

ANNUAL REPORT

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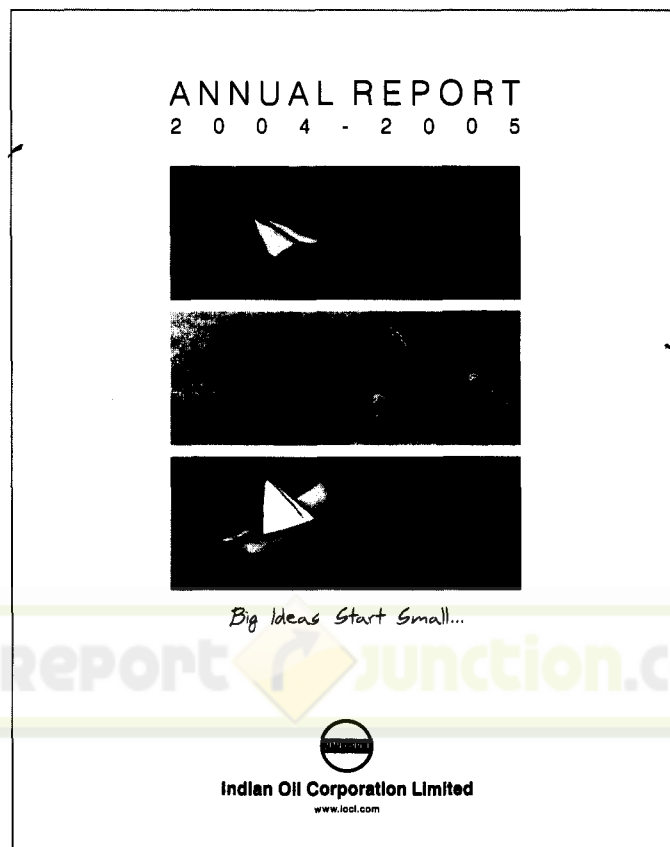


Big Ideas Start Small...



Indian Oil Corporation Limited

www.iocl.com



Big Ideas Start Small...

IndianOil. India's largest corporate. Fuelling a billion dreams. Now pursuing new growth paths. In Oil Exploration & Production, Gas, Petrochemicals and Globalisation of operations. To build lasting value for its stakeholders. And emerge as a US \$ 60 Billion company by the year 2011-12 from US \$ 35 Billion revenues currently. And US \$ 300 Billion by the year 2030.

At IndianOil, big ideas always start small. So we dare to dream... and dream big. Because, inside the tiny acorn lies the dream of a mighty oak.

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Indian Oil Corporation Limited

Registered Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051

46th Annual Report

In this Report, one lakh corresponds to 0.1 million
and one crore to ten million.



Indian Oil Corporation Limited

Regd. Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400 051

NOTICE

NOTICE is hereby given that the **46th Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai – 400 025 on **Thursday, the 22nd September, 2005 at 1030 hrs.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2005 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors.
2. To declare final dividend.
3. To appoint a Director in place of Shri N.K. Nayyar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Jaspal Singh, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Prabh Das, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Shri V. Ranganathan, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint a Director in place of Shri V.K. Agarwal, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

8. Appointment of Shri P.K. Sinha as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri P.K. Sinha, who was appointed as an Additional Director by the Board of Directors effective 22nd December, 2004 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation.”

9. Appointment of Shri S. Behuria as a Director and Chairman of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri S. Behuria, who was appointed as an Additional Director & designated as Chairman by the Board of Directors effective 1st March, 2005 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director and Chairman of the Corporation.

10. Appointment of Shri B.M. Bansal as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri B.M. Bansal, who was appointed as an Additional Director and designated as Director (Research & Development) by the Board of Directors effective 1st March, 2005 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation.”

11. Appointment of Shri S.V. Narasimhan as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri S.V. Narasimhan, who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors effective 1st July, 2005 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation.”

12. Appointment of Shri V.C. Agrawal as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri V.C. Agrawal, who was appointed as an Additional Director and designated as Director (Human Resources) by the Board of Directors effective 1st August, 2005 and who holds office up to the date of this Annual General Meeting and in respect of whom, the Corporation has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation.”

Registered Office:

IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai-400 051.

By Order of the Board of Directors



(R. NARAYANAN)
ED & Company Secretary

10th August 2005



IndianOil

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Explanatory Statement prepared in pursuance of Section 173 of the Companies Act, 1956 in respect of Special Business is annexed.
- (c) Members/Proxies should bring the attendance slip duly signed for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID No. and DP ID No. for easy identification of attendance at the meeting.
- (d) All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturdays & Holidays between 1030 hours and 1230 hours up to the date of the Annual General Meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 10th September, 2005 to Thursday, the 22nd September, 2005 (both days inclusive) for the purpose of ascertaining the eligibility for payment of final dividend.
- (f) The final dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owners position received from NSDL & CDSL as at the close of 9th September, 2005.
- (g) Pursuant to the provisions of section 205(A) of the Companies Act, 1956, the Company has transferred all unpaid dividend declared up to the financial year 1996-97 to Investor Education & Protection Fund (IEPF) set up by the Central Government. The dividend for the financial year 31st March, 1998 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. **The Shareholders who have not encashed their dividend warrant/s so far for the financial year 1997-98 to 2003-2004 are requested to make their claims to the Registrar & Transfer Agent, M/s. Karvy Computershare Private Limited, Hyderabad, or at the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to the IEPF, Central Government, as above, no claim shall lie in respect thereof.**
- (h) Members are requested to bring their copy of the Annual Report to the Meeting.
- (i) **Shareholders holding shares in electronic form may kindly note that their Address and Bank Account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories. The Company will not entertain any direct request from such shareholders for change in Address/Bank Details. The shareholders holding shares in electronic form who wish to change their Address/Bank Account details are, therefore, requested to advise their Depository Participants about such change.**
- (j) Shareholders holding shares in physical form are requested to advise about any change of address/ Bank Account Number to the Company or its Registrar.
- (k) The shares of IndianOil are compulsorily traded in dematerialised form and therefore, the shareholders are requested to dematerialise their shares to facilitate trading in IndianOil shares.
- (l) As per the provisions of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be obtained from the Registered Office of the Company or from its Registrar & Transfer Agent, M/s. Karvy Computershare Private Limited.

Pursuant to the requirements of Corporate Governance, a brief resume of Directors, who are retiring and are eligible for reappointment, is given below:

Item Nos. 3 to 7

- (3) Shri N.K. Nayyar, aged 53 years, is a Chartered Accountant and is an alumnus of the Indian Institute of Management, Ahmedabad and has also completed advanced Financial Management Programme in Oil & Gas from the University of Texas, Dallas, USA. In a career spanning over 30 years in IndianOil, he has handled assignments in Finance, Treasury and International Trade and was also responsible for planning and monitoring crude oil imports besides overseeing Foreign Exchange Management plan for oil imports. Mr. Nayyar has travelled widely both in India and abroad and has participated in several national and international conferences.

Details of other Directorships:

Name of the Company	Position held
IndianOil Panipat Power Consortium Limited	Chairman
Lanka IOC Limited	Chairman
Petronet LNG Limited	Director
IBP Co. Limited	Director
Oil & Natural Gas Corporation Limited	Director

Membership/Chairmanship in the Committees of other Companies:

Name of the Committee	Position held
Audit Committee of IBP Co. Limited	Member

- (4) Shri Jaspal Singh, aged 59 years, is a graduate in Chemical Engineering from IIT, Delhi and has over 35 years of rich and varied experience in refinery operations, technical services and projects. Shri Jaspal Singh played a key role in the development and implementation of plans for modernisation of various IndianOil refineries. Shri Jaspal Singh has participated and chaired several conferences in India and abroad.
- (5) Shri Prabh Das, Director, aged 48 years, is a nominee Director of the Government of India. Shri Prabh Das is a B.Tech (Hons), IIT, Kharagpur and has done his MBA from Southern Cross University, Australia. Shri Prabh Das is an IAS Officer of 1981 batch from West Bengal cadre and has held various positions in the State Government, including Special Secretary (Transport), Government of West Bengal, and CEO, Calcutta Metropolitan Development Authority, before joining as Joint Secretary, Ministry of Petroleum & Natural Gas.

Details of other Directorships:

Name of the Company	Position held
Chennai Petroleum Corporation Limited	Director
Engineers India Limited	Director

Membership/Chairmanship in the Committees of other Companies:

Name of the Committee	Position held
Shareholders'/Investors' Grievance Committees of EIL	Chairman

- (6) Shri V. Ranganathan, Director, aged 63 years, is a Part-time Non-Official Director. Shri Ranganathan, an IAS officer from Maharashtra cadre, has handled various critical assignments in the State, including Commissioner of Municipal Corporation of Greater Mumbai and Chief Secretary to the Government of Maharashtra. He has also worked as Joint Secretary to the Government of India, Department of Atomic Energy, and was also Managing Director of Maharashtra State Seeds Corporation Ltd.



- (7) Shri V.K. Agarwal, Director, aged 65 years, is a Part-time Non-Official Director. He is a B.Sc (Engg.) with Honours – Civil Engineering and a University Gold Medalist. Shri Agarwal retired as Chairman, Railway Board & Ex-Officio Principal Secretary, Government of India, and has held senior positions in Railways from time to time, including Chairman of Konkan Railway Corporation and Chairman of Mumbai Rail Vikas Corporation. Shri Agarwal is a Member of reputed professional bodies and associations and has also published a number of reports and papers from time to time on issues connected with Railways.

Details of other Directorships:

Name of the Company	Position held
Steel Authority of India Limited	Director

Membership/Chairmanship in the Committees:

Name of the Committee	Position held
Audit Committee of Steel Authority of India Limited	Chairman
Shareholder/Investor' Grievance Committee of Steel Authority of India Limited	Chairman

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 8

Shri P.K. Sinha, Director, was appointed as an Additional Director w.e.f. 22nd December, 2004 by the Board of Directors, pursuant to Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri P.K. Sinha, aged 50 years, is a Post Graduate from Delhi School of Economics and an IAS officer of U.P cadre. Shri Sinha also holds M.Phil in Social Sciences and a Masters Diploma in Public Administration. Shri Sinha has served both in the Central and State Governments, including as District Magistrate of Jaunpur and Agra Districts. Shri Sinha has also served in the Ministry of Power, Department of Youth Affairs and Sports in the Central Government before joining MOP&NG.

Details of other Directorships:

Name of the Company	Position held
GAIL (India) Limited	Director
ONGC Limited	Director
ONGC Videsh Limited	Director

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri P.K. Sinha as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri P.K. Sinha is interested or concerned in the resolution.

Item No. 9

Shri S. Behuria was appointed as an Additional Director and designated as Chairman w.e.f. 1st March, 2005, by the Board of Directors, pursuant to the Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and holds office up to the date of this Annual General Meeting.

Shri S. Behuria, aged 53 years, is an alumnus of St. Stephens College, Delhi and IIM, Ahmedabad. Before joining IndianOil as Chairman, Shri Behuria was Chairman and Managing Director of Bharat Petroleum Corporation Limited. Presently, Shri Behuria is also the Chairman of Petroleum Federation of India, and SCOPE (Standing Conference of Public Enterprises), the apex body of public enterprises in

India. In a career spanning 32 years in the oil industry, Shri Behuria has handled key portfolios in Supply and Distribution, Sales, Industrial Relations, Marketing, etc. Shri Behuria has presented several papers in national and international forums.

Details of other Directorships:

Name of the Company	Position held
IBP Co. Ltd.	Chairman
Chennai Petroleum Corporation Limited	Chairman
Bongaigaon Refinery & Petrochemicals Limited	Chairman
Indian Oiltanking Limited	Chairman

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri S. Behuria as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri S. Behuria is interested or concerned in the resolution.

Item No. 10

Shri B.M. Bansal was appointed as an Additional Director and designated as Director (Research & Development) w.e.f. 1st March, 2005, by the Board of Directors, pursuant to the Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and holds office up to the date of this Annual General Meeting.

Shri B.M. Bansal, aged 54 years, is a B-Tech in Chemical Engineering from IIT, Delhi with a Post Graduate Diploma in Process Plant Engineering. Prior to his elevation to the Board, he was Executive Director of Mathura Refinery. Shri Bansal has a rich experience of three decades in the oil industry with varied assignments covering key portfolios of Refinery Management, Planning and Co-ordination, Technical Services and Business Development. Shri Bansal has travelled widely and presented several papers on Refining, Petrochemicals and LNG in international seminars, both in India and abroad.

Details of other Directorships:

Name of the Company	Position held
Indian Oil Technologies Limited	Chairman
Engineers India Limited	Director
Bongaigaon Refinery & Petrochemicals Ltd.	Director

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri B.M. Bansal as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri B.M. Bansal is interested or concerned in the resolution.

Item No. 11

Shri S.V. Narasimhan was appointed as an Additional Director and designated as Director (Finance) w.e.f. 1st July, 2005, by the Board of Directors, pursuant to the Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri S.V. Narasimhan, aged 54 years, is a Chartered Accountant and an MBA from the Faculty of Management Studies, Delhi. Prior to becoming Director in IndianOil, he was Managing Director of Chennai Petroleum Corporation Limited. Shri Narasimhan has over three decades of experience in the oil industry and has served as a member of several specialist committees of the Government of India that drafted oil sector policies. Shri Narasimhan is also credited with assisting the Oil Cost Review Committee set up by the Government to formulate the basis for pricing of petroleum products.



IndianOil

Details of other Directorships:

Name of the Company

Position held

Lubrizol India Pvt. Limited

Director

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri S.V. Narasimhan as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri S.V. Narasimhan is interested or concerned in the resolution.

Item No. 12

Shri V.C. Agrawal was appointed as an Additional Director and designated as Director (Human Resources) w.e.f. 1st August, 2005, by the Board of Directors, pursuant to the Article 94(I) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting.

Shri V.C. Agrawal, aged 55 years, is an alumnus of IIT, Roorkee and holds a Masters in Electrical Power from M.S. University, Vadodara. Prior to his elevation to the Board, he was Executive Director (Human Resources). Shri Agrawal has over three decades of rich and varied experience in the oil sector and has worked in different capacities in Technical and HR functions of the Company. Shri Agrawal has presented several papers on management related topics in national and international forums.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri V.C. Agrawal as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri V.C. Agrawal is interested or concerned in the resolution.

Registered Office:

IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai-400 051.

By Order of the Board of Directors

(R. NARAYANAN)
ED & Company Secretary

10th August 2005