

**Indian Oil Corporation Limited**  
**Annual Report 1984-85**



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## Indian Oil Corporation Limited

REGISTERED OFFICE  
254-C, Dr. Annie Besant Road,  
Prabhadevo, Bombay- 400 025

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## OBJECTIVES AND OBLIGATIONS

### Objectives:

- To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.
- To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products most efficiently.
- To earn a reasonable rate of return on investment.
- To work towards the achievement of self-sufficiency in the field of oil refining, by setting up adequate domestic capacity and to build up expertise for pipe laying for crude/petroleum products.
- To create a strong research and development base in the field of oil refining and stimulate the development of new petroleum product formulations with a view to minimise/eliminate their imports, if any, and
- To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.

### Obligations

- **Towards customers and dealers:** to provide prompt, courteous and efficient service and quality products at fair and reasonable prices.
- **Towards suppliers:** To ensure prompt dealings with integrity, impartiality and courtesy and to promote ancillary industries.
- **Towards employees:**
  - Develop their capability and advancement through appropriate training and career planning.
  - Expeditious redressal of grievances.
  - Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies in keeping with public sector philosophy.

● **Towards Community :**

- To ensure quality products through proper distribution at fair prices to the people.
- To develop techno-economically viable products for the benefit of the people.
- To encourage progressive indigenous manufacture of products and materials so as to substitute imports.
- To avoid and control environmental pollution in its manufacturing plants and townships taking suitable and effective measures.
- Improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.
- To help acceleration of all round development of villages by providing assistance to educated unemployed to earn a living, etc.

**Financial Objectives :**

- To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.
- To ensure maximum economy in expenditure.
- To generate sufficient internal resources for financing partly/wholly expenditure on new capital projects.
- To develop long-term corporate plans to provide adequate growth of the activities of the Corporation.
- To continue to make an effort in bringing a reduction in the cost of production of the petroleum products manufactured by means of systematic cost control measures.
- To endeavour to complete all planned projects within the stipulated time and within the stipulated cost estimates.



## INDIAN OIL UNITS

**CHAIRMAN'S OFFICE  
INDIAN OIL BHAVAN  
JANPATH, NEW DELHI-110 001**

**REFINERIES &  
PIPELINES DIVISION****HEAD OFFICE**

Indianoil Bhavan, Janpath  
New Delhi - 110 001

**REFINERIES****Guwahati**

P.O. Noonmati, Guwahati - 781 001  
(Assam)

**Barauni**

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

**Gujarat**

P.O. Jawaharnagar  
Distt. Vadodara - 390 001  
(Gujarat)

**Haldia**

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

**Mathura**

P.O. Mathura Refinery  
Mathura 281005 (U.P.)

**PIPELINES**

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

**ASSAM OIL DIVISION**

Digboi-786 171  
(Assam)

**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**

Indianoil Bhavan, Janpath  
New Delhi - 110 001

**Sothern Regional Office**

Indianoil Bhavan  
139, Nngambakkam High Road  
Madras - 600 034

**R&D CENTRE**

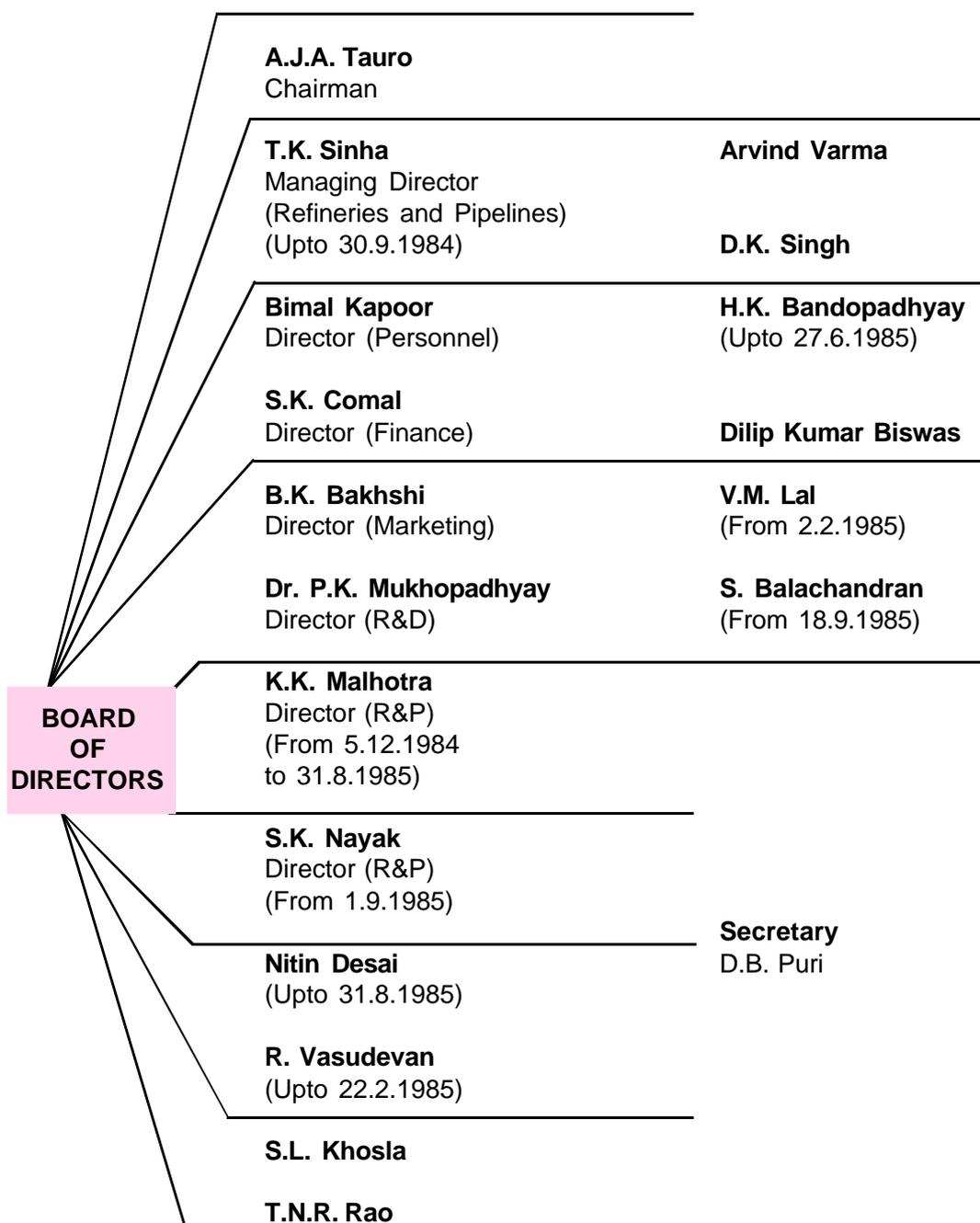
Sector, 13, Faridabad - 121007  
(Haryana)

**INDIAN OIL BLENDING LIMITED**

(A wholly owned subsidiary  
of Indian Oil Corporation Limited)

**REGISTERED OFFICE**

Pir Pau, Trombay, Bombay - 400 074



**BANKERS  
AND  
AUDITORS**

**BANKERS**

State Bank of India  
United Bank of India  
Grindlays Bank p.l.c.

**JOINT AUDITORS**

C.C. Chokshi & Company  
S.R. Batliboi & Company

**REGION AUDITORS**

Bahl Gupta & Associates  
S.R. Dinodia & Company  
Prem Khandelwal & Co.  
Gopal & Murthi  
R.K. Kumar & Company  
Rajendera K. Goel & Co.  
Prakash & Santosh



# Indian Oil Corporation Limited

## EXECUTIVES

### CHAIRMAN'S OFFICE

**H.N. Roy Choudhury**  
General Manager  
Internal Audit

**S.S. Lamba**  
Chief Vigilance Officer

**J. Jayaraman**  
Chief General Manager  
Coordination

**P.D. Kelkar**  
General Manager  
International Trade

### R&P DIVISION

**B.D. Gupta**  
Financial Controller  
Projects

**M. Gopal**  
General Manager  
Personnel

### HEAD OFFICE

**J.L. Vasudeva**  
Chief General Manager  
Operations

**D.R. Bansal**  
Financial Controller  
(R & P)

**N.L. Mazumdar**  
General Manager  
Pipelines

**K.C. Jain**  
General Manager  
technical

**T.S. Krishnamurthy**  
General Manager  
Projects

### REFINERIES

**A.P. Choudhary**  
General Manager  
Barauni Refinery

**M. Vishnupad**  
Operational Manager  
gujarat Refinery

**Rajinder Singh**  
General Manager  
Mathura Refinery

**P.S. Tekchandani**  
General Manager  
Guwahati Refinery

**S.N. Sarkar**  
General Manager  
Haldia Refinery

### MARKETING DIVISION

**Indu Vira**  
General Manager  
Sales

**S.C. Ghose**  
General Manager  
Supplies and Operations

### HEAD OFFICE

**J.S. Oberoi**  
Chief General Manager  
Marketing Operations

**J.L. Zutshi**  
General Manager  
Personnel

**S.K. Gupta**  
General Manager  
Technical Audit

**G.S. Pandya**  
Financial Controller

**P.E. Mathews**  
General Manager  
Engineering and Planning

**S.P. Mathur**  
General Manager  
LPG

### REGIONAL OFFICES

**B.B. Bakshi**  
General Manager  
Northern Region

**G.S. Savoor**  
General Manager  
Southern Region  
*(Superannuating on 30.9.85)*

**R.M. Basrur**  
General Manager  
Western Region

**R.K. Narang**  
General Manager  
Eastern Region

**S.S. Saxena**  
General Manager  
(Designate)  
Southern Region

### ASSAM OIL DIVISION

**B.N. Dutta**  
General Manager



## NOTICE

Notice is hereby given that the 26th 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 - 400025 at 1430 hrs. on 25th September, 1985 instead of 20th September, 1985, notified earlier, to transact the following business.

### Ordinary Business

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and Report of the Auditors and Directors thereon for the financial year ended 31st March, 1985.
2. To declare dividend.

By Order of the Board,

D.B. Puri  
Secretary

*Bombay, Dated: September 17, 1985*

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.

### Change of venue

The venue of the meeting is shifted to Indianoil Bhavan, New Delhi, after obtaining the approval of the Govt. of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs, and the meeting will be held on 25th Sept. 1985 at 14.30 hours.

## DIRECTORS REPORT 1984-85

To  
The Shareholders of  
Indian Oil Corporation Limited

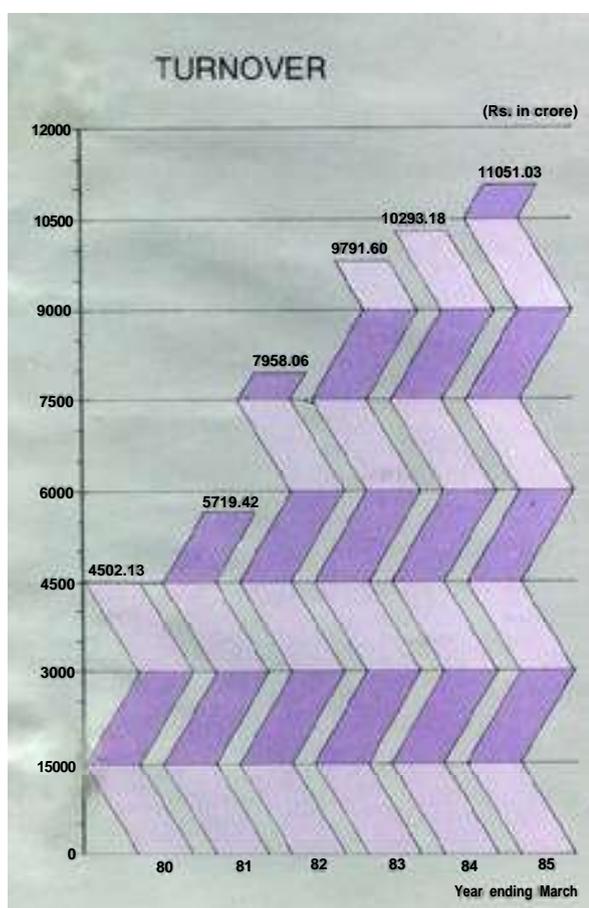
Gentlemen,

I have great pleasure in placing before you, on behalf of the Board of Directors, the 26th Annual Report on the working of the Corporation for the financial year ending 31st March, 1985 along with the audited statement of accounts

The financial results of the year are summarised hereunder:

### FINANCIAL RESULTS

	(Rs. in crore)	
	1984-85	1983-84
<b>Turnover</b>	<b>11,051.03</b>	10,293.18
<b>Profit</b>		
Profit before interest, depreciation and tax	<b>404.90</b>	416.11
Interest	<b>78.52</b>	89.41
Depreciation	<b>164.03</b>	182.66
Profit before tax	<b>162.35</b>	144.04
Tax Provision	<b>78.84</b>	61.50
Profit after tax	<b>83.51</b>	82.54
Development Rebate Reserve written back	<b>1.59</b>	10.04
Disposable Profit	<b>85.11</b>	<b>92.59</b>
<b>Appropriations</b>		
Proposed dividend @ 14%	<b>17.26</b>	17.26
Investment Allowance Reserve	<b>12.50</b>	13.50
Insurance Reserve Account	<b>0.10</b>	0.10
General Reserve	<b>55.25</b>	61.73



## Dividend

Your Directors have recommended the payment of dividend at 14 per cent. The dividend will absorb an amount of Rs. 17.26 crore out of the disposable profit of Rs. 85.11 crore. This is the nineteenth consecutive year of dividend payment by the Corporation. The total dividend paid so far amounts to Rs. 164.37 crore.

## Contribution to Exchequer

The Corporation contributed Rs. 1343.46 crore to the Exchequer during the year in the form of Duties and income-tax

## Value Added

Value added for the year 1984—85 in the operations of the Corporation amounted to Rs. 616 crore. This reflects an increase of Rs. 29 crore over 1983—84.

## Funds Management

Our working capital has been reduced from Rs. 616.17 crore as on 31.3.84 to Rs. 394.03 crore as on 31.3.85.

## Financing of Investment

Your Corporation has incurred capital expenditure of Rs. 231.62 crore during the year which has been financed entirely from internally generated resources comprising mainly retained profit and depreciation. During 1985-86 an investment of Rs. 245.07 crore is planned, to be met again entirely from internal resources.

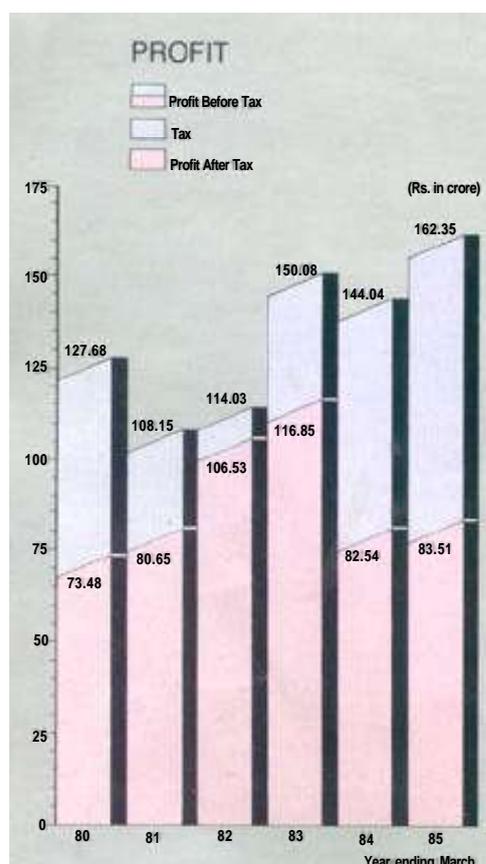
## Public Deposit Scheme

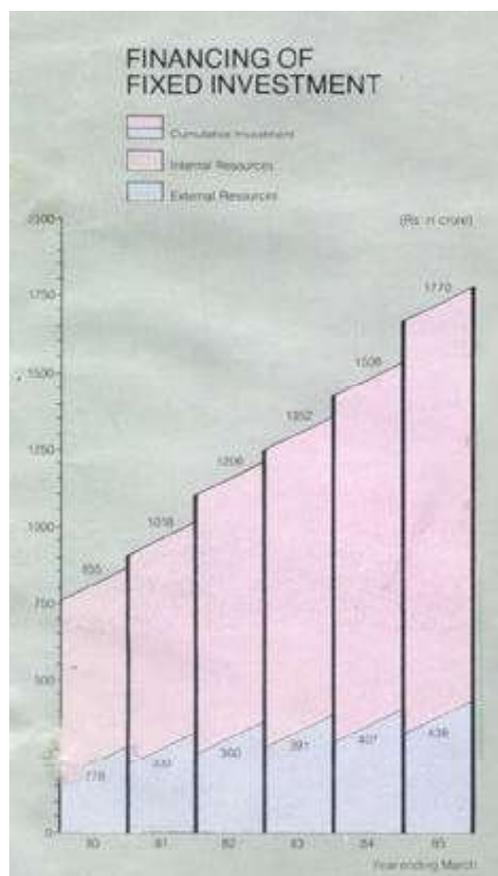
The amount received under the Public Deposit Scheme, introduced in 1980-81, reached a peak of Rs. 188.19 crore on 31st March, 1985. During the year, an amount of Rs. 82.57 crore (net) was collected which was higher than in any previous year. The total number of depositors as on 31st March, 1985 was 102578 as against 74023 as on 31st March, 1984.

## SIXTH FIVE YEAR PLAN

The year 1984-85 was the terminal year of the Sixth Five-Year Plan. During the Plan period.

- Refinery capacity was raised from 13.95 million tonnes to 20.45 million tonnes per year by addition of a 6 million tonnes grass-roots refinery at Mathura and acquisition of 0.5 million tonnes Digboi refinery of the erstwhile Assam Oil Company. Actual throughput increased from 12.14 million tonnes to 20.57 million tonnes per annum.





- Fluid Catalytic Cracking Units, each with a capacity of one million tonnes per annum, were installed and commissioned at the Gujarat and Mathura refineries.
- Pipeline transportation capacity increased from 8.71 million tonnes to 20.55 million tonnes per annum. Throughput increased from 7.51 million tonnes to 17.90 million tonnes per year.
- Product sales increased from 18.27 million tonnes to 22.97 million tonnes per year.
- Product storage facilities were raised from 19.2 lakh KL to 27.32 lakh KL, at installations and bulk depots. Their number increased from 132 to 149.
- the distribution network for customers was expanded by increasing the number of:
  - Consumer pumps for bulk customers from 3412 to 3948
  - Retail outlets from 4310 to 4996
  - SKO/LDO dealers from 2302 to 2683
  - Indane (LPG) distributors from 462 to 1046
- The number of households using indane cooking gas increased from 16.7 lakh to 47.3 lakh. LPG sales were raised from 0.214 million tonnes to 0.486 million tonnes per year.
- Value added increased from Rs. 246 crore to Rs. 616 crore per year
- Internal Resource generation was Rs. 961 crore during the plan.
- Capital Expenditure on projects during the plan was Rs. 915 crore.

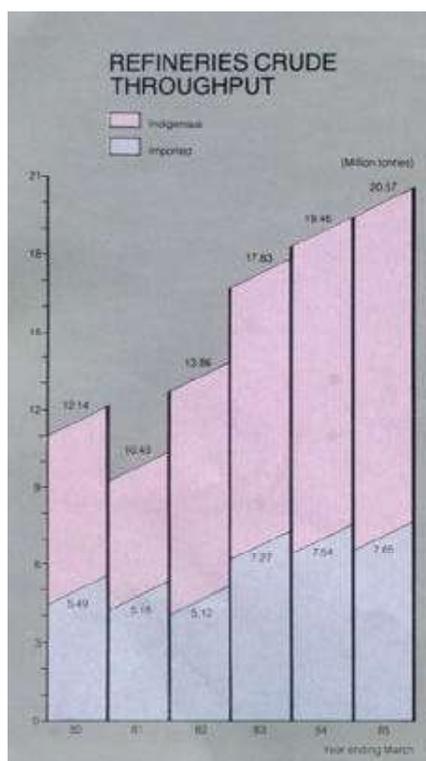
## OPERATIONS

### REFINERIES

During 1984-85, the Corporation's six Refineries at Guwahati, Barauni, Gujarat, Haldia, Mathura and Digboi processed 20.57 million tonnes of crude oil against 19.46 million tonnes in 1983-84, representing an increase of 5.7 per cent. A capacity utilisation of 100.6 per cent was achieved as compared to 95.2 per cent last year. Still higher throughput could have been achieved but for restricted availability of crude oil for Guwahati and Barauni Refineries from the Assam fields.

The other salient features of the year's operations were:

- i. Gujarat and Mathura Refineries attained record throughput of 7.78 and 6.24 million tonnes which represent capacity utilisation of 107 per cent and 104 percent respectively.



- ii. Bombay High Crude processing during 1984-85 was 4.84 million tonnes against 4.13 million tonnes in 1983-84. Processing of indigenous crude oil (Assam, Gujarat and Bombay High) was 7 per cent higher than in the previous year.
- iii. LPG production recorded an increase of 27 per cent over 1983-84.
- iv. Production of special products like Benzene and Toluene at Gujarat Refinery was the highest so far.
- v. The operation of the Fluid Catalytic Cracking Units at Gujarat and Mathura Refineries was stabilised during the year and sustained at 100 per cent of design capacity during the second half of the year.

A comparative picture of the installed capacities and the actual throughputs of the Refineries during the last two years is given below:

(Figures in million tonnes)

Refinery	*Capacity Throughput		%age Capacity Utilisation in 1984-85
	1983-84	1984-85	
Guwahati	0.850	0.871	89.5
Barauni	3.300	2.907	87.8
Gujarat	7.300	7.331	106.5
Haldia	2.500	2.580	94.6
Mathura	6.000	5.224	104.0
Digboi	0.500	0.549	106.2
	20.450	19.462	100.6

\*The installed capacity which was originally 18.75 million tonnes has been progressively increased over the years to 20.45 million tonnes through debottlenecking processes.

#### Maintenance and Inspection

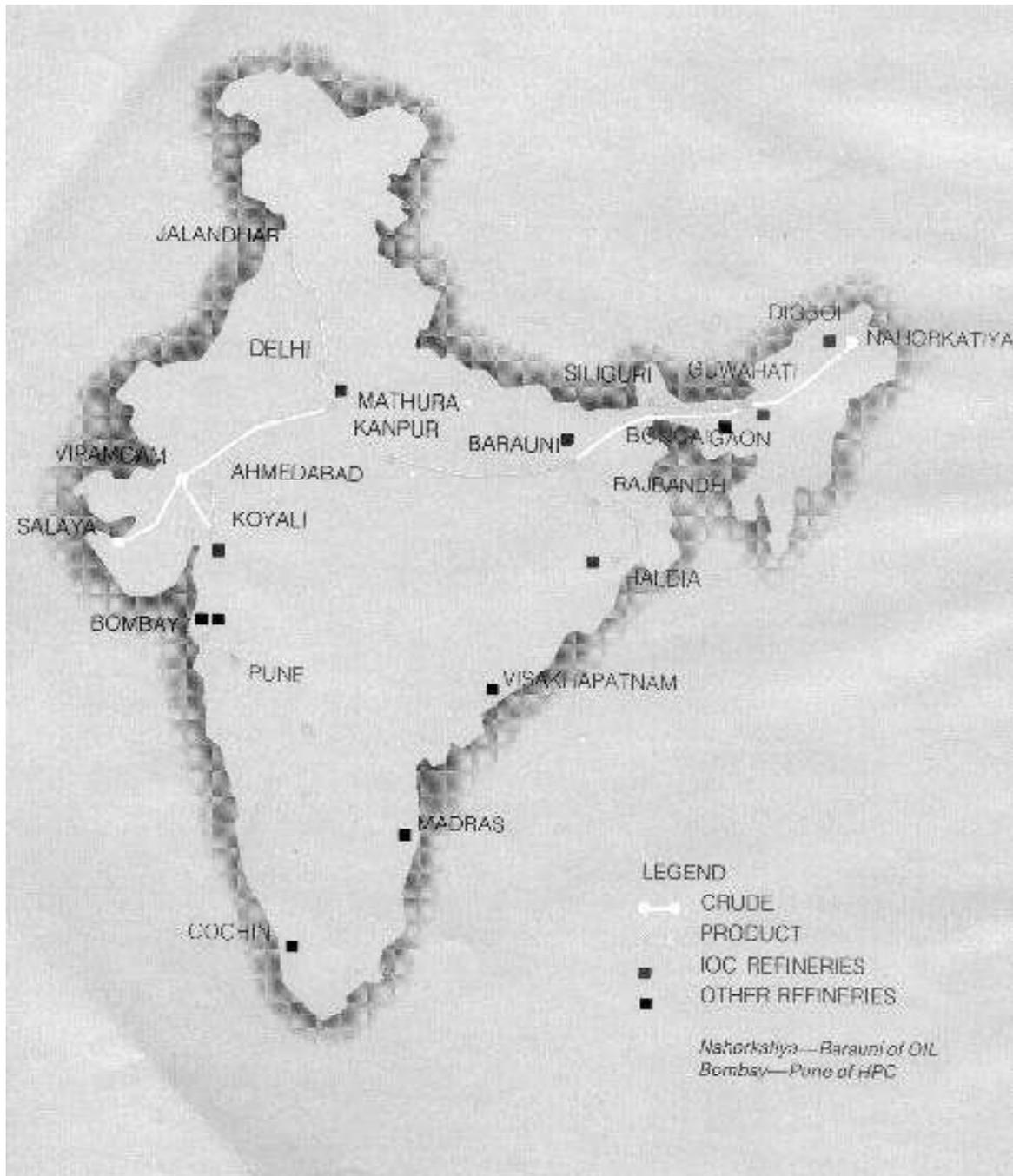
- In pursuance of our efforts to improve the service factor of our Refineries substantial progress has been achieved in computerisation of maintenance activities and turn-around a management.

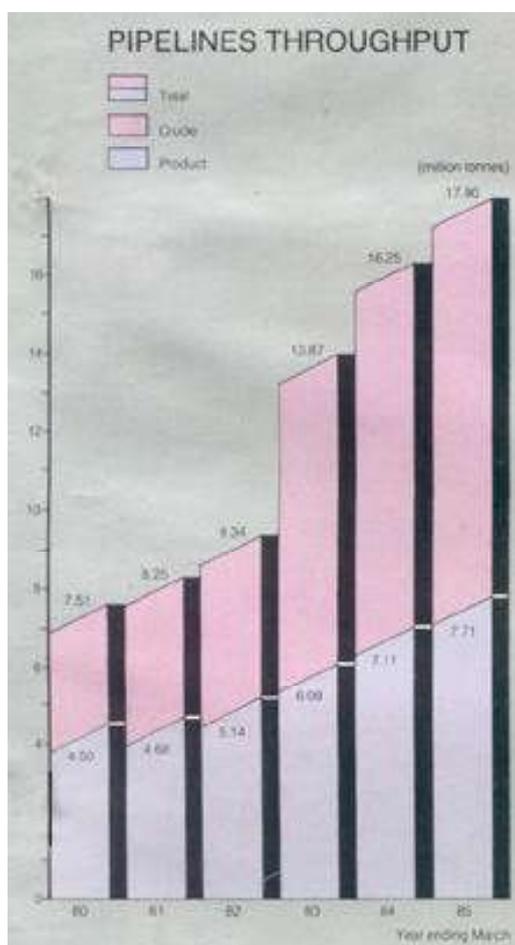
- Plans have been drawn up for phased introduction of microprocessor based and computer compatible instrumentation for process units.
- In-house manuals in respect of Plant Inspection and Maintenance have been updated.
- Modern tools and instruments for predictive maintenance have been brought into use.

*High thermal efficiency furnaces at Gujarat refinery have been installed for fuel savings.*



## REFINERIES AND MAJOR INLAND PIPELINES





## PIPELINES

The Corporation has 1217 km of Crude Oil Pipeline and 2624 km of Product Pipelines. The salient features in regard to operation of the different pipelines during the year were:

- Throughput in the Salaya-Mathura Crude Oil Pipeline rose to 10.187 million tonnes in 1984-85 against the design capacity of 10.0 million tonnes, registering an increase of 11.5 per cent over the throughput of 9.140 million tonnes in the previous year.
- the product pipelines transported 7.712 million tonnes of products during the year as against 7.107 million tonnes in the previous year registering an increase of 8.5 per cent.

The actual throughput during the last two years is given below:

(Figures in '000 tonnes)

Name of the Pipeline	Design Capacity	Throughput	
		1983-84	1984-85
<b>Product Pipelines</b>			
Koyali-Ahmedabad Pipeline	1100	1117	<b>1215</b>
Guwahati-Siliguri Pipeline	818	635	<b>517*</b>
Barauni-Kanpur Pipeline	1800	1514	<b>1629</b>
Haldia-Barauni-Haldia	2650	1629	<b>1793</b>
Mourigram-Rajbandh Pipelines (Combined)			
Mathura-Jalandhar Pipeline	3700	1760	<b>2138</b>
Digboi-Tinsukia Pipeline	485	452	<b>420</b>
	<u>10553</u>	<u>7107</u>	<u>7712</u>
<b>Crude Oil Pipeline</b>			
Salaya-Virangam	10000	9140	<b>10187</b>
Koyali-Mathura Pipeline			
<b>TOTAL</b>	<u>20553</u>	<u>16247</u>	<u>17899</u>

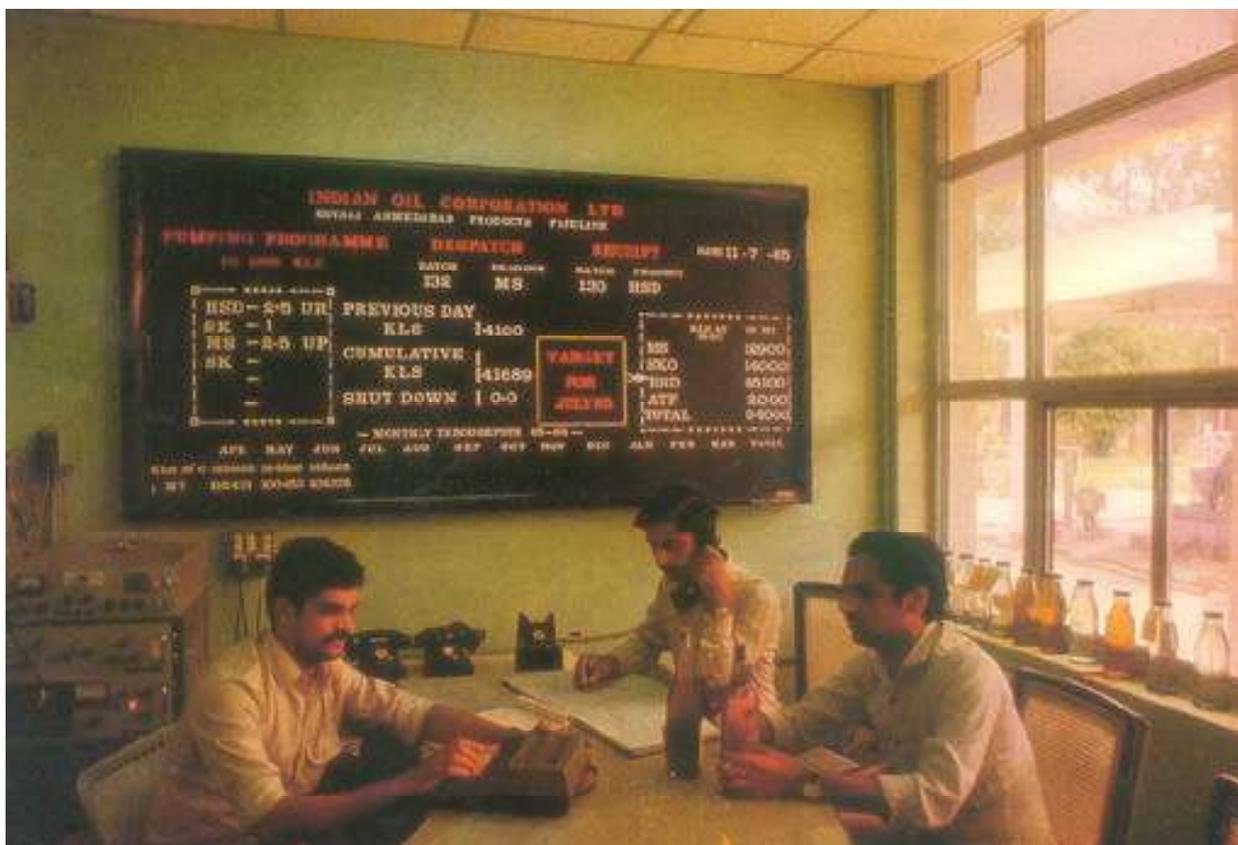
\* Low due to restricted crude oil availability from the Assam fields leading to reduced product availability.

## Maintenance & Inspection

The following actions have been taken during the year to improve the maintenance, inspection, operation and health of the Pipeline system;

- i. A comprehensive Maintenance Manual has been brought out covering modern techniques of maintenance and procedures for effective monitoring and control.
- ii. Ultrasonic instruments for measuring thickness and vibration analysers have been provided to all the Pipeline Units to enable on-stream analysis and preventive and predictive maintenance of rotary equipment and tank farms.

*Monitoring product despatches at the Koyali-Ahmedabad pipeline control room.*



- iii. To assess the extent of external corrosion, Computerised Potential Log (CPL) and Electrode Wheel Potential (EWP) surveys are being carried out in the Salaya-Mathura, Koyali-Ahmedabad and Barauni-Kanur Pipelines.
- iv. To assess the extent of internal corrosion, arrangements for an instrumented Pig Survey (IPS) of the Haldia - Mourigram Pipeline have been finalised.
- v. Arrangements for insertion of corrosion coupons/probes have been initiated during the year and the work will be carried out in phases to determine the corrosion rate during the operation of the Pipelines.
- vi. To ensure continuous power supply to the Cathodic Protection Station, solar panels/battery banks are under installation at seven stations.
- vii. Short-term, mid-term and long-term survey and maintenance plans have been drawn up.

## MARKETING

### Sales

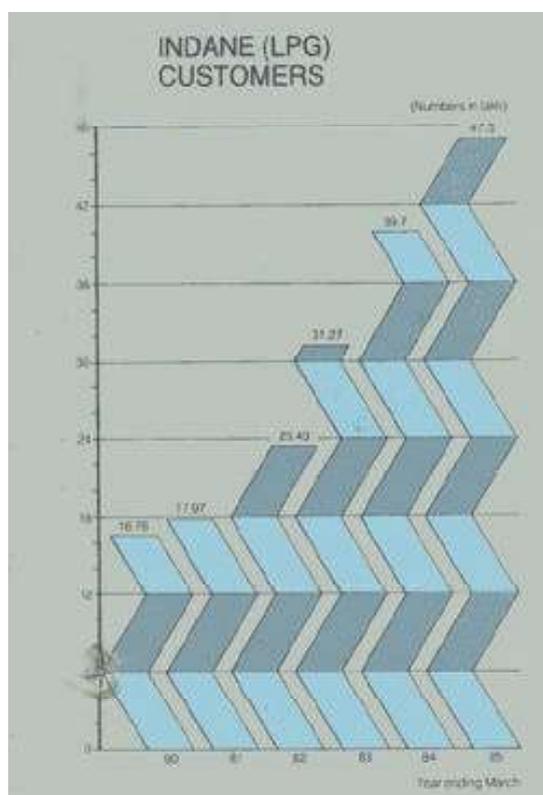
The demand for petroleum products during 1984-85 was projected at 37.940 million tonnes, out of which IOC's Sales Plan entitlement was 22.555 million tonnes. IOC's sales during the year amounted to 22.966 million tonnes with a market participation of 59.2% as against 60.3% in the previous year.

The marketing activities of the oil companies are subject to the general discipline of the Sales Plan formulated by the Government of India, which determines the sharing of sales of petroleum products between them. The Government's policy is to secure gradually an increase in the market participation of the other oil companies.

### Retail Distribution

The retail distribution system is vital to the public at large and, therefore, continues to receive special attention. During 1984-85, 137 new Retail outlets were set up. There were 4996 Retail Outlets in operation at the end of the year. During the year 72 SKO/LDO dealerships were commissioned, and as of 31st March, 1985, there were 2683 SKO/LDO dealers in operation.

New Dealerships/distributorships are being awarded on the recommendation of four Selection Boards, each consisting of a retired



*An effective marketing and distribution network ensure kerosene availability even in remote rural and hill areas.*

High Court Judge and a senior civil servant, with headquarters at Delhi, Madras, Calcutta and Ahmedabad.

### **Rural and Agriculture Sector**

To improve availability of kerosene in rural and hill areas, three Taluka Kerosene Depots (TKD) were commissioned during the year at Katapanna (Kerala), Almora (U.P.) and Shivpuri (M.P.) bringing the total number to 25. IOC has also set up as of 31st March, 1985, 247 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 fertilizers, pesticides, seeds, tractor spare parts, non-scheduled drugs, family planning accessories etc.

*Improved customer service by modernisation of equipment. A digital electronic meter at a retail outlet in Bombay.*





### Cooking Gas

The Indane customer population of your Corporation increased from 39.7 lakh to 47.3 lakh households by enrolment of 7.6 lakh customers during 1984-85. These customers are served through a distribution network of 1046 (824 in 1983-84) distributors spread over 450 towns (367 in 1983-84). Second cylinders for double bottle connections were released to 7.64 lakh households in 1984-85. Nearly 8.0 lakh 'F' type cylinder installations were converted to the safer 'Pin' type cylinders during the year. It is planned to convert 14 lakh installations during 1985-86. It is also planned to enrol 9.0 lakh additional customers during the year 1985-86.

### Distribution

A new Foreshore Installation at Kandla Port and a new installation at Visakha (Bunkering) were commissioned during the year. As on 31.3.85, your Corporation had 17 Port Installations, 12 Pipeline installations, 6 Inland Installations, and 114 Bulk Depots. Construction of 2.36 lakh KL new tankage was completed during the year at installations and Depots.

*Besides pipelines, railway tank wagons continue to be a major mode of petroleum product transportation.*



The total tankage, after dismantling of minor tanks, as on 31.3.1985 was 27.32 lakh KL as against 24.97 lakh KL as on 31.3.1984. The throughput of all products handled during 1984-85 through Installations and Depots was 321.7 lakh KL as against 277.3 lakh KL during the previous year.

To meet the requirement of bulk customers 143 consumer pumps were commissioned during the year. The total number of consumer pumps as on 31.3.85 was 3948.

Three new AFS's at Along, Passighat, and Ziro in Arunachal Pradesh have been added to our aviation fuel distribution network during the year, bringing the total number of AFS's to 75.

### Aviation

IOC's market participation in the aviation business was 70.8%. ATF Sales during 1984-85 amounted to 1.2 million KL, an increase of 7.4% over the previous year. Several VVIP refuellings were organised satisfactorily at very short notice.

*Aircraft refuelling requires modern and efficient equipment, high quality control standards, and trained personnel*



A Technical Cooperation Agreement was signed with M/s Nepal Oil Corporation during the year for training their officers in aviation fuelling. An agreement fuelling also signed with the Government of Maldives for provision of personnel for operating their aviation fuelling facilities.

### **Divisional Offices**

During 1984-85, three Divisional Offices were established at Agra Shimla and Vijayawada for more effective marketing and distribution of products. This brings the total number of Divisional Offices to 34.

### **Supplies to Fourth Antarctica Expedition**

The requirements of fuels and lubes of the Fourth Antarctica Expedition were met exclusively by IOC.

## **INTERNATIONAL TRADE**

Indian Oil Corporation is the canalising agency for import and export of crude oil and petroleum products on behalf of the Oil Industry. During 1984-85, 11.81 million tonnes of crude oil valued at Rs. 2919 crore was imported as against 14.20 million tonnes of crude oil valued at Rs. 3064 crore in the previous year. Of this, the import of crude oil on rupee payment amounted to Rs. 795.72 crore. (In addition, 1.992 million tonnes of crude oil valued at Rs. 489.17 crore was imported by other oil companies directly as against 2.80 million tonnes valued at Rs. 599 crore in the previous year).

During 1984-85, the Corporation imported 52.69 lakh tonnes of petroleum products (including imports on behalf of Nepal Oil Corporation and 1.35 lakh tonnes of Lubricants) valued at Rs. 1668.57 crore as compared to 40.59 lakh tonnes during the previous year (including 1.02 lakh tonnes of Lubricants) valued at Rs. 1213.66 crore. The imports on rupee payment amounted to Rs. 738.95 crore (including imports worth Rs. 40.90 crore on Nepal Oil Corporation's account). In addition, 2.15 lakh tonnes of SKO and 5.66 lakh tonnes of HSD were received against Indian crude oil processed abroad.

During 1984-85, your Corporation exported 5.63 million tonnes of Indian crude oil and 7.97 lakh tonnes of finished products i.e. Naphtha, Fuel Oils LSHS, Bitumen and HSD, realising Rs. 1363.05 crore and Rs. 205.31 crore respectively in foreign exchange. In addition Rs. 137.44 crore was earned from sales proceeds of Naphtha and Fuel Oil sold out of entitlement against Indian crude processed outside India and 1.46 lakh tonnes of various petroleum products were exported to Nepal Oil Corporation resulting in earnings of Rs. 55.17 crore. An amount of Rs. 93.87 crore was also realised in foreign exchange for supplies of Aviation Fuel and Lubes to International Airlines. Besides this, Rs. 16.14 crore in foreign exchange was earned on

Bunkers and Marine Lubricants supplied to foreign flag vessels at Indian ports. Savings in foreign exchange due to upliftment of bunker fuels and marine lubricants by Indian flag vessels on foreign run was to the tune of Rs. 22.58 crore.

### **DRUM PLANT**

During 1984-85, the Drum Plant at Madras manufactured 3.89 lakh lube barrels and 6.48 lakh bitumen drums as against 3.02 lakh lube barrels and 7.25 lakh bitumen drums during the year 1983-84. Reduced production of bitumen drums during the year was mainly due to fall in demand for bitumen.

### **PROJECTS**

Your Corporation incurred a capital expenditure of Rs. 231.62 crore during 1984-85 on several projects.

### **COMPLETED PROJECTS**

The following major projects were completed during the year:

- An 8 MW Turbo generator set at Guwahati to meet the increased power requirements on account of commissioning of various new facilities at a cost of Rs. 3.52 crore.
- Of the 12 mandatory crude oil storage tanks being constructed at an estimated cost of Rs. 38 crore to provide additional storage capacity of 6.44 lakh tonnes of crude oil, 4 tanks at Viramgam and Mathura were commissioned in 1983-84 and 4 tanks at Koyali and Viramgam were commissioned during the year 1984-85. Of the remaining 4 tanks under construction at Haldia, 2 tanks have been completed during the year and the other 2 tanks were completed in July, 1985.
- A Pump station at Rajkot to increase the capacity of Salaya-Viramgam Section of Salaya-Mathura Pipeline system, at a cost of Rs. 3.83 crore.
- A Spare buoy at Salaya for maintenance and other contingencies at a cost of Rs. 4.05 crore.
- A new Foreshore Terminal at Kandla with 75,370 KL tankage for coastal movement/export of Naphtha at a cost of about Rs. 5.9 crore.
- A new 20" dia. white oil dockline at Madras connecting jetty, Installation Complex and the refinery to improve tanker discharge/loading operations, at a cost of Rs. 2.36 crore.

## ON-GOING PROJECTS

The following major projects were under implementation during the year:

### 1. Additional coking unit at Barauni

This unit is being set up at an estimated cost of Rs. 49 crore to upgrade LSHS into more valuable light and middle distillates and Raw Petroleum Coke. This project is likely to be ready for commissioning by October, 1985.

### 2. Energy Conservation/Revamping Projects

#### i. Replacement of Furnaces in Gujarat & Barauni Refineries :

The old design low thermal efficiency furnaces of Gujarat and Barauni Refineries are being replaced with modern high thermal efficiency furnaces at an estimated cost of Rs. 27.5 crore. The new furnaces of AU-I and AU-II of Gujarat Refinery have already been commissioned in April and August, 1985 respectively. The work of replacement of furnaces of AU-III of Gujarat Refinery and AU-I and II of Barauni Refinery is in progress and these are scheduled to be commissioned by end 1986. On completion, these schemes would result in a fuel saving of about 51,000 tonnes value at about Rs. 10.00 crore per annum.

#### ii. Gujarat Refinery AU-III & AU-IV Revamping

The capacity of AU-III of Gujarat Refinery is being increased by 0.6 million tonnes per annum from the designed capacity of 1.4 million tonnes per annum by modification/debottlenecking at an estimated cost of Rs. 3.50 crore. This project is expected to be completed by September, 1986.

The capacity of AU-IV is being increased to 3.3 million tonnes per annum from the designed capacity of 3 million tonnes per annum at an estimated cost of Rs. 2.20 crore. This is expected to be completed by July, 1986.

#### iii. Modernisation of Crude Distillation Unit at Guwahati

The old design crude distillation unit is being revamped to improve the product mix by recovering about 18,900 tonnes per year HSD component which is presently lost into LSHS. This would result in fuel saving of about 5,600 tonnes per year valued at over Rs. 1 crore per year. The project is likely to be completed by December, 1986 at an estimated cost of Rs. 8.70 crore.

### 3. Additional Product Tankage

#### Phase-I

This project begun in March, 1983 involves installation of 5.16 lakh KL tankage at 55 locations. As on 31.3.85, 2.27 lakh KL tankage had been completed and 2.73 lakh KL tankage was under construction.

Construction of 0.16 lakh KL tankage is yet to commence due to problems in securing sites. The estimated cost of project is Rs. 41.3 crore.

#### Phase-IIA

This project, taken up in March, 1985, involves installation of 2.08 lakh KL tankage at 36 locations including construction of a new Foreshore Terminal at Madras with 1.17 lakh KL tankage. The estimated cost of the project is Rs 18.34 crore and it is expected to be completed by March, 1987.

### 4. Office Accommodation at Bombay

A building to house the registered office of the Corporation, the Head Office of the Marketing Division and other connected units, is expected to be completed by the third quarter of 1985-86 at an estimated cost of Rs. 8.13 crore.

### 5. L.P.G.

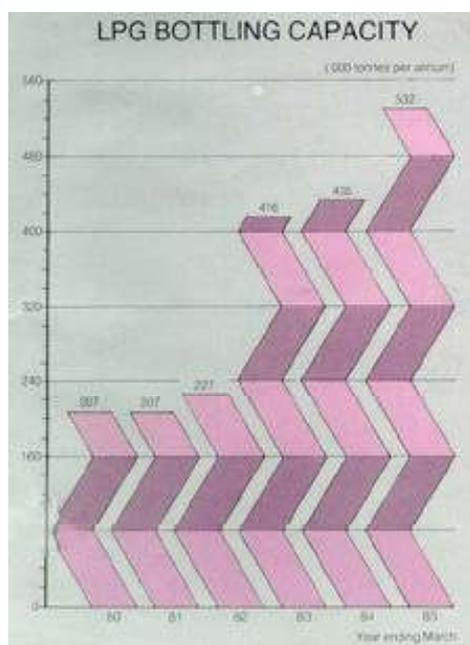
In view of the growing demand for LPG, the following projects have been undertaken to augment the existing marketing and distribution facilities.

#### Phase-I

The project which consisted of setting up of bottling plants at Jalandhar, Allahabad, Bangalore and Salem and acquisition of cylinders, PRs and tank wagons, at an estimated cost of Rs. 103 crore, has been completed except acquisition of some tank wagons which would be completed by December, 1985.

#### Utilisation of LPG from Oil India Limited

A project for setting up a bottling plant at Kalyani, construction of a transshipment depot and bottling plant at Bongaigaon and acquisition of cylinders, pressure regulators and tank wagons was taken up to

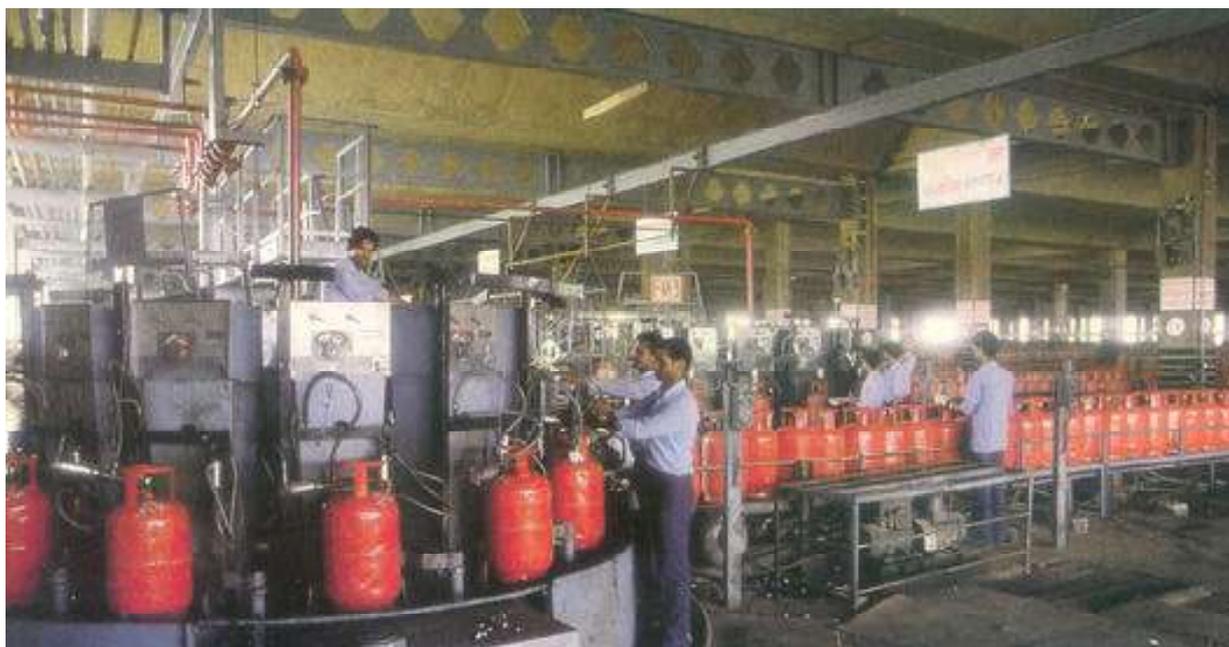


market additional LPG expected to be available from Oil India Limited at Duliajan. The bottling Plants at Kalyani and Bongaigaon have already been commissioned. The Rs. 43 crore project is expected to be completed by March, 1986.

### LPG Phase-III

To utilise the additional LPG available from the expansion of refineries at Madras, Cochin, Bombay, Visakhapatnam, Mathura and Koyali, the additional coker at Barauni and ONGC's fractionation unit at Hazira and Uran Unit No. II, your Corporation has taken up a Project for augmenting LPG storage and distribution facilities and acquisition of additional LPG tank wagons, cylinders, valves and pressure regulators. New plants for bottling 3,37, 500 tonnes per annum will be constructed at Rajkot, Hazira, Bhopal, Sawai Madhopur, Kanpur, Delhi (at Tikrikalan and Madanpur Khadar) Varanasi, Jamshedpur, Balasore, Calcutta, Durgapur and Karnal. The work on plants at Rajkot, Sawai Madhopur,

*High safety standards are maintained at LPG bottling plants where automatic machines fill cylinders for increasing customers.*



Kanpur and Durgapur is in progress. Orders for filling carousels, spheres and bullets have already been placed. The project is estimated to cost Rs. 381 crore and is expected to be completed by March, 1988.

### 6. Karnal Refinery and Associated Pipelines

To meet the growing petroleum products demand in the North West region, Government has approved setting up of a six million tonnes per annum Refinery at Karnal. The project includes augmentation of the capacity of Salaya-Mathura Pipeline and extension of the pipeline from Chaksu to Karnal. The estimated cost of the project is Rs. 1359 crore. The work relating to acquisition of land has already been initiated. Regarding licensed units like Hydrocracker and hydrogen plants, offers received from various licensors are under evaluation. In view of financial constraints in the current year, the original project completion schedule of September, 1989 will have to be reviewed.

### 7. Digboi Refinery Effluent System

The installation of primary and secondary treatment facilities has been taken up at an estimated cost of Rs. 3.15 crore. The project is being implemented in phases and is likely to be completed by March, 1987.

## NEW PROJECTS

### 1. Schemes awaiting Government Approval

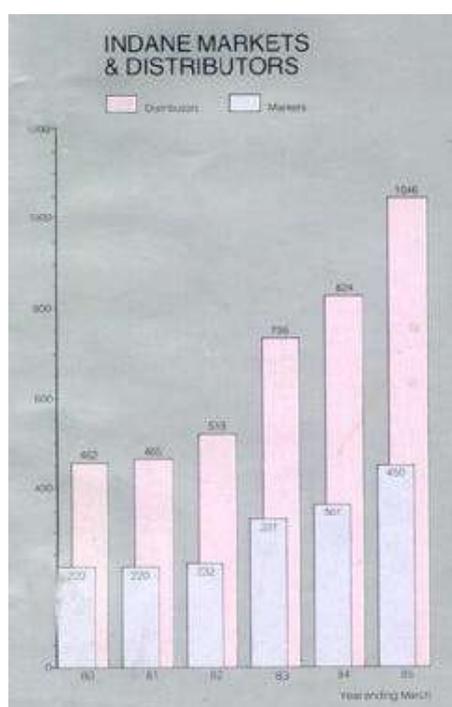
The Corporation has sought investment approval of the Government for the following major major projects:

#### i. Hazira-Koyali-Viramgam Pipeline

A feasibility report for construction of a pipeline for transportation of Bombay High crude to Koyali/Viramgam at an estimated cost of Rs. 131 crore has been prepared and submitted. The project will take 36 months for completion after clearance by the Government.

#### ii. Additional Secondary Processing Facilities at Gujarat Refinery

To process increased quantity of North-Gujarat Crude the capacity of Gujarat Refinery is being increased by low cost revamping of primary distillate units. To upgrade the LSHS generated from North-Gujarat crude into middle distillates, a feasibility report has been submitted for setting up an additional secondary processing unit and related facilities at an estimated cost of Rs. 553 crore. The project will be completed in 60 months from the date of Government's approval.



## 2. Others

### i. Low Cost Revamp Projects

Schemes for low cost revamp of crude distillation units of AU-I and AU-I of Gujarat Refinery by 1.3 million tonnes per annum and the crude distillation unit of Mathura Refinery by 1.5 million tonnes per annum at an estimated cost of Rs. 23 crore have been finalised. These schemes are likely to be completed in phases by January, 1988.

### ii. Energy Conservation Projects

Schemes have been approved for improving the efficiency of furnaces and heat exchanger trains in the distillation and vacuum units of Haldia and Mathura Refineries at an estimated cost of Rs. 16 crore. These are likely to be completed by August, 1987 and will result in fuel saving of about 26000 tonnes valued at about Rs. 5 crore per annum.

### iii. Pipeline Revamping/New Lines

Preliminary studies are in hand of the feasibility of expansion of existing pipelines and installation of new pipelines which will need to be undertaken in the next five years.

## ENERGY CONSERVATION

Your Corporation continues to place great emphasis on conservation of fuel and reduction of hydrocarbon losses. The following action has been initiated for energy conservation:

- Replacement of old low thermal efficiency heaters in the Atmospheric/Vacuum unit of the Refineries at an estimated cost of Rs. 53 crore. Replacement work will be over in phases by August, 1987 and is likely to result in saving of 83,000 tonnes of fuel valued at about Rs. 17 crore per annum.
- Optimisation of Heat Exchanger trains in the Refineries.
- Installation of waste heat boiler in the coke calcination unit of Barauni Refinery to recover waste heat from flue gas for steam generation.
- High performance long drain engine oils have been developed to reduce the consumption of lube oils. Several State Transport Undertakings have already switched over to these high performance engine oils. These oils have a change period of 16000 to 18000 kilometres in diesel vehicles as against existing 8000 to 9000 kilometres.

- Assistance to industry in modernising their boilers by extending loans on attractive terms of replacement of inefficient oil fired boilers. During the year, loans amounting to Rs. 27 lakh for five boilers were sanctioned. So far 13 loans of Rs. 71 lakh have been sanctioned under the scheme.
- Licensing for the manufacture of Nutan stoves has been liberalised to improve availability of thermally efficient stoves. During 1984-85 units of the National Small Scale Industries corporation produced approximately 1,10,000 Wick Stoves, and the 7 units under our liberalised licensing scheme produced approximately 95,000 stoves. During the year approximately 1.77 lakh stoves were sold.
- An LPG burner of IOC (Nutan) design with 70% thermal efficiency against 58% normally available in the market has been commercialised. While technical know-how has been availed of by 58 entrepreneurs, 22 parties have commenced production, contributing to a production of approximately 2.30 lakh LPG burner stoves of Nutan design. Of these about 2.24 lakh stoves have been sold.
- The use of non-conventional energy sources is being encouraged and adopted wherever technically and practically feasible to save fossil fuels. A Solar Hot Water System has been installed in the canteen of IOC's Southern Regional Office at Madras and is also being installed in the new office complex at Bombay and the new housing complex at NOIDA.

### SAFETY

The Corporation continued to improve safety standards by reviewing and updating facilities and operating procedures. The following steps have been taken in this regard:

- Unitwise operating manuals have been reviewed and updated.
- Safety Audit Systems have been strengthened in all the Refineries to monitor and review facilities, controls and procedures.
- Safety in LPG handling has been given high priority. Controls, checks and supervision have been strengthened and frequency of training of operating personnel increased.
- Installation of sprinkler system, gas detection equipment and alarms, augmentation of fire water storage and pumping capacities for double fire contingencies in LPG plants are some of the steps being taken for fire prevention and control.



*Constant air quality monitoring ensures environment protection.  
A mobile van with sophisticated equipment in protection  
around Mathura Refinery.*

Your Corporation has won many international and national safety awards during the year.

### **International Safety Awards**

The Sabarmati Terminal won the Award of Merit which is the second highest award instituted by the National Safety Council, U.S.A., for operating 2672034 employee hours without occupational injury or death from January, 1976 to December, 1984.

Korrukkupet Terminal has also won the Award of Merit from the National Safety Council, U.S.A. for operation of 2053836 employee hours without occupational injury or illness or death from January, 1979 to March, 1984.

### **National Safety Awards**

These awards instituted under various schemes by the Directorate General Factory Advice Service, Ministry of Labour, have been won by several Terminals and Depots and Refineries.

Our Terminals and Depots at Korrukkupet, Visakhapatnam, Sabarmati, Tadepalli, Sanatnagar and Royapuram were awarded 'Commendation Certificates' in recognition of good Safety performance under various schemes Instituted by Directorate General Factory Advice Service and Labour Institutes.

### **Refineries**

- Guwahati Refinery won the "Longest Accident Free Period" award for the fourth consecutive year (1980-83).
- Both Guwahati and Barauni Refineries were runners-up for the "Longest Average Frequency Rate" award for 1983.

### **POLLUTION CONTROL**

Pollution Control Cells in Refineries and at the Headquarters of the Refineries and Pipelines Division at New Delhi continued to monitor performance.

Effluent treatment facilities worked satisfactorily during the year. Air quality monitoring was carried out to assess the impact of Refinery operations on the neighbourhood. the concentration of sulphur dioxide in ambient air continued to be well within the limits specified by the regulating agencies.

The following projects which are on hand for further improvement of effluent qualities are likely to cost Rs. 10 crore.

Schemes	Completion Schedule
Debottlenecking and augmentation of effluent treatment plant at Haldia	December, 1986
Installation of biotreater at Barauni Refinery	June, 1987
Modernisation of oil separators at Guwahati Refinery	June, 1987
Augmentation of sewage treatment plant at Gujarat Refinery	October, 1985
Modernisation of effluent collection and treatment system at Digboi Refinery	March, 1987
Installation of waste water treatment plant at Viramgam (Gujarat) and debottlenecking of existing plant at Vadinar (Gujarat)	December, 1987

### RESEARCH AND DEVELOPMENT

During the year, about Rs. 4 crore was spent by the Company on Research and Development activities. Thirty-two new formulations were developed for different products covering automotive oils, industrial oils, greases, metal working oils and specialities. Sixteen of our formulations are undergoing trials and specialities. Sixteen of our formulations are undergoing trials in users' equipment at various establishments like Railways, Steel Plants, Defence Establishments etc. whilst 29 products have been approved by National and International equipment builders after extensive testing and trials. Two patents have been filed in India on formulations of Industrial Oils.

Inductively Coupled Argon Plasma Spectrometer, a high throughput analytical instrument facility for metal mapping of oils/additives has been added to our laboratories. With the installation and commissioning of MWM, Caterpillar 1G2/1H2, Ford Cortina, Fiat 600D, Bajaj Super, Premier Padmini, Tata 697 D Turbo Charged, Leyland AL411 Turbo Charged, engines during 1984-85, the Engine Laboratory has been fully commissioned.

A New Chemical Engineering Division has been created.

The World Intellectual Property Organisation (an Agency of the U.N.O.) has selected our NUTAN Kerosene Wick Stove for award of a Gold Medal.



### UPDATION OF TECHNOLOGY

#### Technology transfer for Valves and Pressure Regulators

An Agreement has been signed with Kosan a/s, Copenhagen, Denmark for transfer of technology for manufacture of valves and pressure regulators. The know-how package for valves has been received and passed on to Indian manufacturers. Manufacture of valves meeting the new standards will commence during the current year. The know-how package for pressure regulators will be received during the course of the current year.

*The ultra-modern inductively coupled Argon Plasma Spectrometer at our R&D centre can analyse 39 elements simultaneously in an oil or additive sample in less than a minute.*



### **Use of Micro Processors and Computers**

A modest beginning was made in 1983-84 by introduction of Micro Processor Based Control System in the Sulphur Recovery Unit and Computerisation of maintenance and inspection schedules on a pilot basis at Mathura Refinery. Financial Accounting and inventory management had been taken up earlier on computers at all refineries. While replacing old furnaces with modern high efficiency furnaces, micro processor based control systems are being adopted. Techno-economic studies are being carried out for gradual replacement of traditional pneumatic instruments and control systems with micro processor based control systems.

### **IMPORT SUBSTITUTION**

Your Corporation is giving the utmost importance to conservation of foreign exchange by the process of import substitution/indigenous development. In this connection, the following efforts have been made during the year. :

- In all Refinery locations our Development Cells are constantly helping Indian manufacturers with catalogues, drawings, specifications etc. for development of indigenous equipment/components as import substitutino. As a result of these efforts, foreign exchange to the extent of about Rs. 137 lakh was saved during the year under review.
- 79 furnace oil customers involving a potential consumption of about 3 lakh tonnes were converted to use LSHS which is surplus in the country. Plans are afoot to convert more customers during the current year. This will reduce import of furnace oil.

### **PERSPECTIVE AND LONG RANGE PLANNING**

Your Corporation has grown steadily over the past 26 years and the future growth rate is expected to increase in terms of investment, operations, sales and manpower. To meet the challenges of the 1990's a perspective plan for a period of 10 years, 1985-86 to 1994-95, has been prepared identifying new investments, modernisation schemes and areas of possible diversification. A long range plan covering a shorter period of 5 year (1985-86 to 1989-90) has also been prepared detailing the action required for achieving the long range objectives.

### **A CORPORATE CITIZEN**

#### **Welfare of Employees**

Various welfare-oriented programmes continued to be pursued by the Corporation. These programmes included concessional loans for house



building and conveyance, transport and canteen facilities, workers' education classes, medical facilities, sports organised by the Corporation, assistance to Employees' clubs, cooperative credit and consumer societies, incentives to encourage Family planning and special medical leave facilities to employees suffering from chronic ailments.

### **Welfare of Weaker Sections**

The directives of the Government on recruitment of candidates belonging to certain categories, namely scheduled castes, scheduled Tribes, Ex-Servicemen and Physically Handicapped, were implemented. The Corporation endeavoured to achieve the prescribed quotas. During the year, the Corporation recruited 3232 employees, out of which 849 belonged to Scheduled Caste/Scheduled Tribe communities and 23 to the other two categories.

A Scholarship scheme for Engineering students belonging to Scheduled Castes/Scheduled Tribes has also been introduced.

*Sports facilities form an important employee welfare activity of the Corporation.*



### **Employees Participation in Management**

Participation of employees exists in various fields such as Canteen, Grievance, Welfare Society, Safety, Medical, Provident Fund etc. Pursuant to the Resolution of Government of India dated 30th December, 1983 laying down a new scheme of employees' participation in management, efforts were made to create a congenial atmosphere paving the way for effective employee participation. To generate favourable attitudes of employees towards participation, seminars on the theme were organised. An action plan to involve employees at all levels has been prepared and is being implemented.

### **Employee Relations**

Industrial relations during the year in all the units of the Corporation have been cordial in general.

### **Training**

Your Corporation has developed training institutes in each Refinery and training centres in the marketing Division for providing technical training and management development programmes. To meet future requirements, apart from the existing Management Academy at Haldia, the Corporation has planned for a Management Development Institute at Gurgaon and a Technical Training Institute of Dehra Dun. Land has been acquired for both these institutes. Consistent with changing needs, several new courses and workshops on LPG Plant Operation, Safety for Plant Operation, Counselling, and microprocessor based instrumentation and controls were conducted. Computer Appreciation and other residential seminars were also conducted. During the year, 4870 officers and 5946 workmen attended training programmes.

Two managers from the Ceylon Petroleum Corporation participated in our training programmes. Your Corporation provided training on "Petroleum storage, Handling and Distribution" to 92 Army Officers during the year. "Aviation Operations and Quality Control" training was imparted to 67 Air Force Personnel.

### **Human Resource Development**

The Corporation had a manpower of 30,536 including 6,444 officers on 31.3.85.

Recognising that our employees as a resource are our biggest asset, the Corporation has embarked on Human Resource Development

programmes covering Role Analysis, Goal Setting and Appraisal, Feed Back and Counselling, Recruitment and Selection, Succession Planning, Career Planning, Manpower Planning and Forecasting. An Action Research Project at Haldia Refinery (R&P Division) and Northern Region (marketing Division) was initiated. Based on encouraging results, it has been decided to extend this activity throughout the Corporation.

### **Donations**

As part of community relations and also to encourage developmental efforts, particularly in the fields of education and management, your Corporation has donated Rs. 53 lakh during the year to various reputed educational and management development institutions and to the Prime Minister's and Chief Ministers' Relief Funds.

### **Rural Development Programmes**

The Corporation has been extending assistance for rural development in the vicinity of our refineries. To promote community development an Action Plan was prepared for undertaking welfare/development work in five villages namely Bhainsa, Bad, Koila Alipur, Dhana Teja and Chhargaan, near Mathura Refinery. Our Gujarat Refinery has adopted village Undera for various health services like family planning, child immunisation, leprosy treatment, and anit-malaria drive.

### **HINDI IMPLEMENTATION**

Pursuant to the provisions of the Official Languages Act, 1963 and Official Languages Rules, 1976, efforts continued to be made to increase the use of Hindi in official work. Employees are being given incentives in the form of cash awards for learning Hindi and during the year employees passed various Hindi examinations. Regular quarterly meetings of the Hindi implementation Committees were held.

Thirty four Hindi Workshops were conducted, while 288 forms and 139 documents were made bilingual. Our offices have been provided with 98 Hindi typewriters so far.

### **INDIAN OIL BLENDING LIMITED**

The Annual Accounts and Directors' Report of the Indian Oil Blending Limited (IOBL), a wholly owned subsidiary of the Corporation are annexed hereto IOBL has earned a net-profit of Rs. 32.21 lakh as against Rs. 16.40



lakh in the previous year after providing for depreciation of Rs. 30.13 lakh and taxation provision on Rs. 42 lakh. A dividend of 10% has been declared for the year 1984-85.

### **INDIA TRADING (HOLDINGS) LIMITED**

This company was set up with the primary objective of acting as Trustees of two Provident Funds of the employees of the erstwhile Assam Oil Company Limited and Oil India Limited and the Pension Fund of the employees of Oil India Limited. Consequent upon the vesting of the Trust Fund in the respective successor companies i.e. India Oil Corporation Limited and Oil Indian Limited, the primary purpose for which the company was set up no longer remained. There was no transaction during the financial year ending December, 1984 and, therefore, no accounts were prepared by the company. On being approached, the Registrar of Companies struck off the name of India Trading (Holdings) Limited from their register and the said company stood dissolved. A copy of the Notification No. Tech/R/560(5)/1257/5380 dated 15.3.85 from the Registrar of Companies, Shillong, is annexed to the report.

### **Foreign Tours**

Out of the total number of 86 tours undertaken by the officers during 1984-85, 21 were for attending training programmes. The total expenditure on foreign tours during the year was Rs. 21.60 lakh out of which Rs. 2.73 lakh was on training courses.

### **Entertainment Expenses**

The entertainment expenses of the Corporation for the year 1984-85 were Rs. 7.60 lakh.

### **BOARD OF DIRECTORS**

In terms of Article 94(d) of the Articles of Association of the Corporation, the following Directors will retire at the Annual General Meeting but are eligible for reappointment :

1. Shri S.L. Khosla
2. Shri T.N.R. Rao
3. Shri Arvind Varma
4. Shri D.K. Singh
5. Shri D.K. Biswas
6. Shri V.M. Lal

## PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to section 217 (2A) of the Companies Act and Companies (Particulars of Employees) Rules, 1975 are annexed.

## AWARD ON ANNUAL ACCOUNTS

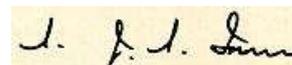
The Institute of Chartered Accountants of India has adjudged the Annual Report and Accounts of your Corporation for the year 1983-84 as the best presented amongst the entries received from Companies and non-financial statutory Corporations for 1983-84. A Silver Shield representing the first prize has been awarded to the Corporation by the Institute.

The Association of Business Communicators of India (ABCI) awarded in 1984 the first prize to our Corporation for the Annual Report (1982-83) in the category of 'manufacturing or retail sales' companies.

## ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation of the excellent work done by the members of the Indianoil family. The Board of Directors also wish to acknowledge gratefully the support and guidance received from the Government of India and the State Governments.

For and on behalf of the Board



Chairman

New Delhi  
Dated 12th September, 1985



## HOW FUNDS GENERATED & UTILISED

(Rupees in Crores)

DESCRIPTION	FOR THE YEAR ENDED 31ST MARCH					
	1985	1984	1983	1982	1981	1980
<b>A. SOURCE OF FUNDS</b>						
1. Internal Resources						
Retained Profit	66	65	100	89	69	64
Depreciation	160	178	104	71	58	52
	<u>226</u>	<u>243</u>	<u>204</u>	<u>160</u>	<u>127</u>	<u>116</u>
2. External Resources:						
Share Capital	—	—	—	—	—	—
Borrowings from Govt./Others	19	188	24	20	82	63
Borrowings from Bank	(236)	(29)	(167)	(94)	316	205
	<u>(217)</u>	<u>159</u>	<u>(143)</u>	<u>(74)</u>	<u>398</u>	<u>268</u>
Total Funds	<u>9</u>	<u>402</u>	<u>61</u>	<u>86</u>	<u>525</u>	<u>384</u>
<b>B. UTILIZATION OF FUNDS</b>						
Increase in Fixed Assets	231	186	146	188	163	150
Net Increase/decrease in working capital	<u>(222)</u>	<u>216</u>	<u>(85)</u>	<u>(102)</u>	<u>362</u>	<u>234</u>
	<u>9</u>	<u>402</u>	<u>61</u>	<u>86</u>	<u>525</u>	<u>384</u>
<b>CHANGES IN WORKING CAPITAL</b>						
A. Current Assets:						
1. Inventories	144	247	51	46	457	249
2. Book Debts	50	(52)	(39)	152	3	69
3. Cash & Bank Balance	76	(5)	—	(9)	9	—
4. Loans & Advances	(128)	(30)	134	(276)	130	232
	<u>142</u>	<u>160</u>	<u>146</u>	<u>(87)</u>	<u>599</u>	<u>550</u>
<i>Less:</i>						
B. Current Liabilities & Provisions	364	(56)	231	15	237	316
C. Working Capital (A-B)	<u>(222)</u>	<u>216</u>	<u>(85)</u>	<u>(102)</u>	<u>362</u>	<u>234</u>

Note: Figures in brackets denote minus.

## STATEMENT OF ADDED VALUE 1984-85

	Rupees in Crores	Percentage
Value of Production (Refineries)	4038	
Less: Cost of Direct Materials	<u>3717</u>	
Added Value	321	
Marketing Operations	218	
Pipeline Operations	75	
R&D	<u>2</u>	
	616	
<b>SHARED TOWARDS</b>		
<b>1. Operations</b>		
Employees Benefits (Salaries, wages & other benefits)	111	18.0
Other Costs	<u>100</u>	16.3
	211	
<b>II. Financing:</b>		
Interest	79	12.8
Dividend	<u>17</u>	2.8
	96	
<b>III. Taxation</b>		
	79	12.8
<b>IV. Expansion &amp; Growth</b>		
Depreciation	164	26.6
Retained Profits	<u>66</u>	10.7
	230	

## A TEN YEAR PROFILE

	1984-85	1983-84	1982-83
<b>WHAT WE OWE:</b> Share Capital	123	123	123
Reserves	703	637	572
Net worth	826	760	695
Borrowings	504	721	562
	1,330	1,481	1,257
<b>WHAT WE OWN:</b> Fixed Assets	1,769	1,538	1,352
Less: Depreciation	833	673	495
	936	865	857
Working Capital	394	616	400
	1,330	1,481	1,257
<b>INCOME:</b> Sales	11,051	10,293	9,792
Accretions/Decretions in stock	(19)	42	205
Other Income	71	61	62
	11,103	10,396	10,059
<b>EXPENDITURE:</b> Purchase & Manufacturing Expenses	10,509	9,820	9,597
Establishment, Admn. & Selling Expenses	189	160	133
Depreciation	164	183	106
Interest	79	89	73
	10,941	10,252	9,909
<b>PROFIT BEFORE TAX</b>	<b>162</b>	144	150
<b>PROFIT AFTER TAX</b>	<b>83</b>	82	117
<b>DIVIDENDS</b>	<b>17</b>	17	17
<b>RETAINED EARNINGS</b>	<b>66</b>	65	100
<b>RATIOS</b> Profit after tax as			
% to average net worth	<b>10.5</b>	11.3	18.1
Earnings per Equity Share (Rupees)	<b>677.0</b>	670.0	948.0
Net worth/Equity Share (Rupees)	<b>6,704.0</b>	6,167.0	5,637.0

Note: Figures in brackets denote minus.

(Rupees in Crores)

1981-82	1980-81	1979-80	1978-79	1977-78	1976-77	1975-76
123	82	82	82	82	82	71
472	424	355	291	232	191	149
595	506	437	373	314	273	220
705	778	380	112	76	47	43
1,300	1,284	817	485	390	320	263
1,206	1,018	855	705	585	476	384
391	320	262	210	180	161	140
815	698	593	495	405	315	244
485	586	224	(10)	(15)	5	19
1,300	1,284	817	485	390	320	263
7,958	5,719	4,502	3,567	3,001	2,662	2,421
98	51	155	9	31	14	(19)
62	85	27	20	21	16	14
8,118	5,855	4,684	3,596	3,053	2,692	2,416
7,742	5,544	4,435	3,406	2,873	2,514	2,287
93	73	64	55	53	48	47
74	57	52	31	19	22	26
95	73	5	4	8	2	4
8004	5,747	4556	3,496	2,953	2,586	2,364
114	108	128	100	100	106	52
106	81	74	69	49	49	30
17	12	10	10	8	7	6
89	69	64	59	41	42	24
19.3	17.2	18.3	20.1	16.7	19.9	14.4
864.0	981.0	894.0	842.0	599.0	589.0	420.0
4829.0	6,156.0	5,314.0	4,541.0	3,819.0	3,319.0	3,098.0

## PERFORMANCE AT A GLANCE

	1984-85	1983-84	1982-83	1981-82	1980-81
REFINERIES THROUGHPUT (in million tonnes)	20.57	19.46	17.83	13.86	10.43
† PERCENTAGE UTILIZATION OF CAPACITY	100.6	95.2	87.2	88.5	*74.8
Pipelines Throughput	17.90	16.25	13.87	9.15	8.24
PRODUCT SALES (in million tonnes)	22.97	21.55	21.34	19.93	18.35
(Rs. in Crores)					
TURNOVER	11,051.03	10,293.18	9,791.60	7,958.06	5,719.42
PROFIT— before depreciation, interest payment and tax provision	404.90	416.11	328.25	283.00	238.46
PROFIT—before depreciation and tax provision	326.38	326.70	255.69	188.16	165.29
PROFIT—after depreciation, interest but before tax provision	162.35	144.04	150.08	114.03	108.15
PROFIT—after depreciation, interest and tax provision	83.51	82.54	116.85	106.53	80.65
DUTIES PAID	1,264.62	1,154.56	1,057.44	932.02	861.40
LOANS REPAYED — from internal resources	36.89	34.87	32.45	14.29	14.85
DIVIDEND	17.26	17.26	17.26	17.26	11.50
RESERVES & SURPLUS — cumulative	703.15	636.89	571.61	472.02	423.67

\* Low production due to non-availability of crude oil during Assam agitation.

† Design capacity of 18.75 million tonnes has been progressively increased to 20.45 million tonnes through debottlenecking processes.

Note: Figures include prior year adjustments.

### ANNEXURE TO THE DIRECTORS' REPORT DATED 12TH SEPTEMBER, 1985 REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION FOR THE YEAR ENDED 31ST MARCH 1985 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Financial Position	As at 31st March		
(a) The financial position of the company as on 31st March for the last three is given below:	1983	1984	(Rs. in lakh) 1985
<b>Assets</b>			
(i) Net fixed assets	67,801.71	64,908.17	65,840.78
(ii) Capital work-in-progress	17,946.59	21,598.01	27,737.64
(iii) Investments	44.77	44.92	45.17
	<u>85,793.07</u>	<u>86,551.10</u>	<u>93,623.59</u>
(iv) Working Capital			
(a) Current assets Loans & Advances	1,76,186.18	1,92,136.88	2,06,378.55
(b) Less: Current Liabilities (including provisions)	<u>1,36,221.27</u>	<u>1,30,519.56</u>	<u>1,66,975.55</u>
	<u>39,964.91</u>	<u>61,617.32</u>	<u>39,403.00</u>
Total Assets	1,25,757.98	1,48,168.42	1,33,026.59
Less			
Long term loans	23,288.03	35,323.62	26,831.94
Short term loans	26,654.15	26,040.40	4,239.97
Public deposits	<u>6,328.55</u>	<u>10,788.79</u>	<u>19,313.43</u>
Net worth	<u>69,487.25</u>	<u>76,015.61</u>	<u>82,641.25</u>
Net worth as shown above is represented by			
Paid up capital	12,326.58	12,326.58	12,326.58
Reserves & Surplus	<u>57,160.67</u>	<u>63,689.03</u>	<u>70,314.67</u>
	<u>69,487.25</u>	<u>76,015.61</u>	<u>82,641.25</u>

- (b) The paid-up capital, wholly contributed by GOI, was increased from Rs. 8,217.72 lakh to Rs. 12,326.58 lakhs by issue of bonus shares for Rs. 4,108.86 lakhs in 1981-82 and is maintained at that level since then.
- (c) The debt-equity ratio of the company was 2.40:1 in 1982-83, 3.93:1 in 1983-84 and 4.08:1 in 1984-85.
- (d) The company had declared dividend on the equity capital at the rate of 14% during 1982-83 and 1983-84 and has proposed dividends at the same rate for 1984-85 also, accounting for Rs. 1,725.72 lakhs.

### 2. Capital work-in-progress

The company has a number of capital works in hand. The expenditure on these as on 31st March 1985 amounted to Rs. 277.38 crore. Of this, the expenditure incurred on the Karnal Refinery Project is Rs. 5.46 crore. The refinery project (estimated cost Rs. 1,359 crore) scheduled to be completed by September 1989 is reported to be under review:

### 3. Working Capital

- (a) The working capital of the company for the year ended 31st March, 1983, 1984 and 1985 was Rs. 39,965 lakh, Rs. 61,617 lakh and Rs. 39,403 lakh respectively and had been financed by bank borrowings to the extent of Rs. 26,654 lakh, Rs. 23,740 lakh and Rs. 140 lakh as on 31st March 1983, 1984 and 1985 respectively. The balance has been met by short term borrowings from others and internal sources.
- (b) The current assets and loans and advances are analysed below:
- (i) **Inventory:** The inventory position at the close of the last three years is as follows:

	(Rs. in lakh)		
	1982-83	1983-84	1984-85
(a) Raw materials (crude, lube base stock etc.)	27,128	47,164	60,940
(b) Stores & Spares catalysts, and chemicals	10,346	11,178	13,527
(c) Stock in process	6,842	6,965	7,071
(d) Finished goods	63,004	66,681	64,760
(e) Other stores (stock of empty barrels)	192	225	269

The stock of raw materials was equivalent to about 1.75 months' consumption in 1984-85 as compared to 1.50 months' in 1983-84 and 0.98 months' in 1982-83.



The stores and spares, catalysts and chemicals at the end of 1984—85 represented 16.01 months' consumption as against 16.04 months' in 1983—84 and 16.24 months' in 1982-83. Included in this, are the stores and spares of the Pipelines Division amounting to Rs. 17 crore as on 31st March 1985 (representing 40 months' consumption) as against Rs. 12.82 crore as on 31st March 1984 (42 months' consumption) and Rs. 9.61 crore as on 31st March 1983 (46 months' consumption).

The stock in process at the end of 1984—85 represented about 0.076 months' value of business (at cost) as against 0.079 months' and 0.083 months' at the end of 1983—84 and 1982—83 respectively.

The finished goods at the end of 1984—85 amounted to about 0.70 months' sales during 1984—85 as compared to 0.78 months' in 1983—84 and 0.77 months' in 1982—83.

**(ii) Sundry debtors:** The sundry debtors as on 31.3.1983, 31.3.1984 and 31.3.1985 amounted to Rs. 31,478.23 lakh, Rs. 26,287.79 lakh and Rs. 31,335.80 lakh respectively of which Rs. 657.56 lakh, Rs. 789.31 lakh and Rs. 908.82 lakh as on 31.3.1983, 31.3.1984 and 31.3.1985 were considered doubtful and provided for. The percentage of debtors to sales was 3.3%, 2.6% and 2.9% as on 31.3.1983, 31.3.1984 and 31.3.1985 respectively.

The increase in bad debts in 1984—85 over 1983—84 is on account of (1) over Rs. 50 crore outstanding for BH crude oil export (2) Rs. 83.26 crore from Government parties for product supplies.

**(iii) Cash and bank balances:** The balance under this head has increased from Rs. 1,568.66 lakh as on 31st March 1984 to Rs. 9,173.88 lakh owing mainly to cheques for Rs. 4,991 lakh held in hand as on 31st March 1985.

The bank balances have improved from Rs. 247.57 lakh as on 31st March 1984 to Rs. 2,839.44 lakh as on 31st March 1985, after liquidating a net bank loan of Rs. 23,600.43 lakh in 1984—85.

The reconciliation with bank accounts is yet to be completed in respect of 265 remittances (Rs. 1,048 lakh) into bank and 259 credits (Rs. 887 lakh) afforded by bank from the period prior to 1979 to end of 1984—85.

**(iv) Loans and advances.** The balance has come down from Rs. 32,066.43 lakh as on 31st March 1984 to Rs. 19,301.27 lakh as on 31st March 1985.

Of the amount of Rs. 48.06 crore shown as claims recoverable under this head, as on 31st March, 1985, a net amount of Rs. 12.02 crore is recoverable from BPCL, HPC and SCI towards sub-charter hire charges and tanker performance claims for the period prior to 1979 to the end of 1984—85.

#### 4. Working Results

The working results for the three years ended 31st March, 1985 are given below;

	1982—83	1983—84	(Rs. in lakh) 1984—85
<b>(a) Income</b>			
(i) Sale of products and crude including Company's use of own oil	9,81,341	10,29,783	11,07,849
(ii) Recovery of Main installation and other charges	251	311	369
(iii) Increase/(decrease) in finished goods	20,526	4,179	(1,882)
(iv) Interest	1,022	1,115	1,272
(v) Other Income	1,266	1,735	1,989
(vi) Provision for doubtful debts written back	88	324	281
(vii) Recovery under an award	755	786	815
Total Income (a)	<u>10,05,249</u>	<u>10,38,233</u>	<u>11,10,693</u>
<b>(b) Expenditure</b>			
(i) Purchase of products and crude for resale	4,84,746	4,48,131	4,54,241
(ii) Raw materials consumed	3,33,173	3,76,862	4,18,620
(iii) Stores & Spares consumed	7,644	8,363	10,137
(iv) Power & Fuel	910	931	1,029
(v) Repairs & Maintenance	3,510	4,623	5,635
(vi) Payments to employees	8,296	9,778	11,010
(vii) Office Administration, selling and other expenses	5,449	6,412	7,801
(viii) Depreciation	10,129	18,263	16,466
(ix) Duties	1,05,673	1,15,132	1,26,265
(x) Interest	7,782	8,017	8,508
(xi) Others	23,816	28,526	33,888
Less: Transfer to capital account	1,046	516	603
<b>Total expenditure (b)</b>	<u>9,90,082</u>	<u>10,24,522</u>	<u>10,92,997</u>
(c) Profit for the year (a—b)	15,167	13,711	17,696
(d) Prior period adjustment	(160)	693	(1,461)
(e) Profit before tax (c—d)	<u>15,007</u>	<u>14,404</u>	<u>16,235</u>

With the provision for taxation at Rs. 7,884 lakh and creation of investment allowance reserve for Rs. 1,250 lakh the disposable profit for the year 1984—85 comes to Rs. 7,101 lakh.

The profit for the year constitutes 1.49%, 1.32% and 1.59% of the total income for the year 1982—83, 1983—84 and 1984—85 respectively. The total income for 1984—85 has registered an increase of 6.98%, over that of 1983—84, while the expenditure for 1984—85 rose by 6.68% over that of 1983—84. The higher increase in the total income, attributable to increased quantity of products sold, has resulted in higher profit for 1984—85 as compared to 1983—84.

### 5. Capacity utilisation of refineries and sales performance of Marketing division

#### 1. Capacity utilisation of Refineries

(a) The throughput capacity utilisation of the six refineries of the Company during 1983—84 and 1984—85 is indicated below:

Refineries at	Capacity	Capacity adopted by OCC for pricing purpose	Actual throughput (% to capacity)	
			In Million M.T.s	
			1983—84	1984—85
(a) Guwahati	0.85	0.80	0.87 (102%)	0.76 (89%)
(b) Barauni	3.30	3.00	2.91 (88%)	2.90 (88%)
(c) Koyali	7.30	6.80	7.33 (100%)	7.78 (107%)
(d) Haldia	2.50	2.35	2.58 (103%)	2.36 (94%)
(e) Mathura	6.00	5.40	5.22 (87%)	6.24 (104%)
(f) Digboi	0.50	0.50	0.55 (110%)	0.53 (106%)
	<u>20.45</u>		<u>19.46</u> (95%)	<u>20.57</u> (101%)

(b) The lower throughput in 1984—85 as compared to 1983—84 in Guwahati, Barauni, Haldia and Digboi refineries has been attributed to the following:

- (a) Guwahati & Barauni: lower crude availabilities from the oil fields of ONGC/OIL in the north east region
- (b) Haldia: Shut-down in 1984—85—there was no shut-down in 1983—84.
- (c) Digboi: ullage problem due to rail movement constraints arising out of tank wagon shortage, floods, etc. etc.

(c) In most of the cases, the capacity operated has exceeded the capacity adopted by OCC for determination of refinery retention prices, though these are lower than installed capacity, except in Digboi.

#### 2. Sales performance of Marketing Division

Sales volume, Company's share in the overall market, growth rates of sales of Indian Oil Corporation and industry during the three years ended 31st March, 1985 are given below:

Year ended 31st March	Sales Volume (in MMT)	IOC's share in in Market (%)	Industry growth rate of sales (%)	IOC's growth rate of sales (%)
1983	21.34	61.5	8.3	6.6
1984	21.55	60.3	1.0	3.1
1985	22.97	59.2	6.6	8.4

**6. Fuel and Loss**

- (i) Fuel and loss percentages in the six refineries of the Company during 1983—84 and 1984—85 are compared below with OPC norms.

Refineries at	OPC Norms (%)	Actual (%)	
		1983—84	1984—85
(a) Guwahati	8.50	8.49	9.23
(b) Barauni	6.77	7.56	7.17
(c) Koyali	7.65	6.57	6.48
(d) Haldia	10.77	9.41	9.58
(e) Mathura	6.61	5.94	5.67
(f) Digboi	4.20	3.46	3.54

- (ii) The increase in fuel and loss in Guwahati, Haldia and Digboi refineries in 1984—85 as compared to 1983—84 is attributed by the Management to the following:

(a) Guwahati: Higher consumption of fuel on account of commissioning activity of the Naptha splitter facilities and lower throughput in 1984—85 as compared to 1983—84.

(b) Haldia: Equipment problems in the production in lubes.

(c) Digboi: Lower throughput in 1984—85 as compared to 1983—84.

- (iii) The lower fuel and loss in Koyali and Mathura refineries in 1984—85 as compared to 1983—84 has been attributed to higher throughput in 1984—85.

Sd/-

Saraswathi R. Rao  
Member Audit Board & Ex-Officio  
Director of Commercial Audit  
(Petroleum and Oil)  
Madras-34

Madras,  
19th September, 1985

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1985 and the Profit and Loss Account of the Corporation annexed thereto for the year ended on that date 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 purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of the books;
  - (c) The allocation of work between the auditors has been followed as per directions contained in the letter No. 17/190/85-IGC dated 16th March, 1985 addressed to the Secretary, Indian Oil Corporation Ltd., by the Government of India, Ministry of Industry & Company Affairs, Department of Company Affairs, New Delhi, copies of which were forwarded to us.
  - (d) The reports on the accounts 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) Attention is drawn to Note No. 3(b) on Schedule 'P' regarding non-determination and non-provision of Claims/Compensation in respect of land acquired at the refineries.

Subject to the forgoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other Notes appearing on Schedule 'P', 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 affair of the Corporation as at 31st March, 1985
- and
- (ii) In the case of Profit and Loss Account, of the Profit of the Corporation for the year ended on that date.

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

R.K. AGRAWAL  
*Partner*

*New Delhi, 25th July, 1985*

C.C. CHOKSHI & CO.  
*Chartered Accountants*  
By the Hand of

R.J. DAMANWALA  
*Partner*



**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in Paragraph 1 of our Report of even date)**

1. The Corporation has generally maintained proper records to show full particulars including quantitative details and situation of fixed assets except incase of certain Furniture and Fixtures. The fixed assets of the Corporation are physically verified by the Management in a phased progreamme of three years cycle 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. As per the information given to us by the Management, no serious discrepancies have been noticed on such physical verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, packages and raw materials except those lying with outside parties, have been physically verified during the year by the Management and the stock of stores and spare parts excluding those segregated as capital stores, are verified by them in a phased programme so as to complete the verification thereof over a period of three years. In our opinion, the above frequency of verification is reasonable. We have been informed that the discrepancies noticed on verification between the physical stocks and the 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 some cases, the reconciliation between physical stocks 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 above stocks, subject to note 4 on Schedule 'P' regarding surplus/slow moving stores, is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
4. The Corporation has not taken any loans from companies, firms or other parties in which the 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 the principal and interest amounts have become overdue, for the recovery of which reasonable steps have been taken by the Management.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensuarate with the size of the Corporation and the nature of its busines with regard to the purchase of stores raw materials including component, plant and machinery, equipment and other 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 thereof, subsidiaries or from companies or other parties in which the Directors are interested, are reasonable as compared to the price of similar items supplied by other parites or as available with the Corporation, except in some cases where 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 the general guidelines of the Government.
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, loss, if any, on the above items has not been provided as on 31st March, 1985 as the quantum thereof is stated to be undeterminable (Refer Note No. 4 on Schedule 'P').
9. In our opinion and as per the information and explanations given to us, the Corporation has complied with the provisions of Section 58 A of the Companies Act, 1956 and the rules framed thereunder in respect of deposits accepted by it during the year except that interest accrued on commulative deposits is not treated as part of deposits.
10. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps, where significant.
11. The Corporation has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
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 with the appropriate authorities during the year.
14. As per the information and explanations given to us, there were no damaged stocks at the close of the year in respect of goods traded in by the Corporation.

S.R. BATLIBOI & CO.  
*Chartered Accountants*  
R.K. AGRAWAL  
*Partner*  
New Delhi, 25th July, 1985

C.C. CHOKSHI & CO.  
*Chartered Accountants*  
By the Hand of  
R.J. DAMANWALA  
*Partner*



### STATEMENT ON 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

Direct and financing expenses, if any, incurred during construction period are capitalised only in respect of major projects costing Rs. 5 crores or more. In addition, for new refineries/expansions and new pipelines, the allocable overheads are also capitalised.

##### 1.3 Depreciation

1.3.1 No depreciation is charged on freehold land. Cost of lease-hold land is amortised during the lease period. Plant & Machinery costing upto Rs. 5,000 are depreciated fully in the year of capitalisation after retaining a token value of Re. 1/-. Furniture & Fixtures (except tables and chairs) costing upto Rs. 250/- are charged off to revenue. Capital Expenditure on assets, the ownership of which is not with the Corporation, are depreciated over a period of five years. Depreciation on fixed assets other than above is charged on straightline method based on the assessed life of assets at rates not lower than the corresponding rates prescribed under the Income Tax Act, retaining 5% of the original cost of the assets as residual value. Depreciation is charged for full year irrespective of the date of installation/commissioning of the assets. 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, 1961.

##### 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, LOANS & ADVANCES:

##### 2.1 Valuation of Stock in Trade

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

2.1.2 Process stock is valued at raw materials cost.

##### 2.2 Claims Recoverable

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

#### 3. CURRENT LIABILITIES & PROVISIONS:

3.1 Outstanding liabilities for imported crude oil and products are provided at the exchange rate prevailing at the year end, except in case of bills paid upto 30th April, where the liability is provided at actuals.

3.2 Provision for gratuity is made on the basis of departmental calculations at fifteen days' salary for a month equivalent to 26 days for every year of service completed by eligible employees as per rules of the Corporation amended from time to time except in case of Assam Oil Division where the same is made on the basis of actuarial valuation of the previous period.

#### 4. PROFIT AND LOSS ACCOUNT:

##### 4.1 Sales

Sales proceeds include excise duty and Industry Pool Account Adjustments (Net.)

##### 4.2 Classification of Expenditure/Income.

4.2.1 Raw Material consumed/and purchases of products and crude for resale are net of Industry Pool Account Adjustments.

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

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

4.2.4 Excise/customs duty is not provided on oil stocks stored in the Bonded Tanks.

A.J.A. TAURO  
Chairman

K.K. MALHOTRA  
Director (R&P)

S.K. COMAL  
Director (Finance)

B. K. BAKHSHI  
Director (Marketing)

D. B. PURI  
Secretary

New Delhi, 25th July, 1985.



## BALANCE SHEET AS AT 31ST MARCH, 1985

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>SOURCES OF FUNDS:</b>				
1. Shareholders' Funds:				
(a) Share Capital	'A'	12,326.58		12,326.58
(b) Reserves and Surplus	'B'	<u>70,314.67</u>		<u>63,689.03</u>
			82,641.25	<u>76,015.61</u>
2. Loan Funds:				
(a) Secured	'C'	139.97		23,740.40
(b) Unsecured	'D'	<u>49,572.14</u>		<u>48,412.41</u>
			49,712.11	<u>72,152.81</u>
3. Deferred Payment Liabilities			<u>673.23</u>	—
	<b>TOTAL:</b>		<u>1,33,026.59</u>	<u>1,48,168.42</u>
<b>APPLICATION OF FUNDS:</b>				
1. Fixed Assets;				
(a) Gross Block	'E'	1,49,180.94		1,32,158.79
(b) Less: Depreciation		<u>83,340.16</u>		<u>67,250.62</u>
		65,840.78		64,908.17
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	<u>27,737.64</u>		<u>21,598.01</u>
			93,578.42	<u>86,506.18</u>
2. Investments	'G'		45.17	44.92
3. Current Assets, Loans and Advances:				
A. Current Assets:				
(a) Interest accrued on Investments		0.70		0.43
(b) Inventories	'H'	1,46,566.90		1,32,213.57
(c) Book Debts	'I'	31,335.80		26,287.79
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		6,334.40		1,321.04
(e) Bank Balances:				
(i) With Scheduled Banks:				
(a) On cash Credit Account		2,305.84		—
(b) On Current Account		230.90		167.72
(c) On Fixed Deposit Account (including <b>Rs. 15.54 lakhs</b> —1984: Rs. 15.54 lakhs lodged with outside parties)		<u>277.64</u>		<u>60.12</u>
	C/F...	<u>1,87,052.18</u>		<u>1,60,050.67</u>
	Carried Forwards...		93,623.59	86,551.10

### BALANCE SHEET AS AT 31ST MARCH, 1985—(Contd.)

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
Brought Forward...			93,623.59	86,551.10
B/F...		1,87,052.18		1,60,050.67
(d) On Blocked Account (including on Fixed Deposit Account <b>Rs. 22.81 lakhs</b> —1984: Rs. 18.54 lakhs)		25.06		19.73
(ii) With Post Office: On Saving Account		0.04		0.05
B. Loans and Advances	'J'	<u>19,301.27</u> 2,06,378.55		<u>32,066.43</u> 1,92,136.88
Less: Current Liabilities and Provisions	'K'	1,66,975.55		1,30,519.56
Net Current Assets: (Working Capital)			<u>39,403.00</u>	<u>61,617.32</u>
<b>TOTAL:</b>			<u>1,33,026.59</u>	<u>1,48,168.42</u>
4. Contingent Liabilities not provided for (Refer Schedule 'P' Note-1)				
5. Notes forming part of Accounts	'P'			

A.J.A. TAURO  
Chairman

K.K. MALHOTRA  
Director (R&P)

S.K. COMAL  
Director (Finance)

B.K BAKSHI  
Director (Marketing)

D.B.PURI  
Secretary

As per our Report attached

S.R. BATLIBOI & CO.  
Chartered Accountants

C.C. CHOKSHI & CO.  
Chartered Accountants  
By the Hand of

R.K. AGRAWAL  
Partner  
New Delhi, 25th July, 1985.

R.J. DAMANWALA  
Partner

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1985

		1984	
<b>INCOME:</b>		<b>Rupees</b>	<b>Rupees</b>
		<b>(in lakhs)</b>	<b>(in lakhs)</b>
1.	(i) Sale of Products and Crude and Transfer under Product Exchange	11,06,032.38	10,28,046.42
	(ii) Less: Commission and Discounts	<u>526.84</u>	<u>475.52</u>
		11,05,505.54	10,27,570.90
2.	Company's use of own Oil	<u>2,343.16</u>	<u>2,212.36</u>
			10,29,783.26
3.	Recovery of Main Installation and Other Charges		310.76
4.	Increase in Stocks:		
	Closing Stock as on 31st March, 1985:		
	Finished Products	64,760.23	66,681.27
	Stock-in-Process	<u>7,070.70</u>	<u>6,965.41</u>
		<u>71,830.93</u>	<u>73,646.68</u>
	Less: Opening Stock as on 1st April, 1984:		
	Finished Products	66,681.27	63,004.17
	Adjustments in respect of Opening Stock of Finished Products	66.36	(378.99)
	Stock-in-Process	<u>6,965.41</u>	<u>6,842.46</u>
		<u>73,713.04</u>	<u>69,467.64</u>
			<u>4,179.04</u>
5.	Interest:		(1,882.11)
	(i) On Advances	336.85	314.16
	(ii) On Fixed Deposits with Banks	29.66	6.89
	(iii) ON Post Office Savings Account	—	0.01
	(iv) From Customers on Outstandings	<u>905.36</u>	<u>794.16</u>
			<u>1,115.22</u>
6.	Other Income (Schedule 'L')		1,989.36
7.	Provision for Doubtful Debts, Advances and Claims written back		281.02
8.	Recovery under an Award		815.61
			<u>785.51</u>
	<b>TOTAL INCOME:</b>		<u>11,10,693.19</u>
			<u>10,38,232.94</u>
<b>EXPENDITURE:</b>			
1.	Purchases of Products and Crude for resale and Transfers under Product Exchange		4,54,240.95
2.	Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		4,87,993.49
3.	Duties		1,26,265.42
4.	Depreciation and Amortisation		16,466.72
5.	Main Installatin charges paid to Other Oil Companies		126.01
6.	Interest:		
	(i) On Government Loan for fixed period	691.38	871.77
	(ii) On loan from Oil Industry Development Board	1,007.97	1,176.62
	(iii) On loan from Oil Co-ordination Committee	2,120.66	717.69
	(iv) On loan from Maruti Udyog Ltd.	722.84	600.65
	(v) On Deferred Payments	9.82	—
	(vi) On Foreign Credit for fixed period	—	0.04
	(vii) On Public Deposits	2,231.00	1,227.19
	(viii) Others	<u>1,724.46</u>	<u>3,423.39</u>
			<u>8,508.13</u>
			<u>10,93,600.72</u>
	Carried Forward...		10,25,038.08

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1985—(Contd.)

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
Brought Forward...		10,93,600.72	10,25,038.08
7. Less:			
(i) Amount transferred to Construction period expenses pending allocation (Net of Recover Rs. 27.03 lakhs—1984: Rs. 44.16 lakhs)	487.62		413.58
(ii) Expenses transferred to Manufacturing of drums	<u>115.83</u>		<u>102.40</u>
		603.45	515.98
<b>TOTAL EXPENDITURE:</b>		<u>10,92,997.27</u>	<u>10,24,522.10</u>
8. Profit for the year before tax		17,695.92	13,710.84
9. Less: Expenses relating to previous years (Net) (Schedule 'O')		<u>(1,460.61)</u>	<u>(693.24)</u>
<b>10. PROFIT BEFORE TAX</b>		16,235.31	14,404.08
11. Provision for taxation	8,100.00		6,150.00
12. Less: Excess provision for taxation in respect of previous years' completed assessment (Net)	<u>216.05</u>		<u>—</u>
		<u>7,883.95</u>	<u>6,150.00</u>
<b>13. PROFIT AFTER TAX</b>		8,351.36	8,150.00
14. Development Rebate Reserve		159.27	1,004.00
15. Balance brought forward from last year's Account		<u>0.23</u>	<u>0.87</u>
<b>16. DISPOSABLE PROFIT</b>		<u>8,510.86</u>	<u>9,258.95</u>
<b>APPROPRIATIONS:</b>			
17. Proposed Dividend		1,725.72	1,725.72
18. Investment Allowance Reserve		1,250.00	1,350.00
19. Insurance Reserve Account		10.00	10.00
20. General Reserve		5,525.00	6,173.00
<b>21. BALANCE CARRIED TO BALANCE SHEET</b>		<u>0.14</u>	<u>0.23</u>
<b>TOTAL:</b>		<u>8,510.86</u>	<u>9,258.95</u>
22. Notes forming part of Account (Schedule 'P')			

A.J.A. TAURO  
Chairman

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Director (R&P)

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New Delhi, 25th July, 1985.

R.J. DAMANWALA  
Partner

**SCHEDULE 'A'—SHARE CAPITAL:**

	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>SHARE CAPITAL:</b>		
Authorised:		
15,00,000 Equity Shares of Rs. 1000 each	15,000.00	15,000.00
<b>Issued and Subscribed:</b>		
12,32,658 Equity Shares of Rs. 1000 each fully paid up	12,326.58	12,326.58
<b>Of the above Shares:</b>		
(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 were allotted as fully paid up Bonus Shares by Capitalisation of General Reserve		
<b>TOTAL:</b>	<u>12,326.58</u>	<u>12,326.58</u>

**SCHEDULE 'B'—RESERVES AND SURPLUS**

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>General Reserve:</b>			
As per last Account	49,569.53		43,396.53
Add: Transferred from Profit and Loss Account	5,525.00		6,173.00
		55,094.53	<u>49,569.53</u>
<b>Insurance Reserve:</b>			
As per last Account	80.00		70.00
Add: Transferred from Profit and Loss Account	10.00		10.00
		90.00	<u>80.00</u>
<b>Development Rebate Reserve:</b>			
As per last Account	159.27		1,163.27
Less: Transferred to Profit and Loss Account	159.27		1,004.00
		—	<u>159.27</u>
<b>Investment Allowance Reserve:</b>			
As per last Account	1,350.00		4,150.00
Less: Utilised for Purchase of Machinery transferred to Investment Allowance (Utilised) Reserve	1,350.00		4,150.00
		—	
Add: Transferred from Profit and Loss Account	1,250.00		1,350.00
		1,250.00	<u>1,350.00</u>
<b>Investment Allowance (Utilised) Reserve:</b>			
As per last Account	12,230.00		8,380.00
Add: Transferred from Investment Allowance Reserve	1,350.00		4,150.00
<b>Profit and Loss Account Balance as per Annexed Account</b>		13,880.00	12,530.00
		0.14	0.23
<b>TOTAL:</b>		<u>70,314.67</u>	<u>63,689.03</u>

### SCHEDULE 'C'—SECURED LOANS:

	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>SECURED LOANS:</b>		
<b>Loans and Advances from Banks:</b>	139.28	22,861.20
*Secured by hypothecation of inventories, book debts, outstanding monies, recoverable claims, contracts, engagements, etc.)		
Interest accrued and due on above	0.69	879.20
<b>TOTAL:</b>	<u>139.97</u>	<u>23,740.40</u>

### SCHEDULE 'D'—UNSECURED LOANS:

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>UNSECURED LOANS:</b>			
<b>Other Loans and Advances:</b>			
(i) From the Government of India (including <b>Rs. 1,632.62 lakhs</b> — 1984: Rs. 1,807.63 lakhs due for payment within one year)		5,550.62	7,358.25
(ii) From Oil Industry Development Board (including <b>Rs. 1,632.68 lakhs</b> — 1984: Rs. 1,881.92 lakhs due for payment within one year)		8,385.18	10,249.74
(iii) From Oil Co-ordination Committee (including <b>Rs. Nil</b> — 1984: Rs. Nil due for payment within one year)	12,215.00		17,715.00
—Interest accrued and due on above	<u>7.91</u>		<u>0.29</u>
		12,222.91	17,715.29
(iv) From Maruti Udyog Limited (due for payment within one year)		4,100.00	2,300.00
(v) Public Deposits (including <b>Rs. 3,713.31 lakhs</b> — 1984: Rs. 2,509.72 lakhs due for payment within one year)	18,819.06		10,562.23
—Interest accrued and due on above	<u>494.37</u>		<u>226.56</u>
		19,313.43	10,788.79
(vi) Others		<u>—</u>	<u>0.34</u>
<b>TOTAL:</b>		<u>49,572.14</u>	<u>48,412.41</u>

**SCHEDULE 'E'—FIXED ASSETS**

	Gross Block as at 31st March, 1984	Additions during the year	Transfers from construction work-in-progress	Transfers, deductions and reclassification
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND—Freehold	1,142.91	189.10	—	(+) 3.15
—Leasehold	466.80	355.72	—	(—) 3.27
—Right of way	79.52	1.43	—	—
BUILDINGS, ROADS ETC.	9,857.40	291.04	1,979.48	(—) 23.44
PLANT AND MACHINERY	1,10,596.32	8,304.50	5,281.77	(—) 231.00
TRANSPORT EQUIPMENTS	3,032.31	412.93	116.96	(—) 72.68
FURNITURE AND FIXTURES	651.55	113.34	15.17	(—) 2.46
RAILWAY SIDINGS	1,453.32	0.35	110.26	(—) 31.95
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	4,867.28	38.25	205.71	(—) 36.70
SUNDRY ASSETS	11.38	4.50	—	(—) 0.01
<b>TOTAL:</b>	1,32,158.79	9,711.16	7,709.35	(—) 398.36
PREVIOUS YEAR'S TOTAL:	1,17,264.50	7,357.73	8,124.25	(—) 587.69

\* Includes **Rs. (—) 48.37 laksh** (1984: Rs. 16.52 lakhs) in respect of previous years.  
Building include **Rs. 33,050** (1984: Rs. 33,050) towards value of **661** (1984: 661) Shares in Co-operative Housing Societies for purchase of flats.

Gross Block as at 31st March, 1985	Depreciation and Amortisation charged this year*	Total Depreciation and Amortisation upto 31st March, 1985	NET BLOCK	
			As at 31st March, 1985	As at 31st March, 1984
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
1,335.16	—	—	1,335.16	1,142.91
819.25	18.62	57.28	761.97	428.15
80.95	0.02	0.02	80.93	79.52
12,104.48	403.54	2,296.91	9,807.57	7,949.51
1,23,951.59	14,741.24	75,291.35	48,660.24	49,832.02
3,489.52	351.89	1,921.78	1,567.74	1,399.28
777.60	50.24	363.33	414.27	337.03
1,531.98	126.42	503.10	1,028.88	1,073.45
5,074.54	724.76	2,895.97	2,178.57	2,663.72
15.87	1.62	10.42	5.45	2.58
1,49,180.94	16,418.35	83,340.16	65,840.78	64,908.17
1,32,158.79	18,279.38	67,250.62	64,908.17	

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

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK:</b>			
1. Work-in-progress (at cost) (including unallocated capital expenditure, materials at site and advances for capital expenditure)		17,584.59	13,464.97
2. Capital Stores (at cost) (including materials worth <b>Rs. 495.10 lakhs</b> lying with Contractors 1984: Rs. 736.48 lakhs)		7,662.24	5,403.40
3. Miscellaneous Capital Stores (at or under cost)		41.12	34.49
4. Capital Goods-in-Transit (at cost)		1,107.05	1,694.64
5. Construction period expenses pending allocation: Balance as at 1st April, 1984	1,000.51		843.77
<i>Less:</i> Adjustments pertaining to previous years	<u>8.24</u>		<u>27.88</u>
	992.27		815.89
<i>Add:</i> Expenditure during the year:			
Establishment Charges	57.88		53.55
Interest	122.94		133.33
Depreciation	15.01		13.20
Others	<u>318.82</u>		<u>257.66</u>
	1,506.92		1,273.63
<i>Less:</i> Recoveries	<u>27.03</u>		<u>44.16</u>
	1,479.89		1,229.47
<i>Less:</i> Allocated to Assets/Construction work-in-progress during the year	<u>137.25</u>		<u>228.96</u>
		<u>1,342.64</u>	<u>1,000.51</u>
<b>TOTAL:</b>		<u>27,737.64</u>	<u>21,598.01</u>

### SCHEDULE 'G'—INVESTMENTS

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>INVESTMENT at cost (Unquoted):</b>			
1. In Government Securities (deposited with various bodies)		2.81	2.56
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— <b>Rs. 2,500</b> (1984: Rs. 2,500)			
(ii) Gauhati—250 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 2,500</b> (1984: Rs. 2,500)			
(iii) Haldia—408 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 4,080</b> (1984: Rs. 4,080)			
(iv) Mathura—200 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 2,000</b> (1984: Rs. 2,000)			
(v) Indian Oil Employees Consumers' Co-operative Society Limited, Bombay—170 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 1,700</b> (1984: Rs. 1,700)			
(vi) Indian Oil Employees Co-operative Consumers' Stores Limited, Madras—700 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 7,000</b> (1984: Rs. 7,000)			
(vii) Indian Oil Employees Co-operative Consumers' Stores Limited, Delhi—375 Equity Shares of Rs. 10 each fully paid in cash— <b>Rs. 3,750</b> (1984: Rs. 3,750)	0.24		0.24
(c) In Co-operative Housing Society:			
New Silver Home—Nil (1984:5) Shares of Rs. 50 each fully paid in cash— <b>Rs. Nil</b> (1984: Rs. 250)	—		
		2.36	2.36
3. In Subsidiary Companies:			
(i) Indian Oil Blending Limited-8000 Equity Shares of Rs. 500 each fully paid in cash		40.00	40.00
(ii) Indian Trading (Holdings) Limited— <b>Nil</b> (1984:30) Ordinary Shares of Re. 1 each fully paid in cash— <b>Re. Nil</b> (1984: Rs. 30)			
<b>TOTAL:</b>		45.17	44.92

## SCHEDULE 'H'—INVENTORIES

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>INVENTORIES:</b>			
1. Stores, Spares etc. (including in-transit <b>Rs. 1,551.90 lakhs</b> 1984: Rs. 1,007.53 lakhs) (at or under cost)	<b>13,561.34*</b>		11,216.66*
Less: Provision for obsolescence/Losses	<b>34.20</b>		<u>38.56</u>
		<b>13,527.14</b>	<u>11,178.10</u>
2. Raw Materials (including in-transit <b>Rs. 13,494.51 lakhs—</b> 1984: Rs. 25,001.71 lakhs) (at cost)		<b>60,939.96**</b>	47,163.86**
3. Stock-in-Trade:			
(a) Oil Stock (at cost @ or net realisable value whichever is lower) (including in-transit <b>Rs. 8,800.19 lakhs—</b> 1984: Rs. 11,033.12 lakhs)	<b>64,760.23***</b>		66,681.27***
(b) Stock-in-Process (at raw material cost)	<b>7,070.70</b>		<u>6,965.41</u>
		<b>71,830.93</b>	<u>73,646.68</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		<b>268.87****</b>	<u>224.93****</u>
<b>TOTAL:</b>		<b>1,46,566.90</b>	<u>1,32,213.57</u>

\* Includes stock lying with Contractors **Rs. 562.79 lakhs** (1984: Rs. 433.24 lakhs)

\*\* Includes stock lying with Other Oil Companies on loan **Rs. 15,668.21 lakhs** (1984: Rs. Nil) and with Others **Rs. 2,391.81 lakhs** (1984: Rs. 2,371.54 lakhs)

\*\*\* Includes stock lying with Other Oil Companies on loan **Rs. 13,545.12 lakhs** (1984: Rs. 8,755.68 lakhs) and with Others Rs. 831.80 lakhs (1984: Rs. 1,987.03 lakhs)

\*\*\*\* Includes stock lying with Other **Rs. 46.07 lakhs** (1984: Rs. 42.05 lakhs)

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

## SCHEDULE 'I'—BOOK DEBTS

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>BOOK DEBTS:</b>			
Over Six Months			
(a) Secured, Considered Good	<b>4.25</b>		1.03
(b) Unsecured, Considered Good	<b>2,237.06</b>		1,802.23
(c) Unsecured, Considered Doubtful	<b>854.47</b>		<u>753.17</u>
		<b>3,095.78</b>	<u>2,556.43</u>
Other Debts:			
(a) Secured, Considered Good	<b>4.40</b>		5.21
(b) Unsecured, Considered Good	<b>29,090.09</b>		24,479.32
(c) Unsecured, Considered Doubtful	<b>54.35</b>		<u>36.14</u>
		<b>29,148.84</b>	<u>24,520.67</u>
		<b>32,244.62</b>	<u>27,077.10</u>
Less: Provision for Doubtful Debts		<b>908.82</b>	<u>789.31</u>
<b>TOTAL:</b>		<b>31,335.80</b>	<u>26,287.79</u>

### SCHEDULE 'J'—LOANS AND ADVANCES

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>LOANS AND ADVANCES:</b>			
1. Advances recoverable in cash or in kind or for value to be received:			
(a) Secured, Considered Good*	1,961.43		1,635.73
(b) Unsecured, Considered Good*	4,899.82		11,933.39
(c) Unsecured, Considered Doubtful	<u>32.09</u>		<u>39.66</u>
	<b>6,893.34</b>		<b>13,608.78</b>
(d) Less: Provision for Doubtful Advances	<u>32.09</u>		<u>39.66</u>
		<b>6,861.25</b>	<u>13,569.12</u>
2. Claims Recoverable:			
(a) Secured, Considered Good	1,659.89		3.12
(b) Unsecured, Considered Good	3,145.94		5,539.21
(c) Unsecured, Considered Doubtful	<u>1,657.10</u>		<u>1,205.88</u>
	<b>6,462.93</b>		<b>6,748.21</b>
(d) Less: Provision for Doubtful Claims	<u>1,657.10</u>		<u>1,205.88</u>
		<b>4,805.83</b>	<u>5,542.33</u>
3. Materials on Loan:			
(a) Secured, Considered Good	31.06		37.94
(b) Unsecured, Considered Good	<u>10.61</u>		<u>3.35</u>
		<b>41.67</b>	<u>41.29</u>
4. Balance with customs, Port Trust and Excise Authorities:			
Unsecured, Considered Good		<b>596.72</b>	802.22
5. Sundry Deposits (including amount adjustable on receipt of final bills):			
(a) Secured, Considered Good	6,246.17		11,578.06
(b) Unsecured, Considered Good	491.71		399.49
(c) Unsecured, Considered Doubtful	<u>0.39</u>		0.39
	<b>6,737.88</b>		<b>11,977.94</b>
(d) Less: Provision for Doubtful Deposits	<u>0.39</u>		<u>0.39</u>
		<b>6,737.88</b>	<u>11,977.55</u>
6. Deposit under Companies Deposits (Surcharge on Income-Tax) Scheme, 1983:			
Unsecured, Considered Good		<b>257.92</b>	133.92
		<b>19,301.27</b>	<u>32,066.43</u>
<b>TOTAL:</b>			
		<b>19,301.27</b>	<u>32,066.43</u>
* Includes:			
1. <b>Rs. 3,55,824</b> (1984: Rs. 2,46,378) due from Directors ( <b>Maximum Rs. 3,76,633</b> —1984: Rs. 2,55,869)			
2. <b>Rs. 17.78 lakhs</b> (1984: Rs. 16.10 lakhs) due other Officers ( <b>Maximum Rs.22.14</b> —1984: Rs. 18.91 lakhs)			

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

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>CURRENT LIABILITIES:</b>				
1. Sundry Creditors		<b>99,572.57</b>		98,347.13
2. Due to Indian Oil Blending Limited (A Subsidiary Company)		<b>29.10</b>		17.16
3. Security Deposits	<b>53,866.90</b>			23,821.92
<i>Less: Investment and Deposits with Banks lodged         by outside parties</i>	<b>51.44</b>			40.79
	<hr/>	<b>53,815.46</b>		<hr/> 23,781.13
4. Interest accrued but not due on loans		<b>2,006.60</b>		<hr/> 2,118.47
<b>TOTAL:</b>		<hr/> <b>1,55,423.73</b>		<hr/> <b>1,24,263.89</b>
<b>PROVISIONS:</b>				
5. Provision for taxation	<b>19,786.13</b>			11,779.12
<i>Less: Advance payments</i>	<b>13,360.36</b>			<hr/> 10,328.31
	<hr/>	<b>6,425.77</b>		1,450.81
6. Provision for Gratuity		<b>3,244.85</b>		2,758.24
7. Provision for Pension		<b>155.48</b>		320.90
8. Proposed Dividend		<b>1,725.72</b>		<hr/> 1,725.72
		<hr/>	<b>11,551.82</b>	<hr/> 6,255.67
			<hr/> <b>1,66,975.55</b>	<hr/> <b>1,30,519.56</b>

**SCHEDULE 'L'—OTHER INCOME**

	Rupees (in lakhs)	Rupees (in lakhs)
<b>OTHER INCOME:</b>		
1. Sale of Power and Water	<b>134.39</b>	116.87
2. Exchange Fluctuations (net)	—	3.83
3. Profit on sale and disposal of Assets	<b>117.36</b>	172.51
4. Interest from Government Securities	<b>0.35</b>	0.26
5. Dividend received from a Subsidiary—Gross (Tax deducted at source <b>Rs. 0.90 lakhs</b> —1984: Rs. 0.90 lakhs)	<b>4.00</b>	4.00
6. Royalty and technical Know-how fees	<b>6.66</b>	13.65
7. Miscellaneous Income (including excess liabilities written back)	<b>1,726.60</b>	<hr/> 1,424.12
<b>TOTAL:</b>	<hr/> <b>1,989.36</b>	<hr/> <b>1,735.24</b>

### CCHEDULE 'M'—MANUFACTUREING, ADMINISTRATION, SELLING AND OTHER EXPENSES

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>MANUFACTURING, ADMINISTRATION, SELLING AND OTHE EXPENSES:</b>			
1. Raw Materials Consumed:			
Opening Balance as on 1st April, 1984	47,163.86		27,128.41
Add: Adjustments to Opening Stock	<u>—</u>		<u>23.05</u>
	47,163.86		27,151.46
Add: Purchases	<u>4,32,396.17</u>		<u>3,96,874.14</u>
	4,79,560.03		4,24,025.60
Less: Closing Stock	<u>60,939.96</u>		<u>47,163.86</u>
		4,18,620.07	<u>3,76,861.74</u>
2. Consumption:			
(i) Stores and Spares (including Consumables)	3,077.19		2,539.96
(ii) Packages	<u>7,059.45</u>		<u>5,822.77</u>
		10,136.64	<u>8,362.73</u>
3. Power and Fuel	17,750.33		17,199.94
Less: Fuel of own production	<u>16,721.80</u>		<u>16,269.23</u>
		1,028.53	<u>930.71</u>
4. Processing Fees, Blending Fees, Royalty and Other Charges		569.79	419.62
5. Repairs and Maintenance:			
(a) Plant and Machinery	4,249.05		3,482.41
(b) Buildings	728.76		589.82
(c) Others	<u>657.62</u>		<u>551.40</u>
		5,635.43	<u>4,623.63</u>
6. Freight and Transportation Charges (net of recoveries from Industry Pool Accounts)		33,074.46	28,015.12
7. Irrecoverable Sales Tax		117.14	19.27
8. Payments to and Provisions for Employees:			
(a) Salaries, Wages, Bonus etc.	8,816.66		7,736.41
(b) Contribution to Provident and Other Funds	528.57		613.66
(c) Staff Welfare Expenses	1,126.58		1,086.77
(d) Gratuity and Ex-Gratia	<u>538.42</u>		<u>341.28</u>
		11,010.23	<u>9,778.12</u>
9. Office Administration, Selling and other Expenses (Schedule 'N')		7,801.20	6,412.25
<b>TOTAL:</b>		<u>4,87,993.49</u>	<u>4,35,423.19</u>

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

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Rent		1,189.51	945.10
2. Insurance		486.46	418.55
3. Rates and Taxes		216.47	232.42
4. Donations		53.15	24.83
5. Payments to Auditors:			
(a) Audit Fees	4.00		4.00
(b) Tax Audit Fees	1.25		—
(c) Taxation Matters	0.43		—
(d) Other Services (for issuing certificates etc.)	0.34		0.51
(e) Out of Pocket Expenses	2.21		2.13
		<b>8.23</b>	<b>6.64</b>
6. Travelling and Conveyance		1,047.26	899.62
7. Communication Expenses		464.73	425.42
8. Printing and Stationery		307.81	228.16
9. Electricity and Water		337.43	272.26
10. Other Expenses		2,302.56*	1,693.35*
11. Bad Debts, Advances and Claims written off		48.76	26.78
12. Loss on Assets sold, lost or written off		29.55	21.51
13. Technical Assistance by Engineers India Limited		123.35	145.37
14. Exchange Fluctuations (Net)		0.95	—
15. Provision for Doubtful Debts, Advances, Claims, Deposits and Stores		839.82	856.13
16. Security Force Expenses		292.35	203.22
17. Pollution Control Expenses		7.81	12.89
<b>TOTAL:</b>		<b>7,801.20</b>	<b>6,412.25</b>

\* Includes—Bank Charges **Rs. 226.23 lakhs**—1984: Rs. 138.15 lakhs and Contribution for Rural Development Programme **Rs. 0.50 lakhs**—1984: Rs. Nil.

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

	Rupees (in lakhs)	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>INCOME:</b>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	(401.75)		1,747.58
(ii) Less: Commission and Discounts	<u>(0.54)</u>		<u>—</u>
	(402.29)		1,747.58
2. Company's use of own oil	<u>(19.90)</u>		<u>(22.11)</u>
		(422.19)	1,725.47
3. Adjustments in respect of Opening Stock of Finished Products		66.36	(378.99)
4. Recovery of Main Installation and Other Charges		(9.35)	18.56
5. Interest:			
From Customers on outstandings	(111.18)		(23.28)
From Others	<u>75.20</u>		<u>—</u>
		(35.98)	(23.28)
6. Sale of Power and Water		17.22	1.44
7. Profit on sale and disposal of Assets		—	2.08
8. Miscellaneous Income		<u>28.21</u>	<u>10.08</u>
<b>TOTAL INCOME:</b>		<u>(355.73)</u>	<u>1,355.36</u>
<b>EXPENSES;</b>			
1. Purchases of Products and Crude for resale and transfers under Product Exchange		(723.95)	(903.78)
2. Raw Materials consumed:			
(i) Adjustments in respect of Opening Stock	—		(23.05)
(ii) Purchases	<u>245.13</u>		<u>284.89</u>
		245.13	<u>261.84</u>
3. Consumption:			
(i) Stores and Spares (including Consumables)	(12.93)		(50.86)
(ii) Packages	<u>(1.76)</u>		<u>(10.11)</u>
4. Repairs and Maintenance:			
(i) Plant and Machinery	(43.23)	(14.69)	<u>(60.9)</u>
(ii) Buildings	(3.57)		8.00
(iii) Others	<u>(3.36)</u>		<u>13.79</u>
		(50.16)	<u>15.70</u>
5. Freight and Transportation Charges (net of recoveries from Industry Pool Account)		1,450.41	104.66
6. Provision for renewal of catalyst		—	(66.33)
Carried Forward...		<u>906.74</u>	<u>(648.88)</u>

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

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
<b>EXPENSES:</b>		<b>906.74</b>	(648.88)
	Brought Forward...		
1. Payments to and Provisions for Employees:			
(i) Salaries, Wages, Bonus etc.	246.31		36.15
(ii) Contribution to Provident and Other Funds	16.04		5.17
(iii) Gratuity, Ex-Gratia & Pension	<u>(109.92)</u>		<u>(4.59)</u>
		<b>152.43</b>	<b>36.73</b>
8. Rent		<b>167.22</b>	90.89
9. Insurance		<b>(6.82)</b>	(6.14)
10. Main Installation Charges paid to Other Oil Companies		<b>1.82</b>	(4.23)
11. Other Expenses		<b>98.97</b>	(51.07)
12. Irrecoverable Sales Tax		—	(167.23)
13. Processing Fees, Blending Fees, Royalty and other charges		—	9.52
14. Communication Expenses		—	(7.63)
15. Duties		196.50	322.95
16. Depreciation and Amortisation		(48.37)	16.52
17. Interest: Others		(533.03)	1,056.88
18. Technical Fees		—	4.32
19. Security Force Expenses		61.68	—
20. Rates and Taxes		5.30	(18.39)
21. Power and Fuel		<u>94.20</u>	<u>—</u>
22. Amount transferred to construction period expenses pending allocation		1,096.64 (8.24)	634.24 (27.88)
		<u><b>1,104.88</b></u>	<u><b>662.12</b></u>
<b>TOTAL EXPENSES:</b>			
		<u><b>(1,460.61)</b></u>	<u><b>693.24</b></u>
<b>NET INCOME (EXPENSES):</b>			

**SCHEDULE 'P'—NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1985**

1. Contingent Liabilities not provided for in respect of:
  - (a) Claims against the Corporation not acknowledged as debts **Rs. 9,917.36 lakhs** (1984: Rs. 4,959.16 lakhs).  
These include:
    - (i) **Rs. 3,154.97 lakhs** (1984: Rs. 1,618.45 lakhs) being the demands made by Central Excise Authorities.
    - (ii) **Rs. 1,157.86 lakhs** (1984: Rs. 607.66 lakhs) in respect of Sales Tax demands.
    - (iii) **Rs. 1,170.23** (1984: Rs. 1,306.47 lakhs) for which suits have been filed in the Courts or cases are lying with the arbitrators.
    - (iv) **Rs. 2,506.28 lakhs** in respect of Income tax.  
Interest, if any, on some of these claims is unascertainable.
  - (b) Guarantees/Undertakings to Banks and Others aggregating to **Rs. 1,379.81 lakhs** (1984: Rs. 1,848.53 lakhs).
  - (c) Bills discounted with Banks **Rs. 5.20 lakhs** (1984: Rs. 26.24 lakhs).
  - (d) Income Tax, if any, reimbursable of foreign contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 19,116.00 lakhs** (1984: Rs. 35,793.91 lakhs).

### SCHEDULE 'P'—NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1985—(Contd.)

3. (a) Title Deeds for Land and Residential Apartment of the book value of **Rs. 809.52 lakhs** (1984: Rs. 653.11 lakhs) as also, Lease and other agreements in respect of certain other lands are pending execution or renewal and are therefore not available for verification.
- (b) Pending the decision of the Government, no liability could be determined and provided for in respect of:
  - (i) Claims in respect of land acquired for Mathura Refinery.
  - (ii) Additional Compensation, if any, payable to the land owners and the Government for land earlier acquired.
4. Included amongst stores are some items which are surplus/slow moving and no provision has been made in the accounts towards loss, if any, on their disposal, as the extent thereof cannot be determined.
5. An amount of **Rs. 201.63 lakhs** (1984: Rs. 285.82 lakhs) included in Book Debts towards interest although disputed parties, is considered good by the Management.
6. No credit has been taken for the following inter-alia.
  - (i) Under an award given for the price of RFO/LSHS supplied to Gujarat Electricity Board, the Corporation has received **33 instalments** (1984: 29 instalments) totalling to **Rs. 5,828.60 lakhs** (1984: Rs.5,012.98 lakhs) which accrued, become due and receivable upto this year. The credit for the balance amount of **Rs. 1,499.77 lakhs** (1984: Rs 2,315.39 lakhs) will be taken on the respective dates when they will accrue, become due and receivable.
  - (ii) Claim for price increase for LSHS supplied to Gujarat Electricity Board pending settlement of dispute.
7. Adjustments for certain inter oil company transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.
8. The value of Assets and Liabilities of Assam Oil Division as on 14.10.1981 continues as per Government of India's letter No. R44024/7/81-MC dated 17th August, 1982 for which, the Corporation has approached the Government for issuing a notification under Section 9(i) of Burmah Oil Company (India Trading) Limited Act, 1981.
9. Remuneration paid or payable to whole time Directors:

	1984-85 Rs.	1983-84 Rs.
(i) Salaries and Allowances	<b>3,90,972</b>	3,31,873
(ii) Contribution to Provident Fund	<b>29,972</b>	25,614
(iii) Gratuity	<b>53,846*</b>	7,451
(vi) Other Benefits and perquisites	<b>3,02,437</b>	1,10,809
<b>TOTAL:</b>	<b>7,76,299</b>	<b>4,75,747</b>

In addition, whole time Directors are also allowed the use of Corporation's car for private purpose upto 6000 KMs per annum on a payment of Rs. 150/- per month.

\*Including Rs. 48,113/- on account of enhancement in Gratuity entitlement as per Corporation's revised Rules.

10. The Profit and Loss Account includes:
  - (a) Expenditure on Public Relations and Publicity amounting to **Rs. 108.61 lakhs** (1984: Rs. 104.25 lakhs) which is inclusive of **Rs. 24.71 lakhs** (1984: Rs. 21.09 lakhs) on account of staff and establishment and **Rs. 83.91 lakhs** (1984: Rs. 83.16 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00010:1** (1984: 0.00010:1).
  - (b) Entertainment expenses **Rs. 7.60 lakhs** (1984: Rs. 7.06 lakhs).
11. Based on the Company Law Board's Circular No. 1/85 dated 10.1.1985, the Corporation has provided/recomputed Depreciation under Straight Line Method with effect from the year 1983-84.
12. Deferred payment Liabilities represented by acceptances are secured by Bank Guarantee and include **Rs. 146.84 lakhs** (1984: Nil) due for payment within one year.
13. Investments of Rs. 30/- in India Trading (Holdings) Ltd., a subsidiary company has been written off consequent to dissolution of the company in February 1985.
15. Figures in brackets indicate deductions.
16. Previous year's comparative figures have been regrouped to the extent practicable, wherever necessary.

A.J.A. TAURO  
Chairman

K.K. MALHOTRA  
Director (R & )

S.K. COMAL  
Director (Finance)

B.K. BAKSHI  
Director (Marketing)

D.B. PURI  
Secretary



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

	PETROLEUM PRODUCTS	
	1985 MTS (in lakhs)	1984 MTS (in lakhs)
1. Licenced Capacity	182.50	182.50
2. Installed Capacity*	187.50	187.50
3. Actual Production***	192.45	180.77
4. Product processed/Manufactured by Others	13.61	6.80

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

\*\*\* Excluding internal consumption

@ Quantity in Cubic metres

@ @ Quantity in Kilolitres

**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, 1985	11.85	19.39	60,896.64	24.10	145.34	372,658.54
Year ended 31st March, 1984	12.41	17.21	57,309.09	25.14	138.62	357,653.19
2. LUBRICANTS AND GREASES:						
Year ended 31st March, 1985	0.06	0.59	5,784.60	0.01	0.02	770.42
Year ended 31st March, 1984	0.04	0.60	5,695.02	0.02	0.02	915.72
3. OXYGEN GAS:						
Year ended 31st March, 1985	0.01@	—	0.03	—	—	—
Year ended 31st March, 1984	0.01@	—	0.06	—	—	—
4. CRUDE OIL:						
Year ended 31st March, 1985	—	—	—	88.46	—	163,669.78
Year ended 31st March, 1984	—	—	—	93.37	—	165,722.47
5. BASE OIL AND ADDITIVES:						
Year ended 31st March, 1985	—	—	—	—	1.54	5,958.00
Year ended 31st March, 1984	—	—	—	0.45	0.80	5,194.98
<b>TOTAL:</b>						
Year ended 31st March, 1985	0.01@	—	—	—	—	—
	11.91	19.98	66,681.27	112.57	146.90	543,056.74
Year ended 31st March, 1984	0.01@	—	—	—	—	—
@Cubic Metres:	12.45	17.81	63,004.17	118.98	139.44	529,486.36

Notes:

- Purchases and Sales exclude value adjustments shown under items pertaining to previous years.
- 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.
- Rs. Nil lakhs** (1984: Rs. 315.43 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.

LUBRICATING OILS		WAX/BITUMEN/ASPHALT/ LUBE OIL DRUMS		OXYGEN PLANT	
1985 MTS (in lakhs)	1984 MTS (in lakhs)	1985 Nos. (in lakhs)	1984 Nos. (in lakhs)	1985 (in lakhs)	1984 (in lakhs)
1.70	1.70	15.00 0.04 MTs	15.00 0.04 MTs	Not specified	Not specified
1.40**	1.40**	15.00**	15.00**	0.84@	0.84@
1.30	1.14	11.21	11.29	0.35@	0.42@
1.14	1.06	20.52	20.41	—	—
1.54@@	1.48@@				

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)
86.65	315.08	892,061.16	10.87	19.79	58,873.40
74.66	292.09	818,607.77	11.85	19.39	60,896.64
0.75	3.78	44,051.80	0.07	0.58	5,886.76
0.38	3.56	38,397.83	0.06	0.59	5,784.60
0.14@	—	1.30	0.01@	—	0.07
0.22@	—	1.56	0.01@	—	0.03
88.46	—	163,706.27	—	—	—
93.37	—	165,723.63	—	—	—
—	1.54	6,211.85	—	—	—
0.45	0.80	5,315.63	—	—	—
0.14@	—	—	0.01@	—	—
175.86	320.40	1106,032.38	10.94	20.37	64,760.23
0.22@	—	—	0.01@	—	—
168.86	296.45	1028,046.42	11.91	19.98	66,681.27

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

	1985			1984		
	QUANTITY		VALUE	QUANTITY		VALUE
	MTS (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTS (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude Oil	219.37	—	3,91,566.95	201.44	—	3,52,416.28
Base Oils	2.02	0.03	19,398.41	0.84	1.07	17,957.03
Additives	0.08	0.12	7,654.71	0.07	0.11	6,488.43
Steel Coils and Sheets*	0.38	—	2,650.27	0.37	—	2,354.01
<b>TOTAL:</b>	<b>221.85</b>	<b>0.15</b>	<b>4,21,270.34</b>	<b>202.72</b>	<b>1.18</b>	<b>3,79,215.75</b>

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

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

	1984	
	Rupees (in lakhs)	Rupees (in lakhs)
1. Employees employed throughout the year and in receipt of total remuneration of not less than Rs. 36,000 per annum:		
Number	5,669	4,798
(a) Salaries, Wages, Bonus etc.	2,347.64	1,909.77
(b) Contribution to Provident and other Funds	141.98	123.70
<b>TOTAL:</b>	<b>2,489.62</b>	<b>2,033.47</b>
2. Employees employed for a part of the year and in receipt of remuneration of not less than Rs. 3,000 per month:		
Number	235	240
(a) Salaries, Wages, Bonus etc.	43.43	47.66
(b) Gratuity paid	33.61	27.06
(c) Contribution to Provident and other Funds	2.74	2.91
<b>TOTAL:</b>	<b>79.78</b>	<b>77.63</b>

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

### SCHEDULED 'U'—EXPENDITURE IN FOREIGN CURRENCY

	Rupees (in lakhs)	1984 Rupees (in lakhs)
1. Royalty (Gross) and Technical Service Fees	12.19	213.02
2. Processing Fees	814.39	464.72
3. Professional consultation fees including Legal expenses	17.50	129.80
4. Interest	9.82	6.57
5. Others	36.31	90.07
	<hr/>	<hr/>
<b>TOTAL:</b>	<b>890.21</b>	<b>904.18</b>
	<hr/> <hr/>	<hr/> <hr/>

The above figures are compiled on accrual basis.

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

	Rupees (in lakhs)	1984 Rupees (in lakhs)
1. Export of Goods calculated on FOB Basis: Export of Petroleum Products	1,85,436.72*	1,72,164.53*
2. Interest	13.57	22.23
3. Other Income and Service Charges	—	3.52
	<hr/>	<hr/>
<b>TOTAL:</b>	<b>1,85,450.29</b>	<b>1,72,190.28</b>
	<hr/> <hr/>	<hr/> <hr/>

\*Includes **Rs. 14,557.56 lakhs** (1984: Rs. 11,755.38 lakhs) received in Indian Currency out of repatriable funds of foreign cutomers and other export sales through canalising agencies.

The above figures are compiled on accrual basis.

**SCHEDULE 'W'—CIF VALUE OF IMPORTS**

PARTICULARS	Rupees	1984
	(in lakhs)	Rupees (in lakhs)
Crude Oil	2,15,001.01	1,99,122.58
Base Oils	4,666.03	2,895.43
Additives	905.41	1,271.13
Capital Goods	1,489.09	1,602.27
Revenue Stores, Components & Spare Parts and Chemicals	1,045.67	546.72
<b>TOTAL</b>	<b>2,23,107.21</b>	<b>2,05,438.13</b>

*Note:* The above does not include CIF value of imports made by the Corporation on behalf of Other Oil Companies as well as imports of finished products.

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

	1985				1984			
	IMPORTED		INDIGENOUS		IMPORTED		INDIGENOUS	
	Value Rupees (in lakhs)	% to total Con- sumption						
1. Crude Oil	1,36,205.43	35	2,55,361.52	65	1,44,465.92	41	2,07,950.36	59
2. Base Oils and Additives	7,329.48	27	19,723.64	73	5,104.97	21	19,340.49	79
3. Steel Coils/Sheets*/ Stores Spare parts and Components	1,261.97	19	5,262.37	81	1,159.70	21	4,460.42	79
<b>TOTAL:</b>	<b>1,44,796.88</b>		<b>2,80,347.53</b>		<b>1,50,730.59</b>		<b>2,31,751.27</b>	

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

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



**SCHEDULE OF FIXED ASSETS (TOWNSHIP)**

	Gross Block as at 31st March, 1984 at cost	Additions during the year at cost	Transfers from Construction Work-in-Progress at cost	Transfers, Deductions & Reclassification at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
1. LAND—Freehold	108.73	—	—	—
—Leasehold	18.20	119.32	—	—
2. BUILDINGS, ROADS, ETC.	3,173.43	128.88	1,042.90	(—) 52.13
3. PLANT AND MACHINERY	150.46	3.53	61.27	(+) 1.92
4. DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	254.75	37.37	63.29	(—) 1.33
5. EQUIPMENT AND APPLIANCES	75.15	17.72	1.55	(—) 1.90
6. FURNITURE AND FIXTURES	44.50	5.33	0.01	(—) 0.06
7. VEHICLES	82.49	3.74	—	(—) 6.95
8. SUNDRY ASSETS	1.35	1.12	0.35	(—) 0.01
<b>TOTAL:</b>	3,909.06	316.01	1,169.37	(—) 60.46
<i>PREVIOUS YEAR:</i>	3,267.13	69.59	594.53	(—) 22.19

Gross Block as at 31st March, 1985 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1985	Net Depreciated Block	
			As at 31st March, 1985	As at 31st March, 1984
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
108.73	—	—	<b>108.73</b>	108.73
137.52	5.67	8.18	<b>129.34</b>	15.70
4,293.08	99.44	623.43	<b>3,669.65</b>	2,649.13
217.18	14.54	86.85	<b>130.33</b>	79.36
354.08	51.35	190.24	<b>163.84</b>	115.29
92.52	9.43	49.77	<b>42.75</b>	34.63
49.78	4.26	20.54	<b>29.24</b>	27.86
79.28	3.55	44.43	<b>34.85</b>	39.01
1.81	0.29	0.94	<b>0.87</b>	0.70
5,333.98	188.53	1,024.38	<b>4,309.60</b>	3,070.41
3,909.06	151.29	838.65	<b>3,070.41</b>	

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1985 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES**

	Rupees (in lakhs)	1984 Rupees (in lakhs)
<b>INCOME:</b>		
1. Recovery of House Rent	81.16	74.90
2. Recovery of Utilities: Power and Water	10.18	8.42
3. Recovery of Transport Charges	5.77	5.64
4. Other Recoveries	95.63	84.91
5. Excess of Expenditure over Income	1,931.10	1,473.37
<b>TOTAL:</b>	<b>2,123.84</b>	<b>1,647.24</b>
<b>EXPENDITURE:</b>		
1. Salaries, Wages and PF Contribution	526.30	433.00
2. Consumable Stores and Medicines	163.18	136.25
3. Subsidies for Social and Cultural Activities	52.28	104.49
4. Repairs and Maintenance	383.12	249.41
5. Interest	343.15	221.27
6. Depreciation	188.53	151.29
7. Miscellaneous Expenses: Taxes, Licence Fees, Insurance	115.77	99.52
8. Utilities: Power and Gas	335.69	233.90
9. Land Rent	6.34	9.22
10. Welfare (School)	1.21	1.21
11. Bus Hire Charges	2.70	4.00
12. Club and Recreation	5.57	3.68
<b>TOTAL:</b>	<b>2,123.84</b>	<b>1,647.24</b>

### COMMENTS OF COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS, OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1985 AND REPLIES OF THE BOARD OF DIRECTORS

Sl. No.	Comments of the Comptroller and Auditor-General of India	Replies of the Board of Directors
<b>BALANCE SHEET</b>		
<b>APPLICATION OF FUNDS</b>		
<b>1. Fixed Assets</b>		
(a)	Gross Block—Schedule 'E' Rs. 1,49,180.94 lakh—Land—Lease hold—Rs. 819.25 lakh	
(i)	Includes Rs. 7.56 lakh being only a part of lease premium for land for a bottling plant out of Rs. 9.96 lakh paid to Government, balance of Rs. 2.40 lakh wrongly shown under 'work-in-progress (at cost) including advance for Capital Expenditure'	Adjustments as may be necessary will be made in the current year.
(ii)	Does not include provision against balance of lease premium payable (Company's offer of Rs. 19.26 lakh to Government for balance premium was under negotiation as on 31.3.1985.)	
<b>2. Fixed Assets</b>		
(c)	Construction work in progress and capital goods in stores—Schedule 'F'—Rs. 27,737.64 lakh. Work-in-progress (at cost) Rs. 17,584.59 lakh. Overstated by Rs. 9.48 lakh on account of deposit work with Railways for construction of Railway siding completed, but capitalised in June 1984 by a wrong credit under Schedule 'K' "Current liabilities and provisions-provisions", instead of crediting "Deposit for capital works".	
<b>3. Current Assets, Loans and Advances</b>		
<b>A. Current Assets</b>		
<b>(b) Inventories—Schedule 'H'—Rs. 1,46,566.90 lakh</b>		
	Includes	
(i)	Rs. 21.26 lakh being over valuation of closing stock of imported LSHSD resulting in overstatement of profit by this amount.	Adjustments as may be necessary will be made in the current year.
(ii)	Rs. 66.00 lakh being value of unadjusted net shortages of stores and spares noticed during physical verification during the years 1979—80 to 1984—85 (stated to be under reconciliation)	
<b>4. Current Liabilities and Provisions—Schedule 'K'—Rs. 1,66,975.55 lakh</b>		
<b>Sundry Creditors—Rs. 99,572.57 lakh</b>		
	Does not include Rs. 19.57 lakh being the balance amount due to Shipping Corporation of India towards charter hire.	
<b>5. PROFIT &amp; LOSS ACCOUNT</b>		
<b>INCOME</b>		
<b>Other Incomes—Schedule 'L'—Rs. 1,989.36 Lakh</b>		
<b>Miscellaneous Income—Rs. 1,726.60 lakh</b>		
	Includes Rs. 87.14 lakh being service charges for supply of imported LPG steel sheets to other Oil Marketing Companies, not accepted by them.	The Corporation considers the claim to be in order, and, therefore, correctly brought to account.

Sd/-  
SARASWATHI R. RAO  
Member, Audit Board & Ex-Officio  
Director of Commercial Audit  
(Petroleum & Oil)

Madras, Dated the 19th September, 1985

Sd/-  
A.J.A. TAURO  
Chairman  
For and on behalf of the  
Board of Directors

New Delhi, 25th September, 1985



**India Trading (Holdings) Limited**

Notification No. *Tech/R/560(5)/1257/5380* Dated the 15.3.85

In the matter of the Companies Act, 1956 and of *M/s. INDIA TRADING (HOLDINGS) LIMITED*

Notice is hereby given pursuant to Sub-section (5) of Section 560 of the Companies Act, 1956, that the name of *M/s. INDIA TRADING (HOLDINGS) LIMITED* has this day been struck off the Register and the said company is dissolved.

Sd/-

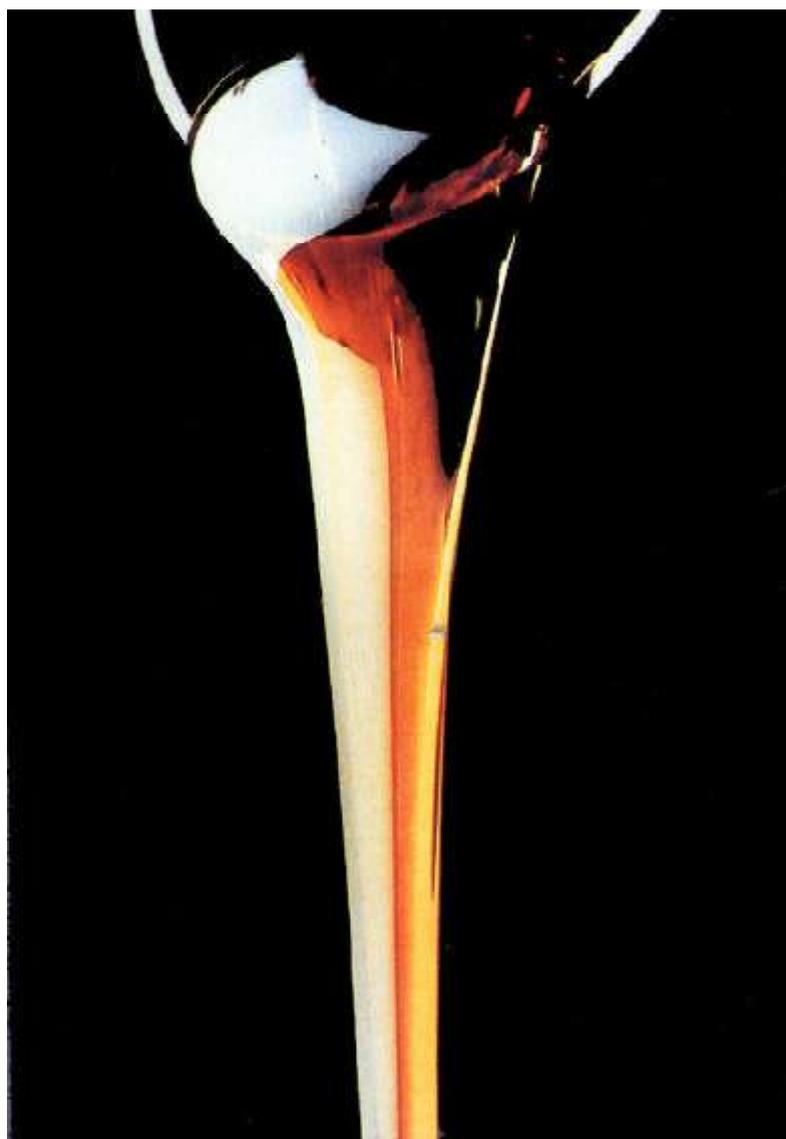
Registrar of Companies,  
Assam, Meghalaya, Manipur, Tripura, Nagaland  
Arunachal Pradesh & Mizoram, Shilong.

# **Indian Oil Blending Limited**

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

## **Annual Report**

**1984-85**



<b>M.S. Rana</b> Chairman-cum-Managing Director	
<b>Dr. P.K. Mukhopadhyay</b> Director	<b>Indu Vira</b> Director
<b>R.M. Basrur</b> Director	<b>G.S. Savor</b> Director
<b>G.S. Pandya</b> Financial Director	<b>R.K. Narang</b> Director
<b>BOARD OF DIRECTORS</b>	<b>Secretary</b> J.K. Wadhwa

**BANKERS**

State Bank of India  
Bombay and Calcutta

**AUDITORS**

M.M. Nissim & Co.  
Chartered Accountants  
Causway House, 2nd Floor  
23, Shahid Bhagat Singh Road,  
Bombay-400021

**REGISTERED OFFICE**

Pir Pau, Trombay  
Bombay-400074

**HEAD OFFICE**

106, Maker Chambers-III  
223, Nariman Point  
Bombay-400021

**PLANTS**

Bombay and Calcutta



# NOTICE

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Notice is hereby given that the Twenty-second Annual General Meeting of the Shareholders of INDIAN OIL BLENDING LIMITED will be held on Tuesday, the 17th September, 1985, at 1230 hours at the Office of the Indian Oil Corporation Limited, situated at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay-400 025, 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, 1985.
2. To declare a dividend.
3. To appoint Director in place of Dr. P.K. Mukhopadhyay, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
4. To appoint Director in place of Shri R.M. Basrur, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
5. 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.
6. To appoint Director in place of Shri Indu Vira, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
7. To appoint Director in place of Shri R.K. Narang, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
8. To appoint Director in place of Shri G.S. Savor, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

BY ORDER OF THE BOARD,

Bombay, Dated 23rd August, 1985

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.



# DIRECTORS' REPORT TO THE SHAREHOLDERS

Gentlemen,

Your Directors have pleasure in placing before you the 22nd Annual Report on the working of the Company for the financial year 1984-85 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.1,05,14,788, as against Rs. 68,18,125 during 1983-84. The comparative figures of gross profit, depreciation, provision for taxation, provision for investment allowance, etc. are as under:

	<b>1984-85</b>	1983-84
	<b>Rs.</b>	Rs.
a) Gross profit before depreciation and investment allowance	<b>1,05,14,788</b>	68,18,125
b) Depreciation	<b>30,13,541</b>	30,46,651
c) Investment allowance	<b>80,454</b>	6,576
d) Provision for taxation	<b>42,00,000</b>	21,25,000
e) Net profit after tax	<b>32,20,793</b>	16,39,898
f) Prior year adjustments	<b>1,26,385</b>	2,35,146
g) Disposable profit	<b>33,47,178</b>	18,75,044
h) Provision for dividend	<b>4,00,000</b>	4,00,000
i) Invest Allowance	<b>2,85,000</b>	1,65,000
j) Appropriated to General Reserve	<b>26,50,000</b>	13,00,000
k) Balance carried to Balance Sheet	<b>12,178</b>	10,044

## 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 statutory requirements. The balance available from the net surplus, after making the aforesaid provision for dividend, is Rs. 26,62,178. Out of the surplus amount, a sum of Rs. 26,50,000 is transferred to the General Reserve, thereby leaving a balance of Rs.12,178 in the Profit and Loss Account. The balance of General Reserve at the beginning of the year was Rs.1,71,91,000 and, after the current year's transfer of Rs.26,50,000 as above, the balance in the General Reserve Account amounts to Rs.1,98,41,000 as on 31st March, 1985.

The balance in the Development Rebate Reserve Account at the beginning of the year was Rs.49,200. An amount of Rs.48,700 is being written back to Profit and Loss Account upon becoming free for release after the statutory period of eight years, thus leaving a balance of Rs. 500 in this account as on 31st March, 1985.

The balance in the Investment Allowance Reserve Account at the beginning of the year was Rs.21,20,000. After this year's transfer of Rs.2,85,000, the balance in this account as on 31st March, 1985, amounts to Rs.24,05,000.

## Profitability

The profit before taxes and investment allowance is Rs. 75,01,247 as against the previous year's figure of Rs.37,71,474. The increase in profitability is on account of revision in the blending and manufacturing fees effective from 1st April, 1984, as also higher throughput of both lubes and greases, and vigilant control on operating expenses. The blending and



manufacturing fee received by your Company (net of stock losses) was Rs.4.08 crores during the year, compared to Rs.3.36 crores in 1983-84. Concerted efforts were made to control the operating expenses and, despite inflationary pressure, the operating expenses, including interest, increased only by 15.3% from Rs.272.42 lakhs in 1983-84 to Rs.314.10 lakhs during the year. The increase in operating expenses was unavoidable and was mainly on account of increased salaries, wages, employee welfare expenses and rent for the newly acquired head office premises.

### Auditors' Report

The Auditors' Report is attached herewith, which is self-explanatory.

### PRODUCTION

**(a) Lubes:** the total production of lubes at Bombay and Calcutta Plants recorded an all-time high of 2,80,686 KLs, compared to 2,66,764 KLs in 1983-84, showing an increase of approx. 5.2%. Whereas the Bombay Plant had a throughput of 1,65,647 KLs, as against 1,58,307 KLs, of lubes, the Calcutta Plant had a throughput of 1,15,039 KLs, as against 1,08,457 KLs of lubes in the previous year.

**(b) Greases:** Similarly, the production of grease during the year is the highest ever achieved, since inception. The production of grease at Bombay Plant was 6,821 MTs during the year, as compared to 5,852 MTs in 1983-84, thus registering an increase of 16.6% over the last year.

### Capacity Utilisation

The Bombay and Calcutta Lube Plants of your Company have, during the year, achieved capacity utilisation of 110.4% and 115.04%, respectively.

### Comparative Production

The comparative figures of production of both lubes and greases during the last three years are given below:

	BOMBAY		CALCUTTA		TOTAL	
	Lubes KL	Grease MT	Lubes KL	Lubes KL	Grease MT	
1982-83	1,40,651	5,874	1,07,841	2,48,492	5,874	
1983-84	1,50,307	5,852	1,08,457	2,66,764	5,852	
1984 - 85	1,65,647	6,821	1,15,039	2,80,686	6,821	

### Modernisation of Bombay Plant

As reported in the earlier years, the lay-out at Bombay Plant was extremely congested and needed remedial action. As such, efforts were made for procuring additional land and the Maharashtra Industrial Development Corporation has allotted approx. 10 acres of land to the Company on lease of 99 years in the Thane Belapur industrial belt at a cost of Rs. 90.06 lakhs. This will facilitate resitement of Bombay grease plant and help decongest the layout. With the aforesaid resitement of grease plant, it would be possible to modernise the Bombay Plant and also augment filling facilities, which will ensure smooth and safe operation for lube production. The proposal to shift the filling facilities to IOC Trombay is pending with the Holding Company for requisite approval.

### Resitement of Calcutta Plant

As reported last year, the Calcutta Port Trust had advised our Company to vacate the leased plot of land at Paharpur. In spite of our efforts with the Calcutta Port trust, they are still maintaining their stand and it is obvious that our Company will have to resite its Calcutta Plant. As such, efforts are being made for acquisition of 28 acres of land for lube plant and 25 acres of land for housing complex at Haldia.

### PROJECTS

#### (a) Bombay Plant

In view of the ageing of various equipments due to constant use and with a view to ensure efficient operation, certain equipments were replaced during the year and these include provision of one 500 CFM Compressor, one 5 ton boiler to reduce the time for dehydration of products, two drum filling machines, grease decanting pump and one forklift truck. Facilities for loading products from top have also been commissioned during the year to avoid spillage and cumbersome operation resulting from loading tank lorries through bottom valves. These facilities will help in achieving cleaner and safer operation.

#### (b) Calcutta Plant

Some of the equipments/facilities added to the Calcutta Plant during the year include installation of 40 HP direct driven pump, conversion of 3 FP tanks to blending tanks for handling large volume of blending premium grade lubricants, extension of T/W loading line for loading more number of wagons at a time, one forklift truck, one hand operated R.S. Sealing machine for 500 ml. containers of 2 T Supreme.



Also, during the year, to meet the higher demand of energy, the existing 350 KVA transformer was replaced by a new 500 KVA transformer.

### Quality Control & Development

Quality control and development continue to receive utmost attention to keep pace with the latest developments in technological and industrial fields. Steps have been taken to augment both technical manpower and laboratory facilities to achieve this objective and to maintain the highest standard of quality which your Company has attained, since there is a continuing need to update the formulation and manufacturing process. The new grades introduced during the year include Servo Trac Lube, Servo Brake Fluid Super HD meeting D OT 3 specification for M/s. Maruti, Servo Cut 353, Servo Calib 2/ Servo Calib5, Servo Brake Fluid Special and Servo Special NG 40. During the year, due to restricted availability of 12 Hydroxyl Stearic Acid meeting the required specification, the Company had to switch over to the use of hydrogenated Castor Oil in many grease formulations. Blending of Servo Mesh SP Oils with cost effective formulations was also undertaken in the Bombay Plant. Samples of Glass Mould Oil formulated by the Company have been submitted for trial and approval. The trial blend of rolling oil received approval during the year.

### FUTURE ROLE OF IOBL

It has been proposed in consultation with the Holding Company that future role of your Company should be broad-based and should, inter alia, cover the following :

- (a) the existing Lube Blending Plant at Madras belonging to IOC to be transferred to IOBL;
- (b) all new Lube Oil Blending and Grease manufacturing Plants earlier planned by the parent Company should be undertaken by IOBL;
- (c) wherever new Can Filling Plants need to be established as independent units outside the IOC location, such work should be handled by IOBL; &
- (d) new Grease Plant at Madras to be looked after by IOBL.

Detailed discussions with regard to the modus operandi of the aforesaid transfer of plants/ setting up new units are being held with the parent Company and a final view on various aspects involved in-the issue will be taken based on their specific approval.



Close supervision and automatic machines ensure quality and quantity in lubricant tins

## Safety

Top priority has been accorded to strengthen safety procedures. Each Plant has a Safety Officer to take care of safety Measures and safety Committees hold periodical meetings and also arrange fire drills. During the year, an underground RCC tank with a capacity of 180 KLs has been built and one diesel driven pump/motor has been installed at Bombay Plant. Fire hydrant lines have been provided around the entire plant and fittings and hoses have also been procured. It is also proposed to procure one spare electric driven motor and pump in 1985-86. In Calcutta Plant, adequate number of fire fighting equipments have been provided to augment fire fighting facilities.

## Personnel

During the year under review, the total number of employees of the Company as on 31 st March, 1985, stood at 545 (108 officers and 437 workmen), as compared to 538 at 31 st March, 1984. Cordial industrial relations existed during the year in all the Units of your Company.

## Human Resource Development & Training

The need to develop human resources has been fully recognised by your Company. The infrastructure facilities available with your Holding Company for training and development are being fully utilised for imparting both technical training and management development. Both officers and workmen are being nominated for various training programmes, internal and external, with a view to improve the skills of the employees.

## Welfare of Employees

The Company continued to provide various welfare measures for its employees including loans for house building, subsidised transport and canteen facilities, workers' education classes, medical and sports facilities, provision of uniforms, incentive to encourage family planning, LTC, special medical leave to employees suffering from chronic ailments, etc.

## Workers Participation in Management

Workers' participation in management continues to be encouraged by having representatives from the workers on various committees such as Canteen Committee, Safety Committee, Works Committee, Sports Committee, Provident Fund Trustees, etc.

## Welfare of Weaker Sections

Directives received from the Government of India from time to time regarding employment of candidates belonging to reserved categories were fully implemented, and facilities such as relaxation in age, qualification, etc. continue to be given to the candidates belonging to the Schedule Caste and Scheduled Tribes for employment in the Company.

## Hindi Implementation

Pursuant to the provisions of the Official Languages Act, 1963, and Official Languages Rules, 1976, efforts were further intensified to increase the use of Hindi in official work by printing various forms and documents bilingual. Cash incentives were continued to be given to those employees, who passed various Hindi examinations. During the year, two Hindi typewriters have been procured for Hindi typing. A Hindi Implementation Committee has been formed and this Committee holds regular quarterly meetings to review the progress made.

## Foreign Tours

During the year, no foreign tours have been undertaken by either the Chief Executive or other Executives of the Company.

## Entertainment Expenses

During the year, the entertainment expenses incurred by your Company amounted to Rs. 11,890/-.

## Directors

The tenure of Shri M.S. Rana, who was appointed as Chairman-cum- Managing Director of the Company for period of two years expires on 31 st January, 1986. In terms of the Article 157 of the Articles of Association of the Company, all the following Directors are liable to retire at the conclusion of the next Annual General Meeting, and are eligible for re-election:

1. Dr. P.K. Mukhopadhyay
2. Shri R.M. Basrur
3. Shri G.S. Pandya
4. Shri Indu Vira
5. Shri G.S. Savoor
6. Shri R.K. Narang

## Particulars of Employees

A statement showing the particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 and the Companies (particulars of Employees) Rules 1975, is annexed hereto.

## Acknowledgements

The Directors wish to acknowledge with gratitude the sincere efforts and hard work by the employees of your Company, despite various operational constraints. The employees are becoming more and more productivity conscious and the Directors are confident that attainment of still better results would be possible in the future years. The Directors are also grateful for the assistance and support received from Indian Oil Corporation Limited, the Holding Company of IOBL

For and behalf of the Board



(M.S. Rana)

Bombay,  
Dated: 17th July, 1985. Chairman-cum-Managing Director



# AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31 st March, 1985 and the Profit and Loss Account for the year ended on that date, annexed thereto, and report that:

1. As required by the manufacturing and Other Companies (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 & 5 of the said order.
2. Further to our comments in the annexure referred to in pare 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 Accounts, subject to Note No. 4, regarding surrender of leasehold land at Calcutta and read with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - (i) in the case of the Balance Sheet, of the state of affairs, of the Company as at 31st March, 1985;
    - 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 M. M. NISSIM AND CO.,  
*Chartered Accountants.*

Bombay :  
Dated: 17th July, 1985

(P. B. DESAI),  
*Partner.*



# ANNEXURE TO THE AUDITORS' REPORT

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

## Index

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. We are informed that no significant discrepancies were noticed on such verification as compared to book records, and the same have been properly dealt with in the books of account. 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. Loans and Advances in the nature of loans have been given to the employees and the same are being repaid as stipulated. The interest on vehicle, loans given to employees is accounted for as and when realised. The accrued amount of interest for the year and the amount accumulated till the date of the Balance Sheet not provided for in the books of account are approximately Rs. 17,000/- and Rs. 49,000/- respectively.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of stores, components, plant and machinery, equipment and other assets.
7. The Company has purchased at controlled prices fuel and oil exceeding Rs. 10,000/- in value, during the year from Indian Oil Corporation Limited, the Holding Company.
8. As explained to us, the Company has a regular procedure for 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 operations. 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 the 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 M. M. NISSIM AND CO.,  
*Chartered Accountants.*

Bombay: Dated: 17th July, 1985

(P. B.DESAI),  
Partner.



**BALANCE SHEET AS AT MARCH, 1985**

I. SOURCES OF FUNDS:	Schedules	As at 31st March, 1985 Rupees	As at 31st March, 1984 Rupees
1. Shareholder's Funds:			
(a) Capital	I	40,00,000	40,00,000
(b) Reserves and Surplus	II	2,22,58,678	1,93,70,244
		<u>2,62,58,678</u>	<u>2,33,70,244</u>
2. Loan Funds:			
(a) Unsecured Loans	III	23,27,574	23,03,997
		<u>23,27,574</u>	<u>23,03,997</u>
TOTAL :		<u>2,85,86,252</u>	<u>2,56,74,241</u>
II. APPLICATION OF FUNDS:			
1. Fixed Assets:	IV		
(a) Gross Block		4,21,19,002	3,94,11,807
(b) Depreciation		2,62,64,174	2,34,22,540
(c) Net Block		1,58,54,828	1,59,89,267
(d) Capital Work-in-Progress		23,84,032	2,91,716
		<u>1,82,38,860</u>	<u>1,62,80,983</u>
2. Current Assets, Loans and Advances:	V		
(a) Inventories		14,15,192	12,76,621
(b) Sundry Debtors		31,21,245	33,94,098
(c) Cash and Bank Balances		3,21,017	86,250
(d) Loans and Advances		2,16,65,919	1,71,77,612
		<u>2,65,23,373</u>	<u>2,19,34,581</u>
Less: Current Liabilities and Provisions:	VI		
(a) Current Liabilities		43,33,981	48,99,323
(b) Provisions		1,18,42,000	76,42,000
		<u>1,61,75,981</u>	<u>1,25,41,323</u>
Net Current Assets		<u>1,03,47,392</u>	<u>93,93,258</u>
TOTAL:		<u>2,85,86,252</u>	<u>2,56,74,241</u>
Notes on Balance Sheet	IX		

M.S. RANA  
Chairman & Managing  
Director

G.S. PANDYA  
Financial Director

INDU VIRA  
Director

J.K. WADHWA  
Secretary

As per our Report of even date  
For M.M. NISSIM & COMPANY,  
Chartered Accountants

Bombay,  
Dated: 17th July, 1985

P.B. Desai  
Partner



# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1985

	Schedules	As at 31st March, 1985 Rupees	Previous Year Rupees
<b>INCOME:</b>			
Throughput, Blending and Manufacturing Charges		<b>4,08,44,802</b>	3,36,34,872
Other Income	<b>VII</b>	<b>10,79,780</b>	4,25,081
		<b>4,19,24,582</b>	<b>3,40,59,953</b>
<b>EXPENDITURE:</b>			
Operating and. Other Expense	<b>VIII</b>	<b>3,11,06,734</b>	2,71,90,173
Interest		<b>3,03,060</b>	51,655
Depreciation		<b>30,13,541</b>	30,46,651
		<b>3,44,23,335</b>	<b>3,02,88,479</b>
Profit for the year before tax		<b>75,01,247</b>	37,71,474
Expenses of prior year		<b>80,454</b>	6,576
PROFIT BEFORE TAX		<b>74,20,793</b>	37,64,898
Provision for Taxation		<b>42,00,000</b>	21,25,000
PROFIT AFTER TAX		<b>32,20,793</b>	16,39,898
Surplus brought forward from previous year		<b>10,044</b>	1,985
Development Rebate Reserve written back.		<b>48,700</b>	1,37,511
Excess tax provision of prior year written back		—	6,946
Excess provision for expenses of prior year written back		<b>67,641</b>	88,704
DISPOSABLE PROFIT		<b>33,47,178</b>	<b>18,75,044</b>
<b>APPROPRIATIONS:</b>			
Proposed Dividend (subject to deduction of tax)		<b>4,00,000</b>	4,00,000
Investment Allowance Reserve		<b>2,85,000</b>	1,65,000
General Reserve		<b>26,50,000</b>	13,00,000
Surplus carried to Balance Sheet		<b>12,178</b>	10,044
TOTAL :		<b>33,47,178</b>	<b>18,75,044</b>
NOTES ON PROFIT AND LOSS ACCOUNT	<b>IX</b>		

M.S. RANA  
Chairman & Managing  
Director

G.S. PANDYA  
Financial Director

INDU VIRA  
Director

J.K. WADHWA  
Secretary

As per our Report of even date  
For M.M. NISSIM & COMPANY,  
Chartered Accountants

Bombay,  
Dated: 17th July, 1985

P.B. Desai  
Partner



# SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1985

## Schedule I – Share Capital

	As at 31st March, 1985 Rupees	As at 31st March, 1984 Rupees
<b>SHARE CAPITAL:</b>		
<b>Authorised :</b>		
8,000 Equity Shares of Rs. 500/- each	<u>40,00,000</u>	<u>40,00,000</u>
<b>Issued and Subscribed :</b>		
8,000 Equity Shares of Rs. 500/- each fully paid up. (The entire Share Capital is held by Indian Oil Corporation Limited, the Holding Company)	<u>40,00,000</u>	<u>40,00,000</u>
TOTAL	<u>40,00,000</u>	<u>40,00,000</u>

## SCHEDULE II – RESERVES AND SURPLUS

	Rupees	As at 31st March, 1985 Rupees	As at 31st March, 1984 Rupees
<b>RESERVES AND SURPLUS :</b>			
<b>1. General Reserve :</b>			
As per last Balance Sheet	1,71,91,000		1,58,91,000
Transferred from Profit and Loss Account	<u>26,50,000</u>		<u>13,00,000</u>
		<b>1,98,41,000</b>	<b>1,71,91,000</b>
<b>2. Development Rebate Reserve :</b>			
As per last Balance Sheet	49,200		1,86,711
Transferred from Profit and Loss Account	<u>48,700</u>		<u>1,37,511</u>
		<b>500</b>	<b>49,200</b>
<b>3. Investment Allowance Reserve :</b>			
As per Last Balance Sheet	21,00,000		19,55,000
Transferred from Profit and Loss Account	<u>2,85,000</u>		<u>1,65,000</u>
		<b>24,05,000</b>	<b>21,20,000</b>
<b>4. Profit &amp; Loss Account</b>		<b>12,178</b>	<b>10,044</b>
TOTAL		<u>2,22,58,678</u>	<u>1,93,70,244</u>

## Schedule III – Unsecured Loan

	As at 31st March, 1985 Rupees	As at 31st March, 1984 Rupees
<b>Unsecured Loan :</b>		
<b>Short Term Loan :</b>		
Cash Credit from State Bank of India, guaranteed by Indian Oil Corporation Limited, the Holding Company	<u>23,27,574</u>	<u>23,03,997</u>
TOTAL	<u>23,27,574</u>	<u>23,03,997</u>

**SCHEDULE IV – FIXED ASSETS**

ASSETS	As on 1.4.84  Rupees	GROSS BLOCK AT COST		
		Additions  Rupees	Deductions  Rupees	As on 31.3.85  Rupees
BUILDINGS (ON LEASEHOLD LAND)	85,85,195	2,67,532	–	<b>88,52,727</b>
RAILWAY SIDING	2,73,039	–	–	<b>2,73,039</b>
PLANT AND MACHINERY	2,30,52,039	15,56,520	50,658	<b>2,45,57,901</b>
FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	24,71,691	2,79,606	22,778	<b>27,28,519</b>
FORKLIFT TRUCKS	31,65,215	6,86,582	1,20,224	<b>37,31,573</b>
MOTOR VEHICLES	4,48,400	1,10,615	–	<b>5,59,015</b>
RESEARCH AND DEVELOPMENT:				
BUILDING (ON LEASEHOLD LAND)	26,483	–	–	<b>26,483</b>
PLANT AND MACHINERY	13,89,745		–	<b>13,89,745</b>
<b>TOTAL:</b>	<b>3,94,11,807</b>	<b>29,00,855</b>	<b>1,93,660</b>	<b>4,21,19,002</b>
<b>PREVIOUS YEAR TOTAL:</b>	<b>3,74,33,254</b>	<b>21,68,717</b>	<b>1,90,164</b>	<b>3,94,11,807</b>

Buildings include Rs. 3,500/- towards value of 70 shares of Rs. 50/- each, in a Co-operative Housing Society.



**SCHEDULE IV – FIXED ASSETS** (Contd...)

DEPRECIATION			NET BLOCK		
Upto 31.3.84 Rupees	Deductions/ Adjustment for earlier year Rupees	For the year Rupees	Upto 31.3.85 Rupees	As on 31.3.85 Rupees	As on 31.3.84 Rupees
35,55,792	–	4,64,228	40,20,020	<b>48,32,707</b>	50,29,403
2,33,757	–	5,893	2,39,650	<b>33,389</b>	39,282
1,52,53,463	42,086	17,24,925	1,69,36,302	<b>76,21,599</b>	77,98,576
12,11,418	16,528	1,89,056	13,83,946	<b>13,44,573</b>	12,60,273
24,21,020	1,13,293	4,27,155	27,34,882	<b>9,96,691</b>	7,44,195
1,59,731	–	79,858	2,39,589	<b>3,19,426</b>	2,88,669
7,439	–	952	8,391	<b>18,092</b>	19,044
5,79,920	–	1,21,474	7,01,394	<b>6,88,351</b>	8,09,825
2,34,22,540	1,71,907	30,13,541	2,62,64,174	<b>1,58,54,828</b>	1,59,89,267
2,05,15,420	1,39,531	30,46,651	2,34,22,540		
CAPITAL WORK-IN-PROGRESS				<b>23,84,032</b>	2,91,716
				<b>1,82,38,860</b>	1,62,80,983

## SCHEDULE V - CURRENT ASSETS, LOANS & ADVANCES

### CURRENT ASSETS, LOANS & ADVANCES :

	Rupees	As at 31st March, 1985 Rupees	As at 31st March 1984 Rupees
<b>1. CURRENT ASSETS :</b>			
(a) Inventories :			
(As taken, valued and certified by the Management)			
Stores and Spare Parts (at cost)		14,15,192	12,76,621
TOTAL		<u>14,15,192</u>	<u>12,76,621</u>
(b) Sundry Debtors :			
(Unsecured, considered good). Due from Indian Oil Corporation Limited, the Holding Company.			
(i) Exceeding six months		–	41,714
(ii) Other Debts		31,21,245	33,52,384
TOTAL		<u>31,21,245</u>	<u>33,94,098</u>
(c) Cash and Bank Balances			
(i) Cash & Cheques on hand		60,250	55,250
(ii) Balance with a Schedule Bank in Current Account		2,60,767	31,000
TOTAL		<u>3,21,017</u>	<u>86,250</u>
<b>2. Loans And Advances:</b>			
Advances recoverable in cash or in kind or for value to be received, considered good			
(a) Secured	30,21,484		22,81,950
(b) Unsecured :			
(i) Due from Indian Oil Corporation, the Holding Company	2,10,895		1,32,774
(ii) Others	94,59,771		73,05,047
		<u>1,29,92,150</u>	<u>97,19,771</u>
3. Advance payment of Income-Tax		88,76,769	74,11,841
4. Deposit with Industrial Development Bank of India, in lieu of Surcharge on Income-Tax		97,000	46,000
TOTAL		<u>2,16,65,919</u>	<u>1,71,77,612</u>

## SCHEDULE VI - CURRENT LIABILITIES AND PROVISIONS

### 1. CURRENT LIABILITIES :

		As at 31st March, 1985	As at 31st March, 1984
(a) Sundry Creditors		38,50,418	33,11,064
(b) Due to Indian Oil Corporation Limited, the Holding Company		1,36,193	14,31,089
(c) Other Liabilities		3,47,370	1,57,170
TOTAL		<u>43,33,981</u>	<u>48,99,323</u>

### 2. PROVISIONS :

Taxation		1,14,42,000	72,42,000
Proposed Dividend		4,00,000	4,00,000
TOTAL		<u>1,18,42,000</u>	<u>76,42,000</u>



# Schedule annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 1985

## SCHEDULE VII - OTHER INCOME

### OTHER INCOME :

	Rupees	For the year ending 31st March, 1985 Rupees	For the year ending 31st March 1984 Rupees
<b>Interest :</b>			
On Staff Loans	3,87,293		2,70,600
On Others	<u>8,522</u>		<u>12,541</u>
		3,95,815	2,83,141
Profit on sale of assets		35,241	80,023
Pipeline User charges		5,74,366	-
Miscellaneous		<u>74,358</u>	<u>61,917</u>
Total :		<u>10,79,780</u>	<u>4,25,081</u>

## SCHEDULE VIII - OPERATING AND OTHER EXPENSES

	Rupees	For the year ending 31st March, 1985 Rupees	For the year ending 31st March 1984 Rupees
<b>OPERATING AND OTHER EXPENSES :</b>			
Salaries, Wages, Allowances and Bonus		1,65,15,593	1,47,84,941
Contribution to employee's Provident Fund and other Funds		9,06,474	8,26,990
Gratuity		2,88,767	3,17,482
Staff Welfare Expenses		35,07,710	24,11,505
Fuel, Power and Water Charges		33,60,041	32,19,420
Stores consumed		5,40,036	5,43,857
Rent		8,57,420	3,89,647
Rates, Taxes and Licences		2,57,229	1,97,943
Material Handling Expenses		6,39,401	6,72,804
<b>Repairs and Maintenance to :</b>			
Buildings	9,65,105		5,93,007
Plant and Machinery	12,66,816		16,69,696
Railway Siding	1,22,974		1,08,438
Others	<u>2,61,740</u>		<u>2,13,474</u>
		26,16,635	25,84,615
Insurance		57,262	61,109
Travelling and Conveyance		2,77,212	1,78,938
Motor Vehicle Expenses		1,43,844	1,50,316
Printing and Stationery		2,38,843	1,62,668
Postage, Telegrams and Telephones		2,37,137	2,03,220
Legal and Professional Charges		12,605	10,190
Brokerage		-	76,800
Loss on sale of assets		7,319	838
<b>Auditor's Remuneration :</b>			
Audit Fees	12,000		12,000
Other Services	3,000		-
Out-of-pocket expenses	<u>1,551</u>		<u>2,855</u>
		16,551	14,855
General Expenses		6,26,655	3,82,035
Total		<u>3,11,06,734</u>	<u>2,71,90,173</u>

## SCHEDULE IX

	<b>As at 31st March 1985</b>	<b>As at 31st March 1984</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>1. Contingent Liabilities:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	11,48,654	6,49,083
(b) Claims against the Company not acknowledged as debts.	25,000	25,000
(c) Guarantee given to Government of Kerala, on behalf of the Holding Company, M/S. Indian Oil Corporation Limited, in respect of Sales Tax Demands.	38,80,892	38,80,892
2. Estimated value of the Tax Credit Certificates applied for under Section 280 ZB of the Income-Tax Act, 1961 pending before the Income-Tax Authorities.	2,00,000	2,00,000
3. 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 premium paid covers the liability under the Scheme in respect of all 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.		
4. The Calcutta Port Trust authorities have informed the Company that they require the land presently leased to the Company for their own use. In the event of the leasehold land being surrendered, the value of the buildings/structures thereon, the original cost of which is Rs. 48,19,035/- (W.D.V. Rs. 28,25,398/-) would require to be written off. The precise amount of write off is not ascertainable as compensation payable, if any, in respect thereof has not been finalised.		
5. Additional information pursuant to Paragraphs 3, 4, 4C and 4D of Part II, to Schedule VI of the Companies Act, 1956.		

	<b>Current Year</b>	<b>Previous Year</b>
	<b>Rupees</b>	<b>Rupees</b>
(A) Remuneration to Chairman & Managing Director:		
(a) Salary	66,188	10,049
(b) Provident Fund and Other Funds	5,013	828
(c) Other Perquisites	1,331	730
TOTAL :	<u>72,532</u>	<u>11,607</u>

No separate provision for gratuity payable to Chairman and Managing Director has been made in the Accounts and it will be accounted on cash basis when paid.

In addition, the Chairman & Managing Director, is also allowed the use of Company's Car for private purposes upto 6,000 Kms. per annum, on a payment of Rs. 1,800/- per annum, to be recovered in instalments of Rs. 150/- per mensem.

(B) Capacity and Production:	<b>Current Year</b>		<b>Previous Year</b>	
	<b>Lubes (KL)</b>	<b>Grease (MT)</b>	<b>Lube (KL)</b>	<b>Grease (MT)</b>
(a) Licensed Capacity	2,50,000	4,536	2,50,000	4,536
(b) Installed Capacity	@2,50,000	8,500	2,50,000	8,500
(c) Actual Production	*2,80,686	6,821	2,66,764	5,852

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

@ As certified by the Management and accepted by the Auditors without verification.

\* Includes 10,941 KLs. (Previous Year-10,028 KLs.) not blended but back-loaded.



**SCHEDULE IX-(Contd.)**

		Current Year	Previous Year
		Rupees	Rupees
(C) Turnover (Processing Fees):			
Lube Blending	-Kilo Ltrs.	2,80,686	2,66,764
	-Rupees.	**3,36,82,277	2,66,76,368
Grease	-Metric Tonnes.	6,821	5,852
	-Rupees	71,62,525	59,98,800

*Note:* The Company has not purchased or consumed any raw materials during the year. There are no opening or closing stock of finished goods. The Company processes materials received by it from Indian Oil Corporation Limited, the Holding Company. Quantities mentioned above, relate to such processing operations.

\*\* Throughput and Blending Fees are net after deducting operational losses amounting to Rs. NIL (Previous Year-Rs. 6,52,972/-).

		Current Year	Previous Year
		Rupees	Rupees
(D) C.I.F. Value of Imports:			
Spare Parts and Components.		<b>81,946</b>	38,027
Capital Goods.		<b>99,770</b>	—

(E) Consumption of Spare Parts during the Year:

	Current year		Previous Year	
	Value	Percentage	Value	Percentage
	Rupees		Rupees	
Imported.	<b>72,796</b>	28.36	2,39,101	24.92
Indigenous.	<b>1,83,895</b>	71.64	7,20,376	75.08

(F) Expenditure in Foreign Currency:

	Current Year	Previous Year
	Rupees	Rupees
(a) Subscription to Journals.	<b>311</b>	205

(G) Break-up of expenditure incurred during the year on employees in respect of remuneration aggregating to Rs. 36,000/-or more, per year or Rs. 3,000/- per month, when employed for a part of the year.

		Current Year	Previous Year
(i) Employed throughout the year:			
Number of the employees.	No.	106	94
Salaries, Wages and Bonus	Rupees	47,32,823	38,25,338
Contribution to Provident Fund and Other Funds.	Rupees	2,77,154	2,46,459
(ii) Employed part of the year:			
Number of employees.	Nos.	None	2
Salaries, Wages and Bonus.	Rupees	—	21,073
Contribution to Provident Fund and Other Funds.	Rupees	—	1,500

6. Previous year's figures have been regrouped wherever necessary.

Signatures to schedule I to IX

M.S. RANA  
Chairman & Managing Director

G.S. PANDYA  
Financial Director

INDU VIRA  
Director

J.K. WADHWA  
Secretary

As per our Report of even date

For M.M. NISSIM & COMPANY  
Chartered Accountants

P.B. DESAI  
Partner

Bombay,  
Dated: 17th July, 1985.



**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 31ST MARCH,  
1985.**

OFFICE OF THE MEMBER, AUDIT BOARD  
AND Ex-OFFICIO DIRECTOR  
OF COMMERCIAL AUDIT (PETROLEUM AND OIL)

1 Floor, Indianoil Bhawan  
No.139, Nungambakkam High Road  
MADRAS 600034  
Dated: 29th July, 1985.

NO. MABIP&OIRIIOBL4/84-85/388

TO

The Chairman & Managing Director,  
Indian Oil Blending Ltd.,  
Pir Pau, Trombay,  
BOMBAY 400074.

Sir,

Sub:- Comments of the Comptroller & Auditor General of India, under section 619 (4) of the Companies Act, 1956, on the accounts of Indian Oil Blending Ltd. for the year ended 31st March, 1985.

The Comptroller & Auditor General of India has decided not to review the report of the statutory auditors for the year 1984-85 on the accounts of Indian Oil Blending Ltd., and, as such he has no comments to make under section 619 (4) the Companies Act, 1956.

Yours faithfully,  
(Sd.) SARASWATHI R. RAO  
Member, Audit Board & Ex-Officio  
Director of Commercial Audit  
(Petroleum and Oil), Madras.

