

वार्षिक रिपोर्ट

ANNUAL REPORT

2001-2002

An entity that spells excellence, creates an environment that reflects its vision.

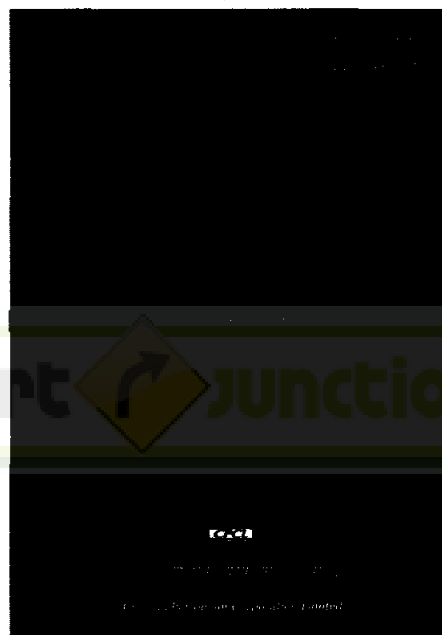
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चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड  
(इंडियन ऑयल की ग्रुप कम्पनी)

**Chennai Petroleum Corporation Limited**

(A group company of IndianOil)



**An Entity that spells excellence, creates  
an environment that reflects its vision**

The new millennium is transforming the  
Petroleum Industry in India in a big way, and  
sweeping changes are taking place.

As a leading player, CPCL has been successfully  
responding to this competitive scenario. Through  
strategic planning and technological excellence.

Through new investments in expansion of  
capacity with integration for value addition and  
quality up-gradation.

Now, as part of Global Fortune 500 Indian Oil,  
Chennai Petroleum has added to its strength  
IOC's well known marketing networking  
infrastructure, its leadership in market share and  
chain of outlets.

Guiding through these strategic endeavours are  
its core values that take CPGL to great heights of  
success reflecting the vision behind it.

*Corporate Information**1**Report to Shareholders**24**Financial Information**53***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 BANKER****State Bank of India**

Corporate Accounts Group Branch  
Greams 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

33/1, Venkataraman Street,

T. Nagar, Chennai - 600 017



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## BOARD OF DIRECTORS

**Mr. S. Rammohan**

*Chairman & Managing Director*

**Mr. M.P. Srinivasan**

*Director (Technical)*

**Mr. S.V. Narasimhan**

*Director (Finance)*

**Mr. K. Narayanan**

*Director (Operations)*

**Mr. Shivraj Singh, I.A.S.,**

*Joint Secretary, Government of India,  
Ministry of Petroleum & Natural Gas*

**Mr. Mohit Sinha**

*Director, Ministry of Petroleum & Natural Gas  
(upto 20.07.2002)*

**Mr. P. Baskaradoss, I.A.S.,**

*Chairman, Chennai Port Trust*

**Mr. M.A. Gowrishankar, I.A.S.,**

*Secretary, Industries Department,  
Government of Tamilnadu  
( upto 03.07.2002)*

**Mr. M.B.L. Agarwal**

*Executive Director (Internal Audit)  
Indian Oil Corporation Ltd.  
(upto 01.08.2002)*

**Mr. A.K. Mishra**

*Executive Director (Operations)  
Indian Oil Corporation Ltd.*

**Mr. S. Basu**

*Executive Director (Supplies)  
Indian Oil Corporation Ltd.*

**Mr. T.L. Jain**

*Executive Director (Southern Region)  
Indian Oil Corporation Ltd.  
(from 05.08.2002)*

**Mr. S.M. Mortazavi**

*General Manager  
International Projects - Downstream  
National Iranian Oil Company, Iran*

**Mr. M.B. Samiei Khonsari**

*Deputy Finance Director  
National Iranian Oil Company, Iran*

**Mr. L. Sabaretnam**

*Chief Executive Officer  
ICL Sugars Limited*

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## **Chennai Petroleum Corporation Limited**

# *Vision*

*Chennai Petroleum Corporation will be  
a world class Energy company,  
well respected and consistently profitable,  
with a dominant presence in South India.*

# *Mission*

- To maximize profit through*
- the manufacturing and supply of petroleum products and*
  - other related businesses*
- in a reliable, ethical and socially responsible manner*



## EXECUTIVES

### Executive Directors

**Smt. Vijaya Kanth**  
(Vigilance)

**Mr. A. Kasturirangan**  
(Operations)

**Dr. P.R. Nambiar**  
(Marketing)

**Mr. K. Sadasiva Chetty**  
(Corporate Planning)

### General Managers

**Mr. V. R. Raman**  
(Cauvery Basin Refinery)

**Mr. Thomas Antony**  
(Human Resources)

**Mr. R. Sankaran**  
(Projects & Development)

**Mr. N.C. Sridharan**  
(Finance)

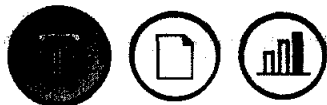
**Dr. K.S. Balaraman**  
(Research & Development)

**Mr. S. Pandarinathan**  
(Technical)

**Company Secretary**

**Mr. V. Srinivasan**

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## NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Shareholders of the Company will be held at 3.00 p.m. on Wednesday, the 18th September 2002 at Kamaraj Arangam, 492, 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 2001 to 31st March 2002 and the Audited Balance Sheet as at 31st March 2002 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. S.V. Narasimhan, who retires and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. K. Narayanan, who retires and is eligible for re-appointment.
6. To appoint a Director in the place of Mr. Shivraj Singh, I.A.S., who retires and is eligible for re-appointment.
7. To appoint a Director in the place of Mr. P. Baskaradoss, I.A.S., who retires and is eligible for re-appointment.
8. To appoint a Director in the place of Mr. A.K. Mishra, who retires and is eligible for re-appointment.

### Special Businesses:

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
*"RESOLVED that Mr. L. Sabaretnam, 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. T.L. Jain, 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 a Special Resolution:

*"RESOLVED that, pursuant to Article 61 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the Board of Directors of the Company to participate and to invest in the Joint Venture Company proposed to be formed for putting up a Power Project near Manali, based on Manali Refinery's residue."*

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

*"RESOLVED that, in supercession of the resolution passed at the General Meeting held on 22.9.1997, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company, pursuant to Section 293(1)(d) of the Companies Act, 1956, for borrowing, from time to time, any sum or sums of money which, together with the money already borrowed (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate, at any one time, Rs.3,000 Crores (Rupees three thousand Crores) irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate, for the time being, of the total paid-up capital and free reserves, i.e., reserves not set apart for any specific purpose".*

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

*"RESOLVED that the consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company, pursuant to Section 293(1)(a) of the Companies Act, 1956, to mortgaging,*





*hypothecating and / or charging by the Board of Directors of the Company, all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan obtained, accommodation availed or as may be obtained / availed from Government of India, Indian Oil Corporation Limited, Oil Industry Development Board (OIDB), Commercial / Foreign Banks, Financial Institutions, Other Agencies / Organisations or person or persons; together with interest, costs, charges, expenses and any other money payable by the Company, on such terms and conditions as the Board of Directors may think fit from time to time."*

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

*"RESOLVED that Clause V of the Memorandum of Association of the Company be and is hereby amended to substitute the figures and words "Rs.400,00,00,000 (Rupees four hundred Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs.10/- (Rupees Ten only) each" in the place of "Rs.200,00,00,000 (Rupees two hundred Crores) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs.10/- (Ten only) each"*

15. 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 appropriate authority or body, the present Article 4 of the Articles of Association of the Company be and is hereby replaced with the following Article:*

**Article-4:-** The Authorised Share Capital of the Company is "Rs.400,00,00,000 (Rupees four

hundred Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs.10/- (Rupees Ten only) each."

16. 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, the present Article 90(A) of the Articles of Association of the Company be and is hereby replaced with the following Article:*

**Article-90(A):-** The remuneration payable to the Directors of the Company, other than full time Directors of the Company or full time employees of the shareholders, for attendance at Meetings of the Board of Directors or any Committee thereof, shall be fixed by the Board of Directors of the Company from time to time."

Date : 05.08.2002  
Place : Chennai

By order of the Board  
V. Srinivasan  
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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out against Item Nos.9 to 16 of the Notice is annexed.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st



September 2002 to 18th September 2002 (both days inclusive).

7. Members are requested to immediately intimate any change in their addresses registered with the Company.
8. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification.
9. 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 18th September 2002 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 31.08.2002. Shares that are partly paid as on 31.03.2002 will be eligible for the Dividend, in proportion to the amount paid-up as on that date.
10. The unclaimed dividend declared at the 29th AGM held on 26.09.95 for the financial year ended 31.3.95 will be transferred by the Company on or before 25th October 2002 to the Investor Education and Protection Fund in accordance with the rules 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.
11. The unclaimed dividend declared at the 30th AGM held on 23.09.96 for the financial year ended 31.03.96 will be transferred by the Company on or before 22nd October 2003 to the Investor Education and Protection Fund in accordance with the rules 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 will form 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.9:**

Mr.L.Sabaretnam was nominated by Indian Oil Corporation Limited for appointment as Part-time Director. Mr.L.Sabaretnam was appointed as an Additional Director by way of a Circular Resolution of the Board of Directors of the Company dated 28.02.2002. As per the provisions of Section 260 of the Companies Act, 1956, Mr. L. Sabaretnam will hold office only upto the date of the Thirty Sixth Annual General Meeting.

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

##### **MEMORANDUM OF INTEREST:**

None of the Directors is interested in the resolution except Mr. L. Sabaretnam.

##### **Item No.10:**

Mr. T.L. Jain was nominated by Indian Oil Corporation Limited for appointment as Part-time Director. Mr. T.L. Jain was appointed as an Additional Director by way of a Circular Resolution of the Board of Directors of the Company dated 05.08.2002. As per the provisions of Section 260 of the Companies Act, 1956, Mr. T.L. Jain will hold office only upto the date of the Thirty Sixth Annual General Meeting.