

## Annexure - III

### FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2022

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
**INDIAN OIL CORPORATION LIMITED**  
Indian Oil Bhavan,  
G-9, Ali Yavar Jung Marg,  
Bandra (East),  
Mumbai - 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIAN OIL CORPORATION LIMITED (CIN: L23201MH1959GOI011388)** (hereinafter called "the Company"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period April 1, 2021 to March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the period under review**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the period under review**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the period under review**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the period under review**);
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Finance, Government of India.
- (vii) The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company:-
  - a) The Petroleum Act, 1934;
  - b) The Oil Fields (Regulation and Development) Act, 1948;
  - c) The Oil Industry (Development) Act, 1974;
  - d) Mines and Minerals (Regulation and Development) Act, 1957
  - e) The Energy Conservation Act, 2001;
  - f) The Petroleum & Natural Gas Regulatory Board Act, 2006;
  - g) Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962;
  - h) Petroleum & Natural Gas Rules, 1959;

We have also examined compliance with the applicable provisions & clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. except mentioned below:

- a) **Regulation 17(1)(a) of SEBI (LODR), regarding the requirement of having not less than 50% of the Board of Directors as Non-Executive Directors for the period 01.04.2021 to 23.11.2021.**
- b) **Regulation 17(1)(b) of SEBI (LODR), regarding the requirement of having at least half of the Board of Directors as Independent Director for the period 01.04.2021 to 23.11.2021 and 07.02.2022 to 31.03.2022.**
- c) **Regulation 18(1)(b) of SEBI (LODR), regarding the requirement of having atleast two- third of the members of the Audit Committee as Independent Directors for the period 11.07.2021 to 23.11.2021.**
- d) **Regulation 19(1)(c) of SEBI (LODR), regarding the requirement of having atleast fifty percent of the members of the Nomination & Remuneration Committee as Independent Directors for the period 11.07.2021 to 23.11.2021.**
- e) **In view of exemption provided to Government Companies, vide notification dated June 5, 2015 issued by Ministry of Corporate Affairs, from complying with the provision of section 134(3)(p) of the Companies Act 2013, the Company has not complied with regulation 17(10) of the SEBI (LODR), Regulations 2015 which requires performance evaluation of Independent Directors by the entire Board of Directors and regulation 25(4) of the SEBI (LODR), Regulations 2015 which requires review of performance of Non-Independent Directors, the Board of Directors as a whole and the Chairperson of the Company by the Independent Directors.**

**We further report that:**

- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **However, the Company has not been able to appoint requisite number of Independent Directors and Non-Executive Directors as required under the provisions of Section 149 of Companies Act, 2013 and Regulation 17 of SEBI (LODR), during the period as mentioned above.**
- Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.
- The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the year 2021-22.

- 1) The Company has issued Unsecured, Rated, Listed, Taxable, Redeemable and Non-Convertible Debentures of ₹ 1,500 crore on Private Placement basis.
- 2) The Company at its Annual General Meeting held on August 27, 2021 declared final dividend of 15% i.e. ₹ 1.50 per equity share for the year 2020-2021.
- 3) The Board of Directors of the Company at its meeting held on October 30, 2021 declared first interim dividend at 50% i.e. ₹ 5 per equity share of face value of ₹ 10/- each and on January 31, 2022 declared second interim dividend at 40% i.e. ₹ 4 per equity share of face value of ₹ 10/- each for the year 2021-2022.

For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**

FCS No: 3667

CP No: 23905

UDIN:F003667D000512197

Place: Mumbai

Date: June 28, 2022