Bharat Petroleum were presented the 1985 ICMA Award for Forward Development of Technology, for incorporating indigenous technology for their Aromatics Plant (foreground). This technology has been used, for the manufacture of aromatics, for the first time in India. (Inset) Mr. U. M. Kini, C & MD BPC (left) receives the Award from Mr. Jaychandra Singh, Minister of State for Chemicals.

COVER: Bharat Petroleum's Aviation Fuelling facilities have kept pace with the development of air craft design—from the time of fuelling the first Indian flight in 1932 from ZIG aviation gasoline tins to fuelling modern day jets through sophisticated hydrant systems.
BANKERS

CENTRAL BANK OF INDIA
PUNJAB NATIONAL BANK
STATE BANK OF PATIALA
BANK OF INDIA
DENA BANK
ALLAHABAD BANK
CANARA BANK
THE STANDARD CHARTERED BANK
INDIAN BANK

AUDITORS

G. P. KAPADIA & CO.
K. S. AJIYAR & CO.
NOTICE

NOTICE is hereby given that the Thirty-third Annual General Meeting of Bharat Petroleum Corporation Limited will be held at the Registered Office of the Corporation at Bharat Bhavan, 4 & 6, Currimbhoy Road, Ballard Estate, Bombay – 400 038, on Monday, 22nd September, 1986 at 12.00 Noon to transact the following business:

1. To receive and adopt the Directors' Report and audited Profit & Loss Account for the year ended 31st March 1986 and the Balance Sheet as at that date.

2. To declare dividend.

By Order of the Board
P. J. KISHINCHANDANI
Secretary

Bombay 29th August, 1986

Note: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
DIRECTORS' REPORT TO THE SHAREHOLDERS
The Directors have pleasure in presenting their Thirty-third Annual Report on the working of the Corporation, together with the audited accounts for the year ended 31st March, 1986.

FINANCIAL RESULTS

<table>
<thead>
<tr>
<th></th>
<th>1985-86</th>
<th>1984-85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Turnover</td>
<td>233777.93</td>
<td>212755.01</td>
</tr>
<tr>
<td>Profit before interest and</td>
<td>13163.89</td>
<td>7895.66</td>
</tr>
<tr>
<td>depreciation amounted to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deducting therefrom —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Interest</td>
<td>3073.81</td>
<td>1885.12</td>
</tr>
<tr>
<td>(b) Depreciation</td>
<td>7756.36</td>
<td>5334.69</td>
</tr>
<tr>
<td>Profit before tax for the year</td>
<td>2333.72</td>
<td>675.85</td>
</tr>
<tr>
<td>Adding thereto Prior Year's</td>
<td>4558.13</td>
<td>1404.46</td>
</tr>
<tr>
<td>Income (Net)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax amounted to</td>
<td>6891.85</td>
<td>2080.31</td>
</tr>
<tr>
<td>Deducting thereto provision for</td>
<td>760.00</td>
<td>700.00</td>
</tr>
<tr>
<td>taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax is</td>
<td>6131.85</td>
<td>1380.31</td>
</tr>
<tr>
<td>Adding thereto —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Transfer from Development</td>
<td></td>
<td>0.15</td>
</tr>
<tr>
<td>Rebate Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Transfer from Investment</td>
<td>2.62</td>
<td>0.43</td>
</tr>
<tr>
<td>Allowance Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Excess/(Short) provision</td>
<td>(1.25)</td>
<td>16.11</td>
</tr>
<tr>
<td>for taxation in earlier years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>written back</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Balance of Profit from</td>
<td>0.80</td>
<td>2149.83</td>
</tr>
<tr>
<td>previous year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount available for disposal is</td>
<td>6134.02</td>
<td>3546.83</td>
</tr>
<tr>
<td>Which the Directors have</td>
<td></td>
<td></td>
</tr>
<tr>
<td>appropriated as under —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Investment Allowance Reserve</td>
<td>2515.00</td>
<td>155.00</td>
</tr>
<tr>
<td>(b) General Reserve</td>
<td>3229.00</td>
<td>3159.00</td>
</tr>
<tr>
<td>(c) Proposed Dividend</td>
<td>389.95</td>
<td>232.03</td>
</tr>
<tr>
<td>Leaving a balance of</td>
<td>0.07</td>
<td>0.80</td>
</tr>
<tr>
<td>Carried to Balance Sheet</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DIVIDEND
The Directors recommend a dividend @ 14% on the enhanced paid-up capital of Rs. 2785.34 lakhs resulting from the issue of bonus shares amounting to Rs. 1127.94 lakhs on 1st October 1985. The dividend will absorb Rs. 389.95 lakhs.

CONTRIBUTION TO EXCHEQUER
The Corporation contributed Rs. 461.71 crores to the Exchequer by way of duties and income-tax compared to Rs. 424.26 crores last year.
FINANCES

The outstanding amount of the term loans taken by the Corporation, including Rs. 30.82 crores from the World Bank through the Government of India, stood at Rs. 106.82 crores as at 31st March, 1986 as against Rs. 109.00 crores as at 31st March, 1985. The borrowings from banks and others amounted to Rs. 154.49 crores compared to Rs. 129.48 crores in the previous year. Internal cash generation was Rs. 134.96 crores as against Rs. 64.99 crores last year.
PUBLIC DEPOSITS

The Public Deposit Scheme introduced in July 1981 continued to receive good response and the amount of deposits collected stood at Rs. 29.74 crores as against Rs. 28.57 crores as at 31st March, 1985. The amount of deposits matured but unclaimed as at 31st March, 1986 was Rs. 12.33 lakhs in respect of 191 depositors.

NET WORTH

The net worth of the Corporation increased by Rs. 57.41 crores from Rs. 120.12 crores to Rs. 177.53 crores as at 31st March, 1986.

REFINING

Crude Consumption: During the year under review, crude consumption reached an all time high of 6.38 million tonnes as compared to 5.45 million tonnes in the previous year, an increase of 17.1%. This works out to a capacity utilisation of 106.3% of the installed capacity of 6 million tonnes per annum. Also, the highest monthly throughput of 6.11 lakh tonnes was achieved in March 1986. The quantity of Bombay High crude processed rose from 5.28 million tonnes last year to 6.31 million tonnes. Indigenous crude processed (Bombay High and Ratna Heera crudes) accounted for 99% of the total crude processed.

The Aromatics Plant and Sulphur Recovery Unit were successfully commissioned in July 1985 and October 1985 respectively. The Aromatics Plant, the largest in the country, has the distinction of being the only such plant based on indigenous technology. In recognition of this, the Indian Chemical
**Crude Consumption**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Crude Consumption (‘000 Mt.)</td>
<td>5257.7</td>
<td>5481.3</td>
<td>6389.0</td>
<td>6389.0</td>
<td>6389.0</td>
</tr>
</tbody>
</table>

**Production**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Distillates (‘000 Mt.)</td>
<td>148</td>
<td>42</td>
<td>41</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Middle Distillates (‘000 Mt.)</td>
<td>148</td>
<td>42</td>
<td>41</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Heavy Ends (‘000 Mt.)</td>
<td>52</td>
<td>15</td>
<td>14</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Fuel &amp; Loss (‘000 Mt.)</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0.9</td>
<td>0.9</td>
</tr>
</tbody>
</table>

*Excludes BH Associated Gas used as Fuel*

**Manufacturers' Association (ICMA) Award**

**Production** Total production of refined products during the year was 6.23 million tonnes as against 5.23 million tonnes in the previous year. The actual yields achieved were as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>1985/86</th>
<th>1984/85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Distillates</td>
<td>22.3%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Middle Distillates</td>
<td>56.7%</td>
<td>53.1%</td>
</tr>
<tr>
<td>Heavy Ends</td>
<td>14.8%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Fuel &amp; Loss</td>
<td>6.2%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

100.0% | 100.0%

The Refinery achieved the highest total distillate yield in its history due to the operation of the new HVU/FCCU. The fuel and loss was higher in 1985-86, compared to 1984-85, due to operation of the new HVU/FCCU, pre-commissioning activities of Aromatics Plant and Sulphur Recovery Unit and their subsequent operation.

**Safety** During the year, the Refinery achieved one million manhours without lost time accident on three occasions. To augment the existing fire-fighting capabilities, independent fire fighting facilities for the LPG storage/filling area are being provided at an estimated cost of Rs. 3.15 crores.

**Energy and Environmental Conservation** The Corporation has always been conscious of the importance of energy and environmental conservation. Significant improvement in energy conservation was achieved by implementation of various projects. The Aromatics Plant has been provided with higher efficiency furnaces to conserve energy and reduce air pollution. Energy conservation projects, such as replacement of FPU heater by a new high efficiency furnace and provision of air preheaters in CDU furnaces, were progressing during the year as per schedule. The following statistics show the pattern of energy utilisation over the past 3 years:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of crudes processed</th>
<th>Total crude intake ‘000 Mt.</th>
<th>Bombay High intake % weight</th>
<th>Fuel &amp; Hydrocarbon loss % weight</th>
<th>CEL Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983/84</td>
<td>8</td>
<td>5257.7</td>
<td>91.4</td>
<td>4.4</td>
<td>96.2</td>
</tr>
<tr>
<td>1984/85</td>
<td>8</td>
<td>5481.3</td>
<td>96.7</td>
<td>4.5</td>
<td>101.1</td>
</tr>
<tr>
<td>1985/86</td>
<td>7</td>
<td>6389.0</td>
<td>98.9</td>
<td>6.2</td>
<td>110.2</td>
</tr>
</tbody>
</table>

*Includes 1.4% wt. in 1983/84, 6.8% wt. in 1984/85 and 0.9% wt. in 1985/86 of Rama/Hira crude processed.

Higher CEL Index in the year 1985-86 was due to precommissioning/commissioning activities of the new plants.

On the environmental conservation front, the Refinery entered a new era with the commissioning of Sulphur Recovery Unit leading to reduction in Sulphur Dioxide emissions into the atmosphere. The Aromatics Plant has been provided with tall stacks to ensure better dispersal.
of flue gas and an oil catcher to reduce water pollution. Further, the old plant oil catchers of SBP and FPU Units were replaced by modern corrugated plant interceptors. Monitoring of ambient air quality within the Refinery was commenced during the year. A proposal to install continuous ambient air/stack gas quality monitors at an overall estimated cost of Rs. 2 crores is under implementation. In addition, a project at an estimated cost of Rs. 7.7 crores to install a Waste Water Treatment Plant to treat liquid effluents to meet the Minimal National Standards (MINAS) is being progressed.

MARKETING

Total sales volume rose by 7.4% from 7.05 million tonnes in the previous year to 7.57 million tonnes during the year under report and the Corporation's market participation increased from 18.4% to 18.7%.

In respect of bulk products, the Corporation's endeavours have taken two main directions. Firstly, to make petroleum products available more extensively, the sales network has been expanded. Secondly, and more importantly, consolidated efforts have been made towards improving the services offered to customers.

By way of expansion of the sales network, 81 Retail Outlets (including 29 in rural areas), 9 Kerosine/LDO Dealerships and 27 HSD Consumer Pumps were commissioned during the year. The cumulative total of these at the close of the year stood at 3567, 817 and 148 respectively.

Progress is being made in the modernization of BPC's retail network that includes installation of digital dispensing pumps, as seen above.
With the long-term objective of providing improved service at Retail Outlets of the Corporation, specialist training is being provided to our staff and also the dealers. Since the quality of product available through our sales network is also of great importance to the customer, a Quality Control Cell has been established under our Product & Application Development Department to monitor and control the quality of the products distributed through our Installations/Depots.

The Corporation also participated in other activities of national priority. With the commissioning of our Aromatics Plant, Benzene and Toluene are now being marketed, replacing hitherto imported Benzene. Towards fuel conservation, we have been disbursing loans to customers to replace their fuel inefficient boilers, converting furnace oil customers to LSHS and packed bitumen demand to bulk. Trials are under way to establish the suitability of Methanol as an alternative fuel to HSD. These steps will contribute towards saving imported fuel and valuable foreign exchange.

As in the past, the marketing of LPG has been the special concern of the Corporation. Its LPG network was considerably increased. We commissioned 111 distributorships (48 in virgin markets) as against 98 last year, bringing the total number of distributorships at the close of the year to 518.

As against the target of 3.5 lakhs, the number of new customers enrolled during 1985/86 totalled to 3.56 lakhs. To provide service to consumers after working hours and on holidays, the Corporation participates in the Industry Emergency Cells established at Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Jaipur, Lucknow, Calcutta, Patna, Bhopal and Pune. It is proposed to establish such cells in other major markets also.

As in the previous years, great emphasis continued to be laid on the education of the fast growing LPG Consumer population to inculcate safety consciousness in the use of LPG through comprehensive nationwide multi-media campaigns supplemented by Safety Clinics/Seminars for training and education of consumers, distributors and their staff.

The Corporation continued to be the canalising agency for imports of LPG to supplement indigenous availability and during the year under review 32,052 tonnes of LPG were imported.
At the close of the year, the Corporation had 5 Port Installations, 2 Lubricating Oil Blending Plants, 3 Inland Installations and 50 Bulk Depots with an aggregate tankage of 8.68 lakh kl besides 12 Packed Lubricant Storage Depots. The Corporation owned and operated a tankiorry fleet of 171 vehicles and handled 265.21 lakh kl products during the year.

MAJOR PROJECTS

The Corporation continued to accord top priority to completion of projects without any time or cost overrun. Major projects already completed and under implementation are briefly outlined below :

A. PROJECTS COMPLETED

Production of Aromatics (Benzene and Toluene)

The project for the manufacture of 98,300 T/A of Benzene and 17,600 T/A of Toluene from the High Aromatic Naphtha Cut was commissioned in July 1985 well within the approved cost of Rs. 56.50 crores.

Sulphur Recovery Unit

This project meant for reducing the emission of Sulphur Dioxide into the atmosphere, and thus helping environmental improvement, was commissioned in October 1985 within the approved cost of Rs. 9.37 crores.
Aviation Fuel Hydrant System at Indira Gandhi International Airport, Palam

The Corporation completed construction of a modern Aviation Fuel Hydrant System (cost Rs. 14.73 crores) to be operated by it on behalf of the Industry as an integral part of the New International Terminal Complex at Palam. The NITC was inaugurated by Smt. Naval Kishore Sharma, then Union Minister of State for Petroleum, on 28th October, 1985.

B. ONGOING PROJECTS

Energy Conservation:

Phase I: As reported last year, the scheme for providing additional heat exchangers in Crude Distillation Unit (CDU) was completed 1½ years ahead of schedule and hooked up in October 1984 at the time of the CDU shut down. Air preheaters for the CDU Furnaces were also hooked up during April/May 1986 shut down. The overall cost of these two schemes was Rs. 4.29 crores and the resultant annual saving in fuel would be about 26,660 tonnes.

Phase II: The existing furnace for High Vacuum Unit (‘HVU’) was replaced by a more efficient and modern furnace during April/May 1986 shut down at an estimated cost of Rs. 5.08 crores. This would save about 6,690 tonnes of fuel per annum.

Phase III: The scheme essentially covers installation of CO Boiler for existing Catalytic Cracking Unit (CCU) at an estimated cost of Rs. 8.25 crores, and on completion during the planned shut down in 1988, will result in saving of about 5,910 tonnes of fuel per annum.

Captive Power Plant: With a view to insulating operations from any fluctuation or disruption in supply of power, and thereby guaranteeing uninterrupted power supply to Critical Units at all times, the Corporation proposes to instal a Captive Power Plant in the Refinery at an estimated cost of Rs. 43.61 crores. It is scheduled for completion in June 1988.

C3/C4 Separation Facilities: This project involves separation of C3/C4 streams from the Cat Cracked LPG at the Refinery and transportation of the C3 stream (about 51,362 TPA) by pipeline to Maharashtra Gas Cracker Complex, Nagothane for their proposed Polypropylene Plant. The project is estimated to cost Rs. 28.5 crores and is due for completion in December 1988.

Additional Product Tankage: Under Phase I of the project, the Corporation is providing tankage of 162,000 Kls at Butcher Island (Bombay) and 129,814 Kls at 10 other locations in the country, involving a capital outlay of Rs. 25.50 crores. Work on the tankage at 10 locations has already been completed and at Butcher Island is due for completion by March 1987.

Under Phase II A, 81,900 Kls tankage will be constructed at the Refinery/Sewri Installation in Bombay and 33,898 KI tankage at 10 Depots and 1 Airfield Service Station at a total estimated cost of Rs. 9.13 crores. While work at Gwalior Airfield Station has already been completed, it is at various stages of progress at other locations. The project is due for completion in stages by March 1987.
Marketing of LPG - Phase III: Under this project, it is planned to market an additional quantity of 226,800 tonnes of LPG. For this purpose, the Corporation is setting up 12 new Bottle Plants with a total capacity of 277,500 TPA as under:

<table>
<thead>
<tr>
<th>Capacity</th>
<th>TPA</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 x 75,000</td>
<td>150,000</td>
<td>Uran, Asaoti (near Delhi)</td>
</tr>
<tr>
<td>2 x 25,000</td>
<td>50,000</td>
<td>Jabalpur and Ambala</td>
</tr>
<tr>
<td>5 x 12,500</td>
<td>62,500</td>
<td>Mangalore, Sholapur, Jalgaon, Trivandrum and Tuticorin</td>
</tr>
<tr>
<td>3 x 5,000</td>
<td>15,000</td>
<td>Hissar, Lucknow and Khurda</td>
</tr>
</tbody>
</table>

2,77,500
Land has been acquired at all locations (except Tuticorin/Hissar) and construction work is at various stages of progress. This project estimated to cost Rs. 231.85 crores envisages enrolment of 15.5 lakh new domestic customers and is scheduled for completion in stages by March 1988 beginning with Mangalore Plant in September 1986.

In addition, the Corporation is putting up two 6,500 TPA capacity bottling plants — one at Jaipur and the other at Bareilly at a total estimated cost of Rs. 4.42 crores. Work is in progress and these plants are scheduled for completion in stages by December 1986.

C. NEW PROJECTS

Apart from the projects mentioned earlier, the following major projects have been submitted to Government for approval:

Optimisation of Production of Aromatics (Xylenes)
Proposed Manufacture . .100,800 TPA of Para-Xylene and 20,400 TPA of Ortho-Xylene, based on Naphtha from Bombay High Crude.
Estimated Cost . .Rs. 269 crores
Completion . .36 months from the date of Schedule Government approval.

Extraction of N-Paraffins
Proposed Manufacture . .70,000 TPA of N-Paraffins based on Kerosine Cut from Bombay High Crude.
Estimated Cost . .Rs. 84 crores
Completion . .30 months from the date of Schedule Government approval.

Bombay-Manmad Pipeline
Proposed Facilities . .A 230 km pipeline to transport MS/SK/HSD/LDO with an initial throughput of 3 MMTPA, to supply to the area broadly covering Manmad/ Aurangabad/Akola/ Amravati/Nagpur/ Jabalpur.
Estimated Cost . .Rs. 123.58 crores
Completion . .36 months from the date of Schedule Government approval.

New Terminal at Cochin
Proposed Facilities . .Tankage for HAN/SK/ HSD, pipelines and pumping facilities to enable faster loading/unloading of tanker parcels and to avoid crude throughput loss at Cochin Refinery due to ullage problems.
Estimated Cost . .Rs. 46.9 crores
Completion . .Within 32 months from Schedule date of Government approval.
PERSONNEL

The overall Industrial Relations were generally cordial during the year under review and the employees extended their full cooperation in meeting corporate objectives. Towards end 1985, the Corporation made an offer for a Long Term Settlement with the unions of the Refinery covering the new workmen. The unions, after deliberations amongst themselves, decided not to accept the Corporation’s offer hoping to get better terms out of their pending court cases. Thereafter, the Corporation on its own, decided to unilaterally implement most of the terms of the offer made by it to the workmen, prospectively from January 1986. The unions initially lodged a token protest against introduction of these terms but the workmen in general have welcomed the new terms which have benefited all of them. On the Marketing side, all the regional settlements expired on 31.5.1985 and negotiations with the Unions for an All India Settlement are under way.

The Corporation recognises that human resources are its most valuable asset. Consequently, there is an ever increasing stress on training and development of personnel at all levels. Formal in-house training is being organised at the Corporation’s own Training Centres (including the residential Training Centre at Juhu, Bombay). Additionally, selected personnel are also being nominated to external courses conducted by various well known training institutes. Apart from formal training, increasing stress is being laid on “on the job” training.

With a view to meeting to some extent the need for housing at locations where rented accommodation is either not available or is very costly, the Corporation is progressively acquiring residential premises for its employees. This should also enable the Corporation to transfer persons from one location to another ensuring wider work exposure, thus enhancing their contribution to overall performance of the Corporation.

REPRESENTATION OF SC/ST

At the time of the takeover in January 1976, out of a total of 4,806 employees (excluding sweepers), there were only 94 Scheduled Caste and 15 Scheduled Tribe employees, i.e. just about 2.3% in all. As a result of intensified efforts put in since then, we have been able to increase the representation of SC/ST in the total intake. Out of a total increase of 3,171 in the staff strength between 24th January, 1976 and 31st March, 1986, belonging to SCs/STs were 1,113, or 35%, out of whom 844 (25.6%) belonged to SCs and 269 (8.5%) to STs. The representation of SC/ST in the total employee population of 7977 is of the order of 1222, i.e. 15.3% as at 31st March, 1986.

With a view to encouraging higher education amongst Scheduled Castes/Scheduled Tribes, the following 3 Scholarship Schemes exclusively for SCs/STs are in operation :-

**Engineering Degree Courses**: 15 Scholarships for Under Graduate Engineering students belonging to SC/ST of the value upto Rs. 500/- each per month for the entire duration of the Engineering Degree Courses from 2nd year onwards. Upon successful completion of their studies, the scholars will be eligible for employment in the Corporation, subject to suitability.

**ITI Training**: 18 Scholarships for ITI trainees belonging to SC/ST of the value of Rs. 150/- each per month for the entire duration of training. On completion of training, they are eligible for appointment as Apprentices and later also for employment in the Corporation subject to their being found suitable.

**Post-SSC Studies**: 25 Merit Scholarships of Rs. 150/- per month tenable for a period upto 5 years of post-SSC studies in any discipline (upto graduation level) exclusively for the children of SC/ST employees of the Corporation.

The Study Group I of the Parliamentary Committee on the Welfare of Scheduled Castes and Scheduled Tribes visited the Corporation’s Refinery at Bombay on 23rd June, 1986, and had a
meeting with the representatives of Scheduled Caste/Scheduled Tribe employees and later had useful discussion with the Chairman & Managing Director and other officers of the Corporation. The Study Group appreciated the free and frank manner in which various problems concerning Scheduled Castes/Scheduled Tribes were discussed.

COMMUNITY WELFARE

The Corporation has extended assistance for improving the facilities in Mahul Village (near its Refinery at Bombay), such as drinking water supply, school building renovation, grant of stipends to youth to acquire vocational skill for self employment and scholarships for
A Health Care Camp was organised by BPC Refinery in January 1986.
backward class students, holding of medical camps, etc. The Corporation also provided monetary/promotional assistance to various reputed academic, research, medical and cultural institutions and also sponsored various sport meets including the Second Asian Age Group Aquatic Championship, 1985, organised by the Swimming Federation of India. The Corporation's innovative public sector campaign on Noise and Garbage Pollution won the Ad-Club's first prize for best public service campaign in 1985.

The sponsorship of sports, particularly swimming and tennis received major impetus in 1985.
Bombayites—
don't turn a blind eye
to your city

POLLUTION

A multi-media anti-pollution campaign against "Noise" and "Garbage" pollution was launched by BPC in Bombay. The campaign which received positive response from the residents of the city won the Advertising Club's Ist Prize for the Best Public Service Campaign for 1985.
IMPLEMENTATION OF OFFICIAL LANGUAGE

Apart from the Chairman's Office and Area Offices in the four metropolitan cities, Official Language Implementation Committees have now been set up to cover all the Divisions and Installations in various parts of the country. 23 Hindi classes were conducted at different locations. The Corporation continues to lay emphasis on training in Hindi and organised 7 Hindi Workshops during the year to enable employees to do their day-to-day work in Hindi. The Committee of Parliament on Official Language visited our offices at Delhi, Jammu, Madurai and Tirupati.

PARTICULARS OF EMPLOYEES

Information as per section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is set out in Annexure I to this Report.

DIRECTORS

Shri T. N. R. Rao, Shri B. K. Sinha and Shri Arvind Varma, who retired on the conclusion of the last Annual General Meeting of the Corporation held on 27th September, 1985, were reappointed as Directors with effect from 1st October, 1985. Shri S. K. Mudigonda was appointed as Director effective 11th June, 1986.

AUDITORS

The present Auditors of the Corporation, M/s. G. P. Kapadia & Co. and M/s. K. S. Aiyar & Co. will retire at the conclusion of the Annual General Meeting. Auditors for the year 1986-87 will be appointed by the Central Government under section 619(2) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Directors wish to acknowledge gratefully the support and guidance received from the Government of India and the various State Governments. The Directors also wish to place on record their appreciation of the sincere and devoted services rendered by the employees of the Corporation.

For and on behalf of the Board of Directors
U. M. KINI
Chairman & Mg. Director

New Delhi,
11th August, 1986
## PERFORMANCE PROFILE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported</td>
<td>67</td>
<td>175</td>
<td>468</td>
<td>1384</td>
<td>904</td>
<td>1268</td>
<td>1301</td>
<td>1840</td>
<td>3826</td>
<td>3596</td>
</tr>
<tr>
<td>Indigenous</td>
<td>6311</td>
<td>5279</td>
<td>4839</td>
<td>3039</td>
<td>4090</td>
<td>3603</td>
<td>3540</td>
<td>2866</td>
<td>1803</td>
<td>159</td>
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<tr>
<td>Total</td>
<td>6378</td>
<td>5454</td>
<td>5297</td>
<td>4477</td>
<td>4994</td>
<td>4871</td>
<td>4841</td>
<td>4706</td>
<td>5629</td>
<td>3755</td>
</tr>
</tbody>
</table>

| Fuel and Loss as % of Crude Processed | 6.2 | 4.5 | 4.4 | 4.7 | 4.8 | 4.9 | 4.7 | 5.0 | 5.2 | 5.7 |

| Sales Volume (000 KL) | 9410 | 8789 | 7711 | 7124 | 6541 | 6473 | 6136 | 5781 | 6483 | 4519 |

| Market Participation % | 18.7 | 18.3 | 17.5 | 16.8 | 16.4 | 17.2 | 16.7 | 16.3 | 16.4 | 15.3 |

<table>
<thead>
<tr>
<th>Sales and Earnings</th>
<th>Rs. Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Other Income</td>
<td>235147</td>
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<tr>
<td>Gross Profit before Depreciation</td>
<td>17722</td>
</tr>
<tr>
<td>Interest and Tax</td>
<td>7756</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3074</td>
</tr>
<tr>
<td>Interest</td>
<td>6892</td>
</tr>
<tr>
<td>Tax</td>
<td>760</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>6132</td>
</tr>
</tbody>
</table>

| What the Company Owned | |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross Fixed Assets | 60048 | 49569 | 34516 | 20921 | 13459 | 9625 | 7380 | 5812 | 4995 | 4607 |
| Net Fixed Assets | 35960 | 32920 | 22852 | 13367 | 7360 | 4708 | 3657 | 2825 | 2495 | 2258 |
| Net Current Assets | 10932 | 5836 | 7283 | 5582 | 6956 | 8691 | 2675 | 2158 | 3619 | 2592 |
| Total Assets Net | 46892 | 38756 | 30135 | 18949 | 14316 | 13399 | 6332 | 4983 | 6078 | 4850 |

| What the Company Owed | |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Share Capital | 2785 | 1657 | 1567 | 1454 | 1454 | 1454 | 1454 | 1454 | 1454 | 1454 |
| Reserves and Surplus | 14968 | 10355 | 9191 | 7577 | 6181 | 4978 | 4106 | 3191 | 2500 | 1896 |
| Net Worth | 17753 | 12012 | 10848 | 9031 | 7635 | 6432 | 5559 | 4645 | 3954 | 3350 |
| Borrowings | 29139 | 26744 | 19287 | 9918 | 6681 | 6967 | 773 | 338 | 2124 | 1500 |
| Total Funds Employed | 46892 | 38756 | 30135 | 18949 | 14316 | 13399 | 6332 | 4983 | 6078 | 4850 |

| Internal Generations | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 13496 | 6499 | 5851 | 2936 | 2425 | 2123 | 1684 | 1146 | 794 | 260 |

| Value Added | 29218 | 22350 | 18646 | 12974 | 11230 | 10076 | 8383 | 7625 | 7136 | 2813 |

<p>| Ratios | |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross Profit before Depreciation, Interest and Tax as % of Sales and Other Income | 7.5 | 4.3 | 4.0 | 3.2 | 3.2 | 3.2 | 3.5 | 3.8 | 3.0 | 1.8 |
| Profit after Tax as % of Average Net Worth | 41.2 | 12.1 | 15.7 | 16.2 | 20.0 | 17.4 | 19.1 | 20.1 | 21.5 | 6.7 |
| Profit after Tax as % of Share Capital | 220.2 | 83.3 | 94.5 | 92.6 | 96.8 | 71.8 | 67.2 | 59.6 | 54.1 | 11.5 |
| Average Net Worth as % of Share Capital | 534.3 | 689.8 | 599.9 | 573.1 | 483.7 | 412.4 | 350.9 | 295.7 | 251.2 | 170.9 |</p>
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<th>1984/85 Paise</th>
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</thead>
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<td>66.99</td>
</tr>
<tr>
<td>2. Duties, Taxes etc.</td>
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<td>20.98</td>
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<tr>
<td>3. Transportation</td>
<td>3.23</td>
<td>3.44</td>
</tr>
<tr>
<td>4. Stores &amp; Other Operating Expenses</td>
<td>3.29</td>
<td>2.94</td>
</tr>
<tr>
<td>5. Depreciation</td>
<td>3.20</td>
<td>2.50</td>
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<tr>
<td>6. Employee's Remuneration &amp; Other Benefits</td>
<td>1.22</td>
<td>1.29</td>
</tr>
<tr>
<td>7. Interest on Borrowings</td>
<td>1.27</td>
<td>0.88</td>
</tr>
<tr>
<td>8. Retained Profits.</td>
<td>2.37</td>
<td>0.54</td>
</tr>
<tr>
<td>9. Income Tax</td>
<td>0.31</td>
<td>0.33</td>
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<tr>
<td>10. Dividend</td>
<td>0.16</td>
<td>0.11</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
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## SOURCES AND UTILISATION OF FUNDS

### SOURCES OF FUNDS

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<tr>
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<th></th>
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<tr>
<td>Profit after Tax</td>
<td>6132</td>
<td>1380</td>
<td>1566</td>
<td>1346</td>
<td>1407</td>
<td>1044</td>
<td>977</td>
<td>866</td>
<td>785</td>
<td>166</td>
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<tr>
<td>Excess provision for Taxation in earlier year written back (Net)</td>
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<td>16</td>
<td>48</td>
<td>50</td>
<td>–</td>
<td>32</td>
<td>111</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Depreciation</td>
<td>7756</td>
<td>5334</td>
<td>4238</td>
<td>1640</td>
<td>1222</td>
<td>1251</td>
<td>711</td>
<td>455</td>
<td>190</td>
<td>239</td>
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<tr>
<td>Shareholders' Investment</td>
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<td>–</td>
<td>203</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1768</td>
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### BORROWINGS

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<tr>
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<th>7547</th>
<th>9369</th>
<th>3237</th>
<th>(288)</th>
<th>6194</th>
<th>435</th>
<th>(1786)</th>
<th>624</th>
<th>1153</th>
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</thead>
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<tr>
<td>Loans</td>
<td>3280</td>
<td>2599</td>
<td>2056</td>
<td>1162</td>
<td>666</td>
<td>124</td>
<td>78</td>
<td>140</td>
<td>59</td>
<td>109</td>
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<td>LPG Deposits</td>
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<td>–</td>
<td>–</td>
<td>214</td>
<td>1072</td>
<td>–</td>
<td>–</td>
<td>1320</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Decrease in Working Capital</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>19</td>
<td>11</td>
<td>6</td>
<td>4</td>
<td>15</td>
<td>37</td>
<td>(748)</td>
</tr>
<tr>
<td>Adjustment on account of Deletion/Re-classification, etc.</td>
<td>272</td>
<td>32</td>
<td>24</td>
<td>19</td>
<td>11</td>
<td>6</td>
<td>4</td>
<td>15</td>
<td>37</td>
<td>(748)</td>
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</table>

### APPLICATION OF FUNDS

<table>
<thead>
<tr>
<th>Category</th>
<th>20963</th>
<th>16818</th>
<th>17504</th>
<th>7568</th>
<th>4092</th>
<th>8651</th>
<th>2376</th>
<th>1010</th>
<th>1696</th>
<th>2627</th>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Dividend</td>
<td>11069</td>
<td>15438</td>
<td>13746</td>
<td>7567</td>
<td>3886</td>
<td>2307</td>
<td>1607</td>
<td>835</td>
<td>429</td>
<td>263</td>
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<tr>
<td>Investments</td>
<td>390</td>
<td>232</td>
<td>–</td>
<td>–</td>
<td>204</td>
<td>204</td>
<td>175</td>
<td>175</td>
<td>182</td>
<td>146</td>
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<tr>
<td>Increase in Working Capital</td>
<td>64</td>
<td>23</td>
<td>1</td>
<td>2</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>11</td>
<td>–</td>
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<tr>
<td>Utilisation of Reserves for Issue of Bonus Shares</td>
<td>8376</td>
<td>1086</td>
<td>3735</td>
<td>–</td>
<td>–</td>
<td>6140</td>
<td>594</td>
<td>–</td>
<td>1085</td>
<td>2207</td>
</tr>
<tr>
<td></td>
<td>1128</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Total: 20963 | 16818 | 17504 | 7568 | 4092 | 8651 | 2376 | 1010 | 1696 | 2627 |
## VALUE ADDED STATEMENT

### HOW VALUE IS GENERATED

<table>
<thead>
<tr>
<th>Description</th>
<th>1985-86</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Production (Refinery)</td>
<td>121342</td>
<td>100746</td>
</tr>
<tr>
<td>Less: Direct Materials Consumed</td>
<td>113678</td>
<td>96817</td>
</tr>
<tr>
<td>Added Value</td>
<td>7664</td>
<td>4129</td>
</tr>
<tr>
<td>Marketing Operations</td>
<td>21554</td>
<td>18221</td>
</tr>
<tr>
<td>Value Added by Manufacturing &amp; Trading Operations</td>
<td>29218</td>
<td>22350</td>
</tr>
<tr>
<td>Add: Other Income</td>
<td>5927</td>
<td>2576</td>
</tr>
<tr>
<td>Total Value Generated</td>
<td>35145</td>
<td>24926</td>
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</table>

### HOW VALUE IS DISTRIBUTED

<table>
<thead>
<tr>
<th>Category</th>
<th>1985-86</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. OPERATIONS</td>
<td>14474</td>
<td>12877</td>
</tr>
<tr>
<td>Operating &amp; Servicing Costs</td>
<td>2294</td>
<td>2008</td>
</tr>
<tr>
<td>II. EMPLOYEES' BENEFITS</td>
<td>2949</td>
<td>742</td>
</tr>
<tr>
<td>Salaries, Wages &amp; Bonus</td>
<td>655</td>
<td>2750</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>3074</td>
<td>1885</td>
</tr>
<tr>
<td>III. PROVIDERS OF CAPITAL</td>
<td>3464</td>
<td>2117</td>
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<td>Interest on Borrowings</td>
<td>390</td>
<td>232</td>
</tr>
<tr>
<td>Dividend</td>
<td>760</td>
<td>700</td>
</tr>
<tr>
<td>IV. INCOME TAX</td>
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<td></td>
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<tr>
<td>V. RE-INVESTMENT IN BUSINESS</td>
<td>13498</td>
<td>6482</td>
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<tr>
<td>Depreciation</td>
<td>5742</td>
<td>5334</td>
</tr>
<tr>
<td>Retained Profit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1. LAND

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

2. FIXED ASSETS OTHER THAN LAND

Expenditure on minor items other than Plant & Machinery and Land not exceeding Rs. 500/- per item is charged to Revenue.

3. CAPITAL EXPENDITURE DURING CONSTRUCTION

Direct expenses as well as direct financing costs, relating to major projects, incurred during construction period are capitalised.

4. DEPRECIATION

4.1 No depreciation is charged on freehold land. Premium on leasehold land is amortised over the term of the lease.

4.2 Depreciation on LPG cylinders and pressure regulators as well as items of plant and machinery costing not more than Rs. 5,000/- each, is charged on 100% basis in the year of capitalisation.

4.3 Depreciation on refinery assets is charged on straight-line method so as to depreciate and amortise these assets generally upto 5% of their original cost over their estimated useful life, based on rates as prescribed under Section 205 (2)(b) of the Companies Act, 1956 for various assets. Depreciation on marketing assets is charged on the basis of amounts claimable for tax purposes as prescribed under the Income Tax Act, 1961 and Rules made thereunder.

4.4 Depreciation is charged for full year irrespective of date of installation/commissioning. No depreciation is charged on assets sold/disposed off.

5. INVENTORY VALUATION

5.1 Crude and Intermediate stocks are valued at cost on First In and First Out basis.

5.2 Lubricating Base Oils are valued at Cost i.e. ex-refinery price as fixed under the Oil Prices Committee Report or changes in respect thereof, as advised by Government from time to time.

5.3 All petroleum products produced at the Refinery are valued at cost or Net realisable value, whichever is lower. Products purchased from other Oil Companies are valued at Cost i.e. Ex-Refinery price as per the Oil Prices Committee Report or changes in respect thereof made by Government from time to time.

5.4 Imported Liquefied Petroleum Gas is valued at Cost i.e. ex-refinery price as per the Oil Prices Committee Report or changes in respect thereof as advised by Government, from time to time.

5.5 Lubricating Oils, Greases and certain other sundry products are valued at cost.

5.6 Packages are valued at cost or net realisable value, whichever is lower.

5.7 Stores and Spares are valued at cost.
6 CLAIMS & PROVISIONS

Claims on Oil Coordination Committee/Government are booked on acceptance in principle thereof. Claims and provisions on Pool Account are generally booked on the basis of available instructions/clarifications subject to final adjustment after audit, as stipulated. All other claims and provisions are booked on merits of each case.

7. BAD & DOUBTFUL DEBTS

Provisions against items identified bad and doubtful debts are made on the basis of year end reviews having regard to the likely risks assessed primarily in the light of past experience.

Provisions are applied to writeoff when recoveries are considered unlikely or the probability of loss has been identified.

8. SALES

Sales include, inter alia, Excise/Custom Duties, Pool Adjustments and other elements allowed by Government, from time to time.

9. GRATUITY

Arrangements for payment of gratuity on retirement are made through a Trust Fund. The amount required to be paid by the Corporation by way of contributions, based on actuarial advice, is charged to Profit & Loss Account.

10. CLASSIFICATION OF EXPENDITURE & INCOME

Income and expenditure upto Rs. 50,000 in each case pertaining to prior years, is charged to the current year.

Pre-paid expenses upto Rs. 1,000/- in each case are charged to Revenue.

11. RESEARCH & DEVELOPMENT EXPENDITURE

Research and Development expenditure is charged to the Profit & Loss Account in the year the expenditure is incurred.

12. EXCHANGE RATES

Liabilities in foreign currencies are translated into rupees at rates ruling at the time of capitalisation of Fixed Assets or rates of exchange prevailing at the end of the year in case of current assets. Subsequent exchange fluctuations are charged to Revenue in the year of payment.
# BALANCE SHEET AS AT 31ST MARCH, 1986

**I. SOURCES OF FUNDS**

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
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<td>15,57,40,000</td>
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<tr>
<td></td>
<td>177,52,96,738</td>
<td>120,12,13,797</td>
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<tr>
<td>C</td>
<td>45,21,98,931</td>
<td>33,29,79,763</td>
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<tr>
<td>C</td>
<td>246,17,41,529</td>
<td>234,12,74,605</td>
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<tr>
<td></td>
<td>291,39,40,460</td>
<td>267,43,54,369</td>
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<tr>
<td>TOTAL</td>
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<td>387,55,86,165</td>
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**II. APPLICATION OF FUNDS**

<table>
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<th>1985 Rupees</th>
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</thead>
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<td>355,17,85,752</td>
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<td>D</td>
<td>240,88,10,336</td>
<td>166,48,33,093</td>
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<tr>
<td>D</td>
<td>252,48,62,077</td>
<td>189,69,52,659</td>
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<tr>
<td>E</td>
<td>107,11,58,596</td>
<td>139,50,51,527</td>
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<td>359,60,20,673</td>
<td>329,20,04,186</td>
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<tr>
<td>F</td>
<td>1,01,39,109</td>
<td>1,01,40,029</td>
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**III. CURRENT ASSETS, LOANS & ADVANCES**

<table>
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<th>Schedule</th>
<th>Rupees</th>
<th>1985 Rupees</th>
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<td>G</td>
<td>195,64,94,799</td>
<td>166,28,14,920</td>
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<td>H</td>
<td>97,01,87,211</td>
<td>61,09,99,238</td>
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<td>I</td>
<td>59,34,64,689</td>
<td>45,42,60,759</td>
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<td>J</td>
<td>21,65,146</td>
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<td>103,27,36,896</td>
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<td>455,40,28,743</td>
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<table>
<thead>
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<th>Rupees</th>
<th>1985 Rupees</th>
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<td>329,17,84,443</td>
<td>291,38,19,596</td>
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<td>17,91,66,864</td>
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<td>347,09,51,327</td>
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<td>108,36,77,416</td>
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<tr>
<td></td>
<td>468,92,37,198</td>
<td>387,55,86,165</td>
</tr>
</tbody>
</table>

Notes forming part of Accounts

As per our Report attached

U. M. KINI  
Chairman and  
Managing Director

R. K. GAJREE  
Director (Finance)

New Delhi, 11th August, 1986

P. J. KISHINCHANDANI  
Secretary

S. G. BHATIA  
Partner

Bharat Petroleum Corporation Limited

For and on behalf of  
G. P. KAPADIA & CO.  
Chartered Accountants

For and on behalf of  
K. S. AIYAR & CO.  
Chartered Accountants

MANI. A. AIYAR  
Partner

B. M.  
Partner

Bombay, 12th August, 1986
### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1986

#### INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
<th>Remarks</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Products</td>
<td>233,77,34,478</td>
<td>21,27,65,033</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>N</td>
<td>13,68,90,274</td>
<td></td>
<td>11,71,28,858</td>
</tr>
<tr>
<td>Increase/(Decrease) in Inventory of Finished Products</td>
<td>O</td>
<td>26,80,45,333</td>
<td></td>
<td>(20,58,80,147)</td>
</tr>
</tbody>
</table>

**Total Income:** 2378,27,29,085 **Rupees**

**Total Expenses:** 2118,79,50,044 **Rupees**

#### EXPENDITURE & CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
<th>Remarks</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Products for Resale (Net) [See Note No. 1 (d)]</td>
<td>309,31,78,792</td>
<td>421,34,82,087</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw Materials Consumed</td>
<td>115,68,85,233</td>
<td>980,25,74,042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packages Consumed</td>
<td>20,95,90,257</td>
<td>17,06,93,386</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duties, Taxes, etc. &amp; Other Charges applicable to Products</td>
<td>34,2,26,77,785</td>
<td>447,54,26,212</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>7,59,15,507</td>
<td>73,44,85,490</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption of Stores, Spares &amp; Materials</td>
<td>P</td>
<td>71,82,30,401</td>
<td></td>
<td>23,74,65,527</td>
</tr>
<tr>
<td>Fuel &amp; Power</td>
<td>Q</td>
<td>10,24,62,896</td>
<td></td>
<td>5,45,81,524</td>
</tr>
<tr>
<td>Employees' Remuneration &amp; Other Benefits</td>
<td>R</td>
<td>29,49,42,455</td>
<td></td>
<td>27,49,56,904</td>
</tr>
<tr>
<td>Other Operating &amp; Administration Expenses</td>
<td>S</td>
<td>72,33,60,655</td>
<td></td>
<td>52,32,59,065</td>
</tr>
<tr>
<td>Depreciation [See Note (v) Schedule D]</td>
<td></td>
<td>77,56,36,127</td>
<td></td>
<td>53,34,69,220</td>
</tr>
</tbody>
</table>

**Total Expenses:** 2354,93,57,222 **Rupees**

**Profit before Tax:** 2112,03,64,470 **Rupees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Allowance Reserve</td>
<td>21,12,77,771</td>
<td></td>
</tr>
<tr>
<td>Provision for Taxation</td>
<td>6,00,00,000</td>
<td></td>
</tr>
</tbody>
</table>

**Profit before Tax:** 20,80,31,497 **Rupees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before Tax</td>
<td>T</td>
<td>32,71,95,065</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td></td>
<td>36,11,14,582</td>
</tr>
</tbody>
</table>

**Profit after Tax:** 15,210 **Rupees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Development Rebate Reserve No. 1</td>
<td>12,34,861</td>
<td>16,11,013</td>
</tr>
<tr>
<td>Excess/(Short) Provision for taxation in earlier years written back/provided for (Net)</td>
<td></td>
<td>43,211</td>
</tr>
<tr>
<td>Transfer from Investment Allowance Reserve</td>
<td>2,62,254</td>
<td></td>
</tr>
</tbody>
</table>

**Balance brought forward from previous year:** 16,65,434 **Rupees**

**Disposable Profit:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Schedule</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations : Proposed Dividend Transfer to General Reserve</td>
<td>36,19,02,506</td>
<td>33,91,84,121</td>
</tr>
<tr>
<td>Balance carried to Balance Sheet</td>
<td></td>
<td>3,89,84,786</td>
</tr>
<tr>
<td>Notes forming part of Accounts</td>
<td></td>
<td>32,29,00,000</td>
</tr>
</tbody>
</table>

#### As per our Report attached

U. M. KINI  
Chairman and  
Managing Director

R. K. GAJREE  
Director (Finance)

P. J. KISHINCHANDANI  
Secretary

New Delhi, 11th August, 1986

For and on behalf of  
G. P. KAPADIA & CO.  
Chartered Accountants

S. G. BHATIA  
Partner

BOMBAY, 12th August, 1986

For and on behalf of  
K. S. AIYAR & CO.  
Chartered Accountants

MANI A. AIYAR  
Partner
BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1985

SCHEDULE A—SHARE CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Authorised</td>
<td></td>
</tr>
<tr>
<td>5,00,000 Equity Shares of Rs. 1,000 each</td>
<td>50,00,00,000</td>
</tr>
<tr>
<td>50,00,00,000</td>
<td>25,00,00,000</td>
</tr>
<tr>
<td>(ii) Issued and Subscribed</td>
<td></td>
</tr>
<tr>
<td>2,78,534 Equity Shares of Rs. 1,000 each</td>
<td>27.85,34,000</td>
</tr>
<tr>
<td>27.85,34,000</td>
<td>23,00,00,000</td>
</tr>
<tr>
<td>(iii) Paid Up</td>
<td></td>
</tr>
<tr>
<td>2,78,534 Shares of Rs. 1,000 each</td>
<td>27.85,34,000</td>
</tr>
<tr>
<td>27.85,34,000</td>
<td>16.57,40,000</td>
</tr>
</tbody>
</table>

Of the above:

(a) 500 equity shares of Rs. 1,000 each were originally issued and paid in cash.
(b) 2,29,500 shares of Rs. 1,000 each on which Rs. 720 per share were paid in cash, were made fully paid during the year by capitalisation of Capital Reserve.
(c) 48,534 shares of Rs. 1,000 each were issued during the year as fully paid bonus shares by capitalisation of Capital Reserve.

SCHEDULE B—RESERVES AND SURPLUS

<table>
<thead>
<tr>
<th>Description</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Capital Reserve</td>
<td></td>
</tr>
<tr>
<td>As per last Balance Sheet</td>
<td>16.80,48,742</td>
</tr>
<tr>
<td>Add: Transfer from Development Rebate Reserve No. 2</td>
<td>14,089</td>
</tr>
<tr>
<td>16.80,48,742</td>
<td>16.80,48,742</td>
</tr>
<tr>
<td>Less: Amount Capitalised during the year</td>
<td>11,27,94,000</td>
</tr>
<tr>
<td>5,52,63,821</td>
<td>16.80,48,742</td>
</tr>
<tr>
<td>(ii) Development Rebate Reserve No. 1</td>
<td></td>
</tr>
<tr>
<td>As per last Balance Sheet</td>
<td>15,210</td>
</tr>
<tr>
<td>Less: Transfer to Profit &amp; Loss Account</td>
<td>15,210</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SCHEDULE B - RESERVES AND SURPLUS (Contd.)

#### (iii) Development Rebate Reserve No. 2

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>As per last Balance Sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Transfer to Capital Reserve</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### (iv) General Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>As per last Balance Sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add. Transfer from Profit &amp; Loss Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Transfer to Profit &amp; Loss Account</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### (v) Investment Allowance Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>As per last Balance Sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add. Transfer from Profit &amp; Loss Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Transfer to Profit &amp; Loss Account</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### (vi) Profit & Loss Account

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE C - DEBTORS

#### (i) Secured

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Scheduled Banks secured by hypothecation of Stock in Trade at certain locations and Stores Stock at Refinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Accrued and due</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### (ii) Unsecured

<table>
<thead>
<tr>
<th>Description</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Scheduled Banks Public Deposits (includes Rs. 5,55,99,000 maturing before 31st March, 1987)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (includes Rs. 8,14,37,332 due for Repayment before 31st March, 1987)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Accrued and due on Public Deposits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SCHEDULE D—FIXED ASSETS

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Gross Block As at 1-4-1985 (2)</th>
<th>Additions (3)</th>
<th>Deductions Including Reclassifications (4)</th>
<th>Gross Block As at 31-3-1988 (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. LAND—including Advance Payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Freehold/Long Leasehold</td>
<td>2.47,68,083</td>
<td>1,77,10,090</td>
<td>(2,90,514)</td>
<td>4,27,68,687</td>
</tr>
<tr>
<td>(b) Leasehold on which premia are being written off over lease period</td>
<td>69,16,213</td>
<td>66,24,000</td>
<td>1,25,304</td>
<td>1,34,14,909</td>
</tr>
<tr>
<td>(c) Advance Payments</td>
<td>7,35,59,834</td>
<td>19,43,114</td>
<td>73,18,000</td>
<td>8,81,84,948</td>
</tr>
<tr>
<td><strong>2. BUILDINGS</strong></td>
<td>26,82,00,488</td>
<td>8,31,07,237</td>
<td>19,90,656</td>
<td>34,33,17,049</td>
</tr>
<tr>
<td><strong>3. RAILWAY SIDINGS</strong></td>
<td>1,59,47,489</td>
<td>74,34,778</td>
<td></td>
<td>2,33,82,267</td>
</tr>
<tr>
<td><strong>4. PLANT &amp; MACHINERY</strong></td>
<td>132,82,06,577</td>
<td>65,45,85,659</td>
<td>2,54,00,655</td>
<td>195,73,64,581</td>
</tr>
<tr>
<td><strong>5. TANKS &amp; PIPELINES</strong></td>
<td>52,62,72,506</td>
<td>20,52,12,006</td>
<td>66,18,073</td>
<td>72,48,66,438</td>
</tr>
<tr>
<td><strong>6. FURNITURE &amp; FITTINGS</strong></td>
<td>3,09,89,985</td>
<td>65,55,225</td>
<td>91,744</td>
<td>3,74,33,467</td>
</tr>
<tr>
<td><strong>7. VEHICLES</strong></td>
<td>7,41,92,728</td>
<td>4,81,20,745</td>
<td>13,77,728</td>
<td>12,09,35,745</td>
</tr>
<tr>
<td><strong>8. OTHER ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Dispensing Pumps</td>
<td>8,13,52,483</td>
<td>1,85,83,901</td>
<td>1,21,131</td>
<td>9,98,15,253</td>
</tr>
<tr>
<td>(b) LPG Cylinders &amp; Allied Equipment</td>
<td>99,80,27,806</td>
<td>38,18,46,796</td>
<td>1,84,53,496</td>
<td>138,14,21,106</td>
</tr>
<tr>
<td>(c) Sundries</td>
<td>13,33,71,581</td>
<td>2,76,10,462</td>
<td>2,61,14,080</td>
<td>13,47,67,963</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>356,17,85,752</td>
<td>145,92,07,014</td>
<td>8,73,20,353</td>
<td>493,36,72,413</td>
</tr>
</tbody>
</table>

**Previous Year:**

- 183,27,49,812
- 176,75,56,074
- 3,85,20,134
- 356,17,85,752

**NOTES**

(i) The Title Deeds in respect of a portion of Land (900 Sq. Yards) at Refinery Site for which transfer has been finalised by the State Government are yet to be received.

(ii) Freehold/Leasehold Land includes—
- (a) Rs. 12,23,759 being excess deposit towards cost of land paid to local authorities. The work of verification of claims is in progress by the local authorities,
- (b) cost of Leasehold Land aggregating to Rs. 1,15,035 acquired by the Bombay Municipality prior to 1964 for which no compensation has been fixed. Pending settlement of the compensation amount, no adjustments have been put through the Books of Account in respect of acquisition of the above Leasehold Land.
### Depreciation

<table>
<thead>
<tr>
<th>Rupees</th>
<th>Rupees</th>
<th>Rupees</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,64,357</td>
<td>5,51,279</td>
<td>46</td>
<td>16,15,590</td>
</tr>
<tr>
<td>5,32,17,832</td>
<td>1,41,56,859</td>
<td>1,19,335</td>
<td>6,72,55,356</td>
</tr>
<tr>
<td>50,04,987</td>
<td>23,82,204</td>
<td>73,87,191</td>
<td></td>
</tr>
<tr>
<td>28,34,81,484</td>
<td>26,56,17,370</td>
<td>72,63,432</td>
<td>54,18,35,422</td>
</tr>
<tr>
<td>17,49,99,883</td>
<td>7,41,48,740</td>
<td>9,90,053</td>
<td>24,81,58,570</td>
</tr>
<tr>
<td>80,72,162</td>
<td>26,72,357</td>
<td>30,392</td>
<td>1,07,14,127</td>
</tr>
<tr>
<td>4,17,56,273</td>
<td>1,34,06,567</td>
<td>9,70,032</td>
<td>5,41,92,808</td>
</tr>
<tr>
<td>3,88,13,424</td>
<td>91,82,209</td>
<td>65,737</td>
<td>4,79,29,896</td>
</tr>
<tr>
<td>99,80,27,806</td>
<td>38,18,35,120</td>
<td>1,84,41,820</td>
<td>136,14,21,106</td>
</tr>
<tr>
<td>6,03,94,885</td>
<td>1,21,43,933</td>
<td>42,38,548</td>
<td>6,83,00,270</td>
</tr>
<tr>
<td>188,48,33,093</td>
<td>77,60,96,638</td>
<td>3,21,19,395</td>
<td>240,88,10,336</td>
</tr>
<tr>
<td>116,64,03,967</td>
<td>53,52,14,920</td>
<td>3,67,85,794</td>
<td>166,48,33,093</td>
</tr>
</tbody>
</table>

### Net Block

<table>
<thead>
<tr>
<th>Rupees</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,27,68,687</td>
<td>2,47,68,083</td>
</tr>
<tr>
<td>1,17,99,319</td>
<td>58,51,856</td>
</tr>
<tr>
<td>6,81,84,948</td>
<td>7,35,58,834</td>
</tr>
<tr>
<td>28,20,61,693</td>
<td>21,49,82,636</td>
</tr>
<tr>
<td>1,59,95,076</td>
<td>1,09,42,502</td>
</tr>
<tr>
<td>141,55,29,155</td>
<td>104,47,25,033</td>
</tr>
<tr>
<td>47,67,07,868</td>
<td>35,12,72,622</td>
</tr>
<tr>
<td>2,67,19,340</td>
<td>2,28,97,823</td>
</tr>
<tr>
<td>5,57,42,937</td>
<td>3,24,36,455</td>
</tr>
<tr>
<td>5,18,85,357</td>
<td>4,25,39,059</td>
</tr>
<tr>
<td>6,64,67,693</td>
<td>7,25,76,695</td>
</tr>
<tr>
<td>252,48,62,077</td>
<td>189,69,52,659</td>
</tr>
</tbody>
</table>

#### Buildings
- (a) do not include 664 tenements owned by Maharashtra State Housing Board for which Rs. 40 lakhs subsidy was paid to Maharashtra State Housing Board during the period from 1953 to 1959 and was written off by the Company.
- (b) include cost of ownership flats Rs. 66,60,175 held in formed/proposed Co-operative Housing Societies which includes value of Shares of Rs. 13,700 issued by Societies under their byelaws out of which Share Certificates of the value of Rs. 11,250 are to be received.

#### Deductions
- (v) include excess capitalisation of prior years Rs. 2,40,69,170 (Previous Year Rs. 1,83,341).
- (v) Depreciation for the year (Col. 7) includes—
  - (a) Reversal of depreciation on excess capitalisation referred to (v) above Rs. 1,45,765 (Previous Year Rs. 16,655)
  - (b) Relating to prior year Rs. 2,89,978 (Previous Year Rs. 3,28,796)
  - (c) Charged to Capital Work-in-Progress Rs. 4,60,512 prior years nil (Previous Year Rs. 17,45,690 including prior years Rs. 4,385)
SCHEDULE E - INVESTMENTS

(i) Quoted—

<table>
<thead>
<tr>
<th>No.</th>
<th>Face Value</th>
<th>Market Value</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1985</td>
<td>1985</td>
<td></td>
</tr>
</tbody>
</table>

| 3%   | Loan 1986  | 32,000 | 25,239 |
| 5 1/2% Loan 1992 | 2,98,300 | 2,81,045 |
| 5 1/2% Loan 1995 | 2,13,700 | 2,13,716 |
| 5 1/2% Loan 1999 | 31,500 | 21,810 |
| 5 1/2% Loan 2000 | 5,000 | 5,000 |
| 5 1/4% Loan 2001 | 1,34,400 | 1,36,892 |
| 5 1/2% N. D. Loan 2001 | 1,02,100 | 1,00,892 |
| 5 3/4% Loan 2002 | 15,000 | 31,922 |
| 5% Loan 1993 | 5,000 | 4,745 |
| 5% Loan 1998 | 2,90,000 | 2,92,727 |
| 6 1/2% Loan 2000 | 1,03,000 | 95,694 |
| 7% Loan 2009 | 2,05,000 | 1,94,033 |
| 7 1/2% Loan 2010 II | 1,94,000 | 1,95,275 |

| TOTAL | 15,92,700 | 14,98,976 |

(Securities of the face value of Rs. 15,62,300 (1985 — Rs. 15,62,300) deposited with Local Authorities, etc.)

(ii) Unquoted—At Cost

| (a) | Capital Limits of the Unit Trust of India | 8,18,440 | 85,30,542 |
| (b) | National Savings Certificates (Certificates of the Face Value of Rs. 15,580 (1985 Rs. 16,500 deposited with Local Authorities, etc.)) | 15,590 | 15,590 |
| (c) | Debentures (Fully Paid) | 15,000 | 15,000 |
| (i) | Debentures of the Bengal Chamber of Commerce and Industry | 15 | 15,000 |
| (ii) | Debentures of East India Clinic Ltd. | 60,000 | 60,000 |
| (d) | Ordinary Shares (Fully Paid) | 60,000 | 60,000 |
| (e) | Sindhru Resettlement Corporation Limited | 6 | 1,10,510 |
SCHEDULE OF INVESTMENTS (Contd.)

(iii) Unquoted - At Book Value
6% Debentures of Sholapur Spinning and Weaving Mills Ltd. (In liquidation)

<table>
<thead>
<tr>
<th>No.</th>
<th>Face Value</th>
<th>Book Value</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>578</td>
<td>57,800</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1985
Rupees
1.01,39,105
1,01,40,029

CURRENT ASSETS, LOANS AND ADVANCES

SCHEDULE G--INVENTORIES (Certified as to quantity and value by a Director)

(i) Raw Materials (At Cost) *

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>13,26,12,814</td>
</tr>
<tr>
<td>Charges</td>
<td>3,40,56,076</td>
</tr>
</tbody>
</table>

1985
Rupees
31,54,10,419
1,45,98,434

(ii) Finished Products (At Cost or Net Realisable Value whichever is lower) **

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>112,39,47,675</td>
</tr>
<tr>
<td>Charges</td>
<td>17,21,40,234</td>
</tr>
</tbody>
</table>

1985
Rupees
86,19,02,346
13,73,45,484

(iii) Packages (At Cost or Net Realisable Value, whichever is lower)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4,92,14,720</td>
</tr>
</tbody>
</table>

1985
Rupees
3,57,92,175

(iv) Stores and Spares (At Cost) †

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>19,92,83,236</td>
</tr>
</tbody>
</table>

1985
Rupees
166,28,14,920

* Excludes materials received on loan Rs. 32,12,00,116 (Net) 1985—Rs. 5,72,00,331 (Net)

** Excludes Products received on loan Rs. 18,64,37,936 (Net) 1985—Rs. 18,85,24,183 (Net)

† Includes Stock given on loan Rs. 3,91,312 1985—Rs. 5,37,872

SCHEDULE H--Sundry Debtors (Unsecured)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 6 months</td>
<td></td>
</tr>
<tr>
<td>Considered Good</td>
<td>5,25,88,539</td>
</tr>
<tr>
<td>Considered Doubtful</td>
<td>1,18,26,841</td>
</tr>
<tr>
<td>Less: Provision for Doubtful Debts</td>
<td>3,04,29,544</td>
</tr>
</tbody>
</table>

1985
Rupees
44,27,166
2,88,46,002
2,88,46,002

<table>
<thead>
<tr>
<th>Other Debts</th>
<th>Rupee Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considered Good</td>
<td>91,75,78,672</td>
</tr>
<tr>
<td>Considered Doubtful</td>
<td>37,87,159</td>
</tr>
<tr>
<td>Less: Provision for Doubtful Debts</td>
<td>37,87,158</td>
</tr>
</tbody>
</table>

1985
Rupees
50,65,72,072
69,722
69,722

91,75,78,672
97,01,87,211
61,09,99,238
### SCHEDULE I—CASH AND BANK BALANCES

<table>
<thead>
<tr>
<th>Cash in hand and in transit</th>
<th>Rupees</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>37,53,06,149</td>
<td>37,01,44,338</td>
<td></td>
</tr>
</tbody>
</table>

With Scheduled Banks

<table>
<thead>
<tr>
<th>On Current Accounts (Net of Book Overdrafts Rs. 4,28,64,166—1985 Rs. 3,54,09,024)</th>
<th>Rupees</th>
<th>1985 Rupees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On Deposit Accounts</td>
<td>20,80,31,114</td>
<td>8,12,29,127</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,62,47,426</td>
<td>28,87,304</td>
<td></td>
</tr>
<tr>
<td></td>
<td>59,24,64,589</td>
<td>45,42,60,769</td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE J—OTHER CURRENT ASSETS

<table>
<thead>
<tr>
<th>Interest accrued on investments, Bank Deposits, Loans and Advances</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,85,146</td>
<td>7,34,401</td>
</tr>
</tbody>
</table>

### SCHEDULE K—LOANS AND ADVANCES

<table>
<thead>
<tr>
<th>Secured Loans to Companies (Considered Good)</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Secured against hypothecation of Boilers)</td>
<td>32,11,169</td>
<td>41,48,285</td>
</tr>
</tbody>
</table>

#### Unsecured

(i) Advances Recoverable in Cash or in kind or for Value to be received (Net)

<table>
<thead>
<tr>
<th></th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Considered Good</td>
<td>98,20,90,522</td>
<td>80,39,52,785</td>
</tr>
<tr>
<td>(Includes Due by Officers Rs. 4,18,62,616 and by Directors Rs. 4,23,691—1985 by Officers Rs. 3,00,49,811 and by a Director Rs. 2,88,536. Maximum during the year by Officers Rs. 4,18,62,616 and by Directors Rs. 4,24,314—1985 by Officers Rs. 3,00,49,811 and by Directors Rs. 2,88,536)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Considered Doubtful</td>
<td></td>
<td>15,536</td>
</tr>
<tr>
<td>Less: Provision</td>
<td></td>
<td>15,536</td>
</tr>
</tbody>
</table>

(ii) Deposits

<table>
<thead>
<tr>
<th></th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) With Customs, Excise, Port Trust etc. (Considered Good)</td>
<td>4,31,31,333</td>
<td>1,63,92,275</td>
</tr>
<tr>
<td>(b) Deposits with I.D.B.I (Considered Good)</td>
<td>12,88,000</td>
<td>12,88,000</td>
</tr>
<tr>
<td>(c) Other Deposits—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered Good</td>
<td>2,30,15,274</td>
<td>1,90,57,586</td>
</tr>
<tr>
<td>Considered Doubtful</td>
<td>1,85,287</td>
<td>1,83,140</td>
</tr>
<tr>
<td>Less: Provision</td>
<td>1,85,287</td>
<td>1,83,140</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,74,35,297</td>
<td>3,67,37,861</td>
</tr>
<tr>
<td></td>
<td>103,27,36,90</td>
<td>84,48,38,931</td>
</tr>
</tbody>
</table>

---

34
CURRENT LIABILITIES AND PROVISIONS

SCHEDULE I—LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest accrued but not due</td>
<td>11,97,70,821</td>
<td>13,03,88,422</td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td>209,26,14,686</td>
<td>203,24,94,217</td>
</tr>
<tr>
<td>Unclaimed Debentures (Redeemed)</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Unclaimed Interest on Debentures</td>
<td>17,392</td>
<td>17,392</td>
</tr>
<tr>
<td>Deposits for Containers</td>
<td>106,63,86,016</td>
<td>74,10,32,712</td>
</tr>
<tr>
<td>Deposits by Agents, Dealers and Customers</td>
<td>1,03,99,126</td>
<td>97,93,635</td>
</tr>
<tr>
<td>Unclaimed Interest on Dealers' Deposits</td>
<td>38,218</td>
<td></td>
</tr>
</tbody>
</table>

**Total Liabilities**: 291,38,19,596

SCHEDULE M—PROVISIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfunded Retirement Benefits — Net of Tax (Gross Rs. 1,99,54,280 1985 — Rs. 1,96,83,273)</td>
<td>34,282</td>
<td>83,16,184</td>
</tr>
<tr>
<td>Proposed Dividend</td>
<td>3,89,94,760</td>
<td>2,32,03,600</td>
</tr>
<tr>
<td>Taxation less Payments</td>
<td>13,06,93,841</td>
<td>5,48,66,929</td>
</tr>
</tbody>
</table>

**Total Provisions**: 17,91,68,884

8,63,86,713
## SCHEDULE N—MISCELLANEOUS INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>Rupees</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Bank and Other Interest (Gross) (Tax deducted at source Rs. 1,336—1985 Rs. 20,099)</td>
<td>1,54,92,541</td>
<td></td>
<td></td>
<td>40,42,658</td>
</tr>
<tr>
<td>(ii) Income from Investments (a) Interest (Gross) (Tax deducted at source Rs. 1,71,711 — 1985 Rs. 1,07,598)</td>
<td>7,64,656</td>
<td></td>
<td></td>
<td>4,90,545</td>
</tr>
<tr>
<td>(b) Dividend (Tax deducted at source Rs. 41 — 1985 Rs. 41)</td>
<td>180</td>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>7,84,836</td>
<td>21,84,431</td>
<td></td>
<td>4,90,725</td>
</tr>
<tr>
<td>(iii) Profit on Sale of Assets (Net)</td>
<td></td>
<td></td>
<td></td>
<td>48,65,545</td>
</tr>
<tr>
<td>(iv) Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental and Hire Charges</td>
<td>3,81,53,480</td>
<td></td>
<td></td>
<td>3,75,60,765</td>
</tr>
<tr>
<td>Service Charges</td>
<td>45,60,012</td>
<td></td>
<td></td>
<td>36,73,664</td>
</tr>
<tr>
<td>Sale of Scrap, etc</td>
<td>2,18,91,912</td>
<td></td>
<td></td>
<td>2,14,13,375</td>
</tr>
<tr>
<td>Others (Net)</td>
<td>5,38,43,062</td>
<td></td>
<td></td>
<td>4,55,82,176</td>
</tr>
<tr>
<td></td>
<td>11,64,48,468</td>
<td></td>
<td></td>
<td>10,77,29,930</td>
</tr>
<tr>
<td></td>
<td>13,68,90,274</td>
<td></td>
<td></td>
<td>11,71,28,858</td>
</tr>
</tbody>
</table>

## SCHEDULE O—INCREASE/(DECREASE) IN INVENTORY OF FINISHED PRODUCTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Closing Stocks of Finished Products</td>
<td>112,99,41,417</td>
<td>86,15,02,346</td>
</tr>
<tr>
<td>Less: Value of Opening Stocks of Finished Products</td>
<td>86,19,02,346</td>
<td>106,75,82,493</td>
</tr>
<tr>
<td></td>
<td>26,80,39,071</td>
<td>(20,56,80,147)</td>
</tr>
</tbody>
</table>

## SCHEDULE P—CONSUMPTION OF STORES, SPARES & MATERIALS

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores, Spares &amp; Materials</td>
<td>36,28,67,918</td>
<td>29,75,83,303</td>
</tr>
<tr>
<td>Less: Charged to Other Accounts</td>
<td>8,46,37,517</td>
<td>6,01,18,376</td>
</tr>
<tr>
<td></td>
<td>27,82,30,401</td>
<td>23,74,65,227</td>
</tr>
</tbody>
</table>

## SCHEDULE Q—FUEL & POWER

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel &amp; Power</td>
<td>66,01,05,590</td>
<td>38,50,73,261</td>
</tr>
<tr>
<td>Less: Fuel of Own Production Consumed (Estimated)</td>
<td>55,26,22,922</td>
<td>33,04,91,827</td>
</tr>
<tr>
<td></td>
<td>10,24,82,668</td>
<td>5,45,81,434</td>
</tr>
</tbody>
</table>

## SCHEDULE R—EMPLOYEES’ REMUNERATION & OTHER BENEFITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Wages and Other Benefits (Less: Amounts recovered Rs. 28,13,237 — 1985 Rs. 25,00,402)</td>
<td>22,93,65,892</td>
<td>20,08,07,512</td>
</tr>
<tr>
<td>Contributions to Provident &amp; Other Funds</td>
<td>2,04,44,195</td>
<td>4,19,16,565</td>
</tr>
<tr>
<td>Welfare Expenses</td>
<td>4,47,32,458</td>
<td>3,22,32,827</td>
</tr>
<tr>
<td></td>
<td>29,49,42,459</td>
<td>27,49,56,904</td>
</tr>
</tbody>
</table>
SCHEDULE S—OTHER OPERATING AND ADMINISTRATION EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>1985 Rupees</th>
<th>1986 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration to Directors (See Note No. 10)</td>
<td>3,52,267</td>
<td>3,72,458</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>7,41,67,085</td>
<td>7,11,12,103</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,12,71,029</td>
<td>1,24,41,706</td>
</tr>
<tr>
<td>Others</td>
<td>2,75,68,081</td>
<td>94,08,392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,36,18,187</strong></td>
<td><strong>9,29,62,201</strong></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>1,83,57,006</td>
<td>1,08,85,795</td>
</tr>
<tr>
<td>Rates &amp; Taxes</td>
<td>1,75,37,733</td>
<td>2,29,10,155</td>
</tr>
<tr>
<td>Charities &amp; Donations</td>
<td>1,77,84,687</td>
<td>1,25,89,274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,36,78,443</strong></td>
<td><strong>5,63,86,124</strong></td>
</tr>
<tr>
<td>Audit Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As Auditors</td>
<td>1,50,006</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,50,006</strong></td>
<td><strong>2,500</strong></td>
</tr>
<tr>
<td>For Other Services</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Out of Pocket Expenses</td>
<td>1,03,594</td>
<td>65,687</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,55,996</strong></td>
<td><strong>2,18,167</strong></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Fixed Loans</td>
<td>3,26,14,366</td>
<td>3,84,82,632</td>
</tr>
<tr>
<td>On Other Loans</td>
<td>37,67,68,964</td>
<td>15,00,29,712</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40,93,830</strong></td>
<td><strong>51,85,12,445</strong></td>
</tr>
<tr>
<td>Bad Debts &amp; Claims Written Off</td>
<td>30,73,970</td>
<td>18,85,12,344</td>
</tr>
<tr>
<td>Materials Written Off</td>
<td>2,60,796</td>
<td>2,22,745</td>
</tr>
<tr>
<td>Investments in Subsidiary Company Written Off</td>
<td>76,20,181</td>
<td>9,66,022</td>
</tr>
<tr>
<td>Excise Duty on Drums</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Provision for Doubtful Debts (Net)</td>
<td>30,31,554</td>
<td></td>
</tr>
<tr>
<td>Charges Paid to Other Oil Companies</td>
<td>2,04,12,145</td>
<td></td>
</tr>
<tr>
<td>Travelling Expenses</td>
<td>2,37,11,424</td>
<td></td>
</tr>
<tr>
<td>Telephone, Telex, Cables, Postage etc.</td>
<td>2,06,35,085</td>
<td></td>
</tr>
<tr>
<td>BP/PT Pumping/Pipeline Charges</td>
<td>98,06,328</td>
<td></td>
</tr>
<tr>
<td>Brokerage on Public Deposits</td>
<td>75,13,605</td>
<td></td>
</tr>
<tr>
<td>Loss on Sale of Investments</td>
<td>10,26,929</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,279</strong></td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>1,23,18,875</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,35,18,875</strong></td>
<td><strong>9,51,11,537</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,23,60,965</strong></td>
<td><strong>52,32,59,065</strong></td>
</tr>
</tbody>
</table>

SCHEDULE T—PRIOR YEARS' INCOME/(EXPENSES) NET

<table>
<thead>
<tr>
<th>Description</th>
<th>1985 Rupees</th>
<th>1986 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Products</td>
<td>41,55,25,981</td>
<td>50,07,37,026</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>29,94,320</td>
<td>2,62,25,325</td>
</tr>
<tr>
<td>Purchase of Products for Resale</td>
<td>1,66,173</td>
<td>1,68,000</td>
</tr>
<tr>
<td>Raw Materials Consumed</td>
<td>2,54,57,611</td>
<td>1,46,08,531</td>
</tr>
<tr>
<td>Duties, Taxes etc. and Other Charges applicable to Products</td>
<td>(9,30,275)</td>
<td>51,61,469</td>
</tr>
<tr>
<td>Transportation</td>
<td>68,01,857</td>
<td>2,00,37,671</td>
</tr>
<tr>
<td>Consumption of Stores, Spares &amp; Materials</td>
<td>14,11,356</td>
<td>57,12,918</td>
</tr>
<tr>
<td>Fuel &amp; Power</td>
<td>6,17,119</td>
<td>1,20,32,750</td>
</tr>
<tr>
<td>Employees' Remuneration &amp; Other Benefits</td>
<td>(1,42,81,400)</td>
<td>1,72,86,762</td>
</tr>
<tr>
<td>Other Operating &amp; Administration Expenses</td>
<td>70,95,610</td>
<td>1,24,02,477</td>
</tr>
<tr>
<td>Interest</td>
<td>1,10,44,767</td>
<td>25,23,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45,58,12,719</strong></td>
<td><strong>14,04,45,923</strong></td>
</tr>
</tbody>
</table>
SCHEDULE V—NOTES FORMING PART OF ACCOUNTS

1. (a) Accounts include balances aggregating to Rs. 4,87,81,308 (Credit) in 2 Pool Accounts and Rs. 65,53,45,142 (Debit) in 2 Pool Accounts for which statements are subject to audit by a firm of Chartered Accountants. Transactions relating to certain Pool Accounts are on provisional basis and are subject to adjustments on the basis of final approval of the Central Government.

(b) Sale of Products is after deduction of (a) Surrenders (Net) to Industry Pool Accounts Rs. 812,97,83,908 and (b) Temperature Variation Allowance Rs. 54,05,066 (1985 Rs. 524,28,52,42 and Rs. 53,87,052 respectively).

(c) Raw Materials consumed are net of Surrenders to Reliefs from Industry Pool Accounts.

(d) Purchase of Products for resale includes Payments to Third Parties for processing Fees Rs. 2,72,85,007 (1985 Rs. 3,40,14,339).

2. In accordance with Notification No. GSR 309 dated 20th February, 1978 of Government of India, provisions of Section 370 of the Companies Act, 1956 do not apply to Government Companies and therefore information regarding debts due from and advances to Government Companies is not separately disclosed.

3. Confirmation for amounts due from/to Other Oil Companies (including old items of past years) are not available with the Corporation.

4. Adjustments for certain Inter Oil Company transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.

5. Raw Materials (Crude only) costs have been incorporated at provisional rates pending finalisation of costs, freight, other charges etc.

6. Capital Commitments & Contingent Liabilities

   (i) Estimated amount of contracts remaining to be executed on capital account and not provided for

   1985
   Rupees
   61,77,53,424
   133,63,56,841

   (ii) Contingent Liabilities

   (a) In respect of Taxation matters of prior years

   1985
   Rupees
   2,31,65,723
   2,32,14,963

   (b) Other matters

   (i) Surety Bonds executed on behalf of Other Oil Companies for Excise/Customs Duties

   1985
   Rupees
   25,49,46,000
   25,85,00,200

   (ii) Counter Guarantee to Banks

   1985
   Rupees
   21,30,592
   1,87,43,438

   (iii) Letters of Credit for Capital Items

   1985
   Rupees
   1,56,78,658
   46,51,416

   (iv) Claims against the Corporation not acknowledged as debts (includes Rs. 9,32,82,045 against which the Corporation has a recourse for recovery—1985 Rs. 9,29,31,430)

   1985
   Rupees
   13,74,62,512
   15,40,77,907

   (v) Claims by and on behalf of Wages of Bargainable Employees at Refinery arising out of Long Term Settlements and/or Court Awards not accepted by the Corporation and pending in Courts of Law

   1985
   Rupees
   3,47,06,000
   3,37,00,216

* If these Contingent Liabilities materialise either in part or whole, they are recoverable from Third Parties to the extent of Rs. 1,05,74,000 (1985—Rs. 1,05,74,000).

7. Depreciation on Refinery Assets is charged on Straight Line Method under Sec. 206(2) (b) of the Companies Act, 1956, at the enhanced rates under Income Tax Rules, 1962, as amended from time to time. For the current year the Corporation has provided Depreciation based on the same basis as against the recommendation in the Circular No. 1/86 dated 21st May, 1986 of the Department of Company Law Board. Amountunsettained.

8. The Investment Allowance claimable during the year including the previous years unabsorbed allowance is Rs. 52,55,99,594. However, in view of inadequate assessable income, the Company has created Investment Allowance Reserve Rs. 25,15,00,000 from the profits of the year. The unabsorbed Investment Allowance carried forward to subsequent years for set off is Rs. 19,00,92,292.

9. Claims on Oil Coordination Committee/Government are booked on acceptance in principle thereof. Claims and Provisions on Pool Account are generally booked on the basis of available instructions/clarifications subject to final adjustment after audit, as stipulated. All other claims and provisions are booked on merits of each case.
SCHEDULE U—NOTES FORMING PART OF ACCOUNTS (Contd.)

10 Managerial Remuneration

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1986</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and Allowances</td>
<td>Rupees 2,94,459</td>
<td>Rupees 2,64,067</td>
</tr>
<tr>
<td>Contribution to Provident Fund and Other Funds</td>
<td>Rupees 29,573</td>
<td>Rupees 33,744</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>Rupees 68,235</td>
<td>Rupees 74,647</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong> Rupees 5,92,267</td>
<td><strong>Total</strong> Rupees 3,72,458</td>
</tr>
</tbody>
</table>

Payments amounting to Rs. 2,588 for the current year, Rs. 2,588 for 1984-85 and Rs. 2,588 for 1983-84 and Rs. 2,112 for 1982-83 are subject to the approval of the Central Government.

11. (1) Licensed Capacity, Installed Capacity (As certified by the Management), Actual Production in respect of Goods Manufactured

(a) (i) Fuel Refinery

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Processed during the year</td>
<td>M.T. 63,78,241</td>
</tr>
<tr>
<td>Licensed Capacity</td>
<td>M.T.p.a. 6,00</td>
</tr>
<tr>
<td>Installed Capacity</td>
<td>M.M.T.p.a. 6,00</td>
</tr>
<tr>
<td>Actual Production*</td>
<td></td>
</tr>
<tr>
<td>Light Distillates</td>
<td>K.L. 21,25,613</td>
</tr>
<tr>
<td>Middle Distillates</td>
<td>K.L. 44,55,037</td>
</tr>
<tr>
<td>Others</td>
<td>K.L. 9,52,192</td>
</tr>
</tbody>
</table>

* Excludes production out of Feedstocks purchased from HPCL

(b) Aromatics

(i) Benzene

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Capacity</td>
<td>M.T.p.a. 98,200</td>
</tr>
<tr>
<td>Installed Capacity</td>
<td>M.T.p.a. 98,200</td>
</tr>
<tr>
<td>Actual Production</td>
<td>M.T. 20,712</td>
</tr>
</tbody>
</table>

(ii) Toluene

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Capacity</td>
<td>M.T.p.a. 17,600</td>
</tr>
<tr>
<td>Installed Capacity</td>
<td>M.T.p.a. 17,600</td>
</tr>
<tr>
<td>Actual Production</td>
<td>M.T. 4,455</td>
</tr>
</tbody>
</table>

(c) Lubricants

(i) Licensed Capacity on single shift basis for manufacturing at Bombay (3,57,600 Barrels of 44 Gallons each and 5,96,000 Tons of 1 T.G. per annum).

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Capacity</td>
<td>M.T.p.a. 66,384</td>
</tr>
<tr>
<td>Actual Production</td>
<td>M.T. 66,384</td>
</tr>
</tbody>
</table>
| Licensed Capacity on double shift basis for manufacturing at Calcutta

<table>
<thead>
<tr>
<th>Description</th>
<th>For the year ended 31st March, 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Capacity</td>
<td>M.T.p.a. 30,000</td>
</tr>
<tr>
<td>Production (both on single shift basis)</td>
<td>M.T.p.a. 90,000</td>
</tr>
<tr>
<td></td>
<td>M.T. 72,414</td>
</tr>
<tr>
<td></td>
<td>K.L. 90,090</td>
</tr>
</tbody>
</table>

N.B.—Applicable conversion factors have been used in converting licensed capacity and production in Metric Tons.
**Bharat Petroleum Corporation Limited**

**Schedule U: Notes Forming Part of Accounts (Contd.)**

(d) **Pesticides**
- Licensed and Installed Capacity on double shift basis in terms of Technical Material. The blending operation is carried out on behalf of an outside party for a fee included under Service Income
  - M.T. p.a.: 373

(e) **Drum Plant: Number of Drums**
  (i) Licensed Capacity per annum: 17,70,000
  (ii) Installed Capacity on triple shift basis per annum: 27,00,000
  (iii) Actual Production: 10,73,106

(2) **Raw Materials Consumed (on derived basis)**
  - **1986**
  - **1985**
  - **Unit**
  - **Quantity**
  - **Value**
  - **Rupees**
  - **Quantity**
  - **Value**
  - **Rupees**
  (i) **Crude Oil (Net of Surrenders to/Reliefs from Industry Pool Accounts)**
    - M.T.: 63,78,245
    - K.L.: 95,464
    - Rupees: 11,23,45,74,063
    - Rupees: 958,75,33,942
  (ii) **Base Oils**
    - Rupees: 31,45,81,100
    - Rupees: 390,25,74,042

12. **Class of Goods purchased, sold and stocked**

<table>
<thead>
<tr>
<th></th>
<th>Opening Stocks</th>
<th>Value</th>
<th>Closing Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Petroleum Products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Light Distillates</td>
<td>Current Year</td>
<td>1,04,826</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>95,105</td>
<td></td>
</tr>
<tr>
<td>(b) Middle Distillates</td>
<td>Current Year</td>
<td>5,88,528</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>5,91,140</td>
<td></td>
</tr>
<tr>
<td>(c) Others</td>
<td>Current Year</td>
<td>66,344</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>66,074</td>
<td></td>
</tr>
<tr>
<td>(ii) Crude Oil</td>
<td>Current Year</td>
<td>1,75,235</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>1,75,235</td>
<td></td>
</tr>
<tr>
<td>(iii) Base Oils</td>
<td>Current Year</td>
<td>19,737</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>19,737</td>
<td></td>
</tr>
<tr>
<td>(iv) Packages &amp; Containers</td>
<td>Current Year</td>
<td>3,97,82,175</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year</td>
<td>3,97,82,175</td>
<td></td>
</tr>
</tbody>
</table>

**Notes**

(i) Purchases exclude Inter Product Transfers.
(ii) Applicable conversion factors are used to convert quantities in M Tonne to Kilolitres for products purchased/sold by weight.
(iii) Stocks include products given on loan basis to other Oil Companies and exclude products received on loan basis from other Oil Companies.
(iv) Purchases of Petroleum Products

(a) Excludes payment to third parties for Processing Fees Rs. 2,72,85,007 (1985 Rs. 3,40,19,249) but includes Own Consumption & Samples Rs. 3,17,58,081 (1985 Rs. 3,29,27,525).
(b) Net of Refined Products Transferred to other Oil Companies Rs. 233,71,82,743 (1985 Rs. 176,52,32,677).
(c) Crude Oil and other Petroleum Feedstocks are related to Petroleum Products and accordingly these Refined Products are excluded from Purchases of Petroleum Products.
(d) Purchases of Base Oils include Own Consumption & Samples Rs. 8,933 (1985 Rs. 2,865).
(e) Purchases of Packages include Own Consumption & Samples Rs. 2,51,969 (1985 Rs. 3,12,509) and Recoveries from Third Parties Rs. 9,90,601 (1985 Rs. 12,97,141).

13. (a) **Number of Employees who were in employment throughout the year and were in receipt of remuneration during the year which in the aggregate was not less than Rs. 36,000**

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Wages and Other Benefits</td>
<td>3,355</td>
<td>1,666</td>
</tr>
<tr>
<td>Contribution to Provident and Pension Funds</td>
<td>10,35,46,375</td>
<td>7,61,51,235</td>
</tr>
</tbody>
</table>

(b) **Number of Employees who were in employment for part of the year and were in receipt of remuneration amounting in the aggregate to Rs. 3,000 or more per person**

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th>152</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, Wages and Other Benefits</td>
<td>69,79,012</td>
<td>34,83,827</td>
</tr>
<tr>
<td>Contribution to Provident and Pension Funds</td>
<td>2,12,986</td>
<td>1,79,773</td>
</tr>
</tbody>
</table>
SCHEDULE U—NOTES FORMING PART OF ACCOUNTS (Contd.)

14. Value of imports Calculated on C.I.F. basis
   (a) Crude Oil and other Petroleum Products**
       45,89,65,168
   (b) Components and Spare Parts
       1,90,05,037
   (c) Capital Goods
       16,28,14,084
       100
       68,89,59,400

NOTES
1. ** Includes Local Insurance Rs. 21,08,45 (1985 Rs. 57,35,419).
2. ** Includes Crude Oil/Base Oil Purchases from IOC (Canalised Agents) Rs. 34,81,72,323 (1985 Rs. 57,64,41,676).
3. Excludes Technical Materials imported for blending pesticides on behalf of an outside party.
4. The above figure of purchases is prior to adjustment of Surrenders to/Reliefs from Industry Pool Accounts.

15. Expenditure in Foreign Currency (on cash basis)

<table>
<thead>
<tr>
<th></th>
<th>1985 Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Matters</td>
<td>72,63,646</td>
<td>14,53,991</td>
</tr>
</tbody>
</table>

16. Value of Raw Materials, Spare Parts & Components Consumed (on derived basis)

<table>
<thead>
<tr>
<th>Raw Materials</th>
<th>Spare Parts and Components*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value Rupees</td>
</tr>
<tr>
<td>Imported</td>
<td>32,43,80,805</td>
</tr>
<tr>
<td>Indigenous</td>
<td>916,82,91,516</td>
</tr>
<tr>
<td></td>
<td>949,26,00,321</td>
</tr>
<tr>
<td></td>
<td>54,13,22,396</td>
</tr>
<tr>
<td></td>
<td>769,20,89,221</td>
</tr>
<tr>
<td></td>
<td>82,34,11,617</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Exclude Direct Charged Materials.

NOTES
(1) Imported Crude and Base Oils are taken at C.I.F. Value and Ex-Refinery Price respectively.
(2) Purchases from canalising agencies have been considered as Imports.
(3) The above figures of consumption are prior to adjustment of Surrenders to/Reliefs from Industry Pool Accounts.

17. Earnings in Foreign Exchange (on accrual basis)

<table>
<thead>
<tr>
<th></th>
<th>1985 Rupees</th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Export of goods on F.O.B. basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) On Own Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) As Agents (hence not reflected in Profit &amp; Loss Account)</td>
<td>102,57,65,000*</td>
<td>87,66,62,500*</td>
</tr>
<tr>
<td>(b) Other Matters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Received in Indian Currency out of the repatriable funds of Foreign Airline Customers.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. Other Expenses under Other Operating and Administration Expenses include an amount of Rs. 2,54,124 (1985 Rs. 2,48,614) being entertainment expenses incurred by the Corporation.

19. Expenditure incurred on Public Relations and Publicity during the year is Rs. 83,86,716 (1985 Rs. 26,28,125) Remuneration to Staff employed for Public Relations work during the year is Rs. 2,60,621 (1985 Rs. 2,46,004).

20. Value Added

<table>
<thead>
<tr>
<th></th>
<th>1985 Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Refinery</td>
<td>76,64,19,088</td>
</tr>
<tr>
<td>(ii) Corporation</td>
<td>292,18,44,494</td>
</tr>
<tr>
<td></td>
<td>41,29,46,620</td>
</tr>
<tr>
<td></td>
<td>223,49,52,158</td>
</tr>
</tbody>
</table>

21. Figures of the previous year have been regrouped wherever necessary.

Signature to Schedules A to U.

For and on behalf of
G. P. KAPADIA & CO.
Chartered Accountants

For and on behalf of
K. S. AIYAR & CO.
Chartered Accountants

MANNI A. AIYAR
Partner

P. J. KISHINCHANDANI
Secretary

S. G. BHATIA
Partner

Bombay, 12th August, 1986

New Delhi, 11th August, 1986

U. M. KINI
Chairman and
Managing Director

R. K. GAJREE
Director (Finance)
AUDITORS’ REPORT
TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED, as at 31st March, 1986, and also the annexed Profit and Loss Account of the Corporation for the year ended on that date, and report that:

1. 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;

2. In our opinion, proper books of accounts as required by Law have been kept by the Corporation, so far as appears from our examinations of those books;

3. The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account;

4. (i) Transactions relating to certain Pool Accounts are on provisional basis and are subject to adjustments on the basis of final approval of the Central Government as detailed in Note No. 1(a);

(ii) Confirmation for amounts due from/due to other Oil Companies are not available with the Corporation;

(iii) Adjustments for certain Inter-Oil Company transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions;

(iv) Crude Oil costs have been incorporated at provisional rates pending finalisation of Costs, Freight, Other Charges, etc.;

(v) Depreciation on Refinery Assets is not calculated as recommended by the Department of Company Affairs in its Circular No. 1/86 dated 21-5-1986. Amount unascertained;

(vi) Payments to Managing Director amounting to Rs. 9,876/- (inclusive of previous years Rs. 7,288/-) is subject to approval of Central Government;

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Notes thereon, give the information required by the Companies’ Act, 1956, in the manner so required and give a true and fair view—

(i) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 1986 and

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors’ Report) Order, 1975 issued by the Central Government in terms of Section 227 (4A) of the Companies’ Act, 1956 and on the basis of such checks of the Books and Records as we considered appropriate and as per the information and explanations given to us in the course of audit and to the best of our knowledge and belief, we further report that:

(i) As regards the Marketing Division, the Corporation has maintained proper records showing full particulars, including quantitative details and situations of its Fixed Assets. The Corporation follows a phased programme of two yearly cycle, as regards verification of the said assets. No serious discrepancies have been noticed on verification so done during the year.

As regards the Refining Division, this work is in progress. To the extent that physical verification of some of the Fixed Assets was carried out by the Management, we are informed that no significant discrepancies were noticed.

(ii) None of the Fixed Assets of the Corporation have been revalued during the year.
(iii) Physical verification has been conducted by the Management during the year in respect of Finished Goods, Stores, Spare Parts and Raw Materials, other than those with third parties and in transit. In our opinion, the frequency of verification is reasonable. We are informed that no significant discrepancies have been noticed on such verification as compared to book records.

In our opinion, the valuation of these Stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.

(iv) The Corporation has not obtained any loans from Companies, Firms or other Parties listed in the Registers maintained under Section 301 and Section 370 (1-C) of the Companies’ Act, 1956.

(v) The Corporation has given loans and advances to its employees who are by and large repaying the Principal with interest as stipulated. The Corporation has also given secured loans to certain Companies under the Boiler Replacement Scheme. Principal amount and interest are being recovered as stipulated.

(vi) In our opinion, and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Corporation and the nature of its business for the purchase of Stores, Raw Materials, Plant and Machinery, Equipment and other assets.

(vii) According to the information given to us, there are no purchases during the year of Stores and Raw Materials exceeding Rs. 10,000/- in value for each type thereof from the Subsidiaries, Firms, Companies or other Parties in which the Directors are interested as listed in the Register maintained under Section 301 of the Companies’ Act, 1956.

(viii) According to the information and explanations given to us, the Corporation has a procedure for determining damaged and unserviceable Stores and Raw Materials. Provision for loss in respect thereof has been made in the Accounts.

(ix) The Corporation has complied with the provisions of Section 58-A of the Companies’ Act, 1956 and the Rules framed thereunder for deposits accepted from the Public.

(x) In our opinion and as per the information and explanations given to us, reasonable records have been maintained by the Corporation for the sale and disposal of scrap. We are informed that the Corporation has no realisable By-Products.

(xi) The Corporation has an adequate internal audit system which, in our opinion, is commensurate with the size and nature of its business.

(xii) As per information given to us, the maintenance of Cost Records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies’ Act, 1956 for the year under review for any of the products of the Corporation.

(xiii) According to the records of the Corporation, Provident Fund dues have been regularly deposited during the year with appropriate authorities.

(xiv) In respect of the Trading activities carried on by the Corporation, it has determined the damaged goods. As per the information given to us, the value of such goods is not significant.

For and on behalf of
G. P. KAPADIA & CO.
Chartered Accountants

S. G. BHATIA
Partner

Bombay, 12th August, 1986.

For and on behalf of
K. S. AIYAR & CO.
Chartered Accountants

MANI A. AIYAR
Partner
**Bharat Petroleum Corporation Limited**

**Comments of the Comptroller and Auditor General of India Under Section 619(4) of the Companies Act, 1956 on the Accounts of Bharat Petroleum Corporation Limited, Bombay for the Year Ended 31st March, 1986**

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Comments of the Comptroller and Auditor General of India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BALANCE SHEET Application of Funds</td>
<td></td>
</tr>
</tbody>
</table>

1. **Fixed Assets**
   - **Gross Block — Schedule D — Rs. 493,36,72,413/-**
     - This is overstated by Rs. 98,62 lakhs due to:
       - (a) incorrect provision of disputed customs duty demand of Rs. 76 lakhs on refuellers/dispensers, correctly disclosed as contingent liabilities under Schedule — U also resulting in overstatement of ‘Sundry Creditors’.
       - (b) incorrect inclusion of materials lying in stores valuing Rs. 22,62 lakhs as at 31st March, 1986, correctly classifiable under the head ‘Capital Work-in-Progress’. As a result of above, depreciation is overstated by Rs. 18,83 lakhs.

2. **Less Depreciation — Rs. 240,88,10,336/-**
   - This is understated by Rs. 599,95 lakhs due to:
     - (i) omission to provide full Extra Shift Allowance amounting to Rs. 599,55 lakhs for the year 1984-85, consistent with practice followed by the Corporation in respect of Refinery Assets. Consequently profit for the year is overstated by like amount.

3. **Capital Work-in-Progress (At cost)**
   - (Includes advance payments, material at site in transit and with contractors) — Schedule — E — Rs. 107,11,58,596
   - Includes Rs. 147,70 lakhs being deposits receivable from Railways in respect of Tuticorin L P G Bottling Plant, correctly classifiable under Schedule — K — Loans and Advances.

4. **Less: Current liabilities and provisions:**
   - (a) Liabilities — Schedule-L
     - Sundry Creditors Rs. 209,25,14,886/-
     - Excludes Liability of Rs. 398,84 lakhs towards FOB cost and customs duty thereon, relating to drum steel despatched by a foreign supplier on 13th February, 1986. Consequently stores and spares under Schedule — G — Inventories have also been understated by an equivalent amount.

5. **Schedule-U — Notes forming part of Accounts.**
   - (6) Capital Commitments and Contingent Liabilities
     - (i) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 61,77,53,420/-
       - This is erroneously understated by Rs. 100,00 lakhs.

---

Noted. Necessary adjustments will be made in 1986/87 Accounts.

Computation of Extra Shift Allowance for 1984-85 in respect of new plants at Refinery, involving very large investments, both for increasing Primary Distillation capacity and also Secondary Processing Capabilities, was done in accordance with the Income Tax Act/Case Laws and was generally consistent with the practice followed by the Corporation, as up to 1983-84 there were no major identifiable additions to Plant & Machinery. Thus the question of understating the Extra Shift Allowance and consequent overstating of Profits does not arise.

Noted. Necessary adjustments will be made in 1986/87 accounts.

Noted.

Noted.

For and on behalf of the Board of Directors

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>19th September, 1986</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>22nd September, 1986</td>
</tr>
</tbody>
</table>

B M Oza
Member, Audit Board & Ex Officio Director of Commercial Audit-II

U M Kini
Chairman & Mgmt Director
# ANNEXURE TO THE DIRECTORS' REPORT DATED 11TH AUGUST, 1986

REVIEW OF THE ACCOUNTS OFBHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1986 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

## 1. FINANCIAL POSITION

1. **The Financial Position of the Company as at 31st March, for the last three years is given below:**

<table>
<thead>
<tr>
<th>Assets</th>
<th>31-3-1984</th>
<th>31-3-1985</th>
<th>31-3-1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Net Fixed Assets</td>
<td>6,663.46</td>
<td>18,569.53</td>
<td>25,248.62</td>
</tr>
<tr>
<td>2. Capital Work-in-Progress</td>
<td>16,188.26</td>
<td>13,950.51</td>
<td>10,711.59</td>
</tr>
<tr>
<td>3. Investments (other than committed investments)</td>
<td>37.20</td>
<td>101.40</td>
<td>101.39</td>
</tr>
<tr>
<td></td>
<td>22,888.92</td>
<td>32,021.44</td>
<td>36,061.60</td>
</tr>
</tbody>
</table>

4. **Working Capital**

   (a) **Current Assets**

   |                                   | 28,433.43 | 35,736.48 | 45,540.29 |

   (b) **Less: Current Liabilities (including Provisions)**

   |                                   | 21,187.66 | 30,002.06 | 34,709.62 |

   **Total (A)**

   |                                   | 7,245.77  | 5,734.42  | 10,830.77 |

   |                                   | 30,134.59 | 38,755.86 | 46,392.37 |

5. **Less:**

   Long term loans

   |                                   | 5,626.32  | 10,938.37 | 10,682.04 |

   Short term loans

   |                                   | 10,238.37 | 12,902.46 | 15,471.99 |

   Public Deposits (including interest accrued and due)

   |                                   | 2,422.07  | 2,855.71  | 2,985.37  |

   **Total (B)**

   |                                   | 19,286.76 | 26,743.54 | 29,139.40 |

6. **Net worth (A) — (B)**

   |                                   | 10,847.93 | 12,012.32 | 17,752.97 |

   **Net worth as shown above, represented by:**

7. **Paid up Capital**

   |                                   | 1,657.40  | 1,657.40  | 2,785.34  |

8. **Reserves & Surplus**

   |                                   | 9,190.53  | 10,354.92 | 14,967.63 |

   |                                   | 10,847.93 | 12,012.32 | 17,752.97 |

   **(ii) The paid up capital of the Company was increased to Rs. 2,785.34 Lakhs during 1985-86 from Rs. 1,657.40 Lakhs due to issue of Bonus Shares amounting to Rs. 1,127.94 Lakhs on 1-10-1985**

   **(iii) The Company's long term loans were repaid to the extent of Rs. 838.81 Lakhs and increased by Rs. 582.48 Lakhs during 1985-86 as indicated below:**

<table>
<thead>
<tr>
<th>(a) Repayment</th>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.O.G.C.</td>
<td>800.00</td>
</tr>
<tr>
<td>Salem Steel</td>
<td>38.32</td>
</tr>
<tr>
<td>U.I.D.B. (Boiler Loan)</td>
<td>49.00</td>
</tr>
</tbody>
</table>

   **(b) Receipt**

   | World Bank    | 838.81      |

   **Public Deposits also increased by Rs. 116.23 Lakhs during the year.**

   **(iv) The free Reserves and Surplus as on 31-3-1986 amounted to Rs. 10,735.08 Lakhs as against Rs. 7,506.81 Lakhs as on 31-3-1985, the transfer to General Reserve from Profit and Loss Account during 1985-86 being Rs. 3,229.00 Lakhs.**

   **(v) Dividends:**

   The Company had declared no dividend on the equity capital for the year 1983-84 but paid a dividend of Rs. 232.34 Lakhs (at 14%) during 1984-85. The Company has proposed a dividend of Rs. 389.25 lakhs @ 14% on the enhanced paid up capital of Rs. 2,785.34 Lakhs resulting from the issue of bonus shares.**
II. CAPITAL WORK-IN-PROGRESS

The Company has a number of Capital works in hand. The expenditure on these as on 31st March 1986 amounted to Rs. 10,711.59 lakhs. It includes major capital expenditure on the following projects:

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>Estimated Cost Rs. in Lakhs</th>
<th>Scheduled Completion Date</th>
<th>Expenditure incurred upto 31-3-86 Rs. in Lakhs</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LPG Phase III</td>
<td>23,185.00</td>
<td>March 1988 (except Tankwagons)</td>
<td>11,360</td>
<td>Rs. 5,336 lakhs has been capitalised upto March, 1986.</td>
</tr>
<tr>
<td>2. Additional Product Tankage Phase I</td>
<td>2,550.00</td>
<td>March 1986 to April 1987 in stages</td>
<td>1,762</td>
<td>Rs. 672 lakhs has been capitalised upto March, 1986.</td>
</tr>
</tbody>
</table>

III. WORKING RESULTS

The working results for the past three years ended 31st March 1986 are indicated below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Products</td>
<td>1,87,105.72</td>
<td>2,12,765.01</td>
<td>2,32,777.94</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>830.44</td>
<td>1,171.29</td>
<td>1,368.90</td>
</tr>
<tr>
<td>Increase/(Decrease) in Inventory of Finished Products</td>
<td>2,012.74</td>
<td>(2,055.80)</td>
<td>2,660.45</td>
</tr>
</tbody>
</table>

| Income:                             | 1,89,948.90 | 2,11,879.50 | 2,37,827.29 |

<table>
<thead>
<tr>
<th>Expenditure:</th>
<th>1983-84</th>
<th>1984-85</th>
<th>1985-86</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Raw Materials consumed</td>
<td>96,114.42</td>
<td>99,025.74</td>
<td>1,15,588.85</td>
</tr>
<tr>
<td>2. Stores, Spares &amp; Packages consumed</td>
<td>3,441.74</td>
<td>4,081.59</td>
<td>4,876.30</td>
</tr>
<tr>
<td>3. Salaries &amp; Wages</td>
<td>2,162.53</td>
<td>2,749.57</td>
<td>2,949.42</td>
</tr>
<tr>
<td>4. Operating Administration Expenses (excluding interest)</td>
<td>2,756.82</td>
<td>3,347.47</td>
<td>4,159.79</td>
</tr>
<tr>
<td>5. Depreciation</td>
<td>4,237.91</td>
<td>5,334.65</td>
<td>7,756.36</td>
</tr>
<tr>
<td>6. Interest on Loans</td>
<td>1,331.81</td>
<td>1,885.12</td>
<td>3,073.81</td>
</tr>
<tr>
<td>7. Miscellaneous expenses (purchase of products for resale and charges thereon etc.)</td>
<td>78,826.61</td>
<td>94,779.47</td>
<td>97,087.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure:</th>
<th>1,88,911.84</th>
<th>2,11,202.55</th>
<th>2,35,493.57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>1,037.06</td>
<td>575.85</td>
<td>2,333.72</td>
</tr>
<tr>
<td>Prior period adjustments</td>
<td>878.45</td>
<td>1,404.46</td>
<td>4,556.13</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>1,915.51</td>
<td>2,980.31</td>
<td>6,891.85</td>
</tr>
</tbody>
</table>

Profit for the year 1985-86 has increased by Rs. 1,657.87 lakhs as compared to a decrease of Rs. 361.21 lakhs in the previous year, mainly on account of additional margin allowed by the Government towards Cost and Return on Investments etc. (Rs. 3,516 lakhs), partly offset on account of higher expenses under interest & depreciation.

IV. CAPACITY UTILISATION OF FUEL REFINERY, LUBE PLANT, DRUM PLANT AND SALES PERFORMANCE OF MARKETING DIVISION

1. Capacity Utilisation of Fuel Refinery, Lube Plant, Drum Plant

The throughout capacity utilisation of the Fuel Refinery, Lube Plant, Drum Plant of the Company during the three years ended 31-3-1986 is indicated below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Capacity</td>
<td>5.25</td>
<td>6.00*</td>
<td>6.00</td>
</tr>
<tr>
<td>(in m.m.t.p.a.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude Consumption</td>
<td>5.20</td>
<td>5.45</td>
<td>6.38</td>
</tr>
<tr>
<td>(in m.m.t.p.a.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production of Refined Products</td>
<td>5.08</td>
<td>5.23</td>
<td>6.23</td>
</tr>
<tr>
<td>(in m.m.t.p.a.)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Increased to 6.00 m.m.t.p.a. from 30-3-85 on commissioning of Secondary Processing Facilities.
Aromatics:

i) Benzene
   Installed Capacity
   (In '000 MT p.a.)
   Actual Production
   (In '000 MT)
   1983-84  1984-85  1985-86
   —        —        98.30
   —        —        20.11

ii) Toluene
    Installed Capacity
    (In '000 MT p.a.)
    Actual Production
    (In '000 MT)
    1983-84  1984-85  1985-86
    —        —        17.60
    —        —        4.46

Lubricants:

Installed Capacity of Bombay and Calcutta (both on single shift basis)
('000 MT p.a.)
Production (In '000 MT)
1983-84  1984-85  1985-86
90.00     90.00     90.00
63.67     65.43     72.41

Drum Plant:

Installed Capacity (No. of Drums in '000 p.a.) (on 3 shift basis)
Actual Production (No. of Drums in '000)
1983-84  1984-85  1985-86
2,700.00 2,700.00 2,700.00
856.00   640.00   1,022.00

2. Sales Performance of Marketing Division

Sales volume, Company's share in the overall market, growth rates of sales of the Company and Industry during the three years ended 31st March 1986 are given below:

<table>
<thead>
<tr>
<th>Year ended 31st March</th>
<th>Sales Volume (in m.m.t.)</th>
<th>Sale Value (Rs. in lakhs)</th>
<th>BPCL's share in market %</th>
<th>BPCL's growth rate of sales %</th>
<th>Industry growth rate of sales %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>6.19</td>
<td>1,871,905.72</td>
<td>17.50</td>
<td>7.65</td>
<td>3.10</td>
</tr>
<tr>
<td>1985</td>
<td>7.05</td>
<td>2,127,675.01</td>
<td>18.40</td>
<td>13.89</td>
<td>8.40</td>
</tr>
<tr>
<td>1986</td>
<td>7.57</td>
<td>2,337,777.93</td>
<td>18.70</td>
<td>7.37</td>
<td>5.92</td>
</tr>
</tbody>
</table>

The increase in turnover is both due to increase in quantities and in prices.

V. WORKING CAPITAL

(i) The Working Capital of the Company for the past three years ending 31st March, 1986 was Rs. 7,245.77 Lakhs, Rs. 5,734.42 Lakhs and Rs. 10,830.77 Lakhs respectively. The Working Capital was financed by borrowed funds.

(ii) Details of current assets, loans and advances which form part of the Working Capital for the last three years are given below:

<table>
<thead>
<tr>
<th>As at 31st March</th>
<th>1984</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs. in Lakhs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Inventories</td>
<td>16,202</td>
<td>16,528</td>
<td>19,565</td>
</tr>
<tr>
<td>(b) Sundry Debtors</td>
<td>2,835</td>
<td>6,393</td>
<td>10,058</td>
</tr>
<tr>
<td>(c) Cash and Bank Balances</td>
<td>2,799</td>
<td>4,543</td>
<td>5,925</td>
</tr>
<tr>
<td>(d) Loans &amp; Advances</td>
<td>6,679</td>
<td>8,450</td>
<td>10,329</td>
</tr>
</tbody>
</table>

(a) Inventories

The inventory position at the close of the last three years is as follows:

<table>
<thead>
<tr>
<th>1984</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs. in Lakhs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Raw materials (name of raw material such as Crude, Lube Base Stock)</td>
<td>1,856.50</td>
<td>3,200.03</td>
</tr>
<tr>
<td>(b) Stores and Spares, Catalysts and Chemicals</td>
<td>2,135.48</td>
<td>2,977.76</td>
</tr>
<tr>
<td>(c) Finished Goods</td>
<td>11,863.39</td>
<td>9,992.48</td>
</tr>
<tr>
<td>(d) Other Stores (Packages)</td>
<td>340.36</td>
<td>357.82</td>
</tr>
</tbody>
</table>

The stock of raw material was equivalent to about 0.17 month's consumption in 1985-86 as compared to 0.40 month's in 1984-85 and 0.23 month's in 1983-84.

The Stores and Spares (including Other Stores), Catalysts and Chemicals at the end of 1985-86 represented 12.02 month's consumption as against 9.81 month's in 1984-85 and 8.63 month's in 1983-84.

Finished goods at the end of March 1986 amounted to about 0.67 month's sales during 1985-86 as compared to 0.56 in 1984-85 and 0.76 in 1983-84.
(b) Sundry Debtors
The Sundry Debtors as on 31-3-1984, 31-3-1985 and 31-3-1986 amounted to Rs. 2,895.44 lakhs, Rs. 6,399.15 lakhs and Rs. 10,057.80 lakhs respectively, of which Rs. 94.83 lakhs, Rs. 299.15 lakhs and Rs. 356.13 lakhs as on 31-3-1984, 31-3-1985 and 31-3-1986 were considered doubtful and provided for. The percentage of Debtors to Sales was 1.6%, 3.0% and 4.3% as on 31-3-1984, 31-3-1985 and 31-3-1986 respectively.

(c) Cash and Bank Balances
The Balance under this head has increased from Rs. 2,798.74 lakhs as on 31-3-1984, to Rs. 4,542.61 lakhs as on 31-3-1985 and further to Rs. 5,924.65 lakhs as on 31-3-1986.

VI. LIABILITIES AND PROVISIONS
Current Liabilities and Provisions have increased to Rs. 34,710 lakhs as on 31st March 1986 from Rs. 20,002 lakhs as on 31st March 1985 mainly on account of increase in deposits from LPG Customers and provision for Income Tax and Bonus.

VII. CONTRIBUTION TO THE EXCHEQUER
Besides the profits shown in the accounts, and the free reserves and surplus built up by the Company, the Company has been generating revenues of sizeable volume in the shape of duties/taxes etc., for the Exchequer. Such revenues generated during the last three years ending 1985-86 are indicated below:

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excise Duty</td>
<td>35,770</td>
<td>37,638</td>
<td>41,796</td>
</tr>
<tr>
<td>Customs Duty</td>
<td>2,769</td>
<td>4,088</td>
<td>3,615</td>
</tr>
<tr>
<td>Income Tax</td>
<td>350</td>
<td>700</td>
<td>760</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,889</td>
<td>42,426</td>
<td>46,171</td>
</tr>
</tbody>
</table>

VIII. GENERATION OF EMPLOYMENT
The number of employees on the roll of the Company as on 31st March during the last three years was as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983-84</td>
<td>7,433</td>
</tr>
<tr>
<td>1984-85</td>
<td>7,894</td>
</tr>
<tr>
<td>1985-86</td>
<td>8,321</td>
</tr>
</tbody>
</table>

The work force increased by 888 persons during these three years.

Bombay
19th September, 1986

B. M. Oza
Member, Audit Board & Ex-Officio Director of Commercial Audit-II
Lighting up their tomorrows – BPC fuels the lanterns that shed light allowing these young children to prepare for a better future.