

ANNUAL  
REPORT  
1979-80



**INDIAN OIL CORPORATION LIMITED**

## PERFORMANCE AT A GLANCE

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
REFINERIES THROUGHPUT <i>in million tonnes</i>	7.86	9.23	9.73	10.10	10.95	12.14
PIPELINES THROUGHPUT <i>in million tonnes</i>	3.70	3.83	3.92	4.07	5.60	7.51
SALES <i>in million tonnes</i> <i>(including exports and sales to IBP)</i>	15.27	15.40	16.17	16.80	18.27	19.46
	(Rs. Crores)					
TURNOVER	1,960.60	2,421.63	2,663.39	2,999.63	3,564.29	4,476.35
PROFIT - before depreciation & interest & tax provision	79.23	86.66	129.63	128.71	128.53	158.85
PROFIT - before depreciation & tax provision	70.50	81.54	127.87	126.26	124.93	150.80
PROFIT - after depreciation, interest & prior year adjustments, but before tax provision	52.14	52.41	106.41	100.24	99.85	127.68
PROFIT - after depreciation, interest, prior year adjustments & tax provision	30.64	29.91	48.41	49.24	69.20	73.43
DUTIES PAID	606.45	651.82	690.72	751.29	911.57	973.03
LOANS REPAYED - from internal resources	10.99	6.05	6.41	4.88	9.26	11.02
DIVIDENDS	5.69	5.69	7.13	8.22	9.86	9.86
RESERVES & SURPLUS Cumulative	125.10	149.32	190.60	231.62	290.96	354.52

**EXTRACT FROM ANNUAL REPORT 1981-82**

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**BOARD OF DIRECTORS :**

C.R. Das Gupta  
Joy Joseph [up to 15-7-80 (AN)]  
S. Ketharaman  
T.K. Sinha  
S.L. Khosla  
S.R. Das  
S. Narayanaswamy

**SECRETARY:**

D.B. Puri

**BANKERS:**

State Bank of India

**JOINT AUDITORS:**

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

**BRANCH AUDITORS:**

M/s Singhi & Co.  
M/s D. Rangaswamy & Co.  
M/s M.S. Krishnaswami & Co.  
M/s Aiyar & Co.  
M/s Jagdish Chand & Co.  
M/s D.S. Talwar & 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—110001

**REFINERIES:**

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

## **NOTICE**

Notice is hereby given that the 21st 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, Rabhadevi, Bombay—400025 at 15-00 hours on Manday, the 29th September, 1980 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, 1980.
2. To declare dividend.

By Order of the Board,

(D.B. PURI)  
Secretary

*Bombay, Dated 27th August, 1980*

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



# DIRECTORS' REPORT 1979-80

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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 21st Annual Report on the working of the Corporation for the financial year 1979—80 along with the audited statement of Accounts.

### Financial Results:

Your Corporation has had another year of satisfactory results. The sales turnover reached Rs. 4,476 crores during 1979—80 registering an increase of Rs. 912 crores. The profit for the year before tax, interest and depreciation is Rs. 158.85 crores, an increase of Rs. 30.32 crores over 1978—79. The profitability of the Refineries & Pipelines has improved due to full year operation of Gujarat Refinery Expansion Project and Salaya-Viramgam-Koyali Pipeline. The profit of the Marketing Division has slightly come down compared to the previous year.

Provision for taxation increased to Rs. 54.25 crores as against Rs. 30.65 crores in the previous year. The lower provision of tax in the previous year was due to investment allowance and tax holiday claims in respect of Gujarat Refinery Expansion and Salaya-Viramgam-Koyali Pipeline Projects commissioned during 1978—79. After provision for taxation and prior year adjustment of Rs. 16.35 crores in 1979—80 (previous year Rs. 5.59 crores) the disposable profit increased from Rs. 69.20 crores in the previous year to Rs. 73.43 crores in 1979-80.

A Summary of the financial results achieved during the year with comparative figures for the previous two years is given below:—

	<i>(Rs. in Crores)</i>		
	1977—78	1978—79	1979—80
Sales Turnover	2,999.63	3,564.29	4,476.35
Reserves & Surpluses	231.62	290.96	354.52
Net Block (including working-progress)	404.83	494.25	593.33
Gross Profit	128.71	128.53	158.85
Less :			
Interest	2.45	3.59	8.05
Depreciation	18.95	30.68	39.47
Profit for the year before tax	107.31	94.26	111.33
Provision for tax	51.00	30.65	54.25
Net Profit	56.31	63.61	57.08
Prior year Adjustment (Net)	(-7.07)	(+5.59)	(+16.35)
Disposable profit	49.24	69.20	73.43

### Dividend:

Having regard to the satisfactory working results, your Directors have recommended payment of dividend at the rate of 12%. The dividend will absorb an amount of Rs 9.86 crores out of the surplus of Rs. 92.83 crores including development rebate reserve written back amounting to Rs 19.40 crores.



**Appropriations:**

Including the recommendation on dividend the disposable surplus has been appropriated as under:

	<i>(Rs. In lakhs)</i>
Transfer to Investment Allowance Reserve	350.00
Transfer to Insurance Reserve Account	10.00
Proposed Dividend	986.12
Transfer to General Reserve	7,937.00
Balance carried forward	0.48
<b>Total :</b>	<u>9,283.60</u>

**Sources of Funds:**

Your Corporation generated internal resources of Rs. 115.34 crores during the year comprising retained profits of Rs. 63.56 crores and depreciation Rs. 51.78 crores. The outside resources obtained during the year were net borrowings from Government and Oil Industry Development Board—Rs.63.12 crores and increase in Cash Credit borrowings from the State Bank of India—Rs. 204.94 crores. Total resources both internal and outside raised during the year amounted to Rs. 383.40 crores.

**Application of Funds:**

**Fixed Capital :** The Corporation incurred gross capital expenditure of Rs. 150.36 crores during the year, viz. Mathura Refinery – Rs. 50.33 crores, Salaya- Mathura Pipeline Project—Rs 49 crores, Secondary Processing Facilities at Gujarat Refinery—Rs.13.27 crores and others Rs 37.76 crores.

**Working Capital :** The current assets of the Corporation increased from Rs. 544 crores in the previous year to Rs. 1094 crores during the year 1979—80. The increase was mainly on account of rise in the prices of petroleum products, delay in the settlement of pool claims and increase in the stock holding of petroleum products. The increase in current assets was off-set to the extent of Rs. 317 crores by increase in the current liabilities. The balance increase in the current assets was financed from borrowings form the State Bank of India and diversion of a part of the internal resources generated towards working capital.

**REFINERIES**

During the year 1979—80, the four operating refineries at Gauhati, Barauni, Gujarat and Haldia processed 12.14 million tonnes of crude oil recording 10.8% increase over the previous year. Higher throughput was achieved by operating Haldia Refinery at its designed throughput and full utilisation of expansion facilities at Gujarat Refinery. The overall crude processing during the year would have further improved if the operations of Gauhati and Barauni Refineries had not suffered adversely due to the agitation in Assam. The comparative picture of the designed capacity and the actual throughput of the four refineries during the last three years is as under:

*(Throughput figures in million tonnes)*

Refinery	1977-78	1978-79	1979-80	Designed capacity
Gauhati	0.816	0.825	0.646	0.750
Barauni	3.060	2.661	2.285	3.000
Gujarat	4.129	5.251	6.714	6.000*
Haldia	<u>2.096</u>	<u>2.213</u>	<u>2.492</u>	<u>2.500</u>
<b>Total</b>	<b>10.101</b>	<b>10.950</b>	<b>12.137</b>	<b>12.250</b>

\* Designed capacity is 6.00 million tonnes.

Actual capacity is 7.20 million tonnes per annum.

The refinery-wise operations during 1979—80 are briefly describe below:

**Gauhati:**

The refinery operation were adversely affected due to restricted product upliftments arising out of railway problems in September, 1979 and subsequently due to the agitation in Assam.

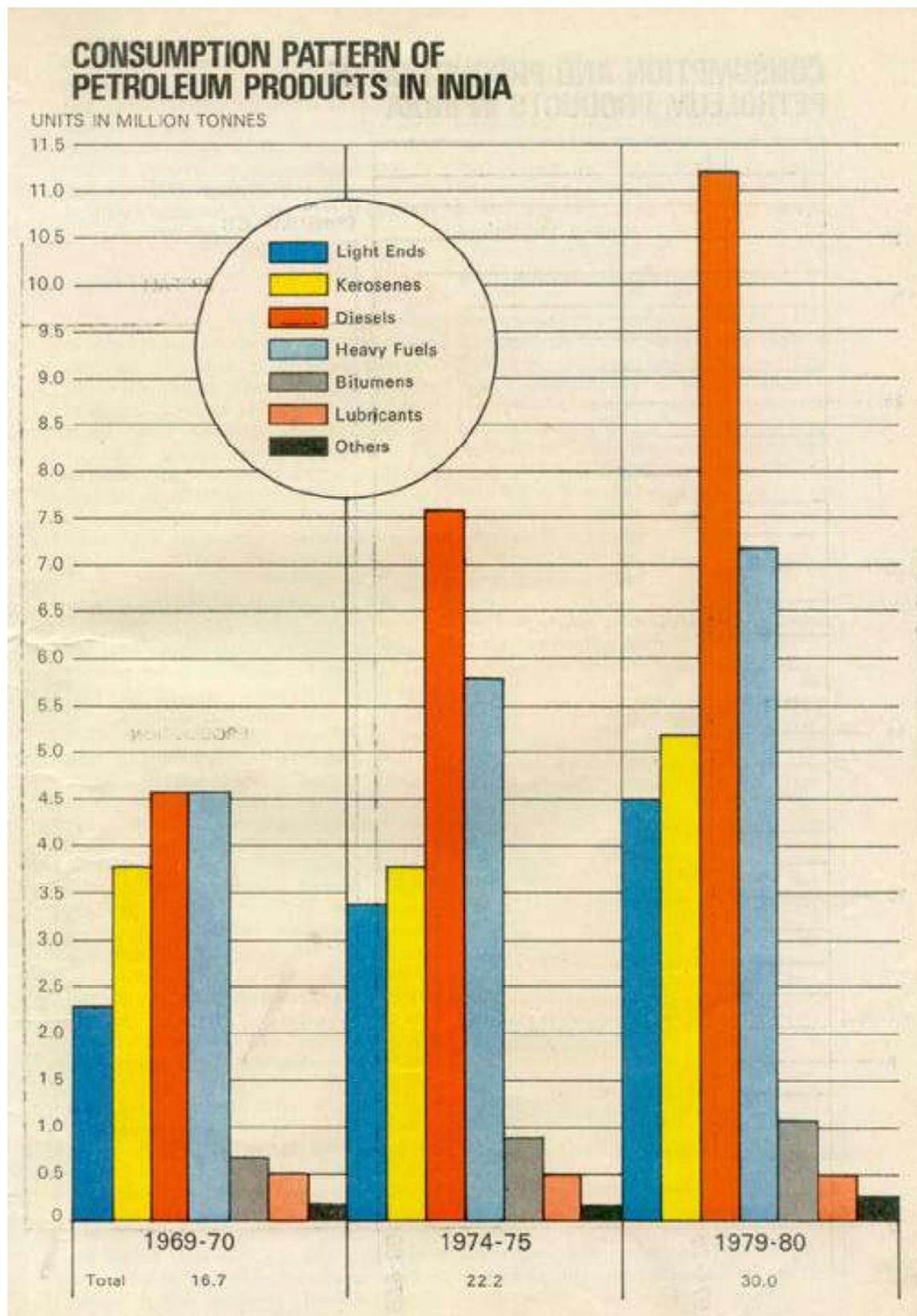
**Barauni:**

Due to the agitation in Assam, the crude supplies were affected from early December and completely suspended from 27th December, 1979 onwards thereby resulting in loss of throughput to the extent of 0.8 million tonnes of crude.

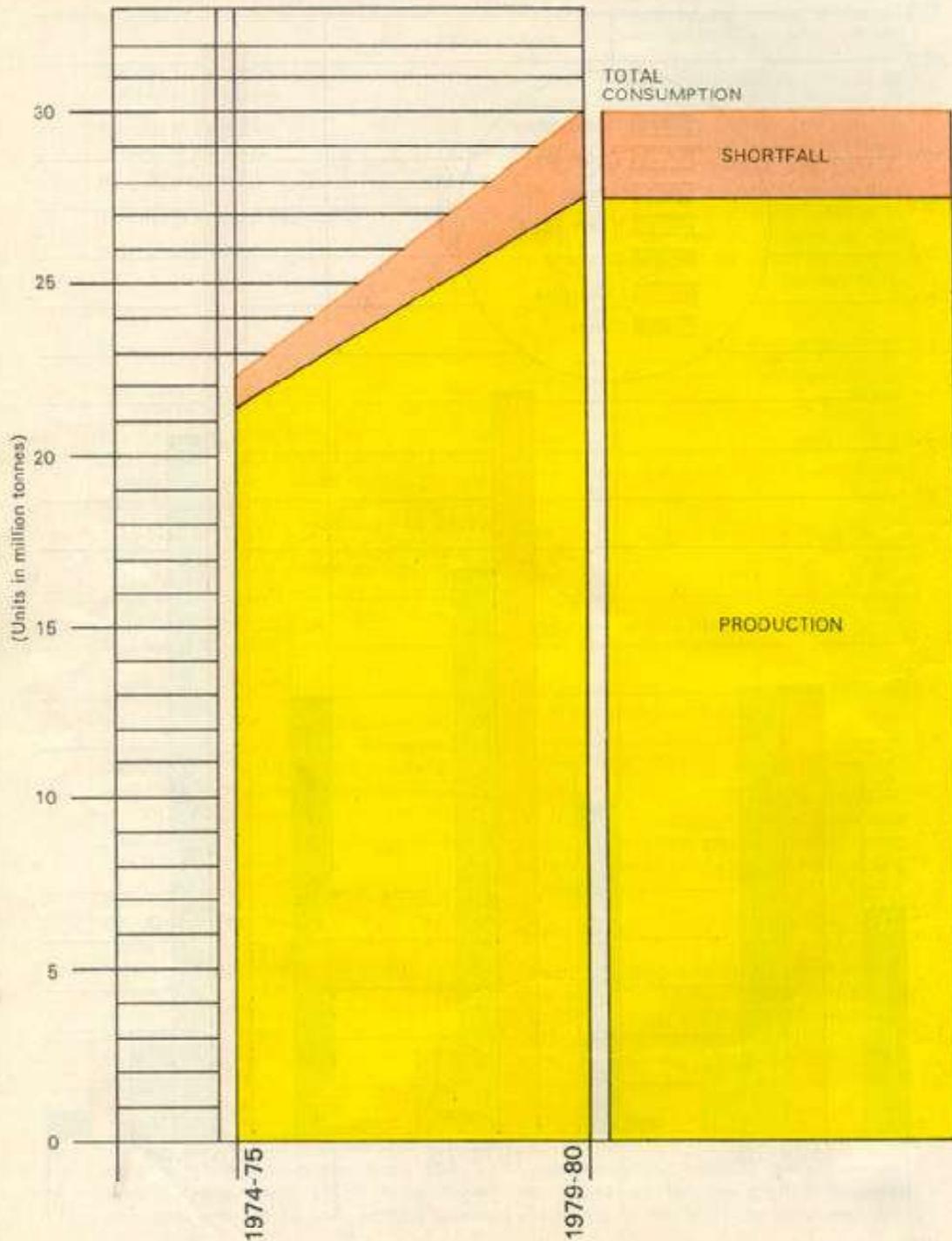
**Gujarat:**

Crude throughput achieved in 1979-80 was the highest so far. Besides improving the processing of imported crude to the order of





### CONSUMPTION AND PRODUCTION OF PETROLEUM PRODUCTS IN INDIA



2.8 million tonnes during the year, the refiner also started processing of Bombay High Crude Oil from September 1979 in order to optimise the utilisation of the processing to optimise the utilisation of the processing capacity. An Additional Fourth Multiple Point Loading Gantry was commissioned from 1st January 1980 which further improved the Refinery's capability for despatch of products

**Haldia :**

The crude throughput almost matched the designed capacity for the first time due to increased allocation of crude oil and sustained off-take of products. The production of special products like Carbon Black Feed Stock, Jute Batching Oils and Mineral Turpentine Oil was stepped-up to meet the increased demand. Pipelines for supply of feed stocks to Haldia Fertilizer and supply of Furnace Oil to Corporation's bunkering installations were commissioned during the year.

**Maintenance/Technical Audit :**

The Maintenance and inspection Department at Head Office continued to render technical back up to the units for maximising the maintenance effectiveness in the Refineries and Pipelines. During the year, total maintenance down-time of 27 out of 31 total Process Units at Gauhati, Barauni, Gujarat and Haldia has been less than the design down-time of the respective units showing thereby improvement in the plant availability. The technical assistance from the Central Maintenance Services Organisation of Engineers India Ltd., is also being availed of in the field of metallurgy, corrosion and refractories. The long-felt need for in-company standards for bringing consistency and uniformity in our approach to the maintenance problem is also being realised with the publication of several 'Indian Oil Codes of Practices' and Administrative and Procedure Manual on Maintenance. With the Corporation's active participation in the Technical Development Committee for indigenous materials, many new vendors have been developed and the Corporation has not only been able to save substantial amount of foreign exchange but also has developed considerable self-reliance in indigenously made equipments and spares. Conscious and concerted efforts continued to be made for energy conservation in the refineries. Besides regular monitoring and control of operational param-

eters, various measures were implemented to reduce fuel consumption and minimise hydrocarbon losses. Also during the year, the refineries actively participated in the Fuel & Loss Seminar conducted by the Oil Co-ordination Committee and have undertaken feasibility studies on new energy conservation schemes.

**Management Information System :**

Management Information Systems have been developed to meet the growing need of information by Government, Oil Co-ordination Committee and at various levels of management. In order to generate the requisite information in time Unit Recorders are being replaced by Micro-Processors. Micro Processors have already been installed at Gujarat, Mathura and Barauni Refineries. Action for installation of Micro Processors at other refineries is in hand.

**PIPELINES**

The performance of the network of Pipelines of the Corporation during 1979—80 vis-a-vis previous two years is indicated below:

*(Figures in thousand tonnes)*

Pipelines (Products/Crude)	Year	Targets	Actual Throughput
Koyali-Ahmedabad Product Pipeline	1977 - 78	900	752
	1978 - 79	800	870
	1979 - 80	908	905
Gauhati-Siliguri Product Pipeline	1977 - 78	417	403
	1978 - 79	403	367
	1979 - 80	280	281
Barauni-Kanpur Product Pipeline	1977 - 78	1800	1742
	1978 - 79	1800	1615
	1979 - 80	1511	1456
Haldia-Barauni Haldia-Mourigram Rajbandh (Combined)	1977 - 78	1200	1175
	1978 - 79	1439	1510
	1979 - 80	1730	1858
Salaya-Virangam-Koyali (Crude pipeline)	1978 - 79	—	1221*
	1979 - 80	2764	3012

*\*(Commissioned on 5-9-1978)*

Koyali-Ahmedabad Products Pipeline has achieved a throughput of 9.05 lakh MT during the year which works out to 99.7% Utilisation with reference to targeted throughput and 129.2% against the installed capacity.



Gauhati-Siliguri Product Pipeline suffered a setback in throughput due to shutdown of line because of the Assam agitation. It however, achieved 100.4% utilisation with reference to targeted throughput and 50.3% with reference to installed capacity.

Barauni-Kanpur Product Pipeline achieved 80.9% utilisation against the installed capacity and 96.4% utilisation against the targeted throughput. The achievement was low during the year because from January, 1980 onwards the pipeline was running at reduced flow rate due to the closure of reduced flow rate due to the closure of Barauni Refinery while products by-passing was done into this pipeline directly from Haldia-Barauni line.

Haldia-Mourigram-Rajbandh-Barauni Pipeline achieved an all time record throughput of 107.4% utilisation with reference to the targeted throughput. (Haldia-Barauni Pipeline Utilisation was 42% and Haldia-Mourigram-Rajbandh Utilisation was 102% with reference to installed capacity).

The overall capacity utilisation for all the product pipeline taken together works out to 101.6% with reference to targeted throughput and 79% with reference to installed capacity.

The Salaya-Viramgam-Koyali Crude Pipeline achieved 109% utilisation with reference to target and 100.4% utilisation with reference to installed capacity.

**MARKETING**

**SALES:**

The sharing of all-India sales of petroleum products between marketing companies continues to be regulated by the Sales Plan concept introduced by the Government of India and therefore all marketing activities of the oil companies are subject to the general discipline of this Plan.

The overall industry sale of petroleum products during the year was 30.03 million metric tonnes indicating an increase of 6.1% over the previous year. IOC's market participation was 60.8% as against 61.1% during 1978-79.

Retail distribution system is vital to the public at large and therefore special attention continues to be given to it. During the year 1979-80, 137 new Retail Outlets were commissioned bringing

the total number of Retail Outlets in operation at the end of the year to 4,310. In regard to kerosene and light diesel oil, 45 new dealership were commissioned during the year, raising the total number of such dealerships to 2302.

A special drive was instituted to curb possible malpractices or irregularities in the retail distribution system through a system of joint inspection of retail outlets by supervisory officials of different oil companies and exemplary action against erring dealers.

The Corporation continues to award dealerships under the Social Objectives Scheme. At the end of 1979—80 Retail Outlet and SKO/LDO dealerships in operation under the Unemployed Graduate Scheme, Rehabilitation Scheme for ex-Defence personnel, Scheduled Caste/Tribes Scheme and Physically handicapped Scheme were as under:

	<u>UEG</u>	<u>DGR</u>	<u>SC/ST</u>	<u>PH</u>
i) Retail Outlet Dealerships	136	94	57	3
ii) SKO/LDO Dealerships	66	292	64	2
iii) Indane Distributorships	71	177	36	4

As at the end of March, 1980 your Corporation had set up 309 Multi-purpose Distribution Centres. These Centres are primarily intended to 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 consumer goods. At several interior markets SKO is also sold through these MPDCs.

Based on Damle Committee's recommendation and the success of experimental Taluka Kerosene Depots, Government had directed the Oil Companies to develop Taluka Kerosene Depots in selected Hilly and remote areas of the country. Accordingly, your Corporation planned for development of 15 Taluka Kerosene Depots during first phase of the programme and as on March 1980, 19 Taluka Kerosene Depots are in operation (including 4 experimental TKDs) in various States.

Your Corporation is now responsible for 52.3% of the total Liquefied Petroleum Gas



market as against 51.6% during the previous year. The Corporation enrolled over 41,000 new customers during the year bringing their total number to 1.67 million, spread over 220 towns and serviced through 460 distributors. However, availability of LPG continues to be inadequate compared to the demand and therefore to alleviate the shortages, the industry imported 17,000 MT to LPG. The position is expected to improve sub-stantially when LPG from Bombay High, Mathura Refinery and Fluid Catalytic Cracker Unit at Koyali becomes available. Your Corporation is pursuing its plan for marketing the additional quantity likely to be made available from these sources. A feasibility report for the marketing of 60,000 MT LPG produced at Duliajan by Oil India Limited has also been submitted to the Central Government for its consideration and approval.

Your Corporation achieved a market participation of 69% in Aviation Turbine Fuel by selling 10,08,926 KL as against a sale of 10,15,596 KL during 1978-79 with 68% market participation.

Your Corporation's sale of lubricants and greases during the year was 2.70 lakh tonnes as against 2.62 lakh tonnes in the previous year, thus registering an increase of 2.9% over the previous year. Your Corporation's market participation in lubricants and greases was 48.1% in the year.

Your Corporation has entered into commercial arrangements with M/s Chevron international Oil Co., USA, to locally blend and offer Servo Marine grades conforming to Chevron formulations. The Corporation has been able to obtain the Marine lubricants business of Shipping Corporation and Mogul Line for their vessels plying on international run. The sale of bunker/marine lubricant oil to Indian flag vessels on foreign going run was 120,533 MTs valued at Rs. 22.96 crores and 107,856 MTs on coastal run valued at Rs. 16.35 crores.

Your Corporation continued to be the canalising agency for import of lube specialities to meet the requirement of the various industries in the country. The CIF value of such products imported during the year was approx. Rs. 1.98 crores.

With the assistance of M/s Escorts Limited, IOC has introduced a high performance engine oil

Servo Ultra 30 for the Ford Tractors manufactured by M/s Escorts Ltd. The Corporation is making vigorous efforts in curbing the circulation of spurious/adulterated lubricants and fuels in the market under the Lube Discipline Scheme.

### **DISTRIBUTION**

Your Corporation continues to maintain equitable and economic distribution of petroleum products even at the cost of additional expenditure, in close co-ordination with the Government of India and State Governments. At the end of the year, the Corporation had 16 Port Installations, 8 Pipeline Installations, 2 Inland Installations and 106 Bulk Depots, with tankages totalling 19.19 lakh KLs at Installations and Bulk Depots as against 19.13 lakh KLs during the previous year. Additional tankage of 15,000 KLs was constructed at Installations/Depots during the year. The throughputs of all products through these installation points during the year was 232.71 lakh KLs as against 225.92 lakh KLs during the previous year.

During the year under review, Oil Industry continued to face an acute shortage in the availability of rail tank wagons. The Corporation's total rail loadings (white oil, black oil and LSHS) during the year 1979-80 came down to 4,49,931 tank wagons as compared to 4,67,839 tank wagons loaded during the year 1978-79. The Oil Industry had to road bridge petroleum products equivalent to 218 tank wagon loads per day in which your Corporation's share was of the order of 62 per cent.

Since the closure of Bongaigaon and barauni Refineries in late December, 1979/early January, 1980, due to the Assam agitation, large scale additional imports of petroleum products were organised at Kandla and Haldia. Pumping at full capacity of products was arranged in the Haldia-Barauni Pipeline to meet the requirements of the Barauni fed areas.

We had 482 Corporation-owned tank trucks at the end of the year 1979-80 as compared to 402 tank trucks during the previous year and delivered 16.3 lakh KLs during the year as against 14.5% lakh KLs during the previous year in out tank trucks.



The Corporation's Drum manufacturing plant at Madras set up in 1972 followed by a Decoiling Unit in 1975 produced 7,20,850 Bitumen Drums and 3,16,113 Lube barrels during the year as against 6,65,580 Bitumen Drums and 3,08,209 Lube barrels during the previous year.

**BITUMEN**

Your Corporation commenced production and marketing of Bitumen at Gujarat Refinery, and resumed marketing of bulk Bitumen from Cochin Refinery. Total sale of Bitumen in bulk, during the year rose to 64,500 MT from 36,800 MT during the previous year, representing an increase of 75.3%.

**SAFETY AWARDS**

Sabarmati Terminal of your Corporation has received the Certificate of Merit form National Safety Council, USA for the operation of 10,60,456 accident—free employee hours from January 1976 to October 31, 1979. Our Installations at Korukkupet and Tondiarpet and Drum Plant, Madras have won the Tamil Nadu State Safety Awards.

**CONSERVATION**

As a measure of conserving Kerosene, the high thermal efficiency Nutan Stoves are being marketed by your Corporation since 1977. Upto March 1980, 1.2 million Nutan Stoves as per R&D Centre's patented design have been produced, resulting in a likely foreign exchange saving of about 3 crores on import of kerosene, Considering the increase in demand for Nutan Stove, the services of NSIC are being utilised for locating entrepreneurs in the small scale sector in various States for undertaking manufacture of Nutan Stove based on your Corporation/IIP's design. A new high efficiency LPG stove has also been developed and is in the final phase of trial. After it is commercialised and introduced in the market its use would bring about fuel savings to the tune of about 15 to 17% of LPG in the domestic sector.

**EXPORTS**

During the year 1979—80 your Corporation exported 1.06 lakh MTs of Naphtha, 0.37 lakh MTs of F.O. and 25 MTs of AV gas 100/130 at a total foreign exchange earning of Rs 28.69 crores. Your Corporation also exported 30,039 MT Reformate in exchange for Kerosene. Besides 0.99

lakh MTs of various petroleum products were exported to Nepal valued at Rs. 18.12 crores.

In addition to the above exports, an amount of Rs. 60.33 crores was realised in foreign exchange for supplies of 1.88 lakh MTs Aviation Fuel/Lubes for International airlines and an amount of Rs. 16.51 crores was realised for supplies of 0.91 lakh MTs of bunker fuels and marine lubricants to foreign flag vessels. Besides this, the saving in foreign exchange by way of upliftments of bunkers and marine lubricants by Indian flag vessels plying on the international run, at Indian Ports amounted to total value of Rs. 22.97 crores.

**IMPORTS**

During the year 1979-80, the Corporation imported 46.74 lakh MTs (including imports on account of nepal Oil Corporation) of finished petroleum products and 0.52 lakh MTs of lubricants at an approximate value of Rs. 1108.39 crores and Rs. 20.08 crores irrespectively as compared to imports during 1978-79 of 40.01 lakh MTs of finished petroleum products and 0.45 lakh MTs of lubricants valued at Rs. 440.54 crores and Rs 12.45 crores respectively. Out of the imports during 1979-80 the rupee sources imports amounted to Rs. 437.53 crores (including Rs. 21.12 crores for imports for Nepal Oil Corporation).

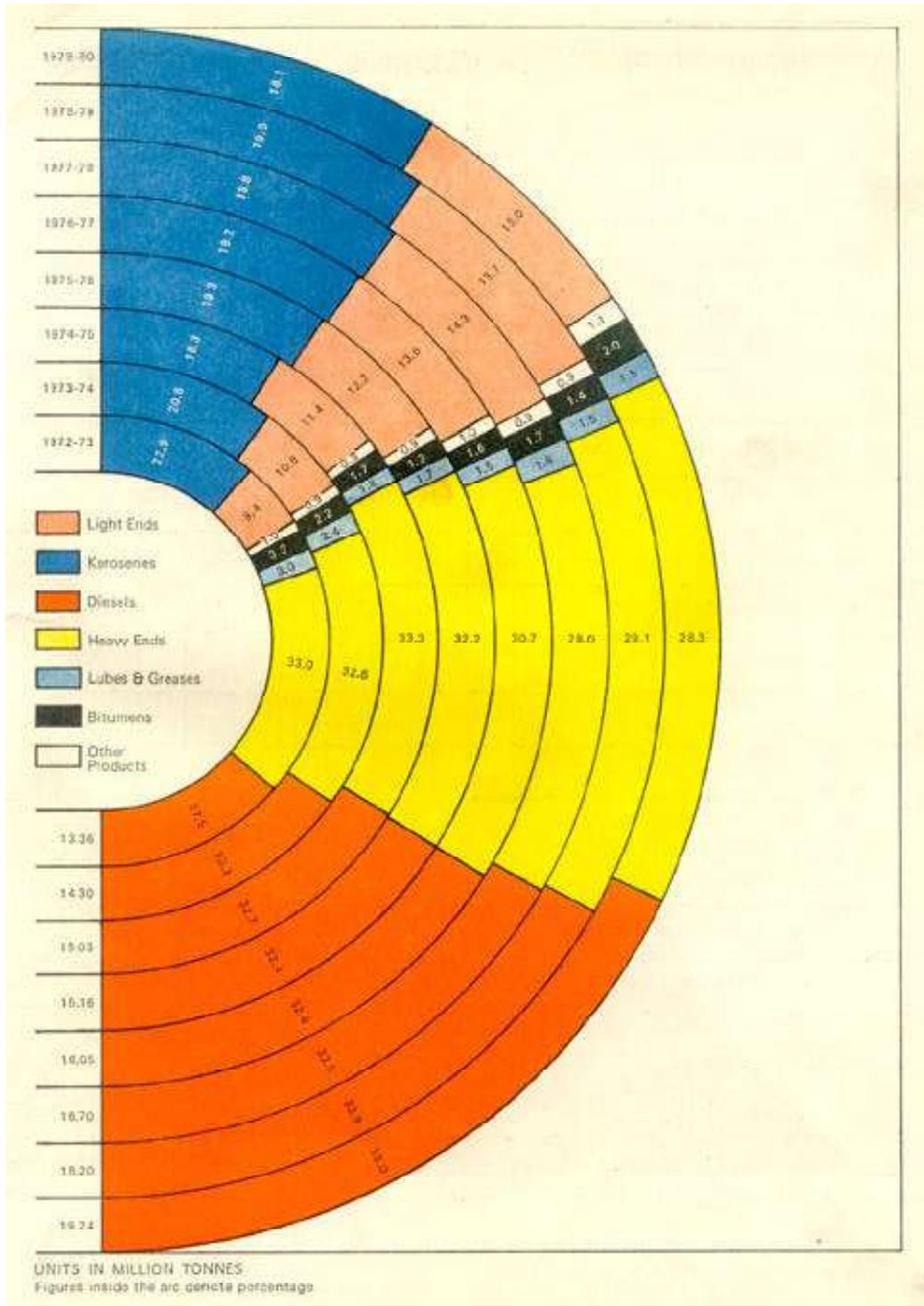
The Corporation has also imported crude oil to the extent of 13.407 million tonnes for the Industry as against 11.8 million tonnes during the previous year.

**RESEARCH AND DEVELOPMENT**

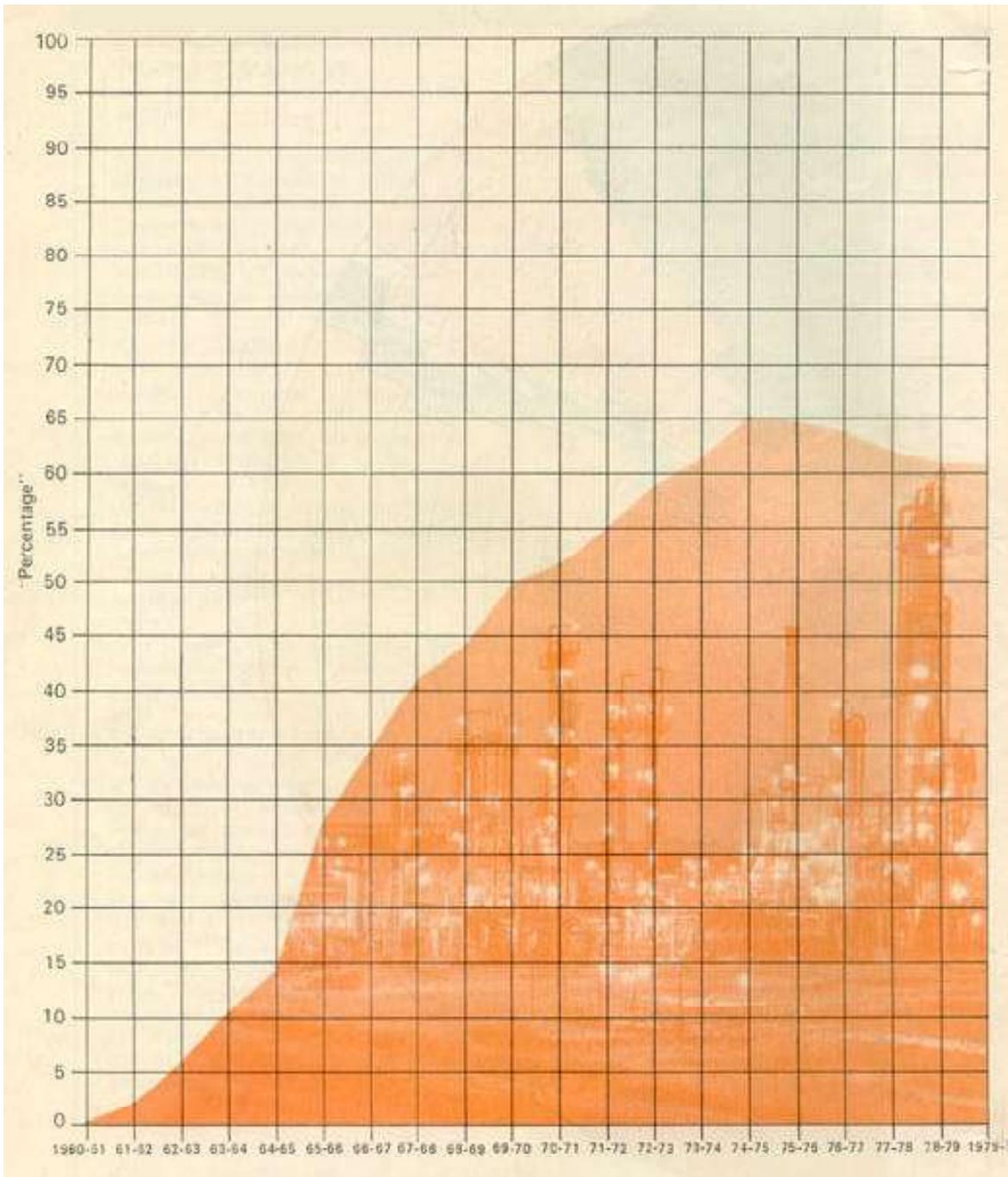
With the termination of technical assistance and collaboration agreement with Castrol in February, 1979 R&D Centre's product development activity has continued mainly on its own efforts, and a fair degree of self-reliance and confidence has been achieved to face the future challenges. During the year under review, R & D Centre has secured approvals from various reputed foreign/indigenous equipment manufacturers for the different grades of lubricants developed by it. Servoway 511 (a combined hydrauliccum-slideway lubricant) and Servospin 5 (high grade oil for high speed spindles in Machine Tools/Textile Mills) have been approved by CINCINATTI



**INDIANOIL SALES  
(DOMESTIC)  
BY-PRODUCT GROUPS**



**MARKET PARTICIPATION OF INDIANOIL**



MILACRON, USA., Servo Transmission C3 SAE 30 (a transmission oil for off highway equipment) by Allison Division of General Motors, U.S.A., Servo Transfluid A (a transmission oil for TELCO 'GBS' Gear Boxes) by DAIMLER BENZ, West Germany and Servo Marine 705 (a highly alkaline cylinder oil for slow speed crosshead type marine diesel engine) by B & W Copenhagen. Field trials are being conducted on high performance compressor oils—Servo Press 100 series—which have been specially developed for highly rated compressors operating with discharge air temperature up to 220°C. These Oils meet fully German's DIN Standard 51506 Type VD-L. Improved crankcase lubricants—Servo RR 405 and Servo RR 407 developed for diesel locomotives and approved by General Motors, USA, are undergoing trials in 35 diesel locos at 7 locosheds of Indian Railways. Servoprime, a high grade turbine oil developed from indigenous base stocks has been introduced as an initial charge in 3 x 210 MW BHEL Turbo Generator sets at various Power Houses in Maharashtra. This product has also been approved by IISCO Burnpur after satisfactory performance in their 'PARSON' turbo blower for period of over 20,000 hours. After extensive study and field trials, it has been established that mixture of 80 : 20 Petrol and alcohol can replace the existing fuel in all petrol vehicles without any loss in performance or any change in engine design.

## PROJECTS

### Mathura Refinery Project:

Considerable progress has been achieved in the construction of the Mathura Refinery Project which was approved by Government at a cost of Rs. 192.32 crores. To tide over the extremely erratic power supply due to power cut, a number of generating sets have been put into service. Every effort is being made to complete the Refinery by March 1981. The actual expenditure incurred on the Project upto 31st March 1980, was Rs. 166.83 crores while the cumulative commitments made till that date amounted to Rs. 198.69 crores.

### Secondary Processing Facilities at Gujarat Refinery:

The Government had approved setting up to Secondary Processing facilities with a Fluid Cata-

lytic Cracker Unit at Gujarat Refinery at a cost of Rs 40.11 crores. The Scheme envisages conversion of LSHS/residue into more valuable products like LPG. Motor Spirit HSD, LDO etc. All the major equipments required for the Unit have been ordered and fabrication started. The mechanical completion of the project is scheduled for November, 1981.

### PDA Augmentation at haldia Refinery:

Facilities are being set up at Haldia Refinery to produce 15,000 MT per year of Bright Stock (LVI) which would substitute the imports of cylinder oil. The project which is estimated to cost Rs. 290 lakhs is likely to be completed by March, 1983.

### Projects at Gauhati Refinery:

#### i *Naphtha splitter facilities*

It has been decided to produce 100°C to 145°C cut Naphtha which will supplement the feed stock requirement of Bongaigaon Refinery and Petrochemical Ltd. for the manufacture of petrochemical. The Project is estimated to cost Rs. 315 lakhs and is expected to be completed by June 1983.

#### ii *Effluent Discharge Pipeline Disposal and Cooling Towers*

As a measure of pollution control, the Corporation is laying a new effluent discharge pipeline at Gauhati Refinery along with the necessary pumping installations and monitoring facilities at an estimated cost of Rs. 270 lakhs. Facilities are also being set up to provide cooling towers for process water at an estimated cost of Rs. 65 lakhs. These schemes are likely to be completed by December 1982.

#### iii. *8 MW TG Set*

To meet the requirement of additional power at Gauhati Refinery, it is proposed to instal one more 8 MW T.G. set at an estimated cost of Rs. 350 lakhs. The project is likely to be completed by December, 1982.

### Additional Coking Unit at Barauni Refinery

In order to optimise the production of light and middle distillates and to meet the demand of raw petroleum coke, Government has approved



installation of an additional coking unit at an estimated cost of Rs 2389 lakhs. The project is expected to be completed by March 1983.

### Pipeline Projects

#### i) *Salaya-Mathura Pipeline*

The Salaya-Mathura Pipeline Project was approved by Government at an estimated cost of Rs. 231 crores. The Salaya-Viramgam-Koyali Section of the Project has already been commissioned. The construction work on the Viramgam-Mathura Section is now scheduled to be completed by October 1980, to coincide with the commissioning of Mathura Refinery.

#### ii) *Mathura-Delhi-Ambala-Jullunder Pipeline*

The Government approved the Project at an estimated cost of Rs 35.32 crores. Cadastral survey of the Pipeline route and acquisition of right of way is in progress. Soil resistivity survey for the entire route has been completed, Mathura-Delhi Section of the Project is due to be commissioned by August 1981, and Delhi-Ambala-Jullunder Section by April, 1982.

#### iii) *Expansion of Gauhati-Siliguri Pipeline*

Due to the agitation in Assam the construction work could not be carried out smoothly. Efforts are being made to commission temporary facilities at Bongaigaon station soon and the project is due to be commissioned by July, 1981.

#### iv) *Expansion of Koyali-Ahmedabad Pipeline*

It is proposed to expand the capacity of the pipeline from 0.7 MMT to 1.1 MMT per annum. The Project is targeted to be completed by September, 1981.

#### v) *Expansion of Salaya-Viramgam Section capacity to 12 MTPA*

In accordance with the Government decision to conserve Ankleshwar crude and to utilise higher availability of Bombay High Crude, it is necessary to expand the capacity of Salaya-Viramgam-Koyali Pipelines to 12 MTPA in Salaya-Viramgam-Koyali Section; action is already in hand in this direction. 12 MTPA capacity in Salaya-Viramgam

Section will be achieved by installing a new pump station at Rajkot at an estimated cost of Rs 455 lakhs.

### LPG Storage and Distribution Facilities

The project has been sanctioned by the Governments for marketing of additional LPG involving an expenditure of Rs. 84.28 crores and envisages construction of bottling plants at Bangalore, Jullunder, Allahabad and Salem, augmentation of storage capacities at existing plants at Shakurbasti and Kanpur as also procurement of 383 number LPG B.G. tank wagons under joint ownership basis. The project is expected to be completed by 1982.

In view of long lead time required for setting up of LPG Plants and to enable seeding for LPG marketing, a mini-bottling plant was set up at Bangalore in January 1980. A similar plant is under commissioning at Jullunder.

### Fuel Hydrant at Bombay Airport:

The project sanctioned at a cost of Rs 7.25 crores is for the setting up of Hydrant Refuelling System at the new International Airport Terminal at Bombay. The work is progressing as per schedule and the project is expected to be completed by October, 1981.

### INDUSTRIAL RELATIONS

A long-term agreement was signed during that year with all the recognised Unions for revising pay scales and service conditions of workmen, Signed in December, 1979, the settlement is effective from April/May, 1978 and will remain valid upto 25th April, 1982. During the year, settlement was also reached with the Officers' Association revising the pay scales and dearness allowance rates for officers with effect from June, 1978.

Industrial relations in the Corporation, except Eastern Region of the marketing Division have been by and large quite satisfactory. In respect of Eastern Region of the Marketing Division, there were some local problems mainly due to inter-union rivalry.

### WELFARE

The Corporation continued to follow its welfare-oriented policies. A scheme for employment of dependents of employees who die or are permanently disabled during service has been introduced in the Corporation.



**SCHEDULED CASTES(SC)/TRIBES(ST)**

Provisions of the directive received from the President of India by your corporation in 1971 under Articles of Association in the matter of reservation of posts in recruitment for Scheduled Castes/Scheduled Tribes were complied with. Special recruitment drives were undertaken exclusively for candidates belonging to Scheduled Casts/Scheduled Tribes with a view to clearing the backlog and improving their representation. Separate cells have been set up headed by Liaison Officers to deal with matters relating to Scheduled Caste/Scheduled Tribe employees including their grievances and complaints.

Similarly, as a result of implementation of the Presidential directive for reservation of posts for Scheduled Castes/Scheduled Tribes in promotions, all the Scheduled Caste/Scheduled Tribe employees who were eligible for promotion during the year have been promoted. Opportunities were continued to be given to Scheduled Caste/Scheduled Tribe employees to participate in our training programmes to enhance their knowledge as also to help them in their career development.

**TRAINING**

Training Centres in the Corporation conducted various management, supervisory and functional training programmes for various levels of offices. A seminar on 'Ocean Loss/Stock Loss' was conducted for selected managers in Operations discipline from various Regions to create greater awareness of ocean loss/ stock loss and the imperative need to control the same, particularly in the context of spiralling prices of oil. Various training courses on 'Petroleum storage, handling and distribution' were conducted for Army Officers and JCOs. Training courses were also conducted on Quality Control of Aviation Products for Officers of I.A.F. A training-cum-symposium was conducted by the Aviation department at Air Force Station, Bagdogra and at Gangtok for educating Air Force personnel on aircraft refuelling and storage and handling of Aviation Fuels with particular reference to quality control aspects. Indian Oil Management Academy (IMA) set up at Haldia has also launched a good number of training programmes for middle and senior level managers. R & D Centre arranged an "In House Training Course" for IOC Marketing and PCRA Engineers and IOBL Chemists with a view to familiarising them with the various testing facilities available for development work and cus-

tomers service.

Unit level classes were continued under the guidance of Central Board of Workers' education. With the assistance of Hind Teaching Scheme of the Government of India, Hindi Training Classes are being conducted which are attended by our employees on a voluntary basis.

**MANAGEMENT SERVICES**

Several studies were conducted at different locations to improve operational efficiency and to streamline procedures. Some of the important studies related to manpower studies to assess staff requirements at Terminals, Installations and Depots, Procedures to be followed by LPG Distributors to ensure delivery of cylinders of correct weight to consumers and procedures to be followed by Divisional Offices for booking of M & R expenses relating to Retail Outlets, Consumer Pumps, Consumer Depots and Relay Tankages etc.

**SOCIAL OBJECTIVES**

As a part of its community relations programme, the Corporation donated Rs. 4 lakhs for relief work in Morvi where a disaster occurred due to dam burst, and another amount of Rs 4 lakhs was donated for relief work in flood affected areas of Vidarbha.

Indian Oil also donated an Ambulance Van costing Rs. 78,590 to St. John Ambulance Brigade in Bombay.

**INDIAN OIL BLENDING LIMITED**

The annual Accounts and Directors' Report of Indian Oil Blending Ltd., a wholly owned subsidiary of the Corporation are annexed herewith. During the year 1979—80, the Bombay and Calcutta Plants of IOBL had a throughput of 2,41,200 KLs as against 2,45,406 KLs of Lubes during the year 1978—79. The Grease Plant at Bombay had a throughput of 5,565 MTs of greases during the year, as compared to 6,234 MTs during 1978—79. The gross profit of the Company, before depreciation, investment allowance, taxation and prior year's adjustment, was Rs. 26,64,011 as compared to Rs. 64,03,038 during the previous year. The net profit after providing for investment allowance (Rs 2,98,000), taxation (Rs. 6,00,000) and depreciation (Rs. 11,87,270) was Rs. 5,78,741 as compared to Rs. 21,58,391 during the last year. The net profit, after



making prior year's adjustments (Rs. 53,540) was Rs 6,32,28 as against Rs. 2935,068 in the previous year. The net surplus for distribution during the year was Rs. 6,37,578 as against Rs. 29,55,297 during the previous year. The profitability of the Company has come down mainly on account of increase in salaries, wages and other employee welfare expenses during the year by about Rs 20 lakhs and shortfall in the throughput income by about Rs. 6 lakhs.

**FOREIGN TOURS**

The total number of foreign tours undertaken by the officials during the year 1979—80 was 77 and the total expenditure incurred on such tours was Rs. 13.33 lakhs.

**BOARD OF DIRECTIONS**

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

1. Shri S.R. Khosla
2. Shri S.R. Das
3. Shri S. Narayanaswamy

**PARTICULARS OF EMPLOYEES**

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

**ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation of the excellent work done by the members of the IOC family and are confident that with their devotion and loyalty, the Corporation will take further strides in bettering its services to the customers and contributing its share to the development of the national economy.

The Directors are also grateful to the very large number of customers for their valuable patronage and assure them that the Corporation will do its best in living up to their expectations and render service to their satisfaction.

The Directors gratefully acknowledge the guidance and support received from the Government of Indian and the Various State Governments.

For and on Behalf of the Board

**(C.R. DAS GUPTA)**

*Chairman*

New Delhi

*Dated: 1st September 1980*



# AUDITORS' REPORT TO THE SHAREHOLDERS

## INDEX

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1980, together with the Profit & Loss Account of the Corporation for the Year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditor's 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 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as appears from our examination of the books;
  - (c) The reports on the accounts of the Research & Development Centre, the Northern and Southern Regions of the Marketing Division and the Barauni Refinery as well and 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 letter No. 17/45/80—IGC dated 5th February, 1980 addressed to the Secretary, Indian Oil Corporation, Ltd., By the Government of India, Ministry of Law, Justice and Company Affairs, Department of Company Affairs (Company Law Board) New Delhi, copies of which were forwarded to us;
  - (e) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the note 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, 1980; and
    - (ii) in the case of Profit & Loss Account of the Profit of the Corporation for the year ended on that date.

S.B. GHOSH  
*Partner*

K.N. MEMANI  
*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, 20th August, 1980*



**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. However in a few units, the reconciliation of fixed assets verified is still in progress. To the best of our knowledge, no serious discrepancies have been noticed.
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 complete verification within three years. In our opinion, the frequency of verification reasonable. We have been informed that the discrepancies noticed on verification between the physical stocks and book records were not significant to the extent they were reconciled 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'. In our opinion, the valuation of the above stocks subject to 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 loans 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 a few cases where principal and interest have become overdue and reasonable steps have been taken for recovery.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure 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 an 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 as 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 materials. However, as on 31st March 1980, 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 form 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 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 the 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.
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.

S.B. GHOSH  
*Partner*

K.N. MEMANI  
*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, 20th August, 1980*



# STATEMENT OF ACCOUNTING POLICIES

## INDEX

## 1. FIXED ASSETS:

### 1.1 Land

Land acquired on lease of 999 years is treated as free-hold land. Cost of 'right-of-way' for laying pipelines is capitalised and crops compensation paid thereon is charged during construction period as indirect expense.

### 1.2 Capitalisation of expenses on Projects

In respect of major projects and substantial expansions, the direct expenses and direct financing costs, if any, incurred during construction period are capitalised. In additions, for new refineries/expansions and new pipeline, the allocable overheads are also capitalised.

### 1.3 Depreciation

No depreciation is charged on free-hold land. Cost of leasehold land is amortised during the lease period. Depreciation on LPG cylinders and pressure regulators is charged at 95% in the year of acquisition. Plant and machinery costing Rs. 750/- and below are charged to revenue. Depreciation on fixed assets is charged on straight line method at the rates based on the assessed life of the asset except in the last year when only 5% of the original cost of the asset is retained as residual value. Depreciation is charged for full year irrespective of date of installation/commissioning. No depreciation is charged on asset sold/disposed off during the year.

### 1.4 Exchange rate

Liability for long term foreign credit is provided on the basis of bank selling rates ruling on the day of capitalisation of assets acquired against such credits. Subsequent exchange fluctuation are charged to revenue in the year of payment.

## 2. CURRENT ASSETS AND PROVISIONS:

### 2.1 Valuation of Inventories

2.1.1 Process stock is valued at raw material cost.

2.1.2 The cost of stock in trade is determined as per Oil Pries Committee Report and Changes thereon advised by Government form time to time.

### 2.2 Claims and Provisions

2.2.1 Claims on Oil Co-ordination Committee/Government are booked on acceptance in principle thereof. Claims and provisions on Pool Accounts are booked on the bass of available instructions/clarifications subject to final adjustments as per separate audit. All other claims are booked on merits.

2.2.2 Outstanding liabilities for imported crude oil and products are provided at the exchange rate prevailing at the year end, except in case of payment made upto 20th April, where the liability is provided at actuals.

## 3. PROFIT & LOSS ACCOUNT:

### 3.1 Sales

Sales proceeds include excise duty, pool surcharges and other elements allowed by Government from time to time.

**3.2 Classification of expenditure/Income**

3.2.1 Income and expenditure upto Rs. 1 lakh in each case pertaining to prior years is charged to the current year;

3.2.2 Pre-paid expenses upto Rs. 10,000/- in each case are charged to revenue.

C.R. DAS GUPTA  
*Chairman*

S. KETHARAMAN  
*Managing Director*  
*(Marketing)*

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

D.B. PURI  
*Secretary*

*New Delhi, 20th August, 1980*



**BALANCE SHEET AS AT 31ST MARCH, 1980**

**INDEX**

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>FUNDS EMPLOYED:</b>				
1. Share capital	'A'	8,217.72		8,217.72
2. Reserves and Surplus	'B'	35,452.48		29,095.80
3. Total Shareholders' Funds			43,670.20	37,313.52
4. Loans:				.....
(a) Secured	'C'	21,089.43		595.15
(b) Unsecured	'D'	16,893.38		10,581.35
			37,982.81	11,176.50
5. Total Funds Employed			81,653.01	48,490.02
<b>APPLICATION OF FUNDS:</b>				
6. Fixed Assets:				
(a) Gross Block	'E'	53,509.37		49,736.52
(b) Less: Depreciation		26,228.99		21,051.22
		27,280.38		28,685.30
(c) Construction Work-in-Progress and Capital Goods in Stock	'F'	32,003.60		20,739.98
			59,283.98	49,425.28
7. Investments	'G'		46.07	46.27
8. Current Assets, Loans and Advances:				
A. Current Assets:				
(a) Interest accrued on Investments		2.30		2.00
(b) Inventories	'H'	52,104.31		27,200.48
(c) Book Debts	'I'	19,946.25		13,046.46
(d) Cash Balances:				
Cash including Imprest and Cheques in hand		1,743.64		1,788.43
(e) Bank Balances:				
(i) With Scheduled Banks:				
(a) On Current Account		43.40		29.42
(b) On Fixed Deposit Account		0.06		0.06
(c) on Call Deposit Account		5.00		15.00
(d) On Deposit Account Under the Companies (Surcharge on Income-tax) Scheme, 1976		257.54		257.54
C/F		74,102.50		42,339.39
Carried Forward			59,330.05	49,471.55



**BALANCE SHEET AS AT 31ST MARCH, 1980 Contd...**

**INDEX**

	Schedule	Rupees (in lakh)	Rupees (in lakh)	1979 Rupees (in Lakh)
Brought Forward			59,330.05	49,471.55
B/F		74,102.50		42,339.39
(ii) With post Office : On Savings Account		0.03		0.03
B. Loans and Advances	'J'	<u>35,262.43</u>		<u>12,052.19</u>
		1,09,364.96		54,391.61
9. Less: Current Liabilities and Provisions	'K'	<u>87,042.00</u>		<u>55,373.14</u>
10. Net Current Assets:				
(Working Capital)—(8) minus (9)			22,322.96	(981.53)
TOTAL			<u>81,653.01</u>	<u>48,490.02</u>
11. Contingent Liabilities not provided for (Refer Schedule 'P' Note 1)				
12. Notes forming part of Accounts	'P'			

C.R. DAS GUPTA  
*Chairman*

S. KETHARAMAN  
*Managing Director  
Marketing*

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

D.B. PURI  
*Secretary*

As per our report attached

S.B. GHOSH  
*Partner*

K.N. MEMANI  
*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, 20th August, 1980



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH, 1980**
**INDEX**

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in Lakhs)
<b>INCOME:</b>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	4,47,922.96		3,56,677.19
(ii) Less: Commission and Discounts	288.15		248.05
	<u>4,47,634.81</u>		<u>3,56,429.14</u>
2. Company's use of own oil	618.42		605.64
		4,48,253.23	<u>3,57,034.78</u>
3. Main Installation charges received from Other Marketing Companies		89.15	81.08
4. Increase in Stocks:			
Closing Stock as on 31st March, 1980			
Finished Products	31,619.63		16,327.65
Stock-in-Process	1,864.86		1,628.42
	<u>33,484.49</u>		<u>17,956.07</u>
Less: Opening stock as on 1st April, 1979:			
Finished Products	16,327.65		15,644.15
Adjustment in respect of Opening stock of Finished Products	41.48		—
Stock-in-Process	1,628.42		1,401.21
	<u>17,997.55</u>		<u>17,045.36</u>
		15,486.94	<u>910.71</u>
5. Interest:			
(i) On Advances	308.73		52.41
(ii) On Deposit under the Companies (Surcharge on Income-Tax) Scheme, 1976	15.45		15.45
(iii) On Short Term Deposits	19.83		58.71
(iv) From Customers on Outstandings	231.20		48.64
		575.21	<u>175.21</u>
6. Other Income (Schedule 'L')		548.11	548.50
7. Provision for Doubtful Debts. Advances and Claims written back		80.74	91.14
8. Recovery under an award		665.11	635.00
		<u>4,65,698.49</u>	<u>3,59,476.42</u>
<b>TOTAL INCOME</b>			
<b>EXPENDITURE:</b>			
1. Purchase of Products and Crude for resale and Transfers under Product Exchange		2,08,855.96	1,47,886.70
2. Manufacturing. Administration, Selling and other expenses		1,44,136.14	1,08,070.58
3. Duties		97,303.21	91,156.92
4. Depreciation and Amortisation		4,066.25	3,114.14
		<u>4,54,361.56</u>	<u>3,50,228.34</u>
	Carried Forward		



**PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 1980** Contd...

**INDEX**

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in Lakhs)
		4,54,361.56	3,50,228.34
5. Main Installation charges paid to Other Oil Companies		60.10	54.49
6. Interest:			
(i) On Government loan for fixed period	828.39		643.58
(ii) On loan from Oil Industry Development Board	400.81		77.68
(iii) On foreign credit for fixed period	15.82		22.93
(iv) Others	418.21		137.35
		<u>1,663.23</u>	<u>881.54</u>
		4,56,084.89	3,51,164.37
7. Less:			
(i) Amount transferred to construction period expenses pending allocation	1,455.13		1,058.39
(ii) Expenses transferred to manufacturing of drums	63.83		55.55
		<u>1,518.96</u>	<u>1,113.94</u>
		<u>4,54,565.93</u>	<u>3,50,050.43</u>
8. PROFIT FOR THE YEAR BEFORE TAX		11,132.56	9,425.99
9. Add. Income relating to previous years (net) (Schedule O)		1,635.24	559.18
10. PROFIT BEFORE TAX		<u>12,767.80</u>	<u>9,985.17</u>
11. Provision for taxation	5,925.00		3,065.00
Less: Excess provision for taxation in respect of previous years' completed assessments	500.00		—
		<u>5,425.00</u>	<u>3,065.00</u>
12. PROFIT AFTER TAX		7,342.80	6,920.17
13. Development Rebate Reserve Written back		1,940.00	—
14. Balance brought forward from last years' account		0.80	0.75
15. DISPOSABLE PROFIT		<u>9,283.60</u>	<u>6,920.92</u>
APPROPRIATIONS:			
16. Proposed dividends		986.12	986.12
17. Investment Allowance Reserve		350.00	2,400.00
18. Insurance Reserve Account		10.00	10.00
19. General Reserve		7,937.00	3,524.00
20. BALANCE CARRIED TO BALANCE SHEET		0.48	0.80
		<u>9,283.60</u>	<u>6,920.92</u>
21. Notes forming part of Accounts (Schedule 'P')			

C.R. DAS GUPTA  
*Chairman*

S. KETHARAMAN  
*Managing Director  
(Marketing)*

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

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As per our report attached

S.B. GHOSH  
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For LODHA & CO.  
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For and on behalf of  
PRICE WATERHOUSE & CO.  
*Chartered Accountants.*

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

RAJENDRA S.LODHA  
*Partner*

New Delhi, 20th August, 1980



**SCHEDULE 'A'—SHARE CAPITAL**

INDEX

	Rupess (in lakhs)	1979 Rupess (in lakhs)
<b>SHARE CAPITAL :</b>		
<b>Authorised:</b>		
15,00,000 Equity Shares of Rs. 1,000 each	15,000.00	15,000.00
<b>Issued and Subscribed :</b>		
8,21,772 Equity Shares of Rs. 1,000 each full paid (of the above 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964 and the Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order 1965, respectively, without payment having been received in case)	8,217.72	8,217.72
<b>TOTAL</b>	<b>8,217.72</b>	<b>8,217.72</b>

**SCHEDULE 'B'—RESERVES AND SURPLUS**

	Rupess (in lakhs)	Rupess (in lakhs)	1979 Rupees (In lakhs)
<b>RESERVE AND SURPLUS :</b>			
<b>General Reserve :</b>			
As per last account	20,635.00		17,111.00
Transferred from Profit and Loss Account	7,937.00		3,524.00
		28,572.00	20,635.00
<b>Insurance Reserve Account :</b>			
As per last Account	30.00		20.00
Transferred from Profit and Loss Account	10.00		10.00
		40.00	30.00
<b>Development Rebate Reserve :</b>			
As per last account	5,900.00		5,900.00
Less: Transferred to Profit and Loss Account	1,940.00		—
		3,960.00	5,900.00
<b>Investment Allowance Reserve :</b>			
As per last account	2,530.00		130.00
Transferred from Profit and Loss Account	350.00		2,400.00
		2,880.00	2,530.00
<b>Profit and Loss Account as per Annexed Account</b>		0.48	0.80
<b>TOTAL</b>	<b>35,452.48</b>		<b>29,095.80</b>



**SCHEDULE 'C'—SECURED LOANS**

## INDEX

	Rupess (in lakhs)	1979 Rupess (in lakhs)
<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.	20,758.66	435.80
(ii) Interest accrued and due on above	330.77	159.35
<b>TOTAL</b>	<b>21,089.43</b>	<b>595.15</b>

**SCHEDULE 'D'—UNSECURED LOANS**

	Rupess (in lakhs)	1979 Rupess (in lakhs)
<b>UNSECURED LOANS:</b>		
<b>Other Loans and Advances:</b>		
(i) From the government of India [(including Rs. 1,125.00 lakhs (1979: Rs 750.00 lakhs) due for payment within one year and Rs. 5.00 lakhs payable on demand (1979: Rs. 15.00 lakhs)]	7,767.50	8,527.50
(ii) Oil Industry Development Board (including Rs. 215.65 lakhs—1979: Rs. 107.88 lakhs due for payment within one year)	8,866.85	1,682.50
(iii) Foreign credits (including Rs. 124.96 lakhs— 1979: Rs. 126.90 lakhs due for payment within one year)	230.38	357.28
(iv) Deferred Payment (including Rs. 9.51 lakhs— 1979: Rs. 4.69 lakhs due for payment within one year)	28.65	14.07
<b>TOTAL</b>	<b>16,893.38</b>	<b>10,581.35</b>



**SCHEDULE 'E'—FIXED ASSETS**

INDEX

	Gross Block as at 31st March, 1979 at cost	Additions during the year at cost	Transfer from construction work-in-progress at cost	Transfers, dedu- ctions and reclassification at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND—Freehold	741.73	55.34	—	(—) 6.60
— Leasehold	66.32	155.86	—	(—) 2.07
— Right of way	34.38	7.00	—	—
BUILDINGS, ROADS, ETC.	3,858.55	29.80	471.74	(—) 7.88
PLANT AND MACHINERY	40,602.24	1,512.62	1,099.11	(—) 131.21
TRANSPORT EQUIPMENT	1,216.29	49.51	190.36	(—) 35.16
FURNITURE AND FIXTURES	635.38	61.65	27.05	(—) 5.13
RAILWAY SIDINGS	508.80	3.37	56.48	(—) 0.63
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM	2,063.95	0.46	240.50	
SUNDRY ASSETS	8.88	0.82	—	(—) 0.14
TOTAL	46,736.52	1,876.43	2,085.24	(—) 188.82
PREVIOUS YEAR	35,732.75	863.86	13,277.75	(—) 137.84



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

INDEX

Gross Block as at 1980 at cost	Depreciation and Amortisation charged this year*	Total Depreciation and Amortisation upto 31st march, 1980	NET BLOCK	
			31st March, As at 31st March, 1980	1979
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
790.47	—	—	790.47	741.73
220.11	5.25	9.17	210.94	62.44
41.38	—	—	41.38	34.38
4,352.21	122.95	1,089.13	3,263.08	2,891.92
43,082.76	4,843.58	22,814.05	20,268.71	22,569.51
1,421.00	134.62	771.55	649.45	547.53
718.95	50.25	450.92	268.03	230.48
568.02	24.18	194.94	373.08	338.04
2,304.91	95.38	891.33	1,413.58	1,268.00
9.56	0.34	7.90	1.66	1.27
53,509.37	5,276.55	26,228.99	27,280.38	28,685.30
49,736.52	3,118.23	21,051.22	28,685.30	

\*Includes Rs. 1,210.30 lakhs (1979: Rs. 4.09 lakhs) in respect of previous years.



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

INDEX

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<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)		20,307.96	12,834.33
2. Capital Stores (at Cost) including Rs. 3,044.71 lakhs lying with Contractors (1979: Rs. 2,253.21 lakhs)		7,768.24	5,640.77
3. Miscellaneous Capital Stores (at or under cost)		21.02	30.50
4. Capital Goods-in-transit (at cost)		973.84	632.24
5. Construction period expenses pending allocation:			
Balance as at 1st April, 1979	1,602.14		1,848.12
Add: Expenditure during the year:			
Establishment charges	189.66		143.02
Interest	858.55		523.41
Depreciation	119.13		46.53
Other	327.11		363.49
	<u>3,096.59</u>		<u>2,924.57</u>
Less: Recoveries	39.32		18.06
	<u>3,057.27</u>		<u>2,906.51</u>
Less: Allocated to assets/construction work-in-progress during the year	124.73		1,304.37
		<u>2,932.54</u>	<u>1,602.14</u>
<b>TOTAL</b>		<u><u>32,003.60</u></u>	<u><u>20,739.98</u></u>



**SCHEDULE 'G'— INVESTMENTS**

INDEX

		1979
	Rupees (in lakhs)	Rupees (in lakhs)
<b>INVESTMENTS at cost (Unquoted):</b>		
1. In Government Securities (including Rs. 3.61 lakhs—1979: Rs. 3.86 lakhs deposited with various bodies)		3.61
2. Other Investments:		3.86
(a) In International Co-operative Petroleum Association— 350 shares of \$ 100 each fully paid and part paid Common stock of \$ 72.31	2.12	2.12
(b) In Consumers' Co-operative Societies:		.....
(i) Barauni—250 Equity Shares of Rs. 10 each fully paid in cash—Rs. 2,500 (1979: Rs. 2500)		
(ii) Gauhati—250 Equity Shares of Rs. 10 each fully paid in cash—Rs. 2,500 (1979: Rs. 2500)		
(iii) Haldia—344 1979: 378) Equity Shares of Rs. 10 each full paid in cash Rs. 3,440 (1979: Rs. 37,80)		
(iv) Indian Oil Employees Consumers' Co-Operative Society Limited, Bombay— 170 Equity Shares of Rs. 10 each fully paid in cash—Rs. 1,700 (1979: Rs. 17,00)		
(v) Indian Oil Employees Co-operative Consumers' Stores Limited Madras—700 Equity Shares of Rs. 10 each full paid in cash—Rs. 7,000 (1979: Rs. 7,000)		
(vi) Indian Oil Employees Co-operative Consumers' Stores Limited Delhi—375 Equity Shares of Rs. 10 each fully paid in cash—Rs. 3,750 (1979:Rs. 3,750)	0.21	0.21
C/F	<u>2.33</u>	..... 2.33 .....
Carried Forward		<u>3.61</u> <u>3.86</u>



**SCHEDULE 'G'— INVESTMENTS** Contd...

INDEX

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
		3.61	3.86
	2.33		2.33
(c) In co-operative Housing Societies:			
(i) Casa Grande—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1979: Rs. 500)			
(ii) Seema Apartments—155 (1979: Rs. 75) Equity Shares of Rs. 50 each fully paid in cash—Rs. 7,750 (1979: Rs. 3,750)			
(iii) New Silver Home—5 Equity Shares of Rs. 50 each fully paid in cash— Rs 250 (1979: Rs. 250)			
(iv) The Ruby—5 Equity Shares of Rs. 50 each fully paid in cash Rs 500 (1979: Rs. 250)			
(v) Sant Sarupdas—10 Equity shares of Rs each fully paid in cash Rs 500 (1979: Rs. 500)			
(vi) The Cuffe Parade Ravi Kiran—15 Equity shares of Rs. 50 each full paid in cash—rs. 750 (1979: Rs. 750)			
(vii) Twin Towers Premises—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1979: Rs. 500)			
(viii) Nensey—5 Equity Share of Rs 50 each fully paid in cash—Rs. 250 (1979: Rs. 250)			
(ix) Bandra Amar Jiwan—10 Equity Shares of Rs. 50 each fully paid in cash—Rs. 500 (1979: Rs. 500)			
(x) Florida Apartment—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1979: Rs. 250)			
(xi) The Garden Colony No. 2—5 Equity Shares of Rs. 50 each fully paid in cash—Rs. 250 (1979: Rs. 250)			
(xii) Mount Unique—10 Equity Shares of Rs. 50 each fully paid in cash Rs. 500 (1979: Rs. Nil)			
(xiii) Rashmi—6 Equity Shares of rs. 50 each fully paid in cash—Rs. 300 (1979: Rs. Nil)			
(xiv) The Sagar Darshan—5 Equity Shares of Rs 50 each fully paid in cash—Rs. 250 (1979: Rs. 250)			
(xv) The Venus—5 Equity Shares of Rs 50 each fully paid in cash—Rs. 250 (1979: Rs. Nil)			
	0.13		0.08
		2.46	2.41
3. In a Subsidiary company:			
Indian oil Blending Limited—8000 Equity Shares of Rs 500 each fully paid in cash		40.00	40.00
TOTAL		46.07	46.27



**SCHEDULE 'H'—INVENTORIES**

INDEX

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>INVENTORIES:</b>			
1. Stores, Spares etc:			
(a) Stores and Spared parts (at or under cost)	2,945.87*		2,647.75*
(b) Stores in Transit (at Cost)	<u>621.16</u>		<u>267.07</u>
		3,567.03	<u>2,914.82</u>
2. Raw Materials (Including in-transit Rs 6,069.42 lakhs—1979: Rs. 1,315.31 lakhs) (at cost)		14,910.65**	6,183.35**
3. Stock-in-Trade:			
(a) Oil Stock (at cost+ or net realisable value whichever is lower) (including in transit at cost Rs. 13,463.92 lakhs—1979: Rs. 3,510.76 lakhs)	31,619.63***		16,327.65***
(b) Stock-in-process (at or under cost)	<u>1,864.86</u>		<u>1,628.42</u>
		33,484.49	<u>17,956.07</u>
4. Stock of empty Barrels and Tins (at Cost or net realisable value whichever is lower)		<u>142.14</u>	<u>146.24</u>
<b>TOTAL</b>		<u><u>52,104.31</u></u>	<u><u>27,200.48</u></u>
*Includes stock lying with contractors Rs. 216.82 lakhs (1979: Rs. 142.18 lakh).			
** Includes stock lying with Other Oil companies on loan Rs, 4,540.60 lakhs (1979: Rs. 4,981.00 lakh).			
*** Includes stock lying with Other Oil Companies on loan Rs. 1,512.63 lakhs (1979: Rs. 708.67lakhs) and stock lying with Aden Refineries Limited Rs 485.20 lakhs (1979: Rs. Nil)			
+ Cost as determined by Oil prices Committee and advised by Government from time to time.			

**SCHEDULE 'I' BOOK DEBTS**

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>BOOK DEBTS:</b>			
Over Six Months:			
(a) Secured Considered Good	83.53		44.47
(b) Unsecured Considered Good	1,584.61		1,511.40
(c) Unsecured Considered Doubtful	<u>198.70</u>		<u>187.73</u>
		1,866.84	<u>1,743.60</u>
Other Debts:			
(a) Secured Considered Good	21.13		53.31
(b) Unsecured Considered Good	18,256.98		11,437.28
(c) Unsecured Considered Doubtful	<u>5.28</u>		<u>4.90</u>
		18,283.39	11,495.49
		<u>20,150.23</u>	<u>13,239.09</u>
		203.98	192.63
Less: Provision for Doubtful Debts			
<b>TOTAL</b>		<u><u>19,946.25</u></u>	<u><u>13,046.46</u></u>
1. Debts due form directors Rs. Nil (1979: Rs. 195) (Maximum Rs. 195—1979: Rs. 195)			
2. Debts due from other Officers Rs. 77 (1979: Rs. 848) (Maximum Rs. 2401—1979: Rs.1,129)			



**SCHEDULE 'J'—LOANS AND ADVANCES**

INDEX

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>LOANS AND ADVANCES:</b>			
<b>1. Advances recoverable in cash or in kind or for value to be received:</b>			
(a) Secured Considered Good*	3,747.76		1,068.17
(b) Unsecured Considered Good*	27,007.48		7,509.73
(c) Unsecured Considered Doubtful	21.14		17.88
	<u>30,776.38</u>		<u>8,595.78</u>
(d) Less: Provision for Doubtful Advances	21.14		17.88
		<u>30,755.24</u>	<u>8,577.90</u>
<b>2. Claims Recoverable:</b>			
(a) Unsecured Considered Good*	3,223.11		2,146.85
(b) Unsecured Considered Doubtful	362.08		284.20
	<u>3,585.19</u>		<u>2,431.05</u>
(c) Less: Provision for Doubtful claims	362.08		284.20
		<u>3,223.11</u>	<u>2,146.85</u>
<b>3. Materials on Loan:</b>			
(a) Unsecured Considered Good	18.53		3.53
(b) Unsecured Considered Doubtful	43.80		10.80
		<u>62.33</u>	<u>14.33</u>
<b>4. Balance with Customs, Port Trust and Excise Authorities—Unsecured considered Good</b>		796.19	840.78
<b>5. Sundry Deposits (including amount adjustable on receipt of final bills):</b>			
(a) Secured Considered Good	117.76		243.94
(b) Unsecured Considered Good	247.80		228.39
(c) Unsecured Considered Doubtful	0.10		—
	<u>425.66</u>		<u>472.32</u>
(d) Less: Provision for Doubtful Sundry Deposits	0.10		—
		<u>425.56</u>	<u>472.33</u>
<b>TOTAL</b>		<u><u>35,262.43</u></u>	<u><u>12,052.19</u></u>

\* Includes:

- Rs. Nil (1979: Rs. 4) due from Directors (Maximum Rs 54—1979: Rs: 34)
- Rs 5.84 lakhs (1979: Rs. 6.09 lakhs) due for other Officers (Maximum Rs. 9.48 lakhs—1979; Rs 6.96 lakhs)



## SCHEDULE 'K'—CURRENT LIABILITIES AND PROVISIONS

INDEX

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>CURRENT LIABILITIES:</b>				
1. Acceptances		—		455.20
2. Sundry Creditors		73,227.65		46,103.69
3. Due to Indian Oil Blending Limited (a Subsidiary Company)		18.25		20.18
4. Security Deposits	8,872.94			3,445.69
Less: Investments and Deposits with Banks lodged by outside parties	25.13			22.29
		8,847.81		3,423.40
5. Interest accrued but not due on loans		88.43		94.10
			82,182.14	50,096.57
<b>PROVISIONS:</b>				
6. Provision for taxation	22,363.24			23,665.00
Less: Advance Payments	19,805.73			20,444.71
		2,557.51		3,220.29
7. Provision for Gratuity		1,253.34		1,007.27
8. Provision for Renewal of Catalyst		62.89		62.89
9. Proposed Dividends		986.12		986.12
			4,859.86	5,276.57
<b>TOTAL</b>			<b>87,042.00</b>	<b>55,373.14</b>

## SCHEDULE 'L'—OTHER INCOME

	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>OTHER INCOME:</b>		
1. Sale of Power and Water	125.58	176.03
2. Profit on sale and disposal of Assets	27.89	33.64
3. Interest from Government Securities	0.44	0.28
4. Dividends received from: A subsidiary—Gross (tax deducted at source Rs. 0.96 lakhs— 1979: Rs. 0.92 lakhs)	4.00	4.00
5. Royalty	3.23	3.50
6. Miscellaneous Income	386.97	331.05
<b>TOTAL</b>	<b>548.11</b>	<b>548.50</b>



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

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>Manufacturing, Administration, Selling and Other Expenses</b>			
1. Raw Materials consumed			
Opening Balance as on 1st April, 1979	6,183.35		3,235.11
Less: Adjustments to Opening Stock	30.35		—
	<u>6,153.00</u>		<u>3,235.11</u>
Add: Purchases	1,28,888.66		90,150.83
	<u>1,35,041.66</u>		<u>93,385.94</u>
Less: Closing Stock	14,910.65		6,183.35
		<u>1,20,131.01</u>	<u>87,202.59</u>
2. Consumption:			
i) Stores and Spares (including Consumables)	996.77		865.37
ii) Packages	3,378.53		2,643.24
		<u>4,375.30</u>	<u>3,508.61</u>
3. Power and Fuel	4,973.75		4,059.26
Less: Fuel of own production	4,796.57		3,950.04
		177.18	109.22
4. Processing fees, Blending fees, Royalty and other charges		230.86	220.34
5. Provision for renewal of Catalyst		—	3.54
6. Repairs and Maintenance:			
a) Plant and Machinery	1,046.31		1,004.86
b) Buildings	143.77		153.96
c) Other	236.09		187.12
		<u>1,426.17</u>	<u>1,345.94</u>
7. Freight and Transportation Charges (net of recoveries from Pool Accounts)		10,988.16	9,696.56
8. Payment to and Provision for Employees			
a) Salaries, Wages and Bonus	3,577.23		2,951.66
b) Contribution to Provident and other Funds	205.52		190.54
c) Staff Welfare Expenses	320.57		270.65
d) Gratuity and Ex-Gratia	263.79		134.89
		<u>4,367.11</u>	<u>3,547.74</u>
9. Office Administration, Selling and Other expenses (Schedule 'N')		2,440.35	2,436.04
<b>TOTAL</b>		<u><u>1,44,136.14</u></u>	<u><u>1,08,070.58</u></u>



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

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>Office Administration, Selling and Other Expenses</b>			
1. Rent		286.79	247.08
2. Insurance		176.35	145.96
3. Rates and Taxes		171.07	162.19
4. Donations Fees		9.30	21.55
5. Director's Fees		0.01	0.02
6. Payments to Auditors:			
(a) Audit Fees	3.00		3.00
(b) Taxation Matters	—		0.01
(c) Other Services (for issuing certificates etc.)	0.61		0.30
(d) Out of Pocket Expenses	1.18		0.98
		4.79	4.29
7. Other Expenses		1,451.42*	1,470.90*
8. Bad Debts, Advances and Insurance Claims written off		13.90	22.82
9. Loss on Assets Sold, Lost or written off		17.15	10.55
10. Technical Assistance by Engineers India Limited		52.33	109.56
11. Exchange Fluctuations (Net)		8.62	4.38
12. Provision for Doubtful Debts, Advances and Claims		173.33	173.67
13. Central Industrial Security Force Expenses		70.01	59.31
14. Pollution Control Expenses		5.28	3.76
TOTAL		<u>2,440.35</u>	<u>2,436.04</u>

\* Includes Bank charges Rs. 62.06 lakhs (1979: Rs. 292.21 lakhs) and Rs. 34.95 lakhs (1979: Rs. 40.27 lakhs) towards payment to Government of Gujarat in respect of schemes for release of water from Panam Dam.

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

	Rupees (in lakhs)	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>Income</b>			
1. (i) Sale of Products and Crude and Transfers under Product Exchange	2,579.81		254.30
(ii) Less: Commission and Discounts	1.89		(6.34)
	<u>2,577.92</u>		<u>260.64</u>
2. Company's use of own oil	11.49		(151.26)
		2,589.41	<u>109.38</u>
3. Adjustment in respect of Opening Stock of Finished Products		41.48	—
4. Main installation charges received from other Marketing Companies		9.51	(26.48)
5. Invest:			
On Advances		2.92	—
6. Sale of Power and Water		—	(7.50)
7. Profit on sale and disposal of Assets		—	2.38
8. Exchange Fluctuation (Net)		—	2.75
9. Miscellaneous Income		34.47	4.54
TOTAL INCOME		<u>2,677.79</u>	<u>85.07</u>



**SCHEDULE 'O' – EXPENSES / INCOME PERTAINING TO PREVIOUS YEARS** *Contd...*

**INDEX**

<b>Expenses</b>	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1979 Rupees (in lakhs)</u>
1. Purchase of Products and Crude for resale and Transfers under products Exchange		12.64	(339.26)
2. Raw Materials Consumed			
i) Adjustment in respect of opening Stock	30.35		—
ii) Purchases	<u>97.93</u>		<u>43.20</u>
		128.28	<u>43.20</u>
3. Consumption:			.....
i) Stores and Spares (including Consumable)	(4.27)		24.75
ii) Packages	<u>(10.10)</u>		<u>(4.56)</u>
		(14.37)	<u>20.19</u>
4. Repairs and Maintenance:			.....
i) Plant and Machinery	0.40		4.39
ii) Other	<u>4.53</u>		—
		4.93	<u>4.39</u>
5. Freight and Transportation Charges (net or recoveries from Pool Account)		(16.21)	(159.90)
6. Payment to and Provision for Employees:			
i) Salaries, Wages and Bonus	317.54		61.57
ii) Contribution to Provident and Other Funds	12.69		7.61
iii) Gratuity and Ex-Gratia	<u>—</u>		<u>0.38</u>
		330.23	<u>69.56</u>
7. Rent		10.33	<u>13.71</u>
8. Insurance		(3.95)	—
9. Rates and Taxes		(4.77)	10.85
10. Main Installation charges paid to other Marketing companies		(3.26)	(11.61)
11. Other Expenses		(274.11)	(116.33)
12. Loss on Assets sold, lost or written off		2.36	—
13. Pollution Control Expenses		1.55	—
14. Duties		(30.65)	(18.58)
15. Depreciation and Amortisation		1,210.30	4.09
16. Interest			
i) On deferred payment	7.27		—
ii) Others	<u>(318.02)</u>		<u>5.58</u>
		(310.75)	<u>5.58</u>
<b>TOTAL EXPENSES</b>		<u>1,042.55</u>	<u>(474.11)</u>
<b>NET INCOME / EXPENSES</b>		<u>1,635.24</u>	<u>559.18</u>



**SCHEDULE 'P' NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1980**

**INDEX**

**1. Contingent Liabilities not provided for:**

- (a) Claims against the Corporation not acknowledged as debts Rs. 4,251.48 lakhs (1979: Rs. 3,292.55 lakhs). These include:
- i) Rs. 1,052.04 lakhs (1979: Rs. 1,094.58 lakhs) being the demand made by the Central Excise.
  - ii) Rs. 1,874.99 lakhs (1979: Rs. 622.40 lakhs) in respect of Sales Tax.
  - iii) Rs. 483.46 lakhs (1979: Rs. 420.20 Lakhs) for which suits have been filed in the courts or cases are lying with arbitrators.
  - (iv) Rs. 204.07 lakhs (1979 : 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) Undertakings to indemnify banks and others for its providing guarantees aggregating to Rs. 10,585.49 lakhs (1979: Rs. 10,557.71 lakhs)
- c) Bills discounted with Banks Rs. 32.89 lakhs (1979: Rs. 108.74 lakhs).
- d) 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. 11,647.71 lakhs (1979: Rs. 12,374.60 lakhs).
3. (a) Title Deeds for Land and Residential Apartments of the book value of Rs. 272.50 lakhs (1979: Rs. 225.73 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 in respect of land acquired for Mathura Refinery Project.
  - ii) Compensation payable to the land owners for land acquired at Jullundhur.
4. Included amongst stores are some items which are surplus/slow moving and no provision has been mad 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. 4.46 lakhs (1979: Rs. 5.59 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 (1979: 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 (1979: Rs. 3053 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. 662.94 lakhs (1979: Rs. 733.28 lakhs) due from Bihar State Electricity Board pertaining to the period prior to June, 1977 and Rs. 177.35 lakhs (1979: Rs. 173.11 lakhs) due from Gujarat Electricity Board mostly since 1973. Although disputed by the parties, these debts are considered good by the Management.
9. Sundry Deposits include an amount of Rs. 50.59 lakhs (1979: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 Courts' decision, the amount is considered good and recoverable.
10. No credit has been taken for the following inter-alia
- i) Under an award given for the price of RFO/LSHS supplied to a State Electricity Board, the Corporation has received 13 installments (1979: 9 installments) totalling Rs. 20.52 crores (1979: Rs. 13.86 crores) which accrued, became due and receivable upto this year. The credit for the balance amount of Rs. 52.76 crores (1979: 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. 355.57 lakhs (1979: Rs. 1,950.13 lakhs) of which Rs. 1,766.74 lakhs finally adjusted to Pool Accounts during the current year) pending decision of OCC/Government of India to whom the matter is under reference.
11. Pending finalisation with Government of India a sum of Rs.130.09 lakhs being compensation for Maiden Voyage Rs. 101.09 lakhs being compensation for Maiden voyage Rs. 101.67 lakhs outstanding since 1971 and loss on utilisation of Indian Flag Vessels Rs. 28.42 lakhs outstanding since 1975 (used for carrying Crude oil/oil products) has been included as claims recoverable and is considered good by Management.
12. Adjustments for certain inter company oil transactions have been carried out on provisional basis, pending finalisation of detailed terms and conditions.
13. 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.
14. Consequent to the change in the of depreciation in respect of assets coming into contact with corrosive chemicals there is a reduction in the profit for the year by Rs. 239.22 lakhs and the income for prior years by Rs. 1,199.03 lakhs.
15. Remuneration paid or payable to full time Directors was. Rs. 276,792 (1979:Rs. 1,83,609). 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 payment of Rs. 1,200 per annum to be recovered in installments of Rs. 1,200 per annum to be recovered in installments of Rs. 100 per mensem. Managing Director (Marketing Division) has been allotted (Marketing Division) has been allotted a Company owned flat on recovery of rent at 10 per cent of his basic pay.
16. The Profit and Loss Account includes:
- (a) Expenditure on Public Relations and Publicity amounting to Rs. 42.75 lakhs 1979: Rs. 22.95 lakhs) which is inclusive of Rs. 13.22 lakhs (1979: Rs. 11.69 lakhs) on account of staff and establishment Rs. 075. lakhs (1979: Rs. Nil), payment to consultants and Rs. 28.78 lakhs (1979: Rs. 11.26 lakhs) to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00009: 1 (1979:0.00006:1)
  - b) Entertainment expenses Rs. 2.79 lakhs (1979: Rs. 3.83 lakhs).
17. Schedules A to X to the Balance Sheet and Profit and Loss Account form part of these Accounts.
18. Figures in brackets indicate deductions.
19. Previous year's comparative figures have been regrouped to the extent practicable, Wherever necessary.

C.R. Das Gupta  
Chairman

S. Ketharaman  
Managing Director  
(Marketing)

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

D.B. Puri  
Secretary



**SCHEDULE 'Q'—LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION**
**INDEX**

	Petroleum Products		Lubricating Oils	
	1980 MTs (in lakhs)	1979 MTs (in lakhs)	1980 MTs (in lakhs)	1979 MTs (in lakhs)
1. Licensed Capacity (including Mathura Refinery Project under Construction MTs 60,00 Lakhs)	182.50	182.50	1.70	1.70
2. Installed Capacity*	122.50	122.50	1.40 **	1.40 **
3. Actual Production	115.65	102.70	1.02	0.86
	0.27 @	0.26 @		
4. Product Processed/Manufactured by others	4.02	—	0.94	0.75
		1.43 @ @		1.69 @ @

\* As certified by the Management and accepted by the auditors without verification  
\*\* per year operating in two shifts.  
\*\*\* Per year operating single shift  
@ Cubic metres  
@@ In kilo Litres

**SCHEDULE 'R'—FINISHED PRODUCTS — QUANTITY AND VALUE PARTICULARS - TURNOVER**

	OPENING STOCK		
	Quantity MTs (in lakhs)	KLs (in lakhs)	Value Rupees (in lakhs)
<b>Formula Products</b>			
Year ended 31st March, 1980	5.95	7.65	13,361.66
Year ended 31s March, 1979	3.71	10.62	12,427.83
<b>Lubricants &amp; Greases</b>			
Year ended 31st March, 1980	0.03	0.36	2,441.17
Year ended 31st March, 1979	0.02	0.35	2,180.95
<b>Other Petroleum Products</b>			
Year ended 31st March, 1980	0.85	0.03	524.82
Year ended 31st March, 1979	1.50	0.06	1,030.66
<b>Crude Oil</b>			
Year ended 31st March, 1980	—	—	—
Year ended 31st March, 1979	—	—	—
<b>Base oil and Additives</b>			
Year ended 31st March, 1980	—	—	—
Year ended 31st March, 1979	0.01	—	4.71
<b>TOTAL</b>			
Year ended 31st March, 1980	6.83	8.04	16,327.65
Year ended 31st March, 1979	5.24	11.03	15,644.15



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

		<b>Asphalt Drums</b>		<b>Lube Oil Drums</b>	
1980 Nos. (in lakhs)		1979 Nos. (in lakhs)		1980 Nos. (in lakhs)	1979 Nos. (in lakhs)
10.00		10.00		5.00	5.00
10.00 *		10.00 **		5.00***	5.00 ***
7.21		6.66		3.16	3.08
11.61		7.24		—	0.01

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

PURCHASES INCLUDING DUTIES			SALES			CLOSING STOCK		
QUANTITY		VALUE	QUANTITY		VALUE	QUANTITY		VALUE
MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs. (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
15.96	137.53	2,08,710.21	26.79	233.17	3,28,801.47	9.83	9.36	28,223.83
12.97	132.54	1,71,970.14	22.91	215.77	2,69,401.26	5.95	7.65	13,361.66
0.02	0.17	959.47	0.27	3.12	23,913.39	0.03	0.41	2,922.50
0.07	0.07	993.67	0.22	2.95	21,013.50	0.03	0.36	2,441.17
0.59	1.11	1,721.88	14.90	5.59	20,588.25	0.57	0.02	473.30
0.88	0.05	676.94	16.54	5.57	17,901.57	0.85	0.03	524.82
			0.02*					
57.04	—	72,655.33	57.04	—	72,655.33	—	—	—
57.48	—	46,641.49	57.48	—	46,641.79	—	—	—
0.39	0.31	1,933.20	0.39	0.31	1,964.52	—	—	—
0.36	0.41	1,677.49	0.36	0.41	1,719.07	—	—	—
74.00	139.12	2,85,980.09	99.39	242.19	4,47,922.96	10.43	9.79	31,619.63
71.76	133.07	2,21,959.73	97.51	224.70	3,56,677.19	6.83	8.04	16,327.65
			0.02*					

\* Cubic Metres

- Purchase and sales exclude value adjustments shown under items pertaining to the previous years.
- 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**
**INDEX**

	QUANTITY		VALUE	QUANTITY		1979
	MTs	KLs	Rupees	MTs	KLs	VALUE
	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)	(in lakhs)	Rupees (in lakhs)
Crude Oil	125.39	—	1,04,541.63	109.50	—	72,899.81
Base Oils	1.73	—	13,426.45	1.57	—	12,528.80
Additives	0.04	0.06	2,162.93	0.04	0.06	1,773.98
Steel Coils and Sheets*	0.27	—	1,238.77	0.22	—	793.94
<b>TOTAL</b>	<b>127.43</b>	<b>0.06</b>	<b>1,21,369.78</b>	<b>111.33</b>	<b>0.06</b>	<b>87,996.53</b>

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

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

		Rupees (in lakhs)	1979 Rupees (in lakhs)
1. Employees employed throughout the year and in receipt of total remuneration not less than Rs. 36,000 per annum:			
Number	181	94	
(a) Salaries, Wages and Bonus	66.48		35.26
(b) Contribution to Provident Fund/Family Pension Fund	5.28		2.44
(c) Total (a) + (b)	71.76		37.70
2. Employees employed for part of the year and in receipt of remuneration not less than Rs. 3,000 per month			
Number	54	35	
(a) Salaries, Wages, Bonus and Gratuity paid	11.28		6.79
(b) Contribution to Provident Fund/Family Pension Fund	0.49		0.38
(c) Total (a) + (b)	11.77		7.17

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**
**INDEX**

	Rupees (in lakhs)	1979 Rupees (in lakhs)
1. Royalty (excluding income tax) and Technical Services fees	3.68	24.65
2. Technical know-how fees	—	13.19
3. Professional consultation fees including Legal expenses	5.59	8.89
4. Processing Fees	143.02	—
5. Interest	15.82	22.93
6. Others	69.97	619.34
TOTAL	<u>238.08</u>	<u>689.00</u>

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

	Rupees (in lakhs)	1979 Rupees (in lakhs)
1. Export of Goods calculated on FOB Basis		
(a) Export of Petroleum Products	20,469.22 *	5,148.25 *
(b) Capital goods issued to Nepal Oil Corporation Limited	—	3.35
TOTAL	<u>20,469.22</u>	<u>5,151.60</u>

- \*includes:
- (i) Rs. 4,823.14 lakhs (1979: Rs. 4,045.93 lakhs) received in Indian Currency out of repatriable funds of foreign customers and other export sales through canalising agencies.
  - (ii) Export of Reformate — Rs. 296.05 lakhs the value of which has been received by way of exchange of SKO.



**SCHEDULE 'W'— CIF VALUE OF IMPORTED CRUDE OIL/  
BASE OILS ADDITIVES/STEEL COILS AND SHEETS/  
SPARE PARTS AND COMPONENTS**

Particulars	Rupees (in lakhs)	1979 Rupees (in lakhs)
Crude Oil	81,914.86	30,570.42
Base Oils	1,028.69	584.73
Additives	147.17	155.77
Capital Stores	959.99	727.16
Revenue Stores, Components and Spare Parts and Chemicals	283.33	219.17
<b>TOTAL</b>	<b>84,334.04</b>	<b>32,257.25</b>

Note: 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**

Particulars	IMPORTED		INDIGENOUS		1979		INDIGENOUS	
	Value Rupees (in lakhs)	% to total consumption						
1. Crude Oil	49,894.90	48	54,646.73	52	26,215.22	36	46,684.59	64
2. Base Oil and Additives	1,420.87	9	14,168.51	91	1,538.98	11	12,763.80	89
3. Steel Coils and Sheets*, Components and Spare Parts	1,014.67	37	1,733.24	63	876.58	40	1,338.27	60
<b>TOTAL</b>	<b>52,330.44</b>		<b>70,548.48</b>		<b>28,630.78</b>		<b>60,786.66</b>	

Note: Consumption of Steel Coils and Sheets imported through canalising Agency has been considered as imported.

\* Shown under packages in the Profit and Loss Account.



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

	No. of Shares (in lakhs)	Paid up Value (in lakhs)
1. Shares in the Subsidiary Company were registered in the name of the Company and their nominees as indicated :		
<b>As at 31st March, 1980 :</b>		
Indian Oil Blending Limited	0.08	40.00
	For the Financial Year ended 31st March, 1980	Previous Financial Year cumulative Total
	Rupees (in lakhs)	Rupees (in lakhs)
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 :		
Indian Oil Blending Limited	6.32	104.26
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 :		
Indian Oil Blending Limited	4.00	15.11

C.R. DAS GUPTA  
Chairman

S. KETHARAMAN  
Managing Director  
(Marketing)

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

D.B. PURI  
Secretary



**SCHEDULE OF FIXED ASSETS (TOWNSHIP)**
**INDEX**

	Gross Block as at 31st March, 1979 at cost	Additions during the year at cost	Transfers from construction work in-progress at cost	Transfers, deductions and Reclassification at cost
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
1. Land — Freehold	108.89	0.65	—	(-) 0.65
— Leasehold	8.06	3.57	—	—
2. Building, Roads etc.	1,344.00	4.15	102.63	(-) 1.39
3. Plant and Machinery	59.87	—	0.24	—
4. Drainage Sewage & Water Supplies	152.18	1.31	7.09	—
5. Equipment and Appliances	28.39	1.20	—	(-) 0.22
6. Furniture and Fixtures	10.88	2.32	—	(-) 0.02
7. Vehicles	45.28	7.77	—	(-) 2.13
8. Sundry Assets	0.58	—	—	—
TOTAL	1,758.13	20.97	109.96	(-) 4.41
PREVIOUS YEAR	1,611.81	13.92	136.41	(-) 4.01



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

**INDEX**

Gross Block as at 31st March, 1980 at cost	Depreciation and Amortisation provided during the year	Total Depreciation and Amortisation upto 31st March, 1980	Net Depreciated Block	
			As at 31st March, 1980	1979
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
108.89	0.09	0.09	108.80	108.89
11.63	0.08	1.27	10.36	6.86
1,449.39	32.47	303.51	1,145.88	1,073.87
60.11	3.01	30.35	29.76	32.86
160.58	6.44	67.86	92.72	91.64
29.37	1.63	22.68	6.69	7.22
13.18	1.15	7.60	5.58	3.74
50.92	5.93	24.14	26.78	25.14
0.58	0.03	0.50	0.08	0.11
1,884.65	50.83	458.00	1,426.65	1,350.33
1,758.13	46.57	407.80	1,350.33	



**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1980 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES**

	Rupees (in lakhs)	1979 Rupees (in lakhs)
<b>Income</b>		
1. Recovery of House Rent	40.82	32.03
2. Recovery of Utilities: Power & Water	10.12	9.86
3. Recovery of Transport charges	2.54	2.39
4. Other Recoveries	5.87	4.60
5. Excess of Expenditure over Income	611.41	532.90
TOTAL	<u>670.76</u>	<u>581.78</u>
<b>Expenditure</b>		
1. Salaries, Wages and PF Contribution	177.19	154.53
2. Consumable Stores and Medicines	56.25	58.81
3. Subsidies for Social and Cultural Activities	32.80	22.69
4. Repairs & Maintenance	87.60	81.94
5. Interest	90.43	78.28
6. Depreciation	50.83	46.57
7. Miscellaneous Expenses Taxes, Licence Fees, Insurance etc.	44.93	40.63
8. Utilities : Power and Gas	129.36	97.10
9. Land Rent	0.36	0.23
10. Welfare (School)	0.42	0.42
11. Bus Hire Charges	0.47	0.50
12. Club and Recreation	0.12	0.08
TOTAL	<u>670.76</u>	<u>581.78</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,  
1980 AND REPLIES OF THE BOARD OF DIRECTORS.**

**INDEX**

SL. COMMENTS OF THE COMPTROLLER AND NO. REPLIES OF THE BOARD OF DIRECTORS AUDITOR-GENERAL OF INDIA	REPLIES OF THE BOARD OF DIRECTORS AUDI- TOR-GENERAL OF INDIA
--	---

**Balance Sheet**

**1. Fixed Assets**

- (a) Gross Block : Rs. 53,509.37 lakhs  
Schedule 'E'  
Land — Leasehold — Rs. 220.11 lakhs  
This includes Rs. 28.46 lakhs being Neces-  
sary the value of free hold land.

Necessary adjustments will be carried out in 1980-81  
Accounts

**2. Current Assets**

- (b) Inventories— Rs. 52,104.31 lakhs  
Schedule 'H'  
**Stock in Trade: (a) Oil Stock Rs. 31,619.63 lakhs**  
This includes value of 138.7 kilolitres of off-  
specification AV Gas of 115/145 octane val-  
ued at AV Gas price instead of MS 83 octane  
resulting in over-statement b Rs. 3.27 lakhs

Noted

**3. 8-B Loans and Advances Rs. 35,262.43 lakhs  
Schedule 'J'**

1. Advances recoverable in cash or in kind or  
for value to be received:

**(b) Unsecured considered good  
Rs.27,007.48 lakhs**

- i) Includes Rs. 242.83 lakhs towards  
transportation (1974-75) of crude  
from Haldia to Barauni, which has not  
been approved by Government yet.
- ii) Also includes Rs. 13.37 lakhs to-  
wards variations, in Bitumen drum  
cost relating to the year 1978-79  
which are subject to review contem-  
plated in Government instructions of  
March, 1979.
- iii) This is overstated by Rs. 3.46 crores  
being the extra retention margins on  
sales relating to the year 1978-79. In  
this connection a reference is also in-  
vited to comment No. 5 (ii) on the  
accounts of the Company for the year  
1978-79.

The Claim is being actively pursued with the Govern-  
ment and is considered good

The claim is in accordance with the Government in-  
structions.

Government instructions on the retention margins re-  
ceived with the various letters issued by the Govern-  
ment on the question of Sales Plan make it clear that  
there is not need to surrender to the Pool Account  
part of the retention margin accruing to the Corpora-  
tion during 1978-79.



**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,  
1980 AND REPLIES OF THE BOARD OF DIRECTORS. Contd...**

**2. Claims Recoverable**

**(a) Unsecured Considered Good — Rs. 3,223.11 lakhs**

This includes claims aggregating to Rs. 52.71 lakhs which have either been withdrawn/rejected or are as, appear from records, doubtful of recovery.

Out of Rs. 52.71 lakhs, claims amounting to Rs. 5.46 lakhs will be adjusted during 1980-81. The remaining claims including the claim for Rs. 28.42 lakhs for dead-freighting of tankers being pursued with the Government, are considered good.

**PROFIT AND LOSS ACCOUNT  
INCOME**

**(i) 4. Increase in Stocks**

**Finished Products — Rs. 31,619.63 lakhs**

Includes Rs. 25.75 lakhs being value of 17976 MT of raw petroleum coke, assumed as closing stock as on 31.3.80 without any physical verification during or at the end of 1979-80.

The closing stock of Raw Petroleum Coke has been arrived at on the basis of actual despatches of Coke and assessment of stocks in hand on the date of preparation of accounts of the refinery.

**(ii) 9 Add: Income relating to previous Years (net)  
Rs. 1,635.24 lakhs)**

(a) This does not include Rs. 45.28 lakhs pertaining to exchange variations in respect of crude purchases and supplied to other marketing companies in the previous years but accounted under "Purchases" and "Sales" in the current year.

Noted

**(b) Schedule (O) — Expenses/Income  
Pertaining to Previous Years  
Income**

**3. Adjustment in respect of Opening Stock of  
Finished Products — Rs. 41.48 lakhs.**

This adjustment is in respect of Raw Petroleum Coke only. It is not based on any physical verification conducted during or at the end of the year 1979-80. Moreover, the revised quantity of stock adopted is not even based on actual recorded production, but is based on derived quantities of production, the accuracy of which is not susceptible of verification.

The adjustments carried out in respect of opening stocks of Raw Petroleum Coke is based on the quantity determined on the basis of actual despatches as well as on reassessment of the stock in hand on the date of preparation of the accounts and hence are considered realistic.

**4. Schedule 'T'— Details of employees drawing  
not less than Rs. 36,000 per annum or Rs.  
3,000 per months.**

This does not include two employees (Salaries & Wages: Rs. 75,120,49 and contribution to Provident Fund/Family Pension Fund : Rs. 5,318.00) relating to one unit.

Noted

(K.N. MURTHI)  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT  
(PETROLEUM & OIL)  
MADRAS

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

Bombay, Dated 29th September, 1980

MADRAS, DATED 22ND SEPTEMBER, 1980



**ANNEXURE TO THE DIRECTOR'S REPORT DATED 1ST SEPTEMBER, 1980**

**INDEX**

**Review of the Accounts of Indian Oil Corporation Limited for the year Ended 31st March, 1980 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>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
<b>Liabilities :</b>			
(a) Paid-up Capital	8,217.72	8,217.72	8,217.72
(b) Reserves and Surplus	23,161.75	29,095.80	35,452.48
(c) Borrowings			
(i) From the Government of India	6,220.00	8,527.50	7,767.50
(ii) Oil Industry Development Board	813.00	1,682.50	8,866.85
(iii) Foreign Credits	486.12	357.28	230.38
(iv) From Bank-Cash Credit	—	440.07	20,758.66
(v) Deferred Payment	10.06	14.07	28.65
(d) Trade dues and other liabilities (including provisions)	45,613.79	55,532.49	87,372.77
TOTAL	<u>84,522.44</u>	<u>1,03,867.43</u>	<u>1,68,695.01</u>
<b>Assets</b>			
(e) Gross Block	35,732.75	49,736.52	53,509.37
(f) Less: Depreciation	18,039.76	21,051.22	26,228.99
(g) Net fixed assets	17,692.99	28,685.30	27,280.38
(h) Capital work-in-progress (including un-allocated expenses)	15,985.53	14,435.85	23,240.50
(i) Other assets (mainly machinery and equipments in transit and stores)	6,820.16	6,303.50	8,763.10
(j) Current assets, loans and advances	43,977.22	54,396.51	1,09,364.96
(k) Investments	46.54	46.27	46.07
TOTAL	<u>84,522.44</u>	<u>1,03,867.43</u>	<u>1,68,695.01</u>
Capital employed	16,949.39	28,556.59	50,525.91
Net worth	31,379.47	37,313.52	43,670.20

- Note
1. Capital employed represents net fixed assets plus working capital
  2. Net worth represents paid-up capital plus reserves and surplus less intangible assets



**ANNEXURE TO THE DIRECTOR'S REPORT DATED 1ST SEPTEMBER, 1980 Contd...**

**INDEX**

**2. Capital Structure**

**Debt equity ratio**

The debt equity ratio for the Company has been 0.91:1 in 1977-78, 1.29:1 in 1978-79 and 2.05:1979-80

**3. Reserves and Surplus**

The reserves and surplus (Rs. 35,452.48 lakhs) amounted to:

(a) 21.02 per cent of the total liabilities in 1979-80 as against 28.01 per cent in 1978-79 and 27.40 per cent in 1977-78.

**4. Liquidity and Solvancy:**

(a) The percentage of current assets (including investments) to total net assets increased from 52.09 per cent in 1977-78 to 52.41 per cent in 1978-79 and 64.86 per cent in 1979-80.

(b) The percentage of current assets (including investments) to current liabilities (including provisions) increased from 96.51 per cent in 1977-78 to 98.04 per cent in 1978-79 and to 125.22 per cent in 1979-80

(c) The percentage of quick assets (sundry debtors, advances, cash and bank balances) to current liabilities (excluding provisions) increased from 47.44 in 1977-78 to 51.49 in 1978-79 and to 67.84 in 1979-80

**5. Working Capital**

The working capital (Current assets, loans and advance less trade dues and current liabilities excluding provision for gratuity) of the Company at the close of the year ended 31st March, 1980 amounted to Rs. 23,245.53 lakhs. This represented 0.6 months' value of business at cost (excluding depreciation) during the year. However, as on 31st March, 1979 and 31st march, 1978, the trade dues and current liabilities excluding provision for gratuity exceeded current assets, loans and advances by Rs. 128.71 lakhs and Rs. 743.60 lakhs respectively.

**6. Sources and uses of funds**

Funds amounting to Rs. 11,117.74 lakhs from internal resources (Reserves and surplus, depreciation and provisions) and Rs. 58,891.88 lakhs from other sources were utilised in 1979-80 as under:

(Rupees in lakhs)

Gross Block including	
Capital Work-in-progress	12,578.50
Other Assets (Net)	57,431.12

**7. Working Results**

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

(Rupees in lakhs)

	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
(i) Profit before tax	10,731.16	9,425.99	11,132.56
(ii) Tax Provision	<u>5,100.00</u>	<u>3,065.00</u>	<u>5,425.00</u>
(iii) Profit after tax	<u>5,631.16</u>	<u>6,360.99</u>	<u>5,707.56</u>

Percentage of Profit before tax:

(a) To sales (inclusive of product exchange transfers)	3.6	2.6	2.5
(b) To gross fixed assets	30.0	19.0	20.8
(c) To capital employed	63.3	33.0	22.0

Percentage of Profit after tax:

(a) To net worth	17.9	17.0	13.1
(b) To equity capital	68.5	77.4	69.5
(c) To capital employed	33.2	22.3	11.3



**8. Cost trends**

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

	(Rupees in lakhs)		
	1977-78	1978-79	1979-80
Sales (inclusive of product exchange transfers)	3,00,459.74	3,57,004.61	4,48,253.23
Less: Profit before tax	10,731.16	9,425.99	11,132.56
Cost of Sales	<u>2,89,728.58</u>	<u>3,47,578.62</u>	<u>4,37,120.67</u>
Percentage of cost of sales to sales	96.4	97.4	97.5

**9. Business Performance:**

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

	(Rupees in lakhs)		
	1977-78	1978-79	1979-80
1. Sales (inclusive of product exchange transfers)	3,00,459.74	3,57,004.61	4,48,253.23
2. Closing stock of raw materials, finished goods and stock in process	20,280.47	24,139.42	48,395.14
3. Opening stock of raw materials finished goods and stock in process	17,092.25	20,280.47	24,139.42
4. Adjustment in respect of opening stock	—	—	11.13
5. Value of business (1+2)—(3+4)	<u>3,03,647.96</u>	<u>3,60,863.56</u>	<u>4,72,497.82</u>

The percentage of value of business to net worth decreased from 967.7 in 1977-78 to 967.1 in 1978-79 and increased to 1082.0 in 1979-80. The percentage of value of business to total net assets decreased from 359.3 in 1977-78 to 347.4 in 1978-79 and to 280.1 in 1979-80.

**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)		
	1977-78	1978-79	1979-80
(i) Stores and spare parts (including-in-transit)	2,372.17	2,914.82	3,567.03
(ii) Stock-in-trade (including raw materials and stock-in-process.	20,280.47	24,139.42	48,395.14
(iii) Stock of empty barrels and tins	106.16	146.24	142.14
	<u>22,758.80</u>	<u>27,200.48</u>	<u>52,104.31</u>

Stock in-trade represented 0.8 month's sales in 1977-78 and 1978-79 and 1.30 month's sales in 1979-80.

**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 book debts		Sales (inclusive of product exchange Transfers)	Percentage of debtors to sales
	Considered Good	Considered Doubtful		
31st March, 1978	10,257.49	181.62	300,459.74	3.5
31st March, 1979	13,046.46	192.63	357,004.61	3.7
31st March, 1980	19,946.25	203.98	448,253.23	4.5

Sundry debtors represented about 0.4 month's turnover in 1977-78 and 1978-79 and 0.5 month's turnover in 1979-80.

K.N. MURTHI  
MEMBER, AUDIT BOARD & EX-OFFICIO  
DIRECTOR OF COMMERCIAL AUDIT  
(PETROLEUM AND OIL)

Madras  
22.9.1980



# **INDIAN OIL BLENDING LIMITED**

A Wholly Owned Subsidiary of Indian Oil Corporation Limited

## **ANNUAL REPORT 1979-80**



**BOARD OF DIRECTORS :**

- S. KETHARAMAN : *Chairman*  
R. GURUMOORTHY : *Managing Director*  
G. S. PANDYA : *Financial Director*  
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,  
3RD FLOOR,  
BOMBAY-400 002.

**REGISTERED OFFICE:**

PIR PAU, TROMBAY  
BOMBAY-400 074

**PLANTS:**

BOMBAY & CALCUTTA

**NOTICE**

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NOTICE is hereby given that the Seventeenth 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-400025, at 10.30 a.m. on Thursday, the 28th August, 1980, 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, 1980;
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 reappointment;
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 reappointment;
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 reappointment.

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: the 14th August, 1980.

The above meeting was adjourned to 4th September, 1980.

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

LADHAWALA & SHAH  
*Chartered Accountants.*

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1980 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 paragraph 4 and 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 purpose 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 and Loss Account dealt with by this report are in agreement with the books of account;
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with .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 Balance Sheet, of the state of affairs of the Company as at .  
31st March, 1980
    - and
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For LADHAWALA & SHAH  
*Chartered Accountants,*

Bombay,  
Dated: 12 August, 1980.

(M. M. MEHTA)  
*Partner*

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 of our Report of even date)

LADHAWALA & SHAH  
*Chartered Accountants.*

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 at the end of the year only. We are informed that no significant discrepancies have been noticed on such verification as compared to book records. In our opinion, the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in earlier year.
4. The Company has not taken any loans from companies, firms or other parties 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 advances amounting to Rs. 14,795/-. As per the information given to us, the amount of Rs. 14,795/- is considered good for recovery. The interest on loans given to the employees for vehicle is accounted for as and when realised. The accrued amount of interest for the year and the amount accumulated till the date of Balance Sheet not provided for in the books of account are approximately Rs. 4,600/- and Rs. 20,000/- 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 fuel and oil 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.
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 company has an internal audit system commensurate with the size and nature of its business.
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.
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,*

(M. M. MEHTA)  
*Partner*

Bombay,  
Dated: 12 August, 1980.



**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, 1980, 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. 26,64,011, as against Rs. 64,03,038 during the year 1978-79. The comparative figures of gross profit, depreciation, provision for taxation, provision for investment allowance, etc. are as under:-

	<u>1979-80</u>	<u>1978-79</u>
	Rs.	Rs.
Gross profit before depreciation and investment allowance	26,64,011	64,03,038
Depreciation	11,87,270	10,13,647
Investment allowance	2,98,000	2,98,000
Provision for taxation	6,00,000	29,33,000
Net profit after tax	5,78,741	27,58,391
Prior year adjustments (net)	53,540	7,76,677
Disposable profit	6,32,281	29,35,068
Balance from last year's account	5,297	20,229
Net surplus available for distribution	6,37,578	29,55,297
Provision for proposed dividend	4,00,000	4,00,000
Appropriated to General Reserve	2,30,000	25,50,000
Balance carried to Balance Sheet	7,578	5,297

**GENERAL RESERVE AND DIVIDEND:**

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, recommend 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. 2,37,578, out of which an amount of Rs. 2,30,000 is transferred to the General Reserve, thus leaving a balance of Rs. 7,578 in the Profit & Loss Account to be carried forward. The balance of General Reserve at the beginning of the year was Rs. 1,04,20,300 and, after the current year's transfer of Rs. 2,30,000, the balance in the General Reserve Account amounts to Rs. 1,06,50,300 as on 31st March, 1980.

The balance in the Development Rebate Reserve at the beginning of the year was Rs. 7,85,111. An amount of Rs. 1,32,400 is being written back, as it has become free for release after the statutory period of 8 years, thus leaving a balance of Rs. 6,52,711 in the Development Rebate Reserve as on 31st March, 1980.

The balance in the Investment Allowance Reserve Account at the beginning of the year was Rs. 3,65,000. After this year's transfer of Rs. 2,98,000, the balance in the Investment Allowance Reserve Account as on 31st March, 1980, amounts to Rs. 6,63,000.

**PROFITABILITY :**

1. There is a steep decline in the profits of the Company this year. The turnover on account of processing fees charged on the manufacture of lube oils and greases fell from Rs. 185.74 lakhs during 1978-79 to Rs. 180.56 lakhs during 1979-80, thus registering a fall of Rs. 5.18 lakhs over the previous year. There was also a shortfall in lube oil production to the extent of 4,206 KLs and that of greases to the extent of 669 MTs. The margins remaining constant, the shortfall in turnover is a direct consequence in the shortfall in production, which is further explained below under 'Operations'.



2. On the other hand, operating expenses registered to a significant rise during the year 1979-80 and amounted to Rs. 158.09 lakhs as against Rs. 126.68 lakhs during the previous year, thus showing a increase of Rs. 31.41 lakhs. This increase is mainly due to increase in salaries, wages and other employee welfare expenses to the extent of Rs. 20.78 lakhs (Rs. 9.82 lakhs consequent upon the long term agreement with the employees.) Other factors accounting for increase in expenditure over the last year are:
- (a) hike in fuel prices and power tariff to the extent of Rs. 2.35 lakhs;
  - (b) increase consumption of stores, mainly on account of heavier purchase of pallets for replacement, amounting to Rs. 1.12 lakhs; and
  - (c) increase in repairs and maintenance expenses to the extent of Rs. 3.28 lakhs, of which the replacement of homogenizer spares accounts for Rs. 1.71 lakhs.

**OPERATIONS :**

*Lubes:* During the year under review, the Bombay Plant had a throughput of 1,45,328 KLs against 1,69,391 KLs of lubes during the previous year. The Calcutta Plant had a throughput of 95,872 KLs as against 76,015 KLs of lubes during the previous year. The total throughput of lubes at Bombay and Calcutta Plant was 2,41,200 KLs as against 2,45,406 KLs during the previous year. The production at Bombay Plant suffered a setback during the year on account of inadequate availability of new empty drums due to heavy cut-back of drum steel production in the country and non-availability of certain important additives for large volume industrial grades as well as constraints of transport in moving the product out of the Plant in the latter part of the year. However, here was an all-time record in filling small containers in as much as the Bombay Plant filled 8.23 million small containers of different sizes, as against 7.14 million containers filled during the previous year. The small containers filled in Calcutta Plant also increased from 2.95 million tins in 1979-80 to 3.98 million tins in 1979-80. The overall small can filling at Bombay and Calcutta reflected volume-wise increase 36.4% over 1978-79.

*Grease:* The Grease Plant at Bombay produced 5,565 MTs of grease during 1979-80 against

6,234 MTs during the previous year. The shortfall in production was mainly on account of non-availability of empty drums and a run-out situation in the availability of an important imported ingredient going into the manufacture of the major grades of greases. A 6-ton capacity grease kettle has been ordered and the equipment is expected to be delivered and commissioned by the middle of 1981. The second homogenizing unit already imported will be commissioned during 1980-81. With the commissioning of these equipments, the production of grease will go up significantly. The Company's production of grease crossed the licence capacity and, therefore, the matter is being followed up with the Government for expeditious sanction of the enhanced licence capacity.

**DIVERSIFICATION:**

**Bombay Plant:**

A new category of graphite greases viz. Ceplattyn Greases, is being added in the manufacturing programme at Bombay Grease Plant to facilitate import substitution. Equipments like Colloid Mill, Slow Speed Mixer, etc. necessary for installing and commissioning these facilities, are being procured and it is hoped that the Company will be in a position to undertake regular manufacturing of these greases in 1980-81.

**Calcutta Plant:**

1. *Speciality 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 envisages production of a variety of specialised lubricants based on latest technology and certain critical additives/raw materials. It is proposed to set up the required plant facilities progressively and construction of the first phase will be taken up within the existing premises. Studies on the plant layout, equipment selection, process flow and other prerequisites have already been completed and cost estimates are being worked out. Keeping a long term view of the development of the project, Calcutta Port Trust has been approached for securing additional land measuring approx. 8 acres, which is presently lying vacant in contiguity of the existing premises.



2. *Asphalt Lubricants:* It has been decided to go in for an improved and larger clay treatment plant with built-in technology to satisfy steel mills in their requirements of lubricants possessing high demulsibility characteristics. The existing facilities which were set up on a modest scale are therefore, being converted for blending a halt based lubricants through suitable modifications at a cost of about Rs. 0.60 lakhs. Production to be concentrated on Servo Coat series, is expected to commence shortly.

**PROJECTS:**

**Bombay Plant:**

1. *Revamping of LT Sub-station:* It is proposed to revamp the LT sub- station with a view to streamlining the L.T. power distribution and improving the power supply position.
2. *New Additive Warehouse:* The work connected with the construction of new additive warehouse having a floor area of 5,750 sq. ft. for storing mainly additives/raw materials is in hand.

**Calcutta Plant:**

1. *Small Can filling facilities :* One No. MB-24 Double Seamer was procured during the year to work in conjunction with the existing machine. By operating the two Double Seamers, it has been possible to step up the filling of top up cans from 10,000 to 18,000 Nos. per shift. Additional machinery comprising one No. Mather & Platt Rotary Filler, two Nos. MB 24 Double Seamer and necessary power operated conveyor system and accessories have been procured and all the small can filling operations will be shifted to the new warehouse under construction and expected to become operative by about December, 1980. This will facilitate increasing the throughput to 1,437 KLS per month in small packs, as against current normal production capacity of 1,000 KLS per month.
2. *Barrel filling:* Expansion plans are under way for increasing the rate of filling to 42,000 barrels per month in single shift operation, as against current normal level of 25,000 barrels per month. A separate barrel filling shed with a floor area of 216 sq. metres is presently under construction. The entire project, costing about Rs. 6.5 lakhs, is expected to be completed by November, 1980.
3. *Construction activities on the new land (11,400 sq. metres):* Works relating to the provision of peripheral road, hard standing areas

(Phase I), extension of rail loading platform and yard lighting were completed during the year. With this facility, there has been a substantial addition to the holding capacity for filled and empty barrels. The construction of warehouse in the new land, however, received a setback due to the contractor seeking heavy escalation in the costs, resulting in the cancellation of order and awarding of fresh contract. The revised cost estimate for the warehouse is now Rs. 14 lakhs.

4. *Additional Diesel Generator:* The load shedding continues to be a regular feature. It is, therefore, proposed to instal an additional diesel generator set of 350 KVA, in addition to the existing unit of 250 KVA, as this unit is not one of continuous rating and would require shut down after every 4 hours of running, and also to keep pace with the additional power requirement to meet the expansion plans. The installation of the additional generator set is expected to be completed in 6/7 months.

**PERSONNEL & INDUSTRIAL RELATIONS:**

The total number of employees of your Company as on 31st March, 1980, was 508, as compared to 498 during end of last year. Industrial relations during the year were cordial. A long term agreement was signed with the Union representatives of the workmen on 17-12-1979 at Bombay and on 8-1-1980 at Calcutta, valid upto 25th April, 1982, providing for increased wage scales and other benefits to the workmen of the Company, on the same lines of the agreement as arrived at by the holding Company, Indian Oil Corporation Limited (Marketing Division) with their employees.

Under the Hindi Teaching Scheme of Government of India, Hindi training classes were started by the Company at Bombay last year and at Calcutta this year. All the employees, who appeared for 'Prabodh' examination in 1979 at Bombay were declared successful.

**EMPLOYMENT OF SCHEDULED CASTES/ SCHEDULED TRIBES CANDIDATES:**

In accordance with the Government directives on the reservation of posts for SC/ST, the Company recruited 6 SC candidates and 3 ST candidates during the year. There is a backlog of 2 SC and 1 ST candidates in Officers category-Group 'A' and a backlog of only 1 ST candidate in the category



**DIRECTORS' REPORT TO THE SHAREHOLDERS Contd...**

Index

of workmen- group 'C' as on 31st March, 1980, as no suitable SC/ST candidates were available.

**PARTICULAR OF EMPLOYEES:**

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

**DIRECTORS:**

During the year, under report, Shri S. Ketharaman, Shri G. S. Pandya and Dr. J. S. Ahluwalia continued to be the Chairman, Financial Director and Director respectively of the Company. Shri R. Gurumoorthy was re-appointed as Managing Director of the Company from 1st April, 1980 to 31st March, 1981.

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.

**ACKNOWLEDGEMENTS:**

The Directors are pleased to place on record their appreciation for the sustained effort and good work done by the staff and officers of the Company, despite various constraints. The Directors are also grateful for 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

End: Statement

Place: BOMBAY

Dated: 12th August 1980.



**BALANCE SHEET AS AT 31ST MARCH, 1980**

Index

	Schedule No.	As at 31st March, 1980 Rs.	As at 31st March, 1979 Rs.
<b>I. SOURCES OF FUNDS:</b>			
(1) <i>Shareholders Funds:</i>			
(a) Capital	I	40,00,000	40,00,000
(b) Reserves and Surplus	II	1,19,73,589	1,15,75,708
(2) <i>Loan-Funds:</i>			
(a) Unsecured Loan	III	18,39,043	—
TOTAL		1,78,12,632	1,55,75,708
<b>II. APPLICATION OF FUNDS:</b>			
(1) Fixed Assets:			
(a) Gross Block	IV	2,57,43,924	2,31,59,796
(b) Less: Depreciation	IV	1,39,31,019	1,30,21,859
(c) Net Block	IV	1,18,12,905	1,01,37,937
(d) Capital work-in-progress	V	12,69,302	6,48,202
		1,30,82,207	1,07,86,139
(2) <i>Current Assets, Loans and Advances:</i>			
(a) Inventories	VI	11,85,453	3,07,632
(b) Sundry Debtors	VI	12,73,751	16,85,707
(c) Cash and Bank Balances	VI	28,171	19,33,310
(d) Other Current Assets	VI	19,548	29,770
(e) Loans and Advances	VII	1,38,07,620	1,20,06,286
		1,63,14,543	1,59,62,705
<i>Less: Current Liabilities &amp; Provisions:</i>			
(a) Liabilities	VIII	23,64,459	19,01,127
(b) Provisions	IX	92,19,659	92,72,009
		1,15,84,118	1,11,73,136
Net Current Assets		47,30,425	47,89,569
TOTAL		1,78,12,632	1,55,75,708
Notes on Balance Sheet and Profit a Loss Account	IX		

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 a SHAH,  
Chartered Accountants.

Bombay,  
Dated: 12th August. 1980

M. M. MEHTA  
Partner



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1980**

Index

	<b>For the year ended 31st March, 1980 Rs.</b>	<b>For the year ended 31st March, 1979 Rs.</b>
<b>INCOME:</b>		
Throughput, Blending and Manufacturing charges	1,80,56,050	1,8573,577
Technical & Laboratory Service Charges	2,49,000	2,49,000
	<u>1,83,05,050</u>	<u>1,88,22,577</u>
Interest	1,14,003	2,23,806
Miscellaneous Income	46,966	16,498
Profit on sale of assets	21,470	17,504
	<u>1,84,87,489</u>	<u>1,90,80,385</u>
<b>EXPENDITURE:</b>		
Operating and other expenses (As per Schedule X annexed)	1,57,98,511	1,26,67,391
Interest	10,213	225
Depreciation	11,87,270	10,13,647
Loss on sale/scrapping etc. of the assets	14,754	9,731
	<u>1,70,10,748</u>	<u>1,36,90,994</u>
Profit before taxation	14,76,741	53,89,391
Investment Allowance Reserve	2,98,000	2,98,000
Provision for taxation	6,00,000	29,33,000
	<u>5,78,741</u>	<u>21,58,391</u>
Expenses of prior years	8,90,361	1,34,265
	<u>(3,11,620)</u>	<u>20,24,126</u>
Excess provision for expenses of earlier years	1,647	21,090
Excess provision for depreciation on Forklift Trucks of earlier years	1,76,854	—
Excess provision for taxation of earlier years	6,33,000	91,252
Development Rebate Reserve written back on expiry of statutory period	1,32,400	7,98,600
	<u>6,32,281</u>	<u>29,35,068</u>
DISPOSABLE PROFIT	6,32,281	29,35,068
Balance brought forward from last year	5,297	20,229
	<u>6,37,578</u>	<u>29,55,297</u>
Proposed Dividend (Subject to deduction of Income Tax)	4,00,000	4,00,000
	<u>2,37,578</u>	<u>25,55,297</u>
Transferred to General Reserve	2,30,000	25,50,000
Balance Carried to Balance Sheet	<u>7,578</u>	<u>5,297</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 a SHAH,  
Chartered Accountants.

Bombay,  
Dated: 12th August. 1980

M. M. MEHTA  
Partner



**SCHEDULES I TO IX AND XI ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1980**

	Rs.	As at 31st March, 1980 Rs.	As at 31st March, 1979 Rs.
<b>SCHEDULE I</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>SCHEDULE II</b>			
<b>RESERVES AND SURPLUS</b>			
<b>1. Development Rebate Reserve</b>			
Balance as per last Balance Sheet	7,85,111		15,83,711
Less: Transferred to Profit and Loss Account on expiry of statutory period	1,32,400		7,98,600
		6,52,711	7,85,111
<b>2. Investment Allowance Reserve</b>			
Balance as per last Balance Sheet	3,65,000		67,000
Add: Amount transferred from Profit & Loss Account	2,98,000		2,98,000
		6,63,000	3,65,000
<b>3. General Reserve:</b>			
Balance as per last Balance Sheet	1,04,20,300		78,70,300
Add: Amount transferred from Profit & Loss Account	2,30,000		25,50,000
		1,06,50,300	1,04,20,300
<b>4. Surplus :</b>			
Balance in Profit & Loss Account		7,578	5,297
TOTAL		1,19,73,589	1,15,75,708
<b>SCHEDULE III</b>			
<b>UNSECURED LOAN:</b>			
<b>Short Term Loans &amp; Advances</b>			
Clean Cash Credit from State Bank of India guaranteed by Indian Oil Corporation Ltd., the Holding Company		18,39,043	NIL

**SCHEDULES IV FIXED ASSETS**

Index

ASSETS	GROSS BLOCK DEPRECIATION			
	As on 1-4-1979	Additions including transfers during the year.	Deductions including transfers during the year	As on 31-3-80
	Rs.	Rs.	Rs..	Rs.
BUILDINGS (ON LEASEHOLD LAND)	50,31,093	7,97,121	—	58,28,214
RAILWAY SIDING	2,73,039	—	—	2,73,039
PLANT AND MACHINERY	1,57,83,311	15,88,184	88,183	1,72,83,312
FURNITURE, FIXTURES AND OFFICE EQUIPMENTS	13,38,370	1,68,768	390	15,06,748
MOTOR VEHICLES	1,68,759	53,155	25,936	1,95,978
RESEARCH AND DEVELOPMENTS:				
BUILDING (ON LEASEHOLD LAND)	26,483	—	—	26,483
PLANT AND MACHINERY	5,38,741	91,409	—	6,30,150
TOTAL	2,31,59,796	26,98,637	1,14,509	2,57,43,924
PREVIOUS YEAR	2,13,95,125	21,01,461	3,36,790	2,31,59,796

**SCHEDULES IV FIXED ASSETS Contd...**

GROSS BLOCK DEPRECIATION			NET BLOCK		
Upto 31-3-79	Adjusted on sales/ scrapping/ write back/ transfer.	For the year	Upto 31-3-80	As on 31-3-80	As on 37-3-79
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
18,41,246	—	2,45,464	20,86,710	37,41,504	31,89,847
2,02,600	—	7,044	2,09,644	63,395	70,439
99,66,404	(-) 2,57,728	7,67,265	1,04,75,941	68,07,371	58,16,907
6,83,089	(+) 115	1,03,479	7,86,683	7,20,065	6,55,281
1,04,221	(-) 20,497	22,449	1,06,173	89,805	64,538
4,301	—	554	4,855	21,628	22,182
2,19,998	—	41,015	2,61,013	3,69,137	3,18,743
1,30,21,859	(-) 2,78,110	11,87,270	1,39,31,019	1,18,12,905	1,01,37,937
1,22,70,163	(-) 2,61,951	10,13,647	1,30,21,859	1,01,37,937	91,24,962



	As on 1-4-1979 Rs.	Additions during the year Rs.	Transfers during the year Rs.	As on 31-3-1980 Rs.
<b>SCHEDULE V:</b>				
<b>CAPITAL WORK-IN-PROGRESS</b>				
<b>Assets</b>				
Plant and Machinery	3,49,923	24,57,449	17,59,093	10,48,279
Buildings	2,98,279	7,46,206	8,23,462	2,21,023
TOTAL	<u>6,48,202</u>	<u>32,03,655</u>	<u>25,82,555</u>	<u>12,69,302</u>
Previous Year	<u>4,05,718</u>	<u>6,99,658</u>	<u>4,57,174</u>	<u>6,48,202</u>

	Rs.	As at 31st March, 1980 Rs.	As at 31st March, 1979 Rs.
<b>SCHEDULE VI:</b>			
<b>CURRENT ASSETS:</b>			
<b>1. Inventories :</b>			
Stores and Spare Parts-At cost as per summarised inventories certified by the Managing Director.		11,85,453	3,07,632
<b>2. Sundry Debtors :</b>			
(Unsecured, considered good)			
Due from Indian Oil Corporation Ltd., the Holding Company			
(a) Debts outstanding for a period exceeding six months	1,66,758		2,18,559
(b) Other Debts	<u>11,06,993</u>		<u>14,67,148</u>
		12,73,751	16,85,707
<b>3. Cash and Bank Balances :</b>			
(i) Cash & Cheques on Hand		26,100	18,200
(ii) Bank Balances with Scheduled Banks			
In Current Account		2,071	1,15,110
In Fixed Deposit		<u>—</u>	<u>18,00,000</u>
		28,171	19,33,310
<b>4. Other Current Assets :</b>			
Interest accrued on Company's surcharge deposit		19,548	—
Interest accrued on Fixed Deposit		<u>—</u>	<u>29,770</u>
TOTAL		<u>25,06,923</u>	<u>39,56,419</u>

**SCHEDULE VII**
**LOANS AND ADVANCES:**

(i) Secured, considered good		4,52,866	2,17,756
(ii) Unsecured, considered good			
(Recoverable in Cash or in kind or for value to be received)			
Due from Indian Oil Corporation Limited, the Holding Company.	6,88,124		12,69,745
Due from others	<u>21,74,911</u>		<u>22,03,967</u>
		28,63,035	34,73,712
(iii) Advance payment of Income tax		1,03,83,119	82,06,218
(iv) Deposit in respect of Surcharge on Income tax		<u>1,08,600</u>	<u>1,08,600</u>
TOTAL		<u>1,38,07,620</u>	<u>1,20,06,286</u>

	As at 31st March, 1980 Rs.	As at 31st March, 1979 Rs.
<b>SCHEDULE VIII:</b>		
<b>CURRENT LIABILITIES</b>		
Amount due to Indian Oil Corporation Limited, the Holding Company	55,075	1,20,132
Sundry Creditors	20,62,977	15,97,729
Other Liabilities	2,46,407	1,83,266
TOTAL	<u>23,64,459</u>	<u>19,01,127</u>
<b>SCHEDULE IX:</b>		
<b>PROVISIONS:</b>		
Provision for Taxation	88,19,659	88,72,009
Proposed Dividend	4,00,000	4,00,000
TOTAL	<u>92,19,659</u>	<u>92,72,009</u>
<b>SCHEDULE X</b>		
Annexed to and forming part of the Profit and Loss A/c. for the year ending 31st March, 1980		
<b>OPERATING AND OTHER EXPENSES:</b>		
Salaries, Wages, Allowances and Bonus (including Rs. 3,80,242/- Previous year: Rs. 2,23,330/- paid to Contractor for casual labour).	90,08,968	70,43,421
Company's contribution to:		
Employee's provident fund and other funds:	4,87,694	4,02,711
Gratuity:	1,49,742	1,06,866
Staff Welfare and Benefits:	13,40,986	12,29,902
Fuel, Power and Water Charges:	14,94,145	12,59,442
Stores Consumed :	4,30,004	3,17,804
Rent:	2,27,676	1,95,820
Rates and Taxes :	1,41,438	1,11,026
Licence Fees :	26,355	25,713
Material Handling (Forklift Truck) Expenses :	5,32,736	4,45,951
Equipment Rental:	900	900
<b>Repairs and Maintenance to</b>		
Buildings	1,13,649	1,02,533
Plant and Machinery	8,29,221	5,28,454
Railway Sidings	59,863	50,496
Others	1,15,289	1,08,362
	<u>11,18,022</u>	<u>789,845</u>
Insurance	45,499	39,207
Travelling and Conveyance	2,00,446	3,00,855
Printing and Stationery	1,11,736	65,170
Postages, Telegrams and Telephones	1,10,996	1,21,710
Freight and Cartage (Outward)	22,275	12,003
Bank Charges	8,641	8,935
Subscription and Membership	10,231	2,491
Advertisements	3,350	7,475
Entertainment Charges	5,789	2,725
Legal and Professional Charges	22,801	21,162
<b>Payments to Auditors</b>		
For Audit Fees	10,000	10,000
For reimbursement of out of-pocket expenses	2,533	2,558
	<u>12,533</u>	<u>12,558</u>
General Expenses:	2,85,548	1,43,699
TOTAL	<u>1,57,98,511</u>	<u>1,26,67,391</u>

**SCHEDULE XI:**

NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

1. The Company is contingently liable in respect of the following items

	<u>As at 31st March 1980 Rs.</u>
(i) Letters of Credit (Previous year Rs. 3,94,000)	84,047
(ii) Claims for miscellaneous items not acknowledged as debts (Previous year Rs. 3,51,277) including claims for reimbursement of demurrage and other charges of Rs. Nil (Previous year Rs. 2,37,052) by Indian Oil Corporation Limited, the Holding Company	1,49,314
(iii) Estimated amounts of contract remaining to be executed on capital account and not provided for (Previous year Rs. 5,12,430).	26,15,380
(iv) Surety given in favour of Government of Kerala, for purchase tax demanded by Sales Tax Authorities, Kerala, from Indan Oil Corpn. Ltd., (Previous year Rs. 38,80,892)	38,80,892

2. The loans and advances include amount due from officers of the Company Rs. 7,63,783 (Previous year Rs. 5,90,499). Maximum amount due from officers at any time during the year is Rs. 8,00,353/- (Previous year Rs. 5,90,499).
3. 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 1 969-70 and 1 970-71 are pending before the Income Tax authorities. The estimated value of the Tax Credit Certificates that the Company is entitled to and to be accounted for is Rs. 2 lacs.
4. The Managing Director is entitled to use a Motor Car owned by the Company for private purposes upto 6,000 Kms per year, on payment of Rs. 1,200 per annum, to be recovered in instalments of Rs. 100 per mensem.
5. Additional information pursuant to paras 3, 4C and 4D in Part II of Schedule VI to the Companies Act, 1956

	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Lubes (KLs)</u>	<u>Grease (MTs)</u>	<u>Lubes (KLs)</u>	<u>Grease (MTs)</u>
<b>(I) Capacity and Production</b>				
(a) Licensed capacity	2,50,000	4,536	2,50,000	4,536
(b) Installed capacity	2,50,000	4,536	2,50,000	4,536
(c) Actual production	2,41,200	5,565	2,45,406	6,234

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 Limited. The quantities mentioned above relate to such processing operations.

		<u>Current Year</u>	<u>Previous Year</u>
<b>(ii) Turnover (Processing Fees):</b>			
(a) Lube Blending	– Kilo litres	2,41,200	2,45,406
	– Rupees	1,61,08,472	1,63,97,549
(b) Grease Mfg.	– Metric Tons	5,565	6,234
	– Rupees	19,47,578	21,82,028



	<u>Current Year</u> Rs.	<u>Previous Year</u> Rs.
<b>(iii) Details of expenditure on certain Employees</b>		
(a) Employees employed throughout the year and in receipt of remuneration in the aggregate not less than Rs. 36,000 per annum.		
(i) Number of employees	<u>14</u>	<u>14</u>
(ii) Salaries, Wages and Bonus	5,34,215	-
(iii) Contribution to Provident and other Funds	36,385	34,536
(b) Employees employed for part of the year and in receipt of remuneration in the aggregate, not less than Rs. 3,000 per month.		
(i) Number of employees	<u>1</u>	<u>NIL</u>
(ii) Salaries, Wages and Bonus	9,658	NIL
(iii) Contribution to Provident and other Funds	786	NIL
<b>(iv) Value of Imports on C.I.F. Basis :</b>		
Components and Spare Parts	4,38,895	61,927
Capital Goods	—	3,80,071
<b>(v) Spare Parts consumed :</b>		
<b>Imported</b>	<u>Value</u> <u>Percentage</u> <u>of total</u>	<u>Value</u> <u>Percentage</u> <u>of total</u>
Components and Spare Parts .	1,86,900   15.7	—   —
<b>Indigenous</b>		
Components and Spare Parts	10,02,696   84.3	3,67,056   100
(vi) The Company has not purchased or consumed any raw materials during the year. There are no opening or closing stocks of finished goods. No expenditures have been incurred in foreign currency. Hence, further particulars in respect thereof have not been given.		
6. Interest income includes Rs. 13,032, pertaining to interest on deposit with Industrial Development Bank of India, in respect of surcharge on Income Tax pertaining to earlier years.		
7. The general expenses include Rs. 79,455 paid to Indian Oil Corporation Limited, in respect of demurrage and other charges.		
8. Application for increase in installed capacity of Grease production is pending with the Authorities.		
9. It is the Company's practice to write off the wooden pallets in the year of purchases. During the year, the value of wooden pallets written off is Rs. 1,54,222 (Previous Year Rs. 94,884).		
10. Under the Income Tax Act, the Company has made a claim for extra shift allowance for the last three assessment years. Pending decision of the Income Tax authorities on the claim of extra shift allowance, the Company, in consistence with its past practice has provided only normal depreciation in the Accounts as per item (3) Mineral Oil Concerns-Refineries of Appendix 1 to Income Tax Rules, 1962.		
11. The items and amounts in respect of previous year have been regrouped and recast where necessary to make them comparable with those of the current year.		

Signatures to Schedule I to XI

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.

M. M. MEHTHA  
Partner

Bombay:  
Dated : 12th August, 1980



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL  
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956  
ON THE ACCOUNTS OF INDIAN OIL BLENDING LIMITED FOR THE  
YEAR ENDED 31ST MARCH, 1980.**

The Comptroller and Auditor General of India has decided not to review the report of the Statutory Auditors on the accounts of your Company for the year ended 31st March, 1980 There are, therefore, no comments to make under Section 619(4) of the Companies Act, 1 956

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

Sd/-  
(K. N. MURTHI)  
Member, Audit Board and Ex-Officio  
Director of Commercial Audit (Petroleum & Oil)  
Madras.

Madras,  
Dated 18th August, 1980.