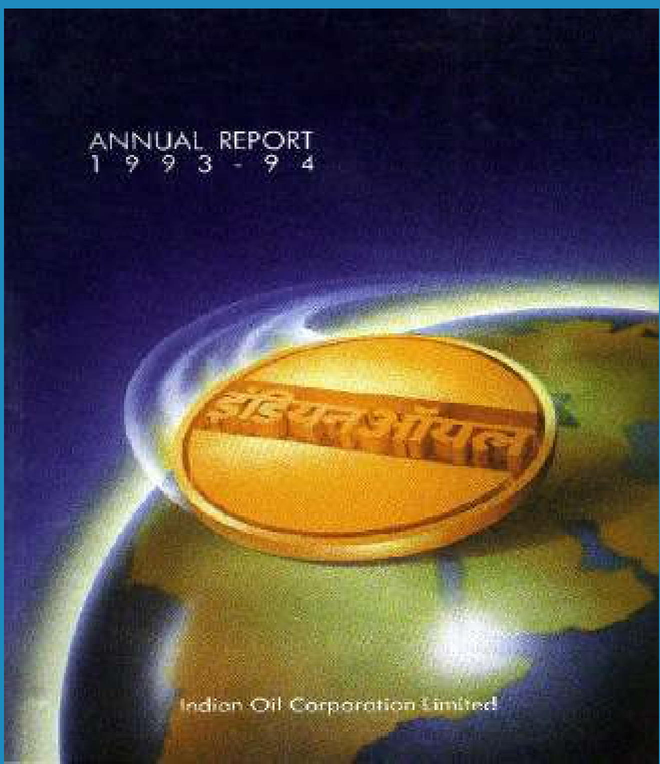
ANNUAL REPORT
1993-94

Indian Oil Corporation Limited



A Global Vision—
Our achievements spur our ambitions.

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, India's largest commercial undertaking is ranked 160th by profits in fortune's Global 500, the world's largest industrial corporations. In terms of sales, it is placed at 205th rank in 1994 on the basis of 1992-93 turnover. Among the 50 petroleum refining companies listed in the Global 500, Indianoil ranked 32nd by sales and 22th by profits.

Among the top Asian companies, Indianoil is ranked 62th by sales in 'The Asia Week 1000." In the industry-wise listing, Indianoil is ranked 8th by sales in the oil and gas category.

Among the Central Public Sector Undertakings, Indianoil is ranked first in terms of sales and net profit in the Public Sector Survey for 1992-93. Over 10% of the profits earned by PSUs were contributed by Indianoil.

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

Indianoil owns and operates six of the country's 12 refineries with a total refining capacity of 24.40 million tonnes per annum representing over 46% of the national refining capacity. A 6 million tonnes per annum grassroots refinery is being set up at Panipat in the State of Haryana.

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 taken petroleum products as close to consumption centres as possible. It has set up an infrastructure of 15,602 sales points across the country. In addition, there are 89 aviation fuel stations for national and international aircraft. For regular supplies to sales points, there are 162 terminals and bulk storage depots and 32 LPG bottling plants. Currently, over 55% of the petroleum product's consumption is met by Indianoil.

Indianoil is constantly innovating and improving technology in the customer interest in all its operations, products and services. It has formed two joint venture companies-Indo Mobil Private Limited Avi Oil India.

Indianoil's Research & Development Centre has developed over 1400 lubricant formulations. Over 95% of Indianoil's Servo range of lubricants have been developed by the R&D Centre. International and National equipment builders have approved lubricant formulations developed by the R&D Centre.

Contents

Indian Oil Corporation Limited

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

35th 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

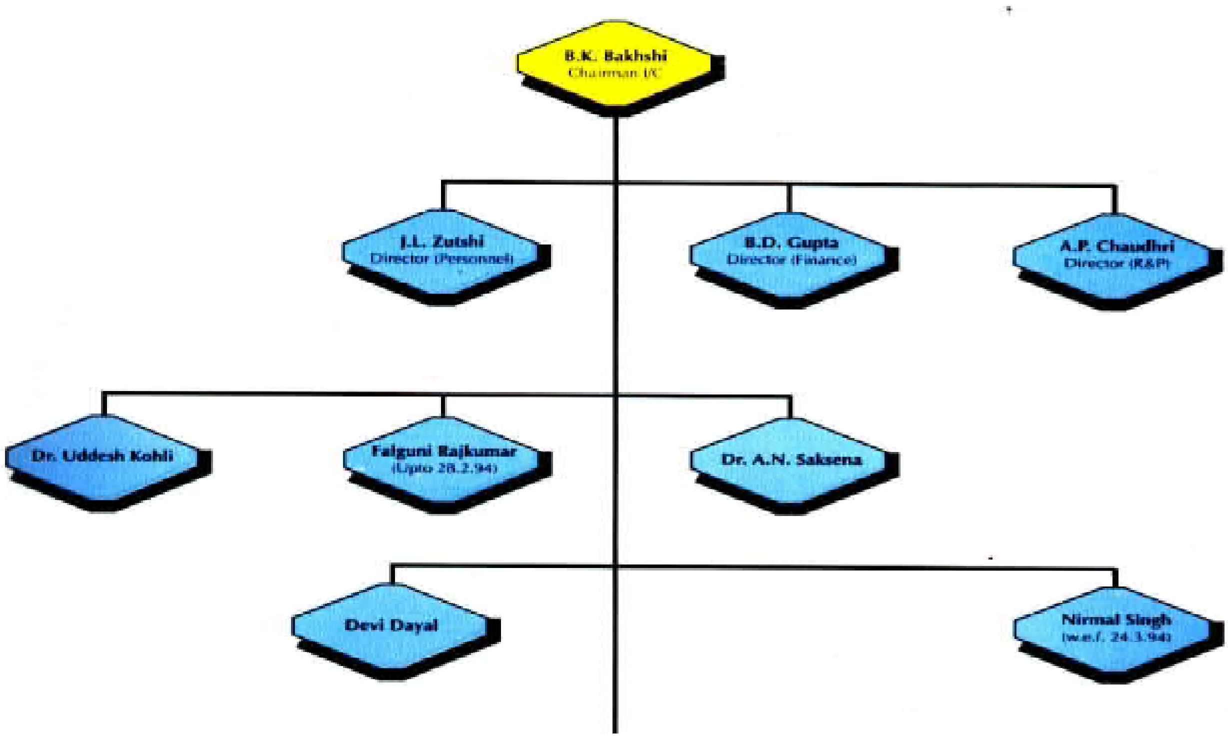
- To provide prompt, courteous and efficient service and quality products at fair and reasonable prices.

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 the cost of production of petroleum products manufactured by means of systematic cost control measures.
– To endeavour to complete all planned projects within the stipulated time and within the stipulated cost estimates.

Performance at a Glance

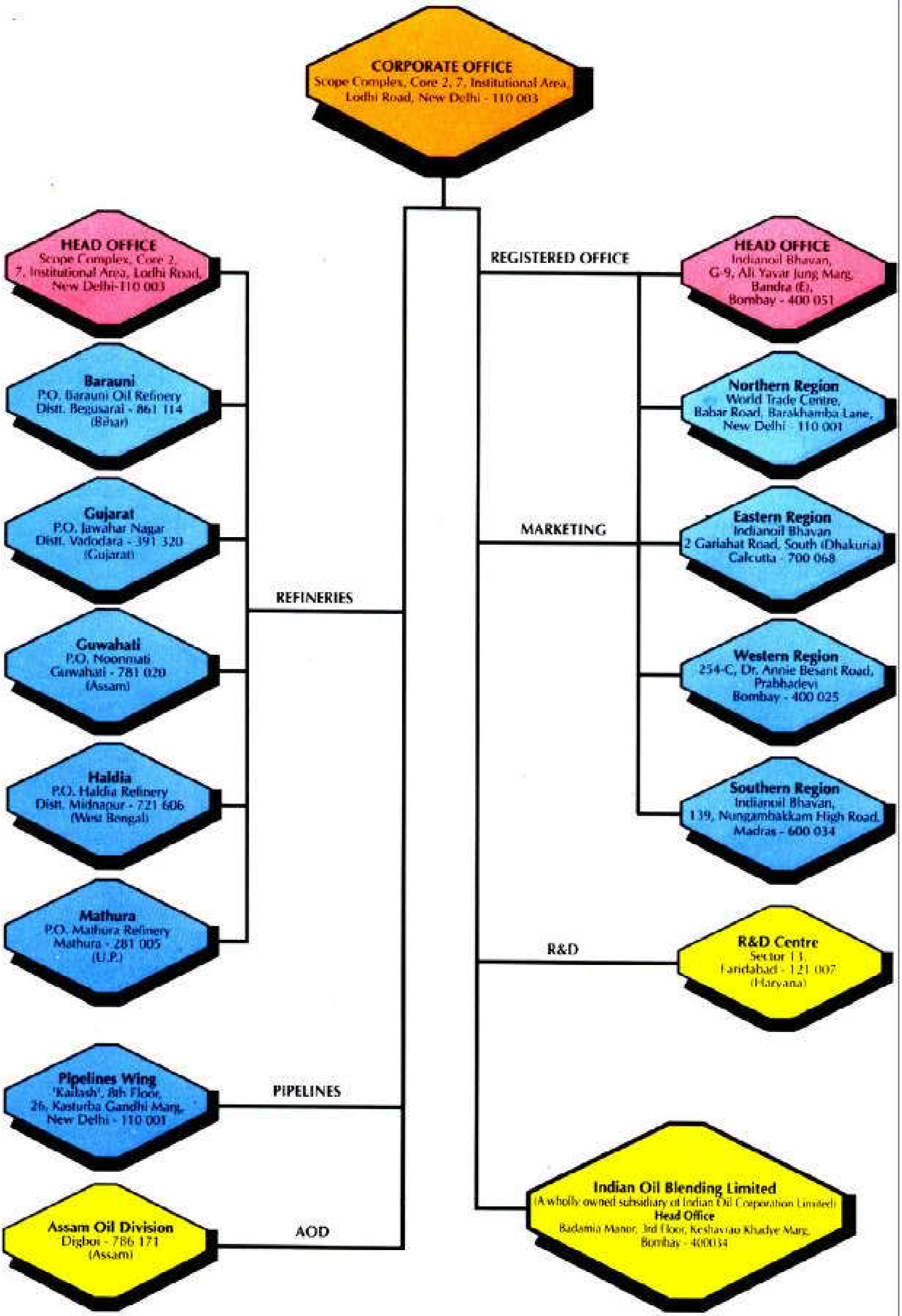
(Rs. Crores)

	1993-94	1992-93	1991-92	1990-91	1989-90
I. FINANCIAL					
Turnover	**23,726**	24,436	20,825	19,508	17,614
Gross Profit*	**1,821**	1,511	1,784	1,774	1,460
Profit Before Interest & Tax	**1,499**	1,266	1,700	1,559	1,231
Profit before Tax	**964**	935	1,085	907	840
Profit after Tax	**772**	677	787	730	675
Dividend	**49**	49	41	27	25
Retained Earnings	**723**	628	746	703	650
* Profit before Depreciation, Interest Expenditure and Tax					
WHAT CORPORATION OWNS					
Gross Fixed Assets	**5,239**	4,280	3,482	3,150	2,819
Depreciation	**2,662**	2,366	2,133	2,059	1,852
Net Fixed Assets	**2,577**	1,914	1,349	1,091	967
Capital Work in Progress	**1,326**	1,148	1,135	706	438
Investments	**3,858**	3,722	4,153	6466	5,310
Working Capital	**4,412**	4,383	1,313	2,441	1,599
Total	**12,173**	11,167	7,950	10,704	8,314
WHAT CORPORATION OWES					
Net Worth					
— Share Capital	**123**	123	123	123	123
— Reserves	**5,550**	4,827	4,200	3,453	2,750
— Total	**5,673**	4,950	4,323	3,576	2,873
Borrowings	**6,500**	6,217	3,627	7,128	5,441
Total	**12,173**	11,167	7,950	10,704	8,314
RATIOS					
Debt Equity Ratio	**0.19:1**	0.27:1	0.25:1	0.13:1	0.12:1
Earnings per Share (Rupees)	**6,263**	5,492	6,383	5,923	5,472
Profit after Tax to Average networth (%)	**14.5**	14.6	19.9	22.6	26.5
Networth per Equity Share (Rupees)	**46,024**	40,159	35,069	29,014	23,314
(Face Value per Share: Rs. 1,000)					
FUND FLOW STATEMENT					
Sources of Funds					
— Profit after Tax	**772**	677	787	730	675
— Depreciation	**296**	232	74	207	219
— Unsecured Borrowings	**296**	1,970	(3,629)	1,934	3,182
— Secured Borrowings	**(13)**	619	128	(248)	172
Total	**1,351**	3,498	(2,640)	2,623	4,248
Utilisation of Funds					
— Dividend	**49**	49	41	27	25
— Capital Expenditure	**1,137**	811	760	599	464
— Increase in Working Capital	**29**	3,070	(1,128)	841	965
— Investments	**136**	(432)	(2,313)	1,156	2,794
Total	**1,351**	3,498	(2,640)	2,623	4,248

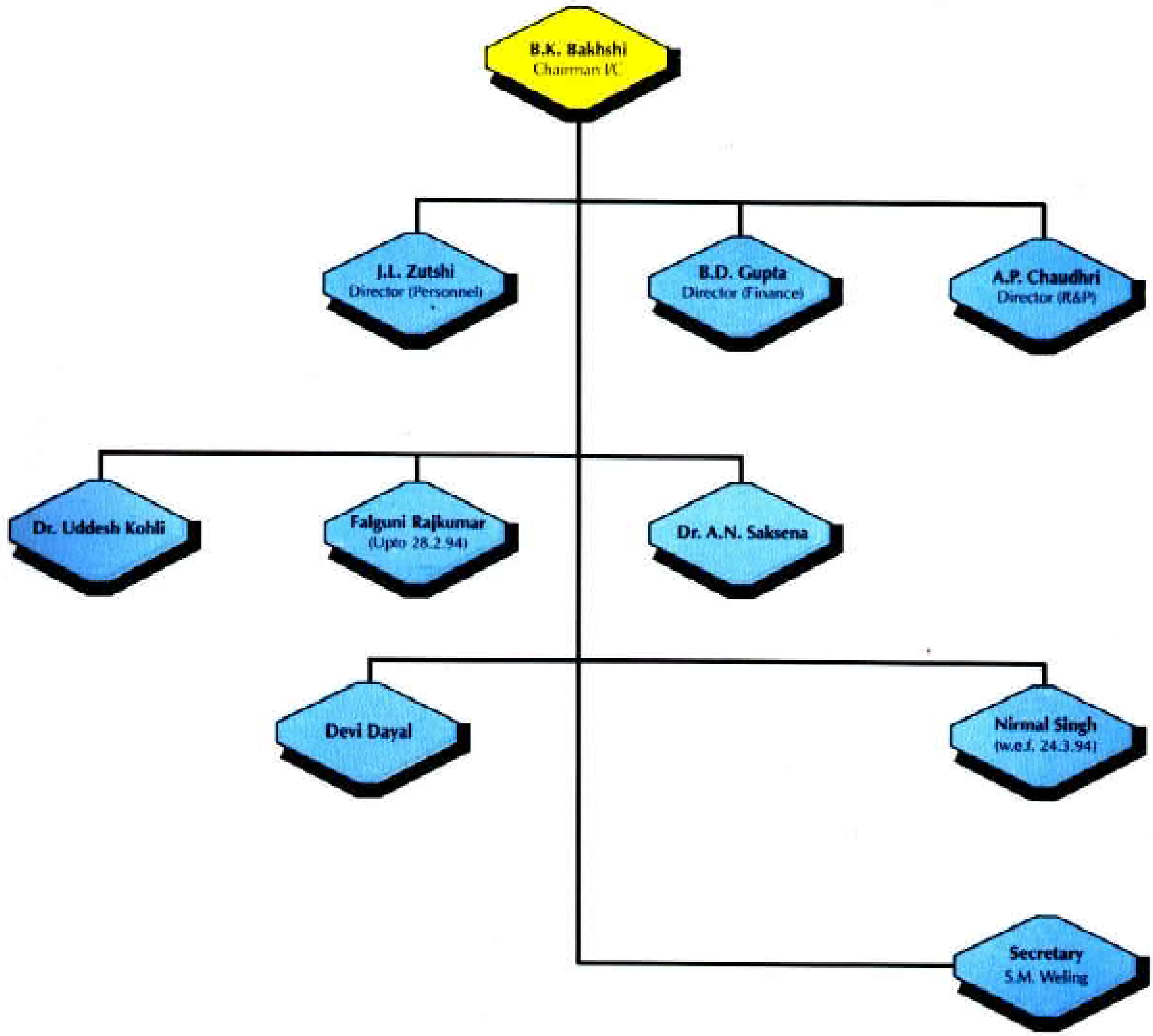
(Rs. Crores)

		1993-94	1992-93	1991-92	1990-91	1989-90
VALUE ADDED STATEMENT						
Generation						
— Production & Operation		**2,066**	1,699	1,493	1,439	1,388
— Investment & Interest Earning		**401**	405	823	829	415
— Prior Year & Extraordinary		**20**	117	97	23	95
Total		**2,487**	2,221	2,413	2,291	1,898
Distribution						
— Reinvestment in Business		**1,045**	872	830	918	879
— Financial Cost		**584**	417	694	679	416
— Employees' Benefits, Operating and other Costs		**666**	674	591	517	438
— Corporate Tax		**192**	258	298	177	165
Total		**2487**	2,221	2,413	2,291	1,898
Contribution to Central Exchequer		**4,760**	4,696	4,275	4,062	3,432
Cumulative Dividend Distributed		**439**	390	341	300	273
II. OPERATIONS						
Operating Performance						
Product Sales	Million Tonnes	**33.44**	32.98	32.37	31.42	31.01
Refineries Throughput	Million Tonnes	**24.75**	24.31	24.29	23.74	23.53
Pipelines Throughput	Million Tonnes	**24.13**	23.62	22.51	21.36	20.89
Marketing Network & Facilities						
Divisional Offices	Nos.	**42**	42	42	42	39
LPG Area Offices	Nos.	**31**	31	31	31	31
Terminals and Depots	Nos.	**162**	161	158	154	152
Aviation Fuel Stations	Nos.	**89**	89	87	86	84
Total Product Tankage	Lakh/Kl	**41.80**	40.49	37.66	36.46	34.69
LPG Bottling Plants		**32**	29	29	27	25
LPG Bottling Capacity	'000 Tonnes	**1,152**	1,038	1,026	1,004	959
Retail Outlets	Nos.	**6,021**	5,899	5,892	5,880	5,762
SKO/LDO dealers	Nos.	**3,208**	3,183	3,175	3,165	3,082
Indian Distributors	Nos.	**2,206**	2,132	2,069	1,999	1,896
Multi Purpose Distribution Centres (MPDC)	Nos.	**231**	231	231	231	231
Towns with Indane	Nos.	**1,133**	1,087	1,062	1,015	950
Indane Customers	Lakh	**108**	100	94	88	83
III. MANPOWER	**Nos.**	**34,035**	33,829	33,434	33,303	33,365

Major Units

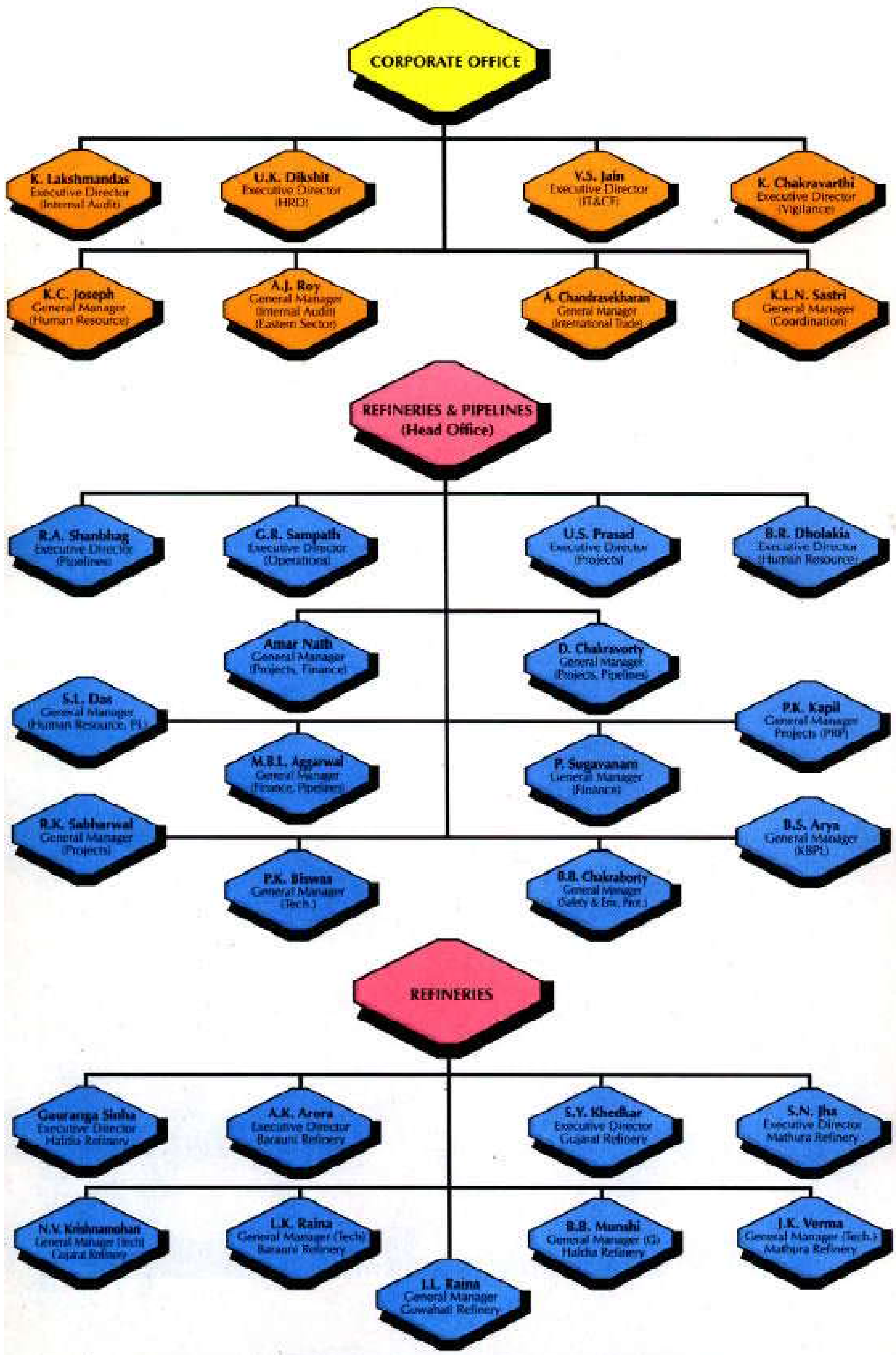

CORPORATE OFFICE
Scope Complex, Core 2, 7, Institutional Area,
Lodhi Road, New Delhi - 110 003
REGISTERED OFFICE
HEAD OFFICE
Indianoil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (E),
Bombay - 400 051
MARKETING
Northern Region
World Trade Centre,
Babar Road, Barakhamba Lane,
New Delhi - 110 001
Eastern Region
Indianoil Bhavan
2 Gariahat Road, South (Dhakuria)
Calcutta - 700 068
Western Region
254-C, Dr. Annie Besant Road,
Prabhadevi
Bombay - 400 025
Southern Region
Indianoil Bhavan,
139, Nungambakkam High Road,
Madras - 600 034
R&D
R&D Centre
Sector 13,
Faridabad - 121 007
(Haryana)
Indian Oil Blending Limited
(A wholly owned subsidiary of Indian Oil Corporation Limited)
Head Office
Badamia Manor, 3rd Floor, Keshavrao Khadye Marg,
Bombay - 400034
REFINERIES
HEAD OFFICE
Scope Complex, Core 2,
7, Institutional Area, Lodhi Road,
New Delhi-110 003
Barauni
P.O. Barauni Oil Refinery
Distt. Begusarai - 861 114
(Bihar)
Gujarat
P.O. Jawahar Nagar
Distt. Vadodara - 391 320
(Gujarat)
Guwahati
P.O. Noonmati
Guwahati - 781 020
(Assam)
Haldia
P.O. Haldia Refinery
Distt. Midnapur - 721 606
(West Bengal)
Mathura
P.O. Mathura Refinery
Mathura - 281 005
(U.P.)
PIPELINES
Pipelines Wing
'Kailash', 8th Floor,
26, Kasturba Gandhi Marg,
New Delhi - 110 001
AOD
Assam Oil Division
Digboi - 786 171
(Assam)

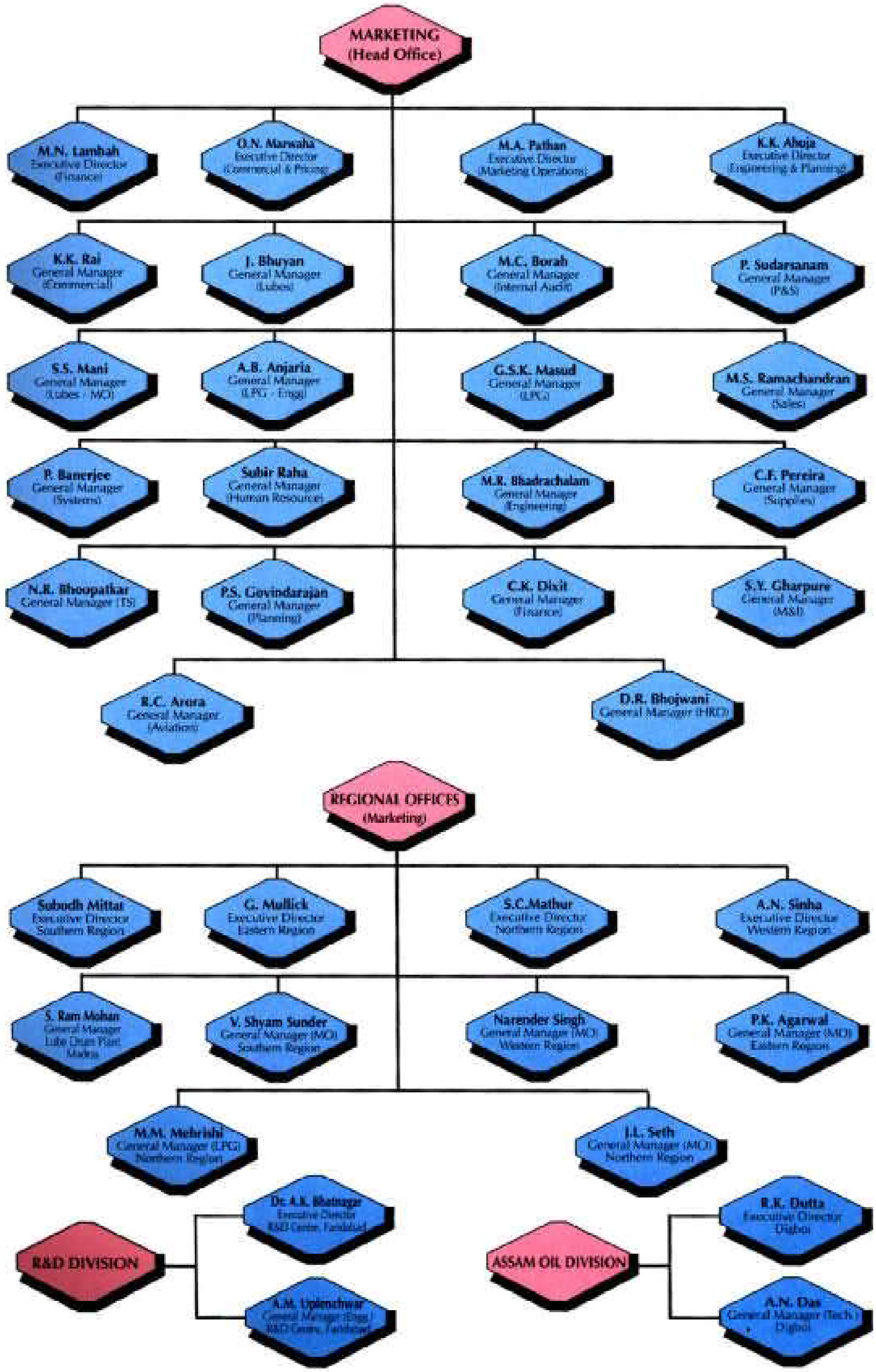
Board of Directors



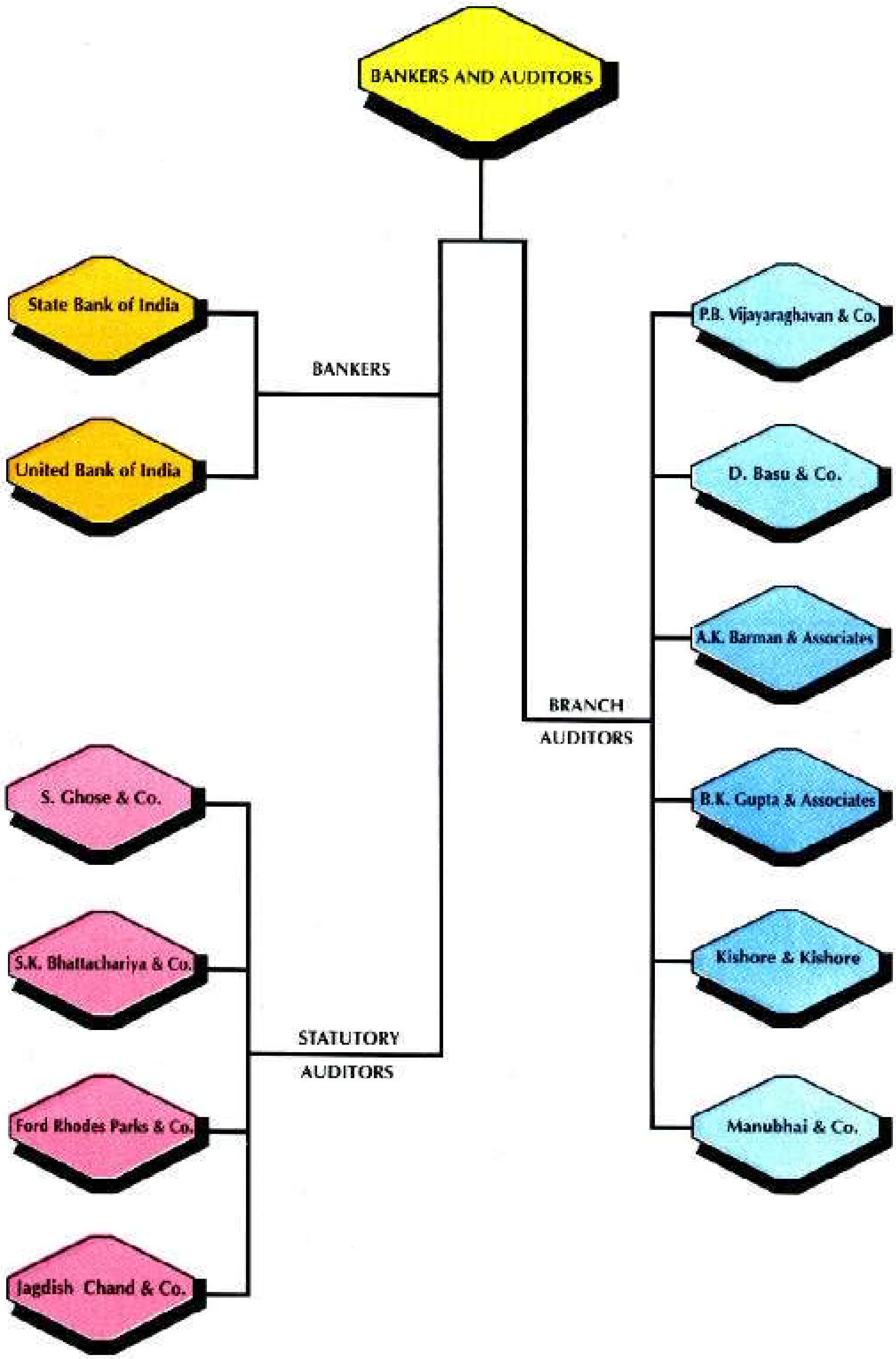
Mr. M.N.R. Rao, Secretary, Ministry of Petroleum & Natural Gas and Mr. B.K. Bakhshi signing the Memorandum of Understanding. From left to right: Mr. Devi Dayal, A.P. Chaudhri, Mr. B.D. Gupta, Mr. Bakhshi, Mr. Rao, Mr. J.L. Zutshi, Dr. A.N. Saksena, Mr. Nirmal Singh.

Principal Executives




MARKETING
(Head Office)
M.N. Lamhah
Executive Director
(Finance)
O.N. Marwaha
Executive Director
(Commercial & Pricing)
M.A. Pathan
Executive Director
(Marketing Operations)
K.K. Ahuja
Executive Director
Engineering & Planning
K.K. Rai
General Manager
(Commercial)
J. Bhuyan
General Manager
(Lubes)
M.C. Borah
General Manager
(Internal Audit)
P. Sudarsanam
General Manager
(P&S)
S.S. Mani
General Manager
(Lubes - MO)
A.B. Anjaria
General Manager
(LPG - Engg)
G.S.K. Masud
General Manager
(LPG)
M.S. Ramachandran
General Manager
(Sales)
P. Banerjee
General Manager
(Systems)
Subir Raha
General Manager
(Human Resource)
M.R. Bhadrachalam
General Manager
(Engineering)
C.F. Pereira
General Manager
(Supplies)
N.R. Bhoopatkar
General Manager (TS)
P.S. Govindarajan
General Manager
(Planning)
C.K. Dixit
General Manager
(Finance)
S.Y. Gharpure
General Manager
(M&I)
R.C. Arora
General Manager
(Aviation)
D.R. Bhojwani
General Manager (HRD)
REGIONAL OFFICES
(Marketing)
Subodh Mittal
Executive Director
Southern Region
G. Mullick
Executive Director
Eastern Region
S.C.Mathur
Executive Director
Northern Region
A.N. Sinha
Executive Director
Western Region
S. Ram Mohan
General Manager
Lube Drum Plant
Madras
V. Shyam Sunder
General Manager (MO)
Southern Region
Narender Singh
General Manager (MO)
Western Region
P.K. Agarwal
General Manager (MO)
Eastern Region
M.M. Mehrishi
General Manager (LPG)
Northern Region
J.L. Seth
General Manager (MO)
Northern Region
R&D DIVISION
Dr. A.K. Bhatnagar
Executive Director
R&D Centre, Faridabad
A.M. Uplenchwar
General Manager (Engg.)
R&D Centre, Faridabad
ASSAM OIL DIVISION
R.K. Dutta
Executive Director
Digboi
A.N. Das
General Manager (Tech.)
Digboi

Bankers and Auditors



Notice

Notice is hereby given that the 35th Annual General Meeting of Indian Oil Corporation Limited will be held at the Company's Corporate Office, SCOPE complex, Core 2,7, Institutional Area, Lodi Road, New Delhi-110 003 on Thursday, the 28th July, 1994 at 1700 hrs. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and Report of the Auditors And Directors thereon for the financial year ended 31st March, 1994;
2. To declare Dividend.

By Order of the Board

Sd/-
S.M. Weling
Secretary

Bombay,
Dated: 18th July, 1994

Note:
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.
2. Approval of holding the Annual General Meeting in new Delhi instead of at Registered Office at G-9, Ali Yavar Jung Marg, Bandra (East), Bombay has been obtained from Government of India, Ministry of law, Justice & Company Affairs, Department of Company Affairs, New Delhi.

Directors' Report

To
The Shareholders of
Indian Oil Corporation Ltd.,

Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you the 35th Annual Report on the working of the Corporation for the financial year ended 31st March, 1994 along with the Audited Statement of Accounts, Auditors Report and the Review of Accounts by the Comptroller and Auditor General of India.

CORPORATE REVIEW

FINANCIAL

(Rs. Crores)

	1993-94	1992-93
Turnover	**23,726**	**24,436**
Profit		
Profit before Interest, Depreciation and Tax	**1,821**	1,511
Interest Payment	**535**	331
Depreciation	**322**	245
Profit before tax	**964**	935
Tax provision	**192**	258
Profit after Tax	**772**	677
Appropriations		
Proposed Dividend	**49**	49
General Reserve	**723**	628

PHYSICAL

(Million Tonnes)

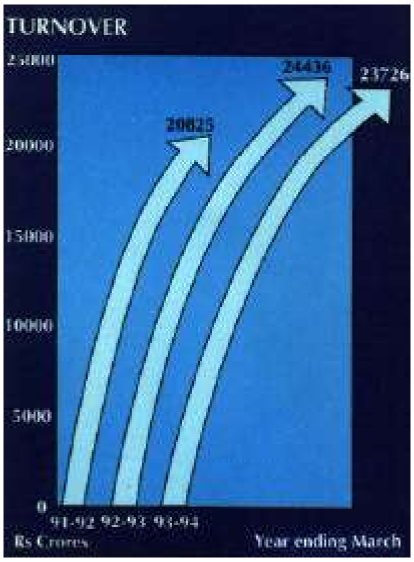
	1993-94	1992-93
Product Sales	**33.44**	32.98
Refineries Throughput	**24.75**	24.31
Pipelines Throughput	**24.13**	23.62

MOU PERFORMANCE

For the fifth 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. This was despite the setting up of higher targets as compared to the previous year.

TURNOVER

Your Corporation registered a sales turnover of Rs. 23,726 crores. This was lower than the previous year because of reduction in sales of imported crude oil to other refineries in the country.

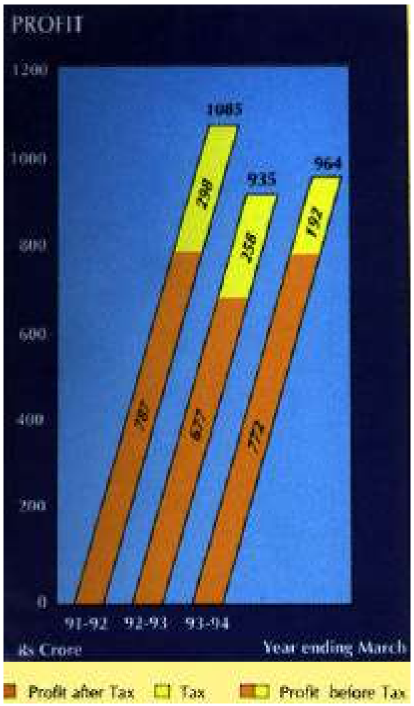


PROFIT

Your Corporation earned a profit after tax of Rs 772 crores during the year. This was 14% more as compared to the profit of Rs. 677 crores during the previous year.

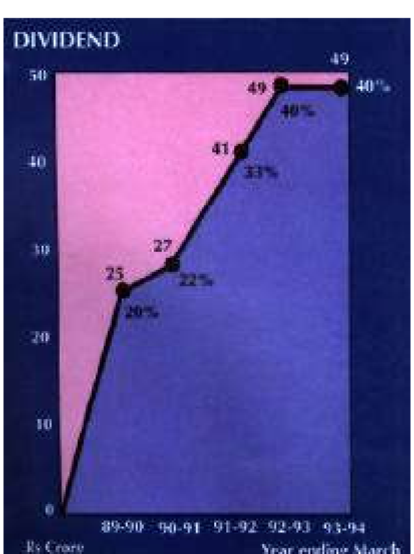
The networth of your Corporation against each equity share of Rs. 1000 went up to Rs. 46024 as compared to Rs. 40159 in the previous year. The earning per share was Rs. 6263 as compared to Rs. 5492 in the previous year, an increase of over 14%.

The Gujarat refinery is the largest in the country with a cpacity of 9.5 million tonnes per annum



DIVIDEND

For the second consecutive year your Directors have recommended a dividend of 40%. This will absorb an amount of Rs. 49.31 crores. This the 28th consecutive year of dividend declaration by the Corporation. Till last year, a commutative dividend of Rs. 389.97 crores has been paid by the Corporation against a paid up capital of Rs. 123.27 crores which includes capitalisation of Rs. 41.09 crores by issuance of bonus shares in the ratio of one bonus has are for every two shares during 1981-82.



CONTRIBUTION TO EXCHEQUER

Your Corporation contributed Rs 4760 crores to the Central Exchequer in the form of duties and income tax alone during the year. This is marginally more than the contribution of Rs. 4696 crores in the previous year.

INTERNAL RESOURCE GENERATION

The internally generated resources (retained profit + depreciation) during the year amounted to Rs. 1019 crores as compared to Rs. 860 crores in the previous year.

CAPITAL EXPENDITURE AND FINANCING

The capital expenditure incurred during the year was Rs 1137 crores as compared to Rs 811 crores in the previous year. Almost 84% of the Corporation's fixed assets of Rs 6565 crores as on 31st March, 1994 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, 1994 amounted to Rs. 250.92 crores as compared to Rs. 81.05 crores in the previous year.

EXPORT EARNINGS

Your Corporation earned Rs 1824 crores during the year through exports. An amount of Rs 339 crores of valuable foreign exchange was also earned through supply of aviation fuel to international airlines, bunker fuel and marine lubricants to both foreign and Indian flag vessels on foreign run at Indian ports.

OPERATIONS

REFINERIES

The Corporation's six refineries at Guwahati, Digboi, Barauni, Gujarat, Halide and Mathura achieved a combined capacity utilisation of 101.4% by registering a record crude oil throughput of 24.75 million tonnes exceeding the previous best during 1992-93 of 24.31 million tonnes. The throughput also exceeded the MOU target of 24.5 million tonnes. This was despite major shortfall in crude supplies to Barauni refinery.

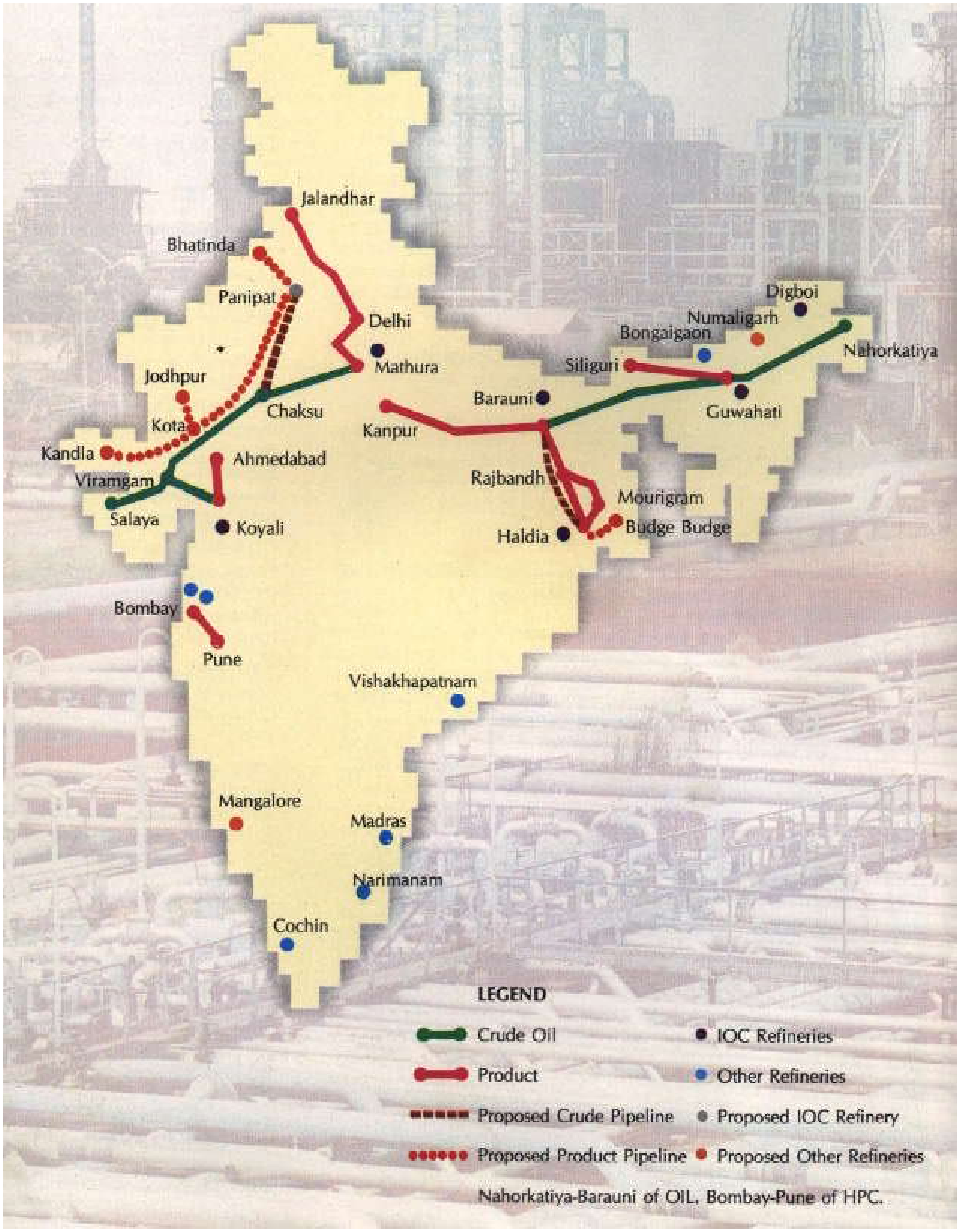
For the 9th consecutive year, the Fluid Catalytic Cracking Units (FCCU) at Gujarat and Mathura refineries achieved over 100% capacity utilisation.

The first hydrocracker in the country became operational at the Gujarat refinery during January, 1994.

The refineries also registered record production of LPG, motor spirit and bitumen. The production of 186,000 tonnes of lube oil base stocks at Haldia refinery was an all time record.

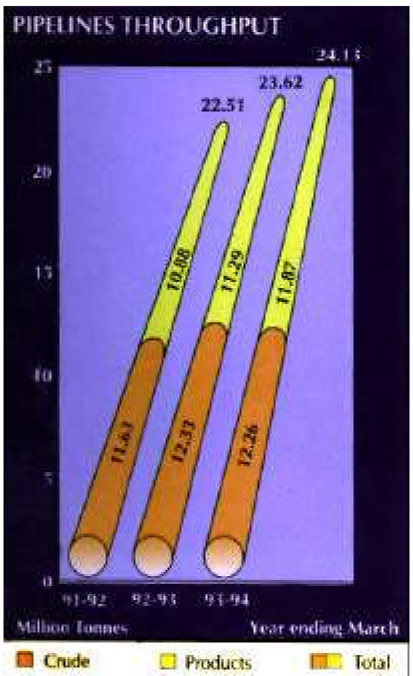
The first reniery in the Public Sector at Guwahati was commissioned in 1962

Refineries and Major Inland Pipelines



PIPELINES

The 3850 km pipeline network of the Corporation transported a record 24.1 million tonnes of crude oil and petroleum products during the year exceeding thereby the MOU target of 23.0 million tonnes.



Maintenance and Inspection

To improve the on-stream service factor and reduce down-time of units, continuous effort is made to update and introduce modern techniques in preventive and predictive maintenance practices.

Some of the major actions taken during the year include:

- On-line maintenance management and inspection system (OMIS) was successfully introduced at Mathura refinery and later demonstrated at Bandar Imam petrochemical Company (BIPC) Iran, thus establishing your Corporation's capability in providing expertise to others in this field.
- Similarly, for the first time at Gujarat refinery floating roof seals were replaced while the tanks were in operation.
- Microprocessor based Distributed Digital Control Systems (DDCS) are replacing pneumatic instruments at all refineries in a phased manner.
- A new vibration analyser has been commissioned at Mathura refinery to facilitate automatic data collection/ analysis and storage for future application.
- Dissolved gas analysis of transformer oil of all the six refineries has been completed to ascertain the health of equipment.

Modern Control Systems are used for effective monitoring.

MARKETING

Your Corporation has been relentlessly striving to provide the customer with the best possible product and services at a reasonable price. It attempts to anticipate his needs and augment marketing infrastructure as well as develop better quality products through innovative R&D.

During 1993-94, two new depots at Bharatpur and Sagar and one bulk terminal at Lumping were commissioned. For quality assurance, the 31 static and 11 mobile product testing laboratories together tested 77,500 product samples during the year.

Six new products were launched during the year. Three of these are energy conserving, environment friendly lubricants for the industry while two have been adopted as genuine oils for Maruti and Kinetic Honda vehicles.

The market infrastructure is backed by a network of pipelines and a product tankage of 41.8 lakh kl

Pipeline are lifelines - exterior view of a pump station

Directors' Report *Contd....*

Your Corporation also actively implemented Government's policy for introduction of parallel marketing of kerosene by signing 28 agreements with parallel marketeers and organising import of 38,500 tonnes of kerosene for them.

To assist our customers in optimum utilisation of fuels and lubricants, our technical services engineers developed 552 lubrication and fuel service reports for various customers. In addition, over 2400 workshops and seminars were conducted to educate their employees.

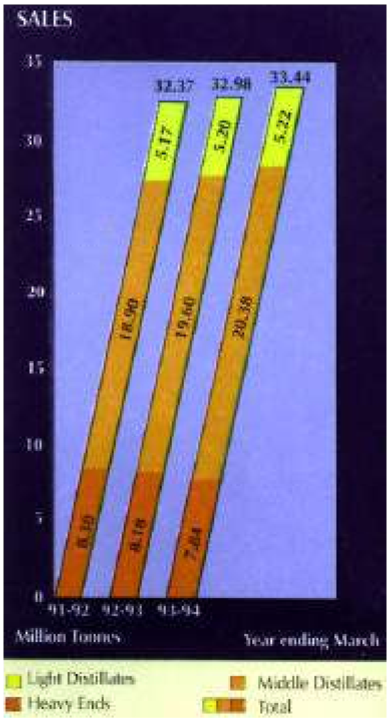
Sales

Your Corporation sold 33.44 million tonnes of petroleum products during the year as compared to 32.98 million tonnes in the previous year.

Retail Distribution

For the convenience of customers your Corporation commissioned 127 retail outlets and 25 SKO/LDO dealerships during the year raising their total number to 6021 and 3208 respectively. In addition, for the convenience of large volume customers 239 captive consumer outlets were commissioned during the year bringing the total number of such outlets to 4167.

The reseller points and consumer outlets are fed through 38 installations and 124 bulk depots. During 1993-94, four depots at Akola, Dhulia, Gwalior and Hubli were resited to Gaigaon, Shirud, Rairu and Navalur. For uninterrupted petroleum supplies, 2.5 lakh kl additional tankage was added at 11 locations including Kandla. The total tankage available at the Corporation terminals and depots is 41.8 lakh kl.



The Haldia refinery's lube oil block is being revamped to augment production

Modern diagnostic equipment at retail outlets help customers maintain their vehicles better.

Rural and Agriculture Sector

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

LPG

The number of households using Indian cooking gas went up to 108 lakh from 100 lakh in the previous year, In addition, the facility of a second cylinder for uninterrupted supplies was extended to 9.4 lakh customers during the year. Nearly 60% of the Indane customers in 1133 markets now enjoy this facility.

For improved customer service, 88 new LPG distributors were commissioned during the year raising their total number to 2206. Three new LPG bottling plants at Pune, Cochin and Pondicherry were also commissioned during the year. The 32 LPG bottling Plants of the Corporation have a capacity to bottle 11,51,500 tonnes bottling plants are under Construction at Delhi, Farukhabad, Ahmedabad, Belgaum, Trichy and Guwahati.

The 31 Indane Area Offices of the Corporation have been constantly innovating and taking new initiatives to render effective customer service and create safety consciousness in the use of LPG.

– 31 Customer Service Cells are being operated from the Area Offices Besides 948 consumer Zonal Service Cells which operate at various locations.

– For attending to the complaints of customers after working hours and on holidays, 266 Emergency Service Cells were added during they year. There are now 413 such cells in operation of which 335 are operated by your Corporation.

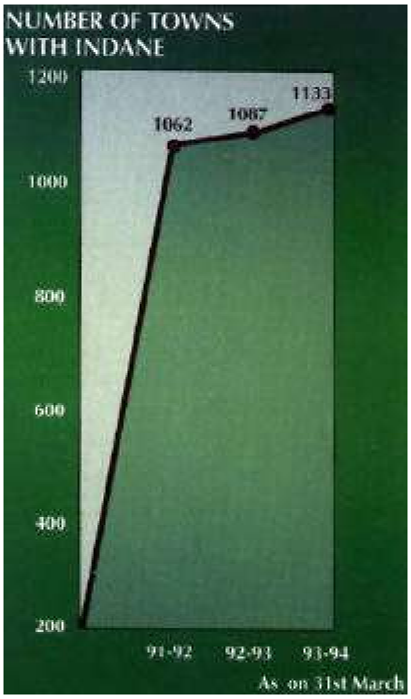
LPG bottling plants are equipped with automatic filling machines

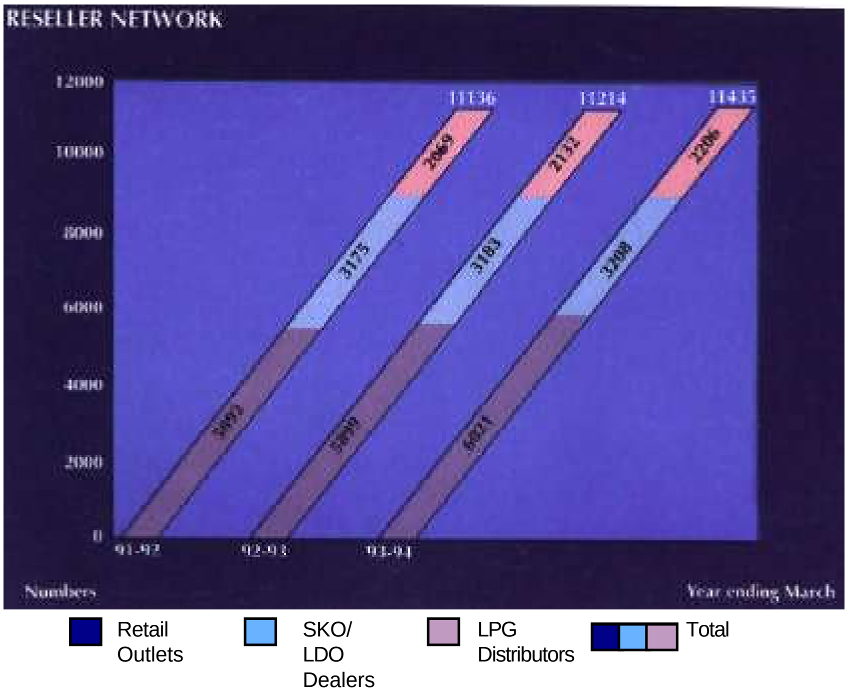
Directors' Report *Contd....*

– To enhance customer awareness on safety and conservation, 5242 customer education programmes and safety clinics were conducted during the year.

Railways continue to be a major mode of transportation for petroleum products

Pump house at a bulk storage depot





Aviation

Year Corporation continued to be the market leader in the aviation fuel business achieving a sales of 15.23 lakh kl representing a market participation of 67.8%. The Corporation met the entire requirements of aviation fuels of the Indian Navy and Army, and over 92% requirements of the Indian Air Force. The 89 aviation fuels stations of the corporation also meet the major requirements of the other market segments viz Indian Airlines, Air India, Vayudoot, international airlines and over 85% of the private taxi operations which began operation under the 'Open Sky' Policy of Government.

The Indianoil aviation service has not only set international standards in prompt service and quality but has been consistently innovating and updating technology. During 1993-94, peripheral hydrant refueling systems have been provided at Udaipur, Kulu, Baroda, Imphal along. A computerised system of aviation documentation is now in place at 86 aviation fuel stations. In other areas also, state-of-the-art technology is being introduced.

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

Lubricants

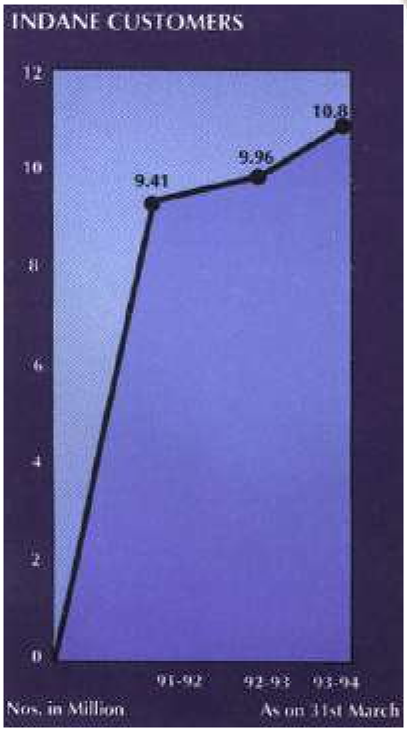
During 1993-94, the Corporation not only sold 4.1 lakh tonnes of lubricants and greases but relentlessly pursued its prime objective of providing its customers the best lubricants and greases but relentlessly pursued its prime objective of providing its customers the best lubricant at the least cost. Its lube blending plant at Madras achieved a through of 1.7 lakh tonnes while the small can filling units at Trombay, Shakurbasti, Allahabad and Malda packed over 47,000 tonnes of lubricants.

During the year, several new products were developed in association with the Research & Development Centre. These include bio-degradable scourable lubricant for the Textile industry, energy efficient spindle oil, rolling oils and long life high temperature superior performance greases. A new two-stroke engine oil with a dosage of 1% lube fuel ratio has also been developed. The superior high performance engine oil for commercial vehicle/fleet operators will nearly double the oil change period and give still better engine performance and durability. A new anti-freeze coolants for cars and commercial vehicles–Servo Kool was launched. This incorporates environment friendly raw materials meeting Japanese specifications S-K-2234.

To maintain or technological edge, a joint venture company Indo-Mobil Private Limited was launched with equal participation of your Corporation and Mobil of USA. Another company Avi Oil India Limited was launched with equal participation of your Corporation, Balmer Lawrie and Nyco S.A. of France to introduce state-of-the-art synthetic and semi-synthetic lubricants for the Defence and aviation sectors. The marketing of Mobil branded lubricants through our retail outlets will begin during 1994-95.

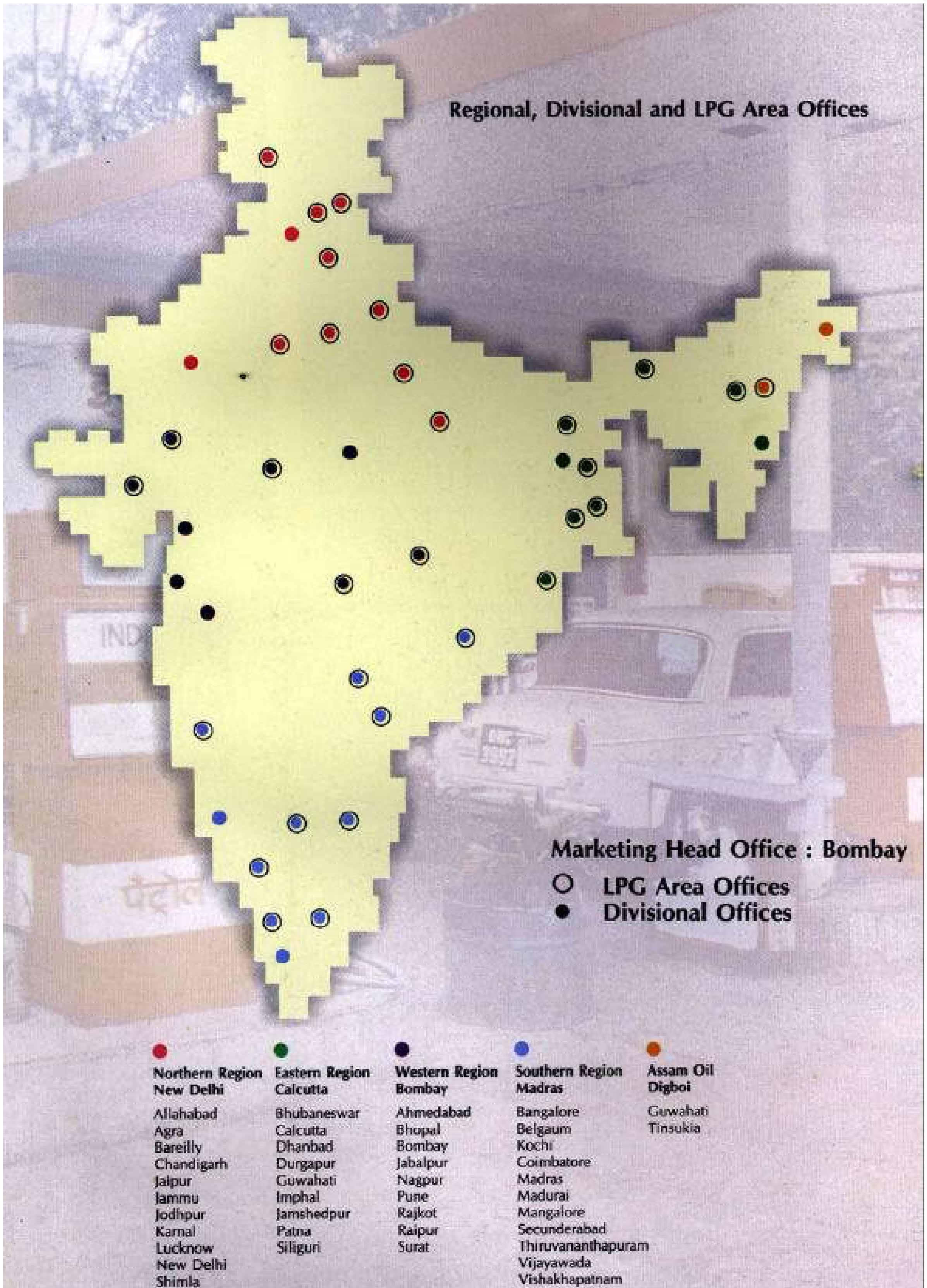
Shipping

The highest ever crude oil imports were handled during the year through detailed planning and systematic scheduling. During the



The aviation service of the Corporation meets nearly 68% of the aviation fuel needs of the country

Marketing Set-Up



year 288 crude oil tankers and 590 product tankers, including those of lubes and LPG, were handled. Savings of foreign exchange were effected through drastic reduction in chartered vessels and avoiding detention at load port through excellent coordination with suppliers. LPG imports which were traditionally in C&F basis only were handled in FOB basis also and the FOB cargoes have been brought in by Indian flag vessels only.

INTERNATIONAL TRADE

As a result of decline in indigenous crude oil availability, your Corporation had to shoulder the responsibility of importing larger quantities of crude oil for the country and almost all the petroleum products because of the expertise available in the international business, commercial and shipping departments. An appropriately selected and diversified mix of supply sources and term as well as spot purchases on market related prices was utilised to import 30.82 million tonnes (MMT) of crude oil, 11.66 MMT of fuel products and 0.16 MMT of lubricants. Your Corporation also exported 3.67 MMT of petroleum products. Details of the imports and exports by the Corporation as compared to the previous year are as follows:

Indianoil is the nation's canalising agency for import of crude oil and select petroleum products

Directors' Report *Contd....*

	1992-93		1993-94	
	Qty. (Million tonnes)	Value (Rs crores)	**Qty. (Million tonnes)**	**Value (Rs crores)**
Imports				
Crude	29.243	10,432.81	**30.820**	**10,427.83**
Fuel Products	10.403	5,801.44	**11.660**	**6,587.37**
Lubricants	0.298	358.73	**0.160**	**249.19**
Exports				
Petroleum Products	3.393	1,408.56	**3.671**	**1,300.55**

Your Corporation also imports fuel products on behalf of Nepal Oil Corporation.

The floating Single Buoy Mooring System on the west-coast, off the Gulf of Kutch

RESEARCH & DEVELOPMENT

The Corporation's Research & Development Centre invested Rs. 18.59 crore during the year on various programmes designed to support the R&P and Marketing Divisions. It was awarded the 1993 National Award for Outstanding in-House Research & Development in the Area of Energy Conservation. Some of the significant R&D activities during the year include.

– Development of 80 lubricant formulations and national and international approvals for 27 products. These include approval of Servo Marine Oil by M/s Diesel Recherch, Italy, New Sulzer Diesel, Winterthu synthetic greases for use in aircraft and grease and Protective for use in 155 mm Bofors gun.

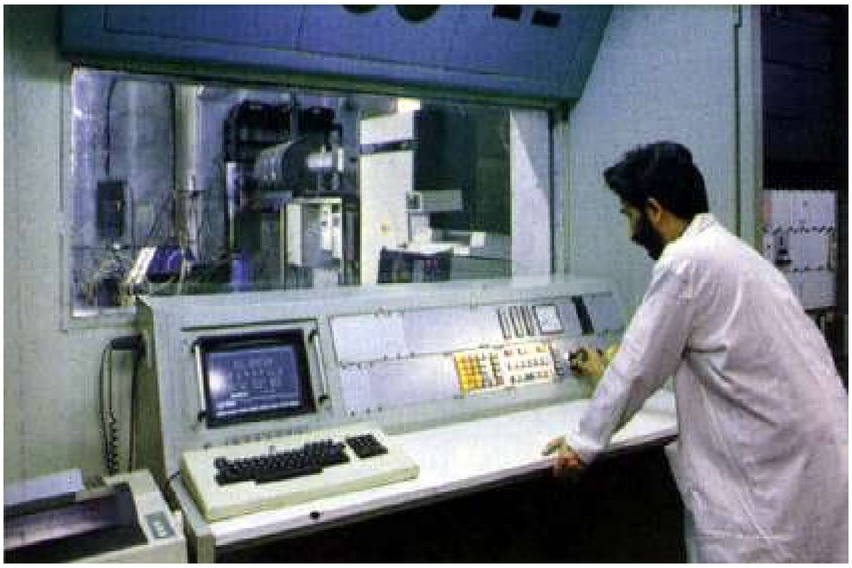
– A two phase model was developed to simulate FCC stripper operation resulting in 5% throughput increase.

– A Kinetic model for hydrocracking was developed to predict product yields and quality at various severalties.

– Encouraging result were obtained in the effect of drag reducing agent to increase the throughput of crude oil in pipelines.

– A new design of railway signed lamp was development for use with 18 mm smoke point kerosene.

– Facility was created for evaluation of bio-degradability of lubricants for granting eco mark for environment friendly lubricants.



The R&D centre is equipped with a comprehensive engine test laboratory

ASSAM OIL DIVISION

The Digboi refinery of the Assam Oil Division (AOD) achieved 110.8% capacity utilisation by processing 0.554 million tonnes of crude oil during the year. The Division sold 0.803 MMT of products and retained its position as market leader in the North-East region. It presently operates 283 retail outlets, 385 SKO/LDO dealerships, three Taluka Kerosene Depots and 53 consumer outlets to meet the requirement of customers in the region. AOD supplies Indane to 2.92 lakh households through 115 distributors in 97 towns. During the year it commissioned a bulk terminal at Lumping in a record time.

The country's oldest refinery at Digboi, set up in 1901, is being modernised

Directors' Report *Contd....*

PROJECTS

Completed Projects

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

- Hydrocracker with allied facilities at Gujarat refinery.
- Additional tankages of 1.2 lakh kl at 10 locations.
- Construction of 1.25 lakh kl tankage at Kandla.

On-going Projects

The Major on-going projects under implementation are:

- Six million tonnes per annum capacity grassroots refinery at Panipat together with crude oil pipeline, despatch facilities and marketing terminal.
- Kandla-Bhatinda product pipeline (including marketing facilities).
- Digboi refinery modernisation.
- Catalytic Reforming Units at Barauni, Digboi and Mathura refineries.
- Propylene recovery unit at Mathura refinery.
- Sulphur recovery unit at Haldia refinery.
- Lube oil block revamp at Haldia refinery.
- Second single buoy mooring (SBM) at Salaya.
- Augmentation of Salya-Viramgam crude oil pipeline.
- New crude oil pipeline from Chaksu to Panipat and augmentation of Viramgam-Chaksu section.
- Haldia-Budge Budge product pipeline.
- Distributed Digital Control systems at refineries.
- LPG import facility at Kandla.
- LPG bottlings plants at Delhi, Farrukhabad, Ahmedabad, Belgaum, Trichy and Guwahati.
- Construction of fuel products additional tankage at 13 locations.
- Lighterage terminal at Paradeep.
- Hydrant refuelling system at Calcutta airport.
- Installation of high speed filling lines at Khapri, Tadepalli and Allahabad.

A propylene recovery unit is being installed at the Mathura refinery

New Projects

The significant new projects planned are:

- Expansion of Gujarat refinery by 3 million tonnes per annum.
- Participation/setting up of a six million tonnes per annum grassroots refinery on the East coast.
- New coking unit at Digboi.
- Matching secondary processing facilities at Mathura.
- Haldia-Barauni crude oil pipeline.

The first hydrocracker in the coutry at Gujarat refinery incorporates the latest technology to increase distillate yield

ENERGY CONSERVATION

Your Corporation has been a pioneer in promoting and propagating energy conservation. The energy conservation schemes implemented at its units during the year will result in a recurring fuel saving of 21,100 tonnes per year. The major schemes implemented during the year include:

– Energy economic revamp of atmospheric unit IV and augmentation of air pre-heaters of atmospheric unit I & II at Gujarat refinery.

– Energy conservation measures in crude distillation unit and pre-heat train optimisation in vacuum distillation unit at Haldia refinery.

– Soaker in visbreaker at Mathura refinery.

Some of the other schemes under various stage of implementation at refineries are expected to result in an additional fuel saving of 14,350 tonnes per annum.

Saving of power and energy at optimum level of operation has been achieved in the pipelines through regular pigging operations for flow efficiency and use of friction reducing chemical/additives.

The fuel efficient ‘Nutan Jyoti’ hurricane lantern developed by the R&D Centre which yields 40% luminous efficiency and 20% reduction in kerosene consumption was launched in the market during the year. The ‘Nutan Deep’ wick lamps having 40% better efficiency than the existing ones in the market have also been offered for commercial production. It is estimated that the replacing of existing population of kerosene lamps by the fuel efficient lamps developed by our R&D Centre has a potential of kerosene saving to the tune of 6,25,000 tonnes valued at Rs 217 crores per annum.

The use of solar photovoltaic systems has also been steadily expanded to cover more retail outlets and units and installations. Twenty retail outlets presently operate on such systems and an equal number will be commissioned with such systems during 1994-95.

Your Corporation has adopted 17 States in the country for promoting oil conservation and during 1993-94 over 7500 activities were conducted in this area. These include auto emission checks, seminars and sammelans,

A catalytic reforming unit is being installed at Barauni refinery to upgrade the quality of petrol

Directors' Report *Contd....*

condition monitoring of lubes and driver training programmes. During the oil conservation week in January, more than 14,500 mass awareness programmes were conducted.

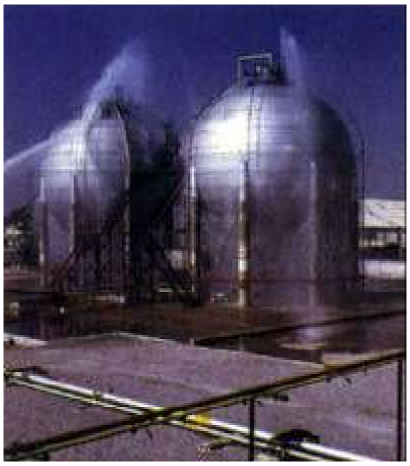
Several units of the Corporation were awarded for their efforts in energy conservation during the year:

- Haldia and Guwahati refineries won the Jawaharlal Nehru Centenary Awards for the best performance in energy consumption and the best improvement in energy conservation respectively.
- The Haldia, Mathura and Gujarat refineries won the Ministry of petroleum & Natural Gas Awards for the best performance in insulation effectiveness, instrumentation and control in furnaces/boilers and furnace efficiency respectively.
- Mathura and Gujarat refineries won the first and second awards for National Energy Conservation instituted by the Ministry of Energy.

SAFETY

Your Corporation continued its efforts to maintain high safety standards by effecting all-round improvement in safety performance at various units, special emphasis has been accorded to safety through employee participation at the plant level. Some of the significant awards received during the year are:

- The Salem LPG bottling plant bagged the 'Sword of Honor' which is considered as the Oscar of safety.
- The refineries at Guwahati and Mathura and the pipelines of Haldia-Mourigram-Rajbandh, Mathura-Jalandhar and Barauni-Kanpur won British Safety Council Awards.
- The Koyali-Ahmedabad pipeline received the prestigious 'Award of Honor' from the National Safety Council, Chicago, USA for the 7th year in Succession.
- The Salaya-Mathura pipeline won the British Safety Council Award for the second time as well as the National Safety Council Award.
- Haldia refinery won the National Safety Council Award for lowest average frequency rate. The Guwahati refinery was also declared a winner under scheme 1 for 1991 and runner-up for 1992.
- British Safety Council Awards were earned by 169 locations in the Marketing division. These include 107 terminals and depots, 41 aviation fuel stations and 21 LPG bottling plants.
- The Marketing Division won the 'merit of Honor' award from the National Safety Council for 10 locations. The Division also won 93 National Safety Council Awards given by the Ministry of Labour and 5 safety awards from the Oil Industry Safety Directorate.



Commitment to Safety enabled 289 units to win Awards during the year

- The pipelines of the Corporations bagged the Oil Industry Safety Award for 1991-92 for the cross-country pipelines in the country.

ECOLOGY AND ENVIRONMENT

Your Corporation's strong commitment to environment protection ad maintaining of ecological balance is demonstrated by the fact that all its refineries meet the MINAS standards for

The nature park adjacent to the Mathura refinery attracts a large number of migratory birds

effluent treatment. There is regular monitoring of various pollution control facilities and checking of quality of treated effluent, stack emissions and ambient air quality at all refineries. The regular ambient air monitoring at refineries has demonstrated that the air quality is far better than prescribed standards.

In this connection special attention has been focused at the Mathura refinery where a flourishing nature park adjacent to the refinery attracts a large number of migratory birds. The refinery also organised an Indo-British workshop Environmental Impact and Risk Assessment of Petrochemical Industry and on environmental audit was organised jointly with NEERI and the British high Commission.

Environment protection measures form a part of the basic planning of refineries in your Corporation. Projects of nearly Rs 130 lakh have been undertaken for further improvement of pollution control facilities. Occupational health centres are functional at all refineries and a study for development of suitable oil spill response capability at Haldia and Kandla port installations has been completed with the assistance of foreign consultant.

HUMAN RESOURCES

Your Corporation lays great emphasis on the role of employees in achieving organisational excellence. This involves providing them a conducive environment and opportunities to facilitate contribution and attain a sense of achievement. The Corporation also continued in its endeavour to continued in its endeavour to upgrade facilities and promote the welfare of employees. During the year, additional incentives were extended for volunteers to the territorial army.

Modern amenities are available to employees at the townships

Employees' participation in management was encouraged to enable their involvement at the shop floor and plant level and in various fora to provide avenues for self-expression and creativity. As part of human resource development strategy, action was initiated to review, re-design and enrich the HR sub-systems including appraisal, placement and counselling with accent on individual development. Software packages were acquired for better selection of people for placement and a plan drawn up for revising career path models for major disciplines.

In the emerging economic environment, your Corporation shifted its focus of training towards business development while continuing to attach the utmost importance to upgrading technical and managerial skills of employees to enhance organisational effectiveness. Areas that have been the focus of renewed attention include TQM awareness as a pre-requisite of ISO-9000 accreditation and team work.

Employee health care leads to higher productivity

The building of the Indianoil institute of Petroleum Management (IIPM), the Corporation's apex training, organisational research and constancy organisation, is in the final sage of completion at Gurgaon. Concurrently, the core faculty group has undertaken preparatory work in various functional areas after undergoing a specially designed development programme at the Indian Institute of Management, Ahmedabad.

Industrial relations in the Corporation during the year continued to be harmonious and cordial. Regular information sharing meetings were held to reinforce mutual faith and cooperation.

Your Corporation continues to actively promote sports and during the year 1993-94 not only participated in all inter-Unit Tournaments of the Petroleum Sports Control Board but hosted the Tennis Tournament at New Delhi. Indianoil teams won the PSCB Championship in Table Tennis (both men and women events), Badminton (Women), Carrom (men and women) and was the Runner-up in the Tennis Team Championship.

Your Corporation has 31 players recruited under the sports category in cricket, badminton, table tennis and tennis. In tennis, both the national men's champion and runner-up are Indianoil employees. Our tennis players represented India at various international tournaments including the SAF games in Dhaka and in the Davis

Directors' Report *Contd....*

Cup tie between India and USA at Delhi for which your Corporation was also a major sponsor. In Badminton and table Tennis the national men's and women's champions are from your Corporation and they have represented India at various international tournaments in the Asian and European circuits. Four of our cricketers played in the Ranji Trophy matches and one was selected to represent India in the 'Under 19 Cricket Team' for playing against Australia and touring England.

Shri J.L. Zutshi, Director (Personnel) awarding the runner-up tropy of the PSCB Tennis Tournament to Indiaoil's Asif Ismail, the reigning national tennis champion

Your Corporation has been scrupulously following the presidential directives as well as the instructions of the Government regarding recruitment from time to time. During the year, the Corporation also awarded scholarships of Rs 750/- p.m. to 37 SC/St students pursuing studies in engineering, medicine and business administration. Such scholarships have so far been awarded to 365 students.

At the end of 1993-94, your Corporation had an employee strength of 34035 including 8723 officers. There were 2234 women employees which is 6.6% of the total employee strength.

PRESIDENTIAL DIRECTIVES

The presidential directive No. J-25011/93-Gen. Dated 29.3.1994 under article 144(b) of the Articles of Association of the Corporation has been received from the Ministry of petroleum & Natural Gas covering retention of lien on appointment by the officers of the Corporation on their appointment to board level positions in PSUs.

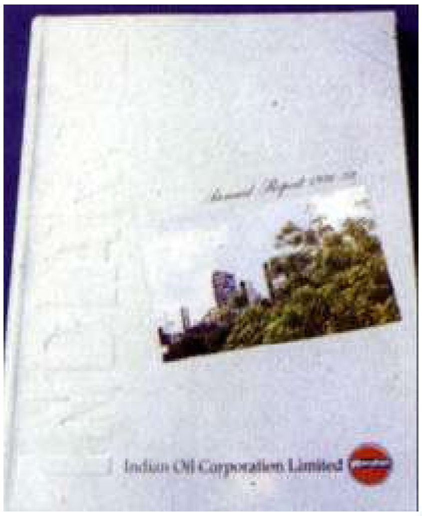
GOOD CORPORATION CITIZEN

Your Corporation strengthened its policy to improve the quality life of the community around its plants and units by encourage development efforts particularly in the field of health, education management and sports.

AWARD ON ANNUAL ACCOUNTS

A silver shield representing the first prize has been awarded Corporation by the Institute of Chartered Accountants of

Shri B.D. Gupta, Director (Finance) receiving the first prize of the Institute of Chartered Accountants of India for the Annual Report and Accounts of the Corporation for 1991-92 from Dr. Raja Chelliah, Fiscal Adviser to the Govt. of India, Ministry of Finance. In the centre is ICAI President Shri N.P. Sarda and on the right Shri B.P. Rao



India who have adjudged the Annual Report and Account of your Corporation for the year 1991-92 as the best presented amongst the public sector/joint sector companies.

A silver shield was also conferred on the Corporation for the Accounts of 1983-84. The Annual Report and Accounts for 1984-85 and 1985-86 were awarded plaques for high commendation.

HINDI IMPLEMENTATION

Efforts were intensified for the progressive use of Hindi in the use of official work in accordance with the provisions of the Official language Act, 1963 and the official Language Rules, 1976 during the year 1993-94. 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 and cultural programmes were organised and other incentives offered. In addition to the House Journal of the Corporation “Indianoil Samachar”, there are several news journals and publication brought out by units in Hindi. The use of Hindi by units in Hindi. The use of Hindi in computers has also been strengthened and an Akshar software was purchased during the year for this purpose.

INDIAN OIL BLENDING LIMITED

The Annual Accounts and Directors’ Report of Indian Oil Blending Limited (IOBL), a wholly subsidiary of the Corporation are annexed. After providing for depreciation of Rs. 2.51 crores, IOBL earned a net profit of Rs. 3.56 crores.

Shri A.P. Chaudhri, Director (Refineries & Pipelines), receiving the energy conservation trophy from Capt. Satish Sharma, Union Minister for Petroleum & Natural Gas.

The two lube plants with a production of 3,32,285 kl attained a capacity utilisation of 138% In its third full year of operation the grease plant at New Bombay (Vashi) attained a capacity utilisation of 119% by producing all time high of 13,083 MT.

FOREIGN TOURS

Out of 87 tours undertaken by officers during 1993-94, 14 were for education/training programmes. The total expenditure on foreign tours was Rs 125 lakh.

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 1993-94 stood at Rs 15.60 lakh.

COST AUDIT

In accordance with the notification of the Government of India, Cost Audits of the records in respect of Benzene and toluene at Gujarat refinery were conducted for the year 1993-94.

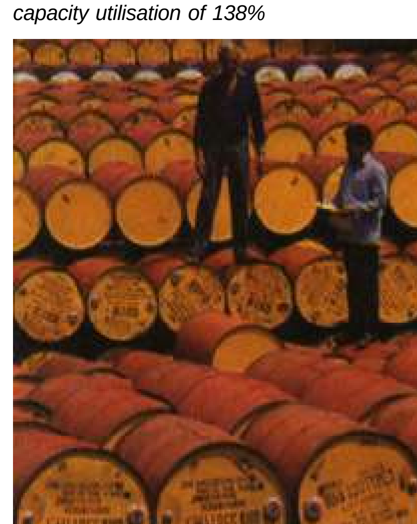
BOARD OF DIRECTORS

Shri Falguni Rajkumar ceased to be a Director of the Corporation from 28.2. 1994. Shri Nirmal Singh has been appointed as a Director of the Corporation with effect from 24.3.1994.

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 1990 are annexed.

The two lube plants of IOBL attained a capacity utilisation of 138%



Directors' Report *Contd....*

ACKNOWLEDGEMENTS

The board of Directors take pleasure in placing on record their special appreciation for the excellent contribution made by the members of the Indianoil family. The Board of Directors also wish to acknowledge the valuable guidance and support received from the Government of India and the various State Government.

The Board of Directors also acknowledges the support of Shri Falguni Rajkumar during his tenure as Director of the Corporation.

For and on behalf of the Board

B.K. Bakhshi
Chairman I/C

New Delhi
Dated: 27.7.1994

Annexure

ANNEXURE 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 continuing efforts towards energy conservation, number of projects are at various stage of implementation at refineries.

(b) Additional investments and proposals which are economically viable are being implemented for reduction of energy consumption.

I. Schemes Completed

SL.No	Item	Cost (Rs Crores)	Fuel Savings (Tonnes/year)
1.	Energy Economic Revamp of AU-4 at Gujarat Refinery (part of Revamp of AU-4 Project)	-	10,600
2.	Augmentation of APH of AU-1 & AU-2 at Gujarat Refinery (part of total revamp Project)	-	2,500
3.	VDU pre-heat train optimisation at Haldia Refinery (Part of lube block revamp project)	-	2,300
4.	Energy conservation measures in CDU at Haldia Refinery	5.95	3,000
5.	Soaker in Visbreaking Unit at Mathura Refinery (Part of revamp of Visbreaker Unit)	-	2,700
		Total	21,100

II. Schemes under implementation:

– Supplemental modification in pre-heat train of AVU-I & II of Barauni Refinery.

– Efficiency improvement in furnaces at Digboi Refinery (part of Digboi Refinery modernisation project).

– Installation of pretopping column in Crude Distillation Unit at Haldia 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 saving of 35,450 tonnes per annum valuing about Rs 7.3 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’

B. TECHNOLOGY ABSORPTION:

(e) Efforts made in technology absorption as per Form ‘B’ of the annexure is attached.

Annexure *Contd....*

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Indianoil exported Naptha, Natural Gas Liquid (NGL) and Furance Oil (FO) during the year 1993-94. The total anantity exported was 3.67 million tonnes as against 3.39 million tonnes in 1992.93. The value of total exports during the year was Rs 1301 crores against the export value of Rs 1409 crores in the previous year. For the year 1994-95 also exports of Naphtha and NGL are planned.

(g) Total foreign exchange used and earned:

	(Rs. Crores)
Foreign exchange earnings	1,824.00
Foreign Exchange used	17,746.00

Form 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Total 1993-94	Total 1992-93
(A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Qty. ('000 KWH)	27,433	22,875
Rate	1.73	1.67
Amount (Rs Lakh)	475	381
b) Own Generation		
i) Through Duel Fuel (HSD/Natural Gas)		
Generation Unit ('000 KWH)	1,73,862	36,878
KWH per MT of STD Fuel	1,904	6,689
Cost/Unit (Rs KWH)	2.27	3.04
ii) Through Stream Turbine/		
Turbine/Generator Unit ('000 KWH)	6,21,922	6,84,119
KWH per MT of STD Fuel	2,497	3,286
Cost/Unit (Rs KWH)	1.40	1.31
c) Electricity Consumed (a+b) ('000 kWH)	8,23,216	7,43,872
2. Coal (Specify quality and where used)	–	–
3. Liquid Fuel (LSHS & FO)		
Qty. (MTs)	5,97,657	8,08,199
Amount (Rs/Lakh)	10,593	14,071
Average Rate (Rs/MT)	1,772.49	1,740.99

Annexure *Contd....*

4.	**Other Internal Fuel**		
i)	Fuel Gas	3,52,297	2,94,091
	Unit (MT)	5,873	5,527
	Total Amount (Rs/Lakh)	1,667.06	1,879.41
	Average Rate (Rs/MT)		
ii)	LDO		
	Unit (MTs)	835	943
	Total Amount (Rs/Lakh)	17	19
	Average Rate (Rs/MT)	2,001.20	2,016.14
iii)	Coke		
	Unit (MT)	1,02,053	1,05,566
	Amount (Rs/Lakh)	1,661	1,712
	Average Rate (Rs/MT)	1,627.43	1,621.64

(B) CONSUMPTION PER MT OF PRODUCT

1.	Actual Production (‘000 MT)	23,292	22,859
2.	Consumption per MT of Product		
	– Electricity (KWH/MT)	35,343	32,541
	– Liquid Fuel (MT/MT)	0.026	0.035
	– Fuel Gas/LDO/Coke (MT/MT)	0.020	0.018

Form 'B'

(See Role 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 energy efficient textile spindle oil
b) Development of biodegradable textile scourable spindle oil.
c) Development of NLGI No. 2 consistency grease replacing Servo Grease RR1 and Servo Grease RR3.
d) Development of Superior High performance diesel engine oil with a drain period of over 45,000 kms.
e) Selection of better catalyst for FCC for Gujarat and Mathura refineries.
f) Usage of SM-5 additive in Mathura Refinery and optimisation in Gujarat Refinery using in-house simulation model.

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) Upgrade existing facilities in the area of FCC procurement of recycle pilot plant.
e) Extending R&D services to other refineries.
f) Initiate activities in new areas such as heavy residue processing, refinery sludge handling etc.

4. Expenditure on R&D

a)	Capital	Rs. 7.61 crores
b)	Recurring	Rs. 10.98 crores
c)	Total	Rs. 18.59 crores

Annexure *Contd....*

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

A. Imported Technology

i) **Hydrocracker Technology**
The country's first hydrocracker for maximising the much needed middle distillates has been commissioned at Gujarat Refinery. Proven technology from M/S Chevron Research Corporation USA has been used for this 1.2 MMTPA capacity plant.

ii) **Hydrogen Generation Technology**
The Hydrogen plant required for hydrocracker together with modern Pressure swing Absorption (PSA) process has been commissioned. Proven technology from M/s LINDE of West Ceremony has been used for the same.

iii) **Catalytic Reforming Technology**
Proven technologies from M/s IFP for continuous Catalytic Regenerator Type (CCR) catalytic reformer have been adopted for Mathura and Panipat refineries.

iv) **Hydrofinising Unit (HFU) technology for treatment of Paraffin Wax**
Process technology has been obtained from M/s IFP, France for AOD Digboi and Barauni refinery.

v) **Use of Newer-Catalysts**
In FCCU of Mathura, ZSM-5 additive has been introduced like at Gujarat Refinery to improve gasolene & cycle oil yields.

vi) In addition to process simulation package e.g. Chemshare procured for all refineries to carry out process simulation studies in-house for improving plant operations, optimisation package Petrofine has been procured from M/s KBC Technology for Gujarat Refinery.

B. Indigenous Technology

i) **Soaker Technology**
At Mathura Refinery existing Vis-breaker has been converted to Soaker type similar to that of Gujarat Refinery.

ii) **Sulpholane Process**
Replacement of existing Kerosene Treatment Unit (KTU) of Digboi Refinery by using indigenously developed Sulpholane Process Technology is under active consideration.

iii) Replacement of Phenol by NMP solvent n Phenol Extraction Unit of Barauni Refinery for safety and environment point of view.

C. Modernisation of Instrumentation and Control

1. Distributed Digital Controls (DDCS)

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 & Vacuum Unit, Visbreaker, Merox Units and FCCU at Mathura Refinery.
b) Atmospheric Unit IV, Vacuum Unit and Visbreaker in the expansion units, Udex plant and AU1 at Gujarat Refinery.
c) Gujarat Hydrocracker project.

Installation of DDCS is under implementation in the following units:

a) Au-II, III, CRU, PDF, FPU and FCCU at Gujarat Refinery.
b) Fuel block (group 20 units) and Lube Black of Haldia Refinery.
c) Sulphur Recovery Unit, Bitumen Blowing Unit and TPS at Mathura Refinery.
d) Co-generation captive power plant of AOD.
e) CDU, NSF, KTU, DCU of Guwahati Refinery.
f) Solvent Dewaxing Unit of Barauni Refinery.

2. Advanced Control & Optimisation

Computer based On-line advanced controls and optimisation is already implemented in Atmospheric & Vacuum Unit at Mathura Refinery. Scoping studies for implementation of the same in FCCU of Mathura Refinery and AU IV & VDU of Gujarat Refinery are completed. Action initiated for implementation of advance control in these units.

Simulator

Job of "Training Simulator" of FCC unit at Mathura is in progress. Similarly the job of AU-I simulator at Gujarat Refinery is also in progress.

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

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

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

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	b) Year of Import
i) Hydrocracker technology from M/s. Chevron Research Corporation	1988-89
ii) Hydrogen generation technology from M/s. Linde of West Germany	1988-89
iii) Catalytic Reforming technology (SR & CCR types) from M/s IFP of France	1991-92
iv) Hydrofinishing technology from M/s. IFP of France	1992-93

b) Technology imported for Panipat Refinery

v) Catalytic Reforming technology (CCR type) from M/s. IFP France	1993-94
vi) Hydrocracking technology from M/s UNOCAl and M/s. UOP, USA	1993-94
vii) Hydrogen generation technology from M/s. Halder Topsoe, Denmark	1993-94
viii) Fluidised catalytic cracker technology from M/s. Stone & Webster, USA	1993-94

c) Has technology been fully absorbed?

Technology absorption is keeping pace with the project execution.

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

In respect of item (I) and (ii) above, technology has been fully absorbed recently with the commissioning of Hydrocracker Project with is under stabilisation. Regarding item (iii) & (iv) above technology will be absorbed on commissioning of Reformer projects at Barauni, Digboi & Mathura Refinery and Hydrofinishing Unit at Digboi and Barauni refineries respectively. (v) to (viii), technology will be fully absorbed after commissioning and stabilised operation of the Panipat Refinery during 1996.

Auditors' Report

Auditors Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March , 1994 and the Profit and Loss Account of the Corporation annexed thereto for the year ended on that date in which are incorporated the accounts of certain refineries/divisions audited by 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 enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above.
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In or opinion, proper books of accounts as required by law have been kept by the Corporation so far as appear from our examination of the books;
   c) The allocation of work amongst the auditors has been followed as per directions contained in letter No. I-024/1011388/90-IGC dated 15.11.93 addressed to Indian Oil Corporation Limited the Government of India, Ministry of Industry, Department of company Affairs, Company Law Board, New Delhi;
   d) The reports on the accounts audited by the respective Branch Auditors wee received and properly dealt with by us while preparing our report;
   e) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement the book of account;
   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes, appearing on Schedule 'P' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
      i) In the case of Balance Sheet, of the state of affairs of the Corporation as at 31st March.

      and

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

FORD RHODES PARKS & CO *Chartered Accountants*	S. GHOSE & CO. *Charted Accountants*
Sd/- A.D.SHENOY Partner	Sd/- A.K. CHAKRABORTY Partner
S.K. BHATTACHARIYA & CO. *Chartered Accountants*	JAGDISH CHAND & CO. *Chartered Accountants*
Sd/- S. Bhattachariya Partner	Sd/- J.C. Gupta Partner

New Delhi
Dated: 28th June, 1994

Annexure to the Auditors' Report

Referred to in Paragraph 1 of our Report of Even Date)

1. The Corporation has generally maintained proper records to show full particulars including quantitative details and situation of Fixed assets. The Fixed Assets of the Corporation are physically verified by the Management in a phased programme of three year cycle which, in our opinion, is reasonable having regard to the size of he Corporation and the nature of its assets. As per the information given to us by the Management, no material discrepancies were noticed on such verification.

2. None of the Fixed Assets have been revalued during the year.

3. The stocks of finished goods, packages and raw materials (except those lying with outside parties) have been physically verified during the year by the Management and the stocks of stores and spare parts are verified by them in a phased programme so as to complete the verification of all items over a period of three years. In our opinion, the above frequency of verification is reasonable in relation to the size of the Corporation and the nature of its business.

4. In our opinion, the procedures of physical verification of stocks followed by the Corporation are reasonable and adequate in relation to the size of the Corporation and the nature of its business.

5. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not materials in respect of items reconciled and the same have been properly dealt with in the book 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.
   However, in case of Base Oil, valuation in the current year has been made on weighted average cost basis as against valuation at cost determined as per pricing mechanism approved by the Government, since Base Oil has been taken out from administered price control. This does not have any impact on the valuation of stock and consequently on the profit of the Corporation.

7. The Corporation has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act. 1956 and from Companies under the same Management as defined under Sub-section (1B) of Section 370 of The Companies Act, 1956.

8. The Corporation has granted unsecured loans to Indian Oil Blending Limited, a subsidiary of the Corporation. The rate of interest and other terms and conditions on which loans have been granted are not prima facie prejudicial to the interest of the Corporation.

9. The parties to whom loans or advances in the nature of loans have been given by the Corporation are repaying the principal amounts wherever stipulated and are also regular in payment of interest where applicable.

10. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to 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, Corporation 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.

Auditors' Report *Contd....*

12. As explained to us, the Corporation has regular procedure for the determination of unserviceable damaged and/or surplus stores, packages, raw materials and finished goods 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 Corporations complied with the provisions of Section 58A of the Companies Act, 1956 and The companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

14. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps where applicable.

15. The Corporation has an internal audit system commensurate with the size and nature of its business.

16. We have broadly reviewed the books of account maintained by the Corporation pursuant tot he order made by the Central Government for the maintenance of cost records in respect of certain products under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

17. According to the records of the Corporation, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees State Insurance Scheme is not applicable to the Corporation.

18. According to the records and information and explanations furnished, there was no amount outstanding on 31st March, 1994 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.
Charted Accountants

Sd/-
A.K. CHAKRABORTY
Partner

S.K. BHATTACHARIYA & CO.
Chartered Accountants

Sd/-
S. Bhattachariya
Partner

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
J.C. Gupta
Partner

New Delhi
Dated: 28th June, 1994

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. Cost of Right-of-low 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 of loans raised for/allocated to projects is capitalised.

1.3 Depreciations:

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

1.3.2 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.

1.3.3 Depreciation on fixed assets other than the above is provided in accordance with the rate 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 ruling at the time of capitalisation of assets acquired against such credits. The liability is translated at the exchange rate ruling at the year end. The difference due to exchange fluctuation is capitalised except the exchange difference on liabilities relating to assets already written off which is charged to revenue.

2. INVESTMENTS:

Unquoted investments are valued at cost. Quoted investments are valued at cost or market value, 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.

Accounting Policies *Contd....*

3.1.2 Stock-in-Trade:

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

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

3.12.2 The cost of free trade products internally produced is taken at cost determined as per the pricing mechanism approved by the Government plus additional processing cost, wherever applicable. The cost of Lubes and Greases is determined at weighted average cost.

3.1.2.3 Imported products in transit are valued at CIF cost.

3.12.4 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 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 outstanding 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/-	Sd/-	Sd/-	Sd/-
B.K. BAKHSHI	B.D. GUPTA	A.P. CHAUDHARI	S.M. WELING
Chairman (I/C)	Director (Finance)	Director (R&P)	Secretary

New Delhi
Dated: 28th June, 1994

Balance Sheet

Balance Sheet as at 31st March, 1994

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
I. SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	'A'	12,326.58		12,326.58
b) Reserves and Surplus	'B'	5,54,989.53		4,82,720.32
			5,67,316.11	4,95,046.90
2. Loan Funds:				
a) Secured	'C'	77,710.26		78,934.25
b) Unsecured	'D'	5,72,279.54		5,42,726.44
			6,49,989.80	6,21,660.69
TOTAL:			12,17,305.91	11,16,707.59
II. APPLICATION OF FUNDS:				
1. Fixed Assets:				
a) Gross Block	'E'	5,23,919.23		4,28,031.89
b) Less: Depreciation		2,66,166.92		2,36,549.98
			2,57,752.31	1,91,481.91
c) Construction Work-in-Progress and Capital Goods in Stock	'F'	1,32,607,19		1,14,779.43
			3,90,359.50	3,06,261.34
2. Investments	'G'		3,85,763.19	3,72,178.76
3. Current Assets, Loans and Advances:				
A. Current Assets:				
a) Interest accrued on Investments/Bank Balances		9,257.73		9,217.34
b) Inventories	'H'	3,92,659.12		2,21,582.23
c) Book Debts	'I'	1,18,744.94		1,07,260.88
d) Cash balances including imparts and cheques in hand		25,862.40		18035.17

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
e) Bank balances:				
With Scheduled Banks:				
i) Current Account		803.49		483.59
ii) Fixed Deposit Account		1,900.68		3.59
iii) Blocked Account		33.26		29.02
iv) Call Account		1,784.70		8667.51
v) No Lien Account		0.01		0.01
f) With Post Office:				
Saving Account		0.04		0.04
		5,51,046.37		3,65,279.38
B. Loans and Advances	'J'	3,97,229.85		5,62,712.91
		9,48,276.22		9,27,992.29
Less: Current Liabilities and Provisions:	'K'	5,07,093.00		4,89,724.80
Net Current Assets			4,41,183.22	4,38,267.59
TOTAL			12,17,305.91	11,16,707.59

4. Contingent Liabilities not provided for (Refer Schedule 'P' Note-1)

5. Notes forming part of accounts 'P'

Sd/-	Sd/-	Sd/-	Sd/-
B.K. BAKHSHI	B.D.GUPTA	A.P. CHAUDHRI	S.M. WELING
Chairman (I/c)	Director (Finance)	Director (R&P)	Secretary

As per our Report attached

S.K. BHATTACHARIYA & CO.	S. GHOSE & CO.	JAGDISH CHAND & CO.	FORD RHODES PARKS & CO.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Sd/-	Sd/-	Sd/-	Sd/-
S. BHATTACHARIYA	A.K. CHAKRABORTY	J.C. GUPTA	A.D. SHENOY
Partner	Partner	Partner	Partner

New Delhi
Dated: 28th June, 1994

Profit and Loss Account

Profit and Loss Account of the year ended 31st March, 1994

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
INCOME:				
1. i) Sale of Products and Crude		23,70,075.04		24,29,004.19
ii) Less: Commission and Discounts		64.55		36.33
		23,70,010.49		24,28,967.86
2. Company's use of own oil		3,180.10		3,019.78
			23,73,190.59	24,31,987.64
3. Recovery of Main Installation and Other Charges			1,028.12	840.86
4. Increase/(Decrease) in Stocks: Closing Stock as on 31 March, 1994:				
Finished Products		1,79,237.00		1,48,501.61
Stock-in-Process		13,946.82		14,545.79
		1,93,183.82		1,63,047.40
Less: Opening Stock as on 1st April, 1993:				
Finished Products		1,48,501.61		1,24,658.67
Stock-in-Process		14,545.79		10,659.98
Adjustment in respect of Opening Stock of Finished Products		(17.94)		(353.17)
		1,63,029.46		1,34,965.48
			30,154.36	28,081.92
5. Interest On:				
i) Loans and Advances		1,407.07		1,303.74
ii) Fixed deposits with Banks		2.23		9.77
iii) Short term Deposits with Bank		91.26		1.17
iv) Customers Out standings		2,543.77		1,792.32
v) Fully paid Bonds (Tax Free) of Government Companies		31,124.24		31,255.67
vi) Investment under Portfolio Management/Other Schemes		0.00		619.51
vii) Government Securities (Gross) (Tax deducted at source **Rs NIL;** 1993: Rs 0.79 lakhs)		0.24		0.26
			35,168.81	34,982.44
6. Other Income	'L'		12,442.81	10,947.06
7. Provision for Doubtful Debts, Advances, claims and Stores written back			213.04	398.11
TOTAL INCOME			24,52,197.73	25,07,238.03

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
EXPENDITURE:				
1. Purchase of Products and Crude			12,40,867.63	13,63,290.57
2. Manufacturing, Administration, Selling and Other Expenses	'M'		8,14,432.66	781,607.73
3. Duties			2,28,119.76	2,20,140.09
4. Depreciation and Amortisation			32,277.59	24,013.63
5. Main Installation Charges Paid to Other Oil Companies			546.43	498.27
6. Interest:				
a) On Fixed period loans				
i) Oil Industry Development Board		5.51		4,101.10
ii) Floating Rate Bearer Notes		3,185.96		3,068.83
iii) Public Deposits		2,516.33		472.70
iv) Asian Development Bank		3,547.53		3314.20
b) On short term loans from Banks		22,946.32		14,886.02
c) Others		7.633.66		8,273.35
			39,835.31	34,116.20
			23,56,079.38	24,23,666.49
7. Less:				
i) Amount transferred to Construction period expenses pending allocation (Net of recovery of **Rs. 367.20 lakhs** 1993 Rs 467.12 lakhs)		5,485.61		1,946.81
ii) Expenses transferred to Manufacturing of drums		410.79		364.68
			5,896.40	2,311.49
TOTAL EXPENDITURE:			23,50,182.98	24,21,355.00
PROFIT (before extra-ordinary and prior period Adjustments)			1,02,014.75	85,883.03
Income/ (Expenditure relating to extra-ordinary items (Net)	'O-1'		(5,376.44)	8,599.37
PROFIT FOR THE YEAR			96,638.31	94,482.40
Income/Expenditure relating to prior period (Net)	'O'		(227.47)	(983.26)
PROFIT BEFORE TAX			96,410.84	93,449.14
Taxation (Net)			19,211.00	25,800.00
PROFIT AFTER TAX Carried Forward…			77,199.84	67.699.14

Profit and Loss Account *Contd....*

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
PROFIT AFTER TAX	Brought Forward...		77,199.84	67,699.14
Balance brought forward from last year's Account			0.79	0.28
DISPOSABLE PROFIT			77,200.63	67,699.42
APPROPRIATIONS:				
a) Interim Dividend			0.00	2,095.52
b) Final Dividend (Proposed) (No Tax deduction at Source)			4,930.63	2835.11
Insurance Reserve Account			30.00	30.00
General Reserve			72,239.00	62,738.00
BALANCE CARRIED TO BALANCE SHEET			1.00	0.79
TOTAL:			77,200.63	67,699.42
Notes forming part of Accounts	'P'			

Sd/-	Sd/-	Sd/-	Sd/-
B.K. BAKHSHI	B.D.GUPTA	A.P. CHAUDHRI	S.M. WELING
Chairman	Director	Director	Secretary
(I/c)	(Finance)	(R&P)	

As per our Report attached

S.K. BHATTACHARIYA & CO.	S. GHOSE & CO.	JAGDISH CHAND & CO.	FORD RHODES PARKS & CO.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Sd/-	Sd/-	Sd/-	Sd/-
S. BHATTACHARIYA	A.K. CHAKRABORTY	J.C. GUPTA	A.D. SHENOY
Partner	Partner	Partner	Partner

New Delhi
Dated: 28th June, 1994

Schedules

SCHEDULE 'A' —Share Capital

	Rupees (in lakhs)	1993 Rupees (in lakhs)
Authorised:		
15,00,000 Equity Shares of Rs 1,000 each	15,000.00	15,000.00
Issued and Subscribed:		
12,32,658 Equity Shares of Rs 1,000 each fully paid up	12,326.58	12,326.58
Of the above Shares:		
i) 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964 and Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order 1965, respectively, without payment being received in cash		
ii) 4,10,886 Shares were allotted as fully paid up Bonus Shares by Capitalisation of General Reserve		
TOTAL :	12,326.58	12,326.58

Schedules *Contd....*

SCHEDULE 'B'—Reserves and Surplus

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
Capital Reserve:			
As per last Account		15.82	15.82
General Reserve			
As per last Account	4,59,362.71		3,96,624.71
Add: Transferred from Profit and Loss Account	72,239.00		62,738.00
		5,31,601.71	4,59,362.71
Insurance Reserve:			
As per last account	370.00		340.00
Add: Transferred from Profit and Loss Account	30.00		30.00
		400.00	370.00
Investment Allowance (Utilised) Reserve:			
As per last Account		17,030.00	17,030.00
Export Profit Reserve:			
As per last Account		5,941.00	5,941.00
Profit and Loss Account:			
As per Annexed Account		1.00	0.79
TOTAL:		5,54,989.53	4,82.720.32

SCHEDULE 'C'—Secured Loans

	Rupees (in lakhs)	1993 Rupees (in lakhs)
Loans and Advances from Banks:		
(Including **Rs. 10,922.12 lakhs;** 1993: Rs 50,652.96 lakhs towards export Packing Credit)		
i) Secured by hypothecation of raw Materials, stock-in-trade, book debts, outstanding monies, receivable, claims, contracts, engagements etc.)	76,965.93	78,787.97
	744.33	146.28
ii) Interest accrued and due on above		
TOTAL:	77,710.26	78,934.25

SCHEDULE 'D'—Unsecured Loans

		Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	**20,000 Floating Rate Bearer Notes of US$ 10,000 each** (US$ 200 Million) repayable in November, 1994 in US Dollars, or earlier at the option of the Corporation either by purchase/cancellation, wholly or in part, Guaranteed as to principal and interest by Government of India		62,780.00	62,500.00
2.	**Loan of US$ 150 Million from Asian Development Bank** (Revalued at US$ 187.23 Million as on 31.94 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		58,772.83	53,205.16
3.	A) **Export Packing Credit from American Express Bank Ltd.** (Due for payment within one year)	0.00		4,985.54
	B) Interest accrued and due on above	0.00		327.83
			0.00	5,313.37
4.	**Short Term Loans and Advances from Banks** (Due for payment within one year)		3,98,666.82	3,99,255.29
5.	**Deferred Foreign Credit** (including Rs 43.89 lakhs; 1993: Rs 92.09 lakhs due for payment within one year).		54.53	145.56
6.	**Other Loans and Advances:**			
	i) From Oil Industry Development Board (including **Rs 18.27 lakhs;** 1993: Rs 12.41 lakhs due for payment within one year).	43.05		55.44
	ii) Public Deposits (including **Rs 1347.19 lakhs;** 1993: Rs 252.56 lakhs due for payment within one year).	25,091.52		8,105.01
	iii) Loan of US$ 35 Million from International Bank for Reconstruction and Development (revealed at US$ 37.32 Million) repayable during December 15, 1994 to June 15, 2009, guaranteed as to principal and interest by Government of India (**Rs 1,095.00 lakhs** due for payment within one year)	11,798.32		11,328.54
	iv) Loan of Yen 1,037.05 Million from State Bank of India, Tokyo (including **Rs NIL;** 1993: Rs 2,818,07 lakhs due for payment within one year)	0.00		2818.07
	v) Loan of US$ 12.68 Million from State Bank of India, New York, (Due for payment within one year)	4,008.97		0.00
	vi) Loan of US$ 5 Million from the Gulf Bank, Kuwait, (including **Rs 622,32 lakhs;** 1993: Rs NIL due for payment within one year)	11,063.50		0.00
			52,005.36	22,307.06
	TOTAL :		5,72,279.54	5,42,726.44

Schedules *Contd....*

SCHEDULE ‘E’ —Fixed Assets

	GROSS BLOCK			
	Gross Block as at 1,04.1993	Additions during the year	Transfers from Construction work in progress	Disposals during the year
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND—FREEHOLD #	11,137.61	1,139.18	0.00	(3.17)
LEASEHOLD	4,372.86	1,539.66	0.00	0.00
RIGHT OF WAY	88.67	58.45	0.00	0.00
BUILDINGS, ROADS ETC. @	45,872.91	210.68	7,179.91	(0.63)
ENABLING ASSETS**	755.29	13.73	625.27	0.00
PLANT AND MACHINERY @@	3,44,308.31	20,221.30	65,794.90	(248.84)
TRANSPORT EQUIPMENTS $	6,159.66	171.21	54.57	(125.91)
FURNITURES AND FIXTURE	3,327.31	374.35	160.50	(38.49)
RAILWAY SIDINGS	3,269.51	232.20	741.96	0.00
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEMS $$	8,698.72	0.20	373.96	0.00
SUNDRY ASSETS	41.04	0.23	1.45	0.00
TOTAL:	4,28,031.89	23,961.19	74,932.52	(417.04)
PREVIOUS YEAR:	3,48,197.61	20,011.49	61,335.63	(475.01)

* Includes **Rs 4.77 lakhs** (1993: Rs 509.59 Lakhs) in respect of extra-ordinary/prior period items.

\# Includes **Rs 969.39 lakhs** of land Taken on perpetual lease.

@ Buildings Include: **Rs 0.58 lakhs** (1993: Rs 0.57 lakhs) towards value of **1150** (1993: 1130) shares in Co-operative Housing Societies towards membership of such Societies for purchase of flats.

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

@@ Includes **Rs 87.14 Lakhs** being our share of cost of assets jointly owned with IPCL/BPC/HPC/ACC ownership of which is not with the corporation.

$ Includes **Rs 1,268.33** 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..)*

AT COST		DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
Transfers/ Deductions/ Reclassi- fications	Gross Block as at 31.03.1994	Charged this year	Upto 31.03.1994	As at 31.03.1994	As at 31.03.1993
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
(5.88)	12,267.74	0.00	0.00	12,267.74	11,137.61
(5.12)	5,907.40	86.98	385.23	5,522.17	4,074.61
0.00	147.12	0.00	0.03	147.09	88.64
6.39	53,269.26	1,164.01	8,767.86	44,501.40	38,269.41
0.00	1,394.29	111.39	704.37	689.92	162.31
(2,568.85)	4,27,506.82	28,971.69	2,42,355.66	1,85,151.16	1,28,399.51
(16.69)	6,242.84	389.34	4,211.64	2,031.20	2,214.04
(0.37)	3,823.30	1,183.81	1,927.89	1,895.41	2,563.71
(0.00)	4,243.67	169.40	1,454.16	2,789.51	1,984.75
6.81	9,079.69	203.16	6,334.83	2,744.86	2,569.04
(5.62)	37.10	2.58	25.25	11.85	18.28
(2,589.33)	5,23,919.23	32,282.36	2,66,166.92	2,57,752.31	1,91,481.91
(1,037.83)	4,28,031.89	24,523.22	2,36,549.98	1,91,481.91	

Schedules *Contd....*

SCHEDULE 'F'—Construction Work-in-Progress and Capital Goods in Stock

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1. A. Work-in-progress (at cost) (including unallocated capital expenditure, materials at site)	28,609.57		46,124.87
B. Advances for capital expenditure	41,204.35		21,825.59
Less: Provision for Capital Losses	50.00		50.00
		69,763.92	67,900.46
2. Capital stores (at cost) (including materials worth **Rs. 21,944.36 lakhs;** 1993: Rs 2,415.60 lakhs lying with contractors)	46,321.80		36,986.52
Less: provisions for Obsolescence/Losses	6.05		6.05
		46,315.75	36,980.47
3. Miscellaneous Capital Stores (at or below cost)		134.16	99.94
4. Capital Goods-in-Transit (at cost)		8,948.50	3,974.99
5. Construction period expenses pending allocation			
Balance as at 1st April, 1993	5,823.61		5,692.09
Add: Adjustments relating to extra-ordinary items	24.66		14.78
Add: Adjustments relating to prior year items	(52.05)		14.84
	5,796.22		5,721.71
Add: Expenditure during the year:			
Establishment Charges	644.92		465.33
Interest	1,259.00		563.39
Depreciation	62.82		49.11
Others	3,886.07		1,336.10
	11,649.03		8,135.64
Less: Recoveries	367.20		467.12
	11,281.83		7,668.52
Less: Allocated to Assets/Construction work-in-progress during the year	3,836.97		1,844.91
		7,444.86	5,823.61
TOTAL		1,32,607.19	1,14,779.43

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, 1993 Rupees (in Lakhs)
A.	QUOTED: Canstar Scheme of Canbank Mutual Fund:	5,00,00,000 (1993: 5,00,00,000) Canstars of Capital Gain Scheme	10/-	7,400.00			7,400.00
	Less: Provision for Loss:			(900.00)			(2,150.00)
						6,500.00	5,250.00
	(Aggregate Market value f the above mentioned security Rs. 65,00,00,000; 1993 Rs 52,50, 00,000)						
2.	Units of Unit Trust of India:	20,05,50,000 (1993: 14,05,50,000) Units of Unit Trust of India 1964 Scheme	10/-			27,977.74	20.643.34
	(Aggregate Market Value of the above mentioned security Rs. 372,02,500; 1993; Unquoted)						
	Total (A)					34,477.74	25,893.34
B.	UNQUOTED: LISTED BUT NO QUOTATION REPORTED: In Fully Paid Bonds of Government Companies:						
	a) National Thermal Power Corporation Limited.	12,10,000 (1993: 12,10,000) 10% secured (Tax Free) Redeemable Bonds (I Series 1986)	1,000/-	12,108.50			12,108.50
		8,50,000 (1993: 8,50,000) 9% Secured (Tax Free) Redeemable Bonds (III Public Issue—1998)	1000/-	8,551.00			8,551.00
					20,659.50		20,659.50
	b) Mahanagar telephone Nigam Limited	7,45,000 (1993: 7,45,000)10% Secured (Tax Free) Redeemable Bonds (I Series1986)	1,000/-		7,717.05		7,717.05

Schedules *Contd....*

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, 1993 Rupees (in Lakhs)
c)	Indian Railway Finance Corporation Limited:	4,67,500 (1993: 4,67,500) 10% secured (Tax Free) Redeemable Bonds (I Series—1987)	1,000/-	4,947.38			4,947.38
		3,42,000 (1993: 3,42,000) 9% Secured (Tax Free) Redeemable Bonds (I Series—1987)	1,000/-	3,418.37			3,418.37
					8,365.75		8,365.75
d)	National Hydro Electric Power Corporation Limited	2,15,000 (1993: 2,15,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1000/-		2,152.03		2,152.03
e)	Neyveli Lignite Corporation Limited:	1,70,000 (1993: 1,70,000) 9% Secured (Tax Free) Redeemable Bonds (I Series—1987)	1,000/-		1,700.00		1,700.00
f)	Power Finance Corporation Limited:	8,40,000 (1993: 8,40,000) 9% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-		8,351.60		8,351.60
g)	Housing & Urban Development Corporation Limited:	2,50,000 (1993: 2,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds Series—I)	1000/-		2,481.50		2,481.50
h)	Nuclear Power Corporation Limited:	50,000 (1993: 50,000) 9% Secured (Tax Free) Redeemable Bonds (A Series)	1,000/-		504.25		504.25
i)	Konkan Railway Corporation Limited	5,00,000 (1993: Nil) 10.5% Secured (Tax Free) Redeemable Bonds (2—B Series)	1,000/-		5,000.00		0.00
		SUB-TOTAL (1):				56,931.67	51.931.67

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, 1993 Rupees (in Lakhs)
2.	**OTHERS:**						
a)	Indian Railway Finance Corporation Limited:	13,32,400 (1993: 13,32,400) 9% Secured (Tax Free) Redeemable Bonds (II B Series—1988)	1,000/-	13,319.63			13,319.63
		95,600 (1993: 95,600) 9% Secured (Tax Free) Redeemable Bonds (III Series—1989)	1,000/-	958.98			958.98
		23,10,000 (1993: 23,10,000) 9% Secured (Tax Free) Redeemable Bonds (III 'A' Series—1989)	1,000/-	23,210.35			23,210.35
		3,10,860 (1993:3,10,860) 9% Secured (Tax Free) Redeemable Bonds (IV Series—1990)	1,000/-	3,108.60			3,108.60
		11,90,000 (1993: 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 (1993: 1,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV 'B 'Series—1989-90)	1,000/-	985.00			985.00
		8,20,000 (1993: 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 (1993: 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 (1993: 3,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV 'E' Series—1989-90)	1,000/-	3,035.00			3,035.00
		6,50,000 (1993: 6,50,000) 9% Secured (Tax Free) Redeemable Bonds (V 'A'Series—1989-90)	1,000/-	6,445.00			6,445.00
		1,56,975 (1993: 1,56,975) 9% Secured (Tax Free) Redeemable Bonds (V Series—19891)	1,000/-	1,569.75			1,569.75
		8,60,000 (1993: 8,60,000) 9% Secured (Tax Free) Redeemable Bonds (VI 'A'Series—1991)	1,000/-	8,600.80			8,600.80
					84,397.61		84,397.61

Schedules *Contd....*

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, 1993 Rupees (in Lakhs)
b)	National Thermal Power Corporation Limited:	24,97,500 (1993:24,97,500) 9% Secured (Tax Free) Redeemable Bonds (V Issue—1989)	1,000/-		25,182.25		25,182.25
c)	Mahanager Telephone Nigam Limited:	9,00,000 (1993: 9,00,000) 9% Secured (Tax Free) Redeemable Bonds (IIISeries—1989)	1,000/-	8,979.75			8,979.75
		15,18,019 (1993:15,18,019) 9% Secured (Tax Free) Redeemable Bonds (IV Series—1990)	1,000/-	15,036.64			15,036.64
					24,016.39		24,016.39
d)	Indian Telephone Industries Limited:	5,00,000 (1993: 5,00,000) 9% Secured (Tax Free) Redeemable Bonds (B Series—1987)	1,000/-		5,000.00		5,000.00
e)	National Hydro Electric Power Corporation Limited:	9,30,000 (1993: 9,30,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,284.05			9.284.05
		13,90,000 (1993: 13,90,000) 9% Secured (Tax Free) Redeemable Bonds (D Series)	1,000/-	13,947.50			13,947.50
		2,68,000 (1993: 2,68,000) 9% Secured (Tax Free) Redeemable Bonds (E Series)	1,000/-	2,705.86			2,705.86
					25,937.41		25,937.41
f)	Neyveli Lignite Corporation Limited:	7,50,000 (1993: 7,50,000) 9% Secured (Tax Free) Redeemable Bonds (C Series—1988)	1,000/-	7,548.00			7,548.00
		3,00,000 (1993: 3,00,000) 9% Secured (Tax Free) Redeemable Bonds (D Series—1989)	1,000/-	2,980.50			2,980.50
		10,50,000 (1993: 10,50,000) 9% Secured (Tax Free) Redeemable Bonds (E Series—1990)	1,000/-	10,564.00			10,564.00
					21,092.50		21,092.50

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, 1993 Rupees (in Lakhs)
g)	Power Finance Corporation Limited	13,25,000 (1993: 13,25,000) 9% Secured (Tax Free) Redeemable Bonds (II Series)	1,000/-	13,348.88			13,348.88
		5,00,000 (1993: 5,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series)	1,000/-	5,058.75			5,058.75
		14,60,000 (1993: 14,60,000) 9% Secured (Tax Free) Redeemable Bonds (IV Series)	1,000/-	14,718.31			14,718.31
		8,00,000 (1993: 8,00,000) 9% Secured (Tax Free) Redeemable Bonds (V Series)	1,000/-	8,027.00			8.027.00
					41,152.94		41,152.94:
h)	Nuclear Power Corporation Limited:	9,50,000 (1993: 9,50,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	9,561.75			9,561.75
		9,20,000 (1993: 9,20,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,202.60			9,202.60
					18,764.35		18,764.35
i)	Housing & Urban Development Corporation Limited	95,000 (1993: 95,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bones—Series II)	1,000/-	966.91			966.91
		50,000 (1993: 50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bones—Series III)	1,000/-	508.90			508.90
		8,25,000 (1993: 8,25,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bones—Series IV)	1,000/-	8,268.38			8,268.38
		4,50,000 (1993: 4,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bones—Series I)	1,000/-	4,539.50			4,539.50
					14,283.69		14,283.69

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, 1993 Rupees (in Lakhs)
j)	Rural Electrification Corporation Limited:	6,65,000 (1993: 6,65,000) 9% Secured (Tax Free) Redeemable Bonds (XV Series 1997)	1,000/-	6,621.75			6,621.75
		9,39,950 (1993: 9,39,950) 9% Secured (Tax Free) Redeemable Bonds (XVII Series 1998)	1,000/-	9,438.33			9,438.33
		2,90,000 (1993: 2,90,000) 9% Secured (Tax Free) Redeemable Bonds (XIX Series)	1,000/-	2,928.10			2,928.10
		12,50,000 (1993: 12,50,000) 9% Secured (Tax Free) Redeemable Bonds (XX Series)	1,000/-	12,495.15			12,495.15
					31,483.33		31,481.33
		SUB-TOTAL (2)				2,91,310.45	2,91,310.45
3.	Canpep '92 Scheme of Can Bank Mutual Fund	3,00,00,000 (1993: 3,00,00,000) Canpeps	10/-			3,000.00	3,000.00
4.	In Subsidiary Company-IOBL	8,000 Equity Shares each fully paid in cash	500/-			40.00	40.00
5.	In Government Securities	(Including Rs 21,200; 1993: Rs. 21,200 Deposited with Various Bodies				0.92	0.92
6.	Other Investments:						
a)	International Cooperative Petroleum Association	350 Shares fully paid up and partly paid up common stock of $72.31	$100		2.12		2.12
b)	Avi-Oil India Private Limited (A joint venture company)	One Share fully paid in cash	10/-		0.00		0.00
c)	In Consumer Cooperative Societies:						
	Barauni:	250 Equity Shares each fully paid in cash	10/-				
	Guwhati:	250 Equity Shares each fully paid in cash	10/-				
	Mathura:	200 Equity Shares each fully paid in cash	10/-		0.27		0.25
	Haldia:	1,663 (1993: 1,353) 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/-				
						2.39	2.37
		TOTAL (B) (1 To 6)				3,51,285.44	3,46,285.42
		GRAND TOTAL: (A+B)				3,85,763.19	3,72,178.76

During the year no investments were sold

SCHEDULE 'H'—Inventories

		Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Stores, spares etc. (at or under cost) * (including in transit Rs. 1966.85 lakhs; 1993; Rs 1818.29 lakhs)	32,857.34		26,484.13
	Less: provision for Losses	610.00		451.42
			32,247.34	26.032.71
2.	Raw Materials (at cost)** (including in transit Rs 27,746.83 lakhs; 1993: Rs 24, 490.80 lakhs)		1,66,563.80	31,900.04
3.	Stock-in-Trade			
	a) Oil Stock (at cost or net realisable value whichever is lower)*** (including in transit Rs 47,157.00 lakhs; 1993: Rs 32,002.08 lakhs)	1,79,237.00		1,48,501.61
	b) Stock-in-Process (at raw material cost)	13,946.82		14,545.79
			1,93,183.82	1,63,047.40
4.	Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)****		664.16	602.08
	TOTAL		3,92,659.12	2,21,582.23

* Includes stock lying with contractors **Rs 429.58 lakhs** (1993: Rs 401.19 lakhs)

** Includes stock lying with Other Oil Companies on loan **Rs 71,839.86 lakhs** (1993: Rs 19773.97 lakhs) and with other **Rs 11,399.22 lakhs** (1993: Rs 4,618.00 lakhs)

*** Include stock lying with Other Oil Companies on loan **Rs 11,447.69 lakhs** (1993: Rs 11,605.85 lakhs) and with others **Rs 1,161.94 lakhs** (1993: Rs 706.01 lakhs)

**** Includes stock lying with others **Rs 129.88 lakhs** (1993: 78.73 lakhs)

Schedules *Contd....*

SCHEDULE 'I'—Book Debts

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
Over Six Months:			
a) Secured, considered Good	0.42		0.30
b) Unsecured, Considered Good	29,181.09		21,419.96
c) Unsecured, Considered Doubtful	1,155.59		1,093.45
		30.337.10	22,513.71
Other Debts:			
a) Secured, Considered Good	16.80		16.39
b) Unsecured, Considered Good	89,546.63		85,824.23
c) Unsecured, Considered Doubtful	0.00		0.00
		89,563.43	85,840.62
		1,19,900.53	1,08,354.33
Less: provision for Doubtful Debts		1,155.59	1,093.45
TOTAL:		1,18,744.94	107,260.88

SCHEDULE 'J'—Loans and Advances

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1. Loans-Unsecured, Considered Good: To Indian Oil Blending Limited (A subsidiary) including interest Accrued; **Rs 105.96 lakhs;** (1993: Rs 162.44 lakhs)			432.01	651.49
2. Advances recoverable in cash or in kind or for value to be received:				
a) Secured, Considered Good*		20,368.32		17,465,39
b) Unsecured, Considered Good*				
i) Due from IOBL (A Subsidiary)	10.54			(134.46)
ii) Others	20,275.21			12,292.79
		20,285.75		12,158.33
c) Unsecured, Considered Doubtful		100.66		107.17
		40,754.73		29,730.89
d) Less: Provision for Doubtful Advances		100.66		107.17
			40,654.07	29,623.72
3. Amount recoverable from Industry Pool Account				
Unsecured, Considered Good			2,87,777.29	4,12,976.02
4. Claims Recoverable:				
a) Secured, Considered Good		16.79		31,19
b) Unsecured, Considered Good		20,496.22		12,351.76
c) Unsecured, Considered Doubtful		1,902.19		1,485.42
		22,415.20		13,868.37
d) Less Provision for Doubtful Claims		1,902.19		1,485.42
			20,513.01	12,382.95

Schedules *Contd....*

SCHEDULE 'J'—Loans and Advances *(Contd.)*

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
5. Materials on Loan:			
a) Secured. Considered Good	50.87		33.84
b) Unsecured, Considered Good	22.19		6.25
		73.06	40.09
6. Investment Deposit Scheme, 1986			
Unsecured, Considered Good		17.69	17.69
7. Balance with Customs, Port Trust and Excise Authorities			
Unsecured, Considered Good		8,391.61	5,392.22
8. Sundry Deposits: (including amount adjustable on receipt of Final bills)			
a) Secured, Considered Good	38,434.26		1,00,742.86
b) Unsecured, Considered Good	936.85		885.87
c) Unsecured, Considered Doubtful	0.11		0.12
	39,371.22		1,01,628.85
d) Less: Provision for Doubtful Deposits	0.11		0.12
		39,371.11	1,01,628.73
TOTAL		3,97,229.85	5,62,712.91

* Include:

1. **Rs 2,54,741** (1993: Rs 3,11,882) due from Directors (Maximum **Rs 2,98,664;** 1993: Rs 4,21,787).
2. **Rs 40,53,201** (1993: Rs 42,99,790) due from other Officers (Maximum **Rs 46,94,614;** 1993: Rs 49,37,304)

SCHEDULE ‘K’—Current Liabilities and Provisions

		Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
A.	**Current Liabilities:**				
1.	Sundry Creditors		2,61,391.04		3,35,899.89
2.	Other Liabilities		36,303.43		33,076.72
3.	Security Deposits	2,04,016.93			1,14,553.17
	Less: Investments and Deposits with Banks lodged by outside parties	465.19			339.93
			2,03,551.74		1,14,213.24
4.	Interest accrued but not due on loans		7,734.05		6,301.13
				5,08,980.26	4,89,490.98
B.	**Provisions:**				
1.	Provisions for Taxation	82,815.39			63,604.35
	Less: Advance Payments	89,633.28			66,205.64
			(6,817.89)		(2,601.29)
2.	Proposed Divided	4,930.63			4,930.63
	Less: Interim dividend paid	0.00			2,095.52
			4,930.63		2,835.11
				(1,887.26)	233.82
	TOTAL			5,07,093.00	4,89,724.80

SCHEDULE ‘L’—Other Income

		Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Sale of Power and Water		371.89	321.32
2.	Profit on sale and disposal of Assets		681.64	565.73
3.	Dividend received (Gross):			
	a) From a subsidiary (Tax deducted at Source **Rs 1.48 lakhs;** 1993: Rs 17.80 lakhs)	6.00		72.00
	b) From Unit Trust of India	3,724.50		3,581.25
			3,730.50	3,653.25
4.	Royalty and Technical Know-how Fees		0.34	0.05
5.	Unclaimed/Unspent liabilities written back		1,198.02	2,059.70
6.	Miscellaneous Income		6,460.42	4,347.01
	TOTAL			10,947.06

Schedules *Contd....*

SCHEDULE 'M'—Manufacturing, Administration, Selling and Other Expenses

		Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Raw Materials Consumed:			
	Opening Balance as on 1st April, 1993	31,900.04		88,538.10
	Add: Purchases	7,44,517.21		5,39,384.30
		7,76,417.25		6,27,922.40
	Less: Closing Stock	1,66,563.80		31,900.04
			6,09,853.45	5,96,022.36
2.	Consumption:			
	i) Stores and Spares (including consumables)	12,001.51		11,503.35
	ii) Packages	16,891.96		16,468.26
			28,893.47	27,971.61
3.	Power and Fuel	28,663.38		24,729.81
	Less: Fuel for own Production	21,541.82		20,672.12
			7,121.56	4,057.69
4.	Processing fees, Blending Fees, Royalty and Other Charges		2,341.48	2,231.09
5.	Repairs and Maintenance:			
	a) Plant and Machinery	12,826.13		11,032.61
	b) Buildings	2,438.22		2,291.16
	c) Others	1,358.56		1,226.27
			16,622.91	14,550.04
6.	Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		79,615.28	76,493.04
7.	Payments to and Provisions for Employees:			
	a) Salaries, Wages, Bonus, etc.	26,822.66		25,372.70
	b) Contribution to provident and Other Funds	1,644.02		1,641.46
	c) Staff Welfare Expenses	5,201.30		4,258.66
	d) Contribution to Gratuity Fund	497.06		503.35
	e) Gratuity and Ex-Gratia	5.81		8.34
			34,170.85	31,784.51
8.	Office Administration, Selling and other Expenses (Schedule 'N')		35,813.66	28,497.39
	TOTAL:		814,432.66	781.607.73

SCHEDULE 'N'—Office Administration, Selling and Other Expenses

		Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Rent		3,187.30	4,864.37
2.	Insurance		1,967.91	1,615.88
3.	Rates		785.49	656.41
4.	Donations		77.27	32.93
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.)	0.17		0.15
	d) Out of Pocket expenses	4.40		12.13
			12.52	20.23
6.	Travelling and Conveyance		5,110.50	4,305.82
7.	Communication Expenses		2,755.29	2,083.64
8.	Printing and Stationery		857.66	767.03
9.	Electricity and Water		2,320.30	1,761.68
10.	Other Expenses*		15,697.43	9,620.14
11.	Bad Debts, Advances and Claims written off		100.98	69.54
12.	Loss on Assets sold, lost or written off		90.92	57.09
13.	Technical Assistance Fees		152.18	562.73
14.	Provision for Doubtful Debts, Advances, Claims and obsolescence of stores		844.01	824.77
15.	Security Force Expenses		1,402.10	1,243.75
16.	Pollution Control Expenses		42.92	28.12
17.	Exchange Fluctuations (Net)		408.88	(16.74)
	TOTAL		35,813.66	28,497.39

* Includes-Bank Charges **Rs 3,019.40 lakhs** (1993: Rs 1,000.13 lakhs) and contribution for Rural Development Programme **Rs 26.57 lakhs** (1993: Rs 39.59 lakhs)

Schedules *Contd....*

SCHEDULE 'O-1'—Income/Expenditure Relating to Extra Ordinary Items

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
INCOME			
1. Sales of Products and Crude		2,572.80	15,138.33
2. Recovery of Main installation & Other Charges		107.21	0.00
3. Insurance claim for standing charges		0.00	17.36
4. Interest on Loans & Advances		0.00	(135.45)
5. Profit on sale of Investment		0.00	521.29
TOTAL INCOME:		2,680.01	15,541.53
EXPENDITURE			
1. Purchase of Products and Crude		0.00	139.52
2. Duties		1,064.18	0.00
3. Freight and Transportation Charges (Net of Recoveries from Industry Pool Account)		(400.99)	2,506.11
4. Payment to and provisions for Employees:			
– Salaries, Wages and Bonus	852.52		2,086.62
– Cont. to provident & Other Funds	0.00		70.44
– Cont. to Gratuity Fund	0.00		7.54
		852.52	2,164.60
5. Interest-Others		14,959.34	(489.99)
6. Rent		(7,285.67)	0.00
7. Raw Materials Consumed		(176.29)	0.00
8. Power and Fuel		91.24	60.48
9. Depreciation and Amortisation		0.00	284.95
10. Transfer to Construction Period Expenses Pending Allocation		(24.66)	(14.78)
11. Rates and Taxes		32.74	51.77
12. Security Force Expenses		0.00	23.19
13. Miscellaneous Expenses		104.92	0.00
14. Consumption of Packages		0.00	51.52
15. Provision for loss in Cost of Investments		(1,250.00)	2,150.00
16. Provision for loss in WIP/Capital Advances		0.00	50.00
17. Insurance		0.00	(45.58)
18. Repairs and Maintenance		23.44	10.37
19. Blending Fees		65.68	0.00
TOTAL EXPENDITURE:		8,056.45	6,942.16
NET INCOME/(EXPENDITURE):		(5,376.44)	8,599.37

SCHEDULE 'O'—Income/Expenditure Relating to Prior Period

	Rupees (in lakhs)	Rupees (in lakhs)	1993 Rupees (in lakhs)
INCOME			
1. Sales of Products and Crude		30.58	(555.72)
2. Interest		(11.16)	11.11
3. Profit on Sale and Disposal of Assets		0.00	(19.05)
4. Sale of Power & Water		34.43	0.00
5. Miscellaneous Income		57.72	(52.13)
TOTAL INCOME:		111.57	(615.79)
EXPENDITURE			
1. Consumption:			
i) Stores and Spares (including consumables)		(11.49)	(1.15)
2. Power & Fuel		(6.50)	0.00
3. Duties		0.00	79.76
4. Repairs and Maintenance			
i) Plant and Machinery	62.84		(2.63)
ii) Buildings	0.00		13.77
iii) Others	21.59		4.03
		84.43	15.17
5. Payments to and Provisions for Employees:			
i) Salaries, Wages, Bonus, etc.	0.00		(156.97)
		0.00	(156.97)
6. Rent		49.10	103.64
7. Depreciation and Amortisation		4.77	224.64
8. Interest Others		(4.95)	27.57
9. Security Force Expenses		(33.37)	15.48

Schedules *Contd....*

SCHEDULE 'O'—Income/Expenditure Relating to Prior Period *Contd.*

10.	Communication Expenses	10.25	0.00
11.	Other Expenses	171.43	74.17
12.	Technical Fees	23.32	0.00
	TOTAL EXPENDITURE:	286.99	382.31
	Less: Amount Transferred to Construction Period Expenses pending Allocation	(52.05)	14.84
	TOTAL:	339.04	367.47
	NET INCOME/ (EXPENDITURE):	(227.47)	(983.26)

SCHEDULE 'P'—Notes on the accounts for the Year ended 31st March 1994

1. **Contingent Liabilities in respect of:**
   a) Claims against the Corporation not acknowledged as debts **Rs 81,483.32 lakhs** (1993: Rs 38,456.21 lakhs) These include:
      i) **Rs 7,968.63 lakhs** (1993: Rs 8041.52 lakhs) being the demands raised by the Central Exercise authorities.
      ii) **Rs 11,750,05 lakhs** (1993: Rs 6,672.03 lakhs) in respect of Sales Tax demands.
      iii) **Rs 4,828.04 lakhs** (1993: Rs 3,257.08 lakhs) for which suits have been filed in the Courts or cases are laying with arbitrators.
      iv) **Rs 14,699.56 lakhs** (1993: Rs 14,781.07 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 10,315.18 lakhs** (1993: 5,919.59 lakhs).
   c) Income Tax, if any, reimbursable to foreign Contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs 2,30,953.92 lakhs** (1993: Rs 43,322.28 lakhs).
3. a) Title Deeds for Land and Residential Apartments as also Lease and other agreements in respect of certain other lands/buildings of the book value of **Rs 7,982.27 lakhs** (1993: Rs 6,603.78 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. The supplies of LSHS to Gujarat Electricity Board, Dhuvaran and LSHS/FO to Assam State Electricity Board, Chandrapura have been billed at the rates intimated by the Government from time to time. 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 7,997.39 lakhs** (1993: Rs 13,451.61 lakhs) and Rs 6,456.54 lakhs (1993: **Rs 6,455.54 lakhs**) respectively. These debts have been considered good of recovery in view of the billing having been done in accordance with Government instructions.

   Similarly, an amount of **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 26,595.12 lakhs** (1993: Rs 34,262.01 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.
6. Pending finalisation of long term settlement with the employees, liability (except Rs 741.04 lakhs equivalent to the recoverable advance 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 settlements in subject to claim from pool account as per pricing mechanism.
7. Pending finalisation of the dispute with Railways for enhanced rentals demand at Shakurabsti, liability has not been provided for an amount of Rs 11,049.54 lakhs. However, the impact of this settlement is subject to claim from Pool Account as per the pricing mechanism.

Schedules *Contd....*

SCHEDULE 'P'—Notes on the accounts for the Year ended 31st March 1994

8. Sales include an amount of Rs 29,021 lakhs (1993: Rs 8,322 lakhs) being incentive claims for improvement in yield pattern/reduction in fuel & loss of the Refineries for previous years as accepted by Oil Coordination Committee during the year.

   Credit for 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.

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

		1993-94 Rupees	1992-93 Rupees
i)	Salaries & Allowances	6,57,102	8,22964
ii)	Contribution to Provident Fund	59,546	71,106
iii)	Contribution to Gratuity Fund	17,877	21,218
iv)	Other Benefits and Perquisites	4,96,840	3,97,342
	TOTAL:	12,31,365	13,12,630

   In addition, whole-time Directors are also allowed the use of Corporation's car for private purpose upto 12,000 KMs annum on a payment of Rs 250 or Rs 400 mensem as specified in the terms of appointment.

10. Consequent to the change in depreciation rates as prescribed under Schedule XIV to The Companies Act, 1956, Depreciation charge for the year 1993-94 on all assets including the assets carried forward from 31st March, 1993 has decreased by Rs 712.20 lakhs with an increase in the profit to that extent.

11. Loans and Advances include **Rs 43.34 lakhs** (1993: NIL) recoverable from a joint venture company for which the Corporation is a Co-promoter.

12. The Profit and Loss Account includes :

    a) Expenditure on Public Relations and Publicity amounting to **Rs 453.93 lakhs** (1993: Rs 341.94 lakhs) which is inclusive of **Rs 87.21 lakhs** (1993: Rs 83.11 lakhs) on account of Staff and Establishment and **Rs 366.72 lakhs** (1993: Rs 258.83 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00019:1** (1993: 0.00014.1).

    b) Research and Development expenses **Rs 1,420.40 lakhs** (1993: Rs 1,255.51 lakhs)

    c) Entertainment Expenses **Rs 15.60 lakhs** 1993: Rs 12.77 lakhs).

13. Statement on Accounting Policies and Schedules 'A' to 'W' to the Balance Sheet and Profit and Loss Account form part of these Accounts.

14. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in Brackets indicate deductions.

Sd/-	Sd/-	Sd/-	Sd/-
B.K. BAKHSHI	B.D. GUPTA	A.P. CHAUDHRI	S.M. WELING
Chairman	Director	Director	Secretary
(I/C)	(Finance)	(R&P)	

New Delhi
Dated: 28th June, 1994

SCHEDULE 'Q'—Licensed Capacity, Installed Capacity and Actual Production

		Crude Throughput		Lubricating Oil		Wax/Bitumen/ Apshalt/Lube Oil Drums		Oxygen Plant	
		1994 MTs (in lakhs)	1993 MTs (in lakhs)	1994 MTs (in lakhs)	1993 MTs (in lakhs)	1994 NOs. (in lakhs)	1993 NOs. (in lakhs)	1994 CU.M (in lakhs)	1993 CU.M (in lakhs)
1.	Licensed Capacity*	232.50	232.50	1.70	1.70	0.00 MTs	15.04 MTs	Not Specified	Not Specified
2.	Installed Capacity**	244.00	244.00	1.40@	1.40@	15.00	15.00	0.84	0.04
3.	Actual Throughput	247.45	243.13	–	–	–	–	–	–
4.	Actual Production (in own Refineries)***	232.92	228.59	1.13	1.28	6.50	7.71	0.08	0.08
5.	Product Processed Manufactured by others (Nos).	18.18	16.89	0.16	0.14	0.00	0.00	0.00	0.00
		0.00	0.00	3.25 KLs	3.46 KLs	0.00	0.00	0.00	0.00

NOTES :

* Licensed Capacity of Refinery is not specified for Assam Oil division

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

@ Per year operating in two shifts.

*** Excluding internal consumption.

Schedules *Contd....*

SCHEDULE 'R'—Finished Products-Quantity and Value Particulars

	Opening Stock@@			Purchases Including Duties		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Petroleum Products:						
Year ended 31.03.94	15.91	30.73	1,24,188.81	65.94	315.78	9,40,963.70
Year ended 31.03.93	15.95	23.07	1,08,519.31	60.43	302.28	8,86,655.63
Lubricants & Greases:						
Year ended 31.03.94	0.10	0.99	23,622.79	0.02	0.05	11,175.24
Year ended 31.03.93	0.08	0.84	14,967.73	0.09	0.12	7,271.64
Crude Oil:						
Year ended 31.03.94	0.00	0.00	0.00	134.55	0.00	4,48,861.05
Year ended 31.03.93	0.00	0.00	0.00	177.93	0.00	6,20,814.15
Base Oil & Additives:						
Year ended 31.03.94	0.07	0.00	672.01	0.01	1.54	14,741.97
Year ended 31.03.93	0.07	0.00	818.40	0.07	2.36	15,696.99
Oxygen Gas@						
Year ended 31.03.94	0.00	0.00	0.06	0.00	0.00	0.00
Year ended 31.03.93	0.00	0.00	0.04	0.00	0.00	0.00
Total:	0.00@		0.06			
Year ended 31.03.94	16.08	31.72	1,48,483.61	200.52	317.37	14,15,741.96
Year ended 31.03.93	16.10	23.91	1,24,305.44	238.52	304.76	15,30,438.41
	0.00@		0.04			

Notes:

@ Cubic metres

@@ Includes adjustment for Opening Stock of Finished Products.

1. Purchases and Sales exclude value adjustments shown under items pertaining to prior period and extra-ordinary items.
2. 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.

	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)
	345.09	519.39	17,67,416.93	20.34	29.33	1,39,163.36
	340.29	495.87	16,83,896.03	15.91	30.73	1,24,206.75
	0.40	4.20	1,35,589.14	0.12	1.26	39.888.86
	0.39	4.61	1,07,205.83	0.10	0.99	23,622.78
	134.55	0.00	4,48,861.05	0.00	0.00	0.00
	177.93	0.00	6.20,814.15	0.00	0.00	0.00
	0.00	1.67	18,207.92	0.01	0.00	184.69
	0.00	2.52	17,088.19	0.07	0.00	672.01
	0.00	0.00	0.00	0.001	0.00	0.09
	0.00	0.00	0.00	0.00	0.00	0.06
	0.00@		0.00	0.01@		0.09
	480.04	525.26	23,70,075.04	20.47	30.59	1,79,236.91
	518.61	503.00	24,29,004.20	16.08	31.72	1,48,501.54
	0.00@		0.00	0.00@		0.06

Schedules *Contd....*

SCHEDULE 'S'—Consumption Particulars of Raw Materials Including Packaging Materials

	1994			1993		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude Oil	247.45	0.00	5,51,121.82	243.13	0.00	5,32,655.75
Base Oil	0.07	4.37	59,478.74	0.07	4.53	46,500.77
Additives	0.12	0.12	29,318.82	0.11	0.20	26,296.29
Package Materials Consumed	0.00	0.00	16,891.96	0.00	0.00	16,468.26
TOTAL:	247.64	4.58	6,56,811.34	243.31	4.73	6,21,921.07

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 extraordinary nature.

SCHEDULE 'T'—Expenditure in Foreign Currency for Royalty, Know-how, Professional & Consultation fees, Interest & Other matters

		1994 Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Royalty (Gross) and Technical Service Fees	2,850.09	478.37
2.	Professional consultation fees including legal expenses	17.59	522.50
3.	Interest	27,963.83	28,198.12
4.	Others	1,951.05	1,805.28
	TOTAL:	32,782.56	31,004.27

SCHEDULE 'U'—Earnings is Foreign Exchange

			1994 Rupees (in lakhs)	1993 Rupees (in lakhs)
1.	Export of Crude Oil and Petroleum Products Calculated on FOB basis*		1,82,060.43	1,90,296.94
2.	Other Income including interest		373.77	339.89
		TOTAL:	1,82,434.20	1,90,636.83

* Including amount received in Indian Currency out of the repatriable funds Foreign Customers, and other Export Sales through canalising agencies.

1994	53,746.68 lakhs
1993	45,757.74 lakhs

SCHEDULE 'V'—CIF Value of imports

		1994 Rupees (in lakhs)	1993 Rupees (in lakhs)
Crude Oil		10,56,553.55	10,51,286.49
Base Oil		15,595.51	30,223.27
Additives		5,326.37	4,962.93
Capital Goods		12,417.52	2,024.79
Revenuse Stores, Components, Spare and Chemicals		4,365.46	2,823.80
	TOTAL:	10,94,258.41	10,91,321.28

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

Schedules *Contd....*

SCHEDULE 'W'—Consumption of Imported and Indigenous Raw Materials, Steel Coils/Sheets/Stores/Spare/Parts and Components

	1994				1993			
	Imported		Indigenous		Imported		Indigenous	
	Value Rupees (in lakhs)	% to total con-sump-tion	Value Rupees (in lakhs)	% to total con-sump-tion	Value Rupees (in lakhs)	% to total con-sump-tion	Value Rupees (in lakhs)	% to total con-sump-tion
Crude Oil	3,21,604.96	58	2,29,516.86	42	3,03,892.24	56	2,37,250.56	44
Base Oil and Additives	26,408.26	30	62,344.76	70	30,208.33	41	43,117.24	59
Steel Coils/Sheets*/ Stores/Component and Spare Parts	6,978,78	34	13,717.46	66	6,166.50	33	12,776.28	67
TOTAL:	3,54,992.00		3,05,579.08		3,40,267.07		2,93,144.08	

NOTE: Consumption of steel coils and sheets imported through canalising agency has been consider as imported.

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

Statement—Section 212(1)(e)

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

		No. of Shares	Paid Up Value Rupees
1.	Shares in the Subsidiary Company were Registered in the name of the Company and their nominees as indicated. As at 31st March 1994 Indian Oil Blending Limited	8,000	40,00,000
		For the Financial year ended 31st March, 1994 Rupees (in lakhs)	Previous Financial year Cumulative Total Rupees (in lakhs)
2.	Net aggregate amount of the profit of the Subsidiary Company not dealt with in the Company's accounts so far as they concern the members of the company is:	356.13	1,501.58
3.	Net aggregate amount. Of the profit of the Subsidiary Company as far as its profit are dealt with in the company's accounts is:	6.00	139.11

Sd/-	Sd/-	Sd/-	Sd/-
B.K. BAKHSHI	B.D. GUPTA	A.P. CHAUDHRI	S.M. WELING
Chairman	Director	Director	Secretary
(I/c)	(Finance)	(R&P)	

New Delhi
Dated: 28th June, 1994

Schedule of Fixed Assets (Township)

				GROSS BLOCK
Particulars	Gross Block as on 01.04.1993 (At Cost)	Additions during the year (At Cost)	Transfers from Construction Working-in-progress (At Cost)	Transfers, Deductions and Reclassification (At Cost)
	(Rs/Lakhs)	(Rs/Lakhs)	(Rs/Lakhs)	(Rs/Lakhs)
LAND-FREEHOLD	459.34	36.43	0.00	22.34
LAND-LEASEHOLD	237.07	0.00	0.00	0.00
BUILDINGS, ROADS ETC.	10,522.05	64.36	1,762.44	20.47
PLANT & MACHINERY	471.34	5.29	70.89	0.00
FURNITURE & FIXTURES	174.47	45.89	0.00	27.42
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	830.23	0.12	120.25	0.00
EQUIPMENT & APPLIANCES	708.22	81.66	22.05	33.96
VEHICLES	136.07	4.27	0.00	8.71
ENABLING ASSETS	0.00	9.91	0.00	0.00
SUNDRY ASSETS	3.86	0.00	0.01	0.19
GRAND TOTAL:	13,542.66	247.92	1,975.64	113.09
PREVIOUS YEAR:	11,968.00	230.32	1349.28	(4.94)

AT COST	DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
Gross Block as on 31.03.1994 (At Cost)	Provided during the year	Upto 31.03.1994	As on 31.03.1994	As on 31.03.1993
(Rs/Lakhs)	(Rs/Lakhs)	(Rs/Lakhs)	(Rs/Lakhs)	(Rs/Lakhs)
518.12	0.00	0.00	518.12	459.34
237.07	0.52	9.26	227.81	228.31
12,328.38	184.25	1,896.27	10,432.11	8,829.83
547.52	17.58	297.78	249.74	184.77
193.32	30.86	96.00	97.32	148.29
950.60	27.22	552.07	398.53	305.38
777.98	53.78	295.02	482.96	452.98
131.64	7.14	82.19	49.45	59.89
9.91	1.98	1.98	7.93	0.00
3.68	0.12	2.26	1.42	1.70
15,698.20	323.44	3,232.82	12,465.38	10,670.50
13,542.66	291.13	2,872.16	10,670.50	

Income and Expenditure Account (Township)

Income and Expenditure Account for the year ended 31st March '94 on Provision of Township Education, Medical and other Facilities

Sl. No.	Particulars	1994 Rs/Lakhs	1993 Rs/Lakhs
	INCOME		
1.	Recovery of House Rent	193.21	185.38
2.	Recovery of Utilities-Power & Water	42.43	55.48
3.	Recovery of Transport Charges	8.62	8.21
4.	Other Recoveries	194.25	184.21
5.	Excess of Expenditure over Income	5,086.27	4,745.02
	TOTAL:	5,524.78	5,178.30
	EXPENDITURE		
1.	Salaries, Wages and PF Contribution	1,259.64	1,373.76
2.	consumable Stores and Medicines	359.22	330.21
3.	subsidies for Social and Cultural Activities	164.17	151.60
4.	Repairs and Maintenance	929.29	976.93
5.	Interest	968.47	809.58
6.	Depreciation	322.86	306.45
7.	Miscellaneous Expenses: Taxes, License Fees, Insurance etc.	362.01	223.85
8.	Utilities-Power and Gas	1,107.67	952.77
9.	Rent-Land	6.11	4.56
10.	Welfare (School etc.)	1.18	1.35
11.	Bus Hire Charges.	28.72	20.94
12.	Club and Recreation	0.65	0.64
13.	Others	14.79	25.66
	TOTAL:	5,524.78	5,178.30

Review of Accounts

Review of the Accounts of Indian Oil Corporation Limited for the year ended 31st March, 1994 by the Comptroller and Auditor General of India

1. FINANCIAL POSITION

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

(Rs in crores)

	1991-92	1992-93	1993-94
Liabilities			
a) Paid up Capital	123.27	123.27	123.27
b) Reserves & Surplus			
Free Reserve & Surplus	3,966.25	4,593.63	5,316.02
Committed Reserves & Surplus	233.27	233.57	233.87
	4,199.52	4,827.20	5,549.89
c) Borrowing from			
i) Government of India	–	–	–
ii) Others:			
Long Term Loans	1,064.78	1,271.31	799.53
Short Term Loans	2,555.81	4,864.25	5,449.45
Public Deposits	6.22	81.05	250.92
	3,626.81	6,216.61	6,499.90
d) Current Liabilities & Provision			
i) Sundry Creditors	4,575.68	3,359.00	2,613.91
ii) Provisions for Dividend	40.68	28.35	49.31
iii) Other Liabilities & Provisions	1,390.48	1,509.90	2,407.71
	6,006.84	4,897.25	5,070.93
Total:	13,956.44	16,064.33	17,243.99
Assets			
e) Gross Block	3,481.98	4,280.32	5,239.19
f) Less: Cumulative Depreciation	2,133.05	2,365.50	2,661.67
g) Net Block	1,348.93	1,914.82	2,577.52
h) Capital Work-in-Progress	1,134.79	1,147.79	1,326.07
i) Investments	4,153.34	3,721.79	3,857.63
j) Current Assets, Loans & Advances			
i) Inventories	2,489.33	2,215.82	3,926.59
ii) Sundry Debtors	915.22	1,072.61	1,187.45
iii) Cash & Bank Balances	135.05	272.20	303.85
iv) Loans & Advances	3,675.04	5,627.13	3,972.30
v) Other Current Assets	104.74	92.17	92.58
	7,319.38	9,279.93	9,482.77
Total:	13,956.44	16,064.33	17,243.99

Review of Accounts *Contd....*

k)	Working Capital (j-d)	1,312.54	4,382.68	4,411.84
I)	Capital employed (g+j-d)	2,661.47	6,297.50	6,989.36
m)	Networth (a+b(i))	4,089.52	4,716.90	5,439.29
n)	Network per rupee of equity capital (Rs) (m/a)	33.18	38.26	44.13

2. Debt equity ratio

The debt equity ratio of the Company was 0:19:1 in 1993-94 as against 0:29:1 in 1992-93 and 0.26:1 in 1991-92.

3. Reserves and Surplus

The Free Reserves and Surplus of the Company were 43 times the paid up capital as on 31 March, 1994 as against 37 times as on 31 March, 1993 and 32 times as on 31 March, 1992 bonus shares were issued by the Company during the last twelve years. The dividend declared by the Company has gone up from 6 percent in 1966-67 to 14 percent in 1980-81 and to 40 percent (proposed) in 1993-94.

4. Investments

The investments of the Company as on 31 March, 1994 had gone up to Rs 3,857.63 crores from Rs 3,321.79 crores as on 31 March, 1993 mainly due to (a) investment in units of UTI by way 'rights' (Rs 73.35 crores); (b) investment in 10.5 percent tax free bonds issued by Konkan Railway Corporation Limited (Rs 50 crores); and © writing back a provision for loss to the extent of Rs 12.5 crores because of increase in the market price of Canstar holdings during the crores year.

The average yield on the investments during the year 1993-94 was 9.55 percent which also includes tax free interest of 9 to 10.5 percent on tax free PSU bond valuing Rs 3,482.42 crores. The average cost of borrowing was 5.97 percent.

II. SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs 1,302.15 crores from internal and external sources were utilised during year as given below:

Sources of Funds:		**(Rs in crores)**
i) Addition to Reserves & Surplus		722.69
ii) Addition to Commutative Depreciation		296.17
iii) Addition to Borrowed Funds		283.29
Total funds inflow during the year.		1,302.15
Utilisation of Funds:		
i) Addition to Gross Block		958.87
ii) Addition to Capital Work-in-Progress		178.28
iii) Addition to Investments		135.84
iv) Addition to Working Capital:		
Addition to Current Assets, Loans and Advances	202.84	202.84
Less: Increase in Current Liabilities & Provisions	173.68	29.16
Total utilisation during the year		1,302.15

III. LIQUIDITY

1. The percentage of current assets to total net assets was 54.99 percent at the end of 1993-94 as against 57.77 percent in 1992-93 and 52.44 percent in 1991-92.
2. The percentage of current assets to current liabilities (including provisions), which is one measure of current liquidity was 187.00 percent in 1993-94 as against 189.49 percent in 1992-93 and 121.85 in 1991-92.
3. The percentage of quick assets (sundry debtors, loans & advances and cash & bank balances) to current liabilities (excluding provisions), which is another measure of liquidity was 109.16 percent in 1993-94 as against 144.30 percent in 1992-93 and 79.85 percent in 1991-92.

IV. WORKING CAPITAL

1. The working capital of the Company for the last three years ending 31st March, of 1992, 1993 and 1994 was Rs 1,312.54 crores, Rs 4,382.68 crores and Rs 4,411.84 crores respectively.

   The working capital of Rs 4,411.84 crores as on 31 March, 1994 included an amount of Rs 2,877.77 crores (Rs 4,129.76 crores in 1992-93) recoverable from the Oil Coordination Committee.

   The increase in working capital during the year due to increase in inventory (net of loans) (Rs 292.92 crores), increase in Sundry Debtors (Rs 114.84 crores) and decrease in suppliers credit (Rs 657.09 crores) was largely offset by reduction in outstanding form OCC (Rs 1,251.99 crores).
2. The working capital was tuned over 15.81, 5.55 and 5.38 times in the year 1991-92, 1992-93 and 1993-1994 respectively.
3. The percentage of working capital to capital employed as on 31 March, of 1992,1993 and 1994 was 49.32, 69.59 and 63.12 respectively.

V. INVENTORY

The inventory position as at the end of last three years was as follows:

(Rs in Crores)

		1991-92	1992-93	1993-1994
i)	Raw Materials	893.53	319.00	1,665.64
ii)	Stores & Spares	236.83	260.33	322.47
iii)	Stock-in-trade	1,246.59	1,485.02	1,792.37
iv)	Stock in Process	106.60	145.46	139.47
v)	Stock of empty barrels & tins	5.79	6.02	6.64

The stock of raw materials was equivalent to about 3.3 months consumption in 1993-94 as against 0.6 months in 1992-93 and 1.8 months in 1991-92. The increase in the inventory of raw materials during the year 1993-94 by Rs 1,346.64 crores over the year 1992-93 was mainly due to increase in crude oil given on loan to other oil companies (Rs 1,151.44 crores) and increase in the weighted average cost of base oil and additives (Rs 74.22 crores.)

The stores and spares at the end of 1993-94 represented 13.4 months consumption as against 11.2 months in 1992-93 and 10.7 months in 1991-92.

The stock of finished goods at the end of the year was equivalent to about 0.91 month's sales during 1993-94 as against 0.73 month in 1992-93 and 0.72 month in 1991-92.

Review of Accounts *Contd....*

VI. SUNDRY DEBTORS

The position of Sundry Debtors for the last three years ending 31 March, 1994 stood as follows:

(Rs. in Crores)

Year	Sundry Debtors Considered Good	Sundry Debtors Considered Doubtful	Total Sundry Debtors	Sales	Percentage of Sundry Debtors to Sales
1991-92	915.22	9.14	924.36	20,745.06	4.46
1992-93	1,072.61	10.93	1,083.54	24,319.88	4.46
1993-94	1,187.45	11.56	1,199.01	23,731.91	5.05

Although the sundry debtors for supply of crude had decreased by Rs 25.01 crores , there was increase of Rs 140.48 crores in the sundry debtors for supply of products as on 31 March, 1994 as compared to 31 March, 1993. The major outstanding were from fertilizer plants, power plants, airlines and road transport undertakings. A few cases of dues disputed by customers/delays in recovery are detailed below:

— An amount of Rs 209.83 crores was outstanding from Gujarat Electricity Board (Rs 134.78 crores and Assam State Electricity Board (Rs 75.05 crores) mainly on account of disputes about rates the case of Gujarat Electricity Board, an amount of Rs 77.54 crores was outstanding for over seven years.

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

— An amount of Rs 8.77 crores was pending recovery from Vayudoot as on 31 March, 1994. Consequent to orders of Government of India (May, 1993) for merger of Vayudoot with Indian Airlines, the dues payable by Vayudoot stand frozen for a period of 5 years with a stipulation that the dues will be paid after expire of the moratorium period in installments.

VII. SUNDRY CREDITORS

The balance under this head decreased to Rs 2,613.91 crores in 1993-94 from Rs 3,359.00 crores in 1992-93 (Rs 4,575.68 crores in 1991-92) mainly due to shift in the source of financing from suppliers credit to loans from banks (Rs 657.09 crores)

VIII. WORKING RESULTS

1. The working results of the company during the last three years are given below:

(Rs in crores)

		1991-92	1992-93	1993-94
i)	Sales	20,745.06	24,319.88	23,731.91
ii)	Profit before tax	1,084.78	934.99	964.11
iii)	Provision for tax	298.00	258.00	192.11
iv)	Net profit after tax	786.78	676.99	772.00
v)	Percentage of profit before tax to			
	a) Sales	5.2	3.8	4.1
	b) Capital employed	40.8	14.8	13.8
vi)	Percentage of profit after tax to			
	a) Net worth	19.2	14.3	14.2
	b) Capital employed	29.6	10.8	11.0

2. During 1993-94, sale of crude oil to other oil companies decreased by Rs 1,719.53 crores.
3. Certain extraordinary items which had significant impact on the profit for the year were:
   i) margins for previous years received from OCC as result of margin updation: Rs 67.58 crores (1992-93: Rs 126.85 crores)
   ii) refinery incentive claims from OCC pertaining to previous years: Rs. 290.21 crores. (1992-93: Rs 83.22 crores)
   iii) surrender to the OCC Pool towards difference between interest income earned on investments out of funds availed under foreign currency loans, including supplies' credit etc. and the actual interest cost incurred on such loans/credits: Rs 180.89 crores (1992-93: Nil).

2. Dividend

The Company had proposed a dividend of 40 percent for the year 1993-94 as compared to 40 percent paid for 1992-93 and 33 percent paid for 1991-92. The dividend layout ratio, calculated as a percentage of total dividend paid/proposed to profit after tax during the last three years ending 31 March, 1994 was 5.17 percent, 7.28 percent and 6.39 percent respectively.

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

Bombay,
Dated: 27th July, 1994.

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 CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 1994.

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA	REPLIES OF THE BOARD OF DIRECTOR
BALANCE SHEET	
APPLICATION OF FUNDS	
Current Assets, Loans and Advances	
Inventories (Schedule-'H')-Rs 392,659.12 Lakhs	
Inventories include raw materials (crude oil and]base oil) valued at Rs 71,839.86 lakhs and finished products valued at Rs 11,447.69 lakhs given on loan to other oil companies and not physically in the possession of the company. On the other hand, raw material valued at Rs 13,683 lakhs and finished products valued at Rs 649 lakh received on loan from other oil companies and physically in the possession of the company have not been included in the inventories or disclosed in accounts.	As per the accounting practice consistently followed by the Corporation, the crude oil/finished products given or taken on loan basis to from other Oil Companies are accounted for under inventories of the Corporation. The value of crude oil/finished products given on loan and include in the inventories are disclosed separately under the Schedule of 'Inventories'. It has no effect on the profitability of the Corporation. However, the accounting treatment would be reviewed on Industry basis.
Sd/ R.S. PRASAD PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-II	Sd/ B.K. BAKHSHI CHAIRMAN (I/C) For and on behalf of Board of Directors
Bombay, Dated: 27th July, 1994.	New Delhi, Dated: 27th July, 1994

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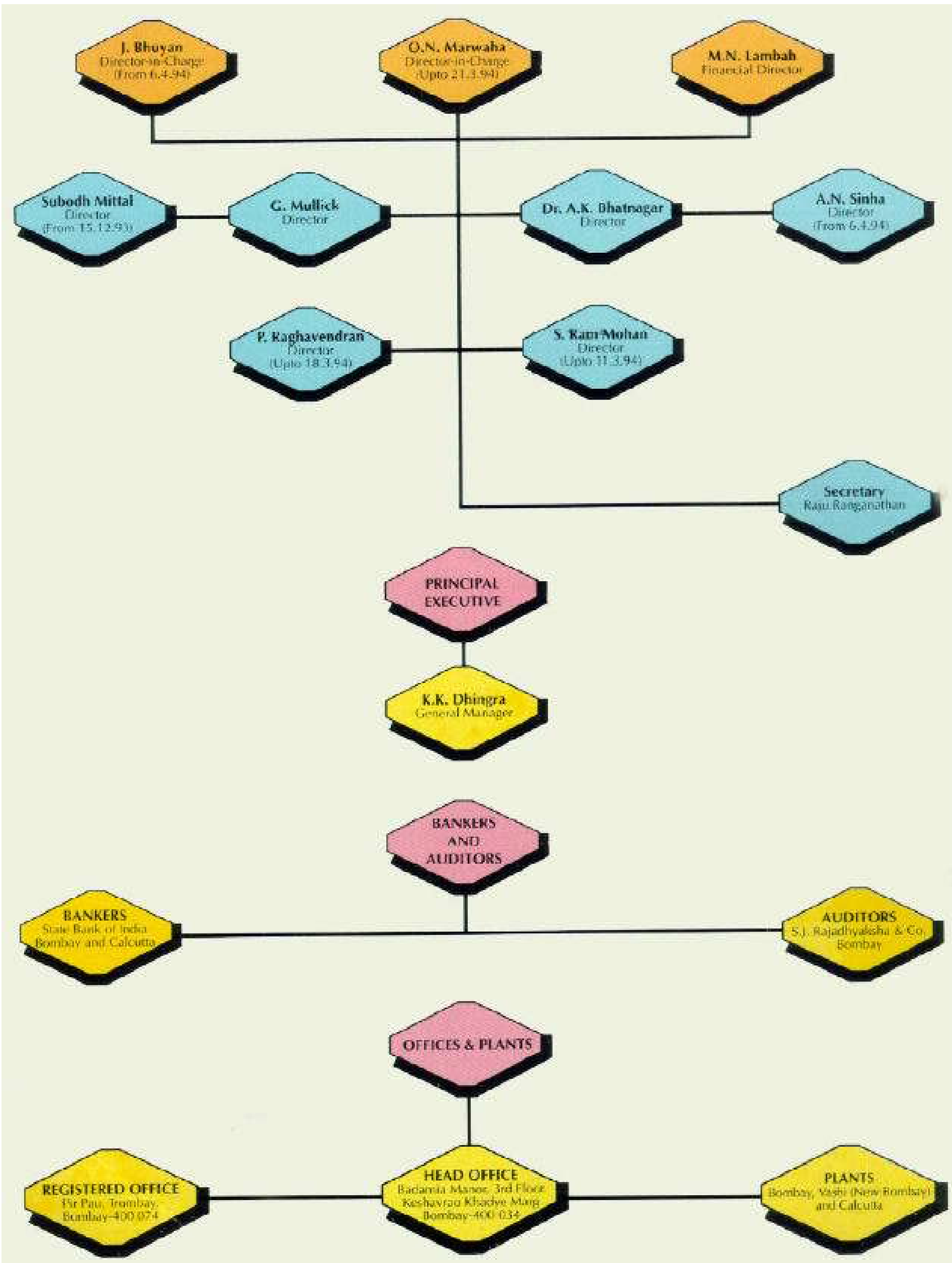
Board of Directors



Notice

NOTICE is hereby given that the Thirtyfirst 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 25th July, 1994 at 1030 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, 1994;
2. To declare a dividend;
3. To appoint Director in place of Shri J. Bhuyan, who retires at the conclusion of the Annual General Meeting and is eligible for reappointment;
4. To appoint Director and Financial Director in place of Shri M.N. Lambah, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
5. To appoint Director in place of Shri Subodh Mittal, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
6. 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;
7. 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;
8. 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.

By Order of the Board

Sd/
RAJU RANGANATHAN
Secretary

Bombay,
Dated: 19th July, 1994

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. Rajadhayaksha & 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 of Indian Oil Blending Ltd.,

Gentlemen,

Your Directors have pleasure in presenting the 31st Annual Report of the working of your Company for the Financial Year ended 31st March, 1994, alongwith the Audited Statement of Accounts and Auditors' Report thereon.

1993-94 IN RETROSPECT

Indian Economy is passing through a transitional phase. It was not surprising that the year was marked by several developments which define the face of an organisation in a new rejuvenated and vibrant climate.

In a significant development in the context of Lube Industry, the entire Lube pricing was decontrolled effective November, 1993. Another major development was the active entry of some multinational Oil Companies in the already competitive Lube Industry.

The negative growth in Public Sector Lube Industry Sales witnessed during 1992-93 continued in the year 1993–94, affecting your Company's Lube production. This was partly due to massive upgradation program me by stoppage of production of mono-grade oils and promotion of oil conserving long drain oils.

Despite the adverse market conditions, your company recorded 23% growth in post tax profits over last year. This was largely, on account of increase in Grease production which recorded an all time high of 13083 MTs indicating 14% growth over last year. This corresponds: to 119.% capacity utilisation only in the 3rd full year of the Vashi Plant's operations. The capacity utilisation at Lube Blending Plants was 138%.

The capacity utilisation of ECA 8586 manufacturing Plant – a product line introduced in 1993–94, was 84%.

The increase in profit after tax was partly on account of reduction in Income Tax Provision with higher level of capitalisation. Your company accorded high priority to completion of the projects

Like previous years, your company introduced several new grades of Lube Oils and greases during the year. Many of these products, being of commercial importance, were formally launched by the parent company.

PERFORMANCE

Your Company's performance highlights are as under:

FINANCIAL HIGHLIGHTS

(Rs in Lakh)

	1993-94	1992-93
Earnings (including other income)	2094	2057
Profit before Depreciation/Interest & Tax	865	967
Interest	45	82
Depreciation	252	251
Profit before Tax	606	600
Provision on Taxation	250	310
Profit after Tax	356	290

EARNINGS

Earnings for the year increased by 2%. The impact of negative growth in Lubes production was compensated by increase in Grease production and other income.

PROFITS

The profit at pre-tax level was marginally higher compared to previous year but the profit at post–tax level reflects an increase of 23% with reduction in the Income Tax provision on account of higher level of capitalisation.

DIVIDEND & APPROPRIATION OF PROFIT

Your Directors have recommended a dividend @ 15% of the Paid-Up-Capital. The dividend has been maintained at the level of 1992–93, considering the prevailing difficult conditions in the Lube Industry and the constraints on internal resources. A higher dividend can be considered in 1994-95 in view of the likely revision in the blending fee rates which is under consideration by the Holding Company.

As you are aware, your Company has been consistently paying dividend. Cumulative dividend paid upto last year is Rs 206.89 lakh.

The disposable profit of Rs 616 lakh stands appropriated as under:

		Rs/Lakh
Dividend	—	6
Transfer in to General Reserve	—	36
Retained Profit & Loss Account	—	574
TOTAL:		**616**

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CONTRIBUTION TO EXCHEQUER

The company has contributed a sum of Rs 300 Lakh in 1993-94 to Central/State Ex-Chequer

VALUE ADDED

The total Value added by your Company on its operations was Rs 2130 lakh as against Rs 2060 lakh in the previous year.

WORKING CAPITAL

Your company's working capital as on 31.3.94 has increased by Rs 13 lakh as against an increase of Rs 184 lakh in the previous year. The increase was primarily due to House Building advance, vehicle and furniture loans to the employees in accordance with the company's policy.

INVESTMENT IN FIXED ASSETS

The company has built-up an enviable asset base. The investment in Fixed Assets as on 31.3.94 amounted to Rs 3031 Lakh. The additional capitalisation amounted to Rs 445 lakh (previous year Rs 281 lakh). The capital expenditure was entirely financed through internal accruals.

LOAN REPAYMENT

The company has repaid to the Holding Company (IOC) the 3rd instalment of loan amounting to Rs 211 lakh (including accrued interest) as per mutually agreed repayment terms. By repaying the loan, in the beginning of the year your Company could reduce the interest burden substantially.

Servo lubricants have been approved by national and international equipment builders.

Directors' Report *Contd...*

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

Year	Lubes (KL) Capacity Per Annum	Lubes (KL) Production	Lubes (KL) Capacity Utilisation	Grease (MD Capacity Per Annum	Grease (MD Production	Grease (MD Capacity Utilisation	ECA 8586 (KL) Capacity Per Annum	ECA 8586 (KL) Production	ECA 8586 (KL) Capa city Utili sation
1990–91	2,50,000	3,89,790	156%	*11,000	6,809	*	–	–	—
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%**

* Resited plant at Vashi commenced operation since 15.10.90. Till then Trombay Plant with 8,500 MTPA capacity was operated.

$ ECA 8586 Commercial Production Commence from April '92.

LUBES

Lubes production declined by 5% compared to previous year mainly due to continuation of the recessionary trend in the Oil Industry. This was partly due to massive upgradation programme by stoppage of production of mono-grade oils and promotion of oil conserving long drain oils.

GREASES

Greases production increased by 14% compared to previous year with improved capacity utilisation at the Vashi Grease Plant.

ECA 8586

ECA 8586 Plant at Bombay met the full requirement of parent Company and achieved capacity utilisation of 84% in 1993–94.

PROJECTS

Completed Projects

Your Company accords high priority to timely completion of various projects.

Mechanised operations and upgradation of technology yield higher productivity

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The major projects completed during the year are:

— 4 x 3300 KL tanks at Calcutta.
— Modernisation at Vashi.
— Heat exchanger at Vashi.
— Import of Lab. Equipments.
  — S.S.I. rig
  — XRF analyser
  — Foaming bath
  — Viscosity baths Digital
  — Density Meter

On going Projects

The major projects under implementation are:

— Philips Auto Batch Blending System at Bombay/Calcutta.
— TIW siding expansion at Bombay.
— 4 x 250 KL tanks with TLF ba at Bombay
— Shed to eliminate belly rolling at Bombay/Calcutta.
— Yard development at Calcutta
— Diesel Fire hydrant pump at Calcutta.
— 750 KVA Transformer at Calcutta.
— Additional asphalt blending facility at Calcutta.
— Universal filling machines at Calcutta.
— Auto Ink Jet printers at Calcutta.
— Extension of shed for Mobil Small Can at Calcutta.
— Aluminium complex grease manufacturing facility at Vash
— 7.5 ton Homogeniser at Vashi
— 10 ton grease kettle at Vashi.

New Projects

The significant new projects planned are:

— Master equipment for calibration at Bombay/ Calcutta.
— Increase in height of Storage Tank at Bombay.
— Additional 2 floors in Canteen Building at Bombay.
— Extension of batch blending system for 4 Nos. Blending tanks at Bombay
— Barrel Decanting & rinsing system at Bombay & Calcutta.
— Extension of mezzanine floor/empty barrel handling at Bombay.
— Improvement in drainage system at Calcutta.
— Heating system for 4 Nos. bulk additives storage tanks at Calcutta.

ENERGY CONSERVATION

Your company continues to attach utmost importance to Energy Conservation. Consistent efforts are made in Energy Conservation in operations and also for general awareness.

Cold Blending process for blending some of the Servo products is one of the Energy conservation measures being followed to the extent possible for the last several years.

Fuel efficiency monitors have been provided at the Plants for monitoring air fuel ratio for boilers and furnaces.

Solar Water heating system for canteen is being installed for cost reduction & conservation of energy at all the Plants.

Your company has already set up Multi Functional Viscosity Modifier—MFVM ECA 8586 manufacturing facility at Bombay which results in savings in fuel consumption to motorists. Similar facility is being provided at Calcutta plant.

To reduce the energy consumption, a microprocessor based auto temperature control system is being provided to monitor/ control the temperature of Blending Tanks at Bombay & Calcutta at an estimated cost of Rs 25 lakh for each plant. This is scheduled for completion during second quarter of 1994-95

ENVIRONMENT PROTECTION

Your company is an environmentally conscious corporate citizen. It continues to accord high priority to environment protection. In this direction regular testing of effluents discharges is being carried out at all the plants.

QUALITY CONTROL AND DEVELOPMENT

Your Company continues to place great emphasis on Quality Control and Development in its Operations. In line with the latest developments, Quality Control equipments are being upgraded by computer aided facilities as part of our modernisation plan in a phased manner.

Your company continued to support and assist IOC's R&D Centre in development and indigenisation activities. The following new grades were introduced during the year:

Directors' Report *Contd...*

LUBRICANTS

Servo Superior Xee MG 10W40
Servo Super MG 20W-40
Servo Superior MG 20W-50
Servo Superior Xee MG15W -40
Servo Superior Xee SH 10W-40
Servo Reo 30
Servo Mango Spray Oil
0il OX-72
Servo Superior FM 20W-40
Servo Pride MG 10W-30
Servo Texshine 68

Some of the above products being of importance, were commercially launched by the parent company. Commercial launching of Servo Superior XEE 10W-40, Servo Superior FM 20W –40, Servo Texshine & Servo Texshine BD grades and Servo 2T Zoom 1 was done during the year.

Servo Superior FM 20W-40 has been developed for M/s. Maruti Udyog Ltd. as an initial fill for new vehicles for local and export market. Servo Superior XEE 10W-40 was also developed for Maruti, Premier 118 NE and Contessa as a regular lubricant and is being marketed through parent company's all India retail network.

Servo 2 T Zoom 1, a semi-synthetic product, is an effort towards conservation. This newly introduced oil for 2-stroke engine is used with fuel at 1 % dosage as against 2% dosage with conventional 2 T oil.

For the industrial consumers, customer specific Servo Texshine grades with a better scourable properties have been introduced for the Textile industry.

Servo Mesh EE grades have been introduced for the first time in India as energy efficient industrial gear oils.

GREASES

Following new greases were introduced during the year:

Servo	Texshine	100
Servo	Texshine	150
Servo	Texshine	BD 68
Servo	Texshine	BD 100
Servo	Texshine	BD 150
Servo	Mesh	EE 257
Servo	Mesh	EE 320
Servo	Mesh	EE 460
Servo	Mesh	EE 680

Cylinder Oil Gr.4 Type—1
Servo 2T Zoom 1

Servo Plex LC-1
Servo Grease Graphited 5083
Servo Plex LC-3
Servo Grease CG-10

Servo Grease CG-10 is indigenously developed and introduced by parent company for cement plant applications as a replacement of imported ceplatin grease.

ISO 9002 CERTIFICATION OF PLANTS

For excellence in all operations and in line with the International trend, your, company decided to upgrade the quality system and obtain ISO-9002 Certification for the three plants. A drive for training of the employees was launched and completed during the year. Considerable progress has been made on documentation and efforts are on to obtain ISO 9002 Certification for the three plants during 1994–95.

SAFETY

Your Company has maintained the tradition of Safety during the year. Efforts are made to upgrade standards and operating practices on a continuous basis. Safety audit has been conducted by Oil Industry Safety Directorate for Bombay, Calcutta & Vashi plants during 1993-94 and considerable progress has been made to implement the recommendations made by OISD. Action plan has been drawn to complete the balance activities during 1994–95.

With a view to ensure that safety requirements are strictly complied with, each plant has been posted with a safety officer. Various directives issued by the Oil Industry Safety Directorate are being adhered to by the plants. Safety audit and fire drills are conducted on a regular basis.

HUMAN RESOURCES

The total number of employees as on 31st March 1994, stood at 656 (115 Officers and 541 Workmen) as compared to 676 employees (119 officers and 557 workmen) as on 31st March 1993.

EMPLOYEE RELATIONS/ LABOUR SITUATION

Labour situation during the year was extremely good. Your Company witnessed yet another year of harmonious Industrial Relations.

HUMAN RESOURCE DEVELOPMENT AND TRAINING

Human Resource Management and Development aspects continue to get top priority and attention of the Company. With the amalgamation of HR functions of IOBL with IOC, training of IOBL work force is being looked after by them. This synergy has provided new employee orientation and benefit of vast experience of the parent company in this field.

Given the importance of information technology as a tool to enhance the speed, maximum thrust was given on computer training. The company's commitment to training got a further boost, when ISO—9000 Quality Appreciation Training was initiated and completed during the year for all the employees.

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During the year Small group activities and Quality Circles were reactivated at the plants to elicit voluntary employee participation. Line managers and opinion leaders were given orientation to make the participative interaction more meaningful.

WELFARE OF EMPLOYEES

Your company firmly believes in the philosophy of providing various welfare facilities and continues to upgrade its efforts aimed at promoting the same. The welfare facilities provided include house building advance, conveyance advance, subsidised transport, canteen facilities, medical facilities, provision of uniforms, incentives for family planning, education allowance for children, incentive to employees for higher education etc. Hygiene audit is being carried out and sample of drinking water is being regularly sent to Laboratory for testing. Medical check-up for canteen workers was confined.

WELFARE OF WEAKER SECTION

All Presidential directives with regard to recruitment and promotion of Scheduled Castes & Scheduled Tribes community and OBC community, Ex-servicemen and physically handicapped were followed by your company. Age relaxation and preference in promotions are continued to be extended to employees belonging to Scheduled Castes/Scheduled Tribes/OBC categories. Special training programme is being organised for enhancing qualitative values of employees belonging to Scheduled Castes/Scheduled Tribes categories. A Liaison Officer belonging to Scheduled Castes category continued to take care of the welfare measures of Scheduled Castes/Scheduled Tribes community.

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, Safery 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 implemented. Employees are being deputed for training programmes workshops conducted by the Holding Company (IOC) for providing extensive practice in Hindi correspondence. In April 1993, a Parliamentary Committee on Official Languages visited your Company and held discussions with Management on the progress of Hindi Implementation in official work. The Committee was impressed with our progress and suggestions were given for further improvement.

SPORTS

Your company continues to be a member of Petroleum Sports Control Board.

ENTERTAINMENT EXPENSES

Entertainment expenses incurred by your Company in 1993-94 amounted to Rs 5200 as against Rs 5479 in the previous year.

FUTURE OUTLOOK

1994-95 will continue to see the difficult conditions witnessed in 1993-94 and intensified competition in the Lube Industry. In the new era of heightened competition, boundaries have lost its relevance and one has to think globally to emerge out as a successful player.

Technology upgradation is a continuous process at our blending plants.

Directors' Report *Contd...*

It is critical to manage the costs and assets, as the 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. In order to remain competitive, your company has identified international quality standards at the least cost manufacturing as a major thrust area, with continued focus on innovation and quality upgradation.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies (Particulars of Employees) (Amended) Rules 1990 is annexed hereto.

DIRECTORS

During the year Shri O.N. Marwaha ceased to be Director-in-Charge of the company effective 21.3.1994 and Shri J. Bhuyan took over charge as Director-in-charge and was authorised by the Board to exercise power and authorities vested in MD/CMD of the company purely on temporary basis until such time CMD of the company is appointed.

Shri Subodh Mittal was appointed as Director of the Company effective 15.12.1993 against the vacancy caused by the resignation of Shri M.K. Ghosh.

Shri A.N. Sinha was appointed as Director of the Company effective 6.4.1994 against the vacancy caused by the resignation of Shri P. Raghavendran.

During the year Shri S. Rammohan ceased to be Director of the Company consequent upon his resignation effective 11.3.1994.

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

– Shri J. Bhuyan
– Shri M.N. Lambah
– Shri Subodh Mittal
– Dr. A.K. Bhatnagar
– Shri A.N. Sinha

ACKNOWLEDGEMENTS

Employees are the most vital resource of the Company and the growth of the Company depends largely on their commitment. Your Directors wish to place on record their deep appreciation for the commendable work done by the members of IOBL family. The Directors also acknowledge with gratitude the valuable advice, assistance and support received from the Government and the holding Company (IOC).

The Board of Directors also wish to place on record their deep appreciation for the excellent guidance and advice rendered by Shri O.N. Marwaha during his tenure as Director-in-Charge of the Company and S/Shri M.K. Ghosh, P. Raghavendran and S. Rammohan during their tenure on the Board of the Company.

For and on behalf of the Board

Bombay — J. Bhuyan

Dated: 22nd July, 1994 — Director-in-Charge

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:

As a means of conservation of energy, fuel consumption is being regulated by controlling of CO_2 content in the fuel gas. For this purpose, CO_2 analyser have been installed to monitor the efficiency of boiler burners.

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

Fuel efficiency monitors have been provided at the Plants for monitoring air fuel ratio for boilers and furnaces thereby savings in fuel consumption.

Solar water heating system for canteen is being installed for cost reduction & conservation of energy at all the Plants.

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 are given in prescribed Form ‘A’ annexed hereto.

II. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption:

Particulars with regard to technology absorption are given in prescribed Form ‘B’ annexed hereto.

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 73,26,658 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 1993-94	Previous Year 1992-93	Current Year 1993-44	Previous Year 1992-93	Current Year 1993-94	Previous Year 1992-93
1. ELECTRICITY						
a) Purchased:						
Unit (KW)	13,18,080	12,29,640	8,55,370	8,07,310	13 70,060	13,16,020
Total Amount (Rs lakh)	42.09	33.19	22.37	17.09	33.52	31.39
Rate/Unit (Rupees)	3.19	2.70	2.62	2.12	2.45	2.43
b) Own Generation:						
i) Through Diesel Generators						
Unit (KW)	NA	NA	6,690	26,100	41,808	47,928
Unit/Ltr of Diesel oil	NA	NA	2.75	2.64	3.19	3.00
Cost/Unit (Rupees)	NA	NA	1.86	2.19	2.11	2.24
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 quantity & 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)	298.758	293.753	147.14	184.31	251.64	245.35
Total Amount (Rs Lakh)	18.06	16.67	9.24	10.34	14.87	12.17
Average Rate (Rs per KL)	6,044.75	5,673.70	6,279.73	5,610.11	5,910.00	4,961.10
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 Current Year 1993-94	Bombay Plant Previous Year 1992-93	Calcutta Plant Current Year 1993-44	Calcutta Plant Previous Year 1992-93	Vashi Plant Current Year 1993-94	Vashi Plant Previous Year 1992-93
		Lubes	Lubes	Lubes	Lubes	Lubes	Lubes
Electricity (KW/Ton)	—	6.454	5.98	8.01	6.89	104.71	118.70
FO/LDO (Ltr/Ton)	—	1.463	1.43	1.39	1.52	19.23	21.35
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 AND 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:**

   DCS, TDC-3000 system installed at Vashi Plant. This is a Tata Honeywell technology, USA without any foreign exchange outgo.

   Vashi Plant adopted heat exchanger based on air cooling developed indigenously.

   Adoption of LAB system at Bombay/Calcutta/Vashi Plants and at Head office.

   Installation of PSMS system for scheduling and monitoring of Lube Oil Blendings at Bombay & Calcutta developed with the assistance of M/s. Tata Consultancy Services.

   Load Cell fitted to Drum Filling machines of Vashi Grease Plant.

   2. Nos. Drum filling machines supplied by M&P based on German Technology commissioned at Bombay Plant.

   Computerised attendance recording system installed at Bombay Plant.

   Fuel efficiency monitors installed at Bombay Plant.

   Modem installed at Bombay Plant.

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

   The DCS, TDC-3000 system is an extension of DIDC system. The system has been further automated from Homogenisation to filling system thereby reducing dependence on manual operation

   Heat exchanger based air cooling has been installed to avoid fire risk in grease plant hot oil system.

   LAN system has been adopted at all the three plants and HO to enhance the speed and access to the information and data.

   Load cell based automatic drum filling machine has been achieved for accurate filling and avoid overflowing from drums.

   Computerised attendance recording permits instant retrieval of any data pertaining to the employee and hence will help in better data management.

   Fuel efficiency monitor checks air fuel ratio input to the Boiler. It helps in uniform fuel combustion resulting in saving of fuel and achieving better thermal efficiency.

   Modem improves data communication system, avoiding any time delays.

Annexure *Contd...*

3. Future plans for technology adoption

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

Adoption of Solar energy at Bombay/Calcutta/Vashi for conservation of energy for hot water requirement of canteen with the help of BHEL without any foreign exchange outgo.

Installation of reflux condensor at Calcutta Plant to conserve diluent used in certain bituminous based lubricants.

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

Replacement of gear rotary pump with vane pump at Bombay Plant having constant pressure control for conservation of energy as power consumption will be minimum.

Installation of auto level gauges in balance storage tanks for better operational control and stock accounting accuracy.

Adoption of inkjet screen printing on barrels for improved stencilling and better image of the Corporation.

Auditors' Report

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1994 and the I Profit and Loss Account for the year 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, 1994 and
   b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
5. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 and as per the information and explanations given to us during the course of our audit, we report on the matters specified in the Para 4 of 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.

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, 1994 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
Dated: 26th June, 1994.

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 and less is amortised during the lease period.

1.3.2 Depreciation on Fixed Assets other than the above is amortised 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 difference due to exchange fluctuation is capitalised except the exchange difference on liabilities relating to assets already written off which is charged to Revenue.

2. CURRENT ASSETS, LOANS & ADVANCES:

2.1 Valuation of Inventories (Stores & 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:

Show Cause Notices 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 lakhs.

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 & 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 & Loss Account.

4.4 Prepaid expenses upto Rs 1 lakh in each case are charged to Revenue.

4.5 Income & Expenditure upto Rs 2 lakhs in each case pertaining to prior years are accounted for in the current year.

4.6 Income & Expenditure of Extra-Ordinary nature in excess of Rs 5 lakhs in each case are disclosed separately.

Sd/-
J. BHUYAN
Director-In-Charge

Sd/
M.N. LAMBAH
Financial Director

Sd/
RAJU RANGANATHAN
Secretary

Calcutta
Dated: 25th June, 1994.

Balance Sheet

Balance Sheet as at 31st March, 1994

	Schedule	Rupees	Rupees	1 993 Rupees
SOURCES OF FUNDS:				
1. Shareholder's Funds:				
a) Share Capital	I	40,00,000		40,00,000
b) Reserves & Surplus	II	18,51,71,430		15,01,58,391
			18,91,71,430	15,41,58,391
2. Loan Funds:				
Unsecured Loans	III		3,36,09,742	5,07,62,513
TOTAL:			22,27,81,172	20,49,20,904
APPLICATION OF FUNDS:				
1. Fixed Assets:	IV			
a) Gross Block		30,30,96.589		26,01,68,713
b) Less: Depreciation and Amortisation		13,76,78,913		11,28,66,094
c) Net Block		16,54,17,676		14,73,02,619
d) Capital Work-in-Progress		1,14,14,458		1,30,66,251
e) Advances for Capital Expenditure		1,09,919		–
f) Miscellaneous Capital Stores (at or under cost)		10,422		–
			1 7,69,52,475	16,03,68,870
2. Current Assets Loans and Advances	V			
a) Inventories		86,74,484		91,81,195
b) Sundry Debtors		—		1,21,96,342
c) Cash and Bank Balances		39,84,307		26,00,927
d) Loans and Advances		7,04,67,028		6,12,25,751
C/F		8,31,25,819		8,52,04,215
Carried Forward			17,69,52,475	16,03,68,870

Balance Sheet as at 31st March, 1994 Contd..

	Schedule	Rupees	Rupees	1993 Rupees
Brought Forward			17,69,52,475	16,03,68,870
B/F....		8,31,25,819		8,52,04,215
Less: Current Liabilities and Provisions:	VI			
a) Current Liabilities		3,66,97,122		4,00,52,181
b) Provisions		6,00,000		6,00,000
		3,72,97,122		4,06,52,181
Net Current Assets			4,58,28,697	4,45,52,034
	TOTAL:		22,27,81,172	20,49,20,904

Contingent Liabilities not provided for
(Refer Schedule X note—1)

Notes on Accounts X

Sd/-
J. BHUYAN
Director-In-Charge

Sd/
M.N. LAMBAH
Financial Director

Calcutta:
Dated: 25th June, 1994

Sd/
RAJU RANGNATHAN
Secretary

As per report of even date
for S.J. RAJADHYAKSHA & COMPANY
Chartered Accountants

Sd/
S.J. RAJADHYAKSHA
Partner

Bombay:
Dated : 26th June, 1994.

:

Profit and Loss Account

Profit and Loss Account for the year ended 31st March, 1994

	Schedule	Rupees	Rupees	1993 Rupees
INCOME:				
Blending and Processing Charges	VII		20,21,79,765	20,24,16,707
Other Income	VII		72,24,122	32,74,286
TOTAL:			20,94,03,887	20,56,90,993
EXPENDITURE:				
Operating and Other Expenses	VIII		12,28,60,435	10,89,62,677
Interest:				
On Fixed Loan		45,03,439		82,26,038
On Others		1,768		–
			45,05,202	82,26,038
Depreciation & Amortisation			2,52,09,005	2,51,04,778
TOTAL:			15,25,74,647	14,22,93,493
Profit Before Extra Ordinary and Prior Period Adjustments			5,68,29,240	6,33,97,500
Excess Provision Written Back			2,51,661	2,73,602
Income/(Expenditure) Relating to Extraordinary Items (Net)	IX		37,54,794	(36,17,344)
			6,08,35,695	6,00,53,758
Income/(Expenditure) Relating to Prior Period (Net)			(2,22,656)	(75,000)
Profit Before Tax:			6,06,13,039	5,99,78,758
Provision for Taxation			2,50,00,000	3,10,00,000
Profit After Tax:			3,56,13,039	2,89,78,758
Balance Brought Forward From Last Year's Account			2,60,08,853	3,633
Investment Allowance Reserve Written Back			—	5,83,000
Disposable Profit:			6,16,21,892	2,95,65,391

Profit and Loss Account *Contd...*

	Schedule	Rupees	1993 Rupees
APPROPRIATIONS:			
Proposed Dividend		6,00,000	6,00,000
General Reserve		35,61,000	29,56,538
Balance Carried to Balance Sheet		5,74,60,892	2,60,08,853
	TOTAL:	6,16,21,892	2,95,65,391

Notes forming part of Accounts

Sd/-
J. BHUYAN
Director-In-Charge

Sd/
M.N. LAMBAH
Financial Director

Sd/
RAJU RANGNATHAN
Secretary

Calcutta:
Dated: 25th June, 1994

As per report of even date
for S.J. RAJADHYAKSHA & COMPANY
Chartered Accountants

Sd/
S.J. RAJADHYAKSHA
Partner

Bombay:
Dated : 26th June, 1994.

Schedules

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 1994

	Rupees	Rupees	1993 Rupees
SCHEDULE–I			
Share Capital:			
Authorised:			
8,000 Equity Shares Rs 500/- each		40,00,000	40,00,000
Issued, Subscribed and Paid Up Capital:			
8,000 Equity Shares Rs 500/- each, fully paid (the entire Share Capital is held by INDIAN OIL CORPORATION LTD., 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	12,23,71,538		11,94,15,000
Add: Transferred from Profit and Loss Account	35,61,000		29,56,538
		12,59,32,538	12,23,71,538
2) Investment Allowance (Utilised) Reserve			
As per last Balance Sheet	17,78,000		23,61,000
Less: Transferred to Profit and Loss Account	—		5,83,000
		17,78,000	17,78,000
3) Prom and Loss Account As per Annexed Account		5,74,60,892	2,60,08,853
TOTAL:		18,51,71,430	15,01,58,391

SCHEDULE—III

	Rupees	Rupees	1993 Rupees
Unsecured Loan:			
Loan from Indian Oil Corporation Limited, The Holding Company (including Rs 1,63,00,000; 1993: Rs 1,63,00,000 due for payment within one year)		3,26,04,800	4,89,04,800
Interest Accrued and due on above		10,04,942	18,57,713
TOTAL:		3,36,09,742	5,07,62,513

Schedules *Contd...*

SCHEDULE—IV

FIXED ASSETS

	GROSS BLOCK			
	As on 1.4.93	Additions	Deletions	As on 31.3.94
	Rs	Rs	Rs	Rs
Land—Leasehold	80,68,550	0	62,550	80,06,000
Office/Factory Building	5,02,07,180	14,18,841	3,31,593	5,12,94,428
Residential Flats	1,62,336	0	0	1,62,336
Railway Sidings	2,73,039	0	0	2,73,039
Plant & Machinery	17,68,84,151	3,85,63,802	3,56,904	21,50,91,049
Computer/Microprocessors	26,29,913	15,16,969	0	41,46,882
Furniture, Fixtures & Office Equipments	1,14,95,335	13,49,422	8,17,605	120,27,152
Forklift Trucks	90,47,719	14,13,929	0	1,04,61,648
Motor Vehicles	14,00,490	2,33,565	0	16,34,055
TOTAL:	26,01,68,713	4,44,96,528	15,68,652	30,30,96,589
PREVIOUS YEAR	23,25,07,879	2,80,61,625	4,00,791	26,01,68,713

Notes: (1) Residential Fiat includes Rs 3,500 (1993: Rs 3,500) towards value of 70(1993: 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 2,63,288) to the Holding Company. The Depreciation provision till 31.03.93 as per the Holding Company's Account has been taken over by the Company.

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SCHEDULE—IV *Contd...*

DEPRECIATION AND AMORTISATION					NET BLOCK	
Upto 31.3.93	Deductions/ Adjustment for earlier years	Adjustment for current Year	Charged this Year	Upto 31.3.94	As on 31.3.94	As on 31.3.93
Rs	Rs	Rs	Rs	Rs	Rs	Rs
7,33,196	62,550	0	87,820	7,58,466	72,47,534	73,35,354
1,38,96,740	2,226	0	29,02,523	1,67,97,037	3,44,97,391	3,63,10,440
84,759	0	0	238	84,997	77,339	77,577
2,63,942	0	0	1,265	2,65,207	7,832	9,097
8,47,28,461	2,43,699	0	1,97,22,155	10,42,06,917	11,08,84,132	9,21,55,690
12,84,514	0	0	7,17,378	20,01,892	21,44,990	13,45,399
45,71,871	84,279	3,432	10,91,950	55,76,110	64,51,042	69,23,464
64,26,555	0	0	5,57,124	69,83,679	34,77,969	26,21,164
8,76,056	0	0	1,28,552	10,04,608	6,29,447	5,24,434
11,28,66,094	3,92,754	3,432	2,52,09,005	13,76,78,913	16,54,17,676	14,73,02,619
8,81,12,273	3,49,190	1,767	2,51,04,778	11,28,66,094	14,73,02,619	14,43,95,606

Schedules *Contd...*

SCHEDULE—V

Current Assets Loans and Advances:

1) Current Assets:

		Rupees	Rupees	1993 Rupees
(a)	Inventories:			
	Stores & Spares (at or under cost)		86,74,484	91,81,195
	TOTAL:		86,74,484	91,81,195
(b)	Sundry Debtors:			
	OVER SIX MONTHS:			
	– Unsecured, Considered Good		–	23,305
	OTHERS DEBTS:			
	– Unsecured, considered good (due from the Holding Company, Indian Oil Corporation Ltd.)		–	1,21,73,037
	TOTAL:		–	1,21,96,342
(c)	Cash & Bank Balance:			
	(i) Cash balances including cheques in hand:		2,34,746	4,07,651
	(ii) Balance with Scheduled Banks:			
	– Current Account		26,67,950	5,46,075
	– Fixed Deposit Account		10,81,611	16,47,201
	TOTAL:		39,84,307	26,00,927
2)	Loans and Advances:			
(a)	Advances recoverable in cash or in kind or for value to be received:			
	(i) Secured, Considered Good*	2,96,49,876		2,93,28,047
	(ii) Unsecured, Considered Good*	2,94,26,737		2,20,32,289
	(iii) Unsecured, Considered Doubtful	5,965		–
		5,90,82,578		5,13,60,336
	(iv) Less: Provision for Doubtful Advances	5,965		–
			5,90,76,613	5,13,60,336
(b)	Advance Payment of Income Tax:	11,03,90,415		8,38,65,415
	Less: Provision for Taxation	9,90,00,000		7,40,00,000
			1,13,90,415	98,65,415
	TOTAL:		7,04,67,028	6,12,25,751

* Includes Rs. 84,268 (1993: Rs. 13,145) due from Other Officers (Maximum Rs. 94,701; 1993: Rs. 15,145)

Schedules *Contd...*

SCHEDULE—VI

Current Liabilities and Provisions:

	Rupees	Rupees	1993 Rupees
a) Current Liabilities:			
(i) Sundry Creditors		49,44,287	31,98,269
(ii) Other Liabilities		1,60,15,049	2,01,50,493
(iii) Security Deposits	52,66,153		35,90,521
Less: Investments and Deposits with Bank lodged by outside parties	15,000		–
		52,51,153	35,90,521
(iv) Due to Indian Oil Corporation Limited (the Holding Company)		8,95,780	(12,73,382)
– Due to Others			
(v) Interest Accrued but not due on loans from Indian Oil Corporation Limited (the Holding Company)		95,90,853	1,43,86,280
TOTAL:		3,66,97,122	4,00,52,181
b) Provisions:			
Proposed Dividend		6,00,000	6,00,000
TOTAL:		6,00,000	6,00,000

Schedules *Contd...*

Schedules Annexed to and Forming Part of the Profit & Loss Account For the year ended on 31st March, 1994

	Rupees	Rupees	1993 Rupees
SCHEDULE—VII			
Blending and Processing Charges:			
Blending and Processing Charges:		20,21,79,765	20,39,51,748
Less: Operational Loss		–	15,35,041
TOTAL:		20,21,79,765	20,24,16,707
Other Income:			
Reimbursement of Expenses in lieu of Blending Fees		30,89,299	5,86,344
Interest:			
(i) Loans and Advances	28,13,329		16,97,164
(ii) Fixed Deposits with Bank	1,59,134		1,52,420
		29,72,463	18,49,584
Profit on Sale and Disposal of Assets		22,887	67,135
Miscellaneous Income		11,39,473	7,71,223
TOTAL:		72,24,122	32,74,286

Schedules *Contd...*

SCHEDULE—VIII

Operating and Other Expenses:

	Rupees	Rupees	1993 Rupees
Payments to and Provisions for Employees:			
(a) Salaries, Wages, Allowances and Bonus	5,41,88,504		5,23,07,855
(b) Contribution to Employees' Provident Fund and Other Funds	34,16,986		30,55,218
(c) Gratuity	11,46,247		11,26,603
(d) Staff Welfare Expenses	1,64,83,334		1,68,28,802
		7,52,35,071	7,33,18,478
Payment to Handling Contractors		23,43,965	24,19,889
Fuel, Power and Water Charges		1,57,70,972	1,32,81,330
Stores and Spare Parts Consumed		37,04,800	16,91,312
Rent		31,42,733	25,79,807
Rates, Taxes and Licenses		26,39,330	5,97,140
Material Handling Expenses		13,08,438	11,67,519
Repairs and Maintenance:			
(a) Buildings	8,89,110		9,67,920
(b) Plant and Machinery	40,69,039		20,94,415
(c) Railway Siding	4,68,474		3,99,089
(d) Others	18,54,805		14,02,502
		72,81,428	48,63,926
Insurance		6,61,366	5,03,310
Travelling and Conveyance		29,27,159	25,26,472
Motor Vehicle Expenses		7,18,278	5,73,124
Printing and Stationery		9,66,962	9,08,824
Postage, Telegram and Telephones		14,06,048	11,52,323
Legal and Professional Charges		62,719	49,027
Loss on Sale/Scrapping of Assets		1 7,963	8,411
Payment to Auditor:			
(a) Audit Fees	15,000		15,000
(b) Tax Audit Fees	8,000		5,000
(c) Other Services (for issuing Certificates)	3,000		
(d) Out-of-Pocket Expenses (including travel costs)	39,930		34,676
		65,930	54,676
Miscellaneous Expenses		46,01,308	32,67,109
Provision for Doubtful Advances and Claims		5,965	–
TOTAL:		12,28,60,435	10,89,62,677

Schedules *Contd...*

SCHEDULE—IX

Income/Expenditure Relating to Extraordinary Items (Net)

	Rupees	Rupees	1993 Rupees
Income:			
Reimbursement of Expenses in Lieu of Blending Fees		65,68,075	18,83,668
TOTAL INCOME:		65,68,075	18,83,668
Expenditure:			
— S.T.A. Arrears for Workmen		—	24,13,537
— Personal Pay Merger for Officers		—	1,83,949
— DA Arrears to Employees		—	13,74,156
— Rationalisation Adjustment		—	5,15,622
— Rates, Taxes and Licenses		20,51,645	7,92,414
— Regulatory Practices for Workmen		—	2,21,334
— Adhoc Payment to Officers		7,61,636	—
TOTAL EXPENDITURE:		28,13,281	55,01,012
NET INCOME/(EXPENDITURE):		37,54,794	(36,17,344)

SCHEDULE-X

Notes on the Accounts for the year ended 31st March, 1994.

1. Contingent Liabilities in respect of: Claims against the Company not acknowledged as Debts **Rs 47.55 Lakhs (1993:** Rs 42.69 Lakhs).
2. Estimated amount of Contracts to be executed on Capital Account and not provided for **Rs 77.82 Lakhs** (1993: Rs 88.07 Lakhs).
3. Lease agreement in respect of land for Vashi Plant of the Gross value of **Rs 80.06 Lakhs** (1993: Rs 80.06 Lakhs) is pending for execution and is, therefore, not available for verification.
4. During the year, the 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 and the Staff, Liability has not been provided in respect of the revision of emoluments (except for adhoc payment to officers amounting to Rs 9.22 lakhs) as the amount thereof is not ascertainable. However, the impact of the above settlement is recoverable through Blending Fees from Indian Oil Corporation Ltd. (the Holding Company).
6. The Profit and Loss Account includes:
   a. Expenditure on Public Relations and Publicity amounting to **Rs 0.10 Lakhs** (1993: Rs 0.45 Lakhs.) which is inclusive of **Rs Nil,** (1993: Rs. Nil) on account of Staff and Establishment and **Rs 0.10 Lakhs** (1993: Rs 0.45 Lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00005:1** (1993: 0.00022:1)
   b. Research & Development expenses **Rs Nil** (1993: Rs Nil).
   c. Entertainment expenses **Rs 0.05 Lakhs** (1993: Rs 0.05 Lakhs).
7. Consequent to the revision in rates of depreciation in Schedule XIV to the Companies Act, 1956, the Company has provided for depreciation at the revised rates for the year ended 31.3.1994. Due to the revision in rates depreciation provision for the year ended 31.3.1994, is lower by Rs 11.96 Lakhs and profit before tax is higher by the identical amount.
8. Prior to 1.4.1993, Blending Fee Income was reckoned on Bulk loading on Tank Wagons and finished product/additive filling in Barrels/Small cans. With effect from 1.4.1993, the Blending Fee income is reckoned and accounted on volume of finished Lubricants and greases blended/processed. As a result of this change, an additional Blending Fee Income of **Rs 8.57 Lakhs** has accrued to and accounted for by the Company.
9. Additional information pursuant to pares 3, 4, 4c and 4d of Schedule VI of the Companies Act, 1956, is as under:

   A. Turnover (Blending/Processing fees)

		1994	**1993**
Lubes	KLs	3,32,285	3,51,476
	Rs	14,62,05,386	15,46,49,659
ECA 8586	KLs	840	1,059
	Rs	3,69,600	4,66,142
Greases	MTs.	13,083	11,491
	Rs	5,56,04,779	4,88,35,947

NOTE: 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 Ltd., the Holding company. Quantities mentioned above, relate to such processing operations.

Schedules *Contd...*

SCHEDULE–X *Contd.*

	1994	1993
B. Remuneration paid/payable to Whole-time Directors:	Nil	Nil

C. Capacity and Production:

	1994			1993		
	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 Production	332285	840	13083	351476	1059	11491

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

	Rupees 1994	Rupees 1993
D. C I F Value of Imports		
Spare Parts & Components	—	11,84,232
Capital Goods	72,82,501	35,47,894
E. Expenditure in Foreign Currency:		
Subscription to Journal	44,157	4,698
Foreign Travel	—	3,35,286

F. Consumption of Stores & Spares during the year :

	1994		1993	
	Value	%	Value	%
Imported	4,53,717	12.25	1,49,144	8.82
Indigenous	32,51,083	87.75	15,42,168	91.18

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

Signature to Scheduel I to X

Sd/-	Sd/	Sd/
J. BHUYAN	M.N. LAMBAH	RAJU RANGNATHAN
Director-In-Charge	Financial Director	Secretary

Calcutta:
Dated: 25th June, 1994

As per report of even date
for S.J. RAJADHYAKSHA & COMPANY
Chartered Accountants

Sd/
S.J. RAJADHYAKSHA
Partner

Place: Bombay:
Dated : 26th June, 1994.

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, 1994.

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 31st March, 1994 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
Dated: 18 July, 1994