

Annual Report

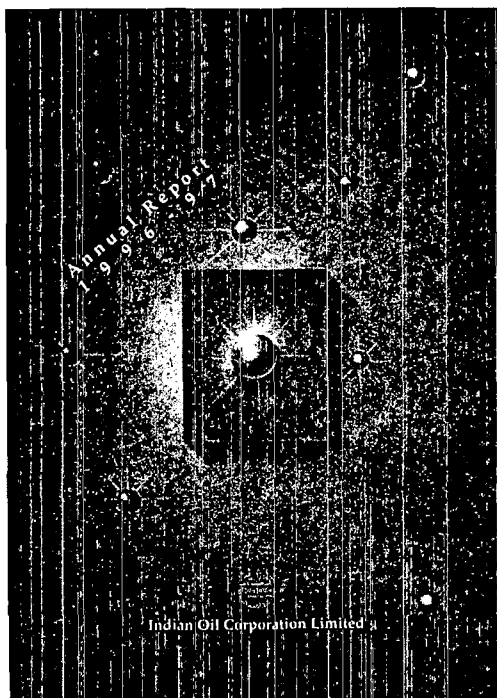
MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	INV	✓
TRA	✓	AC	✓
AGM	✓	STI	✓
YE	✓		

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Indian Oil Corporation Limited

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*IndianOil is a 'jewel in the crown' of Corporate India. A 'Navratna'. A potential global giant. A world-class entity. Constantly striving for excellence. For customer satisfaction. To improve the quality of life.*

*IndianOil is ready.... To march into a brave new world in the next century. With a vision beyond tomorrow.*

## Indian Oil Corporation Limited

Indian Oil Corporation Ltd. is the largest commercial undertaking in India. As the only Indian company in *Fortune's* "Global 500" ranking of the world's largest industrial and service companies, it has improved its 1996 ranking from 317 to 257. Among the petroleum refining companies, it is ranked at 20th place by sales as well as profits. Among the top Asian companies, it is currently ranked 76th.

Incorporated in 1959 as Indian Oil Company Ltd., it became a Corporation in 1964 when Indian Refineries Ltd. (Estd. 1958) was merged with the company.

IndianOil owns and operates 6 of the country's 14 refineries with a refining share of about 40%. Its seventh refinery of six million tonnes per annum capacity at Panipat in north-west India is scheduled to be commissioned in 1997-98. Another grassroots refinery is planned on the east coast in collaboration with Kuwait Petroleum Corporation.

IndianOil has a 5,303-km network of pipelines comparable with that of any standard oil company in other parts of the world.

IndianOil meets 55% of the petroleum products' consumption of India. It is also the canalising agency for import of crude oil and major petroleum products. Its extensive network of nearly 18,000 sales points covers the entire country, and is backed for supplies by 178 terminals and depots, 39 LPG bottling plants and 92 aviation fuel stations.

IndianOil is the only oil company in the country with ISO-9002 accreditation for over 40 units which include refineries, pipelines, aviation fuel stations, quality control laboratories and LPG bottling plants. Its Mathura refinery is the first refinery in Asia and the third in the world to earn the British Standard (BS:7750) and ISO - 14001 certifications in environmental management. IndianOil's Gujarat and Barauni refineries have also earned the ISO-14001 certification in 1997.

IndianOil's comprehensive, ISO-9001 certified R&D Centre has done pioneering work in lubricants, refinery processes and pipeline transportation. The Centre has

developed over 1,800 lubricant formulations and obtained approvals from national and international equipment builders. A wholly-owned subsidiary, Indian Oil Blending Ltd., manufactures over 400 grades of the country's leading *SERVO* brand of lubricants and greases.

IndianOil nurtures the vision of becoming an integrated and diversified global energy corporation. It is augmenting infrastructure and expanding into exploration & production of crude oil, petrochemicals, power generation, LNG and fuel management. It is also globalising its R&D, training and consultancy services as well as marketing in the downstream sector, including lubricants.

IndianOil has formed a joint venture—Indian Oiltanking Ltd.—in association with Oiltanking GmbH, Germany, and IBP Co. to develop tankage infrastructure. Two other joint venture companies, Indo-Mobil and Avi Oil India, offer premium and speciality lubricants. As a partner in Petronet India Ltd., setting up of product pipelines will also be taken up in the country. A strategic alliance exists with Air BP in the area of aviation fuel services. While IndianOil is already managing an oil terminal in Zambia, its premium range of *SERVO* lubricants are being marketed in Nepal and UAE, with other markets to follow soon. Memoranda have been signed with Petronas of Malaysia, Marubeni of Japan, Petrotrin and National Petroleum Marketing Co. of Trinidad & Tobago, and Emirates National Oil Co. for collaborative ventures in both upstream and downstream areas, including training and consultancy.

As part of its diversification plans, IndianOil is studying offshore oil fields in India and abroad for commercial exploitation in collaboration with Enterprise Oil, UK. Various proposals for collaboration, including deep water exploration, in India and abroad are contemplated with ONGC. Other collaborative efforts include LNG terminals with allied facilities at four port locations in India in a joint venture with other Indian and foreign companies. Five power projects are being set up with JV partners.

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## Indian Oil Corporation Limited

Registered Office : Indianoil Bhavan,  
G-9, Ali Yavar Jung Marg,  
Bandra (East), Mumbai-400 051

### 38th Annual Report

In this Report one lakh corresponds to 0.1 million and one crore to ten million.

## Corporate Mission

To become an integrated and diversified global energy corporation.

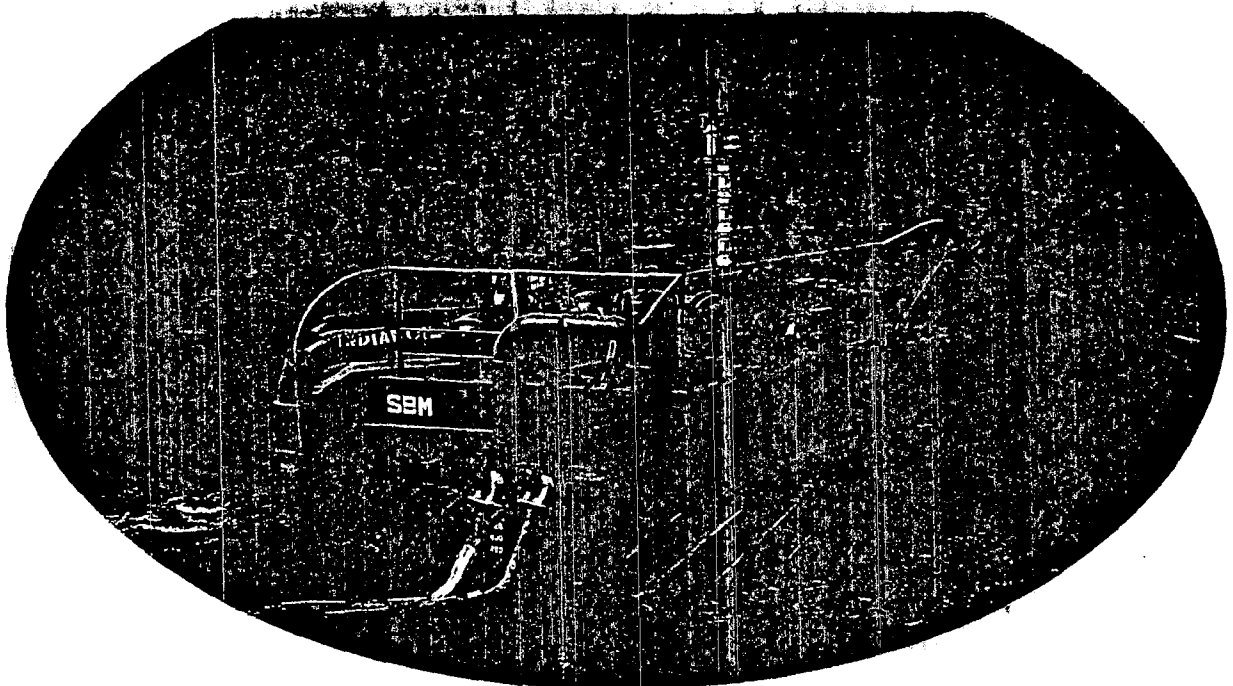
To achieve international standards of excellence in petroleum refining, marketing and transportation with concern for customer satisfaction.

To create a modern technology base for self-reliance, growth and development of the business.

To contribute to the national economy by providing adequate return on investment and by setting high standards of leadership in productivity and total quality.

To foster a culture of participation and innovation for employee growth and contribution.

To help enrich quality of life of the community and preserve ecological balance and national heritage.





## Objectives and Obligations

### OBJECTIVES

To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.

To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products efficiently.

To earn a reasonable rate of interest on investment.

To work towards the achievement of self-sufficiency in the field of oil refining by setting up adequate capacity and to build up expertise in laying of crude oil/petroleum product pipelines.

To create a strong research and development base in the field of oil refining and stimulate the development of new product formulations with a view to minimise/eliminate their imports and to have next generation products.

To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.

To optimise utilisation of its refining capacity and maximise distillate yield from refining of crude oil to minimise foreign exchange outgo.

To minimise fuel consumption in refineries and stock losses in marketing operations to effect energy conservation.

To further enhance distribution network for providing assured service to customers throughout the country through expansion of reseller network as per Marketing Plan/Govt. approval.

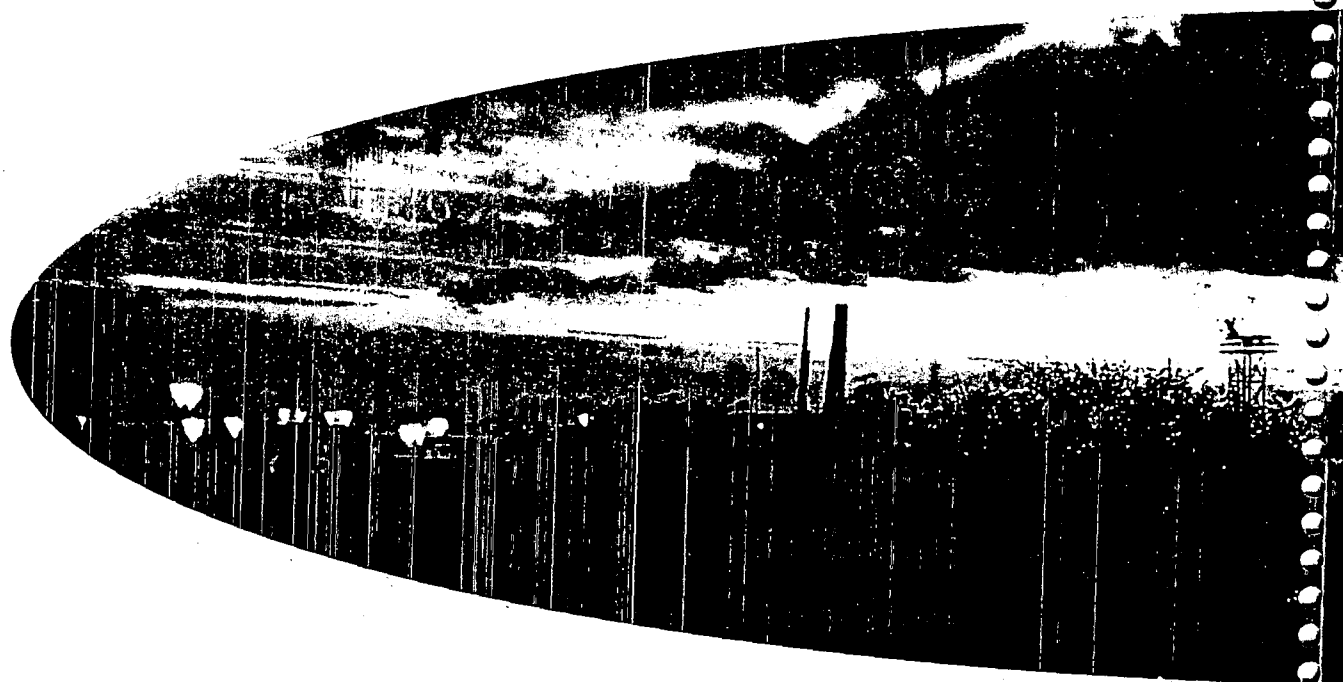
To avail of all viable opportunities, both national and global, arising out of the liberalisation policies being pursued by the Government of India.

To achieve higher growth through integration, mergers, acquisitions and diversification by harnessing new business opportunities like petrochemicals, power, lube business, consultancy abroad and exploration & production.

### OBLIGATIONS

#### Towards customers and dealers

To provide prompt, courteous and efficient service and quality products at fair and reasonable prices.



### **Towards suppliers**

To ensure prompt dealings with integrity, impartiality and courtesy and promote ancillary industries.

### **Towards employees**

Develop their capability and advancement through appropriate training and career planning.

Expeditious redressal of grievances.

Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies.

### **Towards community**

To develop techno-economically viable and environment-friendly products for the benefit of the people.

To encourage progressive indigenous manufacture of products and materials so as to substitute imports.

To ensure safety in operations and highest standards of environment protection in its manufacturing plants and townships by taking suitable and effective measures.

To improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.

### **FINANCIAL OBJECTIVES**

To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.

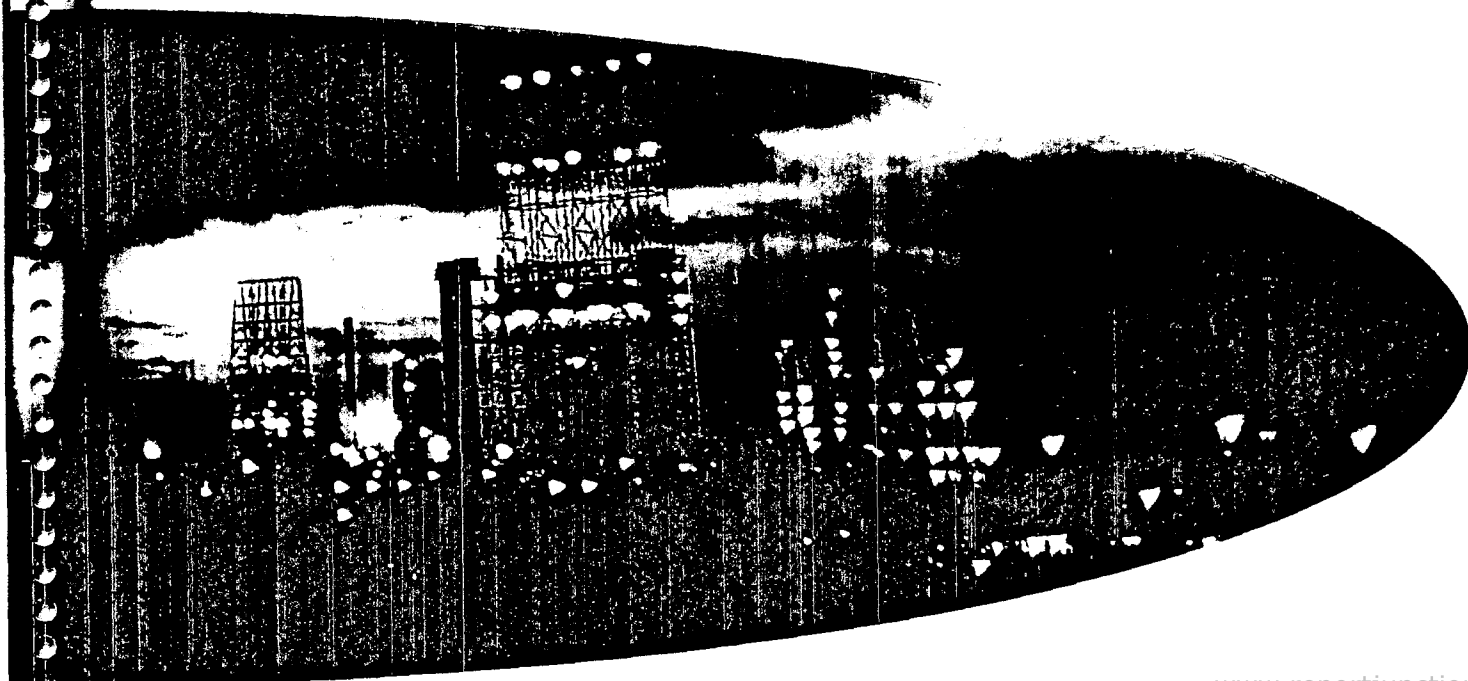
To ensure maximum economy in expenditure.

To manage and operate the facilities in an efficient manner so as to generate adequate internal resources to meet revenue cost and requirements for project investment, without budgetary support.

To develop long-term corporate plans to provide for adequate growth of the activities of the Corporation.

To endeavour to reduce the cost of production of petroleum products by means of systematic cost control measures.

To endeavour to complete all planned projects within the stipulated time and cost estimates.



## Board of Directors



Chairman  
(w.e.f. 01.02.1997)



Chairman  
(upto 31.01.1997)



Director (Finance)



Director  
(Refineries & Pipelines)



Director (Personnel)



Nirmal Singh



Ravi Saxena

(w.e.f. 21.04.1997)



Prabir Sengupta

(upto 18.02.1997)



Secretary

R. Narayanan



## Board of Directors



*From left: Mr A.K. Arora, Mr S.G. Mathur, Mr M.A. Pathan and Mr Subodh Mittal*



*Mr Nirmal Singh*



*Mr Devi Dayal*



*Mr Ravi Saxena*

## Principal Executives

<b>CORPORATE OFFICE</b>		<b>K.K. Sinha</b>		General Manager (Haldia-Barauni Pipeline)
<b>U.K. Dikshit</b>	Executive Director (HRD & IIPM)	<b>P.V.R. Ayyar</b>	General Manager (Tech.) (Panipat Refinery Project)	
<b>K. Chakravarthi</b>	Executive Director (Vigilance)	<b>Jaspal Singh</b>	General Manager (Eastern India Refinery Project)	
<b>M.B.L. Agarwal</b>	Executive Director (Intl. Trade & Corporate Finance)	<b>R.P. Mandal</b>	General Manager (Projects)	
<b>Narender Singh</b>	Executive Director (Diversification)	<b>B. Chaudhary</b>	General Manager (Projects-Finance)	
<b>C.K. Dixit</b>	Executive Director (Internal Audit)	<b>K.N. Tripathi</b>	General Manager (HRD, Pipelines)	
<b>P.S. Govindarajan</b>	General Manager (Planning)	<b>P.S. Balasubramanian</b>	General Manager (Kandla-Bhatinda Pipeline)	
<b>B.B. Chakravorty</b>	General Manager (Power Projects)	<b>J.K. Nobis</b>	General Manager (Administration & Welfare)	
<b>P.S. Krishnan</b>	General Manager (Benchmarking)	<b>B.D. Soni</b>	General Manager (Finance, Pipelines)	
<b>B.K. Mittal</b>	General Manager (Human Resource)	<b>S.V. Narasimhan</b>	General Manager (Finance)	
<b>G. Sarpal</b>	General Manager (Human Resource Development)	<b>S. Chakraborty</b>	General Manager (Operations, Pipelines)	
<b>REFINERIES &amp; PIPELINES DIVISION</b>		<b>REFINERIES</b>		
<b>S.N. Jha</b>	Executive Director (Projects)	<b>J.L. Raina</b>	Executive Director Mathura Refinery	
<b>A.M. Uplenchwar</b>	Executive Director (Pipelines)	<b>P.K. Biswas</b>	Executive Director Haldia Refinery	
<b>S.L. Das</b>	Executive Director (Human Resource)	<b>P.S. Rao</b>	General Manager I/C Gujarat Refinery	
<b>L.K. Raina</b>	Executive Director Panipat Refinery Project	<b>R. Sah</b>	General Manager (Projects) Gujarat Refinery	
<b>R.K. Sabharwal</b>	Executive Director (Operations)	<b>B.K. Mukherjee</b>	General Manager (Tech) Haldia Refinery	
<b>Rajendra Prasad</b>	General Manager (Panipat Refinery Project)	<b>S.S. Saini</b>	General Manager Barauni Refinery	
<b>K.M. Bansal</b>	General Manager (Projects, Pipelines)	<b>S.L. Marwaha</b>	General Manager (Tech) Mathura Refinery	
<b>K.K. Konar</b>	General Manager (Projects)	<b>C.K. Raja</b>	General Manager Guwahati Refinery	
<b>S.C. Tandon</b>	General Manager (Technical)	<b>MARKETING DIVISION (Head Office)</b>		
<b>S.K. Khanna</b>	General Manager (Safety & Environment Protection)	<b>O.N. Marwaha</b>	Executive Director (LPG)	
<b>S.C. Agarwal</b>	General Manager (Human Resource, Pipelines)	<b>P. Sudarsanam</b>	Executive Director (Lubes)	