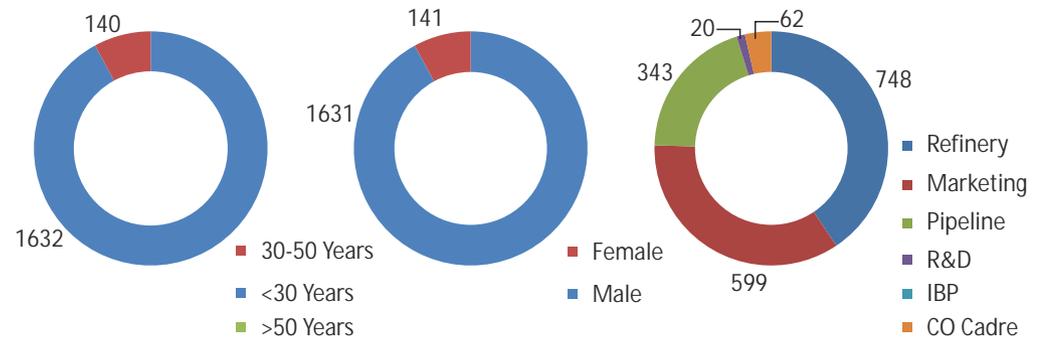
Total number of employees by division (as on 31.03.2016)



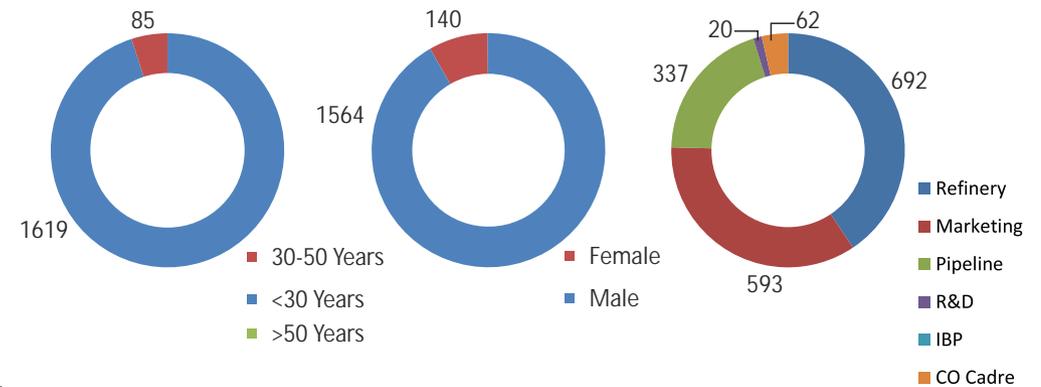
Total number of employees (as on 31.03.2016); category by



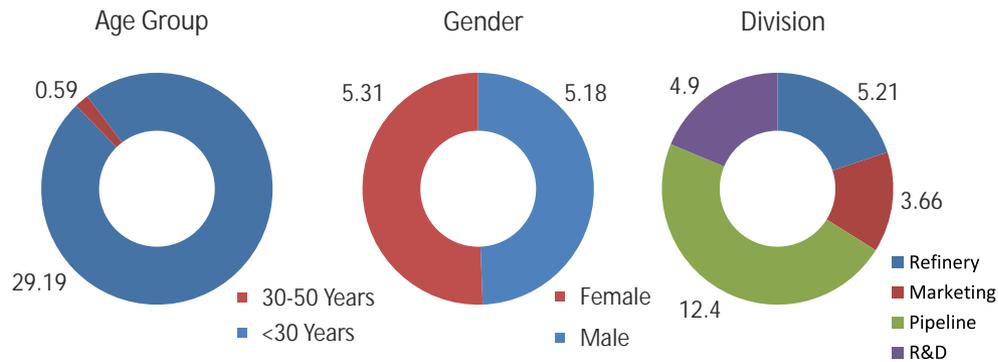
Total number of employees recruited during 2015-16; category by



Total number of new employees recruited during 15-16 by (excluding employees recruited under Accelerated Career Progression Scheme/Departmental Selection/Internal recruitment)



Rate* of new employee recruited- during 2015-16 by



- * Rate is calculated using the total employee numbers at the end of the reporting period
- ^ Due to dismissal, retirement or death in service.
- ~ New employees joining the organization for the first time.

Collective Bargaining

Percentage of total employees covered by collective bargaining agreements. Around 52%

PAHAL
Direct Benefit Transfer in LPG



EK NAYI DISHA, EK NAYI PAHAL

Gender Mainstreaming

IndianOil takes pride in being an equal opportunity employer. No discrimination is made on the basis of caste, colour, creed or gender and all measures are taken to ensure that there is an environment of respect, admiration and safety towards women in the organization. Women have been climbing the corporate ladder and providing their invaluable contribution to the future.

Every year, 8th March is celebrated as Women’s Day across the establishments of IndianOil with great enthusiasm and vigour. The objective is to show respect and gratitude towards women, while reflecting on further actions to be taken on women empowerment.

With every passing year, more and more women officers are being inducted at the entry level. The current strength of female officers stands at 8.02% of the total workforce.

At IndianOil, 33% reservation is given while handing out Kisan Seva Kendra distributorships. This initiative has not only helped in motivating women entrepreneurs in managing their business but has also helped in making them independent and contributes positively to our sales volumes.



Benefits to Female Employees	
Maternity Leave	180 days of maternity leaves for the first two children.
Child Care Leave	2 years child care leave without pay, once in entire service
Child Adoption Leave	Child Adoption Leave with pay for a period of 180 days in order to facilitate them to take care of the adopted child, not exceeding three years.
Husband Joining Leave	Special Leave Without Pay can be availed by female employees to join their husbands who are posted at another location, for a period not exceeding 3 years during the entire service.

Women In Public Sector (WIPS)

The Standing Conference of Public Enterprises (SCOPE) in collaboration with Bureau of Public Enterprises (BPE), organized a national convention of women in public sector-during October 1989 in New Delhi. The convention was attended by 500 women delegates from all over India who put in their suggestions for the growth of women in public sector. During the event, it was acknowledged that, a National Network would enable them to transform these suggestions into reality with the help of the Public Enterprises and concerned agencies. Thus, a Forum of Women in Public Sector (WIPS) was created under the aegis of SCOPE on 12th February, 1990 having a Central Apex Forum in Delhi and four regional Forums in Mumbai (Western Region), Chennai (Southern Region), Kolkata (Eastern Region) and New Delhi (Northern Region) respectively. The formation of WIPS represents the first ever initiative made by the single largest organized sector in focusing the issues related to advancement of women. While on the one hand women have to take initiatives themselves to meet the job challenges and sustain career growth, managements of the enterprises also need to recognize the changing profile of the work force in enterprises and provide appropriate environment for their advancement and growth.

MAITRI

An online portal by the name "Maitri" has been created for the women employees of the Refineries Division who can take part in various discussions, as well as raise concerns. All the women employees of IndianOil are part of WIPS. Various training programs are organized on topics ranging from self-defence, awareness on sexual and work-place harassment to stress management and organizational behaviour from time to time.



Sexual Harassment at Workplace

In pursuance to the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' an Internal Complaints Committee has been formed at the Corporate Office, Refinery Headquarters, Pipeline Headquarters & Regional Offices and Marketing Headquarters & Regional Offices. The committees consist of executives and officers from different departments. The committee members are expected to maintain strict confidentiality while handling any complaints and submit the reports within a stipulated time-frame to the concerned authority to further action.

IndianOil is committed to prevent sexual harassment of women at work-place and prompt actions are taken in the event of reporting of such incidents. During the year 2015-16, 2 complaints of sexual harassment were filed while 4 stood pending at the end of the financial year.



महिलाओं को मिला सम्मान

Talent Recruitment

The recruitment process in every organization is of immense importance. It is the talent of today that is reflected in the higher management and decision making tomorrow. Given the diversity of our operations, an array of talent ranging from engineers to management graduates, chartered accountants and lawyers to mass communication graduates are required. All the new entrants are inducted at the entry level through various competitive exams like GATE, ICAI etc.

Apart from the regular recruitments, 2 special programs are conducted for inducting staff grade officers into the officers' grade, viz., 50-50 promotion and the Accelerated Career Progression Scheme (ACPS).

During the year 2015-16, IndianOil indulged in an extensive recruitment drive and inducted 1772 candidates at the entry level.



50-50 promotion scheme

Under this scheme, workmen in grade 7 & 8 are eligible for a promotion to the staff grade in Delhi or nearby locations, provided there is a vacancy in the department. Workmen must have an experience of at least 4 years in the same function before applying under the scheme.

Accelerated Career Progression Scheme (ACPS)

With an objective to motivate the existing non-officer employees at all levels to acquire professional qualification and provide for avenues for appointment as officers in Grade A, a policy for selection of departmental candidates was put in place in 1998. All workmen in grade 5 and above and minimum 5 years of experience in the organization are eligible to apply under the scheme. The qualifications, eg chartered accountant, engineer, management graduate etc, they possess must be similar to the ones possessed by the external candidates; though there is no emphasis on the minimum marks.

Career Transition

Superannuation of employees is as much a part of the working of an organization as is inducting new recruits. IndianOil makes special efforts to ease the process of the transition of separating employees from their every-day work life into the next phase of life, post-retirement. Various counselling programs on retirement and old age concerns, psychological aspects of retirement, investment and tax planning, post retirement benefits and health related issues are conducted for senior management and employees nearing retirement.

Special programs are also held for ex-employees where emphasis is laid on importance of a healthy lifestyle and regular medical checkups.



Contract Labour

Given the nature of industry we are working in and the quantum of allied services at our establishments, we have to engage with a large number of contract workers for their support to carry out day-to-day activities. Assignments relating to housekeeping, security, material shutdown/revamping, catering services, lifting & movement of materials, civil construction & maintenance etc are handled by the contractual labour across our locations. Though the terms and conditions of the contract between the contractor and the labour are governed by the respective contract, IndianOil, being the principal employer, ensures that there is proper adherence to the provisions of EPF & MP Act, 1952/ESI Act 1948 among other social security schemes like PF, ESI etc. All the contractual labour engaged are governed by the Contract Labour (Regulation and Abolition) Act, 1970.

Under Project Parivartan, training program was launched for the first time for customer attendants as 'trainers' under each Divisional Office. On a cumulative basis, 727 customer attendants and Retail Outlet managers were trained as 'trainers'.

Dealership Management Programmes were organized at premier management institutes across the country in which around 2600 dealers participated.

As a part of 'We Care' programme, soft skills and grooming programmes were conducted for canteen/guest house staff with experienced external faculty. In all, 546 guest house attendants, security personnel and canteen staff participated in the trainings.



Employee Engagement

Employee engagement is an approach that is based on trust, integrity, two-way commitment and communication between the employees and the organization. It is a process which motivates the employees to contribute to organizational and individual performance and productivity.

At IndianOil, formal joint agreements exist between the employees and the union which helps both the stakeholders in indulging in productive conversations and reaching amicable decisions. Around 52% of the employees are covered by collective bargaining agreements. 24 workers unions and one officers association were recognized by the management, under the code of discipline, during 2015-16 representing the executive and non-executive employees. 90% of the permanent employees are members of these unions and the Indian Oil Officers Association.

The management holds 'open house' sessions, various meetings and discussions at regular intervals with the workers unions and the officers associations, wherein the concerns raised are answered by the Chairman and Directors. A webcast of the important meetings is hosted on

the intranet to provide open access to all the officers, across the organization. Topics ranging from the major corporate challenges to health and safety to financial and physical parameters are deliberated upon during the meetings. Discussions related to wages and allowances revisions are first conducted at the divisional levels with the recognized unions and then settled through a tripartite Long Term Settlement (LTS). The employees' rights to exercise freedom of association or collective bargaining are regulated by the Trade Union Act. However, there are no operations which might pose a risk to the right to freedom of association and collective bargaining. IndianOil reserves the right to propose a change in the condition of service applicable to the workmen, in any matter, by serving a notice of 21 days. Various schemes are initiated around the year to increase employee's participation including suggestion scheme and quality circle etc. Various committees are formed like the Joint Management Council, Works Committee, Management Safety Committee, Grievance Committee, Canteen Committee, Total Productive Maintenance (TPM) etc. to provide employees an opportunity to participate in different activities.



Social Security Benefits

- | Contributory Provident Fund | Gratuity
- | Group Linked Insurance scheme | EPS 1995
- | Compensation on Death
- | Super Annuation Benefit Fund Scheme
- | Post Retirement Medical Benefits

Benefits to OBC/SC/ST employees

- Reservation in Recruitment and Promotions
- Relaxation/ Concession in Recruitment and Promotions
- Pre promotional inputs for Grade VI to Grade A promotions in Marketing Division
- SC/ST cell, Complaint Register, Liaison Officer to address issues
- Specific Trainings

Benefits to Physically Challenged employees

- Reservation in Recruitment and Promotions
- Relaxation/ Concession in Recruitment and Promotions
- Various Allowances such as Conveyance allowance, medical equipment Special training, special equipment aid
- Provision of Barrier free access'
- Preference in terms of posting to the extent possible

Health & Safety

IndianOil policy on Health, Safety and environment covers all the employees under all categories and locations. We are committed to conduct business with strong environment conscience ensuring sustainable development, safe workplaces and enrichment of quality of life of Employees, Customers and the Community. We at IndianOil believe that a safe and healthy work environment is a basic requirement for ensuring employee well-being and are committed to maintain high standards in environment management and providing safety and health work environment for our employees.

Refineries, which constitutes more than 90% of our total emissions, are under constant vigil by the CPCB and SPCB with respect to their emission standards and are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health & Safety Management System (OHSMS/OHSAS-18001). In addition to complying with all the regulations, we conduct safety audits across the locations throughout the year.

In line with its commitment to ensure the safety of employees, we have Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts across all installations to make sure that the rights of all workers are protected at all times.

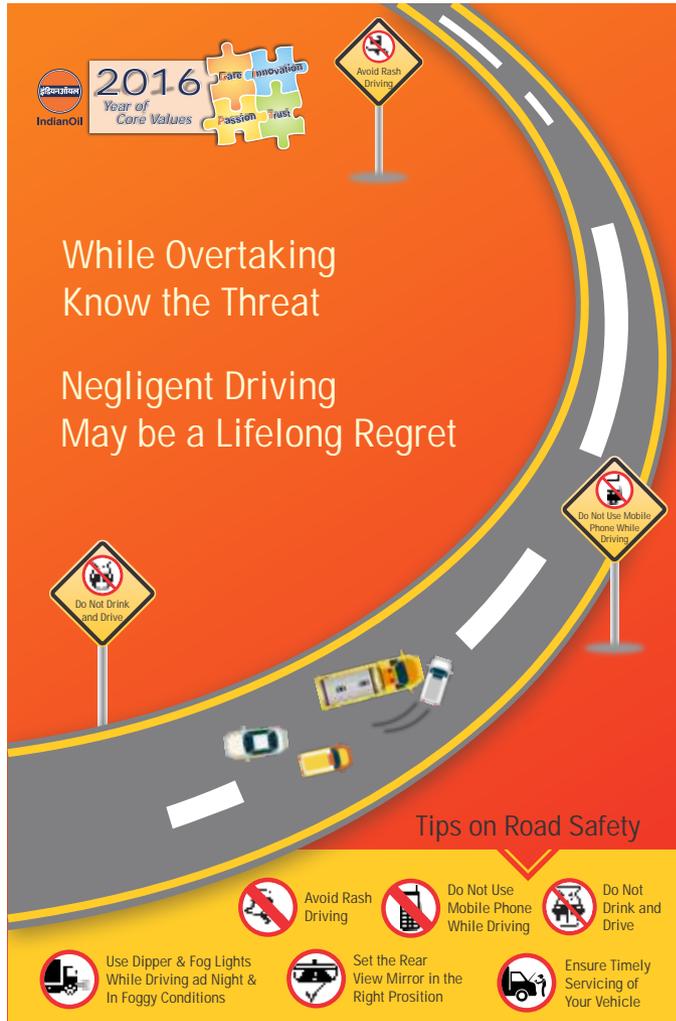
Our S,H&E policies are committed to:

- Establish and maintain good standards for safety of the people, the processes and the assets.
- Comply with all Rules and Regulations on Safety, Occupational Health and Environmental Protection.
- Plan, design, operate and maintain all facilities, processes and procedures to secure sustained Safety, Health and Environmental Protection.
- Remain trained, equipped and ready for effective and prompt response to accidents and emergencies.
- Welcome audit of our S,H&E conduct by external body, so that stakeholder confidence is safeguarded.
- Adopt and promote industry best practices to avert accidents and improve our S,H&E performance.
- Remain committed to be a leader in Safety, Occupational Health and Environmental Protection through continuing improvement.
- Make efforts to preserve ecological balance and heritage

2015-16 Nos.	Refineries	Marketing	Pipelines	R&D	Total
Fatal Accidents	3	1	0	0	4
Fatalities	4	6	0	0	10
Near miss	76391	2112	53	8	78564
Occupational Diseases	Nil	Nil	Nil	Nil	Nil
Mandays lost	689#	278	0	0	967
No of loss time accidents	0	9	0	0	9
Major Fire incidents	2	3	0	0	5
Minor fire incidents	Nil	2	Nil	3	5

#- total 689 days - 501 due to 4 injuries in major fire at JR and 188 days due to previous year LTAs.

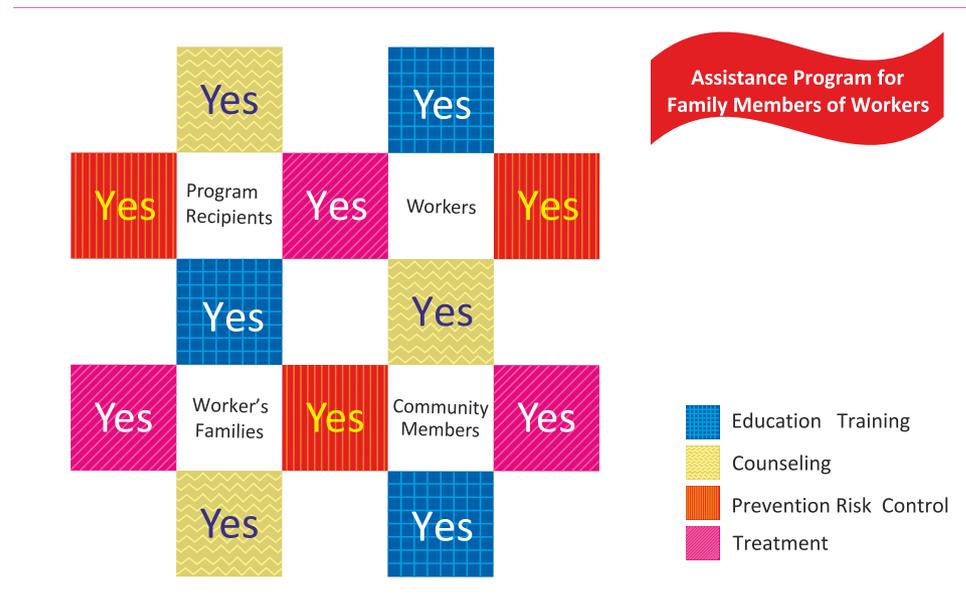




Disclosures	Unit	Value
Operations with environmental impact assessments and ongoing monitoring	%	100*
Operations with public disclosure of results of environmental and social impact assessments	%	100*
Operations with works councils, occupational health and safety committees and other employee representation bodies to deal with impacts	%	100#

* For all new projects with substantial pollution load, environment impact assessment & social impact assessment are carried out along with public disclosure of its results.

Procedure is existing and in practice to deal all impacts by Work Councils, occupational health and safety committees and also represented by body of collectives.



Safety

IndianOil sites have established safety procedures and practices to be followed by the employees to ensure safe working. Employees of different categories have been trained continuously on safe working procedures and practices.

S.No	Employee category	% of employees given safety & No. skill up-gradation training during 2015-16
1	Permanent Male employees	58.62%
2	Permanent Women Employees	85.26%
3	Permanent Employees with Disability	27.75%
4	Casual/Temporary/Contractual Employees/Contract labor	100%

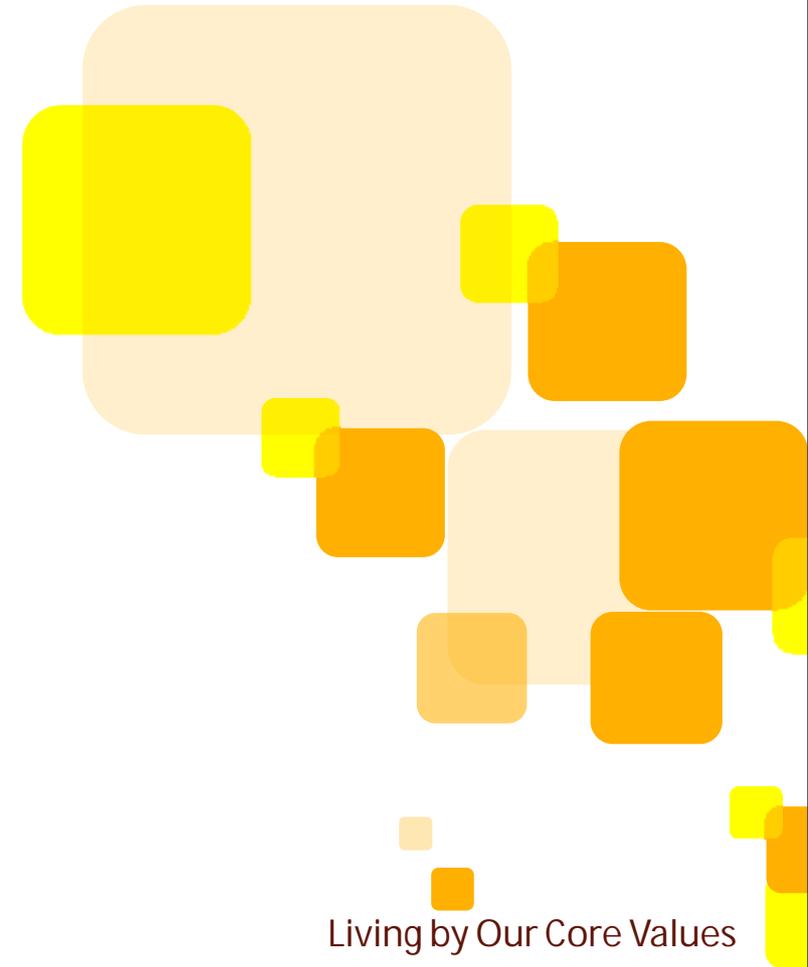
All refineries were facilitated to upload the updated status of External Safety Audit and Surprise Safety Check in Oil Industry Safety Directorate web site on quarterly basis. National Safety Day and Fire Service Day are observed on 4th March and 14th April respectively at all our installations. On site and off site mock drills are carried out at all our locations as per the schedule. These drills are aimed at assessing the in-house preparedness and alertness during the crisis situation. Operation and maintenance of fire extinguishers, ensuring electrical safety at pump island, sales building, regular checks of equipments like air compressor are some of the topics covered during the training modules, both classrooms as well as mock drill session. Operations having significant potential are

provided with safety and security measures to Prevent and mitigate negative impacts on local communities, employees, or property.

Safety Committee

We have set up safety committees across the locations that represent 100% of our employees besides monitoring the Occupational health and safety programs. We have two tier Safety Committee: Management Safety Committee & Shop-floor Safety Committee. Management safety Committee is headed by unit head consisting of other members upto HOD levels and workmen representatives. Shop floor committees are formed at various sections in the refinery with intensive participation from the workmen. The

refineries, pipelines, marketing divisions and R&D centre have independent HSE departments. A designated Safety Officer is placed at all marketing and pipelines installations. Annual safety-cum-technical audits by multi-disciplinary teams, safety index surveys and safety awareness surveys were carried out at all the locations.



Disaster Management

Being a responsible company, we have taken various measures to ensure all our employees are equipped well to handle any emergency that may arise at the refinery and marketing sites. All our locations are operating its "Emergency Response & Disaster Management Plan (ERDMP)" as per the guidelines issued by PNGRB and accredited by the PNGRB approved agencies. Further, our Refineries have conducted quarterly on site disaster drill and once in a year disaster drills during odd hours as per norms.

Oil Spill response

IndianOil has taken lot of measure in preventing oil spills during handling and transportation of crude oil. Oil Spill Response facilities are available at all our port locations in the event of any spill. Regular monthly meetings are conducted for assessing the efficacy of the oil response facilities for Tier-1 both at Paradip and Vadinar. Dedicated Oil Spill Response Vehicle is available both at Paradip and Vadinar containing Oil Spill Response Equipment for Tier-1 facility. In addition to this, a separate Maintenance Vessel is also deployed at

Paradip and Vadinar along with basic OSR facilities viz., oil dispersant, spraying boom etc., Regular Offshore drills are conducted along with Port Trust and Coast Guard Station and other oil companies both at Paradip and at Vadinar.

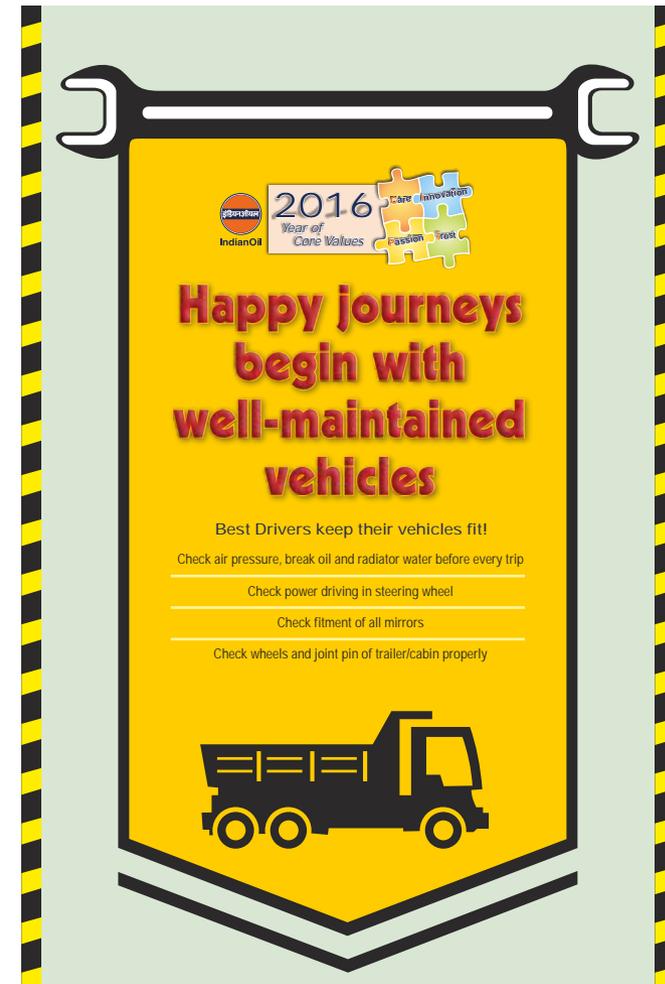
Oil Spill Response Facilities

Inter-Tidal Boom Disk and Mop Skimmers Floating Tanks Off-Loading Pump Anti-Pollution Vessels Ballast Water Treatment Plant.

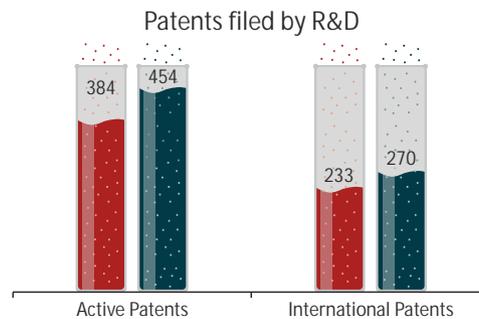
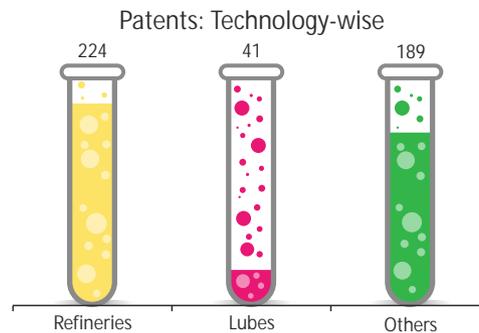
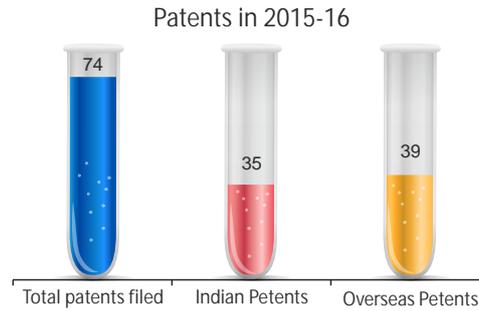
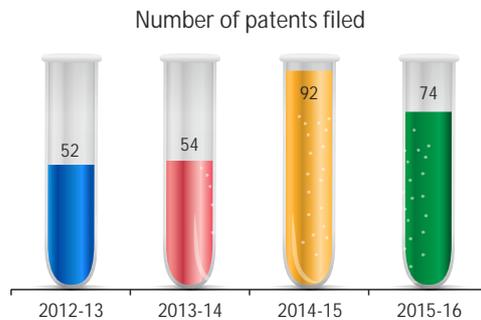


A offshore oil spill mock drill was conducted at Paradip

Product Responsibility



In a repeated endeavour towards achieving responsible product stewardship, IndianOil is carrying out various research activities in its state of the art R&D centre which develops novel technologies, number of eco-friendly formulations and globally competitive products. With focus towards reducing the environment footprint, IndianOil is carrying out extensive research on alternative energy sources viz., ethanol blended petrol, bio-diesel, H-CNG blends and Hydrogen energy. Our R&D is also focussed on cutting-edge research in the areas of nanotechnology, petrochemicals & polymers, coal gasification/liquefaction, and gas-to-liquid technologies. IndianOil holds 454 active patents, of which 184 are Indian patents, 92 are US patents and 178 are patents of other countries.



The total expenditure on Research & Development during the year:

S.N.	Particulars	Amount spent in INR. crores
1.	Capital Expenditure	362.04
2.	Revenue Expenditure	235.27
	Total expenditure	597.31



Commercialized products and process

IndianOil makes continuous efforts in commercializing the indigenous product developed by our R&D team and the commercialized four patents in the year 2015-16.

INDMAX unit technology, which has indigenously been developed by IndianOil's R&D Centre, has been commissioned at Paradip Refinery. The commissioning of INDMAX Unit at Paradip marks a major milestone and IndianOil is now recognized globally as a technology licensor. INDMAX enables direct conversion of petroleum hydrocarbon streams into more valuable light distillates and petrochemical feedstock.

To further strengthen its R&D initiatives, IndianOil has acquired additional land of about 59 acres at the Industrial Model Township in Faridabad for setting up the second R&D campus (technology Development & Deployment Centre) exclusively for Alternative & Renewable Energy (i-CARE).

IOC-DBT Centre at Research and Development Centre, Indian Oil Corporation Ltd, Sector 13, Faridabad is conducting the cutting edge research on second and third generation biofuels

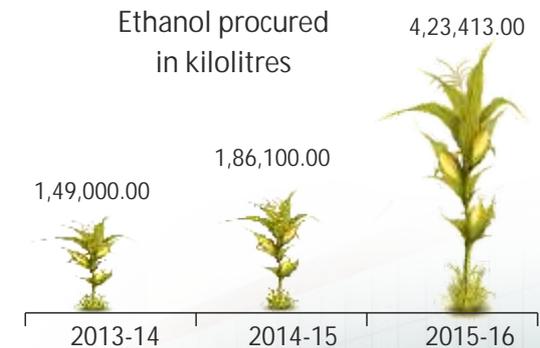
production and scale-up. This is the part of the Q green initiative of the Indian Oil Corporation and Department of Biotechnology, Government of India. Apart from conducting the research and scale-up studies, this Centre is the new concept in itself and is also engaged in the assessment of the Global Warming Potential of these biofuels and their energy analysis. Following three projects have been completed on bio-fuels research:

- Life cycle assessment of fuel ethanol from sugarcane molasses in northern and western India and its impact on Indian biofuel programme
- Life Cycle Assessment of rice straw utilization practices in India
- Global Warming Potential and energy analysis of Second generation ethanol production from rice straw in India using different production technologies

Ethanol Blended Petrol

IndianOil has achieved 3.46% ethanol blending in petrol during the year 2015-16. Both the ethanol procured and blending percentage of ethanol has continued to increase over the years. In 2015-16, the total quantity of ethanol procured was 4,23,413

kilolitres compared to 1,86,100 kilolitres of ethanol in 2014-15. Further, IndianOil also procured 5,081 kilolitres of Bio-diesel in 2015-16.





Marketing Communications

IndianOil is conscious of sensitive nature of the product portfolio and determined to maintain customer confidence. We serve our customers with product and services of highest quality. We are committed to building long-term relationships with our customers, delivering maximum value to them. IndianOil has 45,000 plus customer touch points which includes more than 25,000 petrol and diesel stations including 6,200 KSKs. Our Indane LPG cooking gas reaches the doorsteps of 9.88 crore households in about 3,270 markets through a network of 9,144 distributors. With presence over 70 countries, IndianOil offers a full slate of petrochemical products and intermediates which covers over 80% of the plastics applications. In order to maintain the customer trust, we continuously seek suggestions from customers and upgrade our products and services. At IndianOil, we ensure grievance redressal across all customer categories and stakeholders. All customer complaints and grievances are addressed and redressed by the respective department. In addition to portal for queries/complaints on LPG and fuel stations, we

are connected to our customer through a toll free number. IndianOil has round-the-clock LPG emergency helpline. A total of 4,62,348 customer complaints were received, out of which 4,62,239 (99.97%) were resolved during FY 2015-16. Further, we are connected to our customers through social media sites viz., Facebook, Twitter, Instagram and Youtube.

We have our loyalty programmes designed exclusively to benefit the large number of customers. IndianOil XTRAREWARDS is India's first online rewards programme that seeks to inculcate the habit of redeeming points. It is currently active in Mumbai, Delhi, Chennai, Ahmedabad, Bengaluru, Bhubaneshwar, Coimbatore, Mysore, Pune and Secunderabad, with plans to reach other cities soon.

In order to cater to the specific needs of logistics Industry, IndianOil offers complete Fleet



Management Solution under XTRAPOWERR Fleet Card Program and covered 23 lakh vehicles so far by the fleet card program. A business portal and Mobile App (Xsparsh) for bulk customers was launched during the year.



Non-Fuel retail offering

In order to provide engaging experience to our customers, IndianOil is focused on enhancing its non-fuel retail offerings through its 195 million sq feet of retail space. Several alliances have already been forged with leading brands like Hindustan Unilever Ltd, Dabur, ICICI Bank, Ferns & Petals, MTR Foods, PVR Cinema, UAE Exchange, Reliance Capital and DHL.

Petroleum products

In line with MoP&NG guidelines, most of the Northern Region of India has switched over to BS-IV compliant fuel. As on 01.04.2016, BS IV grade fuels were supplied to the whole state of Haryana, Himachal Pradesh, Uttarakhand, Delhi, J&K, Punjab, 4 districts in Rajasthan and 28 districts in Uttar Pradesh.

Quality control (QC)

- During the year 2015-16, more than 1.8 lakh samples were tested in marketing QC labs to ensure that only quality products reaches our customers. These labs also provided all technical support during roll out of BS IV fuels replacing BS III grade as per Auto Fuel Policy announced by the Government. Further, to ensure quality at selling points, more than 45,000 samples were checked by mobile labs.

- 540 quality audits of locations storing products were conducted to strengthen the Quality Assurance system.
- The IndianOil QC Department played a pivotal role in finalizing the Industry Quality Control Manual 2015, and the development of BIS specifications for various fuels and related test methods



Product labelling

It is necessary for the customers and end users to have access to information about the impacts of products and services to make informed decisions. All our products follow Bureau of Indian Standards guidelines for product information and labelling. For products like naphtha, further value additions are done as per consumer applications. All our packed lubricants display safety and disposal instructions. 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.

We do not reclaim any of our sold products or the packaging material involved. There is a 100% reuse of the domestic and commercial LPG cylinders.

Compliance

We don't indulge in sale of any banned or disputed products. No cases were registered in respect of non-compliance with regulatory or voluntary codes concerning health and safety impacts of products and services or product and service information and labelling. No incidents of non-compliance concerning marketing communication or breach of customer privacy and loss of customer data were reported. No significant monetary fines were levied during the year for the provision and use of products and services.

Key Accounts Management (KAM)

Key Accounts Management (KAM) was introduced some time back on All India basis for all KAM customers. Annual KAM meetings are conducted by State Offices to review various issues. For each KAM customer, quarterly feedback is obtained for measuring their satisfaction level and reviewed

regularly at State Office for further improvement. A set of questions is forwarded to customers after every quarter and their response is sought. Customers record their response against each question and forward the same to our State Offices. Based on the feedback, Customer Satisfaction Index (CSI) is evaluated by the concerned State Office and necessary actions are taken.

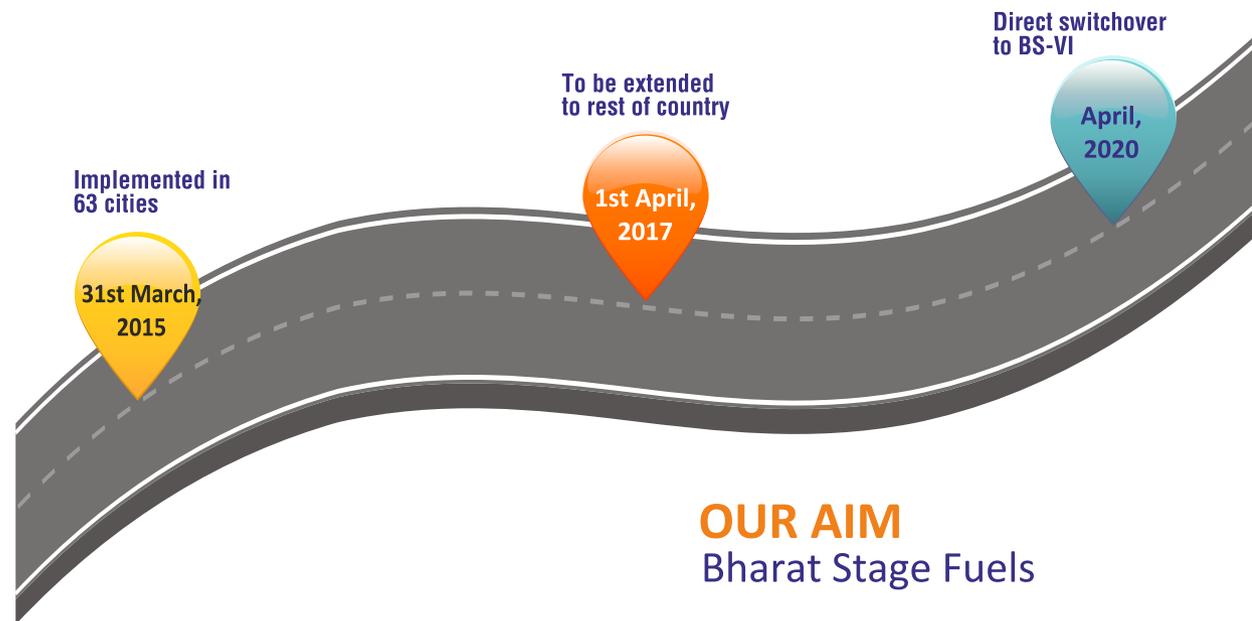
Customer Satisfaction

Consumer survey / market feedbacks are conducted at regular intervals besides regular customer engagement initiatives, to assess the customer satisfactions and improve upon the deliverables to meet customer expectations. The feedback also includes non-fuel services provided by our retail outlets. Provisions are in place for rating of LPG Distributor Services.

Time schedules have been drawn out to enable customers to meet the higher officials. Meetings are fixed at Head Office and State Office level on Tuesdays, Wednesdays & Thursdays between 3 pm & 4 pm and at Divisional, Area Offices and LPG bottling plants on Mondays, Wednesdays and

Fridays between 3 pm and 4 pm to understand customer needs better and offer customized solutions. During the year, total 4,62,348 complaints/feedbacks were received, out of which 109 customer complaints are pending at the end of the financial year. Percentage of customer complains pending across the divisions at the end of financial year 2015-16 are as follows:

S.No	Division	Pending complaints (%)
1	P&BD	Nil
2	Marketing	0.32
3	R&D	Nil
4	IBP (Cryogenics)	Nil



GRI Index

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
G4-1	Chairman's Message	Not applicable	Not applicable	Not applicable	2
G4-2	Stakeholder engagement & materiality	Not applicable	Not applicable	Not applicable	17
ORGANIZATIONAL PROFILE					
G4-3	Back cover	Not applicable	Not applicable	Not applicable	
G4-4	Brand Portfolio	Not applicable	Not applicable	Not applicable	11
G4-5	Back cover	Not applicable	Not applicable	Not applicable	
G4-6	About IndianOil	Not applicable	Not applicable	Not applicable	6
G4-7	Shareholding pattern	Not applicable	Not applicable	Not applicable	12
G4-8	Value chain	Not applicable	Not applicable	Not applicable	13
G4-9	About IndianOil, Economic performance	Not applicable	Not applicable	Not applicable	6, 57
G4-10	About IndianOil, Economic performance	Not applicable	Not applicable	Not applicable	6, 57
G4-11	Employees	Not applicable	Not applicable	Not applicable	90
G4-12	Value chain	Not applicable	Not applicable	Not applicable	13
G4-13	Report Profile, Scope & Boundary, Economic Performance	Not applicable	Not applicable	Not applicable	1
G4-14	Key Impacts, Risks and Opportunities	Not applicable	Not applicable	Not applicable	26
G4-15	About IndianOil - Associations, Charters And Membership, Corporate Governance – External Commitments And Public Policy Participations	Not applicable	Not applicable	Not applicable	16, 34
G4-16	About IndianOil - Associations, Charters And Membership	Not applicable	Not applicable	Not applicable	16

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-18	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-19	Stakeholder Engagement & Materiality	Not applicable	Not applicable	Not applicable	17
G4-20	Stakeholder Engagement & Materiality	Not applicable	Not applicable	Not applicable	17
G4-21	Stakeholder Engagement & Materiality	Not applicable	Not applicable	Not applicable	17
G4-22	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-23	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
STAKEHOLDER ENGAGEMENT					
G4-24	Stakeholder engagement & materiality-Our stakeholders	Not applicable	Not applicable	Not applicable	17
G4-25	Stakeholder engagement & materiality-Our stakeholders	Not applicable	Not applicable	Not applicable	17
G4-26	Stakeholder engagement & materiality-Stakeholders Engagement	Not applicable	Not applicable	Not applicable	17
G4-27	Stakeholder engagement & materiality-Stakeholders Engagement	Not applicable	Not applicable	Not applicable	17
REPORT PROFILE					
G4-28	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-29	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-30	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-31	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-32	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1
G4-33	Report Profile, Scope & Boundary	Not applicable	Not applicable	Not applicable	1

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
GOVERNANCE					
G4-34	Corporate Governance	Not applicable	Not applicable	Not applicable	28
G4-35	Corporate governance – The Board of Directors				29
G4-36	Corporate governance – Our Board Committees				31
G4-37	Corporate governance – Board Meetings				32
G4-38	Corporate Governance- The Board Of Directors				29
G4-39	Corporate Governance- The Board Of Directors				29
G4-40	Corporate Governance- The Board Of Directors				29
G4-41	Corporate Governance- The Board Of Directors				29
G4-42	Corporate governance – Our Board Committees				31
G4-43	Corporate governance – Board Meetings				32
G4-44	Corporate Governance- The Board Of Directors, Our Board Committees				29,31
G4-45	Key Impacts, Risks and Opportunities				26
G4-46	Key Impacts, Risks and Opportunities				26
G4-47	Key Impacts, Risks and Opportunities				26
G4-48	Key Impacts, Risks & Opportunities				26
G4-49	Key Impacts, Risks & Opportunities				26
G4-50	Key Impacts, Risks & Opportunities				26
G4-51	Corporate Governance - Remuneration of Directors				33
G4-52	Corporate Governance - Remuneration of Directors				33

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
G4-53	Corporate Governance - Remuneration of Directors				33
G4-54	Corporate Governance - Remuneration of Directors				33
G4-55	Corporate Governance - Remuneration of Directors				33
ETHICS AND INTEGRITY					
G4-56	Corporate Governance				28
G4-57	Corporate Governance – Integrity and Accountability				36
G4-58	Corporate Governance - Whistle blower policy				33
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	Economic Performance				57
G4-EC1	Economic Performance, Social Performance				57, 81
G4-EC2	Sustainable Development Initiatives, Environmental performance				46, 66
G4-EC3	Employees				90
G4-EC4	Note – 20, Revenue from Operations (Gross)				Annual Report 2015-16 (Page No. 210)
MATERIAL ASPECT: MARKET PRESENCE					
G4-DMA	Corporate Governance				28
G4-EC5	Corporate governance - Human Rights				34
G4-EC6	Employees - Talent Recruitment				98

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS					
G4-DMA	Social Performance				81
G4-EC7	Social Performance				81
G4-EC8	Social Performance				81
MATERIAL ASPECT: PROCUREMENT PRACTICES					
G4-DMA	Corporate Governance				28
G4-EC9	Corporate governance - Public Procurement Policy for Micro, Small and Medium Enterprises				34
OG1	Economic Performance – E & P				63
CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: MATERIALS					
G4-DMA	Environmental Performance - Material				66
G4-EN1	Environmental Performance - Material				66
G4-EN2	Environmental Performance - Material				66
MATERIAL ASPECT: ENERGY					
G4-DMA	Environmental Performance - Energy				73
G4-EN3	Environmental Performance - Energy				73
G4-EN4	Environmental Performance - Energy				73
G4-EN5	Environmental Performance - Energy				73
G4-EN6	Environmental Performance - Energy				73
G4-EN7	Environmental Performance - Energy				73

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: WATER					
G4-DMA	Environmental Performance - Water				78
G4-EN8	Environmental Performance - Water				78
G4-EN9	Environmental Performance - Water				78
G4-EN10	Environmental Performance – Water, Waste				78, 79
MATERIAL ASPECT: BIODIVERSITY					
G4-DMA	Environmental Performance – Biodiversity				77
G4-EN11	Environmental Performance – Biodiversity				77
G4-EN12	Environmental Performance – Biodiversity				77
G4-EN13	Environmental Performance – Biodiversity				77
G4-EN14	Environmental Performance – Biodiversity				77
MATERIAL ASPECT: EMISSIONS					
G4-DMA	Environmental Performance - Emissions				74
G4-EN15	Environmental Performance - Emissions				74
G4-EN16	Environmental Performance - Emissions				74
G4-EN17	Sustainable Development Initiatives				46
G4-EN18	Environmental Performance - Emissions				74
G4-EN19	Environmental Performance- Energy Conservation Measures, Emissions				73, 74
G4-EN20	Environmental Performance – Prevention of Air Pollution				75
G4-EN21	Environmental Performance – Prevention of Air Pollution				75

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: EFFLUENTS AND WASTE					
G4-DMA	Environmental Performance –Waste				79
G4-EN22	Environmental Performance –Waste				79
G4-EN23	Environmental Performance –Waste				79
G4-EN24	Health & Safety – Oil Spills Response				104
G4-EN25	Not Applicable				-
G4-EN26	Environmental Performance –Waste				79
MATERIAL ASPECT: PRODUCTS AND SERVICES					
G4-DMA	Product Responsibility				105
G4-EN27	Product Responsibility				105
G4-EN28	Product Responsibility – Product Labelling				110
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Product Responsibility - Compliance				110
G4-EN29	Environmental Performance				66
MATERIAL ASPECT: TRANSPORT					
G4-DMA	Product Responsibility				105
G4-EN30	Product Responsibility				105
MATERIAL ASPECT: OVERALL					
G4-DMA	Product Responsibility				105
G4-EN31	Product Responsibility				105
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-DMA	Corporate Governance				28

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
G4-EN32	Corporate Governance – Sustainable Sourcing				36
G4-EN33	Corporate Governance – Sustainable Sourcing				36
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS					
G4-DMA	Environmental Performance				66
G4-EN34	Environmental Performance				66
OG2	Sustainable Development Initiatives				46
OG3	Sustainable Development Initiatives				46
OG4	Environmental Performance – Biodiversity				77
OG5	Environmental Performance - Waste		Not Applicable		79
OG6	Environmental Performance - Emissions				74
OG7	Not Applicable		Not Applicable		-
OG8	Product Responsibility - Compliance				110
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
G4-DMA	Employees				90
G4-LA1	Employees - Talent Recruitment				98
G4-LA2	Employees - Employee Engagement, Contract labours				99
G4-LA3	Employees – Gender Mainstreaming				95
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS					
G4-DMA	Employees				90
G4-LA4	Employees - Employee Engagement				99

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	Health & Safety				101
G4-LA5	Health & Safety - Safety Committee				103
G4-LA6	Health & Safety				101
G4-LA7	Health & Safety - Safety Committee				103
G4-LA8	Employees - Employee Engagement				99
MATERIAL ASPECT: TRAINING AND EDUCATION					
G4-DMA	Employees				90
G4-LA9	Employees - Training				90
G4-LA10	Employees - Training				90
G4-LA11	E-Governance Initiative				38
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY					
G4-DMA	Corporate Governance				28
G4-LA12	Corporate Governance- The Board of Directors				29
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-DMA	Corporate Governance				28
G4-LA13	Corporate Governance- Human Rights				34
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES					
G4-DMA	Corporate Governance				28
G4-LA14	Corporate Governance- Human Rights				34
G4-LA15	Corporate Governance- Human Rights				34

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS					
G4-DMA	Corporate Governance				258/
G4-LA16	Corporate Governance- Human Rights				34
SUB-CATEGORY: HUMAN RIGHTS					
MATERIAL ASPECT: INVESTMENT					
G4-DMA	Corporate Governance				28
G4-HR1	Corporate Governance- Human Rights				34
G4-HR2	Employees - Training				90
MATERIAL ASPECT: NON-DISCRIMINATION					
G4-DMA	Corporate Governance				28
G4-HR3	Corporate Governance- Human Rights				34
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
G4-DMA	Employees				90
G4-HR4	Employees - Employee Engagement				99
MATERIAL ASPECT: CHILD LABOR					
G4-DMA	Corporate Governance				28
G4-HR5	Corporate Governance- Human Rights				34
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR					
G4-DMA	Corporate Governance				28
G4-HR6	Corporate Governance- Human Rights				34

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: SECURITY PRACTICES					
G4-DMA	Health & Safety				101
G4-HR7	Health & Safety				101
MATERIAL ASPECT: INDIGENOUS RIGHTS					
G4-DMA	Corporate Governance				28
G4-HR8	Corporate Governance- Human Rights				34
MATERIAL ASPECT: ASSESSMENT					
G4-DMA	Corporate Governance				28
G4-HR9	Corporate Governance- Human Rights				34
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT					
G4-DMA	Corporate Governance				28
G4-HR10	Corporate Governance- Human Rights				34
G4-HR11	Corporate Governance- Human Rights				34
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS					
G4-DMA	Corporate Governance				28
G4-HR12	Corporate Governance- Human Rights				34
OG9	Corporate Governance- Human Rights				34
SUB-CATEGORY: SOCIETY					
MATERIAL ASPECT: LOCAL COMMUNITIES					
G4-DMA	Social Performance				81
G4-SO1	Social Performance				81
G4-SO2	Social Performance				81

Disclosures	Link & Page No. Omission(s)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Page No.
MATERIAL ASPECT: ANTI-CORRUPTION					
G4-DMA	Corporate Governance				28
G4-SO3	Corporate Governance - Corruption and Anti Competitive Behaviour				33
G4-SO4	Corporate Governance - Corruption and Anti Competitive Behaviour				33
G4-SO5	Corporate Governance - Corruption and Anti Competitive Behaviour				33
MATERIAL ASPECT: PUBLIC POLICY					
G4-DMA	Corporate Governance				28
G4-SO6	Corporate Governance - Human Rights				34
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR					
G4-DMA	Corporate Governance				28
G4-SO7	Corporate Governance - Corruption and Anti Competitive Behaviour				33
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Product responsibility				105
G4-SO8	Product responsibility - Compliance				110

UNGC Principles Linkage

UNGC Principles	GRI Disclosures to report actions taken to implement UNGC Principles and outcomes from implementing UNGC Principles	
	Report Heading	Page No.
Principle 1: Human Rights Businesses should support and respect the protection of internationally proclaimed human rights	Employees – Training	90
	Health & Safety	101
	Corporate Governance – Human Rights	34
Principle 2: Human Rights Business should make sure they are not complicit in human rights abuses.	Corporate Governance – Human Rights	34
Principle 3: Labour Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Employees _ Employee Engagement	99
Principle 4: Labour Businesses should uphold the elimination of all forms of forced and compulsory labour.	Corporate Governance – Human Rights	34
Principle 5: Labour Businesses should uphold the effective abolition of child labour.	Corporate Governance – Human Rights	34
	Employees	90
	Corporate Governance – Human Rights	34
Principle 6: Labour Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Employees – Talent Recruitment	98
	Employees – gender mainstreaming	95
	Employees - Training	90
	Corporate Governance – The Board of Directors	29

UNGC Principles	GRI Disclosures to report actions taken to implement UNGC Principles and outcomes from implementing UNGC Principles	
	Report Heading	Page No.
Principle 7: Environment: Businesses should support a precautionary approach to environmental challenges.	Environmental Performance	66
	Environmental Performance - Material	66
	Environmental Performance - Energy	73
	Environmental Performance - Water	78
	Environmental Performance - Emissions	74
	Product Responsibility	105
Principle 8: Environment Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Performance – Material	66
	Environmental Performance – Energy	73
	Environmental Performance – Water	78
	Environmental Performance - Biodiversity	77
	Environmental Performance – Emissions	74
	Environmental Performance - Waste	79
	Health & Safety	101
	Product Responsibility	105
	Sustainable Development Initiatives	46
Corporate Governance – Sustainable Sourcing	36	

UNGC Principles	GRI Disclosures to report actions taken to implement UNGC Principles and outcomes from implementing UNGC Principles	
	Report Heading	Page No.
Principle 9: Environment Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental Performance – Energy	73
	Environmental Performance – Emissions	74
	Product Responsibility	105
Principle 10: Anti-corruption Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance	28
	Corporate Governance - Integrity and Accountability	36
	Corporate Governance - Whistle Blower Policy	33
	Corporate Governance - Corruption and Anti-Competitive Behaviour	33
	Corporate Governance - Human Rights	34

Abbreviations

AE&SD	Alternate Energy & Sustainable Development	EIL	Engineers India Limited
AFS	Aviation Fuel Station	ENCON	Energy Conservation
AOCN	Assam Oil College of Nursing	EP	Environment Protection
AOD	Assam Oil Division	EPF & MP Act	Employees Provident Funds and Miscellaneous Provisions Act
ASI	Archaeological Survey of India	EPS	Employees Pension Scheme
ATF	Aviation Turbine Fuel	ERDMP	Emergency Response & Disaster Management Plan
AU	Atmospheric Unit	ESA	External Safety Audit
BN	Billion	ETP	Effluent Treatment Plants
BPCL	Bharat Petroleum Corporation limited	FCC	Fluidised Catalytic Cracker
BPL	Below Poverty Line	FICCI	Federation of Indian Chambers of Commerce and Industry
BOD	Biological Oxygen Demand	FO	Fuel Oil
BS – IV/ VI	Bharat Stage IV / VI	FTL	Free trade LPG
CAGR	Compound Annual Growth Rate	FY	Financial Year
CATCH	Cultivating Awareness Towards Conservation of Heritage	GAIL	Gas Authority of India Limited
CCI	Competition Commission of India	GCC	General Conditions of Contract
CDM	Clean Development Mechanism	GHG	Greenhouse Gases
CDP	Carbon Disclosure Project	GoI	Government of India
CDU	Crude oil Distillation Unit	GPW	Great Place to Work
CERs	Certified Emission Reductions	GRI	Global Reporting Initiatives
CFC	Chlorofluorocarbons	GRM	Gross Refining Margin
CII	Confederation Indian Industry	GSPL	Gujarat State Petronet Ltd
CO	Corporate Office	GWh	Gigawatt hour
COMPAT	Competition Appellate Tribunal	G4	GRI's fourth generation indicators
CPCB/SPCB	Central Pollution Control Board/ State Pollution Control Board	HGU	Hydrogen Generation Unit
CPL	Chennai Petroleum Corporation Limited	HOD	Head Of Department
CREDA	Chhattisgarh Renewal Energy Development Authority	HPCL	Hindustan Petroleum Corporation Limited
CRU	Catalytic Reformer Unit	HRSG	Heat Recovery Steam Generator
CSI	Customer Satisfaction Index	HSD	High Speed Diesel
CSR	Corporate Social Responsibility	HSE	Health, Safety and Environment
CVC	Central Vigilance Commission	IAF	Indian Air Force
DCU	Delayed Coker Unit	IndianOil	IndianOil Corporation Limited
DPE	Department of Public enterprises	IOC	Indian Oil Corporation Limited
E & P	Exploration and Production	IOF	Indian Oil Foundation
EAC	Expert Appraisal Committee	IOT	Indian Oil Tanking
EBP	Ethanol Blended Petrol	IP	Integrity Pact
Eco Parks	Ecological Parks	ISO	International Organization for Standardization
EIA	Environmental Impact Assessment	KAM	Key Accounts Management

KL	Kilo litre	PL	Pipeline
KM	Kilo Meter	PMS	Performance Management System
KPI	Key Performance Index	PNCC	Panipat Naptha Cracker Complex
KRA	Key Result Areas	PNCP	Panipat Naptha Cracker Plant
KSK	Kisan Seva Kendra	PP/ PE	Poly Propylene / Poly Ethylene
KW / KWh	Kilowatt/ Kilowatt Hour	PPE	Personal Protective Equipment
LAB	Linear Alkyl Benzene	PSU	Public Sector Undertaking
LDO	Light Diesel Oil	PTA	Purified Terephthalic Acid
LNG	Liquefied Natural Gas	PX	Paraxylene
LPG	Liquefied Petroleum Gas	PV	Photovoltaic
LTS	Long Term Settlement	R & D	Research and Development
MBN (MBTU/ BBL/NRGF)	It refers to total heat value of fuel and loss in thousand BTU, BBL refers to barrel of crude processed and NRGF is a derived factor that depends upon actual intake in both primary and secondary processing units as per industry standard	RLNG	Re-gasified Liquefied Natural gas
MINAS	Minimal National Standard	RGGLVY	Rajiv Gandhi Gramin LPG Vitran Yojana
MMSCMD	Million Metric Standard Cubic Meters per day	RO	Retail Outlets
MMSCM	Million Metric Standard Cubic Meters	RTI	Right To Information
MMT	Million metric tons	SC/ST/OBC /PWD	Scheduled Caste / Scheduled Tribe / Other Backward Castes / Persons with Disabilities
MMTPA	Million metric tons Per Annum	SIGC	Shareholders' / Investors Grievance Committee
MoP&NG	Ministry Of Petroleum and Natural Gas	SKO	Superior Kerosene Oil
MoU	Memorandum of Understanding	SPM	Single Point Mooring
MSME	Micro, Small and Medium Enterprises	SRC	Stakeholders' Relationship Committee
MSQ	Motor Spirit	SRFT	Standard Refinery Fuel in Tonnes
MT	Metric Tonne	STP	Sewage Treatment Plant
MTCO2e	Million Metric Tonne of Carbon Dioxide Equivalent	TC	Time Charter
MW	Mega Watt	TII	Transparency International India
NCF	National Culture Fund	TJ	Tera joules
NTPC	National Thermal Power Corporation	TKL	Thousand kilo Litre
OGSS	Oil and Gas Sector Supplement	TMTPA	Thousand Metric Tonnes Per Annum
OHSMS/OHSAS	Occupational Health and Safety Management System/Occupational Health and Safety Assessment System	TPM	Total Productive Maintenance
OISD	Oil Industry Safety Directorate	UAE	United Arab Emirates
OMC	Oil Marketing Company	UN	United Nations
ONGC	Oil and Natural Gas Corporation	UNFCCC	United Nations Framework Convention on Climate Change
OSD	Oil Spill Dispersant	UNGC	United Nations Global Compact
OVL	ONGC Videsh Limited	USA	United States of America
PCRA	Petroleum Conservation Research Association	VLCC	Very Large Crude Carrier
PF	Provident Fund	WIPS	Forum for Women In Public Sector

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Corporate Office

3079/3, Sadiq Nagar, J.B. Tito Marg, New Delhi-110049

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