

Indian Oil Corporation Limited



ANNUAL REPORT 1966-67

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INDIAN OIL CORPORATION LTD.

BOARD OF DIRECTORS:

N.N. Kashyap, I.C.S., *Chairman*
Kamaljit Singh
Maj. Gen. Sarda Nand Singh (Retd.)
S.K. Guha
M.V. Rao
A.A. Peerbhoy
M.V. Rajwade
R.S. Gupta
Dharmananda Das
V. Balasubrahmanyam
S. Ghosh
E.P. W. da Costa
Arun Roy Choudhury
D.B. Puri
State Bank of India
M/s. A.F. Ferguson & Company
M/s. Lovelock & Lewes
M/s. P.K. Mitra & Company

SECRETARY:

BANKERS:

AUDITORS:

REGISTERED OFFICE AND

MARKETING DIVISION

HEADQUARTERS:

MARKETING DIVISION:

Branches:

REFINERIES DIVISION:

Headquarters:

254-C, Dr. Annie Besant Road,
Prabhadevi, BOMBAY-25 DD.

Bombay, New Delhi, Calcutta, Madras

Link House, Bahadur Shah Zafar Marg,
New Delhi-1.

PIPELINES DIVISION:

Headquarters:

18, Jor Bagh,
New Delhi-3.



NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Indian Oil Corporation Limited will be held at the Company's Registered Office at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay-25 DD at 15-00 hours on Saturday, the 30th September, 1967 to transact the following business:

ORDINARY BUSINESS:

"To receive, consider and adopt the Balance Sheet, Profit and Loss Accounts Reports of the Auditors and Directors thereon for the financial year ended 31st March, 1967."

By Order of the Board
D.B. PURI
Secretary

Bombay,

Dated: 6th September, 1967

Note: A member 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.

INDIAN OIL CORPORATION LIMITED

DIRECTORS' REPORT 1966-67

TO
THE SHAREHOLDERS OF INDIAN OIL CORPORATION LIMITED

Gentlemen,

On behalf of your Board of Directors, I am placing before you the Eighth Annual Report containing Balance Sheet, Profit & Loss Account and Auditors' Report thereon for the year ended 31st March, 1967.

RESULTS

Turnover for the year amounted to Rs. 338.35 crores as against Rs. 220.05 crores for the previous year. The increase in turnover works out to about 50%.

Profit for the year amounting to Rs. 6.26 crores is arrived at after providing depreciation and interest charges for Rs. 5.02 crores and Rs. 4.93 crores respectively. This compares favourably with the past year's net profit of Rs. 1.01 crores which was arrived at after providing depreciation for Rs. 3.33 crores and interest for Rs. 3.50 crores.

Net profit for the year works out to 9.3% of the paid-up capital as against 1.71% in the previous year. With the carry forward of last year amounting to Rs. 0.42 crore the available surplus comes to Rs. 6.68 crores which your Directors recommend to be appropriated as under :—

Balance of profit brought forward		Rs. 42,07,014
Profit for the year		<u>6,26,40,040</u>
Available for appropriation		6,68,47,054
APPROPRIATION	Rs.	
Preliminary expenses written off	76,422	
Income tax for prior year	<u>42,327</u>	
		<u>1,18,749</u>
Balance for appropriation		6,67,28,305
Provision for dividend @ 6% on 6,70,622 shares of Rs. 1,000 each	4,02,37,320	
Transfers to General Reserve	<u>2,64,00,000</u>	
		<u>6,66,37,320</u>
Balance carried forward		90,985

Your Corporation's profits continue to be affected adversely by the under-recoveries of freight and Central Sales Tax which amounts account for Rs. 1.13 crores and Rs. 1.76 crores respectively, during the year as compared to last year's figures of Rs. 1.10 crores and Rs. .51 crore. In addition, devaluation has affected the profits of the year under review to the extent of Rs. 1.08 crores.



FINANCE

During the year under review the changes in share capital and loan received by the Corporation from the Central Government and the State Government of Gujarat were as follows:—

	Balance as on <u>31-3-1966</u>	Additions during <u>1966-67</u>	Balance as on <u>31-3-1967</u>
Share Capital	Rs. 65,29,22,000	1,77,00,000	67,06,22,000
Loan	Rs. 70,34,65,556	<u>2,96,32,069</u>	<u>73,30,97,625</u>
	Rs. <u>1,35,63,87,556</u>	<u>4,73,32,069</u>	<u>1,40,37,19,625</u>

REFINERIES DIVISION**GAUHATI REFINERY**

During the year under review the Refinery processed 7,42,946 M.T. of crude oil as against the designed capacity of 7,50,000 M.T. The three process units of the Refinery operated as under:—

	No. of days on <u>stream</u>	Quantity <u>processed</u>
Crude Distillation Unit	341 days	7,42,946 M.T. of Crude Oil
Kerosene Refining Unit	85 days (Sufficient to meet demands in the area)	43,509 of S.R. Kerosene
Coking Unit	303 days	2,99,987 M.T. of reduced Crude Oil

Barges in operation at the Water Intake Plant at the Gauhati Refinery.



The Refinery is planning to produce Liquefied Petroleum Gas from lighter gases now partly being used in the furnaces and partly being flared. LPG production is expected to start by June 1968.

By effective planning and systematic handling of men and material, the shut-down period of the process units for maintenance has been considerably reduced. The Coking Unit clean out shut-down period has been reduced to 3½ days as against 5 days. The Coking Unit was run continuously for 72 and 94 days as against the project cycle of 60 days. In the Crude Distillation Unit it has been planned to have the major shut-down only after 2 years with a short shut-down in between.

As a step towards import substitution, a number of spare part components and machinery items have been tried out from indigenous sources and also some precision components of machinery have been fabricated in the Refinery workshop. Technicians of the Instrument Maintenance Section have developed a rig for the checking out and repair of special Peabody relays. These relays when they became defective, were formerly scrapped but now they are being effectively repaired and re-used resulting in saving of foreign exchange.

Gauhati Refinery started producing jet propulsion fuel from April 1, 1967 synchronising with the I.A.F. day. Picture shows the first consignment leaving the Gauhati Refinery



WELFARE

Relations between the Management and the workers continued to be harmonious. The following welfare benefits have been provided:—

- (i) free medical aid,
- (ii) subsidised food in Canteen,
- (iii) quarters or subsidy for workers living in the town,
- (iv) primary education for children,
- (v) training and
- (vi) transport facility.

All help is given for organising cultural programmes, sports and tournaments. Three consumer stores and a co-operative credit bank are functioning satisfactorily. The Co-operative Society is also operating a filling station.

BARAUNI REFINERY

The Refinery processed 11,13,885 tonnes of crude oil during the year under review. The third and final phase of construction pertaining to 2 million tonnes capacity, comprising 2 Atmospheric Vacuum Distillation Units, 2 Kerosene Treating Units, Coking Unit, Bitumen Unit and Lubeoil Complex including Phenol Extraction Unit, Dewaxing Unit and Clay contact Unit along with the auxiliary facilities have been completed in all respects as on 31-7-1967.

The Atmospheric Vacuum Distillation Unit No. 1, Kerosene Treating Unit No. 1 and Coking Unit were operated throughout the period from 1st April, 1966 to 31st July, 1967. AVU-II was operated for 238 days during the same period, AVU-I for 328 days as against 330 operating days stipulated according to the design.

There new products viz., 73 N.L. Gasoline, Mineral Turpentine Oil and JP-4 have been introduced in the market thus increasing the total number of products manufactured in the Refinery to 13. Efforts are in progress to introduce in the market a few more new products viz., Phenol-Extract, Slack Wax, Naphtha, Lubricating Oils and Bitumen.

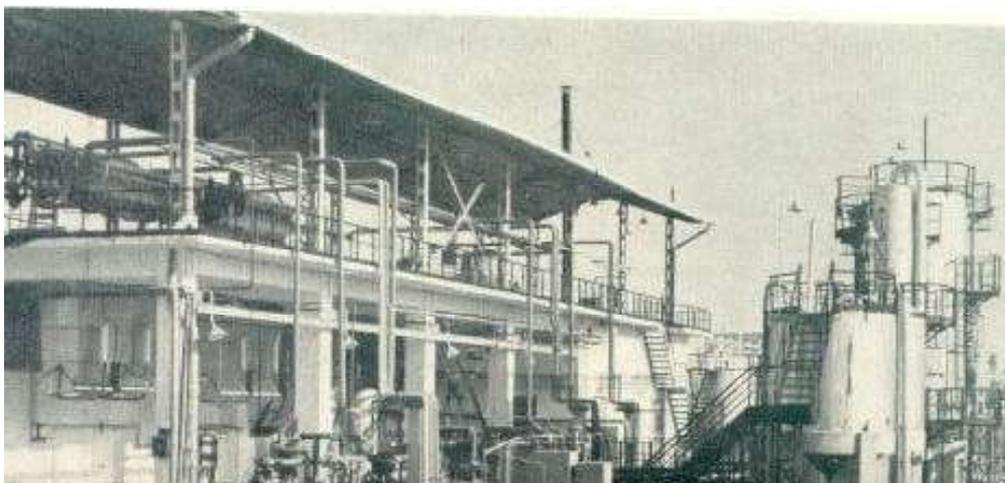
15,285 tonnes of Petroleum Coke was exported to Japan during the year under review.

The construction work of the third million tonne expansion is expected to be completed by the middle of 1968.



The Barauni Refinery has a well-equipped chemical laboratory to ensure quality control of petroleum products produced by the Refinery.

Contact Filtration Unit which removes colouring matter and impurities in the dewaxed lube oil stock by selective absorption at the Barauni Refinery.



WELFARE

The relationship between the Management and the employees remained generally cordial.

A subsidised canteen, four co-operative stores, two Hindi medium schools, three clubs, two recreation centres and one rest room have been functioning satisfactorily. In addition, Tennis Courts, Badminton Courts, a foot-ball ground and a volley ball ground have been provided.

The dramatic club and the Indo-Soviet cultural society have been promoting cultural activities.

Free medical aid to all regular employees and their families have been provided. A 12-bed hospital and the township, a dispensary at Hathidah and a First Aid Centre at the Refinery provide medical aid to the employees.

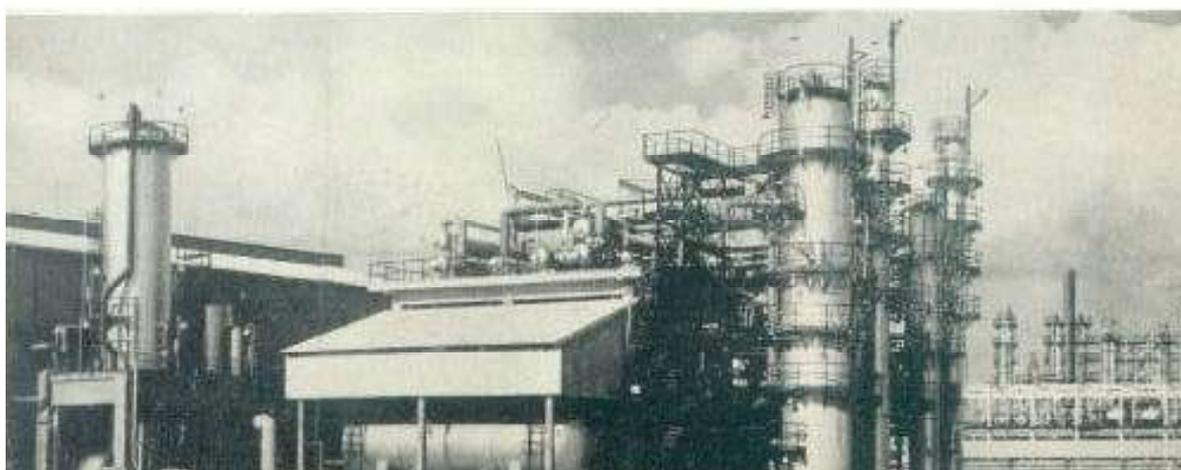
Two temporary market centres have been set up in the township.

Transport at subsidised rates is provided to the employees.



Gujarat Refinery hospital at Jawaharnagar.

De-waxing Unit of the lube oil complex in which waxy components are separated from the base stock to produce quality lube oil at Barauni Refinery.

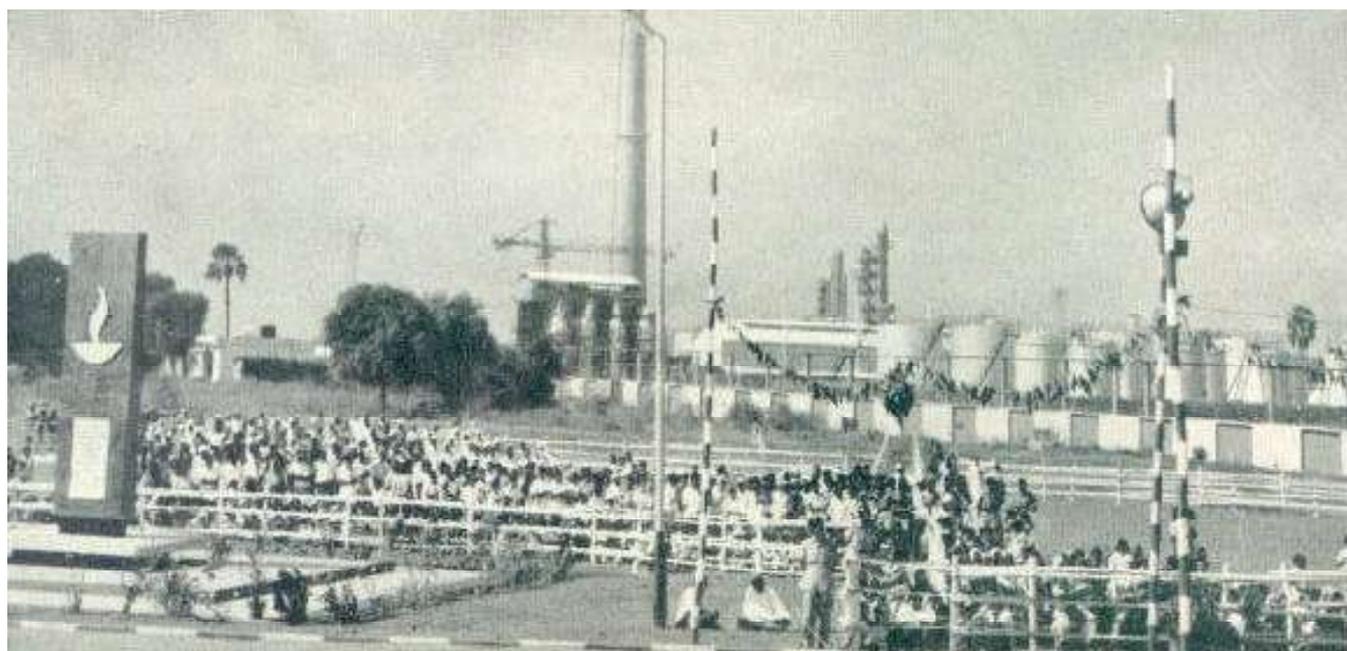


GUJARAT REFINERY

The 2nd million tonne Atmospheric Distillation Unit went on stream on 26th May, 1966. The Catalytic Reforming Unit went into production on 16th November, 1966 and on successful completion of the test runs at full capacity, the Unit was officially taken over from the Soviet Experts on 28th November, 1966. During the year under review the intake of crude oil was 14,11,702 M.T. The total quantity of products manufactured and despatched was 12,66,627 and 12,59,569 M.T. respectively. The Refinery had to be operated below capacity mainly due to insufficient off-take of Low Sulphur Heavy Stock by Dhuvaran Power House. To increase the off-take of LSHS, an agreement was concluded with Tata Thermal Power Station, Bombay, for supply of 120,000 tonnes per year of LSHS. Third phase construction programme has been completed satisfactorily.

UDEX PLANT

Earthwork for the Unit has been completed and excavation work is nearing completion. The concreting work, following on the excavation has been completed to the extent of 80%.

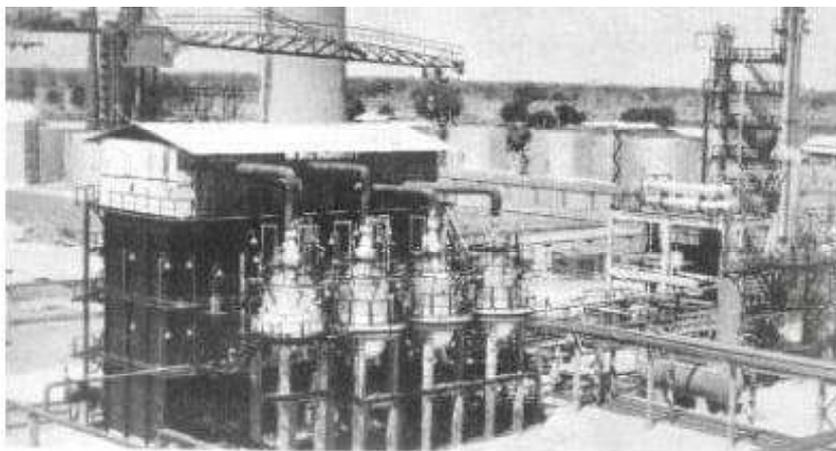


WELFARE

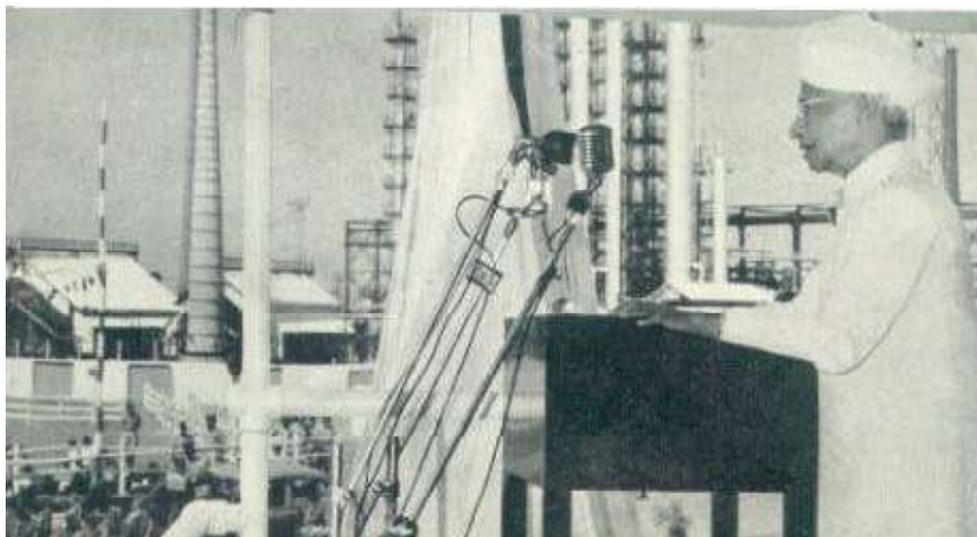
By and large the relations between the Management and workers have been satisfactory.

The following amenities have been provided at the Refinery:—

- (1) four schools (of which three are fully subsidised and the fourth is run by the Gujarat Refinery Education Committee);
- (2) a Co-operative Society;
- (3) two recreational centres and an officers' club;
- (4) an industrial canteen and a shopping centre;
- (5) a 20-bed hospital.



Catalytic Reforming Unit at the Gujarat Refinery.



The Gujarat Refinery was inaugurated by Dr. S. Radhakrishnan on October 18, 1966, the then President of India.

PIPELINES DIVISION

GAUHATI-SILIGURI PRODUCTS PIPELINE

During the year under review, 3,71,720 M.T. of products were moved through the Pipeline as compared with 3,66,488 M.T. last year. Light Diesel Oil movement through the Pipeline was an innovation introduced during the year under review and now there is a regular movement of this product through the Pipeline. With this, the Pipeline has now attained optimum throughput and a proposal to augment its capacity by another 1,00,000 tonnes/year, by installing a Booster Pump at Bongaigaon is under examination.

HALDIA-BARAUNI-KANPUR PRODUCTS PIPELINE

a) BARAUNI-KANPUR LINE

This section of the Pipeline upto Kanpur was commissioned on 31st March, 1967. The Pipeline has moved 97,829 M.T. of products during the year under review. Commissioning of Kanpur Terminal resulted in faster distribution in the northern region. Since the commissioning of the terminal at Kanpur, the Pipeline is working at an operating factor of 40 per cent which is expected to go up in the following months when the out-flow of products from Kanpur to northern region is expected to increase considerably. It is also planned to move LDO from Barauni to Kanpur and the preliminary work on this is on hand.

b) BARAUNI-HALDIA LINE

This line was recently tested for reverse flow by water testing of the line from Haldia to Barauni and is now ready for operation. The Maurigram Terminal and Rajbandh Delivery Station are also ready for distribution of products. Out of two floating roof tanks of 33,500 KL Capacity in Haldia, one is ready and the hydrostatic test is in progress. The construction work of the second tank is on hand.

Laying of pipelines for transportation of petroleum products is a highly skilled job.

Picture shows pipeline cutting in progress for retrieving scrapers.



The construction of present alignment of the Haldia-Barauni pipeline in the stretch between Madhupur and Durgapur was completed by January 1965. Shortly thereafter, however, two coal companies prayed for a *Writ of Mandamus* from the Calcutta High Court against the acquisition of right of way by your Corporation over their coalfields, and subsequently they moved the Court for an injunction against the operation of the pipeline. In March 1966, the Court ordered your Corporation not to commission the Haldia-Barauni pipeline without giving 14 days prior notice to the petitioner—coal companies. In August 1966, the Court further directed that the *status quo* should be maintained on the pipeline. On 25th August 1967, the High Court rejected the petition for a *Writ of Mandamus* and vacated the order dated 6th August 1966. Action is, therefore, in hand to commission the Haldia-Barauni pipeline.

The Baradabar-Maurigram branch line, work on which started in 1966, is now complete and the terminal is ready to receive products.

KOYALI-AHMEDABAD PRODUCTS PIPELINE

The Koyali-Ahmedabad Products Pipeline, commissioned on 1st April, 1966, moved 2,83,436 M.T. of products during the year ending March, 1967. The trial test of moving ATF through this pipeline is to be undertaken soon and on completion of the satisfactory trial test, the regular movement of ATF through this Pipeline will be undertaken.

MARKETING DIVISION

STORAGE AND DISTRIBUTION FACILITIES

During the year a new Port Installation at Port Blair with a capacity of 18,350 KL and four new Pipeline Installations at Allahabad, Moghalsarai, Patna and Kanpur with a total tankage capacity of 71,080 KL were commissioned. The total storage capacity was increased to 6,46,019 KL at 13 Port Installations, 2 Inland Installations and 5 Pipeline Installations as against storage capacity of 4,93,700 KL at 12 Port Installations and 3 Inland/Pipeline Installations at the end of the previous year. Besides, construction work at Rajbandh was nearing completion and was in progress in Maurigram.

The number of Bulk Depots operated by the Corporation stood at 108 with a tankage capacity of 73,408 KL as compared to 102 Bulk Depots having tankage capacity of 52,410 KL as on 31st March, 1966. The total number of Consumer Depots rose to 97 with an aggregate tankage capacity of 51,000 KL as compared to 71 with a tankage capacity of 37,910 KL at the end of the previous year. The number of Satellite Depot/Relay tankage rose from 70 to 83.

491 retail outlets were added during the year bringing the cumulative total of retail outlets to 1,212. 218 new Consumer Pumps were added during the year. The aggregate number of Consumer Pumps at the end of year was 1,430.

SALES

During the year, the Corporation's sales totalled 4.89 million KL as compared to 3.79 million KL in 1965-66, thus recording an increase of about 29% over the previous year. The Corporation's market participation has gone up from 27.0% in 1965-66 to 32.4% in 1966-67. 491 retail outlets were commissioned during the year as against 444 retail outlets in 1965-66, thus keeping up the tempo of retail outlet expansion programme. Total number of retail outlets at the end of the year was 1,212.



AVIATION

As on 31st March, 1967, the Corporation was operating 27 bulk petroleum installations, 4 international and two domestic service stations having a total tankage capacity of 27,800 KL as against 15 bulk Petroleum installations (including 4 international) with a total tankage capacity of 24,760 KL last year. The market participation of the Corporation comes to about 40% of the total aviation fuel requirements of the country. As on 31st March, 1967, aviation fuel was being delivered by the Corporation at 31 airfields with over 60 refuellers for supplies to a wide range of aircraft.

The Corporation has successfully negotiated a business of about 2,000 KL per month with one of the foreign airlines, and supplies commenced from June, 1967. Foreign exchange earnings from this business are estimated at Rs. 60 lakhs. The Corporation continued to maintain vigorous quality control standards.

L.P.G.

During the year under review, approximately 8,600 new customers were enrolled. Presently, 'Indane' is available in Calcutta, Patna, Jamshedpur, Ranchi, Allhabad, Varanasi, Lucknow and Delhi and plans are in hand to extend its marketing to other important towns of Northern and Western India.

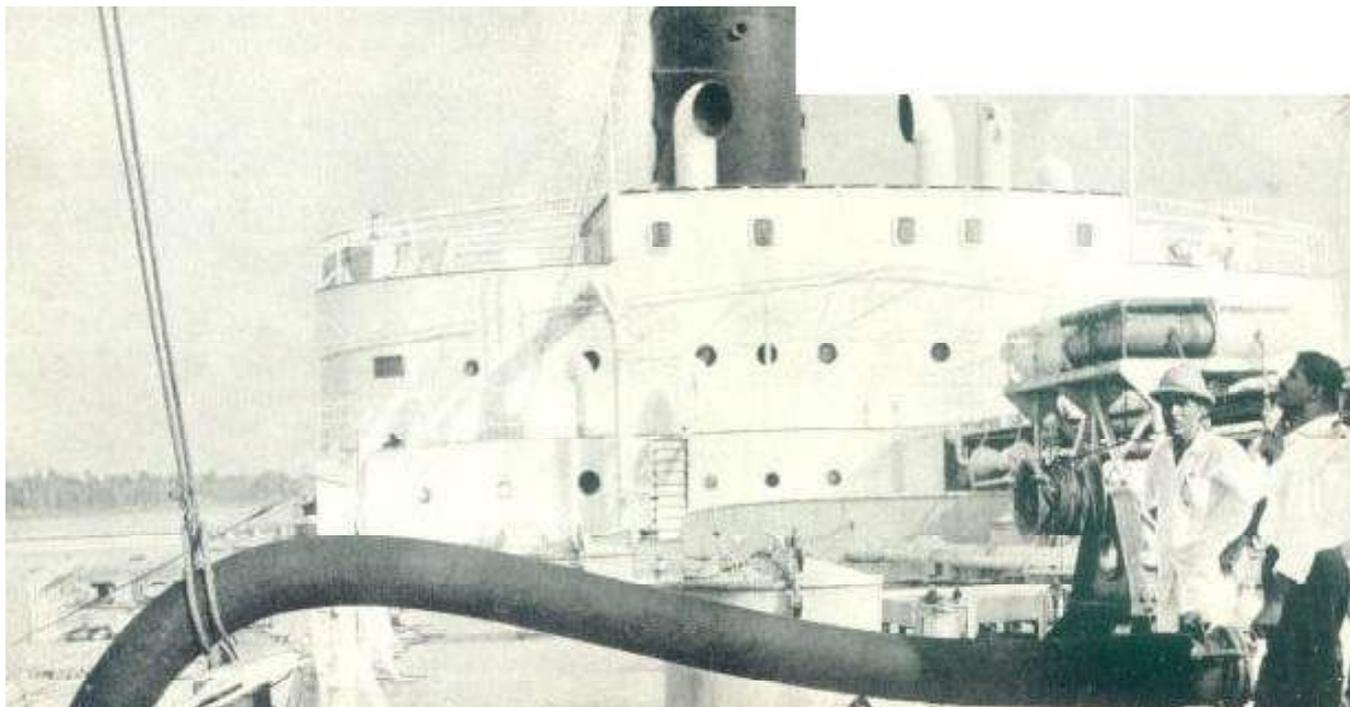
STOCK LOSS CONTROL

Further progress was made in reducing stock losses. The throughput of all products rose from 61,44,104 KL in 1965-66 to 82,97,982 KL in 1966-67 showing an increase of 33%. The actual loss in 1966-67 was 5,579 KL as against 6,555 KL in 1965-66. Our value loss per Kilolitre of the throughput handled came down to 31 P. from 49 P. in 1965-66.

The above achievements were made through an intensive stock loss control programme covering detailed training courses, standardisation of field equipments, streamlining of stock loss accounting procedures, efficiency, incentives etc.

For the first time petroleum products from public sector refineries are being exported to foreign countries.

Picture shows Naphtha being piped into a tanker at Cochin



TANK TRUCK OPERATIONS

The total number of Tank Trucks during the year 1966-67 was 318 as against 221 during the previous year and the total volume of products handled during 1966-67 was 7,48,546 KL as against 5,95,140 KL during the previous year. The unit cost per KL/KM came down to 6.47 P. in 1966-67 from 6.83 P. in 1965-66.

TRAINING

The Administrative Staff College has made good progress in the field of training and about 984 Officers and Staff were trained during the year under report as against 598 during the preceding year. Emphasis was laid on retail service training. 34 Officers commencing from top executives down to middle managers were trained in the techniques of productivity. A total number of 231 Army and Air Force Officers were trained during the year.

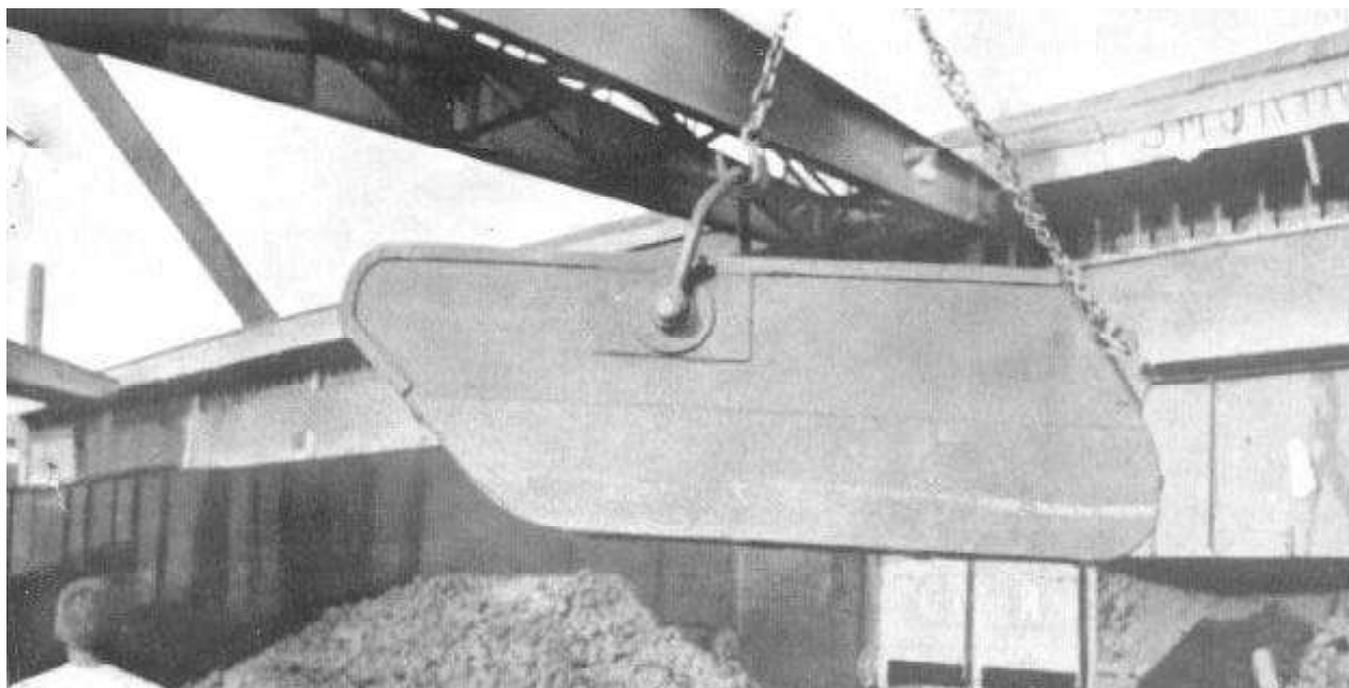
IMPORTS

During the period under review, the Corporation imported 17,34,618 Kilolitres of refined oils and 1,57,195 Kilolitres of lubricating oils as against 24,00,261 and 64,939 Kilolitres respectively imported during the previous year. The value of imports of POL products during the year ended 31st March, 1967 amounted to Rs. 3,675.17 lakhs.

EXPORTS

During the period under review, the Corporation exported 18,771 Metric Tonnes of Petroleum products valued at Rs. 34.52 lakhs. The Corporation also made arrangements for the export of about half a million tonnes of petroleum products viz., H.S.D., Motor Spirit, Furnace Oil and Naphtha, which is expected to yield a foreign exchange earning of about Rs. 7 crores during 1967-68.

Petroleum Coke produced by the Barauni Refinery being exported to Japan



PUBLIC RELATIONS

Public Relations activities of the Corporation were intensified through various media of communication. A campaign of institutional advertisements was launched to highlight the role of the Corporation in the nation's economy. Product advertising was also undertaken in respect of liquified petroleum gas 'Indane'. 'Indianoil News' proved to be a successful medium of two-way communication between Management and Staff.

PERSONNEL

As on 31st March, 1967, the Marketing Division's strength was 6,375 employees as against 5,528 at the close of the previous year. The pay structure of the officers' cadre was rationalised. The employer-employee relations generally continued to be cordial and satisfactory.

The Institutional Advertising Campaign highlights that Indianoil belongs to the people and the country.





Indianoil's Aviation Refuelling Service is now made available to the British Eagle International Airlines. Picture show refuelling operations in progress.



Indianoil placed at the disposal of the Bihar Government a fleet of new tank-trucks to carry water to the drought-affected areas of Bihar State. Picture shows the specially fabricated tank-trucks on their way to Patna from Bombay.



A 'Hunter' Squadron lined up for re-fuelling operations by Indianoil.

INDIAN OIL BLENDING LIMITED

The two electronically controlled Lube Plants at Bombay and Calcutta of Indian Oil Blending Ltd., a joint venture of Indian Oil Corporation Ltd. and Mobil Petroleum Company, on a 50 : 50 basis engaged in the production of Blended Oil, made satisfactory progress in its manufacturing plans during the year under review. A grease manufacturing plant in Bombay has also been completed.

BOARD OF DIRECTORS

Since the appointment of the Board of Directors after the last Annual General Meeting held on 26th November, 1966, Shri P.K.J. Menon, ceased to be the Director of the Corporation with effect from 6th December, 1966 and Shri M.V. Rajwade was appointed as a Director of the Corporation with effect from 19th January, 1967. During the year, your Board met 10 times with an average attendance of 62%. In addition, 6 meetings of the Sub-Committee of Directors were held.

BOMBAY,

Dated 13th September, 1967.

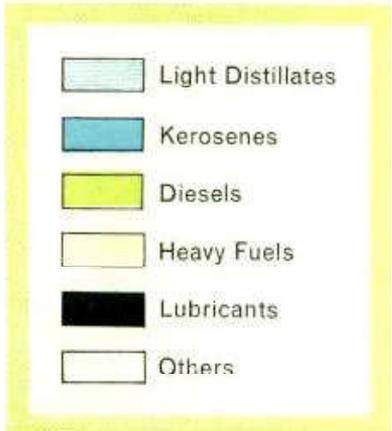
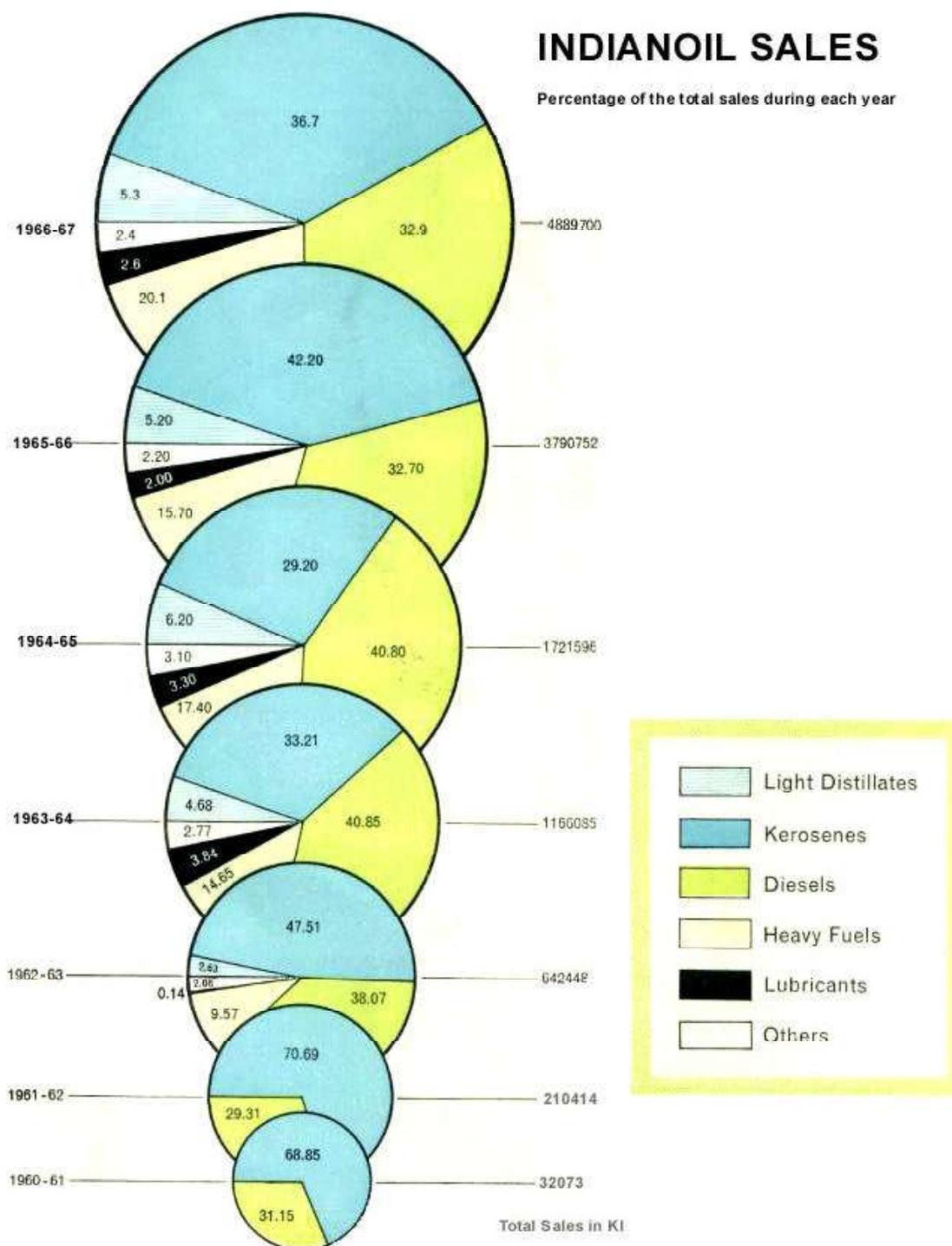
For and on behalf of the Board
N.N. KASHYAP
Chairman

A typical retail outlet of Indianoil on the Bombay-Agra National Highway at Ghoti near Igatpuri.

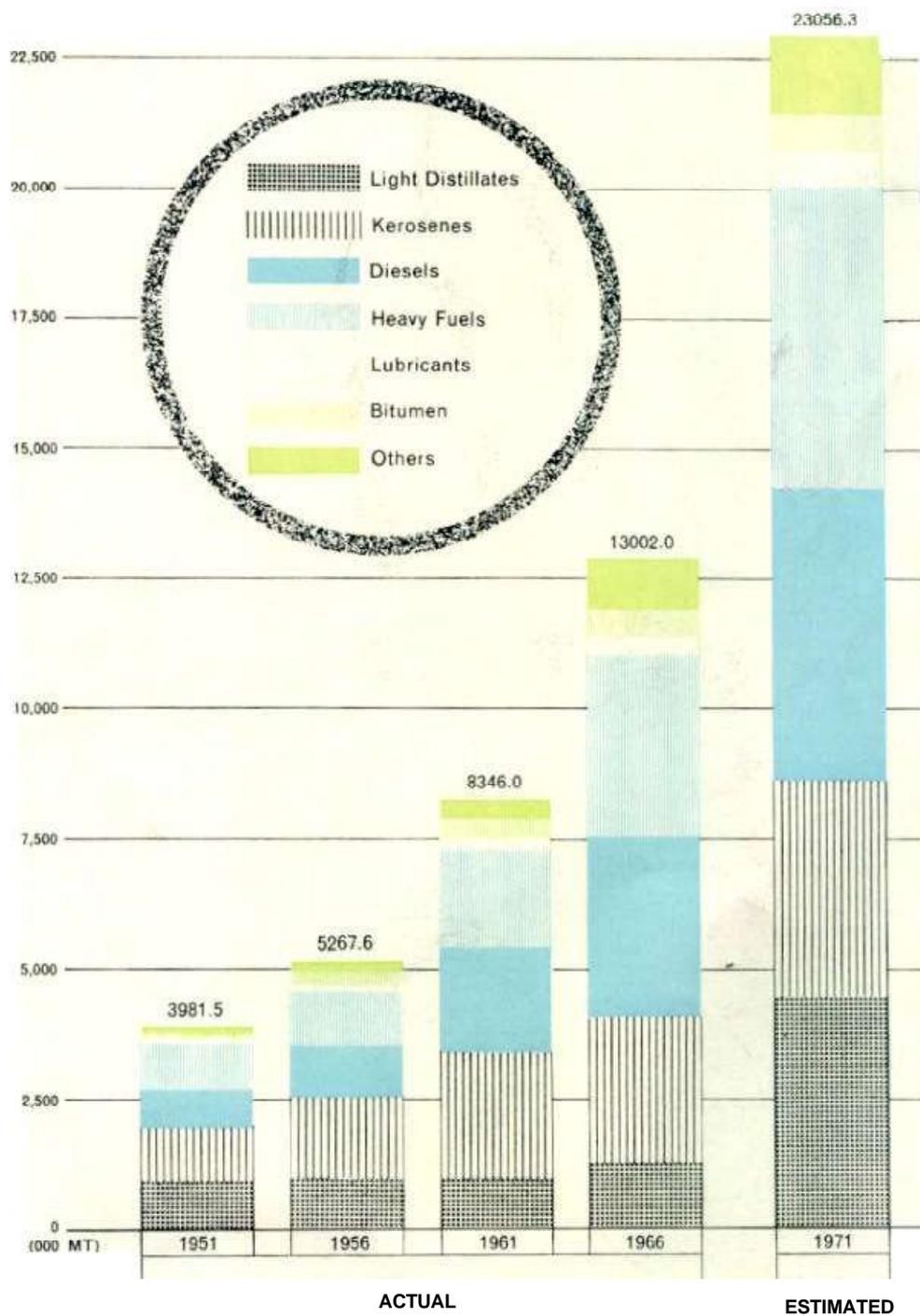


INDIANOIL SALES

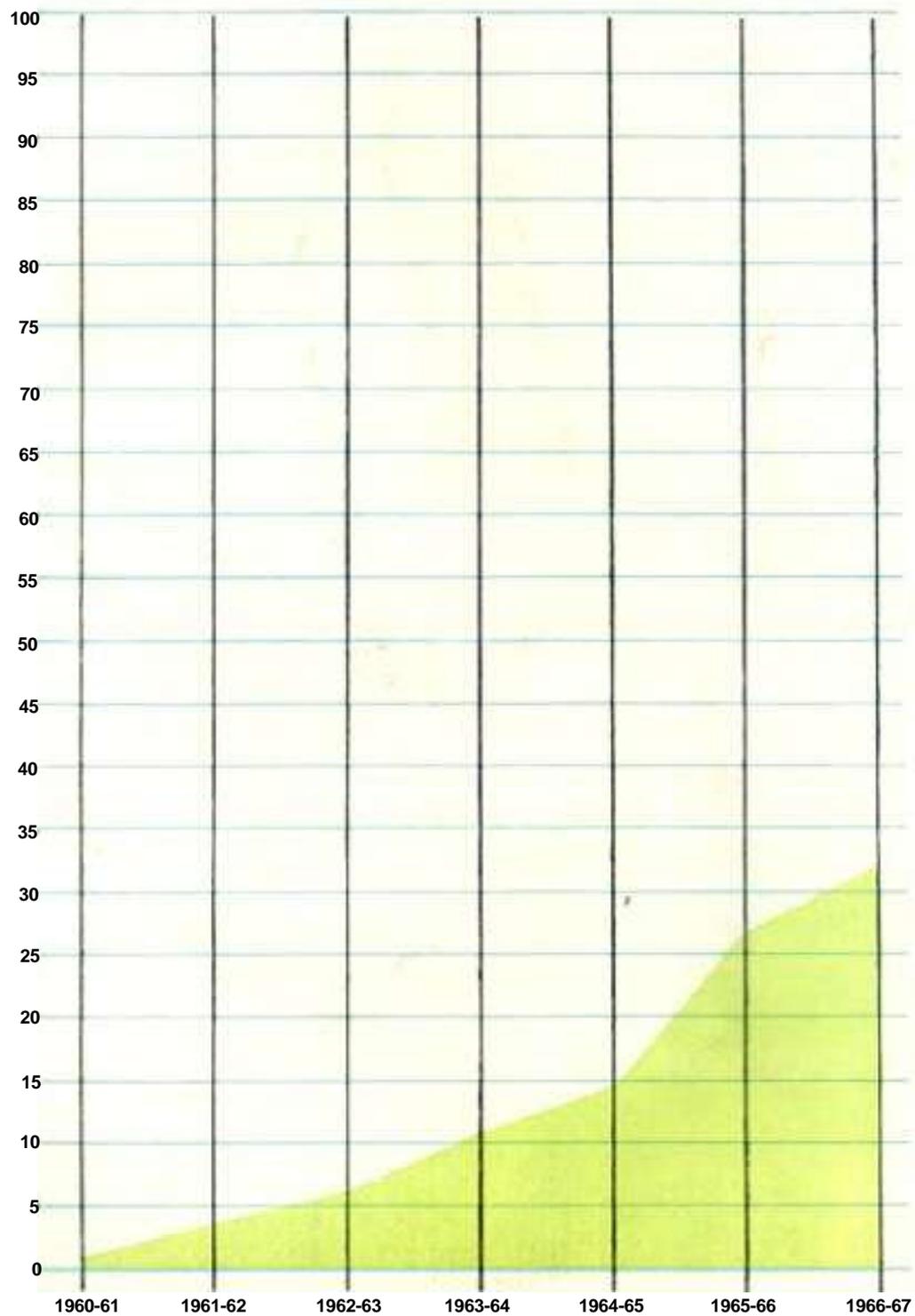
Percentage of the total sales during each year



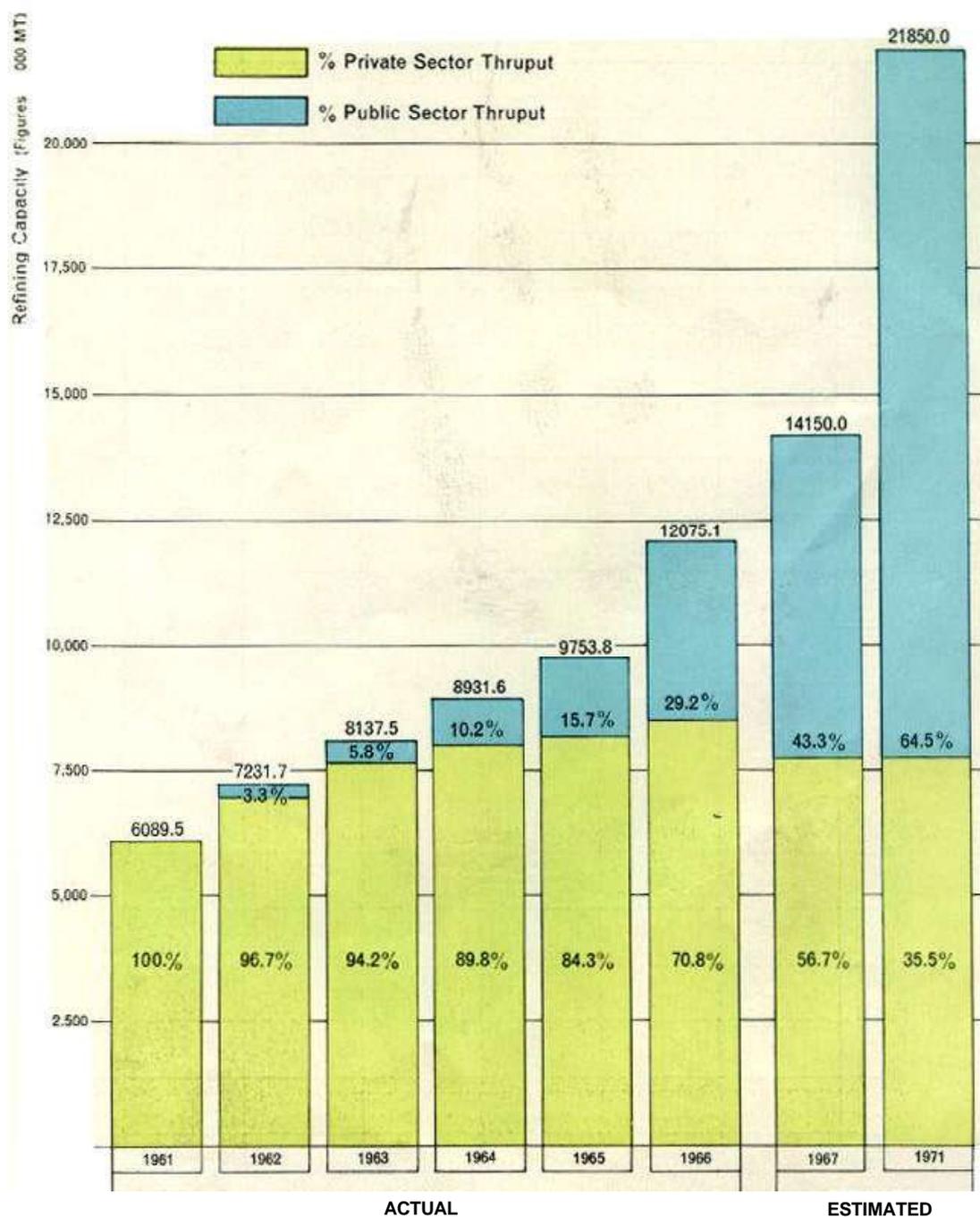
CONSUMPTION OF PETROLEUM PRODUCTS IN INDIA



MARKET PARTICIPATION OF INDIANOIL



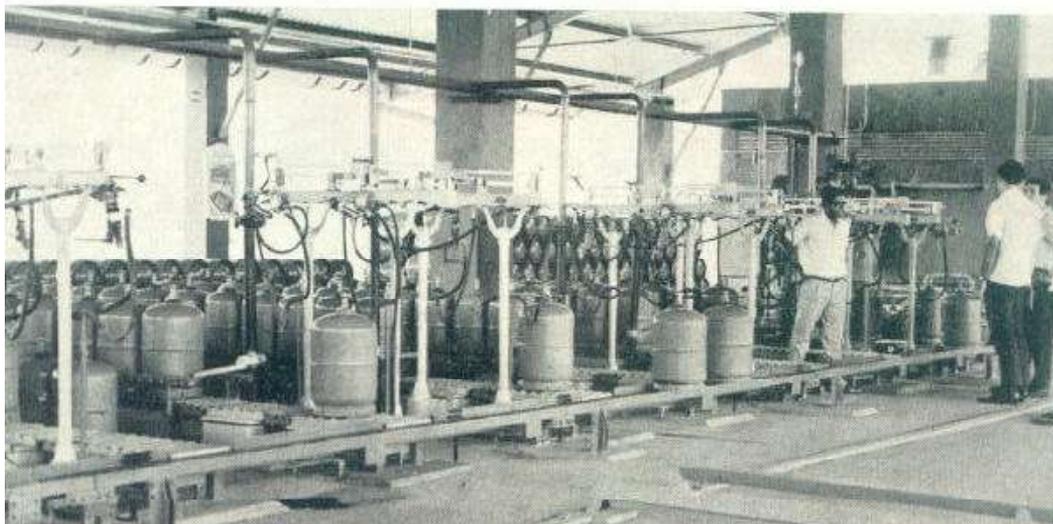
CRUDE THRUPUT EX INDIGENOUS REFINERIES





Tank wagon filling at the loading racks at the Barauni Refinery.

Cylinders being filled with L.P.G. at the Barauni Refinery.



BALANCE SHEET AT A GLANCE

<u>1965-66</u> (Rs. in lakhs)			<u>1966-67</u> (Rs. in lakhs)	
		I. WHAT WE OWN		
		FIXED ASSETS		
		1. INVESTMENTS	36	
		2. LAND, BUILDINGS, PLANT & EQUIPMENT	14662	
34				14698
<u>13411</u>		CURRENT ASSETS		
	13445	3. SUNDRY DEBTORS	3332	
		4. STOCK AND STORES	2922	
		5. OTHER ASSETS	42	
2622		6. LOANS AND ADVANCES	409	
2093		7. DEPOSITS	357	
5		8. CASH AND BANK BALANCES	468	
428				<u>7530</u>
500				22228
<u>636</u>		II. WHAT WE OWE		
	<u>6284</u>	9. LOAN FROM GOVERNMENT	7331	
	19729	10. LOAN FROM BANK	1490	
		11. SUNDRY CREDITORS AND OTHER CURRENT LIABILITIES	5873	
7035				14694
1346				
<u>4626</u>		NET WORTH		<u>7534</u>
	<u>13007</u>	III. NEW WORTH REPRESENTED BY		
	6722	12. EQUITY SHARE CAPITAL	6706	
		13. CAPITAL APPLICATION MONEY	412	
		14. RESERVES AND SURPLUS	416	
6529				<u>7534</u>
—				
<u>193</u>				
	<u>6722</u>			

PROFIT AND LOSS ACCOUNT AT A GLANCE

<u>1965-66</u> (Rs. in lakhs)		<u>1966-67</u> (Rs. in lakhs)	
		I. WE EARNED FROM	
	22014	1. SALES AND TRANSFERS UNDER PRODUCT EXCHANGE	33869
	53	2. OTHER INCOME	63
			33932
	22067	II. WE SPENT OR PROVIDED FOR	
		3. RAW MATERIALS INCLUDING OIL STOCKS AND TRANSFERS UNDER PRODUCT EXCHANGE	18380
	11825	4. EXCISE DUTY	10816
	6860	5. DEPRECIATION	512
	347	6. GENERAL EXPENDITURE	
		a) Salaries, Wages & Bonus	608
501		b) Interest	612
504		c) Other Expenses	2673
2312			3893
	3317		33601
	22349	Less: CONSTRUCTION PERIOD EXPENSES	295
	383		33306
	21966	III. OUR PROFIT WAS	
	101	7. PROFIT BEFORE TAXATION	626
	—	8. TAXATION ON PROFIT FOR THE YEAR	—
	—	9. TAXATION ADJUSTMENT OF PREVIOUS YEAR	—
	—	NET PROFIT AFTER TAXATION	626
	101	PRELIMINARY EXPENSES WRITTEN-OFF	1
	—	DIVIDENDS	402
	101	RETAINED IN BUSINESS	403
			223

INDIAN OIL CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1967

1966	LIABILITIES		
	SHARE CAPITAL:		
	<i>Authorised:</i>		
Rs. 85,00,00,000	8,50,000 Equity Shares of Rs. 1,000 each		Rs. 85,00,00,000
	<i>Issued and Subscribed:</i>		
65,29,22,000	6,70,622 Equity Shares of Rs. 1,000 each fully paid (Of the above, 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964, and the Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order, 1965, respectively, without payment having been received in cash)		67,06,22,000
—	Capital Application money pending allotment of Shares		4,11,50,000
			71,17,72,000
	RESERVES AND SURPLUS:		
	<i>General Reserve:</i>		
76,00,000	Balance brought forward	Rs. 76,00,000	
	Transferred from Profit and Loss Account	2,64,00,000	Rs. 3,40,00,000
	<i>Development Rebate Reserve:</i>		
75,02,602	Balance brought forward		75,02,602
42,07,014	Profit & Loss Account		90,985
			4,15,93,587
	SECURED LOANS:		
	<i>Loans & Advances from Banks:</i>		
11,56,12,385	(Secured by hypothecation of inventories, book debts, outstanding monies recoverable, claims, contracts, and engagements etc. and guaranteed by the President of India)		12,75,46,470
	UNSECURED LOANS:		
	<i>Other Loans and Advances:</i>		
70,34,65,556	From the Government of India (including Rs. 8,46,97,305 due for payment before 31st March, 1968)		73,30,97,625
	C./f.		Rs. 73,30,97,625
Rs. 149,13,09,557	Carriedforward		Rs. 88,09,12,057

INDIAN OIL CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1967

1966	LIABILITIES		
Rs. 149,13,09,557	Brought forward		Rs. 88,09,12,057
	<u>UNSECURED LOANS: B./f.</u>	Rs. 73,30,97,625	
7,63,20,364	Foreign Credit (including Rs. 1,82,65,969 due for payment before 31st March, 1968)	11,25,71,523	
3,34,866	Interest accrued and due on loans	2,91,859	
1,89,78,283	Short term loans and advances from banks (guaranteed by the Government)	<u>2,15,57,484</u>	86,75,18,491
	<u>CURRENT LIABILITIES AND PROVISIONS:</u>		
38,59,78,962	As per Schedule 'E'		47,44,83,401
	<u>I. CONTINGENT LIABILITIES NOT PROVIDED FOR:</u>		
	i) Suits filed against the Corporation for compensation, damages etc. Rs. 582.18 lakhs (1966: Rs. 569.20 lakhs)		
	ii) Claims against the Corporation not acknowledged as debts Rs. 1,062.29 lakhs (1966: Rs. 1,164.70 lakhs)		
	iii) Counter Guarantees have been given to the State Bank of India by the Corporation in addition to the guarantee issued by the Government of India for Rs. 1,181.45 lakhs (1966: Rs. 838.93 lakhs) in respect of the guarantees issued by them to foreign contractors. The Government of India has also given guarantee for Rs. 314.25 lakhs (1966: Rs. 188.25 lakhs) in favour of foreign suppliers on behalf of the Corporation This includes Rs. 28.16 lakhs for Koyali—Ahmedabad Products Pipeline which is on lease from O.N.G.C.		
Rs. 197,29,22,032	Carried forward		Rs. 222,29,13,949



INDIAN OIL CORPORATION LIMITED

BALANCE SHEET AS AT 31 MARCH, 1967

1966	LIABILITIES	
Rs. 197,29,22,032	Brought forward I. <u>CONTINGENT LIABILITIES NOT PROVIDED</u> <u>FOR: (Contd.)</u> iv) The Corporation has given guarantees and counter guarantees to banks and others in respect of advances made by the banks to Indian Oil Blending Ltd. for maximum amounts of Rs. 65 lakhs. As at 31st March, 1967, the amount drawn by Indian Oil Blending Ltd. for which the Corporation may be liable was Rs. 43.10 lakhs v) The State Bank of India has a Counter Claim against the Corporation in respect of the guarantee given to the Post & Telegraphic Department Rs. 4,000 vi) Contingent liabilities for guarantees issued by the State Bank of India on behalf of the Corporation Rs. 3 lakhs vii) The Employee's Union, Barauni, has submitted on 8th August, 1967, a Charter of Demands regarding increase in Salaries and Wages and for other benefits. The impact is not ascertainable pending final settlement. II. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 507.69 lakhs (Previous year Rs. 780.18 lakhs)	Rs. 222,29,13,949
<u>Rs. 197,29,22,032</u>		<u>Rs. 222,29,13,949</u>

As per our report attached
 A.F. Ferguson & Co.
 Lovelock & Lewes
 P.K. Mitra & Co.
 Chartered Accountants

Bombay, 21st September, 1967



INDIAN OIL CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967

Previous Year			
	Stock as on 1st April 1966		
Rs. 7,60,96,682	Finished Goods	Rs. 12,36,44,847	
44,76,264	Stock in Process	<u>Rs. 1,08,40,873</u>	Rs. 13,44,85,720
			149,78,84,156
106,22,87,691	Purchase and Transfers under		
95,590	Product Exchange		
	Cost of Liquid Petroleum Gas Accessories sold		20,261
1,99,08,992	Raw Materials consumed:		
17,15,91,915	Opening Stock as on 1st April 1966	1,74,65,799	
	Add: Purchases	<u>40,92,91,658</u>	
		<u>42,67,57,457</u>	
(1,74,65,799)	Less: Closing Stock as on 31st March 1967	<u>2,87,36,328</u>	39,80,21,129
	Exchange Fluctuations (including Rs. 108,25,929—1965/66		
4,29,66,757	Rs. 437,14,4873—on account of devaluation)		1,24,74,806
1,23,24,643	Power and Fuel	2,24,45,771	
(96,62,371)	Less: Fuel of own production	<u>2,18,53,399</u>	5,92,372
			74,14,735
35,07,311	Blending Fees, Royalty and other charges		
	Consumption of Stores, Spare Parts and Chemicals and cost of		
2,65,25,817	Tins sold		3,64,54,118
68,59,89,036	Excise Duty		108,16,38,393
	Freight and Transportation Charges (<i>Less</i> : recoveries under		
9,62,90,032	Product Exchange Transaction)		12,08,39,314
4,84,06,370	Salaries, Wages and Bonus		<u>6,07,50,833</u>
Rs. 222,33,38,930	Carried forward		Rs. 335,05,75,837

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967 (Contd.....)

Previous Year			
Rs. 220,05,60,035	Sales and transfers under Product Exchange (<i>Less: Commission and Discounts</i>)		Rs. 338,35,55,119
7,58,059	Company's use of Oil at cost (Previous year at selling price)		33,11,256
1,03,220	Sale of Liquid Petroleum Gas Accessories		17,590
3,77,820	Interest on Advances		2,00,654
3,032	Profit on Sale and Disposal of Assets		69,220
270	Income from Investments		320
1,517	Dividends Received (Trade Investments)		3,040
49,06,256	Miscellaneous Income		60,05,203
3,205	Provision for doubtful debts written back		1,578
	Closing Stock as on 31st March, 1967:		
12,36,44,847	Finished Goods	Rs. 17,65,02,987	
1,08,40,873	Stock in Process	1,58,87,616	19,23,90,603
Rs. 234,11,99,134	Carried forward		Rs. 358,55,54,583

INDIAN OIL CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967

Previous Year			
Rs. 222,33,38,930	Brought forward		Rs. 335,05,75,837
24,60,483	Contribution to Provident Fund		36,35,420
14,96,378	Staff Welfare Expenses		18,14,786
71,26,778	Rent		89,24,127
	Repairs and Maintenance:		
58,25,925	a) Plant and Machinery	Rs. 90,44,853	
10,22,455	b) Buildings	13,63,641	
46,21,115	c) Others	33,95,819	
			1,38,04,313
46,19,334	Insurance		22,13,426
	Interest:		
3,24,70,938	On Government Loan for fixed period	4,23,31,730	
46,58,923	On Foreign Credit for fixed period	71,07,174	
1,32,64,836	Others	1,17,98,800	
			6,12,37,704
	Rates and Taxes (including irrecoverable Sales Tax Rs. 176.06 lakhs—Previous year Rs. 51.19 lakhs)		2,72,04,939
1,18,86,218	Office Administrative Selling and other Expenses		2,87,74,324
2,43,62,249	Survey and Investigation		2,206
3,893	Donations		50,210
56,405	Directors' Fess		1,825
900	Payments to Auditors:		
1,42,000	1) Audit Fees	1,38,000	
14,325	2) Other Services	9,639	
27,904	3) Out of Pocket Expenses	35,260	
			1,82,899
Rs. 233,73,99,989	Carried forward		Rs. 349,84,22,016



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967 (Cont.....)

<u>Previous Year</u> Rs. 234,11,99,134	Brought forward	Rs. 358,55,54,583
<u>Rs. 234,11,99,134</u>	Carried forward	<u>Rs. 358,55,54,583</u>



INDIAN OIL CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967

Previous Year			
Rs. 233,73,99,989	Brought forward		Rs. 349,84,22,016
55,506	Bad Debts, Advances and Insurance Claims written off		30,283
—	Loss of Assets due to Fire		12,130
4,24,042	Loss of Assets, revalued, sold, lost or written off		2,88,703
6,62,602	Outside Road Development Expenses		
—	Provision for Installation Charges (See Note 4)		9,49,541
22,86,632	Provision for Doubtful Debts, Advances and Claims		5,669
—	Provision for Renewal of Catalyst		11,93,800
—	Provision for Gratuity		2,88,700
3,47,22,537	Depreciation		5,11,74,562
237,55,51,308			355,23,65,404
(4,44,31,181)	<i>Less:</i> Expenses Capitalised or Transferred to Construction period Expenses	Rs. 2,94,50,861	
(47,373)	Proportionate Recovery from Gujarat Pipelines Project	—	
233,10,72,754			2,94,50,861
1,01,26,380	Net Profit carried down		352,29,14,543
Rs. 234,11,99,134			6,26,40,040
Rs. 59,19,366	Balance brought forward		Rs. 358,55,54,583
—	Preliminary Expenses written off		—
—	Income Tax for prior year		Rs. 76,422
—	Transfer to General Reserve		42,327
—	Proposed Dividend (Rs. 60 per share)		2,64,00,000
42,07,014	Balance carried forward		4,02,37,320
Rs. 1,01,26,380			90,985
			Rs. 6,68,47,054

As per our report attached to the Balance Sheet

A.F. Ferguson & Co.

Lovelock & Lewes

P.K. Mitra & Co.

Chartered Accountants

Bombay, 21st September, 1967.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1967 (Contd.....)

Previous Year Rs. 234,11,99,134	Brought forward		Rs. 358,55,54,583
	<i>Notes:</i>		
	1. The Profit and Loss Account includes expenses less income relating to previous year amounting to Rs. 37.35 lacs (previous year Rs. 48.25 lacs) of which Rs. 5.48 lacs have been capitalised.		
	2. Managerial remuneration paid or payable to Directors Rs. 2,12,817 (previous year Rs. 1,97,681) excluding Directors' Fees. In addition, the Managing Director is entitled to the use of a Corporation flat, for which 10% of his salary is deducted.		
	3. Previous year's comparative figures have been regrouped wherever necessary.		
<u>Rs. 234,11,99,134</u>			<u>Rs. 358,55,54,583</u>
—	Balance brought forward		Rs. 42,07,014
Rs. 1,01,26,380	Net Profit brought down		6,26,40,040
<u>Rs. 1,01,26,380</u>			<u>Rs. 6,68,47,054</u>

N.N. KASHYAP
Chairman

MAJ. GEN. SARDA NAND SINGH (Retd.)
Director

M.V. RAO
Director

D.B. PURI
Secretary



INDIAN OIL CORPORATION LIMITED

FIXED ASSETS

SCHEDULES 'A'

	<i>Gross Block as at 31st March, 1996</i>	<i>Assets taken over from Oil & Natural Gas Commission*</i>	Additions during the year
LAND			
Freehold	Rs. 2,89,05,335		Rs. 2,07,849
Leasehold	8,04,512		2,721
Right of way	13,15,089		1,422
BUILDINGS, ROADS ETC.	11,96,28,338		29,71,504
PLANT AND MACHINERY	60,43,43,389		1,60,02,259
TRANSPORT EQUIPMENT	2,63,22,107		72,68,674
FURNITURE AND FIXTURES	1,09,96,372		24,72,957
RAILWAY SIDING	1,38,55,849		17,08,258
DRAINAGE SEWAGE AND WATER SUPPLY SYSTEM	10,33,86,209		25,61,182
SUNDRY ASSETS	7,13,636		57,458
TOTAL	91,02,70,836 (35,37,51,175)	(3,24,32,529)	3,32,54,284 (11,33,44,524)
Capital Work-in Progress (Including unallocated Capital Expendi- ture and Materials at Site) as per Schedule 'B'	42,45,20,891 (49,92,27,233)	— (12,74,95,134)	17,28,68,799 (24,68,60,023)
	Rs. 133,47,91,727 (85,29,78,408)	Rs. — (15,99,27,663)	Rs. 20,61,23,083 (36,02,04,547)

- Note:*
- (1) Figures shown in Brackets are for the previous year.
 - (2) Some of the above assets may be subject to reclassification or adjustment on receipt on completion reports and/or finalisation of bills.
 - (3) *At written down value as on 31st March, 1965.



FIXED ASSETS (Contd.....)**SCHEDULES 'A'**

Transfers, Deductions & Reclassifications	Gross Block as at 31st March, 1967	Total Depreciation up to 31st March, 1967	Net Depreciated Block as at 31st March, 1967
(+) Rs. 22,602	Rs. 2,91,35,786		Rs. 2,91,35,786
—	8,07,233	Rs. 27,848	(2,89,05,335)
(+) 8,29,854	21,46,365	—	7,79,385
(+) 1,89,52,587	14,15,52,429	80,55,685	(7,87,396)
(+) 28,65,12,432	90,68,58,080	7,63,25,649	21,46,365
(+) 22,59,392	3,58,50,173	64,36,433	(13,15,089)
(+) 15,95,974	1,50,65,303	12,12,480	13,34,96,744
(+) 9,19,388	1,64,83,495	8,47,173	(11,50,75,369)
(+) 61,89,753	11,21,37,144	87,62,163	83,05,32,431
(+) 84,310	8,55,404	2,28,994	(56,73,81,110)
(+) 31,73,66,292	126,08,91,412	10,18,96,425	2,94,13,740
(+) (41,07,42,608)	(91,02,70,836)	(5,08,98,691)	(2,25,52,617)
(—) 34,41,28,010	25,32,61,680	—	1,38,52,823
(—) (44,90,61,499)	(42,45,20,891)	—	(1,02,90,602)
(—) Rs. 2,67,61,718	Rs.151,41,53,092	Rs.10,18,96,425	1,56,36,322
(—) (3,83,18,891)	(133,47,91,727)	(5,08,98,691)	(1,33,59,224)
			10,33,74,981
			(9,91,23,041)
			6,26,410
			(5,82,362)
			115,89,94,987
			(85,93,72,145)
			25,32,61,680
			(42,45,20,891)
			Rs. 141,22,56,667
			(128,38,93,036)

INDIAN OIL CORPORATION LIMITED

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CAPITAL WORK IN PROGRESS

SCHEDULE 'B'

		<i>Balance as on 31st March, 1966</i>
I.	CONSTRUCTION WORK-IN-PROGRESS	
	Building and Roads	Rs. 93,86,321
	Plant and Machinery	36,83,41,665
	Drainage, Sewage & Water Supply System	32,17,705
	Railway Siding	8,06,784
	Service Stations	11,05,169
	Others	87,58,365
		Rs. <u>39,16,16,009</u>
II.	UNALLOCATED CAPITAL EXPENDITURE	
	Land Acquisition	Rs. 33,92,357
	Site levelling and Grading	55,87,153
	Technical Assistance, Designing, Crude Oil Analysis, Project Report, L.P.G. Facilities	1,60,98,510
	Freight, Customs Duty and Incidentals	45,19,030
	Other Expenses	33,07,832
		Rs. <u>3,29,04,882</u>
SUMMARY: I		39,16,16,009
II		<u>3,29,04,882</u>
Total Transferred to Schedule 'A'		Rs. <u><u>42,45,20,891</u></u>

*Includes Rs. 1,44,20,452 worth of materials left over after construction now transferred to Current Assets.



CAPITAL WORK IN PROGRESS (Contd.....)

SCHEDULE 'B'

Additions during the year		Transfers, deductions & Reclassification*		Balance as on 31st March, 1967	
Rs.	1,74,29,380	Rs.	1,55,67,070	Rs.	1,12,48,631
	12,04,42,010		27,87,18,127		21,00,65,548
	52,51,335		65,94,386		18,74,654
	3,73,183		5,71,134		6,08,833
	35,95,942		28,06,760		18,94,351
	64,78,585		84,84,108		67,52,842
Rs.	<u>15,35,70,435</u>	Rs.	<u>31,27,41,585</u>	Rs.	<u>23,24,44,859</u>
Rs.	2,49,448	Rs.	19,02,596	Rs.	17,39,209
	54,996		—		56,42,149
	22,94,412		88,23,563		95,69,359
	13,99,174		33,74,393		25,43,811
	1,53,00,334		1,72,85,873		13,22,293
Rs.	<u>1,92,98,364</u>	Rs.	<u>3,13,86,425</u>	Rs.	2,08,16,821
	15,35,70,435		31,27,41,585		23,24,44,859
	1,92,98,364		3,13,86,425		2,08,16,821
Rs.	<u>17,28,68,799</u>	Rs.	<u>34,41,28,010</u>	Rs.	<u>25,32,61,680</u>

INDIAN OIL CORPORATION LIMITED

CURRENT ASSETS

SCHEDULE 'C'

1966				
	INTEREST ACCRUED ON			
Rs. 660	INVESTMENTS:			Rs. 980
	INVENTORIES: (as valued and certified by the Management)			
	Stores and Spare Parts (at or under cost)		Rs. 6,44,87,614	
5,33,79,441	Loose Tools		2,95,092	
1,53,554	Liquid Petroleum Gas Accessories (at cost)		17,72,471	
13,19,906	Stores in transit (at cost)		<u>26,18,419</u>	
9,11,526	Stock-in-Trade:			6,91,73,596
	Raw Materials (at cost)	Rs. 2,87,36,328		
1,74,65,799	Oil Stocks (at cost or net realisable value whichever is lower)	17,65,02,987		
12,36,44,847	Stock in process (at or under cost)	<u>1,58,87,616</u>		
1,08,40,873	Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		22,11,26,931	
			<u>18,89,273</u>	22,30,16,204
16,22,041	SUNDRY DEBTORS:			
	Over Six months old:			
	Secured		10,70,924	
13,55,393	Unsecured considered good		7,86,47,686	
5,44,89,827	Unsecured considered doubtful		32,46,107	
31,84,041	Less than six months old:			
	Secured		24,37,800	
28,93,604	Unsecured considered good		25,07,87,812	
20,33,09,457	Unsecured considered doubtful		<u>48,007</u>	
8,883			33,62,38,336	
	<u>Less: Provision for doubtful debts</u>		<u>30,32,474</u>	
(30,32,451)	Carried forward			33,32,05,862
<u>Rs.47,15,47,351</u>				<u>Rs. 62,53,96,642</u>

CURRENT ASSETS (Contd.....)

SCHEDULE 'C'

1966				
Rs. 47,15,47,351	Brought forward			Rs. 62,53,96,642
	CASH BALANCES:			
9,27,826	Cash including imprest and cheques on hand		Rs. 15,63,109	
9290753	Remittance in transit		<u>2,53,45,812</u>	2,69,08,921
	BANK BALANCES:			
5,31,43,948	With Scheduled Bank on Current Account		1,95,64,422	
2,81,817	With Scheduled Bank on Fixed Deposit Account (including Rs. 1,96,058-1966: Rs. 2,71,234—lodged by outside parties)		<u>3,79,610</u>	1,99,44,032
<u>Rs. 53,51,91,695</u>				<u>Rs. 67,22,49,595</u>

Note: See Schedule 'F' for Debts due from Companies under the same Management.

INDIAN OIL CORPORATION LIMITED

LOANS AND ADVANCES

SCHEDULE 'D'

1966				
	(Unsecured considered good unless otherwise stated)			Rs. 2,26,648
Rs.19,71,902	Bills of Exchange			
	Advances Recoverable in cash or in kind or for value to be received including cost of materials supplied to contractors:			
25,49,509	Secured	Rs. 27,28,142		
2,72,48,647	Unsecured Considered Good	2,47,38,984		
1,46,679	Unsecured Considered Doubtful	2,13,199		
	<i>Less: Provision for Doubtful Advances</i>		Rs. 2,76,80,325	
(1,46,663)			1,42,689	2,75,37,636
	Claims Recoverable:			
1,03,28,970	Unsecured Considered Good	1,25,25,325		
1,55,400	Unsecured Considered Doubtful	2,61,770		
	<i>Less: Provision for doubtful claims</i>		1,27,87,095	
(67,155)			75,197	1,27,11,898
	Debtors for loan of Materials:			
6,12,955	Unsecured Considered Good		4,24,786	
	Unsecured Considered Doubtful		38,448	
				4,63,234
19195541	Sundry Deposits including amounts adjustable on receipt and settlement of final bills			1,36,64,340
	Balances with Customs, Port Trust etc.			2,20,00,010
3,08,12,701				Rs. 7,66,03,766
<u>Rs.9,28,08,486</u>				
	<i>Note: See Schedule 'G' for advances due from Companies under the same management.</i>			

INDIAN OIL CORPORATION LIMITED

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CURRENT LIABILITIES AND PROVISIONS

SCHEDULE 'E'

1966			
Rs. 7,49,98,040	A.—CURRENT LIABILITIES		
27,56,09,243	Acceptances	Rs. 4,87,99,406	
	Sundry Creditors	34,55,04,982	
	Security Deposits (including Rs. 1,96,058 deposit with the Bank as per contra—1966 Rs. 2,71,234—and investments lodged by outside parties as per Contra Rs. 13,03,988—1966 Rs. 12,03,873)	1,67,61,833	
1,61,89,920	Interest accrued but not due on loans	1,79,41,693	
1,62,80,704	Creditors for materials on loan	<u>1,06,126</u>	
2,01,055			Rs. 42,91,14,040
	B.—PROVISIONS		
24,00,000	Provision for Taxation	24,00,000	
—	Provision for Gratuity	2,88,700	
3,00,000	Provision for Contingencies	3,00,000	
—	Provision for Renewal of Catalyst	11,93,800	
—	Provision for Installation Charges (See Note 4)	9,49,541	
—	Proposed Dividend	<u>4,02,37,320</u>	
<u>Rs. 38,59,78,962</u>			<u>4,53,69,361</u>
			<u>Rs. 47,44,83,401</u>



INDIAN OIL CORPORATION LIMITED

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DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

SCHEDULE 'F'

1966	NAME OF THE COMPANY	Rs.
Rs.67,977	Ashoka Hotels Limited	—
20,479	Bharat Earth Movers Limited	33,150
27,993	Bharat Electronics Limited	30,514
—	Bharat Heavy Electricals Limited	47,877
1,45,257	Bokaro Steel Limited	71,628
8	Cement Corporation of India Limited	8
4,13,592	Central Road Transport Corporation Limited	2,99,107
2,326	Cochin Refineries Limited	5,503
8,63,036	Fertiliser Corporation of India Limited	7,07,881
1,43,163	Fertilisers & Chemicals Travancore Limited	3,10,053
82,808	Garden Reach Workshop Limited	1,21,312
10,45,942	Heavy Electricals India Limited	4,43,713
7,10,006	Heavy Engineering Corporation Limited	2,75,622
4,04,369	Hindustan Aeronautics Limited	6,98,270
2,03,279	Hindustan Antibiotics Limited	1,44,473
—	Hindustan Cables Limited	37,193
13,836	Hindustan Housing Factory Limited	6,050
3,522	Hindustan Insecticides Limited	7,905
1,88,324	Hindustan Machine Tools Limited	3,28,674
19	Hindustan Photo Films Manufacturing Co. Ltd.	—
23,260	Hindustan Shipyard Limited	11,324
23,327	Hindustan Salts Limited	—
27,72,301	Hindustan Steel Limited	56,10,978
—	Hindustan Steel Works Construction Limited	1,807
2,583	Hindustan Teleprinters Limited	84
—	Hindustan Zinc Limited	33,463
10,552	Indian Drugs & Pharmaceuticals Limited	2,51,617
26,169	Indian Rare Earths Limited	88,839
1,03,923	Indian Telephone Industries Limited	86,285
—	Instrumentation Limited	803
—	Jayanti Shipping Corpn. Limited	24,946
—	Lube India Limited	2,135
5,559	Madras Refineries Limited	1,589
Rs.73,03,610	Carried forward	Rs. 96,82,803



DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT Contd..**SCHEDULE 'F'**

1966	<u>NAME OF THE COMPANY</u>	
Rs. 73,03,610	Brought forward	Rs. 96,82,803
2,357	Manganese Ore India Limited	11,018
—	Mining & Allied Machinery Corpn. Limited	2,75,201
71,887	Mazgaon Dock Limited	1,77,874
19,345	Mogul Lines Limited	1,16,758
8	National Buildings Construction Co. Limited	8
53,51,849	National Coal Development Corpn. Limited	32,44,552
1,343	National Instruments Limited	14,079
67,740	National News Print & Paper Mills Ltd.	64,474
5,09,231	National Project Construction Corpn. Limited	3,74,133
1,092	National Small Industries Corporation Limited	2,615
6,66,511	National Mineral Development Corpn. Limited	6,84,566
7,826	Nahan Foundry Limited	3,169
8,26,024	Neyveli Lignite Corporation Limited	5,50,617
7,58,079	Orissa Road Transport Company Limited	—
16,685	Praga Tools Corporation Limited	5,951
37	Rehabilitation Industries Corporation Limited	340
—	Sambhar Salts Limited	21,193
—	Shipping Corporation of India Limited	6,54,642
15789	Singareni Collieries Company Limited	—
2,67,964	State Trading Corporation of India Limited	5,57,139
<u>Rs. 1,58,87,377</u>		<u>Rs. 1,64,41,132</u>



ADVANCES DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

SCHEDULE 'G'

	Maximum Outstanding During 1966			Maximum outstanding during the year
—	—	Bharat Electronics Limited	Rs.7,567	Rs.7,567
Rs.367	Rs.9,751	Bharat Heavy Electricals Limited	3,909	38,007
—	—	Fertilisers and Chemicals Travancore Limited	—	12,623
1,040	20,714	Hindustan Cables Limited	14,515	14,515
—	5,134	Hindustan Machine Tools Limited	—	7,664
2,26,088	8,37,712	Hindustan Steel Limited	68,671	8,88,435
—	—	Hindustan Teleprinters Limited	—	99,456
—	*	Indian Oil Blending Limited**	—	85,395
—	—	Indian Rare Earths Limited	—	3,738
38,326	53,779	Indian Telephone Industries Limited	2,250	43,642
—	—	Lube India Limited	12,469	12,469
6,62,320	20,07,644	National Project Construction Co. Limited	2,00,000	2,00,000
39,306	97,055	State Trading Corporation of India Limited	24,853	1,80,000
—	—	Shipping Corporation of India Limited	35,200	35,200
<u>Rs.9,67,447</u>	<u> </u>		<u>Rs.3,69,434</u>	<u> </u>

* Not ascertainable.

** Private Company in which Directors are interested.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1967

1. The rates of depreciation charged on the Marketing Division Assets are lower than the rates charged on the Refineries Division Assets, in accordance with the past practices of the former Indian Refineries Limited and India Oil Company Limited.
2. As it is not practicable to show all Commissions and Discounts separately in the Accounts, they have been adjusted against Sales in the Profit and Loss Account.
3. In addition to specific debts totalling Rs. 27,44,113 considered doubtful, further debts due from State Transport, D.G.S. & D. and other Government parties which have been outstanding for a considerable period, may also not be fully recoverable. The doubtful debts shown on the Balance Sheet include an estimate of such debts.
4. The provision for Installation Charges (in lieu of Railway Siding and pipeline facilities constructed by Cochin Refineries Ltd.) has been made in accordance with instructions received from the Government. This may become payable to the Government in case they have to subsidise the process margin as guaranteed by them to Cochin Refineries Ltd. This question is being examined by the Corporation.
5. Doubtful debts, claims and advances not provided for amount to Rs. 5,57,171 (previous year Rs. 2,48,684).
6. No provision has been made for the balance amount payable after adjustment of advances in respect of land acquired for Refineries at Gauhati and Barauni, pending finalisation of compensation. Arrangements for the participation of the States of Assam and Bihar in the equity capital for consideration given, and documentation in respect of land acquired for the three Refineries and land and building acquired from the Railway at Hathidah has not been completed so far. Claims for additional compensation have been filed by the erstwhile land owners in Gujarat which have been adjudged in their favour for land acquired for the Gujarat Refinery. Against these claims, a deposit of Rs. 25.56 lakhs has been made with the Court. The Company has filed an appeal, which is pending with the High Court. Suitable adjustments will be made as and when the cases are finalised. Expenditure on Railway Siding has been booked on the basis of estimates given by the Railway authorities pending receipt and adjustment of final bills.
7. Closing stock includes Rs. 3.47 lakhs being stock impounded by Pakistani authorities. A claim has been lodged with the Custodian of Enemy Property.
8. No provision has been made for Income Tax liability on account of tax on profit of foreign contractors payable by the Corporation the amount of which is not ascertainable. An advance of Rs. 5 lakhs has been made to the contractors for payment of Advance Income Tax.
9. Certain Depots and Installations have been built on Government or other lands not belonging to the Corporation in respect of which agreements have already been finalised with the exception of some cases where formal agreements are awaited.
10. Pending final settlement, no credit has been taken in the Accounts in respect of amount recoverable from the Assam Government towards cost of land development and approach roads.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1967 Contd...

11. Customs duty has been paid on an ad hoc basis for the Barauni and Gujarat Refineries. Consequential adjustments, if any, will be made in the accounts on final assessment.
12. Allocation of common expenses between operation and construction has been made as per the basis decided by the Management on which the Auditors have placed reliance.
13. The Koyali-Ahmedabad Products Pipeline of the Oil & Natural Gas Commission was taken on lease with effect from 1st April, 1966. The lease terms have not yet been settled and a provision of Rs. 15 lakhs has been made for lease money payable to them. It was recently decided by the Government of India that the Pipeline will be transferred to the Corporation with effect from 1st April, 1968, the Capital Cost of which has been estimated by O.N.G.C. at approximately Rs. 2.32 crores.
14. The balance on the Installation Exchange Suspense Account represents the difference between the rates charged or credited in respect of movements of products on Installation Exchange basis by another company, and the rates which this Company claims should have been used. Negotiations are continuing for the final disposal of this item, pending which the amount has been kept in suspense.

Signatures to Schedule A to G and on Notes

A. F. FERGUSON & CO.
LOVELOCK & LEWES
P.K. MITRA & CO.

N.N. KASHYAP
Chairman

MAJ. GEN. SARDA NAND SINGH (Retd.)
Director

Chartered Accounts

M.V. Rao
Director

D.B. Puri
Secretary



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Ltd., as at 31st March, 1967, together with the Profit and Loss Account of the Corporation for the year ended on that date annexed thereto.

The accounts of the Corporation incorporate the audited accounts of the Refineries, Pipelines and Marketing Divisions. In accordance with the directions of the Comptroller and Auditor General of India, the allocation of work amongst the three firms of Auditors was made as follows:—

A.	A.F. Ferguson & Co.	Marketing Division: Head Office Western and Southern Branches.
B.	Lovelock & Lewes	Refineries Division: Head Office Gujarat Refinery Pipelines Division: Head Office Haldia-Barauni-Kanpur Pipelines Koyali-Ahmedabad Pipeline Marketing Division: Northern Branch
C.	P.K. Mitra & Co	Refineries Division: Gauhati and Barauni Refineries and Calcutta Office Pipelines Division: Gauhati-Siliguri Pipeline Marketing Division: Eastern Branch
D.	Jointly	Consolidated Accounts of the Corporation

We report that:

- (1) We have obtained all the information and explanation 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 Corporation 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 account;



REPORT OF THE AUDITORS TO THE SHAREHOLDERS Contd..

- (4) in our opinion, and to the best of our information and according to the explanations given to us, the said Accounts, subject to and read with the notes thereon, 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 Corporation as at 31st March, 1967, and
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

A.F. FERGUSON & CO.
LOVELOCK & LEWES
P.K. MITRA & CO.
Chartered Accountants.

Bombay, 21st September, 1967



REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1967 BY THE DIRECTOR OF COMMERCIAL AUDIT

1. Financial Position

The table below summaries the financial position of the Company under broad headings for the last three years.

		(Rupees in lakhs)		
		1964-65	1965-66	1966-67
<i>Liabilities</i>				
(a)	Paid-up capital (including advance for shares)	4,426.22	6,529.22	7,117.72
(b)	Reserves and Surplus	91.83	193.10	415.94
(c)	Borrowings			
(i)	From the Government of India	4,552.11	7,034.65	7,330.98
(ii)	Foreign Credit	881.31	763.20	1,125.72
(iii)	From Bank—Cash Credit	1,639.17	1,345.91	1,491.03
(d)	Trade dues and other current liabilities (including provisions)	2,176.82	3,863.14	4,747.75
	Total:—	<u>13,767.46</u>	<u>19,729.22</u>	<u>22,229.14</u>
<i>Assets</i>				
(e)	Gross Block	3,537.51	9,102.71	12,608.91
(f)	Less: Depreciation	162.60	508.99	1,018.96
(g)	Net fixed assets	3,374.91	8,593.72	11,589.95
(h)	Capital work-in-progress (including unallocated construction expenses)	5,723.66	4,670.45	2,907.72
(i)	Other assets (mainly machinery and equipment in-transit and stores)	487.70	146.57	164.45
(j)	Current Assets, Loan and Advances (including investments)	4,174.81	6,313.79	7,524.84
(k)	Miscellaneous Expenditure	6.38	4.69	42.18
	Total:—	<u>13,767.46</u>	<u>19,729.22</u>	<u>22,229.14</u>
	Capital employed	5,372.90	11,044.37	14,367.04
	Net worth	4,511.67	6,717.63	7,491.48

- Note:* 1. Capital employed represents net fixed assets plus working capital.
2. Net worth represents paid up capital plus Reserves & Surplus less intangible assets.

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1967 BY THE DIRECTOR OF COMMERCIAL AUDIT Contd..

2. Capital Structure

(a) Debt equity ratio:

The debt equity ratio for the Company has been 1.2:1 since 1964-65.

(b) The amount of loans taken from the Government of India outstanding as on 31st March, 1967 was Rs. 7,330.98 lakhs; in respect of loans amounting to Rs. 403.00, Rs. 1,098.58 and Rs. 1,314.00 lakhs (net) moratorium for one, two and three years respectively for repayment of principal was granted by the Govt. of India.

3. Reserves and Surplus

The reserves and surplus (Rs. 415.94 lakhs) amounted to

(a) 1.9% of the total liabilities in 1966-67 as against 1% in 1965-66 and 0.7% in 1964-65.

(b) 5.8% of the equity capital (Rs. 7,117.72) in 1966-67 as against 3% in 1965-66 and 2.1% in 1964-65.

4. Liquidity and Solvency

(a) The proportion of current assets to total net assets increased from 30.3% in 1964-65 to 32% in 1965-66 and to 33.9% in 1966-67.

(b) The percentage of current assets to Current liabilities (including provisions) varied from 191.8 in 1964-65 to 163.4 in 1965-66 and to 158.5 in 1966-67.

(c) The percentage of quick assets (Sundry Debtors, Advances, investments, cash bank balances) to current liabilities decreased from 132.1 in 1964-65 to 109.9 in 1965-66 and to 107.2 in 1966-67.

5. Working Capital

The working capital (current assets, investments, loans and advances less trade dues and current liabilities) of the Company at the close of the three years ending with 31st March, 1967 amounted to Rs. 1,997.99 lakhs, Rs. 2,450.65 lakhs and Rs. 2,777.09 lakhs respectively and represented 2.2, 1.3 and 0.9 months' value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1967 was financed through loans from Bank to the extent of Rs. 1,491.03 lakhs

6. Sources and Uses of Funds:

Funds amounting to Rs. 1,159.50 lakhs from internal resources (reserves, depreciation, provisions and surplus) and Rs. 1,850.39 lakhs from other sources were utilised in 1966-67 as under:—

	(Rupees in lakhs)
(i) Gross fixed assets including Capital work-in-progress	1,743.47
(ii) Other assets, etc.	1,266.42
	<u>3,009.89</u>

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1967 BY THE DIRECTOR OF COMMERCIAL AUDIT Contd..

7. Working Results

The working results of the Company for the last three years are tabulated below:—
(Rupees in lakhs)

	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>
(i) Profit before tax	75.64	101.26	626.40
(ii) Tax provision	—	—	—
Percentage of Profit before tax			
a) To Sales (inclusive of Product Exchange and transfers)	0.7	0.5	1.8
b) To gross fixed assets	2.1	1.1	5.0
c) To capital employed	1.4	0.9	4.4
d) To net worth	1.7	1.5	8.4
e) To equity capital	1.7	1.6	8.8

8. Cost trends

The table below indicates the percentage of cost of sales to sales during the last three years:—

	<u>(Rupees in lakhs)</u>		
	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>
Sale (inclusive of Product exchange and transfers)	10,861.10	22,014.21	33,868.84
Less: Profit before tax	<u>75.64</u>	<u>101.26</u>	<u>626.40</u>
Cost of Sales	10,785.46	21,912.95	33,242.44
Percentage of Cost of Sales to Sale	99.3	99.5	98.2

9. Business performance

The value of business during the last three years is worked out below:—

	<u>(Rupees in lakhs)</u>		
	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>
1. Sales (inclusive of Product Exchange and transfers)	10,861.10	22,014.21	33,868.84
2. Closing stock—of finished goods and stock in process	1,004.82	1,532.71	2,228.99
3. Opening stock—of finished goods and stock in process	632.77	1,004.82	1,532.71
4. Value of business (1+2-3)	11,233.15	22,542.10	34,565.12

The percentage of value of business to net worth increased from 249 in 1964-65 to 335.6 in 1965-66 and to 461.4 in 1966-67. The percentage of value of business to total net assets also increased from 81.6 in 1964-65 to 114.3 in 1965-66 and 155.5 in 1966-67.

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1967 BY THE DIRECTOR OF COMMERCIAL AUDIT Contd..

10. Inventory and production

The following table indicates the comparative position of the Inventory and its distribution at the close of the last three years:—

	(Rupees in lakhs)		
	1964-65	1965-66	1966-67
(i) Stores and spare parts (including in-transit)	320.45	542.91	671.06
(ii) Loose tools	1.72	1.54	2.95
(iii) Stock-in-trade (including raw materials and stock in process)	1,044.82	1,519.51	2,211.27
(iv) Stock of empty tins and barrels	8.80	16.22	18.89
(v) Liquefied Petroleum gas accessories	—	13.20	17.73
	1,335.79	2,093.38	2,921.90

Stock-in-trade represented 1.1 month's sale (inclusive of product exchange and transfers) in 1964-65 and 0.8 month's in 1966-67.

11. Sundry debtors and turnover

As on	Total book debts		(Rupees in lakhs)	Percentage of debtors to sales
	Considered good	Considered doubtful	Sale (inclusive of Product Ex-change and transfers)	
31st March, 1965	1,648.30	7.55	10,861.10	15.2
31st March, 1966	2,620.48	31.93	22,014.21	12.0
31st March, 1967	3,329.44	32.94	33,868.84	9.9

The sundry debtors represented about 1.8 month's turnover in 1964-64, 1.4 month's in 1965-66 and 1.2 month's in 1966-67.

Sd./-

(K.S. Trehan)

for Director of Commercial Audit

New Delhi,
the 26th September, 1967.

Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956.

I am to state that there are no comments upon the Auditor's Report under Section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Corporation Limited for the year ended 31st March, 1967.

Sd./-
(K.S. Trehan)
for Director of Commercial Audit

New Delhi,
the 26th September, 1967.

