



BHARAT PETROLEUM CORPORATION LIMITED
35TH ANNUAL REPORT 1987-88





Keeping ahead with modern technology, to meet the challenges
of our Corporation's growth, and of the future.

n t i c e

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Limited, will be held at the Registered Office of the Corporation at Bharat Bhavan No.1, Currimbhoy Road, Ballard Estate, Bombay 400 038, on Tuesday, the 27th September 1988 at 11.00 A.M. to transact the following Ordinary and Special business:

1. To receive and adopt the Directors' report and audited Profit & Loss Account for the year ended 31st March 1988, and the Balance Sheet as at that date.

2. To declare dividend

Special business

3. To pass the following resolution as Special Resolution
"Resolved that the following para be added to Clause No.(2) of Article 94 of the Articles of Association of the Company

"Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company"

By order of the Board of Directors

Dated 2nd September 1988 K.S. MANIKASHETTI
Company Secretary

- Note:
1. 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.
 2. Explanatory statement pursuant to Section 173 of the Company's Act 1956 is annexed hereto.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANY'S ACT 1956

Special Business (Item No.3) indicated in the Notice dated 2nd Sept. 1988

Following provision authorising the President of India to issue Directives to the Company exists in the Articles of Association of our Company:

Power of the President to issue Directives to the Company (94)(2) Notwithstanding anything contained in any of these articles the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instructions so issued.

However, based on the recommendations of the Committee on Public Undertakings in their report on "Accountability and Autonomy of Public Undertakings" to the effect that "All Directives issued by the President should be in writing addressed to the Chairman and that the contents of those directives should be incorporated in the Annual Report of the Company". The Ministry of Industry, Government of India, Bureau of Public Enterprises have advised us to incorporate in the Articles of Association of the Company the provision as indicated in the Resolution, vide their Office Memorandum No.2(100)/87-GM dated 18th February, 1988.

It is proposed to give effect to the above instructions of the Government of India by making amendment to the Articles of Association of the Company. The Board of Directors recommend amendment to the articles as proposed.

None of the Directors is interested in the matter.

The documents referred to above are open for inspection by the members between 11 a.m. and 1 p.m. on all working days at the Registered Office of the Company.

By order of the Board of Directors

Dated 2nd September 1988 K.S. MANIKASHETTI
Company Secretary

BHARAT PETROLEUM CORPORATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their Thirty Fifth Annual Report on the working of the Corporation, together with the audited accounts for the year ended 31st March, 1988:

SUMMARY OF RESULTS

	(Rs. in Lakhs)	
	1987-88	1986-87
Sales Turnover	405001.80	352905.70
Profit before depreciation amounted to	14780.25	15020.64
Deducting therefrom Depreciation	6346.41	8155.98
Profit before tax for the year is	8433.84	6864.66
Adding thereto Prior Year's Income (Expenses)-Net	870.58	(12.34)
Profit before tax amounted to	9304.42	6852.32
Deducting therefrom Provision for Taxation	1700.00	820.00
Profit after tax is	7604.42	6032.32
Adding thereto:-		
(a) Transfer from Investment Allowance Reserve	5.49	7.33
(b) Excess/(Short) provision for Taxation in earlier years written back/provided for (Net)	197.59	13.40
(c) Excess provision for Depreciation in earlier years written back	2834.63	Nil
(d) Balance of Profit from previous year	0.18	0.08
Amount available for disposal is	10642.31	6053.13
Which the Directors have appropriated as under:-		
(a) Investment Allowance Reserve	Nil	2850.00
(b) General Reserve	10085.23	2813.00
(c) Proposed Dividend	557.07	389.95
Leaving a balance carried to Balance Sheet	0.01	0.18

Dividend

The Directors recommend a dividend @ 20% on the Paid-up Capital which will absorb Rs. 5.57 crores.

Contribution to Exchequer

The Corporation contributed Rs. 818.1 crores to the Exchequer by way of taxes and duties compared to Rs. 683.4 crores previous year.

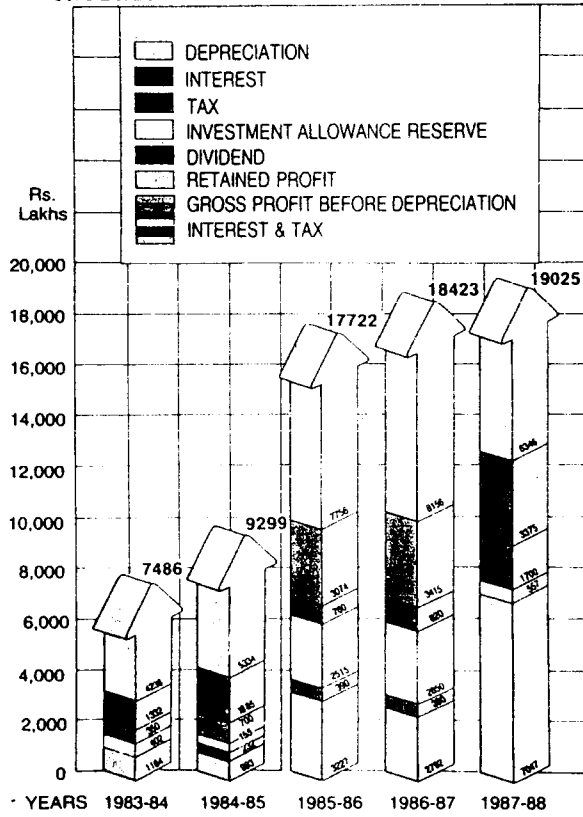
Finances

The outstanding amount of the term loans taken by the Corporation, including Rs. 64.07 crores from the World Bank through the Government of India, stood at Rs. 121.12 crores as at 31st March 1988 as against Rs. 107.57 crores as at 31st March 1987. The borrowings from banks and others amounted to Rs. 98.92 crores compared to Rs. 115.34 crores in the previous year. Internal cash generation amounted to Rs. 135.83 crores as against Rs. 142.50 crores previous year.

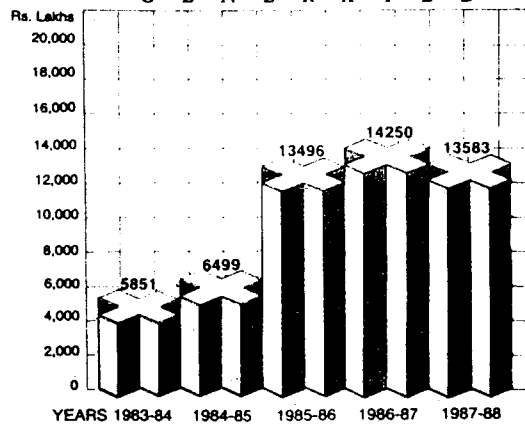
Public Deposits

The Public Deposits Scheme which was introduced in July 1981 had a balance of Rs. 58.24 crores as against Rs. 60.95 crores as at 31st March 1987. The amount of deposits matured but unclaimed as at 31st March 1988 was Rs. 11.25 lakhs in respect of 132 depositors.

**GROSS PROFIT BEFORE DEPRECIATION
INTEREST AND TAX AND SEGMENTS OF THAT**



**INTERNAL RESOURCES
GENERATED**



BHARAT PETROLEUM CORPORATION LIMITED

Net Worth

The net worth of the Corporation increased by Rs. 100.79 crores from Rs. 234.09 crores to Rs. 334.88 crores as at 31st March 1988.

REFINING

The overall performance of the Refining operations was very satisfactory and the Corporation did well in the areas of Crude Throughput, Product Yield Pattern, Fuel & Loss and Safety etc.

Crude consumption

Crude consumption during the year under report at 6.5 million tonnes was the highest ever and represented an increase of about 18% over previous year's figure of 5.57 million tonnes. The quantity of Bombay High crude processed was 5.3 million tonnes which constituted about 81% of the total crude processed during the year under review.

Production

The total production of refined products during the year was 6.69 million tonnes as against 5.56 million tonnes in the previous year. The actual yields achieved and Fuel & Loss were as under:-

	1987-88	1986-87
Light Distillates	22.9%	22.6%
Middle Distillates	57.3%	58.2%
Heavy Ends	14.7%	13.8%
Fuel & Loss*	5.1%	5.4%
	100.0%	100.0%

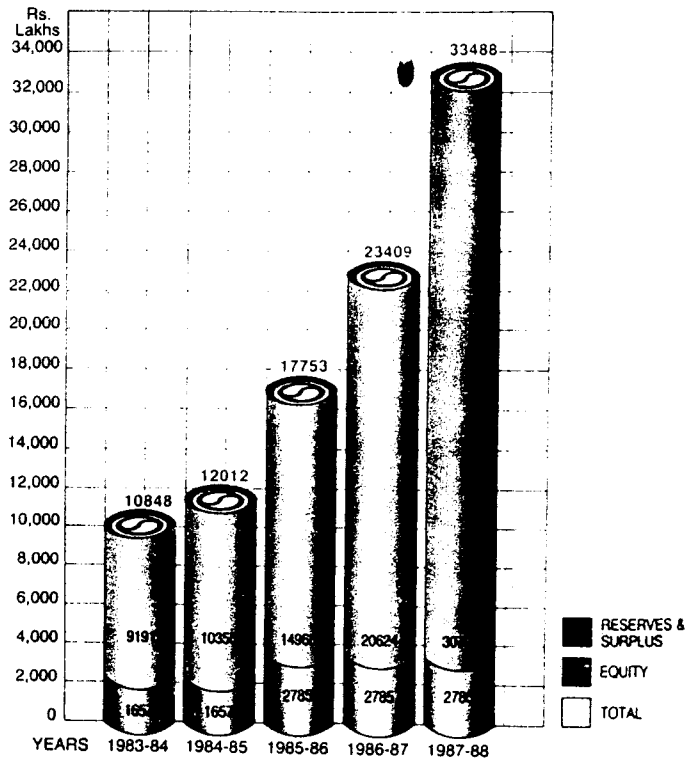
*Excludes Bombay High Associated Gas used as fuel

	0.52%	0.44%
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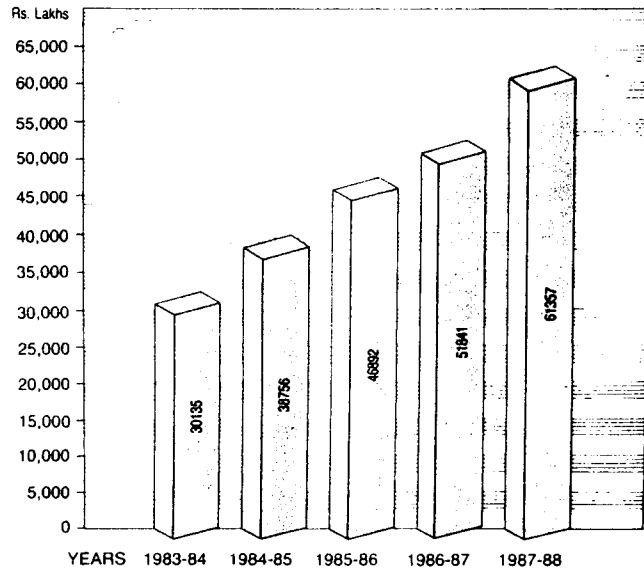
Having regard to the decrease in allocation of the proportion of Bombay High crude for processing at the Corporation's Refinery, the yield pattern as also the level of Fuel & Loss were satisfactory. Aside from highest ever

production of Motor Spirit 87 ON (0.50 million tonnes) and ATF (0.23 million tonnes) to meet the increasing demand, the production of Aromatics (Benzene and Toluene) increased to 54,300 tonnes from 23,500 tonnes in the previous year.

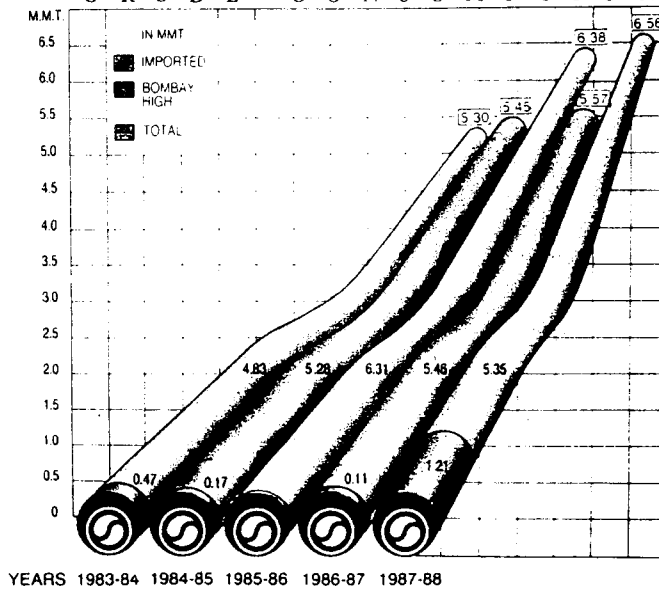
NET WORTH



CAPITAL EMPLOYED



CRUDE CONSUMPTION



BHARAT PETROLEUM CORPORATION LIMITED

Safety

During the year, the Refinery reached the highest ever record of 8.6 million manhours without lost time accident which surpassed its previous record of 7.1 million manhours achieved in 1974 prior to take-over by Government. In recognition of this achievement, the Corporation has been given the Award of Honour by the National Safety Council, U.S.A.

Besides upgrading the equipment, including a modern control room at the re-located Fire Station, several Training Programmes on Fire Prevention/Protection/Fighting were conducted.

Energy & Environmental Conservation

Fuel & Electricity consumed and physical losses of hydrocarbon constitute by far the major share of the cost of refining petroleum products. Significant improvements in Energy Conservation have been achieved through implementation of various projects.

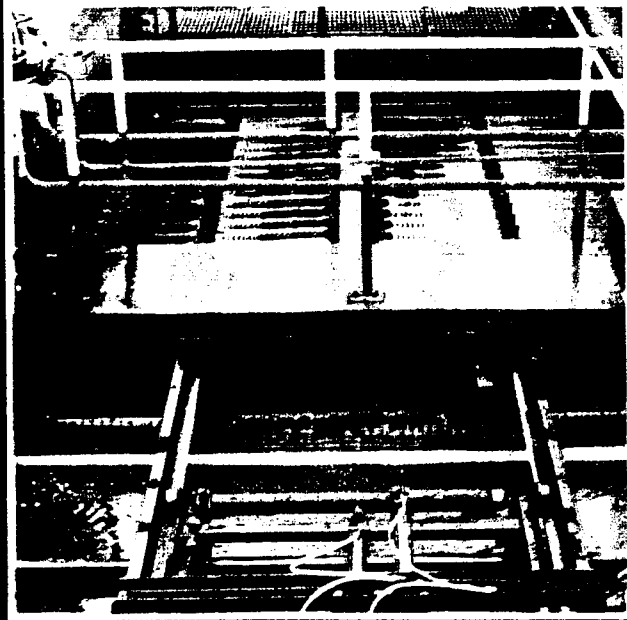
During the year, the CEL Index (Corrected Energy & Loss) which is an index of efficient use of Fuel and reduction in loss, showed an improvement compared with that of the previous year as the following statistics would show:

Year	No. of crude oils processed	Total crude intake '000 mt.	BH Intake % wt.	Fuel & Hydrocarbon loss % wt.	CEL Index
1986/1987	7	5579.6	97.9	5.84	99.3
1987/1988	8	6539.1	81.1	5.62	91.2

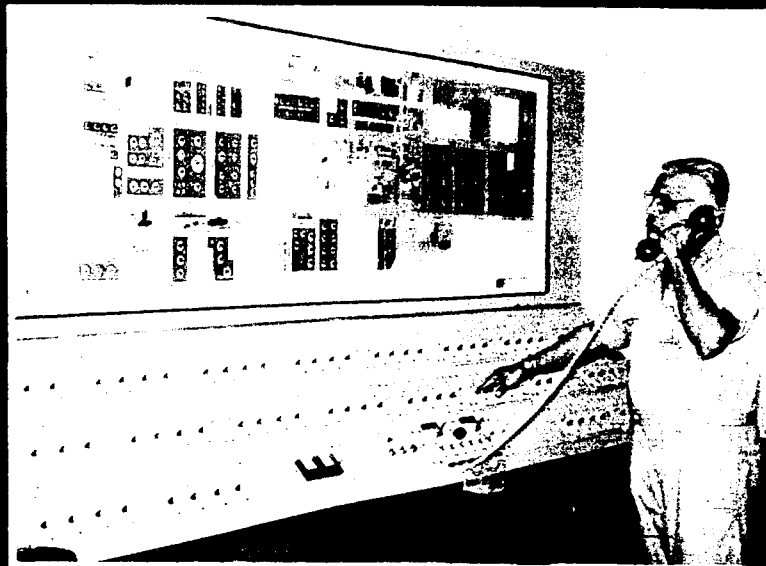
On the environmental conservation front the liquid effluents and gaseous emissions were kept within the permissible levels through rigorous and regular control and monitoring. The projects such as Carbon Monoxide Boiler in Catalytic Cracking Unit and new Waste Water Treatment Plant which would further improve environment are being progressed.

Towards improving communications and achieving excellence in its working, the Refinery operations were dedicated each month to a specialised area of attention like quality improvement, technology update, experience sharing, welfare measures and "plant a tree" month. During the "plant a tree" month, each employee planted a tree in the Refinery precincts, Staff Colony and on sides of public roads.





New oil catchers in CCU — one of the recent additions to ensure that liquid effluents are kept within permissible levels.



On the safety front in the Refinery, a recent addition has been the modern control room at the fire station, which has instantaneous information receiving facility to indicate location of fire place of emergency. The control room also has an up-to-date communication system.

BHARAT PETROLEUM CORPORATION LIMITED

MARKETING

Total sales during the year were 8.56 million tonnes compared to 7.93 million tonnes in the previous year representing an increase of 7.94% with the Corporation's market participation rising marginally to 18.5% from 18.3% in the previous year. These included sales of Benzene and Toluene which, at 58,961 tonnes, represented 2.4 fold increase compared with the previous year sale of 24,208 tonnes; thus enabling the Corporation to have a much higher utilisation of its manufacturing capacity. During the year, 91 Retail Outlets (including 27 in the rural areas), 19 Kerosene/Light Diesel Oil Dealerships and 26 consumer pumps were commissioned bringing the total number at the end of the year to 3741, 852 and 206 respectively.

To sustain Corporation's standard of Customer Service, 144 training seminars/courses were organised for Dealers/Dealers' staff. To provide better service to the rapidly increasing population of 2/3 wheeler customers, segregated facilities at 9 selected outlets and fibre glass canopies at another 9 outlets were also provided. Constant efforts were continued to improve the Retail network.

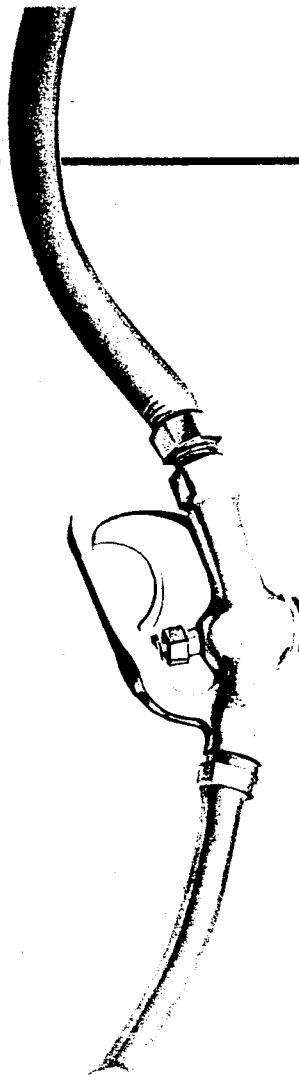
The network of Aviation Service Stations was expanded to 11, including two Air Force Stations at Sirsa and Suratgarh. Construction of the Bangalore Aviation Service Station was completed and commissioned during the current year.

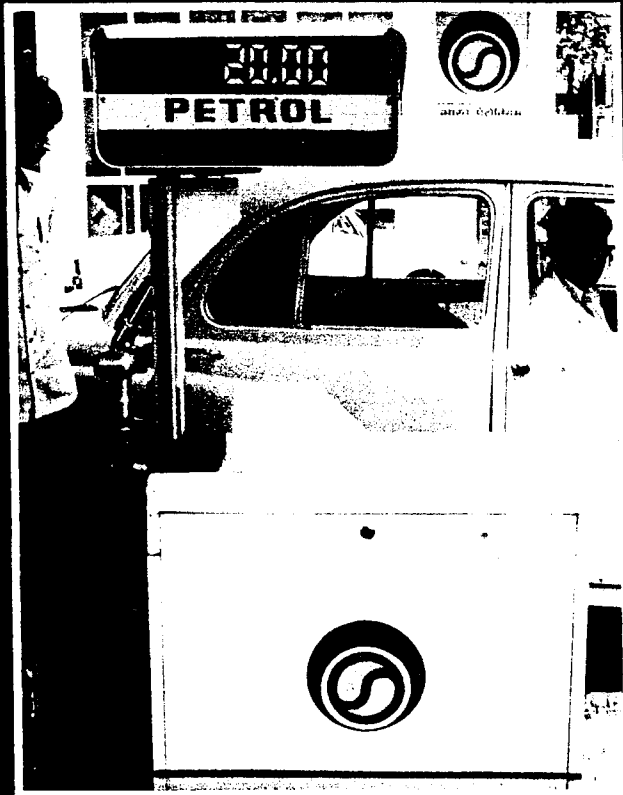
As part of Fuel Conservation Drive, the Corporation continued to give loans for replacement of inefficient boilers. Under this programme, loans aggregating to Rs. 1.35 crores have been granted till 31.3.88. Additionally, the Corporation, in consultation with OIDB, disbursed loans amounting to Rs. 1.3 crores to Rajasthan and Haryana Governments to enable them to create necessary infra-structure for receiving supplies of Bitumen in bulk as opposed to in drums, thus saving substantial additional costs incurred on steel and manufacture of drums.

Emphasis on Quality Control was continued by our Product & Application Development Department. They carried out periodic audits at Depots and Installations and conducted courses/seminars for the operating staff.

M/s. Hindustan Motors and Premier Automobiles have approved your Corporation's Bharat Automol Super F Multigrade Oil 20W/40 with increased drain periods. Similarly, Research, Design and Standards Organisation, Lucknow, have approved special Bharat Grease No. O Graphited for use by the Railways. TELCO also accorded approval for Bharat Actuma Ultra Super Oil 30 and Bharat Spirol HD 90 with increased drain periods.

Coming to LPG, the Corporation kept up the tempo and commissioned 41 new distributorships (16 in virgin markets) bringing the total number of distributorships at the close of the year to 651. The target for enrolment of 3.25 lakh new consumers was achieved bringing the total number of consumers to 30.25 lakhs.





Modern digital dispensing pumps have been added at our outlets, in our continued efforts to improve the retail network.



To provide better service to the rapidly increasing population of two and three wheeler customers, segregated facilities at selected outlets were provided, along with fibre-glass canopies at these and some other outlets.

BHARAT PETROLEUM CORPORATION LIMITED

As in the previous years, emphasis continued to be laid on the education of the growing LPG consumer population to inculcate safety consciousness in the use of LPG through comprehensive nationwide multi-media campaigns supplemented by a large number of Safety Clinics/Seminars for training and education of consumers, distributors and their staff. Two additional Industry LPG training centres controlled by your Corporation were commissioned at Jaipur and Bhitoni.

At the close of the year, the Corporation has 5 Port Installations, 2 Lubricating Oil Blending Plants, 4 Inland Installations and 50 Bulk Depots with an aggregate tankage of 7.4 lakh kl, besides 19 packed Lubricants Storage Depots. The total throughput handled through our storage points was 299 lakh kl, compared to 266 lakh kl, in the previous year. The Corporation owned and operated a tank-lorry fleet of 211 vehicles which handled 11.91 lakh kl. products during the year.

Quality Control

Pursuant to the decision of the Oil industry for stricter quality control, the Corporation has set up product testing laboratories at 6 Installations and installed Flash Point Testing equipment at all Company operated Depots.

MAJOR PROJECTS

The Corporation continued to give due importance to project planning and monitoring in order to ensure that projects are completed on schedule and without any cost overrun. Major projects under implementation are briefly outlined below:-

A. ONGOING PROJECTS

1. Captive Power Plant

This project is aimed at insulating the Refinery operations from fluctuations/interruptions in supply of external power and to make available uninterrupted power supply to critical units of the Refinery at all times in addition to co-generation of steam.

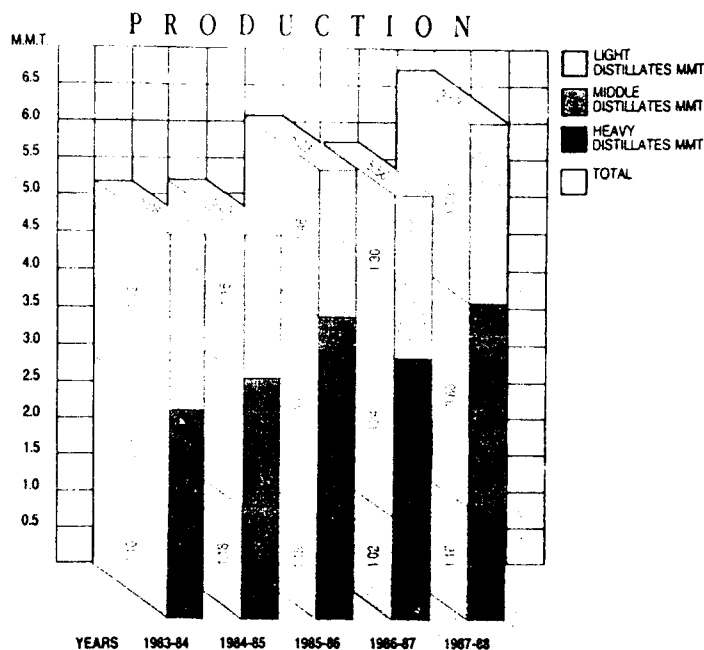
This project involves installation of 2 gas turbines, generators and 2 heat recovery steam generators with necessary auxiliary facilities. The project is expected to be completed and commissioned in last quarter of 1988.

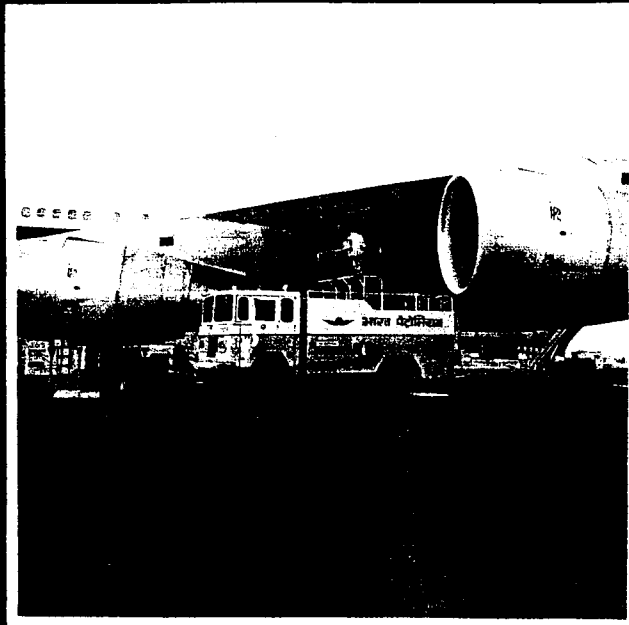
2. Energy Conservation

ENCON project of the Refinery has three schemes, viz:-

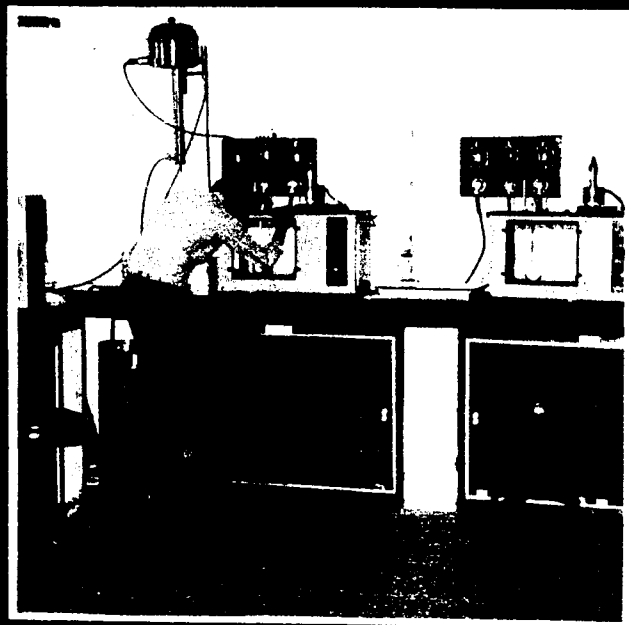
i) Additional exchangers and air preheaters in CDU; ii) New Furnace in Feed Preparation Unit (FPU); iii) CO Boiler for existing Cat.Cracking Unit (CCU).

While Schemes (i) and (ii) above have already been completed and commissioned and benefits of fuel saving are already accruing to the Corporation, site construction activities for Scheme (iii) above are under progress. This project (i.e. Scheme (iii)) is expected to be completed by October 1988 and hooked up during the forthcoming planned CCU shutdown. The estimated cost of the project is Rs. 11.56 crores. On commissioning, besides reduction in CO emission, this project will result in saving of about 5912 tonnes of fuel per annum.





The network of Aviation Service Stations was expanded to 11 during the year.



Product testing laboratories were set up at 6 Installations and Flashpoint testing facilities at all Company operated Depots.

BHARAT PETROLEUM CORPORATION LIMITED

3. C3/C4 Separation Facilities Project

The basic objective of this project is to separate C3/C4 streams from cracked LPG streams of the cracker units of the Refinery and transportation of C3 stream to proposed polypropylene plant of Maharashtra Gas Cracker Complex (MGCC) at Nagothane. Part of the equipments have already been received. The project estimated to cost Rs. 22.5 crores, is expected to be mechanically completed by January 1989, well in time to meet MGCC requirements.

4. Improvement of Effluent Discharge Facilities — MINAS Project

Presently, the effluent discharge from the Refinery fully meets the requirements as prescribed by the Maharashtra Pollution Control Board. However, with our commitment to conservation and improvement of environment, a project estimated to cost Rs. 15.6 crores to further treat the effluent streams from the Refinery to meet the Minimal National Standards has been taken up and is scheduled for completion by June 1989.

5. Modification of CDU Furnace (Phase I), Replacement of Internals of CDU & FPU columns and Integrated Control Room Projects

Modification of CDU furnace (Phase I) envisages replacement of existing B2A furnace with a modern, efficient furnace and carrying out certain modifications to furnaces B1 and B2 to impart greater reliability of operation of CDU complex. Replacement of Internals of CDU and FPU columns would ensure increased recovery of LPG, and the Integrated Control Room Project is in the direction of integrated operation of process units in order to achieve modernisation, energy conservation and yield optimisation.

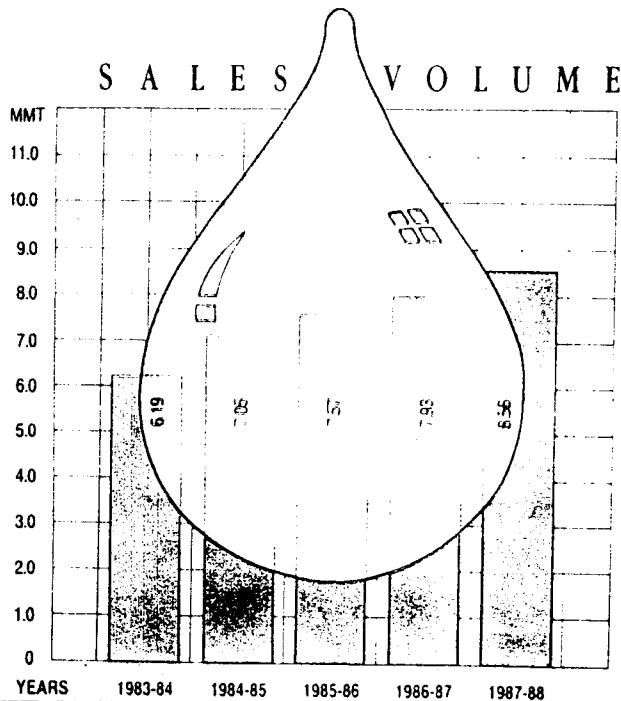
All these projects are in advanced stages of completion and are expected to be hooked up during the forthcoming shutdown of Crude Distillation Unit (CDU)/Cat.Cracking Unit (CCU) in September/October 1988. The total estimated cost of these projects is Rs. 20.9 crores.

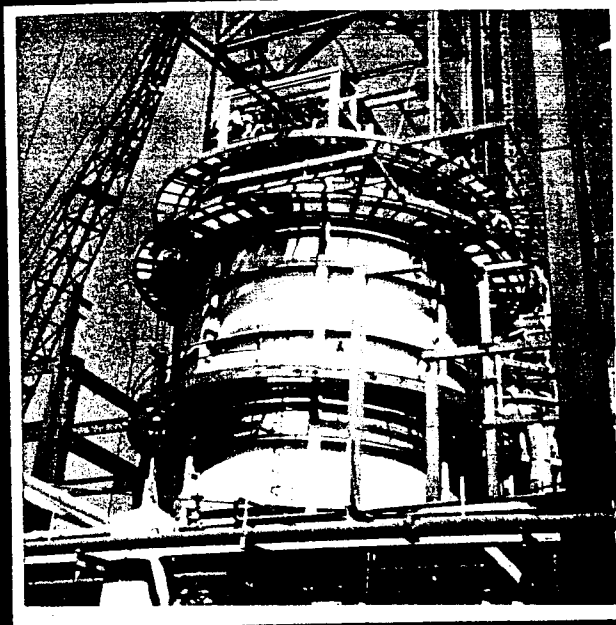
6. Modernisation of Facilities for production of SBP/Hexane Solvents — Project

This project aims at installation of facilities for production of SBP/Hexane solvents from Bombay High feedstock. The estimated cost of the project is Rs. 16.05 crores and is scheduled for mechanical completion by June 1989.

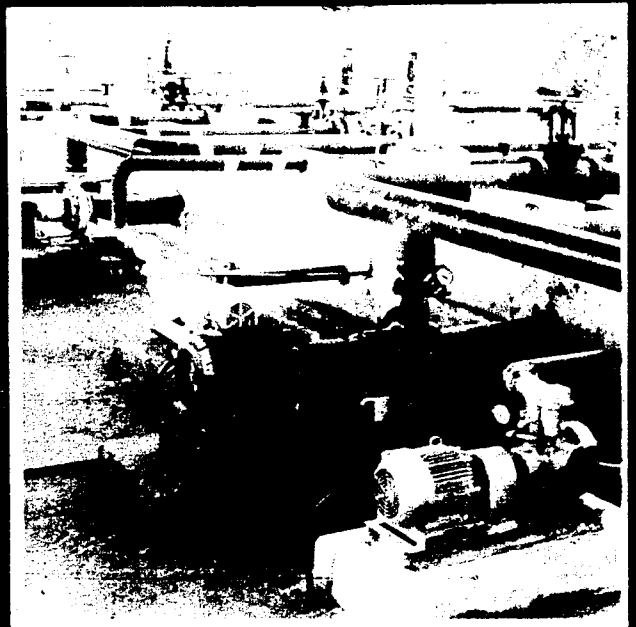
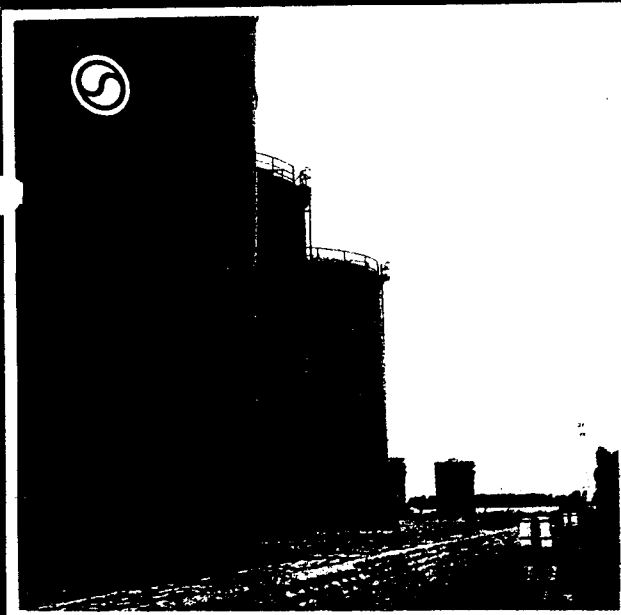
7. Additional Product Tankage (APT)

Under Phase IIA, 1.16 lakh kl. tankage was planned at the Refinery/Sewree Installation (Bombay), 10 upcountry Depots including a new Depot at Durai and 1 airfield service station at an estimated cost of Rs. 10.4 crores. The project, except for small capacity tankage at Jammu Depot, was completed by March 1988.





New Furnace in Feed Preparation Unit (FPU)
under construction-one of our ENCON Projects.



Scenes from our new Installation at Bijwasan.

BHARAT PETROLEUM CORPORATION LIMITED

Following assessment of tankage requirements to hold products upto an acceptable level, taking into account all contingencies, the Corporation, in consultation with the Oil Co-ordination Committee and Industry Members, has formulated plans to put up additional tankages of 5.73 lakh kl. at an estimated cost of Rs. 143.7 crores. On construction of these tankages scheduled for completion by the Corporation will have total product tankages of 14.26 lakh kl. together with matching operational facilities, and this would represent an increase of almost 90% over the existing facilities as on 31.3.88. The increased product holding capacities would enable the Corporation to meet its growing trade commitments effectively.

8. Revamping of Facilities at Sewree Installation

Having regard to the need to decongest loadings at the Refinery, which have increased enormously, the Corporation is putting up a modern tank-lorry loading gantry at Sewree Installation and also to revamp all other support facilities such as those for fire fighting, water storage, pumps, etc. The estimated total cost is Rs. 4.2 crores.

New Installation at Bijwasan, Delhi

A new installation at Bijwasan, Delhi, constructed at a cost of Rs. 2.8 crores was commissioned during the year with a tankage of 41,418 kl. and all other supporting facilities.

* in stages by March 1991

10. Marketing of LPG — Phase III

Under this project, 6 Bottling Plants (Mangalore, Jabalpur, Jalgaon, Sholapur, Ambala and Piyala) have been completed on schedule. The remaining 6 Bottling Plants at Uran, Tuticorin, Trivandrum, Hissar, Lucknow and Khurda will be completed in stages by December 1988. The project, estimated to cost Rs. 239.03 crores, will provide net incremental bottling capacity of 250,000 TPA which will enable the Corporation to market progressively larger volumes of LPG.

11. Additional LPG Bottling Plants

In order to create additional bottling capacity in the country on a crash basis, your Corporation has also constructed 2 LPG Bottling Plants at Jaipur and Bareilly (6,500 TPA each) While Jaipur Plant was commissioned in February 1987, Bareilly Plant was commissioned in May 1988.

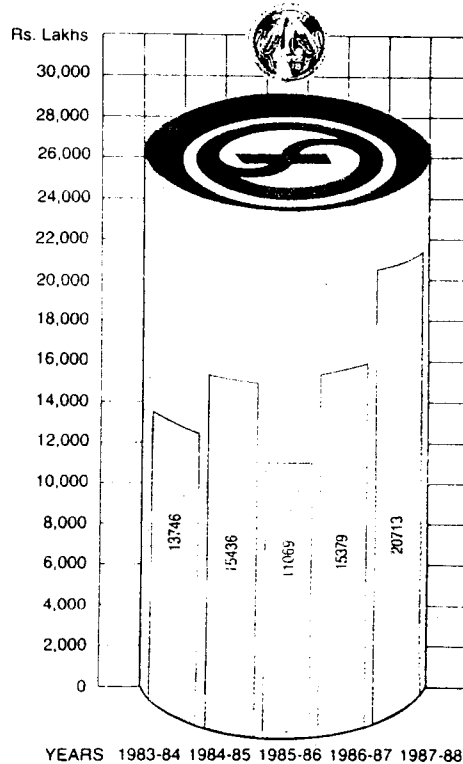
B. NEW PROJECTS

Your Corporation submitted to Government a Perspective Plan 2004-05 of the Corporation which envisages setting up of new grassroots refineries and Petrochemical complexes as well as development of tankages and other infra-structural facilities including laying of crude and product pipelines

A Task Force headed by a General Manager was set up in October 1987 for carrying out in-depth studies and preparing project formulation reports/feasibility reports for setting up grassroots refineries and petrochemical complexes during 8th and 9th Plan periods.

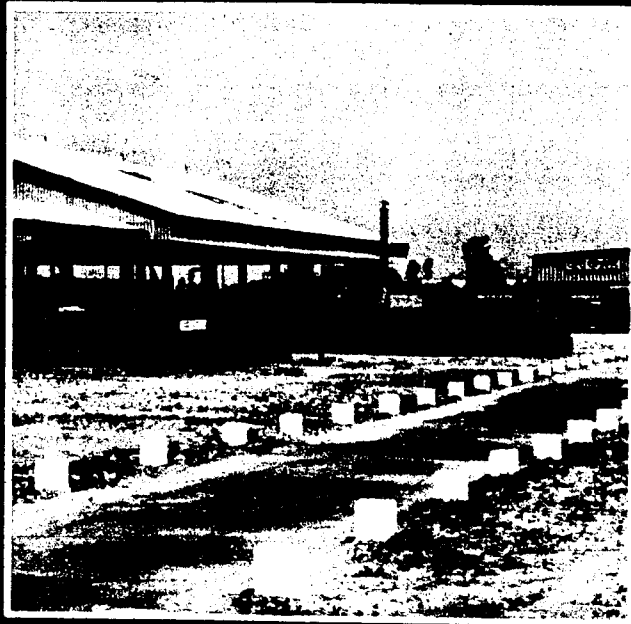
For future growth of the Corporation, following major project proposals have been submitted to the Government for consideration.

CAPITAL EXPENDITURE





The new Bareilly LPG Bottling Plant, which was recently inaugurated by the then Union Minister for Finance and Commerce, Hon'ble Shri Narayan Dutt Tiwari.



A view of the new Bareilly LPG Bottling Plant.

BHARAT PETROLEUM CORPORATION LIMITED

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 Oil Installation 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. 65.21 crores.
Completion Schedule : 36 months from the date of Government approval.

Cochin/Coimbatore Product Pipeline

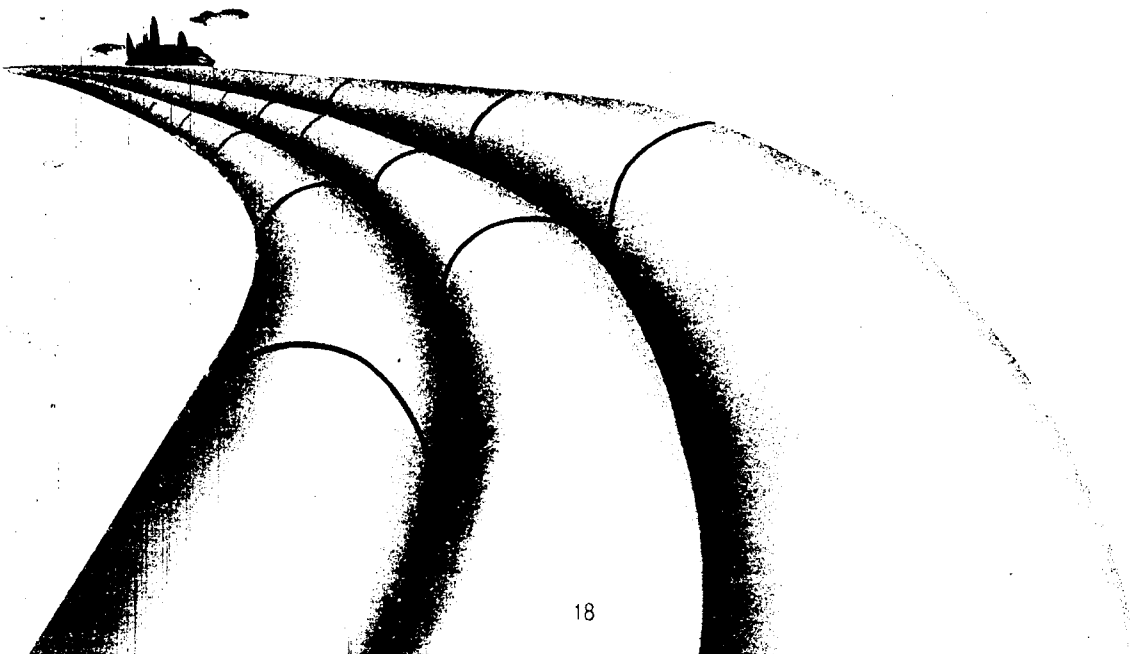
Proposed Facilities : A 210 km. product pipeline from Cochin to Coimbatore for quick transportation of petroleum products.

Estimated Cost : Rs. 134.60 crores.
Completion Schedule : 36 months from the date of Government approval.

In addition to the above, advance action has been initiated in respect of following major projects for which Project Formulation Reports have been submitted to the Government:-

- C4/C5 Elastomers Complex;
- Naphtha Cracker Complex;
- Grassroots Refinery in Central India;
- Grassroots Refinery with LOBS Complex in North-West India.

As regards the grassroots refinery in Central India, the Government have asked your Corporation to submit a detailed study report. This grassroots refinery proposed for 6 MMTA capacity will be completed in about 60 months from the date of approval.



BHARAT PETROLEUM CORPORATION LIMITED

PERSONNEL

In pursuance of the Corporation's philosophy that Human Resources constitute the Corporation's most important asset, training and development of personnel at all levels continued to receive great attention.

Recruitment

During the year under report, 1177 persons are recruited out of which 245 are SC, 49 ST, 29 PH and 106 Ex. Servicemen. Of the total recruitment, Management Staff is 339, of whom 68 are SC and 18 are ST.

Particulars of Employees

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

Training

In-house training courses for Management Staff increased by 56% and number of persons attended increased by 54% during the year under report. In-house training for Workmen categories was stepped up by 156% in terms of number of courses conducted and 71% in terms of those attended. Statistical data for courses held, persons attended for the last three years are:-

	No. of courses conducted		No. of staff covered	
	Management	Workmen	Management	Workmen
1985/86	125	23	1796	476
1986/87	173	64	2523	1420
1987/88	271	164	3904	2434

Industrial Relations

During the year under review, Industrial Relations were generally cordial and constructive. A settlement on Uniforms/Protective Work Clothes for workmen categories was signed with the Unions in Marketing on 28.4.87 and in the Refinery on 4.12.87. An improved Grievance Procedure for Workmen was introduced in Marketing and this was well received.

Employees' Welfare

In the Refinery, a creche was constructed and commissioned during the year under report. Also, a new Snack Bar with improved facilities was started. Construction of a nursery school has also been started at the Refinery colony.

REPRESENTATION OF SC/ST

At the time of takeover in January 1976, there were only 94 Scheduled Castes and 15 Scheduled Tribes employees out of a total work force of 4806, working out to an overall 2.3% representation in the total work force. As against this, during the period from 24.1.76 to 31.3.88, out of a net increase of 5299 employees, the number of SC/ST employees has increased by 1213 and 371 respectively, representing an increased intake of SC/ST employees at the overall rate of 29.89%. Thus, as of 31.3.88, out of total employees (excluding Sweepers) of 10,105, the numbers of SC/ST employees were 1307 and 386 respectively giving an average representation of 16.75%.

With a view to encouraging higher education amongst SCs/STs, the following 3 Scholarship Schemes exclusively for SCs/STs are continued:-

Engineering Degree Courses

15 Scholarships for Under Graduate Engineering students belonging to SC/ST of the value of 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. 225/- per month tenable for a period of upto 5 years of post-SSC studies in any discipline (upto graduation level) exclusively for the children of SC/ST employees of the Corporation.

COMMUNITY WELFARE

Keeping in view the Corporation's philosophy of "People above Oil" and the Government's 20-point programme, the Corporation has maintained its active involvement in community welfare schemes and has made appropriate financial contributions. It has continued its help to villagers of Mahul village which has been adopted by the Corporation and has also assisted Zilla Parishad at Raigad to implement family welfare schemes.

Since a large part of the country was affected by drought, your Corporation made generous contributions to the State Governments. In Maharashtra, apart from a cash contribution of Rs. 10.6 lakhs, 15 tank lorries were made available to the State Government. The Corporation assisted drilling of 15 tube-wells in drought affected areas which were handed over to the local authorities.

The Corporation produced a video film to bring about an awareness of the dangers of environmental degradation, titled "WHOSE WORLD IS IT ANYWAY" which is shown at schools and colleges throughout the country. The Corporation also undertook large scale planting of trees throughout the country and 'green belts' developed at each of the LPG Bottling Plants of the Corporation.

As a sequel to the much appreciated video film on drug awareness — MANAS — another film SANKALP dealing with the rehabilitation of a drug addict, has been produced to be shown to social organisations and interested industrial undertakings.

BHARAT PETROLEUM CORPORATION LIMITED

Providing opportunities for Youth in Sports

The Corporation continued to sponsor various sports activities and, more importantly, continued to hold coaching camps for juniors/sub-juniors in various sports. Sports scholarships were also awarded to 22 promising youngsters by the Corporation.

OFFICIAL LANGUAGE IMPLEMENTATION

During the year, 24 Official Language Implementation Committees on all-India basis have continued to function to review progress, formulate guidelines to effectively use Hindi in the Corporation. Parliamentary Committee on Official Language visited Goa, Delhi and Calcutta offices of the Corporation and reviewed the progress made in the use of Hindi. Barauni Despatch Unit and Paina Divisional Offices have been notified under Rule 10(4) of Official Language Rule 1976 indicating that more than 80% of staff are having working knowledge of Hindi for doing work in Hindi.

Twelve Workshops have been conducted at Chairman's Office and Regional Offices and 23 Hindi Classes under the Government's Hindi Teaching Scheme, were conducted on all-India basis. Steps are being taken for imparting training of Hindi Typing/Stenography to English Typists/Stenographers.

The first working day of every month is being observed as Hindi Day. Besides, at Chairman's Office and Refinery, Hindi Week was organised wherein elocution, handwriting and essay competitions were held and many employees actively participated.

DIRECTORS

During the year under report, Shri U.M. Kini, Chairman & Managing Director and Shri M.K. Das, Director (Marketing) retired on 19.12.87 and 3.10.87 respectively. The Board placed on record its appreciation of the valuable services rendered by Shri M.K. Das, as Director (Mktg) and Shri U.M. Kini as Chairman & Managing Director during whose tenure the Corporation made commendable progress.

In addition, while Shri R.K. Batra, General Manager (Sales) was appointed as Director (Marketing) w.e.f. 25.11.87, Shri S.K. Mudigonda, Executive Director (Traffic Transport), Railway Board, resigned w.e.f. 29.2.88. The Board placed on record its appreciation of the valuable services rendered by Shri Mudigonda.

During the current year, Shri R.K. Gajree, Director (Finance), has been appointed as Chairman & Managing Director and he took over as Chairman & Managing Director w.e.f. 2nd May, 1988. Moreover, Shri B.B. Srivastava, Executive Director (Traffic Transportation), Ministry of Railways (Railway Board) has been appointed as Director w.e.f. 7.4.88.

As per Article 77 of the Articles of Association of the Corporation, the Directors, other than the Chairman & Managing Director and whole-time Directors, are to retire at every third Annual General Meeting and since such retirements occurred at the Annual General Meeting held in September 1985, the present such Directors, Shri T.N.R. Rao, Shri B.K. Sinha, Shri B.B. Srivastava and Shri Arvind Varma will retire at the end of the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

M/s. K.S. Iyer & Co. and M/s. Haribhakti & Co., Chartered Accountants, Bombay, have been appointed by the Company Law Board as Auditors for the year 1987-88 under Section 619(2) of the Companies' Act, 1956, who will hold office till the end of the ensuing Annual General Meeting. The Company Law Board will be approached for appointment of Auditors for the year 1988-89 under Section 619(2) of the Companies' Act, 1956.

ACKNOWLEDGEMENT

The Directors convey their sincere appreciation of the valuable services rendered by the employees at all levels without which the progress made by the Corporation would not have been possible and they are confident that with their enthusiasm, initiative and dedicated efforts, the Corporation will further improve both its services to the customers and its overall performance.

The Directors also express their thanks to the large number of customers for their patronage.

The Directors gratefully acknowledge the guidance and support received from the Central, the State Governments and Union Territory Administrations.

For and on behalf of the Board of Directors

(R.K. GAJREE)
Chairman & Managing Director

Bombay, Dated: 31.8.88



This telephone booth operated by a handicapped person is one of the areas in which our Corporation has helped the community.




The Balwadi in Mahul village: another step in our Corporation's involvement in community development



To provide an opportunity for youth in sports, several coaching camps and various sports activities were sponsored by our Corporation.

BHARAT PETROLEUM CORPORATION LIMITED

 **Officer in Charge**
 DDU/DMH
 Dear Madam


Thankward Apperance School
 Naval Highway
 Madhav Nagar, Juhu Road
 Bombay - 400 021.
 22 Feb 80

I am returning your Video film on environment "Whose World Is It Anyway" with our sincere thanks. The Officers appreciated the efforts of Bharat Petroleum Corporation Limited on bringing out this beautiful movie with a hope that it will be screened as often and at as many places as possible. Preservation of ecology is the crying need of the time and we can ignore it only at our cost with complete disaster around us.

Once again thanking you
 Yours faithfully

[Signature]
 DDU/DMH
 Officer in Charge
 Thankward Apperance School

Chief Corporate Communications Manager
 Bharat Petroleum Corporation Limited
 Ballard Estate, Bombay - 400 038

 **St. Andrew's High School & Junior College**
 ST. DOMING ROAD BANDRA BOMBAY 400 050 TELEPHONE NO. 6423144
 MARCH 30, 1980.

Chief Corporate Communications Manager
 Bharat Petroleum Corporation Limited
 Bharat Bhavan 4 & 6 Currimoney Rd
 Ballard Estate, Bombay 400 038

The film, I must say it is well prepared, putting the whole message through a song as well as through the life story of the person.
 The message was well conveyed at that a our moment and I also focussed our attentions in working towards an organisation concern about pollution.

[Signature]
 Fr. Austin Collier
 Principal
 St. Andrew's High School,
 Bandra, Bombay-400 050



We reproduce here on the left a letter appreciating our Corporation's active involvement in community welfare schemes. On this page is, also a review of one of the video films which had been made - "Whose World is it Anyway", on the dangers of environment degradation.

Service for Communicators

Publications Division: Management Research Services, National House, 2nd Floor, 8 Tulloch Road, Near Regal Cinema, Bombay 400 039, India. Telephone 2022258
 Managing Editor: V.V. Deshpande

SC 2357/1977 16 August 1987

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Business Manager
 R.G. Gogate

Mr. R.N. Gajree
 Chairman & Managing Director
 Bharat Petroleum Corporation Ltd
 Bharat Bhavan
 Ballard Estate
 BOMBAY - 400 038

Sub: Public Service Communicator of the Year Award - 1987

Dear Sir,

We are pleased to inform you that Bharat Petroleum Corporation Limited has been selected by an eminent panel of senior communication professionals to receive the Public Service Communicator of the Year Award for 1987. The objectives, criteria of this award and the panel are given in the enclosures. We are also enclosing the draft citation which notes the reasons for the award. The first such award was presented to Lintas India and was presented by Mr. N.A. Pathiravala to Mr. Anvay Padmanee on January 28, 1986. Since then, we did not find any organisation coming up to the standards envisaged under the award scheme.

I request you to confirm the acceptance of this award. On hearing from you, we will organise the public function mutually suitable to the Chief Guest and you, to receive the award.

Meanwhile we await your confirmation.

Thanking you,

Yours sincerely

[Signature]
 Managing Editor

Encl: 1 - Citation

THE SYDENHAM NATURE CLUB

11B ROAD, Churchgate, BOMBAY - 400 029

Chief Corporate Office
 Bharat Petroleum
 Bharat Bhavan
 Bombay.

Date: 5th Feb 1988

Dear Sir,

On behalf of the Sydenham Nature Club, I thank you for the issue of the magazine which proved to be a fruitful idea for a healthy interest and awareness in the student community.

The reactions from the various students when asked about the magazine were very interesting and it is doubly pleasing that they themselves about the magazine, thinking that the magazine would be of use to them.

As a Sydenham Nature Club student, our very best wishes for your noble cause and would be glad to help you in any way we can as we too recognise the impending danger to the natural beauty of this planet and we are not taking any chances.

[Signature]
 Mrs. Jashan Chasmara
 Secretary
 Sydenham Nature Club

PERFORMANCE PROFILE

	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78	1976
											(15 MONTHS)	
1) Crude Oil Processed (000 Tonnes)												
Imported	1204	105	67	175	468	1384	904	1268	1301	1840	3826	3596
Indigenous	5352	5467	6311	5279	4829	3093	4090	3603	3540	2866	1803	159
	6556	5572	6378	5454	5297	4477	4994	4871	4841	4706	5629	3755
2) Fuel and Loss as % of Crude Processed	5.6	5.8	6.2	4.5	4.4	4.7	4.8	4.9	4.7	5.0	5.2	5.7
3) Market Sales (000 KL)	10720	9899	9410	8789	7711	7124	6541	6473	6136	5781	6483	4519
4) Market Participation %	18.5	18.3	18.7	18.3	17.5	16.8	16.4	17.2	16.7	16.3	16.4	15.3
5) Sales and Earnings	RS. LAKHS											
Sales and Other Income	406949	354276*	235147	213936	187936	173300	152504	122364	94598	78422	80027	57851
Gross Profit before Depreciation, Interest and Tax	19025	18423	17722	9299	7486	5497	4856	3940	3299	2938	2401	1026
Depreciation	6346	8156	7756	5334	4238	1540	1222	1251	771	455	190	239
Interest	3375	3415	3074	1885	1332	961	673	378	46	28	160	193
Profit before Tax	9304	6852	6892	2080	1916	2996	2961	2311	2482	2455	2051	594
Tax	1700	820	760	700	350	1650	1554	1267	1505	1589	1265	428
Profit after Tax	7604	6032	6132	1380	1566	1346	1407	1044	977	866	786	166

*Sales and Other Income includes sales to Other Oil Companies.

BHARAT PETROLEUM CORPORATION LIMITED

PERFORMANCE PROFILE (Contd.)

	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78	1976-77 (15 MONTHS)
6) What the Company owned	RS. LAKHS											
Gross Fixed Assets	95485	75175	60048	49569	34516	20921	13459	9625	7380	5812	4995	4607
Net Fixed Assets	59911	42756	35960	32920	22852	13367	7360	4708	3657	2825	2459	2258
Net Current Assets	1446	9085	10932	5836	7283	5582	6956	8691	2675	2158	3619	2592
Total Assets Net	61357	51841	46892	38756	30135	18949	14316	13399	6332	4983	6078	4850
7) What the Company owed												
Share Capital	2785	2785	2785	1657	1657	1454	1454	1454	1454	1454	1454	1454
Reserves and Surplus	30703	20624	14968	10355	9191	7577	6181	4978	4105	3191	2500	1896
Net Worth	33488	23409	17753	12012	10848	9031	7635	6432	5559	4645	3954	3350
Borrowings	27869	28432	29139	26744	19287	9918	6681	6967	773	338	2124	1500
Total Funds Employed	61357	51841	46892	38756	30135	18949	14316	13399	6332	4983	6078	4850
8) Internal Generation	13583	14250	13496	6499	5851	2936	2425	2123	1684	1146	794	260
9) Value Added	37149	34054	29218	22350	18646	12974	11230	10076	8383	7625	7136	2813
10) Ratios												
Gross profit before Depreciation Interest and Tax as % of Sales and Other Income	4.7	5.2	7.5	4.3	4.0	3.2	3.2	3.2	3.5	3.8	3.0	1.8
Profit after Tax as % of Average Net Worth	26.7	29.3	41.2	12.1	15.7	16.2	20.0	17.4	19.1	20.1	21.5	6.7
Profit after Tax as % of Share Capital	273.0	216.7	220.2	83.3	94.5	92.6	96.8	71.8	67.2	59.6	54.1	11.5
Average Net Worth as % of Share Capital	1021.5	738.9	534.3	689.8	599.9	573.1	483.7	412.4	350.9	295.7	251.2	170.9

BHARAT PETROLEUM CORPORATION LIMITED

SOURCES AND UTILISATION OF FUNDS

1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78	1976 (15 MONTHS)
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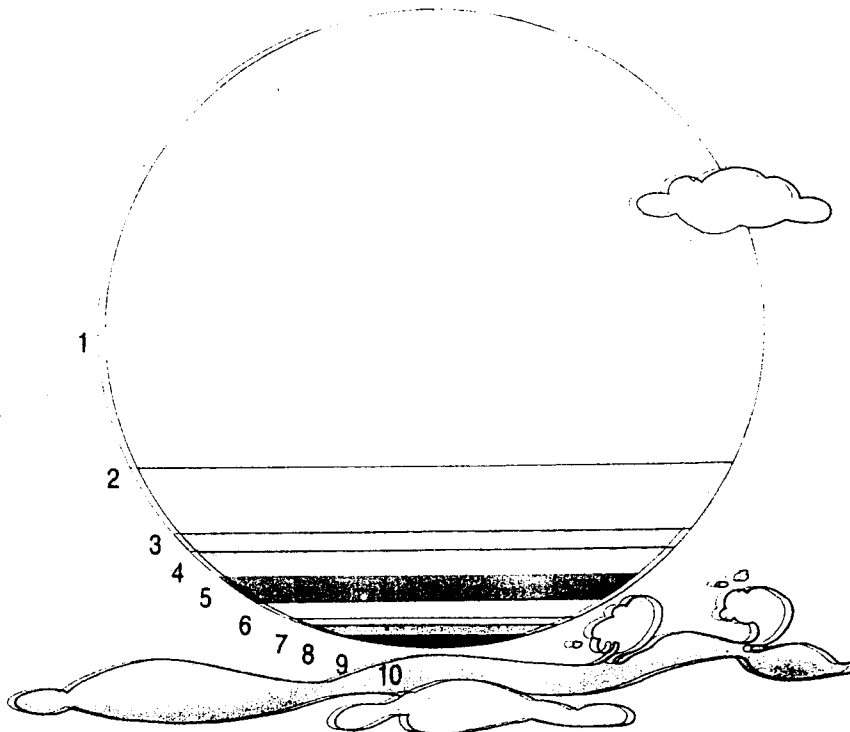
SOURCES OF FUNDS

OWN

RS. LAKHS

Profit after Tax	7604	6032	6132	1380	1566	1346	1407	1044	977	866	786	166
Excess provision for Taxation in earlier year written back (Net)	198	13	-1	16	48	50	—	32	111	—	—	—
Depreciation	6339	8594	7756	5334	4238	1540	1222	1251	771	455	190	239
Shareholders' investment	—	—	—	—	203	—	—	—	—	—	—	1708
BORROWINGS												
Loans	-562	-707	2396	7457	9369	3237	-286	6194	435	-1786	624	1153
LPG Deposits	2224	2764	3280	2599	2056	1162	666	124	78	140	59	109
Decrease in Working Capital	5428	—	—	—	—	214	1072	—	—	1320	—	—
Adjustment on account of Deletion/ Re-classification, etc	52	-10	272	32	24	19	11	6	4	15	37	-748
	21283	16686	19835	16818	17504	7568	4092	8651	2376	1010	1696	2627
APPLICATION OF FUNDS												
Capital Expenditure	20712	15379	11069	15436	13746	7567	3886	2307	1607	835	429	263
Dividend	557	390	390	232	—	—	204	204	175	175	182	146
Investments	14	—	—	64	23	1	2	—	—	—	—	11
Increase in Working Capital	—	917	8376	1086	3735	—	—	6140	594	—	1085	2207
	21283	16686	19835	16818	17504	7568	4092	8651	2376	1010	1696	2627

**HOW EACH RUPEE
HAS BEEN SPENT
DURING 1987-88**



PARTICULARS	1987-88 PAISE	1986-87 PAISE
1. Raw Materials, Purchase of products for Resale (Net) & Packages	78.57	78.32
2. Duties, Taxes etc	10.87	10.89
3. Transportation	1.79	1.80
4. Stores & Other Operating Expenses	2.88	2.66
5. Depreciation	1.56	2.29
6. Employees' Remuneration & Other Benefits	1.16	1.15
7. Interest on Borrowings	.83	.96
8. Retained Profit	1.78	1.59
9. Income Tax	.42	.23
10. Dividend	.14	.11
TOTAL	100.00	100.00

BHARAT PETROLEUM CORPORATION LIMITED**VALUE ADDED STATEMENT**

	1987-88	RS. LAKHS	
		1986-87	
HOW VALUE IS GENERATED			
Value of Production (Refinery)	126162	106307	
LESS: Direct Materials Consumed	115919	100049	
Added Value	10243	6258	
Marketing Operations	26906	27796	
Value added by Manufacturing & Trading Operations	37149	34054	
ADD: Other Income	2818	1358	
Total Value Generated	39967	35412	

HOW VALUE IS DISTRIBUTED

I. OPERATIONS				
Operating & Servicing Costs		16228		12458
II. EMPLOYEES' BENEFITS				
Salaries, Wages & Bonus	3636		3238	
Other Benefits	1085	4721	855	4093
III. PROVIDERS OF CAPITAL				
Interest on Borrowings	3375		3415	
Dividend	557	3932	390	3805
IV. INCOME TAX		1700		820
V. RE-INVESTMENT IN BUSINESS				
Depreciation	6339		8594	
Retained Profit	7047	13386	5642	14236

SIGNIFICANT ACCOUNTING POLICIES

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. EXPENDITURE DURING CONSTRUCTION PERIOD

Direct expenses as well as direct financing costs, incurred during construction period on capital projects are capitalised. Indirect expenses of the project group are allocated only to projects costing Rs. 5 Crores and above.

4. DEPRECIATION

- 4.1 No depreciation is charged on freehold land and on leasehold land treated as freehold land.
- 4.2 Depreciation on LPG cylinders and pressure regulators as well as items of plant and machinery costing not more than Rs. 5000 each, is charged at 100% in the year of capitalisation.
- 4.3 Depreciation on other fixed assets is computed on Straight Line Method at the rates prescribed in Schedule XIV of the Companies' Act.
- 4.4 Depreciation is charged for full year irrespective of date of installation/commissioning. No depreciation is charged on assets sold/disposed off during the year.

(Single Shift basis)

5. INVENTORY VALUATION

- 5.1 Crude and Intermediate stocks are valued at cost on First in First out basis.
- 5.2 Petroleum Products are valued at cost as recognised in the pricing structure and changes advised by the Government from time to time or at Net Realisable Value whichever is lower. However, non-formula products are valued at input cost as determined in the pricing mechanism.
- 5.3 The free grade Lubricants and Aromatics products are valued at cost or at Net Realisable Value whichever is lower.
- 5.4 Packages are valued at cost or at Net Realisable Value whichever is lower.
- 5.5 Stores and Spares are valued at cost.
- 5.6 In sub paras 5.3 to 5.5 'Cost' is reckoned as the weighted average cost.

6. CLAIMS & PROVISIONS

Claims on Oil Co-ordination Committee are booked on acceptance in principle thereof. Claims and provision on Pool Accounts are generally booked on the basis of available instructions/clarification subject to final adjustment after audit, as stipulated. All other claims and provisions are booked on merits of each case.

7. SALES

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

8. GRATUITY

Payments for gratuity on retirement made from the approved gratuity fund. The amount required to be paid by the Company by way of contributions to the approved gratuity fund, based on the actuarial advice is charged to Profit & Loss Account.

9. CLASSIFICATION OF EXPENSES

Income/Expenditure upto Rs. 1,00,000 in each case pertaining to prior years, is charged to the current year. Pre-paid expenses, upto 10,000 in each case, are charged to Revenue.

Research and Development expenditure (including capital expenditure on Research) is charged to the Profit & Loss Account in the year the expenditure is incurred.

10. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital Commitments and Contingent Liabilities disclosed in Schedule 'V' those which exceed Rs. 50,000/- in each case.

BHARAT PETROLEUM CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1988

	SCHEDULE	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Share Capital	A	2785.34	2785.34
(b) Reserves & Surplus	B	30702.97	20623.40
		33488.31	23408.74
2. Loan Funds:			
(a) Secured Loans	C	6287.79	3978.96
(b) Unsecured Loans		21581.29	24452.94
		27869.08	28431.90
TOTAL		61357.39	51840.64
II. APPLICATION OF FUNDS			
1. Fixed Assets:			
(a) Gross Block	D	73420.25	59488.06
(b) Less: Depreciation		35573.70	32419.05
(c) Net Block		37846.55	27069.01
(d) Capital Work-in-Progress (At Cost) (Includes Advance Payments, Materials at Site, In-Transit and with Contractors)	E	22064.58	15686.73
		59911.13	42755.74
2. Investments			
	F	115.59	101.53
3. Current Assets, Loans & Advances:			
(a) Inventories	G	25681.39	23960.58
(b) Sundry Debtors	H	4087.52	7257.44
(c) Cash and Bank Balances	I	6005.11	5876.27
(d) Other Current Assets	J	1299.86	1126.12
(e) Loans and Advances	K	9187.74	5246.01
		46261.62	43466.42
Less: Current Liabilities & Provisions:			
(a) Liabilities	L	43346.28	33458.15
(b) Provisions	M	1584.67	1024.90
		44930.95	34483.05
Net Current Assets		1330.67	8983.37
TOTAL		61357.39	51840.64
Notes forming part of Accounts	V		

As per our attached report of even date.

R.K. GAJREE
Chairman and Managing Director

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

For and on behalf of
HARIBHAKTI & CO.
Chartered Accountants

R.K. BATRA
Director (Marketing)
New Delhi, 4th August, 1988

K.S. MANIKASHETTI
Secretary

MANI A. AIYAR
Partner
Bombay, 5th August, 1988

CHETAN DESAI
Partner

BHARAT PETROLEUM CORPORATION LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1988

	SCHEDULE	RS. LAKHS	RS. LAKHS	1986/87 RS. LAKHS
INCOME				
Sale of Products		405001.80		352905.70
Miscellaneous Income	N	1947.44		1370.74
Increase/(Decrease) in Inventory of Finished Products and Stock-in-Process	O	- 593.74		2380.55
			406355.50	356656.99
EXPENDITURE				
Purchase of Products for Resale {See Note No. 4(c)}		197261.79		174085.53
Raw Materials Consumed		119139.30		101590.77
Packages Consumed		3745.21		3725.81
Duties, Taxes, etc. & Other Charges applicable to Products		44295.83		38836.82
Transportation		7284.62		6411.45
Consumption of Stores, Spares & Materials	P	3244.05		2715.99
Fuel & Power	Q	1318.44		1220.52
Employees' Remuneration & Other Benefits	R	4720.89		4093.03
Interest	S	3374.58 ✓		3415.06
Other Operating & Administration Expenses	T	7190.54		5541.37
Depreciation (See Note (VI) Schedule D)		6346.41		8155.98
			397921.66	349792.33
Profit			8433.84	6864.66
Prior Years' Income/(Expenses) Net	U		870.58	- 12.34
Profit before Tax			9304.42	6852.32 ✓
Provision for Taxation			1700.00	820.00
Profit after Tax			7604.42 ✓	6032.32
Transfer to Investment Allowance Reserve			—	2850.00
			7604.42	3182.32
Transfer from Investment Allowance Reserve			5.49	7.33
Excess Provision for Taxation in earlier years written back (Net)			197.59	13.40
Excess Provision for Depreciation in earlier years written back			2834.63	—
			10642.13	3203.05
Balance brought forward from previous year			0.18	0.08
Disposable Profit			10642.31	3203.13
appropriations:				
: Proposed Dividend			557.07	389.95
: Transfer to General Reserve			10085.23	2813.00
Balance carried to Balance Sheet			0.01	0.18
Notes forming part of Accounts	V			

As per our attached report of even date.

R.K. GAJREE
Chairman and Managing Director

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

For and on behalf of
HARIBHAKTI & CO.
Chartered Accountants

R.K. BATRA
Director (Marketing)
New Delhi, 4th August, 1988

K.S. MANIKASHETTI
Secretary

MANI A. AIYAR
Partner
Bombay, 5th August, 1988

CHETAN DESAI
Partner

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1988

	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
SCHEDULE-A SHARE CAPITAL		
(i) Authorised		
5,00,000 Equity Shares of Rs. 1,000 each.	<u>5000.00</u>	<u>5000.00</u>
	<u>5000.00</u>	<u>5000.00</u>
(ii) Issued and Subscribed		
2,78,534 Equity Shares of Rs. 1,000 each fully paid.	<u>2785.34</u>	<u>2785.34</u>
TOTAL	<u>2785.34</u>	<u>2785.34</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

	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
(i) Capital Reserve		
As per last Balance Sheet	<u>552.69</u>	<u>552.69</u>
(ii) General Reserve		
As per last Balance Sheet	<u>13548.00</u>	<u>10735.00</u>
Add: Transfer from Profit & Loss Account	<u>10085.23</u>	<u>2813.00</u>
	<u>23633.23</u>	<u>13548.00</u>
(iii) Investment Allowance Reserve		
As per last Balance Sheet	<u>6522.53</u>	<u>3679.86</u>
Add: Transfer from Profit & Loss Account	<u>—</u>	<u>2850.00</u>
	<u>6522.53</u>	<u>6529.86</u>
Less: Transfer to Profit & Loss Account	<u>5.49</u>	<u>7.33</u>
	<u>6517.04</u>	<u>6522.53</u>
(iv) Profit & Loss Account	<u>0.01</u>	<u>0.18</u>
TOTAL	<u>30702.97</u>	<u>20623.40</u>

SCHEDULE-C LOANS

	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
(i) Secured		
From Scheduled Banks secured by hypothecation of Stock in Trade at certain locations and Stock of Stores at Refinery	<u>6268.74</u>	<u>3963.98</u>
Interest accrued and due	<u>19.05</u>	<u>14.98</u>
TOTAL	<u>6287.79</u>	<u>3978.96</u>
(ii) Unsecured		
a) Fixed Deposits (Includes Rs. 1665.90 lakhs maturing before 31st March, 1989) (1988 --- Rs. 974.00 lakhs)	<u>5823.50</u>	<u>6095.48</u>
b) Interest accrued and due on Fixed Deposits	<u>22.96</u>	<u>30.44</u>
c) Others (Includes Rs. 2398.80 lakhs due for repayment before 31st March, 1989) (1988 --- Rs. 2129.65 lakhs)	<u>15734.83</u>	<u>18327.02</u>
TOTAL	<u>21581.29</u>	<u>24452.94</u>

BHARAT PETROLEUM CORPORATION LIMITED
SCHEDULE-D FIXED ASSETS

RS. LAKHS

PARTICULARS	COST			GROSS BLOCK AS AT 31.03.1988
	GROSS BLOCK AS AT 01.04.1987	ADDITIONS	DEDUCTIONS INCLUDING RECLASSI- FICATIONS	
(1)	(2)	(3)	(4)	(5)
1. LAND (Including advance payments)				
(a) Freehold/Long Leasehold	523.32	18.94	(91.90)	634.16
(b) Leasehold on which premia are being written off over lease period	665.40	1.42	(33.23)	700.05
(c) Advance Payments	623.44	516.75	143.07	997.12
2. BUILDINGS	4,739.05	2,594.19	14.32	7,318.92
3. RAILWAY SIDINGS	244.12	483.15	—	727.27
4. PLANT & MACHINERY	21,621.69	2,325.87	114.42	23,833.14
5. TANKS & PIPELINES	9,250.55	2,309.77	4.04	11,556.28
6. FURNITURE & FITTINGS	506.19	115.05	20.67	600.57
7. VEHICLES	1,430.41	199.14	24.05	1,605.50
8. OTHER ASSETS				
(a) Dispensing Pumps	1,298.93	383.45	3.07	1,679.31
(b) LPG Cylinders & Allied Equipment	16,611.37	3,992.34	300.77	20,302.94
(c) Sundries	1,973.59	1,524.00	32.60	3,464.99
TOTAL	59,488.06	14,464.07	531.88	73,420.25
Previous Year	49,336.72	10,875.98	724.64	59,488.06

NOTES TO SCHEDULE "D"

- I) The Title Deeds in respect of a portion of land (900 sq.yards) at Refinery for which transfer has been finalised by the State Government are yet to be received.
- II) Freehold/Leasehold Land includes **Rs. 12.24 lakhs** being excess deposit towards cost of land paid to local authorities. The work of verification of claim is in progress by the local authorities.
- III) Buildings —
- (a) 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.
- (b) Include cost of ownership flats **Rs. 72.35 lakhs** held in formed/proposed Co-operative Housing Societies which includes value of shares of Rs. 0.25 lakhs issued by societies under their byelaws out of which share certificates of the value of Rs. 0.11 lakhs are to be received.
- IV) Additions (Col. 3) include under capitalisation of prior years **Rs. 80.21 lakhs**. (Previous year Rs. 105.55 lakhs).
- V) Deductions (Col. 4) include excess capitalisation of prior years **Rs. 93.62 lakhs**. (Previous year Rs. 351.77 lakhs).

BHARAT PETROLEUM CORPORATION LIMITED

Blue

RS. LAKHS

DEPRECIATION				NET BLOCK	
AS AT 01.04.1987	THIS YEAR	RETIREMENT/ RECLASSI- FICATIONS/ WRITEBACKS	AS AT 31.03.1988	AS AT 31.03.1988	AS AT 31.03.1987
(6)	(7)	(8)	(9)	(10)	(11)
—	—	—	—	634.16	523.32
31.74	11.89	.15	43.48	656.57	633.66
—	—	—	—	997.12	623.44
868.01	161.63	397.81	631.83	6,687.09	3,871.04
96.27	37.42	47.80	85.89	641.38	147.85
8,974.00	1,119.73	658.16	9,435.57	14,397.57	12,647.69
3,544.04	570.57	924.52	3,190.09	8,366.19	5,706.51
139.11	24.74	67.54	96.31	504.26	367.08
688.85	134.17	208.10	614.92	990.58	741.56
601.67	84.70	291.38	394.99	1,284.32	697.26
16,611.37	3,992.34	300.77	20,302.94	—	—
863.99	224.17	310.48	777.68	2,687.31	1,109.60
32,419.05	6,361.36	3,206.71	35,573.70	37,846.55	27,069.01
24,088.10	8,793.76	462.81	32,419.05	27,069.01	

VI) Depreciation for this year (Col. 7) includes:-

- (a) Relating to prior years **Rs. 7.70 lakhs.** (Previous year Rs. 633.14 lakhs).
 (b) Charged to Capital Work in Progress **Rs. 7.25 lakhs.** (Previous year Rs. 4.64 lakhs)

VII) Rs. 61.10 lakhs being the Corporation's share of cost of land jointly owned with Hindustan Petroleum Corporation Limited.

VIII) Depreciation on project assets is capitalised as part of capital project cost. The net book value of such assets is shown under Gross Block Columns.

IX) (Col. 8) includes:

- (a) Write back of Excess Depreciation relating to prior years **Rs. 451.59 lakhs** on account of difference between depreciation provision required as per Company Law Board Circular 1/86 of 22.5.86 and depreciation provided in books on Refinery Assets upto 31.03.1987. (Refer note 1 (b) of schedule V)
 (b) Write back of Excess Depreciation relating to prior years amounting to **Rs. 2383.04 lakhs** consequent on switch-over from Written Down Value Method to Straight Line Method Depreciation on Marketing Assets. (Refer note 1 (a) of schedule V).
 (c) Reversal of Depreciation on Excess Capitalisation referred to in (v) above **Rs. 15.86 lakhs.** (Previous year Rs. 195.55 lakhs)

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-E CAPITAL WORK IN PROGRESS

**CAPITAL WORK IN PROGRESS (AT COST)
(INCLUDING ADVANCE
PAYMENT, MATERIAL-AT-SITE,
IN-TRANSIT, AND WITH
CONTRACTORS)**

	RS. LAKHS	RS. LAKHS	RS LAKHS	AS AT 31-03-87 RS. LAKHS
1) Work-In-Progress (At cost) and Advance Payments		17968.96		14132.33
2) Capital Stores (At cost) including lying with contractors		3306.38		1289.00
3) Capital Goods In Transit (At cost)		402.42		150.66
4) Construction Period Expenses pending allocation				
Balance as at 1st April	114.74		51.59	
Add: Expenditure during the year				
Establishment Charges	110.75		85.61	
Interest	137.17		11.48	
Depreciation	7.25		4.64	
Others	132.64		78.07	
Less: Allocated to Assets/Construction Work in Progress during the year	115.73		116.65	
		386.82		114.74
TOTAL		22064.58		15686.73

SCHEDULE-F INVESTMENTS

No	FACE VALUE	BOOK VALUE		AS AT 31-03-87 RS. LAKHS
	RS. LAKHS	RS. LAKHS	RS. LAKHS	RS. LAKHS
(I) Quoted				
Government Securities at Cost – (Market Value Rs.11.48 Lakhs — 1987 Rs. 11.35 lakhs)				
5½% Loan 1992	2.98	3.01		3.01
5½% Loan 1995	2.14	2.14		2.14
5½% Loan 1999	0.31	0.31		0.31
5½% Loan 2000	0.06	0.06		0.06
5¾% Loan 2001	1.67	1.57		1.57
5¾% N.D. Loan 2001	0.10	0.10		0.10
5¾% Loan 2002	0.35	0.32		0.32
6% Loan 1993	0.06	0.05		0.05
6% Loan 1998	2.90	2.83		2.83
6½% Loan 2000	1.03	0.91		0.91
7% Loan 2009	2.05	1.66		1.66
7½% Loan 2010 II	1.94	1.96		1.96
8% Loan 2011	0.31	0.22		0.22
	15.90		15.14	15.14

(Securities of the face value of **Rs.15.82 lakhs**
— 1987 — Rs. 15.89 lakhs deposited with
Local Authorities, etc.)

BHARAT PETROLEUM CORPORATION LIMITED
SCHEDULE-F INVESTMENTS (CONTD.)

	No	FACE VALUE		BOOK VALUE	
		RS. LAKHS	RS. LAKHS	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
(II) Unquoted — At Cost					
(A) Capital Units of the Unit Trust of India	818440	—	—		85.31
(B) Units of the Unit Trust of India	752270	75.23	99.31		—
(C) National Savings Certificates (deposited with Local Authorities, etc.)		0.20	0.20		0.14
(D) Debentures (Fully Paid)					
(i) 6½% Irredeemable Debentures of the Bengal Chamber of Commerce and Industry	15	0.15	0.15		0.15
(ii) 5% Non-Redeemable Debentures of East India Clinic Ltd.	1	0.60	0.60		0.60
(E) Ordinary Shares (Fully Paid) Sindhu Resettlement Corporation Limited	6	0.06	0.19		0.19
		<u>76.24</u>		<u>100.45</u>	<u>86.39</u>
(III) Unquoted — At Book Value					
6% Debentures of Sholapur Spinning & Weaving Mills Ltd. (In Liquidation)	578	0.58		— @	— @
TOTAL				<u>115.59</u>	<u>101.53</u>

(iv) Written down to Re. 1/-

CURRENT ASSETS, LOANS AND ADVANCES
SCHEDULE-G INVENTORIES (Certified as to quantity and value by a Director)

	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
i) Raw Materials (At cost) ##		
Value	4058.15	3821.74
Charges	1421.44	545.44
ii) Stock in Process (At Cost)	239.09	—
iii) Finished Products (At lower of cost or net realisable value) **		
Value	12847.19	13680.02
Charges	1970.07	2002.72
iv) Packages (At lower of cost or net realisable value)	461.17	537.70
v) Stores and Spares (At cost) \$\$	4684.28	3372.96
TOTAL	<u>25681.39</u>	<u>23960.58</u>

Excludes Materials received on loan **Rs.2038.34 lakhs** (Net) — 1987 Rs.1045.82 lakhs (Net)

** Excludes **Rs.2390.58 lakhs** (Net) for Products received on loan — 1987 Rs.2401.74 lakhs (Net). Excludes liability towards Excise Duty on Bonded Stock **Rs.2857.60 lakhs** — 1987 Rs.2408.34 lakhs.

\$\$ Includes Stock given on loan **Rs.0.02 lakhs** — 1987 Rs.14.82 lakhs.

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-H SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

	RS LAKHS	RS LAKHS	AS AT 31-03-87 RS LAKHS
Over Six Months		169.31	222.20
Over Six Months — Considered Doubtful	38.61		5.65
Less: Provision for Doubtful Debt	38.61		5.65
		0.00	0.00
		169.31	222.20
Other Debts		3918.21	7035.24
TOTAL		4087.52	7257.44

SCHEDULE-I CASH & BANK BALANCES

Cash in hand and in transit (Includes cheques & drafts on hand)		3074.54	3256.90
With Scheduled Banks —			
On Current Accounts		2928.27	2593.60
(Net of Book Overdraft Rs.532.25 lakhs 1987- Rs. 440.64 lakhs.)			
On Deposit Account		2.30	25.77
TOTAL		6005.11	5876.27

SCHEDULE-J OTHER CURRENT ASSETS (Considered Good Unless Otherwise stated).

	RS. LAKHS	RS. LAKHS	AS AT 31-03-87 RS. LAKHS
(i) Claims		622.49	532.55
(ii) Claims Considered Doubtful	153.48		152.60
Less: Provision for Doubtful Claims	153.48		152.60
		0.00	0.00
(iii) Interest Accrued on Investments, Bank Deposits, Loans & Advances		9.58	8.32
(iv) Others		667.79	585.25
(v) Others Considered Doubtful	234.04		225.81
Less: Provision for Doubtful Debts	234.04		225.81
		0.00	0.00
TOTAL		1299.86	1126.12

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-K LOANS AND ADVANCES (CONSIDERED GOOD UNLESS OTHERWISE STATED)

	RS. LAKHS	RS. LAKHS	AS AT 31.03.87 RS LAKHS
Secured:			
Loans to Companies (Secured against hypothecation of boilers)	50.06		38.83
Housing & Vehicle Loans to Staff (Secured against hypothecation of vehicles or mortgage of properties)			
(Includes Due by Officers: Rs.14.72 lakhs . Due by Directors: Rs.4.23 lakhs 1987 — by Officers Rs. 18.88 lakhs and by Directors: Rs. 6.41 lakhs. Maximum balance during the year — By Officers: Rs.14.72 lakhs . By Directors: Rs.4.23 lakhs 1987 — by Officers: Rs. 18.88 lakhs and by Directors Rs. 6.41 lakhs)	1629.62		1056.99
Unsecured:			
(i) Loans to State Government	130.00		—
(ii) Advances recoverable in cash or in kind or for value to be received (Net)	6615.32		3620.77
		8425.00	4716.59
(iii) Deposits			
(a) With Customs/Excise/Port Trust etc.	375.16		179.51
(b) Deposits with I.D.B.I.	12.88		12.88
(c) Other deposits	374.70		337.03
		762.74	529.42
(d) Deposits Considered Doubtful	1.56		2.11
Less: Provision for doubtful Deposits	1.56		2.11
		0.00	0.00
TOTAL		9187.74	5246.01

**CURRENT LIABILITIES AND PROVISIONS
SCHEDULE-L LIABILITIES**

	RS. LAKHS	RS. LAKHS
Interest accrued but not due	742.40	1260.67
Sundry Creditors	24521.49	16710.45
Unclaimed Debentures (Redeemed)	0.55	0.55
Unclaimed Interest on Debentures	0.17	0.17
Deposits for Containers	15678.29	13454.20
Deposits by Agents, Dealers and Customers	74.06	76.43
Unclaimed Interest on Dealers' Deposits	2.59	0.46
Other Miscellaneous Liabilities	2326.73	1955.22
TOTAL	43346.28	33458.15

SCHEDULE-M PROVISIONS

Unfunded Retirement Benefits — Net of Tax (Gross Rs.223.41 lakhs — 1987, Rs. 196.08 lakhs)	106.12	98.04
Proposed Dividend	557.07	389.95
Provision for Taxation — Net of Advance Tax	921.48	536.91
TOTAL	1584.67	1024.90

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-N MISCELLANEOUS INCOME

	RS. LAKHS	RS. LAKHS	RS. LAKHS	1986/87 RS LAKHS
(i) Bank and other Interest (Gross)		347.70		221.06
(ii) Income from Investments:				
(a) Interest (Gross)	0.98		0.62	
(Tax Deducted at Source — Rs.0.14 lakhs 1987 Rs. 0.18 lakhs)				
(b) Dividend	8.98		7.53	
(Tax Deducted at Source — Rs.1.93 lakhs 1987 Rs. 1.54 lakhs)				
		<u>9.96</u>		8.15
(iii) Profit on Sale of Assets	54.06		58.84	
Less:- Loss on Sale of Assets	<u>11.55</u>		<u>34.23</u>	
		42.51		24.61
(iv) Excess Provision Written-back		459.17		59.92
(v) Profit on Sale of Investments		—		0.05
(vi) Other Income:				
Rental & Hire charges	436.13		402.69	
Service charges	62.45		44.33	
Sale of Scrap, etc.	227.21		333.00	
Others (Net)	<u>362.31</u>		<u>276.93</u>	
		<u>1088.10</u>		1056.95
TOTAL		<u>1947.44</u>		<u>1370.74</u>

SCHEDULE-O INCREASE/(DECREASE) IN INVENTORY OF FINISHED PRODUCTS AND STOCK IN PROCESS

Value of Closing Stocks of Finished Products and Stock in process	13086.28	13680.02
Less: Value of Opening Stocks of Finished Products	<u>13680.02</u>	<u>11299.47</u>
TOTAL	<u>- 593.74</u>	<u>2380.55</u>

SCHEDULE-P CONSUMPTION OF STORES, SPARES & MATERIALS

	RS. LAKHS	1986/87 RS. LAKHS
Stores, Spares & Materials	4415.23	3814.21
Less: Charged to Other Accounts	<u>1171.18</u>	<u>1098.22</u>
TOTAL	<u>3244.05</u>	<u>2715.99</u>

SCHEDULE-Q FUEL & POWER

Fuel & Power	5734.83	5347.20
Less: Fuel of Own Production consumed (estimated)	<u>4416.39</u>	<u>4126.68</u>
TOTAL	<u>1318.44</u>	<u>1220.52</u>

BHARAT PETROLEUM CORPORATION LIMITED

	RS. LAKHS		RS. LAKHS	1986/87 RS LAKHS
SCHEDULE-R EMPLOYEES' REMUNERATION & OTHER BENEFITS				
Salaries, Wages and Other Benefits: (Less: Amounts recovered Rs.28.67 lakhs : 1987 Rs. 28.08 lakhs)	3635.55			3237.81
Contributions to Provident & Other Funds	429.94			263.70
Welfare Expenses	655.40			591.52
TOTAL	4720.89			4093.03
SCHEDULE-S INTEREST				
On Fixed Loans	886.95			625.68
On Other Loans	2487.63			2789.38
TOTAL	3374.58			3415.06
SCHEDULE-T OTHER OPERATING AND ADMINISTRATION EXPENSES				
	RS. LAKHS	RS. LAKHS	RS. LAKHS	1986/87 RS. LAKHS
Remuneration to Directors (See Note No. 9)		7.89		3.97
Repairs & Maintenance:				
Machinery	1176.66		1133.33	
Building	232.74		237.13	
Others	369.42		344.14	
		1778.82		1714.60
Insurance		539.43		361.19
Rent		571.10		454.47
Rates & Taxes		212.30		196.10
Charities & Donations		17.45		16.35
Remuneration to Auditors:				
Audit fees	1.75		1.75	
For Other Services	0.04		0.04	
Out of Pocket Expenses	0.67		0.76	
		2.46		2.55
Public Utilities		373.99		161.55
Bad Debts & Claims Written off		12.88		4.39
Materials Written off		15.19		24.11
Provisions for Doubtful Debts	52.37		32.57	
Provisions for Doubtful Debts Written Back	10.00		4.39	
		42.37		28.18
Charges Paid to Other Oil Cos.		418.93		153.97
Travelling & Conveyance Expenses		369.52		301.07
Telephone, Telex, Cables, Postage, etc.		225.82		144.69
BPT Pumping/Pipeline Charges		116.43		101.90
Brokerage on Public Deposits		7.19		66.21
Loss on Sale of Investment		1.01		—
Other Expenses		2477.76		1806.07
TOTAL		7190.54		5541.37

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-U PRIOR YEARS' INCOME/(EXPENSES) NET

	RS. LAKHS	1986/87 RS. LAKHS
Sale of Products	1484.46	326.26
Miscellaneous Income	—	-3.40
Raw Materials Consumed	-19.67	—
Duties, Taxes etc. and other Charges applicable to Products	-873.91	7.27
Transportation	223.86	87.08
Consumption of Stores, Spares & Materials	17.10	16.94
Employees' Remuneration & Other Benefits	3.29	-6.82
Other Operating & Administration Expenses	-27.34	-2.08
Interest	54.63	—
Depreciation	8.16	-437.59
TOTAL	870.58	-12.34

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS:

- During the year, depreciation for Marketing Assets has been recomputed on Straight Line Method instead of Written Down Value Method on all the Assets with retrospective effect and consequently excess depreciation provided in earlier years, amounting to **Rs. 2383.04 lakhs** is written back. Had the depreciation been calculated on Written Down Value Method itself, the depreciation provision would have been higher by **Rs. 1057.71 lakhs**.
 - During the year, the Corporation has recomputed the depreciation on Refinery Assets with retrospective effect till 1986-87 as per Circular No. 1/86 dated 21st May, 1986 instead of providing depreciation at enhanced rates under Income Tax Rules, 1962 as amended from time to time. As a result of this change, the excess depreciation for earlier years amounting to **Rs. 451.59 lakhs** has been written back.
- During the year, the Petroleum Products are valued "At Cost as recognised in the pricing structure and changes advised by the government from time to time or at Net Realisable Value whichever is lower" instead of "At actual Cost or at Net Realisable Value whichever is lower". As a result of this change the closing stock has been valued less by **Rs. 120.42 lakhs**.
- Upto 1986-87, the purchases and sales of products from/to other oil companies were netted off and the net amount was shown as 'purchase of products for resale' or 'sales' as the case may be. From the current year, such purchases and sales have been included in the accounts under relevant heads without netting off. Duties and Freight paid to other oil companies which were included under the respective heads of expenses during earlier years are now included in Purchase of Products for Resale. Due to this change, Purchase of Products for Resale and Sales Turnover are higher by **Rs. 143016.83 lakhs** and **Rs. 126732.33 lakhs** respectively and Duties and Freight are lower by **Rs. 14461.17 lakhs** and **Rs. 2511.03 lakhs** respectively.
- Sales of Products is after deduction of (a) Surrenders (Net) to Industry Pool Accounts **Rs. 100961.69 lakhs** (1987 Rs. 94462.87 lakhs) and (b) Temperature Variation Allowance **Rs. 61.33 lakhs** (1987 Rs. 43.88 lakhs).
 - Raw Materials consumed are net of Surrenders to/Reliefs from Industry Pool Accounts
 - Purchase of Products for Resale includes Payments to Third Parties for Processing Fees **Rs. 413.46 lakhs** (1987 Rs. 309.84 lakhs).
- 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
- Confirmation for amounts due from/due to other Oil Companies (including old items of past years) are not available with the Corporation.
- Adjustments for certain Inter Oil Company transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS: (CONTD.)

	RS. LAKHS	1987 RS. LAKHS
8. Capital Commitments & Contingent Liabilities		
✓ (i) Estimated amount of contracts remaining to be executed on capital account and not provided for	10100.53	9453.26
(ii) Contingent Liabilities:		
(a) In respect of Taxation matters of prior years	291.08*	248.89*
(b) Other matters		
(i) Surety Bonds executed on behalf of other Oil Companies for Excise/Customs Duties	2605.15	4116.46
(ii) Counter Guarantees to Bank	81.29	78.61
(iii) Letters of Credit for Capital Items	72.23	215.17
(iv) Claims against the Corporation not acknowledged as debts (includes Rs. 1494.22 lakhs against which the Corporation has a recourse for recovery — 1987 Rs. 1554.13 lakhs)	3369.38	2753.25
(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.	638.00	602.00

* If these Contingent Liabilities materialise either in part or whole, they are recoverable from Third Parties to the extent of **Rs.63.86 lakhs** (1987 — Rs. 105.74 lakhs)

	For the year ended 31st March, 1988 Rs./Lakhs	For the year ended 31st March, 1987 Rs./Lakhs
9. Managerial Remuneration:		
Salary and Allowances	6.48	3.02
Contributions to Provident Fund and Other Funds	.51	30
Other Benefits	.90	65
	7.89	3.97

Remuneration amounting to **Rs. 387** paid in the year 1982-83 is subject to the approval of the Central Government.

		1987
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	M.T. 6555962	5571752
(ii) Licensed Capacity	M.M.T.p.a. 6.00	6.00
(iii) Installed Capacity	M.M.T.p.a. 6.00	6.00
(ii) Actual Production*		
(i) Light Distillates	K.L. 2186578	1852440
(ii) Middle Distillates	K.L. 4666083	4026080
(iii) Others	K.L. 1004997	788759
* Excludes production out of Feedstocks purchased from HPCL		
(b) Aromatics		
(i) Benzene.		
(i) Licensed Capacity	M.T.p.a. 98300	98300
(ii) Installed Capacity	M.T.p.a. 85000	98300
(iii) Actual Production	M.T. 45928	18603
(ii) Toluene:		
(i) Licensed Capacity	M.T.p.a. 17600	17600
(ii) Installed Capacity	M.T.p.a. 17600	17600
(iii) Actual Production	M.T. 8414	4948

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS: (CONTD.)

(c) Lubricants:			
(i) (a) Licensed Capacity on single shift basis for manufacturing at Bombay (357600 Barrels of 44 Gallons each and 596000 Tins of 1 I.G. per annum).	M.T.p.a.	66384	66384
(b) Licensed Capacity on double shift basis for manufacturing at Calcutta.	M.T.p.a.	30000	30000
(ii) Installed Capacity of Bombay and Calcutta (both on single shift basis)	M.T.p.a.	90000	90000
(iii) Production	M.T.	84691	74763
	K.L.	94346	83286

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

(d) Drum Plant: Number of Drums —		1987
(i) Licensed Capacity per annum	1770000	1770000
(ii) Installed Capacity on triple shift basis per annum	2700000	2700000
(iii) Actual Production	1070971	1215805

(II) Raw Materials Consumed (on derived basis):		1988		1987	
	Unit	Quantity	Value	Quantity	Value
			Rs./lakhs		Rs./lakhs
(i) Crude Oil (Net of Surrender to/Reliefs from Industry Pool Accounts)	MT	6555962	113102.55	5571752	97068.92
(ii) Base Oils	KL	110663	6036.75	99432	4521.85
			119139.30		101590.77

11. Finished Goods purchased, sold and stocked:

	Opening Stocks		Purchases		Sales		Closing Stock	
	Quantity K.L.	Value Rs./Lakhs	Quantity K.L.	Value Rs./Lakhs	Quantity K.L.	Value Rs./Lakhs	Quantity K.L.	Value Rs./Lakhs
Petroleum Products:								
(a) Light Distillates:								
Current year	146717	2758.23	2615758	56738.36	4833433	122948.08	144077	2395.40
Previous year	150894	1844.60	2340930	48997.83	4208124	106131.26	146717	2758.23
(b) Middle Distillates:								
Current year	472716	9372.96	5366461	121862.45	9992596	231173.98	450157	8752.77
Previous year	487458	8369.81	4923269	106618.96	8906415	200185.03	472716	9372.96
(c) Others:								
Current year	37667	1548.84	1039914	18361.82	2151923	50879.74	34206	1699.02
Previous year	55273	1085.07	1125509	18476.81	2022750	46589.41	37667	1548.84

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS: (CONTD.)

NOTES

- (i) Purchases exclude Inter Product Transfers.
- (ii) Applicable conversion factors are used to convert quantities in Metric tonnes 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 excludes payment to third parties for Processing Fee **Rs. 413.46 Lakhs** (1987 Rs. 309.84 Lakhs) but includes own Consumption & Samples **Rs. 273.72 Lakhs** (1987 Rs. 317.94 Lakhs).
- (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. 0.04 Lakhs** (1987 Rs. 0.02 Lakhs).
- (vii) Purchases of Packages include Own Consumption & Samples **Rs. 6.73 Lakhs** (1987 Rs. 3.97 Lakhs) and recoveries from Third Parties **Rs. 14.28 Lakhs** (1987 Rs. 4.81 Lakhs).

		1987
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. 0.72 lakhs . (Previous year Rs. 0.36 Lakhs)		3590
Expenditure thereon under the following heads	444	
Salaries, Wages and Other Benefits	Rs./Lakhs 349.42	Rs./Lakhs 1553.04
Contribution to Provident and Pension Funds	25.93	81.16
(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. 0.06 lakhs . (Previous year Rs. 0.03 lakhs) or more per mensem		304
Expenditure thereon under the following heads	57	
Salaries, Wages and Other Benefits	Rs./Lakhs 23.54	Rs./Lakhs 94.48
Contribution to Provident and Pension Funds	2.03	4.26
13. Value of imports Calculated on C.I.F. basis		
(a) Crude Oil and Other Petroleum Products**	28071.57	3172.40
(b) Components and Spare Parts	1245.47	711.06
(c) Capital Goods	793.17	842.13

NOTES

1. ** Includes Local Insurance **Rs. 96.35 Lakhs** (1987 Rs. 8.01 Lakhs).
 2. ** Includes Crude Oil/Base Oil Purchases from IOC (Canalised Agents) **Rs. 23326.05 Lakhs** (1987 Rs. 2755.87 Lakhs).
 3. Excludes Technical Materials imported for blending pesticides on behalf of an outside party.
 4. The above figure of purchases is prior to adjustment of Surrenders to/Reliefs from Industry Pool Accounts.
- | | | |
|---|----------------------------------|-------------------|
| 14. Expenditure in Foreign Currency (on cash basis) | | 1987 |
| Other Matters | Rs./Lakhs
20.74 | Rs./Lakhs
6.16 |

BHARAT PETROLEUM CORPORATION LIMITED

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS: (CONTD.)

15. Value for Raw Materials, Spare & Components Consumed (on derived basis)

	1988				1987			
	Raw Materials		Spare Parts & Components		Raw Materials		Spare Parts & Components	
	Value Rs./Lakhs	%	Value* Rs./Lakhs	%	Value Rs. Lakhs	%	Value* Rs. Lakhs	%
Imported	22803	18.11	1118	22.63	3261	3.67	1802	37.94
Indigenous	103094	81.89	3824	77.37	85707	96.33	2947	62.06
	125897	100.00	4942	100.00	88968	100.00	4749	100.00

* Exclude Direct Charged Materials

NOTES:

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

16. Earnings in Foreign Exchange (on accrual basis)

	Rs./Lakhs	1987 Rs./Lakhs
(a) Export of goods on F.O.B. basis		
(i) On Own Account	10996.11*	11561.40*
(ii) As Agents (hence not reflected in Profit & Loss Account)	—	—
(b) Other Matters	—	—

* Received in Indian Currency out of the repatriable fund of Foreign Airline Customers

17. Other Expenses under Other Operating and Administration Expenses include an amount of **Rs. 3.67 Lakhs** (1987 Rs. 3.16 Lakhs) being entertainment expenses incurred by the Corporation.

18. Expenditure incurred on Public Relations and Publicity during the year is **Rs. 94.32 Lakhs** (1987 Rs. 61.16 Lakhs). Remuneration to Staff employed for Public Relations work during the year is **Rs. 3.59 Lakhs** (1987 Rs. 3.05 Lakhs).

19. Value Added

	Rs./Lakhs	1987 Rs./Lakhs
(i) Refinery	10242.99	6257.45
(ii) Corporation	37149.36	34053.80

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

Signatures to Schedule A to V

As per our attached Report of even date

R.K. GAJREE
Chairman and Managing Director

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

For and on behalf of
HARIBHAKTI & CO
Chartered Accountants

R.K. BATRA
Director (Marketing)
New Delhi, 4th August, 1988

K.S. MANIKASHETTI
Secretary

MANI A. AIYAR
Partner
Bombay, 5th August, 1988

CHE TAN DESAI
Partner

BHARAT PETROLEUM CORPORATION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED, as at 31st March, 1988, 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) Confirmation for amounts due from/due to other Oil Companies are not available with the Corporation.
(ii) Adjustments for certain Inter-Oil Company transactions have been carried out on a provisional basis, pending finalisation of detailed terms and conditions.
(iii) Depreciation on Refinery Assets is re-computed as recommended by the Department of Company Affairs in its Circular No. 1/86 dated 21st May, 1986. As a result, the excess depreciation charged during the earlier years amounting to Rs. 451.59 lakhs has been written back during the year. [Refer Note 1(b)].

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, 1988.
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) The Corporation has maintained proper records showing full particulars, including quantitative details and situations of its Fixed Assets. The Marketing Division follows a phased programme of two yearly cycle and the Refinery Division follows a phased programme of three yearly cycle as regards physical verification of these assets. To the extent that physical verification 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, except for the Petroleum Products which are now valued "at cost (as recognised in the Pricing Structure by the Ministry of Petroleum) or at Net Realisable Value whichever is lower" as against the earlier method of "at actual Cost or Net Realisable Value whichever is lower". As a result of this the Closing Stock is lower by Rs. 120.42 lakhs. (Refer Note 2).

- (iv) The Corporation has not obtained any loans from Companies, Firms or other Parties listed in the Register 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 loans to certain Companies/State Governments who are repaying the principal amount and interest as stipulated. The Corporation has given an advance to Railways, amounting to Rs. 1615.03 lakhs in respect of which the mode of recovery is yet to be 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.

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268061 21211

BHARAT PETROLEUM CORPORATION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS (Contd.)

- (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
K.S. AIYAR & CO.
Chartered Accountants

MANI A. AIYAR
Partner

Bombay
Date: 5th August, 1988.

For and on behalf of
HARIBHAKTI & CO.
Chartered Accountants

CHETAN DESAI
Partner

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF BHARAT PETROLEUM
CORPORATION LIMITED, BOMBAY FOR THE YEAR ENDED
31ST MARCH, 1988.

SL. COMMENT OF THE COMPTROLLER
No. AND AUDITOR GENERAL OF INDIA

REPLY OF THE BOARD OF DIRECTORS

1. PROFIT AND LOSS ACCOUNT

Expenditure:

Depreciation — Rs.6346.41 lakhs

Certain Plant and Machinery viz. LPG Bottling Plant, Drum Plant, rail and lorry loading gantries and allied facilities put to use on double/triple shift basis during the year have been depreciated on single shift basis contrary to the provisions of the Companies Act, 1956. This has resulted in under-provision of depreciation to the extent of Rs.68.61 lakhs with corresponding overstatement of profit for the year and overstatement of fixed assets.

Provisions on Depreciation under Schedule XIV of the Companies Amendment Act, 1988, will be reviewed and suitable adjustments if necessary, will be made in 1988/89 accounts.

Bombay B. M. OZA
26th Sept. Member, Audit Board
1988 and Ex-officio Director
of commercial Audit-II,
Bombay

For and on behalf of the
Board of Directors
Bombay R.K. Gajree
27th Sept. Chairman &
1988 Managing Director

BHARAT PETROLEUM CORPORATION LIMITED

ANNEXURE TO THE DIRECTORS' REPORT DATED 31ST AUGUST 1988 REVIEW OF THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1988, 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		
	31-3-1986	31-3-1987	31-3-1988
Assets			
1. Net Fixed Assets	25248.62	27069.01	37846.55
2. Capital Work-in-progress	10711.59	15686.73	22064.58
3. Investments (other than committed investments)	101.39	101.53	115.59
	<u>36061.60</u>	<u>42857.27</u>	<u>60026.72</u>
4. Working Capital			
(a). Current Assets	45540.29	43466.42	46261.62
(b). Less: Current Liabilities (including Provisions)	34709.52	34483.05	44930.95
	<u>10830.77</u>	<u>8983.37</u>	<u>1330.67</u>
TOTAL (A)	<u>46892.37</u>	<u>51840.64</u>	<u>61357.39</u>
5. Less:			
Long term loans	10682.04	10756.81	12112.32
Short term loans	15471.99	11549.17	9910.30
Public Deposits (including interest accrued and due)	2985.37	6125.92	5846.46
TOTAL (B)	<u>29139.40</u>	<u>28431.90</u>	<u>27869.08</u>
6. Net worth (A)—(B)	17752.97	23408.74	33488.31
Net worth as shown above, represented by:			
7. Paid up Capital	2785.34	2785.34	2785.34
8. Reserves & Surplus	14967.63	20623.40	30702.97
	<u>17752.97</u>	<u>23408.74</u>	<u>33488.31</u>

(ii) The paid up capital of the Company continued at the same level of Rs. 2785.34 Lakhs over the three years.

(iii) The Company's long term loans were repaid to the extent of **Rs.1059.45 Lakhs** and increased by **Rs.2414.97** Lakhs during 1987-88 as indicated below:

(a) Repayment	Rs. Lakhs
(i) O.N.G.C.	800.00
(ii) O.I.D.B.	212.00
(iii) O.I.D.B. (Boiler Loan)	20.14
(iv) O.C.C. (CMT)	27.31
	<u>1059.45</u>
(b) Receipt	
(i) World Bank	2252.90
(ii) O.I.D.B. (Boiler Loan)	32.07
(iii) O.I.D.B. (Bitumen)	130.00
	<u>2414.97</u>

Public Deposits declined by **Rs.271.98** Lakhs during the year.

(iv) The Free Reserves and Surplus as on 31-3-1988 amounted to **Rs.23633.24 Lakhs** as against **Rs.13548.18 Lakhs** as on 31-3-1987, the transfer to General Reserve from Profit and Loss Account during 1987-88 being Rs. 10085.23 Lakhs against Rs. 2813.00 Lakhs during 1986-87.

BHARAT PETROLEUM CORPORATION LIMITED

(v) Dividends:

The Company has proposed to increase the dividend to 20% (Rs. 557.07 Lakhs) from 14% (Rs. 389.95 Lakhs) in 1986-87 & 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, 1988 amounted to Rs. 22064.58 Lakhs. It includes major Capital Expenditure on the following projects:

Name of the Project	Estimated Cost in Rs. Lakhs	Scheduled Completion Date	Expenditure incurred upto 31-3-1988 Rs. Lakhs	Remarks
1. LPG Phase III/III-A	23903	Dec. 1988 in Stages	21426	Rs. 14874 Lakhs have been capitalised upto 31-3-1988.
2. Captive Power Plant	4361	May 1988	4324	—
3. New Oil Terminal at Cochin	5834	36 months from date of acquisition of land or Govt. approval whichever is later	750	—

III. WORKING RESULTS

The working results for the past three years ended 31st March, 1988 are indicated below:

	Rupees in Lakhs		
	1985-86	1986-87	1987-88
Income:			
Sale of Products	233777.94	352905.70	405001.80
Miscellaneous Income	1368.90	1370.74	1947.44
Increase/(Decrease) in Inventory of Finished Products	2680.45	2380.55	-593.74
TOTAL	237827.29	356656.99	406355.50
	Rupees in Lakhs		
	1985-86	1986-87	1987-88
Expenditure:			
1. Raw Materials consumed	115588.85	101590.77	119139.30
2. Stores, Spares & Packages consumed	4878.30	6441.80	6989.26
3. Salaries & Wages	2949.42	4093.03	4720.89
4. Operating & Administration Expenses (excluding interest)	4159.79	5541.37	7190.54
5. Depreciation	7756.36	8155.98	6346.41
6. Interest on Loans	3073.81	3415.06	3374.58
7. Miscellaneous Expenses (purchase of products for resale and charges thereon etc.)	97087.04	220554.32	250160.68
TOTAL	235493.57	349792.33	397921.66
Profit for the year	2333.72	6864.66	8433.84
Prior period adjustments	4558.13	-12.34	870.58
Profit before Tax	6891.85	6852.32	9304.42

BHARAT PETROLEUM CORPORATION LIMITED

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 31-3-1988 is indicated below:

	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>
Fuel Refinery:			
Installed Capacity (in m.m.t.p.a.)	6.00	6.00	6.00
Crude Consumption (in m.m.t.p.a.)	6.38	5.57	6.56
Production of Refined Products (in m.m.t.p.a.)	6.23	5.56	6.69
Aromatics:			
i) Benzene			
Installed Capacity (In MT)	98300	98300	85000
Actual Production (In MT)	20112	18603	45928
ii) Toluene			
Installed Capacity (In MT)	17600	17600	17600
Actual Production (In MT)	4455	4948	8414
Lubricants:			
Installed Capacity of Bombay and Calcutta (both on single shift basis) (In MT)	90000	90000	90000
Production (In MT)	72414	74763	84691
Drum Plant:			
Installed Capacity (on 3 shift basis) (In Nos.)	2700000	2700000	2700000
Actual Production (" ")	1022105	1215805	1070971

BHARAT PETROLEUM CORPORATION LIMITED

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, 1988 are given below:

Year ended 31st March	Mkt. Sales Volume (in m.m.t.)	Mkt. Sales Value (Rs. in Lakhs)	BPCL's share in market %	BPCL's growth rate of sales %	Industry growth rate of sales %
1986	7.57	233777.93	18.70	7.37	5.02
1987	7.93	352905.70	18.30	4.75	6.20
1988	8.56	405001.80	18.50	7.94	5.80

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, 1988 was Rs. 10830.77 Lakhs and Rs. 8983.37 Lakhs & Rs. 1330.67 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		
	1986	1987	1988
(a) Inventories	19565	23961	25681
(b) Sundry Debtors	10058	7263	4126
(c) Cash and Bank Balances	5925	5876	6005
(d) Loans & Advances	10329	5248	9189

(a) Inventories:

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

	Rs. Lakhs		
	1986	1987	1988
(a) Raw Materials (name of raw materials such as Crude, Lube Base Stock)	1659.09	4367.18	5479.59
(b) Stores and Spares, Catalysts and Chemicals	4392.83	3372.96	4684.28
(c) Stock in Process	—	—	239.09
(d) Finished Goods	13020.88	15682.74	14817.26
(e) Other Stores (Packages)	492.15	537.70	461.17

BHARAT PETROLEUM CORPORATION LIMITED

The Stock of Raw Material was equivalent to about 0.55 month's consumption in 1987-88 as compared to 0.52 month's in 1986-87 and 0.17 month's in 1985-86.

The Stores & Spares (including Other Stores), Catalysts and Chemicals at the end of 1987-88 represented 8.83 month's consumption as against 7.28 month's in 1986-87 and 12.02 month's in 1985-86.

Finished Goods at the end of March 1988 amounted to about 0.44 month's sales during 1987-88 as compared to 0.53 in 1986-87 and 0.67 in 1985-86.

(b) Sundry Debtors:

The Sundry Debtors as on 31-3-1986, 31-3-1987 and 31-3-1988 amounted to Rs.10057.80 lakhs, Rs.7263.09 lakhs and Rs.4126.13 lakhs respectively of which Rs.356.13 lakhs, Rs.5.65 lakhs and Rs.38.61 lakhs as on 31-3-1986, 31-3-1987 and 31-3-1988 were considered doubtful and provided for. The percentage of Debtors to Sales was 4.3, 2.06 and 1.02 as on 31-3-1986, 31-3-1987 and 31-3-1988 respectively.

(c) Cash and Bank Balances:

The balance under this head has decreased from Rs.5924.65 lakhs as on 31-3-1986 to Rs.5876.27 lakhs as on 31-3-1987 and increased to Rs.6005.11 Lakhs as on 31-3-88.

VI. LIABILITIES AND PROVISIONS

Current Liabilities and Provisions have increased to Rs.44930.95 lakhs as on 31st March, 1988 from Rs.34483.05 lakhs as on 31-3-1987 mainly on account of increase in deposits from LPG Customers, increase in pool account balances 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 1987/88 are indicated below:

	Rs. Lakhs		
	1986	1987	1988
Excise Duty	41796	32126	32556
Customs Duty	3615	2410	7193
Income Tax	760	820	1700
	<u>46171</u>	<u>35356</u>	<u>41449</u>

VIII. GENERATION OF EMPLOYMENT

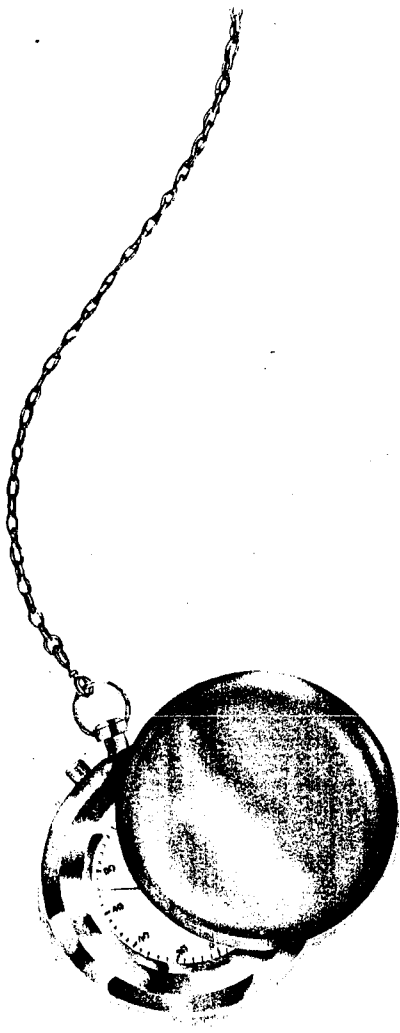
The number of employees on the roll of the Company as on 31st March during the last three years was as under:

1985-86	—	8321
1986-87	—	9397
1987-88	—	10203

The work force increased by 1882 persons during these three years.

BOMBAY, 26th September 1988

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



8.590,000

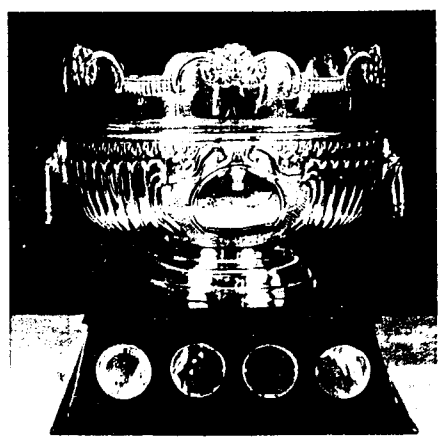
MILLION MAN-HOURS

Safety – Our constant endeavour

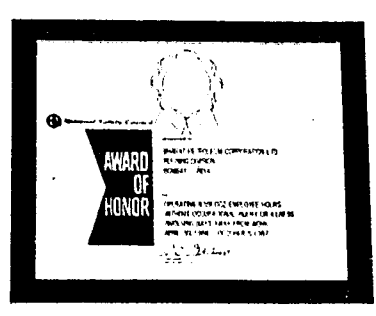
The Oil Industry Safety Directorate's awards scheme was started last year. Our Corporation was the winner of the First Position, in the Marketing Units Group and of the Second Position in the Process Units Group.

The evaluation for the Safety Award includes factors like lost time; accidents; fires; direct loss of production; plant and equipment; and potential loss due to shutdown of facilities. Hazard potential of each process plant/installation is also considered. Therefore these awards reflect a true picture of overall safety, in terms of people as well as plant, in our Corporation.

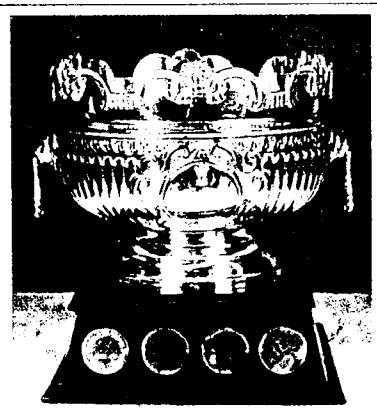
In addition to the above Safety Awards, our Refinery also has been awarded the American National Safety Council Award of Honour for having achieved 8.59 million man-hours "without occupational injury or illness involving days away from work" on October 5, 1987 which is an all time record.



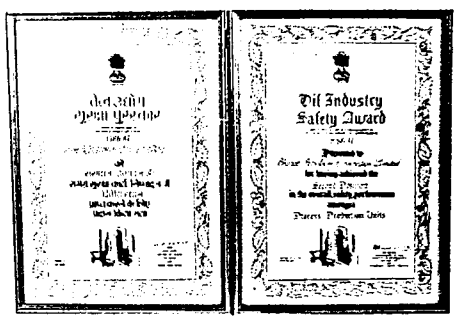
The Marketing Units Group Award

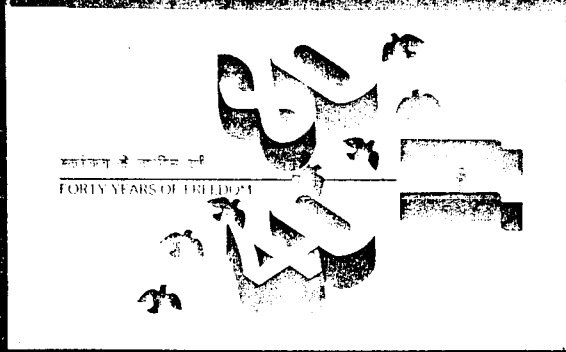


The American Safety Council Award of Honour



The Process Units Group Award with Certificate





BHARAT PETROLEUM CORPORATION LIMITED

Registered Office: Bharat Bhavan, 4 & 6 Gurnimbhoy Road,
Ballard Estate, Bombay-400 038