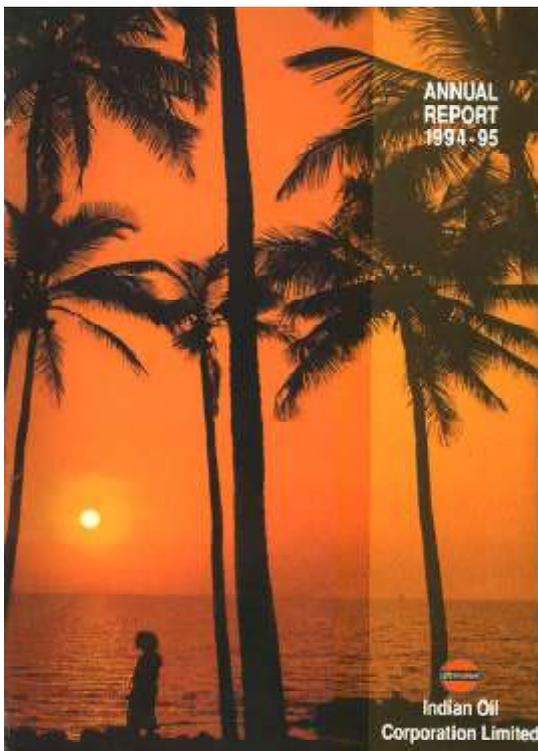
The background of the cover is a photograph of a tropical beach at sunset. The sky is a deep orange, and the sun is a bright yellow circle on the horizon. Several tall palm trees are silhouetted against the sky. In the foreground, a person is silhouetted against the ocean, looking out at the water.

**ANNUAL
REPORT
1994-95**



**Indian Oil
Corporation Limited**



The sun. The shimmering sea. Tall trees reaching out to the sky. And man. Making giant strides. Aided by the power of petroleum. And Indianoil. With a commitment to preserve Nature. Working towards new horizons, new challenges. With a vision beyond tomorrow.



Indian Oil Corporation Limited

Incorporated in 1959 as Indian Oil Company Limited, it became a Corporation in 1964 when the Indian Refineries Limited (Estd. 1958) was merged with the company.

Indianoil is not only the largest commercial undertaking in the country but is the only Indian company in the 1995 Fortune 'Global 500' ranking of the world's largest industrial and service companies. Among the petroleum refining companies, it is ranked at 30th place by sales and 19th by profits.

Among the top Asian companies, Indianoil is ranked 62nd by sales in the "Asiaweek 1000." In the industrywise listing, Indianoil is ranked 8th by sales in the oil and gas category.

Indianoil continues to be the canalising agency for import of crude oil and major petroleum products on behalf of the oil industry in India.

Indianoil owns and operates six of the country's 13 refineries. Their combined refining capacity of 24.55 million tonnes per annum represents 44.5% of the national refining capacity. A six million tonnes per annum grassroots refinery being set up at Panipat in north-west India will be commissioned in 1997-98. Another six million tonnes per annum grassroots refinery is planned on the east coast.

Indianoil operates a vast network of pipelines for transporting crude oil and petroleum products across the country. A major product pipeline from Kandla in the State of Gujarat to Bhatinda in the State of Punjab is presently under installation.

For customer convenience, Indianoil has been taking petroleum products as close to consumption centres as possible. It has set up an infrastructure of 16,418 sales points across the country. In addition, there are 93 aviation fuel stations for national and international aircraft. For regular supplies to sales points, there are 166 terminals and bulk storage depots and 33 LPG bottling plants. Currently, over 55% of the petroleum products consumption is met by Indianoil.

Indianoil is the only oil company in the country whose 22 units have so far been awarded ISO accreditation. ISO-9001 has been earned by the R&D Centre, while ISO-9002 certification has been secured by two refineries, all pipelines, three lube blending plants and one grease plant, four aviation fuel stations in the metros and one upcountry, and the four quality control laboratories at Calcutta, Madras, Shakurbasti and Bijwasan.

Indianoil is constantly innovating and upgrading its technology in the customers' interest in all its operations, products and services. It has signed Memoranda of Understanding with several companies to expand its area of operations and retain its edge in technology. These include a joint venture company for exploration & production and marketing of products of several planned refineries. Two joint venture companies—Indo Mobil Private Limited and Avi Oil India—were formed earlier.

Indianoil's Research & Development Centre has developed nearly 1,500 lubricant formulations. Over 95% of Indianoil's Servo range of lubricants have been developed by the R&D Centre. National and international equipment builders have approved the lubricant formulations developed by the R&D Centre. The titanium complex grease has been granted a patent in the USA.



Contents

● Board of Directors	9
● Principal Executives	10
● Performance at a Glance	14
● Directors' Report	16
● Corporate Review	16
● Refineries	19
● Pipelines	22
● Marketing	23
● International Trade	29
● Research & Development	30
● Assam Oil Division	31
● Projects	31
● Human Resources	38
● Annexures to Directors' Report	43
● Annual Accounts	50
● Report of the Auditors	50
● Statement on Accounting Policies	53
● Balance Sheet	56
● Profit & Loss Account	58
● Schedules	61
● Income & Expenditure Account—Townships etc.	96
● CAG Review / Comments	97
● Annual Report IOBL	105



Indian Oil Corporation Limited

Registered Office : Indianoil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Bombay - 400 051

36th Annual Report

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



Corporate Mission

- 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.



Objectives and Obligations

OBJECTIVES

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

OBLIGATIONS

Towards customers and dealers

- To provide prompt, courteous and efficient service and quality products at fair and reasonable prices.

Towards suppliers

- To ensure prompt dealings with integrity, impartiality and courtesy and to promote ancillary industries.

Towards employees

- Develop their capability and advancement through appropriate training and career planning.
- Expeditious redressal of grievances.
- Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies in keeping with public sector philosophy.



Towards community

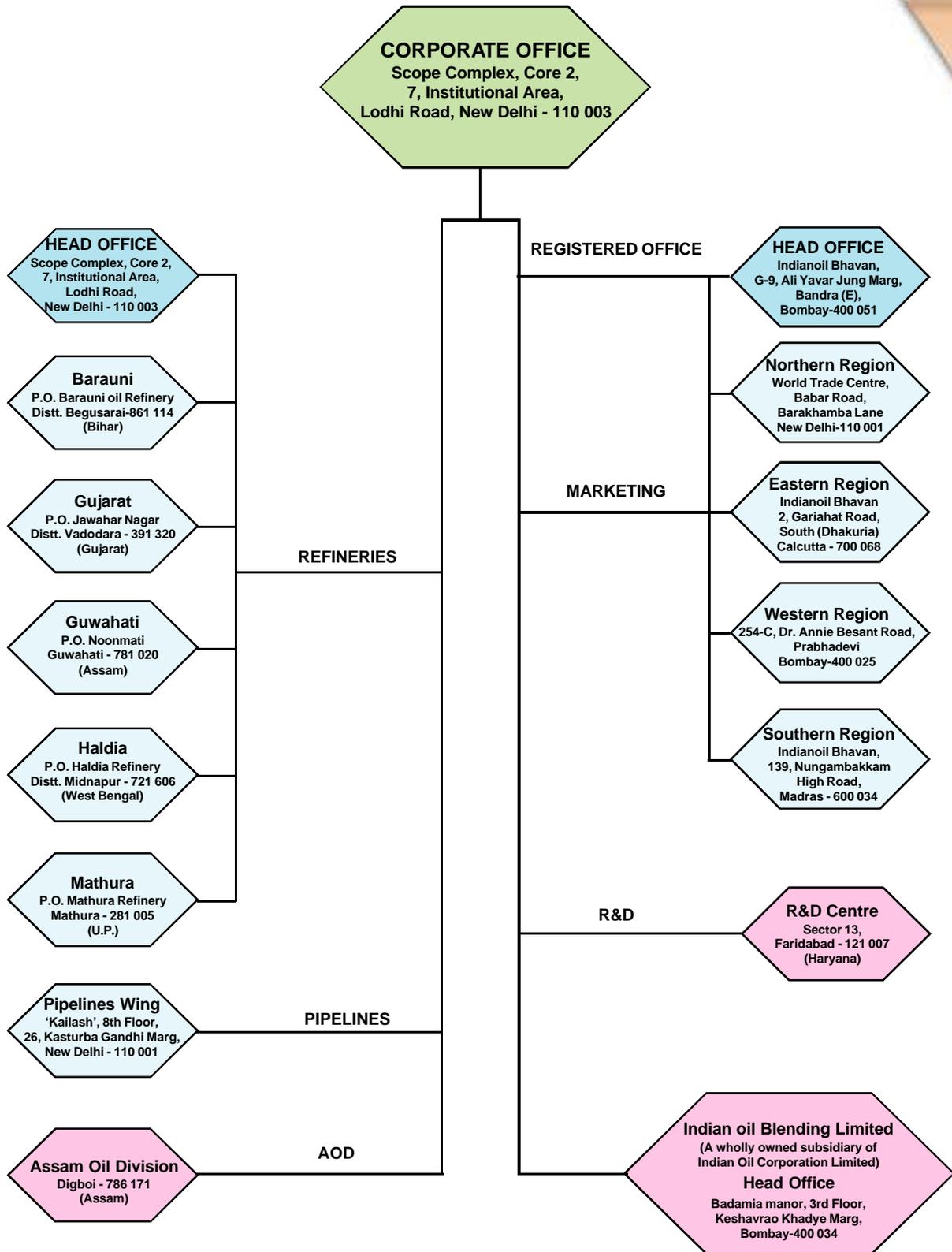
- To ensure quality products through proper distribution at fair prices to the people.
- To develop techno-economically viable products for the benefit of the people. :
- To encourage progressive indigenous manufacture of products and materials so as to substitute imports.
- To avoid and control environmental pollution in its manufacturing plants and townships 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

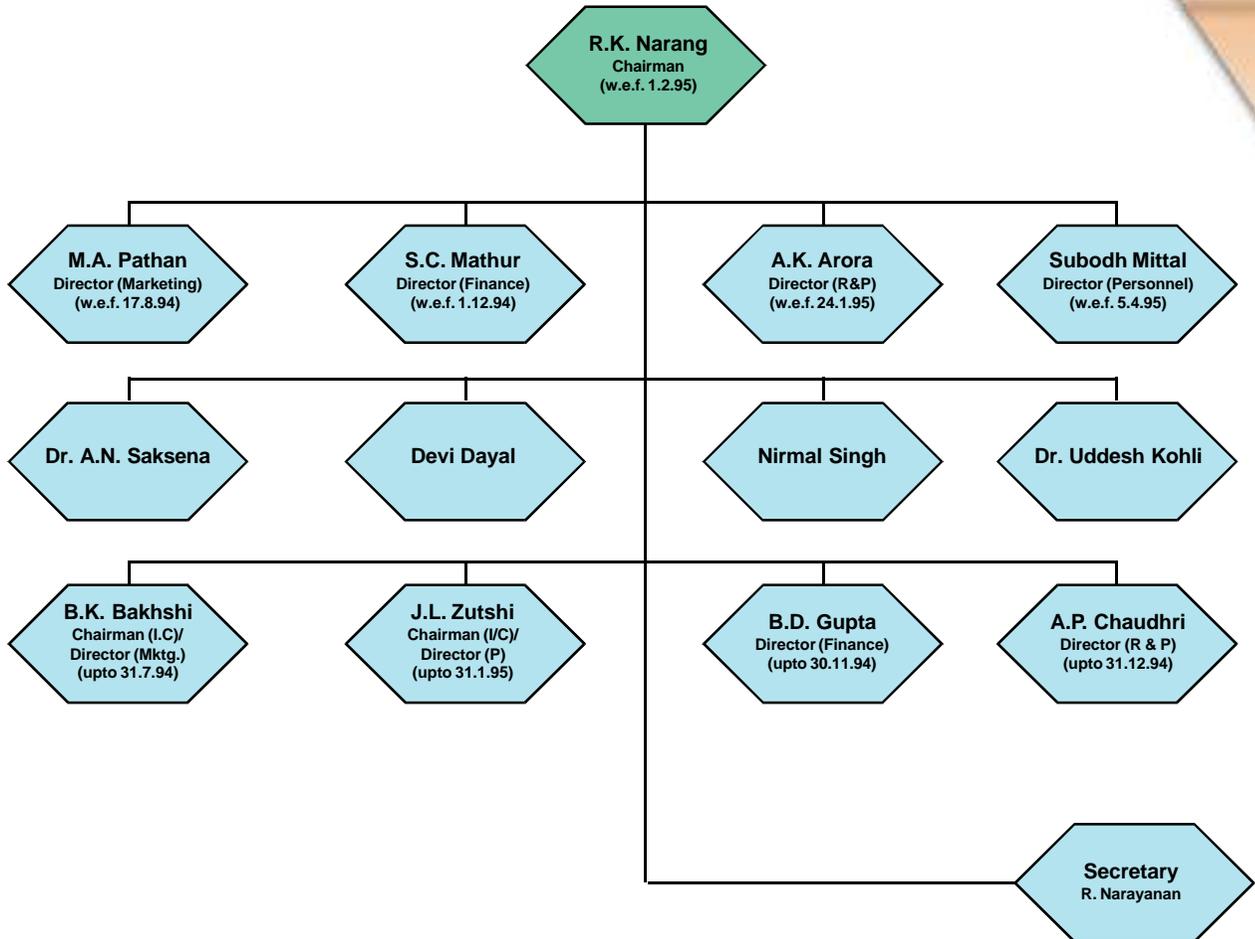
- To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.
- To ensure maximum economy in expenditure.
- To generate sufficient internal resources for financing partly/wholly expenditure on new capital projects.
- To develop long-term corporate plans to provide adequate growth of the activities of the Corporation.
- To continue to make an effort in bringing a reduction in 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.



Major Units



Board of Directors



Dr. A. N. Saksena



From left to right : Mr. Subodh Mittal, Mr. M.A. Pathan, Mr. R.K. Narang, Mr. S.C. Mathur and Mr. A.K. Arora



Mr. Nirmal Singh



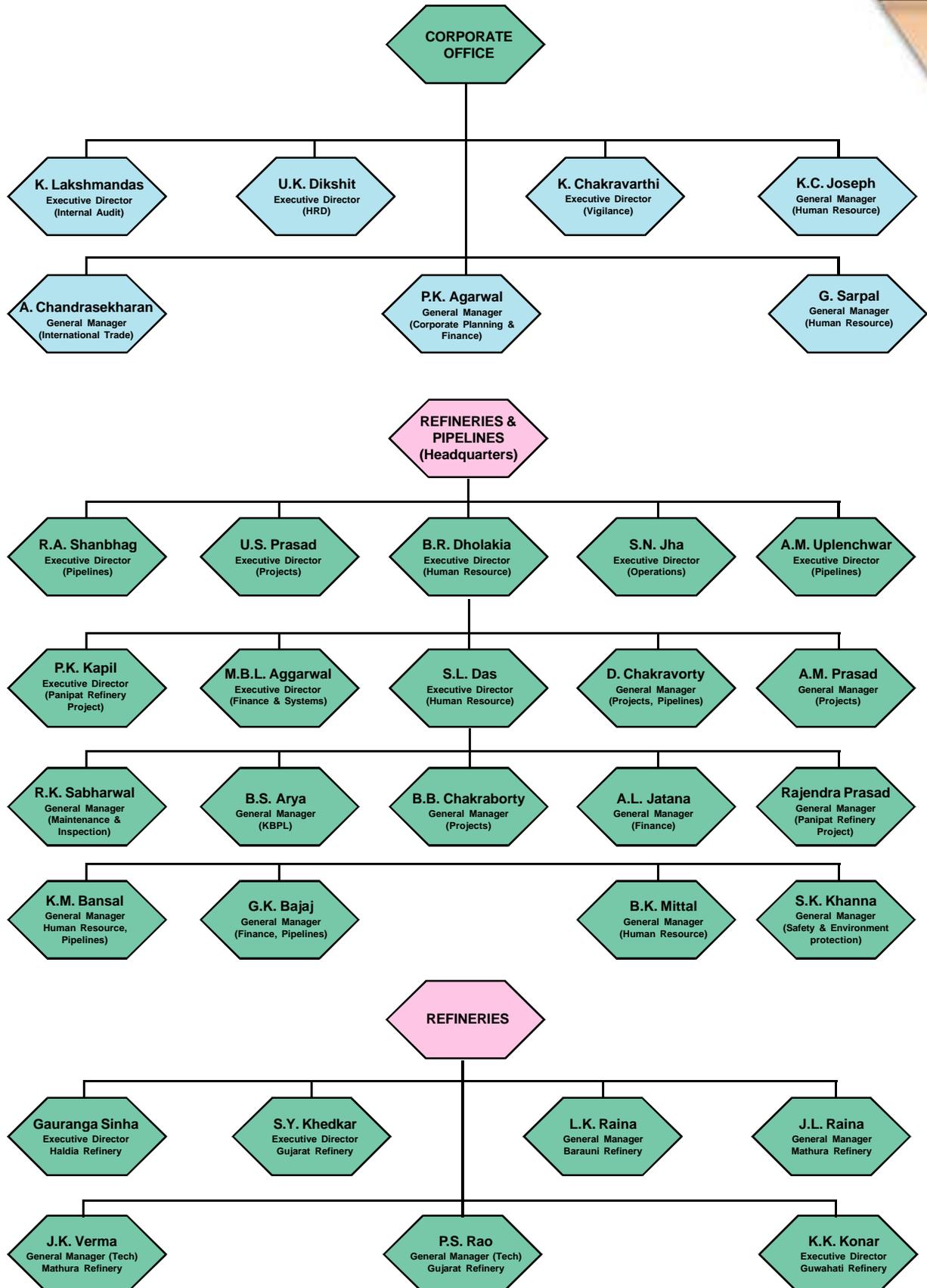
Mr. Devi Dayal

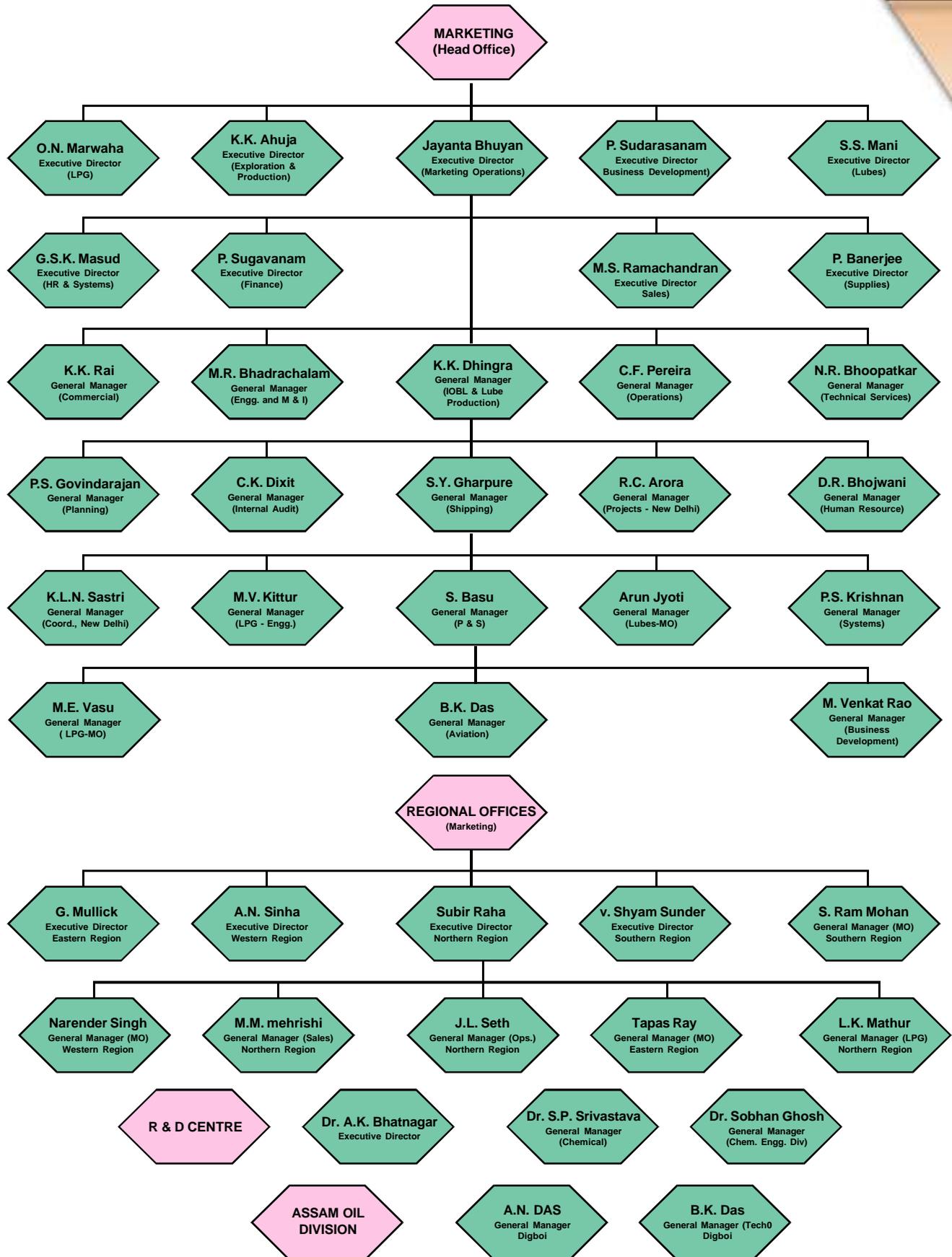


Dr. Uddesh Kohli

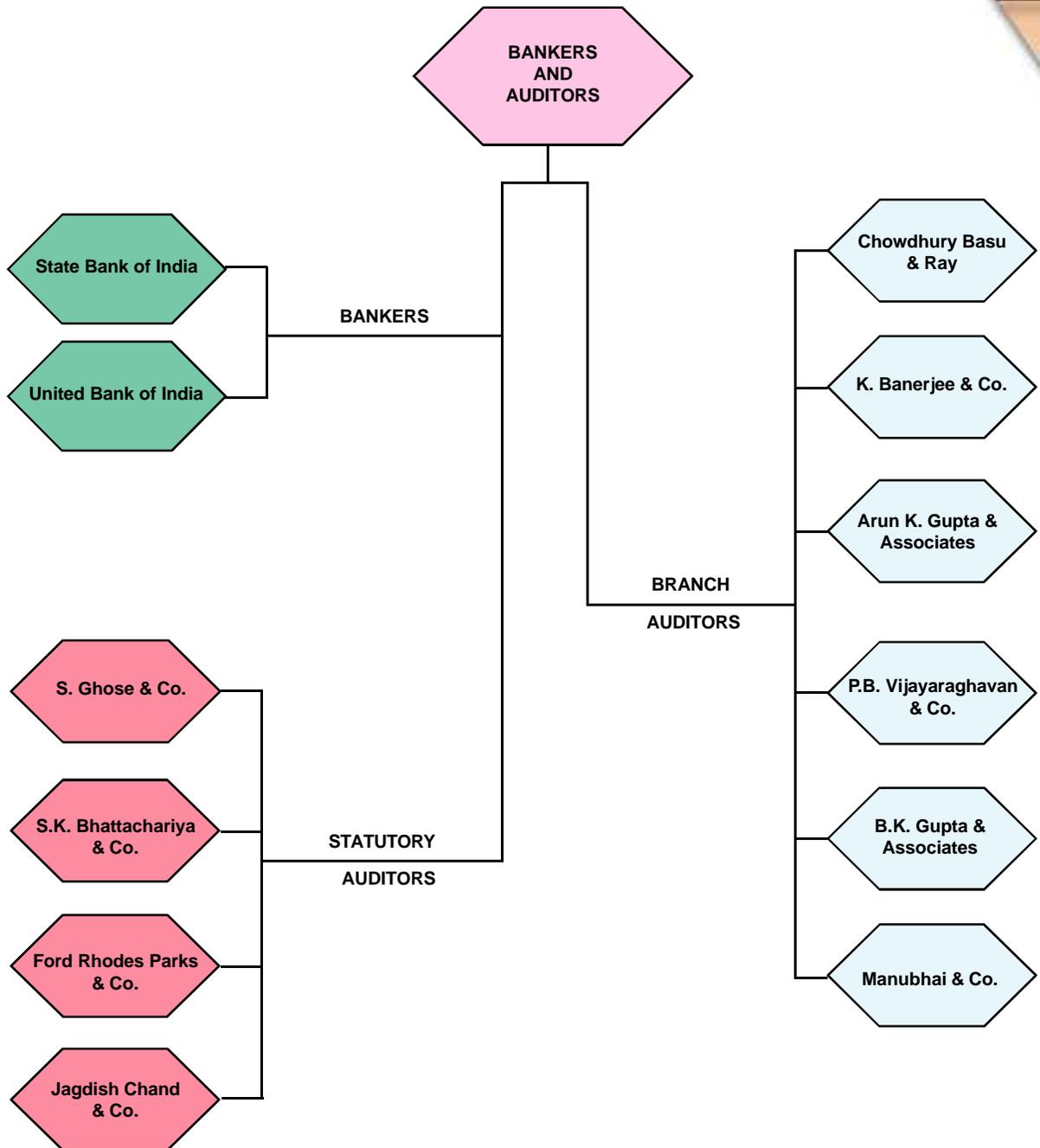


Principal Executives





Bankers and Auditors



NOTICE is hereby given that the 36th Annual General Meeting of the Members of INDIAN OIL CORPORATION LIMITED will be held at Rang Sharda Auditorium, Bandra Reclamation, Bandra (West), Bombay 400 050 on Friday, September 29, 1995 at 1100 hrs. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 1995 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors.
2. To declare dividend.
3. To appoint a Director in place of Dr. Uddesh Kohli, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. A.N. Saksena, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Devi Dayal, who retires by rotation and, being eligible, offers himself for reappointment.

By Order of the Board



R. Narayanan
Company Secretary

August 17, 1995

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) Members are requested to notify immediately, change in their address, if any, to the Secretary, Indian Oil Corporation Limited, Indian oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Bombay- 400 051 quoting their Folio Number, to ensure prompt receipt of dividend warrants.
- (c) The Share Transfer Book and the Register of Members of the Company will be closed from Wednesday, September 20, 1995 to Thursday, September 28, 1995 (both days inclusive).
- (d) The dividend payable on Equity Shares, subject to deduction of tax, if sanctioned by the members, will be paid to those members whose names appear on the Company's Register of Members on Thursday, September 28, 1995.

However, allottees of the Employee Issue will not be entitled to any dividend declared as per the terms of the Employee Issue.
- (e) In terms of the provisions of Section 194 of the Income-Tax Act, 1961, no deduction of tax will be made in the case of resident individual Members who are likely to receive dividend of not more than Rs. 2500/-. Members who are also otherwise eligible for tax-exemption may file the tax exemption certificate or declaration as per Section 192(4) of the Income Tax Act or Declarations in Form 15G, in duplicate, to ensure that the certificate or declaration reaches Indian Oil Corporation Limited, G-9, Ali Yavar Jung Marg, Bandra (East), Bombay - 400 051 on or before Wednesday, September 25, 1995.
- (f) In terms of the Income Tax Rules, the tax deduction certificate should contain the Permanent Account Number of the person to whom the certificate is issued. For this purpose, the Permanent Account Number may be furnished to Indian Oil Corporation Limited, Indian oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Bombay - 400 051.

Performance at a Glance

	(Rs. Crores)				
	1994-95	1993-94	1992-93	1991-92	1990-91
I. FINANCIAL					
Turnover	28,918	23,726	24,436	20,825	19,508
Gross Profit*	2,357	1,842	1,511	1,784	1,774
Profit before Interest & Tax	1,940	1,520	1,266	1,700	1,559
Profit before Tax	1,370	964	935	1,085	907
Profit after Tax	1,019	772	677	787	730
Dividend	105	49	49	41	27
Retained Earnings	914	723	628	746	703
* Profit Before Depreciation, Interest Expenditure and Tax					
WHAT CORPORATION OWNS					
Gross Fixed Assets	5,938	5,239	4,280	3,482	3,150
Depreciation	3,058	2,662	2,366	2,133	2,059
Net Fixed Assets	2,880	2,577	1,914	1,349	1,091
Capital Works in Progress	2,628	1,326	1,148	1,135	706
Investments	3,857	3,858	3,722	4,153	6,466
Working Capital	2,608	4,412	4,383	1,313	2,441
Total	11,973	12,173	11,167	7,950	10,704
WHAT CORPORATION OWES					
Net Worth					
- Share Capital	389**	123	123	123	123
- Reserves	6,217	5,550	4,827	4,200	3,453
- Total	6,606	5,673	4,950	4,323	3,576
Borrowings	5,367	6,500	6,217	3,627	7,128
Total	11,973	12,173	11,167	7,950	10,704
** Includes share application money (Rs 19 crores) from employees pending allotment.					
RATIOS					
Debt Equity Ratio	0.28:1	0.19:1	0.27:1	0.25:1	0.13:1
Earnings Per Share (Rupees)***	27.56	6,263	5,492	6,383	5,923
Profit after Tax to Average Networth(%)	16.6	14.5	14.6	19.9	22.6
Networth per Equity Share (Rupees)***	178.11	46,024	40,159	35,069	29,014
*** Face value per share in 1994-95 is Rs 10 and for earlier years Rs 1,000.					
FUND FLOW STATEMENT					
Sources of Funds					
- Profit after Tax	1,019	772	677	787	730
- Depreciation	397	296	232	74	207
- Unsecured Borrowings	(857)	296	1,970	(3,629)	1,934
- Secured Borrowings	(276)	(13)	619	128	(248)
Total	301	1,351	3,498	(2,640)	2,623
Utilisation of Funds					
- Dividend	105	49	49	41	27
- Capital Expenditure	2,001	1,137	811	760	599
- Increase in Working Capital	(1,804)	29	3,070	(1,128)	841
- Investments	(1)	136	(432)	(2,313)	1,156
Total	301	1,351	3,498	(2,640)	2,623



VALUE ADDED STATEMENT	(Rs. Crores)				
	1994-95	1993-94	1992-93	1991-92	1990-91
Generation					
- Production & Operation	2,472	2,066	1,699	1,493	1,439
- Investment & Interest Earning	407	401	405	823	829
- Prior Year & Extraordinary	454	20	117	97	23
Total	3,333	2,487	2,221	2,413	2,291
Distribution					
- Reinvestment in Business	1,331	1,045	872	830	918
- Financing Cost	675	584	417	694	679
- Employees' Benefits, Operating and other Costs	976	666	674	591	517
- Corporate Tax	351	192	258	298	177
Total	3,333	2,487	2,221	2,413	2,291
Contribution to Central Exchequer	5,673	4,760	4,696	4,275	4,062
Cumulative Dividend Distributed	544	439	390	341	300

II. OPERATIONS

Operating Performance

Product Sales	Million Tonnes	36.25	33.44	32.98	32.37	31.42
Refineries Throughput	Million Tonnes	25.16	24.75	24.31	24.29	23.74
Pipelines Throughput	Million Tonnes	24.47	24.13	23.62	22.51	21.36

Marketing Network & Facilities

Divisional Offices	Nos.	44	42	42	42	42
LPG Area Offices	Nos.	32	31	31	31	31
Terminals and Depots	Nos.	166	162	161	158	154
Aviation Fuel Stations	Nos.	93	89	89	87	86
Total Product Tankage	Lakh kl	42.97	41.80	40.49	37.66	36.46
LPG Bottling Plants	Nos.	33	32	29	29	27
LPG Bottling Capacity	'000 Tonnes	1,192	1,152	1,038	1,026	1,004
Retail Outlets	Nos.	6,284	6,021	5,899	5,892	5,880
SKO/LDO Dealers	Nos.	3,284	3,208	3,183	3,175	3,165
Indane Distributors	Nos.	2,418	2,206	2,132	2,069	1,999
Multi Purpose Distribution Centres (MPDC)	Nos.	231	231	231	231	231
Towns with Indane	Nos.	1,178	1,133	1,087	1,062	1,015
Indane Customers	Lakh	120	108	100	94	88

III. MANPOWER

Nos.	33,589	34,035	33,829	33,434	33,303
------	--------	--------	--------	--------	--------



Directors' Report

To
The Indianoil Family of Shareowners

Dear Shareowners,

On behalf of the Board of Directors, I have great pleasure in presenting to you the 36th Annual Report on the working of the Corporation for the financial year ended 31 st March, 1995 along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India.

CORPORATE REVIEW

FINANCIAL

	(Rs Crore)	
	1994 95	1993 94
Turnover	28,918	23,726
Profit		
Profit before Interest,		
Depreciation and Tax	2,357	1,842
Interest payment	570	556
Depreciation	417	322
Profit before Tax	1,370	964
Tax provision	351	192
Profit after Tax	1,019	772
Investment Allowance Reserve (utilised) written back	139	—
Total Profit available for Appropriation	1,158	772
Appropriations		
Proposed Dividend	105	49
General Reserve	1,053	723

PHYSICAL

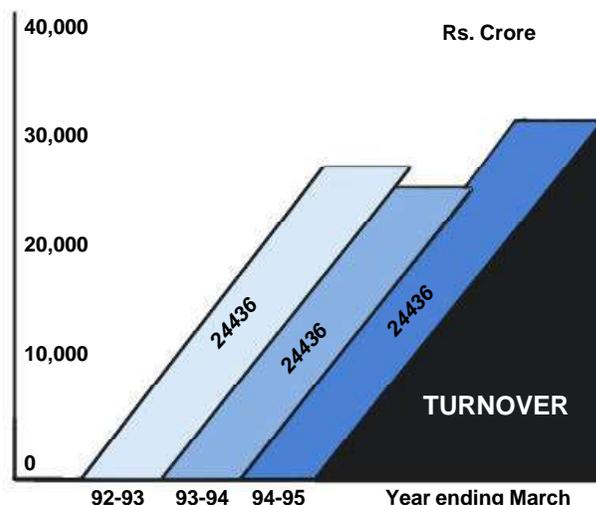
	(Million Tonnes)	
	1994-95	1993-94
Product Sales	36.25	33.44
Refineries' Throughput	25.16	24.75
Pipelines Throughput	24.47	24.13

MOU PERFORMANCE

For the sixth consecutive year, your Corporation attained an excellent rating, which is the highest performance rating according to laid down criteria in the Memorandum of Understanding signed with the Government of India.

TURNOVER

Your Corporation registered a sales turnover of Rs 28,918 crores during the year which is nearly 22% more as compared to Rs 23,726 crores during 1993-94.



A view of the coker unit at Guwahati refinery.





The FCC unit of Mathura refinery achieved over 100% capacity utilisation for the 10th consecutive year.

PROFIT

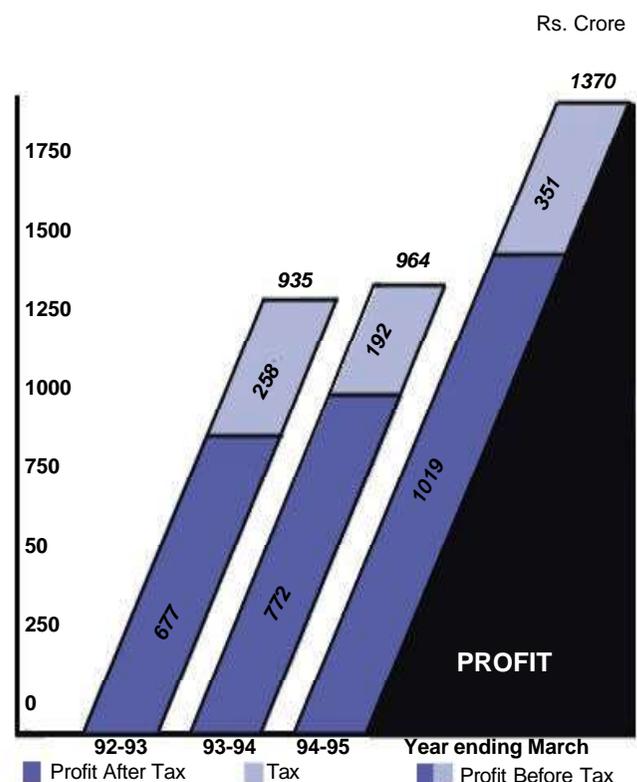
Your Corporation earned a profit after tax of Rs 1,019 crores during the year. This is 32% more than the net profit of Rs 772 crores during 1993-94. The profit after tax to average net worth percentage has gone up to 16.6 from 14.5 in the previous year. The earning per share is Rs 27.56 (post bonus) and the book value per equity share of Rs 10 is Rs 178.11. The latter is 16% more than the previous year's comparable figure.

DIVIDEND & BONUS SHARES

For the third consecutive year, your Directors have recommended a dividend of 40%. This will absorb an amount of Rs 104.69 crores as compared to Rs 49.31 crores during the previous year because of declaration of bonus shares in the ratio of two bonus shares for every share on September 8, 1994. The paid up capital of the Corporation has now gone up to Rs 369.8 crores from Rs 123.27 crores. Bonus shares had been issued earlier in 1981-82 in the ratio of one bonus share for every two shares.

This is the 29th consecutive year of dividend declaration by the Corporation. Till last year a cumulative dividend of Rs 439.28 crores has been

paid by the Corporation against the original equity of Rs 82.18 crores.



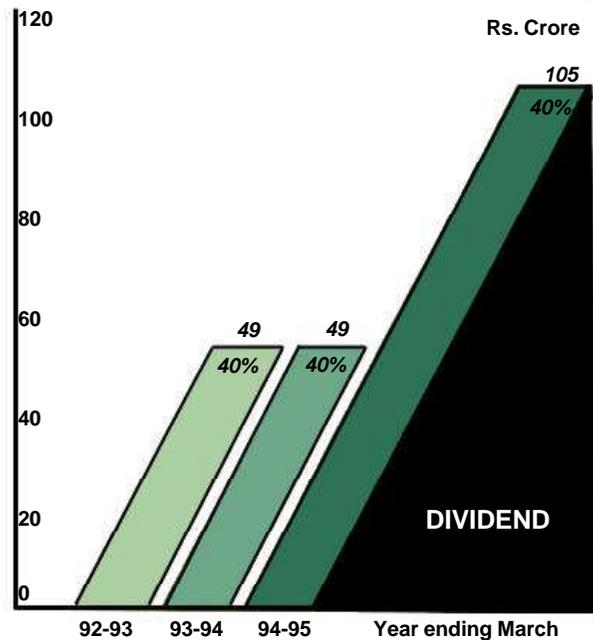
Directors' Report *Contd...*

DISINVESTMENT AND CAPITAL RESTRUCTURING

The Government of India disinvested 3.88% of its holding in your Corporation in two rounds in favour of Financial Institutions, Mutual Funds, banks, companies, individuals etc. To facilitate the process, the authorised capital of your Corporation was raised from Rs 150 crores to Rs 2,500 crores. Further, each share of face value Rs 1,000 was sub-divided into 100 shares of Rs 10 each. An amount of Rs 246.53 crores was capitalised from the General Reserve to enable issuance of bonus shares in the ratio of 2:1.

EMPLOYEES AS SHAREOWNERS

To enhance employee participation in the Corporation's growth, equity holding was offered to them for the first time. Accordingly, 195.4 lakh shares were allotted on 6th April, 1995 to eligible employees.



A pipeline pump station.





Distributed Digital Control Systems (DDCs) are being installed at IndianOil refineries in a phased manner.

CONTRIBUTION TO EXCHEQUER

Your Corporation contributed Rs 5,673 crores to the Central Exchequer in the form of duties and income tax alone during the year.

INTERNAL RESOURCE GENERATION

The internally generated resources (retained profit + depreciation) during the year amounted to Rs 1,311 crores as compared to Rs 1,019 crores in the previous year.

CAPITAL EXPENDITURE AND FINANCING

Your Corporation incurred a capital expenditure of Rs 2,001 crores during the year as compared to Rs 1,137 crores in 1993-94. Over 82% of the Corporation's fixed assets of Rs 8,567 crores as on 31st March, 1995 have been financed from internally generated resources.

PUBLIC DEPOSIT SCHEMES

There has been encouraging mobilisation of funds under the Public Deposit Schemes of your Corporation during the year under review. The deposits as on 31st March, 1995 amounted to Rs 575.74 crores as compared to Rs 250.92 crores in the previous year. A system of issuing post-dated interest warrants to depositors for a financial year in advance was introduced during the year to improve customer service.

EXPORT EARNINGS

Your Corporation earned Rs 1,928.08 crores during the year through exports. This includes foreign exchange earned through supply of aviation fuel to international airlines, bunker fuel and marine Lubricants to both foreign and Indian flag vessels on

foreign runs at Indian ports.

QUALITY ASSURANCE

Your Corporation has consistently placed great importance on quality assurance to its customers in its products and services. The Total Quality Management initiative launched resulted in your Corporation becoming the first and so far the only oil refining and marketing company in India to earn the ISO-9001/ISO-9002 accreditation.

During 1994-95, the R&D Centre at Faridabad secured ISO-9001 certification. The ISO-9002 accreditation was accorded to four metro and one upcountry aviation fuel stations, five crude oil and product pipelines, Haldia refinery, all three lube blending and the grease plant, and two central quality control laboratories at Calcutta and Madras. Later, the remaining product pipeline (GSPL), Gujarat refinery and three other quality control laboratories at Bombay, Shakurbasti and Bijwasan (Delhi) also secured ISO-9002 certification.

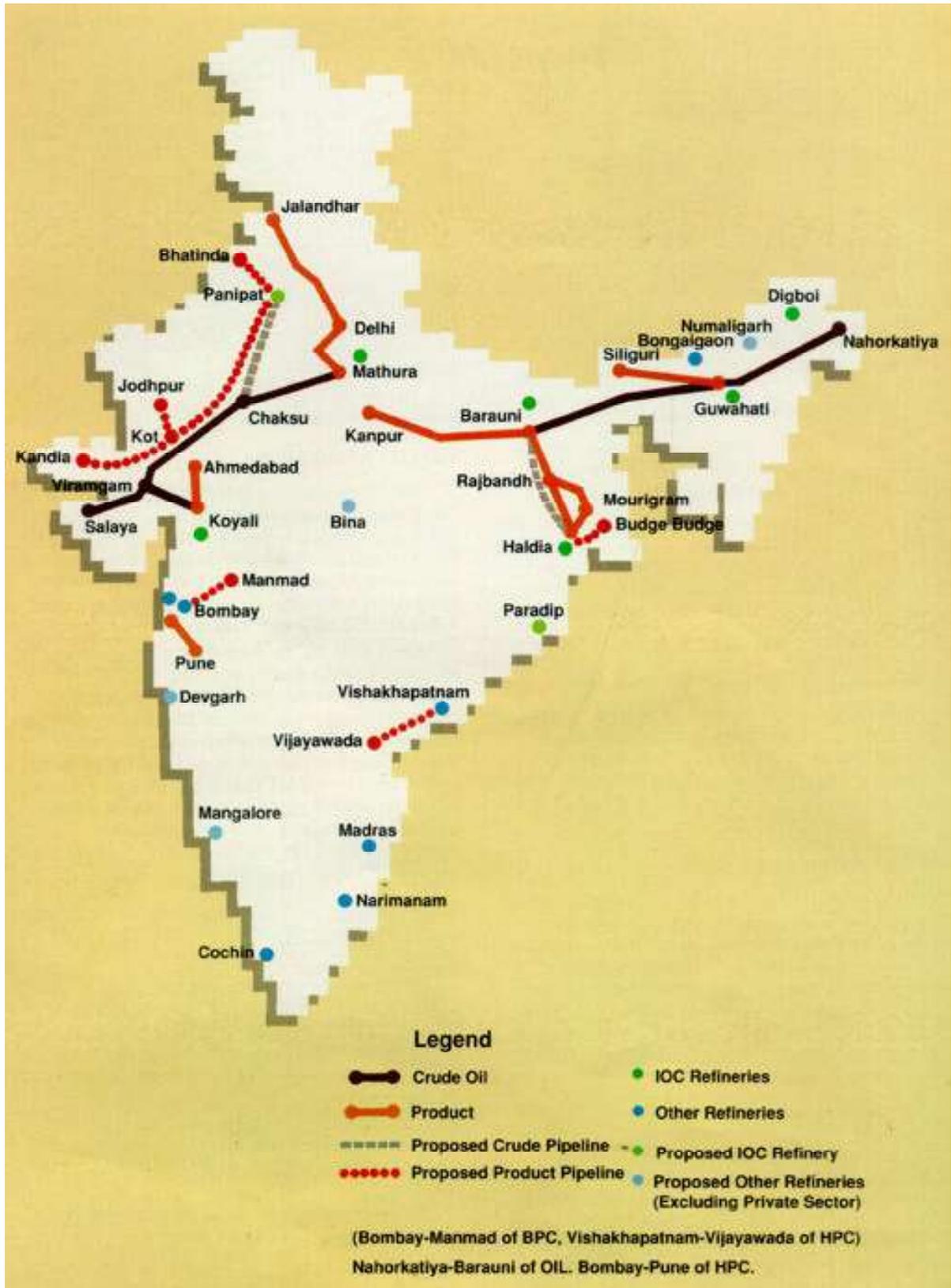
OPERATIONS

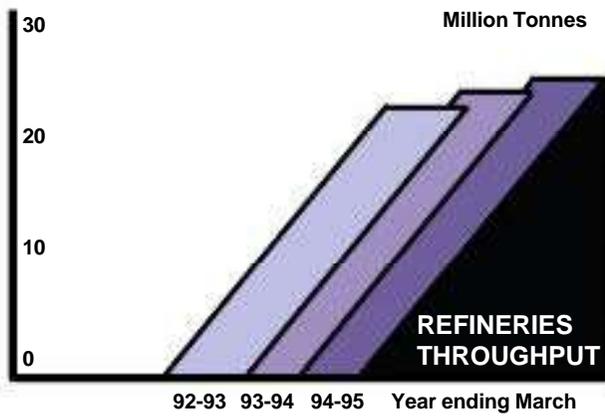
REFINERIES

For the second year in succession, your Corporation's six refineries at Guwahati, Digboi, Barauni, Gujarat, Haldia and Mathura collectively achieved over 100% capacity utilisation. By registering the highest ever crude oil throughput of 25.16 million tonnes the refineries attained 103% capacity utilisation. The throughput also surpassed the MOU, target of 24.6 million tonnes despite major shortfalls in crude supplies to Barauni and Guwahati refineries.

The refineries also achieved record production of LPG, motor spirit, ATF and bitumen.

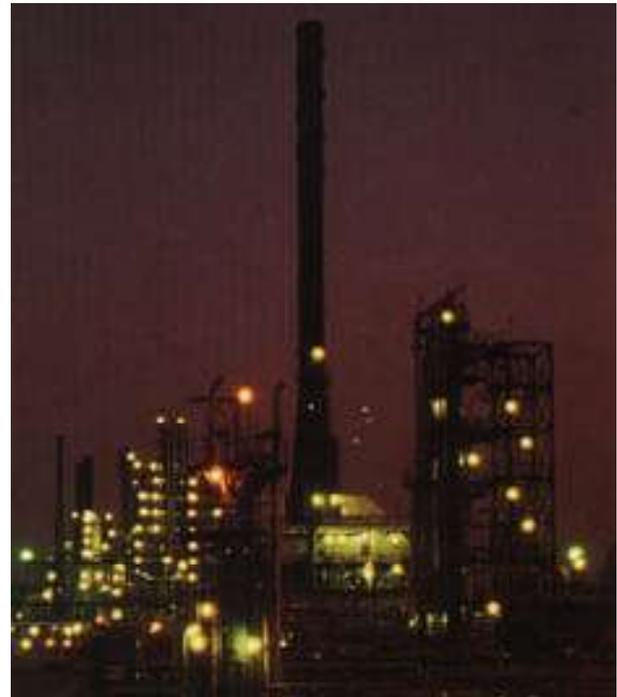
Refineries and Major Inland Pipelines





For the 10th consecutive year, the Fluid Catalytic Cracking Units (FCCU) at Gujarat and Mathura refineries achieved over 100% capacity utilisation.

Production of Lube Oil Base Stocks at Haldia reached an all time high of 189,400 tonnes.



The 9.5 MMTPA refinery in Gujarat is the largest in the country.

Product storage capacity is being steadily augmented.



Directors' Report *Contd...*

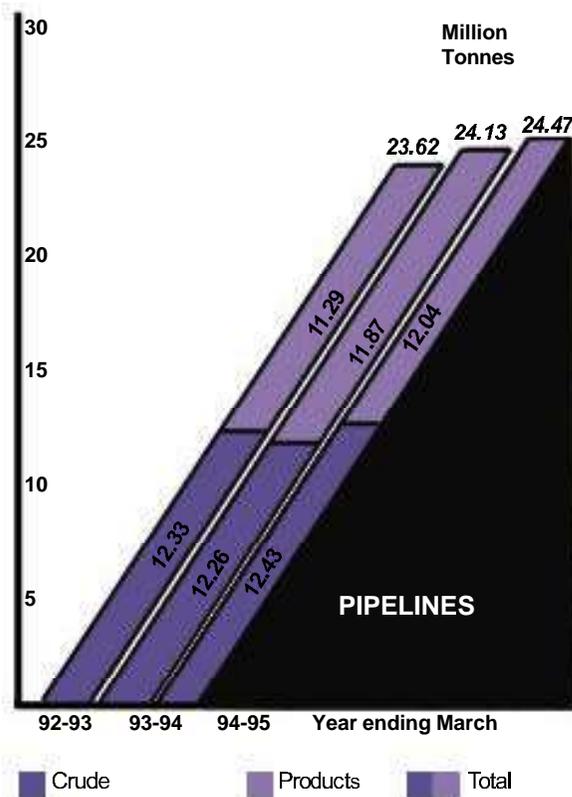
PIPELINES

The 3850 km pipeline network of your Corporation transported 24.47 million tonnes of crude oil and petroleum products during the year, thereby exceeding the MOU target of 23.3 million tonnes.

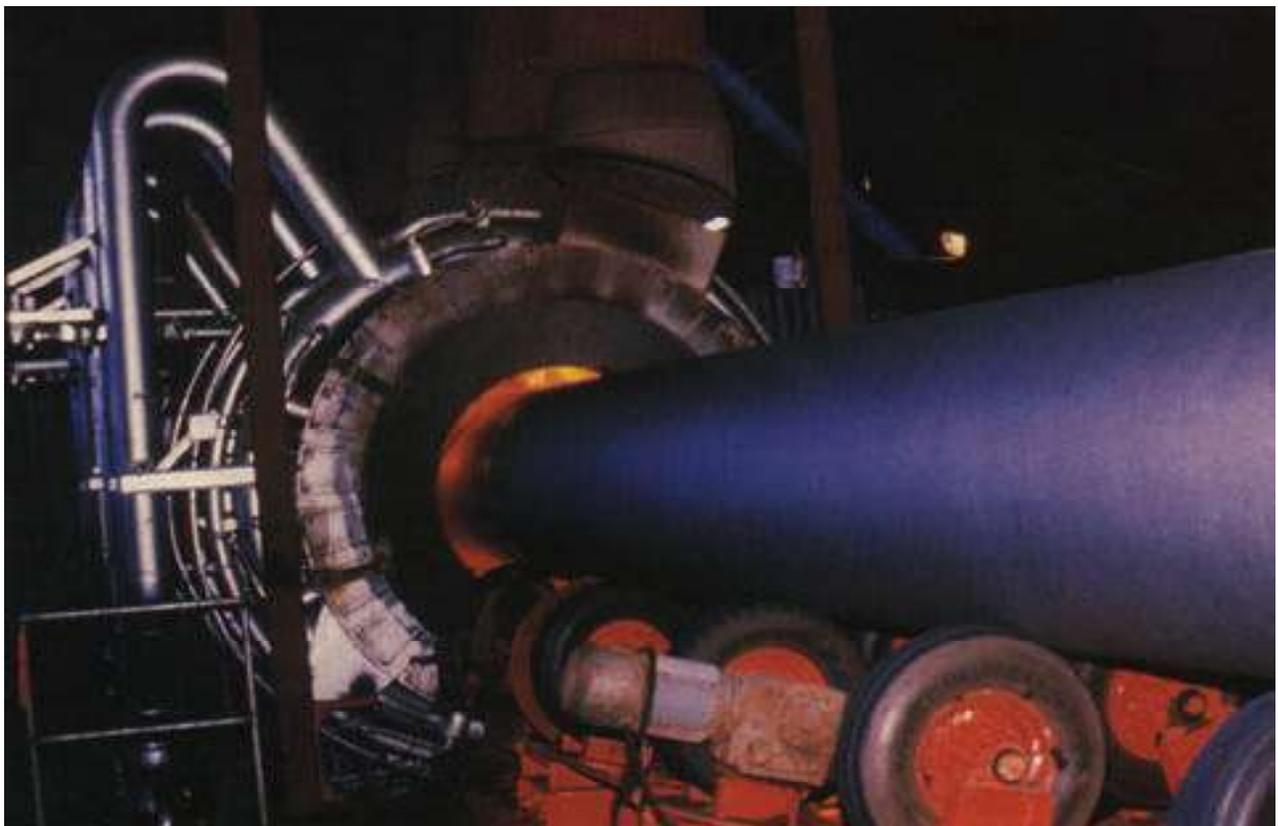
Maintenance and Inspection

Your Corporation makes continuous efforts to maximise the on-stream service factor of plants and equipment at units. Some of the major steps taken during the year include:

- Optimum preventive and predictive maintenance through modern condition monitoring tools and techniques.
- Incorporation of OMNIS (on line maintenance and inspection system) software package in use at Mathura refinery at other refineries also
- Phased introduction of Distributed Digital Control System (DDCs) and other advanced instrumentation systems.



Polyethylene coating on pipelines inhibits corrosion.





Unleaded petrol is now available at select Indianoil outlets in the four metros. Inset: Capt. Satish Sharma, Minister of State for Petroleum & Natural Gas, launches the sale of this environment friendly fuel at Delhi in the presence of Shri Kamal Nath, Minister for Environment & Forests, and Shri Madan Lal Khurana, Chief Minister of Delhi.

MARKETING

Your Corporation continually strives to achieve excellence in customer satisfaction. We attempt to anticipate customer needs and provide the best

Unleaded petrol is now available at select Indianoil outlets in the four metros. Inset: Capt. Satish Sharma, Minister of State for Petroleum & Natural Gas, launches the sale of this environment friendly fuel at Delhi in the presence of Shri Kamal Nath, Minister for Environment & Forests, and Shri Madan Lal Khurana, Chief Minister of Delhi.

MARKETING

Your Corporation continually strives to achieve excellence in customer satisfaction. We attempt to anticipate customer needs and provide the best possible products and services at a reasonable price. This involves augmenting marketing infrastructure and developing better quality products through innovative R&D.

During 1994-95, one bulk storage terminal at Devangunti in Karnataka and three depots, one each at Baitalpur, Partapur in UP and Navgaon in Assam were added raising the number of terminals and depots to 166. One depot at Mysore was resited. For quality assurance, 34 static and 11 mobile product testing laboratories together tested over 90,000 product samples during the year.

Thirteen new products were launched during the year. These are energy conserving and environment friendly lubricants for the industry. They include a 2T oil exclusively for Bajaj scooters and a mineral based engine oil, Servo Superior XEE-SH, which is the only one in the market with the double seal of approval -API-Donut and ILSAC starburst.

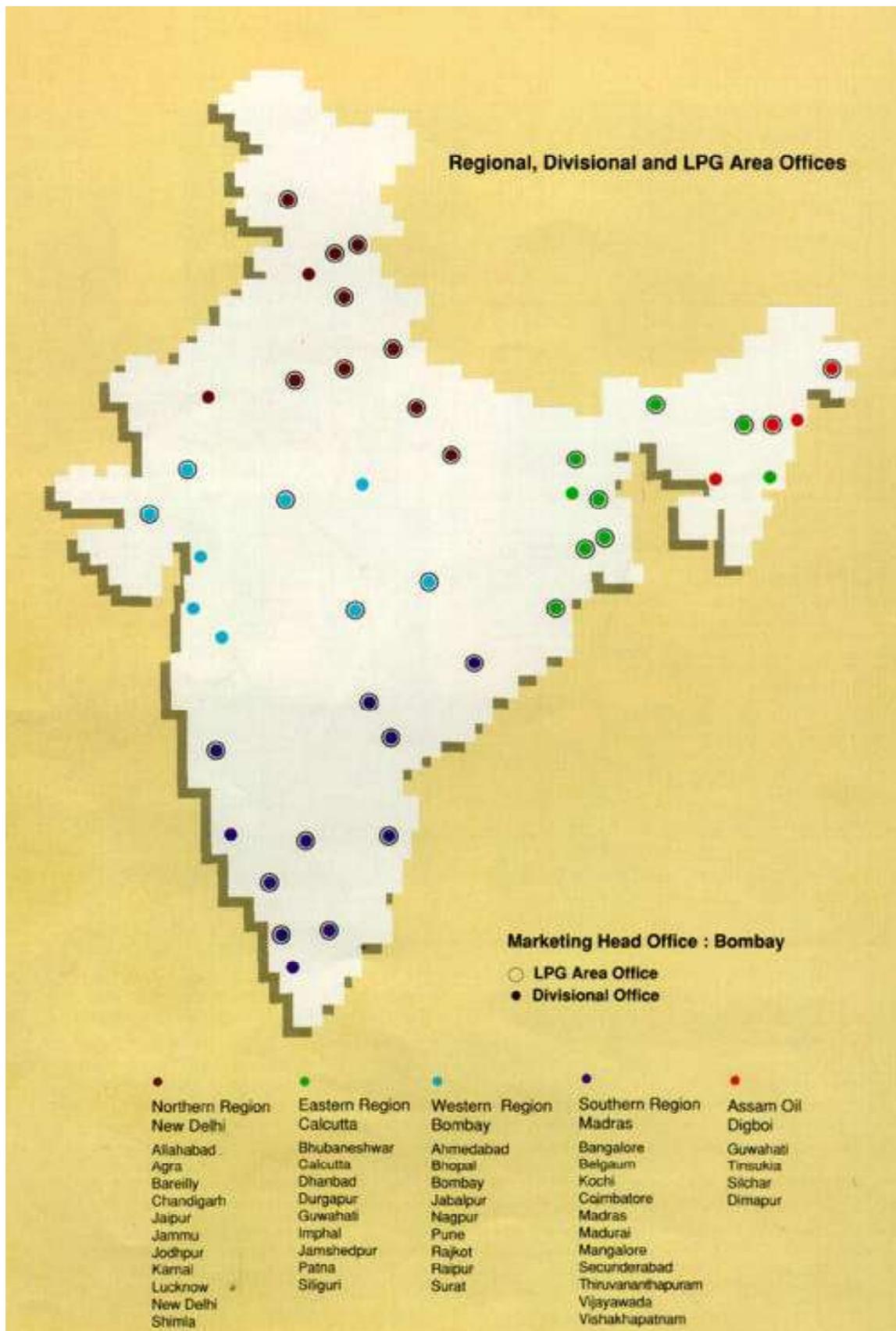


During the year, your Corporation earned the status of "Star Trading House" by the Directorate General of Foreign Trade on the basis of excellent export performance over the last three years.

Your Corporation continued to actively promote Government's parallel marketing policy by importing 316,000 tonnes of kerosene and providing tankage assistance for 29,000 tonnes of direct imports by them. By the end of the financial year, we had signed 79 agreements with parallel marketeers.

To assist our customers in optimum utilisation of fuel and lubricants, our Technical Services engineers not only prepare for them lubrication and fuel service reports but also conducted 1605 workshops/ clinics and 201 seminars to educate their personnel. During the year 416 lube and fuel service reports were prepared.

Marketing Set-up



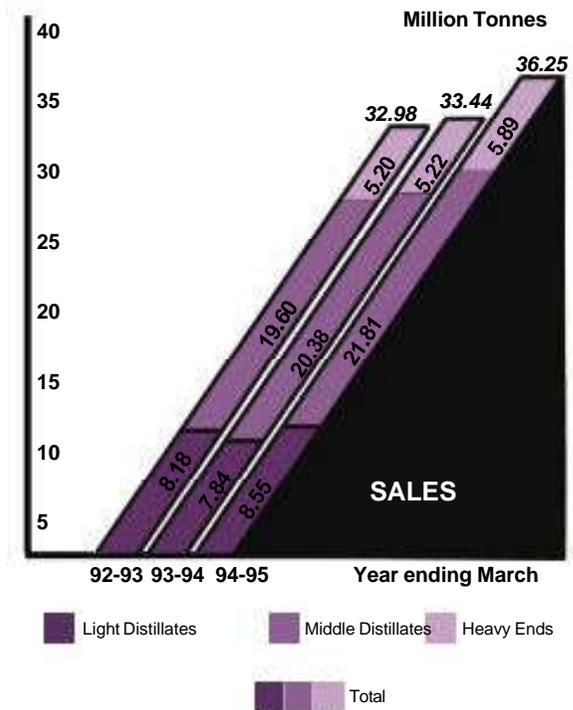
Sales

Your Corporation sold 36.25 million tonnes of petroleum products during 1994-95 as compared to 33.44 million tonnes in the previous year achieving a growth of 8.4% and a market participation of 55.3%.

Direct Sales

Your Corporation has commissioned, for the convenience of large volume customers, 267 captive consumer outlets during the year bringing their total to 4432. Your Corporation also commissioned 7 new Railway Consumer Depots with a tankage of 1438 kl during the year. In addition, 2859 kl tankages were added at existing Railway Consumer Depots. With the commissioning of above tankages, 15 days offtake cover is available for Railways. Major business of Konkan Railways was secured by getting 3 out of 4 Railway Consumer Depots awarded.

Your Corporation maintained a market share of over 90% in core business of Defence, DGBR, Railways, Ordnance Factory and State Transport Undertakings.



Indianoil's the POL requirements of Defence services even in remote areas.





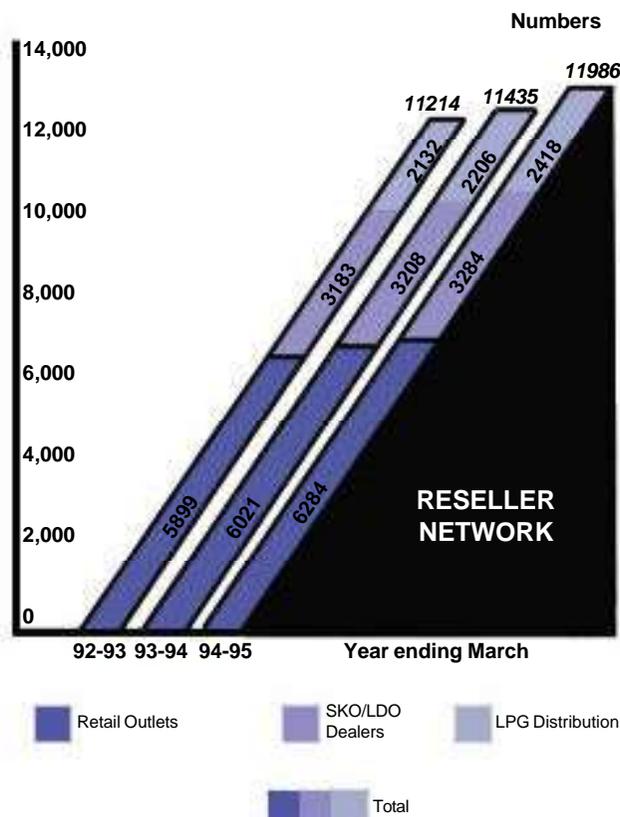
Adequate LPG storage helps ensure uninterrupted supplies.

During the year, your Corporation launched marketing of Bitumen Emulsion under the brand name INDEMUL. Bitumen Emulsion does not require heating and is therefore environment friendly.

Retail Distribution

For easy product availability to customers, your Corporation commissioned 265 retail outlets and 78 SKO/LDO dealerships during the year raising their total number of 6284 and 3284 respectively.

The reseller points and consumer outlets are backed for supplies by 39 installations and 127 bulk depots. To facilitate uninterrupted petroleum supplies 2.02 lakh kl tankage was added at 10 locations. The total tankage available at the Corporation's terminals and depots is 42.97 lakh kl.



Rural and Agricultural Sector

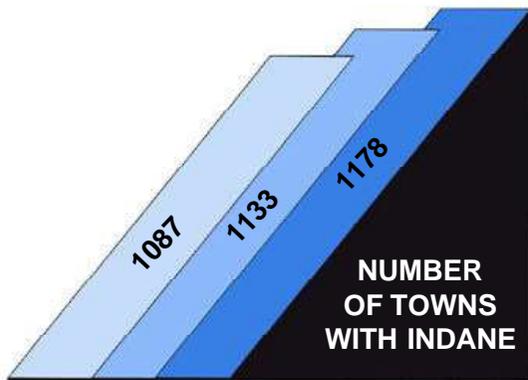
To cater to the special needs of rural areas, the Corporation has set up 231 multipurpose distribution centres. In addition, 33 Taluka Kerosene Depots are operated to augment availability of kerosene in remote and far-flung areas.

LPG

The number of households using your Corporation's Indane cooking gas went up to 120 lakh from 108 lakh in the previous year. The facility of a second cylinder for uninterrupted supplies was extended to 10.6 lakh customers during the year. Nearly 62% of the Indane customers in 1178 markets now enjoy this convenience.

For improved customer service, 225 new LPG distributors were commissioned during the year raising their number to 2418. With the addition of one LPG bottling plant at Guwahati by the Assam Oil Division the Corporation has 33 plants. They have a capacity to bottle 11,92,500 tonnes of LPG





per annum. Fifteen new LPG plants are under construction at Delhi, Farrukhabad, Ahmedabad, Belgaum, Trichy, Trisundi, Tripura, Sikkim, Quilon, Bikaner, Budge Budge, Bhavnagar, Cuddapah, Manipur and Mizoram. These will be ready in phases by 1997-98 and shall add 3,63,000 tonnes to the bottling capacity. Another 16 bottling plants are proposed with a capacity of 4,53,000 tonnes per annum.

The 32 Indane Area Offices of the Corporation have been constantly innovating to render effective customer service and promote safety consciousness in the use of LPG.

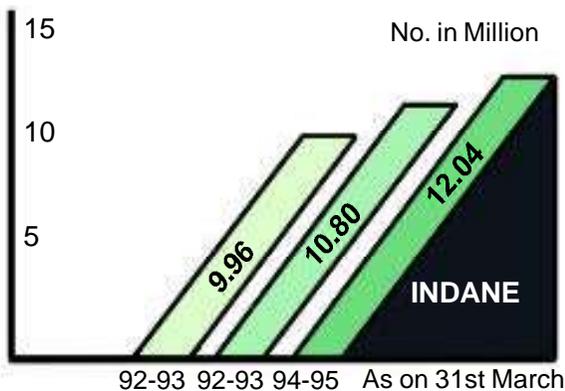


All modes of transport are used to reach petroleum products to the people

LPG bottling facilities are being steadily increased to facilitate available



Directors' Report *Contd...*



Aviation

Your Corporation continued to be the market leader in the aviation fuel business with sales of 16.33 lakh kl and a market participation of 66.8%. We met the entire aviation fuel requirements of the Indian Army and Navy, and over 90% needs of Indian Air Force. The major requirements of the other market segments viz. Indian Airlines, Air India, Vayudoot, international airlines and over 85% of the private air-taxi operators were also catered to by your Corporation.

The Indianoil Aviation Service has not only set international standards in prompt service and quality but has been consistently innovating and updating technology. During 1994-95 the number of aviation fuel stations went up to 93 with the addition of mobile refuelling facility at Hubli, Vijayawada, Kota and Surat. Peripheral hydrant refuelling systems were also provided at Aurangabad, Baroda, Indore, Coimbatore and Udaipur. Aviation documentation is now computerised at 86 aviation fuel stations. State-of-the-art technology is being introduced in other areas also.

- 32 customer service cells are being operated from the Area Offices.
- For attending to customer complaints after working hours and on holidays, 103 emergency service cells were added by your Corporation during the year. There are now 549 such cells in the country of which 439 are operated by your Corporation.

Indianoil caters to the aviation fuel needs of International airlines, besides national carriers and domestic air taxis.



Your Corporation continues to provide technical assistance in aviation fuel business to neighbouring countries, viz. Maldives, Nepal and Bhutan.

Lubricants

Your Corporation sold 3.83 lakh tonnes of lubricants and greases during 1994-95. In its relentless pursuit to provide customers the best lubricants at the lowest price, twelve high performance products were developed after extensive research and development. Quality upgradation was taken up in seven grades. Highly cost effective agricultural pump-set oils, hydraulic oils and railroad oils have also been developed. Approvals were obtained from 24 equipment builders, including two foreign engine builders, Siempel Kamp Pressen Systems, Germany and CKD SKODA, Czech Republic.

Shipping

During the year, your Corporation handled 253 crude oil tankers and 615 product tankers. At Haldia port, the highest parcel size of kerosene (about 40,000 tonnes) was handled. The concept of virtual jetty was initiated to augment unloading facilities at Kandla port.

INTERNATIONAL TRADE

The expertise available in the international business, commercial and shipping departments enabled your Corporation to arrange for import of 27.35 million tonnes (MMT) of crude oil, 13.81 MMT of fuel products and 0.10 MMT of lubricants for meeting the country's requirements. In addition, exports of 2.83 MMT of petroleum products was undertaken. A comparison with the last year is as follows:



Indianoil continues to be the canalising agency for import of crude oil and major petroleum products.

	1994-95		1993-94	
	Qty (Million tonnes)	Value (Rs crores)	Qty. (Million tonnes)	Value (Rs crores)
Imports				
Crude Oil	27.348	10,059.41	30.820	10,427.83
Fuel Products	13.807	7,273.39	11.660	6,587.37
Lubricants	0.103	176.31	0.160	249.19
Exports				
Petroleum Products	2.834	1,308.66	3.671	1,300.55

Your Corporation also handles imports of fuel products arranged by Nepal Oil Corporation for IOC.



A view of the oil jetty at Haldia port

RESEARCH AND DEVELOPMENT

During 1994-95, your Corporation's Research & Development Centre invested Rs. 15.26 crores on development of new products and processes and improvement of the existing ones to strengthen the marketing, refining and pipeline operations.

It became the first R&D Centre in the petroleum industry in India to earn ISO-9001 certification.

Some of the significant R&D activities during the year include development of:

- 80 lubricant formulations covering automotive, industrial and metal working oils and greases.
- A mineral base gasoline engine oil meeting API SH/CD, EC-II and ILSAC GF-I specifications was developed and launched as Servo Superior XEE-SH.
- A Super High Performance Diesel Engine Oil (SHPDO) which has a drain interval of 40,000 km as against 18,000 km for existing products.
- An energy efficient gear oil for steel industry with an established potential to save 5% energy in kWh and 9.24% in kWh/ton of material processed.
- A textile spindle oil with 3% energy saving potential.
- Six eco-friendly biodegradable oils include three rolling oils for steel mills, a scourable

textile machinery oil, an antiwear hydraulic oil and an oil for machine tool ways and hydraulic applications.

- A titanium complex grease incorporating a new chemistry which is five times more efficient in high temperature applications than the existing products. It is the first product of its kind in the world and has been granted a patent in the USA.

Indianoil's R&D Centre is the only one of its kind in Asia



- Several initiatives were also undertaken in refinery processes, catalyst evaluation and pipeline transportation.

ASSAM OIL DIVISION

The Digboi refinery of Assam Oil Division (AOD) achieved 107.2% capacity utilisation by processing 0.536 million tonnes (MMT) of crude oil during the year. The Division sold 0.877 MMT of products and retained its position as market leader in the North East region. AOD presently operates 289 retail outlets, 386 SKO/LDO dealerships, 3 Taluka Kerosene Depots and 53 consumer outlets to meet the requirements of customers in the region. It presently supplies Indane to 3.32 lakh households through 123 distributors covering 83 towns. During 1994-95, AOD commissioned an LPG bottling plant at Guwahati.

PROJECTS

Completed Projects

Your Corporation accords high priority to timely project implementation. The major projects completed during 1994-95 are:

- Additional tankage of 2.02 lakh kl at 10 locations.
- High speed lube filling lines at Khapri, Tadepalli and Allahabad.
- LPG bottling plant at Guwahati.

On-going Projects

Major on-going projects under implementation are:

- Panipat refinery project.
- Digboi refinery modernisation project.
- Distributed Digital Control Systems at refineries.
- Catalytic Reformer Units at Mathura, Digboi and Barauni.
- LPG import terminal facilities at Kandla.
- Panipat marketing terminal Phase-I & II.
- Kandla-Bhatinda pipeline project (including marketing facilities).
- New Coker at Digboi.
- Augmentation of Viramgam-Chaksu section of existing crude oil pipeline and laying new crude oil pipeline from Chaksu to Panipat.
- Additional product tankage at six locations.
- LPG bottling plants at 15 locations.



The modernisation programme of Digboi refinery is scheduled for completion in 1995-96.



Power plant at Barauni refinery.

New Projects

The significant new projects planned are:

- Expansion of Gujarat refinery by 3 million tonnes per annum.
- Setting up of a 6 million tonnes per annum grassroots refinery on the east coast.
- Haldia-Barauni crude oil pipeline.
- Crude oil pipeline from Paradip to east coast refinery.
- Product pipeline from east coast refinery.
- Matching secondary processing facilities at Mathura.
- Diesel Hydro-Desulphurisation units at Haldia, Mathura, Gujarat and Panipat.
- Augmentation of Salaya-Viramgam and Viramgam-Koyali sections of SMPL.

ENERGY CONSERVATION

Your Corporation maintained its thrust on augmentation of energy conservation measures at all its units. Several energy conservation schemes implemented during the year resulted in fuel saving of 5,130 tonnes per year valued at about Rs 1.5 crores. These include modification in pre-heat train of AVU-I and II of Barauni refinery and feed pre-heat optimisation in VDU and HFU at Haldia refinery.

Other schemes under implementation at refineries are expected to yield an additional recurring fuel saving of over 42,000 tonnes per year valued at about Rs 12 crores.

Various conservation measures promoted for the saving of fuel and lubricants such as condition monitoring of bulk lube oil systems, use of refined oils, improvement in KMPL in STUs, use of high performance oils and sale of fuel efficient appliances are estimated to have saved Rs 65 crores during the year.

The 'Nutan Deep' fuel efficient kerosene wick lamp developed by the R&D Centre was commercialised during the year and over 61,000 lamps sold. This is 60% more efficient than conventional lamps. The 'Nutan Jyoti' fuel efficient hurricane lantern had already been commercialised and during the year about 4.5 lakh pieces were sold.



The country's first hydrocracker at Gujarat refinery.

Director's Report *Contd...*

The use of solar photovoltaic systems has been expanded during the year and presently exist at 26 retail outlets. In addition, eight solar water heating systems and 10 solar photovoltaic lighting systems are in operation at various locations.

Your Corporation has adopted 18 States in the country for promoting oil conservation and during 1994-95 over 7,600 activities were conducted in this area. During the Oil Conservation Week in February, more than 24,000 activities in transport, industrial agricultural and domestic sectors, including mass awareness programmes, were conducted. Some of the major awards won by your Corporation and its units during the year for energy conservation are:

- First prize in the 2nd Jawaharlal Nehru Memorial National Award to the refineries of the Corporation for pollution control and energy conservation methods.
- Gujarat refinery won the National Energy Conservation Award, 1994, first prize instituted by the Ministry of Power.
- Barauni and Digboi refineries won the Ministry of Petroleum & Natural Gas Awards for 1994 for best furnace/boiler insulation effectiveness and minimum steam leaks respectively.

- Haldia refinery won for the fourth consecutive year and Guwahati refinery for the second consecutive year the Jawaharlal Nehru Centenary Awards for best performance in energy consumption and best improvement in energy conservation respectively for 1993-94.

Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings

In accordance with the Company's (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.

SAFETY

Your Corporation continued to maintain high safety standards by effecting all round improvement in safety performance. Several units were awarded for their performance. Some of the note worthy awards received during the year are:

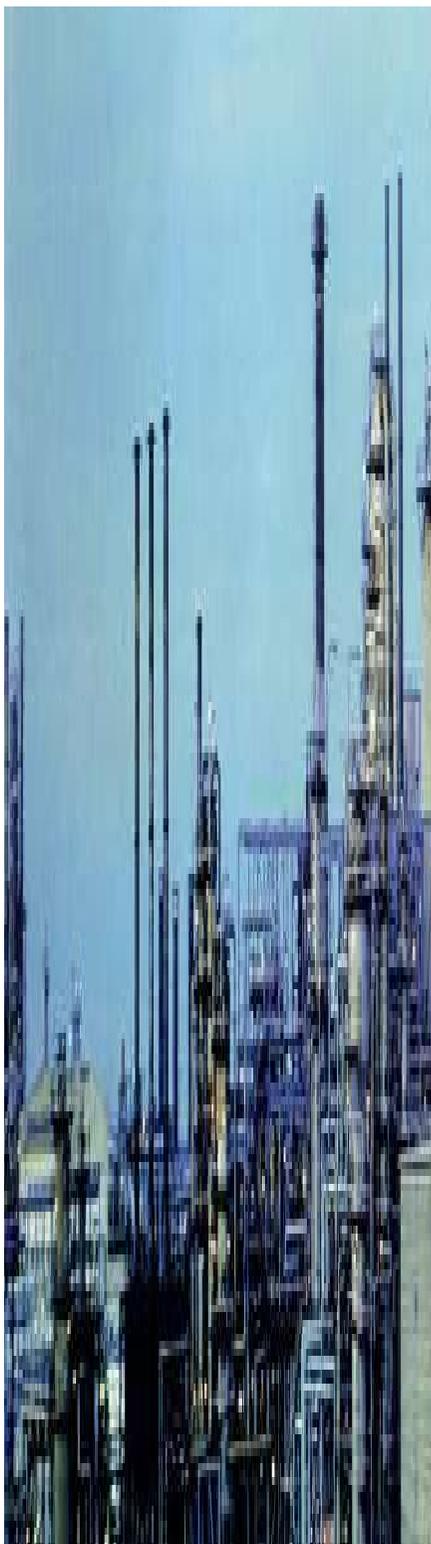
- Haldia refinery won the National Safety Award for lowest average frequency rate

Indian oil's youngest refinery at Mathura.



A section of Guwahati refinery.





Sulphur recovery unit at Haldia refinery.

under Scheme-I. Gujarat refinery was also declared a winner for 1991 and 1992.

- Mathura and Guwahati refineries won the British Safety Council Awards for 1993.
- The Salaya-Mathura pipeline and Koyali-Ahmedabad pipeline received the prestigious Award of Honour from the National Safety Council, Itasca, USA.
- National Safety Awards from British Safety Council, London were won by four pipelines: Koyali-Ahmedabad, Salaya-Mathura, Barauni-Kanpur and Haldia-Mourigram-Rajbandh-Barauni.
- Guwahati refinery won the Oil Industry Safety Directorate Award for 1992-93 for refinery installations under Group-II.
- 220 units of the Marketing Division earned British Safety Council Awards for 1994. This is the highest number of such awards won by any organisation anywhere in the world.
- Three National Safety Council Awards given by the Ministry of Labour to Marketing Division units for 1991-92 were declared during 1994-95.

ECOLOGY AND ENVIRONMENT

During the year your Corporation was conferred the prestigious Care For Nature Award of the World Wide Fund for Nature (WWF) for its contribution to WWF's efforts to promote conservation of nature and environment protection. The Award was presented by His Royal Highness Prince Philip of England, Honorary President of WWF International.

Your Corporation's commitment towards environment protection and preservation of ecological balance is amply demonstrated by the fact that all refineries complied with the stringent Minimal National Standards (MINAS) for effluent discharge and prescribed ambient air quality standards. Sulphur dioxide emissions from the refineries are well within stipulated standards. Regular ambient air quality monitoring at refineries has demonstrated that the air quality is better than the prescribed standards. The flourishing nature park adjacent to Mathura refinery attracts a large number of migratory birds.

Unleaded MS was introduced at 40 retail outlets in the four Metros and at 8 retail outlets leading to highways with effect from 1.4.1995. The demand has been steadily picking up.

An action plan has been drawn up for introduction of low-lead MS in the Taj Trapezium with effect from 1.9.1995 and in this direction necessary arrangements were made to position stocks of lowlead MS in required quantity at Agra, Bharatpur and Mathura during August '95.

Your Corporation organised a 2-day National Conference on "Environment Pollution and Preservation of Historical Monuments". The conference was attended among others by eminent environmentalists, archaeologists and scientists.



Care Nature Award presented to Indianoil by the World Wide Fund for Nature.

Effluent treatment plant at Guwahati refinery.





Indianoil's refinery townships are equipped with modern amenities.

Your Corporation is also playing a significant role in the 10-point initiative launched by Capt. Satish Sharma, Minister of State for Petroleum & Natural Gas to create an eco-friendly environment around the historical monuments in Agra. Steps have already been initiated to release LPG connections to all waitlisted customers upto January '95 in the area by March 1996. Mathura refinery has already obtained clearance for introduction of the latest hydrocracker technology at a cost of about Rs 1,000 crores. It will invest about Rs 30 crores to enable use of natural gas in its furnaces and boilers.

Your Corporation has also undertaken extensive tree plantation in not only all the refineries but also in Agra to preserve historical monuments and maintain ecological balance.

HUMAN RESOURCES

Your Corporation believes that the key to organisational excellence is human resource development. This involves creation of a conducive environment and opportunities to enable them to excel and attain a sense of achievement. To facilitate this, your Corporation upgraded facilities, welfare measures and incentives for job enrichment.

The experience of employee participation in management has been encouraging and was expanded and accelerated during the year not only at the shop floor and plant level but at the apex level to suggest measures for productivity improvement. Several forums have been created to provide avenues for self-expression and creativity, for organisational growth. As part of the human resource development strategy, action is on to re-orient the HR sub-systems to the changing climate. An initiative in this direction was a 'Work Culture and Values Workshop' where a wide strata of employees debated and recommended measures for change in the emerging environment. These recommendations are being progressively implemented. To improve HR systems, your Corporation also carried out a comprehensive 'organisational climate survey' during the year with encouraging results. Several new initiatives are being launched on the basis of the responses received.

To equip employees better in managing change, our inherent training strengths were re-oriented towards strategic marketing and business development while continuing to attach importance to upgrading technical and managerial skills for organisational effectiveness. The Total Quality Management initiative began bearing fruits in several units achieving ISO-9001/ISO-9002 accreditation. Information technology training was also given added impetus.

The Indianoil Institute of Petroleum Management (IIPM), the Corporation's apex training, organisational research and consultancy organisation, has now begun operating from its complex in Gurgaon. It is slated to launch soon an international level programme in petroleum management.

Industrial relations in your Corporation continued to be harmonious and cordial and were strengthened by a Memorandum of Settlement between the Management and the recognised unions on revision of wages and benefits. Regular information sharing meetings were held with collectives to reinforce mutual faith and cooperation.

Your Corporation continues to actively promote sports and during 1994-95 bagged the "Petroleum Secretary's Trophy" for its performances in the

various inter-unit Petroleum Sports Control Board tournaments. Our teams emerged winners in cricket, carrom, table tennis (men), badminton (men and women) and were runners-up in bridge and chess.

Your Corporation has recruited over 30 players under the sports category in cricket, badminton, table tennis and tennis. In badminton, the men's national champion and the women's runner-up are Indianoil employees. Our badminton players represented the country in several international tournaments including the Thomas and Uber Cup as well as the Asian Circuit Championships. In tennis also, the national champion is from Indianoil and one of our players was a crucial member of the Indian team which won a gold medal at the Hiroshima Asian Games. He was also a member of the Davis Cup team for the ties against

Indianoil sponsored the Dubai-Agra leg of the World Air Race



Directors' Report *Contd...*

South Africa, USA, Singapore and Hong Kong. Our cricket team won the prestigious 'K.C. Mahindra' shield and 'All-India Revenue Cricket Tournament'. Our seven cricketers represented their States in the Ranji and Duleep Trophy matches. Our two table tennis players were members of the Indian team which won a bronze medal in the Commonwealth Men's Team Championship. Five players represented the country in international tournaments like Asia Cup, Asian World and Commonwealth Championships.

Your Corporation has been scrupulously following the Presidential Directives as well as the instructions of the Government regarding recruitment from time to time. Under the special recruitment drive, the backlog of vacancies as on 1.4.1993 for scheduled castes and scheduled tribes was cleared during the year. Your Corporation also granted annual scholarships of Rs. 750/- per month to 50 SC/ST students pursuing studies in engineering, medicine and business administration. Till last year 417 scholarships have been awarded to SC/ST students.

At the end of 1994-95 your Corporation had an employee strength of 33,589 including 8595 officers. There were 2,394 women employees which is 7.2% of the total employee strength.

GOOD CORPORATE CITIZEN

Your Corporation continued its efforts to strengthen community relations in the vicinity of its

Indianoil bagged the first prize for the best presented Annual Accounts for 1992-93 from the Institute of Chartered Accountants of India.



units and encourage developmental efforts, particularly in the fields of education, health and management. Deserving causes in other areas including preservation of national heritage and culture were also rendered assistance.

Your Corporation co-sponsored the Dubai-Agra leg of the spectacular 34,000 km Round the World Air Race which was the curtain raiser to the Golden Jubilee celebrations of the International Civil Aviation Organisation.

AWARD FOR ANNUAL ACCOUNTS

For the second successive year your Corporation was awarded a silver shield as the first prize by the Institute of Chartered Accountants of India for the Annual Report and Accounts of 1992-93 as the best presented amongst the public sector/joint sector companies.

This was the third silver shield won by your Corporation. The first one was conferred for the 1983-84 Annual Report. The 1992-93 Annual Report was also adjudged as the best among public sector undertakings by the Public Sector Public Relations Forum.

HINDI IMPLEMENTATION

Intensive efforts continued during 1994-95 for the progressive use of Hindi in official work in accordance with the provisions of the Official Languages Act, 1963 and the Official Languages Rules, 1976. Besides training programmes for typists and stenographers, workshops were also organised for providing extensive practice in Hindi correspondence. To promote use of Hindi among employees various competitions, cultural programmes and plays were organised. The House Journal of the Corporation "Indianoil Samachar" and other news journals of units continued to be brought out in Hindi also. During the year, 147 'Shabda Ratna' software and 15 'Sulipi' software were installed.

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. After providing for depreciation of Rs 2.75 crores, IOBL earned a net profit of Rs 6.65 crores.

The two lube plants with a production of 2,65,276 kl attained a capacity utilisation of 107%. The grease plant at New Bombay (Vashi), in its fourth full year of operation, attained a capacity utilisation of 88% with a production of 9,713 MT.



FOREIGN TOURS

Out of 170 tours undertaken by officers during 1994-95, 43 were for attending training programmes. The total expenditure on foreign tours was Rs 2.49 crores.

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 1994-95 stood at Rs 15.05 lakhs.

BOARD OF DIRECTORS

Shri B.K. Bakhshi retired on 31st July, 1994 as Chairman (I/C) / Director (Marketing). Shri M.A. Pathan took over as Director (Marketing) effective 17th August, 1994. Shri B.D. Gupta retired on 30th November, 1994 as Director (Finance) and Shri S.C. Mathur took over as Director (Finance) effective 1st December,

1994. Shri A.P. Chaudhri retired on 31st December, 1994 as Director (R&P) and Shri A.K. Arora took over as Director (R&P) effective 24th January, 1995. Shri J.L. Zutshi retired on 31st January, 1995 as Chairman (I/C) / Director (P) and Shri R.K. Narang took over as Chairman with effect from 1st February, 1995. Shri Subodh Mittal took over as Director (P) effective 5th April, 1995.

PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to Section 21 7(2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended by the Companies [Particulars of Employees (Amendment)] Rules, 1994 are annexed.

Indianoil's wide range of SERVO lubricants cater to virtually every need.



Directors' Report *Contd...*

Contents

Index

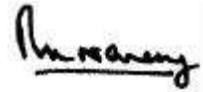
ACKNOWLEDGEMENTS

The Board of Directors takes pleasure in placing on record its special appreciation of the excellent contribution made by the members of the Indianoil family. The Board of Directors also wishes to acknowledge the valuable guidance and support received from the Government of India and the various State Governments.

The Board of Directors also wishes to place on record its appreciation of the significant contribution made by Shri B.K. Bakhshi, Shri J.L. Zutshi, Shri B.D. Gupta

and Shri A.P. Chaudhri during their tenure as Directors of the Corporation

For and on behalf of the Board



R.K. Narang
Chairman

New Delhi

Dated: August 21, 1995



Annexure

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:

As a part of continued efforts towards energy conservation, a number of projects are at various stages of implementation at Refineries.

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

I. Scheme completed

Sl. No.	Item	Cost (Rs./Crores)	Fuel Savings (Tonnes/Year)
1.	Supplemental modification in pre-heat train of AVU-I & II of Barauni Refinery.	1.2	2,300
2.	Feed pre-heat optimisation in VDU at Haldia Refinery (part of Lube Block Revamp Project)	-	2,300
3.	Feed pre-heat optimisation in HFU at Haldia Refinery.	-	530
		TOTAL :	5,130

II. Schemes under implementation

- Installation of high efficiency TG-4 at Guwahati Refinery.
- Corrective engineering of CRU waste heat boiler at Gujarat Refinery.
- Installation of Steam Coil Air Pre-heater in TPS at Haldia Refinery.
- Replacement of ID fan in VDU at Haldia Refinery.
- Installation of Pre-fractionator column in CDU at Haldia Refinery.
- Installation of Out Board Steam Generator in CRU at Haldia Refinery.
- Installation of welded plate heat exchanger (Packinox) in CRU at Haldia Refinery.
- Installation of Steam Turbine in BFW service at Mathura Refinery.
- Installation of two-stage desalter in CDU at Mathura Refinery.
- Digboi Refinery Modernisation Project.
- Replacement of old delayed coking unit at Digboi Refinery with a new energy efficient unit.
- Installation of Back Pressure Turbine in cooling water pump at Guwahati Refinery.
- Low level heat recovery in FCCU at Mathura Refinery.

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 under I & II on completion are expected to result in fuel savings of about 47185 tonnes valuing over Rs. 13.6 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 in Form 'A'.

Annexure *Contd...*

B. TECHNOLOGY ABSORPTION:

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

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, the first ever export of Methanol of 13 MTs was executed to Sri Lanka. In addition, 19 MTs Lubricants was exported to Sri Lanka. IOC earned the status of "Star Trading House" on the basis of excellent export performance over the last three years.

- g) Total foreign exchange used and earned:

	(Rs./Crores)
Foreign Exchange earnings	1928.08
Foreign Exchange used	18213.29



Form 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Total 1994-95	Total 1993-94
(A) POWER AND FUEL CONSUMPTION		
1. Electricity:		
a) Purchased		
Qty ('000 KWH)	31,292	27,433
Rate	2.23	1.73
Amount (Rs/Lakhs)	699	475
b) Own Generation		
i) Through Dual Fuel (HSD / Natural Gas) Generator		
Unit ('000 KWH)	2,07,760	1,73,862
KWH per MT of STD Fuel	4,844	1,904
Cost/Unit (Rs/KWH)	1.30	2.27
ii) Through Dual Steam Turbine / Generator	6,44,483	6,21,922
Unit ('000 KWH)	2,488	2,497
KWH per MT of STD Fuel Cost/Unit (Rs/KWH)	1.42	1.40
c) Electricity Consumed (a+b) ('000 KWH)	8,83,535	8,23,217
2. Coal (Specify quality and where used)	-	-
3. Liquid Fuel (LSHS & Of)		
Qty (MTs)	7,15,653	5,97,657
Amount (Rs/Lakhs)	14,643	10,593
Average Rate (Rs/MT)	2,046.10	1,772.49
4. Others/Internal Generation		
i) Fuel Gas		
Unit (MT)	3,89,983	3,52,297
Total Amount (Rs/Lakhs)	7,041	5,873
Average Rate (Rs/MT)	1,805.46	1,667.06
ii) LDO		
Unit (MT)	895	835
Total Amount (Rs/Lakhs)	23.97	16.79
Average Rate (Rs/MT)	2,678.21	2,001.20
iii) Coke		
Unit (MT)	1,06,934	1,02,053
Total Amount (Rs/Lakhs)	2,020	1,661
Average Rate (Rs/MT)	1,889.02	1,627.43
(B) CONSUMPTION PER MT OF PRODUCT		
1. Actual Production ('000 MT)	23,725	23,292
2. Consumption per MT of Product		
- Electricity (KWH/MT)	37.240	35.343
- Liquid Fuel (MT/MT)	0.030	0.026
- Fuel Gas/LDO/Coke (MT/MT)	0.021	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) Pipeline Transportation
- e) Material Failure Analysis
- f) Fuel efficient domestic appliances.

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

- a) Development of new energy efficient and biodegradable lubricating oils and greases.
- b) Selection of better catalysts for FCC for Gujarat and Mathura Refineries.
- c) Commercial evaluation of equilibrium catalyst for BPCL.
- d) Recommendation on doping of multi-functional additive in gasoline at IOC refineries as per Ministry's directive for improving fuel efficiency and reducing pollution.

3. Future Plan of Action:

- a) Development of long life and energy efficient products.
- b) Development of biodegradable and environment friendly products.
- c) Setting up of a full fledged laboratory for hydrotreating/hydroprocessing studies.
- d) Extending R&D services to other refineries.
- e) Initiate activities in new areas such as heavy residue processing, refinery sludge handling etc.

4. Expenditure on R&D:

- | | |
|--------------|------------------|
| a) Capital | Rs. 4.80 crores |
| b) Recurring | Rs. 10.46 crores |
| c) Total | Rs. 15.26 crores |



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 onstream factor of processing units, Indianoil has absorbed newer technologies in line with the latest developments worldwide. Major steps taken in this regard are given below:-

A. Imported Technology

i. Hydrocracker Technology

After commissioning the country's first hydrocracker for maximising the much needed middle distillates at Gujarat Refinery, and absorption of the' technology, environment clearance from Ministry of Environment and Forests has been obtained for adopting the once through Hydrocracker Technology at Mathura Refinery. Feasibility Report has been submitted to Public Investment Board for first stage clearance.

ii. Catalytic Reforming Technology

Proven technologies from M/s IFP for Continuous Catalytic Regeneration Type (CCR) Catalytic Reformers have been adopted for Mathura and Panipat Refineries.

iii. Hydrofinishing Unit (HFU) Technology for treatment of Paraffin Wax

Process technology has been adopted from M/s IFP, France for AOD, Digboi and Barauni Refineries.

iv. Welded Plate Heat Exchanger Technology

To maximise heat recovery and for improving the yield, welded plate heat exchangers are being adopted for catalytic reforming units at Haldia, Barauni, Mathura, Digboi and Panipat Refineries.

v. Multiple Nozzle Feed Injection Technology and Cold Wall Design for Fluidised Catalytic Cracking Unit (FCCU)

For improving the distillate yield, state of the art multiple feed injection technology is being adopted for FCCU at Mathura Refinery. Further, the existing refractory system in the Riser/Y-Section of the FCCU Reactor is being replaced by Vibrocast Cold Wall Design for improving the onstream factor of the unit. Similar technology is being absorbed in the new Panipat FCCU and is also planned to be taken up during revamp of the FCCU at the Gujarat Refinery.

vi. Use of Newer Catalysts/Additives

Bottom Cracking Additive is being successfully used at Mathura Refinery for improved yield pattern from the Fluid Catalytic Cracking Unit as well as for reduced emission.

vii. Hydro-desulphurisation technology for diesel

In order to meet future quality specifications regarding sulphur level in diesel, hydrodesulphurisation unit at Haldia and Mathura are under active consideration with imported technology.

B. Indigenous Technology

i. Sulpholane process

Replacement of the existing kerosene treating unit of Digboi Refinery by using the indigenously developed sulpholane process technology is under active consideration.

ii. Conversion of Phenol Furfural to NMP Solvent

Replacement of phenol by NMP Solvent in the phenol extraction unit of Barauni Refinery for safety and environmental point of view and furfural to NMP in the furfural extraction unit of Haldia for lube oil base stock quality improvement are proposed to be adopted.



Annexure Contd...

iii. Production of Alpha Olefins

A pilot plant for production of Alpha Olefins from Coker Stream based on technology developed by IOC (R&D) is being put up at Barauni Refinery.

C. Modernisation of Instrumentation

1. Distributed Digital Controls

Conventional Pneumatic Instruments in existing process units and captive power plants are being replaced by micro-processor based DDC Systems in a phased manner. DDCS has already been implemented and commissioned in the following plants:-

- a. Crude and Vacuum Distillation Units, Visbreaker, Merox Units and FCCU at Mathura Refinery.
- b. Atmospheric Distillation Units I and IV, Vacuum unit, Visbreaker, Udex Plant and Hydrocracker Project at Gujarat Refinery.
- c. Kero Hydro-Desulphurisation and Catalytic Reformer at Haldia Refinery.

Installation of DDCS is under implementation in the following units:-

- a. AU-II, AU-III, CRU, PDF, FPU and FCCU at Gujarat Refinery.
- b. CDU, Merox, Lube Oil Block Units and Captive Power Plants at Haldia Refinery.
- c. Sulphur Recovery Units, Bitumen Blowing Unit and Captive Power Plant at Mathura Refinery.
- d. AU-I, AU-II, Additional Coker, LPG Recovery Unit and Solvent Dewaxing Unit at Barauni Refinery.
- e. CDU, NSF, KTU, DCU at Guwahati Refinery.

2. Advanced Controls and Optimisation

Based on the experience gained from implementation of advanced control in atmospheric & vacuum distillation units at Mathura Refinery, implementation of Advanced Controls in various other units is in progress. Similarly, implementation of advance controls and optimisation at Gujarat Refinery has also been taken up in CDU and VDU through inferential control strategies.

3. Benefits derived as a result of above efforts, e.g., products slate improvement, cost reduction, product development, imports substitution, etc.

The above projects are expected to yield benefits in the following areas:-

- a. Upgradation of heavy ends to valuable distillates.
- b. Energy Conservation.
- c. Increase in onstream days.
- d. Import substitution.
- e. Product Quality improvement.

4. 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	Year of Import
i) Hydrocracker technology from M/s Chevron Research Corporation, USA.	1988-89
ii) Hydrogen Generation technology from M/s. Linde of West Germany	1988-89
iii) Catalytic Reforming technology from M/s. IFP, France.	1991-92
iv) Hydrofinishing technology from M/s. IFP, France.	1992-93



b. Technology imported for Panipat Refinery	Year of Import
v) Catalytic Reforming technology from M/s. IFP, France	1993-94
vi) Hydrocracker technology from M/s. UNOCOL & M/s. UOP, USA.	1993-94
vii) Hydrogen Generation technology from M/s. Haldor Topsoe, Denmark	1993-94
viii) Fluidised Catalytic Cracking Technology from M/s. Stone & Webster, USA.	1993-94

c. Has technology been fully absorbed?

Technology will be fully absorbed with the execution of the above projects.

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

In respect of items (i) & (ii) above, technology has been fully absorbed recently with the commissioning of Hydrocracker Project. Regarding items (iii) & (iv), technology will be absorbed on commissioning of the Reformers at Barauni, Digboi and Mathura Refineries and Hydrofinishing Unit at Digboi & Barauni Refineries respectively. Regarding items (v) to (viii), technology will be fully absorbed after commissioning of the Panipat Refinery Project in 1997.



Auditors' Report

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1995 and the Profit and Loss Account of the company annexed thereto for the year ended on that date in which are incorporated the accounts of certain refineries/divisions audited by branch 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 enclosed 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 accounts as required by law have been kept by the company so far as appears from our examination of the books;
 - c) The allocation of work amongst the auditors has been followed as per directions contained in letters No. I-024/1011388/94-IGC dated 14.12.94 and 7.3.95 addressed to Indian Oil Corporation Limited by the Government of India, Ministry of Law, Justice and Company Affairs; Department of Company Affairs, 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 Accounts dealt with by this report are in agreement with the books of accounts;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Statement on Accounting policies and Notes on Accounts (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 company as at 31st March, 1995,
 - and
 - ii) In the case of Profit and Loss Account, of the Profit of the company for the year ended on that date.

FORD RHODES PARKS & CO.
Chartered Accountants

S. GHOSE & CO.
Chartered Accountants

Sd/-
(A.D. SHENOY)
Partner

Sd/-
(C. CHATTERJEE)
Partner

S.K. BHATTACHARIYA & CO.
Chartered Accountants

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(S. BHATTACHARIYA)
Partner

Sd/-
(J.C. GUPTA)
Partner

New Delhi
Dated: 26th June, 1995



Annexure to the Auditors' Report

(Referred to in paragraph 1 of our Report of Even Date)

1. The company has generally maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets of the company 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 company 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 company and the nature of its business.
4. In our opinion, the procedures of physical verification of stocks followed by the company are reasonable and adequate in relation to the size of the company 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, is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company 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 company has granted unsecured loans to Indian Oil Blending Limited, a subsidiary of the company. 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 company.
9. The parties to whom loans or advances in the nature of loans have been given by the company 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 company 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. During the year, company has not entered into any contracts for purchase of goods and materials and sale of goods, materials and services, in pursuance of contracts or arrangements requiring entry in the register maintained under Section 301 of The Companies Act, 1956.
12. As explained to us, the company has regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages, raw materials and finished goods and adequate provision for likely loss is made for such items.
13. In our opinion and according to the information and explanations given to us, the company 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 company for the sale and disposal of contaminated products, slops and scraps where applicable.
15. The company has an internal audit system commensurate with the size and nature of its business.



Auditors' Report *Contd...*

16. We have broadly reviewed the books of account maintained by the company 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 company, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees, State Insurance Scheme is not applicable to the company.
18. According to the records and information and explanations furnished, there was no amount outstanding on 31st March, 1995 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 company is not a sick industrial company within the meaning of clause (0) of section 3(1) of the Sick Industrial Companies (Special Provisions) Amendment Act, 1991.
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.

FORD RHODES PARKS & CO.
Chartered Accountants

Sd/-
(A.D. SHENOY)
Partner

S. GHOSE & CO.
Chartered Accountants

Sd/-
(C. CHATTERJEE)
Partner ..

S. K. BHATTACHARIYA & CO.
Chartered Accountants

Sd/-
(S. BHATTACHARIYA)
Partner

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(J.C. GUPTA)
Partner

New Delhi

Dated: 26th June, 1995



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 or less is amortised during the lease period.

1.3.2 Assets costing upto Rs. 5,000/- are depreciated fully in the year of capitalisation;

1.3.3 Capital expenditure on items 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.

1.3.4 Depreciation on fixed assets other than the above is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method, upto 95% of the cost of the asset. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal and dismantling during the year.

1.4 Exchange Rate:

Liability for foreign credit is provided on the basis of Bank selling rates rulings 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. INVESTMENTS:

Unquoted investments are valued at cost. Quoted investments are valued at cost or market value, whichever is lower. However, investments in Public Sector Undertakings Bonds are valued at 'redemption price' or 'cost price' whichever is lower.

3. CURRENT ASSETS, LOANS AND ADVANCES:

3.1 Valuation of inventories:

3.1.1 Raw Materials:

3.1.1.1 Crude Oil is valued at cost on First In First Out basis. Base Oils and Additives are valued at weighted average cost.

3.1.1.2 Process Stock is valued at raw material cost.

3.1.2 Stock-in-Trade:

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



Accounting Policies *Contd...*

- 3.1.2.2 The cost of price controlled finished products is determined as per pricing mechanism approved by the Government from time to time.
- 3.1.2.3 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 Lubes and Greases is determined at weighted average cost.
- 3.1.2.4 Imported products in transit are valued at CIF cost.
- 3.1.2.5 Excise duty/customs duty on stock of finished goods and crude oil in bond are accounted for only on their release from bond.
- 3.1.3 Stores and Spares:**
- Stores and Spares are valued at or under cost. However, in the case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue.
- 3.2 Claims:**
- 3.2.1 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.
- 3.2.2 Other claims are accounted when there is certainty that the claims are realisable.
- 3.3 Current assets involving foreign exchange transactions are translated at the year end applicable exchange rate. The exchange rate differences, resulting in net loss, are absorbed in Profit and Loss Account.
- 4. LIABILITIES & PROVISIONS:**
- 4.1 Outstanding liability for foreign credits are provided at the applicable exchange rate prevailing at the year end. The exchange rate differences resulting in net loss, other than on capital account, are absorbed in Profit and Loss Account.
- 4.2 Contingent Liabilities are disclosed in each case above Rs. 5 lakhs. 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.
- 4.3 Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 5 lakhs.
- 5. PROFIT AND LOSS ACCOUNT:**
- 5.1 Sale proceeds are arrived at after adjustment of Industry Pool Accounts.
- 5.2 Raw Materials consumed/and purchases of products are net of Industry Pool Account adjustments.
- 5.3 Payment of gratuity is made through trust and the amount contributed, based on actuarial valuation, is charged to Profit and Loss Account.
- 5.4 Pre-paid expenses upto Rs. 50,000/- in each case are charged to revenue.
- 5.5 Income and expenditure upto Rs. 5 lakhs in each case pertaining to prior years are accounted for in the current year.



- 5.6 Income and expenditure of extra-ordinary nature in excess of Rs. 20 lakhs, in each case, are accounted and classified under suitable natural head of account separately.
- 5.7 Interest on outstandings is accounted for when there is certainty that the same is realisable, based on past experience.

6. R&D EXPENDITURE:

All expenditure, other than on capital account, on research and development are charged to the Profit and Loss Account.

Sd/-
(R.K. NARANG)
CHAIRMAN

Sd/-
(SURESH CHAND MATHUR)
DIRECTOR (FINANCE)

Sd/-
(M.A. PATHAN)
DIRECTOR (MARKETING)

Sd/-
(A.K. ARORA)
DIRECTOR (R & P)

Sd/-
(R. NARAYANAN)
SECRETARY

New Delhi

Dated: 26th June, 1995.



Balance Sheet

Balance Sheet as at 31st March, 1995

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March 94 Rupees (in lakhs)
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	"A"	36,979.74		12,326.58
b) Reserves and Surplus	"B"	621,752.84		554,989.53
			658,732.58	567,316.11
2. Share Application Money			1,954.01	
3. Loan Funds				
a) Secured	"C"	50,112.64		77,710.26
b) Unsecured	"D"	486,558.25		572,279.54
			536,670.89	649,989.80
	TOTAL		1,197,357.48	1,217,305.91
APPLICATION OF FUNDS:				
1. Fixed Assets:				
a) Gross Block	"E"	593,797.53		523,919.23
b) Less: Depreciation		305,833.31		266,166.92
c) Construction Work-in-Progress and Capital Goods in Stock	"F"	287,964.22		257,752.31
		262,859.11		132,607.19
			550,823.33	390,359.50
2. Investments	"G"		385,688.77	385,763.18
3. Current Assets, Loans and Advances:				
a) Interest accrued on investments/ Bank balances		9,323.54		9,257.73
b) Inventories	"H"	418,494.15		392,659.12
c) Book Debts .	"I"	126,180.84		118,744.94
d) Cash balances including imprest and cheques in hand		29,333.35		25,862.40
e) Bank balances with Scheduled Banks:				
i) Current Account		706.52		803.49
ii) Fixed Deposit Account		2,000.60		1,900.69
iii) Blocked Account		37.09		33.26
iv) Call Account		383.79		1784.70
v) No Lien Account		0.01		0.01
f) With Post Office: Savings Account		0.04		0.04
g) Loans and Advances	"J"	279,321.68		397,219.31
		865,781.61		948,265.69



Balance Sheet as at 31st March, 1995 (Contd...)

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March 94 Rupees (in lakhs)
4. Current Liabilities and Provisions	"K"	604,936.23		507,082.46
5. Net Current Assets (3-4)			260,845.38	441,183.23
	TOTAL		1,197,357.48	<u>1,217,305.91</u>

Contingent Liabilities "P" (note 1)
Notes forming part of Accounts "P"

Sd/- (R.K. Narang) Chairman	Sd/- (Suresh Chand Mathur) Director (Finance)	Sd/- (M.A. Pathan) Director (Marketing) .	Sd/- (A.K.Arora) Director (R&P)	Sd/- (R. Narayanan) Secretary
-----------------------------------	--	--	--	-------------------------------------

As per our Report attached

S. K. Bhattachariya & Co. Chartered Accountants	S. Ghose & Co. Chartered Accountants	Jagdish Chand & Co. Chartered Accountants	Ford Rhodes Parks & Co. Chartered Accountant
---	--	---	--

Sd/- (S. Bhattachariya) Partner	Sd/- (C. Chatterjee) Partner	Sd/- (J.C. Gupta) Partner	Sd/- (A.D. Shenoy) Partner
---------------------------------------	------------------------------------	---------------------------------	----------------------------------

New Delhi

Dated: 26th June, 1995



Profit and Loss Account

Profit and Loss Account for the period ended 31st March, 1995

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
INCOME:				
1.	Sale of Products and Crude Less : Commission and Discounts ⁻	2,846,196.88 407.10		2,370,075.04 64.55
			2,845,789.78	2,370,010.49
2.	Company's use of own oil		3,188.15	3,180.10
3.	Recovery of Main Installation and other Charges		2,155.69	1,028.12
4.	Increase/(Decrease) in Stocks Closing Stock as on 31st March, 1995:			
	Finished Products	175,951.22		179,237.00
	Stock-in-Process	13,001.99		13,946.82
		188,953.21		193,183.82
	Less : Opening Stock as on 1st April, 1994:			
	Finished Products	179,237.00		148,501.61
	Stock-in-Process	13,946.82		14,545.79
	Adjustment in respect of Opening Stock of Finished Products	0.00		(17.94)
		193,183.82		163,029.46
			(4,230.61)	30,154.36
5.	Interest On:			
a)	Loans and Advances	1,651.03		1,407.07
b)	Fixed Deposits with Banks	2.21		2.23
c)	Short Term Deposits with Banks	50.90		91.26
d)	Customers Outstandings	1,352.00		2,543.77
e)	Fully paid Bonds (Tax Free) of Government Companies .	31,586.81		31,124.24
f)	Government Securities (Gross)	0.14		0.24
			34,643.09	35,168.81
6.	Other Income "L"		15,398.79	12,442.81
7.	Provision for Doubtful Debts, Advances, Claims and Stores. written back		321.37	213.04
	TOTAL INCOME		2,897,266.26	2,452,197.73



	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March 94 Rupees (in lakhs)
EXPENDITURE:				
1. Purchase of Products and Crude			1,425,712.47	1,240,867.63
2. Manufacturing, Administration, Selling and Other Expenses	"M"		919,900.80	812,375.67
3. Duties			357,070.18	228,119.76
4. Depreciation and Amortisation			41,746.58	32,277.59
5. Main Installation Charges Paid to Other Oil Companies			760.16	546.43
6. Interest:				
a) On Fixed period loans				
i) Oil Industry Development Board		4.43		5.51
ii) Floating Rate Bearer Notes		2,124.62		3,185.96
iii) Public Deposits		6,247.86		2,516.33
iv) Asian Development Bank		4,013.08		3,547.53
b) On short term loans from Banks		16,905.80		22,946.32
c) Others		18,228.51		9,690.65
			47,524.30	41,892.30
TOTAL EXPENDITURE			2,792,714.49	2,356,079.38
7. Less :				
a) Amount transferred to Construction period expenses pending allocation (Net)		11,033.48		5,485.61
b) Expenses transferred to Manufacturing of drums		505.26		410.79
			11,538.74	5,896.40
NET EXPENDITURE			2,781,175.75	2,350,182.98
PROFIT (before extra-ordinary and prior period Adjustments)			116,090.51	102,014.75
Income/(Expenditure) relating to extra-ordinary items (Net)	"O-1"		21,143.73	(5,376.44)
PROFIT FOR THE YEAR			137,234.24	96,638.31
Income/(Expenditure) relating to prior period (Net)	"O"		(250.13)	(227.47)
PROFIT BEFORE TAX			136,984.11	96,410.84
Taxation (Net)			35,098.49	19,211.00
PROFIT AFTER TAX	Carried Forward...		101,885.62	77,199.84

Profit and Loss Account *Contd...*

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March 94 Rupees (in lakhs)
PROFIT AFTER TAX	Brought Forward...		101,885.62	77,199.84
Balance brought forward from last year's Account			1.00	0.79
Transfer from Investment Allowance (Utilised) Reserve			13,880.00	0.00
DISPOSABLE PROFIT			115,766.62	77,200.63
APPROPRIATIONS:				
Dividend (Proposed) (Subject to deduction of tax at Source)			10,469.15	4930.63
Insurance Reserve Account			30.00	30.00
General Reserve			105,267.00	72,239.00
Balance Carried to Balance Sheet			0.47	1.00
TOTAL :			115,766.62	77,200.63
Notes forming part of Accounts	"P"			

Sd/- (R.K. Narang) Chairman	Sd/- (Suresh Chand Mathur) Director (Finance)	Sd/- (M.A. Pathan) Director (Marketing)	Sd/- (A.K.Arora) Director (R&P)	Sd/- (R. Narayanan) Secretary
-----------------------------------	--	--	--	-------------------------------------

As per our Report attached

S. K. Bhattachariya & Co. Chartered Accountants	S. Ghose & Co. Chartered Accountants	Jagdish Chand & CO. Chartered Accountants	Ford Rhodes Parks & Co. Chartered Accountants
--	---	--	--

Sd/- (S. Bhattachariya) Partner	Sd/- (C. Chatterjee) Partner	Sd/- (J.C. Gupta) Partner	Sd/- (A.D. Shenoy) Partner
---------------------------------------	------------------------------------	---------------------------------	----------------------------------

New Delhi

Dated : 26th June, 1995



Schedules

Schedule "A" - Share Capital

	Rupees (in lakhs)	March '94 Rupees (in lakhs)
Authorised :		
250,00,00,000 Equity Shares of Rs. 10 each (1994: 15,00,000 Equity Shares of Rs. 1000 each)	250,000.00	15,000.00
Issued and Subscribed :		
36,97,97,400 Equity Shares of Rs. 10 each (1994: 12,32,658 Equity Shares of Rs. 1000 each)	<u>36,979.74</u>	<u>12,326.58</u>
Out of which :		
1. Shares allotted as fully paid without payment being received in cash:		
a) Pursuant to the Petroleum Companies Amalgamation Order 1964		
37649700 Shares of Rs. 10 each (1994: 376497 Shares of Rs. 1000 each)		
b) Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order 1965		
10000000 Shares of Rs. 10 each (1994: 100000 Shares of Rs. 1000 each)		
2. Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve: 287620200 Shares of Rs. 10 each (1994 :410886 Shares of Rs. 1000 each)		
	<u>36,979.74</u>	<u>12,326.58</u>

Note: During 1994-95, Equity Share of Rs. 1000 each has been sub-divided into 100 Equity Shares of Rs. 10 each.



Schedules *Contd...*

Schedule "B" - Reserves and Surplus

	Rupees (In lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Capital Reserve :			
As per last account		15.82	15.82
2. General Reserve :			
As per last Account	531,601.71		459,362.71
Add: Transferred from Profit and Loss Account	<u>105,267.00</u>		<u>72,239.00</u>
	636,868.71		531,601.71
Less : Transferred for issue of Bonus shares	<u>(24,653.16)</u>		<u>0.00</u>
		612,215.55	531,601.71
3. Insurance Reserve :			
As per last Account	400.00		370.00
Add: Transferred from Profit and Loss Account	<u>30.00</u>		<u>30.00</u>
		430.00	400.00
4. Investment Allowance (Utilised) Reserve:			
As per last Account	17,030.00		17,030.00
Less : Transferred to Profit and Loss Account	<u>13,880.00</u>		<u>0.00</u>
		3,150.00	17,030.00
5. Export Profit Reserve :			
As per last Account		5,941.00	5,941.00
6. Profit and Loss Account :			
As per annexed Account		0.47	1.00
TOTAL:		<u>621,752.84</u>	<u>554,989.53</u>

Schedule “C” - Secured Loans

	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Loans and Advances from Banks:	49,649.72	76,965.93
(Including Rs. Nil; 1994: Rs. 10,922.12 Lakhs towards Export Packing Credit)		
2. Interest accrued and due on above	462.92	744 33
TOTAL	<u>50,112.64</u>	<u>77,710.26</u>

Note: Secured by hypothecation of raw materials, stock-in-trade, book-debts, outstanding monies, receivables claims, contracts, engagements etc.



Schedules *Contd...*

Schedule "D" - Unsecured Loans

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1 20,000 Floating Rate Bearer Notes of US \$ 10,000 each; (US \$ 200 Million) repaid in November, 1994 in US Dollars, Guaranteed as to principal and interest by Government of India.		0.00	62,780.00
2. Loan of US \$ 150 Million from Asian Development Bank (Revalued at US \$ 218.44 Million as on 31.03.95 in line with the loan agreement) repayable in Half Yearly instalments commencing from July 15, 1995 to January 15, 2011, Guaranteed as to Principal and interest by Government of India		68,778.11	58,772.83
3. Short Term Loans and Advances from Banks (Due for payment within one year)		304,692.05	398,666.82
4. Deferred Foreign Credit from EDC Canada guaranteed as to principal and interest by Government of India. Due for payment within one year. (1994: Rs. 43.89 lakhs)		14.45	54.53
5. Other Loans and Advances:			
a) From Oil Industry Development Board (including Rs. 12.97 lakhs; 1994; Rs. 18.27 lakhs due for payment within one year)		36.23	43.05
b) Loan from Karnataka State Electricity Board (Including Rs. 10.00 Lakhs due for payment within one year)		140.00	0.00
c) Public Deposits (including Rs. 8947.00 lakhs; 1994; Rs. 1347.19 lakhs due for payment within one year)		57,574.34	25,091.52



Schedule "D" Contd...

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
d) Loan of US \$42.75 Million, 1994; US \$ 35 Million from International Bank for Reconstruction and Development (revalued at US \$ 50.71 Million, 1994; US \$ 37.32 Million) repayable during December 15, 1994 to June 15, 2009, guaranteed as to principal and interest by Government of India. (including Rs. 611.63 lakhs ; 1994; Rs. 1095.00 lakhs payment within one year)	15,966.82		11,798.32
e) Loan of US \$ 12.68 Million from State Bank of India, New York, (repaid in 1994-95)	0.00		4,008.97
f) Loan of US \$ 30 Million from Gulf International Bank, Baharain repayable in Sept 1997.	9,445.50		0.00
g) Loan of US \$ 40 Million from Standard Chartered Bank, UK. repayable in August 1997.	12,594.00		0.00
h) Loan of US \$ 20 Million from National Bank of Oman, repayable in October 1999.	6,297.00		0.00
i) Loan of US \$ 35 Million from the Gulf Bank, Kuwait, repayable in March 1997.	11,019.75		11,063.50
		113,073.64	52,005.36
TOTAL		486,558.25	572,279.54

Schedules *Contd...*

Schedule "E" - Fixed Assets

	Note Ref.	GROSS BLOCK		
		Gross Block as at 01.04.1994	Additions during the year	Trasfers from Construction Work-in-Progress
		Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
Land -Freehold	B	12,267.74	1,120.17	1.25
- Leasehold	C	5,907.40	225.22	0.00
- Right of Way		147.12	115.57	0.00
Buildings, Roads Etc.	D	53,269.26	214.60	9,880.65
Enabling Assets	E	1,394.29	13.84	184.84
Plant and Machinery	F	427,506.82	29,159.24	28,589.68
Transport Equipments	G	6,242.84	198.87	93.75
Furnitures and Fixtures		3,823.30.	258.04	145.31
Railway Sidings		4,243.67	648.09	863.91
Drainage, Sewage and Water Supply System	H	9,079.69	0.54	985.68
Sundry Assets		37.10	1.56	0.00
TOTAL		523,919.23	31,955.74	40,745.07
Previous Year:		428,031.89	23,961.19	74,932.52

- Notes:
- Includes **Rs. 55.75 Lakhs** (1994 Rs. 4.77 Lakhs) in respect of prior period items
 - Includes **Rs. 2838.18 Lakhs** of Land taken on perpetual lease on which no amortisation has been effected.
 - Includes **Rs. 66.01 lakhs** being 1/3rd Corporation share of land for railway siding at Paharpur Depot (Meerut) Jointly owned with M/s HPC and IBP.
 - Buildings Include:
 - Rs. 0.58 lakhs** (1994 Rs. 0.58 lakhs) towards value of 1151 (1994:1150) Shares in co-operative Housing Societies towards membership of such Societies for purchase of flats;
 - Includes Rs. 16.54 lakhs value of assets jointly owned with others.
 - Represents Capital Expenditure on Assets like Railway Sidings, Electricity transmission lines etc.. the ownership of which is not with the Corporation, Includes Rs. 110.25 Lakhs jointly contributed with HPC
 - Includes **Rs. 554.05 lakhs** being our share of cost of assets jointly owned with IPCL/BPC/HPC/ACC Ltd.
 - Includes **Rs. 1241.23 Lakhs** being our share of cost of assets jointly owned with transport contractors & Railways
 - Includes **Rs. 99.40 Lakhs** being our share of cost of assets jointly owned with GSFC.



Schedule "E" - Fixed Assets contd...

Disposals During the Year	AT COST		DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
	Transfers/ Deductions/ Reclassi- fications	Gross Block as at 31-03-1995	Charged this year (Ref Note No. A)	Upto 31.03.1995	As At 31-03-1995	As At 31-03-1994
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
0.00	35.57	13,424.73	0.00	0.00	13,424.73	12,267.74
0.00	(228.30)	5,904.32	87.39	465.34	5,438.98	5,522.17
0.00	0.00	262.69	0.00	0.03	262.66	147.09
(2.81)	94.26	63,455.96	1,298.36	10,092.63	53,363.33	44,501.40
0.00	51.68	1,644.65	237.51	944.34	700.31	689.92
(336.08)	(2,144.76)	482,774.90	39,021.01	279,463.16	203,311.74	185,151.16
(102.15)	(21.22)	6,412.09	365.37	4,472.23	1,939.86	2,031.20
(56.07)	(1.73)	4,168.85	331.30	2,222.86	1,945.99	1,895.41
0.00	0.00	5,755.67	230.45	1,684.62	4,071.05	2,789.51
0.00	(110.31)	9,955.60	229.99	6,461.98	3,493.62	2,744.86
0.00	(0.59)	38.07	0.97	26.12	11.95	11.85
(497.11)	(2,325.40)	593,797.53	41,802.35	305,833.31	287,964.22	257,752.31
(417.04)	(2,589.33)	523,919.23	32,282.36	266,166.92	257,752.31	

Schedules *Contd...*

Schedule "F" - Construction Work-in-Progress and Capital Goods in Stock

Index

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Work-in-progress (at cost) (including unallocated capital (expenditure, materials at site)		121,543.65	35,160.08
2. Advances for Capital expenditure	55,113.97		36,201.77
Less : Provision for Capital Losses	<u>50.00</u>	55,063.97	<u>50.00</u>
			36,151.77
3. Capital stores (at cost) (including materials worth Rs. 18463.29 lakhs 1994; Rs. 21944.36 lakhs lying with contractors)	50,484.16		44,773.87
Less: Provision for Obsolescence/Losses	<u>0.00</u>		<u>6.05</u>
		50,484.16	44,767.82
4. Miscellaneous Capital Stores (at or below cost)		232.78	134.16
5. Capital Goods-in-Transit (at cost)		17,576.92	8,948.50
6. Construction period expenses pending allocation			
Balance as at 1st April, 1994	7,444.86		5,823.61
Add: Adjustments relating to extra-ordinary items	153.05		24.66
Add: Adjustments relating to prior year items	<u>0.00</u>		<u>(52.05)</u>
	7,597.91		5,796.22
Add: Expenditure during the year:			
Establishment Charges	546.03		644.92
Interest	2,753.99		1,285.84
Depreciation	74.35		62.82
Others	<u>8,129.13</u>		<u>3,859.23</u>
	11,503.50		5,852.81
Less: Recoveries	470.02		367.20
Net expenditure during the year	<u>11,033.48</u>		<u>5,485.61</u>
	18,631.39		11,281.83
Less: Allocated to Assets/Construction work-in-Progress during the year	<u>673.76</u>		3,836.97
		17,957.63	7,444.86
TOTAL:		<u>262,859.11</u>	<u>132,607.19</u>



Schedule "G" - Investments

	No. and Particulars of Shares/ Bonds/Units	Face Value per Share Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	March, 1994 Rupees (in lakhs)
1	Quoted:					
	a) Canstar Scheme of Canbank Mutual Fund:	50000000 (1994 : 50000000) Canstars of Capital Gain Scheme	10/-		7,400.0	7,400.00
	Less: Provision for Loss:					(900.00)
	Total (a):				<u>7,400.00</u>	<u>6,500.00</u>
	Aggregate Market Value of above mentioned Security Rs. 8,250.00 lakhs; 1994 Rs. 6,500.00 lakhs.					
	b) In Fully Paid Bonds of Public Sector Undertakings:					
	i) National Thermal Power Corporation Limited:	24,97,500 (1994: 24,97,500) 9% Secured (Tax Free) Redeemable Bonds (V Issue - 1989)	1,000/-	25,182.25		25,182.25
	ii) Mahanagar Telephone Nigam Limited:	9,00,000 (1994: 9,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series - 1989)	1,000/-	8,979.75		8,979.75
		15,18,019 (1994: 15,18,019) 9% Secured (Tax Free) Redeemable Bonds (IV Series - 1990)	1,000/-	<u>15,036.64</u>		<u>15,036.64</u>
				24,016.39		24,016.39
	iii) Indian Railway Finance Corporation Limited:	3,32,000 (1994: 3,32,000) 9% Secured (Tax Free) Redeemable Bonds (I Series - 1987)	1,000/-	3,317.82		3,317.82
		13,32,400 (1994: 13,32,400) 9% Secured (Tax Free) Redeemable Bonds (II Series - 1988)	1,000/-	13,319.63		13,319.63
		23,10,000 (1994: 23,10,000) 9% Secured (Tax Free) Redeemable Bonds (III "A" Series - 1989)	1,000/-	23,210.35		23,210.35
		1,56,975 (1994: 1,56,975) 9% Secured (Tax Free) Redeemable Bonds (V Series - 1991)	1,000/-	1,569.75		1,569.75
		6,50,000 (1994: 6,50,000) 9% Secured (Tax Free) Redeemable Bonds (V "A" Series - 1989-90)	1,000/-	<u>6,445.00</u>		<u>6,445.00</u>
				47,862.55		47,862.55
	iv) Indian Telephone Industries Limited:	5,00,000 (1994 : 5,00,000) 10% Secured (Tax Free) Redeemable Bonds (B Series - 1987)	1,000/-	5,000.00		5,000.00
	v) National Hydro Electric Power Corporation Limited	2,15,000 (1994: 2,15,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	2,152.03		2,152.03
		2,68,000 (1994: 2,68,000) 9% Secured (Tax Free) Redeemable Bonds (E Series)	1,000/-	<u>2,705.86</u>		<u>2,705.86</u>
				4,857.89		4,857.89
	vi) Neyveli Lignite Corporation Limited:	1,70,000 (1994: 1,70,000) 9% Secured (Tax Free) Redeemable Bonds (B Series - 1987)	1,000/-	1,700.00		1,700.00

Schedules *Contd...*

Schedule "G" - Investments *Contd.*

Index

	No. and Particulars of Shares/ Bonds/Units	Face Value per Share Bond/Unit (Rs.)	March, 1995			
			Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
	10,50,000 (1994:10,50,000) 9% Secured (Tax Free) Redeemable Bonds (E Series-1990)	1,000/-	10,564.00			10,564.00
				12,264.00		12,264.00
vii)	Rural Electrification Corporation Limited	2,90,000 (1994: 2,90,000) 9% Secured (Tax Free) Redeemable Bonds (XIX Series)	1,000/-	2,928.10		2,928.10
		12,54,950 (1994:12,54,950) 9% Secured (Tax Free) Redeemable Bonds (XX Series)	1,000/-	12,544.91		12,544.91
				15,473.01		15,473.01
viii)	Konkan Railway Corporation Limited	5,00,000 (1994: 5,00,000) 10.5% Secured (Tax Free) Redeemable Bonds (2 - B Series)	1,000/-	5,000.00		5,000.00
					139,656.09	139,656.09
Less:	Provision for the difference between acquisition cost and redemption value where the acquisition cost is higher.				437.59	0.00
	Total (b) :				139,218.50	139,656.09
Agregate Market Value of Securities under b) above Rs. 1,32,378.27 lakhs; (1994: These Securities were treated as UNQUOTED since no quotations were available)						
	Total : 1(a+b)				146,618.50	146,156.09

2. Unquoted:

a) Listed but no quotation reported:
In Fully Paid Bonds of Public Sector Undertakings:

i)	National Thermal Power Corporation Limited:	12,10,000 (1994:12,10,000) 10% secured (Tax Free) Redeemable Bonds (I Series - 1986)	1,000/-	12,108.50		12,108.50
		8,50,000 (1994: 8,50,000) 9% secured (Tax Free) Redeemable Bonds (III Public Issue - 1988)	1,000/-	8,551.00		8,551.00
				20,659.50		20,659.50
ii)	Mahanagar Telephone Nigam Limited:	7,45,000 (1994: 7,45,000) 10% Secured (Tax Free) Redeemable Bonds (I Series - 1986)	1,000/-	7,717.05		7,717.05
iii)	Indian Railway Finance Corporation Limited:	4,67,500 (1994: 4,67,500) 10% Secured (Tax Free) Redeemable Bonds (I Series - 1987)	1,000/-	4,947.38		4,947.38
		105,600 (1994:105,600) 9% Secured (Tax Free) Redeemable Bonds (III Series - 1989)	1,000/-	1,059.53		1,059.53
		3,10,860 (1994: 3,10,860) 9% Secured (Tax Free) Redeemable Bonds (IV Series - 1990)	1,000/-	3,108.60		3,108.60
				9,115.51		9,115.51



Schedule "G" - Investments *Contd.*

		No. and Particulars of Shares/Bonds/Units	Face Value per Share Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	March, 1994 Rupees (in lakhs)
iv)	Power Finance Corporation Limited:	8,40,000 (1994: 8,40,000) 9% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-		8,351.60		8,351.60
v)	Housing & Urban Development Corporation Limited:	2,50,000 (1994: 2,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series I)	1,000/-		2,481.50		2,481.50
vi)	Nuclear Power Corporation Limited:	50,000 (1994: 50,000) 9% Secured (Tax Free) Redeemable Bonds (A Series)	1,000/-		504.25		504.25
						48,829.41	48,829.41
Less : Provision for the difference between acquisition cost and redemption value where the acquisition cost is higher.						606.70	----
Total (a):						48,222.71	48,829.41
b)	OTHERS:						
i)	Indian Railway Finance Corporation Limited:	11,90,000(1994: 11,90,000)9% Secured (Tax Free) Redeemable Bonds (IV "A" Series - 1989-90)	1,000/-	11,905.75			11,905.75
		1,00,000 (1994:1,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV "B" Series - 1989-90)	1,000/-	985.00			985.00
		8,20,000 (1994: 8,20,000) 9% Secured (Tax Free) Redeemable Bonds (IV "C" Series - 1989-90)	1,000/-	8,261.75			8,261.75
		3,00,000 (1994: 3,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV "D" Series - 1989-90)	1,000/-	2,997.00			2,997.00
		3,00,000 (1994: 3,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV "E" Series - 1989-90)	1,000/-	3,035.00			3,035.00
		8,60,000 (1994: 8,60,000) 9% Secured (Tax Free) Redeemable Bonds (VI "A" Series - 1991)	1,000/-	8,600.80			8,600.80
						35,785.30	35,785.30
ii)	National Hydro Electric Power Corporation Limited:	9,30,000 (1994: 9,30,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,284.05			9,284.05
		13,90,000 (1994:13,90,000) 9% Secured (Tax Free) Redeemable Bonds (D Series)	1,000/-	13,947.50			13,947.50
						23,231.55	23,231.55
iii)	Neyveli Lignite Corporation Limited:	7,50,000 (1994: 7,50,000) 9% Secured (Tax Free) Redeemable Bonds (C Series - 1988)	1,000/-	7,548.00			7,548.00
		3,00,000 (1994: 3,00,000) 9% Secured (Tax Free) Redeemable Bonds (D Series - 1989)	1,000/-	2,980.50			2,980.50
						10,528.50	10,528.50
iv)	Power Finance Corporation Limited:	13,25,000 (1994:13,25,000) 9% Secured (Tax Free) Redeemable Bonds (II Series)	1,000/-	13,348.88			13,348.88



Schedules *Contd...*

Schedule "G" - Investments *Contd.*

Index

	No. and Particulars of Shares/Bonds/Units	Face Value per Share Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	March, 1994 Rupees (in lakhs)
	5,00,000 (1994: 5,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series)	1,000/-	5,058.75			5,058.75
	14,60,000 (1994: 14,60,000) 9% Secured (Tax Free) Redeemable Bonds (IV Series)	1,000/-	14,718.31			14,718.31
	8,00,000 (1994: 8,00,000) 9% Secured (Tax Free) Redeemable Bonds (V Series)	1,000/-	8,027.00	41,152.94		8,027.00
						41,152.94
v) Housing & Urban Development Corporation Limited:	95,000 (1994: 95,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds - Series II)	1,000/-	966.91			966.91
	50,000 (1994: 50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds - Series III)	1,000/-	508.90			508.90
	8,25,000 (1994: 8,25,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds - Series IV)	1,000/-	8,268.38			8,268.38
	4,50,000 (1994: 4,50,000) 9% Secured (Tax Free) Redeemable Bonds (Urban Bonds - Series I)	1,000/-	4,539.50	14,283.69		4,539.50
						14,283.69
vi) Nuclear Power Corporation Limited:	9,50,000 (1994: 9,50,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	9,561.75			9,561.75
	9,20,000 (1994: 9,20,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,202.60	18,764.35		9,202.60
						18,764.35
viii) Rural Electrification Corporation Limited:	6,65,000 (1994: 6,65,000) 9% Secured (Tax Free) Redeemable Bonds (XV Series 1997)	1,000/-	6,621.75			6,621.75
	9,35,000 (1994: 9,35,000) 9% Secured (Tax Free) Redeemable Bonds (XVII Series 1998)	1,000/-	9,388.56	16,010.31		9,388.56
						16,010.31
					159,756.64	159,756.64
Less: Provision for the difference between acquisition cost and redemption value where the acquisition cost is higher.					688.33	0.00
	Total (b):				159,068.31	159,756.64
c) Units of Unit Trust of India:	20,05,66,000 (1994: 20,05,50,000) Units of Unit Trust of India 1964 Scheme	10/-		27,977.78		27,977.74
d) Canpep '92 Scheme of Can Bank Mutual Fund	3,00,00,000 (1994: 3,00,00,000) Canpeps	10/-		3,000.00		3,000.00
e) In Subsidiary Company - IOBL	8,000 Equity Shares each fully paid in cash	500/-		40.00		40.00



Schedule "G" - Investments Contd.

	No. and Particulars of Shares/Bonds/Units	Face Value per Share Bond/Unit (Rs.)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	March, 1994 Rupees (in lakhs)
f)	In Government Securities (Including Rs. 26,200:1994: Rs. 21,200 Deposited with various Bodies)				0.94	0.91
g)	Other Investments:					
i)	International Cooperative Petroleum Association	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	2.12		2.12
ii)	Avi-Oil India Limited (A Joint Venture Company)	10,00,000 Shares fully paid in cash	10/-	100.00		0.00
iii)	Indo-Mobil Limited (A Joint Venture Company)	65,81,401 Shares fully paid in cash	10/-	658.14		0.00
iv)	In Consumer Cooperative Societies:					
	Barauni :	250 Equity Shares each fully paid in cash	10/-			
	Gauhati :	250 Equity Shares each fully paid in cash	10/-			
	Mathura :	200 Equity Shares each full paid in cash	10/-	0.27		0.27
	Haldia :	1,663 Equity Shares each fully paid in cash	10/-			
	In Indian Oil Cooperative Consumer Stores Ltd., Delhi:	375 Equity Shares each fully paid in cash	10/-		760.53	2.39
	Total (2): (a to g)				239,070.27	239,607.09
	Grand Total:(1 +2)				385,688.77	385,763.18

Note :

During the year, following Investments were sold:

Particulars	Face Value	
	No. of Units	Rupees (in lakhs)
Units of Unit Trust of India	40,094,000	4,009.40



Schedules *Contd...*

Schedule "H" - Inventories

	Note Ref.	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Stores, Spares etc. (including in transit Rs. 1540.29 lakhs; 1994; Rs. 1966.85 lakhs)	A	34,815.15		32,857.34
Less : Provision for Losses		<u>706.91</u>		<u>610.00</u>
			34,108.24	<u>32,247.34</u>
2. Raw Materials (including in transit Rs. 29475.10 lakhs; 1994: Rs. 27746.83 lakhs)	B		194,816.45	166,563.80
3. Stock-in-Trade				
a) Oil Stock	C	110,449.58		132,077.83
b) Imported Finished Products in Transit		65,501.64		47,159.17
c) Stock-in-process		13,001.99		<u>13,946.82</u>
			188,953.21	<u>193,183.82</u>
4. Stock of empty Barrels and Tins	D		616.25	664.16
TOTAL :			<u>418,494.15</u>	<u>392,659.12</u>

Notes:

- A. Includes stock lying with contractors **Rs. 482.00 lakhs** (1994: Rs. 429.58 lakhs)
- B. Includes stock lying with Other Oil Companies on loan **Rs. 103895.76 lakhs**: (1994: Rs. 71839.86 lakhs) and with others **Rs. 10074.13 lakhs**; (1994: Rs. 11399.22 lakhs) but excludes stock taken on loan from Oil Companies **Rs. 26661.47 lakhs** (1994: Rs. 13682.48 lakhs)
- C. Includes stock lying with Other Oil Companies on loan **Rs. 5044.11 lakhs** (1994 Rs. 11447.69 lakhs) and with others **Rs. 7513.87 lakhs**: (1994: Rs. 1161.94 lakhs) but excludes stock taken on loan from Oil companies **Rs. 21784.27 lakhs** (1994: Rs. 20149.75 lakhs)
- D. Includes stock lying with others **Rs. 138.00 lakhs**; (1994: Rs. 129.88 lakhs)

Schedule "I" Book Debts

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Over Six Months:			
a) Secured, Considered Good	1.14		0.42
b) Unsecured, Considered Good	28,444.98		29,181.09
c) Unsecured, Considered Doubtful	<u>1,399.31</u>		<u>1,155.59</u>
		29,845.43	<u>30,337.10</u>
2. Other Debts:			
a) Secured, Considered Good	22.87		16.80
b) Unsecured, Considered Good	<u>97,711.85</u>		<u>89,546.63</u>
		<u>97,734.72</u>	<u>89,563.43</u>
		127,580.15	119,900.53
Less : Provision for Doubtful Debts		<u>1,399.31</u>	<u>1,155.59</u>
TOTAL		<u>126180.84</u>	<u>118,744.94</u>

Schedules *Contd...*

Schedule "J" - Loans and Advances

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Loans - Unsecured, Considered Good: - To Indian Oil Blending Limited (A Subsidiary) including interest Accrued Rs. Nil ; (1994: Rs. 105.96 Lakhs)		0.00	432.01
2. Advances recoverable in cash or in kind or for value to be received:			
a) Secured, Considered Good	23,061.51		20,368.32
b) Unsecured, Considered Good	27,043.95		20,275.21
c) Unsecured, Considered Doubtful	<u>80.44</u>		<u>100.66</u>
	50,185.90		40,744.19
Less : Provision for Doubtful Advances	<u>80.44</u>		<u>100.66</u>
		50,105.46	40,643.53
3. Amount recoverable from Industry Pool Account Unsecured, Considered Good		136,131.60	287,777.29
4. Claims Recoverable:			
a) Secured, Considered Good	32.74		16.79
b) Unsecured, Considered Good	32,253.98		20,496.22
c) Unsecured, Considered Doubtful	<u>2,159.85</u>		<u>1,902.19</u>
	34,446.57		22,415.20
Less : Provision for Doubtful Claims	<u>2,159.85</u>		<u>1,902.19</u>
		32,286.72	20,513.01
5. Materials on Loan:			
a) Secured, Considered Good	41.49		50.87
b) Unsecured, Considered Good	<u>0.00</u>		<u>22.19</u>
		41.49	73.06
6. Investment Deposit Scheme, 1986 Unsecured, Considered Good		17.69	17.69
7. Balance with Customs, Port Trust and Excise Authorities Unsecured, Considered Good		7,769.68	8,391.61



Schedule "J" - Loans and Advances (Contd.)

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
8. Sundry Deposites (including amount adjustable on receipt of Final bills)			
a) Secured, Considered Good	50,081.15		38,458.48
b) Unsecured, Considered Good	2,887.89		912.63
c) Unsecured, Considered Doubtful	<u>0.11</u>		<u>0.11</u>
	52,969.15		39,371.22
Less : Provision for Doubtful Deposits	<u>0.11</u>		<u>0.11</u>
		<u>52,969.04</u>	<u>39,371.11</u>
TOTAL		<u>279,321.68</u>	<u>397,219.31</u>

Note A: Includes:

1. **Rs. 6.54 lakhs** (1994: Rs. 2.55 lakhs) due from Directors (Maximum **Rs. 7.86 Lakhs**; 1994: Rs. 2.99 lakhs)
2. **Rs. 47.64 lakhs** (1994: Rs. 40.53 lakhs) due from Other Officers (Maximum **Rs. 51.23 Lakhs**; 1994: Rs. 46.95 lakhs)

Schedules *Contd...*

Schedule “K” - Current Liabilities and Provisions

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Current Liabilities:				
a) Sundry Creditors		320,165.44		261,391.04
b) Other Liabilities		45,557.02		36,303.43
c) Security Deposits	228,537.40			204,016.93
Less: Investments and Deposits with Banks lodged by outside parties	463.92			465.19
		228,073.48		203,551.74
d) Interest accrued but not due on loans		9,860.21		7,734.05
			603,656.15	508,980.26
2. Dues to IOBL (a subsidiary Company)			16.09	(10.54)
3. Provisions:				
a) Provision for Taxation	88,113.53			82,815.39
Less : Advance Payments	97,318.69			89,633.28
		(9,205.16)		(6,817.89)
b) Proposed Dividend		10,469.15		4,930.63
			1,263.99	(1,887.26)
TOTAL			604,936.23	507,082.46



Schedule "L" - Other Income

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Sale of Power and Water		336.52	371.89
2. Profit on sale and disposal of Assets		567.28	681.64
3. Dividend received (Gross):			
a) From IOBL (the Subsidiary Company) (Tax deducted at Source Rs. 1.48 lakhs) 1994; Rs. 1.48 lakhs)	6.00		6.00
b) From Unit Trust of India/Mutual Funds	<u>5,589.30</u>		<u>3,724.50</u>
		5,595.30	<u>3,730.50</u>
4. Royalty and Technical know-how Fees		0.10	0.34
5. Unclaimed/Unspent liabilities written back		1,353.84	1,198.02
6. Miscellaneous Income		7,545.75	6,460.42
TOTAL		<u>15,398.79</u>	<u>12,442.81</u>

Schedules *Contd...*

Schedule "M" - Manufacturing, Administration, Selling and Other Expenses

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Raw Materials Consumed:				
Opening Balance as on 1st April, 1994		166,563.80		31,900.04
Add: Purchases		<u>713,399.54</u>		<u>744,517.21</u>
		879,963.34		776,417.25
Less : Closing Stock		<u>194,816.45</u>		<u>166,563.80</u>
			685,146.89	609,853.45
2. Consumption:				
a) Stores and Spares (including consumables)		12,659.21		12,001.51
b) Packages		<u>13,723.44</u>		<u>16,891.96</u>
			26,382.65	<u>28,893.47</u>
3. Power and Fuel		34,014.18		28,613.00
Less: Fuel for own Production		<u>27,868.29</u>		<u>21,541.82</u>
			6,145.89	<u>7,071.18</u>
4. Processing Fees, Blending Fees, Royalty and Other Charges			3,270.81	2,341.48
5. Repairs and Maintenance:				
a) Plant and Machinery		15,826.97		12,826.13
b) Buildings		2,569.87		2,438.22
c) Others		<u>1,559.77</u>		<u>1,358.56</u>
			19,956.61	<u>16,622.91</u>
6. Freight and Transportation Charges (Net of recoveries from Industry Pool Account)			94,168.78	79,615.28
7. Payments to and Provisions for Employees:				
a) Salaries, Wages, Bonus, etc.		33,729.46		26,822.66
b) Contribution to Provident and Other Funds		2,129.85		1,644.02
c) Staff Welfare Expenses		5,996.58		5,201.30
d) Contribution to Gratuity Fund		618.85		497.06
e) Gratuity and Ex-Gratia		<u>9.18</u>		<u>5.81</u>
			42,483.92	<u>34,170.85</u>
8. Office Administration, Selling and Other Expenses	"N"		<u>42,345.25</u>	<u>33,807.05</u>
TOTAL:			<u>919,900.80</u>	<u>812,375.67</u>



Schedule “N” - Office Administration, Selling and Other Expenses

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
1. Rent		3,540.12	3,187.30
2. Insurance		2,737.14	1,967.91
3. Rates and Taxes		950.41	758.65
4. Donations		57.32	77.27
5. Payment to Auditors:			
a) Audit Fees	6.00		6.00
b) Tax Audit Fees	1.95		1.95
c) Other Services (for issuing certificates etc.)	4.41		0.17
d) Out of Pocket Expenses	8.41		4.40
		20.77	12.52
6. Travelling and Conveyance		5,693.40	5,110.50
7. Communication Expenses		3,221.95	2,755.29
8. Printing and Stationery		910.37	857.66
9. Electricity and Water		2,907.93	2,370.68
10. Bank charges		2,295.01	3,019.40
11. Other Expenses*		15,753.92	10,647.88
12. Bad Debts, Advances and Claims written off		131.34	100.98
13. Loss on Assets sold, lost or written off		139.97	90.92
14. Technical Assistance Fees		122.02	152.18
15. Exchange Fluctuations (Net)		1,357.05	408.88
16. Provision for Doubtful Debts, Advances, claims and obsolesence of stores		894.04	844.01
17. Security Force Expenses		1,582.20	1,402.10
18. Pollution Control Expenses		30.29	42.92
TOTAL		42,345.25	33,807.05

* Includes contribution for Rural Development Programme **Rs. 23.59 lakhs** (1994: 26.57 lakhs)



Schedules *Contd...*

Schedule "0-1" - Income/Expenditure Relating to Extra Ordinary Items

Index

	Rupees (in lakhs)	Rupees (in lakhs)	March '94 Rupees (in lakhs)
INCOME:			
1. Sales of Products and Crude		45,978.89	2,572.80
2. Recovery of Main Installation & Other Charges		218.99	0.00
3. Profit on Sales of Investments		1,260.63	0.00
4. Miscellaneous Income		503.06	107.21
TOTAL INCOME:		<u>47,961.57</u>	<u>2,680.01</u>
EXPENDITURE:			
1. Purchase of Products and Crude		(228.53)	0.00
2. Duties		0.00	1,064.18
3. Interest- Others		12,207.02	14,959.34
4. Raw Materials Consumed		0.00	(176.29)
5. Power and Fuel		(50.42)	91.24
6. Blending Fees		308.87	65.68
7. Repairs and Maintenance		0.00	23.44
8. Freight and Transportation Charges (Net of Recoveries from Industry Pool Account)		528.17	(400.99)
9. Payment to and provision for Employees:			
a) Salaries, Wages and Bonus	12,310.94		852.52
b) Cont. to Provident & Other Funds	469.03		0.00
c) Cont. to Gratuity Fund	<u>106.11</u>		<u>0.00</u>
		12,886.08	852.52
10. Rent		296.83	(7,285.67)
11. Rates and Taxes		30.63	32.74
12. Miscellaneous Expenses		159.61	104.92
13. Provision for loss in Cost of Investments		832.63	(1,250.00)
TOTAL EXPENDITURE:		<u>26,970.89</u>	<u>8,081.11</u>
Less: Transfer to Construction Period Expenses Pending Allocation (Net)		(153.05)	(24.66)
NET EXPENDITURE:		<u>26,817.84</u>	<u>8,056.45</u>
NET INCOME/(EXPENDITURE)		<u>21,143.73</u>	<u>(5,376.44)</u>



Schedule "O" - Income/Expenditure Relating to Prior Period

	Rupees (in lakhs)	Rupees (in lakhs)	March'94 Rupees (in lakhs)
INCOME:			
1. Sale of Products and Crude		10.07	30.58
2. Interest		14.16	(11.16)
3. Sale of Power & Water		0.00	34.43
4. Miscellaneous Income		61.25	57.72
TOTAL INCOME:		<u>85.48</u>	<u>111.57</u>
EXPENDITURE:			
1. Purchase of product and Crude		(32.42)	0.00
2. Duties		3.10	0.00
3. Depreciation and Amortisation		55.75	4.77
4. Interest - Others		0.00	(4.95)
5. Consumption:			
- Stores and Spares (including consumables)		83.03	(11.49)
6. Power and Fuel		0.00	(6.50)
7. Repairs and Maintenance:			
a) Plant and Machinery	142.01		62.84
b) Others	<u>0.00</u>		21.59
		142.01	<u>84.43</u>
8. Freight and Transportation Charges		(14.46)	0.00
9. Rent		9.06	49.10
10. Rates and Taxes		6.96	0.00
11. Communication Expenses		0.00	10.25
12. Other Expenses		67.48	171.43
13. Technical Fees		9.76	23.32
14. Security Force Expenses		5.34	(33.37)
TOTAL EXPENDITURE:		<u>335.61</u>	<u>286.99</u>
Less: Amount transferred to Construction period expenses pending allocation (Net)		0.00	(52.05)
NET EXPENDITURE:		<u>335.61</u>	339.04
NET INCOME/ (EXPENDITURE)		<u>(250.13)</u>	<u>(227.47)</u>



Schedules *Contd...*

Schedule "P" : Notes on the Accounts for the year ended 31st March, 1995

1. Contingent Liabilities:

- a) Claims against the Corporation not acknowledged as debts **Rs. 92,844.65 lakhs (1994: Rs. 81483.32 lakhs)**. These include:
 - i) **Rs. 11,750.70 lakhs** (1994: Rs. 7,968.63 lakhs) being the demands raised by the Central Excise Authorities.
 - ii) **Rs. 26, 217.87 lakhs** (1994: Rs. 11,750.05 lakhs) in respect of Sales Tax demands.
 - iii) **Rs. 5,742.79 lakhs** (1994: Rs. 4,828.04 lakhs) for which suits have been filed in the courts or cases are lying with arbitrators.
 - iv) **Rs. 14,607.48 lakhs** (1994: Rs. 14,699.56 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. 6,845.78 lakhs** (1994: Rs. 10,315.18 lakhs).
 - c) Income Tax, if any, reimbursable to foreign contractor.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 2,43,388.93 lakhs** (1994: Rs. 2,30,953.92 lakhs).
 3.
 - a) Title Deeds for Land and Residential Apartments as also lease and other agreements in respect of certain lands/buildings of the book value of **Rs. 8,133.35 lakhs** (1994: Rs. 7,982.27 lakhs) 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 additional compensation, if any, payable to the land owners and the Government for certain lands acquired.
 4. 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. Upto the period December 1987 and May 1993 respectively, Gujarat Electricity Board and Assam State Electricity Board have yet to accept these rates resulting in Book Debts of **Rs. 7,954.04 lakhs** (1994: Rs. 7,997.39 lakhs) and **Rs. 6,456.54 lakhs** (1994: Rs. 6,456.54 lakhs) respectively. These debts have been considered good of recovery in view of the billing having been done in accordance with the government instructions. Similarly, an amount of **Rs. 1,223.63 lakhs** (1994: Rs. 1,223.63 lakhs) recoverable from Air India on account of difference between Market Rate of Exchange and Official Rate of Exchange is considered good of recovery since the billing to Air India at Market Rate of Exchange has been done in accordance with the Government instructions.
 5. Excise/customs duty amounting to **Rs. 30,456.02 lakhs** (1994: Rs. 26,595.12 lakhs) on products and crude 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.



Schedule “P” : Notes on the Accounts *Contd.*

6. Consequent to the change in the Accounting Policy relating to the valuation of investments in fully paid bonds of Public Sector Undertakings, profit for the year has decreased by Rs. 1732.62 lakhs and the value of investments has also been reduced by similar amount.
7. Pending finalisation of pay revision of officers, liability has been provided to the extent of advances paid to the officers, amounting to **Rs. 2,981.71 lakhs** (1994: Rs. 741.04 Lakhs). However, the impact of the above settlements is subject to claim from Pool Account as per Pricing Mechanism.
8. Pending finalisation of the dispute with Railways for enhanced rentals demand at Shakurbasti, liability has not been provided for an amount of **Rs. 13,878.03 lakhs** (1994: Rs. 11,049.54 lakhs). However, the impact of this settlement is subject to claim from Pool Account as per the Pricing Mechanism.
9. Sales include an amount of **Rs. 25,483 lakhs** (1994 : 29021 lakhs) being incentive claims for improvement in yield pattern/reduction in fuel & loss of the Refineries for the previous years as accepted by Oil Coordination Committee during the year.
- Credit for the remaining similar claims of the Refineries has not been taken as it is not quantifiable at this stage, pending review and acceptance by Oil Coordination Committee in line with clause 3.2.1 of the Statement on Accounting Policies.

10. Remuneration paid/payable to whole-time Directors :

		(Rupees/Lakhs)	
		1994-95	1 993-94
i)	Salaries & Allowances	11.41	6.57
ii)	Contribution to Provident Fund	0.59	0.60
iii)	Contribution to Gratuity Fund	0.17	0.18
iv)	Other Benefits and Perquisites	5.29	4.97
TOTAL :		17.46	12.32

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. 400 per mensem for car of less than 16 hp or Rs. 600 per mensem for car of above 16 hp as specified in the terms of appointment.



Schedules *Contd...*

Schedule "P" : Notes on the Accounts *Contd.*

11. The Profit and Loss Account includes:
- Expenditure on Public Relations and Publicity amounting to **Rs. 515.32 lakhs** (1994: Rs. 453.93 lakhs) which is inclusive of **Rs. 94.79 lakhs** (1994: Rs. 87.21 lakhs) on account of Staff and Establishment and **Rs. 420.53 lakhs** (1994 : Rs. 366.72 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00018:1**(1994 : 0.00019:1)
 - Research and Development expenses **Rs. 1,477.67 lakhs** (1994: Rs. 1,420.40 lakhs).
 - Entertainment Expenses **Rs. 15.05 lakhs** (1994: Rs. 15.60 lakhs).
12. Statement on Accounting Policies and Schedules 'A' to 'W' to the Balance Sheet and Profit and Loss Account form part of these Accounts.
13. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Sd/-
(R.K. NARANG)
CHAIRMAN

Sd/-
(SURESH CHAND MATHUR)
DIRECTOR (FINANCE)

Sd/-
(M.A. PATHAN)
DIRECTOR (MARKETING)

Sd/-
(A. K. ARORA)
DIRECTOR (R & P)

Sd/-
(R. NARAYANAN)
SECRETARY

New Delhi,
Dated: 26th June, 1995.



Schedule “Q” - Licenced Capacity, Installed Capacity and Actual Production

	Note Ref	Crude Throughput		Lubricating Oil		Wax/Bitumen/Asphalt Lube Oil Drums		Oxygen Plant	
		1995	1994	1995	1994	1995	1994	1995	1994
		MTs (in lakhs)	MTs (in lakhs)	MTs (in lakhs)	MTs (in lakhs)	Nos. (in lakhs)	Nos. (in lakhs)	CU.M. (in lakhs)	CU.M. (in lakhs)
1. Licenced Capacity	A	232.30	232.50	1.70	1.70	0.00	0.00	Not specified	Not specified
2. Installed Capacity	B	244.00	244.00	1.40	1.40	15.00	15.00	0.84	0.84
(Ref. Note C)									
3. Actual Throughput		251.64	247.45	-	-	-	-	-	-
4. Actual Production (in own Refineries)	D	235.42	232.92	1.03	1.13	6.87	6.50	0.06	0.08

5. Product Processed/
Manufactured by others

Lubes : (MTs. In LAKHS)

1995 :2.62
1994: 3.08

LUBE/Asphalt Drums:
(Nos. In Lakhs)

1995:18.61
1994:18.18

NOTES:

- A Licenced Capacity of Refinery is not specified for Assam Oil Division
- B As certified by the Management and accepted by the auditors without verification.
- C Per year operating in two shifts.
- D 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 31.03.95	20.34	29.33	139,163.36	79.02	349.50	1,164,851.58
Year ended 31.03.94	15.91	30.73	124,188.81	65.94	315.78	940,963.70
2. Lubricants & Greases						
Year ended 31.03.95	0.12	1.26	39,888.86	0.06	0.02	11,266.46
Year ended 31.03.94	0.10	0.99	23,622.79	0.02	0.05	11,175.24
3. Crude Oil:						
Year ended 31.03.95	0.00	0.00	0.00	139.95	0.00	509,631.41
Year ended 31.03.94	0.00	0.00	0.00	134.55	0.00	448,861.05
4. Base Oil & Additives:						
Year ended 31.03.95	0.01	0.00	184.69	0.06	1.33	19,553.09
Year ended 31.03.94	0.07	0.00	672.01	0.01	1.54	14,741.97
5. Oxygen Gas@						
Year ended 31.03.95	0.01	0.00	0.09	0.00	0.00	0.00
Year ended 31.03.94	0.00	0.00	0.06	0.00	0.00	0.00
Total:	0.01 @		0.09			
Year ended 31.03.95	20.47	30.59	179,236.91	219.09	350.85	1,705,302.54
Year ended 31.03.94	16.08	31.72	148,483.61	200.52	317.37	1,415,741.96
			0.06			

@ Cubic Metres

- Notes:
- 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.



Schedule "R" - Finished Products - Quantity and Value Particulars 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)
130.85	559.69	2,162,016.27	22.70	25.52	148,265.59
118.64	519.39	1,767,416.93	20.34	29.33	139,163.36
0.38	4.06	153,484.55	0.09	0.94	26,805.40
0.40	4.20	135,589.14	0.12	1.26	39,888.86
139.95	0.00	509,631.41	0.00	0.00	0.00
134.55	0.00	448,861.05	0.00	0.00	0.00
0.00	1.51	21,064.66	0.06	0.00	880.18
0.00	1.67	18,207.92	0.01	0.00	184.69
0.00	0.00	0.00	0.00	0.00	0.05
0.00	0.00	0.00	0.01	0.00	0.09
271.18	565.26	2,846,196.89	22.85	26.46	175,951.17
253.59	525.26	2,370,075.04	20.47	30.59	179,236.91
			0.01@		0.09

Schedules *Contd...*

Schedule "S" - Consumption Particulars of Raw Materials Including Packaging Materials

	1995			1994		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
1. Crude Oil	251.64	0.00	641,417.74	247.45	0.00	551,121.82
2. Base Oil	0.08	3.51	58,769.73	0.07	4.37	59,478.74
3. Additives	0.12	0.14	17,480.57	0.12	0.21	29,318.82
4. Packaging Materials Consumed			<u>13,723.44</u>			<u>16,891.96</u>
TOTAL			<u>731,391.48</u>			<u>656,811.34</u>

- 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.

Schedule "T" - Expenditure in Foreign Currency for Royalty, Know-How, Professional & Consultation Fees, Interest & Other Matters

	1995 Rupees (in lakhs)	1994 Rupees (in lakhs)
1. Royalty (Gross) and Technical Service Fees	1,255.01	2,850.09
2. Professional Consultation Fees Including Legal Expenses	2,116.53	483.84
3. Interest	27,003.04	27,963.83
4. Others	<u>1,052.89</u>	<u>1,484.80</u>
TOTAL:	<u>31,427.47</u>	<u>32,782.56</u>



Schedule “U” - Earnings in Foreign Exchange

	Note Ref.	1995 Rupees (in lakhs)	1994 Rupees (in lakhs)
1. Export of Crude Oil and Petroleum Products Calculated on FOB basis	A	192,808.85	182,060.43
2. Other Income Including Interest		106.51	373.77
TOTAL:		192,915.36	182,434.20

Note :

- A. Includes Rs. **57728.47 lakhs** (1994: Rs. 57746.68 lakhs) received in Indian Currency out of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.

Schedule “V” - CIF Value of Imports

	1995 Rupees (in lakhs)	1994 Rupees (in lakhs)
1. Crude Oil	1,016,948.76	1,056,553.55
2. Base Oil	11,407.20	15,595.51
3. Additives	580.37	5,326.37
4. Capital Goods	33,687.99	12,417.52
5. Revenue Stores, Components Spare and Chemicals	4,401.16	4,365.46
TOTAL:	1,067,025.48	1,094,258.41

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...*

Sechedule "W" – Consumption of Imported and Indigenous Raw Materials, Steel Coils/Sheets/Stores/Spare Parts and Components.

	1995				1994			
	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	360,830.42	56	280,587.32	44	321,604.96	58	229,516.86	42
Base Oil and Additives	9,700.58	13	66,908.95	87	26,408.26	30	62,344.76	70
Steel Coils/Sheets*/ Stores/Components and Spare Parts	6,874.63	32	14,757.88	68	6,978.78	34	13,717.46	66
TOTAL	377,405.63		362,254.15		354,992.00		305,579.08	

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

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

Statement Pursuant to Section 212(1)(e)

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

1. The extend of holding company's interest in the subsidiary at the end of financial year 31.3.1995.

- Number of Shares	8,000
- Paid up value of Shares	Rs. 40 Lakhs
- Percentage of Holding Company's interest in the total Share Capital of the subsidiary	100%

(Shares in the Subsidiary Company were registered in the name of the company and their nominees as indicated)
2. The net aggregate amount of the profit of the subsidiary company not dealt with in the Company's accounts so far as it concerns the members of the holding company:

	(Rs. /Lakhs)
- For the Financial Year ended 31.3.1995	664.81
- For all the previous financial years of the subsidiary	1851.71
3. The net aggregate amount of the profit of the subsidiary company so far as its profits are dealt with in the holding company's accounts:

	(Rs. /Lakhs)
- For the Financial year ended 31.3.1995	6.00
- For all the previous financial years of the subsidiary	145.11

Sd/-
(R.K. Narang)
Chairman

Sd/-
(Suresh Chand Mathur)
Director
(Finance)

Sd/-
(M.A. Pathan)
Director
(Marketing)

Sd/-
(A.K. Arora)
Director
(R & P)

Sd/-
(R. Narayanan)
Secretary

New Delhi
Dated : 26th June, 1995



Schedule of Fixed Assets (Township)

Schedule of Fixed Assets (Township) for the year ended 31.3.1995

Particulars	At Cost				As on 31.3.1995
	Gross Block	Additions	Transfers	Transfers/ Deduction/ Reclass.	
Gross Block	As on 01.4.94	During the Year	from Const. W-I-P		
Land Freehold	458.24	0.00	0.00	(0.07)	458.17
Land Leasehold	296.94	33.12	0.00	100.90	430.96
Bldgs., Roads etc.	12328.38	9.39	590.76	47.98	12976.51
Plant & Mach.	547.52	2.68	42.55	6.77	599.52
Fur. & Fixtures	193.32	33.50	0.00	(3.93)	222.89
Drainage, Sewage & Water Supply System	950.60	0.00	77.92	(3.32)	1025.20
Equip. & Appliances	777.98	154.74	28.50	(8.32)	952.90
Vehicles	131.64	4.50	0.00	(1.92)	134.22
Enabling Assets	9.90	0.00	0.00	0.00	9.90
Sundry Assets	3.68	0.00	0.00	(0.01)	3.67
Grand Total:	15698.20	237.93	739.73	138.08	16813.94
Previous Year:	13542.66	247.92	1975.64	(68.02)	1 5698.20



Schedule of Fixed Assets (Township) contd...

Contents

Index

(Amount in Rs. lakhs)

Depreciation & Amortisation		Net Depreciated Block	
Provided During The Year	Up to the 31.3.1995	As on 31.3.1995	As on 31.3.1994
0.00	0.00	458.17	458.24
3.29	30.83	400.13	287.68
158.10	2099.67	10876.84	10432.11
21.34	318.81	280.71	249.74
28.17	123.38	99.51	97.32
30.11	580.10	445.10	398.53
52.95	345.65	607.25	482.96
7.68	88.05	46.17	49.45
1.98	3.96	5.94	7.93
0.08	2.34	1.33	1.42
303.70	3592.79	13221.15	12465.38
323.44	3232.82	12465.38	



Income and Expenditure Account (Township)

Income and Expenditure Account for the year ended 31st March, 1995 on provision of Township, Education, Medical and other Facilities.

Sr. No.	Particulars	1995 (Rs. / Lakhs)	1994 (Rs. / Lakhs)
Income :			
1.	Recovery of House Rent	201.88	193.21
2.	Recovery of Utilities-Power and Water	47.30	42.43
3.	Recovery of Transport Charges	8.46	8.62
4.	Other Recoveries	192.91	194.25
5.	Excess of Expenditure over Income	5,734.74	5,086.27
	TOTAL :	<u>6,185.29</u>	<u>5,524.78</u>
Expenditure :			
1.	Salaries, Wages and PF Contribution	1,331.02	1,259.64
2.	Consumable Stores and Medicines	445.74	359.22
3.	Subsidies for Social & Cultural Activities	227.42	164.17
4.	Repairs and Maintenance	877.28	929.29
5.	Interest	1,137.01	968.47
6.	Depreciation	353.70	322.86
7.	Miscellaneous Expenses: Taxes, License Fees, Insurance etc.	522.93	362.01
8.	Utilities - Power and Gas	1,244.58	1,107.67
9.	Rent-Land	1.74	6.11
10.	Welfare (School etc)	2.48	1.18
11.	Bus Hire Charges	27.06	28.72
12.	Club and Recreation	0.89	0.65
13.	Others	13.44	14.79
	TOTAL :	<u>6,185.29</u>	<u>5,524.78</u>



Review of Accounts

Review of the Accounts of Indian Oil Corporation Limited for the year ended 31st March, 1995 by the Comptroller and Auditor General of India

1. FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the last three years:

	(Rs. in Crores)		
	1992-93	1993-94	1994-95
Liabilities			
a) i) Paid up Capital	123.27	123.27	*369.80
ii) Share Application Money	-	-	19.54
b) Reserves & Surplus			
i) Free Reserves & Surplus	4593.63	5316.02	6122.16
ii) Committed Reserves	233.57	233.87	95.37
c) Borrowings			
i) Long Term Loans	1271.31	799.53	1236.43
ii) Short Term Loans	4859.51	5442.01	3549.91
iii) Public Deposits	81.05	250.92	575.74
iv) Interest accrued & due on loans	4.74	7.44	4.63
d) Current Liabilities and Provisions			
i) Sundry Creditors	3359.00	2613.91	3201.65
ii) Provision for Dividend	28.35	49.31	104.69
iii) Other Liabilities & Provisions	1509.90	2407.71	2743.02
TOTAL :	<u>16064.33</u>	<u>17243.99</u>	<u>18022.94</u>
Assets			
e) Gross Block	4280.32	5239.19	5937.97
f) Less : Cumulative Depreciation	<u>2365.50</u>	<u>2661.67</u>	<u>3058.33</u>
g) Net Block	1914.82	2577.52	2879.64
h) Capital Work-in-Progress	1147.79	1326.07	2628.59
i) Investments	3721.79	3857.63	3856.89

Review of Accounts *Contd...*

j) Current Assets, Loans & Advances			
i) Interest accrued on Investments/bank balances	92.17	92.58	93.24
ii) Inventories	2215.82	3926.59	4184.94
iii) Sundry Debtors	1072.61	1187.45	1261.81
iv) Cash & Bank Balances	272.20	303.85	324.61
v) Loans & Advances	5627.13	3972.30	2793.22
TOTAL :	16064.33	17243.99	18022.94
k) Working Capital (j-d)	4382.68	4411.84	2608.46
l) Capital Employed (g+j-d)	6297.50	6989.36	5488.10
m) Networth (a(i)+b(i))	4716.90	5439.29	6491.96
n) Networth per rupee of equity capital (Rupees)	38.26	44.13	*17.56

* after issue of bonus shares in the ratio of 2:1.

The networth of the year ended 31 March, 1995 was more than the capital employed which indicates that the Company could not effectively utilise its own funds in expanding the business of the Company. However, this may be viewed in the light of capital work-in-progress which stood at Rs. 2628.59 crores, as at that date.

During the year 1994-95, the Government of India disinvested 1,43,63,150 equity shares of Rs. 10/- each. The average price at which the shares were disinvested was Rs. 712. Taking into consideration the bonus shares issued to President of India, the disinvestment works out to 3.88%. During the year 1994-95, the Company also offered shares to employees at Rs. 100 per share (including a premium of Rs. 90). The allotment was pending as at the end of 31 March, 1995.

2. Debt equity ratio

The debt (long term loans and public deposits repayable beyond one year) equity ratio of the company was 0.27:1 in 1994-95 as against 0.19:1 in 1993-94 and 0.29:1 in 1992-93.

3. Reserves and Surplus

The free reserves and surplus of the Company was 43 times the paid up capital at the end of 31 March, 1994. During the year 1994-95, the Company issued bonus shares in the ratio of 2 shares for every equity share. After the addition of Rs. 913.87 crores from the profits for the current year and transfer of Rs. 138.80 crores from Investment Allowance (utilised) Reserve, the free reserves and surplus (Rs. 6122.16 crores) was 17 times the paid up capital at the end of 31 March, 1995.



4. Investments

The investments of the Company as on 31 March, 1995 has reduced marginally to Rs. 3856.89 crores from Rs. 3857.63 crores as on 31 March, 1994.

During the year, the Company subscribed to Rights offer of 4.011 crores units of Units-64 Scheme of UTI at a cost of Rs. 59.36 crores. The Company also disinvested in March, 1995 4.0094 crores of units of Units-64 having a face value of Rs. 40.094 crores for Rs. 71.94 crores yielding a surplus of Rs. 12.61 crores.

Hitherto, the quoted investments were valued at cost or market value, whichever was less and unquoted investments were valued at cost.

During the year the Company changed its policy for valuation of investments in public sectors bonds, whether quoted or unquoted, to cost price or redemption value whichever was lower. Accordingly, the company made a provision of Rs. 17.33 crores in respect of investments in bonds of public sector undertakings whose acquisition cost was more than the redemption value.

While the aggregate value as on 31 March, 1995 of investments in quoted Public Sector Undertaking bonds accounted in the books as per the above policy was Rs. 1392.19 crores, the market value thereof as per the latest quotations available as on 31 March, 1995 was Rs. 1323.78 crores.

By virtue of Joint Venture Agreements entered into, the Company has invested an amount of Rs. 6.58 crores and Rs. 1 crore during the year in Indo Mobil Limited and Avi-Oil India Limited respectively.

The average yield on the investments was 9.98 percent as against the average cost of borrowings of 7.34 percent during 1994-95.

5. Sources and Utilisation of Funds

Funds amounting to Rs. 1471.61 crores from internal and external sources were utilised during the year as given below:

Sources of Funds

		(Rs. in crores)
(i) Internal Generation		
a) Profit after tax	1018.86	
b) Add Depreciation	<u>418.02</u>	
		1436.88
c) Others (net)		<u>15.19</u>
		1452.07
ii) Share Application Money		<u>19.54</u>
		<u>1471.61</u>



Application of Funds

i) Capital Expenditure		2029.53
ii) Repayment of Loans (net)		1133.19
iii) Investments		7.58
iv) Increase/(decrease) in working capital		
a) Decrease in Current Assets	(824.84)	
b) Add: increase in current liabilities (excluding provision for dividend)	(923.16)	(1748.00)
v) Dividend paid		49.31
		<u>1471.61</u>

6. Liquidity

The liquidity of the Company in terms of percentage of current assets to total assets (net of depreciation) of the Company was 48.04 at the end of 1994-95 as against 54.99 in 1993-94 and 57.77 in 1992-93.

The percentage of current assets to current liabilities (including interest accrued and due on loans and provisions) which is one measure of liquidity was 143.01 percent in 1994-95 as against 186.73 percent in 1993-94 and 189.31 percent in 1992-93.

The percentage of quick assets (Sundry Debtors, Loans & Advances and Cash & Bank balances and Interest accrued on investments & bank balances) to current liabilities (including interest accrued and due on loans but excluding provisions), which is another measure of liquidity was 74.04 in 1994-95 as against 109 in 1993-94 and 144.18 in 1992-93. The decrease in percentage is due to settlement of dues by Oil Coordination Committee (OCC) utilised for repayment of loans.

7. Working Capital

The working capital of the Company as on 31 March, 1995 was Rs. 2608.46 crores as against Rs. 4411.84 crores as on 31 March, 1994 and Rs. 4382.68 crores as on 31 March, 1993.

The decrease in working capital during the year was due to reduction in dues from OCC from Rs. 2877.77 crores as on 31 March, 1994 to Rs. 1361.32 crores as on 31 March, 1995 which was utilised in the repayment of loans.

The working Capital was turned over 5.55, 5.38 and 10.92 times in the year 1992-93, 1993-94 and 1994-95 respectively.

The percentage of working capital to capital employed as on 31 March, 1993, 1994 and 1995 was 69.59, 63.12 and 47.53 respectively.

8. Working Results

The working results of the Company during the last three years given below:

	(Rs. in crores)		
	1992-93	1993-94	1994-95
i) Sales (excluding excise duty)	22,603.74	21,807.00	26,066.93
ii) Profit before tax	934.99	964.11	1,369.84
iii) Provision for tax	258.00	192.11	350.98
iv) Net Profit after tax	676.99	772.00	1,018.86
v) Percentage of profit before tax to			
a) Sales (excluding excise duty)	4.1	4.4	5.3
b) Capital employed	14.8	13.8	25.0
vi) Percentage of profit after tax to			
a) Net worth	14.3	14.2	15.7
b) Capital employed	10.8	11.0	18.6

During 1994-95 sale of products and crude oil (excluding excise duty) has increased by Rs. 4259.93 crores. Even though profit before tax as a percentage of sales has gone up in 1994-95, this was mainly contributed by extra-ordinary and prior period items.

Certain extra-ordinary items which had significant impact on the profit for the year were

- | | |
|---|----------------------|
| i) Balance 30% retention margin under administered pricing for the pricing period 1990-93 and 1993-94 | Rs 307.60 crores |
| ii) Return on additional working capital | Rs 49.62 crores |
| iii) Interest differential surrendered to Oil Industry Pool | (-) Rs 121.62 crores |

9. Inventory

Inventory position at the end of the last three years was as follows

	(Rs. in crores)		
	1992-93	1993-94	1994-95
i) Raw materials	319.00	1665.64	1948.16
ii) Stores & Spares	260.33	322.47	341.08
iii) Stock-in-trade	1485.02	1792.37	1759.51
iv) Stock-in-process	145.46	139.47	130.02
v) Stock of empty barrels and tins	6.02	6.64	6.16



Review of Accounts *Contd...*

The stock of raw materials was equivalent to about 3.4 months consumption in 1994-95 as against 3.3 months in 1993-94 and 0.6 months in 1992-93. The increase in the inventory of raw materials during the year 1994-95 by Rs. 282.52 crores over the year 1993-94 was due to increase in the stock lying with other oil companies (Rs. 320.56 crores).

The stores and spares at the end of 1994-95 represented 15.5 months consumption as against 13.4 months in 1993-94 and 11.2 months in 1992-93.

The stock of finished goods at the end of the year was equivalent to about 0.74 month's sales during 1994-95 as against 0.91 month's in 1993-94 and 0.73 month's in 1992-93.

10. Sundry Debtors

The position of Sundry Debtors for the last three years ending 31 March, 1995 stood as follows:

(Rs. in crores)					
Year	Sundry Debtors Considered Good	Sundry Debtors Considered Doubtful	Total Sundry Debtors	Sales before pool adjustments	Percentage of Sundry Debtors to Sales
1992-93	1,072.61	10.93	1083.54	33,314.10	3.25
1993-94	1,187.45	11.56	1199.01	- 34,157.74	3.51
1994-95	1,261.81	13.99	1275.80	38,754.98	3.29

The increase in Sundry Debtors over the previous year is mainly due to increase in dues from OMCs for supply of crude in March, 1995 under 30 days credit and increased credit offered for sale of lubricants. A few cases of dues disputed by customers/delays in recovery are detailed below:

An amount of Rs. 80.22 crores (out of which Rs. 0.62 crores has been provided for) was outstanding from GEB, Dhuvaran and Rs. 74.23 crores from ASEB mainly on account of disputes about rates. In case of GEB, an amount of Rs. 77.54 crores was outstanding for over seven years.

An amount of Rs. 19.16 crores was outstanding from Air India which includes Rs. 12.23 crores on account of a dispute between the Company and the customer about the exchange rate for billing.

An amount of Rs. 9.04 crores was pending recovery from Vayudoot as on 31 March, 1995. This includes Rs. 8.77 crores pending recovery as on 31 March, 1994 which stands frozen for a period of 5 years with stipulation that the dues will be paid in instalments after expiry of the moratorium period.

11. Sundry Creditors

The balance under this head increased to Rs. 3201.65 crores in 1994-95 from Rs. 2613.91 crores in 1993-94 mainly due to increase in outstanding liabilities to foreign suppliers on account of increase in price of crude oil and higher products credit and increase in deposits from oil companies for crude oil given on loan.



12. Dividend

The Company has proposed a dividend of 40 percent for the year 1994-95 like the last two years. The dividend pay out ratio, calculated as a percentage of total dividend paid/proposed to profit after tax during the last three years ending 31 March, 1995 was 7.28 percent, 6.39 percent and 10.3 percent respectively.

Sd/-
(R.S. Prasad)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II

Bombay,
22 August, 1995



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, BOMBAY, FOR THE YEAR ENDED 31ST MARCH, 1995

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the accounts of Indian Oil Corporation Limited, Bombay, for the year ended 31st March, 1995.

Sd/-

(R.S. Prasad)

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

Place : Bombay

Date : 22nd August, 1995



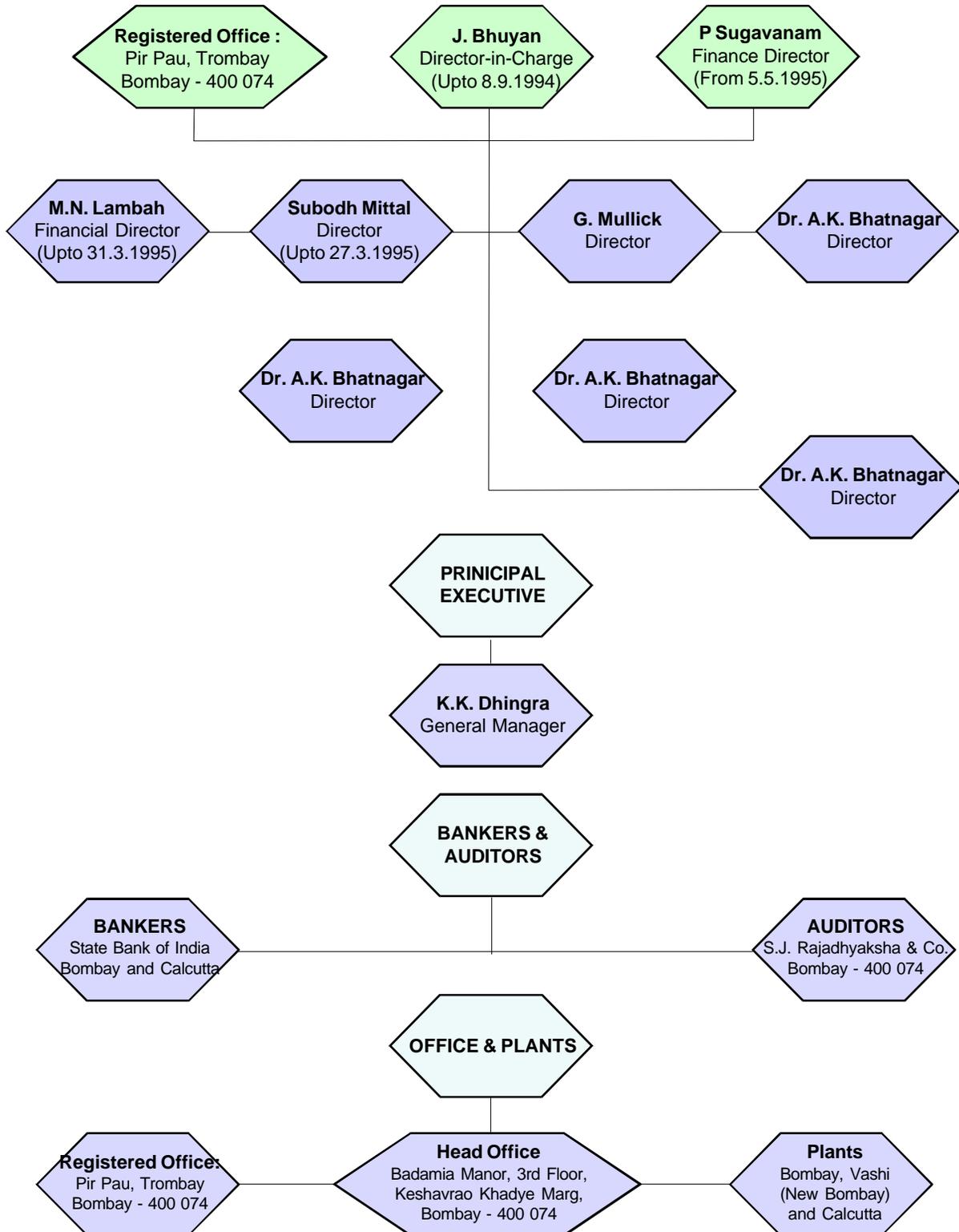


**ANNUAL
REPORT
1994-95**

**Indian
Oil
Blending
Limited**

**(A wholly
owned
subsidiary of
Indian Oil
Corporation
Limited)**

Board of Directors



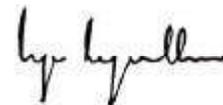
Notice

NOTICE is hereby given that the Thirty second Annual General Meeting of the Shareholders of Indian Oil Blending Limited will be held at IOC Head Office, situated at Indianoil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Bombay-400 051, on Monday, the 31st July, 1995 at 1100 hours 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, 1995;
2. To declare a dividend;
3. To appoint Director in place of Shri S.S. Mani, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
4. To appoint Director in place of Dr. A.K. Bhatnagar, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
5. To appoint Director in place of Shri G. Mullick, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
6. To appoint Director in place of Shri A. N. Sinha, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
7. To appoint Director in place of Shri V. Shyam Sunder, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
8. To appoint Director and Finance Director in place of Shri R Sugavanam, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board



(Raju Ranganathan)
Secretary

Bombay,

Dated: 25th July, 1995

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. S.J. Rajadhyaksha & Co., Chartered Accountants, Bombay

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

Directors' Report

To,
The Shareholders,
Indian Oil Blending Ltd.,

Gentlemen,

On behalf of the Board of Directors, I have pleasure in presenting the 32nd Annual Report on the working of the Company for the financial Year ended 31st March 1995 alongwith the Audited Statement of Accounts and Auditors' report thereon.

1994-95 IN RETROSPECT

1994-95 was yet another eventful year for your company. Amidst continuous thrust on liberalisation of Indian economy, the lube market faced challenging marketing environment due to fierce competition amongst major market players.

The PSU industry including the parent company, IOC as a whole witnessed a decline of 1.1% in overall lube sales. This coupled with the inventory correction by the parent company, affected the production at IOBL Plants.

Despite the difficult conditions, your company could post impressive results due to lending fee revision effective 1.4.94 and continued thrust on cost controls. The profits at pre-tax level have spurted by 101% compared to last year recording an all time high.

In the new era of globalisation, boundaries have lost their relevance, standards have become international and to survive in the competition, it is essential to think global.

In a significant development during the year, all the plants of your Company were bestowed with the prestigious ISO 9002 accreditation. The Lube Blending Plant at Bombay was the first blending plant in India to receive ISO 9002-1994. Similarly the Vashi Plant was the first grease manufacturing unit in India to receive ISO 9002-1994, which has since been upgraded to ISO 9002-1994. Calcutta Plant has also received the ISO-9002-1987 Certificate in December 1994 and is being upgraded to ISO-9002-1994.

PERFORMANCE

Your Company's performance during 1994-95 is summarised below:



All IOBL plants have earned ISO 9002 certification.

FINANCIAL HIGHLIGHTS:

	Rs. In Lakhs		
	<u>94-95</u>	<u>93-94</u>	<u>% GROWTH</u>
* Earnings	2936	2094	40
* Profit Before Tax	1217	606	101
* Profit After Tax	665	356	87

EARNINGS

With revision in blending fee rates for Lubes & ECA 8586 effective 1.4.94, the earnings show healthy growth of 40% compared to previous year.

PROFITS

Your Company recorded a new peak in profitability both at pre-tax and post-tax levels. Blending fee revision effective 1.4.94, inter alia provide for guaranteed demand by IOC. In May '95, the guaranteed demand was reviewed by the parent company, and taking into consideration the current blending requirements and projected sales of IOC, it was revised downwards in case of Lubes resulting in reduction in profit before tax by Rs. 399 lakhs.

DIVIDEND & APPROPRIATION OF PROFIT

Encouraged by the performance, your Directors have recommended a dividend at 20% of the paid-up capital. Cumulative dividend paid upto last year is Rs. 212.89 lakhs.

The disposable profit of Rs. 1239 lakhs stands appropriated as under:

	Rs/Lakhs	
* Dividend	-	8
* Transfer to General Reserve	-	66
* Retained Profit & Loss Account	-	1165
Total:		1239

CONTRIBUTION TO EXCHEQUER

The Company has contributed a sum of Rs. 572 lakhs in 94-95 to Central/State exchequers as against Rs. 300 lakhs in the previous year.

VALUE ADDED

Value added in 94-95 in the operation of the company amounted to Rs. 2914 lakhs as against Rs. 2130 lakhs in the previous year.

WORKING CAPITAL

Working Capital as on 31st March, 1995 has increased by Rs. 369 lakhs as against an increase of Rs. 13 lakhs in the previous year. The increase was primarily due to increase in

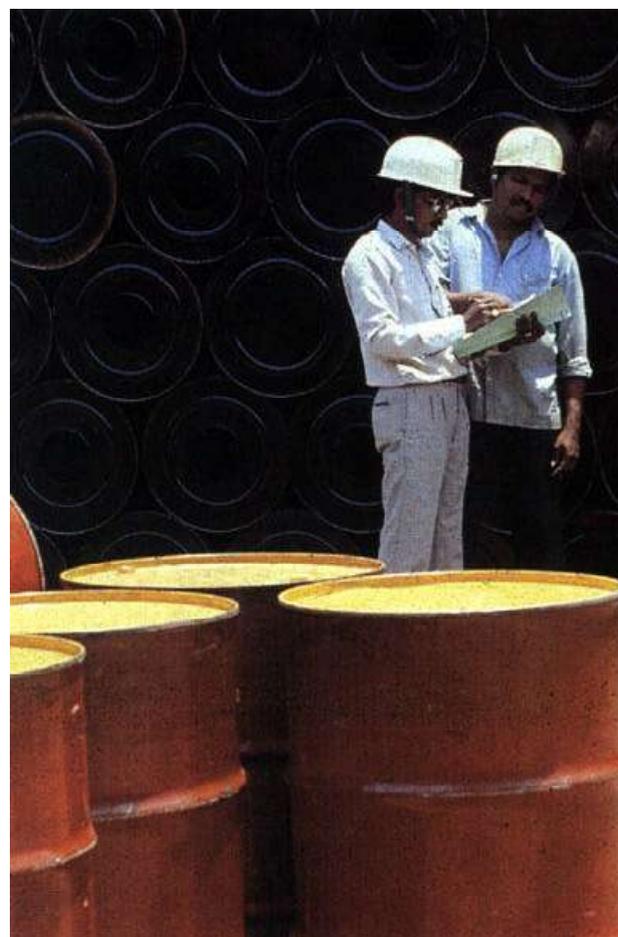
employee advances, increase in debtors mainly dues from IOC being compensation for shortfall in the guaranteed demand, increase in cash/bank balances due to receipt of arrears on blending fee revision etc.

INVESTMENT IN FIXED ASSETS

The Company has built up an enviable asset base. The investment in fixed assets as on 31.3.95 amounted to Rs. 3246 lakhs. The capitalisation during the year amounted to Rs. 225 lakhs which was entirely financed through internal accruals.

LOAN REPAYMENT

The Company has repaid to the Holding Company (IOC) the 4th & 5th instalment of loan amounting to Rs. 326 lakhs. By repaying the loan, your company could reduce the interest burden.



Several new grades of lubricants have been added to consolidate and diversity the product range.

Directors' Report *Contd...*



PHYSICAL PERFORMANCE

The production and capacity utilisation for the last four years are detailed below:

Year	Lubes (KL)			Grease (MT)			ECA8586 (KL)		
	Licensed Capacity p.a.	Production	Capacity Utilisation	Licensed Capacity p.a.	Production	Capacity Utilisation	Licensed Capacity pa.	Production	Capacity Utilisation
1991-92	2,50,000	3,81,653	153%	11,000	10,552	96%	-	-	-
1992-93	2,50,000	3,51,476	141%	11,000	11,491	105%	1,003	1,059	106%
1993-94	2,50,000	3,32,285	133%	11,000	13,083	119%	1,003	840	84%
1994-95	2,50,000	2,65,276	107%	11,000	9,713	88%	1,003	159	16%

As stated earlier, during the year, the capacity utilisation was affected due to PSU industry negative growth in lube sales together with inventory correction by the parent company.

PROJECTS

Completed Projects

Your company accords high priority to timely completion of various projects. The major projects completed during the year are:

- Micron filter at Bombay
- Auto Ink Jet Printer at Vashi.
- 7.5 ton Homogeniser at Vashi.
- Gas chromatograph at Vashi.
- FT-I Rat Vashi.
- Brookefield Viscometer at Calcutta.

On-going Projects

The major projects under implementation are:

- Philips Auto Batch Blending System at Bombay & Calcutta.
- Railway siding extension at Bombay & Calcutta
- Sheds to eliminate belly rolling at Bombay & Calcutta.
- 4 x 250 kl tanks with TLF bay at Bombay.
- 750 KVA Transformer at Calcutta.
- Aluminium complex grease manufacturing facility at Vashi.

New Projects

The significant new projects planned are:

- Extension of batch blending system for 4 nos. blending tanks at Bombay.
- Improvement in drainage system at Calcutta.
- LAN system at Calcutta.

VISCOSITY INDEX IMPROVER SOLUBILISING FACILITY AT CALCUTTA

Your company has already diversified in the manufacture of VI improver with commercial production of ECA 8586 which commenced at Bombay in April 92.

To meet the parent company's full requirements, plans have been drawn to put up VI Improver solubilising facility with a capacity of 10 MT/day at Calcutta using Exxon Paratone 8900 Technology. We see this area as a profitable opportunity for growth.

ALUMINIUM COMPLEX GREASE MANUFACTURING FACILITY AT VASHI

3000 MTPA capacity aluminium complex and novel G-92 grease manufacturing facility from indigenously available raw materials is being set up at Vashi Plant at a total estimated cost of Rs. 415 lakhs by 1996-97. This will commercialise the formulations and the process package developed by IOC, R&D Centre.

This new generation grease is a better substitute of lithium base greases and shall save foreign exchange worth Rs. 200 lakhs approx. per annum required for import of lithium hydroxide. The proposed facility will also indigenise the production of cement mill greases.

ENVIRONMENT, SAFETY & ENERGY CONSERVATION

Safety and environment protection continued to receive high priority. Regular testing of effluents was carried out by an independent agency.

Solar water heating system for canteen has been installed for conservation of energy at Bombay & Vashi plants and are working satisfactorily with resultant energy savings.

QUALITY ASSURANCE AND DEVELOPMENT

Quality control equipments have been upgraded by computer aided facilities as part of our modernisation plan in a phased manner. Few more items like Dual Foaming Bath Apparatus, Particle counter, Auto Flash Tester & Auto Pour Point and Cloud apparatus etc. for Bombay & Calcutta Plants have been planned during 1995-96 & 1996-97.

ISO 9002 certification of plants

In line with the international trend, your company has maintained a lead in the Indian industry. Your Directors are proud to inform that all the three plants at Bombay/Calcutta/Vashi have been accredited with ISO 9002.

Efforts are on to make this company a world class organisation by continuous improvement. In this endeavour, your company has drawn TQM training programme covering all employees. The first training programme was launched in March 1995 itself. Plans have been made to impart TQM training to all employees during the year.



Directors' Report *Contd...*

Index

New product development

Your company made further strides in the area of product development with the support of R&D Centre. We consolidated and diversified our product range to stay ahead in the market with the addition of about 20 new grades of lubricants.

HUMAN RESOURCES

At the end of 1994-95, the employee strength stood at 643 comprising 110 officers and 533 workmen as compared to 656 employees including 115 officers at the end of 1993-94.

EMPLOYEE RELATIONS/LABOUR SITUATION

Industrial Relations in your company continued to be cordial and harmonious.

HUMAN RESOURCE DEVELOPMENT AND TRAINING

In line with the basic concepts of TQM, high priority and weightage was given to Human resource Development. Small Group Activities, Quality Circles and Suggestion Schemes were encouraged.

In Dec.'94, an agreement was signed with the recognised Union at Bombay, where all the workmen of IOBL-HO and plants at Bombay & Vashi have been integrated with those of IOC-WR. The agreement also covers extending long term settlement benefits to IOBL Workmen for 5 years from 1.1.92 as implemented in IOC (MD).

The company completed the II phase of Advance ISO-9000 Quality Appreciation Training covering all the employees of IOBL during the years and has gone a step further by commencing the III phase of training programme titled "DESTINATION TQM" for 1995-96.

More and more employees are brought under computer training in an effort to computerise the total system for achieving maximum efficiency.

WELFARE OF EMPLOYEES

The employees were provided with the welfare facilities i.e house building advance, conveyance advance, subsidised transport, medical facilities, provision of uniforms, incentives for family planning, education allowance/meritorious award for children, incentive for higher education and subsidised canteen and transport facilities. :

Hygiene audit is being carried out and sample

of drinking water is being regularly sent to laboratory for testing.

WELFARE OF WEAKER SECTIONS

Your company has been following the Presidential Directives with regard to recruitment and promotion of Scheduled Castes, Scheduled Tribes and OBC, exservicemen and physically handicapped. Age relaxation and preference in promotions are continued to be extended to employees belonging to SC/ST/OBC categories. Special training programme was organised in favour of SC/ST candidates for their job enrichment.

A Liaison Officer looks after the employment and welfare of Scheduled Castes/Scheduled Tribes and physically handicapped persons.

WORKERS PARTICIPATION IN MANAGEMENT

Your Company is committed to the concept of employees' participation in management and continued its efforts in accelerating this process by various committees like Canteen Committee, Safety Committee, Works Committee, Sports Committee, Hygiene Committee etc. at all the plants. These committees have been functioning satisfactorily.

HINDI IMPLEMENTATION

In accordance with the provisions of the Official Languages Act, 1963, and Official Languages Rules, 1976, your Company continued its efforts during the year for the progressive use and development of Hindi in official work in all its locations.

Various forms and documents were made bilingual and quarterly meetings of Hindi implementation committee were held to review the progress made during the year. Incentives for acquiring working knowledge in Hindi were given. Hindi training programmes/workshops were conducted. Various competitions such as Hindi essay, debate, letter writing, slogan etc. were organised and prizes were awarded to the winners.

The use of Hindi in computers has also improved with the installation of "AKSHAR" & "SABDHARATNA" software during the year.

SPORTS

Your company is a member of Petroleum Sports Control Board for promotion of sports.



ENTERTAINMENT EXPENSES

Entertainment expenses incurred by your Company in 1994-95 amounted to Rs. 4,200/- as against Rs. 5,200/- in the previous year.

FUTURE OUTLOOK

1995-96 will continue to see heightened competition in the market place. Your company is geared to excel in a world with rapidly changing rules and ideas using its inherent strengths.

It is critical to manage the costs and assets as long term success depends on improved profitability through efficiency.

Your Company, with the infrastructure available and R&D support of the Holding Company, is geared to meet the future challenges forced by the entry of the multinational oil companies in the lube industry.

PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956

and Companies (Particulars of Employees) Rules, 1975 as amended by the Companies [Particulars of Employees (Amendment) Rules, 1994] are Nil.

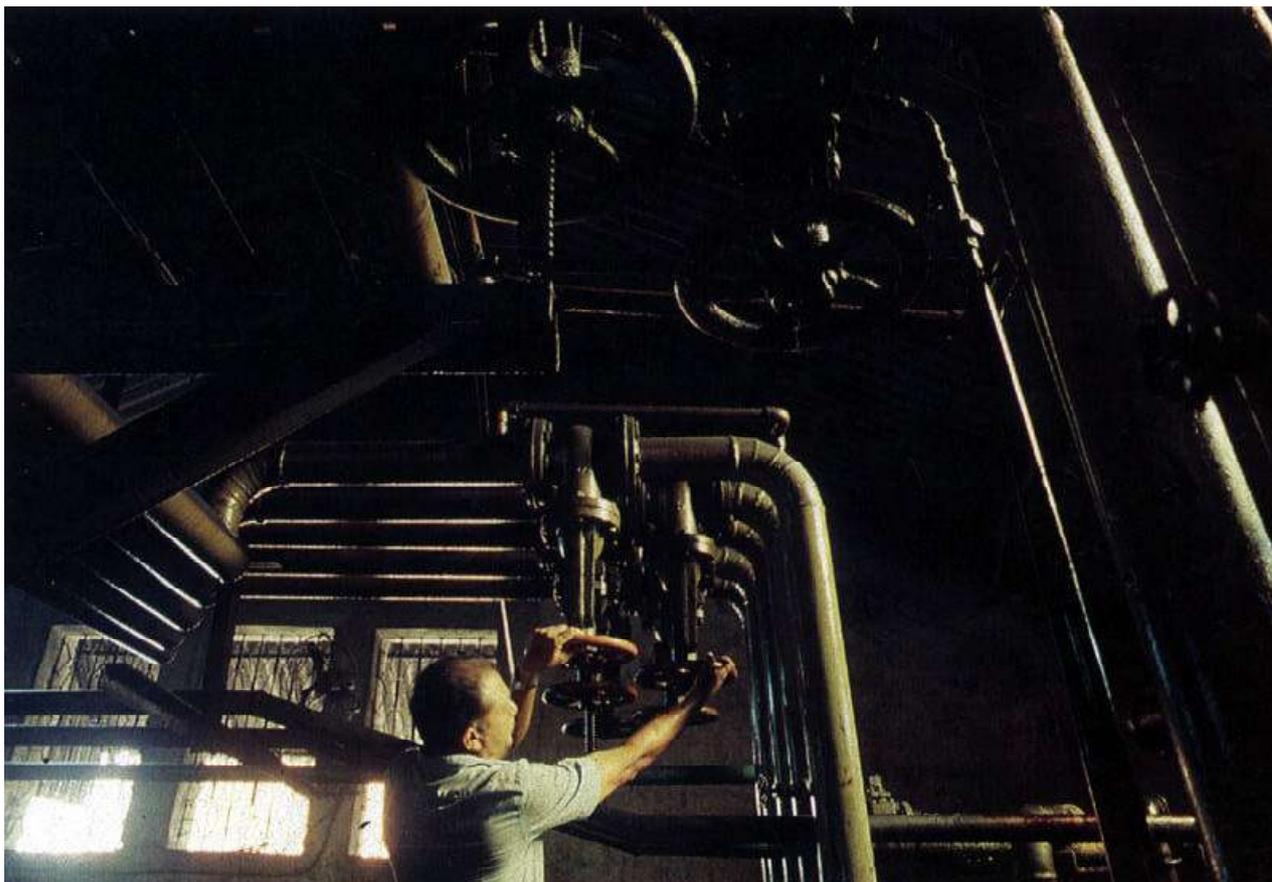
BOARD OF DIRECTORS

During the year, Shri J. Bhuyan ceased to be Director-in-Charge of the company effective 8.9.1994 and Shri S.S. Mani took over charge as Director-in-Charge and was authorised by the Board to exercise authorities vested in MDICMD of the Company.

Shri V. Shyam Sunder was appointed as Director of the Company effective 27.3.1995 against the vacancy caused by the resignation of Shri Subodh Mittal.

Shri P. Sugavanam was appointed as Finance Director of the Company effective 27.3.1995 against the vacancy caused by the resignation of Shri M.N. Lambah.

All the following Directors are liable to retire at the conclusion of the next Annual General Meeting and are eligible for re-appointment.



Lube blending operation in progress at IOBL

Directors' Report *Contd...*

Shri S.S. Mani Shri. A.N. Sinha
 Dr. A.K. Bhatnagar Shri V. Shyam Sunder
 Shri G. Mullick Shri P. Sugavanarn

The Board also wishes to place on record its appreciation for the significant contribution and excellent guidance provided by Shri J. Bhuyan during his tenure as Director-in-Charge of the Company and Shri Subodh Mittal during his tenure on the Board of the company.

Index

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their special appreciation for the excellent contribution made by the members of IOBL family. The growth of the company depends largely on their commitment. The Board of Directors gratefully acknowledges the valuable guidance and support received from the Government and the holding company, IOC.

The Board of Directors also wishes to place on record its deep sense of appreciation for the yeoman service and excellent guidance rendered by Shri M.N. Lambah during his long tenure as Financial Director of the Company.

FOR AND ON BEHALF OF THE BOARD



(S.S. MANI)
DIRECTOR-IN-CHARGE

Bombay
 Dated : 7.6.95

Annexure

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

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
Solar water heating system for canteen has been installed at Bombay & Vashi plants for cost reduction & conservation of energy.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

It is proposed to install a solar heating system for canteen at Calcutta at a total cost of approx. Rs. 3 lakhs.
- c) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:

As indicated at (a) above, every effort is being made to reduce the consumption of energy.
- d) Total energy consumption and energy consumption per unit of production:
Details at Form 'A' annexed.

II. TECHNOLOGY ABSORPTION

- e) Efforts made in technology absorption:
Details at Form 'B' annexed.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

As all products processed by the company are marketed by its Holding Company (IOC), the company does not have any sales (including exports) activity.
- g) Total foreign exchange used and earned:
During the year, no foreign exchange was earned. However, there is a foreign exchange outgo of Rs. 50,18,932 on account of import of Laboratory Equipments & subscription to Journals.

Annexure *Contd...*

Form "A" (See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power & Fuel Consumption

	Bombay Plant		Calcutta Plant		Vashi Plant	
	Current Year 1994-95	Previous Year 1993-94	Current Year 1994-95	Previous Year 1993-94	Current Year 1994-95	Previous Year 1993-94
1. ELECTRICITY:						
a) Purchased:						
Unit (KW)	11,95,392	13,18,080	8,81,250	8,55,370	11,78,161	13,70,060
Total amount (Rs. Lakh)	43.21	42.09	25.53	22.37	37.39	33.52
Rate/Unit (Rupees)	3.61	3.19	2.90	2.67	3.17	2.45
b) Own Generation:						
i) Through Diesel Generators						
Unit (kW)	NA	NA	11,870	6,690	38,376	41,808
Unit/Ltr of Diesel oil	NA	NA	2.50	2.75	2.13	3.19
Cost/Unit (Rupees)	NA	NA	2.70	1.86	3.16	2.11
ii) Through Steam Turbine/Generator						
Units	NA	NA	NA	NA	NA	NA
Units/Ltr of fuel oil/gas	NA	NA	NA	NA	NA	NA
Cost/Unit	NA	NA	NA	NA	NA	NA
2. Coal (Specify qty. & where used):						
Quantity (Tonnes)	NA	NA	NA	NA	NA	NA
Total Cost	NA	NA	NA	NA	NA	NA
Average Rates	NA	NA	NA	NA	NA	NA
3. FURNACE OIL/LDO						
Quantity (KL)	247.03	298.758	141.055	147.14	239.70	251.64
Total Amount (Rs./Lakh)	16.19	18.06	9.17	9.24	16.12	14.87
Average Rate (Rs. per KL)	6,554.20	6,044.75	6,504.45	6,279.73	7,687.33	5,910.00
4. OTHER/INTERNAL GENERATION:						
Quantity	NA	NA	NA	NA	NA	NA
Total cost	NA	NA	NA	NA	NA	NA
Rate/Unit	NA	NA	NA	NA	NA	NA

B. CONSUMPTION PER UNIT OF PRODUCTION

Products (With details Unit)	Standards if any	Bombay Plant		Calcutta Plant		Vashi Plant	
		Current Year 1994-95	Previous Year 1993-94	Current Year 1994-95	Previous Year 1993-94	Current Year 1994-95	Previous Year 1993-94
		Lubes	Lubes	Lubes	Lubes	Grease	Grease
Electricity (KW/Ton)	-	8.013	6.454	9.16	8.01	121.18	104.71
FO.LDO (Ltr/Ton)	-	1.656	1.463	1.46	1.39	24.65	19.23
Coal (Specify Qty.)	-	NA	NA	NA	NA	NA	NA
Others (Specify)	-	NA	NA	NA	NA	NA	NA

Annexure *Contd...*

Form 'B' (See Rule-2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

R&D work is basically done by R&D Centre of the parent company at Faridabad with regard to Lube Oils & Greases currently being manufactured and developed for future requirements.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made:

Installation of Micron filters for clean oils at Bombay Plant. This is an indigenous technology without any foreign exchange outgo.

“Success Plan” Software on Project Management developed by Tata Consultancy Services was installed at all the Plants.

Installation of automatic seaming machines for small cans at Vashi Plant.

2. Benefits derived as a result of the above efforts, e.g., Product Improvement, Cost Reduction, Product Development, Import Substitution, etc.

Micron filter installed at our Bombay plant will supply clean oils to prestigious customers like Bharat Earth Movers Ltd. (BEML) where equipment design requirement is a clean oil and also it will be utilised for turbine oil as well as hydraulic oils and speciality in Defence and Air Force requirements.

With the installation of “Success Plan” software, it will be possible for better projects control/ networking through the use of information systems design and enhanced ability for decision support.

Automatic seaming machines for small cans at Vashi Plant have provided faster and accurate seaming of small cans with improved productivity.

3. Future Plans for Technology Adoption

Installation of Micron filter for clean oil facility at Calcutta Plant. This is an indigenous technology without any foreign exchange outgo.

Adoption of solar water heating systems at the Calcutta plant for conservation of energy and meeting hot water requirements of canteen.

Auditors' Report

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of **INDIAN OIL BLENDING LIMITED**, as at 31st March, 1995 and the Profit and Loss account for the period ended on that date and report that :-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
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 & 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 1995 and
 - b) in the case of the Profit and Loss Account of the Profit for the period 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 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 intervals 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 does not hold any stock of raw materials and finished goods. In our opinion the procedure of physical verification of maintenance stores & spare parts followed by the management are reasonable & adequate in relation to the size of the Company and the nature of its business.
 - 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 an unsecured loan 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.



Auditors' Report *Contd...*

- 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 employees have been regular in repaying the principal amounts and have also been regular in the 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, sufficient provision has been made in the accounts.
- xiii) The company has not accepted any deposits from the public during the year, to which the provisions of Section 58A of 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 of 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, 1995 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 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.
- xx) The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For and On Behalf of
S. J. Rajadhyaksha & Co.,
Chartered Accountants

Sd/-
(S.J. Rajadhyaksha)
Partner

Bombay:
Date : 7th June, 1995



Accounting Policies

Statement on Accounting Policies

1. FIXED ASSETS:

1.1 Land:

Land acquired on lease for over 99 years is treated as freehold land.

1.2 Construction Period Expenses on Projects:

Construction period expenses including administration and supervision expenses exclusively attributable to projects are capitalised. However, such expenses in respect of capital facilities being executed alongwith production/operations simultaneously, are charged to Revenue. Financing cost during the construction period on loans raised/allocated to projects is capitalised.

1.3 Depreciation:

1.3.1 Cost of leasehold land for 99 years or less is amortised during the lease period.

1.3.2 Plant and Machinery costing upto Rs. 5,000/- are depreciated fully in the year of capitalisation.

1.3.3 Depreciation on Fixed assets other than the above is charged on Written Down Value Method at rates prescribed under the Companies Act, 1956. Depreciation is charged on Pro-rata Basis 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 differences 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 & ADVANCES:

2.1 Valuation of Inventories (Stores and Spares):

Stores/Spares are valued at or under cost.

2.2 Claims:

Claims are accounted when there is certainty that the claims are realisable.

3. LIABILITIES & PROVISIONS:

3.1 Show Cause Notices issued by various Government Authorities are not considered as Contingent Liability. However, when the demand notices are raised against such Show Cause Notices after considering company's views, these demands are either paid, or treated as liabilities, if accepted by the company and are treated as Contingent Liability, if disputed by the company.

3.2 Contingent Liabilities are disclosed in each case above Rs. 1 lakh.

3.3 Estimated amount of contracts remaining to be executed on Capital Accounts are disclosed in each case exceeding Rs. 0.50 lakh.

Accounting Policies *Contd...*

4. PROFIT & LOSS ACCOUNT:

- 4.1 Blending Fee income is accounted based on volume of finished Lubricants blended and Greases manufactured.
- 4.2 Operating cost including cost on stock in process/blended finished Lubes lying in kettles, is charged to Profit and Loss Account in the year of accrual.
- 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 Prepaid expenses upto Rs. 0.20 lakh in each case are charged to Revenue.
- 4.5 Income and Expenditure upto Rs. 2 lakhs in each case pertaining to prior years are accounted for in the current year.
- 4.6 Income and Expenditure of Extra-Ordinary nature in excess of Rs. 5 lakhs in each case are disclosed separately.

Sd/-
S.S.Mani
Director-In-Charge

Sd/-
P. SUGAVANAM
Financial Director

Sd/-
RAJU RANGANATHAN
Secretary

Place : Bombay
Dated : 7th June, 1995

Balance Sheet

Balance Sheet as at 31st March, 1995

	Schedule	Rupees	Rupees	1994 Rupees
Sources of Funds:				
1. Shareholders' Funds				
a) Share Capital	I	40,00,000		40,00,000
b) Reserves and Surplus	II	<u>25,08,52,295</u>		18,51,71,430
			25,48,52,295	18,91,71,430
2. Loan Funds:				
Unsecured Loans	III		<u>4,60,108</u>	3,36,09,742
		TOTAL:	<u>25,53,12,403</u>	<u>22,27,81,172</u>
Application of Funds:				
1. Fixed Assets:	IV			
a) Gross Block		32,46,07,467		30,30,96,589
b) Less : Depreciation and Amortisation		<u>16,45,43,795</u>		13,76,78,913
c) Net Block		16,00,63,672		16,54,17,676
d) Capital Work-in-Progress		1,25,69,112		1,14,14,458
e) Advance for Capital Expenditure (at or under cost)		<u>8,02,420</u>		1,09,919
			<u>10,208</u>	<u>10,422</u>
			17,34,45,412	17,69,52,475
2. Current Assets Loans and Advances	V			
a) Inventories		79,39,563		86,74,484
b) Sundry Debtors		1,15,18,931		—
c) Cash and Bank Balances		1,64,57,571		39,84,307
d) Loans and Advances		<u>8,53,69,536</u>		7,04,67,028
			<u>12,12,85,601</u>	8,31,25,819
Less : Current Liabilities and Provisions :	VI			
a) Current Liabilities		3,86,18,610		3,66,97,122
b) Provisions		<u>8,00,000</u>		6,00,000
			<u>3,94,18,610</u>	<u>3,72,97,122</u>
Net Current assets			8,18,66,991	4,58,28,697
		TOTAL:	<u>25,53,12,403</u>	<u>22,27,81,172</u>

Contingent Liabilities not provided for
(Refer Schedule Note - 1)

Notes on Accounts

Sd/-
S.S. MANI
Director-in-Charge

Place : Bombay

Dated : 7th June, 1995

X

Sd/-
P. SUGAVANAM
Financial Director

Sd/-
RAJU RANGANATHAN
Secretary

As per report of even date
for S.J. Rajadhyaksha & Company
Chartered Accountants

Sd/-
S.J. Rajadhyaksha
Partner

Place : Bombay

Dated : 7th June, 1995



Profit and Loss Account

Profit and Loss account for the year ended 31st March, 1995

	Schedule	Rupees	Rupees	1994 Rupees
INCOME:				
Blending and Processing Charges	VII		29,03,25,706	20,21,79,765
Other Income	VII		32,40,986	72,24,122
		TOTAL:	<u>29,35,66,692</u>	<u>20,94,03,887</u>
Expenditure:				
Operating and Other Expenses	VIII		14,12,90,624	12,28,60,435
Interest:				
On fixed Loan		33,77,358		45,03,439
On Others		<u>6,932</u>		<u>1,768</u>
			33,84,290	45,05,207
Depreciation and Amortisation			2,74,68,830	2,52,09,005
		TOTAL:	<u>17,21,43,744</u>	<u>15,25,74,647</u>
Profit Before Extra Ordinary and Prior Period Adjustments			12,14,22,948	5,68,29,240
Income/ (Expenditure) Relating to Extraordinary items (Net)	IX		<u>(26,52,501)</u>	<u>37,54,794</u>
PROFIT FOR THE YEAR:			11,87,70,447	6,05,84,034
Income/(Expenditure) relating to prior Period (Net)			<u>29,10,418</u>	<u>29,005</u>
PROFIT BEFORE TAX:			12,16,80,865	6,06,13,039
Provision for Taxation			<u>5,52,00,000</u>	<u>2,50,00,000</u>
PROFIT AFTER TAX:			6,64,80,865	3,56,13,039
Balance Brought Forward From last year's Account			<u>5,74,60,892</u>	<u>2,60,08,853</u>
DISPOSABLE PROFIT:			<u>12,39,41,757</u>	<u>6,16,21,892</u>

	Schedule	Rupees	1994 Rupees
APPROPRIATIONS .			
Proposed Dividend		8,00,000	6,00,000
General Reserve		66,48,000	35,61,000
Balance Carried to Balance Sheet		11,64,93,757	5,74,60,892
	TOTAL:	12,39,41,757	6,16,21,892

Notes forming part of Accounts X

Sd/-
S.S. MANI
Director-in-Charge

Sd/-
P. SUGAVANAM
Financial Director

Place : Bombay
Dated : 7th June, 1995

Sd/-
RAJU RANGANATHAN
Secretary

As per report of even date
for S.J. Rajadhyaksha & Company
Chartered Accountants

Sd/-
S.J. Rajadhyaksha
Partner

Place : Bombay
Dated : 7th June, 1995

Schedules

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 1995

	Rupees	Rupees	1994 Rupees
SCHEDULE-I			
Share Capital:			
Authorised:			
8,000 Equity Shares of Rs. 500/- each		40,00,000	40,00,000
Issued, Subscribed and Paid-Up Capital:			
8,000 Equity Shares of Rs. 500/- each fully paid (the entire Share Capital is held by INDIAN OIL CORPORATION LIMITED, the Holding Company and its Nominees)		40,00,000	40,00,000
TOTAL:		40,00,000	40,00,000

SCHEDULE-II

Reserves and Surplus:

1) General Reserve :			
As per last Balance Sheet	12,59,32,538		12,23,71,538
Add : Transferred from Profit and Loss Account	66,48,000		35,61,000
		13,25,80,538	12,59,32,538
2) Investments Allowance (Utilised) Reserve:			
As per last Balance Sheet		17,78,000	17,78,000
3) Profit and Loss Account:			
As per Annexed Account		11,64,93,757	5,74,60,892
TOTAL:		25,08,52,295	18,51,71,430

SCHEDULE-III**Unsecured Loan:**

	Rupees	Rupees	1994 Rupees
Loan from Indian Oil Corporation Limited, the Holding Company (including 1994: Rs, 1,63,00,000 due for payment within one year)		–	3,26,04,800
Interest Accrued and due on above		<u>4,60,108</u>	<u>10,04,942</u>
TOTAL:		<u>4,60,108</u>	<u>3,36,09,742</u>

Schedules *Contd...*

SCHEDULE – IV

FIXED ASSETS

	GROSS BLOCK			
	As on 01.04.94	Additions	Deletions	As on 31.3.95
	Rs.	Rs.	Rs.	Rs.
Land - Leasehold	80,06,000	0	0	80,06,000
Office/Factory Building	5,12,94,428	24,30,178	0	5,37,24,606
Residential Flats	1,62,336	0	0	1,62,336
Railway Sidings	2,73,039	0	0	2,73,039
Plant & Machinery	21,50,91,049	1,68,71,775	0	23,19,62,824
Computer / Microprocessors	41,46,882	11,52,994	0	52,99,876
Furniture, Fixtures and Office Equipments	1,20,27,152	11,88,180	5,48,032	1,26,67,300
Forklift Trucks	1,04,61,648	8,49,482	3,08,085	1,10,03,045
Motor Vehicles	16,34,055	0	1,25,614	15,08,441
Total	30,30,96,589	2,24,92,609	9,81,731	32,46,07,467
Previous year	26,01,68,713	4,44,96,528	15,68,652	30,30,96,589

- Notes: (1) Residential Flat includes Rs. 3,500 (1994: Rs 3,500) towards value of 70 (1994 : 70) Shares in Co-operative Housing Society towards membership of such Society for purchase of flat.
- (2) The Assets transferred from Indian Oil Corporation Limited, the Holding Company have been accounted at Original Cost Rs. 84, 072 (1994: Rs. 2,63,288) to the Holding Company. The Depreciation provision till 31.03.94 as per the Holding Company's Account has been taken by the Company.

SCHEDULE – IV contd...

DEPRECIATION AND AMORTISATION					NET BLOCK	
Upto 31.3.94	Dedns/Adj. Earlier Yrs	Adj. For Curr.Yr.	Charged this year	Upto 31.3.95	As on 31.3.95	As on 31.3.94
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,58,466	0	0	84,274	8,42,740	71,63,260	72,47,534
1,67,97,037	0	0	27,75,180	1,95,72,217	3,41,52,389	3,44,97,391
84,997	0	0	3,867	88,864	73,472	77,339
2,65,207	0	0	1,089	2,66,296	6,743	7,832
10,42,06,917	0	0	2,15,17,692	12,57,24,609	10,62,38,215	11,08,84,132
20,01,892	0	0	10,34,109	30,36,001	22,63,875	21,44,990
55,76,110	1,23,412	76,670	10,72,198	64,48,226	62,19,074	64,51,042
69,83,679	1,76,037	1,30,613	8,29,047	75,06,076	34,96,969	34,77,969
10,04,608	0	97,216	1,51,374	10,58,766	4,49,675	6,29,447
13,76,78,913	2,99,449	3,04,499	2,74,68,830	16,45,43,795	16,00,63,672	16,54,17,676
11,28,66,094	3,92,754	3,432	2,52,09,005	13,76,78,913	16,54,17,676	

Schedules *Contd...*

Index

Schedule-V

Current Assets, Loans and Advances :

	Rupees	Rupees	1994 Rupee
1) Current Assets:			
(a) Inventories:			
Stores and Spares (at or under cost)		79,44,962	86,74,484
Less: Provision for losses		5,399	—
TOTAL:		<u>79,39,563</u>	<u>8,674,484</u>
(b) Sundry Debtors:			
DEBTS (LESS THAN SIX MONTHS)			
– Unsecured, considered good (due from the Holding Company, Indian Oil Corporation Limited)		1,15,18,931	—
TOTAL:		<u>1,15,18,931</u>	<u>—</u>
(c) Cash and Bank Balances:			
(i) Cash balances including cheques in hand:		1,23,815	2,34,746
(ii) Balance with Scheduled Banks:			
- Current Account		1,63,33,756	26,67,950
- Fixed Deposit Account		—	10,81,611
TOTAL:		<u>1,64,57,571</u>	<u>39,84,307</u>
2) Loans and Advances:			
(a) Advances recoverable in cash or in kind or for value to be received:			
i) Secured, Considered Good *	2,61,37,056		2,96,49,876
ii) Unsecured, Considered Good*	4,06,20,405@		2,94,26,737@
iii) Unsecured, Considered Doubtful	5,965		5,965
	<u>6,67,63,426</u>		<u>5,90,82,578</u>
iv) Less: Provision for Doubtful Advances	5,965		5,965
		<u>6,67,57,461</u>	<u>5,90,76,613</u>
(b) Claims Recoverable:			
i) Unsecured, Considered Good *		9,21,845	—
(c) Advance Payment of Income Tax Less: Provision for Taxation	17,18,90,230 <u>15,42,00,000</u>		11,03,90,415 <u>9,90,00,000</u>
TOTAL:		<u>1,76,90,230</u>	<u>1,13,90,415</u>
		<u>8,53,69,536</u>	<u>7,04,67,028</u>

Includes:

@ Rs. 9,138 (1994: Rs. 8,388) due from a Director
(Maximum Rs. 23,704; 1994: Rs. 8,388)

* Rs. 80,740 (1994: Rs. 69,268) due from an Officer
(Maximum Rs. 86,372; 1994: Rs. 79,701)

SCHEDULE-VI**Current Liabilities and Provisions :**

	Rupees	Rupees	1994 Rupees
a) Current Liabilities :			
i) Sundry Creditors		65,28,294	49,44,287
ii) Other Liabilities		2,05,77,850	1 60,15,049
iii) Security Deposits	22,15,602		52,66,153
Less : Investments and Deposits with Bank lodged by outside parties	15,000		15,000
		22,00,602	52,51,153
iv) Due to Indian Oil Corporation Limited (the Holding Company)		45,16,438	8,95,780
v) Interest Accrued but not due on loans from Indian Oil Corporation Limited (the Holding Company)		47,95,426	95,90,853
TOTAL		3,86,18,610	3,66,97,122
b) Provisions :			
Proposed Dividend		8,00,000	6,00,000
TOTAL:		8,00,000	6,00,000

Schedules *Contd...*

Schedule-VII

Blending and Processing Charges

	Rupees	Rupees	1994 Rupees
Blending and Processing Charges:		29,11,73,113	20,21,79,765
Less : Operational Loss		<u>8,47,407</u>	—
TOTAL:		<u>29,03,25,706</u>	<u>20,21,79,765</u>
Other Income :			
Reimbursement of Expenses in lieu of Blending Fees		—	30,89,299
Interest:			
i) Loans and Advances	23,32,328		28,13,329
ii) Fixed Deposits with Bank	<u>1,19,268</u>		<u>1,59,134</u>
Profit on Sale and Disposal of Assets		24,51,596 2,86,819	29,72,463 22,887
Miscellaneous Income		<u>5,02,571</u>	<u>11,39,473</u>
TOTAL:		<u>32,40,986</u>	<u>72,24,122</u>

Schedule-VIII**Operating and Other Expenses :**

	Rupees	Rupees	1994 Rupees
Payments to and Provisions for Employees:			
(a) Salaries, Wages, Allowances and Bonus	6,58,52,772		5,41,88,504
(b) Contribution to Employees' Provident Fund and Other Funds	39,25,769		34,16,986
(c) Gratuity	18,22,087		11,46,247
(d) Staff Welfare Expenses	2,02,27,621		1,64,83,334
		9,18,28,249	7,52,35,071
Handling Contract Expenses		44,07,769	23,43,965
Fuel, Power and Water Charges		1,61,90,895	1,57,70,972
Stores and Spare Parts Consumed		21,73,143	37,04,800
Rent		30,94,502	31,42,733
Rates, Taxes and Licenses		16,22,960	26,39,330
Material Handling Expenses		10,00,396	13,08,438
Repairs and Maintenance:			
(a) Buildings	17,35,639		8,89,110
(b) Plant & Machinery	37,91,512		40,69,039
(c) Railway Siding	4,33,265		4,68,474
(d) Others	16,95,608		18,54,805
		76,56,024	72,81,428

Schedules *Contd...*

Schedule-VIII *Contd...*

	Rupees	Rupees	1994 Rupees
Insurance		8,25,228	6,61,366
Travelling and Conveyance		32,79,463	29,27,159
Motor Vehicle Expenses		7,51,128	7,18,278
Printing and Stationery		10,84,853	9,66,962
Postage, Telegram and Telephones.		15,67,443	14,06,048
Legal and Professional Charges		5,41,139	62,719
Loss on Sale/Scrapping of Assets		8,901	17,963
Payment to Auditor:			
(a) Audit Fees	15,000		15,000
(b) Tax Audit Fees	9,500		8,000
(c) Other Services (for issuing Certificates etc.)	16,000		3,000
(d) Out-of-Pocket Expenses (Including travel costs)	39,396		39,930
Miscellaneous Expenses		79,896	65,930
		51,73,236	46,01,308
Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		5,399	5,965
TOTAL:		14,12,90,624	12,28,60,435

Schedule-IX Income Expenditure Relating to Extraordinary Items (NET)

	Rupees	Rupees	1994 Rupees
Income :			
Reimbursement of Expenses in Lieu of Blending Fees		2,97,32,177	65, 68,075
Total Income :		2,97,32,177	65, 68,075
Expenditure :			
– Rates, Taxes and Licenses		–	20, 51,645
– Adhoc Payment to Officers		24,08,360	7, 61,636
– L.T.A. Arrears to Workmen		2,68,59,926	–
– Lumpsum Compensation to Officers		6,27,063	–
– Momento to Workmen owing to Integration		13,35,000	–
– Voluntary Retirement Compensation		11,54,329	–
Total Expenditure:		3,23,84,678	28,13,281
Net Income/ (Expenditure):		(26,52,501)	37, 54,794

Schedules *Contd...*

SCHEDULE -x

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1995

1. Contingent Liabilities in respect of :
 - (a) Claims against the Company not acknowledged as Debts **Rs.111 .03 Lakhs** (1994: Rs. 47.55 Lakhs)
 - (b) Suit filed against the Company for cancellation of the contract. Amount is not ascertainable.
2. Estimated amount of Contracts to be executed on Capital Account and not provided for **Rs. 166.21 Lakhs** (1994: Rs. 77.82 Lakhs)
3. Lease agreement in respect of land at Vashi Plant of the Gross value of **Rs. 80.06 Lakhs** (1994: Rs. 47.55 Lakhs) is pending for execution and is, therefore, not available for verification.
4. Lease Agreement in respect of certain lands for Calcutta Plant have expired and are pending for renewal. No provision has been made in the accounts in respect of the premium payable on renewal, if any, as the amount thereof is not ascertainable.
5. Pending finalisation of Long Term Settlement with the Officers, liability (except **Rs. 27.96 Lakhs** -1994 : Rs. 9.22 Lakhs equivalent to the recoverable advances paid to officers) has not been provided in respect of revision of emoluments as the amount thereof is not ascertainable. However, the impact of the above settlement upto 31st March, 1994 is recoverable through Blending Fees from Indian Oil Corporation Limited (the Holding Company).
6. Blending and Processing income include **Rs.174.60 Lakhs** (1994 : Rs. NIL) towards shortfall in the guaranteed demand from Indian Oil Corporation Limited (the Holding Company).
7. The Profit and Loss Account includes:
 - a. Expenditure on Public Relations and Publicity amounting to **Rs. 0.07 Lakh** (1994: Rs. 0.10 Lakh) which is inclusive of **Rs. NIL** (1994: Rs. NIL) on account of Staff and Establishment and **Rs. 0.07 Lakh** (1994: Rs. 0.10 Lakh) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00003:1** (1994:0.00005:1).
 - b. Research and Development expenses **Rs. NIL** (1994: Rs. NIL)
 - c. Entertainment expenses **Rs. 0.04 Lakh** (1994: Rs. 0.05 Lakh).
8. Additional information pursuant to paras 3, 4, 4c and 4d of Schedule VI of the Companies Act, 1956, is as under:

A. Turnover (Blending/ Processing fees)				1995	1994
Lubes	:	Qty.	KLs	2,65,276	3,32,285
		Value	Rs.	23,21,16,001	14,62,05,386
E.C.A 8586	:	Qty.	KLs	159	840
		Value	Rs.	3,18,000	3,69,600
Greases	:	Qty.	MTs	9,713	13,083
		Value	Rs.	4,12,79,362	5,56,04,779

- Notes: i) The Company has not purchased or consumed any raw materials during the year. There is 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.
- ii) Value excludes **Rs. 1,74,59,750** (1994: Rs. NIL) towards charges for shortfall in the Guaranteed demand from Indian Oil Corporation Limited (the Holding Company).

	1995 (Rs)	1994 (Rs)
B. Remuneration paid/payable to Whole-time Directors :	Nil	Nil

C. CAPACITY AND PRODUCTION

	1995			1994		
	Lubes KL	ECA 8586 KL	Greases MT	Lubes KL	ECA 8586 KL	Greases MT
Licensed Capacity	250000	1003	11000	250000	1003	11000
Installed Capacity*	250000	1003	11000	250000	1003	11000
Actual Prodn.	265276	159	9713	332285	840	13083

*AS certified by the Management and accepted by the Auditors without Verification.

(d) C I F VALUE OF IMPORTS

	1995 (Rs)	1994 (Rs)
Spare Parts and Components	<u>NIL</u>	<u>NIL</u>
Capital Goods	48,62,434	72,82,501

(e) EXPENDITURE IN FOREIGN CURRENCY :

Subscription to Journal	22,110	44,157
Foreign Travel	1,34,388	NIL

(f) CONSUMPTION OF STORES AND SPARE DURING THE YEAR:

	1995		1994	
	Rupees	% total consumption	Rupees	% to total consumption
Imported	3,22,102	14.82	4,53,717	12.25
Indigenous	18,51,041	85.18	32,51,083	87.75

Schedules *Contd...*

9. Statement on Accounting Policies and Schedules I to X of the Balance Sheet and Profit & Loss Account form part of these Accounts.
10. Previous year's comparative figures have been re-grouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Signature to Schedules I to X

Sd/-
S.S. MANI
Director-in-Charge

Sd/-
P. SUGAVANAM
Financial Director

Sd/-
RAJU RANGANATHAN
Secretary

Place: Bombay
Dated : 7th June, 1995

As per report of even date
for S.J. Rajadhyaksha & Company
Chartered Accountants

Sd/-
S.J. Rajadhyaksha
Partner

Place: Bombay
Dated : 7th June, 1995

CAG Comments

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, 1995

The Comptroller and Auditor General of India has decided not to review the report of the Auditors on the accounts of Indian Oil Blending Limited, Bombay for the year ended 31 st March, 1995 and as such, he has no comments to make under Section 619 (4) of the Companies Act, 1956.

Sd/-
(R.S. Prasad)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II, Bombay

Place : Bombay
Date :21 July, 1995