



Indian Oil Corporation Limited

A N N U A L R E P O R T 2 0 0 1 - 2 0 0 2



IndianOil

VISION

A major, diversified, transnational, integrated energy company, with national leadership and a strong environment conscience, playing a national role in oil security & public distribution.

MISSION

- ▶ To achieve international standards of excellence in all aspects of energy and diversified business with focus on customer delight through value of products and services, and cost reduction.
- ▶ To maximise creation of wealth, value and satisfaction for the stakeholders.
- ▶ To attain leadership in developing, adopting and assimilating state-of-the-art technology for competitive advantage.
- ▶ To provide technology and services through sustained Research and Development.
- ▶ To foster a culture of participation and innovation for employee growth and contribution.
- ▶ To cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity.
- ▶ To help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience.

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Indian Oil Corporation Limited

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

43rd Annual Report

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



Indian Oil Corporation Limited

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NOTICE

NOTICE is hereby given that the **43rd Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on **Monday, the 30th September 2002 at 1100 hrs.** to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2002 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors.
2. To declare dividend.
3. To appoint a Director in place of Dr. A.K. Bhatnagar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P. Sugavanam, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. R.K. Pachauri, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Shri Vineet Nayyar, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint a Director in place of Shri Naresh Narad, who retires by rotation and being eligible, offers himself for reappointment.

B. SPECIAL BUSINESS

8. Appointment of Shri P.K. Agarwal as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri P.K. Agarwal, who was appointed as an Additional Director by the Board of Directors effective 1st November 2001 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation.”

9. Appointment of Shri A.K. Mitra as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri A.K. Mitra, who was appointed as an Additional Director by the Board of Directors effective 9th November 2001 and who holds office upto the date of this Annual General Meeting and in respect of



whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation."

10. Appointment of Shri R.S. Sharma as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri R.S. Sharma, who was appointed as an Additional Director by the Board of Directors effective 27th March 2002 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation."

11. Appointment of Dr. Surajit Mitra as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Surajit Mitra, who was appointed as an Additional Director by the Board of Directors effective 17th May 2002 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation."

Registered Office:

IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051.

By Order of the Board of Directors

(R. NARAYANAN)
Company Secretary

25th August 2002



Notes

- (a) Explanatory Statement prepared in pursuance of Section 173 of the Companies Act, 1956 in respect of Special Business is annexed.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE CORPORATION. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (c) Members/Proxies should bring the attendance slip duly signed for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID No. and DP ID No. for easy identification of attendance at the meeting.
- (d) All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturdays and Holidays between 1030 hours to 1230 hours upto the date of the Annual General Meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 17th September 2002 to Monday, the 30th September 2002 (both days inclusive) for the purpose of ascertaining the eligibility for payment of Dividend.
- (f) The Dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owners position received from National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) as on 17th September 2002.
- (g) Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, as amended, Dividend for the financial year 31st March 1995 and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government. **The Shareholders who have not encashed the Dividend warrant so far for the financial year 1994-95 to 2000-01 are requested to make their claims to the Registrar & Transfer Agent, M/s. Karvy Consultants Ltd., Hyderabad or at the Registered Office of the Company. It may also be noted that once the unclaimed Dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.**
- (h) Members are requested to bring their copy of Annual Report to the Meeting.
- (i) Members holding shares in physical form are requested to notify immediately, change in their address, if any, to the Company Secretary at the Registered Office address given above or to the Registrars of the Company at the address: M/s. Karvy Consultants Limited, Unit: Indian Oil Corporation Limited, 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 quoting their Folio Number, to ensure prompt receipt of communications and other corporate actions. Similarly, members holding shares in Electronic/Demat form are requested to notify any change of address to their respective Depository Participant (DP) with



whom the demat account is maintained as the Company is obliged to use only the data provided by NSDL / CDSL.

- (j) The Company has despatched Electronic Clearing Service (ECS) mandate forms to all the shareholders recently. Those who wish to avail the facility may fill up the form and send the same to the Registrars of the Company, in case of shares held in physical form and to their respective Depository Participant in case of shares held in Electronic/Demat form.
- (k) The Dividend will be paid subject to deduction of tax at applicable rates. The Shareholders who desire to receive payment of Dividend without deduction of tax at source as per the Income Tax Act may file declaration in Form 15G, in duplicate, on or before 15th September 2002 with the Company.
- (l) As per Section 139 A (5A) of the recently amended Income Tax Act, it is obligatory for every person receiving amount from which tax has been deducted, to furnish his Permanent Account Number (PAN) to the person responsible for deducting such tax. The Act also provides that till such time the Permanent Account Number (PAN) is allotted to such person, it is obligatory to furnish the General Index Register (G.I.R.) Number. Accordingly, the Shareholders from whom tax is to be deducted at source from the Dividend amount are required to furnish their PAN/GIR No. to their respective Depository Participants in case shares are held in Electronic Form and to M/s. Karvy Consultants Limited, our Registrars, in case shares are held in physical form.
- (m) It may be noted that the shareholders in the last Annual General Meeting held on 24th September 2001 authorised the Board of Directors to fix the remuneration of Auditors of the Company for the future years, after the appointment is made by the Comptroller and Auditor General of India (CAG) as per the provisions of the Companies Act applicable to Government Companies. However, a disclosure would be made in the Directors' Report on the remuneration paid to the Auditors effective 2002-03.

Pursuant to the requirements of Corporate Governance, a brief resume of Directors, who are retiring and are eligible for reappointment, is given below:

Item Nos. 3 to 7

- (3) Dr. A.K. Bhatnagar, Director(Research & Development), aged 59 years, is a Doctorate from Lucknow University. He has rich experience of more than 34 years in academics as well as Industrial Research primarily in lubricants, grease technology, fuel & lube additives, fuel quality, analytical sciences and refinery processes. He has published over 200 research papers and has 60 International and National patents to his credit, many of these have been commercialised. He has won several awards and recognitions both Nationally and Internationally. He is an elected Member of various professional societies. Under his leadership, IndianOil R&D Centre has developed several novel technologies in the area of refining and pipelines.

Dr. A.K. Bhatnagar is not a Director in any other company and does not hold membership/Chairmanship in the Committees of any other company.



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- (4) Shri P. Sugavanam, Director(Finance), aged 57 years, is a Chartered Accountant. During his three decade service in IndianOil, he has handled the Finance function in different capacities including Head of Finance in the Pipelines, Refineries and Marketing Divisions. Shri Sugavanam has participated in several professional training programmes and seminars in India and abroad. He combines his deep knowledge of the core finance function with an innovative and holistic approach that has enthused fresh life into the finance stream of IndianOil. Recognising his expertise, the Government of India also appointed him as the Member of the Expert Technical Group for review of Pipelines and Marketing infrastructure.

Details of other Directorships:

Name of the Company	Position held
Petronet CI Limited	Chairman
Indian Oiltanking Limited	Director
ONGC Ltd.	Director
Lubrizol India Pvt. Ltd.	Director
IndianOil TCG Petrochem Limited	Director

Membership in the Committees of other Companies:

Name of the Committee	Position held
Share Transfer Committee of ONGC Ltd.	Member

- (5) Dr. R.K. Pachauri, aged 62 years, is a Director of Tata Energy Research Institute (TERI), New Delhi, a premier research institute in the areas of Energy, Environment, Forestry, Biotechnology and the Conservation of Natural Resources. Dr. Pachauri is a Doctorate in Industrial Engineering and Economics and has served as a faculty both abroad and in India. His wide ranging expertise has resulted in his being invited to join various international and national committees and Boards. He has also served in various committees set up by the Government of India as well as on academic and research institutes. He has been recently elected as a Chairman of the Inter-Governmental Panel on Climate Change (IPCC).

Dr. R.K. Pachauri is not a Director in any other company and does not hold membership/Chairmanship in the Committees of any other company.

- (6) Shri Vineet Nayyar, aged 64 years, is currently Managing Director HCL Corporation Ltd. and Chief Executive Officer of HCL Perot Systems. In a career spanning 39 years, he has handled an array of vastly different and critical assignments. As a Member of Indian Administrative Service (IAS), he has served the Government of India in various capacities.

He has also served in the World Bank dealing with Oil & Gas, Energy operations etc. and was also Chairman & Managing Director of Gas Authority of India Limited (GAIL).



Details of other Directorships:

Name of the Company	Position held
HCL Technologies Limited, India	Director & Vice Chairman
HCL Technologies (Bermuda) Limited, Bermuda	Director
HCL Perot Systems N.V. The Netherlands	Director & CEO
HPS America, Inc., Delaware, USA	Director
HPS Europe Limited, England	Director
HCL Perot Systems, GmbH, Switzerland	Director
HCL Global Systems (Malaysia) SDN.BHD	Director
HCL Perot Systems Limited, India	Director
HPS Global Systems (Bermuda) Limited	Director
HPS Global Systems Pte. Ltd., Singapore	Director
HPS Global Systems (Germany) GmbH	Director
Aircom HPS Wireless Services Pvt.Ltd.	Director

Membership in the Committees of other companies:

Nil

- (7) Shri Naresh Narad, aged 58 years, is a nominee Director of the Government of India. Shri Narad is an IAS of 1968 batch from the Madhya Pradesh cadre and has held various positions in the State and Central Government including Principal Secretary to Government of Madhya Pradesh, Member Secretary, the National Commission on Urbanisation and Joint Secretary in the Ministry of Steel, Government of India. He has also served as Consultant to the United Nations Centre for Human Settlement in Nairobi and Vice Chairman, NAM Co-ordination Group on Housing and represented in United Nations Pre-Conference meet on Building Material. He is currently Special Secretary in the Ministry of Petroleum and Natural Gas, Government of India.

Details of other Directorships:

Name of the Company	Position held
Bharat Petroleum Corporation Limited	Director
Hindustan Petroleum Corporation Limited	Director
IBP Co. Limited	Director

Membership in the Committees of other companies:

Name of the Committee	Position held
Audit Committee of IBP Co. Limited	Member



IndianOil

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 8

Shri Pravin Kumar Agarwal, Director(Marketing) was appointed as an Additional Director effective 1st November 2001 by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds the office upto the date of this Annual General Meeting.

Shri P.K. Agarwal, aged 57 years, is a Mechanical Engineer from the University of Roorkee and an MBA from IMI. He has also studied Industrial and Production Engineering at IIT, Delhi. Prior to his elevation as Director(Marketing), Shri Agarwal was Executive Director of Oil Co-ordination Committee (OCC) under the Ministry of Petroleum & Natural Gas and was involved in the preparation of the blue print for the dismantling of the APM in the Oil Industry. Shri Agarwal has over three decades of rich and varied experience in the Oil Industry covering areas of Marketing Operations, Sales, Lubes-Marketing, Planning, Corporate Finance, etc. Shri Agarwal has participated in several national and international conferences.

Details of other Directorships:

Name of the Company	Position held
IndianOil Petronas Pvt. Ltd.	Chairman
Indian Oiltanking Limited	Director

Membership in the Committees of other companies:

Nil

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri P.K. Agarwal as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri P.K. Agarwal is interested or concerned in the resolution.

Item No.9

Shri Arun Kumar Mitra, Director(Human Resources) was appointed as an Additional Director effective 9th November 2001 by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds the office upto the date of this Annual General Meeting.

Shri A.K. Mitra, aged 59 years, is a Post Graduate in Mathematics and holds a Post Graduate Diploma in Social Work from University of Kolkata. In a career spanning 33 years, he has rich and varied experience in Human Resources with specific focus on Industrial Relations. He has travelled both in India and abroad and participated in training programmes and seminars specialising in Human Resources.

Shri A.K. Mitra is not a Director in any other company and does not hold membership/Chairmanship in the Committees of any other company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri A.K. Mitra as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri A.K.Mitra is interested or concerned in the resolution.