

REPORT 1961 — INDIAN OIL CO., LTD.



OC retail kerosene dealer has a tough time all through the day; is busy with his customers for Jyoti Brand kerosene.

Indian Oil Company have also installed pumps in the fishing boats for meeting the demands of fishermen community.



Indian Oil Company is also supplying H.S.D. to the Bombay Electric Supply and Transport Undertaking.



**BOARD**  
(a)

SHRI S. NIJA  
(Mysore)

SHRI AMOLA

SHRI D. C. I

SHRI S. D. E

SHRI P. R. F

SHRI R. P. S

SHRI G. VET

SHRI A. V. T

SHRI B. ARC

**MANAGERS**

SHRI M. B. BAN

**AUDITOR**

SHRI F. FERGU  
Bombay

**REGISTER**

SHRI K. K. KASHMI  
Bombay 2

**BRANCH**

Bombay, M.  
and Patn:

# contents

---

	Page
Notice .. .. .	2
Directors' Report .. .. .	3
Comments of the Comptroller and Auditor-General of India .. .. .	9
Report of the Auditors .. .. .	9
Balance Sheet .. .. .	10-13
Schedule of fixed assets .. .. .	14-15
Profit & Loss Account .. .. .	16-19

CTORS  
(1)

M.L.A.  
(Chairman)

RA AYYAR  
VARAN  
(Managing Director)

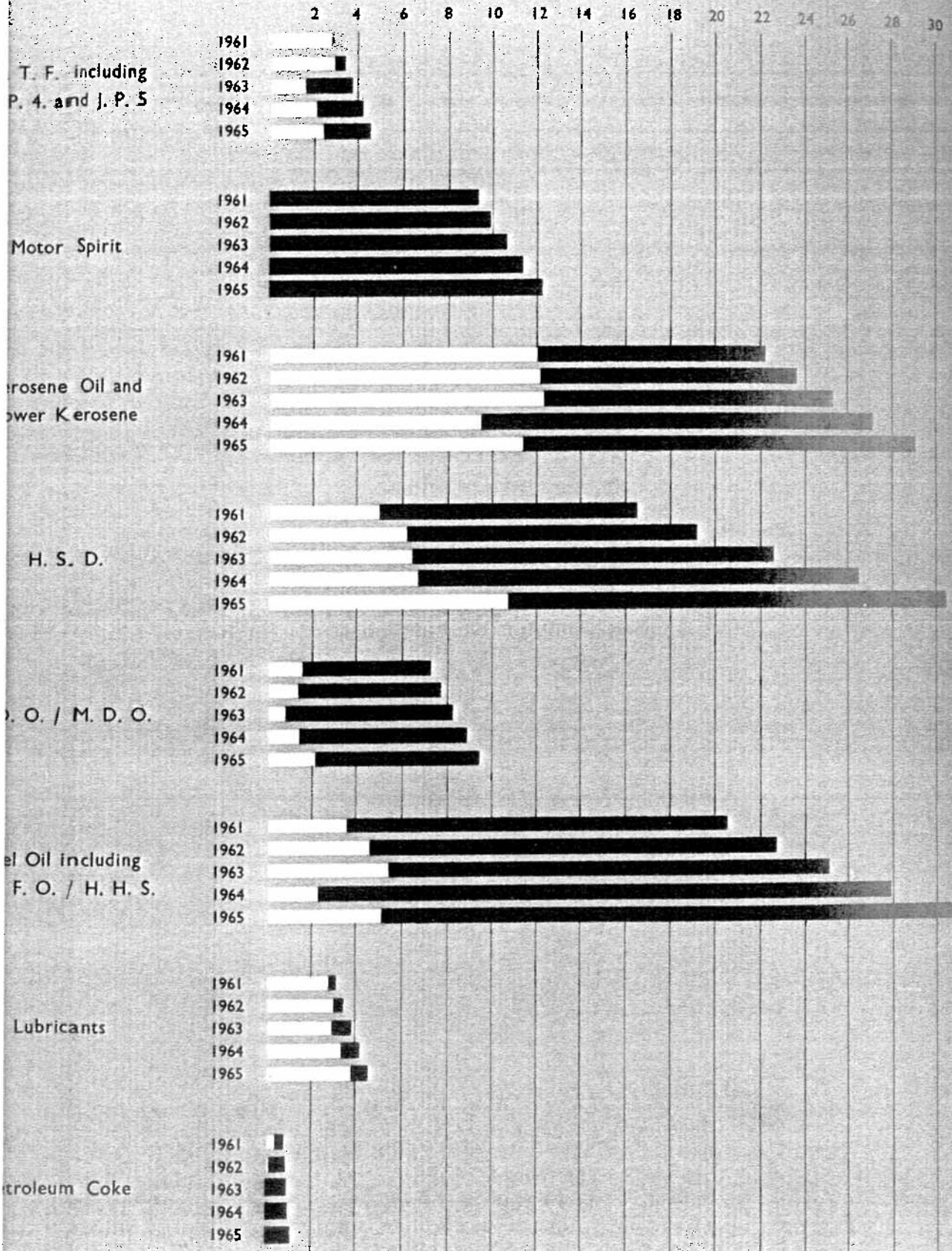
Bombay

MPANY,

EL ROAD,

Delhi

# PRODUCTION CHART



Import
  Indigenous
 in '000.00' Metric Tons

As India's economy develops, the demand for petroleum products is also increasing. As it is, India is today spending nearly Rs. 30 lakhs per month in vital foreign exchange in paying for imports of crude oil and refined oil products. IOC is helping the nation save money by increasing indigenous production.

estimated at about Rs. 4.2 crores. The imports during this period are expected to be 3,00,000 tonnes.

## INSTALLATIONS (Ports & Inland)

The Company took over the Defence Installations at (i) Antop Hill, Bombay, with a capacity of 13,000 tonnes in May 1960; (ii) Willingdon Island, Cochin, with a capacity of 6,000 tonnes in October, 1960; (iii) Visakhapatnam with a capacity of 25,700 tonnes in March 1961. This gave the Company a total of 44,700 tonnes. For the balance, construction was started at Bombay, Kandla, Cochin, Calcutta and Siliguri. Work at all the points was in progress when the year came to a close.

## DEPOTS

Out of the 50 Depots proposed in the First Phase Plan covering the period upto 31st March 1962, the first 4 Depots at Ahmedabad, Baroda, Indore and Ratlam were completed and work started on another dozen before the year ended.

## IMPORTS

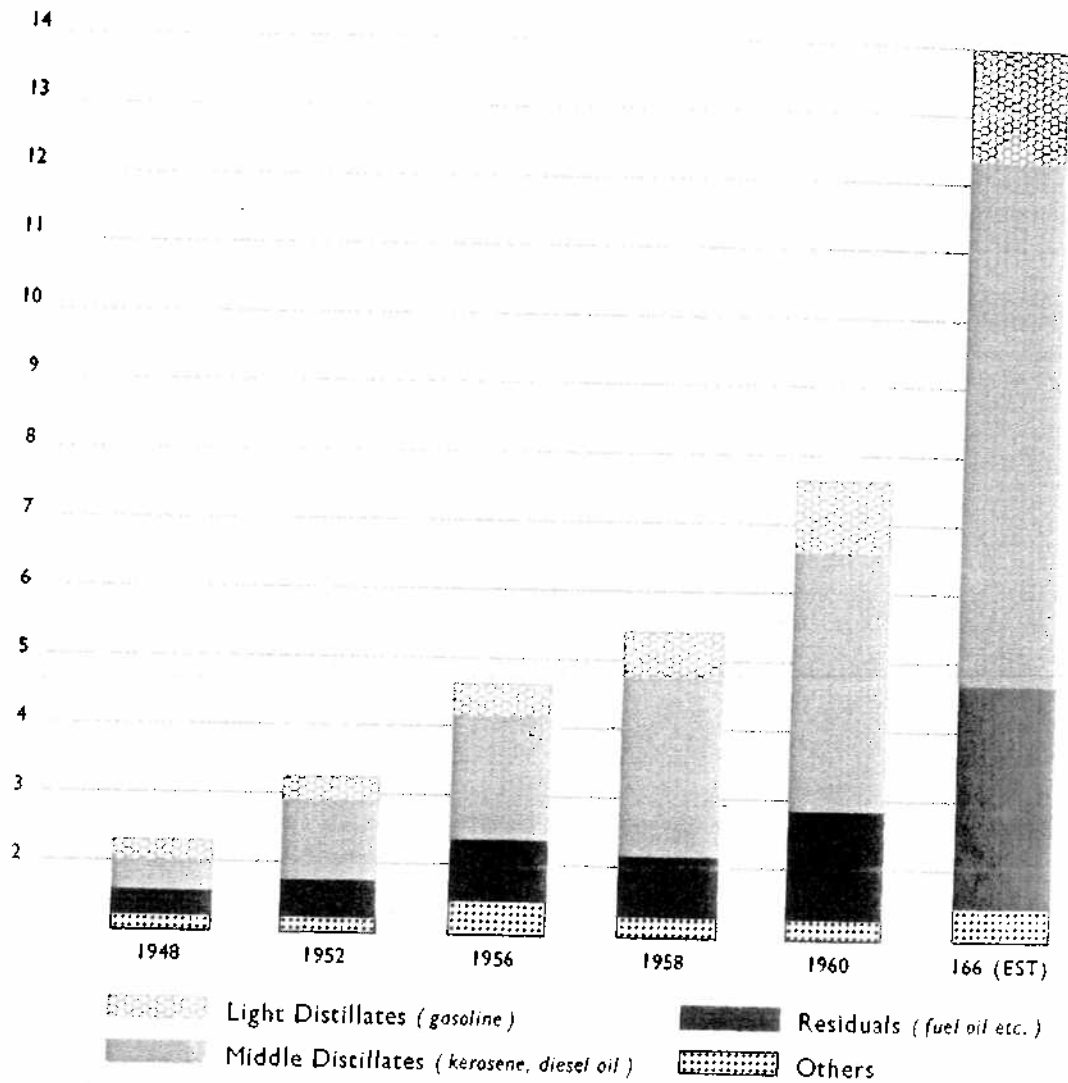
An Agreement with V/O Sojuznefteexport was signed on 15th July 1960 for the import of 1.5 million metric tonnes of petroleum products (High Speed Diesel and Superior Kerosene including Aviation Turbine Fuel) over a period of four years. In pursuance of this Agreement during the period under review the Company received 3 shipments from Russia one each of High Speed Diesel and Kerosene in August and November 1960 respectively, and one of High Speed Diesel and Kerosene in March 1961. The total quantity received by the end of March 1961 was 12,400 tonnes (approximately 14,900 kl) of High Speed Diesel and 20,300 tonnes (approximately 25,900 kl) of Superior Kerosene.

## SALES

During the period under review the Company sold 10,057 kl of High Speed Diesel. Out of these 3,586 kl represented supplies to Government Departments: 5,279 kl to Municipalised and State

## GROWTH OF PETROLEUM DEMAND IN INDIA

( in million metric tons )



## PRODUCT PATTERNS OF GAUHATI AND BARAUNI REFINERIES

( in thousand metric tons )

GAUHATI REFINERY		BARAUNI REFINERY *	
Gasoline	160.2	LPG	10.0
Kerosene	163.7	Gasoline	381.9
Diesel oils	183.5	Kerosene	394.2
Fuel oil	113.2	Diesel oils	532.0
Coke	39.0	Fuel oil	221.7
Aromex	36.0	Lub. oils	46.0
Others	54.4	Bitumen	107.4
		Coke	78.0
		Others	228.8

will market the entire  
tion of the Gauhati and  
Barauni refineries.

\* Expected to be progressively  
commissioned from  
February 1963 to April 1964.

Transport Undertakings while 1,192 kl were sold to the public mainly through Co-operatives.

Kerosene became available only in November 1960 and the total sales of Kerosene from November 1960 to March 1961 amounted to 22,257 kl. The Company followed a policy of arranging the maximum Kerosene sales through Co-operative Societies.

One significant point which deserves mention in this respect is the impact on the wholesale price structure of the petroleum products by the entry of the Indian Oil Company in the field of marketing. As soon as our supplies landed, the foreign Companies realised that in the absence of retail outlets this Company could only sell its High Speed Diesel to bulk consumers like Director General of Supplies and Disposals indentors and Municipalised and State Transport Undertakings. They, therefore, quoted special reduced rates to these parties, in an effort to retain their business and also with a view to rendering it uneconomical for the Indian Oil Company. In the Director General of Supplies and Disposals rate contracts for 1961-62, the rates quoted by the foreign Companies were lowered by Rs. 8.80 to Rs. 11.00 per kl in respect of High Speed Diesel. In their quotations to the Transport Undertakings prices for High Speed Diesel were lowered by anything between Rs. 8.80 and Rs. 35 per kl on their last rates and the Company was compelled to match these reduced rates. However, since we were able to take up about 10 per cent of the supplies to Government and to these public bodies and undertakings, the benefit to Government and Quasi-Government indentors was 10 times the loss forced on the Company. In the case of Kerosene also the quotations to Director General of Supplies and Disposals were lowered by them by Rs. 5.50 to Rs. 10 per kl with corresponding benefit to the various Government indentors.

### ARRANGEMENTS FOR SALE OF REFINERY PRODUCTS

The Gauhati refinery -- the first of the two public sector refineries -- is expected to go on *stream* by the end of 1961. As bulk of the Gauhati products have to be carried out of Assam, after crossing Brahmaputra, and the Brahmaputra Railway Bridge was not expected to be ready by that time, it was necessary to make special arrangements for movement of products across the Brahmaputra till the Railway Bridge was commissioned. The Company, therefore, made special arrangements with the North East Frontier Railway who were persuaded to construct an additional unit of the wagon ferry at the cost of this Company. For this purpose Rs. 12.29 lakhs were deposited with the Railway and an assurance received from them that this unit would be got ready by the 15th December 1961, *i.e.*, in good time for the products of the Gauhati refinery.

The profit and loss account for the year ended 31st March 1961 shows a loss of Rs. 2,60,713.99. As stated above, this has mainly

been due to the sale of High Speed Diesel at competitive prices. It may further be mentioned that this was the first year of the Company's business and the trading activity actually started only in the middle of the year (September--November 1960).

## ORGANISATION

In October 1960, the Company shifted its registered office from Botawala Chambers, Bombay-1, where the Bombay Branch of the Oil & Natural Gas Commission had very kindly spared some accommodation for the Company's Office, to its present accommodation at "Rashmi", Carmichael Road, Bombay-26.

Four Branches at Bombay, Delhi, Patna and Madras have been established. Branch Managers were functioning at Bombay, Delhi and Patna while an Assistant Sales Manager held charge of the Madras Branch at the close of the year.

## BOARD OF DIRECTORS

During the period under review the following changes were made in the composition of the Board of Directors of the Company: (i) on 14th November 1960 the President appointed Sarvashri G. Venkateswara Ayyar, I.C.S. and S. K. Mallick, I.C.S. as Directors of the Company in place of Sarvashri R. L. Gupta, I.C.S. and J. M. Shrinagesh, I.C.S. respectively; (ii) on 8th December, 1960 Shri S. D. Bhambri, I.A.S. was appointed Director in place of Shri S. K. Mukherjee, I.A.S. and (iii) on 31st January 1961 Shri P. R. Nayak, I.C.S. was appointed Director in place of Shri S. K. Mallick, I.C.S.

Eight meetings of the Board of Directors were held during this year and the average attendance of the Directors was 65 per cent.

## GENERAL

Your Directors wish to place on record their high appreciation of the work put in by all the members of the Company's staff and are glad to report that in spite of the difficulties which are normal during the initial stages of the development of a new organisation, the business of the Company has continued to make gratifying progress.

(Sd.) S. NIJALINGAPPA

*Chairman,*

*For and on behalf of Board of Directors.*



REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF  
INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956

to state that there are no comments upon or supplement to the Auditor's Report under sub-section (4) of Section 619 of the Companies Act, 1956 on the accounts of Indian Oil Company Limited for the period from 1st April 1960 to 31st March 1961.

NEW DELHI,  
10th October 1961.

(P. K. SEN)  
*Director of Commercial Audit.*

**A. F. FERGUSON & CO.**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of Indian Oil Company Limited as at 31st March 1961, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto, and report that:—

- (i) 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;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
- (iii) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, and to the best of our information and according to the explanations given to us, the said Accounts together with the notes thereon 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 the Balance Sheet, of the state of the affairs of the Company as at 31st March 1961,

and

- (b) in the case of the Profit and Loss Account of the loss for the year ended on that date.

NEW DELHI,  
10th October 1961.

(Sd.) A. F. FERGUSON & CO.  
*Chartered Accountants.*

# INDIAN OIL

(A Government of India Undertaking)

## BALANCE SHEET 31st

1960	<b>LIABILITIES</b>		
Rs.		Rs.	Rs.
	<b>SHARE CAPITAL:</b>		
	<b>Authorised:</b>		
<u>1,00,000-00</u>	1,20,000 Equity Shares of Rs. 1,000 each .. .. .		<u>12,00,00,000-00</u>
	<b>Subscribed:</b>		
25,000-00	5,725 Equity Shares of Rs. 1,000 each fully paid up in cash .. .. .		57,25,000-00
	<b>CURRENT LIABILITIES AND PROVISIONS:</b>		
	<b>A. Current liabilities:</b>		
14,876-89	Sundry Creditors .. .. .	54,18,787-67	
	Contractors' Security Deposits .. .. .	59,460-00	
	Credit Balances and Security Deposits of Customers .. .. .	<u>2,85,925-08</u>	
		57,64,172-75	
	<b>B. Provisions:</b>		
	For Liabilities, the amounts of which cannot be determined with substantial accuracy..	39,150-00	
	For Provident Fund .. .. .	<u>6,735-69</u>	
			58,10,058-44
<u>39,876-89</u>	Carried forward		<u>1,15,35,058-44</u>

# Y LIMITED

1961

10

## ASSETS

### FIXED ASSETS:

		Rs.	Rs.
38-00	As per Schedule "A" annexed .. .. .	3,43,077-55	
	Capital Works in Progress .. .. .	<u>11,07,852-86</u>	
			14,50,930-41

### CURRENT ASSETS, LOANS AND ADVANCES:

#### A. Current Assets:

(1)	Interest accrued on Short Term Deposits ..	5,300-92	
(2)	Inventories (as valued and certified by an official of the Company).		
	(a) Stores and Spare Parts .. .. .	Rs. 32,471-76	
	(b) Loose Tools (at cost) .. .. .	4,404-69	
	(c) Stock-in-Trade (at cost or Market Value whichever is lower) .. .. .	<u>26,22,349-23</u>	
			26,59,225-68
(3)	SUNDRY DEBTORS .. .. .		
	Over six months old, unsecured, considered good .. .. .	129-84	
	Under six months old :		
	(a) Secured, considered good .. .. .	6,607-80	
	(b) Unsecured, considered good .. .. .	<u>30,83,154-47</u>	
			30,89,892-11

(Including Rs. 1,081 due from Indian Refineries Ltd., being a Private Company under the same management in which Directors are interested and including Rs. 934-20 (maximum during the year Rs. 934-20) due from the Managing Director).

188-00	Carried forward .. .. .	<u>57,54,418-71</u>	<u>14,50,930-41</u>
--------	-------------------------	---------------------	---------------------

1960  
Rs.  
39,876.89

## LIABILITIES

Brought forward

Rs.  
Rs.  
1,15,35,058.44

- Notes : (1) No account has been taken of Assets at the Cochin and Visakhapatnam Installations taken over from the Ministry of Defence, as their values have not been finalised, nor has rent, if any, been provided for.
- (2) Estimated amount of contracts remaining to be executed on capital account and not provided for : Rs. 36,98,089.

876.89

1,15,35,058.44

As per our report attached.

(Sd.) A. F. FERGUSON & CO.  
Chartered Accountants.  
BOMBAY, 30th October 1961.

(Sd.) S. NIJALINGAPPA  
28th October 1961.

(Sd)

# LIMITED

1961

## ASSETS

		Rs.	Rs.
90	Brought forward .. .. .	57,54,418·71	14,50,930·41
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>—(Contd.)</b>			
<b>A. Current Assets—(Contd.)</b>			
	(4) Cash and Bank Balances :		
65	(a) With Bank on Current Account .. .. .	14,17,424·82	
	(b) With Bank on Short Term Deposit .. .. .	10,00,000·00	
68	(c) Cash in hand .. .. .	42,669·49	
		<u>24,60,094·31</u>	
33		<u>82,14,513·02</u>	
<b>B. Loans and Advances (Unsecured, considered good)</b>			
	(5) Advances for Capital Expen- diture .. .. .	7,67,286·00	
24	(6) Advances recoverable in cash or in kind or for value to be received .. .. .	90,604·27	
	(7) Sundry Deposits .. .. .	4,37,876·43	
57	(8) Balance with Customs, Port Trust, etc. .. .. .	2,52,617·00	
		<u>15,48,383·70</u>	97,62,896·72
<b>MISCELLANEOUS EXPENDITURE</b>			
37	(a) Preliminary Expenses .. .. .	31,708·37	
<b>(b) PROFIT AND LOSS ACCOUNT :</b>			
95	Balance as per annexed Account .. .. .	2,89,522·94	
		<u>3,21,231·31</u>	
89			<u>1,15,35,058·44</u>

JH CHAND  
Per 1961.

(Sd.) B. ARORA  
28th October 1961.

SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORM

<u>Fixed Assets</u>	COST			
	Gross Block as at 31st March 1960	Additions during the year	Deductions or transfers	Gross Block as at 31st March 1961
	Rs.	Rs.	Rs.	Rs.
Consumer's Pumps .. .. .	—	98,813·30	—	98,813·30
Conditioners & Coolers .. .. .	3,184·90	15,051·20 (3,184·90)	—	18,236·10 (3,184·90)
Motor Cars, Cycles, etc. .. .. .	14,094·44	81,354·74 (14,094·44)	—	95,449·18 (14,094·44)
Furniture, Fixtures and Equipments	3,496·80	94,243·00 (3,496·80)	—	97,739·80 (3,496·80)
Fire and Safety Equipment .. .. .	—	24,973·77	—	24,973·77
Water Interceptor .. .. .	—	1,825·00	—	1,825·00
Gas Filling Platform .. .. .	—	1,575·00	—	1,575·00
Oil Tank Carts .. .. .	—	81,677·50	55,540·54	26,136·96
Engineering Equipment .. .. .	—	1,063·65	—	1,063·65
<b>TOTAL .. .. .</b>	<b>20,776·14</b>	<b>4,00,577·16</b> <b>(20,776·14)</b>	<b>55,540·54</b>	<b>3,65,812·76</b> <b>(20,776·14)</b>

Figures for the previous period are shown in parentheses.

# NY LIMITED

(ing )

## SCHEDULE "A"

### BALANCE SHEET AS AT 31st MARCH 1961

#### DEPRECIATION

<i>Written-off 31st March 1960</i>	<i>Written-off this year</i>	<i>Deductions or transfers</i>	<i>Total Depreciation to 31st March 1961</i>	<i>Net Depreciated Block as at 31st March 1961</i>
Rs.	Rs.	Rs.	Rs.	Rs.
—	5,683·00	—	5,683·00	93,130·30
26·90	980·47 (26·90)	—	1,007·37 (26·90)	17,228·73 (3,158·00)
234·44	10,187·87 (234·44)	—	10,422·31 (234·44)	85,026·87 (13,860·00)
26·80	4,156·80 (26·80)	—	4,183·60 (26·80)	93,556·20 (3,470·00)
—	1,212·99	—	1,212·99	23,760·78
—	68·44	—	68·44	1,756·56
—	157·50	—	157·50	1,417·50
—	—	—	—	26,136·96
—	—	—	—	1,063·65
<u>288·14</u>	<u>22,447·07</u> (288·14)	<u>—</u>	<u>22,735·21</u> (288·14)	<u>3,43,077·55</u> (20,488·00)

JIJALINGAPPA  
October 1961.

(Sd.) AMOLAKH CHAND  
28th October 1961.

(Sd.) B. ARORA  
28th October 1961.

**INDIAN OIL**  
(A Government Undertaking)  
**PROFIT AND LOSS ACCOUNT** YEAR

1960		Rs.	Rs.
	To Oil Purchases (U.S.S.R.) .. .. .		47,95,995.74
	„ Customs Duty .. .. .		57,48,459.04
	„ Wharfage .. .. .		1,60,630.23
	„ Other Landing Charges .. .. .		21,022.69
15,477.53	„ Salaries & Wages (including Rs. 32,308.06 for Managing Director, for 1959-60 Rs. 7,212.91) .. .. .		3,30,077.17
809.14	„ Company's Contribution to Provident Fund (in- cluding Rs. 2,308.88 for Managing Director, for 1959-60 Rs. 809.14) .. .. .		5,926.55
	„ Pension and other Contributions .. .. .		11,952.13
	„ Medical Expenses (including Rs. 1,552.52 for Mana- ging Director, for 1959-60 Nil) .. .. .		3,024.87
6,859.74	„ Travelling Expenses .. .. .		99,033.46
190.10	„ Motor Car Expenses .. .. .		6,006.38
	„ Water, Gas & Electricity .. .. .		6,941.58
160.54	„ Telephone & Telegrams .. .. .		9,645.62
500.00	„ Rentals (properties, Staff Accommodation and others) (including Rs. 3,985.15 for Managing Director, for 1959-60 Nil) .. .. .		49,730.48
1,250.81	„ Printing and Stationery .. .. .		20,761.79
206.48	„ Postage .. .. .		4,408.32
285.85	„ Publications & Magazines .. .. .		6,482.69
	„ General Repairs & Maintenance .. .. .		5,301.83
54.80	„ Insurance .. .. .		1,149.80
785.06	„ Advertising .. .. .		30,553.50
<u>26,580.05</u>	Carried forward .. .. .		<u>1,13,17,403.87</u>



**LIMITED**

**D 31st MARCH 1961**

60

i.

	Rs.	Rs.
By Oil Sales (including Rs. 372·33 being Company's use of oil at selling price) .. .. .	78,39,110·85	
<i>Less</i> : Discounts & Allowances .. .. .	<u>8,551·62</u>	78,30,559·23
.. Closing Stock of Oils .. .. .		26,22,349·23
.. Discount on Purchases from U.S.S.R. .. .. .		7,48,795·71
.. Interest .. .. .		14,184·37
.. Miscellaneous Income .. .. .		9,687·95
.. Profit on Sale of Assets .. .. .		98·09
08·95 .. Net Loss Carried Down .. .. .		2,60,713·99

808·95

Carried forward .. .. .

1,14,86,388·57

# INDIAN ODM

(A Government of India Undertaking)

## PROFIT AND LOSS ACCOUNT FOR THE YEAR

1960			
Rs.		Rs.	Rs.
26,580.05	Brought forward .. .. .		1,13,17,103.87
	To Consumption of Stores .. .. .		5,118.43
241.11	.. Hire of Furniture, etc. .. .. .		7,239.79
23.33	.. License Fees .. .. .		3,938.72
	.. Entertainment Expenses .. .. .		2,849.44
	.. Fees, Dues & Contributions :—		
	Directors' Fees .. .. .	950.00	
500.00	Audit Fees .. .. .	3,000.00	3,950.00
	.. Bank Charges .. .. .		55,716.35
1,176.32	.. Miscellaneous Expenses .. .. .		28,854.90
	.. Provisions for payments to the Ministry of Defence :—		
	Salaries .. .. .	6,750.00	
	Rent .. .. .	13,000.00	
	Miscellaneous .. .. .	9,400.00	
	Consumption of Stores .. .. .	10,000.00	39,150.00
288.14	.. Depreciation .. .. .		22,447.07
<u>28,808.95</u>			<u>1,14,86,388.57</u>
	.. Balance as per last year's Account .. .. .		28,808.95
28,808.95	.. Balance brought down from Profit and Loss Account		2,60,713.99
<u>28,808.95</u>			<u>2,89,522.94</u>

As per our report attached to the Balance Sheet.

BOMBAY,  
30th October 1961.

(Sd.) A. F. FERGUSON & CO.  
Chartered Accountants.

# IN COMPANY LIMITED

(Government Undertaking)

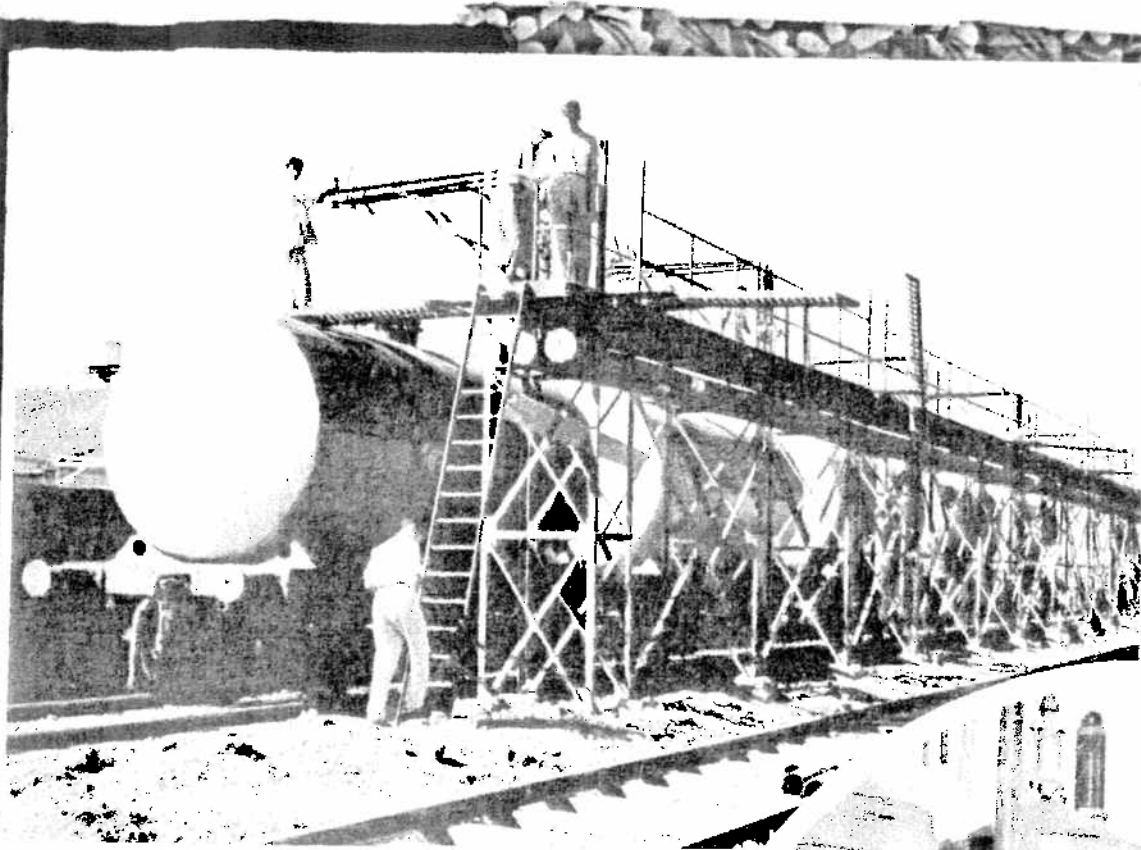
## ACCOUNTS FOR YEAR ENDED 31st MARCH 1961—(Contd.)

	1960		Rs.
37	Rs.		Rs.
	28,808-95	Brought forward	1,14,86,388-57
3			
9			
2			
1			
	<u>28,808-95</u>		<u>1,14,86,388-57</u>
	28,808-95	By Balance carried to Balance Sheet	2,89,522-94
	<u>28,808-95</u>		<u>2,89,522-94</u>

(Sd.) S. NIJALINGAPPA  
28th October 1961

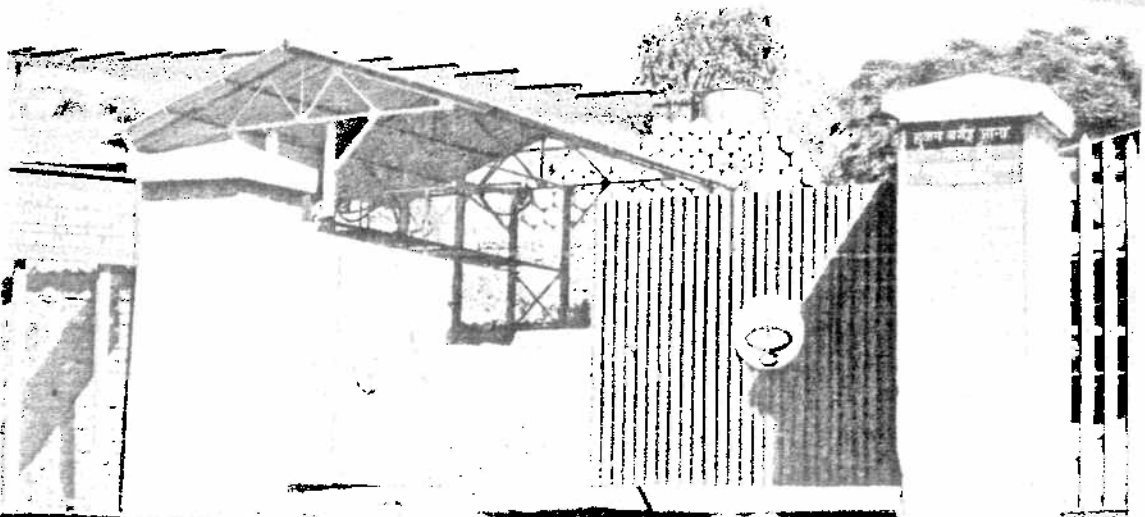
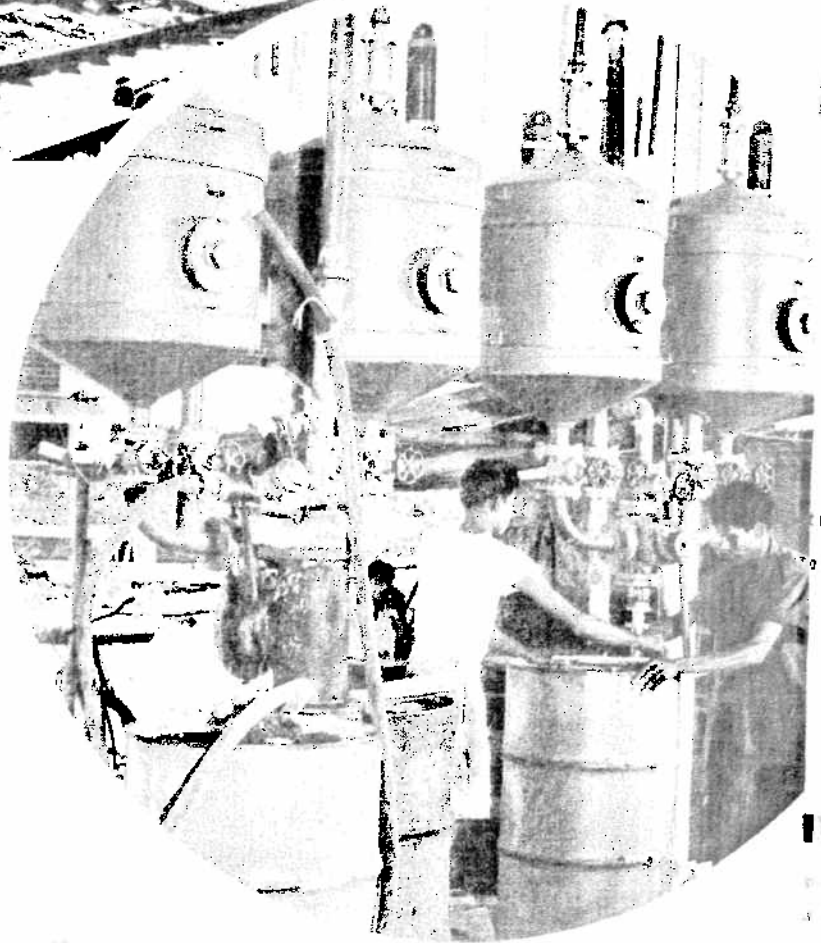
(Sd.) AMOLAKH CHAND  
28th October 1961

(Sd.) R. ARORA  
28th October 1961



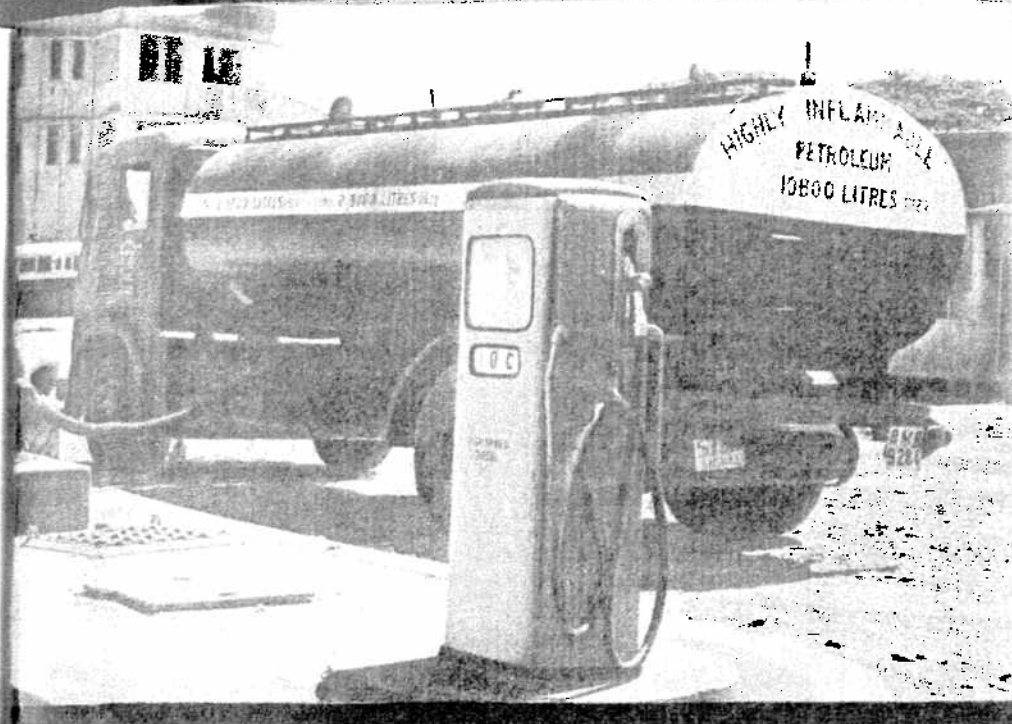
A partial view of the New Wadala installation showing the centering section.

High Speed Diesel is in heavy demand and has a ready market all over the country. It is despatched to the distributors in barrels which are filled by an automatic process to ensure purity and quickness.



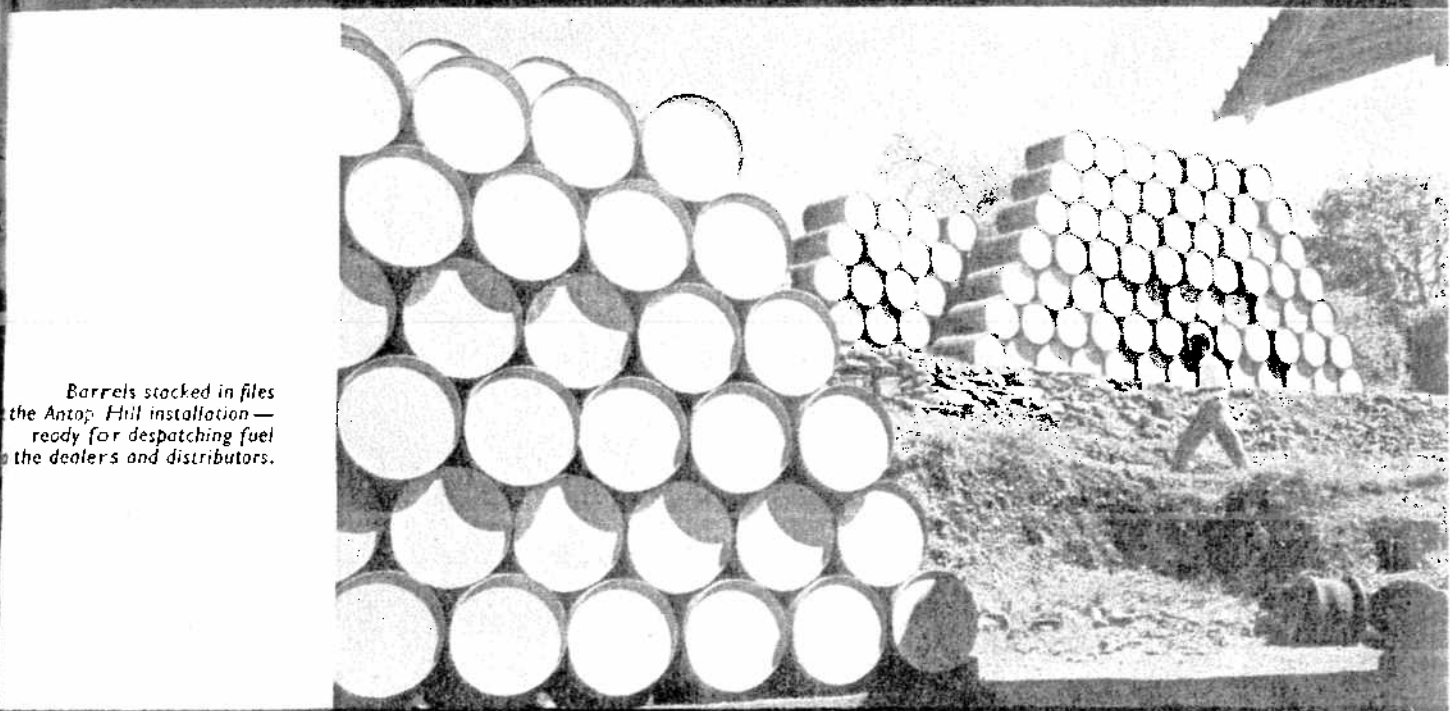
A view of the entrance to the Antop Hill installation of the JOC.

e New  
showing  
n.

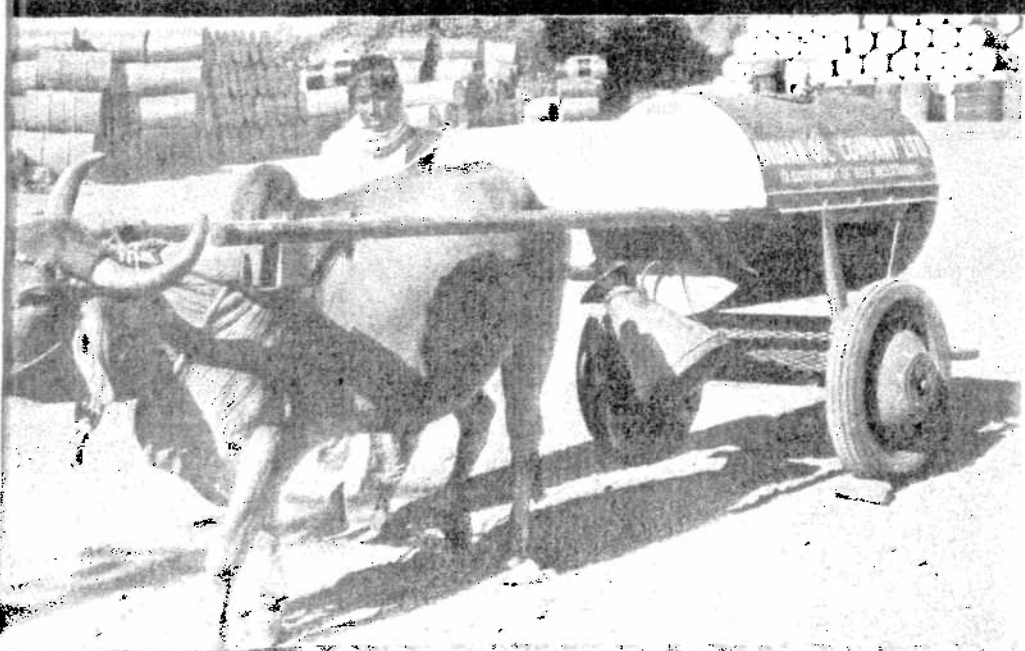


IOC Truck Tankers are on the move throughout the day, to deliver fuel to the various depots and service stations.

The above scene is at the State Transport Depot — Bombay.



Barrels stacked in files at the Antop Hill installation — ready for despatching fuel to the dealers and distributors.



Kerosene is transported to local retail distributors in bullock cart tanks, which are built on the same lines as truck tankers, but the capacity is much less.