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40th  
Annual Report  
2001 - 02

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***All smiles, after a visit***

*Shri U. Sundararajan, former CMD, with Shri S.A. Narayan, Director(HR),  
and Shri S. Behuria, Director (Marketing) [& present CMD] of BPCL  
leaving KRL Corporate Office at Maradu*



***An apex level meeting in progress***

*Parliamentary Standing Committee on Industry holding discussions  
Shri K.L. Kumar, former CMD, KRL tendering a clarification to the Committee*

# KOCHI REFINERIES LIMITED

Registered Office: Kundannur, Maradu, Ernakulam District, Kerala

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KOCHI REFINERIES LIMITED, KOCHI FOR THE YEAR ENDED 31 MARCH, 2002.

| COMMENT OF THE COMPTROLLER<br>& AUDITOR GENERAL OF INDIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | REPLY OF THE<br>BOARD OF DIRECTORS                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Balance Sheet</b></p> <p><b>Capital Work-in-progress - Rs. 51.66 crores</b><br/><b>(Schedule 5-B)</b></p> <p>The above includes a sum of Rs. 1.83 crore in respect of cost of land, which should have been classified as Fixed Assets-Land. This has resulted in overstatement of Capital work-in-progress and understatement of Fixed Assets by Rs. 1.83 crore.</p> <p style="text-align: center;">Sd/-<br/><b>(U. SANKAR)</b><br/>PRINCIPAL DIRECTOR OF<br/>COMMERCIAL AUDIT AND<br/>EX-OFFICIO MEMBER AUDIT<br/>BOARD, CHENNAI</p> <p>Chennai<br/>August 14, 2002</p> | <p>Noted; necessary transfer entries will be effected in the accounts during the year 2002-03.</p> <p style="text-align: center;">For and on behalf of the<br/>Board of Directors<br/>Sd/-<br/><b>B.K. MENON</b><br/>MANAGING DIRECTOR</p> <p>Kochi<br/>August 16, 2002</p> |



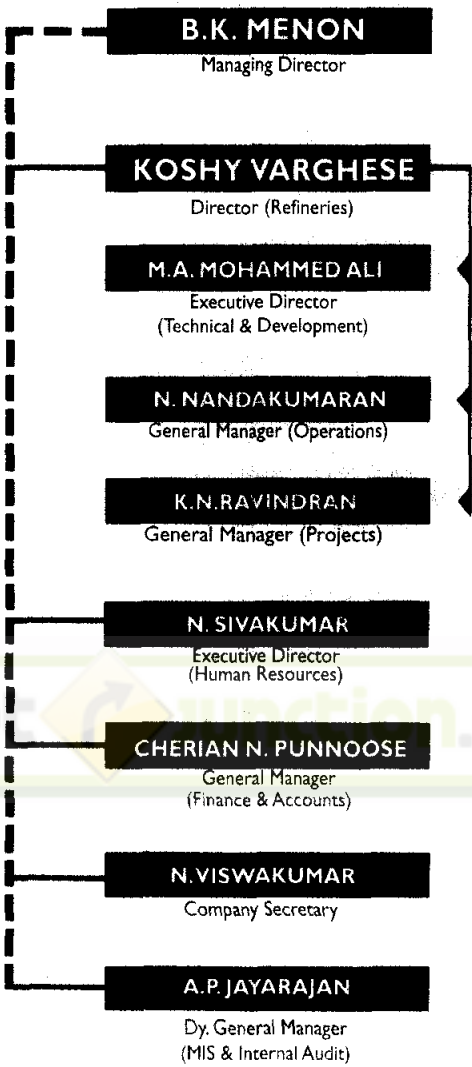
**A new landmark**  
*KRL Corporate Office at Maradu*

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**KOCHI REFINERIES LIMITED**  
REGISTERED OFFICE: MARADU - 682 304, ERNAKULAM DIST., KERALA (INDIA)  
**40TH ANNUAL REPORT 2001-02**

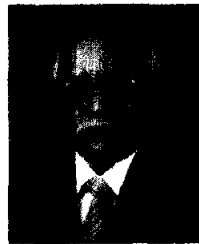
**E X E C U T I V E S**



## **BOARD OF DIRECTORS**



**S. BEHURIA**  
Chairman



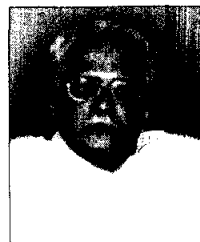
**B.K. MENON**  
Managing Director



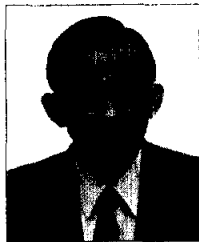
**KOSHY VARGHESE**  
Director (Refineries)



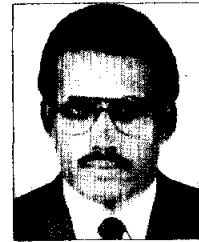
**N.K. SINGH**  
Director



**S.A. NARAYAN**  
Director



**ASHOK SINHA**  
Director



**JOHN MATHAI**  
Director

**BANKERS**

HDFC BANK LTD.  
STATE BANK OF INDIA  
ICICI BANK LTD.  
STANDARD CHARTERED BANK

**AUDITORS**

M/S. VARMA & VARMA, KOCHI - 682 016

**LEGAL ADVISORS**

M/S. MENON & PAI, KOCHI - 682 018

**SHARE TRANSFER AGENTS**

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

**PERFORMANCE AT A GLANCE**

|                                  | 2001-02 | 2000-01 | 1999-00 | 1998-99 | 1997-98 | 1996-97 | 1995-96 | 1994-95 | 1993-94 | 1992-93 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Physical</b>                  |         |         |         |         |         |         |         |         |         |         |
| Crude Thruput ('000 MT) .....    | 6797    | 7520    | 7830    | 7770    | 7736    | 7301    | 7420    | 5135    | 4861    | 5122    |
| Capacity Utilisation (%) @ ..... | 90.63   | 100.27  | 104.40  | 103.60  | 103.15  | 100.24  | 108.04  | 105.66  | 108.02  | 113.82  |
| <b>Trend of Production:</b>      |         |         |         |         |         |         |         |         |         |         |
| Light Ends (%) .....             | 25.30   | 26.52   | 23.68   | 24.07   | 24.41   | 24.03   | 26.24   | 26.52   | 22.91   | 22.55   |
| Middle Distillates (%) .....     | 49.34   | 50.37   | 55.76   | 53.47   | 53.00   | 54.34   | 53.49   | 53.59   | 56.90   | 56.74   |
| Heavy Ends (%) .....             | 19.14   | 16.57   | 14.90   | 16.67   | 16.90   | 16.04   | 14.45   | 13.78   | 14.20   | 14.74   |
| Fuel and Loss (%) .....          | 6.22    | 6.54    | 5.66    | 5.79    | 5.69    | 5.59    | 5.82    | 6.11    | 5.99    | 5.97    |

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

**Financial : (Rs. in Crores)**

|                                                    |          |         |         |         |         |         |         |         |         |         |
|----------------------------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Turnover .....                                     | 6,758.25 | 7135.75 | 5768.33 | 4170.91 | 4374.15 | 3917.75 | 3383.56 | 2173.18 | 2030.88 | 1811.54 |
| Profit Before Interest, Tax and Depreciation ..... | 343.90   | 313.84  | 385.21  | 598.75  | 383.52  | 185.61  | 233.31  | 168.03  | 164.46  | 197.67  |
| Profit Before Interest and Tax .....               | 233.37   | 212.38  | 322.49  | 546.58  | 333.88  | 141.54  | 183.51  | 137.21  | 142.51  | 169.06  |
| Profit Before Tax .....                            | 118.58   | 102.46  | 283.71  | 496.23  | 291.91  | 108.93  | 141.08  | 111.79  | 127.27  | 153.62  |
| Profit After Tax .....                             | 68.77    | 109.46  | 235.21  | 338.23  | 220.41  | 92.93   | 111.08  | 104.77  | 68.25   | 87.12   |
| Dividend & Dividend Tax .....                      | 30.53    | 31.98   | 129.90  | 27.55   | 24.27   | 19.30   | 19.30   | 17.92   | 17.92   | 16.54   |
| Retained Earnings .....                            | 38.24    | 77.48   | 105.31  | 310.68  | 196.14  | 73.63   | 91.78   | 86.85   | 50.33   | 70.58   |

**Ratios**

|                                                         |        |       |        |        |        |       |       |       |       |       |
|---------------------------------------------------------|--------|-------|--------|--------|--------|-------|-------|-------|-------|-------|
| Profit After Tax/Av. networth (%) .....                 | 4.95   | 8.29  | 19.18  | 33.22  | 28.83  | 14.76 | 20.31 | 22.89 | 17.54 | 26.51 |
| Earnings Per Share (Rs.) * .....                        | 4.97   | 7.90  | 17.06  | 24.53  | 15.99  | 6.74  | 8.06  | 7.60  | 4.95  | 6.32  |
| Networth to Equity Share (Rs.)                          |        |       |        |        |        |       |       |       |       |       |
| (Book value of share) \$ .....                          | 102.45 | 98.55 | 185.48 | 170.20 | 125.13 | 96.68 | 86.00 | 72.69 | 60.09 | 52.79 |
| Gross Profit (PBITD)/Turnover (%) .....                 | 5.09   | 4.40  | 6.68   | 14.36  | 8.77   | 4.74  | 6.90  | 7.73  | 8.10  | 10.91 |
| Gross Profit (PBITD)/Average Capital Employed (%) ..... | 15.86  | 15.48 | 25.10  | 54.70  | 39.58  | 22.17 | 29.43 | 28.66 | 43.57 | 52.62 |

\* Earnings per share for all the periods are calculated on the post bonus capital.

\$ Figures for 2000-01 onwards are after increase in share capital on account of 1:1 Bonus Issue & Shares allotted consequent to Merger of CRBL with KRL.

**Funds Flow Statement : (Rs. in Crores)****Sources of Funds:**

|                                                                         |        |        |        |         |         |        |        |        |        |        |
|-------------------------------------------------------------------------|--------|--------|--------|---------|---------|--------|--------|--------|--------|--------|
| Retained Earnings .....                                                 | 38.24  | 77.48  | 105.31 | 310.68  | 196.14  | 73.63  | 91.78  | 86.85  | 50.33  | 70.58  |
| Depreciation, Deferred Tax Liability & Write Offs .....                 | 138.05 | 95.41  | 59.61  | 62.07   | 65.75   | 45.07  | 50.05  | 30.82  | 22.27  | 29.33  |
| Internal Resources .....                                                | 176.29 | 172.89 | 164.92 | 372.75  | 261.89  | 118.70 | 141.83 | 117.67 | 72.60  | 99.91  |
| Loans .....                                                             | Nil    | 120.12 | 350.00 | 200.00  | 48.00   | 24.00  | Nil    | 76.56  | 115.40 | 30.34  |
| Bank Loan - Cash Credit                                                 |        |        |        |         |         |        |        |        |        |        |
| Increase/(Decrease) .....                                               | 133.67 | (2.40) | 60.88  | (27.85) | (11.04) | 39.19  | (2.43) | (4.73) | (7.20) | 13.08  |
| Equity Issue/Increase in Reserve on Amalgamation of CRBL with KRL ..... | Nil    | 5.48   | Nil    | Nil     | Nil     | Nil    | Nil    | Nil    | Nil    | Nil    |
| External Resources .....                                                | 133.67 | 123.20 | 410.88 | 172.15  | 36.96   | 63.19  | (2.43) | 71.83  | 108.20 | 43.42  |
| Total Resources .....                                                   | 309.96 | 296.09 | 575.80 | 544.90  | 298.85  | 181.89 | 139.40 | 189.50 | 180.80 | 143.33 |

**PERFORMANCE AT A GLANCE**

|                                 | 2001-02 | 2000-01 | 1999-00 | 1998-99 | 1997-98 | 1996-97 | 1995-96 | 1994-95 | 1993-94 | 1992-93 |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Utilisation of funds:</b>    |         |         |         |         |         |         |         |         |         |         |
| Capital Expenditure - Net ..... | 78.30   | 101.56  | 405.90  | 464.97  | 88.04   | 149.74  | 69.58   | 72.12   | 177.82  | 135.93  |
| Repayment of Loans .....        | 102.44  | 43.14   | 38.27   | 38.87   | 43.30   | 38.56   | 24.14   | 20.91   | 20.03   | 14.88   |
| Working Capital                 |         |         |         |         |         |         |         |         |         |         |
| Increase/(Decrease) .....       | 91.89   | 151.34  | 130.60  | 39.91   | 167.51  | (6.41)  | 45.68   | 87.72   | (17.05) | (7.48)  |
| Investments                     |         |         |         |         |         |         |         |         |         |         |
| Increase/(Decrease) .....       | 37.33   | 0.05    | 1.03    | 1.15    | Nil     | Nil     | Nil     | 8.75    | Nil     | Nil     |
| Total Utilisation .....         | 309.96  | 296.09  | 575.80  | 544.90  | 298.85  | 181.89  | 139.40  | 189.50  | 180.80  | 143.33  |

**Changes in Working Capital : (Rs. in Crores)****A) Current Assets**

|                                |           |          |          |        |         |         |          |          |         |        |
|--------------------------------|-----------|----------|----------|--------|---------|---------|----------|----------|---------|--------|
| Inventories .....              | 4.89      | (261.92) | 422.33   | 83.72  | (49.80) | 63.97   | 66.63    | 115.45   | (4.75)  | 36.49  |
| Book Debts .....               | 369.65    | (25.78)  | 41.80    | 38.42  | 3.43    | (14.50) | 14.99    | 7.74     | (1.14)  | 45.32  |
| Cash & Bank Balance .....      | 108.39    | 0.76     | (203.73) | 43.81  | 151.07  | (18.05) | 25.09    | 15.45    | (65.31) | (1.03) |
| Loans & Advances, Others ..... | (2572.56) | 174.78   | 233.44   | 548.56 | 801.74  | 576.00  | (166.25) | (287.67) | 1.44    | 5.12   |
|                                | (2089.63) | (112.16) | 493.84   | 714.51 | 906.44  | 607.42  | (59.54)  | (149.03) | (69.76) | 85.89  |

**Less:****B) Current Liabilities & Provisions**

|                           |           |          |        |        |        |         |          |          |         |       |
|---------------------------|-----------|----------|--------|--------|--------|---------|----------|----------|---------|-------|
| Current Liabilities ..... | (2181.70) | (214.25) | 349.23 | 634.38 | 746.87 | 630.92  | (118.71) | (237.27) | (34.91) | 63.14 |
| Provisions .....          | 0.18      | (55.30)  | 10.90  | 49.39  | 0.28   | (16.09) | 13.74    | 0.52     | (17.48) | 30.95 |
|                           | (2181.52) | (269.55) | 360.13 | 683.77 | 747.15 | 614.83  | (104.97) | (236.75) | (52.39) | 94.09 |

**C) Working Capital (A - B) .....**

|  |       |        |        |       |        |        |       |       |         |        |
|--|-------|--------|--------|-------|--------|--------|-------|-------|---------|--------|
|  | 91.89 | 157.39 | 133.71 | 30.74 | 159.29 | (7.41) | 45.43 | 87.72 | (17.37) | (8.20) |
|--|-------|--------|--------|-------|--------|--------|-------|-------|---------|--------|

**What We Owe : (Rs. in Crores)**

|                              |         |         |         |         |         |        |        |        |        |        |
|------------------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|
| Share Capital .....          | 138.47  | 138.17  | 68.94   | 68.94   | 68.94   | 68.94  | 68.94  | 68.94  | 68.94  | 68.94  |
| Reserves & Surplus .....     | 999.43  | 1223.46 | 1209.73 | 1104.42 | 793.74  | 597.60 | 523.97 | 432.19 | 345.34 | 295.02 |
| Deferred Tax Liability ..... | 280.77  | Nil     | Nil     | Nil     | Nil     | Nil    | Nil    | Nil    | Nil    | Nil    |
| Net Worth .....              | 1418.67 | 1361.63 | 1278.67 | 1173.36 | 862.68  | 666.54 | 592.91 | 501.13 | 414.28 | 363.96 |
| Borrowings .....             | 913.20  | 881.96  | 807.39  | 434.77  | 301.49  | 307.83 | 283.21 | 309.78 | 260.21 | 172.05 |
| Total .....                  | 2331.87 | 2243.59 | 2086.06 | 1608.13 | 1164.17 | 974.37 | 876.12 | 810.91 | 674.49 | 536.01 |

**What We Own: (Rs. in Crores)**

|                                      |         |         |         |         |         |        |        |        |        |        |
|--------------------------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|
| Gross Fixed Assets .....             | 2150.11 | 2047.81 | 1942.76 | 1162.52 | 1080.81 | 995.50 | 875.02 | 841.80 | 509.94 | 441.53 |
| (upto 2000-01 including Capital WIP) |         |         |         |         |         |        |        |        |        |        |
| Less: Depreciation .....             | 711.66  | 601.29  | 496.96  | 434.58  | 383.73  | 335.26 | 291.31 | 241.52 | 212.02 | 189.82 |
| Net Fixed Assets .....               | 1438.45 | 1446.52 | 1445.80 | 727.94  | 697.08  | 660.24 | 583.71 | 600.28 | 297.92 | 251.71 |
| Project Work in Progress .....       | 51.66   | 84.53   | 85.16   | 459.82  | 78.61   | 77.06  | 47.93  | 11.57  | 272.63 | 162.99 |
| Investments .....                    | 46.31   | 8.98    | 8.93    | 2.07    | 0.92    | 8.80   | 8.80   | 8.80   | Nil    | Nil    |
| Net Current Assets .....             | 795.45  | 703.56  | 546.17  | 418.30  | 387.56  | 228.27 | 235.68 | 190.26 | 103.94 | 121.31 |
| Total .....                          | 2331.87 | 2243.59 | 2086.06 | 1608.13 | 1164.17 | 974.37 | 876.12 | 810.91 | 674.49 | 536.01 |

**PERFORMANCE AT A GLANCE**

2001-02 2000-01 1999-00 1998-99 1997-98 1996-97 1995-96 1994-95 1993-94 1992-93

**Income : (Rs. in Crores)**

|                                    |         |         |         |         |         |         |         |         |         |         |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales incl. Pool Receipts .....    | 6758.25 | 7135.75 | 5768.33 | 4170.91 | 4374.15 | 3917.75 | 3383.56 | 2173.18 | 2030.88 | 1811.54 |
| Products Consumed Internally ..... | 3.83    | 0.89    | 6.66    | 0.45    | 0.36    | 0.24    | 0.20    | 0.22    | 0.19    | 0.22    |
| ACC/(DEC) in Stock .....           | 70.46   | (24.59) | 139.58  | 39.93   | (8.27)  | 4.80    | (32.73) | 21.22   | 6.67    | 14.73   |
| Other Income .....                 | 34.94   | 103.16  | 93.64   | 95.62   | 37.32   | 15.85   | 16.04   | 10.42   | 6.47    | 15.68   |
|                                    | 6867.48 | 7215.21 | 6008.21 | 4306.91 | 4403.56 | 3938.64 | 3367.07 | 2205.04 | 2044.21 | 1842.17 |

**Expenditure : (Rs. in Crores)**

|                                         |         |         |         |         |         |         |         |         |         |         |
|-----------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crude Cost Incl. Detention Charges .... | 5285.43 | 6705.91 | 5409.77 | 3547.34 | 3874.46 | 3650.86 | 3042.72 | 1974.66 | 1824.58 | 1595.21 |
| Excise Duty .....                       | 957.11  | Nil     | Nil     | Nil     | Nil     | Nil     | Nil     | Nil     | Nil     | Nil     |
| Manpower Cost .....                     | 110.19  | 55.79   | 55.60   | 34.59   | 31.05   | 22.42   | 34.20   | 12.72   | 11.89   | 10.90   |
| Other Operating Cost .....              | 161.81  | 145.71  | 161.53  | 116.33  | 98.42   | 79.22   | 57.35   | 51.14   | 43.67   | 37.68   |
| Depreciation and Write Offs .....       | 119.00  | 95.41   | 59.61   | 62.07   | 65.75   | 45.07   | 50.05   | 30.82   | 22.27   | 29.33   |
| Interest .....                          | 114.79  | 109.93  | 38.78   | 50.35   | 41.97   | 32.61   | 42.43   | 25.42   | 15.24   | 15.44   |
| Prior Period Adj. ....                  | 0.57    | Nil     | (0.79)  | Nil     | Nil     | (0.47)  | (0.76)  | (1.51)  | (0.71)  | (0.01)  |
|                                         | 6748.90 | 7112.75 | 5724.50 | 3810.68 | 4111.65 | 3829.71 | 3225.99 | 2093.25 | 1916.94 | 1688.55 |
| Profit Before Tax .....                 | 118.58  | 102.46  | 283.71  | 496.23  | 291.91  | 108.93  | 141.08  | 111.79  | 127.27  | 153.62  |

**Contribution to Exchequer - Cash Basis : (Rs. in Crores)**

|                                           |         |         |         |         |         |         |        |        |        |        |
|-------------------------------------------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|
| Excise Duty .....                         | 922.81  | 910.60  | 935.74  | 604.04  | 548.82  | 477.17  | 326.56 | 260.43 | 184.86 | 200.38 |
| Customs Duty .....                        | 324.61  | 501.77  | 677.55  | 406.90  | 479.20  | 497.74  | 310.97 | 167.03 | 206.99 | 219.30 |
| Sales Tax                                 |         |         |         |         |         |         |        |        |        |        |
| CST .....                                 | 164.38  | 202.73  | 154.82  | 107.42  | 41.05   | 36.43   | 30.19  | 23.65  | 21.88  | 25.90  |
| KGST & others .....                       | 67.88   | 30.56   | 21.44   | 14.94   | 10.06   | 7.91    | 7.78   | 7.32   | 5.04   | 3.88   |
| Irrecoverable Taxes (Mainly Turnover Tax) | 116.41  | 129.45  | 119.90  | 98.27   | 68.96   | 49.17   | 44.73  | 31.16  | 28.85  | 27.23  |
| Income Tax .....                          | 12.22   | 55.98   | 101.32  | 114.89  | 76.54   | 32.36   | 19.36  | 8.14   | 77.13  | 41.50  |
| (Incl. Corporate Dividend Tax)            |         |         |         |         |         |         |        |        |        |        |
| Dividend .....                            | 1.47    | 42.28   | 41.44   | 13.26   | 11.60   | 11.60   | 10.78  | 10.78  | 9.95   | 8.70   |
| Interest (IBRD) .....                     | 0.06    | 0.12    | 0.32    | 0.69    | 1.06    | 1.44    | 1.81   | 2.18   | 2.55   | 2.93   |
| Total .....                               | 1609.84 | 1873.49 | 2052.53 | 1360.41 | 1237.29 | 1113.82 | 752.18 | 510.69 | 537.25 | 529.82 |
| Manpower (Nos.) .....                     | 2067    | 2062    | 2035    | 1825    | 1656    | 1593    | 1535   | 1400   | 1313   | 1285   |
| Value Added per Employee .....            | 28.94   | 23.44   | 30.58   | 43.47   | 30.13   | 16.79   | 21.13  | 16.25  | 16.40  | 18.19  |
| (Rs. in lakhs)                            |         |         |         |         |         |         |        |        |        |        |