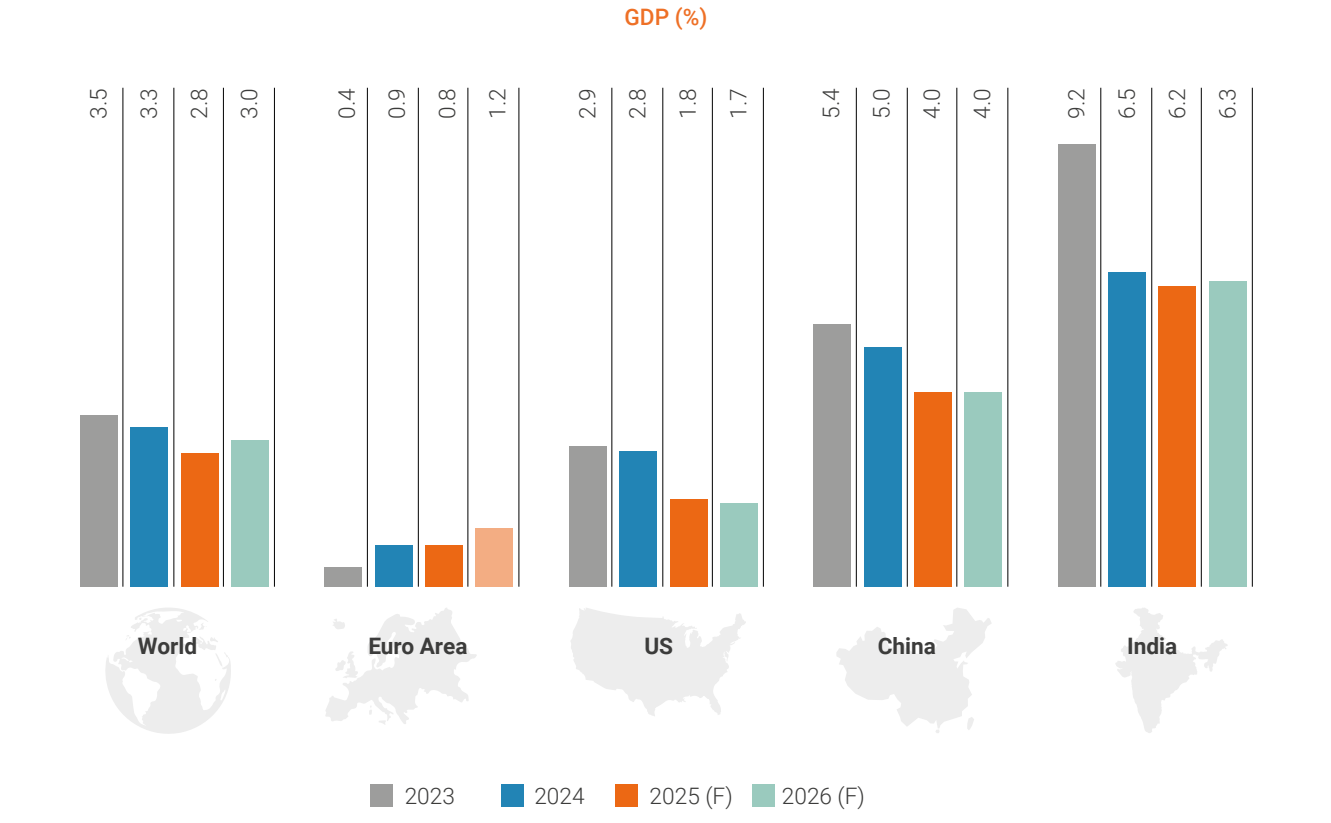
IndianOil Chairman and Board Members with IOCians at Corporate Office, New Delhi

Management Discussion and Analysis

1. ECONOMIC PERFORMANCE AND OUTLOOK

In 2024, the global economy showed signs of stabilisation, even as it continued to face significant challenges. Global growth slowed down slightly to 3.3 percent, from 3.5 percent in 2023, reflecting the impact of high interest rates, weaker global trade and ongoing uncertainty from geopolitical tensions. Advanced economies experienced a slight uptick from 1.7 percent to 1.8 percent, while emerging markets and developing economies saw a slowdown from 4.7 percent to 4.3 percent.



*For India GDP growth rates refer to fiscal year. (F) refers to Forecast

Source: World Economic Outlook, April 2025, International Monetary Fund

Among major economies, U.S. growth remained stable at 2.8 percent in 2024, driven by robust domestic demand, with private consumption growing at 2.8 percent, surpassing its historical average of 2.4 percent. Euro area's GDP growth was 0.9 percent, up from 0.4 percent in 2023. In contrast, China's growth slowed to 5.0 percent during the year from 5.4 percent in 2023, impacted by a weak property sector, low consumer confidence and a slowdown in exports. Additionally, escalating trade tensions and new tariffs have disproportionately affected China's economy in recent years. India remains the fastest-growing major economy, though its GDP growth slowed significantly to 6.5 percent in 2024-25, from 9.2 percent in 2023-24. This moderation is driven by high base effect and the post-COVID stabilization of economic growth rate.

Global inflation eased for the second year in a row, declining to 5.7 percent in 2024 from 6.6 percent in 2023, due to tighter monetary policies and softer commodity prices. Easing inflation enabled several central banks, including the US Federal Reserve, the European Central Bank and the Bank of England to cut interest rates. In several advanced economies, labour markets have rebounded to pre-pandemic levels, leading to reduced unemployment rates.

Despite some stability, several significant challenges persist. Global geopolitical risks remain elevated, raising concerns about their potential impact on both economic and financial stability. Trade tensions, particularly between the U.S. and China, continue to worsen these uncertainties. Furthermore, the rising global debt levels are a growing concern. Considering these risks, the IMF lowered its April 2025 global growth forecast to 2.8 percent for 2025 and 3.0 percent for 2026 - down 0.5 and 0.3 percent points, respectively, from its January projections, with downward revisions for nearly all countries. India's economic outlook remains strong, with growth expected to stay around 6.2 percent in 2025-26 despite moderating from post-pandemic highs. Key drivers include investment, consumption and productivity gains from digitalisation and infrastructure growth. Continued policy stability, normal monsoons and ongoing structural reforms will be crucial to sustaining this momentum.

2. GLOBAL ENERGY SECTOR

The global energy landscape this year was shaped by significant geopolitical and policy shifts that continued to influence energy markets and transition strategies. Volatility persisted due to ongoing conflicts in Eastern Europe and rising tensions in the Middle East. Against this backdrop, major oil and gas companies recalibrated their strategies, pivoting back to conventional oil and gas investments, even as their Net-Zero commitments remained unchanged. This shift, driven by profitability concerns and stakeholder pressure, raises questions about the pace and viability of the energy transition. Companies that once championed decarbonisation are now prioritising shareholder returns, scaling back renewables and increasing their focus on fossil fuels. This underscores a growing conflict between financial imperatives and climate goals, potentially hindering global emission targets. In the U.S., recent policy reversals such as withdrawal from the Paris Agreement and rollback of key low carbon incentives, signalled renewed support for fossil fuel development, raising global concern about weakening climate commitments.

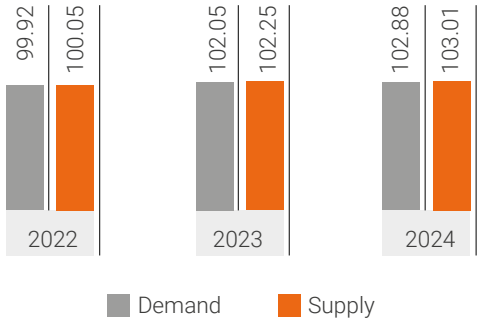
Despite these headwinds, many regions - particularly Asia and Europe continued to expand renewable energy deployment, though at a slower pace. The year underscored the tension between long-term climate ambitions and short-term energy security needs, setting the stage for a complex global energy transition ahead.

2.1 Oil Market

Global oil demand hit a record 102.9 Million barrels per day in 2024, but the pace of growth slowed sharply. Demand rose by only 0.83 Million barrels per day during the year, compared to a much higher increase of 2.1 Million barrels per day in 2023. This deceleration reflects a return to more normalised demand trends following several years of post-COVID recovery. While demand in OECD countries remained broadly flat, non-OECD regions accounted for nearly all the growth. Asia contributed 82 percent (or 0.68 MBPD) of the global increase; however, weaker-than-expected economic performance in China limited its contribution to just 0.1 MBPD.

Looking ahead, global consumption of liquid fuels is projected to rise by 1.3 MBPD in 2025 and 1.1 MBPD in 2026, with non-OECD Asia, particularly India, emerging as the key driver of demand growth.

Global Supply Demand of Oil (MBPD)



Source: IEA OMR March 2025

On the supply side, global oil production rose to match demand at 103 MBPD, up from 102.25 MBPD in 2023. The slower pace of demand growth, combined with strong output from non-OPEC+ producers, prompted deeper OPEC+ production cuts in 2024. OPEC+ supply averaged 49.9 MBPD, down from 50.7 MBPD in 2023. Saudi Arabia implemented significant curbs, reducing output to an average of 9.1 MBPD, a drop of over 1.3 MBPD compared to levels in early 2023. In contrast, non-OPEC+ supply surged by 1.5 MBPD, reaching 53.1 MBPD in 2024, with the US accounting almost half of the increase.

In 2024, global refining margins continued their downward trend, driven by a combination of increased global refining capacity and a slowdown in demand growth for refined products, leading to supply consistently outpacing demand. As margins tightened, downstream earnings for vertically

integrated oil companies fell by around 50 percent compared to 2023 and were approximately 60 percent lower than in 2022. Several refiners underperformed market expectations as weakening margins eroded profitability across the sector.

Global crude oil prices moderated during the year compared to 2023. While geopolitical tensions and OPEC+ supply decisions continued to influence prices, softer global demand and increased output from non-OPEC producers helped contain upward pressure. Dated Brent averaged $81/bbl, marginally below $83/bbl in 2023. However, early 2025 brought a shift in market sentiment due to escalating geopolitical tensions, including a trade dispute between the United States and key partners and signals from OPEC+ about accelerating planned output increases. These developments raised expectations of a rise in global inventories, applying downward pressure on prices.

2.2 Gas Market

In 2024, global natural gas demand rose to a record 4,212 Billion Cubic Metres (BCM), marking a 2.8 percent (115 BCM) year-on-year increase, well above the 2 percent average growth seen from 2010 to 2020. Natural gas accounted for around 40 percent of the total increase in global energy demand, more than any other fuel. Following the supply shock of 2022-23, this rebound signalled a return to structural growth, driven by Asia-Pacific markets, which contributed nearly 45 percent of the global increase. However, growth was uneven across geographies. European gas demand remained weak due to a mild winter and reduced electricity demand, while industrial gas consumption showed only modest recovery and remained below pre-crisis levels.

Natural gas continued to displace oil across several sectors. Notable shifts included oil-to-gas switching in the Middle East's power sector and the rapid growth of LNG-powered trucks in China. LNG bunkering also gained traction amid tightening emission rules in the maritime sector.

On the supply side, LNG output grew by just 2.5 percent in 2024, well below its average growth rate of 8 percent between 2016 and 2020, constrained by outages and delays in new capacity additions. However, growth is expected to accelerate to 5 percent (~25 BCM) in 2025, driven by the anticipated commissioning and ramp-up of several major LNG projects, particularly in North America.

Natural gas prices moderated across key markets in 2024, extending the downward trend from the record highs of 2022. European and Asian gas prices fell early in the year due to mild weather but rebounded sharply by around 70 percent during the second half of the year driven by robust Asian LNG demand.

In the United States, natural gas prices touched their lowest annual average since 2020, with Henry Hub (HH) averaging $2.2 per Million British thermal units (MMBtu). A warmer winter in 2023 & 2024 boosted gas inventory to 40 percent above the five-year average by March. High production also kept prices low. In Asia, spot LNG prices showed a similar trend of easing. The Platts JKM benchmark averaged around $12 per MMBtu in 2024, representing a 14 percent decline from 2023, although it remained nearly twice as high as the 2016 to 2020 five-year average.

2.3 Global Petrochemical Market

In 2024, the global petrochemical sector grappled with persistent supply-demand imbalances and heightened price volatility. Rapid capacity expansions, especially in Asia and the Middle East, significantly outpaced demand growth, creating oversupplied markets for major petrochemicals such as ethylene and propylene. This imbalance drove down product prices and squeezed profit margins, particularly affecting the naphtha-based producers in Europe and Asia.

2.4 Electric Mobility

The global electric vehicle (EV) market maintained strong momentum in 2024, with electric car sales exceeding 17 Million units, a 25 percent increase over 2023, bringing EVs to over 20 percent of total new car sales worldwide. The global EV fleet reached 58 Million, tripling since 2021 and displacing over 1.3 Million barrels of oil per day (MBPD). China led the transition, accounting for over 11 Million EV sales, or nearly half of all car sales in the country. It also remained the world's EV manufacturing hub, producing more than 70 percent of global electric cars. In contrast, Europe's EV sales plateaued, holding at a 20 percent market share, as subsidies and supportive policies tapered off. The United States saw a 10 percent year-on-year increase, with EVs reaching over 10 percent of new car sales.

Globally, electric vehicle prices declined, driven by lower critical mineral costs and rising competition among battery manufacturers. Battery pack prices dropped by around 30 percent in China and by 10–15 percent in Europe and the U.S., although a purchase price gap with conventional cars still persisted in many markets. To support rising adoption, public EV charging infrastructure doubled over the past two years. Despite policy and market uncertainties, EVs are expected to account for over 40 percent of global car sales by 2030, projected to displace over 5 MBPD of oil.

2.5 Low Carbon Energy

Despite geopolitical and policy headwinds, global investment in the low-carbon energy transition reached a record $2.1 trillion in 2024, an 11 percent increase year-on-year, driven by electrified transport, renewables, power grids and energy storage. However, growth slowed compared to previous years which remained in the range of 24 percent to 29 percent between 2021 and 2023. Investment in emerging clean energy sectors, such as hydrogen and Carbon Capture and Storage (CCS) saw a dip compared to 2023.

In 2024, global renewable energy capacity saw its largest annual increase, with 585 GW added, marking a 15.1 percent growth and bringing renewables to 46 percent of total installed power capacity. Solar power led the surge, accounting for over three-quarters of new additions with a record 452 GW, followed by 113 GW of wind energy. Renewables accounted for 92.5 percent of new global

power capacity. However, growth was uneven - China, U.S. and EU made up over 83 percent, while Africa contributed just 0.7 percent and India 4.9 percent of the growth.

In 2024, the global biofuels sector experienced significant growth, driven by policy support, technological advancements and increasing demand for cleaner energy. Global biofuels demand grew by 2.7 percent in 2024, reaching a record 2.2 Million barrels of oil equivalent per day. The Asia Pacific region led this growth, with India's demand rising sharply by 38 percent. On the production front, global output expanded by over 8 percent, with the United States contributing the largest share at 37 percent. India's share of total global biofuel production stood at 3.1 percent, whereas consumption stood at 3.5 percent.

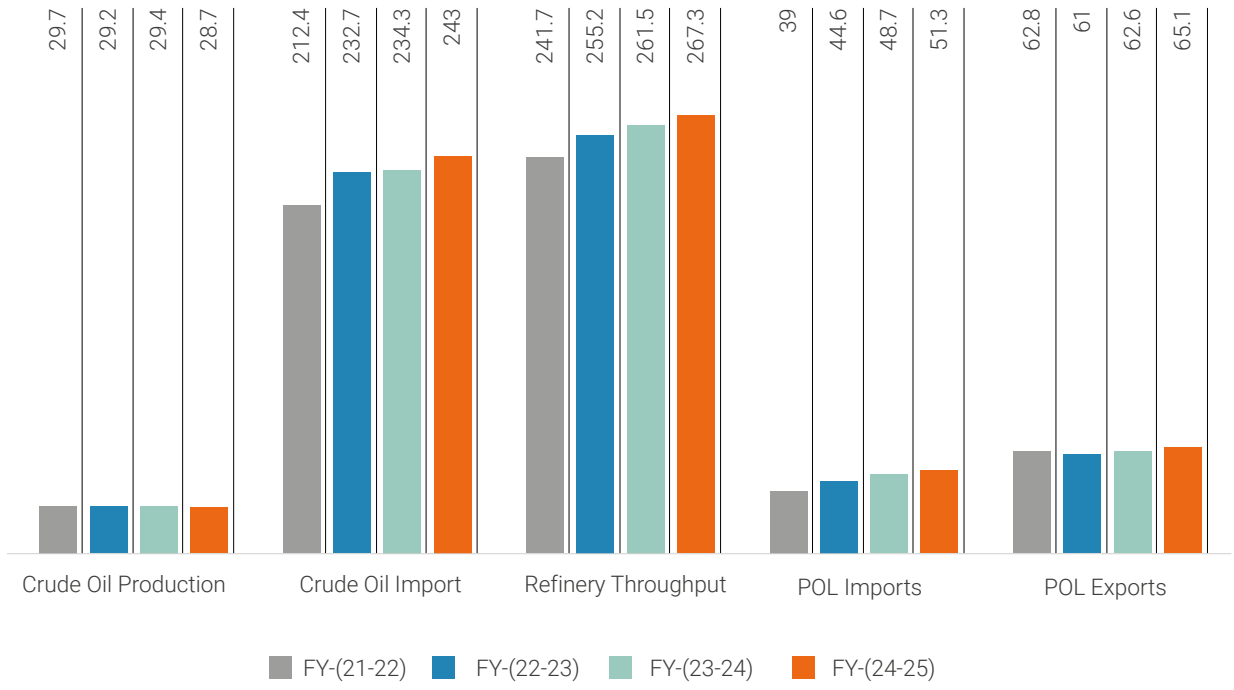
3. INDIAN ENERGY SECTOR

India, the world's third-largest energy consumer, continues to experience strong growth in energy demand across power, transport and renewables.

India's primary energy demand in 2024 rose by 4.3 percent year-on-year, higher than the ten-year average growth rate of 3.9 percent. This increase underscores the country's ongoing economic growth, accelerating industrial activity and expanding energy access across key sectors such as power, transport and industry. Looking ahead, India's primary energy demand is projected to nearly double by 2050, positioning the country as a key driver of global energy consumption growth. All major energy sources are expected to play a critical role in meeting this expanding demand. However, the most substantial growth is anticipated in the renewable energy segment, driven by falling technology costs, policy support and India's long-term climate goals.

During 2024-25, domestic crude oil production declined to 28.7 MMT from 29.4 MMT during the previous year, whereas crude oil imports rose by 3.7 percent year-on-year to 243 MMT to meet growing demand, further increasing India's import dependency to approximately 88 percent. Refinery operations maintained positive momentum. India's refinery capacity increased by 1.3 MMTPA to reach 258.1 MMTPA. Throughput rose to 267.3 MMT, a 2.2 percent increase over 2023-24, reflecting improved capacity utilisation and sustained demand for petroleum products. Petroleum product (POL) imports also rose to 51.3 MMT during the year from 48.7 MMT in 2023-24, while POL exports increased to 65.1 MMT from 62.6 MMT registered during the previous year, indicating strong performance in refined product markets and robust external demand for Indian petroleum exports.

India's Oil - Demand Supply Trend (in MMT)

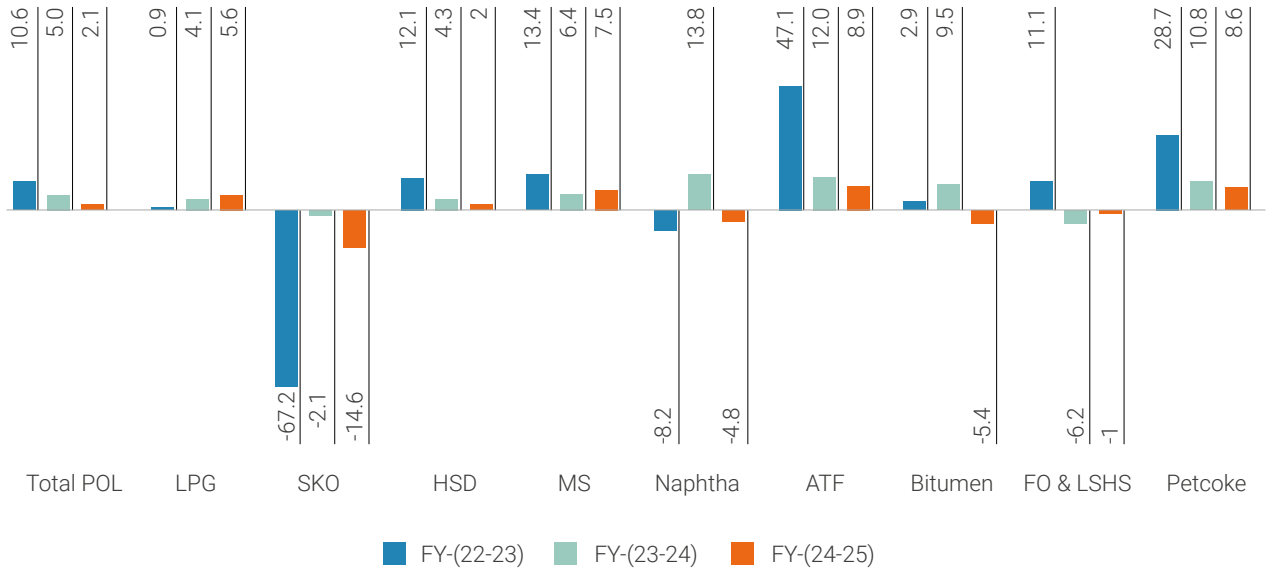


Source: Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum & Natural Gas

In 2024-25, refined petroleum product demand rose by 2.1 percent, reaching 239.2 Million metric tonnes (MMT). This marked a moderation from the robust growth rates of 10.6 percent in 2022-23 and 5.0 percent growth in 2023-24.

Within the transport fuels segment, Motor Spirit (MS) consumption increased by 7.5 percent to 40 MMT, while Aviation Turbine Fuel (ATF) demand grew by 8.9 percent, reaching 9 MMT. In contrast, High-Speed Diesel (HSD) demand saw a subdued growth of 2.0 percent, totalling 91.4 MMT, down from 4.3 percent growth registered in the previous financial year.

Major Petroleum Products Consumption (% Y-o-Y Growth)



Source: Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas

The sustained demand for road transport fuels was supported by a 6.5 percent rise in new vehicle registrations, whereas India's aviation sector continued to demonstrate strong recovery and expansion post-pandemic, emerging as a key growth driver. In the aviation sector, domestic air passenger traffic grew by 7.7 percent over 2023-24 and was 16.8 percent higher than the pre-COVID level recorded in 2019-20. Air cargo volumes too saw a strong rise, with international cargo increasing by 39 percent and domestic cargo registering a 4.7 percent growth during the year.

Among other major products, Liquefied Petroleum Gas (LPG) maintained its upward trajectory, growing by 5.6 percent to 31.3 MMT. On the other hand, bitumen sales declined by 5.4 percent year-on-year, totalling 8.3 MMT, reflecting moderation in road construction activity.

Natural gas consumption in India grew by 5.6 percent in 2024-25, reaching 71.3 Billion Cubic Metres (BCM), following a strong rebound of over 10 percent in 2023-24. However, domestic production remained flat during the year at 35.6 BCM, indicating continued reliance on imports to meet rising demand. India's LNG imports rose significantly by 12.3 percent to 35.7 BCM in 2024-25, supported by relatively lower global LNG prices. With this growth, India retained its position as the world's fourth-largest LNG importer, accounting for nearly 7 percent of global LNG trade (CY2024), reinforcing its status as a key destination for long-term LNG suppliers.

India's petrochemical industry is at a critical inflection point, driven by strong domestic demand growth and mounting global margin pressures. Valued at USD 220 Billion, the sector contributes ~6 percent to GDP. During the year, demand for major petrochemical products in India rose to 40.6 MMTPA from 38.4 MMTPA in 2023–24, reflecting a year-on-year growth of about 5.7 percent. Despite 8 percent average annual demand growth, India remains import-reliant, sourcing ~45 percent of petrochemical intermediates, especially in segments like C4 rubbers, styrenics and acrylics. However, over USD 124 Billion in planned investments, including more than USD 25 Billion in refinery-led integration, are expected to reduce the USD 88.6 Billion import bill. With per capita consumption at just 12 kg (one-third of the global average), India will likely need around 10 new crackers in the next 15 years to meet demand and boost self-reliance.

India's electric vehicle (EV) market grew strongly in 2024-25, with sales nearing 2 Million units, up 17 percent from 2023-24. Electric two-wheelers (E2Ws) dominated the Indian EV market with nearly 60 percent of total sales of around 1.2 Million units, reflecting a strong year-on-year growth of 21 percent. Electric passenger vehicles (ePVs), including electric cars and SUVs, recorded their best-ever performance with more than one Lakh units sold, marking an 18 percent year-on-year increase. However, EV four-wheeler penetration in India remains modest at 2.5 percent. Electric bus sales remained flat during the year. Following the expiry of FAME II scheme, the government launched the ₹10,900 Crore PM E-DRIVE Scheme to promote e-2Ws, e-3Ws, e-buses, e-trucks and e-ambulances (excluding electric cars), with ₹2,000 Crore allocated for scaling up public charging infrastructure aiming for ~72,000 charging stations.

India's peak power demand reached a record high of 250 GW, underscoring the country's accelerating economic growth and rising electrification. In 2024-25, total installed power generation capacity increased by 34 GW, reaching 475 GW. A significant driver of this growth was the record addition of 29.5 GW in renewable energy capacity, pushing the total installed renewable energy (RE) capacity to 220 GW (including large hydro), which includes 105.6 GW of solar and 50 GW of wind power. In a major development, the government approved ₹7,453 Crore to establish India's first offshore wind projects. To strengthen grid resilience and support RE integration, ₹3,760 Crore was also allocated for developing 4,000 MWh of Battery Energy Storage Systems (BESS).

The Government is scaling up implementation of the National Green Hydrogen Mission, with a total outlay of ₹19,744 Crore. Tenders have been awarded for establishing 4.12 Lakh tonnes per annum of green hydrogen production capacity and 1,500 MW of electrolyser manufacturing capacity. The mission aims to make India a global hub for green hydrogen production and exports. To strengthen energy transition supply chains, the Government launched the National Critical Mineral Mission (NCMM) on April 9, 2025, following its approval on January 29, 2025. With a planned investment of ₹34,300 Crore, the mission aims to ensure domestic availability of critical minerals, spanning entire value chain - from exploration to recycling.

On the biofuel front, Ethanol blending in petrol continued to make significant progress with the industry reaching 18.8 percent blending during the Ethanol Supply Year (ESY) 2024-25 (Nov 24 -May 25). Notably, over 50 percent of the ethanol supplied during this period was derived from non-sugarcane sources, reflecting a shift towards diversified feedstock. These developments underscore India's strong momentum toward achieving the 20 percent ethanol blending target ahead of schedule.

4. NAVIGATING THE EVOLVING ENERGY LANDSCAPE: OPPORTUNITIES AND CHALLENGES

India faces a dual challenge - balancing its developmental aspirations with climate commitments. As the country works toward achieving Net-Zero emissions by 2070, it must simultaneously ensure affordable, secure and reliable energy access for its population. This dual challenge of more energy and less carbon opens lot of opportunities for both conventional and low carbon sources of energy. While oil and gas will continue to play a significant role in India's energy mix, low carbon alternatives such as natural gas, renewables, green hydrogen and biofuels including ethanol, compressed biogas and sustainable aviation fuel are expected to be critical in decarbonizing the transportation and industrial sectors.

Opportunities

India as a Global Demand Driver: India is set to contribute nearly 2 Million barrels/day of oil demand growth by 2035, becoming the world's largest source of incremental oil demand.

Petrochemical Market Expansion: India's chemicals and petrochemicals market could triple to $1 trillion by 2040, accounting for over 10 percent of global growth. This underlines the urgency for import substitution and domestic capacity expansion.

Expanding Gas Access - Demand Growth Meets Global Supply Opportunity: India's rising natural gas demand—projected to reach 103 BCM annually by 2030—offers a significant opportunity, driven by industrial growth and a policy shift towards cleaner fuels in power and transport. This demand outlook aligns with a global LNG supply expansion expected between 2024 and 2029, which could enhance supply availability and improve pricing and contract terms for Indian buyers, supporting more secure and affordable gas access.

Renewable Energy Push: Under the National Electricity Plan, India targets over 600 gigawatts of renewable energy capacity by 2032, presenting a significant opportunity for oil and gas companies to diversify into clean energy. This growth is supported by policy enablers such as Renewable Purchase Obligations (RPOs), Renewable Generation Obligations (RGOs), the Production Linked Incentive (PLI) scheme and waivers on Inter-State Transmission System (ISTS) charges—all designed to attract investment and accelerate renewable deployment across sectors.

Biofuels & Blending Mandates: Ethanol blending mandates, phased SAF blending (1 percent by 2027, 2 percent by 2028 and 5 percent by 2030 for international flights under CORSIA) and CBG in CNG (Transport) & PNG (Domestic) segments of CGD sector (1 percent in 2025–26 and ramping up to 5 percent by 2028–29) mandates and export potential for green fuels like SAF and green ammonia present strong opportunities for domestic production, technology deployment and investment in low-carbon energy.

Digitalisation and Smart Infrastructure: Increasing adoption of AI, IoT and automation in refining, distribution and customer interface offers significant efficiency gains and new revenue models.

EV Market Growth - New Avenues for Energy Players: India's rapidly expanding electric vehicle (EV) market presents a strategic opportunity for oil and gas companies to diversify into emerging segments such as battery manufacturing, charging infrastructure and battery swapping.

Challenges

Import Dependence & price fluctuations: India's growing reliance on imported oil and gas remains a critical energy security challenge. Crude oil import, now at around 88 percent, poses a key challenge, increasing exposure to global price volatility and supply disruptions. Domestic gas production is projected to grow only modestly by 2030, necessitating a sharp rise in LNG imports, further deepening external reliance.

Petrochemical Margin Compression: Weak demand in China and oversupply from new global capacities are expected to keep petrochemical margins under pressure. Indian standalone units which are reliant on imports are particularly exposed, while integrated refiners with domestic feedstocks are better insulated.

EV Disruption: The rise of cost-competitive EVs presents a risk to long-term fuel demand, though the pace and scale of adoption remain uncertain.

Critical Mineral Dependence: The transition to cleaner fuels, especially batteries, electrolysers and solar, requires access to critical minerals (lithium, cobalt, rare earths), exposing India to new forms of import dependency and price risks.

Scaling Clean Technologies - Cost, Maturity and Financing Hurdles: Shift to low-carbon fuels is constrained by high costs, immature technologies and financing gaps. Green hydrogen remains significantly costlier than blue, limiting early adoption. Key solutions like CCUS, green hydrogen electrolysers and SAF lack commercial scale and cost competitiveness. India's transition demands urgent grid upgrades, faster deployment and equitable energy access. Additionally, high upfront investment needs and limited access to affordable financing hinder the scale-up of these technologies.

India continues to reinforce its position as a global economic powerhouse, maintaining its status as the fastest-growing major economy in the world. India is set to become the fourth-largest economy globally by 2025-26, surpassing Japan, a milestone driven by robust domestic demand, structural reforms and demographic advantages.

On the energy front, India is currently the third-largest energy consumer in the world. As the nation advances towards its vision of becoming a 'Viksit Bharat' (Developed India) by 2047, its energy demand is projected to double by 2050 taking its share of global energy mix to 12 percent by 2050 from current level of 6.5 percent.

For energy companies like IndianOil, this scenario presents a significant opportunity to meet the nation's conventional energy needs while increasing investments in low-carbon and green energy solutions. The ability to support India's development goals while advancing the shift to cleaner energy will be a key factor shaping the country's future energy landscape.

5. INDIANOIL'S STRATEGIC VISION: POWERING INDIA'S ENERGY FUTURE

As the country's foremost energy provider, IndianOil is poised to expand its share in India's primary energy supply from the current 9 percent to 12.5 percent by 2050, while also achieving its operational Net-Zero target by 2046. This growth trajectory not only strengthens IndianOil's identity as "*The Energy of India*" but also positions the Company at the forefront of shaping India's evolving energy landscape.

In response to the challenge of fulfilling increasing energy requirements while also advancing the energy transition, IndianOil has formulated a comprehensive long-term strategy built on three pillars: Strengthening the Core, Scaling Through Strategic Diversification and Integration and Steering Toward Sustainability and Net-Zero. These pillars underscore IndianOil's unwavering commitment to securing energy availability, achieving operational excellence and championing sustainable, low-carbon solutions aligned with India's national priorities and global climate commitments.

IndianOil is executing over 160 projects, each> ₹5 Crore, with total project cost exceeding ₹2.6 Lakh Crore, on Standalone basis and through its Joint Ventures and Subsidiaries

5.1 Strengthening Core Businesses

Under the "Strengthening Core Businesses" pillar, the emphasis is on maintaining its dominance in the 'Refining and Marketing' space. It includes expanding refinery capacity to meet India's rising energy needs and ensuring energy security for the nation. Oil demand in India is expected to grow steadily through 2040, fuelled by increasing vehicle ownership, expanding air travel and higher demand for plastics, even as the country progresses in adopting electrified transport systems.

Refining

In alignment with India's rising energy needs and long-term oil demand outlook, IndianOil has set a target to scale up its total refining capacity to 98.4 Million metric tonnes per annum (MMTPA) by 2028, from 80.75 MMTPA currently. This capacity expansion is anchored in India's robust economic fundamentals, growing consumer aspirations and the critical need to ensure energy security in a transforming global landscape.

Several major projects are underway to support this goal. The Panipat Refinery expansion, a flagship initiative, will raise capacity from 15 MMTPA to 25 MMTPA. Similarly, the Gujarat Refinery (Koyali) is being augmented from 13.7 MMTPA to 18 MMTPA, aiming to meet the rising demand for petroleum and petrochemical products in Western India. Similarly, expansion of Digboi Refinery and Barauni Refinery is being undertaken to strengthen the fuel supply to eastern region. These projects are scheduled for completion progressively by 2026-27. Simultaneously, the Company is striving to elevate its refineries of the Solomon Benchmarking Index by driving focused initiatives through dedicated Profitability, Efficiency and Reliability Improvement. The capacity expansions will not only help IndianOil to grow by fulfilling ever increasing domestic demand but also position itself as an exporter of refined petroleum products.

Petrochemicals

As the global refining sector adapts to changing energy dynamics, petrochemical integration is becoming a vital strategy for sustaining competitiveness and long-term viability. Its ability to produce higher-value chemical products and adapt to evolving market needs makes it better equipped to handle potential declines in transport fuel demand.

IndianOil, with a current petrochemical production capacity of 4.3 Million metric tonnes per annum, has laid out an ambitious roadmap to become a leading player in this space targeting over 13 MMTPA of petrochemical capacity by 2030. This marks a strategic shift from traditional fuel-focused operations to a more diversified portfolio with a higher share of value-added chemical products.

A key focus of this expansion is the development of high-margin specialty chemicals. IndianOil is striving to achieve 25 percent of its new petrochemical capacity i.e. around 3 MMTPA to specialty chemicals by 2030. This not only enhances profitability but also aligns with national objectives of reducing reliance on costly imports. In addition, IndianOil is positioning itself as a sustainability-focused petrochemical player. The Company has introduced Cycloplast, its brand of polymer recyclates and aims to build a production capacity of 1 MMTPA in this segment by 2028.

IndianOil is actively advancing its petrochemicals integration through a series of ongoing and newly approved projects. After the stage 1 approval of Paradip Petrochemical Complex in Odisha in 2022-23, several key initiatives are underway such as polypropylene units at Panipat, Barauni and Gujarat, along with an Acrylics/Oxo Alcohol complex at Gujarat Refinery and a PX-PTA complex at Paradip. Several planned projects such as textile-oriented petrochemical complex at Bhadrak (through a joint venture), a Propylene Recovery Unit at Haldia and an Ethylene Purification Unit with a Gas Phase Reactor at the Paradip Polypropylene plant will further expand this portfolio. Apart from organic growth, IndianOil is also exploring the acquisition of specialty chemicals businesses.

Pipelines

Alongside its refinery and petrochemical expansions, IndianOil is strengthening its pipeline infrastructure to ensure efficient product movement across the country. During the year, 261 Km of new pipelines were commissioned, extending the network over 20,000 Km. With 21 projects underway, the network is set to expand further to over 22,000 Km. During the year IndianOil signed two B2B agreements with Nepal Oil Corporation, paving the way for major cross-border projects such as the Motihari-Chitwan pipeline extension, a new Siliguri-Jhapa pipeline and storage terminals.

Marketing

To meet the country's rising fuel demand, IndianOil is strengthening its marketing infrastructure by expanding storage facilities and last-mile connectivity, while simultaneously modernising its retail network. During the year 2,823 new retail outlets were added, pushing the total network past 40,000. IndianOil enhanced marketing infrastructure with key additions including a new grassroot POL Terminal at Malkapur, Telangana, connected to the Paradip-Hyderabad Pipeline (PHPL), a captive jetty at Kamarajar Port, Ennore, Tamil Nadu, enhancing coastal logistics capabilities and an additional bitumen tank at the Barauni Bitumen Plant - all completed during 2024–25 to boost reach and logistics efficiency.

IndianOil's iconic SERVO lubricants expanded its global footprint to 45 countries, underlining the Company's growing presence in international markets. The Company also targets a significant increase in lube sales by 2028, with a sharper focus on value-added services, customised solutions and enhanced customer experience across all touchpoints.

A breakthrough was achieved in institutional sales, where IndianOil successfully introduced Hydraulic Oil SERVOHYDREX TH 46 Plus at ONGC's Mehsana and Ahmedabad units, replacing imported alternatives from multinational brands. Similarly, the export of AVGAS 100 LL to Pertamina in Indonesia and Padma Oil in Bangladesh marked an expansion of IndianOil's aviation fuel footprint in the global arena.

However, in a rapidly evolving retail landscape, agility and a sharper focus on profitability have become essential. IndianOil is prioritising growth in market share across key segments, improving per-pump throughput and significantly scaling up revenue from its Non-Fuel Retail (NFR) business. The Company also aims to increase bitumen sales volumes under its B2B sales portfolio. Additionally, the Company aims to bolster its logistics through partnerships, both in India and abroad and doubling growth in marine bunkering by 2028.

Strengthen Customer Focus

Customers have always remained the Company's priority. As one of the largest customer-facing organisations in the country, IndianOil serves 3.2 Crore customers daily through

its retail outlets, refills over 27 Lakh LPG cylinders per day and fuels more than 2,800 flights every day at 130 airports. IndianOil continues to work round the clock to enhance its services. From expanding service touchpoints to introducing value-added offerings and leveraging digital platforms, the Company remains committed to delivering convenience, reliability and a superior service experience.

IndianOil is focused on reinforcing customer-centricity through three broad objectives: becoming the preferred choice for both retail and institutional customers, expanding its customer base across emerging and high-potential segments and scaling up innovative offerings that resonate with evolving consumer expectations.

During the year, the Company introduced 'Chhotu Master', a compact, BIS-certified LPG cooktop that mounts directly on the 'Chhotu' (5 kg Free Trade LPG cylinder), eliminating the need for a regulator or hose. Since its launch, over 48,000 units have been sold. Strengthening the initiative further, IndianOil inaugurated India's first exclusive 'Chhotu Shopee' in Ahmedabad—a small-format LPG retail outlet designed to boost brand visibility and improve last-mile access in high-footfall locations. Initiatives such as 'One Team One Goal – Graahak Vriddhi – Acquire 360°' and 'Academy on Wheels' reflect IndianOil's inclusive, customer-focused approach aimed at upskilling customer attendants and expanding its customer base.

Academy on Wheels

IndianOil launched four Academy on Wheels buses—one per region—on April 22, 2024, equipped with AR/VR, digital displays and CCTV to deliver immersive, on-site training to customer attendants and channel partners.

Leveraging its strong research and development capabilities, the Company introduced several high-value products that reflect its commitment to quality and self-reliance. After launching India's first FIM Category 2 Racing Fuels STORM for bikes in 2023-24, the Company unveiled STORM-X during the 2024-25, a high-octane fuel tailored for motorsports, at the Madras International Circuit, Chennai. These initiatives not only strengthen IndianOil's brand in niche segments but also reflect its innovation-led approach to premium offerings.

One Team One Goal – Graahak Vriddhi – Acquire 360°

Launched on 1st January 2025, the initiative unifies efforts across Retail Sales, LPG, Institutional Business and Lubes to drive customer base expansion.

As part of this forward-looking approach, the Company is broadening its customer-centric initiatives by expanding product and service offerings, reimagining delivery models and empowering frontline teams to deliver seamless, high-quality service experiences. Enhanced feedback mechanisms and digital-first interactions are being developed to create more responsive, efficient and cost-effective customer touchpoints.

Cost Leadership

In an increasingly competitive energy market, cost leadership is crucial, not just for profitability, but also for sustaining long-term value creation across the supply chain.

Achieving cost competitiveness in LPG operations and aviation fuelling remains a key priority for IndianOil. The Company is undertaking a multi-pronged approach to enhance efficiency in bottling operations and aviation fuelling by improving productivity, rationalising material usage and strengthening in-house capabilities for allied services. These efforts are aimed at significantly reducing bottling and aviation fuelling costs while ensuring continued reliable and affordable service to our stakeholders.

IndianOil also aims to gain cost leadership across its marketing businesses through smarter procurement, logistics optimisation, data-driven decision-making and automation. This includes process re-engineering, digitization and streamlining interfaces across customer touchpoints to reduce transaction and service costs.

On the infrastructure front, IndianOil is prioritising the optimisation of repair and maintenance cost (R&M) across all operations. Through the adoption of predictive maintenance, smarter material utilisation and advanced technology-enabled monitoring systems, the Company is working to boost operational efficiency while maintaining stringent cost discipline.

Equally important is the Company's resolve to ensure timely execution of capital projects within approved cost estimates. Staying on schedule and budget not only enhances returns but also ensures quicker service to markets and better asset utilisation. These cost optimisation efforts are integral to reinforcing IndianOil's competitive edge while aligning with its broader vision of sustainable and value-driven growth.

5.2 Scaling up Through Strategic Diversification and Integration

IndianOil is actively diversifying its portfolio to align with the evolving energy landscape, ensuring energy security and access while advancing the energy transition.

In the upstream sector, IndianOil holds a strategic portfolio of 25 assets, 14 domestic and 11 overseas, including nine producing fields. In 2024-25, the Company's share of production rose to 4.45 Mtoe from 4.26 Mtoe during the previous year, driven by the start of commercial production from the BK-CBM-2001/1 block in Jharkhand and ramp-up in Canada's PNW project. In the long run IndianOil aims to scale up production and is actively pursuing new opportunities through licensing rounds and farm-in arrangements, both in India and abroad.

IndianOil is strategically positioned to scale up its presence in India's high-growth natural gas sector, aiming to significantly expand its market share and sales volume in the coming years. The Company aims to increase its natural gas sales by 2 to 3 times by the end of this decade through aggressive infrastructure development and market expansion. To ensure supply security and long-term competitiveness, IndianOil is entering into strategic LNG procurement agreements with global players - including 1.2 MMTPA from Abu Dhabi Gas Liquefaction Company for 14 years, 0.8 MMTPA from TotalEnergies for 10 years and a proposed 1 MMTPA agreement with ADNOC for 15 years.

IndianOil is focused on enhancing the profitability of its City Gas Distribution (CGD) business. Along with its joint ventures, IndianOil Adani Gas Private Limited and Green Gas Limited, the Company has presence in 49 geographical areas across 115 districts in 21 states and union territories, positioning it among India's leading CGD players. On a standalone basis, IndianOil holds authorisations for 26 geographical areas spanning 78 districts in 11 states and UTs, all of which are currently operational. The Company has set a target to ensure all its CGD geographical areas achieve profitability by 2028.

As part of its forward-looking strategy, IndianOil is also investing in LNG bunkering, small-scale LNG infrastructure and the promotion of LNG as a transport fuel. IndianOil has commissioned six LNG stations, including one for CONCOR. Additionally, four more LNG stations have been completed for Petronet LNG. To augment LNG import infrastructure to support growing demand, IndianOil's joint venture, IndianOil LNG Private Limited, plans to double the capacity of the Ennore LNG terminal to 10 MMTPA.

Expanding into New Horizons

To drive strategic growth and pursue inorganic expansion, IndianOil is establishing a dedicated M&A Cell, along with a Trading Desk to strengthen its commercial capabilities. The Company is also exploring opportunities in the data centre segment, leveraging its existing fibre optic network. In parallel, it is evaluating prospects in the critical minerals space to support emerging energy technologies and secure future value chains. To enhance its global supply chain footprint, IndianOil plans to develop import-export-ready infrastructure along the eastern and western coasts of India, with a strategic eye on expanding into high-potential international markets, especially in Africa and to venture into shipping business to strengthen logistics integration.

As part of its niche yet growing portfolio, IndianOil's Explosives and Cryogenics businesses are advancing steadily in scale and capability. The Explosives segment continued to strengthen its presence with the commissioning of a new plant at Neyveli, Tamil Nadu, while greenfield projects in Telangana and Maharashtra are underway to support future expansion. As India's rising power demand is expected to drive higher coal production, the segment is well-positioned for growth, with increasing demand for explosives. IndianOil's Cryogenics business achieved key milestones in 2024–25, including export orders and a landmark government contract and is now evolving into a total LNG solutions provider. With a new manufacturing unit at Dindori coming up, the Cryogenic business is set to tap into emerging opportunities in clean fuel infrastructure.

5.3 Steering Towards Sustainability and Net-Zero

In alignment with international commitments, India has set a target to achieve Net-Zero emissions by 2070. As the nation's largest energy Company, IndianOil is contributing to this goal by aiming to achieve Net-Zero operational emissions (Scope 1 and 2) by 2046, marking 100 years of India's independence.

Forging a Path to Green Growth

With a strategic focus on natural gas, renewables, electric mobility, biofuels, green hydrogen and nuclear energy, the Company is positioning itself as a key player in India's energy transition.

IndianOil is scaling up its renewable energy efforts through both organic and inorganic means, aiming for 18 GW of capacity by 2028 and 31 GW by 2030. To drive the ambition of development of green energy portfolio, the Company has established a dedicated green energy subsidiary, Terra Clean Limited (TCL). In the initial phase, TCL would set up 1 GW RE projects which would be further scaled upto 5.3 GW. To further catalyze growth, IndianOil is also exploring collaboration opportunities with leading Solar entities as well as Power transmission utilities for joint development of renewable energy projects.

Under its forward-looking biofuel strategy, IndianOil aims to deepen its commitment to sustainable mobility by scaling up ethanol blending and expanding next-generation biofuel capabilities. E20 (20 percent Ethanol-blended petrol) was launched nationwide in December 2024, thus achieving a record 19.1 percent ethanol blending in ESY 2024-25 (Nov 24 - May 25). Ethanol is also being produced from the Company's 2G Ethanol plant at Panipat. SATAT (Sustainable Alternative Towards Affordable Transportation) remains a key focus area for IndianOil, as the Company takes the lead in implementing this Government of India initiative by facilitating the establishment of CBG plants by entrepreneurs to supply Compressed Biogas to its retail outlets and direct customers. In parallel, IndianOil is setting up 30 CBG plants through joint ventures and aims to achieve a Compressed Biogas production capacity of 50 KTPA by 2028. In line with the upcoming 2027 CORSIA mandate, IndianOil is spearheading India's Sustainable Aviation Fuel (SAF) roadmap with the country's first commercial-scale SAF plant (86.8 KTPA) being set up at Panipat, using ethanol feedstock and LanzaJet's Alcohol-to-Jet technology. Additionally, SAF-blended ATF production is planned targeting 30 KTPA of neat SAF with up to 5 percent co-processing of Used Cooking Oil (UCO)—positioning IndianOil as a frontrunner in green aviation fuel. In line with the National Green Hydrogen Mission, the Company is setting up a 10 KTPA electrolyser-based green hydrogen plant at its Panipat Refinery.

IndianOil is rapidly expanding its footprint in the electric mobility sector, with its EV charging network already exceeding 13,600 stations across the country. As part of its forward-looking strategy, the Company is now intensifying efforts in battery-swapping technologies. In partnership with Sun Mobility Pte Ltd, Singapore, IndianOil established a 50:50 joint venture - Indofast Swap Energy Private Limited (ISEPL) in July 2024 to lead its battery-swapping initiatives. After deploying 222 Quick Interchange Stations (QIS) in 2024–25, bringing the total network to 865 QIS by March 2025, ISEPL aims to accelerate this momentum with a target of installing an additional 1,800 QIS in 2025–26.

Innovation through Research & Development

IndianOil is accelerating technology integration and innovation to offer cleaner energy solutions, unlock new value, boost self-reliance and future-proof its operations. Central to this effort is the IndianOil R&D Centre, a key driver of product and process innovation across the energy value chain, enhancing competitiveness in existing sectors while enabling growth in emerging ones. The R&D function is also being repositioned as a strategic profit centre, focused on innovation-led revenue and value creation.

To reduce reliance on foreign licensors, IndianOil has strengthened its in-house refining and catalyst technology capabilities. Highlights include successful field trials of the i-ZN22 PP catalyst at Paradip Refinery and increasing market traction for XtraFlo DRA, enhancing pipeline efficiency. The in-house-developed INDScan iPIG tool has assessed over 4,500 Km of pipelines in 2024, significantly boosting infrastructure integrity.

Isomerisation Bench Scale Unit at IndianOil R&D Centre

Product innovation is addressing future mobility demands, with specialised offerings like Servo Futura eV Grease and Servo Futura eV Trans 75W-90 for electric vehicles. High-performance fuels such as STORM-X, along with nano-additized products like Propane Plus and XtraBoost, reflect IndianOil's adaptability to evolving consumer needs. In nanotechnology, the NanoKoat-I coating offers robust corrosion protection for coastal and harsh environments.

Looking ahead, IndianOil is also integrating innovation with sustainability. The commercial rollout of *Surya Nutan* solar cookstoves has commenced through empanelled vendors, with carbon financing support via a partnership with EKI Energy Services Ltd. Trials of 15 fuel cell buses, are underway on designated routes in Delhi-NCR and Vadodara, marking a step toward cleaner public transport solutions.

To fuel long-term innovation, IndianOil R&D is establishing a second New Energy Centre in Faridabad, focused on Alternative & Renewable Energy, Corrosion Research, Nanotechnology and Synthetic Biology. Additionally, its Start-up Funding Scheme has incubated 42 start-ups to date, generating 86 IPRs, underscoring IndianOil's commitment to building a vibrant energy innovation ecosystem.

Digitalisation for Operational Excellence

IndianOil continued to make significant strides in its digital transformation journey during the year, reinforcing operational efficiency, data-driven decision-making, demand forecasting and efficient supply chain management.

A major milestone was migrating the Integrated Refinery Accounting System (IRAS) to the public cloud, improving scalability, uptime and data security. Tools like the I-Pulse Portal and real-time dashboards have enabled smarter decision-making. Meanwhile, automation via Robotic Process Automation (RPA) has streamlined processes across LPG, retail, logistics and network expansion. These advancements underscore IndianOil's digital excellence and operational resilience.

A suite of data-driven digital initiatives is reshaping operations - ranging from AI-based demand forecasting and SMART terminal systems for streamlined inventory and fuel

handling, to drone-based surveillance for enhanced pipeline safety. Tools like the Integrated Planning Optimisation Management System (IPOMS) are enabling enterprise-wide planning and operational efficiency.

6. CHARTING THE FUTURE: TRANSLATING STRATEGY INTO ACTION

The fast-changing dynamics of the global energy ecosystem, characterized by technological disruption, Decarbonisation imperatives and shifting consumer expectations require greater agility and sharper focus. To stay aligned with these shifts, it is essential to regularly reassess long-term strategies. Accordingly, IndianOil has introduced Project SPRINT, a transformational medium-term strategy that outlines ambitious, results-oriented targets to be achieved by 2028.

Project SPRINT is not merely a roadmap but a strategic shift towards a future-ready IndianOil. It focuses on six core dimensions: Strengthening core businesses, Propelling cost optimisation to boost profitability, Reinforcing customer-centricity, Integrating technology and innovation, Nurturing leadership and talent and Transitioning towards cleaner energy. This initiative aims to streamline operations, enhance efficiency, prepare for shifts in the energy sector and building a high-performance, agile organisational culture.

IndianOil envisions Project SPRINT as a bridge between today's realities and tomorrow's possibilities. It enables the Company to pivot decisively, from being a traditional oil major to a modern, integrated energy enterprise, while staying true to its core value of Nation-First and delivering value to all stakeholders. As IndianOil continues to implement its SPRINT strategy, the focus is on sustaining growth while navigating a rapidly evolving energy landscape. Key operational challenges include managing large-scale projects, maintaining capital discipline, optimising costs, strengthening customer engagement and balancing growth with profitability amid rising competition and market volatility. Expanding market presence across both traditional and transition energy segments remains central to the Company's medium- and long-term vision.

To address emerging challenges and translate the SRPINT strategy into action, IndianOil has put suitable enablers in place across financial, operational, human capital and technological domains. On the financial front, the Company is aligning capital allocation with shifting business priorities through forward-looking investment evaluation frameworks and identifying projects that offer the highest strategic value. A structured asset monetization plan is also being advanced to unlock value from underutilized assets and reinvest in high-growth areas. Human capital development remains a core focus, with an emphasis on reskilling and upskilling the workforce to prepare for future challenges and on strengthening leadership capabilities to steer complex transitions. IndianOil is also promoting a culture of agility, empowerment and responsiveness, while adopting new-age processes and work practices to remain competitive in a dynamic business environment. Technology and digital capabilities are being expanded through an integrated roadmap that combines IT, AI and automation to drive operational efficiency, accelerate growth and enable the energy transition. Strategic digital interventions and the deployment of robust infrastructure are aimed at enhancing decision-making, improving customer experience and streamlining core functions. In research and development, IndianOil is repositioning R&D as a strategic growth engine, focused on delivering tangible business value and supporting its low-carbon transition objectives. To foster innovation and scale impact, the Company is also strengthening collaboration through synergies and partnerships across industries and academia. These efforts are further reinforced by strict adherence to safety protocols and standard operating procedures, ensuring that safety remains integral to every process and decision.

Together, these enablers are reinforcing IndianOil's commitments to respond swiftly to change, drive operational excellence and unlock long-term value. Backed by strong leadership and a clear commitment to sustainable growth, the Company is on the pathway to increase its share in the country's primary energy mix from 9 percent today to 12.5 percent by 2050, while also working towards achieving Net-Zero operational emissions by 2046.

7. RISKS AND CONCERNS

In today's volatile global environment, organisations are contending with an increasingly intricate and interconnected risk landscape. The Russia-Ukraine conflict, now into its third year of ramifications, continues to disrupt energy supply chains and commodity markets. These geopolitical tensions coupled with ongoing conflicts in the Middle East and rising protectionist trade policies have triggered widespread inflationary pressures, capital volatility in emerging economies and growing concerns around food and energy security.

Simultaneously, climate change-induced extreme weather events, tightening environmental regulations and the accelerating push toward Net-Zero are reshaping the operating context for energy companies globally.

Against this backdrop, energy security has re-emerged as a critical national imperative. As India's foremost energy provider, IndianOil recognizes its strategic responsibility in ensuring uninterrupted and diversified energy access. To reinforce this, the company is enhancing its refining flexibility to process a broader array of crude types while de-risking supply dependencies by expanding its crude basket. Significant steps were taken to enlarge the crude oil basket by diversification and 15 new crude oil grades from different geographies were added during the year. The crude basket of your Company now contains 268 grades from different regions like Africa, Middle East, America, Russia etc.

In navigating this complex terrain, IndianOil has adopted a proactive and integrated approach to enterprise risk management. Recognizing that risks are no longer isolated but systemically linked, the Company continuously identifies, evaluates and mitigates critical threats across economic,

operational, financial, environmental and regulatory domains. Its risk management architecture integrates top-down strategic oversight with bottom-up business unit engagement, covering enterprise-level exposures as well as functional and project-specific vulnerabilities.

The company's key risk vectors include:

- Macroeconomic risks from commodity price volatility, global inflation and supply-chain instability;
- Financial risks related to forex fluctuations and interest rate movements impacting debt obligations;
- Competitive threats from incumbents and disruptive technologies in clean energy and electric mobility;
- Operational risks from plant outages, logistics bottlenecks, or labour unrest;
- Cyber and physical security risks, particularly amid rising digitalisation and geopolitical cyber threats;
- Brand and reputational risks tied to stakeholder trust and public perception;
- Environmental risks from stricter emission norms, resource constraints and compliance costs;
- Policy and regulatory risks, including shifts in taxation, ESG mandates and investment norms; and
- Energy transition risks, especially the potential for disorderly shifts that could destabilize supply-demand balance or expose the company to stranded asset risks.

Amidst intensifying global and domestic regulatory emphasis on sustainability reflected in initiatives such as the revised Business Responsibility and Sustainability Reporting (BRSR) framework in India, IndianOil has proactively expanded its risk management framework to integrate Environmental, Social and Governance (ESG) considerations. This includes the quantification of Scope 1 and Scope 2 greenhouse gas emissions, assessment of water usage footprints and readiness for more rigorous ESG disclosures. These endeavours underscore IndianOil's steadfast commitment to fostering resilient, sustainable and responsible growth in an evolving global landscape.

8. FINANCIAL REVIEW

The Standalone Financial Performance of the Company and the various Segments are summarised below:

₹in Crore

Particulars	2024-25	2023-24	Variation
Revenue from Operations	8,45,513	8,66,345	-20,832
EBITDA	39,898	74,182	-34,284
Profit Before Tax	15,882	52,344	-36,462
Profit After Tax	12,962	39,619	-26,657
Cash Flow from Operating Activities	33,170	68,097	-34,927
Borrowings	1,34,466	1,16,496	17,970
Revenue from Operations (Segment-wise)			
Petroleum	7,73,632	8,03,127	-29,495
Petrochemicals	27,982	26,187	1,795
Gas	42,211	35,215	6,996
Other Businesses*	1,688	1,816	-128
Earnings before Interest & Tax (EBIT) (Segment Wise)^			
Petroleum	17,960	55,177	-37,217
Petrochemicals	-440	-344	-96
Gas	1,427	526	901
Other Businesses*	-160	263	-423
Other unallocable (expenditure)/income-net ^	5,827	4,050	1,777

*Other Businesses comprises of Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

^Includes exceptional item also.

Standalone Financial Performance

At the beginning of 2024–25, the benchmark Indian Basket crude oil prices remained elevated, trading in the range of USD 88 to USD 91 per barrel. However, prices softened during the year and closed around $76 per barrel by end of the year. The average crude price during the year stood at USD 79/bbl, as against USD 83/bbl in the previous year.

Product crack spreads witnessed substantial volatility during the year, driven by fluctuating global market dynamics. Notably, the Motor Spirit (MS) and High-Speed Diesel (HSD) crack spreads experienced significant variation, averaging USD 3/bbl and USD 11/bbl respectively in 2024–25, compared to USD 7/bbl and USD 19/bbl in 2023–24.

The Company's average normalised Gross Refining Margin (GRM) for 2024–25 stood at USD 4.53/bbl, compared to

USD 11.44/bbl in the previous year and the average reported GRM was USD 4.80/bbl, compared to USD 12.05/bbl in 2023–24. Given the Company's inland refinery locations and corresponding inventory levels, the impact of inventory gains or losses becomes more pronounced in a volatile pricing environment and contributed to the observed variation in reported margins during the year.

Revenue from Operations was ₹8,45,513 Crore in 2024-25 as compared to ₹8,66,345 Crore in the previous financial year. The decrease in revenue can be primarily attributed to reduction in retail selling prices of petrol, diesel and LPG in the month of March 2024. In view thereof, the Asset Turnover Ratio also declined from 1.99 times to 1.81 times as Revenue from Operations has decreased during current year.

The Net Profit for 2024-25 was ₹12,962 Crore as compared to ₹39,619 Crore during previous year. The decrease in profitability during current year was mainly on account of decrease in refining margins, under-recoveries on sale of LPG and higher exchange losses during the current year as compared to previous year. As a result, Company's EBITDA margin (4.50%), Operating Profit margin (2.11%) and Net Profit margin (1.53%) significantly decreased as compared to 8.56%, 6.34% and 4.57% respectively in the last year.

The Company's Current Ratio remained broadly stable during 2024–25, reflecting a consistent and balanced position between current assets and current liabilities. The average inventory holding period during the year stood at approximately 47 days, while the average collection period was around 7 days, as compared to 48 days and 6 days, respectively, in the previous financial year. These figures indicate no significant deviation in the Company's working capital cycle and continue to reflect effective management of operational liquidity.

Increase in borrowings due to high capex commitments and low internal accruals led to the increase in the Company's Debt-to-Equity ratio from 0.66 times at the end of previous financial year to 0.75 times at the end of current financial year. Further, Interest Coverage Ratio & Debt Service Coverage Ratio also decreased from 9.08 & 2.17 times to 4.02 & 1.07 times. Company's Return on Average Capital Employed and Return on Average Net Worth also registered a decrease from 20.17% & 29.75% to 7.10% & 8.69% respectively.

During the year, Company paid the final dividend of ₹9,640.08 Crore for 2023-24. The Company's Earnings Per Share (EPS) for the year 2024-25 stood at ₹9.41 as compared to ₹28.77 in previous year. The Board of Directors has recommended a dividend of ₹3.00 per equity share (amounting to payout of ₹4,131.47 Crore) for 2024-25, subject to approval by the members of the Company in the Annual General Meeting (AGM)

Detailed financial indicators and ratios for the last five years are provided in the section 'Performance at a Glance' forming part of the Integrated Annual Report.

Group Financial Performance

The Group's Revenue from Operations for the year amounted to ₹8,59,363 Crore as compared to ₹8,81,235 Crore in the previous year. The Net Profit for group for current year is ₹13,789 Crore from ₹43,161 Crore in previous year due to same factors which contributed to decreased profitability on standalone basis. The information on contribution by each of the group company is provided in Note 46 of Consolidated Financial Statements.

The detailed financial performance of the material subsidiaries, Joint Ventures and Associates is provided in Note 33A and 33B of the Consolidated Financial Statements. During the year, the subsidiaries Chennai Petroleum Corporation Limited reported Net Profit of ₹214 Crore and Total Comprehensive Income of ₹205 Crore; and Lanka IOC PLC reported Net Profit of Sri Lankan Rupees 1,115 Crore and a Total Comprehensive Income of Sri Lankan Rupees 1,188 Crore, which, after adjustments as per Ind AS, translated to Net Profit of ₹354 Crore and Total Comprehensive Income of ₹420 Crore. The Joint Ventures, Indian Synthetic Rubber Private Limited achieved Net Profit of ₹376 Crore and Total Comprehensive Income of ₹376 Crore; IndianOil Petronas Private Limited achieved Net Profit of ₹328 Crore and Total Comprehensive Income of ₹328 Crore;

9. INTERNAL CONTROL SYSTEMS – PROCESS EXCELLENCE

The Company has put in place Internal Control Systems comprising rules, policies and procedures that not only provide direction and increase efficiency but also strengthen the adherence to policies, while ensuring smooth and efficient business processes. The Company has laid down various policies as well as detailed manuals, which cover almost all the aspects of the business. The internal processes and policies are reviewed from time to time to align them with the changing business requirements. organisational-level controls, operational-level controls, anti-fraud controls and general IT controls have been put in place to ensure that business operations are carried out efficiently and effectively and chances of errors/frauds are minimised. The internal control systems are commensurate with the size and operations of the Company. The Company has an independent Internal Audit Department, headed by an Executive Director, who reports to the Chairman. The Department has officers from Finance as well as other technical functions. The audit assignments are carried out as per the Annual Audit Programme approved by the Chairman and the Audit Committee. The Internal Audit carries out extensive audit throughout the year covering every business process. The Statutory Auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls over financial reporting for the Company under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013. The report issued thereupon is attached to the Standalone and Consolidated Financial

Statements respectively. The Audit Committee carries out a detailed review of the Financial Statements and deliberations with the Internal Auditors and Statutory Auditors before the same is recommended to the Board for approval.

10. HUMAN RESOURCES

The Company always believes in holistic and meaningful employee engagement and development of its human resources. The Company engages with employees to tap their potential for the growth of its business. The challenges surrounding the present competitive and dynamic business scenario can be best mitigated by a workforce that is motivated, adaptive to change, innovative and quick in learning. Learning forms an integral part of the growth and enrichment of the workforce. Integrated HR practices through focused recruitment, career path and learning and development have contributed to the future readiness of the workforce. The Company is making continuous focused investments in upskilling its talent and capability building across all levels. Curated programs to ensure future readiness in technology and renewables are developed for employees at junior, mid and senior levels of management. The Company has a structured and robust succession planning framework for the identification and development of talent for the leadership pipeline. The Company has not only groomed several visionary leaders who led and transformed the Company over the years, but also groomed leaders for both public and private sectors.

11. IR CLIMATE – COLLABORATIVE VALUE

The industrial relations (IR) climate in the Company has traditionally been harmonious. A collaborative IR climate has been maintained in the Company over the years. The Company ensures that changes in its business environment, strategy & business models, the resultant impact on the current business and the people, along with future plans are regularly shared with the collectives and their views and suggestions are taken into consideration. Regular structured meetings are held between the management and the collectives to discuss and deliberate on issues like productivity, welfare and the need to build a responsive and responsible organisation. The collectives have always steadfastly supported the management in overcoming challenges faced by the Company.

As of March 31, 2025, the employee strength of the Company stood at 29,941, which comprised 18,740 executives and 11,201 nonexecutives, including 2,663 women employees.

12. OTHER INFORMATION

The details regarding the Company's CSR activities, environment protection and conservation initiatives, technology absorption and adoption efforts, renewable energy initiatives, foreign exchange earnings & outgo, energy conservation, etc., are provided in the Directors' Report and its Annexures.

13. CAUTIONARY STATEMENT

The information and statements in the Management's Discussion & Analysis regarding the objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws and regulations. The actual results may differ materially from the expectations. Various critical factors that could influence the operations of the Company include global and domestic demand and supply conditions affecting the selling price of products, input availability and prices, changes in Government of India regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations.

IndianOil

From MOLECULES TO MIRACLES

WE POWER POSSIBILITIES

PIONEERING PETROCHEMICAL ADVANCEMENTS

IndianOil's petrochemical solutions are the unseen threads in the fabric of modern life, empowering industries and enriching lives.

- PROPEL remains IndianOil's flagship brand for high-quality petrochemical products
- Diverse Portfolio includes polymers, elastomers, detergent intermediates, and solvents for industrial use
- Reprocessing used plastics into high-quality recycled polymers under brand 'Cycloplast'
- Boosting circular economy through 'Unbottled' where discarded PET bottles are transformed into high-quality uniforms and apparel
- Focused on innovation for sustainable, high-performance materials

Propelling India Ahead