

# **Annual Report**

## **1971-72**

**Indian Oil Corporation Limited**

## CONTENTS

	Page
Directors' Report	5
Report of the Auditors	27
Balance Sheet	28
Profit and Loss Account	29
Schedules	30
Notes on the Accounts	44
Assets – Township	48
Income and Expenditure – Township	50
Annexure to the Directors' Report	51
Comments on the Accounts	54
Statements relating to Subsidiary Companies and Annual Reports of IBP and IOI	55
Annual Reports of INDO-BURMA Petroleum Company Limited	57
Annual Reports of IOIL	81



# Indian Oil Corporation Ltd.

---

**BOARD OF DIRECTORS:**

M. Rama Brahmam, Chairman  
Kamaljit Singh  
C. R. Das Gupta  
P. R. K. Menon  
S. K. Majumdar  
M. S. Pathak  
Dr. S. K. Mukherjee  
K. K. Ray  
Miss M. L. Mary Naidu  
Rajni Patel  
A. P. Verma

**SECRETARY:**

D. B. Puri

**BANKERS:**

State Bank of India

**JOINT AUDITORS:**

M/s. Ray & Ray  
M/s. S. B. Billimoria & Co.

**BRANCH AUDITORS:**

M/s. Thakur Vaidyanath Aiyar  
M/s. R. G. N. Price & Co.

**REGISTERED OFFICE AND MARKETING  
DIVISION HEADQUARTERS:**

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

**MARKETING DIVISION BRANCHES:**

Bombay, New Delhi, Calcutta, Madras

**REFINERIES & PIPELINES  
DIVISION HEADQUARTERS:**

Indianoil Bhavan, Janpath  
New Delhi-1

**REFINERIES:**

Gauhati (Assam), Barauni (Bihar), Jawaharnagar  
(Gujarat), and Haldia (West Bengal)-under construction



# NOTICE

---

Notice is hereby given that the 13th 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 hrs., on Wednesday the 6th September, 1972 to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt and Balance Sheet, Profit and Loss Accountant and Reports of the Auditors and Directors thereon for the financial year ended 31st March, 1972.
2. To declare the dividend.

By Order of the Board,

D. B. PURI  
Secretary.

Bombay, Dated: 9th August, 1972.

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 Ltd.

## DIRECTOR'S REPORT 1971-72

TO  
THE SHAREHOLDERS OF  
INDIAN OIL CORPORATION LTD.

Gentlemen,

On behalf of the Board of Directors of your Corporation, I have pleasure in placing before you the 13th Annual Report on the working of the Corporation for the financial year 1971-72 along with the Audited Statements of Accounts.

### FINANCIAL RESULTS:

The net profit for the year under review before tax is Rs. 36.94 crores as against Rs. 15.77 and Rs. 20.41 crores during the year 1970-71 and 1969-70 respectively. The comparative figures of gross profit, interest, depreciation and provision for taxation are as under:

	(Rs. in crores)		
	1971-72	1970-71	1969-70
Gross Profit before			
Depreciation & Interest	53.42	31.32	36.20
Interest	4.43	4.76	4.85
Profit before			
Depreciation	48.99	26.56	31.35
Depreciation	12.05	10.79	10.94
Net Profit			
Before Tax	36.94	15.77	20.41
Provision for			
Taxation	5.00	—	—
Net Profit			
after Tax	31.94	15.77	20.41

The sales during the year were 13.68 million Kilo litres, as against 11.61 million KL and 10.64 million KL for the year 1970-71 and 1969-70 respectively. The profit for the year works out to 51.90% of the paid-up capital as against 22.16% and 28.67% in the previous years i.e. 1970-71 and 1969-70 respectively.

With the carry forward of profit from last year amounting to Rs. 5,86,210, the available surplus is Rs. 31,99,63,474 as detailed below:

	Rs.	Rs.
Balance of profit		
brought forward		5,86,210
Pro fit for the		
year before Tax	36,93,77,264	
Less: Provision		
for Taxation	<u>5,00,00,000</u>	<u>31,93,77,264</u>
		<u>31,99,63,474</u>

Your Directors recommend the following appropriations:-

	Rs.
Provision for Development	
Rebate Reserve	3,00,00,000
Provision for dividend 7% on	
7,11,772 shares of Rs. 1,000	
each	4,98,24,040
Transfer to General Reserves	24,00,00,000
Balance Carried forward	1,39,434
Total	<u>31,99,63,474</u>



**FINANCE:**

Your Corporation made a capital investment of Rs. 25.66 crores primarily on the Haldia Refinery during the year. A sum of Rs. 9,58,64,448 was paid to the Government during the year towards loan repayment, thus reducing the loan capital from Rs. 44,14,66,617 to Rs. 34,56,02,169. There was no addition to share capital during the year; but foreign loans amounting to Rs. 555 lakhs were received during the year to finance the Haldia Refinery. A loan of Rs. 20 lakhs was also received from Government in connection with the programme of rehabilitation of war victims.

**REFINERIES & PIPELINES DIVISION**

Out of about 20 million tonnes of refining capacity in the country, the throughput of the Corporation-owned refineries was 6.72 million tonnes. 4.85 million tonnes were processed by the public sector refineries at Madras and Cochin and were available to your Corporation for marketing.

The following table gives the targeted throughput, the actual throughput for the three years 1969-70, 1970-71, 1971-72 and the production for the year 1971-72.

	(Tonnes)			
	Gauhati	Barauni	Gujarat	Total
Target throughput	8,02,300	22,00,000	36,77,000	66,79,300
Actual throughput				
1969-70	7,64,795	20,87,894	33,97,942	62,50,631
1970-71	6,85,750	21,91,079	34,63,004	63,39,833
1971-72	7,96,029	22,78,232	36,42,665	67,16,926
Production for 1971-72	7,10,646	20,79,248	34,04,751	61,94,645

**OUTSTANDINGS:**

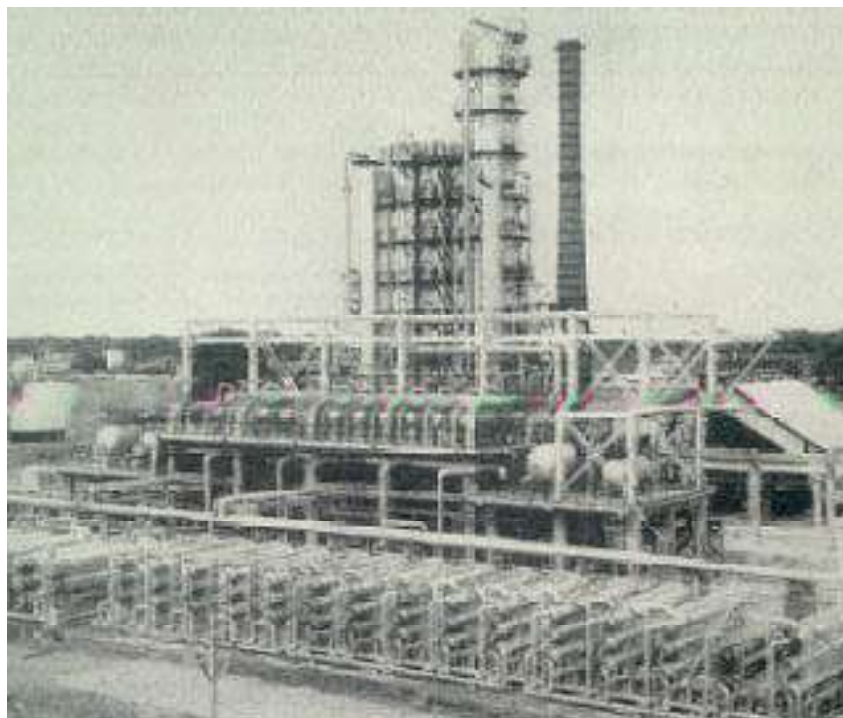
As reported last year, concerted efforts to collect outstandings from customers continue to engage our attention and during the year under review there has been remarkable improvement in the collection of dues. The outstandings at the close of the year amounted to Rs. 31.67 crores as against Rs. 33.57 crores at the end of last financial year. Considering that the sale during the year was Rs. 862.04 crores against Rs. 720.01 crores during the previous year, this is a satisfactory improvement. Concerted efforts are being continued in the current year to achieve even better results. DGS&D outstandings at the close of the year stood at Rs. 5.47 crores as against Rs. 7.80 crores at the end of last year and non-DGS&D outstandings Rs. 23.28 crores as against Rs. 21.02 crores at the end of the last financial year. This represents 12 days' sales as against 15 days' at the end of the last financial year.

The slight shortfall in the throughput of the Gauhati Refinery, as compared to the target, was primarily due to the poor upliftment of products at Siliguri during August/September 1971 as a result of the snapping of broad gauge link across Farakka. In the case of the Gujarat Refinery, the shortfall occurred primarily due to limitation of crude oil from Oil and Natural Gas Commission.

**REFINERIES:**

Although production of LPG was started in Gauhati Refinery for the first time in march 1971 with temporary storage facilities, the total despatch during the year was limited to 385 tonnes. The production is being gradually stepped up with the development of the market. LPG availability was increased by 57% over the previous year in Gujarat Refinery. LPG production had stabilised at Barauni at more than 10,000 MT and was 10% more than in the previous year. In the





A view of the third million tonne unit of the Barauni Refinery

Gauhati Refinery, the production of Inferior Kerosene was eliminated from April 1972 for improving the quality supplied to the consumers, and also the profitability of the Refinery.

Apart from the complete elimination of the production of Inferior Kerosene in the country, progress has also been made towards optimisation of production pattern of your refineries by increasing the production of special grade items like Phenol Extract, Benzene and Toluene to meet the increasing requirements of the country.

In the Barauni Refinery, after considerable investigations, an improved technology was developed to produce Aviation Turbine Fuel for meeting the airlines' requirements. By-products such as Phenol Extract and Slack Wax are also made available for marketing regularly, thereby improving the Refinery's profit margin. Production of Calcimined Coke was started during this year, which will help to reduce the foreign exchange drain on the import of this product.

In the Gujarat Refinery, all indigenous crude supplied by ONGC was processed and, with the debottle necking measures already

carried out, the Refinery can operate at a higher capacity than at present. A new plant for treating the refinery and the township effluents was commissioned during the year, in order to improve the Biological Oxygen Demand level.

The refineries are laying greater emphasis on preventive maintenance techniques for each type of equipment, prevented maintenance planning and use of materials of improved quality. For making the role of Inspection Staff more effective, Inspection Functions have been segregated from Maintenance Functions. Besides, a Central Service Organisation has been set up at the Head Office at New Delhi, which will analyse the maintenance problems of the various refineries with a view to raise the quality of maintenance and inspection according to practices followed in the other refineries in India and abroad. This Organisation will also build up expertise in the field of inspection, corrosion control, maintenance, import substitution, etc.

#### **PIPELINES:**

The overall quantities transported by the Pipelines of the Corporation were higher as



Compared to the last year. The statement given below gives a comparative picture of the total quantities of products transported through the pipelines for the last four years:-

	Year	Target (in MT)	Actual Throughput
Gauhati-Siliguri Product Pipeline	1968-69	450,000	406,148
	1969-70	400,000	399,010
	1970-71	395,000	362,917
	1971-72	429,000	440,616
Barauni-Kanpur Product Pipeline	1968-69	550,000	519,920
	1969-70	600,000	713,360
	1970-71	977,000	947,517
	1971-72	1,062,000	1,358,474
Barauni-Haldia Product Pipeline	1968-69	303,000	349,353
	1969-70	460,000	522,109
	1970-71	424,000	445,631
	1971-72	849,000	605,006
Koyali-Ahmedabad Product Pipeline	1968-69	760,000	711,914
	1969-70	800,000	787,972
	1970-71	940,000	864,811
	1971-72	899,000	819,720



Filling of Liquefied Petroleum Gas cylinders by automatic bottling machines at the Gujarat Refinery



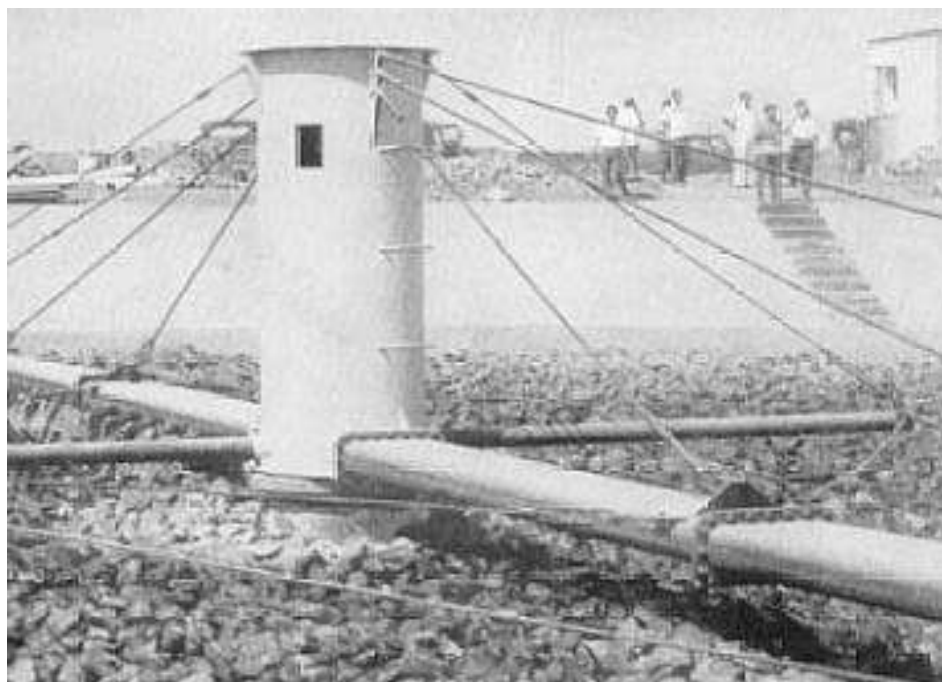
The Barauni-Kanpur section of Haldia-Barauni-Kanpur Products pipeline transported 13,58,474 metric tonnes of products which is the highest achieved so far in a year and represents an increase of 43% over the year 1970-71. During April 1971 transportation of LDO (a black oil product) by this regular basis. LDO pumping on this section was maintained even during the winter months. The Haldia-Barauni section of the pipeline has achieved a record throughput of 6,05,006 MT during the year. This section also successfully accomplished the job of pumping various products directly from the ocean tankers through the pipeline. It is proposed to use this section to transport imported crude to Barauni from Haldia for processing in that Refinery. The total quantity of refined petroleum products of the Gujarat Refinery pumped through the Koyali-Ahmedabad Pipeline during the year 19971-72 is 8,19,720 MT. This throughput is 117.1% of the design capacity.

The Gauhati-Siliguri Pipeline during the year transported 4,40,616 MT of product. This is the highest throughout so far achieved in a year and works out to 12.2% more than the

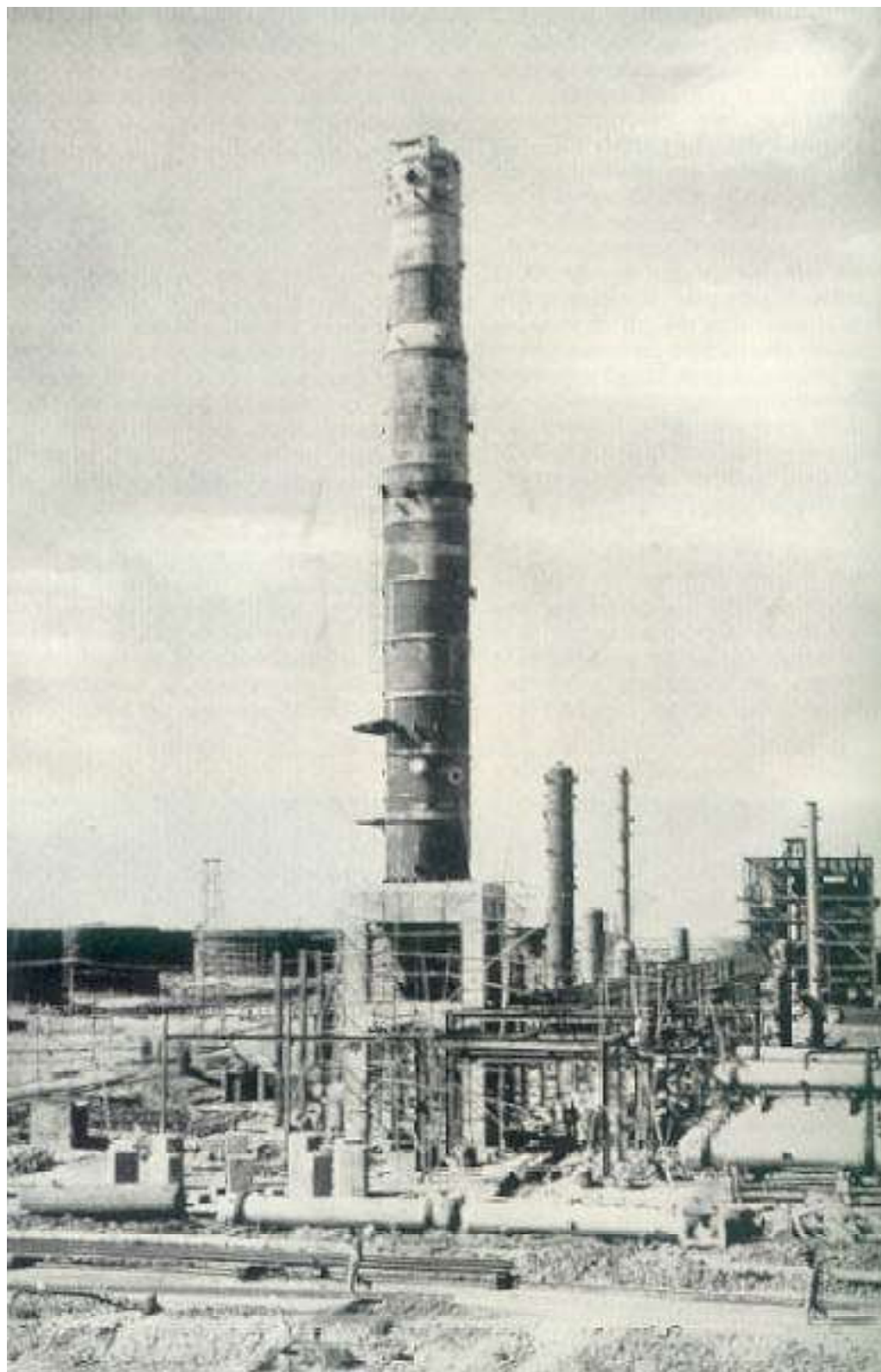
figure of last year.

#### **IMPORT SUBSTITUTION:**

As in the previous years the refineries continued to make efforts to increase the use of indigenous materials. Drawings of several spares were made and local small-scale industries were given technical help to develop these indigenously. Items already developed are heat exchangers, spares of all cold and hot service pumps, impellers, casings, sleeves, wear rings, loading arms for solvents, metallic gaskets, alloy steel flanges, sprocket wheel for L.P.G. conveyors, and quick coupling, etc. Efforts towards import substitution and for development of indigenous materials for pipeline also continued to be made as in previous years. Some of the items developed through these efforts include Inverted tooth chains used in imported Wachs Cutters; Dope Kettles with oil burners; Elements for Bosch Fuel Pump, pig brush and springs, flexible coupling of Fiat engine, bush and cash wear ring for mainline pump, big end and main bearing for Fiat engines, etc.; Miniature relays for Fiat engine and transistorised flow indicator mater; Neoprene 'O' rings and some of the electronic spares required for instruments, sensitive voltmeter and copper sulphate half-call.



One more effluent treatment plant recently added at the Gujarat Refinery



Photograph shows one of the units of the Haldia Refinery under erection

Additional facilities to handle LPG cylinders are being provided in the form of overhead conveyor system, automatic do-capping, new test bath, etc. in the Gujarat Refinery to improve upon the existing handling system. For Atmospheric Unit-3, in Barauni, a De-salter is under consideration to reduce the salinity and the resultant corrosion problems, when the refinery starts using imported crude later.

#### **HALDIA REFINERY PROJECT:**

The Project estimated to cost Rs. 67.50 crores. The unit for producing fuels is expected to be commissioned before the end of 1973 for trial run followed by regular production. The lube oil units will be commissioned thereafter.

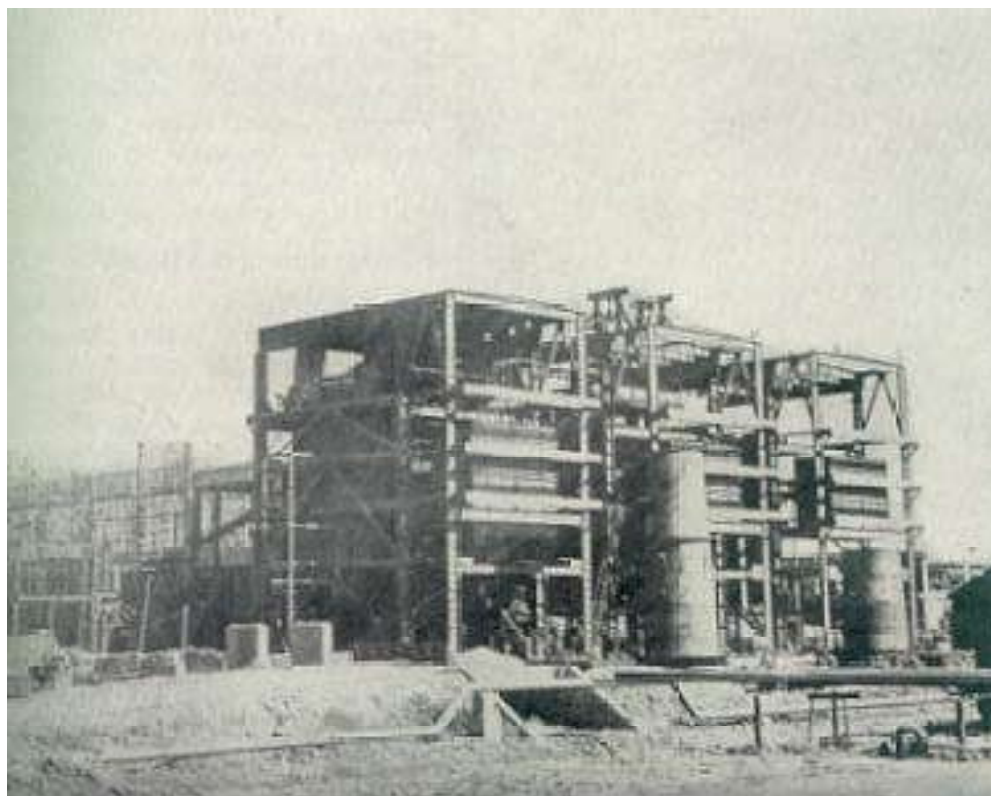
#### **FUTURE PLANS:**

Barauni: It is proposed to import Middle East crude from October/November, 1972 at the rate of about 1,500 MT per day for processing in the Crude Distillation Unit III of the Barauni Refinery. Since the imported crude will be having a high sulphur content, necessary

modifications are being made to receive, process and dispose of the products without affecting the general scheme of operations.

In addition, major plans have been drawn up for the expansion of the Barauni Refinery, so as to achieve a crude throughput of 3.4 million metric tonnes/year by 1975. For this purpose, two new plants, Vis-Breaker and Merox Treating Units are proposed to be installed and the existing idle Bitumen Unit will be suitably modified. The additional quantity of crude oil required for the above purpose, over and above what may be available from Assam, will be imported through the Haldia Port and received at the Refinery using the existing Haldia-Barauni Product Pipeline.

**Gujarat Refinery:** The Ministry of Petroleum and Chemicals after considering the report of the Study Group had desired that a feasibility report on the expansion of Gujarat Refinery be prepared and submitted to the Government for its consideration and approval. The report is under preparation. It is



Construction work in progress at the Haldia Refinery Project



estimated that the expansion scheme would be completed in about 4/5 years time from the date of receipt of the Government's approval.

#### **North-West Refinery Project:**

The feasibility report on North-West Refinery was submitted to the Ministry of Petroleum and Chemicals in May 1971. The Government has now decided to locate this Refinery at Mathura in U.P. A part-sanction for the project has also been received. The estimated cost of the Refinery Project is of the order of Rs. 86.80 crores. All possible steps are being taken to expedite the construction of the Refinery.

#### **Haldia-Rajbandh Pipeline Project:**

A feasibility report for this project was submitted to Government in December 1970 and the formal sanction of the project was conveyed in June 1971. The detailed survey work, which had already been started in February 1971, was completed by July 1971



Prime Minister Smt. Indira Gandhi laying the foundation stone of the Bongaigaon Refinery and Petro-chemicals Complex in Assam

in respect of the Mourigram-Rudrani section of the Pipeline. In September 1971, it was decided that the first 64 KM section from Haldia to Baradabar may be taken up on a 'Crash' basis, to be completed by 30th April 1972. After completion of this portion and linking it with the already laid Baradabar-Mourigram branch line, the existing Haldia-Barauni mainline becomes available for the movement of imported crude to the Barauni Refinery.

#### **North-West Refinery Crude Pipeline:**

The feasibility report of this Pipeline project was submitted to Government in May 1971. The project estimates have, however been recast in view of certain new factors, and are being finalised for submission to Government. The Government have already given clearance for location of the offshore facilities in the Gulf approval of a sum of Rs. 14 lakhs of expenditure to be incurred until December 1972 on the preliminary reconnaissance survey and other project establishment charges. Initial inquiries have been made from some organisations of international repute for installation of offshore facilities, such as, Single Buoy Mooring and Submarine pipelines for unloading imported crude. Further investigations are under way.

#### **INDUSTRIAL RELATIONS & WELFARE:**

The industrial relations in the Refineries & Pipelines Division during the year 1971-72 have been satisfactory. Except for a few minor incidents leading to dislocation of work at the Barauni Refinery, and initial labour troubles in the Contracts' Camps at the Haldia Refinery, the labour-management relations in the Division continued to be cordial. The demand for bonus for the year 1970-71 was negotiated on an all India basis, and settlement was reached. The Welfare facilities and amenities viz. hospitals, dispensaries, subsidised canteens, schools, co-operative stores, transport, etc. were continued during the year as before. A House Building Loan Scheme has been introduced to help employees build their own houses through Corporation's finances repayable in easy instalments. Employees hailing from

Bihar whose houses/properties were substantially affected or damaged by floods in Bihar were granted advances.

### INVENTORIES:

The inventories of stores and spares held in the Gauhati, Barauni and Gujarat Refineries at the end of 1970-71 and 1971-72 were as under:

	1970-71	1971-72
	Rs. in lakhs	
Gauhati	121.27	124.58
Barauni	354.67	376.14
Gujarat	177.48	195.88

Efforts to keep the inventories under control continue unabated. The inventories have, however, registered a slight increase over the last year due to the following reasons:-

- (i) Project materials in stock for use in various jobs on hand, for additional facilities.
- (ii) Imported spares received during the year.
- (iii) Accumulation of Kerobrisol stocks due to less consumption after change in ISI Specifications for HSD.

### TRAINING:

The Refineries at Gauhati, Barauni and Gujarat have full-fledged Training Departments to afford training facilities on long and short-term basis to both newly recruited employees and also to arrange refresher courses for other employees. These comprise training schemes for fresh Engineering graduates, in-plant training facilities, refresher courses for maintenance technicians and plant operators, training in fire-fighting, job-safety and first-aid, training courses for supervisors and executives, etc. Besides, these Department also required under the Apprentices Act, and for Engineering students, as required under the Government of India's Scheme of Industrial Training for unemployed graduates/diploma holders.

## MARKETING DIVISION

### CAPITAL INVESTMENT

#### Tankage at Installations:

During the year, the Naval installation at Port Balair with a tankage of 18.950 Kls. was formally taken over for meeting civil trade in addition to the Naval requirements. As on 31st March, 1972, the Corporation had 16 port installations, 8 pipeline installations, one inland installation and 117 bulk depots. 9,170 Kls. of additional tankage at Budge was purchased from a private oil company. Additional tankage of 1,01,700 Kls. was also commissioned at Kanpur, Shakurbasti, Mourigram, Tondiarpet and Korukkupet Installations and bulk depots at end of the year was 12,63,267 Kls. as against 11,06,607 Kls. in the previous year. The total quantum of products handled during the year was 1,66,62,274 Kls. as against 1,33,67,558 Kls. during the previous year.

#### Other facilities:

At the depots, expansion of tank-wagon decanting facilities has been taken on hand to enable the Railways to programme block rake movement and thereby improve the turn-around time of tank-wagons. The provision of these facilities will also result in the reduction of demurrage. Additional facilities at the major ports of India for speeding up the rate of discharge/loading of tankers. The tanker discharge lines at Goa are being extended so that three berths would be available for discharge of tankers.

An additional Aviation Fuel Station was opened during the year, thus bringing the total number of Aviation Fuel Stations to 69 as against 68 at the end of the previous year. Seven refuellers of 45 Kls. capacity were also procured. Additional tankage of 8,000 Kls. to increase the jet fuel holdings was developed to meet the requirement of the Air Force.

#### Future plans:

New major installations are being planned at Trombay, Manglore and Tuticorin to meet increased trade requirements in future years. With a view to facilitate movement of





An illuminated Indianoil service station commissioned under the scheme of dealership for unemployed graduates

products by block rakes, on a larger scale, the overall plan called for about 3,49,000 Kls. of additional tankages at 93 up-country depots between 1970-71 and 1973-74. Out of these, 27,170 Kls. and 40,861 Kls. tankages were completed in 1970-71 and 1971-72 respectively. It is planned to construct tankages of 1,33,000 Kls. during 1972-73 and 1,48,000 Kls. during 1973-74, out of which 67,000 Kls. was under construction at 52 locations at the end of the year.

A Drum Plant, with a capacity of 1,650 lube drums and 1,650 bitumen drums per shift has been constructed at Madras, with indigenous equipment. Construction of a decoiling plant which will be ancillary to the Drum Plant has also been taken on hand. Construction of a lube oil blending plant is being taken up at Haldia to blend the base stocks that will be produced by the Haldia Refinery.

#### Sales:

The sales of the Corporation touched a new high and the Corporation consolidated its leading position as an oil marketing organisation. The total sales of the Corporation during 1971-72 were 13.68 million Kls. as against 11.61 million Kls. in 1970-71. This is the highest increase recorded in the last few years. The domestic sales during the year were 13.59 million Kls.

as against 11.43 million Kls. during 1970-71. The export sales during the year were 0.09 million Kls. as against 0.18 million Kls. in 1970-71. The market participation of the Corporation during 1971-72 rose to 54.2% from 51.6% for the year 1970-71.

The sale of Aviation Fuel during the year was 7,50,000 Kls. which represents an increase of 13% over the previous year's sale of 6,60,000 Kls. The market participation of the Corporation for the Aviation Fuels, however, remained steady at 70% Highest importance continues to be given to Quality Control and for the first time the Corporation was represented in the international fuel conference on Aviation Fuels held by IATA at Geneva.

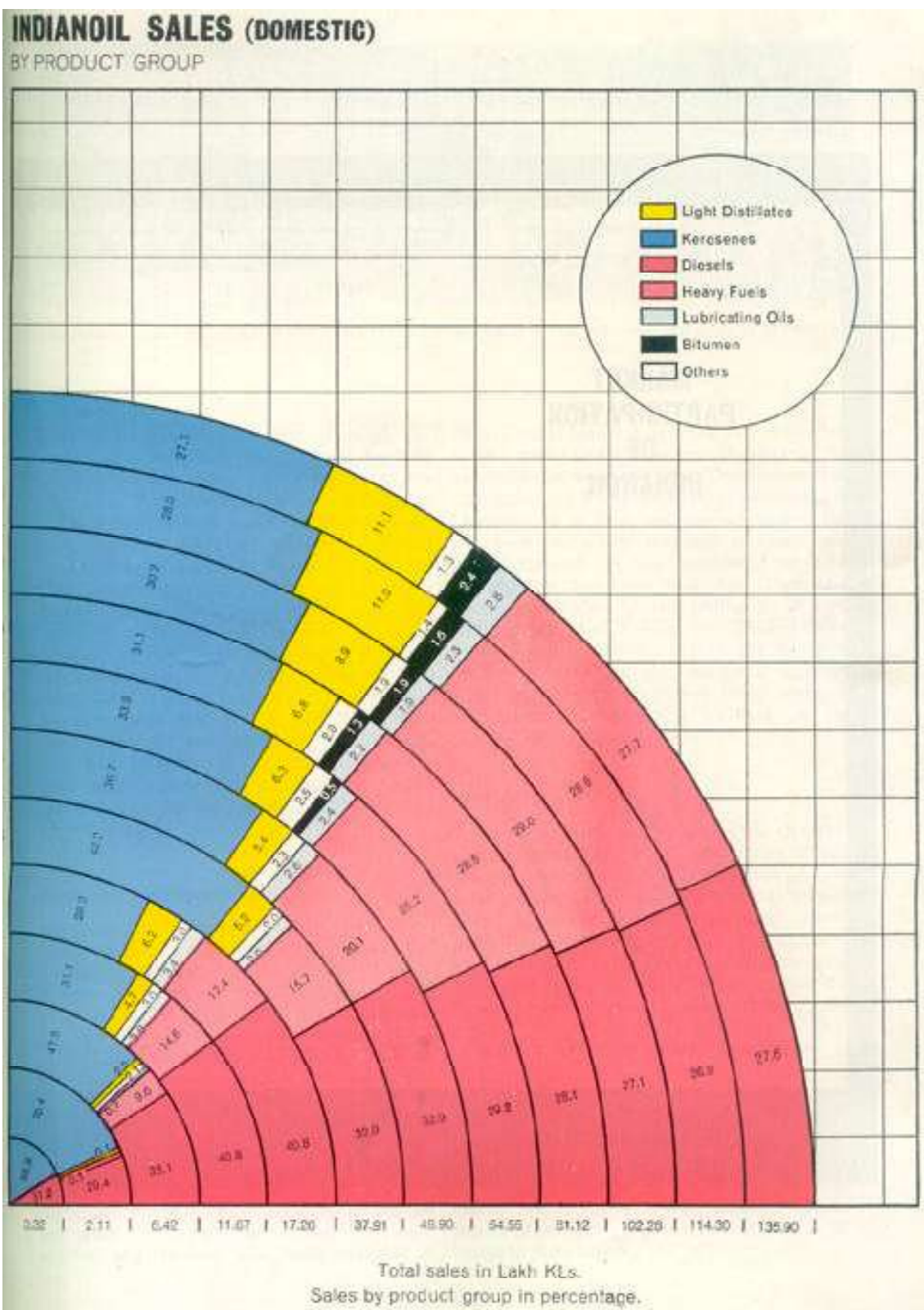
During the year under review, the Corporation undertook to operate canalised importation of lubricating base oils. Possibilities are also being explored for importing Turbine Oil Base Stocks under the canalisation scheme.

The Madras Blending Plant is operating now at full-rated capacity on a single shift basis.

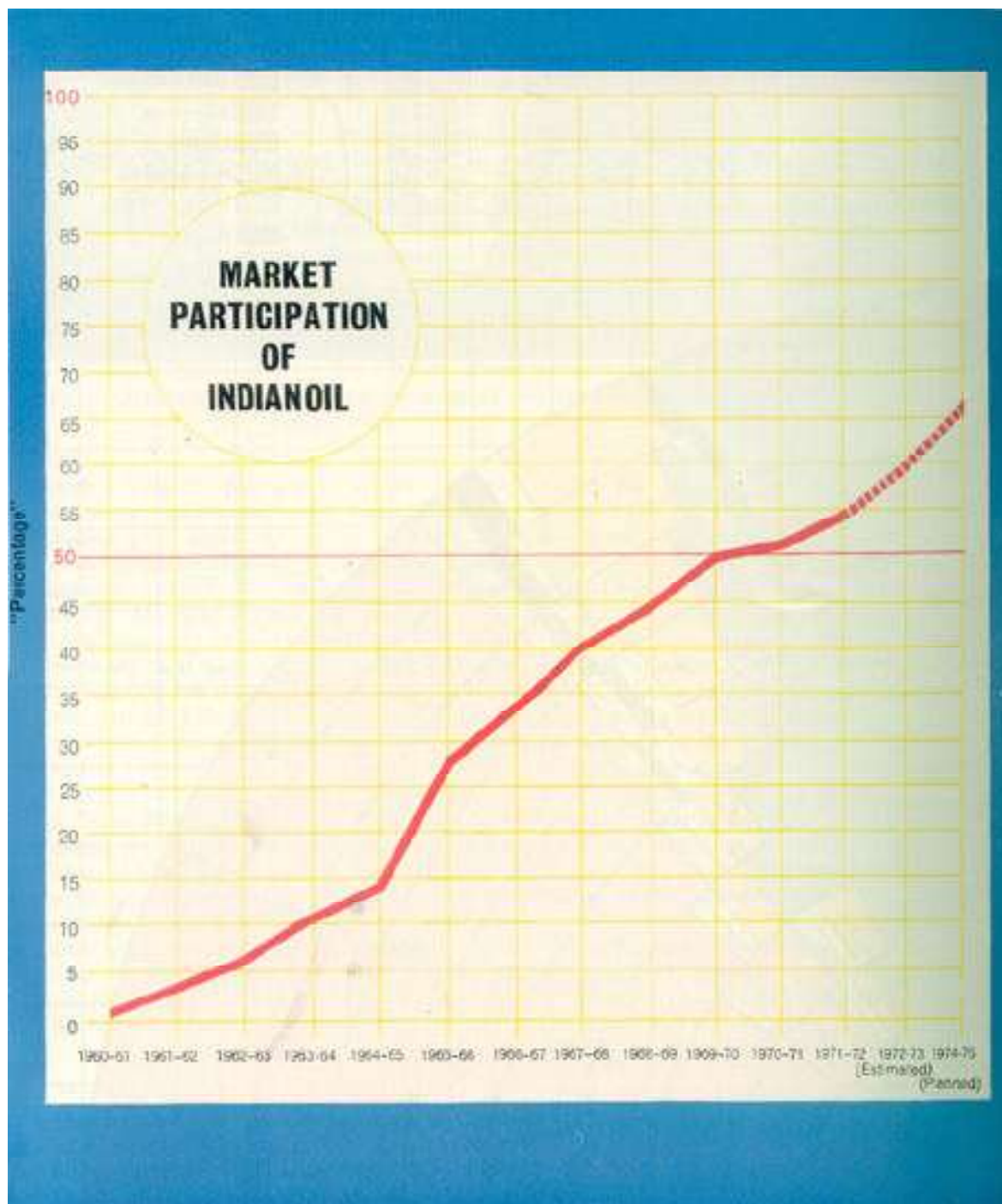
#### Retail Outlets:

During the year under review, 174 retail outlets were commissioned bringing the total number of retail outlets at the end of the year to 3,154. In addition, 238 existing stations











An Indianoil outlet in U.P. which also caters to the farmers' needs of fuel, lubricants and servicing of tractors

have been modernised either through remodelling or provision of additional facilities so as to increase the scope of service to the motorists. The Corporation is putting up more retail outlets on the National Highways, with various wayside amenities. Action has also been taken to improve upon the Corporation's existing services to the Agricultural Sector by development of farm fuel centres at selected retail outlets, where in addition to fuel facilities, arrangements for tractor servicing, minor repairs and spare parts have been being sold at some of these retail outlets. For the year 1972-73, the Corporation has planned to Commission 200 to 250 retail outlets and to increase further the scope of the service through the existing retail network.

#### **Liquefied Petroleum Gas:**

The clean burning qualities of Liquefied Petroleum Gas and its superiority over conventional domestic fuels has already is being increasingly realised in our country. Despite the shortage encountered in the supply of steel for LPG containers, a steady progress in the marketing of 'Indane' i.e. LPG supplied by the Corporation, has been maintained during the last 8/10 months. During the year 1971-72 'Indane' sales registered an increase of approximately 56% over the sales achieved during the last year; 1,73,000 new customers were enrolled and 'Indane' was made available in 38 additional towns during the year. Emphasis is now being laid on the use of 'Indane' for

industrial applications. The Corporation has ambitious plans for extending marketing of 'Indane' to a large number of towns but the pace at which progress is made will largely depend on the availability of LPG cylinders in adequate quantities. Plans are under examination for the setting up of LPG Bottling plants at Kanpur and Secunderabad which will considerably reduce the transportation expenses and also enable a relatively larger number of customers being enrolled, without a corresponding increase in the number of cylinders.

#### **IMPORTS:**

During the period under review, the Corporation imported about 20,55,138 tonnes of bulk refined products and 1,14,390 tonnes of base stocks, Additives and lubricating oils as against 9,43,199 tonnes 91,951 tonnes respectively imported during last year. The value of total imports of POL products during the year amounted to Rs. 44.74 crores as against the previous year's import value of Rs. 23.27 crores.

#### **EXPORTS:**

During the period under review, the Corporation exported 69,080 tonnes of petroleum products (including 27,972 tonnes of naphtha of Madras Refineries Ltd.) valued at Rs. 1.09 crores. The Corporation also supplied 23,552 tonnes of petroleum products valued at Rs. 3.58 crores to Bangladesh.

**STOCK LOSSES:**

Great emphasis continues to be laid on stock loss control. The percentage of stock loss during the year 1971-72 was 0.06% as against 0.08% of 1970-71 and 0.12% of 1969-70.

**TANK TRUCK OPERATIONS:**

The fleet of Corporation-owned tank trucks under operation (excluding Aviation) was 226 during the year 1971-72. The volume handled by the fleet was 11,60,736 Kls. in 1971-72 as against 11,15,856 Kls. during the previous year. Emphasis is being laid on going in for higher capacity tank trucks in view of the obvious advantages in costs. A study on location-wise tank truck fleet strength was conducted and the ideal fleet strength required for each location was worked out. Based on this study additions will be made at selected locations during the next financial year.

**TANKER HANDLING:**

As compared to 1970-71, the year 1971-72 was a year of significant accomplishments because increased imports were successfully handled together with increased inland movement of products. 123 tankers were handled during the year as compared to 56 during the previous year. Considerable demurrage on import vessels has been saved by stipulating suitable performance norms in the relevant contracts.

**COASTAL MOVEMENTS:**

Despite an overall increase in the production of the Cochin and Madras refineries, the coastal movement showed a downward trend on account of increased consumption of these products in the inland areas near these refineries. As a consequence, as against 11,16,200 MTs moved in 1970-71, the total coastal movement during 1971-72 was only 7,82,900 MTs.

**INLAND Distribution:**

Significant strides were made in the arrangements for inland movements during 1971-72. The total number of tank-wagons loaded in the country was 4,14,268 as compared to 3,81,218 in 1970-71 registering an increase of 8.66%. Indianoil's lodgings

were 2,77,643 tank-wagons as compared to 2,43,071 tank-wagons in 1970-71, showing increase of 14.2% which is higher than the Industry average.

**SUPPLIES TO BANGLADESH:**

In order to meet the requirements of Eastern Refineries Ltd., Chittagong, in Bangladesh, One lakh tonnes of crude oil was directly imported and transported to Bangladesh. Arrangements have also been made for further supplies of Five lakh tonnes of crude oil to Bangladesh.

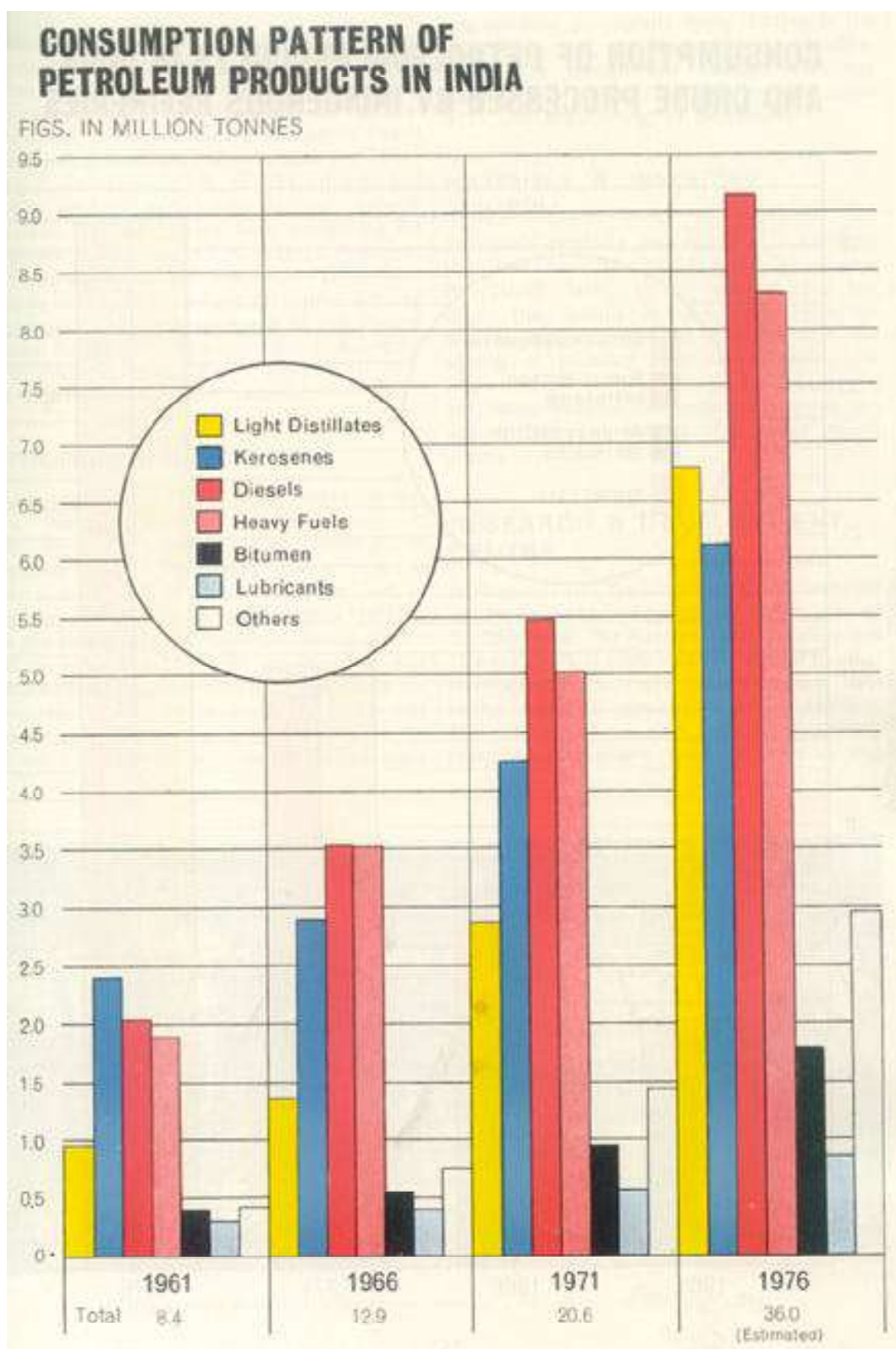


Just after Bangladesh liberation, Indianoil moved Petroleum Products in tank trucks. Picture shows the first tank trucks. Picture shows the first tank truck entering Jessore over an improvised bridge

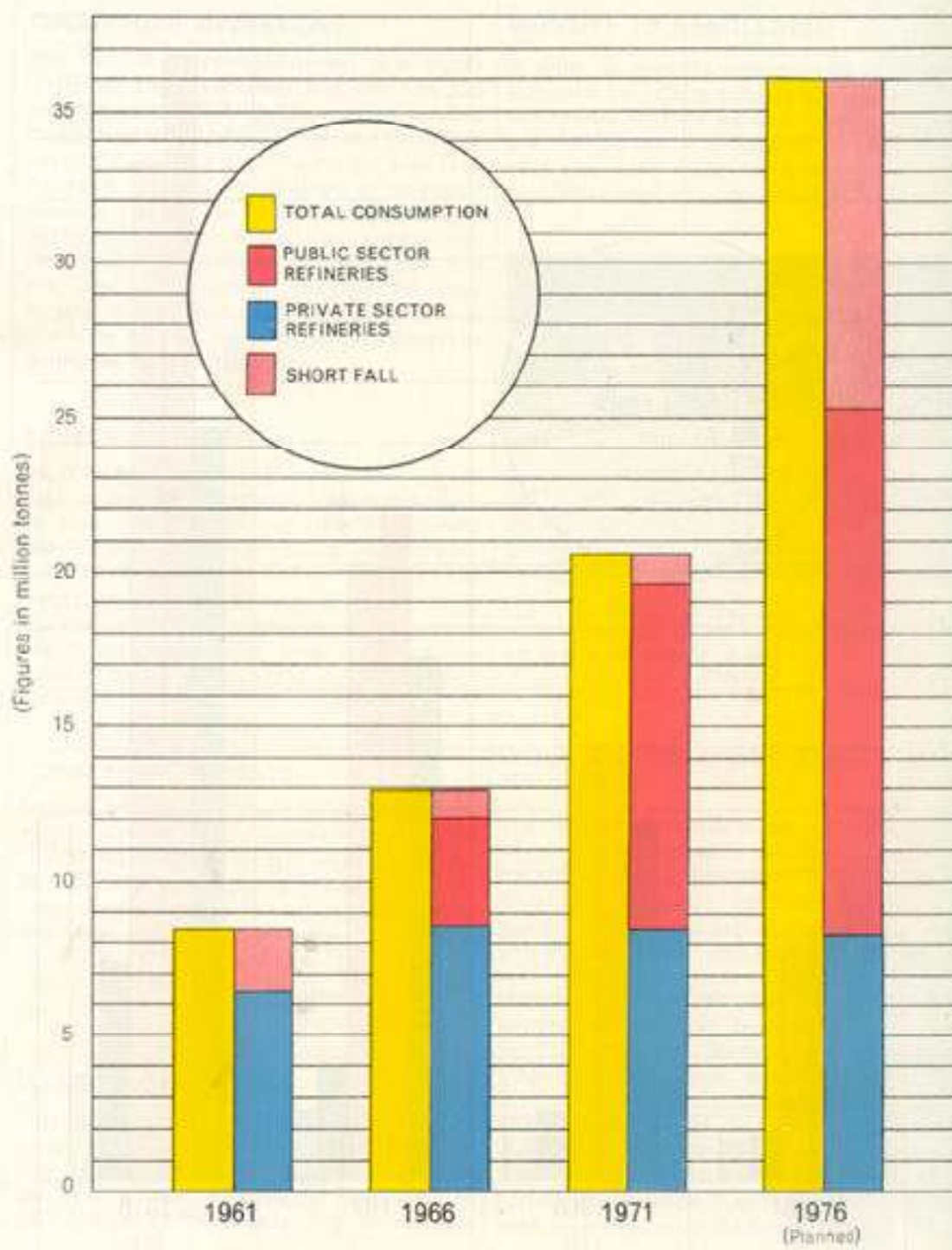
**INDUSTRIAL RELATIONS AND WELFARE:**

The Industrial Relations in the Marketing Division were generally satisfactory. Except for minor work stoppages of a local nature, there was complete industrial peace. The number of man-days lost during the year was only 812 as against 1,866 during the preceding year. A scheme for grant of Housing Loan was introduced during the year. The number of employees utilising facilities offered by Employees' Credit Society and also the Employees' Consumers' Stores subsidised by the Corporation have been steadily increasing. The construction of additional quarters at Jawaharnagar and Barauni has been completed. It has also been decided to construct houses at Installations/Aviation Fuel Stations for employees essentially requiring houses at these units.





### CONSUMPTION OF PETROLEUM PRODUCTS IN INDIA AND CRUDE PROCESSED BY INDIGENOUS REFINERIES



**TRAINING:**

During the year, 161 training courses were conducted. The courses conducted for officers were in general management areas. Training courses for staff were conducted on General Induction, Office Methods & Procedure, Depot Accounting, Equipment maintenance and Effective Communication. In all 975 officers and 1,560 workers participated in the training programmes. 19 courses were conducted for Defence Personnel and 125 Defence Personnel were trained during the year. Great emphasis was laid on Workers' Education Scheme sponsored under the guidance of the Central Board for Workers' Education and so far about 700 workers, representing a total of 10.26% of workmen, have been trained.

**EFFICIENCY RESEARCH:**

Sustained efforts have been made during the year to improve the productivity at all levels. Several studies relating to Systems and Procedures were carried out with a view to streamline work and to increase efficiency. A major study relating to the preparation of Retention Schedules for all the records dealt within the branches and locations was carried out. A similar study for the Head Office is in hand. A study was undertaken relating to the paper work in Aviation Fuel Stations. Several

studies were made during the year to assess man-power requirements, particularly those relating to the Lube Plant and the Drum Plant at Madras. The Forms Design and control Work has resulted in a considerable reduction of paper work and streamlining of procedures.

**MATERIALS & INVENTORY CONTROL:**

The value of stores and spares at the end of the year was Rs. 28.05 lakhs as against Rs. 19.61 lakhs at the end of the last year. The volume of inventories went up due mainly to increased turnover and the ageing of installed equipment, calling for larger use of spare parts, etc. Suitable norms are being evolved for inventory control. An interim Materials Catalogue is being issued shortly.

**RESEARCH & DEVELOPMENT CENTRE**

A Research and Development Centre is being set up at Faridabad at an estimated cost of Rs. 250 lakhs. The Research and Development Laboratories will undertake the work of product development especially lubricants and will render technical services to the customers. The planning of the main building comprising product development, technical services and engine testing



Children of the Gauhati Refinery School rendering a musical item on the Parents Day





An athlete in action at an Indianoil Sports Meet

laboratories is in progress. firm of Architects was appointed in June, 1972. It is proposed to introduced latest techniques of automatic data logging and alarm scanning in the engine laboratories. A temporary structure which would enable the centre to start functioning well in advance of the completion of permanent buildings is expected to be ready by the end 1972. The head of the Centre and some of the other senior staff members have been recruited. Training programme is under way. Essential equipment has been ordered. The Centre is expected to be operative in the beginning of 1974.

## PERSONNEL

During the year 1971-72, Marketing Division had recruited 7 Officers and 229 Unionised Staff. At the end of the year the total strength of the Marketing Division was 8,617 employees.

In the Refineries Division, the number recruited during 1971-72 were 7 Officers and 112 Staff, increasing the total strength at he end of the year to 6,591.

The policy of giving maximum promotional opportunities to our existing employees continued.

## PUBLIC RELATIONS

A troupe of talented employees of the Corporation put up two cultural shows at Kirkee near Poona to entertain the wounded Jawans convalescing in the military Hospital.

The Corporation actively Associated itself with motoring events like Durgapur Vintage Car Rally, Treasure Hunt at Ooty and Automeet at Bhopal.

Special banners were put up at retail outlets in metropolitan cities heralding the birth of Bangladesh. A press advertisement was also released greeting the new nation.

Special press briefings were held and press advertisements were released to inform the motorists on the increase in Octane rating of motor spirit from 79 to 83 and the advantages thereof.

An all India Highway Motor Rally covering a distance of 7,000 kms. in seven days has been organised by Indianoil in collaboration with the Automobile Association of Eastern India. The Rally will take place during the third week of December 1972. Selected Indianoil Retail Outlets on the rally routes have been nominated to serve as 'Passage Controls' for the Rally. The president of India, Shri V.V. Giri is the Patron-in-Chief of the Rally.





A troupe of Indianoil employees presented cultural shows at Poona to entertain the wounded jawans convalescing in the Military Hospital

Plans have been finalised for participation in the Third Asian International Trade Fair to be held in November in New Delhi. This Fair is being held to complement the 25th Anniversary Celebrations of India's Independence. Indianoil is coordinating the putting up of the Petroleum Pavilion, in which nine Petroleum Organisation in public/joint sector are participating. In view of the need to have an authentic road map for the benefit of tourists who travel by preparation incorporating the national and state highways as also tourist sports, location of our petrol stations and other details of interest to the tourists.

## SOCIAL OBJECTIVES

During the year, your Corporation contributed Rs. 11 lakhs to the National Defence Fund and Rs. 4 lakhs to the Prime Minister's Relief Fund. Donation of a sum of Rs. 5 lakhs was also made to Prime Minsiter's Relief Fund for the relief of Bangladesh Refugees. The staff and officers of the Corporation also made voluntary donation of one day's salary for Bangladesh Relief Fund.

In response to our Prime Minsiter's appeal to both the public and private sector enterprises help rehabilitation of dependants/disabled members of the Defence Services, the Corporation now preferentially offers all retail

outlet dealerships, Kerosene and Light Diesel Oil agencies and Indane (L.P.G) distributorships to the disabled members of the Defence Services, members of the Border Security Force, and to windows/dependants of those killed in action. A special function was arranged in New Delhi when the Prime Minister handed over the letters of appointment for the first set of dealers.

## INDIAN OIL BLENDING LIMITED:

Indian Oil Blending Limited (a joint venture of Indian Oil Corporation Limited and Mobil Petroleum Company Inc. on a 50:50 basis) had a total throughput of 240,000 Kls as against 180,000 Kls during the preceding year, at its two Blending Plants at Bombay and Calcutta. The grease plant at Bombay had a throughput of 4,057 Metric Tonnes during as compared to 3,024 Metric Tonnes during the preceding year. The construction of an additional warehouse-cum-office and canteen facilities was completed at Bombay Plant.

The gross profit of IOBL after depreciation but before taxation for the year 1971-72 is about Rs. 44 lakhs as against Rs. 27.5 lakhs during the preceding year. The Company had declared dividend at 20% for the year 1971-72 as in the previous years.



Prime Minister Smt. Indira Gandhi handing over Indianoil dealership letters to war widows

#### **INDO-BURMA PETROLEUM CO. LTD.:**

This subsidiary Company of IOC achieved the highest ever sales of 3,71,000 tonnes during its financial year ended on 31st December 1971 its financial year ended on 31st December 1970 as against 2,79,000 tonnes in the preceding year recording an increase of 31.8%. The sales turnover during 1971 increased from Rs. 22.8 crores to Rs. 31.5 crores. 48 retail outlets and 18 utility pumps were added during the year bringing the total to 207 retail outlets and 50 utility pumps. Its Manufacturing Division further consolidated its position and improved its designs for the production of special purpose machines in various fields. It also successfully completed the work on the Corporation's Drum Plant at Madras.

The Company made a gross profit of Rs. 74.66 lakhs after providing for depreciation but before taxation, as against Rs. 53.77 lakhs during 1970, recording an increase of 38.7% over the previous year and declared a dividend of 18% for 1971 as against 17% in 1970.

The Corporation had a return of 14.32% on its investment of about Rs. 75 lakhs in this Company. Indo-Burma Petroleum Co. has also recently acquired a controlling interest and taken over the management of the Balmer Lawrie Group of Companies.

#### **INDIAN OIL INTERNATIONAL LTD.:**

Indian Oil International Limited, a wholly-owned subsidiary of Indian Oil Corporation Limited which was registered on 24th October 1969, started its trading activities in Nepal with effect from 1st November, 1970. The turnover of the Company from 1-1-1971 to 31-3-1972 was Rs. 387 lakhs with a market with a market participation of 65% as against a market participation of 60% during the period ending by the Company during the year was Rs. 7.73 lakhs. The profit after taxation amounted to Rs. 1,21,615.

#### **BOARD OF DIRECTORS:**

All the Directors except Shri M. Rama Brahmam, Chairman, Shri Kamaljit Singh, Managing Director (Marketing Division) and Shri C.R. Das Gupta, Managing Director (Refineries & Pipelines Division) retired at the last Annual General Meeting held on 16th November 1971 in terms of Article 194(b) of the Articles of Association. Shri P.R.K. Menon was appointed as Finance Director of the Corporation with effect from 8th February 1972. Sarvashri S.K. Majumdar, M.S. Pathak, Rajni Patel, K.K. Ray, Dr. S.K. Mukherjee and Miss M.L. Mary Naidu were appointed as Directors of the Corporation with effect from 23rd June 1972. Sarvashri S.K. Majumdar, M.S. Pathak, Rajni Patel, K.K. Ray, Dr. S.K. Mukherjee and Miss M.L. Nary Naidu were

appointed as Directors of the Corporation with effect from 23rd June 1972, and Shri A.P. Verma from 16th August 1972.

**DIRECTIVES RECEIVED FROM THE PRESIDENT OF INDIA ARTICLE 144 OF THE ARTICLES OF ASSOCIATION OF THE CORPORATION.**

The following directive has been received from the President of India under Article 144 of the Articles of Association of the Corporation:

In terms of article 144(b) of the Articles of Association of the Indian Oil Corporation Ltd., the President is pleased to direct that the said

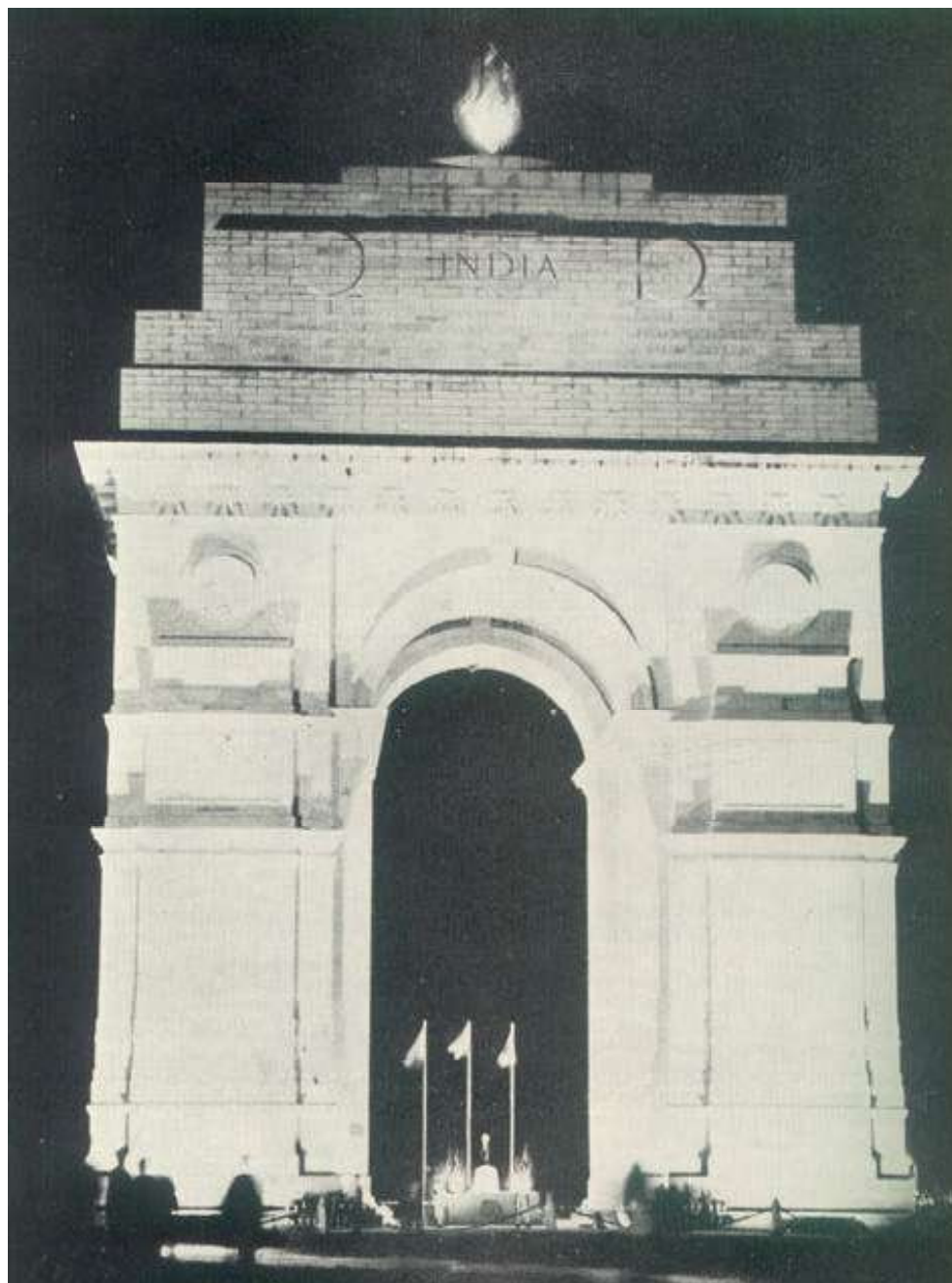
Corporation do forthwith transfer 5,96,662 ordinary shares held by it in the Indo-Burma Petroleum Co. Ltd. to the President of India at a consideration of Rs. 75.29 lakhs. The payment of the said amount would be made during the current financial year.”

Pursuant to this Presidential directive, steps have been taken to transfer IOC's share holdings in IBP to the President of India.

For and on behalf of the Board,  
M. RAMA BRAHMAM  
*Chairman,*

New Delhi,  
Dated 30th August, 1972





India Gate, the famous landmark in New Delhi, has been embellished by the 'Jawan Jyoti' Indane - Indianoil's Liquefied Petroleum Gas - keeps the flame burning round the clock



# INDIAN OIL CORPORATION LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

---

We have audited the attached Balance Sheet of the Indian Oil Corporation Limited as at 31st March, 1972 and the annexed Profit & Loss Account of the Corporation for the year ended on that date together with the Schedules referred to therein report that:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 reports on the accounts of Northern and Southern Branches of the Marketing Division audited by the respective Branch Auditors were received and properly dealt with by us while preparing our report;
4. the allocation of work between the Auditors has been followed as per the directives contained in the letter No. CAV/181-69 dated 25th February, 1972 issued by the Comptroller and Auditor General of India;
5. the Balance Sheet and Profit & Loss Account dealt the by this report are in agreement with the books of account;
6. in our opinion and to the best of our information and according to the explanations given to us, the said Accounts, 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 state of affairs of the Corporation as at 31st March, 1972, and
  - (b) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

Ray & Ray  
S. B. BILLIMORIA & CO.  
*Chartered Accountants.*

*Bombay, 3rd August, 1972.*



# INDIAN OIL CORPORATION LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1972

Index

	<u>Schedule</u>	<u>Rupees</u>	<u>Rupees</u>	1971 <u>Rupees</u>
<b>Funds Employed:</b>				
1. Share Capital	'A'	71,17,72,000		71,17,72,000
2. Reserves and Surplus	'B'	<u>76,71,39,434</u>		<u>49,75,86,210</u>
			1,47,89,11,434	1,20,93,58,210
3. Total Shareholders' Funds				
4. Loans:				
(a) Secured	'C'	19,73,17,619		20,06,25,083
(b) Unsecured	'D'	<u>44,95,49,361</u>		<u>50,56,72,154</u>
			64,68,66,980	70,62,97,237
5. Total Funds Employed		<u>2,12,57,78,414</u>		<u>1,91,56,55,447</u>
<b>Application of Funds:</b>				
6. Fixed Assets:				
(a) Gross Block	'E'	1,91,84,11,954		1,82,97,49,689
(b) Less: Depreciation		<u>56,81,39,931</u>		45,08,35,518
			1,35,02,72,023	1,37,89,14,171
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	<u>37,00,90,058</u>		20,21,51,013
			1,72,03,62,081	1,58,10,65,184
7. Investments	'G'		1,10,28,495	1,11,03,045
8. Current Assets including Loans and Advances:				
(a) Interest accrued on investments		47,143		54,140
(b) Inventories	'H'	67,37,47,976		53,60,05,792
(c) Book Debts	'I'	30,40,69,979		32,68,78,593
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		9,66,85,328		7,29,88,245
(e) Bank Balances:				
(i) With Scheduled Bank on Current Account		6,12,299		6,44,156
(ii) With Scheduled Banks on Fixed Deposit Accounts (including Rs. 8,44,349 lodged by outside parties-1971: Rs. 7,66,142)		8,58,998		7,90,858
(f) Loans and Advances	'J'	<u>32,36,46,535</u>		21,32,17,356
		1,39,96,68,258		1,15,05,79,140
9. Less: Current Liabilities and Provisions	'K'	<u>1,00,52,80,420</u>		<u>82,70,91,922</u>
10. Net Current Assets: (Working Capital)-(8) minus (9)			<u>39,43,87,838</u>	<u>32,34,87,218</u>
TOTAL			<u>2,12,57,78,414</u>	<u>1,91,56,55,447</u>
Contingent Liabilities not provided for (Refer Schedule 'R' Note 1) Notes forming part of Accounts	'R'			

As per our report attached  
RAY & RAY  
S.B. BILLIMORIA & CO.  
Chartered Accountants

Bombay, 3rd August, 1972

M. RAMA BRAHMAM  
Chairman

C.R. DAS GUPTA  
Managing Director

P.R.K. MENON  
Director

D.B. PURI  
Secretary



# INDIAN OIL CORPORATION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1972

	Rupees	Rupees	1971 Rupees
<b>INCOME:</b>			
1. (i) Sale of Products and Transfer under Product Exchange	8,63,99,00,983		7,22,60,47,298
(ii) Less: Commission & Discounts	<u>1,94,84,156</u>		<u>2,58,97,359</u>
	8,62,04,16,827		7,20,01,49,939
2. Company's use of own oil	<u>1,13,99,127</u>		<u>1,01,26,248</u>
		8,63,18,15,954	7,21,02,76,187
3. Other Income (Schedule 'L')		<u>3,60,22,968</u>	<u>3,12,97,229</u>
TOTAL INCOME		<u>8,68,78,38,922</u>	<u>7,24,15,73,416</u>
<b>EXPENDITURE:</b>			
1. Purchase and Transfer under Product Exchange		2,59,25,23,204	1,87,41,74,497
2. Manufacturing, Administration, Selling and other Expenses (Schedule 'M')		1,91,98,82,728	1,68,47,50,760
3. Excise Duty		3,65,24,38,721	3,32,80,30,046
4. Depreciation and Amortisation		12,00,14,906	10,82,66,659
5. Interest:			
(i) On Government Loan for fixed period	2,47,56,037		3,04,57,461
(ii) On Foreign Credit for fixed period	55,82,206		61,91,086
(iii) Other	<u>2,01,91,605</u>		<u>1,66,97,560</u>
		5,05,29,848	5,33,46,107
		8,33,53,89,407	7,04,85,68,069
6. Less: Expenses Capitalised	1,67,00,340		1,00,39,799
Expenses Transferred	<u>5,94,411</u>		<u>1,83,031</u>
		1,72,94,751	1,02,22,830
TOTAL EXPENDITURE		<u>8,31,80,94,656</u>	<u>7,03,83,45,239</u>
7. PROFIT BEFORE TAX		34,97,44,266	20,32,28,177
8. Less: Provision for Taxation		<u>5,00,00,000</u>	—
9. PROFIT AFTER TAX		29,97,44,266	20,32,28,177
10. Balance brought forward from last year's Account		5,86,210	7,24,202
11. Add: Income relating to previous years (Net) (Schedule 'O')		<u>1,96,32,998</u>	<u>(—) 4,55,42,129</u>
12. Disposable Profit		<u>31,99,63,474</u>	<u>15,84,10,250</u>
<b>APPROPRIATIONS:</b>			
13. Development Rebate Reserve		3,00,00,000	10,00,00,000
14. General Reserve		24,00,00,000	80,00,000
15. Proposed Dividends (Rs. 70 per share)		4,98,24,040	4,98,24,040
BALANCE CARRIED TO BALANCE SHEET		<u>1,39,434</u>	<u>5,86,210</u>
TOTAL		<u>31,99,63,474</u>	<u>15,84,10,250</u>

As per our report attached to the Balance Sheet

RAY & RAY

S.B. BILLIMORIA & CO.

Chartered Accountants

Bombay, 3rd August, 1972

M. RAMA BRAHMAM  
Chairman

C.R. DAS GUPTA  
Managing Director

P.R.K. MENON  
Director

D.B. PURI  
Secretary





# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'A'—SHARE CAPITAL

	Rupees	1971 Rupees
<b><u>SHARE CAPITAL</u></b>		
<b>Authorised:</b>		
8,50,000 Equity Shares of Rs. 1,000 each	<u>85,00,00,000</u>	<u>85,00,00,000</u>
<b>Issued and subscribed:</b>		
7,11,772 Equity Shares of Rs. 1,000 each fully paid (of the above 3,76,479 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)	<u>71,17,72,000</u>	<u>71,17,72,000</u>

## SCHEDULE 'B'-RESERVES AND SURPLUS

	Rupees	Rupees	1971 Rupees
<b><u>RESERVES AND SURPLUS:</u></b>			
<b>General Reserve:</b>			
As per last Account	9,70,00,000		8,90,00,000
Transferred from Profit and loss Account	<u>24,00,00,000</u>		<u>80,00,000</u>
		33,70,00,000	9,70,00,000
<b>Development Rebate Reserve:</b>			
As per last Account	40,00,00,000		30,00,00,000
Transferred from Profit and Loss Account	<u>3,00,00,000</u>		<u>10,00,00,000</u>
		43,00,00,000	40,00,00,000
Profit and Loss Account as per annexed Account	<u>1,39,434</u>		<u>5,86,210</u>
TOTAL	<u>76,71,39,434</u>		<u>49,75,86,210</u>

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'C'-SECURED LOANS

	<u>Rupees</u>	<u>1971 Rupees</u>
<b><u>SECURED LOANS:</u></b>		
<b>Loans and Advances from Bank:</b>		
(i) Secured by hypothecation of inventories, book debts, out-standing monies, recoverable claims, contracts, engagements, etc.	19,67,02,235	20,05,99,598
(ii) Interest accrued and due on Loans	6,15,384	25,485
<b>TOTAL</b>	<u><u>19,73,17,619</u></u>	<u><u>20,06,25,083</u></u>

### SCHEDULE 'D'-UNSECURED LOANS

	<u>Rupees</u>	<u>1971 Rupees</u>
<b><u>UNSECURED LOANS:</u></b>		
<b>Other Loans and Advances:</b>		
(i) From the Government India (including Rs. 9,58,64,448-1971: Rs. 9,58,64,448 due for payment within one year)	34,76,02,169	44,14,66,617
(ii) Foreign Credit (including Rs. 1,89,54,642-1971: Rs. 1,64,07,365 due for payment within one year)	10,19,03,823	6,41,80,112
(iii) Interest accrued and due on loans	43,369	25,425
<b>TOTAL</b>	<u><u>44,95,49,361</u></u>	<u><u>50,56,72,154</u></u>

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'E' —FIXED ASSETS

	Gross Block as at 31st March, 1971 at cost	Additions during the year at cost	Transfers, Deductions and Reclassifications at cost
LAND: Freehold	3,86,88,130	3,34,574	—
Leasehold	27,59,402	88,588	(+) 1,40,550
Right of Way	33,00,440	4,523	(–) 16,10,706
Buildings, Roads, etc.	19,58,67,565	17,64,230	(+) 89,71,755
Plant and Machinery	1,36,56,26,343	4,14,79,857	(+) 3,09,75,906
Transport Equipment	4,83,40,019	71,14,395	(–) 23,92,483
Furniture and fixtures	2,91,03,960	20,60,211	(+) 6,76,333
Railway Siding	2,40,53,445	(–) 1,19,119	(–) 16,13,536
Drainage, Sewage and Water Supply System	12,18,03,972	2,26,099	(+) 5,17,017
Sundry Assets	2,06,413	47,746	(–) 3,675
TOTAL	1,82,97,49,689	5,30,01,104	(+) 3,56,61,161
PREVIOUS YEAR	(1,73,13,59,448)	(7,99,16,880)	(+) (1,84,73,361)

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'E' — FIXED ASSETS *(Contd...)*

Gross Block as at 31st March, 1972 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1972	Net Depreciated Block as at 31st March, 1972	1971
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
3,90,22,704	-	-	3,90,22,704	3,86,88,130
29,88,540	1,23,673	6,08,084	23,80,456	22,74,991
16,94,257	-	-	16,94,257	33,00,440
20,66,03,550	58,32,894	3,20,56,310	17,45,47,240	16,96,26,799
1,43,80,82,106	9,96,08,771	45,83,05,766	97,97,76,340	1,00,57,17,468
5,30,61,931	65,23,571	2,69,08,268	2,61,53,663	2,62,45,444
3,18,40,504	33,47,128	1,28,79,046	1,89,61,458	1,95,27,564
2,23,20,790	8,71,966	46,90,609	1,76,30,181	1,93,11,834
12,25,47,088	48,90,104	3,25,10,847	9,00,36,241	9,41,80,499
2,50,484	17,797	1,81,001	69,483	41,002
1,91,84,11,954	12,12,15,904*	56,81,39,931	1,35,02,72,023	1,37,89,14,171
(1,82,97,49,689)	(10,93,58,197)*	(45,08,35,518)	(1,37,89,14,171)	

\* Includes Rs. 12,00,998 in respect of previous years (1971: Rs. 10,91,538).



## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'F'-CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK

	Rupees	Rupees	1971 Rupees
<b><u>CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK:</u></b>			
1. Work-in-Progress (at cost) (including unallocated capital expenditure and materials at site).		20,36,24,813	12,83,38,129
2. Goods in Stores (at Cost) including Rs. 1,96,603 laying with Contractors (1971: Rs. 14,37,010)		9,70,33,086	4,91,93,266
3. Goods in transit (at cost)		3,73,49,761	79,61,149
4. Construction period expenses pending allocation:			
Balance as at 1st April, 1971	1,66,58,469		71,76,678
Add: Expenditure during the year:			
Establishment Charges	22,70,005		16,35,927
Interest	60,93,362		51,36,591
Depreciation	6,84,068		14,66,484
Other	81,10,506		20,44,870
	3,38,16,410		1,74,60,550
Less: Recoveries	4,57,601		2,44,073
	3,33,58,809		1,72,16,477
Less: Allocated to assets during the year	12,76,411		5,58,008
		3,20,82,398	1,66,58,469
TOTAL		37,00,90,058	20,21,51,013

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'G'-INVESTMENTS

	<u>Rupees</u>	<u>Rupees</u>	<u>1971 Rupees</u>
<b><u>INVESTMENT: (at cost)</u></b>			
<b>A. Unquoted:</b>			
1. In Government Securities (deposited with various bodies)		3,63,205	4,36,555
2. Trade Investments:			
(i) Indian Oil Blending Ltd. - 4000 Equity Shares of Rs. 500 each fully paid in cash	20,00,000		20,00,000
(ii) International Co-operative Petroleum Association- 314 Shares of \$ 100 each fully paid	<u>1,81,853</u>		<u>1,81,853</u>
		21,81,853	<u>21,81,853</u>
3. Other Investments:			
Consumers' Co-operative Society:			
(i) Barauni-250 Equity Shares of Rs. 10 each fully paid in cash	2,500		2,500
(ii) Gauhati-250 Equity Shares of Rs. 10 each fully paid in cash	2,500		2,500
(iii) Indian Oil Employees Consumers' Co-operative Society Limited-170 Equity Shares of Rs.10 each fully paid in cash.	1,700		1,700
(iv) Indian Oil Employees Co-operative Consumers' Stores Limited - 164 Equity Shares of Rs. 10 each fully paid in cash	<u>1,640</u>		<u>1,640</u>
		8,340	<u>8,340</u>
4. Investments by Outside Parties:			
Security Deposits per contra		8,45,845	8,47,045
<b>B. Investments in Subsidiaries:</b>			
(i) Indian Oil International Limited (Unquoted) 100 Equity Shares of Rs. 1,000 each fully paid in cash.	1,00,000		1,00,000
(ii) Indo-Bruma Petroleum Company Limited (Quoted) 5,96,662 Equity Shares of Rs. 10 each fully paid in cash (Market value Rs. 1,05,54,951-1971: Rs. 85,02,433)	<u>75,29,252</u>		<u>75,29,252</u>
		<u>76,29,252</u>	<u>76,29,252</u>
TOTAL		<u>1,10,28,495</u>	<u>1,11,03,045</u>



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'H'-INVENTORIES

	Rupees	Rupees	1971 Rupees
<b><u>INVENTORIES:</u></b>			
1. Stores, Spares, etc.:			
(a) Stores and Spare (at or under cost)	10,86,80,905		12,79,47,276
(b) Loose Tools	2,02,450		1,96,793
(c) Stores in transit (at cost)	<u>84,83,641</u>		<u>93,47,836</u>
		11,73,66,996	13,74,91,905
2. Raw Materials (at cost)		10,73,92,424	6,48,93,773
3. Stock-in-Trade:			
(a) Oil Stocks (at cost or net realisable value whichever is lower)	42,73,89,331*		31,42,89,486*
(b) Stock in Process (at or under cost)	<u>1,55,98,730</u>		<u>1,41,61,312</u>
		44,29,88,061	32,84,50,798
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		60,00,495	51,69,316
TOTAL		<u>67,37,47,976</u>	<u>53,60,05,792</u>

\* Includes stock lying with other oil companies on loan Rs. 3,40,84,575 (1971: Rs. 3,39,22,315)

## SCHEDULE 'I' - BOOK DEBTS

	Rupees	Rupees	1971 Rupees
<b><u>BOOK DEBTS</u></b>			
1. Over six months:			
(a) Secured Considered Good	7,33,746		11,49,899
(b) Unsecured Considered Good	5,35,43,580		7,68,52,702
(c) Unsecured Considered Doubtful	<u>1,24,24,433</u>		<u>86,02,283</u>
		6,67,01,759	8,66,04,884
2. Less than six months:			
(a) Secured Considered Good	29,46,210		25,49,620
(b) Unsecured Considered Good	24,68,46,443		24,63,26,372
(c) Unsecured Considered Doubtful	<u>1,79,920</u>		<u>1,94,208</u>
		24,99,72,573	24,90,70,200
		31,66,74,332	33,56,75,084
Less: Provision for Doubtful Debts		1,26,04,353	87,96,491
TOTAL		<u>30,40,69,979</u>	<u>32,68,78,593</u>

- Debts due from Directors Rs. 64 (1971: NIL) (Maximum Rs. 427-1971: Rs. 186).
- Debts due from other Officers Rs. 2,330 (1971: Rs. 171) (Maximum Rs. 2,655-1971: Rs. 673).
- Debts due by private companies in which Directors are interested as Directors Rs. 46,66,012-(1971: Rs. 1,47,16,475).
- Debts due from companies under the same Management-Schedule 'P'





# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'J' —LOANS AND ADVANCES

	Rupees	Rupees	1971 Rupees
<b><u>LOANS AND ADVANCES</u></b>			
1. Advances Recoverable in cash or in kind or for value to be received:			
(a) Secured Considered Good	2,45,57,340*		1,29,12,462*
(b) Unsecured Considered Good	14,14,45,030*		12,33,08,103*
(c) Unsecured Considered Doubtful	<u>5,59,451</u>		<u>3,83,516</u>
	16,65,61,821		13,66,04,081
(d) Less: provision for Doubtful Advances	<u>5,59,451</u>		<u>3,83,516</u>
		16,60,02,370	13,62,20,565
2. Claims Recoverable:			
(a) Unsecured Considered Good	8,43,91,592		2,78,00,986
(b) Unsecured Considered Doubtful	<u>47,46,934</u>		<u>24,00,085</u>
	8,91,38,526		3,02,01,071
(c) Less: Provision for Doubtful Claims	<u>47,46,934</u>		<u>24,00,085</u>
		8,43,91,592	2,78,00,986
3. Materials on Loan:			
(a) Secured Considered Good	2,79,848		25,617
(b) Unsecured Considered Good	1,30,794		20,15,282
(c) Unsecured Considered Doubtful	<u>4,863</u>		<u>9,622</u>
	4,15,505		20,50,521
(d) Less: Provision for Doubtful Loans	4,863		<u>9,622</u>
		4,10,642	20,40,899
4. Balances with Customs, Port Trust and Excise Authorities		4,02,39,780	2,36,04,889
5. Sundry Deposits-Unsecured Considered Good including amount adjustable on receipt of final bills		<u>3,26,02,151</u>	<u>2,35,50,017</u>
TOTAL		<u><u>32,36,46,535</u></u>	<u><u>21,32,17,356</u></u>

\* Includes:

- Rs. 59,047 (1971: Rs. 73,590) due from Directors (Maximum Rs. 81,701-1971: Rs. 73,802).
- Rs. 2,31,159 (1971: Rs. 1,77,939) due from other Officers (Maximum Rs. 2,94,871-1971: Rs. 2,58,197).
- Rs. 14,37,893 (1971: Rs. 1,93,475) due by private companies in which Directors are interested as Directors (Maximum Rs. 15,34,091-1971: Rs. 9,21,440).

Advances due from companies under the same Management -Schedule 'Q'.



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'K' —CURRENT LIABILITIES AND PROVISIONS

	<u>Rupees</u>	<u>Rupees</u>	1971 <u>Rupees</u>
<b>A. CURRENT LIABILITIES:</b>			
1. Acceptances	6,93,77,763		4,74,25,164
2. Sundry Creditors	70,57,06,041		62,23,52,994
3. Security Deposits (including Rs. 8,44,349 deposit with the Bank as per contra-1971: Rs. 7,66,142 and investment lodged by outside parties as per contra Rs. 8,45,845-1971: Rs. 8,47,045)	9,24,68,009		7,23,00,673
4. Interest accrued but not due on loans	96,11,774		1,22,80,877
		<u>87,71,63,587</u>	<u>75,43,59,708</u>
<b>B. PROVISIONS:</b>			
5. Provision for Taxation	5,00,00,000		—
6. Provision for Gratuity	2,37,93,308		1,84,08,689
7. Provision for Renewal of Catalyst	44,99,485		44,99,485
8. Proposed Dividend	4,98,24,040		4,98,24,040
		<u>12,81,16,833</u>	<u>7,27,32,214</u>
TOTAL		<u>100,52,80,420</u>	<u>82,70,91,922</u>

## SCHEDULE 'L' —OTHER INCOME

	<u>Rupees</u>	<u>Rupees</u>	1971 <u>Rupees</u>
<b>OTHER INCOME:</b>			
1. Sale of Power and water		80,80,163	45,88,227
2. Main Installation Charges received from other Oil Companies		1,08,11,476	90,21,087
3. Interest on Advances (Gross-Tax deducted at source Rs. 393-1971: Rs. 439)		8,21,189	9,22,804
4. Profit on Sale and disposal of Assets		3,24,974	2,99,287
5. Income from Investments		19,265	19,735
6. Dividends Received (Trade Investments-Gross (Tax deducted at source Rs. 3,11,152-1971: Rs. 2,65,209)	14,18,883		12,12,471
Less: Withheld U.S. Tax	<u>1,367</u>		<u>2,093</u>
		14,17,516	12,10,378
7. Miscellaneous Income		1,30,67,678	1,44,12,129
8. Provision for doubtful debts and Advances written back		14,80,707	8,23,582
TOTAL		<u>3,60,22,968</u>	<u>3,12,97,229</u>



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'M'-MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

	<u>Rupees</u>	<u>Rupees</u>	<u>1971</u> <u>Rupees</u>
<b><u>MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:</u></b>			
1. Raw materials consumed:			
Opening balance as on 1st April, 1971	6,48,93,773		6,32,26,800
Add: Purchases	1,22,96,31,500		96,51,20,831
	<u>1,29,45,25,273</u>		<u>1,02,83,47,631</u>
Less: Closing Stock	<u>10,73,92,424</u>		<u>6,48,93,773</u>
		1,18,71,32,849	96,34,53,858
2. Consumption			
(i) Stores and Spares	2,27,32,068		2,10,49,687
(ii) Other Packages	<u>11,51,50,699</u>		<u>6,67,06,151</u>
		13,78,82,767	8,77,55,838
3. Power and Fuel	4,43,01,934		3,89,51,080
Less: Fuel of own production	<u>4,10,94,000</u>		<u>3,65,58,638</u>
		32,07,934	23,92,442
4. Blending fees, Royalty and other charges		1,54,05,138	1,27,74,564
5. Repairs and Maintenance:			
(a) Plant and Machinery	1,61,96,725		1,72,14,194
(b) Buildings	25,53,289		31,60,751
(c) Other	<u>78,96,593</u>		<u>83,35,048</u>
		2,66,46,607	2,87,09,993
6. Freight and Transportation charges		36,66,30,883	33,54,36,014
7. Payment to and Provision for Employees:			
(a) Salaries, wages and Bonus	13,66,90,461		12,62,09,612
(b) Contribution to Provident and other Funds	74,74,558		72,42,108
(c) Staff Welfare Expenses	89,32,499		75,34,545
(d) Provision for Gratuity	53,84,618		74,35,828
(e) Gratuity and Ex-Gratia	<u>1,89,657</u>		<u>1,79,699</u>
		15,86,71,793	14,86,01,792
8. Office Administration, selling and other Expenses (Schedule 'N')		13,88,42,020	10,83,09,023
9. Less: Increase in Stocks:			
Closing Stock as on 31st March, 1972:			
Finished Products	42,73,89,331		31,42,89,486
Stock in Process	1,55,98,730		1,41,61,312
	<u>44,29,88,061</u>		<u>32,84,50,798</u>
Less: Opening Stock as on 1st April, 1971:			
Finished Products	31,42,89,486		31,70,05,340
Adjustment in respect of previous year	—		(—) 79,24,020
Stock in process	<u>1,41,61,312</u>		<u>1,66,86,714</u>
	32,84,50,798		32,57,68,034
		(—) 11,45,37,263	(—) 26,82,764
<b>TOTAL</b>		<u>1,91,98,82,728</u>	<u>1,68,47,50,760</u>



### SCHEDULE 'N'- OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

	Rupees	Rupees	1971 Rupees
<b>OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Rent		1,49,92,148	1,44,15,875
2. Insurance		86,07,922	45,37,750
3. Rates and Taxes		3,65,02,926	2,73,60,509
4. Donations (including Rs. 11,00,000-1971: Rs. NIL to National Defence Fund)		21,20,533	1,29,955
5. Directors' Fees		2,600	2,800
6. Payments to Auditors:			
(a) Audit Fees	2,00,000		1,80,000
(b) Other Services	60,757		26,934
(c) Out of Pocket Expenses	61,921		80,036
		3,22,678	2,86,970
7. Main Installation Charges paid to other Marketing Companies		85,79,753	63,37,861
8. Office Administration, Selling and Other expenses		5,19,55,941	4,81,56,743
9. Bad Debts, Advances and Insurance claims written off		12,17,260	12,87,062
10. Loss on Assets sold, lost or written off		29,84,097	11,21,468
11. Loss on Assets due to fire		—	563
12. Exchange Fluctuations		37,49,568	1,93,095
13. Provision for Doubtful Debts, Advances and Claims		78,06,594	44,78,372
<b>TOTAL</b>		13,88,42,020	10,83,09,023

### SCHEDULE 'O' - EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS

	Rupees	Rupees	1971 Rupees
Raw Materials consumed-purchases		93,82,736	3,59,73,851
Purchases and Transfer under Product Exchange	(—)	1,67,40,636	(—) 14,96,289
Consumption of Stores and Spare Parts	(—)	6,41,639	2,35,195
Blending Fees, Royalty and other charges	(—)	41,534	—
Repairs and Maintenance		1,81,772	(—) 63,073
Freight and Transportation charges	(—)	36,914	13,11,046
Salaries, Wages, Bonus, etc.		2,17,100	29,97,530
Rent, Rates and Taxes	(—)	58,03,414	47,85,183
Insurance		8,447	56,852
Excise Duty		2,69,910	7,68,929
Depreciation		12,00,998	10,91,538
Power and Fuel		13,461	7,916
Loss on Assets Sold or lost and other write-off		62,384	2,48,190
Main Installation Charges paid to other Marketing Companies		1,55,555	1,49,982
Office Administration, Selling and other expenses		5,27,995	15,46,704
Interest	(—)	63,572	(—) 6,10,275
Sale of Products and transfers under Product Exchange	(—)	27,44,786	(—) 6,10,275
Commission and Discount	(—)	18,42,356	(—) 74,907
Main Installation Charges received from other Marketing Companies		3,456	—
Interest on Advances	(—)	5,403	(—) 35,955
Income from Investments		—	(—) 6,003
Miscellaneous Income	(—)	37,36,558	(—) 19,71,306
<b>NET INCOME (—) EXPENSES</b>		(—) 1,96,32,998	4,55,42,129



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'P'-DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

<u>Name of the Company</u>	<u>Rupees</u>	<u>1971 Rupees</u>
Ashoka Hotels Limited	—	5,910
Bharat Aluminium Company Limited	—	484
Bharat Earth Movers Limited	3,16,453	1,85,585
Bharat Electronics Limited	98,801	80,973
Bharat Heavy Electricals Limited	1,40,506	1,57,732
Bharat Heavy Plates and Vessels Limited	27,455	35,994
Bokaro Steel Limited	4,67,406	3,37,998
Cement Corporation of India Limited	9,444	4,957
Central Inland Water Transport Corporation Limited	—	11,900
Central Road Transport Corporation Limited	1,05,595	1,34,158
Cochin Refineries Limited	40,858	35,151
Electronics Corporation of India Limited	737	—
Engineers India Limited	29,987	1,19,181
Fertilizer Corporation of India Limited	17,82,903	13,66,127
Fertilizer & Chemicals, Travancore Limited	39,797	4,14,629
Garden Reach Workshop Limited	33,501	66,183
Goa Shipyard Limited	—	368
Heavy Electricals (India) Limited	34,34,314	1,99,999
Heavy Engineering Corporation Limited	95,990	1,38,767
Hindustan Aeronautics Limited	14,62,925	20,32,787
Hindustan Antibiotics Limited	2,40,101	2,73,502
Hindustan Cables Limited	53,202	84,386
Hindustan Copper Limited	1,152	61,568
Hindustan Housing Factory Limited	75	—
Hindustan Insecticides Limited	62,317	1,36,518
Hindustan Machine Tools Limited	96,667	6,17,762
Hindustan Organic Chemicals Limited	1,24,243	420
Hindustan Photo Films Manufacturing Company Limited	9,677	18,204
Hindustan Shipyard Limited	64,663	34,505
Hindustan Steel Limited	63,64,861	55,39,122
Hindustan Steel Works Construction Limited	1,75,137	90,353
Hindustan Teleprinters Limited	—	12,577
Hindustan Zinc Limited	23,983	1,07,275
Indo-Burma Petroleum Company Limited (A Subsidiary)	31,12,920	43,99,253
Indian Drugs & Pharmaceuticals Limited	3,54,995	12,94,589
Indian Oil International Limited (A Subsidiary)	19,12,664	17,39,090
Indian Petro-Chemicals Corporation Limited	1,13,913	1,93,002
Indian Rare Earths Limited	20,308	87,579
Indian Telephone Industries Limited	1,79,180	1,79,814
Indian Tourism Development Corporation Limited	306	10,295
Instrumentation Limited	15	614
Jayanti Shipping Company Limited	10,86,450	—
Lubizol India Limited	1,54,443	78,204
Machine Tool Corporation of India Limited	—	1,217
Madras Fertilizers Limited	11,46,693	3,62,414
Madras Refineries Limited	93,936	89,603
Carried forward	<u>2,34,78,573</u>	<u>2,07,40,749</u>





## INDIAN OIL CORPORATION LIMITED

### SCHEDULE 'P'-DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT (Contd....)

<u>Name of the Company</u>	<u>Rupees</u>	<u>1971 Rupees</u>
Brought forward	2,34,78,573	2,07,40,749
Minerals & Metals Trading Corporation of India Limited	5,127	8,846
Modern Bakeries (India) Limited	39,523	60,557
Mazagon Dock Limited	95,362	3,62,712
Mining & Allied Machinery Corporation Limited	1,65,097	2,23,603
Mogul line Limited	5,56,423	5,20,524
National Building Construction Corporation Limited	164	2,937
National Coal Development Corporation Limited	25,07,331	32,53,015
National Instruments Limited	1,863	—
National Newsprint and Paper Mills Limited	73,465	1,58,715
National projects Construction Corporation Limited	59,599	51,623
National Mineral Development Corporation Limited	3,94,543	7,95,291
Neyveli Lignite Corporation Limited	9,03,443	7,54,657
Praga Tools Limited	1,00,226	1,21,259
Pyrites Phosphates & Chemicals Limited	18,774	17,564
Rehabilitation Industries Corporation Limited	1,492	—
Sambhar Salts Limited	8,063	363
Shipping Corporation of India Limited	17,02,723	33,56,385
State Farms Corporation of India Limited	6,003	—
State Trading Corporation of India Limited	—	1,29,930
Tannery and Foot Wear Corporation of India Limited	2,904	—
Triveni Structurals Limited	41,544	7,660
Tungabhadra Steel Products Limited	11,623	8,256
<b>TOTAL</b>	<b>3,01,73,865</b>	<b>3,05,74,646</b>



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'Q'-ADVANCES DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

<u>Name of the Company</u>	Maximum amount during the year		1971 Maximum amount	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Bharat Electronics Limited	7,580	7,580	7,580	7,580
Bharat Heavy Electricals Limited	2,04,00,261	2,04,70,941	1,03,37,100	1,03,48,348
Bharat Heavy Plates & Vessels Limited	18,18,543	18,18,543	—	—
Central Inland Water Transport Corporation Limited	—	1,15,000	—	35,000
Central Road Transport Corporation Limited	—	25,000	—	67,000
Electronics Corporation of India Limited	—	537	—	—
Engineers India Limited	1,02,808	1,64,857	62,049	6,86,226
Fertilizer Corporation of India Limited	87,459	87,459	25,617	25,617
Fertilizer & Chemicals, Travancore Limited	11,295	3,77,917	60,838	3,42,107
Garden Reach Workshop Limited	68,24,232	70,17,595	—	—
Heavy Electricals (India) Limited	2,44,600	2,44,600	59,680	59,680
Hindustan Cables Limited	7,575	1,05,356	13,388	25,748
Hindustan Antibiotics Limited	—	—	—	1,113
Hindustan Aeronautics Limited	1,485	1,485	1,485	1,485
Hindustan Machine Tools Limited	—	180	—	6,550
Hindustan Steel Limited	15,24,163	175,05,940	19,24,498	65,02,075
Hindustan Steel Works Construction Limited	7,82,000	7,82,000	—	—
Hindustan Teleprinters Limited	1,622	1,622	—	2,376
Hindustan Organic Chemicals Limited	—	—	—	247
Indian Oil International Limited (A Subsidiary)	—	90	90	85,621
Indian Rare Earths Limited	—	18,342	57	13,466
Indian Telephone Industries Limited	2,138	2,49,065	2,20,891	2,35,508
Indo-Burma Petroleum Company Limited (A Subsidiary)	75,108	2,81,986	761	761
Instrumentation Limited	—	7,406	60	1,466
Jayanti Shipping Company Limited	1,66,212	1,66,212	—	—
Minerals & Metals Trading Corporation of India Limited	3,37,851	108,44,973	20,27,446	433,38,995
Madras Refineries Limited	3,85,346	4,81,544	97,133	1,23,475
State Trading Corporation of India Limited	72	4,73,739	—	—
Shipping Corporation of India Limited	7,98,876	7,98,876	1,05,719	1,23,976
<b>TOTAL</b>	<b>3,35,79,226</b>		<b>1,49,44,392</b>	

# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'R' - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1972

1. Contingent Liabilities not provided for:
  - (a) Claims against the Corporation not acknowledged as debts Rs. 2,305.85 lacs (1971: Rs. 2,211.72 lacs) including Rs. 1,066.45 lacs (1971: Rs. 890: Rs. 890.61 lacs) for which suits have been filed in Courts or cases lying with arbitrators. Interest on some of the claims, if any, is unascertainable. These include inter alia:
    - (i) Rs. 988.73 lacs (1971: Rs. 892 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.
    - (ii) Rs. 574.77 lacs (1971: Rs. 565.25 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.
  - (b) Against a claim by a contractor on the Corporation, an Award has been given by the Umpire for Rs. 48.53 lacs (1971: 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 on a petition by the Corporation the Court has set aside the Award. An appeal by the Party is pending in the High Court.
  - (c) The Corporation has given guarantees and Counter guarantees to Banks and others amounting to Rs. 1,029.63 lacs (1971: Rs. 970.36 lacs).
  - (d) Bills discounted with the Bank Rs. 2.93 lacs (1971: Rs. 108.55 lacs).
  - (e) Income Tax liability, if any, in respect of foreign contractors/principals/technicians. The Corporation has, however, made an advance of Rs. 5 lacs (1971: Rs. 5 lacs) to one of the contractors for payment of advance Income Tax in respect of such liability.
  - (f) The Central Excise Authorities have made certain demands on account of Excise Duty on pipeline operational losses in excess of guideline limits prescribed by them. the demands are contested by the Corporation and pending finalisation of the dispute on liability has been taken into account for any additional Excise Duty which may be payable.
  - (g) Pending decision by Arbitrator on certain technical matters concerning crude oil supplied by ONGC, it has not been possible to make any adjustment in the Accounts, as the amount is not ascertainable.
2. Estimated amount of contracts remaining to be executed on capital Account and not provided for Rs. 3,039,96 lacs (1971: Rs. 2,758.71 lacs).
3.
  - (a) Title deeds, Lease agreements and other formal agreements in respect of certain lands are awaited.
  - (b) Pending finalisation of compensation amount, for land acquired for Gauhati and Barauni Refineries, no provision has been made in respect of Gauhati Refinery and in respect of Barauni Refinery provision has been made in the Accounts for amounts payable to Bihar State Government as intimated by them.
  - (c) Decision has been taken to take over the Port Blair Installation belonging to Defence Authorities. Pending finalisation of the price payable, the amount has not been capitalised.
  - (d) Arrangements for participation of State Government of Assam and Bihar in the equity capital as consideration for land given, and documents of transfer in respect of:
    - (i) Land for the three Refineries, and
    - (ii) Land and Building acquired at Hathidah which were sold to another Company during the year 1969-70, have not been completed so far. Further pending final settlement, amounts recoverable from the Assam Government towards cost of land development and expenses incurred on approach roads have not been taken credit for in the Accounts.
  - (e) No provision has been made for additional compensation payable to the erstwhile land owners in Gujarat in the absence of Court orders which are awaited.
  - (f) Rental for certain Rail-Bridges on Haldia-Barauni-Kanpur Pipelines has been provided on an ad hoc basis pending finalisation of agreement with the Railway Board.
4. The credit for Residual Fuel Oil Supplied to Gujarat State Electricity Board has been taken in the Accounts at the rate at which payment is being made by the Board. The Corporation, however, is



# INDIAN OIL CORPORATION LIMITED

SCHEDULE 'R' - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1972 Contd...

Index

- not agreeable to supply at this rate and is claiming payment at a higher rate. The matter at present is under arbitration.
5. No account has been taken of the Corporation claims for liquidated damages and losses from shipping Companies aggregating to Rs. 54.90 lacs (1971: Rs. 32.71 lacs), as the matters are under arbitration.
  6. Included among stores are many items which are non-moving/slow moving. These include large quantities of materials returned to Stores, after completion of the Projects which are awaiting disposal. Realisable value of these items is not ascertainable.
  7. Closing Stock includes stocks of Tin Plates of the value of Rs. 1.34 lacs (1971: Rs. 1.34 lacs) lying with Contractors who contend that no stock is lying with them.
  8. (a) Sundry Creditors include Rs. 206.33 lacs (1971: Rs. 70.93 lacs under Claims Recoverable) in respect of the Freight Surcharge Pool Account which are subject to audit as required under the Freight Surcharge Pool Scheme.  
(b) Loans and Advances include Rs. 696.98 lacs (1971: Rs. 773.73 lacs) in respect of C&F Adjustment Account which are subject to Audit.
  9. Deposit includes Rs. 114.17 lacs 1971: Rs. 77.29 lacs) on account of payment to other Oil Companies for products received on loan from them, against which the Corporation holds products received to the extent it has not been consumed.
  10. Included in the Sundry Deposits is an amount of Rs. 50.59 lacs (1971: Rs. 50.59 lacs) which represents the difference between the rates charged or credited in respect of movement of products on installation Exchange basis by another Oil Company, and the rates which the Corporation claims should have been applied. The Corporation has filed a suit in the Bombay High Court for recovery.
  11. The Corporation has acquired a diesel hydraulic locomotive on certain terms in October 1969 from Messrs. Chittaranjan Locomotive Works against the deposit of Rs. 13.47 lacs representing original value. As there is a dispute with the Suppliers, the total cost of the locomotive has not yet been capitalised nor any provision made for hire charges, if any, which are not ascertainable at this stage.
  12. Some of the Assets may be subject to reclassification, adjustment on receipt of completion reports and/or finalisation of bills/ customs duty.
  13. The Profit and Loss Account includes expenses on Publicity-Rs. 41.20 lacs (1971: Rs. 42.55 lacs).
  14. Managerial Remuneration paid or payable to Directors is Rs. 2,48,044 (1971: Rs. 2,42,109) excluding Directors' Sitting Fees. In addition, the Managing Director of the Marketing Division of the Corporation is entitled to the use of a flat of the Corporation for which 10 per cent of his salary is deducted. Bonus to full time Directors paid or provided and provision of gratuity has been made on the same basis as other officers of the Corporation. Formal orders of the Government in this matter are awaited.
  15. The basis of allocation of interest within the units of the Refineries and Pipelines Division has been rationalised during the years as a result of which the allocated interest to a construction project has been reduced. Consequently the profit of the Corporation has decreased by Rs. 28.47 lacs.
  16. Previous year's comparative figures have been regrouped to the extent practicable wherever necessary.

## Signatures to Schedules 'A' to 'S'

M. RAMA BRAHMAM  
Chairman

C.R. DAS GUPTA  
Managing Director

P.R.K. MENON  
Director

D.B. PURI  
Secretary

RAY & RAY  
S.B. BILLIMORIA & CO.  
Chartered Accountants



# INDIAN OIL CORPORATION LIMITED

## SCHEDULE 'S' - INFORMATION REQUIRED BY PARAGRAPHS 3 AND 4 PART 11 OF SCHEDULE VI TO THE COMPANIES ACT, 1956

	<u>1972</u>	<u>1971</u>
Number of employees who are in receipt of or are entitled to receive emoluments amounting in aggregate to Rs. 2,000 or more per month at the end of the year. Perquisites and benefits for this purpose have been included to the extent taxable	199	193

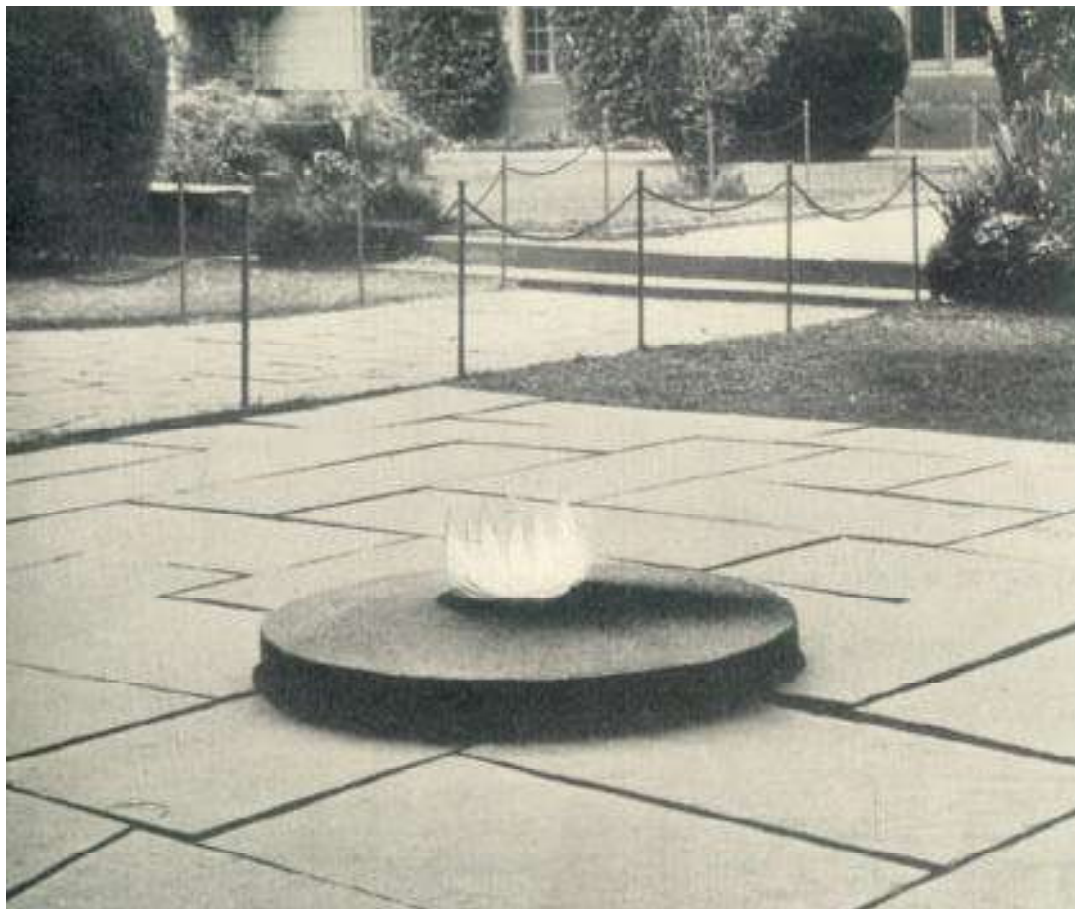
### Goods Manufactured

	<u>PETROLEUM PRODUCTS</u>		<u>DRUMS</u>		<u>18.5 LITERS TINS</u>	
	<u>1972</u>	<u>1971</u>	<u>1972</u>	<u>1971</u>	<u>1972</u>	<u>1971</u>
	<u>M.T.</u>	<u>M.T.</u>				
Licensed capacity at the year end (including Haldia Project under construction-25,00,000 M.T.s)..	94,20,000	94,20,000	15,00,000	—	—	—
Installed capacity at the year end as certified by the Management..	68,90,000	68,90,000	10,00,000	—	8,000*	8,000*
Raw materials purchased or acquired	69,05,856	64,39,259	130 M.T.	—	1,384 M.T.	255 M.T.
Opening Stock-Finished Products	1,87,476	1,54,154	—	—	—	16,691
Closing Stock-Finished Products..	1,56,269	1,87,476	1,096	—	6,591	—
Actual Production-Finished Products	62,59,423	58,96,377	6,313	—	12,14,078	2,21,589

\* Per shift of 8 hours per day.







“Jawahar Jyoti” is aglow at Teen Murti Bhavan, New Delhi, Perpetuating the fond memory of Jawaharlal Nehru. Indianoil keeps it burning day and night with “Indane” (Liquefied Petroleum Gas)

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE OF FIXED ASSETS (TOWNSHIP)

	Gross Block as at 31st March, 1971 At Cost	additions during the year At Cost	Transfers, Deductions and Reclassifications At Cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
LAND: Freehold	38,09,337	—	(+) 1,275
Leasehold	6,91,219	—	(+) 1,40,550
BUILDINGS AND ROADS	738,39,044	5,42,288	(+) 35,34,421
PLANTS AND MACHINERY	30,27,079	68,233	(+) 5,97,0070
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	109,46,744	—	(+) 4,41,440
EQUIPMENT AND APPLIANCES	23,09,722	1,10,589	(—) 44,550
FURNITURE AND FIXTURES	2,56,141	22,068	(+) 2,69,657
VEHICLES	20,21,381	3,53,151	(—) 27,000
TOTAL	969,00,667	10,96,329	(+) 49,12,800
<i>PREVIOUS YEAR</i>	(900,29,645)	(35,56,989)	(+) (33,14,033)
CAPITAL WORK-IN-PROGRESS			
<i>PREVIOUS YEAR</i>			
TOTAL			
<i>PREVIOUS YEAR</i>			

## INDIAN OIL CORPORATION LIMITED

### SCHEDULE OF FIXED ASSETS (TOWNSHIP) *(Contd...)*

Gross Block as at 31st March, 1972 at Cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1972	Net Depreciated Block as at 31st March, 1972	1971
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
38,10,612	–	–	38,10,612	38,09,337
8,31,769	17,869	64,415	7,67,354	6,44,673
779,15,753	17,64,706	107,84,889	671,30,864	648,17,162
36,92,319	1,80,149	9,59,633	27,32,686	22,73,483
113,88,184	4,56,498	26,70,019	87,18,165	87,31,531
23,75,761	2,60,683	13,20,585	10,55,176	12,23,220
5,47,866	1,22,807	1,96,448	3,51,418	1,81,701
23,47,532	2,70,546	11,68,559	11,78,973	10,79,829
10,29,09,796	30,73,258	171,64,548	857,45,248	827,60,936
(969,00,667)	(29,02,583)	(141,39,731)	(827,60,936)	
			28,04,086	
			(37,55,254)	
			885,49,334	
			(865,16,190)	

# INDIAN OIL CORPORATION LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1972 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

	<u>Rupees</u>	<u>Rupees</u>	1971 <u>Rupees</u>
<b><u>INCOME</u></b>			
1. Recovery of House Rent		15,90,809	14,57,298
2. Recovery of Utilities:			
Power	2,86,138		3,22,684
Water	<u>2,58,276</u>		<u>2,35,556</u>
		5,44,414	5,58,240
3. Recovery of Transport Charges		1,77,643	1,53,723
4. Other Recoveries		2,90,089	2,04,381
5. Excess of Expenditure over Income		213,60,852	<u>200,52,572</u>
TOTAL		<u>239,63,807</u>	<u>224,26,214</u>
<b><u>EXPENDITURE</u></b>			
1. Salaries, Wages, Bonus, P.F. Contribution		70,88,748	62,17,954
2. Consumable Stores and Medicines		19,19,554	18,89,021
3. Subsidies for Social and Cultural Activities		1,58,470	94,602
4. Repairs and maintenance		10,60,638	11,86,151
5. Interest		60,72,730	56,26,558
6. Depreciation		30,73,258	29,02,583
7. Miscellaneous Expenses:			
(i) Taxes and Licence Fees	8,69,289		1,24,646
(ii) Insurance	3,076		1,140
(iii) Others	<u>8,86,708</u>		<u>10,25,663</u>
		17,59,073	11,51,449
8. Utilities:			
Power	20,86,155		27,24,368
Water	<u>7,45,181</u>		<u>6,33,528</u>
		28,31,336	33,57,896
TOTAL		<u>239,63,807</u>	<u>224,26,214</u>

# INDIAN OIL CORPORATION LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT DATED 30TH AUGUST, 1972

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED  
31ST MARCH, 1972 BY THE INDIAN AUDIT AND ACCOUNTS DEPARTMENT

Index

### 1. Financial Position

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

		(Rupees in lakhs)		
		1969-70	1970-71	1971-72
<b>Liabilities</b>				
(a)	Paid-up Capital	7,117.72	7,117.72	7,117.72
(b)	Reserves and Surplus	3,897.24	4,975.86	7,671.39
(c)	Borrowings:			
(i)	Form the government of India	5,373.31	4,414.67	3,476.02
(ii)	Foreign Credit	672.58	641.80	1,019.04
(iii)	From Bank Cash Credit	1,478.75	2,006.00	1,967.02
(d)	Trade dues and other current liabilities (including provisions)	7,004.67	8,271.42	10,059.39
	TOTAL	<u>25,544.27</u>	<u>27,427.47</u>	<u>31,310.58</u>
<b>Assets</b>				
(e)	Gross Block	17,313.59	18,297.50	19,184.12
(f)	Less: "Depreciation	3,435.41	4,508.36	5,681.40
(g)	Net fixed assets	13,878.18	13,789.14	13,502.72
(h)	Capital work-in-progress (including unallocated expenses)	961.75	1,449.97	2,357.07
(i)	Other assets (mainly machinery and equipment's- in-transit and stores)	124.13	571.54	1,343.83
(j)	Current assets, loans and advances (excluding investments)	10,469.73	11,505.79	13,996.68
(k)	Investments	110.48	111.03	110.28
	TOTAL	<u>25,544.27</u>	<u>27,427.47</u>	<u>31,310.58</u>
	Capital employed	17,463.86	17,216.07	17,686.40
	Net worth	11,014.96	12,093.58	14,789.11

- 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.

### 2. Capital Structure

#### (a) Debt equity ratio

The debt equity ratio for the Company has been 0.85: 1 in 1969-70, 0.71 :1 in 1970-71 and 0.63:1 in 1971-72.

- (b) The amount of loans taken from the Government of India outstanding as on 31st March, 1972 was Rs. 3,476.02 lakhs. In respect of loans amounting to Rs. 2,223.03 lakhs, Rs. 267.06 lakhs and Rs. 985.93 lakhs, moratorium for one, two and three years for repayment of principal was granted by the Government of India.





**3. Reserves and Surplus**

The reserves and surplus (Rs. 7,671,39 lakhs) amounted to:

- 24.5 per cent of the total liabilities for 1971-72 as against 18.1 per cent in 1970-71 and 15.3 per cent in 1969-70.
- 107.8 per cent of equity capital (Rs. 7,117.72 lakhs) in 1971-72 as against 69.9 per cent in 1970-71 and 54.8 per cent in 1969-70.

Index

**4. Liquidity and Solvency**

- The proportion of current assets (including investments) to total net assets increased from 41.4 percent in 1969-70 to 42.4 per cent in 1970-71 and to 45.1 per cent in 1971-72.
- The percentage of current (including investment) to current liabilities (including provisions) decreased from 151.01 in 1969-70 to 140. in 1970-71 and to 140.2 in 1971-72.
- The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) increased from 74.5 in 1969-70 to 75.2 in 1970-71 and decreased to 74.4 in 1971-72.

**5. Working Capital**

The working capital (current assets, loans and advances less trade dues and current liabilities excluding provisions for gratuity) of the Company at the close of the three years ending 31st March, 1972 amounted to Rs. 3,585,68 lakhs, Rs. 3,426.93 lakhs and Rs. 4,183.68 lakhs respectively and represented 0.7, 0.6 months' value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1972 was financed through loans from Bank (Rs. 1,967.02 lakhs) and internal resources (Rs. 2,216.66 lakhs). 1972 was financed through loans from Bank (Rs. 1,967.02 lakhs) and internal resources (Rs. 2,216.66 lakhs).

**6. Sources and uses of funds**

Funds amounting to Rs. 4,422.42 lakhs from internal sources (reserves, depreciation, provisions and surplus) and Rs. 633.73 lakhs from other sources were utilised in 1971-72 as under:

	(Rupees in lakhs)
Gross Block including capital work-in progress	1,793.72
Other assets	3,262.43

**7. Working Results**

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

	(Rupees in lakhs)		
	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
(i) Profit before tax	2,246.70	2,032.28	3,497.44
(ii) Tax provision	—	—	500.00
(iii) Profit after tax	<u>2,246.70</u>	<u>2,032.28</u>	<u>2,997.44</u>
Percentage of Profit before tax:			
(a) To sales (inclusive of product exchange and transfer)	3.5	2.8	4.1
(b) To gross fixed assets	13.0	11.1	18.2
(c) To capital Employed	12.9	11.8	19.8
(d) To net worth	20.4	16.8	23.6
(e) To equity capital	31.6	28.6	49.1

**8. Cost trends**

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

	(Rupees in lakhs)		
	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
Sales (inclusive of product exchange and transfers)	63,523.32	72,102.76	86,318.16
Less: Profit before tax	2,246.70	2,032.28	3,497.44
Cost of sales	<u>61,276.62</u>	<u>70,070.48</u>	<u>82,820.72</u>
Percentage of cost of sales to sales	96.5	97.2	95.9

**9. Business performance**

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

		(Rupees in lakhs)		
		1969-70	1970-71	1971-72
1.	Sales (inclusive of product exchange and transfers)	63,523.32	72,102.76	86,318.16
2.	Closing stock of raw materials, finished goods and stock-in-process	3,969.19	3,933.45	5,503.80
3.	Opening stock of raw materials, finished goods and stock-in-process	3,106.12	3,889.95*	3,933.45
4.	Value of business (1+2-3)	64,386.39	72,146.26	87,888.51

(\* Value of product received on loan Rs. 79.24 lakhs excluded from accounts)

The percentage of value of business to net worth increased from 584.5 in 1969-70 to 596.6 in 1970-71 and decreased to 594.3 in 1971-72. The percentage of value of business to total net assets also increased from 252.1 in 1969-70 to 263.0 in 1970-71 and to 280.7 in 1971-72.

**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)		
		1969-70	1970-71	1971-72
(i)	Stores and spare parts (including in transit)	1,102.77	1,372.95	1,171.65
(ii)	Loose tools	2.08	1.97	2.02
(iii)	Stock-in-trade (including raw materials and stock-in-process)	3,969.19	3,933.45	5,503.80
(iv)	Stock of empty barrels and tins	36.71	51.69	60.00
		5,110.75	5,360.06	6,737.47

Stock-in-trade represented 0.8 month's sales in 1971-72 (inclusive of product exchange and transfers) as compared with 0.7 month's sales during 1970-71 and 1969-70.

**11. Sundry debtors and turnover**

The following table indicates the volume of book debts sales for the last three years:

		(Rupees in lakhs)			
		Total book debts		sales (inclusive of product exchange and transfers)	Percentage of debtors to sales
		Considered good	Considered doubtful		
31st March, 1970		3,909.08	61.46	63,523.32	6.3
31st March, 1971		3,268.79	87.96	72,102.76	4.7
31st March, 1972		3,040.70	126.04	86,318.16	3.7

Sundry debtors represented about 0.8 month's turnover in 1969-70, 0.6 month's in 1970-71 and 0.4 month's in 1971-72.

Sd/-

(K. Ranganadham)

Member, Audit Board and Ex-Officio Director  
of Commercial Audit (Western Region)

Bombay  
6th September, 1972



# INDIAN OIL CORPORATION LIMITED

COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619  
(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED  
FOR THE YEAR ENDED 31ST MARCH, 1972.

Index

**1. Current Assets including Loans and Advances-Loans and Advances Rs. 32,36,46,535 (Schedule 'J') Claims Recoverable: Unsecured considered good: Rs. 8,43,91,529**

Includes Rs. 441.41 lakhs representing under-recovery of sales tax and purchase tax in Tamil Nadu and Kerala States respectively which the Company expects to recover on the basis of Notifications issued by the Government of India in May, 1972 providing for levy of surcharge on specified products for recovery of such under-recovery. The claim has been set up by writing back the expenditure charged in earlier years to the extent of Rs. 213.93 lakhs and by reducing the expenditure of the current year by Rs. 227.48 lakhs.

Similarly, "Advances recoverable in cash or in kind or value to be received (Rs. 14,14,45,030) "includes an amount of Rs. 90.99 lakhs being the irrecoverable sales tax on the closing stock of products received from Madras Refineries Limited held by the Company and other Oil Companies on 31st March, 1972 set up by reduction of expenditure, which the Company expects to recover through through the levy of surcharge introduced by the Government of India.

(ii) This includes claims amounting to Rs. 0.62 lakhs rejected by the excise authorities and proposed for write-off by the Company in January, 1971.

(iii) Also includes an amount of Rs. 15.17 lakhs on account of certain claims in respect of bonded stock lost on account of enemy action in December, 1971 preferred by the Company in March, 1972 which are doubtful of recovery.

No provision has been made for Central excise duty of Rs. 22.72 lakhs likely to be claimed by the Central Excise Authorities on stocks so lost. Although it forms part of the claims lodged with the Government of India, the amount relating to Central excise duty has not been booked as claims recoverable in the accounts of the year.

**2. Notes on the Accounts-(Schedule 'R')**

Note 1. **Contingent Liabilities Not provided for:**

This excluded claims amounting to Rs. 13.67 lakhs made by excise authorities and a supplier against the Company but not acknowledged as debt.

**3. Other Income-Rs. 3,60,22,968 (Schedule 'L') Dividends Received - Rs. 14,18,883.**

This includes an amount of Rs. 10,14,325 received from Messrs. Indo-Burma Petroleum Company Limited, a subsidiary, which should have been separately exhibited as required under para 3 (xiii) (a) of Schedule VI Part II of the Companies Act, 1956.

**4. Office Administration, Selling and Other Expenses Rs. 13,88,42,020 (Schedule 'N')**

**Office Administrations, Selling and Other Expenses Rs. 5,19,55,941**

This includes expenditure on Power and Fuel (Rs. 1.97 lakhs) which is required to be exhibited separately under para 3-part II-Schedule VI of the Companies Act, 1956.

**5. Non-Provision/Less provision of expenses:**

(a) Provision to the extent of Rs. 3.82 lakhs on account of depreciation (Rs. 1.65 lakhs), road transportation charges (Rs. 1.41 lakhs) and rent (Rs. 0.76 lakh), has not been made.

(b) **Schedule 'O' - Expenses/Income pertaining to previous years.**

Municipal Taxes in respect of previous years amounting to Rs. 2.20 lakhs have not been provided for.

Sd/-

(K. Ranganadham)

Member, Audit Board and Ex-Officio Director  
of Commercial Audit (Western Region)

Bombay  
6th September, 1972

## ADDENDUM TO THE DIRECTORS' REPORT DATED 30TH AUGUST, 1972

The following remarks are offered on the Comments of the Comptroller and Auditor-General of India, under Section 619 (4) of the Companies Act, 1956, on the accounts for the year ended 31st March 1972.

Comment 1 (i) The explanatory comments are noted. The recoveries of the Surcharge have already commenced and are in progress.

(ii) The proposed write-off will be carried out in the current year.

(iii) There have been further discussions with the Government of India, in the light of the Press Note issued by them on Emergency Risk Insurance, and the Corporation is hopeful of recovering the claims made.

2. This mainly relates to a claim made by the Excise authorities as differential duty on a parcel of Iomex with after chemical test, was classified by them as L.D.O. (Carrying a higher rate of duty), against which the Corporation has appealed.

3. Noted for future guidance.

4. Noted for future guidance.

5. (a) and (b): Noted. These amounts will be provided for during the current year.

For and on behalf of the  
Board of Directors

Sd/-

(M. RAMA Brahmam)  
Chairman

Bombay  
6th September, 1972



# INDIAN OIL CORPORATION LIMITED

## STATEMENT PURSUANT TO SECTION 212 (1) (E) OF THE COMPANIES ACT, 1956.

	<u>No. of Share</u>	<u>Paid up Value</u>
1. Shares in subsidiary companies were registered in the names of the Company and its nominees as indicated:		
Indian Oil International Limited (as at 31st March, 1972)	100	1,00,000
Indo-Burma Petroleum Company Limited (as at 31st December, 1971)	5,96,662	59,66,620
2. Net aggregate amounts of the Profits of subsidiary companies not dealt with in the Company's account so far as they concern The members of he company are:		
	<u>31st March, 1972</u>	Prior to <u>31st March, 1972</u>
Indian Oil International Limited	1,21,616	9,602
	<u>1971</u>	<u>Prior to 1971</u>
Indo-Burma Petroleum Company Limited	40,79,506	21,13,317
3. Net aggregate amounts of the profits of subsidiary companies as far as their profits are dealt with in the Company's accounts are:		
	<u>31st March, 1972</u>	Prior to <u>31st March, 1972</u>
Indian Oil International Limited	—	—
	<u>1971</u>	<u>Prior to 1971</u>
Indo-Burma Petroleum Company Limited	3,57,997	14,61,822

M. RAMA BRAHMAM  
Chairman

C.R. DAS GUPTA  
Managing Director

P.R.K. MENON  
Director

D.B. PURI  
Secretary



## INDIAN OIL CORPORATION LIMITED

### STATEMENT PURSUANT TO SECTION 212 (1) (F) OF THE COMPANIES ACT, 1956.

---

1. There has been no change in the investment in the investment of the Corporation in the subsidiary, Indo-Burma Petroleum Company Limited, between 31st December, 1971 and 31st March, 1972.
2. Material changes in the subsidiary, Indo-Burma Petroleum Company Limited, between 31st December, 1971 and 31st March, 1972, are as under:

		<u>Rupees</u>
(a) Subsidiary's fixed assets	(—)	31,898
(b) Its investments		—
(c) Moneys lent by it	(—)	1,00,32,011
(d) Moneys borrowed by it for any purpose other than that of meeting its current liabilities.	—	

M. RAMA BRAHMAM  
Chairman

C.R. DAS GUPTA  
Managing Director

P.R.K. MENON  
Director

D.B. PURI  
Secretary





**THE**  
**INDO-BURMA PETROLEUM**  
**COMPANY LIMITED**

**REPORT OF THE BOARD OF DIRECTORS**  
**AND**  
**STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED 31st DECEMBER, 1971**

## **DIRECTORS**

KAMALJIT SINGH (*Chairman*)

SHASHI BHUSHAN BUDHIRAJA (*Managing Director*)

VENKATARAMANY BALAKRISHNAN

## **BANKERS**

STATE BANK OF INDIA

NATIONAL AND GRINDLAYS BANK LIMITED

## **AUDITORS**

KAR SEN AND COMPANY

## **FINANCE MANAGER & SECRETARY**

MIHIR RAY

## **REGISTERED OFFICE**

GILLANDER HOUSE

NETAJI SUBHAS ROAD

CALCUTTA-1



# Directors' Report

*Together with Statement of Accounts to be submitted to the  
Sixty-fourth Annual General Meeting of Members*

The Directors are pleased to present their Report and the Audited Accounts for the year ended 31st December, 1971.

## Accounts:

Profit for the year after depreciation	Rs.	77,18,876
Less: Provision for Tax	Rs.	38,70,000
Net Profit for the year	Rs.	38,48,876
Less: Transfer to Development Rebate Reserve	Rs.	2,53,360
Leaving Profit for the year	Rs.	35,95,516
Income Tax Refund	Rs.	6,05,689
Transfer from:		
(a) General Reserve	Rs.	11,00,000
(b) Devaluation Exchange Difference Reserve	Rs.	3,31,588
(c) Development Rebate Reserve (No longer required)	Rs.	1,00,568
(d) Unclaimed Dividends (forfeited)	Rs.	2,18,122
	Rs.	59,51,483

The above amounts have been appropriated as follows : -

1. Loss on devaluation of Burmese Currency	Rs.	2,87,402	
2. Dividends subject to Taxes			
(i) Payment of forfeited dividends	Rs.	810	
(ii) Final dividend for previous year paid	Rs.	11,00,000	
(iii) Preference dividend for the year paid and proposed	Rs.	2,81,662	
(iv) Interim dividend for the year paid	Rs.	6,00,000	Rs. 22,69,874
Balance transferred to General Reserve			Rs. 36,81,609

## General:

The Company has achieved a record sales volume in 1971 of 3,71,244 Metric Tonnes an increase of 32% over 1970 sales. This has been fully reflected in increased profits.

The Company has adopted a new logo design and a new colour scheme for its retail outlets. Most of the retail outlets were given a new look during 1971.

The Electronics Manufacturing Division has recently commissioned the Madras drum manufacturing plant for the Indian Oil Corporation. This is the first such plant made indigenously. The sales turnover of the Division in 1971 was a little lower than 1970 but it still made a profit.

There is no development regarding our assets outside India.



**Investments:**

Dividend income from Industrial Credit and Investment Corporation of India Ltd. (ICICI) and Balmer Lawrie and Company Ltd. was maintained at the previous year's level. The Company purchased 3,332 shares of Rs. 100 each offered by ICICI as a result of rights issue. Assam Sillimanite have still not paid us dividend declared on 18th June, 1968. Shama Companies continue to be in financial difficulties.

**Dividend:**

An interim dividend of 60 Paise per share amounting to Rs. 6.00 lakhs subject to deduction of tax was declared by the Board of Directors on 4th October, 1971. After careful consideration of the Company's present and future resources position and all other relevant circumstances, the Company's Directors have decided to recommend a payment of a final dividend of Rs. 1.20 per share subject to deduction of tax, which dividend if approved by the Shareholders will be paid from the General Reserve amounting to Rs. 12,00,000.

In view of the fact that the recommendation of the final dividend has been made subsequent to the closing of the 1971 Accounts. no provision has been made for the proposed dividend in the Accounts.

The proposed Final dividend together with the Interim dividend will bring the total dividend distributed to shareholders for the year 1971 to Rs. 1.80 per share or 18 per cent.

**Directors:**

Shri Kamaljit Singh retires by rotation but being eligible offers himself for reappointment.

**Appreciation:**

We wish to record our appreciation of the Company's employees dealers and shareholders for their contributions and support throughout the year.

24th May 1972.

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } *Directors*



**ANNEXURE TO THE DIRECTORS' REPORT****dated 24th May, 1972.**

*Review of the Accounts the Indo-Burma Petroleum Company Limited  
for the year ended 31st December, 1971 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:

	(Rupees in lakhs)		
	1969	1970	1971
<b>Liabilities:</b>			
(a) Paid-up Capital (including Preference Shares of Rs. 50 lakhs)	150.00	150.00	150.00
(b) Reserves and Surplus	172.83	190.50	214.53
(c) Trade dues and other current liabilities (including provisions)	176.77	352.50	454.04
	499.60	693.00	818.57
<b>Assets:</b>			
(d) Gross Block	174.63	188.19	211.97
(e) Less Depreciation	90.53	96.37	105.01
(f) Net fixed assets	84.10	91.82	106.96
(g) Capital work-in-progress	3.72	8.03	8.34
(h) Other assets (Capital Goods in Stock)	2.76	3.31	5.41
(i) Current assets, loans and advances (excluding investments)	308.62	489.26	544.35
(j) Investments	100.40	100.40	153.51
(k) Miscellaneous expenditure	-	0.18	-
	499.60	693.00	818.57
Capital employed	229.73	243.86	213.70
Net worth	322.83	340.32	364.53

- 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.

**2. Capital Structure:**

Debt equity ratio: There had been no borrowings during the last three years.

**3. Reserves and Surplus :** The Reserves and Surplus (Rs. 214.53 lakhs) amounted to:

26.21 per cent of total liabilities in 1971 as against 27.49 per cent in 1970 and 34.59 per cent in 1969 and to 214.53 per cent of equity capital (Rs. 100.00 lakhs) in 1971 as against 190.50 per cent in 1970 and 172.83 per cent in 1969.





**4. Liquidity and Solvency:**

(a) The proportion of current assets to total net assets varied from 61.77 per cent in 1969 to 70.60 per cent in 1970 and 66.50 per cent in 1971.

(b) The percentage of current assets to current liabilities (including provisions) varied from 174.59 in 1969 to 138.80 in 1970 and to 119.89 in 1971.

(c) The percentage of quick assets (Sundry Debtors, advances, cash and bank balances) to current liabilities (excluding provision) decreased from 146.84 in 1969 to 126.93 in 1970 and to 108.41 in 1971.

**5. Working Capital:**

The working capital (current assets, loans and advances) less trade dues and current liabilities (excluding provision for gratuity) of the Company at the close of the three years was as below:

	(Rupees in lakhs)
1969	145.64
1970	152.04
1971	106.74

The working capital represented 1.02, 0.80 and 0.41 months value of business at cost (excluding depreciation) during these three years and was financed through internal and other resources.

**6. Sources and Uses of Funds:**

Funds amounting to Rs. 37.47 lakhs from internal sources (Reserves, Depreciation, Provision and Surplus) and Rs. 96.92 lakhs from other sources were utilised in 1971 as shown below :-

	(Rupees in lakhs)
(i) Gross Fixed Assets	23.78
(ii) Capital work-in-progress and other assets	2.41
(iii) Current Assets	55.09
(iv) Investment	53.11

**7. Investments:**

The position of quoted Investments for the last three years and the corresponding market values is indicated below :-

	(Rupees in lakhs)		
	1969	1970	1971
Total Book value of quoted Investments	100.18	100.18	103.51
Market value of quoted Investments	68.85	56.35	57.98

**8. Working Results:**

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

	(Rupees in lakhs)		
	1969	1970	1971
(i) Profit before Tax	32.50	53.77	74.66
(ii) Tax provision	18.25	28.70	38.70
(iii) Profit after tax	14.25	25.07	35.96

**(1) Percentage of Profit before Tax:**

(a) To sales	1.89	2.36	2.37
(b) To gross fixed assets	18.61	28.57	35.22
(c) To capital employed	14.15	22.05	34.94

**(2) Percentage of Profit after Tax:**

(a) To net worth	4.41	7.37	9.86
(b) To Equity capital	14.25	25.07	35.96
(c) To Capital employed	6.20	10.28	16.83



**9. Cost Trends:**

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

	(Rupees in lakhs)		
	1969	1970	1971
Sales	1717.85	2281.43	3149.47
Less: Profit before Tax	32.50	53.77	74.66
Cost of Sales	1685.35	2227.66	3074.81
Percentage of cost of sales to sales	98.11	97.64	97.63

**10. Business Performance:**

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

	(Rupees in lakhs)		
	1969	1970	1971
1. Sales	1717.85	2281.43	3149.47
2. Closing stock of finished goods/stock in process	16.27	10.27	21.87
3. Opening stock of finished goods/stock in process	17.09	16.27	10.27
4. Value of business (1 + 2 - 3)	1717.03	2275.43	3161.07

The percentage of value of business to net worth increased from 531.87 in 1969 to 668.61 in 1970 and to 867.16 in 1971. The percentage of value of business to total net assets varied from 343.68 in 1969 to 328.34 in 1970 and to 386.17 in 1971.

**11. 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)		
	1969	1970	1971
(i) Stores and spare parts	3.77	3.21	3.35
(ii) Stock-in-trade (including raw materials and stock in process)	16.27	10.27	21.87
	20.04	13.48	25.22

Stock in trade represented about 0.17 months sales (excluding consignment sales) in 1969 and 0.25 in 1970 and 6.32 in 1971.

**12. Sundry Debtors and Turnover:**

The following table indicates the volume of book debts and sales for the last three years :-

As on	Total book debts		Sales	Percentage of debtors to sales
	Considered good	Considered doubtful		
31st December, 1969	47.05	3.76	1717.85	2.96
31st December, 1970	87.51	4.40	2281.43	4.03
31st December, 1971	53.18	5.18	3149.47	1.85

The Sundry Debtors represented about 0.35 month's turnover in 1969, 0.48 in 1970 and 0.22 in 1971.

(Sd.) C. J. MALKANI  
Member, Audit Board & Ex-Officio,  
Director of Commercial Audit,  
Eastern Region, Calcutta.



**AUDITORS' REPORT**

**TO THE MEMBERS OF  
THE INDO-BURMA PETROLEUM COMPANY LIMITED**

We have examined the Balance Sheet of the Indo-Burma Petroleum Company Limited as at 31st December, 1971, signed by us under reference to this report and the relative Profit and Loss Account which are in agreement with the books of account and returns.

No provision has been made in these accounts in respect of final dividend on Equity Shares which. upto the date of signing this report. has not been proposed by the Board of Directors.

Subject to the above remark and Note 3 of the Balance Sheet regarding assets and liabilities in respect of Chittagong Branch in Bangladesh

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 have been kept by the Company as required by law so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the branches at Bombay New Delhi and Rangoon which have not been visited by us. The accounts of these branches have been audited by other auditors and their reports have been considered by us in the preparation of this report.
3. In our opinion and to the best of our information and according to the explanation given to us the accounts together with the Notes thereon give the information required by the Companies Act 1956, in the manner so required, and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st December 1971 and the Profit and Loss Account gives a true and fair view of the Profit for the year ended on that date.

CALCUTTA.  
23rd May. 1972.

KAR SEN & COMPANY  
*Chartered Accountants*

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

I am to state that there are no comments upon the Auditors Report under Section 619(4) of the Companies Act, 1956 on the Accounts of The Indo-Burma Petroleum Co. Ltd. for the year ended 31st December, 1971.

CALCUTTA.  
2nd June. 1972.

Sd. C. J. MALKANI  
Member, Audit Board & Ex-Officio,  
Director of Commercial Audit,  
Eastern Region, Calcutta.



**BALANCE SHEET AS AT 31ST DECEMBER, 1971**

1970

LIABILITIES	Schedule	Rs.	Rs.	Rs.	Rs.
Share Capital	1		1,50,00,000		1,50,00,000
Reserves and Surplus	2		2,14,52,673		1,90,49,860
Unsecured Loans	3		15,24,450		14,85,950
Current Liabilities and Provisions	4		<u>4,38,79,560</u>		<u>3,37,64,303</u>
			8,18,56,683		6,93,00,113
<b>ASSETS</b>					
<b>Fixed Assets -</b>					
Block at cost less Depreciation	5	1,06,96,137		91,82,146	
Construction Work-in-Progress at cost		8,34,204		8,02,778	
Capital Goods in Stock at cost		<u>5,40,843</u>	1,20,71,184	<u>3,30,526</u>	1,03,15,450
Investments	6		1,53,50,967		1,00,40,346
<b>Current Assets, Loans &amp; Advances -</b>					
Current Assets	7		3,70,75,056		3,38,09,704
Loans and Advances	8		1,73,59,476		1,51,16,724
<b>Miscellaneous Expenditure -</b>					
(To The Extent Not Written Off)					
Research and Development Expenditure			-		17,889
<b>NOTES</b>	<b>9</b>				
			<u>8,18,56,683</u>		<u>6,93,00,113</u>

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors

This is the Balance Sheet referred to in our report of even date.

CALCUTTA,  
23rd May, 1972.

KAR SEN & COMPANY  
Chartered Accountants



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1971

			1970		
	Schedule	Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	1	31,49,46,563		22,81,42,814	
Other Sources	11	<u>30,46,452</u>	31,79,93,015	<u>17,09,998</u>	22,98,52,812
<b>EXPENDITURE</b>					
Consumption of Raw Materials and Components	III	14,41,451		25,86,821	
Cost of Sale of Goods (other than those manufactured by the Company)	IV	3,14,540		4,15,11,668	
Amount payable in respect of sales of products on Consignment Account		27,62,25,778		15,70,01,005	
Expenses	V	3,12,73,156		2,21,87,081	
Depreciation		<u>10,19,214</u>	31,02,74,139	<u>10,42,676</u>	22,43,29,251
PROFIT FOR THE YEAR			77,18,876		55,23,561
Provision for Taxation			<u>38,70,000</u>		<u>28,70,000</u>
PROFIT AFTER TAX			38,48,876		26,53,561
Development Rebate Reserve			<u>2,53,360</u>		<u>1,46,837</u>
BALANCE FOR THE YEAR			35,95,516		25,06,724
Balance Brought Forward from last year's account			–		30,714
Income Tax Refund			6,05,689		–
<b>Transfer from:</b>					
General Reserve			11,00,000		–
Devaluation Exchange Difference Reserve			3,31,588		2,37,427
Development Rebate Reserve			1,00,568		21,293
Unclaimed Dividend (Forfeited)			<u>2,18,122</u>		<u>–</u>
			59,51,483		27,96,158
Loss on Devaluation of Burmese Currency		2,87,402		–	
Payment of Forfeited Dividend		810		4,605	
<b>Dividends subject to tax:</b>					
Final Dividend for previous year		11,00,000		–	
Preference Dividend paid and proposed for the year		2,81,662		2,81,662	
Interim Dividend paid for the year		6,00,000		6,00,000	
<b>Transfer to:</b>					
General Reserve		<u>36,81,609</u>	<u>59,51,483</u>	<u>19,09,891</u>	<u>27,96,158</u>
<b>NOTES</b>	VI				

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors

This is the Profit and Loss Account referred to in our report of even date.

CALCUTTA,  
23rd May, 1972.

KAR SEN & COMPANY  
Chartered Accountants





## SCHEDULE 1 – SHARE CAPITAL

	1970	
	Rs.	Rs.
<b>AUTHORISED:</b>		
Ordinary – 25,00,000 Shares of Rs. 10 each	2,50,00,000	2,50,00,000
Preference – 50,000 7% Taxable Cumulative Shares of Rs. 100 each	50,00,000	50,00,000
	<u>2,50,00,000</u>	<u>2,50,00,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY CALLED AND PAID UP:</b>		
Ordinary – 10,00,000 Shares of Rs. 10 each	1,00,00,000	1,00,00,000
Note – of the above Shares:		
69,844 have been allotted as fully paid up pursuant to a contract without payment being received in cash.		
93,570 have been allotted as fully paid up by way of Bonus Shares. Owing to destruction of Company records during the Second World War it has been impossible to give the particulars required by Schedule VI of the Companies Act. 1956.		
5,98,820 have been issued as fully paid up in cash.		
<u>7,62,234</u>		
2,37,766 have been issued but owing to destruction of Company records during the Second World War it has been impossible to give the particulars required by Schedule VI of the Companies Act 1956.		
<u>10,00,000</u> (Of this 5,96,662 Shares are held by the holding company, Indian Oil Corporation Ltd., and their Nominees).		
Preference – 50,000 Shares of Rs. 100 each all paid in cash	50,00,000	50,00,000
	<u>1,50,00,000</u>	<u>1,50,00,000</u>

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors



## SCHEDULE 2 – RESERVES AND SURPLUS

1970

	Rs.	Rs.	Rs.	Rs.
<b>Capital Reserve -</b>				
Balance from previous year	35,70,237		55,70,237	
Less: Transfer to Investment Depreciation Reserve	—	35,70,237	20,00,000	35,70,237
<b>Share Premium Account -</b>				
Balance from previous year		31,38,200		31,38,200
<b>Revenue Reserves -</b>				
<b>General Reserve -</b>				
Balance from previous year	75,04,044		55,94,153	
Add: Transfer from Profit and Loss Account	36,81,609		19,09,891	
	<u>1,11,85,653</u>		<u>75,04,044</u>	
Less: Transfer to Profit and Loss Account	<u>11,00,000</u>	1,00,85,653	—	75,04,044
<b>Devaluation Exchange Difference Reserve -</b>				
Balance from previous year	7,89,855		10,27,282	
Less: Transfer to Profit and Loss Account	<u>3,31,588</u>	4,58,267	<u>2,37,427</u>	7,89,855
<b>Development Rebate Reserve -</b>				
Balance from previous year	9,23,643		7,98,099	
Add: Transfer from Profit and Loss Account	2,53,360		1,46,837	
	<u>11,77,003</u>		<u>9,44,936</u>	
Less: Transfer to Profit and Loss Account	<u>1,00,568</u>	10,76,435	<u>21,293</u>	9,23,643
<b>Reserve for Contingencies -</b>				
Balance from previous year		1,23,882		1,23,882
<b>Investment Depreciation Reserve -</b>				
Balance from previous year	29,99,999		9,99,999	
Add: Transfer from Capital Reserve	—	29,99,999	20,00,000	29,99,999
	<u>—</u>		<u>20,00,000</u>	
		<u>2,14,52,673</u>		<u>1,90,49,860</u>

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors



**SCHEDULE 3 – UNSECURED LOANS**

1970

	Rs.	Rs.	Rs.	Rs.
<b>Unsecured Loans -</b>				
Deposits from Distributors		15,24,450		14,85,950
		<u>          </u>		<u>          </u>

**SCHEDULE 4- CURRENT LIABILITIES AND PROVISIONS**

1970

	Rs.	Rs.	Rs.	Rs.
<b>Current Liabilities :</b>				
Sundry Creditors		4,12,94,101		3,10,59,979
Unclaimed Dividends		1,61,058		7,59,731
<b>Provisions :</b>				
Provision for Taxation less Advance Payment		6,40,246		2,75,809
Dividend on Preference Shares for the year ended 31st				
December, 1971	2,81,662		2,81,662	
Less : Paid	1,40,831	1,40,831	1,40,831	1,40,831
Provision for Terminal Gratuities		16,43,324		15,27,953
		<u>          </u>		<u>          </u>
		<u>4,38,79,560</u>		<u>3,37,64,303</u>

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors



**SCHEDULE 5- FIXED ASSETS**

	Cost as at 31-12-70	Additions during 1971	Deduct Original Value of Disposals during 1971 including adjustments	Cost as at 31-12-71	Depreciation as at 31-12-71	Balance as at 31-12-71
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	4,63,339	—	—	4,63,339	—	4,63,339
Buildings. Roads. etc.	64,78,189	2,37,058	26,418	66,88,829	29,16,696	37,72,133
Plant	97,18,097	22,19,726	74,384	1,18,63,439	62,08,509	56,54,930
Motor Vehicles	11,35,403	46,487	94,876	10,87,014	6,71,131	4,15,883
Furniture Chattels	10,23,834	1,13,817	43,233	10,94,418	7,04,566	3,89,852
<b>Total</b>	<b>1,88,18,862</b>	<b>26,17,088</b>	<b>2,38,911</b>	<b>2,11,97,039</b>	<b>1,05,00,902</b>	<b>1,06,96,137</b>
Previous Year	1,78,35,141	15,66,364	5,82,643	1,88,18,862	96,36,716	91,82,146

M. RAY  
Secretary

KAMAUIT SING H  
S. B. BUDRIRAJA  
V. BALAKRISHNAN } Director



## SCHEDULE 6- INVESTMENTS

			1970		
		Rs.	Rs.	Rs.	Rs.
<b>Government Securities-</b>					
12 Years National Savings Certificates (Matured on 1-10-1971)			-		22,500
Quoted Investments (Market Value Rs. 57,98,192) (Market Value 1970 Rs. 56,34,527)		1,03,51,046			1,00,17,846
Unquoted Investments		49,99,921			-
		<u>1,53,50,967</u>			<u>1,00,40,346</u>
<b>Government Securities -</b>					
12 Years National Savings Certificates At Cost.			-		22,500
<b>Others -</b>					
4,56,520	Units in Unit Trust of India At Cost		49,99,921		-
22,660	Ordinary Rs. 100 Shares as revalued by the Directors on 31-12-1960 in Balmer Lawne & Co. Ltd.		49,17,220		49,17,220
6,528	Ordinary Rs. 100 Shares at cost in Balmer Lawne & Co. Ltd.		7,33,533		7,33,533
14,153	Bonus Rs. 100 Shares in Balmer Lawne & Co. Ltd.		-		-
<u>43,341</u>					
3,814	Ordinary Rs. 100 Shares as revalued by the Directors on 31-12-1960 in Industrial Credit & Investment Corporation of India Ltd.		2,70,794		2,70,794
6,182	Ordinary Rs. 100 Shares at cost in Industrial Credit & Investment Corporation of India Ltd.		5,96,299		5,96,299
3,332	Rights Rs. 100 Shares in Industrial Credit & Investment Corporation of India Ltd.		3,33,200		-
<u>13,328</u>					
	At Cost				
1,00,000	Ordinary, Rs. 10 Shares in Assam Sillimanite Ltd.		10,00,000		10,00,000
*1,00,000	Ordinary Rs. 10 Shares in Shama Forge Co. Ltd.		10,00,000		10,00,000
*5,000	Preference Rs. 100 Shares 9.50 Cumulative Redeemable in Shama Forge Co. Ltd.		5,00,000		5,00,000
*80,000	Ordinary Rs. 10 Shares in Shama Pistons & Rings Ltd.		8,00,000		8,00,000
*2,000	Preference Rs. 100 Shares 9.5u Cumulative Redeemable in Shama Pistons & Rings Ltd.		2,00,000		2,00,000
			<u>1,53,50,967</u>		<u>1,00,40,346</u>

\* The Company has given undertakings to the Industrial Finance Corporation of India that the shares in these Companies will not be disposed of, pledged or in any way encumbered without the prior approval of the Corporation.

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN

Directors





**SCHEDULE 7- CURRENT ASSETS**

19 70

	Rs.	Rs.	Rs.	Rs.
Interest Accrued on Investments		-		12,600
<b>Stores and Spare Parts (at or under cost)</b>		<b>3,35,090</b>		<b>3,21,260</b>
Stocks in Trade—				
<b>Petroleum Products etc. at cost</b>		<b>11,339</b>		<b>1,45,496</b>
<b>Electronics Manufacturing Division—</b>				
Stocks at cost—				
<b>Raw Materials</b>	<b>6,64,384</b>		6,02,819	
<b>Work-in-Progress</b>	<b>8,50,218</b>		2,27,932	
Works Work-in-Progress	<b>4,95,010</b>		-	
Finished Goods	<b>1,66,447</b>	<b>21,76,059</b>	50,989	8,81,740
Sundry Debtors-				
Outstanding above 6 months				
Secured Considered Good	<b>2,49,355</b>		3,70,999	
Unsecured Considered Good	<b>7,67,849</b>		7,82,139	
Unsecured Considered Doubtful	<b>4,65,343</b>		3,99,538	
	<b>14,82,547</b>		15,52,676	
<b>Less: Provision for Doubtful Debts</b>	<b>4,01,019</b>	10,81,528	<b>3,82,243</b>	<b>11,70,433</b>
Others-				
<b>Secured Considered Good</b>	<b>10,39,674</b>		<b>8,60,617</b>	
Unsecured Considered Good	<b>32,60,970</b>		67,36,895	
Unsecured Considered Doubtful	<b>52,582</b>		40,239	
	<b>43,53,226</b>		76,37,751	
Less: Provision for Doubtful Debts	<b>49,139</b>	<b>43,04,087</b>	40,239	75,97,512
Cash and Bank Balances				
Cash in Hand	<b>52,813</b>		51,345	
With Scheduled Banks on Current Account	<b>84,10,629</b>		87,00,063	
With Scheduled Banks on Fixed Deposit	<b>1,56,90,000</b>		98,40,000	
With Scheduled Banks on Collection Account	<b>1,44,092</b>		1,20,800	
With Scheduled Banks Remittances in Transit	<b>28,01,373</b>		27,98,903	
With Scheduled Banks Interest Accrued on Fixed Deposits	<b>3,38,690</b>		1,37,992	
	<b>2,74,37,597</b>		2,16,49,103	
With Non-Scheduled Bank-				
Peoples Bank of the Union of Burma, Banking Division				
No.5, Rangoon (Maximum balance at any time during				
the year Rs. 20,31,560)	<b>17,29,356</b>	<b>2,91,66,953</b>	20,31,560	2,36,80,663
		<b>3,70,75,056</b>		<b>3,38,09,704</b>

M. RAY  
Secretary'

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN

Directors



## SCHEDULE 8- LOANS AND ADVANCES

19 70

	Rs.	Rs.	Rs.	Rs.
LOANS:				
<b>Secured Considered Good</b>	2,44,213		69,878	
<b>Unsecured Considered Good</b>	<u>1,06,00,000</u>	* 1,08,44,213	<u>1,00,57,000</u>	<u>1,01,26,878</u>
Advances Recoverable in Cash or in Kind or for Value to be received:				
<b>Unsecured Considered Good</b>		24,34,396		<b>9,09,309</b>
Balances with Customs and Port Trusts ..		11,520		11,190
Net Assets in respect of Chittagong Branch as per Schedule 10	40,68,526		40,68,526	
Difference of the Book Value of the Fixed Assets between the Indian and Pakistan Currencies in respect of Chittagong Branch consequent upon the devaluation of Pakistan Currency on 1-8-1955:				
<b>Balance from previous year</b>	821	<u>40,69,347</u>	<b>821</b>	<u>40,69,347</u>
		<u>1,73,59,476</u>		<u>1,51,16,724</u>

\* Amount due by a Private Company (Indian Oil Corporation Ltd.) in which any Director is a Director Rs. 1,00,00,000.

## SCHEDULE 9- NOTES TO BALANCE SHEET

1970

	Rs.	Rs.
1. Contingent Liabilities not provided for:		
(a) Counter guarantees have been executed in favour of Industrial Finance Corporation of India along with others to the extent of Rs. 52,55,753 plus interest and charges in connection with the rupee loan of Rs. 9,03,100 and the sub-loan of Rs. 43,52,653 being the post-devaluation rupee equivalent of the sub-loan of Deutsche Marks 2,321,415 granted by the Corporation to Shama Pistons and Rings Ltd. and guaranteed by the United Commercial Bank.		
(b) The Company may be contingently liable to the extent of Rs. 10,15,000 in respect of various pending law suits and claims which are being contested by the Company and the liabilities thereof are not admitted by the Company.		
(c) There is a contingent liability of Rs. 2,36,000 (approx.) on account of over-recovery of Installation Charges for the year 1970, against which the Company expects to get an estimated amount of Rs. 3,22,000 being under-recovery of Installation Charges for the years 1967, 1968, 1969 and 1971.		
2. Estimated amount of contracts remaining to be executed on Capital Account and <b>not provided for</b>	2,79,227	5,00,454
3. The Company's undertaking in respect of Chittagong Branch is now under the control of the Government of Bangladesh. No information could be obtained in respect of Assets and Liabilities of that Branch as at 31st December, 1971 and consequently the net Assets as per last Accounts have been shown in Schedule 10.		
4. Debts due from Companies under the same Management:		
(a) <b>Fertilizer Corporation of India Limited</b>	109	346
(b) Fertilizers and Chemicals Travancore Limited	3,240	
(c) Heavy Engineering Corporation Limited	1,800	4,465
(d) Hindustan Steel Limited	155	7,089
5. The comparative figures for the previous year have been rearranged as far as practicable to conform with the figures of this year.		
6. Sundry Debtors include carry forward unreconciled difference of Rs. 203.		

M. RAY  
Secretary'

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN

} Directors



**SCHEDULE 10- NET ASSETS IN RESPECT OF CHITTAGONG BRANCH**

			19 70	
	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>				
<b>Fixed Assets:</b>				
As per Schedule 11		<b>3,43,198</b>		3,43,198
<b>Current Assets:</b>				
Stores and Spare Parts - at cost		<b>51,547</b>		51,547
Stock in Trade				
Petroleum Products - at cost	<b>15,798</b>		15,798	
Direct Charges	<b>2,409</b>	18,207	<b>2,409</b>	18,207
<b>Sundry Debtors:</b>				
Outstanding for 6 months or less:				
Considered Good and Secured	<b>5,866</b>		5,866	
Considered Good and Unsecured	<b>83,460</b>		83,460	
Outstanding above 6 months:				
Considered Good and Secured	<b>288</b>		288	
Considered Good and Unsecured	<b>8,400</b>		8,400	
Considered Doubtful	<b>-</b>	<b>98,014</b>	<b>-</b>	98,014
<i>Note:</i> Debts due by a Company, The Attock Oil Company Ltd. Rs. 1,261				
<b>Cash And Balances With Banks:</b>				
Cash in Hand	<b>1,204</b>		1,204	
With Bank on				
Current Account	94,862		<b>94,862</b>	
Deposit Account	4,70,000		<b>4,70,000</b>	
Blocked Deposit Account	31,89,333		31,89,333	
Interest accrued on Deposits Account (including Rs. 78,162 on Blocked Deposit Account)	79,305	38,34,704	79,305	38,34,704
<b>Loans And Advances:</b>				
Considered Good and Unsecured				
Advances and Deposits (Recoverable in Cash or in Kind or for Value to be received)	4,43,099		4,43,099	
Deposits with Port Trusts	278	4,43,377	278	4,43,377
<b>TOTAL ASSETS</b>		<b>47,89,047</b>		<b>47,89,047</b>
	<i>Carried Over</i>			



**SCHEDULE 10- NET ASSETS IN RESPECT OF CHITTAGONG BRANCH - (Contd.)**

			1970	
	Rs.	Rs.	Rs.	Rs.
TOTAL ASSETS Brought Forward		47,89,047		47,89,047
<b>LIABILITIES</b>				
Unsecured Loans:				
Deposits from Distributors	49,780		49,780	
Current Account with Steel Brothers and Company Ltd.	6,492	56,272	6,492	56,272
<b>Current Liabilities and Provisions:</b>				
Current Liabilities				
Due to Employees	223		223	
Sundry Creditors	4,45,167	4,45,390	4,45,167	4,45,390
Provision for				
Taxation	1,35,127		1,35,127	
Penalty Duty	3,467		3,467	
Terminal Gratuities	54,652	1,93,246	54,652	1,93,246
<b>TOTAL LIABILITIES</b>		6,94,908		6,94,908
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		40,94,139		40,94,139
Less: Profit for 1966		25,613		25,613
<b>NET ASSETS</b>		40,68,526		40,68,526

**Contingent Liability:**

There was a contingent liability at 31st December 1966. in respect of cheques discounted with a Bank amounting to Rs. 84,708.

M.RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN



Directors



### SCHEDULE 11- FIXED ASSETS ACCOUNT OF CHITTAGONG BRANCH

	Expenditure to 31-12-66	Depreciation written off to 31-12-66	Net Book Value as at 31-12-66
	Rs.	Rs.	Rs.
Land	17,179	-	17,179
Buildings	70,872	22,364	48,508
Roads, etc.	1,99,980	80,497	1,19,483
Plant	2,58,427	1,47,218	1,11,209
Motor Vehicles	1,09,928	67,342	42,586
Furniture Chattels	27,329	23,096	4,233
	<b>6,83,715</b>	<b>3,40,517</b>	<b>3,43,198</b>

M. RAY  
*Secretary'*

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } *Directors*



**SCHEDULE I - SALES**

	1970	
	Rs.	Rs.
Proceeds from Sales of Products on Own Account	3,35,382	4,51,42,168
Proceeds from Sales of Products on Consignment Account	31,07,91,699	17,82,07,660
Proceeds from Sales of Products relating to Electronics Manufacturing Division	38,19,482	47,92,986
	<u>31,49,46,563</u>	<u>22,81,42,814</u>

**SCHEDULE II-INCOME FROM OTHER SOURCES**

	1970			
	Tax deducted at source		Tax deducted at source	
	Rs.	Rs.	Rs.	Rs.
Rental and Hire on Facilities		10,659		10,865
Income from Investments-Gross				
Government Securities	-	2,025	-	1,800
Others	1,78,619	8,11,904	96,072	4,36,692
Interest on Bank Deposits and Sundry Deposits-Gross	-	3,43,995	8,988	3,11,993
Other Interest-Gross	66	300	33	300
Interest on Loans-Gross	1,03,878	6,01,157	64,148	4,03,416
Guarantee Commission on Loans	-	26,279	-	26,279
Adjustment Account Previous Years	-	2,06,529	-	(-) 54,869
Provision for Doubtful Debts no longer required	-	1,40,497	-	31,709
Miscellaneous	-	1,37,877	-	15,712
Profit on Disposal of Assets	-	27,568	-	82,948
Additional Commission received from Consignors	-	7,37,662	-	4,43,153
		<u>30,46,452</u>		<u>17,09,998</u>

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN



Directors



## SCHEDULE III- CONSUMPTION OF RAW MATERIALS &amp; COMPONENTS

			1970	
	Rs.	Rs.	Rs.	Rs.
Stock and Work-in-Progress as at 1st January, 1971				
Raw Materials & Components	6,02,819		2,41,416	
Work-in-Progress	2,27,932		2,49,243	
Finished Goods	50,989		34,861	
		8,81,740		5,25,520
Purchases of Raw Materials and Components	23,26,806		29,45,275	
Sub Contractors' Charges	4,12,378		—	
	<u>27,39,184</u>		<u>29,45,275</u>	
Less: Inter Division Transfer	—		2,234	
		27,39,184		29,43,041
		<u>36,20,924</u>		<u>34,68,561</u>
Less: Stock and Work-in-Progress as at 31st December, 1971				
Raw Materials & Components	6,64,384		6,02,819	
Work-in-Progress	8,50,218		2,27,932	
Works- Work-in-Progress	4,95,010		—	
Finished Goods	1,66,447		50,989	
		21,76,059		8,81,740
Transfer to Assets (Capital Work-in-Progress)		3,414		—
		<u>14,41,451</u>		<u>25,86,821</u>

## SCHEDULE IV - COST OF SALES OF GOODS

			1970	
	Rs.	Rs.	Rs.	Rs.
Trading Stock as at 1st January, 1971	1,45,496		10,79,454	
Purchases	1,79,960		4,05,77,710	
	<u>3,25,456</u>		<u>4,16,57,164</u>	
Trading Stock as at 31st December, 1971	10,916		1,45,496	
	<u>3,14,540</u>		<u>4,15,11,668</u>	

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN



Directors



## SCHEDULE V - EXPENSES

	1970	
	Rs.	Rs.
Freight	26,16,050	21,77,523
Storage & Distribution Charges	32,15,498	15,15,265
Distributors Dealers Sundry Allowances	3,40,294	4,98,644
Stores & Spare Parts Consumed	3,95,550	3,73,191
Power & Fuel	3,16,497	2,85,435
Rent	5,50,214	4,20,466
Rates & Taxes [including Sales Tax Rs. 1.36,39,779 (1970-Rs. 88,91,442)]	1,41,56,704	91,84,858
Building Repairs	9,74,378	5,31,016
Machinery Repairs	2,85,825	1,55,999
Salaries, Wages & Bonus	50,72,914	46,33,708
<i>Contribution to Provident and Superannuation Fund</i>	2,81,678	2,83,902
Workmen & Staff Welfare Expenses	3,52,497	2,84,109
Insurance	86,233	88,540
Travelling Expenses	7,79,065	5,72,341
Stationery, Gazette & Periodicals	1,24,167	1,08,285
Postage, Telegrams & Telephones	2,31,777	1,83,274
Donations & Business Subscriptions	14,918	14,700
Bank Charges	1,92,426	1,82,265
Advertisement Expenses	82,620	62,827
Audit & Legal Expenses	1,64,544	76,616
Miscellaneous	4,46,757	2,10,951
Interest Discount	42,167	35,028
Research & Development Expenditure Written Off	17,889	-
Bad Debts Written Off	1,35,936	25,709
Provision for Doubtful Debts	1,68,175	78,033
Provision for Terminal Gratuities	2,28,383	2,01,996
Directors' Fees	-	2,400
	3,12,73,156	2,21,87,081

M. RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN



Directors



## SCHEDULE VI- NOTES TO PROFIT & LOSS ACCOUNT

	1970	
	Rs.	Rs.
1. Expenses reimbursed to the Managing Agents under Section 354 of the Companies Act, 1956	NIL	4,972
2. Auditors' Remuneration-		
(a) Company's Auditors' fees	14,000	14,000
In other capacities	1,525	NIL
(b) Branch Auditors' fees	12,117	10,044
In other capacities	1,400	NIL
3. Managerial Remuneration (including Perquisites Rs. 1,801 - 1970 Rs. 7,714)	37,426	32,114
4. Quantitative information in respect of goods manufactured-		
(a) Licenced Capacity, Installed Capacity, Actual Production, Opening and Closing Stock of goods produced:		
	Licenced Capacity	Installed Capacity
	Actual Production	Opening Stock as on 1-1-71
	Closing Stock as on 31-12-71	
	Not Applicable	Not Applicable
(i) Manufacturing Machineries, Plant & Equipments	28 Nos.	-
(ii) Electronics Equipments & Components	1,969 Nos.	106 Nos.
(iii) Tins	34,350 Nos.	112 Nos.
(b) Raw Materials purchased or acquired-		
(i) Cable and Pipes		14,000 Metres
(ii) Pipe Fittings		1,000 Nos.
(iii) Electrical items		43,000 Nos.
(iv) Ferrous Materials		90 Tonnes
(v) Tinplates		22 Tonnes
5. The modes of valuation of Stocks-in-Trade and Work-in-Progress in respect of Electronics,/Manufacturing Division have been changed to bring them in line with those adopted under the current Accounting practice. The profit has been increased thereby to the extent of Rs. 2,91,139.		
6. The provision for Taxation includes Surtax.		
7. The number of employees drawing Rs. 2,000 or more per month as emoluments as on 31st December, 1971 - 11.		
8. The comparative figures for the previous year have been rearranged as far as practicable to conform with the figures of this year.		

M.RAY  
Secretary

KAMALJIT SINGH  
S. B. BUDHIRAJA  
V. BALAKRISHNAN } Directors



**INDIAN OIL INTERNATIONAL  
LIMITED**

**REPORT OF THE BOARD OF DIRECTORS  
AND  
STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED 31st MARCH, 1972**



**DIRECTORS**

Shri R. M. BASRUR (*Executive Director*)

Shri C. M. CHITALE

Shri H. N. ROYCHOWDHURY

Shri S. C. GHOSE

**BANKERS**

STATE BANK OF INDIA

NEPAL BANK LIMITED

**AUDITORS**

Messrs. H. CHAKRABORTY & COMPANY,

*Chartered Accountants,*

3, MANGOE LANE, WEST BLOCK,

CALCUTTA-1.

**KATHMANDU BRANCH AUDITORS**

Messrs. KUBER & COMPANY,

*Chartered Accountants,*

6/104, DHARMA PATH,

KATHMANDU, NEPAL.

**REGISTERED OFFICE**

INDIANOIL BHAVAN,

JANPATH,

NEW DELHI-1.



Regd. Office: Indianoil Bhavan  
New Delhi-1

Index

## Directors' Report – 1971-72

The Directors of Indian Oil International Ltd. have pleasure in placing before the Shareholders the Second Annual Report, the audited balance sheet together with Profit & Loss Account of Indian Oil International Ltd. for the period 1st January, 1971 to 31st March, 1972.

Your Company's first 15-month financial year ended on 31st December, 1970 but the actual business performance was for two months in that 'year, because the Company started its business activities in Nepal in November, 1970 only. During the financial year under review also the performance of your Company pertains to a period of 15 months. This was done with the permission of the Company Law Board so that the financial years of the Indian Oil Corporation Ltd. and your Company would coincide.

Your Company made a net profit of Rs. 1,21,615.60 during the year under review, after making necessary provision for taxes. A comparative statement in respect of turnover, commission earned by your Company, profits made during the first and second financial years is given below :-

	(Rs. in Lakhs) Year ending <u>31-12-1970</u>	(Rs. in Lakhs) Year ending <u>31-3-1972</u>
(i) Turnover	44.91	386.81
(ii) Commission earned	0.91	7.74
(iii) Profit after taxation	0.096	1.22

With the carry forward of profit from the last financial year, the available surplus amounts to Rs. 1,31,217.98, as detailed below:-

(i) Balance of profit brought forward	Rs. 9,602.38
(ii) Profit during the year 1971-72	Rs. 1,21,615.60
<b>Total</b>	<b>Rs. 1,31,217.98</b>

Your Directors have recommended that the above amount be appropriated as under :-

(I) Transfer to General Reserve	Rs. 75,000.00
---------------------------------	---------------

(ii) Provision for Dividend @ 20% on 100 shares of Rs. 1,000/- each	Rs. 20,000.00
(iii) Balance to be carried forward	<u>Rs. 36,217.98</u>
<b>Total</b>	<b>Rs. 1,31,217.98</b>

During the year under review, your Company took over from the Indian Oil Corporation Ltd. their assets in the form of pumps and equipment in Nepal on 1st April, 1971, worth Rs. 2,81,117.55. In order to enable your Company to finance their purchase, the Indian Oil Corporation Ltd. granted a loan of Rs. 2.5 lakhs in your Company's favour, carrying interest @ 10% per annum, repayable in five annual instalments of Rs. 50,000/-, plus the interest payable on the outstanding loan. The loan was accepted by your Company. Against this loan your Company has already remitted to the Indian Oil Corporation Ltd. the first instalment of Rs. 50,000/- and during the year under review, a provision of Rs. 23,111.35 towards interest on Rs. 2,31,117.53 has also been made in the profit and loss account.

As on 31st March, 1972, a total number of 17 pumps for M.S. and 20 pumps for H.S.D. were commissioned by your Company in Nepal. The annual sales of your Company were 63,432 kis. with a turnover of Rs. 386.81 lakhs. Your Company could not achieve more sales because of inadequate availability of products due to shortage of tank-wagons and tank-trucks. The market participation of your Company despite keen competition from other oil companies has increased to 65% on 31st March, 1972 as against 60% as on 31st December, 1970. Your Company may be able to serve better in future in the field of petroleum marketing provided the oil policy of Nepal Government is favourable to us. In this context, your Company may like to inform you that the Nepal Government has floated a company in the name and style of Nepal Oil Company for the purpose of importing petroleum products from different countries and it may probably



also like to take over the oil trade in Nepal in future. If the present policy of Nepal Government does not undergo any major change, your Company is hopeful of improving upon the present performance and obtain better results in future.

After the last Annual General Meeting, your Board underwent a complete change. Shri R. M. Basrur was appointed as the Executive Director vice Shri M. J. Saldanha. In place of Sarvashri S. N. Sinha and S. S. Saxena, Sarvashri H. N. Roychowdhury and C. M. Chitale were appointed as Directors. Shri S. C. Ghose was also appointed as a Director, thus increasing their strength from three to four Directors.

Before closing we wish to place on record our appreciation of the valuable assistance and support we have received from the Indian Oil Corporation Ltd. and the service rendered to your Company by its officers, staff and dealers.

For and on behalf of the Board,

Sd/-  
(R. M. BASRUR)  
*Executive Director.*

*25th July, 1972.*



*Analysis on the working results of the Company for the second period from 1st January, 1971 to 31st March, 1972.*

**1. STATEMENT OF SHAREHOLDERS' FUND** (in terms of thousands of Rupees)

**Composition:**

Share Capital	100	
Reserve & Surplus	111	
		211

**Invested as:**

Fixed Assets (net)	290	
Less: Unsecured Loans	254	36
Net Current Asset or Working Capital :-		
Current Assets	3,395	
Less: Current Liabilities	3,220	175
		211

**2 (a). FUND FLOW STATEMENT** (in terms of thousands of Rupees)

<i>Sources</i>		<i>Application</i>	
(1) Unsecured loan	254	(1) <i>Purchase of Fixed assets:</i>	
(2) Trading Profit Retained:		(a) Pumps & Equipment	281
Net profit (after tax)	122	(b) Office Equipment	8
Add back:		(c) Furniture & Fixture	1
Depreciation and devaluation loss on Fixed Assets	56		290
	178	(2) Increase in working capital	122
Less: Dividend	20		
	158		
	412		412

**2 (b). STATEMENT OF CHANGES IN WORKING CAPITAL** (in terms of thousands of Rupees)

	<i>Previous period</i>	<i>Current period</i>
Current Assets	1,990	3,395
Less: Current Liabilities	1,937	3,220
Working Capital	53	175
Increase in Working Capital or in Net Current Assets	122	
	175	175



**3. RATIOS** (in terms of thousands of Rupees)

**(a) Primary:**

(i) Return on capital employed (before taxation)

$$\frac{\text{Net profit + I.T. Provisions + Interest}}{\text{Proprietary Fund + Loans}} \times 100$$

$$= \frac{122 + (15 + 143) + 23}{211 + 254} \times 100 = 65\% \text{ (for fifteen months of effective working)}$$

(ii) Return on Proprietary Fund:

$$\frac{\text{Net profit after taxation}}{\text{Proprietary Fund}} \times 100$$

$$= \frac{122}{211} \times 100 = 58\% \text{ (for fifteen months of effective working)}$$

**(b) Secondary:**

(i) Net Profit to Sales :

$$\frac{\text{Net profit}}{\text{Gross turnover (including commission)}} = \frac{122}{40,456} \times 100 = .3\%$$

(ii) Capital Turnover:

$$\frac{\text{Gross turnover}}{\text{Capital employed}} = \frac{40,456}{465} = 87 \text{ times (in fifteen months)}$$

**(c) Subsidiary Ratios:**

(i) Current Ratios & Liquid Ratio :

$$\frac{\text{Current or liquid assets}}{\text{Current or liquid liabilities}} = \frac{3,395}{3,220} = 1.05$$

(ii) Debtors Velocity:

$$\frac{\text{Debtors}}{\text{Net sales}} \text{ (in months)} = \frac{1,285}{3,868} \times 15 \text{ months of effective working} = 5 \text{ months}$$

**(d) Gross Profit Ratio:**

$$\frac{\text{Gross profit}}{\text{Gross sales}} \times 100 = \frac{1,775}{40,456} \times 100 = 4.4\%$$

**(e) Selling Expenses Ratio:**

$$\frac{\text{Selling expenses}}{\text{Gross sales}} \times 100 = \frac{1,028}{40,456} \times 100 = 2.5\%$$



# Audit Report

H. CHAKRABORTY & CO.  
*Chartered Accountants.*

Phone: 23-1744  
3, Mangoe Lane, Gr. Fl.  
West Block  
CALCUTTA-1.

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of the audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, and proper returns adequate for the purposes of audit have been received by us from branches not visited by us;
- (c) The reports on the accounts of Nepal Branch audited by other Auditors have been forwarded to us and the same have been considered in preparing our report;
- (d) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account and the returns;
- (e) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with the notes thereon given in the face of account and in the schedules give the information required by the Companies Act, 1956 in the manner so required and on such basis the said Balance Sheet gives a true and fair view of the state of affairs of the Company as at 31st March, 1972, and the Profit & Loss Account gives a true and fair view of the Profit for the period from 1st January, 1971 to 31st March, 1972.

CALCUTTA,  
14th July, 1972.

H. CHAKRABORTY & CO  
*Chartered Accountants.*



**BALANCE SHEET AS AT 31ST MARCH, 1972**

Index

LIABILITIES	Figures for current year		Figures for the previous year ending 31-12-1970
	Rs. P.	Rs. P.	Rs. P.
<b>Share Capital:</b>			
Authorised 500 shares of Rs. 1000 each		<u>5,00,000.00</u>	<u>5,00,000.00</u>
Issued, subscribed and fully paid-up 100 shares of Rs. 1,000 each (all the shares held by Indian Oil Corporation Ltd. or by their nominees)		1,00,000.00	1,00,000.00
<b>Reserves and Surplus:</b>			
General Reserve	75,000.00		Nil
Profit & Loss Account	<u>36,217.98</u>		9,602.38
		1,11,217.98	
<b>Secured Loans</b>		Nil	Nil
<b>Unsecured Loans</b>			
(From IOC towards pumps and equipment)		2,54,228.88	Nil
<b>Current Liabilities &amp; Provisions:</b>			
A. Current Liabilities:			
Indian Oil Corporation Ltd., Calcutta	27,96,713.30		19,06,071.27
Deposits for Retail Outlet and Dealership	1,02,051.38		1,000.00
Liabilities for Expenses	60,501.89		Nil
Provision for Income-tax:			13,763.95
	Rs. P.		
Nepal Income-tax	1,48,925.05		
Indian Income-tax	<u>22,786.00</u>		
		1,71,711.05	
Provision for Selling & Distribution Expenses		Nil	11,487.24
Proposed Dividend		20,000.00	Nil
Other Liabilities		<u>68,976.78</u>	4,775.23
		32,19,954.40	
B. Provisions		<u>Nil</u>	
		32,19,954.40	
<b>Contingent Liability:</b>			
No provision has been made for future gratuities as the amount is not ascertained.			
<b>TOTAL</b>		<u>36,85,401.26</u>	<u>20,46,700.07</u>

**SIGNED IN TERMS OF OUR REPORT OF EVEN DATE**

3, Mangoe Lane, Ground Fl.,  
West Block, Calcutta-I.

A. K. SEN,  
Assistant Secretary.

M. L. TALWAR,  
Secretary.

H. CHAKRABORTY & CO.  
Chartered Accountants.

14th July, 1972.



**BALANCE SHEET AS AT 31ST MARCH, 1972 (Contd...)**

Index

ASSETS	Figures for current year		Figures for the previous year ending 31-12-1970
	Rs. P.	Rs. P.	Rs. P.
<b>Fixed Assets:</b> (as per Schedule I attached)			
Gross Block	3,49,991.71		
Less: Depreciation	<u>59,323.18</u>		
		2,90,668.53	57,118.76
<b>Investments</b>		Nil	Nil
<b>Current Assets, Loans and Advances:</b>			
A. Current Assets:			
Sundry Debtors:			
(Unsecured considered good. Debts as on 31st March, 1972 and maximum amount of debt during the year due by Directors and Officers—Nil)			Nil
(a) Outstanding for more than six months	74,906.98		
(b) Other debts	12,09,810.43		7,73,205.70
(c) Indian Oil Corporation Ltd. for commission receivable	5,58,334.90		Nil
<b>Cash and Bank Balances:</b>	Rs. P.		
SBI, Calcutta	45,145.28		45,145.28
With Nepal Branch (as per Schedule II)	14,99,227.20		11,56,878.17
		15,44,372.48	
<b>B. Loans and Advances:</b>			
Advances & Deposits (Advances recoverable in cash or in kind or value to be received)	<u>7,307.94</u>		14,352.16
		33,94,732.73	
<b>Miscellaneous Expenditure</b>		Nil	Nil
<b>TOTAL</b>		<u>36,85,401.26</u>	<u>20,46,700.07</u>

**N. S. SHIVANANDA**  
Chief Accounts Officer.

R. M. BASRUR  
C. M. CHITALE  
H. N. ROYCHOWDHURY  
S. C. GHOSE } Directors.



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM  
1ST JANUARY, 1971 TO 31ST MARCH, 1972**

Index

	Current year Rs. P.	Previous year Rs. P.
To Bank charges	Nil	112.68
" Auditfee	2,250.00	1,000.00
" <i>Consultation fee</i>	200.00	Nil
" Provision for Indian Income-tax	15,000.00	7,786.00
" Net profit after taxation provision - c/d	1,21,615.60	9,602.38
	<u>1,39,065.60</u>	
To General Reserve	75,000.00	Nil
" Proposed Dividend	20,000.00	Nil
" Balance transferred to Balance Sheet	36,217.98	9,602.38
TOTAL	<u>1,31,217.98</u>	<u>28,103.44</u>

Signed in terms of our Report of even date

3, Mangoe Lane, Ground Fl.,  
West Block, Calcutta-1.

14th July, 1972.

A. K. SEN,  
Assistant Secretary.

M. L. TALWAR,  
Secretary.

H. CHAKRABORTY & CO.  
Chartered Accountants.



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM  
1ST JANUARY, 1971 TO 31ST MARCH, 1972 (Contd...)**

	Current year Rs. P.	Previous year Rs. P.
By Profit (after Nepal Tax) from Kathmandu Office - as per Schedule 'B' .	1,39,065.60	18,501 .06
	<u>1,39,065.60</u>	
By Net Profit after taxation provision - b/d	1,21,615.60	9,602.38
" Profit and Loss Account as per last Balance Sheet	9,602.38	Nil
<b>TOTAL</b>	<u><u>1,31,217.98</u></u>	<u><u>28,103.44</u></u>

**NOTES :-**

(1) The profit of this period is not comparable with the profit of the last period as there were only two months' trading activities in the last period as against fifteen months' activities in the current period and also due to devaluation of Nepalese currency from 135.15 NC 100.00 IC to 139.15 NC 100.00 IC in the current period.

(2) Auditors' fees	<i>HO and Calcutta Branch</i>	<i>Nepal Branch</i>
	Rs. P.	Rs. P.
(a) Audit fee	2,250.00	2,155.95
(b) Other capacity	200.00	179.00
	<u>2,450.00</u>	<u>2,334.95</u>

(3) (a) No. of employees getting more than Rs. 2,000;- together with perquisites etc. - 2 (two).  
(b) Installed capacity, Lincenced capacity, Opening and closing stock of goods produced, Raw materials purchased or acquired - does not arise as it is a trading company.

**N. S. SHIVANANDA**  
Chief Accounts Officer.

R. M. BASRUR  
C. M. CHITALE  
H. N. ROYCHOWDHURY  
S. C. GHOSE } Directors.



**SCHEDULE - "A" NOTES ON THE ACCOUNTS FOR THE PERIOD 1ST JANUARY, 1971 TO 31ST MARCH, 1972.**

1. Amount due to Indian Oil Corporation shown under Current Liabilities Rs. 27,95,513.30 includes Rs. 85,323.83 in IOC Suspense Account for expenses paid on behalf of the Company.
2. (a) Sundry Debtors outstandings for more than six months represent dues for tank-wagon supplies by IOC. These have been paid by the Company and the relevant DDs are yet to be credited to the Company after scrutiny by IOC.  
  
(b) Other Debts represent dues for tank-wagons not received by 31st March, 1972 which were duly paid by April, 1972.
3. Previous year's figures have been suitably regrouped wherever necessary.
4. Loss arising out of devaluation of Nepalese currency Rs. 15,981.36 has been written off in the year. All fixed assets balances have also been converted at the current rate of 139.15 NC = 100.00 IC.
5. Other liabilities include over drawing caused by wrong credits given by State Bank of India, Basti amounting to Rs. 50,181.59. Unlinked credit awaiting full payment particulars amounting to Rs. 9,323.93 is to be adjusted in due course.
6. Unsecured loan from IOC towards pumps and equipment Rs. 2,54,228.88 includes Rs. 23,111.35 for interest accrued and due, after payment of Rs. 50,000.00 during the year. Rs. 2,31,117.53 remains out of the sanctioned loan of Rs. 2,50,000.00 for purchase of pumps and equipment. Pending adjustment with IOC interest has been provided on Rs. 2,31,117.53 with the approval of the Board of Directors.
7. Advance and deposits of Rs. 7,307.94 includes Rs. 1,055.69 as advances.

H. CHAKRABORTY & CO.,  
*Chartered Accountants.*

M. L. TALWAR,  
*Secretary.*

N. S. SHIVANANDA,  
*Chief Accounts Officer.*

A. K. SEN,  
*Assistant Secretary.*

R. M. BASRUR

C. M. CHITALE

H. N. ROYCHOWDHURY

S. C. GHOSE

} *Directors.*

**SCHEDULE - "B" PROFIT FROM NEPAL BRANCH** { Conversion rate 100 IC = 139.15 NC for the current year  
Conversion rate 100 IC = 135.15 NC for the previous year }

### REVENUES

	Year ending 31-3-1972				Year ending 31-12-1970			
	NC		IC		NC		IC	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Sales	5,38,24,551.13		3,86,80,956.61		60,70,098.30		44,91,378.47	
Commission on sales	10,76,490.00		7,73,618.40		1,23,562.13		90,686.00	
Selling and distribution commission	13,92,953.41		10,01,044.50		1,64,206.00		1,21,499.08	
Less: Cost of sales (opening and closing stock Nil)	5,62,93,994.54		4,04,55,619.51		63,56,866.43		47,03,563.55	
	5,38,24,551.13		3,86,80,956.61		60,70,098.30		44,91,378.47	
<b>GROSS PROFIT</b>	<b>24,69,443.41</b>		<b>17,74,662.90</b>		<b>2,86,768.13</b>		<b>2,12,185.08</b>	
Add: Licence fee on pumps	619.24		445.02		16.22		12.00	
Add: Miscellaneous receipts	11.66		8.38		-		-	
	<u>24,70,074.31</u>		<u>17,75,116.30</u>		<u>2,86,784.35</u>		<u>2,12,197.08</u>	
<b>Less: Expenses:</b>								
Salaries and wages	2,16,487.37		1,55,578.42		34,512.24		25,536.25	
Staff welfare expenses	2,140.80		1,538.48		-		-	
Telegrams, Telex, Telephones and Postage	16,701.86		12,002.77		1,084.48		802.43	
Travelling expenses	46,294.00		*33,269.13		1,817.35		1,344.69	
Office maintenance expenses	9,025.02		*6,485.82		5,750.98		4,255.26	
Printing & Stationery	11,517.94		8,277.36		2,031.67		1,503.27	
Office and House rent	37,663.05		27,066.51		4,916.12		3,637.53	
Entertainment expenses	5,446.20		3,913.91		1,424.20		1,053.79	
Conveyance expenses	5,237.40		3,763.85		683.40		505.66	
Miscellaneous expenses	3,684.38		2,647.78		1,668.65		1,234.67	
Insurance	1,042.37		749.10		1,348.65		997.89	
Motor car maintenance expenses	3,183.91		2,288.11		912.29		675.02	
Audit fee	3,000.00		2,155.95		-		-	
Legal and consultation fee	475.00		341.36		2,500.00		1,849.80	
Bank charges	68,665.49		49,346.38		4,570.22		3,381.59	
Depreciation	76,099.55		54,688.86		6,448.65		4,771.48	
Interest on Loans	32,159.44		23,111.35		-		-	
Modernisation expenses of Retail outlets	55,600.00		39,956.88		-		-	
Repairs and maintenance of pumps	10,176.16		7,313.09		-		-	
Advertisement and sales promotion expenses	13,357.56		9,599.40		-		-	
Honorarium to Executive Director	1,349.59		969.88		-		-	
Selling and distribution expenses	14,29,781.10		10,27,510.68		1,75,813.66		1,30,087.80	
Devaluation loss	22,238.06		15,981.36		-		-	
Loss on conversion	1,914.96		1,376.18		-		-	
	<u>20,73,241.21</u>		<u>14,89,932.61</u>		<u>2,45,482.56</u>		<u>1,81,637.13</u>	
<b>NET PROFIT (subject to Nepal taxation)</b>	<b>3,96,833.10</b>		<b>2,85,183.69</b>		<b>41,301.79</b>		<b>30,559.95</b>	
Less: Preliminary expenses written off	-		-		8,218.41		6,080.94	
Expenses pertaining to previous year	4,173.32		2,999.15		-		-	
Provision for Nepal Income-tax, 1972	1,99,150.00		1,43,118.94		8,079.20		5,977.95	
	<u>2,03,323.32</u>		<u>1,46,118.09</u>		<u>16,297.61</u>		<u>12,058.89</u>	
<b>Balance transferred to Profit &amp; Loss Account</b>	<b>1,93,509.78</b>		<b>1,39,065.60</b>		<b>25,004.18</b>		<b>18,501.06</b>	

- \* (1) Travelling expenses include Rs. 886.42 (IC) paid to Nepal Auditors in the capacity as Auditors and nil in other capacities.  
(2) Miscellaneous expenses include Rs. 266.50 which is in the nature of Entertainment expenses

H. CHAKRABORTY & CO.,  
Chartered Accountants.

for INDIAN OIL INTERNATIONAL LIMITED  
N. S. SHIVANANDA,  
Chief Accounts Officer.

M. L. TALWAR,  
Secretary.

A. K. SEN,  
Assistant Secretary.

R. M. BASRUR  
C. M. CHITALE  
H.N. ROYCHOWDHURY  
S.C. GHOSE

Directors.





**FIXED ASSETS**  
**SCHEDULE NO.1**

(All figures in IC)

	Gross Block as at 31st Dec.1970 at cost	Additions during the year at cost	Gross Block as at 31st Mar.1972 at cost	Depreciation upto 31st Dec.1970
	Rupees	Rupees	Rupees	Rupees
OFFICE CAR	30,901.90	Nil	30,901.90	3,090.19
FURNITURE AND FIXTURES	22,509.85	1,203.87	23,713.71	1,125.73
OFFICE EQUIPMENTS	6,699.39	7,559.17	14,258.55	418.40
PUMPS & EQUIPMENTS	Nil	2,81,117.55	2,81,117.55	Nil
<b>TOTAL</b>	<b>60,111.14</b>	<b>2,89,880.59</b>	<b>3,49,991.71</b>	<b>4,634.32</b>

for INDIAN OIL INTERNATIONAL LIMITED

H. CHAKRABORTY & CO.,  
Chartered Accountants.

A. K. SEN,  
Assistant Secretary.

N. S. SHIVANANDA  
Chief Accounts Officer.



**FIXED ASSETS**  
**SCHEDULE NO.1** (Contd...)  
 (All figures in IC)

Depreciation provided during the year	Total depreciation upto 31st Mar.1972	Nett depreciated block as at 31st Mar.1972	Comparative figures for the year ending 31st Dec.1970	REMARKS
Rupees	Rupees	Rupees	Rupees	* Comparative figures for the year ending 31st December, 1970 have undergone a change since devaluation has occurred during the current year.
6,952.93	10,043.12	20,858.78	27,811.71*	
2,748.76	3,874.49	19,839.22	21,384.12*	
3,873.22	4,291.62	9,966.93	6,280.99*	
41,113.95	41,113.95	2,40,003.60	Nil	
54,688.86	59,323.18	2,90,668.53	55,476.82	

M.L. TALWAR,  
Secretary.

R. M. BASRUR  
C.M. CHITALE  
H.N. ROYCHOWDHURY  
S. C. GHOSE



Directors.



**SCHEDULE - "II"**

**SCHEDULE SHOWING CASH AND BANK BALANCES AS ON 31ST MARCH, 1972**

	Rs.	P.	IC	
			Rs.	P.
Cash in hand			1,163.82	
Nepal Bank Ltd. Current Account			8,616.62	
Nepal Bank Ltd. Collection Account			8,940.71	
State Bank of India, Bettiah			1,58,218.85	
State Bank of India, Barauni			60,604.91	
State Bank of India, Siliguri			513.54	
State Bank of India, Gorukapur			23,428.51	
State Bank of India, Bareilly			500.00	
State Bank of India, Forbesganj			15,381.04	
State Bank of India, Calcutta			27,020.25	
			<u>3,04,388.25</u>	
<b>REMITTANCES IN TRANSIT</b>				
To State Bank of India, Calcutta	11,70,742.91			
To State Bank of India, Bombay	<u>24,096.04</u>		<u>11,94,838.95</u>	
<b>TOTAL</b>			<u><u>14,99,227.20</u></u>	

M. L. TALWAR,  
Secretary.  
A. K. SEN,  
Assistant Secretary.

H. CHAKRABORTY & CO.,  
Chartered Accountants.

R. M. BASRUR  
C. M. CHITALE  
H. N. ROYCHOWDHURY  
S. C. GHOSE

} Directors.

**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 account of Indian Oil International Limited for the period from 1st January, 1971 to 31st March, 1972.

Sd/

**(C. J. MALKANI)**  
*Member, Audit Board and  
Ex-Officio Director of Commercial  
Audit (E.R.), Calcutta-1.*

CALCUTTA,  
*5th August, 1972.*