

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

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of IndianOil comprises of 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 like energy, law, academics, finance, economics, marketing, administration, etc.

The strength of the Board of IndianOil was 19 directors as on 31.03.2012 comprising of 8 Executive (Whole-time Functional) Directors (including Chairman) and 11 Part-time Non-Executive Directors, out of which 10 are Independent Directors and 1 Govt. Nominee Director.

The composition of the Board of Directors as on 31.03.2012 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) w.e.f. 02.05.2011
6.	Shri Rajkumar Ghosh	Director (Refineries) w.e.f. 01.09.2011
7.	Shri M. Nene	Director (Marketing) w.e.f. 05.10.2011
8.	Shri V. S. Okhde	Director (Pipelines) w.e.f. 01.02.2012
9.	Shri Sudhir Bhargava	Government Nominee Director
10.	Shri Anees Noorani	Independent Director
11.	Dr. (Smt.) Indu Shahani	Independent Director
12.	Prof. Gautam Barua	Independent Director
13.	Shri Michael Bastian	Independent Director
14.	Shri N. K. Poddar	Independent Director
15.	Dr. Sudhakar Rao	Independent Director w.e.f. 30.05.2011
16.	Prof. (Dr.) V. K. Bhalla	Independent Director w.e.f. 30.01.2012
17.	Smt. Shyamala Gopinath	Independent Director w.e.f. 29.03.2012
18.	Smt. Sushama Nath	Independent Director w.e.f. 29.03.2012
19.	Shri Shyam Saran	Independent Director w.e.f. 29.03.2012

**(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 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 meetings of the Board of Directors are generally held once in a month. During the financial year 2011-12, eleven Board Meetings were held. The agenda papers are circulated to the Directors well in advance before the meeting. However, certain exigent matters 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 Wholetime Functional Directors / officials.

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

Details of the Board Meetings held during the year 2011-12 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	28-04-2011	16	13
2.	30-05-2011	17	15
3.	23-06-2011	17	17
4.	10-08-2011	17	14
5.	30-08-2011	17	16
6.	26-09-2011	17	16
7.	09-11-2011	17	13
8.	20-12-2011	17	14
9.	30-01-2012	18	18
10.	13-02-2012	18	17
11.	29-03-2012	20	16

(c) Attendance of each Director at Board Meetings held during 2011-12, 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 27.09.2011 (Yes/No)	No. of Directorships in other companies as on 31.03.2012	Membership of committees in other companies as on 31.03.2012	Chairmanship of committees in other companies as on 31.03.2012
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, Director (Human Resources)	10	Yes	1	-	-
Shri A. M. K. Sinha, Director (Planning & Business Development)	10	Yes	1	2	-
Shri P. K. Goyal, Director (Finance) ¹	10	Yes	1	-	-
Shri Rajkumar Ghosh, Director (Refineries) ²	6	Yes	2	-	-
Shri M. Nene, Director (Marketing) ³	4	NA	4	-	-
Shri V. S. Okhde, Director (Pipelines) ⁴	2	NA	2	-	-
Shri S. V. Narasimhan, Director (Finance) ⁵	1	NA	2 *	2	-
Shri B. N. Bankapur, Director (Refineries) ⁶	5	NA	3 *	3	-
Shri G. C. Daga, Director (Marketing) ⁷	6	Yes	5 *	-	-
Shri K. K. Jha, Director (Pipelines) ⁸	8	Yes	1 *	-	-
Part-time Non-Executive Directors (Govt. nominees)					
Shri P. K. Sinha ⁹	9	Yes	2 *	-	-
Shri Sudhir Bhargava	8	No	2	-	-
Part-time Non-Executive Independent Directors					
Shri Anees Noorani	6	No	10	1	-
Dr. (Smt.) Indu Shahani	8	Yes	4	1	-
Prof. Gautam Barua	11	Yes	1	-	-
Shri Michael Bastian	11	Yes	4	3	2
Shri N. K. Poddar	10	Yes	-	-	-
Dr. Sudhakar Rao ¹⁰	7	No	6	4	-
Prof. (Dr.) V. K. Bhalla ¹¹	3	NA	2	3	-
Smt. Shyamala Gopinath ¹²	1	NA	3	-	1
Smt. Sushama Nath ¹³	1	NA	1	-	-
Shri Shyam Saran ¹⁴	1	NA	1	-	-
Prof. (Dr.) Indira Parikh ¹⁵	9	Yes	5 *	-	-

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

Remarks:

1. Shri P. K. Goyal was inducted on the Board w.e.f. 02.05.2011
2. Shri Rajkumar Ghosh was inducted on the Board w.e.f. 01.09.2011
3. Shri M. Nene was inducted on the Board w.e.f. 05.10.2011
4. Shri V. S. Okhde was inducted on the Board w.e.f. 01.02.2012
5. Shri S. V. Narasimhan ceased to be Director on 30.04.2011
6. Shri B. N. Bankapur ceased to be Director on 31.08.2011
7. Shri G. C. Daga ceased to be Director on 30.09.2011
8. Shri K. K. Jha ceased to be Director on 31.01.2012
9. Shri P. K. Sinha ceased to be Director on 29.02.2012
10. Dr. Sudhakar Rao was inducted on the Board w.e.f. 30.05.2011
11. Prof. (Dr.) V. K. Bhalla was inducted on the Board w.e.f. 30.01.2012
12. Smt. Shyamala Gopinath was inducted on the Board w.e.f. 29.03.2012
13. Smt. Sushama Nath was inducted on the Board w.e.f. 29.03.2012
14. Shri Shyam Saran was inducted on the Board w.e.f. 29.03.2012
15. Prof. (Dr.) Indira J. Parikh ceased to be Director on 29.03.2012



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 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 31.03.2012.

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 23.06.2011 to induct Dr. Sudhakar Rao, Independent Director, as a member of the Committee in place of Dr. (Smt.) Indu R. Shahani, Independent Director. The Audit Committee comprised of following four Part-time Non-Executive Independent Directors as on 31.03.2012:

- | | | | |
|-----|----------------------|---|----------|
| (1) | Shri Michael Bastian | - | Chairman |
| (2) | Shri N. K. Poddar | - | Member |
| (3) | Prof Gautam Barua | - | Member |
| (4) | Dr. Sudhakar Rao | - | Member |

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 seven meetings of the Audit Committee held during the year 2011-12 is given below:

Dates of the Meetings	Shri Michael Bastian (Chairman)	Shri N. K. Poddar (Member)	Prof. Gautam Barua (Member)	Dr. Sudhakar Rao (Member)	Dr. (Smt.) Indu R. Shahani (Member)
18-04-2011	Yes	Yes	Yes	NA	Yes
29-05-2011	Yes	Yes	Yes	NA	Yes
10-08-2011	Yes	Yes	Yes	Yes	NA
30-08-2011	Yes	Yes	Yes	Yes	NA
08-11-2011	Yes	Yes	Yes	No	NA
12-02-2012	Yes	Yes	Yes	Yes	NA
29-03-2012	Yes	No	Yes	Yes	NA

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 meetings while considering the quarterly / annual financial statements and discussion on nature & scope of 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.

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 Part-time Non-Executive 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 Committee comprised of the following Directors as on 31.03.2012:

- | | | | |
|----|---------------------------|---|---|
| 1. | Prof. (Dr.) Indira Parikh | - | Independent Director (Chairperson) |
| 2. | Shri Anees Noorani | - | Independent Director |
| 3. | Shri Michael Bastian | - | Independent Director |
| 4. | Shri P. K. Sinha | - | Government Nominee Director (upto 29.02.2012) |
| 5. | Shri Sudhir Bhalla | - | Director (Human Resources) |
| 6. | Shri P. K. Goyal | - | Director (Finance) |

The attendance at one meeting of the Remuneration Committee held during 2011-12 is given below:

Name of Director	Designation	Attendance at meeting held on 15-03-2012
Prof. (Dr.) Indira Parikh	Chairperson	Yes
Shri Anees Noorani	Member	Yes
Shri Michael Bastian	Member	Yes
Shri P. K. Sinha ¹	Member	NA
Shri P. K. Goyal ²	Member	Yes
Shri Sudhir Bhalla	Member	No

Remarks:

- Shri P. K. Sinha ceased to be Director on 29.02.2012.
- Shri P. K. Goyal was inducted on the Board w.e.f. 02.05.2011

Remuneration paid to whole-time Functional Directors during the financial year 2011-12 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	0.28	0.02	0.07	0.37
Dr. R. K. Malhotra	Director (Research & Development)	0.31	0.02	0.04	0.37
Shri Sudhir Bhalla	Director (Human Resources)	0.31	0.02	0.07	0.40
Shri A. M. K. Sinha	Director (Planning & Business Development)	0.22	0.02	0.07	0.31
Shri P. K. Goyal	Director (Finance) w.e.f. 02.05.2011	0.28	0.02	0.12	0.42
Shri Rajkumar Ghosh	Director (Refineries) w.e.f. 01.09.2011	0.18	0.01	0.10	0.29
Shri M. Nene	Director (Marketing) w.e.f. 05.10.2011	0.13	0.02	0.05	0.20
Shri V. S. Okhde	Director (Pipelines) w.e.f. 01.02.2012	0.05	0.01	-	0.06
Shri S. V. Narasimhan	Director (Finance) upto 30.04.2011	0.40	* -	0.16	0.56
Shri B. N. Bankapur	Director (Refineries) upto 31.08.2011	0.44	0.01	0.09	0.54
Shri G. C. Daga	Director (Marketing) upto 30.09.2011	0.45	0.03	0.15	0.63
Shri K. K. Jha	Director (Pipelines) upto 31.01.2012	0.29	0.01	0.11	0.41
	TOTAL	3.34	0.19	1.03	4.56

* ₹ 36102/-

**Note:**

1. 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.
2. During the year, no Stock Options have been issued to Whole-time Functional Directors.
3. 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.
4. 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 Part-time Non-Executive Independent Directors during the financial year 2011-12 is as under:

Name of the Director	Sitting Fees (₹ in Crore)
Prof. (Dr.) Indira Parikh	0.018
Shri Anees Noorani	0.030
Dr. (Smt.) Indu Shahani	0.020
Prof. Gautam Barua	0.042
Shri Michael Bastian	0.048
Shri N. K. Poddar	0.040
Dr. Sudhakar Rao	0.018
Prof. (Dr.) V. K. Bhalla	0.004
TOTAL	0.220

Notes:

1. None of the Part-time Non-Executive Independent Directors was holding any shares of Company as on 31st March 2012.
2. There were no other materially significant pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company.

Shareholding of Whole Time Directors (as on 31.03.2012)

The following Directors are holding shares of IndianOil as on 31.03.2012 as per disclosure made by them:

Name	Designation	No. of shares
Shri R. S. Butola	Chairman	NIL
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 M. Nene	Director (Marketing)	NIL
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 and also to approve issuance of share certificates. The Company accords top priority to resolve complaints/grievances/queries of shareholders within a reasonable period of time.

The Committee comprised of the following four members as on 31.03.2012:

1. Shri Anees Noorani - Independent Director (Chairman)
2. Dr. (Smt.) Indu R. Shahani - Independent Director
3. Shri Sudhir Bhalla - Director (Human Resources)
4. Shri P. K. Goyal - Director (Finance)

The attendance at one meeting of SIGC held during the year 2011-12 is given below:

Sl. No.	Name of the Director	Attendance at Meeting held on 26.09.2011
1.	Shri Anees Noorani	Yes
2.	Dr. (Smt.) Indu R. Shahani	Yes
3.	Shri Sudhir Bhalla	Yes
4.	Shri. P. K. Goyal	Yes

The Company Secretary is the Compliance Officer.

Details of complaints received and redressed during the financial year 2011-12:

During the year 1837 complaints were received and all have been settled. As on 31st March 2012, no complaints were pending. Further, during the year, 1051 requests for change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 9 requests were pending as on 31.03.2012, which were subsequently dealt with.

6. OTHER COMMITTEES OF THE BOARD

In addition to the above Committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of various such committees as on 31.03.2012 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 Part-time Non-Executive Independent Directors, one Part-time Non-Executive Government Director, and Director (Finance).
2.	CSR Committee	To monitor and administer CSR activities.	One part time non-executive Government Director & Two Part-time Non-Executive Independent Directors, Director (Marketing) and Director (Human Resources).
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 Part-time Non-Executive Independent Directors, Director (Marketing), Director (Refineries), Director in-Charge of Safety, Health & Environment.
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 Part-time Non-Executive Independent Directors, Director (Finance), Director (Marketing) and Director (Planning & Business Development).
5.	Establishment Committee	To create and sanction posts as well as to consider promotions for Executives in Grade 'H' (GM) and above.	Chairman and all Whole-time Functional Directors, one Part time Non-Executive Government Director and one Part-time Non-Executive Independent Director.
6.	Deleasing of Immoveable Properties Committee	To consider Deleasing of Company leased flats/ accommodation / immoveable properties.	Chairman, Director (Human Resources), Director (Finance) and one Part-time Non-Executive Government Director.
7.	Contracts Committee	To approve contracts beyond certain limits as provided in the DoA of the Corporation.	Chairman and all Wholetime Functional Directors.
8.	Planning & Projects Committee	To consider and approve all Project Proposals upto ₹100 crore.	Chairman and all Wholetime Functional Directors.
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).



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 AGMs held for the past three years are as under:

	2008-09	2009-10	2010-11
Date & Time	14.09.2009 10:30 A.M.	21.09.2010 10:30 A.M.	27.09.2011 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 2011-12.

8. POSTAL BALLOT

Approval of the shareholders by means of ordinary resolutions was sought through Postal Ballot for increase in the borrowings limit u/s 293 (1) (d) and for charging / mortgaging the moveable properties of the Company u/s 293 (1) (a) of the Companies Act, 1956.

The Postal Ballot was circulated to all the members from 13th September 2011 to 15th September 2011 and the last date of receipt of the duly filled in Postal Ballot Form was 15th October 2011. The resolutions were approved by the shareholders with requisite majority and result was announced on 20th October 2011. The Postal Ballot exercise was conducted by Shri B. V. Dholakia, Practicing Company Secretary of M/s. Shah Dholakia & Associates, Mumbai.

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 2012.

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 as well as DPE guidelines.

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

- 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 Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes.

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

The details of the Presidential Directives received by the Company and compliance thereof have been provided in the Directors' Report.

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 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 2011-12 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 opted not to receive the Annual report in physical form.

**11. GENERAL SHAREHOLDER INFORMATION****(a) Annual General Meeting:**

Date, Time & Venue of the Annual General Meeting 14th September 2012 at 1030 hrs at Nehru Centre Auditorium
Discovery of India Building, Worli, Mumbai - 400 018.

(b) Financial Calendar for 2012-13 to approve quarterly / annual financial results:

Quarter ending 30th June 2012	On or before 14.08.2012
Quarter ending 30th September 2012	On or before 14.11.2012
Quarter ending 31st December 2012	On or before 14.02.2013
Quarter and Audited Annual Financial Results ending 31st March 2013	On or before 30.05.2013

(c) Book Closure Dates for Dividend:

Book Closure for Dividend 07.09.2012 to 14.09.2012, inclusive of both days.

(d) Dividend Payment Date:

A dividend of ₹ 5.00 per share (50%), 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 Ltd. 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 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 **L23201MH1959GOI011388**.

(g) Stock Code at Bombay Stock Exchange Ltd.: 530965

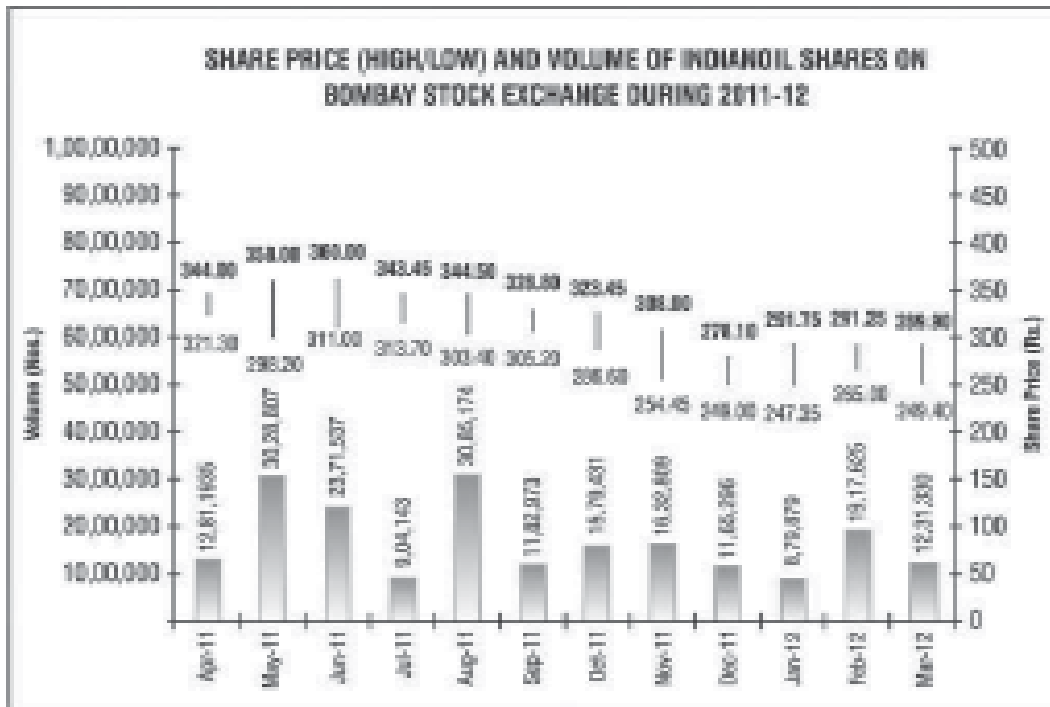
(h) Stock Code at National Stock Exchange: IOC

(i) Demat ISIN Number at NSDL / CDSL: INE 242A01010

(j) Stock Market Data:

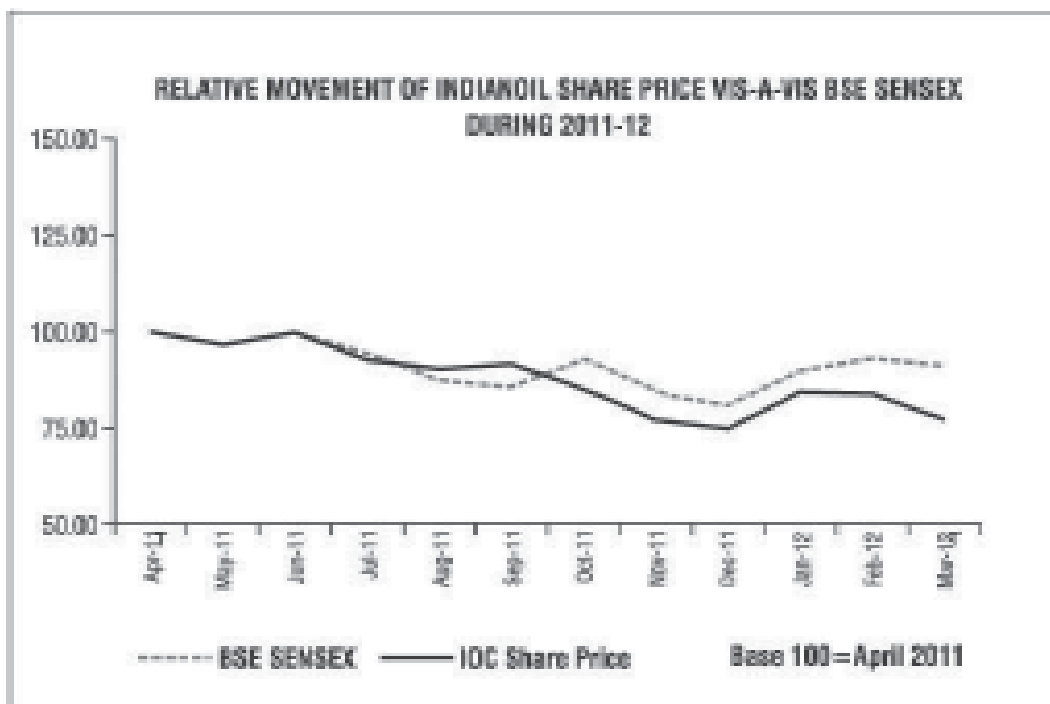
Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2011	344.00	321.30	12,81,935	344.00	320.60	76,49,654
May 2011	358.00	298.20	30,28,807	359.70	297.50	1,69,46,326
June 2011	360.00	311.00	23,71,537	358.00	312.50	1,32,82,374
July 2011	343.45	313.70	9,04,143	344.00	313.55	89,06,795
August 2011	344.50	303.40	30,85,174	344.85	302.90	1,29,88,362
September 2011	328.80	305.20	11,82,973	326.95	305.15	88,79,559
October 2011	323.45	286.60	15,79,431	323.80	286.95	1,10,10,115
November 2011	308.00	254.45	16,32,809	308.00	254.70	1,19,27,095
December 2011	278.10	249.00	11,65,296	278.00	248.50	91,74,733
January 2012	291.75	247.35	8,79,879	291.55	247.55	57,61,063
February 2012	291.25	265.00	19,17,625	291.65	268.00	1,35,02,630
March 2012	289.90	249.40	12,31,330	288.75	252.00	1,07,91,788
	360.00	247.35		359.70	247.55	

The share price movement (high and low) of IndianOil shares and the volume of shares traded on BSE during 2011-12 is given below:



(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 2011-12 is given below:





IndianOil

(l) Registrar & Transfer Agent

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 a period of 30 days from the date of lodgement subject to documents being valid and complete in all respects. There were no overdue share transfers pending as on 31.03.2012. 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 2012:

Sl. No.	Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1.	1 - 5000	188173	87.05	148176570	0.61
2.	5001 - 10000	8351	3.86	61999930	0.26
3.	10001 - 20000	7164	3.31	108290890	0.45
4.	20001 - 30000	4067	1.88	103618080	0.43
5.	30001 - 40000	7245	3.35	258882200	1.07
6.	40001 - 50000	377	0.17	16871240	0.07
7.	50001 - 100000	385	0.18	26390490	0.11
8.	100001 & Above	397	0.18	23555295420	97.02
	Total	216159	100.00	24279524820	100.00

(o) Categories of Shareowners as on 31st March 2012:

Sl. No.	Category	Shareholders (Folios)		Shares	
		No.	%	No.	%
1.	President of India	1	0.00	1916155710	78.92
2.	Governor of Gujarat	1	0.00	2700000	0.11
3.	Government Company (ONGC Ltd.)	1	0.00	212906190	8.77
4.	Corporate Bodies	2126	0.98	21114277	0.87
5.	FII/NRI	2886	1.34	22740937	0.94
6.	Banks	62	0.03	10469623	0.43
7.	Mutual Funds	90	0.04	26701052	1.10
8.	Insurance Companies	9	0.00	83408660	3.43
9.	Public	210786	97.51	72260369	2.98
10.	Trusts	46	0.02	58486107	2.41
11.	Others	151	0.08	1009557	0.04
	Total	216159	100.00	2427952482	100.00

(p) **Top 10 shareholders as on 31st March 2012:**

Sl. No.	Name	No. of Shares	% to Equity
1.	President of India	1916155710	78.92%
2.	Oil and Natural Gas Corporation Ltd.	212906190	8.77%
3.	Life Insurance Corporation of India	69289282	2.85%
4.	IOC Shares Trust *	58279614	2.40%
5.	Bajaj Allianz Life Insurance Company Limited	7626984	0.31%
6.	General Insurance Corporation of India	7129495	0.29%
7.	HDFC Trustee Company Ltd. - HDFC Equity Fund	4408019	0.18%
8.	ICICI Prudential Life Insurance Company Ltd.	3406587	0.14%
9.	LIC of India - Profit Plus Growth Fund	3149678	0.13%
10.	LIC of India Market Plus 1 Growth Fund	2973961	0.12%

* Shares of IndianOil held by erstwhile IBP Trust transferred to the BRPL Trust in view of the expiry of term of IBP Trust and thereafter the BRPL Trust has been renamed as "IOC Shares Trust".

(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 2012 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	9175	4.24	14174543	0.58
Demat	206984	95.76	2413777939	99.42
TOTAL	216159	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%	-

ii) **Bonus issue since listing of the shares**

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



IndianOil

(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) setup 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 advised 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 are given below:

	Year	Unpaid Dividend Amount (₹)
Indian Oil Corporation Ltd.	2004-05 to 2010-11	805,74,604
IBP Co. Ltd. (merged w.e.f. 02.05.07)	2004-05 to 2005-06	23,95,520
Bongaigaon Refinery & Petrochemicals Ltd. (merged w.e.f. 25.03.2009)	2004-05 to 2007-08	71,62,806

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.

(t) Plant locations

The address 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

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, 2012, 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.

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. Aditya Kumar Rawat)
Partner
M. No. 071767

Date : 20th June 2012

Place: Mumbai
