

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximizing value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning which are vital to achieve its Vision of being the Energy of India and a Globally Admired Company.

IndianOil recognises that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. For effective implementation of the Corporate Governance practices, IndianOil has a well-defined policy framework inter alia consisting of the following:-

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for prevention of Insider Trading
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility / Sustainable development
- Human Resources initiatives

In recognition of good governance practices, IndianOil has been awarded the prestigious "ICSI National Award 2012 for Excellence in Corporate Governance" as well as the Gold Trophy of "SCOPE Meritorious Award for Corporate Governance" for the year 2011-12.

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil comprising optimum combination of Executive (Whole-time) and Non-Executive (Part-time) Directors. Independent Directors are persons with proven record in diverse areas like energy, law, academics, finance, economics, marketing, administration, etc.. Non-executive (part-time) directors includes Government nominee Directors.

The Board of IndianOil had 10 Independent Directors i.e. 50% of the board strength till 23.01.2013. However, during the period 24.01.2013 to 31.03.2013 the board strength fell below 50% with 4 Independent Directors relinquishing their directorship consequent upon completion of their tenure and 1 Independent Director resigning from the Board.

As on 31.03.2013, the strength of the Board of Directors was 15 comprising of 8 Executive (Whole-time Functional) Directors (including Chairman) and 7 Part-time Non-Executive Directors, out of which 5 are Independent Directors and 2 are Govt. Nominee Directors. Thus, IndianOil has not been able to comply with the requirement of 50% Independent Directors on its Board w.e.f. 24.01.2013. IndianOil, being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the Directors are nominated by the Government of India. The Company is pursuing with the Govt. of India to induct requisite number of Independent Directors as required under clause 49 of the Listing Agreement as well as Department of Public Enterprises (DPE) guidelines on Corporate Governance.

The composition of the Board of Directors as on 31.03.2013 is given below:-

Sl. No.	Name	Category
1.	Shri R. S. Butola	Chairman
2.	Dr. R. K. Malhotra	Director (Research & Development)
3.	Shri Sudhir Bhalla	Director (Human Resources)
4.	Shri A. M. K. Sinha	Director (Planning & Business Development)
5.	Shri P. K. Goyal	Director (Finance)
6.	Shri Rajkumar Ghosh	Director (Refineries)
7.	Shri M. Nene	Director (Marketing)
8.	Shri V. S. Okhde	Director (Pipelines)
9.	Shri Sudhir Bhargava	Government Nominee Director
10.	Dr. S. C. Khuntia	Government Nominee Director
11.	Dr. Sudhakar Rao	Independent Director
12.	Prof. (Dr.). V. K. Bhalla	Independent Director
13.	Smt. Shyamala Gopinath	Independent Director
14.	Shri Shyam Saran	Independent Director
15.	Prof. Devang Khakhar	Independent Director

(b) Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision Statement. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various committees to facilitate the smooth and efficient flow of decision making process.

The meetings of the Board of Directors are generally held once in a month. During the financial year 2012-13, eleven Board Meetings were held. The dates of the Board Meetings are fixed well in advance and intimated to the Board members so as to enable the Directors to plan their schedule accordingly. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting with the approval of the Chairman. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision at the Board Meeting.

Presentations are made to the Board on various functional and operational areas of the Company like Refinery, Pipelines and Marketing operations, major projects, financial highlights etc. The agenda placed before the Board inter alia includes the following:-

- ❑ Annual operating plans and Capital and Revenue budgets.
- ❑ Quarterly and Annual Financial results of the Company.
- ❑ Dividend declaration.
- ❑ Quarterly report on borrowings and treasury operations.
- ❑ Constitution of Board committees with terms of reference.
- ❑ Minutes of meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- ❑ Proposals for amalgamation, mergers and acquisitions.
- ❑ Details of investment in any joint venture / subsidiary.
- ❑ New projects and expansion plans.
- ❑ Status of various projects.
- ❑ Risk management and minimization process.
- ❑ HR related issues.
- ❑ Safety / Security related matters
- ❑ General notices / matters of interest of Directors.
- ❑ Periodic reports to the Board on :-
 - Treasury Operations
 - Project status
 - Risk Management
 - Secretarial reports
 - Compliance of laws
 - Disciplinary cases
 - Action Taken Report (ATR) on decisions of the Board
 - Foreign tour report of Wholtime Functional Directors / officials of the Company.

The Board Minutes are prepared within a day of the Board Meeting and endeavour is made to obtain the clearance of the Wholtime Functional Directors and approval of the Chairman at the earliest. Thereafter the minutes are circulated to the concerned department / group for implementation. ATR on the decision of the Board is obtained and submitted to the Board periodically.

Details of the Board Meetings held during the year 2012-13 are as under:-

Sl. No.	Date	Board Strength	No. of Directors Present
1.	23-04-2012	19	17
2.	28-05-2012	19	14
3.	04-07-2012	19	16
4.	09-08-2012	20	17
5.	14-09-2012	21	17
6.	19-10-2012	20	17
7.	09-11-2012	20	14
8.	17-12-2012	20	15
9.	23-01-2013	20	15
10.	13-02-2013	19	15
11.	20-03-2013	15	12

(c) Attendance of each Director at Board Meetings held during 2012-13, last Annual General Meeting and Number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies is as under:-

Name of the Director	No. of Board Meetings attended out of 11 meetings held	Attendance at the AGM on 14.09.2012 (Yes/No)	No. of Directorship in other companies as on 31.03.2013	Membership of committees in other companies as on 31.03.2013	Chairmanship of committees in other companies as on 31.03.2013
Whole-time Functional Directors					
Shri R. S. Butola, Chairman	11	Yes	2	-	-
Dr. R. K. Malhotra Director (Research & Development)	11	Yes	2	-	-
Shri Sudhir Bhalla ¹ Director (Human Resources)	-	-	-	-	-
Shri A. M. K. Sinha Director (Planning & Business Development)	11	Yes	2	2	-
Shri P. K. Goyal Director (Finance)	9	Yes	1	-	-
Shri Rajkumar Ghosh Director (Refineries)	11	Yes	2	-	-
Shri M. Nene Director (Marketing)	11	Yes	4	-	-
Shri V. S. Okhde Director (Pipelines)	11	Yes	2	-	-
Part-time Non-Executive Directors (Govt. nominees)					
Shri Sudhir Bhargava	7	No	1	-	-
Dr. S. C. Khuntia ²	8	Yes	2	-	-
Part-time Non-Executive Independent Directors					
Dr. Sudhakar Rao	8	Yes	6	4	-
Prof. (Dr.) V. K. Bhalla	11	Yes	1	2	-
Smt. Shyamala Gopinath	7	No	5	-	1
Shri Shyam Saran	6	No	2	-	-
Prof. Devang Khakhar ³	2	NA	-	-	-
Shri Anees Noorani ⁴	3	No	10	1	-
Smt. Sushama Nath ⁵	9	Yes	1 *	-	-
Dr. (Smt.) Indu Shahani ⁶	6	Yes	4 *	1	-
Prof. Gautam Barua ⁷	8	Yes	3 *	-	-
Shri Michael Bastian ⁸	9	Yes	4 *	3	2
Shri N. K. Poddar ⁹	10	Yes	- *	-	-

* The details of directorship on Board of other companies and committee position are as on the date of cessation from the Board of IndianOil.

Remarks:

- Shri Sudhir Bhalla, Director(HR), has been under serious medical condition since February 2012 and therefore could not attend any of the Board meetings during the year and the Annual General Meeting. Under the circumstances Shri P. K. Goyal, Director(F) was given the additional charge of Director(HR) from 21.02.2012 to 20.09.2012. Thereafter Shri R. S. Butola, Chairman has been holding additional charge of Director(HR).
- Dr. S. C. Khuntia was inducted on the Board w.e.f. 09.08.2012
- Prof. Devang Khakhar was inducted on the Board w.e.f. 14.09.2012 (afternoon)
- Shri Anees Noorani ceased to be Director w.e.f. 15.09.2012
- Smt. Sushama Nath ceased to be Director w.e.f. 24.01.2013
- Dr. (Smt.) Indu Shahani ceased to be Director w.e.f. 14.02.2013
- Prof. Gautam Barua ceased to be Director w.e.f. 14.02.2013
- Shri Michael Bastian ceased to be Director w.e.f. 14.02.2013
- Shri N. K. Poddar ceased to be Director w.e.f. 14.02.2013

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he / she is a Director. All the Directors have made requisite disclosures regarding Directorship / Committee position occupied by them in other companies.

A brief resume of the Directors, who are being appointed / re-appointed at the forthcoming AGM, is given in the notice of the AGM.

(d) Code of Conduct

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down by the Board, which has been circulated to all concerned and the same is also hosted on the website of the Company "www.iocl.com". The Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the IndianOil's Code of Conduct for the financial year ended 31.03.2013 except Shri Sudhir Bhalla, Director (HR), who is in serious medical condition since February 2012.

3. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of Section 292A of the Companies Act, 1956. The members of the Audit Committee have requisite financial and management expertise. The Audit Committee was reconstituted on 23.04.2012 with the induction of Prof. V. K. Bhalla and Smt. Shyamala Gopinath, Independent Directors, as members of the Committee in place of Prof. Gautam Barua and Dr. Sudhakar Rao, Independent Directors. Upon completion of tenure of Shri Michael Bastian and Shri N. K. Poddar as Independent Directors, the Audit Committee was reconstituted again on 20.03.2013 to include Dr. Sudhakar Rao, Independent Director, as a member. The Audit Committee comprising the following three Independent Directors as on 31.03.2013:

- | | | |
|----------------------------|---|------------------------------------|
| (1) Smt. Shyamala Gopinath | - | Independent Director (Chairperson) |
| (2) Prof. V. K. Bhalla | - | Independent Director |
| (3) Dr. Sudhakar Rao | - | Independent Director |

The Terms of Reference of Audit Committee covers all matters specified under Clause 49 of the Listing Agreement of the Stock Exchanges, which inter alia includes the following:-

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements alongwith related party transactions, if any, before submission to the Board.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Discussion with internal auditors on Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.
- Discussion with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Reviewing with the management, the observations / comments / assurances of the Comptroller & Auditor General of India (CAG).
- Review with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU).
- Review of Cost Audit Report.

The attendance at the five meetings of the Audit Committee held during the year 2012-13 is given below:-

Date	Shri Michael Bastian (Chairman)	Shri N.K. Poddar (Member)	Smt. Shyamala Gopinath (Member)	Prof. V.K. Bhalla (Member)
30-04-2012	Yes	Yes	Yes	Yes
27-05-2012	Yes	Yes	Yes	Yes
08-08-2012	Yes	Yes	No	Yes
08-11-2012	No	Yes	No	Yes
12-02-2013	Yes	Yes	Yes	Yes

The Audit Committee meetings are also attended by the Director (Finance) and the Head of Internal Audit as invitees. The representatives of the Statutory Auditors are also invited to the Audit Committee meetings while considering the quarterly / annual financial statements and discussion on nature & scope of Annual Audit. The Cost Auditors are invited when the Cost Audit Reports are considered by the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to the members of the Audit Committee and to all concerned for necessary action and are also submitted to the Board for information. The ATR on decisions of the Audit Committee are also submitted to the Committee as a follow up action.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE

IndianOil being a Government Company, the remuneration of the whole-time Functional Directors is decided by the Government of India. The Independent Directors are not paid any remuneration except sitting fees of ₹ 20,000/- for attending each meeting of the Board or Committees thereof. However, the Board has constituted a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board level Executives, which are within the powers of the Board as well as to approve performance related pay to the executives of the Company. The Remuneration Committee was reconstituted effective 24.04.2012 with the induction of Smt. Sushama Nath and Prof. V. K. Bhalla, both Independent Directors, in place of Prof. (Dr.) Indira J. Parikh and Shri Anees Noorani. The Committee was reconstituted again on 17.12.2012 to induct Prof. Devang Khakhar, Independent Director, as a member in place of Prof. V. K. Bhalla, Independent Director. Upon resignation of Smt. Sushama Nath, the Committee was further reconstituted on 20.03.2013 to induct Smt. Shyamala Gopinath and Shri Shyam Saran, both Independent Directors, as Chairperson and Member respectively in place of Smt. Sushama Nath and Shri Michael Bastian. The Committee comprised of the following Directors as on 31.03.2013:

- | | | |
|-------------------------------|---|------------------------------------|
| 1. Smt. Shyamala Gopinath | - | Independent Director (Chairperson) |
| 2. Shri Shyam Saran | - | Independent Director |
| 3. Prof. Devang Khakhar | - | Independent Director |
| 4. Director (Human Resources) | | |
| 5. Director (Finance) | | |

The attendance at one meeting of the Remuneration Committee held during 2012-13 is given below:

Name of Director	Designation	Attendance at meeting held on 31-12-2012
Smt. Sushama Nath ¹	Chairperson	Yes
Shri Michael Bastian	Member	Yes
Shri Devang Khakhar	Member	No
Shri R. S. Butola ²	Member	Yes
Shri P. K. Goyal	Member	Yes

Remarks:

- Smt. Sushama Nath ceased to be Director w.e.f. 24.01.2013.
- Shri R. S. Butola attended the meeting as Director (HR).

Remuneration paid to whole-time Functional Directors during the financial year 2012-13 is as under:-

(₹ in crore)					
Name of the Director	Designation	Salaries & Allowances	Contribution to PF & other Funds	Other Benefits & Perquisites	Total remuneration
Shri R. S. Butola	Chairman	0.41	0.05	0.08	0.54
Dr. R. K. Malhotra	Director (Research & Development)	0.40	0.05	0.09	0.54
Shri Sudhir Bhalla	Director (Human Resources)	0.32	0.04	1.01	1.37
Shri A. M. K. Sinha	Director (Planning & Business Development)	0.31	0.04	0.11	0.46
Shri P. K. Goyal	Director (Finance)	0.33	0.04	0.09	0.46
Shri Rajkumar Ghosh	Director (Refineries)	0.29	0.04	0.08	0.41
Shri M. Nene	Director (Marketing)	0.33	0.04	0.07	0.44
Shri V. S. Okhde	Director (Pipelines)	0.25	0.03	0.06	0.34
TOTAL		2.64	0.33	1.59	4.56

Note:

- Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.
- During the year, no Stock Options have been issued to Whole-time Functional Directors.
- The terms of appointment of the Whole-time Functional Directors, as issued by the Government of India, provides for 3 months notice period or salary in lieu thereof for severance of service.
- The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made during the year towards post retirement benefits as the same is not separately ascertainable for individual directors.

The sitting Fees paid to Independent Directors during the financial year 2012-13 is as under:-

Name of the Director	Sitting Fees (₹ Lakhs)
Shri Anees Noorani	0.80
Dr. (Smt.) Indu Shahani	2.00
Prof. Gautam Barua	3.20
Shri Michael Bastian	4.20
Shri N. K. Poddar	3.20
Dr. Sudhakar Rao	2.80
Prof. (Dr.) V. K. Bhalla	4.00
Smt. Shyamala Gopinath	2.40
Smt. Sushama Nath	3.00
Shri Shyam Saran	2.00
Prof. Devang Khakhar	0.40
TOTAL	28.00

Notes:

- None of the Independent Directors was holding any shares of Company as on 31st March 2013.
- There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

Shareholding of Directors as on 31.03.2013

The following Directors are holding shares of IndianOil as on 31.03.2013 as per disclosure made by them:

Name	Designation	No. of shares
Dr. R. K. Malhotra	Director (R&D)	3600
Shri Sudhir Bhalla	Director (Human Resources)	3620
Shri A. M. K. Sinha	Director (P&BD)	2400
Shri P. K. Goyal	Director (Finance)	800
Shri Rajkumar Ghosh	Director (Refineries)	3000
Shri V. S. Okhde	Director (Pipelines)	2400

5. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE

The Shareholders' / Investors Grievance Committee (SIGC) examines the grievances of shareholders / investors and the system of redressal of the same. It also approves issuance of share certificates. The Company accords top priority to resolve complaints / grievances / queries of shareholders within a reasonable period of time. The SIGC was reconstituted on 17.12.2012 with the induction of Smt. Shyamala Gopinath, Independent Director in place of Shri Anees Noorani, Independent Director. The Committee was reconstituted again on 20.03.2013 to include Prof. V. K. Bhalla, Independent Director as Chairman in place of Dr. (Smt.) Indu Shahani, Independent Director.

The Committee comprised of the following four members as on 31.03.2013:

- Prof. V. K. Bhalla - Independent Director (Chairman)
- Smt. Shyamala Gopinath - Independent Director
- Director (Human Resources)
- Director (Finance)

The attendance at one meeting of SIGC held during the year 2012-13 is given below:-

Sl. No.	Name of the Director	Designation	Attendance at Meeting held on 12.02.2013
1.	Smt. Shyamala Gopinath	Chairperson	Yes
2.	Dr. (Smt.) Indu Shahani	Member	No
3.	Director (Human Resources)	Member	No
4.	Director (Finance)	Member	Yes

The Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the financial year 2012-13:-

During the year 1710 complaints were received and all have been settled. As on 31st March 2013, no complaints were pending. Further, during the year, 1192 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 39 requests were pending as on 31.03.2013, which were subsequently dealt with.

6. OTHER COMMITTEES OF THE BOARD

In addition to the above statutory committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of various such committees as on 31.03.2013 is as under:

Sl. No.	Name of Committee	Role and Responsibilities	Members
1.	Project Evaluation Committee	To appraise projects costing ₹ 250 crore and above before the Projects are submitted to the Board for approval.	Three Independent Directors, one Government Director, and Director (Finance). The committee is headed by Government Director.
2.	Corporate Social Responsibility (CSR) & Sustainable Development Committee	To recommend, monitor and administer activities under CSR, Sustainable Development Plan, SD Policy and to oversee its performance / implementation.	Three Independent Directors, One Government Director & Director (Human Resources), Director (Finance), Director (Marketing) & Director (Planning & Business Development). The committee is headed by an Independent Director.
3.	Health, Safety & Environment Committee	To review compliance of safety systems, procedures, rules & regulations on safety, occupational health and environment protection and to review the safety audit in various Divisions.	Three Independent Directors, Director (Marketing), Director (Refineries), Director (Pipelines). The committee is headed by an Independent Director.
4.	Marketing Strategies Committee	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Corporation including revival of dealerships / distributorships.	Two Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development). The committee is headed by an Independent Director.
5.	Establishment Committee	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (General Manager) and above.	Chairman and all Whole-time Functional Directors, one Government Director and two Independent Directors. The committee is headed by the Chairman of the Company.
6.	Deleasing of Immoveable Properties Committee	To consider Deleasing of Company leased flats/ accommodation / immoveable properties.	Chairman, Director (Human Resources), Director (Finance), Director (Marketing) and one Government Director. The committee is headed by the Chairman of the Company.
7.	Contracts Committee	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Wholetime Functional Directors. The committee is headed by the Chairman of the Company.
8.	Planning & Projects Committee	To consider and approve all Project Proposals upto ₹ 100 crore.	Chairman and all Wholetime Functional Directors. The committee is headed by the Chairman of the Company.
9.	Oil Price Risk Management Committee	To approve the derivative transactions above USD 50 million on 'mark to market' basis.	Chairman, Director (Finance) and Director (Refineries). The committee is headed by the Chairman of the Company.
10.	Spot LNG Purchase Committee	<ul style="list-style-type: none"> - To approve execution of Master Sales & Purchase Agreement (MSPA) with suppliers on bilateral basis - To approve deviation to standard MSPA - To review & approve LNG price formula / gas pricing / SPA terms - To approve bids for purchase of LNG - Accept offer on single tender basis from domestic R-LNG suppliers 	Director (Planning & Business Development), Director (Finance) and Director (Refineries). The committee is headed by Director (Planning & Business Development)
11.	LNG Sourcing Committee	To review the terms & conditions of LNG sales & Purchase Agreement and recommend the same to Board for approval for purchase of LNG on long term basis.	Chairman, Director (Planning & Business Development), Director (Finance), Director (Refineries) and one Government Director. The committee is headed by the Chairman of the Company.

7. GENERAL MEETINGS

The Annual General Meetings of the Company are held at Mumbai where the Registered Office of the Company is situated. The details of the AGM held for the past three years are as under:-

	2009-10	2010-11	2011-12
Date & Time	21.09.2010 10:30 A.M.	27.09.2011 10:30 A.M.	14.09.2012 10:30 A.M.
Venue	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai-400 018
No. of Special Resolutions Passed	Nil	Nil	Nil

No Extraordinary General Meeting of the Members was held during the year 2012-13.

8. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during 2012-13.

9. DISCLOSURES

a. Materially significant related party transactions

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives as well as its subsidiaries / Joint Ventures etc. except for those disclosed in the financial statements for the year ended 31st March 2013.

b. Details of non-compliance during the last three years

There were no cases of non-compliance by the Company and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital markets during the last three years.

c. Whistle Blower Policy

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

d. Compliance with mandatory and adoption of non-mandatory requirement of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement except in respect of composition of the Board of Directors with regard to 50% independent Directors w.e.f. 24.01.2013. IndianOil, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

The Company has also adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:-

- Constitution of Remuneration Committee
- Unqualified financial statements
- Whistle Blower Policy
- Training of Board Members

The newly appointed Directors of the Company are familiarized with the various aspects of the Company like Constitution, Vision & Mission Statement, core activities, board procedures, strategic directions, etc. by way of a detailed presentation. Information material like Code of Conduct, Insider Trading Code, Performance highlights, etc. are provided to supplement the above presentation. Periodic presentations are made at the Board and Committee Meetings to update them on all business-related issues and new initiatives undertaken. Strategy meet of the Board is held generally once in a year to deliberate in detail the strategic issues, policy decisions and prospective plans for the future. The directors are also nominated for training programs / seminars conducted by SCOPE and other government authorities.

e. Risk Management Policy

The Company has also laid down the Enterprise Risk Management Policy and Procedures thereof for periodically informing Board Members about the risk assessment and minimising procedures.

f. CEO / CFO Certification

Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

g. Integrity Pact

IndianOil has a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact (IP) Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes.

Under the MoU, IndianOil is committed to implement the Integrity Pact in all its major procurement and work contract activities. Three Independent External Monitors (IEM), being persons of eminence, are nominated by TII in consultation with the Central Vigilance Commission (CVC) to monitor the activities.

IP envisages a voluntary agreement between the Buyer and the Seller committing both not to resort to corrupt practices in any aspect/stage of the Tender/Contract. All tenders of the threshold value of ₹ 10 Crore and above are covered under the IP. So far 48 IEM meetings have been held since inception of the IP in IndianOil and 975 tenders of the value of ₹ 10 Crore and above have been covered. 29 complaints have been received which were referred to the IEMs. These complaints have been jointly deliberated by the full panel of IEMs and corrective action in line with the tender conditions have been taken by the concerned Functional Groups / Divisions, under intimation to IEMs.

The Integrity Pact has strengthened the established systems and procedures by creating trust and has the full support of the Central Vigilance Commission.

h. Relationship between Directors

None of the Directors are inter-se related to other Directors of the Company.

i. Guidelines on Corporate Governance by DPE

IndianOil is complying with all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors with regard to 50% independent Directors w.e.f. 24.01.2013. IndianOil, being a Government Company, is pursuing with the Government of India to induct requisite number of Independent Directors.

The details of compliance with the Presidential Directives have been provided in the Directors' Report.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and top management.

The administrative & office expenses were 1.21% of total expenses during 2012-13 as against 1.75% during the previous year.

10. MEANS OF COMMUNICATION

a. Financial Results

The quarterly unaudited financial results / audited financial results of the Company are announced within the time limits prescribed by the listing agreement. The results are published in leading newspaper like The Times of India and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on company's website www.iocl.com. The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies stock exchange as and when deemed necessary.

b. News Releases

Official press releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.iocl.com.

c. Website

The Company's website www.iocl.com provides a separate section for investors where relevant shareholders information is available. The Annual Report of the Company is available on the website in a user friendly and downloadable form.

d. Annual Report

Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report and Corporate Governance Report form part of the Annual Report.

e. Chairman's Speech at AGM

Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the Company as well as published in the newspapers for information of the shareholders residing in various parts of the country.

f. Investor Service Cell

Investor Service Cell exists at the registered office in Mumbai and the Corporate Office, New Delhi to address the grievances / queries of shareholders. In order to enable Investors to raise queries and grievances, the Company has created a separate e-mail ID investors@indianoil.in. M/s Karvy Computershare Pvt. Ltd., Registrar & Transfer Agent, have offices across the country, wherefrom the queries / grievances of the investors are also addressed.

g. Green initiative – reaching important communication to shareholders through email

In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, IndianOil would send the copy of the Annual Report for the year 2012-13 alongwith the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's / R&T agents and have not opted for physical copy of the Annual report.

11. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time & Venue of the
Annual General Meeting

Tuesday, 3rd September 2013 at 1030 hrs
at Nehru Centre Auditorium
Discovery of India Building, Worli,
Mumbai - 400 018.

(b) Financial Calendar for 2013-14 to approve quarterly / annual financial results:

Quarter ending 30th June 2013
Quarter ending 30th September 2013
Quarter ending 31st December 2013
Quarter and year ending 31st March 2014

On or before 14.08.2013
On or before 14.11.2013
On or before 14.02.2014
On or before 30.05.2014

(c) Book Closure Dates for Dividend:

Book Closure for Dividend

26.08.2013 to 03.09.2013, inclusive of both days.

(d) Dividend Payment Date:

A dividend of ₹ 6.20 per share (62%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders well before the stipulated 30 days period after the AGM as provided under the Companies Act.

(e) Listing on Stock Exchanges:

The shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The debt securities issued by the Company are listed on the Wholesale Debt Market (WDM) segment of NSE & the Indian Corporate Debt Market (ICDM) segment of BSE.

The Company has paid Listing fees in respect of its shares as well as debt securities to both the stock exchanges.

(f) Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies (RoC) in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L23201MH1959G01011388**.

(g) Stock Code at BSE

: **530965**

(h) Stock Code at NSE

: **IOC**

(i) Demat ISIN Number at NSDL / CDSL

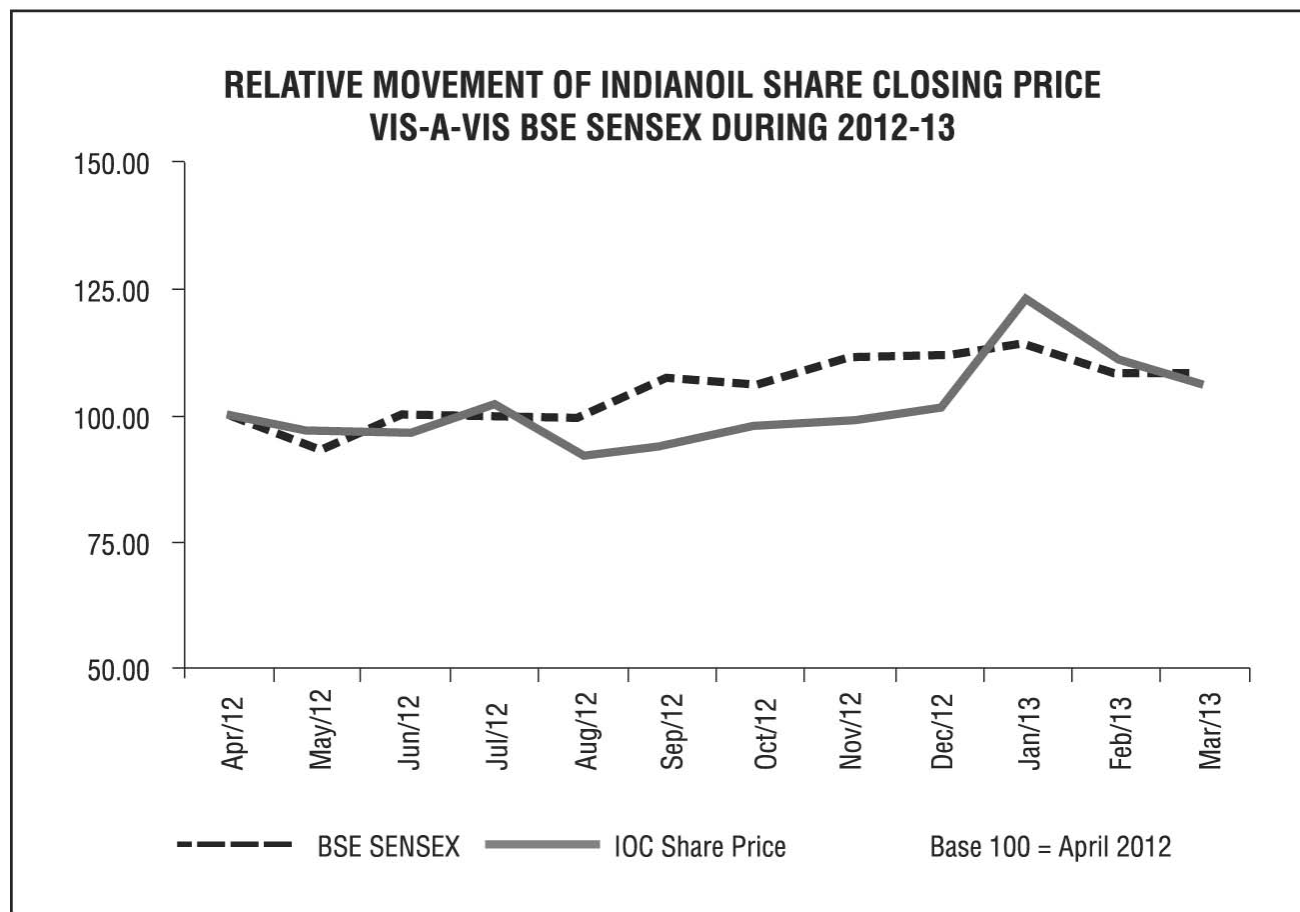
: **INE 242A01010**

(j) Stock Market Data:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2012	268.25	248.50	11,42,408	268.70	248.20	68,78,968
May 2012	285.95	250.00	16,81,858	289.90	235.35	1,05,92,854
June 2012	268.90	239.00	17,97,188	268.70	239.60	1,23,48,928
July 2012	276.55	252.60	8,09,131	276.15	252.65	78,58,438
August 2012	271.60	240.00	7,67,147	271.70	242.10	73,55,447
September 2012	269.90	240.05	11,06,612	268.00	238.20	90,52,422
October 2012	266.15	250.60	7,55,543	270.00	250.60	82,68,365
November 2012	268.00	254.10	5,13,925	295.00	254.40	66,90,725
December 2012	272.00	256.10	9,44,450	271.80	256.55	69,49,698
January 2013	375.00	265.15	71,46,777	374.00	264.70	4,20,93,605
February 2013	341.25	289.50	24,57,917	341.45	288.60	1,95,33,555
March 2013	318.95	270.10	14,68,850	320.05	269.95	1,10,83,446
12 month High / Low	375.00	239.00		374.00	247.55	

(k) Stock Price Performance in comparison to broad-based BSE Sensex:

The relative comparison of monthly closing share price of IndianOil with monthly closing BSE Sensex during 2012-13 is given below:



(l) Registrar & Transfer Agents (R&T) :

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar,

Madhapur

Hyderabad - 500 081

Tel. Nos. : (040) 44655000

Fax No. : (040) 44655024

E-mail Address : einward.ris@karvy.com

Website : www.karvycomputershare.com

(m) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within the stipulated period from the date of lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31.03.2013. In order to expedite the process of share transfer and in line with Clause 49 of the Listing Agreement, the Company has delegated the power of share transfer to R&T Agent "M/s Karvy Computershare Pvt. Ltd."

(n) Distribution of shareholding as on 31st March 2013:

Sl. No.	Nominal Value Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	1,68,072	86.70	12,84,52,800	0.53
2.	5001 - 10000	7,404	3.82	5,53,12,350	0.23
3.	10001 - 20000	6,571	3.39	9,94,31,040	0.41
4.	20001 - 30000	3,836	1.98	9,78,45,370	0.40
5.	30001 - 40000	6,961	3.59	24,87,64,270	1.02
6.	40001 - 50000	346	0.18	1,55,28,170	0.06
7.	50001 - 100000	320	0.17	2,14,84,270	0.09
8.	100001 & Above	344	0.18	2361,27,06,550	97.25
	Total	1,93,854	100.00	2427,95,24,820	100.00

(o) Categories of Shareowners as on 31st March 2013

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	191,61,55,710	78.92
2.	Governor of Gujarat	1	0.00	27,00,000	0.11
3.	Government Company (ONGC Ltd.)	1	0.00	21,29,06,190	8.77
4.	Corporate Bodies	1,780	0.92	1,27,40,569	0.52
5.	FII's/NRI	2,406	1.24	4,72,18,662	1.94
6.	Banks	59	0.03	82,26,283	0.34
7.	Mutual Funds	47	0.02	1,63,23,705	0.67
8.	Insurance Companies	9	0.01	8,46,58,441	3.49
9.	Public	1,89,367	97.69	6,81,35,638	2.81
10.	Trusts	47	0.02	5,87,44,434	2.42
11.	Others	136	0.07	1,42,850	0.01
	Total	193854	100.00	242,79,52,482	100.00

(p) Top 10 shareholders as on 31st March 2013:

Sl. No.	Name	No. of Shares	% to Equity
1.	President Of India	191,61,55,710	78.92%
2.	Oil And Natural Gas Corporation Limited	21,29,06,190	8.77%
3.	Life Insurance Corporation Of India	6,95,44,401	2.86%
4.	IOC Shares Trust	5,82,79,614	2.40%
5.	Government Pension Fund Global	81,00,713	0.33%
6.	General Insurance Corporation Of India	70,56,495	0.29%
7.	Vanguard Emerging Markets Stock Index Fund	64,62,715	0.27%
8.	HDFC Trustee Company Limited - HDFC Equity Fund	54,41,990	0.22%
9.	ICICI Prudential Life Insurance Company Ltd	30,03,702	0.12%
10.	LIC Of India Market Plus 1 Growth Fund	29,24,070	0.12%

(q) Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialised form. In order to facilitate the shareholders to dematerialise the shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on 31st March 2013 is as under:-

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	8816	4.55	13449127	0.55
Demat	185038	95.45	2414503355	99.45
TOTAL	193854	100.00	2427952482	100.00

(r) Corporate Action:

i) Dividend payment history since 2000-01:-

Financial Year	Rate (%)	Remarks
2000-01	95%	-
2001-02	110%	-
2002-03	210%	Includes interim of 50%
2003-04	210%	Includes interim of 50%
2004-05	145%	Includes interim of 45%
2005-06	125%	-
2006-07	190%	Includes interim of 60%
2007-08	55%	-
2008-09	75%	-
2009-10	130%	-
2010-11	95%	-
2011-12	50%	-

ii) Bonus issue since listing of the shares:-

Financial Year	Ratio
1999-2000	1:1
2003-2004	1:2
2009-2010	1:1

(s) Unpaid Dividend

Section 205 of the Companies Act, 1956 provides that any dividend that has remained unpaid / unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. The Company annually sends a communication to the concerned shareholders, advising them to lodge their claim with respect to unclaimed dividend. Shareholders are also informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

The summarized details of dividend declared by IndianOil and its erstwhile subsidiaries i.e. IBP Co. Ltd. and Bongaigaon Refinery & Petrochemicals Ltd. (both subsidiaries since merged with IndianOil) which remains unpaid as on 31.03.2013 are given below:-

Name	Year	Unpaid Dividend Amount (₹)
Indian Oil Corporation Ltd.	2005-06 to 2011-12	8,65,56,515
IBP Co. Ltd. (merged w.e.f. 02.05.07)	2005-06	4,17,960
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2005-06 to 2007-08	57,20,218

The shareholders, who have not yet encashed their dividend for the aforesaid years, may write to the Company or its R&T Agent in this regard.

The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies), Rules, 2012, in May 2012 by which every company is required to file information of all unclaimed and unpaid amount, as referred to under section 205C(2) of the Companies Act, within 90 days after holding of the AGM, in prescribed form 5 INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the company. The information is required to be filed for the financial year 2010-11 onwards.

In line with the said rules, IndianOil has filed the information for the financial year 2010-11 as well as 2011-12 in the prescribed form / format with the MCA/ IEPF website and also hosted it on IndianOil's website www.iocl.com.

(t) Plant locations

The addresses of the plant locations are given in the Annual Report.

(u) Address for Correspondence

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan
G-9, Ali Yavar Jung Marg
Bandra (East)
Mumbai - 400051
Tel. No. : (022) 26447616 / 26447528
Fax : (022) 26447961
E-mail ID : investors@indianoil.in



IndianOil Retail Outlet, Diu

COMPLIANCE CERTIFICATE

To the Members of Indian Oil Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges in India and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises (DPE).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement as well as the DPE guidelines *except for the number of Independent Directors on the Board, which was less than half of the total strength of Board during the period 24.01.2013 to 31.03.2013, as required under the Listing Agreement and the DPE Guidelines.*

We state that no investor grievances are pending for a period exceeding one month against the Company as per the Certificate of the Registrar and Transfer Agents of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B M Chatrath & Co.
Chartered Accountants
(Firm Regn. No. 301011E)

Sd/-
(CA. P. R. Paul)
Partner
M. No. 051675

For Dass Gupta & Associates
Chartered Accountants
(Firm Regn. No. 000112N)

Sd/-
(CA. Naresh Kumar)
Partner
M. No. 082069

For Parakh & Co.
Chartered Accountants
(Firm Regn. No. 001475C)

Sd/-
(CA. Thalendra Sharma)
Partner
M. No. 079236

Date : 19th June, 2013
Place : New Delhi
