



INDIAN OIL CORPORATION LIMITED

ANNUAL REPORT
1974-75

PERFORMANCE AT A GLANCE

Index

	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75
REFINERIES THROUGHPUT <i>in million tonnes</i>	6.25	6.34	6.72	6.91	6.99	7.86
PIPELINES THROUGHPUT <i>in million tonnes</i>	2.42	2.62	3.22	3.23	3.22	3.70
SALES <i>in million kilolitres</i>	10.46	11.61	13.68	16.00	17.31	18.27
	(Rs. Crores)					
TURNOVER	634.85	720.01	862.04	996.15	1,240.76	1,960.60
PROFIT - before depreciation & interest & tax provision	38.03	35.82	51.34	63.09	60.71	79.23
PROFIT - before depreciation & tax provision	33.27	31.00	46.90	59.64	56.84	70.50
PROFIT - after depreciation & interest but before tax provision	22.47	20.32	34.97	46.08	41.55	50.76
PROFIT - after depreciation & interest & tax provision	22.47	20.32	29.97	19.08	20.55	29.26
PROFIT-after depreciation & interest & tax provision and after prior year adjustments.	20.41	15.77	31.94	22.17	9.81	30.64
DUTIES PAID	308.18	353.20	408.66	454.38	519.61	606.45
LOANS REPAID -from internal resources	11.53	11.35	11.36	11.48	11.54	11.99
DIVIDENDS PAID	4.98	4.98	4.98	4.98	3.56	5.69
RESERVES & SURPLUS Cumulative	38.97	49.76	76.71	93.90	100.16	125.10



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BOARD OF DIRECTORS:

C. R. Das Gupta
S. B. Budhiraja
R. N. Bhatnagar
R. M. Bhandari
S. Vasudevan
L. Kumar
C. Venkataramani
A. K. Ghosh
P. C. Mitra
Rajni Patel
N. S. Ramaswamy
S.M. Nanda

SECRETARY:

D.B. Puri

BANKERS:

State Bank of India

JOINT AUDITORS:

M/s. Price Waterhouse, Peat and Co.
M/s. A. F. Ferguson and Company

BRANCH AUDITORS:

M/s. Walker Chandiook & Co.
M/s. N. D. Kapur & Co.
M/s. Suri & Co.

REGISTERED OFFICE AND MARKETING

DIVISION HEADQUARTERS:

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

MARKETING DIVISION

BRANCHES:

Bombay, New Delhi, Calcutta, Madras

REFINERIES & PIPELINES

DIVISION HEADQUARTERS:

Indianoil Bhavan, Janpath
New Delhi - 110001

REFINERIES:

Gauhati (Assam), Barauni (Bihar), Jawaharnagar
(Gujarat), Haldia (West Bengal),-Mathura
(U.P.) - under construction.



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Indian Oil Corporation Limited will be held at the Company's Registered Office at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay 400 025 at 13-00 hours on Tuesday, the 30th September, 1975 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account and Reports of the Auditors and Directors thereon for the financial year ended 31st March, 1975.
2. To declare the dividend.
3. To appoint Director in place of Shri S. Vasudevan, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
4. To appoint Director in place of Shri L. Kumar, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
5. To appoint Director in place of Shri C. Venkataramani, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
6. To appoint Director in place of Shri A. K. Ghosh, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
7. To appoint Director in place of Shri P. C. Mitra, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
8. To appoint Director in place of Shri Rajni Patel, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
9. To appoint Director in place of Prof. N. S. Ramaswamy, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
10. To appoint Director in place of Admiral S. M. Nanda, who retires at the end of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board,

J. K. WADHWA
Deputy Secretary.

Bombay, Dated: 6th September, 1975.

Note: 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.



DIRECTORS' REPORT 1974-75

TO
THE SHAREHOLDERS OF
INDIAN OIL CORPORATION LIMITED

Gentlemen,
On behalf of the Board of Directors of your Corporation, I have pleasure in placing before you the 16th Annual Report on the working of the Corporation for the financial year 1974-75 alongwith the audited Statement of Accounts.

FINANCIAL RESULTS:

The profit before tax for the year under review is Rs. 50.76 crores as against Rs. 41.55 crores and Rs. 46.08 crores during the year 1973-74 and 1972-73 respectively. The comparative figures of gross profits, interest, depreciation and provision for taxation are as under:-

	(Rs. in crores)		
	1974-75	1973-74	1972-73
Gross profit before depreciation and interest	79.23	60.71	63.09
Interest	8.73	3.87	3.45

	(Rs. in crores)		
	1974-75	1973-74	1972-73
Profit before depreciation	70.50	56.84	59.64
Depreciation	19.74	15.29	13.56
Net profit before tax	50.76	41.55	46.08
Provision for taxation	21.50	21.00	27.00
Net profit after taxation	29.26	20.55	19.08
Add/deduct prior year adjustments	(+) 1.38	(-)10.74	(+)3.09
Net profit	30.64	9.81	22.17

The profit for the year 1974-75 would have been higher but for the under-recovery incurred by the Corporation on the processing of imported crude oil at the coastal refineries. The under-recovery incurred for processing during the financial year 1974-75 amounted to Rs. 9.32 crores, as against Rs. 15.47 crores during the year 1973-74. The request of the Corporation for suitable compensation is under consideration of the Government.



The sales during the year were 18.3 million kilo litres as against 17.3 million kilo litres and 16.0 million kilo liters for the year 1973-74 and 1972-73 respectively. The position of profit including carried forward from last year is as follows:

Balance of profit carried forward from last year	Rs.	Rs.
Profit for the year before tax but after provision for Bonus to employees	50,75,84,928	80,573
Less: Provision for taxation	<u>21,50,00,000</u>	
	29,25,84,928	
Add: Prior year adjustments	<u>1,37,87,695</u>	
Balance Disposable surplus		<u>30,63,72,623</u>
		<u>30,64,53,196</u>

Out of the balance indicated above, your Directors recommend the following appropriations:

Provision for Development Reserve	Rs.	10,00,00,000
Proposed Dividend		5,69,41,760
Transfer to General Reserve		14,95,00,000
Balance carried forward		11,436
TOTAL		<u>30,64,53,196</u>

FINANCE:

The total funds employed by the Corporation increased from Rs. 248.49 crores as on 31st March, 1974 to Rs. 290.11 crores showing an

increase of Rs. 41.62 crores, which was financed from internal resources amounting to Rs. 24.94 crores and net increase in the borrowings by Rs. 16.68 crores. The long-term borrowings increased by Rs. 42.94 crores mainly on account of loan received from National Iranian Oil Company amounting to Rs. 43.76 crores and Rs. 5.00 crores from Oil Industry Development Fund and repayment of loans of Rs. 2.49 crores to the Government Foreign Credit and Rs. 1.78 crores and Rs. 1.52 crores to the Bank during the year. The short-term borrowings from the Bank decreased by Rs. 26.26 crores showing a net increase in borrowings of Rs. 16.68 crores. The additional resources were utilised as under :-

- (i) Increase in net current assets- Rs. 22.50 crores
- (ii) Increase in net fixed assets- Rs. 18.92 crores
- (iii) Increase in investment - Rs. 0.20 crore

OUTSTANDINGS:

The outstandings during the year under review decreased to Rs. 54.05 crores compared to Rs. 63.03 crores as at the end of the previous year. Further efforts are being made to bring down the level of outstandings.

REFINERIES & PIPELINES

DIVISION:

The three already operating Refineries of the Corporation at Gauhati, Barauni and Gujarat achieved a total throughput of 73,69,958 tonnes during the year 1974-75 which is the highest throughput ever achieved and surpasses

(Figures in tonnes)

Year	Gauhati	Barauni	Gujarat	Haldia	Total
Targetted throughput					
1974-75	7,80,098	27,88,641	37,77,101	4,00,000	77,45,840
Actual throughput					
1974-75	7,55,009	28,23,753	37,91,196	4,93,762	78,63,720
1973-74	7,65,029	26,37,339	35,82,774	-	69,85,142
1972-73	7,93,135	23,91,147	37,28,517	-	69,12,799



the previous year's record by 3,84,816 tonnes. In addition, the Corporation also processed, during this year, 4,93,762 tonnes of crude in its newly commissioned 4th Refinery at Haldia. The test runs of the Fuel Sector units of Haldia refinery were completed by December 1974 and the refinery went into commercial production from 1st January, 1975. The table on pre-page gives the comparative picture of the targetted throughput for the year 1974-75, the actual throughput achieved and the throughput recorded during the past 2 years, i.e. 1972-73 and 1973-74:

It would be observed from the said table that except for Gauhati the throughput of other two refineries has been much higher as compared to previous years. Gauhati refinery's throughput, although higher than its installed capacity, fell short of the targetted figure due to certain operational problems.

TECHNICAL AUDIT:

The activities of Technical Audit Cell in all the 3 operating refineries were intensified for minimising the consumption of fuel, utilities and chemicals and improvement of product recovery. The target setting procedures for throughput, product recovery, consumption of fuels, utilities, chemicals as well as time bound schedules for implementation of project/process modifications etc. have been laid down in these three refineries. The Technical Audit has also started functioning in the newly commissioned Haldia Refinery.

SPECIAL FEATURES, ACHIEVEMENTS & FUTURE PLANS

GAUHATI REFINERY:

1. The production of LPG at Gauhati is being increased progressively and during the year it went upto 2,007 tonnes against previous year's production of 1,161 tonnes.
2. The Refinery's adverse product recovery and its limitations on crude intake have been due to production of some LSHS which so far it has not been possible to dispose of. When Chandrapura Power Station of ASEB com-

mences regular upliftment of LSHS, the position is expected to improve. Permanent facilities for blending and despatches of LSHS have been completed during the year.

3. Production of LPG from Coker gases is being considered by providing additional facilities and revamping the existing absorber system so that the LPG production potential is increased to 8,000 tonnes per year as against 4,000 tonnes per year at present.
4. For improving the effluent quality the work on the construction of the effluent treatment plant both for chemical and biological treatment is in progress and is expected to be completed during next year.

BARAUNI REFINERY:

1. The trial supplies of rubber extender oil presently being imported, were made during the year.
2. Production and despatches of LPG and Phenol Extract (a feed stock for carbon black industry) were progressively increased during the year.
3. To further improve the quality of effluent, a plant for chemical treatment has been installed and commissioned.

GUJARAT REFINERY:

1. The production of LPG is being progressively increased and during the year 76,079 tonnes of LPG was despatched as against 59,834 tonnes in the previous year.
2. Despatches of HSD & LSHS were to the tune of 9,38,037, 9,06,830 tonnes respectively which is an all time high.
3. A new facility to load LSHS in tank lorries was taken up on priority basis and has since been completed. This will help to improve the market for this product.



4. Erection of two 10,000 M³ capacity tanks for crude storage was completed during the year and both the tanks are in service now.

this DPR the Soviet side will complete supply of working drawings by August 1976.

HALDIA REFINERY:

Fuel Sector:

The Fuel Sector of Haldia Refinery was started in September 1974 and performance guarantee test runs were carried out by December 1974. The units which have been successfully put on stream, are Atmospheric Distillation, Gas Plant, LPG Extractive Merox, Gasoline Merox Sweetening, Naphtha Pretreatment, Catalytic Reforming Unit and Kero HSD. Some design limitations were observed during the test runs in respect of some of the plant and equipment and these have been brought to the attention of our French Collaborators, Messrs. TECHNIP, for corrective actions, as per the provisions of contract between IOC and Technip.

Lube Sector:

The Lube Hydro-finishing Unit and the visbreaker Units have been mechanically completed. The visbreaker unit is expected to commence trial runs by the mid-September 1975. The trial operations of rest of the units of Lube Sector are expected to commence sometime in 2nd quarter of 1976.

The revised estimated cost of the project works out to Rs.79 crores for which Government's approval has been obtained.

MATHURA REFINERY PROJECT:

The progress made in the implementation of this project during the year has been as under:

USSR Portion:

In terms of the contract concluded on 6th December 1973, Messrs Neftechimpromexport submitted, towards the end of March 1975, the Detailed Project Report for that part of the refinery, the design of which is their responsibility. The detailed project report was accepted with mutually agreed modifications on 5th June 1975. On the basis of

Non-USSR Portion:

In designing and engineering of the non-USSR portion of the equipment of the refinery Messrs Engineers India Ltd., who are the prime consultants and contractors, have made considerable progress.

An agreement has been reached with Messrs Bharat Heavy Electricals Ltd. for designing and supply of the entire power plant on a turn-key basis.

The possession of about 1000 acres of land, acquired through the UP State Government, has already been taken over. The UP Government has initiated necessary action for acquiring another 290 acres of land required for the Refinery.

A site office has been set up and a group of IOC and EIL personnel have taken position. Activities in connection with construction of temporary buildings required for construction, fencing, exploration for construction water supply etc. are in-progress.

As per the present indications the refinery is expected to be mechanically completed by the end of 1979 and ready for commissioning by the beginning of 1980.

Maintenance & Inspection Cell:

The Maintenance & Inspection Cell established at the Head Office has been assisting the refineries in improving the maintenance planning and procedures, inspection, corrosion control and import substitution. On-stream efficiency of all the units at Gujarat has been quite high except in case of AU-3 which has been having some problems because of the corrosive nature of the North Gujarat crude which it processes. The down time of Gauhati and Barauni refineries also has been well below the permissible limits as laid down in the DPR. The Coke Calcination Unit of Barauni, however, has been having some troubles



with its refractories which come in the way of its achieving optimum on-stream efficiency.

Import Substitution:

As in the previous years, great emphasis continued to be laid on import substitution through active participation in the activities of the Technical Development Committee comprising of representatives from Petroleum Refineries/Fertilizers/Petrochemical Industries of both public and private sectors. Notable items developed by the Committee during the year were cupro-nickel tubes for condensers, critical spares for pumps and compressors, electrical and instruments spares. In order to generate competitive buying, efforts were continued to up-date the vendors approved by the Committee and thus several new vendors were approved in the field of fasteners, valves, tube expanders, jointing, compressor spares etc.

PIPELINES:

1. Operations:

The overall performance of the network of Pipelines owned by the Corporation was higher during the year under review as compared to the last year. The statement given below presents the comparative picture.

ACHIEVEMENTS:

Barauni-Kanpur Section:

A significant achievement of the year was revamping of Barauni-Kanpur Pipeline for increase in its capacity. This Section of the Pipeline can do upto 2 million tonnes per annum.

Barauni-Haldia Section:

Due to increased availability of indigenous crude for processing at Barauni, steps were taken to convert this Pipeline again to Product Pipeline for transportation of products from March 1975.

Product Pipelines	Year	Targets	Throughput figures (in MT)	
Gauhati-Siliguri	1972-73	4,33,000	4,43,260	
	1973-74	4,22,000	4,12,399	
	1974-75	4,48,000	4,20,542	
Koyali-Ahmedabad	1972-73	8,96,000	7,80,640	
	1973-74	7,20,000	6,74,526	
	1974-75	7,39,000	7,13,006	
Barauni-Kanpur	1972-73	13,33,000	14,03,524	
	1973-74	12,44,000	13,39,206	
	1974-75	17,19,000	16,19,996	
Haldia- Mourigram- Rajbandh	1972-73	5,37,000	6,03,943	
	1973-74	4,52,000	3,95,967	
	1974-75	5,50,000	6,24,111	
Haldia-Barauni	November '72 to			
	March '73	4,25,000	1,66,781	
	1973-74	4,50,000	3,95,187	
	1974-75	4,00,000	3,13,082	
			Crude	
			5,579	Product



Haldia-Mourigrarn Section: For the first time in January 1975, ATF was transported through this Pipeline which requires rigid controls and precautions of very high order.

NEW PROJECTS:

Salaya-Koyali-Mathura Crude Oil Pipeline:

The detailed Engineering survey of Salaya Viramgam and Viramgam-Koyali Section of the above pipelines has already been completed. The survey work of Viramgam-Mathura section has been completed to the extent of 80 per cent.

Soil investigations along the right of way of first two sections of the Pipeline have been completed. The entire design, engineering and construction supervision of the Pipeline is being handled by IOC engineers. Messrs. Pipeline Technologists (Netherlands) have been appointed as Consultants.

Partial supplies of pipes required for this Pipeline have already been despatched by Hindustan Steel Ltd. IOC had asked for reputed mainline contractors to register their names for the construction of Viramgam Koyali Section and the response in this regard is under scrutiny.

2. Off-Shore Facilities:

The off-shore facilities, being provided for mooring of large tankers for feeding the Salaya Koyali-Mathura Pipeline, are a major project in itself. The deep soil boring work for these facilities has already been started. Messrs. Frederic Harris have been appointed as back-up Consultants to EIL for the above job.

3. Modernisation of telecommunication for HBK Pipeline:

Civil works for the Repeater Station and working station are in progress. Messrs. Bharat Electronics Limited are installing the above system.

INVENTORY:

The inventory of stores and spares held at Gauhati, Barauni, Gujarat, Haldia and Mathura Refinery Project at the end of the year 1974-75 as compared to 1973-74 was as under:-

	31-3-1974	31-3-1975
	(Rs. in lakhs)	
Gauhati	147.54	155.79
Barauni	400.91	443.37
Gujarat	176.64	177.69
Haldia	—	128.68
Mathura	—	14.89

The increase in inventory in respect of Barauni and Gauhati Refineries is mainly attributable to general increase in prices, transportation cost, higher incidence of duties etc.

Inventory shown against Mathura Refinery comprises project materials.

INDUSTRIAL RELATIONS:

Industrial Relations in the R & P Division, during the course of the year remained peaceful except for some sporadic labour troubles at Gauhati and Barauni Refineries due to multiplicity of unions.

The previous Long Term Settlement with the workers Unions had expired in December 1973. Discussions on the charter of demands submitted by the workers Unions were held and a fresh Long Term Settlement was concluded and signed in April/May 1975.

Training:

Full fledged Training Departments have been functioning at Gauhati, Barauni and Gujarat Refineries to meet the long term and short term training needs of the employees at these refineries. In respect of Haldia steps have been taken to establish a Training Department during the next year.

As a part of the Management development plan a formalised job rotation scheme has been worked out and committees have been set up for implementation. Training policies have been reviewed with a view to identify training needs of officers at different levels in advance and to sponsor their names for training programmes in accordance with the training requirements already established in each case.



Personnel:

The total strength of the Chairman's office and R & P Division as at the end of the year was 7,298 (1,047 officers and 6,251 workmen).

MARKETING DIVISION:**CAPITAL INVESTMENTS:****Tankages at installations and bulk depots:**

As on March 31, 1975 Corporation had 17 port installations and 8 pipeline installations and one inland installation and 109 depots. Total tankage at the installations and bulk depots at the end of the year was 17.39 lakh KIs as against 16.07 lakh KIs in the previous year. The addition is due to fabrication and erection of new tankages at installations and depots during the year.

New Installations and Depots:

A new Installation at Tuticorin and a new depot at Jammu have been commissioned during the year. The first phase of Mangalore Installation primarily constructed to meet the needs of Mangalore Chemicals & Fertilizers has been completed and commissioned for Naphtha and FO in June, 1975.

LPG Bottling Facilities:**(i) Shakurbasti Bottling Plant:**

The capacity of this plant has already been increased from 2,000 cylinders/shift to 3,500 cylinders/shift. We are taking steps to further increase the capacity to 5,000 cylinders/shift.

(ii) Kanpur Bottling Plant:

A mini plant is nearing completion, the initial capacity of which will be 700 cylinders/shift and is expected to go upto 1,000 cylinders/shift.

STOCK LOSS:

Continued emphasis is being laid on stock loss control. The percentage of stock losses during the year 1974-75 was only 0.007%.

TANK TRUCK OPERATIONS:

The fleet of Corporation owned tank-trucks under operation (excluding Aviation) was 267 during

the year 1974-75 as against 251 during the year 1973-74.

The average KM covered per tank per month during 1974-75 was 3,108 KM as compared to 3,223 during the year 1973-74 and 3,042 during the year 1972-73.

SAFETY & FIRE FIGHTING:

During the year 1973-74, a separate Safety Cell was set up in the Head Office. Similarly Safety Cells were set up during the year in the Regions to plan, organise and give guidance to all the employees to create safety consciousness. A new safety and fire fighting manual containing the safety instructions in a systematic manner has been compiled and issued to all the field locations.

INVENTORY CONTROL:

Efforts were intensified to identify surplus and un-serviceable materials of different central inventory points so as to utilise this surplus at other places as also for disposal of items which cannot be used. As a result, surplus, obsolete and un-serviceable materials, equipments, old vehicles and odd size plates valued at Rs. 41.91 lakhs were disposed of during the year.

SALES:

The overall industry sales of petroleum products during the year 1974-75 was 26.82 million KLS and indicated a decline of 1.1% over the preceding year. Although the industry sales dropped by 1.1% IOC's market participation increased to 64.2% during 1974-75 as against 60.7% during 1973-74.

The full effects of steep increase in the cost of imported crude oil and petroleum products, were felt during the year. Some of the State Governments had to introduce formal rationing on Kerosene. Cuts in Furnace Oil releases to industries were implemented in an organised manner to maintain production. With a view to conserving limited foreign exchange resources available to the maximum extent, the emphasis had to shift from maximising sales to fuel conservation and equitable distribution. The Corporation maintained the

supply line by equitable and economic distribution of limited availability of products in close coordination with the Central and State Governments.

Following the budget restrictions imposed by various State Governments for road building/ maintenance activities, there has been a sharp reduction in the demand of Asphalt and attempts have been made to meet the situations by exports.

RETAIL:

During the year 1974-75, 138 new retail outlets were commissioned. Taking into account outlets decommissioned during the year, the total number of retail outlets as on 31st March, 1975 was 3,574. In addition, several existing retail outlets have been modernised either through remodelling or through provision of additional facilities, thereby extending better service to the motorists.

Further, a scheme for selling selected automobile accessories through the retail outlet network has also been introduced to enable motorists and transporters to obtain these at prices recommended by the manufacturers.

Despite the fact that various measures have now been taken by us to increase the number of retail outlets, we being a late entrant in the retail marketing vis-a-vis the other oil companies our retail marketing still remains to be a weak area. With approximately 34% of the total number of retail outlets, our share of the market in Motor Spirit has been only 23.2% which does not compare favourably with our overall participation of 64.2% of all products. Efforts are continuously being made not only to improve our retail outlet network and participation, but also to cater to the needs of both the urban and rural areas, specially the agricultural sector. Our service to agricultural sector is provided in particular by 347 retail outlets developed as farm fuel centres. At some of these farm fuel centres, in addition to fuels/ lubricating oil facilities, minor repair facilities are provided and

spare parts, pesticides and fertilizers are also sold.

During the year 1975-76, the Corporation plans to commission approximately 150 retail outlets and also augment the facilities offered to the motoring public as well as the agricultural customers through the existing retail network.

Award of Dealership/Distributorship:

Significant progress has been made under our Social Objective Scheme to award Dealership/Distributorship to Unemployed Graduates, Defence Personnel, their widows/dependants of those killed in action and to the members of Scheduled Caste/ Scheduled Tribes. As of March 1975, we have 741 such dealerships. Out of these, 445 have been commissioned under the Defence Personnel Scheme, 15 under the category of Scheduled Caste/ Scheduled Tribes and 281 under the Unemployed Graduate Scheme.

Liquefied Petroleum Gas

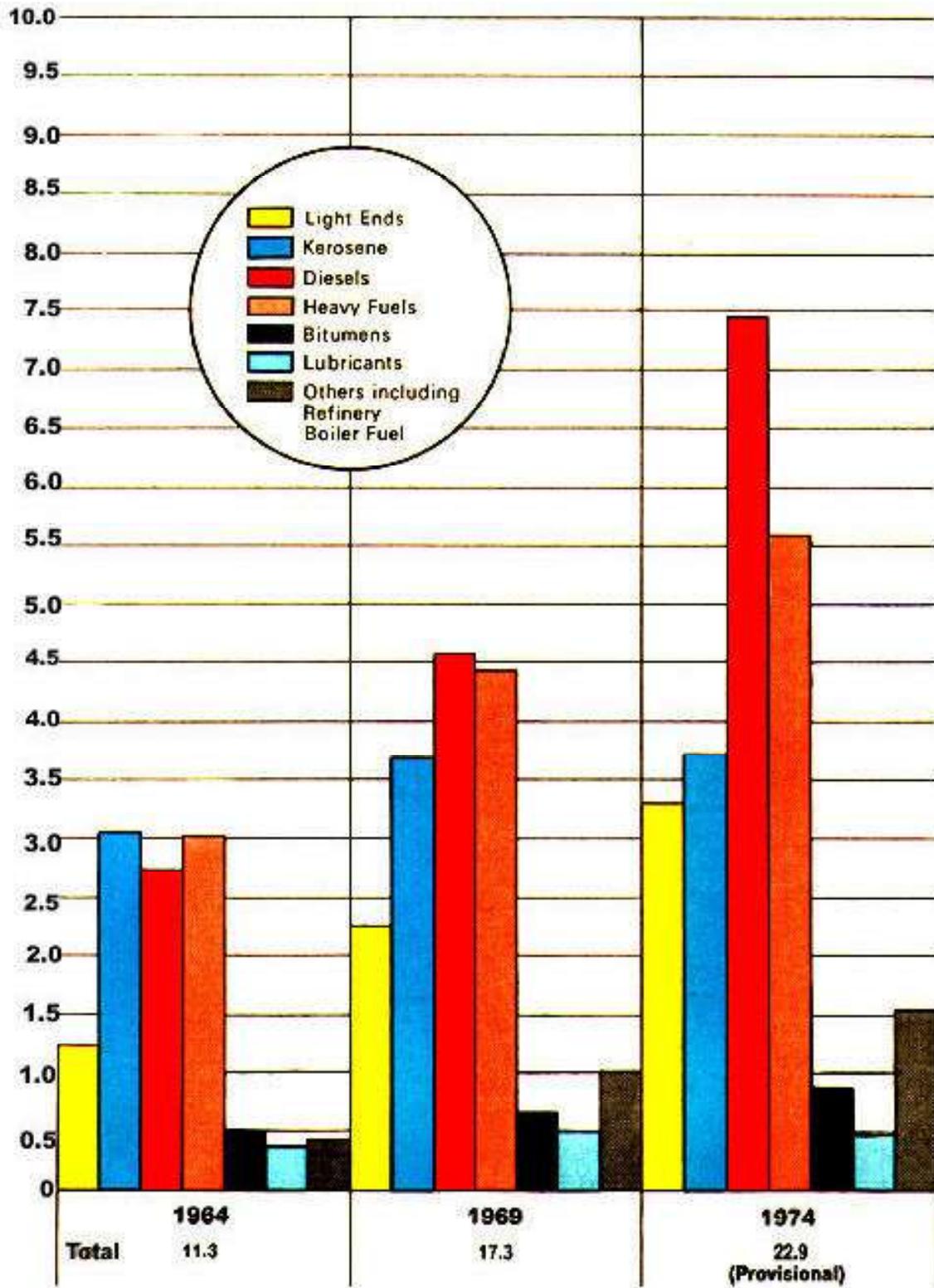
In 1974-75, our sales were 23% more than the previous year and the Corporation sold 1,21,900 MTs of LPG achieving a market participation of 42.5%. During the year, 1,58,000 new customers were enrolled and the Corporation plans to enrol 2,40,000 customers in 1975-76. At the end of March 1975, the Corporation was meeting the re-requirements of 9.74 lakhs customers spread over 159 towns with a network of 304 distributors.

To assess the degree of customer satisfaction of our Indane consumers, we conducted customer surveys in Delhi and Madras City. The results of these surveys were quite encouraging and the data revealed a fairly high degree of customer satisfaction with our service. The surveys also identified certain deficiencies where corrective action is being taken. We plan to repeat such surveys in other places to improve services for customers satisfaction.

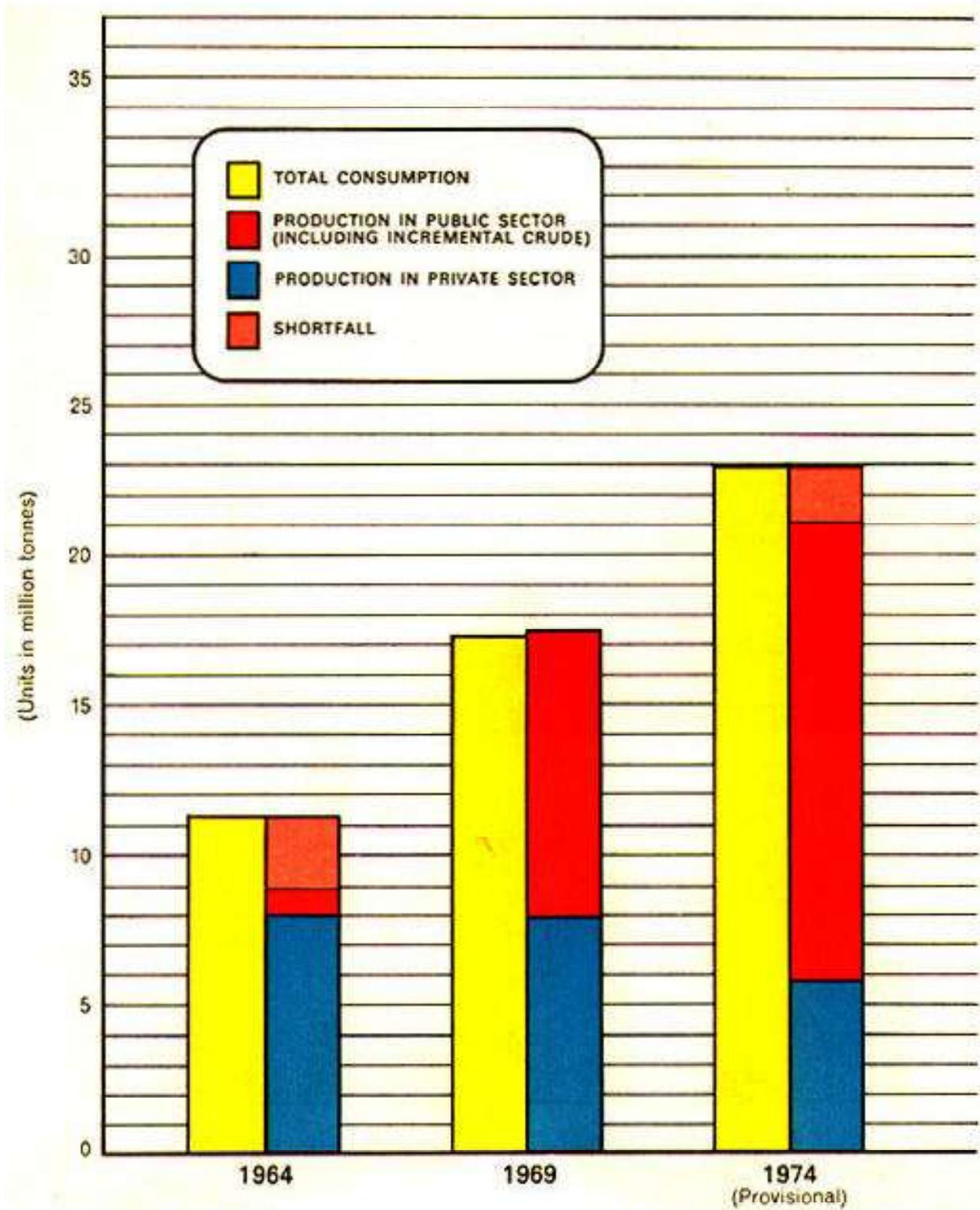


CONSUMPTION PATTERN OF PETROLEUM PRODUCTS IN INDIA

UNITS IN MILLION TONNES



CONSUMPTION AND PRODUCTION OF PETROLEUM PRODUCTS IN INDIA



CUSTOMER SERVICE – FUEL**EFFICIENCY:**

The Corporation stepped up its efforts to improve its service to all its customers. In this connection, action was also initiated in collaboration with National Productivity Council and Energy Conservation Division of the DGTD to create awareness amongst customers and to provide technical advice to bring about savings in fuel oil consumption in various industries on short term/long term basis and it has been fruitful and widely appreciated. This free customers service to the industry was launched in August 1974 to provide practical demonstration of certain techniques and methods of storage/handling combustion efficiencies and utilisation of F.O. which could help in minimising their consumption without affecting in any way the programmed production levels in the plants. A pilot study covering 300 industries all over the country reveals the possibility of a saving of 200,000 tonnes per annum of Furnace Oil. The Corporation will continue its efforts to conserve Furnace Oil and other petroleum products in the interest of overall national economy. Fuel Efficiency Cells have been established in our Regional Offices.

IMPORTS:

During the year 1974-75, the Corporation imported 26.40 lakh MTs of finished petroleum products and about 0.99 lakh MTs of Lubricants at an approximate value of Rs. 188 crores and Rs. 17.33 crores respectively as compared to imports during the year 1973-74 of about 35 lakh MTs of finished petroleum products and about 99063 MTs of Lubricants totalling a value of Rs. 145 crores. Out of the imports during the year 1974-75, the Rupee Source imports amounted to Rs. 109 crores.

EXPORTS:

During the year 1974-75 the Corporation exported about 1.44 lakh MTs of finished petroleum products viz. Naphtha, Asphalt and Gasoline 93 Octane, earning foreign exchange to the extent of Rs. 14 crores. Besides this, 0.97 lakh MTs of various petroleum products including Lube base oils

valued at Rs. 22.54 crores were exported to Bangladesh and Nepal during the same period. In addition to the above direct exports, an amount of Rs. 25 crores was realised for supplies of 1.75 lakh MTs of Aviation Fuels and bunkers to International Airlines and Foreign Flag Vessels.

SHIPPING:

The Shipping Department which was formed towards the end of 1973 consolidated various shipping operations in the Corporation as well as co-ordinate with various port authorities regarding movement of ships. The total crude oil imports handled by the Shipping Department during 1974-75 were 4.7 million tonnes as against 2.6 million tonnes in the previous year.

COASTAL MOVEMENTS:

During 1974-75, the Corporation successfully handled movement of 17,85,200 metric tonnes of petroleum products on the coast as compared to 12,72,000 metric tonnes moved during 1973-74. Thus the upward trend noticed during 1973-74 has continued also in the year 1974-75, in respect of quantum of coastal movements of petroleum products.

INLAND DISTRIBUTION:

Significant strides have been made by the Corporation in the sphere of inland distribution during 1974-75. The total number of tank-wagons loaded by the Corporation during 1974-75 was 3,64,114 as compared to 3,30,571 tankwagons loaded during 1973-74, showing an increase of 10.14 per cent, which is higher than the Industry's average of 6.44 per cent. During the all India Railwaymen's strike in May, 1974, the Corporation played a major role in liaison with the Ministry of Petroleum & Chemicals and Railways on behalf of the industry in order to maintain the supply line. All our loading bases and depots worked round the clock for loading/decanting tank-wagons and record loadings were achieved at most of the bases. Similarly, during the recent all India Port and Dock Workers'



strike in January, 1975, the Corporation played a major role in keeping the supply line going under difficult circumstances.

BRIDGING EXPENSES:

Our efforts to bring down the bridging expenses through improved distribution planning have produced satisfactory results as can be seen from the data given below of bridging expenses for the last three years.

Year	Expenses (lakhs of Rs.)
1972-73	45.41
1973-74	32.82
1974-75	28.90

LUBRICATING OILS:

The availability of imported grades of base oils/finished grades of lubricants, like Bright Stocks, Cylinder Oils, Turbine Oils etc., was a cause of serious concern during the first half of the year. In the case of additives also, of both indigenous and imported origins, uncertainty of regular and adequate supplies prevailed in this period. The above situation was due to difficult availability of petroleum products and derivatives in the international market.

Steps were taken to carefully regulate the available stocks in as equitable manner as possible, to ensure that no inconvenience/ disruption in operation is experienced by the core sectors, and with minimum inconvenience to the general consumer. Over the year the supply position has been improved considerably by better planning.

During the year, MRL commenced production of Axle Oils and also trial batches of Turbine Oil base stocks. Axle Oils, hitherto wholly imported, will now be fully met ex. indigenous production. R&D Centre have programmed trial evaluation of indigenous finished Turbine Oils blended out of the above base stocks and newly developed additive package to establish performance for securing approvals.

Blending and Distribution Agreements with Mobil expired in mid-July 1974. Advance planning and necessary actions were taken to ensure a smooth

change-over from the Mobil Grades to IOC's own Servo Brands. Servo Brands of lubricants have been well received in the market and we are now covering the entire range of requirements of all categories of customers with our Servo Brands.

AVIATION:

The market participation of the Corporation in the sales of Aviation Fuels rose to 77 per cent from 74 per cent during the previous year. This higher participation is due to the additional business acquired by the Corporation from foreign airlines. The Corporation continues to be the exclusive marketeer of Aviation Gasolines. Studies are under-way to increase the operational efficiency of the aviation Fuelling Stations by fuller utilisation of existing equipment and facilities. Quality Control and Safety continue to receive the fullest attention in our aviation service.

PERSONNEL:

The total strength of the Marketing Division as at the end of the year was 9,283 (1,875 officers and 7,408 workmen) as against 9,182 (1,876 officers and 7,306 workmen) during the previous year. There has been increase of 1.1 per cent in the number of employees over the last year. The Corporation places high values on its human resources. The Corporation continues to devote a lot of care on the proper selection, training and development of its employees. Constant efforts are made to develop co-operative attitude of employees and to maintain a climate where each individual would feel like doing his best.

INDUSTRIAL RELATIONS AND WELFARE:

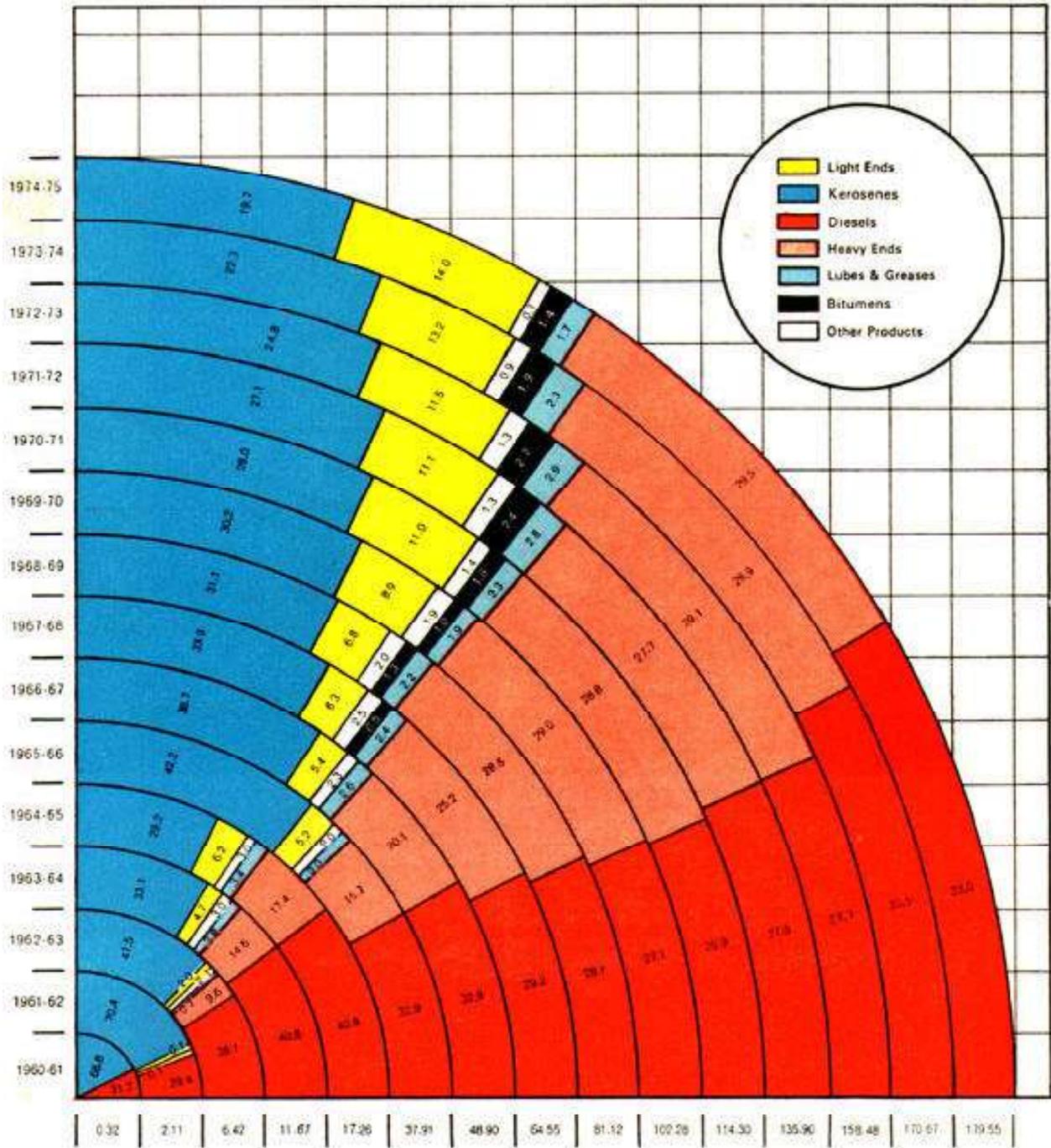
During the year 1974-75, the industrial relations were most cordial. A Memorandum of Settlement was signed between the Management and its recognised Unions during the month of May 1975 for a period of three years from the date it was signed.

The Corporation's welfare activities were continued during the year and concerted efforts were made to promote family planning.



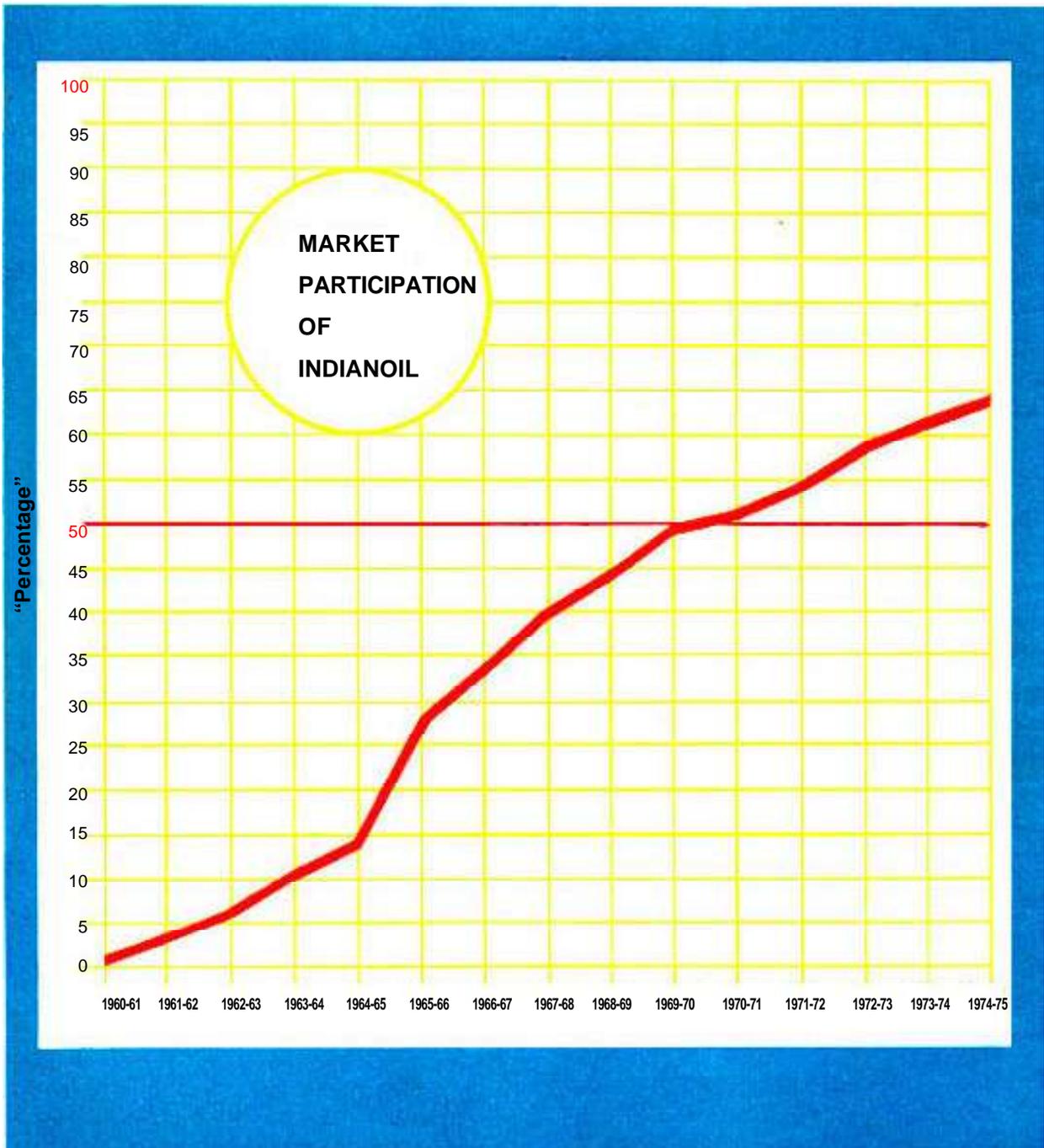
INDIANOIL SALES (DOMESTIC)

BY PRODUCT GROUPS



Total sales in Lakh KLs.
 Figures inside the arc denote percentage





Additional measures and enhanced cash incentives were added during the year to support 'these efforts. Housing loans were granted to 200 employees during the year. The Cooperative Societies subsidised by the Corporation showed good working results.

TRAINING:

During the year, 347 training programmes were conducted for 4,063 employees as against 283 programmes for 3,904 employees in the previous year. In addition, 32 Workshops on "Written Communication" were conducted to improve ability in business communications. 437 personnel from our Regional Offices and District Offices participated in these Workshops. Training courses were also arranged for the officers of Nepal Oil Corporation, Ceylon Petroleum Corporation and Indian Air Force to impart knowledge regarding oil industry in general and all aspects of aviation operations in particular. A one week's training course on Materials Management was arranged for the benefit of officers dealing with materials aspects. Fuel Efficiency course of two weeks' duration was organised in consultation with DGTD and NPC. Ten training courses on "Petroleum Storage, Handling and Distribution" and "Aviation Operations and Quality Control Procedures" were conducted for Defence Personnel. In all, 151 Defence Personnel were trained during the year, as against 144 during the previous year.

Under the Workers' Education Scheme sponsored under the guidance of the Central Board for Workers Education 82 workers were trained during the year. So far 1,311 workmen representing a total of about 17 per cent of workmen employed in the Marketing Division have been trained.

MANAGEMENT SERVICES:

Several Efficiency Research studies were conducted during the year and reports made on various aspects of the working of the Marketing Division, including improvements in systems and procedures and manpower requirements. The major studies undertaken were the working of District Offices, Customs and Excise Procedures,

LPG Customer- Cylinder Ratio, LPG Cylinder Accounting, and coordination in regard to the distribution of Lubes and Fuels.

RESEARCH & DEVELOPMENT CENTRE:

Research and Development Centre made a modest beginning with the setting up of a temporary laboratory at Faridabad in May, 1973. In December, 1974, the Technical Block and Test Car Laboratory buildings were completed and occupied, thus enabling the Research and Development Centre to function from its permanent own site in Faridabad.

The total capital expenditure during the year 1974-75 was Rs. 57.6 lakhs. This includes such sophisticated equipment as Baird Atomic Direct Reader, Cary 17 UV Spectrometer, NMR Spectrometer, FZG Gear Testing Machine (the first of its kind in India), Timken Four Ball and other equipment, thus increasing the capability of R&D centre to carry out various development projects.

The field evaluation of the Railroad Oil developed by the Centre is progressing satisfactorily. An additive suitable for formulating Mosquito Larvicidal Oil has been developed successfully and is being patented. Work on the optimisation of Motor Oil formulations was completed. The Centre has introduced Servo Pride Oil-a product qualified against MIL-L2104C. IOC is the only company offering this product in India against qualification documents using indigenous stocks. The Turbine Oil formulated and blended with local base stocks will be field-evaluated as soon as the refineries produce the base stocks of the required quality. Work on the development of various products of import substitution was undertaken in consultation with the Navy. A few products thus developed were offered to the Navy for testing and acceptance. The Orchard Spray Oil developed by the Centre was accepted by the Hill Fruit Research Station, Chaubatia as suitable for use on apple orchards.

From 19th July, 1974 the Centre started giving formulation know-how to the IOC Lube Blending



Plants for blending the complete range of lubricants. and general increase in other input costs.

The total number of employees in the Research and Development Centre was 162 including 44 technical officers as on 31st March, 1975.

PUBLIC RELATIONS:

Nation-wide programme was launched for reducing consumption of petroleum products, particularly the furnace oil. Ways and means of conserving fuel oil was effectively displayed at the "Energy Conservation Centre" set up at the Vidharbha Industrial Fair, Nagpur, organised by the Vidharbha Industries Association. Series of hoarding were displayed at the retail outlets on "Energy Conservation". The Corporation co-sponsored a seminar on "Public Sector and Profitability" at Madras. The Corporation also co-sponsored the Slogan Contest on road safety organised by the All India Road Safety Congress at Madras. Indian-oil was associated with the Statesman Vintage Car Rally at Calcutta, UPASI Motor Rally at Coonoor and Treasure Hunt at Jaipur. Special hoarding designs were prepared for the introduction of "SERVO" Lubricants.

SOCIAL OBJECTIVES:

The Corporation donated Rs. 3 lakhs to Rajasthan Chief Minister's Relief Fund.

INDIAN OIL BLENDING LIMITED:

During the year 1974-75, Indian Oil Blending Limited, a wholly owned subsidiary of the Corporation had a total throughput of 2,16,762 KLs of Lubes as against 2,35,400 KLs during the year 1973-74, at its two plants at Bombay and Calcutta. The Grease Plant at Bombay had a throughput of 2,767 metric tonnes during the year 1974-75 as against 2,988 metric tonnes during the year 1973-74. The throughput would have been more but for power cut, difficult supply position of base oils, additives and other raw materials as well as large reduction in the Corporation's upliftment of secondary grade lubricants.

The blending/manufacturing fees were revised with effect from 1st April, 1974 on account of steep increase in operating cost following wage revision

During the year 1974-75, the gross profit of Indian Oil Blending Limited before depreciation, development rebate and taxation was Rs. 28,59,825 as against Rs. 17,75,596 during the year 1973-74. The net profit after provisions for depreciation, development rebate, taxation and after adding prior years excess provision was Rs. 6,03,739 as against Rs. 1,93,507 during the year 1973-74.

INDIAN OIL INTERNATIONAL LTD. :

Indian Oil International Limited, a wholly owned subsidiary of Indian Oil Corporation Limited which was registered on 24th October, 1969, had started its trading activities in Nepal with effect from 1st November, 1970. In accordance with the Agreement between the Government of India and His Majesty's Government of Nepal, the Nepal Oil Corporation took over IOIL's distribution and marketing business from 17th August, 1973. It was, therefore, decided to voluntarily wind up this company. The liquidator of IOIL has reported that as on 31st March, 1975, the Company had to realise Rs. 3,673.06 and its liability towards its creditors was Rs. 5,818.81. Out of the said amount of Rs. 5,818.81, payments of Rs. 4,000 have since been made. The balance amount of Rs. 1,818.81 is yet to be disbursed, as it has not been claimed by the concerned parties. The Income Tax Returns filed by the Company with the authorities at Calcutta are still pending for the past two years. Efforts are being made to have the necessary assessments completed as early as possible. The overall financial position of the Company as on 31st March, 1975 is summarised below

	Rs.	Ps.
Paid-up capital invested by IOC	1,00,000.00	
General Reserve	89,819.85	
Depreciation Reserve	40,421.54	
Total	2,30,241.39	



BOARD OF DIRECTORS

All the Directors retiring Shri C. R. Das Gupta, Chairman, Shri R. N. Bhatnagar, Managing Director (Refineries & Pipelines Division), and Shri S. B. Budhiraja, Managing Director (Marketing Division) retired at the last Annual General Meeting held on 30th November, 1974, in terms of Article 94 (b) of the Articles of Association of the Corporation. Shri S. Vasudevan was appointed as Director of the Corporation with effect from 6th December, 1974. S/Shri C. Venkataramani, L. Kumar, A. K. Ghosh and P. C. Mitra were appointed as Directors of the Corporation with effect from 20th January, 1975. Shri Rajni Patel and Prof. N. S. Ramaswamy were appointed as Directors of the Corporation with effect from 28th February, 1975. Admiral S. M. Nanda was appointed as Director of the Corporation with effect from 1st May, 1975. Shri R. M. Bhandari was appointed as Finance Director of the Corporation for a period of five years with effect from 1st July, 1975.

In terms of Article 94 (b) of the Articles of Association of the Corporation, all the Directors except the Chairman, two Managing Directors and the Finance Director shall retire at the Annual General Meeting. The following retiring Directors are eligible for reappointment:

1. Shri S. Vasudevan
2. Shri L. Kumar
3. Shri C. Venkataramani
4. Shri A. K. Ghosh
5. Shri P. C. Mitra

6. Shri Rajni Patel
7. Prof. N. S. Ramaswamy
8. Admiral S. M. Nanda

Directives received from the President of India under Article 144 of the Articles of Association of the Corporation:

In March, 1971, the Corporation had received a Directive from the President of India under powers conferred on him *vide* Article 144 of the Articles of Association of the Corporation outlining therein certain measures with regard to the reservations for Scheduled Castes and Scheduled Tribes in appointments and promotions to various posts. The Corporation has received another Directive on the same subject *vide* Ministry of P&C's letter No. IS-49011/7/74-IOC dated 24th March, 1975.

Particulars of employees pursuant to Section 217(2A) of the Companies Act and Companies (Particulars of Employees Rule 1975):

Particulars of employees pursuant to Section 217(2A) of the Companies Act and Companies (Particulars of Employees Rule, 1975) are enclosed as Annexure 1.

For and on behalf of the Board,
Sd/
(C. R. DAS GUPTA)
Chairman.

New Delhi.

Dated: 5th September, 1975



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1975 together with the Profit & Loss Account of the Corporation for the year ended on that date annexed thereto 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, except that the documentation pertaining to certain lands as stated in note 4 was not available for our verification;
2. In our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of the books;
3. The reports on the accounts of the Northern and Southern Regions of the Marketing Division audited by the respective Regional Auditors were received and properly dealt with by us while preparing our report;
4. The allocation of work between the auditors has been followed as per directions contained in the letter No. 17/430/73-IGC dated 18th March, 1975 addressed to the Secretary, Indian Oil Corporation Limited, by Government of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs (Company Law Board), New Delhi, copies of which were forwarded to us;
5. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
6. In our opinion and to the best of our information and according to the explanations given to us, the abovementioned accounts together with the notes thereon and subject to the reliance placed in respect of companies under the same management as stated in note 18 and non-disclosure of certain information as stated in note 22 give the information required by the Companies Act, 1956, in the manner so required and subject to:
 - (i) no provision having been made for any liability which may arise out of matters relating to land, stores and foreign currency balances outstanding on 31st March, 1975 as stated in notes 4, 5 and 19,
 - (ii) the outcome of the realisability of debts and deposits as referred to in notes 8 and 11,
 - (iii) recoverability of claims for penalty charges and for compensation as referred to in notes 12 and 15,give a true and fair view –
 - (a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 1975, and
 - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date.

For A. F. FERGUSON & CO.
Chartered Accountants

I. C. MITTRA
Partner

F.M. CHINOY
Partner.

For and on behalf of
PRICE WATERHOUSE, PEAT & CO.
Chartered Accountants.

Bombay, 5th September, 1975.



BALANCE SHEET AS AT 31ST MARCH, 1975

	<u>Schedule</u>	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
FUNDS EMPLOYED				
1. Share Capital	'A'	71,17,72,000		71,17,72,000
2. Reserves and Surplus	'B'	1,25,10,11,436		1,00,15,80,573
3. Total Shareholders' Funds			1,96,27,83,436	1,71,33,52,573
4. Loans:			
(a) Secured	'C'	24,51,45,445		50,76,91,350
(b) Unsecured	'D'	69,31,96,886		26,38,47,961
			93,83,42,331	77,15,39,311
5. Total Funds Employed			2,90,11,25,767	2,48,48,91,884
APPLICATION OF FUNDS:				
6. Fixed Assets:				
(a) Gross Block	'E'	2,77,59,27,503		2,22,65,84,551
(b) Less: Depreciation		1,15,08,11,747		95,34,45,752
		1,62,51,15,756		1,27,31,38,799
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	56,94,07,667		73,22,21,185
			2,19,45,23,423	2,00,53,59,984
7. Investments	'G'		54,69,264	34,51,264
8. Current Assets including Loans and Advances:				
(a) Interest accrued on investments		1,15,523		93,197
(b) Inventories	'H'	2,05,95,92,980		1,63,43,06,230
(c) Book Debts	'I'	52,36,27,731		61,51,05,877
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		23,50,05,387		23,80,28,231
(e) Bank Balances:				
(i) With Scheduled Banks				
(a) On Current Account		22,80,520		73,25,306
(b) On Fixed Deposit Account (including Rs. 14,15,110 lodged by outside parties per contra—1974: Rs. 8,82,776)		14,19,565		9,04,959
(c) On Call Deposit Account (including Rs. 12,500 lodged by outside parties—1974 : Rs. 10,500)		20,12,500		20,10,500
	C/F	2,82,40,54,206		2,49,77,74,300
Carried forward			2,19,99,92,687
				2,00,88,11,248



BALANCE SHEET AS AT 31ST MARCH, 1975 Contd...

Index

	<u>Schedule</u>	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
Brought forward			2,19,99,92,687	2,00,88,11,248
B/F		2,82,40,54,206		2,49,77,74,300
(ii) With Non-Scheduled Banks:				
(a) On Current Account with Nepal Bank Limited, Kathmandu, Nepal (Maximum amount during the year Rs. 1,06,332-1974 : Rs. 59,464)		21,280		17,283
(b) On Blocked Account with Banque Nationale De Paris, France (Maximum amount during the year Rs. 18,82,998 -1974 : Rs. 17,84,360)		18,82,998		17,84,360
(c) On Fixed Deposit Account with Gujarat Industrial Co-operative Bank Limited lodged by outside parties (Maximum amount during the year Rs. 5,000 - 1974 : Rs. 5,000)		5,000		5,000
(iii) With Post Office:				
(a) On Savings Account		15,000		3,000
(b) On Fixed Deposit Account lodged by outside Parties per contra		15,000		15,000
(f) Loans and Advances	'J'	1,18,23,22,472		77,16,13,699
		4,00,83,15,956		3,27,12,12,642
9. Less: Current Liabilities and Provisions	'K'	3,30,71,82,876		2,79,51,32,006
10. Net Current Assets: (Working Capital) - (8) minus (9)			70,11,33,080	47,60,80,636
TOTAL			2,90,11,25,767	2,48,48,91,884
11. Contingent Liabilities not provided for (Refer Schedule 'R' - Note 1) Notes forming part of Accounts	'R'			

C. R. DAS GUPTA
Chairman

R. M. BHANDARI
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

R. N. BHATNAGAR
Managing Director
(Refineries & Pipelines)

J. K. WADHWA
Deputy Secretary

As per our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

This is the Balance Sheet referred to in our report of even date
I. C. MITTRA
Partner

F.M. CHINYOY
Partner

for and on behalf of
PRICE WATERHOUSE, PEAT & CO.
Chartered Accountants

Bombay, 5th September, 1975



PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1975

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
INCOME:			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	19,63,03,39,679		12,42,80,12,935
(ii) Less: Commission & Discounts	2,42,97,993		2,04,41,906
	19,60,60,41,686		12,40,75,71,029
2. Company's use of own oil	4,41,98,410		1,74,13,474
		19,65,02,40,096	12,42,49,84,503
3. Main Installation charges from other Marketing Companies		1,13,27,105	1,48,06,506
4. Interest			
(i) On Advances etc. (Gross-Tax deducted at source Rs. 1,345-1974: Rs. 291)	15,88,947		14,17,198
(ii) On Short Term Deposit	—		18,73,355
(iii) From Customers on Outstandings	1,64,53,290		79,008
		1,80,42,237	33,69,561
5. Other Income (Schedule 'L')		3,78,07,088	2,24,53,066
6. Provision for Doubtful Debts, Advances and Claims written back		36,88,071	18,67,357
TOTAL INCOME		<u>19,72,11,04,597</u>	<u>12,46,74,80,993</u>
EXPENDITURE:			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		7,49,23,65,750	4,53,42,57,830
2. Inventory gains due to product price increases surrendered to Pool Accounts		—	36,98,40,845
3. Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		6,33,65,81,310	2,65,31,22,825
4. Excise Duty		5,16,26,42,586	4,32,17,50,755
5. Depreciation and Amortisation		19,82,90,628	15,64,95,591
6. Interest:			
(i) On Government Loan for fixed period	87,62,383		1,32,96,959
(ii) On Foreign Credit for fixed period	93,49,761		65,72,232
(iii) Other	7,61,75,669		3,01,07,477
		9,42,87,813	4,99,76,668
7. Less: Expenses Capitalised	6,67,32,404		3,00,28,677
Expenses Transferred to Manufacturing account of drums and tins	39,16,014		34,67,472
		7,06,48,418	3,34,96,149
TOTAL EXPENDITURE		<u>19,21,35,19,669</u>	<u>12,05,19,48,365</u>



PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1975 Contd..

Index

	<u>Rupees</u>	<u>1974 Rupees</u>
8. PROFIT BEFORE TAX	50,75,84,928	41,55,32,628
9. Less: Provision for Taxation	21,50,00,000	21,00,00,000
10. PROFIT AFTER TAX	29,25,84,928	20,55,32,628
11. Balance brought forward from last year's Account	80,573	15,050
12. Add: Income relating to previous years (Net) (Schedule '0')	1,37,87,695	(10,73,78,505)
13. DISPOSABLE PROFIT	<u>30,64,53,196</u>	<u>9,81,69,173</u>
APPROPRIATIONS:		
14. Interim Dividend paid	—	3,55,88,600
15. Proposed Dividends	5,69,41,760	—
16. Development Rebate Reserve	10,00,00,000	3,00,00,000
17. General Reserve	14,95,00,000	3,25,00,000
18. BALANCE CARRIED TO BALANCE SHEET	11,436	80,573
TOTAL	<u>30,64,53,196</u>	<u>9,81,69,173</u>
19. Notes forming part of Accounts (Schedule 'R')		

C. R. DAS GUPTA
Chairman

R. M. BHANDARI
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

R. N. BHATNAGAR
Managing Director
(Refineries & Pipelines)

J. K. WADHWA
Deputy Secretary

As per our report attached
For A. F. FERGUSON & CO.
Chartered Accountants

This is the Profit and Loss Account referred to in our report of even date

I. C. MITTRA
Partner

F.M. CHINYOY
Partner
Bombay, 5th September, 1975

for and on behalf of
PRICE WATERHOUSE, PEAT & CO.
Chartered Accountants



SCHEDULE 'A' — SHARE CAPITAL

Index

	<u>Rupees</u>	<u>1974 Rupees</u>
SHARE CAPITAL:		
Authorised		
8,50,000 Equity Shares of Rs. 1,000 each	85,00,00,000	85,00,00,000
Issued and Subscribed:		
7,11,772 Equity Shares of Rs. 1,000 each fully paid (of the above 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964 and the Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order, 1965, respectively, without payment having been received in cash)	71,17,72,000	71,17,72,000
TOTAL	<u>71,17,72,000</u>	<u>71,17,72,000</u>

SCHEDULE 'B' — RESERVES AND SURPLUS

	<u>Rupees</u>	<u>Rupees</u>	<u>1974 Rupees</u>
RESERVES AND SURPLUS:			
General Reserve:			
As per last Account	52,15,00,000		48,90,00,000
Transferred from Profit and Loss Account	14,95,00,000		3,25,00,000
		67,10,00,000	52,15,00,000
.....			
Development Rebate Reserve			
As per last Account	48,00,00,000		45,00,00,000
Transferred from Profit and Loss Account	10,00,00,000		3,00,00,000
		58,00,00,000	48,00,00,000
.....			
Profit and Loss Account as per annexed Account		11,436	80,573
TOTAL		<u>1,25,10,11,436</u>	<u>1,00,15,80,573</u>



SCHEDULE 'C' — SECURED LOANS

Index

	<u>Rupees</u>	<u>1974 Rupees</u>
SECURED LOANS:		
Loans and Advances from Bank:		
(i) Secured by hypothecation of inventories, book debts, out-standing monies, recoverable claims, contracts, engagements, etc.	21,75,28,337	49,00,79,041
(ii) Interest accrued and due on loans	2,76,17,108	1,76,12,309
TOTAL	<u>24,51,45,445</u>	<u>50,76,91,350</u>

SCHEDULE 'D' — UNSECURED LOANS

	<u>Rupees</u>	<u>Rupees</u>	<u>1974 Rupees</u>
UNSECURED LOANS:			
From Scheduled Bank on short term		—	1,52,19,278
Other Loans and Advances:			
(i) From the Government of India [including Rs. 4,84,90,012 (1974: Rs. 7,48,96,768) due for payment within one year and Rs. 20,00,000 payable on demand]	13,15,32,060		15,64,28,828
(ii) Oil Industry Development Fund	5,00,00,000		—
(iii) Foreign Credit (including Rs. 1,13,29,184 - 1974: Rs. 1,94,63,646 due for payment within one year)	7,06,88,581		8,85,17,653
(iv) From National Iranian Oil Company, Iran (see Note 20)	43,75,99,635		
(v) Amount Deposited by COMPAGNIE FRANCAISE D'ETUDES ET DE CONSTRUCTION in Bank Account	16,15,393		16,15,393
(vi) Deferred Payment (including Rs. 2,51,602 - 1974: Rs. 3,01,822 payable within one year)	17,61,217		20,63,039
(vii) Interest accrued and due on loans	—		3,770
		69,31,96,886	24,86,28,683
TOTAL		<u>69,31,96,886</u>	<u>26,38,47,961</u>



SCHEDULE 'E' – FIXED ASSETS

Index

	Gross Block as at 31st March, 1974 at cost	Additions during the year at cost	Transfers from Construction work-in-progress at cost	Transfers, Deductions and Reclassifications at cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
LAND : Freehold	4,78,82,237	1,02,70,822	–	(–) 95,014
Leasehold	28,22,197	3,56,580	–	–
Right of Way	18,06,145	21,013	–	(–) 11,245
BUILDINGS, ROADS, ETC.	24,89,03,525	14,50,192	2,67,63,112	(–) 3,76,735
PLANT AND MACHINERY	1,67,66,22,211	7,02,40,396	39,89,23,346	(–) 53,02,058
TRANSPORT EQUIPMENT	6,31,30,534	46,19,898	51,48,635	(–) 16,20,616
FURNITURE AND FIXTURES	3,81,59,984	28,77,139	18,46,678	(–) 3,06,762
RAILWAY SIDINGS	2,26,92,877	7,07,792	18,50,594	(–) 65,334
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	12,39,19,846	7,79,487	3,13,50,862	(–) 1,36,871
SUNDRY ASSETS	6,44,995	1,41,828	—	(–) 90,787
TOTAL	2,22,65,84,551	9,14,65,147	46,58,83,227	(–) 80,05,422
<i>PREVIOUS YEAR</i>	<i>2,04,77,61,761</i>	<i>6,66,44,631</i>	<i>11,82,63,224</i>	<i>(–) 60,85,065</i>

* Includes Rs. 37,26,596 in respect of previous years (1974: Rs. 9,71,48,356).



SCHEDULE 'E – FIXED ASSETS (Contd...)

Index

Gross Block as at 31st March, 1975 at cost	Depreciation and Amortisation charged this year*	Total Depreciation and Amortisation upto 31st March, 1975	Net Depreciated Block as at 31st March, 1975	1974
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
5,80,58,045	–	–	5,80,58,045	4,78,82,237
31,78,777	85,344	8,00,826	23,77,951	21,06,714
18,15,913	–	–	18,15,913	18,06,145
27,67,40,094	80,58,404	5,37,09,450	22,30,30,644	20,31,03,341
2,14,04,83,895	17,39,90,513	97,01,05,321	1,17,03,78,574	87,75,44,265
7,12,78,451	76,46,021	4,48,05,707	2,64,72,744	2,46,92,889
4,25,77,039	44,64,160	2,47,66,149	1,78,10,890	1,76,48,255
2,51,85,929	13,90,529	76,98,404	1,74,87,525	1,63,83,498
15,59,13,324	62,71,673	4,85,27,254	10,73,86,070	8,16,47,840
6,96,036	1,10,580	3,98,636	2,97,400	3,23,615
2,77,59,27,503	20,20,17,224	1,15,08,11,747	1,62,51,15,756	1,27,31,38,799
2,22,65,84,551	25,36,43,947	95,34,45,752	1,27,31,38,799	



SCHEDULE 'F' — CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
<u>CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK:</u>			
1. Work-in-Progress (at cost) (including unallocated 'capital expenditure, materials at site and advances for Capital Expenditure)		32,92,08,297	49,95,72,238
2. Capital Stores (at cost) including Rs. 44,46,309 lying with Contractors (1974: Rs 7,79,366)		19,24,89,101	15,10,68,598
3. Capital Goods in transit (at cost)		1,03,33,762	87,85,554
4. Construction period expenses pending allocation:			
Balance as at 1st April, 1974	7,27,94,795		5,12,31,655
Add: Expenditure during the year:			
Establishment charges	1,11,13,937		83,42,273
Interest	69,97,546		1,08,92,690
Depreciation	8,92,900		36,13,830
Other	4,94,68,485		1,00,66,058
	<u>14,12,67,663</u>		<u>8,41,46,506</u>
Less: Recoveries	<u>17,40,464</u>		<u>28,86,174</u>
	13,95,27,199		8,12,60,332
Less: Allocated to assets/construction work in progress during the year	<u>10,21,50,692</u>		<u>84,65,537</u>
		3,73,76,507	7,27,94,795
TOTAL		<u><u>56,94,07,667</u></u>	<u><u>73,22,21,185</u></u>



SCHEDULE 'G' — INVESTMENTS

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
INVESTMENTS: (at cost)			
Unquoted:			
1. In Government Securities (deposited with various bodies)		3,93,555	3,62,555
2. Trade Investments:			
International Co-operative Petroleum Association - 314 Shares of \$100 each fully paid and \$ 49.38 part paid Common Stock		1,82,224	1,82,224
3. Other Investments:			
Consumers' Co-operative Society:			
(i) Barauni - 250 Equity Shares of Rs. 10 each fully paid in cash	2,500		2,500
(ii) Gauhati - 250 Equity Shares of Rs. 10 each fully paid in cash	2,500		2,500
(iii) Haldia-200 Equity Shares of Rs. 10 each fully paid in cash	2,000		2,000
(iv) Indian Oil Employees Consumers' Co-operative Society Limited - 170 Equity Shares of Rs. 10 each fully paid in cash	1,700		1,700
(v) Indian Oil Employees Co-operative Consumers Stores Limited - 164 Equity Shares of Rs. 10 each fully paid in cash	1,640		1,640
		10,340	10,340
4. Investments in Subsidiaries:			
(a) Indian Oil International Limited - 100 Equity Shares of Rs. 1,000 each fully paid in cash (in voluntary liquidation)	1,00,000		1,00,000
(b) Indian Oil Blending Limited-8000 Equity Shares of Rs. 500 each fully paid in cash	40,00,000		20,00,000
		41,00,000	21,00,000
5. Investments by Outside Parties:			
Security Deposits per contra		7,83,145	7,96,145
TOTAL		<u>54,69,264</u>	<u>34,51,264</u>



SCHEDULE 'H' — INVENTORIES

Index

	Rupees	Rupees	1974 Rupees
INVENTORIES:			
1. Stores, Spares, etc.:			
(a) Stores and Spare Parts (at or under cost)	23,65,37,198		15,48,60,184
(b) Loose Tools	2,98,680		3,22,923
(c) Stores in transit (at cost)	<u>2,10,30,713</u>		<u>1,61,29,657</u>
		25,78,66,591	<u>17,13,12,764</u>
2. Raw Materials (at cost or net realisable value whichever is lower)		33,12,03,708	25,15,47,192
3. Stock-in-Trade:			
(a) Oil Stocks (at cost or net realisable value whichever is lower)	1,36,26,38,020*		1,11,57,22,226*
(b) Stock in Process (at or under cost)	<u>9,54,43,253</u>		<u>8,89,83,793</u>
		1,45,80,81,273	<u>1,20,47,06,019</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		1,24,41,408	67,40,255
TOTAL		<u>2,05,95,92,980</u>	<u>1,63,43,06,230</u>

* Includes stock lying with other oil companies on loan Rs. 6,40,61,619 (1974: Rs. 7,64,95,342)

SCHEDULE 'I' — BOOK DEBTS

	Rupees	Rupees	1974 Rupees
BOOK DEBTS:			
1. Over six months:			
(a) Secured Considered Good	6,49,118		10,23,304
(b) Unsecured Considered Good	11,45,11,222		7,47,30,662
(c) Unsecured Considered Doubtful	<u>1,51,50,793</u>		<u>1,49,89,922</u>
		13,03,11,133	<u>9,07,43,888</u>
2. Other Debts:			
(a) Secured Considered Good	9,76,844		36,13,940
(b) Unsecured Considered Good	40,74,90,547		53,57,37,971
(c) Unsecured Considered Doubtful	<u>17,33,078</u>		<u>1,99,037</u>
		41,02,00,469	<u>53,95,50,948</u>
		54,05,11,602	63,02,94,836
Less: Provision for Doubtful Debts		1,68,83,871	1,51,88,959
TOTAL		<u>52,36,27,731</u>	<u>61,51,05,877</u>

1. Debts due from Directors Rs. 1,504 (1974: Rs. NIL) (Maximum Rs. 3,344 - 1974: Rs. 27).
2. Debts due from other Officers Rs. 92 (1974: Rs. 243) (Maximum Rs. 518 - 1974: Rs. 791).
3. Debts due from private companies in which Directors are interested as Directors Rs. 27,94,799 (1974: Rs. 2,32,07,034).
4. Debts due from companies under the same Management - Schedule 'P'.



SCHEDULE 'J' — LOANS AND ADVANCES

Index

	Rupees	Rupees	1974 Rupees
LOANS AND ADVANCES:			
1. Advances Recoverable in cash or in kind or for value to be received:			
(a) Secured Considered Good	3,19,20,562*		2,70,87,559*
(b) Unsecured Considered Good	82,13,04,798*		54,04,42,747*
(c) Unsecured Considered Doubtful	17,06,224		13,21,812
	<u>85,49,31,584</u>		<u>56,88,52,158</u>
(d) Less: Provision for Doubtful Advances	17,06,224		13,21,812
		85,32,25,360	<u>56,75,30,346</u>
2. Claims Recoverable:			
(a) Secured Considered Good	—		50,000
(b) Unsecured Considered Good	20,60,41,046*		10,84,26,119*
(c) Unsecured Considered Doubtful	94,45,489		72,91,456
	<u>21,54,86,535</u>		<u>11,57,67,575</u>
(d) Less: Provision for Doubtful Claims	94,45,489		72,91,456
		20,60,41,046	<u>10,84,76,119</u>
3. Materials on Loan:			
(a) Secured Considered Good	81,570		81,129
-(b) Unsecured Considered Good	<u>11,08,032</u>		<u>9,00,864</u>
		11,89,602	<u>9,81,993</u>
4. Balances with Customs, Port Trust and Excise Authorities- Unsecured Considered Good		8,67,99,089	<u>6,35,29,504</u>
5. Sundry Deposits:			
(a) Unsecured Considered Good including amount adjustable on receipt of final bills	<u>3,50,67,375</u>		<u>3,10,95,737</u>
(b) Unsecured Considered Doubtful	1,200		1,200
	<u>3,50,68,575</u>		<u>3,10,96,937</u>
(c) Less: Provision for Doubtful Deposits	1,200		1,200
		3,50,67,375	<u>3,10,95,737</u>
TOTAL ..		<u>1,18,23,22,472</u>	<u>77,16,13,699</u>

* Includes:

1. Rs. 47 (1974: Rs. 20,312) due from Directors (Maximum Rs. 20,359 - 1974: Rs. 57,195).
2. Rs. 3,25,451 (1974: Rs. 7,20,961) due from other Officers (Maximum Rs. 4,69,253 - 1974: Rs. 8,89,861).
3. Rs. 6,31,114 (1974: Rs. 23,67,956) due from private companies in which Directors are interested as Directors (Maximum Rs. 51,25,781-1974: Rs. 1,02,55,018).

Advances due from companies under the same Management - Schedule 'Q'.



SCHEDULE 'K' — CURRENT LIABILITIES AND PROVISIONS

Index

	Rupees	Rupees	1974 Rupees
A. CURRENT LIABILITIES:			
1. Acceptances	41,73,60,917		22,05,94,746
2. Sundry Creditors	2,43,32,28,231		2,31,56,36,574
3. Security Deposits (including deposit with the Bank as per contra Rs. 14,32,610-1974: Rs. 8,98,276, deposit with the Post Office as per contra Rs. 15,000 -1974: Rs. 15,000 and investments lodged by outside parties as per contra Rs. 7,83,145 - 1974: Rs. 7,96,145)	18,19,03,966		15,30,09,596
4. Interest accrued but not due on loans	1,34,74,485		53,12,349
		3,04,59,67,599	<u>2,69,45,53,265</u>
B.. PROVISIONS:			
	Rupees		
5. Provision for Taxation	74,50,00,000		53,00,00,000
Less: Advance payments	<u>60,23,77,737</u>		<u>47,22,91,578</u>
		14,26,22,263	5,77,08,422
6. Provision for Gratuity	6,00,79,017		4,28,70,319
7. Provision for Renewal of Catalyst	15,72,237		—
8. Proposed Dividends	<u>5,69,41,760</u>		—
		26,12,15,277	<u>10,05,78,741</u>
TOTAL		<u>3,30,71,82,876</u>	<u>2,79,51,32,006</u>

SCHEDULE 'L' — OTHER INCOME

	Rupees	Rupees	Rupees	1974 Rupees
OTHER INCOME:				
1. Sale of Power and Water			1,80,61,628	70,69,672
2. Profit on Sale and Disposal of Assets			19,29,845	14,42,719
3. Interest from Investments			23,469	23,378
4. Dividends Received:				
a) Trade Investments-Gross (tax deducted at source Rs. 25,576 -1974 : Rs. 92,000)	1,16,157*			4,25,156*
Less: Withheld U.S. Tax	<u>1,487</u>			<u>1,547</u>
		1,14,670		4,23,609
b) Other Investments-Gross (tax deducted at source Rs. Nil -1974 : Rs. 11)		—		122
			1,14,670	<u>4,23,731</u>
5. Miscellaneous Income			1,76,77,476	1,34,93,566'
TOTAL			<u>3,78,07,088</u>	<u>2,24,53,066'</u>
* Includes dividends from subsidiary Rs. 1,11,200 (1974: Rs. 20,000)				



SCHEDULE 'M' — MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

Index

	Rupees	Rupees	1974 Rupees
MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:			
1. Raw materials consumed:			
Opening balance as on 1st April, 1974	25,15,47,192		8,53,66,449
Add: Purchases	5,37,06,03,097		2,62,19,27,654
	<u>5,62,21,50,289</u>		<u>2,70,72,88,103</u>
Less: Closing Stock	33,12,03,708		25,15,47,192
		5,29,09,46,581	<u>2,45,57,40,911</u>
2. Consumption:			
(i) Stores and Spares	3,10,20,871		2,42,27,719
(ii) Other Packages	16,99,07,736		12,58,46,929
		20,09,28,607	<u>15,00,74,648</u>
3. Power and Fuel	15,25,16,771		7,85,97,111
Less: Fuel of own production	<u>14,64,35,512</u>		<u>7,46,99,315</u>
		60,81,259	38,97,796
4. Processing fees, Blending fees, Royalty and other charges		5,06,71,181	4,75,25,053
5. Provision for renewal of Catalyst		15,72,237	-
6. Repairs and Maintenance:			
(a) Plant and Machinery	2,82,78,263		2,28,08,598
(b) Buildings	44,28,718		36,92,502
(c) Other	<u>1,24,03,177</u>		<u>88,46,863</u>
		4,51,10,158	<u>3,53,47,963</u>
7. Freight and Transportation charges (net of recoveries from Pool Accounts)		53,37,73,400	43,80,93,481
8. Payment to and Provision for Employees:			
(a) Salaries, Wages and Bonus	23,11,73,488		18,07,85,443
(b) Contribution to Provident and other Funds	1,25,22,113		95,71,365
(c) Staff Welfare Expenses	1,42,51,576		1,12,80,783
(d) Provision for Gratuity	1,72,92,911		92,87,113
(e) Gratuity and Ex-Gratia	<u>5,94,828</u>		<u>3,83,571</u>
		27,58,34,916	<u>21,13,08,275</u>
9. Office Administration, Selling and Other Expenses (Schedule 'N')		18,45,64,246	13,58,07,772
10. Less: Increase in Stocks:			
Closing Stock as on 31st March, 1975:			
Finished Products	1,36,26,38,020		1,11,57,22,226
Stock in Process	9,54,43,253		8,89,83,793
	<u>1,45,80,81,273</u>		<u>1,20,47,06,019</u>
Less: Opening Stock as on 1st April, 1974:			
Finished Products	1,11,57,22,225		36,10,94,788
Addition to Opening Stock of Finished Products	4,73,980		-
Stock in Process	8,89,83,793		1,89,38,157
	<u>1,20,51,79,998</u>		<u>38,00,32,945</u>
		25,29,01,275	<u>82,46,73,074</u>
TOTAL	<u>6,33,65,81,310</u>		<u>2,65,31,22,825</u>



SCHEDULE 'N' — OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

Index

OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
1. Rent		2,04,81,865	1,87,77,657
2. Insurance (includes Emergency Risk Insurance)		90,74,754	58,13,185
3. Rates and Taxes		1,03,84,330	86,41,784
4. Donations		3,68,497	6,48,035
5. Directors' Fees		800	500
6. Payments to Auditors:			
(a) Audit Fees	2,50,000		2,55,000
(b) Other Services (for issuing certificates etc.)	34,500		70,705
(c) Out of Pocket Expenses	<u>61,728</u>		<u>48,587</u>
		3,46,228	3,74,292
7. Main Installation Charges paid to other Marketing Companies..		1,45,83,209	1,20,24,546
8. Office Administration, Selling and other expenses (including bank charges Rs. 2,10,10,400-1974: Rs. 1,19,02,782)		10,88,67,269	7,35,76,950
9. Bad Debts, Advances and Insurance claims written off		12,41,840	6,39,655
10. Loss on Assets sold, lost or written off		20,31,900	35,99,062
11. Technical Assistance by Engineers India Limited		56,24,810	-
12. Exchange Fluctuations		27,90,470	18,42,746
13. Provision for Doubtful Debts, Advances and Claims		79,21,430	91,97,496
14. Central Industrial Security Force Expenses		8,46,844	6,71,864
TOTAL		<u>18,45,64,246</u>	<u>13,58,07,772</u>

SCHEDULE 'O' — EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS

INCOME:	<u>Rupees</u>	<u>Rupees</u>	<u>1974</u> <u>Rupees</u>
1. (i) Sale of Products and Crude and Transfers under Product Exchange	44,28,858		(1,08,44,451)
(ii) Less: Commission and Discounts	<u>1,33,279</u>		<u>78,957</u>
		42,95,579	(1,07,65,494)
2. Company's use of own oil	<u>(5,50,265)</u>		<u>(4,69,440)</u>
		37,45,314	(1,12,34,934)
3. Main Installation charges from other Marketing Companies		-	(425)
4. Interest:			
(i) On Advances	-		9,892
(ii) From Customers on Outstandings	<u>21,02,767</u>		<u>-</u>
		21,02,767	9,892
5. Sale of Power and Water		-	(76,965)
6. Profit on Sale and Disposal of Assets		(6,658)	
7. Miscellaneous Income		6,83,529	6,03,753
TOTAL		<u>65,24,952</u>	<u>(1,06,98,679)</u>



**SCHEDULE 'O'—EXPENSES/INCOME PERTAINING THE PREVIOUS YEARS -
(Contd.)**

Index

	Rupees	Rupees	1974 Rupees
EXPENSES:			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		1,83,66,668	1,55,15,808
2. Raw materials consumed – Purchases		(4,42,94,689)	(22,58,511)
3. Consumption:			
(i) Stores and Spares	(4,77,551)		1,82,685
(ii) Other Packages	16,44,983		15,07,041
		11,67,432	16,89,726
4. Power and Fuel		(1,78,415)	6,301
5. Processing fees, Blending fees, Royalty and other charges		9,38,592	50,845
6. Repairs and Maintenance:			
(i) Plant and Machinery	51,251		1,00,263
(ii) Buildings	–		79,037
(iii) Other	93,850		(1,334)
		1,45,101	1,77,966
7. Freight and Transportation charges (net of recoveries from Pool Accounts)		(28,99,428)	(1,99,17,196)
8. Payment to and Provision for Employees:			
(i) Salaries, Wages and Bonus	31,69,138		(1,06,472)
(ii) Contribution to Provident and other Funds	82,582		13,62,221
(iii) Staff Welfare Expenses	232		(715)
(iv) Gratuity and Ex-Gratia	3,15,334		7,23,327
		35,67,286	19,78,361
9. Rent		3,22,254	18,24,876
10. Insurance		22,231	(157)
11. Rates and Taxes		21,45,251	(13,82,466)
12. Main Installation charges paid to other Marketing Companies		95,505	1,05,995
13. Office Administration, Selling and other expenses		(3,28,997)	7,75,445
14. Bad Debts, Advances and Insurance claims written off		–	36,121
15. Loss on Assets sold, lost or written off		(12,38,055)	3,950
16. Central Industrial Security Force Expenses		–	(20,367)
17. Excise Duty		91,55,883	9,57,900
18. Depreciation and Amortisation		37,26,596	9,71,48,356
19. Interest - Other		11,71,243	(13,127)
20. Legal Expenses		(13,480)	–
21. Adjustment in respect of prior year closing stock		(4,73,980)	–
22. Miscellaneous Expenses		13,40,259	–
	TOTAL	(72,62,743)	9,66,79,826
	NET INCOME	1,37,87,695	(10,73,78,505)



SCHEDULE 'P' DEBTS DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

Index

<u>Name of the Company</u>	<u>Rupees</u>	<u>1974 Rupees</u>
Balmer Lawrie & Company Limited	6,14,208	17,83,686
Bharat Aluminium Company Limited	-	9,716
Bharat Coking Coal Limited	11,29,689	9,65,037
Bharat Dynamics Limited	849	-
Bharat Earth Movers Limited	16,844	-
Bharat Electronics Limited	288	-
Bharat Heavy Electricals Limited	21,042	40,617
Bharat Heavy Plates and Vessels Limited	-	20,003
Braitwaite and Company Limited	1,31,409	-
Bridge and Roof Company (India) Limited	3,51,813	2,84,252
Cement Corporation of India Limited	7,051	7,125
Central Road Transport Corporation Limited	52,997	58,794
Cochin Refineries Limited	-	17,78,266
Coal Mines Authority Limited	5,11,620	-
Engineers India Limited	69,861	37,510
Fertilizer Corporation of India Limited	1,78,70,726	90,11,730
Garden Reach Workshop Limited	-	6,487
Heavy Engineering Corporation Limited	5,09,225	4,01,125
Hindustan Aeronautics Limited	7,74,794	26,24,159
Hindustan Antibiotics Limited	-	2,96,859
Hindustan Cables Limited	5,90,045	7,99,670
Hindustan Copper Limited	10,78,261	147
Hindustan Insecticides Limited	1,53,667	4,00,017
Hindustan Machine Tools Limited	22,609	1,06,651
Hindustan Organic Chemicals Limited	3,08,028	15,42,009
Hindustan Petroleum Corporation Limited	2,54,80,270	56,46,994
Hindustan Shipyard Limited	12,181	11,702
Hindustan Steel Limited	1,18,53,372	1,44,28,861
Hindustan Steel Works Construction Limited	7,77,634	2,84,521
Hindustan Zinc Limited	302	870
Indo-Burma Petroleum Company Limited	4,15,85,339	3,01,29,989
Indian Drugs & Pharmaceuticals Limited	17,51,162	11,24,971
Indian Explosives Limited	-	32,69,186
Indian Petro-Chemicals Corporation Limited	9,98,986	-
Indian Telephone Industries Limited	66	17,276
Indian Tourism Development Corporation Limited	-	421
International Airports Authority of India	20,365	32,593
Instrumentation Limited	9,470	8,121
Jessop & Company Limited	1,35,663	1,70,262
Lubrizol India Limited	-	4,18,791
Lube India Limited	-	10,806
Machinery Manufacturing Corporation Limited	-	37,428
Madras Fertilizers Limited	16,15,057	-
Madras Refineries Limited	4,741	42,16,066
Manganese Ore (India) Limited	60,242	71,064
Carried forward	10,85,19,876	8,00,53,782



**SCHEDULE ' P'- DEBTS DUE FROM COMPANIES UNDER THE SAME
MANAGEMENT-(Contd.)**

Index

<u>Name of the Company</u>	<u>Rupees</u>	<u>1974 Rupees</u>
Brought forward	10,85,19,876	8,00,53,782
Minerals & Metals Trading Corporation of India Limited	6,629	5,127
Modern Bakeries (India) Limited	-	15,139
Mazagon Dock Limited	9,660	2,93,257
Mining & Allied Machinery Corporation Limited	-	45,212
Minerals Exploration Corporation Limited	-	83
Mogul Line Limited	11,51,794	17,15,273
Mysore Iron & Steel Limited	-	2,63,785
National Buildings Construction Corporation Limited	23,197	1,15,099
National Coal Development Corporation Limited	19,58,947	46,06,992
National Mineral Development Corporation Limited	325	4,59,951
National Seeds Corporation Limited	-	86
Neyveli Lignite Corporation Limited	21,74,934	7,60,332
Pyrites, Phosphates & Chemicals Limited	34,910	9,001
Rehabilitation Industries Corporation Limited	-	48,526
Sambhar Salts Limited	13	102
Singareni Collieries Limited	-	33,323
Shipping Corporation of India Limited	57,73,499	1,42,41,970
State Farms Corporation of India Limited	-	519
State Trading Corporation of India Limited	12,557	12,557
Tungabhadra Steel Products Limited	27,904	21,530
TOTAL	<u>11,96,94,245</u>	<u>10,27,01,646</u>



SCHEDULE 'Q' ADVANCES DUE FROM COMPANIES UNDER THE SAME MANAGEMENT

Index

Name of the Company	Maximum amount during the year		1974 Maximum Amount	
	Rupees	Rupees	Rupees	Rupees
Andrew Yule and Company Limited	15,918	15,918	-	-
Balmer Lawrie & Company Limited	5,36,393	5,97,280	-	67
Bharat Earth Movers Limited	-	6,761	2,449	2,449
Bharat Electronics Limited	21,91,529	53,10,684	32,71,876	33,17,807
Bharat Heavy Electricals Limited	1,77,29,232	1,82,16,130	1,00,25,593	1,08,45,407
Bharat Heavy Plates and Vessels Limited	5,19,210	5,19,210	1,92,510	22,73,629
Bharat Pumps and Compressors Limited	6,877	6,877	-	-
Bokaro Steel Limited	-	59,140	59,140	59,140
Bridge and Roof Company (India) Limited	47,289	14,02,570	14,02,570	33,03,970
Cement Corporation of India Limited	2,130	2,130	-	-
Central Inland Water Transport Corporation Limited	-	14,000	14,000	14,000
Central Road Transport Corporation Limited	4,505	4,505	-	-
Cochin Refineries Limited	27,99,25,481	37,46,49,332	17,88,76,873	18,48,14,746
Electronics Corporation of India Limited	-	11,124	11,124	11,124
Engineers India Limited	5,00,000	65,02,881	-	18,59,699
Fertilizer Corporation of India Limited	1,87,865	4,41,420	1,52,717	2,35,972
Fertilizers and Chemicals, Travancore Limited	-	1,33,465	22,732	2,61,610
Garden Reach Workshop Limited	52,325	13,10,272	13,10,272	44,63,674
Heavy Engineering Corporation Limited	89,113	89,113	89,113	89,113
Hindustan Aeronautics Limited	-	4,320	4,320	7,245
Hindustan Cables Limited	391	1,17,657	3,383	3,383
Hindustan Machine Tools Limited	9,313	9,574	-	6,613
Hindustan Petroleum Corporation Limited	35,18,062	35,18,062	18,18,919	18,18,919
Hindustan Salts Limited	-	22,339	-	-
Hindustan Steel Limited	1,29,60,609	4,43,99,748	32,53,970	1,35,51,734
Hindustan Steel Works Construction Limited	10,362	10,362	10,362	10,362
Hindustan Teleprinters Limited	3,305	7,640	3,464	6,514
Indian Drugs and Pharmaceuticals Limited	4,311	4,691	-	-
Indian Oil International Limited (A Subsidiary in Voluntary Liquidation)	-	-	-	1,50,000
Indian Petro Chemicals Limited	-	765	765	66,158
Indian Rare Earths Limited	-	41,555	9,032	21,932
Indian Telephone Industries Limited	8,654	2,13,925	1,21,367	1,93,627
Indo-Burma Petroleum Company Limited	92	3,736	3,736	31,736
Instrumentation Limited	34,700	1,88,595	37,551	2,78,603
International Airports Authority of India	23,770	39,343	30,754	47,724
Lube India Limited	299	299	299	299
Madras Refineries Limited	1,23,66,867	1,27,11,932	2,65,767	69,01,869
Minerals and Metals Trading Corporation of India Limited	5,29,473	6,52,126	1,42,452	1,42,452
Mysore Iron & Steel Limited	7,981	16,874	2,384	2,384
National Instruments Limited	473	20,009	-	-
National Insurance Company Limited	6,12,092	6,14,021	5,42,945	5,42,945
Neyveli Lignite Corporation Limited	2,582	2,582	780	1,496
Shipping Corporation of India Limited	55,78,889	1,80,01,157	22,14,474	90,93,190
State Trading Corporation of India Limited	5,265	68,76,872	1,47,362	8,84,550
Tannery & Footwear Corporation of India Limited	8,257	8,257	8,257	8,257
TOTAL	33,74,93,614	20,40,53,312	20,40,53,312	



SCHEDULE 'R' - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1975

Index

1. Contingent Liabilities not provided for:

(a) Claims against the Corporation not acknowledged as debts Rs. 2,301.49 lakhs (1974: Rs. 2,278.95 lakhs) including Rs. 589.60 lakhs (1974 : Rs. 572.54 lakhs) for which suits have been filed in Courts or cases lying with arbitrators. Interest on some of the claims, if any, is unascertainable. These include inter-alia:

(i) Rs. 1,041.67 lakhs (1974: Rs. 1,043.44 lakhs) being the demand made by the Central Excise on certain products. The claim is disputed by the Corporation and no provision has been made pending decision by appropriate authorities.

(ii) Pending decision by Arbitrator on certain technical matters concerning Crude Oil supplied by Oil and Natural Gas Commission, it has not been possible to make any adjustment in the Accounts, as the amount is not ascertainable. Oil and Natural Gas Commission have also preferred claims amounting to approximately Rs. 25 lakhs (1974 : Rs. 25 lakhs) in respect of Crude Oil Supplies in earlier years, which in the opinion of the Corporation are not payable.

(iii) Rs. 204.07 lakhs (1974: Rs. 204.07 lakhs) being the claim towards damages for shortfall and termination of supplies to a Customer.

(iv) Rs. 23.42 lakhs (1974 : Rs. 22.63 lakhs) being the claim by:-

(a) Cochin Refineries Limited towards difference in dips, pipeline flushing charges, and rate difference on Liquefied Petroleum Gas supplies, and

(b) Madras refineries Limited for short receipts in respect of pipeline transfers and sales tax upto 1973-74. Similar liability for the year 1974-75 has not been included, in the absence of information.

(b) The Corporation has given guarantees and counter guarantees to Banks and others on behalf of third parties amounting to Rs. 1,162.55 lakhs (1974 : Rs. 1,162.55 lakhs)

(c) Bills discounted with the Bank Rs. 975.06 lakhs (1974 : Rs. 516.83 lakhs)

(d) Income tax if any reimbursable to the foreign contractors. The Corporation has, however, made an advance of Rs. 5 lakhs (1974:Rs.5 lakhs) to one of the contractors for payment of advance Income tax in respect of such liability.

(e) Demands amounting to Rs. 0.95 lakh (1974 : Rs. 2 lakhs) approximately made by Central Excise Authorities and those which may arise out of the show cause notices issued by them on account of Excise Duty on pipeline operational losses in excess of the guideline limits prescribed by them. The same are contested by the Corporation.

(f) The Corporation has incurred ocean losses in excess of guideline limits prescribed by Excise Authorities in respect of coastal movements of products. However, pending the assessment of such losses, the exact liability for any additional Excise Duty which may be payable has not been ascertained. An ad hoc provision of Rs. 33.00 lakhs has been made.

2. The Corporation's / Income Tax Department's appeals in respect of the Assessment Years 1967-68 to 1970-71, have, apart from minor items, been



decided by the Income Tax Appellate Tribunal in favour of the Corporation. It is not yet known whether the Department intends to pursue these in Appeal. Further in respect of matters decided in favour of the Corporation by the Bombay High Court, the Department has applied for leave of Appeal to the Supreme Court. Should the Department pursue the disputed matters, the maximum Contingent Liability, taking the most adverse decision will be Rs. 33.24 crores.

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 4,054.74 lakhs (1974: Rs. 1,985.37 lakhs).
4. (a) Title Deeds for land in respect of Marketing Division & Pipelines of the book value of Rs. 41.68 lakhs (1974 : Rs. 44.52 lakhs), Lease Agreements and other formal agreements in respect of certain other lands are pending execution and are not available for verification.
- (b) Pending finalisation of compensation amount for land acquired for Gauhati and Barauni Refineries, no provision has been made in respect of Gauhati Refinery and in respect of Barauni Refinery provision has been made in the Accounts for amounts payable to Bihar State Government as intimated by them. Arrangements for participation of State Government of Bihar in respect of equity capital as compensation for land given and documents of transfer in respect of the land for Barauni Refinery have not been completed so far. According to the decision of Government of India there will be no participation in the Equity share capital of the Corporation by the Government of Assam as contemplated earlier and the Corporation would pay Rs. 70 lakhs to the Government of Assam for the land acquired for Gauhati Refinery. However, the Corporation has not yet received the acceptance of Government of India's decision by the Government of Assam.
- c) In respect of Mathura Refinery Project some parties from whom the land was acquired have preferred certain claims on the Collector, Mathura. Pending the decision of the State Government in this matter the exact amount is not determinable and, therefore, not provided for.
- (d) The Corporation has agreed to transfer a portion of its land costing approximately Rs. 6.75 lakhs to Indian Petro-Chemicals Corporation Limited, through the State Government. Pending compliance of various formalities, no effect has been given to this in the books of account.
- (e) Rental for certain rail-bridges on Haldia Barauni-Kanpur Pipelines has been provided on an *ad hoc* basis, pending finalisation of agreement with the Railway Board.
- (f) Some of the assets may be subject to reclassifications or adjustment on receipt of completion report and/or finalisation of bills/customs duty.
- (g) Customs Duty on imported equipment has been paid on an *ad hoc* basis for the Gujarat Refinery. Consequential adjustments, if any, shall be made in the accounts on the finalisation of assessment.
- (h) The Port Blair Installation was constructed by the Corporation for the Naval Authorities at a cost of Rs. 42.63 lakhs (1974 : Rs. 42.63 lakhs). This was subsequently taken over by the Corporation on 31st May, 1971. Pending finalisation of the formalities and in the absence of an Agreement between the Naval Authorities and the Corporation an amount of Rs. 27.16 lakhs (1974: Rs. 27.16 lakhs) has been capitalised, being the written down value of these assets as on 31st May, 1971 (at the Corporation's rate of depreciation) based on the Corporation's understanding of the terms of takeover.
5. Included among stores are items which are non-moving/slow moving/obsolete/surplus and no provision has been made in these accounts towards loss on disposal, if any, that may arise, as the extent has not been ascertained.
6. Closing Stock includes stocks of Tin Plates of the value of Rs. 1.34 lakhs (1974 : Rs. 1.34 lakhs) lying with a Contractor who contends that no stock is lying with him.



7. Confirmations in respect of the following balances on loan account as on 31-3-1975 have not been received from the Marketing Companies:
 - (i) Imported Lubes pending for more than 3 years - value Rs. 312.79 lakhs against which Corporation holds deposits of an equivalent amount.
 - (ii) Other Products - Rs. 327.83 lakhs (1974: Rs. 452.76 lakhs).
8. Book Debts include an amount of Rs. 30.53 lakhs (*1974: Rs. 30.53 lakhs*) billed by the Corporation towards increase in cost of imported products due to rupee devaluation in 1966. However, the debtor company had refused to pay the amount and the Corporation has filed a suit in the Bombay High Court for recovery. Pending the Court's decision, the amount is considered good and recoverable and is shown as such in the Accounts.
9. Loans and Advances include a net debit balance of Rs. 529.45 lakhs in respect of C & F Adjustment and Pool Accounts. Of the above balance net credit items of Rs. 913.33 lakhs have been subjected to special audit and net debit items of Rs. 1,442.78 lakhs are subject to special audit as per the respective schemes.
10. Deposits include Rs. 77.49 lakhs (*1974: Rs. 94.73 lakhs*) on account of payments to Other Oil Companies for products received on loan from them, against which the Corporation holds products received to the extent it has not been consumed and whose value has not been ascertained.
11. Sundry Deposits include an amount of Rs. 50.59 lakhs (*1974: Rs. 50.59 lakhs*) deposited by the Corporation with another Marketing Company in respect of supply of products on Installation Exchange Arrangement. However, the amount was appropriated by the other Marketing Company towards CIF increases and devaluation duty claims consequent on the devaluation of Indian rupee in 1966. The Corporation has disputed the appropriation and filed a suit in the Bombay High Court for recovery. Pending the Court's decision, the amount is considered good and recoverable and is shown as such in the Accounts.
12. Claims recoverable include penalty charges paid Rs. 13.82 lakhs (*1974 : Rs. 13.82 lakhs*) which is under correspondence with Government for compensation.
13. No credit has been taken for the following claims preferred by the Corporation:
 - (a) The credit for Residual Fuel Oil supplied to Gujarat State Electricity Board against the original contract has been taken in the accounts at the rate at which payment is being made by the Board. The Corporation, however, is not agreeable to supply at this rate and is claiming further payment of Rs. 47.64 crores (*1974: Rs. 20.30 crores*) besides interest thereon - Rs. 8.16 crores (*1974: Rs. 4.59 crores*). The matter is at present under arbitration. However, certain *adhoc* quantities of Residual Fuel Oil supplied to Gujarat State Electricity Board, Dhuvaran have been billed as per Diversion Agreement at higher rates out of which Gujarat State Electricity Board has not so far made payment of Rs. 1.60 crores representing approximately 1/6th value of the diverted supplies to them.
 - (b) A claim has been preferred on a Shipping Company for Rs. 155.25 lakhs (*1974 : Rs. 155.25 lakhs*) on account of additional charter hire paid for the substitute vessel and short lifting of crude oil as a result of withdrawal of the vessel by the owners before the expiry of the charter party agreement with them. Out of this, an amount of Rs. 151.39 lakhs (*1974 : Rs. 153.21 lakhs*) has not been taken credit for in the accounts. The matter is at present under arbitration.
 - (c) Refund claim of Rs. 99.88 lakhs (*1974 : Rs. 99.88 lakhs*) in respect of excise duty on Hot Heavy Stock claimed by the suppliers at the instance of the Corporation pending its finalisation.
14. The profit for the year is reduced by the loss on account of processing of Crude Oil in other Marketing Companies' Refineries during the year amounting to Rs. 932.03 lakhs (*1974 : Rs. 1,546.84 lakhs*) which is arrived at

after adjusting the recoveries from the Pool Accounts. The Corporation has requested the Government for compensation in respect of the loss and the matter is still under their consideration.

15. Pending finalisation with the Government of India, a sum of Rs. 255 lakhs being compensation for loss on utilisation of Indian Flag Vessels (used for carrying crude oil) has been included as claims recoverable.

16. The Profit and Loss Account includes expenses on Public Relations and Publicity of Rs. 36.22 lakhs (1974 : Rs. 44.54 lakhs).

17. Remuneration paid or payable to full-time Directors was Rs. 1,99,390 (1974 : Rs. 2,61,561). In addition, full-time Directors are also allowed the use of Company's car for private purposes upto 500 KM per month on a payment of Rs. 100 p.m. Further, Managing Director, Marketing, has been allotted a company owned flat on recovery of rent at 10 per cent of his basic pay and also certain allowances amounting to Rs. 2,243 have been paid to him subject to Government's approval.

Remuneration of Rs. 9,228 was paid in earlier year to the then Managing Director (Marketing) subject to the approval of the appropriate authority.

18. In the absence of an upto date list of companies under the same management from the Company Law Board, Book Debts and Advances due from Companies under the same management have been indicated on the basis of such lists of Central Government Enterprises as were available with the Corporation.

19. The foreign credit of Rs. 706.84 lakhs (1974 : Rs. 885.18 lakhs) has been converted at the Central Parity rate fixed around the end of the year 1971 since there has been no change in this rate after that date. If the item is converted at the Bank selling rate prevalent on 31-3-1975, the amount of foreign credit will go up by Rs. 202.10 lakhs (1974 : Rs. 134.78 lakhs) for which no provision has been made in the Accounts. Similarly, if the interest accrued but not due on the above loan is also converted at the Bank selling rate on 31-3-1975, a further liability of Rs. 3.71 lakhs (1974 : Rs. 2.39 lakhs)

would arise for which no provision has been made.

20. As per instructions received from the Government, a part of the cost of crude oil imported from National Iranian Oil Company under credit arrangement has been paid over to the Government. Since the agreement is between IOC and NIOC, the credit from National Iranian Oil Company has been shown as a liability under, 'Unsecured Loans' and payment to Government has been shown under 'Loans and Advances' at the dollar rupee rate as on the date of the balance sheet and amounts to Rs. 43.76 crores. The accounting arrangements between IOC and Govt. of India in this regard are being finalised.

21. (a) In accordance with past practice and the provisions of Section 205 of the Companies Act, 1956, the Corporation has written off by way of depreciation Rs. 442.34 lakhs (1974: Rs. 313.50 lakhs) being 95 per cent of the cost of LPG Cylinders (each item being less than Rs. 750) purchased during the year. Had a rate of depreciation based on the useful life of the asset as estimated by the Management been applied, the charge for depreciation in respect of LPG Cylinders during the year would have been Rs. 69.84 lakhs (1974: Rs. 49.50 lakhs). The effect of such write off in earlier years on the charge for depreciation of the year and the aggregate written down value of such assets, had the rate of depreciation based on the estimated life referred to above, been applied, in earlier years, has not been ascertained.

(b) The Haldia Refinery went into commercial production with effect from 1st January, 1975. Consistent with the practice followed by the Corporation, depreciation has been charged in the accounts on all its fixed assets for the full year, whether they were brought into use on and from 1st January, 1975 or before that date and amounts to Rs. 2.92 crores.

22. (a) (i) It has not been possible to give the information in respect of opening and closing stock of drums manufactured as a combined record of drums purchased



and manufactured is being maintained.

(ii) Information regarding opening and closing stock of tins has not been compiled.

(b) Adjustment about the transit and temperature variations has been made in regard to quantitative information given in Schedule 'T' in respect of purchases.

23. Information required under paragraphs 3(i)(a), 3(ii), 3(x)(f) note 2 and 4 C of Part II of Schedule VI to the Companies Act, 1956 is given in Schedules 'S' to 'V'. Exemption has been ob-

tained from the Government for non-compliance with paragraph 4 D of Part II of Schedule VI to the Companies Act, 1956 for the year 1974-75.

24. Previous year's comparative figures have been regrouped to the extent practicable wherever necessary.

Signatures to Schedules 'A' to 'V'

C. R. DAS GUPTA
Chariman

R. M. BHANDARI
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

R. N. BHATNAGAR
Managing Director
(Refineries & Pipelines)

J.K. WADHWA
Deputy Secretary

SCHEDULE 'S' - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Index

	<u>PETROLEUM PRODUCTS</u>		<u>LUBRICATING OILS</u>	
	<u>1975</u> <u>M.T.</u>	<u>1974</u> <u>M.T.</u>	<u>1975</u> <u>M.T.</u>	<u>1974</u> <u>M.T.</u>
(i) Licensed capacity [(including Mathura Refinery Project under construction 60,00,000 and 30,00,000 for Gujarat Expansion) (Previous year Haldia Project under construction 25,00,000)]	182,50,000	92,50,000	1,70,000	1,70,000
(ii) Installed capacity (as certified by the Management and accepted by the Auditors without verification)	92,50,000*	67,50,000*	1,40,000	1,40,000
(iii) Actual production	72,62,369 79,350§	64,25,949 1,05,410§	82,615	1,00,977
(iv) Products Processed/Manufactured by others	14,07,807	15,68,634	2,07,71 5§§	2,29,01 1§§

* The installed capacity in terms of crude oil input as per Project Report certified by the Deputy General Manager-Technical (Previous year-certified by Chief Process Engineer).
 ** Licensed capacity for 1975 is 15,00,000 drums for Asphalt Drums and Lube Oil Drums put together.
 t Per year operating in two shifts.
 tt Per year operating in single shift.
 : Per shift of 8 hours a day.
 § Cubic metres.
 §§ Includes 2,02,944 KLs. (1974:2,22.976 KLs.).

SCHEDULE 'T' - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS - TURNOVER

	<u>QUANTITY</u>		<u>OPENING STOCK</u>
	<u>MTs.</u>	<u>KLs.</u>	<u>VALUE</u> <u>RUPEES</u>
1. FORMULA PRODUCTS:			
As on 31st March, 1975	4,82,765	18,47,088*	93,36,64,512
As on 31st March, 1974	3,11,327	6,79,616	23,99,88,339
2. LUBRICANTS AND GREASES:			
As on 31st March, 1975	8,296	63,338	13,57,45,488
As on 31st March, 1974	14,913	56,450	10,61,59,713
3. OTHER PETROLEUM PRODUCTS:			
As on 31st March, 1975	76,106	7,821	3,85,46,369
As on 31st March, 1974	63,425	16,208	1,49,46,736
4. CRUDE OIL:			
As on 31st March, 1975	11,327	—	82,39,836
As on 31st March, 1974	—	—	—
TOTAL:			
As on 31st March, 1975	5,78,494	19,18,247	1,11,61,96,205
As on 31st March, 1974	3,89,665	7,52,274	36.10.94.788



SCHEDULE 'S' - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION (Contd...)

Index

ASPHALT DRUMS		LUBE OIL DRUMS		18.5 LITRES (TINS)	
1975	1974	1975	1974	1975	1974
Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
15,00,000**	5,00,000	**	10,00,000f	-	-
10,00,000f	10,00,000f	5,00,000f	5,00,000f	8,000:	8,000:
6,83,905	6,59,769	1,85,648	1,47,906	4,52,619	8,06,721
5,32,201	6,83,320	5,14,476	3,23,716	-	-

SCHEDULE 'T' - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS - TURNOVER Contd...

PURCHASES INCLUDING EXCISE DUTY			SALES			CLOSING STOCK		
QUANTITY		VALUE	QUANTITY		VALUE	QUANTITY		VALUE
MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES
9,02,355	1,01,38,413	11,31,07,91,992	12,83,720	1,82,81,878	17,63,98,96,442	4,75,553	11,65,133	1,09,31,88,891
7,50,140	1,01,51,958	7,51,64,38,076	6,62,447	1,71,30,318	11,14,26,65,490	4,82,765	18,45,456	93,31,90,532
28,470	3,743	13,24,39,270	3,730	3,47,140	1,10,71,39,161	9,446	74,462	20,76,99,731
1,301	22,764	14,97,04,252	6,772	4,00,320	85,05,13,717	8,296	63,338	13,57,45,488
2,557	10,688	3,66,52,997	10,92,534	3,97,157	81,82,12,729	89,497	9,699	6,17,49,398
			79,350f					
377	26,266	2,20,20,084	9,31,652	5,71,225	39,13,20,047	76,106	7,821	3,85,46,369
			1,05,410f					
80,235	-	5,65,67,452	91,562	-	6,50,91,347	-	-	-
3,04,690	-	5,01,17,162	2,93,363	-	4,35,13,681	11,327	-	82,39,836
10,13,617	1,01,52,844	11,53,64,51,711	24,71,546	1,90,26,175	19,63,03,39,679	5,74,496	12,49,294	1,36,26,38,020
			79,350f					
10,56,508	1,02,00,988	7,73,82,79,574	18,94,234	1,81,01,863	12,42,80,12,935	5,78,494	19,16,615	1,11,57,22,225
			1,05,410f					

Note : Purchases and Sales exclude value adjustments shown under items pertaining to the previous years.

* Includes 1,632 KLs - Value of Rs. 4,73,980 in respect of adjustment of previous years.

f Cubic Metres.



SCHEDULE 'U' - CONSUMPTION PARTICULARS OF RAW MATERIALS

	QUANTITY		VALUE	1974		VALUE
	MTs.	KLs.	Rupees	QUANTITY		Rupees
				MTs.	KLs.	
1. Crude Oil	93,52,054	-	4,55,17,65,536	86,40,590	-	1,90,66,49,448
2. Base Oils	90,649	1,99,339	65,31,54,987	1,13,911	2,02,771	49,55,13,292
3. Additives	2,297	4,515	8,60,26,058	2,748	4,476	5,35,78,171
4. Steel Coils and Sheets*	21,973	-	6,89,66,233	20,512	-	5,05,23,013
TOTAL	<u>94,66,973</u>	<u>2,03,854</u>	<u>5,35,99,12,814</u>	<u>87,77,761</u>	<u>2,07,247</u>	<u>2,50,62,63,924</u>

ADDITIVES ARE NOT CONSIDERED AS RAW MATERIALS IN REFINERIES DIVISION.

- * Shown under other packages consumed in the Profit and Loss Account.
- Consumption excludes value adjustments if any. shown under items pertaining to the previous years.



**SCHEDULE 'V'-DETAILS OF EMPLOYEES DRAWING NOT LESS THAN
Rs. 36,000 PER ANNUM OR Rs. 3,000 PER MONTH**

Index

	<u>Rupees</u>	<u>1974 Rupees</u>
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum:		
Number	<u>27</u>	<u>25</u>
(a) Salaries, Wages and Bonus	9,48,931	8,91,352
(b) Contribution to Provident Fund/Family Pension Fund	<u>63,831</u>	<u>54,742</u>
(c) Total (a) + (b)	<u><u>10,12,762</u></u>	<u><u>9,46,094</u></u>
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month:		
Number	<u>2</u>	<u>4</u>
(a) Salaries, Wages and Bonus	48,279	1,05,569
(b) Contribution to Provident Fund/Family Pension Fund	<u>3,931</u>	<u>6,937</u>
(c) Total (a) + (b)	<u><u>52,210</u></u>	<u><u>1,12,506</u></u>
The above figures exclude amounts shown under items pertaining to previous years.		



SCHEDULE OF FIXED ASSETS (TOWNSHIP)

	Gross Block as at 31st March, 1974 at cost	Additions during the year at cost	Transfers from Construction work-in-progress at cost	Transfers, Deductions and Reclassifications at cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
LAND: Freehold	53,98,104	17,736	—	—
Leasehold	8,31,769	—	—	—
BUILDINGS, ROADS ETC.	9,53,42,751	18,572	28,70,874	(+) 34,629
PLANT AND MACHINERY	49,44,989	2,03,434	93,182	—
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	1,13,56,272	54	5,48,441	—
EQUIPMENT AND APPLIANCES	28,62,082	3,34,771	—	(—) 4,54,710
FURNITURE AND FIXTURES	7,31,085	37,122	—	(—) 17,296
VEHICLES	24,99,533	5,81,796	—	(—) 1,00,069
SUNDRY ASSETS	40,804	3,297	—	(—) 2,078
TOTAL	12,40,07,389	11,96,782	35,12,497	(—) 5,39,524
<i>PREVIOUS YEAR</i>	<i>11,11,17,768</i>	<i>26,24,820</i>	<i>1,12,93,873</i>	<i>(—) 10,29,072</i>
CAPITAL WORK-IN-PROGRESS				
<i>PREVIOUS YEAR</i>				
TOTAL				
<i>PREVIOUS YEAR</i>				

SCHEDULE OF FIXED ASSETS (TOWNSHIP) (Contd...)

Index

Gross Block as at 31st March, 1975 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1975	Net Depreciated Block as at 31st March, 1975	1974
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
54,15,840	—	—	54,15,840	53,98,104
8,31,769	8,402	89,621	7,42,148	750,550
9,82,66,826	21,76,159	1,62,55,403	8,20,11,423	8,12,16,632
52,41,605	2,60,460	16,04,314	36,37,291	36,04,409
1,19,04,767	4,76,191	39,19,758	79,85,009	79,12,705
27,42,143	2,55,757	15,83,387	11,58,756	11,11,731
7,50,911	75,095	3,97,285	3,53,626	4,06,153
29,81,260	2,90,125	15,61,343	14,19,917	11,33,250
42,023	8,404	20,135	21,888	28,657
12,81,77,144	35,50,593	2,54,31,246	10,27,45,898	10,15,62,191
12,40,07,389	33,91,152	2,24,45,198	10,15,62,191	
			27,96,467	
			21,66,422	
			10,55,42,365	
			10,37,28,613	



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1975 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

	<u>Rupees</u>	<u>1974 Rupees</u>
<u>INCOME</u>		
1. Recovery of House Rent	18,94,543	18,64,363
2. Recovery of Utilities : Power and Water	5,59,394	6,10,078
3. Recovery of Transport charges	1,48,926	1,61,839
4. Other Recoveries	2,87,665	3,24,465
5. Excess of Expenditure over Income	3,40,81,569	2,68,11,641
TOTAL	<u>3,69,72,097</u>	<u>2,97,72,386</u>
<u>EXPENDITURE</u>		
1. Salaries, Wages, Bonus and P.F. Contribution	1,20,84,658	96,10,848
2. Consumable Stores and Medicines	37,24,622	24,45,062
3. Subsidies for Social and Cultural Activities	4,79,730	91,298
4. Repairs and Maintenance	19,25,800	19,13,448
5. Interest	65,32,162	63,22,350
6. Depreciation	35,49,270	34,07,843
7. Miscellaneous Expenses		
Taxes, Licence Fees, Insurance etc.	27,73,173	20,68,566
8. Utilities : Power and Gas	59,02,682	39,12,971
TOTAL	<u>3,69,72,097</u>	<u>2,97,72,386</u>

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

	<u>No. of Shares</u>	<u>Paid up Value</u> <u>Rupees</u>
1. Shares in the subsidiary companies were registered in the names of the Company and their nominees as indicated:		
<u>As at 31st March, 1975:</u>		
Indian Oil International Limited (in vountary liquidation)	100	1,00,000
Indian Oil Blending Limited	8,000	40,00,000
2. Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's account so far as they concern the members of the Company are:		
	<u>31st March, 1975</u> <u>Rupees</u>	<u>Prior to</u> <u>31st March, 1975</u> <u>Rupees</u>
Indian Oil International Limited (in voluntary liquidation)	(-) 1,802*	1,64,538
Indian Oil Blending Limited	19,99,039	—
3. Net aggregate amount of the Profit of the subsidiary company as far as its Profits are dealt with in the Company's accounts are:		
	<u>31st March, 1975</u> <u>Rupees</u>	<u>Prior to</u> <u>31st March, 1975</u> <u>Rupees</u>
Indian Oil International Limited (in voluntary liquidation)	—	40,000
Indian Oil Blending Limited	1,11,200	—

* Represents excess revenue disbursement over revenue receipts.

C. R. DAS GUPTA
Chairman

R. M. BHANDARI
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

R. N. BHATNAGAR
Managing Director
(Refineries & Pipelines)

J. K. WADHWA
Deputy Secretary



ANNEXURE TO THE DIRECTORS' REPORT DATED 5TH SEPTEMBER, 1975

Index

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1975 BY THE INDIAN AUDIT AND ACCOUNTS DEPARTMENT

1. Financial Position

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

	(Rupees in lakhs)		
	1972-73	1973-74	1974-75
Liabilities			
(a) Paid-up Capital	7,117.72	7,117.72	7,117.72
(b) Reserves and Surplus	9,390.15	10,015.81	12,510.11
(c) Borrowings:			
(i) From the Government of India	2,517.38	1,564.29	1,315.32
(ii) Oil Industry Development Fund	—	—	500.00
(iii) Foreign Credit	1,008.68	901.33	5,099.04
(iv) From Bank-Cash Credit	1,470.41	4,900.79	2,175.28
(v) Short term credit from Scheduled Bank	—	152.19	—
(vi) Deferred Payment	—	20.63	17.61
(d) Trade dues and other current liabilities (including provisions)	12,125.51	28,127.48	33,348.00
TOTAL	33,629.85	52,800.24	62,083.08
Assets			
(e) Gross Block	20,477.62	22,265.85	27,759.28
(f) Less: Depreciation	7,028.77	9,534.46	11,508.12
(g) Net fixed assets	13,448.85	12,731.39	16,251.16
(h) Capital work-in-progress (including unallocated expenses)	4,345.21	5,723.67	3,665.84
(i) Other assets (mainly machinery and equipments in transit and stores)	1,767.75	1,598.54	2,028.23
(l) Current assets, loans and advances (excluding investments other than those lodged by outside parties as security deposit)	14,041.36	32,720.09	40,090.99
(k) Investments	26.68	26.55	46.86
TOTAL	33,629.85	52,800.24	62,083.08
Capital employed	15,693.95	17,752.70	23,594.94
Net worth	16,507.87	17,133.53	19,627.83

- Notes:**
- Capital employed represents net fixed assets plus working capital.
 - Net worth represents paid-up capital plus reserves and surplus less intangible assets.

2. Capital Structure

(a) Debt equity ratio

The debt equity ratio for the Company has been 0.50:1 in 1972-73 and 0.35:1 in 1973-74 and 0.97:1 in 1974-75

(b) The amount of loans taken from the Govt. of India outstanding as on 31st March, 1975 was Rs. 1,315.32 lakhs. In respect of a loan of Rs. 500.00 lakhs taken by Corporation in 1974-75 moratorium for 2 years for repayment of Principal was granted by the Govt. of India.



3. Reserves and Surplus

The reserves and surplus amounted to:

- (a) 20.2 per cent of the total liabilities in 1974-75 as against 19.0 per cent in 1973-74 and 27.9 per cent in 1972-73.
- (b) 175.8 per cent of equity capital (Rs. 7,117.72 lakhs) in 1974-75 as against 140.7 per cent in 1973-74 and 131.9 per cent in 1972-73.

4. Liquidity and Solvency

- (a) The proportion of current assets (including investments) to total net assets increased from 41.8 per cent in 1972-73 to 62.0 per cent in 1973-74 and 64.7 per cent in 1974-75.
- (b) The percentage of current assets (including investments) to current liabilities (including provisions) increased from 116.0 in 1972-73 to 116.4 in 1974-75 and 120.4 in 1974-75.
- (c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) decreased from 70.4 in 1972-73 to 56.9 in 1973-74 and increased to 59.5 in 1974-75.

5. Working Capital

The working capital (current assets, loans, and advances less trade dues and current liabilities excluding provisions for gratuity) of the Company at the close of the three years ending 31st March, 1975 amounted to Rs. 2,245.10 lakhs, Rs. 5,021.31 lakhs and Rs. 7,343.78 lakhs respectively and represented 0.3, 0.5 and 0.5 month's value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1975 was financed through loans from Bank (Rs. 2,175.28 lakhs), loans from Oil Industry, Development Fund (Rs. 500.00 lakhs) and balance from internal resources (Rs. 4,668.50 lakhs).

6. Sources and uses of funds

Funds amounting to Rs. 6,074.32 lakhs from internal sources (reserves and surplus, depreciation and provisions) and Rs. 5,182.18 lakhs from other sources were utilised in 1974-75 as under:

	<i>(Rupees in lakhs)</i>
Gross Block including Capital work-in-progress	3,435.60
Other assets (net)	7,820.90

7. Working Results

The working results of the Company for the last three years are tabulated below:

	<i>(Rupees in lakhs)</i>		
	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
(i) Profit before tax	4,607.98	4,155.33	5,075.85
(ii) Tax provision	<u>2,700.00</u>	<u>2,100.00</u>	<u>2,150.00</u>
(iii) Profit after tax	<u>1,907.98</u>	<u>2,055.33</u>	<u>2,925.85</u>
Percentage of Profit before tax:			
(a) To sales (inclusive of Product exchange and transfers)	4.6	3.3	2.6
(b) To gross fixed assets	22.5	18.7	18.3
(c) To capital employed	29.4	23.4	21.5
Percentage of Profit after tax:			
(a) To net worth	11.6	12.0	14.9
(b) To equity capital	26.8	28.9	41.1
(c) To capital employed	12.2	11.6	12.4

8. Cost trends

The table below indicates the percentage of cost of sales to sales during the last three years:

	<i>(Rupees in lakhs)</i>		
	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
Sales (inclusive of product exchange and transfers)	99,736.66	1,24,249.85	1,96,502.40
Less: Profit before tax	4,607.98	4,155.33	5,075.85
Cost of sales	<u>95,128.68</u>	<u>1,20,094.52</u>	<u>1,91,426.55</u>
Percentage of cost of sales to sales	95.4	96.7	97.4



9. Business performance

The value of business during the last three years is worked out below:

	<i>(Rupees in lakhs)</i>		
	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
1. Sales (inclusive of product exchange and transfers)	99,736.66	1,24,249.85	1,96,502.40
2. Closing stock of raw materials, finished goods and stock-in-process	4,653.99	14,562.53	17,892.85
3. Opening stock of raw materials, finished goods and stock-in-process	<u>5,503.80</u>	<u>4,653.99</u>	<u>14,562.53</u>
4. Value of business (1 + 2 - 3)	<u><u>98,886.85</u></u>	<u><u>1,34,158.39</u></u>	<u><u>1,99,832.72</u></u>

The percentage of value of business to net worth increased from 599.0 in 1972-73 to 783.0 in 1973-74 and to 1,018.1 in 1974-75. The percentage of value of business to total net assets decreased from 294.0 in 1972-73 to 254.1 in 1973-74 and increased to 321.9 in 1974-75.

10. Inventory and production

The following table indicates the comparative position of the inventory and its distribution at the close of the last three years:

	<i>(Rupees in lakhs)</i>		
	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>
(i) Stores and spare parts (including in transit)	1,213.95	1,709.90	2,575.68
(ii) Loose tools	2.70	3.23	2.99
(iii) Stock-in-trade (including raw materials and stock-in-process)	4,653.99	14,562.53	17,892.85
(iv) Stock of empty barrels and tins	<u>68.32</u>	<u>67.40</u>	<u>124.41</u>
	<u><u>5,938.96</u></u>	<u><u>16,343.06</u></u>	<u><u>20,595.93</u></u>

Stock in trade represented 1.1 months' sales in 1974-75 (inclusive of product exchange and transfers) as compared with 1.4 months' sales in 1973-74 and 0.6 month's sales during 1972-73.

11. Sundry debtors and turnover

The following table indicates the volume of book debts and sales for the last three years:

As on	<i>(Rupees in lakhs)</i>		Sales (inclusive of product exchange and transfers)	Percentage of debtors to sales
	Total book debts Considered good	Considered doubtful		
31st March, 1973	2,967.91	127.84	99,736.66	3.1
31st March, 1974	6,151.06	151.89	1,24,249.85	5.1
31st March, 1975	5,236.28	168.84	1,96,502.40	2.8

Sundry debtors represented about 0.4 month's turnover in 1972-73, 0.6 month's in 1973-74 and 0.3 month's in 1974-75.

Sd/
(M.S. Sarna)
Member, Audit Board



ADDENDUM TO THE DIRECTORS' REPORT DATED 5TH SEPTEMBER, 1975

The following remarks are offered on the Report of the Statutory Auditors dated 5th September, 1975 to the Shareholders under Section 227 of the Companies Act, 1956 on the Accounts for the year ended 31st March, 1975.

Item No.1

Title deeds, lease agreements and other formal agreements in respect of certain lands are in the process of finalisation and these will be available for verification as soon as they are executed.

Item No.6

(a) Notes 18 and 22 are self-explanatory.

(b) Provision for liability in respect of matters relating to land and stores will be made on finalisation of the necessary agreements and analysis. The exchange fluctuations are accounted as and when the foreign loans and interest thereon are paid.

(c) The Corporation has claimed the amounts referred to in notes 8 and 11 on legal grounds and hence they have been classified as good and recoverable.

(d) The claims referred to in notes 12 and 15 were under correspondence with the Government.

*Bombay,
Dated 30th September, 1975.*

For and on behalf of the
Board of Directors
C. R. DAS GUPTA
Chairman



COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1975.**BALANCE SHEET****1. Fixed Assets****(i) Gross Block-Schedule 'E'-Rs. 2,77,59,27,503**

The above amount does not include Rs. 15.32 lakhs spent on works completed during the year. The non-capitalisation of this amount also resulted in under-charge of depreciation amounting to Rs. 0.66 lakh.

**(ii) Construction Work-in-Progress and Capital Goods in Stock- Schedule 'F'—
Rs. 56,94,07,667**

An amount of Rs. 3.90 lakhs representing additional expenditure arising out of fluctuations in the rate of exchange at the time of repayment of loan instalments has been capitalised instead of being charged to the Profit & Loss Account.

2. Current Assets including Loans & Advances: Inventories-Schedule 'H'-Rs. 2,05,95,92,980**(a) Stock-in-trad~Rs. 1,45,80,81,273**

An off specification product for which the Corporation has lodged a claim with the Insurers for Rs. 9.61 lakhs, has been valued at Rs. 71.31 lakhs at the full rate as the Corporation expects to realise full value by blending the off specification product. At the rate applicable to such off specification product, the value works out to Rs. 34.55 lakhs.

(b) Raw-Materials-Rs. 33,12,03,708

Net shortages valued at Rs. 4.73 lakhs (shortages Rs. 9.71 lakhs-excesses Rs. 4.98 lakhs) noticed during physical verification of bonded and duty paid stock of steel have not been adjusted in arriving at the value of raw-materials.

(c) Stores and spares, etc.-Rs. 25,78,66,591

This includes Rs. 20.11 lakhs being the value of 'Capital Goods in Stock' (Rs. 14.89 lakhs) and stores consumed in previous years (Rs. 5.22 lakhs).

3. Book Debts-Schedule 'I' — Rs. 52,36,27,731

No provision has been made for Rs. 4.52 lakhs shown as due from a party for petroleum products stated to have been supplied to it during June, 1972 to May, 1973 but the receipt of which has been denied by the party.

4. Loans and Advances-Schedule 'J' - Rs. 1,18,23,22,472**Claims recoverable-Unsecured Considered Good-Rs. 20,60,41,046**

The above amount includes rejected claims (Rs. 50.86 lakhs) and claims under consideration on *ex-gratia* basis (Rs. 13.14 lakhs).

5. Current Liabilities & Provisions-Schedule 'K' -Rs. 3,30,71,82,876

No provision has been made for the liabilities aggregating Rs. 422.80 lakhs (Rs. 65.80 lakhs on revenue account and Rs. 357 lakhs on capital account).

6. Schedule 'R' -Notes on the accounts for the year ended 31st March, 1975**(i) Note 1 (a) (i)**

The Contingent liability of Rs. 1,041.67 lakhs in respect of central excise duty mentioned in the Note includes an amount of Rs. 657.82 lakhs which represents the duty payable on the fuel used in Gauhati and Barauni Refineries upto 16th December, 1970 and that payable in respect of Furnace oil declared as LDO in Barauni Refinery. Government have not accepted the request of the Company for waiver.

(ii) Note 14

The loss of Rs. 932.03 lakhs on account of processing of crude oil in other Marketing Companies' refineries during the year, referred to in the Note, includes the loss of Rs. 31.30 lakhs estimated to be incurred after 31st March, 1975 on the processing of closing stock of crude (including in transit).

PROFIT & LOSS ACCOUNT**A. INCOME****7. Sale of products and crude and transfer under product exchange-Rs. 19,60,60,41,686 (Net)**

(a) The Company debited/credited under-recovery/super profits on sale of lubricants and greases to C & F Adjustment Account. During 1974-75, a super profit of Rs. 0.65 crore has been so credited. The net recoveries debited upto 31st March, 1974 amounted to Rs. 7.84 crores. Government's approval to these adjustments has not been received.

(b) The figure of Rs. 0.65 crore referred to above has been arrived at after taking into account the following :-

- (i) Debit for processing charges of lubricants and greases has been taken on notional basis as against the cost which was lower by Rs. 17.27 lakhs (previous year Rs. 16.52 lakhs). There is no sanction of the Government for this excess debit.
- (ii) Service charges amounting to Rs. 85.88 lakhs paid to the Research and Development Centre set up by the Corporation, have been charged without the sanction of Government.
- (iii) Rebate of Rs. 9.30 lakhs (approx.) allowed on sales of lubes to Indo-Burma Petroleum Company Limited in excess of the Government's orders of 3rd September, 1975 has been charged to the Block Control Account.

8. Company's use of own oil-Rs. 4,41,98,410

The supply of bunkers to the vessels chartered by the Corporation for international as well as coastal movement, though treated as Corporation's use of own oil, has been taken credit for at the selling price instead of at cost. The difference between the selling price and the retention price of bunkers (cost not known) in respect of international movement amounted to Rs. 55.63 lakhs and that (difference between selling price and cost) in respect of coastal movement amounted to Rs. 50.47 lakhs. This has resulted in overstatement of profit by Rs. 106.10 lakhs.

9. Main Installation Charges from other Marketing Companies-Rs. 1,13,27,105

This includes Rs. 55.74 lakhs received provisionally from other marketing companies during 1974-75 (Rs. 56.60 lakhs in 1973-74) subject to refund in the event of the supply agreements not being satisfactorily concluded.

10. Other Income - Schedule 'L' - Rs. 3,78,07,088

The above amount includes Rs. 5.56 lakhs representing recovery of capital expenditure.

B. EXPENDITURE**11. Purchase of Products and Crude for resale and transfers under product exchange Rs. 7,49,23,65,750**

Under the scheme of pricing of petroleum products, difference between the actual cost of imported and indigenous crude and the uniform price adopted for price fixation is reimbursable to/by the oil Companies by debit/credit to Crude Oil Price Equalisation Account. While working out the compensation in respect of imported crude, the Corporation has taken credit for Rs. 1.58 crores approx. (previous year Rs. 1 crore approx.) relating to bunker supplies, which is inadmissible under the Scheme. While calculating the amount to be credited by the Corporation to Crude Oil Price Equalisation Account, indigenous crude allocated to bunker supplies has been excluded resulting in short credit of Rs. 1.42 crores approx. (previous year Rs. 0.12 crore approx.).

As a result, the profit has been overstated by Rs. 3.00 crores approximately.

12. Manufacturing, Administration, Selling & Other Expenses-Schedule 'M' Rs. 6,33,65,81,310**Freight & Transportation Charges (net of recoveries from Pool Accounts)-Rs. 53,37,73,400**

A credit of Rs. 9.44 lakhs (previous years Rs. 26.81 lakhs) has been taken by debit to Freight Surcharge Pool on account of siding charges at Bombay which are not recoverable under the orders of Government.

13. Office Administration, Selling and Other Expenses-Schedule 'N' -Rs. 18,45,64,246**Office Administration, selling and other expenses-Rs. 10,88,67,269**

Above amount includes Rs. 75.36 lakhs spent on providing heating arrangements on 300 LSHS tank wagons belonging to Railways.

14. Expenses/Income pertaining to previous years-Schedule 'O' -Rs. 1,37,87,695

This amount does not include expenditure of Rs. 10.46 lakhs and income of Rs. 16.70 lakhs.



BALANCE SHEET**15. Reserves & Surplus-Schedule' B '-Rs. 1,25,10,11,436****General Reserve — Rs. 67,10,00,000****Profit & Loss Account Balance — Rs. 11,436**

These have to be considered having regard to non-provision/under-provision of various liabilities etc., indicated in the comments, particularly those mentioned in comment Nos. 1, 2(a), 2(b), 2(c), 3, 4, 5, 6(i), 7,8,10,11 and 12.

Dehra Dun,
The 28th September, 1975.

Sd/
(M. S. Sarna)
Member, Audit Board & Ex-Officio
Director of Commercial Audit.

ADDENDUM TO THE DIRECTORS' REPORT DATED 5TH SEPTEMBER, 1975

REPLIES TO COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES' ACT, 1956 ON THE ACCOUNTS OF THE INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1975

BALANCE SHEET**1. Fixed Assets****(i) Gross Block-Schedule' E '-Rs. 2,77,59,27,503**

Necessary adjustments will be carried out during 1975-76.

(ii) Construction Work-in-progress and Capital Goods in Stock-Schedule 'F Rs. 56,94,07,667

Adjustments as necessary will be carried out during 1975-76.

2. Current Assets including Loans and Advances : Inventories-Schedule' H '-Rs. 2,05,95,92,980**(a) Stock-in-trade Rs. 1,45,80,81,273**

No comments.

(b) Raw-materials-Rs. 33,12,03,708

The shortages have arisen because the physical verification was made by counting coils and calculating the weight on the basis of standard norms and not by taking actual weight; hence no adjustment is considered necessary.

(c) Stores & Spares etc.-Rs. 25,78,66,591

Necessary adjustments in respect of Rs. 14.89 lakhs will be carried out during 1975-76 and for the balance amount of Rs. 5.22 lakhs, adjustment as necessary, will be carried out on completion of the investigation.

3. Book Debts-Schedule 'I '-Rs. 52,36,27,731

No provision was deemed necessary as it is being ascertained as to whom the petroleum products were actually delivered by the railways. Necessary adjustments, if any, will be carried out thereafter.

4. Loans and Advances-Schedule 'J '-Rs. 1,18,23,22,472**Claims recoverable Unsecured Considered Good-Rs. 20,60,41,046**

The claims were under appeal and hence at that stage were considered recoverable.

**5. Current Liabilities and Provisions-Schedule' K '-Rs. 3,30,71,82,876
Rs. 65.80 lakhs on Revenue Account**

No formal claim has been made by the party for Rs. 45.29 lakhs. As the contract provides for an annual settlement based on actuals, difference if any, as compared to the provisional payments made

will be taken care of while our claim is settled by the Government under the Emergency Risk Insurance Scheme. Necessary adjustments for the balance amount of Rs. 2.13 lakhs will be made during the year 1975-76.

Rs. 357 lakhs on Capital Account

Rs. 355.80 lakhs out of Rs. 357 lakhs represent amount billed by the supplier for advance payment for which the terms and conditions have not been settled so far and hence the question of making provision in respect of this advance payment does not arise.

The observation for the balance amount is noted.

6. Schedule' R 'Notes on the Accounts for the year ended 31st March, 1975**(i) Note I (a) (i)**

As the demands in respect of Central Excise Duty have been disputed by the Corporation and the cases are pending in various stages of appeals, the amount has been shown as contingent liability.

(ii) Note 14

The valuation of stock has been made at cost or net realisable value whichever is lower. Hence, the loss on the closing stock of crude (and in transit) has been included in the Note 14.

PROFIT & LOSS ACCOUNT**A. INCOME****7. Sale of products and crude and transfer under product exchange- Rs. 19,60,60,41,686 (Net)**

(a) The audited statements upto the year 1973-74 have already been submitted to the Government and their approval is awaited. The audited statements for the year 1974-75 will be forwarded to the Government shortly.

(b) (i) The adjustments are made as per our interpretation of the Government's orders. Further, clarifications have also been sought from the Government. Adjustments, if any, arising out of such clarification will be carried out during the year 1975-76.

(ii) The cost has been charged as per terms settled with the Research & Development Centre. In our view Government's prior approval for this is not necessary.

(iii) The order of the Government dated 3rd September, 1975 was received after closing of the Accounts. Necessary adjustments, if any, will be carried out during the year 1975-76.

8. Company's use of own oil - Rs. 4,41,98,410

The bunker supplied to Corporation's chartered vessels is treated as consumption and not as sale on a consistent basis.

9. Main Installation Charges from other Marketing Companies-Rs. 1,13,27,105

The comments are noted.

10. Other Income (Schedule' L')-Rs. 3,78,07,088

The amount of Rs. 5.56 lakhs represents a part of the instalment payable by the customer as compensation for the use of the Corporation's assets and as such has been classified as revenue receipt.

B. EXPENDITURE**11. Purchase of products and crude for resale and transfers under Product Exchange Rs. 7,49,23,65,750**

The allocation of bunker quantities has consistently been made on a consistent uniform basis amongst IOC refineries, Collaborators' refineries and crude processed on behalf of IOC by other refineries. In respect of quantities of bunker allocated to IOC's refineries and the crude processed on account of IOC, in accordance with the provisions of the COPE Scheme, no adjustment is considered necessary.

12. **Manufacturing, Administration, Selling and other Expenses Schedule 'M**
Rs. 6,33,65,81,310

Freight and transportation charges (net of recoveries from Pool Account)-
Rs. 53,37,73,400

The credit for Rs. 9.44 lakhs is admissible as the sales have been made outside the Bombay Pricing Zone.

13. **Office Administration, Selling & Other Expenses-Schedule 'N 'Rs. 18,45,64,246**

Office Administration, Selling & Other Expenses-Rs. 10,88,67,269

Noted.

14. **Expenses/Income pertaining to previous years-Schedule 'O 'Rs. 1,37,87,695**

Noted.

BALANCE SHEET

15. **Reserves and Surplus-Schedule' B 'Rs. 1,25,10,11,436**

General Reserve Rs. 67,10,00,000

Profit & Loss Account Balance- Rs. 11,436

Our replies to points No.1, 2(a), 2(b), 2(c), 3, 4, 5, 6(i), 7, 8, 10, 11 and 12 above clarify the position.

For and on behalf of the Board of Directors

Bombay,
Dated 30th September, 1975.

C. R. DAS GUPTA
Chairman



INDIAN OIL INTERNATIONAL LIMITED

(UNDER LIQUIDATION)

LIQUIDATOR'S STATEMENT OF ACCOUNTS

AND

AUDITOR'S REPORT

FOR THE YEAR ENDED ON 31st MARCH, 1975



(UNDER LIQUIDATION)

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AUDITORS

Messrs. S. GHOSH & COMPANY,
Chartered Accountants,
BHARAT BHAWAN,
3, CHITTARANJAN AVENUE,
CALCUTTA - 13.

BANKERS

STATE BANK OF INDIA,
CHOWRINGHEE BRANCH,
CALCUTTA.

LIQUIDATOR

Shri N. S. SHIVANANDA.

REGISTERED OFFICE

INDIANOIL BHAVAN
JANPATH
NEW DELHI.



(UNDER LIQUIDATION)

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Liquidator's Statement

It may kindly be recalled that with the approval of the Members of the Company, IOIL was put into 'Members Voluntary Winding Up' from 30th August, 1974. The practicable date upto which the assets and liabilities could be taken into account was taken as 31st March, 1974.

The overall financial position of the Company as on 31st March, 1975 is summarised below:-

	Rs. p.
Paid-up capital invested by IOC	1,00,000.00
General Reserve	89,819.85
Depreciation Reserves	40,421.54
Total	<u>2,30,241.39</u>

On this date, the Company's liability towards its creditors was Rs. 5,818.81, out of which Rs. 4,000 have already been paid. The balance amount is yet to be disbursed due to the reason that the same is not being claimed by the parties despite various reminders. It is proposed to declare this amount as 'unclaimed' and deposit it with the Reserve Bank of India, under the provisions of the Companies Act.

The Company has to realise a sum of Rs. 3,673.06. This amount consists of Rs. 2,000 receivable from State Bank of India, Chowringhee, Calcutta and the balance of Rs. 1,673.06 due from the Indian Oil Corporation Ltd., Calcutta.

The Income-Tax Returns filed with the authorities in Nepal have already been finalised and dues also paid. However, the Returns filed with the Calcutta Income-Tax authorities for the years 1972-73 and 1973-74 are still pending. Necessary steps have been taken to expedite clearance of the cases through an Income-Tax Consultant at Calcutta.

New Delhi,
4th September, 1975.

Sd/
(N. S. SHIVANANDA)
Liquidator.



(UNDER LIQUIDATION)

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S.GHOSH & CO.,
Chartered Accountants.

Bharat Bhawan,
3, Chittaranjan Avenue
(Room Nos. C-8 & C-9),
CALCUTTA-700 013.

Dated, the 25th April, 1975.

Auditor's Report

on the Statement submitted by Voluntary Liquidator to the Registrar of Companies under Section 551 of the Companies Act, 1956 as amended

We have audited the Liquidator's Statement of Accounts from 1st April, 1974 to 31st March, 1975 including Annexures I, II, III, IV & V relating to Messrs. Indian Oil International Limited (In Liquidation).

We report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by the Companies Act, 1956 and Companies (Court) Rules, 1959, have been kept by the Liquidator so far as appears from our examination of those books.
3. The Liquidator's Account relating to Realisation and Disbursement is in agreement with the books and records produced before us.
4. In our opinion and to the best of our information and according to the explanations given to us, the Liquidator's Account including Annexure I (excepting item included in 1(a) in so far as they relate to estimate of the Liquidator and items 4, 5, 6 & 7), Annexures II, III, IV & V, give the information required by the Companies Act, 1956 and the Companies (Court) Rules, 1959 in the manner so required and give a true and correct view of the realisation and disbursement by the Liquidator.

SEAL

S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.

For **S. GHOSH & CO.**

Sd/
(S. GHOSH)
Chartered Accountant.



**(UNDER LIQUIDATION)
LIQUIDATOR'S ACCOUNT**

(To be filed in Duplicate)

1. Name of Company : INDIAN OIL INTERNATIONAL LTD.
2. Nature of proceeding : Members voluntary winding-up.
3. Date of commencement of winding up : 30th August, 1974
4. Date to which statement is brought down : 31st March, 1975
5. Name & address of Liquidator : N.S. Shivananda, Indian Oil Corpn. Ltd.,
Janpath, New Delhi-1.

LIQUIDATOR'S STATEMENT OF ACCOUNT PURSUANT TO SECTION 551 OF THE COMPANIES ACT, 1956.
LIQUIDATOR'S ACCOUNT FROM 1-4-1974 TO 31-3-1975.

			DETAILED ACCOUNT OF LIQUIDATOR'S							
			REALISATION							
Date	Of whom received	Nature of Assets realised	Revenue Receipts		SBI Collection A/c.		SBI Current A/c.		F. D. A/c	
			Rs.	p.	Rs.	p.	Rs.	p.	Rs.	p.
1st April	Balance				44,088.59		1,38,997.33			
29-8-1974	Indian Oil Corpn. E. Region	Towards debit balances due from them								1,75,000.00
7-9-1974	Misc. Receipts	Disposal of salvaged items of Motorist's Petrol Pump	5,692.07							
23-4-1974	Indian Oil Corpn., E. Region	Towards debit balance due from them					1,00,000.00			
17-12-1974	-do.-	-do.-					80,000.00			
31-3-1975	State Bank of India, Calcutta Interest due on F.D. Himalayan Petroleum Co. Pokhom-Lost DD credited to our account, less bank charges-to be refunded		5,250.00			3,986.00				
		Total carried down ..	10,942.07		48,074.59		3,18,997.33		1,75,000.00	

Notes :-

1. Statement has been prepared in a detailed manner so as to reflect realisation through various sources and disbursements through various sources. These totals have been duly verified with the Ledger balances as on 31-3-1975.
2. Rs. 2,974.63 reflect establishment expenses paid through State Bank of India, Calcutta current account and form part of total establishment expenses of Rs. 12,743.92 shown under revenue disbursements.



**(UNDER LIQUIDATION)
LIQUIDATOR'S ACCOUNT**

(To be filed in Duplicate)

1. Name of Company : INDIAN OIL INTERNATIONAL LTD.
2. Nature of proceeding : Members voluntary winding-up.
3. Date of commencement of winding up : 30th August, 1974
4. Date to which statement is brought down : 31st March, 1975
5. Name & address of Liquidator : N.S. Shivananda, Indian Oil Corpn. Ltd., Janpath, New Delhi-1.

Exhibit "A"
This is the Exhibit marked "A" referred to in the
affidavit of..... solemnly affirmed
before me this..... day..... of

COMMISSIONER

RELISATIONS AND DISBURSEMENTS

Date	To whom paid against which A/c.	Nature of disbursement Rs. p.	DISBURSEMENT			F. D. A/c. Rs. p.
			Revenue disbursement Rs. p.	SBI Collection A/c. Rs. p.	SBI Current A/c. Rs. p.	
	Office Maintenance expenses	333.45				
	Honorarium to Asstt. Secy.	450.00				
	Salaries and wages	644.80				
	Travelling expenses	7,866.21				
	Conveyance	10.79				
	Printing & Stationery	62.71				
	Misc. expenses	33.37				
	Postage, Telegram, Telephones	46.50				
	Entertainment expenses	240.39				
	Bank charges	85.70				
	Honorarium to Liquidator & Secy.	2,000.00				
	Liquidation expenses	220.00				
6-8-1974	Audit fee 1974-75	750.00	12,743.92		2,974.63	
"	S. N. Ranjit	Payment of ex penses incurred by Officer in 1973/74 for IOIL			404.65	
"	Indo Burmah Petroleum- Narayan & Co.	Refund of Cr. balance -do-			7,706.70 1,575.34	
"	N. S. Shivananda, CAO-Travelling advance				3,000.00	
"	Audit fee 1973-74				1,500.00	
"	M. L. Talwar-Imprest advance				1,500.00	
6-11-1974	I. C. M. Co-operative Petrol Pump—Refund of Cr. balance				1,698.90	
23-11-1974	Mahesh Trading, Dharan	-do-			1,099.71	
"	Mahabir Stores & Supplier, Biratnagar	-do-			343.28	
"	Suresh Oil Distributors, Birgunj	-do-			263.18	
"	Nepal Income Tax 1972-73-Assessment order				1,79,267.62	
	-do- 1973-74 -do-				43,935.96	
	Kedia Auto Service, Birgunj-Cr. balance				4,479.64	
20-12-1974	Ryapur Corpn. (P) Ltd., Bhairhwa		Cr. balance		718.65	
31-1-1975	Himal Iron and Steel, Parwanipur				3,179.03	
"	Shree Ambica Commercial Co., Gour				2,372.93	
"	Hiranand Ramesh Kumar, Birgunj				146.40	
"	Machine Oil Supply, Bhadrapur				103.46	
28-2-1975	Pashupati Kirana Stores, Kathmandu				1,437.30	
31-3-1975	Ratna Oil Stores, Kathmandu		Security deposit		1,437.30	
"	IOC creditors for oil supplies			25,886.03		
				14,025.94		
	- do -			4.96		
	Total carried down		<u>12,743.92</u>	<u>39,916.93</u>	<u>2,59,144.68</u>	<u>Nil</u>

3. Revenue Receipts and Disbursements are in the nature of income and expenditure account. The excess of disbursements of Rs. 1,801.85 over revenue receipts has been debited to General Reserve Account.
4. Fixed Deposit Account has been shown separately since it forms part of realisation from Indian Oil Corpn. Ltd. This has again been shown under Investments by Liquidator.
5. In furnishing this statement it is ensured that double entry principles have been fully followed and the figures given above have been cross-checked with trial balance as on 31-3-1975.



(UNDER LIQUIDATION)
LIQUIDATOR'S ACCOUNT
(To be filed in Duplicate)

ANALYSIS OF BALANCE

	Revenue Rs. Ps.	SBI Collection A/c. Rs. Ps.	SBI Current A/c. Rs. Ps.	Fixed Deposit Rs. Ps.	Total Rs. Ps.
Total realisations	10,942.07	48,074.59	3,18,997.33	1,75,000.00	
Total disbursements	12,743.92	39,916.93	2,59,144.68		
	(-)* 1,801.85	8,157.66	59,852.65	t1,75,000.00	2,43,010.31

* Represents Rs. 1,801.85 excess revenue disbursement over revenue receipts adjusted against credit balance in General Reserve.

t Represents payment by IOC at our request towards fixed deposit as part payment of dues from them.

The balance is made up as follows on 31-3-1975:

	SBI Current A/c. Rs. PS.	Fixed Deposit Rs. Ps.
1. Cash in the hands of Liquidator		
2. (a) State Bank of India, Calcutta—Current A/c.		
Total payments into bank including opening balance	3,24,689.39	Nil
Less :-Total withdrawals from Bank	<u>2,64,836.74</u>	59,852.65
(b) State Bank of India, Calcutta - Interest/receivable		8,157.66
(c) – do – Collection A/c. Balance at Bank as on 31-3-1975		<u>68,010.31</u>
**3 Amounts invested by the Liquidator:		
Fixed deposit/receipt with State Bank of India, Calcutta No.599064 dated 29th August, 1974.		1,75,000.00
Less: Amounts received by realisation of investment, Deduct profit or add loss on realisation of investment (carried into the account)		Nil
Balance under investment	Nil	
Total balance as shown above		<u>2,43,010.31</u>

** Notes: Here state whether it is winding up under supervision of court, or members' or creditors' voluntary winding up. If it is a winding up under the supervision of the court, the number of the petition or other proceeding in which the order was made and the date of the order should also be given.
Full details of investments made and realisations thereof should be given in a separate statement.

Notes: 1. During the period 1-4-1974 till the date of commencement of winding up there has been no transactions materially altering the position as on 31-3-1974. The audited accounts as on 31-3-1974 was also taken as the basis for filing the declaration of solvency.
2. Rs. 905.60 has been shown as due from Shri Talwar, Secretary as on 31-3-1975. This amount is being held by him to meet day to day expenses at Delhi since the company's current account is maintained at Calcutta.

SEAL
S. GHOSH & CO.
Chartered Accountants,
CALCUTTA.
25th April, 1975.

INDIAN OIL INTERNATIONAL LIMITED
Sd/
(N. S. SHIVANANDA)
Liquidator.
25th April, 1975.



(UNDER LIQUIDATION)
ANNEXURE TO THE ACCOUNT-I
STATEMENT OF ACCOUNT
Statement as to the position of the liquidation as on 31st March, 1975
(the date to which the statement is brought down)

		Rs.	Ps.		
I. ASSETS:					
(a) Assets not specifically pledged:					
Total amount of the estimated assets at the date of the commencement of the winding up				5,37,415.08	
Add: Amount recoverable from Indian Oil Corporation during 1974-75				1,673.06	
				<u>5,39,088.14</u>	
Less: Assets realised during the year				5,35,415.08	
Estimated value of Assets still to be realised (Rs. 2,000 SBI suspense + Rs. 1,673.06 from IOC)				<u>3,673.06</u>	
(b) Assets specifically pledged:					
		Book value	Value realised	Due to secured creditors	Surplus (+) or Deficiency (-)
		Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. PS.
1.	Immovable Property	Nil	Nil	Nil	Nil
2.	Goods not in possession	Nil	Nil	Nil	Nil
3.	Goods in possession	Nil	Nil	Nil	Nil
4.	Other property	Nil	Nil	Nil	Nil
	Surplus or deficiency from assets specifically pledged	Nil	Nil	Nil	<u>Nil</u>
II. LIABILITIES:					
		Total amount due	Amount paid	Amount outstanding	Remarks
		Rs. Ps.	Rs. Ps.	Rs. Ps.	
1.	Secured creditors	Nil	Nil	Nil	
2.	Preferential creditors	Nil	Nil	Nil	
3.	Debenture holders secured by a floating charge	Nil	Nil	Nil	
4.	Unsecured creditors:				
	Indian Oil Corporation Ltd., Calcutta	44,088.59			
	Add: Payable for expenses paid by IOC on behalf of IOIL during the year	4,057.49			
		<u>48,146.08</u>			
	Add: Receivable from IOC for credits wrongly given by Bank to IOC	1,673.06	49,819.14	41,585.03	8,234.11 (4,176.62+4,057.49)
	Liabilities for expenses				
	Add: Audit fee for 1974-75	1,679.66			
		<u>750.00</u>	2,429.66	1,500.00	929.66
	Other Liabilities				
	Payable to dealers having credit balance	28,785.01			
	Add: Lost DD traced out and credited by bank, refundable to Himalayan Petroleum Co.	4,000.00	32,785.01	26,966.20	5,818.81
	Nepal Income Tax 1972-73		1,38,986.70	1,79,267.62	– 40,280.92 Tax paid in excess of provision adjusted in General Reserve.
	Nepal Income Tax 1973-74		11,300.76	43,935.96	– 32,635.20 Tax paid in excess of provision adjusted in General Reserve.
	Indian Income Tax 1973-74		7,615.00	– 7,615.00	
				<u>22,597.58</u>	

SEAL
S. GHOSH & CO.
Chartered Accountants
CALCUTTA.
25th April, 1975.

Sd/
(N. S. SHIVANANDA)
Liquidator
25th April, 1975.



(UNDER LIQUIDATION)

ANNEXURE TO THE ACCOUNT-I-CONTD.

Index

III. TOTAL AMOUNT OF CAPITAL PAID UP AT THE DATE OF COMMENCEMENT OF 'WINDING-UP:

	<i>As on 1-4-74</i>	<i>As on 31-3-75</i>
	<i>Rs. Ps.</i>	<i>Rs. Ps.</i>
(a) Shareholders Equity		
Paid up capital		1,00,000.00
Issued as paid otherwise than in cash		<u>Nil</u>
		1,00,000.00
General Reserve and Surplus in Profit & Loss Account	1,64,537.82	
Less: Nepal Income tax paid in excess of provision as per assessment (Rs.40,280.92 + 32,635.20)	<u>72,916.12</u>	
	91,621.70	
Less: Expenses incurred during 197475 in excess of receipts	<u>1,801.85</u>	89,819.85
Depreciation Reserve		<u>40,421.54</u>
		<u>2,30,241.39</u>
(b) Calls (if any) made by the Liquidator:		
1. Date of call	Nil	
2. Rate of call	Nil	
3. Total amount realised on call	Nil	
IV. General description and estimated value of the outstandings still to be realised (if any)		Nil
V. Causes which delay the termination of the winding-up		No. I. T. assessments 1972-73, 1973-74 are still to b2 finalised by I.T.O.
VI. Period within which the winding-up may probably be concluded		31-3-1976
VII. Legal proceedings (if any), instituted, pending or concluded during the period		Nil

Name of court and number of -proceeding	Names of parties and their advocates	Nature of proceeding	State of proceeding	Nature of decree or order made, if any	Remarks
-----------------------------------------------	--------------------------------------------	----------------------------	---------------------------	----------------------------------------------	---------

N I L

If any actions or other proceedings are delaying the close of the liquidation, state shortly the nature and probable duration thereof. State also other circumstances tending to delay the winding-up of the company, or affecting the realised value of property or the cost of realisation.

Sd/-
(N. S. SHIVANANDA)
Liquidator
25th April, 1975.

SEAL
S. GHOSH & CO.
Chartered Accountants
CALCUTTA.
25th April, 1975.



(UNDER LIQUIDATION)

ANNEXURE - II

Liquidator's Trading Account (31-3-1975)

LIQUIDATOR OF THE ABOVE COMPANY IN ACCOUNT WITH THE ESTATE

Dr.			Cr.		
Receipts	Nil		Payments	Nil	
Date particulars	Rs.	Ps.	Date particulars	Rs.	Ps.
		Nil			Nil
		Nil			Nil

INDIAN OIL INTERNATIONAL LTD.,
Sd/
(N.S. SHIVANANDA)
Liquidator
25th April, 1975.

SEAL
S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.
25th April, 1975.

ANNEXURE -III

LIST OF DIVIDENDS OR COMPOSITIONS (31-3-1975)

I hereby certify that a dividend (or composition), of Nil..... Paise in the rupee was declared payable on or after the Nil..... of..... Nil..... 19..... Nil..... and that the creditors whose names are set forth below are entitled to the amounts set opposite their respective names, and have been paid such amounts except in the cases specified as unclaimed.

Number on list	Name of creditor	Amount of claim (as admitted) Rs. Ps.	Amount of dividend or composition	
			Paid Rs. Ps.	Unclaimed Rs. Ps.
Nil	Nil	Nil	Nil	Nil
				Total: NIL

INDIAN OIL INTERNATIONAL LTD.,
Sd/
(N. S. SHIVANANDA)
Liquidator
25th April, 1975.

SEAL
S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.
25th April. 1975.



(UNDER LIQUIDATION)

ANNEXURE - IV

Index

LIST OF AMOUNTS PAID OR PAYABLE TO CONTRIBUTORIES (31-3-1975)

Name of company: INDIAN OIL INTERNATIONAL LTD. (*In liquidation*)

I hereby certify that a return of surplus assets was declared payable to contributories on or after the ... **NIL.... day of Nil.....19..... Nil.....** at the rate of..... per share, and that the contributories whose names are set forth below are entitled to the amounts set opposite their respective names, and have been paid such amounts except in the case specified as unclaimed.

Sd/
(N. S. SHIVANANDA)
Liquidator
25th April, 1975.

Number on list	Name of contributories	Number of shares	Amount returned on share	
			Paid Rs. Ps.	Unclaimed Rs. Ps.
Nil	Nil	Nil	Nil	Nil
			Total: NIL	

INDIAN OIL INTERNATIONAL LTD.,
Sd/
(N.S. SHIVANANDA)
Liquidator
25th April, 1975.

SEAL
S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.
25th April, 1975.

ANNEXURE - V

Statement of unclaimed dividends and undistributed assets paid into the Companies Liquidation Account in the Reserve Bank of India during the period ended 31-3-1975.

Serial number	Name & address of creditor or contributory	Amount of dividend or undistributed assets payable or refundable	Date when payable or refundable to creditor or contributory	Date of payment into Companies Liquidation Account	Remarks
N I L					

INDIAN OIL INTERNATIONAL LTD.,
Sd/
(N. S. SHIVANANDA)
Liquidator
25th April, 1975

SEAL
S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.
25th April, 1975.



(UNDER LIQUIDATION)**RECONCILIATION OF AMOUNTS AVAILABLE AS AGAINST
SHAREHOLDERS' EQUITY**

Index

	Rs. P.
SBI, Calcutta, Current A/C. - 31st March 1975	59,852.65
Fixed Deposit	1,75,000.00
Interest receivable from SBI -	5,250.00
Total	<u>2,40,102.65</u>
<i>Add:</i> Receivable from IOC as per accounts signed by IOC	1,596.61
	<u>2,41,699.26</u>
<i>Less:</i> Due to shareholders as per statement	2,30,241.39
	<u>11,457.87</u>
<i>Add:</i> To be realised from SBI Suspense	2,000.00
Cash in hand with Sri Talwar	905.60
	<u>14,363.47</u>
This is represented by:	
Audit fee + Professional fee	929.66
Due to dealers-	
(Rs. 224.43 + 157.08 + 1,437.30 + 4,000.00)	5,818.81
Indian Income Tax 1973-74	7,615.00
	<u>14,363.47</u>

SEAL
S. GHOSH & CO.,
Chartered Accountants,
CALCUTTA.
25th April, 1975.

Sd/
(N. S. SHIVANANDA)
Liquidator.
25th April, 1975.



INDIAN OIL BLENDING LIMITED

A Wholly Owned Subsidiary of Indian Oil Corporation Limited.

ANNUAL REPORT FOR THE YEAR 1974-75



BOARD OF DIRECTORS

S. S. BUDHIRAJA	:	<i>Chairman</i>
R. GURUMOORTHY	:	<i>Managing Director</i>
K. L. GOEL	:	<i>Financial Director</i>
DR. J. S. AHLUWALIA	:	<i>Director</i>

SECRETARY:

J.K. WADHWA

BANKERS:

STATE BANK OF INDIA
FIRST NATIONAL CITY BANK

AUDITORS:

RATAN S. MAMA & CO.,
Chartered Accountants,
2-C, VULCAN INSURANCE BUILDING,
CHURCHGATE, BOMBAY-20

REGISTERED OFFICE:

PIR PAU, TROMBAY
BOMBAY-400 074

PLANTS:

BOMBAY & CALCUTTA

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the INDIAN OIL BLENDING LIMITED will be held at the Office of the Indian Oil Corporation Limited, situated at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay 400 025 on Saturday, the 20th September, 1975, at 12-00 noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account, Reports of the Auditors and Directors thereon for the Financial Year ended 31st March, 1975.
2. To declare a dividend.
3. To appoint Chairman in place of Shri S. B. Budhiraja, who retires at the end of the Annual General Meeting, and is eligible for re-appointment.
4. To appoint Financial Director in place of Shri K.L. Goel, who retires at the end of the Annual General Meeting, and is eligible for re-appointment.
5. To appoint Director in place of Dr. J.S. Ahluwalia, who retires at the end of the Annual General Meeting, and is eligible for re-appointment.

By Order of the Board,

J. K. WADHWA
Secretary

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 IOBL.

Cc: Messrs. Ratan S. Mama & Co., Chartered Accountants, Bombay.
Cc: Chairman, IOBL.

BOMBAY,

Dated: The 1st September, 1975.

Directors' Report to the Shareholders

Gentlemen

Your Directors are pleased to place before you the audited Profit & Loss Account for the year ended 31st March, 1975, and the Balance Sheet as at that date, which have been prepared in conformity with the requirements of the Companies Act, 1956.

FINANCIAL RESULTS

The Company has made a gross profit of Rs. 28,59,825 as against Rs. 17,75,596 during the year 1973-74. The comparative figures of gross profit, depreciation, provision for taxation, provision for development rebate, etc. are as under:-

	<u>1974-75</u>	<u>1973-74</u>
	Rs.	Rs.
Gross profit before depreciation and development rebate	28,59,825	17,75,596
Depreciation . . .	9,06,829	10,56,490
Provision for development rebate	19,500	1,63,318
Provision for taxation (including the liability of prior years of Rs. 3,46,000 made in 1974-75)	16,13,000	3,69,000
Net profit after tax	3,20,496	1,86,788
Add.. Income pertaining to prior years . .	2,82,736	6,665
Add.. Balance from last year's Profit & Loss Account	507	54
Net surplus available for distribution . .	6,03,739	1,93,507

GENERAL RESERVES & DIVIDEND

From the above surplus of Rs. 6,03,739, an amount of Rs. 6,00,000 has been transferred to the General Reserve, thus leaving a balance of Rs. 3,739 in the Profit & Loss Account to be carried forward. The balance of General Reserve brought forward from the last year amounted to Rs. 15,06,500 and after adding the current year's provision to General Reserve of Rs. 6,00,000 and deducting a dividend of Rs. 1,11,200 paid for the year ended 31-3-1974,

the General Reserve aggregates to Rs. 19,95,300. Out of the amount of the General Reserve of Rs. 19,95,300, your Directors recommend a dividend of Rs. 25 per equity share, aggregating to Rs. 2,00,000, being 5 per cent of the paid up capital, for the year ended 31-3-1975, in conformity with the provisions of the Companies (Temporary Restrictions on Dividends) Act, 1974.

FINANCE

As against the total authorised borrowing limit of Rs. 32 lacs, but approved limit of Rs. 25 lacs by the State Bank of India, the outstanding as on 31st March, 1975 was Rs. 8,13,975.

OPERATIONS

During the year, under review, the Bombay Plant had a throughput of 1,45,956 KLs and Calcutta Plant 70,806 KLs of lubes. As such, the Company had a total throughput of 2,16,762 KLs of lubes, as against 2,35,400 KLs during the preceding year. The Grease Plant at Bombay had a throughput of 2,767 MTs, as against 2,988 MTs during the last year. The throughput would have been higher, but for power cut, difficult supply position of base oils, additives and other raw materials as well as reduction in IOC's upliftment of secondary grade lubricants.

REVISION IN BLENDING FEES & PROFITABILITY

Due to general increase in prices as also the wage revision, the operating cost of the Plants increased during the year. To compensate for these factors and also keeping in view the drop in the IOC's upliftment, the Indian Oil Corporation Limited were approached to revise the blending fee with a view to ensure economic viability of the Company. The blending fee was agreed to be revised with retrospective effect from 1st April, 1974. This improved the profitability position of the Company and, but for the following reasons, the profitability of your Company would have been much higher.-

1. As a result of the long term agreement entered into with the Union in June, 1975, at Bombay and Calcutta with retrospective effect from 1st January, 1974, the



Company had to pay additional emoluments to the workmen. Also, the Dearness Allowance payable to the Officers was revised with effect from 1st August, 1974. The effect of these revisions in the emoluments upto 31st March, 1975 was approximately Rs. 6.50 lacs (including arrears of Rs. 1.11 lacs from 1-1-1974 to 31-3-1974). The wage bill of the Company for the year, under review, including the wage revision, as aforesaid, employer's contribution to Provident Fund and Bonus, and other employee benefits was up by Rs. 15 lacs, over the previous year.

2. Due to large reduction in upliftment of secondary grade lubricants, power cut, difficult supply position of additives and base oils in the major part of the year, the throughput of the Company came down by about 18,600 KLs of lubes and 220 MTs of greases, which, in turn, affected total earnings.

PROJECTS

The Clay Treatment Plant located at Calcutta is ready for making high demulsibility oils required for steel plants. However, the trial run is yet to be made and the same is expected to be conducted shortly. The extension of Office-cum- Laboratory building at Calcutta was completed during the year and the laboratory has been shifted to the ground floor for smooth and efficient functioning. IOC Cell and Canteen have also been shifted from the Warehouse to the new building, thus providing increased flexibility in the limited operational area available at the Plant.

RESEARCH & DEVELOPMENT AT BOMBAY PLANT

Equipment for research and development facilities valued at Rs. 88,168, including I.P. Roller Bearing Test Apparatus costing Rs. 67,098, is under installation.

PERSONNEL & WELFARE

The total number of employees stood at 440 as on 31-3-1975, compared to 445 during the preceding year. The total number of employees at Bombay, Calcutta and Madras as on that

date was 317, 109 and 14 respectively. The employee relations were satisfactory during the year. A long term agreement was entered into with the Unions at Bombay and Calcutta in June, 1975, revising their emoluments upward with effect from 1-1-1974.

PARTICULARS OF EMPLOYEES

The particulars of employees under the Companies (Particulars of Employees) Rules, 1975, required to be included in the Directors' Report, pursuant to Section 217(2A) of the Companies Act, 1956, are enclosed.

DIRECTORS

During the year, under report, Mr. Joseph Turner ceased to be the Director and Chairman, and Mr. D. T. MacDougall ceased to be the Technical Director with effect from 19th July, 1974. Shri S. B. Budhiraja was appointed Chairman of IOBL with effect from 18th September, 1974. He was re-appointed as Chairman with effect from 25th March, 1975. Shri R. Gurumoorthy was re-appointed as Managing Director of the Company for a period of three years with effect from 25th March, 1975. Dr. J. S. Ahluwalia was appointed as Director with effect from 18th September, 1974. He was re-appointed as Director with effect from 25th March, 1975. Shri K. L. Goel was re-appointed as Financial Director with effect from 25th March, 1975. All the Directors, other than the Managing Director, whose appointment is for a fixed term of three years, are liable to retire at the conclusion of the next Annual General Meeting, pursuant to Article 157 of the Articles of Association of the Company, but all these Directors, viz. Shri S. B. Budhiraja, Shri K. L. Goel and Dr. J. S. Ahluwalia, being eligible, offer themselves for re-election.

For Indian Oil Blending Limited

S. B. BUDHIRAJA
Chairman.

Bombay, Dated the 30th August, 1975.



RATAN S. MAMA & CO.
Chartered Accountants.

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
INDIAN OIL BLENDING LIMITED**

We have audited the attached Balance Sheet of Indian Oil Blending Limited as at 31st March, 1975 together with the Profit and Loss Account for the year ended on that date annexed thereto and report that:-

1. We could not verify the Quantities of Stock of Stores and Spares as at 31st March, 1975, since our appointment as Auditors of the Company took place after that date.
2. 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;
3. 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
4. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account and returns.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to-

Note No. 1 1 regarding provision for proposed dividend,

give the information required by the Companies Act, 1956 in the manner so required and subject to-

Note No. 6 regarding treatment of Gratuity liability give a true and fair view:-

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1975;

and

(ii) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.

2-C, Vulcan Insurance Bldg.,
77, Veer Nariman Road,
Bombay-400 020.

30th August, 1975.

For and on behalf of
RATAN S. MAMA & CO.
Chartered Accountants.

N. B. DARUVALA (F/6271)
Partner.



BALANCE SHEET AS AT 31ST MARCH, 1975

LIABILITIES		As at 31st March, 1974 Rs.	
		Rs.	Rs.
Share Capital	Schedule I	40,00,000	40,00,000
Reserves and Surplus	II	44,20,550	39,16,007
Unsecured Loans	III	8,13,975	22,54,664
Current Liabilities and Provisions	IV		
(a) Current Liabilities		21,72,374	17,31,104
(B) Provisions		32,79,323	4,05,667
		54,51,697	21,36,771
Contingent Liabilities	V		-----
Notes Forming Part of Accounts	X		
	TOTAL	1,46,86,222	1,23,07,442

The foregoing Balance Sheet together with Schedules I to VII and X is hereby authenticated by us.

R. GURUMOORTHY
Managing Director

K.L. GOEL
Financial Director

J.K. WADHWA
Secretary

Bombay, the 30th August, 1975.



BALANCE SHEET AS AT 31ST MARCH, 1975 (Contd...)

Index

ASSETS			As at 31st March, 1974 Rs.
	Rs.	Rs.	
Fixed Assets	Schedule VI	88,36,456	95,54,656
Capital Work-in-Progress	VI	5,34,066	3,21,865
Current Assets, Loans and Advances	VIII		
(a) Current Assets	31,36,061		14,68,387
(B) Provisions	21,79,639		9,62,534
		53,15,700	24,30,921

TOTAL		1,46,86,222	1,23,07,442

As per our report of even date.

For and on behalf of
RATAN S. MAMA & CO.
Chartered Accountant

N.D. DARUVALA (F/2671)
Partner



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1975

Index

	Rs.	Rs.	Previous Year Rs.
INCOME:			
Throughput, Blending & Manufacturing charges	1,13,83,781		91,43,485
Technical and Laboratory Service charges	<u>4,14,000</u>		<u>24,000</u>
		1,17,97,781	91,67,485
Interest		1,480	1,132
Miscellaneous Income		3,644	14,897
Profit on disposal of Assets		25,640	—
TOTAL INCOME		1,18,28,545	91,83,514
EXPENDITURE:			
Operating and other expenses (Per Schedule VIII)	86,44,508		72,53,198
Interest	1,76,527		1,44,583
Depreciation	9,06,829		10,54,794
Development Rebate Reserve	19,500		1,63,318
Loss on Sale/Scrapping of Assets	<u>11,526</u>		<u>11,989</u>
TOTAL EXPENDITURE		<u>97,58,890</u>	<u>86,27,882</u>
PROFIT BEFORE TAX:		20,69,655	5,55,632
Provision for Taxation (including Sur-tax on Profits Rs. 28,000/- Previous Year - Rs. Nil)		<u>12,67,000</u>	<u>3,69,000</u>
PROFIT AFTER TAX:		8,02,655	1,86,632
Expenses of Prior Year (including interest to Bank Rs. 25,648/- Previous Year - Rs. Nil)	1,36,159		648
Additional Provision for Taxation for Prior years	<u>3,46,000</u>		<u>—</u>
		<u>4,82,159</u>	<u>648</u>
		3,20,496	1,85,984
Excess Provision of earlier year (including Gratuity Rs. 2,67,302/- Previous Year -Rs. Nil)	2,75,747		7,151
Development Rebate Reserve Written back in respect of Assets sold	<u>6,989</u>		<u>318</u>
		<u>2,82,736</u>	<u>7,469</u>
DISPOSABLE PROFIT:		6,03,232	1,93,453
Balance brought forward from last year		<u>507</u>	<u>54</u>
		6,03,739	1,93,507
Appropriated to General Reserve		<u>6,00,000</u>	<u>1,93,000</u>
Balance carried to Balance Sheet		<u>3,739</u>	<u>507</u>

Additional Information Schedule IX

The foregoing Profit & Loss Account, together with Schedules VIII to X is hereby authenticated by us.

R. GURUMOORTHY
Managing Director

K. L. GOEL
Financial Director

J. K. WADHWA
Secretary

As per our Report of even date.
RATAN S. MAMA & CO.
Chartered Accounts
N. B. DARUVALA (F/6271)
Partner.

Bombay, 30th August, 1975,



SCHEDULES

Index

	Rs.	Rs.	Previous Year Rs.
SCHEDULE I			
SHARE CAPITAL			
Authorised:			
8,000 Equity Shares of Rs. 500/- each		40,00,000	40,00,000
Issued and Subscribed:			
8,000 Equity Shares of Rs. 500/- each fullypaid up (Current Year-all held by Indian Oil Corporation Ltd., the holding Company and its nominees)		<u>40,00,000</u>	<u>40,00,000</u>
SCHEDULE II			
RESERVES AND SURPLUS:			
1. Development Rebate Reserve:			
Balance per last Balance Sheet	24,09,000		22,46,000
Add: Amount set aside during the year	<u>19,500</u>		<u>1,63,318</u>
	24,28,500		24,09,318
Less: Amount written back in respect of assets sold	<u>6,989</u>		<u>318</u>
		24,21,511	<u>24,09,000</u>
2. General Reserve:			
Balance per last Balance Sheet	15,06,500		21,13,500
Add: Amount appropriated from Profit and loss Amount for the year	<u>6,00,000</u>		<u>1,93,000</u>
	21,06,500		23,06,500
Less: Dividend paid out for year ended 31-3-1974	<u>1,11,200</u>		<u>8,00,000</u>
		19,95,300	<u>15,06,500</u>
3. Surplus:			
Balance in Profit & Loss Account		<u>3,739</u>	<u>507</u>
		<u>44,20,550</u>	<u>39,16,007</u>
SCHEDULE III			
Unsecured Loan:			
SHORT TERM LOANS AND ADVANCES:			
From Bank	7,72,949		22,54,664
Interest accrued and due thereon	<u>41,026</u>		<u>—</u>
		<u>8,13,975</u>	<u>22,54,664</u>
<i>Note : The above Loan is guaranteed by Indian Oil Corporation Limited, the holding Company, by endorsing in favour of the Bankers, a Demand Promissory Note for Rs. 32,00,000 executed by the Company.</i>			
SCHEDULE IV			
Current Liabilities and Provisions:			
(a) Current Liabilities:			
SUNDRY CREDITORS:			
Amount due to Indian Oil Corporation Limited, the holding Company —a Company under the same management	17,488		22,320
Other Creditors	17,49,716		10,34,780
Other Liabilities	<u>4,05,170</u>		<u>6,74,004</u>
(b) Provisions:			
For Taxation		<u>21,72,374</u>	<u>17,31,104</u>
		<u>32,79,323</u>	<u>4,05,667</u>
		<u>54,51,697</u>	<u>21,36,771</u>
SCHEDULE V			
Contingent Liabilities:			
1. Claim for miscellaneous items (including claim for reimbursement of demurrage charges etc. of Rs. 89,953 by Indian Oil Corporation Ltd., the holding Company) not acknowledged as debts by the Company		2,14,600	1,84,806
2. Estimated amount of contracts remaining to be executed for capital account and not provided for		2,19,500	6,28,247



SCHEDULES Contd...

Index

**SCHEDULE VI -
FIXED ASSETS & CAPITAL WORK-IN-PROGRESS**

	GROSS BLOCK— AT COST			
	As at 1-4-1974	Additions including Transfers	Deductions including Transfers	As at 31-3-1975
	Rs.	Rs.	Rs.	Rs.
BUILDINGS	38,03,433	67,689	2,614	38,68,508
RAILROAD SIDING..	2,73,390	—	—	2,73,390
PLANT AND MACHINERY	1,23,43,214	1,52,975	—	1,24,96,189
FORKLIFT TRUCKS	8,47,122	—	2,26,275	6,20,847
FURNITURE, FIXTURE AND OFFICE EQUIPMENTS	8,38,322	21,488	1,401	8,58,409
MOTOR VEHICLES..	1,85,983	—	39,891	1,46,092
RESEARCH & DEVELOPMENT DEPT. EQUIPMENT & FITTINGS	3,17,161	7,213	—	3,24,374
TOTAL	1,86,08,625	2,49,365	2,70,181	1,85,87,809
<i>PREVIOUS YEAR</i>	<i>1,76,40,270</i>	<i>10,00,136</i>	<i>31,782</i>	<i>1,86,08,624</i>
<u>CAPITAL WORK-IN-PROGRESS</u>				
BUILDINGS .	1,17,994	1,61,405	71,163	2,08,236
PLANT AND MACHINERY	2,03,871	3,04,791*	1,82,832	3,25,830
TOTAL ..	3,21,865	4,66,196	2,53,995	5,34,066
<i>PREVIOUS YEAR ..</i>	<i>1,63,727</i>	<i>2,92,826</i>	<i>1,34,668</i>	<i>3,21,865</i>

*Includes capital expenditure incurred during the year of Rs. 88,168 for Research and Development Department



SCHEDULES Contd...

Index

**SCHEDULE VI -
FIXED ASSETS & CAPITAL WORK-IN-PROGRESS**

DEPRECIATION CAPITAL EXPENDITURE WRITTEN OFF			NET BLOCK		
Upto 31-3-1974	For Year	Adjusted on Sales/ Scrappings	Upto 31-3-1975	As at 31-3-1975	As at 31-3-1974
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10,48,059	1,66,986	372	12,14,673	26,53,835	27,55,375
1,53,958	11,943	—	1,65,901	1,07,489	1,19,433
66,76,107	6,01,734	—	72,77,841	52,18,348	56,67,107
4,34,051	36,608	1,79,281	2,91,378	3,29,469	4,13,071
3,32,432	65,685	380	3,97,737	4,60,672	5,05,890
92,205	16,660	29,415	79,450	66,642	93,779
3,17,160	7,213	—	3,24,373	1	1
90,53,972	9,06,829	2,09,448	97,51,353	88,36,456	95,54,656
80,14,624	10,56,490	17,146	90,53,968	95,54,656	96,25,646
				2,08,236	1,17,994
				3,25,830	2,03,871
				5,34,066	3,21,865
				3,21,865	1,63,727



SCHEDULES Contd...

Index

	Rs.	Rs.	Previous Year Rs.
SCHEDULE VII			
Current Assets, Loans and Advance:			
(a) Current Assets:			
Stores and Spare Parts:-At Cost (Per summarised inventories certified by the Mananging Director)	2,47,763		2,73,657
Sundry Debtors: Unsecured - Considered Good Due from India Oil Corporation Limited, the holding Company and a company under the same management:			
	Rs.		
Debts outstanding for a period exceeding six months	68,555		12,084
Other Debts	<u>27,99,628</u>		<u>11,56,222</u>
	28,68,183		11,68,306
(Maximum amount due at any time during the year Rs. 28,68,183 - Previous Year Rs. 11,68,306)			
Cash and cheques on hand	10,700		10,700
Bank balances : In current accounts with Scheduled Banks	<u>9,415</u>		<u>15,724</u>
		31,36,061	<u>14,68,387</u>
(b) Loans and Advances:			
(i) Unsecured, Consider Good:			
Due from Indian Oil Corporation Limited, the holding Company and a company under the same management (Maximum amount due at any time during the year Rs. 1,60,074 - Previous Year Rs. 13,512)	1,60,074		13,512
Due from others	2,26,850		1,89,027
Advance payment of income-tax	<u>16,43,694</u>		<u>6,62,118</u>
	20,30,618		8,64,657
(ii) Secured, Considered Good	<u>1,49,021</u>		<u>97,877</u>
		21,79,639	<u>9,62,534</u>
TOTAL		<u>53,15,700</u>	<u>24,30,921</u>



SCHEDULES Contd...

	Rs.	Rs.	Previous Year Rs.
SCHEDULE VIII			
OPERATING AND OTHER EXPENSES:			
Salaries, Wages, Allowances & Bonus (including Rs. 1,74,117 - Previous Year Rs. 1,83,479 paid to Contractors for Casual Labour)	56,44,898		43,68,739
Company's Contribution to:			
Employees' Provident and Family Pension Fund	3,10,484		1,99,657
Employees' State Insurance	24,380		29,551
		59,79,762	45,97,967
Gratuity:			
Provision			2,62,487
Paid during the year	14,825		—
		14,825	2,62,487
Staff Welfare and Benefits		5,83,939	4,56,028
Technical Director's Remuneration and Perquisites:			
Salary (including tax of Rs. 1,452 - Previous Year Rs. 18,585 borne by the Company)	12,194		54,584
House Rent	4,297		14,400
Medical Expenses	10		438
Passage Money and Shipping Charges of personal effects on termination of contract on 19.7.1974 (Previous year - Home Travel Expenses)	92,785		38,271
		1,09,286	1,07,693
(Use of Office car with Driver for four months per Income Tax Rules Rs. 1,800 - Previous Year - for full Year Rs. 1,800)			
Fuel, Power and Water Charges		7,65,595	4,87,484
Stores Consumed		1,47,578	1,63,203
Rent		1,04,180	1,01,380
Rates and Taxes		96,227	90,317
Licence Fees		19,361	20,113
Material Handling (Forklift Truck) Expenses		1,38,591	1,57,674
Equipment Rental		3,065	2,800
Repairs and Maintenance of:			
Building	27,569		1,06,196
Plant and Machinery	2,07,854		2,91,071
Railway Siding	46,463		25,621
Others	34,358		25,361
		3,16,244	4,48,249
Insurance (including Emergency Risk Insurance Premium of Rs. 360 -Previous Year Rs. 870)		40,827	38,957
Miscellaneous Expenses:			
Travelling and Conveyance	1,19,885		1,05,338
Printing and Stationary	35,913		36,097
Postage, Telegrams & Telephones	74,773		68,723
Freight and Cartage (Outward)	3,770		3,729
Bank Charges	5,646		6,299
Subscriptions & Membership	2,890		2,740
Advertisement	3,600		15,630
Entertainment Charges	5,688		14,275
Legal & Professional Charges	12,692		8928
	Rs.		
Payment to Auditors:			
As Auditors	10,000		10,000
For Taxation matters	Nil		3,000
		10,000	13,000
General Charges	50,171		44,087
		3,25,028	3,18,846
TOTAL		86,44,508	72,53,198



SCHEDULES Contd...

SCHEDULE-IX

Additional information pursuant to paras 3, 4C & 4D in part II of Schedule VI, to the Companies Act, 1956:

	As at 31.3.1975		As at 31.3.1974	
	Lubs (Kilo Ltrs.)	Greases (Metric Tonnes)	Lubs (Kilo Ltrs.)	Greases (Metric Tonnes)
1. Capacity & Production				
(i) Licensed Capacity	2,50,000	4,536	2,50,000	4,536
(ii) Installed Capacity	2,50,000	4,536	2,50,000	4,536
	<u>Current Year</u>		<u>Previous Year</u>	
(iii) Actual Production	2,16,762	2,767	2,35,340	2,988
Note: The Company does not produce any goods on its own account but processes materials received by it from Indian Oil Corporation Ltd., the quantities mentioned above relate to such processing operations.				
2. (i) Raw Materials Consumed	NIL		NIL	
(ii) Goods produced:				
Opening Stock	NIL		NIL	
Closing Stock	NIL		NIL	
Note: The Company does not purchase or acquire any new materials nor does it produce any goods on its own a/c but processes materials supplied by Indian Oil Corporation Limited, hence quantities of Raw Materials consumed and stocks of goods produced are stated as NIL.				
3. Turnover (Processing Fees)				
(i) Lube Blending - Kilo Ltrs.	2,16,762		2,35,340	
Rupees	1,06,08,842		86,01,670	
(ii) Grease Manufacturing - Metric Tonnes	2,767		2,988	
Rupees	7,74,939		5,41,815	
4. (i) Number of employees who were in receipt of remuneration, excluding provision for Gratuity, which in the aggregate was not less than:-				
(a) Rs. 36,000 for the year (employed throughout the year)			4	3
(b) Rs. 3,000 per month (employed for a part of the year)- excluding Technical Director			Nil	Nil
(ii) Break-up of the Expenditure incurred on the above employees:-				
	<u>Rs.</u>		<u>Rs.</u>	
Salaries and Bonus	1,49,670		1,11,625	
Contribution to Provident & Family-Pension Funds	9,409		7,499	
House Rent	14,700		14,700	



SCHEDULES Contd...

	<u>As at 31.3.1975</u>	<u>As at 31.3.1974</u>		
	Rs.	Rs.		
Perquisite for use of Office Car with Driver	13,500	2,700		
Leave Travel Allowance	3,296	2,700		
5. (i) Value of imports on C.I.F. Basis:				
Raw Materials	Nil	Nil		
Components & Spare Parts	30,772	25,407		
Capital Goods	37,560	83,602		
(ii) Expenditure in Foreign Currency:				
Royalty	Nil	Nil		
Know-how	Nil	Nil		
Professional Consultation Fee	Nil	Nil		
Interest	Nil	Nil		
Other matters	Nil	Nil		
(iii) Value of Raw Materials, Components and Spare Parts Consumed:				
	<u>Value</u>	<u>Percentage</u>	<u>Value</u>	<u>Percentage</u>
	<u>Rs.</u>	<u>of Total</u>	<u>Rs.</u>	<u>of Total</u>
Imported: Raw Material	Nil	Nil	Nil	Nil
Components & Spare Parts	8,918	6	4,113	2
Indigenous: Raw Materials	Nil		Nil	
Components & Spare Parts	1,38,660	94	1,61,061	98
Total	1,47,578	100	1,65,174	100
(iv) Remittance in Foreign Currency:				
Dividends (Net after Taxes)	Nil		Rs. 2,97,090	
Number of Non-Resident Shareholders	Nil		4	
Number of Shares (Equity) held by them	Nil		4,000	
(v) Earnings in Foreign Exchange:				
Export of Goods on FOB Basis	Nil		Nil	
Royalty, Know-how, Professional & Consultation				
Fees	Nil		Nil	
Interest and Dividends	Nil		Nil	
Other Income	Nil		Nil	



SCHEDULES Contd...

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SCHEDULE-X

NOTES FORMING PART OF ACCOUNTS:

1. The Company became a wholly owned subsidiary of Indian Oil Corporation Limited (a Government Company) with effect from 5th September, 1974, on the latter and its nominees becoming the registered Shareholders of the entire Paid-up Share Capital of the Company.
2. Depreciation of Rs. 9,06,829 charged in the accounts for the current year includes a sum of Rs. 7,213 being capital expenditure on scientific research written off pursuant to Section 35 of the Income-tax Act, 1961.
3. The Company's applications for grant of Tax Credit Certificates under Section 280 ZB of the Income Tax Act, 1961 for Assessment years 1969-70 and 1970-71 are pending before Income Tax Authorities. The value of Tax Credit Certificates that the Company may be entitled to, cannot be ascertained in view of pending appeals and will be considered in the accounts upon realisation after finalisation of pending appeals.
4. The items and amounts (including provision for Taxation and advance payment of Taxes) in respect of the previous year have been regrouped and recast where necessary, to make them comparable with those of the current year.
5. The Income Tax authorities desire to treat the Company as a Company in which the public are not substantially interested. This is being contested by the Company. No provision has been made in the accounts for the additional tax liability if the Company is held to be a Company in which the public are not substantially interested - amount unascertained.
6. Upto last year the Company was providing for Gratuity on the basis of actual liability under Payment of Gratuity Act, 1972 and deducting therefrom payments made to persons who have left employment retired during the year. This year the amount of Rs. 14,825 paid to such retired employees is charged to Profit and Loss Account.

The Company has now decided to adopt the Group Gratuity-cum-Life Insurance scheme of the Life Insurance Corporation of India. The Life Insurance Corporation of India requires the Company to pay premium of Rs. 2,98,475 to cover the Liability upto 31st July, 1975. This premium will be paid by the Company upon the Scheme being finalised.

Separate figure of premium payable for the year ended 31st March, 1975 chargeable to current year's profit, is not ascertained.

The liability provided for in the Company's books as per Balance Sheet as at 31st March, 1974 stood at Rs. 5,65,777 and the excess provision of Rs. 2,67,302 is reversed in the accounts for this year.

The effect of the change in method of accounting is that the Profit and Loss account is not debited with Rs. 3,33,978 being the actual Gratuity amount for the current year.
7. The Company has, during the year, changed the manner of presentation of " Advance Taxes " and " Provision for Taxation " in respect of completed assessments in the final accounts. Advance payment of income tax shown under " Current Assets, Loans and Advances " represents net Advance Payments after deducting accepted liability for completed assessments. Provision for taxation shown under " Provisions " represents net provision after deducting accepted liability for completed assessments.

If similar manner of presentation was followed in the accounts for the year ended 31st March, 1974, the comparative figures in the previous year column under advance payment of tax would read as Rs. 19,22,774 instead of Rs. 6,62,118 and under " Provision for Taxation " as Rs. 16,66,323 instead of Rs. 4,05,667.
8. Remuneration payable to auditors (provision Rs. 10,000) is subject to approval of the central Government (Company Law Board).
9. Advance of Rs. 19,700 to Bombay Port Trust represents amount paid.-

	Rs.
(i) for diverting and laying new cables - amount paid during the year ended 31-3-1968	18,200
(ii) against legal expenses for lease deed	1,500
	19,700

As the relevant expenses statements have not been received from the Bombay Port Trust, no provision or adjustment has been made.

10. The Company had acquired land on lease at Bombay and Calcutta from Bombay and Calcutta Port Authorities respectively. Additional land was acquired at Calcutta in December 1972. The lease agreement for land at Calcutta was executed on 22nd May, 1971 and the agreements for land at Bombay and for additional land at Calcutta have not yet been executed.
11. The Board of Directors at their meeting held on 30-8-1975 have recommended a dividend of Rs. 25 per Equity Share aggregating to Rs. 2,00,000 for the year ended 31st March, 1975. However, no separate provision is made for the same. The dividend as and when declared by the Shareholders will be paid out of General Reserve.



Addendum to the Directors' Report dated 30-8-75

The following remarks are offered on the report of the Statutory Auditors dated 30th August, 1975 to the Shareholders under Section 227 of the Companies Act, 1956 on the accounts for the year ended 31st March, 1975:

Item No. 1

Note no. 1 :— Verification of Inventories : The physical inventory of stock of stores and spares as on 31st March, 1975 was taken on 1st April, 1975 and was certified by the Managing Director. The statutory auditors, Messrs, Ratan S. Mama & Co., were appointed by the Government of India, *vide* letter No. 17/393/74-IOC dated 10th April, 1975 i.e., after the close of the financial year and therefore could not participate in the physical verification.

Item no. 5

Note no. 11:— Provision for proposed dividend : The note is self explanatory

Note No. 6:—Treatment of Gratuity Liability : The note is self explanatory

(S. B. BUDHIRAJA)
Chairman

1st September, 1975

**COMMENTS OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 619(4) OF THE
COMPANIES ACT, 1956.**

I am to state there are no comments upon the Auditor's Report under Section 619(4) of the Companies Act, 1956, on the accounts of Indian Oil Blending Limited for the year ended 31st March, 1975.

(M.S. SARNA)
*Member, Audit Board and
Ex-Officio Director of Commercial
Audit*

DEHRADUN,

Dated 3rd September, 1975.