

# INDIAN OIL CORPORATION LIMITED



ANNUAL REPORT 1989-90



***The Indane (cooking gas) revolution has brought about a qualitative change in upgrading the life styles of people, both in urban and semi urban areas. The Corporation presently reaches Indane to over 8 million households By the turn of the century and at the current rate of growth in demand, India is likely to emerge with the largest number of domestic users of bottled LPG in the world.***

## Contents

Board of Directors	7
Principal Executives	10
Directors' Report	13
— Financial Results	14
— MOU Performance	15
— Seventh Plan	16
— Operations	18
Refineries	
Pipelines	
Marketing	
International Trade	
— R&D	26
— Assam Oil Division	28
— Projects	28
Joint Venture	
World Bank Financed Projects	
Energy Conservation	
Safety	
Environmental Protection	
Office Automation	
Import Substitution	
Development of Ancilliary Small Scale Industries	
Measures for Higher Productivity	
Corporate Planning	
— Personnel	35
— Indianoil Corporate Management Institute	
— A Corporate Citizen	38
— Indian Oil Blending Ltd.,	39
Annexures to Directors' Report	41
Performance at a Glance	47
How Funds Generated & Utilised	48
Statement of Added Value	49
A Ten-Year Profile	50
Review of Accounts by CAG	52
Report of the Auditors	57
Statement of Accounting Policies	60
Balance Sheet	62
Profit & Loss Account	64
Notes on the Accounts	90
Statement relating to Subsidiary	
Companies	99
Assets-Township	100
Income and Expenditure-	
Township etc.	102
Comments on the Accounts	103
Annual Report of IOBL	104

**Indian Oil Corporation Limited**  
**REGISTERED OFFICE**  
 Indianoil Bhavan,  
 G-9, Ali Yavar Jung Marg,  
 Bandra (East)., Bombay - 400 051

### 31st Annual Report

In this Report one lakh corresponds  
 to 0.1 million and one crore to ten million.



# 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.
- 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.
- Expedient 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.



# Objectives and Obligations *Contd...*

Index

- 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 by 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.

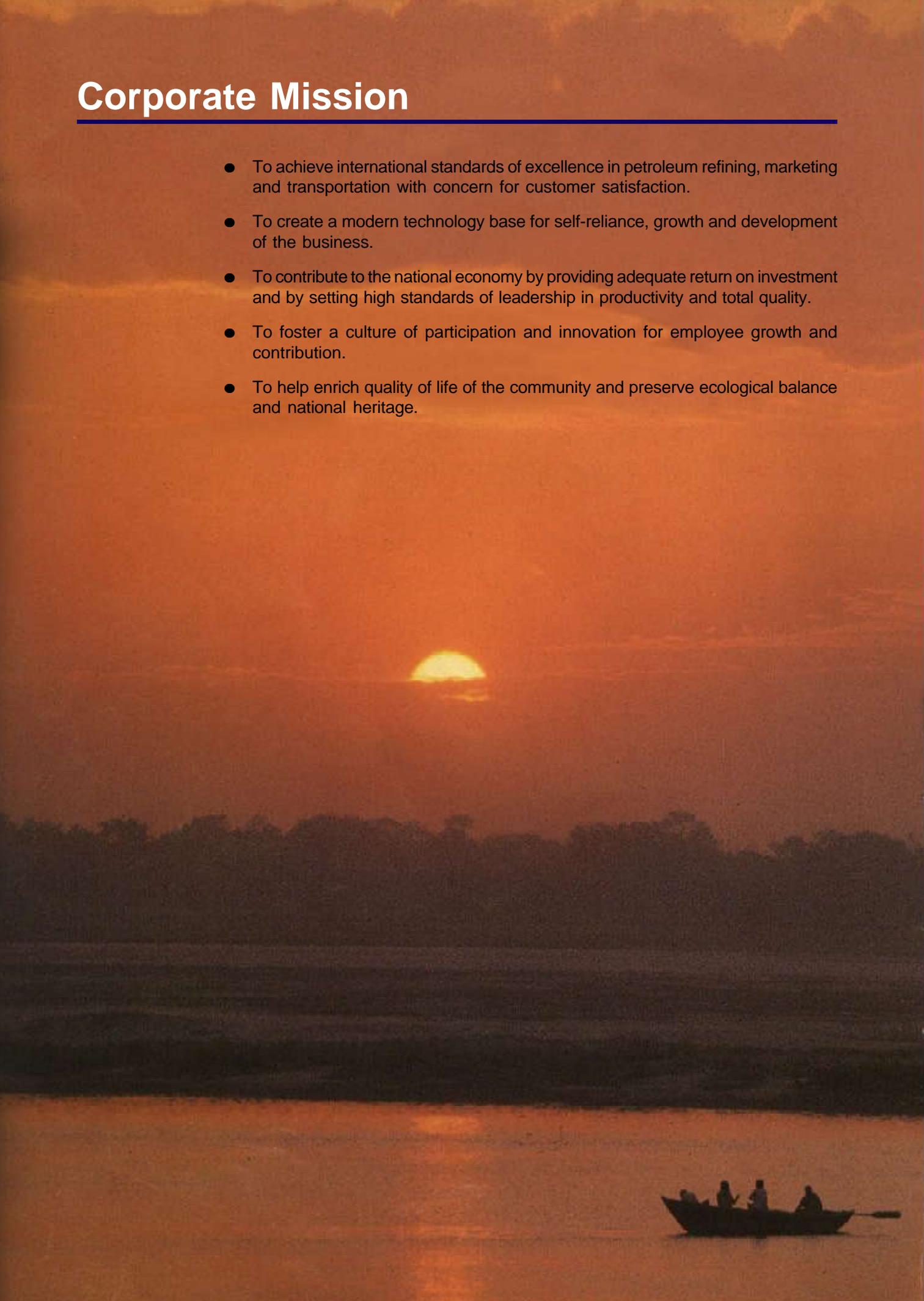
- To continue to make an effort in bringing a reduction a reduction in the cost of production of petroleum products manufactured by means of systematic cost control measures.
- To endeavour to complete all planned projects within the stipulated time and within the stipulated cost estimates.



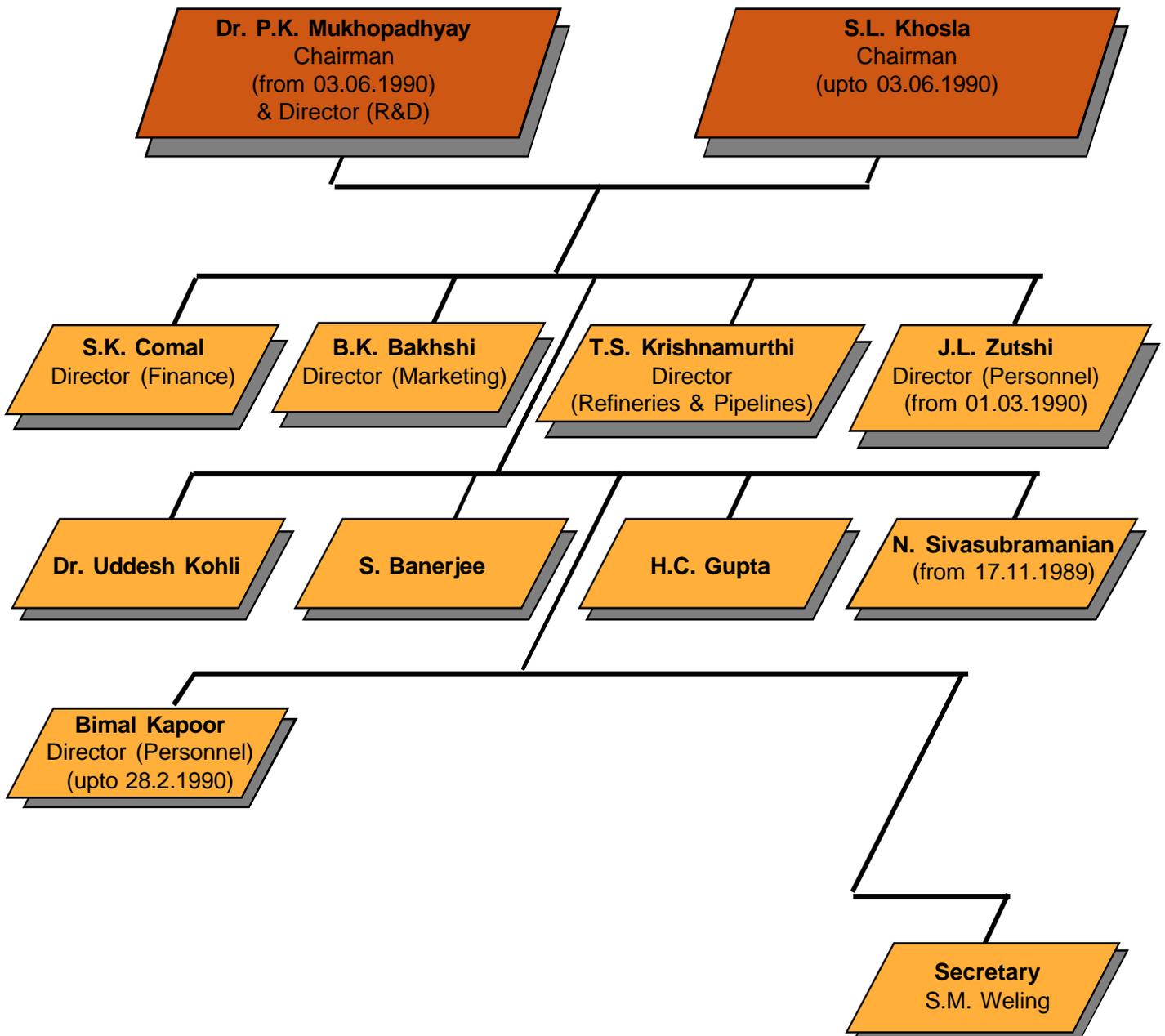
# Corporate Mission

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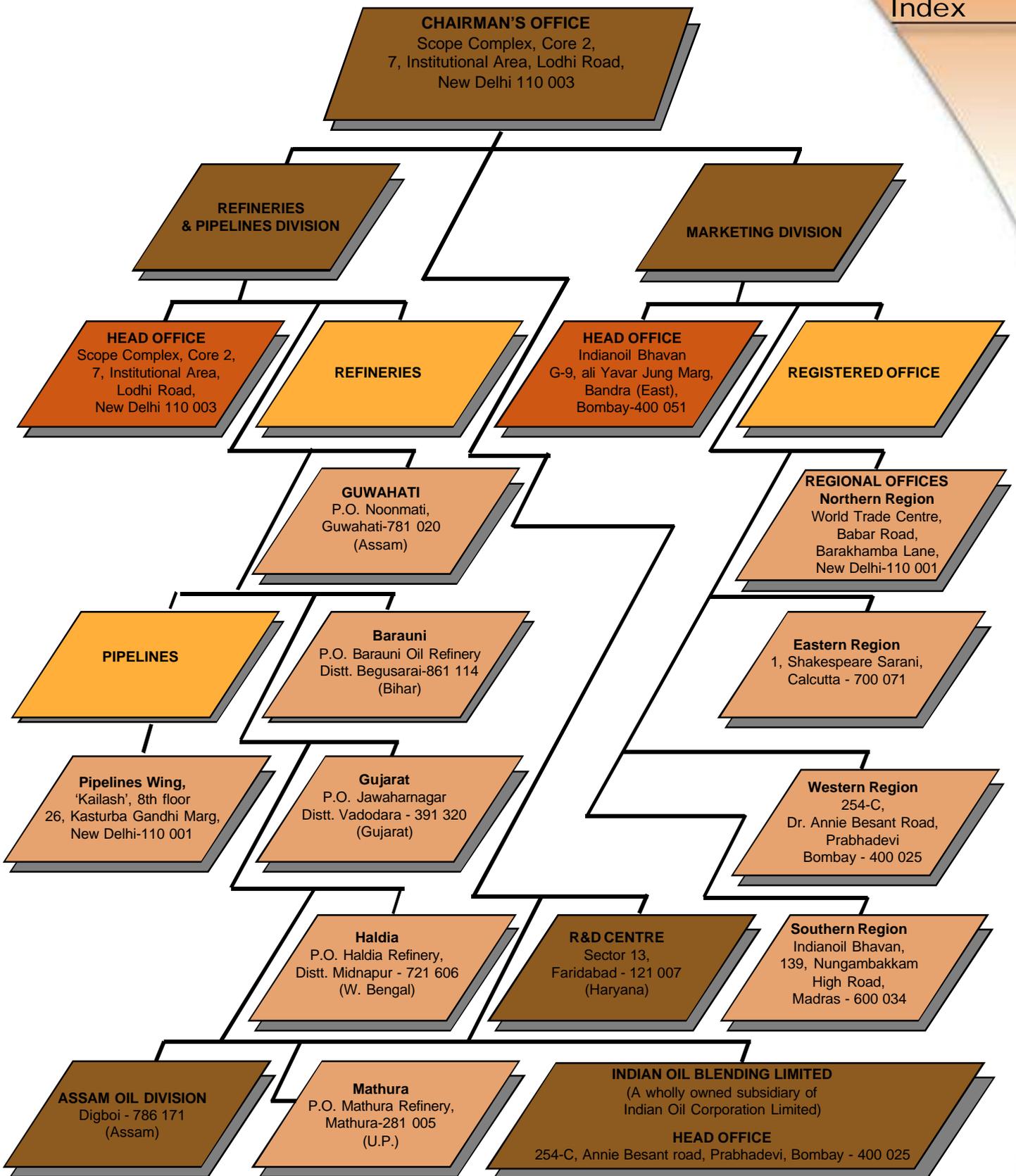
- To achieve international standards of excellence in petroleum refining, marketing and transportation with concern for customer satisfaction.
- To create a modern technology base for self-reliance, growth and development of the business.
- To contribute to the national economy by providing adequate return on investment and by setting high standards of leadership in productivity and total quality.
- To foster a culture of participation and innovation for employee growth and contribution.
- To help enrich quality of life of the community and preserve ecological balance and national heritage.



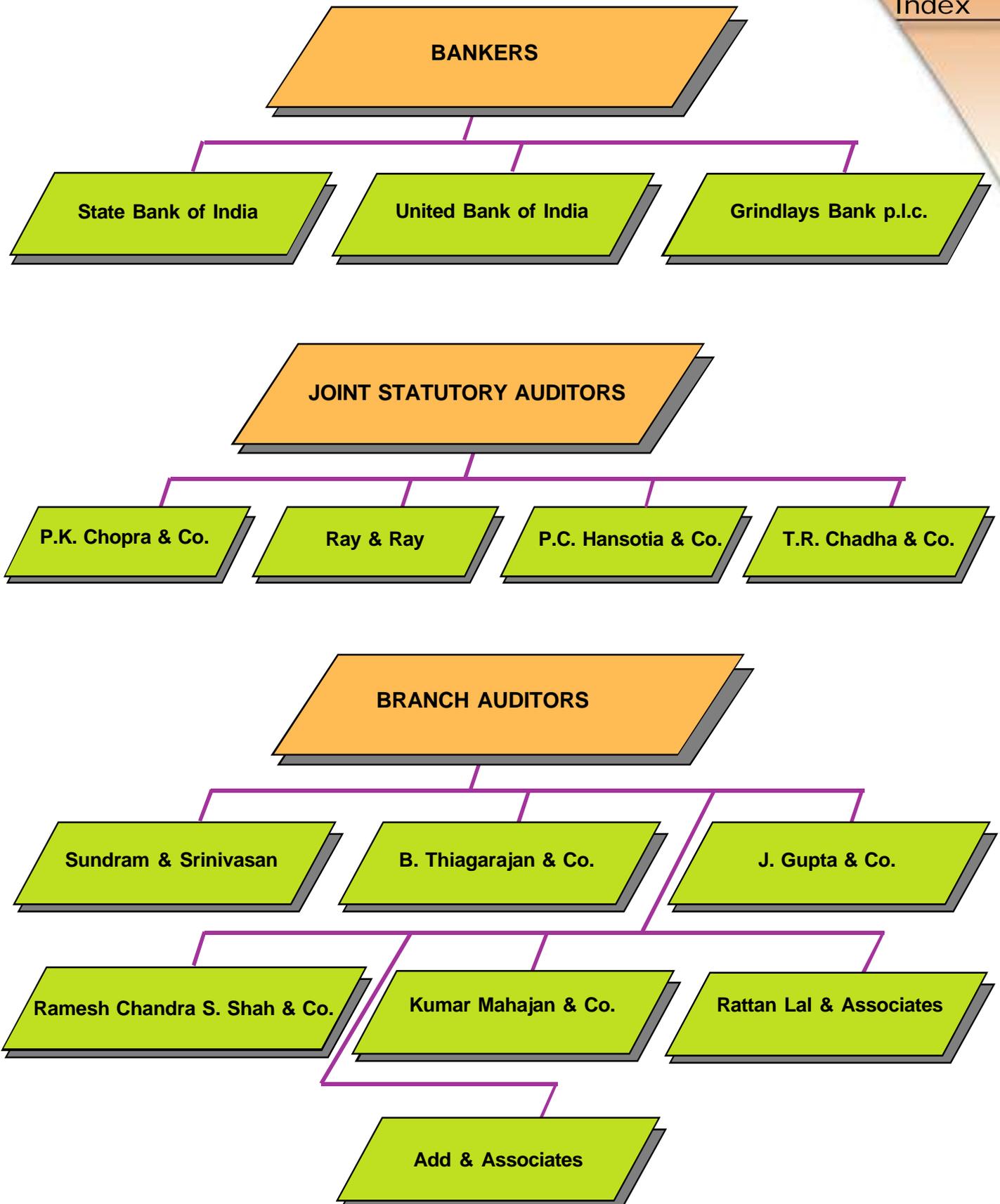
# Board of Directors



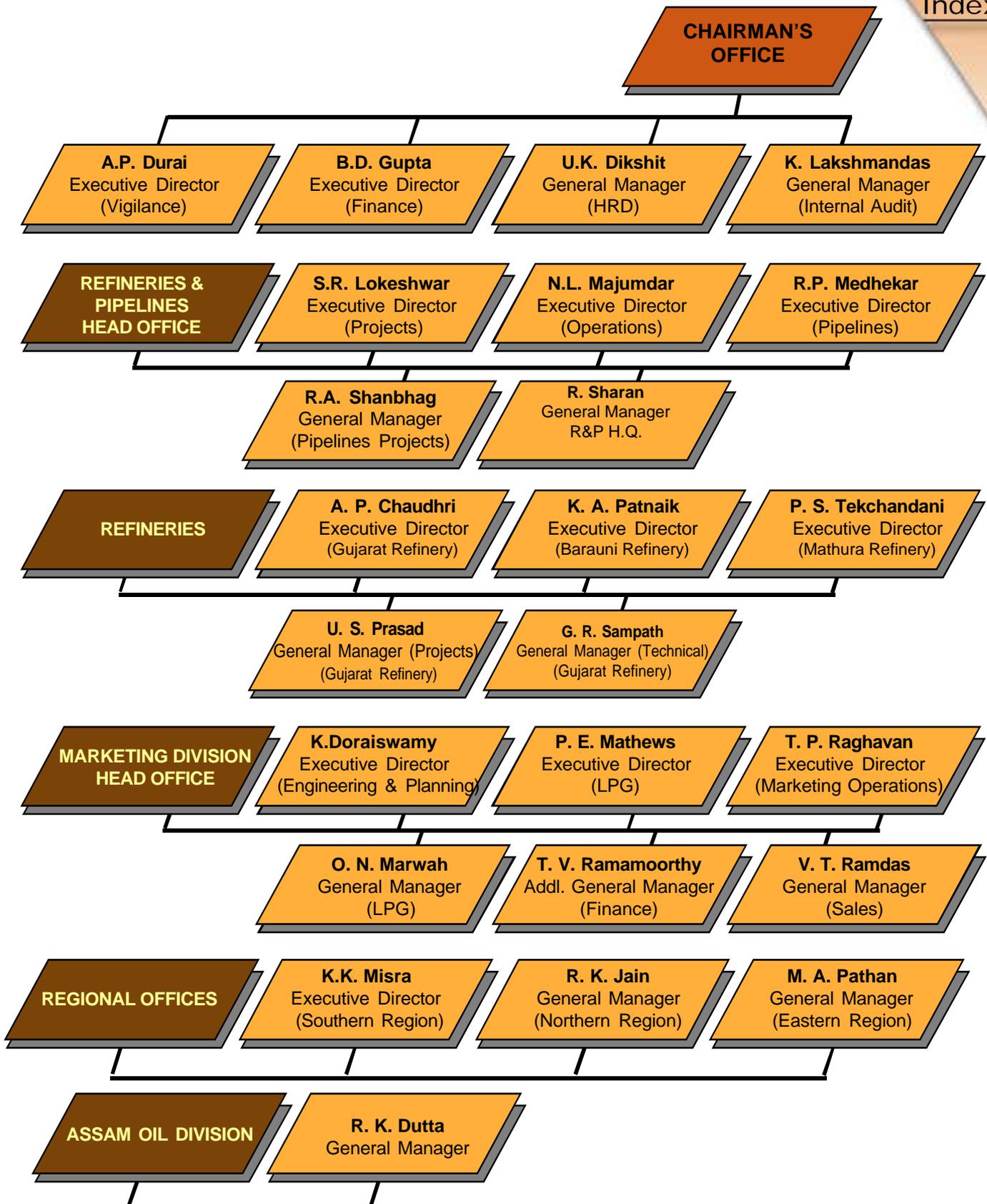
# Major Units



# Bankers and Auditors



# Principal Executives





# Notice

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Notice is hereby given that the 31st Annual General Meeting of Indian Oil Corporation will be held on Thursday, the 20th September, 1990 at 1230 hrs at the Company's Chairman's Office, SCOPE Complex, Core 2, 7, Institutional Area, Lodhi Road, New Delhi 110 003 to transact the following business :-

## ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account Report of the Auditors and Directors thereon for the financial year ended 31st March, 1990.
2. To declare dividend.

By Order of the Board,

Sd/-  
(S.M. WELING)  
*Secretary*

Bombay, Dated : 5th September, 1990.

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

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Approval for holding the Annual General Meeting in New Delhi instead of at Registered Office at G-9, Ali Yavar Jung Marg, Bandra (East), Bombay has been obtained from Government of India, Ministry of Industry, Department of Company Affairs, New Delhi.

Right :  
India's youngest refinery at Mathura, where a catalytic reformer is being planned



# Directors' Report



# Directors' Report 1989-90

To The performance highlights for the year are summarised below.

## Financial Highlights

The Shareholders of  
Indian Oil Corporation Limited

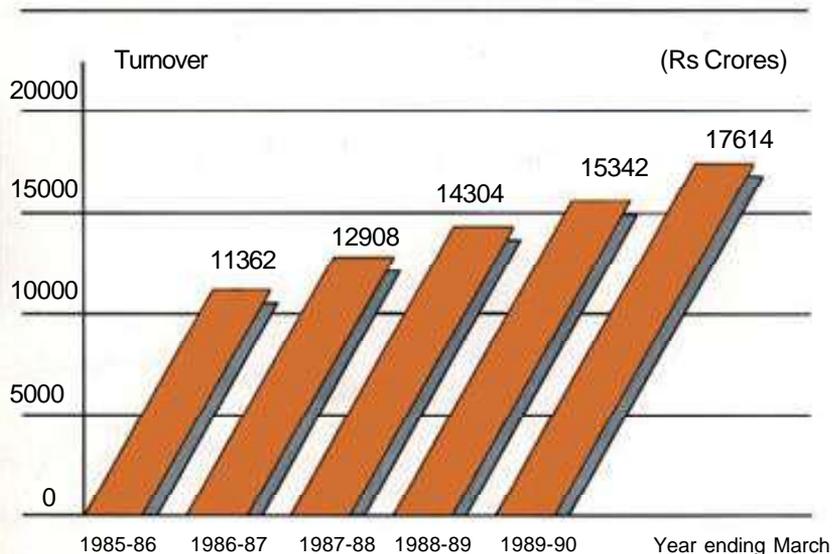
Gentlemen,

On behalf of the Board of Directors, I am very happy to place before you the 31st Annual Report on the working of the Corporation for the financial year ended 31st March, 1990, along with the Audited Statements of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India.

	<u>1989-90</u>	<u>(Rs crores)</u> <u>1988-89</u>
<b>Turnover</b>	17,614	15,342
<b>Profit</b>		
Profit before Interest, Depreciation and Tax	1,460	1,030
Interest Payment	391	143
Depreciation	229	211
Profit before Tax	840	676
Tax Provision	165	162
Profit after Tax	675	514
<b>Appropriations</b>		
Proposed Dividend	25	25
General Reserve	650	489

## Highlights of Operations

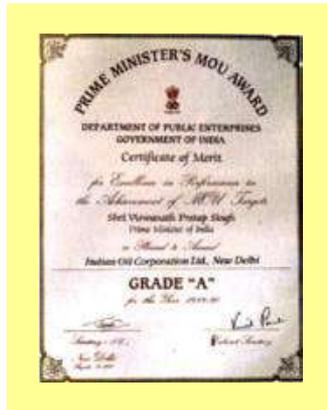
	<u>1989-90</u>	<u>(million tonnes)</u> <u>1988-89</u>
Product Sales	31.01	28.99
Refineries' Throughput	23.53	22.00
Pipelines Throughput (crude oil and products)	20.89	20.28



# Directors' Report Contd..

## MOU PERFORMANCE

Indianoil was among the select public sector enterprises to sign a Memorandum of Understanding (MOU) with the Government setting targets of performance for the year 1989-90. The Corporation exceeded targets on various parameters of the MOU and in recognition of this outstanding performance, was presented the Prime Minister's MOU Award for Excellence.



## Profit

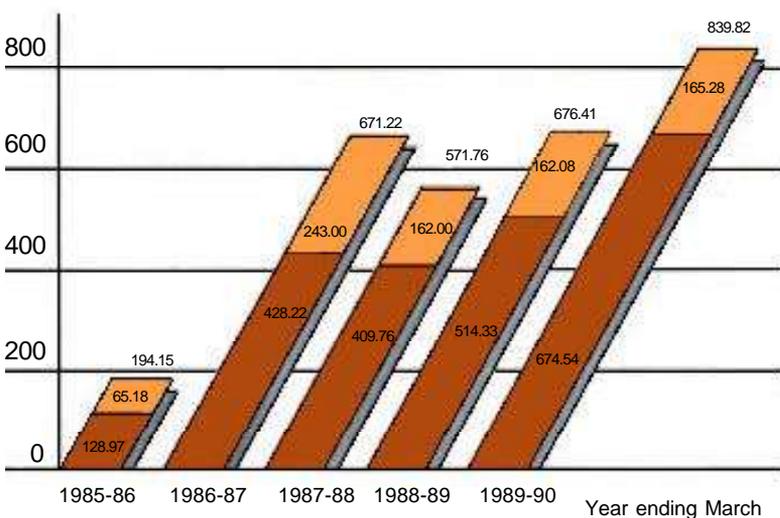
Your Corporation earned a profit after tax of Rs. 674.54 crores during 1989-90 as compared to Rs 514.33 crores during 1988-89. This increase of more than 31% in profits was because of higher throughput and sales, incentive for better product pattern, and realisation of balance margins from Oil Coordination Committee.

## Dividend

Your Directors have recommended a dividend of 20% for the second year in succession, which will absorb an amount of Rs 24.65 crores out of the disposable profit of Rs 674.54 crores. The rate of dividend has been progressively increased from 6% in 1966-67 to 14% in 1980-81 and maintained at that level till 1985-86. The dividend was raised to 16% in 1986-87 and to 18% in 1987-88. The total dividend declared so far is Rs 272.86 crores. This is the 24th consecutive year of dividend declaration by the Corporation.

The paid up capital of Rs 123.27 crores of the Corporation includes capitalisation of Rs 41.09 crores in 1981-82 by issuance of bonus shares in the ratio of one bonus share for every two shares

**Profit**  
 Profit After Tax    Tax    Profit Before Tax    (Rs Crores)



**Top :**  
 The Certificate of Excellence presented to the Corporation for exceeding MOU targets during the year

**Above :**  
 Dr. P.K. Mukhopadhyay, Chairman, receiving the Prime Minister's MOU Award for Excellence from Shri Bhagey Goverdhan, Union Minister for Planning and Programme Implementation at a function in New Delhi

**Left (Facing Page) :**  
 The Digbori refinery in Assam, has achieved over 100% capacity utilisation for the past eight years. A modernisation programme is also under implementation at the refinery.



# Directors' Report *Contd..*

## Contribution to Exchequer

Your Corporation contributed Rs 3,431.83 crores to the central exchequer in the form of duties and income tax alone during the year. This is Rs 500.50 crores more than the contribution in 1988-89.

## Value Added

Value addition in the operations of the Corporation during 1989-90 amounted to Rs 1,388 crores. This is Rs 293 crores more than the value added during the previous year.

## Working Capital

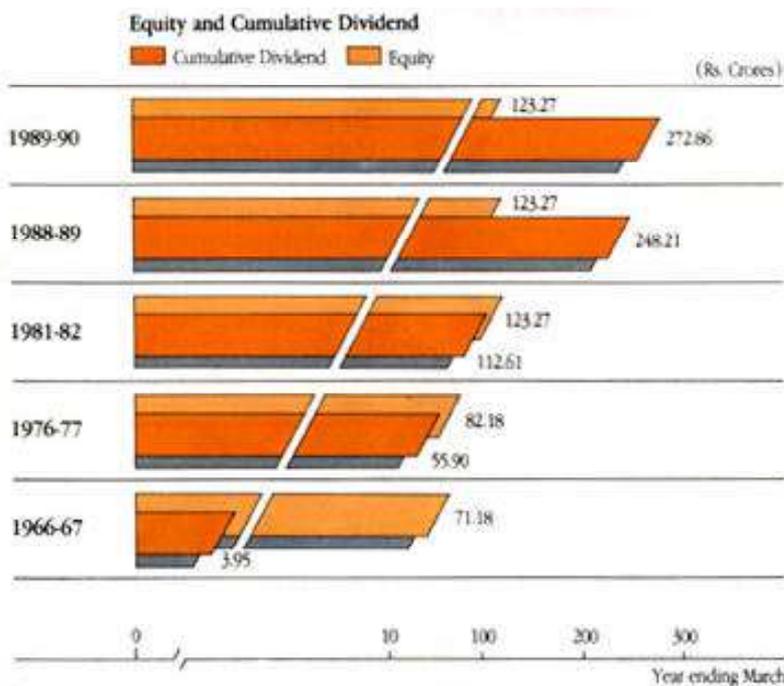
The Corporation's working capital as on 31st March, 1990 increased by Rs 964.90 crores over the previous year. This was mainly because of the increase in recoverables from the Oil Industry Pool Account.

## Financing of Fixed Assets

Over 82% of your Corporation's investment on fixed assets of Rs 3,257 crores has been financed from internal resources.

## Public Deposit Scheme

With steady improvement in the internal resources of the Corporation, acceptance of



deposits as well as renewals from the public continues to remain suspended. This has resulted in reduction of deposits from Rs 54.59 crores (29,997 depositors) on 31st March, 1989 to Rs 5.78 crores (3,503 depositors) on 31st March, 1990.

## SEVENTH PLAN

The year 1989-90 was the terminal year of the Seventh Five Year Plan. While the Corporation incurred an expenditure of Rs 171.17 crores on Plan schemes during 1989-90, the total expenditure during the Seventh Plan was Rs 645.93 crores. The entire expenditure during the Seventh Plan



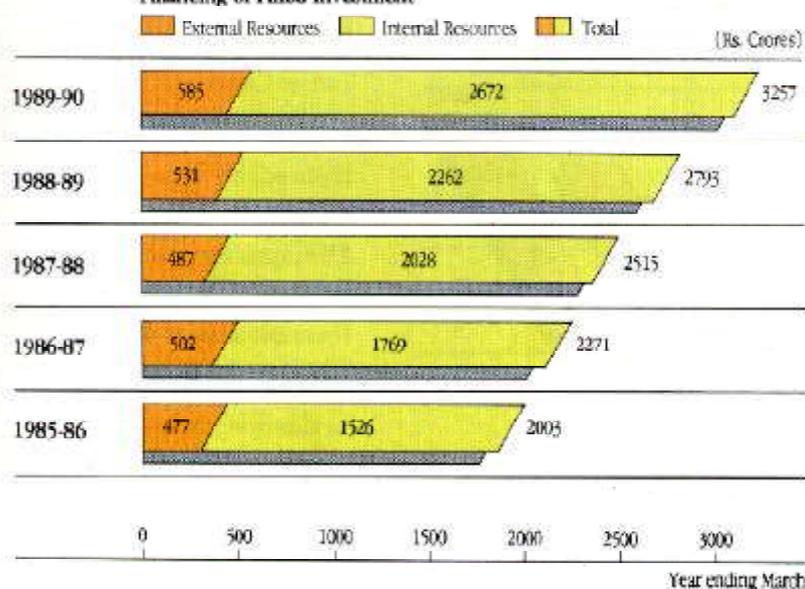
# Directors' Report Contd..

## Index

has been met from internally generated resources. Some of the achievements during the Seventh Plan period (1985-86 to 1989-90) are:

- a) Sales turnover increased by over 59% from Rs 11,051 crores to Rs 17,614 crores.
- b) Profit after tax increased over eight-fold from Rs 84 crores to Rs 675 crores.
- d) Internal resource generation during the Plan period was Rs 3,066 crores.
- e) Investment on fixed assets rose by Rs 1,487 crores from Rs 1,770 crores to Rs 3,257 crores.
- f) Product sales increased by 35% from 22.97 million tonnes to 31.01 million tonnes
- g) Refining capacity raised from 20.45 million tonnes per annum to 24.40 million tonnes per annum through expansion and debottlenecking of Haldia, Mathura and Koyali refineries.
- h) Refinery throughput increased from 20.57 million tonnes to 23.53 million tonnes per year.
- i) Pipeline transportation of crude oil and products increased from 17.90 million tonnes to 20.89 million tonnes per annum.
- j) Product storage facilities at installations and depots increased by 6.25 lakh kl from 27.32 lakh kl to 33.57 lakh kl. Their number increased from 149 to 152.
- k) Indane cooking gas released to 3.59 million households raising their number from 4.73 million to 8.32 million. For better customer care LPG marketing reorganised and vertically integrated with expansion in infrastructure facilities.
- l) Twelve new LPG bottling plants were commissioned raising their number from 13 to 25.
- m) The reseller network for customers expanded by increasing the number of:
  - Retail Outlets from 4,996 to 5,762, representing an increase of over 15%.
  - SKO/LDO dealers from 2,684 to 3,082, representing an increase of nearly 15%.
  - Indane (LPG) distributors from 1,045 to 1,896, representing an increase of over 81%.
- n) R&D efforts resulted in development of 488 new lubricant formulations.
- o) 107 national and international engine builders approved products developed by the R&D centre for various applications.

**Financing of Fixed Investment**



**Far Left (Facing Page) :**

The Haldia refinery which recorded the highest ever Lube Oil Base Stock production during the year.

**Left (Facing Page) :**

The Corporation's 3850 km pipeline network transported 20.89 million tonnes of crude oil and products during the year.

# Directors' Report *Contd...*

## OPERATIONS

### REFINERIES

A record crude oil throughput of 23.53 million tonnes was attained during 1989-90, as compared to the previous year's 22.00 million tonnes at the Corporation's six refineries at Guwahati and Digboi (Assam), Barauni (Bihar), Koyali (Gujarat), Haldia (West Bengal) and Mathura (Uttar Pradesh). This throughput also exceeded the MOU target of 22.75 million tonnes. Some highlights of the year's operations were:

- The highest ever crude oil throughputs were

achieved by Gujarat, Mathura and Haldia refineries.

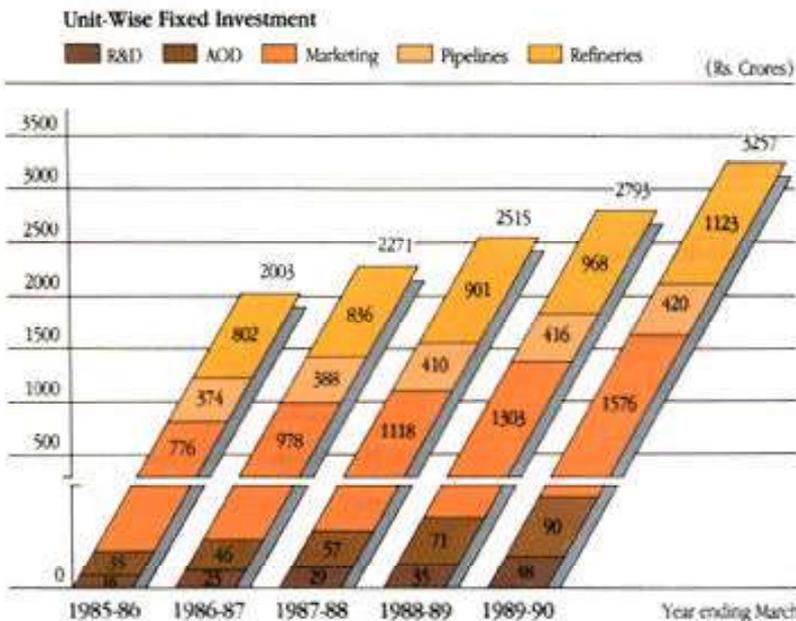
- 14.93 million tonnes of indigenous crude oil (from Assam, Gujarat and Bombay High) was processed which represented an increase of 6.76% over the previous year.
- Over 100% capacity utilisation of Fluid Catalytic Cracking Units (FCCU) was achieved at Gujarat and Mathura refineries for the fifth consecutive year. This was also the highest ever capacity utilisation of FCCUs at these refineries.

- A record production of 151.4 thousand tonnes of Lube Oil Base Stock (LOBS) was achieved at Haldia refinery.
- MOU targets were exceeded in the parameters of not only crude throughput, but also total distillates yield and, fuel and loss.

### Maintenance & Inspection of Refineries

To maintain high on-stream factor of process units, the following actions have been taken:

- Remaining life assessment of 4 boilers, one each at Guwahati, Barauni, Gujarat and Haldia has been started.
- Towards modernising the governing system of turbo-generators, Electro Hydraulic Turbine Control (EHTC) based governing system has been ordered for one of the turbo-generators at Haldia refinery.
- Distributed Digital Control System (DDCS) has been commissioned for boilers at Haldia refinery.
- The carburisation of the furnace tubes of visbreaker and coking units of various refineries were studied for identifying the long term replacement needs.

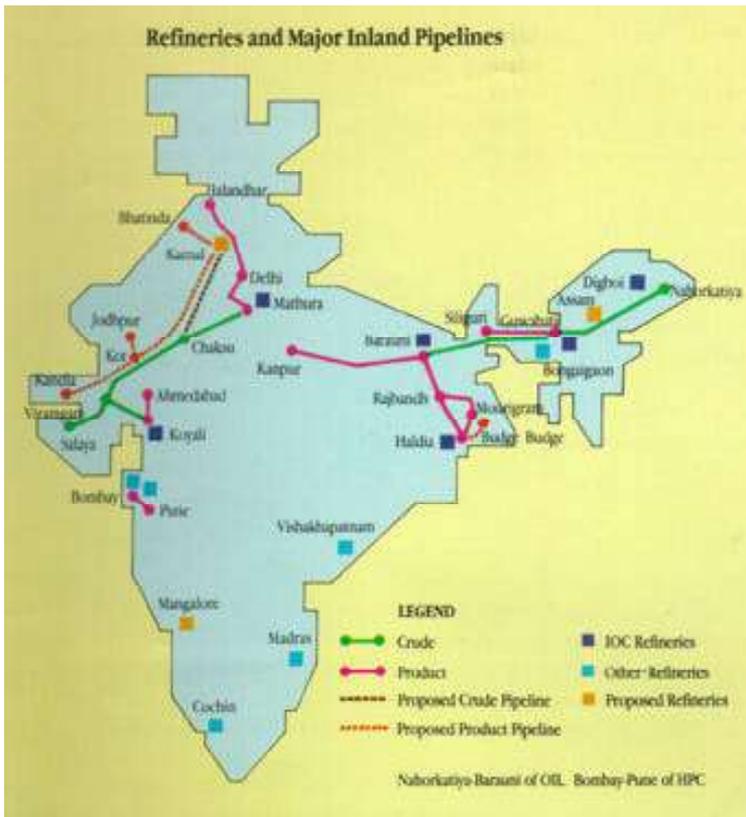


### PIPELINES

The Corporation exceeded the MOU target by 5.5% by transporting 20.89



# Directors' Report *Contd..*



million tonnes of crude oil and petroleum products through its pipeline network of 3,850 km during 1989-90. This was over 3% more than the previous year's throughput of 20.28 million tonnes.

### Maintenance and Inspection of Pipelines

In addition to consolidating the existing maintenance and inspection practices, emphasis was laid during the year on adopting new and modern maintenance and inspection techniques. The major actions taken during the year include :

- To maintain pipeline health, revisioning of coat and wrap for about 34 km of pipeline was carried out. Specification of the coal-tar enamel has been upgraded.

**Left (Facing Page) :**

A view of the Guwahati refinery in Assam.

Constant monitoring and upgradation of technology have led to increased movement of crude oil and petroleum products through pipelines.



# Directors' Report *Contd...*

Index

- After undertaking major repairs, three crude oil tanks were commissioned after desludging and de-gasification.
- Software development for computerisation of maintenance activities has been undertaken.
- Instrumented Pig Survey (IPS) in Haldia-Mourigram-Rajbandh and Haldia-Barauni pipeline for a total length of 575 km was taken up through MIs. IPEL, Canada and field survey for 407 km was completed.
- Testing of indigenous inhibitor for Salaya-Mathura pipeline at Indian Institute of Petroleum (IIP), Dehradun was completed.

For the first time an international Petroleum Pipeline Technology Conference was organised by the Corporation during December 1989 with the objective of updating pipeline technology and sharing experience.

Twenty-three technical papers were presented during the Conference which was attended by over 200 delegates including 19 foreign delegates from ten reputed consultancy firms.

## MARKETING

### Sales

During the year 1989-90, your Corporation's product sales went up by 2.02 million tonnes at reach 31.01 million tonnes. The contribution of Assam Oil Division to the total sales was 0.873 million tonnes.

### Retail Distribution

As a "customer friendly" organisation, your Corporation continued to lay emphasis on strengthening marketing network to ensure prompt service and uninterrupted supply of petroleum products. Even during adverse conditions, like natural calamities and breakdown in law and order situations, our employees at various locations,

together with the support of our dealers and distributors, ensured that the supply line was maintained. For better customer service the dealership network was expanded by commissioning 132 new retail outlets (Assam Oil Division 12) during the year. This includes one retail outlet to exclusively meet the fuel needs of two and three wheelers. This brings the total number of retail outlets in operation at the end of 1989-90 to 5762 (Assam Oil Division 273).

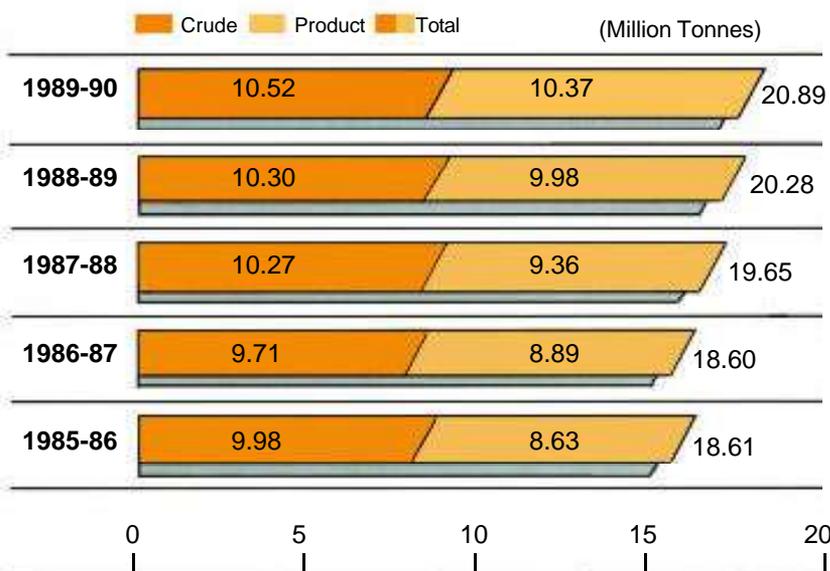
The number of SKO/LDO dealerships was raised to 3082 (Assam Oil Division 374) by commissioning 92 new SKO/LDO dealerships (Assam Oil Division 8).

To fulfil social obligations, the Corporation awarded 35 retail outlet dealerships (Assam Oil Division 7) and 19 SKO/LDO dealerships (Assam Oil Division 5) to SC/ST candidates during the year. As on 31st March, 1990, a total of 460 retail outlets and 260 SKO/LDO dealerships were operated by dealers in the SC/ST category.

### Rural and Agriculture Sector

To cater to the fuel and other special needs of rural areas, the Corporation has set up 231 multipurpose distribution centres. In addition, 31 Taluka Kerosene Depots (Assam Oil

**Pipelines Throughput**



# Directors' Report Contd..

Division 2) are operated to augment availability of kerosene in remote and far flung areas.

## Cooking Gas

The Indane customer population of the Corporation increased from 7.66 million to 8.32 million during the year. It is proposed to enrol 500,000 additional customers during 1990-91.

The Indane distributor network was enlarged during 1989-90 with the addition of 155 distributors. This raises their number to 1896. With the introduction of cooking gas

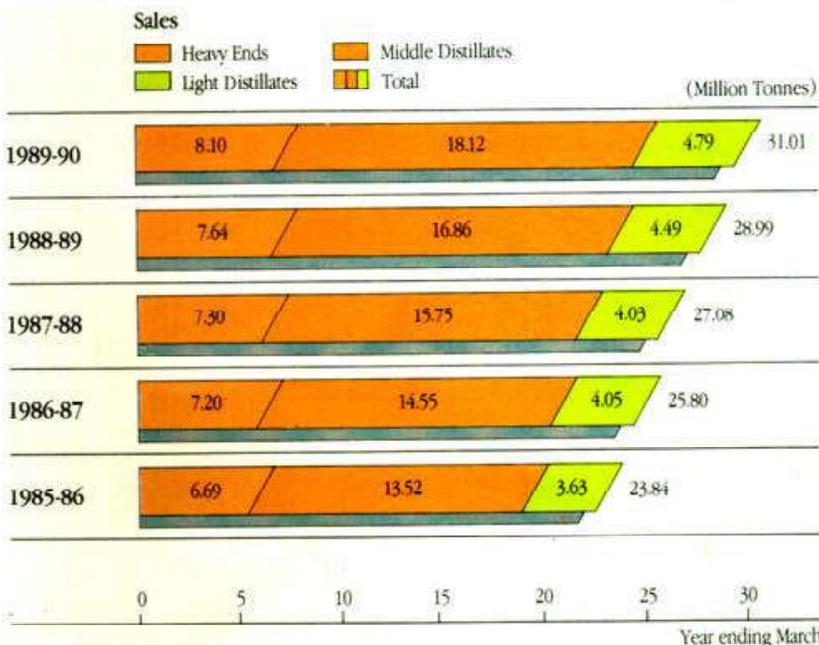
facility in 81 new towns, Indane is now available in 950 towns of the country.

In addition to providing cooking gas to new households, over 700,000 households were extended the facility of a second cylinder to enhance customer satisfaction. Out of a total customer population of 8.32 million, nearly 43% are now enjoying this facility. To increase availability of filled cylinders, the Corporation enhanced bottling capacity by 11,500 tonnes per annum through a new bottling plant at Hardwar and additional bottling capacity created at Tikrikalan

(Phase III) in Delhi and at Bongaigaon in Assam. The total bottling capacity of the Corporation at its 25 plants thus goes upto 9,59,000 tonnes per annum as on 31st March, 1990. In addition, a bottling capacity of 1,25,000 tonnes per annum is also available from Madras Refineries Limited, Cochin Refineries Limited and Oil India Limited to raise the Corporation's effective bottling capacity to 10,84,000 tonnes per annum. Two more bottling plants are under construction and would be commissioned during 1990-91. To supplement availability of bulk LPG in the country facilities for import are planned to be set up in Gujarat (Hazira and Kandla) and on the east/south-east coast.

In its continued endeavour to improve services to customers, the Corporation has taken several steps. Some of which are:

- In addition to 30 customer service cells operating from all the Indane Area Offices, 282 consumer (zonal) service cells at different locations attend to customer needs.



**Above:**

A vast network of retail outlets has been set up to meet the growing needs of vehicle users.

**Left (Facing Page):**

The Corporation spared no efforts to ensure petroleum products reach the consumers, even in remote and far flung areas.



# Directors' Report Contd..

Index

- To attend to LPG leakage complaints, 13 Emergency Service Cells were commissioned, raising their number to 41. These cells operate after the working hours of the distributors and during holidays.
- To enhance safety consciousness among Indane users, 3089 customer education programmes and safety clinics were conducted.
- Special training programmes including refresher courses were conducted by Indane Area Offices, to benefit distributors. To upgrade the skills and develop better appreciation of safety and customer service, training programmes and refresher courses were conducted for delivery boys and mechanics attached to Indane distributors.

The Corporation's LPG bottling plants recorded higher productivity during the year 1989-90.

- Bottling at the 25 plants

increased from 7,92,000 tonnes in 1988-89 to 9,63,000 tonnes in 1989-90, representing a 21.6% increase and over 100% bottling capacity utilisation.

- First phase of computerised system in documentation (PLANTDOC) was made operational at all the bottling plants. This is expected to result in higher productivity, besides accuracy, standardisation and overall improved service to customers.
- Under the phased modernisation of select bottling plants, improvements have been carried out at the Bongaigaon and Allahabad plants. Revamping of Kalyani, Haldia and Barauni bottling plants is slated for 1990-91.
- Considerable attention is being paid to safety and pollution control at the bottling plants. Besides safety inspections, safety committee and safety circle meetings were conducted at the bottling plants during the year to

generate increased safety consciousness. Steps were also initiated for air monitoring facilities at the plants to check pollution. The air samples were found to be well within laid down limits.

### Storage & Distribution

The Corporation had a total of 36 installations (18 port, 12 pipeline and 6 inland) and 116 depots as on 31st March, 1990.

With the addition of 1,45,500 kl tankage at installations and depots during the year, the total tankage available to the Corporation went upto 33,56,600 kl.

The Corporation continued to effectively meet the requirements of direct consumers like Railways, Defence, State Transport Undertakings (STU) and other industries.

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*For speedier distribution, Indane cooking gas is transported by special LPG rail wagons.*



# Directors' Report Contd..

Index

## Shipping

During 1989-90, the Corporation increased its volume of movement of various petroleum products, despite adverse factors like withdrawal of tankers and rescheduling/renomination of tankers by Shipping Corporation of India (SCI). While 4,46,000 tonnes of Natural Gas Liquid (NGL) was exported through Kandla, 43 parcels were uplifted in time-chartered vessels during the year as compared to 30

parcels during the previous year. Commencement of lighterage operations at Vizag port has helped reduce congestion at Madras port.

## Bitumen

During the year, the Corporation achieved a growth rate of 13.80% in bitumen sales, which is the highest among all oil companies.

## Aviation

The performance of our Aviation wing continued to soar

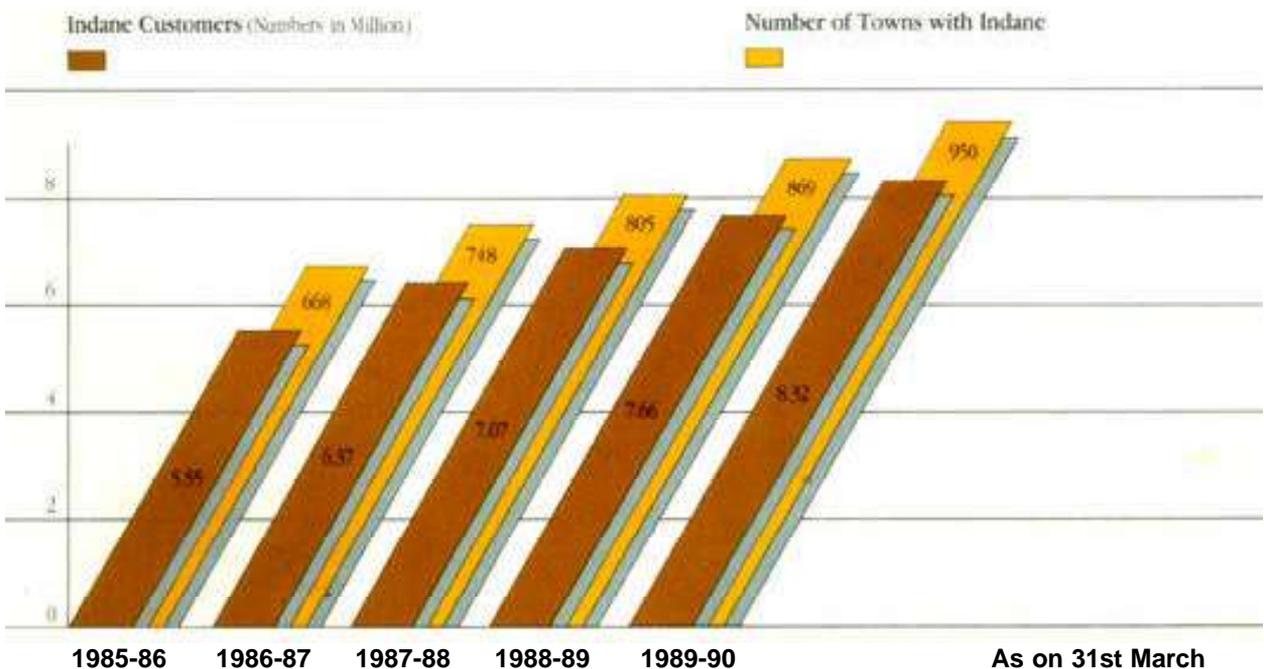
with a market participation of 67.0%. An overall growth rate of 2.2% was achieved during the year. For the first time, Indianoil established itself as the market leader in international aviation fuel business. Prompt and efficient service coupled with high quality control standards helped the Corporation bag the business of five



The Corporation continued to meet the requirements of direct consumers like State Transport Undertakings.

**Left :**

Tank trucks are an important mode of transportation for distribution of petroleum products.



# Directors' Report Contd..

more international airlines and add to its existing list of 29 international customers. The foreign exchange earnings in aviation business during the year were about Rs 140 crores. Assistance continued to be rendered during the year to Civil Aviation Authorities, Maldives at Hulule International Airport and Druk Air/ Bhutan Oil Corporation for refuelling

services at Paro Airport, Bhutan. The third international Aviation Fuel Seminar which was organised at Goa

attracted 52 delegates from 15 different countries.

With the commissioning of five new Aviation Fuel Stations (AFS) during the year at Nal, Awantipur, Udampur, Kandla and Ludhiana, the Aviation department has spread its wings to cover 84 locations as on 31st March, 1990. For improving the operational efficiency, hydrant refuelling facilities are proposed at Calcutta, Madras and Nagpur.

Indianoil continued to meet the aviation fuel requirements of

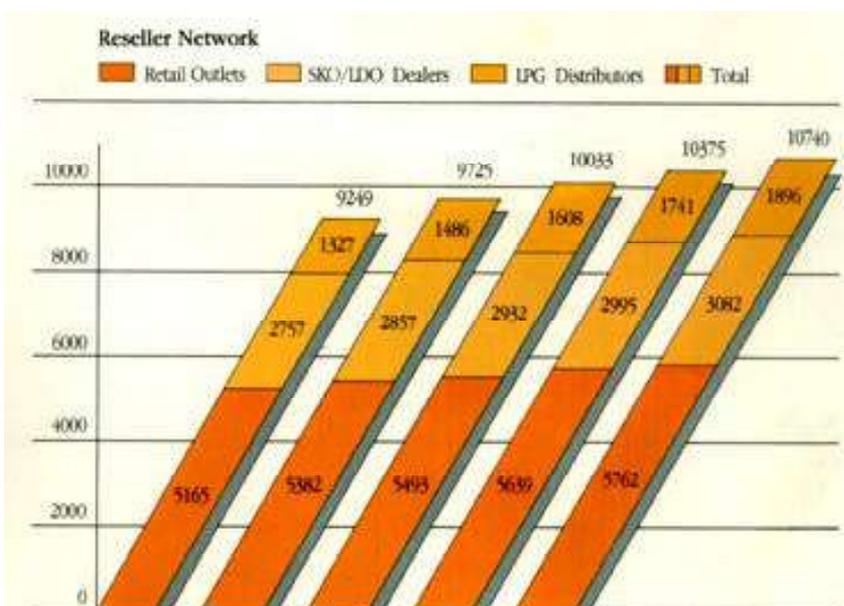
the Defence forces. To commemorate 25 years of association with the Indian Air Force, a book on the history and achievements of the IAF is being brought out. A modern hydrant refuelling facility was also commissioned at Goa exclusively for the Indian Navy.

### Lubricants

The Corporation registered record sales of 4,75,170 tonnes of lubricants and greases during 1989-90. The lube blending plant at Madras attained a production of 1,83,800 tonnes during the year, which was nearly 118% of the MOU target of 1,56,000 tonnes. As a step towards conservation, purchase of re-refined oils was begun during the year. To effect savings on steel as well as improve cost effectiveness in packaging, 20G lube barrels as against existing 18G have been introduced at Bombay and Calcutta.

A new grease plant commissioned during the year at Vashi in New Bombay at a cost of Rs 10 crores helped increase the existing grease manufacturing capacity by 3,800 tonnes.

A workshop on "Fuel and Lubricants for Indo-Japanese Automotive Equipment" was organised at Goa, in which delegates from abroad, representing major international additive companies also participated. As part of customer education,



# Directors' Report *Contd..*

a revised product line booklet was produced. "SERVO NEWS", a technical magazine, continued to disseminate technical information on the latest areas in the development of lubes and fuels.

### Quality Control

Quality assurance is an essential aspect of the Corporation's marketing philosophy and checks and controls have been continuously strengthened, to protect customers' interests. The Marketing Division's quality assurance group has an inspection and a laboratory

wing. Quality Audits are carried out by the Inspection Wing to ensure implementation of manuals. A total of 73,884 samples were tested by the Marketing Division laboratories during the year. Automatic testing equipment has been provided at major laboratories. To ensure supply of quality products to customers, ten mobile laboratories are in use in the four regions of the Marketing Division and Assam Oil Division. Two more such mobile laboratories are proposed to be commissioned during 1990-91.

### INTERNATIONAL TRADE

The Corporation continued to

be the canalising agency for import and export of crude oil and petroleum products on behalf of the oil industry in India. A comparative picture of imports and exports by the Corporation during the past three years is as follows:



**Above:** Modern LPG bottling plants are being established to meet the growing demand of cooking gas.

**Left (Facing Page):** Indianoil meets 67% of the aviation fuel needs of the nation. This includes national and international airlines, besides the Defence Services.



# Directors' Report *Contd..*

## Index

	1987-88		1988-89		1989-90	
	Quantity (million tonnes)	Value (Rs. crores)	Quantity (million tonnes)	Value (Rs. crores)	Quantity (million tonnes)	Value (Rs. crores)
<b>Imports</b>						
Crude	18.361	2958.45	17.332	2651.07	19.857	4034.41
Fuel Products	3.729	861.84	6.044	1398.48	6.172	2021.28
Lubricants	0.220	87.65	0.287	137.73	0.322	186.09
<b>Exports</b>						
Fuel Products	3.208	594.79	2.063	457.17	2.593	696.11

Of the imports during 1989-90, crude oil on rupee payment amounted to Rs 942.70 crores, while products amounted to Rs 698.12 crores. By earning/saving Rs 182.01 crores in valuable foreign exchange for the country during the year, the Corporation exceeded the previous year's figure by Rs 43.04 crores.

Details of foreign exchange earned/saved during the year are:

Activity	Amount in Rs Crores
Supplies of aviation fuel to international airlines	139.91
Supplies of bunker fuel and marine lubricants to foreign flag vessels at Indian ports	15.56
Upliftment of bunker fuel/marine lubricants by Indian flag vessels on foreign run at Indian ports	26.49
Commission for supplies of marine lubricants to Indian flag vessels at foreign ports.	0.05
<b>Total:</b>	<b>182.01</b>



## RESEARCH & DEVELOPMENT

The Corporation's R&D Centre invested Rs 17.66 crores on research and development programmes in several areas during 1989-90. The major areas of research were:

- Lubricants & Specialities.
- Fuels.
- Refinery processes.
- Waxy crude transportation.
- Material failure analysis.

During the year, 91 formulations covering automotive and industrial lubricants, greases, metal working oils and specialities, were developed. Some of the new products developed this year include automotive engine oil for operation in sub-zero temperatures (SAE 5W-30), superior 2-stroke engine oil specially developed for Kinetic Honda scooter, an engine oil for outboard motors meeting requirements of National Marine Manufacturers' Association, USA, lithium complex grease for high temperature operations in steel plants, hydraulic oil for controllable pitch propellers of ships, conveyor chain lubricants for LPG plants, and soot blower grease for Navy. Field trials were conducted on 19 products with various users. Approvals from .21 engine builders were received. These include international marine diesel engine builders, namely, SEMT Pielstick, France; Sulzer Brothers, Switzerland; and MAN B&W, Copenhagen for our new series of SERVO Marine 'L' oils. Other major international approvals received were from Motoren and Turbinen Union (MTU), FAG and Lincoln GmbH, W. Germany and Material Quality Assurance Directorate (MQAD), UK. Approvals from national engine builders/users cover Usha Telehoist, MICO, Kinetic Honda, Railways and Defence.

## Directors' Report *Contd..*

### Index

As regards fuels, the R&D Centre extended the studies conducted by it earlier on oxidation stability in gasoline and diesel fuels, to engine testing, primarily to establish the effect of gasoline stability on engine performance. Field trials were also taken up during the year in association with Maruti Udyog Limited in this regard.

Several crude assays including the newly discovered Cachar crude were prepared. A technique to analyse metal particularly lead, in parts per billion (ppb) levels has been developed.

In the area of refinery processes, besides condition monitoring of catalysts from the refineries, evaluation of newer catalysts was undertaken in laboratory units to ascertain their suitability for use.

The Pilot Plant Test Loop (PPTL) installed at the Centre for studies on waxy crude transportation and drag reduction, was utilised to generate steady state and unsteady state data on Bombay High crude.

Material failure analysis support to refineries was continued as a regular activity and a workshop on 'Material Failure in Petroleum Refining Industry' was organised at the R&D Centre.

An engine test for evaluation of lubricity of two-stroke gasoline engine oil using indigenous TVS-50 engine has been developed. New methods of evaluation of fuel economy in IC engines were also developed. Two test rigs (L-33 and L-60 rigs) for evaluation of automotive gear oils were designed and fabricated by R&D engineers.

While L-33 rig is for determination of moisture corrosion protection properties, the L-60 rig is intended as a thermal oxidation stability test.

During the year, the R&D Centre also commissioned two pilot plants for distillation studies, besides one for grease production.

A workshop on 'Emission and its Control for small Two-Stroke Engines' was also organised to identify short and

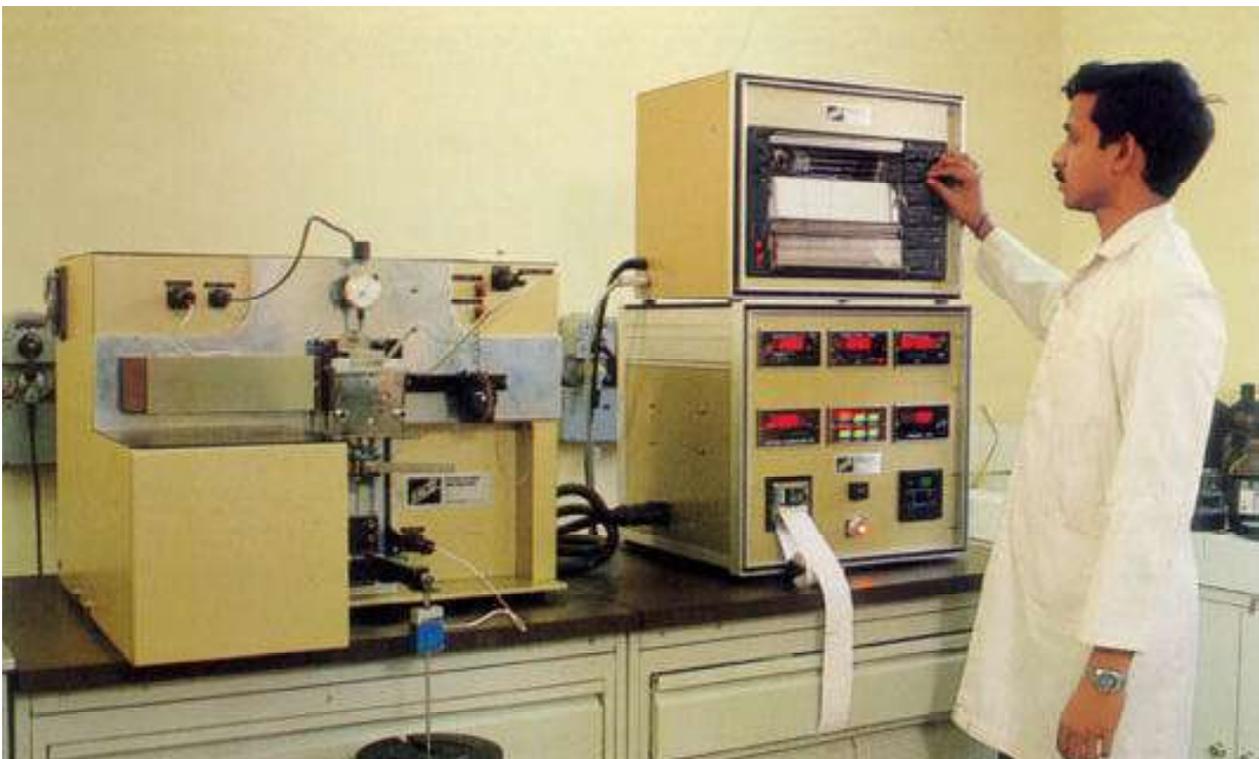
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**Left (Facing Page):**  
ATF quality control testing at our laboratory.

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*Inside a laboratory at our R&D Centre.*

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# Directors' Report *Contd..*

## Index

long term projects to control environment pollution from scooters, motorcycles etc.

### ASSAM OIL DIVISION

Since its formation in October, 1981, the Assam Oil Division of the Corporation has steadily improved performance. The Digboi refinery of AOD has consistently achieved over 100% capacity utilisation. Its crude oil throughput has steadily gone up from 0.496 million tonnes in 1981-82 to 0.570 million tonnes in 1989-90.

Sales of petroleum products by AOD were 0.873 million tonnes during 1989-90 as compared to only 0.430 million tonnes in 1981-82. Assam Oil Division retained its position as market leader in the north-east with a network of 273 retail outlets, 374 SKO/LDO dealers and 49 consumer outlets. Product

supplies are made not only from installations and depots of AOD but also from storage points of the Marketing Division. As on 31st March, 1990, AOD depots had a tankage of 41,554 kl as against a tankage of only 3,800 kl in 1981-82.

Having commenced LPG marketing only in 1982 the Division had, on 31st March, 1990, over 1,97,000 customers served by 107 LPG distributors in 61 towns.

The first LPG bottling plant of AOD is expected to be commissioned at Silchar. Plans are afoot to put up another LPG bottling plant in the next two years. The modernisation of the Digboi refinery at a cost of Rs 143.74 crores is underway and is likely to be completed by 1993. The modernisation programme envisages provision of a new

crude distillation unit of 0.5 million tonnes per annum capacity as a replacement for the existing crude distillation units, a gas based power plant, waste-heat boilers for steam generation, and augmenting off-site facilities for smooth and efficient operation of the refinery.

### PROJECTS

A capital expenditure of Rs 464.03 crores was incurred by the Corporation on various projects during the year.

#### Completed Projects

The following major projects were completed:

- Modification of Salaya-Mathura pipeline for handling unlimited parcel size of Bombay High crude during winter at a cost of Rs 19.90 crores.



## Directors' Report Contd..

- 24" dia dockline for HSD at Haldia at a cost of Rs 3.02 crores.
- Bio-treater facilities at Barauni refinery at a cost of about Rs 2.49 crores.
- OCC approved tankage schemes at 13 locations (total tankage 81,140 kl) at a cost of Rs 17.41 crores.
- Other tankage at 6 locations (total tankage 64,610 kl) at a total cost of Rs 8.00 crores.
- Rail siding facilities at Rajbandh at a cost of Rs 3.74 crores.
- Small can filling plant at Malda at a cost of Rs 1.68 crores.
- LSHS handling facilities at Vasco at a cost of Rs 3.68 crores.
- Hydrant refuelling system at Sahar Phase-III at a cost of Rs 1.61 crores.




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### Left (Facing Page):

*The well-equipped R&D Centre invested Rs. 17.66 crores on various R&D activities during the year.*

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*India's first hydrocracking unit under construction at Gujarat refinery. The hydrocracking unit will help convert heavy ends into valuable distillates like diesel and kerosene.*

## Directors' Report Contd..

### On-going Projects:

The following major projects are under implementation:

Sl. No.	Project	Estimated Cost (Rs crores)	Completion Schedule
1.	Additional secondary processing facilities (hydrocracker) at Gujarat refinery for conversion of heavy ends into light/middle distillates.	635.00	February, 1992
2.	Digboi refinery modernisation project.	143.74	June, 1993
3.	Catalytic reformer unit at Barauni	77.95	August, 1993
4.	Catalytic reformer unit at Digboi	34.17	August, 1993
5.	Haldia lube block revamp	27.00	February, 1993
6.	Sulphur recovery unit at Haldia	14.90	June, 1992
7.	Facilities for increasing slack wax production at Barauni refinery	12.70	August, 1991
8.	Udex debottlenecking at Gujarat refinery	16.10	October, 1992
9.	Augmentation of Haldia-Mourigram-Rajbandh pipeline and tap off points at Mihijam.	14.33	April, 1992

*Various projects undertaken by the Corporation during the year involved a capital expenditure of Rs 464.03 crores.*



# Directors' Report Contd..

## Index

Sl. No.	Project	Estimated Cost (Rs crores)	Completion Schedule
10.	Mandatory crude oil storage tanks at Vadinar	27.02	Phase-I-April, 92 Phase-II-August, 92
11.	OCC approved tankage schemes (10.68 lakh kl)	385.00	1992-93
12.	Mini blending-cum-small can filling facilities at Khapri & Tadepalli.	14.19	March, 1991
13.	Hydrant refuelling system Phase-I at Calcutta	17.04	26 months from land takeover

### New Projects

The Corporation has planned several new projects, some of which await Government approval. Details of new projects planned are as under:

Project	Cost (Rs crores)	Status
– Six million tonnes per annum grassroots refinery at Daitari in Orissa	1467.00	Feasibility report submitted to Government in August, 1989.
– Paradeep-Daitari & Daitari-Allahabad pipelines	492.87	Feasibility report submitted to the government.
– Kandla-Bhatinda Product Pipeline (incl. Marketing Terminal and Utilities)	917.55	World Bank aided project. The Government approval has been received.
– Lube production ex-Mathura refinery	355.00	Alternate proposal under study.
– Three million tonnes per annum capacity expansion of Gujarat refinery	225.00	Feasibility report submitted to Government. Awaiting approval.
– Production of N-paraffins at Gujarat refinery	222.00	Feasibility report under preparation.
– Catalytic reformer unit at Mathura refinery	210.00	Feasibility report submitted to Government in March, 1990.
– Hydrotreater for coker products at Barauni refinery	80.00	Feasibility report under preparation.
– Coking unit (AOD)	44.66	DFR prepared and awaiting approval
– Separation of propylene at Mathura refinery	44.70	DFR submitted. Awaiting Government approval
– SKO/ATF hydrotreater and hydrogen plant (AOD)	42.00	Under study alongwith other alternative for replacing the KTU.
– Production of speciality waxes, naphthenic lube oil (AOD)	38.10	48 months from the date of approval.
– Haldia-Budge Budge pipeline	28.76	Feasibility report submitted to Government.
– Hydrofinishing of Wax (AOD)	17.00	Feasibility report under consideration by the Board.
– Karnal marketing terminal	11.00	To synchronise with Kandla-Bhatinda pipeline tap off points.



# Directors' Report *Contd..*

## Index

### PARTICIPATION IN JOINT VENTURE REFINERY AT KARNAL

The 6 million tonnes per annum capacity grassroots refinery at Karnal in Haryana was proposed to be implemented as a joint sector with M/s Tata Chemicals Limited. M/sTECHMASHIMPORT, a Govt. of USSR organisation has offered credit for building this refinery. The matter is presently under consideration of the Government of India.

### WORLD BANK FINANCED PROJECTS

During the year 1989-90, an agreement has been signed with the International Bank for Reconstruction and Development (World Bank) for a loan assistance of 340 million US dollars to implement the following projects:

- Kandla-Bhatinda Product Pipeline.
- The second Single Buoy Mooring (SMB) at Salaya.
- Catalytic reformers at Barauni and Digboi refineries.
- Captive power plant at Digboi refinery.
- Distributed Digital Control System (DDCS) in refineries.
- Lube Block Revamp and Sulphur Recovery Unit at Haldia refinery.
- Energy conservation and yield optimisation.
- Technical assistance and training.

### ENERGY CONSERVATION

The Corporation accords high priority to energy conservation measures and reduction of hydrocarbon losses in all its plants and units. Some of the measures under implementation include optimisation of key operating

parameters in the plants, maintaining design efficiencies of equipment such as heat exchangers and furnaces by better maintenance and inspection practices.

As part of conservation efforts in the Marketing Division, it has been decided to purchase re-refined oils and orders have been firmed up with suppliers at Bombay and Madras. Other measures initiated by the Marketing Division towards conservation of lubricants in the automotive and industrial sectors include introduction of high performance oils, condition monitoring and extension of oil life in large volume systems.

Details of major energy conservation schemes under implementation are annexed.

### SAFETY

Safety is of prime concern to the Corporation and efforts are made to upgrade safety standards and operating practices on a continuous basis. The Corporation has set high standards of safety and introduced modern sophisticated fire fighting equipment at its various plants, units and refineries. The Acceptance Committee Principle, for overseeing and monitoring various safety aspects before commissioning of various new facilities, has been effectively introduced by the Marketing Division of the Corporation. These procedures already exist in the Refineries Division. Various directives issued by the Oil Industry Safety Directorate on fire protection standards are being implemented by the Corporation from time to time.

### Safety Awards

The Corporation's successful implementation of high standards of safety has earned international recognition. Some of the international safety awards

received during the year are:

- Haldia refinery received British Safety Council Award for the year 1989 in recognition of achieving best safety performance.
- Koyali-Ahmedabad pipeline won the "Award of Honours" for best record among petroleum pipelines from National Safety Council, Chicago for the year 1988.
- Many units of the Marketing Division also won the British Safety Council Awards for excellence in safety record. These comprise eight LPG bottling plants, nineteen terminals and three AFSSs.

### ENVIRONMENT PROTECTION

The Corporation is committed to preservation of environment and ecological balance. To further this objective several projects have been taken up, like reducing the lead content in motor spirit produced by Barauni, Digboi and Mathura refineries and improvement in effluent treatment plants. Fire protection manuals have been updated and the third volume of environment protection manual covering air pollution control has been produced by the Refineries Division. Environmental safety and pollution control manuals are also proposed to be brought out shortly by the Marketing Division.

### Pollution Control

Pollution control cells at the refineries carefully monitor performance of various facilities on a daily basis. Special treatment systems have been augmented in the refineries to meet the quality standards. During the year a bio-treater project was commissioned at Barauni refinery at a cost of Rs 2.49



# Directors' Report *Contd..*

crores. Details of on-going projects are as follows:

On-going Projects	Cost (Rs crores)	Completion Schedule
— Provision of continuous stack monitoring instruments at Gujarat refinery	1.28	October, 1990
— Provision of Sulphur recovery unit at Haldia refinery for reducing Sulphur dioxide emission.	14.90	June, 1992
— Re-use of treated effluent as make-up water in cooling towers and fire water at Gujarat refinery	0.40	October, 1990
— Establishment of continuous air-monitoring station at Gujarat refinery	0.33	October, 1990

## Air Pollution Control

Ambient air quality was monitored regularly by all the refineries and the concentration levels found to be well within stipulated national standards, throughout the year.

In Agra-Mathura-Bharatpur region, continuous ambient air monitoring at all the stations continued and the data indicated no adverse impact on

air quality due to the refinery at Mathura.

Stack emission surveys were also continued by all refineries with the help of portable kits.

An Environmental Impact Assessment (EIA) study carried out by National Environmental Engineering Research Institute (NEERI) indicated no adverse impact on ground and river water

quality, environment, noise, land and biological quality, due to the refinery at Mathura.

## Water Pollution Control

The quality of treated effluent at refineries was monitored on a daily basis for better operational control.

Index

*Development of green belts in and around the refineries have helped restore ecological balance.*



# Director's Report *Contd...*

## Index

The results from the scientific study conducted at the experimental farm at Mathura refinery on the long term effects of using treated effluent for irrigation purposes have been encouraging.

Operations of augmented effluent treatment facilities at Digboi, Guwahati and Haldia refineries were stabilised during the year and treated effluent has started meeting Minimal National Standards (MINAS) on a sustained basis.

### Noise Pollution Control

Monitoring of noise levels at all the refineries was carried out with the help of portable noise level meters. At Barauni refinery, four silencers in thermal power station boilers are being provided at a cost of Rs 5.90 lakhs for bringing down noise level below 8 hours exposure limit of 90 decibels.

### Pollution Control Award

Guwahati refinery received the best performance award for the year 1989-90 from Assam Pollution Control Board, for excellent operation and maintenance of pollution control devices and environmental management.

### Tree Plantation

A hundred metre wide green belt is being developed on the western and southern sides of the hydrocracker project at Gujarat refinery. Development of green belts at Haldia and Barauni refineries are also under study.

A five hundred metre wide green belt-cum-recreational park is proposed to be developed on the eastern and north-eastern sides at Gujarat refinery. An ecological park, by the side of polishing

pond is being developed at Mathura refinery.

In continuation of our efforts, in restoring ecological balance by increasing tree cover, the Corporation launched a special drive to plant saplings/trees at refineries, storage terminals, depots, bottling plants and AFSs.

### OFFICE AUTOMATION

Computerisation effort in the Marketing Division was upgraded from 'batch processing' to sophisticated ON-LINE processing. While a comprehensive Budget module has been introduced, the 'internal talent reservoir' which has emerged will serve as a nucleus for developing many more applications like Railway Receipt module, AFS module, Library module etc.

An intricate Planning module has been developed which depicts the scenarios at different points of time, thereby serving as a decision support system for macro-level facilities planning.

To create a reliable information grid, modems have been positioned in important locations and the regional offices of the Marketing Division are connected by hot-lines.

Local Area Network (LAN) linking the top management personnel of the Marketing Division is in operation, along with electronic mail. The LAN to link the functional departments has been launched and expansion work is in progress. Desk Top Publishing (DTP) has also been introduced. State-of-art personal computers with OS2 operating system and 3 1/4 floppy have also been put into use. In the Refineries & Pipelines Division, Unix Operating System based mini computers were

installed, one each at five of the six refineries besides R&P headquarters. The new computers are suitable for multi-user operations from remotely located terminals. An on-line Materials Management package has been developed. Software packages for other functions like Finance, Maintenance Management, Project Management, Production, Planning and Monitoring are under development.

In order to improve communications and transfer of data between refinery units and headquarters, dial-up modems with error correction features, have been installed at all locations so that the computers at the different locations could be linked to headquarters, using the existing telephone lines.

Personal computers continued to be extensively used by the various divisions for data processing and easy retrieval of information.

### IMPORT SUBSTITUTION

A saving of Rs 1.04 crores in foreign exchange has been achieved in the R&P Division by laying emphasis on indigenising imported equipment, spare parts and other stores.

The indigenous development of two major process chemicals like FCC Catalyst and MEK helped minimise outflow of foreign exchange.

Two indigenous lubricants introduced by the Marketing Division during the year against imported products, is expected to result in foreign exchange savings of around Rs 22.80 lakhs per annum.



# Directors' Report Contd..

## DEVELOPMENT OF ANCILLARY AND SMALL SCALE INDUSTRIES

Ancillary and small scale industries were constantly encouraged and developed in and around refinery units for supply of spare parts of pumps and compressors, internals of columns/ pressure vessels worth Rs 3.11 crores were made by the R&P Division from small scale industries during 1989-90.

## MEASURES FOR HIGHER PRODUCTIVITY

Emphasis has continually been laid by the Corporation on increasing the overall productivity.

Constant monitoring through reviews/analysis, helped the Divisions to improve productivity.

Principles of Zero Base Budgeting were continued to be followed in respect of major controllable items of expense.

Strict control on working capital and inventories was maintained by fixing targets and constant monitoring.

## CORPORATE PLANNING

After creation of separate cells in the divisions for Long Range/Perspective Planning in the previous year, it was only logical to organise suitable programmes for different levels to prepare them to play their respective roles in preparation of improved Plans and their implementation. Accordingly, 'Planner Development Programme' was organised for those manning the Planning Cells in Divisional head quarters and units/ regions. To

provide necessary support to these cells, 'Planning Leadership Seminar' was organised covering all General Managers/Executive Directors from Units/Regions/Head Quarters/ Corporate Office. To further spread planning culture for greater involvement, 'Planning Trainer Skills Workshop' was organised for Planning and Training executives to guide them to conduct programmes for both line and staff executives in the lower formations.

In addition, implementation of Perspective Plan is being regularly monitored as a part of the review of operations of the Corporation.

## PERSONNEL

The Corporation had a human resource of 33,365 employees including 8,228 officers as on 31st March, 1990.

## Welfare of Employees

The Corporation continued to promote the welfare of the employees and upgrade its existing welfare facilities. Towards this end, medical rules and post-retirement welfare schemes were modified. A new scheme for resettlement of those employees who are no longer

medically fit for work has been introduced.

As a welfare service to the employees at refinery locations, career guidance groups now provide guidance to the wards of the employees. Other welfare facilities include liberal and concessional loans for house building and conveyance, contributory mortgage redemption scheme through LIC to cover employees' liability towards house building advance, transport and canteen facilities, education facilities for employees' children in refinery townships, classes for workers' education, sports and recreational facilities, assistance to

*Bottom:  
A refinery township.*

*Indianoil units located away from major towns have self contained health and welfare facilities including well equipped hospitals.*



# Director's Report *Contd...*

## Index

employee clubs, leave travel/ fare assistance, facility of holiday homes, co-operative credit and consumer societies, incentives for family planning, medical leave and special medical leave facilities for employees suffering from serious ailments, group savings linked insurance scheme through LIC for providing the twin benefits of life insurance and savings, and ex-gratia lumpsum payment to employees suffering permanent disablement/death on account of accident arising out of and in the course of employment. The services of a professional educationist has been retained for the purpose of improving educational standards of schools at refinery townships.

### Employees' Participation in Management

In furtherance of its firm commitment to the concept of employees' participation in Management, the Corporation continued its drive for accelerating the participatory process and widening its base to ensure organisational effectiveness through meaningful involvement of employees at all levels. This has also contributed to higher

production and productivity standards, besides bringing in a qualitative change in the general wellbeing of the employees. The Government scheme on employees' participation is fully operational at both shop level and plant level committees at several units. The scheme covers different categories of workers such as skilled, unskilled, technical, non-technical and supervisory personnel.

As of 31st March, 1990, a large number of shop floor councils and plant level committees are in operation. Employee participation has been successfully established in canteen committees, grievance committees, safety committees, welfare societies, house allotment committees, works committees, recreational clubs, consumer co-operatives, P.F. trusteeship etc.

### Welfare of Weaker Sections

The Corporation has been following the Presidential Directives for recruitment and promotion of Scheduled Castes and Scheduled Tribes as also the Government instructions regarding employment of physically handicapped persons and ex-servicemen.

During 1989-90, the Corporation recruited 914 employees, out of which 385 belonged to SC/ST communities, 11 were physically handicapped persons and 26 ex-servicemen. A special recruitment drive was also launched during the year to recruit SC/ST candidates. Against a target of 198,234 SC/ST candidates were appointed since introduction of the scheme to recruit SC/ST candidates.

Under the Indianoil Scholarship Scheme for SC/ST students, 109 students pursuing studies in disciplines of Engineering, Medicine and Business Administration/ Management were receiving a scholarship allowance of Rs. 750 per month, during the year.

### Sports

The Corporation continued promote sports and games during the year. Two of our table tennis players, Ms Niyati Shah and Shri Sujay Ghorpade, won the National Table Tennis titles this year. Our two badminton players, Ms Dipti Thanekar and Ms Sudha Padmanabhan represented India at the Uber Cup tournament in Kuala Lumpur in February, 1990. Ms Sudha Padmanabhan also participated in international badminton tournaments held in England, France and Germany. Shri Dinesh Khanna, former Asian Champion was a member of the Indian badminton team at the World Masters Games in Denmark. The tennis team won the lawn tennis tournament conducted by AIR-INDIA, as also the All India public sector tournament.



# Director's Report *contd...*



With a view to create a sense of belonging and camaraderie in the organisation, a five day inter-refinery sports meet was organised at Barauni refinery in February, 1990. The Corporation also hosted two PSCB tournaments, namely the chess tournament at Bangalore and the cricket tournament at Pune during the year.

## Industrial Relations

Industrial relations in the Corporation during the year generally continued to be cordial and harmonious except for a temporary disturbance in the Eastern Sector.

## HUMAN RESOURCE DEVELOPMENT

As a strategy for corporate development, the Corporation initiated a Human Resource Development programme in 1984. Further consolidation of HRD systems was achieved during the year 1989-90. Some of the major achievements during the year included:

### Systems Development and Implementation

Experimentation over the last five years culminated in the introduction of a new Performance Appraisal system for officers in E, F and G grades, based on interactive process of Goal Setting and Self-Appraisal. The Career Path system was further consolidated and

succession plans for Marketing and R&P Divisions for senior managerial positions were prepared.

### Programmes & Workshops

Several programmes and workshops with focus on Change Agents Skills and Role Effectiveness were held during the year. Two special programmes were also held on New Challenges in Human Resource Management.

### HRD for Workmen

HRD for workmen has led to several innovations at different locations in the Corporation. The notable schemes implemented are improving hygiene factors, information sharing, recognising employee contribution, continuing education, improving quality of work-life and encouraging a participative culture.

### TRAINING

Training has always been considered as a very important sub-system of Human Resource Development strategy. The Corporation has been very successful in integrating training with other subsystems of HRD namely recruitment, role analysis, goal setting, performance appraisal, career and succession planning etc.

### Training at Corporate Level

Special developmental programmes for senior executives were conducted at corporate level, during the year, in the following areas:

- a) Corporate excellence
- b) Goal setting leadership skills
- c) Industrial relations values and strategies
- d) Planning leadership

### Training at Divisions

— More than 4,400 officers and

9,600 non-officers were trained in various technical, managerial and skills development training programmes.

— Special attention was given to training of SC/ST employees.

— Major thrust was given to computer training during the year. All-out efforts were made not only to impart general computer literacy, but also to meet specific managerial needs.

### Technical Training

In R&P Division, special training programmes have been organised in the following areas in line with technology updation:

- High Speed Compressors
- Turbo Generators
- Micro Processor Based Instruments
- Refractories
- Bearing etc.

### Training for Outsiders

#### a) Defence Personnel:

Specially designed training programmes were organised for the Defence personnel to cover petroleum storage and handling operations. This included training in aviation operations and quality control for Air Force personnel.

#### b) Foreigners:

Training programmes were also organised during the year for executives of developing countries.

#### Left (Facing Page):

*Refinery townships have good schooling facilities like this one at Barauni.*

#### Top:

*Shri Sujoy Ghorpade and Ms. Niyati Shah were crowned National Table Tennis Champions during the year.*

## Index

# Director's Report *Contd...*

## Index

Besides six months training provided to the executives of Petro-Vietnam, twenty three trainees from fourteen developing countries were exposed to our training methodology.

## INDIANOIL CORPORATE MANAGEMENT INSTITUTE

In June, 1989, the Board approved setting up of an Indianoil Corporate Management Institute for our senior management personnel. The Institute will be responsible for management development, organisational research, consultancy and documentation services. The Institute is being established at a cost of Rs 8 crores at Gurgaon in Haryana on a 16-acre plot. The Institute is presently under construction and is expected to be operational by early 1992. The complex will have six blocks including Academic Block, Administrative Block and Residential / Hostel Block.

## A CORPORATE CITIZEN

### Donations

As part of community relations and to encourage

developmental efforts, particularly in the field of education, management and medicine, the Corporation donated Rs 1.58 crores during the year. The donations also included contributions to the various Chief Ministers' Relief Funds. Some of the institutions which received our donations included Ramakrishna Mission Sevashram at Kankhal in Hardwar; Indian Cancer Society, New Delhi; World Wide Fund for Nature-India; Amateur Athletic Federation of India; Administrative Staff College of India, Hyderabad etc.

### Social Obligations

As a responsible corporate citizen, Indianoil has been regularly contributing to various social causes, in the vicinity of refineries, terminals, depots, LPG bottling plants and AFSs. These included provision of facilities for clean drinking water, health checkup camps and distribution of medicines, family welfare camps, distribution of books and other teaching aids for expansion of education,

assistance to women to make them self-reliant, opportunities to youth like participation in sports and games, besides various schemes for the protection of environment etc.

## HINDI IMPLEMENTATION

In accordance with the Official Languages Act, 1963 and Official Language Rules 1976, efforts were intensified for the progressive use of Hindi in official work during 1989-90.

- More than 80 Hindi workshops were organised for providing extensive practice in Hindi correspondence.
- 60 typists and 8 stenographers were trained in Hindi typewriting and stenography respectively. Incentives in the form of cash awards were given to employees, who passed various Hindi examinations conducted by Hindi

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*Training programmes are organised regularly in line with the organisational needs.*



# Director's Report *Contd...*

## Index

teaching scheme of the Government of India.

- 108 bilingual (electronic and manual) typewriters were made available for use during the year.
- Steps were continued to bilingualise forms and standard formats of correspondence. There are 527 all-India forms which are bilingual.
- Regular meetings of Hindi implementation committees were held at our various units.
- To promote the use of Hindi amongst the employees, competitions, cultural programmes and Hindi plays were organised.
- House Journals like Tel Bharati, Raj Bhashika, Tel Manthan, Sneh Dhara, Tel Anusandhan, Tel Darshan, Parivartak, R&P News Bulletin and Indianoil Samachar were brought out in Hindi. Dealer News, a publication to cover dealer/distributor activities, was also published in Hindi by the Marketing Division.
- Seven offices of the Marketing Division were notified under the Official Languages Rules, 1976.
- The Guwahati refinery was awarded Official Language Departments' shield for best performance in Hindi implementation in the North-Eastern region, during the year 1989-90.
- The introduction of incentive scheme for note drafting, typing etc. in Hindi in R&P Division has shown encouraging results and over 300 employees won cash awards under the scheme since its introduction in October, 1989.

## INDIAN OIL BLENDING LIMITED

The Annual Accounts and Directors' Report of Indian Oil Blending Limited (IOBL), a wholly owned subsidiary of the Corporation are annexed. IOBL has earned a net profit of Rs 1.20 crores as against Rs 1.03 crores in the previous year, after providing for depreciation of Rs 53.80 lakhs and tax provision of Rs 80 lakhs. A dividend of 10% has been recommended for the year 1989-90.

The Lube Blending Plants at Bombay and Calcutta produced 2,40,252 kl and 1,44,167 kl respectively thus attaining a capacity utilisation of 160.17% and 144.17%. Grease production at the Bombay plant was 8,990 tonnes as compared to 7,307 tonnes during the previous year. Resitment of Grease Plant (Phase I) from Trombay to Vashi, New Bombay, has been completed and commissioned during March, 1990. The lube blending plant at Asaoti in Northern Region, with a capacity of 1,50,000 tonnes at an estimated cost of Rs 18.04 crores is likely to be completed by 1993-94. To meet the increased demand of greases in Northern Region, it is proposed to set up a grease plant at Asaoti with a capacity of 5000 tonnes per annum on two shift basis at an estimated cost of Rs 6.5 crores.

## FOREIGN TOURS

Out of 75 tours undertaken by officers during 1989-90, 21 were for attending training programmes. The total expenditure on foreign tours was Rs 45.81 lakhs.

## ENTERTAINMENT EXPENSES

The entertainment expenses

for the year 1989-90 stood at Rs 7.41 lakhs.

## BOARD OF DIRECTORS

Consequent upon his superannuation from government service, Shri S. Balachandran ceased to be a Director of the Corporation from 31.8.1989. Shri N. Sivasubramanian has been appointed as Director of the Corporation with effect from 17.11.1989.

Shri Bimal Kapoor retired on 28.2.1990 as Director (Personnel) and Shri J. L. Zutshi took over as Director (Personnel) effective 1.3.1990.

On appointment as Chairman, ONGC, Shri S.L. Khosla ceased to be the Chairman of the Corporation effective 3.6.1990 and Dr. P.K. Mukhopadhyay took over charge as Chairman (Officiating) effective 3.6.1990.

## REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

In accordance with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, a report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings is provided in the Annexure.

## PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 (as amended by the Companies Amendment Act, 1988) and Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) (Amendment) Rules, 1988 are annexed.



# Director's Report *Contd...*

## Index

### ACKNOWLEDGEMENTS

The Board of Directors are pleased to record their sincere appreciations for the excellent results achieved by members of the Indianoil family.

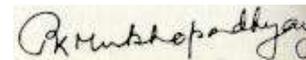
The Directors acknowledge gratefully the valuable guidance and support received from the Government of India and the State Governments.

Your Board of Directors wish to record their appreciation for the contribution made by Shri Bimal Kapoor during his tenure of eight years as Director (Personnel) of the Corporation.

The Board of Directors also wish to place on record their deep appreciation of the dynamic leadership provided by Shri S. L. Khosla during the year

1989-90 and his tenure of four years as Chairman of the Corporation.

For and on behalf of the Board,



(DR. P.K. MUKHOPADHYAY)  
*Chairman*

New Delhi

Date: September 19,1990

# Annexure Director's Reports *Contd...*

## ANNEXURES TO DIRECTORS' REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A. CONSERVATION OF ENERGY

#### a) Energy Conservation measures taken:

The Corporation continues to place emphasis on energy conservation and reduction of hydrocarbon loss in the refineries. The measures taken include optimisation of key operating parameters in the plants and maintaining design efficiencies of equipment such as Heat Exchangers, Furnaces etc. by better maintenance/inspection practices and good house keeping.

#### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The following major Energy Conservation Schemes are under implementation:

Sl. No.	Item	Cost (Rs/Crs)	Fuel Savings (Tonnes/Year)	Completion Schedule
1.	Heat Exchanger Train Optimisation & Unit Revamp of AVU-I & II at Barauni Refinery	11.00	29,000	Oct'90
2.	Debottlenecking of FPU at Gujarat Refinery	1.50	5,400	Sept'90
3.	Energy Conservation measures in FEU at Haldia Refinery	0.96	4,700	Oct'91
4.	Soaker in Visbreaking Unit at Gujarat Refinery (part of Hydrocracker Project)	19.00	8,700	Feb'92
5.	Efficiency improvement in furnaces in Digboi (part of Digboi Refinery modernisation project costing Rs 143.74 crs.)		8,600	June'93
			56,400	

#### c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above schemes on completion would result in fuel savings of about 56,400 tonnes valuing about Rs 9.14 crores per annum.

#### d) Total energy consumption and energy consumption per unit of production as per Form 'A' of the annexure in respect of industries specified in the schedule thereto:

Necessary information provided in Form 'A'.

### B. TECHNOLOGY ABSORPTION

#### e) Efforts made in technology absorption as per Form 'B' of the annexure is attached.

## Annexure *Contd...*

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

**f) Activities relating to exports; initiatives taken to increase exports, development of new export market for products and services; and export plans:**

During the year 1989-90, Indianoil exported Naphtha, Natural Gas Liquid (NGL), Residual Fuel Oil (RFO) and Furnace Oil (FO). The total quantity exported was 2.59 million tonnes as against 2.06 million tonnes exported in 1988-89. The value of total exports during the year was Rs 696 crores as against Rs 457 crores in 1988-89, representing a growth of over 52%. The exports were predominantly to USA, Europe and Asia Pacific regions. For the year 1990-91, in addition to Naphtha, NGL, RFO and FO, value added item in terms of finished lubricants are being planned to be exported to neighbouring countries.

**g) Total foreign exchange used and earned:**

	<b>(Rs./crores)</b>
Foreign Exchange earnings	851.63
Foreign Exchange used	4966.73



# Annexure *Contd...*

## Form 'A'

## Index

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	TOTAL 1989-90	TOTAL 1988-89
<b>(A) POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY:</b>		
a) Purchased		
Qty ('000 KWH)	23728	35383
Rate	1.19	1.22
Amount (Rs/Lakhs)	282	432
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas) Generator		
Unit ('000 KWH)	17761	16355
KWH per MT of STD Fuel	3122	2407
Cost/Unit (Rs/KWH)	2.36	2.14
ii) Through Steam Turbine/Generator		
Qty ('000 KWH)	675042	640297
KWH per MT of STD Fuel	3279	3163
Cost/Unit (Rs/KWH)	1.15	1.16
c) Electricity Consumed (a+b) ('000 KWH)	716531	692035
2. COAL (Specify quality and where used):	—	—
<b>3. LIQUID FUEL (LSHS &amp; FO):</b>		
Qty (MT's')	671303	634108
Amount (Rs/Lakhs)	10087	9463
Average Rate (Rs/MT)	1502.54	1492.24
<b>4. OTHERS/INTERNAL GENERATION:</b>		
i) Fuel Gas		
Unit (MT)	316780	299696
Total Amount (Rs/Lakhs)	4935	4657
Average Rate (Rs/MT)	1557.79	1553.93
ii) LDO		
Unit (MT)	1419	1681
Total Amount (Rs/Lakhs)	28	33
Average Rate (Rs/MT)	1969.53	1969.66
iii) Coke		
Unit (MT)	107419	101126
Total Amount (Rs/Lakhs)	1547	1457
Average Rate (Rs/MT)	1439.73	1441.23
<b>(B) CONSUMPTION PER MT OF PRODUCT</b>		
1. Actual Production ('000 MT)	22011	20455
2. Consumption per MT of Product		
- Electricity (KWH/MT)	32.553	33.833
- Liquid Fuel (MT/MT)	0.030	0.031
- Fuel Gas/LDO/Coke (MT/MT)	0.019	0.020



# Annexure *Contd...*

## Form 'B' (See Rule 2)

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

#### 1. Specific areas in which R&D carried out by the Company:

- a) Lubricants & Specialities
- b) Fuels
- c) Refinery Processes
- d) Waxy Crude Transportation
- e) Material Failure Analysis

#### 2. Benefits derived as a result of the above R&D:

- a) Import substitution of over 90% in respect of lubricants and specialities achieved resulting in savings of Rs 25 crores per year in foreign exchange.

Introduction of fuel efficient railroad oils developed by R&D Centre has the potential for saving diesel worth about Rs 10 crores per year.

The upgraded automotive engine oils are capable of extending oil drain periods from 4000 km to 10,000 km, thus reducing oil consumption.

Friction modified engine oil and gear oil will also result in fuel savings of the order of Rs 600 crores.

- b) Efforts are on to improve the quality of all the fuels to bring them at par with international quality levels.
- c) Condition monitoring of commercial FCC Units and evaluation of new catalysts are being carried out regularly to achieve optimisation of FCC operations in the refineries.
- d) Experimental data has been generated on various crude mixes to assist pipelines in solving problems of transporting different crude through cross-country pipelines.
- e) Material failure analysis is being undertaken for the refineries as a diagnostic service so that they can adopt suitable measures to prevent or minimise failures.

#### 3. Future Plan of Action:

- a) Development of next generation products
- b) Upgradation of existing products
- c) Fuel quality improvement
- d) Development and commercialisation of FCC catalysts
- e) Development of hydrocracker technology

#### 4. Expenditure on R&D:

- |                                                      |                 |
|------------------------------------------------------|-----------------|
| a) Capital                                           | Rs 6.34 crores  |
| b) Recurring                                         | Rs 5.55 crores  |
| c) Total                                             | Rs 11.89 crores |
| d) Total R&D expenditure is 0.08% of total turnover. |                 |

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

With a view to further improve the product slate, product quality and on-stream factor of processing units, Indianoil has introduced newer technologies in line with the latest developments world-wide. Major steps taken in this regard were:



**A. Imported Technology****i. Hydrocracker Technology**

The country's first hydrocracker for maximising the much needed middle distillates is being installed at Gujarat refinery. Proven technology from M/s Chevron Research Corporation, USA has been used for this 1.2 MMTPA capacity plant.

**ii. Hydrogen Generation Technology**

For the hydrogen plant required for hydrocracker, steam reforming together with modern Pressure Swing Absorption (PSA) type of purification process has been obtained from MIs LINDE of West Germany.

**iii. Use of Newer Catalysts**

Catalytic reformer at Gujarat refinery has been upgraded by switching over to Bi-metallic catalyst to improve yields/capacity. Bi-metallic catalyst for use in catalytic reformer at Haldia refinery is being procured.

In both FCC's of Gujarat and Mathura refineries, low activity zeolite catalysts in place of amorphous catalysts have been employed to improve product yield.

**iv. RT Fuel**

The technology for production of this special grade Aviation Turbine Fuel was obtained from Soviet Union and indigenous production commenced in 1988-89.

**v. Action has been initiated to procure off-line process simulation package to carry out process simulation studies in-house.****B. Indigenous Technology****i. Soaker Technology**

For the first time in the country, Soaker Technology for visbreaking is being employed for debottlenecking the vis-breaker at Gujarat refinery. Plans finalised for use of Soaker Technology in visbreaker at Mathura refinery also.

**ii. Gas Turbine**

Gas turbines with co-generation facilities are being installed at Digboi refinery as part of modernisation programme.

**iii. Udex Plant Revamp**

The Udex Plant at Gujarat refinery is being revamped by use of new solvent Tetra-Ethylene Glycol for improving quality of the products viz. Benzene & Toluene.

**C. Modernisation of Instrumentation****Distributed Digital Controls**

Conventional pneumatic/electronic instruments in old process units and captive power plants are being replaced by microprocessor based DDC systems in a phased manner. Indigenous suppliers have acquired technologies for the same from reputed manufacturers of USA, UK and Japan.

**2. Benefits derived as a result of the above efforts, e.g. product slate improvement, cost reduction, product development, import substitution etc.:**

The above efforts are expected to yield benefits in

- a) Maximisation of middle distillates
- b) Energy conservation
- c) Increase in on-stream days
- d) Import substitution
- e) Product quality improvement

However the exact benefits shall be quantified after commissioning of various projects.

# Annexure *Contd...*

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information is being furnished:

a) Technology Imported	b) Year of Import
i) RT Fuel	1986-87
ii) Hydrocracker technology from MIs Chevron Research Corporation	1988-89
iii) Hydrogen generation technology from M/s LINDE of West Germany	1988-89

- c) Has technology been fully absorbed?

Technology has been absorbed in case of RT fuel. In case of other items, technology has not yet been absorbed

- d) If not fully absorbed, areas where this has not taken place, reasons thereof:

In respect of items (ii) and (iii) above, technology will be absorbed on commissioning of Hydrocracker Project in 1992.



# Performance at a Glance

	1989-90	1988-89	1987-88	1986-87	1985-86
<b>A) PHYSICAL:</b>					
<b>REFINERIES THROUGHPUT</b> (in million tonnes)	23.53	22.00	21.79	21.02	20.79
<b>PERCENTAGE UTILISATION OF CAPACITY</b>	96.4	103.5	102.5	102.8	101.6
<b>PIPELINES THROUGHPUT</b> (in million tonnes)	20.89	20.28	19.63	18.60	18.61
<b>PRODUCT SALES</b> (in million tonnes)	31.01	28.99	27.08	25.80	23.84
(Rs. in Crores)					
<b>B) FINANCIAL:</b>					
<b>TURNOVER</b>	17,614.40	15,341.95	14,303.77	12,907.80	11,362.24
<b>PROFIT—</b> before depreciation, interest payment & tax	1,460.49	1,029.98	857.89	930.48	492.70
<b>PROFIT—</b> before depreciation and tax	1,069.00	886.92	769.53	874.21	421.17
<b>PROFIT—</b> before tax	839.82	676.41	571.76	671.22	194.15
<b>PROFIT—</b> after tax	674.54	514.33	409.76	428.22	128.97
<b>LOANS REPAYED —</b> from internal resources	11.19	21.58	57.87	33.62	34.65
<b>DIVIDEND</b>	24.65	24.65	22.19	19.72	17.26
<b>RESERVES &amp; SURPLUS —</b> cumulative	2,750.49	2,100.60	1,610.92	1,223.36	814.86

\* Design capacity of 18.75 million tonnes has been progressively increased through debottlenecking process to 24.40 million tonnes w.e.f. 1.4.89.

NOTE: Figures include prior year & extraordinary adjustments.

# How Funds Generated and Utilised

(Rs. In Crores)

Description	For the Year ended 31st March					
	1990	1989	1988	1987	1986	1985
<b>A. SOURCES OF FUNDS:</b>						
1. Internal Resources						
- Retained Profit	650	489	388	408	112	66
- Depreciation	219	202	186	194	218	160
	869	691	574	602	330	226
2. External Resources						
- Unsecured Borrowings	3,182	976	398	218	(121)	14
- Secured Borrowings	172	(30)	26	(222)	343	(236)
	3,354	946	424	(4)	222	(222)
Total Funds	4,223	1,637	998	598	552	4

## B. UTILISATION OF FUNDS:

- Increase in Fixed Assets (Net)	464	278	244	268	234	231
- Investments	2,794	1,324	652	540	—	—
- Net Increase/Decrease in Working Capital	965	35	102	(210)	318	(227)
	4,223	1,637	998	598	552	4

## CHANGES IN WORKING CAPITAL:

A. Current Assets:						
1. Inventories	(147)	56	36	(255)	612	144
2. Book Debts	149	1	59	56	(83)	50
3. Cash and Bank Balance	3	(22)	7	(12)	(17)	76
4. Loans and Advances	1,512	27	214	11	158	(128)
5. Interest accrued on Investments	51	23	14	8	—	—
Less:	1,568	85	330	(192)	670	142
B. Current Liabilities & Provisions	603	50	228	18	352	369
C. Working Capital (A-B):	965	35	102	(210)	318	(227)

NOTE: Figures in bracket denote minus.



# Statement of Added Value —1989-90

	1989-90		1988-89		1987-88	
	Rs./Crs.	Percentage	Rs./Crs.	Percentage	Rs./Crs.	Percentage
<b>REFINERY OPERATIONS:</b>						
Value of Production	5,363		4,917		4,932	
Less: Cost of Direct Materials	4,820		4,527		4,456	
	543		390		476	
Marketing operations	710		584		467	
Pipeline operations	125		112		77	
Research & Development	10		9		8	
Value Added	1,388		1,095		1,028	
Investment & Interest Earnings	415		196		115	
Prior year & Extraordinary Income	95		187		26	
	1,898		1,478		1,169	
<b>SHARED TOWARDS:</b>						
1. Operations:						
Employees' Benefits						
(Salaries, Wages & Other Benefits)	216	11.4	212	14.3	160	13.7
Other Costs	222	11.7	236	16.0	151	12.9
	438		448		311	
2. Financing:						
Interest	391	20.6	143	9.7	88	7.5
Dividend	25	1.3	25	1.7	22	1.9
	416		168	11.0		
3. Taxation	165	8.7	162	11.0	162	13.9
4. Expansion and Growth:						
Depreciation	229	12.1	211	14.2	198	16.9
Retained Profit	650	34.2	489	33.1	388	33.2
	879		700		586	
TOTAL:	1,898	100.0	1,478	100.0	1,169	100.0

# A Ten - Year Profile

		1989-90	1988-89	1987-88
<b>WHAT WE OWE:</b>	Share Capital	123	123	123
	Reserves	2,750	2,100	1,611
	Net Worth	2,873	2,223	1,734
	Borrowings	5,441	2,087	1,141
		<b>8,314</b>	<b>4,310</b>	<b>2,875</b>
<b>WHAT WE OWN:</b>	Fixed Assets	3,257	2,793	2,515
	Less: Depreciation	1,852	1,633	1,431
		1,405	1,160	1,084
	Investments	5,310	2,516	1,192
	Working Capital	1,599	634	599
		<b>8,314</b>	<b>4,310</b>	<b>2,875</b>
<b>INCOME:</b>	Sales	17,614	15,342	14,304
	Accretion/(Decretion) in Stock	(191)	185	(8)
	Other	491	265	181
		<b>17,914</b>	<b>15,792</b>	<b>14,477</b>
<b>EXPENDITURE:</b>	Purchase & Manufacturing Expenses	16,062	14,350	13,347
	Establishment, Admn. & Selling Expenses	392	412	272
	Depreciation	229	211	198
	Interest	391	143	88
		<b>17,074</b>	<b>15,116</b>	<b>13,905</b>
<b>PROFIT BEFORE TAX</b>		840	676	572
<b>PROFIT AFTER TAX</b>		675	514	410
<b>DIVIDEND</b>		25	25	22
<b>RETAINED EARNINGS</b>		650	489	388
<b>RATIOS:</b>	Profit after tax as % to average net worth	26.5	26.0	26.6
	Earning per Equity Share (Rupees)	5,472	4,173	3,324
	Net Worth/Equity Share (Rupees)	23,314	18,041	14,069

NOTE: Figures in bracket denote minus.



# A Ten - Year Profile (Contd...)

(Rupees in crores)						
1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81
123	123	123	123	123	123	82
1,223	815	703	637	572	472	424
1,346	938	826	760	695	595	506
717	721	499	721	562	705	778
<b>2,063</b>	<b>1,659</b>	<b>1,325</b>	<b>1,481</b>	<b>1,257</b>	<b>1,300</b>	<b>1,284</b>
2,271	2,003	1,769	1,538	1,352	1,206	1,018
1,245	1,051	833	673	495	391	320
1,026	952	936	865	857	815	698
540	-	-	-	-	-	-
497	707	389	616	400	485	586
<b>2,063</b>	<b>1,659</b>	<b>1,325</b>	<b>1,481</b>	<b>1,257</b>	<b>1,300</b>	<b>1,284</b>
12,908	11,362	11,051	10,293	9,792	7,958	5,719
133	239	(19)	42	205	98	51
113	80	71	61	62	62	85
<b>13,154</b>	<b>11,681</b>	<b>11,103</b>	<b>10,396</b>	<b>10,059</b>	<b>8,118</b>	<b>5,855</b>
11,982	10,979	10,509	9,820	9,597	7,742	5,544
242	210	189	160	133	93	73
203	227	164	183	106	74	57
56	71	79	89	73	95	73
<b>12,483</b>	<b>11,487</b>	<b>10,941</b>	<b>10,252</b>	<b>9,909</b>	<b>8,004</b>	<b>5,747</b>
671	194	162	144	150	114	108
428	129	83	82	117	106	81
20	17	17	17	17	17	12
408	112	66	65	100	89	69
37.5	14.6	10.5	11.3	18.1	19.3	17.2
3,474	1,046	677	670	948	864	981
10,925	7,611	6,704	6,167	5,637	4,829	6,156

# Review of Accounts

## Review of the Accounts of Indian Oil Corporation Limited for the year ended 31st March, 1990 by the Comptroller and Auditor General of India.

### 1. Financial Position:

- a) The Financial Position of the Company as on 31st March, for the last three years is given below.

	As at 31st March (Rs. in lakhs)		
	1988	1989	1990
Assets:			
i) Net Fixed Assets	75,675.97	85,261.22	96,697.61
ii) Capital Work-in-Progress	32,704.60	30,765.68	43,818.64
iii) Investments	1,19,245.17	2,51,613.40	5,31,047.82
	<u>2,27,625.74</u>	<u>3,67,640.30</u>	<u>6,71,564.07</u>
iv) Working Capital:			
a) Current Assets,			
Loans & Advances	2,87,213.95	2,95,732.20	4,52,500.31
b) Less: Current Liabilities (including Provisions)	2,27,265.27	2,32,297.26	2,92,575.02
	<u>59,948.68</u>	<u>63,434.94</u>	<u>1,59,925.29</u>
<b>TOTAL ASSETS</b>	<u>2,87,574.42</u>	<u>4,31,075.24</u>	<u>8,31,489.36</u>
Less:			
Long Term Loans	3,964.67	1,636.58	34,942.31
Short Term Loans	1,00,945.93	2,01,592.86	5,08,592.91
Public Deposits	9,244.57	5,458.77	578.39
<b>NET WORTH</b>	<u>1,73,419.25</u>	<u>2,22,387.03</u>	<u>2,87,375.75</u>

Net worth shown above is represented by:

Paid up capital	12,326.58	12,326.58	12,326.58
Reserves and Surplus	1,61,092.67	2,10,060.45	2,75,049.17
	<u>1,73,419.25</u>	<u>2,22,387.03</u>	<u>2,87,375.75</u>

- b) The Paid up capital was increased from Rs. 8,217.72 lakhs 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 0.08:1 in 1987-88, 0.03:1 in 1988-89 and 0.12:1 in 1989-90.
- d) The Company had declared dividend on the Equity Capital at the rate of 18% during 1987-88, 20% during 1988-89 and has proposed dividend at the rate of 20% for 1989-90 accounting for Rs. 2,465.32 lakhs.

# Review of Accounts (Contd...)

## 2. Capital Work-in-Progress:

The Company has a number of capital works in hand. The expenditure on these as on 31st March, 1990 amounted to Rs. 43,818.64 lakhs.

## 3. Working Capital:

a) The working capital of the Company for the year ended 31-3-1988, 31-3-1989 and 31-3-1990 was Rs. 59,949 lakhs, Rs. 63,435 lakhs and Rs. 1,59,925 lakhs respectively which has been financed by bank borrowings and internal generation of funds.

b) The Current Assets and Loans and Advances are analysed below:

l) **Inventory:** The inventory position at the close of the last three years is as follows:

	(Rs. in lakhs)		
	1987-88	1988-89	1989-90
(1) Raw materials (Crude, Lube base stocks etc.)	58,789	47,214	47,782
(2) Stores & Spares, Catalysts and Chemicals	18,605	16,915	20,480
(3) Stock-in-process	6,672	9,031	9,571
(4) Finished Goods	1,01,585	1,17,751	98,123
(5) Other Stores (Stock of Empty Barrels)	262	533	790
II) Sundry Debtors	35,764.07	35,762.66	50,179.01
III) Cash and Bank Balances	6,968.18	4,780.67	5,079.90
IV) Loans and Advances	59,428.60	62,089.29	2,13,086.30

(i) The stock of Raw Materials is equivalent to about 1.13 months' consumption in 1989-90 as compared to 1.20 months in 1988-89 and 1.52 months in 1987-88.

(ii) The Stores and Spares, Catalysts and Chemicals at the end of 1989-90 represented 10.81 months' consumption as against 10.16 months in 1988-89 and 14.45 months in 1987-88.

(iii) The Stock-in-Process at the end of 1989-90 represented about 0.66 month's value of business as against 0.071 month and 0.056 month at the end of 1988-89 and 1987-88 respectively.

(iv) The Finished Goods at the end of 1989-90 amounted to about 0.67 month's sale as compared to 0.93 in 1988-89 and 0.85 in 1987-88.

(v) Out of the Sundry Debtors shown above, Rs. 1,183.07 lakhs, Rs. 1,087.59 lakhs and Rs. 615.68 lakhs as on 31-3-1988, 31-3-1989 and 31-3-1990 respectively were considered doubtful and provided for. The percentage of debtors to sales was 2.50%, 2.36% and 2.87% as on 31-3-1988, 31-3-1989 and 31-3-1990 respectively.



# Review of Accounts

Contd...

Index

## 4. Working Results:

The working results for the three years ended 31st March, 1990 are given below:

	(Rs. in lakhs)		
	1987-88	1988-89	1989-90
<b>a) Income:</b>			
i) Sales of Products and crude including Company's use of own oil	14,29,223	15,17,280	17,49,958
ii) Recovery of main installation and other charges.	371	368	549
iii) Increase/Decrease in finished goods.	(775)	18,526	(19,088)
iv) Interest	11,525	14,015	28,933
v) Other Income	3,238	8,407	16,191
vi) Provision for Doubtful debts written back	458	735	932
vii) Income relating to extraordinary items (Net)	2,945	10,449	7,089
Total Income (a)	<u>14,46,985</u>	<u>15,69,780</u>	<u>17,84,564</u>
<b>b) Expenditure:</b>			
i) Purchase of products and crude for resale.	6,47,481	7,05,187	8,19,240
ii) Raw materials consumed	4,64,627	4,73,093	5,07,063
iii) Stores & Spares consumed	15,446	19,974	22,742
iv) Power and Fuel	2,136	2,497	2,581
v) Repairs & Maintenance	7,228	8,147	9,807
vi) Payment to Employees	15,404	18,584	21,417
vii) Office Admn., Selling & other expenses	11,670	14,643	17,849
viii) Depreciation	19,955	20,924	22,820
ix) Duties	1,61,354	1,84,667	1,92,560
x) Interest	8,844	14,293	37,223
xi) Others	36,092	41,345	48,222
Less: Transfer to Capital Accounts	1,076	1,333	1,958
Total Expenditure (b)	<u>13,89,161</u>	<u>15,02,021</u>	<u>16,99,566</u>
c) Profit for the year (a-b)	57,824	67,759	84,998
d) Prior year adjustment	(648)	(118)	(1,016)
e) Profit before tax (c+d)	<u>57,176</u>	<u>67,641</u>	<u>83,982</u>

With the Provision for taxation of Rs. 16,527 lakhs the disposable profit for the year comes to Rs. 67,455 lakhs.



# Review of Accounts *Contd...*

The profit for the year constituted 4.00%, 4.32% and 4.76% of the Total Income for the years 1987-88, 1988-89 and 1989-90 respectively.

The Total Income for 1989-90 has registered an increase of 13.68% over that of 1988-89, while the Total Expenditure for 1989-90 rose by 13.15% over that of 1988-89. The increase in the Total Income is attributable to increased quantity of products sold.

## 5. Capacity Utilisation of Refineries and Sales Performance of the Company:

### A. Capacity Utilisation of Refineries:

- a) The thrupt, capacity utilisation of the six refineries of the Company during 1988-89 and 1989-90 is indicated below:

(In million MTs)

Refineries	Capacity		Capacity adopted by OCC for pricing purpose		Actual Thrupt (Capacity Utilisation %)	
	1988-89	1989-90	1988-89	1989-90	1988-89	1989-90
i) Guwahati	0.85	0.85	0.80	0.80	0.76 (89%)	0.86 (101%)
ii) Barauni	3.30	3.30	2.80	3.00#	2.82 (85%)	2.96 (90%)
iii) Gujarat	8.10	9.50	8.00	8.00	8.66 (107%)	9.11 (96%)
iv) Haldia	2.50	2.75	2.50	2.50	2.63 (105%)	2.82 (103%)
v) Mathura	6.00	7.50	6.20	6.20	6.56 (109%)	7.21 (96%)
vi) Digboi	0.50	0.50	0.50	0.50	0.57 (114%)	0.57 (114%)
	21.25	24.40	20.80	21.00	22.00 <b>(104%)</b>	23.53 <b>(96%)</b>

# Revised in the current year with retrospective effect from 1-4-1987.

# Review of Accounts *Contd...*

## B. Sales performance of the Company:

Sales volume, Company's share in the over all market, growth rates of sales of Indian Oil Corporation Ltd. and Industry for the three years ended 31st March, 1990 are given below:

Year ended 31st March	Sales Volume (in MMTs)	IOC's share in the market %	IOC's growth rate of sales %	Industry's growth rate of sales %
1988	27.08	58.4	5.0	6.4
1989	28.99	58.1	7.1	7.5
1990	31.01	57.5 (*)	7.0	7.7(*)

(\*) Provisional

## 6. Fuel and Loss:

- i) Fuel and Loss percentage in six refineries of the Company during 1988-89 and 1989-90 are compared below with OCRC Norms:

Refineries at	OCRC Norms (%)		Actual %	
	1988-89	1989-90	1988-89	1989-90
a) Guwahati	9.13	9.13	8.29	8.07
b) Barauni	9.00	8.47#	8.59	8.43
c) Gujarat	6.15	6.15	6.44	6.10
d) Haldia	10.00	10.00	8.34	8.33
e) Mathura	5.81	5.81	5.54	5.53
f) Digboi	14.60©	14.60©	3.42	3.59

# Revised in the Current year with retrospective effect from 1-4-1987.

© Subject to adjustment for purchased gas on actual basis.

Bombay  
Dated: 18th September, 1990

Sd/  
(A. KRISHNA RAO)  
Principal Director of Commercial Audit and  
Ex-Officio Member, Audit Board-II,  
Bombay



# Auditors' Report

## Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1990 and the Profit and Loss Account of the Corporation annexed thereto for the year ended on that date in which are incorporated the accounts of certain refineries/divisions audited by other auditors and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of the books;
  - c) The allocation of work between the auditors has been followed as per directions contained in the letters No.17/190/85-IGC dated 14.12.89, 29.1.90 & 15.3.90 addressed to Indian Oil Corporation Limited by the Government of India, Ministry of Industry, Department of Company Affairs, Company Law Board, New Delhi;
  - 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) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes, 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 affairs of the Corporation as at 31st March, 1990
    - and
    - ii) In the case of Profit and Loss Account, of the Profit of the Corporation for the Year ended on that date.

P.K. CHOPRA & CO.  
Chartered Accountants

RAY & RAY  
Chartered Accountants

P.C. HANSOTIA & CO.  
Chartered Accountants

T.R. CHADHA & CO.  
Chartered Accountants

Sd/-  
P.K. CHOPRA  
Partner

Sd/-  
S.K. GANGULI  
Partner

Sd/-  
R. RAGHAVAN  
Partner

Sd/-  
MANU CHADHA  
Partner

New Delhi  
Dated: 16th July, 1990



# Auditor's Report *Contd...*

## Annexure to the Auditors' Report

### (Referred to in Paragraph I 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. The Fixed Assets of the Corporation are physically verified by the Management in a phased programme of three year cycle which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As per the information given to us by the Management, no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stocks 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 stocks of stores and spare parts are verified by them in a phased programme so as to complete the verification of all items over a period of three years. In our opinion, the above frequency of verification is reasonable in relation to the size of the Corporation and the nature of its business.
4. In our opinion, the procedures of physical verification of stocks followed by the Corporation are reasonable and adequate in relation to the size of the Corporation and the nature of its business.
5. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in respect of items reconciled and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks read with para 12 below, is fair and proper in accordance with the normally accepted accounting principles and subject to Note No.5 of Schedule 'P', is on the same basis as in the preceding year.
7. The Corporation has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from Companies under the same Management as defined under Sub-section (IB) of Section 370 of the Companies Act, 1956.
8. The Corporation has granted unsecured loans to Indian Oil Blending Limited, a subsidiary of the Corporation. The rate of interest and other terms and conditions on which loans have been granted are not prima facie prejudicial to the interest of the Corporation.
9. The parties to whom loans or advances in the nature of loans have been given by the Corporation are repaying the principal amounts wherever stipulated and are also regular in payment of interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.

12. As explained to us, the Corporation has regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages, raw materials and finished goods. However, loss, if any, on unserviceable, damaged and/or surplus stores and packages has not been provided as the quantum thereof is stated to be determinable at the time of disposal.
13. In our opinion and according to the information and explanations given to us, the Corporation has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps where applicable.
15. The Corporation has an internal audit system commensurate with the size and nature of its business.
16. We have broadly reviewed the books of account maintained by the Corporation pursuant to the order made by the Central Government for the maintenance of cost records in respect of certain products under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
17. According to the records of the Corporation, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees' State Insurance Scheme is not applicable to the Corporation.
18. According to the records and information and explanations furnished, there was no amount outstanding on 31st March, 1990 in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
19. According to information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Corporation by virtue of the provisions of clause (d) of Section 3 of the Act.
21. As per information and explanations given to us, damaged goods in respect of trading activities have been determined and consequential adjustments, which were not significant, have been made in the accounts.

P.K. CHOPRA & CO.  
Chartered Accountants

Sd/-  
P.K. CHOPRA  
Partner

RAY & RAY  
Chartered Accountants

Sd/-  
S.K. GANGULI  
Partner

P.C. HANSOTIA & CO.  
Chartered Accountants

Sd/-  
R. RAGHAVAN  
Partner

T.R. CHADHA & CO.  
Chartered Accountants

Sd/-  
MANU CHADHA  
Partner

New Delhi

Dated : 16th July, 1990



# Accounting Policies

## Statement on Accounting Policies

### 1. FIXED ASSETS

#### 1.1 Land

Land acquired on lease for over 99 years is treated as free hold land. Cost of Right-of-Way for laying pipelines is capitalised.

#### 1.2 Construction Period Expenses on Projects:

Construction period expenses including crop compensation for laying pipelines, administration and supervision expenses exclusively attributable to Projects are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue. Financing cost during the construction period on loans raised for/allocated to projects is capitalised.

#### 1.3 Depreciation

1.3.1 Cost of lease hold land for 99 years and less is amortised during the lease period.

Plant & Machinery costing upto Rs. 5,000/- are depreciated fully in the year of capitalisation. Furniture & Fixtures costing upto Rs. 1,000/- are charged off to Revenue.

Capital expenditure on assets, like electricity transmission lines, railway siding, etc., the ownership of which is not with the Corporation are depreciated in full over a period of five years.

Depreciation on fixed assets other than the above is charged on straight line method based on the assessed life of the assets at rates not lower than the corresponding rates prescribed under the Companies Act, 1956, retaining 5% of the original cost of the asset as residual value. Depreciation is charged for full year on assets capitalised/sold/ disposed off/dismantled during the year.

#### 1.4 Exchange Rate:

Liability for foreign credit is provided on the basis of Bank selling rates ruling at the time of capitalisation of assets acquired against such credits. The liability is translated at the exchange rate ruling at the year end. The difference due to exchange fluctuation is capitalised except the exchange difference on liabilities relating to assets already written off which is charged to revenue.

### 2. CURRENT ASSETS, LOANS AND ADVANCES:

#### 2.1 Valuation of Inventories:

##### 2.1.1 Raw Materials

2.1.1.1 Crude Oil is valued at cost on First in First Out basis. Base oils are valued at cost determined as per pricing mechanism approved by the Government from time to time. Additives are valued at weighted average cost.

2.1.1.2 Process Stock is valued at raw material cost.

##### 2.1.2 Stock-in-Trade:

2.1.2.1 Finished Products are valued at cost or net realisable value, whichever is lower.

The cost of price controlled finished products is determined as per pricing mechanism approved by the Government from time to time.



# Accounting Policies (Contd...)

2.1.2.2 The cost of free trade products internally produced is taken at cost determined as per the pricing mechanism approved by the Government plus additional processing cost, wherever applicable. The cost of non-price controlled lubes and greases is determined at weighted average cost.

2.1.2.3 Imported products in transit are valued at CIF cost.

## 2.2 Claims :

2.2.1 Claims on Oil Coordination Committee/Government are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions/clarifications subject to final adjustment as per separate audit.

2.2.2 Other claims are accounted when there is certainty that the claims are realisable.

## 3. LIABILITIES & PROVISIONS:

3.1 Outstanding liabilities for foreign credits are provided at the exchange rate prevailing at the year end except in case of payments upto 30th April, where the liability is provided at actuals. Such exchange difference is adjusted in Profit and Loss Account.

3.2 Show cause notices issued by various Government Authorities are not considered as contingent liabilities. However, when the demand notices are raised against such show cause notices after considering Corporation's views, these demands are either paid or treated as liabilities, if accepted by the Corporation and are treated as contingent liability, if disputed by the Corporation.

3.3 Contingent liabilities are disclosed in each case above Rs. 1 lakh.

3.4 Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 2 lakhs.

## 4. PROFIT AND LOSS ACCOUNT:

4.1 Sale proceeds are arrived at after adjustment of Industry Pool Accounts.

4.2 Raw Materials consumed/and purchases of products are net of Industry Pool Account adjustments.

4.3 Payment of gratuity is made through trust and the amount contributed, based on actuarial valuation, is charged to Profit and Loss Account.

4.4 Loss, if any, on surplus/slow moving/obsolete items included amongst stores is accounted for only in the year of their disposal.

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

4.6 Income and expenditure upto Rs. 1 lakh in each case pertaining to prior years are accounted for in the current year.

4.7 Income and expenditure of extra-ordinary nature in excess of Rs. 10 lakhs in each case are disclosed separately.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
DR. P.K. MUKHOPADHYAY	T.S. KRISHNAMURTHI	S.K. COMAL	B.K. BAKHSHI	S.M. WELING
Chairman	Director (R&P)	Director (Finance)	Director (Marketing)	Secretary

New Delhi

Dated :13th July, 1990



# Balance Sheet

## Balance Sheet As at 31st March, 1990

Index

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>I. SOURCES OF FUNDS:</b>				
1. Shareholders' Funds				
a) Share Capital	'A'	12,326.58		12,326.58
b) Reserves and Surplus	'B'	2,75,049.17		2,10,060.45
			2,87,375.75	2,22,387.03
2. Loan Funds				
a) Secured	'C'	28,950.65		11,770.86
b) Unsecured	'D'	5,15,162.96		1,96,917.35
			5,44,113.61	2,08,688.21
<b>TOTAL :</b>			8,31,489.36	4,31,075.24
<b>II. APPLICATION OF FUNDS:</b>				
1. Fixed Assets:				
a) Gross Block	'E'	2,81,935.51		2,48,584.84
b) Less: Depreciation		1,85,237.90		1,63,323.62
		96,697.61		85,261.22
c) Construction Work-in-Progress and Capital Goods in Stock	'F'	43,818.64		30,765.68
			1,40,516.25	1,16,026.90
2. Investments	'G'		5,31,047.82	2,51,613.40
3. Current Assets, Loans and Advances:				
A. Current Assets:				
a) Interest accrued on Investments		9,629.71		4,534.21
b) Inventories	'H'	1,76,746.02		1,91,464.78
c) Book Debts	'I'	49,563.33		34,675.07
d) Cash balances including imprest and cheques in hand		4,839.60		4,002.51
	C/F...		2,40,778.66	2,34,676.57
	Carried Forward...		6,71,564.07	3,67,640.30



## Balance Sheet As at 31st March, 1990 (Contd...)

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
Brought Forward...			6,71,564.07	3,67,640.30
B/F...		2,40,778.66		<u>2,34,676.57</u>
e) Bank Balances:				
With Scheduled Banks:				
i) On Current Account		232.84		261.49
ii) On Fixed Deposit Account		2.86		462.62
iii) On Blocked Account (including on Fixed Deposit Account Rs. NIL; 1989: Rs. 49.01 lakhs)		4.56		54.02
iv) With Post Office:				
In Savings Account		0.04		0.03
		<u>2,41,018.96</u>		<u>2,35,454.73</u>
B. Loans and Advances	'J'	2,11,481.35		60,277.47
		<u>4,52,500.31</u>		<u>2,95,732.20</u>
Less: Current Liabilities and Provisions:	'K'	2,92,575.02		2,32,297.26
Net Current Assets			<u>1,59,925.29</u>	<u>63,434.94</u>
	TOTAL		<u>8,31,489.36</u>	<u>4,31,075.24</u>

- Contingent Liabilities not provided for  
(Refer Schedule 'P' Note-I)

- Notes forming part of Accounts 'P'

Sd/- DR. P.K. MUKHOPADHYAY Chairman	Sd/- T.S. KRISHNAMURTHI Director (R&P)	Sd/- S.K. COMAL Director (Finance)	Sd/- B.K. BAKHSI Director (Marketing)	Sd/- S.M. WELING Secretary
-------------------------------------------	-------------------------------------------------	---------------------------------------------	------------------------------------------------	----------------------------------

New Delhi

Dated: 13th July, 1990

As per our Report Attached

P.K. CHOPRA & CO. Chartered Accountants	RAY & RAY Chartered Accountants	P.C. HANSOTIA & CO. Chartered Accountants	T.R. CHADHA & CO. Chartered Accountants
--------------------------------------------	------------------------------------	----------------------------------------------	--------------------------------------------

Sd/-  
P.K. CHOPRA  
Partner

Sd/-  
S.K. GANGULI  
Partner

Sd/-  
R. RAGHAVAN  
Partner

Sd/  
MANU CHADHA  
Partner

New Delhi

Dated: 16th July, 1990



# Profit and Loss Account

## Profit and Loss Account for the year ended 31st March, 1990

Index

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>INCOME:</b>				
1. i)	Sale of Products and Crude and Transfers under Product Exchange	17,48,124.57		15,15,796.82
ii)	Less: Commission and Discounts	464.63		814.75
		17,47,659.94		15,14,982.07
2.	Company's use of own oil	2,298.41		2,297.83
			17,49,958.35	15,17,279.90
3.	Recovery of Main Installation and Other Charges		548.56	367.56
4.	Increase/(Decrease) in Stocks			
	Closing Stock as on 31st March, 1990:			
	Finished Products	98,122.92		1,17,751.46
	Stock-in-Process	9,571.47		9,030.91
		1,07,694.39		1,26,782.37
Less:	Opening Stock as on 1st April, 1989:			
	Finished Products	1,17,751.46		1,01,584.81
	Stock-in-Process	9,030.91		6,671.68
		1,26,782.37		1,08,256.49
			(19,087.98)	18,525.88
5.	Interest On:			
i)	Loans and Advances	3,444.50		778.75
ii)	Fixed Deposits with Banks	434.71		486.87
iii)	Short Term Deposits with Bank	93.66		—
iv)	Customers Outstandings	918.38		1,322.17
v)	Fully paid Bonds (Tax Free) of Govt. Companies	18,480.54		8,380.73
vi)	Investment under Portfolio Management/Other Schemes	360.85		882.32
vii)	Government Securities (Gross) (Tax deducted at source Rs. 976.88 lakhs; 1989: Rs. 192.61 lakhs)	5,200.36		2,163.94
			28,933.00	14,014.78
6.	Other Income		16,191.16	8,407.05
7.	Provision for Doubtful Debts, Advances, Claims and Stores written back		931.44	734.73
	<b>TOTAL INCOME:</b>		<b>17,77,474.53</b>	<b>15,59,329.90</b>



# Profit and Loss Account (Contd...)

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>EXPENDITURE:</b>				
1. Purchase of Products and Crude for resale and transfer under Product Exchange			8,19,240.43	7,05,186.48
2. Manufacturing, Administration, Selling and Other Expenses	'M'		6,29,327.56	5,77,946.60
3; Duties			1,92,560.30	1,84,666.99
4. Depreciation and Amortisation			22,820.10	20,923.74
5. Main Installation charges paid to Other Oil Companies			352.49	337.00
6. Interest:				
a) On Fixed period loans				
i) Government of India		40.73		109.36
ii) Oil Industry Development Board		74.53		187.41
iii) Floating Rate Bearer Notes		1,201.10		—
iv) Deferred Foreign Credit		4.84		12.77
v) Public Deposits		415.78		1,151.97
b) On short term loans from Banks		28,342.92		11,861.73
c) Others		7,142.89		969.22
			<u>37,222.79</u>	<u>14,292.46</u>
			17,01,523.67	15,03,353.27
7. Less:				
i) Amount transferred to Construction period expenses pending allocation (Net of recovery of Rs. 30.26 lakhs; 1989: Rs. 23.69 lakhs)		1,641.92		1,085.78
ii) Expenses transferred to Manufacturing of drums		<u>316.03</u>		<u>246.95</u>
			1,957.95	1,332.73
<b>TOTAL EXPENDITURE:</b>			<u>16,99,565.72</u>	<u>15,02,020.54</u>
PROFIT before extra-ordinary and prior period Adjustments			77,908.81	57,309.36
Income/(Expenditure) relating to extra-ordinary items (Net)		'O-1'		7,089.06
10,449.51				
<b>PROFIT FOR THE YEAR</b>	Carried Forward...		<u>84,997.87</u>	<u>67,758.87</u>

# Profit and Loss Account *Contd...*

	Schedule	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>PROFIT FOR THE YEAR</b> Brought Forward...		84,997.87	67,758.87
Income/(Expenditure) relating to prior period (Net)	'O'	(1,016.20)	(118.02)
<b>PROFIT BEFORE TAX</b>		83,981.67	67,640.85
Taxation (Net)		16,527.63	16,207.75
<b>PROFIT AFTER TAX</b>		67,454.04	51,433.10
Balance brought forward from last year's Account		0.92	0.14
<b>DISPOSABLE PROFIT</b>		<u>67,454.96</u>	<u>51,433.24</u>
<b>APPROPRIATIONS:</b>			
<b>Proposed Dividend</b>		<b>2,465.32</b>	<b>2,465.32</b>
Insurance Reserve Account		30.00	30.00
General Reserve		64,959.00	48,937.00
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>0.64</u>	<u>0.92</u>
	TOTAL:	<u>67,454.96</u>	<u>51,433.24</u>
Notes forming part of Accounts	'P'		

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Dr.P.K. MUKHOPADHYAY	T.S. KRISHNAMURTHI	S.K. COMAL	B.K. BAKHSHI	S.M. WELING
Chairman	Director (R&P)	Director (Finance)	Director (Marketing)	Secretary

New Delhi  
Dated 13th July, 1990

As per Our Report attached

P.K. CHOPRA & CO. Chartered Accountants	RAY & RAY Chartered Accountants	P.C. HANSOTIA & CO. Chartered Accountants	T.R CHADHA & CO. Chartered Accountants
--------------------------------------------	------------------------------------	----------------------------------------------	-------------------------------------------

Sd/-	Sd/-	Sd/-	Sd/-
P.K. CHOPRA	S.K. GANGULI	R. RAGHAVAN	MANU CHADHA
Partner	Partner	Partner	Partner

New Delhi  
Dated: 16th July, 1990



# Schedules

## SCHEDULE "A"-Share Capital

	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>Authorised:</b>		
15,00,000 Equity Shares of Rs. 1,000 each	<u>15,000.00</u>	<u>15,000.00</u>
<b>Issued and Subscribed:</b>		
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 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>

# Schedules

## SCHEDULE "B"-Reserves and Surplus

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>Capital Reserve:</b>			
As per last Account		15.82	15.82
<b>General Reserve:</b>			
As per last Account	1,86,822.71		1,37,885.71
Add: Transferred from Profit and Loss Account	<u>64,959.00</u>		<u>48,937.00</u>
		2,51,781.71	<u>1,86,822.71</u>
<b>Insurance Reserve:</b>			
As per last Account	250.00		220.00
Add: Transferred from Profit and Loss Account	<u>30.00</u>		<u>30.00</u>
		280.00	<u>250.00</u>
<b>Investment Allowance (Utilised) Reserve:</b>			
As per last Account		17,030.00	17,030.00
<b>Export Profit Reserve:</b>			
As per last Account		5,941.00	5,941.00
<b>Profit and Loss Account:</b>			
As per Annexed Account		<u>0.64</u>	<u>0.92</u>
<b>TOTAL :</b>		<u><u>2,75,049.17</u></u>	<u><u>2,10,060.45</u></u>

**SCHEDULE “C”-Secured Loans**

	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>Loans and Advances from Banks:</b> (Secured by hypothecation of raw materials, stock-in-trade, book debts, outstanding monies, receivables, claims, contracts, engagements etc.)	28,906.77	11,766.35
Interest accrued and due on above	43.88	4.51
<b>TOTAL :</b>	<u>28,950.65</u>	<u>11,770.86</u>

**SCHEDULE “D”-Unsecured Loans**

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>1. 20,000-Floating Rate Bearer Notes</b> of US\$10,000 each Guaranteed as to Principal and Interest by Govt. of India (US \$ 20,00,00,000)		34,557.24	—
<b>2. Short Term Loans and Advances from Bank</b> (due for payment within one year)		4,79,642.26	1,89,822.00
<b>3. Deferred Foreign Credit</b> (including <b>Rs. 27.00 lakhs</b> ; 1989: Rs. 148.50 lakhs due for payment within one year)		27.00	167.55
<b>4. Other Loans and Advances:</b>			
i) From the Government of India (including <b>Rs. Nil</b> ; 1989 Rs. 682.63 lakhs due for payment within one year)	—		682.63
ii) From Oil Industry Development Board (including <b>Rs. 296.63 lakhs</b> ; 1989: Rs. 440.58 lakhs due for payment within one year)	358.07		786.40
iii) Public Deposits (including <b>Rs. 163.29 lakhs</b> ; 1989: Rs. 4,973.14 lakhs due for payment within one year)	<u>578.39</u>		<u>5,458.77</u>
		936.46	6,927.80
<b>TOTAL :</b>		<u>5,15,162.96</u>	<u>1,96,917.35</u>

# Schedules *Contd...*

## SCHEDULE "E"—Fixed Assets

Index

	GROSS BLOCK		
	Gross Block as at 31-03-1989	Additions during the year	Transfers from Construction work- in-progress
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND-Freehold	2,444.15	3,552.07	24.93
– Leasehold	1,524.41	50.75	–
– Right of way	86.75	0.31	–
BUILDINGS, ROADS ETC. @	26,458.53	2,507.21	2,553.78
ENABLING ASSETS #	261.59	5.23	4.90
PLANT AND MACHINERY	2,03,227.40	15,292.71	9,398.43
TRANSPORT EQUIPMENTS	4,633.54	191.85	159.83
FURNITURES AND FIXTURES	1,616.70	164.41	92.13
RAILWAY SIDINGS	2,150.30	160.62	201.65
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	6,150.52	0.94	287.66
SUNDRY ASSETS	30.95	0.78	
TOTAL:	<u>2,48,584.84</u>	<u>21,926.88</u>	<u>12,723.31</u>
PREVIOUS YEAR:	<u>2,18,796.10</u>	<u>11,447.87</u>	<u>19,403.46</u>

† Includes **Rs. 137.42 lakhs** (1989: Rs. 167.07 lakhs) in respect of extra-ordinary/prior period items.

@ Buildings Include:

- i) **Rs. 0.37 lakhs** (1989: Rs. 0.37 lakhs) towards value of **741**(1989:741) Shares in Co-operative Housing Societies towards membership of such Societies for purchase of flats;
- ii) **Rs. 46.67 lakhs** (1989: Rs. 46.67 lakhs) on account of leasehold premises.

# Represents Capital Expenditure on Assets like Railway Sidings, Electricity transmission lines etc., the ownership of which is not with the Corporation.

NOTE: Depreciation rates as charged in Books of Account, which are not lower than the rates prescribed under Schedule XIV of the Companies Act, 1956, are given below:

Land-Leasehold	: Amortised during lease period
Buildings, Roads, etc.	: 100%;4%;2%
Enabling Assets	: 20%
Plant and Machinery	: 100%;95%;17%;15%;12%;10%;9%;7%;6%
Transport Equipments	: 12.5%
Furnitures and Fixtures	: 10%
Railway Sidings	: 6%
Drainage, Sewage and Water Supply System	: 12%
Sundry Assets	: 12%;10%

# Schedules *Contd...*

AT COST	DEPRECIATION & AMORTISATION			NET DEPRECIATED BLOCK	
<i>Transfers/ deductions/ Reclassi- fications</i>	Gross Block as at 31-03-1990	Charged this year	Upto 31-03-1990	As at 31-03-1990	As at 31-03-1989
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
0.04	6,021.19	–	–	6,021.19	2,444.15
–	1,575.16	23.17	163.15	1,412.01	1,384.43
(0.04)	87.02	0.06	0.09	86.93	86.72
(7.64)	31,511.88	863.53	5,570.40	25,941.48	21,750.00
217.67	489.39	139.13	365.50	123.89	75.35
(1,129.37)	2,26,789.17	20,872.07	1,68,510.85	58,278.32	54,676.18
(174.74)	4,810.48	365.03	3,441.12	1,369.36	1,397.63
(12.25)	1,860.99	167.05	838.40	1,022.59	941.08
(193.39)	2,319.18	152.53	1,041.73	1,277.45	1,257.86
(0.40)	6,438.72	373.20	5,282.57	1,156.15	1,239.17
0.60	32.33	1.75	24.09	8.24	8.65
<u>(1,299.52)</u>	<u>2,81,935.51</u>	<u>22,957.52</u>	<u>1,85,237.90</u>	<u>96,697.61</u>	<u>85,261.22</u>
<u>(1,062.59)</u>	<u>2,48,584.84</u>	<u>21,090.81</u>	<u>1,63,323.62</u>	<u>85,261.22</u>	

# Schedules *Contd...*

## SCHEDULE "F"-Construction Work-In-Progress and Capital Goods in Stock

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1998 Rupees (in lakhs)
1 Work-in-Progress (at cost) (including unallocated capital expenditure, materials at site and advances for capital expenditure)		25,724.72	19,108.60
2. Capital Stores (at cost) (including materials worth <b>Rs. 548.56 lakhs</b> ; 1989: Rs. 586.14 lakhs lying with contractors)		12,233.97	7,714.30
3. Miscellaneous Capital Stores (at or below cost)		55.89	54.25
4. Capital Goods-in-Transit (at cost)		2,552.63	2,120.09
5. Construction period expenses pending allocation:			
Balance as at 1st April, 1989	1,768.44		1,294.70
Add: Adjustments relating to extra-ordinary items	—		0.02
Adjustments relating to prior period	(10.04)		1.02
	<u>1,758.40</u>		<u>1,295.74</u>
Add: Expenditure during the year:			
Establishment Charges	96.91		90.69
Interest	—		0.39
Depreciation	38.90		39.87
Others	<u>1,536.37</u>		<u>978.52</u>
	3,430.58		2,405.21
Less: Recoveries	30.26		23.69
	<u>3,400.32</u>		<u>2,381.52</u>
Less: Allocated to Assets/Construction work-in-progress during the year (includes <b>Rs. Nil</b> transferred to expenses-1989: Rs. 2.50 lakhs)	148.89		613.08
		<u>3,251.43</u>	<u>1,768.44</u>
TOTAL :		<u><u>43,818.64</u></u>	<u><u>30,765.68</u></u>

## SCHEDULE "G"-Investments

	No. and Particulars of Shares/Bonds	Face Value per Share/ Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. In Fully Paid Government Securities (Quoted):						
Govt. of India-loan-2007	<b>10,00,000</b> (1989:13,00,000) Govt. of India Inscribed stock of the 11.50% loan	1,000/-		9,995.05		13,041.03
Govt. of India-loan-2008	<b>13,50,000</b> (1989: 5,00,000) Govt. of India Inscribed stock of the 11.50% loan	1,000/-		13,477.48		5,013.18
Govt. of India-loan-2008	<b>10,00,000</b> (1989: 10,00,000) Govt. of India Inscribed stock of the 11.50% loan (III Issue)	1,000/-		10,000.00		10,000.00
Govt. of India-loan-2008	<b>Nil</b> (1989:5,00,000) Govt. of India Inscribed stock of the 11.50% loan (IV Issue)	1,000/-		–		5,000.00
Govt. of India-loan-2009	<b>7,50,000</b> (1989: Nil) Govt. of India Inscribed stock of the 11.50% loan	1,000/-		7,503.00		–
Govt. of India-loan-2015	<b>2,50,000</b> (1989:2,50,000) Govt. of India Inscribed stock of the 11.50% loan (Aggregate Market Value of the above mentioned securities is Rs. 4,34,00,25,000; 1989: Rs. 3,57,07,00,000)	1,000/-		<u>2,493.36</u>		<u>2,493.37</u>
					43,468.89	<u>35,547.58</u>
2. In Units of Unit Trust of India (Unquoted):	<b>1,29,32,50,000</b> (1989:68,82,50,000) Units of Unit Trust of India 1964 Scheme	10/-		1,77,454.29		<u>94,183.21</u>
3. In Fully Paid Bonds of Government companies (Unquoted):						
A) i) National Thermal Power Corporation Limited	<b>10,000</b> (1989:10,000)10% Secured (Tax Free) Redeemable Bonds (I Series-1986)	1,000/-	108.50			108.50
ii) National Thermal Power Corporation Limited	<b>12,00,000</b> (1989:12,00,000)10% Secured (Tax Free) Redeemable Bonds (II Series-1987)	1,000/-	12,000.00			12,000.00
iii) National Thermal Power Corporation Limited	8,50,000(1989:8,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Public Issue-1988)	1,000/-	8,551.00			8,042.50
iv) National Thermal Power Corporation Limited	<b>21,88,000</b> (1989: NIL) 9% Secured (Tax Free) Redeemable Bonds (V Issue-1989)	1,000/-	<u>21,840.32</u>			–
	C/F...			42,499.82		<u>20,151.00</u>
	Carried Forward...				<u>2,20,923.18</u>	<u>1,29,730.79</u>

# Schedules *Contd...*

## SCHEDULE "G"-Investments *Contd...*

Index

	No. and Particulars of Shares/Bonds	Face Value per Share/ Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
	Brought Forward...				2,20,923.18	1,29,730.79
	B/F...			42,499.82		20,151.00
B) i)	Mahanagar Telephone Nigam Limited	7,45,000(1989: 5,00,000)10% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-	7,717.05		5,000.00
ii)	Mahanagar Telephone Nigam Limited	12,90,000(1989: 2,50,000)9% Secure& (Tax Free) Redeemable Bonds (III Series)	1,000/-	12,890.25		2,443.75
iii)	Mahanagar Telephone Nigam Limited	11,00,000 (1989: Nil) 9% Secured (Tax Free)Redeemable Bonds (IVSeries)	1,000/-	10,736.00		-
iv)	Mahanagar Telephone Nigam Limited	8,00,000(1989: Nil) 13% Secured Redeemable Bonds	1,000/-	8,000.00		-
				39,343.30		7,443.75
C)	Indian Telephone Industries Limited	5,00,000(1989:5,00,000) 10% Secured (Tax Free) Redeemable Bonds (B-Series-1987)	1,000/-		5,000.00	5,000.00
D) i)	Indian Railway Finance Corporation Limited	4,67,500(1989:2,80,000) 10% Secured (Tax Free) Redeemable Bonds (I Series-1987)	1,000/-	4,947.38		2,868.00
ii)	Indian Railway Finance Corporation Limited	3,00,000(1989:3,00,000) 9% Secured (Tax Free) Redeemable Bonds (I Series-1987)	1,000/-	3,000.00		3,000.00
iii)	Indian Railway Finance Corporation Limited	12,50,000(1989: 12,50,000)9% Secured (Tax Free) Redeemable Bonds (II Series-1988)	1,000/-	12,500.00		12,500.00
iv)	Indian Railway Finance Corporation Limited	25,20,000(1989: 10,00,000)9% Secured (Tax Free) Redeemable Bonds (III 'A' Series-1989)	1,000/-	25,203.70		10,000.00
v)	Indian Railway Finance Corporation Limited	3,10,860(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (IV Series-1990)	1,000/-	3,108.60		-
vi)	Indian Railway Finance Corporation Limited	20,70,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (IV 'A' Series 1989-90)	1,000/-	20,375.75		-
vii)	Indian Railway Finance Corporation Limited	5,00,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (IV 'B' Series 1989-90)	1,000/-	4,925.00		-
viii)	Indian Railway Finance Corporation Limited	15,70,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (IV 'D' Series 1989-90)	1,000/-	15,399.00		-
ix)	Indian Railway Finance Corporation Limited	10,00,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (IV 'E' Series 1989-90)	1,000/-	9,900.00		-
				99,359.43		28,368.00
	C/F...			1,86,202.55		60,962.75
	Carried Forward...				2,20,923.18	1,29,730.79



	No. and Particulars of Shares/Bonds	Face Value per Share/ Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
	Brought Forward...				2,20,923.18	1,29,730.79
	B/F...			1,86,202.55		60,962.75
E) i)	National Hydro Electric Power Corporation Limited 2,00,000(1989 :2,00,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	2,000.00			2,000.00
ii)	National Hydro Electric Power Corporation Limited 3,50,000(1989:8,50,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	3,493.75			8,481.25
iii)	National Hydro Electric Power Corporation Limited 10,20,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (D Series)	1,000/-	10,180.00			-
iv)	National Hydro Electric Power Corporation Limited 5,00,000(1989 : Nil) 9% Secured (Tax Free) Redeemable Bopds (E Series)	1,000/-	4,887.50			-
				20,561.25		10,481.25
F) i)	Neyveli Lignite Corporation Limited 1,70,000(1989:1,70,000) 9% Secured (Tax Free) Redeemable Bonds (B Series-1987)	1,000/-	1,700.00			1,700.00
ii)	Neyveli Lignite Corporation Limited 7,70,000(1989:3,00,000) 9% Secured (Tax Free) Redeemable Bonds (C Series-I 988)	1,000/-	7,748.00			2,985.00
iii)	Neyveli Lignite Corporation Limited 2,50,000(1989:1,50,000) 9% Secured (Tax Free) Redeemable Bonds D Series-1989)	1,000/-	2,473.75			1,462.50
iv)	Neyveli Lignite Corporation Limited 2,50,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds ('E' Series-1990)	1,000/-	2,468.75			-
				14,390.50		6,147.50
G) i)	Power Finance Corporation Limited 8,40,000(1989:8,40,000) 9% Secured (Tax Free) Redeemable Bonds (ISeries)	1,000/-	8,351.60			8,351.60
ii)	Power Finance Corporation Limited 14,25,000(1989: 9,90,000)9% Secured (Tax Free) Redeemable Bonds (II Series)	1,000/-	14,261.33			9,953.00
iii)	Power Finance Corporation Limited 1,50,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (III Series)	1,000/-	1,518.75			-
				24,131.68		18,304.60
	C/F...			2,45,285.98		95,896.10
	Carried Forward...					1,29,730.79

# Schedules *Contd..*

## SCHEDULE "G"-Investments *Contd..*

Index

	No. and Particulars of Shares/Bonds	Face Value per Share/Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
	Brought Forward...				2,20,923.18	1,29,730.79
	B/F...			2,45,285.98		95,896.10
H) i)	Housing & Urban Development Corporation Limited 2,50,000(1989:2,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series I)	1,000/-	2,481.50			2,481.50
ii)	Housing & Urban Development Corporation Limited 1,15,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series II)	1,000/-	1,166.91			-
iii)	Housing & Urban Development Corporation Limited 50,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series III)	1,000/-	508.90			-
iv)	Housing & Urban Development Corporation Limited 8,20,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series IV)	1,000/-	8,125.25			-
v)	Housing & Urban Development Corporation Limited 5,00,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (Urban Bonds-Series I)	1,000/-	4,912.50			-
				17,195.06		2,481.50
I) i)	Rural Electrification Corporation Limited 6,65,000(1989:6,65,000) 9% Secured (Tax Free) Redeemable Bonds (XV Series) 1997	1,000/-	6,621.75			6,621.75
ii)	Rural Electrification Corporation Limited 9,25,000(1989:9,25,000) 9% Secured (Tax Free) Redeemable Bonds (XVII Series) 1998	1,000/-	9,288.02			9,288.02
iii)	Rural Electrification Corporation Limited 50,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (XIX Series)	1,000/-	497.50			-
iv)	Rural Electrification Corporation Limited 8,50,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (XX Series)	1,000/-	8,463.75			-
				24,871.02		15,909.77
J) i)	Nuclear Power Corporation Limited 8,50,000(1989:7,50,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1000/-	8,556.75			7,550.75
ii)	Nuclear Power Corporation Limited 9,20,000(1989: Nil) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,202.60			
				17,759.35		7,550.75
	C/F...			3,05,111.41		1,21,838.12
	Carried Forward...				2,20,923.18	1,29,730.79



SCHEDULE "G"-Investments *Contd...*

	No. and Particulars of Shares/Bonds	Face Value per Share/ Bond/Unit (in lakhs) (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
	Brought Forward...			2,20,923.18		1,29,730.79
	B/F...		3,05,111.41			1,21,838.12
K) Damodar Valley Corporation Limited	2,50,000(1989: Nil) 13% Secured Redeemable Bonds	1,000/-	2,468.75		3,07,580.16	-
						1,21,838.12
4. Under Port Folio Management Scheme						
- with Canbank Financial Services Limited				2,500.00		-
5. In Subsidiary Company (Unquoted):						
Indian Oil Blending Limited	8,000 Equity Shares each fully paid in cash	500/-		40.00		40.00
6. In Government Securities (Unquoted): (including Rs. 17,200; 1989: Rs. 15,400) deposited with various Bodies				2.09		2.09
7. Other Investments (Unquoted)						
A) International Co-operative Petroleum Association	350 Shares fully paid and part paid common stock of \$72.31	\$100		2.12		2.12
B) In Consumer Co-operative Societies:						
a) Barauni	250 Equity Shares each fully paid in cash	10/-)				
b) Guwahati	250 Equity Shares each fully paid in cash	10/-)				
c) Mathura	200 Equity Shares each fully paid in cash	10/-)				
d) Haldia	*913(1989:833) Equity Shares each fully paid in cash	10/-)	0.27			0.28
e) Indian Oil Employees' Consumer Co-operative Society Ltd., Bombay.	Nil(1989 :170) Equity Shares each fully paid in cash	10/-)				
f) Indian Oil Employees' Co-operative Consumer Stores Ltd., Madras.	700 Equity Shares, each fully paid in cash	10/-)				
g) Indian Oil Employees' Co-operative Consumer Stores Ltd., Delhi.	375 Equity Shares, each fully paid in cash	10/-)				
				0.27		0.28
					2.39	2.40
	TOTAL :			5,31,047.82		2,51,613.40

\* Out of 913 Shares, 80(1989:89) Shares have been issued during the year in lieu of Dividend.

# Schedules *contd..*

## SCHEDULE "G"-Investments *Contd...*

Index

During the year, following Investments were purchased and sold:

Particulars	No. of Bonds/ Units	Face Value Rupees (In lakhs)
II. Fully paid Secured Bonds of Govt. Companies	3,10,000	3,100.00
II. Fully paid Govt. Securities	5,00,000	5,000.00
III. Units of Unit Trust of India	13,00,00,000	13,000.00
IV. Treasury Bills		11,354.03



## SCHEDULE "H"-Inventories

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Stores, Spares etc. (at or under cost)* (including in transit <b>Rs. 1,438.79 lakhs</b> ; 1989 : Rs. 1,046.80 lakhs) Less: Provision for Losses	20,543.83 <u>63.97</u>		16,954.67 <u>39.23</u>
		20,479.86	<u>16,915.44</u>
2. Raw Materials (at cost)** (including in transit <b>Rs. 13,588.95 lakhs</b> ; 1989 : Rs. 7,338.88 lakhs)		47,781.50	47,214.18
3. Stock-in-Trade:			
a) Oil Stock (at cost or net realisable value whichever is lower)*** (including in transit <b>Rs. 9,319.34 lakhs</b> ; 1989: Rs. 11,801.30 lakhs)	98,122.92		1,17,751.46
b) Stock-in-process (at raw material cost)	<u>9,571.47</u>		<u>9,030.91</u>
		1,07,694.39	<u>1,26,782.37</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)****		<u>790.27</u>	<u>552.79</u>
TOTAL :		<u>1,76,746.02</u>	<u>1,91,464.78</u>

\* Includes stock lying with contractors **Rs. 463.30 lakhs** (1989: Rs. 299.87 lakhs)

\*\* Includes stock lying with Other Oil Companies on loan **Rs. 3,382.15 lakhs** (1989: Rs. 79.66 lakhs) and with Others **Rs. 2,838.66 lakhs** (1989: Rs. 2,501.55 lakhs)

\*\*\* Includes stock lying with Other Oil Companies on loan **Rs. 10,386.66 lakhs** (1989: Rs. 10,296.02 lakhs) and with Others **Rs. 407.18 lakhs** (1989: Rs. 301.94 lakhs)

\*\*\*\* Includes stock lying with Others **Rs. 176.90 lakhs** (1989: Rs. 114.39 lakhs)

# Schedules *Contd...*

## SCHEDULE "I" – Book Debts

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>Over Six Months:</b>			
a) Secured, Considered Good	0.83		1.92
b) Unsecured, Considered Good	12,319.67		11,604.87
c) Unsecured, Considered Doubtful	591.41		1,049.10
		<u>12,911.91</u>	<u>12,655.89</u>
<b>Other Debts:</b>			
a) Secured, Considered Good	4.39		1.83
b) Unsecured, Considered Good	37,238.44		23,066.45
c) Unsecured, Considered Doubtful	24.27		38.49
		<u>37,267.10</u>	<u>23,106.77</u>
		50,179.01	35,762.66
Less: Provision for Doubtful Debts		615.68	1,087.59
TOTAL :		<u><u>49,563.33</u></u>	<u><u>34,675.07</u></u>

## SCHEDULE “J” – Loans and Advances

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Loans-Unsecured, Considered Good: To Indian Oil Blending Limited (A Subsidiary) including interest accrued <b>Rs. 146.81 lakhs</b> (1989 : Rs. 55.52 lakhs)			861.87	675.58
2. Advances recoverable in cash or in kind or for value to be received:				
a) Secured, Considered Good*		7,757.12		5,804.84
b) Unsecured, Considered Good*				
i) Due from IOBL (Subsidiary)	216.64			-
ii) Others	<u>13,799.35</u>			<u>9,150.21</u>
		14,015.99		9,150.21
c) Unsecured, Considered Doubtful		87.07		86.76
		<u>21,860.18</u>		<u>15,041.81</u>
d) Less: Provision for Doubtful Advances		87.07		86.76
			<u>21,773.11</u>	<u>14,955.05</u>
3. Amount recoverable from Industry Pool Account: Unsecured, Considered Good			1,51,393.05	15,136.55
4. Claims Recoverable:				
a) Secured, Considered Good		21.27		21.06
b) Unsecured, Considered Good		2,758.49		2,235.66
c) Unsecured, Considered Doubtful		<u>1,517.66</u>		<u>1,724.66</u>
		4,297.42		3,981.38
d) Less : Provision for Doubtful Claims		<u>1,517.66</u>		<u>1,724.66</u>
			<u>2,779.76</u>	<u>2,256.72</u>
Carried Forward...			<u>1,76,807.79</u>	<u>33,023.90</u>

# Schedules *contd..*

## SCHEDULE "J" – *Contd...*

## Index

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
Brought Forward....		1,76,807.79	33,023.90
5. Materials on Loan:			
a) Secured, Considered Good	38.40		197.97
b) Unsecured, Considered Good	9.19		9.83
		47.59	207.80
6. Deposit under Companies Deposits (Surcharge on Income-Tax) Scheme Unsecured, Considered Good		187.00	320.92
7. Investment Deposit Scheme Unsecured, Considered Good		4,175.00	4,175.00
8. Balance with Customs, Port Trust and Excise Authorities Unsecured, Considered Good		5,022.63	4,155.54
9. Sundry Deposits: (including amount adjustable on receipt of Final bills)			
a) Secured, Considered Good	23,350.15		17,865.27
b) Unsecured, Considered Good	1,891.19		529.04
c) Unsecured, Considered Doubtful	0.22		0.40
	25,241.56		18,394.71
d) Less: Provision for Doubtful Deposits	0.22		0.40
		25,241.34	18,394.31
TOTAL :		<u>2,11,481.35</u>	<u>60,277.47</u>

\* Includes

1. **Rs. 2,50,217** (1989 : Rs. 3,01,342) due from Directors (**Maximum Rs. 3,42,764** -1989:3,51,125)
2. **Rs. 31,91,393** (1989: Rs. 24,74,506) due from other Officers (**Maximum Rs. 36,82,032** -1989: Rs. 30,00,238)

# Schedules *contd..*

## SCHEDULE “K”-Current Liabilities and Provisions

Index

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>A. CURRENT LIABILITIES:</b>				
1. Sundry Creditors		1,96,650.66		1,49,114.07
2. Due to Indian Oil Blending Limited (Subsidiary Company)		–		138.47
3. Security Deposits	85,359.27			70,448.37
Less: Investments and Deposits with Banks lodged by outside parties	176.40			89.09
		85,182.87		70,359.28
4. Interest accrued but not due on loans		10,749.36		5,117.86
			2,92,582.89	2,24,729.68
<b>B. PROVISIONS:</b>				
5. Provision for Taxation	40,829.43			57,400.12
Less: Advance Payments	43,302.62			52,297.86
		(2,473.19)		5,102.26
6. Proposed Dividend		2,465.32		2,465.32
			(7.87)	7,567.58
<b>TOTAL :</b>			2,92,575.02	2,32,297.26

# Schedules *contd..*

## SCHEDULE "L"-Other Income

Index

	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Sale of Power and Water	199.23	166.24
2. Profit on sale and disposal of Assets	256.19	269.13
3. Dividend received: (Gross)		
a) From a Subsidiary	4.00	4.00
b) From Unit Trust of India	12,388.50	4,950.00
(Tax deducted at Source <b>Rs. 0.92 lakhs</b> -1989: Rs. 0.90 lakhs)		
4. Royalty and Technical Know-how Fees	1.20	0.78
5. Unclaimed/Unspent Liabilities Written Back	458.94	513.30
6. Miscellaneous Income	2,883.10	2,503.60
<b>TOTAL :</b>	<u>16,191.16</u>	<u>8,407.05</u>



## SCHEDULE "M"- Manufacturing, Administration, Selling and Other Expenses

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Raw Materials Consumed:			
Opening Balance as on 1st April, 1989	47,214.18		58,788.80
Add: Purchases	<u>5,07,629.82</u>		<u>4,61,518.31</u>
	5,54,844.00		5,20,307.11
Less : Closing Stock	<u>47,781.50</u>		<u>47,214.18</u>
		5,07,062.50	<u>4,73,092.93</u>
2. Consumption:			
i) Stores and Spares (including consumables)	7,024.02		6,281.82
ii) Packages	<u>15,717.50</u>		<u>13,692.60</u>
		22,741.52	<u>19,974.42</u>
3. Power and Fuel	20,681.91		20,482.14
Less: Fuel for own Production	<u>18,101.15</u>		<u>17,984.66</u>
		2,580.76	<u>2,497.48</u>
4. Processing Fees, Blending Fees, Royalty and Other Charges		1,255.58	1,030.09
5. Repairs and Maintenance:			
a) Plant and Machinery	7,156.58		
6,140.77			
b) Buildings	1,624.75		1,189.13
c) Others	<u>1,025.78</u>		<u>816.76</u>
		9,807.11	<u>8,146.66</u>
6. Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		46,614.09	39,977.59
7. Payments to and Provisions for Employees:			
a) Salaries, Wages, Bonus, etc.	17,099.60		15,407.46
b) Contribution to Provident and Other Funds	1,126.19		895.11
c) Staff Welfare Expenses	2,818.64		1,951.17
d) Contribution to Gratuity Fund	362.18		302.08
e) Gratuity and Ex-Gratia	<u>10.01</u>		<u>28.29</u>
		21,416.62	<u>18,584.11</u>
8. Office Administration, Selling and Other Expenses (Schedule 'N')			17,849.38
14,643.32			
TOTAL :		<u>6,29,327.56</u>	<u>5,77,946.60</u>

# Schedules *contd..*

## SCHEDULE "N"-Office Administration, Selling and Other Expenses

Index

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Rent		2,836.63	1,566.22
2. Insurance		986.03	870.16
3. Rates and Taxes		560.24	570.22
4. Donations		158.18	172.98
5. Payment to Auditors:			
a) Audit Fees	5.00		5.00
b) Tax Audit Fees	2.13		2.79
c) Other Services (for issuing certificates etc.)	0.52		0.84
d) Out of Pocket Expenses	5.71		3.66
		13.36	12.29
6. Travelling and Conveyance		2,659.58	1,920.30
7. Communication Expenses		1,482.58	1,250.77
8. Printing and Stationery		545.33	469.87
9. Electricity and Water		1,023.99	809.47
10. Other Expenses*		5,046.22	4,745.85
11. Bad Debts, Advances and Claims written off		89.81	343.92
12. Loss on Assets sold, lost or written off		74.82	72.78
13. Technical Assistance Fees		1,304.62	515.62
14. Exchange Fluctuations (Net)		31.42	17.81
15. Provision for Doubtful Debts, Advances, Claims and Obsolesence of Stores		277.40	625.34
16. Security Force Expenses		728.31	664.25
17. Pollution Control Expenses		30.86	15.47
<b>TOTAL :</b>		<u>17,849.38</u>	<u>14,643.32</u>

\* Includes-Bank Charges **Rs. 400.42 lakhs** (1989 : Rs. 303.24 lakhs) and contribution for Rural Development Programme **Rs.33.86 lakhs** (1989 : Rs. 12.83 lakhs).



## SCHEDULE “O-1”- Income/(Expenditure) Relating to Extra Ordinary Items

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>INCOME:</b>			
1. Sale of Products and Crude and transfers under Product Exchange		14,244.12	19,361.44
2. Interest on Customers Outstandings		–	626.40
3. Insurance claim for standing charges		5.93	–
4. Profit on sale of Investments		253.35	–
5. Miscellaneous Income		–	3.89
<b>TOTAL INCOME:</b>		<u>14,503.40</u>	<u>19,991.73</u>
<b>EXPENDITURE:</b>			
1. Purchase of Products and Crude for resale and transfers under Product Exchange		3,388.09	–
2. Consumption of Raw Materials		–	4.47
3. Duties		–	(210.51)
4. Freight and Transportation Charges (Net of Recoveries from Industry Pool Account)		551.86	481.18
5. Payment to and Provision for Employees:			
i) Salaries, Wages and Bonus	230.53		2,533.36
ii) Staff Welfare Expenses	59.74		–
iii) Contribution to Provident Fund Gratuity Fund and Other Funds	–		195.64
		<u>290.27</u>	<u>2,729.00</u>
6. Interest – Others		1,920.60	19.00
7. Rent		1,195.13	–
8. Power and Fuel		40.03	56.92
9. Depreciation and Amortisation		–	247.20
10. Repairs and Maintenance-Plant and Machinery		–	(166.43)
11. Loss by fire (net of Insurance Claim) -Mathura/Koyali		(15.29)	252.07
12. Transfer to Construction Period Expenses Pending Allocation		–	(0.02)
13. Rates and Taxes		43.65	–
14. Processing Charges		–	75.12
15. Loss on Sale of Investments		–	5,958.75
16. Loss on Sale and Disposal of Assets		–	95.47
<b>TOTAL EXPENDITURE:</b>		<u>7,414.34</u>	<u>9,542.22</u>
<b>NET INCOME/(EXPENDITURE):</b>		<u>7,089.06</u>	<u>10,449.51</u>



# Schedules *contd.*

## SCHEDULE "O"– Income/(Expenditure) Relating to Prior Period Index

	Rupees (in lakhs)	Rupees (in lakhs)	1989 Rupees (in lakhs)
<b>INCOME:</b>			
1. Sale of Products and Crude for resale and transfers under Product Exchange		(464.16)	(148.25)
2. Interest on – Customers Outstandings	(13.16)		79.14
– Investments	–		(1.54)
		(13.16)	77.60
3. Profit on Sale and Disposal of Assets		(2.83)	(15.01)
4. Miscellaneous Income		(5.49)	(26.95)
<b>TOTAL INCOME:</b>		<u>(485.64)</u>	<u>(112.61)</u>
<b>EXPENDITURE:</b>			
1. Purchase of Products and Crude for resale and transfers under Product Exchange		186.07	114.47
2. Raw Materials Consumed		119.35	5.59
3. Consumption:			
i) Stores and spares (including consumables)	1.45		(32.75)
ii) Packages	(24.50)		(3.59)
		(23.05)	(36.34)
4. Duties		62.34	1.16
5. Repairs and Maintenance:			
i) Plant and Machinery	22.35		22.49
ii) Buildings	–		0.20
iii) Others	2.05		(7.25)
		24.40	15.44
6. Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		3.14	9.54
7. Payments to and Provisions for Employees:			
i) Salaries, Wages, Bonus. etc.	19.30		(6.62)
ii) Contribution to Provident and Other Funds	–		(0.32)
iii) Staff Welfare Expenses	–		(15.36)
		19.30	(22.30)
Carried Forward...		391.55	87.56

# Schedules *contd..*

	Rupees (in lakhs)	1989 Rupees (in lakhs)
Brought Forward...	391.55	87.56
8. Rent	–	(0.16)
9. Depreciation and Amortisation	137.42	(80.13)
10. Interest-Others	4.63	(5.27)
11. Security Force Expenses	–	5.68
12. Rates and Taxes	2.73	1.56
13. Main Installation Charges paid to Other Marketing Companies	–	7.80
14. Technical Fees	5.56	2.18
15. Other Expenses	(21.37)	(12.79)
	<u>520.52</u>	<u>6.43</u>
Less : Amount transferred to/from construction period expenses pending allocation	(10.04)	1.02
<b>TOTAL EXPENDITURE :</b>	<u>530.56</u>	<u>5.41</u>
<b>NET INCOME/(EXPENDITURE) :</b>	<u>(1,016.20)</u>	<u>(118.02)</u>

## SCHEDULE "P"-Notes on the Accounts for the Year ended 31st March, 1990

1. Contingent Liabilities not provided for in respect of:
  - a) Claims against the Corporation not acknowledged as debts Rs. 38,069.05 lakhs (1989-Rs.24,849.40 lakhs). These include
    - i) **Rs. 2,179.75 lakhs** (1989-Rs. 2,198.28 lakhs) being the demands raised by the Central Excise Authorities.
    - ii) **Rs. 4,318.03 lakhs** (1989-Rs. 840.13 lakhs) in respect of Sales Tax demands.
    - iii) **Rs. 2,846.81 lakhs** (1989-Rs. 1,517.54 lakhs) for which suits have been filed in the Courts or cases are lying with arbitrators.
    - iv) **Rs. 25,524.56 lakhs** (1989-Rs. 17,835.65 lakhs) in respect of Income Tax demands. Interest, if any, on some of the claims is unascertainable.
  - b) Guarantees/Undertakings to Banks and others aggregating to **Rs. 3,878.06 lakhs** (1989-Rs. 3,825.81 lakhs).
  - c) Income Tax, if any, reimbursable to foreign contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 47,950.63 lakhs** (1989-Rs. 21,692.15 lakhs).
3. a) Title Deeds for Land and Residential Apartments of the book value of **Rs. 5,061.23 lakhs** (1989-Rs. 2,050.98 lakhs) as also, Lease and other agreements in respect of certain other lands/buildings 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. The supplies of LSHS to Gujarat Electricity Board, Dhuvaran and LSHS/FO to Assam State Electricity Board, Chandrapura have been billed at the rates intimated by the Government from time to time. The parties have not fully accepted these rates and are not tendering full payments, resulting in Book Debts of **Rs. 7,754.00 lakhs** (1989-Rs. 7,754.00 lakhs) and **Rs. 2,681.13 lakhs** (1989-Rs. 1,778.29 lakhs) being contested by Gujarat Electricity Board, Dhuvaran and Assam State Electricity Board, Chandrapura, respectively. These debts have been considered good of recovery in view of the billing having been done in accordance with the Government instructions.
5. Unlike the practice followed in the earlier year, excise/ customs duty amounting to **Rs.29,769.05 lakhs** on products stored in bond on the Balance Sheet date have neither been provided nor taken in the inventory value. This has no impact on the profits for the year.
6. Hitherto, the Corporation has consistently adopted different rates of depreciation, on the Straight Line Method, for similar assets located at the various Refineries/Regions/Offices of the Corporation. For these assets, effective April 1, 1989, the Corporation has adopted uniform rates of depreciation which as earlier, are not lower than those stipulated in Schedule XIV of the Companies Act, 1956. Consequent to the change, the depreciation for the year has reduced by **Rs. 1,985.52 lakhs** with an increase in the profit to that extent. No adjustment has been made for the depreciation charged in the earlier years.

## SCHEDULE "P" - Contd...

7. Floating Rate Bearer Notes are maturing in November, 1994. The Notes bear interest @ 3/16% per annum above the London Inter bank Offered Rate (LIBOR) subject to a minimum of 5% per annum. The Floating Rate Bearer Notes are guaranteed as to principal and interest by the Government of India and are repayable in US dollars. The Floating Rate Bearer Notes are subject to redemption at the option of the Corporation either by purchase/cancellation, wholly or in part.
8. Pending finalisation of long term settlement with the officers, no liability has been provided in respect of revision of emoluments as the amount thereof is not ascertainable. However, the impact of such settlement is subject to claim from pool account as per pricing mechanism.
9. Remuneration paid/payable to whole-time Directors was **Rs. 10,05,910.00** (1988-89-Rs. 8,46,449.00), which includes Rs. 9,752.00 as remuneration paid to Director (Personnel) for the period 1st March, 1990 upto 31st March 1990, on provisional basis pending approval of terms and conditions by the Government.

	<b>1989-90 Rupees</b>	<b>1988-89 Rupees</b>
i) Salaries & Allowances	8,13,311	6,47,919
ii) Contribution to Provident Fund	54,228	45,225
iii) Contribution to Gratuity Fund	17,511	17,039
iv) Other Benefits and Perquisites	1,20,860	1,36,266
<b>TOTAL:</b>	<u>10,05,910*</u>	<u>8,46,449</u>

\*Include payment of adhoc relief for the period August, 1987 onwards.

In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes upto 12000 KMs per annum on a payment of Rs. 250/- per mensem.

10. Loans and Advances include **Rs. 1,181.00 lakhs** (1989-Rs. 984.00 lakhs) recoverable from the proposed joint venture company in respect of Karnal Refinery Project for which the Corporation is a Co-promoter.
11. The Profit and Loss Account includes:
- Expenditure on Public Relations and Publicity amounting to **Rs. 264.63 lakhs** (1989-205.63 lakhs) which is inclusive of **Rs. 54.57 lakhs** (1989-Rs. 48.28 lakhs) on account of Staff and Establishment and **Rs. 210.06 lakhs** (1989- Rs. 157.35 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00015:1** (1989-0.00014:1)
  - Entertainment Expenses **Rs. 7.41 lakhs** (1989-Rs. 8.36 lakhs).
12. Statement on Accounting Policies and Schedules 'A' to 'X' to the Balance Sheet and Profit and Loss Account form part of these Accounts.



# Schedules *contd...*

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## SCHEDULE "P"- Contd...

13. Previous year's comparative figures have been regrouped and rearranged to the extent practicable, wherever necessary Figures in brackets indicate deductions.

Sd/- DR. P.K. MUKHOPADHYAY Chairman	Sd/- T.S. KRISHNAMURTHI Director (R&P)	Sd/- S.K. COMAL Director (Finance)	Sd/- B.K. BAKHSHI Director (Marketing)	Sd/- S.M. WELING Secretary
-------------------------------------------	-------------------------------------------------	---------------------------------------------	-------------------------------------------------	----------------------------------

New Delhi

Dated: 13th July, 1990



## SCHEDULE “Q” – Licenced Capacity, Installed Capacity and Actual Production

	Crude Throughput		Lubricating Oil		Wax/Bitumen/ Asphalt Lube Oil Drums		Oxygen Plant	
	1990 MTs (in lakhs)	1989 MTs (in lakhs)	1990 MTs (in lakhs)	1989 MTs (in lakhs)	1990 Nos. (in lakhs)	1989 Nos. (in lakhs)	1990 CU.M. (in lakhs)	1989 CU.M. (in lakhs)
1. Licenced Capacity*	232.50	203.50	1.70	1.70	15.00 0.04 MTs	15.00 0.04 MTs	Not Specified	Not Specified
2. Installed Capacity**	244.00	212.50	1.40@	1.40@	15.00	15.00	0.84	0.84
3. Actual Throughput	235.24	220.00	—	—	—	—	—	—
4. Actual Production (in own Refineries)***	220.11	204.55	1.87	1.78	10.25	10.86	0.13	0.35
5. Product Processed/ Manufactured by others(Nos.)	17.99 —	18.96 —	0.16 3.84 KLs	0.14 3.56 KLs	0.18 —	20.26 —	— —	— —

### NOTES:

\* Licenced Capacity of 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.

# Schedules *contd..*

## SCHEDULE "R" – Finished Products-Quantity and Value Particulars

	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 31.03.90	14.36	23.08	1,04,884.31	59.38	254.69	7,54,192.27
Year ended 31.03.89	11.87	24.29	92,439.09	54.68	237.13	7,07,018.08
2. Lubricants & Greases:						
Year ended 31.03.90	0.14	0.81	12,546.74	0.13	0.13	2,844.92
Year ended 31.03.89	0.15	0.59	9,145.64	0.16	0.11	3,643.40
3. Crude Oil:						
Year ended 31.03.90	–	–	–	95.14	–	1,95,151.10
Year ended 31.03.89	–	–	–	79.67	–	1,21,868.07
4. Base Oil & Additives:						
Year ended 31.03.90	0.07	–	320.28	0.05	2.43	15,348.63
Year ended 31.03.89	–	–	–	0.07	2.14	13,448.38
5. Oxygen Gas @						
Year ended 31.03.90	0.01	–	0.13	–	–	–
Year ended 31.03.89	0.01	–	0.08	–	–	–
<b>TOTAL:</b>						
Year ended 31.03.90	0.01@		0.13			
	14.57	23.89	1,17,751.33	154.70	257.25	9,67,536.92
Year ended 31.03.89	12.02	24.88	1,01,584.73	134.58	239.38	8,45,977.93
	0.01@		0.08			

### NOTES:

@ Cubic Meters

- Purchases and Sales exclude value adjustments shown under items pertaining to prior period and extra-ordinary items.
- In view of the physical stocks and the records of drums manufactured as well as purchases being combined, separate information in respect of opening and closing stock of drums manufactured is not feasible.



# Schedules *contd..*

Sales			Closing Stock		
Quantity		Value	Quantity		Value
MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
336.20	440.43	14,49,338.89	11.48	24.49	84,420.54
105.09	406.96	13,01,593.21	14.36	23.08	1,04,884.31
1.04	5.74	87,404.02	0.15	0.83	13,437.66
0.88	4.77	78,086.67	0.14	0.81	12,546.74
95.14	–	1,95,151.10	–	–	–
79.67	–	1,21,868.07	–	–	–
–	2.51	16,229.89	0.05	–	264.49
–	2.23	14,246.80	0.07	–	320.28
0.04	–	0.67	0.01	–	0.23
0.14	–	2.07	0.01	–	0.13
0.04@		0.67	0.01@		0.23
432.38	448.68	17,48,123.90	11.68	25.32	98,122.69
185.64	413.96	15,15,794.75	14.57	23.89	1,17,751.33
0.14@		2.07	0.01@		0.13

# Schedules *contd..*

## SCHEDULE "S"-Consumption of Raw Materials

Index

	1990			1989		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude Oil	235.30	-	4,58,467.04	219.97	-	4,28,367.26
Base Oil	1.30	3.74	35,952.64	1.31	3.51	33,801.27
Additives	0.15	0.11	12,642.82	0.11	0.14	10,924.40
Steel Coils and Sheets*	0.20	-	5,657.55	0.21	-	4,745.64
<b>TOTAL:</b>	<b>236.95</b>	<b>3.85</b>	<b>5,12,720.05</b>	<b>221.60</b>	<b>3.65</b>	<b>4,77,838.57</b>

NOTE: 1. Additives are not considered as Raw Materials in Refineries Division.

2. Consumption excludes value adjustments if any, shown under items pertaining to the prior period and items of extra-ordinary nature.

\* Shown under "Packages Consumed" in the Profit and Loss Account.

## SCHEDULE "T"-Details of Employees Drawing not less than Rs. 72,000 Per Annum or Rs. 6,000 Per Month

	1990 Rupees (in lakhs)	1989 Rupees (in lakhs)
1. Employed throughout the year		
Number:	3,608	2,113
a) Salaries, Wages, Bonus, etc.	2,760.88	1,567.61
b) Contribution to Provident Fund and other Funds	222.53	122.15
<b>TOTAL:</b>	<b>2,983.41</b>	<b>1,689.76</b>
2. Employed for part of the year		
Number:	220	187
a) Salaries, Wages, Bonus, etc.	99.75	74.83
b) Contribution to Provident Fund and other Funds	5.95	4.16
<b>TOTAL:</b>	<b>105.70</b>	<b>78.99</b>

NOTE: The above excludes amount booked under "prior period" and "extra-ordinary items"



**SCHEDULE “U”-Expenditure in Foreign Currency**

	<b>1990</b> <b>Rupees</b> <b>(in lakhs)</b>	<b>1989</b> <b>Rupees</b> <b>(in lakhs)</b>
1. Royalty (Gross) and Technical Service Fees	54.52	488.38
2. Professional consultation fees including legal expenses	225.08	48.17
3. Interest	29,547.89	11,874.50
4. Others	90.40	59.37
TOTAL:	<u>29,917.89</u>	<u>12,470.42</u>

**SCHEDULE “V”-Earnings in Foreign Exchange**

1. Export of Crude Oil and Petroleum Products calculated on FOB basis*	86,402.89	65,135.54
2. Other Income including penalty, inventory carrying cost, etc.	147.79	0.65
TOTAL:	<u>86,550.68</u>	<u>65,136.19</u>

\* Includes **Rs. 14,709.24 lakhs** (1989: Rs. 17,536.46 lakhs) received in Indian Currency out of the repatriable funds of Foreign Customers, and other Export Sales through canalising agencies.

**SCHEDULE “W”-CIF Value of Imports**

Crude Oil	5,92,335.47	2,72,323.66
Base Oil	16,589.78	11,512.27
Additives	1,487.16	1,054.34
Capital Goods	1,890.07	381.29
Revenue Stores, Components, Spare and Chemicals	4,769.46	1,702.68
TOTAL:	<u>6,17,071.94</u>	<u>2,86,974.24</u>

NOTE: The above includes CIF/FOB value of Imports made by the Corporation on behalf of Other Oil Companies but excludes imports of finished products.



# Schedules *contd.*

## SCHEDULE "X"-Consumption of Imported and Indigenous Raw Materials/Steel Coils/Sheets/ Stores/Spare Parts and Components

	1990				1989			
	Imported		Indigenous		Imported		Indigenous	
	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption
Crude Oil	1,79,679.37	39	2,78,787.67	61	1,65,549.27	39	2,62,817.99	61
Base Oil and Additives	21,641.04	45	26,954.42	55	18,050.16	40	26,675.51	60
Steel Coils/Sheets*/Stores Component and Spare Parts	5,977.02	44	7,719.13	56	5,541.83	43	7,347.51	57
<b>TOTAL:</b>	<b>2,07,297.43</b>		<b>3,13,461.22</b>		<b>1,89,141.26</b>		<b>2,96,841.01</b>	

NOTE : Consumption of steel coils and sheets imported through canalising agency has been considered as imported.  
\* Shown under packages consumed in the Profit and Loss Account.



# Statement — Section 212(1)(e)

## Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956

	No. of Shares	Paid-up Value Rupees
1. Shares in the Subsidiary Company were Registered in the name of the Company and their nominees as indicated		
As at 31st March, 1990 Indian Oil Blending Limited	8,000	40,00,000.00
	For the Financial year ended 31st March,1990 Rupees (in lakhs)	Previous Financial year Cumulative Total Rupees (in lakhs)
2. Net aggregate amount of the profit of the Subsidiary Company not dealt with in the Company's Accounts so far as they concern the members of the Company is:	120.14	442.04
3. Net aggregate amount of the profit of the Subsidiary Company as far as its profit are dealt with in the Company's Accounts is:	4.00	55.11

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
DR.P.K. MUKHOPADHYAY Chairman	T.S. KRISHNAMURTHI Director (R & P)	S.K. COMAL Director (Finance)	B.K. BAKHSHI Director (Marketing)	S.M. WELING Secretary

New Delhi  
Dated:13th July, 1990

# Schedules *contd...*

## Schedule of Fixed Assets (Township)

Index

	GROSS BLOCK			
	Gross Block as at 31st March, 1989	Additions during the year	Transfers from Constructions, Work-in-progress	Transfers, Deductions and Reclassification
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND-FREEHOLD	218.27	1.47	–	–
– LEASEHOLD	145.14	2.76	–	–
BUILDING, ROADS ETC.	7,032.87	183.22	625.44	(3.87)
PLANT & MACHINERY	366.13	2.77	3.06	0.01
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	567.70	1.67	1.73	0.41
EQUIPMENT AND APPLIANCES	182.70	37.13	7.43	1.51
FURNITURE & FIXTURES	52.80	19.96	–	(2.87)
VEHICLES	90.42	6.68	–	(1.60)
SUNDRY ASSETS	2.90	0.16	–	–
<b>TOTAL:</b>	<b>8,658.93</b>	<b>255.82</b>	<b>637.66</b>	<b>(6.41)</b>
<b>PREVIOUS YEAR</b>	<b>7,869.81</b>	<b>110.66</b>	<b>740.60</b>	<b>62.14</b>



<b>AT COST</b>	<b>DEPRECIATION &amp; AMORTISATION</b>		<b>NET DEPRECIATED BLOCK</b>	
<b>Gross Block as at 31st March, 1990</b>	<b>Provided during the year</b>	<b>Upto 31st March, 1990</b>	<b>As at 31st March, 1990</b>	<b>As at 31st March, 1989</b>
<b>Rupees (in lakhs)</b>	<b>Rupees (in lakhs)</b>	<b>Rupees (in lakhs)</b>	<b>Rupees (in lakhs)</b>	<b>Rupees (in lakhs)</b>
219.74	—	—	219.74	218.27
147.90	2.11	19.47	128.43	127.78
7,845.40	160.63	1,329.31	6,516.09	5,860.93
371.95	26.50	216.75	155.20	176.18
570.69	38.26	404.12	166.57	202.06
225.75	33.80	134.65	91.10	82.10
75.63	7.40	29.63	46.00	31.64
98.70	6.74	75.63	23.07	20.48
3.06	0.12	2.51	0.55	0.50
9,558.82	275.56	2,212.07	7,346.75	6,719.94
8,658.93	249.45	1,938.99	6,719.94	

# Income and Expenditure Account

## Income and Expenditure Account for the Year ended 31st March, 1990 on Provision of Township, Education, Medical and Other Facilities

	Rupees (in Lakhs)	1989 Rupees (in Lakhs)
<b>INCOME:</b>		
1. Recovery of House Rent	178.68	143.47
2. Recoveries of Utilities: Power & Water	9.52	13.79
3. Recovery of Transport Charges	6.55	6.10
4. Other Recoveries	143.35	124.93
5. Excess of Expenditure over Income	3,723.66	3,321.32
TOTAL:	<u>4,061.76</u>	<u>3,609.61</u>
<b>EXPENDITURE:</b>		
1. Salaries, Wages & P.F. Contribution	828.29	751.48
2. Consumable Stores and Medicines	380.13	337.21
3. Subsidies for Social & Cultural Activities	101.37	80.45
4. Repairs & Maintenance	630.70	548.60
5. Interest	689.74	569.73
6. Depreciation	275.56	251.54
7. Miscellaneous Expenses: Taxes, Licence Fees, Insurance etc.	354.79	303.12
8. Utilities: Power, Gas & Water	781.02	741.92
9. Rent	8.44	2.79
10. Welfare (School)	1.40	1.53
11. Bus Hire Charges	8.94	20.13
12. Club & Recreation	0.88	1.11
13. Others	0.50	-
TOTAL:	<u>4,061.76</u>	<u>3,609.61</u>

# CAG Comments

## Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the Accounts of Indian Oil Corporation Limited for the year ended 31st March, 1990 and proposed replies of the Board of Directors

Sl. No. Comments of the Comptroller & Auditor General of India

Replies of the Board of Directors

### Balance Sheet

1. Current Assets, Loans and Advances (Schedule-J) Claims Recoverable-Unsecured, considered good Rs. 2,758.49 lakhs

Noted. Adjustment will be carried out during 1990-91.

This includes Excise Duty payment of Rs. 57.72 lakhs on Petroleum Coke which should have been charged to Profit and Loss Account either in Refinery or in Marketing Division, since the same had already been recovered through sales.

2. Current Liabilities and Provisions (Schedule-K) Rs. 2,92,575.02 Lakhs Non-provision of Rs. 29,769.05 lakhs being the Excise/Custom Duty payable on the products stored in bonded warehouse is not in accordance with Section 209(3) of the Companies Act, 1956. This has resulted in understatement of Liability/Inventories to that extent.

The impact of Excise/Customs Duty has been fully disclosed vide item no.5 of Schedule 'P' and this is also in accordance with the Guidance Note issued in this regard by the Institute of Chartered Accountants of India. The profit is not affected. However, the matter is under examination.

Sd/

(A. KRISHNA RAO)

Principal Director of Commercial Audit and  
Ex-Officio Member, Audit Board-II,  
Bombay

Sd/

DR. P.K. MUKHOPADHYAY  
CHAIRMAN

For and on Behalf of the Board of Directors

Bombay  
Dated: 18th September, 1990

Delhi  
Dated: 20th September, 1990

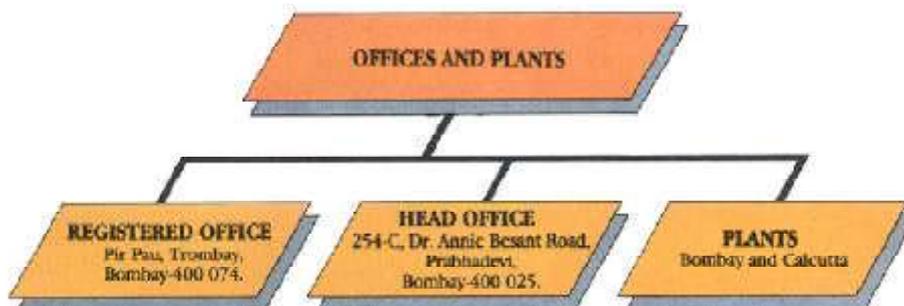
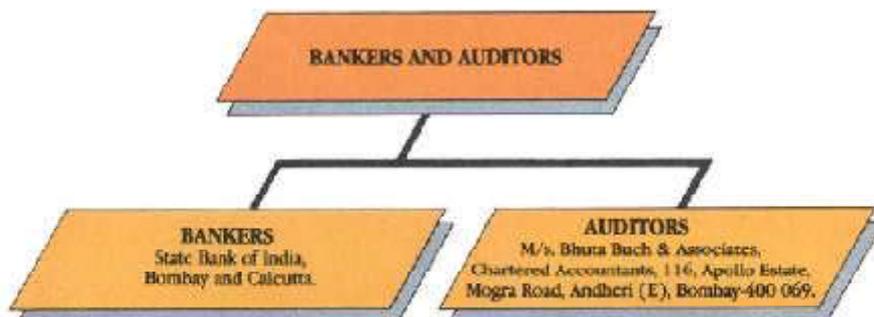
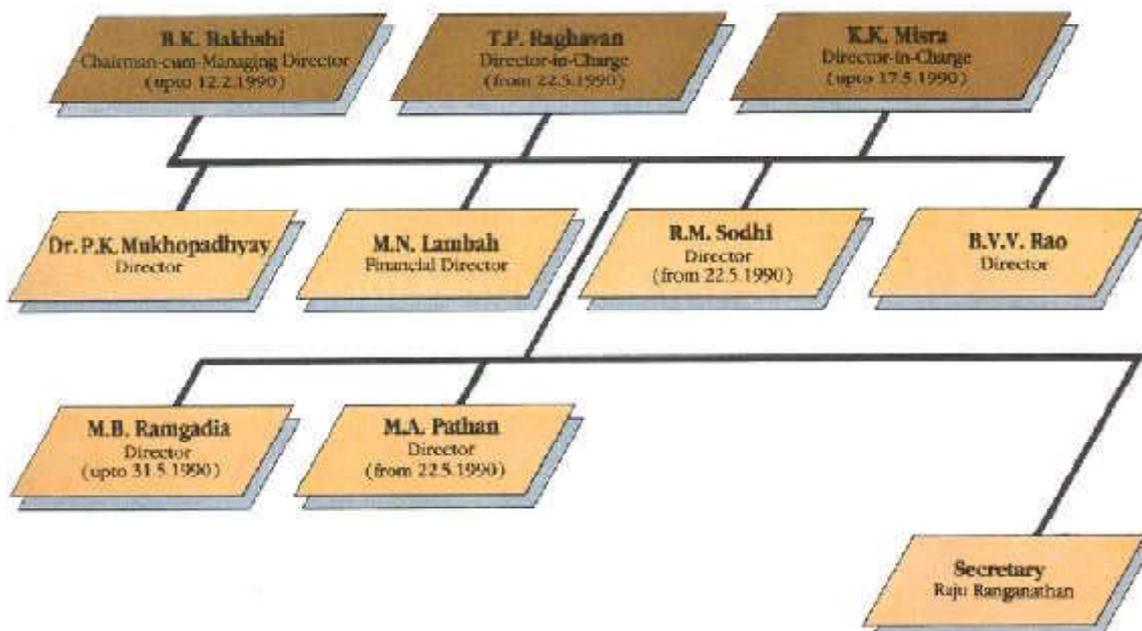
# Indian Oil Blending Limited

A Wholly Owned Subsidiary of Indian Oil Corporation Limited

## Annual Report 1989-90



# Board of Directors



# Notice

NOTICE is hereby given that the Twenty-seventh Annual General Meeting of the Shareholders of INDIAN OIL BLENDING LIMITED will be held on Tuesday, the 31st July, 1990, at 1200 hours, at the Head Office of the Company, 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 and Loss Account, reports of the Directors and Auditors thereon for the financial year ended 31st March, 1990;
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 T.P. Raghavan, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
5. To appoint Director in place of Shri B.V.V. Rao, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
6. To appoint Director and Financial Director in place of Shri M.N. Lambah, 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.M. Sodhi, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
8. To appoint Director in place of Shri M.A. Pathan, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board

Bombay

Sd/-

Dated : 9th July, 1990

(RAJU RANGANATHAN)  
Secretary

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

To : ALL MEMBERS OF INDIAN OIL BLENDING LIMITED

cc : M/s. Bhuta Buch & Associates, Chartered Accountants, Bombay (Statutory Auditors)

cc : Director of Commercial Audit, Commercial Audit Wing, C/o. IOC (HO), Bandra, Bombay - 51.



# Directors' Report to the Shareholders

## Index

Gentlemen,

Your Directors have great pleasure in presenting before you the 27th Annual Report on the working of the Company for the financial year 1989-90 together with the Audited Statement of Accounts.

## FINANCIAL RESULTS

During the year, the Company has made a gross profit of Rs 2,55,97,748 as against Rs 1,79,60,511 during 1988-89. The comparative figures of gross profit, depreciation, provision for taxation etc. are given hereunder:-

	1989-90 Rs	1988-89 Rs
a) Gross Profit before depreciation	2,55,97,748	1,79,60,511
b) Depreciation	53,80,464	34,35,264
c) Expenses of prior years	2,05,502	83,939
d) Profit before tax	2,00,11,782	1,44,41,308
e) Provision for taxation	80,00,000	40,00,000
f) Net Profit after tax	1,20,11,782	1,04,41,308
g) Investment Allowance Reserve written back	—	2,98,000
h) Excess provision of Income-tax written back	—	2,88,626
i) Disposable profit	1,20,14,401	1,10,32,619
j) Provision for dividend	4,00,000	4,00,000
k) Appropriated to general reserve	1,16,10,000	1,06,30,000
l) Balance carried to Balance Sheet	4,401	2,619

## Dividend and Reserves

Your Directors have recommended a dividend of Rs 50 per equity share. Aggregating to Rs 4.00 lakhs being 10% of the paid-up capital for which necessary appropriations has been made in the accounts, as required under law. After making the aforesaid provision for dividend, the balance available from the net surplus works out to Rs 1,16,14,401. Out of this surplus amount, a sum of Rs 1,16,10,000 has been transferred to General Reserve Account, thereby leaving a balance of Rs 4,401 in the Profit and Loss Account to be carried forward. The balance of General Reserve at the beginning of the year was

Rs 4,28,81,000 and after the current year's transfer of Rs 1,16,10,000, as above, the balance in the General Reserve Account has risen to Rs 5,44,91,000 as on 31st March, 1990.

## Profitability

The profit before taxes stood at Rs 2,00,11,782 as against the previous year's figure of Rs 1,44,41,308. The major factors attributable to the increased profit are the following:-

### 1. Increase in net Blending fee

The net blending and manufacturing fee received by your Company during the year rose to Rs 9,20,89,575 as

against Rs 7,46,39,955 during 1988-89, mainly due to rise in production and increase in lube blending fee rate from Rs 188 per kl to Rs 215 per kl.

## Increase in other income

The other income has increased from Rs 15.10 lakhs during the previous year to Rs 64.64 lakhs, during the current year. This is largely because of LTA impact and sample testing charges to the tune of Rs 39.60 lakhs and Rs 8.96 lakhs respectively, reimbursed by Indianoil.

However, the total operating expenses excluding interest for the current year increased to Rs 7,05,46,521, as against the previous year's figure of Rs 5,70,11,876. This is mainly due to the revision in the pay scales of workmen, increased production and the general rise in price level of various commodities.

## Contribution to Exchequer

Your Company's contribution to the central exchequer in the form of duties and income-tax during the year was Rs. 99,63,752.

## PRODUCTION

a) Lubes: The lube production during the year at Bombay Plant was the highest ever achieved and stood at 2,40,252 kl as against 2,09,936 kl during the previous year. The lube production during the year at Calcutta Plant marginally declined and stood at 1,44,167 kl as against 1,47,270 kl during the previous year. The overall lube production during the year was 3,84,419 kl as against 3,57,206 kl during the previous year.



The lube production at Calcutta Plant during the year declined mainly due to contract labourers' strike, transporters strike and higher rate of absenteeism and high inventory of filled barrels.

b) Greases: The Grease production at Bombay Plant during the year was also the highest ever achieved and stood at 8,990 MTs, as against 7,307 MTs. during the previous year.

### Capacity Utilisation

During the year, the Bombay and Calcutta Lube Plants of the Company achieved capacity utilisation of 160.17% and 144.17% respectively, as against 139.96% and 147.27% respectively during the previous year. As stated above, the decline in capacity utilisation at Calcutta Plant was due to contract labourers' strike, transportation strike, high rate of absenteeism etc.

### Comparative Production .

The production figures for the last four years are given below for the purpose of comparison:

## MAJOR PROJECTS

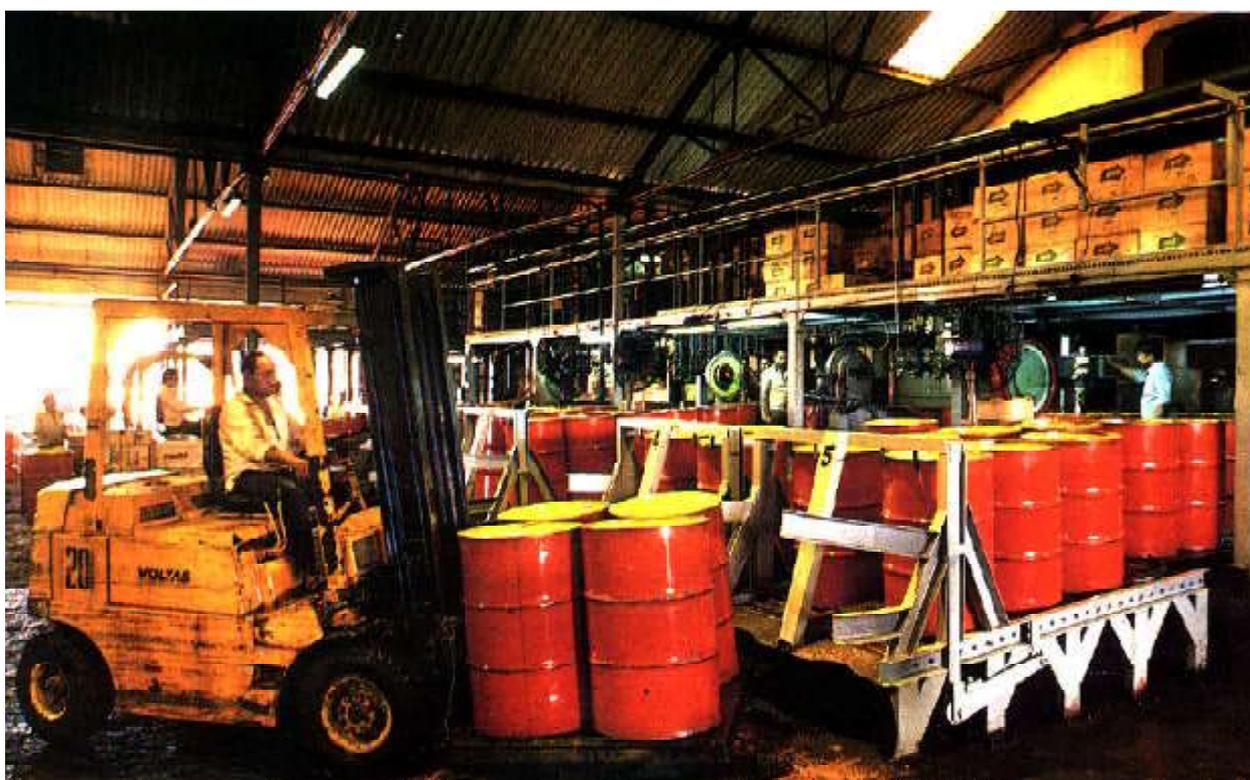
Major projects considered during VII Plan were:-

### A. Resitement of Trombay Grease

Plant Resitement of Grease Plant from Trombay to New Bombay with an enhanced capacity of 11,000 MTPA at a revised cost of Rs 971 lakhs as against the earlier envisaged cost of Rs 883 lakhs was planned. As on date, a cumulative

Year	Bombay Plant Lubes kl	Calcutta Plant Lubes kl	Total Lubes kl	Greases MT
1986-87	1,92,308	1,30,022	3,22,330	7,273
1987-88	1,90,305	1,29,698	3,20,003	7,048
1988-89	2,09,936	1,47,270	3,57,206	7,307
1989-90	2,40,252	1,44,167	3,84,419	8,990

Forklift operations at the IOBL plant, Trombay.



project progress of 91% has been achieved. M/s. Kinetic Technology of India Ltd., are the consultants of the project. One imported Contactor and one Grease Finishing Kettle have been commissioned in Phase-I of the above project. Resitment of existing equipment from Bombay Plant and installation at the new Site will be undertaken in Phase-II after induction of requisite manpower. The salient features of this project are, high level of automation and introducing Digital Instruments Distributed Control System (DIDC) for the first time in India for a Multi Product Multipath Project.

## B. LBP at Asaoti

The project for setting up a Lube Blending Plant in Northern Region (at Asaoti) with a capacity of 1,50,000 MTs at a cost of Rs 1,803.9 lakhs was approved in September, 1988. The configuration of Railway siding has been finalised with Central Railways and land acquisition is

under progress. It has been decided to go in for a joint venture after negotiations with reputed foreign oil companies so as to set up a most modernised Plant with Microprocessor Based Operational Control Centre networking different segments of Lube Plant operations like (i) Input Management (ii) Production Scheduling (iii) Actual production and filling (iv) Warehousing and Inventory Management (v) Loading and Shipment, both bulk and packed. This project is now likely to be completed by 1993-94 as land has to be acquired and a partner in the proposed joint venture has to be chosen. This project will fulfil the regional requirements as well as the requirements of strategic areas in Northern Region.

## C. Modernisation of existing Plants

Existing Lube plants are 25 years old and hence require modernisation and revamping for improving safety and productivity. The major projects under this are:-

### (i) Automatic Batch Blending Systems

Orders have been placed for Auto Batch Blending Systems at Bombay and Calcutta at a total cost of Rs 120 lakhs. The project is under execution and will be completed by end of 1990. This will improve the existing batch blending operation in terms of updation of technology, increased productivity and management reporting systems.

### (ii) Revamping of Paharpur Complex

To meet the increasing demand of small cans, it is planned to revamp the existing Paharpur Lube Complex of IOC and also provide additional storage facilities at IOBL Calcutta. For this purpose, a plot measuring 4 acres adjacent to IOBL Calcutta has already been acquired and is under development. The facilities will include:

- 4 Nos. 3300 kl storage tanks at IOBL Calcutta.
- Mini Blending Plant at Paharpur.
- Shifting of small can facilities from IOBL, Calcutta and installing at Paharpur.



*Lube drums stacked at a storage depot.*

- Installation of additional 2 Nos. High Speed Rotary Fillers. (1 No. 90 cans/mm. for 5 ltrs. cans and 1 No. 120 cans/min. for 1½ ltr. cans).

The cost of the project will be around Rs 800 lakhs.

### (iii) 14" Pipeline at IOBL Bombay & Calcutta Plants

In order to improve the tanker performance and reduction of demurrages, it has been planned to lay new 14" pipelines from plants to jetty. For IOBL, Bombay, the project is already under execution and is likely to be completed by March 1991. The cost of the project is approximately Rs 80 lakhs. For Calcutta Plant also various activities connected with such Pipeline Project have been initiated and this also is expected to be completed by 1990-91. The cost of the project is approximately Rs 40 lakhs.

## FUTURE OUTLOOK (VIII PLAN)

Based on the demand profile for lubricants and greases during VIII Plan and considering the report on distribution and marketing of petroleum products by the sub-group constituted by the Planning Commission, IOBL has submitted its project profile during VIII Plan. The major projects apart from the Lube Blending Plant at Asaoti, are as under:-

### a) Speciality Complex in Thane

It is proposed to set up a speciality complex to produce speciality greases, lubes and certain additives. The project cost is around Rs. 2,000 lakhs.

The expenditure during VIII Plan is likely to be Rs. 1,885 lakhs and the Feasibility Report is under preparation by our Holding Company.

### b) Lube Blending Plant at Eastern Region

In addition to the existing Lube Blending Plant at Paharpur, it may be necessary to set up one more Lube Blending Plant with a capacity of 1,50,000 MTs on single shift basis in Eastern Region at a cost of Rs 3,000 lakhs, subject to final approval by the Board of Directors of our Holding Company and the Government. The expenditure is likely to be Rs 2,500 lakhs during VIII Plan and the Plant is expected to be commissioned during 1992-93.

### c) Grease Plant at Asaoti

To meet the increased demand of greases in the Northern Region, it is proposed to set up a Grease Plant at Asaoti adjacent to the proposed Lube Blending Plant with an initial installed capacity of 5000 MTPA (licensed capacity of 11000 MTPA) on double shift basis. The cost of the project for the initial installed capacity is expected to be Rs 650 lakhs. This plant will be tied up with the proposed Lube Plant. The proposal has been cleared by the Board of Directors of our Holding Company.

### d) Lube Blending Plant at Karnal

By the year 2000, in order to meet the growing requirements of lubes, Northern Region may need an additional Lube Blending plant, apart from the one at Asaoti. Subject to approval of the Board of Directors of our Holding Company, initial work is likely to commence during VIII Plan. The Plant is expected to be completed during IX Plan.

### e) Modernisation of Existing Plants

As stated earlier, the existing Plants at Bombay and Calcutta are 25 years old. To improve the operating conditions, safety and productivity, a sum of Rs 500 lakhs has been budgeted during VIII Plan period. Some of the modernisation activities include automation in material handling system, besides modernising of the lube oil pipelines at both the Plants.

## ENVIRONMENT PROTECTION

Your Company continued to place emphasis on environmental protection. In this direction, regular testing of effluents discharged by both the Plants are being carried out. To achieve ecological balance, the Company planted about 100 saplings/trees at the new Vashi Plant during the year.

## QUALITY CONTROL AND DEVELOPMENT

Quality Control and Development activities continued to remain in the forefront in the operations of the Company and maintained excellent quality by adopting the latest technology. IOBL assisted the Holding Company in development, import substitution and conservation of petroleum products. The following new grades were developed during the year:-

- SERVO RR 411
- SERVO Transmission TF 30
- SERVO Transdex II
- SERVO Unitrac 20W-40
- SERVO Steel EP 150
- SERVO Autokool
- SERVO Grease RR 1
- SERVO Gem EP 00



## SAFETY

The Plants continued to follow strictly the various directives issued by the Oil Industry Safety Directorate. A safety officer has been posted at each plant in order to ensure that safety requirements are complied with. Periodical safety audit and fire drills are being conducted on a regular basis.

## PERSONNEL

The total number of employees as on 31.3.90 stood at 663(132 Officers and 531 workmen) as compared to 676 employees as on 31st March, 1989.

## EMPLOYEE RELATIONS/ LABOUR SITUATIONS

Industrial relations in general continued to be cordial during the year. However, drum filling at Bombay Plant during the last two months of the year was affected due to certain demands of the Union. The issues have since been amicably settled and normalcy restored.

## HUMAN RESOURCE DEVELOPMENT AND TRAINING

Your Company continued to make good progress in Human Resource Development activities.

- Second Organisational Survey for Officers and its comparative analysis showed improvement in Training & Development, Accountability, Union Management Relationship, Career Avenues, Leadership, Welfare and future of the Company.
- HRD Bulletin introduced.
- Birthday Greeting Scheme for employees introduced.
- Role Analysis in HO carried out.
- New Appraisal System for 'E' & above grade officers introduced.
- 100 officers and 37 workmen attended various In-House and external training programmes.
- Manpower forecast upto 2000 AD as per perspective plan has been made. Career gaps for officers identified and due

to integration, a good number of officers were transferred from IOBL to IOC and vice versa.

- 20% of Officers were nominated to various Skill Development Programmes.

### Computer Literacy

To achieve computer literacy objective, 77% of officers attended five day training programmes on 'PC Applications.'

### HRD for Workmen

- Qualification profile of workmen analysed. Adult literacy classes started at Bombay Plant for illiterates.
- A three day Union Management Interface Workshop conducted for Union Representatives of Calcutta Plant.
- Two workshops on HRD/ Productivity Awareness conducted for workers.
- Community meet, recreation activities, no absenteeism week, health care and sports activities were intensified in Plants.

### Welfare of Employees

Your Company continued to implement various other welfare oriented programmes such as house building loans, vehicle loans, subsidised transport and canteen



*Closed supervision and automatic filling machines ensure quality and quantity in lubricant tins.*

facilities, medical facilities, provision uniforms, family planning incentives etc. During the year, emphasis was laid on health care and hygiene factors of the employees by way of periodical testing of drinking water and monitoring regular checks on food prepared in the canteens.

### **Workers' Participation in Management**

Workers' Participation in Management continued to be encouraged by forming various Committees such as Canteen Committee, Safety Committee, Work Committee, Sports Committee etc. at both the Plants and progress in this respect has been satisfactory.

### **Welfare of Weaker Sections**

The Presidential Directive and Instructions received from Government of India, from time to time, regarding employment and promotion of candidates belonging to Scheduled Castes and Scheduled Tribe Community, Ex-Servicemen, Physically Handicapped etc. are continued to be implemented. During the year, the Company recruited 5 Ex-Servicemen out of 10 recruitments made. Out of these 10 recruitments, 4 belonged to SC and 1 to ST category. A special drive is being launched to wipe out the backlog in recruitment. General relaxation with regard to age is given at the time of recruitment and preferences at the time of promotion for these candidates. For enhancing their qualitative values, special training programmes were organised.

### **Hindi Implementation**

- Efforts were intensified for progressive use of Hindi in official work.
- Two Hindi Workshops were conducted for

officers and staff of IOBL during April/May 1989-90.

- Various circulars were issued in bilingual. All new regular forms have been made bilingual and are being used.
- Quarterly meeting of Hindi Implementation Committee were held regularly to review the progress of Hindi implementation work in IOBL. Quarterly and six monthly reports were sent on due dates to the Ministry of Home Affairs.
- Appointment of Hindi Officer in Grade 'A' and a Typist-Clerk/Translator in Grade III is under consideration.

### **Donations**

As a part of social obligation to the community, your Company donated Rs 1,000 to Ramkrishna Mission and also contributed in the form of complimentary advertisements in souvenirs to institutions like Cancer Patients Aid Association, Indian Medical Association etc.

### **SPORTS**

Your Company continued to be a member of Petroleum Sports Control Board. The management of both the Plants encouraged employees to take active part in sports.

### **FOREIGN TOUR**

The total expenses incurred on foreign tour during the year amounted to Rs 33,391.

### **ENTERTAINMENT EXPENSES**

The entertainment expenses incurred by your Company during the year amounted to Rs. 5,150.

### **DIRECTORS**

Shri B. K. Bakhshi resigned from the post of Chairman-

cum-Managing Director of the Company effective 12.2.1990. Shri K.K. Misra, who was already a Director of the Company was authorised by the Board of Directors to exercise powers and authorities vested in MD/CMD of the Company on a temporary basis until CMD of the Company is appointed. However, Shri K. K. Misra resigned the post of Director with effect from 17.5.1990. Shri T.P. Raghavan, who resigned the post of Director on 9.4.1990 was, however, reappointed as Director of the Company effective 22.5.1990 and was authorised by the Board to exercise powers and authorities vested in MD/CMD of the Company purely on temporary basis and till such time CMD of the Company is appointed.

Shri R.M. Sodhi was appointed as Director of the Company effective 22.5.1990 to fill the casual vacancy caused by the resignation of Shri K. K. Misra. Shri M.A. Pathan was appointed as Director of the Company effective 22.5.1990. Shri M.B. Ramgadia resigned the post of Director of the Company effective 31.5.1990, consequent upon his superannuation from the services of the Holding Company.

All the following Directors are liable to retire at the conclusion of the next Annual General Meeting and are eligible for reappointment:-

- Dr. P. K. Mukhopadhyay
- Shri T.P. Raghavan
- Shri B.V.V. Rao
- Shri M.N. Lambah
- Shri M.A. Pathan
- Shri R.M. Sodhi



# Directors' Report *Contd...*

## PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to new Clause(e) of subsection (1) of Section 217 of the Companies Act, 1956, as introduced by the Companies Amendment Act, 1988, and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are furnished below:-

### A. Conservation of Energy:

(a) Energy conservation measures taken :  
As a means of conservation of energy, fuel consumption is being regulated by controlling of CO<sub>2</sub> content in the flue gases. CO<sub>2</sub> analysers have been installed to monitor the efficiency of boiler burner. Condensate recovery is done to a large extent, so that heat input by burning excess fuel is avoided. For recovering condensate, the performance of steam traps are being monitored regularly. At both Bombay and Calcutta Plants, boilers which were more than 20 years old have been replaced with new boilers of higher efficiency. Power factor improvers have been installed in the Resited Grease Plant, New Bombay.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Inertia losses due to reduction gear in positive displacement pumps are under study. Efforts are made to replace gear pumps by reduction gear to direct driven screw pumps.
- (c) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:  
As a result of the measures taken at (a) above, the average consumption of energy per kl of production has shown declining trend to the extent of 13% for Bombay and 17% for Calcutta Plants during the year
- (d) Total energy consumption and energy consumption per unit of production: Details are given in prescribed Form 'A' annexed hereto.

### B. Technology Absorption

(e) Efforts made in technology absorption:  
Particulars with regard to technology absorption are given in prescribed Form 'B' annexed hereto.

### C. Foreign Exchange Earnings and Outgo

(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans:

As the entire products processed by the Company are marketed by its Holding Company (IOC Ltd.), the Company does not have any sales (including exports) activity.

– Total foreign exchange used and earned: During the year, no foreign exchange is earned. However, there is a foreign exchange outgo of Rs. 59,20,321 on account of import of spare parts, capital goods, foreign travel, subscription to journals etc.

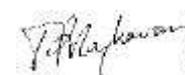
## PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees, pursuant to Sec. 217 (2A) of the Companies Act, 1956 (as amended by the Companies Amendment Act, 1988) and the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies (Particulars of Employees) (Amendment) Rules, 1988, is annexed hereto.

## ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation for the excellent results achieved by the employees of your Company on account of sincere efforts, hard work, initiative and dedication. The Directors are confident that efforts will be continued to attain still better results in future. The Board of Directors also acknowledge their gratitude for the valuable advice, guidance and support received from the Government and Indian Oil Corporation Limited, the Holding Company.

For and on behalf of the Board,



(T.P. RAGHAVAN)  
Director-in-Charge

Bombay  
Dated: 3.7.90



# Auditors' Report *Contd...*

## Auditors' Report to the Shareholders

The Members,  
Messrs Indian Oil Blending Limited,  
Bombay

Dear Sirs,

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1990 and Profit and Loss Account for the year ended on that date and report that :

1. We have obtained all the informations and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
3. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon and attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - a) in the case of Balance Sheet of the state of affairs of the Company as on 31st March, 1990, and
  - b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
5. As required by the Manufacturing and Other Companies (auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and as per the information and explanations given to us during the course of our audit, we report on the matters specified in the Para 4 of the said order as far as applicable to the Company that :
  - i) The Company has maintained proper records showing full particulars including quantitative details & situation of fixed assets. Major portion of the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets is at reasonable interval, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect to the assets, physically verified.
  - ii) None of the fixed assets have been revalued during the year.
  - iii) The Company has stocks of maintenance stores and spare parts only, which have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - iv) The Company had not maintained any stock during the year. In our opinion, the procedure of physical verification of maintenance stores and spare parts followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.



# Auditors' Report *Contd...*

## Index

- v) The discrepancies noticed on verification between the physical stock of maintenance stores and spare parts and its book records were not material.
- vi) On the basis of our examination of stocks, we are of an opinion that the valuation of the above mentioned stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The Company has taken unsecured loans from Indian Oil Corporation Limited, the Holding Company. The rate of interest and other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
- viii) The Company has not given any loans, secured or unsecured to the companies, firms and other parties listed in the register maintained under Section 301 and 370(1-B) of the Companies Act, 1956.
- ix) Loans and advances in the nature of loans have been given to the employees, and the employees have been regular in repaying the principal amounts and have also been regular in payment of interest.
- x) In our opinion 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.
- xi) The Company has during the year purchased at controlled prices fuel and oil exceeding Rs. 50,000/- in value from Indian Oil Corporation Limited, the Holding Company.
- xii) As explained to us, the Company has no formal procedure for determination of unserviceable or damaged stores. However, we are informed that these are reviewed by the management, and based on this, no provision is required to be made in the accounts.
- xiii) The Company has not accepted any deposits from the public during the year, to which the provision of Section 58A of the Companies Act, 1956, and Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- xiv) According to the information and explanations given to us, the Company does not have any by-products from its processing activity. Scrap of maintenance, stores and components are accounted for only at the time of sale for which reasonable records are maintained.
- xv) We are of an opinion that the Company has an internal audit system commensurate with its size and nature of its business.
- xvi) The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- xvii) According to the records of the Company, Provident Fund dues have generally been regularly deposited during the year with the appropriate authorities.
- xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at 31st March, 1990 for a period of more than six months from the date they became payable.



- xix) According to the information and explanations given to us, no personal expense of employees or Directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
- xx) The Company is not a sick industrial company within the meaning of clause (O) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For BHUTA BUCH ASSOCIATES  
Chartered Accountants

Sd/-

C. M. BUCH

Partner

Bombay

Dated: 3rd July, 1990



# Balance Sheet

## Balance Sheet As at 31st March, 1990

	Schedule	Rupees	Rupees	1989 Rupees
<b>SOURCES OF FUNDS:</b>				
1. Shareholders' Funds:				
(a) Capital	I	40,00,000		40,00,000
(b) Reserves & Surplus	II	5,75,65,401		4,59,53,619
			6,15,65,401	4,99,53,619
2. Loan Funds:				
(a) Unsecured Loans	III		8,61,87,354	6,75,58,360
TOTAL:			14,77,52,755	11,75,11,979
<b>APPLICATION OF FUNDS:</b>				
1. Fixed Assets:				
(a) Gross Block	IV	8,82,24,760		8,30,74,690
(b) Less: Depreciation and Amortisation		5,05,04,511		4,52,01,275
(c) Net Block		3,77,20,249		3,78,73,415
(d) Capital work-in-progress		11,02,25,447		4,69,37,452
			14,79,45,696	8,48,10,867
2. Current Assets, Loans and Advances:				
(a) Inventories	V	66,92,826		22,88,093
(b) Sundry Debtors		—		12,50,087
(c) Cash and Bank Balances		17,70,098		81,40,121
(d) Loans and Advances		5,04,05,512		4,57,14,314
		C/F...	5,88,68,436	5,73,92,615
		Carried Forward...	14,79,45,696	8,48,10,867



# Balance Sheet (Contd...)

	Schedule	Rupees	Rupees	1989 Rupees
Brought Forward...			14,79,45,696	8,48,10,867
B/F...		5,88,68,436		5,73,92,615
Less : Current Liabilities and Provisions:	VI			
(a) Current Liabilities		3,75,36,377		1,11,66,503
(b) Provisions		2,15,25,00		1,35,25,000
		<u>5,90,61,377</u>		<u>2,46,91,503</u>
Net Current Assets			(1,92,941)	3,27,01,112
TOTAL:			<u>14,77,52,755</u>	<u>11,75,11,979</u>
Notes on Balance Sheet	IX			

Sd/-  
(T.P. RAGHAVAN)  
Director-in-charge

Sd/-  
(M.N. LAMBAH)  
Financial Director

Sd/-  
(R.M. SODHI)  
Director

Sd/-  
(RAJU RANGANATHAN)  
Secretary

As per our report of even date  
For BHUTA BUCH & ASSOCIATES  
(Chartered Accountants)

Bombay  
Dated : 3rd July, 1990

Sd/-  
(Partner)



# Profit and Loss Account

## Profit and Loss Account for the year ended 31st March, 1990

	Schedule	Rupees	Rupees	1989 Rupees
<b>INCOME:</b>				
Throughput, Blending and Manufacturing Charges	VII		9,20,89,575	7,46,39,955
Other Income	VII		64,63,871	15,09,694
			<u>9,85,53,446</u>	<u>7,61,49,649</u>
<b>EXPENDITURE:</b>				
Operating & Other expenses	VIII		7,05,46,521	5,70,11,876
Interest:				
On Fixed Loan		91,28,994		38,37,731
On Other Loan		8,506		32,905
		<u>91,37,500</u>		<u>38,70,636</u>
Less: Transferred to Capital Work-in-Progress Account		<u>77,63,214</u>		<u>26,93,374</u>
			13,74,286	11,77,262
Depreciation & Amortisation			<u>53,80,464</u>	<u>34,35,264</u>
			<u>7,73,01,271</u>	<u>6,16,24,402</u>
Profit before extraordinary and prior period adjustments			2,12,52,175	1,45,25,247
Income/(Expenditure) relating to extraordinary items (Net)			<u>(10,34,891)</u>	<u>—</u>
<b>PROFIT FOR THE YEAR:</b>			<u>2,02,17,284</u>	<u>1,45,25,247</u>
Income/(Expenditure) relating to prior period (Net)			<u>(2,05,502)</u>	<u>(83,939)</u>
<b>PROFIT BEFORE TAX:</b>			<u>2,00,11,782</u>	<u>1,44,41,308</u>
Taxation			<u>80,00,000</u>	<u>40,00,000</u>
<b>PROFIT AFTER TAX:</b>			<u>1,20,11,782</u>	<u>1,04,41,308</u>
Balance brought forward from last year's account			2,619	4,685
Investment Allowance Reserve written back			—	2,98,000
Excess provision of Income Tax written back			—	2,88,626
<b>DISPOSABLE PROFIT:</b>			<u>1,20,14,401</u>	<u>1,10,32,619</u>



# Profit and Loss Account (Contd...)

	Schedule	Rupees	1989 Rupees
<b>APPROPRIATIONS:</b>			
Proposed Dividend		4,00,000	4,00,000
General Reserve		1,16,10,000	1,06,30,000
Balance Carried to			
Balance Sheet		4,401	2,619
	TOTAL:	<u>1,20,14,401</u>	<u>1,10,32,619</u>

## NOTES ON PROFIT AND LOSS ACCOUNT IX

Sd/-  
(T.P. RAGHAVAN)  
Director-in-charge

Sd/-  
(M.N. LAMBAH)  
Financial Director

Sd/-  
(R.M. SODHI)  
Director

Sd/-  
(RAJU RANGANATHAN)  
Secretary

As per our report of even date  
For BHUTA BUCH & ASSOCIATES  
(Chartered Accountants)

Bombay  
Dated : 3rd July, 1990

Sd/-  
(Partner)

# Schedules

## Schedules Annexed to and Forming Part of the Balance Sheet As at 31st March 1990

	Rupees	Rupees	1989 Rupees
<b>SCHEDULE-I</b>			
<b>SHARE CAPITAL:</b>			
<b>Authorised:</b>			
8,000 Equity Shares of Rs. 500/- each		40,00,000	40,00,000
		<u>40,00,000</u>	<u>40,00,000</u>
<b>Issued, Subscribed and Paid-Up:</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, and its Nominees)		40,00,000	40,00,000
		<u>40,00,000</u>	<u>40,00,000</u>
TOTAL:		<u>40,00,000</u>	<u>40,00,000</u>
<b>SCHEDULE-II</b>			
<b>RESERVES AND SURPLUS:</b>			
<b>1) General Reserve:</b>			
As per last Balance Sheet	4,28,81,000		3,22,51,000
Transferred from Profit & Loss Account	1,16,10,000		1,06,30,000
		5,44,91,000	4,28,81,000
<b>2) Investment Allowance Reserve:</b>			
As per last Balance Sheet	30,70,000		33,68,000
Less: Transferred to Profit and Loss Account	—		2,98,000
		<u>30,70,000</u>	<u>30,70,000</u>
<b>3) Profit &amp; Loss Account:</b>			
		4,401	2,619
TOTAL:		<u>5,75,65,401</u>	<u>4,59,53,619</u>

## Schedules (Contd...)

### SCHEDULE-III

#### UNSECURED LOAN:

##### Long Term Loan:

Loan from Indian Oil Corporation Limited,  
the Holding Company

Interest Accrued and due

TOTAL:

	Rupees	1989 Rupees
	7,15,06,000	6,20,06,000
	1,46,81,354	55,52,360
	<u>8,61,87,354</u>	<u>6,75,58,360</u>

## SCHEDULE-IV

### FIXED ASSETS:

	GROSS BLOCK			
	As on 1.4.89	Additions	Deductions	As on 31.3.90
	Rs.	Rs.	Rs.	Rs.
Land—Leasehold	80,06,000	—	—	80,06,000
Office/Factory Buildings	1,01,35,691	1,86,443	—	1,03,22,134
Residential Flats	1,62,336	—	—	1,62,336
Railway Sidings	2,73,039	—	—	2,73,039
Plant and Machinery	4,85,65,373	40,14,115	(1,63,600)	5,24,15,888
Computers/Microprocessors	5,47,635	1,14,518	—	6,62,153
Furniture, Fixtures & Office Equipment	53,12,990	7,53,253	(39,856)	60,26,387
Forklift Trucks	76,59,456	4,98,371	(2,56,130)	79,01,697
Motor Vehicles	9,95,942	1,12,715	(69,759)	10,38,898
<b>RESEARCH AND DEVELOPMENT:</b>				
– Buildings	26,483	—	—	26,483
– Plant and Machinery	13,89,745	—	—	13,89,745
<b>TOTAL:</b>	<b>8,30,74,690</b>	<b>56,79,415</b>	<b>(5,29,345)</b>	<b>8,82,24,760</b>
<b>PREVIOUS YEAR:</b>	<b>6,98,92,860</b>	<b>1,37,50,288</b>	<b>(5,68,458)</b>	<b>8,30,74,690</b>

NOTES: (1) Depreciation for the year include amounts debited to prior years as under:

	(Previous Year)	
(i) Buildings	3,970	NIL
(ii) Plant And Machinery:	4 01,406	NIL
<b>TOTAL:</b>	<b>4 05,376</b>	<b>NIL</b>

(2) Res. flat includes Rs. 3,500 towards share value of 70 shares in Co. op. Hsg. Society, for purchase of flat.

(3) Lease Agreement is respect of leasehold land at Vashi (Dist: Thane) is yet to be executed.

**SCHEDULE-IV (Contd...)**

DEPRECIATION & AMORTISATIONS				NET BLOCK		
Upto 31.3.89	Deductions/ Adjustment for earlier years	For the year	Upto 31.3.90	As on 31.3.90	As on 31.3.89	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
3,37,096	—	84,274	4,21,370	75,84,630	76,68,904	
58,71,073	—	4,21,685	62,92,758	40,29,376	42,64,618	
62,386	—	4,998	67,384	94,952	99,950	
2,59,369	—	2,050	2,61,419	11,620	13,670	
2,96,03,857	(1,60,450)	39,53,579	3,33,96,986	1,90,18,902	1,89,61,516	
1,91,414	—	1,76,795	3,68,209	2,93,944	3,56,221	
26,58,530	(15,181)	3,70,713	30,14,062	30,12,325	26,54,460	
45,04,808	(2,51,946)	6,30,638	48,83,500	30,18,197	31,54,648	
5,92,310	(55,027)	98,135	6,35,418	4,03,480	4,03,632	
12,523	—	698	13,221	13,960		
11,07,909	—	42,275	11,50,184	2,39,561	2,81,836	
4,52,01,275	(4,82,604)	57,85,840	5,05,04,511	3,77,20,249	3,78,73,415	
4,22,47,183	(4,81,172)	34,35,264	4,52,01,275			
				CAPITAL WORK-IN-PROGRESS :	11,02,25,447	4,69,37,452
				TOTAL :	14,79,45,696	8,48,10,867



	Rupees	1989 Rupees
<b>SCHEDULE- V</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>		
<b>1) CURRENT ASSETS:</b>		
(a) Inventories:		
Stores and Spares (At Cost)	66,92,826	22,88,093
(as taken, valued and certified by the Management)		
	<u>TOTAL: 66,92,826</u>	<u>22,88,093</u>
(b) Sundry Debtors:		
(Unsecured, considered good)		
Due from Indian Oil Corporation Limited, the Holding Company		
(Due for less than six months)	-	12,50,087
	<u>TOTAL: -</u>	<u>12,50,087</u>
(c) Cash and Bank Balances:		
(i) Cash & Cheques on hand & in transit	1,15,000	1,12,934
(ii) Balance with a Scheduled Bank:		
In Current Account	16,08,598	17,42,597
In Fixed Deposit Account	46,500	62,84,590
	<u>TOTAL: 17,70,098</u>	<u>81,40,121</u>
<b>2) LOANS AND ADVANCES:</b>		
(a) Advances recoverable in cash or in kind or for value to be received considered good		
(A) Secured	2,00,92,755	1,87,54,411
(B) Unsecured :		
(i) Due from Indian Oil Corporation Limited, the Holding Company	-	11,99,678
(ii) Others	1,03,77,512	89,57,184
	<u>3,04,70,267</u>	<u>2,89,11,273</u>
(b) Advance Payment of Income-Tax.	1,87,73,120	1,56,17,216
(c) Deposit with Industrial Development Bank of India, in lieu of surcharge on Income Tax with accrued interest	2,52,125	2,75,825
(d) Investment Deposit Account with Industrial Development Bank of India	9,10,000	9,10,000
	<u>TOTAL: 5,04,05,512</u>	<u>4,57,14,314</u>



	Rupees	Rupees	1989 Rupees
<b>SCHEDULE- VI</b>			
<b>CURRENT LIABILITIES AND PROVISIONS:</b>			
<b>a) CURRENT LIABILITIES:</b>			
(i) Creditors for Capital Goods		51,88,019	17,38,805
(ii) Security Deposits		9,19,912	7,27,344
(iii) Earnest Money Deposits		4,08,950	3,38,850
(iv) Sundry Creditors for Expenses: Due to others		10,72,479	<u>7,90,201</u>
(v) Other Liabilities Due to Indian Oil Corporation Limited	2,16,16,195		-
Due to others	<u>83,30,822</u>		<u>75,71,303</u>
		<u>2,99,47,017</u>	<u>75,71,303</u>
TOTAL:		<u>3,75,36,377</u>	<u>1,11,66,503</u>
<b>b) PROVISIONS:</b>			
Taxation		2,11,25,000	1,31,25,000
Proposed Dividend		<u>4,00,000</u>	<u>4,00,000</u>
TOTAL:		<u>2,15,25,000</u>	<u>1,35,25,000</u>

**Schedules Annexed to and Forming Part of the Profit and Loss Account  
For the year ended 31st March, 1990**

**SCHEDULE-VII**

**THROUGHPUT, BLENDING AND MANUFACTURING CHARGES:**

Throughput, Blending and Manufacturing Charges		9,20,89,575	7,48,26,515
Less: Operational loss		-	<u>1,86,560</u>
TOTAL:		<u>9,20,89,575</u>	<u>7,46,39,955</u>
<b>OTHER INCOME:</b>			
Reimbursement of LTA Expenses in lieu of blending fees		39,60,000	-
Interest:			
On Staff Loans	8,44,660		7,98,340
On Deposits	<u>3,77,735</u>		<u>3,48,504</u>
		12,22,395	<u>11,46,844</u>
Profit on Sale of Asset		2,64,030	1,46,947
Testing Fees		8,95,895	-
Miscellaneous Income		1,21,551	2,15,903
TOTAL :		<u>64,63,871</u>	<u>15,09,694</u>



	Rupees	Rupees	1989 Rupees
<b>SCHEDULE– VIII</b>			
<b>OPERATING AND OTHER EXPENSES:</b>			
Payments to & Provisions for Employees:			
a) Salaries, Wages, Allowances and Bonus	3,81,25,070		3,06,13,173
b) Contribution to Employees, Provident Fund and Other Funds	19,61,201		15,77,031
c) Gratuity	5,59,638		3,55,151
d) Staff Welfare Expenses	93,80,205		75,03,868
		5,00,26,114	4,00,49,223
Fuel, Power & Water Charges		68,72,779	62,64,360
Stores and Spare Parts Consumed		12,62,818	9,01,883
Rent		9,85,556	9,24,935
Rates, Taxes and Licences		4,46,169	3,55,698
Material Handling Expenses		9,53,778	8,41,061
Repair & Maintenance to:			
a) Buildings	19,12,874		10,90,509
b) Plant & Machinery	18,09,785		15,17,036
c) Railway Siding	2,79,065		1,86,503
d) Others	6,42,078		5,50,472
		46,43,802	33,44,520
Insurance		1,18,989	1,09,600
Travelling & Conveyance		12,04,652	8,54,289
Motor Vehicle Expenses		2,81,340	2,52,078
Printing & Stationery		5,90,353	4,66,934
Postage, Telegram & Telephones		9,61,808	7,49,031
Legal & Professional Charges		29,175	35,271
Donation		–	351
Loss on sale/scraping of Assets		–	144
Auditros' Remuneration:			
Audit Fees	12,000		12,000
Tax Audit Fees	4,000		4,000
Out-of-Pocket Expenses	31,021		27,892
		47,021	43,892
General Expenses		21,22,167	18,18,606
TOTAL:		7,05,46,521	5,70,11,876



**SCHEDULE– IX****Schedule Annexed to and Forming Part of the Accounts for the year ended 31st March, 1990**

		1990	1989
1. Estimated amount of contracts to be executed on capital accounts and not provided for	Rupees	1,71,30,732	5,90,49,614
2. Claims against the Company, not acknowledged as debts.	Rupees	13,30,857	13,30,857
3. Additional information pursuant to 3,4, 4C & 4D of Part II to Schedule VI of the Companies Act, 1956:			
<b>(A) Turnover (Processing Fees):</b>			
Lube Blending	Kilolitres	3,84,419	3,57,206
	Rupees	8,26,50,159	6,71,54,456
Grease	Metric Tonnes	8,990	7,307
	Rupees	94,39,416	76,72,059
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.			
(B) Break-up of expenditure incurred during the year on employees in respect of remuneration aggregating to <b>Rs. 72,000</b> or more per year or <b>Rs. 6,000</b> p.m. when employed for a part of the year.			
(i) Employed throughout the year:			
Number of Employees		104	26
Salaries, Wages & Bonus	Rupees	86,23,671	20,66,600
Contribution to Provident and Other Funds	Rupees	4,49,384	1,25,743
(ii) Employed for part of the year:			
Number of Employees		6	1
Salaries, Wages & Bonus	Rupees	3,62,191	84,227
Contribution to Provident and Other Funds	Rupees	24,051	6,002
<b>(C) Remuneration to whole time Chairman &amp; Managing Director:</b>			
(a) Salary	Rupees	16,645*	74,258
(b) Provident & Other Funds	Rupees	–	6,002
(c) Other Perquisites	Rupees	–	9,969
		16,645	90,229

\*Arrears paid to Ex-CMD.

(The present incumbent nominated by the Holding Company did not draw any remuneration during the year)

	1990		1989	
<b>(D) Capacity and Production:</b>	Lubes (KL)	Grease (MT)	Lubes (KL)	Grease (MT)
(a) Licenced 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	3,84,419	8,990	3,57,206	7,307

Government approval for enhanced capacity of grease production of 11,000 MT p. a. has been obtained for the plant under resitment at New Bombay.

\*As certified by the Management and accepted by the Auditors without verification.



<b>(E) C.I.F. Value of Imports:</b>	1990	1989
	Rupees	Rupees
Spare Parts & Components	1,82,469	2,23,658
Capital Goods	56,54,631	2,84,258
<b>(F) Expenditure in Foreign Currency:</b>		
Subscription to Journals	16,439	10,752
Consumable Stores	—	—
Foreign Travel	66,782	52,560

**(G) Consumption of Spare Parts during the year:**

	1990		1989	
	Value Rupees	Percentage	Value Rupees	Percentage
Imported	4,34,138	27.91	1,05,767	7.56
Indigenous	11,21,571	72.09	12,94,087	92.44

4. Previous year's figures have been regrouped/rearranged/recast to conform to current year classificaton.
5. Figures in bracket indicate deductions.

**Signature to Schedule I to IX**

Sd/—  
(T.P. RAGHAVAN)  
Director-in-charge

Sd/—  
(M.N. LAMBAH)  
Financial Director

Sd/—  
(R.M. SODHI)  
Director

Sd/—  
(RAJU RANGANATHAN)  
Secretary

As per our report of even date  
For BHUTA BUCH & ASSOCIATES  
(Chartered Accountants)

Bombay  
Dated : 3rd July, 1990

Sd/—  
(Partner)



# Annexure

## Form-A (See Rule 2)

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

#### A. POWER AND FUEL CONSUMPTION

	Bombay Plant		Calcutta Plant	
	Current Year	Previous Year	Current Year	Previous Year
	1989-90	1988-89	1989-90	1988-89
<b>1. ELECTRICITY:</b>				
a) Purchased:				
Unit (KW)	15,13,080	14,04,490	7,71,890	7,85,510
Total amount (Rupees/lacs)	21.67	17.87	13.73	12.22
Rate/Unit (Rupees)	1.43	1.27	1.78	1.55
h) Own Generation:				
i) Through Diesel Generator:				
Unit (KW)	NIL	NIL	12,830	13,360
Units per ltr. of Diesel Oil	NIL	NIL	2.049	1.982
Cost/Unit (Rupees)	NIL	NIL	1.717	2.12
ii) Through Steam Turbine/Generator:				
Units	NIL	NIL	NIL	NIL
Units per ltr. of Fuel Oil/Gas	NIL	NIL	NIL	NIL
Cost/Unit	NIL	NIL	NIL	NIL
<b>2. COAL (Specify quantity and where used):</b>				
Qty. (Tonnes)	NIL	NIL	NIL	NIL
Total Cost	NIL	NIL	NIL	NIL
Avg. Rate	NIL	NIL	NIL	NIL

# Annexure *Contd...*

	Bombay Plant		Calcutta Plant	
	Current Year	Previous Year	Current Year	Previous Year
	1989-90	1988-89	1989-90	1988-89
<b>3. FURNACE OIL/LDO:</b>				
Qty. (KL)	577.27	570.39	138.22	146.22
Total Amount (Rs. lakhs)	19.44	19.55	4.83	5.06
Avg. Rate (Rs. per KL)	3.367.56	3.427.48	3.439.85	3.460.53
<b>4. OTHERS/INTERNAL GENERATION:</b>				
Qty.	NIL	NIL	NIL	NIL
Total Cost	NIL	NIL	NIL	NIL
Rate/Unit	NIL	NIL	NIL	NIL

## B. CONSUMPTION PER UNIT OF PRODUCTION:

Products (with if any details unit)	Standards if any	Bombay Plant		Calcutta Plant			
		Current Year 1989-90	Previous Year 1988-89	Current Year 1989-90	Previous Year 1988-89		
		Lubes	Greases	Lubes	Greases	Lubes	Lubes
Electricity (KL/KW)	-	0.265	0.015	0.250	0.013	0.19	0.18
Furnace Oil (KL/Litre)	-	1.140	0.025	1.000	0.020	0.959	1.008
Coal (Specify Qty.)	-	NIL	NIL	NIL	NIL	NIL	NIL
Others (Specify)	-	NIL	NIL	NIL	NIL	NIL	NIL

**Form-B**  
(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION RESEARCH AND DEVELOPMENT (R&D):**

- |                                                              |   |
|--------------------------------------------------------------|---|
| 1. Specific areas in which R&D carried out by the Company :  | — |
| 2. Benefits derived as a result of the above R&D :           | — |
| 3. Future plan of action:                                    | — |
| 4. Expenditure on R&D:                                       |   |
| (a) Capital:                                                 | — |
| (b) Recurring:                                               | — |
| (c) Total                                                    | — |
| (d) Total R&D expenditure as a percentage of total turnover: | — |

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

- |                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. :                                                                          | Oil level measurement of base stock storage tanks is being carried out by microprocessor Based Auto Level Gauge System. This is a Japanese Technology adapted without any foreign exchange outgo, by indigenously developed systems.<br><br>Load cell based Auto Batch Blending Systems are being installed at Bombay and Calcutta Plants. This is a German Technology without any foreign exchange outgo, by indigenously developed systems. |
| 2. Benefits derived as a result of the above: efforts e.g. product improvement, cost reduction, product development, import substitution etc.:                  | Auto Level Gauge system will integrate field operation with management information services. Stock losses can be monitored and controlled.<br><br>Load cell based Auto Batch System will result in lesser time of blending operation, improved monitoring and control of stock loss leading to savings and as a result, better quality of product and improved productivity.                                                                  |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (a) Technology imported:                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (b) Year of import:                                                                                                                                             | —                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (c) Has technology been fully absorbed?:                                                                                                                        | —                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action:                                                 | —                                                                                                                                                                                                                                                                                                                                                                                                                                             |

# CAG Comments

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## **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, Bombay for the year ended 31st March, 1990.**

The Comptroller and Auditor General of India has decided not to review the Auditors' Report on the accounts of Indian Oil Blending Limited, Bombay for the year ended 31st March, 1990 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956.

Sd/-  
(A. KRISHNA RAO)  
Principal Director of Commercial Audit  
& Member, Audit Board-II, Bombay

Bombay

Dated: 18th July, 1990

