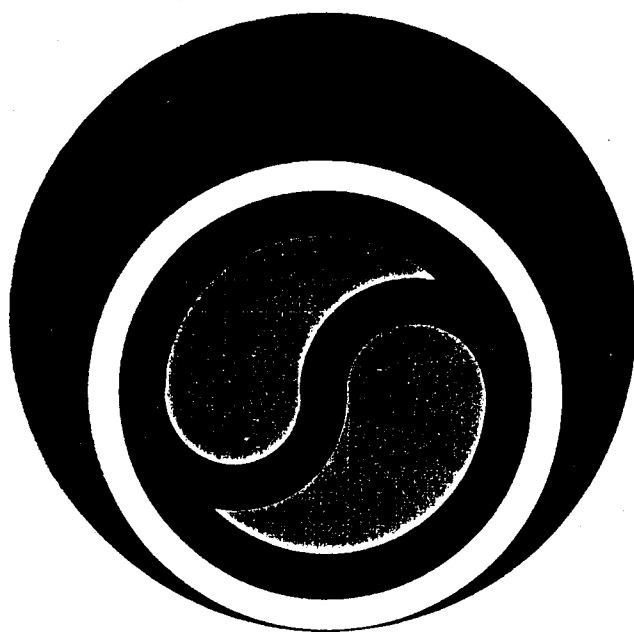


**Bharat Petroleum Corporation Limited ♦ Twenty Fifth Annual Report 1977-78**





**BHARAT PETROLEUM CORPORATION LIMITED**

**Board of Directors**

**R. N. BHATNAGAR**  
*Chairman and Managing Director*

**R. M. BHANDARI**

**BAZLE KARIM**

**S. L. KHOSLA**

**U. M. KINI**

**L. KUMAR**

**C. VENKATARAMANI**

**Secretary**

**P. J. KISHINCHANDANI**

**Joint Auditors**

**SORAB S. ENGINEER & CO.**

**N. M. RAIJI & CO.**

**V. SANKAR AIYAR & CO.**

**Registered Office**

**BHARAT BHAVAN  
4 & 6 CURRIMBHOY ROAD  
BALLARD ESTATE  
BOMBAY 400 038**

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Twenty-fifth Annual Report together with the audited Statement of Accounts of the Corporation. As reported last year, the accounting period has been changed from calendar year to financial year and accordingly the Accounts are for a period of fifteen months from 1st January 1977 to 31st March 1978. For the purpose of comparison with the previous 12-month period, percentage variations in production, etc have been indicated with reference to annualised figures computed on the basis of 80% of production, etc. for the 15-month period under review.

### FINANCIAL RESULTS

	(Rupees in lakhs)	
	1977-78	1976
2. Profit before depreciation amounted to .. ..	2240.90	832.94
Deducting therefrom depreciation .. ..	190.05	239.25
Net profit amounted to ..	2050.85	593.69
Deducting therefrom provision for taxation ..	1265.00	427.50
Profit after tax is ..	785.85	166.19
Adding thereto		
(a) Transfer from Development Rebate Reserve .. ..	35.50	32.49
(b) Balance of profit from previous year after payment of dividend ..	87.73	9.88
(c) Loss on Marketing operations in the pre-vesting period (1-1-1976 to 23-1-1976) adjusted against Capital Reserve .. ..	—	24.55
Amount available for disposal is .. ..	909.08	233.11
which the Directors have appropriated as under		
(a) Investment Allowance Reserve .. ..	45.00	—
(b) General Reserve ..	682.00	—
(c) Proposed Dividend ..	181.73	145.38
	908.73	145.38
Leaving a balance of ..	0.35	87.73
carried to Balance Sheet		

3. The higher profit during the period under review is attributable to better business opportunities and scope for increased market participation by virtue of Government's decision firstly, to delink sales from product availability, and secondly, allow your Corporation greater share in growth and thereby better utilisation of its facilities.

### DIVIDEND

4. Your Directors recommend a dividend @ 12½% on Equity Shares (@ Rs. 12.50 per fully paid share and Rs. 7.89125 per partly paid share) amounting to Rs. 1,81,72,919, which will be paid if approved by the shareholders at the Annual General Meeting, as against 10% (@ Rs. 10 per fully paid share and Rs. 6.313 per partly paid share) amounting to Rs. 1,45,38,335 for the year 1976.

### FINANCES

5. As reported last year, out of the net value of Indian assets and liabilities of Burmah-Shell Oil Storage & Distributing Company of India Ltd. vested in the Corporation, by virtue of the Government of India Notification dated 24th January 1976, a sum of Rs. 11.28 crores was treated as a loan from the Central Government. As required by the Central Government, the entire loan of Rs. 11.28 crores was repaid before 31st March 1978. In view of the comfortable cash position, the Corporation also repaid loans aggregating Rs. 1.59 crores to the Central Government and Oil Industry Development Board.
6. In addition, the Corporation refunded a sum of Rs. 0.85 crore to its dealers, in accordance with the decision to reduce security deposits from dealers as per the norms fixed under the OPC Report.
7. Considering penalty involved on premature lifting of term deposits, and interest on such deposits being dependant on period(s) for which such deposits are initially placed with, the banks, the Corporation, as a matter of policy resorted to borrowings to meet temporary cash requirements on the security of such short term deposits. As at 31st March 1978, the Corporation had borrowings from banks totalling Rs. 16.25 crores against short term deposits of Rs. 32.45 crores.

### NET WORTH

8. The net worth of the Corporation increased by Rs. 6.04 crores from Rs. 33.49 crores at the end of 1976 to Rs. 39.53 crores as at 31st March, 1978. The paid-up share capital remained unaltered at Rs. 14.54 crores.

**REFINING**

9. *Crude Consumption:* Crude consumption during the 15-month period under report at 5.63 million tonnes was 20% higher than the consumption of 3.75 million tonnes in the previous year. This included 1.80 million tonnes of Bombay High crude. As in the previous year, ten different crudes were processed during the period.
10. *Production:* Total production rose from 3.54 million tonnes in 1976 to 5.39 million tonnes during the period under review, registering an increase of 22%. LPG production improved by 5% from 78,342 tonnes in 1976 to 103,092 tonnes, while motor spirit production rose from 1,62,158 tonnes in 1976 to 253,673 tonnes during the period under report, registering an increase of 25%. For the first time, your refinery produced 340,987 tonnes of low sulphur heavy stock (LSHS) from BH crude and about 54,930 tonnes of bitumen from vacuum tower bottoms (VTB) received from the adjacent HPCL refinery in addition to 386,059 tonnes from own feedstock. Packed bitumen production at 357,134 tonnes was lower by 8% compared to 309,328 tonnes during 1976, which was due to non-availability of feedstock as a result of processing BH crude and also periodic shortages of drum steel. Despite the much higher crude throughput, the yield of middle distillates at 52.3% by weight on crude was almost the same as in 1976 (viz. 52.4%). The refinery fuel and loss (excluding product transfer loss) during the period was lower at 5.18% by weight on crude as against 5.75% in 1976.
11. *Facilities for processing Bombay High crude:* Facilities—estimated to cost Rs. 200 lakhs—for processing 2 million tonnes per annum of BH crude along with West Asian crudes were completed except for the package boiler and crude desalter. Construction work on facilities—estimated to cost Rs. 300 lakhs—for processing 4.6 million tonnes per annum of BH crude neat was progressing according to schedule. All the four pipelines (LPG, VTB, LSHS and Hexane) and some related facilities for the operational integration of your refinery with the HPCL refinery for optimisation of yields and capacities (total estimated cost Rs. 243 lakhs) were commissioned during the period. Work on the remaining facilities connected with this project was progressing satisfactorily except for the delay on some tankage due to non-availability of steel plates.
12. *Other Facilities:* Construction work on the new sphere (2500 m<sup>3</sup>) to provide additional bulk storage for LPG in the refinery, estimated to

cost Rs. 95 lakhs, is six months behind the original schedule due to delayed supply of steel plates and is now expected to be completed by October 1978.

13. *Safety:* During the period, one million manhours without lost time accident were achieved once again and stress continued to be laid on operational safety.
14. *Import Substitution:* Your Corporation continued as in the past to participate actively in the work of the "Technical Development Committee on Indigenous Materials". A stall with accent on indigenous development was organised by the BPCL Refinery at the "PLANTEX-77" exhibition held in Bombay during January 1977.
15. *Environmental Improvement:* As indicated last year, the advent of LSHS and other low sulphur products from Bombay High crude has achieved a significant reduction in sulphur-dioxide emission levels in the region. The emission from the BPCL Refinery stacks has now come down to about 50% of the earlier level.
16. *Other Activities:* An All-India Refinery Maintenance Conference, the first of its kind in the country, was held at the BPCL Refinery during March 1977.

**MARKETING**

17. Total sales during the 15-month period under report were 5.23 million tonnes compared to 3.63 million tonnes in 1976. Your Corporation's market participation rose to 16.4% from 15.3% during last year. Foreign exchange worth Rs. 36.89 crores was earned through international aviation and bunkering sales, as against Rs. 23.94 crores in 1976.
18. The total number of retail outlets at the end of March 1978 stood at 3,271 as against 3,183 on 31st December 1976. Efforts were continued for improving the distribution of essential commodities in the rural areas and 24 Multi-Purpose Distribution Centres and 17 Farm Fuel Outlets were commissioned during the period under review, raising their number to 46 and 21 respectively. A new Aviation Service Station was also opened at Jabalpur.

**DISTRIBUTION**

19. At the end of the year, your Corporation had 5 Port Installations, 2 Lubricating Oil Blending Plants and 61 Bulk Depots with total tankage of 6.07 lakhs kl. The throughput of products handled rose from 107 lakhs kl in 1976 to 122 lakhs kl during the period under report. During the same period, 12 new Company-owned

and operated tanklorries were planned for induction at Depot locations to replace Contractors' lorries.

#### OUTLOOK

20. *Sales:* Under the Sales Plan for 1978-79, your Corporation's entitlement has been fixed at 4.70 million tonnes representing a growth of 11.5% over 1977-78 as against the Industry growth of 10.5%.
21. *LPG from Bombay High Associated Gas:* As reported last year, your Corporation is pursuing a major project for marketing LPG from offshore gas. During the period under review, further progress was made in the implementation of this project. Facilities for storing and bottling LPG in Bombay are under construction and are expected to be completed by middle of next year. Like-wise, work is in hand in respect of expansion and remodelling of LPG bottling facilities at Shakurbasti which is expected to be completed by end '79.
22. *Aromatics from Bombay High Naphtha:* A Feasibility Report for the manufacture of 74,200 tonnes per annum of benzene and 24,100 tonnes per annum of toluene from BH naphtha has been submitted to the Government.

#### PERSONNEL

23. Industrial Relations continued to be cordial. Accord has been reached with the Unions in Calcutta and Madras Regions. Long-term settlements are expected to be signed with the Unions shortly.
24. Your Corporation continues to lay emphasis on training. Apart from on-the-job training and courses on various management subjects at the Corporation's Training Centre, employees were also sent for external training courses and

seminars. During the year, 42 apprentices were enrolled for training.

25. As a measure to encourage employees to own their own houses, the Corporation has introduced a Housing Loan Scheme. As in the past, the Corporation sanctioned 24 scholarships of Rs. 75/- each per month tenable for 4 years to the children of employees.
26. Particulars of employees required under Section 217 (2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out in Annexure I to this report.

#### DIRECTORS

27. Shri U. M. Kini was appointed as full-time Finance Director for a period of five years with effect from 26th May, 1978.

#### AUDITORS

28. The present Auditors of the Company, M/s. V. Sankar Iyer & Co., M/s. Sorab S. Engineer & Co., and M/s. N. M. Rajji & Co., will retire at the conclusion of the Annual General Meeting. Auditors for the year 1978-79 will be appointed by the Central Government under Section 619(2) of the Companies Act, 1956.

#### ACKNOWLEDGEMENT

29. Your Directors express their thanks for the co-operation and assistance extended by the Government of India. The Board also wishes to place on record its appreciation of the sincere and devoted services rendered by the employees of the Corporation.

For and on behalf of the Board of Directors

Bombay,  
31st August, 1978

R. N. BHATNAGAR  
Chairman

**AUDITORS' REPORT**

**TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED, as at 31st March, 1978 and also the annexed Profit and Loss Account of the Corporation for the period 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 account as required by law have been kept by the Corporation, so far as appears from our examination 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. in our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 1 regarding transactions relating to Pool Accounts, Note No. 3 regarding confirmations of balances due to/from other Oil Companies, Note No. 6 regarding remuneration to Managing Directors and Whole-time Directors being subject to approval of the Central Government and Note No. 7 regarding change in the manner of computing cost for the purpose of valuing stocks of finished products and read together with other 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, 1978;
  - and
  - (ii) in the case of the Profit and Loss Account of the Profit for the period ended on that date.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1975, issued by the Central Government in terms of Section 227 (4-A) of the Companies Act, 1956, we further report that :
  - (i) The asset register is incomplete in certain respects and the work is under progress. During the period we are informed that physical verification of some of the assets has been carried out by the management. In view of the records being

incomplete, the discrepancies, if any, between the physical verification and the book records could not be determined.

- (ii) None of the fixed assets of the Corporation have been revalued during the period.
- (iii) Physical verification has been conducted by the Management during the period in respect of finished goods, stores, spare parts and raw materials. We are informed that no significant discrepancies have been noticed on such verification as compared to book records. In our opinion the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles.  
  
The basis of valuation of stocks of raw materials and stores and spare parts is the same as in the earlier year. Reference is invited to Note No. 7 of Notes Forming Part of Accounts as regards change in the manner of computing cost for the purpose of valuation of stocks of finished products.
- (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 to two companies, both Government Undertakings in respect of which loans, repayment schedules have not been stipulated. Repayments are, however, received whenever called for. Interest as stipulated has been regularly received in respect of these loans. The Corporation has also given loans and advances to employees who are repaying the principal amounts with interest 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 and other assets.
- (vii) According to the information given to us, there are no purchases during the period of stores and raw materials exceeding Rs. 10,000/- in value for each

**BHARAT PETROLEUM CORPORATION LIMITED**

type thereof from the subsidiaries, firms, companies or other parties in which the directors are interested as provided in Section 299 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 not accepted deposits from the public, within the meaning of the Companies (Acceptance of Deposit) Rules, 1975.
- (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 and realisable by-products.
- (xi) The Corporation has an internal audit system. While internal audit staff has

been augmented during the period under review, in our opinion the system needs to be further strengthened to be commensurate with the size and nature of its business.

- (xii) As per the 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 period 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 period with the 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  
**SORAB S. ENGINEER & CO.**  
*Chartered Accountants*

**R. N. KATRAK**  
*Partner*

For and on behalf of  
**N. M. RAIJI & CO.**  
*Chartered Accountants*

**V. V. NERURKAR**  
*Partner*

For and on behalf of  
**V. SANKAR AIYAR & CO.**  
*Chartered Accountants*

**S. SRINIVASAN**  
*Partner*

*Bombay, 31st August, 1978*



**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  
PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978**

**Schedule N—Notes forming part of accounts—Note 1**

The retention price build up approved by Government on the recommendation of the Oil Prices Committee allows 15 per cent return on the working capital which is based on the assumed price of imported or indigenous crude. The Refinery of the Company processed imported crude as well as Bombay High off-shore crude. While taking credit for the return on working capital, the Company, however, adopted the working capital based on the actual cost of the crude which was different from that prescribed by Government. As a result, the Company took credit of Rs. 4,85,649 (Rs. 3,30,658 in respect of imported crude and Rs. 1,54,991 in respect of off-shore crude) in excess of that admissible under the Government order. This has the effect of over-stating the profit of the year by the corresponding amount of excess claimed from and less surrendered to the Government.

M. Ramachandran  
Member, Audit Board & Ex-Officio  
Director of Commercial Audit  
(Petroleum & Oil)

Madras, 25th September, 1978.

**ADDENDUM TO THE DIRECTORS' REPORT DATED 31ST AUGUST, 1978**

**A. REMARKS ON THE REPORT OF THE STATUTORY AUDITORS DATED 31ST AUGUST, 1978 TO THE SHAREHOLDERS ON THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978**

Para 5(i) : Noted

Para 5(xi) : Noted

**B. REPLIES TO THE 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 FOR THE PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978**

**Schedule N—Notes forming part of Accounts—Note 1**

The return on working capital at 15% has been fixed on the basis of imported crude for the coastal refineries and on the basis of indigenous onshore crude for the inland refineries. The Government, vide their letter No. P-20028/3/77-PPD dated 16-12-1977, have conveyed that in case crudes from different sources (imported/offshore/onshore) at varying prices are processed by a refinery then the return on working capital shall be re-worked and the difference between the revised rate and that included in the build-up of price shall be adjusted through the Pool Account. Our calculations for claim/surrender from the Pool Account in respect of imported/Bombay High crude have been in accordance with the above instructions of the Government and reflect, according to our view, the correct position. Adoption of any other basis for working capital adjustments will not ensure the intended return of 15% on working capital. In view of the above, the profit of the Company for the year has not been over-stated.

For and on behalf of the Board of Directors  
R. N. BHATNAGAR,  
Chairman.

Bombay, 27th September, 1978.



BHARAT PETROLEUM CORPORATION LIMITED

**BALANCE SHEET AS AT 31ST MARCH, 1978**

	Schedules	Rupees	As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
<b>SOURCES OF FUNDS :</b>				
Share Capital .. .. .	A	14,53,83,350		14,53,83,350
Reserves and Surplus .. .. .	B	24,99,66,382		18,95,53,862
			<u>39,53,49,732</u>	<u>33,49,37,212</u>
Loans : (a) Secured .. .. .	C	16,25,44,025		2,12,84,000
(b) Unsecured .. .. .	C	4,98,69,434		12,87,50,000
			<u>21,24,13,459</u>	<u>15,00,34,000</u>
Total .. .. .			<u><u>60,77,63,191</u></u>	<u><u>48,49,71,212</u></u>
<b>APPLICATION OF FUNDS :</b>				
Fixed Assets .. .. .	D	21,47,85,712		21,18,11,620
Capital Work in Progress (At Cost) (includes materials at site and advance payments) ..		3,11,14,829		1,39,44,545
Investments .. .. .	E	11,41,025		11,44,150
Net Long Term Assets .. .. .			<u>24,70,41,566</u>	<u>22,69,00,315</u>
Current Assets, Loans and Advances ..	F	122,80,18,502		98,65,33,162
Less: Current Liabilities and Provisions ..	G	86,72,96,877		72,84,62,265
Net Current Assets .. .. .			<u>36,07,21,625</u>	<u>25,80,70,897</u>
Total .. .. .			<u><u>60,77,63,191</u></u>	<u><u>48,49,71,212</u></u>
Capital Commitments and Contingent Liabilities	H			
Notes forming part of Accounts .. .. .	N			

**As per our Report attached.**

**R. N. BHATNAGAR**  
*Chairman & Managing Director*

**U. M. KINI**  
*Finance Director*

**P. J. KISHINCHANDANI**  
*Secretary*

For and on behalf of  
**SORAB S. ENGINEER & COMPANY**  
*Chartered Accountants*

**R. N. KATRAK**  
*Partner*

For and on behalf of  
**N. M. RAIJI & COMPANY**  
*Chartered Accountants*

**V. V. NERURKAR**  
*Partner*

For and on behalf of  
**V. SANKAR AIYAR & COMPANY**  
*Chartered Accountants*

**S. SRINIVASAN**  
*Partner*

Bombay, 31st August, 1978

BHARAT PETROLEUM CORPORATION LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1ST JANUARY 1977, TO 31ST MARCH, 1978**

Schedules	For the period from 1st January, 1977 to 31st March, 1978		For the year ended 31st December, 1976
	Rupees	Rupees	Rupees
<b>INCOME :</b>			
Sales of Products (incl. Own Use Rs. Nil—1976 Rs. 36,31,055) (after deduction of Surrender (Nett) to Industry Pool Accounts Rs. 110,72,98,071—1976 Rs. 94,30,81,214)	790,67,64,960		552,09,37,757
Net Recoveries from Industry and Other Pool Accounts	—		21,31,25,103
Miscellaneous Income	9,59,69,220		5,10,37,925
Increase in Inventory of Finished Products		800,27,34,180 9,72,40,240	578,51,00,785 1,43,73,448
		<u>809,99,74,420</u>	<u>579,94,74,233</u>
<b>EXPENDITURE AND CHARGES :</b>			
Purchase of Product for Resale	15,92,75,784		21,87,36,891
Raw Materials consumed (Net of Reliefs from Industry Pool Accounts)	348,41,40,825		246,77,66,441
Packages consumed	6,91,49,296		4,95,74,165
Net Payments to Industry and Other Pool Accounts	11,06,40,567		—
Duties and Other Charges applicable to Products	330,82,79,291		240,68,93,094
Transportation	26,86,02,311		18,48,76,880
Stores, Spares and Materials	15,05,67,668		12,79,33,400
Fuel and Power (Excludes Fuel of Own Production consumed at the Refinery)	1,74,57,153		1,34,39,632
Employees' Remuneration and Other Benefits	14,77,33,694		11,23,43,534
Remuneration to Directors (See Note No. 6)	46,511		4,51,665
Other Operating and Administration Expenses	17,23,68,493		14,00,02,299
Depreciation	1,90,05,228		2,39,25,189
Investment Allowance Reserve	45,00,000		—
		<u>791,17,66,821</u>	<u>574,59,43,190</u>

BHARAT PETROLEUM CORPORATION LIMITED

	Schedules		For the period from 1st January, 1977 to 31st March, 1978	For the year ended 31st December, 1976
		Rupees	Rupees	Rupees
Profit before Taxation .. .. .			18,82,07,599	5,35,31,043
Prior Years' Income Net .. .. .	M		1,23,77,840	58,38,372
			20,05,85,439	5,93,69,415
Provision for Taxation .. .. .			12,65,00,000	4,27,50,000
			7,40,85,439	1,66,19,415
Profit after Taxation .. .. .			87,72,660	9,88,057
Balance from Last Account .. .. .			8,28,58,099	1,76,07,472
Transfer from Development Rebate Reserve (1976 includes Rs. 4,30,562 released in the pre-vesting period in respect of assets of erstwhile B.S.M. vested in the Company) ..			35,50,000	32,48,847
Loss on Marketing Operations in the pre- vesting period (1-1-1976 to 23-1-1976) adjusted against Capital Reserve .. .. .			—	24,54,676
			8,64,08,099	2,33,10,995
<b>Less :</b> Transferred to General Reserve ..		6,82,00,000		—
Proposed Dividend for 1976 @ Rs. 10/- per fully paid share and Rs. 6.313 per partly paid share ..		—		1,45,38,335
Proposed Dividend for the period from 1-1-1977 to 31-3-1978 @ Rs. 12.50 per fully paid share and Rs. 7.89125 per partly paid share		1,81,72,919		—
			8,63,72,919	1,45,38,335
Balance carried to Balance Sheet .. .. .			35,180	87,72,660
Notes forming part of Accounts .. .. .	N			

**As per our Report attached.**

R. N. BHATNAGAR <i>Chairman &amp; Managing Director</i>	For and on behalf of SORAB S. ENGINEER & COMPANY <i>Chartered Accountants</i>	For and on behalf of N. M. RAIJI & COMPANY <i>Chartered Accountants</i>	For and on behalf of V. SANKAR AIYAR & COMPANY <i>Chartered Accountants</i>
U. M. KINI <i>Finance Director</i>	R. N. KATRAK <i>Partner</i>	V. V. NERURKAR <i>Partner</i>	S. SRINIVASAN <i>Partner</i>
P. J. KISHINCHANDANI <i>Secretary</i>			

Bombay, 31st August, 1978

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rupees	As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
<b>SCHEDULE A</b>			
<b>SHARE CAPITAL</b>			
(i) Authorised :			
2,00,000 Preference Shares of Rs. 100 each ..		2,00,00,000	2,00,00,000
11,50,000 'A' Ordinary Shares of Rs. 100 each ..	11,50,00,000		11,50,00,000
11,50,000 'B' Ordinary Shares of Rs. 100 each ..	11,50,00,000		11,50,00,000
		<u>23,00,00,000</u>	<u>23,00,00,000</u>
		<u>25,00,00,000</u>	<u>25,00,00,000</u>
(ii) Issued and Subscribed :			
2,500 'A' Ordinary Shares of Rs. 100 each fully called up and paid in Cash .. ..	2,50,000		2,50,000
11,47,500 'A' Ordinary Shares of Rs. 100 each called up at Rs. 63.13 and paid in Cash ..	7,24,41,675		7,24,41,675
		7,26,91,675	7,26,91,675
2,500 'B' Ordinary Shares of Rs. 100 each fully called up and paid in Cash .. ..	2,50,000		2,50,000
11,47,500 'B' Ordinary Shares of Rs. 100 each called up at Rs. 63.13 and paid in Cash ..	7,24,41,675		7,24,41,675
		7,26,91,675	7,26,91,675
		<u>14,53,83,350</u>	<u>14,53,83,350</u>

**SCHEDULE B**

**RESERVES AND SURPLUS**

(i) Capital Reserve :

As per last Balance Sheet .. .. .	16,48,38,023	—
Arising from vesting of Burmah-Shell Oil Storage & Distributing Co. of India Ltd. .. .. .	—	16,48,38,023
Transfer from Development Rebate Reserve No. 2 ..	4,67,416	—
		<u>16,53,05,439</u>
		<u>16,48,38,023</u>

**BHARAT PETROLEUM CORPORATION LIMITED**

	Rupees	As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
(ii) Development Rebate Reserve : No. 2			
As per last Balance Sheet .. .. .	32,24,808		—
Arising from vesting of Burmah-Shell Oil Storage & Distributing Co. of India Ltd. .. .. .	—		32,24,808
Transferred to Capital Reserve .. .. .	4,67,416		—
		27,57,392	32,24,808
(iii) Development Rebate Reserve : No. 1			
As per last Balance Sheet .. .. .	1,25,62,210		1,53,80,495
Less: Transfer to Profit and Loss Account .. .. .	35,50,000		28,18,285
		90,12,210	1,25,62,210
(iv) General Reserve :			
As per last Balance Sheet .. .. .	1,56,161		1,56,161
Transfer from Profit and Loss Account .. .. .	6,82,00,000		—
		6,83,56,161	1,56,161
(v) Investment Allowance Reserve :			
Transfer from Profit and Loss Account .. .. .		45,00,000	—
(vi) Profit and Loss Account .. .. .		35,180	87,72,660
		24,99,66,382	18,95,53,862

**SCHEDULE C**

**LOANS**

(i) Secured :			
(a) From Scheduled Banks secured by hypothecation of stock-in-trade and consumable stores .. .. .		—	2,12,84,000
(b) From Scheduled Banks against Term Deposits .. .. .		16,25,44,025	—
(ii) Unsecured :			
(a) From Scheduled Banks .. .. .		4,98,69,434	—
(b) Term Loans			
— Government of India .. .. .		—	12,21,50,000
— Oil Industry Development Board .. .. .		—	66,00,000
		4,98,69,434	12,87,50,000
		21,24,13,459	15,00,34,000

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE D

FIXED ASSETS

Classification	C O S T			
	As at 31-12-1976	Additions	Deductions including Reclassification	Gross Block as at 31-3-1978
(1)	(2)	(3)	(4)	(5)
	Rupees	Rupees	Rupees	Rupees
1. Land—including Advance Payments:				
(a) Freehold/Long Leasehold	1,87,42,924	—	1,01,046	1,86,41,878
(b) Leasehold on which premia are being written off over lease period	5,02,290	—	3,938	4,98,352
(A) TOTAL (a+b)	1,92,45,214	—	1,04,984	1,91,40,230
2. Buildings	7,46,35,350	16,53,468	2,98,083	7,59,90,735
3. Railway Sidings	20,34,947	—	2,791	20,32,156
4. Plant & Machinery	14,29,22,174	20,20,750	4,56,287	14,44,86,637
5. Tanks & Pipelines	7,91,49,728	1,57,19,347	1,54,008	9,47,15,067
6. Furniture & Fittings	23,21,839	5,13,956	2,13,486	26,22,309
7. Vehicles	69,29,569	21,41,247	2,91,294	87,79,522
(B) TOTAL	30,79,93,607	2,20,48,768	14,15,949	32,86,26,426
8. Other Assets:				
(a) Dispensing Pumps	1,08,45,300	20,26,330	63,094	1,28,08,536
(b) LPG Cylinders, Regulators etc.	10,87,15,131	16,29,974	25,29,285	10,78,15,820
(C) TOTAL (a+b)	11,95,60,431	36,56,304	25,92,379	12,06,24,356
GRAND TOTAL (A+B+C)	44,67,99,252	2,57,05,072	41,13,312	46,83,91,012
Previous Year	36,02,14,934	8,84,27,794	18,43,476	44,67,99,252

Notes: (i) Title Deeds of some of the properties belonging to the Corporation kept at Area Offices or lodged for registration etc. could not be produced for verification by the Auditors.

(ii) 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.

(iii) Column (4) includes Rs. 79,202 being the refund received from Bombay Port Trust against Land Cost incurred in the past.



BHARAT PETROLEUM CORPORATION LIMITED

DEPRECIATION					
As at 31-12-1976	This period	Deductions on account of Retirement/ Reclassification	As at 31-3-1978	Net Block as at 31-3-1978	<i>Net Block as at 31-12-1976</i>
(6)	(7)	(8)	(9)	(10)	(11)
Rupees	Rupees	Rupees	Rupees	Rupees	<i>Rupees</i>
—	—	—	—	1,86,41,878	<i>1,87,42,924</i>
37,167	44,669	516	81,320	4,17,032	<i>4,65,123</i>
<u>37,167</u>	<u>44,669</u>	<u>516</u>	<u>81,320</u>	<u>1,90,58,910</u>	<u><i>1,92,08,047</i></u>
1,68,56,349	32,43,256	17,622	2,00,81,983	5,59,08,752	<i>5,77,79,001</i>
10,70,578	86,142	263	11,56,457	8,75,699	<i>9,64,369</i>
9,60,44,645	57,07,054	1,21,798	10,16,29,901	4,28,56,736	<i>4,68,77,529</i>
4,42,15,238	45,76,861	14,523	4,87,77,576	4,59,37,491	<i>3,49,34,490</i>
6,84,457	2,60,797	59,737	8,85,517	17,36,792	<i>16,37,382</i>
35,68,088	12,14,992	1,42,615	46,40,465	41,39,057	<i>33,61,481</i>
<u>16,24,39,355</u>	<u>1,50,89,102</u>	<u>3,56,558</u>	<u>17,71,71,899</u>	<u>15,14,54,527</u>	<u><i>14,55,54,252</i></u>
15,39,101	21,16,471	8,960	36,46,612	91,61,924	<i>93,06,199</i>
7,09,72,009	17,54,986	21,526	7,27,05,469	3,51,10,351	<i>3,77,43,122</i>
<u>7,25,11,110</u>	<u>38,71,457</u>	<u>30,486</u>	<u>7,63,52,081</u>	<u>4,42,72,275</u>	<u><i>4,70,49,321</i></u>
<u>23,49,87,632</u>	<u>1,90,05,228</u>	<u>3,87,560</u>	<u>25,36,05,300</u>	<u>21,47,85,712</u>	<u><i>21,18,11,620</i></u>
<u>21,18,95,415</u>	<u>2,35,49,365</u>	<u>4,57,148</u>	<u>23,49,87,632</u>	<u>21,18,11,620</u>	<u><i>21,18,11,620</i></u>

(iv) Freehold/Leasehold Land: Includes cost of Leasehold Lands 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 Lands.

(v) Column (3) : Buildings include Rs. 500/- being the cost of Shares in a Co-operative Housing Society.

BHARAT PETROLEUM CORPORATION LIMITED

	No.	Face Value	Book Value	As at 31st March, 1978	As at 31st December, 1976
		Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE E</b>					
<b>INVESTMENTS</b>					
<b>(i) Quoted :</b>					
Government Securities At Cost—(Market Value Rs. 9,74,492 — Previous year Rs. 9,73,306) :					
4% Loan 1970	.. .. .	1,000	985		985
4% Loan 1972	.. .. .	—	—		2,000
3% Loan 1986	.. .. .	7,000	6,851		6,851
5½% Loan 1992	.. .. .	2,98,300	3,01,445		3,01,445
5½% Loan 1995	.. .. .	2,13,700	2,13,716		2,13,716
5½% Loan 1999	.. .. .	31,500	31,510		31,510
5½% Loan 2000	.. .. .	5,800	5,787		5,787
5½% Madras Loan 1980	.. .. .	3,000	2,943		2,943
5½% Maharashtra State Dev. Loan 1980	.. .. .	17,000	16,966		16,966
5½% Loan 2001	.. .. .	1,38,800	1,38,692		1,38,692
5½% N.D. Loan 2001	.. .. .	10,100	10,092		10,092
5½% Loan 2002	.. .. .	10,000	10,008		10,008
6% Loan 1998	.. .. .	2,90,000	2,82,872		2,82,872
		<u>10,26,200</u>		10,21,867	<u>10,23,867</u>

(Securities of the Face Value of Rs. 9,69,300 (previous year Rs. 10,23,000) deposited with Local Authorities etc.)

**(ii) Unquoted — At Cost :**

<b>(a) National Savings Certificates (Certificates of the Face Value of Rs. 21,875 (previous year Rs. 23,400) deposited with Local Authorities etc.)</b>					
	.. .. .	22,375	22,375		23,500
<b>(b) Debentures (Fully Paid) :</b>					
<b>(i) 6½% Irredeemable Debentures of Bengal Chamber of Commerce and Industry</b>					
	.. .. .	15	15,000	15,000	15,000
<b>(ii) 2½% Debentures of Lady Ampthill Nurses Institute &amp; S.I.N. Association</b>					
	.. .. .	1	9,982	9,982	9,982

BHARAT PETROLEUM CORPORATION LIMITED

	No.	Face Value Rupees	Book Value Rupees	As at 31st March, 1978 Rupees	As at 31st December 1976 Rupees
(iii) Interest Free Debentures of Lady Amphill Nurses Institutes & S.I.N. Association .. .. .	1	7,000	7,000		7,000
(iv) 5% Non-redeemable Debentures of East India Clinic Limited .. .. .	1	60,000	60,000		60,000
(c) Ordinary Shares (Fully Paid) :					
Sindhu Resettlement Corporation Limited .. .. .	4	4,000	4,000		4,000
Ordinary Shares in wholly owned Subsidiary Companies Fully Paid :					
Burmah-Shell Provident Trust (Private) Limited .. .. .	3	300	300		300
Burmah-Shell Pensions Trust (Private) Limited .. .. .	3	300	300		300
Burmah-Shell Properties (Private) Limited .. .. .	2	200	200		200
		<u>1,19,157</u>		<u>1,19,157</u>	<u>1,20,282</u>
(iii) Unquoted — At Book Value :					
6% Debentures of Sholapur Spinning & Weaving Mills Limited (In Liquidation)	578	<u>57,800</u>	<u>1</u>	<u>1</u>	<u>1</u>
				<u>11,41,025</u>	<u>11,44,150</u>

		As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
<b>SCHEDULE F</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>(A) CURRENT ASSETS</b>			
(i) Interest accrued on Investments, Bank Deposits and Loans .. .. .		17,78,605	48,40,002
(ii) (a) Stocks in Trade :			
Raw Materials (at cost) (after deducting materials received on loan Rs. 5,53,034—1976 : Rs. 5,97,787) .. .. .	15,68,71,742		16,72,80,535

BHARAT PETROLEUM CORPORATION LIMITED

	Rupees	As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
Finished Products (at cost or net realisable value whichever is lower) .. .. .	39,12,79,512		26,65,66,877
After deducting Rs. 1,38,38,073 (Net) for products received on loan (1976 includes products given on loan Rs. 92,89,453—net)			
Packages (at cost or net realisable value which-ever is lower) .. .. .	1,03,99,569		90,48,966
(b) Stores and Spares (at cost) .. .. .	6,97,26,025		5,14,40,565
(Certified as to quantity and value by a Director)		62,82,76,848	49,43,36,943
(iii) Sundry Debtors (Unsecured)			
Over 6 months old :	Rupees	Rupees	
Considered good ..		1,41,92,229	1,95,63,783
Considered doubtful ..	25,98,851		17,19,806
Less: Provision for Doubtful Debts	25,98,851	—	17,19,806
		1,41,92,229	1,95,63,783
Others :			
Considered good ..		6,88,81,388	7,70,15,015
Considered doubtful ..	1,50,910		20,538
Less: Provision for Doubtful Debts	1,50,910	—	20,538
		6,88,81,388	7,70,15,015
		8,30,73,617	9,65,78,798
(iv) Cash and Bank Balances :			
Cash in hand and in transit .. .. .		3,79,42,978	5,53,32,858
With Scheduled Banks on Current Accounts .. .. .		1,88,93,867	1,14,49,614
With Scheduled Banks on Deposit Accounts .. .. .		32,45,00,000	3,40,58,852
		38,13,36,845	10,08,41,324
Carried over ..		109,44,65,915	69,65,97,067

BHARAT PETROLEUM CORPORATION LIMITED

		As at 31st March, 1978	As at 31st December, 1976
	Rupees	Rupees	Rupees
Brought forward ..		109,44,65,915	69,65,97,067
<b>(B) LOANS AND ADVANCES (Unsecured)</b>			
(a) Advances recoverable in cash or in kind (Considered Good) (including due by Officers Rs. 3,46,176—1976 : Rs. 4,95,928; maximum during the year Rs. 5,76,105—1976 : Rs. 8,34,318) .. .. .	1,48,95,023		1,82,25,318
(b) Considered doubtful .. .. .	2,020		—
Less: Provision .. .. .	2,020	—	—
	1,48,95,023		1,82,25,318
(c) Loans to Hindustan Petroleum Corporation Ltd. (Considered Good) (Company under the same Management—maximum during the year—Rs. 25,00,00,000) .. .. .	—		21,41,04,000
(d) Loans to Other Companies (Considered Good) .. .. .	6,90,00,000		4,50,00,000
	8,38,95,023		27,73,29,318
<b>DEPOSITS:</b>			
(a) Considered Good :	Rupees	Rupees	
With Customs, Excise, Port Trust etc. ..		4,46,18,054	76,56,790
Other Deposits ..		50,39,510	49,49,987
		4,96,57,564	1,26,06,777
(b) Considered Doubtful ..	78,040		77,400
Less: Provision ..	78,040	—	77,400
	—	4,96,57,564	1,26,06,777
		13,35,52,587	28,99,36,095
		122,80,18,502	98,65,33,162

**BHARAT PETROLEUM CORPORATION LIMITED**

**SCHEDULE G  
CURRENT LIABILITIES AND PROVISIONS**

	Rupees	As at 31st March, 1978 Rupees	As at 31st December, 1976 Rupees
<b>(A) CURRENT LIABILITIES</b>			
Interest accrued on Loans and Deposits .. .. .		—	1,17,62,863
Sundry Creditors .. .. .		72,20,47,756	58,03,46,609
Unclaimed Debentures (Redeemed) .. .. .		1,11,026	1,16,026
Unclaimed Interest on Debentures .. .. .		17,392	17,596
Deposits by Agents, Dealers and Costomers .. .. .		6,92,10,766	7,17,48,158
Unpaid Dividends for 1973 .. .. .	40,79,878		1,86,01,084
Unpaid Dividends for 1974 .. .. .	21,26,445		73,09,017
	<u>62,06,323</u>		<u>2,59,10,101</u>
Interest payable on deferred Dividend for 1974 .. .. .	1,36,322		4,31,977
		<u>63,42,645</u>	<u>2,63,42,078</u>
		<u>79,77,29,585</u>	<u>69,03,33,330</u>
<b>(B) PROVISIONS</b>			
Unfunded Retirement Benefits .. .. .		1,13,53,400	1,19,40,330
Proposed Dividend for 1976 .. .. .		1,45,38,335	1,45,38,335
Proposed Dividend for the period from 1-1-1977 to 31-3-1978 .. .. .		1,81,72,919	—
Taxation less Payments .. .. .		2,55,02,638	1,16,50,270
		<u>6,95,67,292</u>	<u>3,81,28,935</u>
		<u>86,72,96,877</u>	<u>72,84,62,265</u>

**SCHEDULE H  
CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

(i) Outstanding Commitments in respect of Capital Expenditure .. .. .	6,10,67,000	1,13,48,595
(ii) Contingent Liabilities:		
(a) In respect of taxation matters of prior years .. .. .	10,57,00,000*	11,20,00,000*
(b) Other matters:		
(i) Surety Bonds executed on behalf of other Oil Companies for Excise Duties .. .. .	26,52,02,895	24,32,08,775
(ii) Guarantees to Banks .. .. .	21,33,324	12,38,000
(iii) Claims against the Corporation not acknowledged as Debts (includes Rs. 55,04,000 against which the Corporation has a recourse for recovery—1976: Rs. 55,04,000) .. .. .	2,87,23,000	1,31,28,802

\* If these contingent liabilities materialise either in part or whole, they are recoverable from third parties.

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	For the period from 1st January, 1977 to 31st March, 1978		For the Year ended 31st December, 1976	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE I</b>				
<b>MISCELLANEOUS INCOME</b>				
1. Bank and Other Interest (Gross) (Tax deducted Rs. 19,83,078/- — 1976 Rs. 22,34,664) .. .. .		4,44,83,643		1,31,57,753
2. Income from Investments (Gross) (Tax deducted Rs. 14,828/- — 1976 Rs. 8,762) .		81,447		56,646
3. Other Income :				
Rental and Hire Charges .. .. .	2,10,76,215		1,65,29,556	
Service Charges .. .. .	28,38,429		21,72,206	
Sale of Scrap .. .. .	1,27,81,828		74,59,927	
Others .. .. .	1,47,07,658		1,16,61,216	
		<u>5,14,04,130</u>	<u>1,16,61,216</u>	<u>3,78,22,905</u>
4. Profit on Sale of Investments .. .. .		—		621
		<u>9,59,69,220</u>		<u>5,10,37,925</u>
<b>SCHEDULE J</b>				
<b>STORES, SPARES AND MATERIALS</b>				
Stores, Spares & Materials .. .. .		17,17,83,296		14,35,85,538
Less: Charged to other Accounts .. .. .		2,12,15,628		1,56,52,138
		<u>15,05,67,668</u>		<u>12,79,33,400</u>
<b>SCHEDULE K</b>				
<b>EMPLOYEES' REMUNERATION &amp; OTHER BENEFITS</b>				
Salaries, Wages and Bonus (less amount recovered Rs. 17,17,251— 1976 Rs. 12,75,208)		11,98,45,261		8,97,44,884
Contributions to Provident and Other Funds ..		1,56,84,281		1,14,16,546
Welfare Expenses .. .. .		1,22,04,152		1,11,82,104
		<u>14,77,33,694</u>		<u>11,23,43,534</u>

BHARAT PETROLEUM CORPORATION LIMITED

**SCHEDULE L  
OTHER OPERATING AND ADMINISTRATION EXPENSES**

	For the period from 1st January, 1977 to 31st March, 1978		For the year ended 31st December, 1976	
	Rupees	Rupees	Rupees	Rupees
Repairs to Machinery .. .. .		3,34,09,814		2,47,47,685
Repairs to Buildings .. .. .		37,24,523		30,15,043
Insurance .. .. .		53,65,606		30,59,739
Rent .. .. .		2,27,00,576		1,80,02,048
Rates & Taxes .. .. .		77,63,923		56,46,196
Charities & Donations .. .. .		1,73,678		2,21,205
Audit Fees:				
As Auditors .. .. .	1,50,000		1,20,000	
For other services .. .. .	38,550		40,000	
Out of Pocket Expenses .. .. .	19,837		18,000	
		<hr/>	<hr/>	
		2,08,387		1,78,000
Interest:				
On Fixed Loans .. .. .	1,06,47,837		1,19,28,171	
On Other Loans .. .. .	53,84,798		73,68,642	
		<hr/>	<hr/>	
		1,60,32,635		1,92,96,813
Loss on Sale of Assets (Net) .. .. .		14,72,703		5,09,765
Directors Fees .. .. .		—		5,000
Loss on Sale of Packages .. .. .		—		10,45,785
Bad Debts .. .. .		1,458		3,11,682
Excise Duty on Drums .. .. .		1,50,77,865		1,15,15,273
Provision for Doubtful Debts .. .. .		10,12,077		13,39,843
Other Expenses .. .. .		6,54,25,248		5,11,08,222
		<hr/>	<hr/>	
		17,23,68,493		14,00,02,299
		<hr/>	<hr/>	

**SCHEDULE M  
PRIOR YEARS' INCOME (NET)**

Sale of Products .. .. .	—	(8,37,05 )
Net Recoveries from/(Payments to) Industry Pool Accounts .. .. .	(10,94,583)	1,08,53,088
Miscellaneous Income .. .. .	(5,16,984)	—
Purchase of Products for Resale .. .. .	—	(2,10,973)
Raw Materials Consumed .. .. .	1,55,09,490	(6,16,430)
Duties and Other Charges applicable to Products .. .. .	(3,11,049)	13,338
Transportation .. .. .	7,54,219	(41,95,884)
Stores, Spares & Materials .. .. .	1,82,178	—
Employees' Remuneration & Other Benefits .. .. .	—	(68,000)
Other Operating & Administration Expenses .. .. .	(21,45,431)	9,00,287
	<hr/>	<hr/>
	1,23,77,840	58,38,372
	<hr/>	<hr/>



**SCHEDULE N  
NOTES FORMING PART OF ACCOUNTS**

1. Accounts include balances aggregating to Rs. 4,12,27,199 (Credit) in two Pool Accounts and to Rs. 15,29,732 (Debit) in one Pool Account for which statements are subject to audit by one of the Firms of Statutory Auditors. Statements relating to other Pool Accounts have been audited by the aforesaid Firm of Statutory Auditors. 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.
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. Confirmations for amounts due from/due to other Oil Companies included under Sundry Debtors, Advances and Current Liabilities respectively (including old items of past years) in the Balance Sheet are not available with the Corporation.
4. Depreciation has been calculated on the basis of written down value method and straight line method, in respect of Marketing Division and Refining Division respectively.
5. Raw Material (Crude only) Costs have been incorporated at provisional rates pending finalisation of costs, freight, other charges etc.

6. (a) Managerial Remuneration :

	For the period from 1st January, 1977 to 31st March, 1978*	For the year ended 31st December, 1976
	Rupees	Rupees
Salary and Allowances .. .. .	41,056	2,05,692
Contribution to Provident and other Funds .. .. .	3,347	99,389
Other Benefits .. .. .	2,108	1,46,584
Directors' Fees .. .. .	—	5,000

\* Subject to approval of the Central Government.

(b) In the Accounts for the year 1976 it was stated that total managerial remuneration of Rs. 4,51,665 paid by the Corporation during that year was subject to the approval of the Shareholders and the Central Government. Approval of the Shareholders has since been obtained. Central Government has accorded approval to remuneration of Rs. 3,84,455. While approval has not been accorded nor waiver of recovery permitted by the Central Government for the balance amount of Rs. 67,210, the Corporation has represented the matter to the Central Government.

7. Following an increase in the effective cost of Crude to the Corporation from 16th December, 1977 consequent to the Final Report of Oil Prices Committee, the Corporation had to effect a change in the manner of computing cost for the purpose of valuing year-end stocks of finished products for fully reflecting the aforesaid increase. The change has resulted in an increase in the value of stocks by Rs. 2.79 Crores with corresponding increase in profit.

BHARAT PETROLEUM CORPORATION LIMITED

For the period  
1st January,  
1977 to  
31st March, 1978

For the Year  
ended  
31st December,  
1976

8. (1) Licensed Capacity, Installed Capacity and Actual Production in respect of Goods Manufactured :

(a) (i) Fuel Refinery :

Our Refinery operates at the level prescribed by Government each month and we processed 56,28,731 tonnes of Crude during the period from 1-1-1977 to 31-3-1978 (previous year 37,54,675 tonnes) against Installed Capacity of 6.0 million tonnes p.a. (previous year 6.0 million tonnes p.a.). The licensed capacity is 2.09 m.m.t. p.a. (previous year 2.09 m.m.t. p.a.)

(ii) Actual Production :

(i) Light Distillates .. .. .	KL	12,87,835	KL	8,61,353
(ii) Middle Distillates .. .. .	KL	36,04,856	KL	24,11,897
(iii) Others .. .. .	KL	16,22,907*	KL	10,39,061

\*Excludes Bitumen produced out of VTB purchased from HPC.

(b) Lubricants :

(i) Licensed capacity on single shift basis for manufacturing at Bombay (3,57,600 Barrels of 44 Gallons each and 5,96,000 Tins of 1 l.G. per annum) .. .. .	66,384	M.T.p.a.	66,384	M.T.p.a.
(For Budge Budge Installation, Calcutta no Licence is required)				
(ii) Installed Capacity of Bombay & Calcutta .. .. .	1,80,000	M.T. p.a.	1,80,000	M.T. p.a.
(iii) Production .. .. .	57,508	M.T.	40,939	M.T.
	(64,065	KL)	(45,606	KL)

N.B.: Applicable conversion factors have been used in converting licensed capacity and production in Metric Tons.

(c) Pesticides :

Licensed and installed capacity on Double Shifts 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 .. .. .

373 M.T. p.a.      373 M.T. p.a.

(d) Drum Plant : Number of Drums—

(i) Licenced Capacity per annum .. .. .	17,70,000	17,70,000
(ii) Installed Capacity on triple shift basis per annum .. .. .	27,00,000	27,00,000
(iii) Actual production .. .. .	23,05,112	20,80,884
(Drums manufactured for Others included in the above)	(4,000)	(86,780)

(2) Raw Materials Consumed (on derived basis) :

	Unit	Quantity	Value Rupees	Quantity	Value Rupees
(i) Crude Oil (Net of various reliefs receivable from Industry Pool Accounts) .. .. .	M.T.	56,28,731	334,91,19,802	37,54,675	237,82,44,647
(ii) Base Oils .. .. .	KL	73,632	13,50,21,023	44,470	8,95,21,794
			<u>348,41,40,825</u>		<u>246,77,66,441</u>

BHARAT PETROLEUM CORPORATION LIMITED

	For the period from 1st January, 1977 to 31st March, 1978		For the Year ended 31st December, 1976	
9. (a) Number of Employees who were in employment throughout the period and were in receipt of remuneration during the period which in the aggregate was not less than Rs. 36,000 .. .. .	887		545	
Expenditure thereon under the following heads :				
Salaries, Wages and Bonus .. .. .	3,81,13,639		2,15,58,749	
Contribution to Provident and Pension Funds .. .. .	73,02,978		44,47,760	
(b) Number of Employees who were in employment for part of the period and were in receipt of remuneration amounting in the aggregate to Rs. 3,000 or more per mensem .. .. .	69		48	
Expenditure thereon under the following heads :				
Salaries, Wages and Bonus .. .. .	17,05,541		9,59,747	
Contribution to Provident and Pension Funds .. .. .	3,15,697		2,05,986	
10. Information for each class of goods purchased, sold and stocked during the year :				
	Quantity KL	Value Rupees	Quantity KL	Value Rupees
A. Purchases :				
(a) Petroleum Products				
(i) Light Distillates .. .. .	4,50,929	25,12,90,974	3,70,663	19,77,15,850
(ii) Middle Distillates .. .. .	2,12,464	14,49,92,355	3,54,667	19,98,60,971
(iii) Others .. .. .	1,46,334	16,23,12,604	75,758	14,21,62,697
		55,85,95,933*		53,97,39,518
*Excludes Processing Fees and Other Charges on purchases—Rs. 1,17,20,889.				
(b) Crude Oil and other Petroleum Feedstocks (net of various reliefs receivable from the Industry Pool Accounts)				
(i) Crude Oil .. .. . M.T. 56,15,724 }		334,68,89,300	M.T. 37,15,862 }	233,87,48,498
(ii) Other Feedstocks .. .. . M.T. 1,022 }			M.T. 1,247 }	
(c) Base Oils .. .. . KL 69,496		12,09,22,018	KL 59,427	12,11,50,094
(d) Packages and Containers .. .. .		7,09,39,137		5,18,33,823
		409,73,46,388		305,14,71,933
Less: Refined Products transferred to Other Oil Companies .. .. .		41,10,41,038		32,10,02,627
		368,63,05,350		273,04,69,306

- Notes: (i) Crude Oil and Other Petroleum Feedstocks are refined to Petroleum Products and accordingly these Refined Products are excluded from the figures in item (a) above.
- (ii) Purchases exclude Inter Product Transfers.
- (iii) Applicable conversion factors have been used to convert quantities in Metric Tons to Kilotres for Products purchased by weight.

BHARAT PETROLEUM CORPORATION LIMITED

	For the period from 1st January, 1977 to 31st March, 1978		For the year ended 31st December, 1976	
	Quantity	Value	Quantity	Value
	KL	Rupees	KL	Rupees
<b>B. Sales</b>				
(a) Light Distillates .. ..	16,55,944	3,09,75,07,947	11,91,912	2,28,84,02,558
(b) Middle Distillates .. ..	34,86,796	3,95,78,92,401	24,75,691	2,74,29,97,127
(c) Others .. ..	13,40,554	1,51,55,62,376	8,51,257	96,39,78,085
	<u>64,83,294</u>	<u>8,57,09,62,724</u>	<u>45,18,860</u>	<u>5,99,53,77,770</u>
<b>Less: Recoveries such as Excise Duty, Sales Tax, Octroi, Freight etc. separately shown in Sales Documents .. ..</b>		66,41,97,764		47,44,40,013
		<u>7,90,67,64,960</u>		<u>5,52,09,37,757</u>

	For the period from 1st January, 1977 to 31st March, 1978				For the Year ended 31st December, 1976			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
<b>C. Stocks</b>								
					<i>Taken over from erstwhile B.S.M.</i>			
(i) Petroleum Products:								
(a) Light Distillates .. KL	41,857	2,33,03,336	46,457	2,89,64,735	36,099	2,12,78,914	41,857	2,33,03,336
(b) Middle Distillates .. KL	2,29,985	13,37,16,906	3,24,545	22,10,84,679	1,98,830	11,61,41,388	2,29,985	13,37,16,906
(c) Others .. .. KL	75,125	5,61,09,594	73,095	6,03,20,662	66,391	4,79,20,193	75,125	5,61,09,594
<b>TOTAL (i)</b> .. .. KL	<u>3,46,967</u>	<u>21,31,29,836</u>	<u>4,44,097</u>	<u>31,03,70,076</u>	<u>3,01,320</u>	<u>18,53,40,495</u>	<u>3,46,967</u>	<u>21,31,29,836</u>
(ii) Materials for Processing/ Manufacture :								
(a) Crude Oil .. .. MT	1,74,613	12,79,11,197	1,61,606	12,56,80,695	2,13,426	16,74,07,346	1,74,613	12,79,11,197
(b) Base Oil .. .. KL	14,058	3,03,16,920	10,046	1,62,17,915	8,122	1,21,04,513	14,058	3,03,16,920
<b>TOTAL (ii)</b> .. ..		<u>15,82,28,117</u>		<u>14,18,98,610</u>		<u>17,95,11,859</u>		<u>15,82,28,117</u>
<b>TOTAL (i) + (ii)</b> .. ..		<u>37,13,57,953</u>		<u>45,22,68,686</u>		<u>36,48,52,354</u>		<u>37,13,57,953</u>

Notes: (i) Stocks include products given on loan basis to Other Oil Companies and exclude Stocks received on loan basis from Other Oil Companies.  
(ii) Applicable conversion factors have been used to convert quantities in M. Tons to Kilolitres for products sold by weight.  
(iii) Value of Opening and Closing Stocks excludes Charges on Stocks.

BHARAT PETROLEUM CORPORATION LIMITED

	For the period from 1st January, 1977 to 31st March, 1978 Rupees	For the year ended 31st December, 1976 Rupees
<b>11. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS :</b>		
(a) Crude Oil and Other Petroleum Products .. .. .	325,52,43,330*	287,41,74,384*
(b) Components and Spare parts .. .. .	23,48,758	34,27,224
(c) Capital goods .. .. .	6,89,543	87,083

- Notes :*
1. Includes Local Insurance Rs. 33,76,709 (1976 Rs. 24,05,377)
  2. \*Includes Crude Oil purchases from I.O.C./H.P.C. (canalized agents) Rs. 324,95,37,495@ (1976 Rs. 285,89,24,874@)
  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 recoveries from Industry Pool Accounts.
  5. In the case of purchases of Lubricants canalised through Government Undertaking like Indian Oil Corporation the invoice amount has been taken as C.I.F. Value Rs. 34,33,616 (1976 Rs. 1,52,49,510).
- @ Includes Rs. 71,02,823 relating to previous year (1976 Rs. 22,64,564).

<b>12. EXPENDITURE IN FOREIGN CURRENCY :</b>		
(i) Royalty— Net of Tax .. .. .	5,00,000	—
(ii) Know-how .. .. .	—	—
(iii) Professional Consultation Fees .. .. .	—	—
(iv) Interest .. .. .	79,109	—
(v) Other Matters .. .. .	21,495	1,03,288

**13. VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED (ON DERIVED BASIS) :**

	For the period from 1st January, 1977 to 31st March, 1978				For the year ended 31st December, 1976			
	Raw Materials		Spare parts and Components*		Raw Materials		Spare parts and Components*	
	Value Rupees	%	Value Rupees	%	Value Rupees	%	Value Rupees	%
Imported ..	325,53,90,534	77.06	28,16,635	6.16	292,53,10,564	95.22	30,97,434	10.22
Indigenous ..	96,91,93,279	22.94	4,29,04,720	93.84	14,68,22,644	4.78	2,72,05,140	89.78
	422,45,83,813	100.00	4,57,21,355	100.00	307,21,33,208	100.00	3,03,02,574	100.00

- Notes :*
1. Imported Crude and Base Oils are taken at C.I.F. Values.
  2. Purchases from canalizing agencies have been considered as imports.
  3. The above figures of consumption are prior to adjustments of recoveries from Industry Pool Accounts.
- \* Excludes direct charge materials.

14. Amount remitted in Foreign Currency on account of Dividend to two Non-Resident Shareholders in respect of the years 1973 and 1974 on 23,00,000 Ordinary Shares .. .. .	Rs. 1,46,34,981	—
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**BHARAT PETROLEUM CORPORATION LIMITED**

	For the period from 1st January, 1977 to 31st March, 1978	For the year ended 31st December, 1976
	Rupees	Rupees
<b>15. EARNINGS IN FOREIGN EXCHANGE ON ACCOUNT OF</b>		
(a) Export of goods on F.O.B. basis :		
(i) On Own Account .. .. .	2,82,956	1,70,21,958
(ii) As Agents (hence not reflected in Profit and Loss Account)	22,98,661	38,07,078
(b) Proceeds of Supplies to Foreign Flag Vessels/Aircraft collected abroad .. .. .	—	1,93,723
(c) Other Matters (including collecting Commission on Marine Oil deliveries by Associates to Indian parties and tanker agency commission) .. .. .	2,31,745	5,15,060

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

Figures in the Balance Sheet and Profit and Loss Account are not comparable with those of the previous year as the Accounts are for a 15 month period from 1st January, 1977 to 31st March, 1978 against 12 months of 1976.

17. Other expenses under Other Operating and Administration Expenses include an amount of Rs. 2,43,628 (1976 Rs. 3,12,364) being entertainment expenses incurred by the Corporation.

**Signatures to Schedules A to N**

**R. N. BHATNAGAR**  
*Chairman & Managing Director*

For and on behalf of  
**SORAB S. ENGINEER & COMPANY**  
*Chartered Accountants*

For and on behalf of  
**N. M. RAIJI & COMPANY**  
*Chartered Accountants*

For and on behalf of  
**V. SANKAR AIYAR & COMPANY**  
*Chartered Accountants*

**U. M. KINI**  
*Finance Director*

**R. N. KATRAK**  
*Partner*

**V. V. NERURKAR**  
*Partner*

**S. SRINIVASAN**  
*Partner*

**P. J. KISHINCHANDANI**  
*Secretary*

*Bombay, 31st August, 1978*

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

	No. of shares	Paid up value		for the period from 1st January, 1977 to 31st March, 1978	<i>Previous Financial years cumulative Total</i>
		Rupees		Rupees	Rupees
1. Shares in the subsidiary companies were registered in the names of the nominees of the Company as indicated: . .			2. Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's account so far as they concern the members of the Company are:		
As at 31st March, 1978					
Burmah-Shell Provident Trust Private Limited . .	3	300	Burmah-Shell Provident Trust Private Limited . .	—	—
Burmah-Shell Pensions Trust Private Limited . .	3	300	Burmah-Shell Pensions Trust Private Limited . .	—	—
Burmah-Shell Properties Private Limited . .	2	200	Burmah-Shell Properties Private Limited . .	—	—
<b>R. N. BHATNAGAR</b> <i>Chairman &amp; Managing Director</i>  <i>Bombay,</i> <i>31st August, 1978</i>			<b>U. M. KINI</b> <i>Finance Director</i>		<b>P. J. KISHINCHANDANI</b> <i>Secretary</i>

**BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED**

**DIRECTORS' REPORT**

**TO THE SHAREHOLDERS**

Gentlemen :

Your Directors have pleasure in submitting this, their Report for the period 1-1-1977 to 31-3-1978 along with the Balance Sheet of the Company as at that date and the Profit and Loss Account for the period ended 31-3-1978.

Pursuant to Section 10 of the Burmah-Shell (Acquisition of Undertakings in India) Act, 1976, the Indian Provident Fund, the Labour Provident Fund and the India Gratuity Fund established by Burmah-Shell Oil Storage & Distributing Company of India Limited (hereinafter referred to as BSM) for the benefits of its employees were freed from the trust constituted by BSM. Accordingly, the Company which was the trustee of the above Trust Funds was discharged. Further, as required by the same section, Bharat Petroleum Corporation Limited (hereinafter referred to as "Holding Company") constituted the Indian Provident Fund, the Labour Provident Fund and the India Gratuity Fund of Marketing Division

effective 24th January 1976. At the time of constituting these fresh trusts, it was decided by the holding company that the trustees of the funds would be individuals and not the companies. Under the circumstances, having no function to perform, your company has requested the Registrar of Companies, Maharashtra, to strike its name off the Register under Section 560 of the Companies Act, 1956.

During the period under review, the Company did not engage itself in any other activity and did not incur any profit or loss. Your Directors, therefore, do not recommend any dividend for the period from 1-1-1977 to 31-3-1978.

Messrs. N. M. Rajji & Company were appointed Auditors of the Company by the Central Government for the period from 1-1-1977 to 31-3-1978.

P. K. VISWANATHAN }  
R. K. GAJREE } *Directors*

*Bombay,  
24th August, 1978*

**BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED**

**DIRECTORS' REPORT**

**TO THE SHAREHOLDERS**

Gentlemen :

Your Directors have pleasure in submitting this, their Report for the period 1-1-1977 to 31-3-1978 along with the Balance Sheet of the Company as at that date and Profit and Loss Account for the period ended 31-3-1978.

Pursuant to Section 10 of the Burmah-Shell (Acquisition of Undertakings in India) Act, 1976, the India Pension Fund established by Burmah-Shell Oil Storage & Distributing Company of India Limited (hereinafter referred to as BSM) for the benefits of its employees was freed from the trust constituted by BSM. Accordingly, the Company which was the trustee of the above Trust Fund was discharged. Further, as required by the same section, Bharat Petroleum Corporation Limited (hereinafter referred to as "Holding Company") constituted the India Pension Fund of Marketing Division effective 24th January 1976. At the time of constituting the

fresh trust, it was decided by the holding company that the Trustees of the Fund would be individuals and not the Company. Under the circumstances, having no function to perform, your Company has requested the Registrar of Companies, Maharashtra, to strike its name off the Register under Section 560 of the Companies Act, 1956.

During the period under review, the Company did not engage itself in any other activity and did not incur any profit or loss. Your Directors, therefore, do not recommend any dividend for the period from 1-1-1977 to 31-3-1978.

Messrs. V. Sankar Aiyar & Company were appointed Auditors of the Company by the Central Government for the period from 1-1-1977 to 31-3-1978.

P. K. VISWANATHAN }  
R. K. GAJREE } *Directors*

*Bombay,  
24th August, 1978*

**BURMAH-SHELL PROPERTIES PRIVATE LIMITED**

**DIRECTORS' REPORT**

**TO THE SHAREHOLDERS**

Gentlemen :

Your Directors have pleasure in submitting this, their Report for the period 1-1-1977 to 31-3-1978 along with the Balance Sheet of the Company as at that date and the Profit and Loss Account for the period ended 31-3-1978.

The Company continued to act as the Trustees of certain properties of Bharat Petroleum Corporation Limited during the period. The Company did not

engage itself in any other activity and did not incur any profit or loss during the period. Your Directors, therefore, do not recommend any dividend for the period from 1-1-1977 to 31-3-1978.

Messrs. Sorab S. Engineer & Company were appointed Auditors of the Company by the Central Government for the period from 1-1-1977 to 31-3-1978.

P. K. VISWANATHAN }  
R. K. GAJREE } *Directors*

*Bombay,  
24th August, 1978*



**BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED,  
BOMBAY FOR THE PERIOD ENDED 31ST MARCH, 1978**

I am to state that the Comptroller and Auditor General of India has decided not to review the Report of the Auditors for the period ended 31st March, 1978 and that accordingly he has no comments to make under Section 619(4) of the Companies Act, 1956.

Camp : Bombay  
20th September, 1978

M. Ramachandran  
Member, Audit Board and Ex-Officio  
Director of Commercial Audit,  
(Petroleum and Oil)

**BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED,  
BOMBAY FOR THE PERIOD ENDED 31ST MARCH, 1978.**

I am to state that the Comptroller and Auditor General of India has decided not to review the Report of the Auditors for the period ended 31st March, 1978 and that accordingly he has no comments to make under Section 619(4) of the Companies Act, 1956.

Camp : Bombay  
20th September, 1978

M. Ramachandran  
Member, Audit Board and Ex-Officio  
Director of Commercial Audit,  
(Petroleum and Oil)

**BURMAH-SHELL PROPERTIES PRIVATE LIMITED**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF BURMAH-SHELL PROPERTIES PRIVATE LIMITED, BOMBAY  
FOR THE PERIOD ENDED 31ST MARCH, 1978**

I am to state that the Comptroller and Auditor General of India has decided not to review the Report of the Auditors for the period ended 31st March, 1978 and that accordingly he has no comments to make under Section 619(4) of the Companies Act, 1956.

Camp : Bombay  
20th September, 1978

M. Ramachandran  
Member, Audit Board and Ex-Officio  
Director of Commercial Audit,  
(Petroleum and Oil)

**BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR**

<i>31-12-1976</i>		<b>DEBIT</b>	<i>Rupees</i>
<i>Rupees</i>			<i>Rupees</i>
<u>24.00</u>	Collection Charges .. .. .		<u>24.00</u>
<u>24.00</u>			<u>24.00</u>

**BALANCE SHEET AS**

<i>31-12-1976</i>		<b>CAPITAL AND LIABILITIES</b>	
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
	<b>Capital :</b>		
	(a) Authorised :		
<u>1,000.00</u>	10 Ordinary Shares of Rs. 100/- each .. .. .	<u>1,000.00</u>	
	(b) Issued, Subscribed and fully paid in cash—		
<u>300.00</u>	* 3 Ordinary Shares of Rs. 100/- each .. .. .		<u>300.00</u>
<u>300.00</u>			<u>300.00</u>

\* All the above Shares are held by the nominees of Bharat Petroleum Corporation Limited, the Holding Company.

**Auditors' Report to the Shareholders**

We report that we have audited the above Balance Sheet and the Profit and Loss Account and in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account give respectively a true and fair view of the state of the Company's affairs as at 31st March, 1978 and of the results for the period ended that date.

We have obtained all the information and explanations which were necessary for the purposes of our audit and proper books of account have been kept so far as appears from our examination of those books. In our opinion the Balance Sheet and the Profit and Loss Account, which are in agreement with the books, give in the manner prescribed, the information required by the Companies Act, 1956.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that since the Company did not carry out any activities during the period except holding a fixed deposit with a bank and earning interest thereon and since there were no assets, fixed or current excepting the balance in Current Account with a Scheduled Bank and no outside liabilities, none of the matters specified in the abovementioned Order are applicable to this Company for the period under audit.

For and on behalf of  
**N. M. RAIJI & COMPANY**  
*Chartered Accountants*

**R. M. DAIYA**  
*Partner*

Bombay, 29th August, 1978

BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED

THE PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978

<i>31-12-1976</i>		<b>CREDIT</b>	Rupees
<i>Rupees</i>			
<u>24.00</u>	Interest .. .. .		<u>24.00</u>
<u>24.00</u>			<u>24.00</u>

AT 31ST MARCH, 1978

<i>31-12-1976</i>		<b>PROPERTY AND ASSETS</b>	Rupees
<i>Rupees</i>			
	<b>Current Assets, Loans and Advances:</b>		
	<b>Current Assets:</b>		
<u>300.00</u>	Cash at Bank in Current Account with a Scheduled Bank ..		<u>300.00</u>
<u>300.00</u>	Fixed deposit with a Scheduled Bank .. .. .		<u>—</u>
			<u>300.00</u>

Bombay, 24th August, 1978

P. K. VISWANATHAN	}	<i>Directors</i>
R. K. GAJREE		
O. P. MATHUR		<i>Secretary</i>

BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR

31-12-1976

Rupees	DEBIT	Rupees
24.00	Collection Charges .. .. .	24.00
<u>24.00</u>		<u>24.00</u>

BALANCE SHEET AS

31-12-1976

Rupees	CAPITAL & LIABILITIES	Rupees	Rupees
	<b>Capital :</b>		
	(a) Authorised—		
1,000.00	10 Ordinary Shares of Rs. 100/- each .. .. .	1,000.00	
	(b) Issued, Subscribed and fully paid in cash—		
300.00	*3 Ordinary Shares of Rs. 100/- each .. .. .		300.00
<u>300.00</u>			<u>300.00</u>

\* All the above shares are held by the nominees of Bharat Petroleum Corporation Limited, the Holding Company.

**Auditors' Report to the Shareholders**

We report that we have audited the above Balance Sheet and the Profit and Loss Account and in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account give respectively a true and fair view of the state of the Company's affairs as at 31st March, 1978 and of the results for the period ended that date.

We have obtained all the information and explanations which were necessary for the purposes of our audit and proper books of account have been kept so far as appears from our examination of those books. In our opinion the Balance Sheet and the Profit and Loss Account, which are in agreement with the books, give in the manner prescribed, the information required by the Companies Act, 1956.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanation given to us, we further state that since the Company did not carry out any activities during the above period except holding a fixed deposit with a bank and earning interest thereon and since there were no assets, fixed or current excepting the balance in Current Account with a Scheduled Bank and no outside liabilities, none of the matters specified in the abovementioned Order are applicable to this Company for the period under audit.

For and on behalf of  
**V. SANKAR AIYAR & COMPANY**  
*Chartered Accountants*  
**S. SRINIVASAN**  
*Partner*

Bombay, 29th August, 1978

BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED

THE PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978

31-12-1976

<i>Rupees</i>	<b>CREDIT</b>	<i>Rupees</i>
24.00	Interest .. .. .	24.00
<u>24.00</u>		<u>24.00</u>

AT 31ST MARCH, 1978

31-12-1976

<i>Rupees</i>	<b>PROPERTY &amp; ASSETS</b>	<i>Rupees</i>
	<b>Current Assets, Loans and Advances:</b>	
	<b>Current Assets:</b>	
—	Cash at Bank—in Current Account with a Scheduled Bank ..	300.00
300.00	Fixed Deposit with a Scheduled Bank .. .. .	—
<u>300.00</u>		<u>300.00</u>

Bombay, 24th August, 1978

P. K. VISWANATHAN }  
 R. K. GAJREE } *Directors*  
 O. P. MATHUR *Secretary*

BURMAH-SHELL PROPERTIES PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE

31-12-1976 Rupees	DEBIT	Rupees
16.00	Collection Charges .. .. .	16.00
<u>16.00</u>		<u>16.00</u>

BALANCE SHEET AS AT

31-12-1976 Rupees	CAPITAL & LIABILITIES	Rupees	Rupees
	<b>Capital :</b>		
	(a) Authorised—		
20,000.00	200 Ordinary Shares of Rs. 100/- each .. .. .	20,000.00	
	(b) Issued, Subscribed and fully paid in cash—		
200.00	*2 Ordinary Shares of Rs. 100/- each .. .. .		200.00
<u>200.00</u>			<u>200.00</u>

\* All the above shares are held by the nominees of Bharat Petroleum Corporation Limited, the Holding Company.

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For and on behalf of  
SORAB S. ENGINEER & COMPANY  
Chartered Accountants

R. N. KATRAK  
Partner

Bombay, 29th August, 1978

BURMAH-SHELL PROPERTIES PRIVATE LIMITED

PERIOD FROM 1ST JANUARY, 1977 TO 31ST MARCH, 1978

31-12-1976			Rs.
	Rs.	<b>CREDIT</b>	
	16.00	Interest .. .. .	16.00
	16.00		16.00
	16.00		16.00

31ST MARCH, 1978

31-12-1976			Rs.
	Rs.	<b>PROPERTY &amp; ASSETS</b>	
		<b>Current Assets, Loans and Advances:</b>	
		<b>Current Assets:</b>	
	—	Cash at Bank—in Current Account with a Scheduled Bank ..	200.00
	200.00	Fixed Deposit with a Scheduled Bank .. .. .	—
	200.00		200.00
	200.00		200.00

Bombay, 24th August, 1978

P. K. VISWANATHAN }  
 R. K. GAJREE } *Directors*  
 O. P. MATHUR *Secretary*







