



भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड
Bharat Petroleum Corporation Ltd.

36 वीं वार्षिक रिपोर्ट • 1988-89 • 36th Annual Report



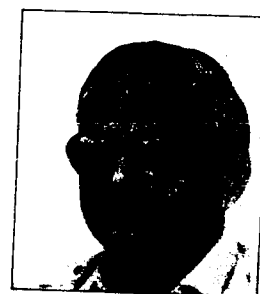
*The Hon'ble Union Minister of State for Petroleum and Natural Gas,
Shri Brahm Dutt, presents The Petroleum Minister's Trophy
for P.S.C.B. Champion Organisation
for the year 1987-88, to Shri R.K. Gajree, Chairman and Managing Director.*



R. K. GAJREE
Chairman & Managing Director



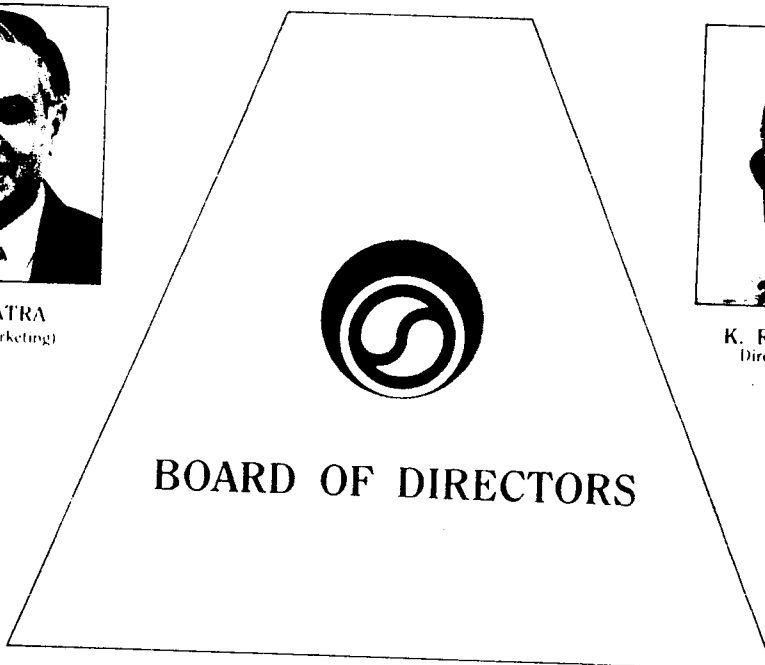
R. K. BATRA
Director (Marketing)



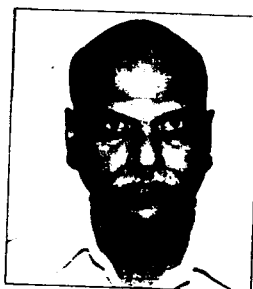
K. R. S. NARAYAN
Director (Refineries)



R. K. SUKHDEVSINHJI
Director (Personnel)



U. SUNDARARAJAN
Director (Finance)



B. B. SRIVASTAVA



ARVIND VARMA



B. K. SINHA

Company Secretary
K. S. Manikashetti



OBJECTIVES AND OBLIGATIONS

OBJECTIVES

- Serve the nation's vital interest in the oil and related sectors.
- Maintain continuity of supplies through refining and marketing network and provide appropriate technical assistance to the consumer to conserve and use petroleum products most efficiently.
- Earn a reasonable return on investment.
- Work towards achievement of self-reliance in the field of oil refining and distribution systems.
- Create a research and development base in the field of oil refining and stimulate research and development in developing new petroleum products so as to minimise their imports.
- Maximise utilisation of all facilities in order to improve efficiency and increase productivity.

OBLIGATIONS

Towards Customers and Dealers

- Provide prompt, courteous and efficient service and quality products at fair and reasonable prices.

Towards Suppliers

- Ensure prompt dealings with integrity, impartiality and courtesy and to promote ancillary industries.

Towards Employees

- Develop their capability and advancement through appropriate training and career-planning.
- Redress grievances expeditiously.
- Deal fairly with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies.

Towards Community

- Ensure quality products through proper distribution at fair prices to the people.
- Develop techno-economically viable products for the benefit of the people.
- Encourage progressive indigenous manufacture of products and materials so as to substitute imports.
- Avoid and control environmental pollution in manufacturing plants and townships by taking suitable and effective measures.
- Improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.
- Help acceleration of all round development of villages by providing assistance to educated unemployed to earn a living etc.

FINANCIAL OBJECTIVES

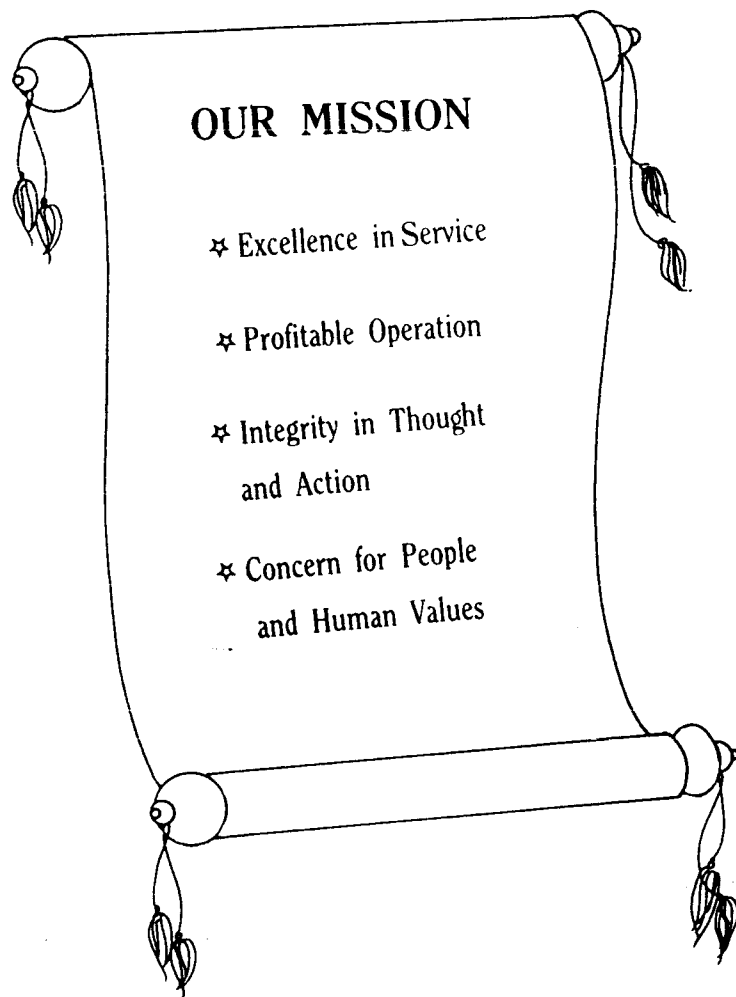
- Ensure adequate return on the capital employed and maintain annual dividend at reasonable level on equity capital.
- Ensure optimum economy in expenditure.
- Generate sufficient internal resources for financing partly/wholly expenditure on new capital projects.
- Develop long term corporate plan to provide adequate growth of the activities of the Corporation.
- Continue to make an effort in bringing a reduction in the cost of production of the petroleum products manufactured by means of systematic cost control measures.
- Endeavour to complete all projects within the stipulated time and within the stipulated cost estimates.



Bharat Petroleum Corporation Ltd.

OUR CORPORATE PHILOSOPHY

PEOPLE ABOVE OIL



Bharat Petroleum – In India's Life and Part of it.



Bharat Petroleum Corporation Ltd.

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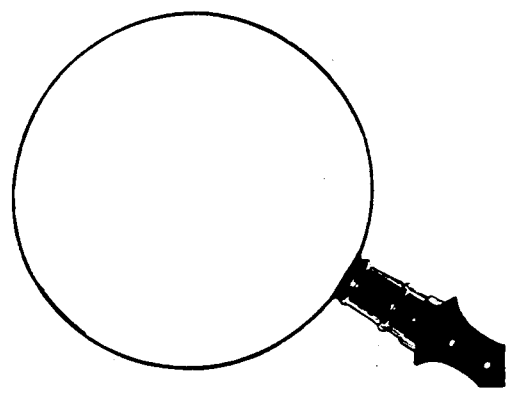
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BANKERS
CENTRAL BANK OF INDIA
PUNJAB NATIONAL BANK
STATE BANK OF PATIALA
BANK OF INDIA
DENA BANK
ALLAHABAD BANK
CANARA BANK
THE STANDARD CHARTERED BANK
INDIAN BANK
STATE BANK OF INDIA

AUDITORS
HARIBHAKTI & CO.
G.M. KAPADIA & CO.





NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Shareholders of Bharat Petroleum Corporation Ltd., will be held at the Registered Office of the Corporation at Bharat Bhavan No. 1, Currimbhoy Road, Ballard Estate, Bombay, on Monday, the 24th July 1989, at 3.30 p.m. to transact the following Ordinary business:

1. To receive and adopt the Directors' Report and Audited Profit & Loss Account for the year ended 31st March 1989 and the Balance Sheet as at that date.
2. To declare dividend.

By Order of the Board of Directors

K.S. MANIKASHETTI
(Company Secretary)

Dated: 27th June, 1989

- 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. Enclosed are the Directors' Report, the Auditors' Report, Balance Sheet and Profit & Loss Account with Annexures (excepting the Comments of the Comptroller & Auditor General of India, which will be sent after they are received) & Proxy Form.



**DIRECTORS' REPORT TO
THE SHAREHOLDERS**

The Directors have pleasure in presenting their Thirty Sixth Annual Report on the working of the Corporation, together with the audited accounts for the year ended 31st March 1989.

SUMMARY OF RESULTS

	(Rs. in Lakhs)	
	1988-89	1987-88
Sales Turnover	434868.65	405001.80
Profit before depreciation amounted to	22062.11	14780.25
Deducting therefrom depreciation	7890.64	6346.41
Profit before tax for the year is	14171.47	8433.84
Adding thereto Prior Year's Income/(Expenses)-Net	(1161.98)	870.58
Profit before tax amounted to	13009.49	9304.42
Deducting therefrom Provision for Taxation	2100.00	1700.00
Profit after tax is	10909.49	7604.42
Adding thereto—		
(a) Transfer from Investment Allowance Reserve	50.40	5.49
(b) Excess/(Short) provision for Taxation in earlier years written back/provided for (Net)	(477.17)	197.59
(c) Excess provision for Depreciation in earlier years written back	—	2834.63
(d) Balance of Profit from previous year	0.01	0.18
Amount available for disposal is	10482.73	10642.31
Which the Directors have appropriated as under :-		
(a) Investment Allowance Reserve	—	—
(b) General Reserve	9925.65	10085.23
(c) Proposed Dividend	557.07	557.07
Leaving a balance carried to Balance Sheet	0.01	0.01

DIVIDEND

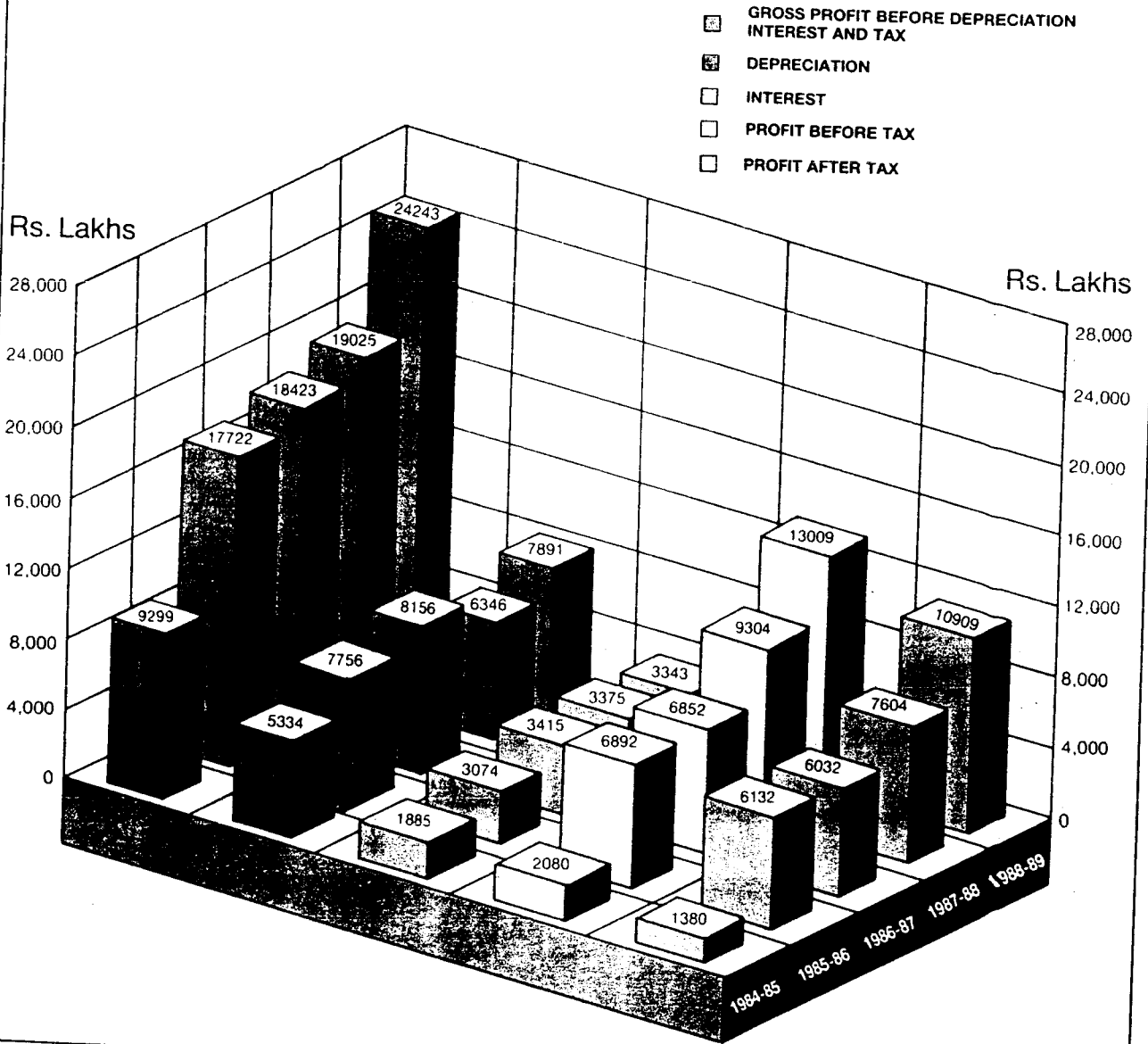
The Directors recommend a dividend @ 20% on the Paid-up Capital of Rs. 2785.34 lakhs. The Dividend will absorb Rs. 557.07 lakhs.

CONTRIBUTION TO EXCHEQUER

The Corporation contributed Rs. 932.05 crores to the Exchequer by way of taxes and duties compared to Rs. 818.06 crores last year.



GROSS PROFIT BEFORE DEPRECIATION INTEREST AND TAX



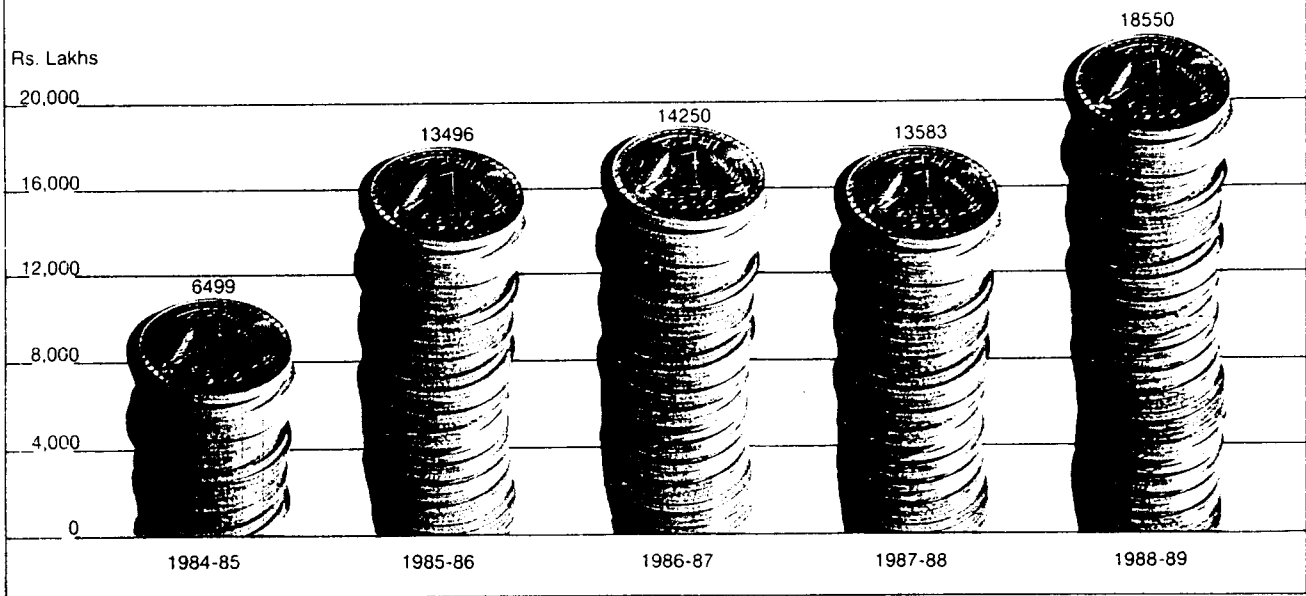
FINANCES

The outstanding amount of the term loans taken by the Corporation including Rs. 65.90 crores from the World Bank through the Government of India, stood at Rs. 116.83 crores as at 31st March 1989 as against Rs. 121.12 crores as at 31st

March 1988. The borrowings from banks and others amounted to Rs. 77.15 crores compared to Rs. 98.92 crores in the previous year. Internal cash generation amounted to Rs. 185.5 crores as against Rs. 135.83 crores last year.



INTERNAL RESOURCES GENERATED



Public Deposits

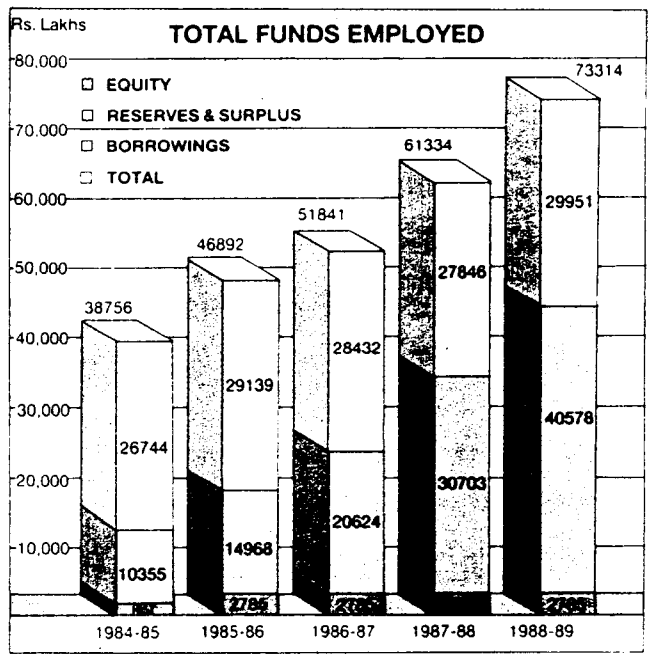
The Public Deposit Scheme which was introduced in July 1981, continues to have an excellent response from the investors and had a balance of Rs. 105.53 crores as against Rs. 58.24 crores as at 31st March 1988. The amount of deposits matured but unclaimed as at 31st March 1989 was Rs. 39.42 lakhs in respect of 301 depositors.

Net Worth

The net worth of the Corporation increased by Rs. 98.76 crores from Rs. 334.88 crores to Rs. 433.64 crores as at 31st March 1989.

REFINING

Despite the unfortunate major fire incident on 9th November 1988, the overall performance of the refining operations was on target in the areas of crude throughput, product yield and fuel and loss etc.





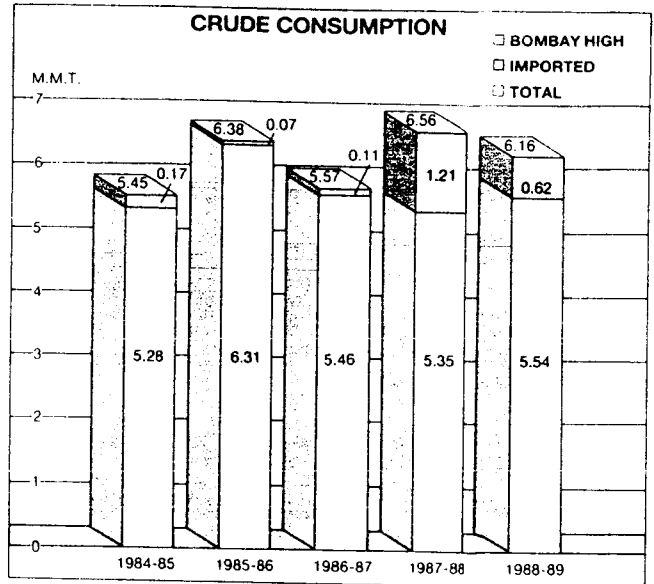
The Fire That Was Tamed! Through prompt and courageous action.

Crude Consumption

Whilst the crude throughput for January 1989 at 6.58 lakh tonnes was the highest ever achieved, the total crude consumption for the year at 6.15 MMT as against 6.5 MMT for the previous year was in line with what was planned for the year under review – a lower consumption for the year being attributable to scheduled shutdown of Crude Distillation Unit for replacements and maintenance, and the emergency shutdown arising out of the fire incident. The quantity of Bombay High crude processed was 5.54 MMT which constituted over 90% of the total crude processed during the year under review. Additionally, the Refinery also processed Ras-el-Bebar crude (from Egypt) for the first time.

Production

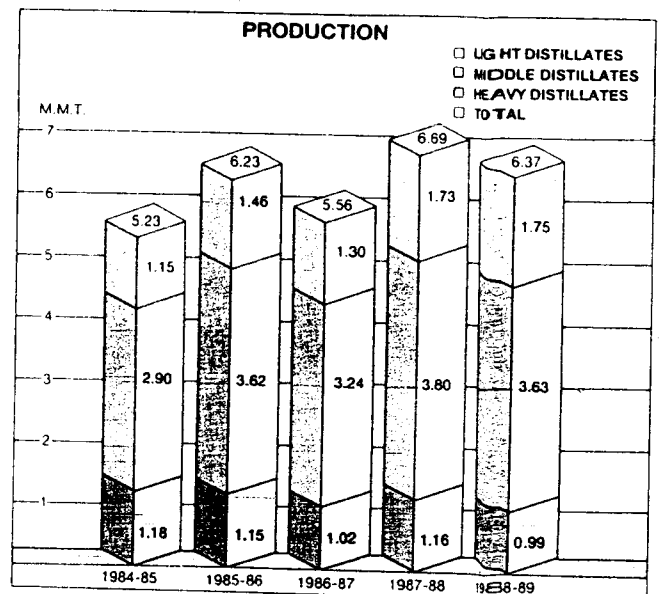
The total production of refined products during the year was 6.37 MMT as against 6.69 MMT in the previous year. The actual yields achieved and Fuel & Loss were as under:-



	1988-89	1987-88
Light Distillates	24.1%	22.9%
Middle Distillates	58.1%	57.3%
Heavy Ends	12.1%	14.7%
Fuel & Loss*	5.7%	5.1%
	<u>100.0%</u>	<u>100.0%</u>

*Excludes BHA Gas used as fuel (% on crude)

	0.58%	0.52%
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The improvement in Light/Middle Distillates, as also increased Fuel & Loss are attributable to scheduled shutdown of CDU with Secondary Processing, out of the stocks built up, being continued. Although the production of Aromatics (Benzene and Toluene) increased to 67,120 MT from 54,300 MT in the previous year, this production was adversely affected because of the fire incident due to which Aromatics Plant had to be closed for more than a month. Aside from highest ever production of ATF and SBP 55/115 at 254,800 MT and 44,200 MT respectively, the monthly Secondary Processing throughput at 1.51 lakh MT exceeded the previous record.

Fire & Safety

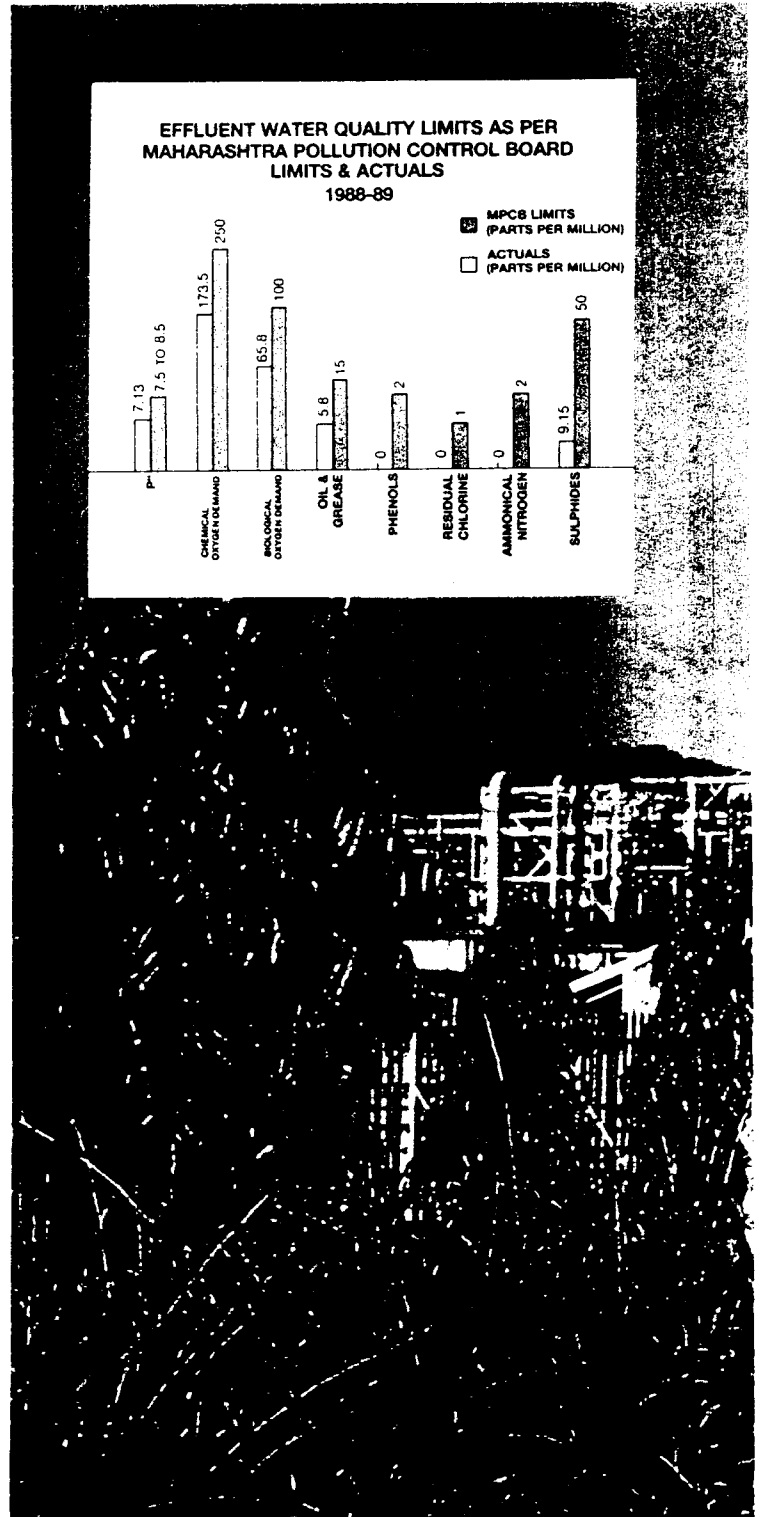
The Corporation continued to lay stress on inculcation of safety consciousness amongst employees as also contractors' workmen and, to this end, conducted proper training programmes on, inter alia, fire prevention/protection/fighting. The efficacy of the training imparted was amply demonstrated when the major fire incident occurred on 9th November 1988 in the Aromatics Tank Farm due to overflow of light Naphtha from one of the tanks in Aromatics Tank Farm. The fire fighters brought the fire under control within 20 hours and put it out completely after 28 hours, utilising its own resources and generous help from Bombay Fire Brigade and Members of the Mutual Aid Scheme. Although in the first few minutes when the conflagration occurred, there were large number of serious burn injuries culminating in loss of as many as 35 precious lives, which is indeed most unfortunate and regrettable, the material damage was contained because of the prompt response and action of the Refinery staff at all levels. The Corporation has already under implementation installation of facilities for monitoring and control of fires in the LPG area and would take suitable measures, as may be required, for prevention/protection/fighting of fire in other areas.

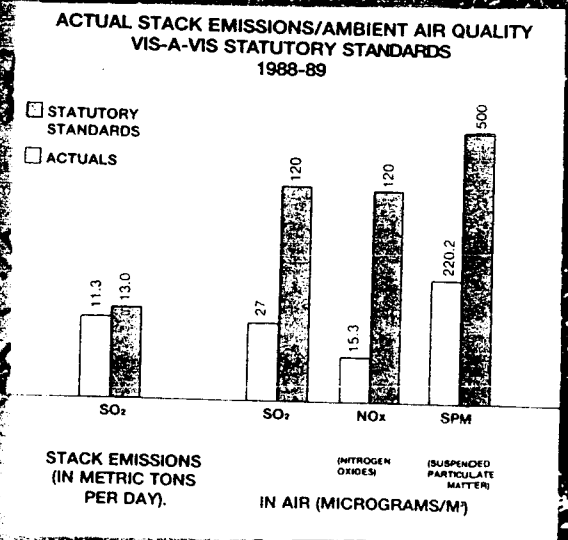
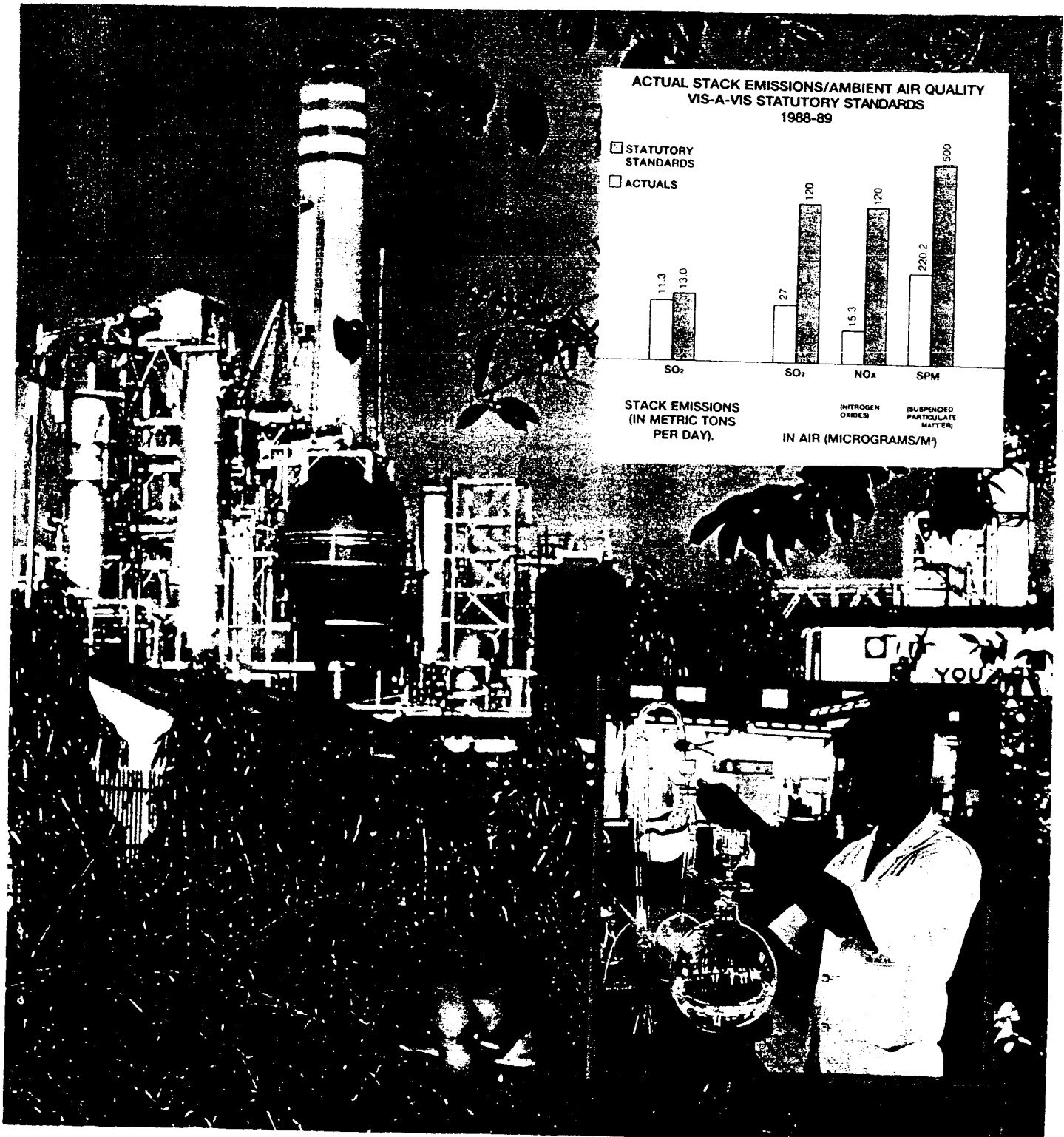
Energy & Environmental Conservation

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 and Loss) which is an index of efficient use of Fuel and reduction in loss, continue to be favourable as in the previous year as the following statistics would show:-

*Green environment around the Refinery.
(Inset) Environmental standards being monitored.*







Year	Type of crude oils processed	Total crude intake (000 MT)	BH Intake (% wt.)	Fuel & Hydro-carbon loss (%wt.)	CEL Index
1986-87	7	5579.6	97.9	5.84	99.3
1987-88	8	6539.1	81.1	5.62	91.2
1988-89	7	6132.4	90.3	6.28	93.3

The Carbon Monoxide Boiler in Catalytic Cracking Unit, which would improve environment, has already been commissioned and Waste Water Treatment Plant is being progressed.

Besides the major capital scheme for replacement of existing furnaces in Crude Distillation Unit, other measures taken and planned for conservation of energy are :-

- (a) converting steam tracing to electric tracing for process and offsite lines;
- (b) provision of variable speed drive for the fan in the Aromatic cooling tower;
- (c) commissioning of new electric driven hydrocarbon compressor in CCU;
- (d) replacing 'Shell' and tube exchangers by modern design plate type exchangers as well as the steam turbines by electric motors;

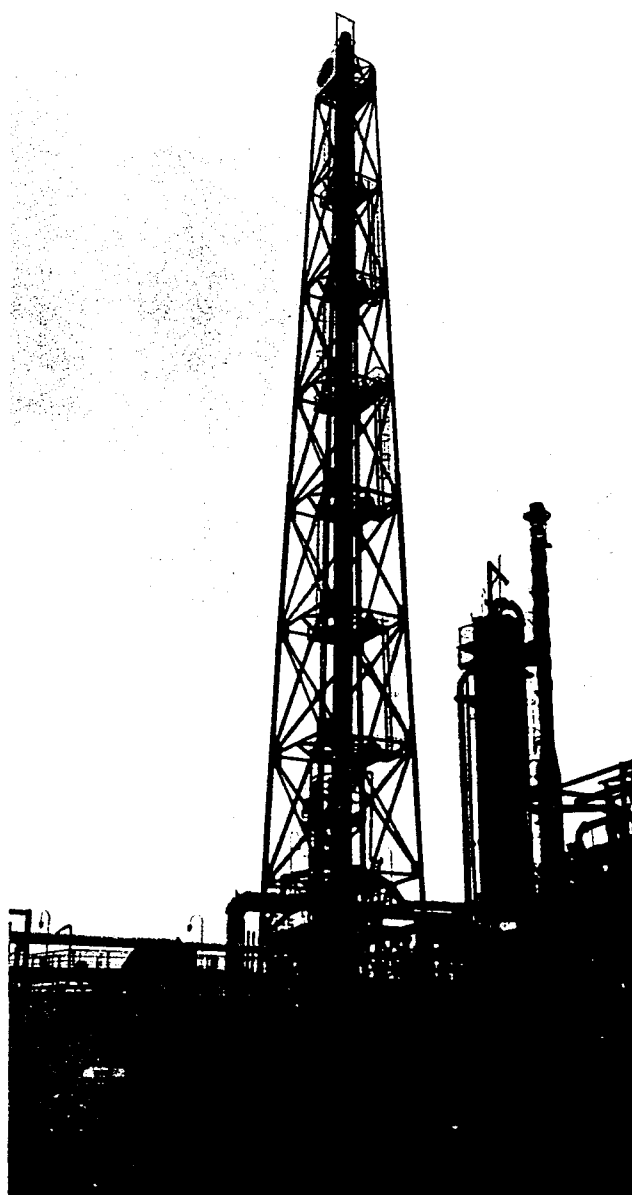
Details regarding total and per-unit energy consumption are given in Form A enclosed as per Section 217(1)(e) of the Companies Act, 1956, and the rules made thereunder.

Modernisation and Research & Development

Having regard to the Corporation's philosophy to keep pace with the latest technologies, the Refinery facilities have been upgraded by installation of on-line Process Computers in Aromatics, Crude Distillation and Catalytic Cracking Units and Personal Computers are interlinked with super-LAN with a Centralised Data Base enabling retrieval of information, thus ensuring timely action as appropriate. Additionally, a high frequency communication system with a range of 4 km. has been installed. This covers Fire Station, Security and Plant areas and provides the facility for contacting Senior Managers in the residential colony in Chembur.

On the Research & Development front, the major area where the Corporation has taken initiative, along with National Chemical Laboratory, Pune and Davy Power Gas (India) Private Ltd. is to put up a pilot plant for conversion of Natural Gas to Middle Distillates. This tripartite involvement is unique in as much as National Chemical Laboratory (under CSIR), BPCL (a Public Sector Undertaking) and Davy Power

Gas (India) Private Ltd. (a Private Sector Company) have perhaps, for the first time, come together in a joint venture in the high-technology area. The Form 'B' annexed to this Report shows details of R&D activities undertaken by the Corporation as required under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.



The Sulphur Recovery Plant: one of the units for conservation of the environment.



Rajkot Depot: Inauguration by the Chairman and Managing Director.

MARKETING

Total sales during the year were 9.33 million tonnes compared with 8.56 million tonnes in the previous year, representing an increase of 9% with the Corporation's market participation rising marginally to 18.7% from 18.5% in the previous year. This includes sales of Aromatics (Benzene and Toluene) which, at 74604 MT represented 27 percent over the previous year. The other products where there were significant growth rates, were Naphtha and Bulk Bitumen, the latter resulting in savings in drum steel consumption.

During the year, 81 Retail Outlets (including 23 in rural areas), 16 Kerosene/Light Diesel Oil Dealerships and 27

Consumer Pumps were commissioned bringing the total number, at the end of the year, to 3822, 868 and 233 respectively. Besides providing segregated facilities for 2/3 wheeler customers at 60 Outlets with Fibre Glass Canopies at some of them, 180 Electronic Pumps, with mechanical registers, in replacement of conventional ones, and a number of special 2T Dispensers, were provided at selected outlets under modernisation programme.

While the network of Aviation Service Stations (ASS) increased to 12 with the commissioning of ASS at Bangalore during the year, construction of ASS at Hyderabad is complete and will soon be commissioned. Moreover, supplies

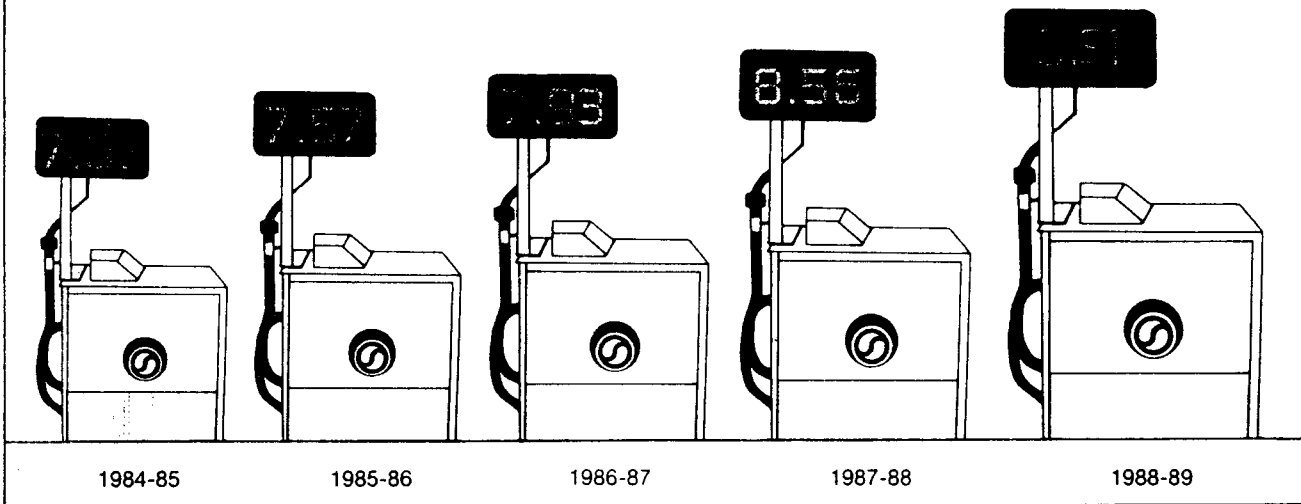


Exclusive facilities for the ever growing 2/3 wheeler traffic.



Bharat Petroleum Corporation Ltd.

SALES VOLUME
M.M.T.



commenced to Royal Jordanian Airlines at Delhi and Calcutta. Besides, construction of bunkering facilities on 18000 sq.m. of land at the new Nhava Sheva Port is almost complete.

To maintain the Corporation's standard of customer service, 46 Training Seminars/Courses for Dealers/Dealer staff and 24 Technical Seminars for the Corporation's Direct customers of various products were organised.

As regards LPG facilities, the Corporation has increased its total bottling capacity to 620,000 tonnes per annum by commissioning 6 new LPG Bottling Plants at Bareilly, Lucknow, Hissar, Piyala (New Delhi), Tuticorin, Khurda, having total bottling capacity of 182,000 MT per annum;



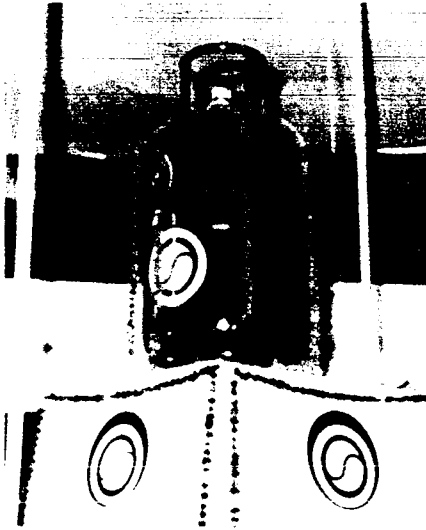
First fuelling of Royal Jordanian Airlines at Calcutta Airport.

Marine Services: Our Bunkering Installation at Pandit Jawaharlal Nehru Port, Nhava Sheva, near Bombay.





Bharat Petroleum Corporation Ltd.



Lucknow LPG Bottling Plant: inaugurated by the Hon'ble Chief Minister of Uttar Pradesh, Shri Narayan Dutt Tiwari, and presided over by the Hon'ble Union Minister of State for Petroleum and Natural Gas, Shri Brahm Dutt.



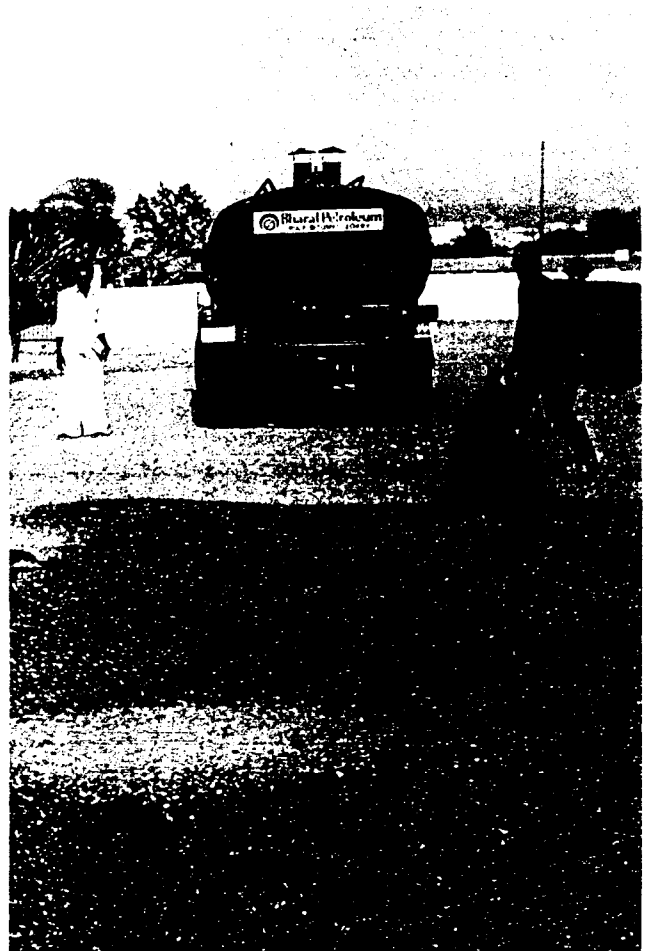
Bulk Bitumen in use.

besides commissioning 55 new Distributorships, of which 12 were in virgin markets, bringing the total number of Distributorships and markets to 704 and 410 respectively. In addition, your Corporation has fulfilled the target for enrolment of 2.5 lakh new customers bringing the total number to 33.10 lakhs.

The larger size cylinders (19 Kg. net.) developed by the Corporation for supply of LPG to non-domestic customers, have initially been introduced in Delhi market and they will be supplied in a phased manner to all other specified customers.

For the convenience of consumers, a new procedure for transfer of Bharatgas consumers from one city/town to another has been introduced in BPC markets obviating refund by Distributors, payment afresh by consumers, of security deposit. Besides, Consumer Identity Cards, having details of refill deliveries, inspection of installations, change of rubber tube etc. have been distributed to new domestic consumers, to avoid deliveries of refills to unauthorised consumers; other consumers will be covered in a phased manner.

Safety education of LPG consumers and training of Distributors and their staff through campaigns, safety clinics, Seminars and training courses, continued with great emphasis and, during the year, one more Industry LPG Training Centre at Mangalore and four Industry Emergency Cells to attend to LPG leakage complaints outside Distributors' working hours at Nagpur, Solapur, Cochin and Bhubaneswar, all controlled/co-ordinated by the Corporation, have been commissioned.





Our range of Lubricants.

IMPORT/EXPORT

As Canalising Agents for the import of LPG, the Corporation imported 47000 MT of LPG upto August 1988 for the Industry at Bombay and Vizag to supplement Indigenous availability. IOC took over the Canalising Agency work for LPG imports from August 1988 as per Ministry's directive.

During the year, the Corporation exported 573,000 MT of High Aromatic Naphtha, through the Canalising Agents, viz. Indian Oil Corporation Ltd., which earned Foreign Exchange for the country.

The details of Foreign Exchange earnings and outgo are given below:-

	Rs./Lakhs	
	1988-89	1987-88
Foreign Exchange outgo	6.02	20.74
Foreign Exchange earnings (Amounts received in Indian Currency from foreign Airlines out of the repatriable funds).	11994.41	10996.11

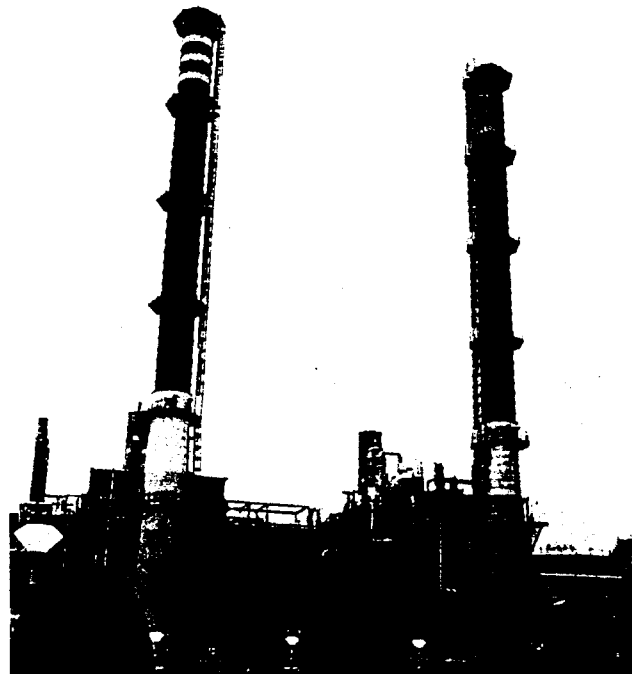
CAPITAL EXPENDITURE

The total investment in Capital for the year under review and for the period since take-over amounted to Rs. 173 crores and Rs. 1105 crores respectively, largely out of internal generations which amounted to Rs. 185 crores and Rs. 836 crores respectively. The thrust of the Capital Expenditure Programme has been on reducing operating costs, controlling environmental pollution, expanding distribution facilities to achieve better and more effective customer service, extending the range of value added products to meet market requirements and creating additional capacities commensurate with Corporation's share and market demands.

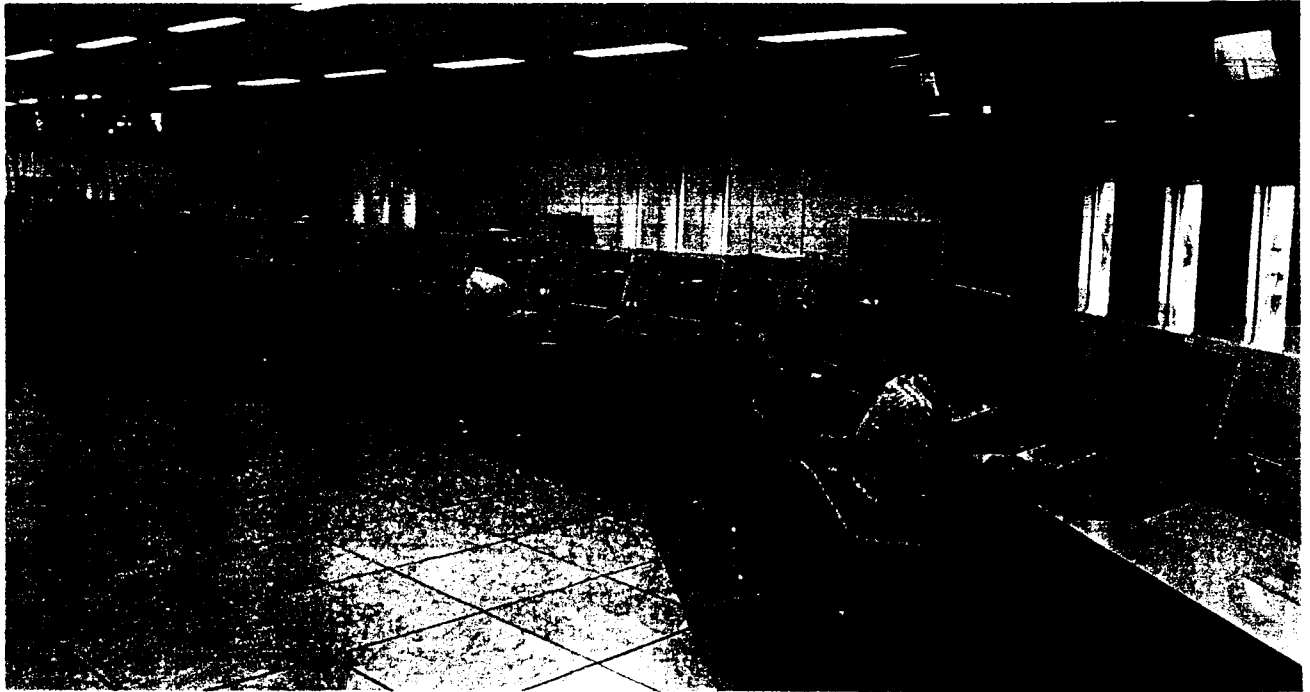
Major Capital Schemes completed during the year, in progress and planned for consideration by the Government for approval are:-

Already completed:

- a) Commissioning of Captive Power Plant which would not only ensure uninterrupted power supply so essential for the Refinery operations but would also lead to energy conservation because of cogeneration of steam required for various processes; the Project could make available 18-19 megawatt electric power to Maharashtra State Grid for supplies to other industries.
- b) Commissioning of CO Boiler for existing Catalytic Cracking Unit eliminating carbon monoxide emissions and, at the same time, conserving fuel to the extent of 5912 tonnes per annum.
- c) Replacement of existing furnaces in Crude Distillation Unit by higher thermal efficiency furnaces, as also modifications of the internals of other furnaces, thus improving reliability and enhancement in capacity for crude processing.
- d) Installation of Centralised Integrated Control Room using D I D C system which is an important step towards modernisation, energy conservation and yield optimisation in the overall Refinery operations.
- e) Completion of tankwagon loading gantry as also facilities to receive Bombay High crude at a rate of 7000 tonnes per hour as against an hourly rate of 2200 tonnes only.



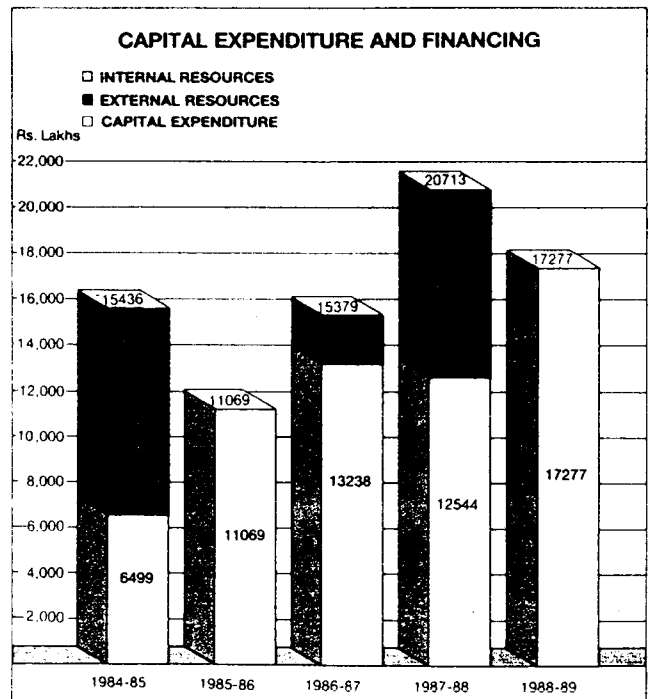
The Modern Captive Power Plant: A step towards energy conservation through co-generation

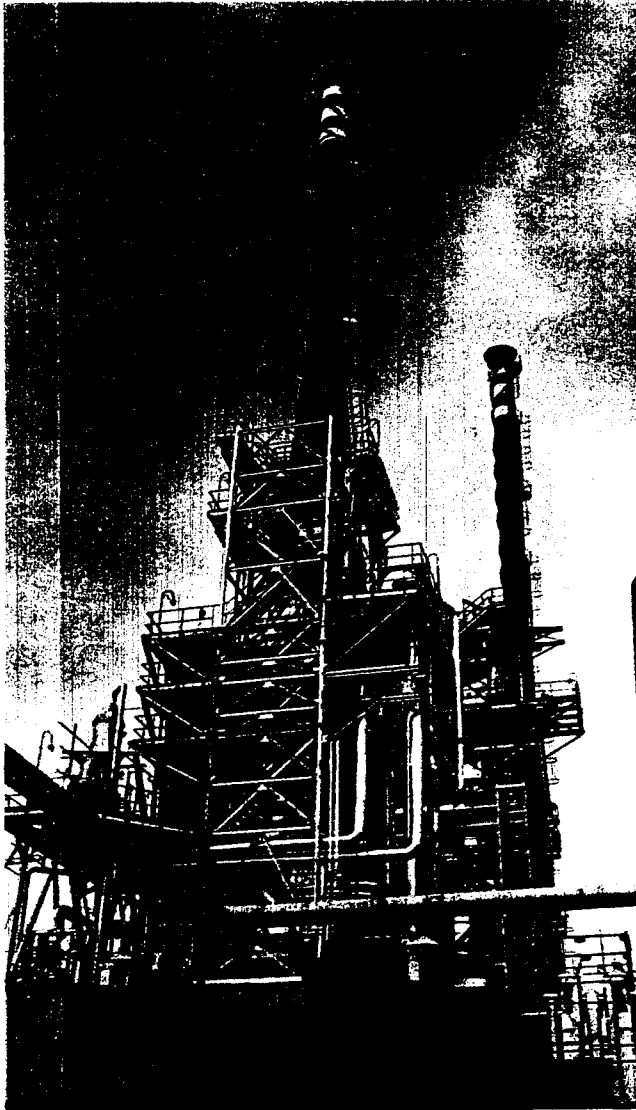


New Central Control Room for all Process Units.

In Progress

- f) The Project for Separation of C₃ stream from cracked LPG ex Catalytic Cracking Unit for supplying to IPCL's Maharashtra Gas Cracker Complex for their Polypropylene Plant at Nagothane will be completed before the end of June 1989.
- g) The facilities for improving effluent discharge from the Refinery to meet the minimum national standards, is expected to be completed by September 1989.
- h) Centralised Recirculating Cooling Water System under implementation will be completed by December 1990, thus reducing water effluent from the Refinery to the sea.
- i) Facilities for production of SBP/Hexane Solvents under implementation, will be completed by August 1989.
- j) A new Oil Terminal at Irumpanam, Cochin, with a storage capacity of 1.54 lakh Kl. tankages with pipelines and pumping facilities to enable faster loading/unloading of tanker parcels which would avoid demurrage and ensure continuous crude oil processing at Cochin Refineries without interruption due to ullage problems.
- k) Aside from the new Oil Terminal at Irumpanam, Cochin, additional storage capacities at large number of locations are being created through augmentation of existing capacities as also putting up tankages at new locations for storage cover of around 45 days based on 1989-90 sales.





CO Boiler: another unit for cleaner environment.

Planned

l) Optimisation of production of Aromatics through Extraction of Para-Xylenes, Ortho-Xylenes and Normal Paraffins from Naphtha and Kerosene streams, available from processing of Bombay High crude at BPCL's Refinery.

m) Haldia/Budge Budge Product Pipeline.

n) 6 MMTPA Grassroots Refinery in Central India.

In addition to the above, the Corporation has also submitted Project Formulation Reports in respect of C. Petrochemical Complex and Cochin/Coimbatore Product Pipeline.

PERSONNEL:

Consistent with Corporation's belief that Human Resources constitute its most precious asset, training and development of personnel at all levels continue to receive attention.

Recruitment

During the year under report, 872 persons were recruited, out of which 170 were Scheduled Castes (SC), 56 were Scheduled Tribes (ST), 16 were Physically Handicapped (PH). Of the total recruitment, Management Staff were 325, of whom 29 were SC and 23 were ST.

Training

The emphasis of training has been to ensure development of staff at all levels through in-house as well as external training programmes. Statistical data for Courses held for the last 3 years are :-

	No. of Courses conducted		No. of Staff covered	
	Management	Workmen*	Management	Workmen*
1986/87	173	64	2523	1420
1987/88	271	110	3904	2203
1988/89	260	125	4009	2321

* Excluding Inplant training.

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.

Industrial Relations

During the year under review, Industrial Relations have been generally cordial and constructive. Following the enactment by the Central Government of the "Bharat Petroleum Corporation Ltd. (Determination of Conditions of Service of Employees) Act, 1988" and recent notification under the aforesaid Act stipulating terms and conditions of service of the post take-over employees, in the Workmen Category in the Refinery, coupled with the "Consent Award" by the Bombay High Court on a dispute between the Corporation and pre-takeover employees in the Clerical Cadre in Marketing, all employees have been brought under Public Sector Industrial Dearness Allowance pattern.



*Training Courses for Management
and Clerical Staff*

Employees' Welfare

Several welfare measures as applicable to employees like Housing Loan Scheme, Accident Compensation Scheme, Gratuity Rules, Medical Schemes for Workmen and such others were reviewed and improved upon during the year under review.

REPRESENTATION OF SC/ST

At the time of take-over of the Company by Government in January 1976, there were only about 2.3% employees belonging to SC and ST. However, through the vigorous efforts made during the post take-over period, the percentage of SC and ST employees (excluding Sweepers) increased to 15.6% at the beginning of January 1988, which has increased further to 18.6% at the beginning of January 1989.

In keeping with the objective of encouraging SC/ST students to acquire technical qualifications, especially in the field of engineering, various scholarships continue to be offered under the following three Scholarship Schemes :-

Engineering Degree Course

15 Scholarships for Undergraduate 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 second year onwards.

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.

Upon successful completion of their studies, scholars will be eligible for employment in the Corporation subject to their suitability.

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.



The Public Service Communicator of the Year Award being received by Mr. R.K. Sukhdevsinhji, Director (Personnel), from Shri Ramakrishna Bajaj, well known Industrialist.



Contributing to the 20 point programme: Director (Refineries), Shri K.R.S. Narayan, at the Balwadi, Mahul, a village adopted by the Corporation.

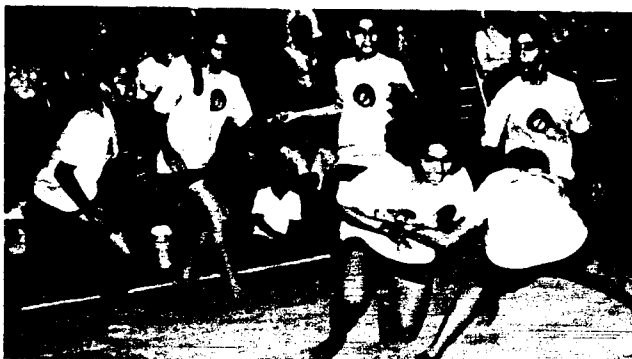


COMMUNITY WELFARE

In order to fulfil social obligations, the Corporation continued to make financial contributions to various social, educational and charitable institutions in various parts of the country, and especially the educational institutions and Balwadis in the Mahul and Chembur areas near the Refinery at Bombay, besides assisting in improvement of environment by the beautification of Metropolitan cities like Bombay and Madras as also by planting trees. The Corporation also associated with the Oil Industry in organising the Seminar 'Saga of Oil - Nehru's Vision of New India' and a film 'Saga of Oil' and also Apna Utsav festival in Bombay. In view of the overwhelming response received from the public for the social service films like 'Manas', 'Whose World is it Anyway', 'Sankalp', produced by the Corporation, a new video film 'Pehla Kadam' as a drive against alcoholism has also been produced by the Corporation. In appreciation of the social service rendered by the Corporation, the Corporation has received the prestigious 'Public Service Communicator of the Year' Award for 1987.



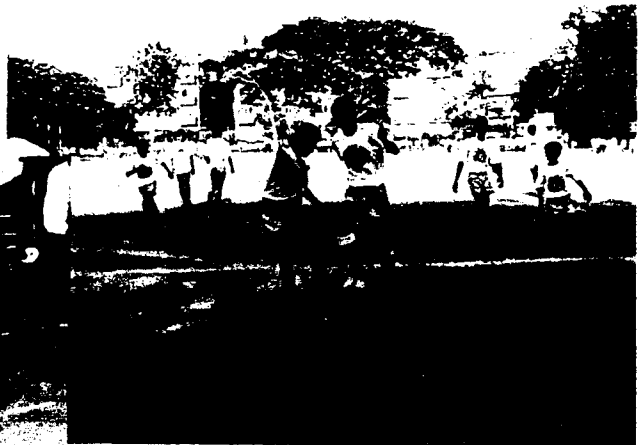
Extending a helping hand towards rehabilitation of the blind.



We remember Nehru: Director (Marketing) Shri R.K. Batra, making his presentation.

SPORTS

The Corporation continued to sponsor coaching camps and tournaments in football, hockey, athletics, kabaddi etc. to help meet the National objective of improving the standards in sports and, in addition, hosted All India Public Sector Sports Control Board Hockey Tournament and the Petroleum Sports Control Board Cricket Tournament. The Petroleum Minister's Trophy for the PSCB Champion Organisation in the Petroleum Sector tournaments for the year 1987/88 has also been received by the Corporation.



Fuelling Youth Power: one of the several coaching camps, supported by the Corporation.

Sponsorship of a popular rural sport - Kabbadi.



Shri H.K. Khan, Secretary, Ministry of Petroleum and Natural Gas, releasing the Souvenir at the IX PSCB Cricket Tournament hosted by BPCL.

OFFICIAL LANGUAGE IMPLEMENTATION

During the year, while 27 Official Language Implementation Committees continued to function to review the progress of use of Hindi, 20 Workshops as well as 25 Hindi Classes under the Hindi Teaching Scheme have been conducted for imparting training of Hindi typing/stenography. The Government has been requested to notify various offices of the Corporation at Bhopal, Solapur, Agra, Bareilly, Jaipur and Mathura under Rule 10(4) of the Official Language Rules, 1976, indicating that more than 80% of staff are having working knowledge of Hindi for doing work in Hindi.

A Hindi Week as well as Hindi Day were celebrated in various offices of the Corporation. Besides, Hindi Debate competition and Kavi Sammelan were also organised.

Cash Awards/prizes were distributed to the successful employees in Hindi classes and winners in the competition.

Aside from observing the first working day of every month as Hindi Day, inaugural proceedings of Bottling Plants at Lucknow and Bareilly as well as Rajkot Depot were conducted in Hindi. Besides, for the propagation and popularisation of Hindi, selective slogans and 'word of the day' are being displayed in the offices.

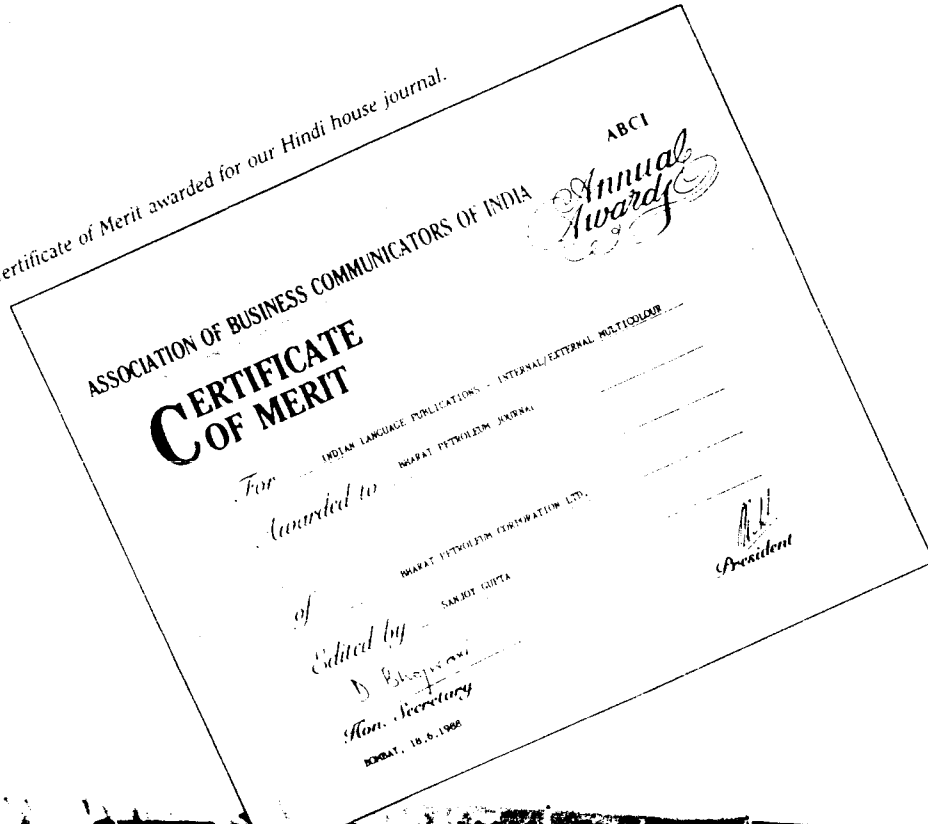
The Hindi edition of Bharat Petroleum Journal was awarded the Certificate of Merit by the Association of Business Communicators of India.



A recently introduced "Word of the Day" board: these are placed on each floor of our offices in Bombay.



Certificate of Merit awarded for our Hindi house journal.



Efforts to propagate and popularise Hindi expanded with the continued involvement of top management. Seen are (1st & 2nd from left) Director (Refineries), Shri K.R.S. Narayan, Chairman and Managing Director,

Shri R.K. Gajree and Director (Finance), Shri U. Sundararajan, (2nd from right).



DIRECTORS

After the last Annual General Meeting, while Shri V. Kumar, Director (Personnel) retired w.e.f. 23-1-1989, Shri T.N.R. Rao, resigned w.e.f. 13-2-1989 after relinquishing his post in the Ministry of Petroleum & Natural Gas. The Board of Directors have placed on record their appreciation of the valuable advice, guidance, assistance and services rendered by Shri V. Kumar and Shri T.N.R. Rao while they were associated with the Board of Directors of the Company.

While Shri U. Sundararajan, Financial Controller, was appointed as Director (Finance) w.e.f. 12-1-1989, Shri R.K. Sukhdevsinhji, General Manager (Staff & IR) has been appointed as Director (Personnel) w.e.f. 4-5-1989.

As per Article 77 of the Articles of Association of the Corporation, no Directors would be retiring at the end of the ensuing Annual General Meeting.

AUDITORS

M/s. Haribhakti & Co. and M/s. G.M. Kapadia & Co., Chartered Accountants, Bombay, have been appointed by the Company Law Board as Auditors for the year 1988-89 under Section 619(2) of the Companies Act, 1956, and they 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 1989/90.

ACKNOWLEDGEMENT

The Directors record their appreciation of the services rendered by the employees at all levels which has contributed to the good progress made by the Corporation during the year under review. In this context, the Directors are particularly happy to take note of the dedication and commitment of employees who fought the major fire at the Refinery with exemplary courage and at times took risks beyond the call of duty. They are confident that with the employees' continuing enthusiasm, initiative and commitment, the Corporation will be in a position to improve both its service 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 and Managing Director

Bombay,
5th June, 1989



FORM A

Form for disclosure of particulars with respect to Conservation of Energy.

A. Power and Fuel Consumption		1988-89	1987-88
1. Electricity			
a. Purchased			
Unit Million KWH		119.64	124.93
Total Amount (Rs. Crores)		12.49	12.35
Rate/Unit (Rs./KWH)		1.04	0.99
b. Own Generation			
i. Through Diesel Generator Unit			
Units per Ltr. of Diesel oil (Cost/Unit)		NIL	NIL
ii. Through Steam Turbine/Generator			
Units (KWH)		5442300	5504900
Units per Ltr. of fuel oil/gas		31.28	31.64
Cost/Unit (Rs./KWH)		0.04	0.04
iii. CPP			
Power Generation — Units (Million KWH)		16.94	
Fuel consumption (Qty-MT)		5781	—
Cost/Unit (Rs./KWH)		0.70	
2. Coal		NIL	NIL
3. Furnace oil/liquid fuel (LSHS)			
Qty (MT)		108046	101512
Total Amount (Rs. Crores)		12.91	12.13
Avg. Rate (Rs./MT)		1195.43	1195.43
4. Others/Internal Generation			
Refinery Gas Qty (MT)		72674	84075
Total Cost (Rs. Crores)		10.18	11.77
Rate/Unit		1400.28	1400.28
BHA Gas			
Qty (MT)		36734	34290
Total Cost (Rs. Crores)		6.76	
Rate/Unit		1839.75	
B. Consumption per Unit of Crude Processed			
	Units	Current Year	Previous Year
Electricity	KWH/MT	19.51	19.10
Furnace oil/Liquid fuel (LSHS)	Kg/MT	17.62	15.52
Coal		NA	NA
Refinery Gas	Kg/MT	11.85	12.86
BHA Gas	Kg/MT	5.99	5.24

The marginal increase in the power and fuel consumption compared to previous year is due to the scheduled shutdown of the Crude Distillation Unit when the Secondary Processing continued out of the stock built up.



FORM B

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company : Research and Development was carried out in developing the formulations of :-
- a) i. Bharat Hydrol P 100 – Hydraulic Oil for L&T Poclairn Excavators.
 - ii. High TBN Engine Oil for diesel engines using residual fuels.
 - b) BPCL, National Chemical Laboratory, Pune, and Davy Power Gas India Pvt. Ltd. have entered into a tripartite agreement to instal a Pilot Plant for conversion of Natural Gas to Middle Distillates.
2. Benefits derived as a result of the above R&D: a) i. Bharat Hydrol P 100 is yet to be introduced into the marketing range. The actual benefits in terms of returns will depend upon the actual sales when it is introduced.- ii. Regarding High TBN Engine Oil, obtaining approval from the manufacturers of diesel engines is in progress. After obtaining approval, the oil will be introduced into the marketing range.
- b) Nil.

3. Future Plan of Action : a) Develop –
 - i. Lithium base grease with molybdenum di-sulphide.
 - ii. Lithium complex grease.
 - b) Pilot Plant for the above-mentioned conversion of Natural Gas to Middle Distillates will be installed in BPCL (Refinery).

4. Expenditure on R&D:

 - a) Capital a) Rs. 20 lakhs.
 - b) Nil.
 - b) Recurring a) Rs. 2 lakhs approx. (expenditure on chemicals, glassware, free oil samples, payment of testing charges to outside labs. etc.).
 - b) Nil.
 - c) Total a) Rs. 22 lakhs.
 - b) Nil.
 - d) Total R&D expenditure as a percentage of total turnover. 0.005%–

TECHNOLOGICAL ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards absorption, adaptation and innovation :-
The process design and detailed engineering package for various Refinery units like Cracking, Sulphur Recovery have been imported.
2. Benefit derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
This has resulted in increasing the production of various petroleum products (917,000 MTPA) and saved foreign exchange to that extent.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:-
- a) Technology imported : Fluidised Catalytic Cracking – U.O.P.
Sulphur Recovery Unit – COMPRIMO.
 - b) Year of Import : Fluidised Catalytic Cracking Unit 1985
Sulphur Recovery Unit... .. 1985
 - c) Has technology been fully absorbed : Yes.
 - d) If not fully absorbed, areas where this has not taken place, reasons thereof & future plans of action.



Bharat Petroleum Corporation Ltd.

PERFORMANCE PROFILE

	1988-89	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78 (15 MONTHS)	1976
1) Crude Oil Processed (000 Tonnes)													
Imported	623	1204	105	67	175	468	1384	904	1268	1301	1840	3826	3596
Indigenous	5535	5352	5467	6311	5279	4829	3093	4090	3603	3540	2866	1803	159
	6158	6556	5572	6378	5454	5297	4477	4994	4871	4841	4706	5629	3755
2) Fuel and Loss as % of Crude Processed	5.6	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)	11720	10720	9899	9410	8789	7711	7124	6541	6473	6136	5781	6483	4519
4) Market Participation %	18.7	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	437003*	406949*	354276*	235147	213936	187936	173300	152504	122364	94598	78422	80027	57851
Gross Profit before Depreciation, Interest and Tax	24243	19025	18423	17722	9299	7486	5497	4856	3940	3299	2938	2401	1026
Depreciation	7891	6346	8156	7756	5334	4238	1540	1222	1251	771	455	190	239
Interest	3343	3375	3415	3074	1885	1332	961	673	378	46	28	160	193
Profit before Tax	13009	9304	6852	6892	2080	1916	2996	2961	2311	2482	2455	2051	594
Tax	2100	1700	820	760	700	350	1650	1554	1267	1505	1589	1265	428
Profit after Tax	10909	7604	6032	6132	1380	1566	1346	1407	1044	977	866	786	166
* Sales and Other Income includes sales to Other Oil Companies.													
6) What the Company owned													
Gross Fixed Assets	112243	95485	75175	60048	49569	34516	20921	13459	9625	7380	5812	4995	4607
Net Fixed Assets	68326	59911	42756	35960	32920	22852	13367	7360	4708	3657	2825	2459	2258
Net Current Assets	4988	1423	9085	10932	5836	7283	5582	6956	8691	2675	2158	3619	2592
Total Assets Net	73314	61334	51841	46892	38756	30135	18949	14316	13399	6332	4983	6078	4850



Bharat Petroleum Corporation Ltd.

PERFORMANCE PROFILE(Contd.)

	1988-89	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78 (15 MONTHS)	1976
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RS. LAKHS													
7) What the Company owed													
Share Capital	2785	2785	2785	2785	1657	1657	1454	1454	1454	1454	1454	1454	1454
Reserves and Surplus	40578	30703	20624	14968	10355	9191	7577	6181	4978	4105	3191	2500	1896
Net Worth	43363	33488	23409	17753	12012	10848	9031	7635	6432	5559	4645	3954	3350
Borrowings	29951	27846	28432	29139	26744	19287	9918	6681	6967	773	338	2124	1500
Total Funds Employed	73314	61334	51841	46892	38756	30135	18949	14316	13399	6332	4983	6078	4850

8) Internal Generation	18550	13583	14250	13496	6499	5851	2936	2425	2123	1684	1146	794	260
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9) Value Added	49704	38729	34054	29218	22350	18646	12974	11230	10076	8383	7625	7136	2813
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10) Ratios													
Gross profit before Depreciation Interest and Tax as % age of Sales and Other Income	5.5	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 % age of Average Net Worth	28.4	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 % age of Share Capital	391.7	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 % age of Share Capital	1379.7	1021.5	738.9	534.3	689.8	599.9	573.1	483.7	412.4	350.9	295.7	251.2	170.9
Gross profit before Dep. Interest and Tax as % age of Capital Employed	42.8	48.4	51.1	49.0	37.5	53.7	51.8	43.8	33.5	65.9	69.7	41.6	21.8
Profit before Tax as % age of Capital Employed	23.0	23.7	19.0	19.0	8.4	13.7	28.2	26.7	19.7	49.6	58.2	35.6	12.6
Profit after tax as % age of Capital Employed	19.3	19.4	16.7	16.9	5.6	11.2	12.7	12.7	8.9	19.5	20.5	13.6	3.5



Bharat Petroleum Corporation Ltd.

SOURCES AND UTILISATION OF FUNDS

SOURCES OF FUNDS	1988-89	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81	1979-80	1978-79	1977-78 (15 MONTHS)	1976
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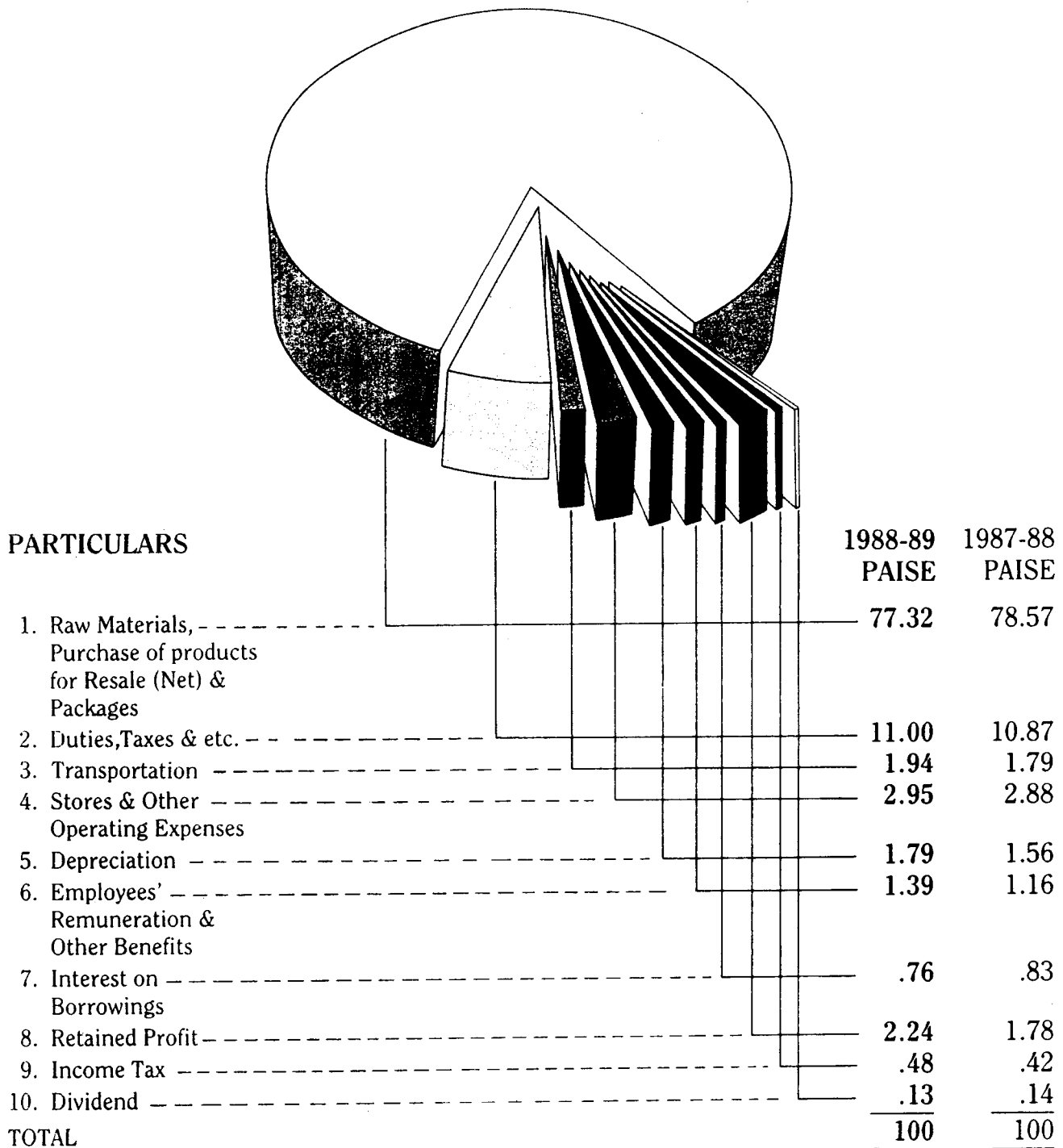
RS. LAKHS													
OWN													
Profit after Tax	10909	7604	6032	6132	1380	1566	1346	1407	1044	977	866	786	166
Excess/(Short) provision for Taxation in earlier year written back (Net)	(477)	198	13	(1)	16	48	50	-	32	111	-	-	-
Depreciation	8675	6339	8594	7756	5334	4238	1540	1222	1251	771	455	190	239
Shareholders' Investment	-	-	-	-	-	203	-	-	-	-	-	-	1708

BORROWINGS													
Loans	2105	(586)	(707)	2396	7457	9369	3237	(286)	6194	435	(1786)	624	1153
L P G Deposits	2141	2224	2764	3280	2599	2056	1162	666	124	78	140	59	109
Decrease in Working Capital	-	5452	-	-	-	-	214	1072	-	-	1320	-	-
Adjustment on account of Deletion/ Re-classification, etc.	187	52	(10)	272	32	24	19	11	6	4	15	37	(748)
	23540	21283	16686	19835	16818	17504	7568	4092	8651	2376	1010	1696	2627

APPLICATION OF FUNDS													
Capital Expenditure	17277	20712	15379	11069	15436	13746	7567	3886	2307	1607	835	429	263
Dividend	557	557	390	390	232	-	-	204	204	175	175	182	146
Investments	56	14	-	-	64	23	1	2	-	-	-	-	11
Increase in Working Capital	5650	-	917	8376	1086	3735	-	-	6140	594	-	1085	2207
	23540	21283	16686	19835	16818	17504	7568	4092	8651	2376	1010	1696	2627



**HOW EACH RUPEE EARNED
HAS BEEN SPENT DURING 1988-89**





VALUE ADDED STATEMENT

HOW VALUE IS GENERATED	RS. LAKHS	
	1988-89	1987-88
Value of Production (Refinery)	118507	126162
LESS: Direct Materials Consumed	<u>109253</u>	<u>115919</u>
Added Value	9254	10243
Marketing Operations	<u>40450</u>	<u>28486</u>
Value added by Manufacturing & Trading Operations	49704	38729
ADD: Other Income (net of P.Y.A)	<u>973</u>	<u>2818</u>
Total Value Generated	<u>50677</u>	<u>41547</u>

HOW VALUE IS DISTRIBUTED			
1. OPERATIONS			
Operating & Servicing Costs		19987	17610
2. EMPLOYEES' BENEFITS			
Salaries, Wages & Bonus	4960		3636
Other Benefits	<u>1180</u>	<u>6140</u>	<u>1085</u>
3. PROVIDERS OF CAPITAL			
Interest on Borrowings	3343		3375
Dividend	<u>557</u>	<u>3900</u>	<u>557</u>
4. INCOME TAX		2100	1700
5. RE-INVESTMENT IN BUSINESS			
Depreciation	8675		6339
Retained Profit	<u>9875</u>	<u>18550</u>	<u>7245</u>
			<u>13584</u>



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. 1,000/- 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 lease hold 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. 5,000/- 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.

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 AND 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 includes, 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 are 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, where as prepaid expenses and individual liabilities upto Rs. 10,000 in each case, are charged to Revenue as and when incurred.

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' are those which exceed Rs. 50,000/- in each case.



AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED, as at 31st March, 1989, 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 account 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 this Report are in agreement with the books of account;
4. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Notes and the significant accounting policies thereon, give the information required by the Companies Act, 1956, in the manner so required.
 - (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; subject to the above, the said accounts 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, 1989
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, 1988 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 verification of the said assets. To the extent that physical verification of the Fixed Assets was carried out by the Management during the year, we are informed that no material 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.
- (iv) The procedures of physical verification followed by the Management are reasonable and adequate in relation to the size of the Corporation and the nature of its business.
 - (v) We are informed that no material discrepancies have been noticed on such verification as compared to book records.
 - (vi) In our opinion, the valuation of these stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - (vii) The Corporation has not obtained any loans from Companies, Firms or other Parties listed in the Registers maintained under Section 301 and Section 370 (1-C) of the Companies Act, 1956.
 - (viii) The Corporation has not granted any loans to Companies, Firms or other Parties listed in the Registers maintained under Section 301 and Section 370 (1-C) of the Companies Act, 1956.
 - (ix) The Corporation has given loans and advances to its employees and to certain Companies/State Governments who are by and large 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.
 - (x) There is an adequate internal control procedure commensurate with the size of the Corporation and the nature of its business for the purchase of Stores, Raw Materials, Plant and Machinery, Equipment and other assets and for the sale of goods.
 - (xi) According to the information given to us, there are no purchases of goods and materials and sale of goods, materials and services exceeding Rs. 50,000/- in value for each type thereof made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act.
 - (xii) According to the information and explanations given to us, the Corporation has determined damaged and unserviceable Stores, Raw Materials and Finished goods and that provision for loss in respect thereof has been made in the Accounts.
 - (xiii) In respect of the deposits accepted from the 'public', the Corporation has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
 - (xiv) 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.
 - (xv) The Corporation has an adequate internal audit system which is commensurate with the size and nature of its business.
 - (xvi) We have broadly reviewed the books of account maintained by the Corporation in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956. we are of the opinion that prima facie the



Bharat Petroleum Corporation Ltd.

prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (xvii) According to the records of the Corporation, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with appropriate authorities.
- (xviii) There was no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31st March, 1989 for a period of more than six months from the date they became payable.
- (xix) No personal expenses have been charged to revenue.
- (xx) The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Corporation as it is a "Government Company" as defined in Section 617 of the Companies Act, 1956.
- (xxi) In respect of the trading activities carried on by the Corporation, it has determined the damaged goods, value of which is not significant.

For and on behalf of
HARIBHAKTI & CO.
Chartered Accountants

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

CHETAN DESAI
Partner

N.H. MODI
Partner

Bombay
Dated: 30th May 1989.

**Bharat Petroleum Corporation Ltd.**

BALANCE SHEET AS AT 31ST MARCH. 1989

AS AT
31-3-88

	SCHEDULE	RS. LAKHS	RS. LAKHS
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
Share Capital	A	2785.34	2785.34
Reserves & Surplus	B	40578.23	30702.97
		43363.57	33488.31
2. Loan Funds:			
Secured Loans	C	7714.60	6287.79
Unsecured Loans		22236.41	21558.33
		29951.01	27846.12
TOTAL		73314.58	61334.43
II. APPLICATION OF FUNDS			
1. Fixed Assets:			
Gross Block	D	95538.79	73420.25
Less: Depreciation		43916.56	35573.70
Net Block		51622.23	37846.55
Capital Work-in-Progress (At Cost) (Includes Advance Payments, Materials At Site, In-Transit and with Contractors)	E	16704.02	22064.58
		68326.25	59911.13
2. Investments	F	171.64	115.59
3. Current Assets, Loans & Advances:			
Inventories	G	30422.84	25681.39
Sundry Debtors	H	6690.89	4087.52
Cash and Bank Balances	I	4638.57	5982.15
Other Current Assets	J	1307.18	644.67
Loans and Advances	K	9843.76	9842.94
		52903.24	46238.67
Less : Current Liabilities & Provisions			
Liabilities	L	46908.71	43346.29
Provisions	M	1177.84	1584.67
		48086.55	44930.96
Net Current Assets		4816.69	1307.71
TOTAL		73314.58	61334.43
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
HARIBHAKTI & CO.
Chartered Accountants

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

U.SUNDARARAJAN
Director (Finance)
Bombay 30th May 1989

K.S. MANIKASHETTI
Company Secretary

CHETAN DESAI
Partner

N.H.MODI
Partner



Bharat Petroleum Corporation Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1989

	SCHEDULE	RS. LAKHS	RS LAKHS	1987-88 RS. LAKHS
INCOME				
Sale of Products		431868.65		405001.80
Miscellaneous Income	N	2134.62		1947.44
Increase/(Decrease) in Inventory of Finished Products and Stock-in-Process	O	5369.22		(593.74)
			442372.49	<u>406355.50</u>
EXPENDITURE				
Purchase of Products for Resale { See Note No.1(c) }		223001.47		197261.79
Raw Materials Consumed		112962.20		119139.30
Packages Consumed		4846.05		3745.21
Duties, Taxes, etc. & Other Charges applicable to Products		48489.44		44295.83
Transportation		8532.05		7284.62
Consumption of Stores, Spares & Materials	P	3785.54		3244.05
Fuel & Power	Q	1297.52		1318.44
Employees' Remuneration & Other Benefits	R	6140.18		4720.89
Interest	S	3343.41		3374.58
Other Operating & Administration Expenses	T	7912.52		7190.54
Depreciation (See Note(V) Schedule D)		7890.64		6346.41
			428201.02	<u>397921.66</u>
Profit			14171.47	8433.84
Prior Years' Income/(Expenses) Net	U		(1161.98)	870.58
Profit Before Tax			13009.49	<u>9304.42</u>
Provision for Taxation			2100.00	1700.00
Profit After Tax			10909.49	<u>7604.42</u>
Transfer from Investment Allowance Reserve			50.40	5.49
Excess/(Short) Provision for Taxation - in earlier years written back/Provided for (Net)			(477.17)	197.59
Excess Provision for Depreciation of earlier years written back			—	2834.63
			10482.72	<u>10642.13</u>
Balance brought forward from previous year			0.01	0.18
Disposable Profit			10482.73	10642.31
Appropriations:				
: Proposed Dividend			557.07	557.07
: Transfer to General Reserve			9925.65	<u>10085.23</u>
Balance carried to Balance Sheet			0.01	0.01
Notes forming part of Accounts	V			

As per our attached report of even date

R.K GAJREE
Chairman and Managing Director

U.SUNDARARAJAN
Director (Finance)

Bombay, 30th May 1989

K.S. MANIKASHETTI
Company Secretary

For and on behalf of
HARIBHAKTI & CO.
Chartered Accountants
CHETAN DESAI
Partner

For and on behalf of
G.M KAPADIA & CO.
Chartered Accountants
N.H MODI
Partner

**Bharat Petroleum Corporation Ltd.**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1989		AS AT
SCHEDULE-A SHARE CAPITAL		31-03-88
	RS. LAKHS	RS. LAKHS
(i) Authorised		
5,00,000 Equity Shares of Rs. 1,000 each	5000.00	5000.00
	5000.00	5000.00
(ii) Issued and Subscribed		
2,78,534 Equity shares of Rs. 1,000 each fully paid	2785.34	2785.34
TOTAL	2785.34	2785.34
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		AS AT
	RS. LAKHS	RS. LAKHS
(i) Capital Reserve		
As per last Balance Sheet	552.69	552.69
(ii) General Reserve		
As per last Balance Sheet	23633.23	13548.00
Add: Transfer from Profit & Loss Account	9925.65	10085.23
	33558.88	23633.23
(iii) Investment Allowance Reserve		
As per last Balance Sheet	6517.05	6522.53
Less: Transfer to Profit & Loss Account	50.40	5.49
	6466.65	6517.04
(iv) Profit & Loss Account	0.01	0.01
TOTAL	40578.23	30702.97
SCHEDULE-C LOANS		AS AT
	RS. LAKHS	RS. LAKHS
(i) Secured		
From Scheduled Banks: secured by hypothecation of Finished Goods, Raw Materials, Stock in Process, Stores and Spares at the Refinery and of Stores and Spares and Finished Goods at Kandla and Shakurbasti Installations.	7714.60	6268.74
Interest accrued and due	0.00	19.05
TOTAL	7714.60	6287.79
(ii) Unsecured		
(a) Fixed Deposits (Includes Rs. 3592.61 lakhs maturing before 31st March, 1990) (1989- Rs.1665.90 lakhs)	10553.17	5823.50
(b) Others (includes Rs. 831.43 lakhs due for repayment before 31st March, 1990) (1989- Rs. 2298.80 lakhs)	11683.24	15734.83
TOTAL	22236.41	21558.33



Bharat Petroleum Corporation Ltd.

SCHEDULE-D FIXED ASSETS

RS. LAKHS

PARTICULARS	COST			GROSS BLOCK AS AT 31.03.89
	GROSS BLOCK AS AT 01.04.88	ADDITIONS	DEDUCTIONS INCLUDING RECLASSI- FICATIONS	
(1)	(2)	(3)	(4)	(5)
1. LAND (Including advance payments)				
(a) Freehold/Long Leasehold	634.16	173.58	(253.68)	1061.42
(b) Leasehold on which premia are being written off over lease period	700.05	80.74	(182.32)	963.11
(c) Advance Payments	997.12	230.97	450.58	777.51
2. BUILDINGS	7318.92	2788.04	(170.14)	10277.10
3. RAILWAY SIDINGS	727.27	312.27	0.02	1039.52
4. PLANT & MACHINERY	23833.14	11160.26	314.11	34679.29
5. TANKS & PIPELINES	11556.28	2231.95	282.12	13506.11
6. FURNITURE & FITTINGS	600.57	161.18	7.60	754.15
7. VEHICLES	1605.50	176.69	27.27	1754.92
8. OTHER ASSETS				
(a) Dispensing Pumps	1679.31	429.24	4.89	2103.66
(b) LPG Cylinders & Allied Equipment	20302.94	3434.43	217.99	23519.38
(c) Sundries	3464.99	1662.20	24.57	5102.62
TOTAL	73420.25	22841.55	723.01	95538.79
Previous Year	59488.06	14464.07	531.88	73420.25

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) 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 owner-ship flats of **Rs. 113.95 Lakhs** held in formed/proposed Co-operative Housing Societies which includes value of shares of Rs. 0.26 Lakhs issued by Societies under their byelaws, out of which share certificates of the value of Rs. 0.12 Lakhs are yet to be received.
- (iii) Deduction (Col. 4) includes write back of excess capitalisation of prior years **Rs. 87.21 Lakhs**. (Previous Year Rs. 93.62 Lakhs).



Bharat Petroleum Corporation Ltd.

RS. LAKHS

DEPRECIATION				NET BLOCK	
AS AT 01.04.88	THIS YEAR	DEDUCTIONS ON ACCOUNT RETIREMENT/ RECLASSI- FICATIONS	AS AT 31.03.89	AS AT 31.03.89	AS AT 31.03.88
(6)	(7)	(8)	(9)	(10)	(11)
0	0	0	0	1061.42	634.16
43.48	16.13	0.00	59.61	903.50	656.57
0	0	0	0	777.51	997.12
631.83	237.25	4.22	864.86	9412.24	6687.09
85.89	53.50	0.01	139.38	900.14	641.38
9435.57	2995.82	52.70	12378.69	22300.60	14397.57
3190.09	1321.56	28.02	4483.63	9022.48	8366.19
96.31	29.40	1.55	124.16	629.99	504.26
614.92	141.13	20.24	735.81	1019.11	990.58
394.99	106.39	3.63	497.75	1605.91	1284.32
20302.94	3434.36	217.92	23519.38	0	0
777.68	346.50	10.89	1113.29	3989.33	2687.31
35573.70	8682.04	339.18	43916.56	51622.23	37846.55
32419.05	6345.50	3190.85	35573.70	37846.55	

- (iv) Depreciation on project assets is capitalised as part of capital project cost. The net book value of such assets is shown under Gross Block Column.
- (v) Depreciation for this year (Col. 7) includes :-
- Reversal of Depreciation on Excess Capitalisation referred in (iii) above **Rs. 10.83 Lakhs** (Previous Year Rs. 15.86 Lakhs) and **Rs. 36.56 Lakhs** (Previous Year Rs. Nil) on account of Reclassification of Assets.
 - Amount charged to Capital Work in Progress **Rs. 7.35 Lakhs**. (Previous Year Rs. 7.25 Lakhs).
 - Rs. 831.44 Lakhs** relating to prior years. (Previous Year Rs. 7.70 Lakhs).
- (vi) **61.10 Lakhs** being Corporations' share of cost of land jointly owned with Hindustan Petroleum Corporation Limited.
- (vii) Item Nos. 4 & 5 in Column Nos. 4 & 8 include value of assets lost during the fire in Refinery in November 1988 and Depreciation thereon respectively.



Bharat Petroleum Corporation Ltd.

SCHEDULE-E CAPITAL WORK IN PROGRESS

CAPITAL WORK IN PROGRESS (AT COST) (INCLUDING ADVANCE PAYMENT, MATERIALS-AT-SITE, IN-TRANSIT, AND WITH CONTRACTORS)				AS AT 31-03-88 RS. LAKHS
	RS. LAKHS	RS. LAKHS	RS. LAKHS	
1) Work-In-Progress (At cost) and Advance Payments		13716.67		17968.96
2) Capital Stores (At cost) including lying with contractors		2710.86		3306.38
3) Capital Goods In Transit (At cost)		114.35		402.19
4) Construction Period Expenses pending allocation				
Balance as at 1st April	387.05		114.74	
Add: Expenditure during the year				
Establishment Charges	121.06		110.75	
Interest	246.97		137.17	
Depreciation	7.35		7.25	
Others	124.90		132.87	
Less: Allocated to Assets/ Construction Work in Progress during the year	725.19	162.14	115.73	387.05
TOTAL		<u>16704.02</u>		<u>22064.58</u>

SCHEDULE-F INVESTMENTS

Nos.	FACE VALUE		BOOK VALUE	
	RS. LAKHS	RS. LAKHS	RS. LAKHS	AS AT 31-3-88 RS. LAKHS
(I) Quoted				
Government Securities at Cost – (Market Value Rs. 11.31 Lakhs —1988 Rs. 11.48 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—1988—Rs.15.82 lakhs
deposited with Local Authorities,etc.)



Bharat Petroleum Corporation Ltd.

SCHEDULE-F INVESTMENTS (Contd.)	Nos.	FACE VALUE	BOOK VALUE		AS AT
		RS. LAKHS	RS. LAKHS	RS. LAKHS	31-3-88 RS. LAKHS
(II) Unquoted - At Cost					99.31
(A) Units of the Unit Trust of India	1124660	112.47	155.35		
(B) National Savings Certificates (deposited with Local Authorities, etc.)		0.21	0.21		0.20
(C) Debentures (Fully Paid)					0.15
(i) 6 1/2% Irredeemable Debentures of the Bengal Chamber of Commerce and Industry	15	0.15	0.15		
(ii) 5% Non-Redeemable Debentures of East India Clinic Ltd.	1	0.60	0.60		0.60
(D) Ordinary Shares (Fully Paid) Sindhu Resettlement Corporation Limited	6	0.06	0.19		0.19
		113.49		171.64	<u>115.59</u>
(III) Unquoted — At Book Value					
6% Debentures of Sholapur Spinning and Weaving Mills Ltd. (In Liquidation)	578	0.58			— (a)
TOTAL				<u>171.64</u>	<u>115.59</u>

(a) 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 31-3-88 RS. LAKHS
(i) Raw Materials (At Cost)##		
Value	3469.10	4058.15
Charges	570.66	1421.44
(ii) Stock in Process (At Cost)	120.94	239.09
(iii) Finished Products (At cost or net realisable value whichever is lower)**		
Value	18334.56	12847.19
Charges	2523.84	1970.07
(iv) Packages (At cost or net realisable value, whichever is lower)	706.62	461.17
(v) Stores and Spares (At Cost) \$\$	4697.12	4684.28
TOTAL	<u>30422.84</u>	<u>25681.39</u>

Excludes Materials received on loan **Rs. 661.66 lakhs** (Net)

— 1988 Rs. 2022.39 lakhs (Net).

** Excludes **Rs. 2048.55 lakhs** (Net) for Products received on loan

— 1988 Rs. 2390.58 lakhs (Net).

Excludes liability towards Excise Duty on Bonded Stock **Rs. 3107.51 lakhs**— 1988 Rs. 2857.60 lakhs.

\$\$ Includes Stock given on loan **Rs. 0.31 lakhs** -

1988 Rs. 0.02 lakhs.

**Bharat Petroleum Corporation Ltd.****SCHEDULE-H SUNDRY DEBTORS (Unsecured Considered Good Unless otherwise stated)**

	RS. LAKHS	RS. LAKHS	AS AT 31-03-88 RS. LAKHS
Over Six Months		353.68	169.31
Over Six Months — Considered Doubtful	18.46		38.61
Less : Provision for Doubtful Debts	(18.46)		(38.61)
		0.00	0.00
		353.68	169.31
Other Debts		6337.21	3918.21
TOTAL		<u>6690.89</u>	<u>4087.52</u>

SCHEDULE-I CASH & BANK BALANCES

Cash on hand and in transit (Includes cheques & drafts on hand)		2494.97	3074.54
With Scheduled Banks—			
In Current Accounts (Net of Book Overdraft Rs. 236.98 Lakhs. 1988-Rs. 532.25 lakhs.)		2141.19	2905.31
In Deposit Account		2.41	2.30
TOTAL		<u>4638.57</u>	<u>5982.15</u>

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

	RS. LAKHS	RS. LAKHS	AS AT 31-03-88 RS. LAKHS
(i) Claims		1296.60	635.09
Considered Doubtful	168.12		160.74
Less : Provision for Doubtful Claims	(168.12)		(160.74)
		0.00	0.00
(ii) Interest Accrued on Investments			
Bank Deposits, Loans & Advances		10.58	9.58
TOTAL		<u>1307.18</u>	<u>644.67</u>



Bharat Petroleum Corporation Ltd.

SCHEDULE-K LOANS AND ADVANCES (Considered Good Unless otherwise stated)

	RS. LAKHS	RS. LAKHS	AS AT 31-03-88 RS. LAKHS
SECURED :			
Loans to Companies (Secured against hypothecation of Boilers)	28.99		50.06
Housing & Vehicle Loans to Staff (Secured against Hypothecation of Vehicles or mortgage of properties)	2494.72		1629.62
(Includes Due by Officers: Rs. 12.83 lakhs Due by Directors: Rs. 4.19 lakhs 1988 — by Officers: Rs. 14.72 lakhs and by Directors: Rs. 4.23 lakhs. Maximum balance during the year — By Officers: Rs. 13.23 lakhs By Directors: Rs. 4.23 lakhs 1988 — by Officers: Rs. 14.72 lakhs and by Directors: Rs. 4.23 lakhs)			
UNSECURED:			
(i) Loans to State Government	100.76		130.00
(ii) Advances recoverable in cash or in kind or for value to be received (Net)	6111.39		7270.52
Others Considered Doubtful	227.19		226.78
Less : Provision for Doubtful Advances	(227.19)		(226.78)
		8735.86	9080.20
(iii) Deposits			
(a) With Customs/Excise/Port Trust etc.	651.76		406.53
(b) With I.D.B.I.	12.88		12.88
(c) Others	443.26		343.33
		1107.90	762.74
(d) Deposits Considered Doubtful	1.91		1.56
Less: Provision for Doubtful Debts	(1.91)		(1.56)
		-	762.74
TOTAL		<u>9843.76</u>	<u>9842.94</u>

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE-L LIABILITIES

	RS. LAKHS	RS. LAKHS	AS AT 31-3-88 RS. LAKHS
Interest accrued but not due	1097.41		742.40
Sundry Creditors	24115.05		24521.49
Unclaimed Debentures (Redeemed)	0.55		0.55
Unclaimed Interest on Debentures	0.17		0.17
Deposits for Containers	17819.24		15678.30
Deposits by Agents, Dealers and Customers	73.21		74.06
Unclaimed Interest on Dealers' Deposits	2.60		2.59
Other Liabilities	3800.48		2326.73
TOTAL		<u>46908.71</u>	<u>43346.29</u>

SCHEDULE-M PROVISIONS

Unfunded Retirement Benefits — Net of Tax (Gross Rs. 215.78 Lakhs — 1988 Rs.223.41 lakhs)	102.31		106.12
Proposed Dividend	557.07		557.07
Provision for Taxation — Net of Tax Paid	518.46		921.48
TOTAL		<u>1177.84</u>	<u>1584.67</u>

**Bharat Petroleum Corporation Ltd.****SCHEDULE-N MISCELLANEOUS INCOME**

	RS.LAKHS	RS. LAKHS	RS.LAKHS	1987/88 RS. LAKHS
(i) Bank and other Interest (Gross)		341.71		347.70
(ii) Income from Investments:				
(a) Interest (Gross)	1.02		0.98	
(Tax Deducted at Source — Rs. 0.18 lakhs 1988 Rs.0.14 lakhs)				
(b) Dividend (Gross)	18.56		8.98	
(Tax deducted at source — Rs. 4.19 lakhs 1988 Rs.1.93 lakhs)		19.58		9.96
(iii) Profit on Sale of Assets	66.89		54.06	
Less:- Loss on Assets sold/ destroyed in Fire	66.81		11.55	
		0.08		42.51
(iv) Excess Provision Written-back		299.56		459.17
(v) Profit on Sale of Investments		0.01		—
(vi) Other Income:				
Rental & Hire charges	466.05		436.13	
Service charges	50.48		62.45	
Sale of Scrap, etc.	351.68		227.21	
Others (Net)*	605.47		362.31	
		1473.68		1088.10
TOTAL		<u>2134.62</u>		<u>1947.44</u>

*Includes Rs. 200 Lakhs received from Insurers against loss due to fire

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

Value of Closing Stocks of Finished Products and Stock in process	18455.50	13086.28
Less: Value of Opening Stocks of Finished Products and Stock in process	13086.28	13680.02
TOTAL	<u>5369.22</u>	<u>(593.74)</u>

SCHEDULE-P CONSUMPTION OF STORES, SPARES & MATERIALS

	RS. LAKHS	1987/88 RS. LAKHS
Stores, Spares & Materials	5523.58	4415.23
Less: Charged to Other Accounts	1738.04	1171.18
TOTAL	<u>3785.54</u>	<u>3244.05</u>

SCHEDULE-Q FUEL & POWER

Fuel & Power	5533.46	5734.83
Less: Fuel of Own Production consumed (estimated)	4235.94	4416.39
TOTAL	<u>1297.52</u>	<u>1318.44</u>



Bharat Petroleum Corporation Ltd.

	RS. LAKHS	1987/88 RS. LAKHS
SCHEDULE-R EMPLOYEES' REMUNERATION & OTHER BENEFITS		
Salaries, Wages and Other Benefits (Excludes amounts recovered Rs. 45.53 lakhs : 1988 Rs.28.67 lakhs)	4960.42	3635.55
Contributions to Provident & Other Funds	419.74	429.94
Welfare Expenses	760.02	655.40
TOTAL	<u>6140.18</u>	<u>4720.89</u>

SCHEDULE-S INTEREST		
On Fixed Loans	1619.59	1402.48
On Other Loans	1723.82	1972.10
TOTAL	<u>3343.41</u>	<u>3374.58</u>

	RS. LAKHS	RS. LAKHS	RS. LAKHS	1987/88 RS. LAKHS
SCHEDULE-T OTHER OPERATING AND ADMINISTRATION EXPENSES				
Remuneration to Directors(See Note No.6)		4.31		7.89
Repairs & Maintenance:				
Machinery	1701.62		1176.66	
Building	304.49		232.74	
Others	574.01		369.42	
		2580.12		1778.82
Insurance		566.03		539.43
Rent		654.63		571.10
Rates & Taxes		267.35		212.30
Charities & Donations		11.95		17.45
Remuneration to Auditors:				
Audit fees	1.75		1.75	
For Other Services	0.04		0.04	
Out of Pocket Expenses *	2.34		0.67	
		4.13		2.46
Public Utilities		389.30		373.99
Bad Debts & Claims Written off		5.03		12.88
Materials/Products Written off **		123.04		15.19
Provision for Doubtful Debts	17.47		52.37	
Provision for Doubtful Debts Written Back	(29.48)		(10.00)	
		(12.01)		42.37
Charges Paid to Other Oil Cos.		390.32		418.93
Travelling & Conveyance Expenses		451.71		369.52
Telephone, Telex, Cables, Postage, Etc.		276.33		225.82
BPT Pumping/Pipeline Charges		151.38		116.43
Brokerage on Public Deposits		117.08		7.19
Loss on Sale of Investment		0.00		1.01
Other Expenses		1931.82		2477.76
TOTAL		<u>7912.52</u>		<u>7190.54</u>

* Includes Rs. 0.63 Lakhs pertaining to 1987/88

** Includes Rs. 114.86 lakhs products lost due to fire accident in the Refinery



Bharat Petroleum Corporation Ltd.

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

	RS. LAKHS	1987-88 RS. LAKHS
Sale of Products	(410.40)	1484.46
Miscellaneous Income	1.09	0.00
Purchase of Products for Resale	(58.82)	0.00
Raw Materials Consumed	0.00	(19.67)
Duties, Taxes etc. and other Charges applicable to Products	3.25	(873.91)
Transportation	125.49	223.86
Consumption of Stores, Spares & Materials	6.29	17.10
Fuel & Power	(4.23)	0.00
Employees' Remuneration & Other Benefits	(3.60)	3.29
Other Operating & Administration Expenses	(41.32)	(27.34)
Interest	4.32	54.63
Depreciation	(784.05)	8.16
TOTAL	(1161.98)	870.58

SCHEDULE-V NOTES FORMING PART OF ACCOUNTS:

- (a) Sale of Products is after deduction of (a) Surrenders (Net) to Industry Pool Accounts **Rs. 110568.94 lakhs** (1988 Rs. 100961.69 Lakhs) and (b) Temperature Variation Allowance **Rs.130.63 lakhs** (1988 Rs. 61.33 lakhs).

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

(c) Purchase of Products for Resale includes Payments to Third Parties for Processing Fees **Rs.412.32 lakhs** (1988 Rs. 413.46 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 Ltd.

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

	Rs/LAKHS	1988 Rs/LAKHS
5. Capital Commitments & Contingent Liabilities		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	8112.10	10100.53
(ii) Contingent Liabilities:		
(a) In respect of Taxation matters of prior years	319.00*	291.08*
(b) Other matters:		
(i) Surety Bonds executed on behalf of Other Oil Companies for Excise/Custom Duties	1801.70	2605.15
(ii) Counter Guarantees to Banks	51.97	81.29
(iii) Letters of Credit for Capital Items	78.70	72.23
(iv) Claims against the Corporation not acknowledged as debts (includes Rs.1520.15 lakhs against which the Corporation has a recourse for recovery – 1988 Rs.1494.22 lakhs)	7908.14	3369.38
(v) Claim on account of Bonus/Ex-gratia payments in respect of pending court cases and wages for 1982	125.00	—
* If these Contingent Liabilities materialise either in part or whole, they are recoverable from Third Parties to the extent of Rs.26.52 lakhs (1988-Rs. 63.86 lakhs)		
6. Managerial Remuneration:	For the year ended 31st March, 1989 Rs/Lakhs	For the year ended 31st March, 1988 Rs/Lakhs
Salary and Allowances	3.38	6.48
Contributions to Provident Fund and Other Funds	.39	.51
Other Benefits	.54	.90
	<u>4.31</u>	<u>7.89</u>
7. (I) Licensed Capacity, Installed Capacity (As certified by the Management), Actual Production in respect of Goods Manufactured:		1988
(a) (i) Fuel Refinery:		
Refinery Operates at the level prescribed by Government each month		
(i) Crude Processed during the year	M.T. 6157880	6555962
(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. 2157549	2186578
(ii) Middle Distillates	K.L. 4428816	4666083
(iii) Others	K.L. 780252	1004997
* 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	85000
(iii) Actual Production	M.T. 59624	45928



Bharat Petroleum Corporation Ltd.

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

(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.	7494	8414

(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 l.G. per annum).	M.T.p.a.	66384	66384
(i) (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. K.L.	92725 103296	84691 94346

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

1988

(d) Drum Plant: Number of Drums—			
(i) Licensed Capacity per annum		1770000	1770000
(ii) Installed Capacity on triple shift basis per annum		2700000	2700000
(iii) Actual Production		1094586	1070971

(II) Raw Materials Consumed (on derived basis):					
	Unit	1989		1988	
		Quantity	Value Rs./lakhs	Quantity	Value Rs./lakhs
(i) Crude Oil (Net of Surrender to/Reliefs from Industry Pool Accounts)	MT	6157880	106124.38	6555962	113102.55
(ii) Base Oils	KL	125160	6837.82	110663	6036.75
			<u>112962.20</u>		<u>119139.30</u>

8. 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	144077	2395.40	2925502	63871.74	5106212	135329.74	170528	2878.58
Previous year	146717	2758.23	2615758	56738.36	4833433	122948.08	144077	2395.40
(b) Middle Distillates:								
Current year	450157	8752.77	6038706	136654.09	10209027	244428.63	654122	12834.50
Previous year	472716	9372.96	5366461	121862.45	9992596	231173.98	450157	8752.77
(c) Others:								
Current year	34206	1699.02	1296677	22382.73	2132765	55110.28	92750	2621.48
Previous year	37667	1548.84	1039914	18361.82	2151923	50879.74	34206	1699.02



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. 412.32 Lakhs** (1988 Rs. 413.46 Lakhs) but includes Own Consumption & Samples **Rs. 320.06 Lakhs** (1988 Rs. 273.72 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.0.01 Lakhs** (1988 Rs.0.04 Lakhs).
- (vii) Purchases of Packages include Own Consumption & Samples **Rs.8.21 Lakhs** (1988 Rs.6.73 Lakhs) and recoveries from Third Parties **Rs.13.94 Lakhs** (1988 Rs. 14.28 Lakhs).

9. (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		1988
	573	444
Expenditure thereon under the following heads	Rs./Lakhs	Rs./Lakhs
Salaries, Wages and Other Benefits	496.47	349.42
Contribution to Provident and Pension Funds	29.04	25.93
(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. or more per mensem	77	57
Expenditure thereon under the following heads	Rs./Lakhs	Rs./Lakhs
Salaries, Wages and Other Benefits	40.60	23.54
Contribution to Provident and Pension Funds	2.00	2.03
10. Value of Imports Calculated on C.I.F. basis		
(a) Crude Oil and Other Petroleum Products**	12686.36	28071.57
(b) Components and Spare Parts	837.48	1245.47
(c) Capital Goods	297.77	793.17

NOTES

1. ** Includes Local Insurance **Rs.13.14 Lakhs** (1988 Rs. 96.35 Lakhs).
2. ** Includes Crude Oil / Base Oil Purchases from IOC (Canalising Agents) **Rs.11363.30 Lakhs** (1988 – Rs. 23326.05 lakhs)
3. The above figure of purchases is prior to adjustment of Surrenders to/Reliefs from Industry Pool Accounts.

11. Expenditure in Foreign Currency (on cash basis)		1988
Other Matters	Rs./Lakhs	Rs./Lakhs
	6.02	20.74



Bharat Petroleum Corporation Ltd.

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

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

	1989				1988			
	Raw Materials		Spare Parts & Components		Raw Materials		Spare Parts & Components	
	Value Rs./Lakhs	%	Value* Rs./Lakhs	%	Value Rs./Lakhs	%	Value* Rs./Lakhs	%
Imported	14080	11.74	1931	32.72	22803	18.11	1118	22.63
Indigenous	105889	88.26	3971	67.28	103094	81.89	3824	77.37
	119969	100.00	5902	100.00	125897	100.00	4942	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.

13. Earnings in Foreign Exchange (on accrual basis)

	Rs./Lakhs	1988 Rs./Lakhs
(a) Export of goods on F.O.B. basis		
(i) On Own Account	11994.41*	10996.11*
(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

14. Other Expenses under Other Operating and Administration Expenses include an amount of **Rs.5.01 Lakhs** (1988 Rs.3.67 Lakhs) being entertainment expenses incurred by the Corporation.

15. Expenditure incurred on Public Relations and Publicity during the year is **Rs.69.72 Lakhs** (1988 Rs.94.32 Lakhs).
Remuneration to Staff employed for Public Relations work during the year is **Rs.3.11 Lakhs** (1988 Rs.3.59 Lakhs).

16. Value Added

	Rs./Lakhs	1988 Rs./Lakhs
(i) Refinery	9253.77	10242.99
(ii) Corporation	49704.03	38728.56

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

Signatures to Schedule A to V

R.K.GAJREE

Chairman and Managing Director

U.SUNDARARAJAN

Director (Finance)

Bombay, 30th May 1989

K.S.MANIKASHETTI

Company Secretary



Bharat Petroleum Corporation Ltd.

**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, 1989.**

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the accounts of Bharat Petroleum Corporation Limited, Bombay for the year ended 31st March, 1989.

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

Bombay,
Dated: 19th July, 1989.



Bharat Petroleum Corporation Ltd.

ANNEXURE TO THE DIRECTORS' REPORT DATED 5TH JUNE, 1989 REVIEW OF THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 1989, 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		
	31-3-1987	31-3-1988	31-3-1989
Assets			
1. Net Fixed Assets	27069.01	37846.55	51622.23
2. Capital Work-in-progress	15686.73	22064.58	16704.02
3. Investments (other than committed investments)	101.53	115.59	171.64
	<u>42857.27</u>	<u>60026.72</u>	<u>68497.89</u>
4. Working Capital			
(a) Current Assets	43466.42	46238.67	52903.24
(b) Less: Current Liabilities (including Provisions)	34483.05	44930.96	48086.55
	<u>8983.37</u>	<u>1307.71</u>	<u>4816.69</u>
TOTAL (A)	<u>51840.64</u>	<u>61334.43</u>	<u>73314.58</u>
5. Less:			
Long term loans	10756.81	12112.32	11683.24
Short term loans	11549.17	9910.30	7714.60
Public Deposits	6125.92	5823.50	10553.17
Total (B)	<u>28431.90</u>	<u>27846.12</u>	<u>29951.01</u>
6. Net worth (A)-(B)	23408.74	33488.31	43363.57
Net worth as shown above, represented by:			
7. Paid up Capital	2785.34	2785.34	2785.34
8. Reserves & Surplus	20623.40	30702.97	40578.23
	<u>23408.74</u>	<u>33488.31</u>	<u>43363.57</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.786.59 Lakhs** and increased by **Rs.357.50 Lakhs** during 1988-89 as indicated below:

(a) Repayment		Rs. Lakhs
(i) World Bank		166.78
(ii) O.I.D.B.		559.80
(iii) O.I.D.B.(Boiler Loan)		32.70
(iv) O.C.C. (CMT)		27.31
		<u>786.59</u>
(b) Receipt		
(i) World Bank		350.00
(ii) O.I.D.B.(Boiler Loan)		7.50
		<u>357.50</u>

Public Deposits increased by **Rs. 4729.67 Lakhs** during the year.

(iv) The free Reserves and Surplus as on 31-3-1989 amounted to **Rs.33558.89 Lakhs** as against **Rs.23633.24 Lakhs** as on 31-3-1988, the transfer to General Reserve from Profit and Loss Account during 1988-89 being Rs.9925.65 Lakhs against Rs. 10085.23 Lakhs during 1987-88.



Bharat Petroleum Corporation Ltd.

(v) **Dividends:**

The Company has proposed to maintain the dividend of 20% (Rs. 557.07 Lakhs) during 1988-89 as paid during 1987-88.

II. **CAPITAL WORK-IN-PROGRESS**

The Company has a number of Capital works in hand. The expenditure on these which are not capitalised as on 31st March, 1989 amounted to Rs. 16704.02 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 31-3-1989 Rs. Lakhs	Remarks
1. LPG Phase III	23903	Mar. 1990 in Stages	23201	Rs. 19270 Lakhs have been capitalised upto 31-3-1989.
2. New Oil Terminal at Cochin	6521	Aug. 1991	867	Rs. 258 Lakhs have been capitalised upto 31-3-89
3. C3/C4 Separation facilities	2250	Mechanically completed except for imported pumps/instruments	1714	Rs. 325 Lakhs have been capitalised upto 31-3-89

III. **WORKING RESULTS**

The working results for the past three years ended 31st March, 1989 are indicated below:

	Rupees in Lakhs		
	1986-87	1987-88	1988-89
Income:			
Sale of Products	352905.70	405001.80	434868.65
Miscellaneous Income	1370.74	1947.44	2134.62
Increase/(Decrease) in Inventory of Finished Products	2380.55	(593.74)	5369.22
TOTAL	<u>356656.99</u>	<u>406355.50</u>	<u>442372.49</u>
	Rupees in Lakhs		
	1986-87	1987-88	1988-89
Expenditure:			
1. Raw Materials consumed	101590.77	119139.30	112962.20
2. Stores, Spares & Packages consumed	6441.80	6989.26	8631.59
3. Salaries & Wages	4093.03	4720.89	6140.18
4. Operating & Administration Expenses (excluding interest)	5541.37	7190.54	7912.52
5. Depreciation	8155.98	6346.41	7890.64
6. Interest on Loans	3415.06	3374.58	3343.41
7. Miscellaneous Expenses (purchase of products for resale and charges thereon etc.)	220554.32	250160.68	281320.48
TOTAL	<u>349792.33</u>	<u>397921.66</u>	<u>428201.02</u>
Profit for the year	6864.66	8433.84	14171.47
Prior period adjustments	(12.34)	870.58	(1161.98)
Profit before Tax	6852.32	9304.42	13009.49



Bharat Petroleum Corporation Ltd.

A fire accident occurred in the Aromatics Tank farm in the Refinery on 9th November, 1988 resulting in a loss of Rs. 164.74 Lakhs including fixed assets of the book value of Rs. 49.78 Lakhs. The Corporation also incurred Rs. 128 Lakhs as fire fighting expenses. The insurers have made an adhoc payment of Rs. 200 Lakhs towards the portion of revenue loss and fire fighting expenses. Pending final settlement of the claim by the insurers, the loss of Rs. 164.74 Lakhs and the fire fighting expenses of Rs. 128 Lakhs have been charged off in the accounts for the year 1988-89, besides accounting Rs. 200 Lakhs as Miscellaneous Income.

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 31-3-1989 is indicated below:

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</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.)	5.57	6.56	6.16	
Production of Refined Products (in m.m.t.p.a.)	5.56	6.69	6.37	
Aromatics:				
i) Benzene				
Installed Capacity (In MT)	98300	85000	85000	
Actual Production (In MT)	18603	45928	59624	
ii) Toluene				
Installed Capacity (In MT)	17600	17600	17600	
Actual Production (In MT)	4948	8414	7494	
Lubricants:				
Installed Capacity of Bombay and Calcutta (both on single shift basis) (In MT)	90000	90000	90000	
Production (In MT)	74763	84691	92725	
Drum Plant:				
Installed Capacity (on 3 shift basis)	(No. of drums)	2700000	2700000	2700000
Actual Production	(No. of drums)	1215805	1070971	1094586



Bharat Petroleum Corporation Ltd.

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, 1989 are given below:

Year ended 31st March	Mkt. Sales Volume (in m.m.t.)	Sales Value (Rs. in Lakhs)	BPCL's share in market %	BPCL's growth rate of sales %	Industry growth rate of sales %
1987	7.93	352905.70	18.30	4.76	6.20
1988	8.56	405001.80	18.50	7.94	5.80
1989	9.33	434868.65	18.70	9.00	7.30

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, 1989 was Rs.8983.37 Lakhs, Rs. 1307.71 Lakhs & Rs. 4816.69 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		
	1987	1988	1989
a) Inventories	23961	25681	30423
b) Sundry Debtors	7263	4126	6709
c) Cash and Bank Balances	5876	5982	4639
d) Other Current Assets	1505	805	1475
e) Loans & Advances	5248	10071	10073

(a) Inventories:

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

	Rs. Lakhs		
	1987	1988	1989
a) Raw Materials (name of raw materials such as Crude, Lube Base Stock)	4367.18	5479.59	4039.76
b) Stores and Spares, Catalysts and Chemicals	3372.96	4684.28	4697.12
c) Stock in Process	—	239.09	120.94
d) Finished Goods	15682.74	14817.26	20858.40
e) Other Stores (Packages)	537.70	461.17	706.62



Bharat Petroleum Corporation Ltd.

The Stock of Raw Material was equivalent to about 0.43 month's consumption in 1988-89 as compared to 0.55 month's in 1987-88 and 0.52 month's in 1986-87.

The Stores & Spares (including Other Stores), Catalysts and Chemicals at the end of 1988-89 represented 7.51 month's consumption as against 8.83 month's in 1987-88 and 7.28 month's in 1986-87.

Finished Goods at the end of March 1989 amounted to about 0.58 month's sales during 1988-89 as compared to 0.44 in 1987-88 and 0.53 in 1986-87.

(b) Sundry Debtors:

The Sundry Debtors as on 31-3-1987, 31-3-1988 and 31-3-1989 amounted to Rs. 7263.09 Lakhs, Rs. 4126.13 Lakhs and Rs. 6709.35 Lakhs respectively of which Rs. 5.65 Lakhs, Rs. 38.61 Lakhs and Rs. 18.46 lakhs as on 31-3-1987, 31-3-1988 and 31-3-1989 were considered doubtful and provided for. The percentage of Debtors to Sales was 2.06, 1.02 and 1.54 as on 31-3-1987, 31-3-1988 and 31-3-1989 respectively.

(c) Cash and Bank Balances:

The balance under this head has increased from Rs. 5876.27 Lakhs as on 31-3-1987 to Rs. 5982.15 Lakhs as on 31-3-1988 and decreased to Rs. 4638.57 Lakhs as on 31-3-89.

VI. Liabilities and Provisions

Current Liabilities and Provisions have increased to Rs. 48086.55 Lakhs as on 31st March, 1989 from Rs. 44930.96 Lakhs as on 31-3-1988 mainly on account of increase in deposits from LPG Customers.

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 1988/89 are indicated below :

	Rs. Lakhs		
	1987	1988	1989
Excise Duty	32126	32556	36855
Customs Duty	2410	7193	7778
Income Tax	820	1700	2100
	<u>35356</u>	<u>41449</u>	<u>46733</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:

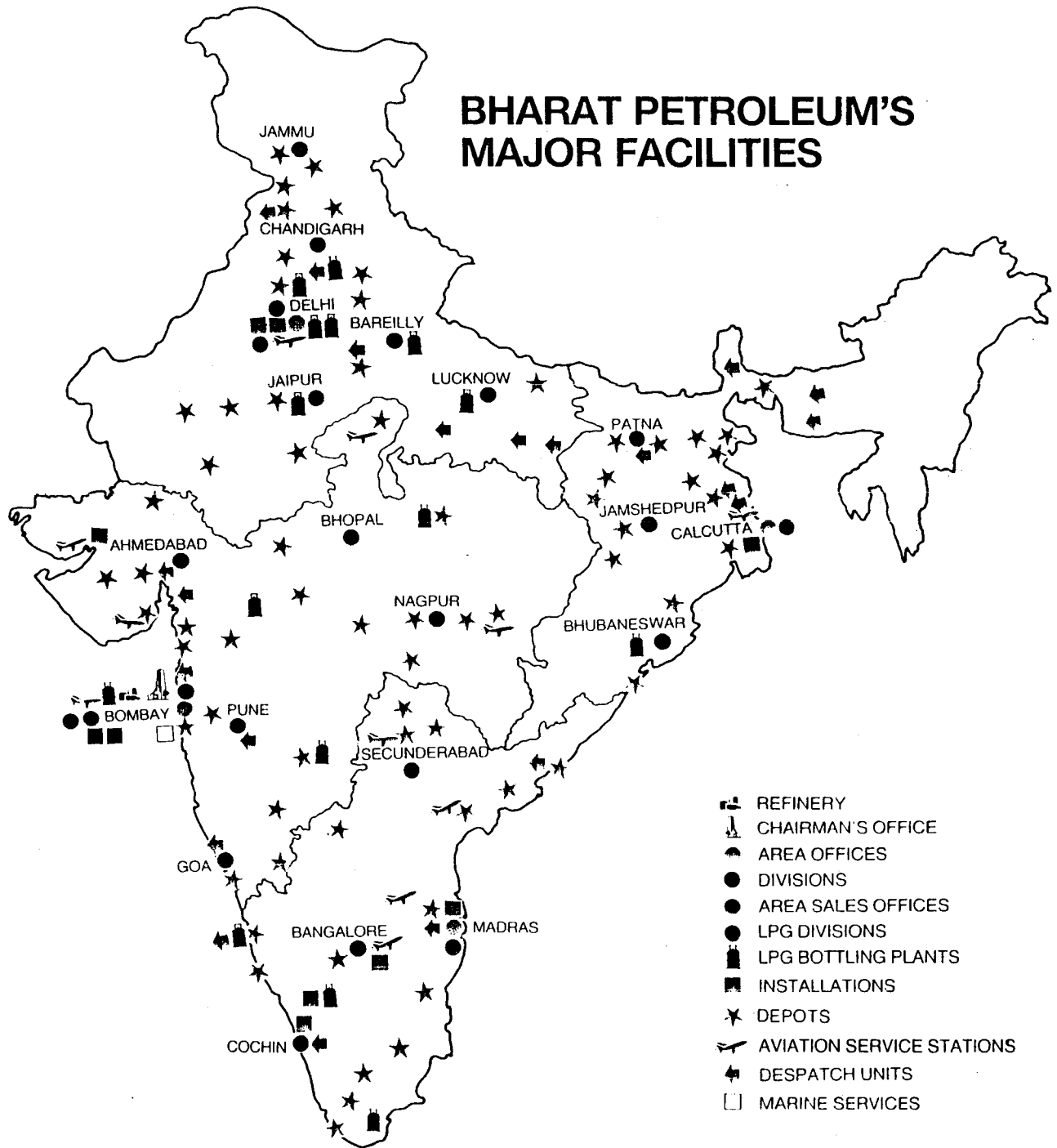
1986-87	—	9397
1987-88	—	10203
1988-89	—	10578

The work force increased by 1181 persons during these three years.

Bombay,
Dated: 19th July, 1989

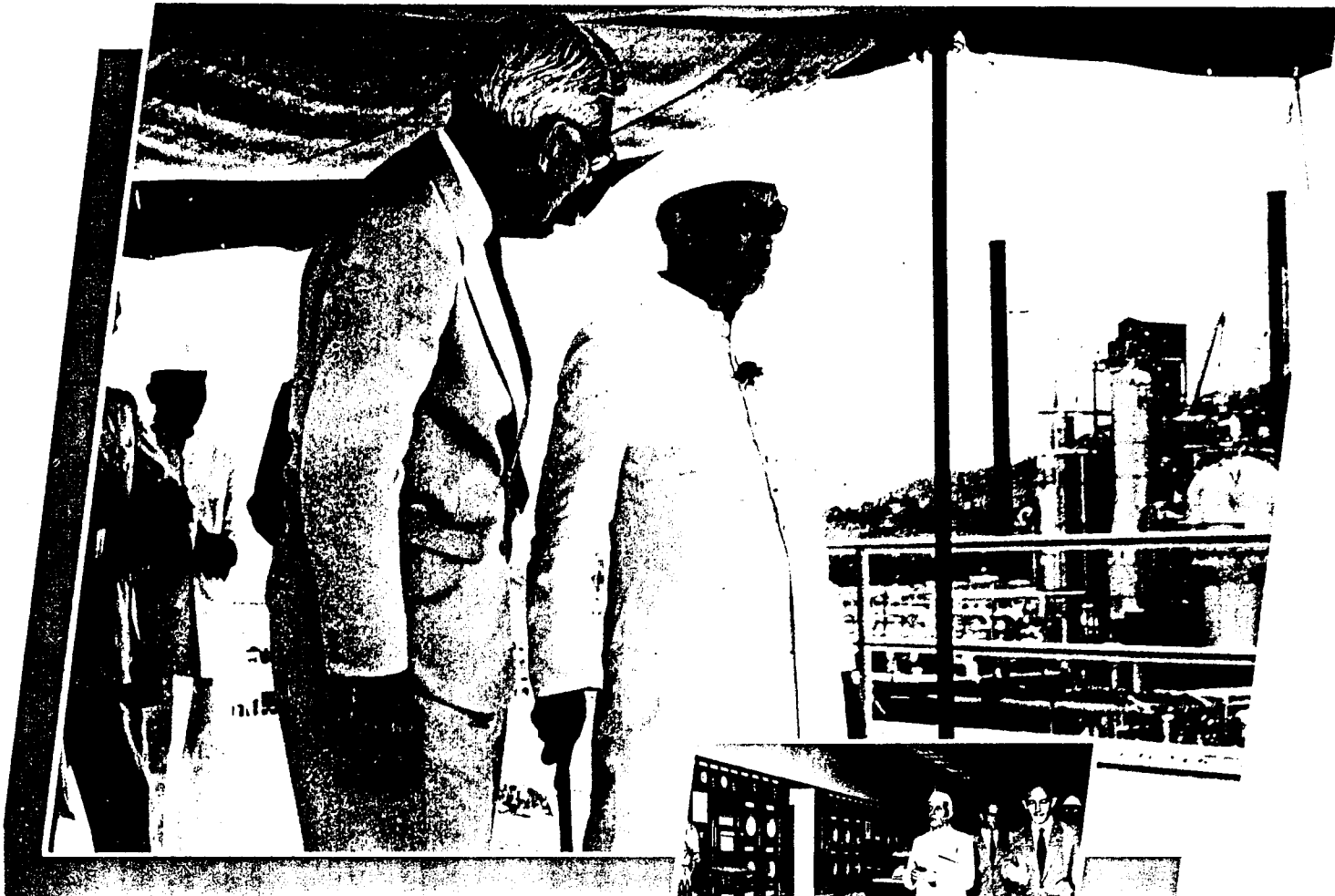
B. M. OZA
Member, Audit Board and Ex-Officio
Director of Commercial Audit-II
Bombay

BHARAT PETROLEUM'S MAJOR FACILITIES



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

Pandit Jawaharlal Nehru seen at our Refinery during his visit on the 5th of June 1955. (Inset) Inside CCU Control Room.



"The remaking of our country is a great theme and we are engaged in a tremendous task which requires not only all our united efforts but united efforts with enthusiasm and the crusading spirit".

— Pandit Jawaharlal Nehru
(Parliament, New Delhi, December 15, 1952).



Bharat Petroleum – In India's Life and Part of it.