Annexure - III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Issued in pursuance to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,

The Members,

Indian Oil Corporation Limited

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 L23201MH1959G0I011388) (hereinafter called the "Company") for the financial year ended 31st March, 2025. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

A. Members to take note of the following: -

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of the financial statements of the Company.
- iv. The Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.
- v. Wherever required, we have obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.
- vi. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vii. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

- B. Based on our verification of the Company's books, papers, minute 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 financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes (duly evolved) and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 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 applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. A 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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

- V. B The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the SEBI Act and hence are not relevant for the purpose of audit:-
 - (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- VI. Guidelines on Corporate Governance for Central Public Sector Enterprises ('DPE Guidelines') issued by the Department of Public Enterprises.
- VII. The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company:
 - (a) Oil fields (Regulation and Development) Act, 1948;
 - (b) The Petroleum Act, 1934;
 - (c) Mines and Minerals (Regulation and Development) Act, 1957;
 - (d) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962;
 - (e) Oil Mines Regulations, 1984;
 - (f) Petroleum & Natural Gas Rules, 1959;
 - (g) Petroleum Rules, 2002;
 - (h) The Oil Industry (Development) Act, 1974.
 - (i) The Energy Conversation Act, 2001
 - (j) Petroleum & Natural Gas Regulatory Board Act, 2006

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

- Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time issued by The Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI (LODR));

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

- a) The Company did not have:
 - Woman Independent Director on its Board pursuant to Proviso of Regulation 17(1)(a) of SEBI Regulations, 2015 for the period under review;
 - Optimum combination of executive and nonexecutive directors pursuant to Regulation 17(1)(a) of SEBI (LODR) and Clause 3.1.2. of the DPE Guidelines for the period 24.11.2024 to 31.03.2025;
 - 3. Sufficient number of Independent Directors on its Board as required under the Regulation 17(1)(b) of SEBI (LODR) and DPE Guidelines for the period under review i.e. 01.04.2024 to 07.05.2024, 11.05.2024 to 31.08.2024 and 13.11.2024 to 31.03.2025;
- b) The Audit Committee did not have the requisite number of Independent Directors pursuant to Section 177 (2) of the Act; Regulation 18 (1) (b) of the SEBI (LODR) and Clause 4.1.1. of the DPE Guidelines from 24.11.2024 to 31.03.2025;
- c) The Nomination and Remuneration Committee did not have one-half of its composition of Independent Directors from 24.11.2024 pursuant to Section 178 (1) of the Act and requisite composition pursuant to Regulation 19 (1) (b) & (c) of the SEBI (LODR) and Clause 5.1. of the DPE Guidelines from 24.11.2024 to 31.03.2025;
- d) During the period under review no meeting of Independent Directors was held pursuant to Schedule IV of the Act and Regulation 25 of SEBI (LODR).

Being a Government Company, the power to appoint Directors including Independent Directors and Woman Director vests with Government of India. In the absence of Non-Executive Directors, the Company had appointed Whole-time Directors in the Audit Committee and Nomination and Remuneration Committee to maintain the minimum number of committee members.

D. We further report that,

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except to the extent as mentioned above. 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 Companies Act, 2013.

- II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance 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.
- III. As per the minutes of the Board duly recorded and signed by the Chairman, the agenda items are deliberated and decisions of the Board were unanimous and no dissenting views have been recorded.
- **E.** We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- F. I. We further report that during the audit period:
 - a. Company has issued 2,50,000, 7.36% Unsecured, Listed, Rated, Taxable, Redeemable, Nonconvertible Debentures (Series XXVI) of ₹1,00,000 each aggregating to ₹2,500 Crore on Private Placement basis on 16 July 2024 and 250000, 7.25% Unsecured, Listed, Rated, Taxable, Redeemable, Nonconvertible Debentures (Series XXVII) of ₹1,00,000 each aggregating to ₹2,500 Crore on Private Placement basis on 6 January 2025.

- b. Company has redeemed 25,000, 5.84% Unsecured, Listed, Rated, Taxable, Redeemable, Non-convertible Debentures (Series XXII) of ₹10,00,000 each aggregating to ₹2,500 Crore on 16 April 2024 and 29,950, 6.39% Unsecured, Listed, Rated, Taxable, Redeemable, Non-convertible Debentures (Series XVI) of ₹10,00,000 each aggregating to ₹2,995 Crore on Private Placement basis on 6 March 2025.
- Company has acquired 100% stake in Mercator Petroleum Limited (MPL) for a consideration of ₹154 Crore.
- II. We further report that during the audit period none of the following events took place, except those mentioned above:
 - (i) Public/Rights/Preferential Issue of Shares/ Sweat equity etc.
 - (ii) Buy Back of securities.
 - (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
 - (iv) Merger/reconstruction etc.
 - (v) Foreign Technical Collaborations.

For **DHOLAKIA & ASSOCIATES LLP**

(Company Secretaries)

Sd/CS Nrupang B. Dholakia
Managing Partner

Managing Partner FCS-10032 CP No. 12884

Place : Mumbai Date : June 26, 2025

UDIN: F010032G000667744

Peer Review Certificate No: 2404/2022

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