

37TH ANNUAL REPORT
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COCHIN REFINERIES LIMITED



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COCHIN REFINERIES LIMITED

REGISTERED OFFICE : AMBALAMUGAL - 682 302, ERNAKULAM DIST., KERALA (INDIA)
37TH ANNUAL REPORT 1998-99

COCHIN REFINERIES LIMITED

E X E C U T I V E S





B O A R D O F D I R E C T O R S



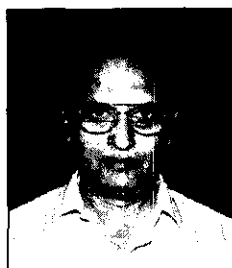
K. L. KUMAR
*Chairman &
Managing Director*



KOSHY VARGHESE
Director (Refineries)



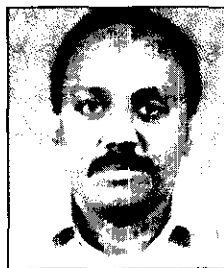
E.S. MENON
Director (Finance)



K. P. SHAHI
Director



N. K. SINGH
Director



K. MOHANDAS
Director



M. J. SUBBIAH
Director

COCHIN REFINERIES LIMITED

BANKERS

STATE BANK OF TRAVANCORE
STATE BANK OF INDIA
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF SAURASHTRA
STATE BANK OF MYSORE
UCO BANK
UNION BANK OF INDIA

AUDITORS

M/s. R. SUBRAMANIAN & CO., CHENNAI - 600 004

LEGAL ADVISORS

M/s MENON & PAI, COCHIN - 682 018

SHARE TRANSFER AGENTS

DATA SOFTWARE RESEARCH CO. LTD.
SREE SOVEREIGN COMPLEX, NO.22, 4TH CROSS STREET,
TRUSTPURAM, (OPP. PLAY GROUND) KODAMBAKKAM,
CHENNAI - 600 024



PERFORMANCE AT A GLANCE

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Physical										
Crude Thruput ('000 MT)	7770	7736	7301	7420	5135	4861	5122	4843	5006	4616
Capacity Utilisation (%) @	103.60	103.15	100.24	108.04	105.66	108.02	113.82	107.62	111.24	102.58
Trend of Production :										
Light Ends (%)	24.07	24.41	24.03	26.24	26.52	22.91	22.55	22.11	20.20	21.50
Middle Distillates (%)	53.47	53.00	54.34	53.49	53.59	56.90	56.74	58.56	60.99	59.08
Heavy Ends (%)	16.67	16.90	16.04	14.45	13.78	14.20	14.74	13.05	13.10	13.54
Fuel and Loss (%)	5.69	5.69	5.59	5.82	6.11	5.99	5.97	6.28	5.71	5.88

@ Capacity utilisation shown upto 1996-97 is for 4.5 MMTPA unit.

Financial (Rs. in Crores)

Turnover	4170.91	4374.15	3917.75	3383.56	2173.18	2030.88	1811.54	1486.14	1488.64	1337.07
Profit Before Interest, Tax and Depreciation	598.75	383.52	185.61	233.31	168.03	164.46	197.67	138.80	128.86	106.88
Profit Before Interest and Tax	546.58	333.88	141.54	183.51	137.21	142.51	169.06	112.35	109.80	94.25
Profit Before Tax	496.23	291.91	108.93	141.08	111.79	127.27	153.62	98.04	96.84	82.26
Profit After Tax	338.23	220.41	92.93	111.08	104.77	68.25	87.12	56.04	60.84	68.76
Dividend & Dividend Tax	27.55	24.27	19.30	19.30	17.92	17.92	16.54	14.47	14.47	14.41
Retained Earnings	310.68	196.14	73.63	91.78	86.85	50.33	70.58	41.57	46.37	54.35

Note : Updation margin upto 31. 3 . 98 of Rs. 47.86 crores (Rs. 145.96 crores for 97-98) approved in 1998-99 is accounted in 1998-99.

Ratios

Profit After Tax/Av. Net Worth (%)	33.22	28.83	14.76	20.31	22.89	17.54	26.51	20.56	26.61	38.62
Earnings Per Share (Rs.) \$	49.06	31.97	13.48	16.11	15.20	9.90	12.64	8.13	88.25	99.78
Net Worth to Equity Share (Rs.) (Book Value of Share) \$	170.20	125.13	96.68	86.00	72.69	60.09	52.79	42.56	365.27	298.10
Gross Profit (PBITD)/Turnover (%)	14.36	8.77	4.74	6.90	7.73	8.10	10.91	9.34	8.66	7.99
Gross Profit (PBITD)/ Average Capital Employed (%)	54.70	39.58	22.17	29.43	28.65	43.57	52.62	37.63	39.86	43.39

\$ The figures for the year 1991-92 and onwards are based on sub division of share into Rs.10/-

COCHIN REFINERIES LIMITED

PERFORMANCE AT A GLANCE

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Funds Flow Statement (Rs. in Crores)										
Sources of Funds:										
Retained Earnings	310.68	196.14	73.63	91.78	85.85	50.33	70.58	41.57	46.37	54.36
Depreciation & Write Offs	62.07	65.75	45.07	50.05	30.92	22.27	29.33	26.87	20.76	17.63
Internal Resources	372.75	261.89	118.70	141.83	116.77	72.60	99.91	68.44	67.13	66.98
Loans	290.00	48.00	74.00	Nil	75.56	115.40	30.34	43.01	10.30	14.88
Bank Loan - Cash Credit	(27.85)	(11.04)	39.19	(2.43)	(4.73)	(7.20)	13.08	(7.33)	(14.98)	15.10
Increase / (Decrease)										
Equity Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.02	0.43
External Resources	172.15	36.96	63.19	(2.43)	71.83	108.20	43.42	35.98	(4.63)	30.4
Total Resources	544.90	298.85	181.89	139.40	189.50	180.80	143.33	104.42	62.50	97.39
Utilisation of Funds:										
Capital Expenditure - Net	464.97	68.04	149.74	69.58	72.12	177.82	135.93	46.36	61.66	49.67
Repayment of Loans	38.87	43.30	38.56	24.14	20.91	20.03	14.88	15.23	4.14	20.80
Working Capital Increase/(Decrease)	39.91	167.51	(6.41)	45.68	87.72	(17.05)	(7.48)	42.12	(13.42)	36.62
Investments Increase/(Decrease)	1.15	Nil	Nil	Nil	8.75	Nil	Nil	(0.29)	0.17	0.10
Total Utilisation	544.90	298.85	181.89	139.40	189.50	180.80	143.33	104.42	62.50	97.39



PERFORMANCE AT A GLANCE

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Changes In Working Capital: (Rs. in Crores)										
A. Current Assets										
Inventories	83.72	(49.80)	63.97	66.63	115.45	(4.75)	36.49	0.42	37.76	5.50
Book Debts	38.42	3.43	(14.50)	14.99	7.74	(1.14)	45.32	(30.71)	(90.73)	148.16
Cash & Bank Balance	43.81	151.07	(18.05)	25.09	15.45	(65.31)	(1.03)	58.49	9.62	0.70
Loans and Advances, Others	548.56	801.74	576.00	(166.25)	(287.67)	1.44	5.12	10.67	(23.87)	8.05
	714.51	906.44	607.42	(59.54)	(149.33)	(69.76)	85.89	38.87	(67.22)	162.41
Less:										
B. Current Liabilities & Provisions										
Current Liabilities	634.38	746.87	630.92	(118.71)	(237.27)	(34.91)	63.14	0.21	(58.64)	109.41
Provisions	49.39	0.28	(16.09)	13.74	0.52	(17.48)	30.95	(3.03)	4.84	16.18
	683.77	747.15	614.83	(104.97)	(236.75)	(52.39)	94.09	(2.82)	(53.80)	125.59
C. Working Capital (A-B)	30.74	159.29	(7.41)	45.43	87.72	(17.37)	(8.20)	41.69	(13.42)	36.82
What We Owe: (Rs. in Crores)										
Share Capital	68.94	68.94	68.94	68.94	68.94	68.94	68.94	68.94	68.94	68.91
Reserves & Surplus	1104.42	793.74	597.60	523.97	432.19	345.34	295.02	224.44	182.88	136.51
Net Worth	1173.36	862.68	666.54	592.91	501.13	414.28	363.96	293.38	251.82	205.42
Borrowings	434.77	301.49	307.83	283.21	309.78	260.21	172.05	143.51	123.76	142.56
Total	1608.13	1164.17	974.37	876.12	810.91	674.49	536.01	436.89	375.58	347.98
What We Own: (Rs. in Crores)										
Gross Fixed Assets	1162.52	1080.81	995.50	875.02	841.80	509.94	441.53	427.31	405.45	322.70
(Including Capital WIP)										
Less: Depreciation	434.58	383.73	335.26	291.31	241.52	212.02	189.82	161.30	135.42	116.99
Net Fixed Assets	727.94	697.08	660.24	583.71	600.28	297.92	251.71	266.01	270.03	205.71
Project Work in Progress	459.82	78.61	77.06	47.93	11.57	272.63	162.99	41.38	17.45	40.87
Investments	2.07	0.92	8.80	8.80	8.80	Nil	Nil	Nil	0.29	0.17
Net Current Assets	418.30	387.56	228.27	235.68	190.26	103.94	121.31	129.50	87.81	101.23
Total	1608.13	1164.17	974.37	876.12	810.91	674.49	536.01	436.89	375.58	347.98

COCHIN REFINERIES LIMITED

PERFORMANCE AT A GLANCE

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Income (Rs. in Crores)										
Sales Incl. Pool Receipts	4170.91	4374.15	3917.75	3383.56	2173.18	2030.88	1811.54	1466.14	1486.64	1337.07
Products Consumed Internally	0.45	0.36	0.24	0.20	0.22	0.19	0.22	0.19	0.14	5.51
ACC/(Dec.) in Stock	39.93	(8.27)	4.80	(32.73)	21.22	6.67	14.73	(4.11)	2.97	(2.48)
Other Income	95.62	37.32	15.85	16.04	10.42	6.47	15.68	8.35	11.55	5.27
	4306.91	4403.56	3938.64	3367.07	2205.04	2044.21	1842.17	1490.57	1502.40	1345.37
Expenditure										
Crude Cost	3547.34	3874.46	3650.86	3042.72	1974.66	1824.58	1595.21	1304.44	1321.10	1197.33
Manpower Cost	34.59	31.06	22.42	34.20	12.72	11.89	10.90	10.62	7.58	6.39
Other Operating Cost	116.33	98.42	79.22	57.35	51.14	43.67	37.68	36.29	43.23	34.92
Depreciation and Write Offs	62.07	65.75	45.07	50.05	30.82	22.27	29.33	26.87	20.76	12.63
Interest	50.35	41.97	32.61	42.43	25.42	15.24	15.44	14.31	12.96	11.99
Prior Period Adj.	Nil	Nil	(0.47)	(0.76)	(1.51)	(0.71)	(0.01)	Nil	(0.04)	(0.15)
	3810.68	4111.65	3829.71	3225.99	2093.25	1916.94	1688.55	1392.53	1405.56	1263.11
Profit Before Tax	496.23	291.91	108.93	141.08	111.79	127.27	153.62	98.04	95.84	82.26
Contribution to Exchequer - Cash Basis (Rs. in Crores)										
Excise Duty	604.04	548.82	477.17	326.56	260.43	184.86	200.38	167.34	182.26	164.96
Customs Duty	406.90	479.20	497.74	310.97	167.03	205.99	219.30	203.46	200.50	151.86
Sales Tax	220.63	120.07	93.51	82.70	62.13	55.77	57.01	52.52	23.07	13.64
Income Tax	114.89*	76.54	32.36	19.36	8.14	77.13	41.50	37.61	29.85	9.97
*(Incl. Corporate Dividend Tax)										
Dividend	13.26	11.60	11.60	10.78	10.78	9.95	8.70	9.59	9.59	1.20
Interest (IBRD)	0.69	1.06	1.44	1.81	2.18	2.55	2.93	3.30	2.80	3.94
Total	1360.41	1237.29	1113.82	752.18	510.69	537.25	529.62	493.82	448.07	345.57
Manpower										
	1825	1656	1593	1535	1400	1313	1265	1257	1194	1148
Value Added Per Employee	43.47	30.13	16.79	21.13	15.25	16.40	18.19	14.20	13.72	11.75
(Rs. in Lakhs)										



STATEMENT OF VALUE ADDED

(Rs. in Crores)

	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
Value Addition:										
A. Value of Production:										
Sales etc.	4223.91	4374.15	3917.75	3383.56	2173.18	2030.88	1811.54	1486.14	1488.64	1337.07
Products Consumed Internally	0.45	0.36	0.24	0.20	0.22	0.19	0.22	0.19	0.14	5.51
Inventory Differential	39.93	(8.27)	4.80	(32.73)	21.22	6.67	14.73	(4.11)	2.07	(2.48)
Total (A)	4264.29	4366.24	3922.79	3351.03	2194.62	2037.74	1826.49	1482.22	1490.85	1340.10
B. Value of Inputs:										
Raw Materials	3547.34	3874.46	3650.86	3042.72	1974.66	1824.58	1595.21	1304.44	1321.10	1197.33
Chemicals & Catalysts	15.71	17.15	13.66	7.32	7.53	8.05	10.22	8.39	9.21	7.68
Purchased Power	4.53	6.21	5.51	5.28	2.97	2.33	2.27	3.79	6.46	6.71
Bitumen Drum Cost	6.13	5.66	4.76	4.02	3.00	3.64	2.38	1.96	2.91	3.33
Total (B)	3573.71	3903.48	3674.79	3059.34	1988.16	1838.60	1610.08	1318.58	1339.68	1215.05
C. Value added (A – B)	690.58	462.76	248.00	291.69	206.46	199.14	216.41	163.64	151.17	125.05
Shared Towards:										
A. Operations:										
Employees' Benefits	34.59	31.05	22.42	34.20	12.72	11.89	10.90	10.62	7.58	6.39
Other Costs	19.85	28.07	35.96	21.40	23.02	19.77	4.38	11.24	11.89	11.28
Total	54.44	59.12	58.38	55.60	35.74	31.66	15.28	21.86	19.47	17.67
B. Financing:										
Interests	50.35	41.97	32.61	42.43	25.42	15.24	15.44	14.31	12.96	11.99
Dividend	24.82	22.06	19.30	19.30	17.92	17.92	16.54	14.47	14.47	14.41
Total	75.17	64.03	51.91	61.73	43.34	33.16	31.98	28.78	27.43	26.40
C. Taxation:										
Corporate & Dividend Taxes	160.73	73.71	16.00	30.00	7.02	59.02	66.50	42.00	36.00	13.50
Rates & Taxes (Net)	27.49	4.01	3.01	2.53	2.69	2.70	2.74	2.56	1.14	0.50
Total	188.22	77.72	19.01	32.53	9.71	61.72	69.24	44.56	37.14	14.00
D. Expansion & Growth:										
Depreciation & Write Offs	62.07	65.75	45.07	50.05	30.82	22.27	29.33	26.87	20.76	12.63
Retained Profit	310.68	196.14	73.63	91.78	86.85	50.33	70.58	41.57	46.37	54.35
Total	372.75	261.89	118.70	141.83	117.67	72.60	99.91	68.44	67.13	66.98
Total Sharing	690.58	462.76	248.00	291.69	206.46	199.14	216.41	163.64	151.17	125.05