



Indian Oil Corporation Ltd.

Annual Report 1968/69

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Indian Oil Corporation Limited**BOARD OF DIRECTORS:**

N.N. Kashyap, I.C.S. *Chairman*
Kamaljit Singh
Maj. Gen. Sarda Nand Singh (Retd.)
P.K. Rau
M.V. Rajwade
Dharmananda Das
S.M. Ghosh
K.L.N. Prasad
M. Ct. Pethachi
E.P. W. da Costa
S. Ghosh
Yogendra Mishra
Arun roy Choudhury
S.K. Majumdar

SECRETARY:

D.B. Puri

BANKERS:

State Bank of India

AUDITORS:

M/s A.F. Ferguson & Company
M/s Lovelock & Lewes
M/s P.K. Mitra & Company

**REGISTERED OFFICE AND
MARKETING DIVISION
HEADQUARTERS:**

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

MARKETING DIVISION:**Branches:**

Bombay, New Delhi, Calcuta, Madras

REFINERIES DIVISION:**Headquarters:**

Indian Oil Bhavan, Janpath,
New Delhi-110001.



NOTICE

Notice is hereby given that the 10th 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 13.00 hrs. on Tuesday, the 30th September 1969 to transact the following business:

ORDINARY BUSINESS

1. "To receive, consider and adopt the Balance Sheet, Profit and Loss Account and Reports of the Auditors and Directors thereon for the financial year ended 31st March 1969."
2. To declare the dividend.

By order of the Board

D.B. PURI
Secretary

Bombay:

Dated : 5th September, 1969

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.

DIRECTORS' REPORT 1968-69

To
THE SHAREHOLDERS OF INDIAN OIL CORPORATION LIMITED

Gentlemen,

Your Board of Directors have pleasure in placing before you the Tenth Annual Report on the working of the Corporation during the financial year 1968-69 along with the Audited Statements of Accounts.

FINANCIAL RESULTS

Turnover for the year amounted to Rs. 526.16 crores as against Rs. 430.68 crores and Rs. 338.35 crores for the previous year and the year 1966-67 respectively. The increase in turnover works out to approximately 22.17% over the previous year.

Profit for the year before providing Development Rebate Reserve amounts to Rs. 18.46 crores as against Rs. 10.83 crores for the previous year. In arriving at the profit, the provision for the depreciation and interest charges has been made at Rs. 7.85 crores and Rs. 6.10 crores respectively. The provisions made for depreciation and interest are higher than those made during the previous two years which were, on depreciation, Rs. 5.79 crores and Rs. 5.02 crores and, on interest, Rs. 5.71 crores and Rs. 4.93 crores respectively.

Depreciation has been charged on the "straight Line" method in arriving at the profit. The rates of depreciation have been revised in this year to bring uniformity as between the Divisions. The net effect of this revision has been to increase the overall depreciation by Rs. 0.56 crores. However, for the purpose of Income-tax, depreciation is charged according to the "Written down value" method as per Income-tax Rules. Our profit this year is free of Income-tax because of our entitlement to claim development rebate from the taxable profit. A provision for Development Rebate for a sum of Rs. 12 crores is being made and the net profit will therefore be Rs. 6.46 crores. On a comparable basis profit for the year works out to 25.93% of the paid up capital as against 15.22% and 9.3% in the previous two years ie. 1967-68 and 1966-67 respectively. With the carry forward of last year amounting to Rs. 7,64,211, the available surplus amounts to Rs. 18.54 crores as detailed below:-

Balance of Profit brought forward	Rs.	7,64,211
Profit for the year	Rs.	18,46,37,707
	Rs.	<u>18,54,01,918</u>
We recommend that this amount be appropriated as follows:		
Provision for Development Rebate	Rs.	12,00,00,000
Provision for dividend @ 7% on 7,11,772 shares of Rs. 1,000 each	Rs.	4,98,24,040
Transfer to General Reserves	Rs.	1,50,00,000
Balance carried forward	Rs.	5,77,878
	Rs.	<u>18,54,01,918</u>

It will be observed that the profits of the Corporation have continued to rise. However, the adverse effects of the under-recoveries of freight and Central Sales tax continue to erode into our profits. The uner-recoveries on the two accounts amount to Rs. 1.43 crores and Rs. 0.37 crores respectively on freight and Central Sales tax as compared to Rs. 1.08 crores and Rs. 1.76 crores respectively for the previous year and against Rs. 1.13 crores and Rs. 1.76 crores for the year 1966-67. In addition to these, the Corporation had to bear during the year certain extra expenses in the nature of under-recovery on account of coastal movements of Cochin Refinery products amounting to Rs. 2.41 crores as against Rs. 2.28 crores for the previous year.

FINANCE

In September, 1968, a whole-time Finance Director took overall control of the Finance & Accounting work of your Company including direct charge of internal audit. Accounting and budgetary controls were further strengthened and centralised in the Finance Director's Office attached to the Chairman's Office. Steps were taken to improve Management Information and Controls Systems for more effective utilisation of resources and for increasing profitability.

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

	Balance as on 31-3-1968 Rs.	Changes during 1968-69 Rs.	Balance as on 31-3-1969 Rs.
Share Capital	71,17,72,000 (including shares held by State Government of Gujarat)	—	71,17,72,000
Loan	73,00,47,320	(—) 9,50,70,520	63,49,76,800
	<u>144,18,19,320</u>	<u>(—) 9,50,70,520</u>	<u>134,67,48,800</u>

REFINERIES AND PIPELINES DIVISION

GAUHATI REFINERY

During the year 1968-69 the Refinery processed 8,02,666 tonnes of Crude Oil against the target of 8,00,000 tonnes and its designed capacity of 7,50,000 tonnes.

PERFORMANCE OF MAJOR PROCESS UNITS

During the period under review, the major process units of the Refinery operated as under:-

a) Crude Distillation Unit	352 days
b) Kerosene Refining Unit	61 ½ days
c) Coking Unit	309 ½ days

INTERRUPTION IN THE REFINERY OPERATIONS

Due to breaches in the Railway track and damages to the product pipeline during the Teesta floods in October, 1968, the crude Distillation Unit had to be kept under restricted operation for about 26 days.

LEVEL OF PRODUCTION AND DESPATCHES

7,32,007 tonnes of finished products were produced and 7,39,837 tonnes were despatched from the Refinery during the year.

Summary of operational results for the last 3 years in respect of throughput of the Refinery:

1966-67	7,42,946 tonnes
1967-68	8,11,718 tonnes
1968-69	8,02,666 tonnes

FUTURE PLANS

The construction work in respect of the liquefied Petroleum Gas Plant of 2,500 tonnes per year initial capacity is nearing completion. L.P.G. production is expected to commence in the first quarter of 1970.

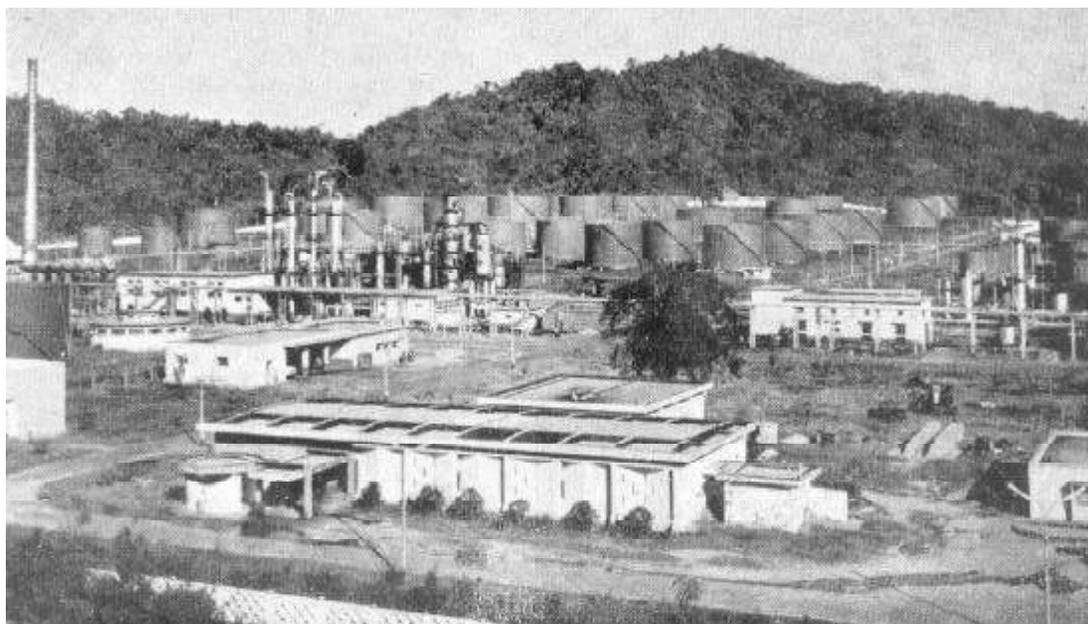
The expansion of the Gauhati Refinery capacity from 0.75 million tonnes to 1.10 million tonnes per annum has been sanctioned by the Government of India.

The production of Aviation Turbine Fuel is expected to commence shortly.

IMPORT SUBSTITUTION

A sum of about Rs. 14 lakhs was saved by using indigenously manufactured items such as Coke Chamber Gaskets, Coke Chamber Studs & Nuts, Instrument Charts, Pens, Recorders, Non-return valves, various explosion proof motors, Electrical Fittings etc.

A view of the Gauhati Refinery



BARAUNI REFINERY

The Refinery processed 17,67,129 tonnes of crude oil against the target of 17,00,000 tonnes.

PERFORMANCE OF MAJOR PROCESS UNIT

During the period under review the major process units of the Refinery operated as under:-

(a) Atmospheric Vacuum Distillation Unit No. I	330 days
(b) Atmospheric Vacuum Distillation Unit No.II	298 days
(c) Atmospheric Distillation Unit No. III (recently completed)	8 days
(d) Coking Unit	323 days
(e) Kerosene Treating Unit - A	192 days
(f) Bitumen Unit	58 days

Lube Complex Units

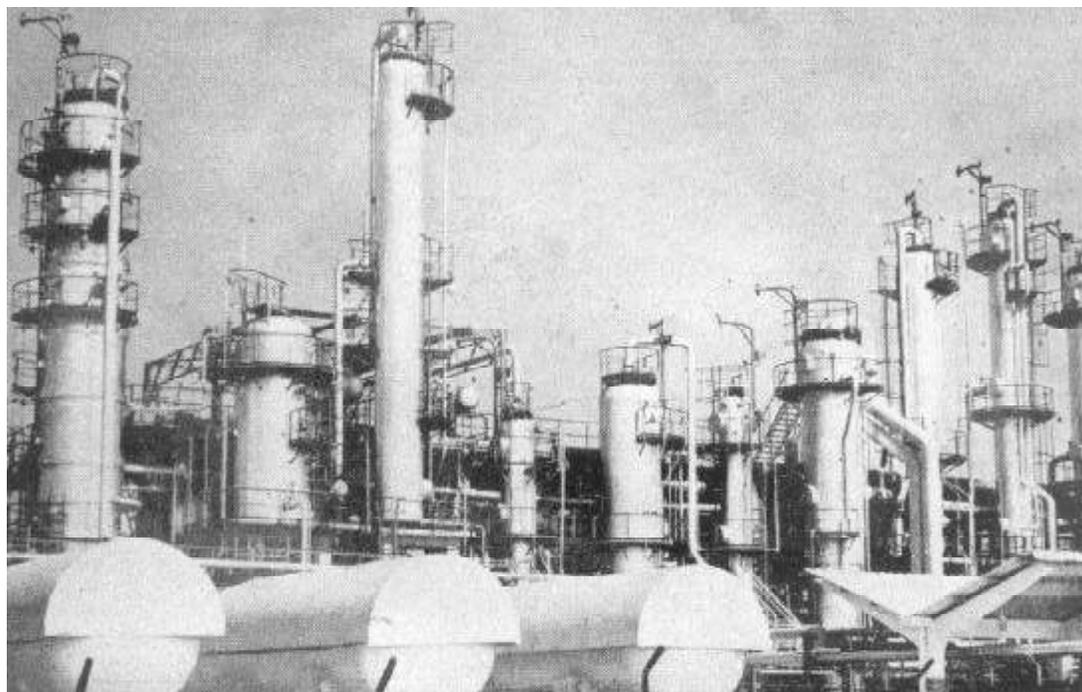
(a) Phenol Extraction Unit	118 1/2 days
(b) Dewaxing Unit	99 days
(c) Contract Filtration Unit	69 days

MAJOR ACHIEVEMENTS DURING THE YEAR

Although atmospheric Unit No. III was not designed for LPG production, with some modification it was possible to produce LPG from this Unit successfully.

The Coking Unit achieved a record run of 150 days on 6.4.69 without any decoking shut-down. This is the longest record so far not only for Barauni but for all other units with coking facilities in India.

Kerosene Treating Unit, Barauni Refinery



LEVELS OF PRODUCTION AND DESPATCHES

15,69,635 tonnes of finished products were produced and 15,74,153 tonnes were despatched during the year.

Summary of operational results for the last 3 years in respect of throughput of the Refinery:-

1966-67	11,13,885 tonnes
1967-68	16,29,625 tonnes
1968-69	17,67,129 tonnes

COMMISSIONING OF THIRD MILLION TONNE UNIT

The Third Million tonne Unit (Atmospheric Unit No.III) was commissioned on 28th January, 1969 for trial run.

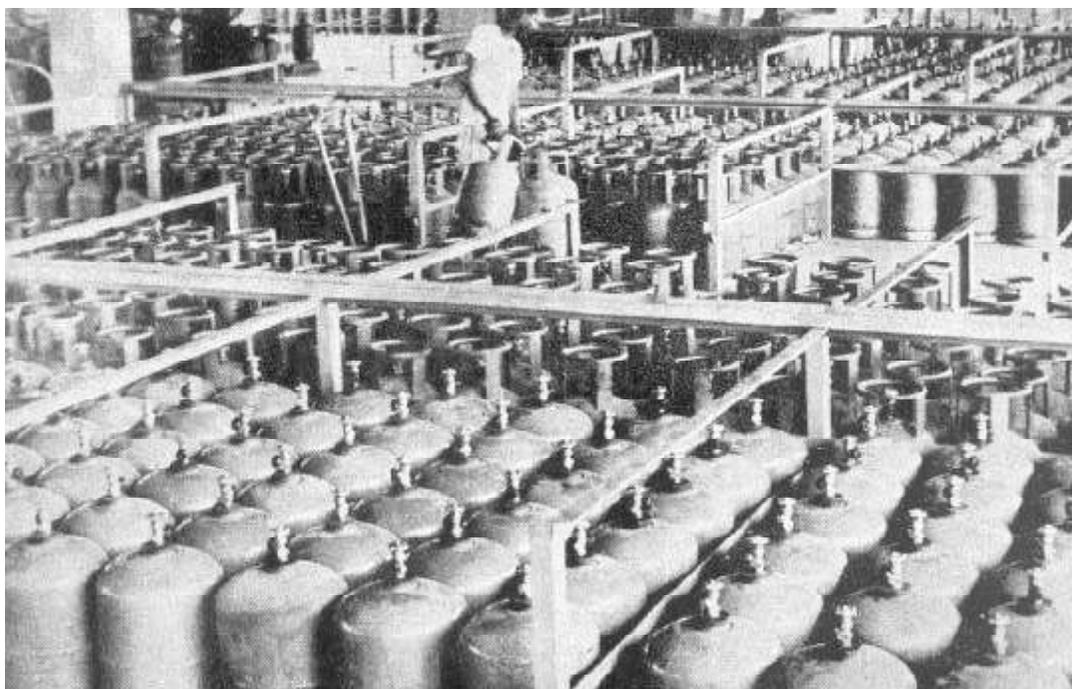
INTERRUPTION IN THE REFINERY OPERATIONS

The crude supply by Oil India Ltd., remained suspended from 5th October to 28th October, 1968, due to damage to the crude pipeline in unprecedented floods in the Teesta River. On the 19th and 20th February, 1969 also crude supply was interrupted due to the execution of tie-in-jobs on the pipeline.

INTRODUCTION OF NEW PRODUCTS

IOMEX is being produced since the month of January, 1969. Efforts are in progress to introduce a few more products, for example, phenol extract, Light Aromatic Extract and Petroleum Wax etc. into the market.

LPG filling in Barauni Refinery



FUTURE PLANS

Civil construction works for the Coke Calcination Plant have already started and the plant is expected to be ready by the middle of 1970.

The Construction work for providing additional storage tanks and handling facilities to meet the requirements of the refinery at 2.4 million tonnes per year is in progress.

The Project and Design work pertaining to the modernisation of LPG Bottling Plant was approved and a contract has since been awarded to Engineers India Ltd.

Setting up of a Pilot Plant for reforming of IOMEX at Barauni Refinery in order to collect Engineering data and scale-up of a plant of commercial size for producing Aromatics such as Benzene, Toluene, Xylenes etc. has been taken in hand.

GUJARAT REFINERY

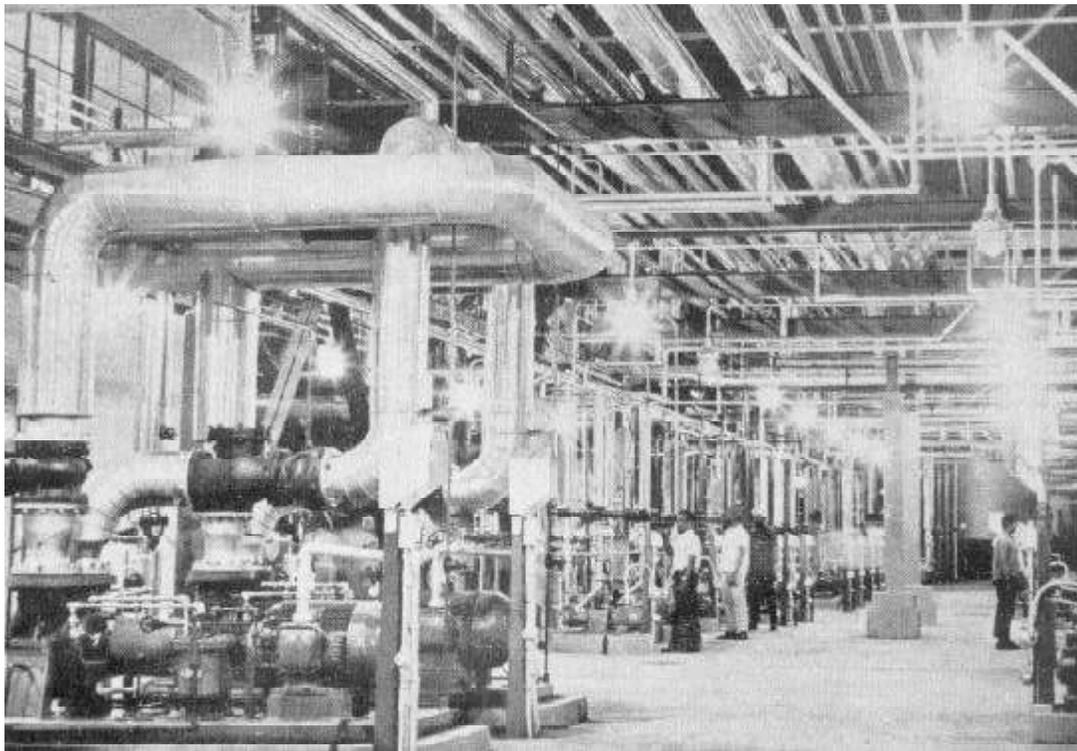
During the year under review, the Refinery processed 29,58,032 tonnes of crude oil as against the planned intake of 27,50,000 tonnes.

PERFORMANCE OF MAJOR PROCESS UNITS

During the year under review, the major process units of the Refinery operated as under:

a)	Atmospheric Unit No. I	336 $\frac{1}{2}$ days
b)	Atmospheric Unit No. II	340 $\frac{1}{2}$ days
c)	Atmospheric Unit No. III	339 days
d)	Catalytic Reforming Unit	349 $\frac{1}{2}$ days

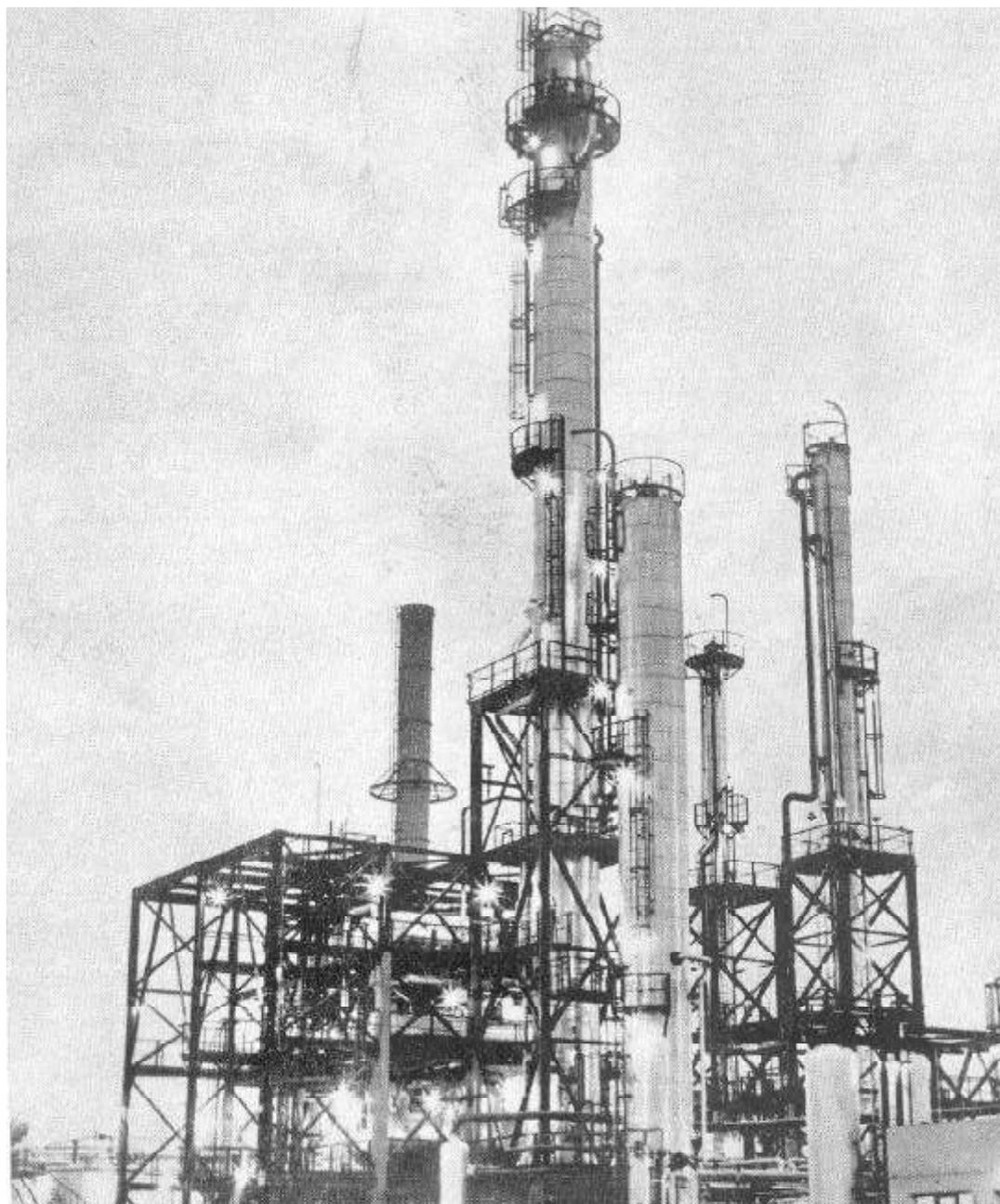
Pump slab and associated piping at the Undex Plant, Gujarat Refinery



COMMISSIONING OF THE UDEX UNIT

For the manufacture of Benzene and Toluene, a Udex Plant was commissioned in December 1968 and after successful completion of its trial runs the unit was accepted during January 1969. During the period up to March 69, the unit processed 5,469 tonnes of stock.

A view of the Udex Plant



LEVELS OF PRODUCTION

27,37,663 tonnes of products were produced and 27,34,338 tonnes of finished products were despatched from the Refinery during the year under report.

Summary of operational results for the last 3 years in respect of the throughput of the Refinery:

1966-67	14,11,702* tonnes
1967-68	19,18,293 tonnes
1968-69	29,58,032 tonnes

(*Inclusive of high octane component for blending till our facilities were developed)

INTERRUPTION IN THE REFINERY OPERATIONS

In the month of August, 1968, the Railway Link between Baroda and Bombay was disrupted due to heavy floods in South Gujarat which affected the despatch of finished products with consequent curtailment in throughput.

PERFORMANCE FROM EXPORT ANGLE

During the year under report Naphtha was exported to Japan for the first time and the first parcel was sent to Sabarmati through the pipeline in October, 1968. A total of 68,520 tonnes of Naphtha was despatched for export during the year.

SPECIAL FEATURES AND ACHVEMENTS

In March, 1969 a National Safety Award with cash prize of Rs. 2,500/- was awarded to the Gujarat Refinery for the longest accident-free period.

7,23,74,800 KWH power was supplied to Gujarat Electricity Board which was 50.5% of the total power generated in the Refinery and the revenue earned on this account was of the order of Rs. 39.60 lakhs.

A protein Pilot Plant was set-up and commissioned in July 1969 at the Gujarat Refinery by the Indian Institute of Petroleum to conduct investigations in connection with the extraction of protein from petroleum.

With the de-bottlenecking of the various Atmospheric Distillation Units, it is expected that a crude intake of more than 4 million tonnes per annum will be possible with the existing equipment.

IMPORT SUBSTITUTION

Considerable efforts were made during the year 1968-69 towards import substitution. Drawings of several additional fast-moving imported spares have been prepared and enquiries floated to find parties who are capable of supplying spares from indigenous sources. Some of the items are:-

- i) High pressure and temperature valves and accessories
- ii) Safety valves
- iii) LPG bullets
- iv) Heat exchangers, heat exchanger tubes, sheets etc.
- v) Pipes and accessories for petroleum services
- vi) Pumps

As a result of the above efforts, it has been estimated that import substitution for items worth more than Rs. 13 lakhs was made during the year 1968-69.



GENERAL

WELFARE FACILITIES AT THE REFINERIES

A number of welfare facilities and amenities have been provided at each of the Refineries in the form of free medical aid, subsidised canteens, schools both with English medium and Hindi or regional language medium, co-operative stores, Staff institutes, clubs etc. At Gujarat Refinery we have an open-air theatre and at Barauni too such a theatre is under construction, mostly by "shramdan".

NATIONAL INTEGRATION SAMITIS

Integration Samitis have been formed under the aegis of the National Integration Samiti with representatives of various cultural societies, institutes etc, at all our Refineries. The Samitis undertook various activities for promoting understanding and good-will among persons from different parts of the country working in the Refineries. One of the major programmes at the Gujarat Refinery during the year has been to establish a Library known as the Gujarat

Cultural programmes are organised at our Gauhati, Barauni and Gujarat refineries to promote National Integration.



Refinery Gandhi Memorial Library, to provide a large number of books and literature on Gandhiji and his teachings.

LABOUR RELATIONS

Labour relations in the Refineries Division including the Haldia Project remained satisfactory on the whole throughout the year.

HALDIA REFINERY PROJECT

The Haldiya Refinery Project for setting up a 2.5 million tonnes oil refinery at Haldia in West Bengal is being processed in collaboration with Messrs. TECHNIP/ENSA of Paris and Messrs. Industrial export of Bucharest. Messrs Engineers India Limited, an engineering and design company in the Public Sector have also been working on the process and detailed designs engineering of this project under the supervision and responsibility of the foreign collaborators. The process design studies of the Refinery have been completed and approved in December 1968 and January 1969 except for the Extraction Section of the Furfural Unit, which is yet to be completed. To keep continuity of the mechanical engineering work which otherwise would have been delayed till finalisation of the main contracts with the foreign collaborators, separate contracts were signed with TECHNIP/ENSA and industrial export in July-August, 1968 to advance a portion of the mechanical engineering design studies. This work has since been mostly completed.

The land for the Refinery proper has been acquired from the Commissioners for the Port of Calcutta in February, 1969. The work of sinking tubewells for water supplies will soon be undertaken. In order to utilise the construction power to be made available by the West Bengal State Electricity Board, it has been planned to establish the Refinery's own sub-station in consultation with the collaborators. This sub-station is expected to be ready for energising by the end of October, 1969.

The soil conditions at Haldia are very poor and require extensive and intensive pre-treatment. Such pre-treatment is being given by a new method called sand-wicking followed by pre-loading. Contracts for these works have since been awarded. Sand-wicking work is in progress at present. It is also expected that the land for the refinery township will be made available soon.

A detailed engineering and supplies Contract and a contract for rendering technical assistance to Engineers India Limited have been signed with our French collaborators in July and August 1969. Similar contracts with the Rumanian Collaborators are expected to be signed shortly.

The civil works of the Refinery have already started. Other construction work will gather momentum during the next working season commencing from October, 1969.

GAUHATI - SILIGURI PRODUCTS PIPELINE

During the year under review, pumps originally installed at Siliguri, were shifted to Bongaigaon. With this booster, the pipeline capacity has increased from 4.80 lakh tonnes to 5.59 lakh tonnes per annum.

During the year under review the pipeline moved 4,06,148 tonnes of products (against a target of 4,50,000 tonnes). The shortfall was mainly because of a shut-down for about a month in October, 1968 when the pipeline was washed away along with the approaches to the railbridge across the Teesta River owing to floods. During March, 1969 the pipeline moved a quantity 44,242 tonnes of products, the highest ever in a month. The throughput is further improving during the current year.

Operational results for the last three years

Targets and achievements during the last three years are shown below:

Year	Target	(in metric tonnes) Throghput
1966-67	4,12,000	3,71,720
1967-68	3,97,000	4,36,951
1968-69	4,50,000	4,06,148



HALDIA-BARAUNI-KANPUR PIPELINES

(a) Barauni-Kanpur Line

A total of 5,19,920 tonnes of products against the target of 5,50,000 tonnes was moved during the year 1968-69. Its utilisation factor has improved from 29% in 1967-68 to 34.4% during the year under review.

Operational results for the last three years

Targets and achievements during the last three years are shown as under:

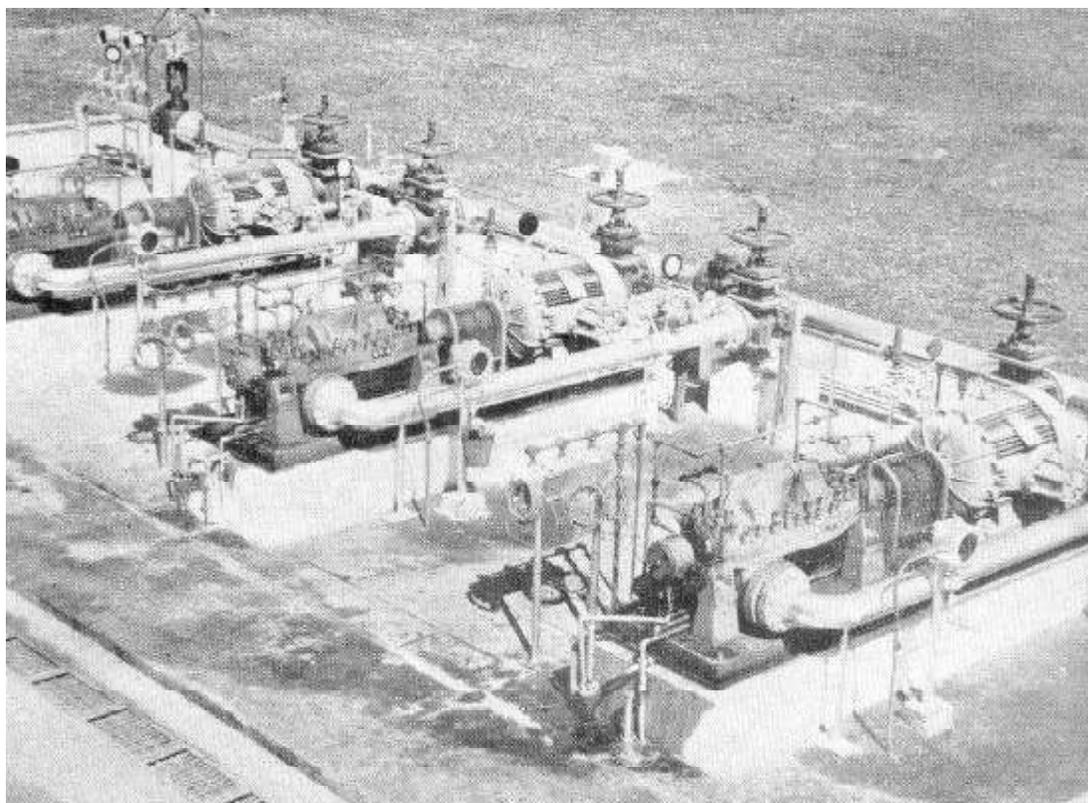
Year	Target	(in metric tonnes) Throughput
1966-67 (Sept. 66 to March 67)	2,50,000	97,829
1967-68	4,90,000	4,40,117
1968-69	5,50,000	5,19,920

(b) Barauni-Haldia Line

During the year under review, the complex operation of commissioning the pipeline in the reverse flow direction from Haldia was carried out successfully when kerosene was pumped directly into the line from a tanker at Haldia jetty. Apart from Kerosene, High Speed Diesel was also pumped from Haldia to Calcutta during the period of crisis in the Greater Calcutta area brought about by a strike at the installations of certain oil companies in that region.

During the year, this pipeline moved a total of 3,49,353 tonnes of products against the target of 3,03,000 tonnes.

The three main line pumps of the Koyali-Ahmedabad Pipeline



KOYALI-AHMEDABAD PIPELINE

This pipeline moved 7,11,914 tonnes of products against the targeted quantity of 7,60,000 tonnes. The pipeline had worked at 102% of its design capacity during the year and a maximum of 118% during the month of July, 1968. One of the salient features of the year's operation was the transportation of 68,520 tonnes of Naphtha for export to Japan. The need for increase in the throughput of this pipeline has necessitated the installation of additional facilities at Koyali pump station so as to augment its capacity. Necessary action in this regard is in hand.

RAJBANDH-DURGAPUR NAPHTHA PIPELINE

The construction of a 5.5 kilometre pipeline from Rajbandh installation to Durgapur for carrying Naphtha to the tanks of Fertilizer Corporation's Plant at Durgapur is in progress.

PIPELINE PROJECTS UNDER STUDY

The techno-economic study of a fuel-oil pipeline from Haldia to Calcutta to meet the demand of fuel-oil in the Eastern region, when Haldia Refinery goes on stream, has been prepared. Techno-economic studies for pipelines from Bombay to Poona and Bombay to Manmad to carry the products of private oil refineries have also been prepared and sent to the Government. These pipelines when constructed will relieve the pressure on the Indian Railways in the Ghat sections of the Central Railway.

WELFARE

A small colony has been constructed at Haldia where housing facilities did not exist. Quarters at Rajbandh are also expected to be completed shortly. The construction work of quarters at Barauni is in progress.

Employees avail of the educational, medical and sports facilities forming part of the welfare programmes of the Corporation.



MARKETING DIVISION

SALES

The sales of the Corporation touched a new high at 8.11 million kilolitres during the year under review as against 6.46 million kilolitres in the previous year and 4.89 million kilolitres in the year 1966-67. During three years, the sales turnover of the Corporation has more than doubled from 3.79 million kilolitres in 1965-66 to 8.11 million kilolitres in 1968-69. Not only did the Corporation retain its position as the market leader during the year under report, but it increased its market participation to 44.3% compared to 40.3% during the previous year and 34.2% in the year 1966-67.

Commensurate with product availability and demand, a sales target of 10.20 million kilolitres has been set for the domestic market for the year 1969-70.

RETAIL OUTLETS

548 retail outlets were commissioned during the year under review bringing the total number of retail outlets at the end of the year to 2264. Emphasis has been laid during the year to raise throughput per outlet and also to modernise the existing outlets so as to equip them better to serve the customers.

LIQUEFIED PETROLEUM GAS

During the year 70,000 new customers were registered by the distributors and sub-distributors of the Corporation.

AVIATION

During the year under review, the market participation of the Corporation in the total aviation fuel requirements of the country, including the International Airlines rose substantially and it stood



Whether in hills or plains, summer or winter, Jyoti Kerosene is needed everywhere, Here a kerosene-filled handcart trudges along the snow covered road in Nainital

at 70%. The number of aviation stations stood at 65 at the end of the year as against 52 during the preceding year and 31 at the end of 1966-67. This is the largest number of stations that any oil company has so far handled in India. The operating cost at our air-field stations has been under constant check and there has been steady improvement in the unit operating cost. Quality control of aviation products has been maintained at the highest level. A modern hydrant system is proposed for the Calcutta airport and similar systems will be provided at other airports in keeping with the report of the International Airports Committee. The Corporations' foreign earnings on account of supplies of aviation fuels to a dozen international airlines are about Rs. 1.27 crore a year.

EXPORTS

During the period under review, the Corporation exported 2,61,369 tonnes of petroleum products valued at Rs. 357.26 lakhs. The Corporation expects to export during 1969-70 about 5,40,000 tonnes of petroleum products, viz. Motor Spirit, Naphtha and Asphalt. The foreign exchange earnings on these exports are expected to be about Rs. 7 crores.

A series of attention-getting advertisements on aviation refuelling.



IMPORTS

The value of imports of POL products during the year ended 31st March 1969 amounted to Rs. 2,240.37 lakhs as against Rs. 2,509.58 lakhs during 1967-68. A substantial quantum of imports was made from rupee sources, thereby saving free foreign exchange of the value of about Rs. 14 crores.

STORAGE AND DISTRIBUTION FACILITIES

During the year 1968-69, storage capacity at 14 port installations, one inland installation and 8 pipeline installations was increased to 8,20,800 kilolitres from 716000 kl at the end of the year 1967-68. The number of bulk depots in operation as on 31st March 1969 was 114, having a storage capacity of 1,13,800 kilolitres as compared to 110 bulk depots with a storage capacity of 1,03,200 kilolitres as at the end of previous year. The number of consumer depots and relay/satellite depots was increased to 129 and 89 with tankage capacity of 58,950 kilolitres and 3,790 kilolitres respectively at the close of the year as against 119 and 87 with tankage capacities of 54,900 kilolitres and 3,700 kilolitres respectively at the end of the previous year.

EFFICIENCY RESEARCH

The efficiency Research Department continued its efforts to improve productivity. The studies completed included the working of the Haldia-Barauni-Kanpur Pipeline, District Offices, the Madras Lubricants Blending Plant and the Gauhati Refinery. A long-term programme to streamline office systems and procedures has been initiated. The accounting codes have been revised as a result of a study to develop a Management Information System. A detailed study on stocks and Sales Accounting has been completed in conjunction with the Accounts Department. Forms Design and Control Cells have been established in each Branch to simplify paperwork.

TRAINING

The administrative Staff College of the Marketing Division continued to meet the growing training needs. Training Cells have been established in each Branch to run courses for junior officers and staff. The new courses run centrally pertained to Personnel and Industrial Relations, Product Exchange and Engineering. Total number of courses conducted for the Corporations' officers during the year 1968-69 was 43. Thirteen courses were also conducted for the Defence personnel.

MATERIALS & INVENTORY CONTROL

A separate Department was organised to look after inventory control, purchases and disposal. The department has been able to liquidate surplus materials to the extent of Rs. 14.5 lakhs. The ratio of inventories to consumption came down to 16.2% as against 29.2% during the preceding year and 47.4% in 1966-67. A study on materials management was conducted by a consultancy firm and its recommendations are being implemented. High, medium and low value analysis was completed during the year; coding and classification of materials has been started.

TANKTRUCK OPERATION

The fleet of tanktrucks (excluding aviation) was reduced further to 285 during the year from 311 as in the previous year. On an average 4,176 kilolitres per tanktruck were delivered during the year, thereby achieving a 4% increase with the reduced fleet.

STOCK LOSSES

The percentage of stock losses during the year was 0.9 as against .06 during the previous year. The increase was attributable to the need for storage of motor gasoline in cone roof tanks and to the special arrangements which had to be made at Sabarmati and Kandla for the export of Naphtha by using cone roof tanks.

PUBLIC RELATIONS

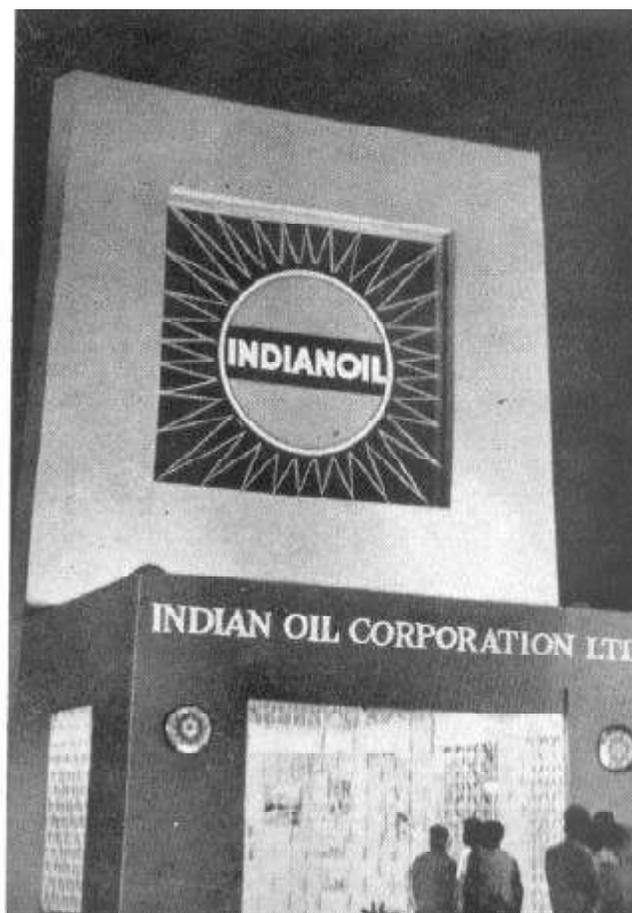
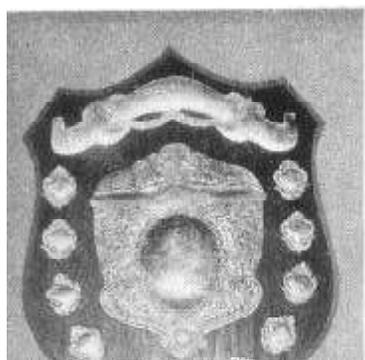
A series of advertisements highlighting the sale of aviation fuels to international airlines was undertaken during the year. To commemorate the centenary of Mahatma Gandhi, a special advertisement was issued and a special greeting card was brought out.

The Corporation participated in the Discovery of India Exhibition at Bombay and the National Fair at Bangalore. At Bombay, our pavilion was declared the second best and at Bangalore it was awarded the first prize. A colour documentary on "the Road Services in India" is being produced with the help of the Films Division. Apart from the monthly journal "Indian oil News" the publication of a quarterly "Dealer News" has been undertaken. The Corporation also actively associated itself with the London-Sydney Marathon race, Indore Car Rally, Motor Rally in Calcutta and the Car Race in Madras. The Corporation also helped in raising funds for the Koyna Earth-quake Relief Fund and the Flag Day Fund.

ENGINEERING

With a view to providing guidance on engineering procedures, the first volume of the Engineering Manual was introduced. Two more volumes of the Manual, on the subject of pumps, compressors and pipelines are proposed to be released shortly. Drawings have been standardized for storage tanks, staff quarters, gantries and service stations.

Trophies won by Indian oil at exhibitions A view of Indian oil Pavilion at the 'Discovery of India' Exhibition, Bombay held in Bombay and Bangalore.



The first LPG Bottling Plant with an installed capacity of 110 cu.m. was commissioned at Shakurbasti Installation in September 1968. A Can Factory at Ernakulam was commissioned in December 1968. Work is in hand to provide additional tankage at Sewree and Sabarmati Installations and to build storage tanks on the premises of FCI Durgapur for storing and handling Naphtha. Land was taken from Mormugao Port Trust at Goa for building a new Installation.

INDUSTRIAL RELATIONS AND WELFARE

The industrial relations in the Marketing Division of the Corporation remained generally satisfactory. The Corporation has been extending all facilities to encourage Cooperative movement amongst the employees. Cooperative Credit Societies have been established in the Head Office and some Branches. A Consumer Cooperative Society has also started functioning in the Head Office. The Corporation had built a Housing Colony for the Employees in Andheri; it has now in hand a proposal to build 42 flats for officers so as to ease the residential accommodation problem and to facilitate the officers' transfers. In addition to the reimbursement of actual medical expenses which the Corporation allows, a dispensary has been set up in the Staff Colony at Andheri and part time doctors have been employed for the Head Office, Western Branch and other Installations for the benefit of employees during the working hours. Such facilities are planned to be extended to other Branches also.

To make the sales force sufficiently mobile, officers in the field have been provided with liberalised car loans. Communication network is being improved by providing Telex Services at every District Office. So far 9 Telex Services have been provided in the District Office.

PERSONNEL

The total strength of staff in the Marketing Division at the end of the year was 7,554 as against 6,931 at the close of the previous year. All opportunities are given to the employees to attain better positions and as a matter of policy their claims to promotions are given due consideration before direct recruitment is resorted to. Management Development Programmes were initiated during the year to meet the future needs of the organisation. The selection procedure for Management Trainees has been further streamlined with a view to achieve maximum objectivity. The method of testing the knowledge of the candidates and conducting of the interviews has been made more scientific. A long term man-power plan covering a period of 5 years has been developed on the basis of the projected sales target for the period. This long term requirement is reviewed annually on the basis of the previous year's achievements to ensure that recruitment is a continuous process and not ad hoc.

OUTSTANDINGS

In the context of the generally difficult economic condition and the tight money market, one of the major problems in Marketing Division is collection of outstanding dues from various customers. Out of Sundry debtors of Rs. 35.24 crores, an amount of approximately Rs. 14.35 crores relates to supplies made under DGS&D contracts. In respect of these supplies, billwise details of Rs. 12.82 crores are available. The balance of Rs. 1.53 crores represents bills unpaid, short paid or lost in transit. Efforts are being made to collect these details and dues. The problem is being tackled on a high priority basis which has borne very good results. Despite increase in turnover this year by about 22% from Rs. 430.48 crores to Rs. 526.15 crores, compared to the previous year the total dues have come down from Rs. 35.58 crores (representing about 30 days sale) to Rs. 35.54 crores (representing 25 days' sale).

INDIAN OIL BLENDING LIMITED

The two lube blending plants at Trombay and Calcutta and a grease manufacturing plant at Bombay belonging to the Indian Oil Blending Limited (a joint venture of Indian Oil Corporation Limited and Mobil Petroleum Company Inc. on a 50:50 basis) made good progress in its



manufacturing plants during the year under review. The Company had a total throughput of 1,22,500 kilolitres as against 89,900 kilolitres during the preceding year, thus registering an increase of 36% over the previous year. The grease plant more than doubled its throughput which stood at 2,656 tonnes compared to the previous year's throughput of 1,100 tonnes.

Indian Oil Blending Limited declared a dividend of 20% on its paid up capital. The Corporation holding 50% of the equity capital will receive Rs. 4 lakhs as gross dividend for the year 1968-69.

BOARD OF DIRECTORS

Shri P.K. Rau was appointed as Finance Director of the Corporation with effect from the afternoon of 4th September 1968 in place of Shri M.V. Rao who ceased to be a Director. Sarvashri A.A. Peerbhoy, S. Ghosh, E.P.W da Costa, and Arun Roy Choudhury retired at the last annual general meeting held on 16th November 1968. Sarvashri E.P.W. da Costa, S. Ghosh and Arun Roy Choudhury were re-appointed as Directors with effect from 28th November 1968, 30th November 1968 and 28th February 1969 respectively. Shri oendra Mishra was appointed as a Director with effect from 3rd December 1968. Shri F.N. Rana resigned on 9th April 1969 and Shri S.M. Ghosh was appointed in his place with effect from 6th May 1969. Shri S.K. Majumdar was appointed as Director with effect from 9th June 1969 in place of Shri R.S. Gupta. The Board of Director held 11 meetings during the year with an average attendance of 76%. The various sub-committees of the Board met 22 times during the year.

For and on behalf of the Board,

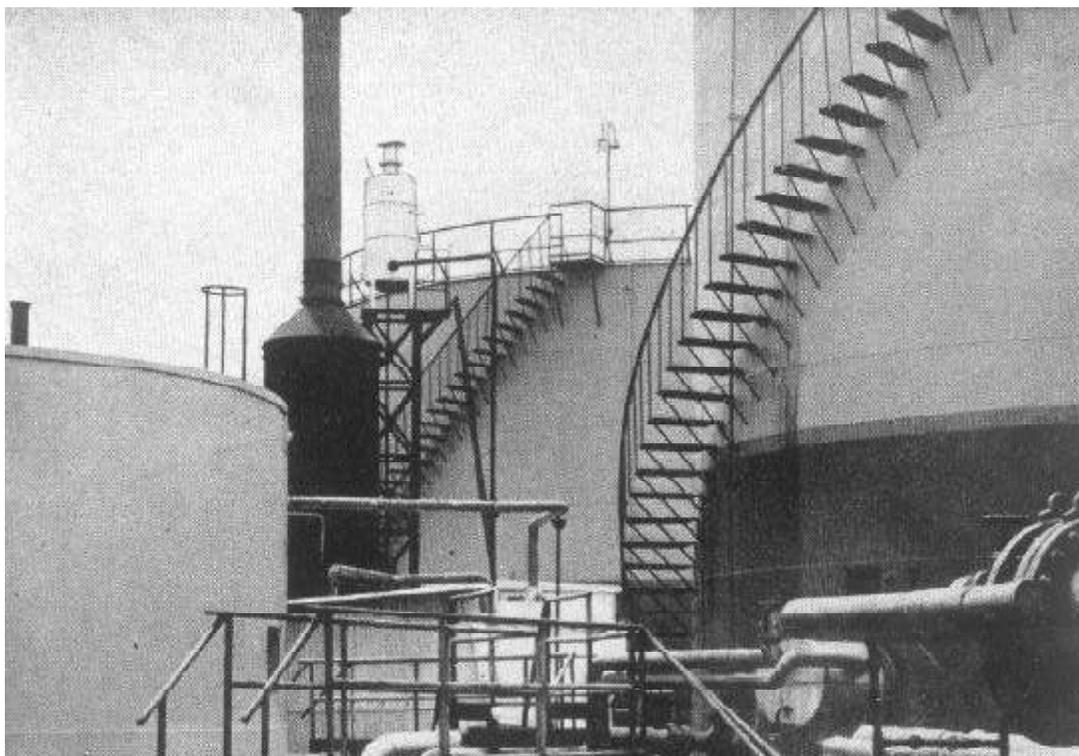
BOMBAY

Dated 15th September, 1969

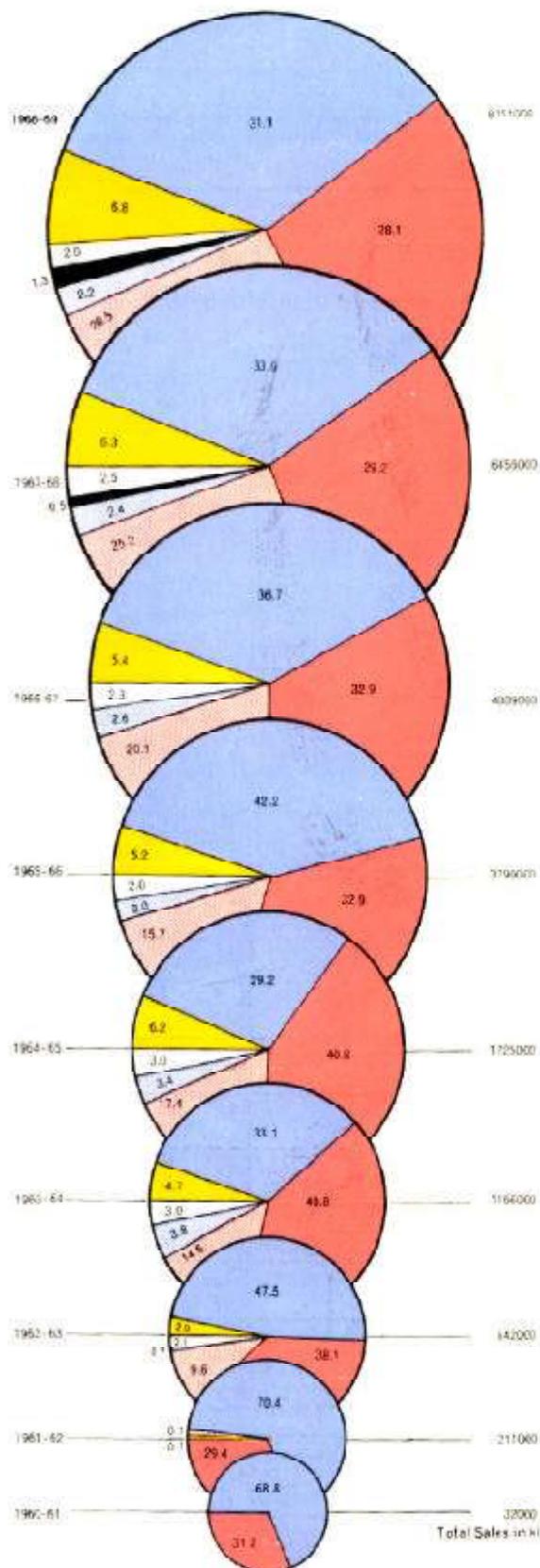
N.N. KASHYAP

Chairman.

Hot oil-heating system surrounded by stock oil tanks at Indian Oil Blending Plant.



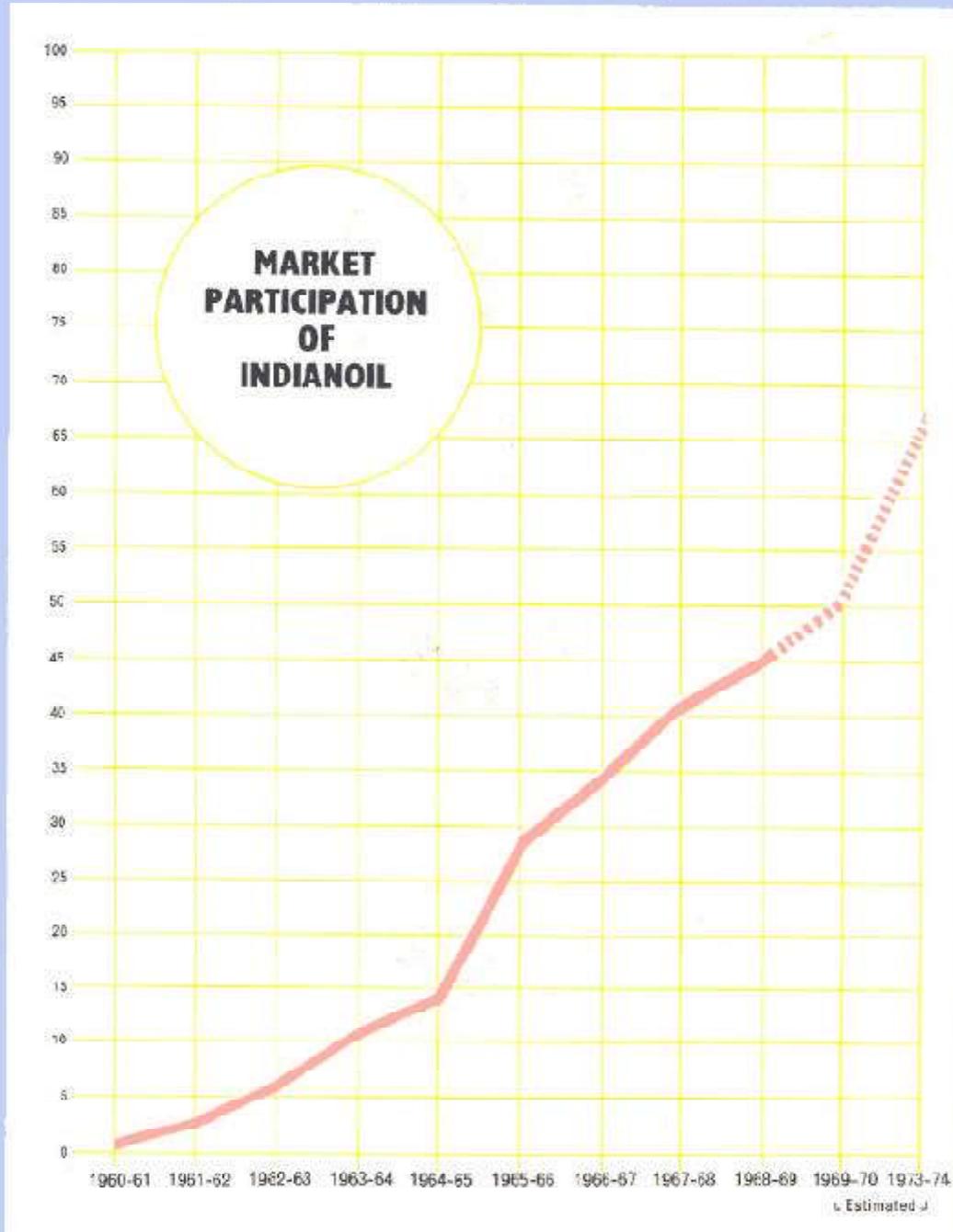
Indian Oil Corporation Limited



INDIANOIL SALES

Percentage of the total sales during each year

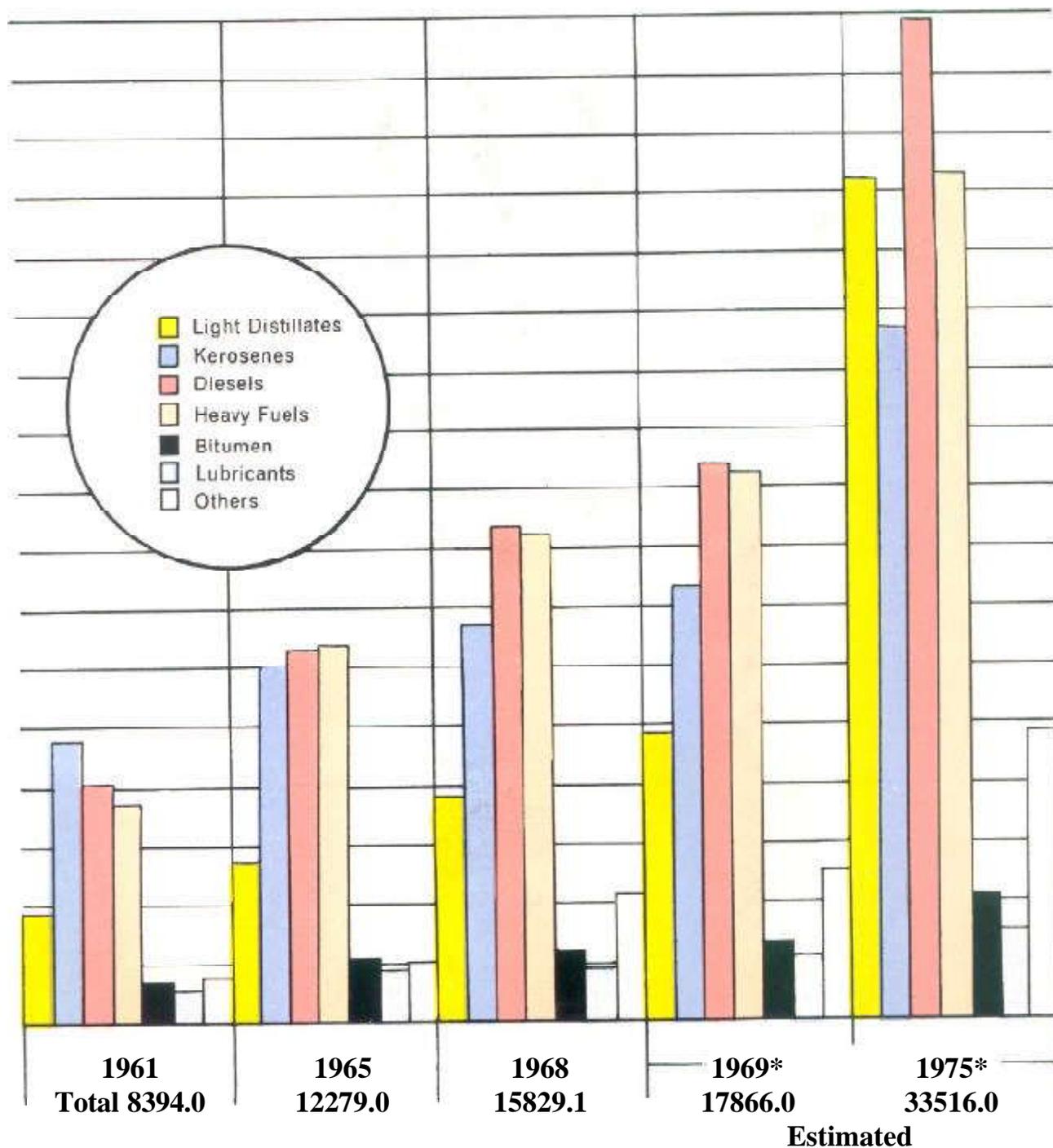




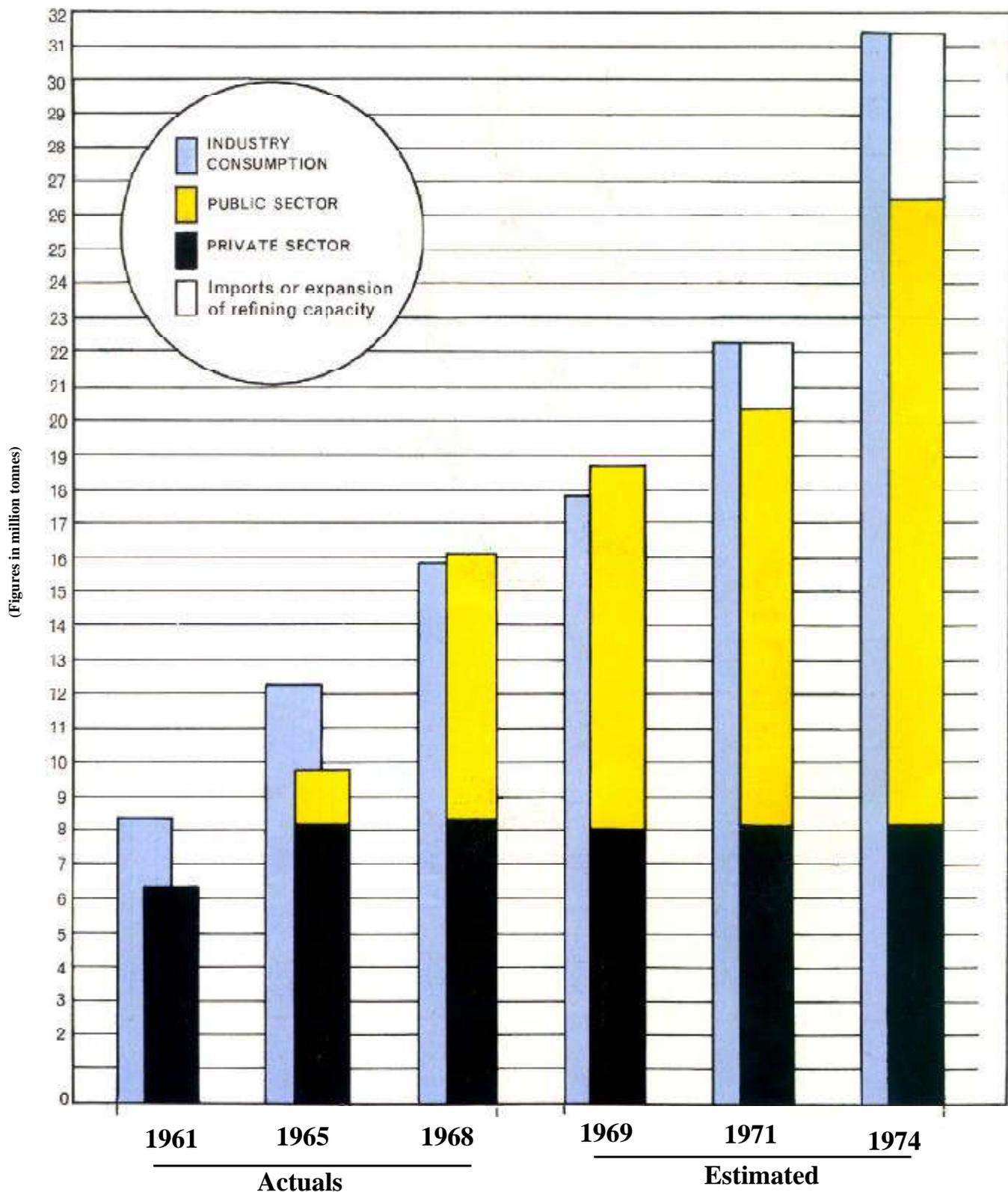
(market participations, in percentage, is given in relation to the product handled by Indianoil)

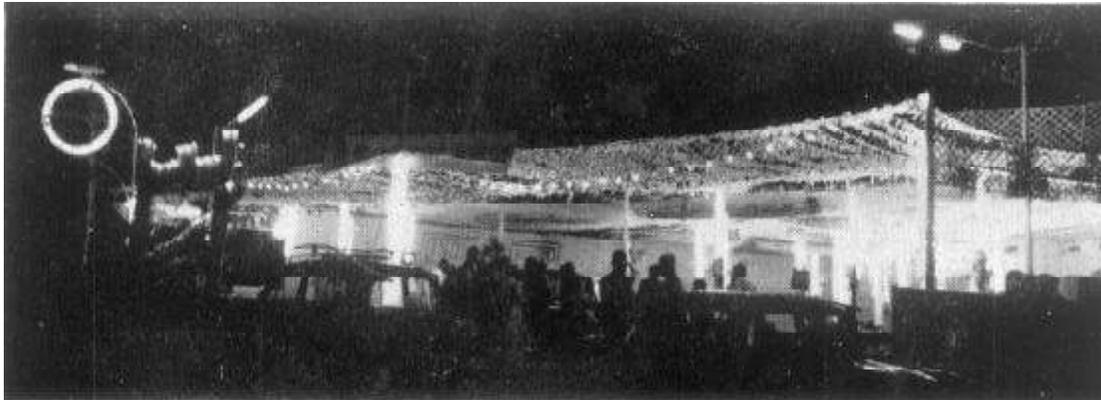


CONSUMPTION OF PETROLEUM PRODUCTS IN INDIA



CONSUMPTION OF PETROLEUM PRODUCTS AND REFINING CAPACITY IN INDIA





An illuminated view of a modern service station

The motor-cycle rally ready to take a start from one of our retail outlets at Coimbatore



BALANCE SHEET AT A GLANCE

1968 (Rs. in lacs)			1969 (Rs. in lacs)	
		I. WHAT WE OWN		
		FIXED ASSETS		
36		1. Investments	35	
14,982		2. Land, Buildings, Plant & EQUIPMENT	14,850	
	15,018			14,885
		CURRENT ASSETS		
3,597		3. Sundry Debtors	3,579	
3,530		4. Stock and Stores	4,002	
2		5. Other Assets	-	
562		6. Loans and Advances	666	
423		7. Deposits	613	
672		8. Cash and Bank Balances	421	
	8,786			9,281
	23,804			24,166
		II. WHAT WE OWE		
7,300		9. Loan From government	6,350	
2,799		10. Loan From Bank	2,487	
5,580		11. Sundry Creditors and other Current Liabilities	5,856	
	15,679			14,693
	8,125	NET WORTH		9,473
		III. NET WORTH REPRESENTED BY		
7,118		12. Equity Share Capital	7,118	
1,007		13. Reserves and Surplus	2,355	
	8,125			9,473

PROFIT AND LOSS ACCOUNT AT A GLANCE

1968 (Rs. in lacs)			1969 (Rs. in lacs)	
		I. WE EARNED FROM		
43,120		1. Sales and Transfers under Product Exchange	52,682	
134		2. Other Income	159	
	43,254			52,841
		II. WE SPENT OR PROVIDED FOR		
22,999		3. Raw materials Including oil stock and Transfers under product exchange	27,513	
14,176		4. Excise Duty	17,585	
588		5. Depreciation	790	
724		6. General Expenditure		
649		a) Salaries, Wages & Bonus	867	
3,205		b) Interest	630	
		c) Other Expenses	3,751	
	4,578			5,248
	42,341			51,136
	170	LESS: CONSTRUCTION PERIOD EXPENSES		
	42,171		141	
		III. OUR PROFIT WAS		50,995
	1,083	7. Profit Before Taxation		1,846
	-	8. Taxation on Profit for the year		-
	1,083	Net Profit After Taxation		1,846
		Prior Year Profit Balance		8
	1			
	1,084	Excess Provisions Written Back		1,854
		Dividends	-	
	7	Development Rebate Reserve	-	
	16	Expenditure on Increase of share capital written off	-	
	23	Dividends	498	
	1,107	Retained in Business		498
				1,356
	1			
	498			
	499			
	608			

BALANCE SHEET AS AT 31ST MARCH, 1969

1968	LIABILITIES		
	<u>SHARE CAPITAL</u>		
	<i>Authorities</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>		
	7,11,772 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		
71,17,72,000	(Transfer) (Amendment) Order, 1965,		71,17,72,000
	respectively, without payment having		
	been received in cash)		
	<u>RESERVES AND SURPLUS</u>		
	<i>General Reserve:</i>		
3,40,00,000	Balance Brought forward	Rs. 6,40,00,000	
3,00,00,000	Transferred from Profit and		
	Loss Account	<u>1,50,00,000</u>	Rs. 7,90,00,000
	<i>Development Rebate Reserve:</i>		
75,02,602	Balance brought forward	3,59,26,678	
3,00,00,000	Transferred from Profit and		
	Loss Account	<u>12,00,00,000</u>	
		15,59,26,678	
(15,75,924)	<i>Less: Written back</i>	<u>-</u>	
			15,59,26,678
7,64,211	Profit and Loss Account		<u>5,77,878</u>
			23,55,04,556
	<u>SECURED LOANS:</u>		
	<i>Loans and Advances from Bank</i>		
	(Secured by hypothecation of inventories,		
	book debts, outstanding monies recoverable,		
	claims, contracts, engagements etc and		
	guaranteed by the President of India)		
26,50,28,615			24,86,53,945
Rs. 107,74,91,504	Carried forward		Rs. 119,59,30,501

BALANCE SHEET AS AT 31ST MARCH, 1969 (Cont....)

1968	ASSETS		
	<u>FIXED ASSETS:</u>		
Rs. 144,72,22,412	As per Schedule 'A'	Rs. 146,67,64,676	
	Capital Goods in Stores (at cost)		
	including Rs. 1,11,616		
1,69,83,982	lying with contractors (1968: Rs. 24,11, 308)	1,07,87,223	
8,68,752	Capital Goods in transit (at cost)	6,50,881	
3,31,07,671	Construction period Expenses pending allocation	<u>68,28,643</u>	
	<u>INVESTMENTS : Unquoted (at cost)</u>		Rs. 148,50,31,423
2,32,400	In Government Securities (deposited		
	with various bodies)	2,51,075	
	Trade Investments:		
	Indian Oil Blending Limited		
	(a body corporate in the		
	same group) 4,000 Equity		
20,00,000	Shares of Rs. 500 each fully	20,00,000	
	paid in cash		
1,03,103	International Co-operative Petroleum		
	Association - 314 shares of \$ 100 each fully paid	1,81,853	
	<i>Other Investments:</i>		
	Barauni Consumers' Co-operative Society		
2,500	(500 Equity Shares of Rs. 10 each fully paid)	5,000	
12,95,857	Lodged by outside parties	10,66,097	
3,000	Lodged by Employees	<u>3,000</u>	
	<u>CURRENT ASSETS, LOANS AND ADVANCES</u>		35,07,025
	<i>A. Current Assets:</i>		
77,98,05,320	As per Schedule 'B'	80,02,13,304	
	<i>B. Loans and Advances:</i>		
9,85,02,588	As per Schedule 'C'	<u>12,78,82,843</u>	
			92,80,96,147
<u>Rs. 238,01,27,585</u>	Carried forward..		<u>Rs. 241,66,34,595</u>

Indian Oil Corporation Limited

BALANCE SHEET AS AT 31ST MARCH, 1969 (Cont....)

1968	LIABILITIES		
Rs. 107,74,91,504	Brought forward...		Rs. 119,59,30,501
	<u>UNSECURED LOANS</u>		
1,48,57,268	Short term loans and advances from Bank (guaranteed by the Government)	—	
	<i>Other Loans and Advances:</i>		
	From the Government of India (including Rs. 9,76,45,734 - 1968: Rs. 9,50,70,520 - due for payment within one year)	Rs. 63,49,76,800	
73,00,47,320	Foreign Credit (including Rs. 1,74,92,100- 1968: Rs. 1,90,28,696 - due for payment within one year)	8,02,58,213	
9,92,23,011	Interest accrued and due on loans	<u>45,801</u>	71,52,80,814
18,35,032			
	<u>CURRENT LIABILITIES AND PROVISIONS</u>		
45,69,05,843	As per Schedule 'D'		50,54,23,280
<u>Rs. 238,03,59,978</u>			<u>Rs. 241,66,34,595</u>

Note: See Schedule 'G' for Notes on the Accounts

As per our report attached

Bombay, 12th September, 1969

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



BALANCE SHEET AS AT 31ST MARCH, 1969 (Cont....)

1968			
Rs. 238,01,27,585	Brought forward		Rs. 241,66,34,595
	<u>MISCELLANEOUS EXPENDITURE</u> (To the extent not written-off or adjusted)		
2,32,393	Deferred Revenue Expenditure		-
<u>Rs. 238,03,59,978</u>			<u>Rs. 241,66,34,595</u>

N.N. Kashyap
Chairman

Kamaljit Singh
Managing Director

P.K. Rau
Director

D.B. Puri
Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969

1968			
Rs. 17,65,02,987	Stock as on 1st April, 1968:	Rs. 21,45,64,168	
1,58,87,616	Finished Goods	1,57,08,575	
	Stock in Process	<u> </u>	Rs. 23,02,72,743
178,14,35,034	Purchases and Transfers under Product Exchange		206,33,71,512
	Raw Materials consumed:		
2,87,36,328	Opening Stock as on Ist April, 1968	4,72,15,336	
57,47,93,884	Add: Purchases	72,02,83,850	
		<u>76,74,99,186</u>	
(4,72,15,336)	Less: Closing Stock as on 31st March, 1969	<u>5,23,91,955</u>	71,51,07,231
–	Exchange Fluctuations		2,83,533
3,01,94,940	Power and Fuel	3,45,46,663	
(2,90,42,574)	Less: Fuel of own production	<u>3,33,59,193</u>	
	Blending Fees, Royalty and other charges		11,87,470
91,78,328	Consumption of Stores, Spare Parts and Chemicals and Cost of Tins Sold		1,00,53,942
4,55,75,260	Excise Duty		6,60,35,907
141,76,29,307	Freight and Transportation Charges		175,84,94,270
15,78,64,434	(Less: Recoveries under Product Exchange Transactions)		18,83,06,736
	Salaries, Wages and Bonus		8,67,19,720
7,24,45,430	Contribution to Provident Fund		53,45,194
44,23,436	Staff Welfare Expenses		35,09,591
24,63,560	Rent		1,25,54,120
1,07,06,487			
<u>Rs. 425,15,79,121</u>	Carried forward		<u>Rs. 514,12,41,969</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969 (Contd....)

1968			
Rs. 431,22,00,311	Sales and transfers under Product Exchange	Rs. 527,26,87,595	
(63,49,165)	Less: Commission and Discounts	1,10,91,294	
		<hr/>	Rs. 526,15,96,301
61,07,997	Company's use of own oil		66,99,818
12,57,387	Exchange Fluctuations (After deducting loss on devaluation - Rs. Nil - (1968 : Rs. 2,28,850)		-
39,94,443	Sale of Power and Water		49,96,364
5,71,165	Interest on Advances (Gross - Tax deducted at source Rs. 24,135-1968 : Rs. 15,616)		4,18,065
57,216	Profit on Sale and Disposal of Assets		1,82,478
3,653	Income from Investments		6,573
	Dividends Received (Trade Investments)		
4,644	Gross (including tax deducted at source Rs. 60,082 - 1968 : Rs. Nil)	4,04,693	
(1,393)	Less Withheld US Tax	1,408	
		<hr/>	4,03,285
65,24,399	Miscellaneous Income		94,48,773
77,634	Provision for doubtful debts and advances written back		9,284
-	Provision for contingencies written back		3,00,000
9,49,541	Provision for Installation Charges written back		-
	Closing Stock as on 31st March 1969		
21,45,64,168	Finished Goods	23,93,63,524	
1,57,08,575	Stock in Process	1,80,68,449	
		<hr/>	25,74,31,973
<hr/>	Carried Forward		<hr/>
Rs. 455,56,70,575			Rs. 554,14,92,914

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969 (Contd....)

1968			
Rs 425,15,79,121	Brought forward		Rs. 514,12,41,969
	Repairs and Maintenance:		
99,63,788	(a) Plant and Machinery	Rs. 1,18,45,576	
19,37,101	(b) Buildings	27,08,499	
24,03,011	(c) Others	25,61,679	
			1,71,15,754
30,84,812	Insurance		36,14,037
	Interest		
4,21,21,873	On Government Loan for fixed period	4,16,27,114	
57,42,098	On Foreign Credit for fixed period	47,09,152	
1,70,40,946	Others	1,67,09,814	6,30,46,080
	Rates and Taxes (including irrecoverable		
3,06,01,357	Sales Tax Rs. 37.92 lac - 1968 RS. 176.43 lacs		1,97,54,464
3,44,94,983	Office Administrative, Selling and Other Expenses		4,04,17,901
61,400	Donations		1,31,386
3,550	Directors Fees		6,700
	Payment to Auditors:		
1,65,000	1) Audit Fees	1,65,000	
56,297	2) Other Services	14,796	
51,540	3) Out of Pocket Expenses	45,954	
	Bad Debts, Advances and Insurance		2,25,750
22,224	Claims written off		9,70,271
9,70,957	Loss on Assets, revalued, sold, lost or written off		8,88,560
6,42,889	Provision for Doubtful Debts, Advances and Claims		3,93,250
10,83,712	Provision for renewal of Catalyst		17,29,513
36,35,954	Provision for Gratuity		25,13,402
5,87,75,834	Depreciation and Amortisation		7,89,55,839
Rs. 446,44,38,447	Carried Forward		Rs. 537,10,04,876

Indian Oil Corporation Limited**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969 (Cont.....)**

1968 Rs. 455,56,70,575	Brought forward	Rs. 554,14,92,914
Rs. 455,56,70,575	Carried forward	Rs. 554,14,92,914

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969 (Cont.....)

1968			
Rs. 446,44,38,447	Brought forward		Rs. 537,10,04,876
(1,70,35,040)	Less: Expenses Capitalised or Transferred to Construction period Expenses		1,41,49,669
<u>444,74,03,407</u>			<u>535,68,55,207</u>
10,82,67,168	Net Profit carried down		18,46,37,707
<u>Rs. 455,56,70,575</u>			<u>Rs. 554,14,92,914</u>
Rs. 1,52,803	Income Tax for prior years		-
3,00,00,000	Transfer to Development Rebate Reserve		Rs. 12,00,00,000
4,98,24,040	Proposed Dividend (Rs. 70 per share)		4,98,24,040
3,00,00,000	Transfer to General Reserve		1,50,00,000
1,50,000	Expenditure on increase of Share Capital written off		-
7,64,211	Balance carried forward		5,77,878
<u>Rs. 11,08,91,054</u>			<u>Rs. 18,54,01,918</u>

Note: See Schedule 'G' for Notes on the Accounts

As per our report attached to the Balance Sheet

Bombay 12th September, 1969

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



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1969 (Cont....)

1968			
Rs. 455,56,70,575	Brought forward		Rs. 554,14,92,914
<u>Rs. 455,56,70,575</u>			<u>Rs. 554,14,92,914</u>
Rs. 90,985	Balance brought forward		Rs. 7,64,211
10,82,67,168	Net Profit brought down		18,46,37,707
7,49,753	Proposed Dividend (1967) Excess written back		-
2,07,224	Provision for Income Tax written back		-
15,75,924	Development Rebate Reserve written back		-
<u>Rs. 11,08,91,054</u>			<u>Rs. 18,54,01,918</u>

N.N. Kashyap
Chairman

Kamaljit Singh
Managing Director

P.K. Rau
Director

D.B. Puri
Secretary

FIXED ASSETS

SCHEDULE 'A'

	<i>Gross Block as at 31st March, 1968 at cost</i>	<i>Additions during the year at cost</i>
LAND:		
Freehold	Rs. 2,97,16,962	Rs. 8,25,556
Leasehold	14,24,918	4,77,631
Right of way	21,46,365	-
BUILDINGS, ROADS ETC.	*15,41,12,400	8,17,219
PLANT AND MACHINERY	99,89,34,107	2,36,65,770
TRANSPORT EQUIPMENT	4,13,38,113	19,61,522
FURNITURE AND FIXTURES	1,89,50,639	21,67,751
RAILWAY SIDINGS	2,04,35,470	2,28,339
DRAINAGE SEWAGE AND WATER SUPPLY SYSTEM	11,65,65,807	39,105
SUNDRY ASSETS	5,48,691	9,630
TOTAL	Rs. 138,41,73,472 (126,08,91,412)	Rs. 3,01,92,523 (3,33,84,968)
Capital Work in progress (Including unallocated Capital Expenditure and Materials at Site)		
TOTAL		

- Notes: 1. *Includes Rs. 500 towards cost of 10 shares of Rs. 50 each (fully paid) held in the Casa Grande Co-operative Housing Society Limited, Bombay.
2. Some of the above assets may be subject to reclassification or adjustment on receipt of completion reports and finalisation of bills.
3. Figures shown in Brackets are for the previous year.

FIXED ASSETS (Cont....)

SCHEDULE 'A'

<i>Transfers, Deductions and Reclassifications at cost</i>	<i>Gross Block as at 31st March, 1969 at cost</i>	<i>Total Depreciation and Amortisation upto 31st March, 1969</i>	<i>Net Depreciated Block as at 31st March, 1969</i>
(-) Rs. 33,78,894	Rs. 2,71,63,624	–	Rs. 2,71,63,624
–	19,02,549	Rs. 3,09,111	(2,97,16,962)
(+) 8,36,111	29,82,476	–	15,93,438
(+) 1,69,82,623	17,19,12,242	1,56,83,804	(11,85,318)
(+) 21,74,31,108	124,00,30,985	18,39,90,088	29,82,476
(-) 14,44,822	4,18,54,813	1,31,96,843	(21,46,365)
(+) 10,96,813	2,22,15,203	43,75,493	15,62,28,438
(+) 7,73,820	2,14,37,629	19,80,139	(14,28,96,209)
(+) 20,07,216	11,86,12,128	1,79,07,388	105,60,40,897
(-) 3,66,395	1,91,926	1,19,392	(87,70,46,896)
(+) Rs. 23,39,37,580	Rs. 164,83,03,575	Rs. 23,75,62,258	2,86,57,970
(+) (8,98,97,092)	(138,41,73,472)	(15,98,05,714)	(3,18,80,083)
			1,78,39,710
			(1,70,23,755)
			1,94,57,490
			(1,89,92,309)
			10,07,04,740
			(10,31,89,313)
			72,534
			(2,90,548)
			Rs. 141,07,41,317
			(122,43,67,758)
			5,60,23,359
			(22,28,54,654)
			Rs. 146,67,64,676
			(144,72,22,412)

CURRENT ASSETS

SCHEDULE 'B'

1968				
Rs. 4,633	INTEREST ACCRUED ON INVESTMENTS			Rs. 11,396
	INVENTORIES (as valued and certified by the Management)			
6,95,47,803	Stores and Spare Parts (at or under cost)		Rs. 7,94,61,475	
2,83,736	Loose Tools		2,19,170	
7,84,320	Liquid Petroleum Gas Accessores (at cost)		7,88,010	
30,57,818	Stores in transit (at cost)		63,97,614	
				8,68,66,269
	Stock in Trade			
4,72,15,336	Raw Materials (at cost)	Rs. 5,23,91,955		
	Oil Stocks (at cost or net realisable value whichever is lower)	23,93,63,524		
21,45,64,168	Stock in Process (at or under cost)	1,80,68,449	30,98,23,928	
1,57,08,575	Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		35,26,320	
18,19,015	SUNDRY DEBTORS:			31,33,50,248
	Over six months old:			
	Secured		5,95,785	
9,55,681	Unsecured considered good		9,89,36,633	
10,10,38,345	Unsecured considered doubtful		33,14,207	
32,54,131	Less than six months old			
	Secured		39,79,999	
29,24,898	Unsecured considered good		25,43,95,879	
25,47,39,882	Unsecured considered doubtful		30,661	
1,102			36,12,53,164	
	Less: Provision for doubtful debts		33,44,868	
(32,55,233)	CASH BALANCES			35,79,08,296
	Cash including imprest and cheques on hand		60,41,464	
2,87,00,464	Remittances in Transit		3,10,01,900	
1,75,18,704	BANK BALANCES			3,70,43,364
	With Scheduled Bank on Current Account		40,61,191	
2,07,87,932	With Scheduled Bank on Fixed Deposit Account (including Rs. 2,93,952~ lodged by outside parties ~ 1968)			
	Rs. 17,500		9,72,540	50,33,731
1,54,010				
				Rs. 80,02,13,304
<u>Rs. 77,98,05,320</u>				<u>Rs. 80,02,13,304</u>

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

LOANS AND ADVANCES

SCHEDULE 'C'

1968			
Rs. 3,72,481	(Unsecured considered good unless otherwise stated)		Rs. 14,43,094
	Bills of Exchange		
	Advances Recoverable in cash or in kind or for value to be received including cost of materials supplied to contractors:		
25,75,390	Secured	Rs. 40,66,178	
4,42,79,376	Unsecured Considered Good	4,50,19,399	
79,938	Unsecured Considered Doubtful	1,01,731	
		<u>4,91,87,308</u>	
(79,938)	Less: Provision for Doubtful Advances	1,01,731	4,90,85,577
	Claims Recoverable :		
87,67,697	Unsecured Considered Good	1,39,24,717	
4,80,171	Unsecured Considered Doubtful	6,68,976	
		<u>1,46,13,693</u>	
(4,80,171)	Less: Provision for Doubtful Claims	6,88,976	1,39,24,717
	Debtors for loan of Materials		
1,79,638	Unsecured Considered Good	21,45,339	
273	Unsecured Considered Doubtful	64,006	
		<u>22,09,345</u>	
(273)	Less: Provision for Doubtful Debtors for loan of Materials	64,006	21,45,339
	Sundry Deposits including amount adjustable on receipt and settlement of final bills		3,13,32,459
1,80,59,270			
2,42,68,736	Balances with Customs, Port Trust etc.		2,99,51,657
<u>Rs. 9,85,02,588</u>			<u>Rs. 12,78,82,843</u>

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

Indian Oil Corporation Limited

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE 'D'

1968			
	A - CURRENT LIABILITIES		
Rs. 4,74,75,112	Acceptances	Rs. 5,01,72,459	
31,41,94,079	Sundry Creditors	35,20,72,346	
	Security Deposits		
	(including Rs. 2,93,952		
	deposit with the Bank		
	as per contra - 1968 : Rs. 17500/-		
	and		
	investments lodged		
	by outside parties as		
	per contra Rs. 10,69,097		
2,23,36,921	- 1968 : Rs. 12,98,857)	2,61,81,682	
1,64,75,117	Interest accrued but not due on loans	1,66,59,128	
98,408	Creditors for materials on loan	69,734	
			Rs. 44,51,55,349
	B- PROVISIONS		
39,24,654	Provision for Gratuity	64,36,866	
3,00,000	Provision for Contingencies	-	
22,77,512	Provision for Renewal of Catalyst	40,07,025	
4,98,24,040	Proposed Dividend	4,98,24,040	
			6,02,67,931
Rs. 45,69,05,843			Rs. 50,54,23,280

DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT**SCHEDULE 'E'**

1968	<u>NAME OF THE COMPANY</u>	
Rs. 18,823	Ashoka Hotels Limited	Rs. 13,887
21,677	Bharat Earth Movers Limited	27,456
30,083	Bharat Electronics Limited	31,358
2,86,286	Bharat Heavy Electricals Limited	1,60,495
-	Bharat Heavy Plates and Vessels Limited	1,201
-	Bokaro Steel Limited	1,73,312
8	Cement Corporation of India Limited	11,343
1,39,006	Central Inland Water Transport Cororation Limited	28,571
2,62,036	Central Road Transport Corporation Limited	2,81,285
9,393	Cochin Refineries Limited	21,084
396	Engineers Inida Limited	8,583
19,35,430	Fertilizer Corporation of India limited	9,33,319
3,43,209	Fertilizers and Chemicals, Travancore Limited	5,71,934
92,491	Garden Reach Workshops Limited	2,01,086
1,46,340	Heavy Electricals (India) Limited	97,942
2,71,262	Heavy Engineering Corporation Limited	2,36,967
8,39,103	Hindustan Aeronautics Limited	19,38,594
2,18,088	Hindustan Antibiotics Limited	2,28,900
86,109	Hindustan Cables Limited	46,649
1,881	Hindustan Housing Factory Limited	3,942
12,406	Hindustan Insecticides Limited	8,597
-	Hindustan Latex Limited	6,001
3,61,182	Hindustan Machine Tools Limited	1,87,406
-	Hindustan Organic Chemicals Limited	2,184
11,138	Hindustan Photo Films Manufacturing Limited	5,971
29,041	Hindustan Shipyard Limited	51,926
43,96,750	Hindustan Steel Limited	57,88,667
-	Hindustan Steel Works Construction Limited	10,13,314
151	Hindustan Teleprinters Limited	20,521
31,716	Hindustan Zinc Limited	16,081
5,85,100	Indian Drugs and Pharmaceuticals Limited	5,39,910
39,301	India Rare Earths Limited	80,226
1,18,905	Indian Telephone Industries Limited	1,20,592
-	Instrumentation Limited	1,242
7,07,973	Jayanti Shipping Company Limited	11,21,437
<u>Rs. 1,09,95,284</u>	Carried Forward	<u>Rs. 1,39,81,983</u>

DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT (Contd...)

SCHEDULE 'E'

1968	NAME OF THE COMPANY	
Rs. 1,09,95,294	Brought forward ..	Rs. 1,39,81,983
990	Kerala Fisheries Corporation Limited	-
-	Lube India Limited	1,933
98,834	Madras Refineries Limited	1,64,855
16,463	Manganese Ore (India) Limited	31,572
3,07,455	Mining and Allied Machinery Corporation Limited	2,94,225
1,48,836	Mazagon Dock Limited	2,19,241
20,209	Modern Bakeries Limited	10,457
1,74,261	Mogul Line Limited	3,66,053
2,049	Nahan Foundry Limited	3,611
-	National Buildings Construction Corporation Ltd	407
29,49,999	National Coal Development Corporation Limited	24,32,637
9,813	National Instruments Limited	1,565
6,56,059	National Mineral Development Corporation Limited	4,58,336
26,120	National Newsprint and Paper Mills Limited	57,642
5,06,153	National Projects Construction Corporation Limited	2,02,703
9,929	Natinoal Seeds Corporation Limited	-
2,89,723	Neyveli Lignite Corporation Limited	2,14,265
18,736	Praga Tools Limited	26,261
14,638	Pyrites and Chemicals Development Company Limited	13,459
57,250	Sambhar Salts Limited	19,302
32,87,908	Shipping Corporation of India Limited	50,33,157
67,324	Singareni Collieries Company Limited	1,814
1,85,786	State Trading Corporation of India Limited	2,53,209
1,913	Triveni Structural Limited	9,655
<u>Rs. 1,98,45,732</u>		<u>Rs. 2,37,98,342</u>

ADVANCES DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

SCHEDULE 'F'

Previous Year		Name of the Company	Maximum amount during the year	
	Maximum Amount			
Rs. 7,567	Rs. 7,567	Bharat Electronics Limited	Rs. 7,567	Rs. 7,567
-	6,736	Bharat Heavy Electricals Limited	77,683	1,47,664
1,435	1,435	Bokaro Stel Limited	-	1,435
27,807	27,807	Engineers India Limited	7,76,800	14,25,933
-	-	Fertilizers and Chemicals, Travancore Limited	60,001	83,270
27,171	28,187	Hindustan Cables Limited	17,705	1,27,085
3,275	60,263	Hindustan Machine Tools Limited	2	32,602
1,444	5,78,767	Hindustan Steel Limited	65,851	3,82,110
-	-	Hindustan Teleprinters Limited	250	250
16	16	Indian Drugs and Pharmaceuticals Limited	16	16
416	12,106	Indian Rare Eraths Limited	-	15,132
-	55,845	Indian Telephone Industries Limited	30,301	35,437
4,729	12,469	Lube India Limited	88	4,729
2,00,000	2,00,000	National Projects Construction Corporation Limited	—	200000
25,44,000	25,44,000	Minerals & Metals Trading Corporation of India Ltd.	249412	4179655
21,128	4,23,507	State Trading Corp. of India Limited	2,003	21,128
-	35,200	Shipping Corporation of India Limited	-	-
<u>Rs.28,38,988</u>			<u>Rs. 12,87,679</u>	

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1969

SCHEDULE 'G'

1. Contingent Liabilities not provided for:

- i) Claims against the Corporation not acknowledged as debts Rs. 1,542.52 lacs (1968 : Rs. 1,592.22 lacs) including Rs. 592.45 lacs (1968 : Rs. 582.93 lacs) for which suits have been filed in courts. Interest on some of the claims, if any, unascertainable pending awards.

This includes interalia:

- a) Rs. 502.75 lacs (1968 : Rs. 474.36 lacs) being the demand made by the Central Excise on certain products. The claim is disputed by the Corporation and no provision has been made pending decision by appropriate authorities.
- b) Rs. 217 lacs (1968 : Rs. 154 lacs) being the approximate amount of difference in rate of Crude Oil as paid by the Corporation and as claimed by Oil and Natural Gas Commission. The matter is under correspondence with the Government.
- c) Rs. 565.33 lacs being the compensation claimed by owners of coal mines through which a Pipeline has been laid on the grounds that mining of coal underneath the Pipeline will not be possible.
- ii) Against a claim by a contractor on the Corporation, an award has been given by the Umpire, for Rs. 48.53 lacs plus interest in favour of the Contractor. No liability has been provided for the amount awarded as the Corporation has not accepted the award and has filed a petition in the court to set aside the award.
- iii) The Corporation has given guarantees and counter guarantees to banks and others in respect of advances made by the banks to Indian Oil Blending Limited for maximum amounts of Rs. 65 lacs. (1968 : Rs. 65 lacs). As at 31st March, 1969, the amount drawn by Indian Oil Blending Limited for which the Corporation could be liable was Rs. 9.10 lacs (1968: Rs. 17.66 lacs).
- (iv) The Corporation has given guarantees to Collector of Customs and Central Excise for Rs. 100.25 lacs (1968 : Rs. 50.39 lacs in connection with execution of Customs Bond and Excise Bond on behalf of another Oil Company.
- v) Bills discounted with the Bank Rs. 38.09 lacs (1968: Rs. 181.39 lacs).
- vi) Instructions were received from the Government to provide for Installation charges amounting to Rs. 49.93 lacs (1968: Rs. 27.43 lacs) (in lieu of Railway Siding and Pipeline facilities constructed by Cochin Refineries Limited) payable to Cochin Refineries Limited in lieu of the process margin subsidy guaranteed by the Government to Cochin Refineries Limited. The question is being examined by the Corporation and no provision has been made on this account.

SCHEDULE 'G' (Contd....)

- vii) A commission of Enquiry has been appointed by the Central Government to enquire into the cases of alleged pollution of River Ganga in Mrch 1968. Liabilities in respect of damages, if any, have not been provided for.
2. Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 800.73 lacs (1968 : Rs. 519.38 lacs).
 3. No provision has been made for 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 buildings acquired from the Railways at Hathidah has not been completed so far. Claims for additional compensation have been filed by the erstwhile landowners in Gujarat which have been adjudicated in their favour for land acquired for the Gujarat Refinery. Against these claims, a deposit of Rs. 24.22 lacs (1968 : Rs. 23,60 lacs) was made with the Court. The Corporation has filed an appeal, which is pending with the High Court. Suitable adjustments will be made as and when the cases get 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. Certain Depots and Installations have been built on Government and other lands not belonging to the Corporation in respect of which formal agreements are awaited.
 4. No provision has been made for income-tax liability on account of tax on profit of foreign contractors payable by the Corporation - amount of liability not ascertainable. An advance of Rs. 5 lacs has been made to the Contractors for payment of advance income-tax.
 5. Customs duty has been paid on an adhoc basis for the Barauni and the Gujarat Refineries. Consequential adjustment,s if any, shall be made in the accounts on final assessment.
 6. Koyali-Ahmedabad Products Pipeline of the Oil and Natural Gas Commission was taken on lease with effect from Ist April, 1966. Lease terms have not yet been settled which are under consideration of the Government of India and provision of Rs. 14 lacs has been made for lease money payable to the ONGC as at 31st March, 1969. The capital cost of the pipeline has been estimated by ONGC at Rs. 2.5 crores approximately.
 7. In some cases, the reconciliation of sales tax collections and payments has not yet been completed, and to that extent, the exact liability of the Corporation towards Central and State Sales Tax remains undetermined.
 8. The Corporation has not taken credit amounting to Rs. 31 lacs, for a claim made on Oil and Natural Gas Commission on account of high vapour pressure of crude oil supplied to Gujarat Refinery.
 9. Pending final settlement, amounts recoverable from the Assam Government towards cost of land development and approach roads have not been taken credit for in the Account.
 10. The credit for low Sulphur Heavy Stock supplied to Gujarat State Electricity Board has been taken in the accounts at the rate at which payment is being made by the Party. The Corporation, however, is not agreeable to supply at this rate and is claiming payment at a higher rate. The matter at present is under consideration by the Government.
 11. The rates of depreciation of all assets have been altered with effect from Ist April, 1968. Had the rates in force in the previous year been adopted, the charge for depreciation in the Profit and Loss Account would have been less by Rs. 56.19 lacs.

Indian Oil Corporation Limited**SCHEDULE 'G' (Contd....)**

12. Included in Sundry Deposits is an amount of Rs. 52.86 lacs which represents the difference between the rates charged or credited in respect of movements of products on Installation Exchange basis by another oil company, and the rates which this Corporation claims should have been used. Negotiations are continuing for the final disposal of these claims.
13. Included in the Sundry Debtors is an amount of Rs. 30.53 lacs due from a Company for which the Corporation has filed a suit in the High Court, Bombay for recovery. In the opinion of the Board, the amount is fully recoverable and is shown as such in the Accounts. Sundry debtors also include bills pending with Chief Pay and Accounts Officer for which bill wise break-up is under preparation. In addition to this, there is a suspense account which pertains to bills not preferred due to delay in obtaining the necessary supporting documents or rate amendments for earlier years. Continuous efforts are in progress to clear this.
14. Included among the stores, particularly at Barauni Refinery, are many items which are non-moving and slow moving. These include large quantities of materials returned to stores after the construction of the Refineries, which are yet to be disposed of. Internal control over stores procedure and material management is receiving the attention of management for streamlining the procedure and for bringing down the inventories.
15. 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.
16. The Profit and Loss Account includes expenses less income relating to previous year amounting to Rs. 97.38 lacs (1968:Rs. 17.87 lacs).
17. Managerial remuneration paid or payable to Directors Rs. 1,90,626 (1968: Rs. 2,03,103) excluding Director' Fees. In addition, the Managing Director (Marketing Division) is entitled to the use of a Corporation flat, for which 10 per cent of his salary is deducted.
18. Previous year's comparative figures have been regrouped wherever necessary.

Signatures to Schedules A to G

N.N. KASHYAP
Chairman

KAMALJIT SINGH
Managing Director

P.K. RAU
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, 1969, 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 & Lewis | 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 & 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 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 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;



Indian Oil Corporation Limited**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 affairs of the Corporation as at 31st March, 1969.
- 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 12th September, 1969





A typical Indian oil retail outlet

Our price-winning pavilion at the Natinal Fair, Bangalore



SCHEDULE OF FIXED ASSETS (TOWNSHIP) AS AT 31ST MARCH, 1969

	<i>Gross Block as at 31st March, 1968, at cost</i>	<i>Additions during the year at cost</i>
LAND		
Freehold	Rs. 23,04,950	-
Leasehold	6,91,219	-
BUILDINGS AND ROADS	6,21,20,890	RS. 40,70,246
PLANT AND MACHINERY	2,30,004	615
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	91,76,868	22,689
EQUIPMENT AND APPLIANCES	16,46,616	1,49,883
FURNITURE AND FIXTURES	77,957	89,649
VEHICLES	11,29,257	1,82,416
TOTAL	<u>Rs. 8,00,77,761</u>	<u>Rs. 45,15,498</u>
CAPITAL WORK-IN-PROGRESS		
TOTAL		

SCHEDULE OF FIXED ASSETS (TOWNSHIP) AS AT 31ST MARCH, 1969 (Contd....)

<i>Transfers/Deductions and Reclassifications at cost</i>	<i>Gross Block as at 31st March, 1969, at cost</i>	<i>Total Depreciation and Amortisation upto 31st March, 1969</i>	<i>Net Depreciated Block as at 31st March, 1969</i>
(-) Rs. 33,803	Rs. 22,71,147	-	Rs. 22,71,147
-	6,91,219	Rs. 32,582	6,58,637
(+) 33,41,872	6,95,33,008	57,98,821	6,37,34,187
(+) 71,882	30,02,501	4,53,829	25,48,672
(+) 11,328	92,10,885	12,83,773	79,27,112
(+) 1,96,248	19,92,747	5,16,038	14,76,709
-	1,67,606	24,324	1,43,282
(-) 17,898	12,93,775	5,68,702	7,25,073
(+) <u>Rs. 35,69,629</u>	<u>Rs. 8,81,62,888</u>	<u>Rs. 86,78,069</u>	<u>Rs. 7,94,84,819</u>
			<u>Rs. 11,83,284</u>
			<u>Rs. 8,06,68,103</u>

Indian Oil Corporation Limited

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1969 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES.

<u>EXPENDITURE</u>		
Salaries, Wages, Bonus and P.F. Contributions		Rs. 33,84,106
Consumable Stores and Medicines		5,56,042
Subsidies for Social and Cultural Activities		41,672
Expenses on Transport		3,48,710
Utilities		
Power:	Rs. 22,26,090	
Water:	<u>6,28,614</u>	
		28,54,704
Repairs and Maintenance		10,63,485
Interest		49,61,513
Depreciation		23,52,242
Miscellaneous		1,47,310
		<u>Rs. 1,57,09,784</u>

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH,
1969 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER
FACILITIES. (Contd....)**

	<u>INCOME</u>	
Recovery of House Rent		Rs. 10,25,549
Recovery of Utilities		
Power	Rs. 1,59,077	
Water	<u>1,36,883</u>	2,95,960
Recovery of Transport charges		1,36,940
Other Miscellaneous Recoveries		1,31,510
Excess of Expenditure over Income		1,41,19,825
		<u>Rs. 1,57,09,784</u>

Annexure to the directors' report dated 15th september, 1969

**REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED
FOR THE YEAR ENDED 31ST MARCH, 1969 BY THE
INDIAN AUDIT AND ACCOUNTS DEPARTMENT**

1. Financial Position

The table below summarises the financial position of the Company under broad headings for the last three years:

	1966-67	(Rupees in lakhs) 1967-68	1968-69
<i>Liabilities</i>			
(a) Paid-up capital	7,117.72	7,117.72	7,117.72
(b) Reserves and Surplus	415.94	1,006.91	2,355.05
(c) Borrowings			
i) From Government of India	7330.98	7,300.47	6,349.77
ii) Foreign Credit	1,125.72	991.26	802.58
iii) From Bank - Cash Credit	1,491.03	1,600.64	2,486.54
(d) Trade dues and other current liabilities (including provision)	4,747.75	5,786.60	5,054.69
	<u>22,229.14</u>	<u>23,803.60</u>	<u>24,166.35</u>
<i>Assets</i>			
(e) Gross block	12,608.91	13,841.73	16,483.04
(f) Less: Depreciation	1,018.96	1,598.05	2,375.62
(g) Net fixed assets	11,589.95	12,243.68	14,107.42
(h) Capital work-in-progress (including unallocated expenses)	2,907.72	2,500.68	628.52
(i) Other assets (mainly machinery and equipment-in- transit and stores)	164.45	178.53	114.38
(j) Current assets, loans and advances (including investments)	7,524.84	8,822.12	9,316.03
(k) Miscellaneous expenditure	42.18	58.59	-
	<u>22,229.14</u>	<u>23,803.60</u>	<u>24,166.35</u>
Capital employed	14,369.93	15,318.45	18,433.13
Net worth	7,491.48	8,066.04	9,472.77

- Note:*
1. Capital employed represents net fixed assets plus working capital
 2. Net worth represents paid-up-capital plus Reserves and Surplus less intangible assets.
 3. The figures shown under 1967-68 are as per the accounts for the year 1967-68 and not as regrouped and revised in 1968-69 accounts.

**REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED
FOR THE YEAR ENDED 31ST MARCH, 1969 BY THE
INDIAN AUDIT AND ACCOUNTS DEPARTMENT (Contd..)**

2. **Capital expenditure**

(a) **Debt equity ratio**

The debt equity ratio for the company has been 1.2:1 during the years 1966-67 and 1967-68, and 1:1 in 1968-69.

(b) The amount of loans taken from the Government of India outstanding as on 31st March, 1969 was Rs. 6,349.77 lakhs, in respect of loans amounting to Rs. 3,928.34 lakhs, Rs. 675.97 lakhs and Rs. 1,661.46 lakhs moratorium for one, two and three years respectively for repayment of principal was granted by the Government of India.

3. **Reserves and Surplus**

The reserve and surplus (Rs. 2,355.05 lakhs) amounted to

- a) 9.7 per cent of the total liabilities in 1968-69 as against 4.2 per cent in 1967-68 and 1.9 per cent in 1966-67.
- b) 33.1 per cent of the equity capitla (Rs. 7,117.72 lakhs) in 1968-69 as against 14.1 per cent in 1967-68 and 5.8 per cent in 1966-67.

4. **Liquidity and Solvency**

- a) The proportion of current assets to total net assets increased from 33.9 per cent in 1966-67 to 37.1 per cent in 1967-68 and to 38.5 per cent in 1968-69.
- b) The percentage of current assets to current liabilities (incuding provisions) varied from 158.5 in 1966-67 to 152.5 in 1967-68 and to 184.3 in 1968-69.
- c) The percentage of quick assets (sundry debtors, advances, investments, cash and bank balances) to current liabilities (excluding provisions) decreased from 107.2 in 1966-67 to 100.2 in 1967-68 and increased to 119.4 in 1968-69.

5. **Working Capital**

The working capital (current assets, investments, loans and advances less trade dues and current liabilities (excluding provision for gratuity) of the Company at the close of the three years ending with 31st March, 1969 amounted to Rs. 2,779.98 lakhs, Rs. 3,074.77 lakhs and Rs. 4,325.71 lakhs respectively and represented 0.9 0.9 and 1.0 months value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1969 was financed through loans from Bank (Rs. 2,486.54 lakhs) and internal resources (Rs. 1,839.17 lakhs).

6. **Sources and uses of funds**

Funds amounting to Rs. 1,140.32 lakhs from internal resources (reserves and surplus, depreciation and provisions) after adjustment on account of reduction in borrowings and current liabilities were utilised in 1968 ~ 69 as under:

	<u>(Rupees in lakhs)</u>
i) Gross fixed assets including capital work-in-progress	769.15
ii) Other assets	<u>371.17</u>
	1,140.32

**REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED
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7. Working Results

The working results of the Company for the last three years are tabulated below:

	(Rupees in lakhs)		
	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
(i) Profit before tax	626.40	1,082.67	1,846.38
(ii) Tax provision	-	-	-
Percentage of profit before tax			
(a) To Sales (inclusive of product exchange and transfers)	1.8	2.5	3.5
(b) To gross fixed assets	5.0	7.8	11.2
(c) To Capital employed	4.4	7.1	10.0
(d) To net worth	8.4	13.4	19.5
(e) To equity capital	8.8	15.2	25.9

8. Cost Trends

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

	(Rupees in lakhs)		
	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
Sales (inclusive of product exchange and transfers)	33,868.84	43,129.30	52,682.96
Less: Profit before tax	626.40	1,082.67	1,846.38
Cost of sales	<u>33,242.44</u>	<u>42,046.63</u>	<u>50,836.58</u>
Percentage of cost of sales to sales	98.2	97.5	96.5

9. Business Performance

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

	(Rupees in lakhs)		
	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
1. Sales (inclusive of product exchange and transfers)	33,868.84	43,129.30	52,682.96
2. Closing stock of finished goods and stock in process	2,228.99	2,841.67	3,106.12
3. Opening stock of finished goods and stock in process	<u>1,532.71</u>	<u>2,228.99</u>	<u>2,841.67</u>
4. Value of business (1+2-3)	<u>34,565.12</u>	<u>43,741.98</u>	<u>52,947.41</u>

The percentage of value of business to net worth increased from 461.4 in 1966-67 to 542.3 in 1967-68 and to 558.9 in 1968-69. The percentage of value of business to total net assets also increased from 155.5 in 1966-67 to 183.8 in 1967-68 and to 219.1 in 1968-69.

**REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED
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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)		
	1966-67	1967-68	1968-69
i)Stores and spare parts (including in transit)	671.06	726.05	858.59
ii)Loose tools	2.95	2.84	2.19
iii)Stock-in-trade (including raw materials and stock in process)	2,211.27	2,774.88	3,098.24
iv)Stock of empty barrels and tins	18.89	18.19	35.26
v)Liquid petroleum gas accessories	17.73	66.79	7.88
	<u>2,921.90</u>	<u>3,588.75</u>	<u>4,002.16</u>

Stock in trade represented 0.8 month's sale (inclusive of product exchange and transfers) in 1966-67 and 1967-68 and 0.7 month's sale in 1968-69.

11. Sundry debtors and turnover

As on	considered good	Total Book Debts		Sales inclusive of product exchange and transfers	Percentage of debtors to sales
		----- considered doubtful	-----		
31st March, 1967	3,329.44	32.94	33,868.84	9.9	
31st March, 1968	3,596.59	32.55	43,129.30	8.4	
31st March, 1969	3,579.08	33.45	52,682.96	6.9	

The sundry debtors represented about 1.2 month's turnover in 1966-67, 1 month's in 1967-68 and 0.8 month's in 1968-69.

Sd/-
(H.M.S. Bhatnagar)
Member, Audit Board and Ex-Officio
Director of Commercial Audit
(Southern & Western Regions)

Bombay,
27th September, 1969



Indian Oil Corporation Limited

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, 1969.

Sd/-
(H.M.S. Bhatnagar)
Member, Audit Board and Ex-Officio
Director of Commercial Audit
(Southern & Western Regions)

Bombay,
27th September, 1969

