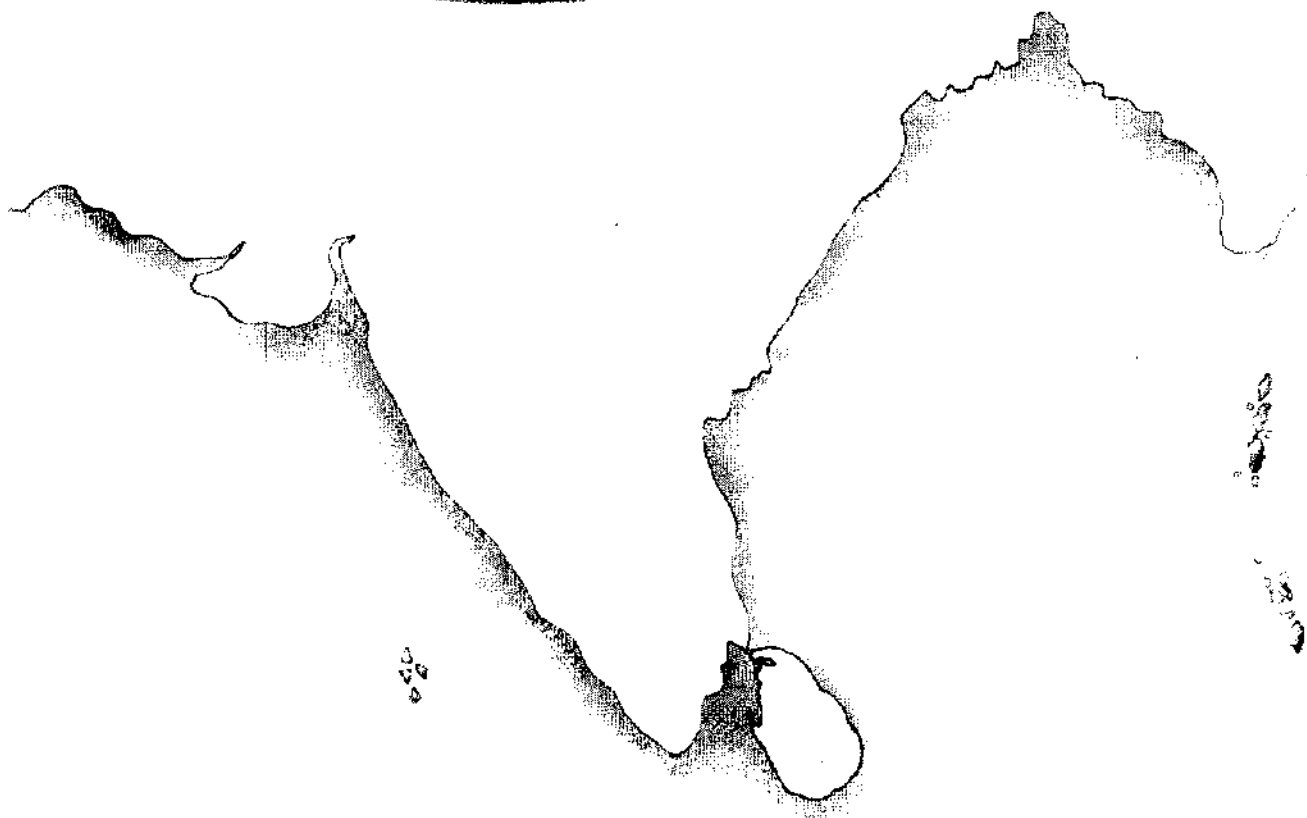


ANNUAL REPORT 1998-99



Indian Oil Corporation Limited

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Indian Oil Corporation Limited

Registered Office: IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai-400 051

40th Annual Report

In this Report one lakh corresponds to 0.1 million and one crore to ten million.



INDIAN OIL CORPORATION LIMITED

Regd. Office : Indian Oil Bhavan,
G-9, Ali Yavar Jung Marg, Bandra (East),
Mumbai-400 051

Notice

NOTICE is hereby given that the **40th Annual General Meeting** of the Members of **INDIAN OIL CORPORATION LIMITED** will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. A.B. Road, Worli, Mumbai - 400 018 on **Thursday, the 2nd September, 1999** at 1100 hrs. to transact the following business :

A. ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 1999 and the Balance Sheet as on that date together with Reports of the Directors and the Auditors.
2. To declare dividend.
3. To appoint a Director in place of Shri A.K. Arora, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ravi Saxena, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri S.N. Jha, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint a Director in place of Shri O.N. Marwaha, who retires by rotation and, being eligible, offers himself for reappointment.

B. SPECIAL BUSINESS

7. Appointment of Dr. R.K. Pachauri as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Dr. R.K. Pachauri, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. Appointment of Shri M. Kalyanasundaram as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Shri M. Kalyanasundaram, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."



9. Appointment of Prof. S.K. Barua as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Prof. S.K. Barua, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

10. Appointment of Shri Vineet Nayyar as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Shri Vineet Nayyar, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

11. Appointment of Shri L. Sabaretnam as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Shri L. Sabaretnam, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

12. Appointment of Shri Naresh Narad as a Director of the Corporation

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Shri Naresh Narad, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

13. Issue of Bonus Shares

To consider and if thought fit, to pass, with or without modifications, the following resolutions as **Special Resolutions** :-

"RESOLVED THAT subject to guidelines issued by the Securities and Exchange Board of India and subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 for allotment and issue of new equity shares to non-resident members and subject to the consents of the financial institutions, as may be applicable, and also subject to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approval which the Board of Directors of the Company (hereinafter referred to as the "Board"), be and is hereby authorised to accept, if it thinks fit, the consent be and is hereby accorded to capitalise a sum of Rs.389,33,74,000/- (Rupees Three Hundred Eighty Nine Crore Thirty Three Lacs and Seventy Four Thousand Only) and such sum be set free for distribution among the holders of existing fully paid equity shares of Rs.10 each of the Company, whose names will appear in the register of members of the Company on a date to be decided by the Board in that behalf as Record Date, as an increase



of the amount of share capital of the Company held by each such member and not as income or in lieu of dividend credited as 38,93,37,400 fully paid-up equity shares as bonus shares in the proportion of **One** new equity share for every **One** existing fully paid equity share held."

"RESOLVED FURTHER THAT the above proposal will be subject to the following terms and conditions :-

- i) The new equity shares to be allotted as bonus shares will be allotted subject to the terms of the Memorandum and Articles of Association of the company.
- ii) The new equity shares shall rank *pari passu* in all respects with and carry the same rights as the existing fully paid-up equity shares of the company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of the new equity shares pursuant to this Resolution is made.
- iii) No letter of allotment will be issued by the company in respect of the new equity shares. However, the equity share certificates in respect thereof will be ready for delivery to the allottees within three months from the date of allotment thereof."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised :-

- a) to do all such acts, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the issue or allotment of the bonus shares
- b) to accept on behalf of the company any conditions, modifications relating to the issue of bonus shares prescribed by the Reserve Bank of India or any other authority and which the Board in its discretion thinks fit and proper."

14. Amendments to the Articles of Association

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution** :-

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment for the time being in force and subject to such approvals, consents, permission and sanctions as may be necessary from the appropriate authority or body, the Articles of Association of the Company be and are hereby amended as follows :-

- a) The existing **Article 18** alongwith its marginal note be and is hereby deleted and substituted by the following article:-

Employment of Company's Funds for purchase of Shares.

18. Except as provided in these Articles, none of the funds of the Company shall be employed in the purchase of or lent on the security of the shares of the Company, and the Company shall not except as permitted by Section 77 of the Act, give any financial assistance for the purpose of or in connection with any purchase of shares of the Company.

- b) The following new **Article 18A** along with the relevant marginal note be inserted after existing Article 18, namely;

Buy-Back of Shares

18a. Notwithstanding any of the provisions of these Articles, the Company shall have the power, subject to and in accordance with the relevant provisions of the Act and other applicable provisions of law, and subject to such approvals, permissions and sanctions, if any, as may be necessary, to purchase, acquire or hold its own shares or other specified securities as defined in the Act, on such terms and conditions and in such



manner, and upto such limits as may be prescribed by law from time to time, and make payment out of its free reserves or security premium account of the Company or out of the proceeds of an issue other than fresh issue of shares made specifically for Buy-Back purposes provided that, nothing herein contained shall be deemed to effect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable.

c) In Article 1, being the Article dealing with interpretations, the following new interpretations be inserted after the existing interpretation of "Persons" :-

(i) **"Beneficial Owner"**

"Beneficial Owner" means a person, whose name is recorded as such with the Depository as defined under Clause (a) of Sub-Section 1 of Section 2 of the Depositories Act, 1996.

(ii) **"Depositories Act"**

"Depositories Act" shall mean the Depositories Act, 1996 and includes where the context so admits, any re-enactment or statutory modification thereof for the time being in force.

(iii) **"Depository"**

"Depository" shall have the meaning assigned thereto by Clause (c) of Sub-Section 1 of Section 2 of the Depositories Act, 1996.

(iv) **"Depository Participant"**

"Depository Participant" means a participant as defined under Clause (g) of Sub-Section 1 of Section 2 of the Depositories Act, 1996.

d) To delete the existing Article 17 and substituting therefor the following modified Article 17 :-

"Company to recognise the rights of Registered holders as also the beneficial owners in the records of the Depository"

17. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any Share, as also the person whose name appears as the beneficial owner of the Shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not (except as ordered by Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other person whether or not it shall have express or implied notice thereof.

e) The following new Article be inserted as Article 21A :-

"Option to Dematerialise Securities"

Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise its Shares, Debentures and other marketable securities and to offer the same for subscription in a dematerialised form and on the same being done, the Company shall be entitled to maintain a Register of Members/ Debentureholders holding Shares/Debentures both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing Shares or any future issue.



- f) After the existing Article 37, the following new Articles numbered as 37A and 37B be inserted:-

"Article 36 and 37 shall not apply to Shares, Debentures or other marketable securities entered in the records of the Depository"

- 37A Nothing contained in Articles 36 and 37 shall apply to the transfer of Shares, Debentures or other marketable securities effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.

"Applicability of Depositories Act"

- 37B (i) In case of transfer of Shares, Debentures or other marketable securities where the Company has not issued any certificates and where such Shares, Debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
- (ii) in respect of the Shares, Debentures and other marketable securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Section 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956, shall not apply."

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai-400 051.

By Order of the Board of Directors

(R. NARAYANAN)
Company Secretary

2nd August, 1999

NOTES

- (a) Explanatory Statement prepared in pursuance of Section 173 of the Companies Act, 1956 in respect of Special Business is annexed.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (c) Members are requested to notify immediately, change in their addresses, if any, to the **Company Secretary** at the Regd. Office address given above or with the Registrars of the Company at the address: **M/s. Karvy Consultants Limited, Unit : Indian Oil Corporation Ltd., 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034** quoting their Folio Number, to ensure prompt receipt of dividend warrants and other communications.
- (d) The dividend payable on Equity Shares, if sanctioned by the members, will be paid to those members whose names appear on the Company's Register of Members as on Wednesday, July 14, 1999.



Explanatory Statement in Pursuance of Section 173 of the Companies Act, 1956

Item No. 7

Pursuant to the decision of the Government of India to grant enhanced autonomy and delegation of powers under the Navratna concept, the Board of Indian Oil Corporation Limited (a Navratna Company) was restructured by induction of part-time non-official Directors comprising of eminent persons.

Accordingly, Dr.R.K.Pachauri, Director of the Tata Energy Research Institute (TERI) was nominated by the Government of India as part-time non-official Director. Dr.Pachauri was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Dr.R.K.Pachauri as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Dr.R.K.Pachauri is interested or concerned in the resolution.

Item No. 8

Pursuant to the decision of the Government of India to grant enhanced autonomy and delegation of powers under the Navratna concept, the Board of Indian Oil Corporation Limited (a Navratna Company) was restructured by induction of part-time non-official Directors comprising of eminent persons.

Accordingly, Shri M.Kalyanasundaram, President of Tamil Nadu INTUC was nominated by the Government of India as part-time non-official Director. Shri M.Kalyanasundaram was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri M.Kalyanasundaram as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri M.Kalyanasundaram is interested or concerned in the resolution.

Item No. 9

Pursuant to the decision of the Government of India to grant enhanced autonomy and delegation of powers under the Navratna concept, the Board of Indian Oil Corporation Limited (a Navratna Company) was restructured by induction of part-time non-official Directors comprising of eminent persons.

Accordingly, Prof. S.K.Barua, a Professor from the Indian Institute of Management, Ahmedabad was nominated by the Government of India as part-time non-official Director. Prof. S.K.Barua was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Prof. S.K.Barua as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Prof. S.K.Barua is interested or concerned in the resolution.



Item No. 10

Pursuant to the decision of the Government of India to grant enhanced autonomy and delegation of powers under the Navratna concept, the Board of Indian Oil Corporation Limited (a Navratna Company) was restructured by induction of part-time non-official Directors comprising of eminent persons.

Accordingly, Shri Vineet Nayyar (IAS), Former CMD of Gas Authority of India Limited and currently Managing Director of HCL Corporation Ltd. was nominated by the Government of India as part-time non-official Director. Shri Vineet Nayyar was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Vineet Nayyar as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Vineet Nayyar is interested or concerned in the resolution.

Item No. 11

Pursuant to the decision of the Government of India to grant enhanced autonomy and delegation of powers under the Navratna concept, the Board of Indian Oil Corporation Limited (a Navratna Company) was restructured by induction of part-time non-official Directors comprising of eminent persons.

Accordingly, Shri L.Sabaretnam, Chairman of South India Structural Corporation Ltd. and Executive Director of Chettinad Cement Corporation Limited was nominated by the Government of India as part-time non-official Director. Shri L. Sabaretnam was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri L.Sabaretnam as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri L.Sabaretnam is interested or concerned in the resolution.

Item No. 12

Shri Naresh Narad, Additional Secretary, Ministry of Petroleum & Natural Gas was appointed as an Additional Director by the Board of Directors pursuant to Article 94(1) of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose Shri Naresh Narad as a candidate for the office of Director.

The Directors, therefore, recommend the Ordinary Resolution. None of the Directors of the Company except Shri Naresh Narad is interested or concerned in the resolution.

Item No. 13

The present paid up share capital of the Company is Rs.389.34 crores. The reserves as on 31st March, 1999 were Rs.12139 crores. The Board of Directors thought that it would be advantageous to capitalise a portion of the reserves. Hence your Directors have proposed the issue of bonus shares by capitalisation of a sum of Rs.389,33,74,000 from general reserves as per the audited accounts of the Company for the financial year ended 31st March, 1999 and the same is proposed to be applied in full at par by issuing at par 38,93,37,400 equity



shares of Rs.10/- each. The said shares shall be distributed as fully paid bonus shares to and amongst the members of the company whose names will appear on the Register of Members on a date (Record Date) to be hereafter fixed by the Board, in proportion of one bonus share for every one existing equity share held on that date.

The proposed issue of Bonus Shares will be made in line with the guidelines issued by the Securities & Exchange Board of India (SEBI) in this respect. The allotment of bonus shares to the non-resident members, if any, will, however, be subject to the approval of the Reserve Bank of India. Applications will be made to the Mumbai, Delhi, Calcutta, Chennai and National Stock Exchanges, where the existing shares of the Company are already listed for permission to deal in the said bonus shares.

The Directors, therefore, recommend the Special Resolutions. The Directors of the Company may be deemed to be interested in these resolutions to the extent of their respective holding, if any, in the Company.

Item No. 14

The Companies Act has been recently amended by the Companies (Amendment) Ordinance, 1998 as a result of which a new Section 77A has been inserted, in terms of which, a Company is now able to purchase its own shares or other specified securities (Buy-back) subject to the terms and in the manner set out in the Section. Prior thereto, the Company was restricted to purchase its own shares by way of reduction of capital.

The recently introduced provisions of Section 77A of the Companies Act also require that the Buy-Back of shares is authorised by the Company's Articles of Association. The existing Article 18 prohibits the Company to Buy-Back its own shares and is therefore considered to be out of place in the context of the new Corporate environment. Being conscious of the fact that the existing provisions of Sections 100 to 104 and Section 402 of the Companies Act have still to find a place on the statute book, the existing Article 18 is proposed to be substituted by a new Article 18 as set out in item 14 of the Notice. A new Article 18A is also being proposed, as the Company has to be authorised by its Articles to Buy-Back its own shares and securities.

The Board is of the opinion that it will be in the best interest of the Company to give an enabling power to the Board to Buy-Back the Company's shares.

Pursuant to the passing of the Depositories Act, 1996 and setting up of the National Securities Depositories Limited (NSDL), IndianOil has entered into an agreement with NSDL to have electronic depository facilities for the shares of the Corporation effective 1st September, 1998. An agreement has also been entered into with Central Depository Services (India) Limited (CDSL) for electronic depository facilities effective 7th July, 1999. This would immensely benefit the shareholders for scripless trading in the electronic form thus eliminating the paper work involved in scrip-based trading and share transfer system.

Certain provisions of the existing Articles of the Company pertaining to the issue, holding, transfer, transmission and other dealings in shares and other securities, as also issue of certificates, thereof, which were framed on the basis of the relevant provisions of the Companies Act, 1956 need to be amended and new Articles inserted, keeping in view the provisions of the Depositories Act, 1996, which have become applicable as a result of the introduction of the Depository System. The required amendments have been made so as to give effect to the legal and practical aspects of the Depository System and are self explanatory.

The Directors, therefore recommend the Special Resolution. None of the Directors of the Company are interested in the resolution.

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai-400 051.

2nd August, 1999

By Order of the Board of Directors


(R. NARAYANAN)
Company Secretary



Indian Oil Corporation Limited

IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra(East), Mumbai - 400 051

ATTENDANCE CARD

Registered Folio No.	
No. of Shares held	

I/We hereby record my/our presence at the Fortieth Annual General Meeting of the Company held on Thursday, the 2nd September, 1999 at 1100 hrs. at Nehru Centre Auditorium, Discovery of India Building, Dr. A.B.Road, Worli, Mumbai - 400 018.

Name of the Shareholder
(In Block Letters) _____

Signature of the
Shareholder _____

Name of the Proxy
(In Block Letters) _____

Signature of the Proxy _____

NOTES

1. You are requested to sign and hand this over at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the form of proxy (given below) should be duly filled in and deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra(East), Mumbai - 400 051, not less than 48 hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

TEAR HERE

TEAR HERE



Indian Oil Corporation Limited

IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra(East), Mumbai - 400 051

FORM OF PROXY

Registered Folio No.	
No. of Shares held	

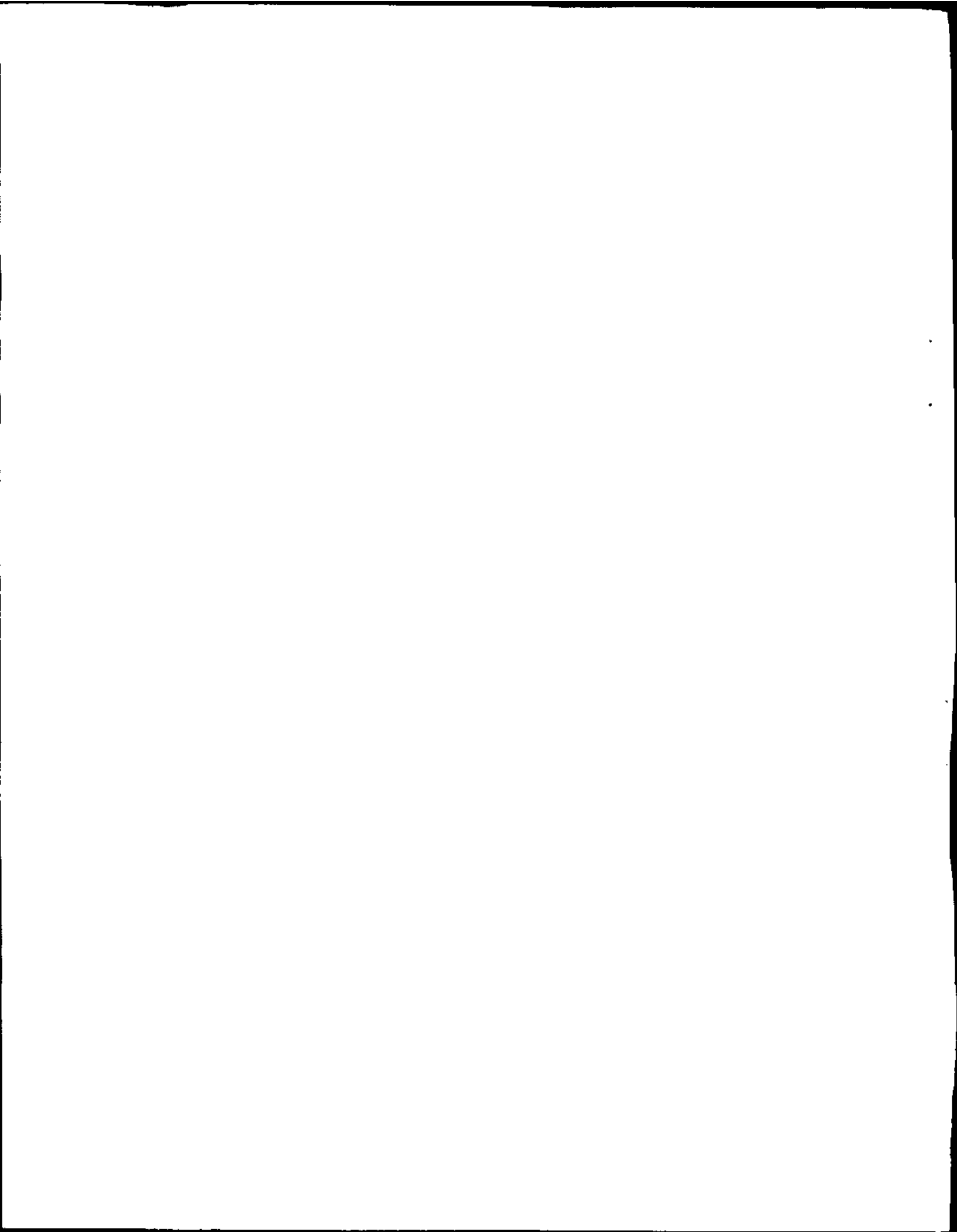
I/We of in the district of being a member/members of the abovenamed Company hereby appoint..... of in the district of as my/our proxy to vote for me/us on my/our behalf at the Fortieth Annual General Meeting of the Company to be held on 2nd September, 1999 and at any adjournment thereof.

Please Affix
Re. 1
Revenue
Stamp

igned this day of 1999.

Signature

NOTE : This Proxy Form duly filled in must be deposited at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051 not less than 48 hours before the time for holding the meeting.





Indian Oil Corporation Ltd.

Indian Oil Corporation is the largest commercial enterprise in India and the only Indian company in *Fortune's* 'Global 500' listing of the world's largest corporations, with a ranking of 278 for fiscal 1998. Among the petroleum refining companies covered in the listing, it is ranked at 16th place.

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

IndianOil owns and operates seven of the country's 15 refineries at Guwahati, Barauni, Gujarat, Haldia, Mathura, Panipat and Digboi, with a combined capacity of 31.5 million tonnes per annum (0.62 million barrels per day). It has the country's largest network of on-land crude oil and product pipelines of 6,268 km with a combined capacity of 38.15 million tonnes per annum. Constant technology upgradation has enabled both refineries and pipelines to register over 100% capacity utilisation.

IndianOil meets 55% of the petroleum products' consumption of India. It also imports crude oil and major petroleum products on behalf of the oil industry. Its extensive network of over 19,000 sales points are backed for supplies by 185 bulk terminals and depots, 50 LPG bottling plants and 92 aviation fuel stations.

IndianOil's world-class Research & Development Centre with ISO 9001 certification has done pioneering work in lubricants, refinery processes and pipeline transportation. It has developed over 1900 lubricant and grease formulations and obtained approvals of national and international original equipment manufacturers. A wholly-owned subsidiary, Indian Oil Blending Ltd., manufactures over 450 grades of the country's leading *SERVO* brand lubricants and greases.

IndianOil's quality initiatives have led to over 60 of its units earning ISO-9001/9002/14001 certification. These include refineries, pipelines, aviation fuel stations, lube and grease plants, quality control laboratories, LPG bottling plants, tap-off points and the IndianOil Institute of Petroleum Management.

Projects worth US \$ 6 billion have been identified for implementation in the next three years, including projects on hand of about US \$ 3 billion. These include grassroots refineries on the east coast and in South India as joint ventures.

With its focus on customer service, IndianOil is upgrading its petrol and diesel stations under 'Vision 2000' programme with enhanced facilities and value added services such as a 'Convenio' shopping store, snap services, quick lube oil change, automatic car wash, ATM, etc. Two IndianOil petrol and diesel stations earned the ISO 14001 certification for environmental management systems for the first time in the country this year.

Joint ventures include Indo-Mobil for premium lubricants; Avi Oil India for defence aviation lubricants; Indian Oiltanking Ltd. for tankage infrastructure; and Petronet India Ltd. for pipelines. Another joint venture has been formed with Petronas, Malaysia, for setting up LPG import facilities at Haldia. An agreement exists with Air BP in the area of aviation fuel services. Memoranda have been signed with Marubeni of Japan; Emirates National Oil Co. of UAE; Petrotrin of Trinidad & Tobago; for collaborative ventures in both upstream and downstream areas. An agreement has been signed with Amoco, USA for manufacture and marketing of Di-Methyl-Ether(DME) in India.

IndianOil nurtures the vision of becoming 'a major diversified, transnational, integrated energy company...'. It is augmenting infrastructure and harnessing new business opportunities in petrochemicals, power, lube marketing, R&D, training and consultancy, exploration & production, LNG and fuel management in India and abroad. *SERVO* lubricants have been exported to Nepal, Bhutan, UAE, Kuwait and Sri Lanka. An oil terminal is being operated in Zambia.

IndianOil has opened three overseas offices - at Kuala Lumpur, Kuwait and Dubai - to coordinate and explore business opportunities.

IndianOil is an "academy" company with 17 training centres, one management academy and the IndianOil Institute of Petroleum Management(IIPM) which serves as an apex training and consultancy institute. It offers a one-year International MBA Programme in Petroleum Management in collaboration with International Centre for Promotion of Enterprises, Ljubljana, Slovenia.

IndianOil has a vast reservoir of talented human resource. It has been lending its expertise for nearly two decades to various countries in several areas of refining, marketing, transportation, training and research & development. These include Sri Lanka, Kuwait, Bahrain, Iraq, Abu Dhabi, Tanzania, Ethiopia, Algeria, Nigeria, Nepal, Bhutan, Maldives, Malaysia and Zambia.



Vision

A major, diversified, transnational, integrated energy company, with national leadership and a strong environment conscience, playing a national role in oil security & public distribution

Mission

- ▶ To achieve international standards of excellence in all aspects of energy and diversified business with focus on customer delight through value of products and services, and cost reduction
- ▶ To maximise creation of wealth, value and satisfaction for the stakeholders
- ▶ To attain leadership in developing, adopting and assimilating state-of-the-art technology for competitive advantage
- ▶ To provide technology and services through sustained Research and Development
- ▶ To foster a culture of participation and innovation for employee growth and contribution
- ▶ To cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity
- ▶ To help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience



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 efficiently.

To earn a reasonable rate of interest on investment.

To work towards the achievement of self-sufficiency in the field of oil refining by setting up adequate capacity and to build up expertise in laying of crude oil/petroleum product pipelines.

To create a strong research and development base in the field of oil refining and stimulate the development of new product formulations with a view to minimise/eliminate their imports and to have next generation products.

To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.

To optimise utilisation of its refining capacity and maximise distillate yield from refining of crude oil to minimise foreign exchange outgo.

To minimise fuel consumption in refineries and stock losses in marketing operations to effect energy conservation.

To further enhance distribution network for providing assured service to customers throughout the country through expansion of reseller network as per Marketing Plan/Govt. approval.

To avail of all viable opportunities, both national and global, arising out of the liberalisation policies being pursued by the Government of India.

To achieve higher growth through integration, mergers, acquisitions and diversification by harnessing new business opportunities like petrochemicals, power, lube business, consultancy abroad and exploration & production.

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 promote ancillary industries.

Towards employees

Develop their capability and advancement through appropriate training and career planning.

Expeditious redressal of grievances.

Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies.

Towards community

To develop techno-economically viable and environment-friendly products for the benefit of the people.

To encourage progressive indigenous manufacture of products and materials so as to substitute imports.

To ensure safety in operations and highest standards of environment protection in its manufacturing plants and townships by taking suitable and effective measures.

To improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.

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 manage and operate the facilities in an efficient manner so as to generate adequate internal resources to meet revenue cost and requirements for project investment, without budgetary support.

To develop longterm corporate plans to provide for adequate growth of the activities of the Corporation.

To endeavour to reduce the cost of production of petroleum products by means of systematic cost control measures.

To endeavour to complete all planned projects within the stipulated time and cost estimates.


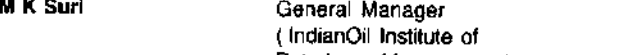







Board of Directors

M.A.Pathan	Chairman
A.K.Arora	Director (Refineries)
S.N.Jha	Director (Pipelines)
O.N.Marwaha	Director (Marketing)
Subir Raha	Director (Human Resources)
Dr. A.K.Bhatnagar	Director (R&D)
P.Sugavanam	Director (Finance)
Devi Dayal	Director (Upto 12.5.1999)
Nirmal Singh	Director (Upto 23.10.1998)
Ravi Saxena	Director
Naresh Narad	Director (w.e.f. 16.6.1999)
Dr. R.K.Pachauri	(w.e.f. 29.1.1999)
M.Kalyanasundaram	(w.e.f. 29.1.1999)
Prof.S.K.Barua	(w.e.f. 29.1.1999)
Vineet Nayyar	(w.e.f. 29.1.1999)
L.Sabaretnam	(w.e.f. 29.1.1999)
Secretary	R. Narayanan



Principal Executives

		Rajendra Prasad	Executive Director (Maintenance & Inspection)
M B L Agarwal	Executive Director (International Trade & Corporate Finance)	S C Tandon	General Manager (Technical)
C K Dixit	Executive Director (Internal Audit)	P V R Ayyar	General Manager (Safety & Environment Protection)
P S Govindarajan	Executive Director (Planning)	Jaspal Singh	General Manager (Eastern India Refinery Project)
B B Chakravorty	Executive Director (Power Projects)	J K Noble	General Manager (Administration & Welfare)
G Sarpal	Executive Director (Human Resource Development)	S V Narasimhan	General Manager (Finance)
L K Mathur	Executive Director (Business Development & Corporate Communications)	B R Choudhary	General Manager (Projects)
N Biswas	General Manager (Internal Audit)	V P Sharma	General Manager (Projects-Finance)
S C Bose	General Manager (Exploration & Production)	H K Bakshi	General Manager (Projects)
M K Suri	General Manager (IndianOil Institute of Petroleum Management)	Rohit Bhardwaj	General Manager (Projects)
			
J M Gugnani	General Manager (Business Development)	P K Biswas	Executive Director Mathura Refinery
J K Puri	General Manager (Information Technology)	P S Rao	Executive Director Gujarat Refinery
V C Agrawal	General Manager (Human Resource)	Tapas Ray	Principal IndianOil Management Academy Haldia
B M Bansal	General Manager (Business Development)	K K Konar	General Manager (Projects) Gujarat Refinery
N K Nayyar	General Manager (International Trade & Treasury)	R Seh	General Manager Power Projects, Savli
		B K Mukherjee	General Manager Haldia Refinery
S L Das	Executive Director (Human Resource)	S S Saini	General Manager Panipat Refinery
L K Raina	Executive Director (Southern India Refinery Project)	B Chowdhary	General Manager (Finance) Gujarat Refinery
J L Raina	Executive Director (Projects)	C K Raja	General Manager (Technical) Mathura Refinery
R K Sabharwal	Executive Director (Operations)	M S Kumar	General Manager Guwahati Refinery

B P Chattopadhyay	General Manager (Projects) Haldia Refinery	J S Narula	General Manager (Operations)
K Rajaram	General Manager Finance, Mathura Refinery	Ramesh Mehta	General Manager (Aviation)
			
A M Uplenchwar	Executive Director (Engineering & Consultancy)	B D Soni	General Manager (Finance - LPG)
K M Banerj	Executive Director (Operations)	S S Das Gupta	General Manager (Planning)
K M Banerj	Executive Director (Operations)	O P Maiguria	General Manager (LPG - Engineering)
S C Aggarwal (Maj)	General Manager (Operations)	P V Rao	General Manager (Shipping)
K K Sinha	General Manager (Engineering & Consultancy)	P K Atreya	General Manager (S&D)
K N Tripathi	General Manager (Human Resource)	S C Jana	General Manager (Internal Audit)
P S Balasubramanian	General Manager (Construction)	S Sengupta	General Manager (Quality Control)
S Chakraborty	General Manager Eastern Region Pipelines	V P Sharma	General Manager (Systems)
Narayan Prasad	General Manager Northern Region Pipelines	M L Jain	General Manager (LPG Marketing Operations)
S K Garg	General Manager (Finance)	Fakira Singh	General Manager (Lube Operations)
			
P Sudarsanam	Executive Director (Planning, P&S and Business Development)	T L Jain	General Manager (Finance)
			
S Basu	Executive Director (Supplies)	P Banerjee	Executive Director Western Region
Arun Jyoti	Executive Director (Lubes)	S Ram Mohan	Executive Director Southern Region
B K Das	Executive Director (Sales)	Narender Singh	Executive Director Northern Region
B K Mittal	Executive Director (Projects)	M C Sachdeva	Executive Director Eastern Region
P S Krishnan	General Manager (Pricing)	M E Vasu	General Manager Tamil Nadu State
V K Chaudhri	General Manager (LPG)	K Ramachandran	General Manager (Sales) Southern Region
A K Mitra	General Manager (Human Resource)	S J Anantharaj	General Manager Karnataka State
R V KrishnaMurthy	General Manager (Engineering)	B D Ghosh	General Manager (Sales) Eastern Region
R N J Mathur	General Manager (Human Resource Development)	S P Singhal	General Manager (Finance) Western Region

I H Hashmi General Manager (Sales)
Northern Region

S K Swaminathan General Manager (Sales)
Western Region

T N Siveraman General Manager
(Human Resource)
Southern Region

C P Joshi General Manager
Maharashtra State

N G Kannan General Manager
(Human Resource)
Eastern Region

S S Soni General Manager (Finance)
Northern Region

G C Daga General Manager
Rajasthan State

MANAGERIAL DIVISION

A N Das Executive Director
Digboi

H N Hazarika General Manager (Projects)
Digboi

P K Choudhury General Manager (Marketing)
Digboi

RESEARCH DIVISION

Dr. Sobhan Ghosh Executive Director
(Refining Technology)

Dr. S P Srivastava Executive Director
(Lube Technology)

N R Raje General Manager
(Lube Technology)

Dr. R P Verma General Manager
(Refining Technology)

Performance at a Glance

(Rs. Crore)

	1998-99	1997-98	1996-97	1995-96	1994-95
I. FINANCIAL					
Turnover	69,430	59,176	55,389	43,862	39,351
Gross Profit *	4,993	4,128	3,641	2,885	2,393
Profit Before Interest & Tax	3,936	3,090	2,842	2,325	1,976
Profit Before Tax	2,733	1,964	1,766	1,765	1,370
Profit After Tax	2,214	1,706	1,408	1,249	1,019
Dividend	506	195	156	156	105
Retained Earnings	1,652	1,492	1,238	1,093	914
Value Added	10,864	9,652	8,350	7,187	5,440
Contribution to Central Exchequer	10,728	10,302	9,797	6,539	5,673
Cumulative Dividend	1,556	1,050	855	700	544

* Profit before Depreciation, Interest, Expenditure and Tax.

What Corporation Owns

Gross Fixed Assets	17,226	13,313	10,397	7,985	5,938
Depreciation	6,480	5,402	4,375	3,590	3,058
Net Fixed Assets	10,746	7,911	6,022	4,395	2,880
Capital Works in Progress	4,420	4,001	3,784	3,437	2,630
Investments	5,568	9,283	3,406	3,689	3,857
Working Capital	1,597	3,629	9,088	4,581	2,607
Total	22,331	24,824	22,300	16,102	11,974

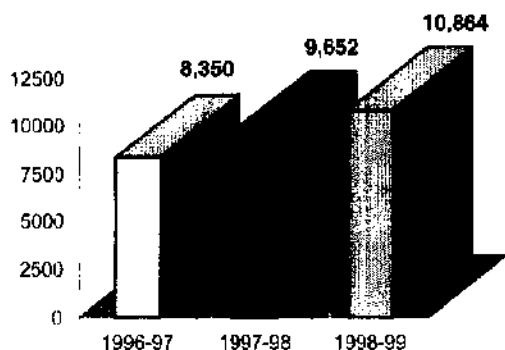
What Corporations Owes

Net Worth					
- Share Capital	389	389	389	389	389**
- Reserves	11,880	10,225	8,732	7,486	6,218
- TOTAL	12,269	10,614	9,121	7,875	6,607
Borrowings	10,062	14,210	13,179	8,227	5,367
Total	22,331	24,824	22,300	16,102	11,974

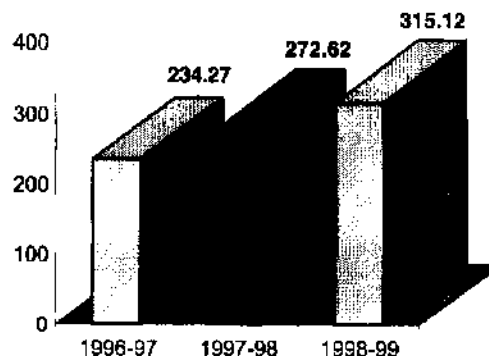
** Includes share application money from employees pending allotment-Rs. 19 crore and issue of bonus shares.

Note : Previous years figures have been regrouped for comparison purpose in line with current year figures, wherever applicable.

VALUE ADDED (Rs. Crore)



NET WORTH PER EQUITY SHARE (Rs.)



	1998-99	1997-98	1996-97	1995-96	1994-95
RATIOS					
Debt Equity Ratio	0.24:1	0.43:1	0.33:1	0.24:1	0.28:1
Earnings Per Share (Rupees)	56.85	43.83	36.17	32.07	27.56
Cash Earnings Per Share (Rupees)	84.01	70.49	56.70	46.44	38.84
Profit After Tax to Average Net Worth (%)	19.4	17.3	16.6	17.2	16.6
Net Worth per Equity Share (Rupees)	315.12	272.62	234.27	202.26	178.11

II. OPERATIONS

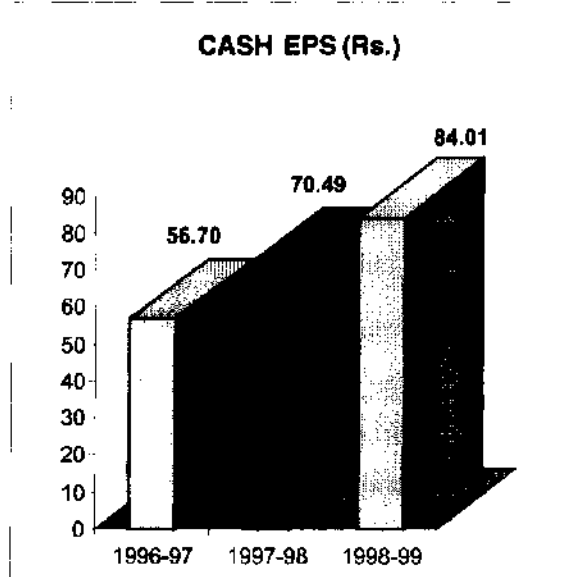
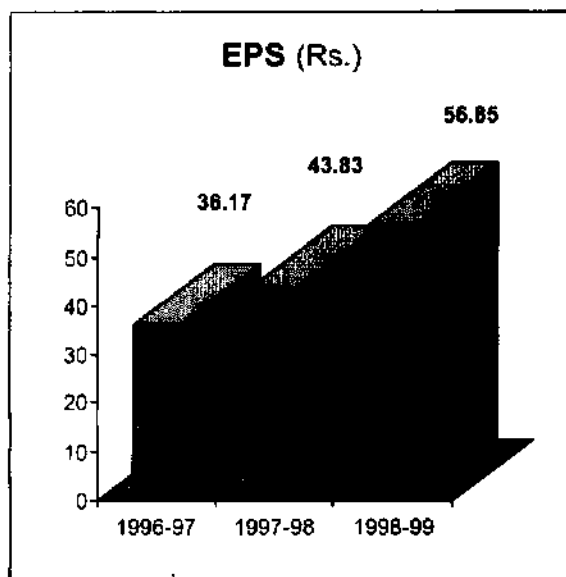
Operating Performance

Product Sales	Million Tonnes	46.05	43.41	41.97	39.85	36.25
Refineries Throughput	Million Tonnes	30.36	27.50	25.14	25.64	25.16
Pipelines Throughput	Million Tonnes	34.05	31.03	28.20	24.70	24.47

Marketing Network & Facilities

Divisional Offices	Nos.	44	44	44	44	44
LPG Area Offices	Nos.	33	32	32	32	32
Terminals and Depots	Nos.	185	184	178	178	166
Aviation Fuel Stations	Nos.	92	92	92	94	93
Total Product Tankage	Lakh kl.	59.45	54.54	51.30	49.89	42.97
LPG Bottling Plants	Nos.	50	49	39	35	33
LPG Bottling Capacity	'000 Tonnes	1,896	1,653	1,453	1,329	1,192
Retail Outlets	Nos.	6,954	6,779	6,731	6,585	6,284
SKO/LDO Dealers	Nos.	3,422	3,423	3,413	3,362	3,284
Indane Distributors	Nos.	2,977	2,902	2,834	2,700	2,418
Multi Purpose Distribution Centres (MPDC)	Nos.	231	231	231	231	231
Towns with Indane	Nos.	1,355	1,335	1,306	1,248	1,178
Indane Customers	Lakh	192	170	148	135	120

III. Manpower	Nos.	33,515	33,403	33,232	33,287	33,589
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Bankers, Auditors, Stock Exchanges and Registrar & Transfer Agents

BANKERS

State Bank of India

United Bank of India

STATUTORY AUDITORS

M/s. Jagdish Chand & Co.

M/s. L. B. Jha & Co.

M/s. B. K. Shroff & Co.

M/s. V. Sankar Aiyar & Co.

BRANCH AUDITORS

M/s. S. N. Mukerjee & Co.

M/s. B. Purushottam & Co.

M/s. P. K. Mitra & Co.

M/s. Vinay Kumar & Co.

M/s. G. K. Chokshi & Co.

M/s. Rajnish & Associates

M/s. Sen & Ray

STOCK EXCHANGES

The equity shares of the Corporation are listed in the following stock exchanges:

Mumbai Stock Exchange

The Stock Exchange of Mumbai
P.J. Towers, 25th Floor,
Dalal Street,
Mumbai-400 001

National Stock Exchange

National Stock Exchange of India
Trade World, 2nd Floor,
Kamla Mill Compound,
S.B. Marg, Lower Parel,
Mumbai-400 013.

Madras Stock Exchange

Madras Stock Exchange Ltd.,
Post Box No. 183,
11, Second Line Beach,
Chennai-600 001.

Delhi Stock Exchange

Delhi Stock Exchange Ltd.,
West Plaza, Indira Gandhi Stadium,
Indraprastha Estate,
New Delhi-110 002.

Calcutta Stock Exchange

Calcutta Stock Exchange Assn. Ltd.,
7, Lyons Range,
Calcutta-700 001.

It is confirmed that the Annual Listing Fee has been paid to each of the above five stock exchanges.

REGISTRAR & TRANSFER AGENTS

M/s. Karvy Consultants Limited
Karvy House
46, Avenue 4
Street No. 1, Banjara Hills
Hyderabad-500 034.



Major Units

CORPORATE OFFICE	SCOPE Complex, Core 2 7, Institutional Area, Lodhi Road, New Delhi-110 003	REGISTERED OFFICE	IndianOil Bhavan G-9, Ali Yavar Jung Marg Bandra (East), Mumbai-400 051
REFINERIES DIVISION		MARKETING DIVISION	
HEAD OFFICE	SCOPE Complex, Core 2 7, Institutional Area, Lodhi Road, New Delhi-110 003	HEAD OFFICE	IndianOil Bhavan G-9, Ali Yavar Jung Marg Bandra (East), Mumbai-400 051
Barauni Refinery	P.O. Barauni Oil Refinery Distt., Begusarai-861 114 (Bihar)	Northern Region	IndianOil Bhavan 1, Aurobindo Marg, Yusuf Sarai New Delhi-110 016
Gujarat Refinery	P.O. Jawahar Nagar Distt. Vadodara-391 320 (Gujarat)	Eastern Region	IndianOil Bhavan 2, Gariahat Road South (Dhakuria), Calcutta-700 068
Guwahati Refinery	P.O. Noonmati Guwahati-781 020 (Assam)	Western Region	254-C, Dr. Annie Besant Road Prabhadevi Mumbai-400 025
Haldia Refinery	P.O. Haldia Refinery Distt. Midnapur-721 606 (West Bengal)	Southern Region	IndianOil Bhavan 139, Nungambakkam High Road, Chennai-600 034
Mathura Refinery	P.O. Mathura Refinery Mathura-281 005 (U.P.)	R&D CENTRE	Sector 13 Faridabad-121 007 (Haryana)
Panipat Refinery	P.O. Panipat Refinery Panipat-132 140 (Haryana)	INDIAN OIL BLENDING LTD.	(A wholly owned subsidiary of Indian Oil Corporation Limited)
PIPELINES DIVISION		HEAD OFFICE	Badamia Manor, 3rd Floor Keshavrao Khadye Marg Mumbai-400 034
HEAD OFFICE	A-1, Udyog Marg, Sector-1, NOIDA-201 301	ASSAM OIL DIVISION	Digboi-786 171 (Assam)
Eastern Region	14, Lee Road, Calcutta-700 020		
Western Region	P.O. Box 1007, Bedipara, Morvi Road, Gauridad, Rajkot-360 003		
Northern Region	P.O. Panipat Refinery Panipat-132 140 (Haryana)		

Directors' Report

To

The IndianOil Family of Shareowners

Dear Members,

On behalf of the Board of Directors, it is my privilege to present to you the 40th Annual Report on the working of the Corporation for the financial year ended 31st March, 1999, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India.

You would be pleased to know that your Corporation improved its ranking in *Fortune's* 'Global 500' listing of largest companies by revenues from 287 to 278 this year (1998). Among the 27 petroleum refining companies covered in the *Fortune* listing, the ranking of your Corporation has gone up from 20 to 16 in sales and from 20 to 15 in profits.

Your Corporation continues to hold the position as the largest business enterprise in India, all sectors combined, in terms of Turnover. Focussing on Excellence, your Corporation has recently been recognised as one of the top five Most Admired Corporates in India in a survey conducted by *BusinessWorld*. This is the first time a Public Sector Enterprise has earned this recognition.

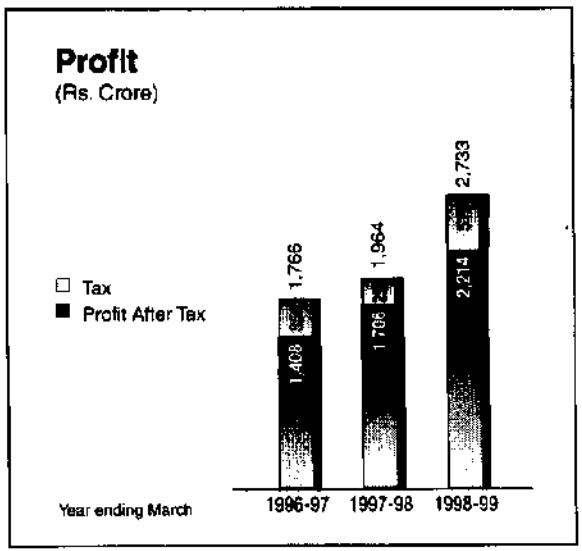
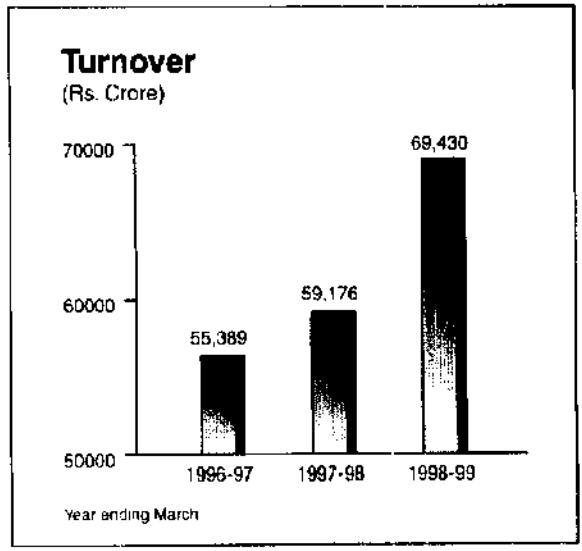
The "Navratna" delegation of authority from the Government of India came into force effective January 1999, with

induction of five part-time non-official Directors nominated by the Government.

1998-99, the financial year under review, was the first of the four years over which the Administered Pricing Mechanism (APM) is being dismantled, as per the schedule notified by the Government of India. APM was totally withdrawn from the Refining sector effective 1st April 1998.

All imports and exports were decanalised except for crude for PSU refineries, Motor Spirit, Aviation Turbine Fuel and High Speed Diesel; for these items, your Corporation continues to be the Canalising Agency of the Government of India. Pricing was decontrolled for all products except the transportation fuels, i.e., Motor Spirit, Aviation Turbine Fuel and High Speed Diesel; Liquefied Petroleum Gas marketed by the PSU oil companies for household use; and Superior Kerosene Oil for the Public Distribution System. Control orders for all other products were rescinded. Licencing of refining capacity was withdrawn. At the same time, the Government of India assured the continuation of freight subsidy to partly compensate for uneconomic operation of the refineries in the North-East.

Most of these developments were anticipated and necessary preparations had been initiated by your Corporation. The paramount objectives of safety, service, quality and economy are being pursued with renewed vigour. Restructuring of the organisation and the business is being designed and implemented in phases. Throughout the organisation, an awareness has been created that re-orientation of mindsets and attitudes is imperative to sustain the growth of your Corporation.





CORPORATE REVIEW

FINANCIAL

	(Rs.Crore)		
	1998-99	1997-98	% Change
Turnover	69,430	59,176	(+) 17
Profit			
Profit Before Interest, Depreciation and Tax	4,993	4,128	(+) 21
Interest Payment	1,203	1,126	(+) 7
Depreciation	1,057	1,038	(+) 2
Profit Before Tax	2,733	1,964	(+) 39
Tax Provision	519	258	(+) 101
Profit After Tax	2,214	1,706	(+) 30
Appropriations			
Proposed Dividend	506	195	(+) 159
Corporate Dividend Tax	56	19	(+) 195
General Reserve	1,652	1,492	(+) 11

PHYSICAL

	(Million Tonnes)		
	1998-99	1997-98	% Change
Product Sales	46.05	43.41	(+) 6.1
Refineries Throughput	30.36	27.50	(+) 10.4
Pipelines Throughput	34.05	31.03	(+) 9.7

SHARE VALUE

	(Rupees)		
	1998-99	1997-98	% Change
Cash Earning Per Share	84.01	70.49	(+) 19
Earning Per Share	56.85	43.83	(+) 30
Book Value Per Share	315.12	272.62	(+) 15

MOU PERFORMANCE

For the 10th consecutive year, your Corporation has achieved the "Excellent" rating, the highest performance rating according to criteria laid down in the Memorandum of Understanding signed with the Government of India in the Ministry of Petroleum & Natural Gas.

DIVIDEND

With the highest-ever profits earned this year, your Directors have recommended the highest-ever dividend @ 130%. This is the 33rd consecutive year of dividend declaration by your Corporation.

CONTRIBUTION TO EXCHEQUER

The Corporation's contribution of Rs. 10,728 crore to the Central Exchequer and Rs. 5,846 crore to the States' Exchequer in the form of duties and taxes during the year is the highest ever by any corporate in India.

CAPITAL EXPENDITURE AND FINANCING

Rs. 4,332 crore was spent in creating capital assets during the year. About 83% of the Corporation's fixed assets of Rs. 21,646 crore as on 31st March, 1999, have been financed from internally generated resources.

PUBLIC DEPOSIT SCHEME

The total outstanding deposits amounted to Rs. 445.48 crore as on 31st March, 1999. The Public Deposit Scheme, closed in July 1997, was reopened effective 1st May, 1999, only for employees and former employees of the Corporation.

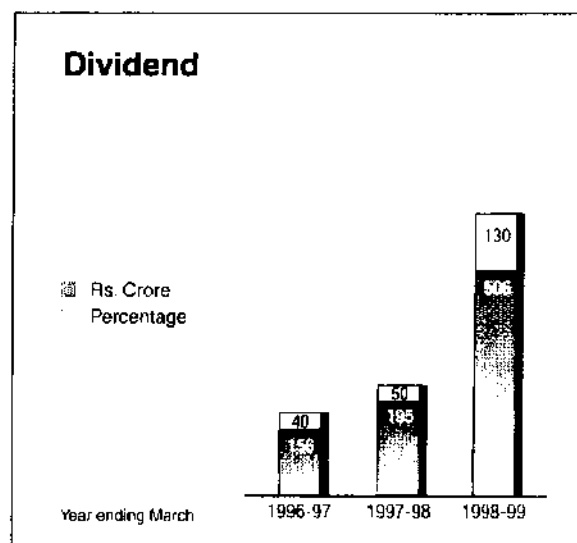
EXPORT EARNINGS

Your Corporation earned Rs. 1,396 crore during the year through exports. This includes foreign exchange earned through sale of aviation fuel on international flights, marine bunker fuels and lubricants for aviation/marine use.

QUALITY ASSURANCE

Your Corporation recognises that quality assurance in products and services is the key to customer satisfaction.

During the year, quality control laboratories were commissioned at Marketing Terminals at Panipat refinery, Rewari, Sangrur and Bhatinda. The laboratories at Visakhapatnam, Paradeep and Jaipur earned ISO 9002 certification. The QC lab of Mathura refinery became the first in the oil sector to be accredited by National Accreditation Board for Test and Calibration Laboratories (NABL).



INFORMATION TECHNOLOGY

The first phase of Project *MANTHAN*, organisation-wide Information Technology Re-engineering, was completed. The next phase of software development is in progress.

A structured action plan for Y2K compliance was developed in-house; this is under implementation with a target date of compliance well ahead of the zero hour.

OPERATIONS

A severe cyclonic storm ravaged the Gulf of Kutch in Gujarat in June 1998 causing extensive damage to the pipelines, marketing and LPG installations of your Corporation at Kandla and Vadinar. It goes to the credit of our colleagues in these affected areas that they managed to overcome all odds to restart operations within 24 hours, and restore near normalcy within a fortnight through concerted team effort. Thanks to this achievement, supply and distribution of petroleum products remained unaffected.

REFINERIES

Your Corporation attained a record crude throughput of 30.36 million tonnes during 1998-99, surpassing the previous best of 27.50 million tonnes in 1997-98.

For the sixth consecutive year, the refineries at Guwahati, Barauni, Gujarat, Haldia, Mathura and Digboi collectively attained over 100% capacity utilisation by processing 28.15 million tonnes of crude oil. The seventh refinery at Panipat was commissioned in phases during the year and it processed 2.21 million tonnes of crude oil.

The major secondary processing facilities such as fluidised catalytic cracking units and hydrocracker also achieved over 100% capacity utilisation.

PIPELINES

Your Corporation operates the largest network of crude oil and product pipelines in the country.

The pipeline network was expanded from 5,762 km to 6,268 km with commissioning of the Haldia-Barauni crude oil pipeline in February 1999, ahead of schedule. The overall capacity has also gone up from 33.95 million metric tonnes per annum (MMTPA) to 38.15 MMTPA.

During 1998-99, your Corporation achieved the highest ever pipeline throughput of 34.05 million tonnes, surpassing the previous best of 31.03 million tonnes during 1997-98.

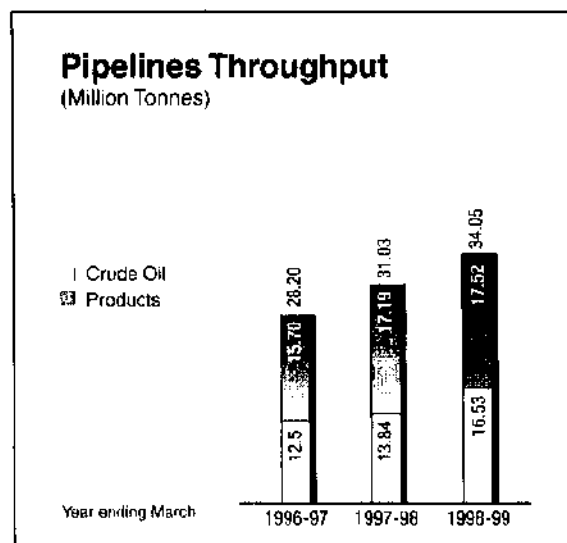
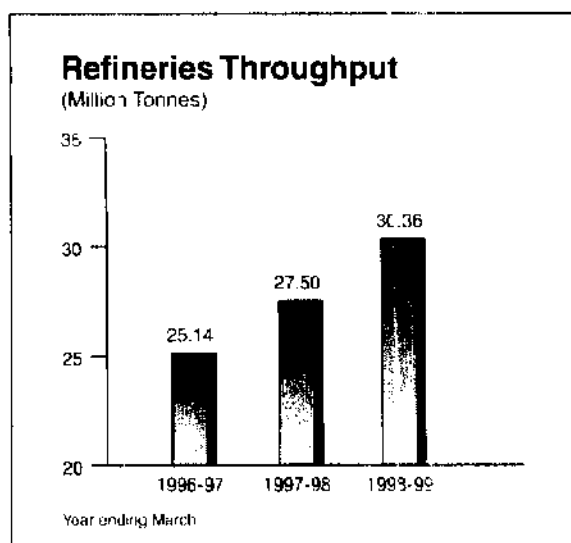
MARKETING

Sales

Product sales by your Corporation reached a record 46.05 million tonnes during 1998-99, surpassing the previous best of 43.41 million tonnes in the previous year. Your Corporation operates a marketing network of over 19,000 sales points, the largest in the country.

Customer Focus

For sharper customer focus and quicker response, the marketing organisation is being restructured to replace our four Regional Offices by 15 State Offices as Strategic



Business Units. The State Offices will manage 44 Divisional Offices, 33 Indane Area Offices, 185 Terminals and Depots, and 50 LPG bottling plants as individual profit centres.

In line with the Corporate Vision of Environment Conscience, extra low sulphur diesel was introduced in Mumbai, Calcutta, Chennai and outer Delhi from April 1, 1998. Supplies to the inner city of Delhi had commenced earlier, from August 15, 1997. Supply of unleaded petrol has been extended to all State Capitals, Union Territories and towns with population of 10 lakh and above.

Direct Sales

For the convenience of bulk consumers, your Corporation commissioned 38 captive consumer outlets during the year, bringing the total to 5,026.

Retail Sales

Your Corporation commissioned 175 retail outlets and 2 SKO/LDO dealerships during the year, taking the total to 6,954 and 3,422 respectively.

As a part of the 'Vision 2000' programme, over 400 retail outlets of your Corporation have been upgraded with enhanced facilities and value added services. About 35,000 IndianOil-Citibank co-branded credit cards were issued during the year.

"Jubilee Retail Outlet Scheme" – an innovative concept to provide world-class facilities and amenities on the highways – was launched during the year, to commemorate the Golden Jubilee of our Independence. The country's first Jubilee Outlet was commissioned by

IndianOil at Ongole in Andhra Pradesh within a record time of three months, in September 98. Twenty-one more such outlets were commissioned by March 99.

Rural Sales

The Corporation has set up 231 multipurpose distribution centres to cater to the fuel and other special needs of rural areas. In addition, 30 Taluka Kerosene Depots are in operation to facilitate availability of kerosene in remote and far-flung areas.

LPG Marketing

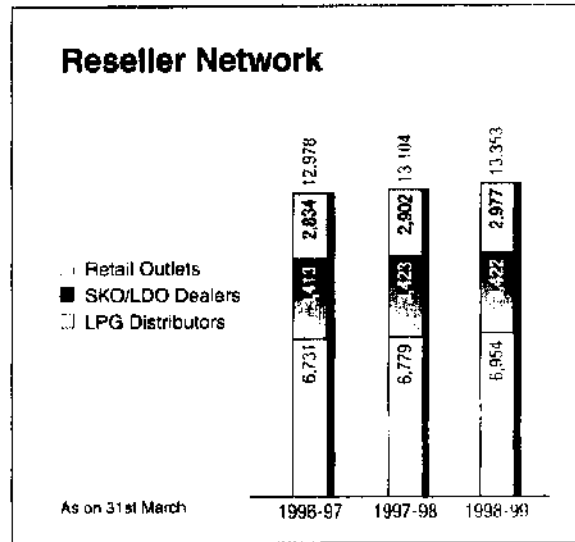
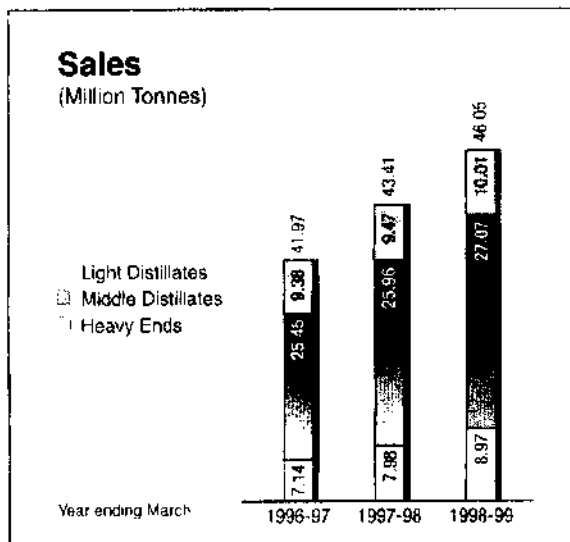
During the year, the number of households using Indane cooking gas went up to 191.6 lakhs, from 169.7 lakhs in the previous year.

For improved customer service, 75 Indane distributorships were added during the year, raising the number to 2,977. With commissioning of Indane bottling plants at Akola, Manmad, Cherlapally, Madurai and Mayiladuthurai, the 50 bottling plants of your Corporation have a capacity to bottle 1.9 million tonnes per annum.

Aviation Sales

Your Corporation continued to lead the aviation fuel business with a market share of 69.3%, meeting 100% requirements of the Indian Navy and Army, and nearly 90% of the needs of the Indian Air Force. During the year, seven more international airlines chose your Corporation for supply of aviation fuels and lubricants.

The aviation service of your Corporation has improved its ranking among the regional fuel marketers from 28 to 22



this year, in a survey conducted by The Armbrust World Jet Fuel Report.

During the year, all the 92 Aviation Fuel Stations of your Corporation achieved the quality control index target. A business process re-engineering exercise was undertaken for improved logistics, resource utilisation and productivity through modernisation.

The eighth Annual International Aviation Seminar, organised at Jaipur, was well attended by international airlines and oil companies of various countries.

Lubricants

Your Corporation achieved record lube sales of 471 thousand tonnes, registering a growth of 12.7%. Despite stiff competition, the market share improved from 49.9% to 53.1% among PSUs and from 39.3% to 41.9% in the industry as a whole. About 500 kl of finished lubricants were exported to the United Arab Emirates, Kuwait, Kenya, Nepal and Sri Lanka. As a new marketing initiative, 494 *ServoShops* - exclusive premium lube outlets - were commissioned during the year, besides 55 lube distributorships.

Shipping

During the year, 484 import tankers and 28 export tankers were handled by your Corporation, including 317 crude oil import tankers. Additional jetties were taken in use at Haldia and Paradeep.

INTERNATIONAL TRADE

Through a carefully selected, diversified mix of supply sources, your Corporation arranged to import 39.80 million

tonnes of crude oil, 18.87 million tonnes of fuel products and 0.012 million tonnes of lubricants. Your Corporation also exported 0.79 million tonnes of petroleum products during the year.

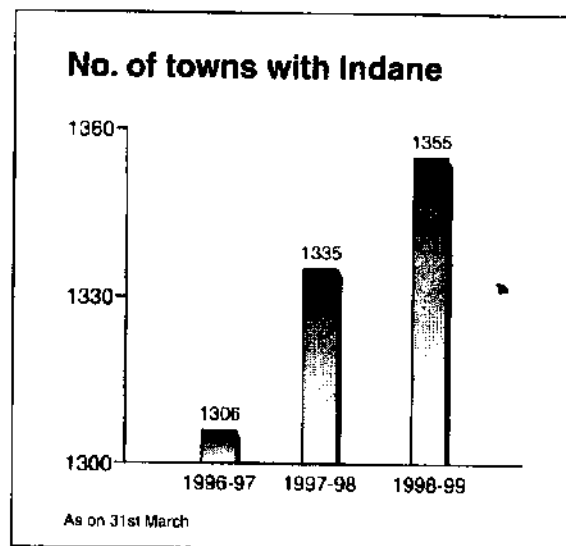
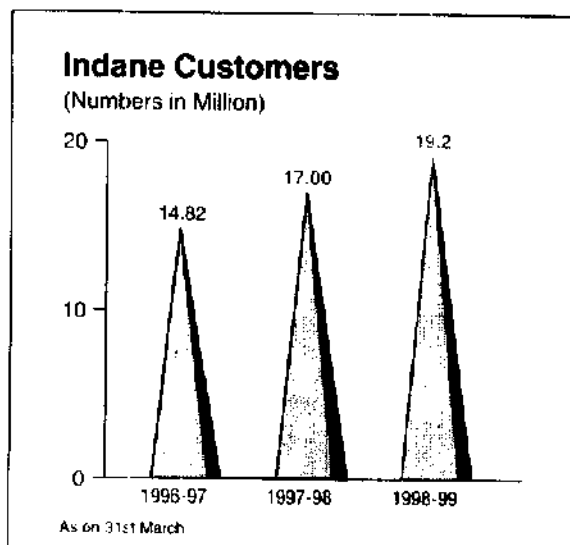
	Quantity (MMT)	Value (Rs. Crore)
Imports		
Crude Oil	39.80	14,906.85
Fuel Products (including those on behalf of Nepal Oil Corporation)	18.87	9,857.92
Lubricants	0.012	37.50
Exports		
Petroleum Products & Lubricants	0.79	373.90

RESEARCH & DEVELOPMENT

During the year, the R&D Centre of your Corporation enhanced its stature as the premier petroleum industry R&D institution in the country. Patenting of intellectual property was given a new thrust with filing of a record 40 patents, including 28 filed abroad.

Some of the significant R&D achievements include:

- 34 new products developed in the area of lubricants technology
- 42 product approvals obtained from national and international approval authorities, and original equipment manufacturers
- Significant breakthroughs were achieved in the area





of fuel quality improvement, eg., reduction of benzene in motor spirit at Barauni refinery using a kinetic model developed by the R&D Centre in combination with cut point management

- A process developed to reduce p-dioxane in benzene at Gujarat refinery
- A novel technology developed for production of WHO grade hexane.
- A demonstration plant based on INDMAX process for increased LPG yield is under implementation at Guwahati refinery.
- Several new state-of-the-art laboratory facilities set up, of which the mileage accumulation chassis dynamometer at a cost of Rs. 13.52 crore, is the only one of its kind in India.

The R&D Centre was asked by the Government to set up two fuel testing laboratories – one each at NOIDA and Gurgaon – consequent upon the Hon'ble Supreme Court directive to the Government to monitor and regulate fuel quality as a step towards reduction of vehicular pollution in the National Capital Territory.

In order to benefit from areas of excellence in various R&D/academic institutions, and to quicken the pace of technology development, the R&D Centre entered into six collaborative projects worth Rs. 0.35 crore with reputed organisations like Tata Energy Research Institute(TERI), New Delhi, the Silk and Art Silk Mills Research Association(SASMIRA), Mumbai, National Chemical Laboratories(NCL), Pune, and National Physical Laboratories(NPL), Delhi. Two experts in the areas of extraction and chemical sciences were invited for skill-upgradation.

The first lubricating grease conference under the aegis of NLGI India Chapter, with its headquarters at the R&D Centre, was organised at Nainital. Appreciation and recognition from various institutions for collective as well as individual achievements kept the R&D Centre in the limelight.

ASSAM OIL DIVISION

The Digboi refinery of the Assam Oil Division (AOD) processed 0.55 million tonnes of crude oil during the year. The Division sold 0.84 million tonnes of products and retained its position as a market leader in the North-East region. AOD currently operates 311 retail outlets, 398 SKO/LDO dealerships, and about 60 consumer outlets. It supplies Indane cooking gas to over 5.9 lakh households through 164 distributors covering 106 towns.

PROJECTS

Project implementation is continuously monitored and accelerated by your Corporation.

Completed Projects

Major projects completed during the year are:

- Grassroots refinery of 6 MMTPA at Panipat
- Haldia-Barauni crude oil pipeline
- New delayed coker unit at Digboi mechanically completed, under commissioning
- Diesel hydro-desulphurisation unit at Panipat mechanically completed, since commissioned
- Catalytic reformer unit at Mathura refinery
- Wax hydro-finishing unit at Digboi refinery
- About 0.5 million kl tankage at various marketing locations
- LPG bottling plants at 5 locations
- Emission lab for passenger and diesel vehicles, and electron spectroscopy for chemical analysis at the R&D Centre.

On-going Projects

Projects worth over Rs. 10,000 crore are under execution. Major on-going projects are :

- Grassroots refinery at Paradip in Eastern India in joint venture
- Expansion of Gujarat refinery by 3 million tonnes per annum
- Augmentation of Salaya-Viramgam section of Salaya-Mathura pipeline to 21 MMTPA and Viramgam-Koyali section to 6.5 MMTPA.
- Expansion of Barauni refinery to 6 million tonnes per annum
- Diesel hydro-desulphurisation projects at Gujarat(commisioned in June 99), Mathura (under commissioning) and Haldia refineries
- Matching secondary processing facilities at Mathura refinery
- Facilities for production of micro-crystalline wax at Haldia refinery
- Facilities for production of MTBE and butene-1 at Gujarat refinery and chemical grade propylene at Panipat refinery

- Incorporation of ROSE technology in the propane de-asphalting unit of Haldia refinery
- Fluidised catalytic cracking unit (FCCU) at Haldia refinery
- New vacuum distillation unit (VDU) at Haldia refinery
- Hydro-treatment facilities at Guwahati and Digboi refineries
- Solvent dewaxing unit at Digboi
- Augmentation of Viramgam-Chaksu section of Salaya Mathura crude oil pipeline to 14 MMTPA
- Augmentation of Haldia-Barauni crude oil pipeline to 7.5 MMTPA
- Augmentation of Kandla-Bhatinda products pipeline to 8.8 MMTPA
- Branch pipeline to Budge Budge from Haldia-Maurigram-Rajbandh pipeline
- Branch pipeline to Meerut and Saharanpur from Mathura-Jalandhar pipeline(MJPL)
- Augmentation of Panipat-Ambala and Ambala-Jalandhar sections of MJPL
- Mathura-Tundla pipeline
- Branch pipeline to Lucknow from Barauni-Kanpur pipeline
- Over 0.7 million kl tankage at various marketing locations
- Nineteen LPG bottling plants
- Lube blending plants at Silvassa and Asaoti
- Lube speciality complex at Taloja
- CS-2 based additive plant at Taloja
- Construction of a jetty at Kandla
- Facilities for production of paraxylene/PTA at Panipat
- ASTM sequence test benches, instrumented 'pig', indigenous test benches and resid upgradation studies at the R&D Centre
- Extension of Mathura-Tundla pipeline to Kanpur
- Augmentation of Salaya-Mathura crude oil pipeline to 36 MMTPA and Viramgam-Chaksu to 28 MMTPA
- Jalandhar-Uchampur pipeline
- Simulated circular test track facility and Cummins L-10 Injector deposit test bench at the R&D Centre

BUSINESS DEVELOPMENT

Vision

The Corporate Vision describes your Corporation evolving into "a major, diversified, transnational, integrated energy company...". Aligned with this vision, a series of strategic initiatives were taken up, and several agreements and decisions reached, during the year under review.

Strategic Alliance with ONGC Ltd.

The two premier PSUs in the Indian Hydrocarbon Industry – your Corporation in the Downstream Sector and ONGC Ltd. in the Upstream Sector – have agreed to form a Strategic Alliance to secure sustained growth and prosperity through synergy of knowledge and physical resources, in India and abroad. The framework for this alliance was developed after intensive discussions between the Chairmen and nominated Directors over nearly a year. The Memorandum of Strategic Alliance has since been ratified by your Navratna Board as well as the Navratna Board of ONGC Ltd. The Government of India in the Ministry of Petroleum & Natural Gas have assured their support to this Strategic Alliance. The Alliance is reinforced by the swap of 10% of the respective Government Equity between the two Corporations during the process of disinvestment in 98-99. Both the partners in the Alliance will retain their primary focus on the respective core businesses and core competencies. Joint ventures are proposed to be formed, pooling the resources of both the Corporations, to exploit opportunities across the Hydrocarbon Value Chain.

Exploration & Production

Memoranda of Understanding were signed with Premier Oil Pacific Ltd. UK and Petronas Carigali, Malaysia, to participate in the NELP bids invited by the Govt. of India. NELP bids are also proposed to be formulated through the Strategic Alliance with ONGC Ltd.

Power Projects

Substantive progress was made during the year in obtaining the required approvals and licences for the proposed refinery residue-based power projects at Panipat (Haryana) and Savli (Gujarat), and the Naphtha-based power project at Bhatinda (Punjab). Marubeni and Mitsubishi have been selected as partners for Panipat and Savli projects respectively.

New Projects :

Major investments are being considered for :

- Expansion of Panipat refinery to 12 million tonnes per annum
- Catalytic iso-dewaxing unit at Haldia refinery
- Expansion of Gujarat refinery to 18 million tonnes per annum
- Residue upgradation facilities at Gujarat refinery
- South India Refinery Project (SIRP) at Nagapattinam in Tamil Nadu as a joint venture with MRL
- Pipavav-Koyali crude oil pipeline

Petrochemicals

Preparatory work for developing a PX/PTA project linked to Panipat refinery was completed during the year. Your Navratna Board have since approved the project. Several firms in India and abroad have expressed interest in joining your Corporation as Equity Partners.

Refineries

A Memorandum of Understanding was signed with Madras Refineries Ltd.(MRL) for cooperation in downstream hydrocarbon sector business, including expansion of MRL's Cauvery-Basin refinery at Nagapattinam as a joint venture. Negotiations on formation of the joint venture for the Eastern India Refinery Project continued.

Di-Methyl-Ether(DME)

A Joint Collaboration Agreement was signed between the Indian Combine consisting of your Corporation, Indian Institute of Petroleum and Gas Authority of India Ltd., and Amoco India Development Company, USA, to manufacture and market DME in India. Substantive progress has been made in preparation of the techno-economic feasibility report on use of DME as a power plant fuel. An MoU has been signed with the Govt. of Andhra Pradesh by the project developers.

Additives

A Joint Statement of Intent was executed with ELF Antar for R&D, manufacture and marketing of fuel additives through the retail network of your Corporation. The Govt. of India has decided to divest its equity holding in Lubrizol India Ltd. to your Corporation with the aim of restructuring LIL as a 50:50 joint venture between your Corporation and Lubrizol Corporation, USA. Fruitful negotiations were held with Lubrizol to organise this restructuring.

Parallel Marketing of LPG

A joint venture company, IndianOil Petronas (Pvt.) Ltd., was incorporated with equal participation of your Corporation and Petronas, Malaysia to set up import facilities at Haldia for parallel marketing of LPG. The facilities are under construction.

Marketing

After protracted negotiations by the Marketing Division and detailed review by your Board, Marketing Agreements for APM as well as post-APM period, with a total span of 10 years, were finalised with Reliance Petroleum Ltd. The Agreements have been approved by your Board and the Government. The proposal to form a joint venture between your Corporation and Reliance

Petroleum Ltd. for trading and marketing in petroleum products and for infrastructure development has also been approved by your Board.

A marketing rights agreement for five years was signed with Cochin Refineries Ltd. for marketing major products from their 7.5 MMTPA refinery. A marketing rights agreement for 10 years was also signed with Bongaigaon Refinery and Petrochemicals Ltd. (BRPL) for marketing of the entire production, except RPC & CPC. An umbrella agreement has been signed with Indian Petrochemicals Corporation Ltd. (IPCL) for annual supply of 0.5 million tonnes of petroleum products.

Training & Consultancy

Officers and staff from your Corporation continue to be seconded to several countries abroad under training & consultancy agreements. Their services, especially in consultancy for performance improvement, have earned appreciation from the clients.

Progress is being made under the Technical Services Agreements with Emirates National Oil Company (ENOC) of UAE, and Petrotrin of Trinidad & Tobago. The contract for management of Ndola Terminal of Zambia National Oil Company has been extended on the basis of satisfactory services rendered by your Corporation.

Collaborations

A Joint Statement of Intent was finalised with the Petroleum Authority of Thailand(PTT) for wide-ranging collaboration. Significant progress was made under a similar collaboration with Petronas, Malaysia. The Government of Mauritius has offered equity participation to your Corporation in a proposed joint venture for terminalling facilities and operations.

Pipelines

A Memorandum of Understanding was signed with Enbridge International Inc., Canada, for collaboration in design, construction management, operation and maintenance techniques, training & consultancy, benchmarking and investment in cross-country pipelines in India and abroad. Your Corporation is the Lead Company for execution of Vadinar-Kandla Pipeline and Chennai-Trichy-Madurai Pipeline, both incorporated as subsidiary companies of Petronet India Ltd. As part of an agreement with M/s Bongaigaon Refineries & Petrochemicals Ltd.(BRPL), IndianOil will supply 1.5 million tonnes of crude oil through the Haldia-Barauni crude oil pipeline, for onward transportation to the refinery through the Oil India Ltd. pipeline.

Joint Ventures

Your Corporation is a partner in several joint ventures – Petronet LNG, Petronet-India, Indian Oiltanking, Indo-Mobil and Avi-Oil. Business activities of these joint ventures continued satisfactorily during the year.

Lube Exports

Actions were initiated to appoint lube distributors in UAE, Malaysia and Bangladesh.

Overseas Offices

Overseas offices were opened at Dubai, Kuwait and Kuala Lumpur in line with the Corporate Vision of transnational role for your Corporation.

ENERGY CONSERVATION

The Corporation maintained its thrust on energy conservation and concerted efforts were made during the year to minimise energy consumption. Energy conservation schemes implemented during the year will save fuel cost of Rs.10 crore per annum.

To promote oil conservation among the general public, over 1,22,000 programmes were conducted during the Oil Conservation Fortnight.

Significant awards won in this area during 1998-99 are:

- Silver trophy for 'Energy Management of the Year-1998' from IBPL Urja Research Foundation, in the category of Public Sector.
- All the three prizes in the refineries sector under 'National Energy Conservation Award 1998' instituted by the Ministry of Power were bagged by IndianOil refineries. Mathura refinery won the first prize, Haldia refinery the second, and Gujarat refinery the commendation certificate.
- For the year 1998, Mathura and Gujarat refineries also won the first prizes from Ministry of Petroleum & Natural Gas/Centre for High Technology for best furnace and boiler efficiency and best furnace/boiler insulation effectiveness, respectively among public sector refineries.

SAFETY

Safety and fire prevention are ensured through continuous audits, employee involvement, training and management focus.

During the year, the following significant awards were received by your Corporation:

- Mathura refinery became the first oil refinery in the world to be awarded the Occupational Health and Safety Management System (OHSMS) standard certification by M/s.Det Norske Veritas (DNV), Norway.
- Gujarat refinery achieved Level 5 of the International Safety Rating System (ISRS) of DNV, Norway in the very first appearance - a feat accomplished by only 64 refineries worldwide.
- Mathura refinery received 'National Safety Award(Winners)' of DGFASLI, Govt. of India for the longest accident free period and lowest average frequency rate for the year 1993 and 1994.
- Mathura refinery received the National Safety Award of the British Safety Council for 1997.
- Guwahati refinery received the 'National Safety Award(Runner-up)' of DGFASLI, Govt of India for the longest accident free period and lowest average frequency rate for the year 1993.
- British Safety Council awards for 1997 were received by Koyali-Ahmedabad, Kandla-Bhatinda, Mathura-Jalandhar and Haldia-Mourigram-Rajbandh pipelines.
- National Safety Award of USA for 1997 was bagged by Koyali-Ahmedabad pipeline.
- Gujarat Safety Council Award for 1996 was bagged by Koyali-Ahmedabad and Kandla-Bhatinda pipelines.
- Salaya-Mathura and Koyali-Ahmedabad pipelines were awarded the National Safety Award for the year 1993.
- LPG Group of the Marketing Division bagged the Oil Industry Safety Directorate safety award for the year 1996-97.
- All 92 Aviation Fuelling Stations received British Safety Council awards.

ECOLOGY AND ENVIRONMENT

Your Corporation is committed to environmental protection. The refineries at Guwahati, Barauni, Haldia, Mathura, Gujarat and Digboi, and the R&D Centre at Faridabad have environment management systems certified to ISO 14001. During the year, Salaya-Mathura and Koyali-Ahmedabad pipelines became the first oil pipelines in the world to earn the ISO 14001 certification. Two retail outlets of your Corporation also earned ISO 14001 for the first time in the country.



With the Kandla-Bhatinda product pipeline earning the ISO 9001 certification, all pipelines and refineries, including the Pipelines HO at NOIDA, now have ISO 9000 series certification except Panipat refinery and Haldia-Barauni Crude Oil pipeline which were commissioned recently.

All the refineries comply with the prescribed environmental standards with state-of-the-art effluent treatment technology. In a bid to conserve fresh water resources, treated effluent is being recycled and reused in refineries.

The refineries use low-sulphur fuel oil and cleaner fuels to minimise emissions. Secured landfill sites are being developed at refineries for safe disposal of sludge and waste.

Ecological parks have been developed at Mathura and Barauni refineries, which also provide a natural habitat for various local and migratory birds. Mathura refinery has completed plantation of 1 lakh saplings in Agra region to increase the green cover in the ecologically sensitive Taj Trapezium; in addition, 7.5 lakh saplings have been planted at the refineries.

To supply extra low-sulphur diesel(0.25% wt. Max) throughout the country, nine diesel hydro-desulphurisation(DHDS) units are being set up by the oil industry, including four by IndianOil. You will be happy to know that the country's first DHDS unit was commissioned at Gujarat refinery in June 99 followed by another at Panipat refinery in July 99.

Pipelines have earned worldwide recognition as the most environment-friendly, cost-effective and safe mode of transportation of crude oil and petroleum products. As a pioneering step to prove the efficacy of its pipeline network, your Corporation has taken up eco-rating of the Koyali-Ahmedabad pipeline in association with Tata Energy Research Institute (TERI).

In recognition of IndianOil's contribution to preservation of environment, the Mathura and Gujarat refineries of IndianOil were conferred the Golden Peacock National Environment Award-1998 instituted by the World Energy Foundation, at the Ninth World Congress on Total Quality held at Mumbai.

HUMAN RESOURCES

Employee Profile

33,515 employees, including 9,254 officers were on the rolls of your Corporation as on 31.3.99, including 2,528

(7.54%) lady officers and staff. 9,245 (27.58%) officers and staff were from the weaker sections of the society.

HRD

"The Third Eye – A People Workshop" was the highlight of strategic HRD interventions during the year under review. Directors and managers across the hierarchy participated in intensive, structured deliberations to formulate the Corporate Vision Statement. The Corporate Mission Statement was restructured, in the context of the on-going transition to the Open Market. The Corporate Vision & Mission Statements have since been ratified by your Board.

A series of workshops were conducted, involving the Directors, the Management Team and the Collectives to boost the internal communications process. The sessions were focussed on issues of strategic importance. These exercises on information-sharing and consensus-building were enthusiastically received by the people in the organisation.

The Corporation's apex training organisation – the IndianOil Institute of Petroleum Management(IIPM) – completed the third international MBA Programme. Officers from the Defence Services and a sister PSU also participated. IIPM's Charter includes Research & Consultancy; in fulfillment of this objective, the second volume of IndianOil Case Studies, developed in-house by our managers, was published.

The training process was reinforced through systematic appraisal of quality of the faculty as well as the programmes at IIPM, IndianOil Management Academy and the chain of Training Centers throughout your Corporation. By stressing the Action Learning approach, the participants are being motivated to follow through with the ideas generated in training programmes, for implementation at their respective work-places.

Pursuit of Excellence

At the instance of the Ministry of Petroleum & Natural Gas, your Corporation organised PETROTECH-99, the premier International Hydrocarbon Conference in India. The Conference was inaugurated by the Hon'ble Prime Minister who, in a major initiative, called for formulation of "India Hydrocarbon Vision 2020." The excellence in organisation, brought out through record participation of delegates from India and abroad, outstanding technical quality of papers and discussions organised by the R&D Centre, and faultless administrative arrangements – earned unstinted appreciation for your Corporation from

all corners. The Hon'ble Minister for Petroleum and Natural Gas and the Hon'ble Minister of State for Petroleum and Natural Gas formally complimented your Corporation on this outstanding achievement.

The National Petroleum Management Programme – a learning network of Oil Sector PSUs – instituted a series of Awards for Excellence from 98-99. Your Corporation was selected by the respective jury for 4 out of the 7 awards. These awards recognise the excellence of your Corporation in Innovation by an Individual, Project Management, Women's Development, and Creativity & Innovation in Teams.

Your Corporation received the Golden Peacock National Training Award, in recognition of excellence in Training & Development, from the Institute of Directors. The Institute of Directors also presented the Golden Peacock National Quality Award to your Corporation for sustained improvements in Total Quality Culture.

The IndianOil Institute of Petroleum Management was selected for the Award for "Best Innovation in Teaching" by the Association of Indian Management Schools.

Welfare

Your Corporation continues to provide comprehensive welfare facilities to all members of the IndianOil Family. The scheme for Post Retirement Medical Facility was reviewed and substantially improved. The Voluntary Retirement Scheme was made more attractive, leading to significantly improved response.

Sports

Your Corporation has consistently promoted talent in sports. During the year, S/Shri Chetan P. Baboor and Asif Ismail received the Arjuna Award from the Hon'ble President of India, in recognition of their sustained record of excellence in Table Tennis and Tennis respectively. With this, the strength of Arjuna awardees in your Corporation rises to four. Shri P. Gopichand (Badminton), Kum. Aparna Papat (Badminton) and Shri P. Srinath (Tennis) won medals in the Commonwealth Games at Kuala Lumpur and the Asian Games held at Bangkok.

Your Corporation won the Petroleum Secretary's Trophy for overall team ratings in the tournaments conducted by the Petroleum Sports Control Board. Inter-Region and Inter-Refinery Sports Meets were conducted with great enthusiasm. In addition to the players of national and international ranking in Tennis, Table Tennis, Badminton, etc., men and women of national ranking in Golf were

Inducted. For the first time, a Corporate Tournament – the *SERVO* Cricket Trophy – was organised, with enthusiastic participation of employees from all the units of your Corporation.

Community Development

As a responsible corporate citizen, your Corporation made substantive contributions for the education, health and welfare of the weaker sections of the society under the Special Component Plan, throughout the country.

Employees' Participation

Your Corporation continued its endeavour to promote employees' participation in various initiatives on safety, welfare, Quality Circles, etc. Several meetings were held with the collectives to promote Work Culture and Values in your Corporation.

Smt Deepali Ranga of Guwahati refinery received the National Award for The Best Disabled Employee Among Public Sector Undertakings for the year 1998. Shri Brajesh Kumar Singh, formerly of Barauni refinery and now at Panipat refinery on transfer, bagged the 'Shram Shree' award under the Prime Minister's Shram Awards 1997 in October 1998.

Welfare of Weaker Sections

Your Corporation has been diligently following the Presidential directives and various instructions, guidelines of the Government relating to welfare of weaker sections, SC/ST/OBC, physically handicapped, ex-servicemen etc. Apart from the statutory requirements, your Corporation continues to award 50 scholarships to eligible SC/ST students pursuing studies in engineering, medicine and business administration.

Statistical information in the prescribed proforma (VIA & VIIB) relating to representation of SCs/STs is given in Annexure-2.

Hindi Implementation

During the year, your Corporation continued to comply with the provisions of the Official Languages Act 1963 and Official Languages Rules 1976 and took several steps to promote the use of Hindi in day-to-day working. Your Corporation won awards from the Department of Official Language, including the Indira Gandhi Rajbhasha Shield, for its efforts in promotion of the Hindi language.



Industrial Relations

The overall industrial relations climate continued to be harmonious, peaceful and cordial.

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. 4.00 crore, IOBL earned a net profit of Rs.10.66 crore.

The two lube plants with a production of 3,73,646 kl attained a capacity utilisation of 149%. In its eighth full year of operation, the grease plant at New Mumbai (Vashi) attained a capacity utilisation of 101% with a production of 14,175 metric tonnes.

FOREIGN TOURS

Out of the 465 foreign tours undertaken by officers during 1998-99, 159 were for attending training programmes. The total expenditure on foreign tours was Rs. 440 lakh.

ENTERTAINMENT EXPENSES

The entertainment expenses for the year 1998-99 amounted to Rs. 19.79 lakh.

BOARD OF DIRECTORS

Shri Nirmal Singh and Shri Devi Dayal ceased to be Directors with effect from 23rd October, 1998 and 12th May, 1999 respectively. Shri P. Sugavanam took over as Director(Finance) effective 3rd September, 1998.

Consequent upon IndianOil attaining the *Navratna* status, five part-time non-official Directors were inducted on the Board with effect from 29th January, 1999. The new Directors on the Board are Dr.R.K.Pachauri, Director, Tata Energy Research Institute, New Delhi; Shri M.Kalyanasundaram, President, INTUC, Tamil Nadu; Prof.S.K.Barua of the Indian Institute of Management, Ahmedabad; Shri Vineet Nayyar, Managing Director, HCL Corporation Ltd. and former Chairman, GAIL; and Shri L.Sabaretnam, Chairman & Director, South India Structural Corporation Ltd., Chennai.

Shri Naresh Narad, Additional Secretary(Marketing), Ministry of Petroleum & Natural Gas, assumed charge as a Director of IndianOil with effect from 16.6.99.

Report On Energy Conservation, Technology Absorption And Foreign Exchange Earnings

In accordance with the Companies (Disclosure of Particulars in the report of Board of Directors) Rule, 1988, a report on energy conservation, technology absorption and foreign exchange earnings is given in Annexure-1.

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, 1999 are given in Annexure-3.

ACKNOWLEDGEMENTS

The Board of Directors deeply appreciates the valuable services and dedicated efforts of the members of the IndianOil family but for whose efforts the excellent results and achievements of your Corporation could not have been possible. The Board of Directors also wishes to acknowledge the valuable guidance and support received from the Government of India and the various State Governments.

The Board of Directors also wishes to place on record its appreciation of the significant contribution made by Shri Nirmal Singh and Shri Devi Dayal during their tenure on the Board of the Corporation.

For and on behalf of the Board


M.A.PATHAN
Chairman

New Delhi
Dated : 16.7.99

Annexure

Annexure-1

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 projects are at various stages of implementation at refineries.

b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

i. Schemes Implemented:

Sl. No.	ITEM	COST (Rs. Lakh)	Fuel Savings (Tonnes/Year)
1.	Reduction in steam & power consumption through operational improvements at Gujarat refinery	Nil	10,345
2.	Improving steam & power balance through optimisation of GT/TG operation at Gujarat refinery	Nil	7,500
3.	Installation of Soaker Technology in vis-breaker unit at Haldia refinery	1,112	7,000
4.	Installation of OBSG (Out Board Steam Generator) in CRU at Haldia refinery	385	1,150
5.	Improvement of Pre-heat through Pinch technology in CDU at Haldia refinery	38	400
6.	Dense loading of catalyst in CRU at Haldia refinery	4	410
7.	Replacement of metallic blades with FRP blades in air coolers at CDU / FCCU at Mathura refinery	9	200
8.	Use of LP steam in re-boilers of PRU at Mathura refinery	Nil	1,000
9.	Utilisation of CRU off-gases in process furnaces at Digboi refinery	Nil	2,770
10.	Stable operation of HRSGs at Digboi refinery	38	5,000
TOTAL		1,586	35,775

II. Major Schemes Under Implementation :

- Delayed Coker Unit revamp and furnace replacement at Guwahati refinery
- Crude Distillation Unit Air Pre-Heater modification & Pre-heat train Optimisation at Guwahati refinery
- Yield & Energy Optimisation in Coker-A at Barauni refinery
- Heat recovery facility at Coker-A at Barauni refinery
- Modernisation of Vacuum system and Desalter revamp of AVU-I/II at Barauni refinery
- Energy Optimisation in Atmospheric Unit-3 at Barauni refinery
- Gas Turbine Installation at Barauni refinery
- Heat Recovery Steam Generation (HRSG) facility in Gas Turbine at Barauni refinery
- Installation of Gas Turbine (GT-3) at Gujarat refinery
- Crude Distillation Unit (AU-4) Furnace revamp at Gujarat refinery
- Feed Preparation Unit-1 Furnace revamp at Gujarat refinery
- Vacuum Distillation Unit revamp at Gujarat refinery
- Improvement in pre-heat at AU-1/2/3/4 and FPU-1/2 at Gujarat refinery
- Propane De-Asphalting Unit revamp with ROSE at Haldia refinery
- Yield & energy improvement in Atmospheric & Vacuum Unit at Mathura refinery
- Installation and commissioning of GT-2 at Mathura refinery
- New Delayed Coker Unit at Digboi refinery
- Wax Hydro Finishing Unit to replace existing bauxite filtration & acid treating units at Digboi 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 II, on completion, are expected to result in fuel savings of 180,000 MT per year valuing about Rs.52 crore per year.

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 EARNING AND OUTGO

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

Export of *SERVO* branded lubricants to U.A.E., Kuwait, Kenya and Sri Lanka registered a growth of 26% in dollar terms over the previous year. Additionally, lubricants worth about Rs.1 crore were exported to Nepal.

g. Total foreign exchange used and earned :

	(Rs. Crore)
Foreign exchange earnings	1,407.98
Foreign exchange used	24,332.27



Form for disclosure of particulars with respect to conservation of energy

PARTICULARS	TOTAL 1998-99	TOTAL 1997-98
(A) POWER AND FUEL CONSUMPTION		
1. ELECTRICITY:		
a) Purchased		
Qty ('000 KWH)	27377	28217
Rate (Rs./KWH)	5.77	5.64
Amount (Rs./Lakhs)	1580	1593
b) Own Generation		
i) Through Dual Fuel (HSD/Natural Gas Generators)		
Unit ('000 KWH)	381991	274210
KWH per MT of Std. Fuel	2579	2516
Cost/Unit (Rs./KWH)	1.39	1.12
ii) Through Steam Turbine/Generator		
Unit ('000 KWH)	728179	665111
KWH per MT of Std. Fuel	1913	2138
Cost/Unit (Rs./KWH)	3.16	1.51
c) Electricity Consumed		
(a+b) ('000 KWH)	1137547	967538
2. COAL		
	—	—
3. LIQUID FUEL (LSHS & FO)		
Qty (MTs)	848819	797938
Amount (Rs./Lakhs)	38753	15858
Average Rate (Rs./MT)	4566	1992

PARTICULARS	TOTAL 1998-99	TOTAL 1997-98
4. OTHER / INTERNAL FUEL		
a) INTERNAL FUEL		
i) Fuel Gas		
Unit (MTs)	445633	385329
Amount (Rs./Lakhs)	15655	6933
Average Rate (Rs./MT)	3513	1799.18
ii) LDO		
Unit (MTs)	31492	6616
Amount (Rs./Lakhs)	1411	194
Average Rate (Rs./MT)	4480	2939
iii) Coke		
Unit (MTs)	117242	106921
Amount (Rs./Lakhs)	4509	2004
Average Rate (Rs./MT)	3846	1874
b) PURCHASED FUEL		
i) Natural Gas		
Unit (MTs)	263119	240938
Amount (Rs./Lakhs)	11922	9932
Average Rate (Rs./MT)	4531	4122
B. CONSUMPTION PER MT OF PRODUCT		
i) Actual Production ('000 MTs)	28394	26405
ii) Consumption per MT of Product		
- Electricity (KWH/MT)	40.063	36.642
- Liquid Fuel (MT/MT)	0.030	0.030
- Fuel Gas/LDO/Coke (MT/MT)	0.021	0.019
- Natural Gas (MT/MT)	0.009	0.009

Note : The average rate of fuel has increased due to increase in refinery transfer prices on account of deregulation of refining sector w.e.f 1.4.98.



**Form for disclosure of particulars with respect to Technology Absorption,
Research and Development (R&D)**

1. Specific areas in which R&D carried out by the company

- a) Lubricants, greases and specialities
- b) Fuels
- c) Refinery processes
- d) Pipeline transportation of crude oil and products
- e) Material failure analysis
- f) Synthesis of additives
- g) Fuel efficient appliances

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

- Servo Marine XXXX series formulations completed extensive field trials and received approvals from M/s Wartsila NSD, Finland; Ulstain Barjen, Norway; Allen Diesel, UK; MBH, Germany; etc. The product has been commercialised.
- Development of a fuel saving multigrade railroad oil, *SERVO RR 606M* established fuel savings of upto 3% after extensive trials at three loco sheds.
- A new engine oil for 4 stroke engine motor cycles manufactured by Kinetic Engineering has been developed as genuine oil.
- A formulation meeting Deere 23A specification has been developed for use as factory fill oil for new tractors.
- M/s Kinetic Engineering who carried out performance evaluation of this product have confirmed that its performance at 1% is comparable with conventional 2% two stroke engine oils.
- A synthetic compressor oil has been specially developed for M/s Hindalco, Renukoot for compressors used for cooling molten aluminium. The party has approved the product based on its excellent performance.
- A semi-synthetic cold rolling oil has been developed. After evaluating the product in experimental rolling mill at RDCIS, Ranchi, the product received clearance for plant trial at Rourkela Steel Plant.
- A semi-commercial demonstration plant at a cost of Rs 86 crore is under installation at Guwahati refinery based on the novel Indmax technology developed earlier for conversion of heavy residues into LPG.
- A liquid phase absorption process has been developed for Gujarat refinery for reduction of para-dioxane in benzene and successfully tried at plant level. This process will enable production of benzene with less than 1 ppm of dioxane to meet the requirement of a major detergent manufacturer.
- A kinetic model for reformer has been developed by R&D Centre. Test runs conducted at the refinery as per R&D recommendations have established the feasibility of achieving less than 1.5% benzene in reformat.
- The Lotus-24 catalyst developed by R&D Centre was validated in plant evaluation in USA and is planned for field trials.
- Prototype instrumented pig assembly of four modules was launched in the wet test loop for performance evaluation.



3. Future plan of action

- a) Development of long life and energy efficient lubricants, greases and specialities
- b) Development of biodegradable and eco-friendly lubricants
- c) High performance novel greases
- d) Setting up of following facilities and pilot plants :
 - Resid upgradation technologies
 - Lube refining technology
 - Catalyst development
 - Cold stand for FCC, hydrocracking and reforming
 - Environment control technologies
 - Hydroprocessing
 - Simulation and mathematical modelling
 - Additional product development and analytical facilities
- e) Extended R&D services to other refineries

4. Expenditure on R&D

	(Rs. Crore)
a) Capital	54.50
b) Revenue	23.55
c) Total	78.05

Technology Absorption, Adaptation and Innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation:

With a view to further improve the product pattern and product quality to meet future environmental emission norms, IndianOil has adopted new technologies in line with the latest developments worldwide. Major steps taken in this regard are given below:

A. IMPORTED TECHNOLOGY:

- i) **Hydrocracker Technology:**
After commissioning and successfully operating the country's first Hydrocracker for maximising the much needed middle distillates production at Gujarat Refinery, Once Through Hydrocracker technology at Mathura refinery is under implementation in addition to similar plant at Panipat Refinery Project.
- ii) **Diesel Hydrodesulphurisation Technology :**
Proven technologies from M/s. IFP, France for Mathura and Panipat refineries and from M/s. UOP, USA for Gujarat & Haldia refineries have been selected for adoption in new diesel hydrodesulphurisation unit for reducing the sulphur content in diesel oil.
- iii) **Diesel Hydrotreatment Technology :**
Technologies from M/s UOP, USA have been selected for Guwahati & Barauni refineries.
- iv) **Hydrogen Plant for DHDS & DHDT Units :**
Proven technology from M/s. Halder Topsoe, Denmark has been obtained for hydrogen plant of DHDS units of Gujarat & Haldia refineries and the same from M/s KTI, Holland has been obtained for hydrogen plant of DHDT unit of Guwahati refinery.
- v) **Hydrofinishing Unit Technology for Treatment of Paraffin Wax/Microcrystalline Wax :**
Process technology has been obtained from M/s. IFP, France for paraffin wax at Digboi and Barauni refineries and for microcrystalline wax at Haldia refinery.
- vi) **Methyl Tertiary Butyl Ether (MTBE) Production Technology :**
As a value addition strategy, MTBE production technology has been adopted from CD Tech, USA for Gujarat refinery.
- vii) **Butene-1 Technology :**
For setting up of butene-1 plant at Gujarat refinery, proven process technology from M/s. IFP, France (in alliance with M/s. Sulzer) is being adopted.
- viii) **Multiple Nozzle Feed Injection Technology for Fluidised Catalytic Cracking Units :**
For improving the distillates yield, state-of-the-art multiple feed injection technology is being incorporated for the FCCU at Mathura refinery from M/s. Stone & Webster, USA.
- ix) **Sulphur Recovery Unit (SRU) Technologies :**
For the up-coming additional SRU units of Mathura, Gujarat and Haldia, proven technology from M/s. Stork Comprimo, Netherlands, has been obtained, to maximise sulphur removal efficiency.
- x) **Incorporation of 'ROSE' Technology in Propane Deasphalting (PDA) Unit at Haldia refinery :**
For reducing the energy & propane consumption alongwith yield improvement, ROSE technology from M/s. Kellogg, USA has been obtained for incorporation in the PDA unit of Haldia refinery.

- xi) Solvent Dewaxing/Deoiling technology at Digboi :**
In order to produce Paraffin & Micro-Crystalline Wax at Digboi refinery, solvent dewaxing/deoiling technology from M/s UOP, USA have been selected for implementation.
- xii) Isosiv Technology at Guwahati refinery :**
For production of unleaded MS at Guwahati refinery, Isosiv technology for separation of low octane component using molecular sieve, is being adopted.
- xiii) Catalytic Iso-Dewaxing Unit at Haldia Refinery :**
For improving the lube oil quality in line with international standards and augmenting production capability, Iso-dewaxing technology is proposed to be adopted at Haldia refinery.

B. INDIGENOUS TECHNOLOGY :

- i) Conversion of Phenol/ Furfural to NMP Solvent :**
A grassroots unit with NMP as solvent in place of furfural has been commissioned at Haldia refinery for quality improvement of lube oil base stock w.r.t. viscosity index. Similarly, replacement of phenol by NMP solvent is under implementation in the phenol extraction unit at Barauni from the point of view of safety and environment protection.
- ii) Soaker Technology :**
Soaker technology in Visbreaker at Haldia refinery has been commissioned for improving distillate yield and reducing energy consumption.
- iii) Production of Alpha Olefins :**
A pilot plant for production of high-value alpha olefins from coker streams has been installed at Barauni refinery based on technology developed by IOC(R&D).
- iv) IndMax Technology :**
IndMax technology developed by IOC(R&D) for converting heavy distillate and residue into LPG/light distillate products. Basic/detailed design and cost estimates completed for demonstration plant at Guwahati refinery.
- v) HSD Stability Additive :**
R&D developed diesel stabilizer package DS-1 supplied to refineries for regular use.
- vi) Bitumen Emulsion :**
A new generation, eco-friendly and cold mix bitumen formulation developed by IOC(R&D) is to be produced shortly at Haldia refinery for skid mounted facilities procured from M/s AKZO Nobel, Holland have been installed.
- vii) WHO Grade Hexane Hydrogenation :**
WHO Grade Hexane Hydrogenation process developed by R&D with indigenous catalyst for production of WHO Grade Hexane is under implementation at Gujarat refinery.
- viii) Reduction of P-Dioxane in Benzene :**
Reduction of P-Dioxane in Benzene at Gujarat refinery achieved through innovative cold process technology route.
- ix) FCC Catalyst :**
R&D recipe prepared and successful pilot plant trial carried out at USA. Experimental batch of 200 MT will be prepared for plant trial at Mathura refinery.

Annexure Contd...

C) MODERNISATION OF INSTRUMENTATION & CONTROL

1. Distributed Digital Control System (DDCS)

Conventional pneumatic instruments in existing process units and captive power plants are being replaced by microprocessor based DDCS in a phased manner. DDCS has already been implemented and commissioned in the following plants.

- All process units of Guwahati, Gujarat, Haldia, Mathura & Panipat refineries. Captive power plant at Mathura & Panipat refineries.
- Atmospheric & Vacuum Unit - I / II, Solvent De-waxing, Additional Coking Unit & Catalytic Reforming units at Barauni refinery
- Distillation & Catalytic Reforming Units at Digboi refinery

Installation of DDCS is under implementation in the following units:

- Coker-A & Atmospheric Distillation Unit-III of Barauni refinery
- Captive Power Plant at Barauni, Gujarat and Haldia refineries

2. Advanced Controls & Optimisation (APC)

APC has been implemented in

- Atmospheric & Vacuum Distillation Units, Fluidised Cracking Unit, Propylene Recovery Unit & Vis-breaking Unit of Mathura refinery
- Crude & Vacuum Distillation Units of Gujarat refinery.
- Crude Distillation Unit - I of Haldia refinery
- Crude Distillation Unit of Guwahati refinery.

Implementation of APC in balance units of above refineries and in others is in progress.

3. Offsite Modernisation

As a part of modernisation of Oil Movement & Storage (OM&S) facilities the following have already been implemented

- Automated tank wagon gantry at Barauni refinery
- Automated sixth tank wagon gantry at Gujarat refinery
- Automation of white oil tank truck gantry at Gujarat refinery
- Automation of tank truck gantry at Haldia refinery
- DDCS based tank gauging has been completed at all the refineries except Digboi.

Implementation of following projects for off-sites modernisation is in progress:

- Automation of black oil tank truck gantry, FCCU / GRE tank wagon gantries at Gujarat refinery
- Tank wagon gantry automation & refinery information system at Haldia and Mathura refineries

4. **Automation of laboratories at all refineries.**

5. **Networking & Realtime Data Base**

These systems have been implemented at Gujarat refinery, while implementation of the same is being taken up at other refineries.

6. **In case of Imported technology (Imported during the last 5 years, reckoned from the beginning of the financial year) the following information is being furnished :**

a) Technology imported for Panipat refinery	Year of Import
i) Merox technology from M/s.UOP, USA.	1994-95
ii) Diesel hydrodesulphurisation technology from M/s.IFP, France.	1996-97

b) Has technology been fully absorbed?

Technology will be fully absorbed after the commissioning of the above units.

Annexure-2

STATEMENT SHOWING THE NUMBER OF RESERVED VACANCIES FILLED BY MEMBERS OF SCHEDULED CASTES AND SCHEDULED TRIBES DURING THE YEAR 1998

(A) Posts filled by Direct Recruitments

Class of Posts	Total No. of vacancies						Scheduled Castes						
	Backlog/Shortfall vacancies				Current vacancies		No. of vacancies reserved for SC		No. of SC candidates appointed	No. of SC vacancies carry forward from previous years (in such cases where de-reservation is permitted)	No. of ST candidates appointed against SC reservations in the 3rd year of carry forward (in such cases where de-reservation is permitted)		No. of reservation lapsed after carry forward for 3 recruitment years (in such cases where de-reservation is permitted)
	Notified		Filled		Notified	filled	Out of Col. 4	Out of Col. 5					
	SC	ST	SC	ST									
1	2	3	4	5	6	7	8	9	10	11			
Group A)	0	2	0	2	229	229	20	20	24	0	0	0	
Group B)	No recruitment is made in this group												
Group C)	9	1	9	1	483	483	60	58	61	9	0	0	
Group D)	0	2	0	2	303	303	41	33	38	0	0	0	
Excluding Sala Karmacharis)													
Group D)	0	0	0	0	1	1	0	0	1	0	0	0	
Safai Karmacharis)													

APPENDIX VII(A)

Scheduled Tribes							Remarks
	No. of vacancies reserved for ST		No. of ST candidates appointed	No. of ST vacancies carry forward from previous year (in such cases where de-reservation is permitted)	No. of SC candidates appointed against ST reservations in the 3rd year of carry forward (in such cases where de-reservation is permitted)	No. of reservations lapsed after carry forward for 3 recruitment years (in such cases where de-reservation is permitted)	
	Out of Col. 4	Out of Col. 5					
	12	13	14	15	16	17	18
	15	15	15	2	0	0	
	13	8	10	1	0	0	
	11	6	6	2	0	0	
	0	0	0	0	0	0	

STATEMENT SHOWING THE NUMBER OF RESERVED VACANCIES FILLED BY PROMOTION BY MEMBERS OF SCHEDULED CASTES AND SCHEDULED TRIBES IN INDIAN OIL CORPORATION LTD. DURING THE YEAR 1998

(B) Posts filled by Promotion

APPENDIX VII(B)

Class of Posts	Total No. of vacancies		Scheduled Castes					
	Notified	Filled	Total No. of No. of SC vacancies reserved		No. of SC candidates appointed	No. of SC vacancies carried forward from the previous years	No. of ST candidates appointed against vacancies reserved from SCs in the 3rd year of carry forward	No. of reservations lapsed after carrying forward for three years
			Out of Col.2	Out of Col.3				
1	2	3	4	5	6	7	8	9
Group 'A' (to the lowest Fung)	402	402	33	33	63	0	0	0
Group 'B'	567	567	113	113	93	55	0	0
Group 'C'	2243	2243	303	303	371	36	0	0
Group 'D' (Excluding Safai Karmacharis)								Being lowest grade no promotion is made in this group
Group 'D' (Safai Karmacharis)								Being lowest grade no promotion is made in this group.

Class of Posts	Scheduled Tribes						Remarks
	Total No. of Vacancies reserved		No. of ST candidates appointed	No. of ST vacancies carried forward from the previous year	No. of SC candidates appointed against vacancies reserved for STs in the 3rd year of carry forward	No. of reservations lapsed after carrying forward for 3 years	
	Out of Col.2	Out of Col.3					
	10	11	12	13	14	15	16
Group 'A'	23	23	15	28	28	0	
Group 'B'	47	47	36	114	9	0	
Group 'C'	130	130	127	146	0	0	
Group 'D' (Excluding Safai Karmacharis)							Being lowest grade no promotion is made in this group
Group 'D' (Safai Karmacharis)							Being lowest grade no promotion is made in this group.

Auditors' Report

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Indian Oil Corporation Limited as at 31st March, 1999 and the Profit and Loss Account of the Company annexed thereto for the year ended on that date in which are incorporated the accounts of certain units audited by branch 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 account as required by law have been kept by the Company so far as appears from our examination of the books:
 - c) The allocation of work amongst the auditors has been followed as per directions contained in letter No.I-024/1011388/94-IGC dated 24.02.99 and letter No.I-024/1011388/94-IGC dated "nil" addressed to Indian Oil Corporation Limited by the Government of India, Ministry of Finance, Department of Company Affairs, 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 together with the Statement of Significant Accounting Policies (Schedule "Q") Notes on Accounts (Schedule "R") and other Schedules ("S" to "X") comply with the mandatory Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956 and give the information required by the said Act in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1999
and
 - ii) In the case of Profit and Loss Account, of the profit of Company for the year ended on that date.

V. SANKAR AIYAR & CO.
Chartered Accountants

Sd/-
(S. VENKATRAMAN)
Partner

L. B. JHA & CO.
Chartered Accountants

Sd/-
(K. GUHATHAKURTA)
Partner

B. K. SHROFF & CO.
Chartered Accountants

Sd/-
(O.P. SHROFF)
Partner

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(J. C. GUPTA)
Partner

Place : New Delhi
Dated: May 28, 1999



ANNEXURE TO THE AUDITORS' REPORT

(Referred to In Paragraph 1 of our Report of even date)

1. The Company has generally maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets of the Company 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 Company 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 Company and the nature of its business.
4. In our opinion, the procedures of physical verification of stocks followed by the Company are reasonable and adequate in relation to the size of the Company 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 Company has neither taken nor given 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/to Companies under the same Management as defined under Sub-section (1B) of Section 370 of The Companies Act, 1956.
8. The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts wherever stipulated and are also regular in payment of interest where applicable.
9. In our opinion and according to the information and explanations given to us, and having regard to some of the items purchased being of proprietary nature, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of raw materials, stores including components, plant and machinery, equipment and other assets and for the sale of goods.
10. In our opinion and according to the information and explanations given to us, there are no purchases of goods and materials and sale of goods, materials and services, exceeding Rs.50,000/- in value for each type thereof, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 except purchases from/ sales to other Government Owned Companies at regulated prices.
11. As explained to us, the Company 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.
12. In our opinion and according to the information and explanations given to us, the Company 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.



13. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of contaminated products, slops and scraps where applicable.
14. The Company has an internal audit system commensurate with the size and nature of its business.
15. We have broadly reviewed the books of account maintained by the Company 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.
16. According to the records of the Company, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees' State Insurance Scheme is not applicable to the Company.
17. According to the records and information and explanations furnished, there was no amount outstanding on 31st March, 1999 in respect of undisputed income tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
18. 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.
19. 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) Act, 1985.
20. 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.

V. SANKAR AIYAR & CO.
Chartered Accountants

Sd/-
(S. VENKATRAMAN)
Partner

L. B. JHA & CO.
Chartered Accountants

Sd/-
(K. GUHATHAKURTA)
Partner

B. K. SHROFF & CO.
Chartered Accountants

Sd/-
(O.P. SHROFF)
Partner

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(J. C. GUPTA)
Partner

Place : New Delhi
Dated: May 28, 1999

Balance Sheet

BALANCE SHEET AS AT 31ST MARCH, 1999

(Rupees in lakhs)

	Schedule	March-99	March-98
SOURCES OF FUNDS :			
1. Shareholders' Funds :			
a) Capital	"A"	38,931.47	38,928.06
b) Reserves and Surplus	"B"	1,187,951.38	1,022,487.05
		<u>1,226,882.85</u>	<u>1,061,415.11</u>
2. Loan Funds:			
a) Secured Loans	"C"	239,067.60	217,834.91
b) Unsecured Loans	"D"	767,150.48	1,203,179.38
		<u>1,006,218.08</u>	<u>1,421,014.29</u>
	TOTAL	<u><u>2,233,100.93</u></u>	<u><u>2,482,429.40</u></u>
APPLICATION OF FUNDS :			
1. Fixed Assets:			
a) Gross Block	"E"	1,722,596.60	1,331,319.85
b) Less: Depreciation		647,969.82	540,232.29
c) Net Block		<u>1,074,626.78</u>	<u>791,087.56</u>
d) Dismantled Capital Stores		159.50	247.93
e) Capital Work-in-Progress	"F"	441,789.48	399,906.55
		<u>1,516,575.76</u>	<u>1,191,242.04</u>
2. Investments	"G"	324,597.25	927,915.89
3. Advances for Investments	"G-1"	232,190.50	360.00
4. Current Assets, Loans and Advances:			
a) Inventories	"H"	561,036.82	458,641.62
b) Sundry Debtors	"I"	225,583.18	240,020.68
c) Cash and Bank Balances	"J"	50,038.08	45,537.08
d) Other Current Assets - Interest accrued on Investments/Bank Deposits		6,671.27	12,894.05
e) Loans and Advances	"K"	279,183.19	398,713.82
		<u>1,122,512.54</u>	<u>1,155,807.25</u>



(Rupees in lakhs)

	Schedule	March-99	March-98
APPLICATION OF FUNDS (Contd.):			
5. Less: Current Liabilities and Provisions	"L"	962,775.12	792,895.78
6. Net Current Assets (4 - 5)		159,737.42	362,911.47
	TOTAL	2,233,100.93	2,482,429.40
7. Statement of Significant Accounting Policies	"Q"		
8. Notes on Accounts	"R"		
9. Other Schedules forming part of Accounts	"S" to "X"		

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
Secretary

As per our attached Report of even date

V. SANKAR AIYAR & CO.
Chartered Accountants

L. B. JHA & CO.
Chartered Accountants

B. K. SHROFF & CO.
Chartered Accountants

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(S. VENKATRAMAN)
Partner

Sd/-
(K. GUHATHAKURTA)
Partner

Sd/-
(O.P. SHROFF)
Partner

Sd/-
(J. C. GUPTA)
Partner

Place : New Delhi
Dated : May 28, 1999

Profit and Loss Account

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

(Rupees in lakhs)

	Schedule	March-99	March-98
INCOME:			
1. Sale of Products and Crude		6,953,023.14	5,921,912.06
Less: Commission and Discounts		10,002.22	4,291.71
		6,943,020.92	5,917,620.35
2. Company's use of own Products and Crude		8,071.08	8,777.86
3. Net claim from/(surrender to) Industry Pool A/Cs.*		(584,954.36)	56,746.71
4. Increase/(Decrease) in Stocks	"M"	104,309.04	(30,254.76)
5. Interest and other Income	"N"	106,726.12	138,660.37
	TOTAL INCOME	6,577,172.80	6,091,550.53

* Includes **Rs.52145.03 lakhs** (1998 : Rs.31196.00 lakhs) on account of additional margins and incentive claims pertaining to previous years



(Rupees in lakhs)

	Schedule	March-99	March-98
EXPENDITURE:			
1. Purchase of Products and Crude for resale (Net of loan from/to OMCs)		3,201,201.60	2,750,241.10
2. Manufacturing, Admn., Selling & Other Expenses	"O"	2,079,084.26	2,175,790.30
3. Duties		797,589.41	752,361.41
4. Depreciation and Amortisation		105,299.21	103,684.83
5. Interest Payments on:			
a) Fixed period loans from Banks/ Financial Institutions		26,532.12	13,030.37
b) Short term loans from Banks		36,709.06	67,456.56
c) Public Deposits		9,205.21	15,775.79
d) Others		47,831.60	16,352.38
		<u>120,277.99</u>	<u>112,615.10</u>
TOTAL EXPENDITURE		<u>6,303,452.47</u>	<u>5,894,692.74</u>
PROFIT FOR THE YEAR		273,720.33	196,857.79
Income/(Expenses) pertaining to previous years (Net)	"P"	(468.06)	(384.21)
PROFIT BEFORE TAX		273,252.27	196,473.58
Provision for Tax (Net)		51,900.00	25,823.88
PROFIT AFTER TAX		221,352.27	170,649.70
Balance brought forward from last year's account		0.84	0.70
DISPOSABLE PROFIT		<u>221,353.11</u>	<u>170,650.40</u>

Profit and Loss Account *Contd...*

(Rupees in lakhs)

Schedule	March-99	March-98
APPROPRIATIONS:		
Proposed Dividend	50,613.86	19,466.87
Corporate Dividend Tax on Proposed Dividend	5,567.52	1,946.69
Insurance Reserve Account	30.00	30.00
General Reserve	165,141.00	149,206.00
Balance carried to Balance Sheet	0.73	0.84
	221,353.11	170,650.40
6. Statement of Significant Accounting Policies	"Q"	
7. Notes on Accounts	"R"	
8. Other Schedules forming part of Accounts	"S" to "X"	

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
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As per our attached Report of even date

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Sd/-
(S. VENKATRAMAN)
Partner

Sd/-
(K. GUHATHAKURTA)
Partner

Sd/-
(O.P. SHROFF)
Partner

Sd/-
(J. C. GUPTA)
Partner

Place : New Delhi
Dated : May 28, 1999



SCHEDULES

SCHEDULE "A" - CAPITAL

(Rupees in lakhs)

	Note	March-99	March-98
Authorised :			
250,00,00,000 Equity Shares of Rs.10 each		<u>250,000.00</u>	<u>250,000.00</u>
Issued, Subscribed and Paid up:			
38,93,37,400 Equity Shares of Rs.10 each	A	38,933.74	38,933.74
Less :- Calls in Arrears		<u>2.27</u>	<u>5.68</u>
		38,931.47	38,928.06
Out of which:			
1. Shares allotted as fully paid without payment being received in cash:			
a) Pursuant to the Petroleum Companies Amalgamation Order, 1964 :			
3,76,49,700 Shares of Rs. 10 each			
b) Pursuant to Gujarat Refinery Project Undertaking (Transfer), (Amendment) Order 1965 : 1,00,00,000 Shares of Rs. 10 each			
2. Shares allotted as fully paid up Bonus Shares by Capitalisation of General Reserve :			
28,76,20,200 Shares of Rs.10 each			
	TOTAL	<u>38,931.47</u>	<u>38,928.06</u>

Note :

A. Includes Rs. 1954.00 lakhs for Equity Shares issued during 1995-96 to employees. Ex-employees have filed a writ petition for non-allotment of shares to them, before Honourable High Court of Delhi, the outcome of which is awaited.

SCHEDULE "B" - RESERVES AND SURPLUS

(Rupees in lakhs)

		March-99	March-98
1. Capital Reserve :			
As per last Account		15.82	15.82
2. Share Premium Account :			
As per last Account	17,586.00		17,586.00
Less: Call in Arrears	20.41		51.08
		17,565.59	17,534.92
3. General Reserve :			
As per last Account	997,595.55		848,389.55
Add : Transferred from Profit and Loss Account	165,141.00		149,206.00
		1,162,736.55	997,595.55
4. Insurance Reserve :			
As per last Account	520.00		490.00
Add : Transferred from Profit and Loss Account	30.00		30.00
		550.00	520.00
5. Export Profit Reserve :			
As per last Account		5,941.00	5,941.00
6. Capital Grants :			
As per last Account	878.92		818.55
Add: Grants received during the year	300.27		87.55
Less: Amortisation of Capital Grants	37.50		27.18
		1,141.69	878.92
7. Profit and Loss Account :			
As per Annexed Account		0.73	0.84
TOTAL		1,187,951.38	1,022,487.05



SCHEDULE "C" - SECURED LOANS

(Rupees In lakhs)

	Note	March-99	March-98
Loans and Advances from Banks :			
1. Term Loan	A	0.00	50,000.00
2. Other Loans:	B		
i) Working Capital Demand Loan		60,000.00	60,000.00
ii) Export Packing Credit		-	30,000.00
Interest accrued and due on above		-	-
Total of (ii)		0.00	30,000.00
iii) Cash Credit		177,057.62	77,705.44
Interest accrued and due on above		2,009.98	129.47
Total of (iii)		179,067.60	77,834.91
Total of Other Loans		239,067.60	167,834.91
	TOTAL	239,067.60	217,834.91

Note :

- A. Against first mortgage charged on fixed assets of Panipat Refinery Project.
- B. Against hypothecation of raw materials, stock-in-trade, sundry debtors, outstanding monies, receivables, claims, contracts, engagements etc.

SCHEDULE "D" - UNSECURED LOANS

(Rupees in lakhs)

	March-99	March-98
1. Public Deposits :	44,548.54	78,164.02
(including Rs.22836.20 lakhs (1998 : Rs.33584.36 lakhs) due for payment within one year)		
2. Short Term Loans and Advances :		
i) From Banks :	448,119.55	793,473.24
US \$ 1086.09 Million,		
(1998 : US \$ 2008.54 Million)		
Interest accrued and due on above	0.00	421.54
	448,119.55	793,894.78
ii) From Others :		
ICICI Limited	30,000.00	0.00
Total (2)	478,119.55	793,894.78
3. Other Loans and Advances :		
A) From Banks/Financial Institutions :		
i) In Foreign Currency		
a) SBI, London : US \$ 20 Million (1998 : US \$NIL)	8,475.50	0.00
(repayable in October' 1999)		
b) National Bank of Oman: US \$ NIL	0.00	7,901.00
(1998: US \$20 Million)		
c) Syndicated loan arranged by ANZ Banking Group Limited:		
US \$ 200 Million (1998: US \$200 Million)	84,755.00	79,010.00
(repayable in Aug'2002)		
d) ABN AMRO Bank , Netherlands (Club deal):		
US \$ 45 Million (1998: US \$ 45 Million) -	19,069.88	17,777.25
(repayable in Jan'2003)		
e) A N Z Grindlays Bank: £9.33 Million,		
(1998 : £10.58 Million)		
(repayable in instalments by June' 2006)		
(Incl. Rs. 856.11 lakhs .(1998: Rs.830.56 lakhs)	6,410.98	7,050.24
payable within one year)		
f) Sumitomo Bank , Japan (Club deal):		
US \$ 75 Million (1998 : US \$75 Million) -	31,783.12	29,628.75
(repayable in March' 2004)		
g) Exim Bank, USA: US \$ 3.79 Million		
(1998 : US \$ 5.31Million)		
(repayable in instalments by 2001)		
(Incl. Rs. 642.53 lakhs,		
(1998: Rs 598.98 lakhs)	1,606.33	2,096.42
payable within one year)		
h) Canara Bank: US \$100 Million	42,377.50	39,505.00
(1998 :US \$100 Million)		
(repayable in 2001)		



(Rupees in lakhs)

	March-99	March-98
i) Bank of India: US \$ Nil (1998: US \$125 Million)	0.00	49,381.25
j) Bank of Baroda: US \$ Nil (1998: US \$ 250 Million)	0.00	98,762.50
Total of 3. A) i)	194,478.31	331,112.41
ii) In Rupee		
a) ICICI Limited (repayable in April, 2000)	50,000.00	0.00
Total of 3. A)	244,478.31	331,112.41
B) From Others :		
a) Oil Industry Development Board (including Rs.4.08 lakhs (1998 : Rs.8.17 lakhs) due for payment within one year)	4.08	8.17
Total (3)	244,482.39	331,120.58
TOTAL	767,150.48	1,203,179.38

Note :

A) Item No. 3. A) i), h, i & j are under the Foreign Currency Non Resident (B) Scheme.

B) Item No. 3. A) i), i & j which were repayable in the year 2001, have been prepaid during the year.

SCHEDULE "E" - FIXED ASSETS

A T C O S T			
Note	Gross Block as at 1-04-98	Additions during the year (Ref Note No. B)	Transfers from Construction Work-in- Progress
Land-Freehold	25,084.06	6,346.56	0.00
-Leasehold	12,316.88	799.99	0.00
-Right of Way	406.16	111.72	0.00
Buildings, Roads etc	120,450.05	1,511.30	23,774.04
Plant and Machinery	1,109,729.22	55,466.14	289,750.97
Transport Equipments	29,014.10	11,596.06	29.31
Furnitures and Fixtures	6,914.69	1,021.17	475.03
Railway Sidings	15,026.29	48.00	1,745.60
Drainage, Sewage and Water Supply System	12,378.40	0.00	4,336.26
Total	1,331,319.85	76,900.94	320,111.21
Previous Year	1,039,666.32	86,457.03	208,667.38

Note :

- A. Buildings include **Rs.0.67 lakhs** (1998:Rs.0.62 lakhs) towards value of **1316** (1998: 1216) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.
- B. Additions to Fixed Assets include **Rs.6872.59 lakhs** (1998: Rs.3681.51 lakhs) on account of exchange fluctuations.
- C. Modvat on Fixed Assets is recognised at the time when the asset is put to use and cost of Assets is net of Modvat, wherever applicable.
- D. Depreciation charged during the year includes **Rs.448.38 lakhs** (1998 : Rs.111.08 lakhs) pertaining to prior year and **Rs.4387.89 lakhs** (1998 : Rs. 1969.96 lakhs) relating to construction period expenses taken to Schedule F-1.



(Rupees in lakhs)

NET DEPRECIATED BLOCK

Disposals During the year	Transfers/ Deductions/ Reclassi- fications	Gross Block as at 31-03-99 (Ref Note No. C)	Depreciation and Amortisation charged this year (Ref Note No. D)	Total Depreciation and Amortisation upto 31-03-99	AS AT 31-03-99	AS AT 31-03-98
0.00	(4.89)	31,425.73	0.00	0.00	31,425.73	25,084.06
0.00	(154.25)	12,962.62	335.63	1,302.02	11,660.60	11,350.51
0.00	(0.00)	517.88	0.00	0.03	517.85	406.13
(15.37)	(1,031.70)	144,688.32	3,267.36	19,483.90	125,204.42	104,117.05
(1,077.79)	(3,200.22)	1,450,668.32	101,784.07	600,614.69	850,053.63	608,820.75
(161.19)	(35.70)	40,442.58	2,848.31	10,979.11	29,463.47	20,711.24
(28.35)	(27.74)	8,354.80	528.63	3,934.85	4,419.95	3,476.87
0.00	(0.00)	16,819.89	793.74	3,764.88	13,055.01	12,055.15
0.00	1.80	16,716.46	577.74	7,890.34	8,826.12	5,065.80
(1,282.70)	(4,452.70)	1,722,596.60	110,135.48	647,969.82	1,074,626.78	791,087.56
(1,066.39)	(2,404.49)	1,331,319.85	105,765.87	540,232.29	791,087.56	

Details of Company's share of Jointly Owned Assets:

(Rupees in lakhs)

Assets Particulars	Name of Joint Owner	Original Cost	Accumulated Depreciation & Amortisation	W.D.V. as at 31-03-99
Land - Freehold	HPC/IBP	119.02	0.00	119.02
Land - Leasehold	BPC/IBP	71.86	7.94	63.92
Buildings	HPC	37.65	3.11	34.54
Plant and Machinery	HPC/BPC/IBP/GSFC/IPCL/ACC	701.46	174.14	527.32
Drainage, Sewage & Water Supply	GSFC	99.40	94.43	4.97
		1029.39	279.62	749.77

SCHEDULE "F" - CAPITAL WORK-IN-PROGRESS

(Rupees in lakhs)

	Note	March-99	March-98
1. Construction Work-in-Progress (including unallocated capital expenditure, materials at site)		217,816.48	202,948.67
Less : Provision for Losses		0.00	8.00
		<u>217,816.48</u>	<u>202,940.67</u>
2. Advance for Capital Expenditure		123,123.14	81,758.67
Less : Provision for Doubtful Advance		87.50	73.00
		<u>123,035.64</u>	<u>81,685.67</u>
3. Capital Stores	A	58,298.06	67,241.36
Less:Provision for Obsolescence/Losses		2.54	2.54
		<u>58,295.52</u>	<u>67,238.82</u>
4. Capital Goods-in-Transit		22,866.67	14,867.76
5. Construction period expenses pending allocation :			
Balance as at 1st April, 1998		33,173.63	20,747.85
Opening Balance Adjustment		(342.08)	0.00
Add : Net Expenditure during the year (Sch. "F-1")		23,324.15	27,894.21
		<u>56,155.70</u>	<u>48,642.06</u>
Less : Allocated to Assets during the year		36,380.53	15,468.43
		<u>19,775.17</u>	<u>33,173.63</u>
	TOTAL	<u><u>441,789.48</u></u>	<u><u>399,906.55</u></u>

Note :

A. Includes Stock lying with contractors

2,351.92

3,468.44

SCHEDULE "F-1" - CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(Rupees in lakhs)

	March-99	March-98
1. Payments to and Provision for Employees	1,923.86	2,373.68
2. Repairs & Maintenance	1,199.60	125.36
3. Consumption of Stores & Spares.	225.39	130.14
4. Power & Fuel	543.05	17.03
5. Rent	133.79	178.88
6. Insurance	806.99	674.21
7. Rates & Taxes	49.24	116.44
8. Travelling Expenses	440.05	524.79
9. Communication Expenses	203.88	285.77
10. Printing & Stationery.	60.58	80.83
11. Electricity & Water Charges	81.81	929.58
12. Bank Charges	157.42	67.05
13. Technical Assistance Fees	8.41	2.08
14. Exchange Fluctuation	5,371.17	7,269.20
15. Interest	3,818.05	9,428.83
16. Depreciation	4,387.89	1,969.96
17. Start up/Trial Run Expenses	10,294.69	0.00
Less : Stock transferred to Operation	8,132.73	0.00
	<hr/>	<hr/>
18. Others	2,161.96	0.00
	6,045.04	4,645.72
	<hr/>	<hr/>
Total Expenses	27,618.18	28,819.55
Less : Recoveries	4,294.03	925.34
	<hr/>	<hr/>
Net Expenditure during the year	23,324.15	27,894.21
	<hr/> <hr/>	<hr/> <hr/>



SCHEDULE "G" - INVESTMENTS (LONG TERM)

(Rupees in Lakhs)

		No. and Particulars of Shares/Bonds/Units	Face Value per Share/Bond/Unit Rupees		March-99	March-98
1. QUOTED:						
Non-Trade Investments :						
a) In Fully Paid Tax Free Bonds of Public Sector Undertakings :						
i)	Indian Railway Finance Corporation Limited :	43,87,835 (1998:32,03,435) Secured Redeemable Bonds	9%	1,000/-	43,911.65	32,080.43
ii)	National Thermal Power Corporation Limited :	NIL(1998:24,97,500) Secured Redeemable Bonds	9%	1,000/-	0.00	25,182.25
iii)	Mahanagar Telephone Nigam Limited :	NIL(1998:24,18,019) Secured Redeemable Bonds	9%	1,000/-	0.00	24,016.39
iv)	National Hydro Electric Power Corporation Limited :	16,58,000(1998:24,28,000) Secured Redeemable Bonds	9%	1,000/-	16,653.36	24,340.81
v)	Rural Electrification Corporation Limited :	12,54,950(1998:24,79,950) Secured Redeemable Bonds	9%	1,000/-	12,544.91	24,861.58
vi)	Power Finance Corporation Limited :	10,50,000(1998:40,85,000) Secured Redeemable Bonds	9%	1,000/-	10,559.36	41,152.94
vii)	Housing And Urban Development Corporation Limited	4,50,000(1998:4,50,000) Secured Redeemable Bonds	9%	1,000/-	4,539.50	4,539.50
viii)	Neyveli Lignite Corporation Limited :	3,00,000(1998:6,00,000) Secured Redeemable Bonds	9%	1,000/-	3,009.00	5,989.50
ix)	Konkan Railway Corporation Limited :	NIL(1998:5,00,000) Secured Redeemable Bonds	10.50%	1,000/-	0.00	5,000.00
					91,217.78	187,163.39
Less : Provision for the difference between acquisition cost and redemption value where the acquisition cost is higher					284.52	799.78
TOTAL (a):					90,933.26	186,363.61
b) In Mutual Funds :						
	Units of Unit Trust of India :	1,76,00,000(1998:1,76,00,000) Units of Unit Trust of India 1964 Scheme		10/-	2,207.31	2,207.31
Aggregate Market Value of securities mentioned at (a) and (b) above Rs 92,995.85 lakhs : (1998 Rs 1,85,941.23 lakhs)					93,140.57	188,570.92
TOTAL : 1 :(a+b)					93,140.57	188,570.92



(Rupees in Lakhs)

		No. and Particulars of Shares/Bonds/Units	Face Value per		March-99	March-98
			Share/Bond/Unit	Rupees		
2. UNQUOTED:						
A) Non-Trade Investments :						
a) In Fully Paid Tax Free Bonds of <u>Public Sector Undertakings</u> :						
i)	Indian Railway Finance Corporation Limited :	3,00,000(1998:39,00,000) Secured Redeemable Bonds	9%	1,000/-	2,997.00	39,098.10
ii)	Mahanagar Telephone Nigam Limited :	15,18,019(1998:NIL) Secured Redeemable Bonds	9%	1,000/-	15,036.64	0.00
iii)	Power Finance Corporation Limited :	12,10,000(1998:NIL) Secured Redeemable Bonds	9%	1,000/-	12,185.95	0.00
iv)	Housing & Urban Development Corporation Limited :	8,25,000(1998:9,70,000) Secured Redeemable Bonds	9%	1,000/-	8,268.38	9,744.19
v)	Nuclear Power Corporation Limited :	9,20,000(1998:18,70,000) Secured Redeemable Bonds	9%	1,000/-	9,202.60	18,764.36
vi)	National Hydro Electric Power Corporation Limited:	NIL(1998:1,60,000) Secured Redeemable Bonds	9%	1,000/-	0.00	1,596.60
vii)	Neyveli Lignite Corporation Limited:	7,50,000(1998:15,00,000) Secured Redeemable Bonds	9%	1,000/-	7,555.00	15,103.00
viii)	National Thermal Power Corporation Limited:	24,97,500(1998:NIL) Secured Redeemable Bonds	9%	1,000/-	25,182.25	0.00
					80,427.82	84,306.25
Less : Provision for the difference between acquisition cost and redemption value where the acquisition cost is higher.					369.18	327.64
TOTAL (a) :					80,058.64	83,978.61
b) In Mutual Funds :						
	Canpep'92 Scheme of Can Bank Mutual Fund :	3,00,00,000(1998:3,00,00,000) Canpeps		10/-	3,000.00	3,000.00
TOTAL (b) :					3,000.00	3,000.00

SCHEDULE "G" - INVESTMENTS (LONG TERM) Contd...

(Rupees in Lakhs)

No. and Particulars of Shares/Bonds/Units		Face Value per Share/Bond/Unit Rupees	March-99	March-98
c) Others :				
i)	10.5% Government of India Bonds Special Bonds 2005	10.5%	143,100.00	647,800.00
ii)	In Government - Securities Deposited with various bodies		0.82	0.97
iii)	In Consumer Cooperative Societies :			
	Barauni : 250 Equity Shares each fully paid in cash	10/-		
	Gawhati : 500 Equity Shares each fully paid in cash	10/-		
	Mathura : 200 Equity Shares each fully paid in cash	10/-		
	Haldia : 1663 Equity Shares each fully paid in cash	10/-	0.27	0.27
	In Indian Oil Cooperative Consumer Stores Ltd., Delhi : 375 Equity Shares each fully paid in cash	10/-		
TOTAL (c) :			143,101.09	647,801.24
TOTAL : 2A :(a+b+c)			226,159.73	734,779.85
B) Trade Investments :				
i)	Indian Oil Blending Limited (A Subsidiary Company)	8,000 Equity Shares each fully paid in cash	500/-	40.00
ii)	International Cooperative Petroleum Association	350 Shares fully paid up and partly paid up common stock of \$72.31	\$100	2.12
iii)	Petroleum India International (Association of Oil Companies)	Seed Capital		5.00
iv)	Avi-Oil Limited (A Joint Venture Company)	30,00,000 Equity Shares fully paid in cash	10/-	300.00
v)	Indo-Mobil Limited (A Joint Venture Company)	2,20,00,000 Equity Shares fully paid in cash	10/-	2,200.00
vii)	Petronet India Limited (A Joint Venture Company)	5,20,000 Equity Shares fully paid up in cash and 1,02,60,000 Equity Shares partly paid of Rs.6.86 each in cash	10/-	735.32
vi)	Indian Oil Tanking Limited (A Joint Venture Company)	2,00,00,000 Equity Shares fully paid in cash	10/-	2,000.00



(Rupees in Lakhs)

	No. and Particulars of Shares/Bonds/Units	Face Value per Share/Bond/Unit Rupees	(Rupees in Lakhs)		
			March-99	March-98	
viii)	Petronet VK Limited (A Joint Venture Company)	1,45,000 Equity Shares fully paid in cash	10/-	14.50	0.00
	TOTAL : 2B			5,296.94	4,565.12
	TOTAL : 2A+2B			231,456.67	739,344.97
	TOTAL : 1+2			324,597.25	927,915.89

NOTE : During the year, following Investments were sold / Realised :

PARTICULARS	No. of Units	Face Value (Rupees)
10.50 % G.O.I. SPECIAL BONDS	-	50,470,000,000.00
10.50 % K.R.C.L. TAXFREE BONDS	500,000	500,000,000.00
09.00 % N.L.C. TAXFREE BONDS	1,050,000	1,050,000,000.00
09.00 % P.F.C. TAXFREE BONDS	1,825,000	1,825,000,000.00
09.00 % N.P.C. TAXFREE BONDS	950,000	950,000,000.00
09.00 % H.U.D.C.O. TAXFREE BONDS	145,000	145,000,000.00
09.00 % R.E.C. TAXFREE BONDS	1,225,000	1,225,000,000.00
09.00 % N.H.P.C. TAXFREE BONDS	930,000	930,000,000.00
09.00 % I.R.F.C. TAXFREE BONDS	2,415,600	2,415,600,000.00
09.00 % M.T.N.L. TAXFREE BONDS	900,000	900,000,000.00
Govt. Securities	3	15,000.00



SCHEDULE "G-1" - ADVANCES FOR INVESTMENT

(Rupees in Lakhs)

	March-99	March-98
A. Joint Venture Companies		
Petronet L N G Limited	749.99	0.00
Petronet V K Limited	2585.50	0.00
Petronet India Limited	355.00	360.00
Indian Oil Tanking Limited	500.00	0.00
Indian Oil Petronas Private Limited	0.01	0.00
	<hr/>	<hr/>
	4190.50	360.00
B. Other Companies		
ONGC/GAIL	228000.00	0.00
	<hr/>	<hr/>
TOTAL	232190.50	360.00
	<hr/> <hr/>	<hr/> <hr/>



SCHEDULE "H" - INVENTORIES

(Rupees in lakhs)

	Note	March-99	March-98
1. In Hand :			
a. Stores, Spares etc.	A	36,518.77	35,183.18
Less: Provision for Losses		1,837.26	1,373.79
		<u>34,681.51</u>	<u>33,809.39</u>
b. Raw Materials	B	92,027.11	113,380.06
c. Finished Products	C	302,194.63	148,832.58
d. Stock in Process		22,900.16	19,859.82
e. Barrels and Tins	D	598.99	742.61
Less: Provision for Losses		0.00	11.51
		<u>598.99</u>	<u>731.10</u>
Total (1)		<u>452,402.40</u>	<u>316,612.95</u>
2. In Transit :			
a. Stores & Spares		1,227.12	1,109.84
b. Raw Materials		56,459.67	46,010.58
c. Imported Finished Products		50,947.63	94,908.25
		<u>108,634.42</u>	<u>142,028.67</u>
Total (2)		<u>108,634.42</u>	<u>142,028.67</u>
TOTAL		<u><u>561,036.82</u></u>	<u><u>458,641.62</u></u>
Note : Includes :			
A. Stock lying with contractors		315.85	279.20
B. Stock lying with others		6,736.17	9,347.11
C. Stock lying with others		6,566.24	5,394.27
D. Stock lying with others		171.57	274.28



SCHEDULE "I" - SUNDRY DEBTORS

(Rupees in lakhs)

	Note	March-99	March-98
1. Over Six Months :			
a) Unsecured, Considered Good	55,796.19		44,740.54
b) Unsecured, Considered Doubtful	5,155.42		3,044.05
		<u>60,951.61</u>	<u>47,784.59</u>
2. Other Debts :			
a) Unsecured, Considered Good		169,786.99	195,280.14
		<u>230,738.60</u>	<u>243,064.73</u>
Less: Provision for Doubtful Debts		5,155.42	3,044.05
		<u>225,583.18</u>	<u>240,020.68</u>
TOTAL	A		

Note :

- A. Includes **Rs.28823.98 lakhs** (1998 : Rs.28823.98 lakhs) payable to Industry Pool Account on realisation of identical amount. (Reference Item No.2 of Schedule "K")



SCHEDULE "J" - CASH AND BANK BALANCES

(Rupees in lakhs)

	March-99	March-98
1. Cash Balances including imprest and cheques in hand	44,476.61	39,580.00
2. Bank Balances with Scheduled Banks :		
a) Current Account	1,301.16	600.01
b) Fixed Deposit Account	4,194.34	5,314.90
c) Blocked Account	8.50	34.50
d) No Lien Account	0.01	0.01
	<u>5,504.01</u>	<u>5,949.42</u>
3. Bank Balances with Non-scheduled Banks:		
- Bank of Commerce, Malaysia	6.11	0.00
[Maximum balance during the year - Rs.19.49 lakhs (1998: Rs. Nil)]		
- Indo Zambia Bank Limited	51.30	7.62
[Maximum balance during the year - Rs.56.87 lakhs (1998: Rs.20.38 lakhs)]	<u>57.41</u>	<u>7.62</u>
4. With Post Office Savings Account	0.05	0.04
TOTAL	<u><u>50,038.08</u></u>	<u><u>45,537.08</u></u>



SCHEDULE "K" - LOANS AND ADVANCES

(Rupees in lakhs)

	Note	March-99	March-98
1. Advance recoverable in cash or in kind or for value to be received :	A		
a) Secured, Considered Good		46,761.91	39,314.52
b) Unsecured, Considered Good		65,739.09	50,782.41
c) Unsecured, Considered Doubtful		100.72	101.05
		<u>112,601.72</u>	<u>90,197.98</u>
Less: Provision for Doubtful Advances		100.72	101.05
		<u>112,501.00</u>	<u>90,096.93</u>
2. Amount recoverable from Industry Pool Account (Net): Unsecured, Considered Good		58,860.66	245,519.99
3. Claims Recoverable :			
a) Secured, Considered Good		0.00	0.00
b) Unsecured, Considered Good		73,467.82	45,626.38
c) Unsecured, Considered Doubtful		1,729.40	2,423.67
		<u>75,197.22</u>	<u>48,050.05</u>
Less: Provision for Doubtful Claims		1,729.40	2,423.67
		<u>73,467.82</u>	<u>45,626.38</u>
4. Investment Deposit Scheme, 1986 : Unsecured, Considered Good		17.69	17.69
5. Balance with Customs, Port Trust and Excise Authorities : Unsecured, Considered Good		17,244.38	11,511.87
6. Materials given on loan		223,016.15	85,620.69
Less: Deposits received		208,690.68	81,924.86
		<u>14,325.47</u>	<u>3,695.83</u>
7. Sundry Deposits (including amount adjustable on receipt of Final bills) :			
a) Secured, Considered Good		902.88	901.15
b) Unsecured, Considered Good		1,863.29	1,343.98
c) Unsecured, Considered Doubtful		0.99	0.99
		<u>2,767.16</u>	<u>2,246.12</u>
Less: Provision for Doubtful Deposits		0.99	0.99
		<u>2,766.17</u>	<u>2,245.13</u>
TOTAL		<u><u>279,183.19</u></u>	<u><u>398,713.82</u></u>
Note A: Includes :			
1. Due from Directors		10.35	5.04
Maximum amount during the year		14.60	5.75
2. Due from other Officers		81.14	39.76
Maximum amount during the year		92.34	50.10
3. Due from a Private Company in which a Director of the Company is a Director.		3,321.01	0.00



SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS

(Rupees in lakhs)

	Note	March-99	March-98
1. Current Liabilities			
a) Sundry Creditors			
i) Total Dues of small scale industrial undertaking (s)	A	2,494.00	1,929.88
ii) Total Dues of creditors other than small scale industrial undertaking(s)		599,453.14	507,273.42
Total of (a)		601,947.14	509,203.30
b) Other Liabilities		71,517.08	45,863.35
c) Unpaid/Unclaimed Dividend		40.07	24.52
d) Security Deposits		237,265.64	197,349.65
Less: Investments and Deposits with Banks lodged by outside parties		409.17	545.00
		236,856.47	196,804.65
e) Material taken on loan		103,650.46	164,050.91
Less: Deposits given		105,601.15	156,766.12
		(1,950.69)	7,284.79
f) Interest accrued but not due on loans		12,373.01	20,450.82
		920,783.08	779,631.43
2. Dues to IOBL (a subsidiary company)		2,229.26	1,273.42
Total Current Liabilities		923,012.34	780,904.85
3. Provisions			
a) Provision for Retirement Benefits		8,859.94	7,136.77
b) Provision for Taxation		134,067.41	125,309.95
Less: Advance payments		159,345.95	141,869.35
		(25,278.54)	(16,559.40)
c) Proposed Dividend		50,613.86	19,466.87
d) Corporate Dividend Tax		5,567.52	1,946.69
Total Provisions		39,762.78	11,990.93
TOTAL :		962,775.12	792,895.78

Note :

A. Names of Small Scale Industrial Undertakings to whom the Corporation owe a sum exceeding Rs.1 lakh which is outstanding for more than 30 Days are given in Schedule 'L-1' to the extent such parties have been identified based on the available information.

SCHEDULE "L-1" - CURRENT LIABILITIES AND PROVISIONS

(Names of Small Scale Industrial Undertakings to whom the Corporation owe a sum exceeding Rs.1 lakh which is outstanding for more than 30 Days)

(Rupees in lakhs)

	March-99	March-98
1. Airoil Flare Gas India Limited	0.03	1.77
2. A K R Y Organics Pvt Limited	2.39	0.00
3. Chemofarbe Industries	2.38	0.14
4. Econo Valves Pvt Limited	2.94	0.83
5. I G P Engineering Limited	3.32	1.90
6. Jagjivan Enchem Udyog Limited	1.70	0.23
7. Mescal International Limited	2.61	0.00
8. Minicomp Limited	8.64	3.88
9. Newage House Manufacturing Company	0.26	1.35
10. Niton Valve Industries Pvt Limited	17.31	0.36
11. Panchvati Valves And Flanges Pvt Limited	2.69	1.24
12. Paras Engineers	0.45	1.79
13. Precision Engineering Works	10.54	8.74
14. Puriflair India Pvt Limited	4.43	0.00
15. Silvassa Drum And Barrel Mfg Company	2.42	1.25
16. Suyog Electricals	0.58	2.68
17. Vithlani Enterprises	0.01	1.44
18. Ex Protecta	3.44	0.00
19. Nireka Engineering	0.59	1.31
20. Maccan Engineering Pvt Limited	1.86	0.00
21. Piping And Energy	1.19	1.43
22. Commercial Supply Agency	0.00	1.20
23. Tee Kay Tubes Limited	0.00	1.08
24. Brijbasi Udyog	5.01	13.01
25. Tube Bend	1.27	1.25
26. Jai Engineering	1.13	0.00
27. Fix Fit Fasteners Mfg Pvt Limited	0.00	1.25
28. Jackson Engineering Limited	4.70	0.00
29. Vensil Glass Works	1.38	0.00
30. Sri Balaji Cylinders P. Ltd.	10.86	9.76
31. Sri Balaji Valves P. Ltd.	3.63	3.00
32. Jesmejo Industrial Fabrication Karnataka	7.22	4.39
33. Kanyaka Paramewari Engineering P. Ltd.	21.71	41.47
34. Karnataka Pressure Vessels Ltd.	12.42	19.84
35. Hyderabad Valves P. Ltd.	0.00	1.00
36. Power Fabricators	1.00	1.00
37. A.K.M.N Cylinders P. Ltd.	0.00	2.00
38. Mahaveer Cylinders Ltd.	0.00	2.33
39. Associated Cylinders & Accessories P. Ltd.	2.11	3.32



(Rupees in lakhs)

	March-99	March-98
40. Balaji Pressure Vessels Pvt. Ltd.	1.52	30.46
41. Eastern Cylinders P. Ltd.	0.00	15.61
42. Hyderabad Cylinders P. Ltd.	17.78	156.90
43. Konark Cylinders & Containers P. Ltd.	16.32	15.68
44. Nandi Cylinders P. Ltd.	0.00	43.67
45. Southern Cylinders P.Ltd.	0.00	30.77
46. Verry Containers Ltd.	8.01	9.60
47. Sree Srinivas Cylinders P. Ltd.	1.91	0.00
48. Vidhya Cylinders P. Ltd.	3.31	0.00
49. Blow Containers	0.00	2.58
50. Jaec Industries Madras Ltd.	14.52	0.00
51. Bharat Tin Works	1.01	0.00
52. Blow Plast Industries	1.28	9.54
53. Bonhomie Plastics	1.18	6.11
54. Mirim Plast	1.14	0.00
55. Moona Plastics	2.32	0.00
56. Nandan Polyplastics	5.13	4.85
57. Plastic Processors	2.64	4.39
58. Rajiv Plastics	3.32	4.16
59. Deluxe Plastics	0.00	4.71
60. Mercury Enterprises	0.00	1.36
TOTAL	223.61	476.63

SCHEDULE "M"-DETAILS OF INCREASE/(DECREASE) IN STOCK

(Rupees in lakhs)

	March-99	March-98
Closing Stock		
a) Finished Products	353,142.26	243,740.83
b) Stock in Process	22,900.16	19,859.82
	<u>376,042.42</u>	<u>263,600.65</u>
Less:		
Opening Stock		
a) Finished Products	243,740.83	271,849.40
b) Stock in Process	19,859.82	22,079.45
	<u>263,600.65</u>	<u>293,928.85</u>
Opening Stock Adjustment Account	0.00	(73.44)
	<u>263,600.65</u>	<u>293,855.41</u>
Stock transferred from Capital		
Work-in-Progress	8,132.73	0.00
	<u>271,733.38</u>	<u>293,855.41</u>
TOTAL	<u><u>104,309.04</u></u>	<u><u>(30,254.76)</u></u>



SCHEDULE "N" - INTEREST AND OTHER INCOME

(Rupees in lakhs)

	Note	March-99	March-98
1. Interest on:			
a) Loans and Advances		2,949.49	73,089.06
(Tax deducted at source Rs.Nil 1998 : Rs.3904.32 lakhs)			
b) Fixed Deposits with Banks		367.09	347.14
c) Short Term Deposits with Banks		679.97	0.00
d) Customers Outstandings		5,617.94	5,447.33
e) Fully Paid Bonds (Tax Free) of Govt. Companies		21,394.75	27,755.55
f) 10.5% Govt. of India Special Bonds 2005		55,802.10	5,545.03
g) Others (Gross)		187.08	6.25
		86,998.42	112,190.36
2. Dividend (Gross) :			
a) From IOBL (a subsidiary company)		10.00	10.00
b) From Unit Trust of India/Mutual Funds		352.00	352.00
(Tax deducted at source Rs.70.40 lakhs 1998 : Rs.70.40 lakhs)			
		362.00	362.00
3. Profit on sale of Investments		55.70	4,201.70
4. Sale of Power and Water		518.38	396.40
5. Profit on sale and disposal of Assets		857.22	681.74
6. Unclaimed/Unspent liabilities written back		2,032.72	2,630.87
7. Provision for Doubtful Debts, Advances, Claims and Stores written back		1,288.76	914.63
8. Provision for investment written back		0.00	2,449.00
9. Recoveries from Employees		812.45	665.07
10. Retail Outlet Licence Fees		2,330.63	1,844.64
11. Collection Charges for Outstation Cheques		1,376.47	1,165.75
12. Sale of Scrap		1,410.08	1,898.57
13. Amortisation of Capital Grants		37.50	27.18
14. Other Miscellaneous Income	A	8,645.79	9,232.46
TOTAL		106,726.12	138,660.37

Note :

A. Includes **Rs.981.30 lakhs** (1998 : Rs.200.00 lakhs) towards fire insurance claim.

SCHEDULE "O" - MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rupees in lakhs)

	Notes	March-99	March-98
1. Raw Materials Consumed :			
Opening Balance	159,390.64		158,045.69
Add : Receipts :			
a) Purchases	1,545,303.72		1,400,754.64
b) Taken on Loan	690.68		386,800.50
c) Given on loan	(196,387.55)		(288,950.86)
	1,508,997.49		1,656,449.97
Less: Closing Stock	148,486.78		159,390.64
		1,360,510.71	1,497,059.33
2. Consumption :			
a) Stores, Spares and Consumables	13,980.78		14,770.65
b) Packages & Drum Sheets	18,139.67		16,773.85
		32,120.45	31,544.50
3. Power & Fuel	79,466.57		40,491.45
Less: Fuel for own production	61,016.05		24,828.08
		18,450.52	15,663.37
4. Processing Fees, Blending Fees, Royalty & Other Charges		4,730.15	3,910.20
5. Octroi, Other Levies and Irrecoverable Taxes	A	56,942.08	56,205.29
6. Repairs and Maintenance:			
i) Plant and Machinery	24,170.47		23,121.42
ii) Buildings	6,018.99		5,596.82
iii) Others	2,162.12		2,130.66
		32,351.58	30,848.90
7. Freight, Transportation Charges and Demurrage		424,096.57	402,232.42
8. Payments to and Provisions for Employees :	B		
(a) Salaries, Wages, Bonus etc.	59,331.97		55,381.59
(b) Contribution to Provident & Other Funds	4,860.06		8,697.60
(c) Voluntary Retirement Compensation	395.51		272.02
(d) Staff Welfare Expenses	11,305.79		11,294.74
		75,893.33	75,645.95
9. Office Administration, Selling and Other Expenses (Schedule "O-1")		73,988.87	62,680.34
TOTAL		2,079,084.26	2,175,790.30

Note : Includes :

A. Rs. Nil Towards previous years (1998 : Rs.964.00 lakhs).

B. i) Towards previous years **Rs.0.46 lakhs** (1998 : Rs.1473.61 lakhs) on account of long term settlement with employees.

ii) **Rs. Nil** (1998 : **Rs.3970.21 lakhs**) on account of contribution to Gratuity Fund due to increase in ceiling & Retirement age.

SCHEDULE "O-1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(Rupees in lakhs)

	Note	March-99	March-98
1. Rent	A	9,030.18	8,344.99
2. Insurance		3,917.42	2,850.28
3. Rates & Taxes		1,814.72	1,451.98
4. Donations		181.22	39.40
5. Payment to Auditors :			
a) Audit Fees	18.00		18.00
b) Tax Audit Fees	3.28		3.06
c) Other Services (for issuing certificates etc.)	0.15		0.23
d) Out of Pocket Expenses	4.50		5.67
		25.93	26.96
6. Travelling & Conveyance		10,044.56	8,372.99
7. Communication Expenses		4,437.88	3,801.31
8. Printing & Stationery		1,583.27	1,827.08
9. Electricity & Water		7,382.54	7,054.52
10. Bank Charges		1,776.10	1,883.10
11. Bad Debts, Advances & Claims written off		436.57	461.91
12. Loss on Assets sold, lost or written off		1,073.77	127.80
13. Technical Assistance Fees		211.97	288.53
14. Exchange Fluctuation (Net)		59.87	107.03
15. Provision for Doubtful Debts, Advances Claims and Obsolescence of Stores		3,163.99	1,725.88
16. Security Force Expenses		3,342.95	2,842.92
17. Sales Promotion Expenses		5,123.34	4,194.36
18. Handling Expenses		2,656.63	2,294.34
19. Expenses on Enabling Facilities		13.41	29.21
20. Other Expenses		17,712.55	15,155.75
	TOTAL	73,988.87	62,680.34

Note :

 A. Includes **Rs.Nil** (1998 : Rs. 1052.66 lakhs) towards previous years

SCHEDULE "P"-INCOME/EXPENSES RELATING TO PREVIOUS YEARS

(Rupees in lakhs)

	March-99	March-98
Income :		
1. Sale of Products and Crude	0.00	0.00
2. Interest	(6.10)	(13.39)
3. Net claim from/(surrender to) Industry Pool Accounts	0.00	63.08
4. Miscellaneous Income	0.00	(14.89)
	<hr/>	<hr/>
Total Income	(6.10)	34.80
	<hr/>	<hr/>
Expenditure :		
1. Purchase of Products and Crude	0.00	73.45
2. Payment to and Provision for Employees :		
- Staff Welfare Expenses	40.41	52.34
3. Depreciation and Amortisation	448.38	111.08
4. Consumption		
- Stores, Spares and Consumables	(57.11)	194.17
5. Power and Fuel	11.30	0.00
6. Repairs and Maintenance	(39.58)	52.02
7. Rent	(33.99)	(20.87)
8. Rates & Taxes	0.00	(10.01)
9. Technical Fees	0.00	(12.53)
10. Other Expenses	92.55	(20.64)
	<hr/>	<hr/>
Total Expenses	461.96	419.01
	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)	(468.06)	(384.21)
	<hr/>	<hr/>

SCHEDULE "Q" - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. FIXED ASSETS

1.1 Land

Land acquired on lease for over 99 years/perpetual lease 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/Amortisation

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

1.3.2 Assets costing upto Rs.5,000/- are depreciated fully in the year of capitalisation.

1.3.3 Capital expenditure on items like electricity transmission lines, railway siding, etc. the ownership of which is not with the Corporation are charged off to revenue.

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, upto 95% of the cost of the asset. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal and dismantled during the year.

2. FOREIGN CURRENCY TRANSLATION

2.1 Transaction in foreign currency are recorded at exchange rates prevailing on the date of transaction except for transactions relating to withdrawals through the US Dollars account with SBI, Nassau which are recorded at the weighted average rate.

2.2 Current assets, current liabilities and foreign currency loans, outstanding at the year end, are translated at exchange rates applicable as of that date. The resultant exchange gains and losses except those relating to acquisition of fixed assets which are adjusted to the cost of such assets till they are fully depreciated, are accounted in the Profit and Loss Account.

2.3 Investments in foreign currency are valued at the exchange rate prevailing on the date of investment.

3. INVESTMENTS

3.1 Quoted

3.1.1 Investments in Public Sector Bonds are valued at cost and provision for diminution in realisable value on redemption is provided for, wherever necessary. Other quoted investments are valued at cost and provision for diminution in value is made, wherever such diminution is not temporary.

3.2 Unquoted

3.2.1 Investments in Public Sector Bonds are valued at cost and provision for diminution in realisable value on redemption is provided for, wherever necessary.

3.2.2 Investments which have a repurchase price are valued at cost and provision for diminution in value is made, wherever necessary

3.2.3 Other unquoted investments are valued at cost.

SCHEDULE "Q" - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Contd...*

4. INVENTORIES

4.1. Raw Materials

- 4.1.1 Crude Oil is valued at cost on First In First Out basis. Base Oils and Additives are valued at weighted average cost.
- 4.1.2 Stock in Process is valued at raw material cost.

4.2 Stock-in-Trade

- 4.2.1 Finished Products are valued at cost or net realisable value, whichever is lower.
- 4.2.2 Cost of Finished Products internally produced is determined based on crude cost reckoned on FIFO basis and processing cost. Cost of lubes and greases is determined based on weighted average cost of inputs.
- 4.2.3 Imported products in transit are valued at CIF cost.
- 4.2.4 Excise duty/customs duty on stock of finished goods and crude oil in bond are accounted for only on their release from bond.

4.3 Stores and Spares

Stores and Spares (including Barrels, Tins and Capital Stores) 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.

5. DEBTORS

In respect of sundry debtors other than specifically dealt with, an adhoc provision is made to recognise the element of uncertainty of realisation.

6. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

- 6.1 Contingent Liabilities are disclosed in each case above Rs.5 lakhs. 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.
- 6.2 Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs.5 lakhs.

7. PROFIT AND LOSS ACCOUNT

- 7.1 Adjustments pertaining to purchase of raw materials/finished products, sales and others admissible under the Administered Pricing Mechanism are accounted as "net claim from/ (surrender to) Industry Pool Accounts".
- 7.2 Liability towards gratuity is paid to a Fund maintained by LIC and administered through a separate trust set up by the Corporation. Difference between the fund balance and the accrued liability, determined based on the actuarial valuation by LIC, is charged to Profit & Loss Account.
- 7.3 Provision towards leave encashment and post retirement benefits to employees is made based on the actuarial valuation as at the end of the year.
- 7.4 Pre-paid expenses upto Rs.50,000/- in each case are charged to revenue.
- 7.5 Income and expenditure upto Rs.5 lakhs in each case pertaining to previous years are accounted for in the current year.



- 7.6 Claims on Oil Coordination Committee/Government arising on account of Administered Pricing Mechanism 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.
- 7.7 Other claims (including interest on outstandings) are accounted:
- a) when there is certainty that the claims are realisable
 - b) generally at cost

8. GRANTS

In case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognised as income in the Profit and Loss account over the period and in proportion in which depreciation is charged.

9. R&D EXPENDITURE

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

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
Secretary

Place: New Delhi
Dated: May 28, 1999

SCHEDULE "R" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

1. CONTINGENT LIABILITIES :

- a) Claims against the Corporation not acknowledged as debts **Rs.2,48,613.68 lakhs** (1998 - Rs.1,61,239.07 lakhs). These include :
- Rs.99,574.33 lakhs** (1998 - Rs.44,494.89 lakhs) being the demands raised by the Central Excise Authorities.
 - Rs.43,542.20 lakhs** (1998 - Rs.47,403.03 lakhs) in respect of Sales Tax demands.
 - Rs.23,467.98 lakhs** including **Rs.11,200.61 lakhs** on account of Projects (1998 - Rs.18,133.73 lakhs including Rs.7,768.31 lakhs on account of Projects) for which suits have been filed in the Courts or cases are lying with arbitrators.
 - Rs.39,699.72 lakhs** (1998 - Rs.28,816.14 lakhs) in respect of Income Tax demands.
 - Rs.4,237.42 lakhs** (1998 - Rs.4,452.63 lakhs) relating to Projects.

Interest, if any, on some of the claims is unascertainable.

- b) Income tax, if any, reimbursable to foreign contractors is unascertainable.
- c) Uncalled liability on partly paid shares **Rs.342.68 lakhs** (1998 : Rs.Nil).
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs.2,41,890.05 lakhs** (1998 -Rs.3,07,759.13 lakhs).
3. a) Title Deeds for Land and residential apartments as also lease and other agreements in respect of certain lands/buildings the book value of which is **Rs.12,092.68 lakhs** (1998 - Rs.9,197.81 lakhs) are pending for execution or renewal and are, therefore, not available for verification.
- b) Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.
4. There is a dispute between a project contractor and the Corporation regarding non-execution of the contract as per the terms and conditions laid down in the contract. The contractor has raised arbitrary demands on the Corporation amounting to **Rs.1,89,687.69 lakhs** (1998 - Rs.1,76,313.24 lakhs). The Corporation has now quantified its own claim against the contractor for approximately **Rs.2,69,400.59 lakhs** (1998 - Rs.1,21,227.00 lakhs) and the dispute has been referred to the arbitrators appointed by both the parties. Corporation does not anticipate any liability in this dispute.
5. Consequent to the Government of India's arbitrators award, the amount of **Rs.1,210.61 lakhs** recoverable from Air India has been set off against an identical amount surrenderable to Industry Pool Account.
6. International Airlines are seeking exemption for payment of Sales Tax in respect of petroleum products purchased by them in India. Pending decision of the Government of India, applicable Sales Tax amounting to **Rs.16,270.81 lakhs** (1998 - Rs.11,155.23 lakhs) has been billed to International Airlines which is pending for settlement. This amount is considered good of recovery either from International Airlines or from Government of India depending upon the final decision.
7. The Corporation has numerous transactions with other Oil Companies, which are reconciled on an ongoing basis and are subject to confirmation. Adjustments, if any, arising therefrom are not likely to be material.
8. Excise/customs duty amounting to **Rs.83,114.63 lakhs** (1998 - Rs.51,100.01 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.
9. Pending finalisation of Long Term Settlement with the employees, liability for the period 1.1.97 to 31.3.99 (except **Rs.15,616.07 lakhs** (1998 - Rs.8,872.72 lakhs) equivalent to the advance paid/payable to employees)



has not been provided in respect of revision of emoluments as the amount thereof is indeterminable. However, the impact of the above settlements is, to the extent of price controlled products, subject to claim from the Pool Account as per the pricing mechanism as applicable.

10. Consequent to the accounting of major claims at cost, the profit for the year is reduced by **Rs.1,864.67 lakhs** (1998 -Rs.Nil).
11. Provision for doubtful debts includes an adhoc provision of **Rs.1,189.03 lakhs** (1998 - Rs.Nil) to recognise the element of uncertainty of realisation of certain debts.
12. Pursuant to a decision taken during the year, the Corporation has agreed to acquire from Government of India, 13,70,67,381 equity shares of Rs.10/- each of Oil and Natural Gas Corporation Limited (ONGC) for Rs.2,22,515.19 lakhs and 4,08,39,549 equity shares of Rs.10 each of Gas Authority of India (GAIL) for Rs.24,503.73 lakhs. Against the total purchase consideration of Rs.2,47,018.92 lakhs payable for ONGC's equity shares and for GAIL's equity shares, an amount of Rs.2,28,000.00 lakhs has been paid as of 31.3.1999.

13. Remuneration paid/payable to Directors :

	(Rupees/Lakhs)	
	1998-99	1997-98
i) Salaries & Allowances	24.75	15.83
ii) Contribution to Provident Fund	2.15	1.17
iii) Contribution to Gratuity Fund	0.37	0.74
iv) Other benefits and Perquisites	23.69	7.17
v) Sitting Fees to Part Time Directors	0.20	0.00
Total	51.16	24.91

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.400 per mensem for car of less than 16 hp or Rs.600 per mensem for car of above 16 hp as specified in the terms of appointment.

14. The Profit and Loss Account includes :

- a) Expenditure on Public Relations and Publicity amounting to **Rs.1,237.48 lakhs** (1998 - Rs.1,112.88 lakhs) which is inclusive of **Rs.260.07 lakhs** (1998 - Rs.201.54 lakhs) on account of Staff and Establishment and **Rs.977.41 lakhs** (1998 - Rs.911.34 lakhs) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is **0.00018:1** (1998 -0.00019:1).
- b) Research and Development expenses **Rs.2,355.16 lakhs** (1998 - Rs2,609.13 lakhs).
- c) Entertainment Expenses **Rs.19.79 lakhs** (1998 - Rs.12.72 lakhs).

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

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
Secretary

Place: New Delhi
Dated: May 28,1999

SCHEDULE "S" - LICENCED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakhs)

	UNIT	Licenced Capacity (Refer Note A)		Installed Capacity (Refer Note B)		Actual Production	
		March-99	March-98	March-99	March-98	March-99	March-98
i) Crude Processing	MTs	305.00	245.00	317.00	254.00	281.35 (Refer Note D)	260.32
ii) Lubricating Oil	MTs	2.26	2.26	1.58 (Refer Note C)	1.58	1.12	1.10
iii) Wax/Bitumen/Asphalt Lube Oil Drums	Nos.	15.58	15.58	15.00	15.00	5.74	6.83
iv) Oxygen Plant	CU.M.	Not specified	Not specified	0.84	0.84	0.00	0.00
v) Propylene Recovery Unit	MTs	0.24	0.24	0.24	0.24	0.20	0.06

Note :

- A. i) Licenced Capacity of Refinery is not specified for Assam Oil Division.
 ii) Capacity for projects under construction not considered.
 iii) Capacity includes six million MT of Panipat Refinery - Partly commissioned w.e.f. October '98.
- B. As certified by the Management and accepted by the auditors without verification.
- C. Per year operating in two shifts.
- D. Represents finished petroleum products.

SCHEDULE "T" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

(Figures in Lakhs)

	OPENING STOCK ^o		PURCHASES		SALES		CLOSING STOCK	
	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
	MTs	RUPEES	MTs	RUPEES	MTs	RUPEES	MTs	RUPEES
1. PETROLEUM PRODUCTS^o:								
Year ended 31.03.99	60.14	217072.72	432.95	2581634.60	714.74	6147900.26	60.27	331274.83
Year ended 31.03.98	56.06	238671.64	446.21	1964783.57	694.68	4968133.20	60.14	217072.72
2. LUBRICANTS & GREASES:								
Year ended 31.03.99	0.74	26668.11	0.08	5386.94	4.71	190835.15	0.64	21667.43
Year ended 31.03.98	0.90	33104.32	0.11	9372.02	4.24	177982.43	0.74	26668.11
3. CRUDE OIL:								
Year ended 31.03.99	0.00	0.00	166.19	609453.36	166.19	609453.36	0.00	0.00
Year ended 31.03.98	0.00	0.00	168.11	769040.63	168.11	769040.63	0.00	0.00
4. BASE OIL & ADDITIVES:								
Year ended 31.03.99	0.00	0.00	0.35	4726.70	0.35	4834.37	0.00	0.00
Year ended 31.03.98	0.00	0.00	0.54	7044.88	0.54	6755.80	0.00	0.00
TOTAL								
Year ended 31.03.99	60.88	243740.83	599.57	3201201.60	885.99	6953023.14	60.91	353142.26
Year ended 31.03.98	56.96	271775.96	614.97	2750241.10	867.57	5921912.06	60.88	243740.83

^o Includes adjustment to opening stock

Excludes stock transferred from CWIP during the year - Rs.8132.73 lakhs (Quantity - 140174 MTs)

Note :

Purchases and Sales exclude value adjustments shown under items pertaining to prior period

SCHEDULE "U" - CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS/SHEETS/STORES/SPARE PARTS AND COMPONENTS

	IMPORTED		INDIGENOUS		QUANTITY MTs (in lakhs)	TOTAL Rupees (in lakhs)
	VALUE	% to total	VALUE	% to total		
	Rupees (in lakhs)	consumption	Rupees (in lakhs)	consumption		
March-99						
Crude Oil	868,498.28	66	438,312.88	34	296.29	1306811.16
Base Oil	5,602.72	9	59,794.47	91	3.56	65397.19
Additives	993.45	6	16,575.91	94	0.23	17569.36
Packing Materials	0.00	0	15,003.81	100	0.00	15003.81
Consumed						
Steel Coils / Sheets /						
Stores / Component and						
Spare Parts	3,797.50	19	16,157.48	81	0.15	19954.98
March-98						
Crude Oil	1,009,008.49	70	439,476.61	30	275.04	1448485.10
Base Oil	6,951.43	11	55,956.67	89	2.69	62908.10
Additives	1,639.37	9	15,851.31	91	0.20	17490.68
Packing Materials	0.00	0	13,410.46	100	0.00	13410.46
Consumed						
Steel Coils / Sheets /						
Stores / Component and						
Spare Parts	6,534.96	27	17,379.27	73	0.16	23914.23

Note :

1. Additives are not considered as Raw Materials in Refineries.
2. Consumption excludes value adjustments if any, shown under items pertaining to the prior period.
3. Indigenous Base Oil Includes **Rs.29267.00 lakhs** (1998: Rs.31824.55 lakhs) which is internally produced.



SCHEDULE "V" - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, INTEREST & OTHER MATTERS

(Rupees in Lakhs)

	Note	March-99	March-98
1. Royalty		2589.89	468.41
2. Professional, Consultation Fees and Technical Service Fees		2788.57	1488.18
3. Interest		52724.67	72871.40
4. Purchase of Products		945668.77	1215018.00
5. Others	A	21065.90	7464.80
TOTAL		1024837.80	1297310.79

Note :

- A. Includes **Rs.8782.02 lakhs** (1998 : Rs.5623.06 lakhs) on account of crude purchases from an Indian Company, payments of which was made in foreign currency.
- B. Expenditure in Foreign Currency has been considered on accrual basis.

SCHEDULE "W" - EARNINGS IN FOREIGN EXCHANGE

(Rupees in Lakhs)

	Note	March-99	March-98
1. Export of Crude Oil and Petroleum Products	A	139561.70	184252.98
2. Interest		679.97	0.32
3. Income from Consultancy Services		55.12	10.35
4. Management Contract Fees		496.45	272.26
5. Inventory Holding Charges		5.16	17.16
TOTAL		140798.40	184553.07

Note:

- A. Includes **Rs.95635.59 lakhs** (1998 : Rs.102095.44 lakhs) received in Indian Currency out of the of the repatriable funds of Foreign Customers and other Export Sales through canalising agencies.
- B. Earnings in Foreign Currency has been considered on accrual basis.

SCHEDULE "X" - CIF VALUE OF IMPORTS

(Rupees in Lakhs)

	Note	March-99	March-98
1. Crude Oil	A	1371502.69	1450874.49
2. Base Oil		1693.68	4996.74
3. Additives		970.07	1223.17
4. Capital Goods		31010.29	26045.36
5. Revenue Stores, Component, Spare and Chemicals		3212.61	4482.86
TOTAL		1408389.34	1487622.62

Note :

- A. i) Includes FOB value of Imports made by the Corporation on behalf of Other Oil Companies **Rs. 609453.36 lakhs** (1998 : Rs. 769040.63 lakhs)
- ii) Excludes **Rs.132900.41 lakhs** (1998: Rs.152134.50 lakhs) representing the imports under agency agreement.



SCHEDULE "Y" - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 11388 State Code 11

Balance Sheet Date 31 03 99

II. Capital Raised during the year (Amount in Rs. Thousands)

PUBLIC ISSUE

 NIL

RIGHTS ISSUE

 NIL

BONUS ISSUE

 NIL

PRIVATE PLACEMENT

 NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

223310093

Total Assets

223310093

Sources of Funds

Paid-Up Capital

3893147

Reserves & Surplus

118795138

Secured Loans

23906760

Unsecured Loans

76715048

Application of Funds

Net Fixed Assets

151657576

Investments

55678775

Net Current Assets

15973742

Misc. Expenditure

NIL

Accumulated Losses

NIL



IV. Performance of Company (Amount in Rs. Thousand)

Turnover

6 9 4 3 0 2 0 9 2

Total Expenditure

6 3 0 3 9 2 0 5 3

Profit Before Tax

+ 2 7 3 2 5 2 2 7

Profit After Tax

+ 2 2 1 3 5 2 2 7

Earnings per share in Rs.

5 6 . 8 5

Dividend Rate %

1 3 0

V. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)

Item Code No. (ITC Code)

2 7 1 0

Product Description

Bulk Petroleum Products

Item Code No. (ITC Code)

2 7 0 9

Product Description

Crude Oil

Item Code No. (ITC Code)

2 7 1 0 9 0

Product Description

Lubricants

Statement As Per SEBI Requirement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999

		(Rs./Lakhs)	
		1998-99	1997-98
A	Cash Flow from Operating Activities		
1	Profit Before Tax	273252	196474
2	Adjustments for :		
	Depreciation	105748	103796
	Profit on sale of Assets (Net)	217	-554
	Amortisation of Capital Grants	-38	-27
	Provision for investments written back	0	-2449
	Profit on sale of Investments (Net)	-56	-4202
	Interest Income on Investments	-77197	-33301
	Dividend Income on Investments	-362	-362
	Interest Expenditure	120278	112615
		148590	175516
B	Operating Profit before Working Capital Changes (1+2)	421842	371990
C	Change in Working Capital: (Excluding Cash & Bank Balances)		
	Trade & Other Receivables	140191	651771
	Inventories	-102395	31490
	Trade and Other Payables	151893	-138381
		189689	544880
D	Cash Generated From Operations (B+C)	611531	916870
E	Less : Taxes paid	60620	43722
F	Net Cash Flow from Operating Activities (D-E)	550911	873148
G	Cash Flow from Investing Activities:		
	Sale of Assets	3121	991
	Sale / Maturity of Investments	99407	68219
	Interest Income on Investments	77197	33301
	Dividend Income on Investments	362	362
	Purchase of Assets	-76901	-86457
	Advance for Investments in ONGC/GAIL	-228000	
	Investment/Advance for Investments in Joint Venture Companies	-4563	-1378
	Investment in 10.5% Govt. of India Special Bonds 2005 *	504700	-647800
	Expenditure on Construction Work in Progress	-353699	-219035
	Net Cash used in Investing Activities	21624	-851797



(Rs./Lakhs)

	1998-99	1997-98
H		
Net Cash Flow From Financing Activities:		
Proceeds From Calls In Arrear/Issue of Shares including Premium	34	11
Receipt of Grant for Capital Projects	300	88
Proceeds from Long-Term Borrowings	-170253	162590
Proceeds from/(Repayments of) Short-Term Borrowings	-244543	-59452
Interest paid	-132174	-117190
Dividend/Dividend Tax paid	-21398	-17125
Net Cash Generated/(Used) from Financing Activities:	<u>-568034</u>	<u>-31078</u>
I		
Net Change in Cash & Cash Equivalents (F+G+H)	<u>4501</u>	<u>-9727</u>
J		
Cash & Cash Equivalents as at end of the Financial Year	50038	45537
K		
Less:Cash & Cash Equivalents as at the beginning of Financial Year	<u>45537</u>	<u>55264</u>
NET CHANGE IN CASH & CASH EQUIVALENTS (J-K)	<u>4501</u>	<u>-9727</u>

* Received in lieu of part settlement of OCC dues.

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
Secretary

Place: New Delhi
Dated: May 28, 1999



AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

To

The Board of Directors,
Indian Oil Corporation Limited,

We have examined the Cash Flow Statement of Indian Oil Corporation Limited for the year ended 31st March, 1999. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with Calcutta/Chennai/ Delhi/ Mumbai/ National Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of dated May 28, 1999 to the Members of the Company.

V. SANKAR AIYAR & CO.
Chartered Accountants

Sd/-
(S. VENKATRAMAN)
Partner

L. B. JHA & CO.
Chartered Accountants

Sd/-
(K. GUHATHAKURTA)
Partner

B. K. SHROFF & CO.
Chartered Accountants

Sd/-
(O.P. SHROFF)
Partner

JAGDISH CHAND & CO.
Chartered Accountants

Sd/-
(J. C. GUPTA)
Partner

Place : New Delhi

Dated: May 28, 1999



STATEMENT PURSUANT TO SECTION 212(1)(e)

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

1. The extend of holding Company's interest in the subsidiary at the end of the financial year 31.3.1999 :

- No. of Shares	8000
- Paid up value of Shares	Rs. 40 lakhs
- Percentage of Holding Company's interest in the total share capital of the subsidiary	100%

(Shares in the Subsidiary Company were registered in the name of the Company and their nominees as indicated)

2. The net aggregate amount of the profit of the subsidiary company not dealt with in the Company's accounts so far as it concerns the members of the holding Company :

	Rs./lakhs
- For the financial year ended 31.3.1999	1066.08
- For all the previous financial years of the subsidiary	4556.10

3. The net aggregate amount of the profit of the subsidiary Company so far as its profits are dealt with in the holding Company's accounts :

	Rs./lakhs
- For the financial year ended 31.3.1999	10.00
- For all the previous financial years of the subsidiary	179.11

Sd/-
(M A Pathan)
Chairman

Sd/-
(P. Sugavanam)
Director (Finance)

Sd/-
(R Narayanan)
Secretary

Place: New Delhi
Dated: May 28, 1999

Schedule of Fixed Assets (Township)

SCHEDULE OF FIXED ASSETS (TOWNSHIP) FOR THE YEAR ENDED 31.3.1999

PARTICULARS	GROSS BLOCK AS ON 01.04.98 (AT COST)	ADDITIONS DURING THE YEAR (AT COST)	TRANSFERS FROM CNST. W-I-P (AT COST)	TRANSFERS DEDUCTION RECLASS (AT COST)
Land Freehold	578.67	422.80	0.00	114.04
Land Leasehold	537.81	0.49	0.00	141.22
Bldgs. Roads etc.	14498.55	4094.02	2178.22	-332.61
Plant & Machinery	736.81	1590.46	19.96	-15.80
Furniture & Fixture	275.85	135.41	0.00	-3.30
Drainage, Sewage & Water Supply System	1117.01	1179.04	524.93	39.43
Equipment & Applicances	1384.31	285.48	66.06	-6.27
Vehicles	210.78	119.52	0.00	-3.72
GRAND TOTAL :	19339.80	7827.22	2789.17	-67.01
PREVIOUS YEAR :	18023.54	428.67	912.00	56.54

(Rupees in lakhs)

GROSS BLOCK AS ON 31.3.1999 (AT COST)	DEPERN./ AMORTS. PROVIDED DURING THE YEAR	TOTAL DEP. AMORTS. UP TO THE 31.3.1999	NET DEPRECIATED BLOCK	
			AS ON 31.3.1999	AS ON 31.3.1998
1115.51	0.00	0.00	1115.51	568.92
679.52	5.89	59.02	620.50	494.43
20438.19	294.37	3036.65	17401.53	11756.27
2331.43	116.33	496.85	1834.58	358.11
407.97	17.43	170.99	236.98	119.11
2860.42	111.25	768.02	2092.40	460.23
1729.58	61.15	509.88	1219.70	848.20
326.58	19.95	116.44	210.14	114.42
29889.20	626.37	5157.85	24731.34	14719.70
19339.80	341.79	4620.10	14719.70	

Income and Expenditure Account (Township)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999 ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(Rupees in lakhs)

	March-99	March-98
INCOME :		
1. Recovery of House Rent	290.01	267.19
2. Recovery of Utilities - Power and Water	67.33	55.68
3. Recovery of Transport Charges	1.68	6.20
4. Other Recoveries	333.77	290.84
5. Excess of Expenditure over Income	9605.21	7470.10
TOTAL	10298.00	8090.01
EXPENDITURE :		
1. Salaries, Wages and PF & Gratuity Contribution	2168.66	1981.34
2. Consumable Stores and Medicines	626.12	553.56
3. Repairs and Maintenance	2033.85	1832.53
4. Interest	1215.85	974.11
5. Depreciation	626.37	341.79
6. Miscellaneous Expenses :		
Taxes, License Fees, Insurance etc.	447.18	382.37
7. Utilities - Power and Gas	2496.54	1490.89
8. Rent - Land	1.69	3.31
9. Welfare (School) etc.	2.68	2.33
10. Subsidies for Social & Cultural Activities	600.07	481.79
11. Bus Hire Charges	33.31	29.01
12. Club and Recreation	2.02	1.82
13. Others	43.66	15.16
TOTAL	10298.00	8090.01

Review of Accounts

REVIEW OF THE ACCOUNTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1999 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. FINANCIAL POSITION :

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

	1996-87	1997-98	1998-99
(Rs./Crores)			
LIABILITIES :			
a) Paid up Capital			
i) Government	355.29	355.29	355.29
ii) Others	33.98	33.99	34.02
b) Reserves and Surplus			
i) Free Reserves & Surplus	8,548.22	10,040.57	11,692.28
ii) Share Premium	175.25	175.35	175.66
iii) Capital Reserves	8.34	8.95	11.57
c) Borrowings			
i) From Government of India	0.00	0.00	0.00
ii) From Financial Institutions	500.00	500.00	800.00
iii) Foreign Currency Loans	9,033.98	11,245.85	6,425.98
iv) Cash Credit, EPC, Wkg. Capital demand loan	2,086.04	1,677.06	2,370.58
v) Others	1,536.27	781.72	445.52
vi) Interest accrued & due on loans	22.47	5.51	20.10
d) Current Liabilities and Provisions			
i) Current Liabilities and Provisions	9,383.41	7,915.97	9,616.56
ii) Provision for Gratuity	16.91	12.99	11.19
TOTAL :	31,700.16	32,753.25	31,958.75
ASSETS :			
e) Gross Block	10,396.66	13,313.20	17,225.97
f) Less : Cumulative Depreciation	4,374.98	5,402.32	6,479.70
g) Net Block	6,021.68	7,910.88	10,746.27
h) Capital Work-in-Progress	3,783.87	4,001.54	4,419.49
i) Investments/ Advances for Investments	3,406.66	9,282.76	5,567.87
j) Current Assets, Loans and Advances			
i) Interest accrued on Investments/ Bank Bal.	89.74	128.94	66.71
ii) Inventories	4,901.32	4,586.41	5,610.37
iii) Sundry Debtors	2,400.08	2,400.21	2,255.83
iv) Cash and Bank Balances	552.64	455.37	500.38
v) Loans and Advances	10,544.17	3,987.14	2,791.83
TOTAL :	31,700.16	32,753.25	31,958.75
k) Working Capital {(j-d(i)-c(vi))}	9,082.07	3,636.59	1,588.46
l) Capital Employed (g+k)	15,103.75	11,547.47	12,334.73
m) Net Worth {(a+b(i)+b(ii))}	9,112.74	10,605.20	12,257.25
n) Networth per rupee of equity capital (Rupees)	23.41	27.24	31.48

Previous year figures have been regrouped in line with 1998-99 accounts. The Govt. of India's holding in the equity of the company as on 31.3.1999 works out to 91.14%.

2. RESERVES AND SURPLUS

The free reserves and surplus of the Company were 26 times of the paid up capital as on 31st March, 1998. After the addition of Rs. 1651.71 Crores from the profits of the current year, the free reserves and surplus (Rs. 11692.28 crores) were 30 times of the paid up capital at the end of 31st March, 1999.

3. INVESTMENTS/ ADVANCES FOR INVESTMENT IN J.V. COMPANIES

The investment of the Company together with advances for investments as on 31st March, 1999 has been decreased to Rs. 5567.87 crores from Rs.9282.76 crores as on 31st March, 1998. The decrease in investments was mainly on account of redemption of 10.5% Govt. of India Special Bonds 2005 amounting to Rs.5047 crores.

During the year, following Public Sector Tax Free Bonds were realised on maturity :

	No. of Units	(Rs. in Crore) Face value
A. Government of India's Bonds		
10.5% GOI Special Bonds	0	5,047.00
B. Other Bonds		
10.50% KRCL Tax Free Bonds	500,000	50.00
9.00% NLCL Tax Free Bonds	1,050,000	105.00
9% PFC Tax Free Bonds	1,825,000	182.50
9% NPC Tax Free Bonds	950,000	95.00
9% HUDCO Tax Free Bonds	145,000	14.50
9% REC Tax Free Bonds	1,225,000	122.50
9% NHPC Tax Free Bonds	930,000	93.00
9% IRFC Tax Free Bonds	2,415,600	241.56
9% MTNL Tax Free Bonds	900,000	90.00
Govt. Securities	3	0
Sub-Total - B		994.06
TOTAL (A + B) :		6,041.06

During the year 1998-99, following additional investments (including advances for investments) were made in Joint Venture Companies

	(Rs. in Crore)
- Petronet India	7.13
- Petronet LNG Ltd.	7.50
- Petronet VK Limited	26.00
- Indian Oil Tanking Limited	5.00

Pursuant to a decision taken during the year, the Corporation has agreed to acquire from Government of India 13,70,67,381 equity shares of Rs.10 each of Oil and Natural Gas Corporation Limited (ONGC) for Rs. 2,225.15 crores and 4,08,39,549 equity shares of Rs.10 each of Gas Authority of India Limited (GAIL) for Rs.245.04 crores. Against the total purchase consideration of Rs. 2470.19 crores payable for ONGC's equity shares and for GAIL's equity shares, an amount of Rs.2280.00 crores has been paid as of 31.3.99.

While the aggregate value as on 31st March, 1999 of investments in quoted Public Sector Undertaking Bonds and Unit-64 of UTI accounted in the books as per the accounting policy of the Company was Rs.931.41 crores, the market value thereof as per the quotations available (including Units from Unit Trust of India) works out to Rs. 929.96 crores.

4. SOURCES AND UTILISATION OF FUNDS :

Funds amounting to Rs.8707.25 crores from Internal and External Sources were utilised during the year as given below :

SOURCES OF FUNDS :

(Rs. in Crore)

Internal Generation :

i) Profit After Tax	2,213.52	
ii) Add: Depreciation	1,077.38	3,290.90
iii) Share Premium		0.31
iv) Call money		0.03
v) Grants		2.63
vi) Decrease in Investment		3,714.89
vii) Decrease in Working Capital		
- Decrease in Current Assets	332.94	
- Add: Increase in Current Liabilities	1,365.55	1,698.49
		<u>8,707.25</u>

UTILISATION OF FUNDS :

i) Capital Expenditure	4,330.72
ii) Repayment of Loans	4,162.55
iii) Dividend Paid	213.98
	<u>8,707.25</u>

Decrease in Working Capital is mainly due to :

Decrease in Loans and Advances by Rs.1195.31 crores mainly contributed by reduction in pool dues by Rs.1866.60 crores and increase in other advances by Rs.224.05 crores and claims by Rs. 278.41 crores.

Reduction in Book Debts by Rs. 123.27 crores.

Increase in current liabilities by Rs.1365.55 crores mainly on account of increase in sundry creditors by Rs.927.44 crores.

5. WORKING RESULTS :

The working results of the Company during the last three years are given below :

	1996-97	1997-98	(Rs. in Crore) 1998-99
i) Sales	55,388.99	59,176.20	69,430.21
ii) Less: Excise Duty	3,291.65	4,241.64	6,717.62
iii) Net Sales	52,097.34	54,934.56	62,712.59
iv) Other or Misc. Income (including Interest & Claims/ (Surrender) to Industry Pool Account)	7,578.49	1,954.07	(4,782.28)
v) Profit/Loss before tax and prior period adjustments	1,775.77	1,968.58	2,737.20
vi) Prior period adjustments	(9.54)	(3.84)	(4.68)
vii) Profit/Loss before tax	1,766.23	1,964.74	2,732.52
viii) Tax Provisions	358.00	258.24	519.00
ix) Profit after tax	1,408.23	1,706.50	2,213.52
x) Proposed Dividend	155.74	194.67	506.14

6. RATIO ANALYSIS :

Some important financial ratios on the financial health and working of the Company at the end of last 3 years are as under :

	(In Percentage)		
	1996-97	1997-98	1998-99
A. Liquidity Ratio :			
Current Ratio (Current Assets to Current Liabilities and provision and Interest Accrued and due but excluding provision for Gratuity) [j/(d(i)+c(vi))]	196.56	145.91	116.48
B. Debt Equity Ratio :			
Long Term Debt to Equity [c(i to v excldg. Short term)/m]	24.27	40.01	21.59
C. Profitability Ratios :			
a) Profit before tax to :			
i) Capital Employed	11.69	17.01	22.15
ii) Net Worth	19.38	18.53	22.29
iii) Sales (excluding duties)	3.39	3.58	4.36
b) Profit after tax to Equity	361.76	438.37	568.58
c) Earning per Share (Rs.)	36.17	43.83	56.85

Profit before tax to Capital Employed has gone up from 17.01% for the year 1997-98 to 22.15% for the year 1998-99, mainly due to :

- i) The Profit before tax has increased from Rs. 1964.74 crores for the year 1997-98 to Rs. 2732.52 crores for the year 1998-99, resulting in an increase of Rs.767.78 crores.
- ii) Capital Employed has increased from Rs.11547.47 Crores in 1997-98 to Rs. 12334.73 crores in 1998-99. The increase is mainly on account of additions to Net Fixed Assets by Rs. 2835.39 crores with corresponding decrease in working capital by Rs. 2048.13 crores.

Decrease in Working Capital is mainly due to :

Decrease in Loans and Advances by Rs.1195.31 crores mainly contributed by reduction in pool dues by Rs.1866.60 crores and increase in other advances by Rs.224.05 crores and claims by Rs. 278.41 crores. Reduction in Book Debts by Rs. 123.27 crores. Increase in current liabilities by Rs.1365.55 crores mainly on account of increase in sundry creditors by Rs.927.44 crores.

Profit before tax to Networth has gone up from 18.53% in 1997-98 to 22.29% in 1998-99 because of increase in Profit before tax by Rs. 767.78 crores.

Profit before tax to Sales (excl. duties) for 1998-99 is 4.36% as compared to 3.58% for 1997-98. The increase in ratio is mainly due to increase in volume of sales and impact of de-regulation.

7. INVENTORY :

Inventory position as at the end of the last three years is as under :

	(Rs. in Crore)		
	1996-97	1997-98	1998-99
i) Raw Materials	1,580.46	1,593.91	1,484.87
ii) Stores & Spares	372.44	349.19	359.09
iii) Stock-in-trade	2,718.50	2,437.40	3,531.43
iv) Stock-in-process	220.79	198.60	229.00
v) Stock of empty barrels and tins	9.13	7.31	5.99

The stock of raw materials was equivalent to about 1.3 month consumption in 1998-99, which was at the same level during 1997-98 and 1996-97. There is a decrease in the inventory of raw materials at the end of the year 1998-99 by Rs.109.04 crores over the previous year 1997-98.



The stores and spares at the end of 1998-99 represented 13.6 months consumption as against 13.6 months in 1997-98 and 13.9 in 1996-97.

The stock of finished goods at the end of the year was equivalent to about 0.61 months sales during 1998-99 as against 0.49 month in 1997-98 and 0.59 month in 1996-97.

8. SUNDRY DEBTORS :

The position of Sundry Debtors for the last three years ending 31st March, 1999 stood as follows :

	(Rs. in Crore)		
	1996-97	1997-98	1998-99
i) Sundry Debtors Considered good	2,400.08	2,400.21	2,255.83
ii) Sundry Debtors Considered doubtful	22.43	30.44	51.55
iii) Total Sundry Debtors	2,422.51	2,430.65	2,307.38
iv) Sales	55,388.99	59,176.20	69,430.21
v) Percentage of Sundry Debtors to Sales	4.37%	4.11%	3.32%

The total sundry debtors has reduced by Rs.123.27 crores, the reduction is mainly due to reduction in outstanding from Other Marketing Companies for crude oil sales by Rs.367 crores offset by increase in Non-DGS&D outstandings by Rs. 236 crores. Few cases of delays in recovery are given below :

An amount of Rs. 65.21 crores is outstanding from Assam State Electricity Board (ASEB). This includes, an amount (surcharge) of Rs.55.07 crores payable to OCC on realisation from ASEB and Rs.6.88 crores which represents value of Debit Notes raised retrospectively w.e.f. 2.9.97 as per Govt. directives to charge import parity price on FO/LSHS.

An amount of Rs. 226.30 crores is outstanding from Gujarat State Electricity Board. This includes Rs. 163.16 crores which represents value of debit notes raised on the customer retrospectively in line with Government directive dated 12.2.1998 to charge import parity price on FO/LSHS w.e.f. 2.9.97. The same has been disputed by the customer. However, w.e.f. 1.4.98, the customer has commenced paying at the agreed rates. It also includes an amount of Rs.63.14 crores for the period upto 31.12.1987 representing the amount (surcharge) payable to OCC on realisation from GEB.

9. SUNDRY CREDITORS :

The balance under this head increased to Rs.6019.47 crores as against Rs.5092.03 crores in 1997-98.

10. DIVIDEND :

The Company has proposed a dividend of 130% for the year 1998-99 as against 50% for the year 1997-98 and 40% for the last four years preceeding to 1997-98. 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, 1999 was 11.1 percent, 11.4 percent and 22.9 percent respectively. An amount of Rs.55.68 crores had been provided towards Corporate Dividend Tax for the year 1998-99.

Sd/-
(R. RAJALAKSHMI)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II

New Delhi
Dated : Aug. 6, 1999



Comments of the Comptroller & Auditor General of India under section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Corporation Limited, for the year ended 31st March, 1999

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to Auditors' Report under section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Corporation Limited, for the year ended 31st March, 1999.

New Delhi
Aug. 6, 1999

Sd/-
(R. Rajalakshmi)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II

Annexure-3

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Statement showing the particulars of the employees who are in receipt of remuneration of not less than Rs. 6,00,000/- per annum during the financial year 1998-99 or not less than Rs. 50,000/- per month during part of the year.

NAME OF THE EMPLOYEE	DESIGNATION	AGE	LAST EMPLOYMENT	DESIGNATION IN LAST EMPLOYMENT	D.O.J IOC	QUALIFICATION	EXPR (YRS.)	REMUN. (RS./M)
ANAND KUMAR	GM(OFFTG.)	48	NIL	NIL	18.08.78	B.SC.ENG.(CHEM)	24	861,253.00
APTE M V	CH LUBES MGR	58	VULCAN LOVAL LTD	TRAINEE ENGINEER	23/02/88	B E(ELECT), B E(MECH)	31	1812049.85
ARORA A.K.	DIR(REFINERIES)	58	—	—	31.10.85	B.E.(CHEM) PGO-PET & REF	33	736,686.56
BABU RAM	SR T T DRIVER	60	NIL	NIL	18/04/83	MATRIC	35	71,380
BAHADUR B	SR ATTENDENT(O)	57	NIL	NIL	31/10/89	NIL	30	480737
BAKSHI M P S	DY GENL MGR(FIN)	56	NIL	NIL	10/10/87	B A	31	722864.10
BALAKRISHNAN P R	ASST MGR(TERML)	55	NIL	NIL	24/07/86	S S L C	34	1412005.78
BALANI A B	SR PLANT MGR	58	MAZGAON DOCKS	TEMP CLERK	05/06/84	B A,LLB,SES,B.COM	34	387675.27
BANERJEE S P	SR ASSTT	51	NIL	NIL	28/07/70	SCHOOL FINAL	28	424424.40
BANSAL N K	DY MGR(FIN)	58	M C D	CLERK	17/10/88	B A	30	183151
BARBOZA T	SR FOREMAN(FIELD)(SG)	60	VS HARVEKAR CO.	MOTOR DIESEL MECH	27/12/87	VII STD	35	438060.86
BARIA Y V	ASST MGR(LUBES)	46	ASSO. OF MANMADE FIBRE INDUSTRY	TELE OPERATOR CUM RECEPTYN	03/10/75	B A	24	744513.55
BASU S C	ASST MGR(TERML)	58	NIL	NIL	09/08/87	B SC	31	89899.3
BHADRACHALAM M R	EXE DIRECTOR(PROJECT)	58	NIL	NIL	11/02/83	B E(CIVIL), FIE(DIP), C E(INDIA)	36	110788.75
BHARDWAJ, C.S.	FSAM	47	U.P. STATE TEXTILE CORPN. LTD.	LABOUR WELFARE OFFICER	31.12.80	B.A./M.S.W.L.B	21	628,522.00
BHATNAGAR R K	ACCTS OFFICER II	80	CALTEX	CLERK	05/01/87	HR SEC	32	128428
BHOR G R	SR FOREMAN(TTD)(SG)	60	NIL	NIL	30/06/86	VII STD	33	352877.06
BHOSLE D S	DY MGR(WELF)	68	CHARTERED ACCTT FIRIM	CLERK	08/11/86	B A(SPL),LLB	34	818344.41
BORAUN NABIN	SOME	42	NIL	NIL	13.10.80	H.S.S.L.C.	18	890745
BOSE CHANDRA	DY MGR(TERML)	40	HIGHWAYS RURAL	ASST ENGR	11/04/84	B TECH(CIVL)	14	86705.37
BOSE S K	ASST MGR(TERML)	58	NIL	NIL	11/03/78	B A/F I I E	23	744654.94
CHANDRASEKARAN R S	MGR	50	T N CHEMICAL LTD	PLANT MGR	13/07/81	M E(MECH)	24	815787.98
CHATTERJEE H.P.	PNE	58	BHAR INST. OF ALLIED RESEARCH KHAGAUL, PATNA	ASSTT.	02.12.83	MATRIC	36	141,858.00
CHAUHAN F.F.	JR. OFFICE ATT	55	NIL	NIL	18.08.84	IND STANDARD	35	118576.02
DAN SINGH	JR OPTR(FO)	31	NIL	NIL	20/08/97	VIII STD	02	787514
DAS J	SR FOREMAN(ROM)	58	NIL	NIL	29/05/84	VI STD	35	378175.5
DAYAL B	SR FORMAN	60	NIL	NIL	08/08/83	NIL	38	156823
D'OSTA A	FOREMAN(FIELD)	60	NIL	NIL	11/07/80	II STD	39	283103.96
DESAI J A	CH OPS MGR	58	HINDUSTAN ANTIBIOTICS	OPERATOR II	09/10/88	B SC	35	55108.15
DESAI N R	DY MGR(TECH AUDIT)	59	DOIR OLIVER LTD	CLERK	19/12/84	B A,LLB	35	888996.47
D.K. JHA	MANAGER (PROCESS)	59	M.I. COLLEGE, PAURNI GARHWAL	ASSISTANT TEACHER	1.12.83	B.TECH, IMBA (IPM)	16	6,77,433
DURGALAL	SR OPTR	60	RATHI BROS	KHALASI	21/05/88	NIL	33	182441
FAKIR H.K.	OPTR.GR.M	58	NIL	NIL	22.01.84	VIII STD	35	54,194.00
GAIKWAD F S	CHARGEMAN(FIELD)	60	NIL	NIL	01/09/83	VIII STD	38	206188.92
GAWNE S M	SR FOREMAN(TTD)(SG)	60	ESSO STANDARD INC.	DRIVER	18/01/85	VII STD	35	282200.28
GEETA DEVI	TEACHER I SG	38	MUNICIPAL SCHOOL, BEGUSARAI	ASSTT.TEACHER	06.08.71	MATRIC	34	54,085.00
GHOSH BRAJA DULAL	GENL MGR(SALES)	58	NIL	NIL	12/02/86	B A	33	707781.48
GNANAVELUG.	CCM	50	P.W.D. TAMILNADU	SUPERVISOR	2.4.79	B.E. (CIVIL)	30	650815
GOEL B.K.	DM(QC)	54	HAN INTER COLLEGE	TEACHER	11.08.81	M.SC., PHD	33	70884.58
GOPALAN G S	DY MGR(TERML)	54	GOVT OF MAHARASHTRA, MUMBAI	SR STENOGRAPHER	01/08/70	B A,LL B	34	1238476.62
GUJRAL R C	SR FORMAN	60	NIL	NIL	18/05/85	NIL	34	204745
GUPTA A K	RECORD CLERK	60	NIL	NIL	18/03/88	NIL	33	72127
GUPTA R	MGR(ENGG)	58	NIL	NIL	22/12/85	D C E	34	1002246
GUPTA T.N.	M.OPTR.(PN)	57	SH.JANKI RICE & OIL MILLS MUZZAFARPUR	PUMP OPTR	07.12.83	IA	36	1,084,248.00
GUPTA N S	ACCTS OFFICER II	60	NIL	NIL	30/11/85	S S C	34	218478
HALDANKAR S R	SR LAW MGR	58	NIL	NIL	19/11/80	B A(SPL),LLB	38	52378.93
HUSSAIN EQUBAL	M.X-RAY TECH	58	WORKING UNDER CAPT. (DR.)N.AHMAD CALCUTTA	RADIOGRAPHER	04.07.87	MATRIC	37	123,679.00
JADHAV J M	SR SECURITY GUARD	60	NIL	NIL	09/03/82	VI STD	17	107458.15
JAGASIA J K	DY MGR(FIN)	59	NIL	NIL	05/04/83	B COM	36	1218186.54
JAIN C.P.	DGM(S&EP)	47	NIL	NIL	01.07.77	B.SC.(CHEM) ENGG.	21	677951.75
JANARDANAN M K	GENL MGR(SHIPPING)	58	M A L	ASST SUPRV	29/04/88	B SC ENGG(MECH)	36	425980.08
JAUHARI D	SUPERVISOR(WORKS)	38	P W D	SUPERVISOR	30/04/84	D C E	15	81286
JHA B.	SR STORE KEEPER	58	NIL	NIL	13.08.89	MATRIC	29	86,233.00
JHA D.K.	MGR (PROCESS)	39	NIL	NIL	1.12.85	B.TECH, MBA	18	877433
JHA L.K.S.	SITE	46	NIL	NIL	10.03.80	B.SC	19	56,785.00
JOSE M	ACCTS OFFICER II	60	MAHTRA STATE EDUCATION BOARD	JR ACCTS CLERK	03/08/85	B COM	34	62886.8
JOSEPH R	ACCTS OFFICER	46	SIESTA INDUSTRIAL & TRADING CO	TYPIST	10/03/89	B A	30	821981.1
KATPALIA V	A P T M	58	LOCAL CINEMA	MANAGER	01/09/82	B A	37	978804
KHAN MOINUDDIN	M.OPTR.P&U	57	M/S TATA IRON & STEEL, CO. LTD.JAMADOBA, DHANBAD	CONDENSER ATTENDANT	23.03.84	MATRIC	43	158,820.00
KHERI SINGH	SR ATTENDENT	60	ARMY	GUNNER	02/09/74	XI STD	25	88696
KHWAJA T S	SR HRD MGR	41	NIL	NIL	31/09/82	B E(MECH), PGDM(MD)	17	1251834.01
K.P. NATHANI (DR.)	CHIEF RESEARCH MANAGER	46	M.I. COLLEGE, POURI GARHWAL	ASSISTANT TEACHER	12.08.78	PH.D.	23	6,39,752
LAXMI DEVI (SMT)	SHRAMIK-II	48	NIL	NIL	13.03.89	VIII PASS	10	808,382.00
LOGAN C	SR ASST	44	INDIAN OIL CORPORATION	CASUAL LABOUR	20/05/82	B A	17	627411.92
MADHAVAN	SR OPE FSG	55	INDIAN OIL CORPORATION	CASUAL LABOURER	24/01/78	VIII STD	22	108884.17

NAME OF THE EMPLOYEE	DESIGNATION	AGE	LAST EMPLOYMENT	DESIGNATION AT LAST EMPLOYMENT	D O J IOC	QUALIFICATION	EOPR (YRS.)	REMLN. (GROSS RS.)
MAHAJAN R.C.	ACO	48	DELHI UNIVERSITY, DELHI	CLERK/T	22.03.77	B.COM.	25	62932
MAHTA M.	DCMO	40	NIL	NIL	31.05.89	MBS, MS	8	63,246.00
MAHTO NARSINGH	SPLY.MAN (PN)-V PC	53	SIGNAL DEPART.N.RAILWAY, KHAGARIA	LABOUR	13.09.69	PRAVESH	30	58,242.00
MAHTO R.D.	SPLY.MAN.(PN)-IV PC	55	NIL	NIL	13.09.69	LITERATE	29	144,232.00
MALHOTRA K.L.	MGR.(F&F)	57	NIL	NIL	25.09.65	DIP. IN FIRE ENGG	33	400,709.00
MALIK S.K.	SR OPS MGR	53	NIL	NIL	29/1/67	D M E	32	617193
MARWAHA O.N.	DIRECTOR(MARKETING)	57	JAGAJIT DISTILLING	ACCTS OFFICER	02/09/66	B.COM.(HONS),C.A	32	2384211.82
MATHUR S.C.	DIRECTOR(FINANCE)	59	NIL	NIL	19/1/66	B.COM.(HONS),C.A	33	65990
MEHTOR SUKAN	SR MATE-IV (PC)	56	NIL	NIL	01.03.66	---	23	61,184.00
MENON P.C.	SR ASST(SYSTEMS)	61	NIL	NIL	29/08/62	MATRIC	37	207813
MISHRA V.N. (DR.)	CMO	52	MG HOSPITAL,DEWAS, M.P.	ASSTT. SURGEON	11.02.74	MBS, M.D.	30	614,713.00
MITRA G.	CFM	58	DURGA PUR PROJECT,LTD, DURGA PUR, BURDWAN	SR.MACHINE OPTR	05.08.73	B.COM	35	117,998.00
MUKHOPADHYAY JAYANTA KR	SECT OFFICER II	46	NIL	NIL	02/07/76	B.SC	22	48263
MUMTAZ	MAST.EQUIPT OPTR	59	NIL	NIL	13.09.69	LITERATE	29	79,316.00
NATHANI K.P. (DR.)	CHIEF RES. MGR.	48	MI COLLEGE, POLURI, GARRHWAL	ASST. TEACHER	12.6.78	PH.D	23	639752
NARANG A.K.	MGR(LPG-SALES)	58	NIL	NIL	13/12/68	INTER	31	630302.6
NATEKAR R.R.	MGR(OPS)	52	NIL	NIL	05/04/65	B.A	34	177818.86
OZA B.M. (MS)	RECEPTIONIST	59	M/S ALEMBOIC CHEMICAL	RECEPTIONIST	15.09.65	SSC	34	257847.86
PAL R.K.	SR FOREMAN(AVN)(SG)	60	NIL	NIL	24/09/65	S S L C, MOTOR MECH COURSE	34	283437.23
PALLIGN M	SR FOREMAN(TTD)(SG)	60	COLLECTOR OF CUSTOMS, MUMBAI	SEPOY-DRIVER	18/1/66	NIL	38	211843.04
PANDIT JUGAL	SPLY.MAN.(MAT)-IV PC	58	NIL	NIL	13.09.69	LITERATE	29	56,173.00
PATEL A.B.	TECH.GR.I	57	NIL	NIL	07.11.66	10TH	32	85627.32
PATEL R.C.	SR.OFFICE ASST.	59	NIL	NIL	01.02.84	SSC	35	56276.92
PATIL M.	CHARGEMAN(FIELD)	54	NIL	NIL	09/09/68	IV STD	31	297916
PATNAIK ANIL KUMAR	MGR(C & C)	59	NIL	NIL	01/06/64	B.A(HONS)	34	54212.63
PILLAI N.V.	SECT OFFICER I	56	FAIRDEAL CORPN LTD	TYPIST	19/02/62	B.A	37	262399
POULOUSE P.O.	SR FOREMAN(TTD)(SG)	60	ZUIDU ENGG, FORT	DRIVER	07/02/66	V STD	34	301821.5
PRASAD K.	ELE	57	JHARIA COAL FIED ELECT. SUPPLY, DHANBAD	ELECTRICIAN	25.08.64	MATRIC,ITI	35	689,513.00
PRASAD R.K.	OPTR A(U)	56	NIL	NIL	15.12.61	MATRIC	37	61,232.00
PRASAD S.	CHARGEMAN	60	BURMAH SHELL	KHALASI	01/07/65	JR HIGH SCHOOL	34	234288
PRASAD V.N.	OPTR GR.A(PH)	54	BRIDGE & ROOF CO., BEGUSARAI	SEMI SKILLED HELPER	13.08.69	PRAVESH	35	228,281.00
QURESHI M.A.	CH S & D MGR	59	ESSO	CLERK	14/12/64	B.SC,COMP PROG	37	791225.44
RAJU D.S.	DY GENL MGR(M & I)	57	NIL	NIL	18/11/65	B.E	34	627044.80
RAM MOHAN S.	EXE DIRECTOR	57	NIL	NIL	18/05/65	B.E(ELEC)	36	661411.74
RAMAKRISHNAN	MGR(FIN)	40	M S JAGNATHAN & KRISHNASWAMY	AUDIT ASST	09/01/64	B.COM,C.A	16	186182.49
RANE R.B.	ACCTS OFFICER II	45	PRIVATE FIRM	TYPIST	01/12/61	B.COM	19	149712.99
RAO K.M.	DY MGR(AVN)	59	NIL	NIL	21/01/64	B.SC,DIP ADVT MANAGEMENT	25	385528.30
RAO P.K.	SOQM	55	ADIT NGR HIGH SCHOOL	TEACHER	24.12.73	B.S.C.	37	318071.78
RAWAT G.S.	FOREMAN(F)	59	NIL	NIL	01/11/62	VI STD	37	669245
ROY GIRISH	TYPIST/CLERK	34	NIL	NIL	29/02/63	X STD	06	888349
ROY RAJA	PNE	26	NIL	NIL	21.11.65	B.E.(CHEM)	3	57,974.00
ROY SOUMEN	PSM	43	NIL	NIL	04.08.65	B.E.	34	153585.48
SAHA BANARASI	SPLY.MAN,IV(PC)	58	GANGA BRIDGE PROJECT, HATHI DAH PATNA	LABOUR	18.09.69	---	34	54,717.00
SAHA M.	SPLY.MAN,IV(PC)	59	NIL	NIL	13.09.69	LITERATE	29	75,385.00
SANT P.R.	DY MGR(PERSONNEL)	59	SACHIVALAY,MUMBAI	TYPIST	09/02/62	S.S.C	37	581106.35
SATHE J.S.	CHARGEMAN(FIELD)	60	BURMAH SHELL DEPOT	CASUAL LABOUR	17/05/65	VI STD	40	297193.65
SAVAKANDE J.M.	SR TT DRIVER(SG)	52	NIL	NIL	05/03/67	1ST STD	32	880590.20
SAWANT C.R.	SECT OFFICER II	59	NIL	NIL	21/03/64	S.S.C	34	127578.57
SAYED K.A.	CHARGEMAN(FIELD)	60	NIL	NIL	01/11/62	VII STD	37	203969.67
SEN A.N.	SR FIN MGR	40	NIL	NIL	23/08/61	A.C.A.A.I.C.W.A	18	358061.93
SETHI V.K.	DY MOR(SALES)	56	AMBASSADOR TRAVELS	SALES ASST	03/10/63	B.A	36	231999
SHAH P.R.	DMPA	59	ALEMBOIC GLASS	JR.CLERK	11.12.64	B.COM/LLB	36	604,223.43
SHAH R.H.	TRM	56	NIL	NIL	04.08.65	D.E.E./DME	34	624,818.42
SHAIKH B.B.M.	SR OPTR(FIELD)(SG)	60	NIL	NIL	01/08/62	IV STD	37	297881.05
SHAIKH S.M.	SR ATTENDANT (SG)	60	NIL	NIL	09/04/64	VI STD	35	208236.29
SHARMA P.K.	PVT SECRETARY	37	IC & SA	CLERK	17/08/61	B.COM,MASTER DEGREE IN PM	37	891063
SHARMA S.S.	MGR(OPS)	55	NIL	NIL	12/12/64	D.M.E	35	419422
SHETTY R.P.	PERSONAL ASST	38	ROSEMOUNT(INDIA) LTD	SECRETARY	10/10/60	B.SC	09	183593.16
SHIVAPC.	SMLE	56	NIL	NIL	31.08.65	HSC	34	275282.34
SIDHU P.L.	SR FOREMAN(AVN)	51	BURMAH SHELL	REF OPERATOR	01/08/66	VII STD	37	315712.13
SINGH B.K.	ASST MGR(FIN)	59	NIL	NIL	26/09/63	B.COM	35	77872.72
SINGH G.	SR TT DRIVER	56	INDIAN ARMY	DRIVER	19/01/69	VIII STD	31	448549
SINGH R.K.	COM	51	BOKARO STEEL, DHANBAD	TECH. ASSTT.	13/02.78	B.E. (M)	30	681987
SINGH GURCHARAN	AM	44	GENERAL INSURANCE CO.	STENO.	24.08.63	B.COM,LICENTIATE OF FED. OF INSURANCE	15	1,402,166.42
SINGH GURCHARAN	DMA	44	MINISTRY OF WH&S	PA	01.07.77	B.COM, MA	21	684802.75
SINHA M.K.	O.M.	47	R.S.E.B. RAJ	JR. ENGG.	20.10.81	BSC. (E)	25	804879
SINHA URMILA	SR. TEACHER-I	65	BALIKA VIDYA PEETHA, LAKHISARAI	ASSTT. TEACHER	12/07.74	M.A., B.ED	26	91,281.00
SONAWANE S.S.	DRIVER(CAR) 'A'	49	NIL	NIL	09/09/75	XI STD	24	673008.32
SOTA DINESH KUMAR	DY MGR(CO-ORDN)	36	NIL	NIL	23/02/88	B.S.C,P.G.D.B.M	11	223797.22
STANLEY L.	ACCTS OFFICER II(SG)	60	COMMONWEALTH ASSURANCE CO LTD	CLERK	05/02/65	S.S.L.C	33	407822.58
SUNDAR V.	SR SYSTEMS MGR	43	NIL	NIL	11/03/78	B.E(ELEC)	20	205584.77
SUTHAR N.G.	SPUE	57	NIL	NIL	31.12.65	1ST CLASS. BOILER PROFI.	33	424043.28
TANDEKAR S.S.	TECH.GR.I	31	HINDUSTAN BROWN,BOVERI	TRAINEE	13/02.84	ITI/WIRE MAN	14	1,021,336.27
VALMIKI B.G.	CHARGEMAN(AVN)	60	NIL	NIL	23/06/64	NIL	26	282678.44
VELUCHAMY P.	ACCTS OFFICER - III(SG)	57	NIL	NIL	22/09/60	S.S.L.C	39	708629.25
VERMA D.V.	SECT OFFICER II	60	AMC,LKO	L.D.C	25/03/65	MATRIC	34	134489
VERMA V.K.	DY MGR(LPG)	59	A.M.C.L.K.O	STENO	27/12/68	M.A	31	234699
VJAYARAGHAVAN V.R.	CH Q.C MGR	55	GOVT COLLEGE OF ENGG.	DEMONSTRATOR	04/11/67	B.SC,MAESI	35	603713.48
VILASI U.T.	SOCCO	58	NIL	NIL	01.01.66	B.S.C.	32	53,880.10

ANNUAL REPORT
1998-99

INDIAN OIL BLENDING LIMITED

(A wholly owned subsidiary of Indian Oil Corporation Limited)

Board of Directors

Arun Jyoti	:	Director-in-Charge
S. Ram Mohan	:	Director
M.C. Sachdeva	:	Director
P. Banerjee	:	Director (From 25/9/98)
Dr. S.P. Srivastava	:	Director (From 25/9/98)
T.L. Jain	:	Finance Director (From 25/9/98)
Narender Singh	:	Director (From 28/4/99)
Dr. A.K. Bhatnagar	:	Director (Upto 30/7/98)
M.S. Ramchandran	:	Director (Upto 3/8/98)
P. Sugavanam	:	Director (Upto 24/8/98)

REGISTERED OFFICE :

Pir Pau, Trombay
Mumbai - 400 074.

HEAD OFFICE :

Badamia Manor, Keshavrao Khadye Marg,
Mumbai - 400 034.

PLANTS :

Mumbai, Vashi (New Mumbai) and Calcutta

COMPANY SECRETARY :

Raju Ranganathan

BANKERS :

State Bank of India,
Mumbai and Calcutta

STATUTORY AUDITORS :

M/s. Gondalia & Mandviwalla
Chartered Accountants
Hamam House, 2nd floor
Ambalal Doshi Marg,
Fort, Mumbai - 400023.

Indian Oil Blending Limited

(A SUBSIDIARY OF INDIAN OIL CORPORATION LTD.)

Head Office : 3rd Floor, Badamia Manor, Keshavrao Khadye Marg, Mahalaxmi, Mumbai - 400 034

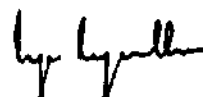
Notice

NOTICE is hereby given that the **Thirty Sixth Annual General Meeting** of the Shareholders of Indian Oil Blending Limited will be held at **IndiaOil Bhavan, G-9, All Yavar Jung Marg, Bandra (East), Mumbai-400 051** on **Friday, the 16th July, 1999** at **1200 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 Auditors thereon for the financial year ended 31st March, 1999.
2. To declare a dividend.
3. To appoint Director in place of Shri Arun Jyoti, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
4. To appoint Director in place of Shri S. Rammohan, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
5. To appoint Director in place of Shri M.C. Sachdeva, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
6. To appoint Director in place of Shri P. Banerjee, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
7. To appoint Director in place of Dr. S.P. Srivastava, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
8. To appoint Director in place of Shri T.L. Jain, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.
9. To appoint Director in place of Shri Narender Singh, who retires at the conclusion of the Annual General Meeting and is eligible for re-appointment.

By Order of the Board,



(Raju Ranganathan)
Company Secretary

Mumbai,
Dated : 1st July, 1999

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. Gondalia & Mandviwalla, Chartered Accountants, Mumbai.
CC : Director of Commercial Audit, Commercial Audit Wing,
C/o. IOC (HO), Bandra (E), Mumbai-51.

Directors' Report

To,

The Shareholders,

Indian Oil Blending Limited,

Your Directors take great pleasure in presenting the **36th Annual Report** on the working of the Company for the financial year ended 31st March, 1999, along with the Audited Statement of Accounts and Auditors' Report thereon.

1998-99 IN RETROSPECT

The year once again saw a challenging market environment for Lube Industry. Despite fierce competition, the Holding Company, Indian Oil Corporation Ltd., maintained its leadership in Lube Industry. As in the past, your Company played its role by meeting the requirements of the Holding Company, Indian Oil Corporation Ltd.

PERFORMANCE

	(Rs.in Lakhs)		
	1998-99	1997-98	% Growth
Production (TMT)	350	287	+ 22
Earnings	4397	3662	+ 20
Profit Before Tax	1647	1158	+ 42
Profit After Tax	1066	758	+ 41

Production volumes recorded a growth of 22%, which is reflected in the earnings. Production and earnings of your Company were in line with the requirements of IndianOil, whose demands are determined by the market forces.

Your Company scaled a new peak in profits by exercising control over variable costs. With the increased production volumes, blending cost per MT of Lubes and Greases has come down.

DIVIDEND AND APPROPRIATION OF PROFIT

Your Directors have recommended maintaining the dividend at the level of the last year, i.e 25%. This is the 32nd consecutive year of dividend declaration by your Company. Cumulative dividend paid upto last year is Rs.250.89 lakh against the original equity of Rs.40 lakh.

The disposable profit of Rs.1066 lakh has been appropriated as under :-

	(Rs.in lakhs)
Dividend	10
Tax on Dividend	1
Transfer to General Reserve	1055
Retained Profit & Loss Account	—
	1066
	=====

EARNING PER SHARE AND BOOK VALUE

The Earning Per Share and the Book Value per equity share of Rs.500 are as under:-

	(Rs.)		
	1998-99	1997-98	% Incr.
Earning Per Share	13326	9471	+ 41
Book Value	70640	57451	+ 23

CONTRIBUTION TO EXCHEQUER

Your Company has contributed a sum of Rs.581 lakh during the year to the Central Exchequer.

OPERATIONS

Your Company continued to maintain a high capacity utilisation as under :

	(TMT)		
Year	Licenced Capacity	Production	Capacity Utilisation
1998-99	239 *	350	146
1997-98	236	289	122
1996-97	236	262	111

* Including additional capacity of 3 TMT.

PROJECTS

Your Company recognises the importance of project management and accords top priority to timely completion of various projects.

Major Projects Completed

- * Installation of 3 Nos. pumps with constant Pressure Control System at Mumbai Plant.
- * Installation of 5 Ton Boiler at Calcutta Plant.
- * Augmentation of sub-station from 500 KVA to 750 KVA at Calcutta Plant.
- * Provision of conveyor facility for automation of unloading of empty barrels at Vashi Plant.

Major Ongoing Projects

- * Revamping of Automatic Batch Blending System at Mumbai and Calcutta Plants.
- * Increase in height of storage tank at Mumbai Plant.
- * Conversion of slop tank to asphalt storage at Mumbai Plant.
- * Replacement of cooling tower at Mumbai Plant.
- * Facility for heating thermic fluid at Vashi Plant.
- * Facility for treatment of fumes generated in the process while blowing in the kettles at Vashi Plant.
- * Provision of modern computer aided automatic test equipments in the laboratories at all the three Plants.

QUALITY ASSURANCE AND PRODUCT DEVELOPMENT

In line with the international trend, all the three plants of your Company have already been accredited with the prestigious ISO 9002 Certification.

During the year, all the three plants have been subjected to Surveillance Audit and their certifying agencies have cleared them with the remark "Quality System as per ISO 9002 is in place".

Your Vashi Plant is in the process to get accredited to "QS 9000" for which the pre-assessment by certifying agency has been cleared.

To keep pace with the international level of specifications, the formulation of automotive grades, industrial grades, speciality grades and greases were also upgraded as provided by IndianOil's R&D Centre and a number of genuine oils were introduced with the engine manufacturers approval.

Your Company has also introduced new grade of HBF meeting DOT-4 PLUS requirement.

Automation and state-of-the-art technology is being utilised to manufacture greases as well as lubricants in your plants to maintain high standard of quality.

ECOLOGY/ENVIRONMENT, SAFETY AND ENERGY CONSERVATION

In pursuit of its commitment to environment protection and preservation of ecological balance, regular testing of storm water drain samples and exhaust gas samples are analysed and report sent to the concerned State Pollution Control Board. The results of analysis were always found to be within the prescribed parameters.

Safety has a high priority in your Company. The operating practices are continuously upgraded and the directives issued by the Oil Industry Safety Directorate (OISD) are strictly complied by your company.

All the manufacturing facilities wherever fuel and

electricity are required are included within the purview of scope of monitoring the operations through Distributed Digital Control System (DDCS) provided with software of latest version.

For air pollution control, the facility for treatment of fumes generated in the process while blowing in the kettles is under erection.

The ensuing year will continue to see heightened competition in the market place. Your Company is geared to excel in a world with rapidly changing rules and ideas using its enhanced strength, which include strong R&D support, ISO 9002 accreditation, likely QS 9000 accreditation and available infrastructure.

To meet the competition, your Company has drawn up plans for modernisation which includes installation of In-Line Blending System and modern lab equipment to give speedy customer services. With the stress on cost control, your Company will not only give better performance in the coming years but will have an edge over competitors over cost.

Report on energy conservation, technology absorption and foreign exchange earnings/outgo

In accordance with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988, a report on energy conservation, technology absorption and foreign exchange earnings/outgo is provided in the Annexure.

HUMAN RESOURCES

One of the greatest strengths of your Company has been its reservoir of skilled and highly competent team of employees with a strong commitment and shared ambition for growth.

In line with your Company's philosophy, high priority was accorded to the creation of a conducive working environment and providing opportunities for excellence, development and self improvement of the Company's employees. Small group activities, quality circles and suggestions scheme were also given due encouragement.

Your Company continued to enjoy cordial and harmonious industrial relations during the year.

At the end of the year, the employee strength stood at 606, including 100 officers and 506 workmen, as compared to 593 employees, including 97 officers and 496 workmen at the end of the previous year.

WORKERS' PARTICIPATION IN MANAGEMENT

Your Company has always encouraged Workers' Participation in Management through establishment of various committees like Canteen Committee, Safety

Committee, Workers' Committee, Sports Committee, Hygiene Committee, etc. which have been functioning productively and satisfactorily.

WELFARE OF WEAKER SECTIONS

As a good corporate citizen, your company accepts social responsibility. In this direction, your Company has been following the Presidential Directives regarding the recruitment/promotion of Scheduled Castes/Scheduled Tribes and other backward classes, ex-servicemen and physically handicapped. A liaison officer looks after the employment and welfare of Scheduled Castes/Scheduled Tribes.

Statistical information in the prescribed proforma (VII-A and VII-B) relating to representation of SCs/STs is annexed with this report.

HINDI IMPLEMENTATION

As a part of national obligation, efforts were continued to be made for expanding the use of Hindi in official work at all locations, in accordance with the provisions of Official Languages Act (OLA), 1963.

Hindi training programmes / workshops, competitions were conducted. Necessary software support was also extended to encourage the use of Hindi for official work. Quarterly meetings of Hindi Implementation Committee were held to review the progress made during the year.

ENTERTAINMENT EXPENSES

Entertainment Expenses for the year were Nil.

FUTURE OUTLOOK

In order to overcome the intense competition at the market place, your Company with the inherent strengths, which inter alia, include the available infrastructure and R&D support by the Holding Company, is geared to meet the future challenges and leverage the emerging opportunities.

Your Company has already drawn up plans for modernisation, which includes installation of In-Line Blending System. The Company will endeavour to give better performance in the coming years.

Your Company believes that the key to success lies in total commitment to exceptional standards of performance, productivity and working together effectively with a desire to embrace new ideas and learn continuously.

PARTICULARS OF EMPLOYEES

The Particulars of employees u/s. 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended by the

Companies (Particulars of Employees Amendment Rules, 1999) are NIL.

BOARD OF DIRECTORS

Dr. A.K. Bhatnagar ceased to be Director of the Company effective 30/7/1998 and Dr. S.P. Srivastava was appointed as Director in his place on 25/9/1998.

Shri M.S. Ramachandran ceased to be Director of the Company effective 3/8/1998 and Shri P. Banerjee was appointed as Director in his place on 25/9/1998.

Shri P. Sugavanam ceased to be Finance Director with effect from 24/8/1998 and Shri T.L. Jain was appointed as Finance Director in his place on 25/9/1998.

Shri Narender Singh was appointed as Director on 28/4/1999.

The following Directors are liable to retire at the conclusion of the next Annual General Meeting and are eligible for reappointment :-

- Shri Arun Jyoti
- Shri S. Rammohan
- Shri M.C. Sachdeva
- Shri P. Banerjee
- Dr. S.P. Srivastava
- Shri T.L. Jain
- Shri Narender Singh

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to place on record the valuable contribution made by the employees, which enabled the Company to achieve excellent results and look forward to their dedicated services and endeavours in the years ahead, so as to achieve even greater heights.

The Board of Directors also wish to acknowledge the contribution, guidance and support received from the Government and Indian Oil Corporation Ltd., the Holding Company.

The Board also wishes to place on record their deep appreciation of the significant contribution and excellent guidance rendered by Dr. A.K. Bhatnagar, Shri P. Sugavanam and Shri M.S. Ramachandran during their tenure on the Board of the Company.

For and on behalf of
INDIAN OIL BLENDING LIMITED


(ARUN JYOTI)
DIRECTOR-IN-CHARGE

Mumbai
Dated : 18.6.99

Annexure

Particulars with Respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
 - Overhauling of old steamline to reduce loss of heat at Calcutta Plant.
 - All manufacturing facilities requiring fuel and electricity included within the purview of scope of monitoring the operations through Distributed Digital Control System.
 - Installation of 3 No. Pumps with Constant Pressure Control at Mumbai Plant.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
 - Facility for heating of thermic fluid is being provided at Vashi Plant. Installation will be designed to save energy by 50000 kilo calories/hr. The yearly savings in terms of electric energy will be 35 KWH and saving in LDO consumption will be 15.6 KL.
- c) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - With installation of Mirrless pumps, power consumption is pro-rata to pumping rate. Pressure power pump is steam operated and eliminates use of Electric pump for condensate recovery.
- d) Total energy consumption and energy consumption per unit of production.
 - Details at Form "A" annexed.

II. TECHNOLOGY ABSORPTION

- e) Efforts made in technology absorption :
 - Details at Form "B" annexed

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 products processed by the Company are marketed by its Holding Company, Indian Oil Corporation Ltd., the Company does not have any sales (including exports) activities.
- g) Total foreign exchange used and earned :
 - During the year, no foreign exchange was earned. However, there is a foreign exchange outgo of Rs.0.30 lakh on account of subscription to journals.

FORM "A"
(See Rule - 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

A. POWER & FUEL CONSUMPTION

1. ELECTRICITY :	1998-99	1997-98
a) Purchased :		
Unit (KW)	35,90,813	33,93,804
Rate / Unit (Rupees)	4.30	4.24
Total amount (Rs/Lakhs)	154.34	144.93
b) Own Generation		
i) Through Diesel Generators		
Unit (KW)	130250	114924
Unit/Ltr. of diesel oil	3.32	2.82
Cost / Unit	2.57	2.58
ii) Through Steam Turbine/ Generator		
	—	—
2. COAL	—	—
3. FURNACE OIL / LDO		
Quantity (KL)	737.180	739.827
Total amount (Rs/Lakh)	—*	—*
Average rate (Rs./KL)	—*	—*
4. OTHER /INTERNAL GENERATION	—	—

* Cost borne by IOC

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTS	1998-99	1997-98
Electricity (KW/Ton)	10.272	12.236
FO LDO (Ltr/Ton)	2.109	2.579
Coal (Specify Qty)	—	—
Others (Specify)	—	—

FORM "B"
(See Rule - 2)

Form for Disclosure of Particulars with respect to Technology Absorption, Research & Development (R&D)

RESEARCH & DEVELOPMENT (R&D)

R&D work with regard to lube oils and greases is basically carried out by the R&D Centre of the Holding Company, Indian Oil Corporation Ltd.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

With a view to improve product quality and productivity, IOBL has been making efforts to absorb new technology. Major steps taken in this direction are as under :

1. Upgradation of Fume Extraction System.

Fume Extraction System is being upgraded by providing the system for treatment of fumes which were being hitherto released in the atmosphere.

2. Installation of the state-of-the-art Plenty Mirrless Pumps

The existing gear rotary pumps in the pump house are replaced with Mirrless Pumps with in-built Constant Pressure Control System.

3. Installation of modern equipments In plant laboratories

Cold Cranking Simulator, Electronic Penetrometer, Auto Densitometer, FTIR, ICAP & Nitrogen and Sulphur Analysers are being installed in the Plant Laboratories to give speedy Customer Services.

4. Installation of Computerised Payment System (COMPAS)

COMPAS is installed for speedy payments and reduction in paper work.

5. Provision of Conveyor Facility

Conveyor facility is being provided at Vashi Plant for automation of unloading of empty barrels.

FUTURE PLANS FOR TECHNOLOGY ADOPTION

- Installation of In-Line Blending System.
- Revamping of Electrical System by providing Vacuum Circuit breakers, MCC panels, etc.
- Auto Level Gauging System as part of Tank Farm Management System.
- Installation of Corrosion Preventive Properties and Refractometer in our plant laboratories.
- Provision of tank level gauges for cold oil tanks.

STATEMENT SHOWING THE NUMBER OF RESERVED VACANCIES FILLED BY MEMBERS OF SCHEDULED CASTES AND SCHEDULED TRIBES DURING THE YEAR 1998

(A) Posts filled by Direct Recruitment

Class of Posts	Total No. of vacancies				Scheduled Castes						
	Backlog vacancies		No. of Vacancies reserved for SC		No. of vacancies reserved for SC		No. of SC candidates appointed	No. of SC vacancies carry forward from previous year (in such cases where de-reservation is permitted)	No. of ST candidates appointed against SC reservations in the said year of carry forward (in such cases where de-reservation is permitted)	No. of reservations lapsed after carry forward for 3 recruitment years (in such cases where de-reservation is permitted)	
	Notified	Filled	Notified	filled	Out of Col. 4	Out of Col. 5					
	SC	ST	SC	ST							
1	2	3	4	5	6	7	8	9	10	11	
Group 'A'	0	0	0	0	0	0	0	0	0	0	0
Group 'B'								These posts are filled by promotions.			
Group 'C'	0	0	0	0	2	2	0	0	0	0	0
Group 'D'	0	0	0	0	0	0	0	0	0	0	0
(Excluding Safai Karmacharis)											
Group 'D'	0	0	0	0	0	0	0	0	0	0	0
(Safai Karmacharis)											

STATEMENT SHOWING THE NUMBER OF RESERVED VACANCIES FILLED BY PROMOTION BY MEMBERS OF SCHEDULED CASTES AND SCHEDULED TRIBES DURING THE YEAR 1998

(B) Posts filled by Promotion

Class of Posts	Total No. of vacancies		Scheduled Castes						
	Notified	Filled	No. of Vacancies reserved for SC		No. of SC candidates appointed	No. of SC vacancies carry forward from previous year	No. of ST candidates appointed against SC reservations in the said year of carry forward	No. of reservations lapsed after carry forward for 3 recruitment years	
			Out of Col.2	Out of Col.3					
	1	2	3	4	5	6	7	8	9
Group 'A' (to the lowest rung)	0	0	0	0	0	0	0	0	0
Group 'B'	8	8	1	1	2	0	0	0	0
Group 'C'	19	19	2	2	4	2	0	0	0
Group 'D' (Excluding Safai Karmacharis)						These posts are filled by recruitment			
Group 'D' (Safai Karmacharis)						These posts are filled by recruitment			

APPENDIX VII(A)

Scheduled Tribes							Remarks
No. of vacancies reserved for ST		No. of ST candidates appointed	No. of ST vacancies carry forward from previous year (in such cases where de-reservation is permitted)	No. of SC candidates appointed against ST reservations in the said year of carry forward (in such cases where de-reservation is permitted)	No. of reservations lapsed after carry forward for 3 recruitment years (In such cases where de-reservation is permitted)		
Out of Col. 4	Out of Col. 5						
12	13	14	15	16	17	18	
0	0	0	0	0	0		
0	0	0	0	0	0		
0	0	0	0	0	0		
0	0	0	0	0	0		

APPENDIX VII(B)

Scheduled Castes							Remarks
No. of Vacancies reserved for ST		No. of ST candidates appointed	No. of ST vacancies carry forward from previous year	No. of SC candidates appointed against ST reservations in the said year of carry forward	No. of reservations lapsed after carry forward for 3 recruitment years		
Out of Col.2	Out of Col.3						
10	11	12	13	14	15	16	
0	0	0	0	0	0		
1	1	2	0	0	0		
0	0	3	1	0	0		

Auditors' Report

Auditors' Report to the Members

We have audited the attached Balance Sheet of Indian Oil Blending Limited as at 31st March, 1999 and the Profit and Loss Account of the Company annexed thereto for the year ended on that date 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, and as per the information and explanations given to us during the course of our audit, we enclose in the Annexure a Statement on the matters specified in the Paragraph 4 of said order as far as applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above,
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub Sec.3 (c) of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and 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 :-
 - i) In the case of the Balance Sheet, of the state of the affairs of the Company as on 31st March, 1999, and
 - ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

**For Gondalia & Mandviwalla,
Chartered Accountants**

Sd/
(Dilip G Gondalia)
Partner

Place : Mumbai
Dated : 17th May, 1999

Auditors' Report Contd...

Annexure to the Auditors' Report

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

- i) The Company has maintained proper records showing full particulars including quantitative details and 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 reasonable 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 of 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 procedures of physical verification of maintenance stores and spare parts followed by the Management are reasonable and 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 and the same have been properly dealt with in the books of account.
- 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 not taken any loans, secured or unsecured from any companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and from the companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
- viii) The Company has not given any loans, secured or unsecured to 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 wherever applicable.
- 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, plants and machinery, equipment and other assets.
- xi) During the year, the Company has not entered into any contracts for purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements requiring entry in the register maintained under Section 301 of the Companies Act, 1956.
- xii) As explained to us, the Company has formal procedure for determination of unserviceable or damaged stores and we are informed that these are regularly reviewed by the management and based on this, sufficient provision is made in the accounts where necessary.
- xiii) The Company has not accepted any deposits from the public during the year, to which the provisions of section 58A of the 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 for which reasonable records are maintained.
- xv) The Company has an internal audit system commensurate with the 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. As informed by the Company, the Employees' State Insurance Scheme is not applicable to the Company.
- 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 and excise duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they 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 obligations or in accordance with generally accepted business practice.
- xx) The Company is not a sick industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For Gondalla & Mandviwalla,
Chartered Accountants

Sd/-
(Dilip G Gondalia)
Partner

Place : Mumbai
Dated : 17th May, 1999

Balance Sheet

Balance Sheet as at 31st March, 1999

Rupees

	Schedule	March '99	March '98
SOURCES OF FUNDS :			
Shareholders' Funds			
a) Share Capital	"A"	4000000	4000000
b) Reserves and Surplus	"B"	561118050	455610183
TOTAL		565118050	459610183
APPLICATION OF FUNDS:			
1. Fixed Assets			
a) Gross Block	"C"	517508212	490209754
b) Less: Depreciation		290676308	252939526
c) Net Block		226831904	237270228
d) Capital Work-In-Progress	"D"	43628256	23486024
		270460160	260756252
2. Current Assets, Loans and Advances			
a) Inventories	"E"	1957476	1917694
b) Book Debts	"F"	204281367	117909509
c) Cash and Bank Balances	"G"	7915978	10373884
d) Loans and Advances	"H"	162655688	124562188
		376820509	254763275
3. Less: Current Liabilities and Provisions	"I"	82162619	55909344
4. Net Current Assets (2-3)		294657890	198853931
TOTAL		565118050	459610183
Statement of Significant Accounting Policies			
	"L"		
Notes on Accounts			
	"M"		
Other Schedules forming Part of Accounts			
	"N"to"R"		

Sd/-
(ARUN JYOTI)
Director-In-Charge

Sd/-
(T.L. JAIN)
Finance Director

Place : Mumbai
Dated : 17th May, 1999

As per our Report attached of even date

Gondalia & Mandviwalla
Chartered Accountants

Sd/-
(Dilip G Gondalia)
Partner

Sd/-
(RAJU RANGANATHAN)
Secretary

Place: Mumbai
Dated : 17th May, 1999

Profit and Loss Account

Profit & Loss Account for the year ended 31st March, 1999

Rupees

	Schedule	March '99	March '98
INCOME :			
1. Blending and Processing Charges		413337036	342278135
Less: Operational Loss		1055178	631746
		<u>412281858</u>	<u>341646389</u>
2. Reimbursement in lieu of Blending/Processing Chgs.		14986710	10847695
3. Interest and Other Income	"J"	12423981	13682512
		<u>12423981</u>	<u>13682512</u>
TOTAL		<u>439692549</u>	<u>366176596</u>
EXPENDITURE :			
1. Manufacturing, Administration and Other Expenses	"K"	234901011	213065836
2. Depreciation and Amortisation		40027485	38108974
		<u>40027485</u>	<u>38108974</u>
TOTAL		<u>274928496</u>	<u>251174810</u>
PROFIT FOR THE YEAR		<u>164764053</u>	<u>115001786</u>
Income/(Expenditure) relating to Prior Period (Net)		56186	769967
PROFIT BEFORE TAX		<u>164707867</u>	<u>115771753</u>
Provision for Tax		58100000	40000000
PROFIT AFTER TAX		<u>106607867</u>	<u>75771753</u>
Balance Brought Forward from Last Years' Account		29645	57892
DISPOSABLE PROFIT		<u><u>106637512</u></u>	<u><u>75829645</u></u>

Schedule	Rupees	
	March '99	March '98
APPROPRIATIONS :		
1. Proposed Dividend	1000000	1000000
2. Tax on Proposed Dividend	100000	100000
3. General Reserve	105500000	74700000
4. Balance Carried to Balance Sheet	37512	29645
TOTAL	106637512	75829645

Statement of Significant Accounting Policies "L"
Notes on Accounts "M"
Other Schedules Forming Part of Accounts "N"to"R"

Sd/-
(ARUN JYOTI)
Director-In-Charge

Sd/-
(T.L. JAIN)
Finance Director

Place : Mumbai
Dated : 17th May, 1999

Sd/-
(RAJU RANGANATHAN)
Secretary

As per our Report attached of even date

Gondalia & Mandviwalla
Chartered Accountants

Place: Mumbai
Dated : 17th May, 1999

Sd/-
(Dilip G Gondalia)
Partner

Schedules

Schedules Annexed to and Forming Part of the Balance Sheet as at 31st March, 1999

SCHEDULE "A" - SHARE CAPITAL

	<i>Rupees</i>	
	March '99	March '98
Authorised		
8,000 Equity Shares of Rs.500/- each	<u>4000000</u>	<u>4000000</u>
Issued and Subscribed		
8,000 Equity Shares of Rs.500/- each fully paid (the entire Share Capital is held by Indian Oil Corporation Limited, the Holding Company and its Nominees)	<u>4000000</u>	<u>4000000</u>
TOTAL	<u>4000000</u>	<u>4000000</u>

SCHEDULE "B" - RESERVES AND SURPLUS

		<i>Rupees</i>	
		March '99	March '98
1) General Reserve			
As per Last Account	455580538		380880538
Add : Transferred from Profit & Loss Account	<u>105500000</u>		<u>74700000</u>
		561080538	455580538
2) Profit and Loss Account		37512	29645
		<u>561118050</u>	<u>455610183</u>
	TOTAL	561118050	455610183

SCHEDULE "C" - FIXED ASSETS

				AT COST	
	Note	Gross Block as at 1.4.98	Additions during the year	Transfers from Construction Work-in-Progress	Disposals during the year
Land Leasehold		8006000	0	0	0
Office/Factory Building	"A"	92156761	3871862	0	0
Residential Flats	"B"	162336	0	0	0
Railway Sidings		2173731	0	0	0
Plant & Machinery		347298237	18645064	0	340758
Computers/Microprocessors		10330206	2036705	0	190243
Furnitures, Fixtures & Office Equipment	"C"	15700774	1913632	0	333323
Forklift Trucks		12686729	3255343	0	1402623
Motor Vehicles		1694980	0	0	203393
TOTAL		490209754	29722606	0	2470340
Previous Year		425635064	66288321	0	941529

NOTE :

A. Includes a Compound Wall jointly owned with Herdilia Unimers Limited as detailed below :-

- Share of Original Cost	:	Rs.130706	(1998:Rs.130706)
- Accumulated Depreciation	:	Rs.18657	(1998:Rs.12760)
- Written Down Value	:	Rs.112049	(1998:Rs.117946)

B. Residential flats includes **Rs.3500** (1998:Rs.3500) towards value of **70** (1998:70) shares in Co-operative Housing Society towards membership of such society for purchase of flat.

C. The Assets transferred from Indian Oil Corporation Limited, the Holding Company, consequent to transfer of employees have been accounted at original cost to the Holding Company. The Depreciation provision till 31.3.98, as per the Holding Company's account has been taken by the Company.

Rupees

Transfers/ Deductions/ Reclassi- fications	Gross Block as at 31.3.99	Depreciation and Amortisa- tion charged this year	Total Deprecia- tion and Amortisation upto 31.3.99	NET DEPRECIATED BLOCK	
				As at 31.3.99	As at 31.3.98
0	8006000	84274	1179836	6826164	6910438
0	96028623	4961223	34510423	61518200	62607561
0	162336	3150	102493	59843	62993
0	2173731	182127	1046536	1127194	1309322
2201	365604744	30606249	225557031	140047713	152013326
0	12176668	1619909	8144881	4031787	3623297
43990	17325073	1166983	10348331	6976742	6267918
0	14539449	1223565	8798062	5741387	3746664
0	1491587	180005	988714	502873	728709
46191	517508211	40027485	290676307	226831903	237270228
(772102)	490209754	38108974	252939526	237270228	

SCHEDULE "D" - CAPITAL WORK-IN-PROGRESS

Rupees

	March '99	March '98
1. Work-in-Progress	28485170	23076301
2. Advances for Capital Expenditure	14733363	0
3. Capital Stores	409723	409723
TOTAL	43628256	23486024

SCHEDULE "E" - INVENTORIES

Rupees

	March '99	March '98
In Hand		
Stores, Spares etc.	1957476	1917694
TOTAL	1957476	1917694

SCHEDULE "F" - BOOK DEBTS

Rupees

	March '99	March '98
1. Over Six Months	0	0
2. Others		
Unsecured, Considered Good		
- Due from Indian Oil Corporation Limited, the Holding Company	204291367	117909509
TOTAL	204291367	117909509

SCHEDULE "G" - CASH AND BANK BALANCES

Rupees

	March '99	March '98
1. Cash Balances		
Cash and cheques in hand	248128	289911
2. Bank Balances with Scheduled Banks		
a) Current Account	2353569	5302809
b) Fixed Deposit Account	0	102000
c) Fixed Deposit lodged with Outside Party including interest accrued thereon	5314281	4679164
	<u>7667850</u>	<u>10083973</u>
TOTAL	<u><u>7915978</u></u>	<u><u>10373884</u></u>

SCHEDULE "H" - LOANS AND ADVANCES

Rupees

	March '99	March '98
1. Advances Recoverable in Cash or in Kind or for Value to be received		
a) Secured, Considered Good	47769685	19669639
b) Unsecured, Considered Good		
- Due from Indian Oil Corporation Limited, the Holding Company	18634451	9431992
- Others	81876338	79125411
	<u>100510789</u>	<u>88557403</u>
	148279474	108227042
2. Sundry Deposits (Including amount adjustable on receipt of final bills)		
a) Secured Considered Good	15000	0
b) Unsecured, Considered Good	2922066	3117066
	<u>2937066</u>	<u>3117066</u>
3. Advance Payment of Income Tax	158914991	101579448
Less: Provisions for Tax	147475843	88361368
	<u>11439148</u>	<u>13218080</u>
TOTAL	<u><u>162655688</u></u>	<u><u>124562188</u></u>

SCHEDULE "I" - CURRENT LIABILITIES AND PROVISIONS

		<i>Rupees</i>	
		March '99	March '98
1. Current Liabilities			
a) Sundry Creditors		32787060	15634320
b) Other Liabilities		41113296	32936024
c) Security Deposits	7178263		6254000
Less: Investment and Deposits with Banks lodged by Outside Parties	16000		15000
		<u>7162263</u>	<u>6239000</u>
2. Provisions			
Proposed Dividend	1000000		1000000
Tax on Proposed Dividend	100000		100000
		<u>1100000</u>	<u>1100000</u>
TOTAL		<u><u>82162619</u></u>	<u><u>55909344</u></u>

SCHEDULE "J" - INTEREST AND OTHER INCOME

		<i>Rupees</i>	
		March '99	March '98
1. Interest on:			
a) Loans and Advances	3852230		3544547
b) Fixed Deposits with Banks	637765		814109
c) Others	0		6189160
		<u>4489995</u>	<u>10547816</u>
2. Profit on Sale and Disposal of Assets		906914	709415
3. Unclaimed / Unspent Liabilities written back		621651	195906
4. Recoveries from Employees for rent etc.		1758483	1297676
5. Sale of Scrap etc.		167842	178762
6. Other Miscellaneous Income		4479096	752937
TOTAL		<u><u>12423981</u></u>	<u><u>13682512</u></u>

SCHEDULE "K" - MANUFACTURING, ADMINISTRATION AND OTHER EXPENSES

Rupees

	March '99	March '98
1. Consumption of Stores, Spares and Consumables	2107669	2856977
2. Power, Fuel and Water	17847776	16618345
3. Repairs and Maintenance		
a) Plant and Machinery	10137060	10288749
b) Building	8401877	10743331
c) Others	2996849	3014107
	21535786	24046187
4. Handling Expenses	4369545	3609827
5. Payments to and provisions for employees *		
a) Salaries, Wages, Bonus etc	107160856	94915779
b) Contribution to Provident Fund and Other Funds	13234344	8633031
c) Staff Welfare Expenses	28871300	25679924
d) Voluntary Retirement Scheme Compensation	1291142	966280
	150557442	130195014
6. Office Administration and Other Expenses	38482793	35739486
	234901011	213065836
TOTAL		

* Includes Rs.5925696/- (1998: Rs.2408173/-) on account of retirement benefits viz leave encashment and medical, based on actuarial valuation.

SCHEDULE "K-1" - OFFICE ADMINISTRATION AND OTHER EXPENSES

Rupees

	March '99	March '98
1. Rent	16065592	15325007
2. Insurance	1172775	960653
3. Rates and Taxes	2732084	2453966
4. Payment to Auditors		
a) Audit Fees	25000	25000
b) Tax Audit Fees	9000	9000
c) Out of Pocket Expenses	69429	62760
	103429	96760
5. Travelling and Conveyance	4935022	4643977
6. Communication Expenses	1605711	1572960
7. Printing and Stationery	819148	1128055
8. Bank Charges	44960	38572
9. Bad Debts, Advances and Claims Written Off	3255	0
10. Loss on Assets Sold, Lost or Written Off	4997	28342
11. Security Force Expenses	577988	522074
12. Pollution Control Expenses	167670	133354
13. Other Expenses	10250162	8835766
TOTAL	38482793	35739486

SCHEDULE "L" – STATEMENT ON ACCOUNTING POLICIES

1. FIXED ASSETS :

1.1 Land :

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

1.2 Construction Period Expenses on Projects :

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

1.3 Depreciation / Amortisation :

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

1.3.2 Assets costing upto Rs.5,000/- are depreciated fully in the year of capitalisation.

1.3.3 Depreciation on Fixed Assets other than the above is provided 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. 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 differences due to exchange fluctuation is capitalised except the exchange difference on liabilities relating to assets already written off which is charged to Revenue.

3. CURRENT ASSETS, LOANS & ADVANCES :

Value of Inventories (Stores & Spares) :

Stores and Spares (Including Capital Stores) are valued at or under cost.

4. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS :

4.1 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 Company's views, these demands are either paid or treated as liabilities, if accepted by the Company and are treated as contingent liabilities, if disputed by the Company.

4.2 Estimated amount of contracts remaining to be executed on Capital account are disclosed in each case exceeding Rs.0.50 lakhs.

5. PROFIT & LOSS ACCOUNT :

- 5.1 Blending / Processing Income is accounted based on volume of products blended / manufactured / filled.
- 5.2 Operating cost including cost on stock in Process / Blended finished Lubes lying in Kettles, is charged to Profit & Loss Account in the year of accrual.
- 5.3 **Retirement Benefits :**
- 5.3.1 Payment of gratuity is made through a Trust. The amount is contributed to LIC as per the actuarial valuation at the end of the year and is charged to Profit & Loss Account.
- 5.3.2 Liability towards leave encashment and post retirement medical benefit to employees as at the end of the year is assessed on the basis of actuarial valuation and provided for.
- 5.4 Prepaid expenses upto Rs.0.20 lakhs in each case are charged to Revenue.
- 5.5 Income and Expenditure upto Rs.2 lakhs in each case pertaining to prior years are accounted for in the current year.
- 5.6 Claims are accounted when there is certainty that the claims are realisable.

Sd/-
(ARUN JYOTI)
Director-In-Charge

Sd/-
(T.L. JAIN)
Finance Director

Sd/-
(RAJU RANGANATHAN)
Secretary

Place : Mumbai
Date : 17th May, 1999

SCHEDULE "M" - NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

1. CONTINGENT LIABILITIES :

- (a) Claims against the Company not acknowledged as debts **Rs.46.66 lakhs** (1998:Rs.45.20 Lakhs). These include :
- (i) **Rs.21.50 Lakhs** (1998 : Rs.21.50 Lakhs) in respect of appeals by Income Tax Department. Interest, if any, on some of the claims is unascertainable.
 - (ii) **Rs.23.70 Lakhs** (1998: Rs.23.70 Lakhs) for which suits have been filed against the Company for compensation / damages.
 - (iii) **Rs.1.46 lakhs** (1998: Rs.NIL) for which suits have been filed against the Company for increased wages.
2. Estimated amount of contract remaining to be executed on Capital Account and not provided for **Rs.164.65 Lakhs** (1998: Rs.69.27 Lakhs).
3. Lease Agreement in respect of land at Vashi Plant of the gross value of **Rs.80.06 Lakhs** (1998: Rs.80.06 Lakhs) is pending for execution and is, therefore, not available for verification.
4. Lease Agreement in respect of certain lands for Calcutta Plant have expired and are pending for renewal. No additional provision has been made in the accounts for the year, in respect of the Rent/Premium payable on renewal if any, as the amount there of is not ascertainable.
5. Blending and Processing Income includes **Rs.NIL** (1998: Rs.NIL) towards shortfall in the guaranteed demand by Indian Oil Corporation Limited, the Holding Company.
6. Pending settlement of long term agreement with the employees in respect of revision of emolument the amount whereof could not be ascertained, the Company has made provision in accounts to the extent of adhoc payment sanctioned to the employees as per interim settlement.
7. Previous year's comparative figures have been regrouped and reset to the extent practicable, wherever necessary.

Sd/-
(ARUN JYOTI)
Director-In-Charge

Sd/-
(T.L. JAIN)
Finance Director

Sd/-
(RAJU RANGANATHAN)
Secretary

Place : Mumbai
Date : 17th May, 1999

SCHEDULE "N" - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

Note	1999			1998		
	Lubes KL	Greases MT	ECA 8586 KL	Lubes KL	Greases MT	ECA 8586 KL
Licensed Capacity	250000	14000	1003	250000	14000	1003
Installed Capacity	A 250000	14000	1003	250000	14000	1003
Actual Production	373646	14175	0	305375	12635	0

Notes :

A. As certified by the Management and accepted by the Auditors without verification.

SCHEDULE "O" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

	1999		1998	
	Quantity	Value Rupees	Quantity	Value Rupees
Lubes	373646 KL	353094991	305375 KL	288579599
Greases	14175 MT	60242045	12635 MT	53698536
TOTAL		413337036		342278135

Notes :

- A. 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 Limited, the Holding Company. Quantities mentioned above, relate to such processing.
- B. Value excludes **Rs. NIL** (1998 : Rs. NIL) towards charges for shortfall in the guaranteed demand by Indian Oil Corporation Limited, the Holding Company.

SCHEDULE "P" - CONSUMPTION OF STORES, SPARES AND CONSUMIBLES DURING THE YEAR

	1999		1998	
	Rupees	% to Total Consumption	Rupees	% to Total Consumption
Imported	0	0	0	0
Indigenous	2107669	100	2856977	100
TOTAL	2107669	100	2856977	100

SCHEDULE "Q" - EXPENDITURE IN FOREIGN CURRENCY

	Rupees	
	1999	1998
Subscription to Journals	30009	30205
Others	0	29841
TOTAL	30009	60046

SCHEDULE "R" - C I F VALUE OF IMPORTS

	Rupees	
	1999	1998
Spare Parts and Components	0	45815
Capital Goods	0	14881439
TOTAL	0	14927254

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

	1	2	6	1	9
--	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

9	9
---	---

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs Lakhs)

Public

			N	I	L
--	--	--	---	---	---

Rights Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

Private Placement

			N	I	L
--	--	--	---	---	---

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs Lakhs)

Total Liabilities

		5	6	5	1
--	--	---	---	---	---

Total Assets

		5	6	5	1
--	--	---	---	---	---

SOURCES OF FUNDS

Paid-Up Capital

			4	0
--	--	--	---	---

Reserves & Surplus

		5	6	1	1
--	--	---	---	---	---

Secured Loans

		N	I	L
--	--	---	---	---

Unsecured Loans

		N	I	L
--	--	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

		2	7	0	4
--	--	---	---	---	---

Investments

		N	I	L
--	--	---	---	---

Net Current Assets

		2	9	4	7
--	--	---	---	---	---

Misc. Expenditure

		N	I	L
--	--	---	---	---

Accumulated Losses

		N	I	L
--	--	---	---	---

IV. PERFORMANCE OF COMPANY (Amount In Rs Lakhs)

<p>Turnover</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">4</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> </tr> </table>			4	1	3	3	<p>Total Expenditure</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">4</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>			2	7	4	9		
		4	1	3	3										
		2	7	4	9										
<p>Profit Before Tax</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">+</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">4</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> </tr> </table>	+			1	6	4	7	<p>Profit After Tax</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">+</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> </tr> </table>	+			1	0	6	6
+			1	6	4	7									
+			1	0	6	6									

(Please tick appropriate box + for Profit, - for Loss)

Earnings Per Share in Rs.

		1	3	3	2	6
--	--	---	---	---	---	---

Dividend %

	2	5
--	---	---

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As Monetary Terms)

Item Code No.
(ITC Code)

NIL

Products/Services
Description

LUBE BLENDING

Item Code No.
(ITC Code)

NIL

Products/Services
Description

GREASE MANUFACTURING

Item Code No.
(ITC Code)

NIL

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, for the year ended 31st March, 1999

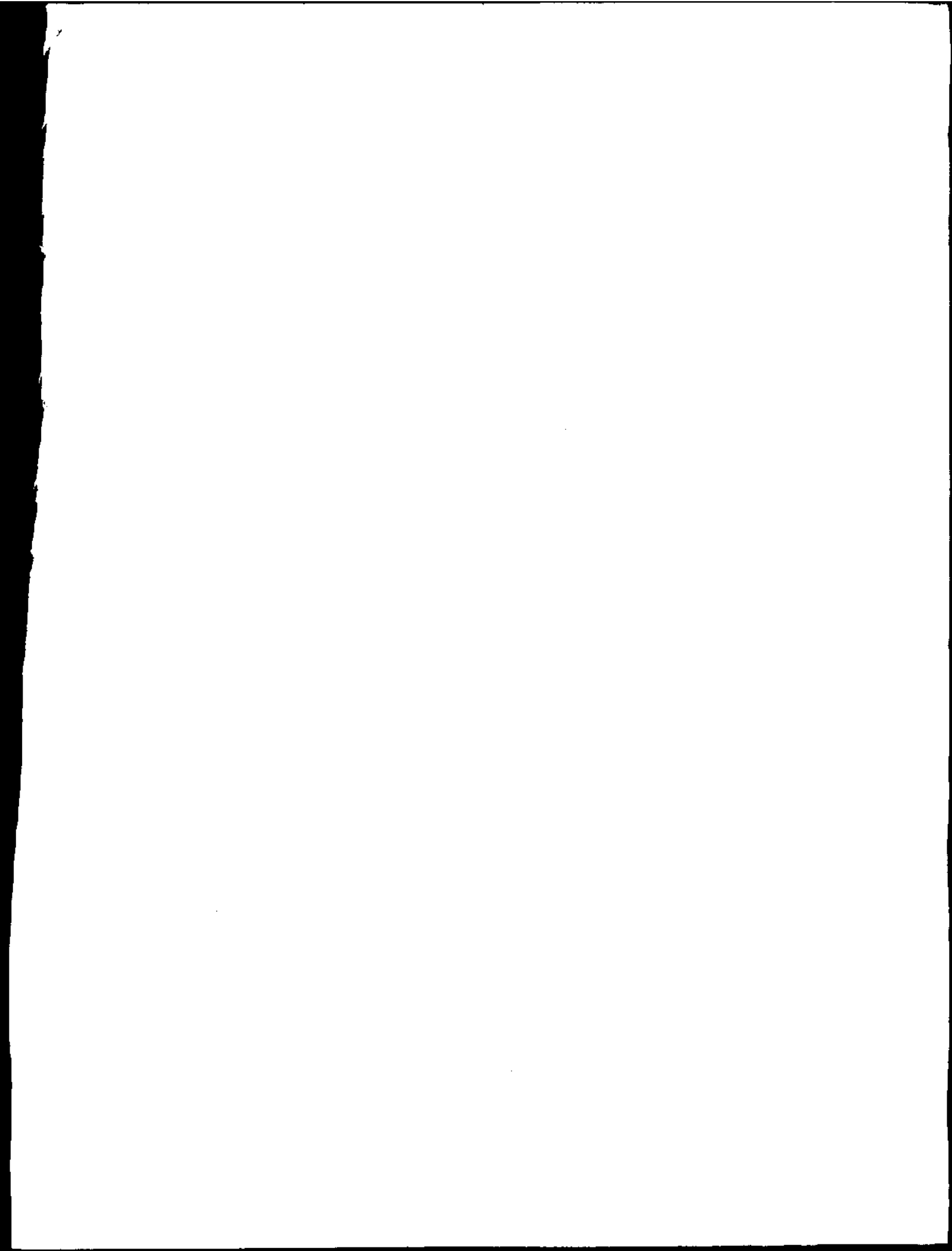
I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to Auditor's Report under section 619(4) of the Companies Act, 1956 on the accounts of Indian Oil Blending Limited, for the year ended 31st March, 1999.

Sd/-

Sanjeev Saluja

Principal Director of Commercial Audit
& ex-officio Member Audit Board-II, Mumbai

Mumbai
14th July, 1999





BOOK – POST

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Secretary
Indian Oil Corporation Limited
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051

