Chairman's Statement at the 57th AGM of the Company

CONQUERING
NEWER
HORIZONS

ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

Shri Utpal Bora
Chairman & Managing Director

Chairman's Statement at the 57th AGM of the Company

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to the 57th Annual General Meeting of your Company. Thank you very much for being with us today.

The Annual Report for the year, ending 31st March 2016, along with the Report of the Directors and Audited Accounts for the year ending 31st March 2016, have already been circulated and are with you. With your permission, I take them as read.

During the year under review, our commitment to enhance stakeholders' value received further impetus and despite the ever changing and challenging environment, the Company registered growth in certain areas. The significant milestones achieved by your Company during the year 2015-16 include:

- Achieved highest ever production and sale of natural gas in its history
- The turnover of the Company was Rs. 9764.87 crore as compared to Rs 9748.23 crore during 2014-15
- Profit after Tax (PAT) was Rs. 2,330.11 crore against PAT of Rs. 2,510.20 crore during 2014-15. Profitability of the Company was affected on account of higher financing cost associated with investment in Mozambique project, low oil and gas price etc.
- Your Company retained International credit ratings - Moody's "Baa2" (higher than sovereign rating), Fitch Rating "BBB(-) " (Stable) (equivalent to sovereign rating) and obtained highest domestic ratings from CARE ratings- "AAA" (for long term facilities) and "A1+" (for short term facilities).
- Dividend payment for the year 2015-16 is 160%.
- Your Company has made a total of six hydrocarbon discoveries, all of which were in the Upper Assam basin during the year.
- Hydrocarbon reserve accretion during the year was 7.2121 MMT (O+OEG) of oil and gas.
- Your Company has started supplying natural gas to Brahmaputra Crackers and Polymers Limited for production purposes.
- Your Company successfully commissioned its 2nd solar energy project of 9MW capacity in Rajasthan in February, 2016.
- Your Company was fully involved in the creation of "Hydrocarbon Vision 2030 for North East India".

PERFORMANCE RECOGNITION

You will be happy to learn that your Company has received a large number of appreciations and recognitions, for its achievements in different fields during the

year, from different organisations /agencies. These awards and recognitions demonstrate total dedication and concerted efforts of all Oil Indians. Salient amongst these are:

- Ranking of #222 in the Platts Top 250 Global Energy Company Rankings for 2015 and #68 in the Asia Companies, declared at the (13th) Annual Platts Top 250 Global Energy Company Rankings, 2015
- Certificate of Merit by the International Federation of Training and Development Organizations (IFTDO) Global HRD award, 2016, on the topic "Customized Soft Skill Training for Workpersons" for OIL's Innovative Training Programme for Workpersons.
- The "FROST & SULLIVAN'S Green Manufacturing Excellence Award 2015 - Certificate of Merit - Believers Category"
- The Oil Industry Safety Award for "Best Near Miss Incidents Reporting, Production Operation-Onshore/Offshore" for the year 2013-14
- The 2nd Pt. Madan Mohan Malaviya Silver Award for Best CSR Practices in Education, 2015, by CSR Times
- Shri Gnana Kumaraswamy Batta, Senior Geophysicist with Oil India Limited, won the Petrofed Innovator of the year (Special Commendation in the Individual category) at the PETROFED Awards 2013-14
- 3rd Prize under Best Enterprise Award in Public Sector at the 26th National Convention of the Forum of Women in Public Sector (WIPS)
- The 'Best Company in CSR & Sustainability' Award at the INDIA TODAY PSUs Awards, 2015
- The following awards instituted by "World CSR Congress" at the Sustainability & Leadership Summit & Awards ceremony :

  i) 50 Most Sustainable Companies of India Award

  ii) Best Performing Navratna PSU Award

  iii) Best CSR Practices Award

  iv) Sustainable Community Leadership Award

In addition, two distinguished lady officers, namely, Ms. Reba Devi, Asset Manager, Central Asset and Ms. Debjani Bose, DGM(Chemical), were conferred with the prestigious "Women at Work Leadership Award."

- The 5th Annual Greentech CSR Award 2015 in Gold category, in Petroleum Exploration sector
- The 15th Annual Greentech Environment Award, 2014, in Gold category in Petroleum Exploration sector
- The 16th Annual Greentech Environment Award, 2015, in Gold category in Petroleum Exploration Sector
- The Golden Peacock National Training Award, 2015

- The 5th Annual Greentech HR Award, 2015 on Training Excellence
- The 3rd Global Training & Development Leadership Award for best development programme in public sector for workers, in the category of Best Employer 2015-16, by World HRD Congress
- The 7th best employer of the year at 10th Employer Branding award including an award for managing health at work, both by Employer Branding Institute, India
- The "Dainik Bhaskar- India Pride Award 2015-16, for Excellence in Oil & Gas", in the Central Public Sector Undertaking category by the Dainik Bhaskar newspaper group

ECONOMY & INDIAN E&P INDUSTRY

OIL SECTOR SCENARIO

India with a GDP growth of about 7.5% during 2015-16 is one of the world's fastest growing economies. Government of India has initiated various novel programmes to fuel growth and development, which will further accelerate economic development. These significant initiatives are:

- Investment led growth through **Make in India**
- Leveraging technology thorugh **Digital India**
- Enabling innovation thorugh **Start Up India**
- Capability building thorugh **Skill India**

Our country with a population of over 1.25 billion is witnessing a high growth in demand of energy. The per capita energy consumption is growing at a healthy growth rate of 4 % which is well above the global average of 2.2%.

The salient feature of 2015-16 was the fall in global oil prices. During the year, the oil prices went below USD 28 per barrel in this year. Despite occasional spurt of oil prices above USD 50 per barrel, the oil prices mostly remained between USD 30s and 40s per barrel over the entire year. The projected growth of Indian economy during the year was around 7.5 percent. The oil and gas production of the country was 36.95 MMT and 32249 MMSCM respectively during the fiscal year.

More than 80 percent of the crude oil requirement of the country is imported which results in huge drainage of foreign currency from national exchequer. In order to bridge the increasing gap of crude oil in the country, Government of India has initiated various steps like Hydrocarbon Exploration Licensing Policy (HELP), introduction of CBM policy, exploration of shale resources etc. The Government of India is also encouraging exploitation of discovered small fields through bidding process. Further, the Government of India is also encouraging exploration and acquisition of discovered and producing properties abroad, and had allowed 100 percent FDI in exploration. Further Government has also allowed exploration for shale resources to ONGCL and OIL in their existing nominated PEL / PML areas.

Government of India is providing thrust towards the development of north east India.

In response to that MOP&NG has created "Hydrocarbon Vision 2030 for North East India". The document was released by Shri Dharmendra Pradhan, Honourable Minster of State (i/c), Petroleum and Natural Gas, at Guwahati on 9th February, 2016. Your Company has actively participated in the creation of the Vision document and is presently involved in its implementation.

COMPANY SCENARIO

Your Company continues to be the second largest national oil and gas Company in India in terms of total proved plus probable oil and natural gas reserves and production for the year 2015-16. Your Company's share was about 8.80 percent of the country's both the crude oil and natural gas production.

The gross crude oil price realisation for the year 2015-16 is US$ 46.35/bbl, as compared to US$ 84.25/bbl during 2014-15. The net realisation during 2015-16 is US$ 45.31/bbl as compared to US$ 47.12/bbl during the same period last year. The net realisation in rupee terms during 2015-16 is Rs 2966 /bbl approx. as compared to Rs 2881 /bbl approx. during 2014-15.

Your Company, as on 31.03.2016, is holding Participatory Interest (PI) in total of 18 NELP Blocks out of which OIL has the right of operatorship / joint operatorship in 10 blocks and as non-operator in 8 blocks. In addition your Company is holding 90% PI in one CBM Block in Assam. Your Company is also holding 40 percent PI in JV block Kharsang PSC and 44.086% PI in pre-NELP (JV) block AA-ON-94/1.

Domestically your Company intends to continue to pursue its selective bidding strategy in future bidding rounds in order to acquire more geographically balanced exploration acreages across India.

Internationally, your Company will seek to continue acquiring both exploration acreages and, in order to mitigate the risks associated with exploration, acquire selective producing properties.

OIL intends to seek and develop additional diversification opportunities along the oil and gas value chain, particularly opportunities which will complement its existing expertise acquired over five decades in the upstream oil sector.

PHYSICAL PERFORMANCE

Your Company had a challenging year, where although progress was made in a number of areas, the production of crude oil was lower than the target. Crude oil production during 2015-16 was 3.247 MMT as compared to 3.440 MMT during 2014-15. The main reasons of shortfall in crude oil production can be attributed to (a) more than expected decline rate from the mature fields (b) less than planned retrieval through drilling and work-over efforts and (c) direct losses arising out of bandhs, blockades, miscreant activities etc. Crude oil sales were 3.237 MMT as compared to sales of 3.402 MMT during 2014-15.

The Natural Gas production is 2838 MMSCM during 2015-16 as against 2722 MMSCM during 2014-15. The sale of Natural Gas was 2314 MMSCM during

2015-16 as compared to 2181 MMSCM during 2014-15. This is the highest ever production and sale of natural gas in the history of the Company. LPG production was 41030 MT as compared to 43570 MT during 2014-15.

Your Company has strong oil and gas reserves base and as of March 31, 2016, your Company's 2P reserves stand at approximately 117.0978 MMTOE of oil + OEG.

FINANCIAL PERFORMANCE

During the year, OIL has earned total revenue of Rs. 11,140.77 crore as against Rs. 11,019.86 crore during 2014-15. The Profit before Tax (PBT) during 2015-16 was Rs. 3463.44 crore against PBT of Rs. 3,728.70 crore during 2014-15. After deduction of the taxes, Profit after Tax (PAT) was Rs. 2330.11 crore during 2015-16 against PAT of Rs. 2510.20 crore in 2014-15, showing a decrease of Rs. 180.09 crore over the previous year.

On expenditure side, the employee cost was Rs.1,381.75 crore during 2015-16 as against Rs.1,587.52 crore last year. DD&A cost witnessed increase to Rs. 966.06 crore during the year from Rs. 732.64 crore. The finance cost, this year, stood at Rs.346.10 crore as compared to Rs. 340.68 crore in 2014-15.

During the year, company has made capital investment of Rs. 3622 crore and expects to increase in future with the increase in exploratory and operational activities.

SHARE-OUT OF SUBSIDY

During the year, your Company's share of subsidy to the Oil Marketing Companies (OMCs) was Rs.155 crore only.

OIL'S SHARE

The shareholders and investors in your Company have reposed their confidence in the Company and the shares have been performing well on the bourses viz. NSE and BSE.

The paid-up capital of the Company is Rs 601.14 crore divided into 60,11,35,955 shares of Rs.10/- each. The shareholding of Government of India stands at 67.64%. The Earning per Share (EPS) of the Company as on March 31, 2016, is Rs. 38.76.

DIVIDEND AND CONTRIBUTION TO EXCHEQUER

Based on the provisional financial trend, your Company paid Interim Dividend @ 80% for the year amounting to Rs. 480.91 crores. The Board of Directors are now pleased to recommend a final dividend @ 80% on the paid up capital amounting to Rs. 480.91 crores, subject to the approval of the shareholders at the Annual General Meeting.

Your Company also made substantial contribution both to the State and Central exchequer in terms of Cess, Royalty, Sales Tax etc. The contribution to the State Exchequer during the year was Rs 1,861 crore and that to the Central Government was Rs 3,245 crore. It is also a matter of great pride that your Company's audited annual accounts have received "Nil" comments from the Comptroller and Auditor General of India for the fourteenth year in succession.

STRATEGY FOR GROWTH

Your Company would like to be "The fastest growing Energy Company with Global presence, providing value to stakeholders". The Company's focus remains on its core competence of Exploration and Production of hydrocarbons. You Company has hired the services of M/s Mckinsey, a well renowned management consultancy firm, for creating its Perspective Plan for 2030 and for suggesting necessary changes in the organization structure and processes.

During the year, M/s Mckinsey has already formulated your Company's perspective plan for 2030. M/s Mckinsey helped the Company in re-structuring its organizational framework so that optimum results can be achieved. The new asset-based structure of the Main Producing Areas (MPA) was rolled out on 1st March, 2016.

Presently, OIL's hydrocarbon production primarily comes from its matured fields in the North East and our biggest priority is to sustain and increase production from these matured fields. This needs induction of state-of-the-art and fit for purpose technology, increased drilling and fast tracking plans to explore newer and prospective areas.

The Company has adopted strategy of balanced growth of portfolio of assets by continuing to acquire exploration acreage, discovered blocks, producing properties domestically and internationally.

EXPLORATION AND PRODUCTION:

Your Company's core business is exploration and production of hydrocarbons and our focus will be to accelerate our Exploration, Development and Production activities. Your Company continues to step up exploratory, delineation and development drilling. High-tech interventions through enhanced oil recovery (EOR) schemes, converting 2P reserves to 1P through improved oil recovery (IOR) methods and optimal reservoir management in the existing mature fields remain the top priority of your Company.

Your Company is actively pursuing planned exploration activities in all the NELP and other blocks spread throughout the country in a time bound manner for completion of Minimum Work Programme as scheduled. Exploratory drilling is in progress in Rajasthan, KG Basin and Mizoram NELP VI blocks where Oil India is the operator.

PRODUCTION OF NATURAL GAS

Your Company achieved natural gas production of 2838 MMSCM from Assam, Arunachal Pradesh and Rajasthan fields during the year. The higher gas production is mainly due to successful completion of pipeline from Baghjan. It may be noted that your Company has started supplying natural gas to M/s Brahmaputra Cracker and Polymer Ltd. (BCPL) during the year.

The present gas production potential is about 8.50 MMSCMD from our Assam and Arunachal Pradesh fields and about 0.70 MMSCMD from the Rajasthan fields. Action is at hand to increase the gas production potential to a level of 10 MMSCMD in the North East for uninterrupted supply of gas to all customers.

Shale/non-conventional gas has emerged as an area of interest. Shale Gas Policy is being formulated by the Government of India and as and when the bidding rounds are announced your Company will actively participate in the same. The Government of India has granted permission to your Company for exploration and exploitation of shale oil & gas in six nomination acreages of which four are in Assam, one in Arunachal Pradesh and one in Rajasthan. We also continue to pursue shale oil/gas opportunities in India and abroad. LNG is another area where your Company is actively trying to enter into. We are studying a few opportunities to make an entry in this segment of the gas business.

RESEARCH & DEVELOPMENT

The Company accords utmost importance to up-gradation of technologies and expertise in various areas of activities through its own Research & Development Centre at Duliajan. Apart from that, your Company has also set-up Center for Excellence in Energy Studies at Guwahati.

A total of Rs 46.76 crore was spent on R&D initiatives during the year 2015-16 as against Rs. 71.11 crore during the last financial year.

OVERSEAS PARTICIPATION

OIL's overseas E & P portfolio comprises of 16 blocks and are spread over 10 countries covering Libya, Gabon, Nigeria, Yemen, Venezuela, USA, Mozambique, Myanmar, Bangladesh and Russia. In addition to the above, OIL has 10% PI in a product pipeline in Sudan.

In Russia, the development activities are going on in full pace. 2D Seismic data of 1000 LKM has been acquired and interpreted. Drilling and production activities are currently undergoing. OIL is taking a very active role in the development activities and supporting the operator of the license, M/s Petroneft Resources by providing expert opinions in selected areas. The current average daily production from the project is around 3,200 BOPD.

In Libya your Company is in the process of relinquishing the blocks no 86 and 102/4 where no commercial discovery was made. In Area 95/96 where OIL holds 25% Participating Interest (PI) and Sonatrach is the operator, five wells have been drilled and substantial oil & gas have been discovered during testing. However, presently the Operations in the Block have been stopped due to the geo-political situation prevailing in the Country.

In Gabon, Block SHAKTHI, where OIL is the operator, a discovery has been made in the third well, Lassa-1, which produced oil with gas. This is the first discovery made by OIL in an overseas venture as an operator. Two appraisal wells - Lassa-2 and Lassa-3were drilled, of which Lassa-2 was completed as an oil producer. Your Company is in process of developing Block Shakthi now.

In Nigeria, block OML-142 where OIL holds 17.5% working interest, the Operator M/s Summit Oil has completed acquisition of 3D Seismic Data in the Block. The Processing and Interpretation is currently on-going and is scheduled to be completed by December,2016.

In Yemen, where OIL holds 12.75% in the on-shore exploration Block 82, the operator completed part of the work programme. In view of prevailing geo-political situation, the Consortium requested the Govt. of Yemen to declare force majeure in the Block in February, 2015. However, the term of the Production Sharing Contract for the Block expired in November, 2015.

In Venezuela, Carabobo Project where OIL has PI of 3.5%, the development activities in the field are under progress. Current average daily production from the project stands at approximately 20,000 BOPD.

In the USA Liquid rich shale asset where OIL has 20% PI, OIL holds approx 14172.75 net acres of the asset. OIL's share of oil and gas production during the year of 0.16 MMBOE (cumulative 0.68 MMBOE).

OIL and ONGC Videsh Limited, jointly acquired 10% participating Interest (OVL 6% & OIL 4%) in Rovuma offshore Area 1 Block in Mozambique. **Mozambique LNG** is emerging as a global LNG leader with approximately 75 Tcf of recoverable natural gas resources discovered to-date in the Offshore Area 1 of Mozambique. The Joint venture led by the Operator Anadarko, is planning an initial development of approximately **12 MMTPA** (2 x 6 MMPTA onshore liquefaction trains) and a site plan that will facilitate future expansions of more than **50 MMPTA.** The project schedule, however, remains dependent on the delivery of the remaining legal and contractual framework, offtake agreements and project financing. Currently the primary focus is on realizing value for shareholders and co-venturers, that translates into delivering an economic project as safely and quickly as possible. The sheer scale and timing of Mozambique LNG project is attracting strong interest from LNG customers across the globe.

In Bangladesh blocks SS-04 & SS-09, seismic acquisition has commenced and is scheduled to be completed by January,2017.

Your Company together with its consortium partners also signed the Production Sharing Contracts for two offshore blocks - M-4 and YEB located in the shallow waters in offshore Myanmar, in which pre-seismic environmental and social impact analysis have been completed.

PIPELINE TRANSPORTATION

Your Company operates a total network of 1220 Km of crude oil pipelines. This 5.38 MMTPA capacity pipeline transports crude oil produced from oilfields in Upper Assam mainly to the public sector refineries at Numaligarh and Guwahati and partly to refinery at Bongaigaon. The 600 Km pipeline segment between Bongaigaon and Barauni has been re-engineered to enable oil flow in either direction and is now transporting RAVVA / imported crude from Barauni to Bongaigaon. There is plan for further re-engineering of this segment so as to enable the flow of RAVVA / imported crude to Guwahati Refinery. The pumping stations of this Trunk Pipeline have been operating for over five decades and a revamping of these Pump Stations is being undertaken at a cost of Rs 1200 Crore.

Your Company also operates a 660 Km long product pipeline from Numaligarh Refinery to Siliguri. Your Company also has participatory interest in Duliajan-Numaligarh Pipeline for transportation of natural gas. Your Company is exploring opportunities for expanding its pipeline business.

RENEWABLE ENERGY

During the year 2015-16, your Company commissioned its 2nd Solar Energy Power Project of 9MW at Ramgarh, Jaisalmer, Rajasthan on 25.02.2016.

With commissioning of this project, total Renewable Energy capacity of the Company now stands at 135.60 MW. Your Company generated revenue of Rs 105.45 crores in FY16 from renewable energy sources (which includes revenue from solar plants of 14.0 MW).

The generation from the operational renewable energy plants is as under:

a. 5 MW Solar Power Plant at Ramgarh, Rajasthan produced 9003022 kWh of Electricity which was sold to Rajasthan Electricity Board (DISCOM, Rajasthan Govt.).

b. 9 MW Solar Power Plant at Ramgarh, Rajasthan produced 1515012 kWh of Electricity which was sold to Rajasthan Electricity Board (DISCOM, Rajasthan Govt.).

c. 13.6 MW Wind Farm at Ludravaa, Rajasthan produced 18249586 kWh of Electricity which was sold to Rajasthan Electricity Board (DISCOM, Rajasthan Govt.).

d. 54 MW Wind Farm at Dangari, Rajasthan produced 67782274 kWh of Electricity which was sold to Rajasthan Electricity Board (DISCOM, Rajasthan Govt.)

e. 38 MW Wind Farm at Chandgarh, Madhya Pradesh produced 71348006 kWh of Electricity which was sold to Madhya Pradesh Power Management Company Ltd. (DISCOM, MP Govt.)

f. 16 MW Wind Farm at Patan, Gujarat produced 34451139 kWh of Electricity which was sold to Gujarat Electricity Board (DISCOM, Gujarat Govt.)

HUMAN RESOURCE – OUR ASSET

Human Resource Management (HRM) at OIL is an integrated approach focusing on organization's faith to work with people and work through them to manage change and strive for continued excellence. Your Company works towards building positive employee-organization relationship through nurturing initiatives, innovations and aspirations with best HR practices and commitment and provide professional working environment. HR policies and practices are always sensitive to employee needs. As on March 31, 2016, Company has 7532 employees consisting of 1457 executives and 6075 unionised employees in the Company.

In order to develop competencies of its human assets for superior performance, during the year, 4353 officers and employees were imparted training. The Employees Union extended full co-operation and actively participated with the management in sorting out employees' problems and grievances. There was no manday loss due to industrial relations problem.

We firmly believe that the prosperity of our business depends on successfully developing an integrated community of motivated and innovative employees, who possess a high level of morale by availing opportunities for challenging work, personal development, growth and recognition.

HEALTH, SAFETY, ENVIRONMENT

As a Company engaged in E&P Activities, OIL pays utmost importance to Health, Safety & Environment (HSE) and the same is reflected in its vision statements that "OIL is fully committed to Health, Safety & Environment". OIL is committed to continuously review & improve HSE initiatives to prevent accidents, minimize environmental impact, prevent environmental pollution and reduce health and safety risks. To this effect, HSE policy has been put in place by the Company. Also, to provide the framework and structure to meet the highest level of HSE expectations, a HSE manual along with a guide has been prepared and adopted for all the operational areas. The Lost Time Injury Frequency performance for the year 2015-16 was excellent as per the MOU target set for the Company.

CSR INITIATIVES

Your Company has been fulfilling its duty as a Responsible Corporate Citizen with full commitment to the principles of Corporate Social Responsibility (CSR), towards achieving the inclusive and holistic development of its areas of operation and the society as a whole. Your Company's Social Vision "Oil India is Responsible Corporate Citizen deeply committed to the socio-economic development in its areas of operation," its CSR Policy and the Companies Act, 2013, have been the strong guiding force behind its CSR interventions, all with the larger purpose of making a difference to the lives of the people and local communities in meaningful ways.

As specified under Schedule VII of the Companies Act, 2013, your Company has embarked upon various CSR projects and activities under several key thrust areas such as Education, Healthcare, Sustainable Livelihood, Capacity Building and Empowerment of Women, Skill Development, Rural Sports, Augmentation of Rural Infrastructure.

Your Company has also rendered full commitment to Hon'ble Prime Minister's flagship programme **"Swachh Bharat Abhiyan,"** undertaking various projects and activities in all spheres of the Company, most notable being the completion of construction of 1500 school toilets in Government schools in seven(7) districts of Assam, namely, Dibrugarh, Tinsukia, Sivsagar, Jorhat, Barpeta, Bongaigoan and Dhubri, thus equipping these schools with better sanitation infrastructure for the well-being of the school children. During 2015-16, continuing with the "Swachh Bharat Abhiyan" initiatives, your Company constructed school toilet in Arunachal Pradesh and public toilet facilities at Duliajan and Digboi in Assam.

In line with the National Skill Development Mission of Government of India, your Company's **CSR Project Swabalamban on Skill Development,** during 2015-16, have imparted placement linked skills training to 2650 unemployed youth of OIL's areas of operation in Assam and Rajasthan on various trades, out of which 2024 youth

have been placed in different organizations across the country, thus enabling these youth to enhance their employability and charter a career path for a better future.

Project Rupantar, your Company's flagship **CSR Project on Sustainable Livelihood Generation,** in partnership with the State Institute of Rural Development, is going strong since 2003, in providing opportunities to the rural youth on self-employment and rural entrepreneurship. During the year, 500 nos. of Self Help Groups were created and trained under the project, on various agro based economic activities such as handloom, poultry, farm mechanization, thereby assisting in socio-economic development of 3750 families of OIL operational areas in Assam.

A very meaningful **CSR Project under Education** is **OIL Super 30** under which 11(Eleven) months free residential coaching on IIT entrance examination is provided to economically deprived students, in five(5) centers, in Assam, Rajasthan and Arunachal Pradesh. During 2015-16, 43 % of students from OIL Super 30 centers have gained admission to the prestigious IITs while 47% students have gained admission to other premier engineering colleges of the country. The project has not only succeeded in transforming the lives of these students by fulfilling their dreams of higher education and charting a career path but also has brought hope and positive changes to their families and the society they come from.

On the other hand we have tried to bring computer education to the doorstep of remote rural schools of our operational areas in Assam, through **CSR Project Dikhya,** with mobile computer labs (buses), along with a host of other value added sessions such as life skills education for girl students, sessions on cleanliness and behavioural science, Teachers' Training to primary school teachers and distribution of innovative interactive audio-visual learning aids in schools for the benefit of students of these schools.

Other notable CSR projects of your Company, during 2015-16, under different thrust areas include, extending financial support for **one time grant to BPL families for free LPG connection** under Government approved scheme of free LPG connections to rural households of marginalised section of society, the **Mobile healthcare services under Project Sparsha** which conducted 1375 village health camps, extending primary health care to over 1.80 Lakh needy and poor patients, free of cost, in remote villages of OIL's operational areas in Assam and Arunachal Pradesh; Rural Development Projects for augmentation of rural infrastructure of villages in our operational areas through construction of roads, bridges, community centers, public auditoriums and so on.

All the above as well as several other initiatives which may not have found mention here, reiterate our firm commitment to work continually for socio-economic development and enhancing the quality of life, of the people and communities residing in and around our areas of operations.

CORPORATE GOVERNANCE

I would like to take this opportunity to reiterate your Company's commitment towards pursuing the highest standards of Corporate Governance. We have always

been proud of our robust and transparent processes and structures in place. These progressive systems ensure proper accountability and effective timely disclosures/reporting. The effectiveness is evident from the fact that the Company has consistently had clean audit reports. Our Corporate Governance practices meet the stipulations of Regulators including the DPE Guidelines. Independent Internal Audit Department ensures that internal controls, risk management and governance process, as designed and implemented by management are adequate and effective.

CONCLUDING REMARKS

It has been my privilege to preside over this AGM of your Company. The performance of the Company has been recognized by various quarters including the market and the industry as a whole. Your belief and faith in **OIL** will take your Company to new heights in the coming years.

ACKNOWLEDGEMENT

In conclusion, on behalf of the Board of Directors of your Company I thank all our stakeholders for their continued support, whose trust and confidence are pillars of strength in all our efforts.

The Board is also grateful to the Government of India, various State Governments, Ministry of Petroleum and Natural Gas and other related ministries and the Governments of all the countries where OIL operates for their valuable support and guidance in your Company's business.

I also take this opportunity to thank all Shareholders, Investors, Bankers, Financial Institutions, Business Associates, Customers and other stakeholders who have been a source of strength.

Finally, your Company's achievements and dreams for the future are the result of untiring efforts, commitment and dedication of each and every member of OIL family and we owe our gratitude to them. I would also like to thank my colleagues on the Board of the Company for their valuable contributions in steering the Company to greater heights.

Let me re-assure you that we shall leave no stone unturned in our efforts to make the organization to be proud of.

Wish you all the best!

Jai Hind

Date: 24.09.2016
Place: Duliajan

(U. Bora)
Chairman and Managing Director

"The Fastest Growing Energy Company with Global Presence Providing Value to stakeholders"

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