



# ANNUAL REPORT 1972-73

Indian Oil  
Corporation Limited

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**BOARD OF DIRECTORS:**

Kamaljit Singh  
C. R. Das Gupta  
P. R. K. Menon  
P. C. Bhattacharyya  
Dr. S. K. Mukherjee  
Rajni Patel  
A.P. Verma  
L.Kumar  
A.K. Ghosh  
J.J. Mehta

**SECRETARY:**

D. B. Puri

**BANKERS:**

State Bank of India

**JOINT AUDITORS:**

M/s. Price, Waterhouse, Peat and Co.  
M/s. A. F. Ferguson and Company

**BRANCH AUDITORS:**

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

**REGISTERED OFFICE AND MARKETING**

**DIVISION HEADQUARTERS:**

254-C, Dr. Annie Besant Road  
Prabhadevi, Bombay-400 025

**MARKETING DIVISION**

**BRANCHES:**

Bombay, New Delhi, Calcutta, Madras

**REFINERIES & PIPELINES**

**DIVISION HEADQUARTERS:**

Indianoil Bhavan, Janpath  
New Delhi-110001

**REFINERIES:**

Gauhati (Assam), Barauni (Bihar), Jawaharnagar  
(Gujarat), Haldia (West Bengal)-under construction, Mathura (U. P.)-under construction.



## **NOTICE**

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Notice is hereby given that the 14th 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 400 025 at 15-00 hours on Monday, the 3rd December 1973 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and Reports of the Auditors and Directors thereon for the financial year ended 31st March 1973.
2. To declare the dividend.

By Order of the Board,

D. B. PURI  
*Secretary.*

*Bombay, Dated: 15th November 1973.*

*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.

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*Note:* The above Meeting was adjourned and was held on 17th December 1973 at 15-00 hrs., at Indianoil Bhavan, Janpath, New Delhi, after obtaining the approval of the Central Government.

**DIRECTORS' REPORT 1972-73**  
TO  
THE SHAREHOLDERS OF  
INDIAN OIL CORPORATION LIMITED

Gentlemen,

On behalf of the Board of Directors of your Corporation, I have pleasure in placing before you the 14th Annual Report on the working of the Corporation for the financial year 1972-73 along with the Audited Statements of Accounts.

**FINANCIAL RESULTS:**

The net profit for the year under review before tax is Rs. 49.17 crores as against Rs. 36.94 crores and Rs. 15.77 crores during the years 1971-72 and 1970-71 respectively. The comparative figures of gross profit, interest, depreciation and provision for taxation are as under :-

	(Rs. in crores)		
	1972-73	1971-72	1970-71
Gross profit before Depreciation & Interest	66.32	53.42	31.32
Interest	3.46	4.43	4.76
Profit before Depreciation	62.86	48.99	26.56
Depreciation	13.69	12.05	10.79
Net Profit before Tax	49.17	36.94	15.77
Provision for Taxation	27.00	5.00	
Net Profit after Tax	22.17	31.94	15.77

The sales during the year were 16.00 million kilolitres, as against 13.68 million kilolitres and 11.61 million kilolitres for the years 1971-72 and 1970-71 respectively. The profit for the year works out to 69.09% of the paid up capital as against 51.90% and 22.16% in previous years i.e. 1971-72 and 1970-71 respectively. The position of profits, including carried forward from last year, is as follows :-

	Rs.	Rs.
Balance of profit carried forward from last year		1,39,434
Profit for the year before Tax	49,16,99,656	
Less: Provision for Taxation	<u>27,00,00,000</u>	<u>22,16,99,656</u>
Balance		<u>22,18,39,090</u>

Out of the balance indicated above, your Directors recommend the following appropriations:—

	Rs.
Provision for Development Reserve	2,00,00,000
Provision for dividend at 7% on 7,11,772 shares of Rs. 1,000 each	4,89,24,040
Transfer to General Reserves	15,20,00,000
Balance carried forward	15,050
<b>TOTAL</b>	<u><u>22,18,39,090</u></u>



**FINANCE:**

Your Corporation made a capital investment of Rs. 36.94 crores primarily on the Haldia Refinery during the year. A sum of Rs. 9.59 crores was repaid during the year to the Government of India towards return of loan capital reducing it from Rs. 34.76 crores to Rs. 25.17 crores. There was no addition to share capital during the year, but foreign loans amounting to Rs. 165 lakhs were received during the year to finance Haldia Refinery.

**REFINERIES & PIPELINES**

**DIVISION**

**REFINERIES:**

The three operating refineries owned by this Corporation achieved a total throughput of 69,13,799 tonnes during the year 1972-73. The following table gives the targeted throughput for the year 1972-73, the actual throughput achieved during the past three years and the production achieved during the years under reference:

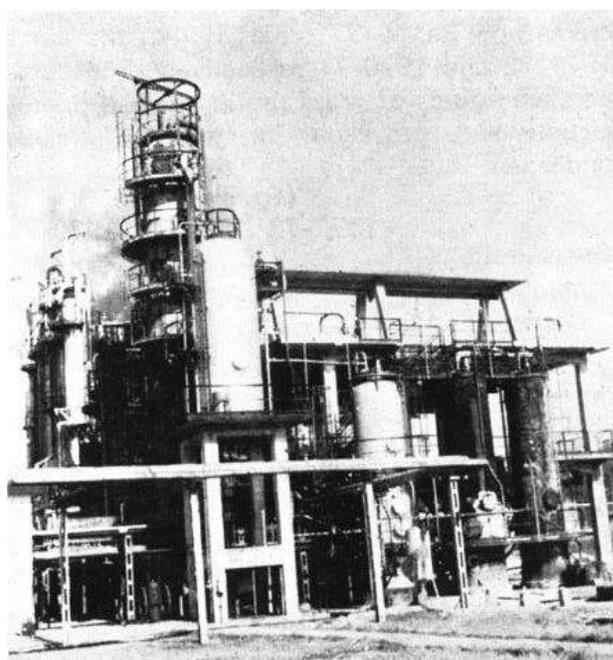
(in tonnes)

	Gauhati	Barauni	Gujarat	Total
<b>Targeted Throughput</b>				
1972-73	8,20,000	24,00,000	38,05,100	70,25,100
<b>Actual Throughput</b>				
1972-73	7,93,135	23,92,147	37,28,517	69,13,799
1971-72	7,96,029	22,78,232	36,42,665	67,16,926
1970-71	6,85,750	21,91,079	34,63,004	63,39,833
<b>Production</b>				
1972-73	7,03,424	21,60,438	34,54,932	63,18,794

**OUTSTANDINGS:**

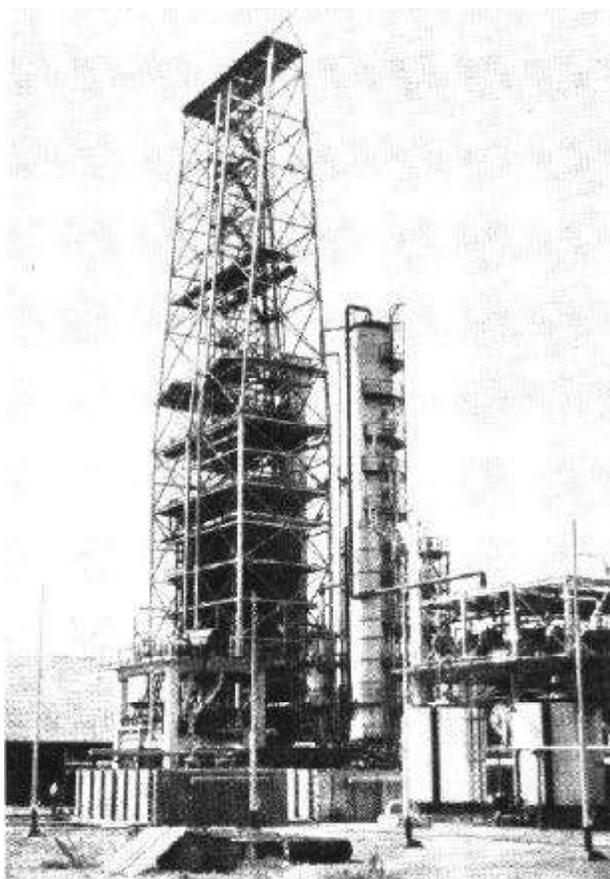
As reported last year, concerted efforts to collect outstandings from customers continue to engage our attention and during the year under review there has been further improvement in the collection of dues. The outstandings at the close of the year amounted to Rs. 30.96 crores as against Rs. 31.67 crores at the end of last financial year. Considering that the sales during the year was Rs. 996.15 crores as against Rs. 862.04 crores during the previous year, this is a satisfactory improvement. DGS&D outstandings at the close of the year stood at Rs. 4.20 crores as against Rs. 5.47 crores at the end of last year and non-DGS&D outstandings Rs. 23.40 crores as against Rs. 23.28 crores at the end of last financial year. The outstandings at the close of the year represent 9 days' sales as against 12 days' at the end of the last financial year. Concerted efforts are being continued in the current year to achieve even better results.

The shortfall in throughput of Gauhati Refinery was mainly due to extended/emergency shutdowns



*Kerosene Refining Unit of Gauhati Refinery.*





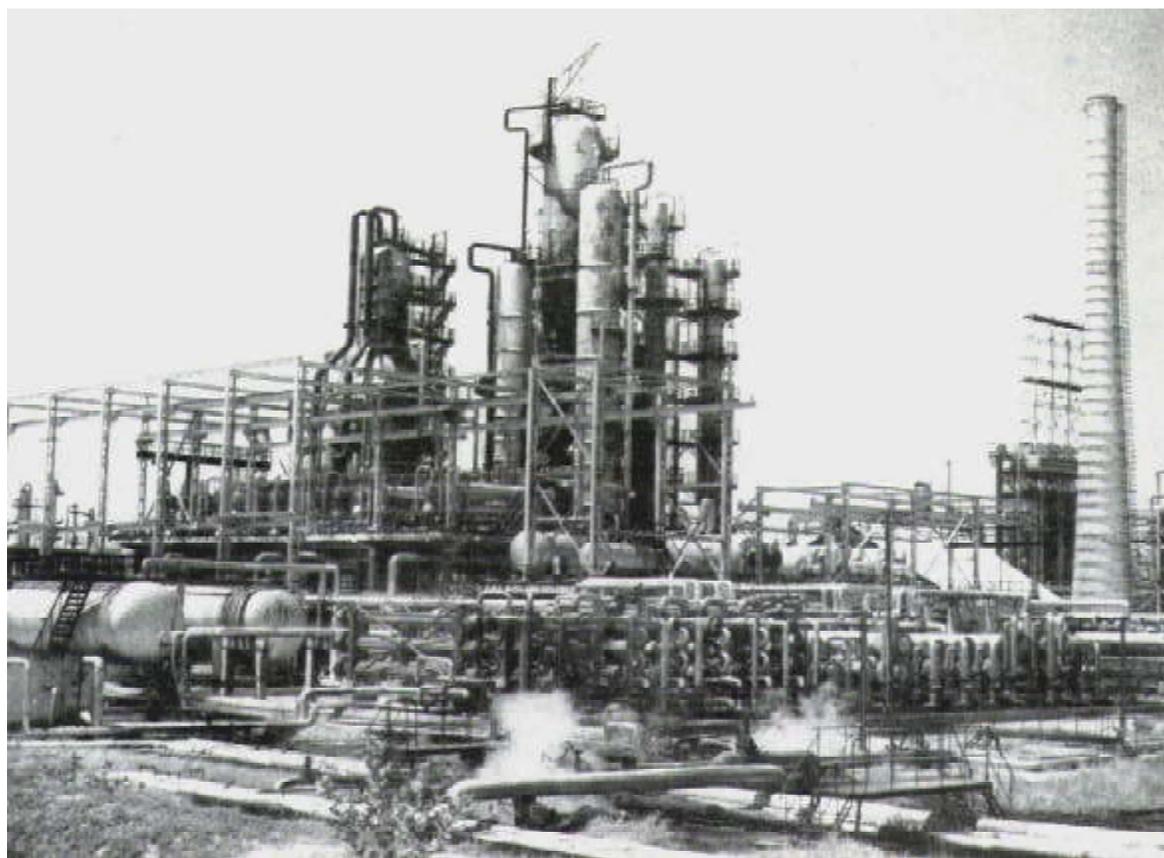
*Coking Unit of Gauhati Refinery.*

of the coking unit and power problems. In Gujarat Refinery, the shortfall was due to lower supplies of crude oil from North Gujarat fields of ONGC.

**SPECIAL FEATURES, ACHIEVEMENTS AND FUTURE PLANS**

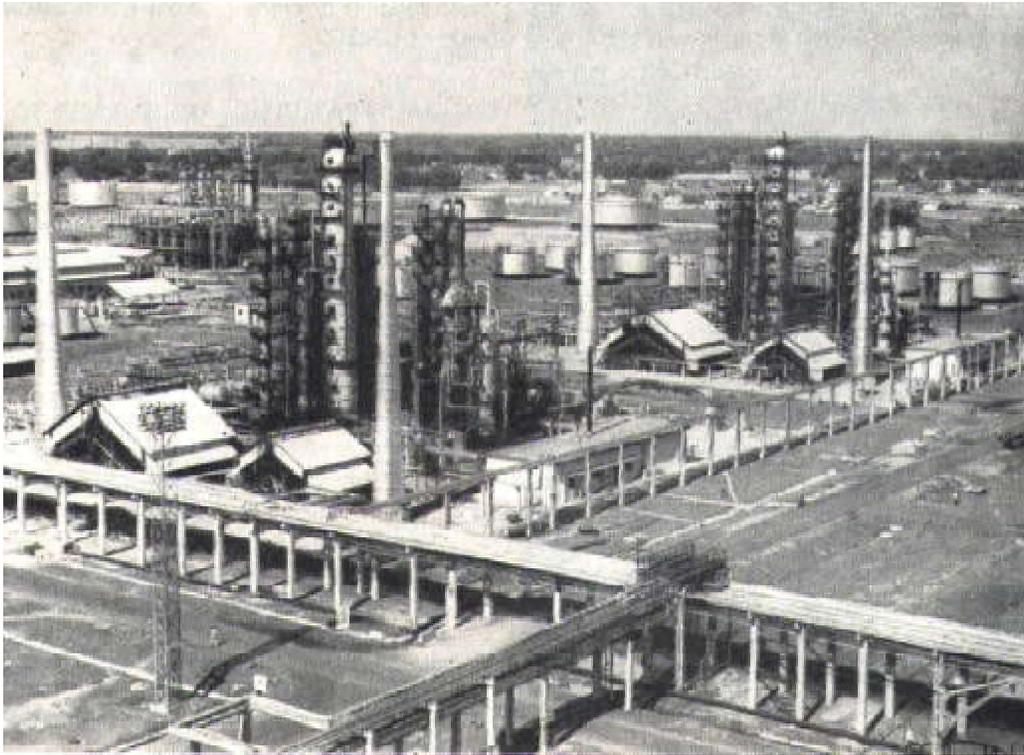
**GAUHATI:**

1. The Kerosene Refining Unit operated for 250 stream days during the year. This is the highest ever achieved.
2. LSHS was produced for the first time in this refinery for trial supplies to the recently commissioned Chandrapur Power Station of Assam State Electricity Board. When despatches of LSHS to ASEB start on regular basis, the overall recovery of products from the Refinery is expected to improve.
3. LPG production was started with the temporary storage facilities. The permanent LPG bullets are expected to be installed this year. Thereafter LPG production potential will increase from the present level of about 1,000 tonnes per year to about 2,500 tonnes per year.

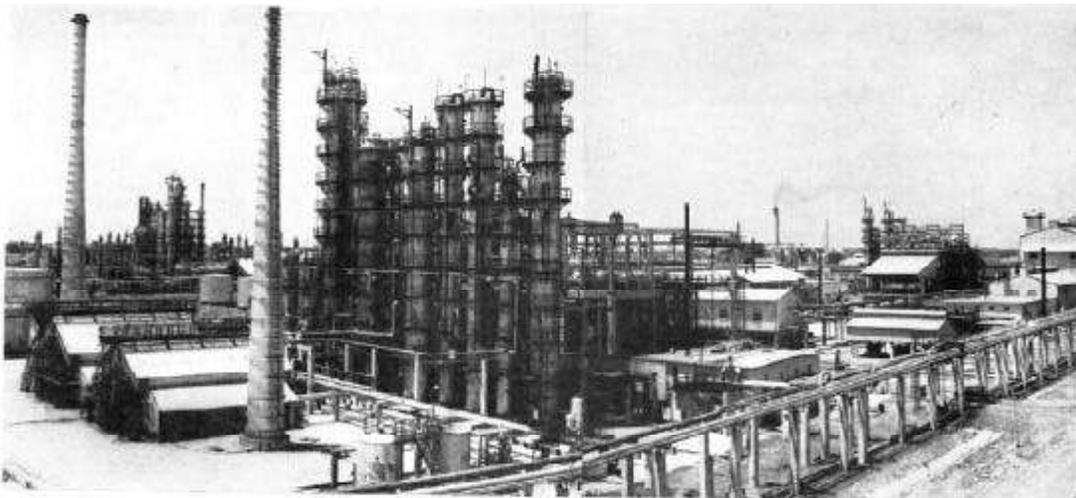


*A view of the Atmospheric and Vacuum Unit of the Barauni Refinery.*





*A bird's eye-view of Barauni Refinery.*

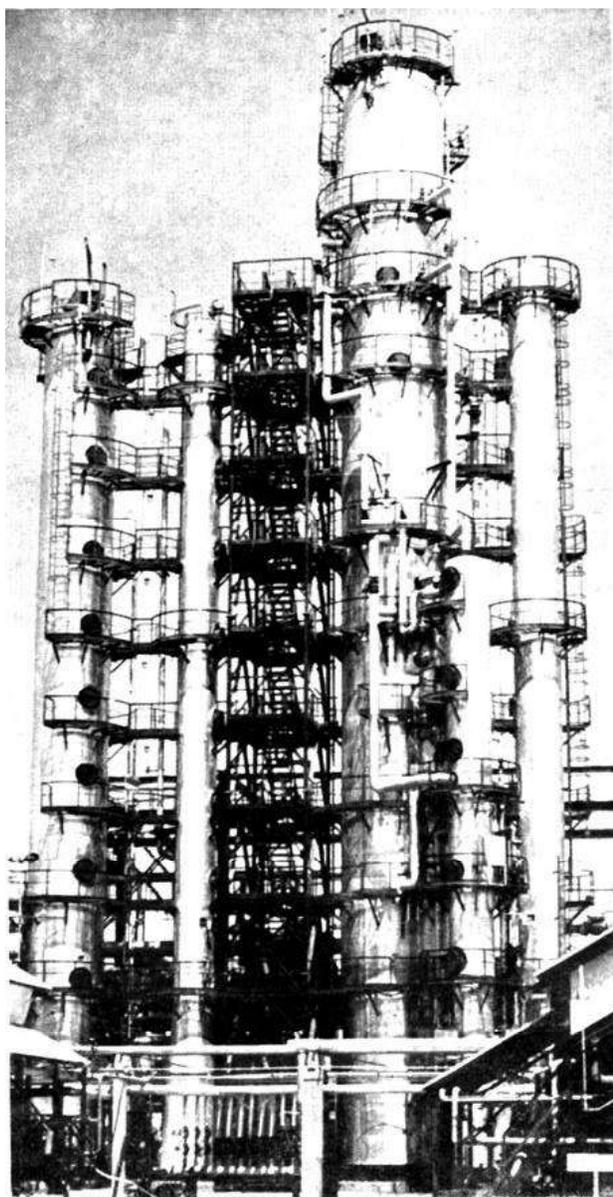


*The Lube Oil Complex of Barauni Refinery comprising of Phenol Extraction Unit, Dewaxing Unit and the Clay Contact Unit.*

4. Installation of a new effluent plant for further improving the quality of the refinery effluent is being planned

### BARAUNI:

1. The processing of imported crude has been successfully started from December 1972 after carrying out minor modifications. It is now possible to process imported crude oil in this refinery @ 0.5 to 0.7 million tonnes per year depending upon the quality of the imported crude. This has helped to improve the product availability. The major scheme of revamping the refinery for processing imported crude at refinery for processing imported crude at Barauni to achieve a throughput of 3.4 million



*Newly-built Coke Calcination Unit of Barauni Refinery.*

tonnes per year is under implementation and is scheduled for completion by 1975.

2. With the processing of imported crude the refinery started making regular grade furnace oil which is an additional product.
3. Facilities for loading bulk LPG in tank lorries/skid tanks have been provided and bulk despatches of LPG have been started to help industrial consumers of LPG.

### GUJARAT:

1. LPG cylinder filling has been stepped up further by starting a third shift to cater to the increased LPG demand. LPG handling facilities are also being further modernised. With the improvements, the refinery achieved the record despatches of 47,992 metric tonnes of LPG (in pack and bulk) which is 70% higher than the previous year.
2. It has been decided to expand the refinery capacity to 7.3 million tonnes per year. The feasibility report for this expansion, has been approved by the Government.
3. In view of the increased Benzene demand in the country and its export potential, a scheme for maximisation of Benzene production is under implementation.

### HALDIA:

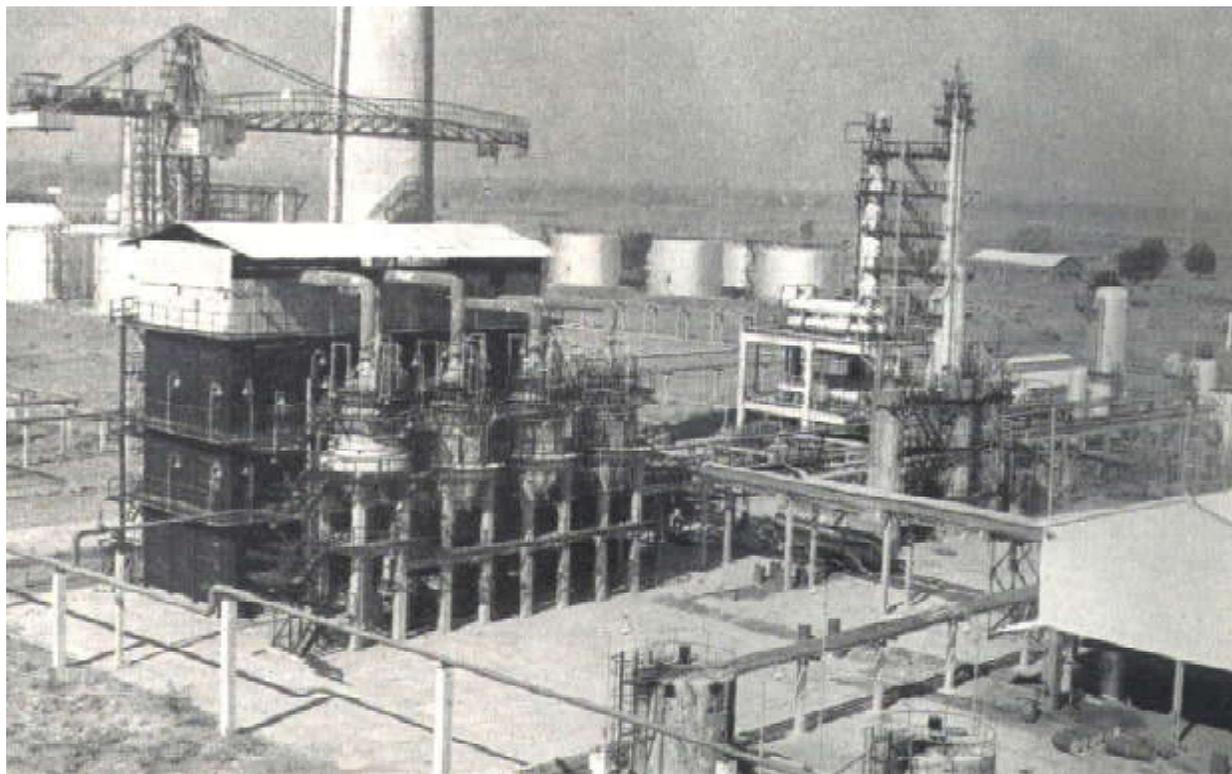
The Project is estimated to cost Rs. 67.50 crores. The Fuel Part of the Refinery is expected to be ready for starting by middle of 1974 and the Lube Part three to six months thereafter.

The overall project completion reached a level of 70.7% at the end of June, 1973.

The Project had to face the following major difficulties:

- (a) Acute shortage of railway wagons affecting movement of construction materials to site.
- (b) Short supply of cement due to strike in cement factories, power shortage, etc.
- (c) Delay in engineering and procurement, and consequent delay in the receipt of certain items at site.
- (d) Delay in receipt of pipes and fittings from Technip, France, 3rd country and indigenous sources retarding the progress of pipework and fabrication of pressure vessels.

- (e) Delay in supply of indigenous equipments by almost all vendors.
- (f) Difficult labour situation involving strikes, go-slow tactics, lock-outs, agitations, gheraos, etc., at the work site of almost all the contractors. To deal with the problem, a Consultative Committee, with the Labour Commissioner, West Bengal, as its Chairman, and representatives of Workers, Contractors and Management as members, has been set up. The Committee is doing its best to solve the labour problems.
- line and close to the Meter Gauge railway line from Mathura to Bhainsa (and onwards to Agra on the West and National Highway on the East). This site which is about 12 Km. South of Mathura was approved by the Government in January, 1973.
- Consequent to the Government's decision to locate the refinery at Mathura, a revised feasibility report incorporating certain changes in the processing scheme was submitted to the Government in February, 1973. The refinery is now estimated to cost about Rs. 100 crores including township and working capital. Government has given their approval recently of this report.

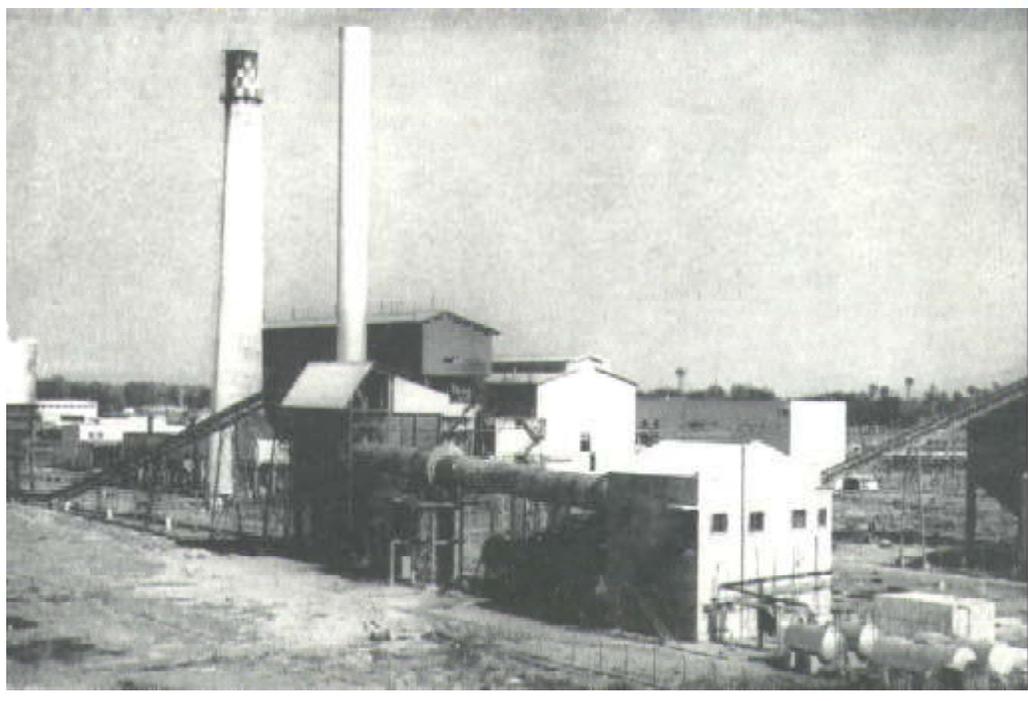


*Catalytic Reforming Unit at Gujarat Refinery.*

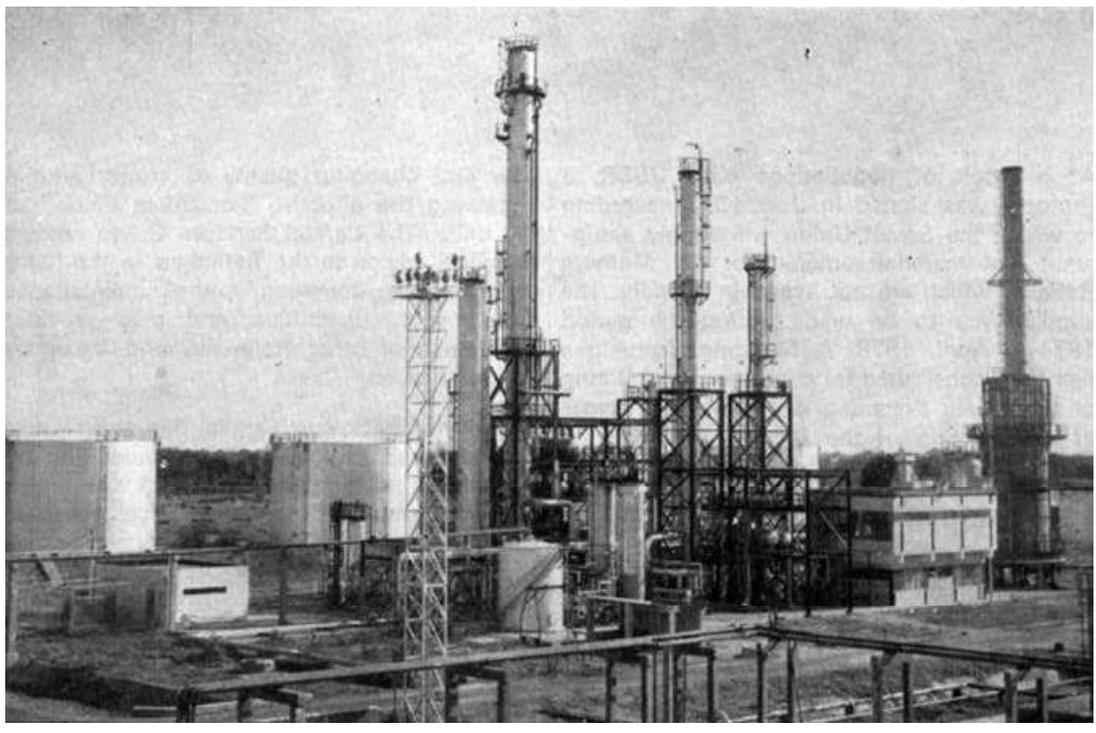
### **MATHURA REFINERY PROJECT:**

A feasibility report on the setting up of a 6 million tonnes per annum refinery in the North West Region was submitted by your Company to the Government in May, 1971. The Government in June, 1972, announced its decision to establish the refinery at Mathura (U.P.). A Site Selection Committee approved a refinery site which lies South of Bad Railway Station on the Broad Gauge railway

The State Government has already notified the land and necessary acquisition proceedings are in progress. The preliminary work on site survey, soil investigation, water supply, power plant, effluent disposal, etc. is in hand. Technical and commercial proposals have been invited from selected Indian and Foreign Companies for the selection of licensors for the various licensed process units.

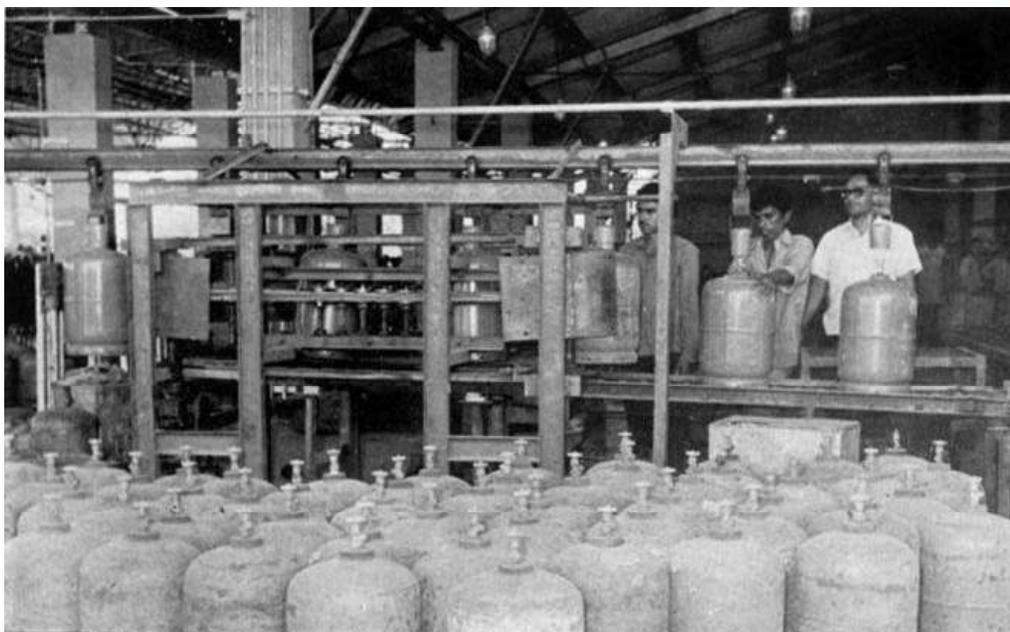


*The Third Million tonne Unit of Gujarat Refinery.*



*Udex Unit at Gujarat Refinery.*





*Modernised LPG Cylinder Conveyor System with automatic decapping arrangement at Gujarat Refinery.*

As a result of negotiations with USSR, a Protocol was signed in July, 1973 according to which the Soviet Union will supply equipment and material required for the Mathura Refinery which are not available in India. The supplies are to be made during the period 1974 to April, 1978. A Standing Committee has been constituted for continuous monitoring of the timely execution of the various stages of construction of the refinery according to the time schedule laid down for the purpose.

#### **CENTRAL SERVICES ORGANISATION:**

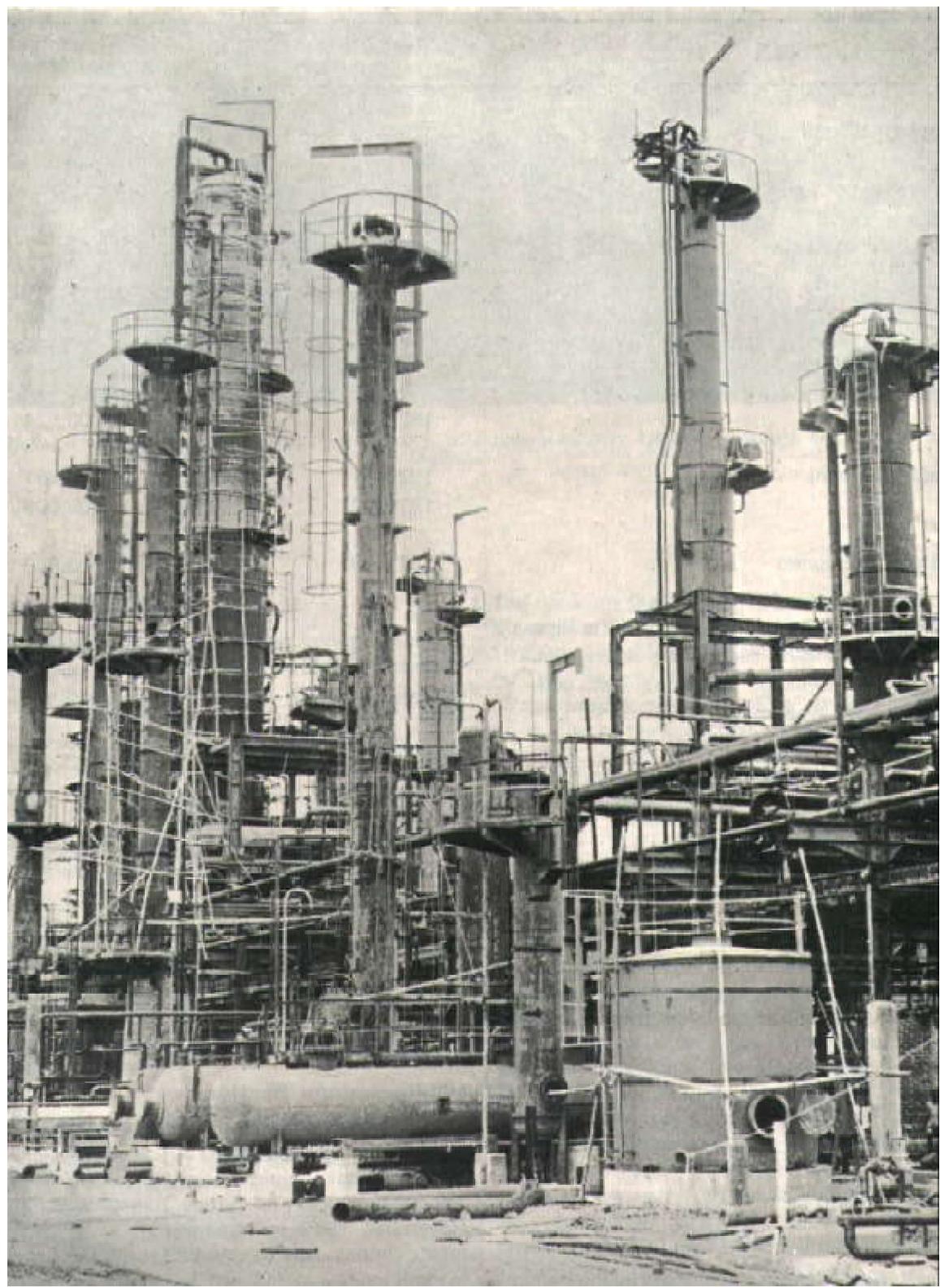
With the setting up of a Central Services Organisation in May, 1972, in collaboration with a few of the refining and chemical industries in India, a Service Group has been established for providing centralised expertise to our Refineries and Pipelines on maintenance problems with a view to raising the quality of maintenance. Our experience over the last year has proved the usefulness of these services in anticipating problems espe-

cially in processing new and changing quality of crudes and in improving the effective "onstream times" of the units. The Central Services Group renders technical advice to the Refineries in the fields of inspection, corrosion control, maintenance and import substitution and also provides experience of other Refineries and industries to its members.

The Ceylon Petroleum Corporation of Sri Lanka has been subscribing to CSO services through a technical collaboration agreement with Indian Oil Corporation. The expert services rendered by this organisation have been appreciated by the Ceylon Petroleum Corporation.

#### **PIPELINES:**

The overall quantities transported by Pipelines of the Corporation were higher as compared to the earlier years. The statement given below provides a comparative picture of the total quantities of products and crude transported through the pipelines for the last three years:



*Distillation Unit of Haldia Refinery – under construction.*



Products Pipelines	Year	Targets	Throughput (in metric tonnes)
Gauhati-Siliguri	1970-71	3,95,000	3,62,917
	1971-72	4,29,000	4,40,616
	1972-73	4,33,000	4,43,260
Koyali-Ahmedabad	1970-71	9,40,000	8,64,811
	1971-72	8,99,000	8,19,720
	1972-73	8,96,000	7,80,640
Barauni-Kanpur	1970-71	9,77,000	9,47,517
	1971-72	10,62,000	13,58,474
	1972-73	13,33,000	14,03,524
Haldia-Barauni	1970-71	4,24,000	4,45,631
	1971-72	8,49,000	6,05,006
Haldia-Mourigram	1972-73	5,37,000	6,03,943
[The Haldia-Mourigram portion of the Pipeline, (which is a section of the Haldia-Mourigram-Rajbandh pipeline) was commissioned in August 1972].			
<b>Crude Pipeline</b>			
Haldia-Barauni	Nov.'72 to March '73	4,25,000	1,66,781

The throughput as against the installed capacity of the Pipelines, achieved during the year works out as under:

Gauhati-Siliguri	79.3%
Koyali-Ahmedabad	111.5%
Barauni-Kanpur	92.8%

**ACHIEVEMENTS:**

**Barauni-Kanpur Section:**

The Barauni-Kanpur Section of Haldia-Barauni-Kanpur Products pipeline transported 14,03,524 metric tonnes of products which is the highest throughput ever achieved in any year so far. Naphtha pipeline construction connecting Barauni Refinery to FCI Plant at Barauni was completed and the pipeline was made operationally available. This

will be put into operation only when FCI's Plant at Barauni is ready for commissioning.

**Haldia-Barauni Section:**

Haldia-Barauni Pipeline which had earlier been transporting products was switched over to crude transportation from November, 1972. The total quantity of Crude transported from November, 1972 to March, 1973 is 1,66,781 metric tonnes. Due to the draft restrictions fully loaded tankers could not be taken to Haldia and as such lightering operations from the Mother Tanker to Daughter Tanker had to be performed near Saugar Island/Sand head. All arrangements in this regard were made by Pipelines and difficult lightering operations were performed successfully.





*Diversion of Damodar River submerged crossing on Haldia-Mourigram Pipeline – lowering and diverting the pipeline.*

**Haldia-Mourigram Section:**

In order to facilitate desilting operations in the Damodar River undertaken by the West Bengal Government and to provide sufficient cover to the pipeline, the pipeline in the river section had to be diverted and lowered to an average depth of 2.5 metres below the desilting level involving excavation from 16' to 22' from the existing silted river bed. The rerouting of this submerged crossing was completed in May, 1973 without upsetting the product movement.

**Koyali-Ahmedabad:**

Due to change in the course of river Watrak, the diversion of this pipeline became necessary and the work was completed in 61 hours without affecting the pumping operations of the pipeline.

**Gauhati-Siliguri Pipeline:**

The total quantity of 4,43,260 metric tonnes of various products transported through this pipeline is the record throughput so far achieved in any year.

**New Projects:**

Government sanction for Haldia- Rajbandh Pipeline Project was received in June, 1971 and the first 64 KM section from Haldia to Baradabar was completed on a 'crash' basis on 16th August, 1972. The work on the second 150 KM section from Mourigram to Rajbandh began in November, 1972

to be completed by 30th June, 1973. By 31st March, 1973 the overall completion of the project was 75%. This pipeline project forms part of the composite scheme of utilizing the 3rd million tonne unit of the Barauni Refinery for processing imported crude.

**Salaya-Koyali/Mathura Crude Pipeline:**

The feasibility report of this pipeline project was submitted to the Government in May, 1971. Subsequently, the Government decided to locate the new refinery at Mathura and to provide the offshore crude unloading facilities near Salaya in the Gulf of Kutch. A preliminary reconnaissance survey of the possible pipeline alignments was carried out in December, 1972. A revised feasibility report was submitted to the Government in February, 1973. Government has recently given the final approval. Also, at the instance of Government, possible alternative routes have been studied, either for a separate pipeline from Salaya to Koyali or for a pipeline from Salaya to Viramgam, enroute to both Koyali and Mathura.

**UHF Telecommunication System of HBK:**

The Government's sanction for this work was received in March, 1973 and after inviting global tenders, the work has since been awarded to Messrs. Bharat Electronics Ltd.



The project is scheduled for completion by end 1975.

**Import Substitution:**

As in the previous years, the Refineries & Pipelines Division continued its efforts towards maximisation of import substitution from local ancillary industries as well as other indigenous manufacturers. Necessary technical help and guidance was provided by our development cells for development of, various items like heat exchangers, condenser shells, economiser coils, pump and compressor spares, turbine spares, tube expanders, coke chamber gaskets, electric spares, instrument charts.

From our association with Technical Development Committee for Indigenous Materials, a body formed for import substitution by Refineries and Fertilizer Plants of the country, efforts have been pooled and vendors developed for many special items like high temperature service valves, fasteners and small bore tubes for heat exchangers. Alloy steel return bends of 5 Chrome<sup>1</sup>/<sub>2</sub> Moly composition for furnaces, alloy steel PLPG Conveyor links and other special items like loading arm for 8-wheeler tank wagons are at the final stage of development and are likely to be put under trial in the near future. Our Pipelines have also developed considerable number of items like cathodic protection rectifier units, 2" valve with teflon seat of 200 kg/cm<sup>2</sup> rating, flow recorder chart and various spares for mainline diesel engines like fuel injector pipe, delivery valve seat, valve seat inserts, engine gear coupling and starting pinion.

**Inventory:**

The inventory of stores and spares held at Gauhati, Barauni and Gujarat Refineries at the end of the year 1972-73 was as under:

	Rs. in lakhs	
	31-3-1972	31-3-1973
Gauhati	124.58	143.33
Barauni	376.14	368.70
Gujarat	195.88	220.93

The inventories have registered a slight increase over the last year in Gauhati and Gujarat Refineries. This is due to the following reasons:

- (i) Procurement of large quantity of equipment/materials for additional facilities.
- (ii) Receipt of imported spares and process chemicals particularly TEL.

**INDUSTRIAL RELATIONS AND WELFARE:**

The industrial relations in the Refineries & Pipelines Division during the year 1972-73 have been on the whole, satisfactory. Barring a few incidents of work dislocation at Barauni Refinery, the employee-management relations in the Division continued to be cordial. There has been some apprehension among the workers engaged by the contractors at Haldia Refinery Project on the question of retrenchment after completion of work, which is being sorted out at the State and Central Government level.

The demand for bonus for the year 1971-72 was negotiated on an All-India basis and a settlement was arrived at. Various demands raised at the unit level on different occasions were processed through the machinery prescribed under the Industrial Law. The welfare facilities and amenities to the employees like hospital, dispensaries, subsidized canteens, schools, clubs, cooperative Stores, transport, etc. continued to receive proper attention in all the units. There was a demand for a Hindi Medium High/Secondary School at Barauni. The Board has approved opening of such a school and entrusting it to an educational society.

**Training:**

The Refineries at Gauhati, Barauni & 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, executives, etc. These Departments also conduct training courses for apprentices, as 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. Besides, employees are sponsored for various specialised training courses organised by the Corporation itself and outside Institutions/Agencies.

**Personnel**

The total strength of the Refineries & Pipelines Division as at the end of the year was 6,561 as against 6,540 in the previous year.



**MARKETING DIVISION****CAPITAL INVESTMENT:****Tankage at Installations:**

As on 31st March, 1973, Corporation had 16 Port Installations, 8 Pipeline Installations, 1 Inland Installation and 115 Bulk Depots. The total tankage at the Installations and Bulk Depots at the end of the year was 13.67 lakh KLs, as against 12.63 lakh KLs during the previous year. The total quantum of products handled during the year was 174.52 lakh KLs as against 166.62 lakh KLs during the previous year.

**Other facilities:**

Storage facilities for 25,000 KLs are available for Railways at 57 locations for HSD for their dieselisation. Storage facilities are also available for supply of F.O. for cement companies at Porbunder, Ranavaw, Macherla, Shahabad, etc. Special tank wagon discharge facilities are available for supplies of LSHS to Tata Thermal at Trombay and TISCO, Jamshedpur. Naphtha and F.O. storage has also been developed for large consumers like I.E.L. at Kanpur, Durgapur Fertilizers at Rajbandh and Zuari Agro Chemicals at Goa. A vegetable oil port terminal was also undertaken for receiving imported bulk stocks of 12,600 KLs at Bombay on behalf of the State Trading Corporation.

Storage and distribution for 56,000 KLs is available at 69 Aviation Fuel Stations for supplies to Indian Air Force and for domestic and foreign airlines. These facilities include special equipment for stringent quality control. A sophisticated hydrant refuelling system for fuelling Jumbo Jets has also been built at Dum Dum.

As against sanction for construction of 3,22,066 KLs tankage at 11 Installations, 2,37,090 KLs tankage is under construction, including those at three new installations viz. Mangalore, Tuticorin and Butcher Island (Bombay). Similarly, as against sanction for 84,986 KLs tankage at 43 Depots, 63,471 KLs tankage is under construction. A proposal is on hand to construct a major installation at Trombay, Bombay with a tankage of approximately 2,50,000 KLs with a capital outlay of Rs. 3.50 crores. It is also proposed to have further tankage of 92,000 KLs approximately at 22 locations, including resitement of 11 existing depots and set-

ting up of 2 new depots in the year 1973-74. The capacity of LPG Bottling Plant at Delhi is being augmented to 5,000 cylinders per shift as against the existing capacity of 1,400 cylinders per shift.

**Plants:**

Corporation is having a Drum Plant with a capacity of 1,650 lube drums and 1,650 bitumen drums per shift at Madras. Construction of a decoiling plant for decoiling and cutting steel sheets for drums of capacity of 110 tonnes of steel coils per day is likely to be started soon. Construction of a Lube Oil Blending Plant has also been taken up at Haldia. Corporation is also having a Lube Plant at Madras which is being technically supervised by IOBL.

**Sales:**

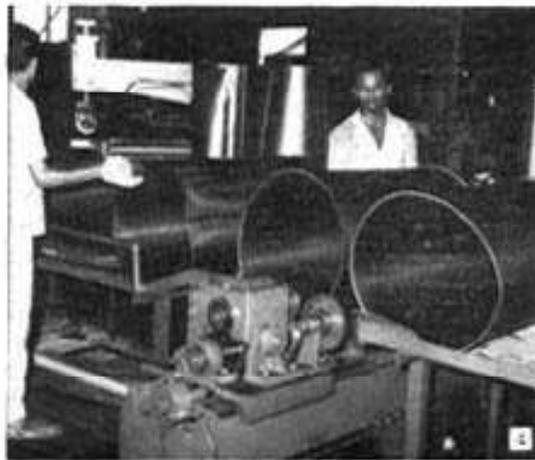
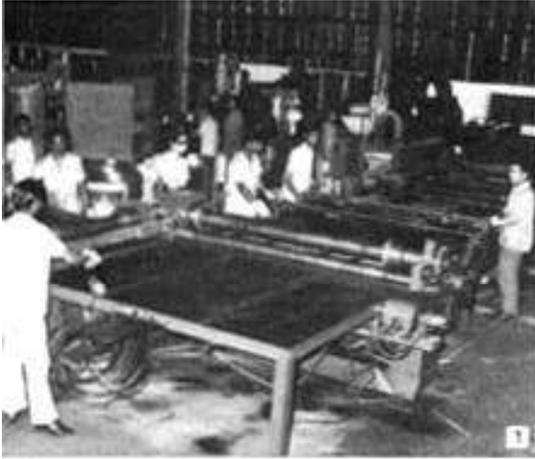
Sales of the Corporation reached a level of 16.00 million KLs as against 1368 million KLs in 1971-72 resulting in a growth rate of 17.0% thus achieving a market participation of 59.2% against 54.2% for the year 1971-72. Subject to the uncertain product availability and demand, market participation for 1973-74 is expected to increase to 60.8%.

Naphtha which is an important feed stock for the fertilizer and petrochemical industries plays a vital role in the development of nation's economy. IOC now supplies around 47.8% of the country's needs of this product.

Bitumen sales of the Corporation touched 4.0 lakh tonnes mark during the year under review thus registering a market participation of 37.6% within a short period of 4 years. With a view to conserving foreign exchange required for importing steel for drums, emphasis is being laid on developing bulk bitumen sales.

Considerable progress was also made in the sales of carbon black feed stock and calcined petroleum coke from the Barauni Refinery and Benzene and Toluene from Koyali Refinery.

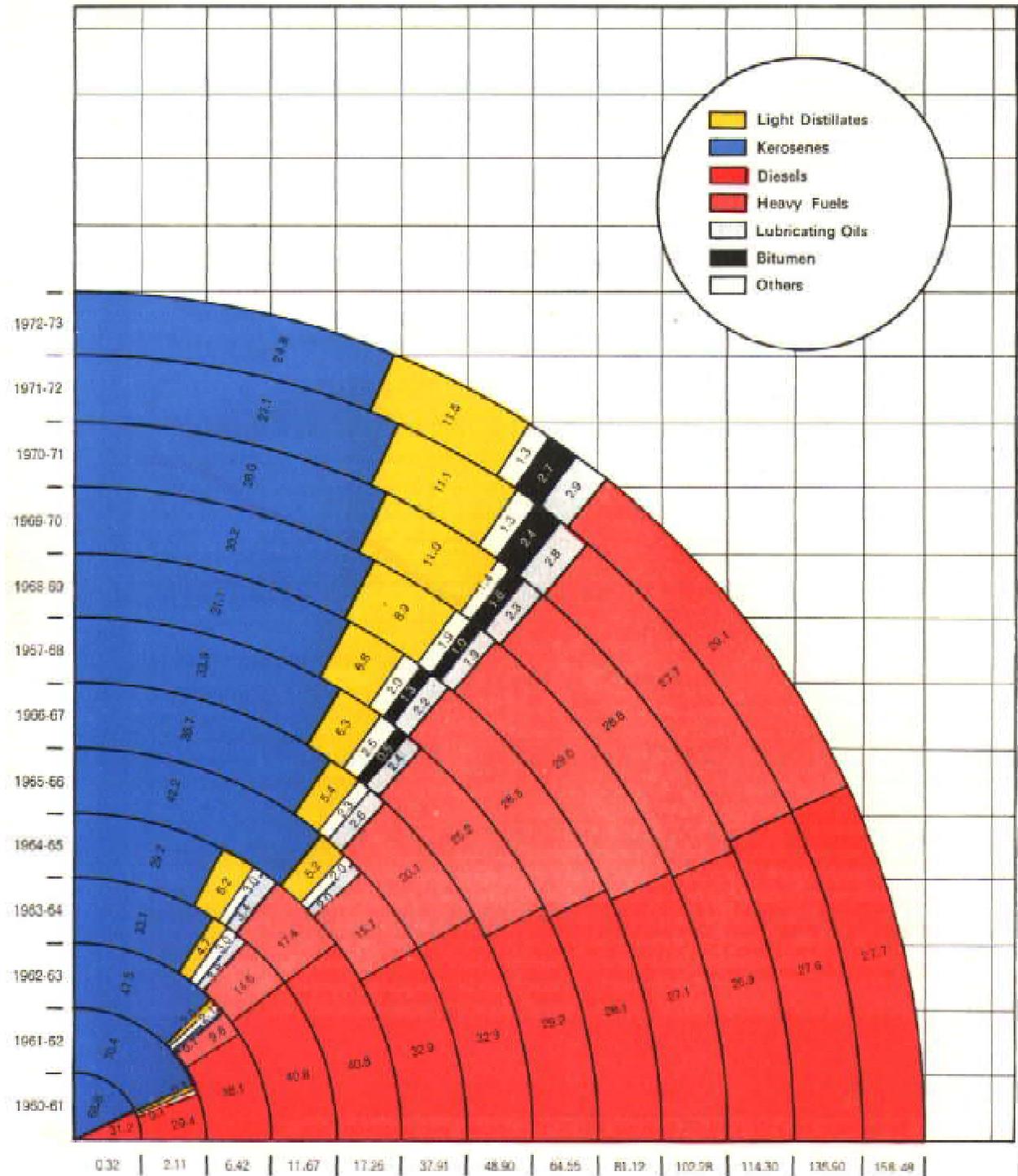
The number of light diesel oil barrel depots set up to cater to the needs of the farmers now comes to 268. Farm fuelling centres serving the agricultural sectors now total 177. Further 108 such centres are being developed. In these centres, in addition to fuel/lubricating oil facilities, arrangements have also been made



1. Steel sheets from the Slitter being fed to forming rolls.
2. The 200 ton power presses in operation. These giant presses manufacture lids for the drums.
3. 100 ton giant press turning out lids for Bitumen Drums.
4. Spot welding operation seen in the foreground.
5. Barrels being tested for leaks by compressed air.
6. Bitumen drums being carried through a conveyor to the Painting booth.

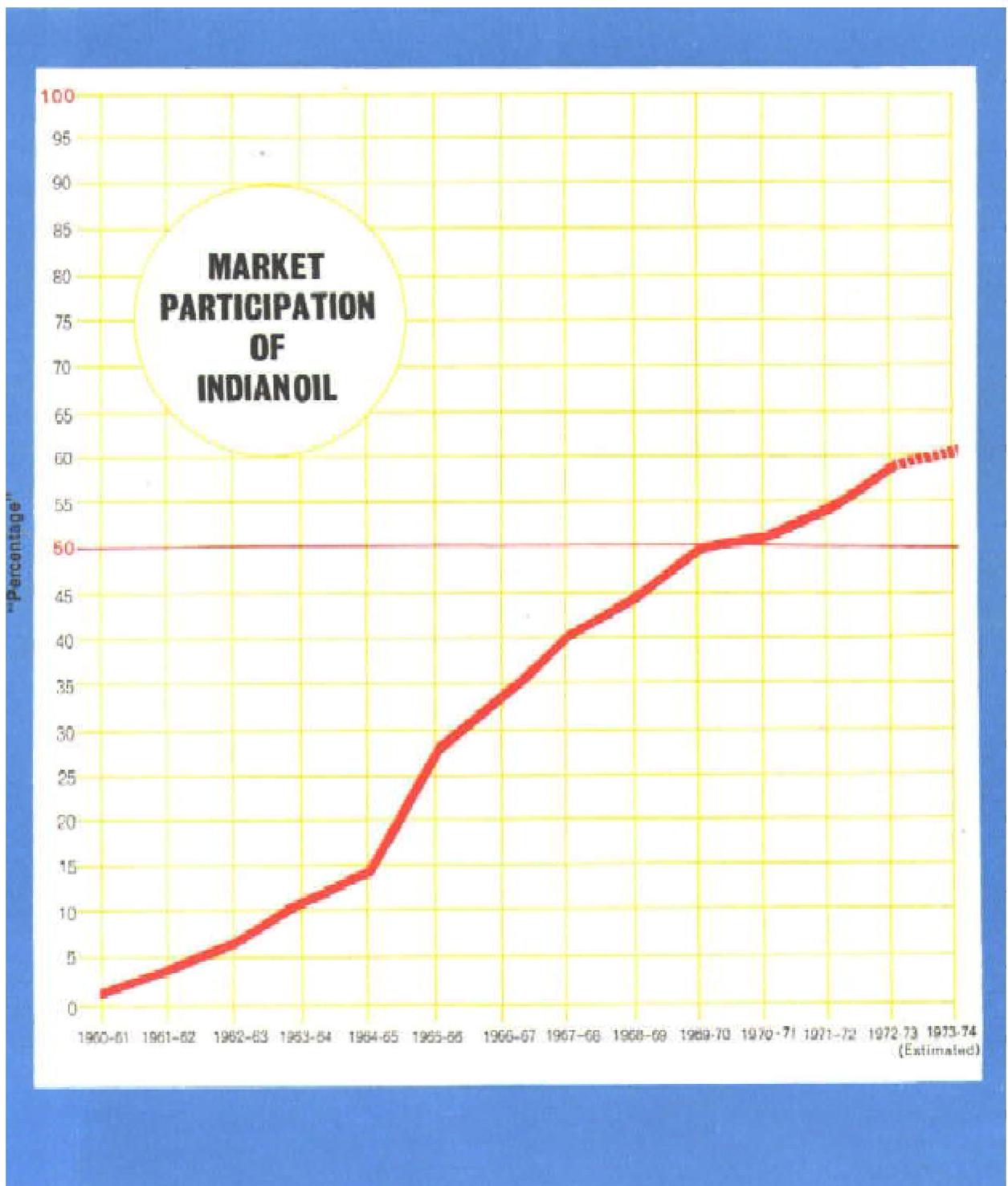
# INDIANOIL SALES (DOMESTIC)

BY PRODUCT GROUPS



Total sales in Lakh KLs.  
Sales by product group in percentage.





for tractor servicing, minor repairs and spare parts. Pesticides and fertilizers are also being sold at some of these centres.

### **Retail:**

During the year 1972-73, 159 retail outlets were commissioned bringing the total number of retail outlets as of 31-3-1973 to 3,311. In addition, 288 existing retail outlets were modernised either through remodelling or provision of additional facilities, thereby extending better service to the motorist. The number of retail outlets on the National Highways and wayside amenities at the existing retail outlets on the National Highways were further improved during 1972-73. As of 31-3-1973, we have 948 retail outlets on the National Highways.

During 1973-74, the Corporation plans to commission 200 retail outlets and to increase further the scope of service to the motoring public through the existing retail outlet network.

The number of dealerships/distributorships awarded to unemployed graduates upto 31-3-1973 was 340. Similarly, the number of dealerships/distributorships awarded to defence personnel, their widows/dependents of those killed in action was 450.

### **Liquefied Petroleum Gas:**

The rising prices and somewhat erratic supply position of conventional domestic fuels coupled with the general embargo on the use of electric energy during the last 8/10 months has created a sudden spurt in the demand for LPG as a domestic fuel. It is estimated that during the current year LPG sales for domestic purposes in the country would represent approximately 5-6% of the all India Kerosene sales. Despite the fact that approximately 2,28,000 new Indane connections were released during the year under review - an increase of about 32% over last year-the waiting list for Indane connections have mounted up in all markets. As at end of March, 1973, the Indane requirements of over 7.02 lakh consumers spread over 112 towns were being met through a net work of 214 distributorships. 33% of the Indane distributorships are in the hands of war widows/ex-servicemen, 32% and 10% unemployed graduates and co-operative sector respectively. The LPG cylinder availability which, inter-alia, governs the Corporation's ability to enrol more Indane consumers

is expected to improve further during the current year. Plans have been drawn out to release over 3 lakhs new Indane connections during the current year.

With growing Indane sales, greater emphasis is being laid on creating safety consciousness amongst consumers and others connected with the marketing and handling of LPG to enable consumers to use Indane with absolute safety. Towards this goal an intensive press campaign was launched highlighting safety consideration in the use of Liquefied Petroleum Gas.

Steady progress has also been made in developing Indane sales for industrial application. 8-9% of total Indane sales are for industrial applications.

LPG pricing was brought under the purview of the Government pricing policy in August 1972. This has resulted in appreciable reduction in the retail selling prices of Indane to consumers in all markets.

### **AVIATION:**

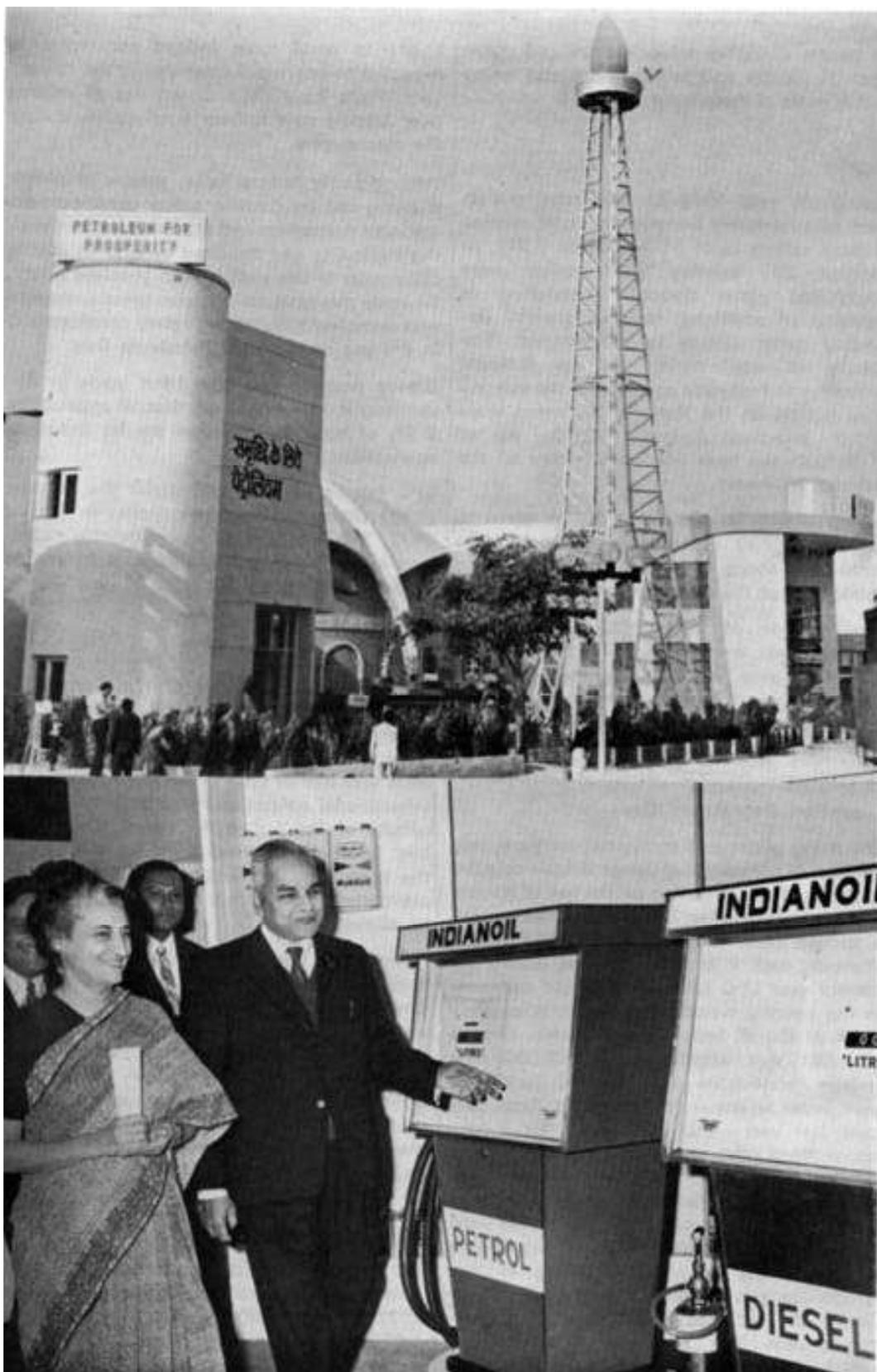
The market participation of the Corporation in the sales of the Aviation fuels slightly dropped during the year and was 68.7% as against 70% during the previous year. The decline in aviation sales was due to drop in the business of some international airlines and substantially reduced offtake of the Indian Air Force. Corporation has, however, regained business of some of the foreign airlines and it is anticipated that our participation during the year 1973-74 will be above 70%.

During the year, Corporation became the exclusive marketer of Aviation Gasolenes. Three Officers of the Aviation Department were awarded the Import Substitution Awards and Corporation received a Silver Shield for development of 45 KL Refueller indigenously. Special arrangements were made with recognised International Oil Companies for providing the refuelling facilities abroad for the IAF courier flights.

### **LUBRICATING OILS:**

Our total sales of lubricants including Greases, Axle Oils and Transformer Oil during the year 1972-73 were 3,60,940 KLs as compared to 3,07,230 KLs during 1971-72 registering an increase of 17.5%.



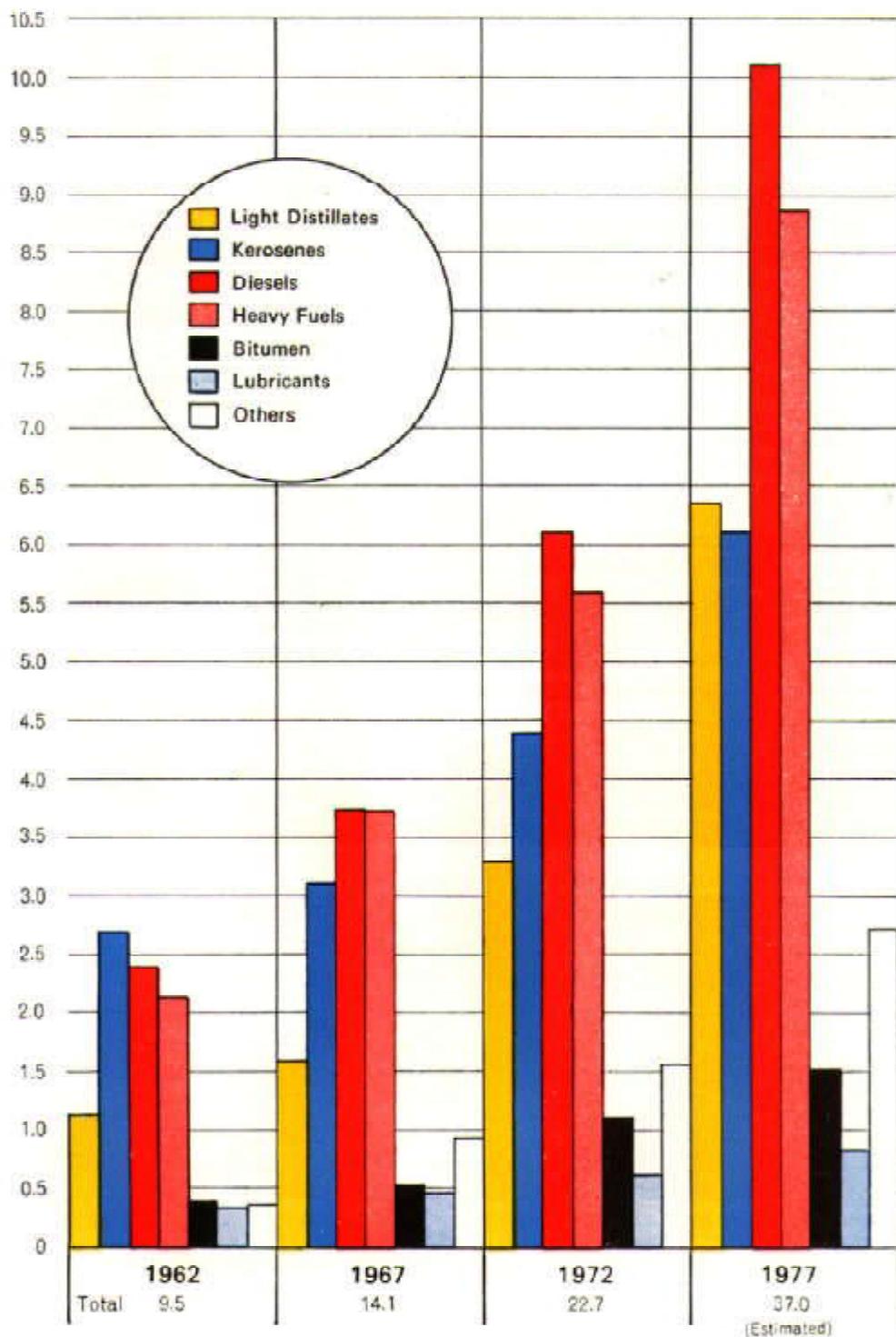


*An exterior view of the 'Petroleum Pavilion' with 120-ft. tower in front, having a flame atop – symbolising energy at the Asia Fair 1972.*

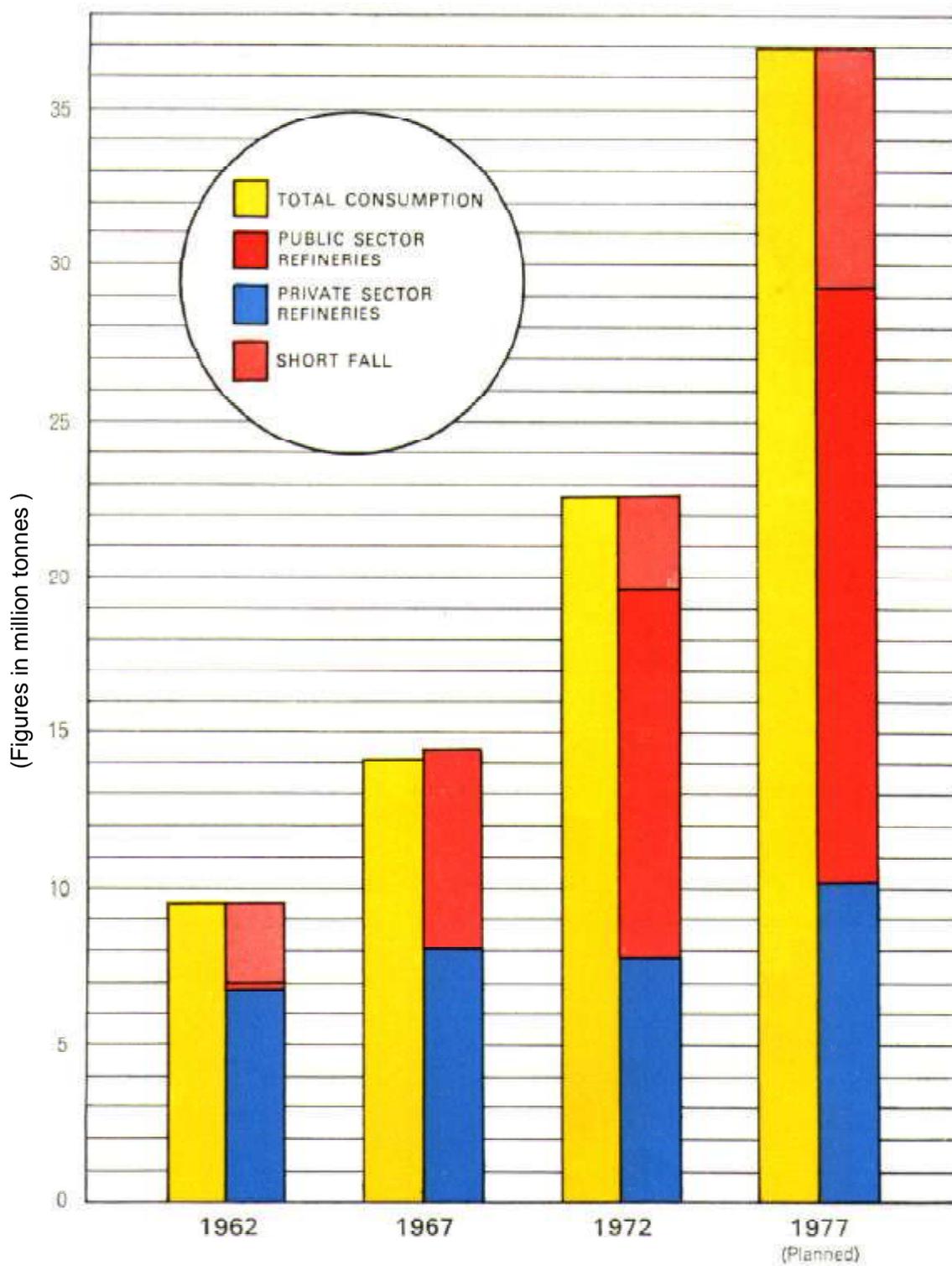
*Prime Minister Smt. Indira Gandhi inside the Indianoil section of the Petroleum Pavilion.*

# CONSUMPTION PATTERN OF PETROLEUM PRODUCTS IN INDIA

FIGS. IN MILLION TONNES



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



A significant feature of our lubricants marketing was the accelerated changeover from Mobil Premium branded products to IOC brands. Out of the total volume blended at IOBL Plants at Bombay and Calcutta during 1971-72, Mobil Premium lubricants accounted for 60% of the total production and Indianoil brands for 40%. This trend was more than reversed in 1972-73 when IOBL production of Mobil Premium lubricants was 39% of their total production and 61% of IOBL production was Indianoil brands.

During the year we have received U.S. Army approval on our own formulations of Engine Oils meeting MIL-L-2104B and also the current U.S. Army Specification MIL-L-2104C. We have introduced our own brands of circulating oils and bearing oils for hydraulic and circulating system where formerly imported turbine grade oils were generally used. Trials were started with an IOC brand of Rail Road Oil and we have plans to try another Rail Road Oil meeting MIL-L-2104B Specification with a special formulation to meet the critical requirements of Rail Road Engines.

### **IMPORTS:**

During the period under review, the Corporation imported about 34.82 lakh metric tonnes of bulk refined products and 0.75 lakh metric tonnes of base stock, additives and lubricating oil as against 20.55 lakh metric tonnes and 1.14 lakh metric tonnes respectively imported during the last year. The value of imports of POL products during the year amounted to Rs. 54.74 crores for bulk fuel oil and Rs. 4.74 crores for base stock, additives and lubricants as against Rs. 36.60 crores and Rs. 8.14 crores respectively during the previous year.

### **EXPORTS:**

During the year under review, the Corporation also exported petroleum products to Bangladesh. Against Govt. grant a quantity of about 75,000 long tons of POL products valued at Rs. 6.80 crores was supplied and a quantity of about 48,000 long tons valued at Rs. 1.41 crores was supplied under commercial agreement against free foreign exchange realisations.

### **IMPORT OF CRUDE OIL FOR BANGLADESH:**

During the period 1-4-1972 to 31-3-1973, Corporation arranged imports of about 9.22 lakh long tons

of crude oil to Bangladesh.

This crude oil, barring one tanker load which was exported ex-Cochin was delivered direct to Bangladesh from Persian Gulf. Out of this total quantity, about 4.97 lakh long tons of crude worth Rs. 7.98 crores were supplied against Govt. grant and the remaining quantity of about 4.25 lakh long tons of crude worth Rs. 7.32 crores was supplied under free foreign exchange realisation.

### **STOCK LOSSES:**

Greater emphasis is being laid on stock loss control. The percentage of stock losses during the year 1972-73 was 0.03% as against 0.06% during the previous year.

### **TANK-TRUCK OPERATIONS:**

The fleet of Corporation owned tank-trucks under operation (excluding Aviation) was 255 during the year 1972-73. The volume handled by the fleet was 13,25,833 KLS in 1972-73 as against 11,60,736 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. Based on a study, it is proposed to augment the fleet strength during 1973-74.

### **TANKER HANDLING:**

As compared to 1971-72, the year 1972-73 was a year of significant accomplishment because increased imports were successfully handled with increased inland movement of products. 256 shipments were made during the year as compared to 123 shipments during the previous year. We have been able to obtain Government's approval for reimbursement of substantial amount of Rs. 1.11 crores during the years 1969-73 on account of demurrage on import vessels due to factors beyond our control.

### **COASTAL MOVEMENT:**

The downward trend noticeable during 1971-72 as against 1970-71 in respect of quantum of coastal movement of products was reversed during 1972-73 and we have moved 7,90,886 metric tonnes of petroleum products on the coast as compared to 7,82,900 metric tonnes moved during 1971-72.



## INLAND DISTRIBUTION:

Significant strides were made in the arrangements for inland movements during 1972-73. The total number of tank-wagons loaded in the country was 4,38,706 as compared to 4,14,268 in 1971-72 registering an increase of 5.9%. Indianoil's loadings were 3,10,959 tank-wagons as compared to 2,77,643 tank-wagons in 1971-72, showing an increase of 12-0% which is higher than the Industry average.

## INDUSTRIAL RELATIONS AND WELFARE:

The Industrial Relations in the Marketing Division were cordial. The Long Term Agreement with the recognised Unions expired on 31st December, 1972 and a fresh agreement was signed on 25th April, 1973 for one year with effect from 1st January, 1973. The number of man-days lost during the year was 3,202 as against 812 during the previous year. During the year, Housing Loan was granted to 69 employees. The various Co-operative Societies subsidized by the Corporation made rapid progress.

## TRAINING:

During the year, 217 training programmes were conducted as against 161 during the previous year. In all, 1,556 Officers and 1587 Workers

participated in the Training Programmes as against 975 Officers and 1,560 Workers during the previous year. Training programmes on petroleum storage, handling and distribution for the Defence Personnel were conducted and in all 159 Defence Personnel were trained during the year as compared to 125 during the previous year. Workers' Education Scheme sponsored under the guidance of the Central Board for Workers' Education was continued vigorously and so far about 981 Workers, representing a total of about 14% of Workers have been trained.

## EFFICIENCY RESEARCH:

Several studies were made during the year to improve systems and procedures pertaining to various aspects of work of the Marketing Division. Comprehensive manpower studies covering all Departments are being made at the four Branch Offices and Head Office with a view to assessing exact personnel needs and adjusting surpluses against requirements. Manpower studies were also made at several locations. A study on the Working of District Offices had also been undertaken on an all India basis with a view to evolving uniform systems and procedures to recommend a level of Delegation of Authorities consistent with greater efficiency in the light of the increasing volume of business which District Offices are being called upon to handle and to establish a proper Management



*Picture shows a queue of cars waiting for their fill at popular summer resort, Ooty in Tamil Nadu. During the tourist season, Indianoil took over this outlet at Ooty as a departmentally run outlet to cater to the tourists motoring needs at the hill station.*



parInformation System. Efforts in various directions continued to be made to improve productivity. These include creating productivity consciousness through training programmes, strict control over paperwork through the Forms Control and Design programme, streamlining of various methods and procedures, etc.

### PERSONNEL

The total strength of the Marketing Division as at the end of the year was 8,912 as against 8,617 during the previous year.

### MATERIALS & INVENTORY CONTROL:

The value of stores and spares at the end of the year was Rs. 38.29 lakhs as against Rs. 28.05 lakhs at the end of the previous year. The value of inventories of MS Plates was Rs. 1.71 crores as against Rs. 2.32 crores during the previous year.

The total value of Purchase Orders was Rs. 360 lakhs whereas the material disposed of valued at Rs. 2.28 lakhs. Materials catalogue detailing code numbers for the materials was issued. A Materials Manual is under preparation.

### RESEARCH & DEVELOPMENT CENTRE:

The Research & Development Centre at Faridabad is progressing. Pending the construction of the main laboratories which is likely to start during the third quarter of this year a temporary

laboratory has been completed and analytical, development and engines testing work has been started. Work on the development of automotive oils, process products and industrial lubricants such as Turbine and Metal Working Oils from indigenous base stocks has been undertaken. The total staff strength of the Centre is about 70 including 30 scientists and engineers. Equipment worth Rs. 50 lakhs has been ordered and some of it has already been received and installed in the temporary laboratory.

### PUBLIC RELATIONS:

A number of Press Conferences/Briefing Sessions were held for the Press and All India Radio as also arrangements made for coverage by Films Division and Television of important functions at Delhi and Bombay.

Indianoil co-ordinated with other Petroleum and Petro-Chemical industries in the Public Sector in putting up the Petroleum Pavilion in the Asia 1972 Fair at Delhi. More than one and half lakhs of people visited our Pavilion. The colour film -" Romance of the Road", sponsored by Indianoil was screened on the national circuit by the Films Division.

A special safety campaign for the users of 'INDANE' - Indianoil's cooking gas was launched. Indianoil, in collaboration with the Automobile



sociation of Eastern India, organised the All India Highway Motor Rally, a unique motoring event held in India for the first time. The competitors simultaneously started from the four metropolitan cities and covered a distance of 7,000 Kms. in seven days.

Indianoil associated itself actively with the launching of INS 'NILGIRI'.

A U.N. Seminar on "Oil Refining in Underdeveloped Countries" was organised in New Delhi and coordinated by the Corporation.

Indianoil presented Special awards to best bowler, best batsman, best fielder, etc. during the recent Cricket Test Series with M.C.C.

Treasure Hunts and Auto-meets were organised at Ahmedabad, Ooty, Rajkot, Poona and I Bhopal.

Indianoil was awarded a Special plaque for our efforts in promoting Road-Safety in Bombay.

Indianoil associated itself with Vintage Car Rally at Calcutta and Vintage Car Parade at Bangalore.

### **SOCIAL OBJECTIVES:**

The Corporation contributed its mite to mitigate the hardship caused by scarcity in the various states during the year. The Corporation contributed Rs. 10 lakhs to the Maharashtra Chief Minister's Relief Fund, Rs. 3 lakhs to the Gujarat Chief Minister's Relief Fund recently and another Rs. 3 lakhs to Rajasthan Chief Minister's Relief Fund for the said purpose, is under payment. The Corporation also pressed into service Tank-lorries for carrying drinking water to the drought-hit areas of Maharashtra and Gujarat. Indianoil dealers in Rajasthan contributed Rs. 2 lakhs towards National Defence Fund.

### **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 2,56,700 KLs of lubes, as against 2,40,000 KLs during the preceding year, at its two Blending Plants at Bombay and Calcutta. The grease plant at Bombay had a throughput of 4,297

Asmetric tonnes as compared to 4,057 metric tonnes during the preceding year. Although actual production of the Company in 1972-73 was 7% more than in 1971-72, it was still considerably lower than their objective due to chronic power/water shortages and periodic lack of raw materials and packages. If difficulties in regard to power, water, package and transportation are overcome, production in 1973-74 will be of the order of 3,00,000 KLs.

The gross profit of IOBL after depreciation, but before taxation, was about Rs. 22 lakhs during the year, as against Rs. 44 lakhs during the preceding year. The reduction in profits was mainly due to a downward revision of the rate of blending fee payable by IOC to IOBL; also, the rupee value of the blending fee (expressed in cents per barrel) became less due to the devaluation of the Dollar. Besides these, during the year, IOBL blended comparatively larger quantities of lubricants of Indianoil brand, having a lower rate of blending fee (as distinct from mobil premium grades).

Emphasis was also laid on Research and Development programme and import substitution programme at the Bombay Plant of the Company.

### **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. This Company completed third year of its operation in Nepal and achieved a market participation of 65%. The turnover of the Company was 53,200 KLs (Rs. 368.28 lakhs) during the year under review. The net profit of the Company after taxation amounted to Rs. 1.14 lakhs during the year. As a result of discussions between Government of India and His Majesty's Government of Nepal, an agreement has been executed between Indian Oil Corporation Ltd. and Nepal Oil Corporation whereby IOIL has to stop its operations in Nepal from 17th August, 1973. During the transition period and to enable the Nepal Oil Corporation to set up an adequate marketing net work, IOC has lent to them the services of some specialist officers on a tenure deputation basis.





*Indianoll's Chairman, Shri M. Rama Brahmam (extreme right) hands over a cheque for Rs. 70 lakhs to the Chief Minister of Maharashtra, Shri V.P. Naik for scarcity relief in Maharashtra. Looking on are Shri Rajni Patel, Chairman, Maharashtra Scarcity Relief Committee (2nd from left) and the then Union Minister for Petroleum & Chemicals. Shri H. R. Gokhale.*

**BOARD OF DIRECTORS:**

All the Directors, excepting Shri M. Rama Brahmam, Chairman, Shri Kamaljit Singh, Managing Director (Marketing Division), Shri C.R. Das Gupta, Managing Director (Refineries & Pipelines Division) and Shri P. R. K. Menon, Finance Director retired at the last Annual General Meeting held on 6th September, 1972, in terms of Article 194 (b) of the Articles of Association of the Corporation. Shri S. K. Majumdar, Dr. S. K. Mukherjee and S/Shri K. K. Ray, Rajni Patel, A. P. Verma, L. Kumar, A. K. Ghosh and J. J. Mehta were appointed as Directors of the Corporation with effect

from 7th October, 1972. Shri K. K. Ray resigned on 24th July, 1973 and ceased to be the Director of the Corporation. Shri M. Rama Brahmam ceased to be the Chairman of the Corporation with effect from 1st October, 1973.

For and on behalf of the Board,  
C. R. DAS GUPTA  
Managing Director  
(Refineries & Pipelines Division)

New Delhi  
Dated 17th December, 1973.



☆

*Old crocks took part in the Vintage Car Rally organised by Indianoil in Bangalore*

☆



*The Indian Oil Corporation sponsored the All India Highway Motor Rally, a gruelling event for motorists and their machines. Over hundred competitors from different parts of the country participated in the Rally stretching over a distance of 6,900 Kms. to be covered in seven days. Picture shows the winners from Coimbatore, with their vehicle. Indianoil donated the first prize of Rs. 20,000/-.*



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached balance sheet of Indian Oil Corporation Limited as at 31 st March, 1973 together with the profit and loss account of the Corporation for the year ended on that date annexed thereto and report that:

- (1). we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, except that the documentation pertaining to certain lands as stated in note 3 (a) and the licence pertaining to Gujarat Refinery as stated in note 20 were not available for our verification;
- (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. 1117/CAV/181-69 and 1118/CAVI/181-69 dated 14th March, 1973 issued by the Comptroller and Auditor General of India;
- (5). the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- (6). no provision has been made in the accounts for the enhancement in the liability in respect of foreign currency balances outstanding on 31st March, 1973 due to foreign exchange rate fluctuations amounting to Rs. 142 lacs as stated in note 19. Correspondingly, fixed assets and depreciation thereon are also understated in the accounts. In the absence of details it is not possible to ascertain at present whether the provisions of Section 205 of the Companies Act, 1956 have been complied with, for the purpose of declaring a dividend;
- (7). no provision has been made for additional bonus payable to certain employees as agreed to by the Corporation; the amount payable thereby has not been calculated.
- (8). in our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to the reliance placed in respect of companies under the same management as stated in note 17 and the non-disclosure of quantitative information as stated in note 21, give the information required by the Companies Act, 1956 in the manner so required and subject to no provisions having been made for land, stores and income-tax, as stated in notes 3, 4 and 18 respectively, and the outcome of the realisability of the debts referred to in notes 8 and 13, and subject to paragraphs 6 and 7 above give a true and fair view -
  - (a) in the case of the balance sheet, of the state of affairs of the Corporation as at 31st March, 1973, and
  - (b) in the case of the profit and loss account of the profit for the year ended on that date.

For A. F. FERGUSON & CO.  
*Chartered Accountants.*

(I. C. MITTRA)  
*Partner*

(K. M. POWVALA)  
*Partner.*  
*Bombay, 17th November, 1973.*

For and on behalf of  
PRICE, WATERHOUSE, PEAT & CO.  
*Chartered Accountants.*



**BALANCE SHEET AS AT 31ST MARCH, 1973**

	Schedule	Rupees	Rupees	1972 Rupees
<b>FUNDS EMPLOYED</b>				
1. Share Capital	'A'	71,17,72,000		71,17,72,000
2. Reserves and Surplus	'B'	93,90,15,050		76,71,39,434
3. Total Shareholders' Funds			1,65,07,87,050	1,47,89,17,434
4. Loans:				
(a) Secured	'C'	15,26,17,053		20,14,45,882
(b) Unsecured	'D'	35,26,21,529		44,95,49,361
			50,52,38,582	65,09,95,243
5. Total Funds Employed			2,15,60,25,632	2,12,99,06,677
<b>APPLICATION OF FUNDS:</b>				
6. Fixed Assets:				
(a) Gross Block	'E'	2,04,77,61,761		1,91,84,11,954
(b) Less: Depreciation		70,28,76,400		56,81,39,931
		1,34,48,85,361		1,35,02,72,023
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	60,93,01,988		36,92,38,949
			1,95,41,87,349	1,71,95,10,972
7. Investments	'G'		35,44,893	1,10,28,495
8. Current Assets including Loans and Advances:				
(a) Interest accrued on investments		79,570		47,143
(b) Inventories	'H'	59,38,96,185		67,47,91,475
(c) Book Debts	'I'	29,67,91,449		30,36,96,836
(d) Cash Balances:				
(i) Cash including Imprest and Cheques in hand		9,99,05,322		9,66,85,328
(ii) Remittances-in-Transit		20,000		—
(e) Bank Balances:				
(i) With Scheduled Banks on Current Account		77,90,791		6,12,299
(ii) With Scheduled Banks on Fixed Deposit Account (including Rs. 8,90,451 lodged by outside parties - 1972: Rs. 8,39,809)		6,28,94,393		8,54,458
(iii) With Post Office on Fixed Deposit Account lodged by outside parties ..		15,000		4,540
(iv) With Banque Nationale De Paris, France on Blocked Account (Maximum during the year Rs. 16,85,722)		16,85,722		—
(f) Loans and Advances	'J'	34,33,97,039		32,30,76,975
		1,40,64,75,471		1,39,97,69,054
9. Less: Current Liabilities and Provisions	'K'	1,20,81,82,081		1,00,04,01,844
10. Net Current Assets: (Working Capital) - (8) minus (9)			19,82,93,390	39,93,67,210
<b>TOTAL</b>			<b>2,15,60,25,632</b>	<b>2,12,99,06,677</b>
Contingent Liabilities not provided for (Refer Schedule 'R' - Note 1) Notes forming part of Accounts	'R'			



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1973

Index

	Rupees	Rupees	1972 Rupees
<b>INCOME:</b>			
1. (I) Sale of Products and Transfers under Product Exchange	9,98,02,73,573		8,63,97,03,184
(ii) Less: Commission & Discounts	<u>1,87,61,570</u>		<u>1,94,84,156</u>
	9,96,15,12,003		8,62,02,19,028
2. Company's use of own oil	<u>1,21,53,905</u>	9,97,36,65,908	<u>1,13,99,127</u>
			8,63,16,18,155
3. Main Installation charges received from other Marketing Companies		1,53,60,025	1,10,09,275
4. Interest			
(i) On Advances (Gross-Tax deducted at source Rs.44,256-1972: Rs.393)	12,15,395		8,21,189
(ii) On Short Term Deposit (Gross-Tax deducted at source Rs. Nil-1972: Rs. Nil)	10,55,342		—
(iii) From Customers on Outstandings (Gross-Tax deducted at source Rs. Nil-1972: Rs. Nil)	<u>23,75,408</u>		<u>—</u>
		46,46,145	8,21,189
5. Other Income (Schedule 'L')		2,42,89,851	2,29,09,596
6. Provision for Doubtful Debts, Advances and Claims written back		<u>48,98,263</u>	<u>14,80,707</u>
TOTAL INCOME		<u>10,02,28,60,192</u>	<u>8,66,78,38,922</u>
<b>EXPENDITURE:</b>			
1. Purchase of Products and transfers under Product Exchange		3,24,37,48,810	2,59,25,23,204
2. Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		2,27,69,70,665	1,91,98,82,728
3. Excise Duty		3,88,42,28,219	3,65,24,38,721
4. Depreciation and Amortisation		13,78,40,112	12,00,14,906
5. Interest:			
(i) On Government Loan for fixed period	1,89,75,546		2,47,56,037
(ii) On Foreign Credit for fixed period	58,04,709		55,82,206
(iii) Other	<u>1,82,37,967</u>		<u>2,01,91,605</u>
		4,30,18,222	5,05,29,848
6. Less: Expenses Capitalised	2,12,87,565		1,67,00,340
Expenses Transferred to Manufacturing account of drums and tins	<u>24,56,616</u>		<u>5,94,411</u>
		2,37,44,181	1,72,94,751
TOTAL EXPENDITURE		<u>9,56,20,61,847</u>	<u>8,31,80,94,656</u>
7. PROFIT BEFORE TAX		46,07,98,345	34,97,44,266
8. Less: Provision for Taxation (including Sur-Tax-Rs. 62 Lacs — 1972:Rs. Nil)		<u>27,00,00,000</u>	<u>5,00,00,000</u>
9. PROFIT AFTER TAX		19,07,98,345	29,97,44,266
10. Balance brought forward from last year's Account		1,39,434	5,86,210
11. Add: Income relating to previous years (Net) (Schedule 'O')		3,09,01,311	1,96,32,998
12. DISPOSABLE PROFIT		<u>22,18,39,090</u>	<u>31,99,63,474</u>
<b>APPROPRIATIONS:</b>			
13. Development Rebate Reserve		2,00,00,000	3,00,00,000
14. General Reserve		15,20,00,000	24,00,00,000
15. Proposed Dividends ..		4,98,24,040	4,98,24,040
BALANCE CARRIED TO BALANCE SHEET		15,050	1,39,434
TOTAL		<u>22,18,39,090</u>	<u>31,99,63,474</u>

KAMALJIT SINGH  
Managing Director  
(Marketing)

C. R. DAS GUPTA  
Managing Director  
(Refineries & Pipelines)

P. R. K. MENON  
Director  
(Finance)

D. B. PURI  
Secretary

As per our report attached to the Balance Sheet  
For A. F. FERGUSON & CO.  
Chartered Accountants  
K. M. POWVALA  
Partner  
Bombay 17th November, 1973

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

for and on behalf of  
PRICE, WATERHOUSE, PEAT & CO.  
Chartered Accountants



**SCHEDULE 'A' — SHARE CAPITAL**

Index

	Rupees	1972 Rupees
<b>SHARE CAPITAL:</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 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964 and the Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order, 1965, respectively, without payment having been received in cash)	<u>71,17,72,000</u>	<u>71,17,72,000</u>
TOTAL	<u><u>71,17,72,000</u></u>	<u><u>71,17,72,000</u></u>

**SCHEDULE 'B' — RESERVES AND SURPLUS**

	Rupees	Rupees	1972 Rupees
<b>RESERVES AND SURPLUS:</b>			
<b>General Reserve:</b>			
As per last Account	33,70,00,000		9,70,00,000
Transferred from Profit and Loss Account	<u>15,20,00,000</u>		<u>24,00,00,000</u>
		48,90,00,000	33,70,00,000
<b>Development Rebate Reserve:</b>			
As per last Account	43,00,00,000		40,00,00,000
Transferred from Profit and Loss Account	2,00,00,000		3,00,00,000
		45,00,00,000	43,00,00,000
Profit and Loss Account as per annexed Account		15,050	1,39,434
TOTAL		<u><u>93,90,15,050</u></u>	<u><u>76,71,39,434</u></u>



**SCHEDULE 'C' — SECURED LOANS**

Index

	Rupees	1972 Rupees
<b><u>SECURED LOANS:</u></b>		
Loans and Advances from Bank:		
(i) Secured by hypothecation of inventories, book debts, out-standing monies, recoverable claims, contracts, engagements, etc.	14,70,41,461	19,66,31,617
(ii) Interest accrued and due on loans	55,75,592	48,14,265
TOTAL	<u>15,26,17,053</u>	<u>20,14,45,882</u>

**SCHEDULE 'D' — UNSECURED LOANS**

	Rupees	1972 Rupees
<b><u>UNSECURED LOANS:</u></b>		
<b>Other Loans and Advances:</b>		
(i) From the Government of India (including Rs. 9,53,08,893 1972 : Rs. 9,58,64,448 due for payment within one year)	25,17,37,721	34,76,02,169
(ii) Foreign Credit (including Rs. 2,00,87,396 - 1972: Rs. 1,89,54,642 due for payment within one year)	9,92,52,922	10,19,03,823
(iii) Amount Deposited by COMPARGNIE FRANCAISE D'ETUDES ET DE CONSTRUCTION in Bank Account	16,15,393	—
(iv) Interest accrued and due on loans	15,493	43,369
TOTAL	<u>35,26,21,529</u>	<u>44,95,49,361</u>



**SCHEDULE 'E' — FIXED ASSETS**

	Gross Block as at 31st March, 1972 at cost	Additions during the year at cost	Transfers from Construction work-in-progress at cost	Transfers, Deductions and Reclassifications at cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
LAND : Freehold	3,90,22,704	10,43,384	21,21,864	(+) 4,995
Leasehold	29,88,540	652	—	(-) 1,66,995
Right of Way	16,94,257	—	—	—
BUILDINGS, ROADS, ETC.	20,66,03,550	31,17,215	2,05,26,144	(-) 44,59,012
PLANT AND MACHINERY	1,43,80,82,106	4,66,24,473	5,54,47,680	(-) 28,69,673
TRANSPORT EQUIPMENT	5,30,61,931	74,22,408	—	(-) 26,71,888
FURNITURE AND FIXTURES	3,18,40,504	22,76,447	9,65,043	(-) 1,89,883
RAILWAY SIDINGS	2,23,20,790	43,106	4,330	(-) 11,95,327
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	12,25,47,088	27,708	14,74,095	(-) 5,00,506
SUNDRY ASSETS	2,50,484	3,33,411	—	(-) 29,864
TOTAL	1,91,84,11,954	6,08,88,804	8,05,39,156	(-) 1,20,78,153
PREVIOUS YEAR	(1,82,97,49,689)	(5,30,01,104)	(4,56,23,461)	(-) (99,62,300)

\* Includes Rs. 13,49,022 in respect of previous year (1972: Rs. 12,00,998).

**SCHEDULE 'E' — FIXED ASSETS Contd...**

Gross Block as at 31st March, 1973 at cost	Depreciation and Amortisation for the year	Total Depreciation and Amortisation upto 31st March, 1973	Net Depreciated Block as at 31st March, 1973	1972
	Rupees	Rupees	Rupees	Rupees
4,21,92,947	—	—	4,21,92,947	3,90,22,704
28,22,197	26,700	6,34,783	21,87,414	23,80,456
16,94,257	—	—	16,94,257	16,94,257
22,57,87,897	72,98,652	3,85,81,965	18,72,05,932	17,45,47,240
1,53,72,84,586	11,56,32,478	57,26,39,284	96,46,45,302	97,97,76,340
5,78,12,451	69,35,341	3,17,52,860	2,60,59,591	2,61,53,663
3,48,92,111	37,02,578	1,64,59,922	1,84,32,189	1,89,61,458
2,11,72,899	5,61,315	52,51,924	1,59,20,975	1,76,30,181
12,35,48,385	49,51,060	3,73,23,029	8,62,25,356	9,00,36,241
5,54,031	81,010	2,32,633	3,21,398	69,483
2,04,77,61,761	13,91,89,134*	70,28,76,400	1,34,48,85,361	1,35,02,72,023
(1,91,84,11,954)	(12 12 15,904) *	(56,81,39,931)	(1,35,02,72,023)	

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

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1972</u> <u>Rupees</u>
<b>CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS</b>			
<b>IN STOCK:</b>			
1. Work-in-Progress (at cost) (including unallocated capital expenditure and materials at site)	38,12,95,673		20,36,24,813
2. Goods in Stores (at cost) including Rs. 17,76,156 lying With Contractors (7972: Rs. 1,96,603)	15,84,11,735		9,61,81,977
3. Goods in transit (at cost)	1,83,62,925		3,73,49,761
4. Construction period expenses pending allocation:			
Balance as at 1st April, 1972	3,20,82,398		1,66,58,469
Add: Expenditure during the year:			
Establishment charges	36,63,528		22,70,005
Interest	85,30,550		60,93,362
Depreciation	22,66,533		6,84,068
Other	80,08,589		81,10,506
	<u>5,45,51,598</u>		<u>3,38,16,410</u>
Less: Recoveries	<u>11,81,635</u>		<u>4,51,601</u>
	5,33,69,963		3,33,58,809
Less: Allocated to assets during the year	<u>21,38,308</u>		<u>12,76,411</u>
		5,12,31,655	3,20,82,398
<b>TOTAL</b>		<u><u>60,93,01,988</u></u>	<u><u>36,92,38,949</u></u>



**SCHEDULE 'G' — INVESTMENTS**

Index

	Rupees	Rupees	1972 Rupees
<b>INVESTMENTS: (at cost)</b>			
<b>A.Unquoted:</b>			
1. In Government Securities (deposited with various bodies)		3,77,555	3,63,205
2. Trade Investments:			
(i) Indian Oil Blending Ltd. - (a body corporate in the same group) 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	21,81,853
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	8,340
4. Investments by Outside Parties:			
Security Deposits per contra		8,77,145	8,45,845
<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-Burma Petroleum Company Limited (Quoted) 5,96,662 Equity Shares of Rs. 10 each fully paid in cash (Market value 1972: Rs. 1,05,54,951) (See Note 5)	<u>—</u>		<u>75,29,252</u>
		1,00,000	76,29,252
<b>TOTAL</b>		<u>35,44,893</u>	<u>1,10,28,495</u>



**SCHEDULE 'H' — INVENTORIES**

Index

	Rupees	Rupees	1972 Rupees
<b>INVENTORIES:</b>			
1. Stores, Spares, etc.:			
(a) Stores and Spare Parts (at or under cost)	11,43,24,463		10,97,24,404
(b) Loose Tools	2,69,927		2,02,450
(c) Stores in transit (at cost)	<u>70,70,038</u>		<u>84,83,641</u>
		12,16,64,428	11,84,10,495
2. Raw Materials (at cost)		8,53,66,449	10,73,92,424
3. Stock-in-Trade:			
(a) Oil Stocks (at cost or net realisable value whichever is lower)	36,10,94,788*		42,73,89,331*
(b) Stock in Process (at or under cost)	<u>1,89,38,157</u>		<u>1,55,98,730</u>
		38,00,32,945	44,29,88,061
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		<u>68,32,363</u>	<u>60,00,495</u>
TOTAL		<u>59,38,96,185</u>	<u>67,47,91,475</u>
* Includes stock lying with other oil companies on loan Rs. 4,27,30,637 (1972: Rs. 3,40,84,575)			

**SCHEDULE 'I' — BOOK DEBTS**

	Rupees	Rupees	1972 Rupees
<b>BOOK DEBTS:</b>			
1. Over six months:			
(a) Secured Considered Good	21,71,262		7,33,746
(b) Unsecured Considered Good	4,42,94,602		5,31,70,437
(c) Unsecured Considered Doubtful	<u>1,26,30,642</u>		<u>1,24,06,652</u>
		5,90,96,506	6,63,10,835
2. Less than six months:			
(a) Secured Considered Good	8,17,052		29,46,210
(b) Unsecured Considered Good	24,95,08,533		24,68,46,443
(c) Unsecured Considered Doubtful	<u>1,53,583</u>		<u>1,79,920</u>
		25,04,79,168	24,99,72,573
		<u>30,95,75,674</u>	<u>31,62,83,408</u>
Less: Provision for Doubtful Debts		1,27,84,225	1,25,86,572
TOTAL		<u>29,67,91,449</u>	<u>30,36,96,836</u>

1. Debts due from Directors Rs. NIL (1972:Rs. 64) (Maximum Rs. 64-1972: Rs. 427).
2. Debts due from other Officers Rs. 381(1972: Rs. 2,330) (Maximum Rs. 2,416-1972: Rs. 2,655).
3. Debts due by private companies in which Directors are interested as Directors Rs. 1,20,89,829 - (1972: Rs. 46,66,012).
4. Debts due from companies under the same Management - Schedule ' P'.



**SCHEDULE 'J' — LOANS AND ADVANCES**

Index

	Rupees	Rupees	1972 Rupees
<b>LOANS AND ADVANCES:</b>			
1. Advances to Indian Oil International Limited (A subsidiary) Considered Good		1,50,000	2,54,229
2. Bills of Exchange-Considered Good		1,25,95,133	—
3. Advances Recoverable in cash or in kind or for value to be received:			
(a) Secured Considered Good	2,13,56,461 *		2,44,85,810*
(b) Unsecured Considered Good	17,77,39,676*		18,49,08,940*
(c) Unsecured Considered Doubtful	6,36,685		5,59,451
	<u>19,97,32,822</u>		<u>20,99,54,201</u>
(d) Less: Provision for Doubtful Advances	6,36,685		5,59,451
		19,90,96,137	20,93,94,750
4. Claims Recoverable:			
(a) Unsecured Considered Good	4,22,50,405*		4,03,67,813*
(b) Unsecured Considered Doubtful	30,52,378		47,64,715
	<u>4,53,02,783</u>		<u>4,51,32,528</u>
(c) Less: Provision for Doubtful Claims	30,52,378		47,64,715
		4,22,50,405	4,03,67,813
5. Materials on Loan:			
(a) Secured Considered Good	4,698		87,458
(b) Unsecured Considered Good	8,32,613		1,30,794
(c) Unsecured Considered Doubtful	—		4,863
	<u>8,37,311</u>		<u>2,23,115</u>
(d) Less: Provision for Doubtful Loans	—		4,863
		8,37,311	2,18,252
6. Balances with Customs, Port Trust and Excise Authorities- Considered Good		5,33,15,337	4,02,39,780
7. Sundry Deposits-Unsecured Considered Good including amount adjustable on receipt of final bills		3,51,52,716	3,26,02,151
<b>TOTAL</b>		<u>34,33,97,039</u>	<u>32,30,76,975</u>

\* Includes:

1. Rs. 56,815 (1972: Rs. 59,047) due from Directors (Maximum Rs. 75,992-1972: Rs. 81,701).
  2. Rs. 3,65,433 (1972: Rs. 2,31,159) due from other Officers (Maximum Rs. 4,90,783 - 1972: Rs. 2,94,871).
  3. Rs. 15,97,624 (1972: Rs. 14,37,893) due from private companies in which Directors are interested as Directors (Maximum Rs. 68,47,565 - 1972: Rs. 15,34,091).
- Advances due from companies under the same Management -, Schedule , Q'.



**SCHEDULE 'K' —CURRENT LIABILITIES AND PROVISIONS**

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1972</u> <u>Rupees</u>
<b>A. CURRENT LIABILITIES :</b>			
1. Acceptances	10,16,55,245		6,93,77,763
2. Sundry Creditors	78,08,72,044		70,19,57,422
3. Security Deposits (including deposit with the Bank as per contra Rs. 8,90,451 - 1972: Rs. 8,39,809, deposit with the Post Office as per contra Rs. 15,000 - 1972: Rs. 4,540 and investments lodged by outside parties as per contra Rs. 8,77,145 -1972: Rs. 8,45,845)	13,17,61,071		9,24,68,009
4. Interest accrued but not due on loans	69,92,803		92,32,130
		1,02,12,81,163	87,30,35,324
<b>B. PROVISIONS:</b>			
5. Provision for Taxation less Advance payments	9,96,52,692		4,92,49,687
6. Provision for Gratuity	3,29,24,701		2,37,93,308
7. Provision for Renewal of Catalyst	44,99,485		44,99,485
8. Proposed Dividend	4,98,24,040		4,98,24,040
		18,69,00,918	12,73,66,520
TOTAL		<u>1,20,81,82,081</u>	<u>1,00,04,01,844</u>

**SCHEDULE 'L' — OTHER INCOME**

	<u>Rupees</u>	<u>Rupees</u>	<u>1972</u> <u>Rupees</u>
<b>OTHER INCOME:</b>			
1. Sale of Power and Water		94,12,847	93,36,083
2. Profit on Sale and Disposal of Assets		7,50,629	3,24,974
3. Income from Investments		21,539	19,265
4. Dividends Received (Trade Investments)-Gross (tax deducted at source Rs. 2,56,679-1972: Rs. 3,11,152)	11,40,939*		14,18,883*
Less: Withheld U.S. Tax	1,483		1,367
		11,39,456	14,17,516
5. Miscellaneous Income-Gross (tax deducted at source Rs. 9,609 - 1972: Rs. NIL)		1,29,65,380	1,18,11,758
TOTAL		<u>2,42,89,851</u>	<u>2,29,09,596</u>
* Includes dividends from subsidiaries Rs. 7,35,994 (1972: Rs. 10,14,325)			



**SCHEDULE 'M' — MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES**

Index

	Rupees	Rupees	1972 Rupees
<b>MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Raw materials consumed:			
Opening balance as on 1st April, 1972	10,73,92,424		6,48,93,773
Add: Purchases	1,28,50,88,824		1,22,96,31,500
	1,39,24,81,248		1,29,45,25,273
Less: Closing Stock	8,53,66,449		10,73,92,424
		1,30,71,14,799	1, 18,71,32,849
2. Consumption:			
(i) Stores and Spares	2,48,72,542		2,27,32,068
(ii) Other Packages	11,42,44,236		11,51,50,699
		13,91,16,778	13,78,82,767
3. Power and Fuel	4,85,48,336		4,44,37,374
Less: Fuel of own production	4,35,92,868		4,10,94,000
		49,55,468	33,43,374
4. Blending fees, Royalty and other charges		1,38,94,288	1,54,05,138
5. Repairs and Maintenance:			
(a) Plant and Machinery	2,05,85,438		1,61,96,725
(b) Buildings	26,09,047		25,53,289
(c) Other	79,85,024		78,96,593
		3,11,79,509	2,66,46,607
6. Freight and Transportation charges		39,82,43,583	36,66,30,883
7. Payment to and Provision for Employees:			
(a) Salaries, Wages and Bonus	15,13,46,843		13,66,90,461
(b) Contribution to Provident and other Funds	82,15,296		74,74,558
(c) Staff Welfare Expenses	1,01,15,317		90,72,363
(d) Provision for Gratuity	1,01,15,457		53,84,618
(e) Gratuity and Ex-Gratia	2,75,088		1,89,657
		18,00,68,001	15,88,11,657
8. Office Administration, Selling and Other Expenses (Schedule 'N')		13,94,43,123	13,85,66,716
9. Add: Decrease in Stocks:			
Closing Stock as on 31st March, 1973:			
Finished Products	36,10,94,788		42,73,89,331
Stock in Process	1,89,38,157		1,55,98,730
	38,00,32,945		44,29,88,061
Less: Opening Stock as on 1st April, 1972:			
Finished Products	42,73,89,331		31,42,89,486
Stock in Process	1,55,98,730		1,41,61,312
	44,29,88,061		32,84,50,798
		6,29,55,116	(—) 11,45,37,263
<b>TOTAL</b>		<u>2,27,69,70,665</u>	<u>1,91,98,82,728</u>



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

Index

	Rupees	Rupees	1972 Rupees
<b>OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Rent		1,68,48,503	1,51,97,922
2. Insurance		70,98,418	86,07,922
3. Rates and Taxes		3,81,55,773	3,65,02,926
4. Donations (including Rs. NIL-1972: Rs. 11,00,000 to National Defence Fund)		10,26,220	21,20,533
5. Directors' Fees		900	2,600
6. Payments to Auditors:			
(a) Audit Fees	2,00,000		2,00,000
(b) Other Services	19,015		34,350
(c) Out of Pocket Expenses	64,857		61,921
		2,83,872	2,96,271
7. Main Installation Charges paid to other Marketing Companies		78,59,253	85,79,753
8. Office Administration, Selling and other expenses		5,77,74,114	5,15,01,270
9. Bad Debts, Advances and Insurance claims written off		26,31,559	12,17,260
10. Loss on Assets sold, lost or written off		18,32,706	29,84,097
11. Exchange Fluctuations		19,52,480	37,49,568
12. Provision for Doubtful Debts, Advances and Claims		34,55,950	78,06,594
13. Central Industrial Security Force Expenses		5,23,375	—
TOTAL		13,94,43,123	13,85,66,716

**SCHEDULE 'O' — EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS**

	Rupees	Rupees	1972 Rupees
Sale of products and transfers under Product Exchange	(-) 1,30,51,754		(-) 27,44,786
Commission and Discounts	7,25,645		18,42,356
Company's use of own oil	(-) 1,02,306		13,406
Sale of Power and Water	(-) 1,74,498		—
Main Installation charges received from other Marketing Companies	(-) 1,23,004		3,456
Interest on Advances	(-) 11,387		5,403
Profit on Sale and Disposal of Assets	14,359		368
Income from Investments	(-) 10,327		—
Miscellaneous Income	(-) 22,55,045		37,49,596
Purchase of Products and transfers under Product Exchange	(-) 65,36,600		1,67,40,636
Raw Materials Consumed - Purchases	(-) 33,39,565		93,82,736
Consumption - Stores and Spares	2,49,062		2,49,775
Consumption - Other Packages	33,39,783		8,91,414
Power and Fuel	2,962		13,461
Blending Fees, Royalty and other charges	(-) 2,18,302		41,534
Repairs and Maintenance - Plant and Machinery	98,676		32,006
Repairs and Maintenance - Buildings	36,227		30,876
Repairs and Maintenance - Other	52,820		1,80,642
Freight and Transportation charges	(-) 1,11,13,772		36,914
Salaries, Wages and Bonus	3,70,869		5,50,949
Contribution to Provident and other Funds	2,37,641		2,544
Staff Welfare Expenses	25,746		3,36,393
Provision for Gratuity	(-) 9,84,064		—
Gratuity and Ex-Gratia	7,998		—
Rent	(-) 1,60,090		8,86,137
Insurance	8,220		8,447
Rates and Taxes	3,88,218		66,89,551
Donations	(-) 1,25,000		—
Payments to Auditors - Out of Pocket Expenses	(-) 41		6,860
Main Installation Charges paid to other Marketing Companies	(-) 2,16,225		1,55,555
Office Administration, Selling and other expenses	11,42,036		5,35,350
Bad Debts, Advance and Insurance Claims written off	1,094		495
Loss on Assets sold, lost or written off	21,161		62,384
Exchange Fluctuations	6,080		—
Excise Duty	(-) 7,14,361		2,69,910
Depreciation and Amortisation	13,49,022		12,00,998
Interest on Government Loan for fixed period	(-) 2,455		—
Interest on Foreign Credit for fixed period	—		61,665
Interest- Other	1,59,866		(-) 1,25,237
NET INCOME (-) /EXPENSES	(-) 3,09,01,311		(-) 1,96,32,998



**SCHEDULE 'P' — DEBTS DUE FROM COMPANIES  
UNDER THE SAME MANAGEMENT**

Index

<b>Name of the Company</b>	<b>Rupees</b>	<b>1972 Rupees</b>
Balmer Lawrie & Company Limited	2,48,800	—
Bharat Aluminium Company Limited	15,599	—
Bharat Earth Movers Limited	2,32,179	3,16,453
Bharat Electronics Limited	1,63,467	98,801
Bharat Heavy Electricals Limited	1,64,300	1,40,506
Bharat Heavy Plates and Vessels Limited	28,830	27,455
Bokaro Steel Limited	5,73,006	4,67,406
Bridge and Roof Company (India) Limited	3,67,665	
Cement Corporation of India Limited	7,868	9,444
Central Road Transport Corporation Limited	1,00,837	1,05,595
Cochin Refineries Limited	35,63,190	40,858
Electronics Corporation of India Limited	1,593	737
Engineers India Limited	40,188	29,987
Fertilizer Corporation of India Limited	21,52,005	1 7,82,903
Fertilizers & Chemicals, Travancore Limited	21,065	39,797
Garden Reach Workshop Limited	4,40,754	33,501
Goa Shipyard Limited	4,085	—
Heavy Electricals (India) Limited	2,98,157	34,34,314
Heavy Engineering Corporation Limited	2,52,260	95,990
Hindustan Aeronautics Limited	20,56,590	14,62,925
Hindustan Antibiotics Limited	1,56,130	2,40,101
Hindustan Cables Limited	2,38,497	53,202
Hindustan Copper Limited	944	1,152
Hindustan Housing Factory Limited	75	75
Hindustan Insecticides Limited	62,141	62,317
Hindustan Machine Tools Limited	64,312	96,667
Hindustan Organic Chemicals Limited	5,02,818	1,24,243
Hindustan Photo Films Manufacturing Company Limited	84,076	9,677
Hindustan Shipyard Limited	1,68,124	64,663
Hindustan Steel Limited	67,38,108	63,64,861
Hindustan Steel Works Construction Limited	2,76,219	1,75,137
Hindustan Teleprinters Limited	5,604	—
Hindustan Zinc Limited	56,028	23,983
Indo-Burma Petroleum Company Limited	43,56,684	31,12,920
Indian Drugs & Pharmaceuticals Limited	2,83,358	3,54,995
Indian Oil International Limited (A Subsidiary)	12,89,748	16,58,435
Indian Petro-Chemicals Corporation Limited	6,62,471	1,13,913
Indian Rare Earths Limited	1,734	20,308
Indian Telephone Industries Limited	1,74,742	1,79,180
Indian Tourism Development Corporation Limited	376	306
Instrumentation Limited	1,020	15
Jayanti Shipping Company Limited	10,33,330	10,86,450
Lubrizol India Limited	1,33,700	1,54,443
Lube India Limited	19,154	—
Madras Fertilizers Limited	5,90,693	11,46,693
Madras Refineries Limited	20,97,385	93,936
Carried forward	2,97,29,909	2,32,24,344



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

Index

<u>Name of the Company</u>	<u>Rupees</u>	<u>1972 Rupees</u>
Brought forward	2,97,29,909	2,32,24,344
Manganese Ore India Limited	60,723	57,829
Minerals & Metals Trading Corporation of India Limited	19,298	5,127
Modern Bakeries (India) Limited	21,031	39,523
Mazagon Dock Limited	2,28,062	95,362
Mining & Allied Machinery Corporation Limited	1,60,909	7,65,097
Minerals Exploration Corporation Limited	122	—
Mogul Line Limited	5,61,446	5,56,423
National Building Construction Corporation Limited	1,73,334	764
National Coal Development Corporation Limited	30,42,066	25,07,337
National Instruments Limited	296	1,863
National Newsprint and Paper Mills Limited	46,746	73,465
National Projects Construction Corporation Limited	30,626	59,599
National Mineral Development Corporation Limited	2,78,283	3,94,543
National Seeds Corporation Limited	87	—
Neyveli Lignite Corporation Limited	7,44,973	9,03,443
Praga Tools Limited	28,563	1,00,226
Pyrites Phosphates & Chemicals Limited	—	18,774
Rehabilitation Industries Corporation Limited	—	1,492
Sambhar Salts Limited	102	8,063
Singareni Collieries Limited	55,370	4,36,787
Shipping Corporation of India Limited	27,79,025	77,02,723
State Farms Corporation of India Limited	28,582	6,003
Tannery and Foot Wear Corporation of India Limited	—	2,904
Triveni Structurals Limited	—	41,544
Tungabhadra Steel Products Limited	10,991	11,623
<b>TOTAL</b>	<b>3,80,00,544</b>	<b>3,04,14,252</b>



**SCHEDULE 'Q'— ADVANCES DUE FROM COMPANIES  
UNDER THE SAME MANAGEMENT**

Index

<u>Name of the Company</u>	Maximum amount during the year		1972	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Maximum Amount Rupees</u>
Assam Small Scale Industries Development Corporation Limited	1,113	1,113	1,113	1,113
Assam Cement Company Limited	—	8,785	—	—
Balmer Lawrie & Company Limited	67	67	—	—
Bharat Electronics Limited	—	7,580	1,580	7,580
Bharat Heavy Electricals Limited	94,365	2,40,56,552	2,04,00,261	2,04,70,941
Bharat Earth Movers Limited	146	26,058	—	—
Bharat Heavy Plates and Vessels Limited	20,81,119	24,33,704	18,18,543	18,18,543
Bridge and Roof Company (India) Limited	12,58,049	17,70,039	—	—
Central Inland Water Transport Corporation Limited	—	—	—	1,15,000
Central Road Transport Corporation Limited	—	—	—	25,000
Cochin Refineries Limited	200	200	—	—
Electronics Corporation of India Limited	—	—	—	537
Engineers India Limited	23,699	39,56,492	1,02,808	1,64,857
Fertilizer Corporation of India Limited	95,268	1,21,921	87,459	87,459
Fertilizers and Chemicals Travancore Limited	24,545	4,29,275	11,295	3,77,917
Garden Reach Workshop Limited	44,63,674	71,95,305	68,24,232	70,17,595
Heavy Electricals (India) Limited	—	4,71,045	2,44,600	2,44,600
Hindustan Cables Limited	899	69,314	7,575	1,05,356
Hindustan Aeronautics Limited	5,805	7,245	1,485	1,485
Hindustan Machine Tools Limited	—	4,439	—	180
Hindustan Steel Limited	16,51,154	1,18,49,934	15,24,163	1,75,05,940
Hindustan Steel Works Construction Limited	810	8,90,000	7,82,000	7,82,000
Hindustan Teleprinters Limited	2,061	4,122	1,622	1,622
Indian Oil International Limited (A Subsidiary)	1,50,000	2,54,229	2,54,229	2,81,198
Indian Petro Chemicals Limited	66,158	66,158	—	—
Indian Rare Earths Limited	—	31,687	—	18,342
Indian Telephone Industries Limited	70,532	92,098	2,138	2,49,065
Indo-Burma Petroleum Company Limited	28,224	75,108	75,108	2,81,986
Instrumentation Limited	2,25,168	6,95,546	—	7,406
Minerals and Metals Trading Corporation of India Limited	1,42,452	3,37,851	3,37,851	1,08,44,973
Madras Refineries Limited	1,485	4,52,837	3,85,346	4,81,544
National Insurance Company Limited	4,01,585	4,01,585	—	—
Neyveli Lignite Corporation Limited	1,496	4,487	—	—
State Trading Corporation of India Limited	808	3,54,332	72	4,73,739
Shipping Corporation of India Limited	14,11,015	14,11,015	9,65,088	9,65,088
<b>TOTAL</b>	<b>1,22,01,897</b>		<b>3,38,34,568</b>	



**SCHEDULE 'R'-NOTE5 ON THE ACCOUNTS FOR  
THE YEAR ENDED 31ST MARCH, 1973**

1. Contingent Liabilities not provided for:
- (a) Claims against the Corporation not acknowledged as debts Rs. 1,875.55 lacs (1972: Rs. 2305.85 lacs) including Rs. 521.53 lacs (1972: Rs. 1,066.45 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 alla*:
- (i) Rs. 1,029.57 lacs (1972:Rs. 988.73 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) Against a claim by a Contractor on the Corporation, an Award has been given by the Umpire for Rs. 48.53 lacs (1972: 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.
- (iii) 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. ONGC have also preferred claims, amounting to approximately Rs. 25 lacs, in respect of Crude Oil supplies in earlier years which, in the opinion of the Corporation, are not payable.
- (iv) Rs. 204.07 lacs (1972:Rs. 204.07 lacs) being the claim towards damages for shortfall and termination of supplies to a customer.
- (b) The Corporation has given guarantees and counter guarantees to Banks and others amounting to Rs. 1,156.44 lacs (1972: Rs. 1,029.63 lacs).
- (c) Bills discounted with the Bank Rs. NIL (1972: Rs. 2.93 lacs).
- (d) Income Tax liability, if any, in respect of foreign contractors. The Corporation has, however, made an advance of Rs. 5 lacs (1972: Rs. 5 lacs) to one of the Contractors for payment of advance Income-tax in respect of such liability.
- (e) Demands amounting to Rs. 15 lacs approximately made by Central Excise Authorities and those which may arise out of show cause notices issued by them on account of Excise Duty on pipeline operational losses in excess of the guideline limits prescribed by them. The demands are contested by the Corporation and no provision has been made pending decision by the appropriate authorities.
- (f) The Corporation has incurred ocean losses in excess of guideline limits prescribed by Excise Authorities in respect of the coastal movements of products. However, pending the assessment of such losses, no liability has been taken into account for any additional Excise Duty which may be payable.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 2,156.87 lacs (1972: Rs. 3,039.96 lacs).
3. (a) Title deeds, Lease agreements and other formal agreements in respect of certain lands are awaited and are not available for verification.
- (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) The Port Blair Installation was constructed by the Indian Oil Corporation Limited for the Naval Authorities at a cost of Rs. 42.63 lacs. This was subsequently taken over by the Indian Oil Corporation on 31st May, 1971. Pending finalisation of the formalities and in the absence of an Agreement between the Naval Authorities and Indian Oil Corporation, an amount of Rs. 27.16 lacs has been capitalised, being the written down value of these assets as on 31st May, 1971 (at the Corporation's rate of depreciation) based on the Company's



understanding of the term of take over.

- (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 Gauhati and Barauni Refineries, and
    - (ii) Land and Buildings 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) In respect of appeals filed by the Corporation against the District Court judgement, the High Court has awarded enhanced compensation in respect of Land acquired for the Gujarat Refinery. The demand for the enhanced compensation has not been received from the State Government. No liability has been provided in the Books as the demand is not ascertainable.
  - (f) No provision has been made in these accounts for compensation payable to land-owners for right-of-way acquired for Mourigram-Rajbandh Pipeline, pending finalisation of the amount.
  - (g) 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.
  - (h) The Corporation has agreed to transfer a portion of its land costing approximately Rs. 6.48 lacs to Indian Petro-Chemicals Corporation Limited through the State Government. Pending compliance of various formalities, no effect has been given to this in the books of account.
  - (i) Some of the assets may be subject to reclassification, adjustment on receipt of completion reports, and/or finalisation of bills.
  - (j) Customs Duty on imported equipment has been paid on an ad hoc basis for the Gujarat Refinery. Consequential adjustments, if any, shall be made in the accounts on the final assessment.
4. Included among Stores are many items which are non-moving/slow moving/obsolete, the extent of which has not been ascertained. 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 and no provision, has been made in these accounts towards any loss on disposal that may arise.

5. In terms of the directive No.25 (2)172-IOC dated 24th June 1972 received from the President of India under Article 144 of the Articles of Association, the Corporation transferred 5,96,662 Shares of Indo-Burma Petroleum Company Limited to the President of India, at a consideration of Rs. 75.29 lacs being the price at which the Shares were purchased.
6. Closing Stock includes stocks of Tin Plates of the value of Rs. 1.34 LACS (1972: Rs. 1.34 lacs) lying with Contractors who contend that no stock is lying with them.
7. No confirmation of balance as on 31-3-1973 has been received from one Marketing Company in respect of closing stock of imported Lube Base Oil worth Rs. 313 lacs stated to be lying with them. The Corporation is holding a deposit of an equivalent amount.
8. Book Debts include an amount of Rs. 30.53 lacs (1972: Rs. 30.53 lacs) billed by the Corporation towards increase in cost of imported products due to rupee devaluation in 1966. However, the debtor company had refused to pay the amount and the Corporation has filed a suit in the Bombay High Court for recovery. Pending the Court's decision, the amount is considered good and recoverable and is shown as such in the Accounts.
9. (a) Loans and Advances include Rs.87.73 lacs (1972: Rs. 206.33 lacs under Sundry Creditors) in respect of the Freight Surcharge Pool Account. The audit of this Pool Account has been completed upto 31-3-1972.
  - (b) Loans and Advances include Rs. 1,103.40 lacs (1972: Rs. 696.98 lacs) in respect of C & F Adjustment Account. The audit of C & F Adjustment Account has been completed upto 31-12-1972.
10. 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 not agreeable to supply at this rate and is claiming a further payment of Rs. 1,638.98 lacs (1972:Rs. 1,280.53 lacs). The matter at present is under arbitration.
11. No account has been taken of the Corporation's claims for liquidated damages and losses from Shipping Companies aggregating to Rs. 22.19



- lacs (1972: Rs. 54.90 lacs) as the matters are under arbitration.
12. Deposit includes Rs. 124.87 lacs (1972:Rs. 114.17 lacs) on account of payments 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 and whose value has not been ascertained.
  13. Sundry Deposits include an amount of Rs. 50.59 lacs (1972: Rs. 50.59 lacs) deposited by the Corporation with another Marketing Company in respect of supply of products on Installation Exchange arrangement. However, the amount was appropriated by the other Marketing Company towards CIF increases and devaluation duty claims consequent on the devaluation of Indian rupee in 1966. The Corporation has disputed the appropriation and filed a suit in the Bombay High Court for recovery. Pending the Court's decision, the amount is considered good and recoverable and is shown as such in the Accounts.
  14. The Corporation has changed the method of charging Depreciation on additions to Fixed Assets during the Current Year. This has resulted in an extra charge for depreciation of Rs. 90.03 lacs during the year.
  15. The Profit and Loss Account includes expenses on Public Relations and Publicity- Rs. 62.51 lacs (1972:Rs. 41.20 lacs).
  16. Managerial remuneration paid or payable to Directors is Rs. 2,07,168 (1972: Rs. 2,48,044) excluding Directors' Sitting Fees. In addition, the Managing Director of the Marketing Division is entitled to use a flat of the Corporation for which 10% of his basic pay is deducted. Provision for Gratuity amounting to Rs. 1,750 has also been made for the Managing Director of the Marketing Division on the same basis as to other officers of the Corporation for which formal order from the Government is awaited.
  17. In the absence of an up-to-date list of Companies under the same management from the Company Law Board, Book Debts and Advances due from Companies under the same management have been indicated on the basis of the previous year's schedules after making necessary adjustments from the information available to the Corporation.
  18. Provision for Income-tax has been made on the basis of the returns of Income filed by the Corporation. The Income-tax authorities have so far rejected certain claims of the Corporation for relief under Sections 80-J and 33 of the Income-tax Act. If the claims of the Corporation for these allowances are ultimately not accepted, the Corporation will be required to pay additional tax amounting to Rs. 1,200 lacs (approximately) for which no provision has been made.
  19. The foreign credit of Rs. 816.57 lacs (1972:Rs. 746.13 lacs) has been converted at the International Monetary Funds Parity Rates fixed around the end of the year 1971 since there has been no change in this rate after that date. If the item is converted at bank selling rates prevalent on 31-3-1973, the amount of foreign credit will go up by Rs. 142 lacs for which no provision has been made in the Accounts.
  20. Licensed capacity at the year end appearing in Schedule 'S' includes licensed capacity for petroleum products at Gujarat Refinery aggregating 30,00,000 MT for which the licence was not available for verification.
  21. In accordance with the past practice followed by the Corporation and as the figures are not accurately ascertainable, quantitative information in respect of opening and closing stocks of finished goods transferred from the refineries and stocks blended by third parties, lying with the marketing division have not been disclosed in the accounts.
  22. Previous year's comparative figures have been regrouped to the extent practicable wherever necessary.

**Signatures to Schedules 'A' to 'S'**

KAMALJIT SINGH  
Managing Director  
(Marketing)

C. R. DAS GUPTA  
Managing Director  
(Refineries & Pipelines)

P.R. K. MENON  
Director  
(Finance)

D. B. PURI  
Secretary

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

	<u>1973</u>		<u>1972</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 except medical reimbursement expenses	468		348			
<b>Goods Manufactured:</b>	<u>PETROLEUM PRODUCTS</u>		<u>DRUMS</u>		<u>18.5 LITRES TINS</u>	
	<u>1973</u>	<u>1972</u>	<u>1973</u>	<u>1972</u>	<u>1973</u>	<u>1972</u>
	<u>MT.</u>	<u>M.T.</u>				
Licensed capacity at the year end (including Haldia Project under construction - 25,00,000 M.Ts.)	94,20,000	94,20,000	15,00,000	15,00,000	—	—
Installed capacity at the year end as certified by the Management and accepted by the Auditors without verification	68,90,000	68,90,000	20,00,000**	10,00,000**	8,000*	8,000*
Raw materials purchased or acquired@	71,57,029	69,05,856	7,748M.T.	130M.T.	1,294M.T.	1,384M.T.
Opening Stock - Finished Products	1,56,269	1,87,476	1,096	—	6,591	—
Closing Stock-Finished Products..	1,41,519	1,56,269	907	1,096	12,796	6,591
Actual Production - Finished Products	64,06,900	62,59,423	5,91,516	6,313	10,31,702	12,14,078

- \* Per shift of 8 hours per day.
- \*\* Per year operating in 2 shifts.
- @ Excluding raw materials purchased or acquired by the Corporation and sent to third parties for blending.



**SCHEDULE OF FIXED ASSETS (TOWNSHIP)**

	Gross Block as at 31st March, 1972 At Cost	Additions during the year At Cost	Transfers from Construction work-in-progress At Cost	Transfers, Deductions and Reclassifications At Cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
LAND: Freehold	38,10,612	7,78,393	–	(+) 5,21,161
Leasehold	8,31,769	–	–	–
BUILDINGS AND ROADS	7,79,15,753	8,62,846	1,02,97,382	(–) 38,69,448
PLANT AND MACHINERY	36,92,319	1,12,058	53,729	(–) 1,39,424
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	1,13,88,184	–	3,79,361	(–) 1,54,583
EQUIPMENT AND APPLIANCES	23,75,761	44,287	–	(–) 1,15,753
FURNITURE AND FIXTURES	5,47,866	71,874	–	(+) 953
VEHICLE	23,47,532	–	–	(–) 2,68,816
SUNDRY ASSETS	–	14,966	–	–
<b>TOTAL</b>	<b>10,29,09,796</b>	<b>18,84,424</b>	<b>1,07,30,472</b>	<b>(–) 40,25,910</b>
<i>PREVIOUS YEAR</i>	<i>(9,69,00,667)</i>	<i>(10,96,329)</i>	<i>(50,15,825)</i>	<i>(–) (1,03,025)</i>
CAPITAL WORK-IN-PROGRESS .				
<i>PREVIOUS YEAR</i>				
<b>TOTAL</b>				
<i>PREVIOUS YEAR</i>				

\* Includes ( – ) Rs. 46,840 in respect of prior year (1971-72-NIL)



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

Gross Block as at 31st March, 1973 At Cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1973	Net Depreciated Block as at 31st March, 1973	1972
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
51,10,166	–	–	51,10,166	38,10,612
8,31,769	8,402	72,817,	7,58,952	7,67,354
8,52,06,533	18,91,091	1,20,19,985	7,31,86,548	6,71,30,864
37,18,682	1,85,952	10,88,673	26,30,009	27,32,686
1,16,12,962	4,51,121	29,86,671	86,26,291	87,18,165
23,04,295	2,39,199	14,82,032	8,22,263	10,55,176
6,20,693	62,245	2,60,115	3,60,578	3,51,418
20,78,716	1,80,682	11,64,461	9,14,255	11,78,973
14,966	2,993	3,985	10,981	–
11,14,98,782	30,21,685*	1,90,78,739	9,24,20,043	8,57,45,248
(10,29,09,796)	(30,73,258)*	(1,71,64,548)	(8,57,45,248)	
			76,11,145	
			(28,04,086)	
			10,00,31,188	
			(8,85,49,334)	



**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1973  
ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES**

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1972 Rupees</u>
<b><u>INCOME:</u></b>			
1. Recovery of House Rent		15,16,842	15,90,809
2. Recovery of Utilities			
Power	3,86,391		2,86,138
Water	<u>2,29,165</u>		<u>2,58,276</u>
		6,15,556	5,44,414
3. Recovery of Transport charges		1,75,299	1,77,643
4. Other Recoveries		3,51,853	2,90,089
5. Excess of Expenditure over Income		<u>2,21,43,924</u>	<u>2,13,60,852</u>
TOTAL		<u><u>2,48,03,474</u></u>	<u><u>2,39,63,807</u></u>
<b><u>EXPENDITURE</u></b>			
1. Salaries, Wages, Bonus, P.F. Contribution		77,52,240	70,88,748
2. Consumable Stores and Medicines		21,16,803	19,19,554
3. Subsidies for Social and Cultural Activities		1,19,816	1,58,470
4. Repairs and Maintenance		12,15,465	10,60,638
5. Interest		59,70,490	60,72,730
6. Depreciation		30,68,525	30,73,258
7. Miscellaneous Expenses			
(i) Taxes and Licence Fees	3,59,738		8,69,289
(ii) Insurance	864		3,076
(III) Others	<u>13,84,950</u>		<u>8,86,708</u>
		17,45,552	17,59,073
8. Utilities			
(i) Power	21,64,211		20,86,155
(II) Water	<u>6,50,372</u>		<u>7,45,181</u>
		28,14,583	28,31,336
TOTAL		<u><u>2,48,03,474</u></u>	<u><u>2,39,63,807</u></u>

**ANNEXURE TO THE DIRECTORS' REPORT DATED 17TH DECEMBER, 1973**

Index

**REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1973 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)

**Liabilities**

	1970-71	1971-72	1972-73
(a) Paid-up Capital	7,117.72	7,117.72	7,117.72
(b) Reserves and Surplus	4,975.86	7,671.39	9,390.15
(c) Borrowings			
(i) From the Government of India	4,414.67	3,476.02	2,517.38
(ii) Foreign Credit	641.80	1,019.04	1,008.68
(iii) From Bank Cash Credit	2,006.00	1,966.32	1,470.41
(d) Trade dues and other current liabilities (including provisions)	8,271.42	10,052.59	12,137.73
TOTAL	<u>27,427.47</u>	<u>31,303.08</u>	<u>33,642.07</u>

**Assets**

(e) Gross Block	18,297.50	19,184.12	20,477.62
(f) Less: Depreciation	4,508.36	5,681.40	7,028.77
(g) Net fixed assets	13,789.14	13,502.72	13,448.85
(h) Capital work-in-progress (including unallocated expenses)	1,449.97	2,357.07	4,325.27
(i) Other assets (mainly machinery and equipments-in-transit and stores)	571.54	1,335.32	1,767.75
(j) Current assets, loans and advances (excluding investments)	11,505.79	13,997.69	14,064.75
(k) Investments	111.03	110.28	35.45
TOTAL	<u>27,427.47</u>	<u>31,303.08</u>	<u>33,642.07</u>
Capital employed	<u>17,216.07</u>	<u>17,694.21</u>	<u>15,713.89</u>
Networth	12,093.58	14,789.11	16,507.87

**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 0.71 :1 in 1970-71, 0.63:1 in 1971-72 and 0.50 :1 in 1972-73.

(b) The amount of loans taken from the Government of India outstanding as on 31st March, 1973 was Rs. 2,517.38 lakhs. In respect of loans amounting to Rs. 1,654.59 lakhs, Rs. 130.75 lakhs and Rs. 732.04 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. 9,390.15 lakhs) amounted to

- (a) 27.9 per cent of the total liabilities for 1972-73 as against 24.5 per cent in 1971-72 and 18.1 percent in 1970-71.  
 (b) 131.9 per cent of equity capital (Rs. 7,117.72 lakhs) in 1972-73 as against 107.8 per cent in 1971-72 and 69.9 per cent in 1970-71.

### 4. Liquidity and Solvency

- (a) The proportion of current assets (including investments) to total net assets increased from 42.4 percent in 1970-71 to 45.1 per cent in 1971-72 and decreased to 41.9 per cent in 1972-73.  
 (b) The percentage of current assets (including investments) to current liabilities (including provisions) decreased from 140.4 in 1970-71 to 140.3 in 1971-72 and to 116.2 in 1972-73.  
 (c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) decreased from 75.3 in 1970-71 to 74.4 in 1971-72 and to 70.6 in 1972-73.

### 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, 1973 amounted to Rs. 3,426.93 lakhs, Rs. 4,191.49 lakhs and Rs. 2,265.04 lakhs respectively and represented 0.6, 0.6 and 0.3 month's value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1973 was financed through loans from Bank (Rs. 1,470.41 lakhs) and internal resources (Rs. 794.63 lakhs).

### 6. Sources and uses of funds

Funds amounting to Rs. 3,661.47 lakhs from internal sources (reserves, depreciation, provisions and surplus) and Rs. 24.89 lakhs from other sources were utilised in 1972-73 as under:

	<i>(Rupees in lakhs)</i>
Gross Block including capital work-in-progress	3,261.70
Other assets (net) ..	424.66

### 7. Working Results

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

	<i>(Rupees in lakhs)</i>		
	1970-71	1971-72	1972-73
(i) Profit before tax	2,032.28	3,497.44	4,607.98
(ii) Tax provision	-	500.00	2,700.00
(iii) Profit after tax	<u>2,032.28</u>	<u>2,997.44</u>	<u>1,907.98</u>
Percentage of Profit before tax:			
(a) To sales (inclusive of product exchange and transfer)	2.8	4.1	4.6
(b) To gross fixed assets	11.1	18.2	22.5
(c) To capital employed	11.8	19.8	29.3
Percentage of Profit after tax:			
(a) Tonetworth	16.8	20.3	11.6
(b) Toequitycapital	28.6	42.1	26.8
(c) To capital employed	11.8	16.9	12.1

### 8. Cost trends

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

	<i>(Rupees in lakhs)</i>		
	1970-71	1971-72	1972-73
Sales (inclusive of product exchange and transfers)	72,102.76	86,316.18	99,736.66
Less: Profit before tax	2,032.28	3,497.44	4,607.98
Cost of sales	<u>70,070.48</u>	<u>82,818.74</u>	<u>95,128.68</u>
Percentage of cost of sales to sales	97.2	95.9	95.4



**9. Business performance**

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

	<i>(Rupees in lakhs)</i>		
	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>
1. Sales (inclusive of product exchange and transfers)	72,102.76	86,316.18	99,736.66
2. Closing stock of raw materials, finished goods and stock-in-process	3,933.45	5,503.80	4,653.99
3. Opening stock of raw materials, finished goods and stock-in-process	3,889.95 *	3,933.45	5,503.80
4. Value of business (1 + 2 - 3)	<u>72,146.26</u>	<u>87,886.53</u>	<u>98,886.85</u>

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

The percentage of value of business to net worth varied from 596.6 in 1970-71 to 594.3 in 1971-72 and to 599.0 in 1972-73. The percentage of value of business to total net assets also increased from 263.0 in 1970-71 to 280.8 in 1971-72 and to 293.9 in 1972-73.

**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:

	<i>(Rupees in lakhs)</i>		
	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>
(i) Stores and spare parts (including in transit)	1,372.95	1,182.08	1,213.94
(ii) Loose tools	1.97	2.02	2.70
(iii) Stock-in-trade (including raw materials and stock-in-process)	3,933.45	5,503.80	4,653.99
(iv) Stock of empty barrels and tins	51.69	60.00	68.32
	<u>5,360.06</u>	<u>6,747.90</u>	<u>5,938.95</u>

Stock in trade represented 0.6 month's sales in 1972-73 (inclusive of product exchange and transfers) as compared with 0.8 month's sales during 1971-72 and 0.7 month's sales in 1970-71.

**11. Sundry debtors and turnover**

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

As on	<i>(Rupees in lakhs)</i>		Sales (inclusive of product exchange and transfers)	Percentage of debtors to sales
	Total book debts			
	Considered good	Considered doubtful		
31st March, 1971	3,268.79	87.96	72,102.76	4.7
31st March, 1972	3,036.97	125.87	86,316.18	3.7
31st March, 1973	2,967.91	127.84	99,736.66	3.1

Sundry debtors represented about 0.6 month's turnover in 1970-71, 0.4 month's in 1971-72 and 0.4 months in 1972-73.

Bombay  
10th December, 1973.

Sd/  
(S. L. Brahmachary)  
Member, Audit Board and Ex-Officio Director  
of Commercial Audit (Western Region).



**ADDENDUM TO THE DIRECTORS' REPORT DATED 17TH  
DECEMBER, 1973**

The following remarks are offered on the Report of the Statutory Auditors dated 17th November, 1973 to the shareholders under Section 227 of the Companies Act, 1956 on the Accounts for the year ended 31st March, 1973.

**Item No.1**

Title deeds, lease agreements and other formal agreements in respect of certain lands are still in the process of finalisation. These documents, when finalised, will be shown to Audit.

**Item No.6**

The amount of Rs. 142 lacs representing foreign exchange rate fluctuations on the outstanding liability on foreign credit as on 31st March, 1973 is made up as under:

(i) On foreign credit relating to Lubricating Oil Plant and Udex of Gujarat Refinery- Repayment by instalments spreading upto 1976-77 Rs.	1.6 lacs
(ii) On foreign credit relating to Haldia Refinery Project (under construction)- Repayment by instalments spreading upto 1983-84 Rs.	140.4 lacs
Total	Rs. 142.0 lacs

No provision for foreign exchange fluctuations has been made in the Accounts as on 31st March, 1973 consistent with past practice. Even if such fluctuations are taken into account, there would be no appreciable change in the amount of depreciation affecting the profits in as much as the accretion to the assets relating to Haldia Refinery would have been shown under 'Construction Work-in-Progress and Capital Goods in Stock' without attracting any depreciation for the year 1972-73 on that added value. The quantum of depreciation affecting Gujarat Refinery would have been only of the order of Rs. 008 lac approximately, which is not considered material and in no way affects the declaration of dividend with reference to Section 205 of the Companies Act, 1956.

**Item No.7**

As no additional bonus to the officers is payable as per the agreement since arrived at, no further provision would be necessary.

**Item No.8**

As the notes referred to on Accounts are self-explanatory, no further comment is required.

For and on behalf of the  
Board of Directors  
Sd/

New Delhi,  
Dated 17th December, 1973.

C. R. DAS GUPTA  
Managing Director  
(Refineries & Pipelines Division)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619  
(4) OF THE COMPANIES' ACT, 1956 ON THE ACCOUNTS OF THE INDIAN OIL CORPORATION  
LIMITED FOR THE YEAR ENDED 31ST MARCH, 1973.****BALANCE SHEET****1. Investment - Schedule 'G' - Rs. 35,44,893.****(a) Investments in Government Securities  
(deposited with various bodies) Rs. 3,77,555.**

These include National Plan Certificates, 1961 and 1962, valued at Rs. 4,000 stated to be lying in deposit with the West Bengal State Electricity Board as Security Deposit for which confirmation from the Electricity Board was not available.

**(b) Investments by outside parties:  
Security Deposits per contra - Rs. 8,77,145.**

These include Fixed Deposit Receipts for Rs. 18,000 lodged by outside parties and security deposit which should have been included under 'Current Assets including loans and advances- (e) Bank Balances-(ii) with Scheduled Banks on Fixed Deposit Account.'

**2. Inventories - Schedule' H' - Rs. 59,38,96,185 Stock-in-Trade****(a) Oil Stocks- Rs. 36,10,94,788**

This includes Rs. 14.72 lakhs being the value of 6992.080 kilolitres of contaminated imported superior kerosene oil which has been valued at full cost.

**(b) Stock in process (at or under cost) —  
Rs. 1,89,38,157**

Cost of 1,341 M.T. of Calcined Coke has been overstated by Rs. 1,04,805.

**3. Loans and Advances - Schedule 'J' - Rs. 34,33,97,039. Claims recoverable- Unsecured considered Good - Rs. 4,22,50,405**

(a) This includes a claim for product loss on coastal movement rejected by an Insurer (Rs. 0.50 lakh).

(b) This also includes a claim for an amount of Rs. 12.14 lakhs being 80% value of bonded stock lost on account of enemy action in December, 1971 preferred by the Company in March, 1972 which is doubtful of recovery. No provision has also been made for Central excise duty of Rs. 22.72 lakhs payable on stocks so lost.

(c) Due from Directors - Rs. 56,815

This does not include an amount of Rs. 380 due from the Managing Director of the Marketing Division towards commission charges paid to the bank at the time of arranging payment of an advance to him in foreign exchange.

(d) This also includes claims amounting to Rs. 54,269 relating to the year 1962 which were earlier rejected by the railways and are still unacknowledged, and hence are considered doubtful of recovery.

**4. Current liabilities and provisions- Schedule 'K' - Rs. 1,20,81,82,081, Provision for Taxation less Advance payment - Rs. 9,96,52,692**

This is the net of gross amount of provision of Rs. 32 crores and the advance payment of tax amounting to Rs. 22,03,47,308.

**5. ScheduleR'- Notes on the accounts for the year ended 31st March, 1973.****(a) Note 1(a) Contingent Liabilities not provided for**

This excludes claims aggregating Rs. 2.59 lakhs preferred against the Company by a customer on account of rebates on Furnace Oil sales (Rs. 1.30 lakhs), a fabricator of tins (Rs. 0.96 lakh) and in respect of a retail outlet (Rs. 0.33 lakh).

**(b) Note 1 (a) (i)**

(i) This includes claim for Central Excise Duty amounting to Rs. 5,07,77,975 in respect of fuel used in the Gauhati Refinery upto 16th December, 1970 which is a clear liability and should have been provided for in the accounts, as the request of the Company for waiver of the duty has not been accepted by Government.

(ii) This also includes demands for excise duty by the Central Excise Department amounting to Rs. 1,19,123, which, representing definite liability, should have been provided for.

**PROFIT AND LOSS ACCOUNT****6. Sales of products and transfers under Product Exchange- Rs. 9,98,02,73,573.**

(a) This includes an amount of Rs. 6,06,59,414 representing under-recoveries incurred by the Company during the year on the sale of lubricants and greases and debited to the C & F adjustment account before acceptance by the Government of India, though the orders of Government stipulate that the adjustment should be carried out after final acceptance by Government.

Similarly, the net cumulative under-recoveries on this account upto 31st March, 1972 amounting to Rs. 1,99,36,082 have also been included in Income pertaining to previous year (Rs. 3,09,01,311) by debiting +C & F adjustment account.

(b) The amount of under-recoveries mentioned in (a) above includes an amount of Rs. 82,75,492 being the difference between the processing charges of lubricants and greases processed at the Company's own lube blending plant at Madras during 1970-71 to 1972-73 calculated on notional basis and the actual cost of processing, the latter being lower. As the C & F adjustment account has to be debited, after acceptance by Government, with the actual under-recoveries incurred by the Company, the calculation of processing charges on a notional basis has resulted in an inadmissible debit of Rs. 82,75,492 being afforded to the C & F adjustment account with corresponding inflation of sales and profit.

**7. Main Installation charges received from other marketing companies- Rs. 1,53,60,025.**

This includes an amount of Rs. 58.16 lakhs received provisionally from other marketing companies subject to refund in the event of the supply agreement not being satisfactorily concluded.

**8. Depreciation and Amortisation- Rs. 13,78,40,112**

This has been under-stated by Rs. 0.85 lakh due to calculation of depreciation on second hand assets acquired by the Company as if they were new, thereby deviating from the general practice of the Company of charging depreciation on the basis of the unexpired life of the asset.

**9. Non-provision of liabilities**

Liabilities amounting to Rs. 17.61 lakhs on account of road transportation charges of products (Rs. 12.07 lakhs), siding charges payable to railways (Rs. 2.44 lakhs), licence fee and maintenance charges of a railway siding (Rs. 1.80 lakhs) marine dues payable to Calcutta Port Commissioners (Rs. 0.36 lakh) and excise duty (Rs. 0.94 lakh), have not been provided for.

**BALANCE SHEET**

**10. Reserves & Surplus**

**General Reserve Rs. 48,90,00,000**

**Profit & Loss Account balance Rs. 15,050**

These have to be considered having regard to non-provision/under-provision of various liabilities, etc., indicated in the comments, particularly those mentioned in comment Nos. 2 (a), 2 (b), 3 (a), 3 (b), 3 (d), 5 (b), (i) & (ii), 6 (b), 8 and 9.

Sd/

(S. L. Brahmachary)

Member, Audit Board and Ex-Officio

Director of Commercial Audit.

Bombay,

10th December, 1973.

**ADDENDUM TO THE DIRECTORS' REPORT DATED 17TH DECEMBER, 1973**

REPLIES TO COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES' ACT, 1956 ON THE ACCOUNTS OF THE INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1973.

**BALANCE SHEET**

**1. Investments - Schedule 'G' - Rs. 35,44,893.**

(a) Investments in Government Securities (deposited with various bodies) Rs. 3,77,555.

Confirmation from the West Bengal State Electricity Board will be obtained during the current year.

(b) Investments by outside parties: Security Deposits per contra - Rs. 8,77,145.

Noted for future guidance in respect of Fixed Deposit Receipts.

**2. Inventories-Schedule'H' - Rs. 59,38,96,185.**

**Stock-in-Trade.**

(a) Oil Stocks- Rs. 36,10,94,788.

Noted for future guidance.

(b) Stock in process (at or under cost) - Rs. 1,89,38,157.

Noted. Adjustments as necessary will be carried out during 1973-74.

**3. Loans and Advances - Schedule 'J' - Rs. 34,33,97,039 Claims recoverable -**

**Unsecured considered good - Rs. 4,22,50,405.**

(a) Noted. This amount will be adjusted in the current year.

(b) The Corporation is still hopeful of recovering 80 per cent of the claim viz. Rs. 12.14 lacs, the balance of 20 per cent being written off during 1972-73.

(c) **Due from Directors- Rs. 56,815.**



Necessary adjustment has already been made in the current year.

(d) The railways have since admitted the claim for Rs. 50,472.55.

**4. Current liabilities and provision - Schedule 'K' - Rs. 1,20,81,82,081 - provision for Taxation less Advance payment - Rs. 9,96,52,692.**

The explanatory comments are noted.

**5. Schedule' R' - Notes on the accounts for the year ended 31st March, 1973.**

(a) **Note 1(a) - Contingent Liabilities not provided for Noted for future guidance.**

(b) **Note 1(a)(i)**

(i) As the demands have been disputed by the Corporation and the cases are pending at various stages with the Excise Authorities, the amount has been correctly shown as contingent liability.

(ii) As the Corporation disputed its liability upto August 1973, the amount was classified as a contingent liability. Latest position will be reflected in the year 1973-74.

**6. Sale of products and transfers under Product Exchange - Rs. 9,98,02,73,573.**

(a) Necessary adjustments have been made on the basis of the statements duly certified by Chartered Accountants and in anticipation of Government's final acceptance, which is expected shortly.

(b) The adjustment was made under intimation to the Government. If the contention of the Corporation is ultimately rejected by the Government, necessary adjustment will be made in the current year.

**7. Main Installation charges received from other marketing companies- Rs. 1,53,60,025.**

The explanatory comments are noted.

**8. Depreciation and Amortisation - Rs. 13,78,40,112.**

Noted. This amount will be provided for during the current year.

**9. Non-provision of liabilities:**

Noted. These amounts will be provided for during the current year.

**10. Reserves & Surplus:**

**General Reserve Rs. 48,90,00,000.**

**Profit & Loss Account balance Rs. 15,050.**

The comments are noted.

For and on behalf of the Board of Directors

Sd/-

C. R. DAS GUPTA

Managing Director

(Refineries & Pipelines Division)

New Delhi,

Dated 17th December, 1973.



**STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956**

	<u>No. of Shares</u>	<u>Paid up Value</u>	
1. Shares in the subsidiary companies were registered in the names of the Company and its nominees as indicated:		<u>Rupees</u>	
Indian Oil International Limited (as at 31st March, 1973)	100	1,00,000	
2. Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's account so far as they concern the members of the Company are:			
	<u>31st March, 1973</u>	<u>Prior to 31st March, 1973</u>	
	<u>Rupees</u>	<u>Rupees</u>	
Indian Oil International Limited	1,14,057	1,11,218	
3. Net aggregate amount of the Profit of the subsidiary company as far as its Profits are dealt with in the Company's accounts are:			
	<u>31st March, 1973</u>	<u>Prior to 31st March, 1973</u>	
	<u>Rupees</u>	<u>Rupees</u>	
Indian Oil International Limited	20,000	—	
KAMALJIT SINGH Managing Director (Marketing)	C. R. DAS GUPTA Managing Director (Refineries & Pipelines)	P. R. K. MENON Director (Finance)	D. R. PURI Secretary



# **INDIAN OIL INTERNATIONAL LIMITED**

**REPORT OF THE BOARD OF DIRECTORS**

AND

**STATEMENT OF ACCOUNTS**

FOR THE YEAR ENDED 31st MARCH, 1973



**DIRECTORS**

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

Shri H. N. ROY CHOWDHURY

Shri S.C. GHOSE

Shri J. N. C. de SOUSA

**BANKERS**

STATE BANK OF INDIA

NEPAL BANK LIMITED

**AUDITORS**

Messrs. H. CHAKRABORTY,

R. BHATTACHARYYA & CO.

*Chartered Accountants,*

3, MANGOE LANE, WEST BLOCK,

CALCUTTA-700 001.

**KATHMANDU BRANCH AUDITORS**

Messrs. KUBER & COMPANY,

*Chartered Accountants,*

6/104, DHARMA PATH,

KATHMANDU, NEPAL.

**SECRETARY**

Shri M. L. TALWAR.

**REGISTERED OFFICE**

INDIANOIL BHAVAN,

JANPATH,

NEW DELHI-110001

**Directors' Report — 1972-73**

Your Directors have pleasure in presenting the Third Annual Report of Indian Oil International Limited along with financial statements for the year 1972-73.

The Third Financial Year of your Company ended on 31st March, 1973 covering a period of 12 months as against the previous accounting period for 15 months. During 1972-73 your Company has earned a profit of Rs. 2,68,043.68 before taxation and after making necessary provision for taxes, it amounts to Rs. 1,14,056.98 as against Rs. 1,21,615.60 during the 15 months' period in 1971-72.

A comparative statement of turnover, commission earned and profits made during the last year and during the year under review is given below:-

	<u>1971-72</u> (15 months)	<u>1972-73</u> (12 months)
(i) Turnover Sales Value {	63,432 KLs Rs. 386.81 lakhs	53,200 KLs Rs. 366.20 lakhs
(ii) Commission earned	Rs. 7.74 lakhs	Rs. 7.32 lakhs
(iii) Profit after taxation	Rs. 1.22 lakhs	Rs. 1.14 lakhs
(iv) Market participation	65%	65%

After carrying forward profit of Rs. 36,217 from last financial year, available surplus amounts to

Rs. 1,50,274.96. Your Directors have recommended its appropriation as under :-

	<b>Rs.</b>
(i) Transfer to General Reserve Fund	75,000.00
(ii) Provision for Dividend @ 20%	20,000.00
(iii) Additional Income Tax paid in Nepal for assessment years 1971-72 and 1972-73 over and above the provision made earlier	35,667.79
(iv) Balance to be carried forward	19,607.17
	<b>1,50,274.96</b>

Your Company took a loan of Rs. 2.50 lakhs from IOC with interest @ 10% per annum in the previous year to finance the purchase of assets taken over from them. At the end of the year under review, this loan amount stands reduced to Rs. 1.50 lakhs.

As was indicated in the last Annual General Meeting, your Company was keen to enter into Aviation business as well as start marketing LPG in Nepal but did not implement its plans in view of the proposal of His Majesty's Government of Nepal to canalise import of petroleum products through the state-owned Nepal Oil Corporation. This proposal has since been discussed between the delegations of the Government of India and His Majesty's Government of Nepal and details worked out. (A decision has since been taken that effective 17th August, 1973 your Company will



stop its operation in Nepal and all the trade facilities will be handed over to the Nepal Oil Corporation at book value).

After the last Annual General Meeting, Shri J. N. C. de Sousa was appointed as Director vice Shri C. M. Chitale, The Executive Director. Shri R. M. Basrur and other Directors, Sarvashri H. N. Roy Chowdhury and S. C. Ghose were reappointed.

The Management-workmen relations during 1972-73 were very cordial. Your Company received excellent cooperation and support from the Indian Oil Corporation at all levels.

Your Directors wish to place on record their appreciation for the valuable assistance rendered by them. Your Directors also wish to record their appreciation for the efficient service rendered by dealers in Nepal and the wholehearted cooperation extended by the officers and staff members of the Company.

For and on behalf of the Board,  
Sd/-  
(R. M. BASRUR)  
*Executive Director.*

*Dated: 13th July, 1973.*

*Analysis of the working results for the 3rd period from  
1st April, 1972 to 31st March, 1973.*

**I. STATEMENT OF SHARE HOLDERS' FUND** (in terms of thousands of Rupees)

**Composition:**

Share Capital	100	
Reserve & Surplus	170	
		<u>270</u>

**Invested as :**

Fixed Assets (net)	534	
Less: Loan	150	
		<u>384</u>

**Net Current Assets or Working Capital:-**

Current Assets	1,583	
Less: Current Liabilities	1,697	
		<u>(-) 114</u>
		<u>270</u>

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

<u>Sources</u>		<u>Applications</u>	
1. Trading profit retained (after taxation provision):		1. Repayment of loans	104
Net profit (after I.T. provision)	114	2. Purchase of Fixed Assets:	
Add: Depreciation	91	(a) Pumps & Equipments	329
	<u>205</u>	(b) Office Equipments	3
Less: Dividend	20	(c) Furniture & Fixture	2
	<u>185</u>		
2. Decrease in Working Capital	289	3. I. T. paid in Nepal out of retained earnings (in excess of provisions)	36
	<u>474</u>		
			<u>474</u>

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

	<u>Previous period</u>	<u>Current period</u>
Current Assets	3,395	1,583
Less: Current Liabilities	3,220	1,697
	<u>175</u>	<u>(-)114</u>
Working Capital		289
Decrease in Working Capital	-	
	<u>175</u>	<u>175</u>



**III. RATIOS** (calculations in terms of thousands of Rupees)

**(a) Primary :**

(i) Return on capital employed (before taxation):

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

$$\frac{114 + (15 + 139) + 15}{270 + 150} \times 100 = 68\%$$

(ii) Return on Proprietary Fund:

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

$$= \frac{114}{270} \times 100 = 42\%$$

**(b) Secondary :**

(i) Net Profit to Sales:

$$\frac{\text{Net profit}}{\text{Gross turnover (including commission)}} \times 100 = \frac{114}{38,186} \times 100 = .3\%$$

(ii) Capital Turnover:

$$\frac{\text{Gross turnover}}{\text{Capital employed}} = \frac{38,186}{419} = 91 \text{ times}$$

**(c) Subsidiary :**

(i) Current and Liquid Ratios:-

$$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{1,583}{1,697} = 0.93$$

$$\frac{\text{Liquid Assets}}{\text{Liquid Liabilities}} = \frac{1,583}{1,697} = .93$$

(ii) Debtors' Velocity:

$$\frac{\text{Debtors}}{\text{Net sales}} \text{ (in months)} = \frac{622}{36,620} \times 12 = .2 \text{ month}$$

**(d) Gross Profit Ratio :**

$$\frac{\text{Gross profit}}{\text{Gross sales}} \times 100 = \frac{1,565}{38,186} \times 100 = 4.1\%$$

**(e) Selling Expenses Ratio :**

$$\frac{\text{Selling expenses}}{\text{Gross sales}} \times 100 = \frac{843}{38,186} \times 100 = 2.2\%$$



**Audit Report for 1972-73**

H.CHAKRABORTY,  
R.BHATTACHARYYA & CO.  
Chartered Accountants.

Phone: 23-1744  
3, Mangoe Lane,  
West Block, Ground Floor,  
CALCUTTA-700 001.

- (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 accounts 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, annexed thereto, give the information required by the Companies Act, 1956, in the manner so required and on such basis;
  - (i) the said Balance Sheet gives a true and fair view of the state of affairs of the Company as at 31st March, 1973;
  - (ii) and the Profit & Loss Account gives a true and fair view of the profit for the year ended 31st March, 1973.

For and on behalf of  
H. CHAKRABORTY,  
R. BHATTACHARYYA & CO.  
*Chartered Accountants.*  
H. CHAKRABORTY  
*Partner*  
(3-7-1973)



**BALANCE SHEET AS AT 31ST MARCH, 1973**

Index

LIABILITIES	Figures for current year		15 months period ending 31-3-1972	
	Rs.	P.	Rs.	P.
<b>Share Capital:</b>				
Authorised 500 shares of Rs. 1,000 each			5,00,000.00	5,00,000.00
Issued, subscribed and fully paid-up 100 shares of Rs. 1,000 each (all the shares held by Indian Oil Corporation Ltd. or their nominees)			1,00,000.00	1,00,000.00
<b>Reserves and Surplus:</b>	Rs.	P.		
General Reserve	75,000.00			75,000.00
Add: Addition during the year	75,000.00			
		1,50,000.00		
Profit & Loss Account		19,607.17		36,217.98
			1,69,607.17	
<b>Secured Loans</b>				Nil
<b>Unsecured Loans</b>				
(From IOC towards pumps and equipment)			1,50,000.00	2,54,228.88
<b>Current Liabilities &amp; Provisions:</b>				
A. Current Liabilities:				
Indian Oil Corporation Ltd., Calcutta	11,51,080.63			27,96,713.30
Deposits for Retail Outlets and Dealership	1,27,922.75			1,02,051.38
Liabilities for Expenses .	33,420.52			60,501.89
Provision for Income-tax:				
Nepal Income-tax-1972-73	1,38,986.70			
Indian Income-tax-1972-73	15,000.00			
Indian Income-tax-1970 & 1971-72	22,786.00			1,71,711.05
		1,76,772.70		
Proposed Dividend		20,000.00		20,000.00
Other Liabilities		1,88,223.14		68,976.78
B. Provisions		Nil		Nil
			16,97,419.74	
<b>Contingent Liability:</b>				
No provision has been made for future gratuities as the amount is not ascertained.				
<b>TOTAL</b>			21,17,026.91	36,85,401.26

Signed in terms of our Report of even date

For and on behalf of

**H. CHAKRABORTY, R. BHATTACHARYYA & CO.**

Chartered Accountants.

H. CHAKRABORTY

Partner.

3, Mangoe Lane, Ground Floor,

West Block, Calcutta-700 001.

3rd July, 1973



**BALANCE SHEET AS AT 31ST MARCH, 1973 Contd...**

Index

LIABILITIES	Figures for current year				15 months period ending 31-3-1972	
	Rs.	P.	Rs.	P.	Rs.	P.
<b>Fixed Assets:</b>	6,84,199.40				2,90,668.53	
(as per Schedule 'A' attached)						
Less: Depreciation to date	<u>1,50,587.64</u>					
			5,33,611.76			
<b>Investments</b>			Nil			Nil
<b>Current Assets, Loans and Advances:</b>						
A. Current Assets:						
Sundry Debtors:						Nil
(Unsecured considered good debts as on 31st March, 1973 and maximum amount of debt during the year due by Directors and Officers - Nil)						
		Rs. P.				
(a) Outstanding for more than six months		13,431.05				74,906.98
Less: Provision for bad debts		<u>6,108.19</u>				
			7,322.86			
(b) Other debts		6,14,245.63				12,09,810.43
(c) Indian Oil Corporation Ltd. for commission receivable		2,22,004.38				5,58,334.90
<b>Cash and Bank Balances:</b>		Rs. P.				
S.B.I., Calcutta		45,145.28				45,145.28
With Nepal Branch		<u>6,82,107.05</u>				14,99,227.20
			7,27,252.33			
B. Loans and Advances:						
Advances & Deposits (Advances recoverable in cash or in kind or value to be received)		<u>12,589.95</u>				7,307.94
			15,83,415.15			
<b>Miscellaneous Expenditure</b>					Nil	Nil
<b>TOTAL</b>			<u>21,17,026.91</u>		<u>36,85,401.26</u>	

M. L. TALWAR,  
Secretary.

N. S. SHIVANANDA,  
Chief Accounts Officer.

R. M. BASRUR  
H. N. ROY CHOWDHURY }  
S. C. GHOSE }  
J. N. C. de SOUSA } Directors.



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1ST  
APRIL, 1972 TO 31ST MARCH, 1973**

	current year		15 months period ending 31-3-1972	
	Rs.	P.	Rs.	P.
To Delhi Office Maintenance expenses	332.59			Nil
" Honorarium to Asstt. Secretary	900.00			Nil
" Entertainment Expenses	449.78			Nil
" Audit fee	2,250.00		2,250.00	
" Consultation fee	Nil		200.00	
" Provision for Indian Income-tax	15,000.00		15,000.00	
" Net profit after taxation provisions - c/d	1,14,056.98		1,21,615.60	
	<u>1,32,989.35</u>		<u>1,39,065.60</u>	
To General Reserve	75,000.00		75,000.00	
" Proposed Dividend	20,000.00		20,000.00	
" Income-tax paid in excess of provision in Nepal	35,667.79		Nil	
" Balance transferred to Balance Sheet	19,607.17		36,217.98	
TOTAL	<u>1,50,274.96</u>		<u>1,31,217.98</u>	

Signed in terms of our Report of even date  
For and on behalf of

H. CHAKRABORTY, R. BHATTACHARYYA & CO.  
*Chartered Accountants.*  
H. CHAKRABORTY  
*Partner.*

M. L. TALWAR,  
*Secretary.*

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

3, Mangoe Lane, Ground Floor.  
West Block, Calcutta-700 001.  
3rd July, 1973.



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1ST  
APRIL, 1972 TO 31ST MARCH, 1973 Contd...**

	current year		15 months period ending 31-3-1972	
	Rs.	P.	Rs.	P.
By Profit (after Nepal Tax) from Kathmandu Office - as per Schedule 'B'	1,32,989.35		1,39,065.60	
	<u>1,32,989.35</u>		<u>1,39,065.60</u>	
By Net Profit after taxation provision - b/d	1,14,056.98		1,21,615.60	
" Profit and Loss Account as per last Balance Sheet	36,217.98		9,602.38	
<b>TOTAL</b>	<u>1,50,274.96</u>		<u>1,31,217.98</u>	

NOTES :-

(1) Auditors' fees	HO and Calcutta Branch		Nepal Branch	
	Rs.	P.	Rs.	P.
(a) Auditfee	2,250.00		2,155.95	
(b) Other capacity	Nil		179.00	
	<u>2,250.00</u>		<u>2,334.95</u>	

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

R. M. BASRUR  
 H. N. ROY CHOWDHURY } Directors.  
 S. C. GHOSE }  
 J. N. C. de SOUSA }



**SCHEDULE 'A' FIXED ASSETS**

(All figures) in IC) 100 IC = 139.15 NC.

	Gross Block as at 31-3-1972 at cost	Additions during the year at cost	Gross Block as at 31-3-1973 at cost
	Rupees	Rupees	Rupees
OFFICE CAR	30,901.90	Nil	30,901.90
FURNITURE AND FIXTURES	23,713.71	2,536.53	26,250.24
OFFICE EQUIPMENTS	14,258.55	3,054.27	17,312.82
PUMPS & EQUIPMENTS	2,81,117.55	3,28,616.89	6,09,734.44
<b>TOTAL</b>	<b>3,49,991.71</b>	<b>3,34,207.69</b>	<b>6,84,199.40</b>

Signed in terms of our Report of even date

For and on behalf of  
H. CHAKRABORTY, R. BHATTACHARYYA & CO.  
*Chartered Accountants.*  
H. CHAKRABORTY  
*Partner.*

M. L. TALWAR,  
*Secretary.*

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

3, Mangoe Lane, Ground Floor.  
West Block, Calcutta-700 001.  
3rd July, 1973.



**SCHEDULE 'A' FIXED ASSETS Contd...**

(All figures) in IC) 100 IC = 139.15 NC.

Depreciation upto 31-3-1972	Depreciation provided during the year	Total depreciation upto 31-3-1973	Net depreciated block as at 31-3-1973	Comparative figures for the year ending 31-3-1972
Rupees	Rupees	Rupees	Rupees	Rupees
10,043.12	4,171.76	14,214.88	16,687.03	20,858.78
3,874.49	2,185.11	6,059.60	20,190.64	19,839.22
4,291.62	3,256.20	7,547.82	9,765.00	9,966.93
41,113.95	81,651.39	1,22,765.34	4,86,969.09	2,40,003.60
59,323.18	91,264.46	1,50,587.64	5,33,611.76	2,90,668.53

R. M. BASRUR  
 H. N. ROY CHOWDHURY } *Directors.*  
 S. C. GHOSE }  
 J. N. C. de SOUSA }



**SCHEDULE - "B" PROFIT FROM NEPAL BRANCH (Conversion rate Rs. 100 IC = 139.15 NC –same in last year)**

Index

	Year ending 31-3-1973				15 months period ending 31-3-1972			
	NC		IC		NC		IC	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
<b>REVENUES</b>								
<b>Sales</b>	5,09,56,497.59		3,66,19,833.41		5,38,24,551.13		3,86,80,956.61	
Selling and distribution commission	11,59,819.14		8,33,502.81		13,92,953.41		10,01,044.50.	
Commission on sales	10,19,129.94		7,32,396.66		10,76,490.00		7,73,618.40	
	<u>5,31,35,446.67</u>		<u>3,81,85,732.88</u>		<u>5,62,93,994.54</u>		<u>4,04,55,619.51</u>	
Less: Cost of sales (opening and closing stock Nil)	5,09,56,497.59		3,66,19,833.41		5,38,24,551.13		3,86,80,956.61	
<b>GROSS PROFIT</b>	21,78,949.08		15,65,899.47		24,69,443.41		17,74,662.90	
Add: Licencefee on pumps	634.61		456.06		619.24		445.02	
Add: Miscellaneous receipts	201.98		145.15		11.66		8.38	
Add: Profit on conversion	1,383.40		994.18		–		–	
	<u>21,81,169.07</u>		<u>15,67,494.86</u>		<u>24,70,074.31</u>		<u>17,75,116.30</u>	
<b>Less: Expenses:</b>								
Salaries and wages	2,03,555.72		1,46,285.10		2,16,487.37		1,55,578.42	
Staff welfare expenses	2,241.62		1,610.94		2,140.80		1,538.48	
Telegrams, Telex, Telephones and Postages	26,896.51		19,329.15		16,701.86		12,002.77	
Travelling expenses	53,991.08		38,800.64*		46,294.00		33,269.13	
Office maintenance expenses	14,272.29		10,256.77		9,025.02		6,485.82	
Printing & Stationery	13,043.92		9,374.00		11,517.94		8,277.36	
Office and House rent	37,335.10		26,830.83		37,663.05		27,066.51	
Entertainment expenses	8,556.30		6,148.98		5,446.20		3,913.91	
Conveyance expenses	6,717.60		4,827.60		5,237.40		3,763.85	
Miscellaneous expenses	2,467.37		1,773.17*		3,684.38		2,647.78	
Insurance	1,146.08		823.63		1,042.37		749.10	
Motor car maintenance expenses	6,561.47		4,715.39		3,183.91		2,288.11	
Audit fee	3,000.00		2,155.95		3,000.00		2,155.95	
Legal and consultation fee	450.00		323.39		475.00		341.36	
Bankcharges	59,764.86		42,949.95		68665.49		49,346.38	
Depreciation	1,26,994.49		91,264.46		76,099.55		54,688.86	
Interest on Loans	20,872.50		15,000.00		32,159.44		23,111.35	
Modernisation expenses of Retail outlets	–		–		55,600.00		39,956.88	
Repairs and maintenance of pumps ..	15,955.23		11,466.21		10,176.16		7,313.09	
Advertisement and sales promotion expenses	14,956.74		10,748.65		13,357.56		9,599.40	
Honorarium to Executive Director	2,504.72		1,800.01		1,349.59		969.88	
Selling and distribution expenses	11,72,931.24		8,42,925.80		14,29,781.10		10,27,510.68	
Devaluation loss	22,238.06		15,981.36		22,238.06		15,981.36	
Provision for bad debts	8,499.54		6,108.19		–		–	
Loss on conversion	–		–		1,914.96		1,376.18	
Provision for Nepal Income tax	1,93,400.00		1,38,986.70		1,99,150.00		1,43,118.94	
	<u>19,96,114.38</u>		<u>14,34,505.51</u>		<u>22,72,391.21</u>		<u>16,33,051.55</u>	
<b>NET PROFIT (After providing Nepal Income Tax)</b>	1,85,054.69		1,32,989.35		1,97,683.10		1,42,064.75	
Less: Expenses pertaining to previous year	–		–		4,173.32		2999.15	
Balance transferred to Profit & Loss Account	1,85,054.69		1,32,989.35		1,93,509.78		1,39,065.60	



**SCHEDULE "B"- Contd.**

- \* (1) Travelling expenses include Rs. 843.69 (IC) (*previous year Rs. 886.42 (IC)*) paid to Nepal Auditors in the capacity as Auditors and Nil in other capacities.
- (2) Miscellaneous expenses include Rs. NIL (IC) *Previous year 266.50 (IC)* which is in the nature of Entertainment expenses.

**Notes on Accounts:**

1. Previous year's figures have been suitably regrouped wherever necessary.
2. The profit of this period is not comparable with the profit of the last period, as the accounts of the last period were prepared for 15 months as against 12 months in this period.
3. Advance and Deposits include Rs. 171.05 prepaid expenses, Rs. 1,077.97 Margin for Guarantee letter, and the balance represents Deposits for Telex, Office and Staff Quarters.
4. Other Liabilities include Rs. 1,36,270.57 credits by SBI apparently not relating to IOIL, Rs. 39,105.28 Advance from customers and Rs. 12,847.29 Advance towards Custom Duty by N.C.C.N.
5. Provision for other expenses includes Rs. 18,489.10 relating to 1971-72.
6. Sundry Directors outstanding for more than six months include Rs. 6,108.19 disputed for shortages etc. which has been provided for as bad debt. All the other debts represent tank wagons not released by 31-3-73 which have been fully collected and paid to IOC in April, 1973.
7. Pumps and Equipments include Rs. 939 (pending adjustment) cost of Civil Construction on a pump site from which pump has been removed to another site.
8. Cash and Bank balances in Nepal Branch consist of:

	Rs.
Cashinhand	1,557.10
Nepal Bank - Current Account	7,107.82
Nepal Bank- Collection Account	18,947.82
State Bank of India (Raxaul, Siliguri, Basti, Calcutta)	6,54,494.31
	6,82,107.05

Signed in terms of our report of even date

For and on behalf of  
H. CHAKRABORTY, R. BHATTACHARYYA & CO.  
*Chartered Accountants.*

H. CHAKRABORTY,  
*Partner.*

3 Mangoe Lane,  
Ground Floor,  
West Block, Calcutta-700 001.

M. L. TALWAR,  
*Secretary.*

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

R. M. BASRUR  
H. N. ROY CHOWDHURY  
S. C. GHOSE  
J. N. C. de SOUSA

} *Directors.*

3rd July, 1973.



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

No. 3973/LA-COD/Pt. IV/ NS / 72-73.

**OFFICE OF THE  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT, EASTERN REGION 1,  
COUNCIL HOUSE STREET.**

CALCUTTA, 23 July, 1973.

FROM

THE MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT, EASTERN REGION,  
CALCUTTA.

TO

Shri R. M. Basrur,  
Executive Director  
Indian Oil International Ltd.  
Calcutta-700 016.

*Subject :-* Comments of the Comptroller & Auditor General of India under section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil International Ltd. for the year ended 31st March, 1973.

SIR,

I am to state that the Comptroller & Auditor General of India has decided not to review the Report of the Statutory Auditors for the year ended 31st March, 1973 and as such he has no comments to make under section 619(4) of the Companies Act, 1956.

The receipt of the letter may please be acknowledged.

Yours faithfully,  
Sd/

**(C. J. MALKANI)**

Member, Audit Board & Ex-officio  
Director of Commercial Audit,  
Calcutta,

