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It's a saga of change. The evolution of MRL into Chennai Petroleum ...  
The total energy corporation. In harmony with nature.



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड  
*Chennai Petroleum Corporation Limited*



Our new corporate identity reflects our expanding horizons, in the new millennium. We have diversified from being just a refinery to a producer of a whole range of value-added petroleum products.

Our strategic equity investment in the Pipeline project will complete our evolution into a total Petroleum Corporation.

Times may have changed, but our commitment to total quality control and eco-friendliness stay the same.



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*Report to Shareholders*

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**Registered Office :**

New No: 536, Anna Salai, Teynampet,  
Chennai 600 018

**Refineries**

MANALI REFINERY  
Manali, Chennai 600 068

CAUVERY BASIN REFINERY  
Panangudi Village,  
Nagapattinam District, Tamilnadu.

**Visit CPCL at**  
[www.cpcl.co.in](http://www.cpcl.co.in)

**Principal Bankers**

STATE BANK OF INDIA  
Corporate Accounts Group Branch,  
Greens Road, Chennai 600 006.

**Auditors**

M/s. M. THOMAS & CO.  
Chartered Accountants, Chennai.

M/s. B.V. RAO & CO.  
Chartered Accountants,  
Visakhapatnam

**Registrars & Share Transfer Agents**

M/s. KARVY CONSULTANTS LTD.  
21, Avenue 4, Street No.1,  
Banjara Hills,  
Hyderabad 500 034

G-1, Swathy Court,  
22, Vijayaraghava Road,  
T. Nagar,  
Chennai 600 017.



## Corporate **Information**

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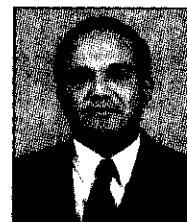
## Board of Directors



एस. राममोहन  
अध्यक्ष एवं प्रबंध निदेशक  
**S. Rammohan**  
Chairman & Managing Director



शिवराज सिंह आई.ए.एस.,  
संयुक्त सचिव (रिफाइनरीज), भारत सरकार  
एम ओ पी एन जी  
**Shivraj Singh** I.A.S.,  
Joint Secretary (Refineries)  
Govt. of India, MoPNG



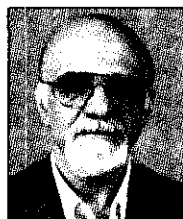
सी.आर. प्रसाद  
(9.8.1999 से 13.10.1999 तक)  
**C.R. Prasad**  
(from 9.8.1999 to 13.10.1999)



एम.पी. श्रीनिवासन  
निदेशक (तकनीकी)  
**M.P. Srinivasan**  
Director (Technical)



मोहित सिन्हा  
उप सचिव, भारत सरकार  
एम ओ पी एन जी  
**Mohit Sinha**  
Deputy Secretary,  
Govt. of India, MoPNG



एस.एम. मोरटाज़वी  
महा प्रबन्धक -  
अंतर्राष्ट्रीय परियोजना - अनुप्रवाह  
नेशनल इरानियन ऑयल कंपनी  
**S.M. Mortazavi**  
General Manager  
International Projects -  
Downstream  
National Iranian Oil Company.



सी.एस. संतानम  
(17.12.1995 से 30.6.2000 तक)  
**C.S. Santhanam**  
(from 17.12.1995 to 30.6.2000)



शक्तिकान्त दास आई.ए.एस.,  
सचिव, तमिलनाडु सरकार, उद्योग विभाग  
**Shaktikanta Das** I.A.S.,  
Secretary to Govt. of Tamilnadu,  
Industries Department



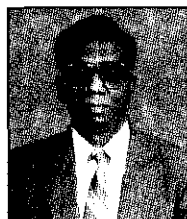
एम.बी. समैई खोन्सारी  
महा प्रबन्धक - तेल करार के  
वित्तीय मामले  
नेशनल इरानियन ऑयल कंपनी  
**M.B. Samiei Khonsari**  
General Manager  
Financial Affairs of  
Oil Agreements  
National Iranian Oil Company



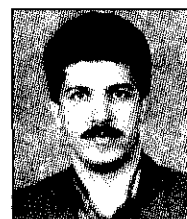
एम.एस. श्रीनिवासन आई.ए.एस.,  
(20.11.1997 से 3.6.2000 तक)  
**M.S. Srinivasan** I.A.S.,  
(from 20.11.1997 to 3.6.2000)



एन.के. सिन्हा  
निदेशक (प्रचालन),  
**N.K. Sinha**  
Director (Operations)



पी. बास्करदास आई.ए.एस.,  
अध्यक्ष, चेन्नै पोर्ट ट्रस्ट  
**P. Baskaradoss** I.A.S.,  
Chairman, Chennai Port Trust



के.एच. सेफाटी  
(10.12.1997 से 13.3.2000 तक)  
**Kh. Sefati**  
(from 10.12.1997 to 13.3.2000)



## Executives

### कार्यकारी निदेशक Executive Directors



ए. वरदराजन  
(प्रचालन)  
**A. Varadarajan**  
(Operations)



श्रीमती. विजया कान्त  
(निगरानी)  
**Mrs. Vijaya Kanth**  
(Vigilance)

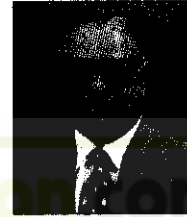
### महा प्रबन्धक General Managers



पी. नागेश्वर राव  
(विशेष कार्य)  
**P. Nageswara Rao**  
(Special Assignments)



के. नारायणन  
(कम्पनी योजना)  
**K. Narayanan**  
(Corporate Planning)



ए. कस्तूरी रंगन  
(विकास एवं परियोजना)  
**A. Kasturirangan**  
(Development & Projects)



के. सदासिव चेट्टी  
(प्रचालन / तकनीकी)  
**K. Sadasiva Chetty**  
(Operations / Technical)



वी.आर. रामन  
(कावेरी बेसिन रिफ़ाइनरी)  
**V.R. Raman**  
(Cauvery Basin Refinery)

### कम्पनी सचिव Company Secretary



वि. श्रीनीवासन  
**V. Srinivasan**



## Corporate Governance

Corporate Governance has assumed great significance in this era of globalisation. Chennai Petroleum Corporation Limited (CPCL) recognises the importance of Corporate Governance and continues to implement the best practices of Corporate Governance in order to create greater confidence in Investors. After all, Corporate Governance emerges essentially from a person's sense of dharma, that is, doing right things.

Full disclosures on various facets of the Company's operations form an integral part of Corporate Governance Practices. CPCL, through its Annual Reports, Press Releases and other Communications over the last several years, have endeavoured to make such disclosures on various facets of the Company's operations.

The code of Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) is required to be implemented in terms of the Listing Agreement with the Stock Exchanges within the Financial Year 2000-01. CPCL has already taken initiatives to comply with the substantial portion of the Code from now onwards.

### 1. Board of Directors

The Board of Directors of your Company consists of ten directors. Out of ten directors, eight Directors are nominated by President of India. There are four Functional Directors, including C&MD, two Directors from the Administrative Ministry viz., Ministry of Petroleum & Natural Gas, one Director who is the Secretary, Industries Department, Government of Tamilnadu, one Director who is Chairman, Chennai Port Trust. Two directors represent National Iranian Oil Company, our foreign collaborators.

The Directorship held by the Secretary, Industries Department, Government of Tamilnadu is vacant from 03.06.2000. The post of Director (Finance) is vacant from 01.07.2000.

a) The composition of the Board of Directors as of 01.07.2000 is as follows:

#### Full Time Functional Directors

| Sl. No. | Name of the Post                      | Name of the Incumbent | No. of outside Directorships held |
|---------|---------------------------------------|-----------------------|-----------------------------------|
| 1.      | Chairman & Managing Director          | Mr. S. Rammohan       | Three                             |
| 2.      | Other Full time Functional Directors: |                       |                                   |
| a)      | Director (Technical)                  | Mr. M.P. Srinivasan   | Two                               |
| b)      | Director (Finance)                    | Vacant                | -                                 |
| c)      | Director (Operations)                 | Mr. N.K. Sinha        | Nil                               |

#### Part-time Official Directors

| Sl. No. | Name of the Organisation                            | Name of the Incumbent                                                           | No. of outside Directorships held |
|---------|-----------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------|
| 1.      | Ministry of Petroleum & Natural Gas                 | Mr. Shivraj Singh Joint Secretary (Refineries).                                 | One                               |
|         |                                                     | Mr. Mohit Sinha Deputy Secretary.                                               | One                               |
| 2.      | Chennai Port Trust                                  | Mr. P. Baskaradoss Chairman.                                                    | Nil                               |
| 3.      | Industries Department, Government of Tamilnadu      | Vacant                                                                          | -                                 |
| 4.      | National Iranian Oil Company (Foreign Collaborator) | Mr. S.M. Mortazavi General Manager, International Projects - Down Stream.       | Nil                               |
|         |                                                     | Mr. M.B. Samiei Khonsari General Manager of Financial Affairs of Oil Agreements | Nil                               |

b) Ten Board Meetings were held during the year 1999-2000:

| Board Meeting No. | Board Meeting Date |
|-------------------|--------------------|
| 190               | 19.04.1999         |
| 191               | 09.06.1999         |
| 192               | 19.07.1999         |
| 193               | 09.08.1999         |
| 194               | 06.09.1999         |
| 195               | 25.10.1999         |
| 196               | 15.12.1999         |
| 197               | 27.01.2000         |
| 198               | 17.02.2000         |
| 199               | 30.03.2000         |

c) Attendance Record of the Directors at the Board Meetings held during the Financial Year April 1999 to March 2000 and the Last Annual General Meeting held on 06.09.1999 and the Last Extra-ordinary General Meeting held on 29.03.2000 are furnished below:



| Directors                  | No. of Board Meetings attended | Last Annual General Meeting | Last Extraordinary General Meeting       |
|----------------------------|--------------------------------|-----------------------------|------------------------------------------|
| Mr. S. Rammohan *          | 5                              | -                           | Yes                                      |
| Mr. M.P. Srinivasan        | 10                             | Yes                         | No                                       |
| Mr. C.S. Santhanam         | 10                             | Yes                         | Yes                                      |
| Mr. N.K. Sinha             | 9                              | Yes                         | Yes                                      |
| Mr. Shivraj Singh          | 3                              | No                          | No                                       |
| Mr. Mohit Sinha            | 4                              | Yes                         | No                                       |
| Mr. M.S. Srinivasan        | 4                              | No                          | No                                       |
| Mr. P. Baskaradoss         | 4                              | No                          | No                                       |
| Mr. S.M. Mortazavi         | 6                              | Yes                         | Yes                                      |
| Mr. Kh. Sefati **          | 5                              | Yes                         | Ceased to be Director                    |
| Mr. M.B. Samiei Khonsari # | 1                              | -                           | Appointed as Director after this meeting |
| Mr. C.R. Prasad @          | 1                              | Yes                         | Ceased to be Director                    |

\* Five Board Meetings were held after his appointment and he was appointed after last AGM.

\*\* Nine Board Meetings were held during his tenure.

# Only one Board Meeting was held during the financial year after his appointment. He was appointed after the last AGM.

@ Only one Board Meeting was held during his tenure.

## 2. Audit Committee

As per the newly introduced Clause 49 Part-II of the Listing Agreement entered into by the Company with the Stock Exchanges, which deals with the "Corporate Governance", Companies are required to set up Audit Committee and comply with certain requirements as mentioned in that Clause pertaining to Audit Committees. This requirement is to be complied with by your Company within the Financial Year 2000-01. As per this requirement, the Company will be making arrangements to set up the Audit Committee and comply with the requirements of Clause 49 of the Listing Agreement relating to setting up of Audit Committee within the Financial year 2000-01.

## 3. Remuneration Committee

The Remuneration of the Functional Directors are determined by the Government of India and as such no such Remuneration Committee need to be constituted. However, aggregate value of salaries and perquisites paid to the functional directors during the last financial year is given below :

| Name                                             | Amount  |
|--------------------------------------------------|---------|
| Mr. S. Rammohan,<br>Chairman & Managing Director | 166088* |
| Mr. M.P. Srinivasan,<br>Director (Technical)     | 580804  |
| Mr. C.S. Santhanam,<br>Director (Finance)        | 566776  |
| Mr. N.K. Sinha,<br>Director (Operations)         | 526602  |
| Total                                            | 1840270 |

\* For part of the year only, since his appointment took effect from 15.10.1999.

## 4. a) Board's Sub-Committee for Shareholders :

A Sub-Committee of the Board of Directors of the Company consisting of Chairman & Managing Director, Director (Technical), Director (Finance) and Director (Operations) has been constituted to approve the following :

- Transfer of Shares
- Transmission of Shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Marital Status
- Change of Name
- Transposition of Shares
- Sub-Division of Shares
- Consolidation of Folios
- Shareholders requests for Dematerialisation of shares
- Shareholders requests for Rematerialisation of shares

## b) Appointment of Compliance Officers :

CPCL has appointed Mr. V. Srinivasan, Company Secretary or in his absence Mr. M. Sankaranarayanan, Deputy Secretary as the Compliance Officers as per Clause 11B(a) of the Listing Agreement entered into with Madras Stock Exchange Limited.

## c) Share Transfer details:

The Number of Shares transferred during the last two years are given below:

|                                       | 1999-2000 | 1998-99 |
|---------------------------------------|-----------|---------|
| Number of Transfers                   | 11608     | 52975   |
| Average Number of Transfers per month | 967       | 4414    |
| Number of Shares Transferred          | 1375500   | 6135600 |



d) Details of Shares Dematted / Rematted during the last two years are given below:

|                                       | National Securities<br>Depository Limited (NSDL) |          | Central Depository Services<br>(India) Limited (CDSL) |         |
|---------------------------------------|--------------------------------------------------|----------|-------------------------------------------------------|---------|
|                                       | 1999-2000                                        | 1998-99  | 1999-2000                                             | 1998-99 |
| Number of Demat Transfers approved    | 21345                                            | 1496     | 54                                                    | -       |
| Number of Sub-Committee Meetings held | 70                                               | 50       | 1                                                     | -       |
| Number of Shares Dematted             | 9802750                                          | 29649150 | 15400                                                 | -       |
| Percentage of Shares Dematted         | 26.81                                            | 20.14    | Negligible                                            | -       |
| Number of Remat requests approved     | -                                                | 9        | -                                                     | -       |
| Number of Shares Rematted             | -                                                | 900      | -                                                     | -       |

e) Details of Complaints received and redressed during the year 1999 - 2000:

| Sl. No. | Particulars                       | Received | Redressed | Pending as on 31.03.2000 |
|---------|-----------------------------------|----------|-----------|--------------------------|
| 1.      | Non receipt of Refund Orders      | 81       | 79        | 2                        |
| 2.      | Non receipt of Dividend Warrants  | 1236     | 1218      | 18                       |
| 3.      | Non receipt of Share Certificates | 977      | 964       | 13                       |
| 4.      | Others                            | 86       | 85        | 1                        |
|         |                                   | 2380     | 2346      | 34*                      |

\* Note :

1. All the 34 complaints as on 31.03.2000 have been subsequently redressed.
2. A Complaints Committee, consisting representatives of the Company and the Share Transfer Agents of the Company viz., M/s. Karvy Consultants Ltd., was constituted during the year. The Committee meets at regular intervals to review the outstanding complaints.

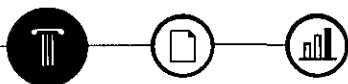
## 5. General Body Meetings

a) Details of location, time and date of last three AGMs are given below:

| AGM Date   | Location                                                    | Time      |
|------------|-------------------------------------------------------------|-----------|
| 22.09.1997 | Kamaraj Arangam, No.574-A,<br>Anna Salai, Chennai - 600 006 | 3.00 p.m. |
| 24.09.1998 | -do-                                                        | -do-      |
| 06.09.1999 | -do-                                                        | -do-      |

b) Key Special Businesses transacted during the last three years at the General Meetings :

| Special Business                                                                                                                                                    | Type of Resolution Passed | Date of Meeting |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|
| Increasing the Borrowing Limits under Section 293 (1)(d) of the Companies Act, 1956 from Rs.1,000 Crores to Rs.2,000 Crores.                                        | Special                   | 22.09.1997      |
| Creation of charges / mortgages under Section 293 (1)(a) of the Companies Act, 1956 for securing loans obtained by the Company from Government of India, OIBD, etc. | Special                   | 22.09.1997      |
| To invest in M/s Petronet CTM Ltd., not exceeding 30% of the Paid up Equity Capital of M/s. Petronet CTM Ltd.                                                       | Special                   | 29.03.2000      |
| To change the name of the Company from Madras Refineries Limited to Chennai Petroleum Corporation Limited                                                           | Special                   | 29.03.2000      |



c) Postal ballot :

Although the provisions of the postal ballot are contained in the Companies Amendment Bill 1999, the same has not yet been enacted and as such, postal ballot was not conducted in any of the general body meetings held so far by the Company.

## 6. Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large – Nil.

Details of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years – Nil.

## 7. Means of Communication

The Board of Directors of the Company takes on record the Un-audited Financial Results in the prescribed form within one month of the close of every quarter and announces the results to all the Listed Stock Exchanges. The same are also published within 48 hours in the newspapers like the Hindu, Economic Times and Makkalkural (Tamil).

The Quarterly Results, Half yearly Results and the Annual Results are put on the Companies web site at [www.cpcl.com](http://www.cpcl.com).

Press briefings are held after important occasions like announcement of Annual Results, getting Government Clearances for expansions, etc.

## 8. General Shareholder Information

- 1 Number of Annual General Meeting (AGM) 34<sup>th</sup> AGM  
Date & Time 18.09.2000; 3.00 p.m  
Venue Kamaraj Arangam, No.574-A, Anna Salai, Chennai – 600 006.
2. Financial Calendar April – March

3. Book Closure Date 1<sup>st</sup> September to 18<sup>th</sup> September 2000 (both days inclusive)
4. Dividend payment Date 3<sup>rd</sup> Week of October 2000
5. Listing on Stock Exchanges
  1. The Madras Stock Exchange Limited  
"Exchange Building"  
11, Second Line Beach, Chennai – 600 001  
E-mail : mseed@md3.vsnl.net.in
  2. The Delhi Stock Exchange Assn. Ltd.  
DSE House, 3/1, Asaf Ali Road  
New Delhi – 110 002
  3. The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001  
Web Site : [www.bseindia.com](http://www.bseindia.com)
  4. The Calcutta Stock Exchange Assn. Ltd.,  
No.7, Lyons Range, Calcutta – 700 001  
E-mail : cseall@cal.vsnl.net.in
  5. The Stock Exchange, Ahmedabad  
Kamdheni Complex, Panjara Pole  
Ahmedabad – 380 015  
E-mail : ase@satyam.net.in
  6. The Bangalore Stock Exchange Limited  
Stock Exchange Tower  
No.51, 1<sup>st</sup> Cross, J.C.Road,  
Bangalore – 560 027  
E-mail: edbgse@gensbgol.vsnl.in.
  7. The National Stock Exchange of India Limited  
Trade World, Senapati Bapat Marg, Lower  
Parel, Mumbai – 400 013  
E-mail : postmaster@nse.co.in

Listing Fee for the Financial year 2000 – 01 has been paid to all the Listed Stock Exchanges.

- Stock Code : Madras Stock Exchange Ltd. -MRL
- Trading Symbol in NSE : CHENNPETRO
- ISIN No. for dematerialised shares : INE 178A 01016