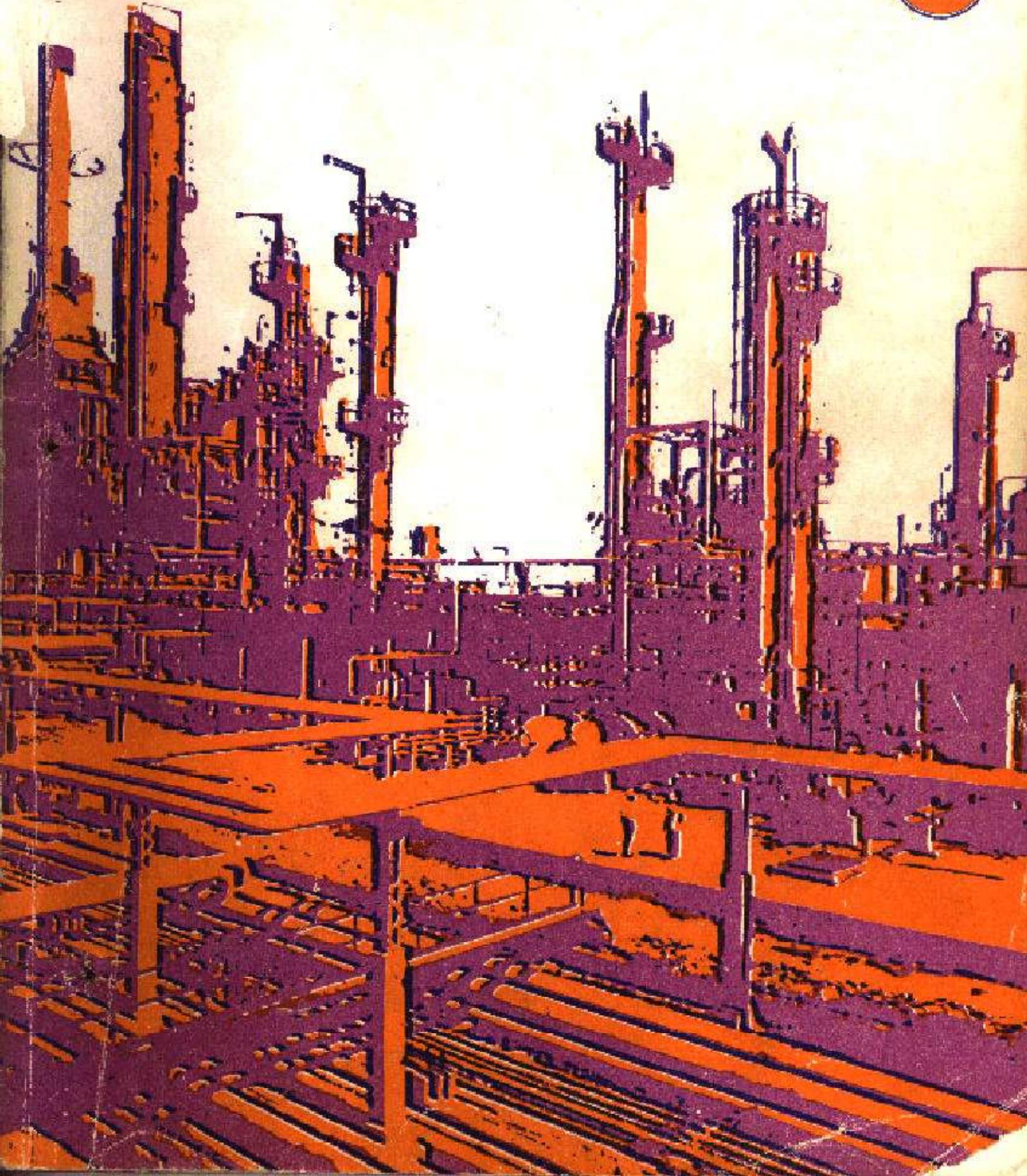


# Annual Report 1980-81 Indian Oil Corporation Limited



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## INDIANOIL UNITS

### CHAIRMAN'S OFFICE :

IndianOil Bhavan,  
Janpath, New Delhi - 110 001

### MARKETING DIVISION :

Head Office :  
254-C, Dr Annie Besant Road, Prabhadevi,  
Bombay - 400 025

### REGIONAL OFFICES:

Western Regional Office,  
keshavrao Khadye Marg,  
Mahalaxmi, Bombay - 400 034

Northern Regional Office,  
Indian Oil Bhavan, Janpath  
New Delhi - 110 001

Eastern Regional Office,  
1, Shakespeare Sarani,  
Calcutta - 700 071

Southern Regional Office,  
738, Annasalai,  
Madras - 600 002.

### Refineries & Pipelines Division

#### Head Office :

Indian Oil Bhavan, Janpath,  
New Delhi - 110 001

### REFINERIES:

#### Gauhati

P.O. Noonmati,  
Gauhati 781 001 (Assam)

#### Barauni

P.O. Barauni Oil Refinery  
Dist. Begusarai 851 114 (Bihar)

#### Gujarat

P.O. Jawaharnagar  
Dist. Vadodra 390 001 (Gujarat)

#### Haldia

P.O. Haldia Refinery  
Dist Midnapur - 721 606 (West Bengal)

#### Mathura

25, Gurunanak Nagar,  
Mathura (U.P.) 281 005

### PIPELINES:

#### Pipelines Office:

'Kailash', 8th Floor,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001

#### Koyali-Ahmedabad Product Pipeline

Gujarat Refinery  
P.O. Jawaharnagar  
Dist. Vadodra 390 001  
(Gujarat)

#### Gauhati-Silliguri Product Pipeline

Gauhati Refinery,  
P.O. Noonmati, Gauhati 781 020  
(Assam)

#### Barauni-Kanpur Product Pipeline

Barauni Refinery,  
P.O. Barauni Oil Refinery,  
Dist. Begusarai 851 114  
(Bihar)

#### Haldia - Barauni-Haldia-Mourigram-Rajbandh (Combined) Pipeline

Haldia Refinery,  
P.O. Haldia Refinery  
Dist. Midnapur 721 606, (West Bengal)

#### Salaya-Viramgam-Koyali-Mathura Crude Pipeline

Salaya-Mathura Pipeline Project,  
Salaya, Vadinar, Dist. Jamnagar 361010.  
(Gujarat)

### R&D CENTRE :

Sector 13, Faridabad 121 002 (Haryana)

### INDIAN OIL BLENDING LIMITED

(A wholly owned subsidiary  
of Indian Oil Corporation Limited)

#### Registered Office:

Pir Pau, Trombay,  
Bombay 400074

#### LUBE PLANTS:

Piru Pau, Trombay,  
Bombay 400074

P.68 C.G.R. Diversion Road Paharpur,  
Calcutta 700043



**BOARD OF DIRECTORS**

C.R. Das Gupta

S. Ketharaman

T.K. Sinha

K.L. Goel

S.L. Khosla

R.H.M. D'Silva

Nitin Desai

Dr. Nilay Chaudhuri

R. Vasudevan

**SECRETARY**

D.B. Puri

**BANKERS :**

State Bank of India

**JOINT AUDITORS**

M/s Price Waterhouse & Co.

M/s Lodha & Co.

M/s S.R. Batliboi & Co.

**BRANCH AUDITORS**

M/s R. Singhi & Co.

M/s Jagdish Chand & Co.

M/s Jain Kapila Associates

M/s S. Venkataram & Co.

M/s K. Gnananandulu & Co.

M/s. D.S. Talwar & Co.

**REGISTERED OFFICE:**

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



## **NOTICE**

Notice is hereby given that the 22nd 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 14.30 hours on 24th September, 1981 to transact the following business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account and Report of the Auditors and Directors thereon for the financial year ended 31st March, 1981.
2. To declare dividend

By order of the Board,  
D.B. PURI  
Secretary

Bombay, dated 24th August, 1981

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



**DIRECTORS' REPORT**

**1980-81**

To,

THE SHAREHOLDERS OF  
INDIAN OIL CORPORATION LIMITED

Gentlemen,

Your Directors have pleasure in placing before you the 22nd Annual Report on the working of the Corporation for the financial year ending 31st March, 1982, together with the audited accounts. The financial highlights are as under:

(Rs. Crores)

	1980-81	1979-80
<b>Turnover</b>	5,710.94	4,476.35

**Profits :**

Profit before interest payments, depreciation and tax	238.46	184.20
Interest payments	73.17	4.95
Depreciation	57.14	51.57
Profit before tax	108.15	127.68
Tax Provision	27.50	54.25
Profit after tax	80.65	73.43
Development Rebate written back	23.00	19.40
Disposable Profit	103.66	92.84

**Appropriations :**

Proposed dividend	11.50	9.86
Investment Allowance Reserve	24.00	3.50
Insurance Reserve Account	0.10	0.10
General Reserve	68.05	79.37
Balance carried forward	—	—

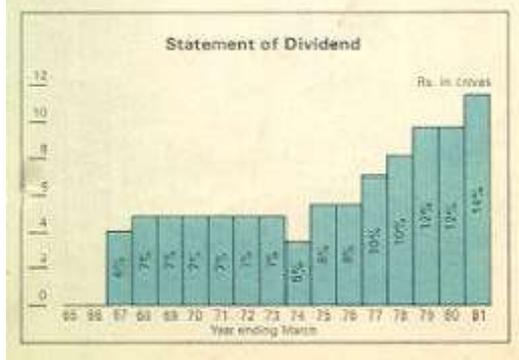
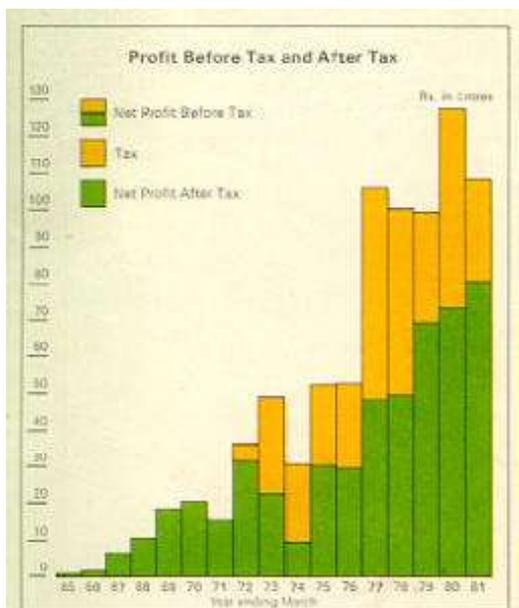
(Rupees in thousands only)

**Turnover**

Your Corporation's turnover increased by 27.6% to reach Rs. 5,710.94 crores during 1980-81, registering a rise of Rs. 1,234.59 crores over the previous year. The Corporation continues to retain its leadership in the petroleum industry with a market participation of 59.3% as against 60.8% in the previous year.

**Profits :**

Pre-tax profit declined from Rs. 127.68 crores to Rs. 108.15 crores mainly on account of shut-down of Barauni Refinery for 10 months during the year due to the Assam agitation. Post-tax profit has increased from



Rs. 73.43 crores to Rs. 80.65 crores on account of reduction in the income-tax liability for the year due to tax reliefs available on account of commissioning of Viramgam-Mathura Pipeline at an investment of Rs. 112.30 crores.

**Dividend:**

Your Directors have recommended the payment of dividend @ 14% as against 12% dividend paid for the previous year. The dividend will absorb an amount of Rs. 11.50 crores out of surplus of Rs. 103.66 crores including Development Rebate Reserve written back amounting to Rs. 23 crores.

**Bonus Shares:**

A proposal in principle to issue bonus shares in the ratio of one bonus share for every two shares by capitalising a sum of Rs. 41.09 crores from the General Reserve has been approved by your Directors subject to the compliance of the provisions of the Companies Act and approval of the Government. These bonus shares will rank pari passu with the existing shares for dividend as and when declared for the financial year 1981-82.

**Contribution to Exchequer :**

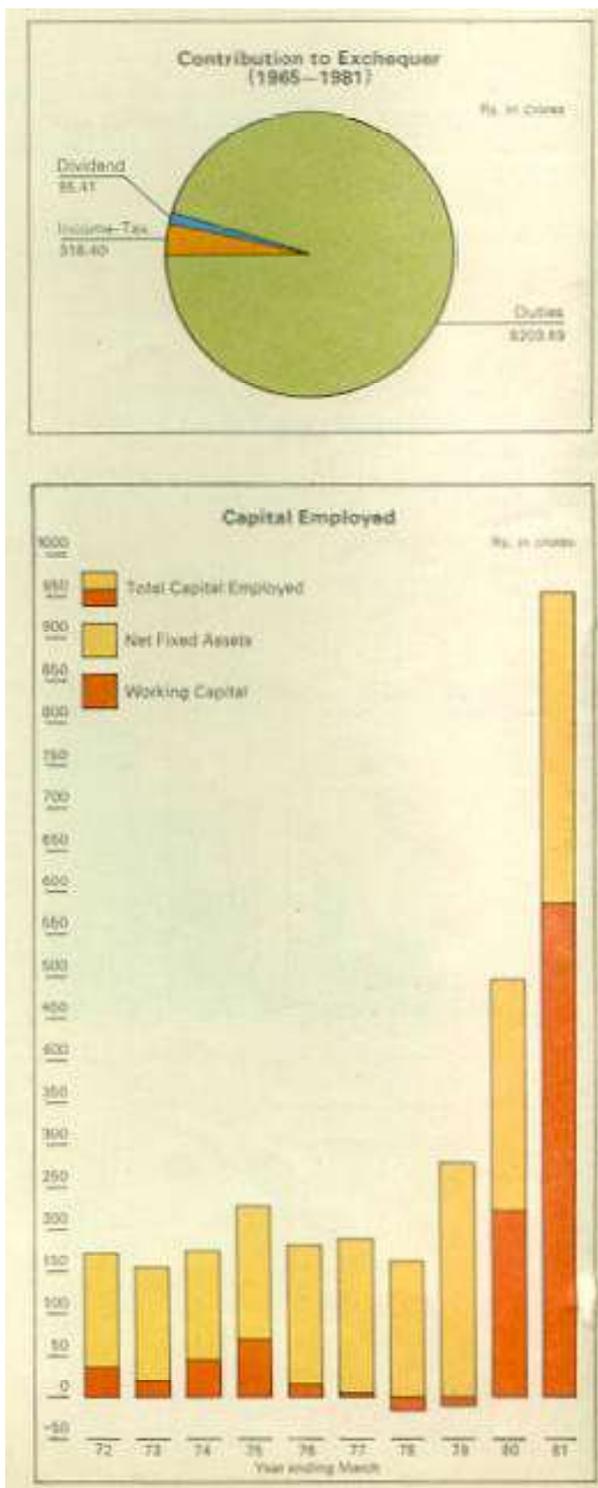
During the year, your Corporation has contributed Rs. 890.19 crores to the Exchequer in the form of duties and income-tax in addition to the proposed dividend of Rs. 11.50 crores.

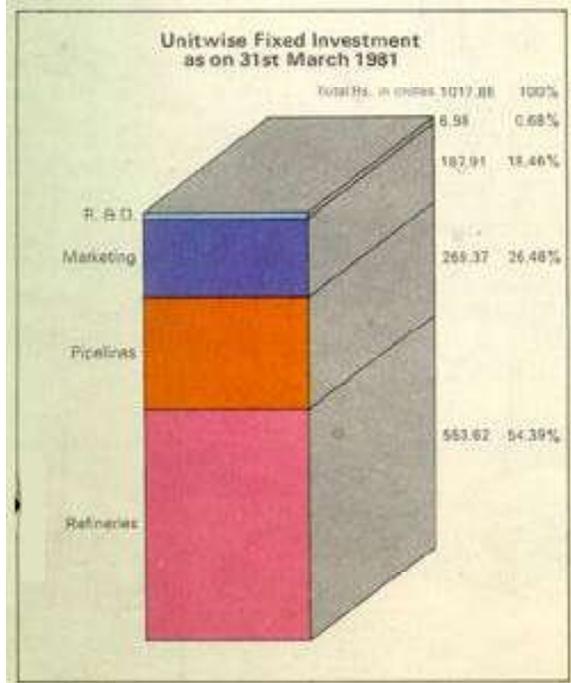
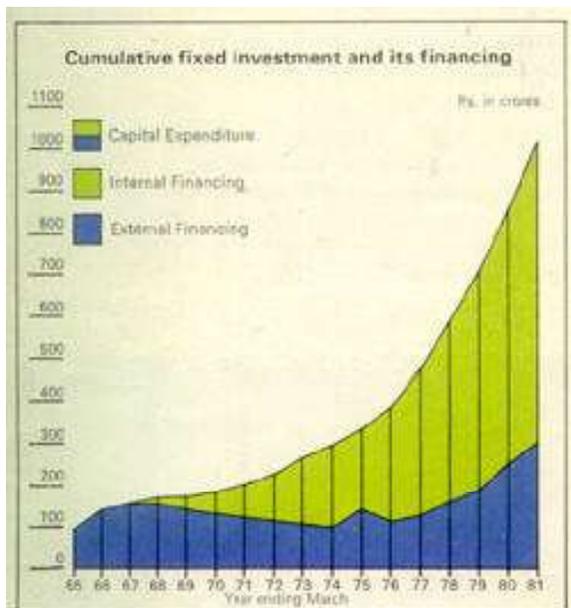
**Cash Management:**

Your Corporation continued to have difficult cash position throughout the year. In addition to the accumulation of deficit in the pool accounts, there has been a substantial increase in the inventories particularly of crude oil for the line fill of viramgam-Mathura pipeline which was commissioned during the year. Increase in prices of crude oil and products further accentuated the fund position due to higher working capital requirements, your Corporation had to obtain additional cash credit accommodation from the State Bank of India. Borrowings from the bank at the year end were Rs. 527.44 crores as against Rs. 211.11 crores overdraft at the end of previous year. Your Corporation had also drawn a loan of Rs. 225 crores in the beginning of the year from the Life Insurance Corporation of India out of which Rs. 205 crores were paid back in February, 1981.

**Public Deposit Scheme :**

During the year, your Corporation has introduced





schemes for soliciting public deposit in accordance with Companies (Acceptance of Deposit) Rules, 1975 and on the terms and conditions approved by the Central Government. An amount of Rs. 11.14 crores has been collected during the year under this scheme covering 14,110 depositors.

**Financing of Investment:**

Your Corporation had budgeted a capital expenditure of Rs. 168.41 crores for the year. Actual capital expenditure of Rs. 162.75 crores was incurred during the year bringing the total investment in fixed assets to Rs. 1,017.88 crores. To meet the capital expenditure of Rs. 162.75 crores, Rs. 65.61 crores were borrowed from Government of India and Oil Industry Development Board. Balance amount of Rs. 97.14 crores was financed from internal resources. Your Corporation plans to invest Rs. 179.55 crores during 1981-82 on various projects under construction mainly from internal resources.

**REFINERIES**

**Operations**

During the year 1980-81, the four operating refineries at Gauhati, Barauni, Gujarat and Haldia processed 10.425 million tonnes of crude oil as against 12.137 million tonnes in 1979-80, resulting in shortfall of 14%, compared to the last year. This shortfall was mainly due to the adverse impact of continued Assam agitation on the operations of Gauhati and Barauni Refineries and the reduced availability of crude oil to Haldia Refinery. The comparative picture of the designed capacity and the actual throughput of the four refineries during the last three years is as under:

*(Throughput figures in MMTs)*

Refinery	1978-79	1979-80	1980-81	Designed Capacity
Gauhati	0.825	0.646	0.639	0.750
Barauni	2.661	2.285	0.504	3.000
Gujarat	5.251	6.714	6.974	6.000
Haldia	2.213	2.492	2.308	2.500
<b>Total</b>	<b>10.950</b>	<b>12.137</b>	<b>10.425</b>	<b>12.250</b>

The Refinery-wise operations during 1980-81 are briefly described below:

**Gauhati:**

The refinery operations suffered for the second year in succession due to disturbed conditions in Assam.



### **Barauni :**

The supplies of crude oil to this Refinery suspended since 27th December, 1979 due to the Assam agitation could be resumed on regular basis from 28th January 1981 only and the various processing units were started progressively thereafter.

### **Gujarat :**

The crude throughput improved over the last year. 0.39 MMT of Bombay High Crude was processed during the year as against 0.18 MMT during the last year.

### **Haldia :**

Crude intake during the year 1980-81 was lower than the level achieved during the preceding year

mainly due to lower supplies of crude in the later part of the year. The production of Bitumen and Carbon Black Feedstocks was substantially increased during the year to improve the indigenous availability of these products.

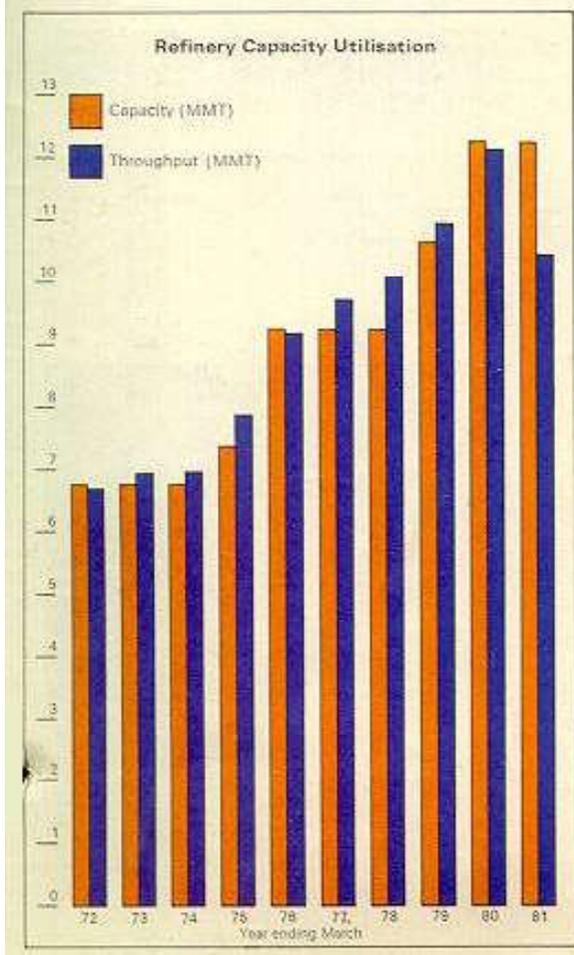
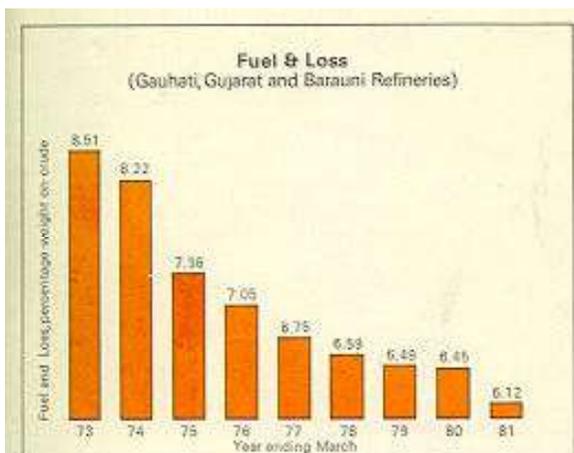
### **AUGMENTATION OF FACILITIES AT OPERATING REFINERIES**

#### **Barauni Refinery**

Additional storage capacity and loading facilities have been created with the commissioning of 2 Nos. of Horton Spheres each of 300 M<sup>3</sup> for LPG and new tank truck loading gantry. In addition, new Cooling Towers have been commissioned for more efficient circulating water system in the Refinery.

*A view of Gujarat Refinery*





**Gujarat Refinery :**

Additional storage capacity has been added with the installation of 2 new crude oil tanks for Bombay High Crude and 1 Horton Sphere of 1500 M<sup>3</sup> for LPG.

**Haldia Refinery :**

Haldia Port which has a single oil jetty handles the crude oil requirements for Haldia Refinery and the imported/coastally moved products for eastern region. Alternative facilities by laying over 3 KMs of 24"/18" pipelines for handling receipt of crude oil and products at Ore Berth have been put up on priority basis to ensure uninterrupted flow of crude and products to eastern sector and for any emergency arising out of the possible failure of the existing oil jetty. During the shut-down of Barauni Refinery, Haldia Refinery besides its own production was able to handle increased quantum of petroleum products, both coastal as well as imported, for distribution in eastern sector, Bihar and UP with the help of additional facilities at Ore Jetty.

**ENERGY CONSERVATION**

Your Corporation has laid considerable emphasis on the conservation of fuel and reduction of hydrocarbon losses at its operating refineries since the abnormal hike in the crude oil price. Savings of approximately 20,000 MTs per annum valued at Rs. 3 crores have been achieved on the basis of measures already taken in the form of reduction in fuel and loss. With a view to reducing the fuel consumption further new energy conservation studies were undertaken regarding the heater efficiencies during the year. Based on the studies, it is planned to replace furnaces of lower thermal efficiencies of Crude Distillation Units of Gujarat and Barauni Refineries in a phased manner. It has been decided to install a waste heat boiler in Coke Calcination Unit of Barauni Refineries to recover waste heat from fuel gases for steam generation. Implementation of these projects would result in substantial savings in fuel consumption.

**MAINTENANCE**

The Maintenance and Inspection Department continued to provide technical back-up service to the Refinery and Pipelines Units for maximising equipment availability. The technical assistance from the Central Maintenance and Services Organisation of Engineers India Limited continued to be availed in the field of metallurgy, corrosion and refractories. Effective liaison was maintained with organisations like M/s Bharat Heavy Electricals Limited and others to obtain timely



expertise for overhaul/repair of turbo-generator sets, compressors and other equipment. With a view to establishing uniformity in our approach to maintenance and inspection problems' Indian Oil Code of Maintenance Practices' is under compilation. The Corporation actively participated in the Technical Development Committee for development of indigenous vendors to achieve import substitution and self-reliance.

### PIPELINES

Overall capacity utilisation of all the product pipelines owned by your Corporation was 100.4% against the targeted throughput, and 81.8% with reference to the installed capacity. Salaya-Viramgam,-Koyali Crude Pipeline utilisation was 110.5% of the targeted and installed capacity. Viramgam-Mathura Crude Pipeline was commissioned on 25th March, 1981 with an installed capacity of 7 million MTs.

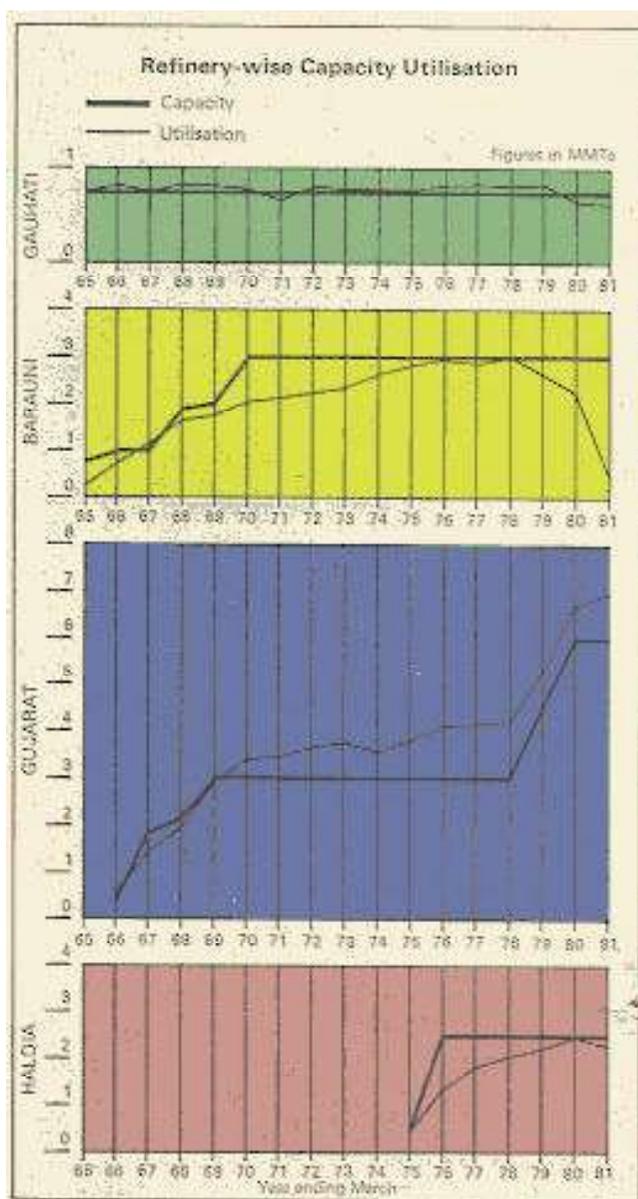
The performance of the pipeline network in 1980-81 vis-a-vis previous two years in indicated below:

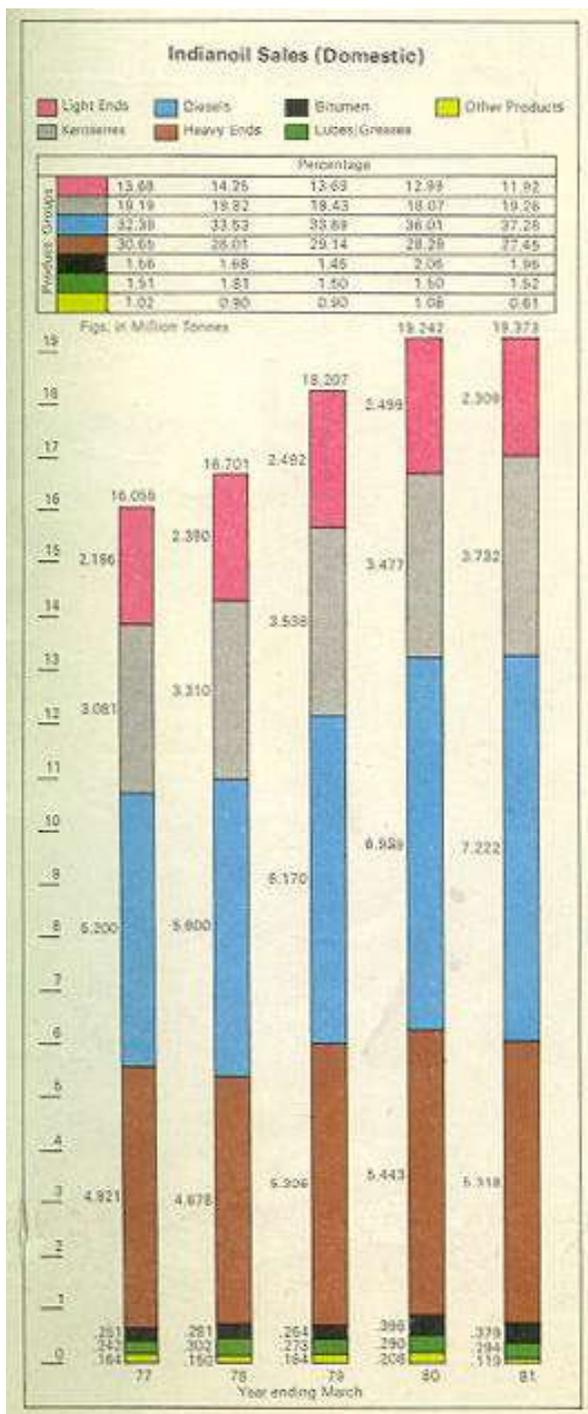
Pipelines (Products/Crude)	Year	(Figures in '000 MTs)	
		Targets	Actual throughput
Koyali-Ahmedabad Product Pipeline	1978-79	800	870
	1979-80	908	905
	1980-81	900	928
Gauhati-Silliguri Product Pipeline	1978-79	403	367
	1979-80	280	281
	1980-81	250	262
Barauni-Kanpur Product Pipeline	1978-79	1800	1615
	1979-80	1511	1457
	1980-81	1000	933@
Haldia-Barauni- Haldia-Mourigram Rajbandh (Combined)	1978-79	1439	1520
	1979-80	1730	1858
	1980-81	2500	2556
Salaya-Viramgam- Koyali Crude Oil Pipeline	1978-79	—	1221*
	1979-80	2764	3012
	1980-81	3000	3347
Viramgam-Mathura Crude Oil Pipeline	1980-81	225	218**

@ Lower throughput is due to shut-down of Barauni Refinery on account of the Assam Agitation.

\* Commissioned on 5.9.1978.

\*\* Commissioned on 25.3.1981.





**MARKETING**

Your Corporation was geared to make optimum utilisation of facilities to ensure economic and equitable distribution of POL in the industrial and agricultural sectors.

**SALES**

The sale of petroleum products in the country between the marketing companies continues to be regulated by the Sales Plan concept introduced by the Government to discipline the marketing activities.

The demand of petroleum products during the year 1980-81 was projected at 33.614 million tonnes of which IOC's sales plan entitlement was 19.804 million tonnes with a market participation of 58.9% Due to lower materialisation of demand at 30.94 million tonnes, indicating an increase of 3% over the previous year, IOC sales during the year 1980-81 were 18.345 million tonnes with a market participation of 59.3% against 60.8% in the previous year. The decline in the IOC's market participation was due to Government policy to increase the market share of other oil companies.

**RETAIL DISTRIBUTION & SOCIAL OBJECTIVES**

Special attention continues to be given to Retail distribution System which is vital to the Public at large. During the year 1980-81, 98 new retail outlets were commissioned. The total number of retail outlets in operation at the end of the year 1980-81 stood at 4,400. Similarly, at the end of 1980-81, there were 2,299 SKO/LDO dealerships in operation.

Towards achieving our social objectives, a revised dealership/distributorship policy was introduced in July/August, 1980, which inter alia, provides for reservation on an Industry and Statewise basis for 25% to SC/ST candidates, 10% for Defence personnel disabled in war, and war widows, 10% for physically handicapped persons, 25% to unemployed engineers/graduates, the joint income of whose parents does not exceed Rs. 15,000 per annum and balance 30% for general public on commercial considerations.

The number of retail outlet dealerships, SKO/LDO dealerships and Indane (LPG) distributorships in operation under the various categories as at the end of March 1981 was as follows:



	UEG Defence	SC/ST	PHOthers		
i) Retail Outlet Dealerships	135	93	82	4	4086
ii) SKO/LDO dealerships	63	288	71	5	1872
iii) Indane (LPG) distributorships	68	192	31	2	172
	<u>266</u>	<u>573</u>	<u>184</u>	<u>11</u>	<u>6130</u>

### Rural & Agriculture Sector

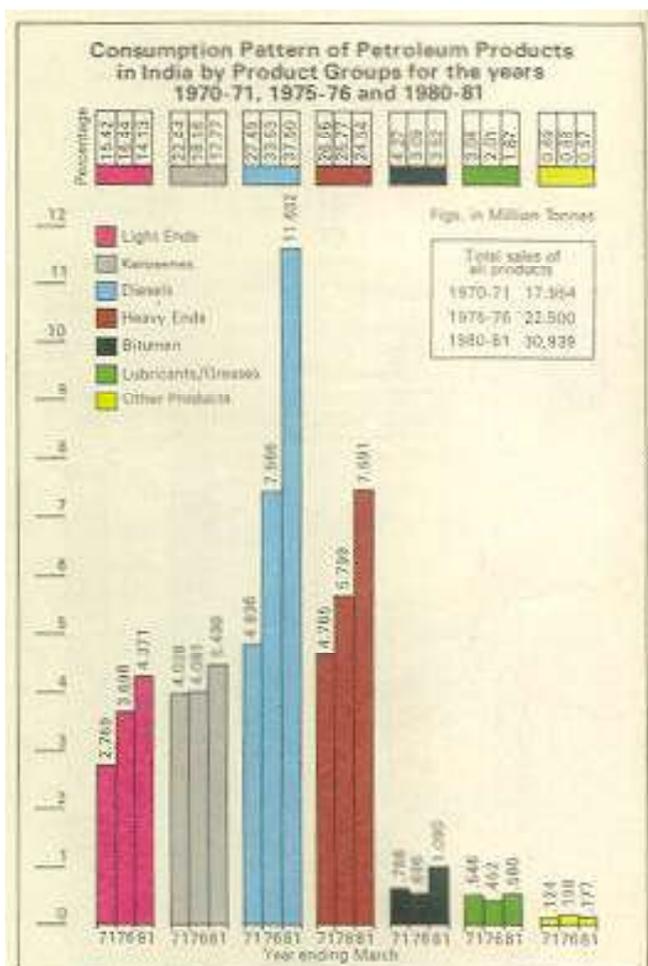
The multipurpose Distribution Centres set up by the Corporation are primarily intended to cater to the rural sector, meeting not only the requirement of petroleum products but also of fertilizers, pesticides, seeds, tractor spare parts, non-scheduled drugs, stationery and other consumer goods. In several interior markets, SKO and / or HSD is also being retailed through these MPDCs. At the end of March 1981, IOC had in operation 303 Multipurpose Distribution Centres.

Following the success of the experimental Taluka Kerosene Depots, the Corporation had planned to develop Taluka Kerosene Depots in selected hilly and remote areas of the country. As at the end of March 1981, 19 Taluka Kerosene Depots were in operation in various States. With the commissioning of these TKDs, it has been possible to bring about reduction in the ultimate retail selling prices of SKO ranging from 2 to 28 paise per litre and pass on the benefit to the consumers.

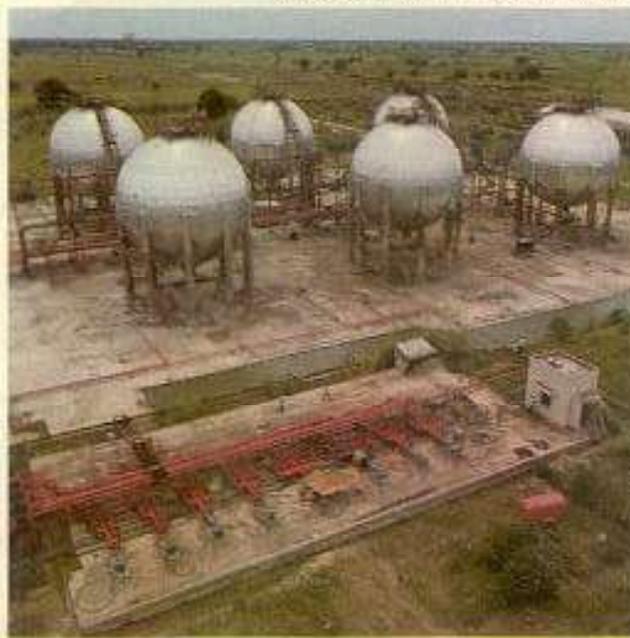
In order to cater to the specific requirement of the agriculturists and rural sectors, low cost retail outlets/ utility pumps are being developed in the remote areas which are not on the national/state highways. Besides bringing down the dealer's investment such low cost outlets will serve to make HSD more easily accessible to the farmers with consequent saving in time and money.

### Cooking Gas for Kitchens:

Liquefied Petroleum Gas (LPG) commands the maximum public attention particularly in the urban areas. Your Corporation has enrolled approx. 1.21 lakh new customers during 1980-81, bringing the total number of consumers to 17.96 lakhs, spread over 220 towns and serviced through 465 distributors. Your Corporation is now having a market participation of



Horton Spheres at Mathura Refinery.



51.8%. Production of LPG from Bombay High commenced from March, 1981, thereby improving the supply position. In order to enrol new customers, your Corporation has planned appointment of additional distributors in various markets. A target enrolment of 12 lakh additional LPG customers for the Industry has been planned from January, 1981 to March, 1982, of which your Corporation's share is 6 lakh customers.

### **Bitumen:**

Efforts were continued to promote the use of bulk bitumen to reduce the wasteful consumption of steel used for packing the Bitumen in drums. The bulk sales of your Corporation were 119,100 MTs

representing 31.4% of Corporation's total bitumen sales as against 21.1% for the Oil Industry as a whole.

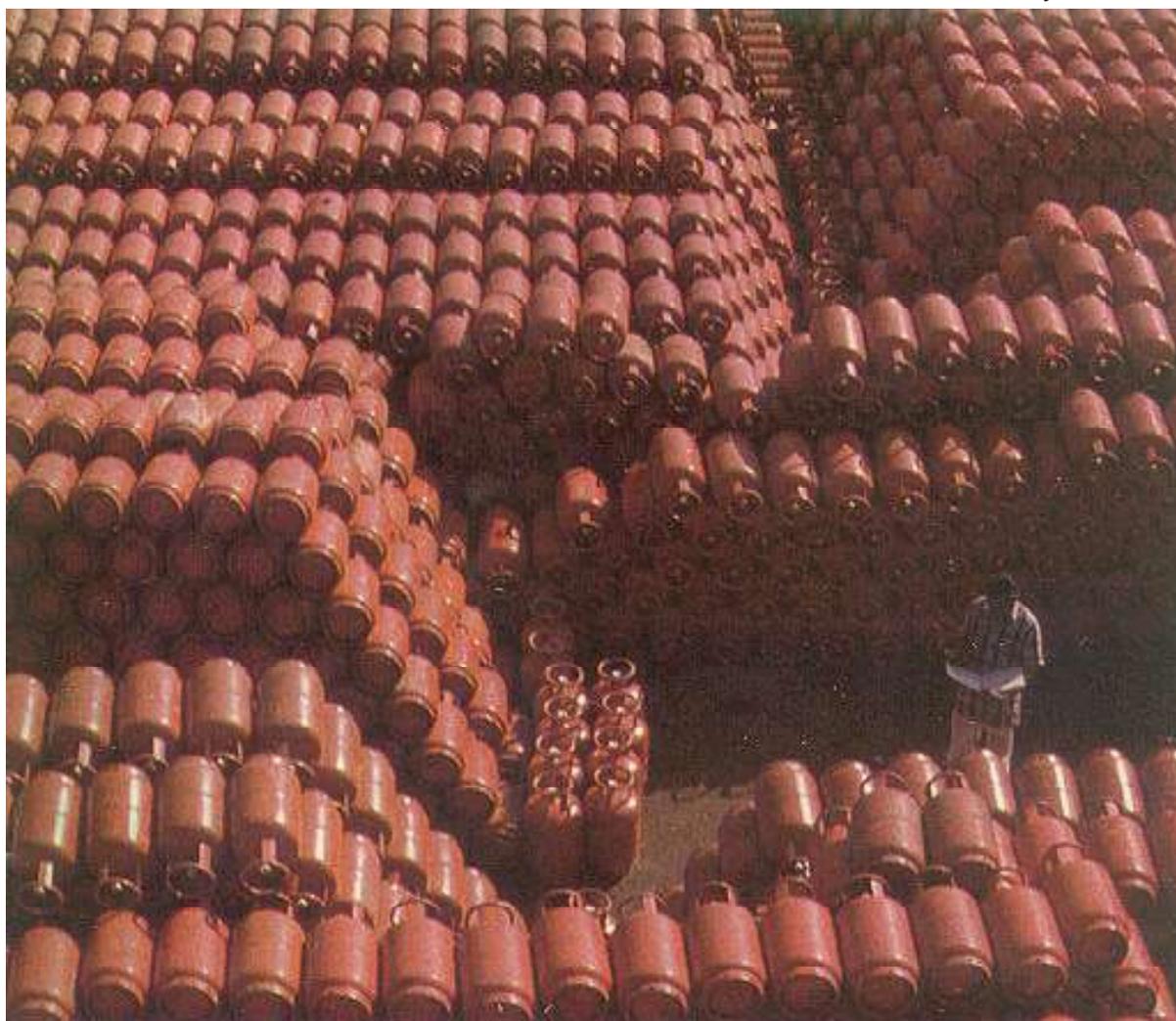
### **Aviation:**

Your Corporation achieved a market participation of 69.7% in aviation business during 1980-81 as against 69% in 1979-80.

### **Lubes & Greases:**

Your Corporation's sale of Lubricants and Greases during the year was 2.8 lakh tonnes as against 2.7 lakh tonnes in the previous year, thus registering an increase of 3.7% over the previous year. IOC's market participation in Lubricants and Greases was 48.3% during the year.

*LPG cylinder stack*



Your Corporation continued to be the canalising agency for import of Lubes/Specialities to meet the requirements of various industries in the country under the scheme of canalised imports. The CIF value of such imports during the year was approximately Rs. 4.06 crores.

The Corporation also introduced a diesel engine lubricating oil known as Servo Pride 30 which will not only reduce the wear and tear of the components but will also extend the change-over period of oil.

### **DISTRIBUTION**

As on 31st March, 1981 your Corporation had 16 Port Installations, 8 pipeline Installations, 2 Inland

Installations and 106 Bulk Depots for distributing petroleum products.

The total tankage at Installations and Depots as on 31st March, 1981 was 19.22 lakh KLs as against 19.19 lakh KLs as on 31st March, 1980. During the year 3749 KLs of tankage was also constructed in railway consumer depots and 18000 KLs at the new International Airport in Bombay. The throughput of all products during 1980-81 was 244.36 lakh KLs as against 232.71 lakh KLs during the previous year.

Due to agitation in Assam from December 1979 to February 1981, Barauni and Bongaigaon Refineries were completely closed down during that period

*A view of Single Buoy Mooring at Salaya*

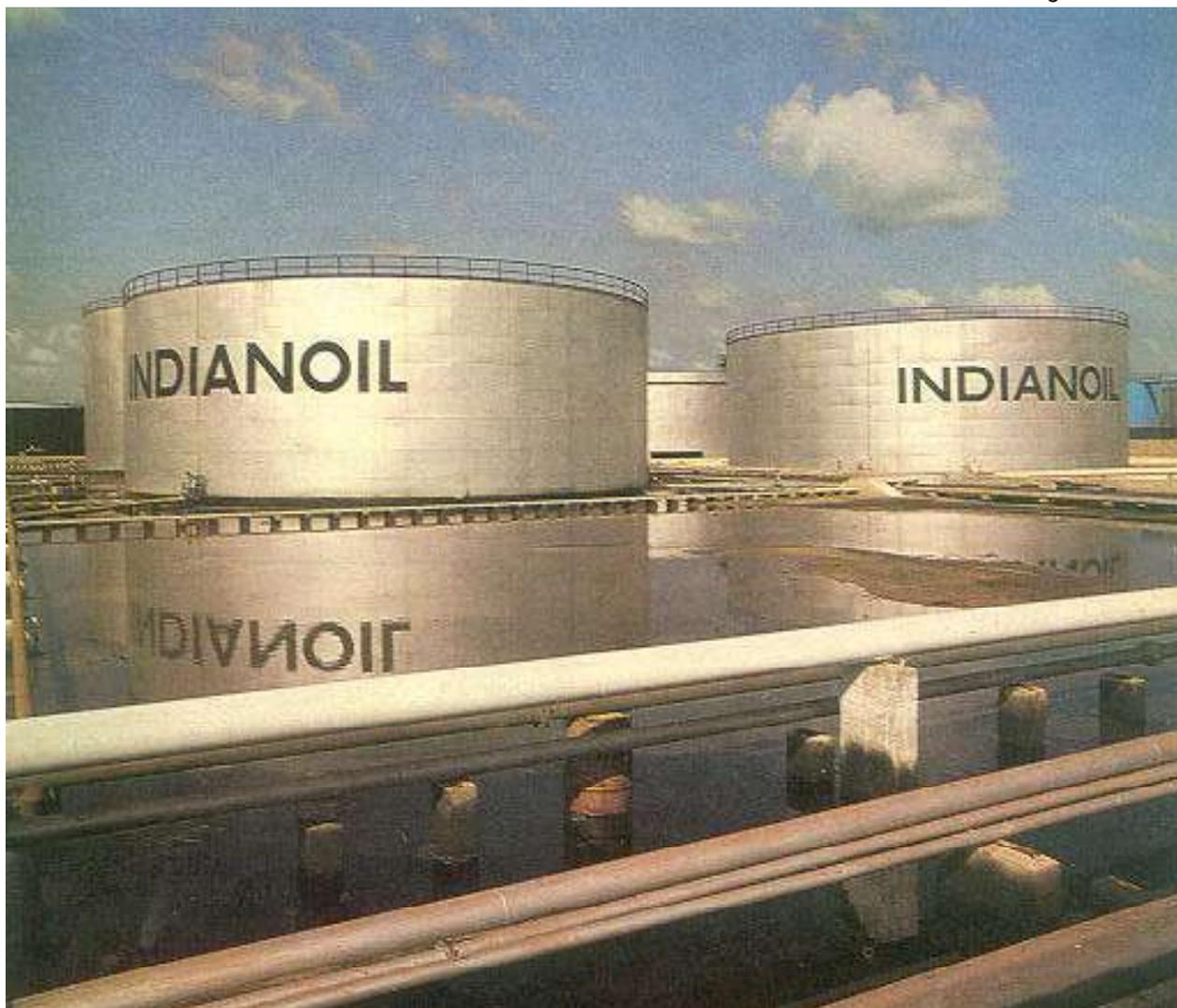


resulting in product shortage in the country. The fall in production of POL products in this region was made up by additional imports at Haldia and Kandla. All out efforts were made to meet the requirement of petroleum products in the country in spite of the shortfall in throughput due to the Assam agitation. High levels of tank wagon loading were attained at Kandla, Koyali and Bombay to North-West locations. To make up the shortfall additional trucks were deployed by the Corporation. Your Corporation arranged extra despatches from Koyali and Kandla to the fertilizer plants at Kanpur, Phulpur, Panipat and Nangal because of closure of Barauni Refinery. To sustain the extra loadings, Kandla operated on three shifts. Koyali

achieved an all time record loading of 455 wagons per day during December, 1980. The Railway Board has decided to increase the size of a rake load from 60 wagons to 72 wagons on BG for more efficient movement. Improved railways performance enabled your Corporation to reach the petroleum products to industrial and agricultural sector in time.

At the end of the year 1980-81 your Corporation owned 542 tank trucks as compared to 482 tank trucks during the previous year and delivered 18.4 lakh KLs during the year as against 16.3 lakhs KLs during the previous year in Corporation-owned tank trucks.

*View of a Marketing Installation*



### **SAFETY AWARDS**

The Sabarmati Terminal of your Corporation has won the "Award of Merit", the second highest award, from the National Safety Council, USA, for the operation of 1,411,608 employee hours without an occupational injury or illness involving any loss of man hours from January 1976 to December 1980.

### **CONSERVATION**

To conserve kerosene, the high-efficiency 'NUTAN' stoves continued to be marketed by your Corporation. The cumulative sales are about 15 lakh stoves. In order to meet the growing demand of these stoves, additional licences to manufacture IOC/IIP designed Nutan I and Nutan II stoves have been granted to selected small scale entrepreneurs in the States of Gujarat, Karnataka, Maharashtra, Madhya Pradesh and Tamil Nadu. Commercial Production and marketing of these stoves has also commenced in small scale units in Madhya Pradesh and Tamil Nadu during January, 1981. A new LPG burner has been developed by the R&D Centre of your Corporation with thermal efficiency of about 70 per cent against minimum specified 58% by ISI. Thirty prototypes have been field tested for more than a year and commercial production is expected to be introduced in the market shortly.

Your Corporation conducted periodical Seminars/Clinics for the benefit of major customers like Steel Plants, State Transport, Railways and other major industrial customers as part of our customer service and towards conservation of petroleum products.

### **IMPORTS**

During the year 1980-81, the Corporation imported 67.91 lakh MTs (including import on account of Nepal Oil Corporation) of finished petroleum products and 1.76 lakh MTs of lubricants at an approximate value of Rs. 1741.93 crores and Rs. 79.86 crores respectively as compared to imports during 1979-80 of 46.74 lakh MTs of finished products and 0.52 lakh MT of lubricants valued at Rs. 1108.39 crores and Rs. 20.08 crores respectively. Out of the imports during 1980-81, the rupee source imports amounted to Rs. 561.92 crores, including Rs. 24.46 crores import for Nepal Oil Corporation.

The Corporation has also imported crude oil to the extent of 12.034 MMTs for the industry as against 13.339 MMTs during the previous year.

### **EXPORTS**

During the year 1980-81, the Corporation exported

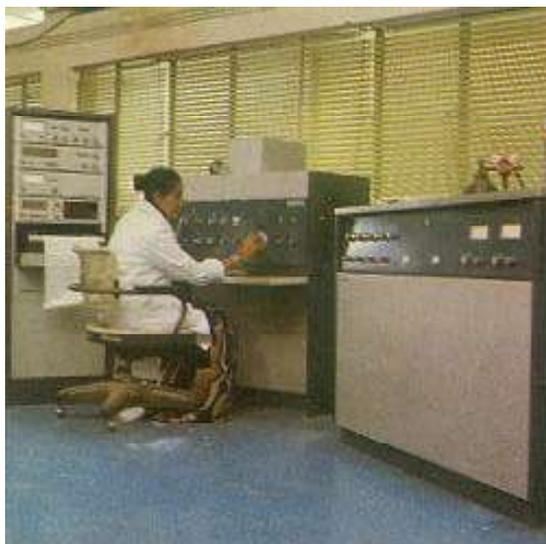
35,976 MTs of Naphtha, earning foreign exchange of Rs. 8.33 crores. Export of 9333 MTs Reformate in exchange of kerosene was also undertaken. Besides, 1.13 lakh MTs of various petroleum products were exported to Nepal valued at Rs. 37.10 crores.

In addition, an amount of Rs. 81.69 crores was realised for 1.93 lakh MTs Aviation Fuel supplied to International Airlines and an amount of Rs. 20.30 crores was realised for supplies of 0.87 lakh MT of bunker fuel and marine lubricants to foreign flag vessels. Savings in foreign exchange by way of upliftment of bunkers and marine lubricants by Indian flag vessels plying on the international run amounted to Rs. 21.02 crores.

### **RESEARCH & DEVELOPMENT CENTRE**

The Research & Development Centre of your Corporation, set up at Faridabad at a total cost of Rs. 6.90 crores to achieve self-reliance in petroleum products, is one of the few up-to-date research centres established by the leading oil companies of the world. The Centre consists of permanent analytical and product development laboratory, engine testing laboratory, photographic. Instrumentation laboratory etc. with up-to-date sophisticated equipment. It has successfully developed over 320 formulations of lubricating oils and has secured recognitions and approvals of many of the formulations sold under the brand name "SERVO"

*Section of a laboratory in the R&D Centre.*



from national and international engine and equipment builders e.g. Cinicinnati Milacron, USA (R&O hydraulic oils, Servocirol 11,14 and 26), Creusot-Loire, France (Quenching oils, Servoquench 107 and IOC Substitute-II), Materials Quality Assurance Directorate, England (Grease, Servogem X6-271), Hindustan Machine Tools Ltd., Hyderabad (Cutting fluid, Servocut 253) Escorts Limited, Faridabad (Shock absorber oil).

New Lubricants have been developed for diesel locomotives to increase engine life, reduce oil consumption, prolong interval between oil filter changes. Trials are being conducted in 56 diesel locomotives of Indian Railways. With a view to conserve lubricants, a long drain oil has been developed and trials in buses and tractors are being conducted. Spectrometric Oil Analysis Programme (SOAP) has been extended to large number of customers. A versatile and sophisticated technique of High Performance Liquid Chromatography (HPLC) has been installed.

The Centre is actively working on the possibilities of production and utilisation of viable alternate substitute fuels e.g. alcohols from coal and other starchy materials.

**PLANS AND PROJECTS**

Your Corporation plans to invest over Rs. 900 crores during the Sixth Five Year Plan 1980-85. The major plan projects under implementation/proposed are as follows:

**Mathura Refinery Project**

The six million tonne per annum grass root refinery at Mathura was approved by the Government at a cost of Rs. 192.32 crores and is in advanced stage of completion. The mechanical completion of the first phase of the project is expected to be over by October 1981. The actual expenditure incurred on the Project upto 31st March, 1981 was Rs. 220.14 crores while the cumulative commitments made amounted to Rs. 248.81 crores.

**Secondary Processing Facilities at Gujarat Refinery**

The project includes setting up of facilities with a Fluid Catalyst Cracker Unit at Gujarat Refinery to upgrade LSHS by secondary processing into more valuable products like LPG, Motor Spirit, HSD, LDO etc. The approved project cost is Rs. 57.97 crores against which the actual expenditure upto 31st March, 1981 was Rs. 44.36 crores. The project is expected to be completed by March, 1982.

**Additional Coking Unit at Barauni Refinery:**

Feasibility Report was approved by the Government for installation of additional Coking Unit at Barauni Refinery at an estimated cost of Rs. 23.89 crores to optimise the production of light and middle distillates and also to meet the demand of raw petroleum coke. As per the Detailed Project Report, already approved by the Public Investment Board, the project is estimated to cost Rs. 38.10 crores, and is expected to be completed by March, 1983.

**Mandatory Crude Tankages:**

Government has approved the construction of 5 crude oil storage tanks with a capacity of 2.75 lakh MTs at a cost of Rs. 13 crores in the first phase. The project is scheduled to be completed by December, 1983.

The proposal for constructing additional 7 crude oil storage tanks with a storage capacity of 4.40 lakh MTs at a cost of Rs. 24.45 crores in the second phase is under consideration of the Government.

**PIPELINE PROJECTS**

**Expansion of Salaya-Viramgam-Koyali Pipeline:**

It is proposed to expand the capacity of Salaya-Viramgam Section of Salaya-Mathura Pipeline from 10 MTPA to 12 MTPA by setting up a Pump Station at Rajkot at a cost of Rs. 4.55 crores. The work is expected to be completed by December, 1982. It is also proposed to install 2 tanks of 30,000 KLs capacity and 2 mandatory Crude Oil tanks of 65,000 KLs capacity at Viramgam at a cost of Rs. 4.90 crores. The work is expected to be completed by December, 1982.

**Mathura Delhi-Ambala-Jullundur Pipeline:**

The Government has approved construction of a product pipeline from Mathura to Jullundur at a cost of Rs. 50 crores. The Mathura-Delhi Section of the Pipeline is expected to be commissioned by end of 1981 and Delhi-Ambala-Jullundur Section by middle of 1982.

**LPG STORAGE AND DISTRIBUTION FACILITIES**

Government has sanctioned LPG Marketing Project, Phase-I, at a cost of Rs. 84.28 crores to market additional LPG available from Mathura Refinery, Bombay High and Fluid Catalyst cracker Unit at Gujarat Refinery. The project envisages 4 new bottling plants at Bangalore, Jullundur, Salem and Allahabad besides expansion of existing plants at Shakurbasti and Kanpur at a total estimated cost of Rs. 16.88 crores. 383 bulk railway tank wagons at



a cost of Rs. 9.6 crores are also to be procured. The Bangalore and Jullundur plants will be completed by December, 1981, Allahabad plant by Mrch 1982 and the Salem Plant by December 1982.

As per the revised estimate the Project is expected to cost Rs. 104.37 crores and will cater to the needs of 17.54 lakh customers.

Feasibility Report for setting up of marketing facilities for LPG to be made available from OIL India's LPG Project at Duliajan at a cost of Rs. 27.05 crores has already been approved by your Board and submitted to Government for approval. It will cater to the requirements of 3 lakh customers.

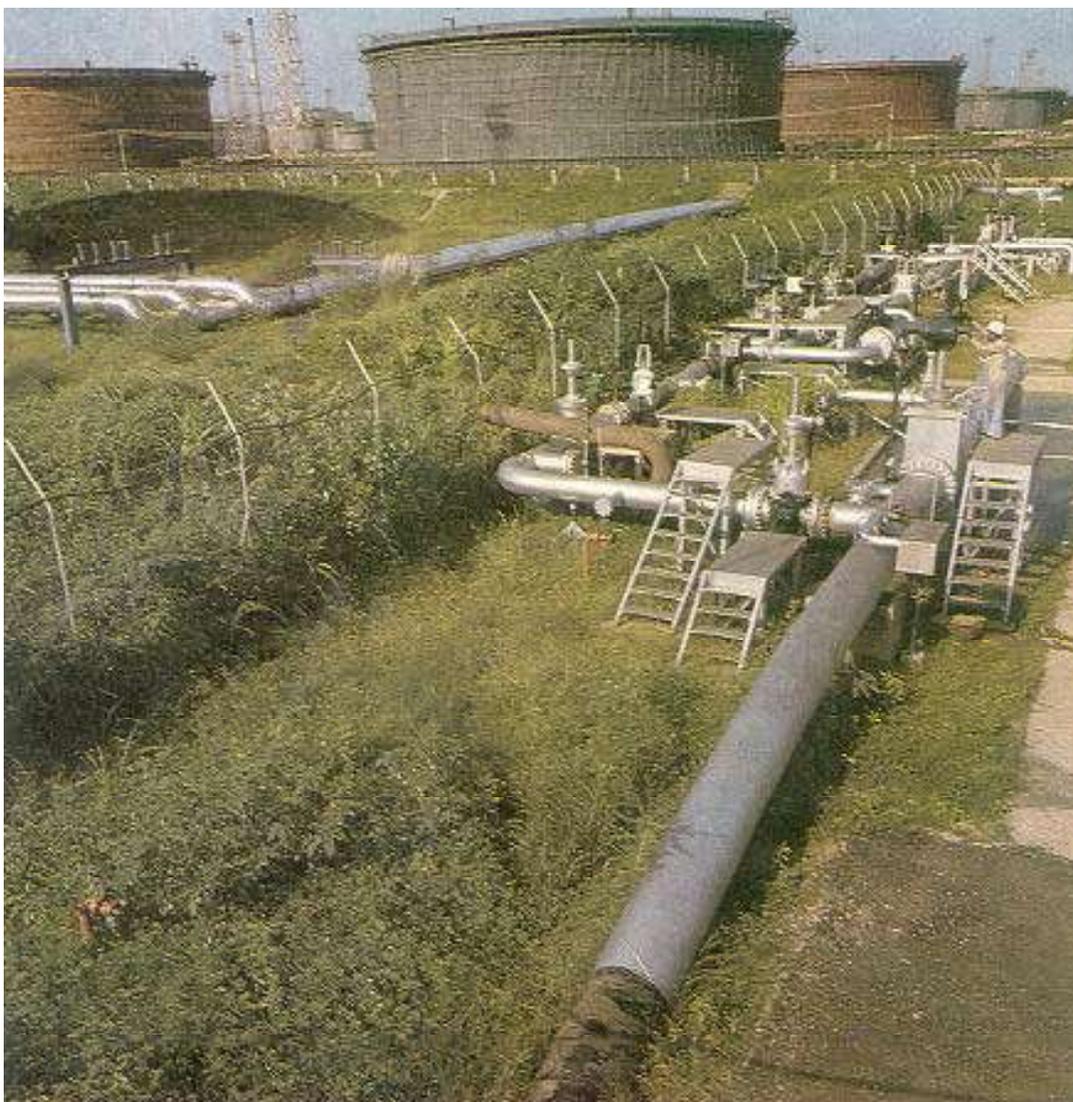
### **Fuel Hydrant at Bombay Airport:**

The project sanctioned at a cost of Rs. 7.25 crore is for setting up Hydrant Refuelling System at the New International Airport Terminal Complex at Bombay to cater the increased traffic. The work is progressing as per schedule and the traffic. The work is progressing as per schedule and the project is expected to be completed by December, 1981.

### **OTHER PROJECTS**

Construction of 3 Pipeline installations at a cost of Rs. 16.49 crores at Delhi, Ambala and Jullundur with a total tankage of 3.69 lakh KLs is in hand. Your Directors have also approved laying of higher dia. dock lines at Haldia and Madras at an estimated cost of Rs. 4.35 crores.

*Crude Pipeline entry point at Mathura Refinery*



### A CORPORATE CITIZEN

#### Welfare of Employees:

The various welfare measures and programmes for employees were strengthened during the year. The continuing measures include liberal housing loan, transport facilities, canteen facilities, uniforms, workers education class, medical facilities, sports, co-operative stores, etc. A self-insurance scheme providing for lumpsum compensation to all employees suffering death or permanent total disability during the course of employment was introduced by your Corporation.

#### Welfare of Weaker Section:

Efforts continued to be made to bring improvement in the sphere of welfare of weaker section of the society. The directives received from the Government from time to time regarding employment of candidates belonging to reserved categories such as Scheduled Castes/Scheduled Tribes, ex-Servicemen and the physically handicapped were implemented. During 1980, your Corporation recruited 1051 employees out of which 276 belonged to the reserved categories as per Presidential Order. Similarly, SC/ST employees, who were eligible for promotions, have been given promotion opportunities against the reservations as per the directives of the Government. Opportunities were continued to be given to SC/ST employees to participate in training programmes to enhance their knowledge as also to help them in their career development.

### INDUSTRIAL RELATIONS

The Industrial relations during the year 1980-81 in all the units of the Corporation have been cordial, except for agitation in Gujarat Refinery where the workmen resorted to go-slow for 8 days between 1st and 8th October, 1980 and from 28th February, 1981 to 31st March, 1981. The agitation, which seriously affected the despatches of petroleum products from the Refinery was amicably resolved on the intervention of the State Labour Minister, Gujarat. There were a number of interruptions in the operations of Gauhati Refinery due to agitation in Assam.

### HUMAN RESOURCE DEVELOPMENT AND TRAINING

The Corporation continues to give high priority to the development of human resources. One of the basic factors for high capacity utilisation of various resources deployed by the Corporation is substantial investment made on the development of its employees in terms of knowledge, skill and attitude.

Your Corporation has developed a comprehensive infra-structure in the form of training institutes in the Refinery and Marketing Divisions which takes care of technical as well as management development. An "Indian Oil Management Academy" (IMA) has been set up at Haldia in addition to the existing Training Centres to meet the training needs of the middle and senior level managers.

The Training Institutes also catered during the year to the training requirement of other developing countries. Two managers from Ceylon Petroleum Corporation participated in our Management Training Programmes. Similarly, training was also imported to five officers of General Petroleum Corporation, Sudan, in various disciplines under ITRC programme.

Your Corporation continued to provide training courses on "Petroleum Storage, Handling and Distribution" to Army Officers and on quality control on aviation products for officers of the Indian Air Force.

### ENVIRONMENTAL PROTECTION

Your Corporation attaches great significance to pollution control. A Sulphur Recovery Unit is being installed at Mathura Refinery. The effluent systems of all the Refineries are being constantly reviewed and improvements being made to meet more rigid standards as a continuing process.

### TOWARDS TECHNOLOGICAL SELF-RELIANCE

Your Corporation has achieved all round technical expertise in various fields of the petroleum industry. Your Corporation is fully equipped to provide consultancy services for designing and construction of refineries in association with EIL, operation and maintenance of refineries, designing, construction and operation of facilities for marketing of petroleum products; provide assistance in setting up product development and technical service laboratories including providing product formulations as well as technical services assistance.

In the field of pipeline construction, it has the capabilities of executing the project independently from route selection, design optimisation, equipment selection, cathodic protection system, communication and control systems, project execution up to start up, commissioning and maintenance. 1219 KM Crude Oil pipeline from the off-shore single buoy mooring terminal at Salaya to the inland refineries at Koyali and Mathura was completed from the inception



i.e. feasibility study, designing and procurement of materials to construction and commissioning, with only a limited assistance in the form of consultancy from a foreign consultant.

**HINDI IMPLEMENTATION**

Efforts are continued for use of Hindi progressively as the official language in various phases of the Corporation's working. A Central Committee at the Head Office assisted by the Committees at the various units, periodically review the plans and the progress made in the implementation of Hindi usage. A quarterly Hindi Magazine 'TEL BHARTI' alongwith other Hindi House Journals, ie. INDIAN OIL SAMACHAR and DEALER SAMACHAR are also brought out in Hindi. INDIAN OIL SAMACHAR has won the certificate of commendation among the Indian Language publications in the 'magazine of the Year' contest organised by the Association of Business Communicators of India.

**INDIAN OIL BLENDING LIMITED**

The Annual Accounts and Directors Report of Indian Oil Blending Limited, a wholly owned subsidiary of the Corporation, are annexed herewith. During the year 1980-81, the Bomba and Calcutta Plants of IOBL had a throughput of 2,51,347 KLs at 15C (2,54,054 KLs at 29.5C) as against 2,41,200 KLs at 15C of lubes during the year 1979-80. The Grease Plant had a throughput of 5,986 MTs of greases during the year, as compared to 5,565 MTs during 1979-80.

During the year, suitable blending/manufacturing fee revision has been made by IOC taking into account escalation in cost etc. The gross profit for the Company before depreciation, investment allowance, taxation and prior year's adjustment was Rs. 53,89,091 as compared to Rs. 26,64,011 during the previous year. The net profit, after providing for investment allowance — Rs. 3,05,000, taxation — Rs. 21,14,000 and depreciation — Rs. 15,03,707, was Rs. 34,66,384 as compared to Rs. 5,78,741 during the last year. The net profit, after writing back development rebate and making prior year's adjustments of Rs. 7,08,755 was Rs. 7,57,629 as against Rs. 6,32,281 in the previous year. The net surplus for distribution during the year was Rs. 7,65,207 as against Rs. 6,37,578 during the previous year.

**FOREIGN TOURS**

The total number of foreign tours undertaken by the employees was 55 and the total expenditure incurred on the tours in the year 1980-81 was Rs. 12.53 lakhs.

**BOARD OF DIRECTORS**

In terms of Article 94(b) of the Articles of Association of the Corporation, the following Directors shall retire at the Annual General Meeting but are eligible for re-appointment.

1. Shri S.L. Khosla
2. Shri R.H.M. D'Silva
3. Shri Nitin Desai
4. Dr. Nilay Chaudhuri
5. Shri R. Vasudevan

**PARTICULARS OF EMPLOYEES**

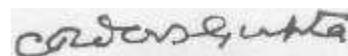
Particulars of employees pursuant to Section 217(2A) of the Companies Act and Companies (Particulars of Employees) Rules, 1975 are enclosed.

**ACKNOWLEDGEMENTS**

The Corporation has the privilege of enjoying the valuable patronage and the growing confidence of a very large number of customers spread all over the country.

The Directors have pleasure in placing on record their appreciation of the excellent work done by members of the IOC family and are confident that with their devotion and loyalty the Corporation will take further strides in bettering its services to the customers and contributing its share to the national economy. The Directors gratefully acknowledge the guidance and support received by the Corporation from the Government of India and the various State Governments.

For and on behalf of the Board



New Delhi  
Dated 26th August, 1981

Chairman

### A TEN YEAR PROFILE

(Rupees in crores)

Index

	1980-81	1979-80	1978-79	1977-78	1976-77	1975-76	1974-75	1973-74	1972-73	1971-72
<b>WHAT WE OWE:</b>										
Share Capital	82	82	82	82	82	71	71	71	71	71
Reserves	424	355	291	232	191	149	125	100	94	77
Net Worth	506	437	373	314	273	220	196	171	165	148
Borrowings	778	380	112	76	47	41	94	77	51	64
	1,284	817	485	390	320	261	290	248	216	212
<b>WHAT WE OWN:</b>										
Fixed Assets	1,018	855	705	585	476	384	335	295	266	230
Less: Depreciation	320	262	210	180	161	140	115	95	70	57
	698	593	495	405	315	244	220	200	196	173
Working Capital	586	224	(10)	(15)	5	17	70	48	20	39
	1,284	817	485	390	320	261	290	248	216	212
<b>Income:</b>										
Sals:	5,711	4,476	3,564	3,000	2,663	2,422	1,961	1,241	996	862
Accretions/Decretions	50	155	9	30	14	(19)	25	82	(6)	12
Other Income	99	52	27	14	16	11	12	(5)	9	7
	5,860	4,683	3,600	3,044	2,693	2,414	1,998	1,318	999	881
<b>EXPENDITURE:</b>										
Purchase & Manufacturing Expenses	5,550	4,435	3,410	2,870	2,514	2,283	1,878	1,231	902	799
Establishment, Administration & Selling Expenses	72	63	56	53	50	49	40	37	31	29
Depreciation	57	52	30	19	21	25	20	15	14	12
Interest	73	5	4	2	2	5	8	4	3	4
	5,752	4,555	3,500	2,944	2,587	2,362	1,946	1,287	950	844
Profit before Tax	108	128	100	100	106	52	52	31	49	37
Profit after tax	81	74	69	49	49	30	31	10	22	32
Dividends	12	10	10	8	7	6	6	4	5	5
Retained Earnings	69	64	59	41	42	24	25	6	17	27
<b>Ratios:</b>										
Profit after tax as % to average net worth	17.2	18.3	20.1	16.7	19.9	14.4	16.9	6.0	14.0	23.7
<b>Earnings per Equity</b>										
Share (Rupees)	981.0	894.0	842.0	599.0	589.0	420.0	431.0	138.0	312.0	449.0
Net worth/Equity Share (Rupees)	6,156.0	5,314.0	4,541.0	3,819.0	3,319.0	3,098.0	2,758.0	2,407.0	2,319.0	2,078.0

Note: Figures in brackets denote minus.



### HOW FUNDS GENERATED & UTILISED

DESCRIPTION	(Rupees in Crores)					
	FOR THE YEAR ENDED 31ST MARCH					
	1981	1980	1979	1978	1977	1976
<b>A. Source of Funds</b>						
1. <b>Internal Resources:</b>						
Retained Profits	69	64	59	41	42	24
Depreciation	57	52	30	19	21	25
	<u>126</u>	<u>116</u>	<u>89</u>	<u>60</u>	<u>63</u>	<u>49</u>
2. <b>External Resources:</b>						
Share Capital	—	—	—	—	11	—
Borrowings from Govt./Others	82	63	31	30	5	(29)
Borrowings from Bank	316	205	5	(1)	1	(24)
	<u>398</u>	<u>268</u>	<u>36</u>	<u>29</u>	<u>17</u>	<u>(53)</u>
<b>Total Funds</b>	<u>524</u>	<u>384</u>	<u>125</u>	<u>89</u>	<u>80</u>	<u>(4)</u>
<b>B. UTILISATION OF FUNDS</b>						
Increase in fixed assets	162	150	120	109	92	49
Net increase/Decrease in working capital	362	234	5	(20)	(12)	(53)
	<u>524</u>	<u>384</u>	<u>125</u>	<u>89</u>	<u>80</u>	<u>(4)</u>

### CHANGES IN WORKING CAPITAL

<b>A. Current Assets</b>						
1. Inventories	457	249	45	34	11	(24)
2. Book Debts	3	69	27	12	44	(5)
3. Cash & Bank Balance	9	—	5	(30)	(25)	46
4. Loans & Advances	130	232	27	32	(2)	(54)
	<u>599</u>	<u>550</u>	<u>104</u>	<u>48</u>	<u>28</u>	<u>(37)</u>
<b>LESS:</b>						
B. Current Liabilities and Provision	237	316	99	68	40	16
C. Working Capital (A—B)	<u>362</u>	<u>234</u>	<u>5</u>	<u>(20)</u>	<u>(12)</u>	<u>(53)</u>

Note: Figures in brackets denote minus.

### STATEMENT OF ADDED VALUE 1980-81

	Rupees in crores	Percentage	Index
Value of Production (Refineries)	1,428		
Less: Cost of Direct Materials	1,322		
Added Value	106		
Marketing Operations	157		
Pipeline Operations	41		
R&D	2	306	
<b>SHARED TOWARDS:</b>			
<b>I. Operations</b>			
Employees Benefits (Salaries, Wages & Other Benefits)	46		15.0
Other costs	22		7.2
		68	
<b>II. Financing:</b>			
Interest on Govt. Loans (Including OIDB)	4		1.3
Interest on Working Capital	69		22.6
Dividend	12		3.9
		85	
<b>III. Taxation</b>			
		27	8.8
<b>IV. Expansion &amp; Growth:</b>			
Depreciation	57		18.6
Retained Profits	69		22.6
		126	

## CORPORATE OBJECTIVES

- \* To maintain Indian Oils important role as the country's leading oil company in the areas of refining, pipeline transportation, distribution, and marketing, and to achieve increasing efficiency and technological as well as operational self-reliance in these areas.
- \* To promote conservation and efficient utilisation of petroleum products and encourage schemes for development of viable energy alternatives in the context of worldwide rising costs and depletion of petroleum as an energy resource.
- \* To give high priority to customer satisfaction by promoting healthy trade practices, sound commercial policies, improvement in product quality and service consciousness in its employees and resellers.
- \* To actively pursue research and development schemes for development of new products, qualitative improvement in existing products, and substitution and reduction of foreign inputs so as to achieve self-reliance especially in lubrication and refining technologies.
- \* To effectively handle the country's entire imports of crude oil and deficit petroleum products and to export those petroleum products which are surplus to the country's requirements.
- \* To generate reasonable and adequate profits within permissible limits through improved productivity standards consistent with the overriding need to achieve equitable distribution of petroleum products in the country while fulfilling the socio-economic objectives enshrined in the public sector enterprises.
- \* To offer expertise to other developing countries by way of consultancy services and joint ventures in the areas of refining, marketing and transportation.
- \* To constantly review and update organisational needs and skills to effectively discharge its responsibilities as the leading organisation in a vital industry by maintaining a professional cadre of managers, and through development of technical and supervisory skills of its employees under proper working conditions and in a climate of harmonious industrial relations.
- \* To maintain and improve the corporate image.



### AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1981, together with the Profit and Loss Account of the Corporation for the year ended on that date annexed there to and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1975, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) 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;
  - (b) 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:
  - (c) The reports on the accounts of the Research and Development Centre, the Northern and Southern Regions of the Marketing Division and the Barauni Refinery as well as the HBK and HMR pipelines of the Refineries Division audited by the respective Branch Auditors were received and properly dealt with by us while preparing our report;
  - (d) The allocation of the work between the auditors has been followed as per directions contained in the letter No. 17/28/81-IGC dated 3rd February, 1981 addressed to the Secretary, Indian Oil Corporation Ltd., by the Government of India, Ministry of Law Justice & Company Affairs, Department of Company Affairs (Company Law Board), New Delhi, copies of which were forwarded to us.
  - (e) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
    - i) in the case of the Balance Sheet, of the state of affairs of the Corporation, as at 31st March, 1981
    - and
    - ii) in the case of Profit & Loss Account of the Profit of the Corporation for the year ended on that date.

P.N. Ghatalia  
*Partner*

K.N. Memani  
*Partner*

For Lodha & Co.  
*Chartered Accountants*

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

Per S.R. BATLIBOI & CO.  
*Chartered Accountants*

RAJENDER S. LODHA  
*Partner*

New Delhi, 11th August, 1981



### ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our Report of even date)

### Index

1. The Corporation has generally maintained proper records to show full particulars including quantitative details and situation of fixed assets except in some cases of Furniture and Fixtures, Equipments and Appliances which are grouped under Plant and Machinery. The fixed assets of the Corporation are physically verified by the Management in a phased programme of three year cycles which in our opinion is reasonable having regard to the size of the Corporation and the nature of the assets. However in a few units, the reconciliation of fixed assets verified is still in progress. To the best of our knowledge, no serious discrepancies have been noticed.
2. None of the fixed assets has been revalued during the year.
3. The stock of finished goods, packages and raw materials have been physically verified during the year by the Management and the stock of stores and spare parts are verified by them in a phased programme so as to complete verification within three years. In our opinion, the frequency of verification is reasonable. We have been informed that the discrepancies noticed on verification between the physical stocks and book records were not significant to the extent they were reconciled and the same have been properly dealt with in the books of account excepting stores and spares referred to in Note 5 in Schedule 'P' and in case of certain Refineries & Pipelines the reconciliation between physical stock and Price Stores Ledger is pending. The discrepancy, if any, is not likely to be material according to the Management. In our opinion, the valuation of the above stocks subject to note 4 in Schedule 'P' regarding surplus/slow moving stores is fair and proper and in accordance with the normally accepted accounting principles.
4. The Corporation has not taken any loans from the Companies, firms or other parties listed in the register maintained under Section 301 or from companies under the same management.
5. Loans and advances in the nature of loans have been given to the employees and outside parties who are repaying the principal amounts as stipulated and are also regular in the payment of interest except in a few cases where principal and interest have become overdue and reasonable steps have been taken or recovery.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other similar assets.
7. In our opinion and according to the information and explanations given to us, the prices paid for purchases of stores, raw materials or components in excess of Rs. 10,000 in value for each type from subsidiaries or from companies or other parties in which directors are interested as listed in the register maintained under Section 301 are reasonable as compared to the prices of similar items supplied by other parties or as available with the Corporation. We are informed that for certain items there is no alternative source of supply.
8. As explained to us, the Corporation has a regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages and raw materials. However, as on 31st March, 1981, loss, if any, on the above items has not been determined. In this regard, reference is made to note 4 in Schedule 'P'
9. In the case of public deposits accepted by the Corporation during the year, the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the applicable rules framed thereunder have been complied with.
10. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps.



11. While the Corporation has an internal audit system which as such may be regarded as commensurate with the size and the nature of its business, in our opinion, the coverage needs to be further extended in certain areas.
12. We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, for any of the products of the Corporation.
13. According to the records of the Corporation, Provident Fund dues have generally been regularly deposited during the year with the appropriate authorities.
14. As per the information and explanations given to us, there were no damaged stocks in the class of goods traded in by the Corporation.

P.N. Ghatalia  
*Partner*

K.N. Memani  
*Partner*

For LODHA & Co.  
*Chartered Accountants*

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

PER. S.R. BATLIBOI & CO.  
*Chartered Accountants*

RAJENDRA S. LODHA  
*Partner*

*New Delhi, 11th August, 1981*



**STATEMENT OF ACCOUNTING POLICIES****1. FIXED ASSETS****1.1 Land**

Land acquired on lease of 999 years is treated as freehold land. Cost of 'right-of-way' for laying pipelines is capitalised and crop compensation paid thereon is charged during construction period as indirect expense.

**1.2 Capitalisation of expenses on Projects**

In respect of major projects and substantial expansions, the direct expenses, and direct financing costs, if any, incurred during construction period are capitalised. In addition, for new refineries/explanations and new pipelines, the allocable overheads are also capitalised. In addition for new refineries/expansions and new pipelines, the allocable over heads are also capitalised.

**1.3 Depreciation**

No depreciation is charged on freehold land. Cost of leasehold land is amortised during the lease period. Depreciation on LPG cylinders and pressure regulators is charged at 100% in the year of acquisition. Plant and Machinery costing Rs. 750/- and below are charged to revenue. Depreciation on fixed assets is charged on straight line method at the rates based on the assessed life of the asset except in the last year when only 5% of the original cost of the asset is retained as residual value. Depreciation is charged for full year irrespective of date of installation/commissioning. No depreciation is charged on asset sold/disposed off during the year.

**1.4 Exchange rate**

Liability for long term foreign credit is provided on the basis of bank selling rates ruling on the day of capitalisation of assets acquired against such credits. Subsequent exchange fluctuations are charged to revenue in the year of payment.

**2. CURRENT ASSETS AND PROVISIONS****2.1 Valuation of Inventories**

2.1.1 The cost of stock in trade is determined as per Oil Prices Committee Report and changes thereon advised by Government from time to time.

**2.2 Claims and Provisions**

2.2.1 Claims on Oil-Co-ordinated Committee/Government are booked on acceptance in principle thereof. Claims and provisions on Pool Accounts are booked on the basis of available instructions/clarifications subject to final adjustments as per separate audit. All other claims are booked on merits.

2.2.2 Outstanding liabilities for imported crude oil and products are provided at the exchange rate prevailing at the year end, except in the case of payments made upto 20th April, where the liability is provided at actuals.

## 3. PROFIT & LOSS ACCOUNT

### 3.1 Sales

Sales proceeds include excise duty, pool surcharges and other elements allowed by Government from time to time.

### 3.2 Classification for Expenditure/Income

3.2.1 Income and expenditure upto Rs. 1 lakh in each case pertaining to prior years is charged to the current year.

3.2.2 Pre-paid expenses upto Rs. 10,000/- in each case are charged to revenue.

C.R. Das Gupta  
*Chairman*

K.L. Goel  
*Finance Director*

S. Ketharaman  
*Managing Director*  
*(Marketing)*

T.K. Sinha  
*Managing Director*  
*(Refineries & Pipelines)*

D.B. Puri  
*Secretary*

*New Delhi, 11th August, 1981*

**BALANCE SHEET AS AT 31ST MARCH, 1981**

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)	Index
<b>Funds Employed</b>					
1. Share Capital	'A'	8,217.72		8,217.72	
2. Reserves and Surplus	'B'	<u>42,367.42</u>		<u>35,452.48</u>	
3. Total Shareholders' Funds			50,585.14	43,670.20	
4. Loans:					
(a) Secured	'C'	52,744.40		21,110.61	
(b) Unsecured	'D'	<u>25,100.76</u>		<u>16,893.38</u>	
			<u>77,845.16</u>	<u>38,003.99</u>	
5. Total Funds employed			<u>1,28,430.30</u>	<u>81,674.19</u>	
<b>Application of Funds</b>					
6. Fixed Assets					
(a) Gross Block	'E'	68,871.44		53,509.37	
(b) Less: Depreciation		<u>31,998.41</u>		<u>26,228.99</u>	
		36,873.03		27,280.38	
(c) Construction work in progress and Capital Goods in stock	'F'	<u>32,916.99</u>		<u>32,003.60</u>	
			69,790.02	59,283.98	
7. Investments	'G'		46.89	46.07	
8. Current Assets, Loans and Advances:					
A. Current Assets:					
(a) Interest accrued on Investments		1.74		1.91	
(b) Inventories	'H'	97,795.72		52,104.31	
(c) Book Debts	'I'	20,241.48		19,957.10	
(d) Cash Balances:					
Cash including Imprest & Cheques in hand		2,649.67		1,743.64	
(e) Bank Balances:					
(i) With Scheduled Banks					
(a) On Current Account		106.07		64.16	
(b) On Fixed Deposit Account		0.07		0.06	
(c) On Call Deposit Account		—		5.00	
(d) On Deposit Account under the Companies (Surcharge on Income-tax) scheme, 1976		257.54		257.54	
(e) On Block Account		<u>6.31</u>		<u>4.49</u>	
	C/F	<u>1,21,058.60</u>		<u>74,138.21</u>	
Carried Forward			<u>69,836.91</u>	<u>59,330.05</u>	

## BALANCE SHEET AS AT 31ST MARCH, 1981

	Schedule	Rupees	Rupees	1980 Rupees
Brought forward			69,836.91	59,330.05
B/F		1,21,058.60		<u>74,138.21</u>
(a) Bank Balances (contd.)				
(ii) With Post Office:				
On Savings Account		0.04		0.03
B. Loans and Advances	'J'	48,277.45		35,247.06
		<u>1,69,336.09</u>		<u>1,09,385.30</u>
9. Less: Current Liabilities and Provisions	'K'	<u>1,10,742.70</u>		<u>87,041.16</u>
10. Net Current Assets:				
(Working Capital) —(8) minus (9)			58,593.39	22,344.14
Total			<u>1,28,430.30</u>	<u>81,674.19</u>
11. Contingent Liabilities not provided for (Refer Schedule 'P'—Note 1)				
12. Notes forming part of Accounts	'P'			

C.R. Das Gupta  
*Chairman*

K.L. Goel  
*Finance Director*

S.Ketharaman  
*Managing Director*  
(Marketing)

T.K. Sinha  
*Managing Director*  
(Refineries & Pipelines)

D.B. Puri  
*Secretary*

As per our report attached

P.N. Ghatalia  
*Partner*

K.N. Memani  
*Partner*

For Lodha & Co.  
*Chartered Accountants*

For and on behalf of  
Price Waterhouse & Co.  
*Chartered Accountants*

Per S.R. Batliboi & Co.  
*Chartered Accountants*

Rajendra S. Lodha  
*Partner*

New Delhi, 11th August, 1981.



### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1981

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>INCOME</b>			
1. (i) Sales of products and Crude and Transfers under Product Exchange	5,71,472.33		4,47,992.96
(ii) Less: Commission and Discounts	<u>378.00</u>		<u>288.15</u>
	5,71,094.33		4,47,634.81
2. Company's use of own oil	<u>1,500.44</u>		<u>618.42</u>
		5,72,594.77	<u>4,48,253.23</u>
3. Recovery of Main Installation and Other Charges		336.34	89.15
4. Increase in Stocks:			
Closing Stock as on 31st March, 1981:			
Finished Products	35,696.23		31,619.63
Stock-in-Process	<u>2,853.06</u>		<u>1,864.86</u>
	<u>38,549.29</u>		<u>33,484.49</u>
Less: Opening Stock as on 1st April, 1980:			
Finished Products	31,619.63		16,327.65
Adjustments in respect of Opening Stock of Finished Products	25.93		41.48
Stock-in-Process	<u>1,864.86</u>		<u>1,628.42</u>
	<u>33,510.42</u>		<u>17,997.55</u>
		5,038.87	<u>15,486.94</u>
5. Interest:			
(i) On Advances	4,311.85		308.73
(ii) On Deposit under the Companies (Surcharge on Income-tax) Scheme, 1976	15.45		15.45
(iii) On Short Term Deposits	—		19.83
(iv) From Customers on Outstandings	<u>884.51</u>		<u>231.20</u>
		5,171.81	<u>575.21</u>
6. Other Income (Schedule 'L')		689.93	548.11
7. Provision for Doubtful Debts, Advances and Claims written back		152.56	80.74
8. Recovery under and Award		695.21	665.11
		<u>5,84,679.49</u>	<u>4,65,698.49</u>
<b>TOTAL INCOME:</b>			
<b>EXPENDITURE:</b>			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		2,98,396.77	2,08,853.05
2. Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		1,78,432.44	1,44,139.05
3. Duties		86,269.32	97,303.21
4. Depreciation and Amortisation		5,130.40	4,066.25
		<u>5,68,228.93</u>	<u>4,54,361.56</u>
Carried Forward			



### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1981

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>EXPENDITURE (contd.):</b>	Brought Forward	5,68,228.93	4,54,361.56
5. Main Installation Charges paid to other Oil Companies		103.09	60.10
6. Interest:			
(i) On Government loan for fixed period	970.19		828.39
(ii) On loan from Oil Industry Development Board	945.24		400.81
(iii) On Foreign Credit for fixed period	8.14		15.82
(iv) On Fixed Deposits	51.83		—
(v) Other (including Rs. 2,006.88 lakhs—1980:Rs. Nil on loan from Life Insurance Corporation of India)	<u>6,825.17</u>		<u>418.21</u>
		<u>8,800.57</u>	<u>1,663.23</u>
		5,77,132.59	4,56,084.89
7. Less:			
(i) Amount transferred to construction period expenses pending allocation	2,488.34		1,447.13
(ii) Expenses transferred to manufacturing of drums	<u>78.56</u>		<u>63.83</u>
		<u>2,566.90</u>	<u>1,510.96</u>
		<u>5,74,565.69</u>	<u>4,54,573.93</u>
8. PROFIT FOR THE YEAR BEFORE TAX		10,113.80	11,124.56
9. Add: Income relating to previous years (net) (Schedule 'O')		<u>701.62</u>	<u>1,643.24</u>
10. PROFIT BEFORE TAX		10,815.42	12,767.80
11. Provision for taxation	2,900.00		5,925.00
Less: Excess provision for taxation in respect of previous years' completed assessments	<u>150.00</u>		<u>500.00</u>
		<u>2,750.00</u>	<u>5,425.00</u>
12. PROFIT AFTER TAX		8,065.42	7,342.80
13. Development Rebate Reserve written back		2,300.00	1,940.00
14. Balance brought forward from last year's account		<u>0.48</u>	<u>0.80</u>
15. DISPOSABLE PROFIT		<u>10,365.90</u>	<u>9,283.60</u>
<b>APPROPRIATION:</b>			
16. Proposed Dividend		1,150.48	986.12
17. Investment Allowance Reserve		2,400.00	350.00
18. Insurance Reserve Account		10.00	10.00
19. General Reserve		6,805.00	7,937.00
20. BALANCE CARRIED TO BALANCE SHEET		<u>0.42</u>	<u>0.48</u>
		<u>10,365.90</u>	<u>9,283.60</u>
21. Notes forming part of Accounts (Schedule 'P')			

C. R. DAS GUPTA  
Chairman

K. L. GOEL  
Finance Director

S. KETHARAMAN  
Managing Director  
(Marketing)

T. K. SINHA  
Managing Director  
(Refineries & Pipelines)

D. B. PURI  
Secretary

As per our report attached

P.N. GHATALIA  
Partner

K.N. MEMANI  
Partner

For LODHA & CO.  
Chartered Accountants

For and on behalf of  
PRICE WATERHOUSE & CO.  
Chartered Accounts

Per S. R. BATLIBOI & CO.  
Chartered Accounts

RAJENDRA S. LODHA  
Partner

New Delhi, 11th August, 1981.



### SCHEDULE 'A'— SHARE CAPITAL

	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
15,00,000 Equity Shares of Rs. 1,000 each	<u>15,000.00</u>	<u>15,000.00</u>
<b>Issued and Subscribed:</b>		
8,21,772 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>8,217.72</u>	<u>8,217.72</u>
<b>TOTAL</b>	<u><u>8,217.72</u></u>	<u><u>8,217.72</u></u>

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### SCHEDULE 'B'—RESEVES AND SURPLUS

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>RESERVES AND SURPLUS</b>			
<b>General Reserve:</b>			
As per last Account	28,572.00		20,635.00
Transferred from Profit and Loss Account	<u>6,805.00</u>		<u>7937.00</u>
		35,377.00	<u>28,572.00</u>
<b>Insurance Reserve Account</b>			
As per last Account	40.00		30.00
Transferred to Profit and Loss Account	<u>10.00</u>		<u>10.00</u>
		50.00	<u>40.00</u>
<b>Development Rebate Reserve:</b>			
As per last Account	3,960.00		5,900.00
Less: Transferred to Profit and Loss Account	<u>2,300.00</u>		<u>1,940.00</u>
		1,660.00	<u>3,960.00</u>
<b>Investment Allowance Reserve</b>			
As per last Account	2,880.00		2,530.00
Transferred from Profit and Loss Account	<u>2,400.00</u>		<u>350.00</u>
		5,280.00	<u>2,880.00</u>
Profit and Loss Account as per Annexed Account	<u>0.42</u>		<u>0.48</u>
<b>TOTAL</b>	<u><u>42,367.42</u></u>		<u><u>35,452.48</u></u>

### SCHEDULE 'C'-SECURED LOANS

	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>Secured Loans</b>		
<b>Loans and Advances from Bank</b>		
i) Secured by hypothecation of inventories, book debts, outstanding monies recoverable claims, contracts, engagements, etc.	50,894.25	20,779.84
ii) Interest accrued and due on above	1,850.15	330.77
<b>TOTAL</b>	<u>52,744.40</u>	<u>21,110.61</u>

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### SCHEDULE 'D'- UNSECURED LOANS

	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>Unsecured Loans</b>		
<b>Other Loans and Advances</b>		
i) From the Government of India (including Rs. 1,125.00 lakhs (1980: Rs. 1,125.00 lakhs) due for payment within one year and Rs. Nil payable on demand (1980:Rs. 5.00 lakhs])	12,098.50	7,767.50
ii) Oil Industry Development Board (including Rs. 215.65 lakhs—1980; Rs. 215.65 lakhs—due for payment within one year	9,751.20	8,866.85
iii) Foreign Credits (including Rs. 79.39 lakhs—1980: Rs. 124.96 lakhs — due for payment within one year)	105.42	230.38
iv) From Life Insurance Corporation of India due for payment within one year	2,000.00	—
v) Fixed Deposits (including Rs. 60.83 lakhs due for payment within one year)	1,113.52	—
vi) Interest accrued and due on fixed Deposits	4.19	—
vii) Deferred Payment (including Rs. 9.51 lakhs — 1980: Rs. 9.51 lakhs — due for payment within one year)	14.32	28.65
viii) Others	13.61	—
<b>TOTAL</b>	<u>25,100.76</u>	<u>16,893.38</u>

### SCHEDULE 'E'—FIXED ASSETS

	Gross Block as at 31st March, 1980 at cost	Additions during the Year at cost	Transfers from construction work in progress at cost	Transfers deductions and reclassification at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND — Free hold	790.47	117.23	—	(+) 48.39
— Leasehold	220.11	28.14	0.41	(-) 40.68
— Right of way	41.38	3.00	—	(-) 10.71
Buildings, Roads etc.	4,352.21	31.74	644.32	(+) 2.53
Plant and Machinery	43,082.76	1,847.86	12,157.81	(-) 421.09
Transport Equipment	1,421.00	281.64	174.64	(-) 36.27
Furniture and Fixtures	718.95	106.95	10.60	(+) 188.54
Railway Sidings	568.02	3.00	33.44	(-) 8.18
Drainage Sewage and Water Supply System	2,304.91	0.67	199.58	(-) 0.37
Sundry Assets	9.56	0.56	—	(-) 1.68
<b>TOTAL</b>	<b>53,509.37</b>	<b>2,420.79</b>	<b>13,220.80</b>	<b>(-) 279.52</b>
Previous Year	49,736.52	1,876.43	2,085.24	(-) 188.82

\*Includes Rs. 849.55 lakhs (1980: Rs. 1,210.30 lakhs) in respect of previous yeas.

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

Index

Gross Block as at 31st March, 1981 at cost	Depreciation and Amortisation charged this year	Total Depreciation and Amortisation upto 31st March, 1981	Net Block	
			As at 31st March, 1981	1980
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	
956.09	—	—	956.09	790.47
207.98	6.02	15.19	192.79	210.94
33.67	—	—	33.67	41.38
5,030.80	104.30	1,189.21	3,841.59	3,263.08
56,667.34	5,440.99	27,855.83	28,811.51	20,268.71
1,841.01	186.57	926.04	914.97	649.45
1,025.04	76.60	624.15	400.89	268.03
596.28	(9.45)	183.92	412.36	373.08
2,504.79	174.49	1,197.30	1,307.49	1,413.58
8.44	0.43	6.77	1.67	1.66
68,871.44	5,979.95	31,998.41	36,873.03	27,280.38
53,509.37	5,276.55	26,228.99	27,280.38	



### Schedule 'F'—Construction Work-in-Progress and Capital Goods in Stock

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
Construction Work-in-progress and Capital Goods in Stock			
1. Work-in-Progress (at cost) (including unallocated capital expenditure Materials at site and advances for capital expenditure)		18,405.58	20,307.96
2. Capital Stores (at Cost) including Rs. 3,485.64 lakhs lying with Contractors (1980 : Rs. 3,044.71 lakhs)		9,172.56	7,768.24
3. Miscellaneous Capital Stores (at or under cost)		32.36	21.02
4. Capital Goods-in-Transit (at cost)		1,541.87	973.84
5. Construction period expenses pending allocation: Balance as at 1st April, 1980	2,932.54		1,602.14
Less: Adjustment pertaining to previous years	<u>145.94</u>		<u>(8.00)</u>
	2,786.60		1,610.14
Add: Expenditure during the year			
Establishment Charges	232.34		184.08
Interest	1,500.96		858.55
Depreciation	266.42		119.13
Other	<u>523.77</u>		<u>324.69</u>
	5,310.09		3,096.59
Less: Recoveries	<u>35.15</u>		<u>39.32</u>
	5,274.94		3,057.27
Less: Allocated to assets/construction work in progress during the year	<u>1,510.32</u>		<u>124.73</u>
		3,764.62	2,932.54
TOTAL		<u>32,916.99</u>	<u>32,003.60</u>

### SCHEDULE 'G'— INVESTMENTS

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)	Index
<b>INVESTMENTS at cost (Unquoted):</b>				
1. In Government Securities (including Rs. 4.40 lakhs— 1980: Rs. 3.61 lakhs deposited with various bodies)		4.40	3.61	
2. Other Investments				
(a) In International Co-operative Petroleum Association— 350 Shares of \$ 100 each fully paid and part paid common stock of \$ 72.31	2.12		2.12	
(b) In Consumers' Co-operative Societies:				
i) Barauni — 250 Equity Shares of Rs. 10 each fully paid in cash— Rs. 2500 (1980:Rs. 2,500)				
ii) Gauhati — 250 Shares of Rs. 10 each fully paid to cash— Rs. 2,500 (1980:Rs. 2,500)				
iii) Haldia — 408 (1980:344) Equity Shares of Rs. 10 each fully paid in cash — Rs. 4,080 (1980: Rs. 3440)				
iv) Mathura — 200 Equity Shares of Rs. 10 each fully paid in cash— Rs. 2,000 (1980) Rs. Nil)				
v) Indian Oil Employees Consumers' Co-operative society Limitd, Bombay — 170 Equity Shares of Rs. 10 each fully paid in cash— Rs. 1,700 (1980: Rs. 1,700)				
vi) Indian Oil Employees Co-operative Consumers Stores Limited, Madras—700 Equity Shares of Rs. 10 each fully paid in cash— Rs. 7,000 (1980: Rs. 7000).				
vii) Indian Oil Employees Co-operative Consumers Stores Limited, Delhi—375 Equity Shares of Rs. 10 each fully paid in cash— Rs. 3,750 (1980 Rs. 3,750)	0.24		0.21	
	C/F	2.36	2.33	
Carried Forward		4.40	3.61	

### SCHEDULE 'G' INVESTMENTS (Contd...)

			1980	Index
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	
Brought Forward		4.40	3.61	
B/F	2.36		2.33	
(c) In Co-operative Housing Societies				
i) Casa Grande — 10 Equity Shares of Rs. 50 each fully paid in cash— Rs. 500 (1980: Rs. 500)				
ii) Seema Apartments —155 Equity Shares of Rs. 50 each fully paid in Cash—Rs. 7,750 (1980: Rs. 7,750).				
iii) New Silver Home — 5 Equity Shares of Rs. 50 each fully paid in cash — Rs. 250 (1980:Rs. 250)				
iv) The Ruby—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1980: Rs. 250)				
v) Sant Sarupdas—10 Equity Shares of Rs. 50 each fully paid in cash— Rs. 500 (1980:Rs.500)				
vi) The Cuffe Parde Ravi Kiran — 15 Equity Shares of Rs. 50 each fully paid in cash — Rs. 750 (1980: Rs. 750)				
vii) Twin Towers premises — 10 Equity Shares of Rs. 50 each fully paid in cash — Rs. 500 (1980: Rs. 500)				
viii) Nensy—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1980:Rs.250)				
ix) Bandra Amar Jiwan - 10 Equity Shares of Rs. 50 each fully paid in cash — Rs. 500 (1980:Rs. 500)				
x) Florida Apartments - 5 Equity Shares of Rs. 50 each fully paid in cash — Rs. 500 (1980: Rs. 500)				
xi) The Garden Colony No. 2-5 Equity Shares of Rs. 50 each fully paid in cash — Rs. 250 (1980: Rs. 250)				
xii) Mount Unique — 10 Equity Shars of Rs. 50 each fully paid in cash— Rs. 500 (1980:Rs. 500)				
xiii) Rasmi-6 Equity Shaes of Rs. 50 each fully paid in cash— Rs. 300 (1980:Rs. 300)				
(xiv) The Sagr Darshan - 5 Equity Shars of Rs. 50 each fully paid in cash— Rs. 250 (1980:Rs. 250)				
(xv) The Venus—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1980: Rs. 250)				
(xvi) Pradeep Kumar — Equity Shares of Rs. 50 each fully paid in cash — Rs. 250 (1980: Rs. Nil)				
(xvii) Moonvilla-5 Equity Shars of Rs. 50 each fully paid in cash— Rs. 250 (1980: Rs. Nil)				
	0.13		0.13	
		2.49	2.46	
3. In a Subsidiary Company				
Indian Oil Blending Limited 8000 Equity Shares of Rs. 500 each fully paid in cash		40.00	40.00	
TOTAL		46.89	46.07	



### SCHEDULE 'H'—INVENTORIES

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>INVENTORIES:</b>			
1. Stores, Spares etc:			
(a) Stores, Spare Parts (at or under cost)	4,560.84		29090.77
(b) Stores in Transit (at cost)	<u>774.25</u>		<u>613.53</u>
		5,335.09*	<u>3,523.30*</u>
2. Raw Materials (including in transit Rs. 6,129.40 lakhs- 1980: Rs. 6,069.42 lakhs) (at cost)		53,660.37**	14,910.65**
3. Stock-in-Trade			
a) Oil Stock (at cost @ or net realisable value whichever is lower) (including in transit at cost Rs. 8,712.38 lakhs— 1980: Rs. 13,463.92 lakhs)	35,696.23***		31,619.63***
(b) Stock-in-Process (at or under cost)	<u>2,853.06</u>		<u>1,864.86</u>
		38,549.29	<u>33,484.49</u>
4. Stock of empty Barels and Tins (at cost or net realisable value whichever is lower)		<u>250.97</u>	<u>185.87</u>
Total		<u>97,795.72</u>	<u>52,104.31</u>

\* Includes stock lying with contractors Rs. 412.07 lakhs (1980: Rs. 216.82 lakhs).

\*\* Includes stock lying with other oil Companies on loan Rs. 23,244.51 lakhs (1980:Rs. 4,540.60 lakhs).

\*\*\* Includes stock lying with other Oil Companies on loan Rs. 1,287.07 lakhs (1980:Rs. 1,512.63 lakhs). and stock lying with Aden Refineries Limitd Rs. 0.22 lakh (1980:Rs. 485.20 lakhs).

@ Cost as determined by Oil Prices Committee and advised by Government from time to time.

### SCHEDULE 'I'— BOOK DEBTS

#### BOOK DEBTS:

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>Over Six Months</b>			
a) Secured Considered Good	4.15		83.55
b) Unsecured Considered Good	2,544.92		1,663.09
c) Unsecured Considered Doubtful	<u>187.64</u>		<u>198.70</u>
		2,736.71	<u>1,945.34</u>
<b>Other Debts:</b>			
a) Secured Considered Good	6.61		21.67
b) Unsecured Considered Good	17,685.80		18,188.749
c) Unsecured Considered Doubtful	<u>30.68</u>		<u>5.28</u>
		<u>17,723.09</u>	<u>18,215.74</u>
Less: Provision for Doubtful Debts		20,459.80	<u>20,161.08</u>
		<u>218.32</u>	<u>203.98</u>
<b>TOTAL</b>		<u>20,241.48</u>	<u>19,957.10</u>

1. Debts due from Directors Rs. 179 (1980: Rs. Nil)  
Maximum Rs. 275—1980:Rs. 195)

2. Debts due from other officers Rs. 184 (1980:Rs. 77)  
(Maximum Rs. 1,580—1980: Rs. 2,401)

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### SCHEDULE 'J'— LOANS AND ADVANCES

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>LOANS AND ADVANCES</b>			
1. Advances recoverable in cash or inkind or for value to be received			
a) Secured Considered Good*	1,180.03		3,747.76
b) Unsecured Considered Good*	40,218.11		27,615.63
c) Unsecured Considered Doubtful	26.51		21.14
	<u>41,424.65</u>		<u>31,384.53</u>
(d) Less: Provision for Doubtful Advances	26.51		21.14
		41,398.14	<u>31,363.39</u>
2. Claims Recoverable:			
a) Secured Considered Good	1.29		0.26
b) Unsecured Considered Good*	4,542.33		2,623.10
c) Unsecured Considered Doubtful	578.79		362.08
	<u>5,122.41</u>		<u>2,985.44</u>
d) Less: Provision for Doubtful Claims	578.79		362.08
		4,543.62	<u>2,623.36</u>
3. Materials on Loan			
(a) Secured Considered Good	13.03		18.53
(b) Unsecured Considered Good	47.97		43.80
		61.00	<u>62.33</u>
4. Balance with Customs, Port Trust and Excise Authorities— Unsecured Considered Good		851.63	776.91
5. Sundry Deposits (including amount adjustable on receipt of final bills):			
a) Secured Considered Good	958.66		177.77
b) Unsecured Considered Good	464.40		243.30
c) Unsecured Considered Doubtful	0.10		0.10
	<u>1,423.16</u>		<u>421.17</u>
d) Less: Provision for Doubtful Sundry Deposits	0.10		0.10
		1,423.06	421.07
<b>Total</b>		<u>48,277.45</u>	<u>35,247.06</u>

\* Includes

1. Rs. 13 (1980: Rs. Nil) due from Directors (Maximum Rs. 23—1980: Rs.54)

2. Rs. 9.06 lakhs (1980: Rs. 584 lakhs) due from other officers (Maximum Rs. 10.51 lakhs— 1980: Rs. 9.48 lakhs).



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

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>CURRENT LIABILITIES:</b>				
1. Sundry Creditors		81,992.22		73,226.81
2. Due to Indian Oil Blending Limited (A Subsidiary Company)		53.16		18.25
3. Security Deposits	23,814.97			8,872.94
Less: Investments and Deposits with Banks Lodged by outside parties	27.65			25.13
		23,787.32		8,847.81
4. Interest accrued but not due on loans		338.18		88.43
			1,06,170.88	82,181.30
<b>PROVISIONS</b>				
5. Provisions for Taxation	12,364.09			22,363.24
Less: Advance payments	10,391.22			19,805.73
		1,972.87		2,557.51
6. Provision for Gratuity		1,439.19		1,253.34
7. Provision for Renewal of Catalyst		9.28		62.89
8. Proposed Dividend		1,150.48		986.12
			4,571.82	4,859.86
<b>TOTAL</b>			1,10,742.70	87,041.16

**SCHEDULE 'L' OTHER INCOME**

	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>OTHER INCOME:</b>		
1. Sale of Power and Water	155.45	125.58
2. Profit on Sale and Disposal of Assets	55.60	49.45
3. Interest from Government Securities	0.33	0.44
4. Dividends received from: A Subsidiary—Gross (Tax deducted at source Rs. 0.92 lakh—1980: Rs. 0.96 lakh)	4.00	4.00
5. Royalty	0.77	3.23
6. Miscellaneous Income	473.78*	365.41
<b>TOTAL</b>	689.93	548.11

\*Includes Rs. 23.22 lakhs being the excess of claim over the written down value of the assets lost in fire.

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

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Raw Materials consumed			
Opening Balance as on 1st April, 1980	14,910.65		6,183.35
Add: Adjustments to Opening Stock	10.28		(30.35)
	<u>14,920.93</u>		<u>6,153.00</u>
Add: Purchases	1,88,961.77		1,28,888.66
	<u>2,03,882.70</u>		<u>1,35,041.66</u>
Less: Closing Stock	<u>53,660.37</u>		<u>14,910.65</u>
		1,50,222.33	1,20,131.01
2. Consumption:			
i) Stores and Spares (including Consumables)	1,185.63		996.62
ii) Packages	<u>4,126.62</u>		<u>3,378.53</u>
		5,312.25	<u>4,375.15</u>
3. Power & Fuel	6,639.50		4,973.54
Less: Fuel of own production	<u>6,198.53</u>		<u>4,796.57</u>
		440.97	<u>176.97</u>
4. Processing Fees, Blending Fees, Royalty and Other Charges		395.00	230.86
5. Provision for renewal Catalyst		13.08	—
6. Repairs and Maintenance :			
a) Plant and Machinery	1,303.49		1,046.33
b) Buildings	218.44		<u>143.77</u>
c) Other	<u>314.47</u>		<u>236.07</u>
		1,836.40	1,426.17
7. Freight and Transportation Charges (net of recoveries from Pool Accounts)		12,156.30	10,991.58
8. Payment to and Provision for Employees			
a) Salaries, Wages and Bonus	3,972.92		3,577.23
b) Contribution to Provident and Other Funds	228.75		205.52
c) Staff Welfare Expenses	389.95		320.57
d) Gratuity and Ex-Gratia	<u>211.88</u>		<u>263.79</u>
		4,803.50	4,367.11
9. Office Administration, Selling and Other Expenses (Schedule 'N')		<u>3,252.61</u>	<u>2,440.20</u>
TOTAL		<u>1,78,432.44</u>	<u>1,44,139.05</u>





### SCHEDULE 'O' — EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS — (Contd.)

	Rupees (In lakhs)	Rupees (in Lakhs)	1980 Rupees (in lakhs)
<b>EXPENSES:</b>			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		(242.41)	(0.60)
2. Raw Material Consumed:			
i) Adjustment in respect of Opening Stock	(10.28)		30.35
ii) Purchases	<u>22.36</u>		<u>97.93</u>
		12.08	<u>128.28</u>
3. Consumption:			
i) Stores and Spares (including Consumables)	(1.81)		(4.27)
ii) Packages	<u>(5.59)</u>		<u>(10.10)</u>
		(7.40)	<u>(14.37)</u>
4. Repairs and Maintenance:			
i) Plant and Machinery	1.55		0.40
ii) Other	<u>(1.14)</u>		<u>4.53</u>
		0.41	<u>4.93</u>
5. Freight and Transportation Charges (net of recoveries from Pool Account)		(373.81)	(16.21)
6. Payment to and Provision for Employees:			
i) Salaries, Wages and Bonus	14.09		317.54
ii) Contribution to Provident and Other Funds	<u>(4.01)</u>		<u>12.69</u>
		10.08	<u>330.23</u>
7. Rent		(5.24)	10.33
8. Insurance		(3.10)	(3.95)
9. Rates and Taxes		1.21	(4.77)
10. Main Installation Charges paid to other Marketing Companies		1.58	(3.26)
11. Other Expenses		(90.38)	(274.11)
12. Loss on Assets sold, lost or written off		—	2.36
13. Pollution Control Expenses		—	1.55
14. Duties		(129.06)	(17.41)
15. Depreciation and Amortisation		849.55	1,210.30
16. Interest:			
i) On Deferred Payment	—		7.27
ii) Others	<u>16.58</u>		<u>(318.02)</u>
		16.58	<u>(310.75)</u>
17. Amount transferred to construction period expenses pending allocation		<u>145.94</u>	<u>(8.00)</u>
<b>TOTAL EXPENSES</b>		<u>186.03</u>	<u>1,034.55</u>
<b>NET INCOME/(EXPENSES)</b>		<u>701.62</u>	<u>1,643.24</u>

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### SCHEDULE 'P' NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1981

### Index

1. Contingent Liabilities no provided for:
  - (a) Claims against the Corporation not acknowledged as debts Rs. 2886.99 lakhs (1980: Rs. 4,251.48 lakhs).  
These include:
    - i) Rs. 1338.78 lakhs (1980: Rs. 1,052.04 lakhs) being the demands made by Central Excise.
    - ii) Rs. 309.57 lakhs (1980 : Rs. 1,874.99 lakhs) in respect of sales tax.
    - iii) Rs. 591.37 lakhs (1980:Rs. 1874.99 lakhs) for which suits have been filed in the Courts of cases are lying with arbitrators, including Rs. 204.07 lakhs (1980:Rs. 204.07 lakhs) towards damages for short-fall and termination of supplies to a customer.  
Interest if any, on some of the claims is unascertainable,
  - b) Undertakings to indemnity banks and others for providing guarantees aggregating to Rs. 2,133.43 lakhs (1980: Rs. 10,585.49 lakhs).
  - c) Bills discounted with Banks Rs. 30.92 lakhs (1980: Rs. 32.89 lakhs).
  - d) Income Tax, if any, reimbursable to foreign contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 14,768.16 lakhs (1980; Rs. 11,647.71 lakhs)
3.
  - a) Title Deeds for Land and Residential Apartments of the book value of Rs. 387.00 lakhs (1980; Rs. 272.50 lakhs) as also, lease and other agreements in respect of certain other lands are pending execution or renewal and are therefore not available for verification.
  - b) Pending the decision of the Government no liability could be determined and provided for in respect of:
    - (i) Claims in respect of land acquired for Mathura Refinery Project.
    - ii) Additional Compensation, if any, payable to the land owners for land acquired at Julundur and Delhi.
4. Included amongst stores are some items which are surplus/ slow moving and no provision has been made in these accounts towards loss, if any, on their disposal, as the extent thereof cannot be determined.
5. Stores and Spares include a sum of Rs. 4.20 lakhs (1980: Rs. 4.46 lakhs) representing value of certain items found short on physical verification for which an investigation is in progress.
6. Closing Stock includes Stock of Tin Plates of value of Rs. 1.34 lakhs (1980 : Rs. 1.34 lakhs) representing value of certain items found short on physical verification for which an investigation is in progress.
7. Book Debts include an amount of Rs. 4.20 (1980: Rs. 4.46 lakhs) representing value of certain items found short on physical verification for which an investigation is in progress.
8. Book Debts include an amount of Rs. 530.74 lakhs (1980; Rs. 662.94 lakhs) due from Bihar State Electricity Board pertaining to the period prior to June, 1977 and Rs. 181.03 lakhs (1980: Rs. 177.35 lakhs) due from Bihar State Electricity Board pertaining to the period prior to June, 1977 and Rs. 181.03 lakhs (1980: Rs. 177.35 lakhs) due from Gujarat Electricity Board mostly since 1973. Although disputed by the parties these debts are considered good by the Management,
9. Sundry Deposits include an amount of Rs. 50.59 lakhs (1980: Rs. 50.59 lakhs) deposited by the Corporation with another Marketing Company in respect of supply on installation Exchange Arrangement but which was appropriated by the said Company. The Corporation has
  10. No credit has been taken for the following inter-alia;
    - i) Under an award given for the price of RFO/LSHS supplied by to Gujarat Electricity Board, the Corporation has received 17 instalments (1980; Rs. 20.52 cores) which accrued, became due and receivable upto this year. The Credit for the balance amount of Rs. 45.81 crores (1980: Rs. 52.76 crores) will be taken on the respective dates when they will accrue, become due and receivable.
    - ii) Claim for price increase for LSHS supplies to Gujarat Electricity Board pending settlement of dispute.
    - iii) Claim for escalation in refining costs — Chemicals and catalysts etc. pending finalisation of norms by OCC/ Government.
  11. Adjustments for certain inter company oil transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.
  12. The provision for Gratuity has been made on the basis half month's salary last drawn for every year of service completed by the eligible employees as per Corporation Rules, consistent with the past prices. No effect has been taken into account for the impact arising out of the latest Supreme Court Decision. Provision is considered adequate by the Management if computed on actuarial basis.
  13. The Corporation has reviewed the rates of depreciation in respect of certain assets with a view to rationalise the same. Consequently, there is a reduction in the profit for the year by Rs. 149.39 lakhs and in the income of prior years by Rs. 966.61 lakhs.
  14. Remuneration paid or payable to full time Directors was 2,40,757 (1980: Rs. 2,76,792). This includes Rs. 6,898 as remuneration paid to Finance Director for the period 28th February, 1981 to 31st March 1981 on Provisional basis pending approval of certain terms and conditions by the Government. In addition, full time Directors are also allowed the use of the Corporation's car for private purposes annum to be recovered in instalments of Rs. 100 per annum to be recovered in mensem. Managing Director (Marketing Division) has been allotted a Company owned flat on recovery of rent at 10 per cent of his basic pay.
  15. The Profit and Loss Account includes:
    - (a) Expenditure on Public Relations and Publicity amounting to Rs. 33.27 lakhs (1980: Rs. 42.75 lakhs) which is inclusive of Rs. 14.93 lakhs (1980: Rs. 13.22 lakhs) on account of staff and establishment.  
Rs. 0.01 lakh (1980: Rs. 0.75 lakhs) which is inclusive of Rs. 14.93 lakhs (1980; Rs. 13.22 lakhs) on account of staff and establishment.  
Rs. 0.01 lakh (1980: Rs. 0.75 lakh) payment to consultants and Rs. 18.33 lakhs (1980: Rs. 28.78 lakhs) to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.0006:1 (1980: 0.0009:1).
    - b) Entertainment expenses Rs. 3.81 Lakhs (1980: Rs. 2.79 lakhs).
  16. Schedules 'A' to 'X' to the Balance Sheet and Profit & Loss Account form part of these Accounts.
  17. Figures in brackets indicate deductions.
  18. Previous year's comparative figures have been regrouped to the extent practicable, wherever necessary.

C.R. DASGUPTA  
Chairman

K.L. GOEL  
Finance Director

S. KETHARAMAN  
Managing Director  
(Mktg)

T.K. SINHA  
Managing Director  
(Refineries & Pipelines)

D.B. PURI  
Secretary



### SCHEDULE 'Q'— LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Index

	PETROLEUM PRODUCTS		LUBRICATING OILS	
	1981 MTs (in lakhs)	1980 MTs (in lakhs)	1981 MTs (in lakhs)	1980 MTs (in lakhs)
1. Licensed Capacity (including Mathura Refinery Project under Construction—60.00 lakhs MTs)	182.50	182.50	1.70	1.70
2. Installed Capacity*	122.50	122.50	1.40**	1.40**
3. Actual Production	98.41 0.25@	115.65 0.27@	1.08	1.02
4. Product Processed Manufactured by others	1.55	4.02	1.03 1.39 @ @	0.94 1.43 @ @

\* As certified by the Management and accepted by the auditors without verification

\*\* Per year operating in two shifts

@ Cubic Metres

@@ In Kilolitres

### SCHEDULE 'R'— FINISHED PRODUCTS — QUANTITY AND VALUE PARTICULARS — TUNOVER

	OPENING STOCK			PURCHASES INCLUDING DUTIES		
	QUANTITY MTS (in lakhs)	KLs (in lakhs)	VALUE Rupees (in lakhs)	QUANTITY MTs (in lakhs)	KLs (in lakhs)	VALUE Rupees (in lakhs)
<b>FORMULA PRODUCTS:</b>						
Year ended 31st March, 1981	9.83	9.36	28,223.83	15.00	164.05	2,83,448.87
Year ended 31st March, 1980	5.95	7.65	13,361.66	15.96	137.63	2,08,710.21
<b>LUBRICANTS &amp; GREASES:</b>						
Year ended 31st March, 1981	0.03	0.41	2,922.50	0.05	0.03	642.52
Year ended 31st March, 1980	0.03	0.36	2,441.17	0.02	0.17	645.58
<b>OTHER PETROLEUM PRODUCTS</b>						
Year ended 31st March, 1981	0.57	0.02	473.30	0.34	1.33	1,840.02
Year ended 31st March, 1980	0.85	0.03	524.82	0.59	1.11	1,721.88
<b>CRUDE OIL:</b>						
Year ended 31st March, 1981	—	—	—	39.14	—	76,681.19
Year ended 31st March, 1980	—	—	—	57.04	—	72,655.33
<b>BASE OIL AND ADDITIVES:</b>						
Year ended 31st March, 1981	—	—	—	0.24	1.12	4,136.09
Year ended 31st March, 1980	—	—	—	0.53	0.31	2,244.17
<b>TOTAL:</b>						
Year ended 31st March, 1981	10.43	9.79	31,619.63	54.77	166.53	3,66,748.69
Year ended 31st March, 1980	6.83	8.04	16,327.65	74.14	139.12	2,85,977.17

- Notes: 1. Purchases and Sales Exclude value adjustments, shown under items pertaining to the previous years.  
 2. In view of the physical stocks and the records of drums manufactured as well as purchased being combined, separate information in respect of opening and closing stock of drums manufactured is not feasible.  
 3. Rs. 595.79 lakhs (1980: Rs. Nil) being the reimbursement from C&F Adjustment Account towards additional marketing cost due to Long Term Settlement is included in Sales-Formula Products pending clarification.



### SCHEDULE 'Q' Contd...

### Index

ASPHALT DRUMS		LUBE OIL DRUMS	
1981 Nos. (in lakhs)	1980 Nos. (in lakhs)	1981 Nos. (in lakhs)	1980 Nos. (in lakhs)
10.00	10.00	5.00	5.00
10.00**	10.00**	5.00**	5.00**
6.43	7.21	3.74	3.16
13.80	11.61	—	—

### SCHEDULE 'R' Contd...

SALES			CLOSING STOCK		
QUANTITY		VALUE	QUANTITY		VALUE
MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
25.16	250.62	4,41,485.57	6.30	11.03	30,903.94
26.79	233.17	3,28,801.47	9.83	9.36	28,223.83
0.12	3.35	27,432.33	0.04	0.53	4,341.37
0.27	2.98	23,430.24	0.03	0.41	2,922.50
14.56	2.64	21,526.72	0.41	0.07	450.92
14.90	5.59	20,588.25	0.57	0.02	473.30
39.14	—	76,681.18	—	—	—
57.04	—	72,655.33	—	—	—
0.24	1.12	4,346.53	—	—	—
0.53	0.31	2,447.67	—	—	—
79.22	257.73	5,71,472.33	6.75	11.63	35,696.23
99.53	242.05	4,47,922.96	10.43	9.79	31,619.63



**SCHEDULE 'S' — CONSUMPTION PARTICULARS OF RAW MATERIALS**

	QUANTITY		VALUE	1980 QUANTITY		VALUE
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude Oil	105.05	—	1,30,292.40	125.39	—	1,04,541.63
Base Oils	0.87	1.36	16,955.23	1.73	—	13,426.45
Additives	0.05	0.08	2,974.70	0.04	0.06	2,162.93
Steel Coils and Sheet*	0.30	—	1,553.56	0.27	—	1,238.77
<b>TOTAL</b>	<u>106.27</u>	<u>1.44</u>	<u>1,51,775.89</u>	<u>127.43</u>	<u>0.06</u>	<u>1,21,369.78</u>

- Notes: 1. Additives are not considered as Raw Materials in Refineries Division.  
 2. Consumption excludes value adjustment, if any, shown under items pertaining to the previous years.  
 3. \*Shown under "Packages Consumed" in the Profit and Loss Account

**SCHEDULE 'T' DETAILS OF EMPLOYEES DRAWING NOT LESS THAN RS. 36,000 PER ANNUM OR RS. 3,000 PER MONTH**

	Rupees (in lakhs)	1980 Rupees (in lakhs)
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum :		
Number	352	181
(a) Salaries, Wages and Bonus	131.91	66.48
(b) Contribution to Provident Fund/Family Pension Fund	8.91	5.28
(c) Total (a) + (b)	<u>140.82</u>	<u>71.76</u>
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month		
Number	65	54
(a) Salaries, Wages, Bonus and Gratuity paid	17.00	11.28
(b) Contribution to Provident Fund/Family Pension Fund	0.55	0.49
(c) Total (a) + (b)	<u>17.55</u>	<u>11.77</u>

Note: The above excludes amounts shown under items pertaining to previous years.

### SCHEDULE 'U'—EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF ROYALTY, KNOW-HOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS.

	Rupees (in lakhs)	1980 Rupees (in lakhs)
1. Royalty (excluding income-tax) and Technical Service Fees	13.14	3.68
2. Professional Consultation fees including Legal Expenses	4.74	5.59
3. Processing Fees	50.92	143.02
4. Interest	14.74	15.82
5. Others	7.78	69.97
TOTAL	91.32	238.08

### SCHEDULE 'V'— EARNINGS IN FOREIGN EXCHANGE

	Rupees (in lakhs)	1980 Rupees (in lakhs)
1. Export of Goods calculated on FOB Basis		
Export of Petroleum Products	20,901.17*	20,469.22*
2. Other Income and Service Charges	204.35	—
TOTAL	21,105.52	20,469.22

\*Includes: (i) Rs. 6,169.47 lakhs (1980: Rs. 4,823.14 lakhs) received in Indian Currency out of repatriable funds of foreign customers and other export sales through canalising agencies.  
(ii) Export of Reformate — Rs. 129.12 lakhs (1980: Rs. 296.05 lakhs) the value of which has been received by way of exchange of SKO.

### SCHEDULE 'W'— CIF VALUE OF IMPORTED CRUDE OIL/BASE OILS ADDITIVES/STEEL COILS AND SHEETS/SPARE PARTS AND COMPONENTS

	Particulars Rupees (in lakhs)	1980 Rupees (in lakhs)
Crude Oil	1,26,530.36	81,914.86
Base Oils	2,872.04	1,269.79
Additives	231.00	178.34
Capital Stores	1,855.63	959.99
Revenue Stores, Components and Spare Parts and Chemicals	695.20	283.33
<b>TOTAL</b>	<b>1,32,184.23</b>	<b>84,606.31</b>

Note: The above does not include CIF value of imports on behalf of Other Oil Companies.

### SCHEDULE 'X'— CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, STEEL COILS/SHEETS, SPARE PARTS AND COMPONENTS

	IMPORTED		INDIGENOUS		1980		INDIGENOUS	
	Value Rupees (in lakhs)	% to Total con- sumption						
1. Crude oil	65,722.14	51	64,570.26	49	49,894.90	48	54,646.73	52
2. Base Oils and Additives	5,118.14	26	14,811.79	74	1,420.87	9	14,168.51	91
3. Steel Coils and Sheets* Components and Spare Parts	1,856.69	60	1,245.24	40	1,022.28	37	1,738.36	63
<b>TOTAL</b>	<b>72,696.97</b>		<b>80,627.29</b>		<b>52,338.05</b>		<b>70,553.60</b>	

Note: Consumption of steel coils and sheets imported through canalising Agency has been considered as imported

\*Shown under packages consumed in the Profit and Loss Account.

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

	No. of Shares (in lakhs)	Paid up Value Rupees (in lakhs)
1. Shares in the Subsidiary Company were Registered in the name of the Company and their nominees as indicated <b>As at 31st March, 1981:</b> Indian Oil Blending Limited	0.08	<b>40.00</b>
	For the Financial Year ended 31st March, 1981 Rupees (in lakhs)	Previous Financial year cumulative Total Rupees (in lakhs)
2. Net Aggregate amount of the Profit of Subsidiary Company not dealt with in the Company's Accounts so far as they concern the members of the company are: Indian Oil Blending Limited	7.58	106.58
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: Indian Oil Blending Limited	4.00	19.11

C.R. DAS GUPTA  
Chairman

K.L. GOEL  
Finance Director

S. KETHARAMAN  
Managing Director  
(Marketing)

T.K. SINHA  
Managing Director  
(Refineries & Pipelines)

D.B. PURI  
Secretary

**SCHEDULE OF FIXED ASSETS (TOWNSHIP)**

	Gross Block as at 31st, March, 1980 at cost	Additions during the year at cost	Transfers from construction work-in-pro- gress at cost	Transfers, deductions and reclassifica- tion at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
1. LAND — Freehold	108.89	—	—	(-) 1.43
— Leasehold	11.63	1.24	—	—
2. BUILDINGS, ROADS ETC.	1,449.39	55.85	268.86	(+) 2.29
3. PLANT AND MACHINERY	60.11	0.19	2.97	(-) 0.01
4. DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	160.58	1.70	12.19	(+) 3.27
5. EQUIPMENT AND APPLIANCES	29.37	5.19	—	(+) 0.74
6. FURNITURE & FIXTURES	13.18	3.56	—	(-) 0.03
7. VEHICLES	50.92	5.31	—	(-) 4.98
8. SUNDRY ASSETS	0.58	0.04	—	(-) 0.37
<b>TOTAL</b>	<b>1,884.65</b>	<b>73.08</b>	<b>284.02</b>	<b>(-) 0.52</b>
<i>PREVIOUS YEAR</i>	<i>1,758.13</i>	<i>20.97</i>	<i>109.96</i>	<i>(-) 4.41</i>

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

Gross Block as at 31st March, 1981 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1981	Net Depreciated Block	
			As at 31st March, 1981	1980
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees
107.46	0.02	0.12	107.34	108.80
12.87	0.16	1.63	11.24	10.36
1,776.39	38.31	342.39	1,434.00	1,145.88
63.26	5.77	37.97	25.29	29.76
177.74	4.26	75.39	102.35	92.72
35.30	11.65	22.69	12.61	6.69
16.71	1.17	8.76	7.95	5.58
51.25	6.27	27.41	23.84	26.78
0.25	0.04	0.18	0.07	0.08
2,241.23	67.65	516.54	1,724.69	1,426.65
1,884.65	50.83	458.00	1,426.65	



### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1981 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

	Rupees (in lakhs)	1980 Rupees (in lakhs)
<b>INCOME:</b>		
1. Recovery of House Rent	42.19	40.82
2. Recovery of Utilities: Power and Water	6.29	10.12
3. Recovery of Transport Charges	3.43	2.54
4. Other Recoveries	5.03	5.87
5. Excess of Expenditure over Income	716.85	611.41
TOTAL	<u>773.79</u>	<u>670.76</u>
<b>EXPENDITURE:</b>		
1. Salaries, Wages and PF Contribution	202.24	177.19
2. Consumable Stores and Medicines	60.29	56.25
3. Subsidies for Social and Cultural Activities	36.18	32.80
4. Repairs & Maintenance	97.35	87.60
5. Interest	91.04	90.43
6. Depreciation	67.65	50.83
7. Miscellaneous Expenses		
Taxes, Licence fees, Insurance etc.	64.70	44.93
8. Utilities: Power and Gas	153.87	129.36
9. Land Rent	0.16	0.36
10. Welfare (School)	0.25	0.42
11. Bus Hire Charges	—	0.47
12. Club and Recreation	0.06	0.12
TOTAL	<u>773.79</u>	<u>670.76</u>

### COMMENTS OF THE COMPTROLLER & AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1981 AND REPLIES OF THE BOARD OF DIRECTORS.

SL. NO.	COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA	REPLIES OF THE BOARD OF DIRECTORS
	<b>BALANCE SHEET</b>	
1.	<b>FUNDS EMPLOYED</b>	
4.	<b>LOANS: Rs. 77,845.16 lakhs</b> Under Section 293(1) (d) of the Companies Act, 1956, borrowings in excess of the aggregate of the paid up capital of the Company and its free reserves require prior approval of the Company in general meeting. During the period from 10th June 1980 to 8th February, 1981 the total borrowings ranged from Rs. 389.49 crores to Rs. 437.14 crores while the aggregate paid up capital and free reserves amounted to Rs. 367.90 crores. Prior approval of the Company in general meeting was not obtained for the excess borrowings although later the Company obtained ex-post-facto approval in the extraordinary general meeting held on 2nd July, 1981.	Noted
	<b>APPLICATION OF FUNDS:</b>	
8.	<b>Current Assets, Loans and Advances</b> (A) <b>Current Assets</b> (b) <b>Inventories Rs. 97,795.72 lakhs</b>	
2.	<b>SCHEDULE 'H'</b> 2. <b>Raw Materials (including in-transit Rs. 6,129.40 lakhs) (at cost)</b> The in-transit disclosure does not include aditives in transit valued at Rs. 10.82 lakhs	Noted
3.	3 <b>Stock - in Trade</b> (a) <b>Oil Stock—Rs. 35,696.23 lakhs</b> Includes stocks valued at Rs. 13.49 lakhs with Parties other than Oil Companies	No Comments
4.	<b>12 Notes Forming part of Accounts</b> <b>SCHEDULE 'P'</b> <b>NOTE 14</b> The monetary value of the perquisite for the use of car provided to Chairman and three functional Directors works out to Rs. 8,103 and should have been disclosed in terms of clause 4(vii) of Part-II of Schedule VI of the Companies Act.	Information already disclosed meets the requirements of the relevant provisions of the Companies Act, 1956.
	<b>PROFIT &amp; LOSS ACCOUNT</b>	
	<b>INCOME:</b>	
5. 1	<b>Sale of Products and Crude and Transfers under product Exchange Rs. 5,71,472.33 lakhs</b> Includes excess claim of Rs. 142.86 lakhs on C&F adjustment Account towards imported SKO sold as ATF, resulting in over-statement of profit.	Adjustments as necessary will be made in the accounts for the year 1981-82.



### COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA—(Contd.)

### Index

**6. 4 Increase in Stocks**

**Finished Products — Rs. 35,696.23 lakhs**

Includes Rs. 67.62 lakhs being the value of 8,084 MT of Raw Petroleum Coke, assued as closng stock as on 31-3-1981, without any physical verification during or at the end of 1980-81. In this connection, reference is invited to comment (i) on Profit & Loss Account for the yer ended 31st March, 1980.

The closing stock of Raw Petroleum Coke has been arrived at on the basis of actual despatches of Coke and assessment of stocks in hand on the date of preparation of accounts of the Refinery.

**EXPENDITURE:**

**7. 3. Duties: — Rs. 86,269.32 lakhs**

Includes Rs. 9.25 lakhs being duty relating to previous years, profit for the year being understated correspondingly.

Noted

**8. 9 Income relating to previous years (Net) Rs. 701.62 lakhs**

**SCHEDULE 'O'**

**INCOME:**

**3. Adjustment in respect of Opening Stock of Finsihed Products Rs. 25.93 lakhs**

This adjustment is in respect of Raw Petroleum Coke only. It is not based on any physical verification conducted during or at the end of the year 1980-81. Moreover, the revised quantity of stock adopted is not even based on actual recorded production, but is based on derived quantities of production, the accuracy of which is not susceptible to verification. In this connection, reference is invited to comment 3 on Profit & Loss Account for the year ended 31st March, 1980.

The adjustments carried out in respect of opening stocks of Raw Petroleum Coke is based on the quantity determined on the basis of actual despatches as well as on reassessment of the stock in hand on the date of preparation of the Accounts and hence are considered realistic.

K.N.MURTHI  
Member, Audit Board and Ex-officio  
Director of Commercial Audit  
(Petroleum & Oil)

Madras, Dated 18th September, 1981

C.R. DAS GUPTA  
Chairman  
For and on behalf of the  
Board of Directors

New Delhi, Dated 19th September, 1981



### ANNEXURE TO THE DIRECTORS' REPORT DATED 26TH AUGUST, 1981

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED, FOR THE YEAR ENDED 31ST MARCH, 1981 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)		
	1978-79	1979-80	1980-72
<b>Liabilities</b>			
(a) Paid-up Capital	8,217.72	8,217.72	8,217.72
(b) Reserves & Surplus	29,095.80	35,452.48	42,367.42
(c) Borrowings:			
(i) From the Government of India	8,527.50	7,767.50	12,098.50
(ii) Oil Industry Development Board	1,682.50	8,866.85	9,751.20
(iii) Foreign Credit	357.28	230.38	105.42
(iv) Bank Cash Credit	440.07	20,779.84	50,894.25
(v) Deferred Credit	14.07	28.65	14.32
(vi) From Life Insurance Corporation of India	—	—	2,000.00
(vii) Fixed Deposits	—	—	1,113.52
(viii) Others	—	—	13.61
(d) Trade dues and other Liabilities (including Provisions)	55,532.49	87,371.93	1,12,597.04
Total	<u>1,03,867.43</u>	<u>1,68,715.35</u>	<u>2,39,173.00</u>
<b>Assets</b>			
(e) Gross Block	49,736.52	53,509.37	68,871.44
(f) Less: Depreciation	21,051.22	26,228.99	31,998.41
(g) Net Fixed Assets	28,685.30	27,280.38	36,873.03
(h) Capital—work in progress (including unallocated expenses)	14,435.85	23,240.50	22,170.20
(i) Other Assets (mainly machinery and equipment in transit and stores)	6,303.50	8,763.10	10,746.79
(j) Current Assets, Loans and Advances	54,396.51	1,09,385.30	1,69,336.09
(k) Investments	46.27	46.07	46.89
Total	<u>1,03,867.43</u>	<u>1,68,715.35</u>	<u>2,39,173.00</u>
Capital employed	28,556.59	50,547.09	95,051.27
Net worth	37,313.52	43,670.20	50,585.14

- Notes: 1. Capital Employed represents net Fixed Assets plus Working Capital  
 2. Net worth represents paid-up Capital plus reserves and Surplus less intangible Assets.  
 3. The figures for the year 1978-79 are on the basis of those adopted in the review printed for the year 1979-80. Figures for 1979-80 are as regrouped in current year accounts.



### 2. Capital Structure

#### Debt equity ratio

The debt equity ratio for the Company has been 1.29:1 in 1978-79, 2.05:1 in 1979-80 and 3.05:1 in 1980-81.

### 3. Reserves and Surplus

The reserves and surplus (Rs. 42,367.42 lakhs) amounted to:

- (a) 17.71 per cent of the total liabilities in 1980-81 as against 21.01 per cent in 1979-80 and 28.01 per cent in 1978-79  
 (b) 515.56 per cent of equity capital (Rs. 8,217.72 lakhs) in 1980-81 as against 431.42 per cent in 1979-80 and 354.06 per cent in 1978-79.

### 4. Liquidity and Solvency

- (a) The percentage of current assets (including investments) to total net assets increased from 52.41% in 1978-79 to 64.86 per cent in 1979-80 and 70.82 per cent in 1980-81.  
 (b) The percentage of current assets (including investments) to current liabilities (including provisions) increased from 9.04 per cent in 1978-79 to 125.25 per cent in 1979-80 and 150.43 per cent in 1980-81.  
 (c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) varied from 51.49 in 1978-79 to 67.96 in 1979-80 and 64.11 in 1980-81.

### 5. Working Capital

The Working Capital (current assets, loans and advances less trade dues and current liabilities excluding provision for gratuity) at the close of the year ended 31-3-1981 amounted to Rs. 58,178.24 lakhs, representing 1.2 months value of business at cost (excluding depreciation) as against Rs. 23,266.71 lakhs representing 0.6 month's value of business at cost (excluding depreciation) for the year ended 31.3.1980. However, as on 31-3-1979, the trade dues and current liabilities excluding provision for gratuity exceeded current assets, loans and advances by Rs. 129.71 lakhs.

### 6. Sources and uses of Funds

Funds amounting to Rs. 12,396.32 lakhs from internal resources (reserves and surplus, depreciation and provisions) and Rs. 63,830.75 lakhs from other sources were utilised in 1980-81 as under:

(Rupees in lakhs)

Gross Block including	
Capital Work-in-Progress . . . . .	14,291.77
Other Assets (net) . . . . .	61,935.30

### 7. Working Results

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

	(Rupees in lakhs)		
	1978-79	1979-80	1980-81
i) Profit before tax . . . . .	9,425.99	11,124.56	10,113.80
ii) Tax Provision . . . . .	<u>3,065.00</u>	<u>5,425.00</u>	<u>2,750.00</u>
iii) Profit after tax . . . . .	<u>6,360.99</u>	<u>5,699.56</u>	<u>7,363.80</u>
PERCENTAGE OF PROFIT BEFORE TAX :			
(a) To Sales (inclusive of product exchange transfers)	2.6	2.5	1.8
(b) To gross Fixed Assets	19.0	20.8	14.7
(c) To Capital employed	33.0	22.0	10.6
PERCENTAGE OF PROFIT AFTER TAX :			
(a) To net worth . . . . .	17.0	13.1	14.6
(b) To Equity Capital . . . . .	77.4	69.4	89.6
(c) To Capital employed . . . . .	22.3	11.3	7.7



### 9. Cost Trends:

The Table below indicates the percentage of cost of sales to sales during the last three years.

	(Rupees in lakhs)		
	1978-79	1979-80	1980-81
Sales (inclusive of product exchange transfers)	3,57,004.61	4,48,253.23	5,72,594.77
Less: Profit before Tax . . . . .	9,425.99	11,124.56	10,113.80
Cost of Sales . . . . .	3,47,578.62	4,37,128.67	5,62,480.97
Percentage of cost of Sales to Sales . . . . .	97.4	97.5	98.2

### 9. Business Performance

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

	(Rupees in lakhs)		
	1978-79	1979-80	1980-81
1. Sales (inclusive of product exchange transfers) . . . . .	3,57,004.61	4,48,253.23	5,72,594.77
2. Closing Stock of Raw Materials, Finished Goods and Stock-in-Process	24,139.42	48,395.14	92,209.66
3. Opening Stock of Raw Materials, Finished Goods and Stock in Process	20,280.47	24,139.42	48,395.14
4. Adjustment in respect of Opening Stock . . . . .	—	11.13	36.21
5. Value of business (1+2)—(3+4) . . . . .	<u>3,60,863.56</u>	<u>4,72,497.82</u>	<u>6,16,373.08</u>

The percentage of value of business to net worth increased from 967.1 in 1978-79 to 1,082.0 in 1979-80 and 1,218.5 in 1980-81. The percentage of value of business to total net assets decreased from 347.4 in 1978-79 to 280.1 in 1979-80 and 257.7 in 1980-81.

### 10. Inventory and Production

The following table indicates the Comparative position of the inventory and its distribution at the close of the last three years.

	(Rupees in lakhs)		
	1978-79	1979-80	1980-81
(i) Stores and Spare Parts (including in transit)	2,914.82	3,523.30	5,335.09
(ii) Stock-in-Trade (including Raw Materials and stock-in-Process)	<u>24,139.42</u>	<u>48,395.14</u>	<u>92,209.68</u>
(iii) Stock of empty barrels and tins	<u>146.24</u>	<u>185.87</u>	<u>250.97</u>
	<u>27,200.48</u>	<u>52,104.31</u>	<u>97,795.72</u>

Stock in trade represented 0.8, 1.3 and 1.93 month's sales in 1978-79, 1979-80 and 1980-81 respectively.

### 11. Sundry Debtors and Turnover

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

As on	(Rupees in lakhs)			
	Total Book Debts		Sales (inclusive of product exchange transfers)	Percentage of debtors to sales.
	Considered good	Considered doubtful		
31st March, 1979	13,046.46	192.63	3,57,004.61	3.7
31st March, 1980	19,957.10	203.98	4,48,253.23	4.5
31st March, 1981	<u>20,241.48</u>	<u>218.32</u>	<u>5,72,594.77</u>	<u>3.6</u>

Sundry Debtors represented 0.4 month's turnover in 1980-81 as against 0.5 months in 1979-80 and 0.4 months in 1978-79.

MADRAS,  
18-9-1981

K.N. MURTHI  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT  
PETROLEUM & OIL



# **Indian Oil Blending Limited**

*(A Wholly Owned Subsidiary of Indian Oil Corporation Limited)*

## **Annual Report For The Year 1980-81**

**BOARD OF DIRECTORS :**

S. Ketharaman	:	<i>Chairman</i>
R. Gurumoorthy	:	<i>Managing Director</i>
G. S. Pandya	:	<i>Financial Director</i>
Dr. J. S. Ahluwalia	:	<i>Director</i>

**SECRETARY:**

J.K. Wadhwa

**BANKERS:**

State Bank of India

**AUDITORS:**

M/s Patel, Shah & Joshi,  
*Chartered Accountants,*

Sheel Chambers, 5th Floor,  
10, Cawasji Patel Street, Fort,  
BOMBAY-400 001.

**REGISTERED OFFICE:**

Pir Pau, Trombay  
Bombay-400 074.

**PLANTS:**

Bombay & Calcutta



## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Shareholders of INDIAN OIL BLENDING LIMITED will be held at the Office of the Indian Oil Corporation Limited situated at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay-400 025, at 15.00 a.m. on Thursday, the 3rd September, 1981, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account, reports of the Directors and Auditors thereon for the financial year ended 31st March, 1981.
2. To declare a dividend.
3. To appoint Director and Chairman in place of Shri S. Ketharaman, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.
4. To appoint Director and Financial Director in place of Shri G. S. Pandya, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.
5. To appoint Director in place of Dr. J. S. Ahluwalia, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.
6. To appoint Shri D.N. Sharma as Director, pursuant to Article 140 (b) of the Articles of Association of the Company.
7. To appoint Shri S.C. Ghose as Director, pursuant to Article 140 (b) of the Articles of Association of the Company.

By Order of the Board,

J. K. WADHWA  
Secretary

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

TO:

ALL MEMBERS OF IOBL,

cc : Chairman, IOBL

cc : M/s. Patel, Shah & Joshi, Chartered Accountants, Bombay.

cc : Government Auditors, C/o. IOC Ltd., HO, Bombay - 400 025.

BOMBAY,

Dated: the 6th August, 1981.

**PATEL, SHAH & JOSHI**  
Chartered Accountants.

## **Report of the Auditors' to the members of Indian Oil Blending Limited**

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1981 and the Profit and Loss Account for the year ended on that, date, annexed thereto, and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1975 issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in para 1 above:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) in the case of Balance Sheet, of the state of affairs of the Company as at .  
31st March, 1981,  

and
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For PATEL, SHAH & JOSHI  
Chartered Accountants,

Bombay,  
Dated: 6th August, 1981.

(A. M. MEHTA)  
Partner



**PATEL, SHAH & JOSHI**  
Chartered Accountants.

## **Annexure to the Auditors' Report**

Index

(Referred to in Paragraph 1 of our Report of even date)

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. These Fixed Assets have been physically verified by the Management during the year under review. No serious discrepancies were noticed on such verification which have been properly dealt with in the accounts.
2. None of the Fixed Assets have been revalued during the year.
3. The Company has stocks of maintenance stores and spare parts only, which have been physically verified at the end of the year only. We are informed that no significant discrepancies have been noticed on such verification as compared to book records. In our opinion, the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier year.
4. The Company has not taken any loans from companies, firms or other parties listed in the Registers maintained under Section 301 and 370 (1-C) of the Companies Act, 1956.
5. The loans and advances in the nature of loans have been given to the employees only and the same are being repaid as stipulated except advances amounting to Rs. 11,007/-. As per the information given to us, the amount of Rs. 11,007/- is considered good for recovery. The interest on loans given to the employees for vehicle is accounted for as and when realised. The accrued amount of interest for the year and the amount accumulated till the date of Balance Sheet not provided for in the books of account are approximately Rs. 4,408/- and Rs. 18,700/- respectively.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, components, plant and machinery, equipment and other assets.
7. The Company has purchased at controlled prices fuel and oil exceeding Rs. 10,000/- in value, during the year, from Indian Oil Corporation Limited, the Holding Company.
8. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores.
9. The Company has not accepted any deposits from the public.
10. The Company does not have any by-products or scrap arising from its processing operation. Scrap of maintenance stores and components are accounted for only at the time of sale, for which reasonable records have been maintained.
11. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
12. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
13. According to the records of the company, Provident Fund dues have been regularly deposited during the year with the appropriate authorities.

For PATEL, SHAH & JOSHI  
Chartered Accountants,

Bombay,  
Dated: 6th August, 1981.

A. M. MEHTA  
Partner



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Gentlemen,

I have great pleasure in placing before the Shareholders the 18th Annual Report on the working of the Company for the financial year 1980-81 along with the Audited Statement of Accounts, prepared as per the statutory requirements.

### FINANCIAL RESULTS:

During the year, the Company has made a gross profit of Rs. 53,89,091, as against Rs. 26,64,011 during the year 1979-80. The comparative figures of gross profit, depreciation, provision for taxation, provision for investment allowance, etc. are as under:-

	<u>1980-81</u>	<u>1979-80</u>
	Rs.	Rs.
Gross profit before depreciation and investment allowance	53,89,091	26,64,011
Depreciation	15,03,707	11,87,270
Investment allowance	3,05,000	2,98,000
Provision for taxation	21,14,000	6,00,000
Net profit after tax	14,66,384	5,78,741
Prior year adjustments (net)	(7,08,775)	53,540
Disposable profit	7,57,629	6,32,281
Balance from last year's account	7,578	5,297
Net surplus available for distribution	7,65,207	6,37,578
Provision for proposed dividend	4,00,000	4,00,000
Appropriated to General Reserve	3,60,000	2,30,000
Balance carried to Balance Sheet	5,207	7,578

### GENERAL RESERVE AND DIVIDEND

It is a statutory requirement to make provision for dividend payable and to show it as an appropriation from the accounts for the year. Your Directors, therefore, recommend a dividend of Rs. 50/- per equity share, aggregating to Rs. 4 lakhs, being 10% of the paid up capital, for which provision, as also appropriation, has been made in the accounts. After making provision for the aforesaid

dividend, the balance available from the net surplus is Rs. 3,65,207, out of which an amount of Rs. 3,60,000 is transferred to the General Reserve, thus leaving a balance of Rs. 5,207 in the Profit & Loss Account.

The balance of General Reserve at the beginning of the year was Rs. 1,06,50,300, and after the current year's transfer of Rs. 3,60,000, the balance in the General Reserve Account amounts to Rs. 1,10,10,300 as on 31st March, 1981.

The balance in the Development Rebate Reserve Account at the beginning of the year was Rs. 6,52,711. An amount of Rs. 1,68,620 is being written back to Profit & Loss Account upon becoming free for release after the statutory period of eight years, thus leaving a balance of Rs. 4,84,091 in this Account as on 31st March, 1981.

The balance in the Investment Allowance Reserve Account at the beginning of the year was Rs. 6,63,000. After this year's transfer of Rs. 3,05,000, the balance in this account as on 31st March, 1981, amounts to Rs. 9,68,000.

The claim of the Company for depreciation on the basis of multiple shifts as also higher rate of depreciation for forklift trucks for the years 1976-77 onwards has since been accepted by the Income-tax authorities. As such, enhanced statutory provision for depreciation for the prior years on account of the above factors has since been made during this year. Prior year adjustment (of Rs. 7,08,755) is, therefore, explained by short provision of Rs. 11.65 lakhs on account of depreciation, as aforesaid, and excess provision for taxation and expenses of Rs. 3.3 lakhs and further because an amount of Rs. 1.69 lakhs was not written back last year from the Development Rebate Reserve Account.

### PROFITABILITY

The blending and manufacturing fee receivable by the Company from Indian Oil Corporation Ltd. had been revised upward with effect from 1-4-1980. The blending fee has been revised for lubes to Rs. 90 per KL uniformly from the existing rate of Rs. 72 per KL for packed and Rs. 54 per KL for bulk. Similarly, the manufacturing fee for greases has been revised from Rs. 350 per MT to Rs. 500 per MT. Effective from the same date, the blending loss of product, which was so far borne by IOC, will be borne by the Company and also the Company will not be entitled to technical



and laboratory service charges, which were separately recovered by IOBL.

The blending fee received by your Company during the year 1980-81 was Rs. 2.38 crores, as against Rs. 1.83 crores during the last year. The net profit of your Company, after tax, during the year 1980-81, was Rs. 14,66,384, as against Rs. 5,78,741 during the last year. The increase in profitability is ascribed also to the increase in throughput, which was 2,51,347 KLs in 1980-81 as against 2,41,200 KLs of lubes in 1979-80 and 5,986 MTs of greases in 1980-81 as against 5,565 MTs in the previous year.

The operating expenses including interest, however, registered a significant rise during the year 1980-81 and amounted to Rs. 185.54 lakhs as against Rs. 158.09 lakhs during the previous year, thus showing an increase of Rs. 27.45 lakhs. The higher operating cost is mainly due to increase in salaries, wages and other employee welfare expenses to the extent of Rs. 13.14 lakhs; fuel, power and water charges to the extent of Rs. 7.32 lakhs and repairs and maintenance charges to the extent of Rs. 2.03 lakhs. Increase in fuel, power and water charges is mainly due to hike in fuel prices and power tariff and increase in the repairs and maintenance charges is mainly due to the extensive repair work for warehouse flooring undertaken at Bombay to facilitate smooth movement of products.

## OPERATIONS

**Lubes:** During the year under review, the Bombay Plant had a throughput of 1,48,226 KLs at 15°C as against 1,45,328 KLs at 15°C during the previous year. The Calcutta Plant had a throughput of 1,03,121 KLs at 15°C, as against 95,872 KLs at 15°C of lubes during the previous year. The total throughput of lubes at Bombay and Calcutta Plants was 2,51,347 KLs at 15°C (2,54,054 KLs at 29.5°C), as against 2,41,200 KLs at 15°C during the previous year. The production of lubes suffered a setback during the first quarter of the year, due to inadequate availability of empty drums. Also, there was a problem of short supply of base oils both at Bombay and Calcutta during April/September, 1980, as a result of simultaneous shutdown of both Haldia and Madras Refineries. But for these factors, the Company could have achieved still higher production of lubes at both the Plants.

**Greases:** The Grease Plant at Bombay produced 5,986 MTs of greases during 1980-81, as against 5,565 MTs during the previous year.

## DIVERSIFICATION

### Bombay Plant:

As a part of programme of import substitution, Bombay Plant of the Company has equipped itself to make a new category of graphite greases from the indigenous raw materials using only a limited component of imported concentrate. A few trial batches have already been processed. This has helped in saving the valuable foreign exchange and has also reduced cost of grease to the customer.

### Calcutta Plant:

During the year, facilities have been set up for cold sulphurisation whereby it has been possible to start making sulphurised cutting oils, which have a sizeable demand in the Eastern region. After suitably modifying the old Clay Treatment Plant, the manufacture of asphalt based lubricants also started during the year. Keeping in view the long term requirement of the Company's developmental activities, including a larger Clay Treatment Plant and a new complex for the manufacture of specialised lubricants, the Company is exploring the acquisition of addition facilities existing in the vicinity of our Calcutta Plant.

## PROJECTS

### Bombay Plant:

- 1. Homogenizer for Grease Plant** A new Homogenizer of 3.5 MT capacity per hour imported from Holland has been commissioned during the year. Presently, this has been connected to Kettles K-1 and K-2 and after installation of a new Kettle K-4, it is proposed to realign the pipelines, so that the Homogenizer can be used for all the four Kettles.
- 2. New Grease Kettle:** Substantial progress has been made in the fabrication of the new Grease Kettle (K-4) and its installation is expected shortly. With the commissioning of this Kettle and the new Homogenizer, production of grease will go up significantly.
- 3. Conversion of 3 FP Tanks into Blending Kettles:** With a view to provide improvised facilities for dehydration of wet oils and to have greater flexibility in blending increasing number of grades of lubricants, it is proposed to modify FP tanks, providing heating coils, air mixers and circulation arrangements, etc. This will enable production of larger batches of certain fast moving lubricants, thus improving the productivity at the Plant.

4. *30 ton capacity weigh bridge:* With a view to further tightening the control for avoiding possible excess supply due to truck operators tampering with the calibration chart, it is proposed to instal an "Avery" Weigh Bridge of 30 ton capacity. This will also enable a better accountability of materials received in the Plant and those shipped out in bulk and packed drums and containers.

5. *Concreting of open yard:* In the past, open yard was surfaced with asphalt. Experience has shown that asphalted surface cannot last long in handling oil stock and the surface gets damaged very fast. As such, a phased programme of surfacing the yard with reinforced cement concrete has been planned.

6. *Revamping of L T sub-station:* This job is almost complete and with one more shutdown of the transformers which is to be taken up shortly, it will be possible to align the transformers with bus-coupler linkages, so that in the event of failure of one transformer, power supply to both Lube and Grease Plants can be ensured.

7. *Other facilities:* The existing Micron-filter (2", 15 KL capacity) has been replaced by another unit of 3" and 50 KL capacity for ensuring strict quality control. An oxidation bath unit has been installed for carrying out oxidation test of lubricating oils.

#### **Calcutta Plant:**

7. *Barrel Filling:* With a view to increasing the rate of filling to 42,000 barrels per month in single shift operation as against 25,000 barrels, facilities comprising of a separate filling shed admeasuring 216 sq. metres, 2 Nos. barrel filling machines, 2 Nos. overhead tanks each of 25 KL capacity and other accessories at a cost of about Rs. 6 lakhs have been set up and the same have since been commissioned.

2. *Small Can filling facilities:* The construction of the warehouse estimated to cost Rs. 15.6 lakhs and admeasuring 2,052 sq. metres is expected to be ready in the second half of 1981-82. The existing small Can filling facilities will thereafter be shifted to this new warehouse and additional filling equipment and accessories, which have already been procured, will be installed shortly. Upon commencing of small Can filling operation, the production of small Cans can be increased to 1,437 KLS per month from the existing capacity of about 1,000 KLS per moth.

3. *Additional Diesel Generator:* In view of the erratic power supply in Calcutta, the Company has placed an order for an additional Diesel Generator of 350 KVA capacity, costing Rs. 9.85 lakhs, which will not only provide relief to the existing 250 KVA capacity generator to insulate

us from disruption in blending operation due to extended load shut down but also supplement additional power requirements against anticipated rise in consumption as a result of Calcutta Plant's expansion programme. The new generator is expected to be commissioned shortly.

### **QUALITY CONTROL & DEVELOPMENT**

Emphasis was continued to be laid on the quality control and the development work in the laboratories of the Company. Many new formulations have been adopted in conjunction with R&D Centre of Indian Oil Corporation Limited in our product range.

### **PERSONNEL & INDUSTRIAL RELATIONS**

The total number of employees of your Company as on 31st March, 1981 stood at the same figure of 508 as at the end of the previous year. Industrial relations during the year were cordial.

### **EMPLOYMENT OF SCHEDULED CASTES SCHEDULED TRIBES CANDIDATES**

With a view to wipe out the back-log of 2 SC and 1 ST candidates in the category of Officers as at the end of the previous year, three positions for SC and one position for ST candidates were exclusively reserved for recruitment. As a result of advertisements in the newspapers, selection of suitable SC candidates has since been made and they were advised to join, subject to requisite medical examination. With this, there will be no back-log of SC candidates in the organisation .

### **PROGRESSIVE USE OF HINDI**

The scheme of implementation of Hindi is being vigorously followed and regular classes are being conducted under the Hindi Teaching Scheme of the Govt. of India. During the year under review, 15 employees at Bombay Plant passed "Praveen" Examination, out of whom 8 have secured first class. The employees of the Calcutta Plant took advantage of the classes conducted by IOC Eastern Region. During the year, two employees appeared for "Prabodh" Examination and both were declared successful. Cash prizes are also given to the successful candidates as an incentive for further encouragement.

### **FOREIGN TRAVEL**

During the year, no foreign tours have been undertaken



by either the Chief Executive or any other Executives of the Company.

## **PARTICULARS OF EMPLOYEES**

A statement showing the particulars of employees under the Companies (Particulars of Employees) Rules, 1975, required to be included in the Directors' Report, pursuant to Section 217(2A) of the Companies Act, 1956, is enclosed.

## **DIRECTORS**

During the year under review, Shri S. Ketharaman, Shri G. S. Pandya and Dr. J. S. Ahluwalia continued to be the Chairman, Financial Director and Director respectively of the Company. Shri R. Gurumoorthy was re-appointed as Managing Director of the Company from 1st April, 1981 to 31st March, 1983. All the Directors, other than the Managing Director, are liable to retire at the conclusion of the next Annual General Meeting, pursuant to Article 157 of the Articles of Association of the Company, but all these Directors, being eligible, offer themselves for re-election. Notice has also been received proposing Shri D. N. Sharma, GM, Western Region of IOC, and

Shri S. C. Ghose, GM, Eastern Region of IOC, for election as Directors on the Board of IOBL and the shareholders are requested to consider the proposed resolutions.

## **ACKNOWLEDGEMENTS**

The Directors place on record their appreciation for the good work done by the employees of the Company, but for which the Company could not have achieved the good results. The Directors are confident that the tempo will be maintained by the employees through their diligence, hard work and devotion to duty. The Directors also gratefully acknowledge the guidance and support received by the Company from its Holding Company, the Indian Oil Corporation Limited.

For and on behalf of the Board,

(S. KETHARAMAN)  
*Chairman*

Encl: Statement  
Bombay,  
*Dated: 6th August, 1981.*

# BALANCE SHEET AS AT 31ST MARCH, 1981

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	Schedule No.	As at 31st March, 1981 Rupees	As at 31st March, 1980 Rupees
<b>I. SOURCES OF FUNDS:</b>			
(1) Shareholder's Funds:			
(a) Capital	I	40,00,000	40,00,000
(b) Reserves and Surplus	II	1,24,67,598	1,19,73,589
(2) Loans—Funds:			
(a) Unsecured Loans	III	29,87,820	18,39,043
TOTAL		<u>1,94,55,418</u>	<u>1,78,12,632</u>
<b>II. APPLICATION OF FUNDS:</b>			
(1) Fixed Assets:			
(a) Gross Block	IV	2,78,87,110	2,57,43,924
(b) Less: Depreciation	IV	1,65,65,375	1,39,31,019
(c) Net Block	IV	1,13,21,735	1,18,12,905
(d) Capital Work-in-progress	V	20,07,049	12,69,302
		<u>1,33,28,784</u>	<u>1,30,82,207</u>
(2) Current Assets, Loans and Advances:			
(a) Inventories	VI	12,29,696	11,85,453
(b) Sundry Debtors	VI	53,87,494	19,06,800
(c) Cash and Bank Balances	VI	34,297	28,171
(d) Other Current Assets	VI	26,064	19,548
(e) Loans and Advances	VII	49,08,425	1,31,19,496
		<u>1,15,85,976</u>	<u>1,62,59,468</u>
Less: Current Liabilities and Provisions:			
(a) Current Liabilities	VIII	23,45,342	23,09,384
(b) Provisions	IX	31,14,000	92,19,659
		<u>54,59,342</u>	<u>1,15,29,043</u>
Net Current Assets		<u>61,26,634</u>	<u>47,30,425</u>
TOTAL		<u>1,94,55,418</u>	<u>1,78,12,632</u>
Notes on Balance Sheet and Profit and Loss account	XII		

S. KETHARAMAN  
Chairman

R. GURUMOORTHY  
Managing Director

G. S. PANDYA  
Financial Director

J. S. AHLUWALIA  
Director

J. K. WADHWA  
Secretary

As per our report attached

For PATEL, SHAH & JOSHI  
Chartered Accountants

Bombay, 6th August 1981.

A. M. MEHTA  
Partner



## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1981**

	For the year ended 31st March, 1981 Rupees	For the year ended 31st March, 1980 Rupees
<b>INCOME:</b>		
Throughput, Blending and Manufacturing charges	2,37,84,763	1,80,56,050
Technical and laboratory service charges	—	2,49,000
	<u>2,37,84,763</u>	<u>1,83,05,050</u>
Interest earned (Schedule XI)	1,28,645	1,14,003
Miscellaneous Income	26,966	46,966
Profit on sale of assets	8,751	21,470
	<u>2,39,49,125</u>	<u>1,84,87,489</u>
<b>EXPENDITURE:</b>		
Operating and other expenses (As per Schedule X annexed)	1,82,76,601	1,57,98,511
Interest	2 77 685	10,213
Depreciation	15 03 707	11,87,270
Loss on sale/scraping etc. of the assets	5,748	14,754
	<u>2,00,63,741</u>	<u>1,70,10,748</u>
Profit before taxation	38,85,384	14,76,741
Investment allowance Reserve	3,05,000	2,98,000
Provision for taxation	21,14,000	6,00,000
	<u>14,66,384</u>	<u>5,78,741</u>
Expenses of earlier years	35,610	8,90,361
Depreciation for prior years	11,64,91 5	—
	<u>2,65,859</u>	<u>(3,11,620)</u>
<b>Excess Provision of earlier years:</b>		
For expenses	Rs. 1 8,755	1,647
For depreciation on Forklift Trucks	—	1,76,854
For taxation	Rs. 3,04,395	6,33,000
	<u>3,23,150</u>	<u>8,11,501</u>
Development Rebate Reserve no longer Statutorily required now reversed	1,68,620	1,32,400
<b>DISPOSABLE PROFIT</b>	<u>7,57,629</u>	<u>6,32,281</u>
Balance as per last account	7,578	5,297
	<u>7,65,207</u>	<u>6,37,578</u>
Proposed Dividend @ 10% (Subject to deduction of Income-tax)	4,00,000	4,00,000
	<u>3,65,207</u>	<u>2,37,578</u>
Proposed Transfer to General Reserve	3,60,000	2,30,000
Balance carried to Balance Sheet	<u>5,207</u>	<u>7,578</u>

S. KETHARAMAN  
*Chairman*

R. GURUMOORTHY  
*Managing Director*

G. S. PANDYA  
*Financial Director*

J. S. AHLUWALIA  
*Director*

J. K. WADHWA  
*Secretary*

As per our report attached  
For PATEL, SHAH & JOSHI  
*Chartered Accountants*

Bombay, 6th August 1981.

A. M. MEHTA  
*Partner*



**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1981**

Index

**SCHEDULE I —SHARE CAPITAL**

	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupee.
<b>SHARE CAPITAL:</b>		
<b>Authorised:</b>		
8000 equity shares of Rs. 500/- each	40,00,000	40,00,000
<b>Issued and Subscribed:</b>		
8000 equity shares of Rs. 500/- each fully paid up (entire share capital is held by Indian Oil Corporation Limited, the Holding Company)	40,00,000	40,00,000,
TOTAL	40,00,000	40,00,000

**SCHEDULE II—RESERVES AND SURPLUS**

	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupees
<b>RESERVES AND SURPLUS</b>		
1. <b>Development Rebate Reserve:</b>		
Balance as per last Balance Sheet	6,52,711	7,85,111
Less: Transferred to Profit a and Loss Account	1,68,620	1,32,400
	4,84,091	6,52,711
2. <b>Investment Allowance Reserve:</b>		
Balance as per last Balance Sheet	6,63,000	3,65,000
Add: Provided this year	3,05,000	2,98,000
	9,68,000	6,63,000
3. <b>General Reserve:</b>		
Balance as per last Balance Sheet	1,06,50,300	1,04,20,300
Add: Proposed transfer from Profit & Loss Account	3,60,000	2,30,000
4. <b>Surplus:</b>		
Balance in Profit & Loss Account	1,10,10,300	1,06,50,300
	5,207	7,578
TOTAL	1,24,67,598	1,19,73,589

**SCHEDULE III—UNSECURED LOAN**

	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupee.
<b>UNSECURED LOAN:</b>		
<b>Short Term Loans and Advances:</b>		
Clean Cash Credit from State Bank of India guaranteed by Indian Oil Corporation Ltd., the Holding Company	29,87,820	18,39,043
TOTAL	29,87,820	18,39,043



**SCHEDULE IV—FIXED ASSETS**

ASSETS	GROSS BLOCK, AT COST			
	As on 1-4-80 Rupees	Additions Rupees	Deductions Rupees	As on 31-3-81 Rupees
BUILDINGS (ON LEASEHOLD LAND)	58,28,214	4,22,215	—	62,50,429
RAILWAY SIDING	2,73,039	—	—	2,73,039
PLANT AND MACHINERY	1,52,49,753	16,25,517	—	1,68,75,270
FURNITURE, FIXTURES & OFFICE EQUIPMENT	15,06,748	72,871	19,635	15,59,984
FORKLIFT TRUCKS	20,33,559	—	—	20,33,559
MOTOR VEHICLES	1,95,978	64,512	22,294	2,38,196
RESEARCH & DEVELOPMENT:				
BUILDING (ON LEASEHOLD LAND)	26,483	—	—	26,483
PLANT & MACHINERY	6,30,150	—	—	6,30,150
<b>TOTAL</b>	<b>2,57,43,924</b>	<b>21,85,115</b>	<b>41,929</b>	<b>2,78,87,110</b>
<i>PREVIOUS YEAR</i>	<i>2,31,59,796</i>	<i>26,98,637</i>	<i>1,14,509</i>	<i>2,57,43,924</i>



**SCHEDULE IV—FIXED ASSETS** Contd...

DEPRECIATION				NET BLOCK	
Upto 31-3-80 Rupees	Deductions Adjustment for earlier year Rupees	For the year Rupees	Upto 31-3-81 Rupees	As on 31 -3-81 Rupees	As on 31-3-80 Rupees
20,86,71 0	—	2,59,957	23,46,667	39,03,762	37,41,504
2,09,644	—	6,340	2,1 5,984	57,055	63,395
97,30,349	(+) 5,14,872	8,79,813	1,11,25,034	57,50,236	55,19,404
7,86,683	(-) 13,887	98,284	8,71,080	6,88,904	7,20,065
7,45,592	(+) 6,50,043	1,91,378	15,87,013	4,46,546	12,87,967
1 06,173 4,855	(-) 20,379 —	30,480 541	1,16,274 5,396	1,21,922 21,087	89,805 21,628
2,61,013	—	36,91 4	2,97,927	3,32,223	3,69,137
1,39,31,019	(+) 11,30,649	15,03,707	1,65,65,375	1,13,21,735	1,18,12,905
1,30,21,859	(-) 2,78,110	11,87,270	1,39,31,019	1,18,12,905	1,01,37,937



**SCHEDULE V—CAPITAL WORK IN PROGRESS**

	<i>As on 1-4-1980</i>	<i>Additions during the year</i>	<i>Transfers during the year</i>	<i>As on 31-3-1981</i>
<b>CAPITAL WORK IN PROGRESS:</b>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Assets:				
Plant and Machinery	10,48,279	11,55,726	12,95,237	9,08,768
Buildings	2,21,023	9,14,141	36,883	10,98,281
TOTAL:	<u>12,69,302</u>	<u>20,69,867</u>	<u>13,32,120</u>	<u>20,07,049</u>
Previous Year	<u>6,48,202</u>	<u>32,03,655</u>	<u>25,82,555</u>	<u>12,69,302</u>

**SCHEDULE VI—CURRENT ASSETS**

	<i>As at 31st March, 1 981</i>	<i>As at 31st March, 1980</i>
<b>CURRENT ASSETS:</b>	<i>Rupees</i>	<i>Rupees</i>
<b>1. Inventories:</b>		
Stores and Spare Parts—(At cost as per summarised inventories certified by the Managing Director).	12,29,696	11,85,453
<b>2. Sundry Debtors:</b> (Unsecured, considered good) Due from Indian Oil Corporation Limited, the Holding Company:		
(a) Debts outstanding for a period exceeding six months	—	1,66,758
(b) Other Debts (Holding Company)	53,87,494	17,40,042
		<u>19,06,800</u>
<b>3. Cash and Bank Balances:</b>		
(a) Cash and Cheques on hand	26,100	26,100
(b) Balances with Scheduled Banks in Current Account	<u>8,197</u>	<u>2,071</u>
		34,297
<b>4. Other Current Assets:</b>		
Interest accrued on Company's Income-tax Surcharge Deposit	26,064	19,548
TOTAL:	<u>66,77,551</u>	<u>31,39,972</u>



**SCHEDULE VII—LOANS AND ADVANCES**

	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupees
<b>LOANS AND ADVANCES:</b>		
(Recoverable in cash or in kind or for value to be received)		
(i) Secured, considered good	5,62,167	4,52,866
(ii) Unsecured, considered good:		
Interest accrued on Housing Loan	73,626	—
Due from others	<u>29,82,279</u>	<u>21,74,911</u>
	30,55,905	21,74,911
	11,81,753	1,03,83,119
(iii) Advance payment of Income-tax	1,08,600	1,08,600
(iv) Deposit in respect of Surcharge on Income-tax	<u>                    </u>	<u>                    </u>
TOTAL:	<u><u>49,08,425</u></u>	<u><u>1,31,19,496</u></u>

**SCHEDULE VIII—CURRENT LIABILITIES**

	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupees
<b>CURRENT LIABILITIES:</b>		
Sundry Creditors	22,76,210	20,62,977
Other Liabilities	69,132	2,46,407
TOTAL:	<u><u>23,45,342</u></u>	<u><u>23,09,384</u></u>

**SCHEDULE IX—PROVISIONS**

	As at 31st March, 1981 Rupee.	As at 31st March 1980 Rupee
<b>PROVISIONS:</b>		
Provision for taxation	27,14,000	88,19,659
Proposed Dividend	<u>4,00,000</u>	<u>4,00,000</u>
TOTAL:	<u><u>31,14,000</u></u>	<u><u>92,19,659</u></u>



**SCHEDULE X-OPERATING AND OTHER EXPENSES**

Index

Annexed to and forming part of the Profit & Loss Account for the year ending 31-3-1981

	Rupees	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupee
<b>OPERATING AND OTHER EXPENSES:</b>			
Salaries, Wages, Allowances and Bonus (including Rs. 5,81,979/- paid to Contractor for Casual Labour—Previous Year—Rs. 3,80,242).		99,62,517	90,08,968
Company's contribution to Employees Provident Fund and Other Funds		5,45,443	4,87,694
Gratuity		26,247	52,951
Staff Welfare and Benefits		16,70,948	13,40,986
Fuel, Power and Water Charges		22,26,351	14,94,145
Stores Consumed		4,66,753	4,30,004
Rent		2,63,563	2,27,676
Rates and Taxes		1,35,516	1,41,438
Licence Fees		19,563	26,355
Material Handling (Forklift Truck) Expenses		5,75,166	5,32,736
Equipment Rental		—	900
<b>Repairs and Maintenance to:</b>			
Buildings	4,36,623		1,13,649
Plant Machinery	6,17,276		8,29,221
Railway Siding	88,762		59,863
Others	<u>1,77,857</u>		<u>1,15,289</u>
		13,20,518	11,18,022
Insurance (including gratuity insurance Rs. 1,07,608. Previous year Rs. 96,791.)		1,84,943	1,42,290
Travel Travelling and Conveyance		2,59,626	2,00,446
Printing and Stationery		1,07,431	1,11,736
Postage, Telegrams and Telephones		1,28,914	1,10,996
Freight and Cartage (Outward)		4,078	22,275
Bank Charges		3,659	8,641
Subscription and Membership		9,185	10,231
Advertisements		5,050	3,350
Entertainment Expenses		6,456	5,789
Legal and Professional Charges		30,301	22,801
<b>Payments to Auditors:</b>			
Audit Fees	10,000		10,000
Reimbursement of Out-of-Pocket Expenses	<u>3,592</u>		<u>2,533</u>
		13,592	12,533
General Expenses		3,06,256	2,85,548
Inventory Differences written off		4,304	—
Misc. Debit/Credit written off		221	—
		<u>1,82,76,601</u>	<u>1,57,98,511</u>
<b>TOTAL:</b>		<u>1,82,76,601</u>	<u>1,57,98,511</u>

**SCHEDULE XI—INTEREST EARNED**

**INTEREST EARNED:**

	Rupees	As at 31st March, 1981 Rupees	As at 31st March 1980 Rupees
(i) On Housing and Other Loans		1,19,647	43,149
(ii) On Surcharge Deposit		6,516	19,548
(iii) On Fixed Deposit (Bank)		—	48,652
(iv) Others		2,482	2,654
<b>TOTAL:</b>		<u>1,28,645</u>	<u>1,14,003</u>



**SCHEDULE XII—NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31-3-1981**

1. The Company is contingently liable in respect of the following items:

	Rupees	Previous Year Rupees
(i) Letters of Credit	23,541	84,047
(ii) Claims for miscellaneous items not acknowledged as Debts	1,49,314	1,49,314
(iii) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	22,30,365	26,15,380
(iv) Surety given in favour of Government of Kerala, for purchase tax demanded by Sales Tax Authorities, Kerala, from Indian Oil Corpn. Limited	38,80,892	33,80,392

2. The Company's application for the grant of Tax Credit Certificates under Section 280 ZB of the Income-tax Act, 1961 for the assessment years 1969-70 and 1970-71 are pending before the Income-tax Authorities. The estimated value of the Tax Credit Certificates that the Company is entitled to and to be accounted for is Rs. 2 lakhs.
3. The Managing Director is entitled to use a Motor Car owned by the Company for private purposes upto 6,000 Kms. per year, on payment of Rs. 1,200/- per annum, to be recovered in instalments of Rs.100/- per mensem.
4. The Company has taken out a Group Gratuity-cum-Life Assurance Policy with the Life Insurance Corporation of India, in the year 1977, for payment of retirement gratuity under Group Gratuity-cum-Life Assurance Scheme of the Corporation. The Insurance Premium paid is debited to Profit & Loss Account. The premium paid has been so adjusted as to cover the liability under the scheme in respect of all the confirmed employees at the end of their future anticipated service. In the event of any employee leaving the service earlier, the Company has to bear a portion of the Gratuity. No separate provision has been made in the accounts for such liability as it is not ascertainable.
5. Blending fees are after deduction of blending loss Rs. 21,31,353/- as per revised terms entered into after the close of the year with effect from 1st April, 1980.
6. The Company claimed extra shift allowance and higher rate of depreciation on Forklift Trucks in the Income-tax Returns for the Company's Accounting Year 1976-77 onwards. This claim has now been allowed by the Income-tax Department. Since depreciation was not provided in those years, the same has now been provided. This amounts to Rs. 11,64,915/-.
7. Application for increase in installed capacity of grease production is under process with appropriate authorities,
8. The items and amounts in respect of previous year have been regrouped and recast where necessary to make them comparable with those of the current year.
9. Additional information pursuant to pares 3, 4C and 4D in Part II of Schedule VI to the Companies Act, 1956.

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Lubes</u> (KLs)	<u>Grease</u> (MTs)	<u>Lubes</u> (KLs)	<u>Grease</u> (MTs)
(i) Capacity and Production:				
(a) Licensed Capacity	2,50,000	4,536	2,50,000	4,536
(b) Installed Capacity	2,50,000	4,536	2,50,000	4,536
(c) Actual Production	2,54,054	5,986	241,200	5,565

*Note:* The Company does not produce any goods or purchase any raw materials on its own account but processes materials received by it from Indian Oil Corporation Limited. The quantities mentioned above relate to such processing operations.



**SCHEDULE XII—(Contd).**

		Current Year	Previous Year
(ii) <b>Turnover (Processing Fees) :</b>			
(a) Lube Blending	— Kilotres	2,54,054	2,41,200
	— Rupees	2,07,95,062	1,61,08,472
(b) Grease Mfg.	— Metric Tonnes	5,986	5,565
	— Rupees	29,89,701	19,47,578
		Current Year	Previous Year
		Rupees	Rupees
(iii) <b>Details of Expenditure on Certain Employees:</b>			
(a) Employees employed throughout the year and in receipt of remuneration in the aggregate not less than Rs. 36,000/- per annum.			
(i) Number of Employees	14		14
(ii) Salaries, Wages and Bonus		5,68,942	5,34,215
(iii) Contribution to Provident and Other Funds		33,556	36,385
(b) Employees employed for part of the year and in receipt of remuneration in the aggregate not less than Rs. 3,000/- per month.			
(i) Number of Employees	4		1
(ii) Salaries, wages and Bonus		1,12,656	9,658
(iii) Contribution to Provident and Other Funds		7,675	786
(iv) <b>Value of Imports on C.I.F. Basis:</b>			
components and Spare Parts		6,502	4,38,895
Capital Goods		1,41,554	—
(v) <b>Spare Parts Consumed:</b>		Current Year	Previous Year
		Value	Value
		Rupees	Rupees
<b>Imported</b>			
Components and Spare Parts		83,901	1,86,900
<b>Indigenous:</b>			
Components and Spare Parts		10,34,380	10,02,696
		Percentage	Percentage
		of total	of total
		7.5	15.7
		92.5	84.3
(vi) The Company has not purchased or consumed any raw materials during the year. There are no opening or closing stocks of finished goods. No expenditure have been incurred in foreign currency. Hence, further particulars in respect thereof have not been given.			

Signatures to Schedule I to XII.

S. KETHARAMAN  
Chairman

R. GURUMOORTHY  
Managing Director

G. S. PANDYA  
Financial Director

J. S. AHLUWALIA  
Director

J. K. WADHWA  
Secretary

As per our report attached

For PATEL, SHAH & JOSHI  
Chartered Accountants

Bombay, 6th August 1981.

A. M. MEHTA  
Partner



**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 BLENDING LIMITED  
FOR THE YEAR ENDED 31ST MARCH, 1981**

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Sub: 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 Blending Limited for the year ended 31st March, 1981.

The Comptroller and Auditor General of India has decided not to review the report of the Statutory, Auditors on the accounts of your Company for the year ended 31st March, 1981. There are, therefore, no comments to make under Section 619(4) of the Companies Act, 1956.

Kindly acknowledge

Yours faithfully,  
Sd/-

K. N. MURTHI  
Member, Audit Board and Ex-officio  
Director of Commercial Audit,  
(Petroleum & Oil)