

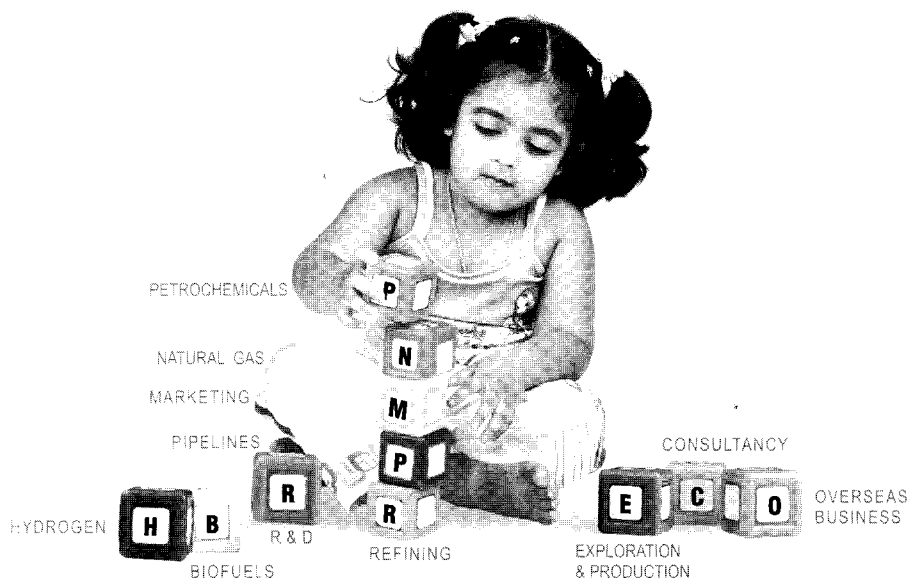


Shaping dreams. Building a new future



Indian Oil Corporation Limited

A N N U A L R E P O R T 2 0 0 5 - 2 0 0 6



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Shaping dreams. Building a new future.

IndianOil is charting new courses. From a petroleum giant to a diversified, transnational, integrated energy major, we are building a new future for ourselves.

Petrochemicals, natural gas, exploration & production, overseas business, consultancy, biofuels, Hydrogen, etc. These are the new building blocks of our global ambition. To emerge as a US\$ 60 Billion company by the year 2011-12 from US\$ 41 Billion revenues currently. And thereafter reach US\$ 300 Billion by the year 2030.

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47TH
ANNUAL
REPORT

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Indian Oil Corporation Limited

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

47th Annual Report

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

Notice**Indian Oil Corporation Limited**

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

NOTICE is hereby given that the **47th Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on **Friday, the 22nd September, 2006 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, 2006 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors.
2. To declare dividend.
3. To appoint a Director in place of Shri P.M. Sinha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri R.S. Sharma, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri A.M. Uplenchwar, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Prof. S.K. Barua, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

7. Appointment of Shri Anil Razdan 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 Anil Razdan, who was appointed as an Additional Director by the Board of Directors effective 27th February, 2006 and who holds office upto 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


(RAJU RANGANATHAN)
Company Secretary

10th August, 2006

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 filled and signed for attending 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 to 1230 hours upto the date of Annual General Meeting.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 11th September, 2006 to Friday, the 22nd September, 2006 (both days inclusive) for the purpose of ascertaining the eligibility for payment of dividend.
- (f) The 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 10th September, 2006.
- (g) Pursuant to the provisions of section 205(A) of the Companies Act, 1956, the Company has transferred all unpaid dividend declared upto the financial year 1997-98 to Investor Education & Protection Fund (IEPF) set up by Central Government. The dividend for the financial year 1998-99 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 1998-99 to 2004-2005 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 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 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.
- (m) A brief resume of the Directors of the Company, seeking appointment / re-appointment at this Annual General Meeting is enclosed with the Notice.

Notice

4TH 7

ANNUAL
REPORT

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 6

- (3) Shri P.M. Sinha, aged 66 years, is a Part-time Non-Official Director. He is an alumnus of Sloan School of Management, MIT, Boston, USA. Shri Sinha has rich and varied experience in Sales and Marketing functions and has held senior positions in Hindustan Lever Ltd., Lintas India and Brooke Bond India Ltd.

Shri Sinha has also been the President of PepsiCo Beverage International, South Asia Chairman, PepsiCo India Holdings and President of Pepsi Foods Ltd. He was the Chairman of Reckitt and Coleman India Ltd.

Details of other Directorships:

| Name of the Company | Position held |
|----------------------------|---------------|
| Bata India Limited | Chairman |
| Wipro Limited | Director |
| ICICI Bank Limited | Director |
| Lafarge India Pvt. Limited | Director |

Membership/Chairmanship in the Committees of other companies:

| Name of the Committee | Position held |
|---|---------------|
| Audit & Nomination Committee of Wipro Limited | Member |
| Board Governance and Compensation Committee of Wipro Limited | Member |
| Audit Committee of Bata India Ltd. | Member |
| Board Governance & Remuneration Committee of ICICI Bank Ltd. | Member |
| Nomination Governance & Compensation Committee of Bata India Ltd. | Chairman |
| Shareholders' Grievance Committee of Bata India Limited | Chairman |

No. of Shares held in the Company as on March 31, 2006:

NIL

- (4) Shri R.S. Sharma, aged 55 years, is a fellow member of the Institute of Cost & Works Accountants of India and is also an associate member of the Indian Institute of Bankers. He is currently Officiating CMD and Director (Finance) of ONGC Limited and has rich and varied experience in Projects & Corporate Finance. His assignments before joining ONGC include finance, banking and credit appraisal.

Details of other Directorships:

| Name of the Company | Position held |
|--|----------------------------|
| Oil & Natural Gas Corporation Ltd. | Director & Officiating CMD |
| ONGC Videsh Limited | Director |
| Mangalore Refinery & Petrochemicals Ltd. | Director |
| ONGC Tripura Power Co. Pvt. Ltd. | Director |
| ONGC Mittal Energy Services Ltd. | Director |

Membership/Chairmanship in the Committees of other Companies:

| Name of the Committee | Position held |
|--|---------------|
| Shareholders' Investors' Grievance Committee of ONGC Ltd. | Member |
| Remuneration Committee of ONGC Ltd. | Member |
| Audit Committee of ONGC Videsh Ltd. | Member |
| Audit Committee of Mangalore Refinery & Petrochemicals Ltd. | Member |
| Shareholders' Investors' Grievance Committee of Mangalore Refinery & Petrochemicals Ltd. | Member |

No. of Shares held in the Company as on March 31, 2006:

NIL



- (5) Shri A.M. Uplenchwar, aged 59 years, is a Mechanical Engineer and also holds a First Class Marine Engineer Certificate issued by the Ministry of Transport. He has over 25 years of experience in IndianOil during which he has handled various functions in different capacities in the Pipelines Division, including a two year tenure in the Research & Development Centre of the Corporation. Prior to joining IndianOil, Shri Uplenchwar had the experience of the Shipping industry for about eleven years.

Details of other Directorships:

| Name of the Company | Position held |
|---|---------------|
| Petronet India Limited | Chairman |
| Petronet CCK Limited | Chairman |
| Indian Oiltanking Limited | Director |
| Oil & Natural Gas Corporation Limited | Director |
| Bongaigaon Refinery & Petrochemicals Ltd. | Director |
| Chennai Petroleum Corporation Ltd. | Director |

Membership/Chairmanship in the Committees of other Companies: NIL

No. of Shares held in the Company as on March 31, 2006: 1800

- (6) Prof. S.K.Barua, aged 55 years is an M.Tech in Industrial Engineering and Operations Research and holds a Doctorate in Management. He joined the faculty of Indian Institute of Management, Ahmedabad in 1980. His specific areas of interest include Capital Market, International Finance, Operations Research, Decision Support Systems, Management Information & Control System and Corporate Financial Management. He is a visiting professor to academic institutions in USA, Netherlands, Singapore & Cyprus. He has authored a number of books and case studies in Management. He is a consultant to many public and private organisations in the manufacturing, banking and financial services sectors. He has handled various assignments as advisor to Reserve Bank of India, FICCI and the Mumbai and National Stock Exchanges.

Details of other Directorships:

| Name of the Company | Position held |
|------------------------|---------------------------|
| S.T.C.I. | Director |
| SBI MF Trustee Company | Member, Board of Trustees |

Membership/Chairmanship in the Committees of other Companies:

| Name of the Committee | Position held |
|---------------------------------------|---------------|
| Audit Committee of S.T.C.I. | Member |
| Audit Committee of SBI MF Trustee Co. | Chairman |

No. of Shares held in the Company as on March 31, 2006: NIL

Registered Office:

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

By Order of the Board of Directors


(RAJU RANGANATHAN)
Company Secretary

10th August, 2006

Notice



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

Item No. 7

Shri Anil Razdan, was appointed as an Additional Director w.e.f. 27th February, 2006 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 upto the date of this Annual General Meeting.

Shri Anil Razdan, aged 58 years, is a Science and Law Graduate from Delhi University. He is an IAS Officer of 1973 batch from Haryana Cadre. He has held important assignments in the State Government of Haryana and Government of India, from time to time. He has rich and varied experience in various sectors like Energy, Tourism, Urban Development, Industries, Education, Water Resources, etc.

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 Anil Razdan as a candidate for the office of Director.

Details of other Directorships:

Name of the Company

Position held

Oil & Natural Gas Corporation Ltd.

Director

GAIL (India) Ltd.

Director

Membership/Chairmanship in the Committees of other Companies:

NIL

No. of Shares held in the Company as on March 31, 2006:

NIL

Registered Office:

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

By Order of the Board of Directors


(RAJU RANGANATHAN)
Company Secretary

10th August, 2006



Indian Oil Corporation Limited

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

ATTENDANCE CARD

| | |
|---------------------------|--|
| Regd. Folio/Client ID No. | |
| No. of Shares held | |

I/We hereby record my/our presence at the **47th Annual General Meeting** of the Company held on Friday, the 22nd September 2006 at 1030 hrs. at Nehru Centre Auditorium, Discovery of India Building, Dr. A.B. Road, Worli, Mumbai-400 018.

Name of the Shareholder

(In Block Letters) _____

Signature of the

Shareholder _____

Name of the Proxy

(In Block Letters) _____

Signature of the Proxy

NOTES

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

----- TEAR HERE -----



Indian Oil Corporation Limited

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

FORM OF PROXY

| | |
|---------------------------|--|
| Regd. Folio/Client ID No. | |
| No. of Shares held | |

I/We of in the district of being a member/members of the abovenamed Company hereby appoint..... of in the district of as my/our proxy to vote for me/us on my/our behalf at the **47th Annual General Meeting** of the Company to be held on 22nd September 2006 and at any adjournment thereof.

Please Affix
Revenue
Stamp

Signed this day of 2006.

Signature

NOTE: This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai-400 051 not less than 48 hours before the time for holding the meeting.

