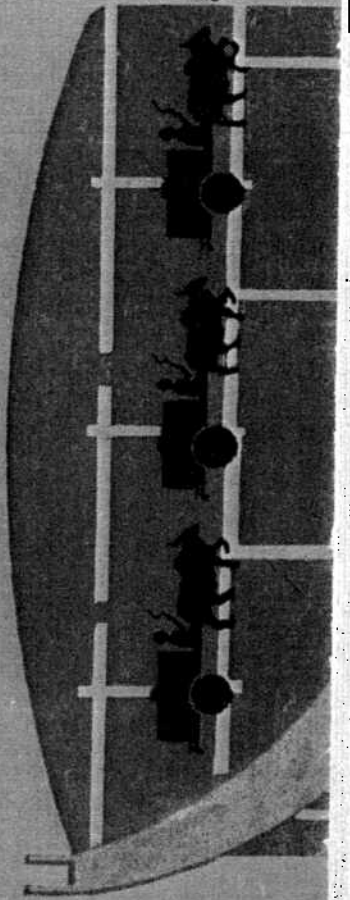
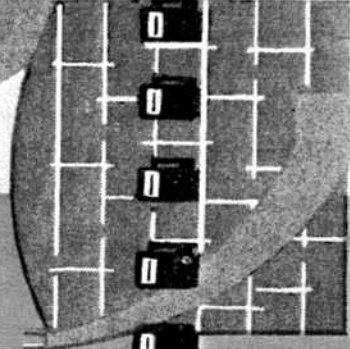




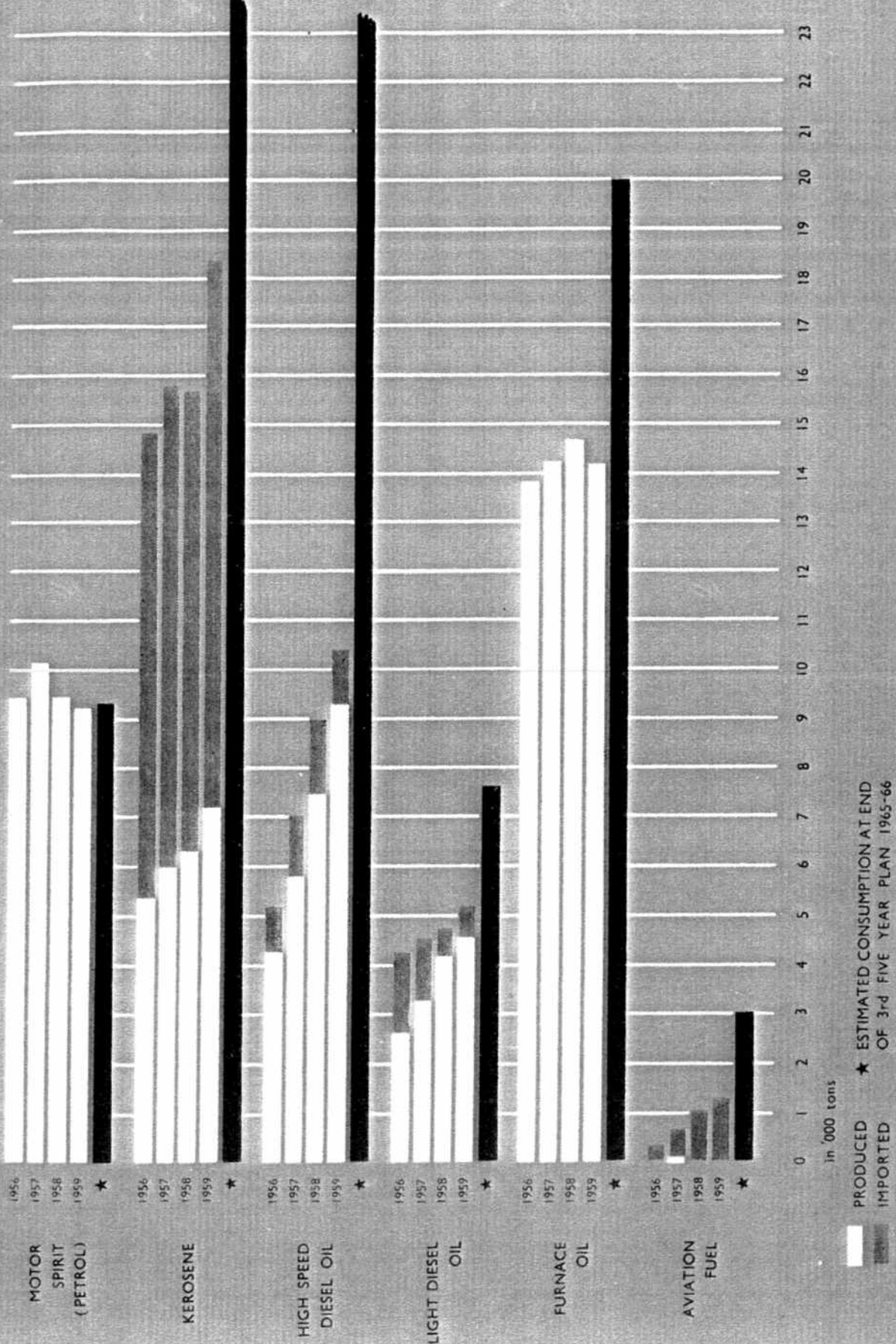
1st Annual Report
1959 - 1960
 (From April 1959 To March 1960)

INDIAN OIL COMPANY LIMITED



INDIAN OIL COMPANY LIMITED
(A Government of India Undertaking)

BOARD OF DIRECTORS
(as on 31-3-1960)



in '000 tons

PRODUCED
 ESTIMATED CONSUMPTION AT END OF 3rd FIVE YEAR PLAN 1965-66
 IMPORTED

INDIAN OIL COMPANY LIMITED

(A Government of India Undertaking)

BOARD OF DIRECTORS

(as on 31-3-1960)

SHRI S. NIJALINGAPPA, M.L.A. (Mysore)
(Chairman)

SHRI AMOLAKH CHAND

SHRI D. C. BADAL

SHRI R. L. GUPTA, I.C.S.

SHRI S. K. MUKHERJEE, I.A.S.

SHRI J. M. SHRINAGESH, I.C.S.

SHRI A. V. VENKATESWARAN

SHRI B. ARORA
(Managing Director)

BANKERS

STATE BANK OF INDIA, Bombay

AUDITORS

A. F. FERGUSON & COMPANY, Bombay

REGISTERED OFFICE

'RASHMI', CARMICHAEL ROAD, Bombay 26

INDIAN OIL COMPANY LIMITED

1st Annual General Meeting

NOTICE

Notice is hereby given that the First Annual General Meeting of the Members of Indian Oil Company Limited will be held at the Company's Registered Office at "Rashmi", Carmichael Road, Bombay 26, on 28th December 1960, at 3.00 p.m., to transact the following business:—

"To receive and adopt the Directors' Report and the Balance Sheet along with the Auditors' Report for the period ended 31st March 1960."

By Order of the Board,
U. R. KURLEKAR,
Administrative Officer.

BOMBAY,

Dated, 12th December 1960.

Note—A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

To

1. All Members.
2. A. F. Ferguson & Co.,
Chartered Accountants.

INDIAN OIL COMPANY LIMITED

INDIAN OIL COMPANY LIMITED

1st Annual Report 1959-60

(From June 1959 to March 1960)

DIRECTORS' REPORT

To

The Shareholders,

The Directors have pleasure in submitting their First Annual Report with the audited statement of accounts for the year ended 31st March 1960.

Finance

During the year, shares of the value of Rs. 2,25,000 were issued and subscribed against the authorised share capital of Rs. 12 crores. The expenditure during the period was mainly in the nature of preliminary expenses including registration charges.

General

The Company was incorporated on 30th June 1959 and your first Directors were appointed by the President in the month of July 1959. The Managing Director was appointed in January 1960. Shri J. M. Shrinagesh in February and Sarvashri D. C. Bajjal and Amolakh Chand in the month of March 1960. All these Directors continued on the Board till the end of the period under

review. Immediately after the formation of the Company, the Central Government (Department of Mines and Fuel) issued to the Company their Instrument of Instructions, in which the following were laid down as the main objectives of the Company:—

(a) The Company shall take necessary steps to ensure that within the shortest possible time, it is in a position to arrange for the supply of all petroleum product requirements of all Government Organisations (Central and State) all over the country.

(b) With a view to be able to handle ultimately at least half of the trade in imports of deficit petroleum products, the Company shall take necessary steps to build up storage and other facilities, so that we have the advantages to effect imports not only from sources already availed of by the trade, but also from alternative sources as well.

(c) The Company shall build up as far as possible such additional distribution facilities (including retail outlets)

as may be warranted by the growing demand for petroleum products.

- (d) The Company shall take over at the refinery points the entire output (totalling to about 2.7 million tons of petroleum products) of the two refineries that the Indian Refineries Limited shall construct at Nummati in Assam and Barauni in Bihar.

Imports of Products

Since none of the two planned public sector refineries were expected to go on stream even in the next year 1960-61, the question of imports of deficit petroleum products from the cheapest alternative sources was considered by the Company in consultation with the Central Government. Accordingly in March 1960, it was decided that in pursuance of the Trade Agreement between the Government of the U.S.S.R. and the Government of India, Indian Oil Company should consider importing deficit petroleum products (Superior Kerosene, High Speed Diesel Oil and Aviation Turbine Fuel) from that country and with this end in view enter into negotiations with V/o Sojuznefteexport, Moscow G-200, Smolenskaja Sennaja 32 34 Moscow, U.S.S.R. (Russian Export Agency). During the period under review the negotiations were started, but the actual Agreement was finalised only in the next year, i.e. on 15th July 1960.

First Phase of Plan

In view of this decision to import Russian oil straightaway and also the necessity of taking over the production of the first of the two refineries which was expected to come on stream by the end of December 1961, the Board of Directors of the Company decided that instead of attempting a detailed plan for the entire country, the Company may prepare a limited plan for this purpose. The first phase of this plan of organisation was therefore taken in hand. (Note: This has since been submitted to the Central Government for approval.)

Main Installations

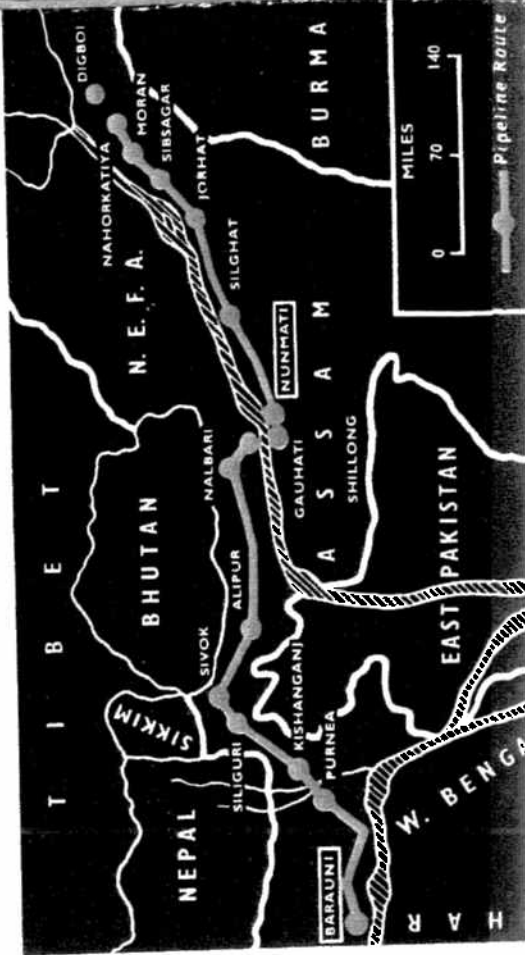
As the Company did not have any storage capacity of its own, discussions were started with the Central Government (especially Ministry of Defence) for handing over some of its installations, which were either lying unused or were inadequately utilised, to Indian Oil Company Limited. Negotiations were still in progress when the year ended. (Note: An installation at Bombay and another at Cochin have since been taken over.)

In short, this was the period during which the Company laid the foundations of its organisation and drew up an outline of its plan for distribution of imported products.

as may be warranted by the growing demand for petroleum products.

(d) The Company shall take over at the refinery points the entire output (totalling to about 2.7 million tons of petroleum products) of the two refineries that the Indian Refineries Ltd. has set up at Nummari (750,000 tons) and Barauni (2,000,000 tons).

IOC will take over the entire output of the two State-owned oil refineries being set up at Nummari (750,000 tons) and Barauni (2,000,000 tons).



First Phase of Plan

In view of this decision to import Russian oil straightaway and also the necessity of taking over the production of the first of the two refineries which was expected to come on stream by the end of December 1961, the Board of Directors of the Company decided

Meetings of Directors

During the period under review, your Directors met on three occasions and except in the second meeting when one of the Directors was granted leave of absence all the Directors were present for these three meetings.

Miscellaneous

Your Directors wish to place on record their appreciation of hard work put in by all the members of the Company's staff under difficult conditions. It is their zeal and effort that has been responsible for the Company's progress during the period under review.

	RS.	RP.
LIABILITIES		
SHARE CAPITAL		
<i>Authorised</i>		
1,20,000 Equity Shares of Rs. 1,000 each	12,00,00,000	00
<i>Subscribed</i>		
225 Equity Shares of Rs. 1,000 each fully paid up in cash	2,25,000	00

	RS.	RP.
ASSETS		
FIXED ASSETS		
As per Schedule 'A' annexed		
LOANS AND ADVANCES (Unsecured, considered good)		
Prepaid expenses		
CASH AND BANK BALANCES	Rs.	RP.
In hand	189	68
	550	24

INDIAN OIL COMPANY LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Company Limited, as at 31st March 1960, together with the Profit and Loss Account of the Company for the period from 30th June 1959 to 31st March 1960, annexed thereto, and report that:—

- (1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (2) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
- (3) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (4) in our opinion, and to the best of our information and according to the explanations given to us, the Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view—

- (a) in the case of the Balance Sheet of the state of the affairs of the Company as at 31st March 1960, and
- (b) in the case of the Profit and Loss Account of the loss for the period ended on that date.

A. F. FERGUSON & CO.,
Chartered Accountants

BOMBAY, 10th August 1960.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956

I have to state that there are no comments upon or supplement to the Auditors' Report under Sub-section(4) of Section 619 of the Companies Act, 1956, on the accounts of Indian Oil Company Ltd. for the period from 30th June 1959 to 31st March 1960.

P. K. SEN,
Director of Commercial Audit

Dated, 11th November 1960.

INDIAN OIL COMPANY LIMITED

LIABILITIES

	Rs.	nP.
SHARE CAPITAL		
<i>Authorised</i>		
1,20,000 Equity Shares of Rs. 1,000 each ..	12,00,00,000.00	
<i>Subscribed</i>		
225 Equity Shares of Rs. 1,000 each fully paid up in cash ..	2,25,000.00	
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors ..	14,876.89	
Total Rupees ..	2,39,876.89	

As per our Report attached.

A. F. FERGUSON & CO.,
Chartered Accountants

BOMBAY, 10th August 1960.

ASSETS

	Rs.	nP.
FIXED ASSETS		
As per Schedule 'A' annexed ..		20,488.00
LOANS AND ADVANCES (Unsecured, considered good)		
Prepaid expenses ..		550.24
CASH AND BANK BALANCES		
In hand ..	189.68	
In Current Account with Bank. 1,58,131.65		
MISCELLANEOUS EXPENDITURE AND LOSSES		
Preliminary Expenses ..	31,708.37	
Profit and Loss Account ..	28,808.95	
Total Rupees ..	2,39,876.89	

S. NIJALINGAPPA
B. ARORA
AMOLAKH CHAND } *Directors.*

BOMBAY, 10th August 1960.

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 1960

AT COST

	Rs.	nP.	Gross Block as at 31-3-1960	Rs.	nP.	Depreciation to 31-3-1960	Rs.	nP.	Net Depreciated Block as at 31-3-1960
FIXED ASSETS									
Motor Car ..			14,094.44			234.44			13,860.00
Office Machinery ..			1,963.40			22.40			1,941.00
Air Conditioner ..			3,184.90			26.90			3,158.00
Furniture and Fittings ..			1,533.40			4.40			1,529.00
Total Rupees ..			20,776.14			288.14			20,488.00

A. F. FERGUSON & CO.,
Chartered Accountants

BOMBAY, 10th August 1960.

S. NIJALINGAPPA
B. ARORA } *Directors*

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 30TH JUNE 1959 (THE DATE OF INCORPORATION) TO 31ST MARCH 1960

	Rs. nP.	Rs. nP.
To Payments to and Provisions for employees:		
Salaries and Wages (including Rs. 7,212.91 to the Managing Director)	15,477.53	
Company's Contribution to Provident Fund (for the Managing Director)	809.14	16,286.67
Travelling Expenses	6,859.74	
Motor Car Expenses	190.10	7,049.84
Rent	500.00	
Hire charges for Office equipment and furniture	241.11	741.11
Advertisements for Recruitment of Staff	785.06	
Telephone and Telegrams	160.54	
Printing and Stationery	1,250.81	
Postage	206.48	
Magazines and Periodicals	285.85	1,903.68
Audit Fees	500.00	
Legal Expenses	28.00	528.00
Insurance	54.80	
Rates and Taxes	23.33	
Miscellaneous Expenses	1,148.32	
Depreciation	288.14	
Total Rupees	28,808.95	
By Balance carried to Balance Sheet		28,808.95

S. NIJALINGAPPA }
B. ARORA } *Directors*

As per our Report attached to the Balance Sheet.
A. F. FERGUSON & CO.,
Chartered Accountants

BOMBAY, 10th August 1960.