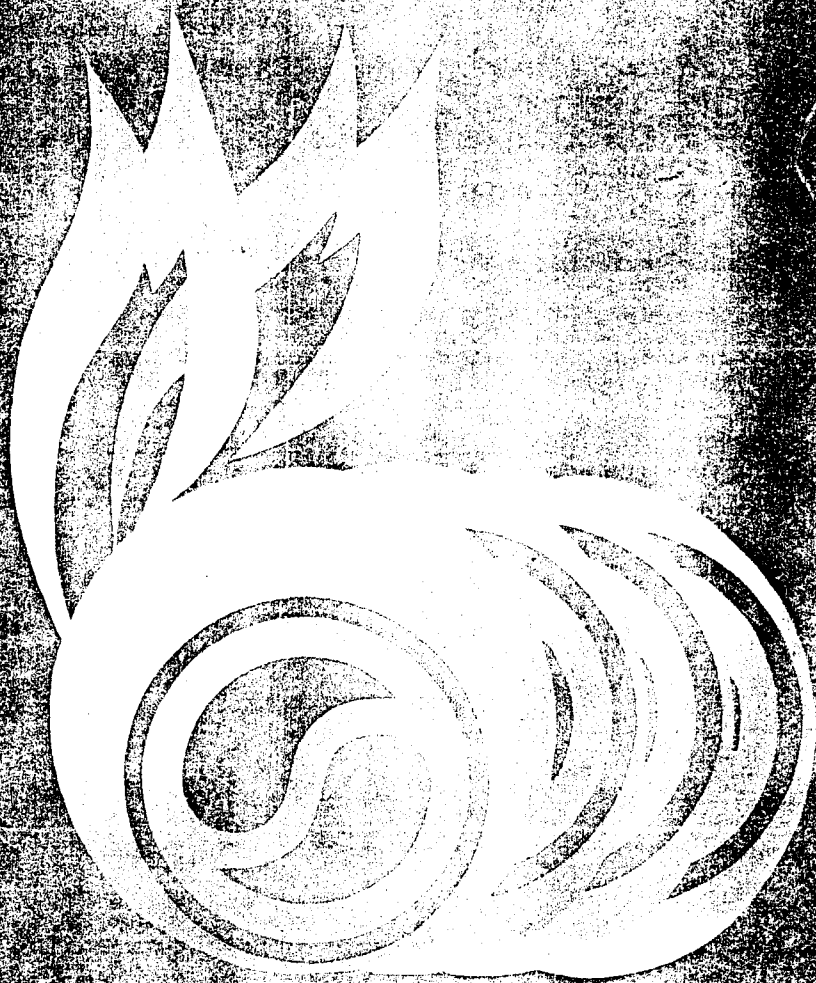


**34<sup>TH</sup>  
ANNUAL REPORT  
1986-87**



**Bharat Petroleum Corporation Ltd.**



Stability Section

## BOARD OF DIRECTORS

**U.M. KINI**

Chairman & Managing Director

**S.K. MUDIGONDA**

**ARVIND VARMA**

**T.N.R. RAO**

**B.K. SINHA**

**R.K. GAJREE**  
Director (Finance)

**M.K. DAS**  
Director (Marketing)

**V. KUMAR**  
Director (Personnel)

**K.R.S. NARAYAN**  
Director (Refineries)

**SECRETARY**  
K.S. Manikashetti

## BANKERS

CENTRAL BANK OF INDIA

PUNJAB NATIONAL BANK

STATE BANK OF PATIALA

BANK OF INDIA

DENA BANK

ALLAHABAD BANK

CANARA BANK

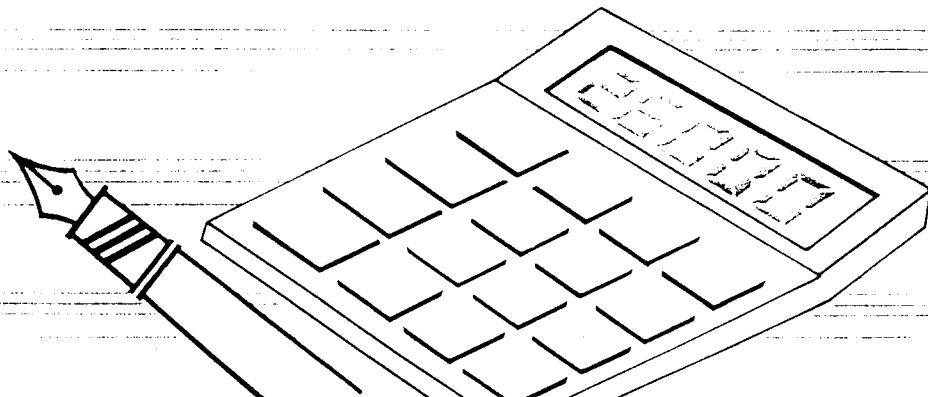
THE STANDARD CHARTERED BANK

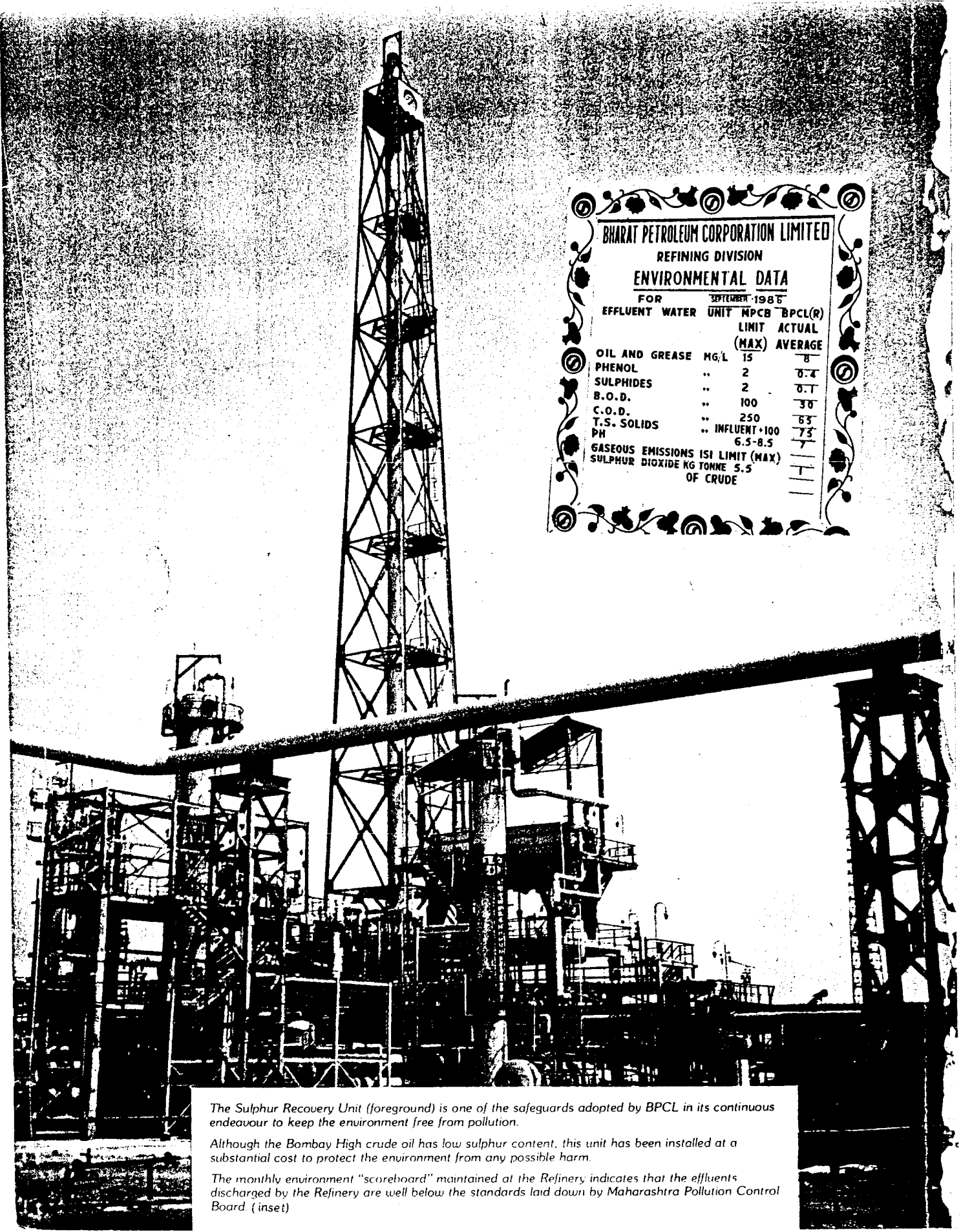
INDIAN BANK

## AUDITORS

G.P. KAPADIA & CO.

K.S. AIYAR & CO.





BHARAT PETROLEUM CORPORATION LIMITED				
REFINING DIVISION				
ENVIRONMENTAL DATA				
FOR SEPTEMBER 1985				
EFFLUENT WATER	UNIT	MPCB	BPCL(R)	
		LIMIT	ACTUAL	
		(MAX)	AVERAGE	
OIL AND GREASE	MG/L	15	8	
PHENOL	"	2	0.4	
SULPHIDES	"	2	0.1	
B.O.D.	"	100	30	
C.O.D.	"	250	63	
T.S. SOLIDS	"	INFLUENT + 100	73	
PH		6.5-8.5	7	
GASEOUS EMISSIONS ISI LIMIT (MAX)				
SULPHUR DIOXIDE	KG/TONNE	5.5	1	
	OF CRUDE			

The Sulphur Recovery Unit (foreground) is one of the safeguards adopted by BPCL in its continuous endeavour to keep the environment free from pollution.

Although the Bombay High crude oil has low sulphur content, this unit has been installed at a substantial cost to protect the environment from any possible harm.

The monthly environment "scoreboard" maintained at the Refinery indicates that the effluents discharged by the Refinery are well below the standards laid down by Maharashtra Pollution Control Board (inset)





## NOTICE

NOTICE is hereby given that the Thirty-fourth Annual General Meeting of the Members of Bharat Petroleum Corporation Limited will be held at the Registered Office of the Corporation at Bharat Bhavan, 1, 4 & 6, Currimbhoy Road, Ballard Estate, Bombay 400 038, on Monday, the 21st September, 1987, at 11 00 A.M. to transact the following business:

1. To receive and adopt the Directors' Report and audited Profit & Loss Account for the year ended 31st March 1987 and the Balance Sheet as at that date.
2. To declare dividend.

By Order of the Board of Directors

K.S. MANIKASHETTI  
Company Secretary

Bombay 7th September, 1987

Note: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES IN THE ALTERNATIVE TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Thirty-fourth Annual Report on the working of the Corporation, together with the audited accounts for the year ended 31st March, 1987.

FINANCIAL RESULTS		
	(Rupees in Lakhs)	
	1986-87	1985-86
Sales Turnover	249967.81	233777.93
Profit before interest and depreciation amounted to	14272.41	13163.89
Deducting therefrom —		
(a) Interest	3382.47	3073.81
(b) Depreciation	8593.56	7756.36
Profit before tax for the year is	2296.38	2333.72
Adding thereto Prior Year's Income (Net)	4555.94	4558.13
Profit before Tax amounted to	6852.32	6891.85
Deducting therefrom provision for taxation	820.00	760.00
Profit after tax is	6032.32	6131.85
Adding thereto —		
(a) Transfer from Investment Allowance Reserve	7.33	2.62
(b) Excess/(Short) provision for taxation in earlier years written back/provided for (net)	13.40	-1.25
(c) Balance of Profit from previous year	.07	.80
Amount available for disposal	6053.12	6134.02
Which the Directors have appropriated as under —		
(a) Investment Allowance Reserve	2850.00	2515.00
(b) General Reserve	2813.00	3229.00
(c) Proposed Dividend	389.95	389.95
Leaving a balance of Carried to Balance Sheet	0.17	0.07

### DIVIDEND

The Directors recommend a dividend @ 14% on the Paid up Capital of Rs.2785.34 lakhs. The dividend will absorb Rs. 389.95 lakhs.

### CONTRIBUTION TO EXCHEQUER

The Corporation contributed Rs.493.68 crores to the Exchequer by way of duties and income-tax compared to Rs. 461.71 crores last year.

### FINANCES

The outstanding amount of the term loans taken by the Corporation, including Rs. 41.54 crores from the World Bank through the Government of India, stood at Rs.107.57 crores as at 31st March, 1987 as against Rs.106.82 crores as at 31st March, 1986. The borrowings from banks and others amounted to Rs. 114.93 crores compared to Rs. 154.49 crores in the previous year. Internal cash generation was Rs. 142.50 crores as against Rs. 134.96 crores last year.



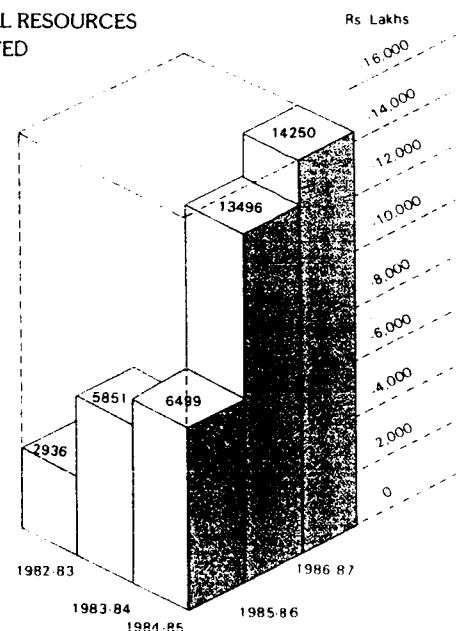
## PUBLIC DEPOSITS

The Public Deposits Scheme introduced in July 1981 continued to receive good response and the amount of deposits collected stood at Rs.60.95 crores as against Rs.29.74 crores as at 31st March, 1986. The amount of deposits matured but unclaimed as at 31st March, 1987 was Rs. 7.78 lakhs in respect of 86 depositors.

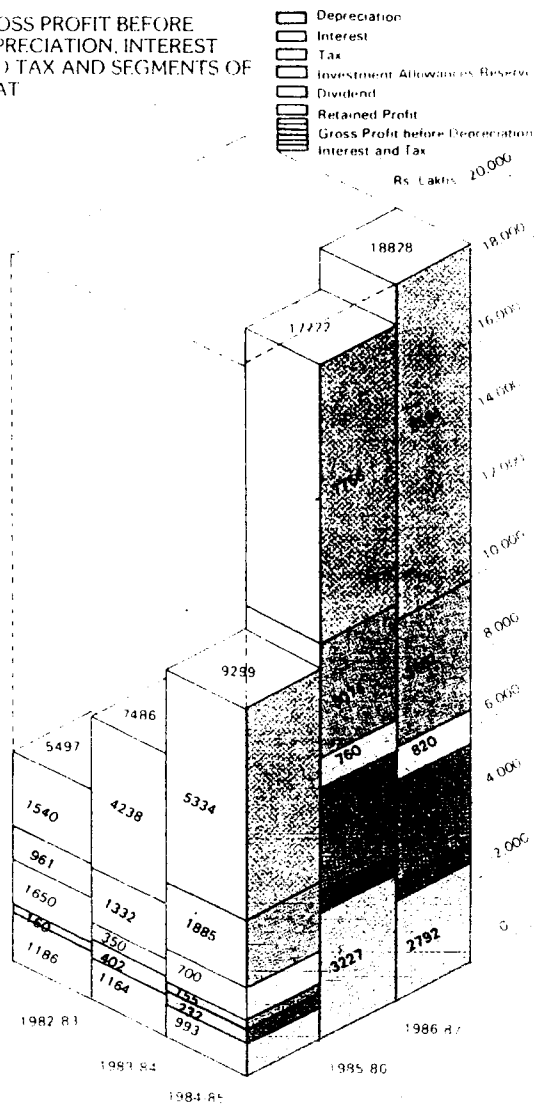
## NET WORTH

The net worth of the Corporation increased by Rs. 56.56 crores from Rs. 177.53 crores to Rs. 234.09 crores as at 31st March, 1987.

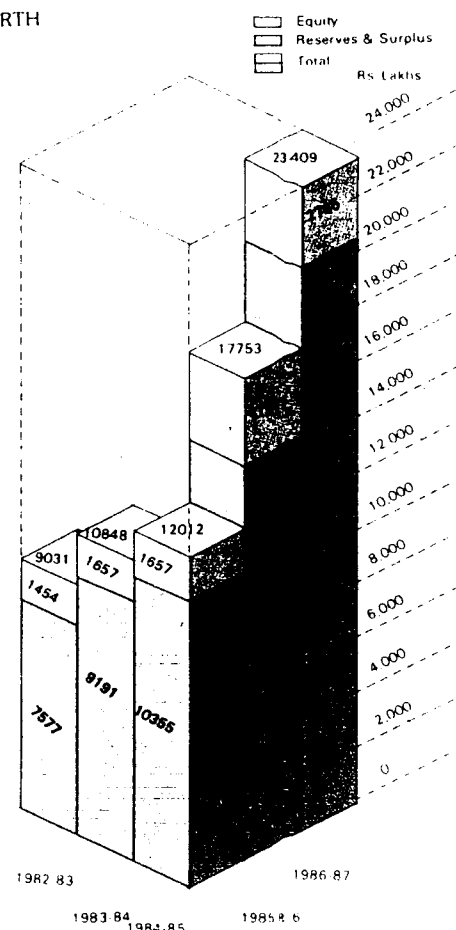
## INTERNAL RESOURCES GENERATED



## GROSS PROFIT BEFORE DEPRECIATION, INTEREST AND TAX AND SEGMENTS OF THAT



## NET WORTH



## REFINING

### Crude Consumption

The highest ever monthly throughput of 6.23 lakh tonnes was achieved in March 1987. During the year 1986-87, the crude consumption was 5.57 million tonnes which was lower than the previous year because of the scheduled 35 days shutdown of Crude Distillation Unit. The quantity of indigenous crude processed (Bombay High and Ratna Heera crudes) was 5.46 million tonnes which accounted for 97.9% of the total crude processed.

### Production

Total production of refined products during the year was 5.56 million tonnes.

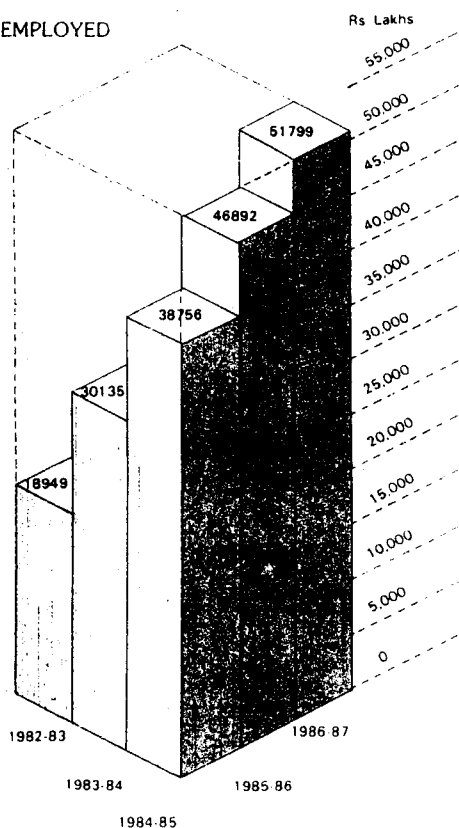
The actual yields achieved were as under :

	1986-87	1985-86
Light Distillates	22.6%	22.3%
Middle Distillates	58.2%	56.7%
Heavy Ends	13.8%	14.8%
Fuel & Loss*	5.4%	6.2%
	100.0%	100.0%

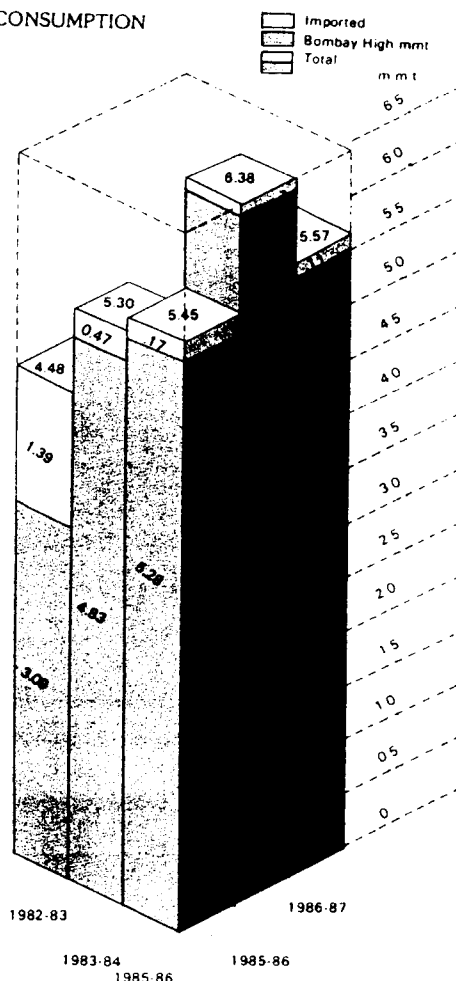
\* Excludes B.H.

Associated Gas used as fuel 0.44% 0.01%

### CAPITAL EMPLOYED

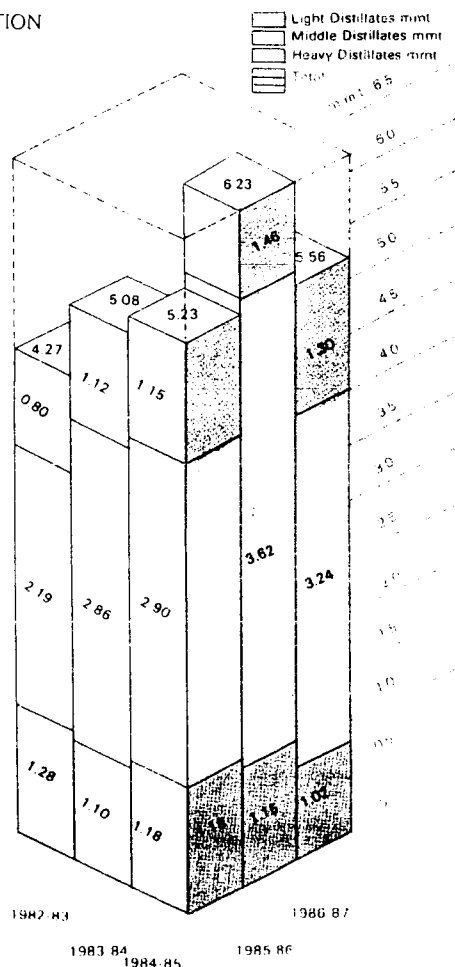


### CRUDE CONSUMPTION



The total distillates yield at 80.8% is the highest ever achieved by this refinery and is also the highest amongst all the refineries in the country for 1986-87. This was possible as a result of higher onstream factor of the new Secondary Processing Units. The fuel and loss was kept lower in 1986-87, compared to 1985-86 by commissioning (i) the air pre-heaters in CDU furnace, (ii) the new high-efficiency FPU furnace, and (iii) smooth and stable operation of CO Boiler with burning of Carbon Monoxide. FCCU achieved a record sustained intake of 2650 MT/D, which is 150% of its design capacity on Bombay High feedstock.

## PRODUCTION



## Safety

During the year, the Refinery created a new record by achieving 5 million manhours without a lost-time accident for the first time after nationalisation. The Refinery has already surpassed during the current year, the highest ever record of 7.14 million manhours without lost-time accident achieved in this Refinery in the past.

The following statistics show the pattern of energy utilisation.

Year	No. of crude oils processed	Total crude intake '000 MT	Bombay High intake % Weight	Fuel & Hydro-carbon Loss % Weight	CEL Index
1985-86	7	6389.0	98.9*	6.2	110.2
1986-87	7	5579.6	97.9*	5.8	99.3

\* 0.9% wt. in 1985-86 and 0.4% wt. in 1986-87 of Ratna Heera Crude processed.

## Fire Fighting

A modern fully equipped Fire Station was commissioned, replacing the old Fire Station. During March 1987, which was designated as the Fire & Safety month, the campaign through talks, posters and films to prevent fire & safety hazards, received further impetus.



The watchwords "Safety-first" have consistently been adhered to by BPCL. This Ultra modern, fully equipped fire station commissioned at the Refineries this year lends credence to the fact.

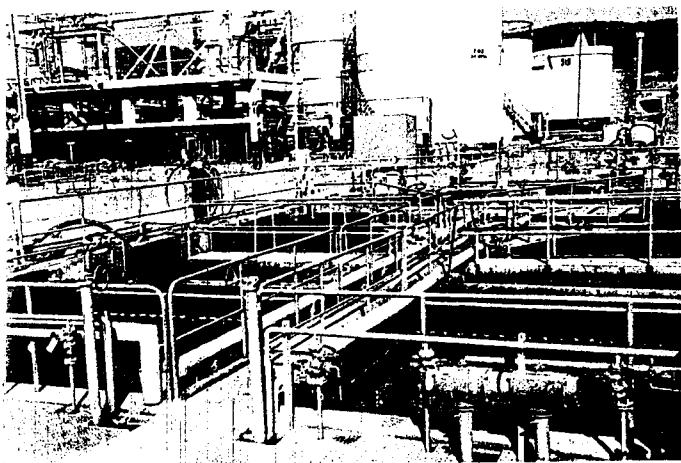
## Energy and Environmental Conservation

Energy conservation projects viz. provision of air preheaters in CDU furnaces and replacement of FPU furnace by a new high efficiency unit were completed as per schedule and commissioned in May 1986. These measures have brought down the fuel consumption and consequently atmospheric pollution.

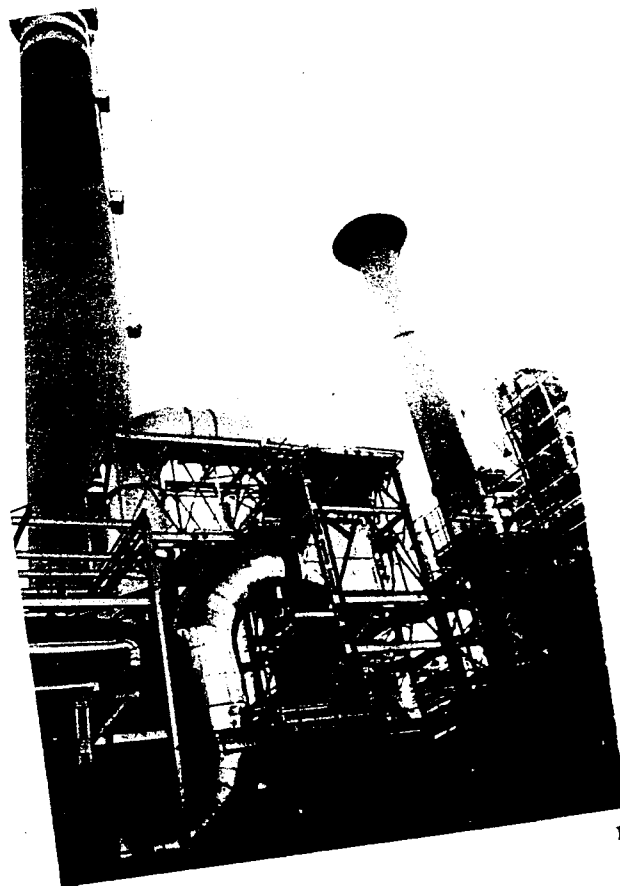
Environmental conservation efforts continued to receive due emphasis. Liquid effluent quality and gaseous emissions were kept within permissible levels by regular monitoring and control. In addition, ambient air quality within the refinery was regularly monitored. Environmental conservation projects such as Water Treatment Plant to treat liquid effluent to Minimal National Standards (MINAS), continuous ambient air/stack gas quality monitors, etc. were satisfactorily

progressed. A new Environmental Control Laboratory was commissioned during the year.

Tree Plantation activities were intensified.



**Corrugated-plate Interceptors** — Help in skimming oil from the seawater before it is returned to the sea, thus ensuring that there is no water pollution.



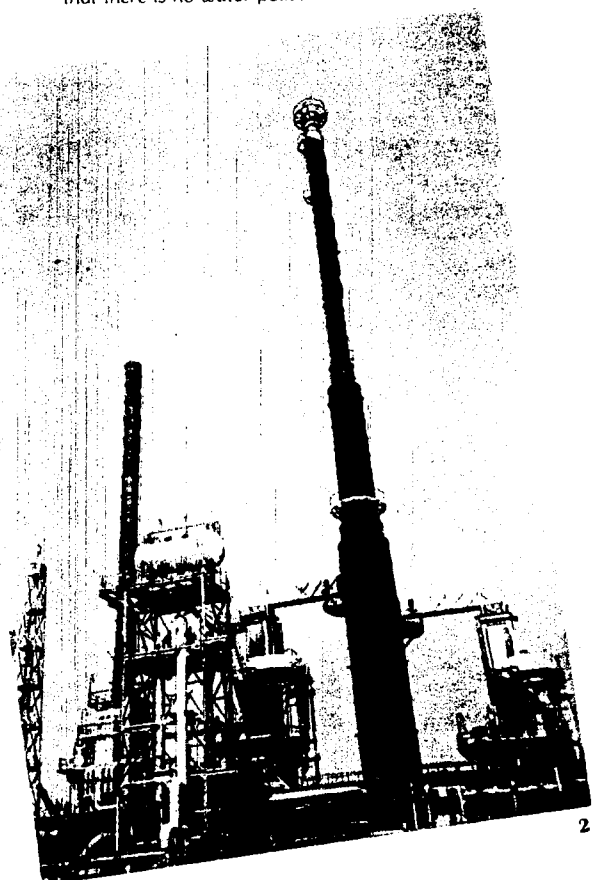
**The new Pre-heater Unit in CDU Furnaces(1) and the Aromatic Unit Stack (2)**—Ensures low fuel consumption and controls atmospheric pollution

## MARKETING

Total sales volume rose by 4.7% from 7.57 million tonnes in the previous year to 7.93 million tonnes during the year under report, and the Corporation's marketing participation for the year was 18.3%.

By way of expansion of retailing network 96 retail outlets (including 28 in the rural areas) and 19 kerosene/LDO dealerships and 32 HSD consumer pumps were commissioned during the year. The cumulative total of these at the close of the year stood at 3663, 836 and 180 respectively.

In keeping with our emphasis on quality control, our Product & Application Development Department carried out quality control audits at our major installations and depots, and conducted training courses for our operating staff. We were the first oil company to get approval from Maruti Limited for a multigrade oil with a drain period of 10,000 kms.



On the Aviation side, we have been awarded the business of Iberia Airlines and Thy-Turkish Airlines who started their operations in India for the first time during 1986-87. Similarly the business of Singapore Airlines, which started their additional operations from Delhi during the period, was also awarded to us. With the commissioning of our International Aviation Service Station at the Calcutta airport during the year, the Corporation's network aviation service stations in the country now stands at nine.



*The first aircraft being fuelled by BPC's newly commissioned International aviation service station at Calcutta Airport.*

In the marketing of LPG, our efforts continued to be directed towards improvement of customer service and extension of LPG facilities to more number of customers/markets. As a step towards better consumer service, BPC distributors in Bombay and Delhi have introduced the automatic telephone recording machines for booking of refills by consumers round the clock. This has been greatly appreciated and we are considering extending this facility to certain other towns.

Until recently, an LPG consumer used to be attached to a particular distributor. This concept was changed and since June 1986 consumers in Calcutta, Delhi and Madras are free to change their distributors according to their choice. This scheme is expected to improve consumer service and will be considered for extension, on selective basis, to other towns in a phased manner.

During the year, we commissioned 105 distributorships of which 40 were in virgin markets, bringing the total number of distributorships to 616 at the close of the year. The number of new customers enrolled during 1986-87 totalled 3.90 lakhs, against a target of 3.50 lakhs, bringing BPC's LPG customer population to 26.99 lakhs. Safety education of LPG consumers, through multi-media campaigns, safety clinics and training of distributors and their staff through distributors' seminars and training courses continued to be given great emphasis.

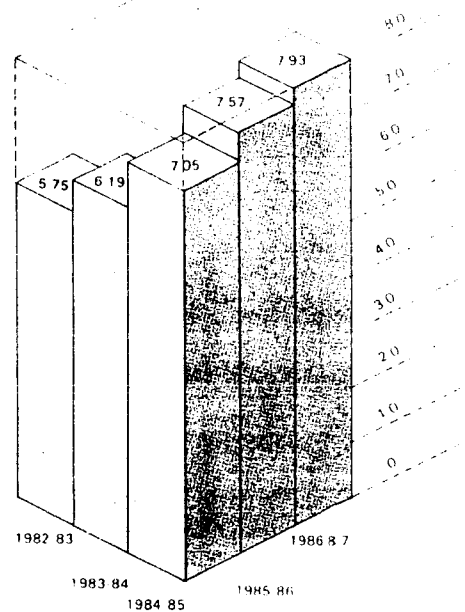
As a nodal agency, the Corporation has arranged for transfer of technology for indigenous manufacture of an

improved version of pressure regulators of the 'Sierra' type. Adequate manufacturing capacity has been developed in the country and future procurement of regulators by the Corporation will, by and large be of this type.

As the canalising agency for imports of LPG for the Industry, 21831 tonnes of LPG were imported to supplement the indigenous availability during the year under review.

At the close of the year, the Corporation had 5 Port Installations, 4 Inland Installations, 2 Lub-Oil Blending Plants and 50 Bulk Depots with an aggregate tankage of 7.49 lakhs KLs. besides 15 Packed Lubricants Storage Depots. The Corporation owned and operated 211 vehicles and handled 265.78 lakh KLs. products during the year.

SALES VOLUME mmt

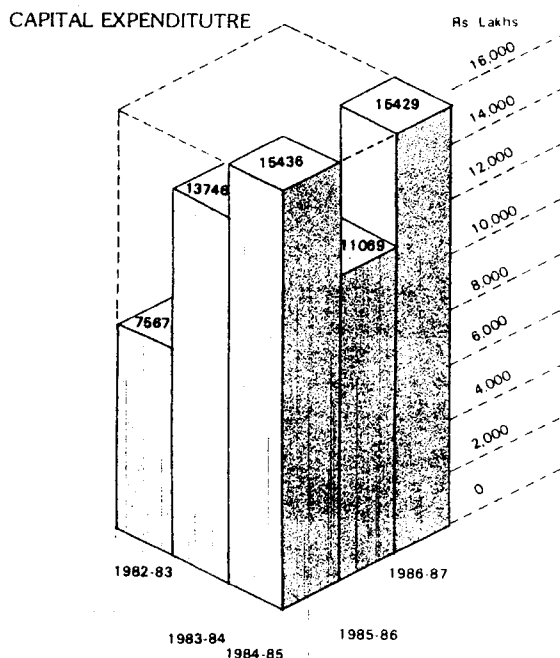


*BPC's Customer Service Scheme places great emphasis on the safe and economic use of LPG. An LPG Safety Clinic being conducted by our diligent sales officer.*



## MAJOR PROJECTS

The Corporation continued to lay emphasis on completion of projects without any cost or time over-run. Major projects under implementation are briefly outlined below:



## A. ONGOING PROJECTS

### Captive Power Plant Project

This project is aimed at insulating the Refinery operations from fluctuation/disruption in supply of external power, and to make available un-interrupted power supply to critical units of the Refinery at all times in addition to Co-generation of steam.

The estimated cost of this project is Rs.43.61 crores. This project which is being partly financed by World Bank Loan, is scheduled for mechanical completion by May 1988.

### Energy Conservation

Major ENCON Project of our Refinery has three schemes, viz.

1. Additional exchangers and air pre-heaters in CDU, costing Rs.4.29 crores with a resultant annual saving in fuel of about 26660 tonnes.
2. New Furnace in Feed Preparation Unit (FPU), costing Rs.5.08 crores with an annual saving in fuel of about 6,690 tonnes.
3. CO Boiler for existing Cat. Cracking Unit (CCU), estimated to cost Rs.8.25 crores which will result in saving of about 5,910 tonnes of fuel per annum.

Schemes 1 & 2 have already been completed and commissioned. The benefits in respect of fuel savings have started accruing to the Corporation.

Substantial progress has been made in respect of the third scheme for installation of CO Boiler in existing Cat. Cracking Unit and is scheduled for completion and hook up during the planned shutdown of CCU in 1988. This scheme, partly financed by World Bank Loan, when commissioned, will apart from saving in fuel also result in reduction of CO emissions into the atmosphere.

### Modification of CDU Furnace

As a part of Energy Conservation measure, it is also proposed to replace old furnaces in Crude Distiller Unit by more efficient furnaces in a phased manner.

Under Phase I of this project, the old B2A furnace is proposed to be replaced by a new modern design of vertical cylindrical type with an efficiency of about 91%. Work on this project, estimated to cost Rs.5.65 crores, is progressing as per schedule, for completion by March 1988.

Under Phase II of this project, it is proposed to augment the B1 Furnace by a new, modern & efficient furnace. This Scheme envisages replacement of a large number of existing small exchangers by properly sized larger exchangers in the available space in a phased manner,



Additional product tankage under Phase I being constructed at Butcher Island. Observe the people working on the other end of the tank. It will give you an idea of its gigantic size.

and is estimated to cost Rs.13.40 crores, scheduled for completion by December 1989.

When commissioned, this scheme will, apart from saving in fuel, also result in further reducing atmospheric pollution.

#### **C<sub>3</sub>C<sub>4</sub> Separation Facilities Project**

Work on this project costing Rs.21.90 crores is progressing as per schedule for completion by end 1988.

The basic objective of this project is to separate C<sub>3</sub>/C<sub>4</sub> streams from cracked LPG at the Refinery and transportation of C<sub>3</sub> stream to proposed Polypropylene plant of Maharashtra Gas Cracker Complex (MGCC) at Nagothane.

#### **Improvement of Effluent Discharge Facilities—MINAS Project**

Presently, the effluent discharge from our Refinery is fully meeting the requirements of quality as prescribed by the Maharashtra Pollution Control Board. However, as a step further in the direction of our continuous efforts towards conservation of environment, a project to further treat effluent streams from the Refinery and meet the Minimal National Standards is under implementation. Estimated cost of this project is Rs.7.76 crores and it is scheduled for completion by June 1989.



Six tanks with a total capacity of 1,62,000 Kls will constitute the new tankage on Butcher Island. Here we see two of these tanks taking shape.



Not the 'Great Wall of China' but the early stages of a product storage tank under construction.

### **Additional Product Tankage**

Phase I of this project for providing 162,000 KLs of tankage at Butcher Island and 129,800 KLs. at 10 other locations in the country at an estimated cost of Rs. 25.89 crores has already been completed by March 1987.

Under Phase IIA 81,900 KLs. tankage will be constructed at the Refinery/Sewree Installation and 33,898 KLs. tankage at 10 Depots and 1 Airfield Service Station at an estimated cost of Rs. 10.41 crores.

*An absorbing view of the compressor shed*



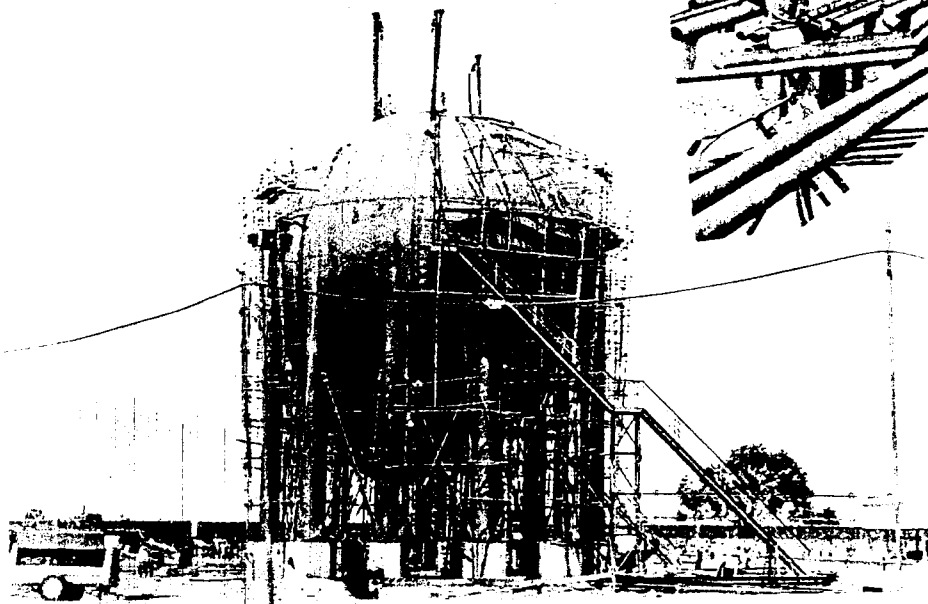
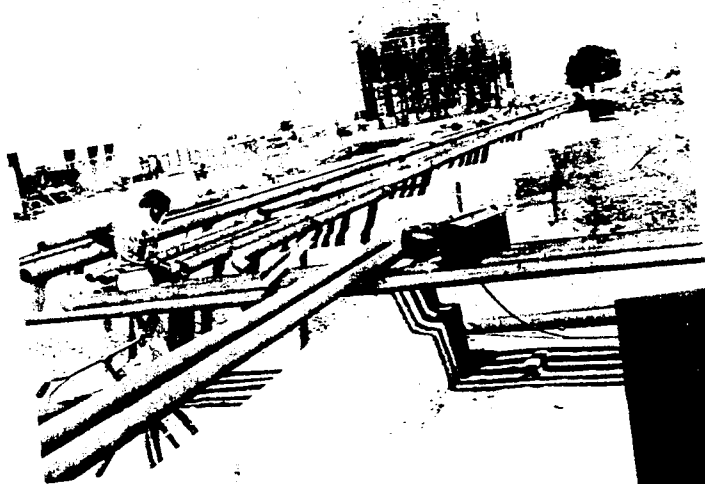
### **Marketing of LPG—Phase III**

Under this project, in order to market an additional quantity of 226,800 tonnes of LPG, 15.5 lakh new customers will be enrolled. For this purpose, the Corporation is setting up 12 new Bottling Plants with a total capacity of 275,000 TPA at an estimated cost of 239.03 crores.

While the LPG Bottling Plant at Mangalore for filling 12,500 TPA of LPG was commissioned a year ahead of schedule in September 1986, at Jabalpur, the 25,000 TPA plant has been mechanically completed by March 1987. Since then, yet another plant of 12,500 TPA at Jalgaon has also been completed by end June 1987. Before March 1988, a 30,000 TPA plant at Ambala, a 12,500 TPA plant at Solapur, a 75,000 TPA plant at Asaoti near Delhi and two 5,000 TPA plants at Lucknow and Khurda are expected to be completed. The remaining 4 bottling plants will be completed in stages during 1988.

### **The different stages of construction of the LPG plant**

*Pipe lines being laid on sleepers*

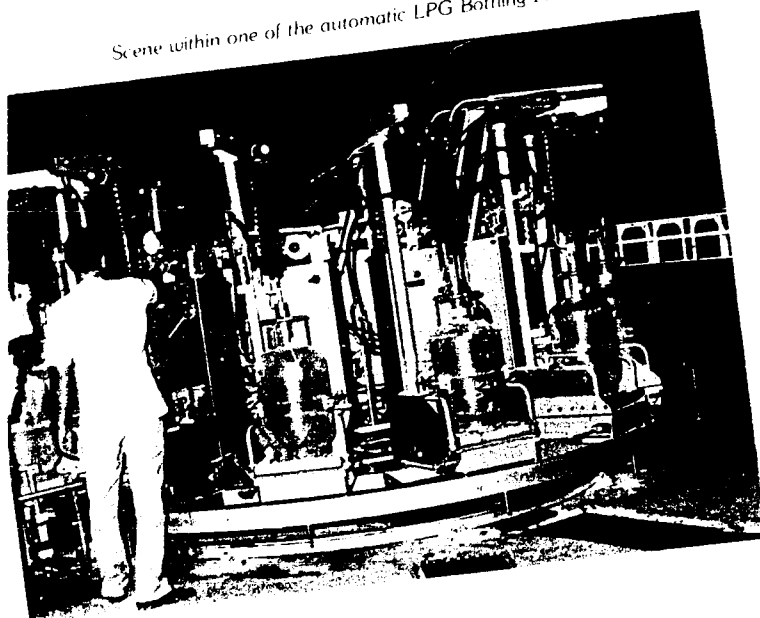


*A Horton sphere in the making*



As at end March 1987, about 13 lakh customers have been enrolled, 21.40 lakh Cylinders and the total requirement of 15.81 lakh Regulators have been procured.

Scene within one of the automatic LPG Bottling Plants



BPCL leaps into the 21st century



Pullers at dock

### LPG Mini Bottling Plants

In addition, with a view to supplementing the LPG Bottling capacity, the Corporation has commissioned a 6,500 TPA capacity Mini Bottling Plant at Jaipur in November 1986. Another Plant of similar capacity is under construction at Bareilly and it is expected to be completed shortly. These two Mini Bottling Plants are estimated to cost Rs.4.42 crores.

### B. NEW PROJECTS

Apart from the on-going projects mentioned earlier, the Corporation has submitted following major project proposals to the 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 Schedule ..36 months from the date of Government approval.

#### Extraction of N-Paraffins

Proposed Manufacture ..70,000 TPA of N-Paraffins based on Kerosene Cut from Bombay High Crude.

Estimated Cost ..Rs.96.9 crores.

Completion Schedule ..30 months from the date of 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 the area broadly covering Manmad/Aurangabad/Akola/Amravati/Nagpur/Jabalpur.

Estimated Cost ..Rs.144.80 crores.

Completion Schedule ..40 months from the date of 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.58.34 crores.

Completion Schedule ..Within 36 months from date of Government approval.

## PERSONNEL

In line with the continuing philosophy that Human Resources constitute the Corporation's most important asset, ever increasing emphasis is being placed on Training & Development at all levels, including Workmen. Formal in-house training is being organised at the Corporation's Residential Training Centres at Juhu and Sewree, Bombay, as well as at the Refinery and at the four Area Offices. During 1986-87, 173 Courses benefitting 2,523 Management Staff were conducted as against 125 Courses benefitting 1,796 Management Staff during the earlier year. Additionally, selected personnel were also nominated to external training programmes conducted by various well-known training institutions. Apart from formal Training, continuing emphasis is being laid on the most important aspect of "on-the-job" training and counselling.

### Training at Refinery

The Training Centre organised various programmes/courses both technical and managerial, to develop the potential of the employees and to improve on-the-job efficiency.

Training programme for clerical/labour employees were intensified. Courses for Personality Development (in Hindi, English and Marathi), Quality Circle programme (in Marathi), Familiarisation/Induction Programme (in English and Hindi) were organised regularly. Process Technicians were regularly sent for training on a process simulator. The Company has plans to procure a large scale process simulator.

### Training for S&D and Bottling Plant Operatives

A training Centre with hostel facility for 16 participants was started at Sewree. The facility was extensively used for training Operational Staff in S&D and LPG Bottling Plants and 176 personnel were trained during the year

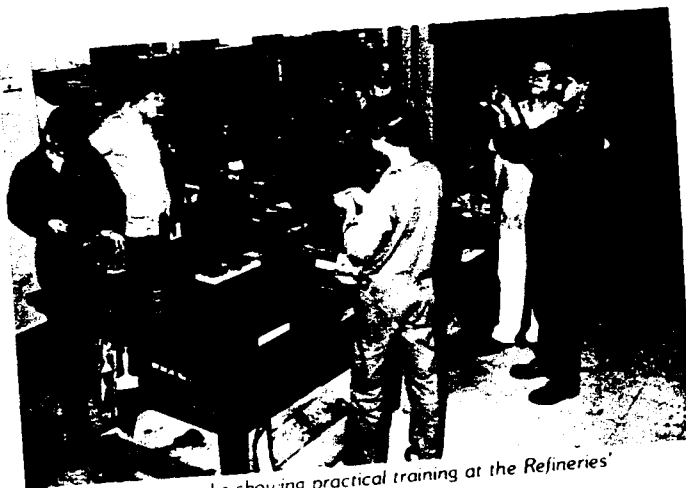
## Industrial Relations

During the year under review Industrial Relations were generally cordial and constructive. An All-India Long Term Settlement was signed for the first time on 22.8.1986 in conciliation before the Regional Labour Commissioner (Central) Bombay, with all the Unions in Marketing. This replaced the earlier system of 5 separate Regional Settlements. The Settlement is valid for a period of 4 years. Negotiations with the Unions on the issue of An All-India Settlement on Uniforms/Protective Work Clothes have been successful and a settlement was signed on 28.4.1987.

Bombay Area and Delhi Area completed 1 million manhours each without lost time accident.

As a measure of the Corporation's commitment to employee welfare, Holiday Homes have been provided for the workmen at Puri, Kovalam, Murud-Janjira, Panhala, Trimbakeshwar, Aurangabad and Ganpatipule.

In the Refinery a medical camp for the Physically Handicapped children of employees was organised. A vocational guidance talk-cum-exhibition was also organised for children of employees who were at the threshold of choosing their careers.



Photographs showing practical training at the Refineries' training centre



## REPRESENTATION OF SC/ST

At the time of 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 4,575 in the staff strength between 24th January, 1976 and 31st March, 1987, those belonging to SCs/STs were 1,384 or 30.3% out of whom 1,046 (22.9%) belonged to SCs and 338 (7.4%) to STs. The representation of SC/ST in the total employee population (excluding sweepers) of 9,381 is of the order of 1,493 i.e. 15.9% as at 31st March, 1987.

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.

During the year under report the following visited the Corporation in connection with welfare of Scheduled Castes/Scheduled Tribes:

1. Study Group I of the Parliamentary Committee on the Welfare of Scheduled Castes/Scheduled Tribes on June 23, 1986.
2. Chairman of the Commission for Scheduled Castes/Scheduled Tribes on December 18, 1986.

Members of the Parliamentary Committee and the Chairman of the Commission for Scheduled Castes/Scheduled Tribes had discussions with the Chairman and Managing Director and other Officers of the Corporation.

## COMMUNITY WELFARE

The Corporation continues to extend assistance to social and educational institutions. Scholarship were given to 15 students and a health camp was organised in Mahul village. Under the 20-point programme scholarships were given to 100 students in Chembur schools



### The Company that cares

BPCL promptly rushed to the aid of the drought affected people in Maharashtra. The Corporation donated a large sum of money, loaned 15 tanklorries to the Chief Minister's drought relief fund and commissioned 15 tubewells.

Seen in the photograph is Mr. U.M. Kini, Chairman and Managing Director of BPCL handing over the keys of a tanklorry to Mr. S.B. Chavan, Chief Minister of Maharashtra. On the extreme right is Mr. Murlidhar M.P.

In addition, the Corporation made donations to educational institutions to supplement their efforts in putting up buildings and providing libraries.

We continued our assistance in research and development as well as advanced health treatment by

assistance to various hospitals and research institutions. We continued our assistance to family welfare by helping the Zilla Parishad at Raigad.

Many parts of Maharashtra were affected by drought. The Corporation was one of the Organisations to step forward to help the Maharashtra Chief Minister's Drought Relief Fund. Apart from a cash contribution of Rs.5 lakhs, 15 tanklorries were made available to the State Government for a period of four to five months, for carrying water.

A successful video film on drug awareness called "MANAS" was made by the Corporation. This has already received overwhelming response and a very large number of schools and social bodies have come forward to show this to their students, faculty members and community citizens.



*Our civic consciousness extends to community welfare programmes*

*A blood donation camp organised by BPCL at Mahul*

*(Below)*

*To help the underprivileged and the handicapped, BPCL responds positively to the appeals made by various social organisations and individuals*

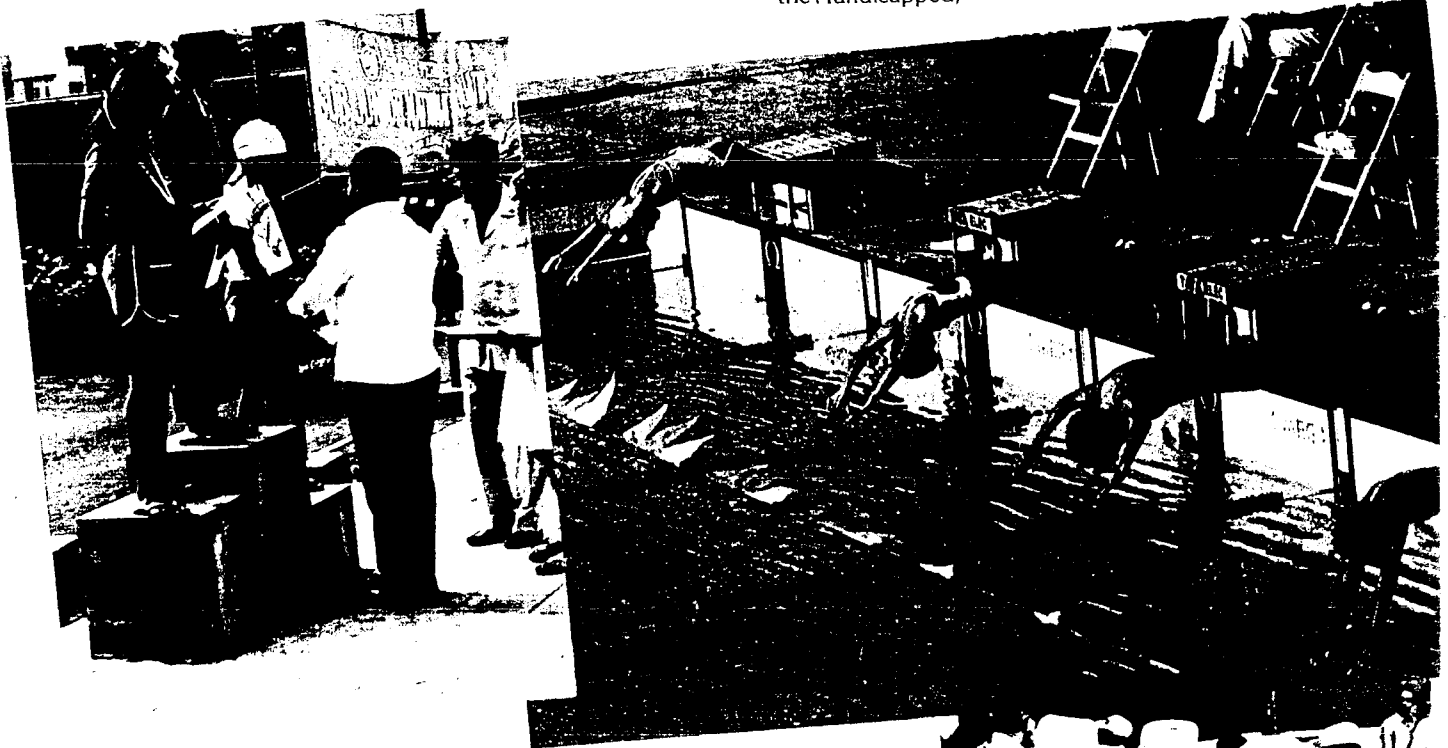




### Providing Opportunity for Youth in Sports

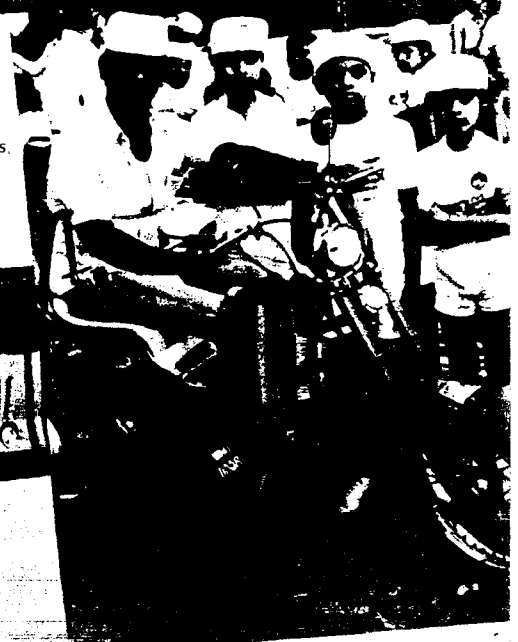
The Corporation's belief has always been that maximum benefit from any scheme for improving the quality of sports can come if one starts at a very young age. In keeping with this philosophy, the Corporation sponsored during the years the 3rd Sub-Junior National Swimming Championship, the 42nd National Aquatic Championship in Ahmedabad, the Western India Lawn

Tennis Championship and the Maharashtra Sub-Junior Tennis Circuit as well as the Junior Coaching Camp for Football conducted through Bombay District Football Association. In keeping with the Corporation's ideals to give equal opportunities to all, the Corporation sponsored the XIth Maharashtra State Aquatic, Athletic competition & Indoor Games Tournament for the disabled organised by NASEOH (National Society for Equal Opportunities for the Handicapped)



### The Sporting World of BPCL

*During the year, we fuelled youth power in sporting events such as aquatics, athletics, tennis, etc. Special sports programmes were sponsored for the physically handicapped.*



### BPCL's crusade against drug addiction

In keeping with its tradition of being the Company that cares, Bharat Petroleum Corporation has launched a major crusade against drug addiction.

"Manas" a public service film sponsored by BPCL very effectively portrays the harrowing experience of a drug addict. It brings the viewer face-to-face with the stark realities of drug addiction and what it can lead to.

The film has received a positive response from all sections of the society.



Don Bosco High School  
Panjim Goa 403001

Dear Sir,

The unanimous opinion of the Management and Staff is that this truly excellent and efficacious Film has more than fulfilled its objective. It not merely gives us a slice of life and a minute look at stark reality, but simultaneously serves in large measure as a strong deterrent to the lives and ever present threat of being ensnared by this scourge.

The Film itself is forceful and clear, it captivates and sustains interest, provokes thought, is lucid in its presentation, rich in content and has decidedly the pronounced ability to make a strong impact on any audience and fulfill its objective.

**ATTENTION**  
PRINCIPALS, HEADMASTERS  
& TEACHERS

**A FILM  
EVERY SCHOOL AND  
COLLEGE STUDENT  
MUST SEE**

# MANAS

A PUBLIC SERVICE FILM  
PRODUCED BY:  
BHARAT PETROLEUM  
DIRECTED BY:  
KUNDAN SHAH

A STARK, REALISTIC  
FILM DEPICTING THE  
EVILS OF DRUGS.  
ONCE SEEN,  
CANNOT BE  
FORGOTTEN.



**Bharat Petroleum**  
THE COMPANY THAT CARES

**PHILIPS CLUB**



SAGAR ESTATE BLOCK 'A', DR. ANNE BESANT ROAD, WOHLI, BOMBAY 400116. Tel.: 401200/140110

Dear Sir,  
The story of "MANAS" vividly tells the sad tale of the degradation of a drug addict, who once was a very brilliant student, and it is sure to convey its grim message. Your film deserves wide audiences. Everybody will admire your thought-provoking, nobly-motivated effort. It is a sort of a band-aid on the festering wounds of the Society. All the beautiful sentiments in the world weigh less than a single lovely action.

## Hooked on drugs

Manas is an archetypal college goer who takes a sniff at brown sugar out of sheer curiosity and gets slowly, inexorably hooked to it

'Manas' offers no easy solutions as it is not about the cures available but more about the roles, society, home and parents could play to curb the drug menace.

Produced by Bharat Petroleum (BP) in "fulfilment of its social objectives", the film is proposed to be shown in schools and colleges to bring home to the impressionable youth the inherent dangers in fooling with drugs.

A laudable objective indeed.

(The Economic Times)  
Dated: 26.7.87

## Shattering film on drug addiction

Bharat Petroleum, a public sector undertaking, has produced "Manas", a film on the impact of drug on youths with a gripping, moving drama that

brings out in stark realism the tragic end of a brilliant science student who takes to smoking "brown sugar" merely on an impulse.

(Hindustan Times, New Delhi)  
Dated: 26.7.87

## Film on Drug Addiction

A drug addict cannot be cured unless he has the will power to give up drugs and is brought for treatment in the early stages.

This is the message of 'Manas', a social welfare 50-minute feature film by Bharat Petroleum, which has been made as part of its social welfare projects for free distribution in schools, colleges and other institutions.

(The Times of India)  
Dated: 23.7.87

## Perils of drug addiction

Manas a video film on drug awareness sponsored by Bharat Petroleum and produced by Kundan Shah is an excellent film. It forcefully brings home

the perils of taking drugs and the steps that parents and teachers should take to help check this threatening menace.

(Afternoon Despatch & Courier)  
Dated: 16.4.87

## Stark portrayal of drug addiction

Bharat Petroleum's Manas, a public service film directed by Kundan Shah, is a serious attempt to explore the hows and whys of drug addiction.

It explores the whole gamut of drug-related problems—the curiosity-based initiation, the almost immediate dependence on a highly addictive substance, the attitude of the parents as the addict falls apart, the complete slavery to which apparently normal individuals can be reduced and, finally the variety of problems that crop up during drug addiction.

(The Sunday Observer)  
Dated: 26.7.87



*The Personal Computers installed in the Corporation have helped in streamlining the massive volume of accounting and management information (left)*

*The Corporation spares no effort in popularising National language and Hindi is included in the training. Participants in a Hindi workshop (below)*



## IMPLEMENTATION OF OFFICIAL LANGUAGE

Apart from the Chairman's Office and Area Offices in the four metropolitan cities, Official Language Implementation Committees have been set up to cover all the Divisions and Installations in various parts of the country. 25 Hindi classes were conducted at different locations. The Corporation continues to lay emphasis on training in Hindi and organised 12 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 Bombay and Jaipur.

## 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 1 to this Report.

## DIRECTORS

As per Article 77 of the Articles of Association of the Corporation, only the Directors, other than the whole-time Directors, are subject to retire; and such Directors retire only at every 3rd Annual General Meeting. Since such Directors retired at the Annual General Meeting

held in September 1985, no Director would be retiring at the end of the ensuing Annual General Meeting.

## 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 1987-88 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

Bombay, Dated: 27.7.1987



## PERFORMANCE PROFILE

	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78 (15 Months)
Crude Oil Processed (000 Tonnes)										
Imported	105	67	175	468	1384	904	1268	1301	1840	3826
Indigenous	5467	6311	5279	4829	3093	4090	3603	3540	2866	1803
	5572	6378	5454	5297	4477	4994	4871	4841	4706	5629
Fuel and Loss as % of Crude Processed	5.8	6.2	4.5	4.4	4.7	4.8	4.9	4.7	5.0	5.2
Sales Volume (000 KL)	9899	9410	8789	7711	7124	6541	6473	6136	5781	6483
Market Participation %	18.3	18.7	18.3	17.5	16.8	16.4	17.2	16.7	16.3	16.4
Sales and Earnings	RS. LAKHS									
Sales and Other Income	251541	235147	213936	187936	173300	152504	122364	94598	78422	80027
Gross Profit before Depreciation	18828	17722	9299	7486	5497	4856	3940	3299	2938	2401
Interest and Tax	8594	7756	5334	4238	1540	1222	1251	771	455	190
Depreciation	3382	3074	1885	1332	961	673	378	46	28	160
Interest	6852	6892	2080	1916	2996	2961	2311	2482	2455	2051
Profit before Tax	820	760	700	350	1650	1554	1267	1505	1589	1265
Tax	6032	6132	1380	1566	1346	1407	1044	977	866	786
Profit after Tax										
What the Company Owned										
Gross Fixed Assets	75225	60048	49569	34516	20921	13459	9625	7380	5812	4995
Net Fixed Assets	42806	35960	32920	22852	13367	7360	4708	3657	2825	2459
Net Current Assets	8993	10932	5836	7283	5582	6956	8691	2675	2158	3619
Total Assets Net	51799	46892	38756	30135	18949	14316	13399	6332	4983	6078
What the Company Owed										
Share Capital	2785	2785	1657	1657	1454	1454	1454	1454	1454	1454
Reserves and Surplus	20624	14968	10355	9191	7577	6181	4978	4105	3191	2500
Net Worth	23409	17753	12012	10848	9031	7635	6432	5559	4645	3954
Borrowings	28390	29139	26744	19287	9918	6681	6967	773	338	2124
Total Funds Employed	51799	46892	38756	30135	18949	14316	13399	6332	4983	6078
Internal Generation	14250	13496	6499	5851	2936	2425	2123	1684	1146	794
Value Added	33409	29218	22350	18646	12974	11230	10076	8383	7625	7136
Ratios										
Gross profit before Depreciation Interest and Tax as % of Sales and Other Income	7.5	7.5	4.3	4.0	3.2	3.2	3.2	3.5	3.8	3.0
Profit after Tax as % of Average Net Worth	29.3	41.2	12.1	15.7	16.2	20.0	17.4	19.1	20.1	21.5
Profit after Tax as % of Share Capital	216.7	220.2	83.3	94.5	92.6	96.8	71.8	67.2	59.6	54.1
Average Net Worth as % of Share Capital	739.0	534.3	689.8	599.9	573.1	483.7	412.4	350.9	295.7	251.2

## SOURCES AND UTILISATION OF FUNDS

	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78
	(15 MONTHS)									
<b>SOURCES OF FUNDS</b>										
<b>OWN</b>	RS. LAKHS									
Profit after Tax	6032	6132	1380	1566	1346	1407	1044	977	866	786
Excess provision for Taxation in earlier year written back (Net)	13	—1	16	48	50	—	32	111	—	—
Depreciation	8594	7756	5334	4238	1540	1222	1251	771	455	190
Shareholders' Investment	—	—	—	203	—	—	—	—	—	—
<b>BORROWINGS</b>										
Loans	—749	2396	7457	9369	3237	—286	6194	435	—1786	624
LPG Deposits	2764	3280	2599	2056	1162	666	124	78	140	59
Decrease in Working Capital	—	—	—	—	214	1072	—	—	1320	—
Adjustment on account of Deletion/Re-classification, etc.	—10	272	32	24	19	11	6	4	15	37
	16644	19835	16818	17504	7568	4092	8651	2376	1010	1696
<b>APPLICATION OF FUNDS</b>										
Capital Expenditure	15429	11069	15436	13746	7567	3886	2307	1607	835	429
Dividend	390	390	232	—	—	204	204	175	175	182
Investments	—	—	64	23	1	2	—	—	—	—
Increase in Working Capital	825	8376	1086	3735	—	—	6140	594	—	1085
	16644	19835	16818	17504	7568	4092	8651	2376	1010	1696

HOW EACH RUPEE EARNED  
HAS BEEN SPENT DURING 1986-87



PARTICULARS	1986/87	1985/86
	PAISE	PAISE
1. Raw Materials, Purchase of Products for Resale (Net) & Packages	63.34	65.03
2. Duties Taxes etc.	20.45	19.92
3. Transportation	3.30	3.23
4. Stores & Other Operating Expenses	4.13	3.29
5. Depreciation	3.32	3.20
6. Employee's Remuneration & Other Benefits	1.49	1.22
7. Interest on Borrowings	1.31	1.27
8. Retained Profits	2.19	2.37
9. Income Tax	.32	.31
10. Dividend	.15	.16
	100.00	100.00

## VALUE ADDED STATEMENT

VALUE ADDED STATEMENT			
		Rs. Lakhs	
	1986-87	1985-86	
<b>HOW VALUE IS GENERATED</b>			
Value of Production (Refinery)	<b>106307</b>	121342	
LESS: Direct Materials Consumed	<b>99401</b>	113678	
Added Value	<b>6906</b>	7664	
Marketing Operations	<b>26503</b>	21554	
Value Added by Manufacturing & Trading Operations	<b>33409</b>	29218	
ADD: Other Income	<b>6129</b>	5927	
Total Value Generated	<b>39538</b>	35145	
<b>HOW VALUE IS DISTRIBUTED</b>			
I. OPERATIONS			
Operating & Servicing Costs	<b>16862</b>	14474	
II. EMPLOYEES' BENEFITS			
Salaries, Wages & Bonus	<b>3020</b>	2294	
Other Benefits	<b>828</b> <b>3848</b>	655	2949
III. PROVIDERS OF CAPITAL			
Interest on Borrowings	<b>3382</b>	3074	
Dividend	<b>390</b> <b>3772</b>	390	3464
IV. INCOME TAX			
	<b>820</b>	760	
V. RE-INVESTMENT IN BUSINESS			
Depreciation	<b>8594</b>	7756	
Retained Profit	<b>5642</b> <b>14236</b>	5742	13498



## 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 Sec.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 Cost Review 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 Cost Review 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 Cost Review 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 provision on Pool Accounts are generally booked on the basis of available instructions/clarifications subject to final adjustment after audit, as stipulated. All other claims and provision 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. 100000 in each case pertaining to prior years, is charged to the current year. Pre-paid expenses upto Rs. 10000 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, 1987

	Schedule	Rupees	Rupees 1986
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholder's Funds:</b>			
(a) Share Capital	A	27,85,34,000	27,85,34,000
(b) Reserves & Surplus	B	206,23,39,932	149,67,62,738
		<u>234,08,73,932</u>	<u>177,52,96,738</u>
<b>2. Loan Funds:</b>			
(a) Secured Loans	C	39,37,52,856	45,21,98,931
(b) Unsecured Loans	C	244,52,94,063	246,17,41,529
		<u>283,90,46,919</u>	<u>291,39,40,460</u>
<b>TOTAL</b>		<u>517,99,20,851</u>	<u>468,92,37,198</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets:</b>			
(a) Gross Block	D	594,88,06,166	493,36,72,413
(b) Less: Depreciation	D	324,19,05,249	240,88,10,336
(c) Net Block	D	270,69,00,917	252,48,62,077
(d) Capital Work-in-Progress (At Cost) (includes Advance Payments, Materials at Site, In-Transit and with Contractors)	E	157,37,18,612	107,11,58,596
		<u>428,06,19,529</u>	<u>359,60,20,673</u>
<b>2. Investments</b>	F	1,01,52,585	1,01,39,109
<b>3. Current Assets, Loans &amp; Advances:</b>			
(a) Inventories	G	239,10,11,932	195,64,94,799
(b) Sundry Debtors	H	83,95,82,362	97,01,67,211
(c) Cash and Bank Balances	I	58,15,49,183	59,24,64,689
(d) Other Current Assets	J	8,32,392	21,65,146
(e) Loans and Advances	K	117,24,27,043	103,27,36,898
		<u>498,54,02,912</u>	<u>455,40,28,743</u>
Less: Current Liabilities & Provisions:			
(a) Liabilities	L	399,37,64,141	329,17,84,443
(b) Provisions	M	10,24,90,034	17,91,66,884
		<u>409,62,54,175</u>	<u>347,09,51,327</u>
<b>Net Current Assets</b>		<u>88,91,48,737</u>	<u>108,30,77,416</u>
<b>TOTAL</b>		<u>517,99,20,851</u>	<u>468,92,37,198</u>
Notes forming part of Accounts	U		

As per our Report attached

U.M. KINI  
Chairman and  
Managing Director

R.K. GAJREE  
Director (Finance)  
New Delhi, 24th July, 1987

K.S. MANIKASHETTI  
Secretary

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

B.D. MANIAR  
Partner  
Bombay, 27th July, 1987

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

MANI A. AIYAR  
Partner

# **PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1987**

			1986
	Schedule	Rupees	Rupees
<b>INCOME</b>			
Sale of Products		2499,67,80,929	2337,77,93,478
Miscellaneous Income	N	15,73,06,912	13,68,90,274
Increase/(Decrease) in Inventory of Finished Products	O	23,80,54,764	26,80,45,333
		<u>2539,21,42,605</u>	<u>2378,27,29,085</u>
<b>EXPENDITURE &amp; CHARGES</b>			
Purchase of Products for Resale(Net) [See note No. 1 (d)]		599,69,34,835	399,31,78,792
Raw Materials Consumed		1015,90,76,650	1155,88,85,233
Packages Consumed		21,43,70,692	20,95,99,257
Duties, Taxes, etc. & Other Charges applicable to Products		528,69,92,389	482,91,27,785
Transportation		85,36,16,612	78,39,14,507
Consumption of Stores, Spares & Materials	P	37,30,93,058	27,82,30,401
Fuel & Power	Q	12,20,51,469	10,24,82,606
Employees Remuneration & Other Benefits	R	38,47,61,035	29,49,42,459
Other Operating & Administration Expenses	S	91,02,51,712	72,33,60,055
Depreciation (See Note (vi) Schedule D)		85,93,56,446	77,56,36,127
		<u>2516,25,04,898</u>	<u>2354,93,57,222</u>
Profit		22,96,37,707	23,33,71,863
Prior Years' Income/(Expenses) Net	T	45,55,94,235	45,58,12,719
Profit before Tax		68,52,31,942	68,91,84,582
Investment Allowance Reserve		28,50,00,000	25,15,00,000
Provision for Taxation		8,20,00,000	7,60,00,000
		<u>36,70,00,000</u>	<u>32,75,00,000</u>
Profit after Tax		31,82,31,942	36,16,84,582
Transfer from Investment Allowance Reserve		7,32,624	2,62,284
Excess/(Short) Provision for Taxation in earlier years written back/provided for (Net)		13,40,012	-1,24,881
		<u>32,03,04,578</u>	<u>36,18,21,985</u>
Balance brought forward from previous year		7,746	80,521
Disposable Profit		32,03,12,324	36,19,02,506
Appropriations: Proposed Dividend		3,89,94,760	3,89,94,760
Transfer to General Reserve		28,13,00,000	32,29,00,000
		<u>17,564</u>	<u>7,746</u>
Balance Carried to Balance Sheet			
Notes forming part of Accounts	U		

As per our Report attached

U.M. KINI  
Chairman and  
Managing Director

R.K. GAJREE  
Director (Finance)  
New Delhi, 24th July, 1987

K.S. MANIKASHETTI  
Secretary

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

B.D. MANIAR  
Partner  
Bombay, 27th July, 1987

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

MANIA AIYAR  
Partner

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1987

### SCHEDULE A — SHARE CAPITAL

	Rupees	1986 Rupees
<b>(i) Authorised</b>		
5,00,000 Equity Shares of Rs. 1,000 each	50,00,00,000	50,00,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>(ii) Issued and Subscribed</b>		
2,78,534 Equity shares of Rs. 1,000 each fully paid	27,85,34,000	27,85,34,000
	<u>27,85,34,000</u>	<u>27,85,34,000</u>

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 by capitalisation of Capital Reserve.

(c) 48,534 shares of Rs. 1,000 each were issued as fully paid bonus shares by capitalisation of Capital Reserve.

### SCHEDULE B — RESERVES AND SURPLUS

	Rupees	1986 Rupees
<b>(i) Capital Reserve</b>		
As per last Balance Sheet	5,52,68,831	16,80,62,831
Less: Amount Capitalised during the year	—	<u>11,27,94,000</u>
	<u>5,52,68,831</u>	<u>5,52,68,831</u>
<b>(ii) General Reserve</b>		
As per last Balance Sheet	107,35,00,000	75,06,00,000
Add: Transfer from Profit & Loss Account	28,13,00,000	32,29,00,000
	<u>135,48,00,000</u>	<u>107,35,00,000</u>





## SCHEDULE B—RESERVES AND SURPLUS(Contd.)

	Rupees	1986 Rupees
(iii) <b>Investment Allowance Reserve</b>		
As per last Balance Sheet	36,79,86,161	11,67,48,445
Add: Transfer from Profit & Loss Account	28,50,00,000	25,15,00,000
	<u>65,29,86,161</u>	<u>36,82,48,445</u>
Less: Transfer to Profit & Loss Account	7,32,624	2,62,284
	<u>65,22,53,537</u>	<u>36,79,86,161</u>
(iv) <b>Profit &amp; Loss Account</b>	17,564	7,746
	<u>206,23,39,932</u>	<u>149,67,62,738</u>

## SCHEDULE C—LOANS

	Rupees	1986 Rupees
(i) <b>Secured</b>		
From Scheduled Banks secured by hypothecation of Stock in Trade at certain locations and Stores Stock at Refinery	39,22,55,362	45,00,00,000
Interest accrued and due	14,97,494	21,98,931
	<u>39,37,52,856</u>	<u>45,21,98,931</u>
(ii) <b>Unsecured</b>		
From Scheduled Banks	—	24,26,55,804
Public Deposits (includes Rs.9,74,00,000 maturing before 31st March, 1988)	60,95,48,000	29,73,68,000
Others (Includes Rs. 10,59,45,101 due for Repayment before 31st March, 1988)	183,27,01,711	192,05,48,171
Interest accrued and due on Public Deposits	30,44,352	11,69,554
	<u>244,52,94,063</u>	<u>246,17,41,529</u>
	<u>283,90,46,919</u>	<u>291,39,40,460</u>

# **SCHEDULE D—FIXED ASSETS**

Particulars (1)	COST			
	Gross Block As at 1-4-1986 (2)	Additions (3)	Deductions Including Reclassi- fications (4)	Gross Block As at 31-3-1987 (5)
	Rupees	Rupees	Rupees	Rupees
1. LAND—Including Advance Payments				
(a) freehold/Long Leasehold	4,27,68,687	55,40,085	(40,23,720)	5,23,32,492
(b) Leasehold on which premia are being written off over lease period	1,34,14,909	42,23,621	(4,89,01,782)	6,65,40,312
(c) Advance Payments	6,81,84,948	4,77,94,422	5,36,34,917	6,23,44,453
2. BUILDINGS	34,93,17,049	13,21,29,762	75,42,297	47,39,04,514
3. RAILWAY SIDINGS	2,33,82,267	10,29,430	—	2,44,11,697
4. PLANT & MACHINERY	195,73,64,581	22,74,61,924	2,26,57,580	216,21,68,925
5. TANKS & PIPELINES	72,48,66,438	20,11,17,409	9,28,974	92,50,54,873
6. FURNITURE & FITTINGS	3,74,33,467	1,38,74,353	6,89,276	5,06,18,544
7. VEHICLES	12,09,35,745	2,66,60,304	45,54,560	14,30,41,489
8. OTHER ASSETS				
(a) Dispensing Pumps	9,98,15,253	3,02,67,303	1,89,212	12,98,93,344
(b) LPG Cylinders & Allied Equipment	136,14,21,106	33,32,27,646	3,35,11,817	166,11,36,935
(c) Sundries	13,47,67,963	6,42,71,523	16,80,898	19,73,58,588
<b>TOTAL</b>	<b>4 93,36,72,413</b>	<b>108,75,97,782</b>	<b>7,24,64,029</b>	<b>594,88,06,166</b>
<i>Previous Year</i>	<b>3 56,17,85,752</b>	<b>145,92,07,014</b>	<b>8,73,20,353</b>	<b>4 93,36,72,413</b>

## **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 claim 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 adjustment has been put through the books of account in respect of acquisition of the above Leasehold Land.



DEPRECIATION				NET BLOCK	
As at 1-4-1986 (6) Rupees	This year (7) Rupees	Deductions on account of Retirement Reclassifications (8) Rupees	As at 31-3-1987 (9) Rupees	As at 31-3-1987 (10) Rupees	As at 31-3-1986 (11) Rupees
—	—	—	—	5,23,32,492	4,27,68,687
16,15,590	15,58,798	—	31,74,388	6,33,65,924	1,17,99,319
—	—	—	—	6,23,44,453	6,81,84,948
6,72,55,356	2,01,87,853	6,42,285	8,68,00,924	38,71,03,590	28,20,61,693
73,87,191	22,40,289	—	96,27,480	1,47,84,217	1,59,95,076
54,18,35,422	36,10,36,507	54,72,316	89,73,99,613	126,47,69,312	141,55,29,159
24,81,58,570	10,62,88,928	43,070	35,44,04,428	57,06,50,445	47,67,07,868
1,07,14,127	37,52,998	5,55,747	1,39,11,378	3,67,07,166	2,67,19,340
5,41,92,808	1,58,74,796	11,82,609	6,88,84,995	7,41,56,494	6,67,42,937
4,79,29,896	1,23,27,495	91,298	6,01,66,093	6,97,27,251	5,18,85,357
136,14,21,106	31,69,62,298	1,72,46,469	166,11,36,935	—	—
6,83,00,270	1,95,90,425	14,91,680	8,63,99,015	11,09,59,573	6,64,67,693
240,88,10,336	85,98,20,387	2,67,25,474	324,19,05,249	270,69,00,917	2,52,48,62,077
166,48,33,093	77,60,96,638	3,21,19,395	240,88,10,336	252,48,62,077	

(iii) Buildings—

- Do not include 664 tenements owned by Maharashtra State Housing Board (MSHB) for which Rs. 40 lakhs subsidy was paid to MSHB during the period from 1953 to 1959 and was written off by the Company.
- Include cost of owner-ship flats Rs. 69,60,175/- held in formed/proposed Co-operative Housing Societies which includes value of shares of Rs. 14,200/- issued by societies under their byelaws out of which share certificates of the value of Rs. 11,250/- are to be received.
- Additions (Col. 3) include under capitalization of prior years Rs. 105,55,494 (Previous year nil).
- Deductions (Col. 4) include Excess Capitalization of prior years—Rs. 351,76,647 (previous year Rs. 240,69,170)
- Depreciation for "This year" (Col. 7) includes:
  - Reversal of depreciation on excess capitalization referred to in (V) above Rs. 195,55,280/- (Previous year Rs. 14,95,765/-)
  - Relating to prior years Rs. 633,13,544/- (Previous year Rs. 2,89,979/-)
  - Charged to Capital Work in Progress Rs. 4,63,941/- (Previous year Rs. 4,60,512/-)

**SCHEDULE E—CAPITAL WORK-IN-PROGRESS (AT COST)  
INCLUDING ADVANCE PAYMENTS, MATERIAL-AT-SITE,  
IN-TRANSIT, WITH CONTRACTORS**

	Rupees	Rupees	Rupees	1986 Rupees
(1) Work-In-Progress (At Cost) and Advance Payments		141,32,32,641		97,78,97,327
(2) Capital Stores (At Cost) including lying with contractors		13,39,45,862		8,74,80,622
(3) Capital Goods-In-Transit (At cost)		1,50,66,467		6,21,759
(4) Construction Period Expenses pending allocation				
Balance as at 1st April	51,58,888		447,13,865	
Add: Expenditure during the year				
Establishment Charges	85,60,625		66,07,549	
Interest	11,48,174		1,80,30,364	
Depreciation	4,63,940		4,60,512	
Others	78,06,993		91,87,067	
Less: Allocated to Assets/Construction			738,40,469	
Work-In-Progress during the year	116,64,978			
		1,14,73,642		51,58,888
<b>TOTAL</b>		<b>157,37,18,612</b>		<b>107,11,58,596</b>

**SCHEDULE F—INVESTMENTS**

	No.	Face Value Rupees	Book Value Rupees	Rupees	1986 Rupees
<b>(i) Quoted—</b>					
Government Securities at Cost—(Market Value <b>Rs. 11,34,590—1986 Rs. 11,68,422)</b>					
3% Loan 1986		—	—		25,239
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% Loan 2001		1,66,800	1,56,809		1,38,692
5½% N.D. Loan 2001		10,100	10,092		10,092
5½% Loan 2002		35,000	31,932		31,932
6% Loan 1993		5,500	4,745		4,745
6% Loan 1998		2,90,000	2,82,872		2,82,872
6½% Loan 2000		1,03,000	90,634		90,634
7% Loan 2009		2,05,000	1,66,033		1,66,033
7½% Loan 2010 II		1,94,000	1,96,279		1,96,279
8% Loan 2011		31,000	22,328		—
		<b>15,89,700</b>		<b>15,14,182</b>	<b>14,98,976</b>
(Securities of the face value of <b>Rs. 15,89,300</b> (1986-Rs. 15,62,300) deposited with Local Authorities, etc.)					
<b>(ii) Unquoted—At Cost</b>					
(a) Capital Units of the Unit Trust of India	<b>8,18,440</b>	<b>81,84,400</b>		<b>85,30,542</b>	<b>85,30,542</b>
(b) National Savings Certificates (Certificates of the face value of <b>Rs. 13,850</b> (1986 Rs. 15,580) deposited with Local Authorities, etc.)		13,860	13,860		15,590
(c) Debentures (Fully Paid)					
(i) 6½% Irredeemable Debentures of the Bengal Chamber of Commerce and Industry	<b>15</b>	<b>15,000</b>	<b>15,000</b>		<b>15,000</b>
(ii) 5% Non-Redeemable Debentures of East India Clinic Ltd.	<b>1</b>	<b>60,000</b>	<b>60,000</b>		<b>60,000</b>
(d) Ordinary Shares (Fully Paid) Sindhu Resettlement Corporation Limited	<b>6</b>	<b>6,000</b>	<b>19,000</b>		<b>19,000</b>
		<b>94,860</b>		<b>1,07,860</b>	<b>1,09,590</b>



## SCHEDULE F—INVESTMENTS (Contd.)

	No.	Face Value Rupees	Book Value Rupees	Rupees	1986 Rupees
(iii) <b>Unquoted</b> —At Book Value					
6% Debentures of Sholapur Spinning and Weaving Mills Ltd. (In Liquidation)	578	57,800		<u>1</u>	<u>1</u>
				<u>1,01,52,585</u>	<u>1,01,39,109</u>

## CURRENT ASSETS, LOANS AND ADVANCES

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

		Rupees	1986 Rupees
(i) Raw Materials (At Cost) ##			
Value		38,21,74,320	13,28,12,854
Charges		5,45,43,576	3,30,96,076
(ii) Finished Products (At Cost or Net Realisable Value, whichever is lower)**			
Value		136,80,02,443	112,99,47,679
Charges		20,02,72,123	17,21,40,234
(iii) Packages (At Cost or Net Realisable Value, whichever is lower)		5,37,69,721	4,92,14,720
(iv) Stores and Spares (At Cost) \$\$		33,22,49,749	43,92,83,236
		<u>239,10,11,932</u>	<u>195,64,94,799</u>

## Excludes Materials received on loan **Rs. 10,45,82,337** (Net)  
1986 Rs. 32,12,00,116 (Net).

\*\* Excludes Products received on loan **Rs. 24,01,74,355** (Net)  
1986 Rs. 18,64,37,936 (Net).

Excludes Liability towards Excise Duty on Bonded Stock **Rs. 24,08,33,730**—  
1986 Rs. 19,71,52,491

\$\$ Includes Stock given on Loan **Rs. 14,81,621**—  
1986 Rs. 3,91,312.

## SCHEDULE H—SUNDRY DEBTORS (UNSECURED)

	Rupees	Rupees	1986 Rupees
<b>Over 6 Months</b>			
Considered Good		9,08,02,438	5,25,88,539
Considered Doubtful	3,84,05,798		3,18,25,841
Provision for Doubtful Debts	<u>3,84,05,798</u>		<u>3,18,25,841</u>
		<u>9,08,02,438</u>	<u>5,25,88,539</u>
<b>Other Debts</b>			
Considered Good		74,87,79,924	91,75,78,672
Considered Doubtful	—		37,87,159
Provision for Doubtful Debts	—		<u>—37,87,159</u>
		<u>74,87,79,924</u>	<u>91,75,78,672</u>
		<u>83,95,82,362</u>	<u>97,01,67,211</u>

## SCHEDULE I—CASH & BANK BALANCES

	Rupees	Rupees	1986 Rupees
Cash in Hand and in Transit	32,38,34,761		37,53,06,149
With Scheduled Banks —			
On Current Accounts (Net of Book overdrafts Rs. 4,82,86,689—1986 Rs.4,28,64,156)	25,51,37,284		20,68,91,114
On Deposit Accounts	25,77,138		1,02,67,426
		<u>58,15,49,183</u>	<u>59,24,64,689</u>

## SCHEDULE J—OTHER CURRENT ASSETS

		1986 Rupees
Interest Accrued on Investments, Bank Deposits, Loans & Advances	<u>8,32,392</u>	<u>21,65,146</u>

## SCHEDULE K—LOANS AND ADVANCES

	Rupees	Rupees	Rupees	1986 Rupees
<b>Secured</b>				
Loans to Companies (Considered Good) (Secured against hypothecation of Boilers)		38,82,781		32,11,169
<b>Unsecured</b>				
(i) Advances recoverable in Cash or in kind or for value to be received (Net) (Considered Good)		111,56,02,228		98,20,90,522
(Includes Due by Officers: Rs. 5,81,65,386 Due by Directors: Rs. 6,41,138 1986 by Officers: Rs. 4,18,62,616 1986—by Directors: Rs. 4,23,691 Maximum during the year by Officers: Rs. 5,81,65,386 By Directors: Rs. 6,41,138 1986 By Officers: Rs. 4,18,62,616 1986 By Directors: Rs. 4,24,314				
			<u>111,94,85,009</u>	<u>98,53,01,691</u>
(ii) Deposits				
(a) With Customs/Excise/Port Trust etc.(Considered Good)		1,79,51,066		2,31,31,933
(b) Deposits with I.D.B.I. (Considered Good)		12,88,000		12,88,000
(c) Other deposits:				
Considered Good		3,37,02,968		2,30,15,274
Considered Doubtful	2,10,798			1,85,287
Provision	<u>-2,10,798</u>			<u>-1,85,287</u>
			<u>5,29,42,034</u>	<u>4,74,35,207</u>
			<u>117,24,27,043</u>	<u>103,27,36,898</u>

## CURRENT LIABILITIES AND PROVISIONS

### SCHEDULE L—LIABILITIES

	Rupees	Rupees	1986 Rupees
Interest accrued but not due	12,60,66,957		11,97,70,821
Sundry Creditors	251,45,16,178		209,25,14,886
Unclaimed Debentures (Redeemed)	55,000		55,000
Unclaimed Interest on Debentures	17,392		17,392
Deposits for Containers	134,54,20,355		106,89,88,010
Deposits by Agents, Dealers and Customers	76,42,635		1,03,97,136
Unclaimed interest on Dealers Deposits	45,624		41,198
		<u>399,37,64,141</u>	<u>329,17,84,443</u>

### SCHEDULE M—PROVISIONS

	Rupees	1986 Rupees
Unfunded Retirement Benefits Net of Tax (Gross <b>Rs. 1,96,08,132</b> 1986 Rs. 1,99,54,280)	98,04,067	94,78,283
Proposed Dividend	3,89,94,760	3,89,94,760
Provision for Taxation-Less Advance Tax	5,36,91,207	13,06,93,841
		<u>10,24,90,034</u>

## SCHEDULE N—MISCELLANEOUS INCOME

	Rupees	Rupees	Rupees	1986 Rupees
(i) Bank and Other Interest (Gross) (Tax deducted at source <b>Rs. NIL</b> 1986 Rs. 1336)		214,73,918		1,54,92,541
(ii) Income from Investments				
(a) Interest (Gross) (Tax deducted at source— <b>Rs. 1,72,099</b> —1986 Rs. 1,71,711)	8,15,477		7,64,656	
(b) Dividend (Tax deducted at source <b>Rs. 41</b> —1986 Rs. 41)	<u>180</u>		<u>180</u>	
		8,15,657		7,64,836
(iii) Profit on Sale of Assets (Net)		24,61,513		21,84,431
(iv) Profit on Sale of Investments		5,282		—
(v) Other Income				
Rental & Hire Charges	4,02,68,669		3,81,53,480	
Service Charges	44,32,652		45,60,012	
Sale of Scrap, etc.	3,32,99,920		2,18,91,912	
Others (Net)	<u>5,45,49,301</u>		<u>5,38,43,062</u>	
		13,25,50,542		11,84,48,466
		<u>15,73,06,912</u>		<u>13,68,90,274</u>

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

	Rupees	1986 Rupees
Value of Closing Stocks of Finished Products	136,80,02,443	112,99,47,679
Less: Value of Opening Stocks of Finished Products	<u>112,99,47,679</u>	<u>86,19,02,346</u>
	<u>23,80,54,764</u>	<u>26,80,45,333</u>

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

	Rupees	1986 Rupees
Stores, Spares & Materials	48,29,19,422	36,28,67,918
Less: Charged to Other Accounts	<u>10,98,26,364</u>	<u>8,46,37,517</u>
	<u>37,30,93,058</u>	<u>27,82,30,401</u>

## SCHEDULE Q—FUEL & POWER

	Rupees	1986 Rupees
Fuel & Power	53,47,20,107	66,01,05,598
Less: Fuel of Own Production Consumed (Estimated)	<u>41,26,68,638</u>	<u>55,76,22,992</u>
	<u>12,20,51,469</u>	<u>10,24,82,606</u>

## SCHEDULE R—EMPLOYEES' REMUNERATION & OTHER BENEFITS

	Rupees	1986 Rupees
Salaries, Wages and Other Benefits (Less: Amounts recovered <b>Rs. 28,07,687</b> : 1986 Rs. 26,13,237)	30,20,28,825	22,93,65,892
Contributions to Provident & Other Funds	2,63,70,011	2,08,44,109
Welfare Expenses	<u>5,63,62,199</u>	<u>4,47,32,458</u>
	<u>38,47,61,035</u>	<u>29,49,42,459</u>



## SCHEDULE S—OTHER OPERATING AND ADMINISTRATION EXPENSES

	Rupees	Rupees	1986 Rupees
Remuneration To Directors (See Note No.9)		3,96,751	3,92,267
Repairs & Maintenance			
Machinery	12,99,74,600		7,47,89,085
Buildings	2,37,12,576		2,12,71,021
Others	1,76,61,606		2,75,58,081
		17,13,48,782	12,36,18,187
Insurance		3,57,27,102	1,83,97,006
Rent		4,36,69,862	3,75,37,733
Rates & Taxes		1,94,29,429	1,77,84,897
Charities & Donations		15,38,010	24,10,133
Audit Fees			
As Auditors	1,75,000		1,50,000
For Other Services	4,000		4,000
Out of Pocket Expenses	76,025		1,01,964
		2,55,025	2,55,964
INTEREST			
On Fixed Loans	6,25,67,676		3,26,14,786
On Other Loans	27,56,79,300		27,47,65,964
		33,82,46,976	30,73,80,750
Bad Debts & Claims Written off		4,38,670	4,69,790
Materials Written off		24,10,982	76,87,181
Excise Duty On Drums		1,96,26,953	50,14,893
Provision For Doubtful Debts (Net)		28,18,309	67,33,550
Charges Paid to Other Oil Cos.		2,36,09,529	2,40,27,022
Travelling Expenses		3,01,07,441	2,42,52,081
Telephone, Telex, Cables, Postage etc.		1,44,68,837	1,19,57,458
BPT Pumping/Pipeline Charges		1,01,90,087	1,00,84,243
Brokerage On Public Deposits		66,20,852	18,38,225
Other Expenses		18,93,48,095	12,35,18,675
		91,02,51,712	72,33,60,055

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

	Rupees	1986 Rupees
Sale of Products	55,96,02,812	41,55,25,981
Miscellaneous Income	1,41,46,686	29,94,320
Purchase of Products for Resale	2,47,962	56,173
Raw Materials Consumed		2,54,57,511
Duties, Taxes etc. and Other Charges applicable to Products	-10,98,18,694	-9,30,275
Transportation	2,02,21,365	68,01,557
Consumption of Stores, Spares & Materials	31,61,754	44,11,356
Fuel & Power	1,36,492	617,119
Employees' Remuneration & Other Benefits	-2,44,69,458	-1,42,61,400
Other Operating & Administration Expenses	-50,08,272	70,95,610
Interest	-26,26,412	1,10,44,767
	45,55,94,235	45,58,12,719

## SCHEDULE U—NOTES FORMING PART OF ACCOUNTS

1. (a) Accounts include balances aggregating to **Rs. 207,38,05,942** (Credit) in 2 Pool Accounts and **Rs. 18,06,11,555** (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. 944,62,87,311** and (b) Temperature Variation Allowance **Rs. 43,87,675** (1986 Rs. 812,97,83,908 and Rs. 54,05,066 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. 3,09,84,118** (1986 Rs. 272,85,007).
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/due 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. Capital Commitments & Contingent Liabilities

	Rupees	1986 Rupees
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	94,55,17,328	61,77,53,420
(ii) Contingent Liabilities		
(a) In respect of Taxation matters of prior years	2,48,89,364*	2,31,65,793*
(b) Other matters		
(i) Surety Bonds executed on behalf of Other Oil Companies for Excise/Customs Duties	41,16,85,994	25,69,46,000
(ii) Counter Guarantees to Banks	79,35,938	21,30,507
(iii) Letters of Credit for Capital Items	2,16,85,715	1,55,78,659
(iv) Claims against the Corporation not acknowledged as debts (includes <b>Rs. 15,54,12,855</b> against which the Corporation has a recourse for recovery 1986 Rs. 9,32,82,045)	27,62,56,672	13,74,62,832
(v) Claims by and revision in 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.	6,02,00,000	3,47,00,000

\* 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** (1986—Rs. 1,05,74,000)

6. Depreciation on Refinery Assets is charged on Straight Line Method under Sec. 205(2)(b) of the Companies Act 1956, at 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 recommendation in the Circular No. 1/86 dated 21st May, 1986 of the Department of Company Law Board. Amount unascertained.
7. The Investment Allowance claimable during the year including the previous years unabsorbed allowance is **Rs. 43,01,12,612**, considering the revised claims made by the Company. However, in view of inadequate assessable income, the Company shall be claiming Investment Allowance during the year of **Rs. 37,93,35,746** and the balance unabsorbed Investment Allowance carried forward to subsequent year for set off is **Rs. 5,07,76,866**. The Company has created Investment Allowance Reserve of **Rs. 28,50,00,000** during the year, which is adequate to cover the claim made by the Company.
8. Claims on Oil Co-ordination 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.)

### 9. Managerial Remuneration:

	For the year ended 31st March, 1987 Rupees	For the year ended 31st March, 1986 Rupees
Salary and Allowances	3,02,194	2,94,459
Contributions to Provident Fund and Other Funds	30,011	29,573
Other Benefits	64,546	68,235
	<u>396,751</u>	<u>3,92,267</u>

Payments amounting to **Rs. 387** for the year 1982-83 is subject to the approval of the Central Government.

1986

### 10. (i) Licensed Capacity, Installed Capacity (As certified by the Management), Actual Production in respect of Goods Manufactured

#### (a) (i) Fuel Refinery

Our Refinery Operates at the level prescribed by Government each month

(i) Crude Processed during the year	<b>M.T.</b>	55,71,752	63,78,245
(ii) Licensed Capacity	<b>M.M.T.p.a.</b>	6.00	6.00
(iii) Installed Capacity	<b>M.M.T.p.a.</b>	6.00	6.00
(ii) Actual Production*			
(i) Light Distillates	<b>K.L.</b>	18,52,440	20,98,683
(ii) Middle Distillates	<b>K.L.</b>	40,26,080	44,95,007
(iii) Others	<b>K.L.</b>	7,88,759	9,52,192

\* Excludes production out of Feedstocks purchased from HPCL.

#### (b) Aromatics

##### (1) Benzene

(i) Licensed Capacity	<b>M.T.p.a.</b>	98,300	98,300
(ii) Installed Capacity	<b>M.T.p.a.</b>	98,300	98,300
(iii) Actual Production	<b>M.T.</b>	15,603	20,112

##### (2) Toluene

(i) Licensed Capacity	<b>M.T.p.a.</b>	17,600	17,600
(ii) Installed Capacity	<b>M.T.p.a.</b>	17,600	17,600
(iii) Actual Production	<b>M.T.</b>	4,948	4,455

#### (c) Lubricants

(i) (a) Licensed Capacity on single shift basis for manufacturing at Bombay (357,600 Barrels of 44 Gallons each and 596,000 Tins of 1 I.G. per annum).	<b>M.T.p.a.</b>	66,384	66,384
(b) Licensed Capacity on double shift basis for manufacturing at Calcutta	<b>M.T.p.a.</b>	30,000	30,000
(ii) Installed Capacity of Bombay and Calcutta both on single shift basis)	<b>M.T.p.a.</b>	90,000	90,000
(iii) Production	<b>M.T.</b>	74,764	72,414
	<b>K.L.</b>	84,156	80,670

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

# **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**

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## (e) Drum Plant: Number of Drums

(i) Licensed 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	12,15,805	10,22,105

## (2) Raw Materials consumed (on derived Basis)

	Unit	Quantity	Value Rupees	1986	Value Rupees
(i) Crude Oil (Net of Surrenders to/Reliefs from Industry Pool Accounts)	M.T.	55,71,752	970,68,92,263	63,78,245	11,23,45,74,063
(ii) Base Oils	K.L.	99,432	45,21,84,387	95,464	32,43,11,170
			10,15,90,76,650		11,55,88,85,233

## 11. Class of Goods purchased, sold and stocked

		Opening Stocks		Purchases		Sales		Closing Stocks	
		Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
(i) Petroleum Products									
(a) Light Distillates									
Current year	KL	1,50,894	18,44,59,639	6,42,885	113,95,35,397	25,10,078	751,47,27,730	1,46,717	27,58,22,629
Previous year	KL	1,09,425	12,51,79,022	2,18,830	61,20,84,351	22,82,588	681,49,74,972	1,50,894	18,44,59,639
(b) Middle Distillates									
Current year	KL	4,87,458	83,69,80,742	18,60,980	352,61,00,432	58,44,126	135,67,56,108	4,72,716	93,72,95,709
Previous year	KL	3,58,528	61,59,76,361	11,53,007	214,68,15,189	54,51,965	124,85,21,929	4,87,458	83,69,80,742
(c) Others									
Current year	KL	55,273	10,85,07,298	6,47,714	115,38,53,284	15,44,956	391,32,97,091	37,667	15,48,84,105
Previous year	KL	55,344	12,07,46,963	6,33,459	123,87,53,126	16,75,648	410,42,96,577	55,273	10,85,07,298
(ii) Crude Oil									
Current year	MT	1,13,069	7,32,94,323	55,72,070	982,31,62,857*			1,13,387	28,92,28,907
Previous year	MT	175,235	24,88,77,599	63,16,079	1105,89,90,787*			1,13,069	7,32,94,323
(iii) Base Oils									
Current year	KL	17,442	5,95,18,531	1,13,708	52,69,33,875*			31,717	17,29,53,413
Previous year	KL	19,573	6,65,32,820	93,336	31,73,06,814*			17,442	5,95,18,531
(iv) Packages & Containers									
Current year			4,92,14,720		21,98,03,476				5,37,69,721
Previous year			3,57,82,175		22,39,73,472				4,92,14,720

\* Net of Surrenders to/reliefs from Industry Pool Accounts.

## NOTES

(i) Purchases exclude Inter Product Transfers.

(ii) Applicable conversion factors are used to convert quantities in M. tons 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. 3,09,84,120** (1986 Rs. 2,72,85,007) but includes Own Consumption & Samples **Rs. 3,17,94,338** (1986 Rs. 3,17,58,881)

(b) Net of Refined Products Transferred to other Oil Companies **Rs. 2,07,81,17,671** (1986 Rs. 233,71,82,743)

(v) Crude Oil and other Petroleum Feedstocks are refined to Petroleum Products and accordingly these Refined Products are excluded from Purchases of Petroleum Products

(vi) Purchases of Base Oils include Own Consumption & Samples **Rs. 1,944** (1986 Rs. 8,933)

(vii) Purchases of Packages include Own Consumption & Samples **Rs. 3,97,239** (1986 Rs. 2,51,069) and Recoveries from Third Parties **Rs. 480,544** (1986 Rs. 6,90,601)

	1986 Rupees	1986 Rupees
12. (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	3,590	2,355
Expenditure thereon under the following heads		
Salaries, Wages and Other Benefits	15,53,03,792	10,35,46,375
Contribution to Provident and Pension Funds	81,15,949	67,12,170
(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 mensem	304	164
Expenditure thereon under the following heads		
Salaries, Wages and Other Benefits	94,47,705	40,79,012
Contribution to Provident and Pension Funds	4,25,936	2,12,066



# **SCHEDULE U—NOTES FORMING PART OF ACCOUNTS (Contd.)**

	Rupees	1986 Rupees
13. Value of Imports Calculated on C.I.F. basis		
(a) Crude Oil and Other Petroleum Products**	31,72,40,072	45,89,65,168
(b) Components and Spare Parts	7,11,05,993	6,48,27,681
(c) Capital Goods	6,49,40,222	15,28,14,084

## **NOTES**

- \*\* Includes Local Insurance **Rs. 8,01,237** (1986 Rs. 21,06,445).
- \*\* Includes Crude Oil/Base Oil Purchases from IOC (Canalised Agents) **Rs. 27,55,87,118** (1986 Rs. 34,81,72,323).
- Excludes Technical Materials imported for blending pesticides on behalf of an outside party.
- The above figure of purchases is prior to adjustment of Surrenders to/Reliefs from Industry Pool Accounts.

	Rupees	1986 Rupees
14. Expenditure in Foreign Currency (on cash basis)		
Other Matters	6,15,908	72,69,646
15. Value of Raw Materials, Spare Parts & Components Consumed (on derived basis)		

	1987				1986			
	Raw Materials		Spare Parts and Components*		Raw Materials		Spare Parts and Components*	
	Value Rs.	%	Value Rs.	%	Value Rs.	%	Value Rs.	%
Imported	32,60,86,061	3.67	18,02,01,180	37.94	32,43,08,805	3.42	7,25,06,973	19.06
Indigenous	857,06,69,951	96.33	29,47,30,244	62.06	916,82,91,516	96.58	30,79,72,476	80.94
	889,67,56,012	100.00	47,49,31,424	100.00	949,26,00,321	100.00	38,04,79,449	100.00

\* Exclude Direct Charged Materials.

## **NOTES**

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

	Rupees	1986 Rupees
16. Earnings in Foreign Exchange (on accrual basis)		
(a) Export of goods on F.O.B. basis		
(i) On Own Account	—	—
(ii) As Agents (hence not reflected in Profit & Loss Account)	—	—
(b) Other Matters	115,61,40,000*	102,97,65,000*

\* Received in Indian Currency out of the repatriable funds of Foreign Airline Customers.

- Other Expenses under Other Operating and Administration Expenses include an amount of **Rs. 3,16,000** (1986 Rs. 2,54,124) being entertainment expenses incurred by the Corporation.

- Expenditure incurred on Public Relations and Publicity during the year is **Rs. 61,16,457** (1986 Rs. 63,86,716). Remuneration to Staff employed for Public Relations work during the year is **Rs. 3,05,185** (1986 Rs. 2,60,621).

	Rupees	1986 Rupees
19. Value Added		
(i) Refinery	69,05,63,055	76,64,19,088
(ii) Corporation	334,09,27,369	292,18,44,494

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

U.M. KINI  
Chairman and  
Managing Director

R.K. GAJREE  
Director (Finance)

New Delhi, 24th July, 1987

K.S. MANIKASHETTI  
Secretary

Signature's to Schedules A to U  
As per our Report attached

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

B.D. MANIAR  
Partner

Bombay, 27th July, 1987

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

MANI A. AIYAR  
Partner

## AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED, as at 31st March, 1987, 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) 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;

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, 1987  
and

- (ii) in the case of 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 in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.

- (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 Equipments 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 the 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 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 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

B.D. MANIAR  
Partner

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

Mani A. AIYAR  
Partner

Bombay: 27th July, 1987.

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 YEAR ENDED 31ST MARCH, 1987

I have to state that the Comptroller and Auditor Genral of India has no comments upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the accounts of Bharat Petroleum Corporation Limited, Bombay for the year ended 31st March, 1987.

(B.M. OZA)  
Member, Audit Board & Ex-Officio  
Director of Commercial Audit-II,  
Bombay

Date: 16th September, 1987





**ANNEXURE TO THE DIRECTORS' REPORT DATED 27th JULY, 1987**  
**REVIEW OF THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED**  
**31ST MARCH, 1987, BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.**

**I. FINANCIAL POSITION**

(i) The Financial Position of the Company as at 31st March, for the last three years is given below:

	(Rupees in Lakhs)		
	31-3-1985	31-3-1986	31-3-1987
<b>Assets</b>			
1. Net Fixed Assets	18,969.53	25,248.62	27,069.00
2. Capital Work-In-Progress	13,950.51	10,711.59	15,737.19
3. Investments (other than committed investments)	101.40	101.39	101.53
	<u>33,021.44</u>	<u>36,061.60</u>	<u>42,907.72</u>
4. Working Capital			
(a) Current Assets	35,736.48	45,540.29	49,854.03
(b) Less: Current Liabilities (including Provisions)	30,002.06	34,709.52	40,962.54
	<u>5,734.42</u>	<u>10,830.77</u>	<u>8,891.49</u>
Total (A)	<u>38,755.86</u>	<u>46,892.37</u>	<u>51,799.21</u>
5. Less:			
Long term loans	10,938.37	10,682.04	10,756.81
Short term loans	12,909.46	15,471.99	11,507.74
Public Deposits (including interest accrued and due)	2,895.71	2,985.37	6,125.92
Total (B)	<u>26,743.54</u>	<u>29,139.40</u>	<u>28,390.47</u>
6. Net worth (A) -- (B)	12,012.32	17,752.97	23,408.74
Net worth as shown above, represented by:			
7. Paid up Capital	1,657.40	2,785.34	2,785.34
8. Reserves & Surplus	10,354.92	14,967.63	20,623.40
	<u>12,012.32</u>	<u>17,752.97</u>	<u>23,408.74</u>

(ii) The paid up capital of the Company which was increased during 1985-86 from Rs. 1,657.40 Lakhs to Rs. 2,785.34 lakhs continued at the same level during 1986-87.

(iii) The Company's long term loans were repaid to the extent of **Rs. 1,026.37 Lakhs** and increased by **Rs. 1,101.14 Lakhs** during 1986-87 as indicated below:

	Rs. in Lakhs
(a) Repayment	
(i) O.N.G.C.	800.00
(ii) O.I.D.B.	212.00
(iii) O.I.D.B. (Boiler Loan)	14.37
	<u>1,026.37</u>
(b) Receipt	
(i) World Bank	1,072.29
(ii) O.I.D.B. (Boiler Loan)	28.85
	<u>1,101.14</u>

Public Deposits also increased by **Rs. 3,121.80 Lakhs** during the year.

(iv) The free Reserves and Surplus as on 31-3-1987 amounted to **Rs. 13,548.18 Lakhs** as against **Rs. 10,735.08 Lakhs** as on 31-3-1986, the transfer to General Reserve from Profit and Loss Account during 1986-87 being Rs. 2,813.00 Lakhs against Rs. 3,229.00 Lakhs during 1985-86.

**(v) Dividends:**

The Company has proposed to maintain the dividend of 14% (Rs. 389.95 lakhs) during 1986-87, as paid during 1985-86.

## II. CAPITAL WORK-IN-PROGRESS

The Company has a number of Capital works in hand. The expenditure on these as on 31st March, 1987 amounted to Rs. 15,737.19 lakhs. It includes major Capital Expenditure on the following projects:

Name of the Project	Estimated Cost Rs. in Lakhs	Scheduled Completion Date	Expenditure incurred upto 31-3-1987 Rs. in Lakhs	Remarks
1. LPG Phase III/III-A	23,903	Dec. 1988 in Stages	18,010	Rs. 8,988 lakhs have been capitalised upto 31-3-1987
2. Additional Product Tankage Phase I	2,589	Completed in Mar.'87 except minor jobs	2,364	Rs. 2,062 lakhs have been capitalised upto 31-3-1987.
3. Captive Power Plant	4,361	May 1988	877	—

## III. WORKING RESULTS

The working results for the past three years ended 31st March 1987 are indicated below:

	(Rs. in Lakhs)		
<b>Income:</b>	1984-85	1985-86	1986-87
Sale of Products	2,12,765.01	2,33,777.94	2,49,967.81
Miscellaneous Income	1,171.29	1,368.90	1,573.07
Increase/(Decrease) in Inventory of Finished Products	(2,056.80)	2,680.45	2,380.55
	<u>2,11,879.50</u>	<u>2,37,827.29</u>	<u>2,53,921.43</u>

	(Rs. in Lakhs)		
<b>Expenditure:</b>	1984-85	1985-86	1986-87
1. Raw Materials consumed	99,025.74	1,15,588.85	1,01,590.77
2. Stores, Spares & Packages consumed	4,081.59	4,878.30	5,874.64
3. Salaries & Wages	2,749.57	2,949.42	3,847.61
4. Operating & Administration Expenses (excluding interest)	3,347.47	4,159.79	5,720.05
5. Depreciation	5,334.69	7,756.36	8,593.56
6. Interest on Loans	1,885.12	3,073.81	3,382.47
7. Miscellaneous Expenses (purchase of products for resale and charges thereon etc.)	94,779.47	97,087.04	1,22,615.95
	<u>2,11,203.65</u>	<u>2,35,493.57</u>	<u>2,51,625.05</u>
Profit for the year	675.85	2,333.72	2,296.38
Prior period adjustments	1,404.46	4,558.13	4,555.94
Profit before Tax	2,080.31	6,891.85	6,852.32

## 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 throughput capacity utilisation of the Fuel Refinery, Lube Plant, Drum Plant of the Company during the three years ended 31-3-1987 is indicated below:

<b>Fuel Refinery:</b>	1984-85	1985-86	1986-87
Installed Capacity (in m.m.t.p.a.)	6.00	6.00	6.00
Crude Consumption (in m.m.t.p.a.)	5.45	6.38	5.57
Production of Refined Products (in m.m.t.p.a.)	5.23	6.23	5.56



#### Aromatics:

	1984-85	1985-86	1986-87
i) Benzene			
Installed Capacity (in MT)	—	98,300	98,300
Actual Production (in MT)	—	20,112	18,603
ii) Toluene			
Installed Capacity (in MT)	—	17,600	17,600
Actual Production (in MT)	—	4,455	4,948

#### Lubricants:

Installed Capacity of Bombay and Calcutta (both on single shift basis) (in MT)	90,000	90,000	90,000
Production (in MT)	69,425	72,414	74,763

#### Drum Plant:

Installed Capacity (on 3 shift basis) (in Nos.)	27,00,000	27,00,000	27,00,000
Actual Production (in Nos.)	6,40,469	10,22,105	12,15,805

## 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, 1987 are given below:

Year ended 31st March	Sales Volume (in m.m.t.)	Sales Value (Rs. in lakhs)	BPCL's share in market %	BPCL's growth rate of sales %	Industry growth rate of sales %
1985	7.05	2,12,765.01	18.40	13.89	8.40
1986	7.57	2,33,777.93	18.70	7.37	5.02
1987	7.93	2,49,967.81	18.30	4.76	6.20

The increase in turnover is mainly due to increase in quantities.

## V. WORKING CAPITAL

- (i) The Working Capital of the Company for the past three years ending 31st March, 1987 was Rs.5,734.42 Lakhs, Rs.10,830.77 Lakhs and Rs.8,891.49 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:

	As at 31st March		
	1985	1986	1987
	(Rs. in Lakhs)		
(a) Inventories	16,628	19,565	23,910
(b) Sundry Debtors	6,399	10,058	8,780
(c) Cash and Bank Balances	4,543	5,925	5,815
(d) Loans & Advances	8,450	10,329	11,726

#### (a) Inventories:

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

(a) Raw Materials (name of raw materials such as Crude, Lube Base stock)	3,300.09	1659.09	4,367.18
(b) Stores and Spares, Catalysts and Chemicals	2,977.76	4,392.83	3,322.50
(c) Finished Goods	9,992.48	13,020.88	15,682.74
(d) Other Stores (Packages)	357.82	492.15	537.70

The Stock of Raw Material was equivalent to about 0.52 months' consumption in 1986-87 as compared to 0.17 months' in 1985-86 and 0.40 months' in 1984-85.

The Stores & Spares (including Other Stores), Catalysts and Chemicals at the end of 1986-87 represented 7.89 months' consumption as against 12.02 months' in 1985-86 and 9.81 months' in 1984-85.

Finished Goods at the end of March 1987 amounted to about 0.75 months' sales during 1986-87 as compared to 0.67 in 1985-86 and 0.56 in 1984-85.

**(b) Sundry Debtors:**

The Sundry Debtors as on 31-3-1985, 31-3-1986 and 31-3-1987 amounted to Rs.6,399.15 lakhs, Rs.10,057.80 lakhs and Rs.8,779.88 lakhs respectively of which Rs.289.15 lakhs, Rs.356.13 lakhs and Rs.384.06 lakhs as on 31-3-1985, 31-3-1986 and 31-3-1987 were considered doubtful and provided for. The percentage of Debtors to Sales was 3.0, 4.3 and 3.5 as on 31-3-1985, 31-3-1986 and 31-3-1987 respectively.

**(c) Cash and Bank Balances:**

The balance under this head has increased from Rs.4,542.61 lakhs as on 31.3.1985 to Rs.5,924.65 lakhs as on 31-3-1986 and decreased to Rs.5,815.49 lakhs as on 31.3.1987.

**VI. LIABILITIES AND PROVISIONS**

Current Liabilities and Provisions have increased to Rs.40,962.54 lakhs as on 31st March 1987 from Rs.34,709.51 lakhs as on 31-3-1986 mainly on account of increase in deposits from LPG Customers and increase in purchases from other Oil Companies.

**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 1986/87 are indicated below:

(Rs. in Lakhs)			
	1985	1986	1987
Excise Duty	37,638	41,796	46,138
Customs Duty	4,088	3,615	2,410
Income Tax	700	760	820
	<u>42,426</u>	<u>46,171</u>	<u>49,368</u>

**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:

1984-85	—	7,894
1985-86	—	8,321
<b>1986-87</b>	<b>—</b>	<b>9,397</b>

The work force increased by 1503 persons during these three years.

B.M. OZA  
Member, Audit Board & Ex-Officio  
Director of Commercial Audit-II  
Bombay

Nature is the guiding force  
in every human life.



**PLANT MORE TREES**  
**PLANTS NEED PROTECTION**

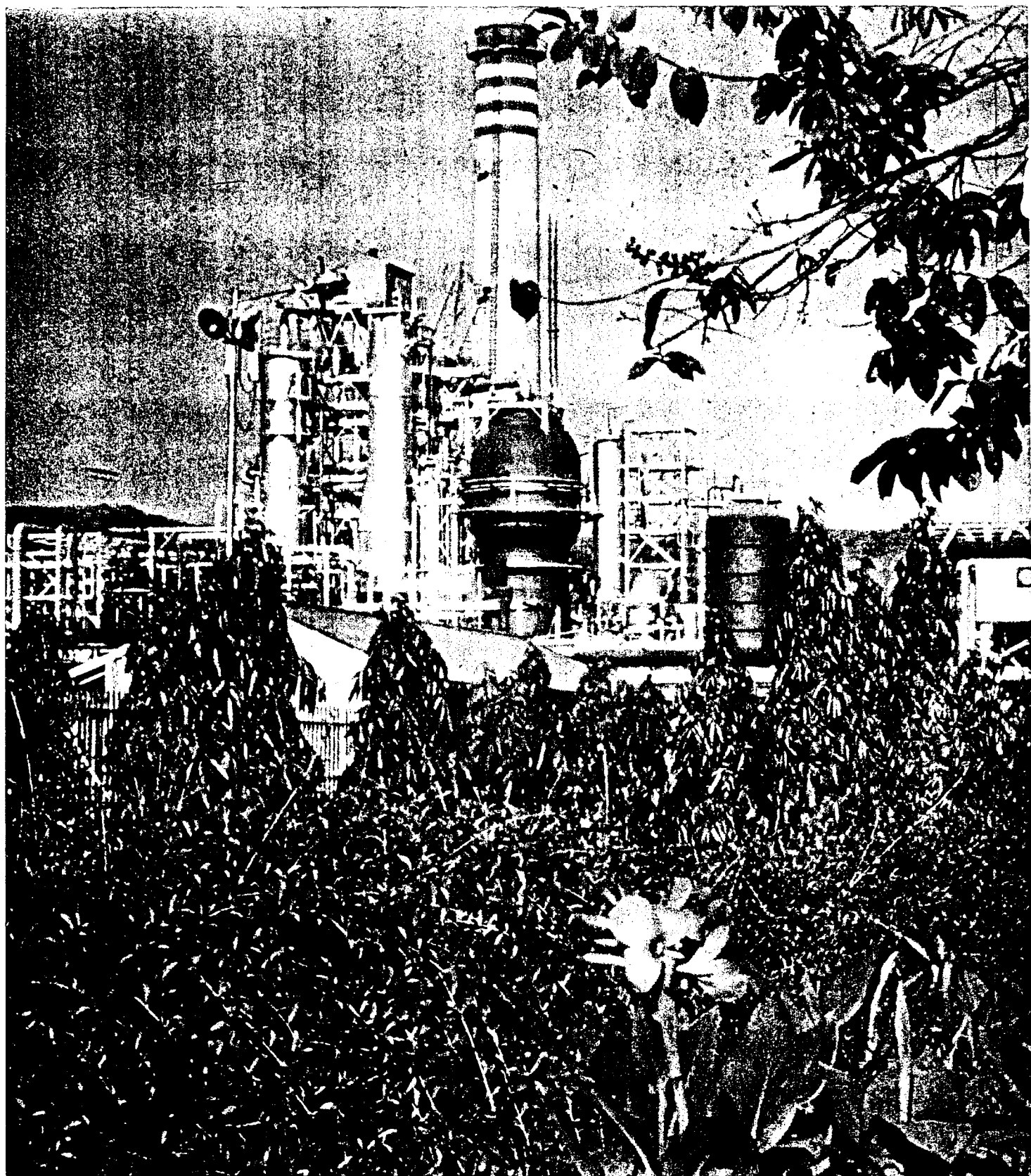


**GROW THEM WITH CARE**









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