



Corporate Governance

IndianOil is diligently focused on maintaining the highest standards of Corporate Governance by ensuring transparency in all aspects of its operations. The ethical and efficient demeanour of the business affairs is the mainstay for value optimisation of our stakeholders. We continue to foster work environment that nurtures and nourishes integrity, transparency and accountability. IndianOil has also formulated a code of conduct for the Directors and senior management personnel of the Corporation.

The Board of Directors

The Board of Directors of IndianOil consists of as optimum combination of Executive (Whole-time)

and Non-Executive (Part-time) Directors. Non-Executive (part-time) Independent Directors are persons with proven record in diverse areas such as Energy, Law, Academics, Finance, Marketing, Administration, etc. The strength of the Board of IndianOil was 16 Directors as on 1.03.11, comprising eight Executive (Whole-time) Functional Directors and eight Part-time Non-Executive Directors, out of which six are Independent Directors and two are Govt. Nominees Directors. The Company has requested the Govt. of India to induct the requisite number of Independent Directors as per the Listing Agreement.

Audit Committee

In compliance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee has been constituted.

Remuneration Committee

In compliance with the DPE guidelines, a Remuneration Committee has been constituted.

Shareholders'/Investors Grievance Committee

To examine the grievance of shareholders/investors and appropriate disposal of grievances.



Other Committees of the Board

Establishment Committee Handles appointment & promotion to the posts of GM and above and Conduct, Discipline & Appeal Rules	De-leasing Committee To consider requests for de-leasing of Corporation-leased immovable properties	Safety, Health and Environment Committee To review compliance with safety systems, procedures, rules & regulations on safety, occupational health and environment protection
Corporate Social Responsibility Committee To monitor and administer CSR activities.	Marketing Strategies Committee To evolve the strategies on all matters relating to marketing activities of the Corporation including revival of Retail Outlet dealership.	Oil Price Risk Management Committee To approve the derivative transactions above US\$ 50 million on "Mark to Market Basis"

For implementing the Corporate Governance practices, IndianOil has a well-defined policy framework consisting, inter alia, of the following -

Code of Conduct for Directors and Senior Management Personnel	The Directors and Senior Management personnel have affirmed compliance with the Code of Conduct.
Code of Conduct for prevention of insider trading	No case of non-compliance by the Company and no penalties/strictures were enforced on the Company by Stock Exchange/SEBI or any other statutory authority.
Integrity Pact to enhance transparency in business	Enhancing transparency in its business transactions, contracts and procurement processes.
Whistle Blower Policy	The employees can report any violation of laws, rules, regulations or code of conduct by and of the employees, to the authority of Audit Committee.
Conduct, Discipline and Appeal Rules	Guidelines for Conduct, Discipline and Appeal rules are framed to govern and discipline of officers.



Vigilance

We consistently fight against corruption in all its forms. As per the Conduct, Discipline and Appeal Rules and Certified Standing Orders, accepting bribe is a major misconduct.

In this direction, we carry out several activities such as promoting vigilance awareness, information sharing on the Central Vigilance Commission (CVC) rules/guidelines, conducting surprise quality and quantity checks of products in transit as well as sales points across the country, conducting system studies to bring out irregularities/inconsistencies, bringing transparency and economy in awarding and execution of contracts. Documents relating to various contracts and procurements are scrutinised, inspections of retail outlets, LPG distributorships and Kerosene Dealerships are carried out, specific complaints are investigated by the Vigilance Cell. Vigilance Department of the company is headed by the Chief Vigilance officer (CVO) who acts as a link between the corporation and Govt. CBI, CVC, etc.



Transparency International

The Corporation has entered into a Memorandum of Understanding with Transparency International India (TII), for implementing an Integrity Pact Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes. IndianOil believes in total transparency, integrity and accountability in its functioning. We value our business relationships with the numerous domestic & international contractors and vendors of goods & services and are committed to dealing with them in a fair and transparent manner by maintaining the highest ethical standards in transactions with them.

Public Policy Participation

In association with various national and professional bodies, we actively participate and firm up opinions on industry related issues which have significant impact on public policies. References from different ministries of the Government are attended to with in-depth analysis.

Competition Issues & Precautionary Approach

Uninterrupted and adequate supply of petroleum products and natural gas across the country is ensured by the Petroleum and Natural Gas Regulatory Board through its various regulations. The Board also enforces the provisions of retail service obligations for the retail outlets and marketing service obligations for the players in the downstream oil and gas sector. Accordingly, our all operations fall under the jurisdiction of the Regulatory Board/Ministry of Petroleum.

The significant precautionary approach/initiatives taken by IndianOil are - minimise debilitating continuance of under-recoveries on sale of products, Optimise crude basket for improvement of return from capital employed, thrust on standard operating procedures to ensure safety of lives and property, innovative HR policies, aggressive participation in rural market, thrust on CSR for inclusive growth and thrust to develop renewable energy assets.

