

**ANNUAL  
REPORT  
1978-79**



**INDIAN OIL CORPORATION LIMITED**

EXTRACTS FROM  
ANNUAL REPORT-1978-1979

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**BOARD OF DIRECTORS:**

C. R. Das Gupta  
Joy Joseph  
S. Ketharaman  
S. L. Khosla (from 26-9-1978)  
S. R. Das (from 23-12-1978)  
A. N. Buch (from 18-1-1979)  
Hiten Bhaya (from 18-1-1979)  
T. K. Sinha (from 27-3-1979)  
S. Narayanaswamy (from 3-7-1979)

**SECRETARY:**

D. B. Puri

**BANKERS:**

State Bank of India

**JOINT AUDITORS:**

M/s. Price Waterhouse & Co.  
M/s. Lodha & Co.  
M/s. Batliboi & Co.

**BRANCH AUDITORS:**

M/s. Singhi & Co.  
M/s. D. Rangaswamy & Co.  
M/s. M. S. Krishnaswamy & Rajan  
M/s. Aiyar & Co.  
M/s. Goel Garg & 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-110 001.

**REFINERIES:**

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

## **NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the Indian Oil Corporation Limited will be held at the Company's Registered Office at 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay-400 025 at 1315 hours on Monday, the 15th October, 1979 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet, Profit & Loss Account and Report of the Auditors and Directors thereon for the financial year ended 31st March 1979.
2. To declare dividend.

By Order of the Board,  
(D. B. PURI)  
*Secretary*

*Bombay, Dated 24th September, 1979.*

*Note:* 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member.

**DIRECTORS' REPORT 1978-79**

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 20th Annual Report on the working of the Corporation for the financial year 1978-79 along with the audited Statement of Accounts.

**Financial Results**

Your Corporation increased its turnover by 18.8% to reach Rs. 3,564 crores during 1978-79 –an increase of Rs. 565 crores over 1 977-78. The profit for the year before tax, interest and depreciation is Rs. 1 28.53 crores, more or less of the same level as in 1977-78. While earnings in the marketing activity increased during the year due to higher sales and better margins, refining profits declined mainly on account of the increased crude costs operative under the pricing mechanism introduced in December 1 977. The profitability in the pipelines has improved due to additional returns available on new investments on ' the Salaya-Viramgam-Koyalali Pipeline.

A summary of the financial results achieved during the year is given below:

	(Rs. in crores)		
	1976-77	1 977-78	1978-79
Sales turnover	2,663.39	2,999.63	3,563.99
Reserves and Surplus	190.60	231.62	290.96
Net Block (including work-in-progress)	315.06	404.83	494.25
Gross Profit	129.63	128.71	128.53
Less:			
Interest	1.76	2.45	3.59
Depreciation	21.54	18.95	30.68
Profit for the year before tax	106.33	107.31	94.26
Provision for tax	58.00	51.00	30.65
Net Profit	48.33	56.31	63.61
Prior year adjustment (net)	(+)0.08	(-)7.07	(+)5.59
Disposable surplus	48.41	49.24	69.20

**Dividend**

Your Board has recommended a higher dividend for the year viz., @12%, as against 10% in the previous two years, on account of the disposable surplus being satisfactory. The dividend will absorb an amount of Rs. 9,86,12,640 out of the surplus of Rs. 69,20,92,153.

**Appropriations**

Including the recommendation on dividend, the disposal of the surplus has been appropriated as under:

Transfer to Investment Allowance Reserve	Rs.	24,00,00,000
Transfer to Insurance Reserve Account	Rs.	10,00,000
Proposed Dividend	Rs.	9,86,12,640
Transfer to General Reserve	Rs.	35,24,00,000
Balance carried forward	Rs.	79,513
<b>Disposable surplus 1978-79</b>	<b>Rs.</b>	<b>69,20,92,153</b>

**Outstandings**

Book debts increased from Rs. 1 02.57 crores as on 31st March 1978 to Rs. 130.46 crores' as at 31st March 1979. Excluding the out-standings from other oil companies on account of imported crude sold to them on commercial credit terms as available from foreign suppliers, the outstandings have only increased to Rs. 38.19 crores from Rs. 35.06 crores as on 31st March 1978. Renewed efforts are under way to further reduce the outstandings.

**Inventories**

The value of inventories increased from Rs. 227.58 crores as on 31st March 1978 to Rs. 272.00 crores on 31st March 1979. The increase is mainly attributable to a higher inventory of crude and semi-finished and finished stocks at the Gujarat Refinery consequent on the commissioning of the 3 MTPA expansion facilities.

**Capital Investment**

Capital Expenditure during the year amounted to Rs. 11 9.37 crores and has been financed, partly by loans from Government of India amounting to



Rs. 30 crores and a loan of Rs. 9.70 crores from the Oil Industry Development Board. The balance expenditure has been financed out of the internal resources of Rs. 90.01 crores generated during the year. After repaying Rs. 9.24 crores towards outstanding loans, the long term loans outstanding as at 31st March 1979 amounted to Rs. 105.81 crores of which Rs. 85.28 crores are due to Government of India and Rs. 16.82 crores to the Oil Industry Development Board.

Your Corporation plans to make a capital investment of Rs. 565 crores during the next four years (1979-83). Major portion of this investment will be internally financed.

### REFINERIES

During the year the four operating refineries at Gauhati, Barauni, Gujarat and Haldia together processed 10.95 MMTs of crude oil as compared to 10.10 MMTs during 1977-78. An additional 3 MTPA refining capacity was commissioned during the year at the Gujarat Refinery. The comparative picture of the designed capacity and the actual throughput of the four refineries during the last 3 years is as under:

Expansion Project were put on stream during the second half of the year increasing the designed capacity by 3 MTPA. The new products viz., Fuel Oil and Bitumen were added to the Refinery's product slate. The refinery processed 4.2 MMT of indigenous crude and 1.05 MMT of imported crude. The production of Toluene at the Gujarat Refinery was increased to 19.8 thousand tonnes- an increase of 34% over the 1977-78 production of 14.7 thousand tonnes.

### Haldia

There has been a steady increase in the throughput over the last three years. However, the target of 2.4 MMT fixed for the year could not be achieved mainly due to slippages in crude supply, the unprecedented floods in West Bengal during 1978 and an unscheduled five days shutdown of the Refinery for essential repair jobs.

During the year the production of HVI Lube Oils base stock increased to 125 thousand tonnes as compared to 71 thousand tonnes in 1977-78. This included an increase in the production of bright stock, the production

(Throughput figures in MMTs)

Year	Gauhati	Barauni	Gujarat	Haldia	Total
1976-77	0.841	2.882	4.145	1.862	9.730
1977-78	0.816	3.060	4.129	2.096	10.101
1978-79	0.825	2.661	5.251	2.213	10.950
Designcapacity(MTPA)	0.750	3.000	6.000*	2.500	12.250

\* Including addition of 3 MTPA in 1978-79.

The refinery-wise throughput position during 1978-79 is briefly analysed below:

### Gauhati

The throughput achieved by the refinery was 10% higher than the designed capacity.

### Barauni

The refinery faced serious industrial relation problems during the year which substantially affected the throughput-the main impact being in the operation of the coking unit with consequent general reduction in the throughput. The constraints in crude processing was also aggravated for a while due to restricted LSHS movement in September/October 1978 as a result of the heavy floods in Eastern India.

### Gujarat

All the processing units and associated facilities constructed as part of the Gujarat Refinery

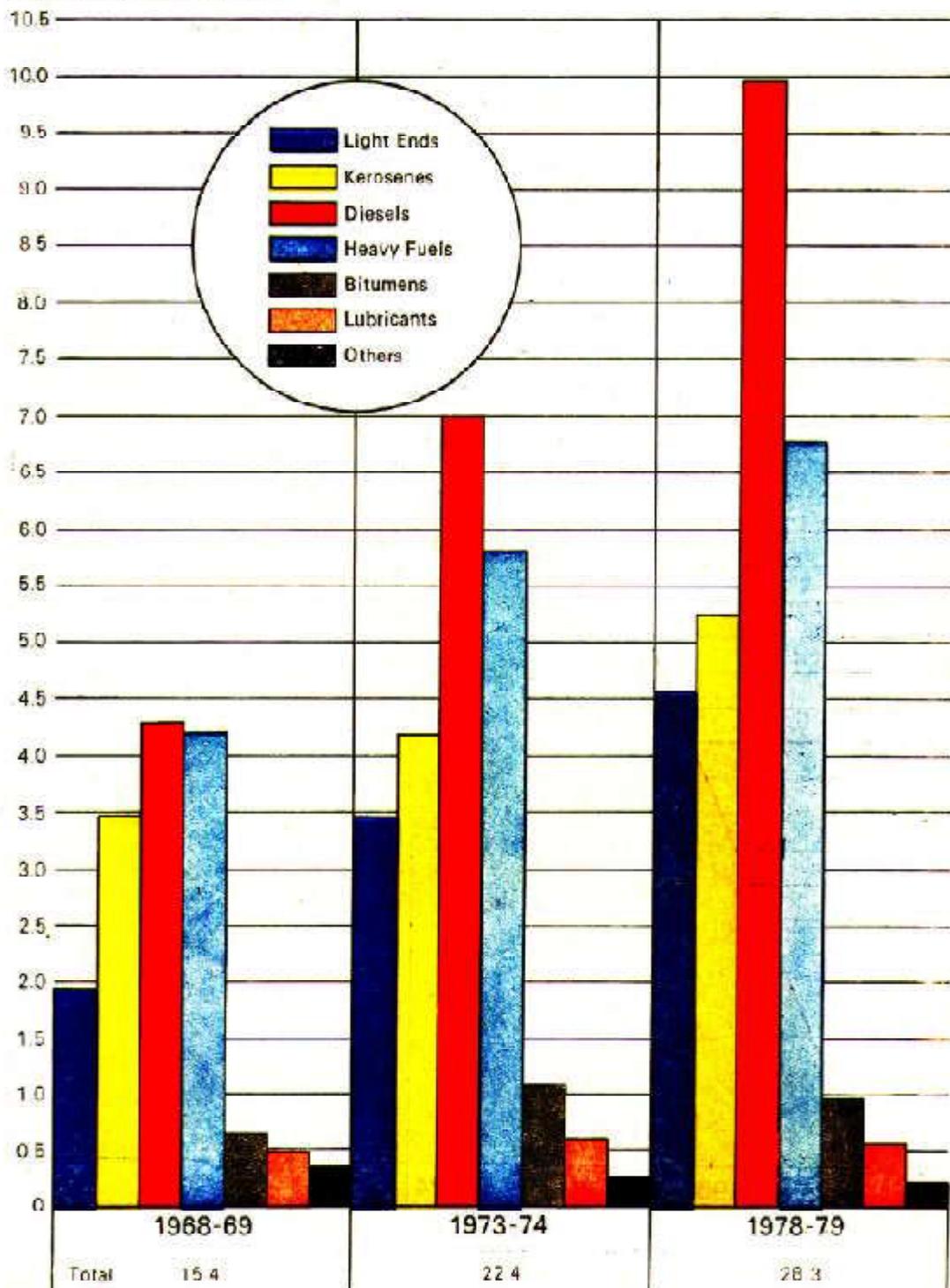
in 1978-79 being 45.5 thousand tonnes against 282 thousand tonnes in the previous year. This is a premium grade lube oil base stock and is produced at Haldia refinery only. The supply of carbon black feed stock from the refinery commenced in July 1978.

### Maintenance/Technical Audit

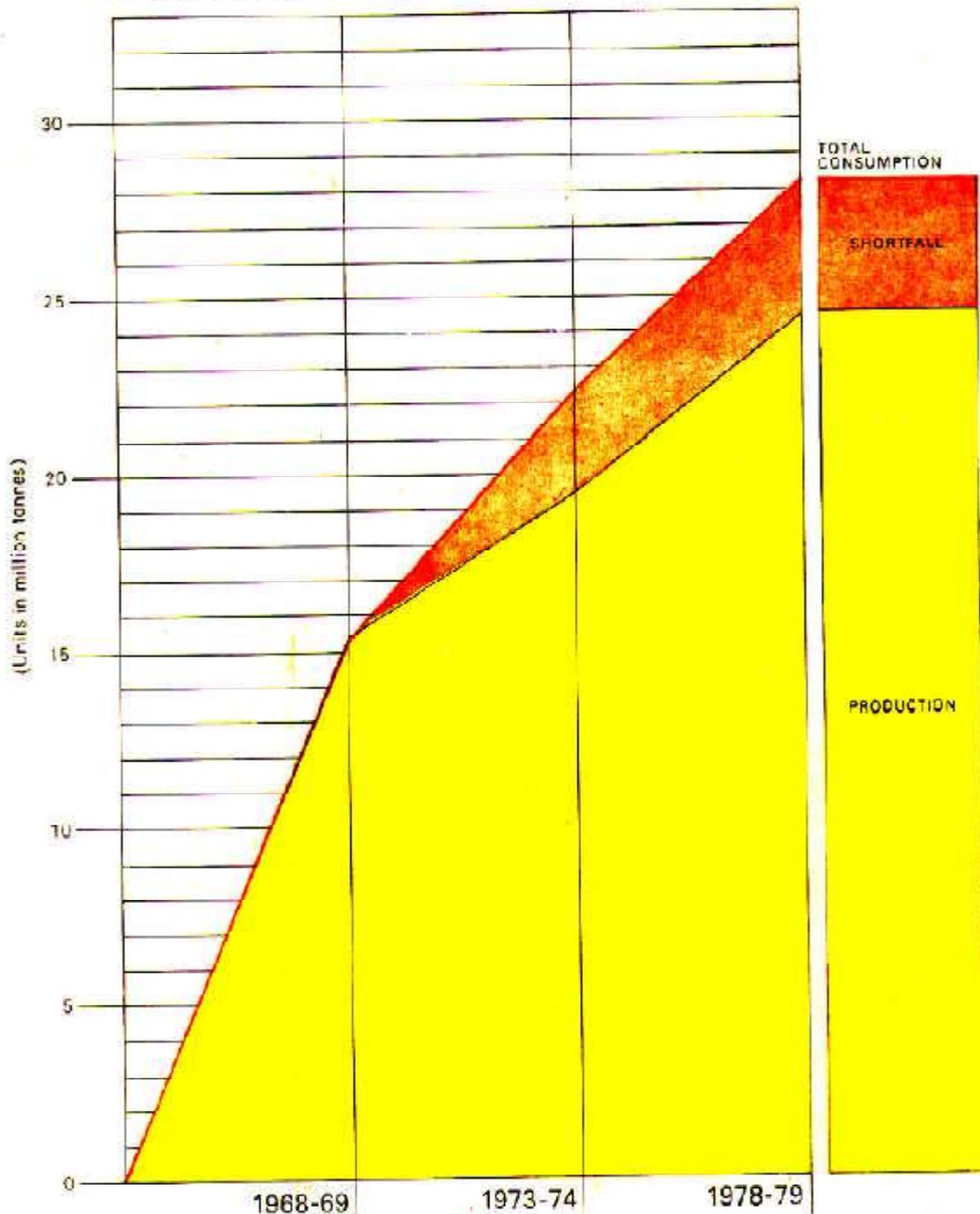
The Maintenance and Inspection Department at the Head Office of the Refineries and Pipeline Division continued to provide technical back-up to the refineries for maximising plant onstream efficiency. During the year, by reinforcing the emphasis on modern techniques in maintenance and inspection, 23 out of a total of 27 process units at Gauhati, Barauni, Gujarat and Haldia Refineries achieved an improved plant availability, i.e., a lower maintenance downtime with respect to design downtime. As in the previous year emphasis continued to be placed on optimising consumption of fuel, utilities, chemicals and other consumables as part of Technical Audit activities.

### CONSUMPTION PATTERN OF PETROLEUM PRODUCTS IN INDIA

UNITS IN MILLION TONNES



### CONSUMPTION AND PRODUCTION OF PETROLEUM PRODUCTS IN INDIA



*NOTE: Production refers to the net production of products for consumption and does not include captive uses of RBF, losses and stock differential.*



A set of maintenance standards called "Indian Oil Codes of Practice" were published for use in the refineries. Also the "Annual Corrosion Survey" was published in order to disseminate experiences amongst refineries on corrosion problems and their solutions. The 1979 Refinery Maintenance Conference was held at the Gujarat Refinery. The Conference was intended to promote cross-fertilisation amongst the refineries in the country, of the concepts and techniques in the field of maintenance against the background of the growing experience in this field. The Technical Development Committee continued its import substitution activities and for promoting small-scale industries in areas surrounding the refineries, each refinery is now represented in the Committee.

### PIPELINES

In September 1978, the Corporation commissioned a crude pipeline, running from the Single Buoy Mooring at Salaya, through Viramgam to the Gujarat Refinery at Koyali. The Single Buoy Mooring is designed to be capable of accommodating tankers upto 3 lacs DWT capacity. The pipeline transported 1.2 MMTs of crude during the year. As a result, the total throughput of the Corporation's pipeline net-work increased from 4.07 MMTs in 1977-78 to 5.6 MMTs in 1978-79. The overall capacity utilisation during the year was 92% as compared to 92.9% in 1977-78.

The throughput of the various pipelines during the year and the previous two years have been as under:

Barauni Pipeline with headquarters at Haldia and (ii) Barauni-Kanpur Pipeline with headquarters at Barauni, with effect from 23rd November 1978. During the year under review the Haldia-Barauni Section of the HMRB Pipeline was hooked up with the existing HMR Section of the Pipeline at Rajbandh for meeting the requirements of the Rajbandh area through either section of the Pipeline.

### MARKETING

The Sales Plan concept for regulating the distribution of all-India sales between marketing companies, introduced by Government of India in October 1976 has been in force throughout the year and all marketing activities are subject to the general discipline of this Plan. The industry sales of petroleum products during 1978-79 was 28.29 MMTs, an increase of 10.1% over the preceding year. In accordance with the discipline of the Plan, the Corporation's sales at 17.29 MMTs was only 8.5% over the 1977-78 sales volume of 15.88 MMTs. The Corporation's market participation dropped to 61.1 % during 1978-79 from 61.8% during 1977-78.

Special attention continues to be given to the retail distribution system which is vital to the public at large. During the year 1978-79, 81 Retail Outlets were commissioned raising the total number of Retail Outlets in operation at the end of the year to 4186. Several

(Figures in MTs)

Pipelines.	Year	Targets	Actual throughput
<b>Products:</b>			
Koyali-Ahmedabad	1976-77	802,000	757,991
	1977-78	900,000	752,313
	1978-79	800,000	869,773
Gauhati-Siliguri	1976-77	470,000	441,668
	1977-78	417,000	402,980
	1978-79	403,000	367,243
Barauni-Kanpur	1976-77	1,818,000	1,733,590
	1977-78	1,800,000	1,741,991
	1978-79	1,800,000	1,614,528
Haldia-Barauni/Haldia-Maurigram-Rajbandh (combined)	1976-77	912,000	983,859
	1977-78	1,200,000	1,173,109
	1978-79	1,439,000	1,519,835
<b>Crude:</b>			
Salaya-Viramgam-Koyali (commissioned on 5.9.1978)	1978-79	-	1,220,875

The Koyali-Ahmedabad products pipeline achieved a throughput of 869,773 tonnes, the highest ever, 8.72% above the target and 24.25% above the designed capacity.

Having regard to operational and administrative considerations, the existing Haldia-Barauni Kanpur Pipeline Unit was bifurcated for administrative purposes, into two, namely (i) Haldia-Maurigram-Rajbandh-

existing retail outlets have been modernised either through remodelling or by providing additional facilities. A crash programme for improvement of drive-ways at Retail Outlets and for rectification of defective equipment has been initiated.

The Corporation continues to allot dealerships/distributorships on a preferential basis to the



weaker sections of society under its Social Objectives Scheme. At the end of 1978-79, 275 dealerships have been commissioned under the Unemployed Graduate Scheme, 559 under the Defence Policy and 79 under the Scheduled Castes/Tribes Scheme.

As at 31st March, 1979, your Corporation had set up 327 Multi-Purpose Distribution Centres. These Centres cater to the rural sector meeting not only the requirements of petroleum products but also of fertilizers, pesticides, seeds, tractor spare-parts, non-scheduled drugs, stationery and other essential consumer goods. At several interior markets, Kerosene is also being sold through these MPDCs.

As part of the drive to take Kerosene distribution lines into the remote and hilly areas of the country, your Corporation set up four pilot projects in West Bengal and U.P. Based on the success of these projects, a phased programme for putting up 15 Taluka Kerosene Depots (TKDs) has been finalised in consultation with the Ministry of Petroleum. Four TKDs viz., at Rishikesh and Srinagar (Garhwal) in U.P. and Jeypore and Rayagada in Orissa have been commissioned in 1978-79 and the balance 11 will be set up in 1979-80.

In respect of LPG, the Corporation is now responsible for 51.6% of the market. Availability of LPG, however, continued to be inadequate compared to the demand and the position is expected to improve only after LPG from Bombay High, Mathura Refinery and the Fluid Catalytic Cracking Unit at Koyali is made available. 110,000 new customers were enrolled during 1978-79 bringing their total number to 1.63 million, spread over 220 towns and serviced through 449 Distributors. Your Corporation is pursuing its plan for the doubling of its present sales of LPG by 1982-83 and the investment proposals in this regard have been approved by Government and are in the process of implementation.

The sales of lubricants and greases during the year were 266 thousand tonnes (market share 48.7%), as against 244 thousand tonnes in 1977-78, thus registering an increase of 9.0% over the previous year. Your Corporation has now established itself as the main supplier of Marine Lubes at Indian Ports for vessels plying on international runs. In addition, it is now meeting a part of the requirements abroad of marine lubricants for Indian ships, hitherto catered to only by foreign oil companies. The estimated sale in this regard is about 2,500 tonnes per annum and involves a foreign exchange saving of about U.S. \$ 1 million. Indigenous Turbine Oils (Servo Prime series) are also now regularly used for topping up of turbines operations and this would reduce dependence on imported finished Turbine Oil. Periodical Customer Co-ordination Meetings, Seminars/Clinics are regularly being conducted for the benefit of the major customers like Defence, Railways, State Transports, Steel Plants, Public Utilities and major Industrial Customers for rendering effective customer service.

## DISTRIBUTION

Promoting availability of products to the consumer is a prime objective of your Corporation and higher costs and additional workload are often accepted as price paid to achieve this objective. In close co-ordination with Government of India and State Governments, it continues to maintain equitable and economic distribution of petroleum products to all categories of customers all over India.

Your Corporation has 16 port Installations, 8 Pipeline Installations, 2 Inland Installations and 107 Bulk Depots and a total tankage of 19.13 lac KLs at the Installation and Bulk Depots as against 18.76 lac KLs a year ago. Additional tankage totalling to 38,592 KLs were installed at existing Installations and Depots including the resitment of Bangalore Depot to Baiyappanahalli with a tankage of 20,014 KLs. The throughput of products through these distribution points increased from 21.56 million KLs during 1977-78 to 22.59 million KLs during 1978-79.

During the year, the Oil Industry faced an acute shortage of tank-wagons. Your Corporation's total loading of tank-wagons during the year was only 3,89,773 compared to 3,94,116 during 1977-78. The lag in tank-wagon loadings had to be made up through additional road movements. During the year, the Oil Industry road-bridged petroleum products equivalent to 140 white oil tank-wagons per day. Your Corporation's share in this activity was 64 per cent.

## CONSERVATION

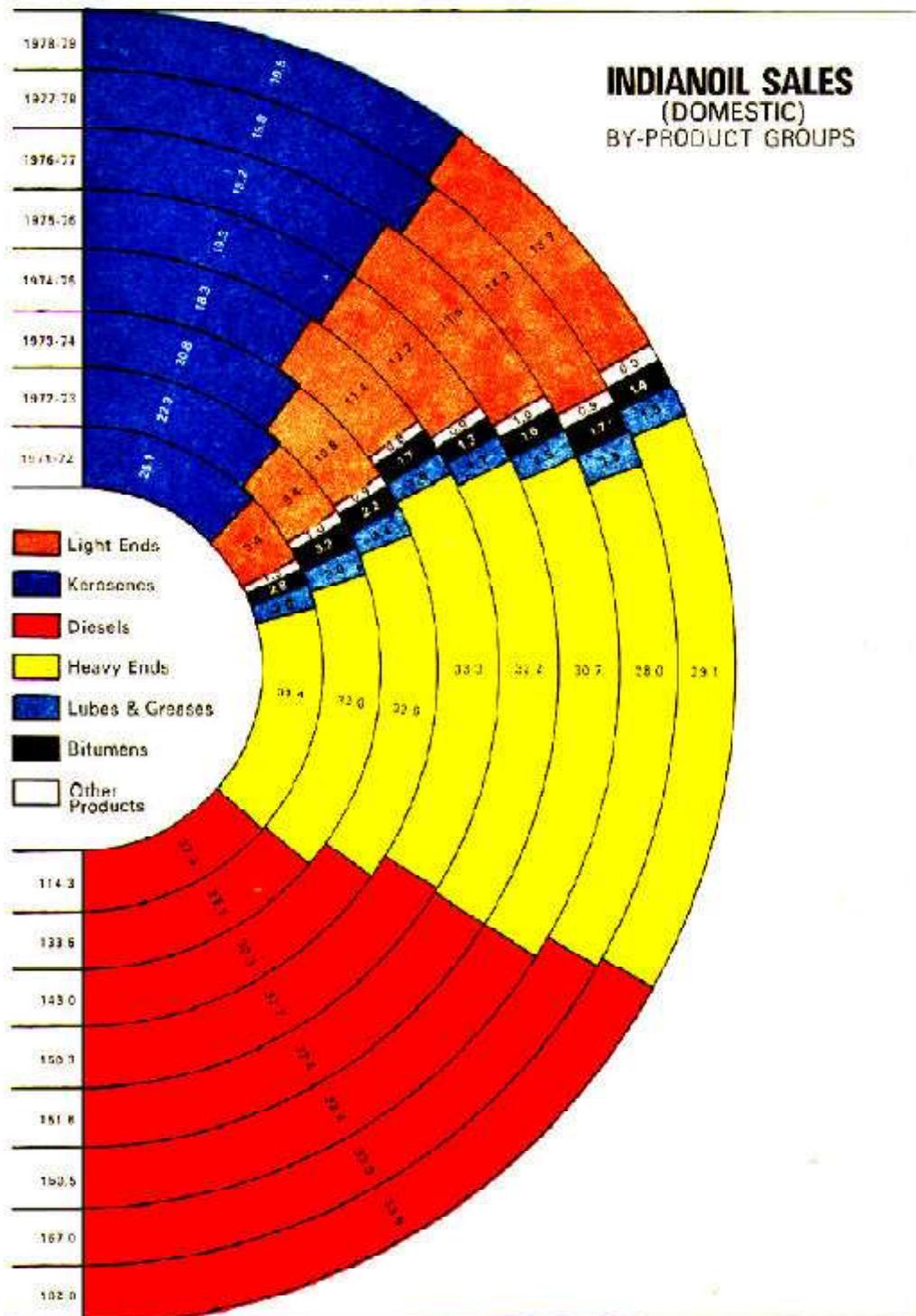
With a view to help conserve foreign exchange required for import of steel for Bitumen Drums, your Corporation has initiated a programme for marketing of Bulk Bitumen, particularly to large consumers. During 1978-79, 36,800 MTs of Bitumen in bulk were sold ex-Madras and Haldia refineries, almost doubling the previous year's sales of 18,600 MTs. Towards the close of the year, bulk Bitumen supplies were commenced from Cochin and Gujarat Refineries making it possible to further expand bulk sale operations during 1979-80.

As a measure of conserving Kerosene, the high thermal efficiency Nutan Stoves are being marketed by your Corporation since 1977. Upto March 1977, 865 thousand Nutan Stoves were distributed and the usage of these would result in a foreign exchange saving of about Rs. 2 crores per annum on imports of Kerosene.

## EXPORTS

During the year your Corporation's exports were limited by the constraints on availability

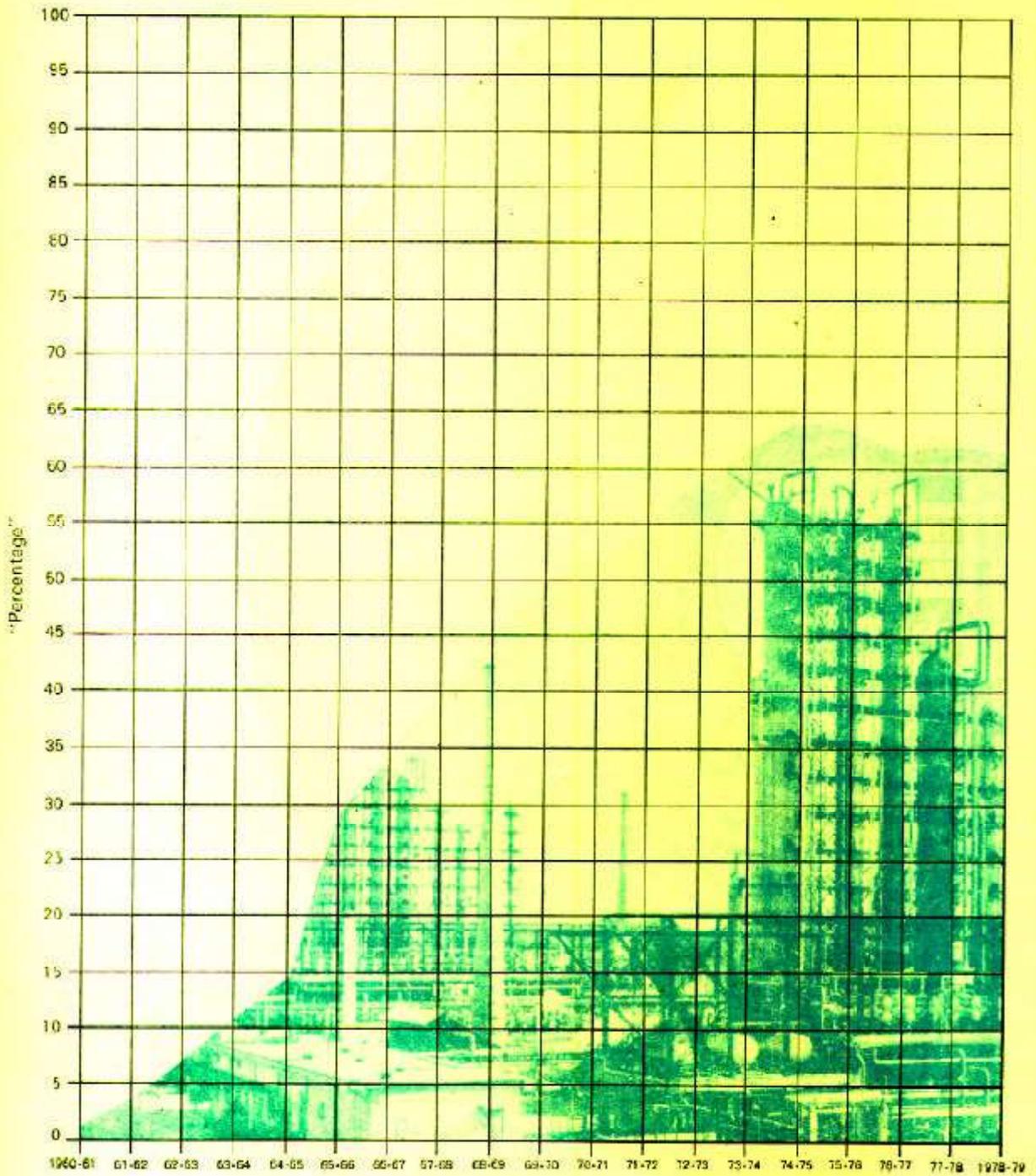




UNITS: 000 MTs  
 Figures inside the arc denote percentage.



### MARKET PARTICIPATION OF INDIANOIL



of products. About 8,000 tonnes of Asphalt (value Rs. 81 lakhs) were exported. In addition 94 thousand tonnes of various petroleum products valued at Rs. 13.16 crores were supplied to Nepal.

Besides, an amount of Rs. 36.59 crores was realised for the supplies of 215 thousand tonnes of ATF to international airlines and an amount of Rs. 8.14 crores, for supplies of 75 thousand tonnes of bunkers/lubricants to foreign flag vessels.

### IMPORTS

Crude Oil imports totalled to 11.8 MMT during the year as against 10.5 MMT during 1977-78. During the year, your Corporation also imported 4.0 MMT of finished petroleum products and 45 thousand tonnes of lubricants as compared to 2.9 MMT and 19 thousand tonnes, respectively, in 1977-78.

### RESEARCH AND DEVELOPMENT

The five year technical assistance and collaboration agreement signed with Castrol Limited, U.K. in February, 1976 was terminated effective February, 1979 as Castrol Limited found the agreement unremunerative. During the year, a number of scientists/engineers from the Corporation's R&D Centre, Marketing Division and IOBL have undergone training with Castrol, U.K. Simultaneously, Castrol specialists have also been visiting R&D Centre, Marketing Division and IOBL for guiding our scientists and engineers.

Based on know-how generated over the years through your Corporation's R&D efforts and the know-how secured from Castrol U.K. the R&D Centre have issued a number of formulations for lubricants and specialities to the Corporation's Blending Plants. Sustained efforts have resulted in the import substitution of various grades of lubricating oils for Railways, Power House, Steel Plants, Marine and Defence undertakings. With a view to conserve lubricants, the R&D Centre is participating in field trials by various users/vehicle manufacturers to extend the lubricating oil change period. A high efficiency LPG stove has been developed and prototypes are undergoing trials. An indepth study is being made on the use of alcohol/gasolene blends to substitute alcohol for gasolene.

During the year, many products were approved by the reputed International Equipment Builders for use in the equipment, machinery, manufactured by them. For instance, Servo 2T Oil has been approved by METOBECANE, France, Servo Transmission C-3 SAE-10, by Detroit Diesel Allison, Division of General Motors USA, Servo-Mesh SP series of gear oils by CINCINNATI MILACRON, USA, and David Brown Gear Industries, U.K., Servoway 317 and Servoway 335 by CINCINNATI MILACRON, USA; various grades of our Servo Marine Oils by GOTAVERKEN AB, Sweden, B&W Copanhangen

and Grandi-Motori Trieste (FIAT), Italy. Trials are being continued to get approval from reputed compressor manufacturers for new compressor oils.

### PROJECTS

The present investment programme of your Corporation covers Projects estimated to cost well over Rs. 500 crores. Some of the major projects under execution are :

#### Mathura Refinery Project

The 6 MTPA Mathura Refinery Project is estimated to cost Rs. 192.32 crores. The expenditure upto 31-3-1979 is Rs. 116.50 crores. Although there has been set-backs due to the floods at site in September/October, 1978, strikes by contractor's labour as well as delays in the receipt of drawings and equipment from the USSR, efforts are being made to commission the Refinery in the second half of 1980.

#### Secondary Processing Facilities at Gujarat Refinery

The Project sanctioned at a cost of Rs. 40.11 crores is designed for increasing the production of lighter and middle distillates. The progress of process design and engineering is satisfactory. All long delivery equipments have been ordered. It is expected that the Project will be mechanically complete by early 1981.

#### Salaya-Viramgam-Koyali-Mathura Pipeline Project

The Salaya-Koyali-Viramgam Section of the Project was commissioned in September 1978. The work on Viramgam-Mathura Section of the Pipeline (803 KMS) is in progress and will be completed ahead of the mechanical completion of the Mathura Refinery Project. The revised estimated cost of Rs. 231.00 crores has been sanctioned by Government.

#### Majhura-Delhi-Ambala-Jullundur Pipeline

During the year, Government approved the Project for the construction of a pipeline for transportation of petroleum products from Mathura to Delhi and onwards to Ambala and Jullundur at an estimated cost of Rs. 35.32 crores with a capacity of 3.4 MTPA. The project is expected to be completed in 1981.

#### L.P.G. Marketing Facilities

A Project for augmenting marketing facilities for L.P.G. including procurement of L.P.G. cylinders, setting up of additional bottling plants and allied storage and distribution facilities, etc., at a cost of Rs. 84.28 crores has been sanctioned. The substantial part of the project cost will be for the procurement of cylinders, valves, etc. The bottling plants will be installed at Jullundur, Bangalore, Salem and Allahabad. The project is expected to be commissioned by 1982.



### Fuel Hydrant at Bombay Airport

The project sanctioned at a cost of Rs. 7.25 crores is for the setting up Hydrant Refuelling System at the new International Airport Terminal at Bombay. The project is expected to be commissioned in the second half of 1981.

### INDUSTRIAL RELATIONS

During the year Industrial Relations in the Marketing Division, except in the Eastern Region, have been by and large quite satisfactory. In the Eastern Region, problems have arisen due to the inter-union rivalry between the recognised union and another union demanding recognition from the Management. The impasse continues and the resultant disquiet is affecting output.

Even though, on the whole, the industrial relations situation in the Refineries & Pipeline Division was satisfactory, there were set-backs at Barauni Refinery due to the persistent inter-union rivalry. Workers there resorted to go-slow for several months resulting in heavy throughput loss. There was also a one day token strike organised by an unrecognised union at Gauhati Refinery.

The Promotion Policy for workmen categories in the Marketing Division was settled in consultation with the Unions. A revised Promotion Policy was agreed in consultation with the Union at Haldia Refinery. At Gujarat Refinery too a Promotion Policy for the workmen cadre was agreed. In consultation with Government, Management has also evolved guidelines and scheme(s) to provide relief to the stagnated workmen.

The Long Term Agreements, in the two Divisions of the Corporation, with the recognised Unions, expired in April/May 1978. Negotiations for a new Long Term Agreement have been in progress since July 1978 and no agreement had been reached by the end of the year.

### WELFARE

The Corporation continued to follow its welfare-oriented policies.

### SCHEDULED CASTES (SC) TRIBES (ST)

In 1971, your Corporation received a directive from the President, under Articles of Association, in the matter of reservation of posts for Scheduled Castes/Tribes in the matter of recruitment. As a result of the implementation of this directive, the strength of employees belonging to SC/ST has substantially increased by end of 1978-79. In order to clear a small back-log remaining to achieve the stipulated representation for SC/ST a special recruitment drive has been launched. Ample opportunities are being

given to SC/ST employees to participate in our training programmes to enhance their knowledge as also help them in their career development.

Consequent upon the receipt of the Presidential Directive under Article 144 of the Articles of Association of Indian Oil Corporation, reservation of posts for SC/ST employees in promotion was introduced in February, 1978.

### TRAINING

The Training Centres in the Corporation conducted training programme for employees in the various disciplines of management. Unit level classes were continued under the guidance of Central Board of Workers' Education. Various training programmes were conducted by the Training Centre of the Corporation to train Defence Personnel. The Corporation also conducted Aviation Training Courses for officers of I.A.F.

With the assistance of Hindi Teaching Scheme of the Government of India, Hindi training classes have been started by the Corporation at various places.

### MANAGEMENT SERVICES

Efficiency Research studies aimed at streamlining systems and procedures continue to be made. Among the important studies under taken during the year were the transportation and repairs of LPG cylinders, continuous availability of products ex-Retail Outlets, transportation of lubes to specific stations, etc.

### SOCIAL OBJECTIVES

An amount of Rs. 18.5 lakhs was donated for the flood relief in the Northern States.

### HOUSE JOURNAL

Our Hindi house journal 'Indianoil Samachar' received the first prize in the Indian Language publications category in the Annual Award Contest organised by the Indian Association of Industrial Editors.

### INDIAN OIL BLENDING LIMITED

Annual Accounts and Directors' Report of Indian Oil Blending Limited, a wholly owned subsidiary of the Corporation, are annexed herewith. During the year 1978-79, the Bombay and Calcutta Plants of IOBL had a throughput of 2,45,406 KLs as against 2,33,322 KLs of lubes during the year 1977-78. The Grease Plant at Bombay had a throughput of 6,234 MTs of greases during the year, as compared to 5,148 MTs during the preceding year. The gross profit of the Company, after deducting prior year expenses, but before depreciation, investment allowance and taxation, was Rs. 62,68,773



as compared to Rs. 62,74,655 during the previous year. The net profit, after providing for investment allowance (Rs. 2,98,000) and for taxation (Rs. 29,33,000), was Rs. 20,24,126, as against Rs. 19,17,654 during the year 1977-78. The net profit, after adding excess provision of earlier years for expenses and taxation, as also writing back of development rebate of Rs. 7,98,600 was Rs. 29.55 lakhs as against Rs. 38.20 lakhs, during the previous year. The net surplus available for distribution during the year 1977-78 was more because the excess provision of earlier years for taxation amounted to Rs.12.40 lakhs, as against excess provision of earlier years for taxation of only Rs. 91,252 during 1978-79.

### FOREIGN TOURS

The total number of foreign tours undertaken by the employees is 56 and the total expenditure incurred on the tours in the year 1978-79 is Rs. 11.80 lakhs, including expenditure borne by the United Nations in respect of trips by 13 officers deputed for UNDP training programmes.

### BOARD OF DIRECTORS

In terms of Article 94(b) of the Articles of Association of the Corporation, the following shall retire at the Annual General Meeting but are eligible for reappointment:

1. Shri S. L. Khosla
2. Shri S. R. Das
3. Shri A. N. Buch
4. Shri Hiten Bhaya
5. Shri S. Narayanaswamy.

### DIRECTIVE RECEIVED FROM THE PRESIDENT OF INDIA

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. The Ministry of Petroleum, Chemicals & Fertilizers have since advised withdrawal of this order, vide their letter No. P-4001 8/1/76-IOC dated 19th December 1978. A copy of the Ministry's letter is enclosed.

### PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 21 7(2A) of the Companies Act and Companies (Particulars of Employees) Rules, 1 975 are enclosed.

### ACKNOWLEDGEMENTS

The Corporation has the privilege of enjoying the valuable patronage and the growing confidence of a veiy large number of customers spread all over the country. The Directors assure them that the Corporation shall strive even harder, to meet their requirements.

The Directors have pleasure in placin g on record their appreciation of the excellent work done by members of the IOC family and are confident that the future of the Corporation is assured by the devotion and the loyalty of its employees. The Directors gratefully acknowledge the guidance and the support received by the Corporation from Government of India and the various State Governments.

For and on behalf of the Board

(C. R DAS GUPTA)  
Chairman

New Delhi,

*Dated 27th August, 1979.*



**GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM, CHEMICALS & FERTILIZERS  
(Department of Petroleum)**

No. P-40018/1/76-IOC

New Delhi, the 19th December, 1978.

To  
The Chairman  
Indian Oil Corporation Limited  
Indianoil Bhavan  
Janpath  
New Delhi-110 001.

Sub : Advertisements through newspapers etc.  
by public sector undertakings

Dear Sir,

I am directed to refer to this Ministry's letter of even number dated the 4th January, 1977 directing the Indian Oil Corporation Limited under Article 144(b) of the Articles of Association of IOC to route all their advertisements to be published in newspapers, periodicals etc. through the Directorate of Advertising and Visual Publicity (DAVP) and to say that the President is pleased to withdraw the above directive in view of the Government's decision to rescind the Ministry of Information and Broadcasting's policy instructions forming the basis for the above said directive.

This also disposes of your H. O. reference No. PR176 (DAVP) dated 18-9-1978 from the Managing Director, Indian Oil Corporation, Bombay, and subsequent communication of even number dated 25-9-1 978 on the subject.

The receipt of this letter may please be acknowledged.

Yours faithfully,  
Sd/- (K P Jethani)  
Under Secretary to the Government of India  
For and on behalf of the President of India

Copy to Shri S. Ketharaman, Managing Director, Indian Oil Corporation Limited, (Marketing Division), 254-C, Dr. Annie Besant Road, Prabhadevi, Bombay-400 025.

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1979, together with the Profit and 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 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 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, except as indicated in note 9 in Schedule 'P';
  - (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 and the Barauni Refinery as well as the HBK Pipeline of the Refineries Division audited by the respective Branch 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 letters No. 17/1-1/79-IGC dated 1st March, 1979 and No.17/1 (I)/79-IGC dated 18th April, 1979 addressed to the Secretary, Indian Oil Corporation Limited, by the 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 and Loss Account dealt with by this report are in agreement with the books of account;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
    - (i) in the case of the Balance Sheet, of the state of affairs of the Corporation, as at 31st March, 1979 ; and
    - (ii) in the case of Profit and Loss Account of the Profit of the Corporation for the year ended on that date.

P. N. GHATALIA  
*Partner*

K. N. MAMANI  
*Partner*

*For* LODHA & CO.  
*Chartered Accountants.*

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

*Per* S. R. BATLIBOI & CO.  
Chartered Accountants.

RAJENDRA S. LODHA  
Partner

*New Delhi, 31st July, 1979.*



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

## Index

1. The Corporation has generally maintained proper records to show full particulars including quantitative details and situation of fixed assets except in some cases of Furniture and Fixtures, Equipments and Appliances which are grouped under Plant and Machinery. The fixed assets of the Corporation are physically verified by the Management in a phased programme of three year cycles which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of the assets. In regard to LPG Cylinders verified during the year, we are informed that the reconciliation of the physically verified quantities with the book records is still in progress and the discrepancies are yet to be ascertained and adjusted. To the best of our knowledge, no serious discrepancies have been noticed on verification in case of other assets.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, packages and raw materials have been physically verified during the year by the Management and the stock of stores and spare parts are verified by them in a phased programme so as to ensure complete verification within three years. In our opinion, the frequency of verification is reasonable. We are informed that 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 excepting stores and spares referred to in note 5 in Schedule 'P' and relating to Research & Development Centre where reconciliation is still in progress in respect of stores and spare parts valued at Rs. 6.85 lakhs. In our opinion, the valuation of the above mentioned stocks read with note 4 in Schedule 'P' regarding surplus / slow moving stores is fair and proper and in accordance with the normally accepted accounting principles.
4. 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.
5. Loans and advances in the nature of loans have been given to the employees and outside parties who are repaying the principal amounts as stipulated and are also regular in the payment of interest except in few cases where principal and interest have become overdue and reasonable steps have been taken for their recovery.
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 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.
7. In our opinion and according to the information and explanations given to us, the prices paid for purchases 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 and compared to the prices of similar items supplied by other parties or as available with the Corporation. We are informed that for certain items there is no alternative source of supply.
8. As explained to us, the Corporation has a regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages and raw material. However, as on 31st March, 1979, loss, if any, on the above items has not been determined. In this regard reference is made to note 4 in Schedule 'P'.



9. The Corporation has not accepted any deposits from the public.
10. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps.
11. While the Corporation has an internal audit system which as such may be regarded as adequate and commensurate with the size and the nature of its business, in our opinion, the coverage needs to be further extended in certain areas.
12. We are informed that 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.
13. According to the records of the Corporation, Provident Fund dues have generally been regularly deposited during the year with the appropriate authorities. There were arrears of Rs. 1.52 lakhs as on 31st March, 1979 which have since been deposited. A sum of Rs. 4.50 lakhs on account of trainee employees was provided last year in respect of past period but not paid till date as the Corporation is still considering the eligibility of these employees to become members of Provident Fund during their training period. We have been advised that, as soon as the matter is finalised, suitable adjustment/payment will be made.
14. As per the information and explanations given to us, there were no damaged stocks in the class of goods traded in by the Corporation.

P. N. GHATALIA

*Partner*

For and on behalf of

PRICE WATERHOUSE & CO.

*Chartered Accountants.*

K. N. MAMANI

*Partner*

Per S. R. BATLIBOI & CO.

*Chartered Accountants.*

For LODHA & CO.

*Chartered Accountants.*

RAJENDRA S. LODHA

*Partner*

*New Delhi, 31st July, 1979.*



**BALANCE SHEET AS AT 31ST MARCH, 1979**

	Schedule	Rupees	Rupees	1978 Rupees
<b>FUNDS EMPLOYED:</b>				
1. Share Capital	'A'	82,17,72,000		82,17,72,000
2. Reserves and Surplus	'B'	<u>2,90,95,79,513</u>		<u>2,31,61,75,424</u>
3. Total Shareholders' Funds			3,73,13,51,513	<u>3,13,79,47,424</u>
4. Loans				
(a) Secured	'c'	5,99,42,075		1,03,47,060
(b) unsecured	'D'	<u>1,05,81,34,894</u>		<u>75,29,18,855</u>
			1,11,80,76,969	<u>76,32,65,915</u>
5. Total Funds Employed			<u>4,84,94,28,482</u>	<u>3,90,12,13,339</u>
<b>APPLICATION OF FUNDS</b>				
6. Fixed Assets				
(a) Gross Block	'E'	4,97,36,52,093		3,57,32,75,493
(b) Less: Depreciation		2,10,51,22,188		1,80,39,76,103
		<u>2,86,85,29,905</u>		<u>1,76,92,99,390</u>
(c) construction Work-in-Progress and Capital Goods in Stock	'F'	<u>2,07,39,34,718</u>		<u>2,28,05,69,837</u>
			4,94,24,64,623	<u>4,04,98,69,227</u>
7. Investments	'G'		46,27,323	46,53,883
8. Current Assets, Loans and Advances:				
A. Current Assets				
(a) Interest accrued on Investments		2,00,316		1,76,114
(b) Inventories	'H'	2,72,00,47,758		2,27,58,80,463
(c) Book Debts	'I'	1,30,46,46,065		1,02,57,49,208
(d) Cash Balances				
Cash including Imprest and cheques in hand		17,90,53,080		8,84,67,918
(e) Bank Balances				
(i) With Scheduled Banks				
(a) On current Account		29,41,984		20,09,162
(b) On current Account under Cash credit Arrangement		—		3,86,81,110
(c) On Fixed Deposit Account		5,950		5,613
(d) On call Deposit Account		15,00,000		20,00,000
(e) On Deposit Account under the companies (Surcharge on Income-Tax) Scheme, 1976		<u>2,57,54,000</u>		<u>2,57,54,000</u>
	C/F	<u>4,23,41,49,153</u>		<u>3,45,87,23,588</u>
Carried Forward			4,94,70,91,946	<u>4,05,45,23,110</u>

**BALANCE SHEET AS AT 31ST MARCH, 1979 Contd...**

	Schedule	Rupees	Rupees	1978 Rupees
Brought Forward			4,94,70,91,946	4,05,45,23,110
B/F		4,23,41,49,153		3,45,87,23,588
(ii) With Non-Scheduled Banks				
On Blocked Account with Banque Nationale De Paris, France (Maximum amount during the year Rs. 6,34,915-1978 : Rs. 12,47,344)		—		6,34,915
(iii) With Post Office :				
On Savings Account		3,000		3,000
B. Loans and Advances	'J'	<u>1,20,54,98,529</u>		<u>93,83,60,599</u>
		5,43,96,50,682		4,39,77,22,102
9. Less: Current Liabilities and Provisions	'K'	<u>5,53,73,14,146</u>		<u>4,55,10,31,873</u>
10. Net Current Assets (Working Capital)-(8) minus (9)			(9,76,63,464)	(15,33,09,771)
TOTAL			<u>4,84,94,28,482</u>	<u>3,90,12,13,339</u>
11. Contingent Liabilities not provided for (Refer Schedule 'P'-Note 1)				
Notes forming part of Accounts	'P'			

C. R. DAS GUPTA  
Chairman

JOY JOSEPH  
Finance Director

S. KETHARAMAN  
Managing Director  
(Marketing)

T. K. SINHA  
Managing Director  
(Refineries & Pipelines)

D. B. PURI  
Secretary

As per our report attached

P. N. GHATALIA  
Partner

K. N. MAMANI  
Partner

For LODHA & CO.  
Chartered Accountants.

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

Per S. R. BATLIBOI & CO.  
Chartered Accountants

RAJENDRA S. LODHA  
Partner

New Delhi, 31st July, 1979.



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1979**

	Rupees	Rupees	1978 Rupees
<b>INCOME:</b>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	35,66,47,02,190		30,02,01,38,464
(ii) Less: Commission and Discounts	<u>2,48,05,418</u>		<u>2,38,07,754</u>
	35,63,98,96,772		29,99,63,30,710
2. Company's use of own oil	<u>6,05,63,971</u>		<u>4,96,43,203</u>
		35,70,04,60,743	<u>30,04,59,73,913</u>
3. Main Installation charges received from Other Marketing Companies		81,07,601	<u>1,95,37,849</u>
4. Increase in Stocks:			
Closing Stock as on 31st March, 1979			
Finished Products	1,63,27,64,650		1,56,44,14,565
Stock-in- Process	<u>16,28,42,090</u>		<u>14,01,21,144</u>
	<u>1,79,56,06,740</u>		<u>1,70,45,35,709</u>
Less: Opening Stock as on 1st April, 1978 :			
Finished Products	1,56,44,14,565		1,26,46,14,703
Stock-in- Process	<u>14,01,21,144</u>		<u>13,43,63,208</u>
	<u>1,70,45,35,709</u>		<u>1,39,89,77,911</u>
		9,10,71,031	<u>30,55,57,798</u>
5. Interest :			
(i) On Advances	52,40,410		53,99,294
(ii) On Deposit under the Companies (Surcharge On Income-Tax) Scheme, 1976	15,45,239		15,45,240
(iii) On Short Term Deposits	58,71,370		1,00,06,641
(iv) From Customers on Outstandings (Tax deducted at source Rs. Nil-1978:Rs.4,75,676)	<u>48,63,880</u>		<u>64,03,979</u>
		1,75,20,899	<u>2,33,55,154</u>
6. Other Income (Schedule 'L')		5,49,22,979	<u>5,21,66,068</u>
7. Provision for Doubtful Debts, Advances and Claims written back		91,14,397	38,80,054
8. Recovery under an award		<u>6,35,00,530</u>	<u>6,04,90,371</u>
TOTAL INCOME		<u>35,94,46,98,180</u>	<u>30,51,09,61,207</u>
<b>EXPENDITURE:</b>			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		17,50,12,87,703	14,71,62,23,565
2. Manufacturing, Administration Selling and Other Expenses (Schedule 'M')		10,81,71,19,199	8,33,26,93,002
3. Excise Duty		<u>6,39,55,18,767</u>	<u>6,21,57,74,614</u>
4. Depreciation and Amortisation		31,14,14,213	20,24,83,414
Carried Forward		35,02,53,39,882	29,46,71,74,595



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1979**

	Rupees	Rupees	1978 Rupees
Brought Forward		35,02,53,39,882	29,46,71,74,595
5. Interest			
(i) On Government Loan for fixed period	6,43,58,014		2,95,50,473
(ii) On Loan from Oil Industry Development Board	77,67,631		83,70,228
(iii) On Foreign Credit for fixed period	22,93,225		28,42,926
(iv) Other	1,37,34,758		2,16,39,767
		<u>8,81,53,628</u>	<u>6,24,03,394</u>
		35,11,34,93,510	29,52,95,77,989
6. Less :			
(i) Amount transferred to construction period expenses pending allocation	10,58,39,072		8,60,07,164
(ii) Expenses transferred to Manufacturing of Drums	55,54,807		57,25,995
		<u>11,13,93,879</u>	<u>9,17,33,159</u>
TOTAL EXPENDITURE		<u>35,00,20,99,631</u>	<u>29,43,78,44,830</u>
7. PROFIT FOR THE YEAR BEFORE TAX		94,25,98,549	1,07,31,16,377
8. Add.' Income relating to previous years (Net) (Schedule '0')		5,59,18,180	(7,07,15,847)
9. PROFIT BEFORE TAX		99,85,16,729	1,00,24,00,530
10. Less.' Provision for taxation		30,65,00,000	51,00,00,000
11. PROFIT AFTER TAX		69,20,16,729	49,24,00,530
12. Balance brought forward from last year's Account		75,424	52,094
13. DISPOSABLE PROFIT .		<u>69,20,92,153</u>	<u>49,24,52,624</u>
<b>APPROPRIATIONS:</b>			
14. Proposed Dividends		9,86,12,640	8,21,77,200
15. Investment Allowance Reserve		24,00,00,000	1,30,00,000
16. Insurance Reserve Account		10,00,000	10,00,000
17. General Reserve			35,24,00,000
39,62,00,000			
18. BALANCE CARRIED TO BALANCE SHEET		79,513	75,424
TOTAL		<u>69,20,92,153</u>	<u>49,24,52,624</u>
19. Notes forming part of Account (Schedule 'P')			

C. R. DAS GUPTA  
*Chairman*

JOY JOSEPH  
*Finance Director*

S. KETHARAMAN  
*Managing Director*  
(Marketing)

T. K. SINHA  
*Managing Director*  
(Refineries & Pipelines)

D. B. PURI  
*Secretary*

As per our report attached

P. N. GHATALIA  
*Partner*

K. N. MAMANI  
*Partner*

For LODHA & CO.  
*Chartered Accountants.*

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

Per S. R. BATLIBOI & CO.  
*Chartered Accountants*

RAJENDRA S. LODHA  
*Partner*

New Delhi, 31st July. 1979.



**SCHEDULE 'A'-SHARE CAPITAL**

	Rupees	1978 Rupees
<b>SHARE CAPITAL:</b>		
<b>Authorised</b>		
15,00,000 Equity Shares of Rs. 1,000 each	<u>1,50,00,00,000</u>	<u>1,50,00,00,000</u>
<b>Issued and Subscribed:</b>		
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, 1 965, respectively, without payment having been received in cash)	82,17,72,000	82,17,72,000
TOTAL	<u><u>82,17,72,000</u></u>	<u><u>82,17,72,000</u></u>

**SCHEDULE 'B' — RESERVES AND SURPLUS**

	Rupees	Rupees	1978 Rupees
<b>RESERVES AND SURPLUS</b>			
<b>General Reserve</b>			
As per last Account	1,71,11,00,000		1,31,49,00,000
Transferred from Profit and Loss Account	<u>35,24,00,000</u>		<u>39,62,00,000</u>
		2,06,35,00,000	<u>1,71,11,00,000</u>
<b>Insurance Reserve Account</b>			
As per last Account	20,00,000		10,00,000
Transferred from Profit and Loss Account	<u>10,00,000</u>		<u>10,00,000</u>
		30,00,000	<u>20,00,000</u>
<b>Development Rebate Reserve</b>			
As per last Account		59,00,00,000	59,00,00,000
<b>Investment Allowance Reserve</b>			
As per last Account	1,30,00,000		—
Transferred from Profit and Loss Account	<u>24,00,00,000</u>		<u>1,30,00,000</u>
		25,30,00,000	<u>1,30,00,000</u>
<b>Profit and Loss Account as per Annexed Account</b>		79,513	75,424
TOTAL	<u><u>2,90,95,79,513</u></u>		<u><u>2,31,61,75,424</u></u>



**SCHEDULE 'C'-SECURED LOANS**

	Rupees	1978 Rupees
<b>SECURED LOANS:</b>		
<b>Loans and Advances from Bank:</b>		
(i) Secured by hypothecation of inventories, book debts, outstanding monies, recoverable claims, contracts, engagements, etc.	4,40,06,91 5	—
(ii) Interest accrued and due on above	1,59,35,160	1,03,47,060
TOTAL	<u>5,99,42,075</u>	<u>1,03,47,060</u>

**SCHEDULE 'D'-UNSECURED LOANS**

	Rupees	1978 Rupees
<b>UNSECURED LOANS:</b>		
<b>Other Loans and Advances</b>		
(i) From the Government of India [including Rs. 7,50,00,000 (1978: Rs. 3,75,00,000) due for payment within one year and Rs. 15,00,000 payable on demand (1978: Rs. 20,00,000)].	85,27,50,000	62,20,00,000
(ii) Oil Industry Development Board (including Rs. 1,00,50,000—1978: Rs. 1,00,50,000 due for payment within one year)	16,82,50,000	8,13,00,000
(iii) Foreign Credits (including Rs. 1,28,84,185—1978: Rs. 1,28,84,185 due for payment within one year)	3,57,28,260	4,86,12,445
(iv) Deferred payment (including Rs. 4,68,881-1978 Rs. 2,51,602 due for payment within one year)	14,06,634	10,06,410
TOTAL	<u>1,05,81,34,894</u>	<u>75,29,18,855</u>

**SCHEDULE 'E' – FIXED ASSETS**

	Gross Block as at 31st March, 1978 at cost	Additions during the year at cost	Transfers from construction work-in-progress at cost	Transfers, deductions and reclassifications at cost
	Rupees	Rupees	Rupees	Rupees
LAND — Freehold	7,28,33,476	39,61,059	-	(—) 26,21,260
— Leasehold	35,65,332	6,20,927	-	(+) 24,45,659
— Right of way	31,79,370	2,58,415		
BUILDINGS, ROADS ETC.	35,73,70,191	15,69,077	3,79,97,696	(—) 1,10,82,054
PLANT AND MACHINERY	2,76,77,60,985	6,16,40,144	1,23,48,29,813	(—) 40,07,442
TRANSPORT EQUIPMENT	10,53,64,880	92,16,631	1,03,60,514	(—) 33,12,456
FURNITURE AND FIXTURES	5,74,49,718	49,46,895	14,46,795	(—) 3,05,688
RAILWAY SIDINGS	3,52,82,522	41,18,628	81,63,943	(+) 33,15,119
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	16,97,74,758	1,676	3,48,91,491	(+) 17,27,370
SUNDRY ASSETS	6,94,261	52,467	84,740	(+) 56,441
<b>TOTAL</b>	<b>3,57,32,75,493</b>	<b>8,63,85,919</b>	<b>1,32,77,74,992</b>	<b>(—) 1,37,84,311</b>
<i>PREVIOUS YEAR</i>	<i>3,45,30,73,647</i>	<i>4,41,20,034</i>	<i>9,38,80,479</i>	<i>(—) 1,77,98,667</i>

\* Includes Rs. 4,08,892 (1978: (-) Rs. 11,27,626) in respect of previous year.

**SCHEDULE 'E' – FIXED ASSETS Contd...**

Gross Block as at 31st March, 1979 at cost	Depreciation and amortisation charged this year*	Total depreciation and amortisation upto 31st March, 1979	Net Block	
			As at 31st March, 1979	1978
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
7,41,73,275	–	–	7,41,73,275	7,28,33,476
66,31,918	56,643	3,87,747	62,44,171	30,73,184
34,37,785	–	–	34,37,785	31,79,370
38,58,54,910	1,18,03,641	9,66,63,156	28,91,91,754	26,43,97,011
4,06,02,23,500	27,31,26,824	1,80,32,72,502	2,25,69,50,998	1,23,41,20,161
12,16,29,569	1,14,07,345	6,68,76,978	5,47,52,591	4,70,71,399
6,35,37,720	45,28,371	4,04,89,950	2,30,47,770	2,13,30,990
5,08,80,212	22,29,921	1,70,75,706	3,38,04,506	2,37,60,042
20,63,95,295	85,37,063	7,95,95,315	12,67,99,980	9,94,07,379
8,87,909	1,33,297	7,60,834	1,27,075	1,26,378
4,97,36,52,093	31,18,23,105	2,10,51,22,188	2,86,85,29,905	1,76,92,99,390
3,57,32,75,493	20,13,55,788	1,80,39,76,103	1,76,92,99,390	

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

	<u>Rupees</u>	<u>Rupees</u>	<u>1978</u> <u>Rupees</u>
<b>CONSTRUCTION WORK-IN-PROGRESS AND CAPITAL GOODS IN STOCK:</b>			
1. Work-in-Progress (at cost) (including unallocated capital expenditure, materials at site and advances for capital expenditure)		1,28,33,70,622	1,41,37,41,484
2. Capital Stores (at cost) including Rs. 22,53,20,691 lying with Contractors (1978: Rs. 13,77,39,018)		56,40,76,912	63,33,38,106
3. Miscellaneous Capital Stores (at or under cost)		30,49,600	33,35,166
4. Capital Goods in transit (at cost)		6,32,23,560	4,53,42,669
5. Construction period expenses pending allocation:			
Balance as at 1st April, 1978	18,48,12,412		10,24,07,583
Add: Expenditure during the year			
Establishment charges	1,43,02,653		1,16,29,937
Interest	5,23,40,671		3,78,94,616
Depreciation	46,52,656		1,29,89,833
Other	3,63,49,458		2,56,84,950
	<u>29,24,57,850</u>		<u>19,06,06,919</u>
Less: Recoverie	<u>18,06,366</u>		<u>21,92,172</u>
	29,06,51,484		18,84,14,747
Less : Allocated to assets/construction work-in-progress during the year	<u>13,04,37,460</u>		<u>36,02,335</u>
		16,02,14,024	18,48,12,412
<b>TOTAL</b>		<u><u>2,07,39,34,718</u></u>	<u><u>2,28,05,69,837</u></u>



**SCHEDULE 'G'-INVESTMENTS**

	Rupees	Rupees	Rupees	1978 Rupees
<b>INVESTMENTS at cost (Unquoted)</b>				
1. In Government Securities (including Rs. 3,85,705-1978: Rs. 4,17,355 deposited with various bodies)			3,85,905	4,17,555
2. Other Investments				
(a) In International Co-operative Petroleum Association-350 Shares of \$ 100 each fully paid and part paid Common Stock of \$72.31		2,12,438		<u>2,12,438</u>
(b) In Consumers' Co-operative Societies				
(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-378 (1978: 344) Equity Shares of Rs. 10 each fully paid in cash	3,780			3,440
(iv) Indian Oil Employees 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 Equity Shares of Rs. 10. each fully paid in cash	7,000			7,000
(vi) Indian Oil Employees Co-operative Consumers' Stores Limited, Delhi-375 Equity Shares of Rs. 10 each full paid in cash	<u>3,750</u>			<u>3,750</u>
		21,230		<u>20,890</u>
(c) In Co-operative Housing Societies				
(i) Casa Grande-10 Equity Shares of Rs. 50 each fully paid in cash	500			500
(ii) Seema Apartments-75 (1978:5) Equity Shares of Rs. 50 each full paid in cash	3,750			250
(iii) New Silver Home-5 Equity Shares of Rs. 50 each fully paid in cash	250			250
(iv) The Ruby-5 Equity Shares of Rs. 50 each fully paid in cash	250			250
(v) Sant Sarupdas-10 Equity Shares of Rs. 50 each fully paid in cash	500			500
(vi) Cuffe Parade Ravi Kiran-15 Equity Shares of Rs. 50 each fully paid in cash	750			750
(vii) Twin Towers Premises-10 Equity Shares of Rs. 50 each fully paid in cash	500			500
(viii) Nensey-5 Equity Shares of Rs. 50 each fully paid in cash	250			-
(ix) Amar-Jiwan-10 Equity Shares of Rs. 50 each fully paid in cash	500			-
(x) Florida Apartments-5 Equity Shares of Rs. 50 each fully paid in cash	250			-
(xi) The Garden Colony No. 2-5 Equity Shares of Rs. 50 each fully paid in cash	<u>250</u>			-
		7,750		<u>3,000</u>
			2,41,418	<u>2,36,328</u>
3. In a Subsidiary Company:				
Indian Oil Blending Limited-8,000 Equity Shares of Rs. 500 each full paid in cash			40,00,000	40,00,000
			<u>46,27,323</u>	<u>46,53,883</u>
<b>TOTAL,</b>				



**SCHEDULE 'H' INVENTORIES**

	Rupees	Rupees	1978 Rupees
<b>INVENTORIES:</b>			
1. Stores, Spares etc.:			
(a) Stores and Spare Parts (at or under cost)	26,47,74,654*		20,97,64,416*
(b) Stores in Transit (at cost)	<u>2,67,07,367</u>		<u>2,74,52,853</u>
		29,14,82,021	<u>23,72,17,269</u>
2. Raw Materials (including in-transit Rs. 13,15,30,741– 1978: Rs. 10,54,48,243) (at cost)		61,83,34,914	32,35,11,080
3. Stock in Trade:			
(a) Oil Stock (at cost @ or net realisable value whichever is lower) (including in-transit at cost Rs. 35,10,76,022– 1978: Rs. 17,36,44,010)	1,63,27,64,650**		1,56,44,14,565**
(b) Stock-in- Process (at or under cost)	<u>16,28,42,090</u>	1,79,56,06,740	<u>14,01,21,144</u> <u>1,70,45,35,709</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)		1,46,24,083	1,06,16,405
TOTAL		<u>2,72,00,47,758</u>	<u>2,27,58,80,463</u>
* Includes stock lying with contractors Rs. 1,41,52,267 (1978: Rs. 58,45,740)			
** Includes stock lying with other oil companies on loan Rs. 6,64,25,823 (1978: Rs. 1,07,92,589)			
@ Cost as determined by Oil Prices Committee and advised by Government from time to time.			

**SCHEDULE 'I'—BOOK DEBTS**

	Rupees	Rupees	1978 Rupees
<b>BOOK DEBTS:</b>			
1. Over Six Months			
(a) Secured Considered Good	44,47,796		13,76,455
(h) Unsecured Considered Good	15,11,39,924		14,51,29,052
(c) Unsecured Considered Doubtful	<u>1,87,73,160</u>		<u>1,78,90,341</u>
		17,43,60,880	<u>16,43,95,848</u>
2. Other Debts:			
(a) Secured Considered Good	53,31,168		67,33,331
(b) Unsecured Considered Good	1,14,37,27,177		87,25,10,370
(c) Unsecured Considered Doubtful	<u>4,90,272</u>		<u>2,73,224</u>
		1,14,95,48,617	<u>87,95,16,925</u>
		1,32,39,09,497	1,04,39,12,773
Less: Provision for Doubtful Debts		1,92,63,432	1,81,63,565
TOTAL		<u>1,30,46,46,065</u>	<u>1,02,57,49,208</u>

1. Debts due from Directors Rs. 195 (1978: Rs. Nil) (Maximum Rs. 195-1978 : Rs. 156)

2. Debts due from Other Officers Rs. 848 (1978 : Rs. 1,039) (Maximum Rs. 1,129-1978 : Rs. 1,678)



**SCHEDULE 'J'-LOANS AND ADVANCES**

	Rupees	Rupees	1978 Rupees
<b>LOANS AND ADVANCES:</b>			
1. Advances recoverable in cash or in kind or for value to be received			
(a) Secured Considered Good*	10,735,580		5,17,58,628
(b) Unsecured Considered Good*	74,97,24,814		61,23,53,396
(c) Unsecured Considered Doubtful	<u>17,88,436</u>		<u>17,45,842</u>
	85,88,68,830		66,58,57,866
(d) Less: Provision for Doubtful Advances	<u>17,88,436</u>		<u>17,45,842</u>
		85,70,80,394	<u>66,41,12,024</u>
2. Claims Recoverable			-----
(a) Unsecured Considered Good*	21,46,84,658		18,61,32,381
(b) Unsecured Considered Doubtful	<u>2,84,20,180</u>		<u>2,13,10,559</u>
	24,31,04,838		20,74,42,940
(c) Less: Provision for Doubtful Claims	<u>2,84,20,180</u>		<u>2,13,10,559</u>
		21,46,84,658	<u>18,61,32,381</u>
3. Materials on Loan			-----
a) Secured Considered Good	3,52,965		6,71,125
(b) Unsecured Considered Good	<u>10,80,163</u>		<u>3,08,634</u>
		14,33,128	<u>9,79,759</u>
4. Balance with Customs, Port Trust and Excise Authorities-Unsecured Considered Good		8,40,78,326	<u>6,55,54,381</u>
5. Sundry Deposits (including amount adjustable on receipt of final bills):			
(a) Secured Considered Good	5,340		1,75,020
(b) Unsecured Considered Good	<u>4,82,16,683</u>		<u>2,14,07,034</u>
		4,82,22,023	<u>2,15,82,054</u>
			-----
TOTAL		<u>1,20,54,98,529</u>	<u>93,83,60,599</u>

\* Includes:

1. Rs. 4 (1978 : Rs. Nil) due from Directors (Maximum Rs. 34-1978 : Rs. 1,241)
2. Rs. 6,19,379 (1978 : Rs. 6,02637) due from other Officers (Maximum Rs. 7,06,628-1978 : Rs. 6,93,512)



**SCHEDULE 'K-CURRENT LIABILITIES AND PROVISIONS**

	Rupees	Rupees	Rupees	1978 Rupees
<b>A. CURRENT LIABILITIES:</b>				
1. Acceptances		4,55,19,677		20,92,98,484
2. Sundry Creditors		4,61,03,68,863		3,76,51,05,200
3. Due to Indian Oil Blending Ltd. (a Subsidiary Company)		20,18,393		13,73,157
4. Security Deposits	34,45,69,423			30,23,91,788
Less: Investments and Deposits with Banks lodged by outside parties	<u>22,29,467</u>			<u>25,22,252</u>
		34,23,39,956		<u>29,98,69,536</u>
5. Interest accrued but not due on loans		<u>94,09,930</u>		<u>31,25,579</u>
			5,00,96,56,819	<u>4,27,87,71,956</u>
<b>B. PROVISIONS:</b>				
6. Provision for taxation	2,36,65,00,000			2,06,00,00,000
Less: Advance Payments	<u>2,04,44,71,313</u>			<u>1,96,51,49,739</u>
		32,20,28,687		<u>9,48,50,261</u>
7. Provision for Gratuity		10,07,27,053		<u>8,92,97,390</u>
8. Provision for Renewal of Catalyst		62,88,947		59,35,066
9. Proposed Dividends		<u>9,86,12,640</u>		<u>8,21,77,200</u>
			52,76,57,327	<u>27,22,59,917</u>
<b>TOTAL</b>			<u>5,53,73,14,146</u>	<u>4,55,10,31,873</u>

**SCHEDULE 'L' -OTHER INCOME**

	Rupees	Rupees	Rupees	1978 Rupees
<b>OTHER INCOME:</b>				
1. Sale of Power and Water			1,76,02,636	1,58,42,750
2. Profit on sale and disposal of Assets			33,63,756	33,53,071
3. Interest from Government Securities			27,955	33,308
4. Income from other Investments			—	29,292
5. Dividends received from				
(i) A Subsidiary-Gross (tax deducted at source Rs. 92,000—1978 : Rs. 92000)		4,00,000		<u>4,00,000</u>
(ii) Other Investments-Gross	—			<u>5,277</u>
Less: Withheld US tax	<u>—</u>			<u>1,583</u>
				<u>3,694</u>
			4,00,000	<u>4,03,694</u>
6. Royalty			3,50,334	1,39,097
7. Miscellaneous Income			3,31,78,298	3,23,64,856
<b>TOTAL</b>			<u>5,49,22,979</u>	<u>5,21,66,068</u>



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

	Rupees	Rupees	1978 Rupees
<b><u>MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES:</u></b>			
1. Raw Materials Consumed			
Opening Balance as on 1st April, 1978	32,35,11,080		31,02,47,063
Add: Purchases	<u>9,01,50,83,288</u>		<u>6,46,39,97,285</u>
	9,33,85,94,368		6,77,42,44,348
Less : Closing Stock	<u>61,83,34,914</u>		<u>32,35,11,080</u>
		8,72,02,59,454	<u>6,45,07,33,268</u>
2. Consumption			
(i) Stores and Spares (including Consumables)	8,65,36,890		7,17,62,324
(ii) Packages	<u>26,43,23,849</u>		<u>23,09,07,462</u>
		35,08,60,739	<u>30,26,69,786</u>
3. Power and Fuel	40,59,26,420		33,93,29,143
Less: Fuel of own production	<u>39,50,04,221</u>		<u>32,92,15,509</u>
		1,09,22,199	<u>1,01,13,634</u>
4. Processing fees, Blending fees, Royalty and other charges		2,20,33,568	2,01,30,343
5. Provision for renewal of Catalyst		3,53,881	15,54,104
6. Repairs and Maintenance			
(a) Plant and Machinery	10,04,86,236		8,13,87,324
(b) Buildings	1,53,96,436		1,28,17,125
(c) Other	<u>1,87,11,859</u>		<u>1,54,49,581</u>
		13,45,94,531	<u>10,96,54,030</u>
7. Freight and Transportation charges (net of recoveries from Pool Accounts)		96,96,56,273	87,27,78,155
8. Payment to and Provision for Employees			
(a) Salaries, Wages and Bonus	29,51,66,274		27,30,10,169
(b) Contribution to Provident and other Funds	1,90,53,892		1,65,57,180
(c) Staff Welfare Expenses	2,70,65,160		2,36,37,504
(d) Gratuity and Ex-Gratia	<u>1,34,88,320</u>		<u>1,29,03,663</u>
		35,47,73,646	<u>32,61,08,516</u>
9. Office Administration, Selling and Other Expenses (Schedule 'N')		25,36,64,908	23,89,51,166
TOTAL		<u>10,81,71,19,199</u>	<u>8,33,26,93,002</u>



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

	Rupees	Rupees	1978 Rupees
<b>OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES:</b>			
1. Rent		2,47,74,424	2,47,14,410
2. Insurance		1,45,96,461	1,23,00,789
3. Rates and Taxes		1,62,18,739	1,45,63,858
4. Donations		21,54,787	13,39,601
5. Directors' Fees		1,800	1,000
6. Payments to Auditors			
(a) Audit Fees	3,00,000		3,00,000
(b) Taxation matters	1,500		-
(c) Other Services (for issuing certificates etc.)	30,000		62,497
(d) Out of Pocket Expenses	<u>97,602</u>		<u>99,132</u>
		4,29,102	<u>4,61,629</u>
7. Main Installation charges paid to other Marketing Companies		99,87,350	1,40,15,309
8. Office Administration, Selling and Other Expenses		14,70,97,252*	14,19,58,221*
9. Bad Debts, Advances and Insurance Claims written off		22,82,449	22,97,448
10. Loss on Assets sold, lost or written off		10,54,912	37,54,775
11. Technical Assistance by Engineers India Ltd.,	1,09,56,341	83,28,110	
12. Exchange Fluctuations (Net)		4,38,398	4,21,996
13. Provision for Doubtful Debts, Advances and Claims		1,73,66,479	87,92,650
14. Central Industrial Security Force Expenses		59,30,570	56,40,483
15. Pollution Control Expenses		3,75,844	3,60,887
		<u>25,36,64,908</u>	<u>23,89,51,166</u>
<p>* Includes bank charges Rs. 2,92,20,717 - 1978 : Rs. 2,37,37,194 and Rs. 40,27,000-1978 : Rs. 12,08,740 towards payment to Government of Gujarat in respect of schemes for release of water from Panam Dam.</p>			

**SCHEDULE 'O'-EXPENSES/INCOME PERTAINING TO PREVIOUS YEARS**

	Rupees	Rupees	1978 Rupees
<b>INCOME:</b>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	2,54,30,268		1,45,91,530
(ii) Less: Commission and Discounts	<u>(6,33,781)</u>		<u>(3,86,418)</u>
		2,60,64,049	1,49,77,948
2. Company's use of own oil	<u>(1,51,25,618)</u>		<u>8,28,458</u>
		1,09,38,431	1,58,06,406
3. Main Installation charges received from Other Marketing Companies		(26,48,346)	-
4. Interest from customers on Outstandings..		-	(1,48,340)
5. Sale of Power and Water		(7,50,535)	(6,60,895)
6. Profit on sale and disposal of Assets		2,38,163	-
7. Exchange Fluctuations (Net)		2,75,335	-
8. Miscellaneous Income		4,53,824	52,02,190
		<u>85,06,872</u>	<u>2,01,99,361</u>
<b>TOTAL INCOME</b>			



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

	Rupees	Rupees	1978 Rupees
<b>EXPENSES:</b>			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange	(3,39,25,936)	3,33,30,955	
2. Raw Materials Consumed-Purchases		43,20,111	35,05,777
3. Consumption			
(i) Stores and Spares (including Consumable)	24,74,622		(1,05,624)
(ii) Packages	(4,56,142)		4,03,900
		20,18,480	2,98,276
4. Processing fees, Blending fees, Royalty and Other Charges		-	1,09,000
5. Repairs and Maintenance :			
(I) Plant and Machinery	4,39,421		3,67,977
(II) Other	-		(8,19,398)
		4,39,421	(4,51,421)
6. Freight and Transportation charges (net of recoveries from Pool Account)		(1,59,89,874)	(98,69,512)
7. Payment to and Provision for Employees			
(i) Salaries, Wages and Bonus	61,56,491		4,76,989
(ii) Contribution to Provident and other Funds	7,61,287		2,21,029
(iii) Gratuity & Ex-Gratia	37,933		-
		69,55,711	6,98,018
8. Rent		13,70,868	7,07,219
9. Insurance		-	(1,12,344)
10. Rates and Taxes		10,84,846	8,81,582
11. Main Installation charges paid to Other Marketing Companies		(11,60,868)	(5,57,742)
12. Office Administration, Selling and Other Expenses		(1,16,32,775)	87,59,668*
13. Loss on Assets sold, lost or written off		-	7,90,481
14. Exchange Fluctuations (Net)		-	11,94,549
15. Excise Duty		(18,58,218)	9,96,085
16. Depreciation and Amortisation		4,08,892	(11,27,626)
17. Interest-Other		5,58,034	5,17,62,243
		<u>(4,74,11,308)</u>	<u>9,09,15,208</u>
		<u>(5,59,18,180)</u>	<u>7,07,15,847</u>
	TOTAL EXPENSES		
	NET EXPENSES/(INCOME)		

\* Includes Rs. 53,64,000 towards payments to Government of Gujarat in respect of scheme for release of water from Panam Dam and discharge of effluents.



**SCHEDULE 'P'—NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST  
MARCH, 1979**

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1. Contingent Liabilities not provided for:
  - (a) Claims against the Corporation not acknowledged as debts Rs. 3,288.49 lakhs (1978 Rs. 2,498.24 lakhs). These include:
    - (i) Rs. 1,094.58 lakhs (1978: Rs. 1,102.41 lakhs) being the demands made by the Central Excise.
    - (ii) Rs. 420.20 lakhs (1978: Rs. 431.57 lakhs) for which suits have been filed in the Courts or cases are lying with arbitrators.
    - (iii) Rs. 204.07 lakhs (1978: Rs. 204.07 lakhs) towards damages for short-fall and termination of supplies to a customer.

Interest, if any, on some of the claims is unascertainable.
  - (b) In respect of taxation matters of prior years Rs. 400.00 lakhs.
  - (c) Undertakings to indemnify banks and others for its providing guarantees aggregating to Rs. 1,225.45 lakhs (1978: Rs. 1,220.17 lakhs).
  - (d) Bills discounted with Banks Rs. 108.74 lakhs (1978: Rs. 8.49 lakhs).
  - (e) Income tax, if any, reimbursable to foreign contractors.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 12,374.60 lakhs (1978: Rs. 11,831.21 lakhs).
3. (a) Title Deeds for Land and Residential Apartments of the book value of Rs. 228.73 lakhs (1978: Rs. 220.44 lakhs), as also Lease and other agreements in respect of certain other lands are pending execution or renewal and are therefore not available for verification.
  - (b) Pending the decision of the State Government no liability could be determined and provided for in respect of:
    - (i) claims preferred by certain parties on the Collector, Mathura, for land acquired for Mathura Refinery Project.
    - (ii) compensation payable to the land owners for land acquired at Jullundur.
  - (c) A Physical inventory of L.P.G. cylinders was taken as on 31st December, 1978. The reconciliation of physical inventory with book balances is in progress.
4. Included amongst stores are some items which are surplus/slow moving and no provision has been made in these accounts towards loss, if any, on their disposal, as the extent thereof cannot be determined.
  5. Stores and Spares include a sum of Rs. 5.59 lakhs (1978: Rs. 4.20 lakhs) representing value of certain items found short on physical verification for which an investigation is in progress.
  6. Closing Stock includes stock of Tin Plates of value of Rs. 1.34 lakhs (1978: Rs. 1.34 lakhs) lying with a contractor who contends that no such stock is lying with him.
  7. Book debts include an amount of Rs. 30.53 lakhs (1978: Rs. 30.53 lakhs) for which the Corporation has filed a suit against a party. Pending the Court's decision, the amount is considered good and recoverable.
  8. Book debts include an amount of Rs. 733.28 lakhs (1978: Rs. 733.28 lakhs) due from Bihar State Electricity Board pertaining to the period prior to June, 1977 and Rs. 159.58 lakhs (1978: Rs. 159.58 lakhs) due from Gujarat Electricity Board since 1973. Although disputed by the parties, these debts are considered good.
  9. Sundry Debit and Credit balances amounting to Rs. 4 crores approximately are pending inter-linking / reconciliation which is in progress.
  10. Sundry Deposits include an amount of Rs. 50.59 lakhs (1978: Rs. 50.59 lakhs) deposited by the Corporation with another Marketing Company in respect of supply on Installation Exchange Arrangement, but which was appropriated by the said Company. The Corporation has disputed the appropriation and has filed a suit in the Bombay High Court. Pending the Court's decision, the amount is considered good and recoverable.
  11. (a) It has been the Corporation's practice to generally account for pricing claims on acceptance thereof by O.C.C./Government and excise and other claims on merit basis.
    - (b) No credit has been taken for the following interalia
      - (i) Under an award given for the price of RFO/LSHS supplied to a State Electricity Board, the Corporation has received 9 instalments totalling Rs. 13.86 crores which accrued, became due and receivable upto this year. The credit for the balance amount of Rs. 59.42 crores will be taken on the respective dates when they will accrue, become due and receivable.



- (ii) Claims relating to product pattern variations amounting to Rs. 1950.13 lakhs (1978: Rs. 1383.36 lakhs) including Rs. 1766.74 lakhs (1978: Rs. 1262.50 lakhs) provisionally adjusted to pool accounts, pending decision of O.C.C./ Government of India to whom the matter is under reference.
- (iii) Decree obtained during the year for Rs. 54 lakhs in respect of claim on a foreign ship-owner as the said owner reportedly has no assets.
12. Claims and provisions on account of various Pool Accounts have been worked out on the basis of available instructions/clarifications and are provisional being subject to final adjustments on receipt of further clarifications from Government as well as to the separate audit required.
13. Adjustments for certain inter company oil transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.
14. The Foreign Credits of Rs. 357.28 lakhs (1978: Rs. 486.12 lakhs) has been converted at the bank selling rate prevalent on the date of capitalisation of assets against such credits. The exchange fluctuations are charged to revenue account in the year of payment of instalments.
15. In regard to imports of SKO and HSD from the USSR after 20th March, 1979, the prices charged by the supplier are provisional and are subject to adjustment after completion of negotiation with the party. Any liability arising on this account will be adjustable to the Pool Accounts.
16. No provision has been made towards liability for additional salaries and wages, if any, which may become payable as a result of negotiations in progress with employees' unions as the liability cannot be ascertained. These will be accounted for as and when paid.
17. The provision for Gratuity has been made on the basis of half month's salary last drawn for every year of service completed by the eligible employees as per Corporation Rules, consistent with the past practice.
18. Remuneration paid or payable to full-time Directors was Rs. 1,83,609 (1978: 1,79,454). In addition full time Directors are also allowed the use of the Corporation's car for private purposes upto 6,000 KM per annum on a payment of Rs. 1,200 per annum to be recovered in instalments of Rs. 100 per mensem. The Managing Director (R & P Division) has been allotted a company leased flat on recovery of rent at 10% of his basic pay. However, the rent paid by the Corporation during 1978-79 exceeds the ceiling stipulated by the Government by Rs. 65. This is subject to approval of the appropriate authority.
19. The Profit and Loss Account includes:
- (a) Expenditure on Public Relations and Publicity amounting to Rs. 22.95 lakhs (1978: Rs. 39.19 lakhs) which is inclusive of Rs. 11.69 lakhs on account of staff and establishment, Rs. Nil payment to consultants and Rs. 11.26 lakhs to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00006 :1.
- (b) Entertainment expenses Rs. 3.69 lakhs (1978: Rs. 5.21 lakhs).
20. Schedule Nos. 'A' to 'X' to the Balance Sheet and Profit and Loss Account form part of these accounts.
21. Figures in brackets indicate deductions.
22. Previous year's comparative figures have been regrouped to the extent practicable, wherever necessary.

C.R. DAS GUPTA  
Chairman

JOY JOSEPH  
Finance Director

S. KETHARAMAN  
Managing Director  
(Marketing)

T. K. SINHA  
Managing Director  
(Refineries & Pipelines)

D. B. PURI  
Secretary

SL NO. COMMENTS OF COMPTROLLER AND

**SCHEDULE 'Q' -LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION**

	PETROLEUM PRODUCTS		LUBRICATING OILS	
	1979	1978	1979	1978
	<u>M.Ts.</u>	<u>M.Ts.</u>	<u>M.Ts.</u>	<u>M.Ts.</u>
(i) Licensed Capacity (including Mathura Refinery Project under Construction 60,00,000 M.Ts.)	1,82,50,000	1,82,50,000	1,70,000	1,70,000
(ii) Installed Capacity*	1,22,50,000	1,22,50,000	1,40,000***	1,40,000***
(iii) Actual Production	1,02,70,415	94,75,638	86,339	72,990
	26,105@	26,532@		
(iv) Product Processed/Manufactured by Others	—	—	75,042	89,046
			1,69,391@@	1,51,091@@

- \* 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  
 @@ In Kilo Litres.

**SCHEDULE 'R' -FINISHED PRODUCTS-QUANTITY AND VALUE PARTICULAR-TURNOVER**

	OPENING STOCK		
	QUANTITY		VALUE
	<u>MTs.</u>	<u>KLs.</u>	<u>RUPEES</u>
FORMULA PRODUCTS:			
As on 31st March, 1979	3,71,511	10,62,431	1,24,27,83,021
As on 31st March, 1978	3,08,007	11,19,070	1,02,49,69,214
LUBRICANTS & GREASES:			
As on 31st March, 1979	1,990	34,664	21,80,94,882
As on 31st March, 1978	1,256	57,400	16,96,93,019
OTHER PETROLEUM PRODUCTS:			
As on 31st March, 1979	1,49,977	5,845	10,30,65,607
As on 31st March, 1978	1,16,504	1,147	6,88,37,598
CRUDE OIL:			
As on 31st March, 1979	—	—	—
As on 31st March, 1978	—	—	—
BASE OIL AND ADDITIVES:			
As on 31st March, 1979	379	—	4,71,055
As on 31st March, 1978	897	—	11,14,872
TOTAL:			
As on 31st March, 1979	5,23,857	11,02,940	1,56,44,14,565
As on 31st March, 1978	4,26,664	11,77,617	1,26,46,14,703



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

ASPHALT DRUMS		LUBE OIL DRUMS		18.5 LITRE TINS	
1979 Nos.	1978 Nos.	1979 Nos.	1978 Nos.	1979 Nos.	1978 Nos.
15,00,000**	15,00,000**	**	**	—	—
10,00,000***	10,00,000***	5,00,000+	5,00,000+	—	8,000+ +
6,65,580	8,33,193	3,08,209	2,45,868	—	
7,24,473	6,95,228	-	12,280	—	

**SCHEDULE 'R' -FINISHED PRODUCTS-QUANTITY AND VALUE PARTICULAR-TURNOVER Contd..**

PURCHASES INCLUDING EXCISE DUTY			SALES			CLOSING STOCK		
QUANTITY		VALUE	QUANTITY		VALUE	QUANTITY		VALUE
MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES
12,97,621	1,32,54,119	17,18,96,04,929	22,91,189	2,15,76,799	26,93,72,55,284	5,95,467	7,64,899	1,33,61,65,719
11,95,085	1,19,70,245	14,52,18,01,708	16,68,719	2,01,87,607	22,40,46,25,410	3,71,511	10,62,431	1,24,27,83,021
6,586	7,279	9,92,20,813	22,127	2,95,274	2,10,12,03,744	3,267	36,453	24,41,16,957
11,127	17,336	42,89,81,830	14,361	3,31,564	1,57,76,87,593	1,990	34,664	21,80,94,882
88,193	4,708	6,76,94,719	16,53,253 2,094*	5,56,914	1,79,01,56,831	84,591	2,967	5,24,81,974
1,257	10,085	3,11,88,936	13,35,710 5,878*	2,72,163	1,48,30,02,390	1,49,977	5,845	10,30,65,606
57,47,561	—	4,66,41,48,783	57,47,561	—	4,66,41,78,951	—	—	—
56,08,687	—	4,49,96,86,969	56,08,687	—	4,49,96,26,355	—	—	—
36,381	40,805	16,77,48,508	36,381	40,805	17,19,07,380	—	—	—
20,806	10,855	5,20,63,622	20,806	10,855	5,51,96,716	379	—	4,71,056
71,76,342	1,33,06,911	22,18,84,17,752	97,50,511 2,094*	2,24,69,792	35,66,47,02,190	6,83,325	8,04,319	1,63,27,64,650
68,36,962	1,20,08,521	19,53,37,23,065	86,48,283 5,878*	2,08,02,189	30,02,01,38,464	5,23,857	11,02,940	1,56,44,14,565

\* 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.



**SCHEDULE 'S' — CONSUMPTION PARTICULARS OF RAW MATERIALS**

	1979			1978		
	QUANTITY		VALUE	QUANTITY		VALUE
	MTs.	KLs.	RUPEES	MTs.	KLs.	RUPEES
Crude Oil	1,09,49,929	—	7,28,99,81,178	1,01,01,432	-	5,68,26,16,702
Base Oils	90,499	74,243	1,25,28,79,716	1,30,031	80,239	63,26,65,004
Additives	4,512	5,771	17,73,98,560	3,828	5,250	13,54,51,562
Steel Coils and Sheets <sup>3</sup>	21,687	-	7,93,93,417	22,389	-	7,84,33,695
<b>TOTAL</b>	<b>1,10,66,627</b>	<b>80,014</b>	<b>8,79,96,52,871</b>	<b>1,02,57,680</b>	<b>85,489</b>	<b>6,52,91,66,963</b>

- Notes: 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.  
 3. <sup>3</sup>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**

	Rupees	1978 Rupees
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum:		
Number	98	67
(a) Salaries, Wages and Bonus	35,27,626	24,67,673
(b) Contribution to Provident Fund/Family Pension Fund	2,44,326	1,81,085
(c) TOTAL (a) + (b)	37,71,952	26,48,758
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month		
Number	24	11
(a) Salaries, Wages, Bonus and Gratuity paid	4,65,753	2,44,270
(b) Contribution to Provident Fund/Family Pension Fund	30,121	14,586
(c) TOTAL (a) + (b)	4,95,874	2,58,856
The above excludes 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**

	<u>Rupees</u>	<u>1978 Rupees</u>
1. Royalty (excluding income tax) and Technical Service fees	24,65,077	25,40,261
2. Technical know-how fees	13,19,236	8,52,700
3. Professional consultation fees	8,88,560	59,33,570
4. Interest	22,93,225	28,42,926
5. Others	6,17,69,481	80,96,010
TOTAL	<u>6,87,35,579</u>	<u>2,02,65,467</u>

**SCHEDULE 'V' — EARNINGS IN FOREIGN EXCHANGE**

	<u>Rupees</u>	<u>1978 Rupees</u>
1. Export of Goods calculated on FOB Basis:		
(a) Export	49,86,76,581	53,91,34,235
(b) Capital goods issued to Nepal Oil Corporation Limited	3,35,053	52,229
2. Interest and Dividend	—	13,560
3. Other Income and Service charges	—	11,03,971
TOTAL	<u>49,90,11,634*</u>	<u>54,03,03,995*</u>

\* Includes Rs. 38,94,21,122 (1978 : Rs. 39,58,35,743) received in Indian Currency out of repatriable funds of foreign customers and other export sales through canalising agencies.

**SCHEDULE 'W' — CIF VALUE OF IMPORTED BASE OILS/  
ADDITIVES/STEEL COILS AND SHEETS/SPARE PARTS AND  
COMPONENTS FOR THE YEAR ENDED 31ST MARCH, 1979**

Particulars	Value Rupees
Crude Oil	3,05,70,42,382
Base Oils	5,84,73,408
Additives	1,56,87,711
Capital Stores	7,27,15,983
Revenue Stores Components and Spare Parts and Chemicals	2,18,06,013
<b>TOTAL</b>	<b><u>3,22,57,25,497</u></b>

- Notes:* 1. Comparative figures for previous year have not been given in view of exemption obtained from the Government for the said year.
2. The ' above does not include CIF value of imports on behalf of other Oil Companies.

**SCHEDULE 'X'- CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS, STEEL  
COILS/SHEETS, SPARE PARTS AND COMPONENTS FOR THE YEAR ENDED 31ST MARCH, 1979**

Particulars	IMPORTED		INDIGENOUS	
	Value Rupees	% to total consumption	Value Rupees	% to total consumption
Crude Oil	2,62,15,21,563	36	4,66,84,59,615	64
Base Oil and Additives	15,38,98,203	11	1,27,63,80,073	89
Steel Coils and Sheets,* Components and Spare Parts	8,76,58,028	40	13,38,26,677	60
<b>TOTAL</b>	<b><u>2,86,30,77,794</u></b>		<b><u>6,07,86,66,365</u></b>	

- Notes:* 1. Consumption of steel coils and sheets imported through canalising Agency has been considered as Imported.
2. Comparative figures for previous year have not been given in view of exemption obtained from the Government for the said year.
- \* Shown under packages in the Profit and Loss Account.

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

	<u>No. of Shares</u>	<u>Paid up Value</u> <u>Rupees</u>
1 Shares in the subsidiary company were registered in the name of the Company and their nominees as indicated		
<b>As at 31st March, 1979 :</b>		
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 :		
	for the financial year ended 31st March, 1979	<i>Previous financial year cumulative Total</i>
	<u>Rupees</u>	<u>Rupees</u>
Indian Oil Blending Limited	29,35,068	78,90,529
3. Net aggregate amount of the Profit of the subsidiary Company as far as its Profits are dealt with in the Company's Accounts are		
	For the financial year ended 31st March, 1979	Previous financial year cumulative Total
	<u>Rupees</u>	<u>Rupees</u>
Indian Oil Blending Limited	4,00,000	11,11,200

C. R. DAS GUPTA  
*Chairman*

JOY JOSEPH  
*Finance Director*

S. KETHARAMAN  
*Managing Director  
(Marketing)*

T. K. SINHA  
*Managing Director  
(Refineries & Pipelines)*

D. B. PURI  
*Secretary*

**SCHEDULE OF FIXED ASSETS (TOWNSHIP)**

	Gross Block as at 31st March, 1978 at cost	Additions during the year at cost	Transfers from Construction work- in-progress at cost	Transfers, deductions and Reclassification at cost
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
1. LAND - Freehold	1,08,85,778	5 163	-	(-) 2,054
- Leasehold	8,05,769	-	-	-
2. BUILDINGS, ROADS ETC.	12,29,57,593	6,345	1,14,44,169	(-) 7,648
3. PLANT AND MACHINERY	55,78,414	73	4,08,341	-
4. DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	1,34,50,171	-	17,88,729	(-) 20,946
5. EQUIPMENT AND APPLIANCES	27,96,275	1,54,256	-	(-) 1,11,106
6. FURNITURE AND FIXTURES	9,97,477	90,489	-	(-) 390
7. VEHICLES	36,52,042	11,35,409	-	(-) 2,59,119
8. SUNDRY ASSETS	57,507	-	-	-
<b>TOTAL</b>	<b>16,11,81,026</b>	<b>13,91,735</b>	<b>1,36,41,239</b>	<b>(-) 4,01,263</b>
<i>PREVIOUS YEAR ..</i>	<i>14,66,98,059</i>	<i>13,02,243</i>	<i>1,40,54,460</i>	<i>(-) 8,73,736</i>

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

Gross Block as at 31st March, 1979 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1979	Net Depreciated Block	
			As at 31st March, 1979	1978
<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
1,08,88,887	—	—	1,08,88,887	1,08,85,778
8,05,769	8,139	1,19,376	6,86,393	6,94,532
13,44,00,459	29,73,214	2,70,13,514	10,73,86,945	9,87,53,534
59,86,828	2,86,228	27,00,716	32,86,112	31,63,926
1,52,17,954	6,27,134	60,54,468	91,63,486	80,11,174
28,39,425	1,78,418	21,17,586	7,21,839	7,50,471
10,87,576	77,284	7,13,238	3,74,338	3,58,710
45,28,332	5,03,856	20,14,217	25,14,115	19,39,448
57,507	3,096	46,538	10,969	14,065
17,58,12,737	46,57,369	4,07,79,653	13,50,33,084	12,45,71,638
16,11,81,026	41,68,880	3,66,09,388	12,45,71,638	-



**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH. 1979  
ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES**

	<u>Rupees</u>	<u>1978 Rupees</u>
<b><u>INCOME</u></b>		
1. Recovery of House Rent	32,03,526	31,15,483
2. Recovery of Utilities: Power & Water	9,86,049	9,61,043
3. Recovery of Transport charges	2,38,577	2,28,038
4. Other Recoveries	4,60,445	4,52,838
5. Excess of Expenditure over Income	5,32,89,606	4,58,27,306
TOTAL	<u>5,81,78,203</u>	<u>5,05,84,708</u>
<b><u>EXPENDITURE</u></b>		
1. Salaries, Wages and P. F. Contribution	1,54,53,363	1,35,60,992
2. Consumable Stores and Medicines	58,81,227	48,14,151
3. Subsidies for Social & Cultural Activities	22,68,679	18,81,177
4. Repairs & Maintenance	81,93,710	64,86,965
5. Interest	78,28,244	72,15,457
6. Depreciation	46,57,369	41,68,880
7. Miscellaneous Expenses Taxes, Licence fees, Insurance etc.	40,62,593	33,20,169
8. Utilities: Power and Gas	97,09,603	90,20,859
9. Land Rent	23,451	20,380
10. Welfare (School)	42,296	42,296
11. BusHireCharges	50,111	46,485
12. Club and Recreation	7,557	6,897
TOTAL	<u>5,81,78,203</u>	<u>5,05,84,708</u>

**COMMENTS OF THE COMPTROLLER & AUDITOR-GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF  
INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1979  
AND REPLIES OF THE BOARD OF DIRECTORS.**

**SL. NO. COMMENTS OF COMPTROLLER AND REPLIES OF THE BOARD OF DIRECTORS AUDITOR  
GENERAL OF INDIA**

**BALANCE SHEET**

**1. Fixed Assets**

**Gross Block-Schedule 'E' - Rs. 4,97,36,52,093/-  
Free-hold land - Rs. 7,41,73,275/-**

Necessary adjustment will be carried out in 1979-80 Accounts.

This includes Rs. 3.17 lakhs being the value of leasehold land. No provision for amortisation (Rs. 0.42 lakhs approx) has been made.

**2. Construction Work-in-progress & Capital goods-in-stock - Schedule 'F'**

**Capital Stores (at cost) - Rs. 56,40,76,912/-**

**Miscellaneous Capital Stores (at or under cost) -  
Rs. 30,49,600/-**

Noted.

Physical verification of only a part of these stores have been carried out; value of unverified stores is not ascertained.

**3. Book Debts - Schedule 'I' - Rs. 1,30,46,46,065/-**

The debts are considered good and their recovery is being pursued.

(a) This includes Rs. 1.85 lakhs which are more than 3 year old and appear from available records doubtful of recovery.

Ministry of Petroleum, Chemicals & Fertilizers has recently recommended to the DGS&D the approval of the revised prices for supply of Cylinder Oil to Railways and Corporation is pursuing with the DGS&D the revision in prices and payments at the revised prices.

(b) This includes Rs. 33.22 lakhs being the difference between the original and revised higher price of cylinder oil sold by Western Region of the Corporation to Director General of Supplies & Disposals' customers. Payments are being received at original contracted prices for such sales as against which debit has been booked at revised prices. Similar difference, if any, in respect of supplies made by other regions of the Corporation to D.G.S.& Ds' customers, is not ascertainable.

**4. Loans and Advances - Schedule 'J'**

**(a) Advances Recoverable in cash or in kind or  
for value to be received.**

**Secured considered good-Rs. 10,73,55,580/-**

The execution of the necessary documents securing the loans given to employees is being expedited.

The above amount includes House Building/Car/ Scooter Advances amounting to Rs. 8.05 lakhs which were not secured.

**(b) Claims recoverable - Unsecured considered  
good-Rs. 21,46,84,658/-**

(i) This includes claims aggregating to Rs. 57.20 lakhs which have been either rejected or are in arbitration or are as appear from records doubtful of recovery.

The claim of Rs. 28.42 lakhs, for dead-freighting of tankers, is being pursued with the Ministry of Petroleum, Chemicals & Fertilizers. Rs. 10.84 lakhs represents excess recovery of wharfage charges by the Calcutta Port Trust and necessary appeal has been made for the refund thereof. Claim amounting to Rs. 8.21 lakhs on LPG distributors for shortages of Cylinders are being pursued with respective parties. The balance Rs. 9.73 lakhs is made up of sundry claims, which are also considered good.

REPLIES OF THE BOARD OF DIRECTORS



- (ii) This also includes a surrender of Rs. 34.73 lakhs to the pool account for the difference between the packaging cost provided for in the price of lubricants and the actual cost for the period 16-12-1977 to 31-3-1979 of the drum plant. The actual cost worked out by the unit included an element of return on capital at Rs. 15.88 per barrel and at Rs. 1.69 per barrel for the period upto 31-3-1978 and 31-3-1979. The basis of computations in this regard is not ascertainable.
- (iii) This does not include Rs. 1.15 lakhs being claim for excise duty paid twice in respect of two tank wagons decanted at Shakurbasti.
- (iv) This includes Rs. 6.95 lakhs towards claims recoverable from defaulting LPG transport contractors which are under arbitration. Similar claim against Lubricants transport contractors for Rs. 1.88 lakhs has been excluded. The existence of such claims should have been disclosed.

as per the instructions, contained in Oil Co-ordination Committee's letter No.4054 dated 28th April, 1979.

Necessary adjustment will be made in the 1979-80 Accounts.

Noted.

### 5. **Current Liabilities & provisions Schedule 'K'**

#### **Sundry Creditors Rs. 4,61,03,68,863/-**

- (i) (a) This does not include Rs. 131.33 lakhs payable to the Oil India Limited towards cost of pipeline transportation of crude oil for the year 1975, 1976 and 1977 as advised by the Oil Co-ordination Committee in May, 1979. Consequent adjustment in respect of the amount to be recovered from the Pool Account has also not been made.
- (b) Provision has also not been made for the liabilities aggregating Rs. 17.60 lakhs (Rs. 1.13 lakhs on revenue account and Rs. 16.47 lakhs on capital account.)
- (c) No provision or disclosure has been made in the accounts in respect of interest demanded by Govt. on the amount short deposited by the Company on account of deferred credit availed by the company during January 1974 to December 1975-Interest works out to Rs. 5.23 lakhs upto March, 1979. According to the Company, the short deposit arose due to different method of working out the Rupee equivalent of deferred credit adopted by State Bank of India with whom deposits were made and by the Government. The Company has made representation against such demand for interest on which a decision is awaited.
- (ii) According to Government instructions, the extra retention marketing margins on volume of additional sales over and above the levels fixed by the Government from time to time, shall be adjusted through the pool account. On the basis of Sales entitlements for the year as indicated by the Government in April, 1978, the extra retention margin to be surrendered to pool accounts works out to Rs. 3.46 crores. No provision has been made in this regard.

Necessary adjustments will be carried out in the 1979-80 Accounts.

The Corporation does not acknowledge any liability for the interest.

There are a number of letters issued by Government from time to time on the question of the Sales Plan. These, alongwith the instructions on retention margins, make it clear that there is no need to surrender to the Pool Account any part of the retention margins accruing to the Corporation during 1978-79.

### 6. **Schedule 'P'**

#### **Notes on the accounts for the year ended 31 March, 1979**

#### **Note 1 (a) Claims against the Corporation not acknowledged as debts-Rs. 3,288.49 lakhs**

This is understated on account of the following:

- (A) Arising out of reclassification of Axle Oil under Central Excise Tariff by the authorities, Rs. 141.59 lakhs is payable towards excise duty upto 28th February, 1978, the matter is pending with Government.
- (B) Sales tax Rs. 1.48 lakhs claimed by the State Government of Madhya Pradesh against which appeal has been filed.  
The basis for computation of return on capital employed is

The Corporation has not received any demand in this regard. In the event of any additional duty being payable, the same is recoverable from the Block Control Account

Noted.

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**SL NO. COMMENTS OF COMPTROLLER AND REPLIES OF THE BOARD OF DIRECTORS  
AUDITOR GENERAL OF INDIA**

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**(b) Note 1 (a) (i)**

Contingent Liability of Rs. 1,094.58 lakhs in respect of Central Excise duty mentioned in the note includes an amount of Rs. 657.82 lakhs which represents the duty payable on fuel used in Gauhati and Barauni Refineries upto 16th December, 1970 and that payable in respect of Furnace Oil declared as LDO in Barauni Refinery. The Government have not accepted the request of the company for waiver.

Corporation has appealed to Government not to enforce these demands.

**(c) Note 1 (a) (ii)**

This does not include a contingent liability of Rs. 7.21 lakhs of account of property tax.

Noted.

**(d) Note 14**

The difference between the amount of foreign credit as shown in the accounts and the Rupee equivalent on the basis of current rate of exchange has not been worked out and disclosed.

The disclosure made at para 14 of Schedule 'P' is considered adequate.

**PROFIT AND LOSS ACCOUNT****INCOME****7. Company's use of own oil-Rs. 6,05,63,971/-**

The supply of bunkers to vessels chartered by the company for international and coastal movement, though treated as own consumption, has been taken credit for at the ceiling Selling rates net of applicable pool surcharges, instead of at cost. Since the price of bunkers at which credit is taken includes an element of profit, the valuation followed is not correct. The impact of such valuation on the profitability of the Corporation could not be ascertained.

On a consistent basis the bunkers issued to vessels chartered by the Corporation is treated as consumption but priced at ceiling selling prices.

M. RAMCHANDRAN  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT,  
(PETROLEUM & OIL)  
MADRAS

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

Madras, Dated 14th September, 1979.

Bombay, Dated 15th October, 1979.

**ANNEXURE TO THE DIRECTORS' REPORT DATED 27TH AUGUST, 1979**

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REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1979 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>1976-77(R)</u>	<u>1977-78(R)</u>	<u>1978-79</u>
<b>Liabilities</b>			
(a) Paid up Capital .. .. .	8,217.72	8,217.72	8,217.72
(b) Reserves & Surplus .. .. .	19,059.52	23,161.75	29,095.80
(c) Borrowings :			
(i) From the Govt. of India .. .. .	2,977.75	6,220.00	8,527.50
(ii) From Oil Industry Development Board .. .. .	903.50	813.00	1,682.50
(iii) Foreign Credit .. .. .	623.07	486.12	357.28
(iv) From Bank-Cash Credit .. .. .	199.92	-	440.07
(v) Deferred Payment .. .. .	12.58	10.06	14.07
(d) Trade dues and other liabilities (including provisions)	38,739.88	45,613.79	55,532.49
Total ..	<u>70,733.94</u>	<u>84,522.44</u>	<u>103,867.43</u>
<b>Assets</b>			
(e) Gross Block .. .. .	34,530.74	35,732.75	49,736.52
(f) Less: Depreciation .. .. .	16,147.31	18,039.76	21,051.22
(g) Net fixed assets .. .. .	18,383.43	17,692.99	28,685.30
(h) Capital Work-in-progress (including un-allocated expenses) .. .. .	7,907.78	15,985.53	14,435.85
(i) Other Assets (mainly machinery and equipments in transit and stores) .. .. .	5,214.98	6,820.16	6,303.50
(l) Current assets, loans & advances .. .. .	39,181.46	43,977.22	54,396.51
(k) Investments .. .. .	46.29	46.54	46.27
Total .. ..	<u>70,733.94</u>	<u>84,522.44</u>	<u>1,03,867.43</u>
Capital employed .. .. .	19,601.02	16,949.39	28,556.59
Networth .. .. .	27,277.24	31,379.47	37,313.52

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 0.55:1 in 1976-77, 0.91:1 in 1977-78 and 1.29:1 in 1978-79.

- (b) The amount of loans taken from the Government of India outstanding as on the 31st March, 1979, was Rs. 8,527.50 lakhs. In respect of loan of Rs. 3,000.00 lakhs taken by the Corporation in 1978-79, moratorium for one year for repayment of principal was granted by the Government of India.

### 3. Reserves and Surplus

The reserves and surplus (Rs. 29,095.80 lakhs) amounted to

- (a) 28.0 per cent of the total liabilities in 1978-79 as against 27.4 per cent in 1977-78 and 26.9 per cent in 1976-77  
 (b) 354.1 per cent of equity capital (Rs. 8,217.72 lakhs) in 1978-79 as against 281.9 per cent in 1977-78 and 231.9 per cent in 1976-77.

### 4. Liquidity and Solvency

- (a) The proportion of current assets (including investments) to total net assets decreased from 55.5 per cent in 1976-77 to 52.1 per cent in 1977-78 and increased to 52.4 per cent in 1978-79.  
 (b) The percentage of current assets (including investments) to current liabilities (including provisions) decreased from 101.3 per cent in 1976-77 to 96.5 per cent in 1977-78 and increased to 98.0 per cent in 1978-79.  
 (c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) decreased from 51.6 in 1976-77 to 47.4 in 1977-78 and increased to 51.5 in 1978-79.

### 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 year ended the 31st March, 1977 amounted to Rs. 1,217.59 lakhs and represented 0.1 month's value of business at cost (excluding depreciation) during the year. However, as on the 31st March, 1978 and the 31st March, 1979, trade dues and current liabilities excluding provision for gratuity exceeded Current Assets, Loans and Advances by Rs. 743.60 lakhs, and Rs. 128.71 lakhs respectively.

### 6. Sources and uses of funds

Funds amounting to Rs. 11,499.48 lakhs from internal resources (Reserves and Surplus, Depreciation and Provisions) and Rs. 10,856.97 lakhs from other sources were utilised in 1978-79 as under

(Rupees in lakhs)

Gross Block including					
Capital Work-in-Progress	..	..	..	..	12,454.09
Other Assets (Net)	..	..	..	..	9,902.36

### 7. Working Results

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

(Rupees in lakhs)

	1976-77	1977-78	1978-79
(i) Profit before tax	10,632.72	10,731.16	9,425.99
(ii) Tax provision	5,800.00	5,100.00	3,065.00
(Iii) Profit after tax	4,832.72	5,631.16	6,360.99
Percentage of Profit before tax			
(a) To sales (inclusive of product exchange transfers)	4.0	3.6	2.6
(b) To gross fixed assets	30.8	30.0	19.0
(c) To capital employed	54.2	63.3	33.0
Percentage of profit after tax :			
(a) To net worth	17.7	17.9	17.0
(b) To equity capital	58.8	68.5	77.4
(c) To capital employed	24.7	33.2	22.3

**8. Cost trends:**

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

	(Rupees in lakhs)		
	1976-77	1977-78	1978-79
Sales (inclusive of product exchange transfers) .. .. .	2,66,842.08	3,00,459.74	3,57,004.61
Less: Profit before tax .. .. .	10,632.72	10,731.16	9,425.99
Cost of Sale .. .. .	<u>2,56,209.36</u>	<u>2,89,728.58</u>	<u>3,47,578.62</u>
Percentage of Cost of Sales to Sales ... .. .	96.0	96.4	97.4

**9. Business Performance :**

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

	(Rupees in lakhs)		
	1976-77	1977-78	1978-79
1. Sales (Inclusive of product exchange transfers) ....	2,66,842.08	3,00,459.74	3,57,004.61
2. Closing stock of raw materials, finished goods, and Stock-in-Process .. .. .	17,092.25	20,280.47	24,139.42
3. Opening stock of raw materials, finished goods and Stock-in-process .. .. .	15,458.19	17,092.25	20,280.47
4. Value of Business (1 +2)-(3) .. .. .	<u>2,68,476.14</u>	<u>3,03,647.96</u>	<u>3,60,863.56</u>

The percentage of value of business to net worth decreased from 984.3 in 1976-77 to 967.7 in 1977-78 and to 967.1 in 1978-79. The percentage of value of business to total net assets decreased from 379.6 in 1976-77 to 359.3 in 1977-78 and to 347.4 in 1978-79:

**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)		
	1976-77	1977-78	1978-79
(i) Stores and spare parts (including in-transit) ..	2,145.59	2,372.17	2,914.82
(ii) Loosetools.. .. .	1.04	-	-
(iii) Stock-in-trade (including raw materials & stock-in process) .. .. .	17,092.25	20,280.47	24,139.42
(iv) Stock of empty barrels and tins .. .. .	92.11	106.16	146.24
	<u>19,330.99</u>	<u>22,758.80</u>	<u>27,200.48</u>

Stock-in-trade represented 0.8 month's sales in 1978-79, 1977-78 and 1976-77.

**11. Sundry debtors and turnover**

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

As on	(Rupees in lakhs)			
	Total books debts		Sales (inclusive of product exchange transfers)	Percentage of debtors to sales
	Considered Good	Considered Doubtful		
31 st March, 1977	9,092.91	155.46	2,66,842.08	3.5
31 st March, 1978	10,257.49	181.62	3,00,459.74	3.5
31 st March, 1979	13,046.46	192.63	3,57,004.61	3.7

Sundry debtors represented about 0.4 month's turnover in 1976-77, 1977-78 and 1978-79.

M.RAMACHANDRAN  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT  
(PETROLEUM AND OIL)



# **INDIAN OIL BLENDING LIMITED**

**(A Wholly Owned Subsidiary of Indian Oil Corporation Limited)**

## **ANNUAL REPORT FOR THE YEAR 1978-79**

**BOARD OF DIRECTORS :**

S. KETHARAMAN	:	Chairman
R. GURUMOORTHY	:	Managing Director
U. M. KINI	:	Financial Director (ceased w.e.f. 28-8-1978)
G.S. PANDYA	:	Financial Director (from 28-8-1978)
Dr. J. S. AHLUWALIA	:	Director

**SECRETARY :**

J. K. WADHWA

**BANKERS :**

STATE BANK OF INDIA

**AUDITORS :**

M/s. LADHAWALA & SHAH,  
*Chartered Accountants,*  
211-13, KALBADEVI ROAD,  
BOMBAY-400 002.

**REGISTERED OFFICE :**

PIR PAU, TROMBAY,  
BOMBAY-400 074.

**PLANTS :**

BOMBAY & CALCUTTA



Regd. Office: Pir Pau, Trombay, Bombay-400 074

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## NOTICE

NOTICE is hereby given that the Sixteenth 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 Monday, the 3rd September, 1979, 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, 1979;
2. To declare a dividend;
3. To appoint Director and Chairman in place of Shri S. Ketharaman, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment;
4. To appoint Director and Financial Director in place of Shri G.S. Pandya, who retires at the conclusion of the Annual General Meeting, and is eligible for re-appointment;
5. To appoint Director in place of Dr. J.S. Ahluwalia, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board,  
J. K. WADHWA  
Secretary

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

To:

ALL MEMBERS OF IOBL.

cc: Chairman, IOBL

cc: M/s. Ladhawala & Shah, Chartered Accountants, Bombay.

cc: Government Auditors, C/o. IOC Ltd., HO, Bombay-400 025.

BOMBAY,

Dated: 16th July, 1979.

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The above meeting was adjourned to 13th September, 1979.



LADHAWALA & SHAH,  
*Chartered Accountants.*

**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, 1979 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 matters specified in Paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in Para 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 Company so far as it appears from our examination of such books;
  - (c) The Balance Sheet and Profit & 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 & 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, 1979 and
    - (ii) In so far as it relates to the Profit & Loss Account, of the PROFIT of the Company for the year ended on that date.

*For* LADHAWALA & SHAH,  
Chartered Accountants,

BOMBAY,  
Dated: 13th July, 1979.

Sd/-  
Partner



LADHAWALA & SHAH  
Chartered Accountants

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**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in Paragraph 1 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. The stocks of maintenance stores and spare parts at Calcutta have been valued on weighted average method (previous year F.I.F.O basis) and those at Bombay Plant have been valued on the same basis (i.e. weighted average method). In our opinion, the change in the method of valuation has no significant impact on the Profit & Loss Account.
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 loans and advances in the nature of loans, have been given to the employees only and the same are being repaid as stipulated except adhoc advances amounting to Rs.11,723. The said adhoc advances are in dispute and the matter is referred to arbitration as mutually agreed upon.  
The interest on loans given to the employees for vehicles is accounted for as and when realised. The accrued amount of interest for the year and the amount accumulated till the date of the Balance Sheet not provided for in the books of account are approximately Rs. 5,000/- and Rs. 25,500/- respectively.
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.
8. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores. 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-products 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. In our opinion, the Internal Audit system in operation 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 LADHAWALA & SHAH,  
Chartered Accountants,

Sd/-  
Partner

BOMBAY,  
Dated: 13th July, 1979.



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Index

Gentlemen:

Your Directors are pleased to place before you the audited Profit & Loss Account for the year ended 31st March, 1979, and the Balance Sheet as at that date, prepared in accordance with the requirements of the Companies Act, 1956.

**FINANCIAL RESULTS:**

During the year, the Company has made a gross profit of Rs. 62,68,773, as against Rs. 62,74,655 during the year 1977-78. The comparative figures of gross profit, depreciation, provision for taxation, provision for development rebate, etc., are as under :

	<u>1978-79</u>	<u>1977-78</u>
	Rs.	Rs.
Gross profit after deducting prior year expenses but before depreciation and investment allowance	62,68,773	62,74,655
Depreciation	10,13,647	9,89,501
Provision for Investment Allowance	2,98,000	67,000
Provision for Development Rebate of earlier year	-	500
Provision for taxation	29,33,000	33,00,000
Net profit after tax	20,24,126	19,17,654
Add: Excess provision of earlier years for expenses	21,090	1,20,850
Add: Excess provision of earlier years for taxation	91,252	12,30,109
Add: Development rebate written back	7,98,600	5,40,000
Add: Balance from last year's account	20,229	11,616
Net surplus available for distribution	29,55,297	38,20,229
Provision for proposed dividend	4,00,000	4,00,000

Appropriated to General Reserve	25,50,000	34,00,000
Balance carried to Balance Sheet	5,297	20,229

**GENERAL RESERVE AND DIVIDENDS:**

It has been made obligatory to make provision for dividend payable and to show it as an appropriation from the accounts for the year. Your Directors, therefore, re-commend a dividend of Rs. 50/- per equity share, aggregating to Rs. 4 lakhs, being 10% 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. 25,55,297, out of which an amount of Rs. 25,50,000 is transferred to General Reserve, thus leaving a balance of Rs. 5,297 in the Profit & Loss Account to be carried forward.

The balance in the General Reserve at the beginning of the year was Rs. 78,70,300 and after the current year's transfer of Rs. 25,50,000 the balance in the General Reserve Account amounts to Rs. 1,04,20,300 as at 31st March, 1979.

The balance in the Development Rebate Reserve at the beginning of the year was Rs. 15,83,711. An amount of Rs. 7,98,600 is being written back, as it has become free for release after the statutory period of 8 years, thus leaving a balance of Rs. 7,85,111 in the Development Rebate Reserve Account.

The balance in the Investment Allowance Reserve Account at the beginning of the year was Rs. 67,000. After this year's transfer of Rs. 2,98,000, the balance in Investment Allowance Reserve Account as at 31st March, 1979, amounts to Rs. 3,65,000.

**PROFITABILITY:**

- (1) The turnover on account of processing fees charged on the manufacture of lube oils and



greases rose from Rs. 173.15 lakhs during 1977-78 to Rs. 185.74 lakhs in the year 1978-79, thus registering an increase of Rs. 12.59 lakhs over the previous year. This incremental income was contributed by higher production of lube oils to the extent of 12,084 KLs, which accounts for Rs. 8.79 lakhs and higher production of greases to the extent of 1,086 MTs., which accounts for Rs. 3.8 lakhs.

2. The operating expenses, including interest and Bank charges of Rs. 0.09 lakhs during the year 1978-79, were Rs. 126.68 lakhs, as against Rs. 114.05 lakhs during the year 1977-78, thus registering an increase of Rs. 12.63 lakhs over the previous year. As such, the increased income due to higher production during the year was offset by increased expenses. The gross profit, after deducting the prior years' expenses, but before making provision for depreciation, and investment allowance, was Rs. 62.69 lakhs, as against Rs. 62.75 lakhs during the previous year.

## **OPERATIONS:**

*Lubes:* During the year under review, the Bombay Plant had a throughput of 1,69,391 KLs. against 1,51,091 KLs. of lubes during the previous year. The Calcutta Plant had a throughput of 76,015 KLs. as against 82,231 KLs. of lubes during the previous year. The total throughput of lubes at Bombay and Calcutta Plants was 2,45,406 KLs. as against 2,33,322 KLs. during the previous year, thus registering an increase of 5.2%. Calcutta Plant's operation was hindered by disruption of power supply through frequent load sheddings but the problem was overcome towards the end of October, 1978, when the Plant's own Generator of 250 KVA capacity was installed and commissioned. Bombay Plant was able to fill 7.14 million containers of different sizes as against 5.7 million containers in the previous year, which represents an increase of 11.6% in the volume of products filled. Calcutta Plant's filling was maintained at the level of approximately 3 million containers.

*Greases:* The Grease Plant at Bombay produced 6,234 MTs. of greases during 1978-79, as against 5,148 MTs. during the previous year, thus registering an increase of 21%. Procurement of a 6 ton capacity Grease Kettle indigenously is in hand. One 3.9 KL per hour Manton Gaulin Homogenizer, constituting second Homogenizing Unit, has been imported from Holland and this

equipment would give partial relief to the existing unit which now and then suffers breakdown due to continuous operation and ageing. The installation of Grease Kettle and the Homogenizer, when completed, will provide balancing equipment for the Grease Plant and will streamline its existing facilities and help augment production.

## **DIVERSIFICATION:**

Two Blending Kettles, each of 8 KL capacity, and necessary pumps and filling equipment have been installed for the basic manufacture of Hydraulic Brake Fluid at Bombay and also for blending and filling of Engine Oils for 2/3 wheelers. A new building of a total floor area of 4,000 sq. ft. has been constructed, of which half the portion has been utilized for installing the above facilities and the other half is earmarked for relocation of Maintenance Workshop/Storehouse etc. Existing facilities for blending asphalt based products are being improved through the installation of mechanical agitator in the blending kettle to produce satisfactorily, the full range of products including the heaviest grade in this series.

## **PROJECTS:**

### **Bombay Plant:**

*New Additive Warehouse:* A warehouse with a floor area of 5,750 sq. ft. has been planned to be constructed during 1979-80 for storing mainly additives/raw materials to give relief to the existing space constraint in the operating warehouse.

*Additional fire fighting facilities:* Bombay Municipal Corporation has stipulated that Bombay Plant must provide a static water tank of 20,000 gallons capacity along with high pressure fire pump and necessary hydrant system, as a measure of fire protection. This work will also be taken up along with construction of the new warehouse.

*Proposed re-location of small Can filling facilities:* To remove the acute congestion prevailing at Bombay Plant against inadequate infra-structural facilities, a feasibility study has already been made to transfer the entire small Can filling activities for lubes in the new warehouse to be constructed at the neighbouring Trombay Installation of IOC. Site examination reveals that sufficient open area is available at Trombay Installation and IOC, Western Region is presently engaged in further developing the proposal.



**Calcutta Plant:**

*Construction activities on the new land:* Good progress has been made in executing several items of construction planned on the new land measuring 11,400 sq. metres, adjacent to the existing plot. The construction of the compound wall to enclose the new land and the extension of the loading platform have been completed. Earth filling for site development is almost over and orders have been placed for peripheral road and WBM hard standing area for stacking of filled barrels. A warehouse with a floor area of approximately 1,980 sq. mts. is under construction in the newly acquired plot of land adjacent to the existing Plant. On completion of this Warehouse, the entire small Can filling operation will be shifted there from the existing warehouse, which will greatly facilitate in boosting up small Can filling. The existing Customs Bonded warehouse will also be shifted there, so that the statutory obligation for storing marine products as per Customs Act will be fulfilled.

*Platform Extension:* The existing platform for loading/unloading of box/tank wagons has been extended to accommodate a larger number of wagons at the siding, which will greatly step up direct movement of product ex-IOBL, Calcutta, as against current practice of booking from outstation involving additional transportation expenses.

*Base Oil Storage Tanks:* Construction of 2 Nos. storage tanks, each of 2,000 KLs. capacity, for storing base oils for Axle Oil blending, is expected to be completed shortly.

*FP Tanks:* Five pencil tanks for storage of finished lubricants are almost ready and work in laying pipeline system and the pumphouse is progressing.

*Recreational facility:* An amenity block and a hall for fostering recreational facility are also coming up in the additional land taken over.

*Installation of Spectrophotometer:* An. Infra Red Spectrophotometer (Model No. 137B) was installed and commissioned in the Laboratory towards the end of 1978, which has greatly helped in ready identification of additives and also in testing used oils and contaminated product. A Leco Furnace as well as equipment for determination of emulsion characteristics by ASTM method D-2711 has also been installed.

**RESEARCH & DEVELOPMENT:**

A grease pressure vessel was commissioned under R & D facilities. This is used for development of greases.

**SPECIALITIES PROJECT :**

Your Company is presently engaged in the design and setting up of a new Complex at Calcutta for producing a variety of specialised lubricants. These quality products are intended to substitute imports and to facilitate replacement of traditional products with new lubricants based on latest technology. The project is proposed to be installed in two phases. Preliminary work in this connection has already been completed and the final stage of preparing feasibility and project reports is in hand. Plant lay-out, basic identification and design of the equipments, flow diagrams and all other pre-requisites to facilitate commencement of detailed engineering design have since been developed and Engineers India Limited have been approached for further design engineering/consultancy service.

**PERSONNEL/INDUSTRIAL RELATIONS:**

Total number of employees of your Company as on 31st March, 1979, was 498, as compared to 453 during end of last year. Industrial relations during the year were cordial.

With the assistance of Hindi Teaching Scheme of Government of India, Hindi training classes have been started by the Company at Bombay.

**EMPLOYMENT OF SC/ST CANDIDATES:**

In accordance with the Government directives on the reservation of posts for Scheduled Castes / Scheduled Tribes, the Company recruited 14 SC candidates and 4 ST candidates during the year 1978-79. The total number of SC employees was 47 and that of ST was 4 as on 31st March, 1979.

**FOREIGN TOUR:**

During the year under review, three Officers went on foreign training and the total expenditure incurred thereon amounted to Rs. 1,04,013/-

**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 Sec. 217(2A) of the Companies Act, 1956, is enclosed.



## DIRECTORS:

During the year under report, Shri U. M. Kini ceased to be the Financial Director of the Company with effect from 28th August, 1978, and in his place, Shri G. S. Pandya was appointed as Financial Director with effect from the same date. Shri S. Ketharaman was appointed as Director and Chairman of the Company with effect from 28th August, 1978. Dr. J. S. Ahluwalia continued to be the Director of the Company. Shri R. Gurumoorthy was re-appointed as Managing Director of the Company from 25th March, 1979 to 31st March, 1980.

All the Directors, other than the Managing Director, are liable to retire at the conclusion of the next Annual General Meeting, pursuant to Article 157 of the Articles of Association of the Company, but all these Directors, being eligible offer themselves for re-election.

## ACKNOWLEDGEMENT :

The Directors are pleased to place on record their appreciation of the excellent work done by the staff and officers of the Company and look forward to the achievement of Company's objectives. The Directors gratefully acknowledge the assistance, guidance and support received by the Company from its Holding Company, the Indian Oil Corporation Limited.

For and on behalf of the Board

(S. KETHARAMAN)  
Chairman

Encl: Statement.

Place: BOMBAY,  
Dated 13th July, 1979.



**BALANCE SHEET AS AT 31ST MARCH, 1979**

	Schedule No.	Figures at the end of the current financial year Rs.	Figures as at the end of the previous financial year Rs.
<b>SOURCES OF FUNDS :</b>			
(1) Shareholders' Funds :			
(a) Capital	I	40,00,000	40,00,000
(b) Reserves and Surplus	II	<u>1,15,75,708</u>	<u>95,41,240</u>
		<u>1,55,75,708</u>	<u>1,35,41,240</u>
<b>APPLICATION OF FUNDS :</b>			
(1) Fixed Assets :			
(a) Gross Block	III	2,31,59,796	2,13,95,125
(b) Less : Depreciation	III	<u>1,30,21,859</u>	<u>1,22,70,163</u>
(c) Net Block	III	1,01,37,937	91,24,962
(d) Capital work-in-progress	IV	6,48,202	4,05,718
		<u>1,07,86,139</u>	<u>95,30,680</u>
(2) Current Assets, Loans and Advances :			
(a) Inventories	V	3,07,632	2,67,302
(b) Sundry Debtors	V	16,85,707	13,45,988
(c) Cash and Bank Balance	V	19,33,310	32,56,718
(d) Other Current Assets	V	29,770	45,541
(e) Loans and Advances	VI	<u>1,20,06,286</u>	<u>72,81,033</u>
		1,59,62,705	1,21,96,582
Less : Current Liabilities & Provisions :			
(a) Liabilities	VII	19,01,127	16,18,022
(b) Provisions	VIII	<u>92,72,009</u>	<u>65,68,000</u>
		1,11,73,136	81,86,022
Net Current Assets		47,89,569	40,10,560
TOTAL		<u>1,55,75,708</u>	<u>1,35,41,240</u>
Notes : Forming part of the Accounts	X		

S.KETHARAMAN  
Chairman

R. GURUMOORTHY  
Managing Director

G.S. PANDYA  
Financial Director

J.S. AHLUWALIA  
Director

J.K. WADHWA  
Secretary

As per our report of even date  
For LADHAWALA & SHAH,  
Chartered Accountants,

Bombay,  
Dated 13th July, 1979

Sd/-  
Partner



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1979**

	Rs.	For the year ending 31st March, 1979 Rs.	For the year ending 31st March 1978 Rs.
<b>INCOME:</b>			
Throughput, Blending & Manufacturing Charges		1,85,73,577	1,73,14,507
Technical & Laboratory Service charges		2,49,000	2,49,000
		<u>1,88,22,577</u>	<u>1,75,63,507</u>
Interest		2,23,806	1,68,352
Miscellaneous Income		16,498	60,422
Profit on sale of assets		17,504	-
		<u>1,90,80,385</u>	<u>1,77,92,281</u>
<b>EXPENDITURE:</b>			
Operating and other expenses (As per Schedule IX annexed)		1,26,67,391	1,14,04,849
Interest		225	259
Depreciation		10,13,647	9,89,501
Loss on sale/scraping		9,731	77,037
		<u>1,36,90,994</u>	<u>1,24,71,646</u>
Profit before taxation		53,89,391	53,20,635
Development Rebate Reserve		-	500
Investment Allowance Reserve		2,98,000	67,000
Provision for taxation including Surtax		29,33,000	33,00,000
		<u>21,58,391</u>	<u>19,53,135</u>
Expenses of Prior Years		1,34,265	35,481
		<u>20,24,126</u>	<u>19,17,654</u>
Excess provision for expenses of earlier years		21,090	1,20,850
Excess provision for taxation of earlier year		91,252	12,30,109
Development Rebate Reserve written back on Expiry of Statutory Period		7,98,600	5,40,000
		<u>29,35,068</u>	<u>38,08,613</u>
<b>DISPOSABLE PROFIT :</b>		29,35,068	38,08,613
Balance brought forward from last year		20,229	11,616
		<u>29,55,297</u>	<u>38,20,229</u>
Provision for Proposed Dividend (Subject to deduction of I. Tax)	4,00,000		4,00,000
Transferred to General Reserve	<u>25,50,000</u>	29,50,000	34,00,000
Balance Carried to Balance Sheet		<u>5,297</u>	<u>20,229</u>

S.KETHARAMAN  
Chairman

R. GURUMOORTHY  
Managing Director

G.S. PANDYA  
Financial Director

J. S. AHLUWALIA  
Director

J. K. WADHWA  
Secretary

As per our report of even date.

For LADHAWALA & SHAH,  
Chartered Accountants.

Sd/-  
Partner

Bombay,  
Dated: 13th July, 1979



**SCHEDULE I TO IX ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31-3-1979**

Index

	As at 31st March, 1979 Rs.	As at 31st March, 1978 Rs.
<b><u>SCHEDULE I</u></b>		
<b>SHARE CAPITAL:</b>		
<b>Authorised:</b>		
8,000 Equity Shares of Rs. 500/- each .	40,00,000	40,00,000
<b>Issued and Subscribed:</b>		
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
<b><u>SCHEDULE II</u></b>		
<b>RESERVES AND SURPLUS:</b>		
<b>1. Development Rebate Reserve:</b>		
Balance as per last Balance Sheet	15,83,711	21,23,211
Add: Amount transferred from Profit & Loss Account	<u>—</u>	<u>500</u>
	15,83,711	21,23,711
Less: Transferred to Profit and Loss Account on expiry on statutory period	<u>7,98,600</u>	<u>5,40,000</u>
	7,85,111	<u>15,83,711</u>
<b>2. Investment Allowance Reserve:</b>		
Balance per last Balance sheet	67,000	—
Add : Amount transferred from Profit & Loss Account	<u>2,98,000</u>	<u>67,000</u>
	3,65,000	<u>67,000</u>
<b>3. General Reserve:</b>		
Balance per last Balance Sheet	78,70,300	44,70,300
Add: Amount transferred from Profit and Loss Account	<u>25,50,000</u>	<u>34,00,000</u>
	1,04,20,300	<u>78,70,300</u>
<b>4. Surplus:</b>		
Balance in Profit & Loss Account	5,297	20,229
Total	<u>1,15,75,708</u>	<u>95,41,240</u>



**SCHEDULE III - FIXED ASSETS**

ASSETS	GROSS BLOCK			
	As on 1-4-1978	Additions including transfers during the year	Deductions including transfers during the year	As on 31-3-1979
	Rs.	Rs.	Rs.	Rs.
BUILDINGS (ON LEASEHOLD LAND)	48,13,833	2,17,260	—	50,31,093
RAILROAD SIDING	2,73,039	—	—	2,73,039
PLANT AND MACHINERY	1,44,46,352	16,01,929	2,64,970	1,57,83,311
FURNITURE, FIXTURES AND OFFICE EQUIPMENT	11,57,590	2,05,173	24,393	13,38,370
MOTOR VEHICLES	1,80,635	35,551	47,427	1,68,759
RESEARCH & DEVELOPMENT: BUILDING (ON LEASEHOLD LAND)	26,483	—	—	26,483
PLANT AND MACHINERY	4,97,193	41,548	—	5,38,741
TOTAL	2,13,95,125	21,01,461	3,36,790	2,31,59,796
PREVIOUS YEAR	2,06,64,895	8,86,013	1,55,783	2,13,95,125



**SCHEDULE III - FIXED ASSETS (Contd...)**

DEPRECIATION				NET BLOCK	
Upto 31-3-78	For the Year	Adjusted on sale/ scrapping/ write-back	Upto 31-3-79	As on 31-3-79	As on 31-3-78
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
16,43,300	1,97,946	–	18,41,246	31,89,847	31,70,533
1,94,774	7,826	–	2,02,600	70,439	78,265
95,15,691	6,61,247	2,10,534	99,66,404	58,16,907	49,30,661
6,03,677	94,509	15,097	6,83,089	6,55,281	5,53,913
1,24,406	16,135	36,320	1,04,221	64,538	56,229
3,732	569	–	4,301	22,182	22,751
1,84,583	35,415	–	2,19,998	3,18,743	3,12,610
1,22,70,163	10,13,647	2,61,951	1,30,21,859	1,01,37,937	91,24,962
1,13,59,408	9,89,501	78,746	1,22,70,163	91,24,962	93,05,487



	As at 31st March, 1978 Rs.	Additions during the year Rs.	Transfers during the year Rs.	As on 31st March, 1979 Rs.
<b>SCHEDULE IV:</b>				
<b>CAPITAL WORK-IN-PROGRESS:</b>				
<b>Description of Assets :</b>				
Plant and Machinery	2,01,150	2,76,994	1,28,221	3,49,923
Buildings	1,50,133	4,22,664	2,74,518	2,98,279
Furniture and Fixtures	54,435	—	54,435	—
<b>TOTAL</b>	<b>4,05,718</b>	<b>6,99,658</b>	<b>4,57,174</b>	<b>6,48,202</b>
Previous Year	1,91,911	7,66,532	4,80,725	4,05,718

	Rs.	As at 31st March 1979 Rs.	As at 31st March 1978 Rs.
<b>SCHEDULE V</b>			
<b>CURRENT ASSETS :</b>			
<b>1. Inventories :</b>			
Stores and Spare Parts - At cost (per summarised inventories certified by the Managing Director)		3,07,632	2,67,302
<b>2. Sundry Debtors :</b>			
(Unsecured considered good)			
(i) Debts outstanding for a period exceeding six months	2,18,559		1,69,374
(ii) Other Debts	14,67,148		11,76,614
		16,85,707	13,45,988
(Amount due from Indian Oil Corporation Limited, the Holding Company Rs. 16,84,582; Previous Year: Rs. 13,45,988)			
<b>3. Cash and Bank Balances :</b>			
(i) Cash and Cheques on Hand	18,200		18,200
(ii) Bank Balances with Scheduled Banks:			
In Current Account	1,15,110		1,38,518
In Fixed Deposits	18,00,000		31,00,000
		19,33,310	32,56,718
<b>4. Other Current Assets :</b>			
Interest accrued on Fixed Deposit		29,770	45,541
<b>TOTAL</b>		<b>39,56,419</b>	<b>49,15,549</b>

<b>SCHEDULE VI</b>			
<b>Loans and Advances:</b>			
(i) Secured considered good		2,17,756	2,13,627
(ii) Unsecured, Considered Good:			
Due from Indian Oil Corporation Ltd., the Holding Company (Maximum amount due at any time during the year Rs. 12,69,745; Previous year – Rs. 1,65,072)	12,69,745		1,64,062
Due from others	22,03,967		9,27,018
		34,73,712	10,91,080
(iii) Advance Payment of Income Tax		82,06,218	58,67,726
(iv) Company's Surcharge Deposit Account		1,08,600	1,08,600
<b>TOTAL</b>		<b>1,20,06,286</b>	<b>72,81,033</b>

	As at 31st March 1979 Rs.	As at 31st March 1978 Rs.
<b>SCHEDULE VII</b>		
<b>Current Liabilities :</b>		
Amount due to Indian Oil Corporation Limited, the Holding Company	1,20,132	29,503
Sundry Creditors	15,97,729	14,52,624
Other Liabilities	<u>1,83,266</u>	<u>1,35,895</u>
TOTAL	<u>19,01,127</u>	<u>16,18,022</u>
	For the year ending 31st March 1979 Rs.	For the year ending 31st March 1978 Rs.
<b>SCHEDULE VIII</b>		
<b>Provisions :</b>		
For taxation	88,72,009	61,68,000
For Proposed Dividend	<u>4,00,000</u>	<u>4,00,000</u>
TOTAL	<u>92,72,009</u>	<u>65,68,000</u>
	For the year 31st March 1979 Rs.	For the year 31st March 1978 Rs.
<b>SCHEDULE IX</b>		
Annexed to and forming part of the Profit & Loss A/c for the year ending 31st March, 1979		
<b>OPERATING AND OTHER EXPENSES :</b>		
Salaries, Wages, Allowances and Bonus (including Rs. 2,23,330 Previous Year Rs. 2,34,795 - paid to Contractor for casual labour).	70,43,421	66,27,541
Company's contribution to :		
Employees Provident Fund and other funds	4,02,711	3,80,501
Gratuity	1,06,866	1,17,508
Self Welfare and Benefits	12,29,902	9,97,566
Fuel, Power and Water Charges	12,59,442	11,61,953
Stores Consumed	3,17,804	3,10,838
Rent	1,95,820	1,45,796
Rates and Taxes	1,11,026	1,20,016
Licence Fees	25,713	25,445
Material Handling (Forklift Truck) expenses	4,45,951	2,74,973
Equipment Rental	900	900
<b>Repairs and Maintenance to :</b>		
Buildings	1,02,533	1,26,289
Plant and Machinery	5,28,454	4,07,946
Railway Sidings	50,496	56,985
Other	<u>1,08,362</u>	<u>76,438</u>
	7,89,845	<u>6,67,658</u>
Insurance	39,207	40,203
Travelling and Conveyance	3,00,855	1,44,900
Printing and Stationery	65,170	70,292
Postage and Telegrams and Telephones	1,21,710	1,03,715
Freight and Cartage (Outward)	12,003	2,196
Bank Charges	8,935	753
Subscription and Membership	2,491	3,465
Advertisements	7,475	5,100
Entertainment Charges	2,725	6,302
Legal and Professional Charges	21,162	22,531
<b>Payments to Auditors :</b>		
For fees :	10,000	10,000
For reimbursement of out-of-pocket expenses	<u>2,558</u>	<u>1,160</u>
General Expenses	12,558	11,160
	<u>1,43,699</u>	<u>1,63,537</u>
TOTAL	<u>1,26,67,391</u>	<u>1,14,04,849</u>

### SCHEDULE X:

#### NOTES (FORMING PART OF THE ACCOUNTS)

### Index

1. Development Rebate Reserve amounting to Rs. 7,98,600 has been transferred back to Profit & Loss Account after expiry of the statutory period.
2. The buildings as shown in Schedule of Fixed Assets have been constructed on plots of land owned by Port Trust Authorities, and given on lease basis to the Company.
3. The Company is contingently liable in respect of the following items:
 

	As at 31st March 1979
	Rs.
(i) Letters of Credit (Previous year – Rs. Nil)	3,94,000
(ii) Claims for miscellaneous items not acknowledged as debts (previous year – Rs. 2,83,599) including claims for reimbursement of demurrage and other charges of Rs. 2,37,052 by Indian Oil Corporation Limited, the Holding Company — previous year Rs. 1,69,374	3,51,277
(iii) Estimated amounts of contract remaining to be executed on capital account and not provided for (previous year Rs. 5,16,467)	5,12,438
(iv) Surety given in favour of Government of Kerals, for Purchase Tax demanded by Sales Tax Authorities, Kerals, from Indian Oil Corporation Limited (Previous year — Rs. 35,03,286)	38,80,892
4. The loans and advances include amount due from officers of the Company Rs. 5,90,499 (Previous year Rs. 5,05,635) Maximum amount due from officers at any time during the year is Rs. 5,90,499 (Previous year Rs. 5,12,288).
5. There has been a change in the rate of depreciation in case of Forklift Trucks which has been charged at a uniform rate of 10% during the year on written down value of Forklift Trucks purchased in earlier years as well as on original cost of purchases made during the year.
6. The Company's applications for the grant of Tax Credit Certificates under Section 280 ZB of the Income Tax Act, 1961 for the Assessment Years 1969-70 and 1970-71 are pending before the Income Tax Authorities. The estimated value of the Tax Credit Certificates that the Company is entitled to is Rs. 2 lacs.
7. The Managing Director is entitled to use of a motor car, owned by the Company, for private purposes upto 6,000 KM. per year, on payment of Rs. 100 per month.
8. Additional Information pursuant to Paras 3, 4C and 4D in Part II of Schedule VI to the Company's Act, 1956.

	As on 31-3-1979		As on 31-3-1978	
	Lubes	Grease	Lubes	Grease
	(KLs)	(MTs)	(KLs)	(MTs)
<b>(1) Capacity and Production:</b>				
(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
(iii) Actual Production	2,45,406	6,234	2,33,322	5,148

Note: The Company does not produce any goods or purchase any raw materials on its own account but processes materials received by it from Indian Oil Corporation Ltd., The quantities mentioned above relate to such processing operation.

<b>(2)</b>	<b>(i)</b>	<b>Raw Materials consumed</b>	NIL	NIL
	<b>(ii)</b>	<b>Goods Produced</b>		
		Opening Stock	NIL	NIL
		Closing Stock	NIL	NIL



		As on 31-3-1 979	As on 31-3-1978		
<b>(3) Turnover (processing Fees) :</b>					
(i) Lube Blending	Kilo Ltrs.	2,45,406	2,33,322		
	Rupees	1,63,91,549	1,55,12,588		
(ii) Grease Mfg.	Metric Tons	6,234	5,148		
	Rupees	21,82,028	18,01,919		
(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)		14	12		
(b) Rs. 3,000 per month (employed for a part of the year)		Nil	Nil		
(ii) Break-up of the expenditure incurred on the above employees:					
Salaries and Bonus		5,19,717	4,46,481		
Contribution to PF and Family Pension Fund		34,536	29,251		
		Current Year	Previous Year		
<b>(5) (i) Value of Imports on CIF basis:</b>					
Raw Materials		—	—		
Components and Spare Parts		61,927	—		
Capital goods		3,80,071	—		
(ii) Expenditure on Foreign Currency:					
Royalty		—	—		
Know-how		—	—		
Professional Consultation fee		—	—		
Interest		—	—		
Other matters (Travel)		64,109	—		
		Current year	Previous Year		
		Value	Percentage of total	Value	Percentage of total
<b>(iii) Value of Raw Materials. Components. Spare Parts Consumed</b>					
<b>Imported:</b>					
Raw Materials		—	—	—	—
Components and spare parts		—	—	—	—
<b>Indigeneous:</b>					
Raw Materials		—	—	—	—
Components and Spare Parts		3,67,056	100	254,579	100
(iv) Remittance in Foreign Currency Dividends		Nil	Nil	Nil	Nil
(v) Earnings in Foreign Exchange		Nil	Nil	Nil	Nil Nil
9. The items and amounts in respect of previous year have been regrouped and re-cast where necessary to make them comparable with these of the current year.					

Signatures to Schedules I to X

S. KETHARAMAN  
Chairman

R. GURUMOORTHY  
Managing Director

G. S. PANDYA  
Financial Director

J. S. AHLUWALIA  
Director

J. K. WADHWA  
Secretary

As per our report of even date

For LADHAWALA SHAH  
Chartered Accountants,

Bombay,  
Dated 13th July, 1979.

Sd/  
Partner



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

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I am to state that there are no comments upon the Auditors' Report under Section 61 9(4) of the Companies Act, 1956 on the accounts of Indian Oil Blending Limited for the year ended 31st March, 1979.

Sd/  
(M. RAMACHANDRAN)

Member, Audit Board and Ex-Officio  
Director of Commercial Audit.

Madras,  
Dated 10th September, 1 979.

**ADDENDUM TO THE DIRECTORS' REPORT**

The Board noted that the Comptroller and Auditor General of India had no comments to offer upon the Auditors' Report under Sec. 619(4) of the Companies Act, 1956.

Sd/  
S. KETHARAMAN)  
Chairman

Dated 13th September, 1979.

**ADDENDUM TO THE DIRECTORS' REPORT**

Please read the following pare before pare on "Diversification" :

"The Company's application to the Government of India for enhancement of its installed capacity of its Grease Plant at Bombay from 4536 MTs to 9072 MTs is pending clearance with the Ministry concerned. The matter is being followed up with the Government of India for necessary sanction."

Sd/  
(SKETHARAMAN)

Dated 13th September, 1979. ,



**ADDENDUM TO THE DIRECTORS' REPORT**

**Review of the Accounts of Indian Oil Blending Limited for the year ended 31st March, 1979 by the Indian Audit and Accounts Department**

**1. Financial Position :**

The table below summarize the financial position of the company under broad headings for the last three years:

	(Rupees in Lakhs)		
	1976-77	1977-78	1978-79
<b>Liabilities</b>			
(a) Paid-up Capital	40.00	40.00	40.00
(b) Reserves and Surplus	66.05	95.41	115.76
(c) Borrowings			
(i) From Govt. of India	—	—	—
(ii) Foreign Credit	—	—	—
(iii) From Bank Cash Credit	—	—	—
(iv) Short Term Credit from Scheduled Bank	—	—	—
(v) Deferred Payment	—	—	—
(d) Trade dues and liabilities (including provision)	79.80	81.86	111.73
TOTAL	1 85.85	217.27	267.49
<b>Assets</b>			
(e) Gross Block	206.65	213.95	231.60
(f) Less Depreciation	11 3.60	1 22.70	1 30.22
(g) Net fixed assets	93 05	91 .25	1 01.38
(h) Capital work-in-progress	1 .20	4.06	6.48
(i) Other assets (mainly machinery and equipment in transit and stores)	—	—	—
(j) Current Assets, Loans and Advances (excluding investments other than those lodged by outside parties and security deposit)	91 .60	121.96	159.63
(k) Investments	—	—	—
TOTAL	1 85.85	217.27	267.49
Capital employed	104.85	131 .35	149.28
Net worth	106.05	1 35.41	155.76

**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 :

As there is no long term loan, debt equity ratio is nil.

### 3. Reserves and Surplus:

The reserves and surplus (Rs. 115.76 lakhs) amounted to:

- (a) 43.3 per cent of the total liabilities in 1978-79 as against 43.9 per cent in 1977-78 and 35.5 per cent in 1976-77.
- (b) 289.4 per cent of equity capital (Rs. 40 lakhs) in 1978-79 as against 238.5 in 1977-78 and 165.1 per cent in 1976-77.

### 4. Liquidity and Solvency:

- (a) The proportion of current assets (including investments) to total net assets increased from 49.3 in 1976-77 to 56.1 per cent in 1977-78 and to 59.7 in 1978-79.
- (b) The percentage of current assets (including investments) to current liabilities (including provisions) varied from 114.8 in 1976-77 to 149.0 in 1977-78 and to 142.9 in 1978-79.
- (c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities and provisions varied from 111.6 in 1976-77 to 145.7 in 1977-78 and to 140.1 in 1978-79.

### 5. Working Capital:

The working capital (current assets, loans and advances less trade dues, current liabilities excluding provision for gratuity) of the Company at the close of the three years ended 31 st March, 1 979 amounted to Rs: 11.80 lakhs, Rs. 40.10 lakhs and Rs. 47.90 lakhs respectively and represented 1 .4, 4.3 and 4.6 month's value of business at cost (excluding depreciation) during these years. Working capital was financed from internal sources.

### 6. Sources and Uses of Funds:

Funds amounting to Rs. 54.91 lakhs from internal sources (reserves and surplus, depreciation and provisions) and Rs. 2.83 lakhs from other sources were utilised in 1978-79 as under:

	(Rupees in lakhs)
Gross Block including capital work-in-progress	20.07
Others assets (viz. current assets, loans and advances)	37.67

### 7. Working Results:

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

	(Rupees in lakhs)		
	<u>1976-77</u>	<u>1 977-78</u>	<u>1 978-79</u>
(i) Profit before tax	39.87	53.21	53.89
(ii) Tax provision	23.30	33.00	29.33
(iii) Profit after tax	1 6.57	20.21	24.56

#### Percentage of profit before tax:

	<u>1976-77</u>	<u>1 977-78</u>	<u>1 978-79</u>
(a) To sales	26.3	30.3	28.6
(b) To Gross fixed assets	1 9.3	24.9	23.3
(c) To capital employed	38.0	40.5	36.1

#### Percentage of profit after tax:

(a) To net worth	15.6	14.9	15.8
(b) To equity capital	41.4	50.5	61 .4
(c) To capital employed	15.8	1 5.4	1 6.5

**8. Cost Trends:**

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

	(Rupees in Lakhs)		
	1976-77	1 977-78	1978-79
Sales (Throughput—blending and mfg. charges)	1 51.74	175.64	188.23
Less Profit before tar	39.87	53.21	53.89
Cost of Sales	111 .87	1 22.43	134.34
Percentage of cost of sales to sales	73. 7	69. 7	71. 4

**9. Business Performance :**

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

	(Rupees in Lakhs)		
	1976-77	1977-78	1978-79
1. Sales	151.74	175.64	1 88.23
2. Closing Stock	—	—	—
3. Operating Stock			
4. Value of business	1 51 .74	175.64	1 88.23

The percentage of value of business to net worth decreased from 143.1 in 1976-77 to 1 29.7 in 1977-78 and to 120.9 in 1978-79. The percentage of value of business to total net assets varied from 81.6 in 1976-77 to 80.8 in 1977-78 and to 70.4 in 1978-79.

**10. Inventory and Production:**

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

	(Rupees in lakhs)		
	1976-77	1977-78	1978-79
Stores and spares (including in transit)	2.58	2.67	3.08

**11. Sundry Debtors and Turnover:**

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

As on	(Rupees in Lakhs)			Percentage of debtors to sales
	Total Book Debts		Sales	
	Considered good	Considered doubtful		
31st March, 1977	12.66	—	151.74	8.3
31 st March, 1978	13.46	—	175.64	7.7
31st March, 1979	16.86	—	188.23	9.0

Sundry debtors represented, one month's turnover in 1976-77, 0.9 month's in 1 977-78 and 1.1 month's in 1 978-79.

Sd/  
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Director of Commercial Audit

