

To be the best
Teaming up with the best

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Annual Report
2000 - 2001



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
Chennai Petroleum Corporation Limited



**Annual Report
2000 - 2001**

**To be the best
Teaming up with the best**

More than ever, the Indian Oil Industry is changing rapidly. Demanding the best in technology, people and marketing expertise to climb to the top. CPCL, with its quest for excellence, is conscious of its responsibilities.




Improving productivity. Employing the best technology.
Marketing products aggressively. Preserving the environment.
Developing human resources.

CPCL, to realise these objectives, has teamed up with the best organisations and institutions. Each a leader in its own area of activity.

Helping CPCL to be an even more vibrant organisation.

To stand apart, to be the best.



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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

PRINCIPAL BANKER**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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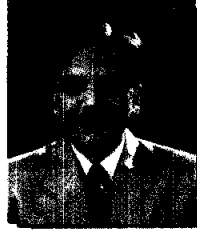
Board of Directors



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



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



एस.वी. नरसिंहन
निदेशक (वित्त)
S.V. Narasimhan
Director (Finance)



के. नारायणन
निदेशक (प्रचालन)
K. Narayanan
Director (Operations)



शिवराज सिंह, आई ए एम.,
संयुक्त सचिव, भारत सरकार,
पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय
Shivraj Singh, I.A.S.,
Joint Secretary,
Govt. of India, MoPNG



मोहित सिन्हा
उप सचिव, भारत सरकार,
पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय
Mohit Sinha
Deputy Secretary,
Govt. of India, MoPNG



एम. ए. गौरीशंकर, आई ए एम.,
सचिव, उद्योग विभाग,
तमिलनाडु सरकार
M.A. Gowrishankar, I.A.S.,
Secretary, Industries Department,
Government of Tamilnadu



पी. बास्करदास, आई ए एम.,
अध्यक्ष,
चेन्नई पोर्ट ट्रस्ट
P. Baskaradoss, I.A.S.,
Chairman,
Chennai Port Trust



एम.बी.एल. अग्रवाल
कार्यकारी निदेशक (कार्पोरेट वित्त)
इंडियन ऑयल कार्पोरेशन लिमिटेड
M.B.L. Agarwal
Executive Director
(Corporate Finance)
Indian Oil Corporation Limited



ए.के. मिश्रा
कार्यकारी निदेशक (प्रचालन) रिफाइनरी
प्रभाग, इंडियन ऑयल कार्पोरेशन लिमिटेड
A.K. Mishra
Executive Director (Operations)
Refineries Division
Indian Oil Corporation Limited



एस. बासू
कार्यकारी निदेशक (आपूर्ति) विपणन
प्रभाग, इंडियन ऑयल कार्पोरेशन लिमिटेड
S. Basu
Executive Director (Supplies)
Marketing Division
Indian Oil Corporation Limited



एन.के. सिन्हा
निदेशक (प्रचालन) (31.5.2001 तक)
N.K. Sinha
Director (Operations) (Upto 31.5.2001)



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



एम.बी. समैई खोन्सारी
उप वित्त निदेशक,
नेशनल इरानियन ऑयल कंपनी,
ईरान
M.B. Samiei Khonsari
Deputy Finance Director
National Iranian Oil Company,
Iran



शक्तिरान्त दास, आई ए एम.,
(18.6.2001 तक)
Shaktikanta Das, I.A.S.,
(Upto 18.6.2001)



Executives

कार्यकारी निदेशक

Executive Directors



ए. वरदराजन
(परियोजना एवं विकास)
A. Varadarajan
(Projects & Development)



श्रीमती. विजया कान्त
(सतर्कता)
Mrs. Vijaya Kanth
(Vigilance)



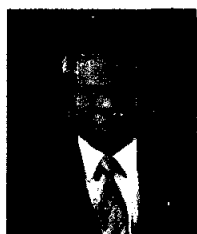
ए. कस्तूरी रंगन
(प्रचालन)
A. Kasturirangan
(Operations)

महाप्रबन्धक

General Managers



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



के. सदासिव चेट्टी
(कॉर्पोरेट योजना)
K. Sadasiva Chetty
(Corporate Planning)



वी.आर. रामन
(कावेरी बेसीन रिफाइनरी)
V.R. Raman
(Cauvery Basin Refinery)



तामस एंटोनी
(कार्मिक एवं प्रशासन)
Thomas Antony
(Personnel & Administration)



आर. शंकरन
(परियोजना)
R. Sankaran
(Projects)



एन.सी. श्रीधरन
(वित्त)
N.C. Sridharan
(Finance)

कम्पनी सचिव

Company Secretary



वि. श्रीनिवासन
V. Srinivasan

Notice

Notice is hereby given that the 35th Annual General Meeting of the Shareholders of the Company will be held at 3.00 P.M. on Monday, the 10th September 2001 at Kamaraj Arangam, 574A, Anna Salai, Chennai - 600 006 to transact the following businesses:

Ordinary businesses:

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the period from 1st April 2000 to 31st March 2001 and the Audited Balance Sheet as at 31st March 2001 together with the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr. M.P. Srinivasan, who retires and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Shivraj Singh, I.A.S., who retires and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. P. Baskaradoss, I.A.S., who retires and is eligible for re-appointment.
6. To appoint a Director in the place of Mr. Mohit Sinha, who retires and is eligible for re-appointment.
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that the remuneration of Rs.1,50,000/- (Rupees one lakh fifty thousand only) to each of the Joint Statutory Auditors of the Company, viz., M/s. Thomas & Co., Chartered Accountants, Chennai and M/s. B.V. Rao & Co., Chartered Accountants, Visakhapatnam, for the financial year 2000-01, be and is hereby approved".

"FURTHER RESOLVED that, in future, the Board of Directors of the Company be and is hereby authorised to fix the remuneration of Auditors of the Company, as the Board of Directors deems fit, as and when communication is received from the Comptroller and Auditor General of India regarding the appointment of the Auditors of the Company for the future years".

"FURTHER RESOLVED that the remuneration of Auditors of the Company so fixed by the Board of Directors shall be reported by the Company in its Directors' Report of the relevant year to the Shareholders".

Special businesses:

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. S.V. Narasimhan be and is hereby appointed as Director of the Company."
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. K. Narayanan be and is hereby appointed as Director of the Company."
10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. M.B.L. Agarwal be and is hereby appointed as Director of the Company."
11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. A.K. Mishra be and is hereby appointed as Director of the Company."
12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. S. Basu be and is hereby appointed as Director of the Company."
13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that Mr. M.A. Gowrishankar, I.A.S. be and is hereby appointed as Director of the Company."
14. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED that, pursuant to Section 31 and other applicable provisions, if any, of the



Companies Act, 1956, including any statutory modification or any other enactment for the time being in force and subject to such approvals, consent, permission and sanction, as may be necessary, from any other appropriate authority or body, Article 85(a) of the Articles of Association of the Company be and is hereby amended to substitute the number "sixteen", in the place of the number "thirteen".

By order of the Board
Date : July 20, 2001 V. Srinivasan
Place : Chennai Company Secretary

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. A proxy need not be a member of the Company.
3. Proxies, in order to be effective, must be lodged at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
4. Members/Proxies should bring their attendance slip, duly filled in, to the meeting.
5. Regarding Ordinary Business Item No.7, it is brought to the attention of the shareholders that under Section 619(2) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Auditors of a Government Company have to be appointed by the Comptroller and Auditor General of India (C&AG). Under Section 224(8)(aa) as inserted by the Companies (Amendment) Act, 2000, the remuneration of the Auditors of the Company, in the case of an auditor appointed under Section 619 by the C&AG, shall be fixed by the Company in General Meeting, or in such manner, as the Company in General Meeting may determine.

The Comptroller and Auditor General of India has appointed M/s. Thomas & Co., Chartered Accountants, Chennai and M/s. B.V. Rao & Co., Chartered Accountants, Visakhapatnam, as the Joint Statutory Auditors of the Company for the financial year 2000-2001, vide letter No.CAV/COY/ CENTRAL GOVT.COMP. MRL (2)/1231 dated 12.03.2001.

Since the remuneration of the Auditors of the Government Company is now required to be fixed by the shareholders under Section 224(8)(aa) of the Companies Act, 1956, the resolution for fixing the remuneration of the Auditors of the Company for the Financial Year 2000-2001, is proposed for the approval of the shareholders. The remuneration proposed is the same as the remuneration paid for the year 1999-2000.

Under Section 224(8)(aa), the remuneration of Auditors of the Government Company shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Accordingly, the resolution authorising the Board of Directors of the Company to fix the remuneration of Auditors of the Company for the future years and making relevant disclosure in the Directors' Report, is proposed, for the approval of the shareholders.

6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out against Item Nos. 8, 9, 10, 11, 12, 13 and 14 of the Notice is annexed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st September 2001 to 10th September 2001 (both days inclusive).
8. Members are requested to immediately intimate any change in their addresses registered with the Company.
9. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
10. Dividend, upon its declaration at the Meeting, will be paid, in respect of physical shares, to those Members, whose names appear in the Register of Members of the Company as on 10th September 2001 and, in respect of electronic shares, to those shareholders, whose names appear in the Beneficial List to be furnished by the depositories to the Company as on 31st August 2001. Shares that are partly paid as on 31.3.2001 will be eligible for the Dividend, in proportion to the amount paid-up as on that date.

11. The dividend declared at the 29th AGM held on 26.9.95 for the financial year ended 31.3.95 and remains unclaimed will be transferred by the Company during October 2002 to the Investor Education and Protection Fund in accordance with the rules, to be framed in this regard, by the Central Government. Therefore, Members who have not encashed their Dividend Warrants in respect of the above dividend, validity period of which has expired, may approach either the Company or its Share Transfer Agents viz., Karvy Consultants Ltd., for obtaining duplicate Dividend Warrants immediately.

12. A brief Resume of the Directors of the Company, seeking appointment/re-appointment at this Annual General Meeting and their expertise in specific functional areas forms part of the Report on Corporate Governance, which, in turn, forms part of the Annual Report.

13. **INSPECTION OF DOCUMENTS :** The relevant documents are available for inspection by the shareholders at the Registered Office of the Company at any time during the working hours till the date of the meeting.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No.8:

Mr. S.V. Narasimhan was nominated by the Government of India for appointment as Director under Article 86(c) of the Articles of Association of the Company read with Clause 2.5B of the Formation Agreement of the Company. Mr. S.V. Narasimhan was appointed as an Additional Director on the Board of the Company by way of a Circular Resolution of the Board of Directors dated 9.10.2000. As per the provisions of Section 260 of the Companies Act, 1956, Mr. S.V. Narasimhan will hold office only upto the date of the Thirty Fifth Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. S.V. Narasimhan as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. S.V. Narasimhan.

Item No.9:

Mr. K. Narayanan was nominated by the Government of India for appointment as Director under Article 86(c) of the Articles of Association of the Company read with Clause 2.5B of the Formation Agreement of the Company. Mr. K. Narayanan was appointed as an Additional Director on the Board of the Company at the meeting of the Board of Directors of the Company held on 30.5.2001. As per the provisions of Section 260 of the Companies Act, 1956, Mr. K. Narayanan will hold office only upto the date of the Thirty Fifth Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. K. Narayanan as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. K. Narayanan.

Item No.10:

Mr. M.B.L. Agarwal was nominated by Indian Oil Corporation for appointment as Director. Mr. M.B.L. Agarwal was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30.5.2001. As per the provisions of Section 260 of the Companies Act, 1956, Mr. M.B.L. Agarwal will hold office only upto the date of the Thirty Fifth Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. M.B.L. Agarwal as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. M.B.L. Agarwal

Item No.11:

Mr. A.K. Mishra was nominated by Indian Oil Corporation for appointment as Director. Mr. A.K. Mishra was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30.5.2001. As per the provisions of Section 260 of the Companies Act, 1956, Mr. A. K. Mishra will hold office only upto the date of the Thirty Fifth Annual General Meeting.



A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. A.K. Mishra as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. A.K. Mishra.

Item No.12:

Mr. S. Basu was nominated by Indian Oil Corporation for appointment as Director. Mr. S. Basu was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30.5.2001. As per the provisions of Section 260 of the Companies Act, 1956, Mr. S. Basu will hold office only upto the date of the Thirty Fifth Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. S. Basu as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. S. Basu.

Item No.13:

Mr. M.A. Gowrishankar, in his capacity as Secretary to Government of Tamilnadu, Industries Department and who succeeded Mr. Shaktikanta Das, was nominated by Indian Oil Corporation for appointment as Director in the place of Mr. Shaktikanta Das. Mr. M.A. Gowrishankar was appointed as an Additional Director on the Board of the Company by way of a Circular Resolution of the Board of Directors dated 19.7.2001. As per the provisions of Section 260 of the Companies Act, 1956, Mr. M.A. Gowrishankar will hold office only

upto the date of the Thirty Fifth Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956, has been received proposing the appointment of Mr. M.A. Gowrishankar as a Director. Hence, this resolution is proposed.

None of the Directors is interested in the resolution except Mr. M.A. Gowrishankar.

Item No.14:

Presently, there are 13 Directors on the Board of CPCL. The maximum number of Directors permissible under the Articles of Association of the Company is also 13. It may be mentioned that Government of India, Ministry of Industry, Department of Public Enterprises, has accorded Mini Ratna Status to CPCL vide letter No.11/36/97-Fin. dated 9.10.97. In order to exercise powers/ authorities accorded to Mini Ratna Public Sector Undertakings (PSUs), as per the guidelines, three non-official Directors need to be appointed. Action has already been initiated for these appointments.

The Board of Directors at its 208th meeting held on 30.5.2001 considered and approved the proposal of increasing the maximum number of Directors from 13 to 16, to accommodate such additional Directors. For this purpose, the Articles of Association of the Company needs to be amended. Hence, this resolution is proposed.

None of the Directors is interested in the resolution.

By order of the Board

Date : July 20, 2001

V. Srinivasan

Place : Chennai

Company Secretary