



चेन्नई पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(इंडियन ऑयल की ग्रुप कम्पनी)

**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)



**Rising to the Challenge**

53<sup>rd</sup> Annual Report 2018-19

# Vision

To be the most admired Indian energy company through world class performance creating value for stakeholders

# Mission

To manufacture and supply petro products at competitive prices & meeting the quality expectations of the customer

To pro-actively fulfill social commitments, including environment and safety

To constantly innovate new products and alternate fuels

To recognize Human Resources as the most valuable asset and foster a culture of participation for mutual growth

To ensure high standards of business ethics and corporate governance

To maximize growth, achieve national pre-eminence and maximize stake holders wealth



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## Corporate Information

### REGISTERED OFFICE

No. 536, Anna Salai, Teynampet,  
Chennai – 600 018.  
Phone: 044-24349833

### REFINERIES

**Manali Refinery, Manali,**  
Chennai – 600 068.  
Phone: 044-25944000

#### **Cauvery Basin Refinery**

Panangudi Village, Nagapattinam District  
Tamil Nadu  
Phone: 04365-256700

Mail id: sld@cpcl.co.in  
Website: www.cpcl.co.in

### REGISTRAR & TRANSFER AGENT

#### **M/s. Karvy Fintech Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial  
District, Nanakramguda, Hyderabad – 500 032.  
Phone: 040-67162222  
Mail id: einward.ris@karvy.com  
Website: www.karvyfintech.com

### PRINCIPAL BANKER

#### **State Bank of India**

Corporate Accounts Group Branch, Egmore,  
Chennai – 600 006.  
Phone: 044-28576176

### PUBLIC INFORMATION OFFICER

Mr. C.K. Ravikumar,  
Dy. General Manager (Corporate Communications)  
Phone: 044-24340367

### COMPLIANCE OFFICER

Mr.P.Shankar  
Company Secretary  
Phone: 044-24346807

### AUDITORS

#### **Padmanabhan Ramani & Ramanujam Chartered Accountants**

1F, Arudhra, No.15, Habibullah Road,  
T.Nagar, Chennai – 600017.  
Phone: 044-45502181  
Mail id: prrfca@gmail.com

#### **S. Viswanathan LLP**

#### **Chartered Accountants**

No.17, Bishop Wallers Avenue (West)  
Mylapore, Chennai – 600 004.  
Phone: 044-24991147/24994423  
Mail id: vck@sviswallp.in  
Website: www.sviswallp.in

### COST AUDITORS

#### **M/s. M. Krishnaswamy & Associates, Cost Accountants,**

Flat 1K, Ramaniyam Ganga,  
Plot No. 27-30, First Avenue,  
Ashok Nagar, Chennai – 600083.  
Phone: 044-23710069  
Mail id: mahalingamkrishnaswamy@gmail.com  
Website: www.gica.in

### SECRETARIAL AUDITOR

#### **M/s.S.Sandeep & Associates**

No.20, 'F'Block, Ground Floor, Gemini Parsn Apts,  
New No.448, Old No. 599, Cathedral Garden Road  
(Behind Hotel Palmgrove), Anna Salai, Chennai – 600 006.  
Phone: 044-43057999  
Mail id: sandeep@sandeep.cs.in  
Website: www.sandeep.cs.in

### STOCK EXCHANGES

#### **National Stock Exchange of India Ltd., (NSE)**

Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1, 'G'Block,  
Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.  
Website: www.nseindia.com

#### **BSE Ltd**

P.J Towers, Dalal Street  
Mumbai 400 001  
Website: www.bseindia.com

### DEBENTURE TRUSTEE

#### **Allahabad Bank**

#### **Corporate Office:**

Allahabad Bank Bldg;  
No.37, Mumbai Samachar Marg, Fort, Mumbai – 400 023  
Phone : 022-22631997



## Board of Directors



**Mr. Sanjiv Singh**  
Non-Executive Chairman



**Mr.S.N.Pandey**  
Managing Director



**Mr.G.Aravindan**  
Director(Operations)



**Mr.Rajeev Ailawadi**  
Director(Finance)



**Mr.R.Srikanthan**  
Director(Technical)



**Mr.B.V. Rama Gopal**  
Director (Refineries) IOC Limited  
[Upto 31.07.2019]



**Ms. Perin Devi**  
Government Nominee Director



**Mr.Babak Bagherpour**  
Director  
Naftiran Intertrade Co. Ltd  
Tehran, Iran



**Mr. Mohammad Bagher Dakhili**  
Director  
Naftiran Intertrade Co Ltd  
Tehran, Iran



**Mr.Mrutunjay Sahoo**  
Independent Director



**Dr.P.B.Lohiya**  
Independent Director



**Mr.D.Duraiganesan**  
Independent Director



## Executives

### **Mr. J.T.Venkateswarlu**

*Chief Vigilance Officer*

### **Mr. B. Panneerselvam**

*Chief General Manager (Operations)*

### **Mr. P. Subrahmanyam**

*Chief General Manager (Corporate Planning)*

### **Mr.G.Sureshkumar**

*Chief General Manager (Projects and Development/R&D- Upto 30.06.2019)*

### **Mr. Tarlana Kamaraju**

*Chief General Manager (Logistics)*

### **Mr. M. Sankaranarayanan**

*Chief General Manager (HR & Legal)*

### **Mr. S. Krishnan**

*Chief General Manager (Maintenance)*

### **Mr. K. Venkatesan**

*Chief General Manager (Technical)*

### **Mr. V. Shankar**

*Chief General Manager (CBR- 9 MMTPA)*

### **Mr. M.S. Raghunathan**

*Chief General Manager (Finance)*

### **Mr. P. Jeevankumar**

*Chief General Manager (Projects and Development/R&D - from 01.07.2019)*

### **Mr. P. Shankar**

*Company Secretary*

## Ten Years Profile

### WHAT WE OWE AND WHAT WE OWN

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>What We Owe</b>										
Equity Share Capital	149	149	149	149	149	149	149	149	149	149
Reserves	3313	3617	3644	1877	1573	1506	2212	3165	3708	3161
<b>Networth</b>	<b>3462</b>	<b>3766</b>	<b>3793</b>	<b>2026</b>	<b>1722</b>	<b>1655</b>	<b>2361</b>	<b>3314</b>	<b>3857</b>	<b>3310</b>
Borrowings	4078	4223	3672	5906	5600	5399	3567	4501	3411	6168
Preference Share Capital	-	-	-	-	-	-	1000	1000	1080	500
<b>Total Borrowings</b>	<b>4078</b>	<b>4223</b>	<b>3672</b>	<b>5906</b>	<b>5600</b>	<b>5399</b>	<b>4567</b>	<b>5501</b>	<b>4491</b>	<b>6668</b>
Deferred Tax Liability	576	604	638	707	703	-	-	24	206	121
<b>Total</b>	<b>8116</b>	<b>8593</b>	<b>8103</b>	<b>8639</b>	<b>8025</b>	<b>7054</b>	<b>6928</b>	<b>8839</b>	<b>8554</b>	<b>10099</b>
<b>What We Own</b>										
Fixed Assets	5445	6246	6886	8056	8166	8176	4379	4456	6829	8341
Less: Depreciation	2536	2828	3185	3499	3882	4106	265	578	940	1387
<b>Fixed Assets (Net WDV)</b>	<b>2909</b>	<b>3418</b>	<b>3701</b>	<b>4557</b>	<b>4284</b>	<b>4070</b>	<b>4114</b>	<b>3878</b>	<b>5889</b>	<b>6954</b>
Intangible Assets	38	42	48	48	49	49	6	7	28	28
Less: Amortisation	18	25	33	37	41	42	1	2	3	5
<b>Intangible Assets (Net WDV)</b>	<b>20</b>	<b>17</b>	<b>15</b>	<b>11</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>25</b>	<b>23</b>
Capital WIP	1281	1156	1019	176	364	840	1753	2843	1439	1221
Investments	23	23	24	24	25	25	12	12	12	12
Working Capital	3883	3979	3344	3871	3344	2112	1044	2101	1190	1889
<b>Total</b>	<b>8116</b>	<b>8593</b>	<b>8103</b>	<b>8639</b>	<b>8025</b>	<b>7054</b>	<b>6928</b>	<b>8839</b>	<b>8554</b>	<b>10099</b>

### FINANCIAL INDICATORS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Debt Equity Ratio	1.18	1.12	0.97	2.91	3.25	3.26	1.93	1.66	1.16	2.01
Earnings per share (₹)	40.51	34.35	4.15	(118.65)	(20.40)	(2.62)	49.82	69.15	61.31	(14.33)
Profit After Tax to Average Networth (%)	18.48	14.15	1.64	(60.72)	(16.21)	(2.31)	36.94	36.29	25.46	(5.95)
Dividend (%)	120	120	20	-	-	-	40	210	185	-
Dividend Payout (%)	29.62	34.93	48.17	-	-	-	8.03	30.37	30.18	-



## WHAT WE EARNED AND WHAT WE SPENT

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>WHAT WE EARNED</b>										
<b>Income</b>										
Turnover	29184	38128	45385	46842	53924	47878	34954	40586	44135	52177
Interest	23	28	44	12	14	26	16	16	19	29
Miscellaneous Receipts	212	88	41	29	45	29	38	46	73	54
Change in Inventories	658	447	537	205	72	(1321)	(209)	(105)	607	410
Prior Period Income/ (Expenses)	-	-	(9)	(1)	13	(4)	-	-	-	-
<b>Sub-Total</b>	<b>30077</b>	<b>38691</b>	<b>45999</b>	<b>47087</b>	<b>54068</b>	<b>46608</b>	<b>34799</b>	<b>40543</b>	<b>44834</b>	<b>52670</b>
<b>WHAT WE SPENT</b>										
<b>Expenditure</b>										
Raw Materials	23951	31557	39731	42709	47469	39558	23107	24442	29728	39634
Excise Duty	4257	5026	4630	3996	4583	6010	9125	12916	11661	10863
Manufacturing Expenses	273	217	224	296	306	277	310	315	322	448
Employee Benefits Expenses	272	240	253	315	292	339	357	513	582	461
Other Expenses	236	319	705	625	791	536	515	378	418	688
Finance Costs	137	254	249	469	568	404	352	273	321	420
Depreciation and Amortisation	267	314	365	375	390	226	274	279	340	453
Impairment on Property, Plant and Equipment/ CWIP	-	-	-	-	-	-	-	62	4	1
<b>Sub-Total</b>	<b>29393</b>	<b>37927</b>	<b>46157</b>	<b>48785</b>	<b>54399</b>	<b>47350</b>	<b>34040</b>	<b>39178</b>	<b>43376</b>	<b>52968</b>
<b>Profit Before Tax</b>	<b>684</b>	<b>764</b>	<b>(158)</b>	<b>(1698)</b>	<b>(331)</b>	<b>(742)</b>	<b>759</b>	<b>1365</b>	<b>1458</b>	<b>(298)</b>
Provision for Taxation	81	252	(220)	69	(27)	(703)	17	335	545	(85)
<b>Profit After Tax</b>	<b>603</b>	<b>512</b>	<b>62</b>	<b>(1767)</b>	<b>(304)</b>	<b>(39)</b>	<b>742</b>	<b>1030</b>	<b>913</b>	<b>(213)</b>
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	(2)	(6)	6	(2)
<b>Total Comprehensive Income</b>	<b>603</b>	<b>512</b>	<b>62</b>	<b>(1767)</b>	<b>(304)</b>	<b>(39)</b>	<b>740</b>	<b>1024</b>	<b>919</b>	<b>(215)</b>
Dividend	179	179	30	-	-	-	60	313	275	-
Dividend Distribution Tax	30	29	5	-	-	-	12	64	57	-

**Details of significant changes of 25% or more as compared to the immediately previous financial year in the following financial ratios**

Ratio	2017-18	2018-19	Change in %
Interest Coverage Ratio	5.54	0.29	-95%
Debt Equity Ratio	1.16	2.01	-73%
Operating Profit Margin (%)	4.37	-0.86	-120%
Net Profit Margin (%)	2.81	-0.52	-118%
Return On Net Worth	0.24	-0.06	-127%





**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)

Regd. Office: 536, Anna Salai, Teynampet, Chennai 600 018.

Website: www.cpcl.co.in; Email id: shankarp@cpcl.co.in/ sld@cpcl.co.in

**Tel: 044-24349833 / 24346807**

CIN: L40101TN1965GOI005389

## Notice

Notice is hereby given that 53<sup>rd</sup> Annual General Meeting of the members of CPCL will be held **at Kamaraj Arangam, 498, Anna Salai, Chennai 600 006 at 3.00 pm on Wednesday, the 21<sup>st</sup> August 2019** to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated) of the Company for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, together with the Director's Report and the Auditor's Report.
2. To appoint a Director in place of Mr G.Aravindan (DIN 07992886), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs Perin Devi (DIN 7145051), who retires by rotation and being eligible, offers herself for reappointment.

### SPECIAL BUSINESSES:

#### 4. APPOINTMENT OF MR.R.SRIKANTHAN (DIN 08198470) AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 161(1) of the Companies Act, 2013, read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr.R.Srikanthan (DIN 08198470) who was appointed as an Additional Director and designated as Director(Technical) by the Board of Directors w.e.f. 25.08.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director(Technical) of the Company liable to retire by rotation."

#### 5. APPOINTMENT OF MR.D.DURAIGANESAN (DIN 08200628) AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 161(1), 149 & 152 and other applicable provisions of the Companies

Act, 2013 read with Rules made thereunder including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the Company and Regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Mr.D.Duraiganesan (DIN 08200628), who was appointed as an Additional Director and designated as an Independent Director by the Board of Directors w.e.f. 25.08.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of appointment by the Board, not liable to retire by rotation."

#### 6. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE YEAR 2019-20

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of ₹ 2,50,000 /- (Rupees Two lakh fifty thousand only) plus applicable taxes and out of pocket expenses if any, to conduct the audit of cost accounts maintained by the company for the financial year 2019-20 payable to M/s.Vivekanandan Unni & Associates, Cost Accountants, Chennai, the cost auditor of the company be and is hereby ratified."

#### 7. INCREASING THE BORROWING POWERS OF THE COMPANY FROM ₹ 8000 CRORE TO ₹ 10,000 CRORE

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

"RESOLVED THAT in supersession of the special resolutions passed by shareholders through postal ballot on 20.07.2015 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the



Company, approval of the Shareholders be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit, etc. for both domestic and foreign currency borrowings upto ₹ 10,000 crore (excluding temporary loans obtained from the Company's bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

## 8. CHARGING/ MORTGAGING THE MOVABLE/ IMMOVABLE PROPERTIES OF THE COMPANY FOR THE BORROWINGS UNDER SECTION 180 (1)(A) OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution:**

**"RESOLVED THAT** in supersession of the special resolutions passed by shareholders through postal ballot on 20.07.2015 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable / immovable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in foreign currency and/or rupee currency and Securities (comprising fully / partly Convertible Debentures and/or Non-Convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to the limits approved under section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default

accumulated interest, liquidated damages, commitment charges premia on prepayments, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Managing Director or Director (Finance) or any officer(s) authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

By order of the Board of Directors  
For Chennai Petroleum Corporation Limited

(P.Shankar)  
Company Secretary  
Regd. Office: 536, Anna Salai,  
Teynampet, Chennai 600 018.  
Email id: shankarp@cpcl.co.in  
CIN: L40101TN1965GOI005389

Date: 29.06.2019  
Place: Chennai

### Notes:-

- 1) A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself.
- 2) The proxy need not be a member of the Company.
- 3) As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company