

**An Organisation Study**  
On  
**“INDIAN OIL CORPORATION LIMITED”**

**Submitted to**

**Visvesvaraya Technological University (VTU), Belgaum, Karnataka.**



In partial fulfilment for the award of the degree of  
**MASTER OF BUSINESS ADMINISTRATION (MBA)**

**Submitted By**

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Under the guidance of

**Internal Guide**

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### CERTIFICATE BY THE INSTITUTION

This is to certify that **Mr. MANOJ KUMAR A** bearing **USN 1CR19MBA42** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **INDIAN OIL CORPORATION LIMITED** is prepared by him under the guidance of **Mrs. Namitha P Konnur**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

  
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# DECLARATION

I, **Mr. Manoj kumar A.** Bearing **USN 1CR19MBA42** hereby declare that the organization study conducted at **Indian Oil Corporation Limited.** is record of independent work carried out by me under the guidance of **Prof Namita P konnur.** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

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**Place: Bangalore**  
**Date: 15/09/20**

**Signature of the Student**  
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## **ACKNOWLEDGEMENT**

I wish to pledge and reward my deep sense of gratitude for all those who have made this Internship Report come alive.

I would like to express my heart-felt gratitude to thank **Mr. Sanjay Jain, principal, CMR Institute of Technology**, for his valuable suggestions and moral support throughout the course of my project.

I would like to express my heart-felt gratitude to **Mr.Sandeep kumar N - HOD, Dept. of Management Studies CMR Institute of Technology** for her valuable suggestions and moral support throughout the course of my project.

I am gratefully indebted to my internal faculty guide **Prof. NAMITA P KONNUR, CMR Institute of Technology**, for encouraging me and for her constant support throughout the course of the project and helping me complete it successfully.

Finally, I express my sincere thanks to my Parents, friends and all the staff of MBA department of CMRIT for their valuable suggestions in completing this Internship Report.

**MANOJ KUMAR A**  
**(1CR19MBA42)**

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## **EXECUTIVE SUMMARY**

The purpose of this project is to study and understand the organization as a whole and to know how exactly the various departments functions in an organization. It also stimulates and helps to understand the work environment better. The study assesses the performance of the organization and examines the changes in environment. The project gives the over view of the oil and gas Industry. It gives a picture about industry structure, and the current scenario of the industry around the world and in India.

This report tells us the success story of the Indian oil corporation limited. This report consists of the study of the organisation. It involves the brief profile of the company, background and also the nature of the company. It also includes McKinsey's 7S framework which includes strategy, style, staff , skills and shared value.

**SWOT Analysis** – A detailed **analysis** of the company's strengths, weakness, opportunities and threats. **Company history** – Progression of key events associated with the company. **Major products and services** – A list of major products, services and brands of the company

**Indian oil corporation limited** had reported an consolidated net loss for the fourth quarter of financial year 2019-20. In The company had reported a consolidated net profit in the same quarter of financial year 2018-19.

**CHAPTER 1**  
**INTRODUCTION ABOUT**  
**“INDIAN OIL CORPORATION LIMITED”**



**Indian Oil Corporation Limited (IOCL)** known as **Indian Oil** is an Indian government-owned oil and gas company headquartered in New Delhi. It is the largest commercial oil company in the country, with a net profit of INR 19,106 crore (US\$2.848 billion) for the financial year 2016–17. It is ranked 1st in Fortune India 500 list for year 2016 and 117th in Fortune Global 500 list of world's largest companies in the year 2019. As of 31 March 2017, Indian Oil's employee strength is 33,135, out of which 16,545 are in the officer cadre. It is India's largest downstream oil company, with a workforce of more than 33,000 employees, a turnover of Rs. 506,428 crore and a net profit of Rs. 21,346 crore in 2017–18.

Indian Oil's business interests overlap the entire hydrocarbon value-chain, including refining, pipeline transportation, marketing of petroleum products, exploration and production of crude oil, natural gas and petrochemicals.

Indian Oil has ventured into alternative energy and globalisation of downstream operations. It has subsidiaries in Sri Lanka (Lanka IOC), Mauritius (Indian Oil (Mauritius) Ltd)<sup>1</sup> and the Middle East (IOC Middle East FZE).

In May 2018, IOCL became India's most profitable state-owned company for the second consecutive year, with a record profit of ₹21,346 crores in 2017–18, followed by Oil and Natural Gas Corporation, whose profit stood at ₹19,945 crores. In February 2020, the company signed a deal with the Russian oil company Rosneft to buy 40,000 barrels per day of crude in year 2020. From April 1, 2020, Indian Oil is in absolute readiness to launch BS-VI (Bharat Stage VI) fuels in all its retail outlets in Telangana and adopt world-class emission.



# **(INDIAN OIL CORPORATION LIMITED)**

## **• Oil and Gas Industry**

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy.

India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others. Today, it attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

India has been the fourth-largest Liquefied Natural Gas (LNG) importer since 2011 after Japan, South Korea, and China.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US\$ 101.4 billion in 2019-20 from US\$ 70.72 billion in 2016-17. India retained its spot as the third largest consumer of oil in the world in 2019 with consumption of 5.16 million barrels per day (mbpd) of oil in 2019 compared to 4.56 mbpd in 2016.

As of May 01, 2020, India's oil refining capacity stood at 249.9 million metric tonnes (MMT), making it the second largest refiner in Asia. Private companies own about 35.36 per cent of the total refining capacity in FY20.

In FY20, crude oil production in India stood at 30.5 MMT. In FY20, crude oil import increased to 4.54 mbpd from 4.53 mbpd in FY19. Natural Gas consumption is forecast to reach 143.08 million tonnes (MT) by 2040. India's LNG import stood at 33.68 bcm during FY20.

India's consumption of petroleum products grew 4.5 per cent to 213.69 MMT during FY20 from 213.22 MMT in FY19. The total value of petroleum products exported from the country increased to US\$ 35.8 billion in FY20 from US\$ 34.9 billion in FY19. Export of petroleum products from India increased from 60.54 MMT in FY16 to 65.7 MMT in FY20.

Gas pipeline infrastructure in the country stood at 16,981 kms at the beginning of April 2020.

## ❖ Main oil and gas industry in India

- i. Indian oil corporation limited
- ii. Hindustan petroleum corporation limited
- iii. Bharat petroleum



**CHAPTER 2**  
**ORGANISATIONAL PROFILE**

## **2.Organisational profile**

### **i. Back ground**

Indian Oil Corporation was founded in 1964. Indian Oil attained the status of Navratna by 1997 and became India's largest commercial enterprise in 1999. In 2009, a year before earning the status of Maharatna, Indian Oil redefined its vision to be 'The Energy of India' and to become 'A globally admired company,' determined to transform from an oil company into a diversified energy major.

Indian Oil earned a record profit of Rs 11,242 crore in 2015-16, and its highest ever profit of Rs 19,106 crore in 2016-17, becoming the country's most profitable public sector enterprise. Indian Oil's net worth is close to Rs 1 lakh crore, according to its annual report 2017.

The company operates the largest and the widest network of petrol and diesel stations in the country, numbering over 18,278. It reaches Indane cooking gas to the doorsteps of over 53 million households in nearly 2,700 markets through a network of about 5,000 Indane distributors.

In natural gas business, IOC sold 1.849 million tonnes of the product in 2008–09. A technology innovation has been initiated to reach LNG (Liquefied Natural Gas) directly to the doorstep of bulk consumers in cryogenic containers for industrial as well as captive power applications.

IOC is investing Rs. 43,400 crore (\$10.8 billion) during the period 2007–12 in augmentation of refining and pipeline capacities, expansion of marketing infrastructure and product quality upgradation as well as in integration and diversification projects. The company and its subsidiaries account for approximately 48% petroleum products market share, 34% national refining capacity and 71% downstream sector pipelines capacity in India. For the year 2008–09, the Indian Oil group sold 62.6 million tonnes of petroleum products, including 1.7 million tonnes of natural gas, and exported 3.64 million tonnes of petroleum products.

## ii. Nature of Business

Being The Energy of India is about IndianOil, with its over 33,500-strong team, taking the lead in meeting India's energy demands efficiently and effectively today, just as it has done over the last six decades, and an enterprise that fuels India's core sector.

The Energy of India, IndianOil accounts for nearly half of India's petroleum products market share, with sales of 81.74 million metric tonnes (MMT) in the year 2019-20. Over 32% national refining capacity and 71% downstream sector pipelines throughput capacity are with IndianOil. What's more, the IndianOil Group owns and operates 11 of India's 23 refineries, with a combined refining capacity of 80.7 million metric tonnes per annum (MMTPA). IndianOil led the downstream PSUs in becoming fully BS-VI compliant, ensuring a seamless pan-India transition from BS-IV directly to BS-VI grade transport fuels by 16th March, 2020, a full fortnight ahead

IndianOil's 14,670-km cross-country pipelines network facilitates the transportation of crude oil to refineries and finished products to high-demand centres in an efficient, economical and environment-friendly manner. Its throughput capacity of throughput capacity of 94.56 MMTPA for crude oil & refined products and 21.69 MMSCMD for gas makes it one of the largest pipeline networks in the world.

As the commercial enterprise with the largest customer interface in India, IndianOil reaches precious petroleum fuels to every nook and corner of the country through its network of over 50,000 customer touch-points, surmounting the challenges of tough terrain, climate and accessibility. This includes 29,000+ fuel stations (petrol pumps), including over 8,515 Kisan Seva Kendra (KSK) outlets in rural markets, all of them fully automated for quality & quantity assurance.

For the convenience of large-volume consumers like the defence services, railways, state transport undertakings, industrial, agricultural and marine sectors, IndianOil has about 7,000 dedicated fuel pumps in operation at their doorstep to ensure timely delivery of products and efficient maintenance of inventory.

IndianOil, all customers, bulk or retail, are equal and have the right to quality products and efficient services. With this belief, the IndianOil team reaches Indane LPG cooking gas right up to the

doorsteps of 13.11 crore households through a network of about 12,450 distributors. The Corporation is promoting LPG aggressively as a clean cooking fuel across socio-economic divides.

IndianOil's Aviation Service commands a 60% market share in aviation fuel, serving national and international flag carriers, private airlines and the Indian defence services with equal efficiency.

The countrywide marketing network is backed for supplies by 118 bulk storage terminals and depots and 94 LPG bottling plants, besides 119 aviation fuel stations and 13 lube blending plants

- Refining
- Natural gas
- Pipelines
- petrochemicals

- **Refining**

IndianOil controls 11 of India's 23 refineries. The group refining capacity is 80.7 million metric tonnes per annum (MMTPA) - the largest share among refining companies in India. It accounts for 32.36% share of national refining capacity.

The strength of IndianOil springs from its experience of operating the largest number of refineries in India and adapting to a variety of refining processes along the way. The basket of technologies, which are in operation in IndianOil refineries include:

Atmospheric/Vacuum Distillation; Distillate FCC/Resid FCC; Hydrocracking; Catalytic Reforming, Hydrogen Generation; Delayed Coking; Lube Processing Units; Visbreaking; Merox Treatment; Hydro-Desulphurisation of Kerosene&Gasoil streams; Sulphur recovery; Dewaxing, Wax Hydro finishing; Coke Calcining, etc.



- **Natural gas**

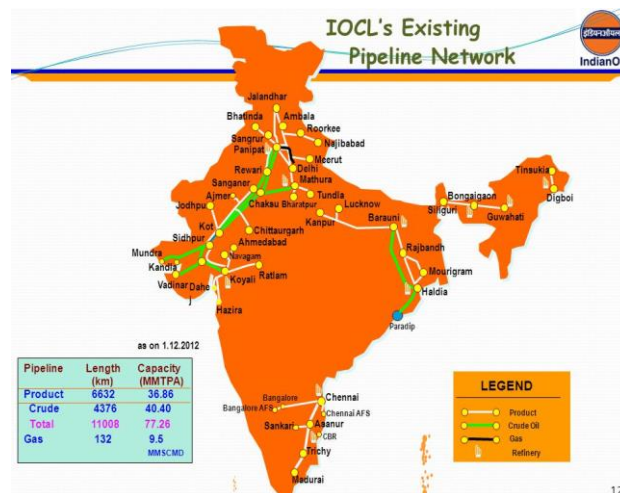
Natural Gas has emerged as the 'fuel of choice' across the world. It is steadily replacing traditional fossil fuels due to its environment friendly characteristics which help in meeting the stipulated automobile emission norms. Natural Gas has significant cost advantages over fuels such as Naphtha and commercial LPG. IndianOil took up natural gas marketing in 2004 and has established itself as the second largest player in natural gas in India. The Corporation has been investing across the Natural Gas value chain, scaling up LNG sourcing, import terminals, pipelines, city gas distribution networks and 'LNG at the Doorstep' service on a continuous basis.

- **Pipelines**

IndianOil operates a network of more than 14,600 km long crude oil, petroleum product and gas pipelines with a throughput capacity of 94.56 million metric tonnes per annum of oil and 21.69 million metric standard cubic meters per day of gas. Cross-country pipelines are globally recognized as the safest, cost-effective, energy-efficient and environment-friendly mode for transportation of crude oil and petroleum products.

As a pioneer in oil pipelines in the country, managing one of the world's largest oil pipeline networks, IndianOil achieved a throughput of 84.56 million metric tonnes during the year 2019-20.

- Crude oil pipelines
- Petroleum products
- Gas pipelines



- **Petrochemicals**

Petrochemicals have been identified as a prime driver of future growth by IndianOil. The Corporation is envisaging an investment of Rs 30,000 crore in the petrochemicals business in the next few years. These projects will utilise product streams from the existing refineries of IndianOil, thereby achieving better exploitation of the hydrocarbon value chain.

IndianOil has set up a world-scale Linear Alkyl Benzene (LAB) plant at Gujarat Refinery and an integrated Paraxylene/Purified Terephthalic Acid (PX/PTA) plant at Panipat. A Naphtha Cracker complex with downstream polymer units is also in operation at Panipat. IndianOil has recently come up with Polypropylene plant at Paradip, Odisha.

These initiatives are designed to catapult IndianOil among the top three petrochemicals players in Southeast Asia in the long term.



### **iii. Vision**

IndianOil's 'Vision with Values' encompasses the Corporation's new aspirations – to broaden its horizons, to expand across new vistas, and to infuse new-age dynamism among the employees.

Adopted in the company's Golden Jubilee year (2009), as a 'shared vision' of IndianOilPeople and other stakeholders, it is a matrix of six cornerstones that would together facilitate the Corporation's endeavours to be '**The Energy of India**' .

More importantly, the Vision is infused with the core **values of Care, Innovation, Passion and Trust**, which embody the collective conscience of the company and its people, and have helped it to grow and achieve new heights of success year after year.





## 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 stakeholder.
- 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.

## **Quality policy**

Towards customers and dealers:- To provide prompt, courteous and efficient service and quality products at competitive prices.

Towards suppliers:- To ensure prompt dealings with integrity, impartiality and courtesy and help promote ancillary industries.

**Towards employees:-** To develop their capabilities and facilitate their advancement through appropriate training and career planning. To have fair dealings with recognised representatives of employees in pursuance of healthy industrial relations practices and sound personnel policies.

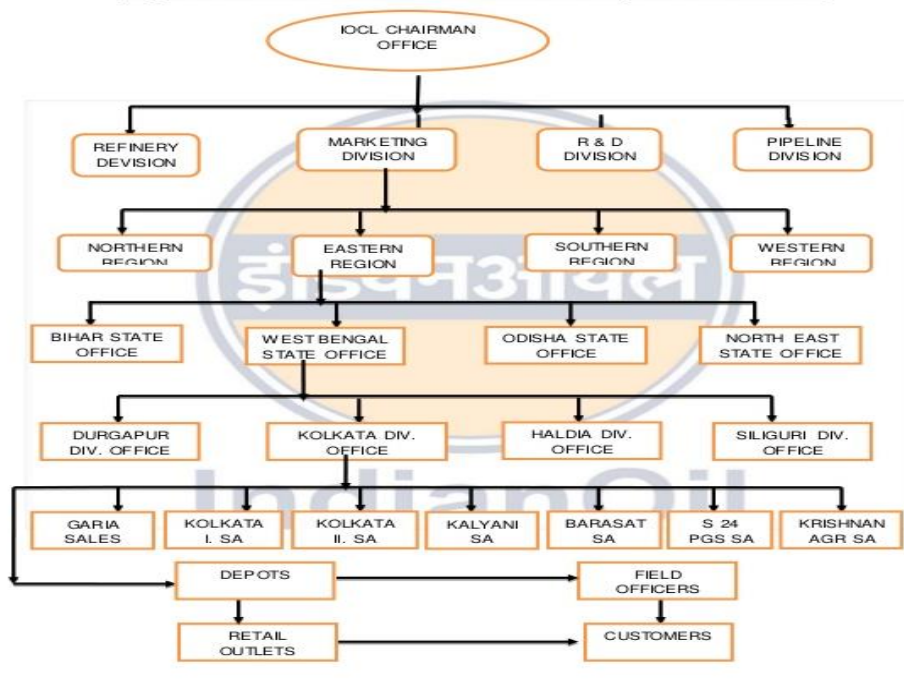
**Towards community:-** To develop techno-economically viable and environment-friendly products. To maintain the highest standards in respect of safety, environment protection and occupational health at all production units.

**Towards Defence Services:-** To maintain adequate supplies to Defence and other para-military services during normal as well as emergency situations.

### **iv. Work flow Model**

Name	Title
Shrikant Madhav Vaidya	Chairman
Sandeep Kumar Gupta	Chief Financial Officer & Finance Director
S. S. V. Ramakumar, Dr.	Director & Director-Research & Development
Govind Kottieth Satish	Director, Director-Planning & Business Development
Vinoo Mathur	Independent Non-Executive Director
Samirendra Chatterjee	Independent Non-Executive Director
Chitta Ranjan Biswal	Independent Non-Executive Director
Jagdish Kishwan, Dr.	Independent Non-Executive Director
Dharmendra Singh Shekhawat	Independent Non-Executive Director
Sankar Chakraborti	Independent Non-Executive Director

### **Organizational Structure of Indian Oil Corporation Limited**



## **BOARD OF DIRECTORS**

The BOD is divided into Functional Directors and Independent Directors and the Chairman. At Indian Oil, operations are strategically structured along the verticals namely, Refineries, Marketing, Pipelines, Research & Development and Assam Oil Division. Each of these divisions have a different yet similar in some ways organizational structure such that they complement each other. There is quite an amount of interaction between the managers of these divisions. The common feature between each division is that firstly, they are classified regionally across India and there is a regional office that maintains other units in its jurisdiction. In light of the technicality of operations at IOCL, there are different kinds of offices in each region

## **REFINERIES**

The major departments functioning here are Shipping, Maintenance & Inspection, Health, Safety & Environment, Human Resource, Finance, Projects, Technical, and Materials & Contracts. The Head Office is spearheaded by the Director (Refineries), Deputy General Manager and Executive Director. The rest of the departments are headed by their respective Executive Directors or General Managers. There are 11 refineries functioning under the Head Office out of the 23 refineries in India. Each refinery is headed by an Executive Director under which there are General Managers and Deputy General Managers working in various departments like Projects, HR, P & U, and Instrumentation. The Indian Oil refineries have an ambitious growth plan for capacity augmentation, de-bottlenecking, bottom up gradation and quality up gradation.

## MARKETING

Indian Oil has one of the largest petroleum marketing and distribution networks in Asia, with over 43,000 marketing touch points. Its ubiquitous fuel stations are located across different terrains and regions of the Indian sub-continent. From the icy heights of the Himalayas to the sun-soaked shores of Kerala, from Kutch on India's western tip to Kohima in the verdant North East, Indian Oil is truly 'in every heart, in every part'. Indian Oil's vast marketing infrastructure of petrol/diesel stations, Indane (LPG) distributorships, *SERVO* lubricants & greases outlets and large volume consumer pumps are backed by bulk storage terminals and installations, inland depots, aviation fuel stations, LPG bottling plants and lube blending plants amongst others. The countrywide marketing operations are coordinated by 16 State Offices and over 100 decentralised administrative offices.

## RESEARCH & DEVELOPMENT

Indian Oil has a sprawling world-class R&D Centre that is perhaps Asia's finest. This Centre is India's foremost commercial centre of research excellence in the areas of lubricants, refinery processes, pipeline transportation, alternative fuels fuel additives, engine testing, materials sciences and environmental sciences. The Centre holds 384 active patents, including 233 international patents.

Located on a sprawling 65 acre campus in Faridabad on the outskirts of the National Capital, Indian Oil's R&D Centre plays a key role in supporting the business interests of the Corporation by developing economical, environmentally and socially responsible technology solutions.

### v. Products profile

- Indane cooking gas

Indane is today one of the largest packed-LPG brands in the world and has been conferred the coveted Consumer Superbrand status by the Superbrands Council of India

Having launched LPG marketing in the mid-60s, IndianOil has been credited with bringing about a kitchen revolution, spreading warmth and cheer in millions of households with the introduction of the clean and efficient cooking fuel. It has led to a substantial improvement in the health of women, especially in rural areas by replacing smoky and unhealthy chulha. Indane is today an ideal fuel for modern kitchens, synonymous with safety, reliability and convenience. With the status of an exclusive business vertical within the Corporation, Indane is delivered to the doorsteps of 13.11 crore households. IndianOil's 94 Indane bottling plants in upcountry locations roll out over 2 million cylinders a day, making IndianOil the second largest marketer of LPG globally, after SHV

Gas of The Netherlands. Indane is available in compact 5 kg cylinders for rural, hilly and inaccessible areas, 14.2 kg cylinders for domestic use, and 19 kg and 47.5 kg for commercial and industrial use.



- **SERVO Lubes & Greases**

The lubes and grease market is a complex amalgam of commercial and passenger vehicles, 2- and 3-wheelers, agricultural equipments, stationary engines, marine and industries that range from steel, cement, power, mining, railroads, textiles, automobiles and glass. In this market of opportunities, it is a heated race between brands to capture the imagination of the stakeholders. But with one of Asia's finest research and development facilities supporting it.

*SERVO* is the brand to look out for, With a turnover of nearly Rs.8000 crores, it is India's biggest lubricant brand and enjoys a market share of more than 27% in the Finished Lubes segment. *SERVO* has more than 5200 formulations and 1600 grades of lubricants available in more than 1700 active SKUs that it markets in the country.

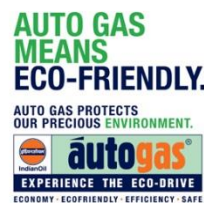


- **Auto Gas**

AutoGas (LPG) is a clean, high octane, abundant and eco-friendly fuel. It is obtained from natural gas through fractionation and from crude oil through refining. It is a mixture of petroleum gases like propane and butane. The higher energy content in this fuel results in a 10% reduction of CO<sub>2</sub> emission as compared to MS.

AutoGas is a gas at atmospheric pressure and normal temperatures, but it can be liquefied when moderate pressure is applied or when the temperature is sufficiently reduced. This property makes the fuel an ideal energy source for a wide range of applications, as it can be easily condensed, packaged, stored and utilised. When the pressure is released, the liquid makes up about 250 times its volume as gas, so large amounts of energy can be stored and transported compactly. The fuel is marketed by IndianOil under the brand name 'AutoGas'

Indian Oil has setup 352 Auto LPG Dispensing Stations(as on 01.11.19) covering 204 cities across India.



- **Kerosenes**

Kerosenes are distillate fractions of crude oil in the boiling range of 150-250°C. They are treated mainly for reducing aromatic content to increase their smoke point (height of a smokeless flame) and hydrofining to reduce sulphur content and to improve odour, colour & burning qualities .

Kerosene is used as a domestic fuel for heating / lighting and also for manufacture of insecticides/herbicides/fungicides to control pest, weeds and fungi. Since kerosene is less volatile than gasoline, increase in its evaporation rate in domestic burners is achieved by increasing surface area of the oil to be burned and by increasing its temperature. The two types of burners which achieve this fall into two categories namely vaporisers & atomisers



- **Petrol/Gasoline**

Automotive gasoline and gasoline-oxygenate blends are used in internal combustion spark-ignition engines. These spark ignition engine fuels are primarily used for passenger cars. They are also used in off-highway utility vans, farm machinery and in other spark ignition engines employed in a variety of service applications.

Gasoline is a complex mixture of relatively volatile hydrocarbons that vary widely in chemical & physical properties and are derived from fractional distillation of crude petroleum with a further treatment mainly in terms of improvement of its octane rating. The hundreds of individual hydrocarbons in gasoline range from  $C_4$  to  $C_{11}$

An oxygenate is an oxygen-containing, ashless organic compound (such as an alcohol or ether) which can be used as a fuel or fuel supplement. Motor gasoline is sold at retail outlets where it is directly delivered into the automobile tank. The Indian Standard governing the properties of motor gasoline & gasoline-oxygenate

In view of the auto fuel policy issued by Govt of India, more & more stringent specifications (equivalent to Euro II, Euro III, Euro IV) are being made applicable for the gasolines being marketed in India. This has led to reduction of environmentally polluting factors in gasolines.



- **Aviation fuel**

IndianOil Aviation Service is a leading aviation fuel solution provider in India and the most-preferred supplier of jet fuel to major international and domestic airlines. Between one sunrise and the next, IndianOil Aviation Service refuels over 2,200 flights from the bustling metros to the remote airports linking the vast Indian landscape, from the icy heights of Leh (the highest airport in the world at 10,682 ft) to the distant islands of Andaman & Nicobar.

IndianOil Aviation group regularly organises International Aviation conferences that act as a vital information facilitator with participation from leading international and all domestic airlines, allied industries, statutory aviation authorities and government agencies from over 35 countries





IndianOil is the only oil company in India to market the widest possible range of fuels used by the aviation industry in India- JP-5, Avgas 100LL, Methanol Water Mixture, Jet A-1 and aviation lubricants, etc. Aviation Turbine Fuel (ATF) is dispensed from specially designed refuellers, which are driven up to parked airplanes and helicopters. Major airports have hydrant refuelling systems that pump the fuel right up to the filling outlets on the tarmac through underground pipelines for faster refuelling. Essentially, ATF is pumped into an aircraft by two methods: Overwing and Underwing. Overwing fuelling is used on smaller planes, helicopters, and piston-engine aircraft and is similar to automobile fuelling - one or more fuel ports are opened and fuel is pumped in with a conventional pump. Underwing fuelling, also called single-point is used on larger aircraft.

- **XTRAPOWER Fleet Card Program**

IndianOil's XTRAPOWER Fleet Card Program is a complete Fleet Management Solution for the Logistics Industry. With more than 23 lakh vehicles covered so far by the fleet card program, XTRAPOWER is the ideal choice for large logistics service providers, small fleet operators and corporate customers who need complete control over their fleet. XTRAPOWER is a smart chip based fleet card program, where you get a smart chip fleet card for each of your vehicle. This smart chip based fleet card comes as Pre Paid or Credit\* depending on your choice. Purchase fuel through cashless transaction from the largest fuel retail network in India. Exercise complete control of your fleet through XTRAPOWER Fleet Card.





vi. **Ownership pattern**

<b>Shareholders (as on 31-December-2017)</b>	<b>Shareholding</b>
Promoter Group (GOI)	56.98%
Public	43.02%
Total	100.0%

<b>Holder's Name</b>	<b>No of Shares</b>	<b>% Share Holding</b>
NoOfShares	9414158922	100%
Promoters	4848133178	51.5%
ForeignInstitutions	595852843	6.33%
NbanksMutualFunds	612756032	6.51%
CentralGovt	10800000	0.11%
Others	2192557472	23.29%
GeneralPublic	462597752	4.91%
FinancialInstitutions	691461645	7.34%

Indian Oil's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange of India.

As of September 2018, it was owned 57% by the Government of India (through the President of India), and 43% by other entities. The latter included corporate bodies (20%), ONGC (14%), LIC (6%), Foreign portfolio investors ,(6%)Oil India Limited (5%) and Indian Mutual funds (4%).

This was similar to its shareholding in 2017. As of 31 December 2017, the Promoters Government of India held approx. 56.98% of the shares in Indian Oil Corporation. The public held the rest 43.02% of the shares - this includes Mutual Fund Companies, Foreign Portfolio Investors, Financial Institutions/ Banks, Insurance Companies, Individual Shareholders and Trusts.

Indian Oil Corporation (IOC) buys a stake in Phinergy (Israel) for manufacturing, development, and sale of aluminum-air batteries (Al-Air batteries) for electric vehicles. This joint venture is ready to facilitate the development of Al-Air technology by intending to set up a factory in India.

## vii. Achievements/ Awards

- Ms. Nirmala Sitharaman, Minister of Finance and Corporate Affairs, conferred IndianOil with the prestigious National CSR Award. The award was received by Mr. Sanjiv Singh, Chairman, IndianOil and Mr. Ranjan Kumar Mohapatra, Director (HR), IndianOil, in recognition of Corporation's mega CSR project, Assam Oil School of Nursing in Digboi.



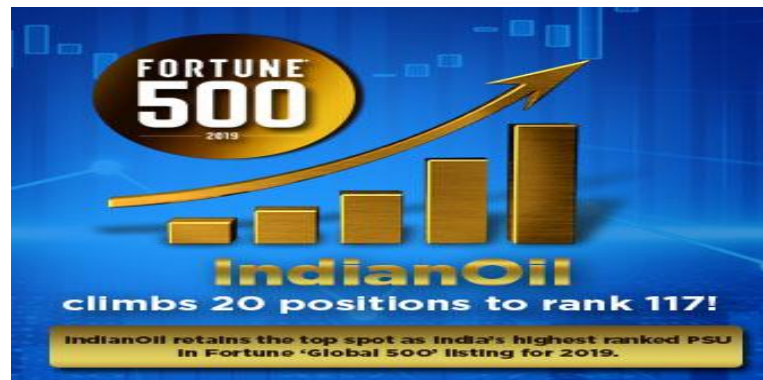
- Mr. Piyush Goyal, Union Minister of Railways and Commerce & Industry, and Mr. Som Prakash, Minister of State for Commerce & Industry, felicitate IndianOil with Super Buyer Award-2019 for excellence in Government e-Market Place (GeM) procurement.



- IndianOil was awarded 1st amongst PSUs in "3rd Innovative Practices Awards, 2019 for Sustainable Development Goals (SDGs)" category by UN Global Compact Network India (UN GCNI) during a felicitation ceremony held on 31st May, 2019 at Mumbai.



- Indian oil retains the top spot as India's highest ranked PSU  
In fortune "Global 500" listing for 2019



## viii. Future growth and prospects

Indian Oil Corp , the nation's largest oil company, plans to nearly double refining capacity to 150 million tonnes by 2030 to meet fast expanding energy needs of the country. The company has capacity at refineries to produce 80.7 million tonnes per annum of fuel currently. "IOC is self-sufficient in the refining segment, but keeping in view the rising demand for petroleum products in the short-term, we are aiming at a refining capacity of about 100-110 million tonnes per annum by the year 2022 and progressively scale it up to at least 150 million tonnes by the year 2030".

India has a capacity of refining 232.06 million tonnes. IOC will expand its refining capacity to 104.55 million tonnes by 2022 from the current 80.7 million tonnes per annum with an investment of about Rs 40,000 crore.

It is looking to scale up its Koyali refinery in Gujarat to 18 million tonnes from 13.7 million tonnes while capacity of the Panipat refinery in Haryana will be raised by a quarter to 20.2 million tonnes from the current 15 million tonnes.



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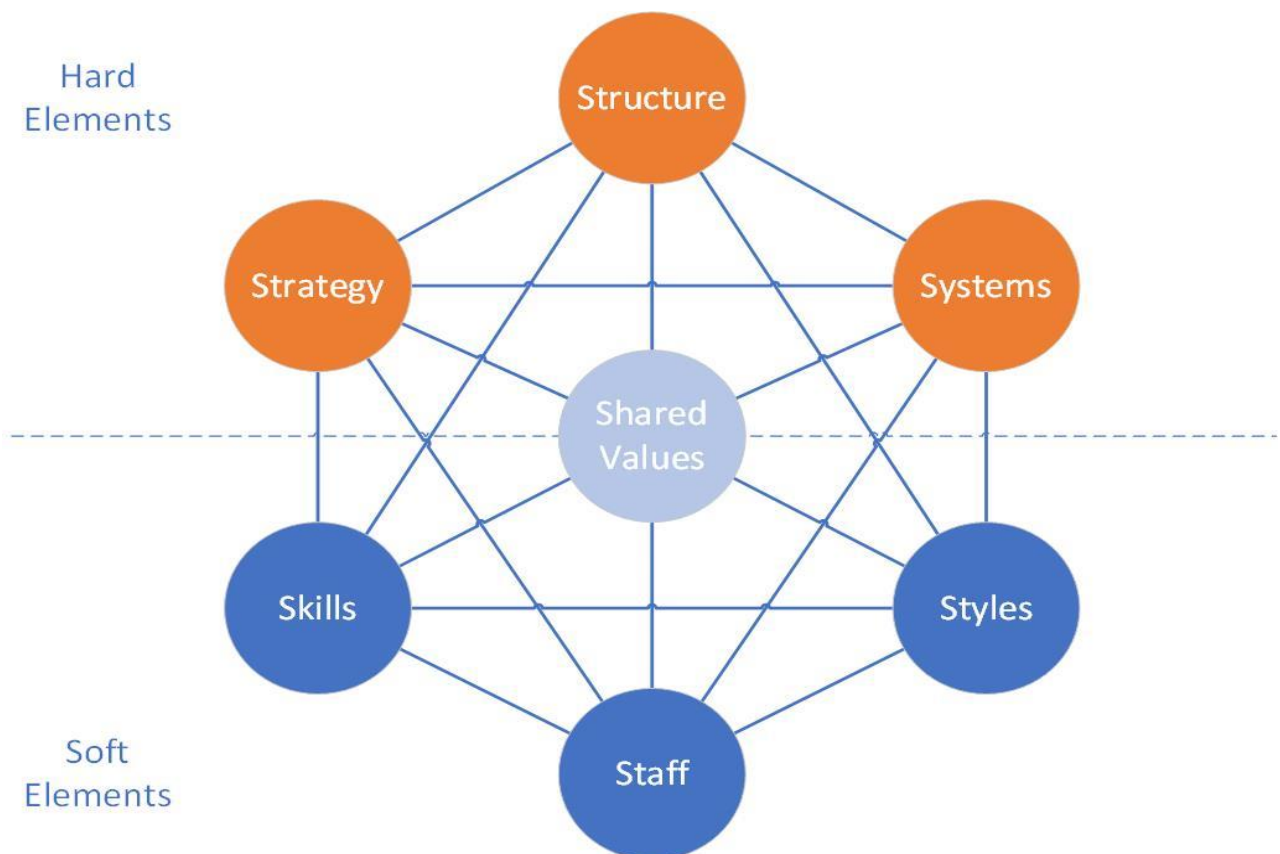
A 3-million tonnes capacity addition each is planned for Uttar Pradesh's Mathura and Bihar's Barauni refineries, which will take their capacity to 11 million tonnes and 9 million tonnes, respectively. IOC is also expanding its pipeline and retail network. "We have 45,000-plus customer touch points as of now and this number will go up further in the next five years, especially in rural and virgin markets in order to secure the first mover advantage".

## **CHAPTER 3**

# **McKINSY'S 7S FRAMEWORK &** **PORTER'S FIVE FORCE MODEL**

### 3.1 mckinsy's 7S framework

**McKinsey 7s** model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It sought to present an emphasis on human resources (Soft S), rather than the traditional mass production tangibles of capital, infrastructure and equipment, as a key to higher organizational performance. The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.



## **Indian oil corporation limited**

- **Styles**

This represents the way things are done and, particularly, the way the leadership team conducts itself in the organisation. The leadership's style will influence how the rest of the employees behave in the particular industry. Therefore, if the leadership visibly embraces, champions and demonstrates cost transformation and management, then people around the organisation will typically follow.

### Autocratic

An autocratic management style is characterized by strong, centralized control with a single source of authority. Communication flows from the top down (only one way) and team members are expected to follow orders.

### Participative

In a participative management style, owners spread the authority and power throughout the organization by presenting problems and issues for discussion and then working with employees to reach a final decision.

- **Skills**

Refers to the skills needed to deliver the cost transformation and management strategy. Having the right skills to deliver the strategy is vital and skills gaps can pose a risk to achieving cost competitiveness objectives.

- **Systems**

These are the activities, processes and procedures that people engage in to do their work. It also includes software systems, which are increasingly automating activities, processes and procedures.

- **Structure**

The hierarchy of control exercised through delegated responsibility. The structure should be as simple as possible to help people understand who is accountable for specific results.

Functional structure

Simple structure

Divisional structure

Matrix structure

- **Staff**

Staff describes the employees and in which department they are working . These employees are classified into production workers and marketing team . This includes the inherent talents of the organisation's people, the number of staff and the diversity needed in each area to optimise organisational capability and capacity.

- **Strategy**

Organisations need to compete in volatile, uncertain, complex and ambiguous environments. So, strategy needs to respond to this with agility. Organisations must constantly adapt to strategies to succeed. Indian oil corporation has to follow certain strategies to attain success

**Competition Strategy:**

- Compete with competitors based on comprehensive advantages
- Updating the knowledge about the competitors
- Avoid illegal practices in competition
- Work in competitors weakness

**Development strategy:**

- Expand the business step by step
- Expansion by increasing outlets in high potential market places
- Improve customer satisfaction by providing quality products and services
- **Shared values**

These encapsulate the organisation's purpose or its societal mandate. The organisation's purpose tends to remain a fundamental constant over time and this purpose shapes the organisation's values. Having shared values at the centre of the constellation emphasises that it is the core values of the organisation, aligned to the organisation's purpose, that shape the remaining element.



## 3.2 Porter's five forces model

Porter's Five Forces is a simple but powerful tool for understanding the competitiveness of your business environment, and for identifying your strategy's potential profitability.

This is useful, because, when you understand the forces in your environment or industry that can affect your profitability, you'll be able to adjust your strategy accordingly. For example, you could take fair advantage of a strong position or improve a weak one, and avoid taking wrong steps in future. In this article and video, we explore each of Porter's Five Forces. We look at how they can help you to analyze the strengths and weaknesses of your position, and how they can impact your long-term profitability.



- **Bargaining power of Buyers**

when buyer power is High, the relationship to the producing industry is near to what an economist terms a monophony. Thus the bargaining power of buyers is one of the mo In the case of Indian Oil Corporation Limited the Bargaining Power of Buyers within industry was founded as moderate

because of the following factors which jointly made up this part of the porter's five forces model  
volatile factors in the porter's five forces model

The industry may become crowded if its growth rate slows and the market becomes saturated, creating a situation of excess capacity with too many goods chasing too few buyers. A shakeout ensues, with intense competition, price wars, and company failures. This factor is vital for any industry to boom. This has established a huge customer base. This buyer concentration is very high. This trend shows the High buyers power on the manufacturer companies. Indian Oil Corporation Limited might face difficulty regarding this buyer power but it can handle it as the company is operating in this industry for a long time. But the company may need to keep on investing on product innovation and customers.

Indian Oil Corporation Limited had huge number of buyers. But competitors had very close position and they can grab market if Indian Oil Corporation Limited made any mistake.

- **The Bargaining Power of Suppliers**

Indian Oil Corporation Limited Bargaining Power of Supplier within industry was founded as moderate because of the following factors which jointly made up this part of the porter's five forces model:  
Suppliers Concentration: As with any commodity suppliers, the bargaining power of suppliers would be exerted by either threatening to raise the price of the raw materials needed or by a threat of reduction in the quality or quantity of the raw materials.

The suppliers of the raw materials needed in the production process of producing Indian Oil Corporation Limited products were mostly supplied by individual specific producers. The bargaining power of suppliers seems negligible due to the small purchasing volume each individual had to offer the specialty coffee industry. The industry has grown it is found from the case that many of the growers who sell to Indian Oil Corporation Limited may unite to increase the price of the raw materials. This initiative would be designed in expectation to ensure that the raw materials the specific manufacturers provide would be compensated fairly for their raw materials, which is the basic raw material for Indian Oil Corporation Limited products. Indian Oil Corporation Limited might face difficulty as they need to buy some of their raw materials from the local suppliers and High concentration means Indian Oil Corporation Limited has option to choose from abroad suppliers.

Indian Oil Corporation Limited has a great opportunity which might be destroyed if not supported well by the suppliers by providing quality raw materials at right amount and at right time.

- **Threat of Substitute Products**

Indian Oil Corporation Limitedthe Competitive Rivalry within industry was founded as Highbecause of the following factors which jointly made up this part of the porter's five forces model A larger number of firms:The industry shows a great future with potential growth opportunity. This positive signs of the industry has attracted and is attracting companies from all over the world. Firms are trying their best to attract customers and to steal customers. They use price and other possible ways to do this. That is why this factor is High. The huge number of customers present in the India, Vietnam and France market show intensive competition for Indian Oil Corporation Limitedand its making the firm's job tough.

Indian Oil Corporation Limitedand other firms have alreadyinvested in the market and has established its plants, it has become very risky for these firms to cover the huge fixed cost, thus boasting the rivalry. It is not desired for any company. High exit barriers:The firms operating have to bear huge fixed cost in technology, infrastructure and building distribution network which are dedicated to that industry. So we have found the barriers of exit barrier High. Indian Oil Corporation Limitedhas invested a lot in different products in the coffee industry and is planning to invest more as it has expanding outside the country. So the exit barrier for the company is high.

- **Threat of New Entrants**

Any firm should be able to enter and exit a market, and if free entry and exit exists, then profits always should be nominal. In reality, however, industries possess characteristics that protect the high profit levels of firms in the market and inhibit additional rivals from entering the market. These are **threat of new entrants**.

Indian Oil Corporation Limitedthe Chances of new entrants were founded as Highbecause of the following factors which jointly made up this part of the porter's five forces model.

The product line of Indian Oil Corporation Limitedis not greatly differentiated, as it varies with degrees of quality, taste, preference, product outlook (packaging), and finally consumer acceptance. The leverage gain from not having a high degree differentiation made within the products of the entire coffee manufacturers in the industry enables the established firms toearn economy of scale and have an efficient production process, this in turn enables the coffee manufacturers to maintain efficient production facilities, along with low cost of production which automatically act as barriers to entry. It's easy for a customer to switch one firm to another firm. That is why customer switching cost is found Low.

This threat of customer switching cost is the moderately low threat for Indian Oil Corporation Limited. Patents and proprietary knowledge. There is not enough information in the case about Law and order system so we can say that copy cats are very possible in the country which shows the patents and proprietary knowledge is not highly restricted.

- **Threat of Substitute Products**

Indian Oil Corporation Limited Threat of Substitute Products were founded as Negligible because of the following factors which jointly made up this part of the porter's five forces model. Entry barriers are not that high in the country for the new entrants. So it is moderately high.

Substituting product in the country is zero since water does not have alternative, because the people are very much aware of acquiring fresh water and are also well informed about the technologies available

- **Competitive Rivalry within the Industry**

Indian Oil Corporation Limited the Competitive Rivalry within industry was founded as High because of the following factors which jointly made up this part of the porter's five forces model.

The industry shows a great future with potential growth opportunity. This positive signs of the industry has attracted and is attracting companies from all over the world. Firms are trying their best to attract customers and to steal customers. They use price and other possible ways to do this. That is why this factor is High. The huge number of customers present in the India, Vietnam and France market show intensive competition for Indian Oil Corporation Limited and its making the firm's job tough.

# CHAPTER 4

## SWOT ANALYSIS

**SWOT analysis** is a vital strategic planning tool that can be used by Indian Oil managers to do a situational analysis of the firm . It is a handy technique to evaluate the present Strengths (S), Weakness (W), Opportunities (O) & Threats (T) Indian Oil is facing in its current business environment.

The Indian Oil is one of the leading firms in its industry. Indian Oil maintains its dominant position in market by critically analyzing and reviewing the SWOT analysis. SWOT analysis an immensely interactive process and requires effective coordination among various departments within the organization such as – marketing, finance, operations, management information systems and strategic planning.

The SWOT Analysis framework enables an organization to identify the **internal strategic factors** such as -strengths and weaknesses, & **external strategic factors** such as - opportunities and threats. It leads to a 2X2 matrix – also called **SWOT Matrix**.



### ➤ **Strengths of Indian Oil**

- Strong Free Cash Flow – Indian Oil has strong free cash flows that provide resources in the hand of the company to expand into new projects.
- Reliable suppliers – It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks.
- Strong Brand Portfolio – Over the years Indian Oil has invested in building a strong brand portfolio. The SWOT analysis of Indian Oil just underlines this fact. This brand portfolio can be extremely useful if the organization wants to expand into new product categories.
- Automation of activities brought consistency of quality to Indian Oil products and has enabled the company to scale up and scale down based on the demand conditions in the market.
- High level of customer satisfaction – the company with its dedicated customer relationship management department has able to achieve a high level of customer satisfaction among present customers and good brand equity among the potential customers.
- Strong distribution network – Over the years Indian Oil has built a reliable distribution network that can reach majority of its potential market.
- Successful track record of developing new products – product innovation.
- Good Returns on Capital Expenditure – Indian Oil is relatively successful at execution of new projects and generated good returns on capital expenditure by building new revenue streams.

### ➤ **Weakness of Indian oil**

- Lower inflation rate – The low inflation rate bring more stability in the market, enable credit at lower interest rate to the customers of Indian Oil.
- Organization's core competencies can be a success in similar other products field. A comparative example could be - GE healthcare research helped it in developing better Oil drilling machines.
- New customers from online channel – Over the past few years the company has invested vast sum of money into the online platform. This investment has opened new sales channel

for Indian Oil. In the next few years the company can leverage this opportunity by knowing its customer better and serving their needs using big data analytics.

- New trends in the consumer behavior can open up new market for the Indian Oil . It provides a great opportunity for the organization to build new revenue streams and diversify into new product categories too.
- The market development will lead to dilution of competitor's advantage and enable Indian Oil to increase its competitiveness compare to the other competitors.
- Government green drive also opens an opportunity for procurement of Indian Oil products by the state as well as federal government contractors.
- New environmental policies – The new opportunities will create a level playing field for all the players in the industry. It represent a great opportunity for Indian Oil to drive home its advantage in new technology and gain market share in the new product category.
- Economic uptick and increase in customer spending, after years of recession and slow growth rate in the industry, is an opportunity for Indian Oil to capture new customers and increase its market share.

### ➤ **Threats Indian Oil Facing**

- The company can face lawsuits in various markets given - different laws and continuous fluctuations regarding product standards in those markets.
- Imitation of the counterfeit and low quality product is also a threat to Indian Oil's product especially in the emerging markets and low income markets.
- New technologies developed by the competitor or market disruptor could be a serious threat to the industry in medium to long term future.
- New environment regulations under Paris agreement (2016) could be a threat to certain existing product categories .
- As the company is operating in numerous countries it is exposed to currency fluctuations especially given the volatile political climate in number of markets across the world.
- Rising raw material can pose a threat to the Indian Oil profitability.
- Liability laws in different countries are different and Indian Oil may be exposed to various liability claims given change in policies in those markets.
- No regular supply of innovative products – Over the years the company has developed numerous products but those are often response to the development by other players. Secondly the supply of new products is not regular thus leading to high and low swings in the sales number over period of time.

➤ **Limitations of Indian oil**

- Certain capabilities or factors of an organization can be both a strength and weakness at the same time. This is one of the major limitations of SWOT analysis . For example changing environmental regulations can be both a threat to company it can also be an opportunity in a sense that it will enable the company to be on a level playing field or at advantage to competitors if it able to develop the products faster than the competitors.
- SWOT does not show how to achieve a competitive advantage, so it must not be an end in itself.
- The matrix is only a starting point for a discussion on how proposed strategies could be implemented. It provided an evaluation window but not an implementation plan based on strategic competitiveness of Indian Oil
- SWOT is a static assessment - analysis of status quo with few prospective changes. As circumstances, capabilities, threats, and strategies change, the dynamics of a competitive environment may not be revealed in a single matrix.
- SWOT analysis may lead the firm to overemphasize a single internal or external factor in formulating strategies. There are interrelationships among the key internal and external factors that SWOT does not reveal that may be important in devising strategies.



# CHAPTER 5

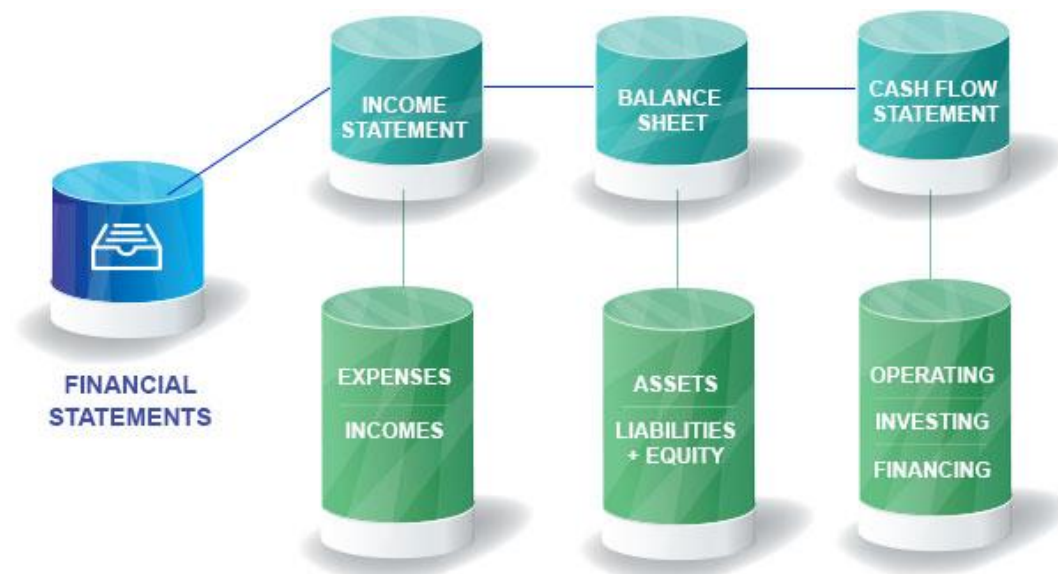
## ANALYSIS ON FINANCIAL STATEMENTS

**Financial statements** (or **financial reports**) are formal records of the financial activities and position of a business, person, or other entity.

Relevant financial information is presented in a structured manner and in a form which is easy to understand. They typically include four basic financial statements accompanied by a management discussion and analysis

A balance sheet or **statement of financial position**, reports on a company's assets, liabilities, and owners equity at a given point in time.

An income statement or **profit and loss report** or **statement of comprehensive income**, or **statement of revenue & expense**—reports on a company's income, expenses, and profits over a stated period. A profit and loss statement provides information on the operation of the enterprise. These include sales and the various expenses incurred during the stated period.



## Cash flow statements of Indian oil corporation limited

<b>CASH FLOW (in Rs. Cr.)</b>	<b>MAR '19</b>	<b>MAR '18</b>	<b>MAR '17</b>	<b>MAR '16</b>	<b>MAR '15</b>
<b>NET PROFIT BEFORE TAX</b>	<b>25,926.90</b>	<b>34,450.22</b>	<b>27,955.80</b>	<b>18,071.76</b>	<b>7,014.35</b>
Net Cash From Operating Activities	14,133.04	29,081.66	28,216.12	25,624.23	45,976.18
Net Cash (used in)/from Investing Activities	- 23,954.94	- 17,118.70	- 17,684.41	- 13,610.44	- 10,176.97
Net Cash (used in)/from Financing Activities	10,436.45	- 11,973.56	- 10,937.06	- 11,889.71	- 38,282.66
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>614.55</b>	<b>-10.60</b>	<b>-405.35</b>	<b>124.08</b>	<b>-2,483.45</b>
Opening Cash & Cash Equivalents	318.73	329.50	734.85	610.77	3,704.52
Closing Cash & Cash Equivalents	933.28	318.90	329.50	734.85	1,221.07

## Balance sheet of indian oil corporation limited

<b>BALANCE SHEET OF INDIAN OIL CORPORATION (in Rs. Cr.)</b>	<b>MAR 20</b>	<b>MAR 19</b>	<b>MAR 18</b>	<b>MAR 17</b>	<b>MAR 16</b>
<b>EQUITIES AND LIABILITIES</b>					
<b>SHAREHOLDER'S FUNDS</b>					

Equity Share Capital	9,181.00	9,181.04	9,478.69	4,739.34	2,369.67
<b>TOTAL SHARE CAPITAL</b>	<b>9,181.00</b>	<b>9,181.04</b>	<b>9,478.69</b>	<b>4,739.34</b>	<b>2,369.67</b>
Reserves and Surplus	86,217.00	103,288.20	104,395.13	97,356.76	87,609.94
<b>TOTAL RESERVES AND SURPLUS</b>	<b>86,217.00</b>	<b>103,288.20</b>	<b>104,395.13</b>	<b>97,356.76</b>	<b>87,609.94</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>95,398.00</b>	<b>112,469.24</b>	<b>113,873.82</b>	<b>102,096.10</b>	<b>89,979.61</b>
Minority Interest	876.00	1,877.36	2,151.22	1,904.56	1,426.04
<b>NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	56,071.00	39,152.45	23,060.51	25,545.93	27,941.30
Deferred Tax Liabilities [Net]	11,439.00	16,509.71	12,367.85	6,888.66	6,970.70
Other Long Term Liabilities	2,838.00	2,215.48	1,932.17	1,214.34	18,187.79
Long Term Provisions	1,597.00	2,211.99	2,422.65	3,225.91	2,634.12
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>71,945.00</b>	<b>60,089.63</b>	<b>39,783.18</b>	<b>36,874.84</b>	<b>55,733.91</b>
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	69,897.00	53,559.29	39,080.51	33,284.10	20,207.90
Trade Payables	27,604.00	41,194.12	36,766.69	31,196.50	24,336.64
Other Current Liabilities	54,408.00	55,791.42	49,767.44	49,138.40	30,013.85

Short Term Provisions	9,609.00	10,174.05	14,249.43	19,066.54	9,857.48
<b>TOTAL CURRENT LIABILITIES</b>	<b>161,518.00</b>	<b>160,718.88</b>	<b>139,864.07</b>	<b>132,685.54</b>	<b>84,415.87</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>329,737.00</b>	<b>335,155.11</b>	<b>295,672.29</b>	<b>273,561.04</b>	<b>231,555.43</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Tangible Assets	179,866.00	129,647.12	122,987.42	114,972.98	99,274.49
Intangible Assets	0.00	2,845.60	1,064.54	983.77	757.85
Capital Work-In-Progress	0.00	23,401.01	15,286.08	12,992.67	22,018.75
<b>FIXED ASSETS</b>	<b>179,866.00</b>	<b>160,773.46</b>	<b>143,182.34</b>	<b>132,735.15</b>	<b>126,251.33</b>
Non-Current Investments	27,279.00	35,510.76	36,607.27	36,217.83	24,089.05
Deferred Tax Assets [Net]	4,236.00	0.00	0.00	0.00	0.00
Long Term Loans And Advances	3,280.00	2,291.10	2,158.71	1,099.31	1,133.60
Other Non-Current Assets	4,450.00	6,802.72	8,048.48	7,190.33	6,345.39
<b>TOTAL NON-CURRENT ASSETS</b>	<b>219,112.00</b>	<b>205,379.08</b>	<b>189,997.84</b>	<b>177,243.66</b>	<b>157,820.41</b>
<b>CURRENT ASSETS</b>					
Current Investments	8,291.00	8,416.90	8,198.78	7,469.41	7,095.74
Inventories	67,011.00	77,126.48	70,567.90	65,724.06	42,256.72
Trade Receivables	13,259.00	15,797.72	10,696.48	8,899.19	7,684.50

Cash And Cash Equivalents	2,296.00	1,064.68	494.28	409.75	1,050.36
Short Term Loans And Advances	1,104.00	1,592.05	672.08	1,765.09	755.70
OtherCurrentAssets	18,664.00	25,778.20	15,044.93	12,049.88	14,892.00
<b>TOTAL CURRENT ASSETS</b>	<b>110,625.00</b>	<b>129,776.03</b>	<b>105,674.45</b>	<b>96,317.38</b>	<b>73,735.02</b>
<b>TOTAL ASSETS</b>	<b>329,737.00</b>	<b>335,155.11</b>	<b>295,672.29</b>	<b>273,561.04</b>	<b>231,555.43</b>
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>					
Contingent Liabilities	0.00	41,166.88	34,284.65	32,687.30	23,760.11
<b>BONUS DETAILS</b>					
Bonus Equity Share Capital	0.00	9,037.98	9,331.00	4,708.22	2,280.27
<b>NON-CURRENT INVESTMENTS</b>					
Non-Current Investments Quoted Market Value	0.00	0.00	35,955.77	36,139.84	0.00
Non-Current Investments Unquoted Book Value	0.00	2,119.21	11,621.03	10,030.63	2,803.16
<b>CURRENT INVESTMENTS</b>					
Current Investments Quoted Market Value	0.00	0.00	0.00	0.00	0.00
Current Investments Unquoted	0.00	1.10	333.15	274.00	0.00

### **Profit and loss account of Indian oil corporation limited**

<b>PARTICULARS (in crores)</b>	<b>Mar '20</b>	<b>Mar '19</b>	<b>Mar '18</b>	<b>Mar '17</b>	<b>Mar '16</b>
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<b>Income</b>					
Sales Turnover	486,256.45	605,923.77	506,427.59	445,441.90	406,827.99
Excise Duty	0.00	78,231.08	82,388.89	85,499.75	59,651.56
Net Sales	486,256.45	527,692.69	424,038.70	359,942.15	347,176.43
Other Income	-7,733.25	3,086.61	3,414.62	4,200.62	3,686.41
Stock Adjustments	6,410.43	3,011.13	-2,327.50	15,259.80	-3,479.20
<b>Total Income</b>	<b>484,933.63</b>	<b>533,790.43</b>	<b>425,125.82</b>	<b>379,402.57</b>	<b>347,383.64</b>
<b>Expenditure</b>					
Raw Materials	425,612.52	450,911.97	342,797.85	300,682.34	287,688.73
Power & Fuel Cost	0.00	6,272.73	4,776.50	3,921.15	4,629.58
Employee Cost	8,792.65	11,102.17	10,079.41	9,718.92	7,114.02
Selling and Admin Expenses	0.00	79.70	0.00	0.00	336.14
Miscellaneous Expenses	39,477.02	28,510.23	24,384.37	29,085.84	22,880.17
Total Expenses	473,882.19	496,876.80	382,038.13	343,408.25	322,648.64
<b>Operating Profit</b>	<b>18,784.69</b>	<b>33,827.02</b>	<b>39,673.07</b>	<b>31,793.70</b>	<b>21,048.59</b>
PBDIT	11,051.44	36,913.63	43,087.69	35,994.32	24,735.00
Interest	5,979.45	4,311.03	3,448.44	3,445.43	3,089.89
PBDT	5,071.99	32,602.60	39,639.25	32,548.89	21,645.11
Depreciation	8,766.10	7,517.58	7,074.97	6,227.65	4,818.57
Profit Before Tax	-3,694.11	25,085.02	32,564.28	26,321.24	16,826.54
PBT (Post Extra-ord Items)	-3,694.11	25,085.02	32,564.28	26,321.24	16,826.54
Tax	-5,007.34	8,232.77	11,218.16	7,214.84	5,584.31
<b>Reported Net Profit</b>	<b>1,313.23</b>	<b>16,894.15</b>	<b>21,346.12</b>	<b>19,106.40</b>	<b>11,242.23</b>
Total Value Addition	48,269.67	45,964.83	39,240.28	42,725.91	34,959.91
Equity Dividend	0.00	9,671.50	9,478.96	10,545.42	2,867.53
Corporate Dividend Tax	0.00	1,985.29	1,921.17	2,177.09	585.74
<b>Per share data (annualised)</b>					
Shares in issue (lakhs)	91,810.00	91,810.40	94,786.91	47,393.40	23,696.70
<b>Earning Per Share (Rs)</b>	<b>1.43</b>	<b>18.40</b>	<b>22.52</b>	<b>40.31</b>	<b>47.44</b>

Equity Dividend (%)	42.50	92.50	210.00	190.00	140.00
Book Value (Rs)	102.13	118.35	116.23	210.43	371.93

### **Analysis :**

The analysis of financial statements of IOC is classified into three categories such as cash flow statements , Profit and loss account and balance sheet.

### **Cash flow statement :**

Here is the above table of IOC have been seen their inflows and outflows of 5 years .In mar 2020 the company not yet disclosed their cash flows data .IOC's cash flow from operating activities (CFO) during FY19 stood at Rs 141 billion on a YoY basis.Cash flow from investing activities (CFI) during FY19 stood at Rs -240 billion, an improvement of 39.9% on a YoY basis.Cash flow from financial activities (CFF) during FY19 stood at Rs 104 billion, an improvement of 187% on a YoY basis.Overall, net cash flows for the company during FY19 stood at Rs 6 billion from the Rs -108 million net cash flows seen during FY18. IOC's cash flow from operating activities (CFO) during FY18 stood at Rs 291 billion, an improvement of 3.1% on a YoY basis.Cash flow from investing activities (CFI) during FY18 stood at Rs -171 billion on a YoY basis.Cash flow from financial activities (CFF) during FY18 stood at Rs -120 billion on a YoY basis.Overall, net cash flows for the company during FY18 stood at Rs -106 million from the Rs -4 billion net cash flows seen during FY17

### **Balance sheet :**

The company's current liabilities during FY19 stood at Rs 1,607 billion as compared to Rs 1,399 billion in FY18, there by witnessing an increase of 14.9%. Long-term debt stood at Rs 392 billion as compared to Rs 231 billion during FY18, a growth of 69.8%.Current assets rose 23% and stood at Rs 1,298 billion, while fixed assets rose 12% and stood at Rs 1,727 billion in FY19.Overall, the total assets and liabilities for FY19 stood at Rs 3,352 billion as against Rs 2,957 billion during FY18, thereby witnessing a growth of 13%.The company's current liabilities during FY18 stood at Rs 1,399 billion as compared to Rs 1,327 billion in FY17, thereby witnessing an increase of 5.4%.Long-term debt down at Rs 231 billion as compared to Rs 255 billion during FY17, a fall of 9.7%.Current assets rose 10% and stood at Rs 1,057 billion, while fixed assets rose 21% and stood at Rs 1,542 billion in FY18.Overall, the total assets and liabilities for FY18 stood at Rs 2,957 billion as against Rs 2,736 billion during FY17, there by witnessing a growth of 8%

### **Profit and loss account :**

Operating income during the year rose 25.3% on a year-on-year (YoY) basis. The company's operating profit decreased by 15.4% YoY during the fiscal. Operating profit margins witnessed a fall and stood at 6.7% in FY19 as against 9.9% in FY18. Depreciation charges increased by 11.0% and finance costs increased by 27.1% YoY, respectively. Other income declined by 20.6% YoY. Net profit for the year declined by 23.7% YoY. Net profit margins during the year declined from 5.3% in FY18 to 3.3% in FY19 . Operating income during the year rose 18.6% on a year-on-year (YoY) basis. The company's operating profit increased by 22.4% YoY during the fiscal. Operating profit margins witnessed a fall and down at 9.9% in FY18 as against 9.6% in FY17. Depreciation charges and finance costs increased by 12.6% YoY and 2.4% YoY, respectively. Other income declined by 11.5% YoY. Net profit for the year grew by 11.0% YoY. Net profit margins during the year declined from 5.7% in FY17 to 5.3% in FY18.



# CHAPTER-6

## LEARNING EXPERIENCE

### LEARNING EXPERIENCE

Every student doing a professional course needs to undertake internship of organisation study in his respective field, which gives him a chance to explore his skills and suit himself in the work environment.

The objective of the internship of organisation report is to benefit both the students as internship on organisational study as well as the company for which the students are preparing report. The students get to learn the basics of their education and then turning into realities, The internship of organisational study also helps a student to judge himself, whether he would be able to adjust in the environment or not.

The organisation study about “ INDIAN OIL CORPORATION LIMITED ” has given me the opportunity to gain valuable industry related experience that would allow me to expand my career options. The skills and knowledge I gained was quite vast. The guidance, support, feedback, useful suggestions and advanced insights about my subject which was provided by my project guide helped me to successfully complete this Organisational Study.

It has given wide way of studying about the petroleum industry in India. With it's aspects of running successfully over the many years. It is magnificent experience to be with very much informative in knowing about the organisational environment.

The organisational study definitely broadened my mind. Had a great learning from the environment of “ INDIAN OIL CORPORATION LIMITED ”

## **BIBLIOGRAPHY**

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## WEEKLY PROGRESS REPORT

Student Name	MANOJ KUMAR A
USN	1CR19MBA42
Title of the Study	An Organisation study on <b>Indian Oil Corporation Limited</b>
Organization	<b>Indian Oil Corporation Limited</b>
<b>WEEK-1</b>	
Duration (start date - End date)	<b>6.8.2020 - 12.8.2020</b>
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
<b>WEEK-2</b>	
Duration (start date - End date)	<b>13.8.2020 - 18.8.2020</b>
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
<b>WEEK-3</b>	
Duration (start date - End date)	<b>19.8.2020 - 26.8.2020</b>
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
<b>WEEK-4</b>	
Duration (start date - End date)	<b>27.8.2020 - 30.8.2020</b>
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



**Signature of the Student**



**Signature of the Guide**