

ANNUAL
REPORT
1976-77



INDIAN OIL CORPORATION LIMITED

PERFORMANCE AT A GLANCE

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
REFINERIES THROUGHPUT in million tonnes	6.72	6.91	6.99	7.86	9.23	9.73
PIPELINES THROUGHPUT in million tonnes	3.22	3.23	3.22	3.70	3.83	3.92
SALES in million kilo litres	13.68	16.00	17.31	18.27	18.51	19.50
(Rs. Crores)						
TURNOVER	862.04	996.15	1,240.76	1,960.60	2,421.63	2,663.39
PROFIT - before depreciation & interest & tax provision	51.34	63.09	60.71	79.23	86.66	129.63
PROFIT-before depreciation & tax provision	46.90	59.64	56.84	70.50	81.54	127.87
PROFIT - after depreciation & interest but before tax provision	34.97	46.08	41.55	50.76	55.67	106.33
PROFIT - after depreciation & interest & tax provision	29.97	19.08	20.55	29.26	33.17	48.33
PROFIT - after depreciation & interest & tax provision and after prior year adjustments	31.94	22.17	9.81	30.64	29.91	48.41
DUTIES PAID	408.66	454.38	519.61	606.45	651.82	690.72
LOANS REPAID - from internal resources	11.36	11.48	11.54	10.99	6.05	6.32
DIVIDENDS PAID	4.98	4.98	3.56	5.69	5.69	7.13
RESERVES & SURPLUS Cumulative	76.71	93.90	100.16	125.10	149.32	190.60

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BOARD OF DIRECTORS:

C.R. Das Gupta
R.N. Bhatnagar (upto 3-4-1977)
R.M. Bhandari (upto 34-1977)
S.B. Budhiraja
Joy Joseph (from 4-7-1977)
S.Vasudevan (upto 14-2-1977)
S.L. Khosla (from 14-2-1977)
C.Venkataramani
L Kumar
A.K. Ghosh
P.C. Mitra
Rajni Patel (upto 7-4-1977)
N.S. Ramaswamy (from 22-12-1976)
A.J. A. Tauro (from 22-12-1976)

SECRETARY:

D.B. Puri

BANKERS:

State Bank of India

JOINT AUDITORS:

Mls. S. B. Billimoria & Co.
Mls. Ray and Ray.

BRANCH AUDITORS:

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

REGISTERED OFFICE AND MARKETING

DIVISION HEADQUARTERS:

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

MARKETING DIVISION

REGIONS:

Bombay, New Delhi, Calcutta, Madras

REFINERIES & PIPELINES

DIVISION HEADQUARTERS:

Indianoil Bhavan, Janpath
New Delhi-i 100 001

REFINERIES:

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



NOTICE

Notice is hereby given that the 18th 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 400025 at 1430 hours on Wednesday, the 31st August 1977 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, 1977.
2. To declare the dividend.
3. To appoint Director in place of Shri S. L. Khosla, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
4. 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.
5. 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.
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 Prof. N. S. Ramaswamy, who retires at the end of the Annual General Meeting and is eligible for re-appointment.
9. To appoint Director in place of Shri A. J. A. Tauro, who retires at the end of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board,

D.B. PURI

Secretary

Bombay, Dated: 18th August, 1977

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 1976-77

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 18th Annual Report on the working of the Corporation for the financial year 1976-77 along with the audited Statement of Accounts.

FINANCIAL RESULTS

Your Corporation had excellent working results during the year. The profit before tax of Rs. 106.33 crores for the year is the highest ever achieved. This higher profit is mainly due to higher production and sales, improvement in the product pattern and the increase under Arbitration Award in the price payable for a product by a customer. However, the profitability of the Pipelines operations has been severely eroded since 14th July, 1975 by the decisions of the Government of India on the basis of the Interim Report of the Oil Pricing Committee and your Corporation has requested Government of India for reconsideration of the system of remuneration.

The comparative profit figures for the last three years are as under :-

	(Rs. in crores)		
	1976-77	1975-76	1974-75
Gross Profit (before depreciation, interest and tax provision)	129.63	86.66	79.23
Interest	1.76	5.12	8.73
Depreciation	21.54	25.87	19.74
Profit before tax	106.33	55.67	50.76
Provision for taxation	58.00	27.00	21.50
Net Profit for the year	48.33	28.67	29.26
Prior Year Adjustments (net)	(+) <u>0.08</u>	(+) <u>1.24</u>	(+) <u>1.38</u>
Disposable Profit	<u>48.41</u>	<u>29.91</u>	<u>30.64</u>
Out of the above disposable surplus for 1976-77, your Directors have recommended the following appropriations :-			
Proposed Dividend @ 10%	..	Rs. 7,12,97,748	
Transfer to Insurance			
Reserve Account	..	Rs. 10,00,000	
Transfer to General Reserve	..	Rs.41,17,73,322	
Balance carried forward	..	Rs. 52,094	
Total	..	<u>Rs.48,41,23,164</u>	



Dividend

Having regard to the very satisfactory working results, your Directors have recommended payment of the Dividend @ 10% and this will absorb an amount of Rs. 7,12,97,748.

Networth

The networth of your Corporation after appropriations increased by Rs. 52.28 crores and stood at Rs. 272.77 crores as at 31-3-1977.

FINANCING

Your Corporation issued fully paid up new equity shares of the value of Rs. 11 crores to the President of India thus raising paid up capital to Rs. 82,17,72,000.

During the year, the Corporation received further loans of Rs. 11.00 crores from the Government of India and Rs. 0.59 crore from Oil Industry Development Board. After taking into account repayments and adjustments totalling to Rs. 6.41 crores against previous loans from the Government and others, the net increase in the unsecured loans amounted to Rs. 5.18 crores as at 31-3-77.

Internal resources generated during the year amount to Rs. 62.56 crores, as follows :-

Depreciation	..	..	Rs. 21.28 crores
Retained profit	..	..	Rs. 41.28 crores
		Total	Rs. 62.56 crores

The capital employed including construction work in progress as on 31st March, 1977 totalled to Rs. 320.02 crores as against Rs. 263.29 crores as at the end of the previous year. Net Fixed Assets including work in progress and capital goods in stock increased during the course of year by Rs. 71.23 crores.

OUTSTANDINGS

The book debts increased from Rs. 46.69 crores as at 31-3-76 to Rs. 90.93 crores as at 31-3-77 as a result of other oil companies being allowed the benefit of credit from foreign suppliers of crude actually imported by your Corporation. After excluding dues from other oil companies on account of crude sales, the outstandings were brought down to Rs. 32.04 crores from Rs. 34.59 crores as on 31 -3-76.

INVENTORIES

As at 31-3-77 the inventories were higher, at Rs. 193.31 crores as against Rs. 182.01 crores in the previous year and the increase of Rs. 11.30 crores is mainly attributable to a higher crude inventory and the semi-finished lube base stocks held at the Haldia Refinery.

OPERATIONS**REFINERIES**

During the year 1976-77 the four operating refineries of the Corporation *i.e.* Gauhati, Barauni, Gujarat and Haldia processed 97,30,509 tonnes of crude oil, 4,99,773 tonnes more than the previous year *i.e.* an increase of 5.4 per cent. Record throughput has been recorded in all the refineries. Except in Barauni, the throughput has also been higher than target and except for Haldia the product recovery as a percentage of throughput has also been higher than previous year.

Barauni:- In the case of Barauni Refinery, the crude oil processed was slightly less than the target because the different units of the refinery had to be shut down for a period varying from 11 to 26 days due to heavy rains floods in September, 1976. In spite of the dislocation in operations due to rains/floods, the shortfall in throughput was substantially made up during the latter part of the year. As a result of special efforts made in the disposal of LSHS, it was possible to increase the despatches of LSHS from 262 thousand tonnes in 1975-76 to 294.2 thousand tonnes in 1976-77 resulting in an increase in the crude throughput and the production of Phenol Extract (a feed stock for Carbon Black manufacture) has also been increased and the production was 72.1 thousand tonnes in 1976-77 as against 66.7 thousand tonnes in 1975-76.

Gauhati:- During the year, Gauhati Refinery faced a crisis in the Power House due to failure of boilers which resulted in a crude throughput loss of about 25 thousand tonnes in the second quarter, which was not only made up in the subsequent quarters but also the refinery surpassed the target set for the year and achieved a record throughput of 8,41,295 tonnes which is about 12 per cent higher than the designed capacity.

Gujarat:- While achieving the highest throughput so far, the refinery registered during the year the highest ever production of LPG



CHART-1

CONSUMPTION PATTERN OF PETRO-LEUM PRODUCTS IN INDIA

UNITS IN MILLION TONNES

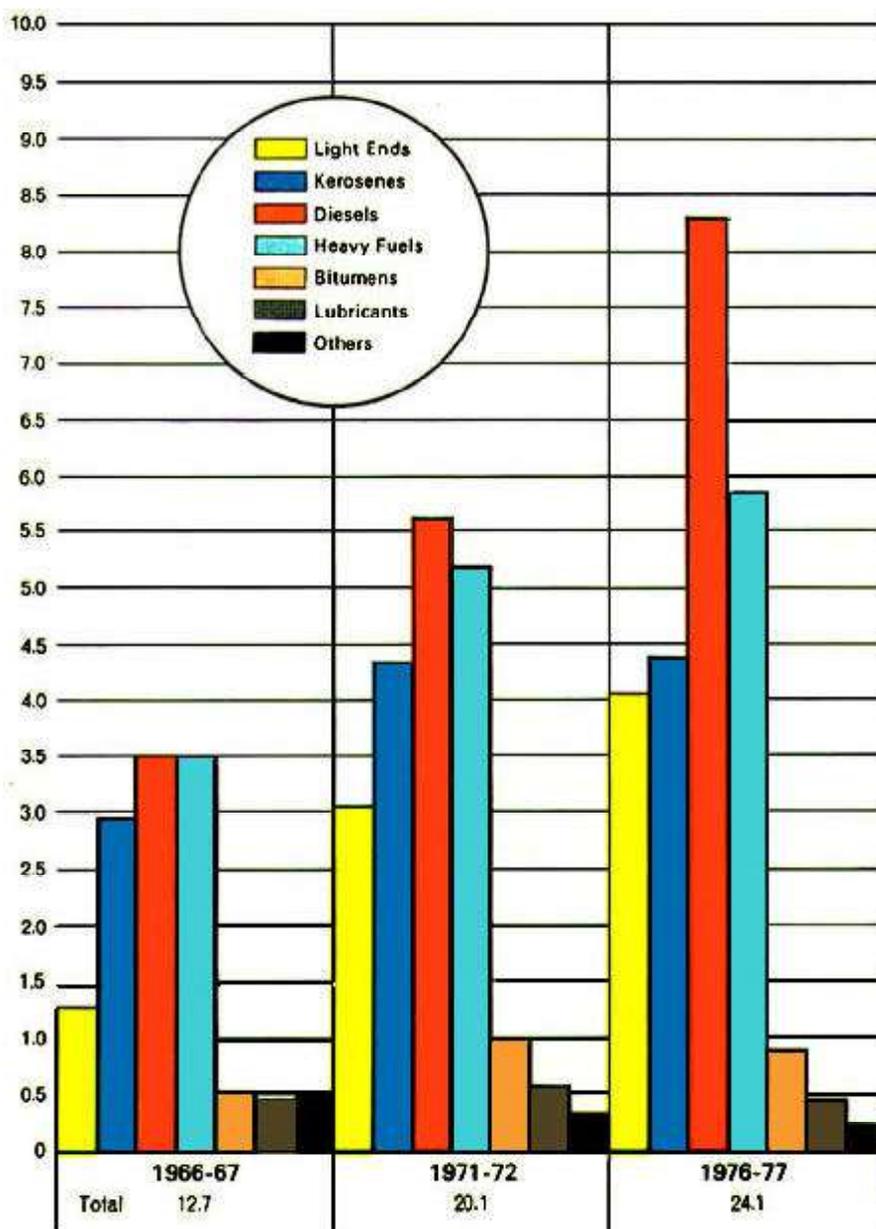
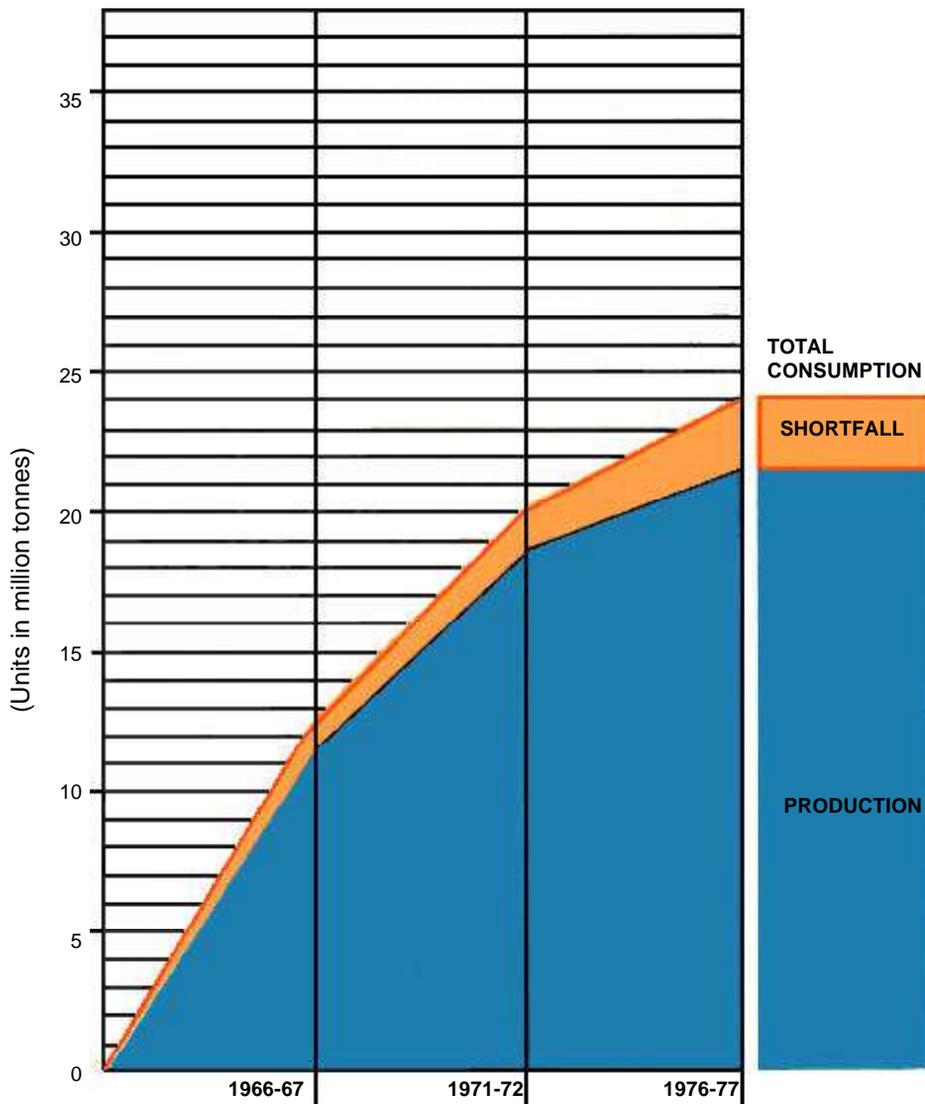


CHART-2

CONSUMPTION AND PRODUCTION OF PETROLEUM PRODUCTS IN INDIA



NOTE: At the end of 1976-77 the Refineries except AOC were under Public sector and hence the bifurcation of Private sector and Public sector for earlier years also not indicated



(95,400 tonnes), Benzene (45,752 tonnes) and Toluene (12,353 tonnes). In order to process an increasing quantity of North Gujarat crude and thus reduce import of crude, new customers for LSHS were developed and a new installation for handling LSHS was set up at Bassein.

Work is fast progressing on the refinery expansion and the overall progress on construction is now over 50 per cent. The process design work has been completed and updated and detailed engineering work is substantially complete. Orders for procurement of most of the equipment and materials from indigenous and from foreign sources have been finalised. Substantial progress has been made in the major construction activities such as civil and structural works for units/off sites, storage tanks fabrication and erection, cooling towers, fire water tanks and cooling water pumps control room and sub-station, product loading gantries, fabrication and erection of heaters, mechanical equipment erection, off-side piping and waste water treatment plant etc. The mechanical completion of the expansion project is expected to be achieved by first quarter of 1978.

The feasibility report on Secondary Processing facilities was submitted to the Government in January, 1976 and the Government's approval was received in February, 1977. The work for the process design, engineering, procurement, construction supervision and commissioning activities on the project has been entrusted to M/s. Engineers India Limited.

Haldia:- The Refinery has been designed for processing 2.5 million tonnes of crude oil. However, the refinery has been operating as a balancing refinery in the Eastern Sector and the throughput is being regulated as per the crude allocations by the Government of India from time to time depending upon the product requirements from this refinery after maximizing throughput of indigenous crude in three indigenous crude based refineries in Eastern Sector.

The lube sector units were completed during the year and put on trial run. The performance test runs for Vacuum Distillation, Propane De-asphalting and Furfural Extraction Units have been carried out during the year. In the case of Solvent Dewaxing Unit, some equipment deficiencies were observed during the trial runs and are being rectified. The despatches of lube oils commenced in

March, 1977. The production of lubes is being progressively increased. The refinery is the only unit in the country producing the Bright Stocks (a premium quality lube base stock) which hitherto had been imported.

Mathura Refinery Project:- U.S.S.R. have already supplied 18,860 tonnes of equipment and materials out of the total of 32,542 tonnes contracted for supply. A good portion of the working drawings have also been received from U.S.S.R.

The design and engineering for on-site units and off-site facilities not covered under U.S.S.R. scope of work is being done by M/s. Engineers India Limited and is in progress. Orders have been finalised for the purchase of critical and long delivery items and action for procurement of other equipment and materials is being taken as per the procurement schedule. M/s. Bharat Heavy Electricals Limited have been entrusted with the supply and construction of the power plant on a turn key basis.

Out of the 176 houses included under Stage-I of Phase-I, 88 have been completed. The construction of a 24 rooms hostel and other allied works in the township are in progress. Contract has been awarded for 148 houses under Stage-II of Phase-I and the construction for the same is in progress.

As per schedule, the refinery shall be mechanically completed by December, 1979 and shall be ready for commissioning by April, 1980.

Maintenance and Technical/Audit:- The Maintenance and Inspection Departments both at the Divisional Head Office and in the Refineries continued to strive for reducing the downtime of the units by introducing modern methods of planning, better inspection and corrosion control. The downtime of most of the processing units has been well within the limits set for the year.

Technical Audit Cells have been functioning both in the Refineries and in the Head Office for optimisation of yields and control of consumption of fuel, utilities and chemicals as part of the drive for energy conservation and cost effectiveness. To maintain rigorous control and checks on consumption of fuel, utilities and chemicals, periodic



reviews and target setting procedures have been implemented. Formulation and implementation of innovations/new schemes, process modifications etc., have been taken up. The intensified technical audit activities during the year have had a salutary impact on operations leading to steady and continuous reduction in 'fuel and loss' in Gauhati, Barauni and Gujarat refineries and a higher product recovery in all the three refineries.

PIPELINES

The throughput of 3,918 thousand tonnes was the highest ever and compares with 3,827 thousand tonnes for 1975-76.

Salaya-Koyall-Mathura Crude Oil Pipeline Project:- During the year, the work of detailed field survey and cadastral survey as well as design and drawings for the Viramgam Mathura Section was completed.

The construction of the Koyali-Viramgam branch line (18") section was commenced in April, 1976 and by 31-3-77-133 km of the line out of the total length of 141 Km, was lowered-in and backfilled. As of date, work is complete in all respects on this line, except for Mahi River crossing and hydrostatic testing.

The mainline construction work of the Salaya Viramgam (28") was taken up in December, 1976. The import of approximately 40,000 MTs of pipes from U.K. for the Salaya-Viramgam Section was completed in February, 1977. By 31-3-77, 53 Km out of the pipeline length of 275 Km was completed. As of date, 95 Km of pipeline have been laid.

The contracts for installation of offshore facilities in the Gulf of Kutch for unloading of crude oil tankers was awarded to M/s. Nippon Kokan K. K. of Japan and for supply of Single Buoy Mooring terminal system to M/s. SBM Inc., Switzerland.

In April 76, M/s. Bharat Electronics Ltd., Ghaziabad, was awarded the contract for setting up the telecommunication system over the Salaya-Viramgam-Koyali Line. The system design has been finalised and action taken for obtaining clearances from the Wireless Adviser to the Government of India.

MARKETING

SALES

The total sales during the year was 19.50 million KLs as against 18.51 million KLs during 1975-76

and 18.3 million KLs during 1974-75. The total industry sales of petroleum products during the year 1976-77 were 29.39 million KLs. registering a growth of 7.8 per cent over the preceding year as compared to your Corporation's growth of 5.35 per cent. During the year, your Corporation's market participation fell to 62.9 per cent from 63.8 per cent in 1975-76 and the fall was attributable to the introduction of the Sales Plan concept by the Ministry of Petroleum permitting other oil companies a planned steeper growth rate in their sales.

As before, special attention is being given to retail distribution which is vital to the public at large. During the year, your Corporation maintained an equitable and economic distribution of petroleum products in close coordination with the Central and State Governments. 348 new Retail Outlets were commissioned. The total number of retail outlets in operation as on 31-3-1977 was 3,954. Several existing retail outlets were modernised through remodelling/provision of additional facilities, thereby extending better services to the motorists. The Corporation continued to award its dealerships under the Social Objective Schemes. As of March 31, 1977 the Corporation had 912 such dealerships. Out of these, 577 have been commissioned under the Defence Personnel Scheme, 280 under the Unemployed Graduate Scheme and 55 under the Scheduled Castes/Tribes Scheme. Market participation in retail sale of Motor Spirit was 25.19 per cent in 1976-77 and that of HSD Oil 38.70 per cent. TBA sales through retail outlets totalled to Rs. 3.2 crores during 1976-77 as against Rs. 1.7 crores during 1975-76.

The programme of developing Multi-purpose Distribution Centres in rural areas for meeting the farmers' needs of agricultural inputs like tractor spare parts, fertilizers, pesticides/insecticides non-scheduled drugs, cheaper variety of cloth etc. has gained considerable momentum. During the year, 133 MPDCs were opened thereby bringing the total number of MPDCs as on March 31, 1977 to 265.

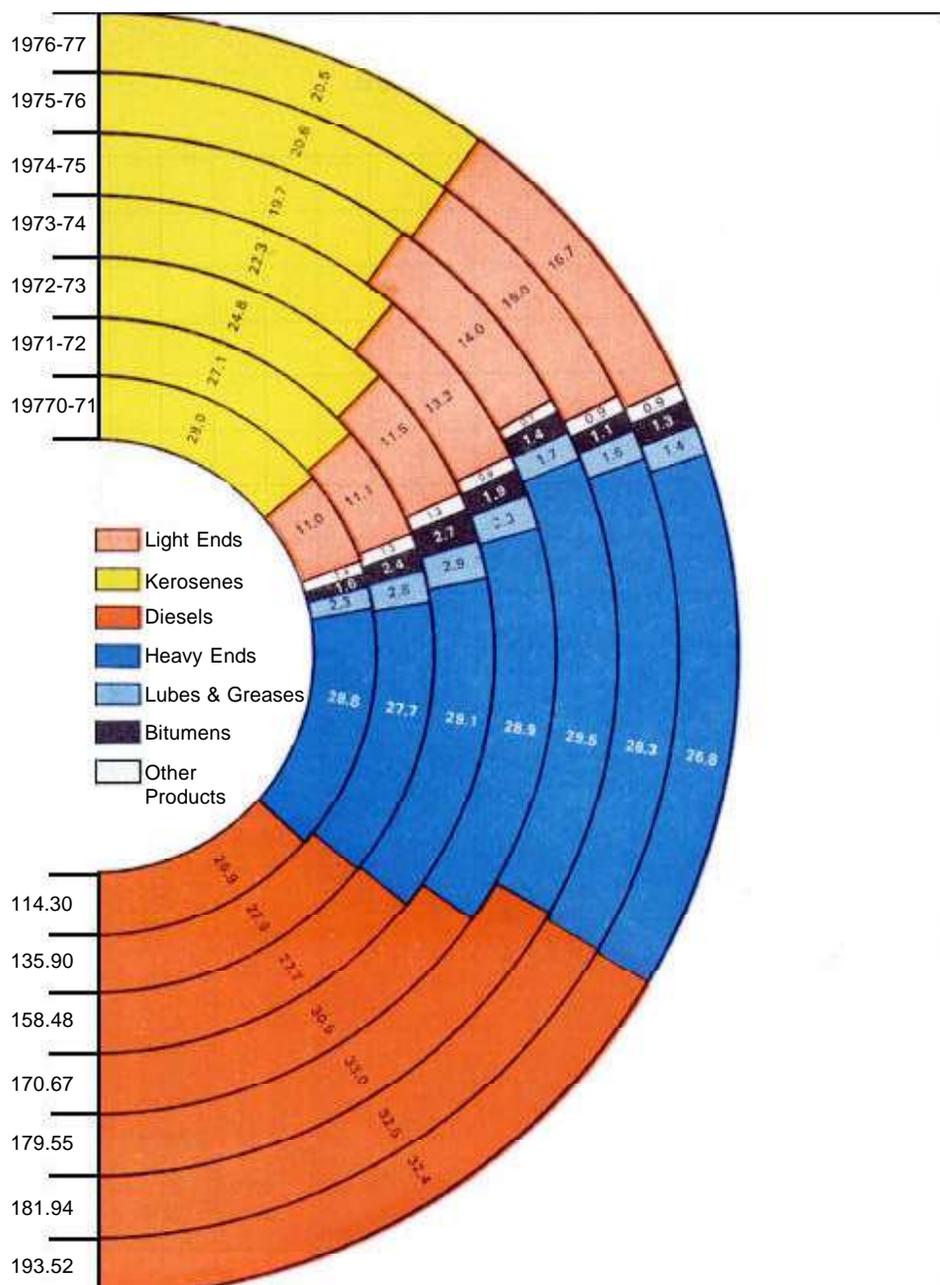
Your Corporation has made a significant contribution to the energy conservation and fuel efficiency improvement efforts of the Nation by developing a Kerosene Wick Stove with a higher thermal efficiency. This stove, named 'NUTAN' was released for sale at Delhi on March 10, 1977. Soon after it was also released for sale through certain



CHART-3

INDIANOIL SALES

(DOMESTIC)
BY PRODUCT GROUPS

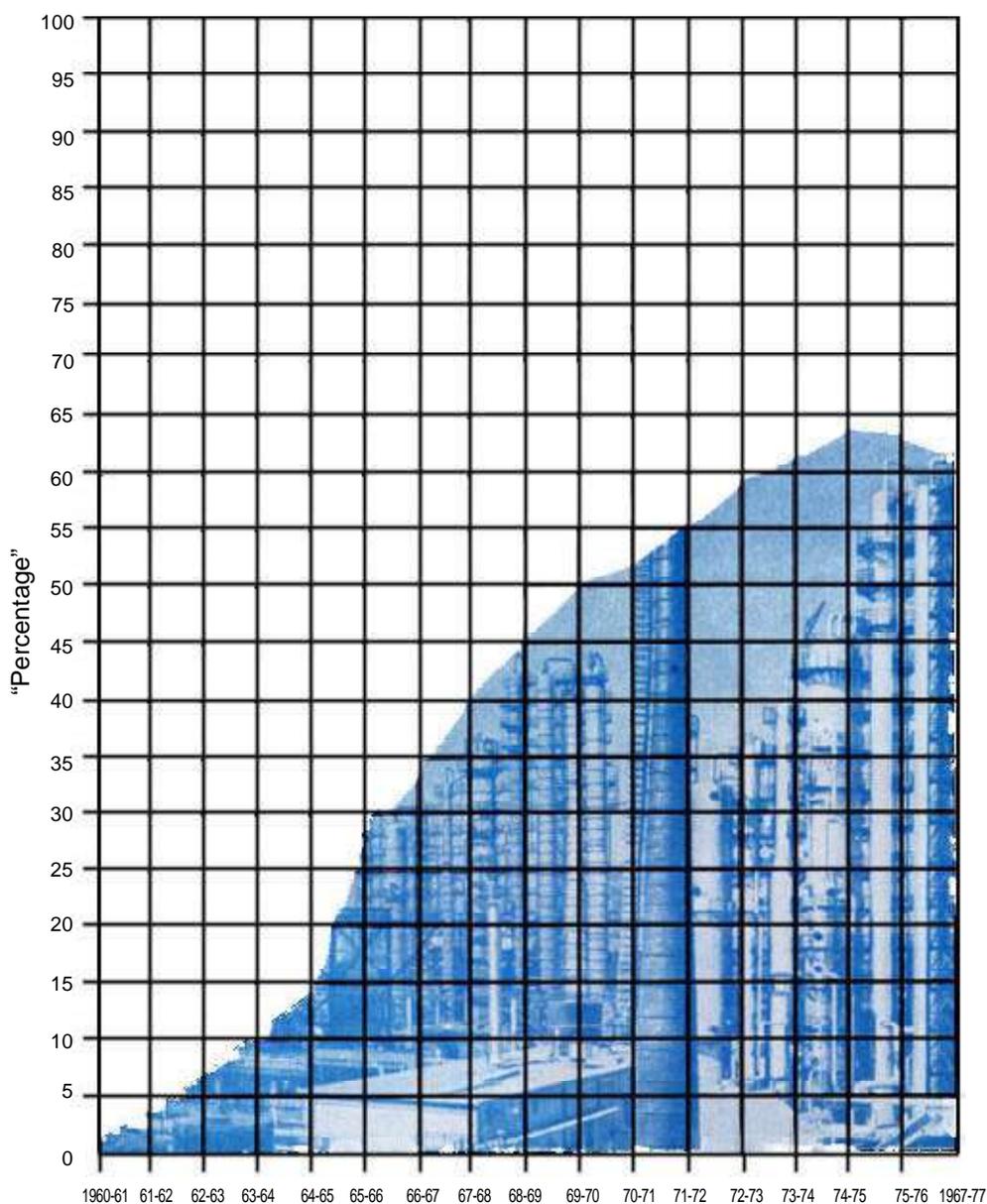


Total Sales in Lakh Kl.
Figures inside the arc denote percentage.



CHART-4

MARKET PARTICIPATION OF INDIAN OIL



selected MPDCs in Rajasthan, U.P. and Haryana. The 'NUTAN' stove has been well received by the public. The demand far exceeds the available supply and every effort is being made to increase supplies and satisfy the demand.

Special Products

The sale of special products *vii* LSHS/HHS, Naphtha, Benzene, Toluene, Mineral Turpentine Oil, Raw/Calcined Petroleum Coke, Phenol Extract, Iomex and slack wax totalled about 3.99 million KLs during the year 1976-77 as compared to 3.53 million KLs during the previous year. With a view to maximising indigenous crude throughput, special efforts were made to market LSHS and a new installation to receive, store and distribute LSHS was set up at Bassein. Sales from this installation commenced in February, 1977.

Liquefied Petroleum Gas

LPG sales at 1,87,427 MTs during 1976-77 was 17.6 per cent higher than the previous year's. During the year 1,91,000 new customers were enrolled. As on March 31, 1977, the Corporation was servicing the LPG requirements of 1,430 thousand customers spread over 209 towns through a network of 415 distributors, the market participation being 50.4 per cent.

Inland Distribution

At the end of the year, your Corporation had 16 Port Installations, 8 Pipeline Installations, 2 Inland Installations and 108 Bulk Depots and a total tankage at the Installations and Bulk Depots of 18.54 lakh KLs. The throughput of products increased from 201.81 lakhs KLs during 1975-76 to 205.02 lakh KLs during 1976-77. A new LSHS Installation at Bassein (Bombay) and new Depots at Parwanoo, Damtal, Jodhpur and Kochuveli (Trivandrum) were completed and commissioned during the year. An LPG bottling plant at Kanpur, in addition to the existing mini plant of 2 x 10 MT capacity, is being set up with 2 x 80 MT capacity bullets and allied facilities. Major part of the work is complete.

Stock losses and Ocean losses continue to fall and special attention is being paid to further reduce them.

RESEARCH & DEVELOPMENT CENTRE

A five-year Technical Collaboration Agreement with Castrol, U.K. was signed on 19th February,

1976 to receive technology and know-how in respect of research, development, blending, manufacture application and marketing of lubricants and speciality products. During the last one year of operation of the agreement, a number of formulations have been received, utilizing Castrol know-how. Samples of finished lubricants were sent and some of them have been approved. Four Scientists from R&D Centre underwent training in Castrol Laboratories, U.K. for 3 months each. Also 3 Experts from Castrol visited the R&D Centre.

There has been substantial product development particularly in regard to the indigenous turbine oil, Servoprime-14, Servoprime-17, Rust Preventive Oil, Servo RP-125, Oil OMD113. Also Oil OMD(N)-1240 developed in the Centre has been approved by the Indian Navy resulting in foreign exchange savings of about Rs. 3 lakhs annually. Some of the oils developed by the R&D Centre meeting the Defence requirements were accepted by CIM, Kanpur, for user trials. A patent application for the new additive system to formulate Malaria Larvicidal Oil from any type of LDO manufactured indigenously has been filed.

important PCAG Projects in hand are (i) development of an efficient LPG burner (ii) conservation of LDO on lift irrigation pumps (iii) evaluation of fuel saving additives and (iv) studies on factors affecting fuel economy of passenger cars. The performance evaluation of paving bitumens under various climatic conditions was undertaken. Lube base stocks from lube plant at Haldia Refinery were evaluated with existing lube base stocks.

INDIAN OIL BLENDING LTD

Indian Oil Blending Limited is a wholly owned subsidiary of the Corporation and its annual accounts and the Directors' Report are annexed herewith. During the year 1976-77, the Bombay and Calcutta Plants of IOBL had a throughput of 1,92,499 KLS of lubes, as against 1,89,279 KLs during 1975-76. The Grease Plant at Bombay had a throughput of 5,333 MTs as compared to 2,524 MTs during the preceding year.

During the year, the gross profit of the company before depreciation and taxation was Rs. 48,84,631 as against Rs. 28,07,291 during the previous year. The net surplus available for distribution after provision for depreciation and taxation, adding back prior year's excess provision of



Rs. 5,14,620 and writing back of research and development expenditure of prior years of Rs. 3,96,144 was Rs. 24,11,616 as against Rs. 12,07,028 during the year 1975-76.

INDIAN OIL INTERNATIONAL LTD.

The Assistant Official Liquidator, Department of Company Affairs, Office of the Official Liquidator, Delhi, has intimated that an order dated 23-11-1976 has been passed by the Hon'ble Company Judge dissolving Indian Oil International Limited with effect from 3-11-1976 under the provisions of Section 497(6) of the Companies Act, 1956.

IMPORT SUBSTITUTION

With the commissioning of Haldia Refinery, Bright Stock is being produced in the country and its import which was running at about 35,000 tonnes per annum, will not be required. India has now become largely self-sufficient in lube base stocks except for a few special categories of base oils. Under the Technical Assistance and Collaboration Agreement between Castrol Ltd., U.K. and IOC, Indianised lube oil formulations for some of the grades were introduced. Work on import substitution of additives was continued.

As in previous years, import substitution of spares and equipment was actively pursued in conjunction with the Technical Development Committee formed by Petroleum Refineries Fertilizers/Petrochemical Industries within the country both private and public sectors. Notable items developed were welded stainless steel tubes for exchangers, valves, high pressure steam hoses, pumps, mechanical seals, pipe fittings, furnace fittings and tube expanders.

EXPORTS

During the year 1976-77, the Corporation exported 30,674 MTs of Asphalt to various countries earning foreign exchange worth Rs. 2.64 crores. Besides, 81,280 MTs of various petroleum products valued at Rs. 16.48 crores were exported to Nepal. In addition, an amount of Rs. 28.50 crores was realised for supplies of 1.86 lakh MTs of aviation fuels and lubricants to International Airlines and Rs. 0.40 crores for supplies of 0.79 lakh MTs of bunkers to Foreign Flag vessels.

Your Corporation has secured during the year a contract to supply the entire requirement of Sri Lanka for HVI Base Oils during 1977-78 against stiff competition from major International Oil Cos. The export order from Sri Lanka for the year 1977-

78 is for 15,200 MTs and is worth Rs. 3.0 crores in foreign exchange.

INDUSTRIAL RELATIONS & WELFARE

During the year, the industrial relations in your Corporation continued to be cordial. There was no stoppage of work during the year. Workers' participation in selected areas of Management is being steadily encouraged. Your Corporation continues to lay stress on the welfare of its employees. Employees are being helped to build their own houses through the grant of housing loans. Co-operative Societies of the employees of the Corporation registered good working results and are being given encouragement.

TRAINING

Your Corporation lays great emphasis on the growth and development of its employees through on-the-job and formal training. Training Centres in the Corporation conducted training programmes for employees in the various disciplines of management. As in the past, Unit Level Classes were conducted under the guidance of the Central Board of Workers' Education. Training was also imparted to a few officers from Tanzania Petroleum Development Corporation and Nepal Oil Corporation.

MANAGEMENT SERVICES

During the year, several studies to improve productivity, systems and procedures, with special emphasis on expenditure on repairs and maintenance, stationery and printing, inventories, disposal of surplus and unserviceable material were carried out. These have resulted in marked improvement in the relevant areas. Studies were also initiated for fixing of norms for staff and officers' strength in Depots and Installations, feasibility of introducing MBO in Marketing Division.

BOARD OF DIRECTORS

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

1. Shri S. L. Khosla
2. Shri L. Kumar



3. Shri C. Venkataramani
4. Shri A. K. Ghosh
5. Shri P. C. Mitra
6. Prof. N. S. Ramaswamy
7. Shri A. J. A. Tauro

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

On 4th January, 1977 the Corporation received a directive from the President of India under powers conferred on him under Article 144(b) of the Articles of Association of the Corporation that all the advertisements to be published in newspapers, periodicals, etc. by the Corporation should be routed through the Directorate of Advertising and Visual Publicity in the Ministry of Information and Broadcasting. A copy of the letter No. P-40018/1/76-IOC dated 4th January, 1977 is enclosed with this report. The Corporation had approached the Secretary to the Government of India, Ministry of Petroleum seeking certain clarifi-

cations so as to make the implementation of the directive more practical.

Particulars of employees

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

The strength of the Corporation is its employees. The Board of Directors have pleasure in placing on record their sincere appreciation of the excellent work done by and co-operation received from all the employees.

For and on behalf of the Board

(C.R. DAS GUPTA)

Chairman

New Delhi:

Dated: 16th August, 1977.



**GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM**

No. P-4001 8/1 /76-bC

New Delhi, the 4th January, 1977

The Chairman,
Indian Oil Corporation Limited,
Indianoil Bhavan,
Janpath, New Delhi- 10001.

Sub: Advertisements through newspapers etc.
by Public Sector Undertakings

Dear Sir,

I am directed to refer to this Ministry's letter No. 1-19011/3/76-GenI dated 27-11-76, regarding Government policy in respect of issue of advertisements through Newspapers etc. by public sector undertakings. The President is now pleased to direct the~ Indian Oil Corporation Limited under article 144(b) of the Articles of Association of Indian Oil Corporation Limited, that all the advertisements to be published in newspapers, periodicals etc. by Indian Oil Corporation Limited should be routed through the Directorate of Advertising and Visual Publicity in the Ministry of Information & Broadcasting, who will have the final authority for the selection of newspapers/periodicals etc. for the entire advertising work and also for fixing the advertisement rates.

2. It is requested that immediate action may be taken to implement the provisions of this Directive.

Yours faithfully,

Sd/
(C. G. Menon)

Under Secretary to the Govt. of India
for and on behalf of the President of India

Copy to:

1. The Managing Director, Indian Oil Corporation Ltd.,
(Marketing Division), 254-C, Dr. Annie Besant Road,
Prabhadevi, Bombay - 400 025.
2. The Managing Director, Indian Oil Corporation Ltd.,
(Refineries & Pipelines Division), Indianoil Bhavan,
Janpath, New Delhi - 110 001.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1977 together with the Profit & Loss Account of the Corporation for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of the books;
 - (c) 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;
 - (d) The allocation of the work between the auditors has been followed as per directions contained in the letter No. 17/193/76-IGC dated 8th December, 1976 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;
 - (e) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and subject to notes 3,4, 6,8 and 14, give a true and fair view-
 - (i) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 1977 and
 - (ii) in the case of Profit & Loss Account, of the Profit of the Corporation for the year ended on that date.

For S. B. BILLIMORIA & CO.

Chartered Accountants

(S. J. MERCHANT)

Partner

For RAY AND RAY

Chartered Accountants

(S. K. DAS GUPTA)

Partner

Bombay, 23rd July, 1977



ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)

-
- (i) The Corporation has maintained proper records to show full particulars including quantitative details and situation of fixed assets except in some cases of furniture and fixtures. All fixed assets of the Corporation have not been physically verified by the Management during the year but there is a phased programme of verification of all the fixed assets which in our opinion is reasonable having regard to the size of the Corporation and the nature of the assets. To the best of our knowledge, no serious discrepancies have been noticed on such verification and complete reconciliation is in process.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The stock of finished goods, stores, spare parts, packages and raw materials have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not significant and the same have been properly dealt with in the books of account. In our opinion, the valuation of the above mentioned stocks, read with note 4, regarding surplus stores is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as the earlier years.
- (iv) The Corporation has not taken any loan from the Companies, firms, or other parties listed in the Register maintained under Section 301 or from companies under the same management.
- (v) Loans and advances in the nature of loans have been given to the employees and outside parties and they are repaying the principal amount as stipulated and have also been regular in payment of interest where applicable.
- (vi) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other similar assets.
- (vii) In our opinion and according to the information and explanations given to us, the prices paid for purchase of stores, raw materials or components in excess of Rs. 10,000 in value for each type from subsidiaries, or from companies or other parties in which directors are interested as listed in the Register maintained under Section 301 are reasonable as compared to the prices of similar items supplied by other parties or as available with the Corporation except cases covered under note 15. We are informed that for certain items there is no alternative source of supply.
- (viii) Unserviceable or damaged stores have not been determined by the Corporation and therefore necessary adjustments for the loss, if any, have not been made in the accounts.
- (ix) The Corporation has not accepted any deposits from the public.
- (x) In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps.
- (xi) In our opinion, the Corporation has an adequate internal audit system commensurate with the size and the nature of its business.
- (xii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Corporation.
- (xiii) According to the records of the Corporation provident fund dues have been regularly deposited during the year with the appropriate authorities and there are no arrears of provident fund dues as at 31st March, 1977.
- (xiv) In respect of the Corporation's trading activities, damaged goods have been determined and necessary adjustments for loss which was not significant have been made in the accounts.

For S. B. BILLIMORIA & CO.
Chartered Accountants

(S. J. MERCHANT)
Partner

Bombay, 23rd July, 1977.

For RAY & RAY
Chartered Accountants

(S. K. DAS GUPTA)
Partner



BALANCE SHEET AS AT 31ST MARCH, 1977

Index

	Schedule	Rupees	Rupees	1976 Rupees
FUNDS EMPLOYED:				
1. Share capital	'A'	82,17,72,000		71,17,72,000
2. Reserves and Surplus	'B'	<u>1,90,59,52,094</u>		<u>1,49,31,75,248</u>
3. Total Shareholders' Funds			2,72,77,24,094	<u>220,49,47,248</u>
4. Loans:				
(a) Secured 'C'	2,53,81,627		3,27,07,668	
(b) Unsecured	'D'	<u>45,16,90,573</u>		<u>39,99,00,481</u>
			<u>47,70,72,200</u>	<u>43,26,08,149</u>
5. Total Funds Employed			<u>3,20,47,96,294</u>	<u>263,75,55,397</u>
APPLICATION OF FUNDS:				
6. Fixed Assets:				
(a) Gross Block 'E'		3,45,30,73,647		3,06,21,17,851
(b) Less: Depreciation		<u>1,61,47,30,859</u>		<u>1,40,19,49,274</u>
		1,83,83,42,788		1,66,01,68,577
(c) construction Work-in-Progress and Capital Goods in Stock	'F'	<u>1,31,22,76,242</u>		<u>77,81,77,110</u>
			3,15,06,19,030	<u>243,83,45,687</u>
7. Investments	'G'		53,00,223	53,72,974
8. Current Assets, Loans and Advances:				
A. Current Assets:				
(a) Interest accrued on Investments		1,45,950		1,39,259
(b) Inventories	'H'	1,93,30,99,228		1,82,01,16,876
(c) Book Debts 'I'		90,92,90,752		46,69,10,313
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		1,29,07,03,342		16,69,22,589
(e) Bank Balances:				
(i) With Scheduled Banks:				
(a) On Current Account		43,56,847		56,86,257
(b) On Current Account under Cash Credit arrangement		6,90,53,044		17,84,57,049
(c) On Fixed Deposit Account (including Rs. 16,60,795-1976: Rs. 20,98,117 lodged by outside parties per contra)		22,16,65,992		38,21,02,929
(d) On Call Deposit Account (including Rs. 34,323-1976: Rs. 10,000 lodged by outside parties per contra)		20,34,323		20,10,000
(e) On Deposit Account under The Companies (Surcharge on Income-tax) Scheme, 1976		<u>2,57,54,000</u>		-
C/F		<u>3,29,44,70,478</u>		<u>3,02,23,45,272</u>
Carried Forward			<u>3,15,59,19,253</u>	<u>2,44,37,18,661</u>



BALANCE SHEET AS AT 31ST MARCH, 1977 Contd...

Index

	Schedule	Rupees	Rupees	1976 Rupees
Brought Forward			3,15,59,19,253	<u>2,44,37,18,661</u>
B/F		3,29,44,70,478		<u>3,02,23,45,272</u>
(ii) With Non-Scheduled Banks:				
(a) On Blocked Account with Banque Nationale De Paris, France (Maximum amount during the year Rs. 15,79,281 - 1976: Rs. 18,82,998)		12,47,344		15,79,281
(b) On Fixed Deposit Accounts lodged by out side parties per contra		3,79,236		-
(c) On Call Deposit Accounts lodged by out- side parties per contra		9,466		-
(iii) With Post Office:				
On Savings Account		15,000		15,000
B. Loans and Advances	'J'	<u>62,41,08,841</u>		<u>63,63,41,608</u>
		3,92,02,30,365		3,66,02,81,161
9. Less: Current Liabilities and Provisions	K'	<u>3,87,13,53,324</u>		<u>3,46,64,44,425</u>
10. Net Current Assets:				
(Working Capital) - (8) minus (9)			4,88,77,041	<u>19,38,36,736</u>
TOTAL			<u>3,20,47,96,294</u>	<u>263,75,55,397</u>
11. Contingent Liabilities not provided for (Refer Schedule 'P' -Note 1) Notes forming part of Accounts	'P'			

C.R. DAS GU PTA
Chairman

JOY JOSEPH
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

D. B. PURI
Secretary

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants

(S.J. MERCHANT)
Partner

For RAY & RAY
Chartered Accountants

(S. K. DAS GUPTA)
Partner

Bombay, 23rd July, 1977



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1977

Index

	Rupees	Rupees	1976 Rupees
INCOME:			
1. (I) Sale of Products and Crude and Transfers under Product Exchange	26,65,47,64,335		24,24,06,40,232
(ii) Less: Commission and Discounts	2,08,21,043		2,43,35,751
	<u>26,63,39,43,292</u>		<u>24,21,63,04,481</u>
2. Company's use of own oil -	<u>5,06,66,464</u>		<u>6,75,59,521</u>
		26,68,46,09,756	<u>24,28,38,64,002</u>
3. Main Installation charges received from Other Marketing Companies		1,67,61,801	1,18,69,635
4. Interest:			
(i) On Advances	52,19,047		22,40,498
(ii) On Short Term Deposits	64,99,155		17,23,835
(iii) . From Customers on Outstandings	<u>61,25,295</u>		<u>2,30,43,385</u>
		1,78,43,497	<u>2,70,07,718</u>
5. Other Income (Schedule 'L')		4,91,09,056	3,91,46,735
6. Provision for Doubtful Debts, Advances and Claims written back		40,78,727	14,89,981
7. Recovery under an award		1,46,52,255	
TOTAL INCOME		<u>26,78,70,55,092</u>	<u>24,36,33,78,071</u>
EXPENDITURE:			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		12,25,72,17,262	10,71,89,16,645
2. Manufacturing, Administration, Selling and Other Expenses (Schedule 'M')		7,28,96,75,487	7,13,34,59,974
3. Excise Duty		5,97,91,76,976	5,67,47,74,007
4. Depreciation and Amortisation		21,86,55,755	25,92,44,127
5. Interest:			
(i) On Government Loan for fixed period	1,96,20,050		84,39,385
(ii) On loan from Oil Industry Development Board	94,52,691		50,91,158
(iii) On Foreign Credit for fixed period	36,54,825		52,12,836
(iv) Other.	<u>1,37,09,808</u>		<u>4,23,95,999</u>
		4,64,37,374	<u>6,11,39,378</u>
6. Less: (i) Amount transferred to construction period expenses pending allocation	6,25,91,410		3,63,21,445
(ii) Expenses Transferred to Manufacturing of Drums	<u>47,88,127</u>		<u>39,66,240</u>
		6,73,79,537	4,0287,685
TOTAL EXPENDITURE		<u>25,72,37,83,317</u>	<u>23,80,66,46,446</u>



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1977 Contd...

	Rupees	1976 Rupees
7. PROFIT FOR THE YEAR BEFORE TAX	1,06,32,71,775	55,67,31,625
8. Add: Income relating to previous years (Net) (Schedule '0')	8,02,819	(3,26,26,053)
9. PROFIT BEFORE TAX	1,06,40,74,594	52,41,05,572
10. Less: Provision for Taxation.	58,00,00,000	27,00,00,000
11. PROFIT AFTER TAX	48,40,74,594	25,41,05,572
12. Balance brought forward from last year's Account	48,570	11,436
13. Add: Excess provision for taxation relating to previous years written back	-	4,50,00,000
14. DISPOSABLE PROFIT	<u>48,41,23,164</u>	<u>29,91,17,008</u>
APPROPRIATIONS:		
15. Proposed Dividends	7,12,97,748	5,69,41,760
16. Development Rebate Reserve.	-	1,59,26,678
17. Insurance Reserve Account.	10,00,000	-
18. General Reserve	41,17,73,322	22,62,00,000
19. BALANCE CARRIED TO BALANCE SHEET	52,094	48,570
TOTAL	<u>48,41,23,164</u>	<u>29,91,17,008</u>
20. Notes forming part of Accounts (Schedule 'P')		

C.R. DAS GU PTA
Chairman

JOY JOSEPH
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

D. B. PURI
Secretary

As per our report attached

For S. B. BILLIMORIA & CO.
Chartered Accountants
(S.J. MERCHANT)
Partner

For RAY & RAY
Chartered Accountants
(S. K. DAS GUPTA)
Partner

Bombay, 23rd July, 1977



SCHEDULE 'A' - SHARE CAPITAL

Index

	Rupees	1976 Rupees
SHARE CAPITAL:		
Authorised:		
15,00,000 Equity Shares of Rs. 1,000 each	<u>1,50,00,00,000</u>	<u>85,00,00,000</u>
Issued and Subscribed:		
8,21,772 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)	<u>82,17,72,000</u>	<u>71,17,72,000</u>
TOTAL	<u>82,17,72,000</u>	<u>71,17,72,000</u>

SCHEDULE 'B' - RESERVES AND SURPLUS

	Rupees	Rupees	1976 Rupees
RESERVES AND SURPLUS:			
General Reserve:			
As per last Account	90,31,26,678		67,10,00,000
Transferred from Development Rebate Reserve	-		59,26,678
Transferred from Profit and Loss Account	<u>41,17,73,322</u>		<u>22,62,00,000</u>
		1,31,49,00,000	<u>90,31,26,678</u>
Insurance Reserve Account:			
Transferred from Profit and Loss Account		10,00,000	-
Development Rebate Reserve:			
As per last Account	59,00,00,000		58,00,00,000
Less: Transferred to General Reserve	-		59,26,678
	<u>59,00,00,000</u>		<u>57,40,73,322</u>
Transferred from Profit and Loss Account	-		1,59,26,678
		59,00,00,000	<u>59,00,00,000</u>
Profit and Loss Account as per annexed Account		52,094	48,570
TOTAL	<u>1,90,59,52,094</u>		<u>1,49,31,75,248</u>



SCHEDULE 'C'-SECURED LOANS

Index

	<u>Rupees</u>	<u>1976 Rupees</u>
<u>SECURED LOANS:</u>		
Loans and Advances from Bank:		
(i) Secured by hypothecation of inventories, book debts, outstanding monies, recoverable claims, contracts, engagements, etc.	1,99,91,894	2,31,89,019
(ii) Interest accrued and due on above	53,89,733	95,18,649
TOTAL	<u>2,53,81,627</u>	<u>3,27,07,668</u>

SCHEDULE 'D' - UNSECURED LOANS

	<u>Rupees</u>	<u>1976 Rupees</u>
<u>UNSECURED LOANS:</u>		
Other Loans and Advances:		
(i) From the Government of India (including Rs. 2,57,75,250 (1976: Rs. 3,52,66,798) due for payment within one year and Rs. 20,00,000 payable on demand (1976: Rs. 20,00,000))	29,77,75,250	22,30,42,048
(ii) Oil Industry Development Board (including Rs. 98,50,000-1976: Rs. 1,40,50,000 due for payment within one year)	9,03,50,000	9,85,00,000
(iii) Foreign Credits (including Rs. 1,28,84,185 - 1976: Rs. 1,34,62,884 due for payment within one year)	6,14,96,630	7,56,35,782
(iv) Amount deposited by COMPAGNIE FRANCAISE D'ETUDES ET DE CONSTRUCTION in Bank Account	8,10,681	12,13,037
(v) Deferred payment (including Rs. 2,51,602 - 1976: Rs. 2,51,602 due for payment within one year)	12,58,012	15,09,614
TOTAL	<u>45,16,90,573</u>	<u>39,99,00,481</u>



SCHEDULE 'E'- FIXED ASSETS

	Gross Block as at 31st March, 1976 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	7,13,03,984	24,32,925	-	(-) 97,164
Leasehold	32,15,052	3,26,400	-	-
Right of way	22,99,370	-	-	-
BUILDINGS, ROADS, ETC.	29,16,71,010	58,20,703	1,9,6,72,897	(-) 4,37,641
PLANT AND MACHINERY	2,37,32,36,157	5,74,12,438	28,45,40,955	(-) 77,50,808
TRANSPORT EQUIPMENT	7,86,63,325	57,15,725	1,28,26,501	(-) 47,34,204
FURNITURE AND FIXTURES	4,72,82,038	37,91,876	16,88,987	(-) 6,10,911
RAILWAY SIDINGS	2,53,99,035	64,82,422	28,07,389	
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	16,83,81,681	6,000	11,11,726	(-) 53,316
SUNDRY ASSETS	6,66,199	31,569	-	(-) 28,673
TOTAL	3,06,21,17,851	8,20,20,058	32,26,48,455	(-) 1,37,12,717
PREVIOUS YEAR	277,59,27,503	14,40,25,806	15,45,38,624	(-) 1,23,74,082

* Includes Rs. 46,02,655 in respect of previous years (1976: (-) Rs. 18,94,658)



SCHEDULE 'E' - FIXED ASSETS Contd...

Gross Block as at 31st March, 1977 at cost	Depreciation and Amortisation charged this year*	Total Depreciation and Amortisation upto 31st March, 1977	Net Block	
			As at 31st March, 1977	1976
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
7,36,39,745	-	-	7,36,39,745	7,13,03,984
35,41,452	38,477	8,94,352	26,47,100	23,59,177
22,99,370	-	-	22,99,370	22,99,370
31,67,26,969	1,12,15,772	7,24,90,014	24,42,36,955	23,03,79,356
2,70,74,38,742	19,02,11,698	1,38,14,69,698	1,32,59,69,044	1,17,67,45,428
9,2,4,71,347	83,37,289	5,33,48,371	3,91,22,976	2,89,48,536
5,21,51,990	44,65,507	3,25,76,276	1,95,75,714	1,86,65,850
3,46,88,846	15,63,832	1,01,12,856	2,45,75,990	1,68,50,011
16,94,46,091	73,29,432	6,33,02,058	10,61,44,033	11,24,09,056
6,69,095	96,403	5,37,234	1,31,861	2,07,809
3,45,30,73,647	22,32,58,410	1,61,47,30,859	1,83,83,42,788	1,66,01,68,577
3,06,21,17,851	25,73,49,469	1,40,19,49,274	1,66,01,68,577	



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

Index

	Rupees	Rupees	1976 Rupees
<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)		68,83,70,612	48,19,79,691
2. Capital Stores (at cost) including Rs. 2,03,64,679 lying with Contractors (1976: Rs. 3,45.62703)		45,25,61,876	22,67,63,178
3. Capital Goods in transit (at cost)		6,89,36,171	2,16,30,039
4. Construction period expenses pending allocation:			
Balance as at 1st April, 1976	6,78,04,202		3,73,76,507
Add: Expenditure during the year:			
Establishment Charges	83,84,116		58,09,318
Interest	2,88,83,698		99,04,687
Depreciation	32,92,480		5,26,767
Other	2,52,54,681		206,56,172
	13,36,19,177		7,42,73,451
Less: Recoveries	32,23,565		5,75,499
	13,03,95,612		7,36,97,952
Less: Allocated to assets/construction work in progress during the year	2,79,88,029		58,93,750
		10,24,07,583	6,78,04,202
TOTAL		<u>1,31,22,76,242</u>	<u>77,81,77,110</u>



SCHEDULE 'G' - INVESTMENTS

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
INVESTMENTS at cost (Unquoted):				
1. In Government Securities (including Rs. 4,12,3545-1976: Rs. 4,12,355 deposited with various bodies)			4,12,555	4,42,555
2. Other Investments:				
(a) In International Co-operative Petroleum Association - 328 (1976: 314) Shares of \$ 100 each fully paid and part paid Common Stock of \$ 87.76 (1976: \$49.38)		1,94,863		1,82,224
(b) In 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 - 296 Equity Shares of Rs. 10 each fully paid in cash	2,960			2,960
(iv) Indian Oil Employee Consumers' Co-operative Society Limited, Bombay -170 Equity Shares of Rs. 10 each fully paid in cash	1,700			1,700
(v) Indian Oil Employees Co-operative Consumers' Stores Limited, Madras - 700 (1976:164) Equity Shares of Rs. 10 each fully paid in cash	7,000			1,640
(vi) Indian Oil Employees Co-operative Consumers' Stores Limited, Delhi - 375 Equity Shares of Rs. 10 each fully paid in cash	<u>3,750</u>			<u>3,750</u>
		20,410		..... 15,050
(c) In Co-operative Housing Societies:				
(i) Casa Grande - 10 Equity Shares of Rs. 50 each fully paid in cash	500			-
(ii) Seema Apartment - 5 Equity Shares of Rs. 50 each fully paid in cash	250			-
(iii) New Silver Home - 5 Equity Shares of Rs. 50 each fully paid in cash	<u>250</u>			-
		<u>1,000</u>		
			2,16,273	..... 1,97,274
3. In a Subsidiary Company: Indian Oil Blending Limited - 8,000 Equity Share of Rs. 500 each fully paid in cash			40,00,000	40,00,000
4. By Outside Parties - Security Deposit per contra			6,71,395	7,33,145
TOTAL			<u>53,00,223</u>	<u>53,72,974</u>



SCHEDULE 'H' - INVENTORIES

Index

	Rupees	Rupees	1976 Rupees
INVENTORIES:			
1. Stores, Spares etc.:			
(a) Stores and Spare Parts (at or under cost)	19,71,06,352*		23,49,67,826*
(b) Loose Tools	1,04,011		1,10,143
(c) Stores in transit (at cost)	1,74,52,451		2,29,24,668
		21,46,62,814	<u>25,80,02,637</u>
2. Raw Materials (at cost)		31,02,47,063	<u>28,70,72,339</u>
3. Stock-in-Trade:			
(a) Oil Stocks (at cost or net realisable value whichever is lower)	1,26,46,14,703**		1,19,61,85,619**
(b) Stock-in-Process (at or under cost)	13,43,63,208		6,25,60,968
		1,39,89,77,911	<u>1,25,87,46,587</u>
4. Stock of empty' Barrels and Tins (at cost or net realisable value whichever is lower)	92,11,440	1,62,95,313	
TOTAL		<u>1,93,30,99,228</u>	<u>1,82,01, 16,876</u>

* Includes stock lying with contractors Rs. 15,40,730 (1976: Rs. 2,59,70,567)
 ** Includes stock lying with other oil companies on loan Rs. 5,49,313 (1976: Rs. 7.51,656)

SCHEDULE 'I' - BOOK DEBTS

	Rupees	Rupees	1976 Rupees
BOOK DEBTS:			
1. Over six months:			
(a) Secured Considered Good	1,80,247		1,08,538
(b) Unsecured Considered Good	11,56,20,810		10,31,00,239
(c) Unsecured Considered Doubtful	1,52,90,969		1,69,27,438
		13,10,92,026	<u>12,01,36,215</u>
2. Other Debts:			
(a) Secured Considered Good	6,77,343		7,26,175
(b) Unsecured Considered Good	79,28,12,352		36,29,75,361
(c) Unsecured Considered Doubtful	2,55,571		9,59,705
		79,37,45,266	<u>36,46,61,241</u>
		92,48,37,292	48,47,97,456
Less: Provision for Doubtful Debts		<u>1,55,46,540</u>	<u>1,78,87,143</u>
TOTAL		<u>90,92,90,752</u>	<u>46,69,10,313</u>

1. Debts due from Directors Rs. 156 (1976: Rs. 101) (Maximum Rs. 257 - 1976: Rs. 1,589)
2. Debts due from other Officers Rs. 1,126 (1976: Rs. 377) (Maximum Rs. 1,584 - 1976: Rs. 753)



SCHEDULE 'J' - LOANS AND ADVANCES

Index

	Rupees	Rupees	1976 Rupees
LOANS AND ADVANCES:			
1. Bills of Exchange - Unsecured Considered Good		69,38,160	20,26,097
2. Advances recoverable in cash or in kind or for value to be received:			
(a) Secured Considered Good	3,95,38,133*		3,42,01,080*
(b) Unsecured Considered Good	36,79,82,602*		38,16,41,553*
(c) Unsecured Considered Doubtful	<u>18,91,815</u>		<u>16,51,781</u>
	40,94,12,550		41,74,94,414
(d) Less: Provision for Doubtful Advances	<u>18,91,815</u>		<u>16,51,781</u>
		40,75,20,735	41,58,42,633
3. Claims Recoverable:			.....
(a) Unsecured Considered Good	9,57,71,370*		12,09,15,762*
(b) Unsecured Considered Doubtful ..	<u>1,88,69,015</u>		<u>1,37,21,293</u>
	11,46,40,385		13,46,37,055
(c) Less: Provision for Doubtful Claims	<u>1,88,69,015</u>		<u>1,37,21,293</u>
		9,57,71,370	12,09,15,762
4. Materials on Loan:			.....
(a) Secured Considered Good	2,38,006		3,12,018
(b) Unsecured Considered Good	4,52,486		7,27,091
(c) Unsecured Considered Doubtful	-		<u>1,327</u>
	<u>6,90,492</u>		<u>10,40,436</u>
(d) Less: Provision for Doubtful Loans	-		<u>1,327</u>
		6,90,492	<u>10,39,109</u>
5. Balances with Customs, Port Trust and Excise Authorities - Unsecured Considered Good		7,98,12,940	6,64,89,122
6. Sundry Deposits (including amount adjustable on receipt of final bills):			
(a) Secured Considered Good	18,000		-
(b) Unsecured Considered Good	<u>3,33,57,144</u>		<u>3,00,28,885</u>
		3,33,75,144	<u>3,00,28,885</u>
		
TOTAL		<u><u>62,41,08,841</u></u>	<u><u>63,63,41,608</u></u>

* Includes

- Rs. 13 (1976: Rs. NIL) due from Directors (Maximum Rs. 2,120 - 1976: Rs. 500)
- Rs. 5,14,067 (1976: Rs. 5,10,414) due from other Officers (Maximum Rs. 6,38,935 - 1976: Rs. 6,58,708)



SCHEDULE 'K' - CURRENT LIABILITIES AND PROVISIONS

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
A. CURRENT LIABILITIES:			
1. Acceptances	28,33,36,679		62,63,04,306
2. Sundry Creditors	3,08,15,68,461		2,42,90,17,690
3. Due to Indian Oil Blending Limited (a subsidiary company)	13,03,567		29,16,837
4. Security Deposits: (including Deposits lodged by outside parties with Banks per contra Rs. 20,83,820 - 1976: Rs. 21,08,117 and investments lodged by outside parties per contra Rs. 6,71,395 -1976: Rs. 7,33,145)	25,50,26,001		19,94,23,819
5. Interest accrued but not due on loans.	<u>33,07,363</u>		<u>1,02,11,445</u>
		3,62,45,42,071	<u>3,26,78,74,097</u>
B. PROVISIONS:	<u>Rupees</u>		
6. Provision for Taxation	1,55,00,00,000		97,00,00,000
Less: Advance payments	<u>1,45,64,68,923</u>		<u>90,19,39,109</u>
	9,35,31,077		6,80,60,891
7. Provision for Gratuity	7,76,01,466		7,04,23,204
& Provision for Renewal of Catalyst	43,80,962		31,44,473
9. Proposed Dividends	<u>7,12,97,748</u>		<u>5,69,41,760</u>
		24,68,11,253	19,85,70,328
TOTAL		<u><u>3,87,13,53,324</u></u>	<u><u>3,46,64,44,425</u></u>

SCHEDULE 'L' - OTHER INCOME

	<u>Rupees</u>	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
OTHER INCOME:			
1. Sale of Power and Water		1,64,00,939	1,47,29,065
2. Exchange Fluctuations		1,16,764	-
3. Profit on sale and Disposal of Assets		35,12,779	31,76,116
4. Interest from Government Securities		30,605	28,634
5. Income from Other Investments		8,426	-
6. Surplus from Subsidiary Company (Indian Oil International Limited -Liquidated)		41,146	1,00,000
7. Dividends received from:			
(i) A Subsidiary - Gross (Tax deducted at source Rs. 92,000 - 1976: Rs. 46,000)	4,00,000		..... 2,00,000
	<u>Rupees</u>		
(i) Other Investments - Gross	6,215		5,567
Less: Withheld U.S. Tax	<u>1,655</u>		1,670
	4,560		3,897
		<u>4,04,560</u>	..... 2,03,897
8. Royalty		11,114	-
9. Miscellaneous Income		2,85,82,723	2,09,09,023
TOTAL		<u><u>4,91,09,056</u></u>	<u><u>3,91,46,735</u></u>



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

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:			
1. Raw Materials Consumed:			
Opening balance as on 1st April, 1976	28,70,72,339		33,12,03,708
Add: Purchases	5,69,97,50,540		5,36,13,53,117
	5,98,68,22,879		5,69,25,56,825
Less: Closing Stock	31,02,47,063		28,70,72,339
		5,67,65,75,816	5,40,54,84,486
2. Consumption:			
(i) Stores and Spares	5,81,60,528		4,08,04,219
(II) Packages	21,87,77,056		20,14,00,788
		27,69,37,584	24,22,05,007
3. Power and Fuel	29,22,63,790		24,51,55,969
Less: Fuel of own production	28,13,96,498		23,78,57,358
		1,08,67,292	72,98,611
4. Processing fees, Blending fees, Royalty and other charges		1,68,46,759	2,29,22,833
5. Provision for renewal of Catalyst		12,36,489	15,72,236
6. Repairs and Maintenance:			
(a) Plant and Machinery	5,76,41,593		4,27,84,356
(b) Buildings	93,18,974		58,09,487
(c) Other	1,43,57,404		1,32,36,133
		8,13,17,971	6,18,29,976
7. Freight and Transportation charges (net of recoveries from Pool Accounts)		84,23,94,039	69,66,48,807
8. Payment to and Provision for Employees:			
(a) Salaries, Wages and Bonus	24,95,44,463		25,44,95,888
(b) Contribution to Provident and other Funds	1,49,31,645		1,44,13,801
(c) Staff Welfare Expenses	1,86,02,840		1,74,95,669
(d) Provision for Gratuity	75,25,120		1,03,84,373
(e) Gratuity and Ex-Gratia	12,72,266		8,65,809
		29,18,76,334	29,76,55,540
9. Office Administration, Selling and Other Expenses (Schedule 'N')		23,18,54,527	21,18,67,223
10. Less: Increase in Stocks: Closing Stock as on 31st March, 1977:			
Finished Products	1,26,46,14,703		1,19,61,85,619
Stock in Process	13,43,63,208		6,25,60,968
	1,39,89,77,911		1,25,87,46,587
Less: Opening Stock as on 1st April, 1976:			
Finished Products	1,19,61,85,619		1,36,26,38,020
Adjustment in respect of Opening Stock of Finished Products	-		(1,33,59,431)
Stock in Process	6,25,60,968		9,54,43,253
	1,25,87,46,587		1,44,47,21,842
		14,02,31,324	(18,59,75,255)
TOTAL		<u>7,28,96,75,487</u>	<u>7,13,34,59,974</u>



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

	<u>Rupees</u>	<u>Rupees</u>	1976 <u>Rupees</u>
<u>OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:</u>			
1. Rent		2,22,05,113	2,05,64,218
2. Insurance (Includes Emergency Risk Insurance)		1,25,17,794	1,24,45,042
3. Rates and Taxes		1,31,70,132	97,23,090
4. Donations ..		2,37,358	15,57,088
5. Directors' Fees		900	1,100
6. Payments to Auditors:			
(a) Audit Fees	2,50,000		2,50,000
(b) Other Services (for issuing certificates etc.)	1,74,150		1,21,095
(c) Out of Pocket Expenses	77,682		66,175
		5,01,832	4,37,270
7. Main Installation Charges paid to other Marketing Companies		1,15,31,508	1,41,06,503
8. Office Administration, Selling and other expenses (Including bank charges Rs. 4,10,67,283-1976: Rs. 3,80,31.113)		14,77,92,745	12,96,20,713
9. Bad Debts, Advances and Insurance Claims written off		8,79,623	21,54,537
10. Loss on Assets sold, lost or written off		23,10,699	20,02,446
11. Technical Assistance by Engineers India Limited		75,19,416	73,81,516
12. Exchange Fluctuations		-	26,67,489
13. Provision for Doubtful Debts, Advances and Claims		71,24,553	67,14,741
14. Central Industrial Security Force Expenses		38,59,387	21,08,645
15. Pollution Control Expenses		22,03,467	3,82,825
TOTAL		<u>23,18,54,527</u>	<u>21,18,67,223</u>

SCHEDULE '0' - EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS

	<u>Rupees</u>	<u>Rupees</u>	1976 <u>Rupees</u>
<u>INCOME:</u>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	(1,33,55,145)		(51,90,134)
(ii) Less: Commission and Discounts ..	2,07,651		-
	(1,35,62,796)		(51,90,134)
2. Company's use of own oil ..	-	(1,35,62,796)	46,31,058
			(5,59,076)
3. Interest:			
(i) On Advances	1,51,233		5,75,840
(ii) From Customers on Outstandings	-		(1,55,137)
		1,51,233	4,20,703
4. Sale of Power and Water		16,03,919	1,26,860
5. Exchange Fluctuations		-	7,28,449
6. Miscellaneous Income		17,07,944	19,46,604
TOTAL INCOME		<u>(1,00,99,700)</u>	<u>26,63,540</u>



SCHEDULE '0' - EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS - (Contd.)

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
<u>EXPENSES:</u>			
1. Purchase of Products and Crude for resale and Transfers Under Product Exchange		(1,48,54,031)	2,61,72,709
2. Raw Materials Consumed - Purchases		52,53,029	(9,33,154)
3. Consumption:			
(i) Stores and Spares	74,869		(1,37,218)
(ii) Packages	<u>7,31,386</u>		<u>(8,27,662)</u>
		8,06,255	(9,64,880)
4. Power and Fuel		(5,26,717)	1,09,751
5. Processing fees, Blending fees, Royalty and Other Charges		-	20,41,659
6. Repairs and Maintenance:			
(i) Plant and Machinery	8,77,109		5,33,553
(ii) Other	<u>-</u>		<u>3,29,206</u>
		8,77,109	8,62,759
7. Freight and Transportation Charges (net of recoveries from Pool Account)		36,52,529	(9,03,385)
8. Payment to and Provision for Employees:			
(i) Salaries, Wages and Bonus	38,74,687		15,61,227
(ii) Contribution to Provident and Other Funds	<u>1,66,041</u>		<u>-</u>
		40,40,728	15,61,227
9. Rent		(42,72,751)	(13,34,926)
10. Insurance		(3,50,926)	44,154
11. Rates and Taxes		1,40,156	(86,318)
12. Main Installation charges paid to Other Marketing Companies		6,27,802	-
13. Office Administration, Selling and other Expenses		(29,81,952)	(1,27,231)
14. Loss on Assets sold, lost or written off		-	(3,36,962)
15. Excise Duty		(77,99,437)	37,65,059
16. Depreciation and Amortisation		46,02,655	(18,94,658)
17. Interest-Other		1,87,090	(60,45,642)
18. Adjustment in respect of prior year closing stock		-	1,33,59,431
19. Expenses Capitalised		(3,04,058)	-
		<u>(1,09,02,519)</u>	<u>3,52,89,593</u>
TOTAL EXPENSES			
		<u>8,02,819</u>	<u>(3,26,26,053)</u>
NET INCOME/ (EXPENSES)			



**SCHEDULE "P" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 1977**

1. Contingent Liabilities not provided for:
 - (a) Claims against the Corporation not acknowledged as debts Rs. 2,298.39 lakhs (1976: Rs. 2,205.93 lakhs) including Rs. 629.67 lakhs (1976: Rs. 416.20 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. 1,136.86 lakhs (1976: Rs. 1,145.08 lakhs) being the demand made by the Central Excise on certain products.
 - (ii) Rs. 204.07 lakhs (1976: Rs. 204.07 lakhs) towards damages for shortfall and termination of supplies to a Customer.
 - (b) The Corporation has given guarantees and counter guarantees to Banks and others on behalf of third parties amounting to Rs. 1,196.05 lakhs (1976: Rs. 1,726.55 lakhs).
 - (c) Bills discounted with the Bank Rs. 96.16 lakhs (1976: Rs. 649.25 lakhs).
 - (d) Income tax, if any reimbursable to the foreign contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 12,771.23 lakhs (1976: Rs. 7,648.21 lakhs).
3. (a) Title Deeds for land of the book value of Rs. 261.06 lakhs (1976: Rs. 154.83 lakhs), Lease and other formal agreements in respect of certain other lands are pending execution and are not available for verification.
 - (b) Pending decision of the State Government no liability could be determined and provided for in respect of claims preferred by certain parties on the Collector, Mathura, for land acquired for Mathura Refinery Project.
 - (c) 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 the various formalities no effect has been given to this transaction in the accounts.
 - (d) 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.
4. Included amongst stores are some items which are surplus and no provision has been made in these accounts towards loss on disposal, thereof, if any, that may arise, as the extent could not be ascertained.
5. Closing Stock includes stock of Tin Plates of value of Rs. 1.34 lakhs (1976: Rs. 1.34 lakhs) lying with the Contractor who contends that no stock is lying with him.
6. Book debts include an amount of Rs. 30.53 lakhs (1976: 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.
7. Sundry Deposits under Loans and Advances include Rs. 44.42 lakhs (1976: Rs. 28.07 lakhs) on account of payments to other Marketing Companies for products received on loan from them, against which the Corporation holds the products received and whose value has not been ascertained.
8. Sundry Deposits include an amount of Rs. 50.59 lakhs (1976: 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.
9. An amount of Rs. 242.83 lakhs (1976: Rs. 242.83 lakhs) due from the Freight Surcharge Pool Account in respect of transportation of imported crude from Haldia to Barauni had been accounted for, on provisional basis during the past years. Adjustments, if any, will be made on receipt of the decision of the Government.
10. Adventitious gains made by the Corporation on account of revision of Excise duty during the period 2nd November, 1973 to 31st March, 1975 have been adjusted to the credit of C&F Adjustment Ac-



- count in the previous year. However, these amounts remain to be surrendered- subject to the decision of the Government.
11. The revised scheme of Freight Surcharge Pool Account and Flat Transportation Surcharge effective from 14th July, 1975 are under finalisation by the Industry/Government. Claims or surrenders in respect of these schemes have been provisionally worked out based on the clarifications received from time to time by the Corporation. Adjustments, if any, will be made on finalisation of the Schemes.
 12. No credit has been taken for the following claims preferred by the Corporation-:
 - (a) The dispute regarding the price of RFO/LSHS supplied to a State Electricity Board was under arbitration. The arbitrator has given an award under which the amounts accrue, become due and receivable on various dates stipulated in the Award. The Corporation has received one instalment of Rs. 1.47 crores which accrued, became due and receivable during the year. The credit for the balance amount of Rs. 71.81 crores will be taken on the respective dates when they will accrue, become due and receivable.
 - (b) Out of the claim preferred on a Shipping Company for Rs. 199.89 lakhs (1976: Rs. 199.89 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. An amount of Rs. 196.03 lakhs (1976: Rs. 196.03 lakhs) has not been taken credit for in the accounts. The matter is under arbitration.
 - (c) Claims amounting to Rs. 899.34 lakhs (1976: Rs. 344.28 lakhs) relating to product pattern variations, pending approval of the appropriate authorities.
 - (d) In respect of Naphtha loss suffered by the Corporation due to Fire Accident at Mourigram Installation, an ad hoc claim has been lodged with the Insurer. However, the quantum of final claim cannot be ascertained, pending a decision by the Customs/Excise authorities on waiver of duty on lost quantity.
 13. The trial period expenses in respect of Lube Sector of Haldia Refinery have been charged to the Profit & Loss Account.
 14. Pending finalisation with the Government of India a sum of Rs. 28.42 lakhs (1976: Rs. 32.82 lakhs) being compensation for loss on utilisation of Indian Flag Vessels (used for carrying crude oil/oil products) has been included under claims recoverable.
 15. The Corporation has, in some cases, been making purchases of materials and goods from Public Sector Undertakings and/or Government Companies, who enjoy a price preference generally not exceeding 10 per cent under the general orders of the Government.
 16. The Corporation's guest house at Gauhati was requisitioned by the State Government of Assam from 15th November to 26th November, 1976. An expenditure of Rs. 9,648.96 incurred on boarding and lodging and providing transport has since been recovered from the Reception Committee of AICC.
 17. The Profit and Loss Account includes expenses on Public Relations and Publicity of Rs. 37.95 lakhs (1976: Rs. 40.75 lakhs).
 18. Remuneration paid or payable to full-time Directors was Rs. 2,55,575 (1976: Rs. 2,37,741). In addition, full-time Directors are also allowed the use of Corporation's car for private purposes upto 6000 KM per annum on a payment of Rs. 1,200 per annum to be recovered in instalments of Rs. 100 per mensem. Further, the Managing Director (Marketing) has been allotted a company owned flat on recovery of rent at 10 per cent of his basic pay. The facility of club subscription Rs. 257 included in the above remuneration is subject to the sanction of the appropriate authority. The approval of the appropriate authority is also awaited for the facility of club subscription of Rs. 570 in respect of the previous year.

The approval of the appropriate authority for the remuneration of Rs. 9,228 paid in the earlier year to the then Managing Director (Marketing) is awaited.
 19. Information required under paragraphs 3 (i) (a), 3 (ii), 3 (x) (f) note 2, 4C and 4D (b) and 4D (e) of Part II of Schedule VI to the Companies Act, 1956 is given in Schedules 'Q' to 'V'. Exemption has been obtained from the Government from compliance of para 4D (a) and 4D (c) of Part II of Schedule VI of the Companies Act, 1956 for the year 1976-77.
 20. Figures in bracket indicate deductions.
 21. Previous year's comparative figures have been re-grouped to the extent practicable, wherever necessary.
- Signature to Schedules 'A' to 'V'

C.R. DAS GUPTA
Chairman

JOY JOSEPH
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

D. B. PURI
Secretary



SCHEDULE 'Q' - LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

	PETROLEUM PRODUCTS		LUBRICATING OILS	
	1977 M.Ts.	1976 M.Ts.	1977 M.Ts.	1976 M.Ts.
(i) Licenced Capacity (including Mathura Refinery Project under construction 60,00,000 M.T. and 30,00,000 M.T. for Gujarat Refinery Expansion)	1,82,50,000	1,82,50,000	1,70,000	1,70,000
(ii) Installed Capacity*	92,50,000	92,50,000	1,40,000	1,40,000
(iii) Actual Production	91,30,042 40,166 @	86,41,267 24,121 @	69,803	62,117
(iv) Product Processed/manufactured by others	-	2,61,483	5,591 1,93,383 @ @	5,882 1,84,564 @ @

* As certified by the management and accepted by the auditors without verification.
 ** Licensed Capacity is 15,00,000 drums for Asphalt Drums and Lube Oil Drums put together.
 *** Per year operating in two shifts.
 + Per year operating in single shift.
 ++ Per single shift.
 @ Cubic metres.
 G~ In Kilo Litres

SCHEDULE 'R' - FINISHED PRODUCTS-QUANTITY AND OPENING STOCK VALUE PARTICULARS -TURNOVER

	OPENING STOCK		
	QUANTITY		VALUE
	MTs.	KLs.	RUPEES
1. FORMULA PRODUCTS:			
As on 31 st March, 1977	2,43,793	11,80,138	95,70,59,707
As on 31st March, 1976..	4,75,474*	11,00,419*	1,07,47,81,063*
2. LUBRICANTS AND GREASES:			
As on 31st March, 1977	2,109	39,980	15,63,39,092
As on 31st March, 1976	8,465	74,462	20,81,70,744
3. OTHER PETROLEUM PRODUCTS:			
As on 31st March, 1977	1,22,788	9,884	8,20,62,215
As on 31st March, 1976	96,936	9,410	6,55,00,400
4. CRUDE OIL:			
As on 31st March, 1977	-	-	-
As on 31st March, 1976	-	-	-
5. BASE OIL AND ADDITIVES:			
As on 31st March, 1977	583	-	7,24,605
As on 31st March, 1976	1,099	-	8,26,382
TOTAL:			
As on 31st March, 1977	3,69,273	12,30,002	1,19,61,85,619
As on 31st March, 1976	5,81,974	11,84,291	1,34,92,78,589



SCHEDULE 'Q' - LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION Contd...

ASPHALT DRUMS		LUBE OIL DRUMS		8.5 LITRE TINS	
1977	1976	1977	1976	1977	1976
Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
15,00,000 **	15,00,000 **	- **	- **	- -	-
10,00,000 ***	10,00,000 ***	5,00,000 +	5,00,000 +	8,000 ++	8,000 ++
7,52,970	5,62,143	2,27,463	1,62,568	-	-
4,40,360	5,53,165	4,37,330	4,89,111	-	-

SCHEDULE 'R'- FINISHED PRODUCTS-QUANTITY AND OPENING STOCK 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
10,84,185	1,07,98,175	12,81,96,96,473	14,80,433	1,88,74,012	20,31,00,39,941	3,08,007	11,19,070	1,02,49,69,214
7,41,264	99,88,783	11,76,84,36,223	15,74,626	1,71,50,236	18,95,40,59,463	2,43,793	11,80,138	95,70,59,707
515	7,566	24,86,99,254	6,190	2,56,063	1,24,61,27,272	1,256	57,400	16,96,93,019
141	1,524	30,23,22,452	12434	2,65,361	1,28,8264,450	2109	39,980	15,63,39,092
-	4,155	3,43,62,689	12,95,561	5,00,729	1,38,19,34,543	1,16,504	1,147	6,88,37,598
			25,880* *					
507	16,153	2,91,72,776	1216,041	4,64,275	9211,93,646	1,22788	9,884	8,20,62,215
			24,121**					
46,74,011	-	3,68,63,47,077	46,74,011	-	3,70,31,11,318	-	-	-
39,18,712	-	3,04,32,36,162	39,18,712	-	3,05,59,25,547	-	-	-
9,729	-	1,29,15,208	9,737	-	1,35,51,261	897	-	11,14,872
15,316	2706	228,23,773	13,336	2,706	2,11,97,126	583	-	7,24,605
57,68,440	1,08,09,896	16,80,20,20,701	74,65,932	1,96,30,804	26,65,47,64,335	4,26,664	11,77,617	1,26,46,14,703
			25,880* *					
46,75,940	1,00,09,166	15,16,59,91,386	67,35,149	1,78,82,578	24,24,06,40,232	3,69,273	1230,002	1,19,61,85,619
			24,121**					

* Includes 7,478 MTs. (-) 65,003 KLs. Value (-) Rs. 1,33,59,431 in respect of adjustment of previous years.
 ** Cubic Metres.

- Note:1. Purchases and Sales exclude value adjustments shown under items pertaining to the previous years.
 2. In view of the physical stocks and the records of drums manufactured as well as purchased being combined, separate information in respect of opening and closing stock of drums manufactured is not feasible.
 3. Adjustment for transit and temperature variations has been made in regard to quantitative information given, in respect of purchases.



SCHEDULE 'S' - CONSUMPTION PARTICULARS OF RAW MATERIALS

Index

	QUANTITY		VALUE	1976		VALUE
				QUANTITY		
	MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES
1.Crude Oil	97,30,509	-	5,01,13,09,202	95,02,814	-	4,74,16,87,391
2.Base Oils	61,524	1,79,950	52,98,60,625	58,511	1,91,906	54,44,07,049
3.Additives	3,641	4,894	13,54,05,989	2372	4,983	11,93,90,046
4.Steel Coils and Sheets*	29,021	-	11,25,15,018	20,883	-	8,36,08,538
TOTAL	<u>98,24,695</u>	<u>1,84,844</u>	<u>5,78,90,90,834</u>	<u>95,84,580</u>	<u>1,96,889</u>	<u>5,48,90,93,024</u>

- Note: 1. Additives are not considered as Raw Materials in Refineries Division.
 2. Consumption excludes value adjustments if any, shown under items pertaining to the previous years.
 * Shown under packages consumed in the Profit and Loss Account.



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

Index

		1976
	<u>Rupees</u>	<u>Rupees</u>
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum:		
Number	<u>47</u>	<u>27</u>
(a) Salaries, Wages and Bonus	16,61,324	9,91,552
(b) Contribution to Provident Fund/Family Pension Fund	1,23,489	62,330
(c) TOTAL (a) + (b):	<u>17,84,813</u>	<u>10,53,882</u>
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month:		
Number	<u>12</u>	<u>3</u>
(a) Salaries, Wages, Bonus and Gratuity paid	3,20,252	74,151
(b) Contribution to Provident Fund/Family Pension Fund	14,497	4,250
(c) TOTAL (a) + (b):	<u>3,34,749</u>	<u>78,401</u>

The above figures exclude amounts shown under items pertaining to previous years.



SCHEDULE 'U' - EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF ROYALTY, KNOW-HOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS

Index

	<u>Rupees</u>	<u>1976 Rupees</u>
1. Foreign Agency Fees	5,65,68,967	7,12,57,093
2. Royalty (excluding income tax)	15,45,512	-
3. Technical know-how fees	-	4,07,383
4. Professional consultation fees	62,60,024	1,15,67,850
5. Interest	39,09,927	50,89,502
6. Others	98,91,570	30,68,498
TOTAL	<u>7,81,76,000</u>	<u>9,13,90,326</u>

SCHEDULE 'V'-EARNINGS IN FOREIGN EXCHANGE

	<u>Rupees</u>	<u>1976 Rupees</u>
1. Export of goods calculated on FOB basis		
(a) Export	49,40,64,658	47,89,92,243
(b) Capital goods issued to Nepal Oil Corporation United	2,98,075	7,01,688
2. Interest and Dividend	74,283	1,02,535
3. Other Income and Service charges	5,62,391	1,63,919
TOTAL	<u>49,49,99,407*</u>	<u>47,99,60,385*</u>

* Includes Rs. 39,11,54,361 (1976: Rs. 14,09,00,744) received in Indian Currency out of repatriable funds of foreign customers and other export sales through canalising agencies.



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

Index

	<u>No. of Shares</u>	<u>Paid up Value Rupees</u>
1. Shares in the subsidiary companies were registered in the name of the Company and their nominees as indicated <u>As at 31st March, 1977</u>		
Indian Oil International Limited (Liquidated)	-	-
Indian Oil Blending Limited	8,000	40,00,000
2. Net aggregate amount of the Profit of subsidiary company not dealt with in the Company's account so far as they concern the members of the Company are :		
	<u>For the Financial 1 year ended 31st March, 1977</u>	<u>Previous Financial year cumulative Total</u>
	<u>Rupees</u>	<u>Rupees</u>
Indian Oil International Limited (Liquidated)	(-) 1,339*	42,777**
Indian Oil Blending Limited	24,04,588	24,77,328
3. Net aggregate amount of the Profit of the subsidiary company as far as its Profits are dealt with in Company's Accounts are		
	<u>For the Financial year ended 31st March, 1977</u>	<u>Previous Financial year cumulative Total</u>
	<u>Rupees</u>	<u>Rupees</u>
Indian Oil International Limited (Liquidated)	41,146* **	1,40,000
Indian Oil Blending Limited	4,00,000	3,11,200
* Represents Revenue Disbursement		
** Represents excess Revenue Receipts over Revenue Disbursement.		
*** After adjustment of Rs. 292 being the payment of Income Tax for the assessment year 1971-72.		

C.R. DAS GUPTA
Chairman

JOY JOSEPH
Finance Director

S. B. BUDHIRAJA
Managing Director
(Marketing)

D. B. PURI
Secretary



SCHEDULE OF FIXED ASSETS (TOWNSHIP)

	Gross Block as at 31st March, 1976 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	92,43,452	19,58,585	-	(-) 20,315
Leasehold	8,31,769	-	-	-
BUILDINGS, ROADS ETC.	10,55,32,052	2,05,844	36,25,735	(-) 4,48,848
PLANT AND MACHINERY	53,85,850	6,107	1,63,420	-
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	1,20,08,292	-	8,55,762	-
EQUIPMENT AND APPLIANCES	26,78,513	67,145	-	(-) 62,523
FURNITURE AND FIXTURES	8,52,646	18,281	-	(-) 13,209
VEHICLES	30,87,099	7,82,592	2,72,490	(-) 3,75,764
SUNDRY ASSETS	43,084	-	-	
TOTAL	13,96,62,757	30,38,554	49,17,407	(-) 9,20,659
PREVIOUS YEAR	13,22,48,534	45,40,533	34,88,681	(-) 6,14,991
CAPITAL WORK-IN PROGRESS				
PREVIOUS YEAR				
TOTAL				
PREVIOUS YEAR				



SCHEDULE OF FIXED ASSETS (TOWNSHIP) Contd...

Gross Block as at 31st March, 1977 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1977	Net Depreciated Block	
			As at 31st March, 1977	1976
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
1,11,81,722	—	—	1,11,81,722	92,43,453
8,31,769	8,402	1,06,425	7,25,344	7,33,746
10,89,14,783	24,03,555	2,15,00,401	8,74,14,382	865,23,151
55,55,377	2,78,326	21,42,513	34,12,864	35,87,803
1,28,64,054	5,00,998	49,00,206	79,63,848	76,09,092
26,83,135	2,05,811	18,77,038	8,06,097	9,00,164
8,57,718	85,516	5,61,429	2,96,289	3,71,415
37,66,417	4,43,292	17,42,945	20,23,472	15,20,782
43,084	7,694	36,445	6,639	14,333
14,66,98,059	39,33,594	3,28,67,402	11,38,30,657	
13,96,62,757	39,95,469	2,91,58,818	11,05,03,939	
			62,61,860	
			15,84,806	
			12,00,92,517	
			11,20,88,745	



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1977 ON
PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

Index

INCOME	<u>Rupees</u>	<u>1976</u> <u>Rupees</u>
1. Recovery of House Rent	26,18,304	21,35,129
2. Recovery of Utilities: Power and Water	7,63,956	6,66,016
3. Recovery of Transport charges	2,14,642	2,21,506
4. Other Recoveries	4,88,332	4,66,899
5. Excess of Expenditure over Income	4,12,69,248	3,89,07,648
TOTAL	<u>4,53,54,482</u>	<u>4,23,97,198</u>
EXPENDITURE		
1. Salaries, Wages and P.F. contribution	1,20,89,093	1,35,36,764
2. Consumable Stores and Medicines	42,75,528	41,77,991
3. Subsidies for Social and Cultural activities	13,46,482	10,53,163
4. Repairs and Maintenance	45,66,319	24,55,306
5. Interest	69,85,624	70,47,795
6. Depreciation		39,33,593
39,87,471		
7. Miscellaneous Expenses:		
Taxes, Licence fees, Insurance etc.	30,75,789	29,66,964
8. Utilities: Power and Gas	89,72,893	71,71,744
9. Land Rent	20,380	-
10. Welfare (School)	42,296	-
11. Bus Hire charges	46,485	-
TOTAL	<u>4,53,54,482</u>	<u>4,23,97,198</u>



**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,
1977 AND REPLIES OF THE BOARD OF DIRECTORS.**

COMMENTS OF THE COMPTROLLER AND
AUDITOR-GENERAL OF INDIA

REPLIES OF THE BOARD OF DIRECTORS

BALANCE SHEET:

1. Fixed Assets

Gross Block - Schedule 'E' - Rs. 3,45,30,73,647

Consequent upon capitalisation of additional cost of Rs. 1.97 lakhs in respect of L. P. G. cylinders under 'Capital-Goods-in-Stock' instead of under 'Fixed Assets', there has been under-charge of depreciation by Rs. 1.87 lakhs.

Necessary adjustment will be carried out during 1977-78.

2. Construction work-in-progress and Capital goods in stock - Schedule 'F' Rs. 1,31,22,76,242

While the above item includes damaged and rejected storesworth Rs. 2.91 lakhs, it excludes machine of the value of Rs. 6.51 lakhs, incorrectly classified as 'Inventories -Stores-in-transit'.

Necessary adjustments will be carried out during 1977-78.

3. Current Assets, Loans & Advances - Inventories - Schedule 'H' Rs. 1,93,30,99,228

Stock of empty barrels & tins (at cost or net realisable value whichever is lower) - Rs. 92,11,440

Stock of un-usable barrels, included in the above item, has been valued at cost (Rs. 18.13 lakhs) instead of realisable value (Rs. 12.39 lakhs) thereby resulting in overvaluation of stock by Rs. 5.74 lakhs.

Noted

4. Book Debts - Schedule 'I' - Rs. 90,92,90,752- 'Un-secured considered good - Rs. 90,84,33,162

The above amount includes a sum of Rs. 164.10 lakhs which has been disputed/rejected by the concerned parties.

The recovery of Rs. 159.58 lakhs due from a State Electricity Board is being pursued and the matter has also been referred to the Ministry of Petroleum. The Corporation considers the debt as good. The recovery of Rs. 4.52 lakhs is being pursued with the parties concerned.

5. Loans & Advances - Schedule 'J' - Rs. 62,41,08,841

The above amount includes a sum of Rs. 5.34 lakhs representing the value of the claim withdrawn by the Company. It also includes disputed claim worth Rs. 3.62 lakhs.

As regards the insurance claim of Rs. 5.34 lakhs, necessary adjustments, will be carried out in the year 1977-78. The Corporation considers the claim for Rs. 3.62 lakhs as good.

6. Current liabilities and Provisions-Schedule 'K'- Rs. 3,87,13,53,324

Provision has not been made for the liabilities aggregating Rs. 16.80 lakhs (Rs. 10.94 lakhs on revenue account and Rs. 5.86 lakhs on capital account)

Adjustments as necessary will be carried out in the year 1977 - 78

7. Schedule 'P' - Notes on the accounts for the year ended 31st March, 1977

(a) Note 1

Contingent Liabilities of Rs. 18.65 lakhs (Rs. 13.68 lakhs on account of excise duty on excess ocean losses on coastal movements of products and Rs. 4.97 lakhs on account of enhanced rent claimed by the C.P.W.D. in respect of Indian Oil Bhawan) have not been indicated in the note.

No demand has been received for Rs. 13.68 lakhs on account for excise duty and hence the provision of contingent liability is not considered necessary. Regarding Rs. 4.97 lakhs, there is no legal liability for payment of enhanced rent but the matter is under discussions with the Government

(b) Note 1 (a) (i):

Contingent liability of Rs.1,136.86 lakhs in respect of Central Excise Duty mentioned in the note includes an amount of Rs. 932.34 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 L.D.O. in Barauni Refinery. Government have not accepted the request of the Company for waiver.

The demands in respect of central excise duty' have been disputed by the Corporation and the Corporation has appealed against the demands.



COMMENTS OF THE COMPTROLLER AND
AUDITOR-GENERAL OF INDIA

REPLIES OF THE BOARD OF DIRECTORS

PROFIT & LOSS ACCOUNT

A. INCOME

8. Sale of products and crude and transfers under product exchange- Rs. 26,65,47,64,335

(a) This includes Rs. 13.68 lakhs which should have been accounted for as Income relating to previous years -Schedule '0'.

Noted.

(b) The Company is required to debit/credit under-recoveries/super profits on the sale of lubricants and greases to Cost and Freight Adjustment Account in accordance with the orders of Government in this behalf. During 1976-77, under-recovery of Rs. 14.81 crores has been so debited. The net under-recoveries debited upto 31st March, 1976 amounted to Rs. 18.09 crores. Government's approval to these adjustments has not been received. Further, the claims include the following items/expenses which are not admissible as per Government orders :-

The audited statements of accounts upto December 1976 have already been submitted to the Government for approval; their approval is awaited.

(i) An amount of Rs. 21.09 lakhs has been debited as a fair return towards blending charges for the years 1975-76 and 1976-77 on a provisional basis as against the amount of Rs. 16.64 lakhs claimable on the basis of rates specified by Government for 1974-75. In addition, the Company has also realised and retained Rs. 1.86 lakhs from other oil companies towards processing charges in excess of the actuals. As the other oil companies also debited the Block Control Account with the processing fee paid by them to the Company, the Block Control Account has been excess debited by Rs. 6.31 lakhs in all.

No blending fee under Block Control Account has been fixed by the Government. Adjustments of Rs. 21.09 lakhs has been made on the same basis as was approved by the Government in respect of earlier years. The recovery of blending fee for Rs 1.86 lakhs is not required to be surrendered to the Block Control Account..

(ii) Demurrage, bridging, stock losses etc. (amount not ascertained).

The Block Control Account scheme does not restrict debiting of these items as cost in the Block Control Account and the same is being done as in earlier years.

(c) As a result of not following the correct method for ascertaining the cost of sales of lubes and greases, the Company has claimed a sum of Rs. 10.67 lakhs (approx.) in excess from the Block Control Account.

The valuation of inventory of lubes and greases has been done on the basis of cost or net realisable value whichever is lower consistent with previous practice.

9. Company's use of own oil - Rs. 5,06,66,464

The supply of bunkers to vessels chartered by the Company for international as well as coastal movement, though treated as company'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 cost in respect of international movement amounted to Rs. 39.87 lakhs and that (difference between selling price and cost) in respect of coastal movement amounted to Rs. 56.39 lakhs. The extent to which the profit has been overstated on this account is not ascertainable.

The bunkers issued to the various vessels chartered by the Corporation is treated as consumption and not invoiced as sale on a consistent basis.

10. Main Installation charges received from Other Marketing Companies- Rs. 1,67,61,801

These include Rs. 65.07 lakhs received provisionally from Other Marketing Companies during 1976-77 (Rs. 56.95 lakhs in 1975-76) subject to refund in the event of the supply agreement not being satisfactorily concluded.

The product exchange agreement is under discussions between the Government and the oil companies. There is no likelihood of agreement being not satisfactorily concluded.



COMMENTS OF THE COMPTROLLER AND
AUDITOR-GENERAL OF INDIA

REPLIES OF THE BOARD OF DIRECTORS

B. EXPENDITURE

**11. Manufacturing, Administration, Selling and Other Expenses - Schedule 'M' - Rs. 728,96,75,487
Freight and Transportation charges (Net of recoveries from Pool Accounts) - Rs. 84,23,94,039**

(i) For the purpose of adjustment to Freight Surcharge Pool, the Company had treated the Haldia-Barauni Pipeline and Haldia-Mourigram-Rajbandh Pipeline as a single complex. This has resulted in lesser credit to Freight Surcharge Pool, the extent of which could not be ascertained in the absence of relevant details (Previous year Rs. 1.30 crores).

Haldia-Mourigram-Rajbandh product pipeline was constructed to cater to the needs of Mourigram and Rajbandh area after a decision was taken to convert the Haldia Barauni product pipeline to transport crude oil to Barauni refinery. Thus Haldia-Mourigram-Rajbandh and Haldia-Barauni Pipeline form one pipeline complex and accordingly the credit to Freight Surcharge Pool has been adjusted. The adjustments however are subject to special audit under Freight Surcharge Pool Scheme as indicated in Note No.11.

(ii) Credit of Rs. 7.28 lakhs has been taken in excess of that allowed by the Oil Prices Committee (Rs. 6.11 lakhs on account of utilisation of capacity in respect of Barauni-Kanpur and Koyali-Ahmedabad Pipelines and Rs. 1.17 lakhs by inclusion of in-admissible items in the calculation of the operating cost of pipelines).

The credit of Rs. 6.11 lakhs has been taken on the basis of actual utilisation of the pipeline corresponding to OPC norms. Regarding Rs. 1.17 lakhs, necessary adjustments will be carried out in the year 1977-78.

12. Interest - Other - Rs. 1,37,09,808

This includes an amount of Rs. 2.50 lakhs incorrectly debited as interest charges by the Company's bankers.

The Bank has been requested to give the necessary credit to the Corporation and necessary adjustment will be made in 1977-78 Accounts.

13. Expenses/Income pertaining to previous years -Schedule '0' - Rs. 8,02,819 (Income)

A reference is invited to comment No.12 (b) on the accounts for 1975-76. During 1976-77 also, the Company has accounted for the items of expenses and income not exceeding Rs. 1 lakh in each case pertaining to past years, as current year's transactions.

The Corporation has laid down a limit of Rs. 1 lakh in respect of each transaction of income and expenditure relating to prior years keeping in view the materiality in relation to the total volume of transactions of the Corporation. This does not materially affect the disclosure of the results of the working of the Company during the period covered by the account

14. Reserves and Surplus - Schedule 'B' - Rs. 190,59,62,094. Profit and Loss Account Balance - Rs. 52,094

These have to be considered having regard to non-pro-vision/under-provision of various liabilities etc. indicated in the comments, particularly those mentioned in comment Nos. 1,3,4,5,6,8,9,11,12 and 13.

Our replies to points 1, 3, 4, 5,6, 8,9, 11 12 and 13 clarify the position.

M. S. SARNA
MEMBER, AUDIT BOARD & EX-OFFICIO
DIRECTOR OF COMMERCIAL AUDIT
DEHRADUN

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

Dehradun, Dated 26th August. 1971

Bombay, dated 31st August 1971



ANNEXURE TO THE DIRECTORS' REPORT DATED 16TH AUGUST, 1977

Index

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED
31ST MARCH, 1977 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)		
	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Liabilities			
(a) Paid-up Capital	7,117.72	7,117.72	8,217.72
(b) Reserves and Surplus	12,510.11	14,931.75	19,059.52
(c) Borrowings			
(i) From the Government of India	1,315.32	2,230.42	2,977.75
(ii) Oil Industry Development Board	500.00	985.00	903.50
(iii) Foreign Credit	5,099.04	768.49	623.07
(iv) From Bank-Cash Credit	2,175.28	231.89	199.92
(v) Deferred Payment	17.61	15.10	12.58
(d) Trade dues and other liabilities (including provisions)	33,348.02	34,759.63	38,767.43
TOTAL	<u>62,083.10</u>	<u>61,040.00</u>	<u>70,761.49</u>
Assets:			
(e) Gross Block	27,759.28	30,621.18	34,530.74
(f) Less: Depreciation	11,508.12	14,019.49	16,147.31
(g) Net fixed assets	16,251.16	16,601.69	18,383.43
(h) Capital work-in-progress (including unallocated expenses)	3,665.84	5,297.84	7,907.78
(i) Other assets (Mainly machinery and equipments in transit and stores)	2,028.23	2,483.93	5,214.98
(j) Current assets, loans and advances (excluding investments other than those lodged by outside parties as Security deposit)	40,091.01	36,610.14	39,209.01
(k) Investments	46.86	46.40	46.29
TOTAL	<u>62,083.10</u>	<u>61,040.00</u>	<u>70,761.49</u>
Capital employed	23,594.94	19,156.43	19,601.02
Net worth	19,627.83	22,049.47	27,277.24

- Notes: 1. Capital employed represents net fixed assets plus working capital.
2. 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 0.97:1 in 1974-75, 0.56:1 in 1975-76 and 0.55:1 in 1976-77.

(b) The amount of loans taken from the Government of India outstanding as on 31st March, 1977 was Re. 2,977.75 lakhs. In respect of a loan of Rs. 1,100.00 lakhs taken by Corporation in 1976-77, moratorium for one year for repayment of principal was granted by the Government of India.

3. Reserves and Surplus:

The reserves and surplus (Rs. 19,059.52 lakhs) amounted to

(a) 26.9 per cent of the total liabilities in 1976-77 as against 24.5 per cent in 1975-76 and 20.2 per cent in 1974-75.

(b) 231.9 per cent of equity capital (Rs. 8,217.72 lakhs) in 1976-77 as against 209.8 per cent in 1975-76 and, 175.8 per cent in 1974-75.

4. Liquidity and Solvency:

(a) The proportion of current assets (including investments) to total net assets decreased from 64.7 per cent in 1974-75 to 60.1 per cent in 1975-76 and to 55.5 per cent in 1976-77.

(b) The percentage of current assets (including investments) to current liabilities (including provisions) decreased from 120.4 per cent in 1974-75 to 105.5 per cent in 1975-76 and to 101.3 per cent in 1976-77.

(c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) decreased from 59.5 in 1974-75 to 53.2 in 1975-76 and to 51.6 in 1976-77.

5. Working Capital

The working capital (current assets, loans and advances less trade dues and current liabilities excluding provision for gratuity) of the Company at the close of the three years ending 31st March, 1977 amounted to Rs. 7,343.78 lakhs, Re. 2,554.74 lakhs and Rs. 1,217.59 lakhs respectively and represented 0.5, 0.1 and 0.1 month's value of business at cost (excluding depreciation) during these years. The working capital as on 31st March, 1977 was financed through loans from Bank (Rs. 199.92 lakhs), loans from Oil Industry Development Board (Rs. 903.50 lakhs) and the balance from internal resources (Rs. 114.17 lakhs).

6. Sources and uses of funds:

Funds amounting to Rs. 6,738.00 lakhs from internal resources (reserves and surplus, depreciation and provisions) and Rs. 5,111.31 lakhs from other sources were utilised in 1976-77 as under

(Rupees in lakhs)

Gross Block including Capital work in progress	6,519.50
Other assets (net)	5,329.81

7. Working Results:

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

(Rupees in lakhs)

	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
(i) Profit before tax	5,075.85	5,567.32	10,632.72
(II) Tax Provision	2,150.00	2,700.00	5,800.00
(III) Profit after tax ..	<u>2,925.85</u>	<u>2,867.32</u>	<u>4,832.72</u>
Percentage of Profit before tax			
(a) To sales (inclusive of product exchange and transfers)	2.6	2.3	4.0
(b) To gross fixed assets	18.3	18.3	30.8
(c) To capital employed	21.5	29.1	54.2
Percentage of Profit after tax			
(a) To net worth	14.9	13.0	17.7
(b) To equity capital	41.1	40.3	58.8
(c) To capital employed	12.4	15.0	24.7



8. Cost trends:

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

	(Rupees in lakhs)		
	1974-75	1975-76	1976-77
Sales (inclusive of product exchange and transfers)	1,96,502.40	2,42,838.64	2,66,846.10
Less: Profit before tax	5,075.85	5,567.32	10,632.72
Cost of sales	<u>1,91,426.55</u>	<u>2,37,271.32</u>	<u>2,56,213.38</u>
Percentage of cost of sales to sales	97.4	97.7	96.0

9. Business performance:

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

	(Rupees in lakhs)		
	1974-75	1975-76	1976-77
1. Sales (inclusive of product exchange and transfers)	1,96,502.40	2,42,838.64	2,66,846.10
2. Closing stock of raw materials, finished goods and stock-in-process	17,892.85	15,458.19	17,092.25
3. Opening stock of raw materials, finished goods and stock-in-process	14,562.53	17,892.85	15,458.19
4. Adjustment in respect of opening stock	(+) <u>4.74</u>	(-) <u>133.59</u>	-
5. Value of business (1+2) - (3+4)	<u><u>1,99,827.98</u></u>	<u><u>2,40,537.57</u></u>	<u><u>2,68,480.16</u></u>

The percentage of value of business to net worth increased from 1,018.1 in 1974-75 to 1,090.9 in 1975-76 and decreased to 984.3 in 1976-77. The percentage of value of business to total net assets increased from 321.9 in 1974-75 to 394.1 in 1975-76 and decreased to 379.4 in 1976-77.

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

	(Rupees in lakhs)		
	1974-75	1975-76	1976-77
(i) Stores and spare parts (including-in-transit)	2,575.68	2,578.93	2,145.59
(ii) Loose tools	2.99	1.10	1.04
(iii) Stock-in-trade (including raw materials and stock-in-process)	17,892.85	15,458.19	17,092.25
(iv) Stock of empty barrels and tins	124.41	162.95	92.11
	<u><u>20,595.93</u></u>	<u><u>18,201.17</u></u>	<u><u>19,330.99</u></u>

Stock-in-trade represented 0.8 month's sales in 1976-77 (inclusive of product exchange and transfers) as compared with 0.8 month's sales in 1975-76 and 1.1 month's sales in 1974-75.

11. Sundry debtors and turnover:

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

As on	Total book debts		(Rupees in lakhs)	
			Sales (inclusive of product exchange and transfers)	Percentage of debtors to sales
	Considered good	Considered doubtful		
31st March, 1975	5,235.24	168.84	1,96,502.40	2.8
31st March, 1975	4,669.10	178.87	2,42,838.64	2.0
31st March, 1975	9,092.91	155.46	2,66,846.10	3.5

Sundry debtors represented about 0.3 month's turnover in 1974-75, 0.2 month's 1975-76 and 0.4 month's in 1976-77.



**INDIAN OIL INTERNATIONAL
LIMITED**
(IN LIQUIDATION)

**LIQUIDATOR'S STATEMENT OF ACCOUNTS
AND
AUDITORS' REPORT**

FOR THE PERIOD 30TH AUGUST, 1974 TO 27TH APRIL, 1976



(IN LIQUIDATION)

Index

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



(IN LIQUIDATION)

Index

Liquidator's Explanatory Statement

As the members are aware, Indian Oil International Limited was put under Members' Voluntary Winding up from 30th August, 1974. In the General Meeting held on 17th April, 1976, the Auditors' report and accounts for the period 1-4-1975 to 30-9-1975 and 1-10-1975 to 31-3-1976 were considered and adopted. The final accounts of winding up have since been audited by Company's auditors, M/s. S. Ghosh & Co., Chartered Accountants, 'Bharat Bhawan' 3, Chittaranjan Avenue, Calcutta-13 in Form No.156 of the Companies Court Rules in pursuance of Section 497 of the Companies Act, 1956 and are submitted herewith for the perusal and consideration of the Members.

Further, as desired by the Registrar of Companies, Delhi and Haryana, Department of Company Affairs, New Delhi, revised Liquidator's Statement of Accounts for the period 30th August, 1974 to 29th August, 1975 as well as from 30th August, 1975 to 29th February, 1976 have been prepared, audited and filed with the Registrar of Companies. The balance period is covered in the final statement of accounts. This was a statutory requirement in accordance with the provisions of Section 551 of the Act.

The Books of Accounts of the Company have been closed and brought to 'Nil' balance. The share capital and surplus amount have since been paid to the Indian Oil Corporation Limited, as per details given below

	Rs.	P.
Paid up capital invested by IOC	1,00,000.00	
General Reserve	92,262.19	
Depreciation Reserve	40,421.54	
Income Tax Provision (written back)	7,615.00	
Income Tax Refund	<u>6,240.00</u>	
TOTAL	<u>2,46,538.73</u>	
Less: Excess of expenditure over receipt	(–) 3,761.94	
	2,42,776.79	
Less: paid on account to IOC on 29-12-1975	(–) <u>2,00,000.00</u>	
Available surplus as on 31-3-1976	42,776.79	
Less: Expenses incurred between 1-4-1976 to 27-4-1976	(–) <u>1,338.86</u>	
Balance net amount paid to IOC on 27-4-1976	<u>41,437.93</u>	

Within a week of the final meeting, the necessary returns will be filed with the Registrar and also with the Official Liquidator for necessary scrutiny and for making a report on the affairs of the Company. After the Company is deemed to be dissolved, the books, accounts and documents of the Company are proposed to be disposed of as per special resolutions detailed below :-RESOLVED that books, accounts and documents of Indian Oil International Limited, which

were transferred from Kathmandu to Patna, will remain at the Installation of Indian Oil Corporation Limited (Marketing Division), Patna, under the custody of Installation Manager.

FURTHER RESOLVED that the books of accounts despatched from Kathmandu to the Eastern Branch of Indian Oil Corporation (Marketing Division), Calcutta, as henceforth will remain under the custody of Shri S. K. Rana, Dy. Regional Financial Manager.

FURTHER RESOLVED that the books, accounts and documents lying at the Registered Office of the Company as also the Liquidation papers will be kept in the record room under the charge of Regional Financial Manager, Northern Region, Indian Oil Corporation Ltd., New Delhi.

FURTHER RESOLVED that after a period of five years from the date of final dissolution of the Company, all the records of Indian Oil International Limited will be destroyed by the respective Custodians, unless advised otherwise.

The relevant Explanatory Statement pursuant to Section 173 of the Act in regard to Special Resolution is annexed hereto.

N. S. Shivananda
Liquidator

New Delhi,
Date: 26th May, 1976.



(IN LIQUIDATION)

ANNEXURE

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE
COMPANIES ACT, 1956**

The Indian Oil International Limited had its operations only in Nepal. The main books of accounts of the Company were, therefore, maintained at Kathmandu Branch of the Company. However, on canalisation of POL imports directly through the Indian Oil Corporation Limited, the Kathmandu Branch of the Company was closed and consequently the records were transferred in 1974 to the Patna Office of Indian Oil Corporation Limited. From then onwards all the records have been lying there only. It would be beneficial if their movement is not disturbed due to inadequacy of space, age of records etc.

2. The records which were transferred to Calcutta Office have been lying there for the purpose of Income Tax clearance, audit etc. These records also may remain there for reasons explained above.

3. The current records which are lying in Delhi will be required for the purpose of obtaining certificate of final dissolution and therefore may remain in Delhi for day-to-day reference purposes.

N. S. Shivananda
Liquidator

Date: 26th May, 1976.

(IN LIQUIDATION)

S. GHOSH & CO.,
Chartered Accountants.

Bharat Bhavan,
3, Chittaranjan Avenue,
(Room Nos. C-8 & C-9),
CALCUTTA-700 013.
4th May, 1976.

Auditors' Report
on the Statement Submitted by Voluntary Liquidator to the Registrar of
Companies under Section 497 of the Companies Act, 1956 as amended.

We have audited the Liquidator's statement showing how the winding up has been conducted and property of the Company has been disposed off commencing from 30th August, 1974 to 27th April, 1976 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 account 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 Statement of Account 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 payments by the Liquidator.

For **S. GHOSH & CO.**
Chartered Accountants
S. GHOSH
Partner



(IN LIQUIDATION)
 FORM NO. 156
 (See Rule 329)
 Companies Act, 1956 winding-up (Members' voluntary winding-up)
 Liquidator's statement of account of the
(Pursuant to Section 497)
 1. Name of the Company: INDIAN OIL INTERNATIONAL LIMITED
 2. Nature of proceeding :* Members' voluntary winding-up.
 3. Date of commencement of the winding up
 4. Name and address of the Liquidator N. S. Shivananda, Indian Oil Corporation Ltd.
 (M/Division) Indianoil Bhavan, Janpath, New Delhi-1

STATEMENT SHOWING HOW THE WINDING-UP HAS BEEN CONDUCTED AND PROPERTY OF THE COMPANY HAS BEEN DISPOSED OFF.

Receipts	Estimated Value Rs.	Value realised Rs.
Assets		
Cash at Bank	1,85,753.92	1,85,753.92
Cash in hand	Nil	Nil
Marketable Securities	Nil	Nil
Bills Receivable	Nil	Nil
Trade Debtors	2,06,009.54	2,06,009.54
Loans and Advances	1,45,651.62	1,45,651.62
Stock in Trade	Nil	Nil
Work in Progress	Nil	Nil
Freehold Property	Nil	Nil
Leasehold Property	Nil	Nil
Plant and Machinery	Nil	Nil
Furniture, Fittings, Utensils etc.	Nil	Nil
Patents, Trade Marks, etc	Nil	Nil
Investments other than Marketable Securities	Nil	Nil
Surplus from Securities	Nil	Nil
Unpaid Calls at commencement of winding up	Nil	Nil
Amounts received from calls on contributories made in the winding-up	Nil	Nil
Receipts per Trading Account	Nil	Nil
Carried Forward	5,37,415.08	5,37,415.08



(IN LIQUIDATION)
 FORM NO. 156
 (See Rule 329)
 Companies Act, 1956 winding-up (Members' voluntary winding-up)
 Liquidator's statement of account of the
(Pursuant to Section 497)
 1. Name of the Company: INDIAN OIL INTERNATIONAL LIMITED
 2. Nature of proceeding : * Members' voluntary winding-up.
 3. Date of commencement of the winding up
 4. Name and address of the Liquidator N. S. Shivananda, Indian Oil Corporation Ltd.
 (M/Division) Indianoil Bhavan, Janpath, New Delhi-1

FROM 30-8-1974 (COMMENCEMENT OF WINDING-UP) TO 27-4-1976 (CLOSE OF WINDING-UP)

Payments	Rs.	Payments	Rs.
Legal Charges		Nil	
Liquidator's remunerations		1,500.00	
Where applicable :			
.....% on Rs.realised	} Not applicable	Nil	
.....%on Rs distributed;			
(By whom ... By the company in General Meeting)			
Auctioneers and valuers charges		Nil	
Costs of possession and maintenance of estate		Nil	
Costs of notices in Gazette and Newspapers		395.00	
Incidental outlay (establishment charges and other expenses of liquidation)		19,507.38	
Total costs and charges	<u>Nil</u>	21402.38	
(i) <i>Debenture holders:</i>			
Payment of Rs. Nil per Rs. Nil debenture			
Payment of Rs. Nil per Rs. Nil debenture	Nil	Nil	
Payment of Rs. Nil per Rs. Nil debenture			
Carried Forward		<u>21,402.38</u>	



IN LIQUIDATION

Receipts	Estimated Value	Value realised
	Rs.	Rs.
Brought Forward	5,37,415.08	5,37,415.08
Other Property viz:		
Interest earned on Fixed Deposits and sale of salvaged items	Nil	16,942.07
Income Tax Refund	Nil	6,240.00
<i>Less:</i>		
Payments to redeem securities	Nil	Nil
Costs of execution	Nil	Nil
Payments per trading account	Nil	Nil
Net Realisation	5,37,415.08	5,60,597.15

* State the number. Preferential creditors need not be separately shown if all creditors have been paid in full.

** State nominal value and class of share.

- | | |
|--|--------------|
| (1) The following assets estimated to be of the value of Rs. Nil have proved to be unrealisable
(Give details of the assets which have proved to be unrealisable) | Nil |
| (2) Amount paid into the Companies Liquidation Account in respect of: | |
| (a) Unclaimed dividends payable to creditors in the winding-up | Rs. 3,256.11 |
| (b) Other unclaimed distributions in the winding-up | Rs. Nil |
| (c) Money held by the Company in trust in respect of dividends or other sums due before the commencement of the winding-up to any person as a member of the Company | Rs. Nil |
| (3) Add here any remarks the liquidator thinks desirable: | |



IN LIQUIDATION Contd...

	Payments	Payments
	Rs.	Rs.
Brought Forward		21,402.38
(ii) Creditors:		
(a) Paid in full (28,785.01 + 1,679.66+44,088.59)	74,553.26	
(b) Nepal Income Tax Assessment Liability paid in full	2,23,203.58	
(iii) Returns to Contributories:		
Paid up capital Rs. 1,00,000.00 comprising of 100 shares of Rs. 1,000/- each held by Indian Oil Corporation Ltd. Return of Paid up capital of Rs. 1,00,000.00 in full	1,00,000.00	
Payments of Dividend on 100 shares of Rs. 1,000/- each at Rs. 1,414.3793 per share representing surplus of assets	1,41,437.93	
		5,39,194.77
Add balance if any		Nil
		5,60,597.15

I declare that the above statement is true and contains a full and accurate account of the winding-up from the commencement to the close of the winding-up.

For **S. GHOSH & CO.**
Chartered Accountants

S. GHOSH
Partner
Calcutta
Dated the 27th day of April, 1976.

For **INDIAN OIL INTERNATIONAL LTD.**
N. S. SHIVANANDA
Liquidator

(IN LIQUIDATION)

Index

Schedule of Interest and Salvaged items Realisation.

	Interest		Salvaged Realisation		Total	
	Rs.	P.	Rs.	P.	Rs.	P.
1-4-1974 to 31-3-1975	5,250.00		5,692.07		10,942.07	
1-4-1975 to 30-9-1975	5,278.69		–		5,278.69	
1-10-1975 to 31-3-1976	721.31		–		721.31	
					<u>16,942.07</u>	

Schedule of Total Cost and Charges.

	Liquidator's Remuneration		Cost of Notice in Gazettel Papers		Other Expenses		Total	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
1-4-1974 to 31-3-1975	1,500.00		212.50		11,031.42		12,743.92	
1-4-1975 to 30-9-1975	–		–		2,836.35		2,836.35	
1-10-1975 to 31-3-1976	–		–		4,483.25		4,483.25	
1-4-1976 to 27-4-1976	–		182.50		1,156.36		1,338.86	
	<u>1,500.00</u>		<u>395.00</u>		<u>19,507.38</u>		<u>21,402.38</u>	

Schedule of Sundry Creditors.

Trade Creditors	28,785.01
Accrued Expenses as on 1-4-1974	1,679.66
Indian Oil Corporation Ltd.	44,088.59
	<u>74,553.26</u>

Schedule of Income Tax Payments.

Nepal Income Tax Payments 1972-73	1,79,267.62
Nepal Income Tax Payments 1973-74	43,935.96
	<u>2,23,203.58</u>

Schedule of Deposits in Company's Liquidation Account with Reserve Bank of India.

1-4-1975 to 30-9-1975	- Dinesh Prasad and Bros. (Nepal)	1,437.30
	- Janak Oil Stores (Nepal)	224.43
	- Export Drive (Nepal)	157.08
1-10-1975 to 31-3-1976	- Ratna Oil Stores –	1,437.30
		<u>3,256.11</u>

For S. GHOSH & CO.
Chartered Accountants
S. GHOSH
Partner

For INDIAN OIL INTERNATIONAL LTD.

N. S. SHIVANANDA
Liquidator



**INDIAN OIL BLENDING
LIMITED**

A Wholly Owned Subsidiary of Indian Oil Corporation Limited

**ANNUAL REPORT
FOR THE YEAR 1976-77**

BOARD OF DIRECTORS

S. B. BUDHIRAJA : *Chairman*

R. GURUMOORTHY : *Managing Director*

K. L. GOEL : *Financial Director*

Dr. J. S. AHLUWALIA : *Director*

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,

77, VEER NARIMAN ROAD,

CHURCHGATE, BOMBAY 400020.

REGISTERED OFFICE

PIR PAU, TROMBAY,

BOMBAY 400074.

PLANTS

BOMBAY & CALCUTTA

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Shareholders of 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 at 1500 hours on Tuesday, the 30th August, 1977, to transact the following business:—

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account, reports of the Directors and Auditors thereon for the financial year ended 31st March, 1977;
2. To declare a dividend;
3. To appoint Chairman in place of Shri S. B. Budhiraja, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment;
4. To appoint Director in place of Dr. J. S. Ahluwalia, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment;
5. To appoint Shri U. M. Kini as Director and further as Financial Director, pursuant to Article 140(b) of the Articles of Association of the Company, in place of Shri K. L. Goel, who retires at the conclusion of the Annual General Meeting and is not offering himself for re-election.

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.

cc: Government Auditors.

BOMBAY,

Dated: The 1st August, 1977.



**REPORT OF THE AUDITORS
TO THE MEMBERS OF
INDIAN OIL BLENDING LIMITED**

We have audited the attached Balance Sheet of INDIAN OIL BLENDING LIMITED as at 31st March, 1977 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in Para I above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books and proper returns adequate for the purposes of our audit, have been received from the Branch;
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1977,
 - and
 - (ii) In so far as it relates to the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date.

For and on behalf of

RATAN S. MAMA & CO.,
Chartered Accountants,

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

N. B. DARUVALA
Partner (F. 6271)
20th July, 1977

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph I of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All items of fixed assets have been physically verified by the Management during the year under review. All discrepancies noticed on such verification have been properly dealt with in the accounts.
2. None of the fixed assets have been revalued during the year.
3. The Company has stocks of Maintenance Stores and Spare Parts only which have been physically verified as at the close of the year and the valuation of these stocks are in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.
4. The Company has not taken any loans from Companies, Firms or other parties required to be listed in the register maintained under Section 301 and 370(1-C) of the Companies Act, 1956 or which are otherwise Companies under the same Management as this Company.
5. The parties to whom loans or advances in the nature of loans have been given are repaying the principal amounts as stipulated save and except ad hoc advances given to employees amounting to Rs. 12,001/-. Adequate steps have been taken by the Management for recovery of this amount of ad hoc advance. The interest on loans is recoverable only after full repayment of the principal amount.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of stores, components, plant and machinery, equipment, etc.
7. The Company has purchased, at controlled prices, fuels and oils exceeding Rs. 10,000/- in value during the year, from Indian Oil Corporation Limited, the Holding Company, in which the Chairman of the Company is the Managing Director.
8. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores and raw materials. We are informed that during the year no item of stores became unserviceable or damaged.
9. The Company has not accepted any deposits from the public.
10. The Company does not have any by-product or scrap arising from its processing operation. Scrap of Maintenance stores and components are accounted for only at the time of sale for which reasonable records have been maintained.
11. Upto October, 1976, the Company's internal Audit System was organised by its holding Company, Indian Oil Corporation Limited, thereafter the Company has its own Internal Audit Department. In our opinion, the Internal Audit System is commensurate with the size and nature of its business.
12. Maintenance of cost records has not been prescribed for the Company by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
13. According to the records of the Company, Provident Fund dues have been regularly deposited during the year with the appropriate authorities.

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

N. B. DARUVALA
Partner (F. 6271)
20th July, 1977

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



Director's Report to the Shareholders

Gentlemen:

Your Directors are pleased to place before you the audited Profit & Loss Account for the year ended 31st March, 1977, and the Balance Sheet as at that date, prepared in accordance with the requirements of the Companies Act 1956.

FINANCIAL RESULTS:

The Company has made a gross profit of Rs. 48,84,631 as against Rs. 28,07,291 during the year 1975-76. The comparative figures of gross profit, depreciation, provision for taxation, provision for development rebate, etc. are as under:—

	<u>1976-77</u>	<u>1975-76</u>
	Rs.	Rs.
Gross profit before depreciation and development rebate	48,84,631	28,07,291
Depreciation	10,60,807	10,84,329
Provision for development rebate	—	48,700
Provision for taxation	23,30,000	11,70,000
Net profit after tax	14,93,824	5,04,262
<i>Add: Excess provision of earlier years for expenses</i>	41,938	2,27,027
<i>Add: Excess provision of earlier years for taxation</i>	4,72,682	—
<i>Add: Development rebate written back</i>	—	4,72,000
<i>Add: Research and Development expenses written back</i>	3,96,144	—
<i>Add: Balance from last year's account</i>	7,028	3,739
Net surplus available for distribution	24,11,616	12,07,028
Provision for proposed dividend	4,00,000	—
Appropriated to General Reserve	20,00,000	12,00,000
Balance carried to Balance Sheet	11,616	7,028

GENERAL RESERVE AND DIVIDENDS:

It has been made obligatory to make provision for dividends payable and to show it as an appropriation from the accounts for the year. Your Directors, therefore, recommend a dividend @ Rs. 50/- per equity share, aggregating to Rs. 4 lakhs, being 10 per cent of the paid up capital, for which provision, as also appropriation, has been made in the accounts. After making provision for the aforesaid dividend, the balance available from the net surplus is Rs. 20,11,616, out of which an amount of Rs. 20,00,000 is transferred to the General Reserve, thus leaving a balance of Rs. 11,616 in the Profit & Loss Account to be carried forward.

The balance in the General Reserve at the beginning of the year was Rs. 28,70,300 and after adding the current year's transfer of Rs. 20,00,000 and deducting a dividend of Rs. 4,00,000 paid for the year ended 31st March, 1976, the balance in the General Reserve amounts to Rs. 44,70,300 as at 31st March, 1977. Release of development rebate reserve amounting to Rs. 9,60,211, on expiry of statutory period in respect of development rebate actually allowed, has not been written back, since the Company's claim for higher development rebate is pending before the Income Tax Authorities. As such, there is no change in the Development Rebate Reserve, which stands at Rs. 21,23,211, as in the previous year.

PROFITABILITY:

The higher profitability is contributed mainly by the following factors:—

- (1) The turnover on account of processing fees charged on the manufacture of grease rose substantially during the year 1976-77 and was Rs. 18.67 lakhs, as against Rs. 8.84 lakhs during the year 1975-76 and, therefore, Rs. 9.83 lakhs more than the previous year's figure. The bulk share of incremental profit over the last year, therefore, was contributed by enhanced turnover of grease.
- (2) The operating expenses, including interest and bank charges of Rs. 0.31 lakhs during the year 1976-77, were Rs. 100.76 lakhs, as against Rs. 100.88 lakhs during the year



1975-76, thus registering a marginal decrease over the previous year. In spite of the general increase in prices, the operating costs were kept under strict control, which was exercised in almost all the facets of the operation of the Company.

- (3) In the original estimates of expenses, allocation had been made for certain items of capital expenditure for Calcutta/ Bombay Plants on the basis that the funds for these capital projects will be borrowed from the Bank. As the work is still in initial stages, expenditure was not incurred on these capital projects and, therefore, there was a substantial saving on interest cost.

OPERATIONS:

Lubes: During the year under review, Bombay and Calcutta Plants of the Company had a throughput of 1,21,706 KLs and 70,793 KLs respectively of lubes. The total throughput thus was 1,92,499 KLs, as against 1,89,279 KLs during the previous year, registering a marginal increase of 1.7 per cent. Calcutta Plant received the first consignment of Haldia base stocks in March, 1977, and regular shipment to Blending Plants has since commenced.

Grease: The Grease Plant at Bombay produced 5,333 MTs of greases, which is the highest achieved so far since inception. Efforts are being made for increasing the production of greases by installing some balancing equipment to make full utilisation of the contractor capacity. A sum of Rs. 10.56 lakhs has been earmarked for this purpose.

Diversification: A project is under implementation for the manufacture of Hydraulic Brake Fluid at Bombay Plant and filling in drums and small packs. The complete facilities are likely to be installed by the end of 1977.

Customs and Excise Bonds: Base stock shipments are now being received and stored under bond at both the Plants. Out of the 24 storage tanks at Bombay Plant with an aggregate capacity of 34,477 KLs, 22 tanks with a total capacity of 33,973 KLs have been bonded. Out of the 20 storage tanks at Calcutta with an aggregate capacity of 15,655 KLs, 17 tanks with a total capacity of 14,893 KLs have also been bonded. This has helped IOC in substantially reducing their working capital on base oils.

PROJECTS:

Additional land at Calcutta: A piece of land admeasuring 11,400 Sq. Mtrs. situated adjacent to the IOBL Calcutta Plant has been acquired on lease terms from the Calcutta Port Commissioners in June, 1977, for easing the space problem to enable the small can filling on account of high demand for small cans and for increasing the holding capacity of the blended stock.

Metal Cutting Oils: Preliminary arrangements are under way for making trial quan-

ties of selected grades from the Castrol range of metal cutting oils under IOC's brands.

Small Containers: During the year, Calcutta Plant's capacity for filling small containers has been doubled by commissioning the second Rotary Filler purchased from Mather & Platt. Filling of small cans at Bombay has also been stepped up in line with the increasing demand for small cans.

Revamping of facilities at Bombay and Calcutta: A phased programme for revamping the facilities both at Bombay and Calcutta Plants under approved capital budgets has been initiated and the same is in progress.

RESEARCH AND DEVELOPMENT:

A Colloid Mill costing Rs. 16,416 was installed and commissioned during the year. This will help in the development of new type of greases.

PERSONNEL AND WELFARE:

The total number of employees as on 31st March, 1977, stood at 448, as compared to 439 during the preceding year. Industrial relations during the year were most cordial.

PARTICULARS OF EMPLOYEES:

A statement showing 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, is enclosed.

DIRECTORS:

During the year, under report, there being no change in the composition of the Board of Directors, Shri S. B. Budhiraja, Shri R. Gurumoorthy, Shri K. L. Goel and Dr. J. S. Ahluwalia continued to be the Chairman, Managing Director, Financial Director and Director, respectively.

All the Directors, other than the Managing Director, whose appointment is up to 24th March, 1978, 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. Shri S. B. Budhiraja and Dr. J. S. Ahluwalia, being eligible, offer themselves for re-election. However, Shri K. L. Goel is not offering himself for re-election and, in his place, notice has been received for the election of Shri U. M. Kini as Director of the Company.

For INDIAN OIL BLENDING LIMITED,

S. B. BUDHIRAJA

Chairman

Encl. As above

NEW DELHI,

Dated : The 18th July, 1977



BALANCE SHEET AS AT 31ST MARCH, 1977

LIABILITIES	Schedule	As at 31st March, 1976	
		Rs.	Rs.
Share Capital	I	40,00,000	40,00,000
Reserves and Surplus	II	66,05,127	50,00,539
Unsecured Loans .	III	—	7,06,072
Current Liabilities and Provisions:	IV		
(a) Current Liabilities		16,52,927	19,03,357
(b) Provisions		<u>63,27,000</u>	<u>44,49,323</u>
			<u>79,79,927</u>
Contingent Liabilities	V		<u>63,52,680</u>
Notes Forming Part of Accounts	x		
TOTAL		<u>1,85,85,054</u>	<u>1,60,59,291</u>

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

S. B. BUDHIRAJA
Chairman

R. GURUMOORTHY
Managing Director

K. L. GOEL
Financial Director

J. K. WADHWA
Secretary

New Delhi, 18th July, 1977

BALANCE SHEET AS AT 31ST MARCH, 1977 Contd...

ASSETS			As at
	Rs.	Rs.	31st March, 1976
			Rs.
	Schedule		
Fixed Assets	VI	93,05,487	90,10,627
Capital Work-in-Progress	VI	1,19,911	1,12,738
Current Assets, Loans and Advances:	VII		
(a) Current Assets		33,12,015	34,22,687
(b) Loans and Advances		58,47,641	35,13,239
		91,59,656	69,35,926
		
TOTAL		1,85,85,054	1,60,59,291

As per our report of even date.

For and on behalf of
RATANS. MAMA & CO.,
Chartered Accountants.

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

20th July, 1977.



**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 1977**

	Rs.	Rs.	Previous Year Rs.
INCOME:			
Throughput, Blending & Manufacturing charges	1,49,25,388		1,24,79,974
Technical and Laboratory Service charges	<u>2,49,000</u>		<u>4,14,000</u>
		1,51,74,388	<u>1,28,93,974</u>
Interest	35,614		6,698
Miscellaneous Income	39,448		39,757
Profit on disposal of assets	<u>—</u>		<u>2,954</u>
		75,062	<u>49,409</u>
TOTAL INCOME		<u>1,52,49,450</u>	<u>1,29,43,383</u>
EXPENDITURE:			
Operating and other Expenses (Per Schedule VIII)	1,00,50,796		1,00,37,379
interest	25,165		50,253
Depreciation	10,60,807		10,84,329
Development Rebate Reserve	—		48,700
Loss on sale/Scrapping of assets	<u>1,25,887</u>		<u>4,433</u>
TOTAL EXPENDITURE		<u>1,12,62,655</u>	<u>1,12,25,094</u>
PROFIT BEFORE TAX		39,86,795	17,18,289
Provision for taxation, including Rs. 1,27,500/-			
Surtax on profits (Rs. 7,000/- previous year)		<u>23,30,000</u>	<u>11,70,000</u>
PROFIT AFTER TAX		16,56,795	5,48,289
Expenses of Prior Year		<u>1,62,971</u>	<u>44,027</u>
		14,93,824	5,04,262
Excess provision of earlier year for expenses	41,938		2,27,027
Excess provision of earlier year for taxation	<u>4,72,682</u>		<u>—</u>
		5,14,620	<u>—</u>
Development Rebate Reserve written back on Expiry of Statutory Period	—		4,72,000
Research and Development Expenses written back		<u>3,96,144</u>	<u>—</u>
DISPOSABLE PROFIT		24,04,588	12,03,289
Balance brought forward from last year		<u>7,028</u>	<u>3,739</u>
		24,11,616	12,07,028
Provision for Proposed Dividend	4,00,000		—
Appropriated to General Reserve	<u>20,00,000</u>		<u>12,00,000</u>
		24,00,000	<u>12,00,000</u>
Balance Carried to Balance Sheet		<u>11,616</u>	<u>7,028</u>
Additional information Schedule IX			

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

S. B. BUDHIRAJA
Chairman

R. GURUMOORTHY
Managing Director

K. L. GOEL
Financial Director

J. K. WADHWA
Secretary.

As per our Report of even date.

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

B. DARUVALA
Partner (F. 6271).
20th July, 1977

New Delhi, 8th July 1977.



	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 fully paid up (entire share capital held by Indian Oil Corporation Limited, the Holding Company)		40,00,000	40,00,000
SCHEDULE 'II'			
RESERVES AND SURPLUS:			
1. Development Rebate Reserve			
Balance per last Balance Sheet	21,23,211		25,46,511
Add: Amount set aside during the year	—		48,700
	21,23,211		25,95,211
Less: Release on expiry of Statutory period	—		4,72,000
		21,23,211	21,23,211
2. General Reserve			
Balance per last Balance Sheet	28,70,300		18,70,300
Add: Amount appropriated from Profit and Loss Account	20,00,000		12,00,000
	48,70,300		30,70,300
Less: Dividend paid out for the year ended 31-3-1976	4,00,000		2,00,000
		44,70,300	28,70,300
3. Surplus			
Balance in Profit and Loss Account		11,616	7,028
		66,05,127	50,00,539
SCHEDULE 'III'			
UNSECURED LOANS:			
SHORT TERM LOANS AND ADVANCES:			
From Bank		—	7,06,072
Interest accrued and due thereon		—	—
		—	7,06,072
<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 and a Company, under the same Management		4,937	95,815
Other Creditors		15,14,270	15,46,489
Other Liabilities		1,33,720	2,61,053
		16,52,927	19,03,357
(b) Provisions :			
For Taxation		59,27,000	44,49,323
For Proposed Dividend		4,00,000	—
		79,79,927	63,52,680
SCHEDULE V			
CONTINGENT LIABILITIES:			
1. Claims for miscellaneous items (including claims aggregating to Rs. 1,34,533/- by Indian Oil Corporation Limited, the Holding Company) not acknowledged as debts by the Company		2,48,758	2,06,544
2. Estimated amount of contracts remaining to be executed for capital account and not provided for		2,76,111	1,88,272
3. Surety executed in favour of Government of Kerala, for Purchase Tax demanded by Sales Tax Authorities, Kerala, from Indian Oil Corporation Limited		35,03,286	35,03,286



SCHEDULE VI- FIXED ASSETS & CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDING 31-3-1977

	COST			
	As on 1-4-1976	Additions including transfers	Deduction including transfers	As on 31-3-1977
	Rs.	Rs.	Rs.	Rs.
BUILDINGS	42,47,823	3,27,996	1,55,878	44,19,941
RAILROAD SIDING	2,73,390	—	351	2,73,039
PLANT AND MACHINERY	1,27,79,376	1,86,305	66,241	1,28,99,440
FORKLIFT TRUCKS	8,81,127	3,79,824	—	12,60,951
FURNITURE, FIXTURES AND OFFICE EQUIPMENT	9,91,893	1,40,664	20,570	11,11,987
MOTOR VEHICLES	1,46,092	34,543	—	1,80,635
<u>RESEARCH & DEVELOPMENT:</u>				
BUILDING	26,483	—	—	26,483
PLANT AND MACHINERY	4,86,972	16,416	10,969	4,92,419
TOTAL	1,98,33,156	10,85,748	2,54,009	2,06,64,895
<i>PREVIOUS YEAR</i>	<i>(1,85,87,809)</i>	<i>(12,65,314)</i>	<i>(19,967)</i>	<i>(1,98,33,156)</i>
<u>CAPITAL WORK-IN-PROGRESS</u>				
PLANT AND MACHINERY	87,105	9,715	2,726	94,094
BUILDING	25,633	1,68,943	1,68,759	25,817
TOTAL	1,12,738	1,78,658	1,71,485	1,19,911
<i>PREVIOUS YEAR</i>	<i>(5,34,066)</i>	<i>(4,36,522)</i>	<i>(8,57,850)</i>	<i>(1,12,738)</i>

SCHEDULE VI- FIXED ASSETS & CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDING 31-3-1977 Contd...

DEPRECIATION				NET BLOCK		
Upto 31-3-1976	For the year	Adjusted on sale/ scrapping	Adjusted on write back (See Note No. 3 in Sch. X)	Upto 31-3-1977	As on 31-3-1977	As on 31-3-1976
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
13,84,215	1,70,503	69,055	—	14,85,663	29,34,278	28,63,608
1,76,650	9,662	234	—	1,86,078	86,961	96,740
78,44,662	5,26,222	41,819	—	83,29,065	45,70,375	49,34,714
3,50,353	2,13,875	—	—	5,64,228	6,96,723	5,30,774
4,60,417	84,313	13,703	—	5,31,027	5,80,960	5,31,476
92,778	17,571	—	—	1,10,349	70,286	53,314
26,483	598	—	23,932	3,149	23,334	—
4,86,971	38,063	2,973	3,72,212	1,49,849	3,42,570	1
1,08,22,529	10,60,807	1,27,784	3,96,144	1,13,59,408	93,05,487	90,10,627
(97,51,353)	(10,84,329)	(13,153)	(NIL)	(1,08,22,529)	(90,10,627)	(88,36,456)
					94,094	87,105
					25,817	25,633
					1,19,911	1,12,738
					(1,12,738)	(5,34,066)



	Rs.	Rs.	Previous Year Rs.
SCHEDULE VII			
Current Assets, Loans and Advances:			
(A) Current Assets :			
Interest accrued on Fixed Deposits		12,018	—
Stores and Spare Parts: -At Cost			
(Per summarised inventories certified by the Managing Director)		2,58,315	2,52,370
Sundry Debtors :-(Unsecured)			
(i) Debts outstanding for a period exceeding six months - Considered doubtful (including Rs. 1,17,751A; Previous Year Rs. 84,508/-; 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. 1,17,751/- Previous Year Rs. 84,508/-)		1,17,751	84,508
(ii) Other Debts - Considered good (including Rs. 11,47,429/-; Previous Year Rs. 30,56,956/- 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. 30,56,956/- Previous Year Rs. 30,56,956/-)		<u>11,48,779</u>	<u>30,56,956</u>
		12,66,530	<u>31,41,464</u>
Cash and Cheques on hand		18,200	<u>14,200</u>
Bank Balances :			
In Current Account with Scheduled Banks		2,56,952	14,653
In Fixed Deposits		15,00,000	—
		<u>33,12,015</u>	<u>34,22,687</u>
(B) Loans and Advances :			
(i) Unsecured, Considered Good:			
Due from Indian Oil Corporation Ltd., the Holding Company and a Company under the same Management (Maximum due at any time during the year Rs. 2,00,990/-; Previous Year Rs. 1,60,074/-)		1,54,490	70,101
Due from Others		2,32,466	2,49,911
Advance Payment of Income Tax		51,56,406	29,60,985
(ii) Secured, Considered Good		1,95,679	2,32,242
(iii) Company's Surcharge Deposit Account		1,08,600	—
		<u>58,47,641</u>	<u>35,13,239</u>



	Previous Year	
	Rs.	Rs.
SCHEDULE VIII		
OPERATING AND OTHER EXPENSES:		
Salaries, Wages, Allowances and Bonus (including Rs. 1,51,649/-; Previous Year Rs. 2,67,992/- paid to Contractor for Casual Labour)	59,90,488	61,40,781
Company's contribution to:		
Employees' Provident and Family Pension Funds	3,31,894	3,45,207
Employees' Deposit Linked Insurance (Previous year Employees' State Insurance Scheme)	13,603	10,444
	<u>63,35,985</u>	<u>64,96,432</u>
Gratuity	78,832	86,517
Staff Welfare and Benefits	8,31,230	7,75,670
Fuel, Power and Water charges	10,66,192	7,80,535
Stores consumed	1,61,301	3,84,333
Rent	1,05,258	1,04,180
Rates and Taxes	1,08,614	1,04,092
Licence Fees	33,218	18,908
Material Handling (Forklift Truck) Expenses	1,92,809	1,87,282
Equipment Rental	2,785	3,432
Repairs and Maintenance of:		
Buildings	1,01,600	87,388
Plant and Machinery	3,59,971	4,08,784
Railway Siding	61,192	59,589
Others	70,928	45,233
	<u>5,93,691</u>	<u>6,00,994</u>
Insurance (including Emergency Risk Insurance Premium of Rs. Nil; Previous Year Rs. 175/-)	36,989	39,469
Miscellaneous Expenses:		
Travelling and Conveyance	2,01,945	1,46,809
Printing and Stationery	60,515	51,267
Postage, Telegrams and Telephones	93,275	57,094
Freight and Cartage (Outward)	515	2,650
Bank Charges	5,357	5,288
Subscription and Membership	3,307	3,146
Advertisements	3,725	3,600
Entertainment Charges	5,848	4,273
Legal and Professional Charges	15,895	22,408
Payments to Auditors:	Rs.	
As Auditors	10,000	10,000
In Other Capacity:		
For Taxation matters	—	—
For Verification (of amended accounts of earlier years) (Last year certification)	2,000	500
For reimbursement of out of pocket expenses	—	1,450
	<u>12,000</u>	<u>11,950</u>
General Charges	1,01,510	87,931
Donation	—	100
Claims, Damages etc. payable to Indian Oil Corporation Limited	—	59,019
	<u>5,03,892</u>	<u>5,03,892</u>
	<u>1,00,50,796</u>	<u>1,00,37,379</u>



SCHEDULE IX

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

	<u>As on 31-3-1977</u>		<u>As on 31-3-1976</u>	
	Lubes	Grease	Lubes	Grease
	<u>(Kilo Ltrs.)</u>	<u>(MetricTons)</u>	<u>(Kilo Ltrs.)</u>	<u>(Metric Tons)</u>
1. Capacity and 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	1,92,499	5,333	1,89,279	2,524

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 raw materials nor does it produce any goods on its own account, but processes materials supplied by Indian Oil Corporation Limited, hence quantities of raw materials consumed and stocks of goods produced are stated ML.

3. Turnover (Processing Fees):				
(i) Lube Blending	– Kilo Ltrs	1,92,499	1,89,279	
– Rupees	1,30,58,755	1,15,96,434		
(ii) Grease Manufacturing	– Metric Tons	5,333	2,524	
– Rupees	18,66,633	8,83,540		
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)		5	3	
(b) Rs. 3,000 per month (employed for a part of the year)		NIL	NIL	



As on 31-3-1977 As on 31-3-1976
Rs. Rs.

SCHEDULE IX (Contd.)

4.	(ii)	Break-up of the expenditure incurred on the above employees:		
		Salaries and Bonus	1,85,558	1,16,61
		Contributions to Provident and Family Pension Funds	11,707	7,349
5.	(i)	Value of Imports on C.I.F. Basis:		
		Raw Materials	NIL	NIL
		Components and Spare Parts	NIL	NIL
		Capital Goods	NIL	NIL
	(ii)	Expenditure in Foreign Currency:		
		Royalty	NIL	NIL
		Know-how	NIL	NIL
		Professional Consultation Fee	NIL	NIL
		Interest	NIL	NIL
		Other Matters (Travel)	22,059	NIL

(iii) Value of Raw Materials, Components and Spare Parts Consumed:

	<u>Value</u> <u>Rs.</u>	<u>Percentage</u> <u>of total</u>	<u>Value</u> <u>Rs.</u>	<u>Percentage</u> <u>of total</u>
Imported: Raw Materials	NIL	NIL	NIL	NIL
Components and Spare Parts	NIL	NIL	10,045	3
Indigenous: Raw Materials	NIL	NIL	NIL	NIL
Components and Spare Parts	<u>1,61,301</u>	<u>100</u>	<u>3,84,288</u>	<u>97</u>
	<u>1,61,301</u>	<u>100</u>	<u>3,84,333</u>	<u>100</u>
(iv) Remittance in Foreign Currency:				
Dividends (net after taxes)	NIL	NIL	NIL	NIL
Number of Non-Resident Shareholders	NIL	NIL	NIL	NIL
Number of Shares (Equity) held by them	NIL	NIL	NIL	NIL
(v) Earnings in Foreign Exchange:				
Export of goods on FOB Basis	NIL		NIL	
Royalty, Know-how, Professional and Consultation Fees	NIL		NIL	
Interest and Dividends	NIL		NIL	
Other Income	NIL		NIL	

SCHEDULE X**NOTES FORMING PART OF THE ACCOUNTS :**

1. Release of Development Rebate reserve amounting to Rs. 9,60,211/-, on expiry of statutory period in respect of Development Rebate actually allowed, has not been written back, since the Company's claim for higher Development Rebate is pending before Income Tax Authorities.
2. The sum of Rs. 29,607/- received by way of refund of Custom Duty paid on import of an earlier year has been credited to suspense account and carried forward under the head 'other liabilities' since adequate details of this refund are awaited.
3. Buildings, Plant and Machinery of the Research and Development whose original cost upto 31-3-1976 aggregated to Rs. 5,13,455/-, were fully written off in the earlier years pursuant to deduction permissible under Section 35 of the Income Tax Act, 1961. The Company is now advised that such a deduction under Income Tax Law does not warrant a total write-off in the company's accounts. The company has accordingly brought back these assets at their written down value as on 31-3-1976 as per normal rate of depreciation and the excess provision for depreciation charged in earlier year's accounts aggregating to Rs. 3,96,144/- has been reversed. As a result of this adjustment, the net asset block as at the beginning of the year has increased by Rs. 3,96,144/-. Depreciation at normal rate has been charged for the year on the opening written down value and current additions to Building, Plant and machinery of the Research and Development Department.
4. Upto last year, Depreciation at 10 per cent was charged on Forklift Trucks. During the year, depreciation at 30 per cent has been charged on the written down value as on 1-4-1976 on Forklift Trucks purchased since 1-4-1975. Depreciation at 30 per cent has also been charged on current addition of Forklift Trucks. Depreciations at 10 per cent is continued to be charged on written down value as on 1-4-1976 of Forklift Trucks purchased prior to 1-4-1975. This change in rate of depreciations has the effect of increasing has the effect of increasing the charge for depreciation on current year's profit by Rs. 1,22,815/-.
5. The Settlement Commission has, for Assessment Year 1973-74 held our company to be a company in which the public are substantially interested. The company is hopeful that this issue about the status of the company for Income Tax purposes, pending for Assessment Years 1970-71, 1971-72, 1972-73 and 1974-75, will also be resolved in favour of the company.
6. The company's applications for grant of tax credit certificate under Section 280ZB of the Income Tax Act, 1961 for assessment years 1969-70 and 1970-71, are pending before the Income Tax Authorities. The value of the 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.
7. The company has acquired land on lease at Bombay and Calcutta from Bombay and Calcutta Port Authorities,. Additional land was acquired at Calcutta in December, 1972. The lease agreements in respect original and additional land at Calcutta were executed on 22nd May, 1976 respectively. The Agreement for land at Bombay has not yet been executed.
8. The Company has provided the managing Director with use of Company Car for private purposes upto 500 Km. per month, on payment of Rs. 100/- per month.
9. The items and amounts in respect of the previous year, have been regrouped and recast where necessary to make them comparable with those of the current year.

Indian Oil Blending Ltd.

**COMMENTS UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF
INDIAN OIL BLENDING LIMITED FOR
THE YEAR 31ST MARCH, 1977.**

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I am to state that the Comptroller and Auditor General of India has decided not to review the report of the Statutory Auditors on the accounts of your Company for the year ended 31st March, 1977 and as such he has no comments to make under Section 619(4) of the Companies Act, 1956.

DEHRA DUN
Dated 3rd August, 1977

Yours faithfully,
Sd/-

(M.S. SARNA)
Member, Audit Board

