Annual Report 1991-92

Indian Oil Corporation Limited

Cover Caption :

IndianOil accords the highest priority for environment protection. Towards this, green belts are developed in and around the various units. Picture shows tree cover developed around our refinery at Gujarat

Indian Oil Corporation Limited

Incorporated in September 1964 by amalgamating Indian Refineries Limited (estb 1958) with Indian Oil Company (estb 1959).

Presently Indianoil is India's largest commercial undertaking. It is ranked 135th globally and as the 29th largest petroleum company in the world as per the latest Fortune listing released in July, 1992.

Indianoil owns and operates six of the country's twelve refineries with a total refining capacity of 24.40 million tonnes per annum representing over 47% of the national refining capacity.

Indianoil operates a wide network of pipelines for transporting crude oil and products to various places 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

To reach petroleum products to consuming centres, Indianoil operates a vast reseller network. Bulk storage points are also strategically located at different parts of the country to ensure prompt and uninterrupted supplies to consumers. Presently Indianoil meets over 57% of the country's petroleum product requirements.

Indianoil meets 69% of the aviation fuel business in India. It earns valuable foreign exchange through supply of aviation fuels to intentional airlines and bunker fuels and marine lubricants to foreign vessels.

Indianoil's Research & Development Centre is perhaps the only one of its kind in Asia, with most modern facilities. The Centre has developed over 1100 lubricant formulations, resulting in 95% of lubricants marketed in India being indigenously developed.

Indianoil's SERVO lubricants have received approvals from both national and international engine builders.

Indianoil is also the sole canalising agency for import of crude oil and petroleum products on behalf of the oil industry in India.

Contents

Indian Oil Corporation Limited

Registered Office

Indianoil Bhavan

G-3, Ali Yavar Jung Marg,

Bandra (East), Bombay-400051

33rd 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.

Chairman's Message

The year 1991 began with the glorious recognition for your Corporation in the winning of Arjuna Award by Ms. Niyati Shah, an outstanding sports-person of Indianoil and a table tennis player of intentional repute. Listing of Indianoil as 135th largest commercial organisation amongst 500 large organisations of the world by the Fortune Intentional was another intentional recognition. Indianoil improved its ranking from the previous year and retained its number one position amongst Indian corporate giants. Individual as well as corporate excellence continued to be the hall-mark of this year's performance.

The year, however, witnessed upheavels and dramatic changes on political as well as economic fronts. Thephenomenon was both national and intentional. Disintegration of major world economies like USSR, UN trade sanctions against Iraq—a major oil producing and exporting country, legendary unification of Germany, all had repercussions on world economies, and greatly hindered global industrial peace. The unhappy recession in world economies only aggravated the situation. India had to share the over-flow of intentional events.

Slowing down of world trade on account of increased bilateral and regional groupings, rupee-trade coming to a halt following the collapse of erstwhile Soviet bloc, impact of the Gulf war and consequent dislocation of certain important sources of crude oil supplies besides devaluation of the Indian rupee in July, 1991 coupled with the country's difficulties on Balance of Payment (BOP), all had a significant impact on the performance of your Corporation. The situation further worsened with the international commercial banks showing their reservation to extend fresh credit support, since India's credit rating was down graded by the international credit rating agencies. Due to high cost of inputs consequent to rupee devaluation, hike in transportation costs and enhanced levies by the Central and State Governments, the out-flow from the Oil Industry Pool Account increased considerably as compared to the in-flow. Your Corporation being the sole canalising agency for import of crude oil and petroleum products, it had to bear the major brunt caused by these unfavourable situations. Our recoverables from the Oil Industry Pool Account increased substantially, necessitating discovering and adoption of ways and means to raise financial resources to avert liquidity crisis.

Inspite of these adverse circumstances, your Corporation, through prudent management, faced the situation with grit and detemination. The Corporation's performance during 1991-92 is a testimony to the inherent strength of its people. Indianoil has once again proved its organisational potential, capabilities, commitment and resilience to adapt itself to the national and intentional realities of change and challenges.

ACCOMPLISHMENTS

Retaining its true leadership, Indianoil registered substantial growth in all its operations, exceeding most of the Memorandum of Understanding (MOW) targets. It was for the first time that an Indian company crossed the enviable mark of Rs 20,000 crores annual sales turnover.

Despite dislocations in supply sources for crude oil and petroleum products and increased import requirements, your Corporation efficiently managed imports in line with country's demands and needs. Deft handling of available financial resources ensured timely discharge of payment obligations to foreign suppliers and intentional commercial banks thus increasing the intentional credit worthiness of your Corporation. Efficient import management and product demand management ensured uninterrupted supplies of essential petroleum products to all the important sectors of our economy.

While meeting the business objectives, your Corporation has been taking adequate care for the maintenance of ecological quality and cleaner environment at its production centres. Concerted efforts were made for environmental monitoring to meet the prescribed national standards.

Human resource continued to remain the key strength of your Corporation. Participative culture is taking roots and employees' participative councils and Quality Circles have become even more active. Long accident free periods and recognition in the form of several safety awards, both national and intentional, are indicative of the high sense of dedication shown by the employees towards safe operations all-round the year. I would like to place on record my admiration and compliment, for the whole-hearted commitment, sincerity and untiring efforts of all members of the Indianoil family which turned such a turbulent year into yet another year of records and successes.

FUTURE OUTLOOK AND CHALLENGES

The Government has proposed a phased programme for structural adjustments in the Indian economy, beginning with restoration of "macro-economic balance." There is a distinct shift from the regulated trade economy to a more open and market driven economy. With the new economic changes now taking place in India and political stability firming up, the country is once again poised for a steady growth. Following the initiation of structural adjustments and reforms, our country is fast regaining international confidence and support. The policy changes implemented will help increase our country's competitiveness in the global market place.

In this changing economic scenario, the oil industry, especially the refining sector is set for a spectacular growth during the current decade, with both domestic and foreign capital participation. The task of expanding the refineries—virtually doubling the capacity in less than a decade—will become much more easier owing to the recently introduced economic reforms. Under the new economic policy, the refinery segment has been opened to private investments in particular, albeit with license from Government.

The petroleum sector, as in the earlier days will once again become "market driven" as production controls and regulations in the refining and marketing sector are gradually dispensed with. Your Corporation, therefore, need to be pro-active and highly responsive to customer needs, constantly expanding its network so as to retain existing customers who would increasingly look for "value for money" in the products and services offered to them. With this new trend, the need for specialised and technological superiority would be still greater to help maintain our competitive edge. All of us should therefore, realise the need to put in greater efforts in the years ahead so that we could continue to maintain our pre-eminent position as trend setters in the country.

The Corporation has a number of new projects planned for implementation in the coming years. Capital is both scarce and dear and, therefore, it is necessary to ensure timely completion of projects. Professional leadership in our business will enhance our international reputation which would bring new partners and opportunities for growth.

I have briefly outlined some of the issues and prospects before us so that we could fine-tune our expertise and performance to meet the business commitments of the future. I am sure with your continued support and dedication we could look forward to a rewarding future.

New Delhi
Date: September 4,1992

(K.N. VENKATASUBRAMANIAN)
Chairman

Corporate Profile at a Glance

(Rs/Crores)

	1991 -92	1990-91	1989-90	1988-89	1987-88
I. FINANCIAL					
Turnover	**20825**	19508	17614	15342	14304
Gross Profit	**1822**	1774	1460	1030	858
Profit after lnterest	**1169**	1122	1069	887	770
Profit after Depreciation	**1085**	907	840	676	572
Net Profit	**787**	730	675	514	410
Loans repaid from Intemal Resources	**0**	3	11	22	58
Dividend	**41**	27	25	25	22
Reserves & Surplus Cumulative	**4200**	3453	2750	2101	1611
WHAT CORPORATION OWNS					
Gross fixed Assets	**4617**	3856	3257	2793	2515
Depreciation	**2133**	2059	1852	1633	1431
Net fixed Assets	**2484**	1797	1405	1160	1084
Investments	**4153**	6466	5310	2516	1192
Working Capital	**1313**	2441	1599	634	599
Total	**7960**	10704	8314	4310	2875
WHAT CORPORATION OWES					
Net Worth					
- Share Capital	**123**	123	123	123	123
- Reserves	**4200**	3453	2750	2100	1611
Borrowings	**3627**	7128	5441	2087	1141
Total	**7950**	10704	8314	4310	2875
RATIOS					
Debt Equity Ratio	**0.25:1**	0.13:1	0.12:1	Negligible	0.04:1
Earnings per Share (Rupees)	**6383**	5923	5472	4173	3324
Post Tax Profit (% of average Networth)	**19.9**	22.6	26.5	26.0	26.6
Networth/Equity Share (Rupees)	**35069**	29014	23314	18041	14069
FUND PLOW STATEMENT					
Sources of Funds					
- Profit after Tax	**787**	730	675	514	410
- Depreciation	**74**	207	219	202	186
- Unsecured Borrowings	**(3629)**	1934	3182	976	398
- Secured Borrowings	**128**	(248)	172	(30)	26
Total	**(2640)**	2623	4248	1662	1020
Utilisation of Funds					
- Dividend	**41**	27	25	25	22
- Capital Expenditure	**760**	599	464	278	244
- Increase in Working Capital	**(1128)**	841	965	35	102
- Investments	**(2313)**	1156	2794	1324	652
Total	**(2640)**	2623	4248	1662	1020
CONTRIBUTION TO CENTRAL EXCHEQUER	**4275**	4062	3432	2931	2634

		(Rs/Crores)				
		1991 -92	**1990-91**	**1989-90**	**1988-89**	**1987-88**
VALUE ADDED STATEMENT						
Generation						
- Production & Operation		**1493**	1439	1388	1095	1028
- Investment & Interest		**823**	829	415	196	115
- Prior Year & Extraordinary Income		**97**	23	95	187	26
Value Added		**2413**	2291	1898	1478	1169
Distribution						
- Reinvestment in Business		**830**	918	879	700	586
- Financing Cost		**694**	679	416	168	110
- Employees' Benefits, Operating and other Costs		**889**	694	603	610	473
Total		**2413**	2291	1898	1478	1169
II. **OPERATIONS**						
Operating Performance						
Product Sales	Million Tonnes	**32.37**	31.42	31.01	28.99	27.08
Refineries Throughput	Million Tonnes	**24.29**	23.74	23.53	22.00	21.79
Pipelines Throughput	Million Tonnes	**22.52**	21.36	20.89	20.28	19.63
Marketing Network & Facilities						
Divisional Offices	Nos.	**42**	42	39	34	34
LPG Area Offices	Nos.	**31**	31	31	31	30
Terminals and Depots	Nos.	**158**	154	152	152	150
Aviation Fuel Stations	Nos.	**87**	86	84	79	79
Total Product Tankage	Lakh/Kl	**37.66**	36.46	34.69	33.18	32.76
LPG Bottling Plants	Nos.	**29**	27	25	25	17
LPG Bottling Capacity	000 Tonnes	**1026**	1004	959	947.5	698.5
Retail Outlets	Nos.	**5892**	5880	5762	5639	5493
SKO/LDO dealers	Nos.	**3175**	3165	3082	2995	2932
Indane Distributors	Nos.	**2069**	1999	1896	1741	1608
Multi Purpose Distribution Centres(MPDC)	Nos.	**231**	231	231	231	231
Towns with Indane	Nos.	**1062**	1015	950	869	805
Indane Customers	Lakh	**94**	88	83	77	71
III. MANPOWER	Nos.	**33434**	33303	33365	33100	32930

Board of Directors

KN Venkatasubramanian
Chairman

Dr. P.K. Mukhopadhyay
Director (R&D)

B.K. Bakhshi
Director (Marketing)

J.L. Zutshi
Director (Personnel)

B.D. Gupta
Director (Finance)

A.P. Chaudhri
Director (R&P)
(w.e.f. 27.3.92)

Dr. Uddesh Kohli

H.C. Gupta

Falguni Rajkumar

Dr. A.N. Saksena

T.S. Krishnamurthi
Director (R&P)
(Up to 31.12.91)

Secretary
S.M. Weling

Major Units

CHAIRMAN'S 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

HEAD OFFICE
Scope Complex, Core 2,
7, Institutional Area, Lodhi Road,
New Delhi - 110 003

Eastern Region
Indianoil Bhavan
2 Gariahat Road, South (Dhakuria)
Calcutta - 700 063

Northern Region
World Trade Centre,
Babar Road, Barakhamba Lane,
New Delhi - 110 001

Western Region
254-C, Dr. Annie Besant Road,
Prabhadevi,
Bombay - 400 025

Southern Region
Indianoil Bhavan,
139, Nungambakkam High Road,
Madras - 600 034

REFINERIES

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.)

R&D Centre
Sector 13,
Faridabad - 121 007
(Haryana)

PIPELINES

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

Indian Oil Blending Limited
(A Wholly Owned subsidiary of Indian Oil Corporation Limited)

Head Office
Badamia Manor, 3rd Floor, Keshavrao Khadye Marg,
Bombay - 400 034

Assam Oil Division
Digboi - 786 171
(Assam)

Principal Executives

CHAIRMAN'S OFFICE

- **B.R. Dholakia**, General Manager (Public Relations)
- **UK. Dikshit**, General Manager (HRD & CMI)
- **LK. Lakshmandas**, General Manager (Internal Audit)
- **O.N. Marwah**, General Manager (Marketing Coordination)
- **S.C. Mathur**, General Manager (International Trade)
- **T.V. Rmamurthy**, General Manager (Corporate Finance)
- **P.N. Shukla**, Addl. General Manager (HRD)

Refineries & Pipelines (Head Office)

- **S.C. Chakraborty**, Executive Director (Human Resources)
- **H.J. Dave**, Executive Director (Operations)
- **S.R. Lokeshwar**, Executive Director (Projects)
- **R.A. Shanbhag**, Executive Director (Pipelines)
- **P.S. Tekchandani**, Executive Director (M & I)
- **Amar Nath**, General Manager (Project Finance)
- **M.B.L. Aggarwal**, General Manager (Finance)
- **D. Chakraborty**, General Manager (Projects)
- **S.L. Das**, General Manager (Human Resources, Pipelines)
- **V.S. Jain**, General Manager (Finance)
- **K.c. Joseph**, General Manager (Human Resources)
- **N. V. Krishnamohan**, General Manager (Operations)
- **S.D. Mishra**, General Manager (KBPL)
- **V.S. More**, General Manager (Technical)
- **P. Sugavanam**, General Manager (MIS)
- **A.M. Uplenchwar**, General Manager (Operations)

Refineries

- **Gauranga Sinha**, Executive Director, Haldia Refinery
- **G.R. Sampath**, Executive Director, Gujarat Refinery
- **A.K. Arora**, General Manager, (Tech.), Haldia Refinery
- **J. Bhuyan**, General Manager, Guwahati Refinery
- **H.K.L. Das**, General Manager, Barauni Refinery
- **S.N. Jha**, General Manager, (Tech.), Mathura Refinery
- **S.Y. Khedkar**, General Manager, (Tech.), Gujarat Refinery
- **J.N. Mathur**, General Manager, Mathura Refinery
- **U.S. Prasad**, General Manager, (Projects), Gujarat Refinery

Marketing Head Office

- **M.N. Lambah**, Executive Director (Finance)
- **P.E. Mathews**, Executive Director (LPG)
- **R.M. Sodhi**, Executive Director (Marketing Ops.)
- **K.K. Ahuja**, General Manager (Engineering)
- **P. Banerjee**, General Manager (Systems)
- **V.K. Chawla**, General Manager (Finance)
- **M.A. Pathan**, General Manager (Sales)
- **K.K. Rai**, General Manager (Aviation)
- **S. Ram Mohan**, General Manager (Lubes)
- **S. Rath**, General Manager (Govt. Coord., Delhi)
- **A.N. Sinha**, General Manager (Human Resources)
- **S.L. Sathaye**, General Manager (Supplies)
- **V. Shyam Sunder**, General Manager (LPG)
- **P. Sudarsanam**, General Manager (Petrochemicals & SP)
- **Capt. Y.R. Chaudhri**, Addl. General Manager (Supplies)
- **S.K. Ghosh**, Addl. General Manager (IA)
- **Subir Raha**, Addl. General Manager (HRD)

Regional Offices (Marketing)

- **R.K. Jain**, Executive Director (Northern Region)
- **M.K. Ghosh**, General Manager (Southern Region)
- **G. Mullick**, General Manager (Western Region)
- **P. Raghavendran**, General Manager (Eastern Region)
- **G.S.K. Masud**, Addl. General Manager (LPG, Northern Region)
- **M.S. Ramachandran**, Addl. General Manager (Sales, Western Region)
- **T.S. Vishwanathan**, Addl. General Manager (Ops, Southern Region)

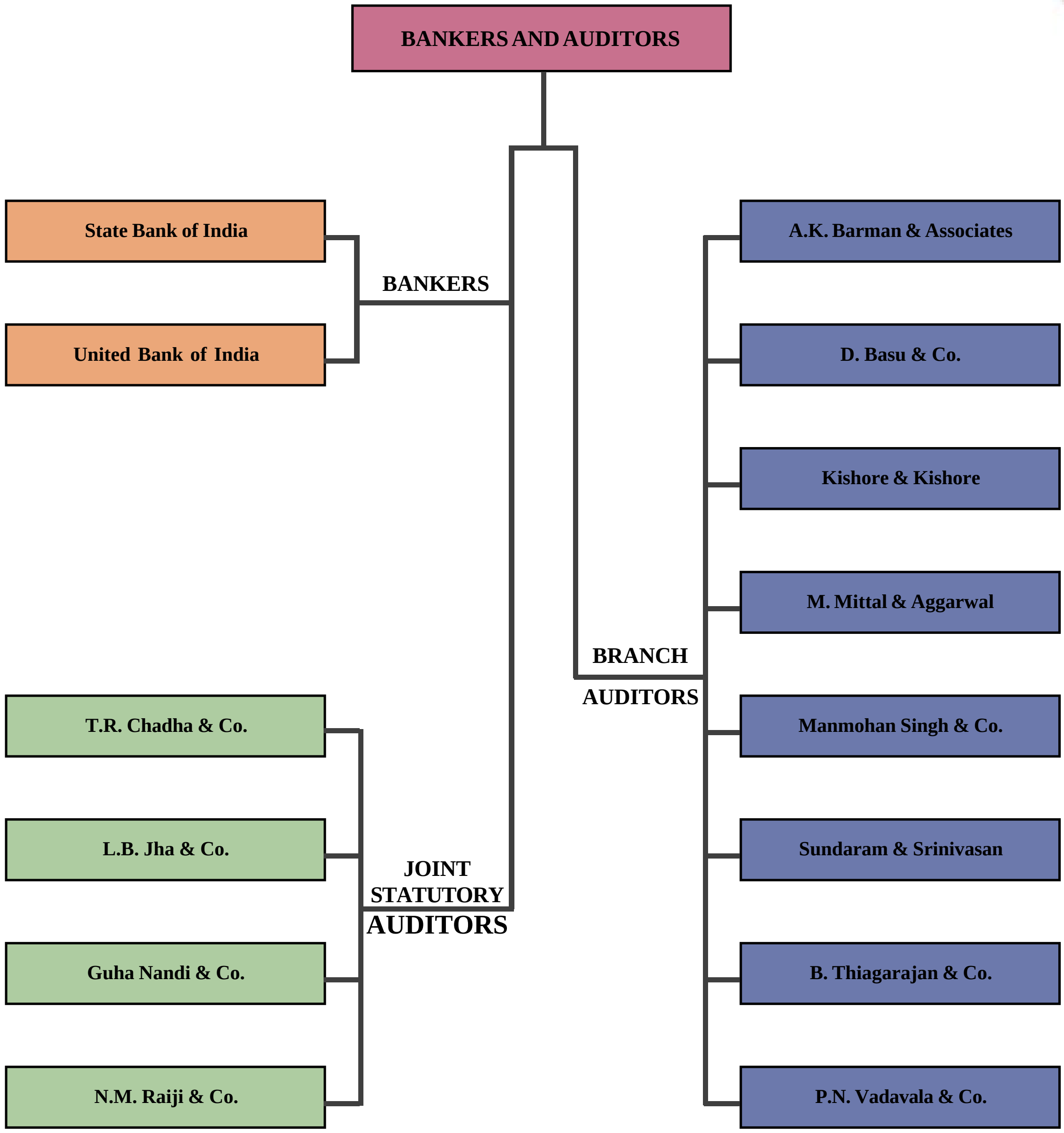
R&D Division

- **A.K. Bhatnagar**, General Manager (R&D Centre, Faridabad)
- **J.K. Das**, General Manager (R&D Centre, Faridabad)

Assam Oil Division

- **R.K. Dutta**, Executive Director (AOD, Digboi)

Bankers and Auditors



Notice

Notice is hereby given that the 33rd Annual General Meeting of Indian Oil Corporation Limited will be held at the Company's Chairman's Office, SCOPE Complex, Core 2, 7, Institutional Area, Lodi Road, New Delhi-110 003 on Tuesday, the 22nd September, 1992 at 1300 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, 1992.
2. To declare dividend.

By Order of the Board,

Sd/-
(S M. WELING)
Secretary

Bombay,
Dated: 15th September, 1992

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

Directors' Report

To
The Shareholders of
Indian Oil Corporation Limited,

Gentlemen.,

Your Directors take pleasure in presenting the 33rd Annual Report and the working of the Corporation for the year ended 31st March, 1992 along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India.

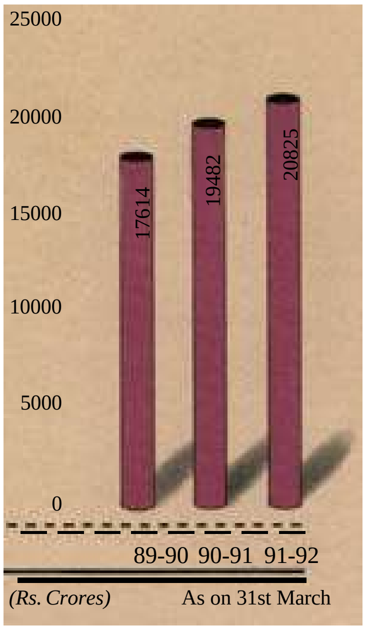
CORPORATE REVIEW

FINANCIAL

		(Rs Crores)
	1991-92	**1990-91**
Turnover	**20,825**	19,508
Profit		
Profit before Interest,		
Depreciation and Tax	**1,822**	1,774
Interest Payment	**653**	652
Depreciation	**84**	215
Profit before Tax	**1,085**	907
Tax Provision	**298**	177
Profit after Tax	**787**	730
Appropriations		
Proposed Dividend	**41**	27
General Reserve	**746**	703

PHYSICAL

	(Million Tonnes)	
Product Sales	**32.37**	31.42
Refineries' Throughput	**24.29**	23.74
Pipelines Throughput	**22.51**	21.36
Market Share	**57%**	57%



TURNOVER

The throughput of the refineries and pipelines registered an increase of 2.32% and 5.38% respectively

TURNOVER

Your Corporation had a turnover of Rs 20,825 crores as against Rs 19,508 crores during 1990-91 reflecting an increase of 7%.

PROFIT

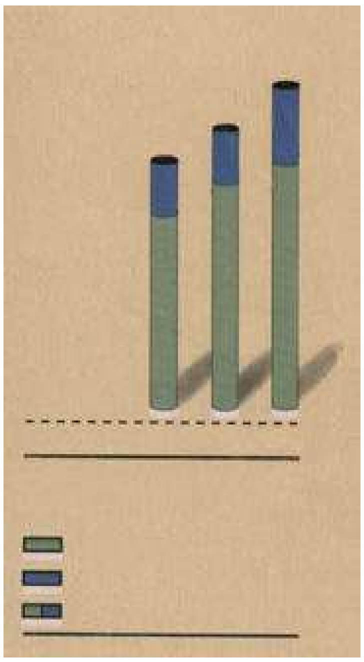
Your Corporation has made the highest ever pre-tax profit of Rs 1085 crores. as against Rs 907 crores registered during the previous year.

DIVIDEND

Your Directors have recommended a dividend of 33% for 1991-92 as against 22% in the previous year, on the share capital of Rs 123.27 corers. The dividend will absorb an amount of Rs 40.68 crores as against Rs 27.12 crores in the previous year. Thus, the Corporation continues to maintain a track record of steady increase in the payment of dividend. The Corporation has paid a total dividend of Rs 299.98 crores till last year.

INTERNAL RESOURCE GENERATION

The internally generated resources (retained profit+depriciation) during the year amounted to Rs 820 crores.



CAPITAL EXPENDITURE AND FINANCING

The capital expenditure during the year amounted to Rs 760 crores as against Rs 599 crores in 1990-91. 82% of the Corporation's fixed assets of Rs. 4617 crores as on 31st March, 1992 has been financed from internally generated resources. The balance has been financed through LPG deposits and long term loan from financial institutions.

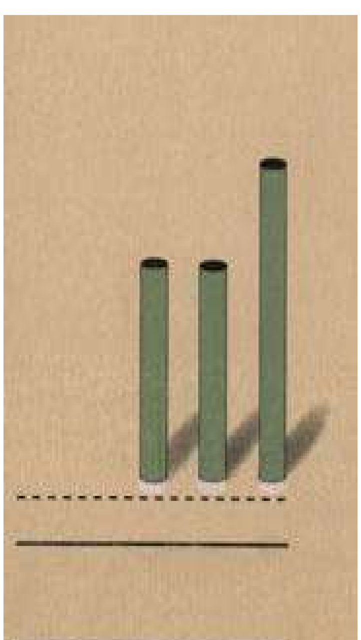
FUND MANAGEMENT

The corporation's working capital as on 31st. March, 1992 was Rs. 1313 crores. It is Rs 1128 crores less as compared to the previous year, due to mobilisation of finance namely, temporary loans from OIDB, short term financing for import of crude and petroleum products, and disinvestment of Corporations' investment in short term securities. However, there has been a steep increase in recoverables from Oil lndustry Pool Account.

A loan from Asian Development Bank (ADB) for $150 million (Rs. 405 crores) was arranged to meet the financing of import of crude oil and petroleum products.

lt is also proposed to renew Public Deposit Scheme during 1992-93 to partly finance future working capital requirements.

EFFICIENCY IMPROVEMENT AND COST CONTROL



Your Corporation continued to lay great emphasis on economy in revenue expenditure and implemented the various austerity measures as proposed by the Government. A close watch is kept to restrict controllable cost within the budget.

The Corporation continued its efforts to improve productivity and profitability through :

—lmproved product/sales mix

—lncrease in capacity utilisation of all facilities

—Reduction in fuel & loss in refineries

—Energy conservation measures

—Reduction in stock losses at marketing locations

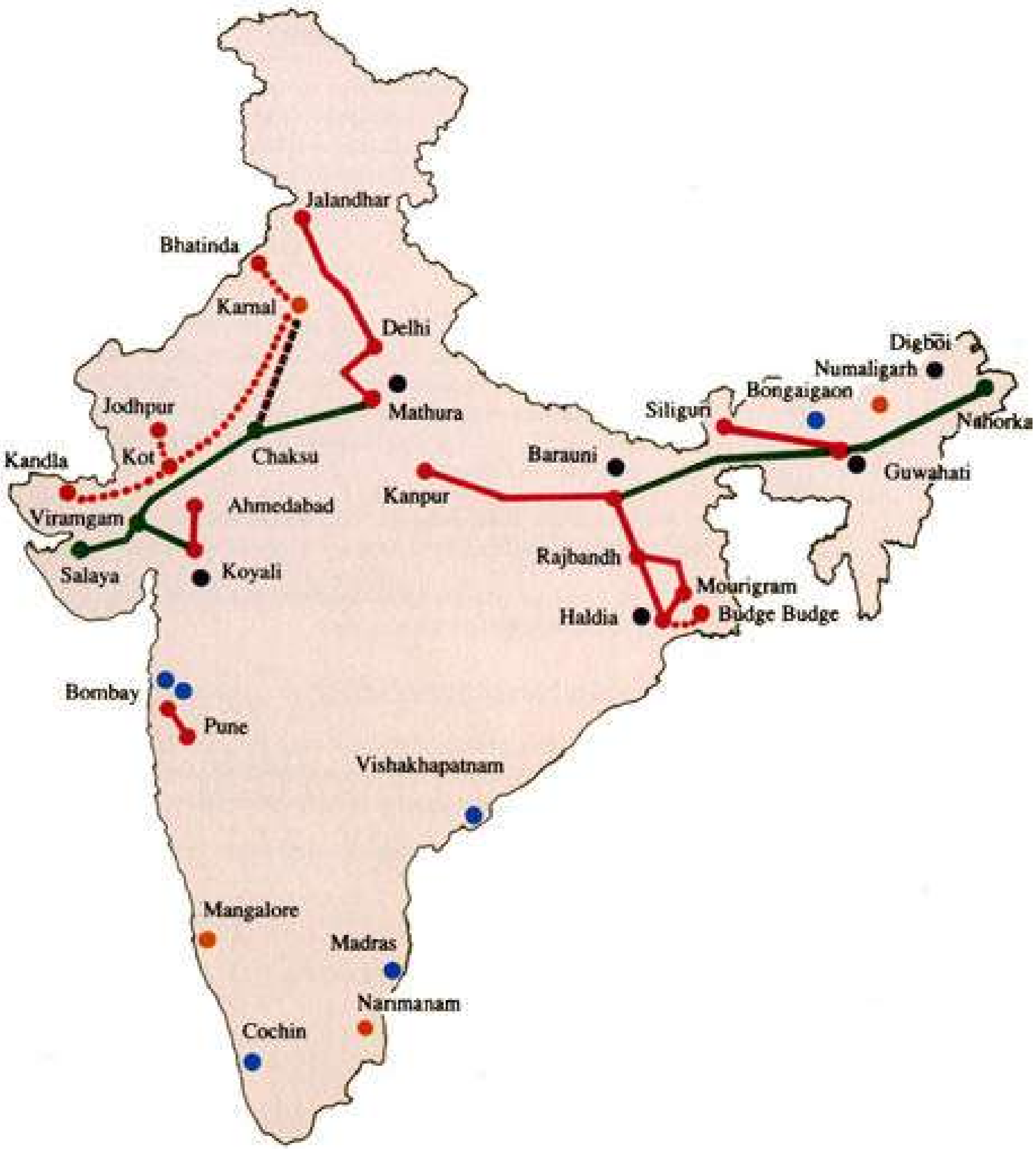
—Savings in financing cost through better management of funds

—Tax planning

VALUE ADDED

The total value added by the Corporation amounted to Rs 2413 crores in this year as against Rs 2291 crores for the previous year. Out of this, Rs 1493 crores (previous year Rs 1439 crores) have been contributed by production and operation. An amount of Rs 830 crores has been retained for expansion and growth, out of the total value added.

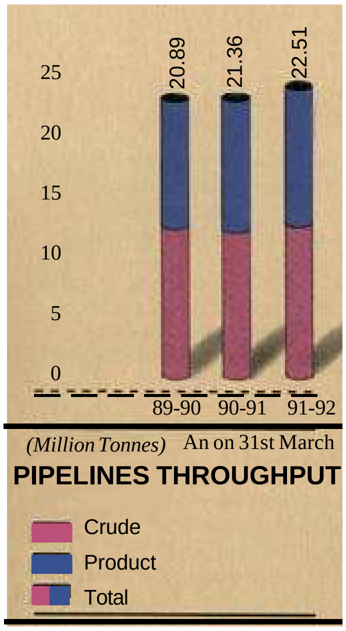
Refineries and Major Inland Pipelines



LEGEND

- Crude Oil
- Product
- Proposed Crude Pipeline
- Proposed Product Pipeline
- IOC Refineries
- Other Refineries
- Proposed Refineries

Nahorkatiya-Barauni of OIL. Bombay-Pune of HPC



Below :

The Corporation's wide network of pipelines pumped a record 22.51 million tonnes of crude oil and products during the year.

Right :

Indianoil's six refineries processed 24.29 million tonnes of crude oil during the year- another new milestone

EXPORT EARNINGS

Export sales included in turnover amounted to Rs 1467 crores. Out of this, hard currency earnings in rupee equivalent was Rs 1039 crores.

Your Corporation also earned Rs 223 crores of valuable foreign exchange mainly on account of 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.

REFINERIES

During the year, the combined throughput of the six refineries of your Corporation was 24.29 million tonnes as against previous year's 23.74 million tonnes, which is the highest achieved so far, despite the short fall in the availability of crude oil from Assam. This 2.32% increase has been achieved by maintaining high standards of operating and inspection practices.

For the seventh consecutive year, the Fluid Catalytic Cracking (FCC) units at Gujarat and Mathura refineries achieved over 100% capacity utilisation.

Production of LPG, bitumen, lube oil base stocks and calcined petroleum coke was the highest so far.

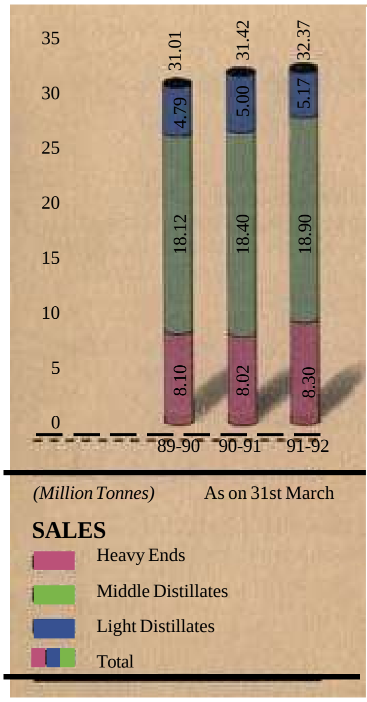
PIPELINES

Your Corporation's 3850 km long pipeline network pumped 22.51 million tonnes of crude oil and products during the year registering an increase of 5.38% over the previous year's total throughput of 21.36 million tonnes.

Directors’ Report *Contd*

MARKETING

CUSTOMER FRIENDLY



For well over thirty-three years, your Corporation has strived hard to build an image of a customer friendly organisation. Continuous monitoring of supplies is done for ensuring that petroleum products reach the farthest corners of the country even in the face of natural calamities like floods, cyclones, droughts etc.

Our laboratories including the mobile ones, maintain a relentless vigil to provide quality assurance to our customers. In marketing lubricants and greases, providing sound technical advice to customers is just the first step. This is followed by continuous interaction for developing state-of-the-art grades which meet specific individual customer needs.

International customers including the major international airlines have reposed their confidence in us for meeting their sophisticated needs.

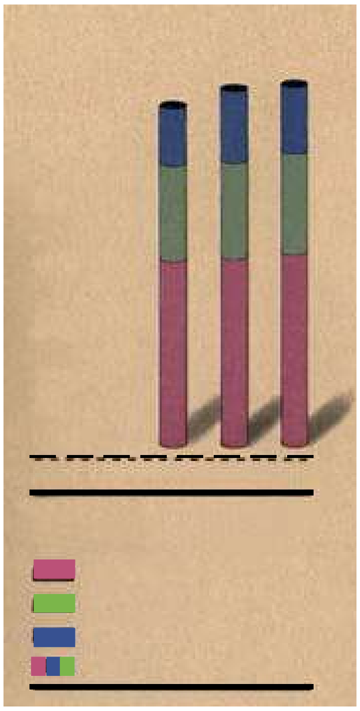
Consultancy is provided to customers for conserving valuable petroleum products so that apart from the national benefits, the customers achieve significant cost savings. High thermal efficiency Kerosene and LPG stoves have been developed through painstaking research for the benefit of millions of consumers.

SALES

With a sale of 32.37 million tonnes of petroleum products, the Corporation registered a growth of 3% over last year’s sales of 31.42 million tonnes. During the year, your Corporation sold 1.38 million tonnes of LPG, thus registering a growth of 9.5% over the previous year.

Your Corporation continued to play a pivotal role in implementing the demand management and energy conservation measures to meet the need of essential petroleum products in all vital sectors of economy.

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



LPG

Infrastructure

During the year, two new LPG bottling plants were commissioned at Calicut in Kerala and at Silchar in Assam raising the total number of bottling plants owned by your Corporation to 29, with a total bottling capacity of 10,26,000 tonnes per annum. The cumulative bottling during the year, however, was over 11,59,000 tonnes. Two more bottling plants are presently under construction at Cochin in Kerala and at Pune in Maharashtra, with a total bottling capacity of 45,000 tonnes per annum.

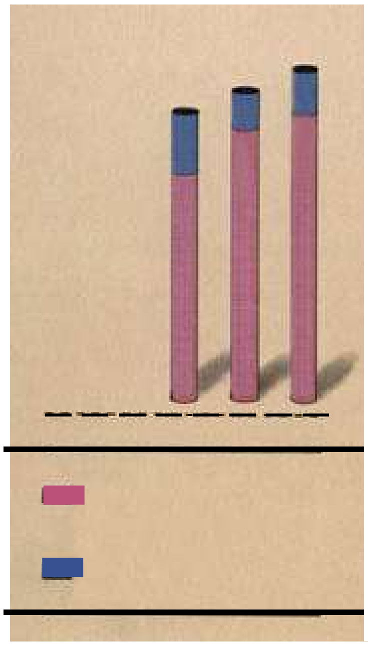
Distribution

The vast network of 31 Indane Area Offices and 2069 LPG distributors in 1062 towns of the country continued their efforts to ensure uninterrupted Indane supplies to our esteemed customers. During the year, your Corporation enrolled 600,000 new customers thus increasing the Indane user population to 9.4 million. In our continued endeavour to enhance customer satisfaction, 800,000 households were extended the facility of second cylinder during the current year. Nearly 50% of our total customer population now enjoy the facility of second cylinder.

RETAIL

Infrastructure

In order to meet the growing demand of petroleum products, the Corporation increased its storage facilities by 1.24 lakh kl at its various installations and upcountry depots. Presently, the Corporation's tankage availability at its 37 installations and 121 depots is 36.51 lakh kl.

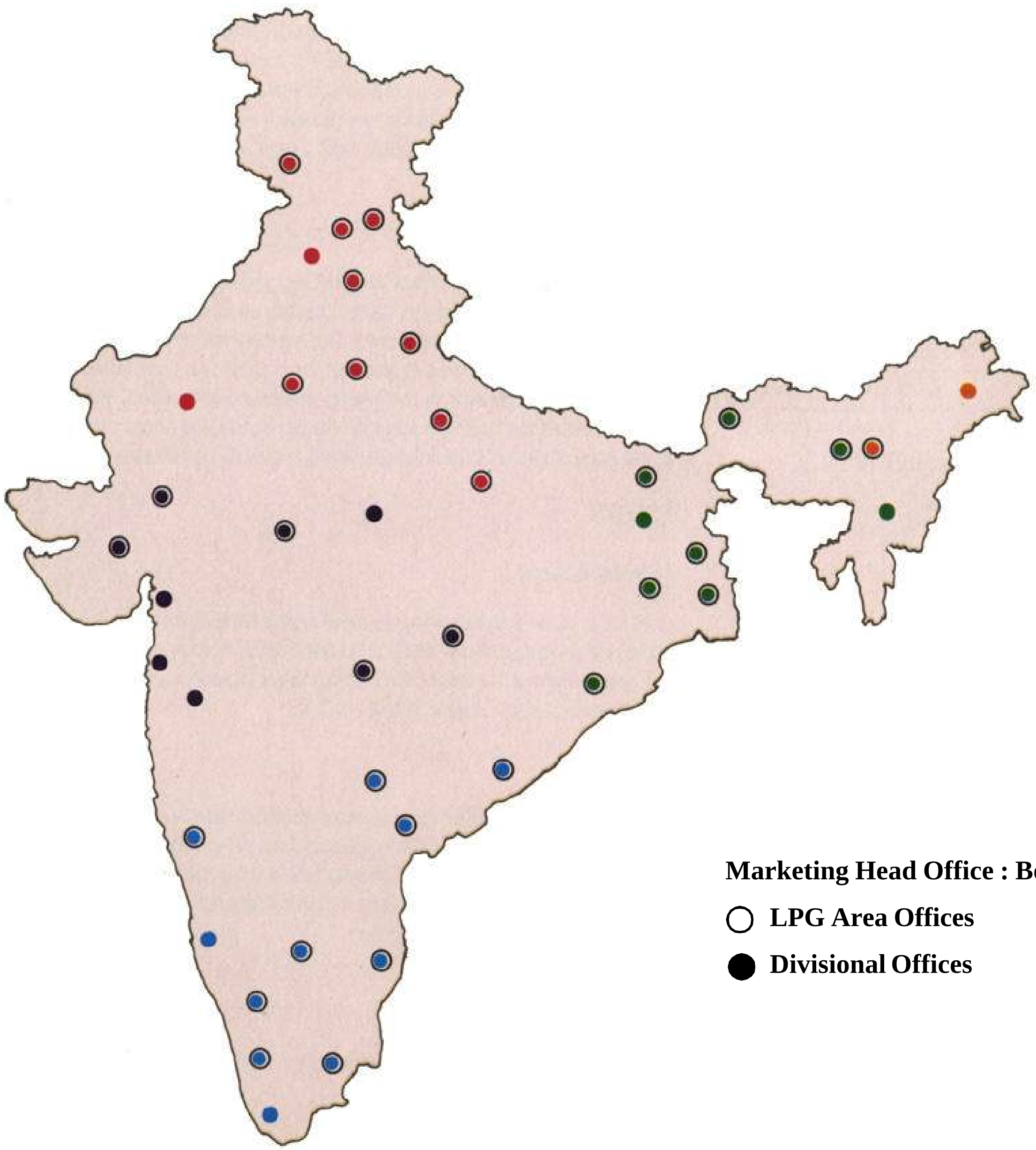


Distribution

As a "customer friendly" organisation, your Corporation continued to lay emphasis on strengthening the marketing network to ensure prompt supply of petroleum products. As on 31st March, 1992, a total number of 5892 retail outlets and 3175 SKO/LDO dealerships spread throughout the country, ensured uninterrupted supplies to customers.

Indane cylinders under go a series of tests and inspections before they reach the customers

Marketing Set-Up – Regional, Divisional and LPG Area Offices



Marketing Head Office : Bombay

○ **LPG Area Offices**

● **Divisional Offices**

Northern Region
New Delhi

Allahabad
Agra
Bareilly
Chandigarh
Jaipur
Jammu
Jodhpur
Karnal
Lucknow
New Delhi
Shimla

Eastern Region
Calcutta

Bhubaneswar
Calcutta
Dhandab
Durgapur
Guwahati
Imphal
Iamshedpur
Patna
Siliguri

Western Region
Bombay

Ahmedabad
Bhopal
Bombay
Jabalpur
Nagpur
Pune
Rajkot
Raipur
Surat

Southern Region
Madras

Bagalore
Belgaum
Cochin
Coimbatore
Madras
Madurai
Mangalore
Secunderabad
Thiruvananthapuram
Vijayawada
Vishakhapatnam

Assam Oil
Digboi

Guwahati
Tinukia

The Corporation continues to be a market leader in aviation fuel business with 68.8% market participation

AVIATION

The Corporation's market participation in aviation fuel business went up to 68.8%—registering a 1.8% increase over the previous year. In all 13.8 lakh kl of aviation fuel was supplied to both international and domestic airlines including meeting the requirements of the Defence sector. The foreign exchange earnings on account of aviation fuel supplies to international airlines during the year was Rs 188.62 crores. Presently, refuelling facilities are available at 87 locations spread across the length and breadth of our country.

LUBRICANTS

The Corporation's thrust on lube marketing resulted in sales of 4,67,500 tonnes of lubricants and greases during 1991-92, accounting for 50% market share.

The small can-firing units at Trombay, Shakurbasti end Allahabad packed 64,800 tonnes of lubricants, representing a 6% increase over the target.

SHIPPING

The sharp fall in indigenous crude oil production resulted in its increased imports during the year. The higher volumes of crude oil imports were successfully handled through meticulous planning and scheduling of tankers. During the year, your Corporation transported 23.994 million tonnes of crude oil and 9.088 million tonnes of petroleum products for meeting oil industry's requirements. Besides this, the Corporation transported 3.649 million tonnes of petroleum products for their positioning at various ports for meeting the country's demand.

Exclusive coastal facilities for refuelling fishing boats and trawlers

Directors' Report *Contd.......*

The Assam Oil Division retained its position as market leader in the North-East region.

ASSAM OIL DIVISION

The Digboi refinery of Assam Oil Division (AOD) registered over 100% capacity utilisation by processing 0.546 million tonnes of crude oil during the year. The Division sold 0.859 million tonnes of products and retained its position as market leader in the North-East region. AOD presently operates 284 retail outlets, 384 SKO/LDO dealerships besides 53 consumer outlets to meet the requirements of its customers in the region. By enrolling over 29,000 new LPG customers during the year. AOD presently supplies Indane to over 2.37 lakh households through 113 distributors covering 79 towns. The first LPG bottling plant of the Division was also commissioned at Silchar in Assam.

INTERNATIONAL TRADE

Through a judicious blend of long term contracts and spot purchases, your Corporation was able to cater to the increased demand of petroleum products and also make up the short fall in the availability of crude oil and petroleum products due to decreased availability of indigenous crude oil. During the year, the Corporation diversified its sources of supply of crude oil and products.

The Corporation also arranged for import of 24.127 million tonnes of crude oil, 8.755 million tonnes of fuel products and 0.404 million tonnes of lubricants for meeting the country's requirements. Your Corporation exported 2.667 million tonnes of petroleum products.

RESEARCH AND DEVELOPMENT

Your Corporation continues to pursue a sound policy of development of indigenous technology through investments in research and development with a view to inject the desired level of technical dynamism in the petroleum industry in general, and lOC's operational activities in particular. Important R&D efforts during the year included:

— Development of 84 lubricant formulations, including cold rolling oil for steel plants, load carrying steam turbine oil for Navy, synthetic oils for application in compressors, hydraulic systems and metal cutting etc.

— Formulations based on synthetic base oils for refrigeration compressor oils were worked out and offered for trials.

— Out of 49 products put on user trial in different areas, 24 products received approval from Railways,, Defence, Steel Plants, Heavy Engineering Industry etc..

— Field trials for friction modified energy efficient gear oils at Associated Cement Companies Jamul resulting in an energy saving of 1.85%.

— Development of new high performance lithium complex and high temperature greases for specific requirements of steel plant.

— Development of steady state process simulator called "FCCMOD" for optimising commercial FCC plant performance to suit low conversion distillate mode of Indian FCC units. The first such conversion "FCCMOD" was installed at Mathura refinery and is under further improvement and optimisation based on the feedback; received.

— Doping of motor gasoline with multi-functional additives for improving its performance characteristics.

— Experiments were carried out to study the operability of diesel fuel doped with Middle Distillate Flow Improver (MDFI) additives in the climatic chamber facility commissioned during the year.

— Commissioning of facility for measuring exhaust emission from two stroke engines.

PROJECTS

Your Corporation has accorded high priority for timely completion of various projects. Major projects completed during the year are:

— Slack wax augmentation facility at Barauni refinery.

— Radial Well 'D' at Gujarat refinery.

— LPG bottling facility at Silchar in Assam and at Calicut in Kerala.

— Major on-going projects under implementation are:

— Additional secondary processing facilities (Hydrocracker) at Gujarat refinery.

— Mandatory crude oil tanks at Vadinar.

— Revamp of Lube Oil Block at Haldia refinery.

— Digboi refinery modernisation project.

— Hydrant refuelling system at Calcutta Airport.

— Installation of Sulphur Recovery Unit at Haldia refinery.

— Propylene recovery unit at Mathura refinery.

— Kandla-Bhatinda product pipeline (including Marketing facilities).

The Corporation's investments in R&D efforts have significantly contributed to development of indigenous technology.

Directors' Report *Contd....*

— Catalytic Reformer unit at Digboi refinery.

— Catalytic Reformer unit at Barauni refinery.

— OCC approved tankage.

— Lube Blending Plant at Asaoti.

Various new projects planned are:

— Six million tonnes per annum capacity grass-roots refinery at Karnal, together with despatch facilities.

— Viramgam-Chaksu-Karnal crude oil pipeline.

— Six million tonnes per annum capacity grass-roots refinery at Daitari in Orissa together with despatch facilities.

— North East-Barauni product pipeline.

— Paradeep-Daitari crude oil pipeline.

— Three million tonnes per annum capacity expansion of Gujarat refinery.

— N-Paraffin production at Mathura refinery.

— Distributed Digital Control System (DDCS) at refineries.

— Hydrotreater for coker products at Barauni refinery.

— Second primary Single Buoy Mooring (SBM) at Salaya.

— Augmentation of Salaya-Viramgam Pipeline.

— Daitari-Allahabad Product pipeline.

— New Haldia-Barauni crude oil pipeline.

— LPG import facility at Kandla.

ENERGY CONSERVATION

The Haldia refinery was presented the OISD award for its "best overall safety performance" amongst Indian refineries.

Concerted efforts were made by your Corporation to achieve energy savings in all areas of operations. Some of the significant areas in which action was taken during the year are:

— Popularising the use of fuel efficient Nutan Wick Stove.

— Development of technology and its dissemination to major manufacturers for design of fuel efficient kerosene lamps with a potential of 25 to 50% energy saving. A design for fuel efficient hurricane lantern has also been developed for future use.

— Development of high performance long drain lubricants.

It is expected that the above efforts will result in considerable saving of fuel and lubricants.

In accordance with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, a report on energy conservation, technology absorption and foreign exchange earnings is given in the annexure.

SAFETY

Your Corporation continued to maintain high safety standards by effecting allround improvement in the operating practices which received recognition by way of national and international safety awards. Some of the awards received during the year are:

— "Sword of Honour" from British Safety Council to Gujarat refinery for best safety performance during 1990.

— "Award of Honour" from National Safety Council, Chicago, USA for the sixth consecutive year, to Koyali-Ahmedabad pipeline.

— Oil Industry Safety Directorate (OISD) award to Haldia refinery for its "best overall performance" amongst Indian refineries.

— Oil Industry Safety Directorate (OISD) award for teeing "Best LPG Marketing Company."

Indianoil received the coverted OISD award for being the "Best LPG Marketing Company".

Directors' Report *Contd...*

HUMAN RESOURCES

Your Corporation's concern for improving the quality of life of its employees was reflected in its endeavour to upgrade the various existing welfare facilities to benefit the employees, which among others, include special award to meritorious children of the employees, special hardship allowances to employees posted in North-Eastern Region, etc.

Your Corporation continued its drive for accelerating employee participation in management for a congenial work environment and for ensuring active employee involvement. The Presidential directives for recruitment and promotion of SCs/STs as also the Government of India's instructions for recruitment of physically handicapped persons and ex-servicemen were complied with. Under the scholarship scheme for SC/ST students launched eight years ago, 285 students were sponsored for pursuing studies in various disciplines of Engineering, Medicine and Business Administration/Management.

With a view to encourage the employees to attain excellence in sports, sustained efforts were made for improving the infrastructural facilities. In addition to participating in Petroleum Sports Control Board's various inter-company tournaments, inter-refinery and inter-regional meets were also organised during the year. Our distinguished sports-woman Ms. Niyati Shah regained the singles title in the National Championship in Table Tennis and was presented the Arjuna Award, the highest honour in the field of sports for her outstanding contribution.

Ms. Niyati Shah along with another of our ace Table Tennis player Mr. Sujay Ghorpade represented India at the Olympic Games in Barcelona.

The first Human Resource Management conference, evolved from the earlier Annual HRD Conferences, was held during the year. In pursuance of the decision taken at the conference, initiatives were taken towards developing a Unified HRD Structure for greater synergy within the HR Group.

In tune with the rapidly changing economic environment and the Corporation's business plans and strategies, the training activity during the year continued to focus an the need for strengthening and updating the functional skills of employees in addition to the managerial competence of executives.

For the second successive year, the training targets of employees participation in functional and developmental training programmes, as incorporated in the MOU, were fully achieved.

Ms. Niyati Shah being presented the Arjuna Award.

During the year a major study on the evaluation of the quality of training in Indianoil was undertaken by the Administrative Staff College of India, Hyderabad. Initiatives were also undertaken to market training and consultancy services abroad.

The nucleus training group, set up in the year 1990-91 at the Corporate Office, continued its role in effectively facilitating greater synergy in training efforts by the Divisions. This nucleus group also initiated further preparatory work for setting up the Corporate Management Institute at Gurgaon. The Institute, currently under construction, is expected to be commissioned during 1992-93.

CORPORATE CITIZEN

To encourage developmental efforts, particularly in the field of health, education and management, your Corporation donated Rs 66.00 lakh during the year. These donations also include contribution to Chief Ministers' Relief Funds.

HINDI IMPLEMENTATION

Efforts were intensified during the year for progressive use of Hindi in official work, in accordance with the provisions of the Official Languages Act, 1963 and the Official Languages Rules 1976. To promote use of Hindi among employees, various competitions, cultural programmes and plays were also organised regularly. The house journal of the Corporation 'Indianoil Samachar' and other select news journals were continued to be brought out in Hmdi. An in-house video magazine is also being produced in Hindi.

INDIAN OIL BLENDING LIMITED

The Annual Accounts and Directors Report of Indian Oil Blending Limited (IOBL), a wholly owned subsidiary of the Corporation are annexed. After providing for depreciation of Rs 2.57 crores, lOBL earned a net profit of Rs 3.56 crores as against Rs 3.60 crores during the previous year.

The lube blending plants at Bombay and Calcutta produced 2,48,092 kl and 1,33,561 kl respectively, thus attaining a capacity utilisation of 165.4% and 133.6% respectively. The grease production at Bombay (Vashi} plant was 10,552 tonnes during the year.

FOREIGN TOURS

Out of one hundred tours undertaken by officers during 1991-92, twenty-six were for attending training programmes. The total expenditure on foreign tours was Rs 94.44 lakh.

IOBL's plants at Bombay and Calcutta achieved over 100% capacity utilisation.

Directors’ Report *Contd....*

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 1991-92 stood at Rs 8.90 lakh.

BOARD OF DIRECTORS

Shri T.S. Krishnamurthi retired on 31.12.1991 as Director (Refineries & Pipelines) and Shri A.P. Chaudhri took over as Director (Refineries & Pipelines) effective 27.3.1992.

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.

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 Governments.

Your Board of Directors also wish to place on record their appreciation for the significant contribution made by Shri T.S. Krishnamurthi during his tenure as Director (Refineries & Pipelines).

For and on behalf of the Board

New Delhi
Date: September 4, 1992.

(K.N. VENKATASUBRAMANIAN)
Chairman

Annexure

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

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

As in the past, high priority has been accorded to optimising energy usage in the Refineries. A number of energy conservation projects are at different stages of implementation in various Refineries of the Corporation. Energy audits were taken up in Refineries to identify new areas for further energy optimisation.

Pipelines have taken various measures for conservation of energy within its sphere of activities. Some specific areas where considerable energy saving has been achieved by carrying out minor modifications/trial runs/flow movement studies, are as given below:

— By indigenous modifications of main fuel transfer and heating module of mainline engines, an estimated saving of energy to the tune of 11.5 x 10^5 KWH has been achieved in SMPL.

— With the help of computerised module and flow movement studies, most suitable combination of pumps running among stations has been established to maximise the throughput level, especially in GSPL & SMPL. This has resulted in achieving peak throughput load even with some reduction in horse power energy. Similar study is being undertaken for MJPL

— Friction reducing chemicals/additives are being used to improve the flow efficiency of product movement through pipelines. This has resulted in saving in power energy at optimum level of operation.

— Regular pigging operations are carried out at all pipelines for flow efficiency.

— At various pipeline units, Solar Powered Battery Banks have been suitably installed.

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

I. Scheme Completed:

Sl No.	Item	Cost (Rs. Crores)	Fuel Savings (Tonnes/Year)
1.	Debottlenecking of FPU at Gujarat Refinery.	1.92	5.400

II. Schemes under implementation:

— AU-IV Energy Economic Revamp at Gujarat Refinery.

— Energy conservation measures in FEU at Haldia Refinery.

— Soaker in Vis-breaking Unit at Gujarat Refinery (part of Hydrocracker Project).

— Efficiency improvement in furnaces at Digboi Refinery (part of Digboi Refinery Modernisation Project).

— Replacement of Udex Heater at Gujarat Refinery (part of Udex Revamp Project).

— Energy Conservation measures in CDU at Haldia Refinery.

— Feed Preheat optimisation in VDU at Haldia Refinery (part of Lube Block Revamp Project).

— Additional heat recovery from Kero-HDS at Haldia Refinery.

— Soaker in Vis-breaking Unit at Mathura Refinery.

— Revamp of Stabiliser Section of CDU at Mathura Refinery.

Annexure *Contd...*

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 & 11 on completion are expected to result in fuel savings of about 48,450 tonnes valuing over Rs. 7.85 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.

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 Naphtha, Natural Gas Liquid (NGL), Residual Fuel Oil (RFO) and Furnace Oil (FO) during the year 1991-92. The total quantity exported was 2.67 million tonnes as against 2.48 million tonnes in 1990-91. The value of total exports during the year was Rs. 1039 crores against the export value of Rs. 935 crores in the previous year. The exports were predominantly to European markets, USA and Asia Pacific Regions. For the year 1992-93 besides exports of Naphtha, NGL, RFO, and FO, value added items in terms of lubricants are being planned to be exported to neighbouring countries.

g) Total foreign exchange used and earned:

	(Rs Crores)
Foreign Exchange earnings	1,467.47
Foreign Exchange used	12,035.06

Form 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Total 1991-92	Total 1990-91
(A) POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased		
Qty ('000 KWH)	23,950	21,826
Rate	1.23	1.22
Amount (Rs/Lakhs)	2.95	2.66
b) Own Generation		
i) Through Duel Fuel (HSD/Natural Gas) Generator		
Unit ('000 KWH)	17,109	16,653
KWH per MT of STD Fuel	3,538	3,399
Cost/Unit (Rs/KWH)	2.81	2.49
ii) Through Steam Turbine/Generators		
Unit ('000 KWH)	6,96,290	6,83,388
KWH per MT of STD Fuel	3,210	3,165
Cost/Unit (Rs/KWH)	1.30	1.27
c) Electricity Consumed		
(a+b) ('000 KWH)	7,37,348	7,21,867
2. COAL (Specify quality and where used):	–	–
3. LIQUID FUEL (LSHS & PO):		
Qty (MT)	7,37,729	6,60,534
Amount (Rs/Lakhs)	12,754	11,487
Average Rate (Rs/MT)	1,728.75	1,739.03

Annexure *Contd....*

Particulars	Total 1991-92	Total 1990-91
4. OTHER/INTERNAL GENERATION:		
i) Fuel Gas		
Unit (MT)	**2,88,700**	**3,04,607**
Total Amount (Rs/Lakhs)	**5,278**	**5,492**
Average Rate (Rs/MT)	**1,828.15**	**1,803.00**
ii) LDO		
Unit (MT)	730	1051
Total Amount (Rs/lakhs)	15	21
Average Rate (Rs/MT)	2,016.14	2,016.01
iii) Coke		
Unit (MT)	1,07,410	1,07,479
Total Amount (Rs/Lakhs)	1,753	1,745
Average Rate (Rs/MT)	1,632.07	1,623.22
(B) CONSUMPTION PER MT OF PRODUCT		
i) Actual Production (000 MT)	22,869	22,262
ii) Consumption per MT of Product		
– Electricity (KWH/MT)	32.243	32.426
– Liquid Fuel (MT/MT)	0.032	0.030
– Fuel Gas/LDO/Coke(MT/MT)	0.018	0.019

Form 'B'

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

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

a) Lubricants and Specialities

b) Fuels

c) Refinery Processes

d) Pipeline Transportation

e) MaterialFailure Analysis

f) Fuel Efficient Domestic Appliances.

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

a) Import substitution of over 95% in respect of lubricants and specialities resulting in a saving of over Rs. 35 crores per year in foreign exchange.

b) Development of energy efficient Industrial gear oils with a demonstrated energy saving valued at Rs. 1.13 lakhs/year per gear box.

c) Based on the results of work done on gasoline stability a decision has been taken by the Ministry to add multi-functional additives in the gasoline to control fuel intake system deposits. This will result in fuel economy and reduced emission levels.

d) For optimising commercial FCC plant performance, a steady state process simulator called FCC MOD has been developed specifically suited to low distillate mode of Indian units.

e) The Pilot Plant Test loop has generated data on drag reducer additives which has a good correlation with the commercial Pipeline. This helps in evaluation of additives and optimising the dosages.

f) Based on the studies on Diesel stability, the refineries are doping the HSD with stabiliser additives. This has improved the quality of the product.

3. Future Plan of Action:

a) Development of long life and energy efficient products.

b) Development of environmentally safe (biodegradable) products.

c) Diesel multi-functional additive studies.

d) Commercialisation of FCC catalyst.

e) Development of fuel efficient Hurricane Lantem.

f) Automation of engines laboratory.

g) Installation of Hydrocracker bench scale units.

4. Expenditure on R&D:

a)	Capital	Rs. 8.12 crores
b)	Recurring	Rs. 7.68 crores
c)	Total	Rs. 15.80 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 newer technologies in line with the latest developments world-wide. Major steps taken in this regard were:

A. Imported Technology

i) Hydrocracker Technology

The country's first hydrocracker for maximising the much needed middle distillates is under installation at Gujarat Refinery. Proven technology from M/s. Chevron Research Corporation, USA has been used for this 12 MMTPA capacity plant.

ii) Hydrogen Generation Technology

For the hydrogen plant required for hydrocracker steam reforming together with modem Pressure Swing Adsorption (PSA) type of purification process has been obtained from M/s. LINDE of West Germany.

iii) Naphtha Catalytic Reforming Technology

(a) Semi Regenerative (SR) type
Process technology has been obtained from M/s. IFP for SR type catalytic reformer at Barauni & Digboi Refineries.

(b) Continuous Catalytic Regeneration (CCR) type
Process technology has been obtained from M/s. IFP for CCR type catalytic reformer at Mathura Refinery. This technology is being adopted for the first time in the refining industry of the country.

iv) Use of Newer Catalysts

Catalytic Reformer at Haldia Refinery has been upgraded by switching over to bimetallic catalyst. In FCCU of Gujarat Refinery, ZSM-5 additive has been introduced alongwith HXL-100 catalyst to improve LPG yield and Octane number of Gasolene.

v) Offline process simulation packages e.g. SIMSCOI and Chemshare have been procured to carry out process simulation studies in house.

B. Indigenous Technology

i) Soaker Technology

For the first time in the country, soaker technology for vis-breaking is being employed for debottlenecking vis- breaker at Gujarat Refinery. At Mathura Refinery also existing Vis-breaker is being converted into soaker type.

ii) Gas Turbine

Gas Turbine with Co-generation facilities are being installed at Gujarat Refinery as a part of Gujarat Hydrocracker Project.

iii) Udex Plant Revamp

The Udex Plant at Gujarat Refinery is being revamped by use of new solvent (Tetra-Ethylene Glycol) for improving quality of the products viz. Benzene & Toluene in line with stringent quality requirement of the customers.

iv) Sulpholane Process

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

C. Modernisation of Instrumentation

1. Distributed Digital Controls

i) Conventional Pneumatic Instruments in old process units and captive power plants are being replaced by micro- processor based DDC Systems in a phased manner. GRE of Gujarat Refinery was also provided with Distributed Digital Control System (DDCS) as a part of modernisation of old pneumatic system.

ii) Computer aided process control and optimisation for Atmospheric and Vacuum Unit of Mathura Refinery is under implementation as an advanced control strategy.

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

The above efforts are expected to yield benefits in:

a) Maximisation of middle distillates.

b) Energy Conservation.

c) Increase in on-stream days.

d) Import substitution.

e) Product quality improvement.

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

3. In case of imported technology (imported during the lad 6 year reckoned from the being of the financial year) following information is being furnished:

a) Technology Imported	b) Year of Import
i) Technology transfer for RT Fuel production at Haldia Refinery from erstwhile USSR.	1986-87
ii) Hydrocracker technology from M/s. Chevron Research Corporation.	1988-89
iii) Hydrogen generation technology from M/s LINDE of West Gennany.	1988-89
iv) Catalytic Reforming technology (SR & CCR types) from M/s. IFP of France.	1991-92

c) Has technology been fully absorbed?

Technology has been fully absorbed for RT Fuel production at Haldia Refinery. In other cases, technology absorption is keeping pace with the project execution.

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

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

Auditors' Report

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1992 and the Profit and Loss Account of the Corporation annexed thereto for the year ended on that date in which are incorporated the accounts of certain refineries/divisions audited by other auditors and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of the books;

   c) The allocation of work between the auditors has been followed as per directions contained in letter No.1- 024/1011388/90-lGC dated 17.1.92 addressed to Indian Oil Corporation Limited by the Government of India, Ministry of Industry, Department of Company Affairs, Company Law Board, New Delhi;

   d) The reports on the accounts audited by the respective Branch Auditors were received and properly dealt with by us while preparing our report;

   e) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes, appearing on Schedule 'P', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;

      i) In the case of Balance Sheet, of the state of affairs of the Corporation as at 31st March, 1992,

      and

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

L.B. JHA & CO. Chartered Accountants	GUHA NANDI & CO. Chartered Accountants	T.R. CHADHA & CO. Chartered Accountants	N.M. RAIJI & CO. Chartered Accountants
Sd/- AMITAVA SARKAR Partner .	Sd/- S.K. BANDYOPADHYAY Partner	Sd/- AJESH TULI Partner	Sd/- V. NERURKAR Partner

New Delhi
Dated: 26th June, 1992

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 the Corporation and the nature of its assets. As per the information given to us by the Management, no material discrepancies were noticed on such verification.

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

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

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

5. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in respect of items reconciled and the same have been properly dealt with in the books of account.

6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks, is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

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

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

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

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.

11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and service made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard fo prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.

12. As explained to us, the Corporation has regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages, raw materials and finished goods and adequate provision for likely loss is made for such items.

Auditors' Report *Contd...*

13. In our opinion and according to the information and expanations given to us, the Corporation has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

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

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

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

17. According to the records of the Corporation, Provident Fund dues have generally been refularly 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, 1992 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 obligatiøns or in accordance with generally accepted business practice.

20. The company is not a sick industrial company within the meaning of clause (o) 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.

L.B. JHA & CO. Chartered Accountants	GUHA NANDI & CO. Chartered Accountants	T.R. CHADHA & CO. Chartered Accountants	N.M. RAIJI & CO. Chartered Accountants
Sd/- AMITAVA SARKAR Partner	Sd/- S.K. BANDYOPADHYAY Partner	Sd/- AJESH TULI Partner	Sd/- V. NERURKAR Partner

New Delhi
Dated: 26th June, 1992

Accounting Policies

Statement on Accounting Policies

1. FIXED ASSETS:

1.1 Land:

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

1.2 Construction Period Expenses on Projects:

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

1.3 Depreciation:

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

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

Capital expenditure on 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.

Depreciation on fixed assets other than the above is provided in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956, on straight line method. 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 of 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 are valued at cost determined as per pricing mechanism approved by the Government from time to time. 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:

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

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

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

3.1.2.3 Imported products in transit are valued at CIF cost.

3.1.2.4 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 case above Rs. 1 lakh. 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. 2 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. 10,000/- in each case are charged to revenue.

5.5 Income and expenditure upto Rs. 1 lakh 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. 10 lakhs in each case are disclosed separately.

5.7 Interest on outstandings is accounted for when there is certainty that the same is realisable, based on past experience.

6. R&D EXPENDITURE:

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K.N. VENKATASUBRAMANIAN	B.K. BAKSHI	B.D. GUPTA	P.K. MUKHOPADHYAY	A.P. CHAUDHRI	S.K. WELING
Chairman	Director (Marketing)	Director (Finance)	Director (R&D)	Director (R&P)	Secretary

New Delhi

Dated : 26th June, 1992

Balance Sheet

Balance Sheet as at 31st March, 1992

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1991 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'	4,19,951.81		3,45,341.27
			4,32,278.39	3,57,667.85
2. Loan Funds:				
a) Secured	'C'	16,998.30		4,165.85
b) Unsecured	'D'	3,45,683.66		7,08,602.88
			3,62,681.96	7,12,768.73
TOTAL:			7,94,960.35	10,70,436.58
II. APPLICATION OF FUNDS:				
1. Fixed Assets:				
a) Gross Block	'E'	3,48,197.61		3,14,999.20
b) Less:Depreciation		2,13,305.05		2,05,876.28
		1,34,892.56		1,09,122.92
c) Construction Work-in-Progress and Capital Goods in Stock	'F'	1,13,479.11		70,642.23
			2,48,371.67	1,79,765.15
2. Investments	'G'		4,15,334.25	6,46,595.30
3. Current Assets, Loans and Advances:				
A. Current Assets:				
a) Interest accrued on Investments		10,473.53		16,854.09
b) Inventories	'H'	2,48,933.26		2,25,444.52
c) Book Debts	'I'	91,521.95		52,059.94
d) Cash balances including impest and cheques in hand		12,210.75		11,470.29
C/F…		3,63,139.49		3,05,828.84
Carried Forward…			6,63,705.92	8,26,360.45

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
Brought Forward…			6,63,705.92	8,26,360.45
B/F…		3,63,139.49		3,05,828.84
e) Bank balances: With Scheduled Banks:				
i) On Current Account		689.24		427.37
ii) On Fixed Deposit Account		244.45		2.98
iii) On Blocked Account		26.11		13.82
iv) On Call Account		334.96		123.54
f) With Post Office: In Savings Account		0.04		0.04
		3,64,434.29		3,06,396.59
B. Loans and Advances:	'J'	3,67,504.17		2,91,233.32
		7,31,938.46		5,97,629.91
Less: Current Liabilities and Provisions	'K'	6,00,684.03		3,53,553.78
Net Current Assets			1,31,254.43	2,44,076.13
TOTAL:			7,94,960.35	10,70,436.58
4. Contingent Liabilities not provided for (Refer Schedule 'P' Note-1)				
5. Notes forming part of Accounts	'P'			

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K.N. VENKATASUBRAMANIAN Chairman	A.P. CHAUDHRI Director (R&P)	B.D. GUPTA Director (Finance)	B.K. BAKHSHI Director (Marketing)	P.K. MUKHOPADHYAY Director (R&D)	S.M. WELING Secretary

As per our Report attached

L.B. JHA & CO. Chartered Accountants	GUHA NANDI & CO. Chartered Accountants	T.R. CHADHA & CO. Chartered Accountants	N.M. RAIJI & CO. Chartered Accountants
Sd/-	Sd/-	Sd/-	Sd/-
(AMITAVA SARKAR) PARTNER	(S.K. BANDYOPADHYAY) PARTNER	(AJESH TULI) PARTNER	(V. NERURKAR) PARTNER

New Delhi
Dated: 26th June, 1992

Profit and Loss Account

Profit and Loss Account for the year ended 31st March, 1992

	Schedule	Rupees (In lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
INCOME:				
1. i) Sale of Products and Crude		20,72,153.74		19,55,537.40
ii) Less: Commission and Discounts		66.41		41.67
		20,72,087.33		19,55,495.73
2. Company's use of own oil		2,418.79		2,384.20
			20,74,506.12	19,57,879.93
3. Recovery of Main Installation and Other Charges			839.45	1,005.53
4. Increase / (Decrease) in Stocks:				
Closing Stock as on 31st March, 1992:				
Finished Products		1,24,658.67		1,37,443.60
Stock-in-Process		10,659.98		9,705.74
		1,35,318.65		1,47,149.34
Less: Opening Stock as on 1st April, 1991:				
Finished Products		1,37,443.60		98,122.92
Stock-in-Process		9,705.74		9,571.47
Adjustment in respect of Opening Stock of Finished Products		0.00		294.79
		1,47,149.34		1,07,989.18
			(11,830.69)	39,160.16
5. Interest On:				
i) Loans and Advances		20,040.43		3,861.97
ii) Fixed Deposits with Banks		280.11		379.76
iii) Short Term Deposits with Bank		70.50		86.40
iv) Customers Outstandings		1,885.75		1,384.34
v) Fully paid Bonds (Tax Free) of Government Companies		30,938.75		39,543.63
vi) Investment under Portfolio Management/Other Schemes		9,433.48		7,402.32
vii) Government Securities (Gross) (Tax deducted at source Rs. **663.93 lakhs;** 1991: Rs. 1,335.15 lakhs)		2,500.08		7,307.96
			65,149.10	59,966.38
6. Other Income	'L'		21,611.46	26,379.23
7. Provision for Doubtful Debts, Advances, Claims and Stores written back			505.69	401.01
TOTAL INCOME:			21,50,781.13	20,84,792.24

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
EXPENDITURE :				
1. Purchase of Products and Crude			10,19,535.29	9,79,792.07
2. Manufacturing, Administration, Selling and Other Expenses	'M'		7,48,012.25	7,06,568.00
3. Duties			2,10,130.43	2,21,107.88
4. Depreciation and Amortisation			17,716.10	23,491.80
5. Main Installation Charges Paid to Other Oil Companies			499.80	467.96
6. Interest:				
a) On Fixed period loans				
i) Government of India				
ii) Oil Industry Development Board		4,187.45		840.46
iii) Floating Rate Bearer Notes		3233.07		3,302.71
iv) Public Deposits		91.56		88.62
v) Asian Development Bank		2,524.59		0.00
b) On short term loans from Banks		29,965.60		50,426.81
c) Others		24,319.33		11,898.91
			64,321.60	66,557.51
			20,60,215.47	19,97,985.22
7. Less:				
i) Amount transferred to Construction period expenses pending allocation (Net of recovery of **Rs. 104.01 lakhs**; 1991: Rs. 112.68 lakhs)		1,926.32		860.70
ii) Expenses transferred to Manufacturing of drums		324.33		346.48
			2,250.65	1,207.18
TOTAL EXPENDITURE:			20,57,964.82	19,96,778.04
PROFIT (before extra-ordinary and prior period Adjustments)			92,816.31	88,014.20
Income/(Expenditure) relating to extra ordinary items (Net)	'O-1'		15,952.16	2,691.80
Income /(Expenditure) relating to Prior Period (Net)	'O'		(290.16)	(1.59)
PROFIT BEFORE TAX Carried Forward…			1,08,478.31	90,704.41

Profit and Loss Account *Contd....*

	Schedule	Rupees (in lakhs)	1991 Rupees (in lakhs)
PROFIT BEFORE TAX Brought Forward		1,08,478.31	90,704.41
Taxation (Net)		29,800.00	17,700.46
PROFIT AFTER TAX		78,678.31	73,003.95
Halance brought forward from last year's Account		0.74	0.64
DISPOSABLE PROFIT		78,679.05	73,004.59
APPROPRIATIONS:			
Proposed Dividend		4,067.77	2,711.85
Insurance Reserve Account		30.00	30.00
General Reserve		74,581.00	70,262.00
BALANCE CARRIED TO BALANCE SHEET		0.28	0.74
TOTAL:		78,679.05	73,004.59
Notes forming part of Accounts	**'P'**		

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
KN. VENKATASUBRAMANIAN	AP. CHAUDHRI	BD. GUPTA	BK. BAKHSHI	PK. MUKHOPADHYAY	SM. WELING
Chairman	Director (R&P)	Director (Finance)	Director (Marketing)	Director (R&D)	Secretary

As per our Report attached

L.B. JHA & CO.	GUHA NANDI & CO.	T.R. CHADHA & CO.	N.M. RAIJI & CO.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Sd/-	Sd/-	Sd/-	Sd/-
(AMITAVA SARKAR)	(S.K. BANDYOPADHYAY)	(AJESH TULI)	(V. NERURKAR)
PARTNER	PARTNER	PARTNER	PARTNER

New Delhi
Dated: 26th June, 1992

Schedules

SCHEDULE 'A'—Share Capital

	Rupees (in lakhs)	1991 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)	1991 Rupees (in lakhs)
Capital Reserve:			
As per last Account		15.82	15.82
General Reserve:			
As last Account	3,22,043.71		2,51,781.71
Add: Transferred from Profit and Loss Account	74,581.00		70,262.00
		3,96,624.71	3,22,043.71
Insurance Reserve:			
As per last Account	310.00		280.00
Add: Transferred from Profit and Loss Account	30.00		30.00
		340.00	310.00
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		0.28	0.74
TOTAL:		4,19,951.81	3,45,341.27

SCHEDULE 'C'—Secured Loans

	Rupees (in lakhs)	1991 Rupees (in lakhs)
Loans and Advances from Banks: (Secured by hypothecation of raw materials, stock-in-trade, book debts, outstanding monies, receivables, claims, contracts, engagements etc.)	16,997.18	4,165.85
Interest accrued and due on above	1.12	0.00
TOTAL:	16,998.30	4,165.85

SCHEDULE 'D'—Unsecured Loans

	Rupees (in lakhs)	Rupees (in lakhs)	1991 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.		53,297.18	38,967.36
2. **Loan of US $ 150 Million from Asian Development Bank** (Revalued at US $ 155.74 Million as on 31.03.92 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.		40,531.44	0.00
3. **Short Term Loans and Advances from Banks** (Due for payment within one year)		1,88,474.03	6,62,022.90
4. **Deferred Foreign Credit** (including **Rs. 84.24 lakhs**; 1991: Rs.4.90 lakhs due for payment within one year)		155.06	12.26
5. **Other Loans end advances:**			
i) From Oil Industry Development Board (including Rs. **50,024.38 lakhs;** 1991: Rs.27.55 lakhs due for payment within one year)	50,071.25		81.43
ii) Public Deposits (including Rs. **248.00 lakhs;** 1991: Rs.165.20 lakhs due for payment within one year)	622.19		648.27
iii) Loan of US $ 35 Million from International Bank for Reconstruction and Development repayable during December 15, 1994 to June 15, 2009, guaranteed as to principal and interest by Government of India, including interest accrued and due Rs. NIL Lakhs (1991: Rs.1.18 lakhs)	10,980.39		6,870.66
iv) Loan of Yen 658.875 Million from State Bank of India, Tokyo Repayable on 7th August, 1993.	1,552.12		0.00
		63,225.95	7,600.36
TOTAL		3,45,683.66	7,08,602.88

Schedules *Contd....*

SCHEDULE 'E'—Fixed Assets

	GROSS BLOCK			
	Gross Block as at 31-03-1991	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	7,532.60	2,066.43	0.00	0.00
Leasehold	1,843.19	1,274.75	0.00	0.00
Right of Way	136.76	0.02	0.00	0.00
BUILDINGS, ROADS ETC.	34,711.08	131.00	3,681.98	(0.64)
ENABLING ASSETS	548.80	55.23	41.37	0.00
PLANT AND MACHINERY	2,54,138.71	11,227.34	12,331.66	(241 22)
TRANSPORT EQUIPMENTS	4,975.21	860.05	353.21	(155.20)
FURNITURES AND FIXTURES	2,004.17	358.92	45257	(7.74)
RAILWAY SIDINGS	2,365.83	49.61	41.94	0.00
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	6,709.68	3.35	1,481.46	0.00
SUNDRY ASSETS	33.17	1.12	0.00	(0.18)
TOTAL:	3,14,999.20	16,027.82	18,384.19	(404.98)
PREVIOUS YEAR:	2,81,935.51	19,905.69	14,341.29	(227.48)

† Includes Rs. **(9232.86) lakhs** (1991: Rs. (1981.68) Lakhs) in respect of extra-ordinary/prior period items.

@ Buildings Include:
Rs. **0.56 lakhs** (1991: Rs. 0.56 lakhs) towards value of **906** (1991: 906) 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. **55.99 lakhs** being our share of cost of assets joints owned with IPCL/BPC/HPC.

$ Includes Rs. **1,938.81 Lakhs** being our share of cost of assets jointly owned with transport contractors & Railways.

$$ Includes Rs. **99.41 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 31-03-1992		Charged this year †	Upto 31-03-1992	As at 31-03-1992	As at 31-03- 1991
Rupees (in lakhs)	Rupees (in lakhs)		Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
88.54	9,687.57		0.00	0.00	9,687.57	7,532.60
(11.51)	3,106.43		42.72	227.39	2,879.04	1,657.94
(50.41)	86.37		0.00	0.03	86.34	106.81
(22.95)	38,500.47	@	182.89	6,597.31	31,903.16	28,292.54
48.62	694.02	††	55.90	520.42	173.60	120.08
(778.66)	2,76,677.83	@@	8,208.30	1,94,954.07	81,723.76	66,556.35
(64.80)	5,968.47	$	15.09	3,408.33	2,560.14	1,380.55
(11.78)	2,796.14		(294.36)	675.45	2,120.69	1,024.02
0.00	2,457.38		12.01	1,149.98	1,307.40	1,221.39
(4.98)	8,189.51	$$	263.75	5,750.76	2,438.75	1,222.68
(0.69)	33.42		(3.06)	21.31	12.11	7.96
(808.62)	3,48,197.61		8,483.24	2,13,305.05	1,34,892.56	1,09,122.92
(955.81)	3,14.999.20		21,510.12	2,05,876.28	1,09,122.92	

Schedules *Contd....*

SCHEDULE 'F'-Construction Work-in-progress and Capital Goods in Stock

	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
1. Work-in-progress (at cost) (including unallocated capital expenditure, materials at site and advances for capital expenditure)		76,376.53	43,956.53
2. Capital stores (at cost) (including materials worth Rs. **1004.89 lakhs;** 1991 Rs. 554.91 lakhs Iying with contractors)	26,003.49		17,850.13
Less: Provision for Obsolescence/Losses	0.76		0.00
		26,002.73	17,850.13
3. Miscellaneous Capital Stores (at or below cost)		88.61	60.90
4. Capital Goods-in-Transit (at cost)		5,319.15	4,824.49
5. Construction period expenses pending allocation:			
Balance as at 1st April, 1991	3,950.18		3,251.44
Add: Adjustments relating to extra-ordinary items	9.00		(16.73)
	3,959.18		3,234.71
Add: Expenditure during the year:			
Establishment Charges	261.79		156.96
Interest	64.20		85.77
Depreciation	38.41		43.06
Others	1,665.93		687.59
	5,989.51		4,208.09
Less: Recoveries	104.01		112.68
	5,885.50		4,095.41
Less: Allocated to Assets/Construction work-in-progress during the year	193.41		145.23
		5,692.09	3,950.18
TOTAL:		1,13,479.11	70,642.23

SCHEDULE 'G'—Investments (At Cost)

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in lakhs)	March 1991 Rupees (in lakhs)
A. QUOTED:						
1. In Fully Paid Government Securities						
Govt. of India–loan-2007	**Nil** (1991: 15,50,000) Govt. of India Inscribed stock of the 1150% loan	1,000/-		0.00		15,522.11
Govt. of India–Loan-2008	**Nil** (1991:14,00,000) Govt. of India Inscribed stock of the 11.50% loan	1,000/-		0.00		13,997.16
Govt. of India–Loan-2009	**Nil** (1991: 5,00,000) Govt. of India Inscribed stock of the 1150% loan	1,000/-		0.00		4,998.69
Govt. of India–Loan-2010	**Nil** (1991: 50,000) Govt. of India Inscribed stock of the 1150% loan	1,000/-		0.00		500 34
Govt. of India–Loan-2015	**Nil** (1991: 2,50,000) Govt. of India Inscribed stock of the 1150% loan	1,000/-		0.00		2,493.36
					0.00	37,511.66
2. Under Canstar Scheme of Canbank Mutual Fund (Not Quoted previous year)		10/-			3,000.00	5,000.00
TOTAL (A)					3,000.00	42,511.66
Aggregating market value of the above mentioned securities **Rs. 12,750.00 lakhs;** 1991: Rs. 37,538.75 lakhs						
B. UNQUOTED:						
1. LISTED BUT NO QUOTATION REPORTED: In Fully Paid Bonds of Government Companies:						
a) National Thermal Power Corporation Limited	**8,50,000** (1991 8,50,000) 9% Secured (Tax Free) Redeemable Bonds (III Public Issue 1988)	1,000/-	8,551.00			8,551.00
	24,97,500 (1991: 27,47,500) 9% Secured (Tax Free) Redeemable Bonds (V Issue-1989)	1,000/-	25,182.25			27,682.25
	10,000 (1991: 10,000) 10% Secured (Tax Free) Redeemable Bonds (1 Series 1986)	1,000/-	108.50			108.50
	12,00,000 (1991: 12,00,000) 10% Secured (Tax Free) Redeemable Bonds (11 Series 1987)	1,000/-	12,000.00			12,000.00
	26,000 (1991: Nil) 13% Secured Redeemable (III Public Issue-1988)	1,000/-	202.80			0.00
				46,044.55		48,341.75
	C/F…			46,044.55		48,341.75

Schedules *Contd....*

SCHEDULE 'G'—Investments (At Cost)

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March 1992 Rupees (in lakhs)	March 1992 Rupees (in lakhs)	March 1992 Rupees (in lakhs)	March 1991 Rupees (in lakhs)
	B/F…			46,04455		48,341.75
b) Mahanagar Telephone Nigam Limited	**7,45,000** (1991:7,45,000) 10% Secured (Tax Free) Redeemable Bonds (I Series-1986)	1,000/-		7,717.05		7,717.05
c) Indian Railway Finance Corporation Limited	**4,67,500 (1991:** 4,67,500) 10% Secured (Tax Free) Redeemable Bonds 11 Series-1987)	1,000/-	4,947.38			4,947.37
	3,10,000 (1991: 3,10,000) 9% Secured (Tax Free) Redeemable Bonds (I Series-1987)	1,000/-	3,100.55			3,100.55
	12,50,000 (1991: 12,50,000) 9% Secured (Tax Free) Redeemable Bonds (II Series-1988)	1,000/-	12,500.00			12,500.00
				20,547.93		20,547.92
d) Indian Telephone Industries Limited	**5,00,000** (1991:5,00,000) 10% Secured (Tax Free) Redeemable Bonds (B Series-1987)	1,000/-		5,000.00		5,000.00
e) National Hydro Electric Power Corporation Limited	**2,15,000** 11991: 2,15,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-		2,152.02		2,152.02
f) Neyveli Lignite Corporation Limited	**1,70,000** 11991: 1,70,000) 9% Secured (Tax Free) Redeemable Bonds (B Series-1987)	1,000/-	1,700.00			1,700.00
	7,50,000 (1991: 7,50,000) 9% Secured (Tax Free) Redeemable Bonds (C Series-1988)	1,000/-	7,548.00			7,548.00
	3,00,000 (1991:3,00,000) 9% Secured (Tax Free) Redeemable Bonds (D Series-1989)	1,000/-	2,980.50			2,980.50
	10,50,000 (1991: 10,50,000) 9% Secured (Tax Free) Redeemable Bonds (E Series-1990)	1,000/-	10,564.00			10,564.00
				22,792.50		22,792.50
g) Power Finance Corporation Limited	**8,40,000** (1991:8,40,000) 9% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-	8,351.60			8,351.60
	13,25,000 (1991: 13,25,000) 9% Secured (Tax Free) Redeemable Bonds-(II Series)	1,000/-	13,348.87			13,348.87
	5,00,000 (1991: 10,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series)	1,000/-	5,058.75			10,096.25
	25,40,000 (1991: 41,70,000) 9% Secured (Tax Free) Redeemable Bonds (IV Series)	1,000/-	25,125.31			41,860.95
				51,884.53		73,657.67
	C/F…			1,56,138.58		1,80,208.91

SCHEDULE 'G'—Investments (At Cost)

		No. and Parficulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1991 Rupees (in Lakhs)
		B/F…			1,56,138.58		1,80,208.91
h)	Housing&Urban Development Corporation Limited	**2,50,000** (1991:2,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series 1)	1,000/-		2,481.50		2,481.50
i)	Nuclear Power Corporation Limited	**50,000** (1991:50,000) 9% Secured (Tax Free) Redeemable Bonds (A Series)	1,000/-	504.25			504.25
		9,50,000 (1991: 9,50,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	9,561.75			9,561.75
		9,20,000 (1991 9,20,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,202.60			9,202.60
		Nil, (1991: 2,50,000) 13% Secured Redeemable Bonds (C Series)	1,000/-	0.00			2,500.00
					19,268.60		21,768.60
		SUB-TOTAL (1)				1,77,888.68	2,04,459.01
2.	**OTHERS:**						
a)	Indian Railway Finance Corporation Limited	**25,00,000** (1991:25,00,000) 9% Secured (Tax Free) Redeemable Bonds (lII "A" Series 1989)	1,000/-	25,103.58			25,006.70
		3,10,860 (1991:3,10,860) 9% Secured (Tax Free) Redeemable Bonds (IV Series 1990)	1,000/-	3,108.60			3,108.60
		Nil (1991: 37,000) 10% Secured (Tax Free) Redeemable Bonds (IV "A" Series 1989-90)	1,000/-	0.00			409.78
		11,00,000 (1991:72,50,000) 9% Secured (Tax Free) Redeemable Bonds (IV "A" Series 1989-90)	1,000/-	10,984.50			73,068.50
		Nil (1991: 5,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV "B" Series 1989-90)	1,000/-	0.00			4,925.00
		15,80,000 (1991: 15,80,000) 9% Secured (Tax Free) Redeemable Bonds (IV "C" Series 1989-90)	1,000/-	15,903.20			15,903.20
		10,41,975 (1991: 13,56,975) 9% Secured (Tax Free) Redeemable Bonds (IV "E" Series 1989-90)	1,000/-	9,862.25			13,589.75
		5,00,000 (1991: Nil) 9% Secured (Tax Free) Redeemable Bonds (V "A" Series 1989-90)	1,000/-	4,925.00			0.00
					69,887.13		1,36,011.53
b)	Unit Trust of India	**18,82,50,000** (1991:78,82,50,000) Units of Unit Trust of India 1964 Scheme	10/-		27,393.34		1,08,184.21
		C/F…			97,280.47		2,44,195.74
		Carried Forward…				1,77,888.68	2,04,495.01

Schedules *Contd....*

SCHEDULE 'G'—Investments (At Cost)

		No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1991 Rupees (in Lakhs)
		Brought Forward…				1,77,888.68	2,04,459.01
		B/F…			97,280.47		2,44,195.74
c)	National Thermal Power Corporation Limited	**2,35,000** (1991: Nil) 17% Secured Redeemable Bonds	1,000/-		2,279.50		0.00
d)	Mahanagar Telephone Nigam Limited	**9,00,000** (1991:9,00,000) 9% Secured (Tax Free) Redeemable Bonds (111 Series 1989)	1,000/-	8,979.75			8,979.75
		15,18,019 (1991: 16,08,019) 9% Secured (Tax Free) Redeemable Bonds (IV Series 1990)	1,000/-	15,036.64			15,941.14
		4,00,000 (1991: Nil) 13% Secured Redeemable Bonds (IV Series 1990)	1,000/-	3,992.00			0.00
		5,50,000 (1991: Nil) 13% Secured Redeemable Bonds	1,000/-	4,290.00			0.00
		10,20,000 (1991: Nil) 17% Secured Redeemable-Bonds	1,000/-	9,792.00			0.00
					42,090.39		24 920.89
e)	National Hydro Electric Power Corporation Limited	**9,30,000** (1991: 9,30,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,284.05			9,284.05
		14,10,000 (1991: 14,40,000) 9% Secured (Tax Free) Redeemable Bonds (D Series)	1,000/-	14,149.30			14,451.55
		2,48,000 (1991: 2,68,000) 9% Secured (Tax Free) Redeemable Bonds (E Series)	1,000/-	2,504.06			2,707.06
					25,937.41		26,442.66
f)	Neyveli Lignite Corporation Limited	**4,00,000** (1991:4,25,000) 13% Secured Redeemable Bonds (E Series 1990)	1,000/-	4,010.00			4,259.50
		22,400 (1991: Nil) 13% Secured Redeemable Bonds	1,000/-	223.55			0.00
		1,26,500 (1991: Nil) 13% Secured Redeemable Bonds	1,000/-	986.70			0.00
		1,25,000 (1991: Nil) 13% Secured Redeemable Bonds	1,000/-	1,015.00			0.00
					6,235.25		4,259.50
		C/F…			1,73,823.02		2,99,818.79
		Carried Forward…				1,77,888.68	2,04,459.01

SCHEDULE 'G'—Investments (At Cost)

		No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/lJnit (Rs.)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1991 Rupees (in Lakhs)
		Brought Forward…				1,77,888.68	2,04,459.01
		B/F…			1,73,823.02		2,99,818.79
g)	Housing and Urban Development Corporation Limited	**95,000** (1991: 95,000) 9% Secured (Tax Free) Redeemable Bonds Shelter Bonds—Series II)	1,000/-	966.91			966.91
		50,000 (1991: 50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds—Series III)	1,000/-	508.90			508.90
		6,25,000 (1991: 13,55,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds—Series IV)	1,000/-	6,284.38			13,668.88
		6,50,000 (1991: 7,90,000) 9% Secured (Tax Free) Redeemable Bonds (Urban Bonds—Series 1)	1,000/-	6,523.50			7,934.00
		40,000 (1991:40,000) 13% Secured Redeemable Bonds	1,000/-	399.20			399.20
					14,682.89		23,477.89
h)	Rural Electrification Corporation Limited	**6,65,000** (1991:6,65,000) 9% Secured (Tax Free) Redeemable Bonds IXV Series 1997)	1,000/-	6,621.75			6,621.75
		9,40,000 (1991: 9,40,000) 9% Secured (Tax Free) Redeemable Bonds (XVII Series 1998)	1,000/-	9,438.33			9,438.33
		2,90,000 (1991: 2,90,000) 9% Secured (Tax Free) Redeemable Bonds (XIX Series)	1,000/-	2,928.10			2,928.10
		12,50,000 (1991: 12,50,000) 9% Secured (Tax Free) Redeemable Bonds (XX Series)	1,000/-	l2,495.15			l2,495.15
					31,483.33		31,483.33
i)	Damodar Valley Corporation Limited	**Nil** (1991:6,27,500) 9% Secured (Tax Free) Redeemable Bonds (A Series)	1,000/-		0.00		6,352.06
j)	Hindustan Zinc Limited	**Nil** (1991: 5,00,000) 13% Secured Redeemable Bonds	1,000/-		0 00		5,000.00
k)	Coal lndia Limited:	**Nil** (1991:8,50,000) 9% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-		0.00		8,436.25
		SUB-TOTAL (2)				2,19,989.24	3,74,568.32
3.	Under Port-Folio Management Schemes with Banks					0 00	25,000.00
4.	Under Can Premium Scheme of Can Bank Mutual Fund		10/-			10,000.00	0.00
5.	Under Can Triple Scheme of Can Bank Mutual Fund ,		10/-			4,400.00	0.00
6.	In Subsidiary Company-lOBL **8,000** Equity Shares each fully paid in cash		500/-			40.00	40.00
		Carried Forward…				4,12,317.92	6,04,067.33

SCHEDULE 'G'—Investments (At Cost)

	No. and Particular of Shares/Bond	Face Value Per Share/ Bond/Unit (Rs.)	March 1992 Hupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1992 Rupees (in Lakhs)	March 1991 Rupees (in Lakhs)
	Brought Forward…				4,12,317.92	6,04,067.33
7. In Govt. Securities (Including **Rs. 16,700;** 1991: Rs.16,700 Deposited with Various Bodies)					1.98	1.98
8. 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) In Consumer Cooperative Societies	Barauni: **250** Equity Shares each fully paid in cash	10/-				
	Guwahati: **250** Equity Shares each fully paid in cash	10/-				
	Mathura: **200** Equity Shares each fully paid in cash	10/-				
	Haldia: **1231** (l991 :1012 Equity Shares each fully paid in cash	10/-		0.23		0.21
	In Indian Oil Cooperative Consumer Stores Ltd., Delhi: **375** Equity Shares each fully paid in cash	10/-				
					2.35	2.33
9. Term Deposit with Can Bank					12.00	12.00
	TOTAL (B) (1 to 9)				4,12,334.25	6,04,083.64
	GRAND TOTAL: (A+B)				4,15,334.25	6,46,595.30

During the year, following Investments were sold:

	Particulars	No. of Bonds/ Units	Face Value Rupees (In lakhs)
1.	Fully paid Secured Bonds of Govt. Companies	3,24,78,600	3,24,786.00
2.	Fully paid Govt. Securities	79,50,000	79,500.00
3.	Units of Unit Trust of India	1,04,69,00,000	1,04,690.00
4.	Securities under Canbank Mutual Fund Scheme	34,39,00,000	34,390.00
5.	Certificates of Deposit issued by IDBI	—	12,000.00
6.	Portfolio Management Scheme	—	25,000.00

SCHEDULE 'H' - Inventories

	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
1. **Stores, Spares etc. (at or under cost)*** **(including in transit Rs. 2051.8l 1akhs;** 1991: Rs 953.79 lakhs)	24,083.13		21,361.14
Less: Provision for Losses	399.98		354.29
		23,683.15	21,006.85
2. Raw Materials (at cost)** (including in transit **Rs. 25,379.60 lakhs;** 1991: Rs. 12,243.35 lakhs)		89,352.65	56,680.57
3. Stock-in-Trade			
a) Oil Stock (at cost or net realisable value whichever is lower)*** (including in transit **Rs. 34,342.60 lakhs;** 1991: Rs. 44,273.79 lakhs)	1,24,658.67		1,37,443.60
b) Stock-in-process (at raw material cost)	10,659.98		9,705.74
		1,35,318.65	1,47,149.34
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)****		578.81	607.76
TOTAL:		2,48,933.26	2,25,444.52

* Includes stock Iying with contractors **Rs. 272.37 1akhs** (1991: Rs, 370.54 lakhs)

** Includes stock lying with Other Oil Companies on loan **Rs. 22,060.33 lakhs** (1991: Rs. 28,781.78 lakhs) and with others **Rs. 3,461.19 lakhs** (1991: Rs. 3,032.36 lakhs)

*** Includes stock lying with Other Oil Companies on loan **Rs. 10,916.15 lakhs** (1991: Rs. 10,246.14 lakhs) and with others **Rs. 664.53 lakhs** (1991: Rs. 624.31 lakhs)

**** Includes stock Iying with others **Rs. 97.00 lakhs** (1991: Rs. 112.52 lakhs)

Schedules *Contd....*

SCHEDULE 'I' - Book Debts

	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
Over Six Months:			
a) Secured, Considered Good	0.41		3.11
b) Unsecured, Considered Good	16,297.31		13,886.44
c) Unsecured, Considered Doubtful	836.21		551.81
		17,133.93	14,441.36
Other Debts:			
a) Secured, Considered Good	8.17		6.53
b) Unsecured, Considered Good	75,216.06		38,163.86
c) Unsecured, Considered Doubtful	77.62		41.67
		75,301.85	38,212.06
		92,435.78	52,653.42
Less: Provision for Doubtful Debts		913.83	593.48
TOTAL:		91,521.95	52,059.94

SCHEDULE 'J' - Loans and Advances

			Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
1.	Loans-Unsecured, Considered Good:				
	—	To Indian Oil Blending Limited (A Subsidiary) including interest Accrued **Rs. 227.12 lakhs** (1991: Rs. 239.77 lakhs)		879.17	954.83
2.	Advances recoverable in cash or in kind or for value to be received:				
	a)	Secured, Considered Good*	14,028.64		10,895.27
	b)	Unsecured, Considered Good* — Others	16,783.99		15,652.67
	c)	Unsecured, Considered Doubtful	99.54		92.50
			30,912.17		26,640.44
	d)	Less: Provision for Doubtful Advances	99.54		92.50
				30,812.63	26,547.94
3.	Amount recoverable from Industry Pool Account Unsecured, Considered Good			2,93,646.53	2,07,360.39
4.	Claims Recoverable:				
	a)	Secured, Considered Good	27.25		36.71
	b)	Unsecured, Considered Good	6,967.27		5,372.45
	c)	Unsecured, Considered Doubtful	1,302.79		1,462.70
			8,297.31		6,871.86
	d)	Less: Provision for Doubtful Claims	1,302.79		1,462.70
				6,994.52	5,409.16
		Carried Forward...		3,32,332.85	2,40,272.32

Schedules *Contd....*

SCHEDULE 'J' - *Contd....*

		Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
	Brought Forward...		3,32,332.85	2,40,272.32
5.	Materials on Loan:			
	a) Secured, Considered Good	5.07		39.00
	b) Unsecured, Considered Good	0.00		0.88
			5.07	39.88
6.	Deposit under Companies Deposits (Surcharge on Income-tax) Scheme, 1985 Unsecured, considered Good		0.00	63.00
7.	Investment Deposit Scheme, 1986 Unsecured, Considered Good		782.96	2,342.50
8.	Balance with Customs, Port Trust and Excise Authorities Unsecured, Considered Good		4,196.46	4,843.52
9.	Sundry Deposits: (including amount adjustable on receipt of Final bills)			
	a) Secured, Considered Good	29,553.36		43,087.94
	b) Unsecured, Considered Good	633.47		584.16
	c) Unsecured, Considered Doubtful	0.12		0.22
		30,186.95		43,672.32
	d) Less: Provision for Doubtful Deposits	0.12		0.22
			30,186.83	43,672.10
	TOTAL:		3,67,504.17	2,91,233.32

* Includes:

1. **Rs. 4,35,260** (1991: Rs. 2,05,902) due from Directors (Maximum **Rs. 5,25,589;** 1991: Rs. 2,50,872)
2. **Rs. 41,01,860** (1991: Rs. 36,26,642) due from other Officers (Maximum **Rs. 42,06,082;** 1991: Rs. 46,31,898)

SCHEDULE 'K'-Current Liabilities and Provisions

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
A. CURRENT LIABILITIES :				
1. Sundery Creditors		4,83,175.28		2,29,252.10
2. Security Deposits	1,17,426.01			1,15,781.93
Less: Investmcnts and Deposits with				
Banks loc ged by outside parties	293.09			226.95
		1,17,132.92		1,15,554.98
3. Interest accrued but not due on loans		4,588.66		14,545.55
			6,04,896.86	3,59,352.63
B. Due to Indian Oil Blending Limited (A Subsidiaiy)			1.28	(134.13)
C. PROVISIONS:				
4. Povision for Taxation	55,504.35			42,304.35
Less: Advance Payments	63,786.23			50,680.92
		(8,281.88)		(8,376.57)
5. Proposed Dividend		4,067.77		2,711.85
			(4,214.11)	(5,664.72)
TOTAL:			6,00,684.03	3,53,553.78

SCHEDULE 'L'-Other Income

	Rupees (in lakhs)	1991 Rupees (in lakhs)
1. Sale of Power and Water	240.71	224.66
2. Profit on sale and disposal of Assets	700.76	469.24
3. Dividend received: (Gross)		
a) From a Subsidiaiy	4.00	4.00
b) From Unit Trust of India	16,443.38	21,478.50
(Tax deducted at Source **Rs. 0.92 lakhs** 1991: Rs. 0.92 lakhs)		
4. Royalty and Technical Know-how Fees	0.17	0.47
5. Unclaimed/Unspent Liabilities written back	522.19	878.87
6. Miscellaneous Income	3.700.25	3,323.49
TOTAL:	21,611.46	26,379.23

Schedules *Contd....*

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

		Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
1.	Raw Materials Consumed:			
	Opening Balance as on 1st April, 1991	56,680.57		47,781.50
	Add: Purchases	6,20,816.02		5,77,396.96
		6,77,496.59		6,25,178.46
	Less: Closing Stock	89,352.65		56,680.57
			5,88,143.94	5,68,497.89
2.	Consumption:			
	i) Stores and Spares (including consumables)	10,144.41		9,088.70
	ii) Packages	16,408.84		14,871.69
			26,553.25	23,960.39
3.	Power and Fuel	24,059.75		24,210.32
	Less: Fuel for own Production	21,081.30		21,504.69
			2,978.45	2,705.63
4.	Processing Fees, Blending Fees, Royalty and Other Charges		2,284.45	1,489.90
5.	Repairs and Maintenance:			
	a) Plant and Machinery	9,571.81		8,127.11
	b) Buildings	1,974.58		1,662.51
	c) Others	1,005.62		1,115.38
			12,552.01	10,905.00
6.	Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		63,736.82	55,574.41
7.	Payments to and Provisions for Employees:			
	a) Salaries, Wages, Bonus, etc.	22,020.25		19,652.60
	b) Contribution to Provident and Other Funds	1,460.34		1,298.11
	c) Staff Welfare Expenses	3,332.65		3,097.82
	d) Contribution to Gratuity Fund	455.81		402.78
	e) Gratuity and Ex-Gratia	32.42		10.65
			27,301.47	24,461.96
8.	Office Administration, Selling and Other Expenses (Schedule 'N')		24,461.86	18,972.82
	TOTAL:		7,48,012.25	7,06,568.00

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

		Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
1.	Rent		3,725.06	3,090.96
2.	Insurance		1,357.72	1,223.25
3.	Rates and Taxes		692.10	569.25
4.	Donations		66.00	58.64
5.	Payment to Auditors:			
	a) Audit Fees	6.00		6.00
	b) Tax Audit Fees	2.17		2.02
	c) Other Services (for issuing certificates etc.)	0.22		0.39
	d) Out of Pocket Expenses	7.52		13.81
			15.91	22.22
6.	Travelling and Conveyance		3,675.97	2,980.27
7.	Communication Expenses		2,061.55	1,712.38
8.	Printing and Stationery		632.03	555.77
9.	Electricity and Water		1,540.15	1,258.04
10.	Other Expenses*		8,632.32	5,550.69
11.	Bad Debts, Advances and Claims written off		169.61	83.30
12.	Loss on Assets sold, lost or written off		46.32	65.90
13.	Technical Assistance Fees		52.22	240.16
14.	Provision for Doubtful Debts, Advances, Claims and obsolescence of stores		719.52	619.59
15.	Security Force Expenses		1,020.02	937.57
16.	Pollution Control Expenses		28.56	21.79
17.	Exchange Fluctuations (Net)		26.80	(16.96)
	TOTAL:		24,461.86	18,972.82

* Includes-Bank Charges **Rs. 697.59 lakhs** (1991: Rs. 489.23 lakhs) and contribution for Rural Development Programme **Rs. 10.75 lakhs** (1991: Rs. 12.42 lakhs)

Schedules *Contd....*

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

		Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
INCOME :				
1.	Sale of Products and Crude		10,363.26	(4,858.15)
2.	Recovery of Main Installation & Other Charges		83.01	195.16
3.	Insurance Claim for standing charges		0.00	26.51
4.	Interest on — Loans & Advances	0.00		(418.97)
	— Customers Outstandings	(159.59)		0.00
			(159.59)	(418.97)
5.	Profit on sale of Investments		903.42	1,837.92
6.	Profit on Sale & Disposal of Assets		0.00	40.23
7.	Adjustment in respect of Opening Stock of Finished Products		0.00	294.79
	TOTAL INCOME:		11,190.10	(2,882.51)
EXPENDITURE :				
1.	Purchase of Products and Crude		0.00	(6,983.98)
2.	Duties		453.01	42.62
3.	Freight and Transportation Charges (Net of Recoveries from Industry Pool Account)		(28.36)	97.22
4.	Payment to and Provision for Employees:			
	— Salaries, Wages and Bonus	2,241.34		3,851.74
	— Staff Welfare Expenses	129.99		0.00
	— Cont. to Provident & Other funds	141.07		269.58
	— Cont. to Gratuity Fund	6.70		91.66
			2,519.10	4,212.98
5.	Interest-Others		1,077.37	(1,274.63)
6.	Rent		180.14	147.53
7.	Main Installation Charges Paid To Other marketing Companies		40.48	0.00
8.	Power and Fuel		70.94	17.99
9.	Depreciation and Amortisation		(9,215.59)	(1,980.76)
10.	Transfer to Construction Period Expenses Pending Allocation		(14.62)	16.73
11.	Rates and Taxes		190.19	29.58
12.	Processing & Blending Fees		0.00	80.05
13.	Miscellaneous Expenses		(34.72)	20.36
	TOTAL EXPENDITURE:		(4,762.06)	(5,574.31)
	NET INCOME/(EXPENDITURE):		15,952.16	2,691.80

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

	Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
INCOME :			
1. Sale of Products and'Crude		48.57	116.12
2. Interest on—Customers Outstandings	0.00		1.17
—Loans &Advances	1.08		0.00
		1.08	1.17
3. Recovery of Main Installation & Other Charges		0.00	(1.86)
4. Profit on Sale and Disposal of Assets		(38.39)	(4.70)
5. Sale of Power &Water		(22.76)	0.00
6. Miscellaneous Income		(12.81)	(2.88)
TOTAL INCOME:		(24.31)	107.85
EXPENDITURE :			
1. Purchase of Products and Crude		(1.28)	13.86
2. Consumption:			
i) Stores and Spares (including consumables)	45.83		(6.35)
ii) Packages	21.98		1.40
		67.81	(4.95)
3. Power & Fuel		0.00	66.22
4. Duties		27.88	(84.06)
5. Repairs and Maintenance:			
i) Plant and Machinery	(16.30)		28.43
ii) Buildings	(1.14)		0.00
iii) Others	0.72		8.44
		(16.72)	36.87
6. Freight and Transportation Charges (Net of recoveries fiom Industiy Pool Account)		112.05	(24.45)
7. Payments to and Provisions for Employees:			
i) Salaries, Wages, Bonus, etc.	1.27		0.00
ii) Contribution to Provident & Other Funds	(2.71)		0.00
		(1.44)	0.00
8. Rent		8.46	2.20
Canied Forward....		196.76	5.69

Schedules *Contd....*

		Rupees (in lakhs)	Rupees (in lakhs)	1991 Rupees (in lakhs)
	Brought Forward…		196.76	5.69
9.	Depreciation and Amortisation		(17.27)	0.00
10.	Interest — Others		(35.30)	3.37
11.	Security Force Expenses		21.71	26.80
12.	Main Installation Charges paid of Other Oil Companies		23.17	54.37
13.	Communication Expenses		22.40	6.58
14.	Blending Fees, Royalty & Other Charges		0.00	(11.51)
15.	Insurance		(1.80)	0.00
16.	Exchange Fluctuation on FRN Issue		(20.30)	0.00
17.	Other Expenses		76.48	24.14
	TOTAL EXPENDITURE:		265.85	109.44
	NET INCOME / (EXPENDITURE)		(290.16)	(1.59)

SCHEDULE 'P' - Notes on the Accounts for the Year ended 31st March, 1992

1. **Contingent Liabilities in respect of :**
   a) Claims against the Corporation not acknowledged as debts **Rs. 43,672.15 lakhs** (1991: Rs. 38,294.10 lakhs). These include:
      i) **Rs. 7,576.62 lakhs** (1991: Rs. 6,050.65 lakhs) being the demands raised by the Central Excise Authorities.
      ii) **Rs. 4,260.06 lakhs** (1991: Rs. 2,516.60 lakhs) in respect of Sales Tax demands.
      iii) **Rs. 2,251.71 lakhs** (1991: Rs. 1,770.46 lakhs) for which suits have been filed in the Courts or cases are lying with arbitrators.
      iv) **Rs. 25,485.50 lakhs** (1991: Rs. 25,735.25 lakhs) in respect of Income Tax demands.

      Interest, if any, on some of the claims is unascertainable.
   b) Guarantees/Undertakings to Banks and others aggregating to **Rs. 3,840.04 lakhs** (1991: Rs. 4,009.43 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. 60,249.36 lakhs** (1991: Rs. 55,211.01 lakhs).
3. a) Title Deeds for Land and Residential Apartments of the book value of **Rs. 5,043.98 lakhs** (1991: Rs. 6,384.07 lakhs) as also, Lease and other agreements in respect of certain other lands/buildings are pending execution or renewal and are, therefore, not available for verification.
   b) Pending the decision of the Government, no liability could be determined and provided for in respect of:
      i) Claims in respect of land acquired for Mathura Refinery
      ii) Additional compensation, if any, payable to the land owners and the Government for land earlier acquired.
4. The supplies of LSHS to Gujarat Electricity Board, Dhuvaran and LSHO/FO to Assam State Electricity Board, Chandrapura have been billed at the rates intimated by the Government from time to time. The parties have not fully accepted these rates and are not tendering full payments, resulting in Book Debts of **Rs. 8,059.71 lakhs** (1991: Rs. 7,754.00 lakhs) and **Rs. 5,547.47 lakhs** (1991: Rs. 3,750.34 lakhs) being contested by Gujarat Electricity Board, Dhuvaran and Assam State Electricity Board, Chandrapura, respectively. These debts have been considered good of recovery in view of the billing having been done in accordance with the Government instructions.
5. Excise/customs duty amounting to **Rs. 29,667.53 lakhs** (1991: Rs. 30,880.80 Iakhs) 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. Consequent on rationalisation, during the year, of rates adopted for charging depreciation in accounts to fall in line with rates prescribed in Schedule XIV to the Companies Act, 1956, effective 2nd April, 1987, there has been a reduction in the charge of depreciation for the year by **Rs. 1,627.62 lakhs** and a write back of provision of **Rs. 9,196.05 lakhs** for prior years treated as Extra-Ordinary Income resulting in an aggregate increase of **Rs. 10,823.67 lakhs** in profit for the year.
7. Pending finalisation of long term settlement with the staff, liability has not been provided in respect of revision of emoluments as the amount thereof is not ascertainable. However, the impact of the above settlements is subject to claim from pool account as per pricing mechanism.
8. Recoveiy of interest due from some of the customers does not appear to be certain despite persistent efforts. In the previous years such interest though recognized was simultaneously provided for as doubtful of recovery. Recognition of revenue in respect of such interest for the year 1991-92 amounting to **Rs. 377.48** lakhs has, therefore, been postponed and has no impact on the profit for the current year.

Schedules *Contd....*

9. Unlike the practice followed in the earlier years when Liabilities and provisions involving foreign exchange were provided at the exchange rates prevailing at the year end except in case of payments upto 30th April where the liability was provided at actuals, translation of all foreign currency transactions has now been made at the exchange rates prevailing as at the year end resulting in nil impact on profit.

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

	1991-92 (Rupees)	1990-91 (Rupees)
i) Salaries & Allowances	8,18,524	8,79,844
ii) Contribution to Provident Fund	67,160	79,843
iii) Contribution to Gratuity Fund	20,080	17,117
iv) Other benefits and Perquisites	1,68,399	1,00,652 *
TOTAL:	10,74,163	10,77,456 *

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

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

Pending receipt of the terms and conditions of appointment of Shri A.P.Chaudhri, Director (Refineries & Pipelines) from Government of India, remuneration of Rs.1,654/- has been paid to him for the period 27th March, 1992 to 31st March, 1992 as per his erstwhile grade.

11. The Profit and Loss Account includes:

a) Expenditure on Public Relations and Publicity amounting to **Rs.256.20 lakhs** (1991: Rs.228.01 lakhs) which is inclusive of **Rs.82.07 lakhs** (1991: Rs. 61.97 lakhs) on account of Staff and Establishment and **Rs.174.13 lakhs** (1991: Rs.166.04 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00012:1** (1991:0.00012:1).

b) Research and Development expenses **Rs.1,034.95 lakhs** (1991: Rs.1,204.49 lakhs)

c) Entertainment Expenses **Rs.8.90 lakhs** (1991: Rs. 6.54 lakhs).

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

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K.N. VENKATASUBRAMANIAN	P.K. MUKHOPADHYAY	B.K. BAKHSHI	A.P. CHAUDHRI	B.D. GUPTA	S.M. WELING
Chairman	Director (R&D)	Director (Marketing}	Director (R&P)	Director (Finance)	Secretary

New Delhi
Dated: 26th June, 1992

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

	Crude Throughput		Lubricating Oil		Wax/Bitumen/ Asphalt/Lube Oil Drums		Oxygen Plant	
	1992 MTs (in lakhs)	1991 MTs (in lakhs)	1992 MTs (in lakhs)	1991 MTs (in lakhs)	1992 Nos. (in lakhs)	1991 Nos. (in lakhs)	1992 CU.M (in lakhs)	1991 CU.M (in lakhs)
1. Licenced Capacity*	232.50	232.50	1.70	1.70	15.04 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	0.84
3. Actual Throughput	242.92	237.39						
4. Actual Production (in own Refineries)***	228.69	222.62	1.54	1.77	8.18	9.67	0.07	0.11
5. Product Processed/ Manufactured by others	16.57	15.08	0.12 3.80 KLs	0.12 3.91 KLs	0.00	0.00	0.00	0.00

NOTES:

* Licenced Capacity of Refinery is not specified for Assam Oil Division

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

@ Per year operating in two shifts.

*** Excluding internal consumption.

Schedules *Contd....*

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

	Opening Stock@@			Purchases Including Duties		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KL s (in lakhs)	Rupees (in lakhs)
Petroleum Products:						
Year ended 31.03.92	**17.87**	**25.27**	**1,22,620.60**	**58.23**	**276.28**	**8,01,180.45**
Year ended 31.03.91	11.67	24.49	84,715.33	62.53	274.89	8,36,685.60
Lubricants & Greases:						
Year ended 31.03.92	**0.13**	**0.87**	**14,146.66**	**0.13**	**0.07**	**2,846.04**
Year ended 31.03.91	0.15	0.83	13,437.66	0.15	0.08	2,954.39
Crude Oil:						
Year ended 31.03.92	**0.00**	**0.00**	**0.00**	**111.59**	**0.00**	**3,53,398.99**
Year ended 31.03.91	0.00	0.00	0.00	105.82	0.00	2,98,552.21
Base Oil & Additives:						
Year ended 31.03.92	**0.08**	**0.00**	**676.32**	**0.10**	**2.87**	**18,822.86**
Year ended 31.03.91	0.05	0.00	264.49	0.08	1.90	12,203.42
Oxygen Gas @						
Year ended 31.03.92	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**
Year ended 31.0391	0.00	0.00	0.23	0.00	0.00	0.00
TOTAL:						
	0.00 @		**0.02**	**0.00** @		
Year ended 31.03.92	**18.08**	**26.14**	**1,37,443.58**	**170.05**	**279.22**	**11,76,248.34**
Year ended 31.03.91	11.87	25.32	98,417.48	168.58	276.87	11,50,395.62
	0.00 @		0.23	0.00 @		

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.

SCHEDULE 'R'—Finished Products—Quantity and Value Particulars *(Contd...)*

Sales			Closing Stock		
Quantity		Value	Quantity		Value
MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
339.22	472.77	15,99,236.47	15.91	23.07	1,08,258.60
119.53	461.96	15,53,180.20	17.87	25.27	1,22,620.60
0.77	5.18	99,083.94	0.13	0.84	15,260.42
0.82	5.14	89,681.38	0.13	0.87	14,146.66
111.59	0.00	3,53,398.99	0.00	0.00	0.00
105.82	0.00	2,98,552.21	0.00	0.00	0.00
0.00	3.20	20,434.34	0.10	0.00	1,139.61
0.00	2.28	14,123.51	0.08	0.00	676.32
0.00	0.00	0.00	0.00	0.00	0.04
0.01	0.00	0.10	0.00	0.00	0.02
0.00 @		0.00	0.00 @		0.04
451.58	481.15	20,72,153.74	16.14	23.91	1,24,658.63
226.17	469.38	19,55,537.30	18.08	26.14	1,37,443.58
0.01 @		0.10	0.00 @		0.02

Schedules *Contd....*

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

	1992			1991		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude 0il	242.94	0.00	5,32,881.89	237.42	0.00	5,18,202.16
Base 0il	0.06	5.40	23,257.31	1.30	4.12	37,180.27
Additives	0.16	0.13	32,004.74	0.14	0.10	13,115.46
Packaging Materials Consumed	0.00	0.00	16,408.84	0.00	0.00	14,871.69
TOTAL:	243.16	5.53	6,04,552.78	238.86	4.22	5,83,369.58

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

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

SCHEDULE 'T'—Expenditure in Foreign Currency for Royalty, Know-How, Professional & Consultation Fees, Interest & Other Matters

	1992 Rupees (in lakhs)	1991 Rupees (in lakhs)
1. Royalty (Gross) and Technical Service Fees	374.39	73.52
2. Professional consultation fees including legal expenses	776.01	32.85
3. Interest	50,141.33	54,182.17
4. Others	1,066.98	351.99
TOTAL:	52,358.71	54,640.53

SCHEDULE 'U'—Earnings in Foreign Exchange

	1992 Rupees (in lakhs)	1991 Rupees (in lakhs)
1. Export of Crude Oil and Petroleum Products Calculated on FOB basis*	1,46,699.45	1,23,639.67
2. Other Income including interest	47.96	178.79
TOTAL:	1,46,747.41	1,23,818.46

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

1992	39,703.70 lakhs
1991	27,978.75 lakhs

SCHEDULE 'V'—CIF Value of Imports

	1992 Rupees (in lakhs)	1991 Rupees (in lakhs)
Crude 0il	7,75,162.54	6,02,061.96
Base 0il	43,270.87	18,714.83
Additives	2,382.57	1,350.39
Capital Goods	2,249.62	1,353.95
Revenue Stores, Components, Spare and Chemicals	2,553.12	3,075.16
TOTAL :	8,25,618.72	6,26,556.29

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

	1992				1991			
	Imported		Indigenous		Imported		Indigenous	
	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption
Crude 0il	2,38,671.76	45	2,94,210.12	55	2,13,912.69	41	3,04,289.47	59
Base 0il and Additives	28,660.13	52	26,601.93	48	18,291.45	36	32,004.28	64
Steel Coils/Sheets*/ stores/Component and Spare Parts	5,564.33	34	10,647.32	66	5,870.94	43	7,747.77	57
TOTAL:	2,72,896.22		3,31,459.37		2,38,075.08		3,44,041.52	

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

Statement Section 212(1)(e)

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

	No. of Shares	Paid Up Value Rupees
1. Shares in the Subsidiary Company were Registered in the name of the Company and their nominees as indicated As at 31st March, 1992 Indian Oil Blending Limited	8,000	40,00,000
	For the Financial year ended 31st March, 1992 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:	361.44	908.76
3. Net aggregate amount of the profit of the Subsidiary Company as far as its profit are dealt with in the Company's Accounts is:	4.00	63.11

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
K.N. VENKATASUBRAMANIAN	A.P. CHAUDHRI	B.D. GUPTA	B.K. BAKHSHI	P.K. MUKHOPADHYAY	S.M. WELING
Chairman	Director (R&P)	Director (Finance)	Director (Marketing)	Director (R&D)	Secretary

New Delhi
Dated: 26th June, 1992

Schedules *Contd....*

Schedule of Fixed Assets (Township)

				GROSS BLOCK
	Gross Block as at 31st March, 1991	Additions during the year	Transfers from Constructions, Work-in-progress	Transfers, Deductions and Reclassification
	(Rs. Lakhs)	(Rs./Lakhs)	(Rs. Lakhs)	(Rs./Lakhs)
LAND-FREEHOLD	435.96	20.71	0.00	0.00
LAND—LEASEHOLD	152.22	84.55	0.00	0.00
BLDG., ROADS ETC.	8,434.82	47 55	799.51	1.43
PLANT & MACHINERY	440.24	11.50	0.00	— 8.99
FUR. & FIXTURES	79.58	35.51	0.00	— 3.46
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	577.60	22.12	164.06	8.99
EQUIP. & APPLIANCES	265.19	60.00	202.31	— 3.32
VEHICLES	99.97	28.29	0.00	2.12
SUNDRY ASSETS	3.31	0.19	0.00	0.40
GRAND TOTAL :	10,488.87	310.42	1,165.88	— 2.83
PREVIOUS YEAR :	9,558.82	312.80	533.92	83.33

Schedule of Fixed Assets (Township) *(Contd...)*

(Rupees in lakhs)

AT COST	DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
Gross Block as at 31st March, 1992	Provided during the year	Upto 31st March, 1992	As at 31st March, 1992	As at 31st March 1991
(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)	(Rs./Lakhs)
456.67	0.00	0.00	456.67	435.96
236.76	0.52	18.82	217.94	133.91
9,280.45	135.37	1,537.15	7,743.30	6,946.86
460.73	27.18	257.83	202.90	196.51
118.54	—0.05	22.01	96.54	43.63
754.79	21.54	479.30	275.49	147.38
530.83	40.63	197.97	332.86	81.62
126.13	5.85	77.75	48.39	23.52
3.09	0.08	1.99	1.11	0.72
11,968.00	231.11	2,592.81	9,375.19	8,010.11
10,488.87	261.17	2,478.76	8,010.11	

Income and Expenditure Account

Income and Expenditure Account for the Year ended 31st March '92 on Provisions of Township, Education, Medical and other Facilities

Sl. No.	Particulars	1992 Rs./Lakhs	1991 Rs./Lakhs
INCOME :			
1.	Recovery of House Rent	155.13	181.42
2.	Recovery of Utilities—Power & Water	14.91	13.25
3.	Recovery of Transport Charges	7.60	6.32
4.	Other Recoveries	164.52	161.22
5.	Excess of Expenditure over Income	4,348.34	3,904.76
	TOTAL :	4,690.51	4,266.97
EXPENDITURE :			
1.	Salaries, Wages, Bonus and PF Contribution	1,014.24	878.21
2.	Consumable Stores and Medicines	331.61	308.73
3.	Subsidies for social and Cultural Activities	118.85	79.91
4.	Repairs & Maintenance	868.16	694.15
5.	Interest	791.92	746.70
6.	Depreciation	231.11	261.17
7.	Misc. Expenses: Taxes, Licence Fees, Insurance etc.	289.72	318.22
8.	Utilities—Power & Water	976.15	948.58
9.	Rent	4.28	3.05
10.	Bus Hire Charges	18.56	23.22
11.	Welfare (School)	0.08	1.68
12.	Club & Recreation	0.85	0.75
13.	Others	44.98	2.59
	TOTAL :	4,690.51	4,266.97

Review of Accounts

Review of accounts of Indian Oil Corporation Limited for the year ended 31st March, 1992 by the Comptroller & Auditor General of India.

1. Financial position

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

(Rs. in crores)

	1989-90	1990-91	1991-92
Liabilities			
a) Paid up capital	123.27	123.27	123.27
b) Reserves and surplus:			
i) General Reserves & Surplus	2517.82	3220.44	3966.25
ii) Others	232.67	232.97	233.27
c) Borrowings:			
i) From Govt. of India	–	–	–
ii) From Banks	5085.93	6661.89	2054.71
iii) From Others	355.20	465.80	1572.10
d) Current liabilities and Provision	2925.75	3535.54	6006.84
Total:	11240.64	14239.91	13956.44
Assets			
e) Gross Block	2819.35	3149.99	3481.98
f) Less: Cummulative Depreciation	1852.38	2058.76	2133.05
g) Net Block	966.97	1091.23	1348.93
h) Capital Work-in-progress	438.09	706.42	1134.79
i) Investments	5310.48	6465.96	4153.34
j) Current Assets	4525.10	5976.30	7319.38
k) Accumulated Losses	–	–	–
Total:	11240.64	14239.91	13956.44
l) Capital employed (g+j-d)	2566.32	3531.99	2661.47
m) Net Worth (a+b-k)	2873.76	3576.68	4322.79
n) Net Worth per Rupee of Paid up Capital (Rupees)	23.31	29.02	35.07

2. Reserves and Surplus

The Company issued fully paid up bonus shares for Rs.41.09 crores by capitalising of General Reserves in 1981-82 and raised the Paid-up Capital base from Rs.82.18 crores to Rs.123.27 crores. Thereafter company has issued no bonus shares. The net worth of the Company was 35 times the paid-up capital as on 31st March, 1992.

Bonus Shares, if demanded by major shareholders (Government) and issued would add to dividend received by them on Share Capital in future years than even the 33% for the year 1991-92, on a very low paid-up capital.

3. Investments and Borrowings.

During the year 1991-92, the Company disinvested Rs.2312.61 crores and also reduced the borrowings from Banks and others by Rs. 3500.88 crores. However, the current liabilities went up more in proportion to current asset, thus leading to availability of lesser working capital. The average return on investments was 9.66% and average cost of borrowings was 9.70%.

4. Working Capital

The Working capital (current assets less current liabilities) came down from Rs.1599.35 crores in 1989-90 and Rs. 2440.76 crores in 1990-91 to only Rs.1312.54 crores in 1991-92. As percentage of sales it came down from 9% and 12% in 1989-90 and 1990-91 respectively to 6% in 1991-92, indicating ability of Company to make do with lesser working capital and turn it over more efficiently without a drop in sales.

Review of Accounts *Contd....*

5. Sources and Utilisation of Funds

Funds amounting to Rs.3134.43 crores from internal and external sources were realised and utilised during the year 1991-92 as given below:

Sources of Funds:	**(Rs. in crores)**
a) Addition to Paid-up Capital	NIL
b) Addition to Reserves &-Surplus	746.10
c) Disinvestments	2312.61
d) Addition to deferred credits	1.43
e) Addition to cumulative depreciation	74.29
Total funds in flow during the year	3134.43
Utilisation of Funds:	
a) Addition to gross block	331.98
b) Addition to current assets	580.37
c) Addition to capital work-in-progress	324.20
d) Repayment of loans	3502.30
e) Addition to loans and advances given	762.71
f) Less: Increase in current liabilities and provisions	(-) 2471.30
g) Increase in miscellaneous capitalised expenditure	104.17
Total utilisation during the year	3134.43

6. Sundry Debts

The sundry debts and sales in the last three years are given below:

(Rs. in crores)

As on	Sundry debts considered good	Sundry debts considered doubtful	Total sundry debts	Sales	Percentage of sundry debts to sales
31.3.1990	495.63	6.16	501.79	17499.58	2.87
31.3.1991	520.60	5.93	526.53	19578.80	2.69
31.3.1992	915.22	9.14	924.36	20745.06	4.46

Sundry Debts as a percentage of sales has increased during 1991-92 over the level in the previous two years which calls for review. The dues as on 31st March, 1992 from Gujarat Electricity Board was Rs.116.07 crores and from Assam State Electricity Board Rs.64.00 crores. Claims for Rs.80.60 crores from GEB and Rs.55.47 crores from ASEB are under dispute.

7. Liquidity and Solvency

The percentage of liquid assets (as distinct from Fixed or Non-Liquid assets), i.e. current assets to total net assets of the Company was high at 92.07% at the end of 1991-92 as against 55.83% in 1990-91 and 54.42% in 1989-90. But dues from the Oil Coordination Committee (OCC) did not prove to be liquid assets due to shortage of funds in the Oil Industry Pool Account maintained by OCC. As on 31.3.92, Rs.2936.47 crores was recoverable from Oil Industry Pool Account. The obligations for repayment of foreign exchange loans for oil imports amounted to Rs.4735.49 crores during the year and credit arranged for purchase of oil amounted to Rs.1827.97 crores during the year. Increase in liabilities due to foreign exchange rate variations on which per contra claims were made from Industry Pool Account during the last three years were Rs.343 crores, Rs.376 crores and Rs. 2616 crores.

The ratio of current assets to current liabilities (including Provisions) which is a measure of solvency stood at 155, 1.69 and 122 at the close of the financial years 1989-90,1990-91 and 1991-92 respectively.

The ratio of quick assets (sundry debtors, loans & advances given and cash & bank balances) to current liabilities (excluding Provisions) which is another measure of solvency stood at 0.94,1.04 and 0.80 at the end of 1989-90,1990-91 and 1991-92 respectively.

The drop in the solvency ratios is mainly due to credit taken for the purchase of crude and petroleum products resulting in reductions in short term borrowings from banks.

8. Working Results

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

(Rs. in crores)

		1989-90	1990-91	1991-92
1.	Sales	17499.58	19578.80	20745.06
2. (i)	Profit	839.82	907.04	1084.78
(ii)	Provision for tax	165.28	177.00	298.00
(iii)	Net Profit after tax	674.54	730.04	786.78
(iv)	Percentage of profit before tax			
	a) To sales	4.8	4.6	5.2
	b) Capital employed	32.7	25.7	40.8
(v)	Percentage of profit after tax			
	a) To Net Worth	23.4	20.4	18.2
	b) To Equity capital	547.2	592.2	638.2
(vi)	Closing stock of finished goods	981.23	1374.44	1246.59

9. Inventory Levels

The inventory levels in the last three years are given below:

(Rs. in crores)

		1989-90	1990-91	1991-92
i)	Stores and spares	204.80	210.07	236.83
ii)	Raw materials	477.82	566.81	893.53
iii)	Stock-in-trade	1076.94	1471.49	1353.19
iv)	Stock of empty barrels and tins	7.90	6.08	5.79

Inventory levels or raw materials and stores and spares are showing an increasing trend requiring review.

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

Bombay
Dated: 11th September, 1992

Review of Accounts *Contd....*

Management's clarifications on certain points of renew of accounts by the Comptroller & Auditor General of India.

Sl. No. **Item No.**

1 **2** **Reserves and Surplus**

The Company has maintained a good track record of progressive increase in the rate of dividend stepping up from 6% in 1966-67 to 14% in 1980-81 and steadily increasing over the years reaching the level of 33% in 1991-92. As a matter of policy, the Company has been ploughing back the internal resources to meet its capital expenditure requirements and 82% of the capital expenditure has been financed out of internal resources. The Corporation has also to finance the major projects like Karnal Refinery, Kandla Bhatinda Pipelines and other Eighth Five Year Plan Projects primarily out of internal resources.

The issue of Bonus shares will be considered in due course by the Board of Directors appropriately keeping in view all aspects in the matter.

Sl. No. **Item No.**

2 **6** **Sundry Debts**

The increase of sundry debts as a percentage to sales during 1991-92 over the level of previous years was mainly on account of higher quantity of crude loaded on behalf of Oil Companies valuing by Rs.319.65 crores in March, 1992 as compared to March, 1991. These amounts were due for payment from the Oil Companies in the month of April, 1992 which were offset by a corresponding amount of liability payable to suppliers by availing the normal credit period of 30 days from the date of Bill of Lading. After adjusting the same, the percentage of sundry debts to sales would only work out to 2.96% as on 31.3.92.

As regards dues recoverable from GEB and ASEB, note no.4 of Schedule 'P' forming part of the Accounts clarifies the position.

Sl. No. **Item No.**

3 **7** **Liquidity and Solvency**

By virtue of its position as a canalising agent, IOC from time to time with the consent of Government has to raise short term foreign exchange loans or supplier's extended credit in lieu of short term loans for financing Industry's requirements of crude oil/petroleum products. The fluctuations in the ratios are due to sources of financing from banks to the suppliers and the real solvency is not in any way adversely affected.

Sl. No. **Item No.**

4 **9** **Inventor, Levels**

The inventory level of raw material (mainly crude) as on 31st March, 1992 has gone up by Rs. 326.72 crores mainly due to following factors:

	Amount (Rs./Crs.)	**Explanation**
(a) Increase in Quantities	108.97 (MT 2.99 lakhs)	Inventory allocations are made as decided by Government/OCC in the Supply Plan Meetings.
(b) Increase in the rates of imported crude	99.83	Due to exchange rate variations.
(c) Crude oil loans to other Oil Companies	95.66	As decided by OCC. (Fully secured by corresponding deposits by the Oil Companies.)

The increase in stores and spares is mainly due to the rate variations in imported chemicals on account of exchange rate fluctuations etc.

Sd/-
(K.N. VENKATASUBRAMANIAN)
Chairman
For and on behalf of Board of Directors

New Delhi
Date: 16th September, 1992

CAG Comments

Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Corporation Limited for the year ended 31st March, 1992 and replies of the Board of Directors.

Sl. No.	Comments of the Comptroller & Auditor General of India	Replies of the Board of Directors.
	Balance Sheet	
1.	II. APPLICATION OF FUNDS 3. Current Assets, Loans and Advances: B. Loans and Advances Schedule J-Advances recoverable in cash or in kind or for value to be received. Unsecured considered good—Others- Rs. 16,783.99 lakhs This includes Rs. 7930 lakhs paid at the request of the State Governments and Union Territory Administrators to them before any such amount was due for payment and described as "advance of Sales Tax".	Based on specific demand received from Sales Tax Authorities of some States/Union Territories, sales tax payments in advance were being made, on commercial considerations by suitably postponing the payment of tax in the following months. The advance payment of Rs. 79.3 crores includes Rs. 32.3 crores in respect of sales made upto March, 1992.
	Profit and Loss Account	
2.	INCOME 1. Sale of Products and Crude - Rs. 2,074,506.12 lakhs This includes a sum of Rs. 8,123.86 lakhs received from Oil Coordination Committee as incentive payments related to adjustment on sale of products manufactured in refineries in Eastern India in the year 1987-88,1988-89 and 1989-90 which though due had not been quantified earlier. Similarly, incentive for years 1990-91 and 1991-92 due have not been quantified so far by the Oil Coordination Committee. Accounting Policy (Para 5.6) does not reflect this practice fully.	The revenue arising out of the incentive claims is determined by the OCC after an elaborate technical and financial evaluation of the claims which takes considerable time. In accordance with the accepted Accounting Standard (AS-9) and as properly disclosed in our Accounting Policy Statement clause 2.2.1 followed consistently, the revenue is recognised only when the amount is determined and firmed up. Incentive claims for the year 1990-91 (except for Assam Oil Division for Rs. 430 lakhs) and 1991-92 are yet to be accepted by OCC and hence, there is no recognition as yet thereof.

CAG Comments *Contd...*

Sl. No.	Comments of the Comptroller & Auditor General of India	Replies of the Board of Directors
3.	EXPENDITURE 9. Income/(Expenditure) relating to extra ordinary items (Net) Rs.15,952.16 lakhs. Schedule 'O-1' Income 1. Sale of Products and Crude—Rs.10,363.26 lakhs. This includes Rs.9062 lakhs being irrecoverable sales tax reimbursed by the Oil Coordination Committee for the years 1989-90 and 1990-91 which is required to be disclosed separately as per accounting Policy (Pare 5.6).	According to Accounting Standard (AS-5), the accounting of extra-ordinary item is governed as follows: 'Extra-ordinary items of the enterprise during the period should be disclosed in the statement of profit and loss as part of net income. The nature and amount of each such item should be separately disclosed in a manner that their relative significance and effect on the current operating results of the period can be perceived'. According to clause 5.6 of our Corporation's Statement of Accounting Policy, income and expenditure of extra ordinary nature in excess of Rs.10 lakhs are considered for classification as extra-ordinary and disclosed separately under various natural heads of accounts (Schedule 'O-1'). Accordingly, the reimbursement of sales tax under recoveries by Oil Coordination Committee relating to 1989-90 and 1990-91 have been classified as extra-ordinary item and disclosed in the natural head of account viz. sale of products and crude.

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

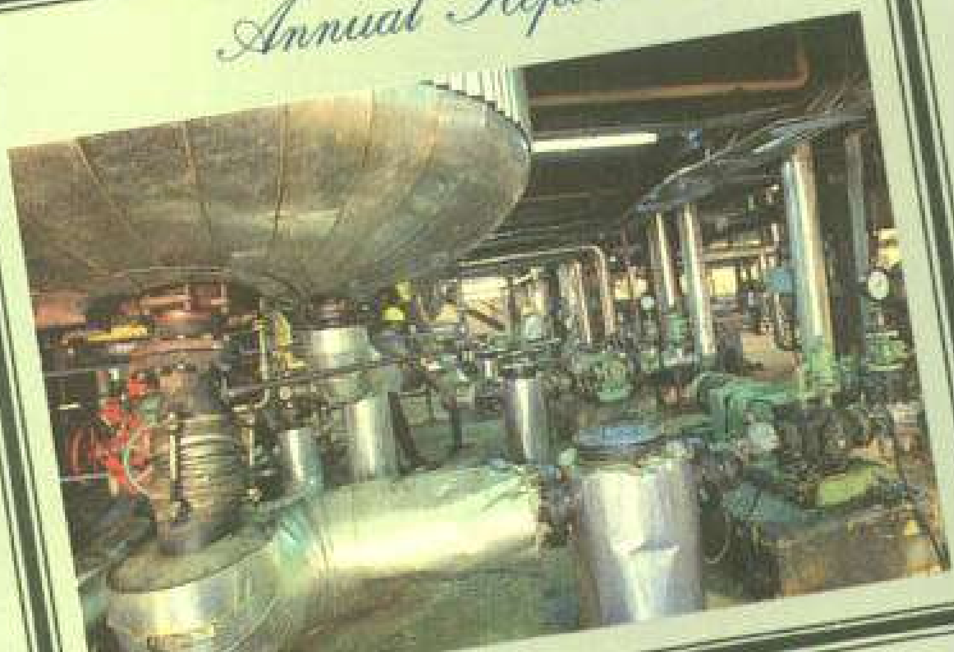
Sd/
(K.N.VENKATASUBRAMANIAN)
Chairman
For and on behalf of Board of Directors

Bombay
Dated: 11th September, 1992

New Delhi
Dated: 16th September, 1992

IOBL

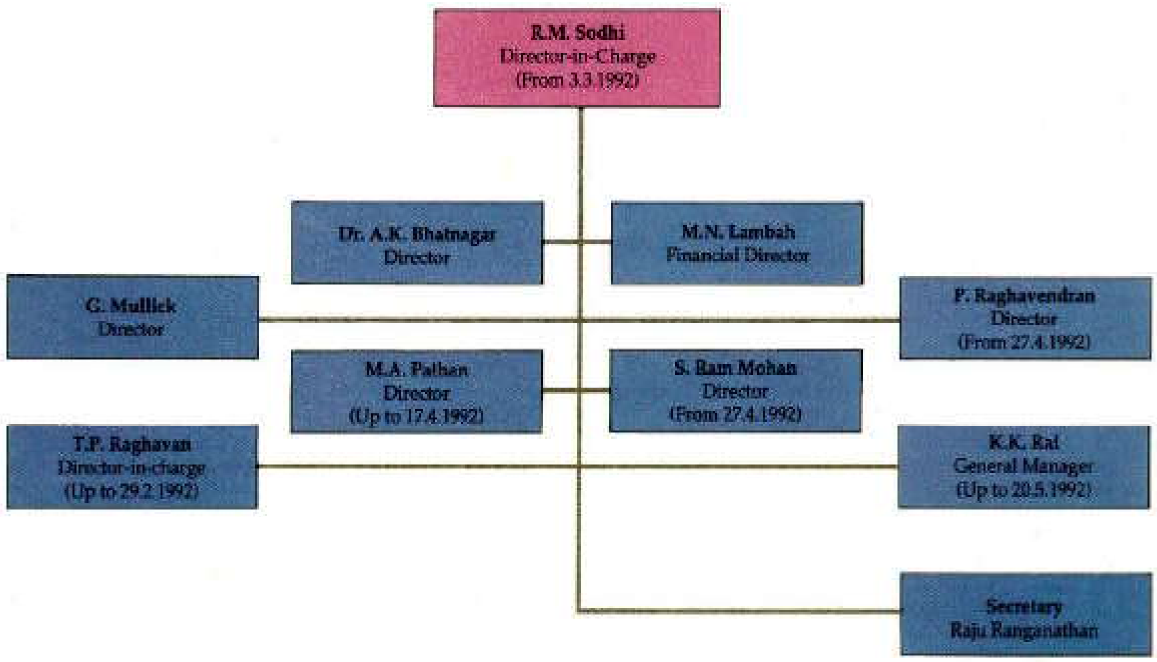
Annual Report 1991-92

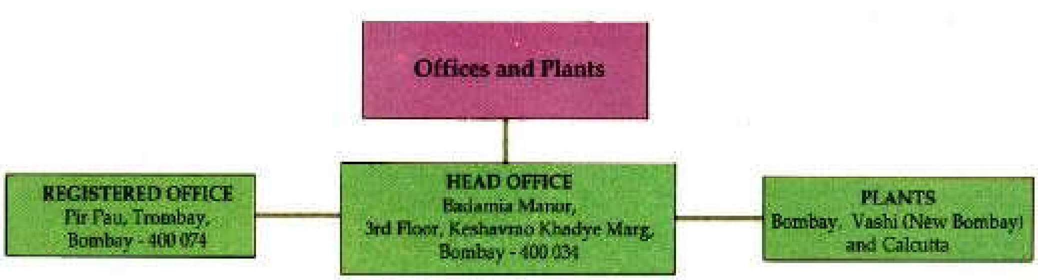


Indian Oil Blending Limited

(A WHOLLY OWNED SUBSIDIARY OF INDIAN OIL CORPORATION LIMITED)

Board of Directors





Notice

Notice is hereby given that the Twenty-ninth Annual General Meeting of the Shareholder of Indian Oil Blending Limited will be held at the Head Office of the Company, situated at Badamia Manor, Keshavrao Khadye Marg, Mahalaxmi, Bombay-400034, on Friday, the 14th August, 1992 at 1100 hours to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account, reports of the Directors and Auditors thereon for the financial year ended 31st March, 1992.
2. To declare dividend.
3. To appoint Director in place of Shri R.M.Sodhi who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

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 eligible for re-appointment

5 To appoint Director in place of Dr.A.K. Bhatnagar, who retires at the conclusion of the Annual General Meeting and eligible for re-appointrnent.

6 To appoint Director in place of shri G. Mullick, who retires at the conclusion of the Annual General Meeting and eligible for re-appointment

7. To appoint Director in place of Shri P, Raghavendran, who retires at the conclusion of the Annual General Meeting and eligible re-appointment.

8 To appoint Director in place of Shri S. Rammohan, who retires at the conclusion of the Annual General Meeting and eligible for re-appointment

By Order of the Board,

Sd/-
RAJU RANGANATHAN
Secretary

Bombay,
Dated : 31st July, 1992

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

To : ALL MEMBERS OF INDIAN OIL BLENDING LIMITED

cc : M/s Bhuta Buch & Associates, Chartered Accountant, Bombay

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

Directors' Report to the Shareholders

Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting before you the 29th Annual Report on the working of the Company for the financial year ended 31st March, 1992, alongwith the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India.

1991-92 in Retrospect

During the year 1991-92, your Company achieved satisfactory progress and recorded certain landmarks. With the enhancement of blending fee rates effective 14.1991, the earnings and profit before tax recorded a new high. With stabilisation of operations at resited Vashi Plant, the grease production also recorded a new peak. With concerted efforts, the cost of grease production at the Plant was also reduced as compared to the previous year.

Performance of the Company

Your Company's performance highlights for the year 1991-92 are summarised below:-

Financial Highlights

(Rs in lakh)

	1991-92	1990-91
Blending fees	**2,118.13**	1,133.92
Operating expenses	**933.03**	776.08
Depreciation	**256.90**	155.30
Interest	**137.04**	50.17
Profit before tax	**786.43**	508.98
Provision for taxation	**430.00**	149.00
Profit after tax	**356.43**	359.98
Disposable profit	**361.48**	363.86

Production Highlights

	1991-92	1990-91
Lubes (KL)	**3,81,653**	3,89,790
Greases (MT)	**10,552**	6,809

Dividend and Reserves

In line with the current policy of the Government, the basis for payment of dividend has been changed. Your Directors have recommended a dividend of 20% of the post tax profits for the year 1991-92. This would absorb an amount of Rs. 72.00 lakh, which is a quantum increase as against the dividend of Rs. 4.00 lakh paid last year based on paid-up share capital. The dividend amount is equal to 180% of the paid-up share capital. Your Company has been consistently paying dividend to the Holding Company (IOC). Cumulative dividend paid so far is Rs. 200.89 lakh. Accordingly, disposable profits of Rs. 361.48 lakh is appropriated as follows:

	(Rs. in lakh)
Dividend outgo	72.00
Transfer to general reserve	289.44
Retained Profits	0.04

Profits

The Company's profit before tax during the year increased substantially to Rs. 786.43 lakh against Rs. 508.98 lakh in the previous year ,mainly due to earnings through enhanced blending fees. However, Profit after tax of Rs. 356.43 lakh was marginally lower compared to last year due to higher income tax provision.

Blending fees

With effect from 1.4.1991, the Blending fee for your company was enhanced by the Holding Company (IOC), for which your Directors acknowledge their sincere thanks to the IOC management. The blending fee earnings for the year 1991-92 recorded a new high of Rs. 2,118.13 lakh as against Rs. 1,133.92 lakh earned during the previous year.

Contribution to Exchequer

Your company h contributed a sum of Rs. 430.00 lakh to the central Exchequer in the form of direct taxes during the year, as against Rs.149.00 lakh in the previous year.

Working Capital

Your Company's working capital as on 31.3.1992 has increase by Rs. 47.47 lakh i.e. to Rs.261.34 lakh mainly due to house building advance, vehicle le loans to employees, pool claim on account of officers Memorandum of understanding and increased bank balance due to receipt of arrears of enhanced for the year 1991-92 at the end of the year.

Small can cartoon stacking at IOBL's plant at Bombay

Directors' Report *contd...*

Financing of Fixed Assets

The Company' additional investment of Rs. 219.88 lakh in fixed assets during the year has been entirely financed through internal accruals.

Loan Repayment

Out of increase internal accruals due to the enhanced blending fee rates, your company repaid 1/5th of the outstanding loan to the Holding Company (IOC) as per the repayment terms mutually agreed upon.

Future Financial Outlook

With the enhanced blending fee rates, your Company's financial position is expected to improve substantially. Your Company is expected to repay the outstanding loans of Rs.8.15 crores to the Holding Company (IOC) by end of 1995-96 as per terms agreed upon. Your company is also expected to meet reasonable working capital/capital expenditure requirements out of internal accruals, barring unforeseen circumstances.

PRODUCTION

The comparative plant-wise production performance details for the last four years are given below :

Year	Lubes			Greases		
	Bombay Plant Kl	Calcutta Plant Kl	Total Kl	Bombay Plant MT	Vashi Plant MT	Total MT
1988-89	2,09,936	1,47,270	3,57,206	7,307	-	7,307
1989-90	2,40,252	1,44,167	3,84,419	8,990	-	8,990
1990-91	2,51,427	1,38,363	3,89,790	3,515	3,294	6,809
1991-92	2,48,092	1,33,561	3,81,653	-	10,552	10,552

Lubes

During the year 1991-92, the lube production at Bombay Plant was 248092 Kl as against 251427 KL during the previous year. The lube production at Calcutta Plant was 133561 KL against 138363 KL during the previous year. The overall lube production during the year was 381663 KL as against 389790 KL in the previous year.

Forklifts inside IOBL's plant

Lube production at Bombay Plant declined marginally due to shortage of certain base oils during July and August 1991, necessitating processing of wet base oils resulting in lower kettle turnaround and constraints on movement of filled barrels.

Lube production at Calcutta Plant suffered mainly due to high floor stock arising out of constraints on movement of finished products and also processing of wet base oils resulting in lower kettle turnaround.

Greases

With the stabilisation of operations at resited Vashi Plant, the Grease production recorded an all time high of 10552 MTs, which is a significant increase over previous peak production of 8990 MTs during 1989-90, production is expected to be in line with the plant capacity of 11000 MTs.

Capacity Utilisation

During the year Bombay and Calcutta lube plants achieved capacity utilisation of 165% and 134% respectively as against 168% and 138% during the previous year. Vashi grease Plant achieved capacity utilisation of 96% during 2nd year of its operation.

Measures for Higher Productivity

Continuous efforts are being made by the company for increasing overall productivity. Efforts are also underway for debottlenecking of plant operations.

MAJOR PROJECTS

Major projects considered during VII plan were:

A. Modernisation of Existing Plants

Modernisation and revamping of existing lube plants, which are 25 years old as become imperative in order to increase productivity as also to improve safety. The major projects under this are:-

Automatic Batch Blending System

Orders were placed for Automatic Batch Blending System at Bombay Calcutta at a total cost of Rs.120 lakh. All the materials have been received from Philips. At Bombay, load cells have been installed in the Blending kettles and calibration of load cells is in progress. At Calcutta, modification work to the blending kettle is in progress and after completion of the modification work, load cells will installed and calibration work will be taken up. The project is expected to be completed by end of 1992-93. This will improve the existing batch blending operation in terms of upgradations of technology, increased productivity and management reporting system.

14" pipeline at IOBL Bombay & Calcutta Plants

In order to improve the tanker performance and reduction of demurrages, ‘it was planned to lay new 14" pipeline from plants to jetty. At IOBL Bombay, the project has already been completed. The cost of the project was Rs. 92.43 lakhs.

At Calcutta Plant, the project is under execution and is likely to be completed by September 1992. Cost of the project is approximately Rs. 42.00 lakh

4 Nos. 3300 KL storage tanks at Calcutta

In order to meet he OCC norms for base oil inventory, it was planned to construct 4 Nos. 3300 KL Storage tanks at Calcutta Plant at a total cost of Rs. 100.00 lakhs 2 Nos. storage tanks have been completed and commissioned. For the other two tanks, the work is progress and expected to be completed by end of 1992-93

Directors' Report *contd...*

B. MFVM ECA 8586 Manufacturing Facility at Bombay Plant

As multigrade oils are fuel efficient lubricants, with end result of saving of about 2% in MS and 1% in HSD, in line with this objective, it was planned to set up manufacturing facilities for Multi Functional Viscosity Modifier (MFVM) ECA 8586 at a total cost of Rs. 22.5 lakh. The project was commissioned in November 1991 in technical collaboration with M/s. Exxon Chemicals, Singapore.

FUTURE OUTLOOK (VIII PLAN)

The Project profile during VIII Plan, submitted by your Company, has been approved. Some of the projects included by IOBL in the VIII Plan are:

Material Handling Facilities at Calcutta

Calcutta Plant has envisaged to have a separate warehouse for filling and storage of small cans. The existing warehouse will be exclusively utilised for filled lube/additive barrel storage with palletised operations for stacking and retrieving of filled drums. This will facilitate better inventory management and faster unloading/loading of trucks.

Modernisation of existing Plants at Bombay & Calcutta

Modernisation activities envisaged include automation of production line and material handling system besides augmenting capacity of lube oil pipeline at both the plants.

Additional Blending Tanks with Drum Filling Machines at Bombay plant

It has been planned to provide 4 Nos. additional blending kettles in the old grease plant area at Bombay Plant with 2 Nos. additional electronic load cell based Microprocessor Controlled Drum Filling Machines at a total cost of Rs. 69.5 lakh.

ENERGY CONSERVATION

Your company has been making consistent efforts in energy conservation in operations at the various plants as also to create a general awareness.

Cold blending process to the maximum possible extent for blending servo products is one of the energy conservation measures under implementation. Apart from aforesaid measures, all possible steps are being taken for conservation of fuel and electricity.

Your company has set up manufacturing facilities for Multi-Functional Viscosity Modifier MFVM ECA 8586 for production of multigrade lubricants which result in savings of fuels to the motorists.

Details of major energy conservation schemes under implementation are annexed

ENVIRONMENT PROTECTION

Your company accords high priority to environmental protection and has continued to lay emphasis on it. In this direction regular testing of effluents discharged at all the plants are being carried out.

QUALITY CONTROL AND DEVELOPMENT

Quality control and development aspects remain in the forefront in the operations of the company, keeping in view the latest technological innovations in the field of automotive and industrial lubricants and greases. Quality control activities are being maintained by computer aided technology as part of our modernisation efforts. Apart from conventional methods of testing, modern equipment such as Infra Red Spectrophotometer, Atomic Absorption spectrophotometer; Gas Chromatograph and other electronically pre-programmed equipment are being used.

The Company also undertakes certain performance tests at their plants for monitoring the performance level of the lubricants such as Timken Tests, Wheel Bearing Tests, Rool Stability Test, Air Release Value, Oxidation Stability Test etc. To take care of day to day quality control requirements, the grease testing facilities at Vashi Grease Plant has been fully commissioned. For improvements, the existing laboratories at Bombay and Calcutta are being revamped to improve working conditions and to accommodate new imported test equipment.

Your company is the first in the industry to obtain the ISI mark for Servo Brakefluid Suer HD and quality standard as per ISI specification is being maintained.

Your company has been actively assisting IOC's R&D Centre in development and indigenisation activities. The following new grades were introduced during the during :

Lubricants

1. Servoway 68
2. Servosystem HLP 100
3. Servoprime 32 LP
4. Servoarol 76
5. Product Code 06 RO
6. Servo Kool
7. Oil OX 18

Greases

1. Servogrease SK
2. Servogrease BK
3. Servogrease LG 380

IOBL was presented the coveted OISD award for best safety erformance

Directors' Report *contd...*

During the year, a technical collaboration agreement was signed by the Parent Company with M/s. Castrol, U.K. Accordingly, Servo Marine grade with Cast formulations were introduced, for coastal and international vessels.

Your Company is also maintaining the quality of Viscosity Index Improver i.e. ECA 8586, in line with M/s EXXON, U.S.A.'s requirements.

SAFETY

Your Company continues to maintain standards of safety. The plan-ts continue to follow strictly the various directives issued by Oil In-ustry Safety Directorate. A safety officer has been posted at each plant, in order to ensure that the safety requirements are complied with. Periodical safety audit and fire drills are being conducted on a regular basis .

HUMAN RESOURCES

The total umber of employees as on 31st March, 1992 stood at 687(117 Officers and 570 workmen), as compared to 688 employees (121 Officers 567 workmen) as on 31st March,1991.

Employe Relations/Labour Situations

Cordial and harmonious industrial relations existed in your cornpany during the year.

Human source Development and Training

Human R source Management is being accorded high priority an attention by your Cornpany. In this direction, a number of activities undertaken are :

- MOU Target on training and development achieved.
- Various behavioural skill development programmes Conducted.
- New appraisal system (performance planning, review and goal setting) for officers in Grade 'E' and above introduced.
- Person data bank for staff completed.
- Various activities such as open address, information sharing session etc. were conducted for congenial work climate.
- Incentive offered to employees for acquiring higher qualification.
- Awards and citations were presented to Small Group Activity (Maintenance) members.
- Two senior officers were sent for training at Exxon, Singapore.
- Special training programme on quality control on lubes and greases for no Quality Control officers was conducted.
- 83 officers and 289 workmen attended various kinds of inhouse and external training programmes.
- New thrust was given to workers' education scheme in plants.

Welfare of Employees

Your cornpany continued to follow an upgrade its effort aimed at promoting welfare of employees. In this direction various welfare activities such house building advance, conveyance advance, subsidised transport, canteen facilities, medical facilities, provision for uniforms, incentives for family planning etc., were continued during the year. A new scheme for grant of special awards to meritorious children of our employees was introduced. Medical check-up of canteen workers has been introduced. Hygiene audit is being carried out and sample of drinking water is being regularly sent to laboratory for testing.

Workers' Participation in Management

your company is committed to the concept of employee participation in management and continued its efforts in accelerating this process by various committees like Canteen Committee, Safety Committee, Works Committee, Sports Committee, hygiene Committee etc. at all the Plants. These committees have been functioning satisfactorily.

Welfare of Weaker Sections

Your Company continued to follow all the presidential directives for recruitment and promotion of scheduled castes and scheduled tribes community, ex-servicemen and physically handicapped. During the year the Company recruited 15 employees out of which 4 belonged to SC, 3 to ST, 1 to ex-servicemen categories and 2 to linguistic minorities. Age relaxation and preference in promotions are continued to be extended to persons from SC/St categories. Special training programme is being organised for enhancing qualitative values of employees belonging to SC/ST categories. Special consideration is also given for availing facilities like HBA, vehicle loan for employees belonging to SC/St categories.

HINDI IMPLEMENTATION

Efforts were continued to be made during the year by your company for the progressive use of Hindi in official work, in accordance with the provisions of the Official Languages Act, 1963 and Official Languages Rules, 1976.

Various forms and documents were made bilingual and quarterly meetings of Hindi Implementation Committee were held to review the progress made during the year. Incentive 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.

SPORTS

Your Company continued to be a member of Petroleum Sports Controls Board and employees at the plants continued to be encouraged to take active part in sports activities.

FOREIGN TOURS

During the year, two officers of the company were deputed for training at EXXON, Singapore. The total expenses incurred on foreign tour during the year amounted to Rs 81,729/-

ENTERTAINMENT EXPENSES

The entertainment expenses incurred by your company amounted to Rs14,236/- as against Rs9,393/- in the previous year.

Directors' Report *contd...*

DIRECTORS

Consequent upon his superannuation from the services of the Holding Company (IOC), Shri T.P. Raghavan ceased to be Director-in-Charge of the company effective 29.2.1992 and Shri R.M. Sodhi took over charge as Director-in-Charge and was authorised by the Board to exercise powers and authorities vested in MD/CMD of the Company purely on temporary basis until such time CMD of the Company is appointed.

Shri P. Raghavendran was appointed as Director of Company effective 27.4.1992 to fill the casual vacancy caused by the resignation of Shri M.A. Pathan.

Shri S. Rammohan was appointed as Director of the company against the casual vacancy caused by the elevation of Shri R.M. Sodhi as Director-in-Charge, consequent upon the superannuation of Shri T.P. Raghavan.

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

- Shri R.M. Sodhi
- Shri M.N. lambah
- Dr. A.K. Bhatnagar
- Shri G. Mullick
- Shri P. Raghavendran
- Shri S. Rammohan

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

1. 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 flue gas. For this purpose, CO_2 analysers have been installed to monitor the efficiency of boiler burners.

Condensate recovery is done to a large extent, so that heat input to the boiler feed is reduced thereby saving fuel. For recovering condensate, the performance of steam traps is being monitored regularly. At Bombay the Calcutta Plants, boilers which were more than 20 years old have been replaced with new boilers of higher efficiency. Power factor improvers have been installed at the resited Grease Plant in New Bombay.

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

It has been planned to provide fuel efficiency monitor for boilers at the Bombay Plant which is expected to save 3-4% in fuel consumption.
After assessing the performance, similar units will be provided at Calcutta / Vashi 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 and Outgo:

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

As all the 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. 16,35,513 on account of import of spare parts, subscription of journals, foreign travel etc.

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) (Amendment) Rules, 1990, is annexed hereto.

ACKNOWLEDGEMENTS

Employees are the most vital resource of the company and the growth of the company depends largely on their commitment. Excellent results and achievement of your company during the year has been made possible on account of the initiative, hard work and dedicated efforts of all the employees. Your Directors wish to place on record their deep appreciation of their commendable work. The Directors also acknowledge their gratitude for all 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 of the dynamic leadership provided by Shri T.P. Raghavan during his tenure as Director-in-Charge of the Company.

For and on behalf of the Board,

(R.M. SODHI)
DIRECTOR-IN-CHARGE

Bombay
Dated: 24-7-1992

Auditors' Report

Auditors' Report to the Shareholders

The Members,
Messrs Indian Oil Blending Limited,
BOMBAY.

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1992 and 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 account as required by law have been kept by the company so far as appears from our examination of such books.

3. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

4. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon and attached thereto, give the information required by the Companies Act *,1956* in the manner so required and give a true and fair view:-

    a) in the case of Balance Sheet of the state of affairs of the Company as on 31st March, 1992 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 interval having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect to the assets, physically verified.

    ii) None of the fixed assets have been revalued during the year.

    iii) The Company has stocks of maintenance stores and spare parts only, which have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

    iv) The Company has not maintained any stock during the year. 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 unsecured loans from Indian Oil Corporation Limited, the holding Company. The rate of interest and other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.

viii) The Company has not given any loans, secured or unsecured to the companies, firms and other parties listed in the register maintained under Section 301 and 370(1-B) of the Companies Act, 1956.

ix) Loans and advances in the nature of loans have been given to the employees, and the employees have been regular in repaying the principal amounts and have also been regular in payment of interest.

x) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, components, plant and machinery, equipment and other assets.

xi) The Company has during the year purchased at controlled prices fuel and oil exceeding Rs 50,000 in value from Indian Oil Corporation Limited, the holding Company.

xii) As explained to us, the Company has no formal procedure for determination of unserviceable or damaged stores. However, we are informed that these are reviewed by the management and based on this, 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 provision 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 for which reasonable records are maintained.

xv) We are of an opinion that the Company has an internal audit system commensurate with its size and nature of its business.

xvi) The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.

xvii) According to the records of the Company, Provident Fund dues have generally been regularly deposited during the year with the appropriate authorities.

Auditors' Report *contd...*

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, 1992 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 obligation or in accordance with generally accepted business practice.

xx) The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company by virtue of the provisions of clause (d) of Section 3 of the Act.

For and On Behalf of
BHUTA BUCH & ASSOCIATES
Chartered Accountants

Sd/-

C.M. BUCH
Partner

Bombay
Dated: 15th June, 1992

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:

Constructions period expenses attributable to Projects and financing cost during the construction period on loans raised for/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 Plant & Machinery costing Rs. 5,000/- are depreciated fully in the year of capitalisation. Furniture and Fixtures costing upto Rs. 1,000/- are charged off to Revenue.

1.3.3 Depreciation on Fixed Assets other than the above is charged on Written Down Value method at rates prescribed under the Companies Act, 1956. Depreciation is charged on pro-rata basis on assets capitalised/sold/disposed ofi/dismantled during the year.

2. CURRENT ASSETS, LOANS AND ADVANCES:

2.1 Valuation of Inventories (Stores & Spares):

Stores and Spares are valued at cost.

3. LIABILITIES AND PROVISIONS:

3.1 Show Cause notices issued by various Government Authorities are not considered as Contingent Liability. However, when the demand notices are ralsed against such Show Cause notices after considering Company's \Iiews, 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.

32 Contingent Liabilities are disclosed in each case above Rs. 20,000/-

3.3 Estimated amount of contracts remaining to be executed on Capital Accounts are disclosed in each case exceeding Rs. 10,000/-

4. PROFIT AND LOSS ACCOUNT:

4.1 The Company has taken Group Gratuity Cum Life Assurance Policy. The premium payable (based on actuarial Valuation by LIC) and the excess of employees' entitlement on separation over the amount paid by LIC if any, are charged to Profit & Loss Account.

4.2 Prepaid Expenses upto Rs. 10,000/- in each case are charged to Revenue.

4.3 Income & Expenditure upto Rs. 50,000/- in each case pertaining to prioryears are accounted for in the Current Year.

4.4 Income & Expenditure of extra-ordinary nature in excess of Rs. 1,00,000/- in each case are disclosed separately.

Balance Sheet

Balance Sheet As at 31st March, 1992

	Schedule	Rupees	Rupees	1991 Rupees
SOURCE OF FUNDS:				
1. Shareholders Funds:				
a) Capital	I	4000,000		40,00,000
b) Reseives & Surplus	II	12,1779,633		9,32,41,579
			12,57,79,633	9,72,41,579
2. Loan Funds:				
a) Unsecured Loans	III		6,87,5056	9,54,83,134
TOTAL			19,45, 14,689	19,27,24,713
APPLICAIION OF FUNDS:				
1. FixedAssets:	IV			
a) Gross Block		23,2507,879		20,49,37,325
b) Less : Depreciation &Ainortisah'o		8,81 12,273		6,31,66,525
c) Net Block		14,4395,606		14,17,70,800
d) Capital Work-in-Progress		2,3984,959		2,95,67,791
			16,83,80,565	17,13,38,591
2. Current Assets Loans and advance:				
a) Inventories	V	74,16,552		71,95,918
b) Sundry Debtors		20,08,830		23,08,896
c) Cash & Bank Balances		1,39,48,653		49,26,022
d) Loans &Advances		9,82,04,677		6,39,59,662
C/F...		12,15,78,712		7,83,90,498
Carried forward...		16,83,80,565		17,13,38,591

	Schedule	Rupees	Rupees	1991 Rupees
Brought Forward...			16,83,80,565	17,13,38,591
B/F...		12,15,78,712		7,83,90,498
Less: Current Liabilities and Provisions:	VI			
a) Current Liabilities		4,52,44,588		3,37,04,376
b) Provisions		5,02,00,000		2,33,00,000
		9,54,44,588		5,70,04,376
Net Current Assets			2,61,34,124	2,13,86,122
TOTAL			19,45,14,689	19,27,24,713
Notes on Balance Sheet	x			

Sd/-	Sd/-	Sd/-	Sd/-
R.M. SODHI	M.N. LAMBAH	G. MULLICK	RAJU RANGANATHAN
Director-in-charge	Financial Director	Director	Secretary

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

Sd/-
C.M. BUCH
Partner

Bombay
Dated: 15th June, 1992

Profit and Loss Account

Profit and Loss Account for the year ended 31st March, 1992

	Schedule	Rupees	Rupees	1990-91 Rupees
INCOME:				
Throughput, Blending & Manufacturing Charges	VII		21,18,13,455	11,33,91,972
Other Income	VII		35,86,827	65,33,782
TOTAL:			21,54,00,282	11,99,25,754
EXPENDITURE:				
Operating & Other Expenses	VIII		9,33,03,992	7,76,08,325
Interest: .				
— On Fixed Loan		1,37,04,188		92,95,780
— On Other Loan		–		912
		1,37,04,188		92,96,692
Less: Transferred to Capital Work-in-Progress Account		–		42,80,027
			1,37,04,188	50,16,665
Depreciation &Amortisation			2,56,89,596	1,55,29,481
TOTAL:			13,26,97,776	9,81,54,471
Profit Before Extra Ordinary and Prior Period Adjustments			8,27,02,506	2,17,71,283
Excess Provision written back			4,41,038	–
Income/(Expenditure) Relating to Extraordinary Items (Net)	IX		(41,48,095)	2,64,40,286
			7,89,95,449	4,82,11,569
Income/(Expenditure) Relating to Prior Period (Net)			(3,52,213)	26,86,869
Profit Before Tax:			7,86,43,236	5,08,98,438
Provision for Taxation			4,30,00,000	1,49,00,000
Profit After Tax:			3,56,43,236	3,59,98,438
Balance Brought Forward From			3,56,43,236	3,59,98,438
Last Year's Account			5,579	4,401
Investment Allowance Reserve Written Back			4,04,000	3,05,000
Excess Provision of Income Tax Written Back			94,818	77,740
Disposable Profit:			3,61,47,633	3,63,85,579

	Schedule	Rupees	1990-91 Rupees
APPROPRIATIONS:			
Proposed Dividend		72,00,000	4,00,000
General Reserve		2,89,44,000	3,59,80,000
Balance Carried to Balance Sheet		3,633	5,579
TOTAL:		3,61,47,633	3,63,85,579
Notes on Profit and Loss Account	X		

Sd/-	Sd/-	Sd/-	Sd/-
R.M. SODHI	M.N. LAMBAH	G. MULLICK	RAJU RANGANATHAN
Director-in-charge	Financial Director	Director	Secretary

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

Sd/-
C.M. BUCH
Partner

Bombay
Dated: 15th June, 1992

Schedules

Schedules Annexed to and Forming Part of the Balance Sheet As at 31st March,1992

	Rupees	Rupees	1991 Rupees
SCHDULE- 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
SCHEDULE-II			
Reserves and Surplus:			
1) General Reserve			
As per last Balance Sheet	9,04,71,000		5,44,91,000
Add: Transferred from Profit & Loss Account	2,89,44,000		3,59,80,000
		11,94,15,000	9,04,71,000
2) Investment Allowance Reserve			
As per last Balance Sheet	27,65,000		30,70,000
Less: Transferred to Profit & Loss Account	4,04,000		3,05,000
		23,61,000	27,65,000
3) Profit & Loss Account		3,633	5,579
TOTAL:		12,17,79,633	9,32,41,579

SCHEDULE-III

Unsecured Loan:

	Rupees	1991 Rupees
Long Term Loan:		
Loan from Indian Oil Corporation Limited,		
the Holding Company	6,52,04,800	7,15,06, 000
Interest Accrued and due	35,30,256	2,39,77, 134
TOTAL:	6,87,35,056	9,54,83,134

Schedules *Contd...*

SCHEDULE-IV

FIXED ASSETS

	GROSS BLOCK			
	As on 1.4.91	Additions	Deletions	As on 31.3.92
	Rs.	Rs.	Rs.	Rs.
Land-Leasehold	80,06,000	62,550	-	80,68,550
Office/Factory Building	4,29,29,393	24,94,050	-	4,54,23,443
Residential Flats	1,62,336		-	1,62,336
Railway Sidings	2,73,039		-	2,73,039
Plant and Machinery	13,51,46,999	2,32,24,073	(6,49,392)	15,77,21,680
Computers/Microprocessors	10,02,922	3,79,360	-	13,82,282
Furniture, Fixtures & Office Equipments	75,61,925	15,11,363	(1,79,851)	88,93,437
Forklift Trucks	88,15,813	5,70,202	-	93,86,015
Motor Vehicles	10,38,898	1,58,199	-	11,97,097
TOTAL:	20,49,37,325	2,83,99,797	(8,29,243)	23,25,07,879
PREVIOUS YEAR	8,82,24,760	11,69,87,496	(2,74,931)	20,49,37,325

NOTES: (1) Residential flat includes Rs. 3,500/- (Previous Year-Rs. 3,500/-) paid towards Share Value of 70 Share (Previous Year-70 Shares) in Co-operative Housing Society for purchase of flat.

(2) Lease agreement in respect of Leasehold Land at Vashi (Dist. Thane) is yet to be executed.

SCHEDULE-IV *(Contd...)*

DEPRECIATION AND AMORTISATION					NET BLOCK	
Upto 31.3.91	Deductions/ Adjustment for earlier years	Adjustment for current Year	Charged this Year	Upto 31.03.92	As on 31.03.92	As on 3103.9
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs
5,05,644	-	-	1,31,931	6,37,575	74,30,975	75,00,356
78,09,834	-	-	31,15,157	1,09,24,991	3,44,98,452	3,51,19,559
72,132	-	-	4,510	76,642	85,694	90,204
2,60,447	-	-	1,889	2,62,336	10,703	12,592
4,47,47,269	(17,298)	(6,12,954)	2,06,17,042	6,47,34,059	9,29,87,621	9,03,99,730
5,79,517	-	-	2,38,130	8,17,647	5,64,635	4,23,405
32,74,484	-	(1,13,596)	6,06,394	37,67,282	51,26,155	42,87,441
52,20,226	-	-	8,83,939	61,04,165	32,81,850	35,95,587
6,96,972	-	-	90,604	7,87,576	4,09,521	3,41,926
6,31,66,525	(17,298)	(7,26,550)	2,56,89,596	8,81,12,273	14,43,95,606	14,17,7 0,800
5,05,04,511	(26,86,869)	(1,80,598)	1,55,29,481	6,31,66,525		
				CAPITAL WORK-IN-PROGRESS:	2,39,84,959	2,95,67,791
				TOTAL:	16,83,80,565	17,13,38,591

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SCHEDULE-V

Current Assets Loans and Advances

	Rupees	Rupees	1991 Rupees
1) Current Assets:			
(a) Inventories:			
Stores & Spares (at cost) (As taken, valued and Certified by the Management)		74,16,552	71,95,918
TOTAL:		74,16,552	71,95,918
(b) Sundry Debtors:			
(Unsecured, considered good)			
OVER SIX MONTHS:			
— Due from Indian Oil Corporation Ltd., the Holding Company	17,11,805		11,09,597
— Others	23,305		23,305
		17,35,110	11,32,902
DUE FOR SIX MONTHS OR LESS:			
— Due from Indian Oil Corporation Ltd., the Holding Company		2,73,720	11,75,994
TOTAL:		20,08,830	23,08,896
(c) Cash & Bank Balances:			
(i) Cash on Hand & Cheques in Transit		11,39,746	11,28,316
(ii) Balance with Scheduled Banks:			
— In Current Account		1,16,48,976	23,16,333
— In Fixed Deposit Account		11,59,931	14,81,373
TOTAL:		1,39,48,653	49,26,022
2) Loans and Advances:			
(a) Advances recoverable in Cash or in kind for value to be received considered good			
(A) Secured		2,66,11,768	2,43,85,499
(B) Unsecured:			
— Due from Indian Oil Corporation Ltd., the Holding Company		41,53,904	—
— Others		1,73,12,629	1,27,23,975
		4,80,78,301	3,71,09,474
(b) Advance payment of Income Tax		5,01,26,376	2,57,52,938
(c) Deposit with Industrial Development Bank of India in lieu of surcharge on Income Tax with accrued interest		—	1,87,250
(d) Investment Deposit Account with Industrial Development Bank of India		—	9,10,000
TOTAL:		9,82,04,677	*6,39,59,662*

SCHEDULE-VI

Current Liabilities and Provisions:

	Rupees	Rupees	1991 Rupees
a) Current Liabilities:			
(i) Creditors for Capital goods		30,59,508	54,22,439
(ii) Creditors for expns.			
– Due to Indian Oil Corporation Ltd.,	1,96,79,700		
– Due to others	11,36,997		5,14,781
		2,08,16,697	5,14,781
(iii) Other Liabilities			
– Due to Indian Oil Corporation Ltd.,	55,13,451		1,56,99,004
– Due to others	1,35,91,357		92,45,511
		1,91,04,808	2,49,44,515
(iv) Earnest Money Deposits		6,18,050	9,67,050
(v) Security Deposits		16,45,525	18,55,591
TOTAL:		4,52,44,588	3,37,04,376
(b) Provisions:			
Provision for Taxation		4,30,00,000	2,29,00,000
Proposed Dividend		72,00,000	4,00,000
TOTAL:		5,02,00,000	2,33,00,000

Schedules *Contd...*

Schedules Annexed to and Forming Part of the Profit & Loss Account For the year ended on 31st March, 1992

SCHEDULE-VII

	Rupees	Rupees	1991 Rupees
Throughput, Blending and Manufacturing charges:			
Throughput, Blending and Manufacturing charges:		21,27,71,695	11,49,63,400
Less: Operational Loss		9,58,240	15,71,428
TOTAL:		21,18,13,455	11,33,91,972
Other Income:			
Reimbursement of LTA Expenses in lieu of Blending Fees		–	39,27,675
Interest:			
On Staff Loans	12,83,102		11,01,621
On Deposits	1,68,989		1,90,165
		14,52,091	12,91,786
Profit on sale of Assets		91,687	4,138
Testing Fees		4,50,060	10,45,054
Misc. Income		15,92,989	2,65,129
TOTAL:		35,86,827	65,33,782

SCHEDULE-VIII

Operating and Other Expenses:

	Rupees	Rupees	1991 Rupees
Payments to & Provisions for Employees:			
(a) Salaries, Wages, Allowances and Bonus	4,61,42,179		3,82,96,186
(b) Contribution to Employees' Provident Fund & Other Funds	26,77,698		22,13,088
(c) Gratuity	8,24,114		7,78,967
(d) Staff Welfare Expenses	1,26,78,132		1,30,29,658
		6,23,22,123	5,43,17,899
Payment to Handling Contractors		25,21,431	11,34,767
Fuel, Power & Water charges		1,00,27,847	72,49,980
Stores & Spare Parts Consumed		15,69,783	12,81,953
Rent		27,02,872	18,53,950
Rates, Taxes & Licenses		5,68,694	6,48,671
Material Handling Expenses		11,19,081	9,52,961
Repairs & Maintenance:			
(a) Buildings	6,93,798		6,04,032
(b) Plant & Machinery	20,45,037		18,45,272
(c) Railway Siding	3,13,372		3,99,742
(d) Others	8,77,295		6,98,025
		39,29,502	35,47,071
Insurance		5,16,975	1,40,955
Travelling & Conveyance		18,85,225	13,12,955
Motor Vehicle Expenses		5,12,140	3,96,752
Printing & Stationery		7,30,325	7,13,922
Postage, Telegram & Telephones		11,92,614	9,08,254
Legal & Professional Charges		1,01,440	62,791
Loss on Sale/Scrapping of Assets		7,284	7,168
Auditors Remuneration			
(a) Audit Fees	15,000		15,000
(b) Tax Audit Fees	5,000		5,000
(c) Out-of-Pocket Expenses	39,043		28,810
		59,043	48,810
General Expenses		35,37,613	30,29,466
TOTAL:		9,33,03,992	7,76,08,325

Schedules *Contd...*

SCHEDULE-IX

Income/Expenditure Relating to Extraordinary Items (NET)

	Rupees	Rupees	1991 Rupees
Income:			
– Throughput, Blending & Manufacturing Charges	—		2,58,39,355
– Rent Reimbursement	2,22,112		9,06,541
– Reimbursement of L.TA. Expenses	52,69,755		7,85,262
		54,91,867	2,75,31,158
Less: Expenditure			
– L.TA. Arrears	73,68,685		10,90,872
– Rationalisation Adjustment	22,71,277		—
		96,39,962	10,90,872
TOTAL:		(41,48,095)	2,64,40,286

SCHEDULE-X

Schedule Annexed to and Forming Part of the Accounts for the year ended on 31st March,1992

			1992	1991
1.	Statement on Accounting policies adopted by the Company is being attached.			
2.	Estimated amount of contracts to be executed on Capital Accounts and not provided for	Rupees	1,10,38,983	1,14,15,907
3.	Estimated amount of claims against the Company not acknowledged as debt	Rupees	37,94,000	12,07,884
	Additional information pursuant to 3,4,4C & 4D of Schedule VI of the Companies Act, 1956			
	(A) Turnover (Processing Fees):			
	Lube Blending	Kls.	3,81,653	3,89,790
		Rs.	16,79,27,441	10,13,45,400
	Grease	MTs.	10,552	6,809
		Rs.	4,48,84,254	1,36,18,000

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.

(B) Remuneration to whole time Chairman and Managing Director:		1992	1991
(a) Salary	Rupees	—	14,610*
(b) Provident & Other Funds	Rupees	—	—
(c) Other perquisites	Rupees	—	—
		—	14,610

* Arrears paid to Ex-CMD

(C) Capacity and Production:	1992		1991	
	Lubes (KL)	Grease (MT)	lubes (KL)	Grease (MT)
(a) Licensed Capacity	2,50,000	11,000	2,50,000	11,000
(b) Installed Capacity*	2,50,000	11,000	2,50,000	11,000
(c) Actual production	3,81,653	10,552	3,89,790	6,809

* as Certified by the Management and accepted by the Auditors without verification

(D) C.I.F. Value of Imports:	1992 Rupees	1991 Rupees
Spare parts & Components	—	89,086
Capital Goods	15,28,468	—
(E) Expenditure in Foreign Currency:		
Subscription to journals	25,316	20,767
Foreign Travel	81,729	—

Schedules *Contd...*

(F) Consumption of Stores and Spares during tile year:

	1992		1991	
	Value Rupees	**Percentage**	**Value Rupees**	**Percentage**
Imported	78,244	4.98	95,703	5.99
Indigenous	14,91,539	95.02	15,01,276	94.01

4. Previous Year's figures have been regrouped/rearranged/recaste to conform to Current Year's classification.

5. Figures in bracket indicate deductions.

Signature to Schedule I to X

Sd/-	Sd/-	Sd/-	Sd/-
R.M. SODHI	M.N. LAMBAH	G. MULLICK	RAJU RANGANATHAN
Director-in-charge	Financial Director	Director	Secretary

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

Bombay
Dated: 15th June, 1992

Sd/-
Partner

Annexure

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 1991-92	Previous Year 1990-91	Current Year 1991-92	Previous Year 1990-91	Current Year 1991-92	Previous Year 1990-91
1. ELECTRICITY:						
a) Purchased:						
Unit (KW)	11,34,660	12,67,950	8,11,220	8,06,580	11,97,537	2,56,300
Total Amount (Rs/Lakhs)	23.03	21.54	16.18	14.33	24.94	8.41
Rate/Unit (Rupees)	2.03	1.70	1.99	1.78	2.08	3.28
b) own Generation:						
i) Through Diesel Generators:						
Unit (KW)	NIL	NIL	18,320	52,610	19,440	NIL
Units per ltr. of Diesel Oil	NIL	NIL	2.38	2.45	2.43	NIL
Cost/Unit (Rupees)	NIL	NIL	223	1.63	2.25	NIL
Ii) Through Steam Turbine/Generator:						
Units	NIL	Nil	NIL	NIL	NIL	NIL
Units per ltr. of Fuel Oil/Gas	NIL	Nil	NIL	NIL	NIL	NIL
Cost/Unit	NIL	Nil	NIL	NIL	NIL	NIL
2. COAL: (Specify quantity & where used):						
Quantity (Tonnes)	NIL	Nil	NIL	NIL	NIL	NIL
Total cost	NIL	Nil	NIL	NIL	NIL	NIL
Average Rate	NIL	Nil	NIL	NIL	NIL	NIL
3. FURNACE OIL/LDO:						
Quantity (KL)	*268.465	391.914	146.67	146.84	249.481	100.867
Total Amount (Rs. lakhs)	12.01	14.57	6.69	5.73	10.60	4.18
Average Rate (Rs. per KL)	4,473.58	3,717.65	4,561.26	3,902.21	4,248.82	4,144.07
4. OTHER/INTERNAL GENERATION:						
Quantity	NIL	Nil	NIL	NIL	NIL	NIL
Total Cost	NIL	Nil	NIL	NIL	NIL	NIL
Rate/Unit	NIL	Nil	NIL	NIL	NIL	NIL

*Due to shifting of Grease Plant

Annexure *contd...*

B. CONSUMPTION PER UNIT OF PRODUCTION

		Bombay Plant				Calcutta Plant		vashi Plant	
Products (with details unit)	**Standards if any**	**Current Year 1991-92**		**Previous Year 1990-91**		**Current Year I991-92**	**Previous Year 1990-91**	**Current Year 1991-92**	**Previous Year 1990-91**
		Lubes	Greases	Lubes	Greases*	Lubes	Lubes	Greases	Greases
Electricity (KW/TON)	—	4.899	—	4.274	47.619	6.92	6.92	115.27	77.81
FO/LDO (Ltr/Ton)	—	1.16	—	1.38	22.84	1.22	1.18	23.63	30.62
Coal (Specify Qty.)	—	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others (Specify)	—	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

* Grease Plant facilities at Bombay Plant was shut down and Vashi Grease Plant commissioned on 15th October, 1990.

Form-B
(See Rule 2)

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AM) INNOVATION:

1. Efforts, in brief made:

Oil level measurement of base stock storage tanks is being carried out by Microprocessor Based Auto Level Gauge System. This is a Japanese technology adapted without any foreign exchange outgo by indigenously developed systems.

Load cell based Auto Batch Blending System is being installed at Bombay and Calcutta Plants. This is a German Technology without any foreign exchange outgo, by indigenously developed Systems.

Digital Integrated Distribution Control (DIDC) System has been installed at Vashi Grease Plant. This is a Honeywell Technology, USA, without any foreign exchange outgo by indigenously developed systems.

Multi Functional Viscosity Modifier (MFVM) ECA 8586 manufacturing facilities have been commissioned at Bombay Plant in technical collaboration with M's. Exxon Chemicals, Singapore. The facility has been indigenously developed/installed.

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

Auto Level Gauge will integrate field operations with management information system. Stock losses are being monitored and controlled.

Load cell based Auto Batch Blending System will result in lesser time of blending operations, improved monitoring and control of stock loss leading to savings and as a result, better quality of product and improved productivity.

The Digital Integrated Distribution Control (DIDC) System gives the levels of all storage tanks, day tanks etc. and the system monitors the process once the input sources and contactor/kettle are selected. The system not only ensures quality of products due to the parameters being strictly adhered to, but also minimises operation losses.

By manufacturing the Viscosity Modifier ECA 8586 and switching over to multigrade engine oils in lieu of monograde engine oils, a saving of 2% in MS and 1% in HSD is expected to the motorist. Fuel savings and ECA 8586 manufacturing will result in considerable savings in foreign exchange.

3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following may be furnished:-

a) Technology imported —

b) Year of import —

c) Has technology been fully absorbed —

d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action.

CAG Comments

Comments of tile 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, 1992.

I have to state that the Comptroller &Auditor General of India has no comments upon or supplement to the Auditors Report under Section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Blending limited, Bombay for the year ended 31st March, 1992.

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

Bombay
Dated: 31st July, 1992