



IndianOil

From Chairman to IOCIans

Straight Talk

Issue 06; May 2025

Dear IOCIans,

It is always a pleasure to connect with you. While I may not be able to reach out to each of you personally, this message allows me to acknowledge your unwavering efforts and share IndianOil's outlook for the journey ahead.

IndianOil's journey has been guided by clarity of purpose, excellence in execution, and a deep commitment to fuelling India's growth aspirations.

Thank you IOCIans

In the backdrop of the recent geo-political tensions at the border, our team's resolve was tested once again. We worked tirelessly, demonstrating immense grit and determination in the face of adversity to ensure uninterrupted services. I want to thank each one of you for inspiring confidence in the people of our country and upholding our core value of 'Nation First'.

Pehle Indian, Phir Oil

FY 2024-25 Performance

The past year brought operational challenges—from fluctuating demand to geopolitical uncertainties. Yet, IndianOil delivered strong physical performance across its core businesses.

In a historical first, IndianOil crossed **100 million metric tonnes** in product sales

Product Sales recorded 1.6% year-on-year growth

Gas business grew by 21%

Petrochemical sales rose by 6%

Refinery utilisation hit 102%

Distillate yield reached a record 80.6%

Fuel and loss improved to 8.8%

Pipelines throughput crossed 100 million tonnes

Our network extended beyond 20,000 km

However, strong physical performance must translate into robust financial outcomes. In FY 2024–25, IndianOil posted revenue from operations of ₹8,45,513 crore and a net profit of ₹12,962 crore. Our gross refining margin stood at \$4.8 per barrel. While some of this impact was driven by global volatility and market pressures, we must also reflect internally. **There is clear room—and reason—to improve cost structures, productivity, asset utilisation, and operational practices across every vertical.**

In this context, **Project SPRINT** was launched on 1st April 2025—a company-wide transformation initiative to strengthen IndianOil's leadership in a rapidly transitioning energy landscape.

Let me be clear in saying that SPRINT is not merely an exercise in change management. It is a structured response to the demands of today's business environment and is set to transform IndianOil in the next 2-3 years.

SPRINT focuses on six strategic pillars:

- S** Strengthening our Core,
- P** Propelling Cost Optimisation,
- R** Reinforcing Customer-Centricity,
- I** Integrating Technology and Innovation,
- N** Nurturing Talent and Leadership,
- T** Becoming Transition-Ready.

These are anchored in the

3 Cs—Core, Cost, Customer

3 Ts—Technology, Talent, Transition

Strengthening the Core

Our refining, marketing, pipelines, and petrochemical businesses remain the bedrock of IndianOil's operations.

To meet India's rising energy demand, we are scaling up refining capacity from 80.8 to 98 MMTA by FY 2026–27, with major projects at Panipat, Gujarat, and Barauni. The proposed mega Paradip Petrochemical Complex will triple our capacity by 2030 and diversify revenue streams into high-growth sectors.

Our marketing network is being enhanced to best-in-class standards, with a sharp focus on enhancing Per Pump Throughput (PPT) and Non-Fuel Retailing (NFR) and Automation.

We are working to bring our refineries into **Quartile 1** of the Solomon Benchmarking Index through dedicated **Profitability, Efficiency, and Reliability Improvement Cells**. At the same time, we're targeting a 20% reduction in R&M costs across all divisions to build a leaner, more agile organisation.

Propelling Cost Optimisation

Operational excellence must be matched by cost efficiency. Under SPRINT, we are systematically identifying and eliminating inefficiencies across operations, logistics, maintenance, and procurement.

Targeted initiatives—such as achieving minimum cost of product placement, especially in **LPG bottling and Aviation fueling**—highlight the significant savings potential across our value chain. These efforts reaffirm the strong link between operational discipline and financial strength. Every rupee saved enhances our strategic flexibility and sharpens our competitive edge.

But cost consciousness must go beyond being a managerial objective—it must become an organisational mindset. We must embed **mindfulness in expenditure** across all functions, ensuring that every outlay is deliberate, value-driven, and aligned with our long-term priorities.

Reinforcing Customer Centricity

Our market leadership rests not only on the scale and quality of our fuel offerings, but also on the consistency and excellence of the customer experience we deliver.

Let me reiterate: IndianOil is one of the largest customer-facing organisations in the country. Every day, we serve over **3.2 crore customers at our retail outlets**, support more than **18 crore LPG users across every corner of India**, and fuel over **2,800 flights daily across 130 airports**. This scale is not just a measure of reach—it is a powerful reminder of the responsibility we carry.

Meeting and exceeding customer expectations is not optional—it is a core pillar of our growth strategy. Under SPRINT, we are Expanding our offerings, **Enhancing loyalty through redesigned service models**, Strengthening feedback mechanisms, Accelerating digital engagement, and Empowering frontline teams with agility and ownership.

Whether it is a consumer at a fuel station, an LPG user at their doorstep, or a corporate client at an industrial site, every customer interaction must reinforce our promise of quality, responsiveness, care and dependability.

Integrating Technology and Innovation

A wide range of data driven digital initiatives is powering our transformation. Be it the **Integrated Planning Tool for corporation-wide optimisation**, or **PIDWS and Drone surveillance enhancing pipeline safety**, or **AI-driven demand forecasting and SMART terminal systems streamlining inventory and delivery**—each is a step toward smarter, faster, and more responsive operations.

Strategic capabilities are being strengthened through the creation of an **M&A Cell and a Trading Desk**, enhancing commercial agility and insight-driven decision-making. Our **R&D Centre** continues to deliver technologies aligned with evolving business needs.

But innovation cannot remain siloed. It must be embedded across IndianOil—through digital tools, a culture of continuous improvement, and data-driven thinking—**making technology central to every decision and process**.

Nurturing Talent and Leadership

At IndianOil, **our workforce is our most valuable software**—the engine that powers our progress, adaptability, and resilience

We're making focused investments in **upskilling our Talent and capability building** across all levels. Initiatives like **Eklavya and Navurja** are helping develop future-ready skills.

At the same time, we recognise that Leadership is defined not by hierarchy but by initiative. **Taking ownership is the first step to leadership**. Every IOCIan is expected to step forward, take responsibility, and contribute meaningfully.

Talent development is a strategic imperative—and leadership must be demonstrated daily through agility, accountability, and shared purpose.

Transition Readiness

While we continue to strengthen our core businesses, we are equally focused on preparing for the future—as the global energy transition accelerates.

Our transition efforts span **renewables, compressed biogas, battery swapping, and electric mobility infrastructure**. These are being anchored and accelerated by our wholly owned subsidiary, **Terra Clean Ltd.**

Initiatives in **Green Hydrogen** and **sustainable aviation fuel (SAF)** further reinforce our decarbonisation roadmap and clean energy vision.

With these initiatives, our aim is to raise IndianOil's contribution to the national energy mix from **8–9% to 12.5%**, firmly establishing our position as an integrated energy company leading India's transition to a low-carbon future.

The Road Ahead

Our financial performance, in the context of a rapidly evolving energy landscape, underscores the urgency to transform. **Project SPRINT provides us with a clear and structured roadmap—but its success hinges entirely on our ability to deliver measurable outcomes with consistency, agility, and accountability.**

This becomes even more critical as competition intensifies, OMCs recalibrate strategies for a cleaner energy future, and regional tensions demand heightened vigilance. In such times, **IndianOil's role as the nation's energy lifeline—and our commitment to resilience and uninterrupted service—becomes even more vital.**

As we accelerate our transformation, let us remember: **there can be no excellence without safety. In everything we do—let us SPRINT with SAFETY.**

I am confident that through our collective strength, seamless collaboration, and shared purpose, we will not only meet our goals but exceed them.

Stay safe. Stay healthy.



SPRINT

A Transformational Project



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A S Sahney
Chairman, IndianOil