



Annual Report
1963-64

Indian Oil Corporation Limited

INDIAN OIL CORPORATION LTD.

BOARD OF DIRECTORS:

P. A. Gopalkrishnan, ICS, *Chairman*
N. N. Kashyap, ICS
P. R. Nayak, ICS
S. S. L. Kakkar
S. S. Shiralkar
S. K. Guha
Jagjit Singh
P. H. Trivedi
R. T. Sinha

SECRETARY:

R. Krishnan

BANKERS:

State Bank of India

AUDITORS:

M/s. A. F. Ferguson & Co.
Chartered Accountants

REGISTERED OFFICE:

Clarke Road, Mahalaxmi,
BOMBAY-34

BRANCHES:

Bombay
New Delhi
Calcutta
Madras

CONTENTS:

	Page
Directors' Report	5
Report of the Auditors	20
Comments of the Comptroller and Auditor General of India ..	21
Balance Sheet	22-29
Profit and Loss Account	30-35
Schedule of Fixed Assets 'A' ..	36-37
Statement showing Debts — Schedule 'B'	38
Notes on the Accounts	39-40

INDIAN OIL CORPORATION LTD.

DIRECTORS' REPORT 1963-64

To,
THE SHAREHOLDERS OF INDIAN OIL CORPORATION LIMITED.

Gentlemen,

The Directors have pleasure in presenting the Fifth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1964.

RESULTS:

Turnover for the year	Rs. 52,43,33,395
Profits earned before providing for depreciation, interest on loan and taxes	Rs. 1,80,15,187
Depreciation	Rs. 19,52,366
Interest charges	Rs. 55,85,670
	<u>Rs. 1,04,77,151</u>
Tax provision on these profits	Rs. 21,20,000
Net profit for the year	<u><u>Rs. 83,57,151</u></u>

This net profit of Rs. 83,57,151/- for the financial year 1963-64 works out at 17% of the paid-up capital of Rs. 4.97 crores as against the net profit of Rs. 59,60,697.74 for the previous year (1962-63) which works out at 18.5% of the then paid-up capital of Rs. 3.22 crores.

FINANCE:

The capital of the Company at the beginning of the year was Rs. 3,22,25,000/-. During the year Rs. 1,75,00,000/- were received from the Central Government towards share capital. All the shares for this amount were issued to the President. The total value of loans drawn from Central Government upto the beginning of the year, i.e. as on 1-4-1963 was Rs. 3,00,00,000/-. The Company drew a further loan of Rs. 1,75,00,000/- during the year under review. The total amount of loan drawn upto 31st March, 1964, was Rs. 4,75,00,000/-. As on 31st March, 1964 the Company had a demand cash credit account of Rs. 10,66,97,681.51 with the State Bank of India.

STORAGE AND DISTRIBUTION FACILITIES:

During the year under review, the Company has been operating at seven Main Port Installations, three Major Inland Installations and 91 upcountry depots spread all

over the country. Modern installations, depots and service stations are being built all round. During the year under report, a new installation was commissioned at Tondiarpet in Madras. Besides, expanding existing installations at Siliguri, Antop Hill, Okha, Kandla, Tondiarpet and Budge Budge, the Company is constructing L.P.G. storage facilities at Paharpur (Calcutta), Trombay (Bombay), Shakurbasti (Delhi), Patna and Kanpur.

The Company has increased its storage capacity at ports and main installations by 20% over the previous year. We have exceeded our construction targets except in places like Bombay and Royapuram (Madras) where there was non-availability of suitable sites. The number of inland depots and dispensing pumps increased by 40% and 110% respectively over the previous year. Work is nearing completion for the establishment of aircraft refuelling facilities at 19 Indian airfields, including Air Force Stations, international airlines and aircraft manufacturing factories. Most of these installations are expected to commence supplies to civil and defence aircrafts by the end of 1964.

The tank truck facilities of the Company used exclusively for the transportation of bulk petroleum products has shown an increase of 100% over the previous year.

IMPORTS:

During this year the Company has imported 8,89,991 Kls. of bulk refined products and 72,614 Kls. of lubricating oils, apart from some consignment of greases. Most of these imports were for rupee payments and have saved crores of foreign exchange. The Company has also imported 18,300 Kls. of furnace oil from free sources.



An agreement with Sojuznefteexport, the Soviet Oil Export Organisation, was signed early this year. The agreement stipulates the import of 1.5 million tonnes of deficit petroleum products from the Soviet Union during the next three years. Picture shows Shri P. A. Gopalkrishnan, I.C.S., Chairman, Indian Oil Corporation Ltd., and Mr. B. F. Kosyrev of Sojuznefteexport signing the agreement in Bombay.

Regular importation of Mobil products has resulted in our customers buying their requirements of the products through our distribution organization.

SALES:

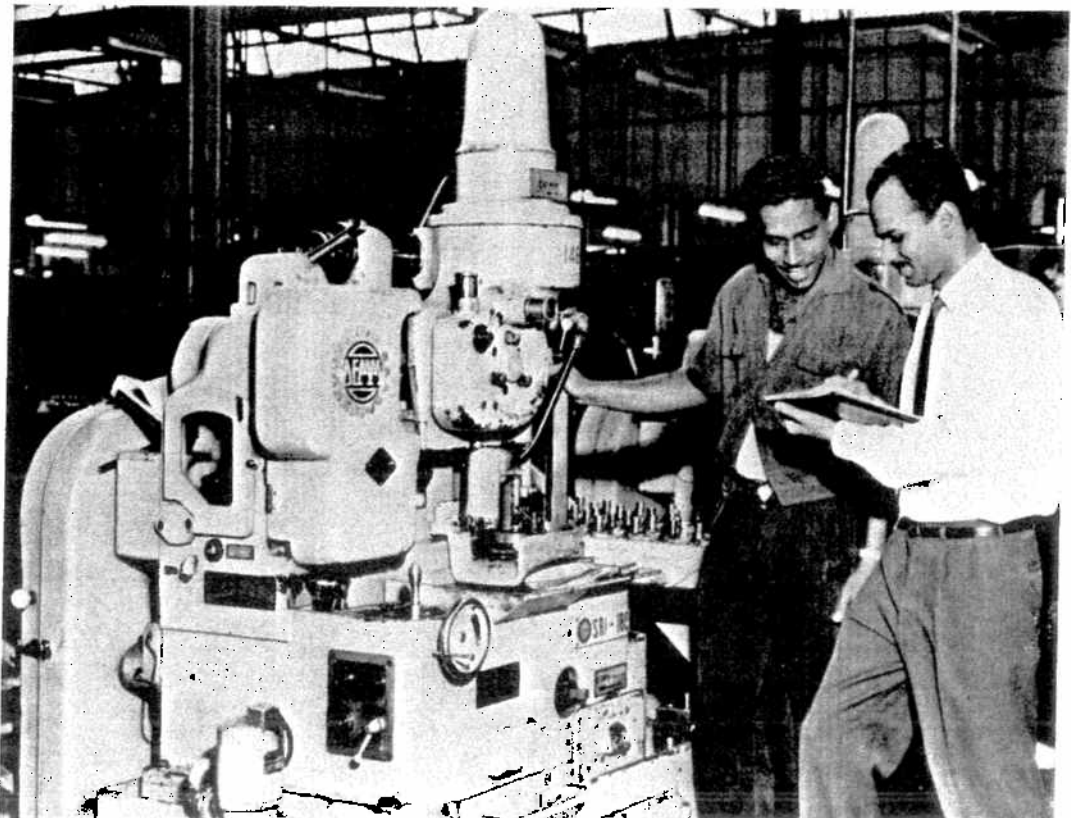
During the year, the Company's sales amounted to 1.17 million Kls. as against 0.64 million Kls. in 1962-63, registering an increase of 82.24%. In 1963, the Company met 36% of the Government's requirements of P.O.L. products and this proportion is expected to increase further in the current year.

TECHNICAL SERVICE:

To meet competition effectively and have a closer tie-up with the customers, several leading and influential distributors have been appointed for sale of lubricants. This has resulted in a majority of the customers being supplied with their initial requirements of Mobil products whilst our technical personnel have had the opportunities to carry out technical services commensurate with the Mobil technical services. The customers, who have been associated with Mobil products prior to your Company's becoming exclusive distributor, have now been assured of the same unrivalled premium branded products and the Mobil technical services.

ACCOUNTS:

For greater efficiency and better co-ordination the accounts of the Company were decentralised with the four Branches. Forms and Training Committee have finalised basic forms which are being introduced in order to lay down proper procedures and accounting.



A lubrication engineer collects data from a customer for rendering effective technical lubrication service.

BOARD OF DIRECTORS:

During the period under review, the following changes were made in the composition of the Board of Directors:

1. On 28th June 1963, Shri Jagjit Singh was appointed as Director of the Company vice Shri D. C. Baijal, who resigned on 27-5-1963.
2. On 17-9-1963 Shri D. J. Madan was appointed as Director of the Company vice Shri P. Govindan Nair who resigned on 29-7-1963.
3. On 6th September 1963, Shri Prem Krishen ceased to be a Director of the Company.
4. On 23rd September 1963, Shri L. S. Lulla was appointed as Director of the Company vice Shri K. Srinivasan who resigned on 10-9-1963.
5. Sarvashri 1) Amolakh Chand, 2) Kedar Pandey, 3) L. S. Lulla, 4) P. R. Nayak, 5) S. S. L. Kakkar, 6) C. P. Srivastava, 7) Jagjit Singh, 8) D. J. Madan and 9) S. D. Bhambri ceased to be the Directors on 25th September 1963 on their retirement at the 4th Annual General Meeting and Sarvashri P. R. Nayak, S. S. L. Kakkar, C. P. Srivastava, Jagjit Singh, D. J. Madan and S. D. Bhambri were reappointed on 25th September 1963 on the conclusion of the Fourth Annual General Meeting.
6. On 7th October 1963 Shri L. S. Lulla was reappointed as Director of the Company.
7. On 19th February 1964, Shri S. S. Shiralkar was appointed as Director of the Company vice Shri D. J. Madan who resigned on 8th January 1964.

Eight meetings were held and the average attendance of the Directors was 67%.

RESEARCH AND DEVELOPMENT:

During the year two separate studies — one on retail survey and another on kerosene marketing have been prepared for Greater Bombay. An LPG survey has been made for the Barauni Supply Area and another survey for the Koyali Supply Area is under preparation. Preliminary work on the marketing of various special products such as house-hold insecticides and rubber spray oils has been done. The setting up of a laboratory for standard testing of various petroleum products is under consideration. This laboratory will later be enlarged for doing research work in connection with introduction of new products as well as improvement of existing products.

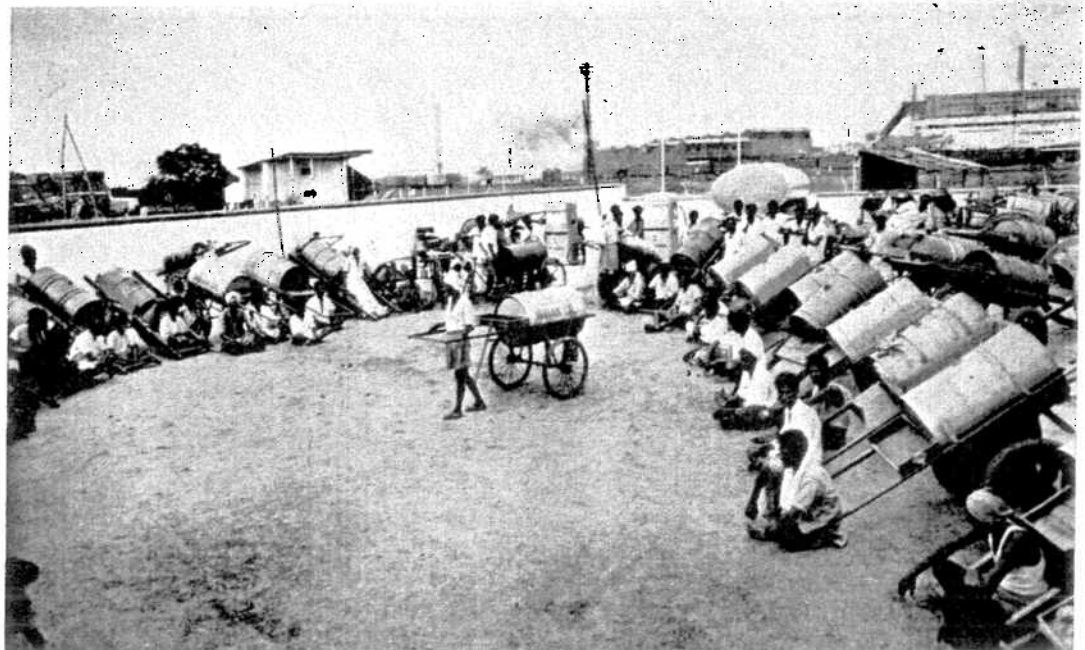
PERSONNEL AND TRAINING:

As on 31st March 1964 the Company had a total strength of 2625 employees as against 1332 at the close of the previous year. To meet increased demand on the technical service special emphasis is laid on recruitment and training of lubrication engineers. The engineers will be trained exclusively both in the theoretical and practical aspects of lubrication for a year. Periodic conferences for the Finance Officers and refresher courses for operational staff has been another feature.

An agreement has been entered into with the Maharashtra Housing Board under which a site admeasuring 6 acres has been purchased from them. The site has been levelled and construction is expected to be completed by the end of 1965.

A word about the qualifications of the auditors on the balance-sheet is necessary. They have said that internal control over debtors and stores was deficient and records in respect of these two items were not properly maintained. It has to be mentioned in this context that the sales records on which the auditors had made a qualification last year are now being maintained properly and no qualification regarding sales records appears this year. In the debtors account old items appearing from the earlier years have to be carried forward which it has been found difficult to link in all cases. As a result even though the sales records are now being maintained properly it has not been possible to fully analyse the debtors account. Another difficulty that has been experienced in this regard is that several of our customers are Government or quasi-government concerns who do not generally maintain party-wise account of their supplies in a routine. As a result the auditors were not fully satisfied about the debtors' account.

As regards stores the comment of the auditors is based on steel which forms bulk of the stores. A comprehensive procedure for the accounting of steel has been drawn up in the course of the last year. This procedure envisaged making out proper receipt and issue notes for steel received from suppliers or issued to contractors. Following the preparation of the procedure, the account for steel was built up in accordance with the procedure. It was, however, not possible to produce receipt and issue notes for the supplies/issues made before the framing of the procedure. It is expected that the position will be set right in the current year, now that a proper procedure has been made out and is being enforced.

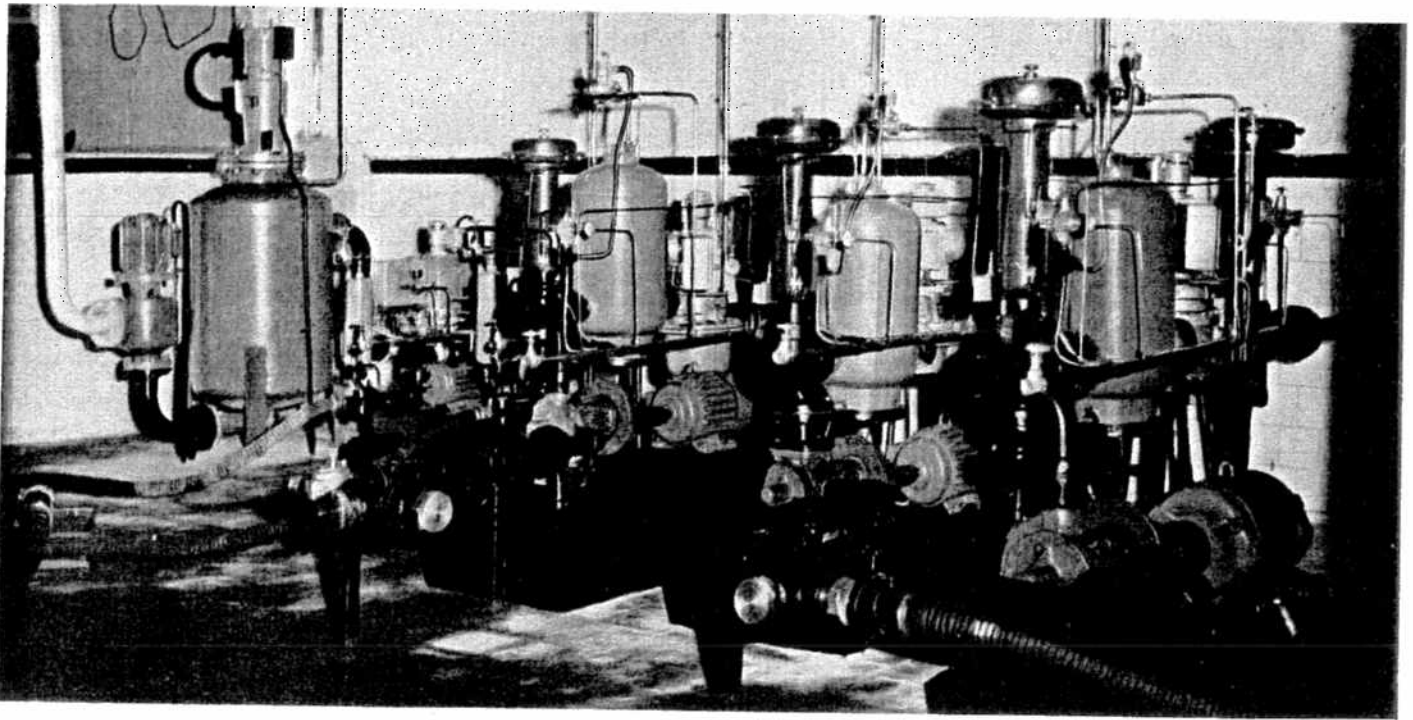


Indianoil has commenced marketing Kerosene in the city of Madras this year. Photograph shows long queues of cartmen at Walltax Road Relay Tankage waiting to collect their quota of Jyoti Kerosene.

BLENDING PLANTS:

Two Plants, one each at Bombay and Calcutta, for blending automotive and industrial lubricants, of the Indian Oil Blending Limited (a Company where we have contributed 50% of the share capital) with a capacity of 64,000 Kls. and 32,000 Kls. respectively have gone into production in September 1964. Engineers of the Company have shouldered responsibility in expediting and guiding construction of storage tanks.

An agreement has been signed between the Company and Mobil Petroleum Company, whereby the Company will supply and service all ships using Mobil Marine lubricants and calling at Indian Ports, while Mobil affiliates will provide lubricants and service to Indian Flag Vessels at foreign ports. Besides, Mobil have also made available to us their technical literature which have helped the Company in expanding of their sales products.



A view of the modern blenders installed at the Indian Oil Blending plants in Bombay and Calcutta. These blenders are electronically controlled and ensure that premium quality lubricants move out of the plants to cater to the needs of various industries.

L.P.G.:

The proposed contract between ENI and your Company for LPG bottling and distribution facilities is under study. While the project report envisages setting up of four bottling plants in India — the setting up of three plants at Calcutta, Delhi and Barauni has been decided upon, location for the fourth plant is under consideration. The plant at Barauni is ready and forms an integral part of the Barauni Refinery. Difficulty has been experienced in procuring proper cylinders, valves and regulators. It is however hoped that LPG will be marketed by early 1965 for which distributorships in important North Indian cities have been finalised. Plans to enter the industrial LPG field are being chalked out.

GENERAL:

During the year under report the Registered Office of the Company was shifted from 'Rashmi', Carmichael Road, Bombay-26 to Clarke Road, Mahalaxmi, Bombay-34.

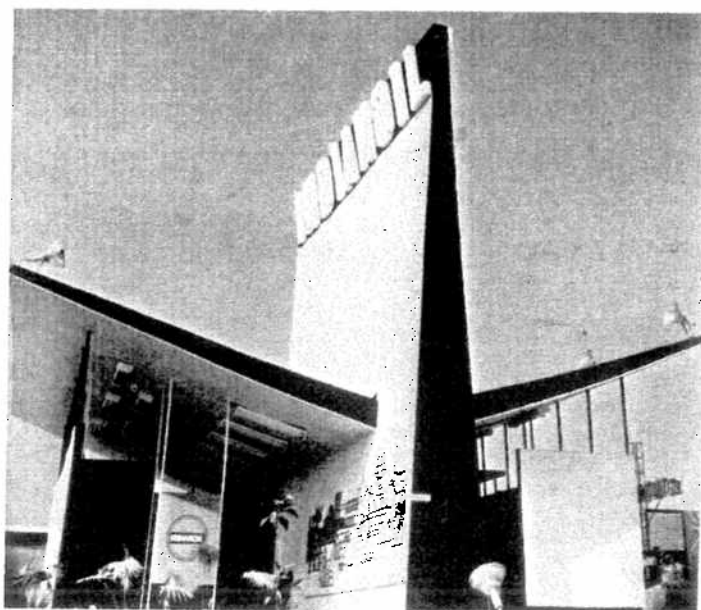
Articles 96 and 134 of the Articles of Association were amended.

A House Journal was introduced as an important employer-employee communication medium.

The Company participated in the Indian National Exhibition held at Moscow and in the Industrial Exhibition at Calcutta.

In March 1964, an announcement was made in the Parliament regarding the amalgamation of the Indian Refineries Limited with the Indian Oil Company Limited for co-ordinating the activities of refining and distribution of petroleum products. As per the Petroleum Companies Amalgamation Order, 1964, the Indian Refineries Limited was merged with the Indian Oil Company Limited on 1st September 1964, when the name of the new Company was changed to Indian Oil Corporation Limited. The accounts and Directors' report therefore reflect the activities of the former Indian Oil Company Limited for the year 1963-64.

The second refinery at Barauni has gone into production in August 1964 and refineries at Koyali in Gujarat and Cochin are expected to go on stream in 1965 and 1966 respectively.



Indianoil participated in the Industries Exhibition held early this year in Calcutta, where the pavilion was awarded a Certificate of Merit.

VISITORS:

1. The Kuwait Oil Delegation visited the office of the Company and the discussions held indicated the possibilities of importing middle distillates produced by the refinery which is being set up by Kuwait National Petroleum Company.
2. Mr. Howard Cowden, President, International Co-operative Petroleum Association paid a visit to the office and had discussions on the benefits of distribution through co-operative enterprises.
3. The President of ENI accompanied by two experts from ENI, who were in Bombay on a five-day visit called at our office on 19th March, 1964.

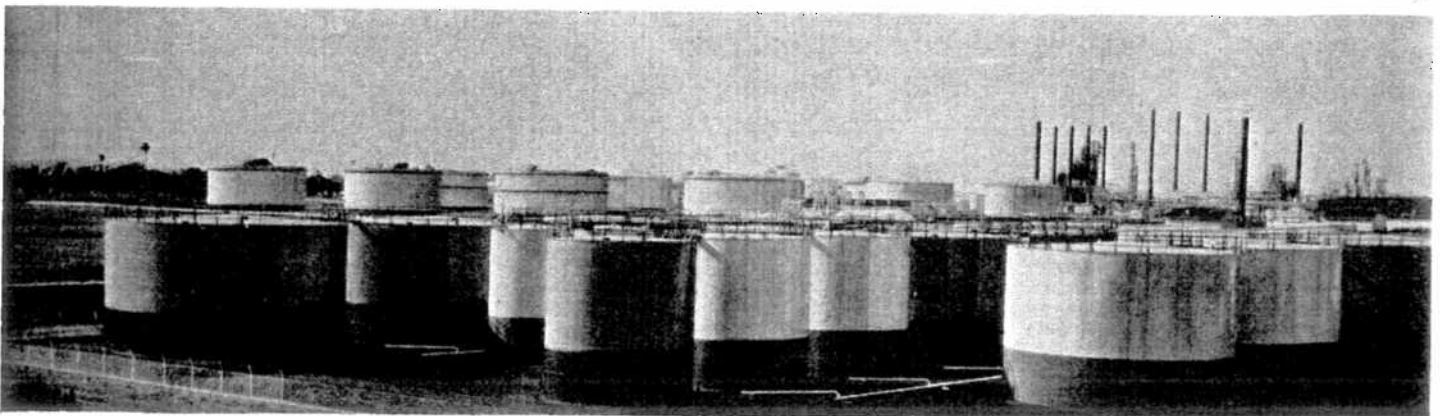
Your Directors wish to place on record, the appreciation of the work done by every officer and staff of the Company, which has made such a gratifying performance possible.

For and on behalf of the Board,

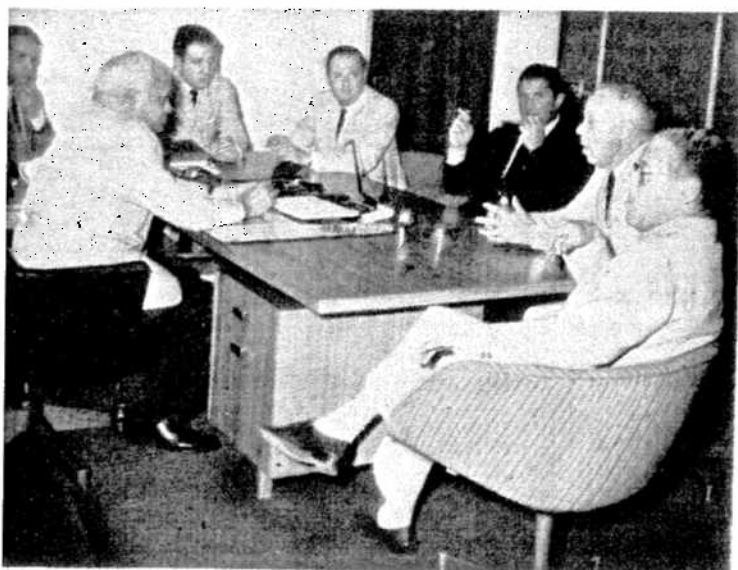
Bombay,
28th October, 1964

P. A. GOPALKRISHNAN
Chairman

AERIAL VIEW O



The tank farm presents a colourful sight against the blue skies. Storage facilities have been planned on an elaborate scale to contain the base stocks in bulk.

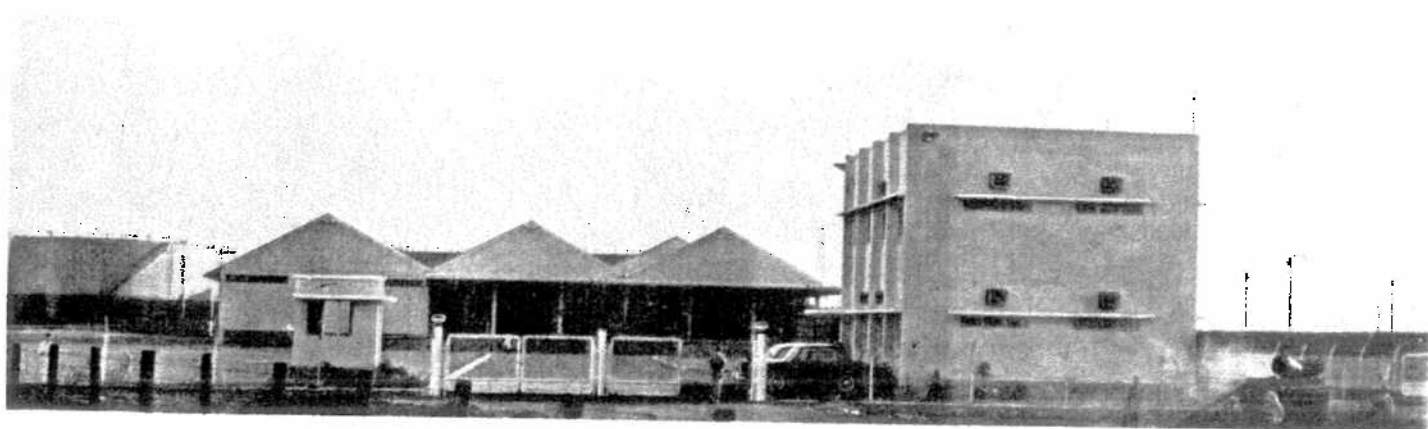


Prof. Marcello Boldrini, President, ENI, the Italian State-owned Oil organisation and his team of experts conferring with Shri P. A. Gopalkrishnan.

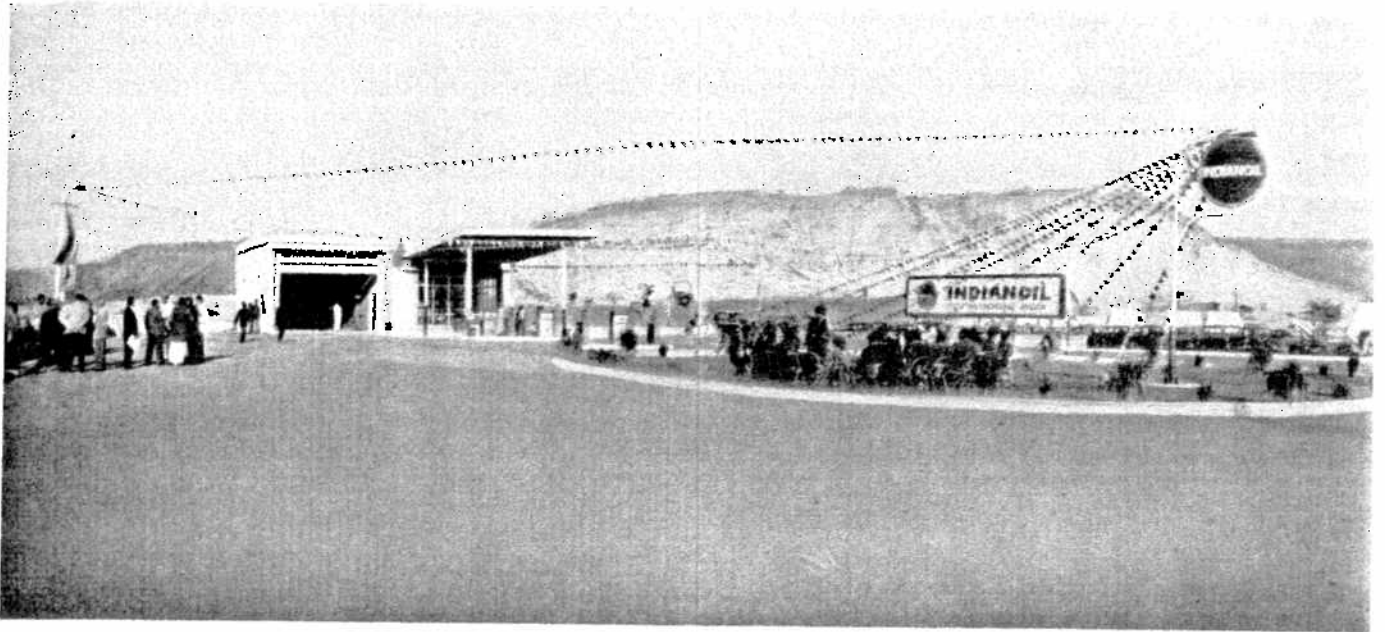


Discussions were held with the Kuwait Oil Delegation to explore possibilities of importing middle distillates. Picture shows Shri P. A. Gopalkrishnan, I.C.S., Chairman, Indian Oil Corporation Ltd. flanked by Mr. Allan D. Graves and Mr. Robert L. Irvine, members of the Kuwait Oil Delegation.

INDIANOIL BLENDING PLANT



Overall view of the Indian Oil Blending plant and its offices.



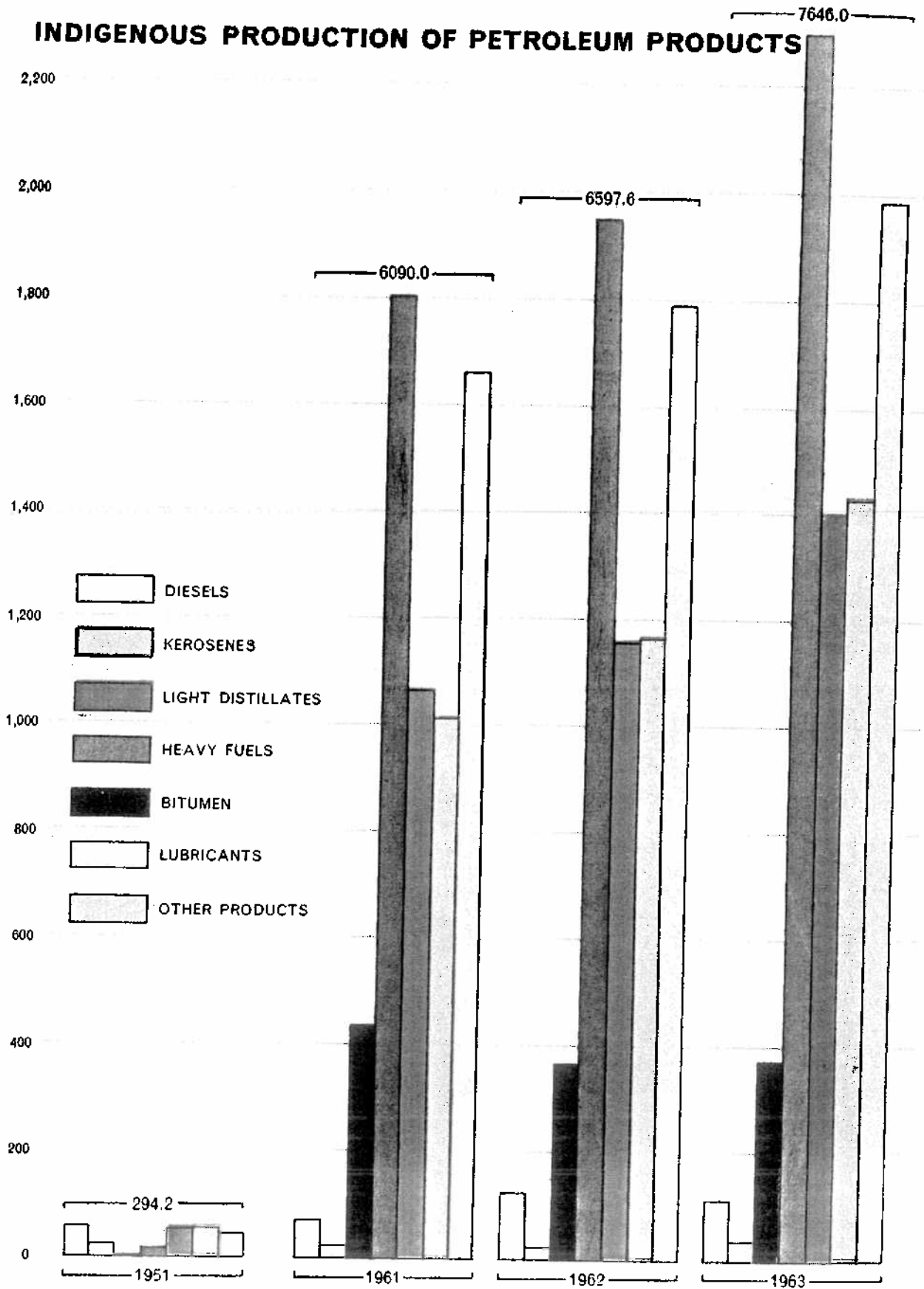
Jaipur, the pink city in India has an attractive service station on one of the main highways. Picture shows the modern Service Station amidst a scenic background.

INDIANOIL'S POPULAR SERVICE STATIONS

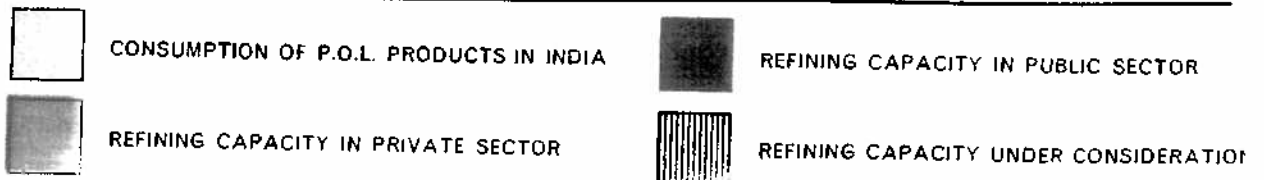
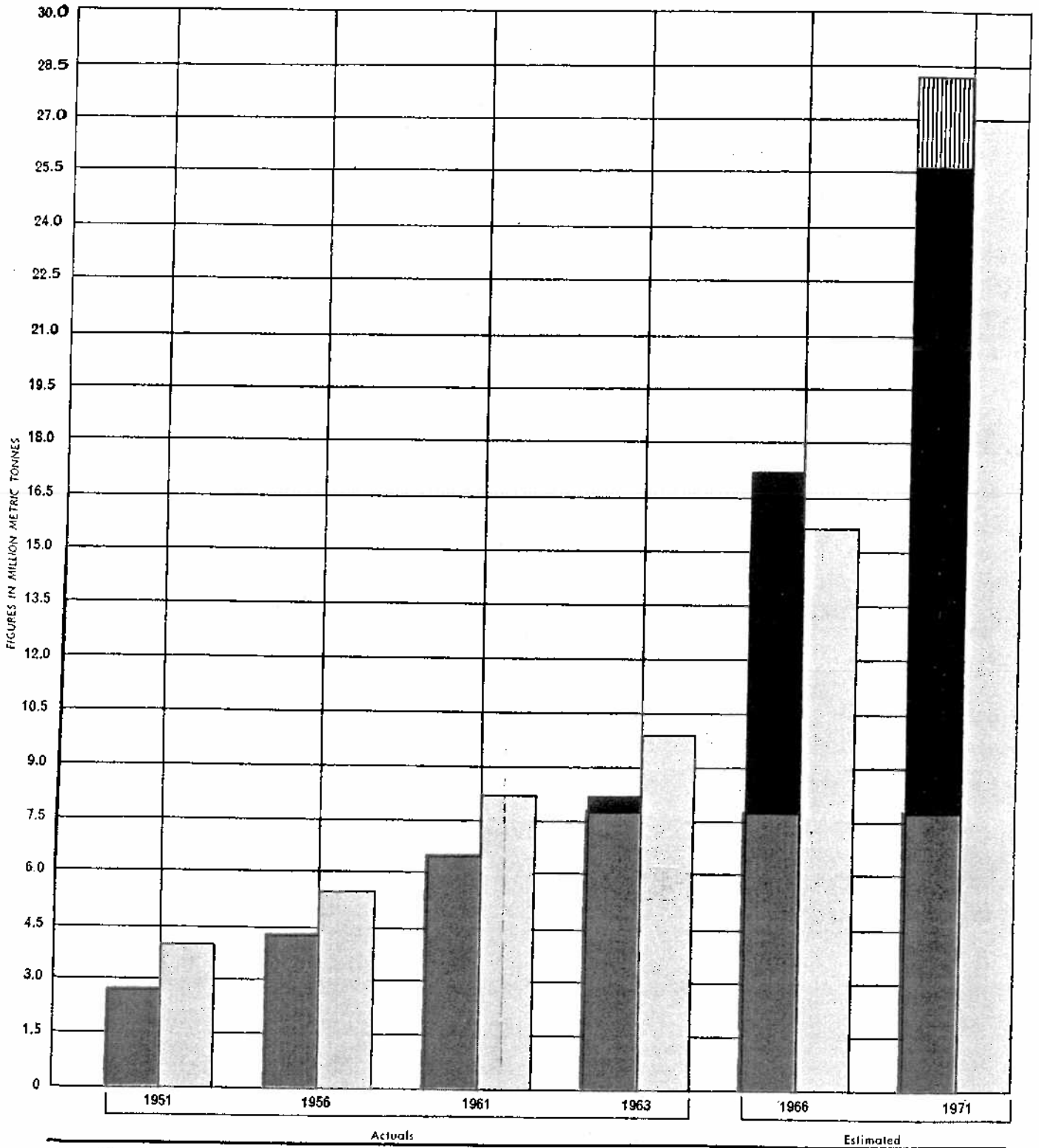


The service station in Nagpur commands an impressive view on one of the vantage points in this leading city of Maharashtra. It overlooks an equestrian statue of Rani of Jhansi, a landmark in Nagpur.

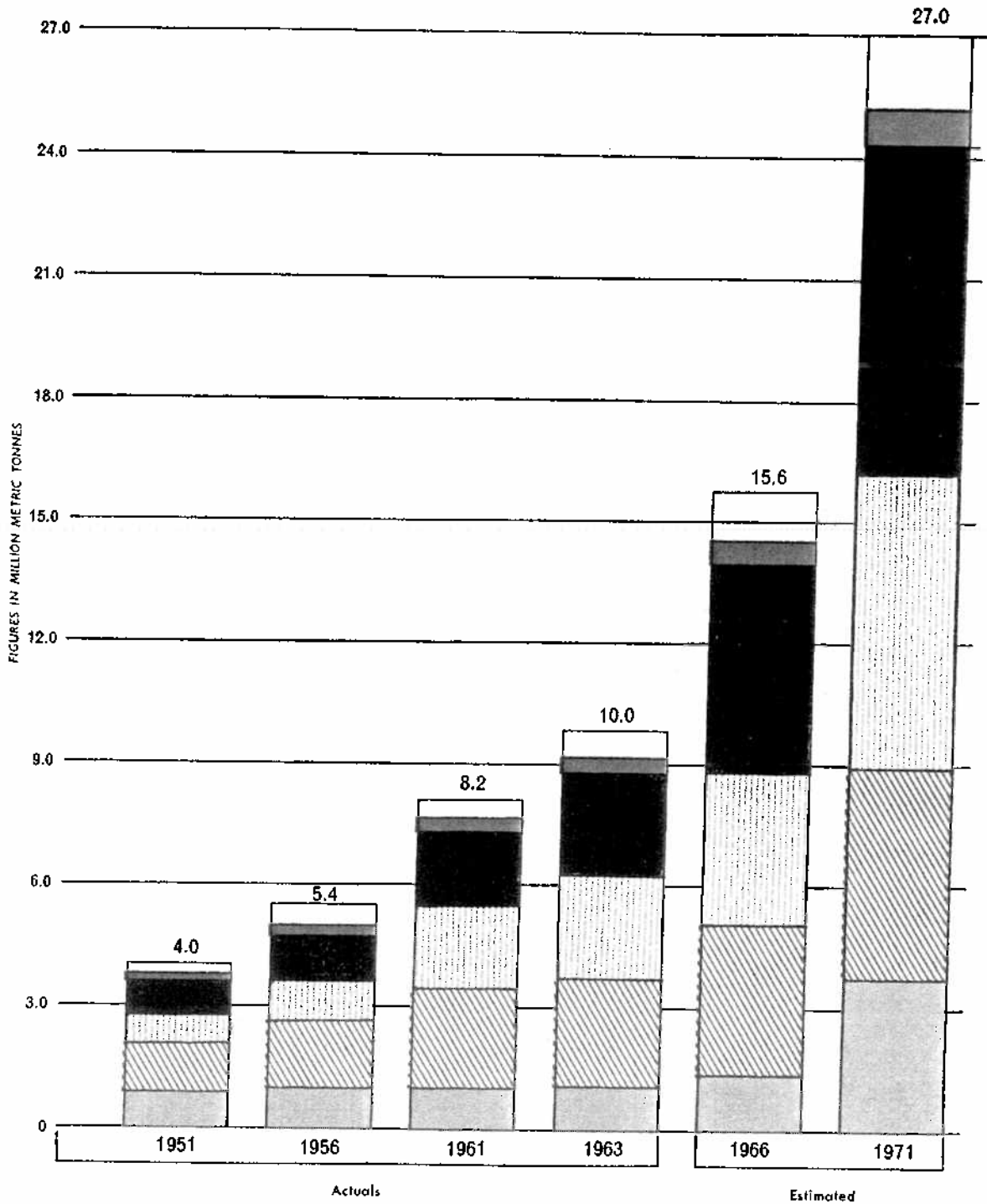
INDIGENOUS PRODUCTION OF PETROLEUM PRODUCTS



TOTAL PETROLEUM DEMAND IN INDIA

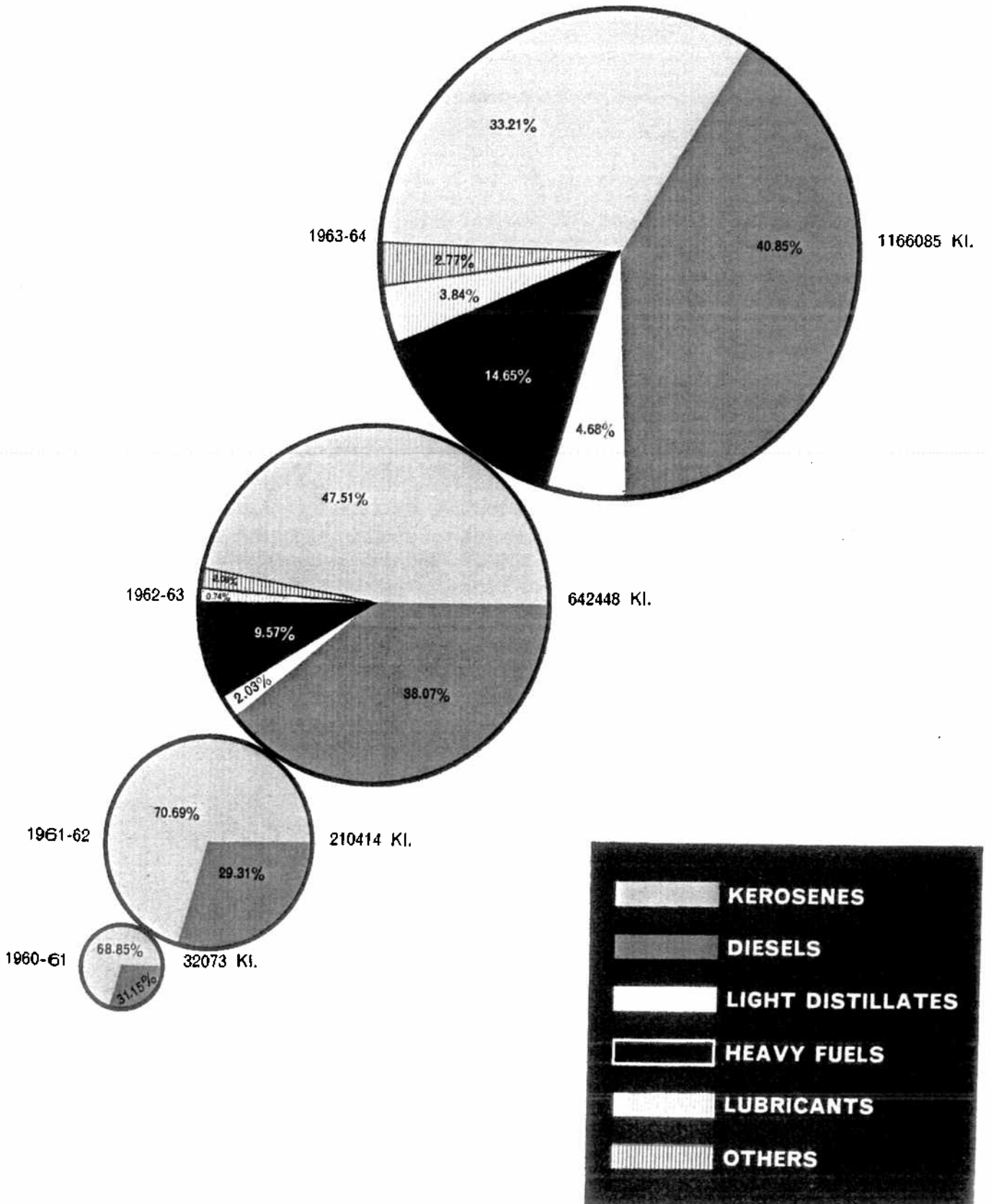


CONSUMPTION OF PETROLEUM PRODUCTS IN INDIA

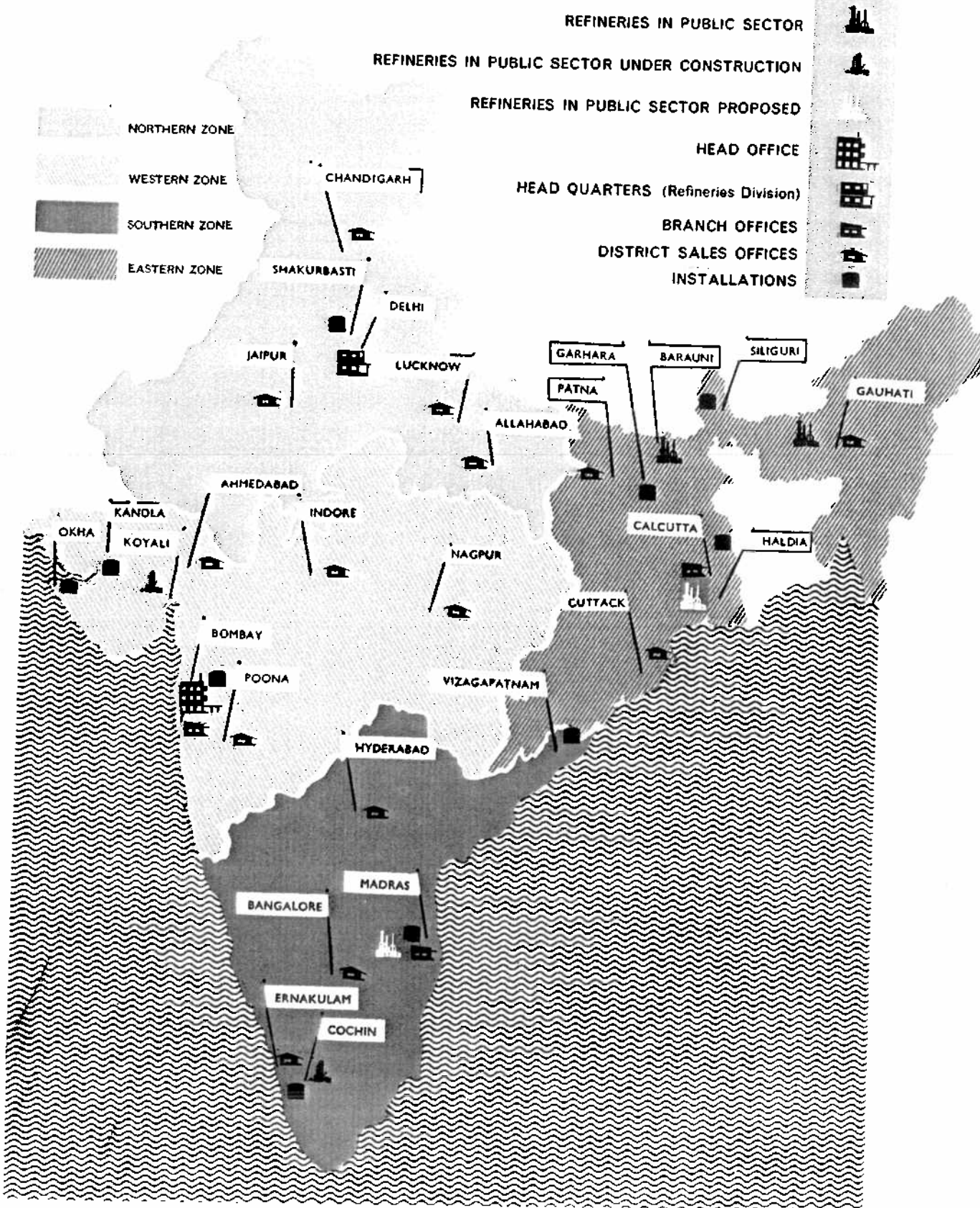


LIGHT DISTILLATES	HEAVY FUELS
KEROSENES	LUBRICANTS
DIESELS	OTHER PRODUCTS

INDIANOIL SALES



MAP SHOWING PUBLIC SECTOR REFINERIES; INDIANOIL'S INSTALLATIONS AND OFFICES IN INDIA.



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Company Limited (known as Indian Oil Corporation Ltd. from 1st September, 1964) as at 31st March, 1964, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

Internal control over Debtors and Stores was deficient and records in respect of these two items were not properly maintained.

Subject to the foregoing and to Notes 1 to 9 on the Accounts:

- (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 the books;
- (3) the Balance Sheet and Profit and Loss Account dealt with by 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 said Accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view —
 - (a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 1964, and
 - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date.

BOMBAY, 30th OCTOBER, 1964.

A. F. FERGUSON & CO.
Chartered Accountants.

**Comments of the Comptroller and Auditor General of India
under Section 619(4) of the Companies Act, 1956.**

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditor's Report under Section 619(4) of the Companies Act, 1956 on the accounts of the Indian Oil Company Limited for the year ended 31st March 1964.

New Delhi
20th November 1964

(N. K. BHATTACHARYYA)
Director of Commercial Audit

INDIAN
(Known as I
BALANCE SHEET

Previous Year	LIABILITIES	Rs.	P
	SHARE CAPITAL:		
	<i>Authorised:</i>		
12,00,00,000	1,20,000 Equity Shares of Rs. 1,000/- each		12,00,00,000
	<i>Issued and Subscribed:</i>		
2,97,25,000	47,725 Equity Shares of Rs. 1000/- each fully paid in cash		4,77,25,000
25,00,000	Monies received from Government awaiting allotment of Shares		20,00,000
3,22,25,000			4,97,25,000
	RESERVES AND SURPLUS:		
	<i>General Reserve:</i>		
—	Transferred from Profit & Loss Account	76,00,000	
—	Development Rebate Reserve	—	
—	Balance brought forward	43,44,000	
43,44,000	Transferred from Profit & Loss Account	33,35,200	
891	Profit and Loss Account	7,79,200	
		7,217	1,52,86
	SECURED LOANS		
	<i>Loans and Advances from Banks:</i>		
1,02,57,155	Cash Credit Account with State Bank of India (against hypothecation of Oil Stocks, Book Debts, Outstanding monies recoverable, Claims, Contracts, and Engagements etc./guaranteed by the President of India)		10,66,97,000
4,68,27,046			
	Carried forward Rs.		17,17,09,000

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

AT 31ST MARCH, 1964

Previous Year	ASSETS		Rs.	Rs.
	FIXED ASSETS:			
3,23,76,242	As per Schedule 'A' annexed		6,05,74,942	
1,04,16,086	Capital Works-in-Progress		1,95,54,643	8,01,29,585
	INVESTMENTS — Unquoted (at cost)			
19,000	12 Year National Plan Savings Certificates (Includes Rs. 16,350/- deposited with Commercial Tax Officers. Previous year Rs. 15,000/-)		20,350	
	<i>Trade Investments:</i>			
	Indian Oil Blending Ltd., 2,000 Equity Shares of Rs. 500/- each, fully paid up in cash		10,00,000	10,20,350
	CURRENT ASSETS, LOANS AND ADVANCES:			
	<i>A. Current Assets:</i>			
	Inventories (as valued and certified by the officials of the Company)			
13,66,894	a) Stores and Spare parts (at Cost)	Rs. 52,19,027		
92,482	b) Loose Tools	" 53,133		
3,32,69,077	c) Stock-in-trade:			
	i) Oil Stocks (at cost)	" 6,32,77,285		
6,58,191	ii) Stock of Empty Tins & Barrels (at cost or market value whichever is lower)	" 6,76,344		
			6,92,25,789	
		C/f. Rs.	6,92,25,789	
7,81,97,972				8,11,49,935
	Carried Forward Rs.			

INDIAN C
(Known as In.
BALANCE SHEET

Previous Year	LIABILITIES	Rs.	Rs.
4,68,27,046	Brought forward Rs.		17,17,0
	UNSECURED LOANS:		
	<i>Other Loans and Advances:</i>		
3,00,00,000	From the Government of India		4,75,00
	CURRENT LIABILITIES AND PROVISIONS:		
	<i>A. Current Liabilities:</i>		
28,43,717	Acceptances	26,89,703	
5,31,74,569	Sundry Creditors	8,13,86,489	
2,00,66,739	Indian Refineries Limited	3,70,55,934	
17,53,845	Security Deposits	30,49,257	
10,20,636	Interest accrued but not due on Loans	19,94,655	
1,96,600	Liabilities for Collateral Securities held as per contra	4,45,150	
	<i>B. Provisions:</i>		
2,80,000	Provision for Taxation	<u>24,00,000</u>	
3,00,000	Provision for Contingencies	3,00,000	
			12,93,21,1
15,64,63,152	Carried forward Rs.		34,85,30,28

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

AT 31ST MARCH, 1964

Previous Year	ASSETS	Rs.	Rs.
7,31,97,972	Brought forward Rs.		8,11,49,935
	CURRENT ASSETS, LOANS AND ADVANCES (Cont'd)		
	B/f. Rs.	6,92,25,789	
	Sundry Debtors:		
2,47,460	a) Secured, Considered Good	Rs. 4,27,785	
6,25,12,462	b) Unsecured, Considered Good	.. 13,88,69,782	
—	c) Unsecured, Considered Doubtful	.. 8,00,000	
		<u>.. 14,00,97,567</u>	
—	Less — Provision for Doubtful Debts	.. 8,00,000	
		<u>13,92,97,567</u>	
	Note: (See Schedule 'B' attached)		
	Cash and Bank Balances:		
1,33,984	a) Cash and Cheques on hand	Rs. 39,92,822	
	b) Bank Balances:		
20,57,901	With Scheduled Banks on Current Account	.. 1,56,10,664	
15,33,387	c) Remittances-in-Transit	.. 1,15,95,653	
		<u>3,11,99,139</u>	
	C/f. Rs.	<u>23,97,22,495</u>	
<u>14,46,83,166</u>	Carried forward Rs.		<u>8,11,49,935</u>

INDIAN
(Known as
BALANCE SH

Previous Year	LIABILITIES	Rs.
15,64,63,152	Brought forward Rs.	34,8

15,64,63,152

Carried forward Rs.

34,85,30.

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

AT 31ST MARCH, 1964

Previous Year	ASSETS		Rs.	Rs.
14,46,83,166	Brought forward Rs.			8,11,49,935
	CURRENT ASSETS, LOANS AND ADVANCES (Cont'd)			
	B/f. Rs.		23,97,22,495	
	B. Loans and Advances: (Unsecured. Considered good unless otherwise stated)			
	Advances Recoverable in Cash or in kind or for value to be received			
	Note: (See Schedule 'B' attached)			
30,56,213	a) Unsecured, Considered Good	Rs. 69,37,486		
85,395	b) Unsecured, Considered Doubtful	.. 2,00,000		
—	Bills of Exchange	.. 11,07,240		
15,00,000	Advance payment of Taxes	.. 15,00,000		
	Maximum amount due at anytime during the year from the Directors Rs. Nil. (Previous year Rs. 25/-)			
13,89,331	Advances for Capital Expenditure	.. 27,42,025		
14,51,171	Sundry Deposits	.. 23,41,883		
41,86,671	Balances with Customs, Port Trust etc.	.. 1,22,10,593		
1,96,600	Collateral Securities held as per contra	.. 4,45,150		
		.. 2,74,84,377		
(85,395)	Less: Provision for Doubtful Advances	.. 2,00,000		
			2,72,84,377	26,70,06,872
15,64,63,152	Carried forward Rs.			34,81,56,897

INDIAN
(Known as I)
BALANCE SHEET

Previous Year	LIABILITIES	Rs.	Rs.
15.64.63,152	Brought forward Rs.		34,85.
	CONTINGENT LIABILITIES:		
	1. Rs. 19.92 lakhs claimed by one of the Foreign Suppliers in respect of additional freight charges for the period 31st July, 1960 to 31st March, 1964. The claim has been rejected by the Company ...		
	2. Storage Tanks at Cochin belonging to the Ministry of Defence were sold by the Company for Rs. 4,000/- without obtaining the Ministry's sanction. The liability on account of this sale has not been agreed ...		
	3. The Company has given a guarantee of Rs. 25 lakhs to the State Bank of India in respect of advance taken by the Indian Oil Blending Limited ...		
	4. Claim from the Ministry of Defence in respect of rent of property at Antop Hill, Wadala, Rs. 1.42 lakhs		
	5. Suits filed against the Company for alleged breach of Contract Rs. 2 lakhs ...		
15.64,63,152	TOTAL RUPEES		34,85,30

As per our report attached.

Bombay, 30-10-64.

A. F. FERGUSON & CO.

Chartered Accountants

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

AT 31ST MARCH, 1964

Previous Year	ASSETS	Rs.	Rs.
15,64,63,152	Brought forward Rs. ...		34,81,56,807
	MISCELLANEOUS EXPENDITURE:		
	(To the extent not written-off or adjusted) ..		
—	Renovation of Head Office Building	1,39,592	
—	Development Expenditure on Land proposed to be acquired	2,33,887	
			3,73,479
<u>15,64,63,152</u>	TOTAL RUPEES:		<u>34,85,30,286</u>

R. KRISHNAN
Secretary

P. A. GOPALKRISHNAN
Chairman & Managing Director

N. N. KASHYAP
Director

INDIAN C
(Known as In
PROFIT AND LOSS ACCOUNT

1962-63		Rs.	Rs.	Rs.	Rs.
1,13,20,617	Stock as at 1st April, 1963			3,32,69,077	
17,87,64,759	Purchases (other than from Indian Refineries Ltd.)	38,08,95,910			
8,57,68,110	Purchases from Indian Refineries Ltd. (Less Closing Stocks of IRL Products)	23,99,68,332		62,08,64,242	
	Transfers under Product Exchange Transactions:				
54,60,866	a) From Burmah Oil Co. (India Trading) Ltd.	1,38,53,137			
47,56,519	b) From Other Oil Companies	2,69,12,151		4,07,65,288	
28,60,70,871				69,48,98,607	
3,32,69,077	Less: Stocks as at 31st March, 1964			6,32,77,285	
25,28,01,794				63,16,2	
87,19,249	Freight and Transportation Charges (less recoveries under Product Exchange Transactions)				2,60,0
34,07,941	Salaries and Wages				68,9
1,14,986	Contribution to Provident Fund				2,1
48,502	Staff Welfare Expenses				1,73
10,87,715	Rentals of Depots, Installations, Offices and Staff Accommodation				21,07
21,72,343	Consumption of Stores and cost of Tins sold (including Rs. 4,23,381 Company's use of Oils credited to sales at selling prices. Previous year Rs. 1,22,630)				50,71
26,83,52,530	Carried forward Rs.				67,20,92

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

THE YEAR ENDED 31ST MARCH, 1964

1962-63				
Rs.		Rs.	Rs.	Rs.
21,35,46,148	Sales (Including I.R.L. Products) less Commissions and Discounts			52,43,33,395
	Transfers under Product Exchange Transactions:—			
93,88,461	a) To Burmah Oil Company (India Trading) Ltd.		1,33,25,163	
6,11,03,082	b) Other Oil Companies		16,29,36,314	17,62,61,477
10,16,875	Sole Selling Agents' Commission			11,81,527
—	Interest			48,526
70,000	Rent Receivable			—
83,547	Miscellaneous Income			3,39,979

28,52,08,113

Carried forward Rs.

70,21,64,904

INDIAN
(Known as
PROFIT AND LOSS ACCOUNT

1962-63		Rs.	Rs.	Rs.
26,83,52,530	Brought forward Rs.			67,2
	Repairs and Maintenance:			
89,243	Plant and Machinery		1,18,816	
20,218	Buildings		74,490	
31,535	Others		3,47,244	
			<hr/>	
	Insurance:			
1,08,711	a) Emergency Risks		2,73,353	
1,13,102	b) Other		1,69,320	4
			<hr/>	
	Interest:			
8,80,164	a) On Government Loan		23,52,420	
6,21,387	b) Other		32,33,250	55
			<hr/>	
4,60,811	Rates and Taxes			10
36,35,104	Office Administrative and Selling Expenses ..			89
1,000	Directors' Fees			
	Payments to Auditors:			
12,500	a) Audit Fees		40,000	
1,200	b) Other Services		450	
	c) Provision for Reimbursement of Out-of-Pocket Expenses	21,000		
3,000	Less: Excess provision in 1962-63 ..	1,531	19,469	
			<hr/>	
2,40,471	Compensation payable to South Eastern Railway			
<hr/>	Carried forward Rs.			<hr/> 68,88.
27,45,70,976				

COMPANY LIMITED

(Incorporated in India under the Companies Act, 1956 and commenced operations from 1st September, 1964)

THE YEAR ENDED 31ST MARCH, 1964

1962-63	Rs.	Rs.	Rs.	Rs.
28,52,08,113	Rs.	Brought forward Rs.		70,21,64,904
28,52,08,113		Carried forward Rs.		70,21,64,904

INDIAN
(Known as I
PROFIT AND LOSS ACCOUNT

1962-63		Rs.	Rs.	Rs.	P
27,45,70,976	Brought forward Rs.				68,86
8,79,963	Loss on Disposal of Assets				
—	Bad Debts and Advances written-off				
—	Provision for Doubtful Debts				8
3,00,000	Provision for Contingencies				
85,395	Provision for Doubtful Advances				1
31,31,081	Depreciation				19,
2,80,000	Provision for Taxation				21,
59,60,698	Net Profit carried down				83,
<u>28,52,08,113</u>	TOTAL RUPEES:				<u>70,21,</u>
16,85,051	Balance as per last year's Account				
43,44,000	Development Rebate Reserve				33,
31,708	Preliminary Expenses written-off				
—	Adjustment of D.G.S. & D. sales relating to previous years				8
—	Transferred to General Reserve				76,0
891	Balance carried forward				
<u>60,61,650</u>	TOTAL RUPEES:				<u>1,10,2</u>

As per our report attached.

A. F. FERGUSON & CO.
Chartered Accountants

Bombay, 30-10-64.

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

THE YEAR ENDED 31ST MARCH, 1964

1962-63				
Rs.		Rs.	Rs.	Rs.
28,52,08,113	Brought forward Rs.			70,21,64,904
<u>28,52,08,113</u>	TOTAL RUPEES			<u>70,21,64,904</u>
—	Balance as per last year's Accounts			891
59,60,698	Net Profit brought down			83,57,151
1,00,952	Provision for Contingencies written-back			—
—	Adjustment in the Depreciation Charge for previous years			26,69,718
<u>60,61,650</u>	TOTAL RUPEES			<u>1,10,27,760</u>

R. KRISHNAN
Secretary

P. A. GOPALKRISHNAN
Chairman & Managing Director

N. N. KASHYAP
Director

INDIAN

(Known as

SCHEDULE OF FIXED ASSETS ANNEXED TO AND FO

<i>Fixed Assets</i>	<i>Gross Block as at 31st March, 1963</i>	<i>Additions</i>	<i>Transfer</i>
	Rs.	Rs.	Rs.
LAND			
Freehold	3,79,887	72,031	—
Leasehold	—	71,489	—
 BUILDINGS ETC.	 36,51,396	 56,57,326	 (—) 7,66
 PLANT AND MACHINERY	 2,58,31,586	 1,74,03,651	 (+) 13,08
 TRANSPORT EQUIPMENT	 37,37,123	 31,54,996	 (—) 5,418
 FURNITURE AND FIXTURES	 13,06,301	 12,93,937	 —
 RAILWAY SIDINGS	 11,74,274	 1,72,621	 —
	3,60,80,567	2,78,26,051	—
	(1,05,94,142)	(2,71,59,303)	—

Notes:- 1) *Represents reversal of previous year's provisional entry as purchase of land has not been finalised as anticipated.

2) Figures shown in brackets are for the previous year.

A. F. FERGUSON &
Chartered Accountants

COMPANY LIMITED

Corporation Ltd. from 1st September, 1964)

PART OF BALANCE SHEET AS AT 31ST MARCH, 1964.

SCHEDULE 'A'

<i>Deductions</i>	<i>Gross Block as at 31st March, 1964</i>	<i>Total Depreciation upto 31st March, 1964</i>	<i>Net Depreciated block as at 31st March, 1964</i>
Rs.	Rs.	Rs.	Rs.
3,39,312*	1,12,606	—	1,12,606
—	71,489	1,022	70,467
—	93,01,058	1,79,845	(3,79,887)
—	4,32,48,319	19,58,319	91,21,213
—	68,77,805	6,78,040	(34,43,534)
8,896	26,00,238	1,20,560	4,12,90,000
—	13,46,895	45,682	(2,32,68,780)
—	68,77,805	6,78,040	61,99,765
—	26,00,238	1,20,560	(30,18,573)
—	13,46,895	45,682	24,79,678
—	13,46,895	45,682	(11,56,473)
—	13,46,895	45,682	13,01,213
—	13,46,895	45,682	(11,08,995)
3,48,208	6,35,58,410	29,83,468	6,05,74,942
(16,72,878)	(3,60,89,567)	(37,04,325)	(3,23,76,242)

R. KRISHNAN
Secretary

P. A. GOPALKRISHNAN
Chairman & Managing Director

N. N. KASHYAP
Director

INDIAN OIL COMPANY LIMITED

(Known as Indian Oil Corporation Ltd. from 1st September, 1964)

STATEMENT SHOWING DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

SCHEI

1962-63	1962-63		Debts	Ad
<i>Advances</i>	<i>Debts</i>		Rs.	
Rs.	Rs.			
	1,90,293	The Fertiliser Corporation of India Ltd.	3,41,318	
	2,36,339	Hindustan Steel Ltd.	25,17,761	
		Heavy Engineering Corporation Ltd.	5,24,391	
		Hindustan Aircraft Ltd.	5,527	
4,822	59,797	*Indian Refineries Ltd.	1,92,780	
4,000		*Indian Oil Blending Ltd.	4,269	
		National Instrument Co. Ltd.	625	
	1,29,661	National Mineral Develop. Corporation Ltd.	1,65,098	
	38,27,192	National Coal Develop. Corporation Ltd.	38,46,567	
		Neyveli Lignite Corporation Ltd.	1,25,417	
	944	Hindustan Shipyard Ltd.	19,114	
		Heavy Electricals Ltd.	11,27,116	
		Hindustan Machine Tools Ltd.	2,554	
		Bharat Electronics Ltd.	1,174	
	1,972	Mazagon Dock Ltd.	1,14,460	
		* Private Companies in which the directors are interested.		
<u>8,822</u>	<u>44,46,198</u>		<u>89,88,171</u>	

As per our report attached.

A. F. FERGUSON & CO.
Chartered Accountants.

Bombay, 30-10-64

R. KRISHNAN

Secretary

P. A. GOPALKRISHNAN

Chairman & Managing Director

N. N. KAKKAR

Director

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1964.

1. The Company has incurred stock losses estimated at Rs. 23 lakhs. The losses in the Eastern Branch are heavy being about Rs. 16.8 lakhs. The losses at two installations in this branch viz. Siliguri and Garhara are excessive being about Rs. 14 lakhs. While a large part of these losses is attributable to operational reasons, a part, the exact amount of which is not ascertainable because of the nature of the products handled, is due to negligence and in some cases suspected misappropriation or theft on the part of the employees of the Company or others. Appropriate action has been taken by the Company against the staff whose responsibility has been established. These losses are reflected in the cost of sales.
2. An aggregate amount of Rs. 5.25 lakhs shown as recoverable from the other marketing companies is the subject of a dispute regarding the method of calculating excise duty on Light Diesel Oil. No provision has been made for this amount as the Company is confident of recovering it.
3. I.R.L. has claimed interest amounting to Rs. 40.66 lakhs on overdue outstandings for the period February, 1962 to March, 1964. Against this claim, in the letter dated 15-6-1964, the Government of India decided that interest is payable from 15-1-1964 only and, accordingly, liability has been provided for Rs. 9.84 lakhs only. In addition a sum of Rs. 1.92 lakhs, representing miscellaneous claims by IOC like demurrage, freight etc. and other unreconciled items has not been accepted by I.R.L., although credit has been taken in the accounts in respect of these items.
4. Complete information is not available regarding the position of the Company's outstanding Sales Tax liabilities to the Central and State Governments and the amounts recovered thereagainst from the customers.
5. To the extent ascertainable the Profit and Loss Account includes a net credit of Rs. 2.45 lakhs relating to previous years excluding the amounts of Rs. 26.70 lakhs and Rs. 85,343 shown separately in the Profit & Loss Appropriation Account.
6. Debtors' balances have not been bifurcated between those outstanding for over 6 months and others as required by the Companies Act, 1956 because it was not possible to link receipts with bills in all cases.
7. Provision for Bonus has not been made for the current year as the amount thereof has not yet been ascertained.
8. Fixed Assets acquired from the Ministries of Defence and Railways have been taken on an estimated basis pending finalisation of the various agreements.
9. Under an arrangement between Assam Oil Co. and the Indian Oil Company, (known as Indian Oil Corporation Ltd. from 1st September, 1964) the total under-recovery of freight on the movement of products of the Digboi and Gauhati Refineries is to be shared in an agreed manner between the two companies. The detailed calculations have not yet been made but a credit of Rs. 19 lakhs has been taken in the accounts for the year on an estimated basis.

10. The basis for providing depreciation has been changed from the reducing balance method to the straight line method with retrospective effect from 1959-60. The current year's charge is Rs. 38.98 lakhs less than what it would have been under the old method. The difference in previous years' depreciation arising out of the change has been taken to the credit of the Profit and Loss Appropriation Account.

11. Owing to the impracticability of maintaining separate storage tanks for products received from Indian Refineries Ltd., and from other suppliers, the closing stocks have been computed in proportion to the total of opening stocks plus receipts from the respective suppliers.

12. The sales of I.R.L. products have not been shown separately as in the previous year but are merged in total sales.

13. Pending confirmation of realisability no credit has been taken for claims aggregating Rs. 3.31 lakhs against the Railways in respect of missing tank wagons.

14. Managing Director's remuneration:

1962-63: Rs.		1963-64: Rs.
71,158	Salaries, Provident Fund, Pension and Leave Salary Contribution etc.	63,838
6,509	Rental	4,380
203	Medical Expenses	961
<u>77,870</u>		<u>69,179</u>

15. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 223 lakhs.

16. No account has been taken of claims lodged with the Government for reimbursement of Bridging Expenses, Emergency Risks Insurance, Demurrage and interest on value of reserve stocks held for defence purposes.

17. The net under-recovery of freight from the sale of products of Indian Refineries Ltd., is estimated to be Rs. 55.77 lakhs. The question of adjustment of the final over or under-recovery of freight, if any, is being considered by the Government.

18. Office Administrative and Selling Expenses include Central Sales-Tax amounting to Rs. 26.92 lakhs in respect of Product Exchange transactions. The question of final adjustment of this item is under discussion with the various oil companies and the Government.

R. KRISHNAN
Secretary

P. A. GOPALKRISHNAN
Chairman & Managing Director

N. N. KASHYAP
Director