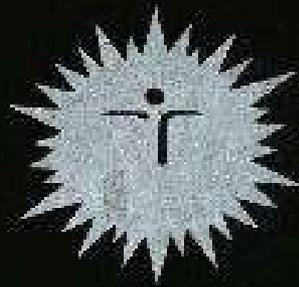


# ANNUAL REPORT 1992 - 93



**INDIAN OIL CORPORATION LIMITED**

## **Cover**

**The Sun. A lifegiver. An immense source of energy. It permeates every buried seed and makes it flower.**

**On a smaller scale, the Tree. Breathing out pure, vital oxygen. Providing food. Shade. And the promise of more green. Yes, a lifegiver. Somewhere in the middle, oil. To power jets, fuel the kitchen, keep transport and industry on the move. Essential for economic growth. At Indianoil we can't make the Sun. But we do grow trees. And refine the crude oil to products. To run your homes, your vehicles, your industry. To improve the quality of life. In our own small way, we aid the lifegivers.**



Incorporated in 1959 as Indian Oil Company Limited, it became a Corporation in 1964 when the Indian Refineries Limited (estd. 1958) was merged with the company.

Indianoil is India's largest commercial undertaking. It is ranked 121st by profits in Fortune's Global 500, the world's largest industrial corporations. In terms of sales, it is placed at 188th rank in 1993 on the basis of 1991-92 turnover.

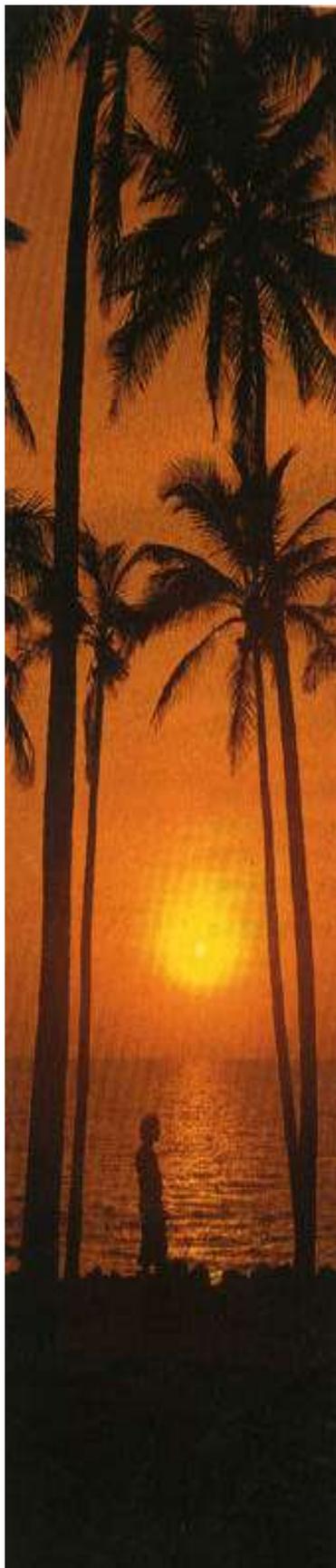
Among the 48 petroleum refining companies listed in the Global 500, Indianoil ranks 32nd by sales and 15th by profits. In terms of profits as a percentage of assets among the petroleum refining industries, it is placed 3rd. In terms of profits as a percentage of sales in the industry segment, Indianoil ranks 11th.

Indianoil owns and operates six of the country's twelve refineries with a total refining capacity of 24.40 million tonnes per annum representing over 47% of the national refining capacity.

Indianoil operates a vast network of pipelines for transporting crude oil and petroleum products across the country. A major product pipeline from Kandla in the State of Gujarat to Bhatinda in the State of Punjab is presently under installation.

In its efforts to take petroleum products as close to consumption centres as possible, Indianoil has set up 15,524 sales points across the country. In addition, there are 89 aviation fuel stations for national and international aircraft. For regular supplies to sales points, there are 161 terminals and bulk storage depots and 29 LPG bottling plants. Currently, over 56% of the country's petroleum products' consumption is met by Indianoil.





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## Indian Oil Corporation Limited

Registered Office  
Indianoil Bhavan,G-9, Ali Yavar Jung Marg, Bandra (East),  
Bombay-400 051

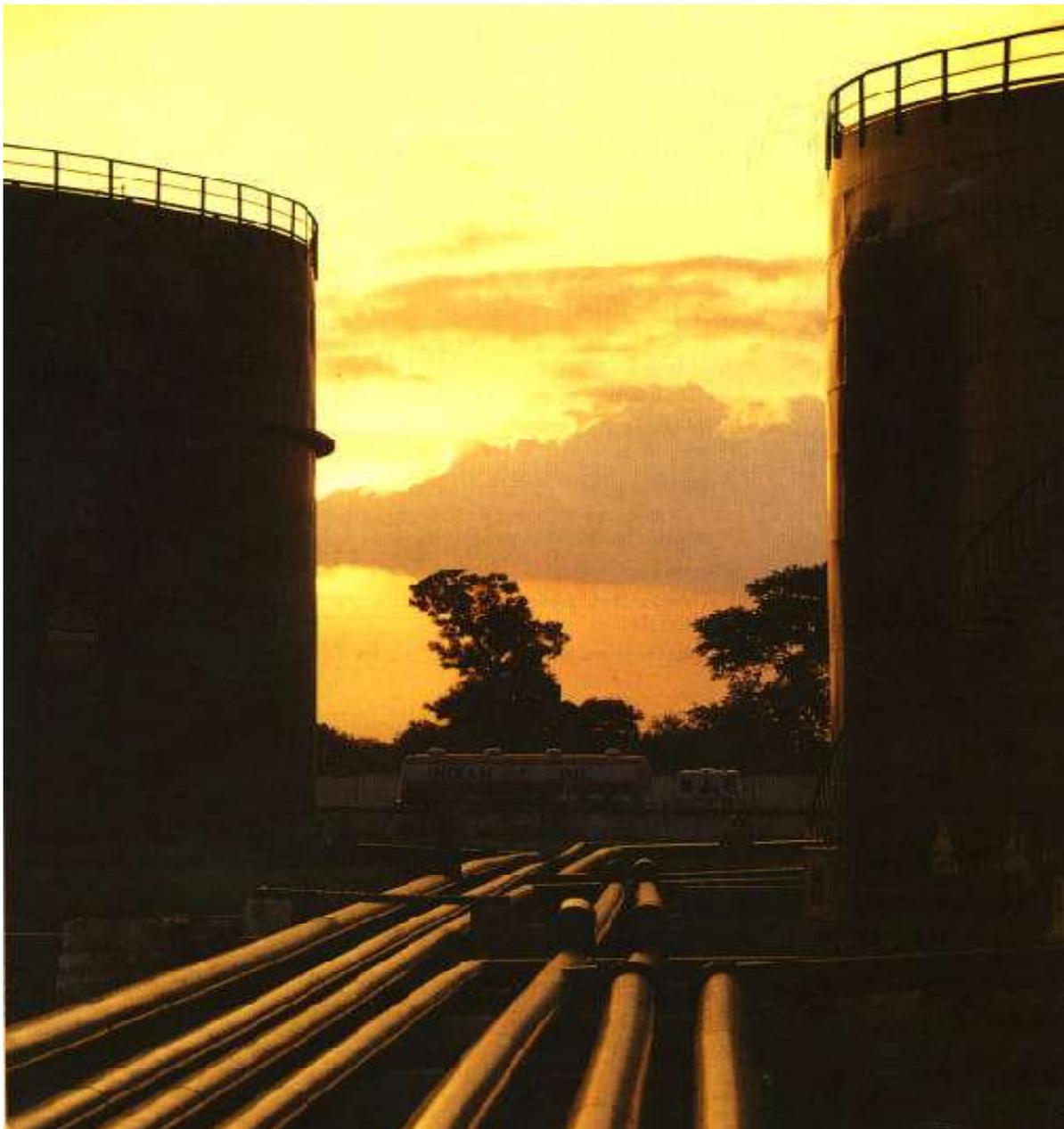
**34th Annual Report**

*In this Report one lakh corresponds to OA million and one crore to ten million.*



## Corporate Mission

- To achieve international standards of excellence in petroleum refining, marketing and transportation with concern for customer satisfaction.
- To create a modern technology base for self-reliance, growth and development of the business.
- To contribute to the national economy by providing adequate return on investment and by setting high standards of leadership in productivity and total quality.
- To foster a culture of participation and innovation for employee growth and contribution.
- To help enrich quality of life of the community and preserve ecological balance and national heritage.



# Objectives and Obligations

## OBJECTIVES

- To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.
- To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products most efficiently.
- To earn a reasonable rate of return on investment.
- To work towards the achievement of self-sufficiency in the field of oil refining by setting up adequate domestic capacity and to build up expertise for pipe laying for crude/petroleum products.
- To create a strong research and development base in the field of oil refining and stimulate the development of new petroleum product formulation with a view to minimise/eliminate their imports, if any, and
- To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity

## OBLIGATIONS

### Towards customers and dealers

- To provide prompt, courteous and efficient service and quality products at fair and reasonable prices.

### Towards suppliers

- To ensure prompt dealings with integrity, impartiality and courtesy and to promote ancillary industries.

### Towards employees

- Develop their capability and advancement through appropriate training and career planning.
- Expedious redressal of grievances.



- Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies in keeping with public sector philosophy.

### **Towards community**

- To ensure quality products through proper distribution at fair prices to the people.
- To develop techno-economically viable products for the benefit of the people.
- To encourage progressive indigenous manufacture of products and materials so as to substitute imports.
- To avoid and control environmental pollution in its manufacturing plants and townships by taking suitable and effective measures.
- Improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.
- To help acceleration of all-round development of villages by providing assistance to educated unemployed to earn a living etc.

### **FINANCIAL OBJECTIVES**

- To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.
- To ensure maximum economy in expenditure.
- To generate sufficient internal resources for financing partly/wholly expenditure on new capital projects.
- To develop long-term corporate plans to provide adequate growth of the activities of the Corporation.
- To continue to make an effort in bringing a reduction in the cost of production of petroleum products manufactured by means of systematic cost control measures.
- To endeavour to complete all planned projects within the stipulated time and within the stipulated cost estimates.



(Rs Crores)

## I. FINANCIAL

	1992-93	1991-92	1990-91	1989-90	1988-89
Turnover	24436	20825	19508	17614	15342
Gross Profit	1547	1784	1774	1460	1030
Profit after Interest	1180	1169	1122	1069	887
Profit after Depreciation	935	1085	907	840	676
Net Profit	677	787	730	675	514
Loans repaid from Internal Resources	0	0	3	11	22
Dividend	49	41	27	25	25
Reserves & Surplus Cumulative	4827	4200	3453	2750	2101

### WHAT CORPORATION OWNS

Gross fixed Assets	5428	4617	3856	3257	2793
Depreciation	2366	2133	2059	1852	1633
Net fixed Assets	3063	2484	1797	1405	1160
Investments	3722	4153	6466	5310	2516
Working Capital	4383	1313	2441	1599	634
Total	11167	7950	10704	8314	4310

### WHAT CORPORATION OWES

Net Worth					
- Share Capital	123	123	123	123	123
- Reserves	4827	4200	3453	2750	2100
Borrowings	6217	3627	7128	5441	2087
Total	11167	7950	10704	8314	4310

### RATIOS

Debt Equity Ratio	0.27:1	0.25:1	0.13:1	0.12:1	Negligible
Earnings per Share (Rupees)	5492	6383	5923	5472	4173
Post Tax Profit (% of average Networkth)	14.6	19.9	22.6	26.5	26.0
Networkth/Equity Share (Rupees)	40159	35069	29014	23314	18041

### FUND FLOW STATEMENT

#### Sources of Funds

- Profit after Tax	677	787	730	675	514
- Depreciation	232	74	207	219	202
- Unsecured Borrowings	1970	(3629)	1934	3182	976
- Secured Borrowings	619	128	(248)	172	(30)
Total	3498	(2640)	2623	4248	1662

#### Utilisation of Funds

- Dividend	49	41	27	25	25
- Capital Expenditure	811	760	599	464	278
- Increase in Working Capital	3070	(1128)	841	965	35
- Investments	(432)	(2313)	1156	2794	1324
Total	3498	(2640)	2623	4248	1662

CONTRIBUTION TO CENTRAL EXCHEQUER	4696	4275	4062	3432	2931
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(Rs Crores)

1992-93	1991-92	1990-91	1989-90	1988-89,
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**VALUE ADDED STATEMENT****Generation**

– Production & Operation	1699	1493	1439	1388	1095
– Investment & Interest	405	823	829	415	196
– Prior Year & Extra ordinary Income	117	97	23	95	187

**Value Added**

	2221	2413	2291	1898	1478
--	------	------	------	------	------

**Distribution**

– Reinvestment in Business	872	830	918	879	700
– Financing Cost	417	694	679	416	168
– Employees Benefits, Operating and other Costs	932	889	694	603	610

**Total**

	2221	2413	2291	1898	1478
--	------	------	------	------	------

**II. OPERATIONS****Operating Performance**

Product Sales	Million Tonnes	32.98	32.37	31.42	31.01	28.99
Refineries Throughput	Million Tonnes	24.31	24.29	23.74	23.53	22.00
Pipelines Throughput	Million Tonnes	23.62	22.51	21.36	20.89	20.28

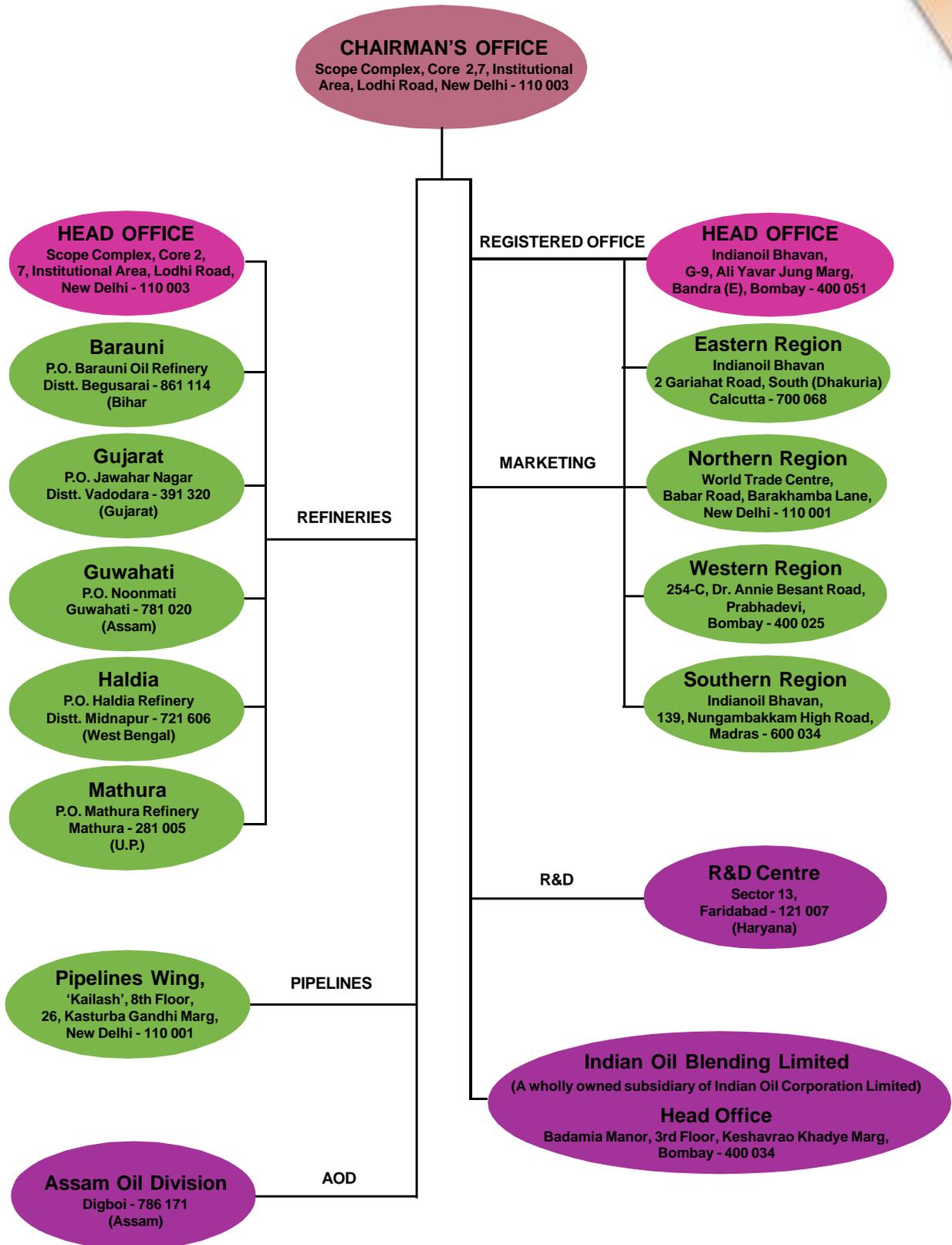
**Marketing Network & Facilities**

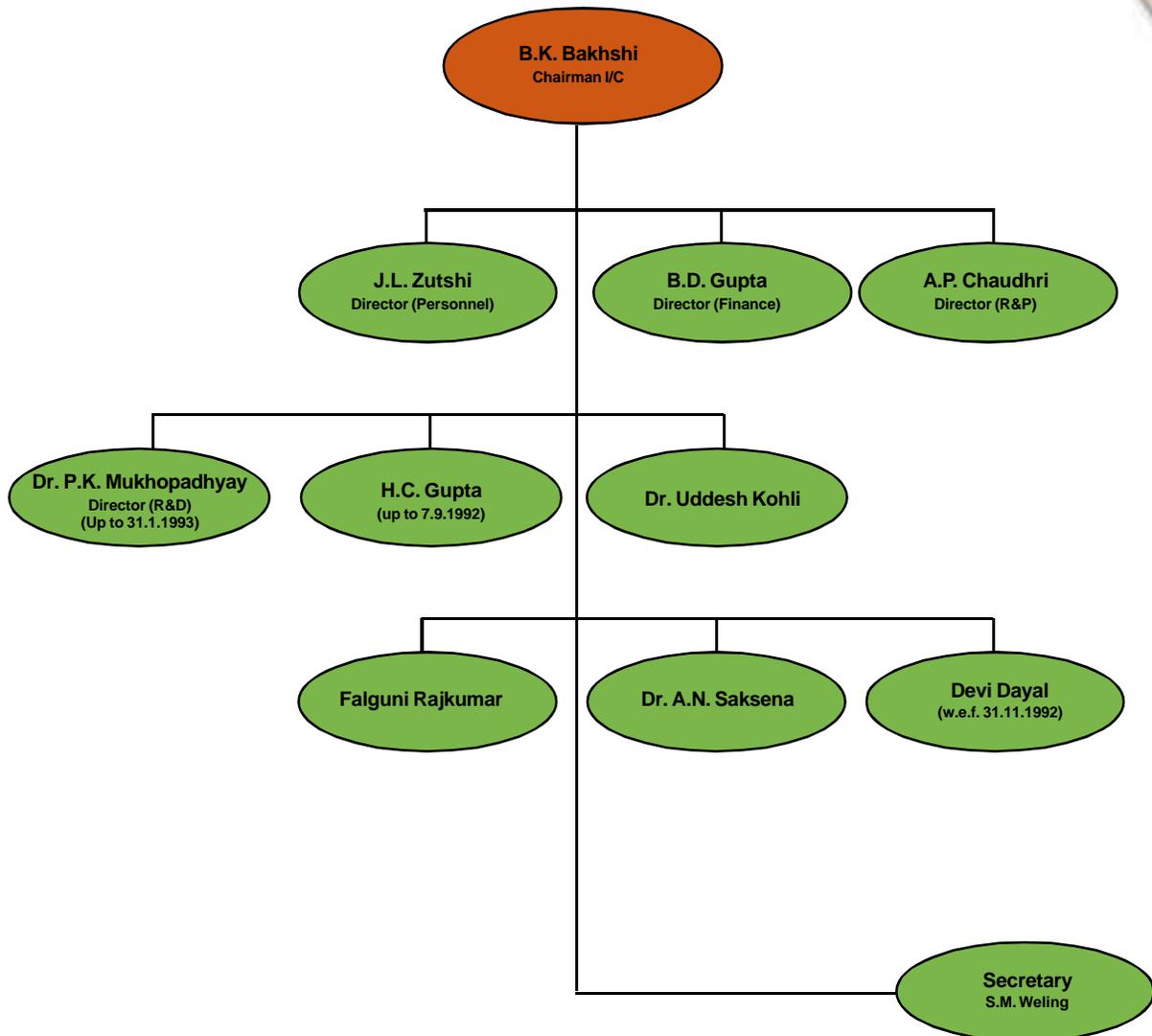
Divisional Offices	Nos.	42	42	42	39	34
LPG Area Offices	Nos.	31	31	31	31	31
Terminals and Depots	Nos.	161	158	154	152	152
Aviation Fuel Stations	Nos.	89	87	86	84	79
Total Product Tankage	Lakh/Kl	40.49	37.66	36.46	34.69	33.18
LPG Bottling Plants	Nos.	29	29	27	25	25
LPG Bottling Capacity	'000 Tonnes	1038	1026	1004	959	947.5
Retail Outlets	Nos.	5899	5892	5880	5762	5639
SKO/LDO dealers	Nos.	3183	3175	3165	3082	2995
Indane Distributors	Nos.	2132	2069	1999	1896	1741
Multi Purpose Distribution Centres (MPDC)	Nos.	231	231	231	231	231
Consumer Outlets	Nos.	4277	4120	3967	3818	3704
Towns with Indane	Nos.	1087	1062	1015	950	869
Indane Customers	Lakh	100	94	88	83	77

**III. MANPOWER**

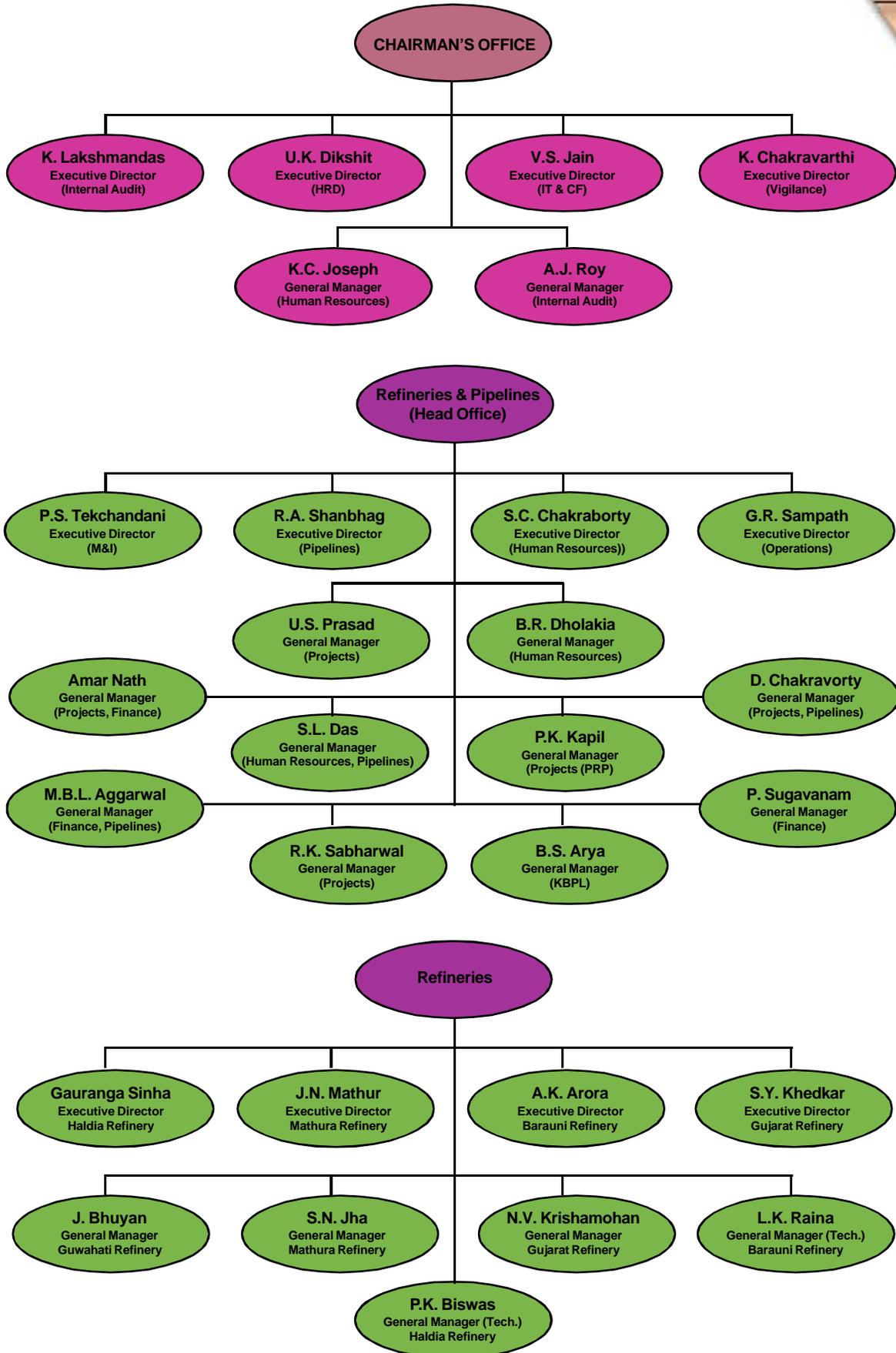
Nos.	33829	33434	33303	33365	33100
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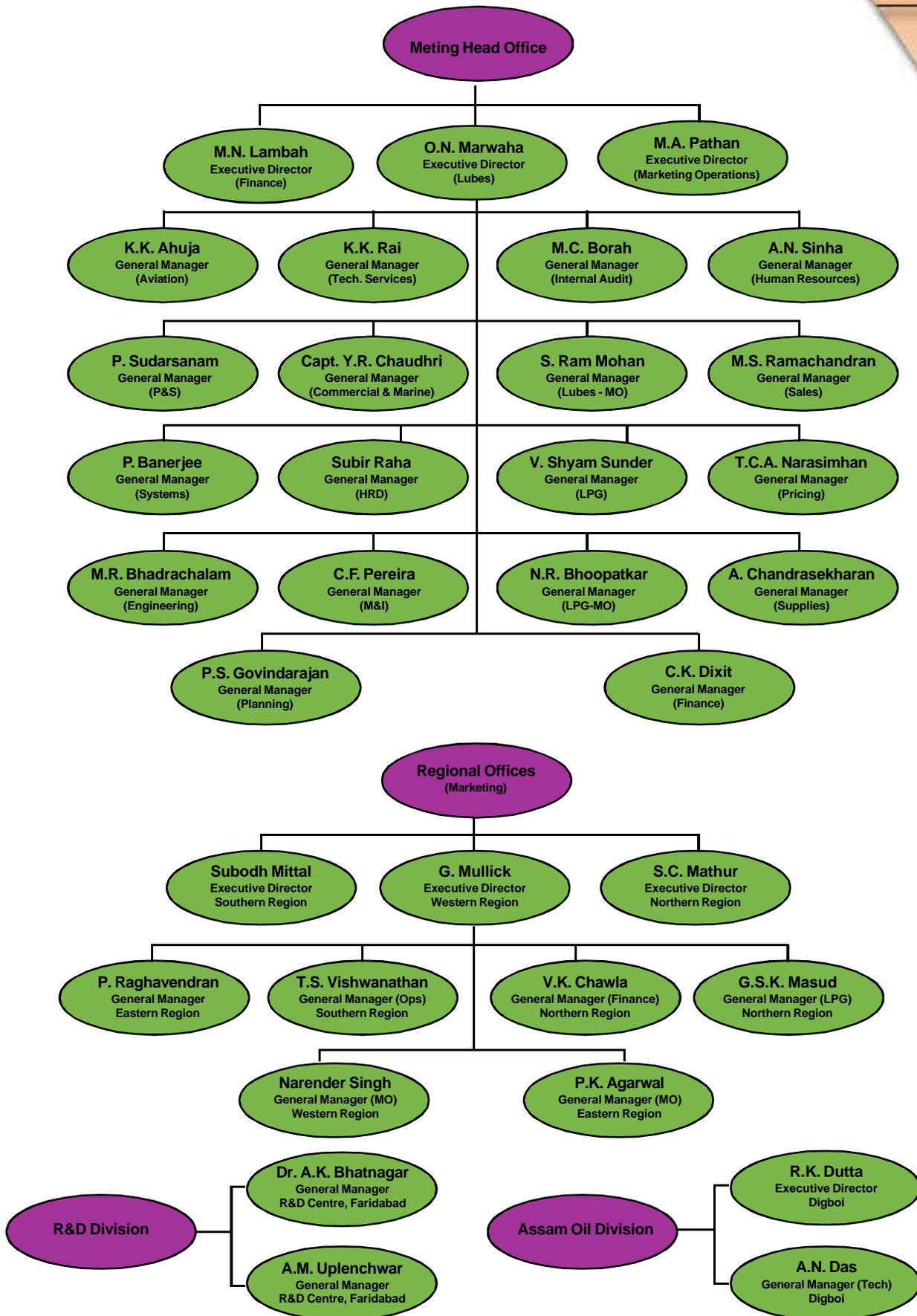


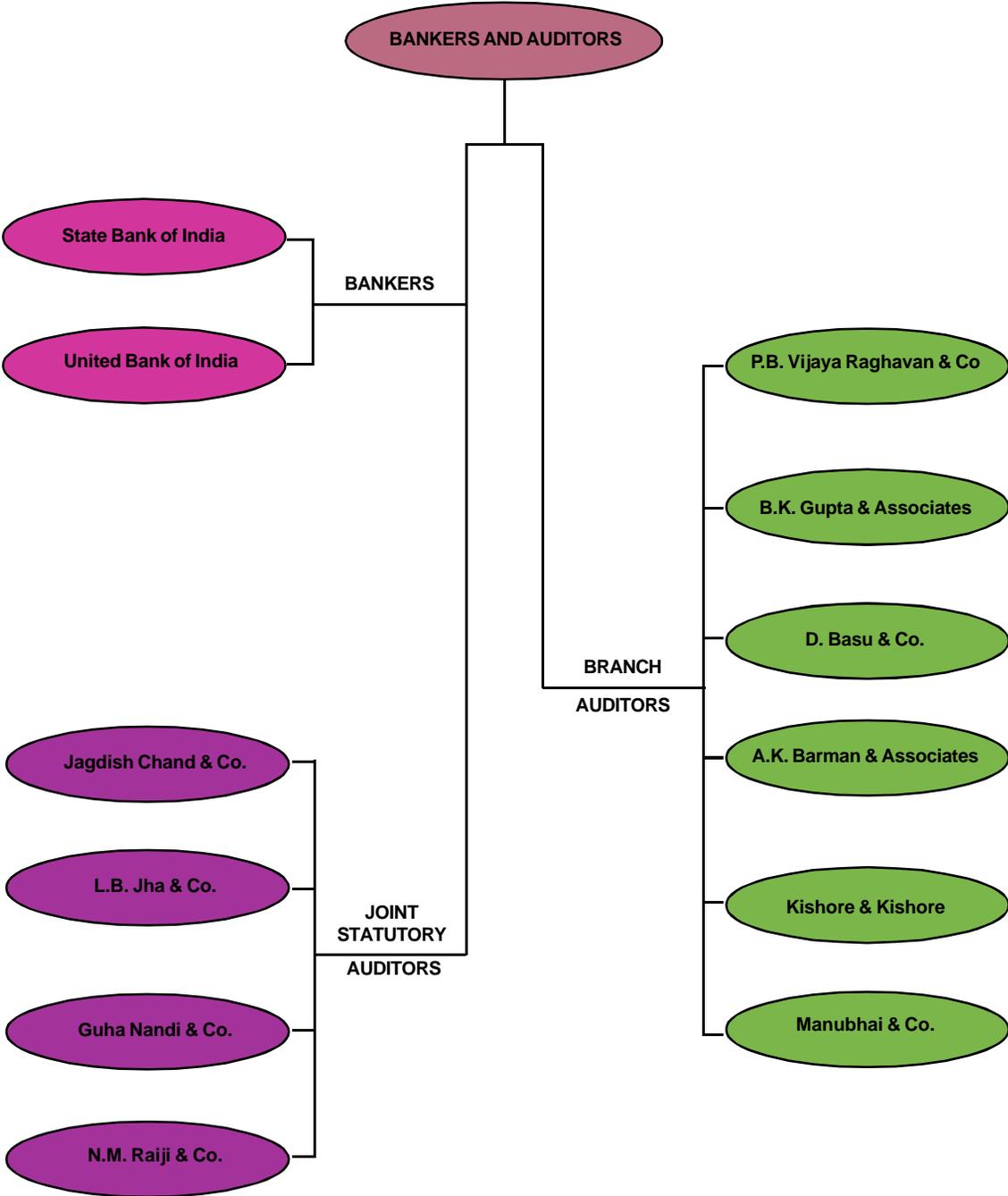




*The Functional Directors witnessing a presentation.*







Notice is hereby given that the 34th Annual General Meeting of Indian Oil Corporation Limited will be held at the Company's Chairman's Office, SCOPE Complex, Core 2, 7, Institutional Area, Lodi Road, New Delhi-110 003 on Wednesday, the 15th September, 1993 at 12.30 hrs. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account and Report of the Auditors and Directors thereon for the financial year ended 31st March, 1993.
2. To declare dividend.

## SPECIAL BUSINESS

1. To consider and, if thought fit, to pass with or without modifications the following Ordinary Resolution:

### ORDINARY RESOLUTION

RESOLVED THAT pursuant to provisions of Section 372 of the Companies Act and subject to the approval of the Central Government, approval of the shareholders be and is hereby accorded for authorising the Board of Directors for applying for and subscribing to 10 million shares of Rs 10/-each for an amount of Rs 100 million in the equity capital of the Joins Venture Company to be formed with Mobil of USA amounting to 50% of the subscribed and paid up capital of the proposed Joint Venture Company.

By Order of the Board,

Sd/  
(S.M. WELING)  
Secretary

Bombay,  
Dated: 15th September, 1993

- Note :**
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.
  2. Explanatory statement as required under section 173 of the Companies Act, 1956 in respect of the special business is enclosed.
  3. Approval for holding the Annual General Meeting in New Delhi instead of at Registered Office at G-9, Ali YavarJung Marg, Bandra (East), Bombay has been obtained from Government of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs, New Delhi.



To  
The Shareholders of  
Indian Oil Corporation Limited

Gentlemen,

On behalf of the Board of Directors, I have great pleasure in presenting to you the 34th Annual Report on the working of the Corporation for the financial year ended 31st March, 1993 along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India.

## CORPORATE REVIEW

### FINANCIAL

(Rs Crores)

	1992-93	1991-92
<b>Turnover</b>	24,436	20,825
<b>Profit</b>		
Profit before Interest, Depreciation and Tax	1,547	1,784
Interest Payment	367	615
Depreciation	245	84
Profit before Tax	935	1,085
Tax Provision	258	298
Profit after Tax	677	787
<b>Appropriations</b>		
Proposed Dividend	49	41
General Reserves	628	746

### PHYSICAL

(Million tonnes)

	1992-93	1991-92
Product Sales	32.98	32.37
Refineries Throughput	24.31	24.29
Pipelines Throughput	23.62	22.51
Market Share	56.1%	56.8%

### MOU PERFORMANCE

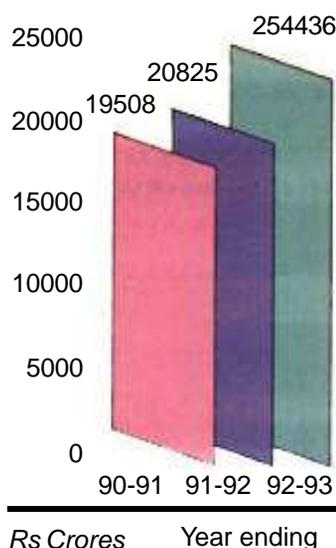
For the fourth successive year your Corporation achieved an excellent rating, which is the highest performance rating according to laid down criteria in the Memorandum of Understanding signed with the Government of India.

### TURNOVER

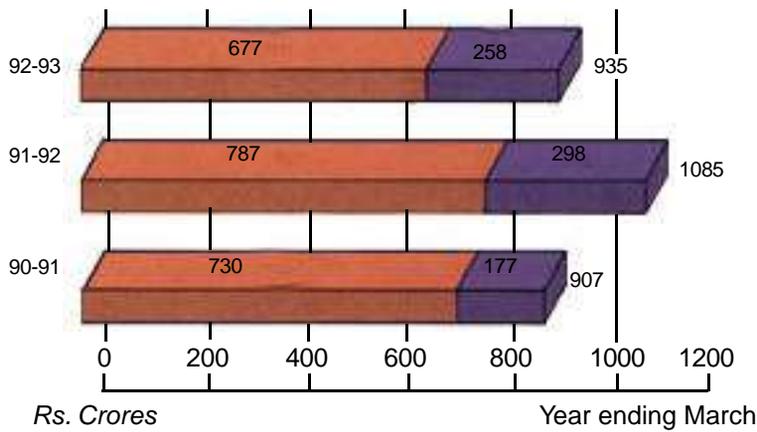
Your Corporation registered a sales turnover of Rs 24,436 crores as compared to Rs 20,825 crores during 1991-92 reflecting an increase of over 17%.

### PROFIT

Your Corporation earned a profit after tax of Rs 677 crores during the year as compared to Rs 787 crores during 1991-92. The decrease in profits due to lower dividend income from investments in units of UTI and higher extraordinary income in 1991-92 largely on account of depreciation write-back



### TURNOVER



**PROFIT**

■ Profit After Tax    ■ Tax    ■ Profit Before Tax

on rationalisation of depreciation rates.

**DIVIDEND**

Your Directors have recommended a dividend of 40% for 1992-93 as compared to 33% in the previous year. This will absorb an amount of Rs 49.31 crores as against Rs 40.68 crores in 1991- 92.

This is the 27th consecutive year of dividend declaration by the Corporation. In the past four years alone it has been progressively increased from 20% to 22%, 33% and now 40%. Till last year, a total dividend of Rs 361.62 crores has been paid by the Corporation. This includes Rs 20.96 crores as interim dividend paid for 1992-93.

**CONTRIBUTION TO EXCHEQUER**

Your Corporation contributed Rs 4696 crores to the Central Exchequer in the form of duties and income tax alone during the year. This is Rs 421 crores or nearly 10% more than the contribution in 1991-92.

**INTERNAL RESOURCE GENERATION**

The internally generated resources (retained profit + depreciation) during the year amounted to Rs 860 crores as compared to Rs 820 crores in the previous year.

**CAPITAL EXPENDITURE AND FINANCING**

Your Corporation incurred a capital expenditure of Rs 811 crores during the year as compared to Rs 760 crores in 1991-92. Over 83% of the Corporation's fixed assets of Rs 5428 crores as on 31st March, 1993 have been financed from internally generated resources.

**PUBLIC DEPOSIT SCHEMES**

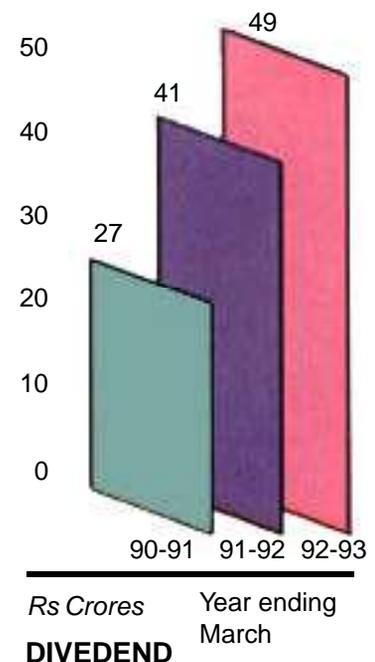
During the year, the Public Deposit Schemes were revived for the general public. The deposits as on 31st March, 1993 amounted to Rs 81.05 crores.

**EXPORT EARNINGS**

Your Corporation earned Rs 1906 crores during the year through exports. Out of this, hard currency earnings in rupee equivalent was Rs 1408 crores.

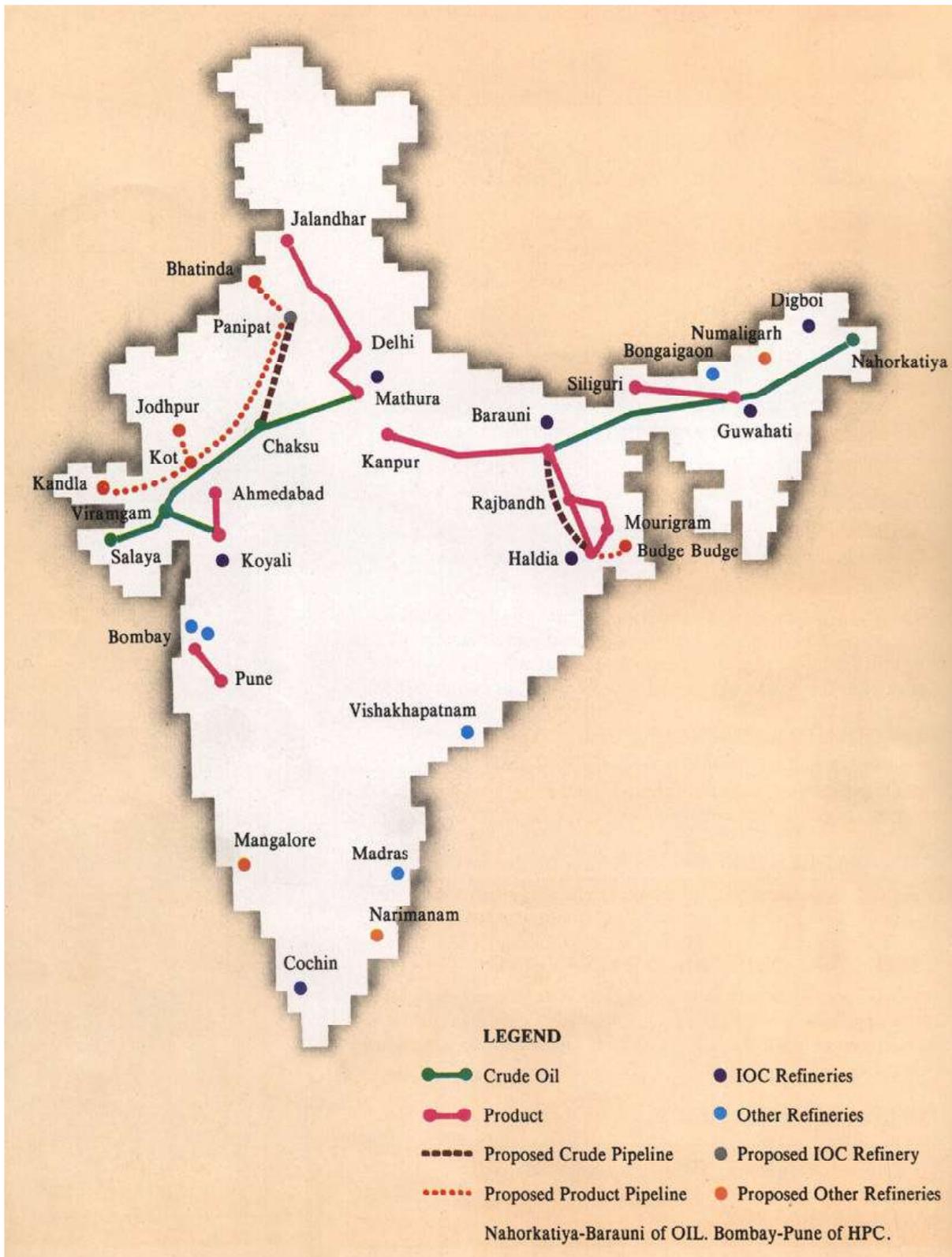


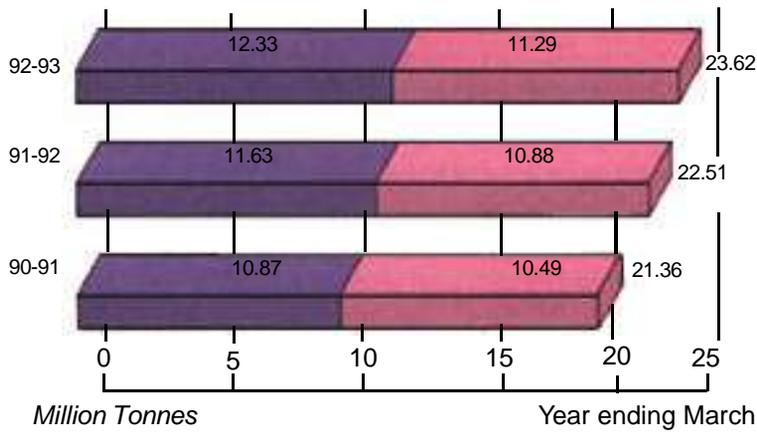
The two coking units of Barauni refinery upgrade residual stocks to value added products.



**DIVIDEND**







**PIPELINES THOROUGHPUT**

■ Profit After Tax    ■ Tax    ■ Profit Before Tax

Your Corporation also earned Rs 303 crores of valuable foreign exchange mainly on account of supply of aviation fuel to international airlines, bunker fuel and marine lubricants to both foreign and Indian flag vessels on foreign run at Indian ports.

**OPERATIONS**

**REFINERIES**

The Corporation's six refineries at Guwahati, Digboi, Barauni, Gujarat, Haldia and Mathura attained a record crude oil throughput of 24.31 million tonnes during 1992-93 as compared to 24.29 million tonnes in the previous year. This also enabled us to exceed the MOU target of 24.1 million tonnes.

The Fluid Catalytic Cracking Units (FCCU) at the Gujarat and Mathura refineries achieved over 100% capacity utilisation for the eighth consecutive year.

Production of bitumen and lube oil base stocks was also the highest so far.

**PIPELINES**

The 3850-km pipeline network of the Corporation transported a record 23.62 million tonnes of crude oil and petroleum products during 1992-93 thus exceeding the MOU target of 20.12 million tonnes by 17.4%.



Guwahati refinery with naphtha splitter facility.

Pipelines at the refinery are regularly inspected.





*Crude oil and product movement through pipelines is monitored by sophisticated controls.*

### Maintenance and Inspection

High priority continued to be accorded to consolidate and update maintenance and Inspection practices to improve on-stream factor. The major actions taken during the year include :

- Remaining life assessment of old turbo-generators at Gujarat, Barauni and Haldia refineries demonstrated effectiveness of our preventive maintenance when no abnormality was discovered.
- Detailed reliability checking undertaken of critical equipment foundations at all refineries.
- Cyclones developed indigenously to replace all six sets of FCCU regenerator at Mathura refinery.
- Based on the results of the Instrumented Pig Survey (IPS), an integrity analysis of Haldia-Mourigram-Rajbardi pipeline and Haldia-Barauni pipeline has been completed and action plans drawn up for repair/replacement of corroded stretches in the Haldia-Mourigram section.

*The Mathura refinery has revamped its vacuum distillation unit to improve distillate yield.*



## MARKETING

The focal point of all corporate activity is the customer—his needs, his convenience and satisfaction. This includes the augmentation of marketing infrastructure such as additional tankage and setting up new bulk depots in order to ensure uninterrupted supplies of petroleum products and most significantly quality assurance and product upgradation through relentless monitoring and innovative R&D.

During 1992-93, three new depots were commissioned at Sankari, Singrauli and Paradip. There are eleven mobile and 31 static quality control laboratories which together tested during the year over 92,000 product samples.

Three new products were launched for the general public—one each for four-stroke and two-stroke engines and another for tractors. The Servo Superior XEE for four-wheelers has a SG/CD and EC II rating of the American Petroleum Institute—the highest rating anywhere in the world. It offers a minimum fuel economy of 2.7% and is reasonably priced.

Your Corporation also provides consultancy to customers to help them save costs through conservation measures. During the year over 550 lubrication and fuel service reports were developed for various customers.

### Sales

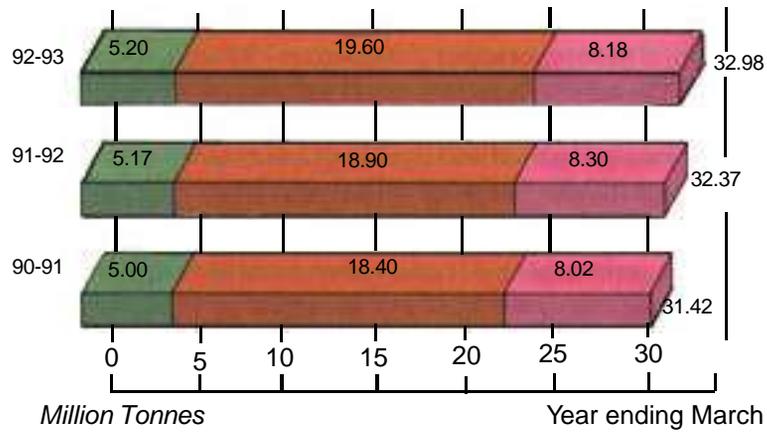
Your Corporation sold 32.98 million tonnes of petroleum products during the year as compared to 32.37 million tonnes in the previous year.

### Retail Distribution

In order to effectively meet the growing demand of petroleum products the Corporation not only commissioned three new depots but also resited five others and augmented the storage facilities by 2.80 lakh kl at its various installations and bulk depots. Presently, the tankage available at the 37 installations and 124 depots is 39.31 lakh kl.

*Customer service is the key issue at the Mathura retail outlet.*





## SALES

■ Light Distillate ■ Middle Distillates ■ Heavy Ends ■ Total

As a “customer friendly” organisation, your Corporation continued to stress on strengthening the marketing network to ensure prompt supply of petroleum products. During the year, 18 retail outlets and 12 SKO/LDO dealerships were commissioned raising their total number to 5899 and 3183 respectively. In addition, for the convenience of large volume customers 160 captive consumer outlets were commissioned. At the end of the year, there were 4277 such outlets in operation.

## RURAL AND AGRICULTURAL SECTOR

In order to cater to the fuel and other special needs of rural areas, the Corporation

*Indianoil serves the Defence services*



has set up 231 multi-purpose distribution centres. In addition, 33 Taluka Kerosene Depots are operated to augment availability of kerosene in remote and far-flung areas.

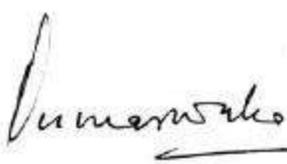
**LPG**

At the end of 1992-93, the Indane customer population of the Corporation went up to 100 lakh from 94 lakh in the previous year. In our continued endeavour to enhance customer satisfaction, 5.75 lakh households were extended the facility of a second cylinder during the year. Nearly 52% of the Indane customers now enjoy the convenience which ensures uninterrupted cooking gas availability.

The vast network of 31 Indane Area Offices and 2132 LPG distributors in 1087 towns all over the country continued their relentless efforts to ensure regular Indane supplies to our esteemed customers. During the year, the total capacity at the 29 bottling plants of the Corporation was enhanced to 10,38,000 tonnes per annum. Three more bottling plants at Pune, Cochin and Pondicherry are under construction and shall be commissioned during 1993-94.

In order to further improve our service to customers, several initiatives have been taken:

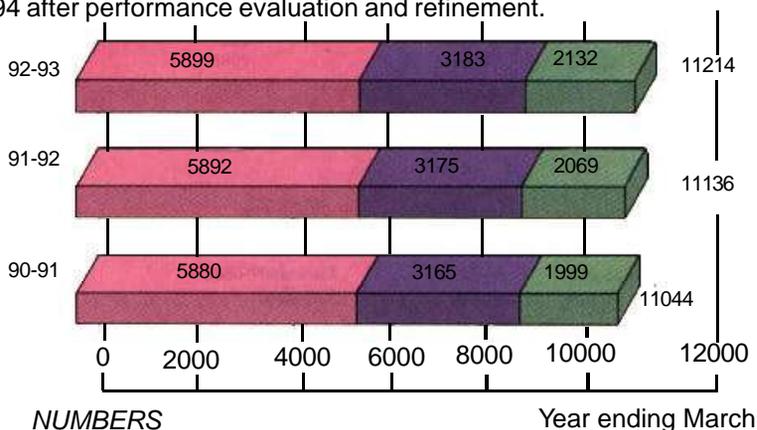
- 31 customer service cells are being operated from the Area Offices, besides the 948 consumer zonal service cells which operate at various locations.
- For attending to complaints of customers after working hours and on holidays, 12 Emergency Service Cells were commissioned during the year raising their number to 66.
- In our continuous effort to



enhance safety and conservation

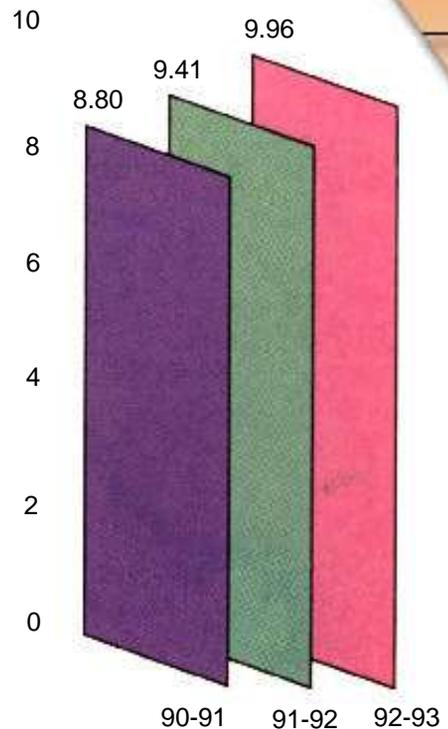
awareness, 4797 customer education programmes and safety clinics were conducted during the year.

— For the first time in the country, a new concept of computer "remote Operational Automatic LPG Filling System" (RALF) has been developed and commissioned at the Calicut bottling plant resulting in substantial increase in productivity. It is proposed to replicate the system at the three new bottling plants being commissioned during 1993-94 after performance evaluation and refinement.



**RESELLER NETWORK**

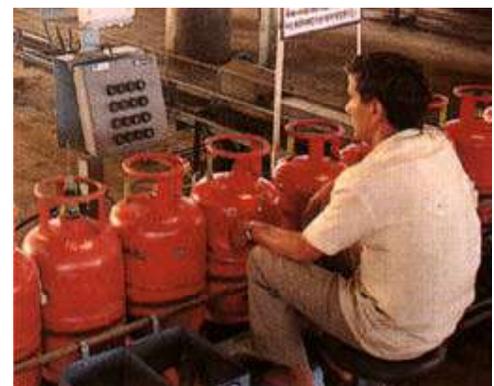
■ Retail Outlets ■ SKO/LDO Dealer ■ LPG Distributors ■ Total



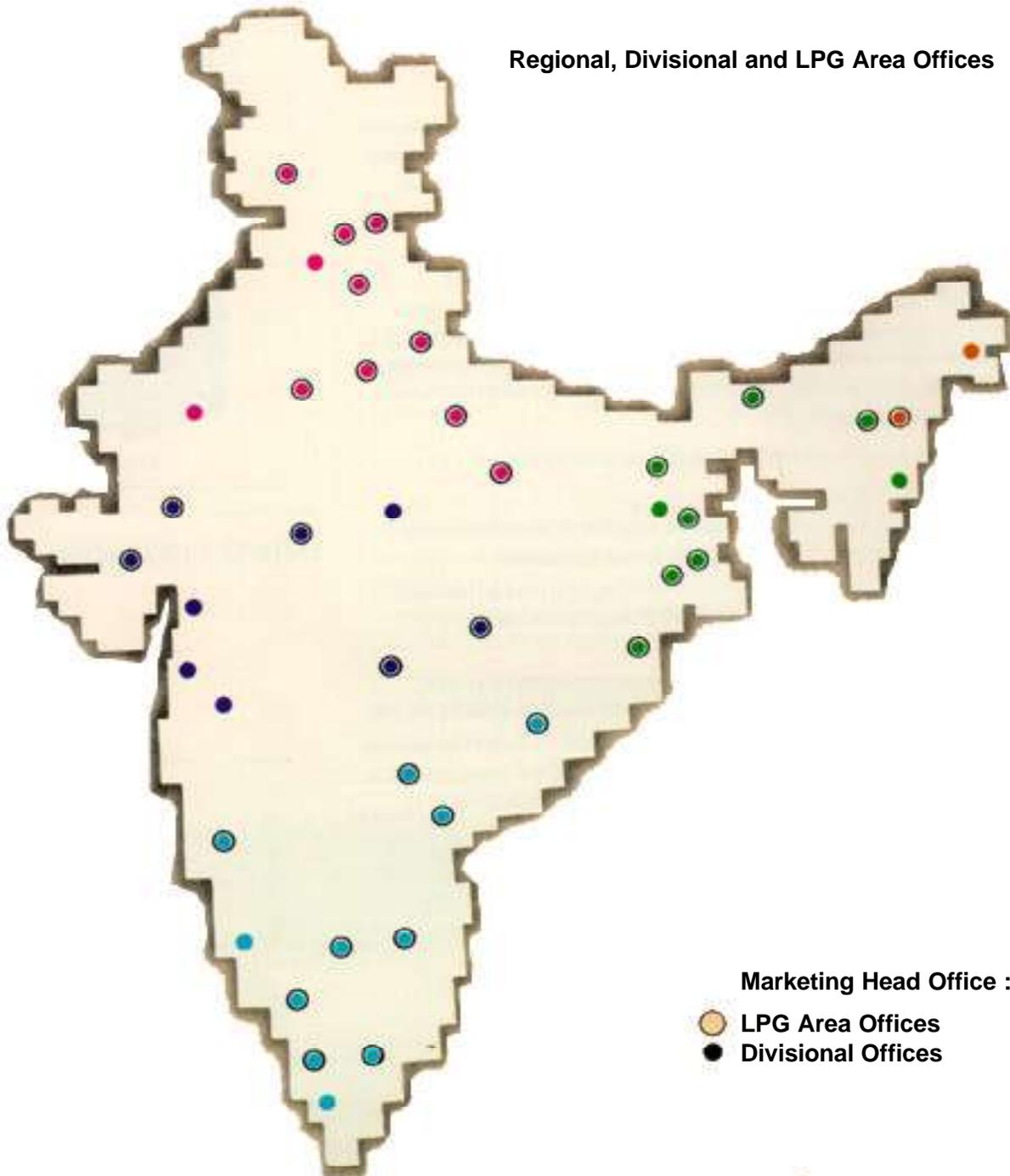
Nos. in Million Year ending March

**INDANE CUSTOMERS**

Each Indane cylinder is carefully checked before it leaves the bottling plant.



## Regional, Divisional and LPG Area Offices



Marketing Head Office : Bombay

- LPG Area Offices
- Divisional Offices

### Norther Region

- New Delhi**  
 Allahabad  
 Agra  
 Bareilly  
 Chandigarh  
 Jaipur  
 Jammu  
 Jodhpur  
 Karnal  
 Lucknow  
 New Delhi  
 Shimla

### Eastern Region

- Calcutta**  
 Bhubaneswar  
 Calcutta  
 Dhanbad  
 Durgapur  
 Guwahati  
 Imphal  
 Jamshedpur  
 Patna  
 Siliguri

### Western Region

- Bombay**  
 Ahmedabad  
 Bhopal  
 Bombay  
 Jabalpur  
 Nagpur  
 Pune  
 Rajkot  
 Raipur  
 Surat

### South Region

- Madras**  
 Bangalore  
 Belgaum  
 Kochi  
 Coimbatore  
 Madras  
 Madurai  
 Mangalore  
 Secunderabad  
 Thiruvananthapuram  
 Vijaywada  
 Vishakhapatnam

### Assam Oil

- Digboi**  
 Guwahati  
 Tinsukia



**Aviation**

Your Corporation continued to be the market leader in the aviation fuel business achieving a sales of 13.75 lakh kl representing a market participation of 68.2%. The 89 aviation fuel stations met more than 91% of the requirements of the Defence services besides those of the other market segments viz. Indian Airlines, Air India, Vayudoot and 35 international airlines. Of the private air taxis which began operations under the "open sky" policy of the Government, over 90% chose the efficient refuelling services of your Corporation.

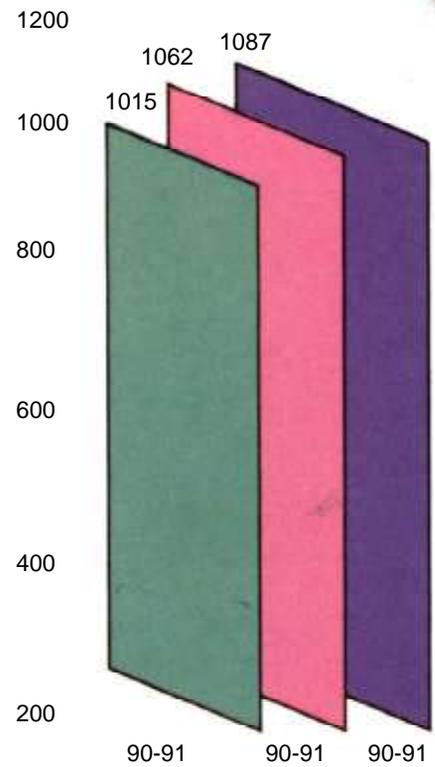
The Indianoil aviation service has been consistently innovating and updating technology to offer prompt service. For this purpose, we commissioned Calicut aviation fuel station with mobile refuelling facility and hydrant refuelling systems at Aurangabad, Indore and Coimbatore.

During the year your Corporation continued to render technical assistance in aviation fuel business to neighbouring countries like Maldives and Nepal.

**Lubricants**

The Corporation's efforts were directed towards providing the customer with the best lubricant at the most reasonable cost. During 1992-93, sales of 4,31,900 tonnes of lubricants and greases was achieved representing a market share of over 54%. The lube blending plant at Madras attained a throughput of 1,80,200 tonnes, while the small-can filling units at Trombay, Shakurbasti, Allahabad and Malda packed 43,200 tonnes of lubricants. Two small-can filling/mini blending plants were also commissioned during the year at Tadepalli in Andhra Pradesh and Khapri in Maharashtra. They have a capacity of 56,000 tonnes each.

During the year your Corporation also developed 14 new products. Five of them will replace imported products and result in a recurring foreign exchange saving of Rs 1.75 crores per annum.



As on 31st March

**NUMBER OF TOWNS WITH INDANE**

*Aviation service of international standards has led to over 68% market participation.*



To serve our customers with quality products, we launched several new lubricants developed through our R&D. In order to maintain our technological edge, we have also tied up for joint ventures with Mobil of USA and NYCO S.A. of France. The former will help us in obtaining the latest technology in automotive lubricants while the latter, in which Balmer Lawrie is also a partner, will enable introduce state-of-the-art synthetic and semi-synthetic lubricants for the Defence and aviation sectors.

### **Shipping**

As a result of decline in indigenous crude oil availability, higher volumes of crude oil and petroleum products had to be imported through systematic planning and scheduling of supplies. During the year, your Corporation handled 295 crude oil tankers and 425 product tankers. In addition, as many as 13 transhipments were carried out at Paradip port. Barge loading with NGL was also begun during the year at Hazira.

### **INTERNATIONAL TRADE**

Your Corporation continued to shoulder the responsibility of importing all the crude oil for the country and almost all the petroleum products with the expertise available in the International Business, Commercial, and Shipping departments. A carefully selected diversified mix of supply sources and term as well as spot purchases was utilised to import 29.243 million tonnes (MMT) of crude oil, 10.403 MMT of fuel products and 0.298 MMT of lubricants. Your Corporation also exported 3.393 million

*Over 700 crude oil and product tankers were handled during the year.*



tonnes of petroleum products. Details of the imports and exports by the Corporation as compared to the previous year are as follows:

	1991-92		1992-93	
	Qty. (Million tonnes)	Value (Rs crores)	Qty. (Million tonnes)	Value (Rs crores)
<b>Imports</b>				
Crude Oil	24.127	7,751.63	29.243	10,432.81
Fuel Products	8.755	4,613.68	10.403	5,801.45
Lubricants	0.404	456.21	0.298	358.73
<b>Exports</b>				
Petroleum Products	2.667	1,036.45	3.393	1,408.56



*The single-buoy-mooring at Salaya*

Your Corporation also imports fuel products on behalf of Nepal Oil Corporation.

## RESEARCH AND DEVELOPMENT

The Corporation's R&D Centre invested Rs 15.23 crores on various Research & Development programmes to support the R&P and Marketing Divisions during the year.

*The sophisticated Auto-Dest TBP distillation unit at the R&D Centre for evaluation of crudes*





*The Climatic Chamber at the R&D Centre tests lubes and fuel performance under varying conditions.*

Some salient activities during the year include:

- Development of 82 lubricant formulations including fuel saving and energy conserving automotive engine oils, synthetic heat transfer oil, high performance high temperature greases, and two-stroke engine oil with lower oil to fuel ratio.
- Various national and international approvals were obtained for 31 products.
- A novel chemistry grease (G-92) based on a new thickener has been developed.
- A fuel efficient hurricane lantern meeting BIS specifications has been developed which saves up to 20% kerosene.

### **ASSAM OIL DIVISION**

The Digboi refinery of the Assam Oil Division (AOD) achieved a capacity utilisation of 110% by processing 0.547 million tonnes (MMT) of crude oil during the year. The Division sold 0.872 MMT of products and retained its position as market leader in the north-east region. At the end of 1992-93, AOD operated 284 retail outlets, 385 SKO/LDO dealerships besides 53 consumer outlets to render prompt service to its customers. By enrolling over 33,500 new LPG customers during the year, AOD presently supplies Indane to over 2.62 lakh households through 113 distributors spread over 80 towns.

*The Digboi refinery is being modernised.*



## PROJECTS

### Completed Projects

Your Corporation accords high priority to timely completion of various projects. The major projects completed during the year are:

- Udex debottlenecking at Gujarat refinery.
- Revamp of Vacuum Distillation Unit at Mathura refinery.
- Augmentation of bitumen storage and despatch facilities at Mathura.
- Mandatory crude oil tank at Vadinar.
- Revamp of Salaya-Viramgam-Koyali telecom system.
- OCC approved tankages at 13 locations.
- Bunkering facility at Paradip.

### On-going Projects

The major projects under implementation are

- Additional secondary processing facility (Hydrocracker) at Gujarat refinery.
- Six million tonnes per annum capacity grassroots refinery at Panipat together with crude oil pipeline, despatch facilities and marketing terminal.
- Kandla-Bhatinda product pipeline project (including marketing facilities).
- Digboi refinery modernisation.
- Installation of sulphur recovery unit at Haldia.
- Catalytic Reformer unit at Barauni and Digboi.
- Propylene recovery unit at Mathura.
- Second Single Buoy Mooring (SBM) at Salaya.
- Augmentation of Salaya-Viramgam pipeline.
- LPG import facility at Kandla.
- LPG bottling plants at Guwahati, Cochin, Pune and Pondichery as well as revamping of Jalandhar plant.
- MG/BG transhipment terminal at Lumding.
- Construction of fuel products additional tankages at 25 locations and LPG tankages at six locations.
- Hydrant refuelling system at Calcutta airport.
- Installation of high speed lube filling lines at Khapri, Tadepalli and Allahabad.

### New Projects

The significant new projects planned are

- Expansion of Gujarat refinery by three million tonnes per annum.
- Distributed Digital Control System at refineries.
- Haldia-Barauni crude oil pipeline..
- LPG bottling plants at Madanpur-Khadar (Delhi), Ennore and Belgaum.

Our participation/setting up of a six million tonnes per annum grassroots refinery on the east coast is under consideration.



*LPG storage spheres in final stages of construction.*

*The country's first hydrocracker at Gujarat refinery is nearing completion.*





*The fuel oil block of Haldia refinery.*

## ENERGY CONSERVATION

Your Corporation not only continued to maintain its thrust on conservation of energy at all its units but enlarged its activities to promote the concept among the masses. The following actions taken during the year will yield recurring saving of 16, 890 tonnes of fuel per year valued at over Rs 2.5 crores per annum:

- Soaker in Visbreaking Unit and replacement of Udex heater at Gujarat refinery.
- Energy conservation measures in furfural extraction unit and additional heat recovery in Kerosene Hydro-desulphurisation unit at Haldia refinery, .
- Revamp of Stabiliser section of crude distillation unit at Mathura refinery.

The kerosene lamps and hurricane lantern developed by the R&D Centre have not only high luminosity but can save upto 20% energy.

During the year your Corporation also introduced marketing of compressed natural gas (CNG) for automotive use through two retail outlets at Delhi and one each at Bombay and Baroda.

The use of solar photovoltaic systems is also being steadily expanded to cover more retail outlets and units and installations.

Your Corporation has adopted 17 States in the country for promoting oil conservation and during 1992-93 over 6500 activities were conducted. These include auto emission checks, seminars and sammelans, condition monitoring of lubes and driver training programmes. During the Oil Conservation Week in January, more than 11500 mass awareness programmes were conducted.

In accordance with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, a report on Energy Conservation, Technology Absorption and Foreign Exchange earnings is provided in the annexure.

*The crude pre-heat exchanger train after optimisation at Barauni refinery.*



## SAFETY

Your Corporation continued its relentless pursuit in achieving excellence by effecting all round improvement in safety performance. Some of the note-worthy awards received during the year are:

- "Sword of Honour" from the British Safety Council for the second time in succession to Gujarat refinery for the best safety performance during 1991.
- "Award of Honour" from the National Safety Council, Chicago, USA for the seventh consecutive year to the Koyali-Ahmedabad pipeline.
- 144 marketing locations won the British Safety Council Awards during 1992. These include 94 terminals and bulk depots, 30 aviation fuel stations and 20 LPG bottling plants.
- National Safety Award from the British Safety Council to the Mathura-Jalandhar pipeline.
- Oil Industry Safety Directorate (OISD) Award for LPG marketing operations.

## ECOLOGY AND ENVIRONMENT

Your Corporation's commitment towards environmental protection and maintaining ecological balance was pursued vigorously during the year. Regular monitoring of various pollution control facilities, like quality of treated effluent, stack emissions and ambient air quality was continued at all refineries.

During the year full compliance with applicable effluent quality standards was achieved at all refineries. The on-going study at Mathura refinery has proved that the treated refinery waste water has no adverse impact on the quality of soil, crops and agricultural productivity.

The regular monitoring of stack emissions with continuous monitoring instruments at Mathura and portable kits at other refineries indicated achievement of notified emission standards. While the installation of a Sulphur Recovery Unit at Haldia is in an advanced stage of completion to further reduce pollutants, the Mathura refinery demonstrated excellent performance with SO<sub>2</sub> emissions 30% below the stipulated limit of 1000 kg/hr.

In the Agra-Mathura-Bharatpur region, continuous monitoring of ambient air at the four stations at Farah, Keetham, Sikandra and Bharatpur revealed that SO<sub>2</sub> concentrations were well below the stipulated standard for sensitive areas.

## HUMAN RESOURCES

Your Corporation continued its endeavour to upgrade facilities and promote the welfare of employees. To encourage sportspersons, the amount permissible for kits for participation in PSCB tournaments was enhanced.

For creating a congenial work environment, your Corporation has consistently encouraged employee participation in Management. This enlists their involvement in matters of vital concern and helps satisfy their urge for self-expression and creativity. Its successful operation in a participative manner at the shop-floor and plant level is regularly monitored and encouragement provided for involvement of employees in improvement of working conditions, welfare services and safe-work procedures. Joint Committees have been constituted primarily in the operational and safety areas. Small group activities like Quality Circle continue to be encouraged to elicit voluntary employee participation. Line managers and Union members are given orientation to make the participative interaction more meaningful for increased productivity.



*Inside view of mobile air monitoring van of Mathura refinery*

*The expertise of our human resource is offered to customers in India and other developing countries*





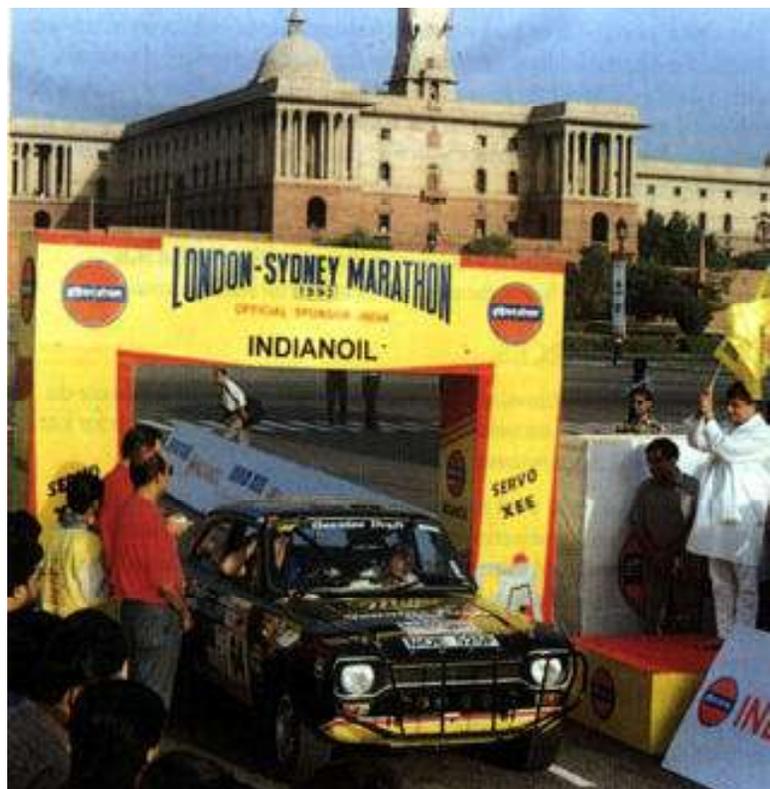
*Well-equipped hospitals are an integral part of refinery townships.*

Your Corporation has been scrupulously following the Presidential Directives, the first of which was received in 1971, in the recruitment and promotion of SC's and ST's, as well as the instruction of the Government for the recruitment of physically handicapped persons and ex-serviceman. During 1992-93, the Corporation recruited 1274 persons of which 482 belonged to the SC and ST communities, 15 were physically handicapped and 19 were ex-servicemen.

During the year the Corporation also awarded a scholarship of Rs 750/- per month to 164 SC/ST students pursuing studies in engineering, medicine and business administration. Such scholarships have so far been awarded to 328 students.

Your Corporation continues to actively promote sports and during 1992-93 not only participated in all inter-unit tournaments of the Petroleum Sports Control Board but hosted the cricket tournament at Pune. Indianoil teams won the PSCB championship in Lawn Tennis, Table Tennis (both men and women events) and were runners-up in cricket. In badminton, the veteran singles and doubles titles were won by our players.

During the year, two of our table tennis players represented the Nation at not only the Olympic games at Barcelona but also the international tournaments in North Korea, China and Japan as well as the Asian Championship at Delhi and the first Asian Team Cup in China. One of our tennis players played league matches in Holland and participated in the Malaysian Satellite tournament at the invitation of the International Tennis Federation. Two of our cricket players played County league matches in Yorkshire and Scotland. Four others were selected for the Ranji Trophy matches during the year.



*The India run of the London-Sydney marathon was flagged off by Capt. Satish Sharma, Minister of Petroleum and Natural Gas.*

To meet the challenge of competition arising out of the macro-economic changes, the training strategy of your Corporation continued to focus on the periodic updation of the functional and managerial skills of employees. In addition, the recommendations emerging out of the study by the Administrative Staff College of India (ASCI) in the areas of training need identification, linkages with performance appraisal and evaluation system were implemented.

During the year the nucleus group working on setting up the Corporate Management Institute continued its diligent efforts in exploring possibilities for entering into collaboration with management education and development Institutes in India and abroad to facilitate commissioning of our Institute at Gurgaon.

At the end of 1992-93, your Corporation had an employee strength of 33,829, including 8406 officers.

Industrial relations in the Corporation during the year continued to be peaceful and cordial. An agreement was signed with the Unions, with the prior approval of the Government, extending by 18 months the previous long-term settlement which had expired on June 30, 1990.

## PRESIDENTIAL DIRECTIVES

A Presidential Directive no. J-16014/1/91-SCT dated 24.5.1993 under Article 144(b) of the Articles of Association of the Corporation has been received from the Ministry of Petroleum and Natural Gas covering employment of physically handicapped persons in public enterprises.

## GOOD CORPORATE CITIZEN

Your Corporation continued its policy to strengthen community relations and encourage developmental efforts, particularly in the field of health, education, and management.

## HINDI IMPLEMENTATION

Efforts were intensified during 1992-93 for the progressive use of Hindi in our official work in accordance with the provisions of the Official Languages Act, 1963 and the Official Languages Rules, 1976. In addition to training programmes for typists and stenographers, workshops were also organised for providing extensive practice in Hindi correspondence. In order to promote use of Hindi among employees, various competitions, cultural programmes and plays are regularly organised. The House Journal of the Corporation "Indianoil Samachar" and other select news journals including "Dealer News" continued to be brought out in Hindi also.

## INDIAN OIL BLENDING LIMITED

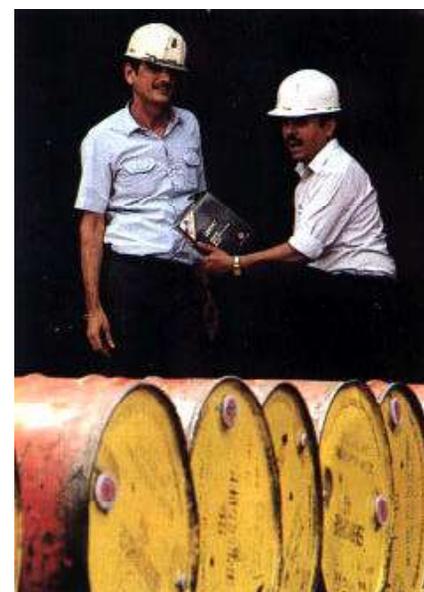
The Annual Accounts and Directors' Report of Indian Oil Blending Limited (IOBL), a wholly owned subsidiary of the Corporation are annexed. After providing for depreciation of Rs 2.51 crore, IOBL earned a net profit of Rs 2.90 crore.

The two lube plants with a production of 3,51,476 kl attained a capacity utilisation of 141%. In only its second full year of operation the grease plant at New Bombay (Vashi) attained a capacity utilisation of 105% by producing 11,491 tonnes. In the first year of operation, the facilities installed at the Bombay plant for producing viscosity index improver attained 106% capacity utilisation.



*A healthy mind in a healthy body children at a refinery school.*

*IOBL blends lubes for almost all applications.*



## **FOREIGN TOURS**

Out of 129 tours undertaken by officers during the year, 45 were for education/training programmes. The total expenditure on foreign tours was Rs 167.02 lakh.

## **ENTERTAINMENT EXPENSES**

The entertainment expenses for the year 1992-93 stood at Rs 12.77 lakh.

## **BOARD OF DIRECTORS**

Dr. P.K. Mukhopadhyay retired on January 31, 1993 as Director (Research & Development).

Shri H.C. Gupta ceased to be a Director of the Corporation from September 7, 1992. Shri Devi Dayal has been appointed as a Director of the Corporation with effect from November 3, 1992.

## **PARTICULARS OF EMPLOYEES**

The particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended by the Companies [Particulars of Employees (Amendment)] Rules, 1990 are annexed.

## **ACKNOWLEDGEMENTS**

The Board of Directors takes pleasure in placing on record its special appreciation for the excellent contribution made by the members of the Indianoil family. The Board of Directors also wishes to acknowledge the valuable guidance and support received from the Government of India and the various State Governments.

Your Board of Directors also wishes to place on record its appreciation for the significant contribution made by Dr. P.K. Mukhopadhyay during his tenure as Director (Research & Development). The Board of Directors also acknowledge the support of Shri H.C. Gupta during his tenure as a Director of the Corporation.

For and on behalf of the Board

New Delhi  
Date: 14th September, 1993

B.K. Bakhshi  
Chairman I/C

## ANNEXURES TO DIRECTORS' REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

### A. CONSERVATION OF ENERGY

#### a) Energy Conservation measures taken:

As a part of continued efforts towards energy conservation, a number of energy conservation projects are being implemented in various refineries of the Corporation. For further optimisation of energy usage in the refineries, comprehensive energy audits have been taken up.

#### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

##### I. Scheme completed

Sl. No.	Item	Cost (Rs Crores)	Fuel Savings (Tonnes/Year)
1.	Soaker in Visbreaking Unit at Gujarat Refinery (part of Hydrocracker Project)	–	8,700
2.	Energy Conservation measures in FEU at Haldia Refinery	1.45	4,700
3.	Replacement of Udex Heater at Gujarat Refinery (Part of Udex revamp Project)	–	1,850
4.	Revamp of stabiliser section of CDU at Mathura Refinery	3.07	1,000
5.	Additional heat recovery from kero-HSD at Haldia Refinery	0.10	640
Total:		–	16,890

##### II. Schemes under implementation

- AU-IV Energy Economic Revamp at Gujarat Refinery.
- Efficiency improvement in furnances at Digboi Refinery (part of Digboi Refinery Modernisation Project).
- Energy Conservation measures in CDU at Haldia Refinery.
- Feed Preheat Optimisation in VDU at Haldia Refinery (Part of Lube Block Revamp Project).
- Soaker in Vis-breaking Unit at Mathura Refinery.

#### c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above schemes under I & II on completion are expected to result in fuel savings of about 43050 tonnes valuing over Rs 6.98 crores per annum.

#### d) Total energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure in respect of industries specified in the schedule thereto:

Necessary information in Form 'A'.

## **B. TECHNOLOGY ABSORPTION**

e) Efforts made in technology absorption as per Form 'B' of the annexure is attached:

## **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

f) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services; and export plans:

Indianoil exported Naphtha, Natural Gas liquid (NGL), and Furnace Oil (FO) during the year 1992-93. The total quantity exported was 3.39 million tonnes as against 2.67 million tonnes in 1991-92. The value of total exports during the year was Rs 1409 crores against the export value of 1036 crores in the previous year. For the year 1993-94 also exports of Naphtha, NGL and FO are planned.

g) Total foreign exchange used and earned:

	(Rs Crores)
Foreign Exchange earnings	1906.37
Foreign Exchange used	16,951.52

## Form 'A'

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	Total 1992-93	Total 1991-92
<b>(A) POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
a) Purchased:		
Qt,v ('000 KWH)	22,875	23,950
Rate	1.67	1.23
Amount (Rs/Lakhs)	381	295
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas) Generator		
Unit('000KWH)	36,878	17,109
KWH per MT of STD Fuel	6,689	3,538
Cost/Unit (Rs/KWH)	3.04	2.81
ii) Through Steam Turbine/Generators		
Qty ('000 KWH)	6,84,119	6,96,290
KWH per MT of STD Fuel	3,286	3,210
Cost/Unit (Rs/KWH)	1.31	1.30
c) Electricity Consumed (a+b) ('000 KWH)	7,43,872	7,37,348
<b>2. COAL (Specify quality and where used)</b>	—	—
<b>3. LIQUID FUEL (LSHS &amp; FO)</b>		
Qty (MTs)	8,08,199	7,37,729
Amount (Rs/Lakhs)	14,071	12,754
Average Rate (Rs/MT)	1,740.99	1,728.75

Particulars	Total 1992-93	Total 1991-92
<b>4. OTHER/INTERNAL GENERATION</b>		
i) Fuel Gas		
Unit (MT)	2,94,091	2,88,700
Total Amount (Rs/Lakhs)	5,527	5,278
Average Rate (Rs/MT)	1,879.41	1,828.15
ii) LDO		
Unit (MT)	943	730
Total Amount (Rs/Lakhs)	19	15
Average Rate(Rs/MT)	2,016.14	2,016.14
iii) Coke		
Unit (MT)	1,05,566	1,07,410
Total Amount (Rs/Lakhs)	1,712	1,753
Average Rate (Rs/MT)	1,621.64	1,632.07
<b>(B) CONSUMPTION PER MT OF PRODUCT</b>		
i) Actual Production('OOO MT)	22,859	22,869
ii) Consumption per MT of Product		
- Electricity(KWH/MT)	32.541	32.243
- LiquidFuel(MT/MT)	0.035	0.032
- FuelGas/LDO/Coke(MT/MT)	0.018	0.018

**Form 'B'**  
(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

**RESEARCH & DEVELOPMENT (R&D)**

**1. Specific areas in which R&D carried out by the Company:**

- a) Lubricants and Specialities
- b) Fuels
- c) Refinery Processes
- d) Pipeline Transportation
- e) Material Failure analysis
- f) Fuel efficient domestic appliances.

**2. Benefits derived as a result of the above R&D:**

- a) Development of high performance high temperature non-fat based grease which would partly replace the conventional soap base greases.
- b) Suggestions to incorporate CO promoter addition in Gujarat FCCU stream has resulted increase in FCCU throughput by about 15-20%.
- c) Development of new generation 2T oil—a lubricant capable of operation at 1% oil fuel ratio as against the conventional 2% dosage.
- d) Development of multigrade all-purpose tractor oil and launched as Servo Tractor.
- e) Development of Synthetic heater transfer oil and synthetic compressor oil.
- f) Development of Energy conserving engine oil.

**3. Future Plan of Action :**

- a) Development of long life and energy efficient products.
- b) Development of biodegradable products.
- c) Diesel multifunctional additive based on components.
- d) Development of high octane aviation gasoline.
- e) Automation of engines laboratory.
- f) Installation of Hydrocracker bench scale units.

**4. Expenditure on R&D:**

- |              |    |              |
|--------------|----|--------------|
| a) Capital   | Rs | 6.77 crores  |
| b) Recurring | Rs | 8.46 crores  |
| c) Total     | Rs | 15.23 crores |



**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:****1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

With a view to further improve the product slate, product quality and on-stream factor of processing units, Indianoil has introduced newer technologies in line with the latest developments world-wide. Major steps taken in this regard were:

**A. Imported Technology****(i) Hydrocracker Technology**

The country's first hydrocracker for maximising the much needed middle distillates is under installation at Gujarat Refinery. Proven technology from M/s. Chevron Research Corporation, USA has been used for this 1.2 MMTPA capacity plant.

**(ii) Hydrogen Generation Technology**

For the Hydrogen plant required for hydrocracker steam reforming together with modern Pressure Swing Absorption (PSA) process has been obtained from M/s. LINDE of West Germany.

**(iii) Catalytic Reforming Technology**

Process technology has been obtained from M/s. IFP for the proposed continuous Catalytic Regenerator type catalytic reformer at Mathura Refinery. This technology is being adopted for the first time in the refining industry of the country.

**(iv) Hydrofinishing Unit (HFU) technology for treatment of Paraffin Wax**

Process technology has been obtained from M/s. IFP, France for AOD, Digboi Refinery.

**(v) Use of Newer-Catalysts**

In FCCU of Gujarat, HXL-100 catalyst has been switched over to KLC-85 catalyst to improve LPG and gasolene yields. Also, Co-promotor has been introduced besides ZSM-5 additive to improve gasolene and cycle oil yields. In FCCU of Mathura, an improved catalyst KLC-905 was introduced.

**(vi)** Offline process simulation packages e.g. Chemshare have been procured for all refineries to carry out process simulation studies in-house with the objective of improving plant operations further.

**B. Indigenous Technology****(i) Soaker Technology**

For the first time in the country, soaker technology for visbreaking has been employed for debottlenecking vis-breaker at Gujarat Refinery and the same has been commissioned. At Mathura Refinery also, existing Vis-breaker is being converted into soaker type.

**(ii) Gas Turbine**

Two Gas Turbine with Co-generation facilities have been installed and commissioned at Gujarat Refinery as a part of Gujarat Hydrocracker Project.

**(iii) TETRA Technology for Aromatic Production**

The Udex Plant at Gujarat Refinery has been revamped for use of new solvent Tetra-Ethylene Glycol (in place of TriEthylene-Glycol) for improving quality of the products viz. Benzene and Toluene in line with stringent quality requirement of the customers.

**(iv) Sulpholane Process**

Replacement of existing Kerosene Treating Unit (KTU) of Digboi Refinery by using indigenously developed Sulpholane Process Technology is under active consideration.



## C. Modernisation of Instrumentation and Control

### 1. Distributed Digital Controls (DDCS)

Conventional Pneumatic Instruments in existing process units and captive power plants are being replaced by micro-processor based DDC Systems in a phased manner. DDCS has already been implemented & commissioned in the following plants:

- a) Crude & Vacuum Unit, Visbreaker, merox Units and FCCU at Mathura Refinery.
- b) Atmospheric Unit IV, Vacuum Unit and Visbreaker in the expansion Units and Udex Plant at Gujarat Refinery.
- c) Powr Plant at Haldia Refinery.
- d) Gujarat Hydrocracker Project.

Installation of DDCS is under implementation in the following units:

- a) AU-I, II, III, CRU, PDF, FPU and FCCU at Gujarat Refinery.
- b) Fuel block (group 20 units) and Lube block of Haldia Refinery.
- c) Sulphur Recovery Unit, Bitumen Blowing Unit and TPS at Mathura Refinery.

Proposals for other processing units have been/are being developed and implementation is expected by the end of 1996.

### 2. Advanced Controls & Optimisation

Computer based On-line advanced controls and optimisation is already in the final stage of implementation in Atmospheric & Vacuum Unit at Mathura Refinery. Scoping studies for implementation of the same in FCCU of Mathura Refinery and AU-IV & VDU of Gujarat Refinery are in hand. Similar studies in other units will be undertaken on commissioning of DDCS in the respective units.

### 3. benefits derived as a result of the above efforts, e.g. product slate improvement, cost reduction, product development, import substitution etc.

The above efforts are expected to yield benefits in:

- a) Maximisation of middle distillates.
- b) Energy Conservation.
- c) Increase in on-stream days.
- d) Import substitution.
- e) Product quality improvement.

However, the exact benefits can be quantified after commissioning of various projects.

### 4. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information is being furnished:

a) Technology Imported	b) Year of Import
i) Hydrocracker technology from M/s. Chevron Research Corporation.	1988-89
ii) Hydrogen generation technology from M/s LINDE of West Germany.	1988-89
iii) Catalytic Reforming technology (SR & CCR types) from M/s. IFP of France.	1991-92
iv) Hydrofinishing Unit from M/s. IFP of France.	1992-93

### c) Has technology been fully absorbed?

Technology absorption is keeping pace with the project execution.

### d) If not fully absorbed, areas where this has not taken place, reasons thereof:

In respect of items (i) and (ii) above, technology will be fully absorbed after commissioning of Hydrocracker Project in 1993 and its stabilised operation thereafter. Regarding item (iii) & (iv) above, technology will be absorbed on commissioning of Reformer projects at Barauni, Digboi & Mathura Refineries and Hydro-finishing Unit at Digboi Refinery respectively.



## Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1993 and the Profit and Loss Account of the Corporation annexed thereto for the year ended on that date in which are incorporated the accounts of certain refineries/divisions audited by other auditors and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of the books;
  - c) The allocation of work between the auditors has been followed as per directions contained in letter No. I-024/1011388/90-IGC dated 6.1.93 addressed to Indian Oil Corporation Limited by the Government of India, Ministry of Industry, Department of Company Affairs, Company Law Board, New Delhi;
  - d) The reports on the accounts audited by the respective Branch Auditors were received and properly dealt with by us while preparing our report;
  - e) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes, appearing on Schedule 'P', 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 Corporation as at 31st March, 1993,  
and
  - ii) In the case of Profit and Loss Account, of the Profit of the Corporation for the year ended on that date.

L.B. JHA & CO.  
Chartered Accountants

GUHA NANDI & CO.  
Chartered Accountants

JAGDISH CHAND & CO.  
Chartered Accountants

N.M. RAIJI & CO.  
Chartered Accountants

Sd/-  
K. GUHATHAKURTA  
Partner

Sd/-  
S.K. BANDYOPADHYAY  
Partner

Sd/-  
J.C. GUPTA  
Partner

Sd/  
V. NERURKAR  
Partner

New Delhi  
Dated: 06th July, 1993



## Annexure to the Auditors' Report

(Referred to in Paragraph I 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. The Fixed Assets of the Corporation are physically verified by the Management in a phased programme of three year cycle which, in our opinion, is reasonable having regard to the size of the Corporation and the nature of its assets. As per the information given to us by the Management, no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stocks of finished goods, packages and raw materials (except those lying with outside parties) have been physically verified during the year by the Management and the stocks of stores and spare parts are verified by them in a phased programme so as to complete the verification of all items over a period of three years. In our opinion, the above frequency of verification is reasonable in relation to the size of the Corporation and the nature of its business.
4. In our opinion, the procedures of physical verification of stocks followed by the Corporation are reasonable and adequate in relation to the size of the Corporation and the nature of its business.
5. We have been informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in respect of items reconciled and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks, is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Corporation has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of The Companies Act, 1956 and from Companies under the same Management as defined under Sub-section (IB) of Section 370 of The Companies Act, 1956.
8. The Corporation has granted unsecured loans to Indian Oil Blending Limited, a subsidiary of the Corporation. The rate of interest and other terms and conditions on which loans have been granted are not prima facie prejudicial to the interest of the Corporation.
9. The parties to whom loans or advances in the nature of loans have been given by the Corporation are repaying the principal amounts wherever stipulated and are also regular in payment of interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of The Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, the Corporation has regular procedure for the determination of unserviceable, damaged and/or surplus stores, packages, raw materials and finished goods and adequate provision for likely loss is made for such items.



13. In our opinion and according to the information and explanations given to us, the Corporation has complied with the provisions of Section 58A of The Companies Act, 1956 and The Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Corporation for the sale and disposal of contaminated products, slops and scraps where applicable.
15. The Corporation has an internal audit system commensurate with the size and nature of its business.
16. We have broadly reviewed the books of account maintained by the Corporation pursuant to the order made by the Central Government for the maintenance of cost records in respect of certain products under Section 209(1)(d) of The Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
17. According to the records of the Corporation, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees' State Insurance Scheme is not applicable to the Corporation.
18. According to the records and information and explanations furnished, there was no amount outstanding on 31st March, 1993 in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
19. According to information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The company is not a sick industrial company within the meaning of clause (O) of section 3(1) of the Sick Industrial Companies (Special Provisions) Amendment Act, 1991.
21. As per information and explanations given to us, damaged goods in respect of trading activities have been determined and consequential adjustments, which were not significant, have been made in the accounts.

L.B. JHA & CO.  
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Chartered Accountants

JAGDISH CHAND & CO.  
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N.M. RAIJI & CO.  
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Partner

Sd/-  
J.C. GUPTA  
Partner

Sd/  
V. NERURKAR  
Partner

New Delhi  
Dated: 06th July, 1993



## Statement on Accounting Policies

### 1. FIXED ASSETS :

#### 1.1 Land :

Land acquired on lease for over. 99 years is treated as free hold land. Cost of Right-of-Way for laying pipelines is capitalised.

#### 1.2 Construction Period Expenses on Projects :

Construction period expenses including crop compensation for laying pipelines, administration and supervision expenses exclusively attributable to Projects are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously are charged to revenue. Financing cost during the construction period on loans raised for/allocated to projects is capitalised.

#### 1.3 Depreciation :

1.3.1 Cost of lease hold land for 99 years and less is amortised during the lease period.

1.3.2 Plant & Machinery costing upto Rs. 5,000/- are depreciated fully in the year of capitalisation. Furniture & Fixtures costing upto Rs. 1,000/- are charged off to Revenue.

1.3.3 Capital expenditure on items like electricity transmission lines, railway siding, etc. the ownership of which is not with the Corporation are depreciated in full over a period of five years.

1.3.4 Depreciation on fixed assets other than the above is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight line method. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal and dismantling during the year.

#### 1.4 Exchange Rate:

Liability for foreign credit is provided on the basis of Bank selling rates ruling at the time of capitalisation of assets acquired against such credits. The liability is translated at the exchange rate ruling at the year end. The difference due to exchange fluctuation is capitalised except the exchange difference on liabilities relating to assets already written off which is charged to revenue.

### 2. INVESTMENTS:

Unquoted investments are valued at cost. Quoted investments are valued at cost or market value, whichever is lower.

### 3. CURRENT ASSETS, LOANS AND ADVANCES:

#### 3.1 Valuation of Inventories :

##### 3.1.1 Raw Materials :

3.1.1.1 Crude Oil is valued at cost on First in First Out basis. Base oils are valued at cost determined as per pricing mechanism approved by the Government from time to time. Additives are valued at weighted average cost.

3.1.1.2 Process Stock is valued at raw material cost.

## 3.1.2 Stock-in-Trade :

- 3.1.2.1 Finished Products are valued at cost or net realisable value, whichever is lower.  
The cost of price controlled finished products is determined as per pricing mechanism approved by the Government from time to time.
- 3.1.2.2 The cost of free trade products internally produced is taken at cost determined as per the pricing mechanism approved by the Government plus additional processing cost, wherever applicable. The cost of non-price controlled lubes and greases is determined at weighted average cost.
- 3.1.2.3 Imported products in transit are valued at CIF cost.
- 3.1.2.4 Excise duty/customs duty on stock of finished goods and crude oil in bond are accounted for only on their release from bond.

## 3.1.3 Stores and Spares:

Stores and Spares are valued at or under cost. However, in the case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue.

## 3.2 Claims:

- 3.2.1 Claims on Oil Coordination Committee/Government are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions/clarifications subject to final adjustment as per separate audit.
- 3.2.2 Other claims are accounted when there is certainty that the claims are realisable.
- 3.3 Current assets involving foreign exchange transactions are translated at the year end applicable exchange rate. The exchange rate differences, resulting in net loss, are absorbed in Profit and Loss Account.

## 4. LIABILITIES & PROVISIONS :

- 4.1 Outstanding liability for foreign credits are provided at the applicable exchange rate prevailing at the year end. The exchange rate differences resulting in net loss, other than on capital account, are absorbed in Profit and Loss Account.
- 4.2 Contingent Liabilities are disclosed in each case above Rs. 1 lakh. Show Cause Notices issued by various Government Authorities are not considered as contingent liabilities. However, when the demand notices are raised against such Show Cause Notices after considering Corporation's views, these demands are either paid or treated as liabilities, if accepted by the Corporation and are treated as contingent liability, if disputed by the Corporation.
- 4.3 Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 2 lakhs.

## 5. PROFIT AND LOSS ACCOUNT :

- 5.1 Sale proceeds are arrived at after adjustment of Industry Pool Accounts.
- 5.2 Raw Materials consumed/and purchases of products are net of Industry Pool Account adjustments.
- 5.3 Payment of gratuity is made through trust and the amount contributed, based on actuarial valuation, is charged to Profit and Loss Account.
- 5.4 Pre-paid expenses upto Rs. 10,000/- in each case are charged to revenue.
- 5.5 Income and expenditure upto Rs. 1 lakh in each case pertaining to prior years are accounted for in the current year.
- 5.6 Income and expenditure of extra-ordinary nature in excess of Rs. 10 lakhs, in each case, are accounted and classified under suitable natural head of account separately.
- 5.7 Interest on outstandings is accounted for when there is certainty that the same is realisable, based on past experience.

## 6. R&D EXPENDITURE:

All expenditure, other than on capital account, on research and development are charged to the Profit and Loss Account.

Sd/-  
B.K. BAKHSHI  
Chairman  
(I/c)

Sd/-  
B.D. GUPTA  
Director  
(Finance)

Sd/-  
A.P. CHAUDHRI  
Director  
(R&P)

Sd/  
S.M. WELING  
Secretary

New Delhi  
Dated : 06th July, 1993



# Balance Sheet

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## Balance Sheet as at 31st March, 1993

Rupees	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1992 (in lakhs)
<b>I. SOURCES OF FUNDS :</b>				
1. Shareholders' Funds:				
a) Share Capital	'A'	12,326.58		12,326.58
b) Reserves and Surplus	'B'	4,82,720.32		4,19,951.81
			4,95,046.90	4,32,278.39
2. Loan Funds:				
a) Secured	'C'	78,934.25		16,998.30
b) Unsecured	'D'	5,42,726.44		3,45,683.66
			6,21,660.69	3,62,681.96
TOTAL :			<u>11,16,707.59</u>	<u>7,94,960.35</u>
<b>II. APPLICATION OF FUNDS :</b>				
1. Fixed Assets:				
a) Gross Block	'E'	4,28,031.89		3,48,197.61
b) Less: Depreciation		<u>2,36,549.98</u>		<u>2,13,305.05</u>
		1,91,481.91		1,34,892.56
c) Construction Work-in-Progress and Capital Goods in Stock	'F'	<u>1,14,779.43</u>		1,13,479.59
			3,06,261.34	2,48,372.15
2. Investments	'G'		3,72,178.76	4,15,334.25
3. Current Assets, Loans and Advance				
A. Current Assets:				
a) Interest accrued on Investments		9,217.34		10,473.53
b) Inventories	'H'	2,21,582.23		2,48,932.78
c) Book Debts	'I'	1,07,260.88		91,521.95
d) Cash balances including impres and cheques in hand		<u>18,035.17</u>		<u>12,210.75</u>
C/F		3,56,095.62		3,63,139.01
Carried Forward			<u>6,78,440.10</u>	<u>6,63,706.40</u>



	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
Brought Forward			6,78,440.10	6,63,706.40
B/F		3,56,095.62		3,63,139.01
e) Bank balances: With Scheduled Banks:				
i) Current Account		483.59		689.24
ii) Fixed Deposit Account		3.59		244.45
iii) Blocked Account		29.02		26.11
iv) On Call Account		8,667.51		334.96
v) No Lien Account		0.01		0.00
f) With Post Office: Savings Account		0.04		0.04
		<u>3,65,279.38</u>		<u>3,64,433.81</u>
B. Loans and Advances	'J'	<u>5,62,847.37</u>		<u>3,67,504.17</u>
		<u>9,28,126.75</u>		<u>7,31,937.98</u>
Less: Current Liabilities and Provisions	'K'	<u>4,89,859.26</u>		<u>6,00,684.03</u>
Net Current Assets			<u>4,38,267.49</u>	<u>1,31,253.95</u>
	TOTAL:		<u>11,16,707.59</u>	<u>7,94,960.35</u>

4. Contingent Liabilities not provided  
for (Refer Schedule 'P' Note-I)

5. Notes forming part of Accounts 'P'

Sd/-  
B.K. BAKHSI  
Chairman  
(I/c)

Sd/-  
B.D. GUPTA  
Director  
(Finance)

Sd/-  
A.P. CHAUDHRI  
Director  
(R&P)

Sd/-  
S.M. WELING  
Secretary

As per our Report attached

L.B. JHA & CO.  
Chartered Accountants

GUHA NANDI & CO.  
Chartered Accountants

JAGDISH CHAND & CO.  
Chartered Accountants

N.M. RAIJI & CO.  
Chartered Accountants

Sd/-  
K. GUHATHAKURTA  
Partner

Sd/-  
S.K. BANDYOPADHYAY  
Partner

Sd/-  
J.C. GUPTA  
Partner

Sd/-  
V. NERURKAR  
Partner

New Delhi  
Dated: 06th July, 1993



## Profit and Loss Account for the year ended 31st March, 1993

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>INCOME:</b>				
1.	i) Sale of Products and Crude	24,29,004.19		20,72,153.74
	ii) Less: Commission and Discounts	36.33		66.41
		<u>24,28,967.86</u>		<u>20,72,087.33</u>
2.	Company's use of own oil	3,019.78		2,418.79
		<u>3,019.78</u>		<u>2,418.79</u>
			24,31,987.64	20,74,506.12
3.	Recovery of Main Installation and Other Charges		840.86	839.45
4.	Increase/(Decrease) in Stocks:			
	Closing Stock as on 31st March, 1993:			
	Finished Products	1,48,501.61		1,24,658.67
	Stock-in-Process	14,545.79		10,659.98
		<u>1,63,047.40</u>		<u>1,35,318.65</u>
	Less: Opening Stock as on 1st April, 1992:			
	Finished Products	1,24,658.67		1,37,443.60
	Stock-in-Process	10,659.98		9,705.74
	Adjustment in respect of Opening Stock of Finished Products	(353.17)		0.00
		<u>1,34,965.48</u>		<u>1,47,149.34</u>
			28,081.92	(11,830.69)
5.	Interest On:			
	i) Loans and Advances	4,938.46		16,448.35
	ii) Fixed deposits with Banks	9.77		71.85
	iii) Short Term Deposits with Bank	1.17		70.50
	iv) Customers Outstandings	1,792.32		1,885.75
	v) Fully paid Bonds (Tax Free) of Government Companies	31,255.67		30,938.75
	vi) Investment under Portfolio Management/Other Schemes	619.51		9,433.48
	vii) Government Securities (Gross) (Tax deducted at source Rs. 0.79 lakhs; 1992: Rs. 663.93 lakhs)	0.26		2,500.08
		<u>4,938.46</u>		<u>16,448.35</u>
			38,617.16	61,348.76
6.	Other Income		10,963.80	21,604.53
7.	Provision for Doubtful Debts, Advances, Claims and Stores written back		398.11	505.69
	TOTAL INCOME:		<u>25,10,889.49</u>	<u>21,46,973.86</u>

	Schedule	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>EXPENDITURE:</b>				
1. Purchase of Products and Crude			13,63,290.57	10,19,535.29
2. Manufacturing, Administration, Selling and Other Expenses	'M'		7,81,624.47	7,47,985.44
3. Duties			2,20,140.09	2,10,130.43
4. Depreciation and Amortisation			24,013.63	17,716.10
5. Main Installation Charges Paid to Other Oil Companies			498.27	499.80
6. Interest:				
a) On Fixed period loans				
i) Oil Industry Development Board		4,101.10		4,187.45
ii) Floating Rate Bearer Notes		3,068.83		3,233.07
iii) Public Deposits		472.70		91.56
iv) Asian Development Bank		3,314.20		2,524.59
b) On Short Term Loans from Banks		14,886.02		29,965.60
c) Others		11,908.07		20,519.00
			37,750.92	60,521.27
			24,27,317.95	20,58,388.33
7. Less:				
i) Amount transferred to Construction period expenses pending allocation (Net of recovery of <b>Rs. 467.12 lakhs</b> ; 1992: Rs. 104.01 lakhs)		1,948.81		1,926.32
ii) Expenses transferred to Manufacturing of drums		364.68		324.33
			2,311.49	2,250.65
			24,25,006.46	20,54,137.68
<b>PROFIT</b> (before extra-ordinary and prior period adjustments)			85,883.03	92,836.18
Income/(Expenditure) relating to extra-ordinary items (Net)	'O-1'		8,599.37	15,932.29
<b>PROFIT FOR THE YEAR</b>			94,482.40	1,08,768.47
Income/(Expenditure) relating to prior period (Net)	'O'		(983.26)	(290.16)
<b>PROFIT BEFORE TAX</b>			93,499.14	1,08,478.31
Taxation (Net)			25,800.00	29,800.00
<b>PROFIT AFTER TAX</b>	Carried Forward		67,699.14	78,678.31

# Profit and Loss Account *Contd...*

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Index

Schedule	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>PROFIT AFTER TAX</b> Brought Forward	67,699.14	78,678.31
Balance brought forward from last year's Account	0.28	0.74
<b>DISPOSABLE PROFIT</b>	<u>67,699.42</u>	<u>78,679.05</u>
<b>APPROPRIATIONS:</b>		
a) Interim Dividend	2,095.52	0.00
b) Final Dividend (Proposed)	2,835.11	4,067.77
Insurance Reserve Account	30.00	30.00
General Reserve	62,738.00	74,581.00
<b>BALANCE CARRIED TO BALANCE SHEET</b>	0.79	0.28
TOTAL :	<u>67,699.42</u>	<u>78,679.05</u>
Notes forming part of Accounts	<b>'P'</b>	

Sd/-  
B.K. BAKHSHI  
Chairman  
(I/c)

Sd/-  
B.D. GUPTA  
Director  
(Finance)

Sd/-  
A.P. CHAUDHRI  
Director  
(R&P)

Sd/-  
S.M. WELING  
Secretary

As per our Report attached

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J.C. GUPTA  
Partner

Sd/-  
V. NERURKAR  
Partner

New Delhi  
Dated: 06th July, 1993



## SCHEDULE 'A'—Share Capital

	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
<b>Authorised :</b>		
15,00,000 Equity Shares of Rs. 1,000 each.	15,000.00	15,000.00
<b>Issued and Subscribed:</b>		
12,32,658 Equity Shares of Rs. 1,000 each fully paid up	12,326.58	12,326.58
<b>Of the above Shares:</b>		
i) 3,76,497 Shares and 1,00,000 Shares were allotted as fully paid pursuant to the Petroleum Companies Amalgamation Order, 1964 and Gujarat Refinery Project Undertaking (Transfer) (Amendment) Order 1965, respectively, without payment being received in cash.		
ii) 4,10,886 Shares were allotted as fully paid up Bonus Shares by Capitalisation of General Resrve.		
<b>TOTAL :</b>	<u>12,326.58</u>	<u>12,326.58</u>

### SCHEDULE 'B'—Reserves and Surplus

	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>Capital Reserve:</b>			
As per last Account		15.82	15.82
<b>General Reserve:</b>			
As per last Account	3,96,624.71		3,22,043.71
Add: Transferred from Profit and Loss Account	<u>62,738.00</u>		<u>74,581.00</u>
		4,59,362.71	<u>3,96,624.71</u>
<b>Insurance Reserve:</b>			
As per last Account	340.00		310.00
Add: Transferred from Profit and Loss Account	<u>30.00</u>		<u>30.00</u>
		370.00	<u>340.00</u>
<b>Investment Allowance (Utilised) Reserve:</b>			
As per last Account		17,030.00	17,030.00
<b>Export Profit Reserve:</b>			
As per last Account		5,941.00	5,941.00
<b>Profit and Loss Account:</b>			
As per Annexed Account		0.79	0.28
TOTAL :		<u>4,82,720.32</u>	<u>4,19,951.81</u>

### SCHEDULE 'C'—Secured Loans

	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>Loans and Advances from Banks:</b>		
(Including Rs. 50,652.96 lakhs; 1992: Rs. Nil towards Export Packing Credit)		
i) Secured by hypothecation of raw materials, stock-in-trade, book . debts, outstanding monies, receivables, claims, contracts, engagements etc.	78,787.97	16,997.18
n) Interest accrued and due on above	<u>146.28</u>	<u>1.12</u>
TOTAL :	<u>78,934.25</u>	<u>16,998.30</u>

## SCHEDULE 'D' — Unsecured Loans

	<u>Rupees</u> <u>(in lakhs)</u>	<u>Rupees</u> <u>(in lakhs)</u>	<u>1992</u> <u>Rupees</u> <u>(in lakhs)</u>
1. <b>20,000 Floating Rate Bearer Notes of US \$ 10,000 each:</b> (US \$ 200 Million) repayable in November, 1994 in US Dollars, or earlier at the option of the Corporation either by purchase/cancellation, wholly or in part, Guaranteed as to principal and interest by Government of India.	62,500.00		53,297.18
2. <b>Loan of US\$150 Million from Asian Development Bank</b> (Revalued at US \$ 170.26 Million as on 31.03.93 in line with the loan agreement) Repayable in Half Yearly instalments commencing from July 15, 1995 to January 15, 2011. Guaranteed as to Principal and interest by Government of India.	53,205.16		40,531.44
3. A) <b>Export Packing Credit from American Express Bank Ltd.</b> (Due for payment within one year)	4,985.54		0.00
B) Interest accrued and due on above	327.83	5,313.37	0.00
4. Short Term Loans and Advances from Banks  (Due for payment within one year)		3,99,255.29	1,88,474.03
5. <b>Deferred Foreign Credit</b> (including <b>Rs. 92.09 lakhs</b> ; 1992: Rs. 84.24 lakhs due for payment within one year)		145.56	155.06
6. <b>Other Loans and Advances:</b>			
i) From Oil Industry Development Board (including <b>Rs. 12.41 lakhs</b> ; 1992: Rs. 50,024.38 lakhs due for payment within one year)	55.44		50,071.25
ii) Public Deposits (including <b>Rs. 252.56 lakhs</b> ; 1992: Rs. 248.00 lakhs due for payment within one year)	8,105.01		622.19
iii) Loan of US\$ 35 Million from International Bank for Reconstruction and Development (revalued at US\$ 35.94 Million) repayable during December 15, 1994 to June 15, 2009, guaranteed as to principal and interest by Government of India.	11,328.54		10,980.39
iv) Loan of Yen 1037.05 Million from State Bank of India, Tokyo (including <b>Rs. 2,818.07 lakhs</b> ; 1992: NIL. due for payment within one year)	2,818.07		1,552.12
		<u>22,307.06</u>	<u>63,225.95</u>
<b>TOTAL :</b>		<u>5,42,726.44</u>	<u>3,45,683.66</u>

## SCHEDULE 'E'— Fixed Assets

	GROSS BLOCK			
	Gross Block as at 1-04-1992	Additions during the year	Transfers from Construction work-in-progress	Disposals during the Year
	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
LAND—Freehold	9,687.57	1,315.60	139.47	0.00
Leasehold	3,106.43	1,266.42	0.00	0.00
Right of Way	86.37	2.30	0.00	0.00
BUILDINGS, ROADS ETC. @	38,500.47	473.07	6,964.66	(1.75)
ENABLING ASSETS **	694.02	61.78	0.00	0.00
PLANT AND MACHINERY @@	276,677.83	16,018.41	52,850.71	(303.92)
TRANSPORT EQUIPMENTS \$	5,968.47	211.80	133.60	(138.05)
FURNITURES AND FIXTURES	2,796.14	512.59	57.00	(30.45)
RAILWAY SIDINGS	2,457.38	141.82	670.57	(0.84)
DRAINAGE, SEWAGE AND WATER SUPPLY SYSTEM \$\$	8,189.51	0.00	519.62	0.00
SUNDRY ASSETS	33.42	7.70	0.00	0.00
TOTAL:	<u>3,48,197.61</u>	<u>20,011.49</u>	<u>61,335.63</u>	<u>(475.01)</u>
PREVIOUS YEAR :	<u>3,14,999.20</u>	<u>16,027.82</u>	<u>18,384.19</u>	<u>(404.98)</u>

\* Includes **Rs. 509.59 lakhs** (1992: Rs. (9232.86) Lakhs) in respect of extra-ordinary/prior period items.

@ Buildings Include:  
**Rs. 0.56 lakhs** (1992: Rs. 0.56 lakhs) towards value of 906(1992:906) Shares in Co-operative Housing Societies towards membership of such Societies for purchase of flats.

\*\* Represents Capital Expenditure on Assets like Railway Sidings, Electricity transmission lines etc., the ownership of which is not with the Corporation.

@@ Includes **Rs. 57.08 Lakhs** being our share of cost of assets jointly owned with IPCL/BPC/HPC.

\$ Includes **Rs. 1,268.33 Lakhs** being our share of cost of assets jointly owned with transport contractors & Railways.

\$\$ Includes **Rs. 99.41 Lakhs** being our share of cost of assets jointly owned with GSFC.

**SCHEDULE 'E'— Fixed Assets Contd...**

AT COST		DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
Transfer/ Deductions Reclassi- fications	Gross Block as at 31-03-1993	Charged this year *	Upto 31-03-1993	As at 31-03-1993	As at 31-03-1992
Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)
(5.03)	11,137.61	0.00	0.00	11,137.61	9,687.57
0.01	4,372.86	70.85	298.25	4,074.61	2,879.04
0.00	88.67	0.00	0.03	88.64	86.34
(63.54)	45,872.91	1,015.24	7,603.50	38,269.41	31,903.16
(0.51)	755.29	72.56	592.98	162.31	173.60
(934.72)	3,44,308.31	22,070.49	2,15,908.80	1,28,399.51	81,723.76
(16.16)	6,159.66	672.34	3,945.62	2,214.04	2,560.14
(7.97)	3,327.31	102.29	763.60	2,563.71	2,120.69
0.58	3,269.51	135.47	1,284.76	1,984.75	1,307.40
(10.41)	8,698.72	382.48	6,129.68	2,569.04	2,438.75
(0.08)	41.04	1.50	22.76	18.28	12.11
(1,037.83)	4,28,031.89	24,523.22	2,36,549.98	1,91,481.91	1,34,892.56
(808.62)	3,48,197.61	8,483.24	2,13,305.05	1,34,892.56	

### SCHEDULE 'F'—Construction Work-in-progress and Capital Goods in Stock

	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
1. A. Work-in-progress (at cost) (including unallocated capital expenditure, materials at site)	46,124.87		54,332.37
B. Advances for capital expenditure	21,825.59		22,044.63
Less: Provision for Capital Losses	<u>50.00</u>		<u>0.00</u>
		67,900.46	76,377.00
2. Capital stores (at cost) (including materials worth <b>Rs. 2,415.60 lakhs;</b> 1992: Rs. 1,004.89 lakhs lying with contractors)	36,986.52		25,953.10
Less: Provision for Obsolescence/Losses	<u>6.05</u>		<u>0.76</u>
		36,980.47	25,952.34
3. Miscellaneous Capital Stores (at or below cost)		99.94	89.45
4. Capital Goods-in-Transit (at cost)		3,974.95	5,368.71
5. Construction period expenses pending allocation:			
Balance as at 1st April, 1992	5,692.09		3,950.18
Add: Adjustments relating to extra-ordinary items	14.78		9.00
Add: Adjustments relating to prior year items	<u>14.84</u>		<u>0.0</u>
	5,721.71		3,959.18
Add: Expenditure during the year:			
Establishment Charges	465.33		261.79
Interest	563.39		64.20
Depreciation	49.11		38.41
Others	<u>1,336.10</u>		<u>1,665.93</u>
	8,135.64		5,989.51
Less: Recoveries	<u>467.12</u>		<u>104.01</u>
	7,668.52		5,885.50
Less: Allocated to Assets/Construction work-in-progress during the year	<u>1,844.91</u>		<u>193.41</u>
		5,823.61	5,692.09
TOTAL:		<u>1,14,779.43</u>	<u>1,13,479.59</u>

## SCHEDULE 'G'— Investments

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
A. QUOTED:						
1.	Under Canstar Scheme of Canbank Mutual Fund:	5,00,00,000(1992:3,00,00,000)	10/-	7,400.00		
	Less: Provision for Loss:			<u>(2,150.00)</u>		
					5,250.00	3,000.00
	(Aggregate Market Value of the above mentioned security Rs. 52,50,00,000; 1992: Rs. 127,50,00,000)					
	TOTAL (A)				<u>5,250.00</u>	<u>3,000.00</u>
B. UNQUOTED:						
1. LISTED BUT NO QUOTATION REPORTED: In Fully Paid Bonds of Government Companies:						
a)	National Thermal Power Corporation Limited	10,000(1992:10,000)10% Secured (Tax Free) Redeemable Bonds (I Series-1986)	1,000/-	108.50		108.50
		12,00,000(1992: 12,00,000)10% Secured (Tax Free) Redeemable Bonds (II Series-1987)	1,000/-	12,000.00		12,000.00
		8,50,000(1992:8,50,000) 9% Secured (Tax Free) Redeemable Bonds (III Public Issue-1988)	1,000/-	8,551.00		8,551.00
		24,97,500(1992: 24,97,500)9% Secured (Tax Free) Redeemable Bonds (V Issue-1989)	1,000/-	25,182.25		25,182.25
		Nil (1992:26,000)13% Secured Redeemable Bonds (III Public Issue-1988)	1,000/-	<u>0.00</u>		<u>202.80</u>
					45,841.75	46,044.55
b)	Mahanagar Telephone Nigam Limited	7,45,000(1992:7,45,000) 10% Secured (Tax Free) Redeemable Bonds (I Series-1986)	1,000/-		7,717.05	7,717.05
	C/F...				<u>53,558.80</u>	<u>53,761.60</u>

### SCHEDULE 'G'-Investments *Contd...*

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Laldis)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
	B/F...			53,558.80		53,761.60
c) Indian Railway Finance Corporation Limited	4,67,500(1992:4,67,500) 10% Secured (Tax Free) Redeemable Bonds (I Series-1987)	1,000/-	4,947.38			4,947.38
	3,42,000(1992:3,42,000) 9% Secured (Tax Free) Redeemable Bonds (I Series-1987)	1,000/-	3,418.37			3,418.37
	13,32,400 (1992:13,32,400) 9% Secured (Tax Free) Redeemable Bonds (II Series-1988)	1,000/-	13,319.63			13,319.63
				21,685.38		21,685.38
d) Indian Telephone Industries Limited	5,00,000(1992:5,00,000) 10% Secured (Tax Free) Redeemable Bonds (B Series-1987)	1,000/-		5,000.00		5,000.00
e) National Hydro Electric Power Corporation Limited	2,15,000(1992:2,15,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-		2,152.03		2,152.02
f) Neyveli Lignite Corporation Limited	1,70,000(1992:1,70,000) 9% Secured (Tax Free) Redeemable Bonds (B Series-1987)	1,000/-	1,700.00			1,700.00
	7,50,000(1992:7,50,000) 9% Secured (Tax Free) Redeemable Bonds (C Series-1988)	1,000/-	7,548.00			7,548.00
	3,00,000(1992:3,00,000) 9% Secured (Tax Free) Redeemable Bonds (D Series-1989)	1,000/-	2,980.50			2,980.50
	10,50,000(1992: 10,50,000) 9% Secured (Tax Free) Redeemable Bonds (E Series-1990)	1,000/-	10,564.00			10,564.00
				22,792.50		22,792.50
g) Power Finance Corporation Limited	8,40,000(1992:8,40,000) 9% Secured (Tax Free) Redeemable Bonds (I Series)	1,000/-	8,351.60			8,351.60
	13,25,000 (1992:13,25,000) 9% Secured (Tax Free) Redeemable Bonds (II Series)	1,000/-	13,348.88			13,348.88
	5,00,000(1992:5,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series)	1,000/-	5,058.75			5,058.75
	22,60,000(1992: 25,40,000) 9% Secured (Tax Free) Redeemable Bonds (IV Series)	1,000/-	22,745.31			25,125.31
				49,504.54		51,884.54
	C/F...			1,54,693.25		1,57,276.04

## SCHEDULE 'G'— Investments Contd...

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
	B/F...			1,54,693.25		1,57,276.04
h)	Housing & Urban Development Corporation Limited	2,50,000(1992:2,50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series I)	1,000/-	2,481.50		2,481.50
i)	Nuclear Power Corporation Limited	50,000(1992:50,000) 9% Secured (Tax Free) Redeemable Bonds (A Series)	1,000/-	504.25		504.25
		9,50,000(1992:9,50,000) 9% Secured (Tax Free) Redeemable Bonds (B Series)	1,000/-	9,561.75		9,561.75
		9,20,000(1992:9,20,000) 9% Secured (Tax Free) Redeemable Bonds (C Series)	1,000/-	9,202.60		9,202.60
				<u>19,268.60</u>		<u>19,268.60</u>
	SUB TOTAL (1)				1,76,443.34	1,79,026.13
<b>2.</b>	<b>OTHERS:</b>					
a)	Indian Railway Finance Corporation Limited	95,600(1992:95,600) 9% Secured (Tax Free) Redeemable Bonds (III Series-1989)	1,000/-	958.98		958.98
		23,10,000 (1992:23,10,000) 9% Secured (Tax Free) Redeemable Bonds (III "A" Series-1989)	1,000/-	23,210.35		23,210.35
		3,10,860(1992:3,10,860) 9% Secured (Tax Free) Redeemable Bonds (IV Series-1990)	1,000/-	3,108.60		3,108.60
		11,90,000(1992: 11,90,000) 9% Secured (Tax Free) Redeemable Bonds (IV "A" Series-1989-90)	1,000/-	11,905.75		11,905.75
		8,20,000(1992:8,20,000) 9% Secured (Tax Free) Redeemable Bonds (IV "C" Series-1989-90)	1,000/-	8,261.75		8,261.75
		3,00,000(1992:3,00,000) 9% Secured (Tax Free) Redeemable Bonds (IV "D" Series-1989-90)	1,000/-	2,997.00		2,997.00
		3,00,000(1992:9,85,000) 9% Secured (Tax Free) Redeemable Bonds (IV "E" Series-1989-90)	1,000/-	3,035.00		9,307.50
		7,50,000(1992:7,50,000) 9% Secured (Tax Free) Redeemable Bonds (V "A" Series-1989-90)	1,000/-	7,430.00		7,430.00
		1,56,975(1992:1,56,975) 9% Secured (Tax Free) Redeemable Bonds (V Series-1991)	1,000/-	1,569.75		1,569.75
		8,60,000(1992: Nil) 9% Secured (Tax Free) Redeemable Bonds (VI "A" Series-1991)	1,000/-	8,600.80		0.00
					<u>71,077.98</u>	<u>68,749.68</u>
	C/F...				71,077.98	68,749.68
	Carried Forward...				<u>1,76,443.34</u>	<u>1,79,026.13</u>

### SCHEDULE 'G'— Investments *Contd...*

	No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Laldis)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
	Brought Forward...				1,76,443.34	1,79,026.13
	B/F...			71,077.98		68,749.68
b)	Unit Trust of India 14,32,50,000 (1992:18,82,50,000) Units of Unit Trust of India 1964 Scheme	10/-		20,643.34		27,393.34
c)	National Thermal Power Corporation Limited Nil (1992:2,35,000) 17% Secured Redeemable Bonds	1,000/-		0.00		2,279.50
d)	Mahanagar Telephone Nigam Limited 9,00,000(1992:9,00,000) 9% Secured (Tax Free) Redeemable Bonds (III Series-1989) 15,18,019(1992: 15,18,019) 9% Secured (Tax Free) Redeemable Bonds (IV Series-1990) Nil (1992:4,00,000) 13% Secured Redeemable Bonds (IV Series-1990) Nil (1992:5,50,000) 13% Secured Redeemable Bonds Nil (1992:10,20,000) 17% Secured Redeemable Bonds	1,000/- 1,000/- 1,000/- 1,000/- 1,000/- 1,000/- 1,000/- 1,000/-		8,979.75 15,036.64 0.00 0.00		8,979.75 15,036.64 3,992.00 4,290.00 9,792.00
e)	National Hydro Electric Power Corporation Limited 9,30,000(1992:9,30,000) 9% Secured (Tax Free) Redeemable Bonds (C Series) 14,10,000(1992: 14,10,000) 9% Secured (Tax Free) Redeemable Bonds (D Series) 2,48,000(1992:2,48,000) 9% Secured (Tax Free) Redeemable Bonds (E Series)	1,000/- 1,000/- 1,000/-		9,284.05 14,149.30 2,504.06	24,016.39	42,090.39 9,284.05 14,149.30 2,504.06 25,937.41
f)	Neyveli Lignite Corporation Limited Nil (1992:4,00,000) 13% Secured Redeemable Bonds (E Series-1990) Nil (1992:22,400) 13% Secured Redeemable Bonds Nil (1992:1,26,500) 13% Secured Redeemable Bonds Nil (1992:1,25,000) 13% Secured Redeemable Bonds	1,000/- 1,000/- 1,000/- 1,000/- 1,000/-		0.00 0.00 0.00		4,010.00 223.55 986.70 1,015.00
	C/F...			0.00		6,235.25
	Carried Forward...			1,41,675.11	1,76,443.34	1,72,685.57 1,79,026.13

**SCHEDULE 'G' - Investments Contd...**

	No. and Particulars of Shares/Bonds	Face Value Per Share Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
	Brought Forward...				1,76,443.34	1,79,026.13
	B/F...			1,41,675.11		1,72,685.57
g)	Housing and Urban Development Corporation Limited	<b>95,000</b> (1992:95,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series II)	1,000/-	966.91		966.91
		<b>50,000</b> (1992:50,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series III)	1,000/-	508.90		508.90
		<b>6,25,000</b> (1992:6,25,000) 9% Secured (Tax Free) Redeemable Bonds (Shelter Bonds-Series IV)	1,000/-	6,284.38		6,284.38
		<b>6,50,000</b> (1992:6,50,000) 9% Secured (Tax Free) Redeemable Bonds (Urban Bonds-Series I)	1,000/-	6,523.50		6,523.50
		<b>Nil</b> (1992:40,000) 13% Secured Redeemable Bonds	1,000/-	0.00		399.20
				14,283.69		14,682.89
h)	Rural Electrification Corporation Limited	<b>6,65,000</b> (1992:6,65,000) 9% Secured (Tax Free) Redeemable Bonds (XV Series 1997)	1,000/-	6,621.75		6,621.75
		<b>9,39,950</b> (1992:9,39,950) 9% Secured (Tax Free) Redeemable Bonds (XVII Series 1998)	1,000/-	9,438.33		9,438.33
		<b>2,90,000</b> (1992:2,90,000) 9% Secured (Tax Free) Redeemable Bonds (XIX Series)	1,000/-	2,928.10		2,928.10
		<b>12,50,000</b> (1992:12,50,000) 9% Secured (Tax Free) Redeemable Bonds (XX Series)	1,000/-	12,495.15		12,495.15
				31,483.33		31,483.33
	SUB-TOTAL (2)				1,87,442.13	2,18,851.79
3.	Under Can Premium Scheme of Can Bank Mutual Fund	<b>NIL</b> (1992:8,30,00,000)	10/-		0.00	10,000.00
4.	Under Can Triple Scheme of Can Bank Mutual Fund	<b>NIL</b> (1992:4,40,00,000)	10/-		0.00	4,400.00
5.	Under Canpep '92 Scheme of Can Bank Mutual Fund	<b>3,00,00,000</b> (1992: NIL)	10/-		3,000.00	0.00
6.	In Subsidiary Company-IOBL	<b>8,000</b> Equity Shares each fully paid in cash	500/-		40.00	40.00
	Carried Forward...				3,66,925.47	4,12,317.92

### SCHEDULE 'G' - Investments *Contd...*

No. and Particulars of Shares/Bonds	Face Value Per Share/ Bond/Unit (Rs.)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1993 Rupees (in Lakhs)	March, 1992 Rupees (in Lakhs)
Brought Forward...				3,66,925.47	4,12,317.92
7. In Govt. Securities (Including Rs. 21,200; 1992: Rs. 16,700 Deposited with Various Bodies)				0.92	1.98
8. Other Investments:					
a) International Cooperative Petroleum Association	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	2.12		2.12
b) In Consumer Cooperative Societies	Barauni: 250 Equity Shares each fully paid in cash	10/-	0.25		0.23
	Guwahati: 250 Equity Shares each fully paid in cash	10/-			
	Mathura: 200 Equity Shares each fully paid in cash	10/-			
	Haldia: 1353(1992:1231) Equity Shares each fully paid in cash	10/-			
	In Indian Oil Cooperative Consumer Stores Ltd., Delhi: 375 Equity Shares each fully paid in cash	10/-		2.37	2.35
9. Term Deposit with Canbank Financial Services Ltd.				0.00	12.00
TOTAL (B) (1 to 9)				3,66,928.76	4,12,334.25
GRAND TOTAL: (A+B)				3,72,178.76	4,15,334.25

During the year, following Investments were sold:

Particulars	No. of Bonds/ Units	Face Value Rupees (In lakhs)
1. Fully paid Secured Bonds of Govt. Companies	47,69,900.00	47,699.00
2. Units of Unit Trust of India	8,10,00,000.00	8,100.00
3. Securities under Canbank Mutual Fund Scheme	20,08,00,000.00	20,800.00
4. Term Deposit with Canbank Financial Services Ltd.	0.00	12.00

**SCHEDULE 'H'—Inventories**

	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
1. Stores, Spares etc. (at or under cost)* (including in transit <b>Rs. 1818.29 lakhs</b> ; 1992: Rs. 2075.70 lakhs)	26,484.13		24,082.65
Less: Provision for Losses	<u>451.42</u>		<u>399.98</u>
		26,032.71	<u>23,682.67</u>
2. Raw Materials (at cost)** (including in transit <b>Rs. 24,490.80 lakhs</b> ; 1992: Rs. 25,379.60 lakhs)		31,900.04	89,352.65
3. Stock-in-Trade			
a) Oil Stock (at cost or net realisable value whichever is lower)*** (including in transit <b>Rs. 32,002.08 lakhs</b> ; 1992: Rs. 34,342.60 lakhs)	1,48,501.61		1,24,658.67
b) Stock-in-process (at raw material cost)	<u>14,545.79</u>		<u>10,659.98</u>
		1,63,047.40	<u>1,35,318.65</u>
4. Stock of empty Barrels and Tins (at cost or net realisable value whichever is lower)****		<u>602.08</u>	<u>578.81</u>
TOTAL:		<u>2,21,582.23</u>	<u>2,48,932.78</u>

\* Includes stock lying with contractors **Rs. 401.19 lakhs** (1992: Rs. 272.37 lakhs)

\*\* Includes stock lying with Other Oil Companies on loan **Rs. 19,773.97 lakhs**  
(1992: Rs. 22,060.33 lakhs) and with others **Rs. 4,618.00 lakhs** (1992: Rs. 3,461.19 lakhs)

\*\*\* Includes stock lying with Other Oil Companies on loan **Rs. 11,605.84 lakhs**  
(1992: Rs. 10,916.15 lakhs) and with others **Rs. 706.01 lakhs** (1992: Rs. 664.53 lakhs)

\*\*\*\* Includes stock lying with others **Rs. 78.73 lakhs** (1992: Rs. 97.00 lakhs)

## SCHEDULE 'I'—Book Debts

	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
<b>Over Six Months:</b>			
a) Secured, Considered Good	0.30		0.41
b) Unsecured, Considered Good	21,419.96		16,297.31
c) Unsecured, Considered Doubtful	<u>1,093.45</u>		<u>836.21</u>
		22,513.71	<u>17,133.93</u>
<b>Other Debts:</b>			
a) Secured, Considered Good	16.39		8.17
b) Unsecured, Considered Good	85,824.23		75,216.06
c) Unsecured, Considered Doubtful	<u>0.00</u>		77.62
		<u>85,840.62</u>	<u>75,301.85</u>
		1,08,354.33	92,435.78
Less: Provision for Doubtful Debts		<u>1,093.45</u>	913.83
TOTAL:		<u><u>1,07,260.88</u></u>	<u><u>91,521.95</u></u>

**SCHEDULE 'J'—Loans and Advances**

	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
1. Loans-Unsecured, Considered Good: To Indian Oil Blending Limited (A Subsidiary) including interest accrued <b>Rs. 162.44 lakhs</b> (1992: Rs. 227.12 lakhs)		651.49	879.17
2. Advances recoverable in cash or in kind or for value to be received:			
a) Secured, Considered Good*	17,465.39		14,028.64
b) Unsecured, Considered Good*	12,292.79		16,767.29
c) Unsecured, Considered Doubtful	107.17		99.54
	<u>29,865.35</u>		<u>30,895.47</u>
d) Less: Provision for Doubtful Advances	<u>107.17</u>	29,758.18	<u>99.54</u> 30,795.93
3. Amount recoverable from Industry Pool Account Unsecured, Considered Good		4,12,976.02	2,93,646.53
4. Claims Recoverable:			
a) Secured, Considered Good	33.34		27.25
b) Unsecured, Considered Good	12,349.61		6,983.97
c) Unsecured, Considered Doubtful	1,485.42		1,302.79
	<u>13,868.37</u>		<u>8,314.01</u>
d) Less: Provision for Doubtful Claims	<u>1,485.42</u>	12,382.95	<u>1,302.79</u> 7,011.22
Carried Forward...		<u>4,55,768.64</u>	<u>3,32,332.85</u>

## SCHEDULE 'J'—Loans and Advances Contd...

	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
Brought Forward...		4,55,768.64	3,32,332.85
5. Materials on Loan:			
a) Secured, Considered Good	33.84		5.07
b) Unsecured, Considered Good	<u>6.25</u>		<u>0.00</u>
		40.09	5.07
6. Investment Deposit Scheme, 1986 Unsecured, Considered Good		17.69	782.96
7. Balance with Customs, Port Trust and Excise Authorities Unsecured, Considered Good		5,392.22	4,196.46
8. Sundry Deposits: (including amount adjustable on receipt of Final bills)			
a) Secured, Considered Good	1,00,742.86		29,553.36
b) Unsecured, Considered Good	885.87		633.47
c) Unsecured, Considered Doubtful	<u>0.12</u>		<u>0.12</u>
	1,01,628.85		30,186.95
d) Less: Provision for Doubtful Deposits	<u>0.12</u>		<u>0.12</u>
		1,01,628.73	30,186.83
TOTAL:		<u>5,62,847.37</u>	<u>3,67,504.17</u>

\* Includes:

- Rs. 3,11,882** (1992: Rs. 4,35,260) due from Directors (Maximum **Rs. 4,21,787**; 1992: Rs. 5,25,589)
- Rs. 42,99,790** (1992: Rs. 41,01,860) due from other Officers (Maximum **Rs. 49,37,304**; 1992: Rs. 44,19,213)

## SCHEDULE 'K'—Current Liabilities and Provisions

	Rupees (in lakhs)	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
<b>A. Current Liabilities:</b>				
1. Sundry Creditors		3,35,889.89		4,57,568.42
2. Other Liabilities		33,076.72		25,606.86
3. Security Deposits	1,14,553.17			1,17,426.01
Less: Investments and Deposits with Banks lodged by outside parties	<u>339.93</u>			293.09
		1,14,213.24		<u>1,17,132.92</u>
4. Interest accrued but not due on loans		<u>6,301.13</u>		4,588.66
			4,89,490.98	<u>6,04,896.86</u>
<b>B. Due to Indian Oil Blending Limited (A Subsidiary)</b>			134.46	1.28
<b>C. Provisions:</b>				
1. Provision for Taxation	63,604.35			55,504.35
Less: Advance Payment	<u>66,205.64</u>			63,786.23
		(2,601.29)		<u>(8,281.88)</u>
2. Proposed Dividend	4,930.63			4,067.77
Less: Interim Dividend paid	<u>2,095.52</u>			0.00
		<u>2,835.11</u>		4,067.77
			233.82	<u>(4,214.11)</u>
TOTAL:			<u>4,89,859.26</u>	<u>6,00,684.03</u>

## SCHEDULE 'L'-Other Income

	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
1. Sale of Power and Water		321.32	260.58
2. Profit on sale and disposal of Assets		565.73	700.76
3. Dividend received (Gross):			
a) From a Subsidiary	72.00		4.00
b) From Unit Trust of India	<u>3,581.25</u>		<u>16,443.38</u>
(Tax deducted at Source <b>Rs. 17.80 lakhs;</b> <b>1992: Rs. 0.92 lakhs)</b>		3,653.25	<u>16,447.38</u>
4. Royalty and Technical Know-how Fees		0.05	0.17
5. Unclaimed/Unspent Liabilities written back		2,059.70	522.19
6. Miscellaneous Income		4,347.01	3,700.25
7. Exchange fluctuation		16.74	(26.80)
TOTAL:		<u>10,963.80</u>	<u>21,604.53</u>

### SCHEDULE 'M'—Manufacturing, Administration, Selling and Other Expenses

	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
1. Raw Materials Consumed:			
Opening Balance as on 1st April, 1992	88,538.10		56,680.57
Add: Purchases	<u>5,39,384.30</u>		<u>6,20,816.02</u>
	6,27,922.40		6,77,496.59
Less: Closing Stock	<u>31,900.04</u>		<u>89,352.65</u>
		5,96,022.36	5,88,143.94
2. Consumption:			
i) Stores and Spares (including consumables)	11,503.35		10,144.41
ii) Packages	<u>16,468.26</u>		<u>16,408.84</u>
		27,971.61	26,553.25
3. Power and Fuel	24,729.81		24,187.65
Less: Fuel for own Production	<u>20,672.12</u>		<u>21,081.30</u>
		4,057.69	3,106.35
4. Processing Fees, Blending Fees, Royalty and Other Charges		2,231.09	2,284.45
5. Repairs and Maintenance:			
a) Plant and Machinery	11,032.61		9,571.81
b) Buildings	2,291.16		1,974.58
c) Others	<u>1,226.27</u>		<u>1,056.49</u>
		14,550.04	12,602.88
6. Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		76,493.04	63,736.82
7. Payments to and Provisions for Employees:			
a) Salaries, Wages, Bonus, etc.	25,372.70		22,016.07
b) Contribution to Provident and Other Funds	1,641.46		1,460.34
c) Staff Welfare Expenses	4,258.66		3,328.29
d) Contribution to Gratuity Fund	503.35		455.81
e) Gratuity and Ex-Gratia	<u>8.34</u>		<u>32.42</u>
		31,784.51	27,292.93
8. Office Administration, Selling and Other Expenses (Schedule 'N')		<u>28,514.13</u>	<u>24,264.82</u>
TOTAL:		<u><u>7,81,624.47</u></u>	<u><u>7,47,985.44</u></u>

## SCHEDULE 'N'—Office Administration, Selling and Other Expenses

	Rupees (in lakhs)	Rupees (in lakhs)	1992 Rupees (in lakhs)
1. Rent		4,864.37	3,725.06
2. Insurance		1,615.88	1,357.72
3. Rates and Taxes		656.41	564.20
4. Donations		32.93	66.00
5. Payment to Auditors:			
a) Audit Fees	6.00		6.00
b) Tax Audit Fees	1.95		2.17
c) Other Services (for issuing certificates etc.)	0.15		0.22
d) Out of Pocket Expenses	<u>12.13</u>		<u>7.71</u>
		20.23	16.10
6. Travelling and Conveyance		4,305.82	3,668.04
7. Communication Expenses		2,083.64	2,061.55
8. Printing and Stationery		767.03	632.03
9. Electricity and Water		1,761.68	1,540.15
10. Other Expenses*		9,620.14	8,597.72
11. Bad Debts, Advances and Claims written off		69.54	169.61
12. Loss on Assets sold, lost or written off		57.09	46.32
13. Technical Assistance Fees		562.73	52.22
14. Provision for Doubtful Debts, Advances, Claims and obsolescence of stores		824.77	719.52
15. Security Force Expenses		1,243.75	1,020.02
16. Pollution Control Expenses		<u>28.12</u>	<u>28.56</u>
TOTAL:		<u><u>28,514.13</u></u>	<u><u>24,264.82</u></u>

\* Includes-Bank Charges **Rs. 1,000.13 lakhs** (1992: Rs. 697.59 lakhs) and contribution for Rural Development Programme **Rs. 39.59 lakhs** (1992: Rs. 10.75 lakhs)

### SCHEDULE 'O'—Income/Expenditure Relating to Extra Ordinary items

	<u>Rupees</u> <u>(in lakhs)</u>	<u>Rupees</u> <u>(in lakhs)</u>	<u>1992</u> <u>Rupees</u> <u>(in lakhs)</u>
<b>INCOME</b>			
1. Sale of Products and Crude		15,138.33	10,363.26
2. Recovery of Main Installation & Other Charges		0.00	83.01
3. Insurance claims for standing charges		17.36	0.00
4. Interest		(135.45)	(159.59)
5. Profit on sale of Investments		521.29	903.42
TOTAL INCOME:		<u>15,541.53</u>	<u>11,190.10</u>
<b>EXPENDITURE</b>			
1. Purchase of Products and Crude		139.52	0.00
2. Duties		0.00	453.01
3. Freight and Transportation Charges (Net of Recoveries from Industry Pool Account)		2,506.11	(28.36)
4. Payment to and Provision for Employees:			
- Salaries, Wages and Bonus	2,086.62		2,241.34
- Staff Welfare Expenses	0.00		129.99
- Cont. to Provident & Other Funds	70.44		141.07
Cont. to Gratuity Fund	7.54		6.70
		<u>2,164.60</u>	<u>2,519.10</u>
5. Interest		(489.99)	1,077.37
6. Rent		0.00	180.14
7. Main Installation Charges Paid To Other Marketing Companies		0.00	40.48
8. Power and Fuel		60.48	70.94
9. Depreciation and Amortisation		284.95	(9,215.59)
10. Transfer to Construction Period Expenses Pending Allocation		(14.78)	(14.62)
11. Rates and Taxes		51.77	190.19
12. Security Force Expenses		23.19	0.00
13. Miscellaneous Expenses		0.00	(14.85)
14. Consumption of Packages		51.52	0.00
15. Provision for loss in Cost of Investments		2,150.00	0.00
16. Provision for loss in WIP/Capital Advances		50.00	0.00
17. Insurance		(45.58)	0.00
18. Repairs and Maintenance		10.37	0.00
TOTAL EXPENDITURE:		<u>6,942.16</u>	<u>(4,742.19)</u>
NET INCOME/(EXPENDITURE):		<u>8,599.37</u>	<u>15,932.29</u>

**SCHEDULE 'O'—Income Expenditure Relating to Prior Period**

	<u>Rupees (in lakhs)</u>	<u>Rupees (in lakhs)</u>	<u>1992 Rupees (in lakhs)</u>
<b>INCOME</b>			
1. Sale of Products and Crude		(555.72)	48.57
2. Interest		11.11	1.08
3. Profit on Sale and Disposal of Assets		(19.05)	(38.39)
4. Sale of Power & Water		0.00	(22.76)
5. Miscellaneous Income		(52.13)	(12.81)
TOTAL INCOME:		<u>(615.79)</u>	<u>(24.31)</u>
<b>EXPENDITURE</b>			
1. Purchase of Products and Crude		0.00	(1.28)
2. Consumption:			
i) Stores and Spares (including consumables)	(1.15)		45.83
ii) Packages	0.00		21.98
	<u>(1.15)</u>	(1.15)	67.81
3. Duties		79.76	27.88
4. Repairs and Maintenance:			
i) Plant and Machinery	(2.63)		(16.30)
ii) Buildings	13.77		(1.14)
iii) Others	4.03		0.72
	<u>4.03</u>	15.17	(16.72)
5. Freight and Transportation Charges (Net of recoveries from Industry Pool Account)		0.00	112.05
6. Payments to and Provisions for Employees:			
i) Salaries, Wages & Bonus		(156.97)	1.27
ii) Contribution to Provident and Other Funds		0.00	(2.71)
7. Rent		103.64	8.46
8. Depreciation and Amortisation		224.64	(17.27)
Carried Forward...		<u>265.09</u>	<u>179.49</u>

## SCHEDULE 'O'—Income/Expenditure Relating to Prior Period Contd...

	Rupees (in lakhs)	1992 Rupees (in lakhs)
Brought Forward...	265.09	179.49
9. Interest	27.57	(35.30)
10. Security Force Expenses	15.48	21.71
11. Main Installation Charges paid to Other Oil Companies	0.00	23.17
12. Communication Expenses	0.00	22.40
13. Insurance	0.00	(1.80)
14. Exchange Fluctuation on FRN Issue	0.00	(20.30)
15. Other Expenses	74.17	76.48
TOTAL EXPENDITURE:	<u>382.31</u>	<u>265.85</u>
LESS: AMOUNT TRANSFERRED TO CONSTRUCTION PERIOD EXPENSES PENDING ALLOCATION	<u>14.84</u>	<u>0.00</u>
TOTAL:	<u>367.47</u>	<u>265.85</u>
NET INCOME/(EXPENDITURE):	<u>(983.26)</u>	<u>(290.16)</u>

## SCHEDULE 'P'-Notes on the Accounts for the Year ended 31st March, 1993

1. Contingent Liabilities in respect of:
    - a) Claims against the Corporation not acknowledged as debts **Rs. 38,456.21 Lakhs** (1992 : Rs. 43,672.15 lakhs). These include:
      - i) **Rs. 8,041.52 Lakhs** (1992 : Rs. 7,576.62 lakhs) being the demands raised by the Central Excise Authorities.
      - ii) **Rs. 6,672.03 lakhs** (1992 : Rs. 4,260.06 lakhs) in respect of Sales Tax demands.
      - iii) **Rs. 3,257.08 Lakhs** (1992 : Rs. 2,251.71 lakhs) is for which suits have been filed in the Courts or cases are lying with arbitrators.
      - iv) **Rs. 14,781.07 Lakhs** (1992 : Rs. 25,485.50 lakhs) in respect of Income Tax demands.
- Interest, if any, on some of the claims is unascertainable.
- b) Guarantees/Undertakings to Banks and others aggregating to **Rs. 5,919.59 Lakhs** (1992 : Rs. 3,840.04 lakhs).
  - c) 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. 43,322.28 lakhs** (1992 : Rs. 60,249.36 lakhs).
  3. a) Title Deeds for Land and Residential Apartments as also Lease and other agreements in respect of certain other lands/buildings of the book value of **Rs. 6,603.78 lakhs** (1992 : Rs. 5,043.98 lakhs) are pending execution or renewal and are, therefore, not available for verification.
    - b) Pending the decision of the Government, no liability could be determined and provided for in respect of:
      - i) Claims in respect of land acquired for Mathura Refinery.
      - ii) Additional compensation, if any, payable to the land owners and the Government for land earlier acquired.
  4. The supplies of LSHS to Gujarat Electricity Board, Dhuvaran and LSHO/FO to Assam State Electricity Board, Chandrapura have been billed at the rates intimated by the Government from time to time. The parties have not fully accepted these rates and are not tendering full payments, resulting in Book Debts of **Rs. 13,451.61 lakhs** (1992 : Rs. 8,059.71 lakhs) and **Rs. 6,455.54 lakhs** (1992 : Rs. 5,547.47 lakhs) being contested by Gujarat Electricity Board, Dhuvaran and Assam State Electricity Board, Chandrapura, respectively. These debts have been considered good of recovery in view of the billing having been done in accordance with the Government instructions.
  5. Excise/customs duty amounting to **Rs. 34,262.01 lakhs** (1992: Rs. 29,667.53 lakhs) on products and crude stored in bond on the Balance Sheet date have neither been provided nor taken in the inventory value. This has no impact on the profits for the year.
  6. Pending finalisation of long term settlement with the staff, liability has not been provided in respect of revision of emoluments as the amount thereof is not ascertainable. However, the impact of the above settlements is subject to claim from pool account as per pricing mechanism.
  7. Sales include an amount of **Rs. 8,322 lakhs** (1992 : Rs. 8,124 lakhs) being incentive claims for improvement in yield pattern/reduction in fuel and loss of the Refineries for previous years as accepted by Oil Coordination Committee during the year.

Credit for remaining similar claims of the Refineries has not been taken as it is not quantifiable at this stage, pending review and acceptance by Oil Coordination Committee in line with clause 3.2.1 of the Statement on Accounting Policies.



### SCHEDULE 'P'-Notes on the Accounts *Contd...*

8. Remuneration paid/payable to whole-time Directors:

	1992-93 (Rupees)	1991-92 (Rupees)
i) Salaries & Allowances	8,22,964	8,18,524
ii) Contribution to Provident Fund	71,106	67,160
iii) Contribution to Gratuity Fund	21,218	20,080
iv) Other Benefits and Perquisites	3,97,342	1,68,399
TOTAL:	<u>13,12,630</u>	<u>10,74,163</u>

In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes upto 12,000 KMs per annum on a payment of Rs. 250 or Rs. 400 per mensem as specified in the terms of appointment.

9. The Profit and Loss Account includes:

- a) Expenditure on Public Relations and Publicity amounting to **Rs. 341.94 lakhs** (1992: Rs. 256.20 lakhs) which is inclusive of **Rs. 83.11 lakhs** (1992 : Rs. 82.07 lakhs) on account of Staff and Establishment and **Rs. 258.83 lakhs** (1992 : Rs. 174.13 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00014:1** (1992 :0.00012:1).
- b) Research and Development expenses **Rs. 1,255.51 lakhs** (1992: Rs. 1,034.95 lakhs).
- c) Entertainment Expenses **Rs. 12.77 lakhs** (1992: Rs. 8.90 lakhs).

10. Statement on Accounting Policies and Schedules 'A' to 'W' to the Balance Sheet and Profit and Loss Account form part of these Accounts.

11. Previous year's comparative figures have been regrouped and recast to the extent practicable, wherever necessary. Figures in brackets indicate deductions.

Sd/-  
B.K. BAKSHI  
Chairman  
(I/c)

Sd/-  
B.D. GUPTA  
Director  
(Finance)

Sd/-  
A.P. CHAUDHRI  
Director  
(R&P)

Sd/-  
S.M. WELING  
Secretary

New Delhi

Dated: 06th July, 1993

## SCHEDULE 'Q' - Licenced Capacity, Installed Capacity and Actual Production

	Crude Throughput		Lubricating Oil		Wax/Bitumen/ Asphalt/Lube Oil Drums		Oxygen Plant	
	1993 MTs (in lakhs)	1992 MTs (in lakhs)	1993 MTs (in lakhs)	1992 MTs (in lakhs)	1993 Nos. (in lakhs)	1992 Nos. (in lakhs)	1993 CU.M (in lakhs)	1992 CU.M (in lakhs)
1. Licenced Capacity*	232.50	232.50	1.70	1.70	15.04 MTs	15.04 MTs	Not Specified	Not Specified
2. Installed Capacity**	244.00	244.00	1.40@	1.40@	15.00	15.00	0.84	0.84
3. Actual Throughput	243.13	242.92	-	-	-	-	-	-
4. Actual Production (in own Refineries)***	228.59	228.69	1.28	1.54	7.71	8.18	0.08	0.07
5. Product Processed/ Manufactured by others (Nos.) KLS	16.89	16.57	0.14 3.46	0.12 3.80	0.00	0.00	0.00	0.00

### NOTES:

- \* Licenced Capacity of Refinery is not specified for Assam Oil Division
- \*\* As certified by the Management and accepted by the auditors without verification.
- @ Per year operating in two shifts.
- \*\*\* Excluding internal consumption.

### SCHEDULE 'R'-Finished Products-Quantity and Value Particulars

	Opening Stock@@			Purchases Including Duties		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Petroleum Products:						
Year ended 31.03.93	15.90	23.07	1,08,226.63	59.36	302.28	8,86,270.36
Year ended 31.03.92	17.87	25.27	1,22,620.60	58.23	276.28	8,01,180.45
Lubricants & Greases:						
Year ended 31.03.93	0.13	0.84	15,260.41	0.16	0.12	7,656.91
Year ended 31.03.92	0.13	0.87	14,146.66	0.13	0.07	2,846.04
Crude Oil:						
Year ended 31.03.93	0.00	0.00	0.00	177.93	0.00	6,20,814.15
Year ended 31.03.92	0.00	0.00	0.00	111.59	0.00	3,53,398.99
Base Oil & Additives:						
Year ended 31.03.93	0.07	0.00	818.40	0.07	2.36	15,696.99
Year ended 31.03.92	0.08	0.00	676.32	0.10	2.87	18,822.86
Oxygen Gas @						
Year ended 31.03.93	0.00	0.00	0.04	0.00	0.00	0.00
Year ended 31.03.92	0.00	0.00	0.02	0.00	0.00	0.00
Total:						
	0.00@		0.04			
Year ended 31.03.93	16.10	23.91	1,24,305.44	237.52	304.76	15,30,438.41
Year ended 31.03.92	18.08	26.41	1,37,443.58	170.05	279.22	11,76,248.34
	0.00@		0.02			

#### Notes:

- \* Numbers
- @ Cubic Metres
- @ @ Includes adjustment for Opening Stock of Finished Products.
- 1. Purchases and Sales exclude value adjustments shown under items pertaining to prior period and extra-ordinary items.
- 2. In view of the physical stocks and the records of drums manufactured as well as purchases being combined, separate information in respect of opening and closing stock of drums manufactured is not feasible.

Sales			Closing Stock		
Quantity		Value	Quantity		Value
MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
339.84	495.87	16,80,979.91	14.83	30.73	1,23,733.91
339.22	472.77	21,50,161.45	15.91	23.07	1,08,258.60
0.84	4.61	1,10,121.95	0.18	0.99	24,095.62
0.77	5.18	99,083.94	0.13	0.84	15,260.42
177.93	0.00	6,20,814.15	0.00	0.00	0.00
111.59	0.00	3,53,398.99	0.00	0.00	0.00
0.00	2.52	17,088.19	0.07	0.00	672.01
0.00	3.20	20,434.34	0.10	0.00	1,139.61
0.00	0.00	0.00	0.00	0.00	0.06
0.00	0.00	0.00	0.00	0.00	0.04
0.00@		0.00	0.00@		0.06
518.61	503.00	24,29,004.20	15.08	31.72	1,48,501.54
451.58	481.15	26,23,078.72	16.14	23.91	1,24,658.63
0.00@		0.00	0.00@		0.04

## SCHEDULE 'S'—Consumption Particulars of Raw Materials Including Packaging Materials

	1993			1992		
	Quantity		Value	Quantity		Value
	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)	MTs (in lakhs)	KLs (in lakhs)	Rupees (in lakhs)
Crude Oil	243.13	0.00	5,32,655.75	242.94	0.00	5,32,881.89
Base Oil	0.07	4.53	46,500.77	0.06	5.40	23,257.31
Additives	0.11	0.20	26,296.29	0.16	0.13	32,004.74
Packaging Materials Consumed	0.00	0.00	16,468.26	0.00	0.00	16,408.84
<b>TOTAL</b>	<b>243.31</b>	<b>4.73</b>	<b>6,21,921.07</b>	<b>243.16</b>	<b>5.53</b>	<b>6,04,552.78</b>

- NOTES: 1. Additives are not considered as Raw Materials in Refineries Division.  
 2. Consumption excludes value adjustments if any, shown under items pertaining to the prior period and items of extra-ordinary nature.

## SCHEDULE 'T'-Expenditure in Foreign Currency for Royalty, Know-How, Professional & Consultation Fees, Interest & Other Matters

	1993 Rupees (in lakhs)	1992 Rupees (in lakhs)
1. Royalty (Gross) and Technical Service Fees	478.37	374.39
2. Professional consultation fees including legal expenses	522.50	776.01
3. Interest	28,198.12	50,141.33
4. Others	1,805.28	1,066.98
<b>TOTAL :</b>	<b>31,004.27</b>	<b>52,358.71</b>

## SCHEDULE 'U'-Earnings in Foreign Exchange

	<b>1993</b> <b>Rupees</b> <b>(in lakhs)</b>	<b>1992</b> <b>Rupees</b> <b>(in lakhs)</b>
1. Export of Crude Oil and Petroleum Products Calculated on FOB basis*	1,90,296.94	1,46,699.45
2. Other Income including interest	339.89	47.96
TOTAL:	<u>1,90,636.83</u>	<u>1,46,747.41</u>

\* Includes amount received in Indian Currency out of the repatriable funds of Foreign Customers, and other Export Sales through canalising agencies.

1993	45,757.74 lakhs
1992	39,703.70 lakhs

## SCHEDULE 'V'-CIF Value of Imports

	<b>1993</b> <b>Rupees</b> <b>(in lakhs)</b>	<b>1992</b> <b>Rupees</b> <b>(in lakhs)</b>
Crude Oil	10,51,286.49	7,75,162.54
Base Oil	30,223.27	43,270.87
Additives	4,962.93	2,382.57
Capital Goods	2,024.79	2,249.62
Revenue Stores, Components, Spare and Chemicals	2,823.80	2,553.12
TOTAL:	<u>10,91,321.28</u>	<u>8,25,618.72</u>

NOTE : The above includes CIF/FOB value of Imports made by the Corporation on behalf of Other Oil Companies but excludes imports of finished products.



## SCHEDULE 'W'-Consumption of Imported and Indigenous Raw Materials/Steel Coils/Sheets/ Stores/Spare Parts and Components

	1993				1992			
	Imported		Indigenous		Imported		Indigenous	
	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in Lakhs)	% to total consumption	Value Rupees (in lakhs)	% to total consumption	Value Rupees (in Lakhs)	% to total consumption
Crude Oil	3,03,892.24	56	2,37,250.56	44	2,38,671.76	45	2,94,210.12	55
Base Oil and Additives	30,208.33	41	43,117.24	59	28,660.13	52	26,601.93	48
Steel Coils/Sheets*/ Stores/Components and Spare Parts	6,166.50	33	12,776.28	67	5,564.33	34	10,647.32	66
<b>TOTAL:</b>	<b>3,40,267.07</b>		<b>2,93,144.08</b>		<b>2,72,896.22</b>		<b>3,31,459.37</b>	

NOTE : Consumption of steel coils and sheets imported through canalising agency has been considered as imported.

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

## Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956

	<u>No. of Shares</u>	<u>Paid Up Value Rupees</u>
1. Shares in the Subsidiary Company were Registered in the name of the Company and their nominees as indicated  As at 31st March, 1993 Indian Oil Blending Ltd.	8,000	40,00,000
	For the Financial year ended 31st March, 1993 Rupees (in lakhs)	Previous Financial year Cumulative Total Rupees (in lakhs)
2. Net aggregate amount of the profit of the Subsidiary Company not dealt with in the Company's Accounts so far as they concern the members of the company is:	295.65	1,131.09
3. Net aggregate amount of the profit of the Subsidiary Company as far as its profit are dealt with in the Company's Account is:	72.00	67.11

Sd/-  
B.K. BAKHSHI  
Chairman  
(I/c)

Sd/-  
B.D. GUPTA  
Director  
(Finance)

Sd/-  
A.P. CHAUDHRI  
Director  
(R&P)

Sd/-  
S.M. WELING  
Secretary

New Delhi  
Dated: 06th July, 1993

# Schedule of Fixed Assets (Township)

Contents

Index

<b>GROSS BLOCK</b>				
	<b>Gross Block as at 31st March, 1992 At Cost</b>	<b>Additions during the year At Cost</b>	<b>Transfers from Constructions, Work-in-progress At Cost</b>	<b>Transfers, Deductions and Reclassification At Cost</b>
	<i>(Rs./Lakhs)</i>	<i>(Rs./Lakhs)</i>	<i>(Rs./Lakhs)</i>	<i>(Rs./Lakhs)</i>
LAND-FREEHOLD	456.67	0.00	0.00	(2.68)
LAND-LEASEHOLD	236.76	0.31	0.00	0.00
BLDG., ROAD ETC.	9,280.45	3.06	1,226.17	(12.38)
PLANT & MACHINERY	460.73	1.01	0.09	0.00
FUR. & FIXTURES	118.54	58.78	(0.37)	2.49
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEM	754.79	0.00	79.21	3.77
EQUIP. & APPLIANCES	530.83	147.16	44.19	4.44
VEHICLES	126.13	19.24	0.00	9.30
SUNDRY ASSETS	3.09	0.76	0.00	0.00
<b>GRAND TOTAL:</b>	<b>11,968.00</b>	<b>230.32</b>	<b>1,349.28</b>	<b>4.94</b>
<b>PREVIOUS YEAR:</b>	<b>10,488.87</b>	<b>310.42</b>	<b>1,165.88</b>	<b>(2.83)</b>



## Schedule of Fixed Assets (Township) contd...

AT COST	DEPRECIATION & AMORTISATION		NET DEPRECIATED BLOCK	
Gross Block as at 31st March, 1993 At Cost	Provided during the year	Upto 31 st March, 1993	As at 31st March, 1993	As at 31st March, 1992
(Rs.ILakhs)	(Rs.ILakhs)	(Rs.ILakhs)	(Rs.ILakhs)	(Rs.ILakhs)
459.35	0.00	0.00	459.35	456.67
237.07	0.52	8.76	228.31	217.94
10,522.06	165.98	1,692.23	8,829.83	7,743.30
461.83	18.58	277.05	184.78	202.90
174.47	5.25	26.19	148.28	96.54
830.23	36.57	524.85	305.38	275.49
717.73	57.58	264.75	452.98	332.86
136.07	6.48	76.18	59.89	48.39
3.85	0.17	2.15	1.70	1.11
13,542.66	291.13	2,872.16	10,670.50	9,375.19
11,968.00	231.11	2,592.81	9,375.19	

## Income and Expenditure Account for the Year ended 31st March '93 on Provision of Township, Education, Medical and other Facilities

Sl. Particulars No.	1993 Rs./Lakhs	1992 Rs./Lakhs
<b>INCOME:</b>		
1. Recovery of House Rent	185.38	155.13
2. Recovery of Utilities-Power & Water	55.48	14.91
3. Recovery of Transport Charges	8.21	7.60
4. Other Recoveries	184.21	164.52
5. Excess of Expenditure over Income	4,745.02	4,348.34
TOTAL :	<u>5,178.30</u>	<u>4,690.51</u>
<b>EXPENDITURE:</b>		
1. Salaries, Wages, Bonus and PF Contribution	1,373.76	1,014.24
2. Consumable Stores and Medicines	330.21	331.61
3. Subsidies for Social and Cultural Activities	151.60	118.85
4. Repairs & Maintenance	976.93	868.16
5. Interest	809.58	791.92
6. Depreciation	306.45	231.11
7. Misc. Expenses: Taxes, Licence Fees, Insurance etc.	223.85	289.72
8. Utilities-Power and Water	952.77	976.15
9. Rent	4.56	4.28
10. Bus Hire Charges	20.94	18.56
11. Welfare (School)	1.35	0.08
12. Clubs & Recreation	0.64	0.85
13. Others	25.66	44.98
TOTAL :	<u><u>5,178.30</u></u>	<u><u>4,690.51</u></u>

### Review of accounts of Indian Oil Corporation Limited for the year ended 31st March, 1993 by the Comptroller and Auditor General of India

#### I. FINANCIAL POSITION

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

	(Rs in crores)		
	1990-91	1991-92	1992-93
<b>Liabilities</b>			
a) Paid up capital	123.27	123.27	123.27
b) Reserves and Surplus			
i) Free Reserves & Surplus	3220.44	3966.25	4593.63
ii) Committed Reserves & Surplus	232.97	233.27	233.57
	<u>3453.41</u>	<u>4199.52</u>	<u>4827.20</u>
c) Borrowings:			
i) From Govt. of India			
ii) From others			
Long Term Loans	458.51	1064.78	1271.31
Short Term Loans	6662.70	2555.81	4864.25
Public Deposits	6.48	6.22	81.05
	<u>7127.69</u>	<u>3626.81</u>	<u>6216.61</u>
d) Current Liabilities and Provisions			
i) Sundry Creditors	2292.52	4575.68	3359.00
ii) Provision for Dividend	27.12	40.68	28.35
iii) Other Liabilities and Provisions	1215.90	1390.48	1511.24
Total:	<u>14239.91</u>	<u>13956.44</u>	<u>16065.67</u>
<b>Assets</b>			
e) Gross Block	3149.99	3481.98	4280.32
f) Less: Cumulative Depreciation	2058.76	2133.05	2365.50
g) Net Block	1091.23	1348.93	1914.82
h) Capital Work-in-Progress	4706.42	1134.79	1147.79
i) Investments	6465.96	4153.34	3721.79
j) Current Assets, Loans & Advances			
i) Inventories	2254.45	2489.33	2215.82
ii) Sundry Debtors	520.60	915.22	1072.61
iii) Cash & Bank balances	120.38	135.05	272.20
iv) Loans & Advances	2912.33	3675.04	5628.47
v) Other Current Assets	168.54	104.74	92.17
Total:	<u>14239.91</u>	<u>13956.44</u>	<u>16065.67</u>
k) Working Capital (j-d)	2440.76	1312.54	4382.68
l) Capital employed (g+j-d)	3531.99	2661.47	6297.50
m) Net Worth (a+b (i))	3343.71	4089.52	4716.90
n) Net Worth per Rupee of Equity Capital (Rs)	27.13	33.18	38.26

## 2. Debt equity ratio

The debt equity ratio of the Company was 0.29 :1 in 1992-93 as against 0.26 :1 in 1991-92 and 0.14 :1 in 1990-91.

## 3. Reserves and Surplus

The Free Reserves and Surplus of the Company was 37 times of its paid up capital as on 31st March, 1993 as against 32 times as on 31st March, 1992 and 26 times as on 31st March, 1991. No bonus shares were, however, issued by the Company during the last eleven years. The dividend declared by the Company has gradually gone up from 6% in 1966-67 to 14% in 1980-81 and to 40% (proposed) in 1992-93.

## 4. Investments

The investments of the Company as on 31.3.1993 had come down to Rs 3721.79 crores from Rs 4153.34 crores as on 31st March, 1992 mainly because of disinvestment.

Canstar shares were disposed of in 1991-92 under a buy-back arrangement on which the Company booked a profit of Rs 24 crores. The same shares were purchased back during 1992-93 as per the above deal. Due to fall in market price during the current year, a provision of Rs 21.5 crores has been made in the accounts for the year ended 31 March, 1993 towards loss, being the difference between weighted average cost price and market price.

The average yield on the investments during the year 1992-93 was 9.56% which also includes tax free interest of 9 to 10 percent on tax free PSU bonds valuing Rs 3434.94 crores. The average cost of borrowings was 7.38%.

## II SOURCES AND UTILISATION OF FUNDS

Funds amounting to Rs 3881.48 crores from internal and external sources were utilised during the year as given below

<b>Sources of Funds :</b>	(Rs in crores)
i) Addition to Reserves & Surplus	627.68
ii) Disinvestments	431.55
iii) Addition to cumulative depreciation	232.45
iv) Addition to Borrowed funds	2589.80
Total funds inflow during the year	<u>3881.48</u>
<b>Utilisation of Funds:</b>	
i) Addition to Gross Block	798.34
ii) Addition to Capital Work-in-Progress	13.00
iii) Addition to Working Capital:	
Addition to Current Assets, Loans and Advances	1961.89
Add: Decrease in Current Liabilities and Provisions	<u>1108.25</u>
	<u>3070.14</u>
Total utilisation during the year	<u>3881.48</u>

### III LIQUIDITY AND SOLVENCY

1. The liquidity of the Company in terms of percentage of current assets to total net assets was 57.77% at the end of 1992-93 as against 52.44% in 1991-92 and 41.97% in 1990-91.
2. The percentage of current assets to current liabilities (including provisions) which is one measure of solvency was 189% in 1992-93 as against 122% in 1991-92 & 169% in 1990-91.
3. The percentage of quick assets (sundry debtors, loans & advances and cash & bank balances) to current liabilities (excluding provisions) which is another measure of solvency was high at 143% in 1992-93 as against 80% in 1991-92 and 104% in 1990-91.

### IV. WORKING CAPITAL

1. The working capital of the Company for the last three years ending 31st March, 1993 was Rs. 2440.76 crores, Rs 1312.54 crores and Rs 4382.68 crores respectively. The increase in working capital as on 31st March, 1993 was due to substantial increase in loans and advances from Rs. 3675.04 crores as on 31st March, 1992 to Rs 5628.47 crores as on 31st March, 1993 with net increase of Rs 1953.43 crores during this year. This included increase in the amounts recoverable from Oil Co-ordination Committee (OCC) from Rs 2936.47 crores to Rs 4129.76 crores and Sundry Deposits Rs 301.87 crores to Rs 1016.29 crores as on 31st March, 1992 and 1993 respectively.

#### 2. Working Capital to Sales Ratio

The ratio of working capital to sales which was 12.47 percent as on 31st March, 1991 declined to 6.33 percent as on 31st March, 1992 and increased to 18.02 percent as on 31st March, 1993. The increase during 1992-93 was mainly due to increase in OCC dues and change in the source of financing of crude/product import from Sundry Creditors to loans from banks.

#### 3. Working Capital vs. Capital Employed

The percentage of working capital to capital employed during the three years 1990-91, 1991-92 and 1992-93 was 69.10, 49.32 and 69.59 respectively.

### V. INVENTORY

Inventory position as at the end of last three years was as follows

	(Rs in Crores)		
	1990-91	1991-92	1992-93
1) Raw materials	566.81	893.53	319.00
ii) Stores and Spares	210.07	236.83	260.33
iii) Stock-in-trade	1471.49	1353.18	1630.47
iv) Stock of empty barrels & tins	6.08	5.79	6.02

The stock of raw materials at the close of each year was equivalent to about 0.6 months consumption in 1992-93 as against 1.8 months in 1991-92 and 1.2 months in 1990-91.

The stores & spares at the end of 1992-93 represented 11.2 months consumption as against 10.7 months in 1991-92 and 10.5 months in 1990-91.



## VI. SUNDRY DEBTORS

The position of Sundry debtors for the last three years ending 31st March, 1993 stood as follows

Year	Sundry Debtors Considered good	Sundry Debtors considered doubtful	Total sundry Debtors	Sales	(Rs in crores)
					Percentage of sundry debtors to Sales
1990-91	520.60	5.93	526.53	19578.80	2.69
1991-92	915.22	9.14	924.36	20745.06	4.46
<b>1992-93</b>	<b>1072.61</b>	<b>10.93</b>	<b>1083.54</b>	<b>24319.88</b>	<b>4.46</b>

Although the sundry debtors for supply of crude had decreased by Rs 178.17 crores, there was substantial increase of Rs 337.35 crores in the sundry debtors for supply of products as on 31st March, 1993 as compared to 31st March, 1992. The major outstandings were from fertilizer plants, power plants, airlines and road transport undertakings. A few cases of dues disputed by customers/delays in recovery are detailed below

- An amount of Rs 259.39 crores was outstanding from Gujarat Electricity Board (Rs 184.17 crores) and Assam State Electricity Board (Rs 75.22 crores) mainly on account of disputes in rates. In the case of Gujarat Electricity Board an amount of Rs 77.54 crores was outstanding for over six years.
- An amount of Rs 12 crores (approx.) was outstanding from Air India mainly on account of dispute between the Company and the customer in exchange rate for billing.
- An amount of Rs 8.92 crores was pending recovery from Vayudoot as on 31st March, 1993. Consequent to orders of Government of India (May 1993) for merger of Vayudoot with Indian Airlines the dues (Rs 8.92 crores) payable by Vayudoot stand frozen for a period of 5 years with a stipulation that the dues will be paid after expiry of moratorium period in instalments.
- An amount of Rs 5.17 crores was due from a private airliner due to non-payment on due dates.

## VII. SUNDRY CREDITORS

The balance under this head decreased to Rs 3359.00 crores in 1992-93 from Rs 4575.68 crores in 1991-92 but increased from Rs 2292.52 crores in 1990-91. The fluctuations in the figures of Sundry Creditors are on account of shift in the source of financing from Sundry Creditors to loans from banks.



## VIII. WORKING RESULTS

1. The working results of the company in the last 3 years are given below

	(Rs in crores)		
	1990-91	1991-92	1992-93
a) Sales	<u>19578.80</u>	<u>20745.06</u>	<u>24319.88</u>
b) i) Profit	907.04	1084.78	934.99
ii) Provision for tax	177.00	298.00	258.00
iii) Net profit after tax	730.04	786.78	676.99
iv) Percentage of profit before tax			
a) To sales	4.6	5.2	3.8
b) Capital employed	25.7	40.8	14.8
v) Percentage of profit after tax			
a) To Net Worth	21.8	19.2	14.3
b) To Equity Capital	592.2	638.3	549.2
vi) Closing stock of finished goods	1374.44	1246.59	1485.02

Net profit after tax, as on 31st March, 1993 includes an amount of Rs 143.74 crores claimed from OCC being the 70% additional marketing margin for the years 1990-91 to 1992-93.

The drop in profit during 1992-93 vis-a-vis 1991-92 was mainly due to decrease of Rs 127.94 crores in the dividend income from investments in units of Unit Trust of India.

## IX. Dividend

The Company has proposed a dividend of 40% (17% interim dividend paid and 23% proposed final dividend) for the year 1992-93 as compared to 33% paid for 1991-92 and 22% paid for 1990-91. The dividend payout ratio, calculated as a percentage of total dividend paid/proposed to profit after tax during the last three years ending 31st March, 1993 was 3.71%, 5.17% and 7.28% respectively.

## X. Contribution to exchequer

The revenues generated by the Company in the nature of duties, taxes, etc. for the exchequer during the last three years are given below:

	(Rs in crores)		
	1990-91	1991-92	1992-93
Excise Duty	504.42	537.51	535.71
Customs Duty	3321.49	3440.55	3958.92
Income Tax	236.04	297.05	201.19
Total	<u>4061.95</u>	<u>4275.11</u>	<u>4695.82</u>

Sd/-  
R.S. PRASAD

Bombay  
Dated : 10th September, 1993

Principal Director of Commercial Audit &  
Ex-Officio Member, Audit Board-II



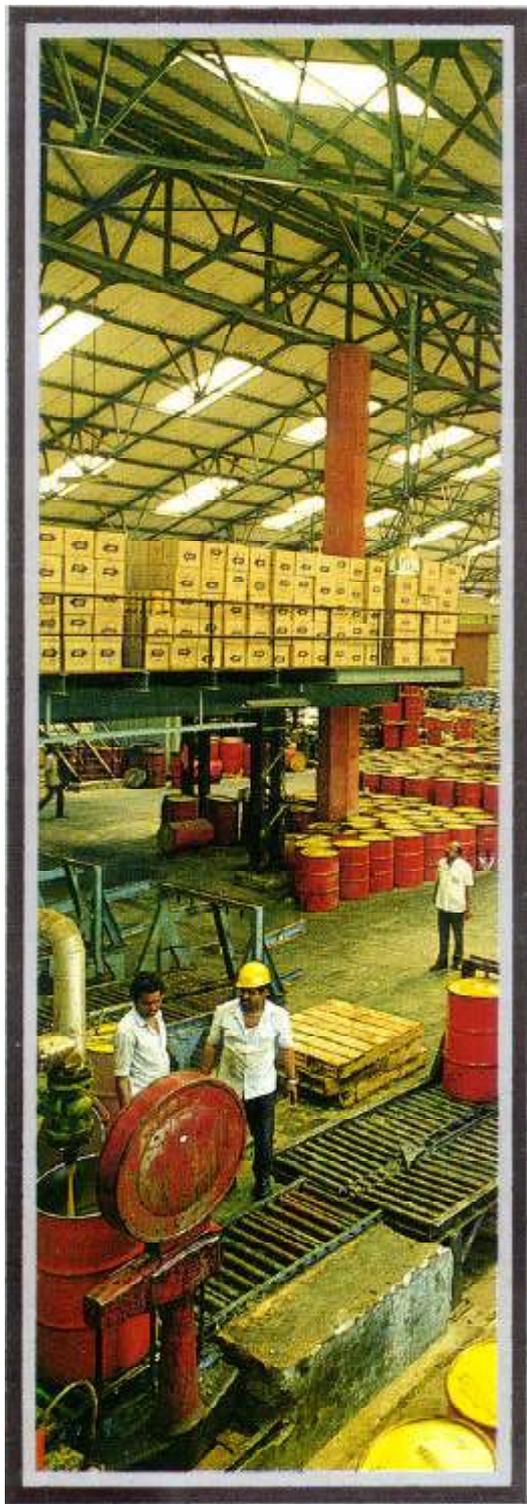
**Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of Indian Oil Corporation Limited, Bombay for the year ended 31st March, 1993.**

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the accounts of Indian Oil Corporation Limited, Bombay, for the year ended 31st March, 1993.

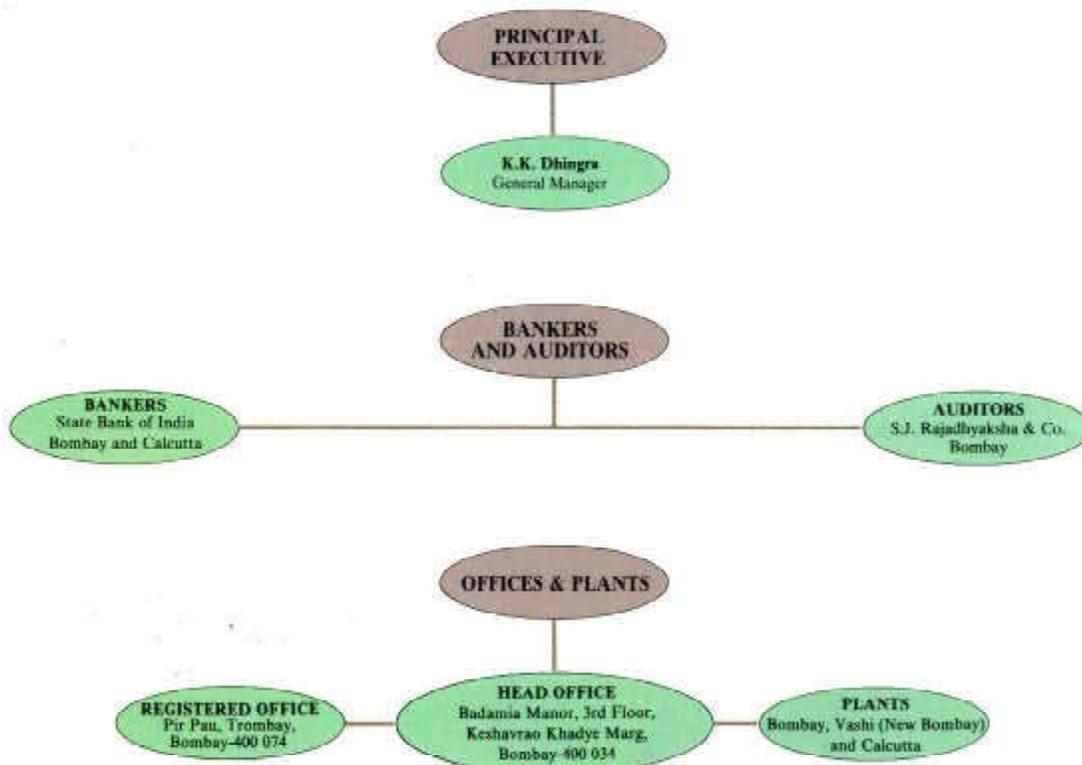
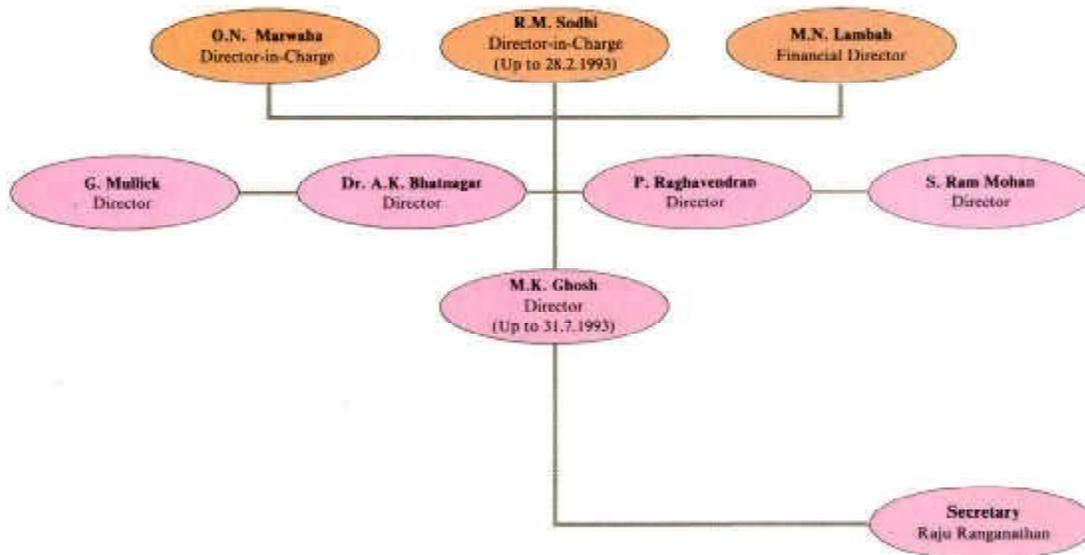
Bombay  
Dated : 10th September, 1993

Sd/-  
R.S. PRASAD  
Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board-II,

# ANNUAL REPORT 1992-93



INDIAN OIL BLENDING LIMITED  
(A WHOLLY OWNED SUBSIDIARY OF INDIAN OIL CORPORATION LIMITED)



**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the Shareholders of Indian Oil Blending Limited will be held at the Head Office of the Company, situated at Badamia Manor, Keshavrao Khadye Marg, Mahalaxmi, Bombay-400 034 , on Friday , the 3rd September, 1993 at 1000 hours to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet, Profit and Loss Account, Reports of the Directors' and Auditor's thereon for the financial year ended 31st March 1993;
2. To declare a dividend;
3. To appoint Director in place of Shri O.N. Marwaha, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
4. To appoint Director and Financial Director in place of Shri M.N. Lambah, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
5. To appoint Director in place of Shri G. Mullick, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
6. To appoint Director in place of Dr. A.K. Bhatnagar, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
7. To appoint Director in place of Shri P. Raghavendran, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment;
8. To appoint Director in place of Shri S. Ram Mohan, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

By order of the Board

Sd/-  
RAJU RANGANATHAN  
Secretary

Bombay,

Dated: 3rd Sept., 1993

**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 INDIAN OIL BLENDING LIMITED

cc : M/s. S.J.. Rajadhyaksha & Co., Chartered Accountants, Bombay.

cc : Director of Commercial Audit, Commercial Audit Wing, c/o. IOC (HO), Bandra (E), Bombay-400 051 .

Gentlemen,

Your Directors take pleasure in presenting the 30th Annual Report on the working of the Company for the Financial year ended 31st March, 1993, alongwith Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India.

### 1992-93 in Retrospect

1992-93 was a difficult year for Lube Industry leading to an negative growth of 11.2%. Lube oil sales of the Parent Company (IOC) declined by 7.6% compared to previous year. This was mainly due to a massive upgradation programme by stopping production of monograde oils from May 1992, planned efforts to conserve lubricants, promotion of oil conserving long drain oils, liberalisation of import policy leading to decanalisation of import of lube base stocks. Since IOBL's production depends on requirements of IOC, production and consequently profitability of your company suffered a setback.

However, 1992-93, had some bright spots too. As in the past, your company posted certain land marks. Grease production at the Vashi Grease Plant recorded all time high of 11491 MTs which corresponds to 105% capacity utilisation in the second full year of operation. ECA 8586 manufacturing plant at Trombay also achieved capacity utilisation of 106% in the maiden year itself.

### Performance of the Company

Your Company's performance highlights for the year 1992-93 are Summarised below :-

#### Financial Highlights

	(Rs. in Lakh)	
	1992-93	1991-92
Blending Fees	2,024	2,118
Profit before Depreciation/Interest and Tax	967	1,221
Interest	82	137
Depreciation	251	257
Profit before Tax	600	786
Provision on Taxation	310	430
Profit after Tax	290	356
Disposable Profit	296	361

#### Production Highlights

	1992-93	1991-92
Lubes (KL)	3,51,476	3,81,653
Greases (MT)	11,491	10,552
ECA 8586 (KL)	1,059	-

## Dividend and Reserves

Your Directors recommend a Dividend @ 15% of Paid up Capital which will absorb Rs 6 lakh. It may be recalled that for the year 1991-92, dividend @ 20% of post Tax Profit (180% of Paid up Capital) was paid in line with the policy of the Government. Keeping in view the constraints on internal resources and in line with the policy followed by the Parent Company, your Directors recommend Dividend for the year 1992-93 at the rate of 15% of the paid up capital. Your company has been consistently paying dividend to the Holding Company (IOC). Cumulative Dividend paid upto last year is Rs 200.89 lakh.

The disposable profit of Rs 296 Lakh stands appropriated as under:

	(Rs in Lakh)	
	1992-93	1991-92
<b>Dividend Outgo</b>	6	72
Transfer to General Reserve	30	289
Retained in Profit/Loss A/c	260	-
	<b>296</b>	<b>361</b>

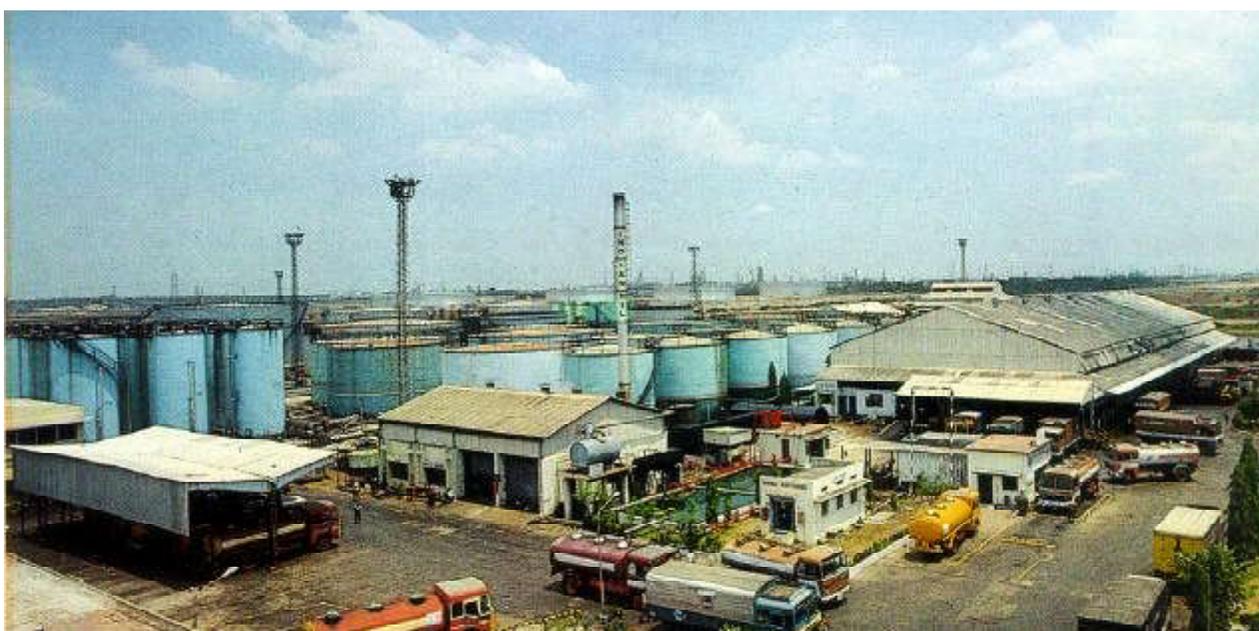
## Profits

Company's profit before tax during the year was Rs 600 lakh as against Rs 786 lakh during the previous year.

## Contribution to Exchequer

Your company has contributed in 1992-93 a sum of Rs 315 lakh to the Central Exchequer.

*Aviow of the lube blending plant at Madras*



**Value Added .**

Value added for 1992-93 in the Operations of the Company amounted to Rs. 2,059.99 lakh.

**Working Capital**

Your company's Working Capital as on 31.3.1993 has increased by Rs. 184 Lakh as against Rs 47 lakh in the previous year, mainly due to House Building Advance, Vehicle loans to Employees and lower provision for dividend for the year 1992-93.

**Financing of Fixed Assets**

Company's additional investment of Rs 167 lakh in fixed assets during the year has been entirely financed through internal accruals.

**Loan repayment**

Your company has repaid to the Holding Company (IOC) the second instalment of Rs 1.63 lakh of loan as per repayment terms mutually agreed. By repaying the loan in the beginning of the year, your company could reduce the interest burden substantially.

**Future Financial Outlook**

Last revision of the blending fee rates was made by the parent company in the year 1991-92 and the rates were fixed for a period of five years beginning 1.4. 1991.

However, provision was made for mid term review of the blending fee rates. A proposal for the review of blending fee rates in 1993-94 has been initiated which is expected to arrest the fall in your company's profits due to declining trend of lube sales of the parent company and erosion in margins with rising cost.

**PRODUCTION**

The production and capacity utilisation for the last four year are detailed below :-

Year	Lubes (KL)		Grease (MT)			ECA 8586 (KL)			
	Capacity per Annum	Production	Capacity Utilisation	Capacity per Annum	Production	Capacity Utilisation	Capacity per Annum	Production	Capacity Utilisation
89-90	2,50,000	3,84,419	154%	8,500	8,990	106%	-	-	-
90-91	2,50,000	3,89,790	156%	*11,000	6,809	62%	-	-	-
91-92	2,50,000	3,81,653	153%	11,000	10,552	96%	-	-	-
<b>92-93</b>	<b>2,50,000</b>	<b>3,51,476</b>	<b>141%</b>	<b>11,000</b>	<b>11,491</b>	<b>105%</b>	<b>1,003</b>	<b>1,059</b>	<b>106%</b>

\* Resited plant at Vashi commenced operation since 15.10.90. Till then Trombay Plant with 8,500 MTPA capacity was operated.

**Lube**

Lube Production declined by 8% compared to previous year mainly due to decline in the requirement of Parent company consequent to the fall in Lube oil sales.



**Greases**

Grease Production increased by 9% compared to previous year with improved capacity utilisation at the Vashi Grease Plant. The Plant achieved capacity utilisation of 105% in the second full year of its operation.

**ECA 8586**

ECA 8586 Plant at Bombay achieved capacity utilisation of 106% in maiden year itself.

**Productivity Enhancement**

Your company is striving hard to increase the overall productivity of the company by debottle-necking of plant operations and automation.

**PROJECTS**

Your Company has accorded high priority for timely completion of various projects. Major projects under execution and their status are as under:

**Automatic Batch Blending System-Phase-I**

The Automatic Batch Blending System-Phase-I has been commissioned at Bombay Plant. At Calcutta Plant, it is expected to be commissioned by July '93. Phase II of the project is expected to be completed by Sept. '93 at both the plants. This will improve

*A lube blending capacity of 141% was achieved during the year*



the existing Batch Blending operations in terms of upgradation of technology increased productivity and management reporting system. The total cost of the project is approx. Rs 125 lakh for each plant.

**14" Pipeline at Calcutta Plant**

In order to improve the tanker performance and reduction of demurrage, a new 14" pipeline has been laid from Calcutta Plant to Jetty at a total cost of Rs 40 lakh approx.

**Modernisation of Laboratories**

In order to modernise the laboratories at Plants, latest automatic equipment, XRF Analyser, Autotitrator, Auto Flash Tester, Dual Type Foaming Bath etc. were imported during this year at a total cost of Rs 50 lakh.

To improve the productivity of quality control system at plant laboratories, it is planned to import latest automatic instruments FT-IR, Auto Pour Point and Cloud Point Apparatus, Digital Density Meter, Leakage Tendency Apparatus etc. at a total cost of Rs 80 lakh. These instruments are expected to be procured by end 1993-94.

**Modernisation of Grease Plant**

Tata Honeywell make DCS, TDC-3000 have been successfully operative in the plant for automation in part to monitor mainly pressure and temperature of Reactor / Kettles. Total automation planned upto homogenisation process except solid 'charging in second phase due or completion in September 1994 at a cost of Rs 98 lakh.

**Additional Blending Tanks with Drum Filling Machines at Bombay Plant**

Provision of 4 Nos. Additional Blending tanks in the old grease plant area Bombay Plant with 2 Nos. additional Electronic Load cell based Microprocessor Controlled sub surface Drum Filling Machines is in progress. This will facilitate blending of special grades and Small Volume Grades and meet the increased demand. The filling machines will have MIS. The total cost of the project is estimated at Rs 66 lakh and expected to be completed by Dec.'93.

**4 Nos. 3300 KL Storage Tanks at Calcutta**

In order to meet the OCC norms for base oil inventory, it was planned to construct 4 Nos. 3300 KL Storage Tanks at Calcutta Plant at a total cost of Rs 100 lakh. 2 Nos. Storage Tanks have been commissioned. Third tank is expected to be commissioned by July '93 and fourth tank by October '93.

**Fire Hydrant Facilities at Calcutta**

Fire Hydrant facilities at a total estimated cost of Rs 30 lakh are being provided at Calcutta Plant to improve safety of the plant. This project is expected to be completed by July '93.

**Additional Grease Kettle at Vashi**

To meet the IOC-R&D's requirement of one pass homogenisation of greases, it has been planned to provide one additional 10 Ton Grease Kettle at Vashi Grease Plant at a

total estimated cost of Rs 61 lakh. The project is expected to be completed by end 1994-95.

#### **Viscosity Index Improver Manufacturing Facility at Calcutta**

It has been planned to put up VI Improver manufacturing facility with a capacity of 5,000 MTPA at Calcutta Plant, to meet our full requirement indigenously, at a total cost of Rs 50 lakh. This project is expected to be completed by end 1994-95.

#### **Small Can Filling cum Storage Shed at Calcutta**

It has been planned to have a separate warehouse for filling and storage of small cans in the new additional land at Calcutta Plant. The existing warehouse will be exclusively utilised for filled lube/additive barrels storage with palletised operations for stacking and retrieving of filled drums. This will facilitate better inventory management, faster unloading/loading of trucks and reduced manual handling of drums resulting into quality improvement of drums. The project is expected to be completed by end 1994-95. Cost of the project is estimated at Rs 95 lakh.

### **FUTURE PROJECTS**

Future Major Projects being considered by your Company are as under:

#### **Aluminium Complex Grease Manufacturing Facility at Vashi Plant**

In order to commercialise the formulations developed by IOC, R&D, it is planned to put up Aluminium Complex & Novel G-92 Greases Manufacturing facility at Vashi Plant at a total estimated cost of Rs 415 lakh. This will indigenise production of cement mill greases. The savings in foreign exchange is estimated at Rs 200 lakh per annum due to replacement of imported Lithium Hydroxide by indigenous raw materials.

#### **Material Handling System for Empty Barrels at Bombay & Calcutta**

It is being planned to provide conveyor system for empty barrels so that barrels are unloaded directly onto the conveyor from the truck, on line inspection, on line stencilling and fed to the feeding conveyor for filling machines. This will reduce the manual handling of drums, thereby quality of the barrels will remain unaffected. The total cost of the project is estimated at Rs 20 lakh for each plant.

#### **Material Handling System for Filled Barrels inside the Warehouse and in the Yard at Bombay & Calcutta Plants**

It is being planned to provide conveyor/crane system to transfer the filled barrels from filling points to either stack inside Warehouse or Yard or to Truck. All barrels will be stacked in vertical and manual handling will be reduced. This ensures unaffected quality of the barrels, better housekeeping and increased productivity. The cost of the project is estimated at Rs 75 lakh for each plant.

#### **Decanting & Rinsing System for additives at Bombay & Calcutta**

At Bombay & Calcutta, it is being planned to provide suitable conveyor system to feed additive drums to the sump, on line heating and rinsing arrangement after decanting for full recovery of costly additives. The project cost estimated is about Rs 20 lakh for each plant.

**Auto Pneumatic Blending System at Bombay & Calcutta Plants**

At Bombay & Calcutta Plants, it is being planned to provide Auto Pneumatic Blending Systems which will control the flow of air & distribute at definite intervals for better mixing in a lesser time. This will improve the homogeneity of oil larger volume tanks and save energy. The cost of the project is estimated at Rs 20 lakh for each plant.

**Auto Temperature Control System for Blending Tanks at Bombay & Calcutta Plants**

In order to reduce the consumption of energy, it is being planned to provide microprocessor based auto temperature control system to monitor/control the temperature of Blending Tanks at Bombay & Calcutta at total estimated cost of Rs 25 lakh for each plant.

**ENERGY CONSERVATION**

Your Company places great emphasis on Energy Conservation measures Efforts are consistently being made in Energy Conservation in operations at the various Plants as also to create general awareness.

Cold Blending process to the maximum possible extent for Blending Servo products is one of the Energy Conservation measures being implemented.

Fuel efficiency monitors have been provided at Bombay and Vashi Plants for monitoring air-fuel ratio of boiler and furnace. At Calcutta Plant, this is being provided during 1993-94.

Your Company has set up Multi Functional Viscosity Modifier-MFVM ECA 8586 Manufacturing facility which results in savings of fuel consumption of motorists.

Details of Major Energy Conservation schemes under implementation are annexed.

**ENVIRONMENT PROTECTION**

Your company continues to accord high priority to environmental protection and continues to lay emphasis on it. In this direction regular testing of effluent discharges is being carried out at all plants.

**QUALITY CONTROL AND DEVELOPMENT**

Quality control and development continued to play an important role in the operations of IOBL, to keep abreast of the latest development in technological and industrial fields.

Quality control activities are being maintained by computer aided technology as part of our modernisation efforts and production activity are being computerised as per modern concept.

The laboratory testing work requires modern facilities and as such in addition to currently used modern equipments, new equipments of international standard are commissioned e.g. X-Ray Fluorescence, Autotitrimeter to keep pace with the world trend. Your company also undertakes certain performance tests at the Plants for monitoring the performance level of the lubricants.

Your company has plan to introduce ISO 9002 International Quality System at Vashi Plant to begin with and it will be followed at Trombay and Calcutta Plants. Initial spade work has been completed and hopefully your Company will be in a position to apply for certification for Vashi Plant during 1994.

Your Company has been actively assisting IOC's R&D Centre in development and indigenisation activities. The following new grades were introduced during the year:-

#### **Lubricants**

Servo RR 407 Multigrade 20W-40	Servo Marine L 104
Servo Transmission C4 SAE IOW	Servo Marine L 203
Servo Transmission C4 SAE 30	Servo Marine L 204'
Servo Superior XEE Multigrade 10W-30	Servo Marine L 303
Servo 2T Zoom	Servo Marine L 304
Servo Marine L 103	

#### **Greases**

Servo Grease SG-240	Servo Plex-3
Servo Plex-2	Servo Plex LC 2

Your company is in receipt of approval for Bombay Laboratory as per Exxon quality system requirement for ECA 8586 quality standard.

#### **SAFETY**

Safety is of prime concern to the Company and efforts are made to upgrade standards and operating practices on a continuous basis. With a view to ensure that safety requirements are strictly complied with, each plant has been posted with a safety officer. The various directives issued by the Oil Industry Safety Directorate are being strictly adhered to by the plants. Safety Audit and fire drills are being carried out on a regular basis.

#### **HUMAN RESOURCES**

The total number of employees as on 31st March, 1993, stood at 676(119 Officers and 557 workmen) as compared to 687 employees (117 Officers and 570 workmen) as on 31st March, 1992.

#### **Employee Relations/Labour Situations**

Industrial Relations in your company during the year continued to be cordial and harmonious.

#### **Human Resource Development and Training**

Human Resource Management is being accorded high priority and attention by your Company. Main highlights of HRD and training during the year are as under:

- MOU target for core training programmes exceeded by all the 3 Plants. Overall achievement 116%.
- 3 senior Executives were sent abroad for training.
- TOM/ISO-9000 has been the thrust area for training through BIS.

- 9 Officers belonging to Operations/Quality Control were sent to R&D Centre, Faridabad for on-the-job training.
- One Officer was sent to IIM, Ahmedabad for four month training, under Management Educations programme.
- One unit level class at Vashi Plant and one Joint Education class at Bombay plant and Leadership Development Training programme for 2 Union leaders of Bombay Plant organised through Workers Education Centre, Ministry of Labour, Govt. of India.
- Audit Literacy classes for workmen at Bombay Plant is on-going activity.
- 6 core groups/small groups were formed at Calcutta. Plant 3 Groups made the presentation before GM. 2 core groups were formed at Bombay Plant and 1 at Vashi Plant.
- Suggestion scheme was revived. 11 suggestions were received at Vashi Plant and 6 at Bombay Plant during the year.
- Annual functions/socials were organised at all the 3 Plants in which DIC addressed the employees/their family members.
- Special functions were organised at all the 3 Plants, wherein DIC/GM handed over the prizes/appreciation letters/long service awards etc. to the employees for participation/securing prizes, during Hindi competition/sports/slogan contests etc.

**Welfare of Employees**

Your company continued to resolutely follow and upgrade it policies and programmes aimed at promoting employee welfare. In this direction, various welfare activities such as House Building Advance, Conveyance Advance, Subsidised Transport, Canteen facilities, Medical facilities, Provision of Uniforms, incentive for family planning, education allowance for children, incentive to employees for higher education etc. were continued during the year. Hygiene audit is being carried out and sample of drinking water is being regularly sent to Laboratoty for testing. Medical check-up for canteen workers was continued.

**Workers' Participation in Management**

Your Company continued its efforts in accelerating the workers' participation in management. Canteen Committee, Safety Committee, Work Committee, Sport Committee, Hygiene Committee etc. at all the Plants held regular meetings functioned satisfactorily.

**Welfare of Weaker Sections**

Presidential directives with regard to recruitment and promotion of Scheduled Castes and Scheduled Tribes Community, Ex-Servicemen and physically handicap were implemented. During the year, the Company recruited 2 employees both belonging to SC categories and also dependent sons of deceased employees. Age relaxation preference in promotions are continued to be extended to persons from SC/ST categories. Special training programme is being organised for enhancing qualitative values of employees belonging to SC/ST categories. A Liaison Officer belonging to SC category has been appointed to take care of the welfare measures of SC/ST community.

A Parliamentary Committee on SC/ST visited the Company during the year and expressed satisfaction over the company's performance in this field area.

### **HINDI IMPLEMENTATION**

During the year, efforts were continued to be made by your company for the progressive use of Hindi in official work, in accordance with the provisions of the Official Languages Act, 1963, and Official Languages Rules 1976. Various forms and documents were made bilingual and quarterly meetings of Hindi implementation Committee were held to review the progress made during the year.

Incentives for acquiring working knowledge in Hindi were implemented. Employees are being deputed for training programmes/workshops conducted by the Holding Company (IOC) for providing extensive practice in Hindi correspondence on 14th April, 1993.

### **SPORTS**

Employees at the plants continued to be encouraged to take active part in sports and also took steps for arranging local sports events. Your company is also a member of Petroleum Sports Control Board.

### **FOREIGN TOURS**

During the year four officers were deputed for attending training Programmes/ Conferences. The total foreign exchange outgo on Foreign Tours was RS. 3.35 lakh as against Rs 0.82 lakh in the previous year.

### **ENTERTAINMENT EXPENSES**

Entertainment expenses incurred by your Company in 92-93 amounted to Rs 5,479 as against Rs 14,236 in the previous year.

### **DIRECTORS**

Consequent upon his superannuation from the services of the Holding Company (IOC), Shri R.M. Sodhi ceased to be Director-in-Charge of the Company effective 28.2.1993 and Shri O.N. Marwaha took over charge as Director-in-Charge and was authorised by the Board to exercise powers and authorities vested in MD/CMD of the company purely on temporary basis until such time CMD of the company is appointed.

Shri M.K. Ghosh was appointed as Director of the Company effective 17.8.1992 against the vacancy caused by the superannuation of Shri K.K. Misra.

All the following Directors are liable to retire at the conclusion of the next Annual General Meeting and are eligible for re-appointment.

- Shri O.N. Marwaha
- Shri M.N. Lambah
- Shri G. Mullick
- Dr. A.K. Bhatnagar
- Shri P. Raghavendran
- Shri S. Ram Mohan

**PARTICULARS OF EMPLOYEES**

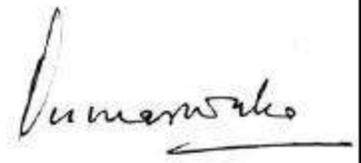
A statement showing the particulars of employees, pursuant to Section 27 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employee ) Rules, 1975, as amended by the Companies (Particulars of Employees) (Amendment) Rules, 1990 is annexed hereto.

**ACKNOWLEDGMENTS**

Your Directors take this opportunity to place on record their special appreciation for the excellent contribution made by the members of the IOBL family . The Board of Directors gratefully acknowledge the valuable guidance and support received from the Government an the Holding Company (IOC).

The Board of Director also wish to place on record their deep sense of appreciaton for the yeoman services, excellent guidance and dynamic leadership rendered by Shri . R.M. Sodhi during his tenure as Director-in-Charge of the Company. The Board also wishes to place on record their appreciation for the significant contribution made by Shir K.K. Misra during his tenure on the Board of the Company.

For and on behalf of the Board



Bombay  
Dated: 30th July, 1993

O.N. MARWAHA  
Director in-Charge

**PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****I. Conservation of Energy**

- a) Energy Conservation measures taken:

As a means of conservation of energy, fuel consumption is being regulated by controlling of CO<sub>2</sub> content in the flue gas. For this purpose, CO<sub>2</sub> analysers have been installed to monitor the efficiency of boiler burners.

Condensate recovery is done to a large extent, so that heat input to the boiler feed is reduced thereby saving fuel. For recovering condensate, the performance of steam traps is being monitored regularly. At Bombay and Calcutta Plants, boilers which were more than 20 years old have been replaced with new boilers of higher efficiency. Power factor improvers have been installed at the resited Grease Plant in New Bombay.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

It has been planned to provide fuel efficiency monitor for boilers at Bombay Plant which is expected to save 3-4% in fuel consumption. After assessing the performance, similar units will be provided at Calcutta/Vashi Plants.

- c) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:

As indicated at (a) above, every effort is being made to reduce the consumption of energy.

- d) Total energy consumption and energy consumption per unit of production:

Details are given in prescribed Form 'A' annexed hereto.

**II. Technology Absorption**

- e) Efforts made in technology absorption:

Particulars with regard to technology absorption are given in prescribed Form 'B' annexed hereto.

**III. Foreign Exchange Earnings and Outgo**

- f) Activities relating to exports/initiatives taken to increase exports; development of new export markets for products and services; export plans:

As all the products processed by the company are marketed by its Holding Company (IOC), the company does not have any sales (including exports) activity.

- g) Total foreign exchange used and earned:

During the year, no foreign exchange was earned. However, there is a foreign exchange outgo of Rs 50,72,110 on account of import of spare parts, subscription of journals, foreign travel etc.

**Form 'A'**  
**(See Rule-2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT  
TO CONSERVATION OF ENERGY**

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**A. POWER & FUEL CONSUMPTION**

	Bombay Plant		Calcutta Plant		Vashi Plant	
	Current year 1992-93	Previous year 1991-92	Current year 1992-93	Previous year 1991-92	Current year 1992-93	Previous year 1991-92
<b>1. ELECTRICITY:</b>						
<b>a) Purchased:</b>						
Unit (KW)	12,29,640	11,34,660	8,07,310	8,11,220	13,16,020	11,97,537
Total amount (Rs/Lakh)	33.19	23.03	17.09	16.18	31.39	24.94
Rate/Unit (Rupees)	2.70	2.03	2.12	1.99	2.43	2.08
<b>b) Own Generation:</b>						
i) Through Diesel Generators						
Unit (KW)	NIL	NIL	26,100	18,320	47,928	19,440
Unit/ltr of Diesel Oil	NIL	NIL	2.64	2.38	3.00	2.43
Cost/Unit (Rupees)	NIL	NIL	2.19	2.23	2.24	2.25
ii) Through Steam Turbine/Generator						
Units	NIL	NIL	NIL	NIL	NIL	NIL
Units/ltr of Fuel Oil/Gas	NIL	NIL	NIL	NIL	NIL	NIL
Cost/Unit	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. COAL: (Specify quantity &amp; where used):</b>						
Quantity (Tonnes)	NIL	NIL	NIL	NIL	NIL	NIL
Total Cost	NIL	NIL	NIL	NIL	NIL	NIL
Average Rate	NIL	NIL	NIL	NIL	NIL	NIL
<b>3. FURNACE OIL/LDO:</b>						
Quantity (KL)	293.753	268.465	184.31	146.67	245.35	249.481
Total Amount (Rs lakh)	16.67	12.01	10.34	6.69	12.17	10.60
Average Rate (Rs per KL)	5,673.70	4,473.58	5,610.11	4,561.26	4,961.10	4,248.82
<b>4. OTHER/INTERNAL GENERATION:</b>						
Quantity	NIL	NIL	NIL	NIL	NIL	NIL
Total Cost	NIL	NIL	NIL	NIL	NIL	NIL
Rate/Unit	NIL	NIL	NIL	NIL	NIL	NIL

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Products (with details Unit)	Standards if any	Bombay Plant		Calcutta Plant		Vashi Plant	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
		1992-93	1991-92	1992-93	1991-92	1992-93	1991-92
		Lubes	Lubes	Lubes	Lubes	Greases	Greases
Electricity (KW/Ton)	-	5.98	4.899	6.89	6.92	118.70	115.27
FO/LDO (Ltr/Ton)	-	1.43	1.16	1.52	1.22	21.35	23.63
Coal (Specify Qty.)	-	NIL	NIL	NIL	NIL	NIL	NIL
Others (Specify)	-	NIL	NIL	NIL	NIL	NIL	NIL

**Form 'B'**  
**(See Rule-2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

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**RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R&D carried out by the Company.
2. Benefits derived as a result of the above R&D
3. Future plan of action
4. Expenditure on R&D:
  - (a) Capital
  - (b) Recurring
  - (c) Total
  - (d) Total R&D Expenditure as a percentage of total turnover.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**1. Efforts in brief made:**

Oil level measurement of base stock storage tanks is being carried out by Microprocessor based Auto Level Guage System. This is a Japanese technology adapted without any foreign exchange outgo by indigenously developed systems.

Load cell based Auto Batch Blending System is being installed at Bombay and Calcutta Plants. This is a German Technology without any foreign exchange outgo, by indigenously developed systems.

Digital Integrated Distribution Control (DIDC) System has been installed at Vashi Grease Plant. This is a Honeywell Technology, USA without any foreign exchange outgo by indigenously developed systems.

Multi Functional Viscosity Modifier (MFVM) ECA 8586 manufacturing facilities have been commissioned at Bombay Plant in technical collaboration with M/s Exxon Chemicals, Singapore. The facility has been indigenously developed/installed.

**2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**

Auto Level Guage will integrate field operations with management information system. Stock losses are being monitored and controlled.

Load cell based Auto Batch Blending System will result in lesser time of blending operations, improved monitoring and control of stock loss leading to savings and as a result, better quality of product and improved productivity.

The Digital Integrated Distribution Control (DIDC) system gives the levels of all storage tanks, day tanks etc. and the system monitors the process once the input sources and contractor/ kettle are selected.

### Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Indian Oil Blending Limited, as at 31st March, 1993 and Profit and Loss Account for the year ended on that date and report that:-

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1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
  - a) in the case of Balance Sheet of the state of affairs of the Company as on 31st March, 1993 and
  - b) in the case of the Profit and Loss Account of the profit for the ended on that date.
5. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 and as per the information and explanations given to us during the course of our audit, we report on the matters specified in the Para 4 of said order as far as applicable to the Company that:-
  - i) The Company has maintained proper records showing full particulars including quantitative details & situation of fixed assets. Major portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification of fixed assets is at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect to the assets, physically verified.
  - ii) None of the fixed assets have been revalued during the year.
  - iii) The Company has stocks of maintenance stores and spare parts only, which have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - iv) The Company does not hold any stock of raw-materials and finished goods. In our opinion the procedure of physical verification of maintenance stores & spare parts followed by the management are reasonable & adequate in relation to the size of the Company and the nature of its business.

- v) The discrepancies noticed on verification between the physical stock of maintenance stores and spare parts and its book records were not material.
- vi) On the basis of our examination of stocks, we are of an opinion that the valuation of the above mentioned stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
- .vii) The Company has taken an unsecured loan from Indian Oil Corporation Limited, the holding Company. The rate of interest and other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
- viii) The Company has not given any loans, secured or unsecured to the companies, firms and other parties listed in the register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956.
- ix) Loans and advances in the nature of loans have been given to the employees, and employees have been regular in repaying the principal amounts and have also been regular in the payment of interest.
- x) In our opinion, 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 and other assets.
- xi) The Company has during the year purchased at controlled prices fuel and oil exceeding Rs. 50,000/- in value from Indian Oil Corporation Limited, the holding Company.
- xii) As explained to us, the Company has no formal procedure for determination of unserviceable or damaged stores. However, we are informed that these are reviewed by the management and based on this, sufficient provision has been made in the accounts.
- xiii) The Company has not accepted any deposits from the public during the year, to which the provision of Section 58A of Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 are applicable.
- xiv) According to the information and explanations given to us, the Company does not have any by-products from its processing activity. Scrap of maintenance stores and components are accounted for only at the time of sale of which reasonable records are maintained.
- xv) We are of an opinion that the Company has an internal audit system commensurate with its size and nature of its business.
- xvi) The Central Government has not prescribed maintenance of Cost Records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
- xvii) According to the records of the Company, Provident Fund dues have generally been regularly deposited during the year with the appropriate authorities.

- xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty an excise duty were outstanding as at 31st March, 1993 for a period of more than six months from the date, the became payable.
- xix) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
- xx) The Company is not a sick industrial company within the meaning of clause (o) of section 3(1) of the Sick Industrial Companies (Special Provisions) Amendment Act, 1991.

For and On Behalf of  
S.J. RAJADHYAKSHA & Co.,  
Chartered Accountants

Sd/-  
S.J. RAJADHYAKSHA  
Partner

Bombay  
Dated: 7th June, 1993

### Statement on Accounting Policies

#### 1. FIXED ASSETS:

##### 1.1 Land:

Land acquired on lease for over 99 years is treated as freehold land.

##### 1.2 Construction Period Expenses on Projects:

Constructions period expenses attributable to Projects and financing cost during the construction period on loans raised for/allocated to projects is capitalised.

##### 1.3 Depreciation:

1.3.1 Cost of leasehold land for 99 years and less is amortised during the lease period.

1.3.2 Plant & Machinery costing Rs. 5,000/- are depreciated fully in the year of capitalisation. Furniture and Fixtures costing upto Rs. 1,000/- are charged off to Revenue.

1.3.3 Depreciation on Fixed Assets other than the above is charged on Written Down Value method at rates prescribed under the Companies Act, 1956. Depreciation is charged on pro-rata basis on assets capitalised/sold/disposed off/dismantled during the year.

#### 2. CURRENT ASSETS, LOANS AND ADVANCES:

##### 2.1 Valuation of Inventories (Stores & Spares):

Stores and Spares are valued at cost.

#### 3. LIABILITIES AND PROVISIONS:

3.1 Show Cause notices issued by various Government Authorities are not considered as Contingent Liabilities. However, when the demand notices are raised against such Show Cause notices after considering Company's views, these demands are either paid, or treated as liabilities, if accepted by the Company and are treated as Contingent Liability, if disputed by the Company.

3.2 Contingent Liabilities are disclosed in each case above Rs. 20,000/-

3.3 Estimated amount of contracts remaining to be executed on Capital Accounts are disclosed in each case exceeding Rs. 10,000/-

### **4. PROFIT AND LOSS ACCOUNT:**

- 4.1 The Company has taken Group Gratuity Cum Life Assurance Policy. The premium payable (based on actuarial Valuation by LIC) and the excess of employees' entitlement on separation over the amount paid by LIC if any, are charged to Profit & Loss Account.
- 4.2 Prepaid Expenses upto Rs. 10,000/- in each case are charged to Revenue.
- 4.3 Income & Expenditure upto Rs. 50,000/- in each case pertaining to prior year are accounted for in the Current Year.
- 4.4 Income & Expenditure of extra-ordinary nature in excess of Rs. 1,00,000/- in each case are disclosed separately.

# Balance Sheet

Contents

Balance Sheet as at 31st March, 1993

Index

	Schedule	Rupees	Rupees	1992 Rupees
<b>SOURCES OF FUNDS:</b>				
<b>1. Shareholders' Funds:</b>				
a) Capital	I	40,00,000		40,00,000
b) Reserves and Surplus	II	<u>15, 01,58,391</u>		<u>12,17,79,633</u>
			<u>15,41,58,391</u>	<u>12,57,79,633</u>
<b>2. Loan Funds:</b>				
Unsecured Loans,	III		<u>5,07,62,513</u>	<u>6,87,35,056</u>
			<u>20,49,20,904</u>	<u>19,45,14,689</u>
		<b>TOTAL</b>		
<b>APPLICATION OF FUNDS:</b>				
<b>1. Fixed Assets:</b>				
a) Gross Block	IV	26,01,68,713		23,25,07,879
b) Less: Depreciation & Amortisation		<u>11,28,66,094</u>		<u>8,81,12,273</u>
c) Net Block		<u>14,73,02,619</u>		<u>14,43,95,606</u>
d) Capital Work-in-Progress		<u>1,30,66,251</u>		<u>2,39,84,959</u>
			<u>16,03,68,870</u>	<u>16,83,80,565</u>
<b>2. Current Assets Loans and Advances:</b>				
a) Inventories	V	91,81,195		74,16,552
b) Sundry Debtors		1,21,96,342		2,97,025
c) Cash & Bank Balances		26,00,927		1,39,48,653
d) Loans & Advances		<u>13,52,25,751</u>		<u>9,40,50,773</u>
		<u>15,92,04,215</u>		<u>11,57,13,003</u>
		C/F...		
		Carried Forward...	<u>16,03,68,870</u>	<u>16,83,80,565</u>



	<u>Schedule</u>	<u>Rupees</u>	<u>Rupees</u>	<u>1992</u> <u>Rupees</u>
Brought Forward....			16,03,68,870	16,83,80,565
B/F...		15,92,04,215		11,57,13,003
Less: Current Liabilities and Provisions:	VI			
a) Current Liabilities		4,00,52,181		3,93,78,879
b) Provisions		7,46,00,000		5,02,00,000
		<u>11,46,52,181</u>		<u>8,95,78,879</u>
Net Current Assets			4,45,52,034	2,61,34,124
TOTAL			<u>20,49,20,904</u>	<u>19,45,14,689</u>
Notes on Accounts	X			
Sd/- O.N. MARWAHA Director-in-charge	Sd/- M.N. LAMBAH Financial Director	Sd/- G. MULLICK Director	Sd/- RAJU RANGANATHAN Secretary	

As per our report of even date  
For **S.J. RAJADHYAKSHA & COMPANY**  
Chartered Accountants

Bombay  
Dated: 7th June, 1993

Sd/  
S.J. RAJADHYAKSHA  
Partner



# Profit and Loss Account

## Contents

Profit and Loss Account for the year ended 31st March, 1993

## Index

	Schedule	Rupees	1992 Rupees
<b>INCOME:</b>			
Throughput, Blending & Manufacturing Charges	VII	20,24,16,707	21,18,13,455
Other Income	VII	32,74,286	35,86,827
TOTAL:		<u>20,56,90,993</u>	<u>21,54,00,282</u>
<b>EXPENDITURE:</b>			
Operating & Other Expenses	VIII	10,89,62,677	9,33,03,992
Interest on Fixed Loan		82,26,038	1,37,04,188
Depreciation & Amortisation		2,51,04,778	2,56,89,596
TOTAL:		<u>14,22,93,493</u>	<u>13,26,97,779</u>
Profit Before Extra Ordinary and Prior Period Adjustments		6,33,97,500	8,27,02,506
Excess Provision written back		2,73,602	4,41,038
Income/ (Expenditure) Relating to Extraordinary Items (Net)	IX	(36,17,334)	(41,48,095)
		<u>6,00,53,758</u>	<u>7,89,95,449</u>
Income/ (Expenditure) Relating to Prior Period (Net)		(75,000)	(3,52,213)
<b>Profit Before Tax:</b>		<u>5,99,78,758</u>	<u>7,86,43,236</u>
Provision for Taxation		<u>3,10,00,000</u>	<u>4,30,00,000</u>
<b>Profit After Tax:</b>		<u>2,89,78,758</u>	<u>3,56,43,236</u>
Balance Brought Forward From Last Year's Account		3,633	5,579
Investment Allowance Reserve Written Back		5,83,000	4,04,000
Excess Provision of Income			
Tax Written Back		0	94,818
<b>Disposable Profit:</b>		<u>2,95,65,391</u>	<u>3,61,47,633</u>



	<u>Schedule</u>	<u>Rupees</u>	<u>1992 Rupees</u>
<b>APPROPRIATIONS:</b>			
Proposed Dividend		6,00,000	72,00,000
General Reserve		29,56,538	2,89,44,000
Balance Carried to Balance Sheet		2,60,08,853	3,633
	TOTAL:	<u>2,95,65,391</u>	<u>3,61,47,633</u>
Notes on Accounts	X		

Sd/-  
O.N. MARWAHA  
Director-in-charge

Sd/-  
M.N. LAMBAH  
Financial Director

Sd/-  
G. MULLICK  
Director

Sd/-  
RAJU RANGANATHAN  
Secretary

As per our report of even date  
For **S.J. RAJADHYAKSHA & COMPANY**  
Chartered Accountants

Bombay  
Dated: 7th June, 1993

Sd/  
S.J. RAJADHYAKSHA  
Partner

### Schedules Annexed to and Forming Part of the Balance Sheet As at 31st March, 1993

#### Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1992</u> <u>Rupees</u>
<b>SCHEDULE-I</b>			
<b>Share Capital:</b>			
<b>Authorised:</b>			
8,000 Equity Shares Rs. 500/- each		40,00,000	40,00,000
<b>Issued, Subscribed and Paid Up Capital:</b>			
8,000 Equity Shares Rs. 500/- each, fully paid (the entire Share Capital is held by INDIAN OIL CORPORATION LTD., the Holding Company and its Nominees)		40,00,000	40,00,000
TOTAL:		40,00,000	40,00,000
<b>SCHEDULE-II</b>			
<b>Reserves and Surplus:</b>			
<b>1) General Reserve</b>			
As per last Balance Sheet	11,94,15,000		9,04,71,000
Add: Transferred from Profit & Loss Account	29,56,538		2,89,44,000
		12,23,71,538	11,94,15,000
<b>2) Investment Allowance Reserve</b>			
As per last Balance Sheet	23,61,000		27,65,000
Less: Transferred to Profit & Loss Account	5,83,000		4,04,000
		17,78,000	23,61,000
<b>3) Profit &amp; Loss Account</b>			
		2,60,08,853	3,633
TOTAL:		15,01,58,391	12,17,79,633

	<u>Rupees</u>	<u>1992 Rupees</u>
<b>SCHEDULE-III</b>		
<b>Unsecured Loan:</b>		
<b>Long Term Loan:</b>		
Loan from Indian Oil Corporation Limited, the Holding Company	4,89,04,800	6,52,04,800
Interest accrued and due	18,57,713	35,30,256
TOTAL:	<u>5,07,62,513</u>	<u>6,87,35,056</u>

## SCHEDULE-IV

## FIXED ASSETS

Index

	GROSS BLOCK			
	As on 1.4.92	Additions	Deletions	As on 31.3.93
	Rs.	Rs.	Rs.	Rs.
Land-Leasehold	80,68,550	–	–	89,68,550
Office/Factory Building	4,54,23,443	47,83,737	–	5,02,07,180
Residential Flats	1,62,336	–	–	1,62,336
Railway Sidings	2,73,039	–	–	2,73,039
Plant & Machinery	15,77,21,680	1,91,68,966	6,495	17,68,84,151
Computers/Microprocessors	13,82,282	12,47,631	–	26,29,913
Furniture, Fixtures & Office Equipments	88,93,437	26,57,898	56,000	1,14,95,335
Forklift Trucks	93,86,015	–	3,38,296	90,47,719
Motor Vehicles	11,97,097	2,03,393	–	14,00,490
TOTAL:	23,25,07,879	2,80,61,625	4,00,791	26,01,68,713
PREVIOUS YEAR	20,49,37,325	2,83,99,797	8,29,243	23,25,07,879

Notes: (1) Residential flat includes Rs. 3,500/- (Previous Year: Rs. 3,500/-) paid towards Share Value of 70 Shares (Previous Year : 70 Shares) in Co-operative Housing Society for purchase of flat.

(2) Lease agreement in respect of Leasehold Land at Vashi (Dist. Thane) is yet to be executed

DEPRECIATION AND AMORTISATION					NET BLOCK	
Upto 31.3.92	Deductions/ Adjustments for earlier years	Adjustment for current Year	Charged this Year	Upto 31.03.93	As on 31.03.93	As on 31.03.92
Rs.	Rs.	Rs.	Rs.	Rs.	RS.	Rs.
6,37,575	-	-	95,621	7,33,196	73,35,354	74,30,975
1,09,24,991	-	-	29,71,749	1,38,96,740	3,63,10,440	3,44,98,452
76,642	-	-	8,117	84,759	77,577	85,694
2,62,336	-	-	1,606	2,63,942	9,097	10,703
6,47,34,059	1,530	-	1,99,95,932	8,47,28,461	9,21,55,690	9,29,87,621
8,17,647	-	-	4,66,867	12,84,514	13,45,399	5,64,635
37,67,282	14,759	1,767	8,21,115	45,71,871	69,23,464	51,26,155
61,04,165	3,32,901	-	6,55,291	64,26,555	26,21,164	32,81,850
7,87,576	-	-	88,480	8,76,056	5,24,434	4,09,521
8,81,12,273	3,49,190	1,767	2,51,04,778	11,28,66,094	14,73,02,619	14,43,95,606
6,31,66,525	17,298	7,26,550	2,56,89,596	8,81,12,273		
CAPITAL WORK-IN-PROGRESS:					1,30,66,251	2,39,84,959
TOTAL:					16,03,68,870	16,83,80,565

	<u>Rupees</u>	<u>Rupees</u>
<b>1992</b>		
		<b>1992</b>
		<b>Rupees</b>
<b>SCHEDULE-V</b>		
<b>Current Assets Loans and Advances</b>		
<b>1) Current Assets:</b>		
(a) Inventories:		
Stores & Spares (at cost)	91,81,195	74,16,552
(As taken, valued and Certified by the Management)		
TOTAL:	<u>91,81,195</u>	<u>74,16,552</u>
(b) Sundry Debtors:		
(Unsecured, considered good)		
<b>OVER SIX MONTHS:</b>		
– Others	23,305	23,305
<b>DUE FOR SIX MONTHS OR LESS:</b>		
– Due from Indian Oil Corporation Ltd., the Holding Company	1,21,73,037	2,73,720
TOTAL:	<u>1,21,96,342</u>	<u>2,97,025</u>
(c) Cash & Bank Balances:		
(i) Cash on Hand & Cheques in Transit	4,07,651	11,39,746
(ii) Balance with Scheduled Banks:		
– In Current Account	5,46,075	1,16,48,976
– In Fixed Deposit Account	16,47,201	11,59,931
TOTAL:	<u>26,00,927</u>	<u>1,39,48,653</u>
<b>2) Loans and Advances:</b>		
(a) Advances recoverable in Cash or in kind or for value to be received considered good		
(A) Secured	2,93,28,047	2,66,11,768
(B) Unsecured:		
– Others	2,20,32,268	1,73,12,629
	<u>5,13,60,336</u>	<u>4,39,24,397</u>
(b) Advance payment of Income Tax	8,38,65,415	5,01,26,376
TOTAL:	<u>13,52,25,751</u>	<u>9,40,50,773</u>

1992

RupeesRupeesRupees**SCHEDULE-VI****Current Liabilities and Provisions:****a) Current Liabilities:**

(i) Creditors for Capital Goods		20,09,524	30,59,508
(ii) Creditors for expenses:			
- Due to Indian Oil Corporation Ltd.,	1,31,12,898		1,93,27,442
- Due to Others	11,88,745		11,36,997
		1,43,01,643	2,04,64,439
(iii) Other Liabilities			
- Due to Others		2,01,50,493	1,35,91,357
(iv) Earnest Money Deposits		16,08,525	6,18,050
(v) Security Deposits		19,81,996	16,45,525
	TOTAL:	4,00,52,181	3,93,78,879

**(b) Provisions:**

Provision of Taxation		7,40,00,000	4,30,00,000
Proposed Dividend		6,00,000	72,00,000
	TOTAL:	7,46,00,000	5,02,00,000

**Schedules Annexed to and Forming Part of the Profit & Loss Account For the year ended on 31st March, 1993**

Index

	<u>Rupees</u>	<u>Rupees</u>	<u>1992</u> <u>Rupees</u>
<b>SCHEDULE-VII</b>			
<b>Throughput, Blending and Manufacturing charges:</b>			
Throughput, Blending and Manufacturing Charges:		20,39,51,748	21,27,71,695
Less: Operational Loss		15,35,041	9,58,240
TOTAL:		<u>20,24,16,707</u>	<u>21,18,13,455</u>
 <b>Other Income:</b>			
Reimbursement of Expenses in lieu of Blending Fees			
		5,86,344	—
Interest:			
On Staff Loans	16,97,164		12,83,102
On Deposits	<u>1,52,420</u>		<u>1,68,989</u>
		18,49,584	14,52,091
Profit on Sale of Assets		67,135	91,687
Testing Fees		—	4,50,060
Miscellaneous Income		7,71,223	15,92,989
TOTAL		<u>32,74,286</u>	<u>35,86,827</u>



	<u>Rupees</u>	<u>Rupees</u>	<u>1992 Rupees</u>
<b>SCHEDULE-VIII</b>			
<b>Operating and Other Expenses:</b>			
Payments to & Provisions for Employees:			
(a) Salaries, Wages, Allowances and Bonus	5,23,07,855		4,61,42,179
(b) Contribution to Employees' Provident Fund & Other Funds	30,55,218		26,77,698
(c) Gratuity	11,26,603		8,24,114
(d) Staff Welfare Expenses	<u>1,68,28,802</u>		<u>1,26,78,132</u>
		7,33,18,478	6,23,22,123
Payment to Handling Contractors		24,19,889	25,21,431
Fuel, Power & Water Charges		1,32,81,330	1,00,27,847
Stores & Spare Parts Consumed		16,91,312	15,69,783
Rent		25,79,807	27,02,872
Rates, Taxes & Licenses		5,97,140	5,68,694
Material Handling Expenses		11,67,519	11,19,081
Repairs & Maintenance:			
(a) Buildings	9,67,920		6,93,798
(b) Plant & Machinery	20,94,415		20,45,037
(c) Railway Siding	3,99,089		3,13,372
(d) Others	<u>14,02,502</u>		<u>8,77,295</u>
		48,63,926	39,29,502
Insurance		5,03,310	5,16,975
Travelling & Conveyance		25,26,472	18,85,225
Motor Vehicle Expenses		5,73,124	5,12,140
Printing & Stationery		9,08,824	7,30,325
Postage, Telegram & Telephones		11,52,323	11,92,614
Legal & Professional Charges		49,027	1,01,440
Loss on Sale/Scrapping of Assets		8,411	7,284
Auditors Remuneration			
(a) Audit Fees	15,000		15,000
(b) Tax Audit Fees	5,000		5,000
(c) Out-of-Pocket Expenses	<u>34,676</u>		<u>39,043</u>
		54,676	59,043
General Expenses		<u>32,67,109</u>	<u>35,37,613</u>
TOTAL		<u><u>10,89,62,677</u></u>	<u><u>9,33,03,992</u></u>

	<u>Rupees</u>	<u>Rupees</u>	<u>1992 Rupees</u>
<b>SCHEDULE-IX</b>			
<b>Income/Expenditure Relating to Extraordinary Items (NET)</b>			
<b>Income:</b>			
– Rent Reimbursement	–		2,22,112
– Reimbursement of Expenses in Lieu of Blending Fees	<u>18,83,668</u>		<u>52,69,755</u>
		<b>18,83,668</b>	<b>54,91,867</b>
<b>Less: Expenditure</b>			
– L.T.A. Arrears	–		73,68,685
– S.T.A. Arrears for Workmen	24,13,537		–
– Personal Pay Merger for Officers	1,83,949		–
– DA Arrears to Employees	13,74,156		–
– Rationalisation Adjustment	5,15,622		22,71,277
– Property Tax	7,92,414		–
– Regulatory Practices for Workmen	<u>2,21,334</u>		–
		<b>55,01,012</b>	<b>96,39,962</b>
TOTAL:		<u><b>(36,17,344)</b></u>	<u><b>(41,48,095)</b></u>

**SCHEDULE-X****Schedule of Notes on Accounts Annexed to and Forming Part of the Accounts for the year ended on 31st March, 1993**

## Index

		<u>1993</u>	<u>1992</u>
1. Statement on Accounting Policies adopted by the Company is being attached.			
2. Estimated amount of contracts to be executed on Capital Accounts and not provided for	Rupees	88,06,925	1,10,38 98
3. Contingent Liabilities:	Rupees	42,69,000	37,94 00
Additional information pursuant to 3,4,4C & 4D of Schedule VI of the Companies Act, 1956			

**(A) Turnover (Processing Fees):**

Lube Blending	KLs.	3,51,476	3,81 65
	Rs.	15,46,49,659	16,79,27,44
ECA 8586 Production	KLs.	1,059	-
	Rs.	4,66,142	-
Grease Manufacturing	MTs.	11,491	10,552
	Rs.	4,88,35,947	4,48,84,254

NOTE: The Company has not purchased or consumed any raw materials during the year. There is no Opening or Closing Stock of finished goods. The Company processes materials received by it from Indian Oil Corporation Ltd., the Holding Company. Quantities mentioned above, relate to such processing operations.

**(B) Remuneration to whole time Chairman and Managing Director:**

<u>1993</u>	<u>1992</u>
-	-

**(C) Capacity and Production:**

	<u>1993</u>			<u>1992</u>		
	<u>Lubes</u>	<u>ECA 8586</u>	<u>Grease</u>	<u>Lubes</u>	<u>ECA 8 86</u>	<u>Grease</u>
	<u>(KL)</u>	<u>(KL)</u>	<u>(MT)</u>	<u>(KL)</u>	<u>(KL)</u>	<u>(MT)</u>
(a) Licensed Capacity	2,50,000	1,003	11,000	2,50,000	-	11,000
(b) Installed Capacity	2,50,000	1,003	11,000	2,50,000	-	11,000
(c) Actual Production	3,51,476	1,059	11,491	3,81,653	-	10,552

\* as Certified by the Management and accepted by the Auditors without verification

NOTE: Actual Production is more than the installed and licensed Capacity on account of debottlenecking.

**(D) C.I.F. Value of Imports:**

	<u>1993</u>	<u>1992</u>
	<u>Rupees</u>	<u>Rupees</u>
Spare Parts & Components	11,84,232	-
Capital Goods	35,47,894	15,28,468

**(E) Expenditure in Foreign Currency:**

Subscription to Journal	4,698	25,316
Foreign Travel	3,35,286	81,729

## SCHEDULE-X Contd...

## Index

(F) Consumption of Stores and Spares during the year:	1993		1992	
	Value Rupees	Percentage	Value Rupees	Percentage
Imported	1,49,144	8.82	782, 44	4.98
Indigenous	15,42,168	91.18	14,91,539	95.02

- Fixed Assets include Collapsed Wall with Original Cost of Rs. 3,04,531.14 and W.D.V. of Rs. 3,02,487.14 as on 31st March, 1993 on which no depreciation has been provided from the date of collapse. The necessary accounting treatment will be given on settlement of Insurance Claim.
- Previous Year's figures have been regrouped/rearranged/recast to conform to Current Year's classification.
- Figures in brackets indicate deductions.

## Signature to Schedule I to X

Sd/-  
O.N. MARWAHA  
Director-in-charge

Sd/-  
M.N. LAMBAH  
Financial Director

Sd/-  
G. MULLICK  
Director

Sd/-  
RAJU RANGANATHAN  
Secretary

As per our report of even date  
For **S.J. RAJADHYAKSHA & COMPANY**  
Chartered Accountants

Bombay  
Dated: 7th June, 1993

Sd/  
S.J. RAJADHYAKSHA  
Partner

### Review of Accounts of Indian Oil Blending Limited for the Year Ended 31st March, 1993 by the Comptroller & Auditor General of India

#### I. Financial Position

The table below summarises the financial position of the Company for the last three years ending upto 1992-93:

Index

	1990-91	1991-92	(Rs in lakh) 1992-93
<b>1. Liabilities</b>			
a) Paid-up Capital	40.00	40.00	40.00
b) Free Reserves & Surplus	932.42	1217.80	1501.58
c) Borrowings:			
i) From Govt. of India			
ii) From Banks			
iii) From Others (Holding Company IOCL)	954.83	687.35	507.63
d) Current Liabilities and Provisions	570.04	895.79	1146.52
Total	2497.29	2840.94	3195.73
<b>Assets</b>			
e) Gross Block	2049.37	2325.08	2601.69
f) Less: Cumulative Depreciation	631.67	881.12	1128.66
g) Net Block	1417.70	1443.96	1473.03
h) Capital work-in-progress	295.68	239.85	130.66
i) Investments			
j) Current Assets and Loans & Advances	783.91	1157.13	1592.04
k) Accumulated losses			
Total	2497.29	2840.94	3195.73
l) Capital employed (g+j-d)	1631.57	1705.30	1918.55
m) Net worth (a+b-k)	972.42	1257.80	1541.58
n) Net worth per Rupee of paid-up Capital (Rs)	24.31	31.45	38.54

#### 2. Debt Equity Ratio

The debt equity ratio of the Company which was 0.98:1 in 1990-91 substantially reduced to 0.55:1 in the year 1991-92 and further to 0.33:1 in the year 1992-93. The reduction in the debt equity ratio was due to repayment of the loan to the holding Company IOCL and increase in reserves and surplus.

#### 3. Reserves & Surplus

Reserves and surplus of the Company were 37.5 times the paid-up capital as on 31st March, 1993 as against 30.4 times as on 31st March, 1992 and 23.3 times as on 31st March, 1991. No bonus shares were issued by the Company during the last three years.

**II. Sources and Utilisation of Funds**

Funds amounting to Rs 531.32 lakh from internal and external sources were realised and utilised during the year 1992-93.

<b>Sources of Funds</b>	<b>Rs in lakh</b>
a) Addition to Reserves & Surplus	283.78
b) Addition to Cumulative Depreciation	247.54
<hr/>	
Total funds in-flow during the year	531.32
<hr/>	
<b>Utilisation of Funds</b>	
a) Addition to gross block	276.61
b) Decrease in Capital work-in-progress	(-) 109.19
c) Addition to Current Assets	434.91
d) Repayment of loans	179.72
e) Less: Increase in current Liabilities & Provision	(-) 250.73
<hr/>	
Total utilisation during the year	531.32
<hr/>	

**III Liquidity and Solvency**

The liquidity of the Company in terms of percentage of liquid assets i.e. current assets to total net assets was high at 78% at the end of 1992-93 as against 59% in 1991-92 and 41% in 1990-91.

The percentage of current assets to current liabilities (including provisions) which is a measure of solvency stood at 138%, 129% and 139% at the close of the financial years 1990-91, 1991-92 and 1992-93 respectively.

The percentage of quick assets (sundry debtors, cash and bank balances and loans and advances excluding advance payment of income tax) to current liabilities (excluding provisions) which is another measure of solvency stood at 135%, 148% and 165% at the end of 1990-91, 1991-92 and 1992-93 respectively.

**IV. Working Capital**

1) The working capital of the Company as on 31st March of the three preceeding years was Rs 213.87 lakh, Rs 261.34 lakh and Rs 445.52 lakh respectively. The increase in the working capital during 1992-93 was due to lower dividend proposed to the extent of Rs 66 lakh as compared to last year and the increase in the dues from IOCL.

**2) Working Capital Vs. Capital Employed**

The percentage of working capital to capital employed during the three years 1990-91, 1991-92 and 1992-93 was 13.1, 15.3 and 23.2 respectively. The substantial increase in the percentage for the year 1992-93 was due to increase in the working capital which again is due to reasons mentioned in (1) above.



### 3) Inventory

The inventory position as at the end of the last three years was as follows:

	<u>1990-91</u>	<u>1991-92</u>	<u>(Rs in lakh)</u> <u>1992-93</u>
Stores & Spares (at cost)	71.96	74.17	91.81

The Company does not have any opening or closing stock of raw materials, stock-in-process and finished goods of its own. The Company processes materials received by it from the holding Company i.e. IOCL. The above inventory represents the closing stock of stores and spares as on 31st March, 1993, held for use in the process and will be charged off to revenue as and when consumed. The increases in the inventory for the year 1992-93 was due to year-end purchase of stores and spares of about Rs 15 lakh for Vashi Plant.

### 4) Sundry Debtors

The position of Sundry Debtors for the last three years ending 31 March, 1993 stood as follows:

As on	Sundry Debtors	Sales (blending fee)	Percentage of Sundry Debtors to Sales/ Blending fee
31.3.1991	23.09	1133.92	2.04
31.3.1992	2.97	2118.13	0.14
<b>31.3.1993</b>	<b>121.96</b>	<b>2024.17</b>	<b>6.03</b>

The Company draws Blending Fees from the Holding Company (IOCL) taking into consideration the cash flow position. The payment towards Blending Fees for the month of March, 1993 was drawn during first week of April, 1993 resulting into increase in Sundry Debtors as on 31st March, 1993.

### 5) Sundry Creditors

The balance under this head had increased from Rs 308.82 lakh in 1990-91 to Rs 371.15 lakh in 1991-92 and has come down to Rs 364.62 lakh in 1992-93.

**V. Working Results**

1. The working results of the Company in the last three years are given below:

		(Rs in lakh)		
		1990-91	1991-92	1992-93
1.	Sales (Blending fees)	1133.92	2118.13	2024.17
2.	i) Profit before tax	508.98	786.43	599.79
	ii) Provision for tax	149.00	430.00	310.00
	iii) Net profit after tax	359.98	356.43	289.79
	iv) % of profit before tax			
	a) To Sales	44.89	37.13	29.63
	b) Capital employed	31.20	46.12	31.26
	v) % of profit after tax			
	a) To Net worth	37.02	28.34	18.80
	b) To Equity Capital	899.95	891.08	724.48
	vi) Closing stock of finished goods	-	-	-

a) Through the blending fees have been revised from Rs 260/- per KL to Rs 440/- per KL and Rs 2000/- per MT to Rs 4250/- per MT in respect of lubes and greases respectively w.e.f. 1st April, 1991, the blending fees earned showed a declining trend during 1992-93 as compared to 1991-92. It is due to decline in demand for the products in the market.

b) Due to decline in blending fees there was a decline in the net profit after tax.

The decrease in profit during the year 1992-93 was due to decline in throughput by 7% compared to previous year and by 8% compared to the Revised Estimate 1992-93 mainly due to decrease in IOC's requirements in line with the decline in its Lube sales.

Grease production increased by 9% compared to previous year with improved capacity utilisation (105% compared to 96% for previous year) at the newly resited Vashi Plant. However, target as per R.E. 1992-93 could not be achieved due to poor upliftment by IOC resulting in high inventory of filled barrels/cartons at Vashi.

**2. Dividend**

The Company has declared a dividend of 10% in 1990-91 and 180% in 1991-92 and 15% in 1992-93. The dividend payout ratio, calculated as a percentage of total dividend paid/proposed to profit after tax during the last three years ending 31st March, 1993 was 1.11, 20.20 and 2.07 respectively.

**VI Contribution to Exchequer**

Contribution to exchequer for the year 1992-93 as Income tax was Rs 310 lakh.

Sd/-

(R.S. PRASAD)

Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board-II

Bombay,  
26th August, 1993



**Management's clarifications on certain points of Review of Accounts by the Comptroller & Auditor General of India****SL.No      Item No.**

- 1                      b   Financial Position
- Free Reserves and Surplus of Rs 932.42 lakh, Rs 1217.80 lakh and Rs 1501.58 lakh for the year 90-91, 91-92 & 92-93 includes Investment Allowance Reserve of Rs 27.65 lakh, Rs 23.61 lakh and Rs 17.78 lakh respectively.
- IV                    1 & 2   Working Capital
- The increase in Working Capital as on 31.3.93 as against that of 31.3.92 was mainly due to the increase in the Loans and Advances given to the employees as per the Company's policy and lower amount of dividend recommended by the Board in comparison to the previous year.
- V                      1   Working Results
- a & b   Due to overall decline in the demand of lubes during the year 92-93 as a result of upgradation of lube grades leading to suspension of production of monogrades oils and planned efforts to conserve lubricating oils, the earnings of Blending Fee of the Company was affected.
- Vashi Grease Plant achieved capacity utilisation of 105% during the year 92-93 as against 96% during the year 91-92. However, the marginal shortfall compared to RE 92-93 was mainly due to constraints on movement of finished products. Apart from this factor, inadequate supply of containers by the manufacturers adversely affected the packed production.
- V                      2   Dividend
- For the year 92-93, the Board of Directors of the Company have recommended lower Dividend keeping in view the financial position and future fund requirements of the Company.

For and on behalf of . Board of Directors

Sd/-  
O.N. MARWAHA  
Director-in-Charge

**Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of Indian Oil Blending Limited, Bombay, for the year ended 31 March, 1993.**

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956, on the accounts of Indian Oil Blending Ltd., Bombay for the year ended 31 March, 1993.

Sd/-  
(R.S. PRASAD)  
Principal Director of Commercial Audit  
& Ex-Officio Member, Audit Board-II,

Bombay,

Dated: 26th August, 1993