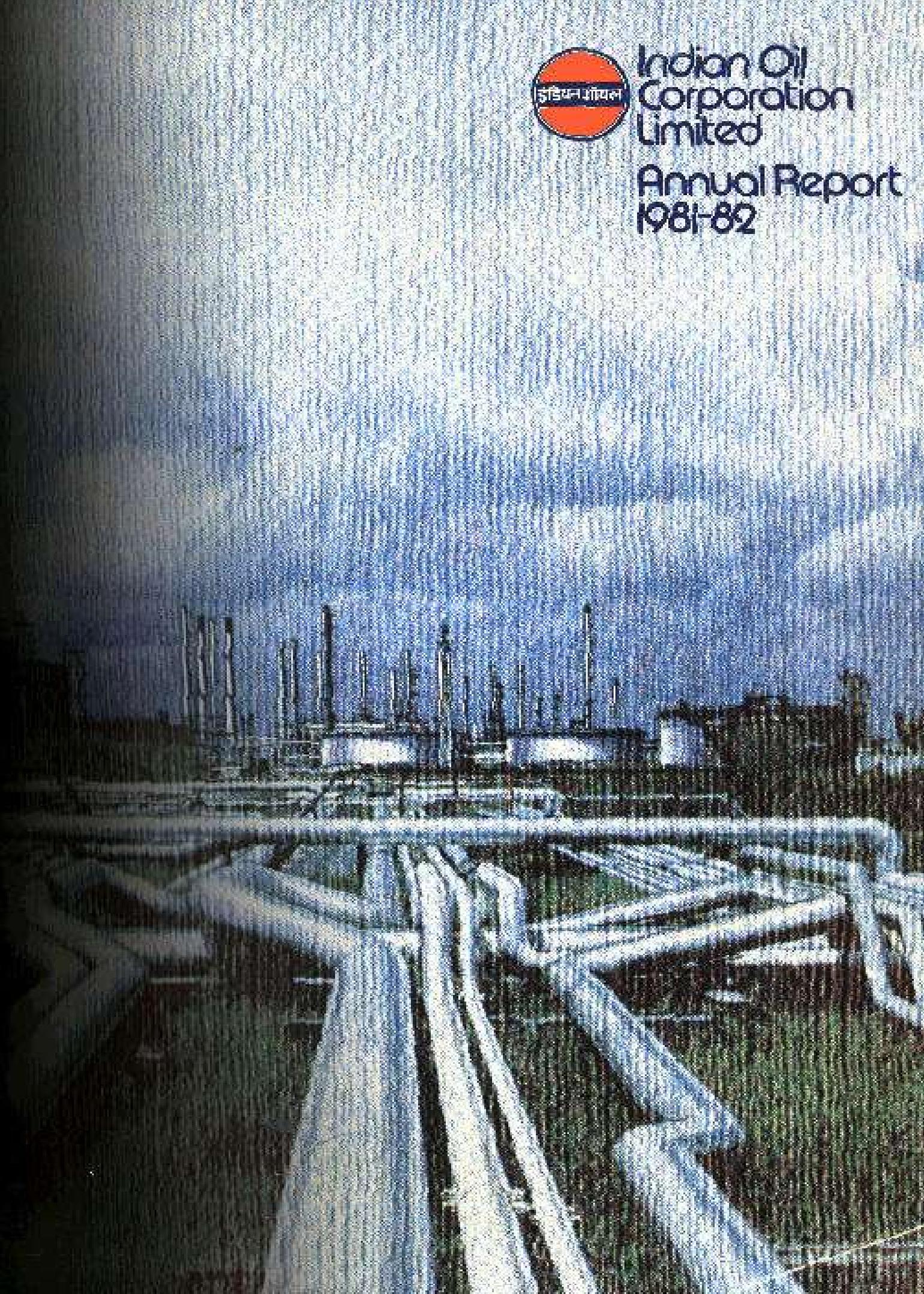




Indian Oil
Corporation
Limited

Annual Report
1981-82



EXTRACT FROM ANNUAL REPORT 1981-82

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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,
Indianoil 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:

Indianoil Bhavan, Janpath,
NEW DELHI 110 001.

REFINERIES:

Gauhati

P.O. Noonamti,
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. Noonamti, 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 361 010.
(Gujarat)

ASSAM OIL DIVISION

DIGBOI-786 171.
(Assam)

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 400 074.

LUBE PLANTS:

Pir Pau, Trombay,
BOMBAY 400 074.

P-64, C. G. R. Diversion Road, Paharpur,
CALCUTTA 700 043



BOARD OF DIRECTORS

A. J. A. Tauro
T. K. Sinha
K. L. Goel
M. S. Rana
Bimal Kapoor
R. H. M. D'Silva
Nitin Desai
Dr. Nilay Chaudhuri
R. Vasudevan
R. Venkatesan

SECRETARY

D. B. PURI

BANKERS

State Bank of India
United Bank of India, Calcutta.
First National City Bank, Calcutta.
Grindlays Bank Ltd., Calcutta.

JOINT AUDITORS

M/s. Ford, Rhodes, Parks & Co.
M/s. Ray and Ray

BRANCH AUDITORS

M/s. T. R. Chadha & Co.
M/s. B. C. Jain & Co.
M/s. Jagdish Chand & Co.
M/s. Jain Kapila Associates
M/s. S. Venkatram & Co.
M/s. K. Gnananandulu & Co.
M/s. D. S. Talwar & Co.

REGISTERED OFFICE

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



NOTICE

Notice is hereby given that the 23rd 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 29th September, 1982 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, 1982.
2. To declare dividend.

By Order of the Board,

D. B. PURI
Secretary

Bombay, Dated 7th September, 1982.

Note:

1. 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

1981-82

To,
THE SHAREHOLDERS OF
INDIAN OIL CORPORATION LIMITED

Gentlemen,

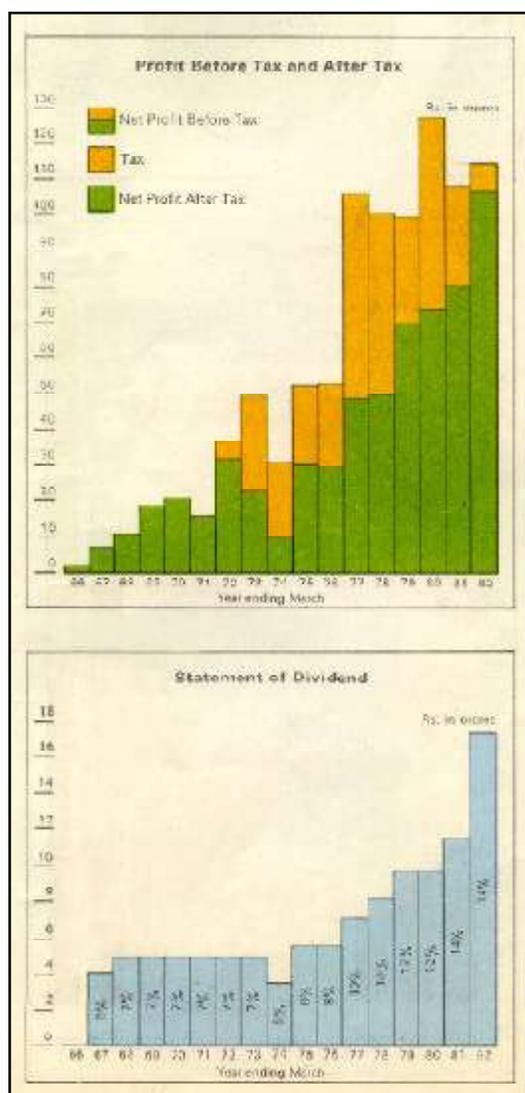
Your Directors have pleasure in placing before you the 23rd Annual Report on the working of the Corporation for the financial year ending 31st March, 1982, together with the audited accounts which include the working results of the part of the Undertakings of the erstwhile Assam Oil Co. Ltd., and the Burmah Oil Company (India Trading) Limited, which were vested in your Corporation with effect from 14th October, 1981. The financial highlights of the year are as under:—

(Rupees in Crores)

	1981-82	1980-81
Turnover	7,940.05	5,710.94
Profit:		
Profit before interest payments, depreciation and tax	279.80	239.01
Interest payments	94.84	73.17
Depreciation	70.93	57.69
Profit before tax	114.03	108.15
Tax provision	7.50	27.50
Profit after tax	106.53	80.65
Development Rebate written back	2.11	23.00
Disposable Profit	108.65	103.66
APPROPRIATIONS:		
Proposed Dividend	17.26	11.50
Investment Allowance		
Reserve	31.00	24.00
Insurance Reserve Account	0.10	0.10
General Reserve	60.28	68.05

Turnover:

The turnover of your Corporation increased by 30% to reach Rs. 7,940.05 crores during 1981-82, registering a rise of Rs. 2,229.11 crores over the previous year. The Corporation maintained its lead in the petroleum industry with a market participation of 60.6% during the year as against 59.3% in the previous year.



Profits:

Profit before tax during the year registered an increase from Rs. 108.15 crores to Rs. 114.03 crores. The increase was an account of continuous operation of Barauni Refinery as compared to the previous year when this refinery was shut down for a period of 10 months due to disturbances in Assam which reduced availability of Crude Oil. There was also an increase in income pertaining to prior years arising out of claims for increased operating costs at Refineries. On the other hand, the increase in profits was offset to a large extent by escalation in operating costs in Refineries and Marketing which was not fully recovered through the pricing system.

The post tax profit increased from Rs. 80.65 crores to Rs. 106.53 crores as a result of reduction in income-tax liability for the year arising out of investment allowance and other tax reliefs available on commissioning of Mathura Refinery.

Dividend:

Your Directors have recommended the payment of Dividend at 14 per cent on the enhanced capital. The dividend will absorb an amount of Rs. 17.26 crores out of the disposable profit of Rs. 108.65 crores.

Bonus Shares:

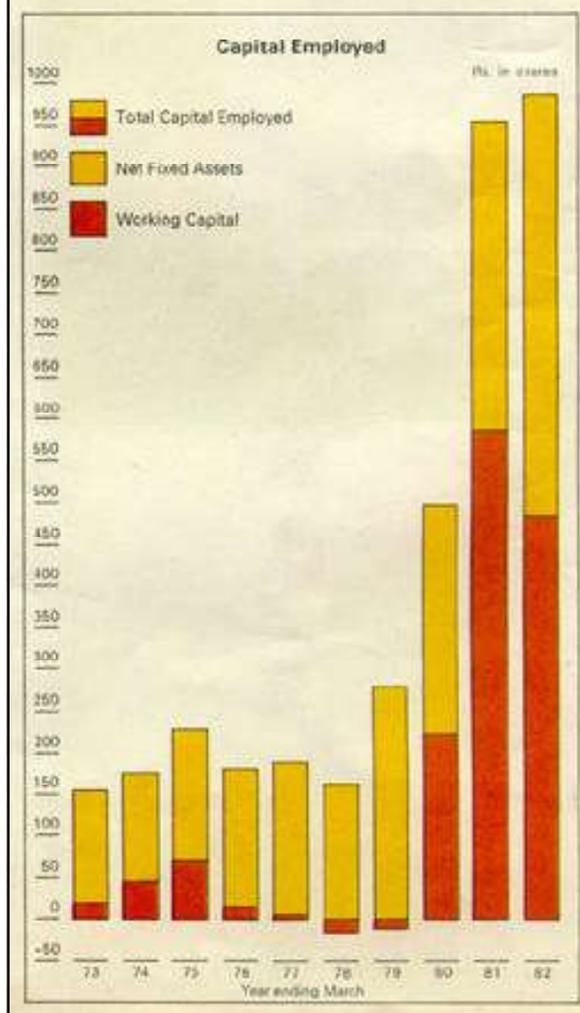
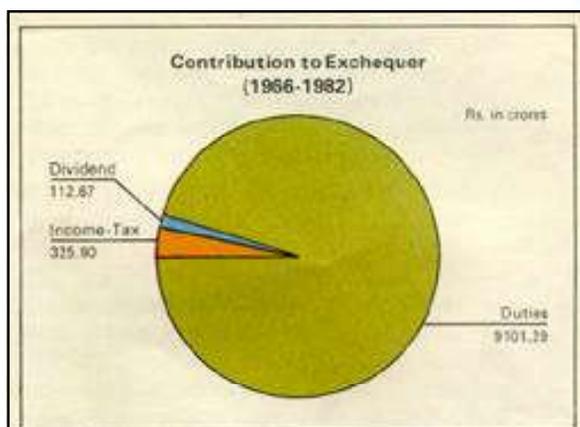
In pursuance of the decision taken in the previous year, bonus shares in the ratio of one bonus share for every two shares were issued during the year by capitalising a sum of Rs. 41.09 crores from the General Reserve.

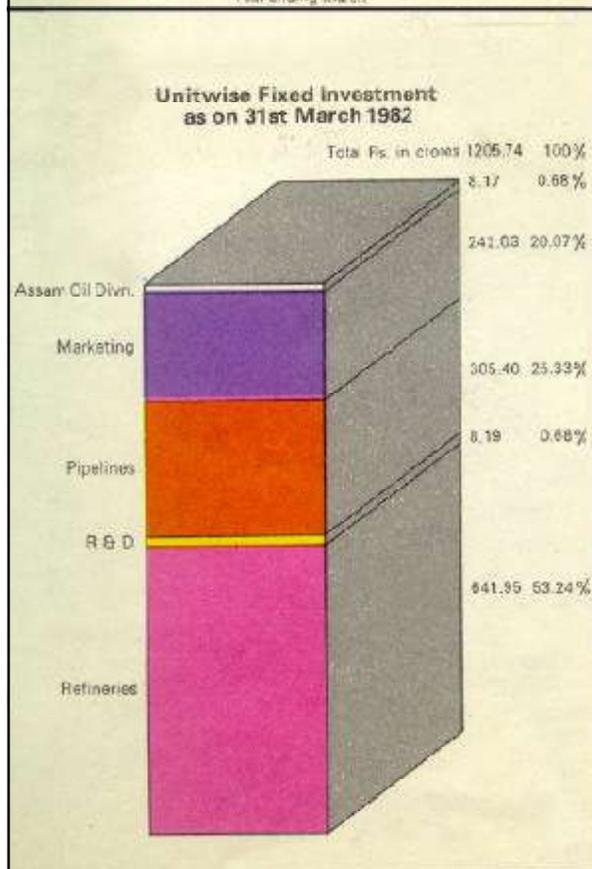
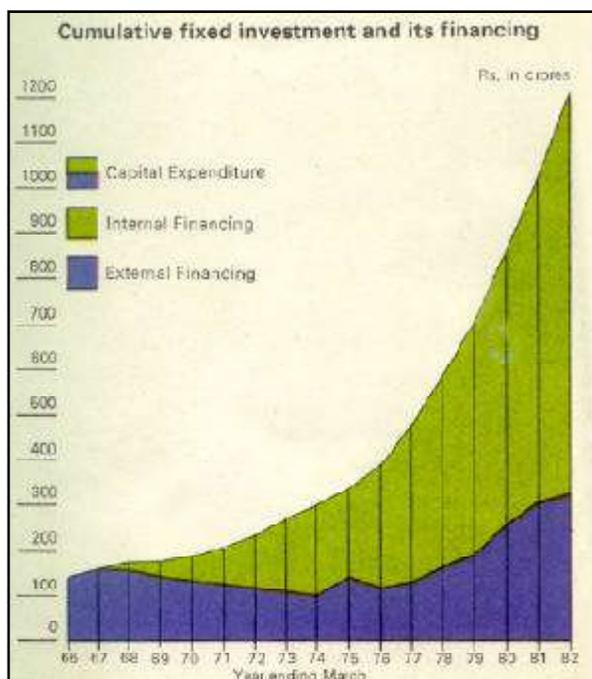
Contribution to Exchequer:

Your Corporation has contributed Rs. 939.97 crores to the Exchequer during the year in the form of duties and income-tax.

Cash Management:

Your Corporation had another difficult year in regard to Cash Management. At the beginning of the year, the Corporation had accumulated dues to be recovered from the Pool accounts amounting to Rs. 309.76 crores. During the year, this whole amount was recovered from the Pool accounts. However, there was considerable pressure on cash resources because of the requirement of working capital at Mathura Refinery, besides increase in the overall working capital due to increase in the prices of Crude Oil and products during the year. As such, in spite of the recovery of the Pool dues, bank borrowings at the year end stood at the level of Rs. 433.26 crores as compared to Rs. 527.44 crores at the end of the previous year.





Financing of Investment:

Against a budgeted capital expenditure of Rs. 176.18 crores for the year, your Corporation had incurred a net capital expenditure of Rs. 180.38 crores. Besides this, fixed assets amounting to Rs. 7.47 crores vested in the Corporation consequent to the take over of assets of the erstwhile Assam Oil Company, thus bringing the total investment in fixed assets to Rs. 1,205.74 crores as at the end of the year.

Public Deposit Scheme:

The Public Deposit Scheme introduced in 1980-81 for soliciting deposits from the public gained considerable momentum and during the year, an amount of Rs. 19.51 crores was collected as against Rs. 11.14 crores in the previous year. The total deposits as on 31-3-82 stood at Rs. 30.65 crores, covering 31,101 despositors.

REFINERIES

Operations:

During the year 1981-82, the Refineries at Gauhati, Barauni, Gujarat, Haldia and Mathura processed 13.615 million tonnes of crude oil as against 10.425 million tonnes in 1980-81, i.e. an increase of 31% in the processing level over the previous year. This increase was mainly due to the commencement of trial operations of the new Mathura Refinery, regular flow of crude oil from Assam and improvement in the capacity utilisation of Gujarat Refinery.

The comparative picture of the design capacity and the actual throughput of the five Refineries, during the last 3 years, is as under:-

(figure in MMTs)

Refinery	Throughput			Design Capacity
	1979-80	1980-81	1981-82	
Gauhati	0.646	0.639	0.746	0.750
Barauni	2.285	0.504	3.030	3.000
Gaujarat	6.714	6.974	7.043	6.000
Haldia	2.492	2.308	2.277	2.500
Mathura	—	—	0.519	6.000*

* Trial operations at Mathura Refinery were started from January 82 and the Refinery is being operated at a crude intake level of around 4 MTPA till the main Secondary Processing Unit, viz., Fluid Catalytic Cracking Unit comes jinto operation which is expected in the third quarter of 1982-83.





The Refinerywise operations during 1981-82 are briefly described below:

Gauhati:

The crude throughput at this Refinery was regulated in line with crude supplies and was close to the design capacity.

Barauni:

The crude processing level exceeded the design capacity with the improvement in crude supply from the Assam Fields.

Gujarat:

The crude intake of 7.043 million tonnes is the highest intake level achieved by the Refinery so

far. This included the increased processing of off-shore Bombay High Crude to the tune of 1.3 million tonnes and 12 different types of imported crudes. The production of Toluene and Bitumen was also a new record.

Haldia:

The capacity utilisation at this Refinery was 91%. It could have been further improved but for crude supply limitations and a multiplicity of imported crudes supplied to the Refinery. The Refinery processed 9 different types of crudes during the year. Through sustained efforts, it was possible to increase Bitumen production further to a level that is 41% higher than design capacity.

Madras Lube Plant tank farm.



Mathura:

The Refinery's main processing unit i.e. Crude Distillation Unit was put on trial production in January '82 and three Secondary Processing Units have also been subsequently commissioned. The Refinery is presently operating at a level of 4 MTPA which will be progressively increased with the commissioning of the Fluid Catalytic Cracking Unit expected in the third quarter of 1982-83.

ENERGY CONSERVATION

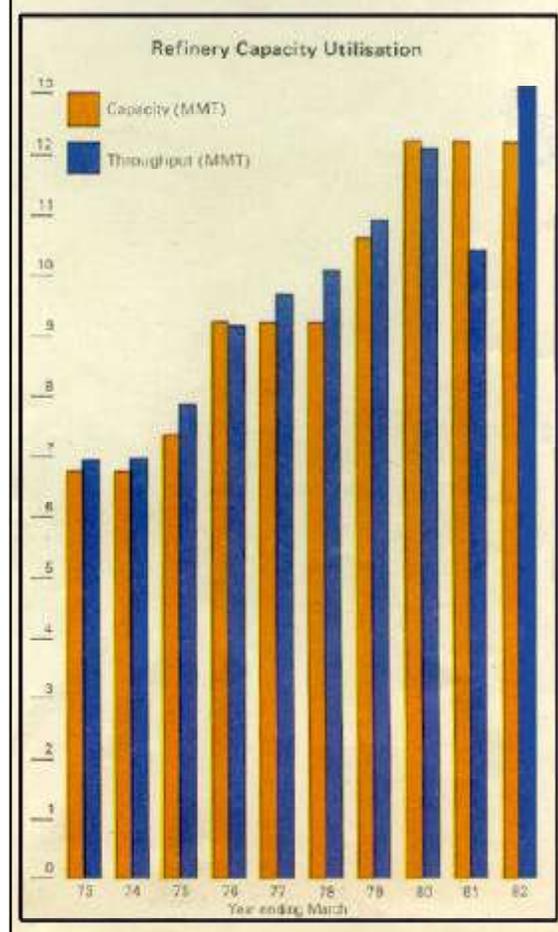
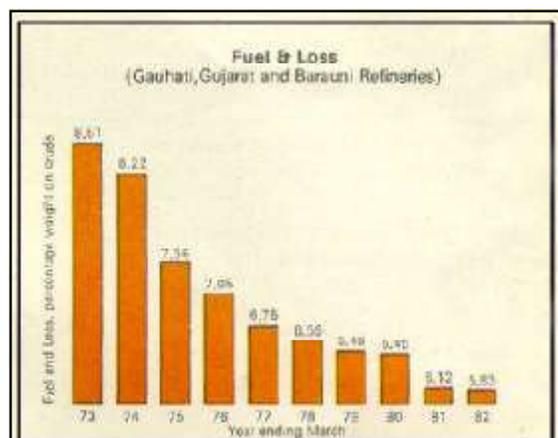
The Corporation continued to place considerable emphasis on conservation of fuel and reduction of hydrocarbon losses at its operating refineries. Several energy conservation studies were undertaken during the year. Based on these studies, furnaces of low thermal efficiency in the Crude Distillation Units of Gujarat Refinery are being replaced and replacement/revamping of lower thermal efficiency furnaces at Barauni and Gauhati Refinery is under consideration. Installation of a Waste Heat Boiler in the Coke Calcination Unit at Barauni Refinery to recover waste heat from flue gases for steam generation is also in progress. The implementation of these projects would result in substantial savings in fuel consumption.

MAINTENANCE & INSPECTION

The development of in-company standards was vigorously taken up. With the publication of several "Indianoil Codes of Practice", it is expected that the resultant uniformity in maintenance practices will lead to maximising equipment availability.

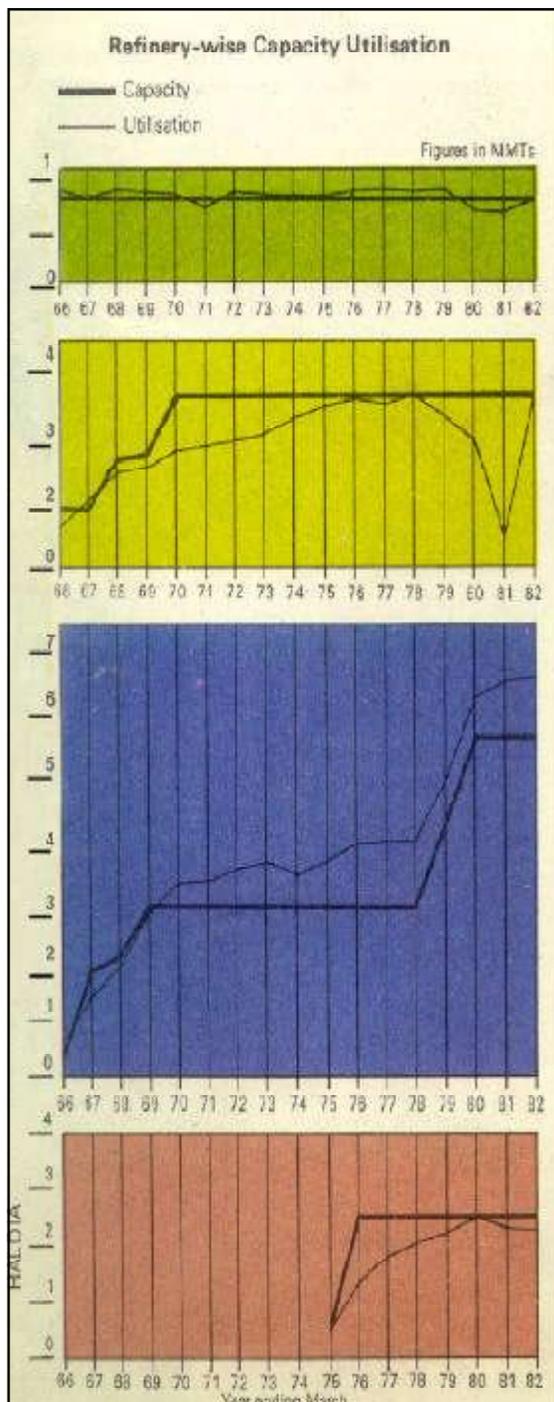
Facilities at the Corporation's Research & Development Centre, Faridabad, were also utilised for investigating a number of cases of material failure reported by the Units and measures were formulated for avoiding recurrence of such failures.

Efforts have been further intensified to enrich the Data Bank from which case histories of various problems faced by the Units with their solutions are made available. For dissemination of information, the Annual Corrosion Survey Report and quarterly Maintenance Digests were published for wide distribution.



PIPELINES

The performance of the net-work of Pipelines during the year 1981-82, vis-a-vis the previous two years is indicated below:



(Figures in '000 MT)

Pipelines	Year Targets	Actual throughput
Koyali-Ahmedabad Product Pipeline	1979-80 908 1980-81 900 1981-82 900	905 928 944
Gauhati-Siliguri Product Pipeline	1979-80 280 1980-81 250 1981-82 400	281 262 373
Barauni-Kanpur Product Pipeline	1979-80 1511 1980-81 1000 1981-82 1800	1457 933 1813
Haldia-Barauni-Haldia-Mourigram-Rajbandh Pipeline (Combined)	1979-80 1730 1980-81 2500 1981-82 1700	1858 2556 1821
Salaya-Viramgam-Koyali-Mathura Crude Pipeline	1979-80 2764 1980-81 3225 1981-82 4200	3012 3565 4204

The throughput achieved by Koyali-Ahmedabad Pipeline during the year was the highest since the inception of this pipeline and worked out to 104.8% against the target and 134.8% against the design capacity.

The throughput achieved by Gauhati-Siliguri Pipeline was less than the target due to non-availability of product for pumping on account of disturbances in Assam. The performance during the year worked out to 93.4% against the target and 76.6% against the design capacity.

In August 1981, the temporary hook-up facility of Gauhati-Siliguri Pipeline expansion was commissioned thereby commencing the introduction of products from Bongaigaon Refinery into this pipeline for delivery to Siliguri Terminal.

The throughput achieved by Barauni-Kanpur Pipeline, which was 100.7% against the target as well as design capacity, was the highest throughput achieved by this Pipeline since its inception.

The Haldia-Mourigram-Rajbandh-Barauni Pipeline



achieved 107.1% utilisation against the target and 68.7% against the design capacity.

The overall utilisation of all the product pipelines taken together worked out to 103.1% against the targeted throughput and 87.8% with reference to the design capacity.

Salaya-Viramgam-Koyali-Mathura Crude Pipeline:

The Salaya-Viramgam-Koyali-Mathura Crude Pipeline achieved 100.1% utilisation against the target.

MARKETING

SALES:

The demand for petroleum products during the year 1981-82 was projected at 33.914 million

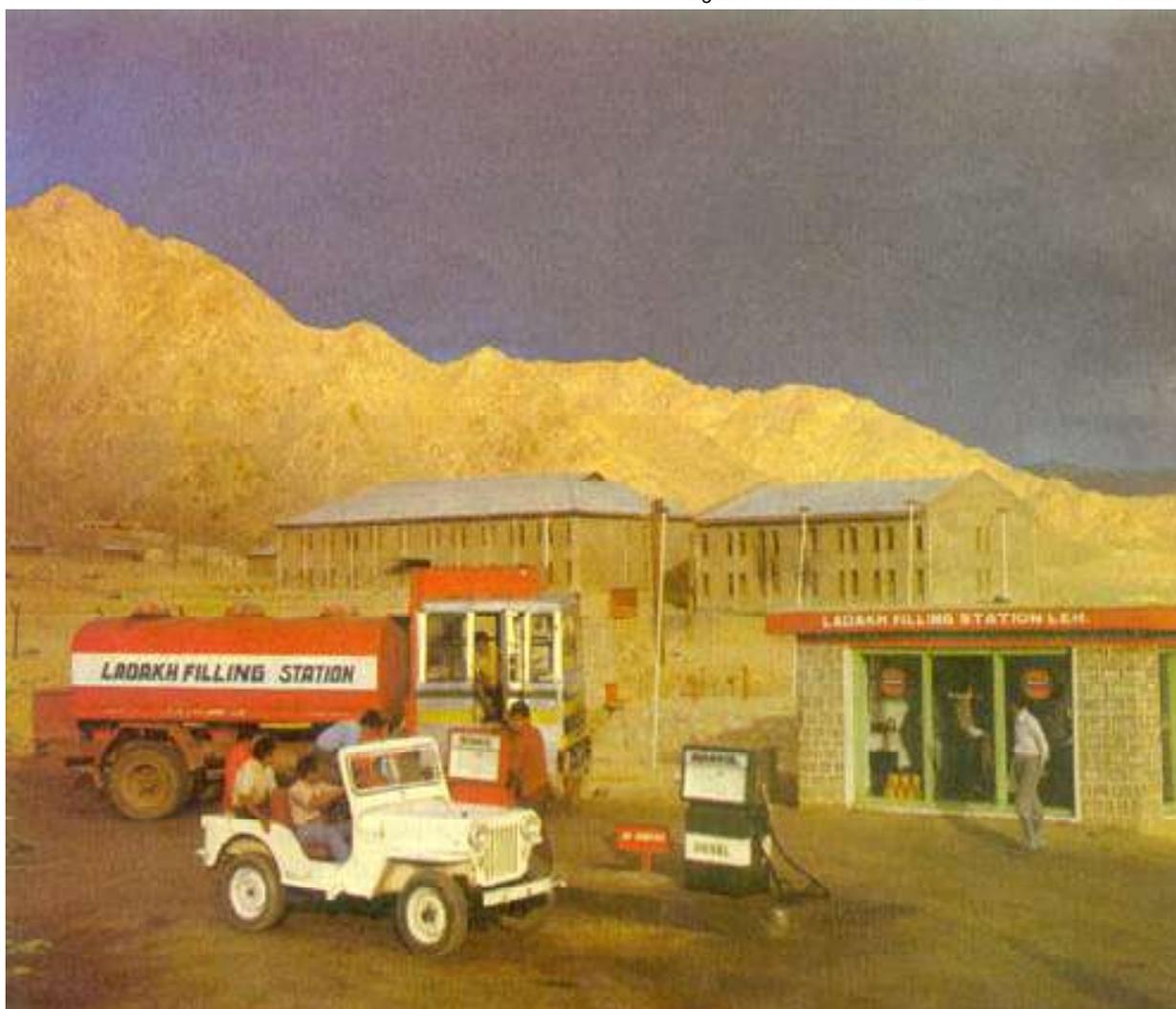
tonnes of which IOC's sales plan entitlement was 19.954 million tonnes with a market participation of 58.9%. IOC sales during the year 1981-82 were 19.710 million tonnes with a market participation of 60.6% against 59.3% in the previous year.

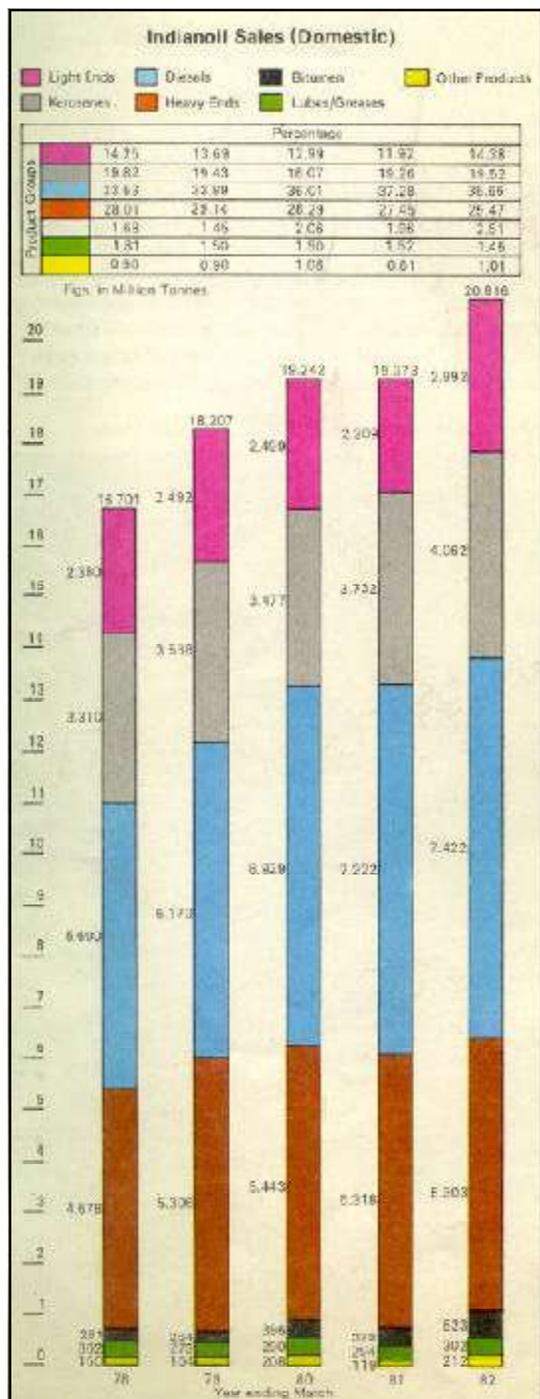
RETAIL DISTRIBUTION & SOCIAL OBJECTIVES

The Retail Distribution system is vital to the public at large and, therefore, continues to receive special attention. During the year 1981-82, 69 new retail outlets were commissioned. The total number of retail outlets in operation at the end of the year 1981-82 was 4,452.

Fifteen SKO/LDO dealerships were commissioned during the year and there were 2,292 SKO/LDO

The highest road in the world at Leh with an Indianoil retail outlet.





SKO/LDO dealerships in operation at the end of 1981-82.

For the purpose of achieving social objectives, the dealerships/distributorships policy was revised by Government in December, 1980. This policy, inter-alia, provides for reservation of 25% for SC/ST candidates, 10% for unemployed engineering graduates, 10% for unemployed graduates, 15% for physically handicapped persons/Defence personnel disabled in war and war widows, and 10% for outstanding social workers/freedom fighters, the remaining 30% being open to all.

The total number of retail outlet dealerships, SKO/LDO dealerships and Indane (LPG) distributorships in operation under the various categories as at the end of March 1982 was as follows:—

	Un-employed Graduates	Nominees of the Directorate-General of Resettlement	Scheduled Castes/Scheduled Tribes	Physically Handicapped	Others capped
(i) Retail Outlet Dealerships	135	93	81	5	4138
(ii) SKO/LDO Dealerships	64	283	73	5	1867
(iii) Indane (LPG) Distributorships	68	189	35	4	222

An Industry survey was conducted for identifying new retail outlet locations during the years 1982-83 to 1985-86, on a State-wise basis. While carrying out these surveys, emphasis was laid on identifying locations in rural/semi-urban areas in order to meet the agricultural requirements of HSD. During the year 1982-83, the Industry would develop 40% of the total retail outlets as low cost retail outlets.

RURAL & AGRICULTURE SECTOR

At the end of March 1982, your Corporation had in operation 300 Multi-Purpose Distribution Centres. These Centres are primarily intended to cater to the rural sector, meeting not only the requirements 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. Efforts are being made to strengthen



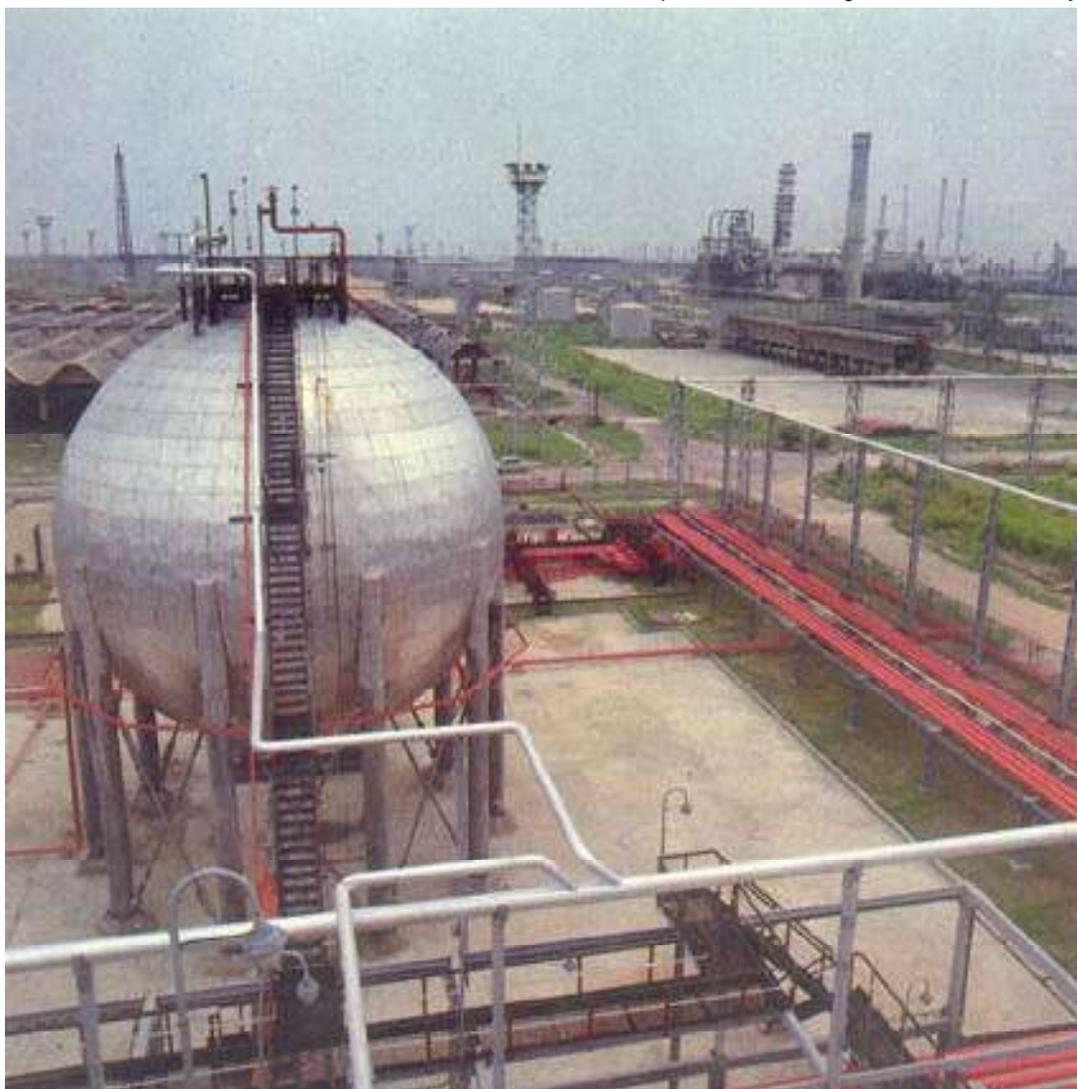
the MPDCs so that the requirements of the rural poor can be more fully met.

The Damle Committee set up by the Government of India for suggesting ways and means of improving distribution of petroleum products, had in their report of June 1976, inter-alia, considered the question of evolving a distribution system, which would ensure equitable distribution of kerosene in all parts of the country at optimum cost and, therefore, recommended setting up of Taluka Kerosene Depots. The objective was to bring the point of supply of product nearer to the point of consumption—particularly in the rural areas. As on 31-3-1982, your Corporation had 19 Taluka Kerosene Depots in various States.

Cooking Gas:

Liquified Petroleum Gas (LPG) commands very great public attention particularly in the urban areas. With the improved availability of LPG from Bombay High, 6.34-lakh new customers were enrolled between January 1981 to March 1982 against the target of 6.00 lakh customers of whom 5.46 lakhs were enrolled during 1981-82. As on 31st March, 1982, there were 23.43-lakh customers spread over 232 towns and serviced through 518 distributors. Your Corporation's market participation is 51.2%. During the year under review, the new type of self-closing cylinder valves were introduced in Kanpur, Bangalore and Jullundur

A Horton Sphere used for storing LPG at Mathura Refinery.



botting plant fed areas. In view of expected additional availability from Mathura and Koyali Secondary Processing Units, the Industry has drawn up a plan to enrol 14-lakh additional customers during 1982-83, out of which your Corporation's share will be 7-lakh customers.

SPECIAL PRODUCTS

The total sale of Special Products i.e. LSHS/ HPS, Naphtha, Benzene, Toluene, Raw Petroleum Coke, Calcined Petroleum Coke, etc., was about 4.5 million tonnes in 1981-82, as compared to 3.18 million tonnes during 1980-81. The sale during 1981-82 included about 62,000 MT of Raw Petroleum Coke imported from Rumania to meet the demand of the indigenous coastal calciners and also about 4,000 MT of imported

Benzene for several consumers. Special efforts are being made to convert a number of Powerhouses in and around Mathura from Furnace Oil to LSHS.

Bitumen:

Emphasis continued to be placed on promoting the use of Bulk Bitumen to avoid wasteful expenditure on steel drums. Accordingly, the sale of Bulk Bitumen during the year 1981-82 was 2,04,800 tonnes, as compared to 1,19,100 tonnes during the previous year, representing an increase of 72%.

Aviation:

10,95,661 KL of Aviation Fuel were sold, thereby achieving 74% market participation in ATF

A Boeing 747 being refuelled using the latest Fuel Hydrant System, Bombay.



during the year under review, as against 69.7% during the year 1980-81. Your Corporation continues to be the sole supplier of Aviation Gasolines in the country and the total sale of this product during the year was 28,000 KL.

Lubes and Greases:

Sale of lubricants and greases during the year was 3.04 lakh tonnes as against 2.03 lakh tonnes in the previous year, thus registering an increase of 3.8% over the previous year. IOC's market participation in lubricants and greases was 50.87% in the year.

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. 2.6 crores.

DISTRIBUTION

As on 31st March, 1982, your Corporation had 15 Port Installations, 8 Pipeline Installations, 2 Inland Installations and 106 Bulk Depots.

Inland Installations and 106 Bulk Depots.



During the year 1981-82, 1.69 lakh KL tankage was constructed at Installations and Depots. The total tankage at Installations/Depots as on 31st March, 1982 was 20.67 lakh KL as against 19.22 lakh KL as on 31st March, 1981. In addition, 2,015 KL tankage at Railway Consumer Depots were constructed during the year. The throughput of all products handled during 1981-82 was 266.05-lakh KL as against 244.36-lakh KL during the previous year.

The first phase of the Fuel Hydrant Project sanctioned at a cost of Rs. 7.25 crores at the New International Airport Terminal Complex at Bombay including 18,000 KL tankage hydrant pipelines under apron, pumping facilities etc., was completed in December, 1981.

marketing of Superior Kerosene, Aviation Turbine Fuel, Light Diesel Oil and Furnace Oil was started by your Corporation ex-Bongaigaon Refinery after the commissioning of their Kerosene Treating Unit/Delayed Coker Unit.

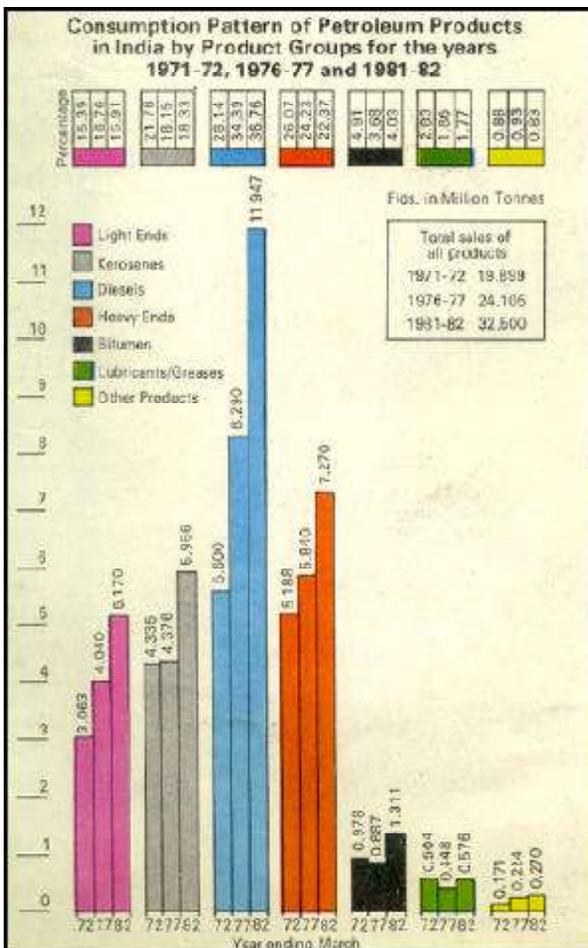
Loading of FFS/FO/HSD and Naphtha from Mathura commenced during the period under review. Since products have started flowing out of Mathura Refinery, the North-West locations are now fed ex-Mathura.

The tankwagon loadings showed a marked improvement over the loadings in 1980-81. Average loading per day in 1981-82 was 1,593 tankwagons on BG plus 285 tankwagons on MG as compared with the performance in 1980-81 of 1,446 tankwagons per day on BG and 275 tankwagons per day on MG. The movement of major petroleum products by road was reduced from 3,153 tankwagons per day in 1980-81 to 1,675 tankwagons per day in 1981-82 thus achieving saving in costs.

Your Corporation owned 548 tank trucks at the end of the year 1981-82, as compared to 542 tank trucks during the previous year and delivered 23.4 lakh KL as against 18.4 lakh KL during the previous year.

DRUM PLANT

The Drum Plant at Madras achieve a good performance in the production of Bitumen drums which was 7,11,523 during the year as against 6,35,500 during the previous year. The Plant also produced 3,40,538 lube barrels as against 3,74,153 during the previous year.



CONSERVATION

The high-efficiency 'NUTAN' stoves continued to be marketed by your Corporation. The stove has a thermal efficiency of over 60% as compared to about 45% of most other currently available wick stoves. The stoves is in great demand and over 1.5 million stoves have been sold since March, 1977. Attempts are being made to increase the annual production of the stoves to about 2 million. Licences for the manufacture of the stove have been given to several manufactures in the Small Scale Sector.

Messrs. Balmer Lawrie & Co., Calcutta, and Messrs. Haryana State Small Industries and Export Corporation, Chandigarh, also propose to take up the production of Nutan stoves. A high efficiency LPG Burner for domestic stoves is being developed by the R&D Centre. The stove will have a thermal efficiency of about 70% as compared to 58% currently specified for LPG stoves by the ISI. The potential saving in LPG consumption expected from this stove compared to most other LPG stoves available in the market is over 15%.

One of the laboratories at the Indianoil R&D Centre



Your Corporation conducted periodical seminars/clinics for the benefit of major customers like Steel Plants, State transports, Railways and other major industrial customers as a part of customer service and towards conservation of petroleum products.

IMPORTS

During the year 1981-82, the Corporation imported 45.75 lakh MT (including import on account of Nepal Oil Corporation) of finished petroleum products and 0.90 lakh MT of Lubricants at an approximate value of Rs. 1,332.76 crores and Rs. 51.63 crores respectively as compared to import during 1980-81 of 67.91 lakh MT of finished products and 1.76 lakh MT of lubricants valued at Rs. 1,741.93 and Rs. 79.86 crores respectively. Out of the imports during 1981-82, the rupees source imports amounted to Rs. 694.62 crores (including the imports on account of the Nepal Oil Corporation).

Your Corporation also imported Crude Oil to the extent of 11.506 million MT for the Industry as against 12.034 million MT during the previous year. The approximate value of import was Rs. 2,745 crores.

EXPORTS

During the year 1981-82, the Corporation exported 54,720 MT Naphtha and earned foreign exchange equivalent to Rs. 15.20 crores. Also 1.07 lakh MT of various petroleum products were exported to Nepal Oil Corporation valued at Rs. 31.70 crores.

In addition to the above export, an amount of Rs. 88.76 crores was realised for supplies of 1.94 lakh MT Aviation Fuel supplied to international airlines and an amount of Rs. 19.72 crores for supplies of 0.68 lakh MT of bunker fuel and marine lubricants to foreign flag vessels plying on the international run amounted to about Rs. 18.00 crores.

Your Corporation has also started exporting Bombay High Crude from January 1982 onwards. Upto March, 1982, 8.377 lakh MT of Bombay High Crude was exported. The export realisation value was 210 million dollars earned in foreign exchange.

RESEARCH & DEVELOPMENT CENTRE

The Research and Development Centre of the Corporation, set up at Faridabad at a total cost of Rs. 6.90 crores has completed ten years of its existence. The Centre now consists of Product Development Laboratories, Analytical Labo-

ratory, Engine and Rig Testing Laboratories, Photography/Instrumentation Laboratory and Test Vehicles Laboratory. These laboratories are equipped with sophisticated equipment for testing and evaluation of petroleum products particularly fuels and lubricants. A PDP-11/34 Computer for real time data acquisition, logging and alarm monitoring of engine test benches is in the process of being installed in the engines laboratory. The Centre has successfully developed over 375 lubricant formulations which form the basis of the sale of nearly 300,000 MT of lubricants by the Corporation. These cover a wide product range of Automotive Engine Oils, Marine Oils, Railroad Oils, Industrial Oils and Greases, metal working fluids, rust preventives and specialities. These lubricants sold under the brand name of 'SERVO' have been gaining recognition from several national and international engine and equipment builders. Notable approvals given by various parties during 1981-82 include those for high performance railroad diesel engine oils by Indian Railways (Servo RR 405 and Servo RR 407), for Industrial gear oils by Cincinnati-Milacron, USA (Servo Mesh SP-17 and SP-28), for oil for hydrostatic transmissions (Servohydrex-14) by Sunstrand USA, for Railroad hydraulic transmission oil by M/s. Voith, West Germany (Servo Tourque 10) and for a special quenching oil (Servo Quench 107) for Mishra Dhatu Nigam by Creuset Loire, France.

Important products added to the lubricant range are multigrade engine oils for retail trade, a new two stroke engine oil for scooters and motorcycles, Heavy Duty brake fluid, oil for ammonia compressors, Morgoil bearing oils, and special greases for cement plants. Pilot Plants for making grease and industrial bitumen have also been designed and commissioned. Work on several projects on various fuels has been taken up and some of these have reached a stage where the results are in the process of being applied commercially. Experiments are being carried out for the development and establishment of alternate fuels such as Methanol for diesel engines. Facilities for tribological studies and material failure analysis have been established. Expansion is planned for taking up new schemes including process development, development work on synthetic oils and lubricant additive development.



Crude oil tanks and the pipeline network at the Mathura Refinery complex.



PLANTS AND PROJECTS

During the sixth Five-Year Plan 1980-85, your Corporation plans to invest over Rs. 900 crores. The following are the most important projects covered in the Five-Year Plan 1980-85:

Project	Rs. in Crores Investment (1980-85)
Mathura Refinery	89.76
SVKM Crude Pipeline	46.00
Gujarat Refinery Secondary Processing Facilities	41.06
M.D.A.J. Product Pipeline	49.80
Add. Coker—Barauni Refinery	37.87
Mandatory Crude Tanks-	
Phase-I	15.50
Phase-II	21.91
Haldia Refinery Expansion	76.50
Uran-Koyali-Viramgam Pipeline	103.87
LPG Marketing Facilities Phase-I	39.32
LPG Marketing Facilities for Marketing of OIL LPG	22.14
Addl. Product Tankage	26.38
Marketing of LPG—Phase-III	106.57

The major plan projects under implementation/proposed are as under:

Mathura Refinery Project:

Mathura Refinery which has been under construction, was put on trial operations from January 1982. The Refinery is expected to be fully commissioned by the end of 1982-83. As per present indications, the Refinery is expected to cost Rs. 254 crores.

Gujarat Refinery Secondary Processing Facilities:

The Fluid Catalytic Cracking Unit which is being set up at Gujarat Refinery to upgrade LSHS by secondary processing into more valuable products like LPG, Motor Spirit, HSD, LDO, etc., is expected to be mechanically completed and commissioned in the third quarter of 1982-83.

Additional Coking Unit and Paraffin Wax Plant at Barauni Refinery:

The Detailed Project Report for installation of an additional coking unit at Barauni Refinery at an estimated cost of Rs. 38.10 crores has been approved by the Government. The additional fa-

cilities on completion, will optimise the production of light and middle distillates. The Project is expected to be mechanically completed by March, 1984.

The proposal to set up a Paraffin Wax Plant with a capacity of 50,000 TPA at Barauni Refinery is also under consideration of the Government.

Haldia Refinery Expansion:

The proposal to expand the capacity of Haldia Refinery by 3 MTPA is under active consideration of the Government.

Mandatory Crude Tankages:

Government has approved construction of 5 Crude Oil storage tanks with a capacity of 275,000 tonnes at a cost of Rs. 13 crores in Phase-I. The Project is scheduled to be completed by November, 1983. Government has also approved construction of additional 7 Crude Oil storage tanks in Phase-II with a storage capacity of 385,000 Tonnes at a cost of Rs. 21.91 crores.

Expansion of Salaya-Viramgam-Koyali Pipeline:

Work on the Project to expand the capacity of Salaya-Viramgam-Koyali Pipeline from 10 MTPA to 12 MTPA has been taken up. It is expected that the Pumps Station which is being set up at Rajkot for this purpose will be completed by December, 1983. Similarly, the work on construction of the tank farm has also been taken up and is expected to be completed by May, 1983.

Mathura-Delhi-Ambala-Jullundur Product Pipeline:

The Mathura-Delhi Section of the Pipeline was commissioned in April 1982 and the Delhi-Ambala Section has been commissioned in August 1982. Ambala-Jullundur Section is expected to be commissioned by October, 1982.

The first phase for the construction of 3 Pipeline Installations at Delhi, Ambala and Jullundur with a total tankage of 3.68 lakh KL has been completed. The second phase is already under execution. The entire project is scheduled to be completed by March, 1983.

Project for augmentation of Docklines:

Project for augmentation of docklines to optimise the tanker pipeline at Haldia and a new dockline at Madras are in progress and are scheduled to be completed by March, 1983.



One of the laboratories at the Indianoil R&D Centre



LPG STORAGE AND DISTRIBUTION FACILITIES

LPG Marketing Project, Phase-I, is estimated to be completed at a cost of Rs. 104.37 crores. This Project is intended to market additional LPG from Bombay High Associated Gas Phase-I, Mathura Refinery and Fluid Catalytic Cracker Unit at Gujarat Refinery. The Project envisages 4 new bottling Plants at Bangalore, Jullundur, Allahabad and Salem, and additional tankage at the existing plants at Shakurbasti and Kanpur as also fabrication of 383 numbers LPG tankwagons and 26.31 lakh cylinders and 17.91 lakh Pressure Regulators. Fabrication of 164 numbers LPG tankwagons has been completed and the work on the balance tankwagons is in progress. Whereas the Bangalore Plant has already been commissioned in June, 1982, the Allahabad Plant and Jullundur Plant will be completed by October, 1982 and the Salem Plant by December, 1982. Expansion of existing Plants at Shakurbasti and Kanpur is likely to be completed in September, 1982.

It is planned to provide a bottling plant at Calcutta with 4 x 500 MT Horton Spheres and a transhipment depot of 15 x 100 MT LPG bullets at Bongaigaon at a cost of Rs. 27.05 crores.

FUEL HYDRANT AT BOMBAY AIRPORT

After completing the First Phase of setting up of the Hydrant Refuelling System at the New International Airport Terminal Complex at Bombay, the Second Phase consisting of extension of the Hydrant Refuelling lines and additional tankage of 6,000 KL at a total cost of Rs. 144.00 lakhs

Refuelling operation of an aircraft in progress.



has been taken up. This is scheduled to be completed by December, 1983.

OFFICE ACCOMMODATION:

Construction of an office building at Bombay taken up at a total estimated cost of Rs. 484.47 lakhs is scheduled to be completed by June, 1984. An office building at Madras at a total cost of Rs. 253 lakhs is under construction and is scheduled to be completed by December, 1982.

OTHER PROJECTS

A feasibility report to provide additional product tankage at Installations/Depots etc., at an estimated cost of Rs. 29.43 crores is under consideration of the Government.

Approval of the Government has been received to provide facilities at Madras and Tirunelveli for marketing surplus LSHS ex CRL. At Madras, 12000 KL tankage has been taken on hire from Madras Petrochem Limited and additional facilities are being provided at an estimated cost of Rs. 82.00 lakhs. At Tirunelveli, New LSHS tankage/facilities (8400 KL) are being constructed at an estimated cost of Rs. 93.00 lakhs.

For coastal movements/exports of surplus Naphtha ex Koyali/Mathura, approval of the Government has been received to construct a new installation near the port jetty at Kandla. The proposal envisages construction of 75,000 KL tankages, tankwagon discharge facilities, tanker loading facilities etc., at an estimated cost of Rs. 434.00 lakhs.

Feasibility Reports on the setting up of refineries at Karnal and Mangalore are under preparation, in accordance with the directions received from the Government of India.

ASSAM OIL DIVISION

Pursuant to passing of an Act of 29th September, 1981 and issue of Notification by the Government of India, the right, title and interest and the liabilities of the Assam Oil Company Limited in relation to its undertakings in India have vested in your Corporation with effect from 14th October, 1981 in so far as they relate to the business of production, marketing and distribution of petroleum products. Similarly, the right, title and interest and the liabilities of the Burmah Oil Company (India Trading) Limited, in relation to its Undertakings in India have also vested in your Corporation with effect from



14th October, 1981. A separate Division was formed known as Assam Oil Division to administer the Undertakings taken over.

Crude Throughput:

The installed capacity of the Digboi Refinery is 0.7 MTPA. However, due to limitations in down stream secondary processing capacity, the Refinery is geared to process crude at 0.56 MTPA. The refinery achieved a crude throughput of 4,96,023 MT during the year 1981-82. A comparative picture of crude throughput during the last three years is given below:—

(Figures in '000 MT)

1979-80	407.640
1980-81	503.077
1981-82	496.023

Various development programmes of the Refinery have been initiated including construction of the Digboi-Tinsukia White Oil Pipeline and Digboi Refinery Effluent System.

Marketing:

Assam Oil Division's sale during the year 1981-82 was 429,840 MT as against 402,980 MT during the previous year and reflects a growth of 6.67% over the corresponding period of the last year. A major programme of adding 22 new retail outlets has been initiated and 12 new retail outlets will be commissioned by March, 1983. Retail outlets are being improved and the depot storage facilities augmented. Development of bulk storage facilities in the North-East at various locations is being taken up.

Assam Oil Division has geared itself for marketing of LPG from Duliajan. It is planned to market about 30,000 tonnes by 1985-86 as compared to about 5000 to 6000 tonnes in the year under review.

A CORPORATE CITIZEN

Welfare of Employees:

The Corporation continued to follow its welfare oriented policies and programmes during the year 1981-82. The continuing welfare programmes include liberal housing loans for construction of own houses, transport facilities, canteen facilities, uniforms, workers' education classes, medical facilities, sports, co-operative stores, schooling for employees' children.

Welfare of Weaker Sections:

In accordance with the policy of the Corporation, further improvements were made in the sphere of welfare of weaker sections of the Society. The Presidential Directives received from the Government of India from time to time re-

garding employment of candidates belonging to reserved categories such as Scheduled Castes/Scheduled Tribes, ex-Servicemen and the Physically Handicapped were implemented. During the year 1981-82 your Corporation recruited 2089 employees out of which 458 belonged to Scheduled Castes/Tribes and 35 were handicapped.

INDUSTRIAL RELATIONS

Industrial relations during the year 1981-82 in all the units of the Corporation have been generally cordial. Industrial relations in the Eastern Region of the Marketing Division were affected to some extent by the Assam agitation and some local problems arose because of inter-Union rivalry.

WORKERS' PARTICIPATION IN MANAGEMENT

In pursuance of the Government scheme of Workers' Participation, efforts were made to set up Shop floor/joint councils at operating refineries of your Corporation in the last few years. For a meaningful implementation of the scheme a number of workers and officers were sponsored for training programmes on workers' participation. Although workers' participation already exists in various forums such as Trustees of Provident Fund, Canteen Committees, Employees Suggestion Scheme and Co-operative Societies etc., the Unions have been approached seeking their fuller and deeper involvement for implementation of the scheme of Workers' Participation in Industry.

HUMAN RESOURCE DEVELOPMENT AND TRAINING

The Corporation continues to give high priority to the training of employees. Your Corporation has developed a comprehensive infrastructure in the form of training institutes in the Refinery and Marketing Divisions which takes care of technical as well as management development. In line with the organisational needs, Training Centres conduct management, supervisory and functional training programmes. For the first time a one week 'Integrated Course on LPG' was conducted for 17 Managers from various disciplines concerned with INDANE. A training programme on 'Corrosion and Corrosion Control' was introduced for the first time at the Indian Oil Management Academy-Haldia, to enable Engineers to have better comprehension of corrosion problems and timely corrective action.



The Training Institutes also catered during the year to the training requirement of other developing countries. Four managers from Ceylon Petroleum Corporation participated in our management training programmes. Ceylon Petroleum Corporation has greatly appreciated our arranging a 3-week study tour for their Senior Manager to acquaint him with our marketing activities. Two Sudanese Officers working for the General Petroleum Corporation, Sudan, were given training under the Indian Technical and Economic Co-operation Programme. An Officer of the Tanzanian Petroleum Development Corporation was also given training. Two officers from Nepal Oil Corporation had participated in our 'Advanced Aviation' Course. 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

The effluent systems of all the refineries are being constantly reviewed and improvements are being made to meet more rigid standards of pollution control. A Sulphur Recovery Unit is being installed at Mathura Refinery.

HINDI IMPLEMENTATION

Pursuant to the provisions of Official Languages Act, 1963 and Official Language Rules, 1976, various steps continued to be taken for Hindi Implementation such as imparting Hindi/Hindi Tping/Hindi Stenography training to the employees, bilingualisation of various forms, provision of Hindi typewriters, issuing of circulars, General Orders, Notices, Standard letters etc., in bilingual form, converting Signboards, Emblem, Log etc., from English to Hindi and/or in bilingual, as also organisation of workshops for imparting training in Hindi correspondence and noting and drafting. An attractive incentive scheme continued to be operative for encouraging employees to receive training in Hindi. Periodical meetings were held by the Central and Regional Committees of different Units to review the progress of Hindi Implementation.

'Indianoil Samachar' the house journal of the Corporation as well as 'Dealer News' are brought out in Hindi. Wall papers like 'antarik Samachar' and 'Kutumb Samachar' are published in Hindi. A quarterly Hindi magazine 'Tel Bharati' as also various regional house journals were brought out in Hindi.

INDIAN OIL BLENDING LIMITED

The Annual Accounts and Director' Report of Indian Oil Blending Limited, a wholly owned subsidiary of the Corporation, are annexed herewith. During the year 1981-82, the Bombay and Calcutta Plants of IOBL had a throughput of 2,62,074 KL, as against 2,54,054 KL of lubes during the year 1980-81. The Grease Plant at Bombay had a throughput of 5,853 MT of greases during the year, as compared to 5,986 MT during 1980-81. Although the blending of lubricating oil increased by 8,020 KL during the year, as compared to the previous year, there was a marginal shortfall in the grease production due to shut down of the grease plant of about a month for carrying out repairs to its Hot Oil Furnace.

The gross profit of the Company before depreciation, investment allowance, taxation and prior year adjustment was Rs. 65,85,428, as compared to Rs. 53,89,091 during the previous year. The net profit, after providing for investment allowance—Rs. 4,04,000, taxation—Rs. 23,70,000 and depreciation—Rs. 18,78,908 was Rs. 19,32,520, as compared to Rs. 14,66,384 during the last year. The disposable profit of the Company for the year 1981-82, after making prior year adjustment of Rs. 1,54,460, amounted to Rs. 20,86,980, as against Rs. 7,57,629 in the previous year. The net surplus for distribution during the year was Rs. 20,92,187 as against Rs. 7,65,207 during the previous year.

INDIA TRADING (HOLDINGS) PRIVATE LIMITED

This Company was set up with the primary objective of acting as Trustees of two Provident Funds in respect of the Employees of Assam Oil Company Limited and Oil India Limited and Pension Fund in respect of the Employees of Oil India Limited.

By virtue of the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and The Burmah Oil Company (India Trading Limited) Act, October, 1981, all the shares of the said Company (formerly held by The Burmah Oil Company (India Trading) Limited) stood transferred to and were vested in our Corporation with effect from 14th October, 1981. As such, the said Company has become a wholly owned subsidiary of our Corporation.



The Central Government has issued a Notification No. GSR 20 (E) dated 18-1-82 regarding administration of funds by the respective Companies pending constitution of new trusts. The workings of these funds have been quite satisfactory during the year.

A copy of the Annual Accounts and Directors' Report of this wholly owned Company of the Corporation is annexed herewith.

FOREIGN TOURS

The Total number of foreign tours undertaken by the officers was 76 and the total expenditure incurred on the tours in the year 1981-82 was Rs. 21.19 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 R. H. M. D'Silva
2. Shri Nitin Desai
3. Shri R. Vasudevan
4. Shri R. Venkatesan
5. Dr. Nilay Chaudhuri

PARTICULARS OF EMPLOYEES

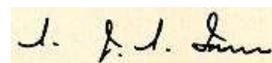
Particulars of employees pursuant to Section 217 (2A) of the Companies Act and Companies (Particulars of Employees) Rules, 1975 are enclosed.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation of the excellent work done by the employees of the Corporation. But for their devotion, loyalty and hard work your Corporation could not have achieved such excellent results. The Directors further hope that the members of IOC family will continue their excellent work to improve the Corporation's image and service to customers. The Directors are also grateful to its customers for their valuable patronage and confidence.

The Directors gratefully acknowledged the guidance and support received from the Government of India and the State Governments, Lastly, your Board of Directors wish to record a note of gratitude and appreciation for the leadership provided by Shri C. R. Das Gupta who relinquished office of the Chairman of the Corporation and Board of Directors on attaining the age of superannuation on 31st March, 1982.

For and on behalf of the Board



New Delhi
Daed: 13th September, 1982

Chairman

A. TEN-YEAR PROFILE

Index

	(Rupees in crores)									
	1981-82	1980-81	1979-80	1978-79	1977-78	1976-77	1975-76	1974-75	1973-74	1972-73
WHAT WE OWE:										
Share Capital	123	82	82	82	82	82	71	71	71	71
Reserves	472	424	355	291	232	191	149	125	100	94
Net worth	595	506	437	373	314	273	220	196	171	165
Borrowings	705	778	380	112	76	47	41	94	77	51
	1,300	1,284	817	485	390	320	261	290	248	216
WHAT WE OWN:										
Fixed Assets	1,206	1,018	855	705	585	476	384	335	295	266
Less: Depreciation	391	320	262	210	180	161	140	115	95	70
	815	698	593	495	405	315	244	220	200	196
Working Capital	485	586	224	(10)	(15)	5	17	70	48	20
	1,300	1,284	817	485	390	320	261	290	248	216
INCOME:										
Sales	7,940	5,711	4,476	3,564	3,000	2,663	2,422	1,961	1,241	996
Accretions/Decretions	98	50	155	9	30	14	(19)	25	82	(6)
Other Income	91	99	52	27	14	16	11	12	(5)	9
	8,129	5,860	4,683	3,600	3,044	2,693	2,414	1,998	1,318	999
EXPENDITURE:										
Purchase & Manufacturing Expenses	7,754	5,550	4,435	3,410	2,870	2,514	2,283	1,878	1,231	902
Establishment, Administration & Selling Expenses	95	72	63	56	53	50	49	40	37	31
Depreciation	71	57	52	30	19	21	25	20	15	14
Interest	95	73	5	4	2	2	5	8	4	3
	8,015	5,752	4,555	3,500	2,944	2,587	2,362	1,946	1,287	950
PROFIT BEFORE TAX	114	108	128	100	100	106	52	52	31	49
PROFIT AFTER TAX	106	81	74	69	49	49	30	31	10	22
DIVIDENDS	17	12	10	10	8	7	6	6	4	5
RETAINED EARNINGS	89	69	64	59	41	42	24	25	6	17
RATIOS:										
Profit after tax as % to average net worth	19.3	17.2	18.3	20.1	16.7	19.9	14.4	16.9	6.0	14.0
Earnings per Equity Share (Rupees)	864.0	981.0	894.0	842.0	599.0	589.0	420.0	431.0	138.0	312.0
Net worth/Equity Share (Rupees)	4,829	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

Note: Figures in brackets denote minus.



HOW FUNDS GENERATED & UTILISED

Index

(Rupees in Crores)

DESCRIPTION	FOR THE YEAR ENDED 31ST MARCH					
	1982	1981	1980	1979	1978	1977
A. SOURCE OF FUNDS:						
1. Internal Resources:						
Retained Profits	89	69	64	59	41	42
Depreciation	71	57	52	30	19	21
	160	126	116	89	60	63
2. External Resources:						
Share Capital	—	—	—	—	—	11
Borrowing from Govt./Others	20	82	63	31	30	5
Borrowing from Bank	(94)	316	205	5	(1)	1
	(74)	398	268	36	29	17
TOTAL FUNDS	86	524	384	125	89	80
B. UTILISATION OF FUNDS:						
Increase in fixed assets	188	162	150	120	109	92
Net Increase/Decrease in working capital	(102)	362	234	5	(20)	(12)
	86	524	384	125	89	80

CHANGES IN WORKING CAPITAL

A. CURRENT ASSETS:						
1. Inventories	46	457	249	45	34	11
2. Book Debts	152	3	69	27	12	44
3. Cash & Bank Balance	(9)	9	—	5	(30)	(25)
4. Loans & Advances	(276)	130	232	27	32	(2)
	(87)	599	550	104	48	28
LESS:						
B. Current liabilities and provision	15	237	316	99	68	40
C. Working capital (A—B)	(102)	362	234	5	(20)	(12)

Note: Figures in brackets denote minus.



STATEMENT OF ADDED VALUE 1981-82

	Rupees in crores	Percentage
Value of Production (Refineries)	2,521	
Less: Cost of Direct Materials	<u>2,384</u>	
Added Value	137	
Marketing Operations	195	
Pipeline Operations	75	
R & D	<u>2</u>	
		409
SHARED TOWARDS:		
I. Operations:		
Employees Benefits (Salaries, wages & other benefits)	59	14.4
Other Costs	<u>70</u>	17.1
		129
II. Financing:		
Interest on Govt. Loans (including OIDB)	11	2.7
Interest on working capital	84	20.5
Dividend	<u>17</u>	4.2
		112
III. Taxation		
		8
		1.9
IV. Expansion & Growth:		
Depreciation	71	17.4
Retained Profits	<u>89</u>	21.8
		160



CORPORATE OBJECTS

- To maintain Indianoil's 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

Index

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1982, and the Profit and Loss Account of the Corporation for the year ended on that date annexed thereto 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 matters 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 allocation of the work between the auditors has been followed as per directions contained in the letter No. 17/133/82-IGC dt. 1-3-1982 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.
 - (d) The reports of the accounts of the Research and Development Centre, the Northern and Southern Regions of the Marketing Division, Mathura and Barauni Refineries, Salaya-Mathura Crude Pipeline, Mathura-Ambala-Jullundur Pipeline, Haldia-Rajbandh Pipeline, Barauni-Kanpur Pipeline, audited by the respective Branch Auditors were received and properly dealt with by us while preparing our report.
 - (e) The Balance Sheet and the Profit and 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 Note No. 8 of Schedule—"P" regarding Assets & Liabilities of Assam Oil Division and other notes, 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, 1982,

and
 - (ii) In the case of Profit and Loss Account of the Profit of the Corporation for the year ended on that date.

For RAY & RAY
Chartered Accountants

For FORD, RHODES, PARKS & CO.
Chartered Accountants

S. C. SAHA
Partner

G. R. PRADHAN
Partner

New Delhi, 19th August, 1982



ANNEXURE TO THE AUDITORS' REPORT

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

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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 have 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. In case of certain units of the Corporation the reconciliation between physical stock and Price Stores Ledger is pending and 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 and is on the same basis as in previous year.
4. The Corporation has not taken any loans from the companies, firms or other parties in which Directors are interested 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 for which reasonable steps have been taken for recovery.
6. In our opinion and according to the information and explanation 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 are reasonable as compared to the prices of similar items supplied by other parties or as available with the Corporation, except in some cases the Corporation is awarding contracts to Public Sector Undertakings and/or Government Companies who enjoy a price preference generally not exceeding 10 per cent under general guidelines of the Government. 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, 1982, loss, if any, on the above items has not been determined except for Assam Oil Division of the Corporation where a provision of Rs. 3.90 lacs has been made for unserviceable and damaged stores. 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 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.

For RAY & RAY
Chartered Accountants

S. C. SAHA
Partner

New Delhi, 19th August, 1982

For FORD, RHODES, PARKS & CO.
Chartered Accountants

G. R. PRADHAN
Partner



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/expansions and new pipelines, the allocable overheads are also capitalised.

1.3.1 No depreciation is charged on freehold land. Cost of leasehold land is amortised during the lease period. Cost of LPG cylinder/pressure regulator is depreciated fully in the year of capitalisation after retaining a token value of Re. 1/- per cylinder/pressure regulator. Plant & machinery and furniture & fixtures except tables and chairs costing upto Rs. 750/- and Rs. 250/- respectively are charged to revenue. Depreciation of fixed assets is charged 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 assets sold/disposed off during the year.

1.3.2 In case of Assam Oil Division which vested in the Corporation with effect from 14-10-1981, depreciation on fixed assets is charged on written down value method at the rates provided in the Income-tax act.

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 PROVISION:**2.1 VALUATION OF INVENTORIES**

2.1.1 Process stock is valued at raw material cost.

2.1.2 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-ordination 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 ended, except in case of payment made upto 30th April, where the liability is provided at actuals.



3. PROFIT & LOSS ACCOUNT:

3.1 Sales

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

3.2 Classification of 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.

A. J. A. TAURO
Chairman

K. L. GOEL
Finance Director

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

M. S. RANA
*Director
(Marketing)*

D. B. PURI
Secretary

New Delhi, 19th August, 1982



BALANCE SHEET AS AT 31ST MARCH, 1982

Index

	Schedule	Rupees (In lakhs)	Rupees (In lakhs)	1981 Rupees (In lakhs)
FUNDS EMPLOYED:				
1. Share Capital	'A'	12,326.58		8,217.72
2. Reserves and Surplus	'B'	47,201.75		42,367.42
3. Total Shareholders' Funds			59,528.33	50,585.14
4. Loans:				
(a) Secured	'C'	43,326.33		52,744.40
(b) Unsecured	'D'	27,134.65		25,100.76
			70,460.98	77,845.16
5. Total Funds employed			1,29,989.31	1,28,430.30
APPLICATION OF :				
6. Fixed Assets:				
(a) Gross Block	'E'	89,259.01		68,871.44
(b) <i>Less: Depreciation</i>		39,091.83		31,998.41
		50,167.18		36,873.03
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	31,314.89		32,916.99
			81,482.07	69,790.02
7. Investments	'G'		45.19	46.32
8. Current Assets, Loans and Advances:				
A. Current Assets:				
(a) Interest accrued on Investments		0.45		1.43
(b) Inventories	'H'	1,02,408.59		97,795.72
(c) Book Debts	'I'	35,449.47		20,208.88
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		1,497.33		2,655.03
(e) Bank Balances:				
(i) With Scheduled Banks:				
(a) On Current Account		233.20		100.71
(b) On Fixed Deposit Account		18.22		0.07
(c) On Deposit Account under the Companies (Surcharge on Income-Tax) Scheme, 1976		258.37		257.54
(d) On Blocked Account (including Rs. 47.05 lakhs —1981 : Rs. Nil on Fixed Deposit Account)		48.67		6.31
(ii) With Post Office:				
On Savings Account		0.04		0.04
B. Loans and Advances	'J'	21,677.29		49,254.44
		1,61,591.63		170,280.17
	C/F		81,527.26	69,836.34
	Carried Forward..			



BALANCE SHEET AS AT 31ST MARCH, 1982

	Schedule	Rupees (In lakhs)	Rupees (In lakhs)	1981 Rupees (In lakhs)
Brought Forward			81,527.26	69,836.34
B/F		1,61,591.63		1,70,280.17
9. Less: Current Liabilities and Provisions	'K'	<u>1,13,129.58</u>		<u>1,11,686.21</u>
10. Net Current Assets: (Working Capital)—(8) minus (9)			48,462.05	58,593.96
TOTAL:			<u>1,29,989.31</u>	<u>1,28,430.30</u>
11. Contingent Liabilities not provided for (Refer Schedule 'P'—Note 1)				
12. Notes forming part of Accounts	'P'			

A. J. A. TAURO
Chairman

K. L. GOEL
Finance Director

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

M. S. RANA
Director
(Marketing)

D. B. PURI
Secretary

As per our report attached

For RAY & RAY
Chartered Accountants

For RORD, RHODES, PARKS & CO.
Chartered Accountants

S. C. SAHA
Partner

G. R. PRADHAN
Partner

New Delhi, 19th August, 1982.



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
INCOME:			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	7,94,399.17		5,71,472.33
(ii) Less: Commission and Discounts	394.46		378.00
	<u>7,94,004.71</u>		<u>5,71,094.33</u>
2. Company's use of own oil	<u>2,090.47</u>		<u>1,500.44</u>
		7,96,095.18	<u>5,72,594.77</u>
3. Recovery of Main Installation and Other Charges		132.21	336.34
4. Increase in Stocks:			
Closing Stock as on 31st March, 1982:			
Finished Products	43,684.92		35,696.23
Stock-in-Process	<u>5,633.89</u>		<u>2,942.10</u>
	<u>49,318.81</u>		<u>38,638.33</u>
Less: Opening Stock as on 1st April, 1981:			
Finished Products (includes Rs. 722.81 lakhs vested in the Corporation in terms of the Acquisition Act)	36,419.04		31,619.63
Adjustments in respect of Opening Stock of Finished Products	0.42		25.93
Stock-in-Process (includes Rs. 163.61 lakhs vested in the Corporation in terms of the Acquisition Act)	<u>3,105.71</u>		<u>1,914.31</u>
	<u>39,525.17</u>		<u>33,559.87</u>
		9,793.64	<u>5,078.46</u>
5. Interest:			
(i) On Advances	978.74		4,311.84
(ii) On Deposit under the Companies (Surcharges on Income-Tax) Scheme, 1976	15.71		15.45
(iii) On Short Term Deposits	1.80		—
(iv) On Post Office Saving Bank Account	0.01		0.01
(v) From Customers of Outstandings	<u>1,240.11</u>		<u>844.51</u>
		2,236.37	<u>5,171.81</u>
6. Other Income (Schedule 'L')		813.57	696.72
7. Provision for Doubtful Debts, Advances and Claims Written Back		137.85	152.56
8. Recovery under an Award		<u>725.31</u>	<u>695.21</u>
		<u>8,09,934.13</u>	<u>5,84,725.87</u>
TOTAL INCOME:			
EXPENDITURE:			
1. Purchase of Products and Crude for resale and Transfer under Product Exchange		3,98,698.18	2,98,396.77
2. Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		2,93,973.36	1,78,478.82
3. Duties		93,246.80	86,269.32
4. Depreciation and Amortisation		<u>7,433.39</u>	<u>5,130.40</u>
		<u>7,93,351.73</u>	<u>5,68,275.31</u>
Carried Forward			



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
EXPENDITURE (Contd.):		7,93,351.73	5,68,275.31
5. Main Installation charges paid to Other Oil Companies		102.95	103.09
6. Interest:			
(i) On Government loan for fixed period	1,190.17		970.19
(ii) On loan from Oil Industry Development Board	965.61		945.24
(iii) On Foreign Credit for fixed period	2.10		8.14
(iv) On Fixed Deposits	306.66		51.83
(v) Others (including Rs. 522.89 lakhs -1981 : Rs. 2,006.88 lakhs on loan from Life Insurance Corporation of India and Rs. 85.25 lakhs—1981: Rs. Nil on loan from Rashtriya Chemicals and Fertilizers Limited)	7,957.14		6,825.17
		10,421.68	8,800.57
		8,03,876.36	5,77,178.97
7. Less:			
(i) Amount transferred to Construction period expenses pending allocation	2,010.92		2,488.34
(ii) Expenses transferred to Manufacturing of drums	84.51		78.56
		2,095.43	2,566.90
TOTAL EXPENDITURE:		8,01,780.93	5,74,612.07
8. Profit for the year before tax		8,153.20	10,113.80
9. Add: Income relating to previous years (Net Schedule 'O')		3,249.89	701.62
10. PROFIT BEFORE TAX		11,403.09	10,815.42
11. Provision for taxation	1,400.00		2,900.00
12. Less: Excess provision for taxation in respect of previous years' completed assessments	650.00		150.00
		750.00	2,750.00
13. PROFIT AFTER TAX		10,653.09	8,065.42
14. Development Rebate Reserve written back		211.39	2,300.00
15. Balance brought forward from last years' Account		0.42	0.48
16. DISPOSABLE PROFIT		10,864.90	10,365.90
APPROPRIATIONS:			
17. Proposed Dividend		1,725.72	1,150.48
18. Investment Allowance Reserve		3,100.00	2,400.00
19. Insurance Reserve Account		10.00	10.00
20. General Reserve		6,028.39	6,805.00
21. BALANCE CARRIED TO BALANCE SHEET		0.79	0.42
		TOTAL:	10,864.90
			10,365.90
22. Notes forming part f Accounts (Schedule 'P')			

A. J. A. TAURO
Chairman

K. L. GOEL
Finance Director

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

M. S. RANA
Director
(Marketing)

D. B. PURI
Secretary

As per our report attached

For RAY & RAY
Chartered Accountants

For FORD, RHODES, PARKS & CO.
Chartered Accountantes

S. C. SAHA
Partner

G. R. PRADHAN
Partner

New Delhi, 19th August, 1982.



SCHEDULE 'A'—SHARE CAPITAL

	Rupees (in lakhs)	1981 Rupees (in lakhs)
SHARE CAPITAL		
Authorised:		
15,00,000 Equity Shares of Rs. 1000 each	15,000.00	15,000.00
Issued and Subscribed:		
12,32,658—(1981: 8,21,272) Equity Shares of Rs. 1000 each fully paid up	12,326.58	8,217.72
Of the above Shares:		
(i) 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 being received in cash		
(ii) 4,10,886 Shares are allotted as fully paid up Bonus Shares by Capitalisation of Reserve during the year		
TOTAL:	12,326.58	8,217.72

SCHEDULE 'B'—RESERVES AND SURPLUS

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
RESERVES AND SURPLUS:			
General Reserve:			
As per last Account	35,377.00		28,572.00
Less: Amount capitalised by issue of fully paid Bonus Shares	4,108.86		—
	31,268.14		28,572.00
Transferred from Profit and Loss Account	6,028.39		6,805.00
		37,296.53	35,377.00
Insurance Reserve:			
As per last Account	50.00		40.00
Transferred from Profit and Loss Account	10.00		10.00
		60.00	50.00
Development Rebate Reserve:			
As per last Account	1,660.00		3,960.00
Add: Amount vested in the Corporation in terms of the Acquisition Act	15.82		—
	1,675.82		3,960.00
	211.39		2,300.00
		1,464.43	1,660.00
Investment Allowance Reserve:			
As per last Account	5,280.00		2,880.00
Less: Utilised for purchase of machinery transferred to Investment Allowance (Utilised) Reserve	5,280.00		—
	—		2,880.00
Add: Transferred from Profit and Loss Account	3,100.00		2,400.00
		3,100.00	5,280.00
Investment Allowance (Utilised) Reserve:			
Transferred from Investment Allowance Reserve		5,280.00	—
Profit and Loss Account as per Annexed Account		0.79	0.42
TOTAL:		47,201.75	42,367.42



SCHEDULE 'C'—SECURED LOANS

	Rupees (in lakhs)	1981 Rupees (in lakhs)
SECURED LOANS:		
Loans and Advances from Banks	42,576.15	50,894.25
(Secured by hypothecation of inventories, book debts, outstanding monies, recoverable claims, contracts, engagements, etc.)		
Interest accrued and due on above	750.18	1,850.15
TOTAL:	<u>43,326.33</u>	<u>52,744.40</u>

SCHEDULE 'D'—UNSECURED LOANS

	Rupees (in lakhs)	1981 Rupees (in lakhs)
UNSECURED LOANS:		
Other Loans and Advances:		
(i) From the Government of India (including Rs. 1,807.62 lakhs—1981 : Rs. 1,125.00 lakhs—due for payment within one year)	10,973.50	12,098.50
(ii) Oil Industry Development Board (including Rs. 1,410.30 lakhs—1981 : Rs. 215.65 lakhs—due for payment within one year)	12,022.55	9,751.20
(iii) Interest accrued and due on loan from Oil Industry Development Board	0.33	—
(iv) Foreign Credits (including Rs. 21.85 lakhs—1981 : Rs. 79.39 lakhs—due for payment within one year)	26.03	105.42
(v) From Rashtriya Chemicals and Fertilizers Limited due for payment within one year	1,000.00	—
(vi) From Life Insurance Corporation of India due for payment within one year	—	2,000.00
(vii) Fixed Deposits (including Rs. 132.67 lakhs—1981 : Rs. 60.83 lakhs—due for payment within one year)	3,064.80	1,113.52
(viii) Interest accrued and due on Fixed Deposits	35.61	4.19
(ix) Deferred payment (including Rs. 4.81 lakhs—1981 : Rs. 9.51 lakhs—due for payment within one year)	4.81	14.32
(x) Others	7.02	13.61
TOTAL:	<u>27,134.65</u>	<u>25,100.76</u>



SCHEDULE 'E'—FIXED ASSETS

	Gross Block as at 31st March, 1981 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 — Freehold	956.09	31.25	1.59	(—) 8.01
— Leasehold	207.98	13.61	—	(+) 0.74
— Right of way	33.67	36.33	—	—
BUILDINGS, ROADS, ETC.	5,030.80	283.28	640.61	(—) 10.34
PLANT AND MACHINERY	56,667.34	3,514.36	14,230.04	(+) 339.22
TRANSPORT EQUIPMENT	1,841.01	300.73	96.68	(—) 28.06
FURNITURE & FIXTURES	1,025.04	91.45	2.89	(—) 707.98
RAILWAY SIDINGS	596.28	11.10	653.86	—
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	2,504.79	64.23	848.05	(—) 19.68
SUNDRY ASSETS	8.44	1.72	—	(—) 0.10
TOTAL	66,871.44	4,348.06	16,473.72	(—) 434.21
PREVIOUS YEAR	53,509.37	2,420.79	13,220.80	(—) 279.52

@ Includes total assets aggregating Rs. 736.93 lakhs vested in the Corporation in terms of the Acquisition Act.

* Includes (—) Rs. 5.69 lakhs (1981 : Rs. 849.55 lakhs) in respect of previous years.



Gross Block as at 31st March, 1982 at cost	Depreciation and Amortisation charged this year*	Total Depreciation and Amortisation upto 31st March, 1982	NET BLOCK As at 31st March, 1982	1981
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
980.92	—	—	980.92	956.09
222.33	6.20	21.39	200.94	192.79
70.00	—	—	70.00	33.67
5,944.35	176.81	1,361.34	4,583.01	3,841.59
74,750.96	6,760.48	34,769.21	39,981.75	28,811.51
2,210.36	228.32	1,132.21	1,078.15	914.97
411.40	36.87	220.42	190.98	400.89
1,261.24	50.60	234.52	1,026.72	412.36
3,397.39	167.76	1,345.38	2,052.01	1,307.49
10.06	0.66	7.36	2.70	1.67
89,259.01	7,427.70	39,091.83	50,167.18	36,873.03
68,871.44	5,979.95	31,998.41	36,873.03	



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

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
CONSTRUCTION WORK-IN-PROCESS AND CAPITAL GOODS IN STOCK:			
1. Work-in-Progress (at cost) (including unallocated capital expenditure, materials at site and advances for capital expenditure)		20,118.16	18,405.58
2. Capital Stores (at cost) including Rs. 1,321.37 lakhs lying with Contractors (1981 : Rs. 3485.64 lakhs)		6,705.99	9,172.56
3. Miscellaneous Capital Stores (at or under cost)		26.95	32.36
4. Capital Goods-in-Transit (at cost)		1,450.37	1,541.87
5. Construction period expenses pending allocation: Balance as at 1st April, 1981	3,764.62		2,932.54
<i>Add:</i> Adjustment pertaining to previous years	19.81		(145.94)
	<u>3,784.43</u>		<u>2,786.60</u>
<i>Add:</i> Expenditure during the year:			
Establishment Charges	269.76		232.34
Interest	1,064.97		1,500.96
Depreciation	14.65		266.42
Others	704.75		523.90
	<u>5,838.56</u>		<u>5,310.22</u>
<i>Less:</i> Recoveries	43.21		35.28
	<u>5,795.35</u>		<u>5,274.94</u>
<i>Less:</i> Allocated to assets/construction work-in-progress during the year	2,781.93		1,510.32
	<u>3,013.42</u>		<u>3,764.62</u>
TOTAL:		<u><u>31,314.89</u></u>	<u><u>32,916.99</u></u>



SCHEDULE 'G'—INVESTMENTS

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
INVESTMENTS at cost (Unquoted):			
1. In Government Securities (deposited with various bodies)		2.51	3.83
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. 2,500 (1981 : Rs. 2,500)			
(ii) Gauhati—250 Equity Shares of Rs. 10 each fully paid in cash—Rs. 2,500 (1981 : Rs. 2,500)			
(iii) Haldia—408 Equity Shares of Rs. 10 each fully paid in cash—Rs. 4,080 (1981 : Rs. 4,080)			
(iv) Mathura—200 Equity Shares of Rs. 10 each fully paid in cash—Rs. 2,000 (1981 : Rs. 2,000)			
(v) Indian Oil Employees Consumers' Co-operative Society Limited, Bombay—170 Equity Shares of Rs. 10 each fully paid in cash—(1981 : 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 (1981 : Rs. 7,000)			
(viii) Indian Oil Employees Co-operative Consumers' Stores Limited, Delhi—375 Equity Shares of Rs. 10 each fully paid in cash—Rs. 3,750 (1981 : Rs. 3,750)	0.24		0.24
(c) In Co-operative Housing Societies:			
(i) Casa Grande—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1981 : Rs. 500)			
(ii) Seema Apartments—155 Equity Shares of Rs. 50 each fully paid in Cash—Rs. 7,750 (1981 Rs. 7,750)			
(iii) New Silver Home—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1981 : Rs. 250)			
(iv) The Ruby—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1981 : Rs. 250)			
(v) Sant Sarupdas—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1981 : Rs. 500)			
(vi) The Cuffe Parade Ravi Kiran—15 Equity Shares of Rs. 50 each fully paid in cash—Rs. 750 (1981 : Rs. 750)			
(vii) Twin Towers Premises—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1981 : Rs. 500)			
(viii) Nensey—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1981 : Rs. 250)			
(ix) Bandra Amar Jiwan—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1981 : Rs. 500)			
	C/F	2.36	2.36
	Carried Forward	2.51	3.83



SCHEDULE 'G'—INVESTMENTS (Contd.)

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
Brought Forward		2.51	<u>3.83</u>
B/F	2.36		2.36
(x) Florida Apartments — 5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981 : Rs. 250)			
(xi) The Garden Colony No. 2—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1981: Rs. 250)			
(xii) Mount Unique—10 Equity Shares of Rs. 50 each fully paid in cash— Rs. 500 (1981 : Rs. 500)			
(xiii) Rashmi—6 Equity Shares of Rs. 50 each fully paid in cash — 300 (1981:Rs. 300)			
(xiv) The Sagar Darshan—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. 250)			
(xv) The Venus—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. 250)			
(xvi) Pradeep Kumar—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. 250)			
(xvii) Moonvilla—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. 250)			
(xviii) Shri Trimurthy—360 Equity Shares of Rs. 50 each fully paid in cash— Rs. 18,000 (1981: Rs. Nil)			
(xix) Gym View—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. Nil)			
(xx) Santacruz Mansion—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. Nil)			
(xxi) Shanti Niketan Rabindra—5 Equity Shares of Rs. 50 each fully paid in cash— Rs. 250 (1981: Rs. Nil)	<u>0.32</u>		<u>0.13</u>
		2.68	<u>2.49</u>

3. In Subsidiary Companies:

(i) Indian Oil Blending Limited — 8000 Equity Shares of Rs. 500 each fully paid in cash—Rs. 40,00,000 (1981: Rs. 40,00,000)			
(ii) India Trading (Holdings) Private Limited—30 Ordinary Shares of Rs. 1 each fully paid in cash—Rs. 30 (1981: Rs. Nil)		40.00	40.00
TOTAL:		<u>45.19</u>	<u>46.32</u>



SCHEDULE 'H'—INVENTORIES

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
INVENTORIES:			
1. Stores, Spares etc:			
(a) Stores and Spare parts (at or under cost)	6,717.33 *		4,560.84 *
(b) Stores-in-Transit (at cost)	<u>628.48</u>		<u>774.25</u>
	7,345.81		5,335.09
(c) Less: Provision	<u>9.44</u>		<u>—</u>
		7,336.37	<u>5,335.09</u>
2. Raw Materials (including in-transit Rs. 3,484.44 lakhs— 1981: Rs. 6,141.60 lakhs) (at cost)		45,550.57 **	53,571.33 **
3. Stock-in-Trade:			
(a) Oil Stock (at cost@ or net realisable value whichever is lower) (including in-transit at cost Rs. 2,352.64 lakhs— 1981: Rs. 8,712.38 lakhs)	43,684.92 ***		35,696.23 ***
(b) Stock-in-Process (at or under cost)	<u>5,633.89</u>		<u>2,942.10</u>
		49,318.81	<u>38,638.33</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		<u>202.84</u> ****	<u>250.97</u> ****
TOTAL:		<u>1,02,408.59</u>	<u>97,795.72</u>

* Includes stock lying with contractors Rs. 500.96 lakhs (1981: Rs. 412.48 lakhs).

** Includes stock lying with Other Oil Companies on loan Rs. 21,837.06 lakhs (1981: Rs. 23,244.51 lakhs)

*** Includes stock lying with Other Oil Companies on loan Rs. 2,704.95 lakhs (1981: Rs. 1,287.07 lakhs) stock lying with Aden Refineries Limited Rs. Nil (1981: Rs. 0.22 lakhs) and stock lying with others Rs. 378.15 lakhs (1981: Rs. 16.37 lakhs)

**** Includes stock lying with Others Rs. 35.44 lakhs (1981: Rs. 20.72 lakhs)

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

SCHEDULE 'I'—BOOKS DEBTS

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
BOOKS DEBTS:			
Over Six Months:			
(a) Secured considered Good	5.41		4.15
(b) Unsecured Considered Good	1,615.77		2,527.77
(c) Unsecured Considered Doubtful	<u>290.22</u>		<u>186.85</u>
		1,911.40	<u>2,718.77</u>
Other Debts:			
(a) Secured Considered Good	6.75		6.61
(b) Unsecured Considered Good	33,821.54		17,670.35
(c) Unsecured Considered Doubtful	<u>1.50</u>		<u>30.68</u>
		<u>33,829.79</u>	<u>17,707.64</u>
		35,741.19	20,426.41
Less : Provision for Doubtful Debts		<u>291.72</u>	<u>217.53</u>
Total		<u>35,449.47</u>	<u>20,208.88</u>

1. Debts due from Directors Rs. Nil (1981: Rs. Nil) (Maximum Rs. Nil - 1981: Rs. Nil)

2. Debts due from other Officers Rs. Nil (1981: Rs. Nil) (Maximum Rs. Nil - 1981: Rs. Nil)



SCHEDULE 'J'—LOANS AND ADVANCE

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees in lakhs
LOANS AND ADVANCES:			
1. Advances recoverable in cash or in kind or for value to be received:			
(a) Secured Considered Good*	1,450.50		1,180.56
(b) Unsecured Considered Good*	9,552.64		40,187.32
(c) Unsecured Considered Doubtful	46.34		26.97
	<u>11,049.48</u>		<u>41,394.85</u>
(d) Less: Provision for Doubtful Advances	46.34		26.97
		11,003.14	<u>41,367.88</u>
2. Claims Recoverable:			
(a) Secured Considered Good	1.27		1.29
(b) Unsecured Considered Good*	4,969.04		4,562.97
(c) Unsecured Considered Doubtful	630.22		579.12
	<u>5,600.53</u>		<u>5,143.38</u>
(d) Less: Provision for Doubtful Claims	630.22		579.12
		4,970.31	<u>4,564.26</u>
3. Materials Loan:			
(a) Secured Considered Good	37.98		13.03
(b) Unsecured Considered Good	13.23		47.97
		51.21	<u>61.00</u>
4. Balance with Customs, Port Trust and Excise Authorities: Unsecured Considered Good		903.92	902.37
5. Sundry Deposits (including amount adjustable on receipt of final bills)			
(a) Secured Considered Good	4,206.68		1,894.53
(b) Unsecured Considered Good	542.03		464.40
(c) Unsecured Considered Doubtful	50.69		0.10
	<u>4,799.40</u>		<u>2,359.03</u>
(d) Less: Provision for Doubtful Sundry Deposits	50.69		0.10
		4,748.71	<u>2,358.93</u>
TOTAL:		<u>21,677.29</u>	<u>49,254.44</u>

* Includes:

- Rs. 1,09,173 (1981: Rs. 192) due from Directors (Maximum Rs. 1,09,365—1981: Rs. 298)
- Rs. 12.89 lakhs (1981: Rs. 9.06 lakhs) due from other Officers (Maximum Rs. 15.09 lakhs—1981: Rs. 10.53 lakhs)



SCHEDULE 'K'—CURRENT LIABILITIES AND PROVISIONS

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
CURRENT LIABILITIES:				
1. Sundry Creditors		74,663.01		81,999.86
2. Due to Indian Oil Blending Limited (a Subsidiary Company)		15.06		53.16
3. Security Deposits	31,861.07			24,750.84
Less: Investments and Deposits with Banks lodged by outside parties	<u>30.41</u>			<u>27.65</u>
		31,830.66		<u>24,723.19</u>
4. Interest accrued but not due on loans		<u>763.99</u>		<u>338.18</u>
			1,07,272.72	<u>1,07,114.39</u>
PROVISIONS:				
5. Provision for taxation	5,072.52			12,364.09
Less: Advance payments	<u>3,108.33</u>			<u>10,391.22</u>
		1,964.19		<u>1,972.87</u>
6. Provision for Gratuity		1,944.08		1,439.19
7. Provision for Pension		191.69		—
8. Provision for Renewal of Catalyst		31.18		9.28
9. Proposed Dividend		<u>1,725.72</u>		<u>1,150.48</u>
			5,856.86	<u>4,571.82</u>
TOTAL :			<u>1,13,129.58</u>	<u>1,11,686.21</u>

SCHEDULE 'L'—OTHER INCOME

	Rupees (in lakhs)	1981 Rupees (in lakhs)
OTHER INCOME:		
1. Sale of Power and Water	110.51	155.45
2. Exchange Fluctuation (net)	0.13	—
3. Profit on sale and disposal of Assets	60.85	55.60
4. Interest from Government Securities	0.18	0.33
5. Dividends received from: A Subsidiary—Gross (tax deducted at source Rs. 0.88 lakhs—1981: Rs. 0.92 lakhs)	4.00	4.00
6. Royalty	0.17	0.77
7. Miscellaneous Income	<u>637.73</u>	<u>480.57</u>
TOTAL :	<u>813.57</u>	<u>696.72</u>



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

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:			
1. Raw materials Consumed:			
Opening Balance as on 1st April, 1981 (includes Rs. 138.52 lakhs vested in the Corporation in terms of the Acquisition Act)	53,709.85		14,861.20
Less: Adjustments to Opening Stock	<u>66.32</u>		<u>(10.28)</u>
	53,643.53		14,871.48
Add: Purchases	<u>2,45,414.36</u>		<u>1,88,961.77</u>
	2,99,057.89		2,03,833.25
Less: Closing Stock	<u>45,550.57</u>		<u>53,571.33</u>
		2,53,507.32	<u>1,50,261.92</u>
2. Consumption:			
(i) Stores and Spares(including Consumables)	1,513.19		1,185.63
(ii) Packages	<u>5,115.21</u>		<u>4,126.62</u>
		6,628.40	<u>5,312.25</u>
3. Power and Fuel	10,752.28		6,639.50
Less: Fuel of own production	<u>10,237.58</u>		<u>6,198.53</u>
		514.70	<u>440.97</u>
4. Processing Fees, Blending Fees, Royalty and Other Charges		382.04	395.00
5. Provision for renewal of Catalyst		21.90	13.08
6. Repairs and Maintenance:			
(a) Plant and Machinery	2,274.55		1,303.49
(b) Buildings	292.55		218.44
(c) Other	<u>372.94</u>		<u>314.47</u>
		2,940.04	<u>1,836.40</u>
7. Freight and Transportation charges (net of recoveries from Pool Accounts)		19,556.20	12,156.30
8. Payments to and Povision for Employees:			
(a) Salaries, Wages and Bonus	4,802.63		3,972.92
(b) Contribution to Provident and Other Funds	285.46		228.75
(c) Staff Welfare Expenses	557.72		389.95
(d) Gratuity and Ex-Gratia	<u>534.04</u>		<u>211.88</u>
		6,179.85	<u>4,803.50</u>
9. Office Administration, Selling and Other Expenses (Schedule 'N')		<u>4,242.91</u>	<u>3,259.40</u>
TOTAL:		<u><u>2,93,973.36</u></u>	<u><u>1,78,478.82</u></u>



SCHEDULE 'N'—OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:			
1. Rent		395.54	313.41
2. Insurance		278.66	217.30
3. Rates and Taxes		194.38	179.41
4. Donations		7.98	1.56
5. Payments to Auditors:			
(a) Audit Fees	4.00 *		3.50
(b) Other Services(for issuing certificates etc.)	0.45		0.33
(c) Out of Pocket expenses	1.37		1.24
		5.82	5.07
6. Travelling and Conveyance		515.22	406.91
7. Communication Expenses		258.97	237.28
8. Printing and Stationery		179.44	127.93
9. Electricity and Water		166.36	116.98
10. Other Expenses		1,573.29 **	956.60 **
11. Bad Debts, Advances and Insurance Claims written off		43.09	16.76
12. Loss on Assets sold, lost or written off		25.90	14.92
13. Technical Assistance by Engineers India Limited		156.62	179.54
14. Exchange Fluctuations (Net)		—	4.24
15. Provision for Doubtful Debts, Advances, Claims, Deposits and Stores		313.82	388.98
16. Central Industrial Security Force Expenses		122.63	84.48
17. Pollution Control Expenses		5.19	8.03
		<u>4,242.91</u>	<u>3,259.40</u>
	TOTAL:		

* Pending Company Law Board approval

** Includes Bank Charges Rs. 94.84 lakhs—1981: Rs. 83.43 lakhs

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

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
INCOME:			
1. Sale of Products and Crude and Transfers under Product Exchange	1,801.43		847.47
2. Company's use of own oil	(3.68)		11.22
		1,797.75	858.69
3. Adjustment in respect of Opening Stock of Finished Products		0.42	25.93
4. Main Installation charges received from Other Marketing Companies		(9.51)	—
5. Interest:			
On Advances	42.56		(5.85)
From Customers on outstandings	13.22		—
		55.78	(5.85)
6. Sale of Power and Water		(2.07)	4.47
7. Profit on sale and disposal of Assets		(2.84)	(1.62)
8. Miscellaneous Income		(3.90)	6.03
		<u>1,835.63</u>	<u>887.65</u>
	TOTAL INCOME:		



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

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1981 Rupees (in lakhs)
EXPENSES:			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		(429.47)	(242.41)
2. Raw Materials consumed:			
(i) Adjustment in respect of Opening Stock	66.32		(10.28)
(ii) Purchases	<u>(791.13)</u>		<u>22.36</u>
		(724.81)	<u>12.08</u>
3. Consumption:			
(i) Stores and Spares (including Consumables)	(26.89)		(1.81)
(ii) Packages	<u>1.64</u>		<u>(5.59)</u>
		(25.25)	<u>(7.40)</u>
4. Repairs and Maintenance:			
(i) Plant and Machinery	6.43		1.55
(ii) Other	<u>0.16</u>		<u>(1.14)</u>
		6.59	<u>0.41</u>
5. Freight and Transportation Charges (net of recoveries from Pool Account)		(276.52)	(373.81)
6. Payment to and Provision for Employees:			
(i) Salaries, Wages and Bonus	0.84		14.09
(ii) Contribution to Provident and Other Funds	(1.46)		(4.01)
(iii) Gratuity and Ex-Gratia	<u>(0.06)</u>		—
		(0.68)	<u>(10.08)</u>
7. Rent		14.76	(5.24)
8. Insurance		—	(3.10)
9. Rates and Taxes		(20.06)	1.21
10. Main Installation Charges paid to Other Marketing Companies		(5.53)	1.58
11. Other Expenses		(10.00)	(90.38)
12. Duties		(45.32)	(129.06)
13. Depreciation and Amortisation		(5.69)	849.55
14. Interest:			
Others		127.53	16.58
		<u>(1,394.45)</u>	<u>40.09</u>
15. Amount transferred to construction period expenses pending allocation		(19.81)	145.94
		<u>(1,414.26)</u>	<u>186.03</u>
TOTAL EXPENSES:		<u>(1,414.26)</u>	<u>186.03</u>
NET INCOME/(EXPENSES) :		<u>3,249.89</u>	<u>701.62</u>



SCHEDULE 'P'—NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1982

- | | |
|--|--|
| <p>1. Contingent Liabilities not provided for:</p> <p>(a) Claims against the Corporation not acknowledged as debts Rs. 4610.05 lakhs (1981: Rs. 2886.99 lakhs).
These include:</p> <p>(i) Rs. 2,443.62 lakhs (1981: Rs. 1,338.78 lakhs) being the demands made by the Central Excise.</p> <p>(ii) Rs. 329.37 lakhs (1981: Rs. 309.57 lakhs) in respect of Sales Tax.</p> <p>(iii) Rs. 744.08 lakhs (1981: Rs. 591.37 lakhs) for which suits have been filed in the Courts or cases are lying with arbitrators, including Rs. 204.07 lakhs (1981: 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.</p> <p>(b) Undertakings to indemnify banks and others for providing guarantees aggregating to Rs. 3,124.41 lakhs (1981: Rs. 2,133.43 lakhs).</p> <p>(c) Bills discounted with Banks Rs. 201.34 lakhs (1981: Rs. 30.92 lakhs).</p> <p>(d) Income Tax, if any reimbursable to foreign contractors.</p> <p>2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 11,407.39 lakhs (1981: Rs. 14,768.16 lakhs).</p> <p>3. (a) Title Deeds for Land and Residential Apartments of the book value of Rs. 270.29 lakhs (1981: Rs. 387.00 lakhs) as also, Lease and other agreement in respect of certain other lands are pending execution or renewal and are therefore not available for verification.</p> <p>(b) Pending the decision of the Government no liability could be determined and provided for in respect of:</p> <p>(i) Claims in respect of land acquired for Mathura Refinery Project.</p> <p>(ii) Additional compensation, if any, payable to the land owners and Government for land earlier acquired.</p> <p>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.</p> <p>5. Book Debts include an amount of Rs. 307.26 lakhs (1981: Rs. 530.74 lakhs) due from Bihar State Electricity Board pertaining to the period prior to June, 1977 and Rs. 24.85 lakhs (1981: Rs. 21.25 lakhs) due from Gujarat Electricity Board mostly since 1973. Although disputed by the parties these debts are considered goods by the Management.</p> <p>6. No credit has been taken for the following inter-alia:</p> <p>(i) Under an award given for the price of RFO/LSHS supplied to Gujarat Electricity Board, the Corporation has received 21 instalments (1981:17 instalments) totalling Rs. 34.72 crores (1981: Rs. 27.47 crores) which accrued, became due and receivable upto this year. The credit for the balance amount of</p> | <p>Rs. 38.56 crores (1981: Rs. 45.81 crores) will be taken on the respective dates when they will accrue, become due and receivable.</p> <p>(ii) Claim for price increase for LSHS supplies to Gujarat Electricity Board pending settlement of disputes.</p> <p>7. Adjustments for certain inter company oil transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.</p> <p>8. Value of Assets & Liabilities of Assam Oil Division as on 14-10-1981 has been adopted as per Government of India's letter No. R-44024/7/81-MC dated 17th August, 1982, for which Corporation will approach the Government for issuing a notification under Section 9(i) of Burmah Oil Company (Acquisition of shares of Oil India Limited and of the undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited Act, 1981). (Herein after referred to as Acquisition Act).</p> <p>9. Certain funds have vested in the Corporation in fiduciary capacity as per the Acquisition Act from 14-10-1981, but not as sole and absolute owners. Accordingly, such funds have not been included in these accounts.</p> <p>10. Remuneration paid or payable to full time Directors was Rs. 3,67,729/- (1981 Rs. 2,40,757/-). In addition, full time Directors are also allowed the use of the Corporation's car for private purposes upto 6,000 KMs per annum on a payment of Rs. 1200 per annum to be recovered in instalments of Rs. 100 per mensem.</p> <p>11. The provision for gratuity has been made on actuarial basis in the case of Assam Oil Division and in other Divisions it has been made on the basis of departmental calculations.</p> <p>12. The Profit and Loss Account includes:</p> <p>(a) Expenditure on Public Relations and Publicity amounting to Rs. 73.54 lakhs (1981: Rs. 33.27 lakhs) which is inclusive of Rs. 18.40 lakhs (1981: Rs. 14.93 lakhs) on account of staff and establishment, Rs. nil (1981: Rs. 0.01 lakhs) payment to consultants and Rs. 55.14 lakhs (1981: Rs. 18.33 lakhs) to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00009 : 1 (1981 : 0 00006 : 1).</p> <p>(b) Entertainment expenses Rs. 5.73 lakhs (1981: Rs. 3.81 lakhs)</p> <p>13. Schedules 'A' to 'X' to the Balance Sheet and Profit and Loss Account form part of these Accounts.</p> <p>14. Figures in brackets indicate deductions.</p> <p>15. Previous year's comparative figures have been regrouped to the extent practicable, wherever necessary. However, in case of Assam Oil Division, there being no previous year, the grouping for the Current year as per Corporation's practice and procedure have been followed to the extent practicable.</p> |
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A. J. A. TAURO
Chairman

K. L. GOEL
Finance Director

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

M. S. RANA
Director
(Marketing)

D. B. PURI
Secretary



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

Index

	PETROLEUM PRODUCTS		LUBRICATING OILS	
	1982 MTs (in lakhs)	1981 MTs (in lakhs)	1982 MTs (in lakhs)	1981 MTs (in lakhs)
1. Licensed capacity (included Mathura Refinery Project—60.00 lakhs MTs)	182.50	182.50	1.70	1.70
2. Installed Capacity *	187.80	122.50	1.40**	1.40**
3. Actual Production	129.74	98.67	1.04	1.08
	2.68@@		0.02@@	
4. Product Processed/Manufactured by Others	—	1.55	1.05	1.03
			1.43@@	1.39@@

Note: Licenced Capacity of the Refinery is not specified for Assam Oil Division.

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

** Per year operating in two shifts

@ Cubic Meters,

@@ In Kilo Litres.

SCHEDULE 'R'—FINISHED PRODUCTS—QUANTITY AND VALUE PARTICULARS—TURNOVER

	Opening Stock			Purchases Including Duties		
	QUANTITY		VALUE	QUANTITY		VALUE
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
1. PETROLEUM PRODUCTS:						
Year ended 31st March, 1982	6.80	11.43	32,038.73	16.89	150.64	3,38,188.43
Year ended 31st March, 1981	10.40	9.38	28,697.13	15.34	163.86	2,85,288.89
2. LUBRICANTS & GREASES:						
Year ended 31st March, 1982	0.04	0.54	4,380.26	0.04	0.04	806.72
Year ended 31st March, 1981	0.03	0.41	2,922.50	0.05	0.03	642.52
3. OXYGEN GAS:						
Year ended 31st March, 1982	0.01@	—	0.05	—	—	—
Year ended 31st March, 1981	—	—	—	—	—	—
4. CRUDE OIL:						
Year ended 31st March, 1982	—	—	—	58.84	—	1,27,494.83
Year ended 31st March, 1981	—	—	—	39.14	—	76,681.19
5. BASE OIL AND ADDITIVES :						
Year ended 31st March, 1982	—	—	—	—	0.89	3,505.78
Year ended 31st March, 1981	—	—	—	0.24	1.12	4,136.09
TOTAL:						
Year ended 31st March, 1982	6.84	11.97	36,419.04	75.77	151.57	4,69,995.76
	0.01@					
Year ended 31st March, 1981	10.43	9.79	31,619.63	54.77	165.01	3,66,748.69

@ Cubic Metres.

Note: 1. Purchases and Sales exclude value adjustments shown under items pertaining to 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. 437.50 lakhs (1981: Rs. 595.79 lakhs) being the reimbursement from C & F Adjustment Account towards additional marketing cost due to Long Term Settlement is included in Sales-Petroleum Products pending clarification.

4. Opening Stock as on 1st April, 1981 includes the following stocks which were vested in the Corporation in terms of the Acquisition Act,

(i) Petroleum Products 0.09 lakh MT and 0.33 lakh KL of the value of Rs. 683.87 lakhs.

(ii) Lubricants and Greases 0.01 lakh KL of the value of Rs. 38.89 lakhs and

(iii) Oxygen Gas 0.01 lakh Cubic Metres of the value of Rs. 0.05 lakh



WAX/BITUMEN/ASPHALT DRUMS		LUBE OIL DRUMS		OXYGEN PLANT	
1982 Nos. (in lakhs)	1981 Nos. (in lakhs)	1982 Nos. (in lakhs)	1981 Nos. (in lakhs)	1982 (in lakhs)	1981 (in lakhs)
10.00 0.04MTs	10.00	5.00	5.00	—Not Specified—	
10.00** 7.71	10.00** 6.43	5.00** 3.41	5.00** 3.74	0.84@ 0.21@	— —
17.74	13.80	—	—	—	—

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)
53.24	255.53	6,30,868.14	7.47	12.30	38,266.52
39.72	253.26	4,63,202.28	6.71	11.10	31,354.86
0.28	3.41	32,445.21	0.05	0.60	5,418.36
0.12	3.35	27,242.34	0.04	0.53	4,341.37
0.10*	—	0.71	0.01@	—	0.04
—	—	—	—	—	—
58.84	—	1,27,499.80	—	—	—
39.14	—	76,681.18	—	—	—
—	0.89	3,585.31	—	—	—
0.24	1.12	4,346.53	—	—	—
112.36	259.83	7,94,399.17	7.52	12.90	43,684.92
0.10@	—	—	0.01@	—	—
79.22	257.73	5,71,472.33	6.75	11.63	35,696.23



SCHEDULE 'S'—CONSUMPTION PARTICULARS OF RAW MATERIALS

	QUANTITY		VALUE	1981		VALUE
	MTs	KLs	Rupees	QUANTITY	KLs	Rupees
	(in lakhs)	(in lakhs)	(in lakhs)	MTs	(in lakhs)	(in lakhs)
Crude Oil	138.56	—	2,32,412.51	105.05	—	1,30,292.39
Base Oils	0.81	1.39	14,165.50	0.87	1.36	16,984.78
Additives	0.05	0.08	6,629.31	0.05	0.08	2,984.75
Steel Coils and Sheets*	0.35	—	2,004.29	0.30	—	1,553.56
TOTAL :	139.77	1.47	2,55,511.61	106.27	1.44	1,51,815.48

- 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 "package 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)	1981 Rupees (in lakhs)
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum:		
Number	580	352
(a) Salaries, Wages and Bonus	217.75	131.91
(b) Contribution to Provident Fund/Family Pension Fund	14.44	8.91
(c) TOTAL (a) + (b):	<u>232.19</u>	<u>140.82</u>
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month:		
Number	200	65
(a) Salaries, Wages and Bonus	34.60	9.83
(b) Gratuity paid	12.16	7.17
(c) Contribution to Provident Fund/ Family Pension Fund	4.11	0.55
(d) TOTAL (a) + (b) + (c) :	<u>50.87</u>	<u>17.55</u>

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



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

	Rupees (in lakhs)	1981 Rupees (in lakhs)
1. Royalty (excluding income-tax) and Technical Service Fees	20.68	13.14
2. Professional consultations fees including Legal expenses	9.70	4.74
3. Processing Fees	—	50.92
4. Interest	2.37	14.74
5. Others	73.85	7.78
TOTAL :	<u>106.60</u>	<u>91.32</u>

SCHEDULE 'V'—EARNINGS IN FOREIGN EXCHANGE

	Rupees (in lakhs)	1981 Rupees (in lakhs)
1. Export of Goods calculated on FOB Basis: Export of Petroleum Products	43,701.61*	20,901.17*
2. Other Income and Service charges	0.07	204.35
TOTAL :	<u>43,701.68</u>	<u>21,105.52</u>

*Includes: (i) Rs. 8,735.57 lakhs (1981: Rs. 6,169.47 lakhs) received in Indian Currency out of repatriable funds of foreign customers and other export sales through canalising agencies.

(ii) Export of Reformate — Rs. Nil (1981: Rs. 129.12 lakhs) the value of which has been received by way of exchange of SKO.



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

Index

PARTICULARS	Rupees (in lakhs)	1981
		Rupees (in lakhs)
Crude Oil	1,14,224.49	1,41,912.86
Base Oils	3,269.60	2,872.04
Additives	140.78	231.00
Capital Stores	832.77	1,608.67
Revenue Stores, Components and Spare Parts and Chemicals	829.70	942.16
TOTAL :	1,19,297.34	1,47,566.73

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

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

PARTICULARS	IMPORTED		INDIGENOUS		1981 IMPORTED		1981 INDIGENOUS	
	Value Rupees (in lakhs)	% to total con- sumption	Value Rupees (in lakhs)	& to total con- sumption	Value Rupees (in lakhs)	% to total con- sumption	Value Rupees (in lakhs)	% to total con- sumption
1. Crude Oil	87,841.14	38	1,44,571.37	62	65,722.14	51	64,570.25	49
2. Base Oils and Additives	5,733.03	27	15,361.78	73	5,135.77	26	14,833.76	74
3. Steel Coils and Sheets* Components and Spare Parts	1,968.07	48	2,150.65	52	1,856.69	60	1,245.24	40
TOTAL :	95,542.24		1,62,083.80		72,714.60		80,649.25	

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

Index

	No. of Shares	Paid up Value Rupees
1. Shares in the Subsidiary Companies were Registered in the name of the Company and their nominees as indicated:		
As at 31st March, 1982		
Indian Oil Blending Limited	8000	40,00,000
India Trading (Holdings) Private Limited	30	30
	For the Financial Year ended 31st March, 1982 Rupees (in lakhs)	<i>Previous Financial year cumulative Total Rupees (in lakhs)</i>
2. Net aggregate amount of the Profit of Subsidiary Companies not dealt with in the Company's Accounts so far as they concern the members of the Company are:		
Indian Oil Blending Limited	20.87	110.15
India Trading (Holdings) Private Limited	Nil	Nil
3. Net aggregate amount of the Profit of the Subsidiary Companies as far as its profits are dealt with in the Company's Accounts are:		
Indian Oil Blending Limited	4.00	23.11
India Trading (Holdings) Private Limited	Nil	Nil

A.J.A. TAURO
Chairman

K.L. GOEL
Finance Director

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

M.S. RANA
Director
(Marketing)

D.B. PURI
Secretary



SCHEDULE OF FIXED ASSETS (TOWNSHIP)

	Gross Block as at 31st March, 1981 at cost	Additions during the year at cost	Transfers from Construction Work-in-pro- gress at cost	Transfers, Deductions & Reclassifica- tion at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
1.LAND — Freehold	107.46	2.07	—	(—) 0.15
— Leasehold	12.87	2.62	—	—
2.BUILDING, ROADS ETC.	1,776.39	103.76	321.53	(—) 1.87
3.PLANT AND MACHINERY	63.26	2.05	9.15	—
4.DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	177.74	5.80	41.72	(—) 0.01
5.EQUIPMENT AND APPLICANCES	35.30	20.86	—	(+) 1.38
6.FURNITURE AND FIXTURES	16.71	7.88	1.40	(+) 2.03
7.VEHICLES	51.25	9.71	—	—
8.SUNDRY ASSETS	0.25	—	—	(+) 0.11
TOTAL:	2,241.23	154.75	373.80	(+) 1.49
PREVIOUS YEAR:	1,884.65	73.08	284.02	(—) 0.52



Gross Block as at 31st March, 1982 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1982	Net Depreciated Block	
			As at 31st March, 1982	1981
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
109.38	0.02	0.14	109.24	107.34
15.49	0.25	1.88	13.61	11.24
2,199.81	50.67	388.98	1,810.83	1,434.00
74.46	4.03	43.47	30.99	25.29
225.25	9.59	84.98	140.27	102.35
57.54	5.22	27.90	29.64	12.61
28.02	4.21	12.48	15.54	7.95
60.96	6.94	33.82	27.14	23.84
0.36	0.14	0.32	0.04	0.07
2,771.27	81.07	593.97	2,177.30	1,724.69
2,241.23	67.65	516.54	1,724.69	



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1982 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

Index

	Rupees (in lakhs)	1981 Rupees (in lakhs)
INCOME:		
1. Recovery of House Rent	43.58	42.19
2. Recovery of Utilities: Power and Water	9.79	6.29
3. Recovery of Transport charges	3.89	3.43
4. Other Recoveries	33.49	5.03
5. Excess of Expenditure over Income	962.90	716.85
TOTAL:	<u>1,053.65</u>	<u>773.79</u>
EXPENDITURE:		
1. Salaries, Wages and PF Contribution	240.91	202.24
2. Consumable Stores and Medicines	94.24	60.29
3. Subsidies for Social and Cultural Activities	71.62	36.18
4. Repairs & Maintenance	171.31	97.35
5. Interest	116.18	91.04
6. Depreciation	81.07	67.65
7. Miscellaneous Expenses:		
Taxes, Licence Fees, Insurance etc.	66.89	64.70
8. Utilities: Power and Gas	203.33	153.87
9. Land Rent	3.05	0.16
10. Welfare (School)	1.21	0.25
11. Bus Hire Charges	2.32	—
12. Club and Recreation	1.52	0.06
TOTAL:	<u>1,053.65</u>	<u>773.79</u>



COMMENTS OF COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF INDIA OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1982 AND REPLIES OF THE BOARD OF DIRECTORS.

SL. COMMENTS OF COMPTROLLER & NO. AUDITOR-GENERAL OF INDIA

REPLIES OF THE BOARD OF DIRECTORS

BALANCE SHEET

1. FUNDS EMPLOYED:

2. RESERVES AND SURPLUS: Rs. 47,201.75 lakhs—Schedule 'B'—Development Rebate Reserve.

- (a) *Add:* Amount vested in the corporation in terms of Acquisition Act Rs. 15.82 lakhs.
This should have been retained as a distinct item and not added to the Development Rebate Reserve created out of Indian Oil Corporation's profits.
- (b) *Less:* Transferred to Profit and Loss Account—Rs. 211.39 lakhs.

Includes Rs. 11.39 lakhs of out of Rs. 15.82 lakhs of Development Rebate Reserve vested in the company in terms of Acquisition Act correctly transferable to Capital Reserve; disposable profit is overstated to this extent.

Separate disclosure of the Development Rebate reserve pertaining to the acquired Company is not required as per law.

The accounting treatment given by the Corporation is in accordance with the provisions of the Acquisition Act and subsequent Government instructions. This is also in conformity with Solicitor's opinion on the subject.

2. Application of Funds—Fixed Assets

C. Construction—work-in-progress and Capital goods in stock—Schedule 'F'—Rs. 31,314.89 lakhs—Capital goods-in-transit (at cost) Rs. 1450.37 lakhs.

Does not include Rs. 65.03 lakhs being customs duty payable on goods for which bills of entry were filed with customs department by 31st March, 1982.

Noted

3. Current Assets, Loans and Advances:

A. Current Assets—(b) Inventories Rs. 1,02,408.59 lakhs—Schedule 'H'.

(a) 2. Raw Materials (at cost)—Rs. 45,550.57 lakhs

Overstated by Rs. 13.08 lakhs due to valuation of certain additives at higher than cost resulting in overstatement of profit.

Noted

(b) 3. Stock-in-trade

(a) Oil Stock (at cost or net realisable value whichever is lower) Rs. 43,684.92 lakhs.

Includes value of Aviation Gas (209.48 KL) which could not be released from storage tank without contamination and had to be downgraded as Motor Spirit resulting in over-valuation of oil stock by Rs. 5.23 lakhs and corresponding over-statement of profit.

The product was down-graded only in 1982-83 and necessary adjustment will be made in the accounts for 1982-83

4. Current Assets—

(c) Book Debts—Schedule 'I' Rs. 35,449.47 lakhs— Other debts

(b) Unsecured considered good—Rs. 33,821.54 lakhs

Refund of Rs. 27.73 lakhs to a customer on account billing of sales was debited to Book Debts instead of to sale of products resulting in overstatement of Book Debts and sales of products and consequently, profit for the year.

Noted



COMMENTS OF COMPTROLLER AND AUDITOR-GENERAL OF INDIA AND REPLIES OF THE BOARD OF DIRECTORS—(Contd.)

5. B. Loans and Advances—Schedule 'J'—Rs.21,677.29 lakhs—1. Advance recoverable in cash or in kind or for value to be received.

(b) Unsecured considered good—Rs. 9,552.64 lakhs.

Overstated to the extent of Rs. 6.99 lakhs being payments to supplies of cement for Capital projects and consequential corresponding understatement of capital work-in-progress(Schedule'F').

Noted

6. Current Liabilities and provisions—Schedule 'K'—Current Liabilities—Sundry Creditors—Rs. 74,663.01 lakhs.

(a) No provision has been made for Rs.11.77 crores being the extra retention/marketing margins on volume of additional sales over and above the sales entitlement to be surrendered to Pool Account.

Government's instructions on the retention margin read with various letters issued by the Government on the subject of sales plan make clear that there is no need to surrender to Pool Account any part of retention margin accruing to the Corporation during 81-82.

(b) Does not include Rs. 10.20 lakhs due to a foreign supplier on F.O.B. supplies made before 31st March,1982.

Noted

(c) Does not include Rs. 13.95 lakhs due to Pool Account on account of incorrect computation of claim towards price and freight differential on LPG transported from Bombay to Madras Zone.

Noted

PROFIT AND LOSS ACCOUNT

7. INCOME (i) Sale of Products and Crude and Transfer under Product Exchange—Rs. 7,94,399.17 lakhs.

Includes Rs. 105.25 lakhs being revised retention margin/ additional margin to Assam Oil Division relating to the period prior to its vesting with the Company treated as income instead of as a Capital Reserve.

The rights of the Corporation in regard to the vested undertakings came into existence for the first time on 14-10-81. Hence any income arising out of such right has been correctly accounted for as current year income.

8. EXPENDITURE—2. Manufacturing, Administration, Selling and Other Expenses—Schedule 'M'—Rs. 2,93,973.36 lakhs—

4. Processing Fees, Blending Fees, Royalty and other charges—Rs. 382.04 lakhs.

Includes Rs. 11.46 lakhs (Previous year Rs. 12.53 lakhs) being blending fees paid on base stocks not blended, but only back loaded.

The adjustment made is in accordance with the existing arrangement with Indian Oil Blending Limited.

9. Profit for the year before Tax—Rs. 8,153.20 lakhs.

Includes Rs. 82.62 lakhs being net income of Assam Oil Division relating to period prior to vesting of that undertaking treated as profit instead of as Capital Reserve resulting in overstatement of profit for the year.

The rights of the Corporation in regard to the vested undertakings came into existence for the first time on 14-10-81. Hence the income arising out of such right has been correctly accounted for as current year income.

10. Add: Income relating to previous years (net)—Schedule 'O'—Rs. 3,249.89 lakhs.

Includes Rs. 371.17 lakhs being write back of excess with provision for liabilities in previous years indicated as 'Excess provision written back for expenses' as required in clause 3 (ix) of Part II of Schedule of VI of the Companies Act.

Disclosure already made is in clause 3(ix) (b) Part II of Schedule VI, read together with clause 7(1) (a) of Part III of Schedule VI of the Companies Act.



**COMMENTS OF COMPTROLLER AND AUDITOR-GENERAL OF INDIA AND
REPLIES OF THE BOARD OF DIRECTORS—(Contd.)**

Index

11. Notes forming part of Accounts—Schedule 'P'

**(A) Note 1(a)—Claims against the Corporation not
acknowledged as debts—Rs. 4,610.05 lakhs.**

- | | |
|--|-------|
| (i) Does not include Rs. 20.50 lakhs claimed by a contractor for underground piping work. | Noted |
| (ii) Includes Rs. 2.28 lakhs relating to Municipal Tax for which a specific liability has been provided in the accounts. | Noted |

**(B) Note 2—Estimated amount of contracts remaining to
be executed on Capital Account and not provided
for—Rs. 11,407.39 lakhs (1981: Rs. 14,768.16 lakhs)**

- | | |
|--|-------|
| (i) Does not include Rs. 58.76 lakhs relating to works on Capital Account in Mathura Refinery (Rs. 56.67 lakhs) and R & D Centre (Rs. 2.09 lakhs) of the company | Noted |
| (ii) The figure relating to 1980-81 is also understated Rs. 6.49 lakhs. | Noted |

SARASWATHI R. RAO

Member, Audit Board & Ex. Officio

Director of Commercial Audit (P & O)

Madras, Dated 23rd September, 1982

A. J. A. TAURO

For and on behalf of the

Chairman

Board of Directors

New Delhi, 26th September, 1982



Indian Oil Blending Limited

A Wholly Owned Subsidiary of Indian Oil Corporation Limited

Annual Report

1981-82

BOARD OF DIRECTORS

M. S. Rana	:	<i>Chairman</i>
B. M. Lal	:	<i>Managing Director</i>
G. S. Pandya	:	<i>Financial Director</i>
D. N. Sharma	:	<i>Director</i>
S. C. Ghose	:	<i>Director</i>
P. K. Goel	:	<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 Nineteenth 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 12.30 hours on Thursday, the 9th September, 1982, 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, 1982.
2. To declare a dividend.
3. To appoint Director and Chairman in place of Shri M. S. Rana, 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 Shri D.N Sharma, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.
6. To appoint Director in place of Shri S.C. Ghose, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.
7. To appoint Director in place of Shri P. K. Goel, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment.

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

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

BOMBAY,

Dated: the 19th July, 1982.

The above meeting was adjourned by the Board to 23rd September, 1982.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Gentlemen:

I have great pleasure in placing before the Shareholders the 19th Annual Report on the working of the Company for the financial year 1981-82 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. 65,85,428, as against Rs. 53,89,091 during 1980-81. The comparative figures of gross profit, depreciation, provision for taxation, provision for investment allowance, etc. are as under:

	<u>1981-82</u>	<u>1980-81</u>
	Rs.	Rs.
(a) Gross profit before depreciation and investment allowance	65,85,428	53,89,091
(b) Depreciation	18,78,908	15,03,707
(c) Investment allowance	4,04,000	3,05,000
(d) Provision for taxation	23,70,000	21,14,000
(e) Net profit after tax	19,32,520	14,66,384
(f) Prior year adjustments (net)	1,54,460	(7,08,755)
(g) Disposable profit	20,86,980	7,57,629
(h) Balance from last year's account	5,207	7,578
(i) Net surplus available for distribution	20,92,187	7,65,207
(j) Provision for proposed dividend	4,00,000	4,00,000
(k) Appropriated to General Reserve	16,90,000	3,60,000
(l) Balance carried to Balance Sheet	2,187	5,207

DIVIDEND AND RESERVES

Your Directors 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, as per the statutory requirement.

After making provision for the aforesaid dividend, the balance available from the net surplus is Rs. 16,92,187, out of which an amount of Rs. 16,90,000 is transferred to the General Reserve, thus leaving a balance of Rs. 2,187 in the Profit & Loss Account. The balance of General Reserve at the beginning of the year was Rs. 1,10,10,300 and after the current year's transfer of Rs. 16,90,000 the balance in the General Reserve Account amounts to Rs. 1,27,00,300 as on 31st March, 1982.

The balance in the Development Rebate Reserve Account at the beginning of the year was Rs. 4,84,091. An amount of Rs. 1,34,380 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. 3,49,711 in this Account as on 31st March, 1982.

The balance in the Investment Allowance Reserve Account at the beginning of the year was Rs. 9,68,000. After this year's transfer of Rs. 4,04,000 the balance in this account as on 31st March, 1982, amounts to Rs. 13,72,000.

PROFITABILITY

The total blending of lubricating oils increased from 2,54,054 KLs in 1980-81 to 2,62,074 KLs in 1981-82. There was, however, a marginal shortfall in the grease production from 5,986 MTs in 1980-81 to 5,858 MTs in 1981-82. As a result of the increase in the lube blending quantity, the blending and manufacturing fee received by your Company (net of stock losses) increased from Rs. 2.38 crores to Rs. 2.65 crores. Despite inflationary pressures, operating expenses were kept under control and there was an increase of only about 8% from Rs. 185.54 lakhs to Rs. 201.22 lakhs. This increase of Rs. 15.68 lakhs primarily comprises of Rs. 9.70 lakhs on account of salaries, wages and employee welfare expenses, Rs. 3.63 lakhs on account of utilities (power, fuel, water etc.) and Rs. 1.15 lakhs on account of handling and Rs. 2.57 lakhs on account of repairs and maintenance.

OPERATIONS

Lubes: During the year under review, the Bombay Plant had a throughput of 1,56,210 KLs, as against 1,49,819 KLs of lubes during the previous year. The Calcutta Plant had a throughput of 1,05,864 KLs, as against 1,04,235 KLs during the previous year.



The total throughput of lubes at Bombay and Calcutta Plants was 2,62,074 KLs, as against 2,54,054 KLs during the previous year. The two Plants of the Company could have shown better results in throughput, but for the slack in demand of the product, as projected by the Industry.

Greases: The Grease Plant at Bombay produced 5,858 MTs of grease during the year, as against 5,986 MTs during the previous year. The marginal decline in production of Grease is due to shut down of the Grease Plant for about a month for carrying out repairs to its Hot Oil Furnace.

PROJECTS

Bombay Plant:

- 1. New Grease Kettle:** The Kettle fabricated by M/s. D'Smet Private Ltd. was supplied at the Plant site and nearly 80% erection work was completed. This kettle is expected to be commissioned for manufacture of greases in July, 1982.
- 2. 30 Tonne capacity Weigh Bridge:** With a view to exercise control on the pilferage of bulk and packed products, an order for installation of 'Avery' Weigh Bridge of 30 tonne capacity was placed on the party and foundation work for installation has started. The commissioning is expected during the current quarter.
- 3. Concreting of open Yard:** The open yard on the Eastern side was resurfaced with reinforced cement concrete and has been commissioned for belly stacking of filled drums. Similarly, the entire Railway loading platform was also resurfaced with new concrete and has been put to use.
- 4. Revamping of LT Sub-Station:** This project was completed during the year, with the result that in the event of failure of one transformer, power supply to both Lube and Grease Plants, can be ensured at all times.
- 5. Procurement of 1 No. Forklift:** One new Voltas make forklift was purchased to take care of increased load in filling and despatches of drums.
- 6. Lighting facility in the Yard:** Powerful lamp fittings have been provided in the tank farm as well as in the open yard for providing better lighting arrangements in the Plant premises.

Calcutta Plant:

- 1. Barrel filling:** Setting up of facilities comprising of a separate filling shed, 2 Nos. barrel filling machines 2 Nos. overhead tanks of 25 KL capacity each and other accessories was completed in July, 1981. which will augment Plant's production further.
- 2. Small Can filling facility:** Construction of a new package filling warehouse for revamping of small Can filling facilities was completed in 1981. With these additional facilities, the Plant is in a position to fill nearly 7 lakh containers, as against its earlier capacity of 4 lakh containers.
- 3. Additional D. G. Set:** Additional D. G. Set of 350 KVA was commissioned in September, 1981, so as to overcome the deteriorated power position in Calcutta.
- 4. Air Compressor:** The additional Air Compressor having a capacity of 100 CFM was commissioned in mid July, 1981.
- 5. Steam Tracer on Tank Wagon Unloading Line:** Steam Tracer line was laid over the tank wagon decanting line for smooth and quick unloading of tank wagons.
- 6. Tubewell Set:** To provide water supply for Plant's domestic/industrial use, laying of 3" bore well was completed with an overhead water tank having a capacity of 10,000 gallons.

QUALITY CONTROL & DEVELOPMENT

Emphasis was continued to be laid on the quality control and the development work in the Laboratories of the Company. Major quantities of slow moving/ obsolete additives were liquidated. Oil MK 8 P and Oil OM 70 were blended for Defence as import substitution. Four new grades of automotive lubricants were blended for the first time in our Plants.

PERSONNEL & INDUSTRIAL RELATIONS

The total number of employees of the Company as on 31-3-1982 was 530, as against 508 as on 31-3-1981. The industrial relations during the year were cordial in both the Plants. During November, 1981, the management signed an Agreement with the recognised Union at Bombay and Workmen's representative at Calcutta on stagnation relief to workmen.



The Canteen at Calcutta Plant was modernised during the year and improved equipment was provided to ensure better hygiene and public health.

WELFARE OF WEAKER SECTION

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. Special recruitment efforts were undertaken exclusively for candidates belonging to Scheduled Castes/Scheduled Tribes, with a view to improve their representation further. There is a marginal backlog of two ST candidates. However, there is a surplus of two SC candidates. Efforts are being made to recruit more and more SC/ST candidates, so as to conform to the Government requirements.

During the year, the Company recruited four ex-Servicemen and two physically handicapped persons for employment.

Workers' participation in management was encouraged by having representatives both from employees and employers on various Committees. Committees on Canteen, Safety and Recreation were also set up.

PROGRESSIVE USE OF HINDI

The scheme of implementation of Hindi is being vigorously followed by the Company. The three year course in Hindi, conducted under Hindi Teaching Scheme of Government of India, has been completed and 12 employees of Bombay Plant have passed the final examination held in December, 1981. One officer has appeared for Pragma Exam. held in May, 1982. 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 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, Dr. J. S. Ahluwalia ceased to be the Director of the Company with effect from 2nd December, 1981, and in his place, Shri P. K. Goel was appointed as Director with effect from 11 th February, 1982. Shri S. Ketharaman ceased to be the Chairman of the Company with effect from 3rd March, 1982, and in his place, Shri M. S. Rana was appointed as Chairman with effect from 6th April, 1982. Shri R. Gurumorthy ceased to be the Managing Director of the Company with effect from 27th March, 1982, and in his place, Shri B. M. Lal was appointed as Managing Director of the Company with effect from 1st June, 1982 for a period of three years. S/Shri G. S. Pandya, D. N. Sharma and S. C. Ghose continued to be the Directors of the Company. S/Shri M. S. Rana, G. S. Pandya, D. N. Sharma, S. C. Ghose and P. K. Goel 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.

ACKNOWLEDGEMENTS

The Directors are pleased to place on record their appreciation for the excellent work done by the employees of the Company in achieving the current level of output and good financial results, and look forward to the achievement of better results in the coming years with their dedication and hard work. The Directors also acknowledge with gratitude the assistance, guidance and support received by the Company from its holding Company, the Indian Oil Corporation Limited.

For and on behalf of the Board,

M. S. RANA
Chairman

Encl: Statement

Place: Bombay

Dated: 10th July, 1982.



PATEL, SHAH & JOSHI
Chartered Accountants.

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**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, 1982 and the Profit & 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, 1982,
 - 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: 12 JULY, 1982.

A. M. MEHTA
Partner



PATEL, SHAH & JOSHI
Chartered Accountants.

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ANNEXURE TO THE AUDITORS' REPORT

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

1. The Company is maintaining proper records to show 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 discrepancies were noticed on such verification.
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 were 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. 10,971/-. As per the information given to us, the amount of Rs. 10,971/- is considered good of recovery. The interest on loans given to 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. 4,666/- and Rs. 21,100/- respectively.
6. In our opinion and according to the information and explanation 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 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: 12th July, 1982.

A. M. MEHTA
Partner



BALANCE SHEET AS AT 31ST MARCH, 1982

	Schedule No.	As at 31st March, 1982 Rupees.	As at 31st March, 1981 Rupees.
I. SOURCES OF FUNDS:			
(1) Shareholder's Funds:			
(a) Capital	I	40,00,000	40,00,000
(b) Reserves and Surplus	II	1,44,24,198	1,24,67,598
(2) Loan-Funds:			
(a) Unsecured Loan	III	21,89,523	29,87,820
TOTAL		<u>2,06,13,721</u>	<u>1,94,55,418</u>
II. APPLICATION OF FUNDS:			
(1) Fixed Assets:			
(a) Gross Block	IV	3,29,07,453	2,78,87,110
(b) Less: Depreciation	IV	1,84,43,558	1,65,65,375
(c) Net Block	IV	1,44,63,895	1,13,21,735
(d) Capital work-in-progress	V	16,65,933	20,07,049
		<u>1,61,29,828</u>	<u>1,33,28,784</u>
(2) Current Assets, Loans and Advances:			
(a) Inventories	VI	12,94,883	12,29,696
(b) Sundry Debtors	VI	19,37,799	53,87,494
(c) Cash and Bank Balances	VI	29,065	34,297
(d) Other Current Assets	VI	32,580	26,064
(e) Loans and Advances	VII	92,72,420	49,08,425
		<u>1,25,66,747</u>	<u>1,15,85,976</u>
Less: Current Liabilities & Provisions:			
(a) Liabilities	VIII	25,98,854	23,45,342
(b) Provisions	IX	54,84,000	31,14,000
		<u>80,82,854</u>	<u>54,59,342</u>
Net Current Assets		<u>44,83,893</u>	<u>61,26,634</u>
TOTAL		<u>2,06,13,721</u>	<u>1,94,55,418</u>
Notes on Balance Sheet and Profit and Loss Account	XII		

M. S. RANA
Chairman

B. M. LAL
Managing Director

G. S. PANDYA
Financial Director

J. K. WADHWA
Secretary

As per our report attached

For PATEL, SHAH & JOSHI
Chartered Accountants.

Bombay, 10th July, 1982.

A. M. MEHTA
Partner



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982

	For the year ended 31st March, 1982 Rupees	For the year ended 31st March, 1981 Rupees
INCOME:		
Throughput, Blending and Manufacturing charges	2,65,16,945	2,37,84,763
Interest earned (Schedule XI)	1,56,030	1,28,645
Miscellaneous Income	35,812	26,966
Profit on sale of assets	—	8,751
	<u>2,67,08,787</u>	<u>239,49,125</u>
EXPENDITURE:		
Operating and other expenses (As per Schedule X annexed)	1,99,73,641	1,82,76,601
Interest	1,48,851	2,77,685
Depreciation	18,78,908	15,03,707
Loss on sale/scrapping etc. of the assets	867	5,748
	<u>2,20,02,267</u>	<u>2,00,63,741</u>
Profit before taxation	47,06,520	38,85,384
Investment Allowance Reserve	4,04,000	305,000
Provision for taxation	23,70,000	21,14,000
	<u>19,32,520</u>	<u>14,66,384</u>
Expenses of earlier years	36,570	35,610
Depreciation for prior years	—	11,64,915
	<u>18,95,950</u>	<u>2,65,859</u>
Excess Provision of earlier years:		
For expenses	56,650	18,755
For taxation	—	3,04,395
	<u>19,52,600</u>	<u>5,89,009</u>
Development Rebate Reserve no longer statutorily required, now reversed	1,34,380	1,68,620
DISPOSABLE PROFIT	20,86,980	7,57,629
Balance as per last account	5,207	7,578
	<u>20,92,187</u>	<u>7,65,207</u>
Proposed Dividend @ 10% (subject to deduction of Income-Tax)	4,00,000	4,00,000
	<u>16,92,187</u>	<u>3,65,207</u>
Proposed transfer to General Reserve	16,90,000	3,60,000
Balance Carried to Balance Sheet	<u>2,187</u>	<u>5,207</u>

M. S. RANA
Chairman

B. M. LAL
Managing Director

G. S. PANDYA
Financial Director

J. K. WADHWA
Secretary

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

A. M. MEHTA
Partner

Bombay, 10th July, 1982.



**SCHEDULES ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 1982**

SCHEDULE I—SHARE CAPITAL

	As at 31st March, 1982 Rupees	As at 31st March 1981 Rupees
SHARE CAPITAL:		
Authorised :		
8,000 equity shares of Rs. 500/- each	40,00,000	40,00,000
Issued and Subscribed:		
8,000 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:	<u>40,00,000</u>	<u>40,00,000</u>

SCHEDULE II—RESERVES AND SURPLUS

	Rupees	As at 31st March, 1982 Rupees	As at 31st March 1981 Rupees
RESERVES AND SURPLUS:			
1. Development Rebate Reserve:			
Balance as per last Balance Sheet	4,84,091		6,52,711
Less: Transferred to Profit a Loss Account	1,34,380		1,68,620
		3,49,711	4,84,091
2. Investment Allowance Reserve:			
Balance as per last Balance Sheet	9,68,000		6,63,000
Add: Provided this year	4,04,000		3,05,000
		13,72,000	9,68,000
3. General Reserve:			
Balance as per last Balance Sheet	1,10,10,300		1,06,50,300
Add: Proposed transfer from Profit & Loss Account	16,90,000		3,60,000
		1,27,00,300	1,10,10,300
4. Profit and Loss Account:			
Balance as per annexed account:		2,187	5,207
TOTAL:		<u>1,44,24,198</u>	<u>1,24,67,598</u>

SCHEDULE III—UNSECURED LOAN

	As at 31st March, 1982 Rupees	As at 31st March 1981 Rupees
UNSECURED LOAN:		
Short Term Loans and Advances:		
Clean Cash Credit from State Bank of India guaranteed by Indian Oil Corporation Ltd., the Holding Company	21,89,523	29,87,820



SCHEDULES IV FIXED ASSETS

Index

ASSETS	GROSS BLOCK, AT COST			
	As on 1-4-1981	Additions	Deductions	As on 31-3-82
	Rupees	Rupees	Rupees	Rupees
BUILDINGS (ON LEASEHOLD LAND)	62,50,429	18,66,156	—	81,16,585
RAILWAY SIDING	2,73,039	—	—	2,73,039
PLANT AND MACHINERY	1,68,75,270	21,51,394	790	1,90,25,874
FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	15,59,984	3,00,533	802	18,59,715
FORKLIFT TRUCKS	20,33,559	6,23,905	—	26,57,464
MOTOR VEHICLES	2,38,196	79,947	—	3,18,143
RESEARCH AND DEVELOPMENTS:				
BUILDING (ON LEASEHOLD LAND)	26,483	—	—	26,483
PLANT AND MACHINERY	6,30,150	—	—	6,30,150
TOTAL THIS YEAR	2,78,87,110	50,21,935	1,592	3,29,07,453
<i>TOTAL PREVIOUS YEAR</i>	<i>2,57,43,924</i>	<i>21,85,115</i>	<i>41,929</i>	<i>2,78,87,110</i>



SCHEDULES IV FIXED ASSETS

UptoDeductions, 31-3-81 Rupees	DEPRECIATION			NET BLOCK	
	For the Adjustment for earlier year Rupees	Upto year Rupees	As on 31-3-82 Rupees	As on 31-3-82 Rupees	31-3-81 Rupees
23,46,667	—	3,63,479	27,10,146	54,06,439	39,03,762
2,15,984	—	5,706	2,21,690	51,349	57,055
1,11,25,034	(—) 604	9,91,720	1,21,16,150	69,09,724	57,50,236
8,71,080	(—) 121	1,22,746	9,93,705	8,66,010	6,88,904
15,87,013	—	3,21,134	19,08,147	7,49,317	4,46,546
1,16,274	—	40,374	1,56,648	1,61,495	1,21,922
5,396	—	527	5,923	20,560	21,087
2,97,927	—	33,222	3,31,149	2,99,001	3,32,223
1,65,65,375	(—) 725	18,78,908	1,84,43,558	1,44,63,895	1,13,21,735
1,39,31,019	(+) 11,30,649	15,03,707	1,65,65,375	1,13,21,735	1,18,12,905



SCHEDULE V—CAPITAL WORK-IN-PROGRESS

Index

	As on 1-4-1981	Additions during the year	Transfer during the year	As on 31 -3-1982
	Rupees	Rupees	Rupees	Rupees
CAPITAL WORK-IN-PROGRESS:				
Assets:				
Plant and Machinery	9,08,768	15,86,802	9,10,448	15,85,122
Buildings	10,98,281	4,07,854	14,46,106	60,029
Furniture & Fixtures	—	78,515	57,733	20,782
	<u>20,07,049</u>	<u>20,73,171</u>	<u>24,14,287</u>	<u>16,65,933</u>
TOTAL. for this year:	<u>20,07,049</u>	<u>20,73,171</u>	<u>24,14,287</u>	<u>16,65,933</u>
TOTAL Previous year:	<u>12,69,302</u>	<u>20,69,867</u>	<u>13,32,120</u>	<u>20,07,049</u>

SCHEDULE VI—CURRENT ASSETS

	As at 31 st March, 1982	As at 31st March 1981
	Rupees	Rupees
CURRENT ASSETS:		
1. Inventories:		
Stores and Spare parts (at cost as per summarised inventories certified by the Managing Director)	12,94,883	12,29,696
2. Sundry Debtors:		
(Unsecured, Considered Good)		
Due from Indian Oil Corporation Limited, the Holding Company:		
(a) Exceeding six months	26,524	
(b) Other Debts	<u>19,11,275</u>	
	19,37,799	53,87,494
3. Cash and Bank Balances:		
(a) Cash and Cheques on hand	26,100	26,100
(b) Balance with Scheduled Banks in Current Account	<u>2,965</u>	<u>8,197</u>
	29,065	34,297
4. Other Current Assets:		
Interest accrued in Company's Income-Tax Surcharge Deposit	32,580	26,064
TOTAL:	<u>32,94,327</u>	<u>66,77,551</u>



SCHEDULE VII—LOANS AND ADVANCES

Index

	As at 31st March, 1982 Rupees	As at 31st March 1981 Rupees
LOANS AND ADVANCES:		
(Advances Recoverable in cash or in kind or for value to be received)		
1. Secured, considered good	6,94,602	5,62,167
2. Unsecured, considered good:		
(a) Interest accrued on Housing Loan	2,11,741	73,626
(b) Others	29,41,581	29,82,279
	<u>31,53,322</u>	<u>30,55,905</u>
3. Advance payment of Income-Tax	53,15,896	11,81,753
4. Deposit in respect of surcharge on Income-Tax	1,08,600	1,08,600
TOTAL :	<u>92,72,420</u>	<u>49,08,425</u>

SCHEDULE VIII—CURRENT LIABILITIES

	As at 31st March, 1982 Rupees	As at 31st March 1981 Rupees
CURRENT LIABILITIES:		
Sundry Creditors	24,17,087	22,76,210
Other Liabilities	1,81,767	69,132
TOTAL:	<u>25,98,854</u>	<u>23,45,342</u>

SCHEDULE IX—PROVISION

	As at 31 st March, 1982 Rupees	As at 31st March 1981 Rupees
PROVISIONS:		
Provisions for taxation	50,84,000	27,14,000
Proposed Dividend	4,00,000	4,00,000
TOTAL:	<u>54,84,000</u>	<u>31,14,000</u>



SCHEDULE X—OPERATING AND OTHER EXPENSES

Annexed to and forming part of the Profit & Loss Account for the year ending 31-3-1982

	Rupees	For the year ending 31st March, 1982 Rupees	For the year ending 31st March 1981 Rupees
OPERATING AND OTHER EXPENSES:			
Salaries, Wages, Allowances and Bonus (including Rs. 7,27,001 paid to contractor/casual labour—Previous Year—Rs. 5,81,979).		1,07,37,195	99,62,517
Company's contribution to Employees' Provident Fund and other Funds		6,25,222	5,45,443
Gratuity		18,772	26,247
Staff Welfare and Benefits		17,93,665	16,70,948
Fuel, Power and Water charges		25,89,781	22,26,351
Stores consumed		4,78,836	4,66,753
Rent		2,67,272	2,63,563
Rates and Taxes		1,36,529	1,35,516
Licence Fees		25,545	19,563
Material Handling (forklift truck) expenses		7,26,289	5,75,166
Equipment Rental		1,933	—
Repairs & Maintenance to:			
Buildings	2,47,035		4,36,623
Plant & Machinery	8,74,438		6,17,276
Railway Siding	1,04,290		88,762
Others	1,88,865		1,77,857
		14,14,628	13,20,518
Insurance (including gratuity insurance Rs. 1,41,364/- Previous year Rs. 1,07,608).		2,01,595	1,84,943
Travelling and conveyance		2,67,562	259,626
Printing and Stationery		1,18,791	1,07,431
Postage, Telegram and Telephones		1,35,093	1,28,914
Freight and Cartage (outward)		9,643	4,078
Bank charges		4,592	3,659
Subscription and Memberships		5,483	9,185
Advertisements		3,750	5,050
Donations		500	—
Entertainment Expenses		7,107	6,456
Legal & Professional Charges		44,424	30,301
Payment to Auditors:			
Audit fees	10,000		10,000
Reimbursement of out of Pocket expenses	3,999		3,592
		13,999	13,592
General Expenses		3,43,474	3,06,256
Inventory difference written-off		208	4,304
Miscellaneous Debit written-off		1,753	221
TOTAL:		<u>1,99,73,641</u>	<u>1,82,76,601</u>

SCHEDULE XI—INTEREST EARNED

	Rupees	For the year ending 31st March, 1982 Rupees	For the year ending 31st March 1981 Rupees
INTEREST EARNED:			
1. On Housing and other loans		1,45,246	1,19,647
2. On Surcharge Deposit		6,516	6,516
3. Others		4,268	2,482
TOTAL:		<u>1,56,030</u>	<u>1,28,645</u>



SCHEDULE XII—NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31-3-1982

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

	Rupees	<i>Previous Year Rupees</i>
(i) Claims for miscellaneous items not acknowledged as debts	1,04,314	1,49,314
(ii) Estimated amounts of contract remaining to be executed on Capital Account and not provided for	19,68,832	22,30,365
(iii) Surety given in favour of Government of Kerala, for purchase tax demanded by Sales Tax Authorities, Kerala, from Indian Oil Corporation Limited	38,80,892	38,80,892

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 services 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. Application for increase in installed capacity of grease production is under process with appropriate authorities.

6. The items and amounts in respect of previous year have been re-grouped and re-cast where necessary to make them comparable with those of the current year.

7. Additional information pursuant to Paras 3, 4C and 4D in Part II of Schedule VI to the Companies Act, 1956:

	Current Year		Previous Year	
	<u>Lubes</u>	<u>Grease</u>	<u>Lubes</u>	<u>Grease</u>
	(KL)	(MT)	(KL)	(MT)
(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	2,62,074	5,858	2,54,054	5,986

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

			Current Year	Previous Year
(ii) Turnover (Processing Fees):				
(a) Lube Blending	—	Kilo Litres	2,62,074	2,54,054
	—	Rupees	2,35,88,192	2,07,95,062
(b) Grease Mfg.,	—	Metric Tonnes	5,858	5,986
	—	Rupees	29,28,753	29,89,701



SCHEDULE XII— (Contd.)

Index

	Current Year	Previous Year		
(iii) Details of expenditure on certain employees:				
(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	15	14		
(ii) Salaries, Wages and Bonus	6,05,449	5,68,922		
(iii) Contribution to Provident Fund and other Funds	38,312	33,556		
(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	1	4		
(ii) Salaries, Wages and Bonus	41,385	1,12,656		
(iii) Contribution to Provident Fund and other Funds	1,880	7,675		
(iv) Value of Imports on C.I.F. Basis:				
Components and Spare Parts	41,288	6,502		
Capital Goods	13,000	1,41,554		
(v) Spare Parts Consumed:				
	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
Imported:	Rupees	of total	Rupees	of total
Components and spare parts	67,669	5.9	83,901	7.5
Indigenous:				
Components and spare parts	10,73,585	94.1	10,34,380	92.5
(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.

M. S. RANA
Chairman

B. M. LAL
Managing Director

G. S. PANDYA
Financial/ Director

J. K. WADHWA
Secretary

As per our Report attached

For PATEL, SHAH & JOSHI
Chartered Accountants

A. M. MEHTA
Partner

Bombay, 10th July, 1982.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA, UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF INDIAN OIL BLENDING LIMITED FOR THE YEAR ENDED 31 ST MARCH, 1982.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA	COMPANY'S REPLIES
<p>BALANCE SHEET</p> <p>Notes on the Balance Sheet and Profit & Loss Account — Schedule XII:</p> <p>Note 3:</p> <p>1. The fact that the Managing Director drew his remuneration from Indian Oil Corporation Limited, and the details of remuneration so drawn required to be disclosed in terms of Clause 4(i) of Part II of Schedule VI of the Companies Act, has not been disclosed.</p> <p>Note 7:</p> <p>2. (i) Capacity and Production:</p> <p>(c) Actual Production:</p> <p>Includes 12,729 KLs. (Previous Year—13,919 KLs.) of lube base oils not blended but only back-freighted quantities (stock transfers)</p> <p>PROFIT AND LOSS ACCOUNT:</p> <p>3. INCOME:</p> <p>Throughput, Blending and Manufacturing Charges— Rs. 2,65,16,945:</p> <p>Includes Rs. 11.46 lakhs (Previous Year—Rs. 12.53 lakhs) being blending fees charged to Indian Oil Corporation Limited, for quantities of lube base oils not blended but back-freighted only.</p>	<p>Information already disclosed meets the requirements of the relevant provisions of the Companies Act, 1956</p> <p>No comments</p> <p>No comments</p>

SARASWATHI R. RAO,
Member Audit Board and Ex-Officio
Director of Commercial Audit,
(Petroleum & Oil)
Madras, Dated: 8-9-1982.

M. S. RANA
Chairman
Indian Oil Blending Ltd.



ANNUAL REPORT FOR THE YEAR 1981-82

NOTICE

NOTICE is hereby given that the Thirtythird Annual General Meeting of the Shareholders of INDIA TRADING (HOLDINGS) PRIVATE LIMITED will be held on Monday, the 28th June, 1982 at the Registered Office of the Company at Digboi at 2.00 P.M. to transact the following business :

To receive, consider and adopt the Balance Sheet, Profit & Loss Accounts, Reports of the Directors and Auditors thereon for the financial year ended 31st December, 1981

By order of the Board
R.K. Murthi
Secretary

DIGBOI,
the 5th June, 1982

N.B: 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.



DIRECTORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31ST DECEMBER 1981

As you would be aware your company was set up with the primary object to act as Trustees of two Provident Funds in respect of the Employees of Assam Oil Company Limited and Oil India Limited and Pension Fund in respect of the Employees of Oil India Limited

Consequently, as in the past your company did not undertake any activity of a commercial trading or other nature and as such there was no profit or loss during the year.

By virtue of the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading) Limited Act, 1981, and the Government Notification dated 13th October, 1981 all the above shares (formerly held by the Burmah Oil Company (India Trading) Limited stood transferred to and vested in Indian Oil Corporation Limited with effect from 14th October, 1981. The necessary formalities for transmission of the Share to Indian Oil Corporation Limited and its nominees have been complied with

Your Company continued to act as Trustee of the Burmah Oil (India) Pension Fund and also as one of the Trustees of (i) Provident and Insurance Fund (India) Recognised and (ii) The Burmah Oil (India) Provident Fund upto 13-10-81. The above funds stood transferred to and vested in the Oil India Limited and Indian Oil Corporation Limited w.e.f. 14-10-81 by virtue of the Burmah Oil Company (Acquisition of Shares of Oil India Limited and of the Undertakings in India of Assam Oil Company Limited and the Burmah Oil Company (India Trading Limited) Act and Government Notification No. GSR 553 (E) dated 13-10-81. Your company ceased to be trustees having vacated office by virtue of Sec. 12 (iv) of the said Act. In respect of the funds that have vested in Indian Oil Corporation Limited and Oil India Limited the Central Government have issued a Notification GSR 20 (E) dated 18-1-82 regarding Administration of Funds by the respective companies pending constiution of new trusts. The workings of these funds have been quite satisfactory during the year.

The total cost of Annuity Policies for the employees of Oil India Limited purchased by your company as Trustee of the Burmah Oil (India) Pension Fund during the year amounted to Rs. 11,17,992.00

As your company did not have any employees during the year under reference, no details of employees particulars as required under section 217 (2A) have been provided

By Order of the Board of Directors
B.N. Dutta
Chairman



BALANCE SHEET AS AT 31ST DECEMBER, 1981

	As at 31st December 1981 Rupees	As at 31st December 1980 Rupees		As at 31st December 1981 Rupees	As at 31st December 1980 Rupees
Liabilities			Assets		
Share Capital			Current Assets, Loans and Advances		
Authorised			Current Assets		
100 Shares of Rs. 1/- each	100.00	100.00	Cash and Bank Balances -		
Issued and subscribed			Cash in hand	30.00	30.00
30 shares of Re. 1/- each fully paid up in cash	30.00	30.00	Cash with Scheduled Bank -		
Note : (Entire Share Capital is held by Indian Oil Corporation Limited, holding Company)			On Current Account	3,68,204.33	3,68,234.33
Current Liabilities and Provisions					61,314.73
Current Liabilities					
Due to Burmah Oil (India) Pension Fund	3,68,204.33	61,314.73			
	3,68,234.33	61,344.73		3,68,234.33	61,344.73

M.L. Saha
Partner
For and on behalf of
Price Waterhouse & Co.
Chartered Accountants

R.K. Murthi
Secretary

B.N. Dutta
U.S. Bagchi
Directors

AUDITORS' REPORT TO THE MEMBERS OF INDIA TRADING (HOLDINGS) PRIVATE LIMITED

We report that we have audited the above Balance Sheet and the annexed Profit and Loss Account, which are in agreement with the books of account, and in our opinion and to the best of our information and according to the explanations given to us, such Balance Sheet and Profit and Loss Account give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively a true and fair view of the state of the Company's affairs as at 31st December, 1981 and its operations for the year ended on that date.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit and in our opinion proper books of account have been kept as required by law so far as appears from our examination of these books

We have not included a statement in this report on the matters specified in paragraph 4 of the Manufacturing and other Companies (Auditor's Report) Order, 1975 as none of these matters is applicable to the company as it had no business activity during the year under review.

M.L. Saha
Partner
For and on behalf of
Price Waterhouse & Co.
Chartered Accountants

Calcutta, Dated 31st May, 1982



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

	Rupees	1980 Rupees	Rupees	1980 Rupees
Note : No trading has taken place during the year under review	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
M.L. Saha Partner For and on behalf of Price Waterhouse & Co. Chartered Accountants		R.K. Murthi Secretary	B.N. Dutta U.S. Bagchi Directors	

