



Success through  
streamlining systems & processes



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

*Chennai Petroleum Corporation Limited*

(A group company of IndianOil)

## **Success through streamlining systems & processes.**

CPCL has crossed many milestones. The company believes that to stay successful it must continue to grow. To further this objective, it is constantly evaluating new ideas and technologies. Efforts are being directed to dovetail human resources and technology to accelerate growth.

The Company is constantly focused on achieving cost reduction in each of its product streams. It has also been progressively greening its operations, giving nature a chance to flourish by commissioning 5.8 MGD desalination plant for self sufficiency in water and 17.6 MW windmill for power, running zero discharge effluent plant and sewage reclamation plant.

CPCL is not resting on its success. Instead it is spurred onwards to seek new heights.





# सुचारु प्रणालियों और प्रक्रियाओं के ज़रिए सफलता

## Success through Streamlining Systems & Processes

वा र्षि क प्र ति वे द न 2010 - 2011

ANNUAL REPORT 2010 - 2011

<i>Corporate Information</i> .....	☞	3
<i>Report to Shareholders</i> .....	☞	31
<i>Report of the Statutory Auditors</i> .....	☞	55
<i>Comments of CAG</i> .....	☞	61
<i>Financial Information</i> .....	☞	63
<i>E-Communication Registration Form</i> .....	☞	93
<i>ECS Mandate Format</i> .....	☞	94
<i>Proxy / Attendance Slip</i> .....	☞	95

### REGISTERED OFFICE

No.536, Anna Salai, Teynampet,  
Chennai - 600 018.

### REFINERIES

Manali Refinery, Manali,  
Chennai - 600 068.

Cauvery Basin Refinery  
Panangudi Village, Nagapattinam District,  
Tamil Nadu

**Website:** [www.cpcl.co.in](http://www.cpcl.co.in)

### PRINCIPAL BANKER

**State Bank of India**  
Corporate Accounts Group Branch  
Greens Road, Chennai - 600 006.

### COMPLIANCE OFFICER

Mr.M.Sankaranarayanan  
Company Secretary

### AUDITORS

M/s. M.Thomas & Co.  
Chartered Accountants,  
Plot No.G 11, Marina Square,  
No.27, Santhome High Road, Mylapore,  
Chennai 600 004.

### M/s.Sreedhar, Suresh & Rajagopalan

Chartered Accountants,  
3B, Green Haven, 26, III Main Road,  
Gandhi Nagar, Adyar, Chennai 600 020.

### COST AUDITORS

**M/s.J.V. Associates**  
Cost Accountants,  
Q-2 & 4, Lotus Colony,  
Nandanam, Chennai 600 035.

### PUBLIC INFORMATION OFFICER

Mr.S.Vaidyanathan  
Senior Manager (Corporate Communications)

### .. REGISTRARS & SHARE TRANSFER AGENTS ..

#### M/s. Karvy Computershare Private Limited

Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.  
G-1, Swathy Court, 22, Vijayaraghava Road, T.Nagar, Chennai - 600 017.  
33/1, Venkataraman Street, T. Nagar, Chennai - 600 017.

## **Vision**

To be the most admired Indian energy company through world class performance, creating value for stakeholders

## **Mission**

To manufacture and supply petro products at competitive prices & meeting the quality expectations of the customer

To pro-actively fulfill social commitments, including environment and safety

To constantly innovate new products and alternate fuels





To recognize Human Resources as the most valuable asset and foster a culture of participation for mutual growth

To ensure high standards of business ethics and corporate governance

To maximize growth, achieve national pre-eminence and maximize stakeholders wealth



## ***Corporate Information***

<i>Board of Directors</i> .....		4
<i>Executives</i> .....		5
<i>Notice</i> .....		6
<i>Corporate Governance</i> .....		11

## Board of Directors

· **Mr. R.S. Butola**

· *Chairman*

· **Mr. K. Balachandran**

· *Managing Director*

· **Mr. S. Venkataramana**

· *Director (Operations)*

· **Ms. D.Lilly**

· *Director (Finance)*

· **Mr. T.S. Ramachandran**

· *Director (Technical)*

· **Mr. B.N. Bankapur**

· *Director (Refineries)*

· *Indian Oil Corporation Limited*

· **Mr. P.K. Singh**

· *Director (R&A)*

· *Ministry of Petroleum & Natural Gas*

· **Mr. Mansoor Rad**

· *Director*

· *Naftiran Intertrade Company Limited*

· **Mr. M.H. Ghodsi**

· *Director*

· *Naftiran Intertrade Company Limited*

· **Mr. L. Sabaretnam**

· *Director*

· *Coromandel Sugars Limited*

· **Mr. Venkatraman Srinivasan**

· *Senior Partner*

· *V. Sankar Aiyar & Co.,*

· *Chartered Accountants*

· **Prof. M.S. Ananth**

· *Director*

· *Indian Institute of Technology (IIT)*

· *Chennai.*



## ***Executives***

·  
· **Mr. R. Balakrishnan**

· *Chief Vigilance Officer*  
·

· **Mr. R. Anand**

· *General Manager (Projects, Development and R&D)*  
·

· **Mr. V. Srinivasan**

· *General Manager (Corp.Planning)*  
·

· **Mr. N.K. Rajamani**

· *General Manager (Technical)*  
·

· **Mr. N.V. Kalaivanan**

· *General Manager (Cauvery Basin Refinery)*  
·

· **Mr. K. Sankar**

· *General Manager (Maintenance)*  
·

· **Mr. R. Chidambaram**

· *General Manager (Services)*  
·

· **Mr. A. Paul Christudass**

· *General Manager (Finance)*  
·

· **Mr. S. Asokan**

· *General Manager (Human Resources)*  
·

· **Mr. S. Visveswaran**

· *General Manager (Operations)*  
·

· **Mr. M. Sankaranarayanan**

· *Company Secretary*

## NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held at 2.30 P.M on Monday the 12<sup>th</sup> September, 2011 at Kamaraj Arangam, 492, Anna Salai, Teynampet, 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 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 and the Audited Balance Sheet as at 31<sup>st</sup> March 2011, together with the Directors Report and the Auditors' Report.
2. To declare dividend.
3. To appoint a Director in place of Mr.L.Sabaretnam, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESSES:

4. APPOINTMENT OF Mr.P.K.SINGH AS A DIRECTOR  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr.P.K.Singh be and is hereby appointed as a Director of the Company."
5. APPOINTMENT OF Mr.S.VENKATARAMANA AS A DIRECTOR  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr.S.Venkataramana be and is hereby appointed as a Director of the Company."
6. APPOINTMENT OF Mr.R.S.BUTOLA AS A DIRECTOR  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr.R.S.Butola be and is hereby appointed as a Director of the Company."
7. APPOINTMENT OF Ms.D.LILLY AS A DIRECTOR  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that Ms.D.Lilly be and is hereby appointed as a Director of the Company."
8. APPOINTMENT OF Mr.T.S.RAMACHANDRAN AS A DIRECTOR  
To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr.T.S. Ramachandran be and is hereby appointed as a Director of the Company"
9. AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE COMPANY  
To consider and, if thought fit, to pass, with or without modification, 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 101 of the Articles of Association of the Company be and is hereby amended by deleting the words "*for a period of one (1) year at a time.*"

Date : 05.08.2011  
Place : Chennai

By order of the Board  
**M. SANKARANARAYANAN**  
*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. The proxy need not be a member of the Company.
3. The instrument of 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. Members, who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of Annual General Meeting.
6. An explanatory statement pursuant to Section 173 (2) of The Companies Act, 1956 in respect of Resolutions set out under “Special Businesses” of the Notice is annexed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 01.09.2011 to 12.09.2011 (both days inclusive).
8. Members are requested to immediately intimate any change in their addresses registered with the Company.
9. Members are informed that the Company is extending the Electronic Clearing Service (ECS) facility to enable them receive their Dividend through electronic mode to their bank account. In order to avail the ECS facility, the Members are requested to fill, sign and send the ECS mandate form, which forms part of this Annual Report, alongwith a photocopy of the cheque issued by the Bank for verifying the accuracy of the MICR Code Number, to:
  - (a) M/s.Karvy Computershare Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 (in case of Members holding Shares in physical mode).
  - (b) The Depository Participants concerned (in case of Members holding shares in electronic mode / dematerialised form).
10. Securities and Exchange Board of India (SEBI), has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in Electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form are requested to submit their PAN details to M/s.Karvy Computershare Private Limited, the share transfer agents of the Company.
11. The shares of the Company are compulsorily traded in dematerialised form and therefore, the shareholders are requested to dematerialise their shares to facilitate trading in CPCL shares.
12. As per the provisions of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Nomination form can be downloaded from the website of the company at [www.cpcl.co.in](http://www.cpcl.co.in). Shareholders holding shares in demat form may contact their Depository Participant for nomination.
13. The Board of Directors have recommended a Dividend of 120% on the Paid up Share Capital of the Company for the year 2010-2011 representing ₹. 12/- per equity share. 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 12<sup>th</sup> September, 2011 and in respect of electronic shares, to those members, whose names appear in the Beneficiary List to be furnished by the depositories to the Company for this purpose.
14. A brief Resume of the Directors of Company, seeking appointment / re-appointment at this Annual General Meeting, and their expertise in specific functional areas, is given as part of the Notice of 45<sup>th</sup> Annual General Meeting.
15. Inspection of Documents: The relevant documents are available for inspection by the members at the Registered Office of Company at any time during the working hours till the date of meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

**Item No. 4**

Mr.P.K.Singh was appointed as an Additional Director with effect from 06.09.2010. As per the provisions of Section 260 of the Companies Act, 1956, Mr.P.K.Singh will hold office only upto the date of the 45<sup>th</sup> Annual General Meeting of the Company.

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

**Memorandum of Interest:**

None of the Directors are interested in the resolution except Mr.P.K.Singh.

**Item No. 5**

Mr.S.Venkataramana was appointed as an Additional Director with effect from 03.10.2010. As per the provisions of Section 260 of the Companies Act, 1956, Mr.S.Venkataramana will hold office only upto the date of the 45<sup>th</sup> Annual General Meeting of the Company.

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

**Memorandum of Interest:**

None of the Directors are interested in the resolution except Mr.S.Venkataramana.

**Item No. 6**

Mr.R.S.Butola was appointed as an Additional Director with effect from 08.03.2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr.R.S.Butola will hold office only upto the date of the 45<sup>th</sup> Annual General Meeting of the Company.

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

**Memorandum of Interest:**

None of the Directors are interested in the resolution except Mr.R.S.Butola.

**Item No. 7**

Ms.D.Lilly was appointed as an Additional Director with effect from 01.06.2011. As per the provisions of Section 260 of the Companies Act, 1956, Ms.D.Lilly will hold office only upto the date of the 45<sup>th</sup> Annual General Meeting of the Company.

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

**Memorandum of Interest:**

None of the Directors are interested in the resolution except Ms.D.Lilly.

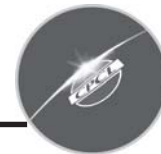
**Item No. 8**

Mr.T.S.Ramachandran was appointed as an Additional Director with effect from 26.07.2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr.T.S.Ramachandran will hold office only upto the date of the 45<sup>th</sup> Annual General Meeting of the Company.

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

**Memorandum of Interest:**

None of the Directors are interested in the resolution except Mr.T.S.Ramachandran.



## Item No. 9

Presently, as per Article 101 of the Articles of Association of the Company, the Chairman of the Board of Directors of the Company will be appointed from time to time by the President of India for a period of one (1) year at a time. If at any meeting of the Board, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their numbers to be the Chairman of the meeting.

To remove the restriction on the periodicity of appointment of the Chairman of the Board of Directors of the Company by the President of India, by deleting the words “for a period of One (1) year at a time” appearing in Article 101, the Articles of Association of the Company needs to be amended with the approval of the Shareholders in a General Meeting by way of a Special Resolution. Hence the present Resolution.

### Memorandum of Interest:

None of the Directors are interested in the resolution except Mr.R.S.Butola.

### BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 45<sup>TH</sup> ANNUAL GENERAL MEETING

1. Mr.L.Sabaretnam, born on 19.06.1940, was appointed on the Board effective 28.02.2002. He is a Post Graduate in Business Administration from the University of Madras.

Mr.L.Sabaretnam is the Director of Coromandel Sugars Limited, Trinetra Cement Ltd., Pacific Datalabs Pvt. Ltd. and Biosynth Life Sciences India Limited. He is the Chairman & Director of Oriental Solutions Private Limited. He is the Advisor of India Cements Limited and Trustee of T.S.Narayanaswamy College of Arts and Science and SABA Foundation. He is also member of various business associations and social bodies.

Mr.L.Sabaretnam is the Chairman of the Audit Committee, Shareholders / Investors Grievance Committee, Project Committee, Remuneration Committee and Committee on Corporate Social Responsibility in CPCL.

He is holding 35 shares in the Company.

2. Mr.P.K.Singh, born on 20.06.1970, was appointed on the Board effective 06.09.2010. He holds a B.Tech degree in Electrical Engineering from Indian Institute of Technology, Delhi. He belongs to the 1993 batch of Indian Administrative Service.

Mr. P.K. Singh is presently the Director (Refinery & Administration) in the Ministry of Petroleum and Natural Gas. He has more than 17 years of experience in different departments of Government of Manipur like Land Revenue Management, District Divisional Administration, Tourism, Personnel & General Administration, Heavy Industries, etc.

Mr. P.K. Singh is not holding any shares in the company.

3. Mr.S.Venkataramana, born on 05.06.1957, was appointed on the Board as Director (Operations) effective 03.10.2010. He holds a M.Tech Degree in Chemical Engineering and a Masters Degree in Business Administration. He has 24 years of experience in CPCL in various capacities. Prior to joining CPCL, he was with Hindustan Petroleum Corporation Limited, Mumbai as Engineer (Production).

Mr.S.Venkataramana is a Director in Indian Additives Limited (IAL) and National Aromatics and Petrochemicals Corporation Limited. In CPCL, he is a member of Shareholders' / Investors' Grievance Committee, Project Committee, Remuneration Committee and Committee on Corporate Social Responsibility. He is also a member of Audit Committee in IAL.

Mr.S.Venkataramana is holding 200 shares in the company.

4. Mr.R.S.Butola, born on 05.05.1954, was appointed as a Director on the Board of CPCL effective 08.03.2011. He holds an MBA degree from the Faculty of Management Studies, Delhi and is a Certified Associate of the Indian Institute of Bankers (CAIIB). He has about 3 decades of experience out of which two decades are in the hydrocarbon industry. He has shouldered various responsibilities, prominent among which are the appraisal and evaluation of the Mumbai High Redevelopment Scheme as well as the implementation of ONGC's first

ERP. He was instrumental in negotiating and executing the first Crude Oil Sales Agreement with refineries upon dismantling of the erstwhile Administered Pricing Regime.

Mr.R.S.Butola is the Chairman of Indian Oil Corporation Limited and IOT Infrastructure and Energy Services Limited.

Mr.R.S.Butola is not holding any shares in the company.

5. Ms.D.Lilly, born on 04.07.1953, was appointed on the Board of CPCL as Director (Finance) effective 01.06.2011. She is an Associate Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost & Works Accountants of India. She also holds a Law Degree. Prior to her appointment as Director (Finance) in CPCL, she was Executive Director (Pricing & Taxation), Indian Oil Corporation Ltd. She has held various positions in Finance at different units, Head Office and Corporate Office of IOC and has acquired wide experience in the areas of Financial Management, Investment Appraisal and Pricing & Taxation.

Ms.D.Lilly is a Director in Indian Additives Limited and National Aromatics and Petrochemicals Corporation Limited. In CPCL she is a member of Shareholders / Investors Grievance Committee, Project Committee, Remuneration Committee and Committee on Corporate Social Responsibility. She is a member of the Audit Committee in Indian Additives Limited.

Ms. D. Lilly is not holding any shares in the company.

6. Mr.T.S.Ramachandran, born on 25.11.1954, was appointed on the Board of CPCL as Director (Technical) effective 26.07.2011. He is a First Class Honours Graduate in Electrical Engineering from the University of Calicut. Prior to his appointment as Director (Technical) in CPCL, he was General Manager, Indian Oil Corporation Limited. He has more than three decades of experience in Indian Oil at Refineries Head Quarters, New Delhi and various Refineries at Gujarat, Guwahati and Mathura and across a wide spectrum of functions including Projects, Engineering Services, Contracts Management, Power and utilities, etc.

Mr.T.S.Ramachandran is not holding any shares in the company.

Date : 05.08.2011

Place : Chennai

By order of the Board  
**M. SANKARANARAYANAN**  
**Company Secretary**



## **REPORT ON CORPORATE GOVERNANCE: 2010-11**

### **1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is a set of rules, systems and practices to ensure that the affairs of the Company are being managed in a way which ensures transparency, accountability and fairness in all its business transactions and also meeting the stakeholders' aspirations and societal expectations.

Your Company's Corporate Governance practices permeates beyond compliances, adherence to regulatory framework, financial prudence, transparent processes and reporting systems. The Corporate governance in the Company has been strengthened by formulating and adopting various codes and policies like Code of Conduct for Board Members and Senior Management Personnel, Insider Trading Code and Whistle-Blower Policy.

Your Company firmly believes that good governance practices stem from the culture and mindset of the organizations and accordingly fosters a culture, wherein high standards of ethical behaviour, accountability and transparency are ingrained in all its operations and shared by its Board of Directors, Management and Employees.

Corporate Governance has been included as one of the parameters for evaluation of Memorandum of Understanding entered into by your Company with Indian Oil Corporation Ltd., the holding Company for the year 2011-12, with specific reference to quarterly / annual compliance of Companies Act / Listing Agreement, Redressal of Investor Grievances, Alignment of Risk Management Systems with Corporate and Operational Objectives and timely submission of data relating to Public Enterprises Survey to the Department of Public Enterprises.

### **2.0 GOVERNANCE STRUCTURE**

The Governance mechanism in the Company is monitored by the following bodies :

#### **2.1 BOARD OF DIRECTORS**

The Board of Directors constantly endeavours to set goals and targets which are aligned to the Company's vision and mission. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of all the stakeholders are fully served. The decisions of the Board Meetings are taken in an informed and efficient manner.

#### **2.2 EXECUTIVE COMMITTEE**

The Executive Committee of the Company comprises of Managing Director, Director (Finance), Director (Technical), Director (Operations), Chief Vigilance Officer and Company Secretary. Executive Committee primarily focuses on the review of various important managerial and inter-departmental issues which require collective attention. During the year 2010-11, 22 meetings were held.

#### **2.3 MANAGEMENT COMMITTEE**

Managing Director, Functional Directors, General Managers and Heads of Department form the Management Committee Team. The Management Committee provides a platform for discussing issues faced by different departments. The Functional Directors share the highlights pertaining to their functional area and also the problems which require inter-departmental attention. The action taken report in respect of the decisions taken in the previous meetings are also reviewed periodically.

## **2.4 ROLE OF COMPANY SECRETARY IN THE OVERALL GOVERNANCE STRUCTURE**

The Company Secretary plays a key role to ensure that the Board procedures are followed and all relevant information, details and documents are furnished to the Directors in time. The Company Secretary, as the Compliance Officer, also ensures that the Company complies with all the applicable statutory requirements. All important agreements are executed after vetting by the Company Secretary.

## **3.0 BOARD OF DIRECTORS**

3.1 The Board of Directors of the Company has an appropriate blend of Executive and Non-Executive Directors. The Managing Director and the Functional Directors manage the day-to-day affairs of the Company under the overall supervision, control and guidance of the Board.

3.2 As on 31.03.2011, CPCL Board comprises of the following categories of Directors:

3.2.1 One Non-Executive Chairman, who is the Chairman of Indian Oil Corporation Limited (the Holding Company).

3.2.2 Managing Director

3.2.3 Three whole-time Functional Directors, viz., Director (Operations), Director (Finance) and Director (Technical).

3.2.4 Director (Refineries) of Indian Oil Corporation Limited, representing holding company.

3.2.5 One Government Director representing the administrative ministry, i.e. Ministry of Petroleum and Natural Gas.

3.2.6 Two Directors nominated by Naftiran Intertrade Company Limited, an affiliate of National Iranian Oil Company, one of the co-promoters, in terms of the Formation Agreement.

3.2.7 Three non-functional part-time Directors.

3.3.1 Out of the total number of twelve Directors as on 31.3.2011, eight Directors were Non-Executive Directors. Thus, the Company meets the requirement of the number of Non-Executive Directors being not less than 50% of the Board of Directors of the Company as prescribed by SEBI under Clause 49 of the Listing Agreement.

3.3.2 As per the amendment to Clause 49 of the Listing Agreement, introduced by SEBI vide Circular dated 08.04.2008, if the non-executive Chairman is a Promoter of the Company or is related to any promoter or person occupying Management positions at the Board level or at one level below the Board, atleast one-half of the Board of the Company shall consist of Independent Directors. Since, the Company has a non-executive Chairman who is on the Board of Indian Oil Corporation Limited, the Company needs to have six Independent Directors.

Presently, the Company has three Independent Directors. The appointment of additional Independent Directors is under the consideration of Government of India.



### 3.4 Conduct of Board Meetings

The date of the Board Meetings are tentatively fixed at the time of conclusion of the previous Board Meeting in consultation with the Chairman so as to enable the Directors to plan their schedule accordingly. The agenda proposals are circulated to the Directors after obtaining the clearance of the concerned Functional Director and also after the approval of Indian Oil Corporation Limited, the holding Company. The Agenda proposals are comprehensive and informative in nature to facilitate deliberations and appropriate decisions in the Meeting.

In order to facilitate effective deliberation, approval of proposals by way of Circular Resolution is normally avoided, except in cases of emergencies.

### 3.5 Information placed before the Board

The information placed before the Board for consideration and approval, inter-alia, includes the following :

Items	Periodicity
Award of contracts on nomination basis	Quarterly
Fund allocation for CSR activities	Yearly
Report on Share Transfers, Transmissions, etc.	Monthly
Secretarial Audit Report	Yearly
Report on SC / ST / OBC and recruitment of minorities	Yearly

### 3.6 Seven Board Meetings were held during the year 2010-11 on the following dates:

Board Meeting No.	Board Meeting Date
268	18.05.2010
269	28.07.2010
270	06.09.2010
271	22.10.2010
272	30.12.2010
273	24.01.2011
274	23.03.2011

3.7 Details relating to the following are given below :

- (a) Attendance of Directors at the Board Meetings held during the financial year 2010-11 and at the last Annual General Meeting held on 06.09.2010.
- (b) Number of other directorships, and
- (c) Number of memberships / chairmanships held by the Directors in the committees of various companies

Name of the Directors	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM?	Other Directorships	Committee Memberships	Committee Chairmanships
Mr.B.M. Bansal (Upto 31.01.2011)	6	6	Yes	4	-	-
Mr. R.S. Butola (from 08.03.2011)	1	1	NA	2	-	-
Mr. K. Balachandran	7	7	Yes	2	-	-
Mr.N.C.Sridharan	7	7	Yes	2	5	-
Mr. S. Chandrasekaran	7	7	Yes	2	3	-
Mr. S. Venkataramana (from 03.10.2010)	4	4	NA	-	4	-
Mr.V.C.Agrawal (Upto 31.07.2010)	2	2	NA	1	4	-
Mr. B.N. Bankapur (from 06.09.2010)	5	4	Yes	3	6	1
Mr.L.Sabaretnam	7	7	Yes	6	-	5
Mr. Venkatraman Srinivasan	7	7	Yes	4	5	2
Prof. M.S. Ananth	7	2	No	4	2	-
Mr. P.K. Singh (from 06.09.2010)	5	3	Yes	1	-	-
Mr. Mansoor Rad or his alternate Director	7	6	Yes	1	2	-
Mr.Mohammad Hassan Ghodsi or his alternate Director	7	5	Yes	1	2	-

#### 4.0 COMMITTEES OF THE BOARD

- 4.1 The Board has constituted three mandatory Committees, viz., Audit Committee, Shareholders'/ Investors' Grievance Committee, Remuneration Committee and two non-mandatory Committees, viz., Project Committee and Committee on Corporate Social Responsibility.
- 4.2 The minutes of the above Committee Meetings are circulated to the members after approval by the Chairman of the Committee and also placed before the Committee and Board in subsequent Meetings for taking on record.





#### **4.3 AUDIT COMMITTEE**

##### **4.3.1 Composition of the Committee as on 31.3.2011:-**

1. Mr.L.Sabaretnam, Independent Director – Chairman.
2. Mr. Venkatraman Srinivasan, Independent Director – Member
3. Prof. M.S. Ananth, Independent Director – Member
4. Mr.Mansoor Rad, Director – Member

##### **4.3.2 Terms and reference of the Audit Committee:-**

The Audit Committee has been vested with the following powers and functions:

##### **4.3.3 POWERS**

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To have full access to information contained in the records of the company and external professional advice, if necessary.

##### **4.3.4 FUNCTIONS**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including annual plan for internal audit, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
13. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

4.3.5 The details of Audit Committee Meetings held during the Financial Year 2010-11 and the Members present are given below:

Members Present	Date of the Meeting						
	17.5.2010	27.7.2010	6.9.2010	20.10.2010	30.12.2010	21.1.2011	21.3.2011
Mr.L.Sabaretnam	✓	✓	✓	✓	✓	✓	✓
Mr. Venkatraman Srinivasan	✓	✓	✓	✓	✓	✓	✓
Prof. M.S. Ananth	LoA	✓	LoA	LoA	✓	LoA	LoA
Mr. Mansoor Rad or his Alternate Director	✓	✓	✓	LoA	✓	LoA	LoA

Note : LoA denotes Leave of Absence

#### 4.4 REMUNERATION COMMITTEE

4.4.1 The Board of Directors of the Company at the 262<sup>nd</sup> Meeting held on 27.07.2009 constituted a Remuneration Committee, in line with the DPE Guidelines dated 26.11.2008.

##### 4.4.2 Composition of the Committee

The Remuneration Committee comprises of the following members :

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. Venkatraman Srinivasan, Independent Director – Member
3. Mr. B.N. Bankapur, Director – Member
4. Mr. N.C. Sridharan, Director (Finance) – Member
5. Mr. S.Venkataramana, Director (Operations) – Member

Note :

Mr. N.C. Sridharan was a member of the Committee till 31.05.2011. Ms.D.Lilly, Director (Finance) has been inducted as a member of the Committee from 01.06.2011.



#### 4.4.3 Terms of Reference

The Remuneration Committee will decide the Annual Bonus / Variable Pay pool and policy for its distribution across the Executives and non-unionised supervisors, within the prescribed limits and also other matters that may be referred by the Board.

#### 4.4.4 The details of Remuneration Committee Meetings held during the financial year 2010-11 and the members present are given below :

Members Present	Date of the Meeting	
	22.10.2010	23.03.2011
Mr.L.Sabaretnam	✓	✓
Mr. B.N. Bankapur	✓	✓
Mr. Venkatraman Srinivasan	✓	✓
Mr. N.C. Sridharan	✓	✓
Mr. S. Venkataramana	✓	✓

#### 4.4.5 The details of Remuneration paid to all the Functional Directors are given below:

The remuneration of the whole time Functional Directors include basic salary, allowances and perquisites as determined by the Government of India. Also, they are entitled to provident fund and superannuation contributions as per the rules of the Company.

The gross value of the fixed component of the remuneration, as explained above, paid to the whole time functional Directors, during the financial year 2010-11 is given below:

( ₹. in Lakhs)

Name of the Director	Salaries & Allowances	Contribution to Provident Fund	Contribution to Superannuation Fund and Gratuity	Other Benefits	Total
Mr. K. Balachandran Managing Director	32.60	1.51	1.51	1.06	<b>36.68</b>
Mr. N.C. Sridharan Director (Finance)	30.52	1.46	1.46	--	<b>33.44</b>
Mr. S. Chandrasekaran Director (Technical)	41.77	1.45	1.44	--	<b>44.66</b>
Mr. S. Venkataramana Director (Operations) (Refer Note I)	7.33	0.74	0.74	--	<b>8.81</b>

Note 1 : Mr. S. Venkataramana has been appointed as Director (Operations) effective 03.10.2010.

#### 4.4.6 The whole time functional Directors are appointed for a period of five years or upto the date of superannuation, whichever event occurs earlier.

**4.4.7 Criteria for payment to Non-executive Directors :**

As per Article 90 A of the Articles of Association of the Company, 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 Board of Directors or any Committee thereof, shall be fixed by the Board of Directors of the Company from time to time.

The amount of sitting fees for attendance at the meetings of the Board and its Committees is ₹.15,000/-.

**4.4.8 The details of the sitting fees paid to non-executive Directors during 2010-11 are given below:**

Mr.L.Sabaretnam	- ₹. 3,45,000/-
Mr. Venkatraman Srinivasan	- ₹. 2,40,000/-
Prof. M.S. Ananth	- ₹. 60,000/-

**4.4.9 Shares held by Non-executive Directors:**

Mr. L. Sabaretnam	- 35 shares
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**4.5 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

**4.5.1 Composition of the Committee as on 31.3.2011:-**

1. Mr.L.Sabaretnam, Director, Coromandel Sugars Limited
2. Mr.N.C.Sridharan, Director (Finance) - (Refer Note 1)
3. Mr.S. Chandrasekaran, Director (Technical) - (Refer Note 2)
4. Mr.M.H. Ghodsi, Director, Naftiran Intertrade Company Ltd.

Mr.L.Sabaretnam, a Non-Executive Director is the Chairman of the Committee.

Note :

- 1) Mr. N.C. Sridharan, Director (Finance) ceased to be a member as he has retired from the services of the Company on attaining the age of superannuation on 31.05.2011 and Ms.D.Lilly, Director (Finance) became a member of the Committee effective 01.06.2011.
- 2) Mr. S. Chandrasekaran, Director (Technical) ceased to be a member effective 11.05.2011 as he was relieved from the services of the Company consequent to his resignation. Mr. K. Balachandran was holding the additional charge of the post of Director (Technical) and was a member of the Committee till 25.07.2011.
- 3) Mr.T.S.Ramachandran, General Manager, IOCL, has been appointed as Director (Technical) effective 26.07.2011 and is a member of the Committee since 26.07.2011.

**4.5.2 Terms of Reference**

To specifically look into the Redressal of Shareholders and Investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of Dividends, etc.

**4.5.3 The details of Shareholders' / Investors' Grievance Committee Meetings held during the Financial Year 2010-11 and Members present are given below:**

Members Present	Date of the Meeting	
	20.10.2010	21.03.2011
Mr.L.Sabaretnam	✓	✓
Mr. N.C. Sridharan	LoA	✓
Mr. S. Chandrasekaran	✓	✓
Mr. Mohammad Hassan Ghodsi	✓	LoA

Note : LoA denotes Leave of Absence



#### 4.5.4 Name and designation of Compliance Officer:-

Mr.M.Sankaranarayanan, Company Secretary or in his absence Mr.P.Shankar, Deputy Secretary.

#### 4.5.5 Number of shareholders' complaints received during the year 2010-11 and Number of pending complaints for the period from 01.04.2010 to 31.03.2011 are given below:

Sl. No.	Nature of complaints	Opening Balance as on 1.4.2010	Received during the Financial year 2010-11	Total	Solved during the Financial year 2010-11	Pending as on 31.03.2011
1	Non-receipt of dividend warrants	0	544	544	544	--
2	Non-receipt of refund orders	0	10	10	10	--
3	Non-receipt of share certificates / new certificates	0	88	88	88	--
4	Non-receipt of share certificates sent for transfer	0	30	30	30	--
5	Non-receipt of stickers against payment of allotment / call money	0	17	17	17	--
6	Non receipt of Annual Reports	0	29	29	29	--
7	Non-receipt of Duplicate Share Certificates	0	16	16	16	--
	<b>Total</b>	<b>0</b>	<b>734</b>	<b>734</b>	<b>734</b>	<b>--</b>

#### 4.6 PROJECT COMMITTEE

##### 4.6.1 The Composition of Project Committee as on 31.03.2011 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. B.N. Bankapur, Member
3. Mr. N.C. Sridharan, Member
4. Director (Technical) or Director (Operations), depending upon the Proposal considered

Note :

Mr. V.C. Agrawal was a member of Committee till 31.07.2010.

Mr. B.N. Bankapur, Director (Refineries), Indian Oil Corporation Limited has been inducted as a member effective 30.08.2010.

Ms.D. Lilly, Director (Finance) has been inducted as a member in place of Mr.N.C.Sridharan effective 01.06.2011.

The quorum for the Committee's proceedings shall be a minimum of three members including one Director nominated by Indian Oil Corporation Limited and Director (Finance).

##### 4.6.2 Terms of Reference

- (a) To approve Capital investment upto ₹. 100 crore and pre-feasibility expenses upto ₹. 20 crore.
- (b) To recommend Investment approval beyond ₹. 100 crore to the Board of CPCL for consideration.

4.6.3 The details of Project Committee Meetings held during the Financial Year 2010-11 alongwith the Members present are given below:

Members Present	Date of the Meeting	
	22.10.2010	14.03.2011
Mr.L.Sabaretnam	✓	✓
Mr. B.N. Bankapur	✓	✓
Mr. N.C. Sridharan	✓	✓
Mr. S. Chandrasekaran	✓	✓

#### **4.7 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY**

4.7.1 The Composition of Committee on Corporate Social Responsibility as on 31.03.2011 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. N.C. Sridharan, Director (Finance)
3. Mr. S. Chandrasekaran, Director (Technical)
4. Mr. S. Venkataramana, Director (Operations)

Note :

1. Mr. N.C. Sridharan was a member of the Committee till 31.05.2011.
2. Mr. S. Chandrasekaran was a member of the Committee till 11.05.2011.
3. Ms. D. Lilly, Director (Finance) is a member of the Committee from 1.6.2011.
4. Mr.T.S. Ramachandran, Director (Technical) is a member of the Committee from 26.07.2011.

4.7.2 Terms of Reference

- To offer guidance / suggestions for improvement in CSR activities.
- To monitor the progress of the CSR Activities on a quarterly basis.

4.7.3 The details of CSR Committee Meetings held during the Financial Year 2010-11 alongwith the Members present are given below:

Members Present	Date of the Meeting		
	19.07.2010	20.10.2010	21.03.2011
Mr.L.Sabaretnam	✓	✓	✓
Mr. N.C. Sridharan	✓	LoA	✓
Mr. S. Chandrasekaran	✓	✓	✓
Mr. K. Balachandran	✓	NA	NA
Mr. S. Venkataramana	NA	✓	✓

Note : LoA denotes Leave of Absence

NA denotes Not Applicable



## 5.0 COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE

### 5.1 Compliance of Applicable Laws

As per Clause 49 I (C) (iii), the Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

Accordingly, a system had been developed and institutionalized to ensure compliance with all laws applicable to the Company.

The Board reviewed the Compliance Report of all laws applicable to the Company for the period 01.10.2009 to 30.09.2010 at the 271<sup>st</sup> Board Meeting held on 22.10.2010.

### 5.2 Risk Assessment and Minimisation Procedures

As per Clause 49 IV (C), the Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Accordingly, a system had been developed and procedures have been laid down on risk assessment and minimization.

The details of reports under the Risk Assessment and Minimisation procedures were reviewed by the Board at its 273<sup>rd</sup> Meeting held on 24.01.2011.

### 5.3 Internal Control Systems - CEO / CFO Certification

As per Clause 49 V, the CEO / CFO of the Company shall certify to the Board regarding the effectiveness of the internal control systems for financial reporting.

Systems have been developed to review the internal controls and to institutionalize the system of internal controls in the Company to enable the Managing Director and Director (Finance) certify to Board regarding the effectiveness of Internal Control System for financial reporting.

The required certification from the Managing Director and Director (Finance) being the CEO and CFO respectively was obtained and placed before the 52<sup>nd</sup> Audit Committee Meeting held on 22.05.2011 and also placed before the Board of Directors at the 275<sup>th</sup> meeting held on 24.05.2011.

### 5.4 Code of Conduct for Board Members and other Senior Management Personnel

As required under Clause 49 I (D) (ii) of the Listing Agreement, a declaration signed by the Managing Director of the Company that all the Board Members and Senior Management personnel have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31.03.2011 is placed below:

"This is to declare that all the Board Members and Senior Management Personnel of the Company have furnished the Annual Compliance Report affirming that they have fully complied with the provisions of the Code of Conduct for the Board Members and the Senior Management Personnel of the Company during the Financial Year ended 31.3.2011 and the same was informed to the Board at the 275<sup>th</sup> Meeting held on 24.05.2011".

Place : Chennai

Date : 24.05.2011

**K. BALACHANDRAN**

*Managing Director*

**5.5 Code of Conduct for prevention of Insider Trading in dealing with the Securities of CPCL**

Your Company has a Code of Conduct for prevention of Insider Trading in dealing with the securities of CPCL which prohibits purchase / sale of shares of the Company by the designated employees and Directors while in possession of unpublished price sensitive information in relation to the Company. The Board of Directors of the Company at the 260<sup>th</sup> Meeting held on 24.03.2009 approved the revised Code pursuant to the amendments made by SEBI to the SEBI (Prohibition of Insider Trading) Regulations, 1992. The revised Code is available in the Intra-net of the Company.

**5.6 Compliance Certificate**

Department of Public Enterprises (DPE) has issued Corporate Governance guidelines applicable for Central Public Sector Enterprises, which has been made mandatory effective May 2010.

CPCL has complied with the mandatory requirement of the guidelines on Corporate Governance issued by SEBI and DPE except the requirement relating to minimum number of Independent Directors which is less than half of the total strength of the Board. The Company has taken up the issue with the appointing authority, viz., Government of India. The appointment of additional Independent Directors is under the consideration of Government of India.

Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance requires every listed Company to obtain a certificate from either the Auditors of the Company or a Practicing Company Secretary regarding compliance of conditions of Corporate Governance and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate to this effect from the Auditors of the Company as required under the Clause 49 and DPE Guidelines and the Certificates are given as annexures to the Directors' Report.

**6.0 COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

**(i) Training to Directors**

Training to Directors in the area of Corporate Governance is always given utmost importance by Management. The new Directors are nominated for relevant training programmes. The existing directors are also sponsored for appropriate training.

**(ii) Evaluation of performance of Non-Executive Directors**

CPCL, being a Government Company, the performance of the Board of Directors as a whole including Non-Executive Directors are reviewed by Government of India / Indian Oil Corporation Limited at the time of evaluation of Memorandum of Understanding entered into by CPCL with IOC, the holding Company and also while reviewing the Quarterly performance of the Company by the Ministry of Petroleum and Natural Gas.

**(iii) Whistle-Blower Policy**

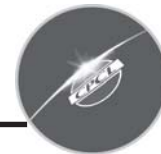
The Board of Directors of the Company at the 260<sup>th</sup> Meeting held on 24.03.2009, accorded approval for the implementation of the Whistle Blower Policy in the Company. A copy of the Whistle Blower Policy is displayed in the Intra-net of the Company.

The Policy provides for the employees to report any improper activity resulting in violation of rules, laws, regulations or code of conduct by any of the employees to the competent authority or the Chairman of the Audit Committee. During the year, no complaint has been received under the Whistle-Blower Policy.

**(iv) Half-Yearly Financial Results**

Presently, the half-yearly financial results and the significant events are displayed in the website of the Company for the information of the shareholders.





## 7.0 DISCLOSURES

The following are the disclosures as required under Clause 49 of the Listing Agreement, DPE Guidelines on Corporate Governance and Voluntary Guidelines on Corporate Governance issued by the Ministry of Corporate Affairs :

### 7.1 Materially significant Related Party Transactions

Necessary disclosures have been made under the Accounting Standards 18 relating to the Related Party transactions forming part of the Accounts for the year 2010-11.

### 7.2 Details of Non-Compliance during last three years

There were no cases of Non-compliance by the Company and no penalties / strictures were enforced on the Company by Stock Exchange / SEBI / any statutory authority, on any matter related to capital markets during the last three years.

### 7.3 Accounting Aspects

- In the preparation of financial statement for the year 2010-11, the Company has not adopted an accounting treatment which is different from that prescribed in the Accounting Standard, in respect of any transaction.
- The Company has not incurred any expenditure not for the purpose of business during the year 2010-11.
- The Company has not incurred any expense which are personal in nature for the Board of Directors and key management personnel.
- The administrative and office expenses as a percentage of total expenses is 0.27% as compared to the previous year figure of 0.39%.

### 7.4 Directors

- The Directors on the Board of CPCL are not related to each other.
- The letters issued to Non-Executive Directors on their appointment are displayed in the website of the Company.

### 7.5 Presidential Directives

The Company has been meticulously following the presidential directives and other guidelines issued by the Ministry of Petroleum and Natural Gas and the Department of Public Enterprises from time to time regarding reservation in services for SC / ST / OBC and Physically Challenged.

### 7.6 Nomination Committee

As per the voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs, the Company may have a Nomination Committee for evaluating and recommending Executive Directors, Independent Directors and Non-Executive Directors and the work done by the Committee is to be published in the Annual Report.

CPCL is a Government Company under Section 617 of the Companies Act, 1956. The Functional Directors are appointed by the Government of India. The Independent Directors are also to be appointed by the Government of India as per the procedures prescribed in the DPE Guidelines. In view of the above, the need is not felt for constituting a Nomination Committee.

## 8.0 MEANS OF COMMUNICATION

### 8.1 Financial Results

The Board of Directors of the Company approve the Un-audited Quarterly 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 viz., The Hindu, New Indian Express, The Economic Times, Business Line, Financial Express, News Today and Makkal Kural (Tamil).

The Quarterly Results, Half yearly Results, Annual Results and Shareholding pattern are placed on the Company's web site at [www.cpcl.co.in](http://www.cpcl.co.in). Press Releases are given on important occasions. They are also placed on Company's website.

### 8.2 Website

The Company's website, [www.cpcl.co.in](http://www.cpcl.co.in) provides separate section for Investors where relevant Shareholders information is available. The Annual Report of the Company is also displayed in the website alongwith the other details like Share price, unclaimed dividend, Press Release, etc.

### 8.3 Chairman's Speech at AGM

Chairman's Speech at AGM is also distributed to the shareholders who attend the Annual General Meeting of the Company and the same is also displayed in the website of the Company.

### 8.4 Management Discussion and Analysis Report forms part of the Directors' Report 2010-11.

## 9.0 GENERAL SHAREHOLDER INFORMATION

### 9.1 Details of last three Annual General Meetings

Location and time, where last three Annual General Meetings were held and number of special resolutions passed:

AGM Date	Location	Time	No. of Special Resolutions passed
08.09.2008	Kamaraj Arangam, 492, Anna Salai, Chennai 600 006	02.00 pm	One
07.09.2009	- do -	02.30 pm	Nil
06.09.2010	- do -	02.30 pm	Nil

### 9.2 Postal Ballot Details:

Postal ballot was not conducted so far in the Company.

### 9.3 45<sup>th</sup> Annual General Meeting :-

Date & Time : 12<sup>th</sup> September 2011; 2.30 p.m.  
Venue : Kamaraj Arangam, No.492, Anna Salai, Chennai – 600 006

### 9.4 Financial Calendar : April – March

### 9.5 Book Closure Date : 01.09.2011 to 12.09.2011 (both days inclusive)

### 9.6 Dividend despatch date : Within 30 days from the date of declaration

### 9.7 Listing on Stock Exchanges : The Shares of the Company are listed on the Stock Exchanges at Chennai, Mumbai and National Stock Exchange of India Limited. The listing fees for the year 2010-11 has been paid.

### 9.8 Stock Code : Madras Stock Exchange Ltd. - CPCL / BSE – 500110

### 9.9 Trading Symbol in NSE : CHENN PETRO

Trading Symbol in Madras Stock Exchange : CHENNAI PET

### 9.10 ISIN No. for dematerialized shares : INE 178A 01016



9.11 Market Price Data-High, Low and Close during each month in the last Financial Year (in Rupees)

Month	National Stock Exchange			Bombay Stock Exchange		
	High	Low	Closing	High	Low	Closing
Apr. 2010	296.00	271.50	277.90	295.80	276.50	277.75
May 2010	281.95	242.50	249.00	281.10	242.55	250.05
June 2010	262.40	241.20	252.40	262.00	241.30	252.05
July 2010	270.50	249.25	258.85	270.00	248.55	257.85
Aug. 2010	284.95	235.00	237.45	284.95	235.10	237.30
Sep. 2010	257.80	232.50	252.15	256.50	236.50	251.10
Oct. 2010	269.20	238.50	240.50	269.10	238.30	241.15
Nov. 2010	254.75	217.05	229.70	253.85	215.10	229.75
Dec. 2010	255.00	221.10	247.25	252.00	222.00	222.00
Jan. 2011	254.55	208.05	213.15	254.40	208.10	213.00
Feb. 2011	217.50	184.00	187.50	217.30	184.00	187.50
Mar. 2011	225.00	186.30	223.10	225.00	185.35	223.00

9.12 Performance of CPCL's Shares in comparison to BSE and NSE Index

Month	National Stock Exchange		Bombay Stock Exchange	
	Closing Price (Rs.)	Index	Closing Price (Rs.)	Index
Apr. 2010	277.90	5278.00	277.75	17558.71
May 2010	249.00	5086.30	250.05	16944.63
June 2010	252.40	5312.50	252.05	17700.90
July 2010	258.85	5367.60	257.85	17868.29
Aug. 2010	237.45	5402.40	237.30	17971.12
Sep. 2010	252.15	6029.95	251.10	20069.12
Oct. 2010	240.50	6017.70	241.15	20032.34
Nov. 2010	229.70	5862.70	229.75	19521.25
Dec. 2010	247.25	6134.50	222.00	20509.09
Jan. 2011	213.15	5505.90	213.00	18327.76
Feb. 2011	187.50	5333.25	187.50	17823.40
Mar. 2011	223.10	5833.75	223.00	19445.22

**9.13 Registrars and Share Transfer Agents:**

- (a) Hyderabad Office:  
M/s. Karvy Computershare Private Limited  
Unit : Chennai Petroleum Corporation Limited  
Plot No. 17 to 24, Near Image Hospital, Vittal Rao Nagar  
Madhapur, Hyderabad – 500 081  
Phone : 040 – 44655000 / 44655152  
Fax : 040 - 44655024  
E-mail : mohsin@karvy.com, einward@karvy.com  
Website : www.karvycomputershare.com
- b) Chennai Offices:
- i) No.33/1, Venkataraman Street, T.Nagar, Chennai – 600 017  
Phone : 2815 1793 & 2815 4781, Fax : 2815 1794
- ii) G-1, Swathy court, 22, Vijayaraghava Road, T. Nagar, Chennai – 600 017.  
Phone : 2815 34 45 / 2815 1034, Fax : 2815 31 81  
E-mail: chennaiirc@karvy.com

**9.14 Share Transfer System**

- a) To expedite the share transfer process, the Board of Directors has constituted a committee presently consisting of Mr.M.Sankaranarayanan, Company Secretary and Mr.P.Shankar, Deputy Secretary of the company to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation requests.
- b) The number of transfers approved and shares transferred from 01.04.2010 to 31.03.2011 are given below:

Sl. No.	Particulars		Number of Shares Involved
1	Number of transfer deeds received	460	50808
2	Transfer deeds processed	192	19508
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	268	31300

- c) The number of meetings held for approving the Share Transfers from 01.04.2010 to 31.03.2011 is 45.
- d) The number of demat requests approved and shares dematted from 01.04.2010 to 31.03.2011 in National Securities Depository Ltd. (NSDL) are given below:-

Sl. No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	734	86168
2	Number of demat requests processed	503	58568
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	231	27600



- e) The number of meetings held for approving the demat requests through NSDL from 01.04.2010 to 31.03.2011 is 37.
- f) The number of demat requests approved and shares dematted from 01.04.2010 to 31.03.2011 in Central Depository Services (India) Ltd. (CDSL) are given below:

Sl. No.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1.	Number of demat requests received	316	34650
2.	Number of demat requests processed	234	25850
3.	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	82	8800

- g) The number of meetings held for approving the demat requests through CDSL from 01.04.2010 to 31.03.2011 is 31.

9.15 Distribution of Shareholding as on 31.03.2011

Shareholding of nominal value	Shareholders		Share Amount	
Rs.	Number	% to Total	Rs.	% to Total
Upto - 5000	56975	96.21	57462600.00	3.86
5001 – 10000	1230	2.08	9747030.00	0.65
10001 - 20000	498	0.84	7318710.00	0.49
20001 - 30000	164	0.28	4130300.00	0.28
30001 - 40000	82	0.14	2951950.00	0.20
40001 - 50000	46	0.08	2184460.00	0.15
50001 - 100000	95	0.16	6736890.00	0.45
100001 & above	131	0.22	1398582060.00	93.92
<b>TOTAL</b>	<b>59221</b>	<b>100</b>	<b>1489114000.00</b>	<b>100.00</b>

**9.16 Shareholding Pattern as on 31.03.2011**

Description	NO. OF SHARES		TOTAL	%TO SHARES	NO. OF SHAREHOLDERS		TOTAL
	Physical	Electronic			Physical	Electronic	
Indian Oil Corporation Limited	0	77265200	77265200	51.89	0	1	<b>1</b>
Naftiran Inter-trade Co. Ltd.	0	22932900	22932900	15.40	0	1	<b>1</b>
Public (including Employees)	1364852	7687392	9052244	6.08	12253	39352	<b>51605</b>
Bodies Corporate	24700	10416878	10441578	7.01	77	693	<b>770</b>
Banks, FIs and Insurance Companies	100	21303600	21303700	14.31	1	16	<b>17</b>
Mutual Funds and UTI	9100	1654725	1663825	1.12	17	14	<b>31</b>
Foreign Institutional Investors	4200	5132188	5136388	3.45	11	48	<b>59</b>
Non-Resident Indians/OCBs/FN	658100	457465	1115565	0.75	5005	1732	<b>6737</b>
<b>Total</b>	<b>2061052</b>	<b>146850348</b>	<b>148911400</b>	<b>100.00</b>	<b>17364</b>	<b>41857</b>	<b>59221</b>

**9.17 Top Ten Shareholders as on 31.03.2011 (Other than Promoters)**

Sl. No.	Name of the Shareholder	No. of Shares	Shares as a percentage of total no. of shares
1	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	7347490	4.93
2	LIFE INSURANCE CORPORATION OF INDIA	6177573	4.15
3	THE NEW INDIA ASSURANCE COMPANY LIMITED	3821060	2.57
4	GENERAL INSURANCE CORPORATION OF INDIA	3341644	2.24
5	LIC OF INDIA - MARKET PLUS ONE	2399346	1.61
6	UNITED INDIA INSURANCE COMPANY LIMITED	1934932	1.30
7	NATIONAL INSURANCE COMPANY LTD	1401000	0.94
8	LIC OF INDIA - PROFIT PLUS	895633	0.60
9	SUASHISH DIAMONDS LTD.	760163	0.51
10	SBI PSU FUND	667278	0.45
	<b>TOTAL</b>	<b>28746119</b>	<b>19.30</b>



9.18 Dematerialisation of Shares and Liquidity

The dematting facility exists with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2011, 14,68,50,348 equity shares have been dematerialized, representing 98.62 % of the paid-up capital.

9.19 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

The Company has not issued GDR / ADR / Convertible instruments.

9.20 Plant Locations

Manali Refinery, Manali, Chennai-600 068. [Phone No.044-25944000]

Cauvery Basin Refinery, Panangudi Village, Nagapattinam District, Tamilnadu, Pin: 611 002.  
[Phone No.04365-256402]

9.21 Address for Correspondence

Chennai Petroleum Corporation Limited,  
No.536, Anna Salai, Teynampet, Chennai-600 018.  
Phone: 044-24349542, Fax : 044- 24341753  
Email: sld@cpcl.co.in  
Company's Website Address: www.cpcl.co.in

\* \* \* \* \*

**FOR THE KIND ATTENTION OF SHAREHOLDERS :**

**(I) TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND**

The unclaimed dividend declared at the 38<sup>th</sup> AGM held on 23.08.2004 for the financial year ended 31.03.2004 will be transferred by the Company on or before 22.09.2011 to the Investor Education and Protection Fund in accordance with the rules framed in this regard by the Government.

Similarly, the unclaimed dividend declared at the 39<sup>th</sup> AGM held on 24.08.2005 for the financial year ended 31.03.2005 will be transferred by the Company on or before 23.09.2012 to the Investor Education and Protection Fund.

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 Computershare Private Limited, for obtaining duplicate Dividend Warrants immediately.

**(II) GREEN INITIATIVES IN CORPORATE GOVERNANCE**

Ministry of Corporate Affairs, as part of Green Initiatives in Corporate Governance, vide Circular No. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has allowed paperless compliance by the Companies, which now can send various notices / documents such as Notice of the General Meetings, Annual Report, etc. to its shareholders through Electronic mode at their e-mail address registered with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their e-mail IDs with the Company / Share Transfer Agents by submitting the e-Communication Registration Form forming part of the Annual Report. In case of shareholders holding shares in demat form, they are requested to register their e-mail IDs with their respective Depository Participants.



COMPANY SECRETARY







## ***Report to Shareholders***

<i>Directors' Report .....</i>		<b>32</b>
<i>Annexures to Directors' Report .....</i>		<b>47</b>

## ***Directors' Report (Including Management Discussion and Analysis)***

### **To the Shareholders of Chennai Petroleum,**

On behalf of the Board of Directors of your Company, I have great pleasure in presenting to you the 45<sup>th</sup> Annual Report on the performance of your Company, together with the Audited Statement of Accounts for the year ended March 31, 2011.

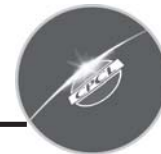
### **SIGNIFICANT HIGHLIGHTS**

- Your company clocked its highest ever turnover of ₹. 38,128 crore in the year 2010-11.
- It achieved the highest ever Crude thruput of 10,748 TMT in the year.(Previous best : 10,058 TMT in 2009-10).
- It successfully completed the revamp of Crude Distillation Unit III from 3 MMTPA to 4 MMTPA.
- The revamp of Catalytic Reforming Unit (Semi-Regenerative) to Continuous Catalytic Reforming Unit was successfully completed during the year.
- The new Naphtha Hydro-treater (NHDT) and Isomerisation Units for the production of Motor Spirit were also successfully completed in January 2011.
- The Fluidised Catalytic Cracking Unit (FCCU) achieved the highest ever thruput of 1006 TMT in 2010-11 (Previous best : 917 TMT in 2009-10).
- The Once Through Hydrocracking Unit (OHCU) achieved the highest ever thruput of 1995 TMT in 2010-11 (Previous best : 1856 TMT in 2008-09).
- The Manali Refinery won Total Productive Maintenance (TPM) Excellence Award – Category A from the Japan Institute of Plant Maintenance (JIPM).
- The Manali Refinery also achieved the highest ever Motor Spirit production of 866 TMT in 2010-11. (Previous best: 845 TMT in 2008-09).
- The Manali Refinery obtained NABL Accreditation for its Quality Control Laboratory in June 2010.
- The Cauvery Basin Refinery (CBR) improved the crude thruput to 703 TMT as compared to 514 TMT in 2009-10.
- The Cauvery Basin Refinery also achieved the highest ever distillate yield of 83.23 wt % on crude in 2010-11 (Previous best : 81.37 wt. % in 2006-07).
- Prime Minister's Shram Vir Award was bestowed on your Company's employee Mr.C. Ramadoss in September 2010 for his outstanding contribution towards improvement in Productivity and Quality.
- Your Company was adjudged as the 'Significant Turnaround PSU' for meritorious performance by Dalal Street Investment Journal.
- Your Company also received Special Commendation Award from Petrofed for Environmental Sustainability.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Industry Structure and Developments**

The world oil demand experienced a spurt in 2010 by about 2.3 mbd (million barrels of oil per day) equivalent to 114 MMTPA, over the previous year and this was the second largest increase in the last thirty years. The demand for oil is likely to increase further by 1.4 mbd (equivalent to 89 MMTPA) in 2011 which is likely to put pressure on the crude oil prices, though the increased demand will be met mostly by OPEC countries. As per the International Energy Agency (IEA), the global energy consumption is projected to increase by 18% from 2008 to 2020 rising from 12300 MTOE to 14500 MTOE. The growth in demand slows progressively, from an average of 1.4% per year in the period 2008-2020 to 0.96% per year in 2020-2035. The energy mix which will meet this increased demand will be mainly from oil (30%), coal (27%) followed by gas (22%) and other renewables (2%).



The year saw a sudden surge in crude oil prices in the last quarter with the price of Brent crude crossing \$120 /bbl in March 2011, due to unrest in North Africa and Middle East although the major oil producing countries were not affected by it. The product cracks which showed an upward trend in the first few months of 2011 due to the expected increase in demand by Japan for its reconstruction activities following the recent natural calamity, narrowed down in the last month. We expect improvements in the cracks which may further spurt with expected upswing in the global economy.

India will continue to develop into a major refining hub in the Asian region, fourth largest refining center in the world with the total refining capacity expected to touch 232 MMTPA by 2012-13.

The consumption of Petroleum, Oil and Lubricant (POL) products in India for the year ended 31.03.2011 touched 141.75 Million tons, registering an increase of 2.9% over the previous year. The sale of Motor Spirit (MS), registered a growth of 10.9% over the previous year. The growth in the Southern Region was particularly higher at 11.5%. The sale of HSD, LPG and ATF too registered robust growth of 6.6%, 8.9% and 9.4% respectively over the last year. The demand for FO/LSHS on the other hand continues to decline. The demand for Naphtha too continues to decline due to substitution by Gas.

The successful implementation of the quality upgradation projects initiated by Indian Refineries paved the way for introduction of environment friendly upgraded transportation fuels viz., Euro IV MS and HSD in 13 Metros and BS III MS and HSD in the rest of the country. It is indeed praiseworthy that your Company's Refineries at Manali and Cauvery Basin also came up with the production of the upgraded quality of fuel, well ahead of the schedule.

The demand for Natural Gas in India is increasing from the current level of 170 MMSCMD (2010-11) to 254 MMSCMD by 2014-15 as per projections made by the Research group of CRISIL. While significant emphasis has been laid on exploration and production enhancement within the country, the bulk of the gas demand will need to be met through LNG imports. In view of the increasing demand for natural gas, a number of LNG terminals are being proposed by industry players, some of which may come at Mangalore, Ennore, Mundra and Paradeep. Besides, certain FSRU's (Floating Storage & Regasification Units) are also being conceptualized at port locations like Dighi, Mumbai, Paradeep, Vizag, Mangalore, Cuddalore, etc. The Ennore LNG terminal being promoted by IOC is expected to meet the natural gas requirement of your Company and other industries in the Manali area.

### **Opportunities and Threats**

The rising energy demand and increasing societal aspirations especially in the emerging economies and the need for sustainable development require the oil & gas industry to ensure the security of energy supplies at affordable cost.

The major challenges for the Oil and Gas industry, apart from increasing oil & gas reserves, is to use clean and efficient refining processes to produce transportation fuels, meeting the stringent specifications and increase the value added products such as petrochemical feedstocks. The reduction in demand of heavier bottom oils means that the bottom of the barrel should be converted to higher products, thus optimizing the value chain. Diversification of energy sources for the production of transportation fuels and hydrogen in the longer term, reducing vehicle emissions, increasing vehicle efficiencies and reducing CO<sub>2</sub> emissions are other pressing priorities.

### **Risks, Concerns and Outlook**

The rise in crude prices will have a significant impact on the industry, as the oil sector in India is only partially decontrolled. The impact of crisis in North Africa / Middle East and difficulties arising in remittances for the Iranian crude remain areas of concern, even though they have not affected the supplies. Ensuring security of sustained supplies of crude oil by increasing the geographical spread for crude sourcing to other regions such as CIS, Africa and South America may assume priority in the wake of crisis, if any, in Middle East and North Africa which undoubtedly will enhance the freight costs but the same will have to be offset by optimal spread of heavy and light crudes.

The National Action Plan for Climate Change (NAPCC) has mandated a renewable energy purchase obligation (RPO) at 5% for 2010 and this will increase by 1% every year for the next 10 years. There is a separate category for Solar Energy in the RPO by obligated entities. The refining industry in India has been generating its own power based on internal fuels for reliability and with the RPO obligation, the cost of power is likely to increase. The oil industry in India has initiated several projects for generating renewable energy on its own. This augurs well for achieving the clean energy goal.

### Internal Control Systems and their Adequacy

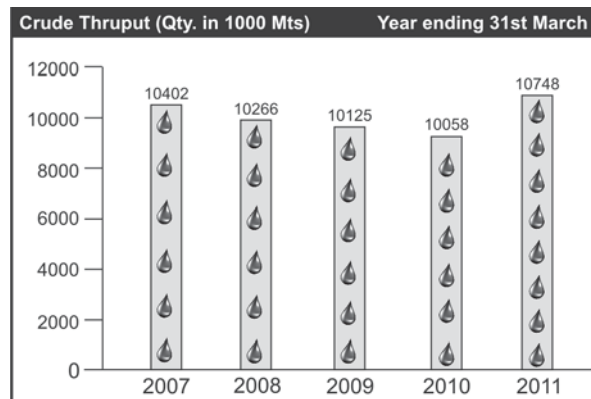
Your Company, realizing the need for effective control systems, has developed stringent internal control systems for monitoring its operations and for ensuring transparency and risk mitigation.

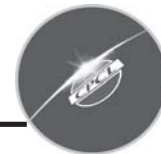
The internal control systems in the Company comprises of various methods and procedures as detailed below :

- An Internal Audit system to carry out audit of various areas of Company's operations to ensure authenticity and reliability of records.
- A clear Delegation of Authority detailing the financial powers of authorities across the hierarchy of the Company is in place. This is compiled in a manual for easy reference of concerned.
- Each Department of the Company has well documented Manual which narrates the procedures to be followed for attaining the objectives of the Department.
- The Company has a Vigilance Department with officials drawn from different functions to ensure preventive vigilance and carry out regular systems and procedures checks.
- The Comptroller & Auditor General of India carries out various reviews of the activities of the Company and acts as a watchdog.
- A Whistle Blower Policy is in place.
- The Integrity Pact Program is in place since March 2009. This is aimed at enhancing transparency in business transactions, contracts and procurement processes.

### PERFORMANCE HIGHLIGHTS

Physical Performance	2010 - 11	2009 - 10
<b>CRUDE THRUPUT (in TMT)</b>		
Imported	9105.0	8517.0
Indigenous	1643.0	1541.0
<b>Total</b>	<b>10748.0</b>	<b>10058.0</b>
<b>PRODUCTION (in TMT)</b>		
Light Ends	2279.0	2077.0
Middle Distillates	5141.0	4923.0
Heavy Ends	2177.0	1996.0
Lube Base Stocks	186.0	202.0
Paraffin Wax	27.0	29.0
Others (Intermediaries)	25.0	(14.0)
Other Inputs	(87.0)	(54.0)
Fuel & Loss	996.0	899.0
<b>Total</b>	<b>10748.0</b>	<b>10058.0</b>





**Note :**

The figures for the year 2010-11 do not include production of LPG (6.7 TMT) and Light Naphtha (3.3 TMT) from the Gas Separation Unit at Cauvery Basin Refinery. Similarly, the figures for the year 2009-10 do not include production of LPG (7.7 TMT) and Naphtha (3.3 TMT) from the same unit.

The salient features of operations during the year include the following:

**Manali Refinery:**

- The Manali Refinery surpassed 10.0 MMT mark for the first time, achieving a crude throughput of 10.045 MMT.
- It completed the revamp of Crude Distillation Unit III from 3 MMTPA to 4 MMTPA.
- The Manali Refinery also completed the revamp of Catalytic Reforming Unit (Semi-Regenerative) to Continuous Catalytic Reforming Unit.
- The Fluidised Catalytic Cracking Unit (FCCU) achieved the highest ever throughput of 1006 TMT as against the previous best of 917 TMT in 2009-10.
- The Once Through Hydrocracking Unit (OHCU) achieved highest ever throughput of 1995 TMT as against the previous best of 1856 TMT in 2008-09.
- Highest ever production of the following products was achieved :

<i>(Figures in TMT)</i>		
Product	2010-11	Previous Best (year)
High Speed Diesel	3863.0	3791.0 (2009-10)
Naphtha	979.0	871.0 (2009-10)
Motor Spirit	860.0	845.0 (2008-09)

- The Manali Refinery was awarded the TPM Excellence Award – Category A by the Japan Institute of Plant Maintenance (JIPM).

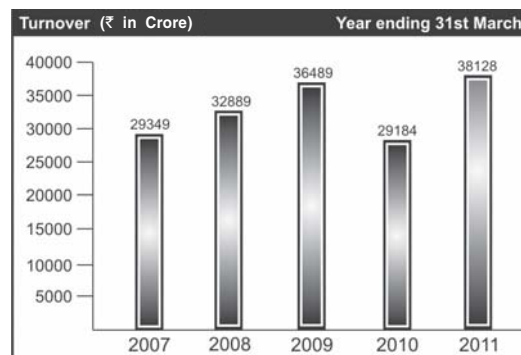
**Cauvery Basin Refinery:**

- The CBR processed 703.3 TMT of Crude as compared to 514 TMT in the previous year.
- The LP Gas supply from Kamalapuram increased to 25000 SCMD from 17000 SCMD resulting in increased recovery of LPG and Fuel Gas availability for Refinery operations.
- The unit also achieved highest ever Net Gas intake of 33.86 TMT as against the previous best of 23.8 TMT in 2004-05.
- The unit further achieved its lowest ever Energy index of 119.8 MBTU/BBL/NRGF as against the previous best of 127.3 achieved in 2009-10.
- The unit also successfully achieved 'Excellence in consistent TPM commitment' health check-up in February 2011.

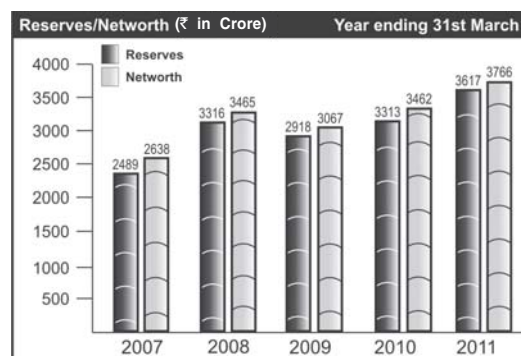
## Financial Results

(₹. in crore)

	2010-2011	2009-2010
Gross Turnover	38128.26	29183.84
Profit before Interest, Depreciation and Tax	1332.44	1088.26
Interest	254.45	137.36
Depreciation and Amortization	314.47	267.14
Profit before Tax	763.52	683.76
Provision for Taxation		
- Income Tax (Net)	223.48	(81.44)
- Deferred Tax	28.52	161.95
- Fringe Benefit Tax	--	0.03
Profit after Tax	511.52	603.22
Value Added	1748.65	1540.49



The Company has achieved a turnover of ₹. 38,128 crore during the year, as compared to ₹.29,184 Crore in the previous year. The profit after tax stood at ₹. 511.52 Crore as compared to ₹. 603.22 crore in the previous year. The value addition during the year is ₹. 1748.65 crore as compared to ₹. 1540.49 crore in the previous year.



The Reserves and Surplus also registered an increase from ₹. 3313.08 crore as on 31.03.2010 to ₹. 3616.92 crore as on March 31, 2011.

The book value per share of your Company has increased from ₹. 232.49 in the year 2009-2010 to ₹. 252.90 in the year 2010-2011.

Your Company has not accepted any fresh public deposits during the year 2010-11.

Your Company has transferred to the Investor Education and Protection Fund the required amount as per Section 205(C) (2) of the Companies Act, 1956, within the stipulated time.

## DIVIDEND

The Board of Directors of your Company is pleased to recommend a dividend of 120% on the paid-up share capital of the Company representing ₹. 12/- per Equity share of ₹.10/- each for the year 2010-11, which is at the same level as declared in the last year.

## MoU PERFORMANCE

Your Company signed an MoU with Indian Oil Corporation Limited, the holding Company for the year 2010-11, as per the guidelines issued by the Department of Public Enterprises (DPE). The provisional rating for the year 2010-11 is "Excellent".

## MARKETING

Indian Oil Corporation Limited, the holding Company continues to market a majority of the products of your Company.



The sales of certain products directly marketed by the Company are :

(Qty. in TMT)			
S. No.	Product	2009-10	2010-11
1	LABFS	42.0	66.0
2	Naphtha	200.7	211.7
3	MEKFS	6.6	8.0
4	Propylene	33.6	33.7
5	FG Hexane	5.4	6.5
6	Paraffin wax	26.0	29.7
7	Sulphur	43.4	52.0
8	Propane	1.7	1.9

During the year, the Company has achieved highest ever sales of Propane, Propylene, Paraffin wax and Sulphur.

During the year, four Customer Meets were arranged at various locations and 18 new customers were registered for the supply of Sulphur, Hexane, CBFS, Propane and Propylene.

## PROJECTS

Your Company continues to accord high priority for the implementation of projects. Your Company made an investment of ₹.674.78 crore on various projects during 2010-11, (cumulative expenditure of ₹. 2150.05 crore upto 2010-11) out of the approved outlay of ₹. 3575 Crore for the XI Plan (2007-2012).

### Completed Projects

#### ***Euro-IV Project – NHDT / ISOM / DHDT Units:***

Auto Fuel Quality Upgradation Project to produce MS/HSD meeting Euro-IV specifications for Chennai and Bangalore and Euro-III equivalent specifications for the rest of the locations has been undertaken at an estimated cost of ₹. 2615.69 crore in Manali Refinery as per the Auto Fuel Policy of the Government of India.

The Naphtha Hydro-treater / Isomerisation (NHDT/ISOM) units for MS production was commissioned in January 2011 and the Diesel Hydro-treater (DHDT) unit for Diesel quality Upgradation was commissioned in May 2011.

### Projects Under Implementation :

#### ***Euro-IV Project :***

The Utilities and Offsite facilities of Euro IV Auto Fuel quality upgradation project are in various stages of completion. A new Hydrogen Generation Unit to augment the existing Hydrogen Generation capacity is under implementation. All these facilities are expected to be completed by December 2011.

#### ***Revamp of existing CDU/VDU-II from 3.7 to 4.3 MMTPA***

A project to enhance the unit capacity from existing 3.7 MMTPA to 4.3 MMTPA is being implemented at a cost of ₹.333.99 Crore. This project is expected to be completed in May 2012.

### ***Resid Upgradation Project***

A Resid Upgradation Project to improve the distillate yield of the Manali refinery from the present level of 68.4 wt% to 75.9 wt% was approved for implementation at an estimated cost of ₹.3110.36 Crores. This project is expected to increase the processing of High Sulphur Crude from the present level of 67% to 83%. This project is scheduled to be completed within 33 months from the date of Environmental Clearance, which is awaited.

### ***New Crude Oil Pipeline***

Your Company is implementing a new 42" Crude oil Pipeline Project to mitigate the risk associated with transportation of Crude Oil through the existing 30" Crude Oil Pipeline from Chennai Port to Manali Refinery, at a cost of ₹.126 Crore. M/s.Indian Oil Corporation Limited is the EPCM contractor for this project. This project is scheduled to be completed within 18 months from the date of receipt of Environment Clearance, which is awaited.

### ***CBR 20" Crude line***

The Cauvery Basin Refinery of your Company is implementing a 20" inter connecting crude oil pipeline between Karaikkal Port and CPCL-CBR's Chidambaranar Oil Jetty at a cost of ₹.10.69 Crore. The Pipelines Division of Indian Oil Corporation Ltd. has been engaged as EPCM contractor for executing the project. This project is scheduled to be completed by December 2011.

## **New Projects**

### ***Refinery Expansion Project:***

Your Company proposes to increase the capacity of the Manali Refinery with a Brown field refinery expansion project with matching secondary processing facilities. The process configuration for this brown field refinery will be chosen in such a manner that the new units are integrated with the existing refinery complex for better energy / utilities management and to achieve optimal product pattern. The preparation of Pre-Feasibility Report is in progress.

### ***Natural Gas***

Your Company is equipping itself to receive the Natural Gas for its heaters and boilers and also for its Power Plant and Hydrogen Generation Units. In this connection, Heads of Agreement for supply of LNG have already been signed with IOC. The LNG will become available once the proposed LNG Terminal at Ennore is successfully completed by IOC.

## **STRATEGIC INITIATIVES**

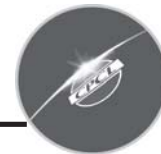
Your Company adopts several innovative strategies and technologies aimed towards achieving higher Refinery margins and profitability. As a part of the Corporate Plan, a Board Strategy Meet was held in October 2010, wherein strategies towards Safety & Environment, Growth, Human Resources and Finance were reviewed and deliberated.

## **INDIAN ADDITIVES LIMITED**

Your Company entered into a joint venture with Chevron Chemicals Company (now Chevron Oronite Company) to form Indian Additives Limited (IAL) in the year 1989 for manufacturing Lube Additives.

IAL achieved a turnover of ₹. 375.28 Crore (Provisional) during the year 2010-11, as against ₹.349.90 Crore in the previous year. The Profit after Tax for 2010-11 is ₹.37.45 Crore (Provisional) as against ₹.41.29 Crore in the previous year.





## **INFORMATION TECHNOLOGY**

Your company is continuously adopting state-of-the-art IT solutions to keep pace with the fast changing industry which helps in continuous improvement of operating efficiency and productivity of the employees.

During the year, a System Audit on SAP was carried out by an External Agency, establishing the reliability and adequacy of the System Controls and Functionality Configuration.

Significant initiatives in the area of Information Technology undertaken during the year include implementation of e-tendering, introduction of Bio-metric system for the contract workers, introduction of an e-waste policy and File Tracking System.

## **RESEARCH AND DEVELOPMENT (R&D)**

Your Company is conscious of the fact that the major thrust for R&D in the next decade would be to reduce the carbon foot print of our processes, products & technologies.

Your Company has an in house R&D Centre which provides support to refinery operations by carrying out Pilot Plant evaluation of catalysts and feed stocks for secondary processing facilities. The R&D Centre also carried out process and feed optimization studies. During the year, additional analytical facilities were commissioned for Catalysts Performance monitoring of Continuous Catalytic Reforming (CCR) Unit.

Extensive reformer pilot plant studies were carried out to successfully develop a Robust CCR model for supporting the commercial CCR unit.

Your Company has entered into research cooperation with the Indian Institute of Technology, Madras, which has resulted in generating a database required for proposing changes in the current BIS specification on paving grade Bitumen.

## **SAFETY PERFORMANCE**

Your Company is committed to promote globally comparable levels of safety in all its areas of operation with clear emphasis on improving the safety standards and accords paramount importance to the safety of its employees. The above attributes are also well embedded in the organizational values of the company.

During the year, several programmes were conducted for the benefit of the employees and contract workers which included training, workshops and mock drills.

The 8<sup>th</sup> External Safety Audit (ESA) was conducted by Oil Industry Safety Directorate (OISD).

An off-site emergency mock drill was conducted by M/s Indian Oiltanking Ltd. (IOTL) in January 2011 with active participation of your Company, District Authorities and officials from the Factory Inspectorate.

Your Company has become a Corporate member in the Centre for Chemical Process Safety (CCPS), a non-profit organization formed by the American Institute of Chemical Engineers to be the global response to chemical disasters, which will be helpful for the Company in adopting state of art process safety technologies and management practices.

A One -Day seminar on “ Emergency Management ” for the benefit of the employees and members of Maximum Accident Hazard (MAH) units in Manali, Ennore and Ponneri was organized. Around 170 officials from your Company and the neighbouring industries attended the seminar.

An educative short film titled “ACCHAMILLAI” on the subject of Offsite Emergency Preparedness was produced by the Company, to propagate awareness on the subject.

## **ENVIRONMENTAL PERFORMANCE**

Your Company is committed to improve the operational excellence alongwith improvement in environment performance and is highly sensitive to the emerging requirements of the environment and the stake holders. Your Company's sustainability initiatives are aimed at providing pollution free environment and constantly endeavor to minimize the direct and indirect environmental impact of its business operations.

As a part of Leak Detection and Repair Program, inventorization of fugitive emission from Process Units have been initiated and total inventorization in Refinery II area completed in January 2011.

Efforts were undertaken to promote Rain water harvesting by developing an area of 30000 sq.mtrs. By providing rain water harvesting, rain water will be allowed to percolate down the ground and join the existing water table thereby improving the quality of the underground water. Action was also initiated to estimate the total Green House Gas Emission from Refinery Operations and also to evaluate the carbon foot print of the Refinery.

## **RENEWABLE ENERGY DEVELOPMENT**

Recognising the need for renewable energy, your Company implemented the 17.6 MW Windmill project in September 2007.

Windmill project executed by the Company has been registered as a Clean Development Mechanism (CDM) Project.

Your Company also proposes to put up a 5 MW Solar Photo Voltaic Power Project under the Jawaharlal Nehru National Solar Mission Scheme. The Detailed Feasibility Report for the project has been completed.

## **ENERGY CONSERVATION**

Your Company lays great emphasis on Energy Conservation through continuous in-house process monitoring and keeping abreast with the latest technological developments.

Several energy conservation measures undertaken by the Company enabled the Manali Refinery to achieve an Energy Index of 71.4 MBN during the year.

The Energy Conservations Measures undertaken during the year are detailed in **Annexure-I**.

## **REFINERY BUSINESS OPTIMISATION**

The Integrated Refinery Business Improvement Programme (IRBIP) is being implemented in association with the Centre for High Technology and M/s. Shell Global Solutions International. Ten projects with a net benefit of 6.106 Million US Dollars (8.5 Cents per bbl) were completed and one Project having an estimated benefit of 6.103 Million US Dollars (8.5 Cents per bbl) for Risk and Reliability Management is under implementation.

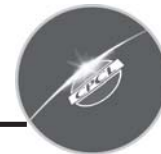
## **PROCESS OPTIMISATION**

Your Company played a pioneering role among the Indian Refineries with regard to the implementation of Optimisation and Advanced Control techniques and has always endeavoured to implement the best process optimisation techniques.

The OPC connectivity for the real time data of Ambient Air Quality Monitoring Systems (AAQMS) and the stack emissions were configured on the system placed at Environment Data Centre. A web program was also developed to display the AAQMS and stack emission data in real time to Tamil Nadu Pollution Control Board (TNPCB).

## **TOTAL PRODUCTIVE MAINTENANCE (TPM)**

In recognition of the sustained implementation of TPM practices, the Manali Refinery of your Company was bestowed with the coveted "TPM Excellence" Award by the Japan Institute of Plant Maintenance (JIPM), for implementing all the eight pillars of TPM.



During the year, the Cauvery Basin Refinery of your Company successfully completed the TPM Health Check Audit to contest for TPM Consistency Award, which is the next level of TPM Excellence Award.

Two teams from your Company participated and presented papers in the Sixteenth National Kaizen Conference organized by CII at New Delhi in March 2011.

### **SHEQ Policy**

Safety, Health, Environment and Quality continued to receive top priority and your Company continued its commitment in conducting business with a strong environment conscience. A comprehensive SHEQ Policy has been put in place to promote sustainable development, safe work place and quality of work life of employees. During the year, recertification audits were conducted and both Refineries of your Company were recertified for ISO 9001:2008 - Quality Management System, ISO 14001:2004- Environment Management System and OHSAS 18001:2007-Occupational Health & Safety Management System.

### **NEW VISION AND MISSION STATEMENT**

Your Company has finalised a new vision and mission statement which focuses on creating value for the stakeholders through world-class performance by the manufacturing and supply of petro products at competitive prices, meeting the quality expectations of the customers, proactively fulfilling social commitments including environment and safety, constantly innovating new products and alternate fuels, ensuring high standards of business ethics and corporate governance.

### **HUMAN RESOURCES**

Your Company regards its employees as one of the key stakeholders. Your company attracts the best talent in the industry on a sustained basis and encourages, motivates and retains the best talent at all levels for the growth of the organization.

In order to improve the communication among our employees at various levels and facilitate a platform to express and discuss issues like performance, achievements, welfare, safety and other work related matters for improving the working conditions, your company has initiated a concept called "Reach-in". This process helps employees, to have face-to-face interaction with the concerned Managers. During the year, 19 "Reach-in" programmes were successfully conducted.

The total manpower of your Company as on 31<sup>st</sup> March 2011 was 1773 (1735 as on 31<sup>st</sup> March 2010) comprising 808 supervisors and 965 non-supervisors (810 supervisors and 925 non-supervisors as on 31<sup>st</sup> March 2010).

The HR Initiatives undertaken during the previous years like Mentoring, Department-wise Open House meets and Field visits, Learning forum were continued during the year.

The Industrial Relations climate was congenial during the year with timely dissemination and sharing of information with the collectives. Three quarterly communications meetings were held with the collectives to communicate the quarterly / annual performance and growth prospects of the Company.

The backlog vacancies of persons with Disabilities, which was 12 in the beginning of the year, was reduced to 8 by recruiting 4 Engineers through a special recruitment drive.

Your Company has a long standing tradition of developing its human resources by organizing training programs for its employees at all levels. During the year, your Company utilized 6331 man-days covering employees at all levels in various training programs. Based on the competency mapping, five competency development programs, each of 4 days duration covering 79 managers were organized. In addition to the formal training programs aimed at developing the technical skill of the employees, innovative programs related to physical and mental health of the employees like emotional healing, yoga, meditation, etc. were also conducted.

Your Company has been meticulously following the Presidential Directives and various instructions of the Government relating to the welfare of the SC, ST, OBC, and Persons with Disabilities. Out of the total manpower, there were 439 SC employees (previous year: 434) and 36 ST employees (previous year: 36) as on 31.03.2011 constituting 24.76% and 2.03% of the total manpower respectively.

The statistics relating to representation of SCs / STs / OBCs in the prescribed proforma as on 01.01.2011 is given in **Annexure-II**.

### **WELFARE OF WOMEN**

Your Company firmly believes that women employees play a vital role in its human capital profile. As on 31.03.2011, 83 women employees were on the rolls of your Company, of whom 34 were in the Supervisory Grade and 49 were in the Non-supervisory Grade.

International Women's Day was celebrated by organizing a programme on the theme "Celebrating the past, Planning for the future". Lectures on topics of varied interests on Women Development and empowerment were delivered during the occasion.

Your Company was bestowed with the "Best Enterprise Award" by the Forum of Women In Public Sector (WIPS) under the aegis of Standing Conference on Public Enterprises (SCOPE).

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company continued its endeavor in making a positive impact to the under privileged communities in and around its Refineries by supporting a wide range of socio-economic initiatives.

During the year, an amount of ₹. 368.51 lakhs was spent on various Corporate Social Responsibility activities as compared to ₹.169.72 lakhs spent in the last year and the highlights include:

- Skill development Training Programme of 6 months duration in Plastic Processing Machine Operator course in association with Central Institute for Plastic Education Training (CIPET) and 50 students were benefited.
- Mobile Lab Science Education Program through Agastya International Foundation, Bangalore. This Mobile Lab contains 24 numbers of Science Education Modules / equipments. The Mobile lab van visited 56 schools in Tiruvallur District and covered 17200 students during the year.
- Merit Scholarships to 788 students in 14 Schools around Manali area / CPCL ITI & Polytechnic College.
- 12 Comprehensive Eye Care Camps for the benefit of people living in and around Manali, in association with Sankara Nethralaya.
- Sponsored a Workshop on "Protection of girl child, prevention of child abuse, familiarising the laws for the Protection of Women Rights" organized by TamilNadu Social Welfare Board.



- Provided 4 RO plants for drinking water at 3 Government Schools in and around Manali.

The CSR activities of your Company are reviewed every quarter by a Committee of the Board of Directors of the Company. An Independent External Agency carried out the evaluation of the CSR activities of your Company for the year 2009-10. The Evaluation Report complimented the good work done by your Company on CSR front.

Significant CSR activities carried out at Cauvery Basin Refinery include the following :

- Construction of Kitchen buildings at schools located near the Cauvery Basin Refinery.
- Provision of sanitation facilities at Panangudi, Muttam villages near the Cauvery Basin Refinery.

## **OCCUPATIONAL HEALTH**

Your Company's Occupational Health Services (OHS) is persevered to maintain global standards in providing health care to its permanent and contract employees. As a part of health surveillance, about 74 percent of the employees were examined and suitably advised.

Personal and family counselling services for employees was introduced to improve the work life balance. A programme on "Life Style management & Anti-aging" for employees along with their spouse was conducted.

## **PUBLIC GRIEVANCES**

Your Company accords prime importance to grievances received from the public and has a well established Grievance Redressal System. The Company Secretary is the designated Public Grievance Officer. The details and contact number of the Public Grievance Officer are displayed in the website of your Company, viz. [www.cpcl.co.in](http://www.cpcl.co.in).

Your Company implemented the Centralized Public Grievances Redressal and Monitoring System (CPGRAMS) as advised by the Department of Administrative Reforms & Public Grievances, Ministry of Personnel, Public Grievances and Pension, Govt. of India and provided a link to the website [www.pgportal.gov.in](http://www.pgportal.gov.in) under the heading "Public Grievances" to help the citizens to lodge / monitor the grievances electronically. Grievances, if any, against the Company which are lodged by the citizens in the above website are monitored and action taken for redressal. During the year, three complaints were received and addressed to.

## **RISK MANAGEMENT**

The reports pertaining to the year 2010-11 under the Risk Assessment & Minimization Procedures were reviewed by the Executive Committee and also by the Board of Directors of your Company.

## **CORPORATE GOVERNANCE**

Your Company firmly believes that good governance practices stem from the culture and mindset of the organization. Good governance fosters a culture, wherein high standards of ethical behaviour, accountability and transparency are ingrained in all its operations and shared by its Board of Directors, Management and Employees.

Your Company complied with all the mandatory requirements of Corporate Governance Guidelines issued by the Securities & Exchange Board of India (SEBI) and the Department of Public Enterprises (DPE), Government of India for the year 2010-11, except the clause relating to the appointment of Independent Directors. As against the requirement of six Independent Directors under the Listing Agreement and DPE Guidelines, your Company has three Independent Directors. The appointment of additional Independent Directors is under the consideration of Government of India. A separate section on Corporate Governance forms part of this Annual Report.

Your Company also complies with the Voluntary Guidelines on Corporate Governance issued by Ministry of Corporate Affairs, Government of India in December 2009, as far as practicable.

#### **SECRETARIAL AUDIT**

In line with the provisions of the Voluntary Guidelines of Corporate Governance issued by the Ministry of Corporate Affairs, your Company carried out Secretarial Audit for the year 2010-11. As per the report, the Company has complied with the provisions of the Companies Act, 1956 and the rules made under the Act and also the Memorandum and Articles of Association of the Company, with regard to, maintenance of statutory records, filing of Forms and Returns, convening of Board / Committee / Shareholders meeting, transfer and transmission of shares, declaration and payment of dividend, Secretarial Standards, SEBI's Takeover and Insider Trading Regulations and Listing Agreement (except the Clause relating to the appointment of Independent Directors).

#### **RIGHT TO INFORMATION**

Your Company has implemented the Right to Information Act, 2005 with a view to ensure that the citizens of India have access to information within the control of the Company.

During the year, 27 applications under the RTI Act were received and information furnished to all applicants.

#### **VIGILANCE**

Your Company firmly believes that honesty, integrity and transparency are the corner stones of a trustworthy society. To propagate this paradigm, a number of vigilance awareness programs were conducted to inculcate commitment to values and redefine the roles and responsibilities of the employees in vigilance activities.

As part of Preventive Vigilance initiatives, various system studies were taken up to strengthen internal systems and procedures and to enhance operational efficiency. During the year the process of e-tendering was initiated.

As a result of the increased thrust on leveraging of technologies, 98% of the bills of vendors/contractors and service providers were processed through Electronic Clearance Service (ECS) / Electronic Fund Transfers (EFT). All open tenders are published on CPCL web-site in order to encourage more competition and to improve transparency.

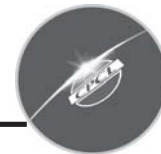
#### **INTEGRITY PACT**

Your Company has implemented the Integrity Pact Program since March 2009, which is aimed towards enhancing the transparency in business transactions, contracts and procurement processes. Presently the threshold limit for the application of Integrity Pact is ₹. 5 crores. During the year, a total of 26 tenders above this threshold limit with a total value of ₹. 1269.15 Crores were covered.

The Integrity Pact has strengthened the established systems & procedures by creating trust amongst the contractors, vendors and suppliers.

#### **HINDI IMPLEMENTATION**

During the year, your company intensified its efforts for the progressive use of Hindi in Official work, in accordance with the provisions of the Official Language Act, 1963 and the Official Language Rules, 1976.



The Official Language Implementation Committee met periodically and reviewed the implementation of Official Language Policy. Suggestions of the Committee were implemented resulting in overall improvement of the Official Language implementation practices in the company.

### **STATUTORY INFORMATION**

- Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 – Nil.
- Statutory details of Energy Conservation and Technology Absorption, R&D activities and Foreign Exchange Earnings and Outgo, as required under Section 217(1) (e) of the Companies Act, 1956 and the rules prescribed thereunder, i.e., the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure and form part of this Report (Please refer Annexure-I).
- Certificate received from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as required under Clause 49 of the Listing Agreement and also the compliance with the guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India is Annexed and forms part of this Report (Please see Annexure-III).

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed that,

- i) in the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts for the financial year ended March 31, 2011, on a going concern basis; and
- v) Proper systems are in place to ensure compliance of all laws applicable to the Company.

### **AUDITORS**

M/s. M.Thomas & Co., Chennai and M/s Sreedhar, Suresh & Rajagopalan, Chennai have been appointed as Joint Statutory Auditors of your Company for the financial year 2010-2011 by the Comptroller and Auditor General of India. The Board of Directors of your Company fixed a remuneration of ₹. 7.5 lakh (₹. 3.75 lakh to each of the Joint Statutory Auditors) in addition to the out-of-pocket expenses, if any, and applicable service tax.

### **COST AUDITOR**

M/s. J.V. Associates, Cost Accountants, Chennai have been appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the financial year 2010-11 in respect of Petroleum & Petrochemical Sector, including Chemicals, at a total remuneration of ₹.1,70,000/- (Rupees One lakh Seventy thousand only) per



annum plus applicable taxes and out-of-pocket expenses, if any, to conduct the audit of cost accounts maintained by the Company.

The Cost Statements for the financial year 2010-11 will be filed before 30.9.2011.

## **DIRECTORS**

Mr.B.N.Bankapur, Director (Refineries), Indian Oil Corporation Limited has been appointed as a Director on the Board of CPCL effective 06.09.2010 in place of Mr.V.C.Agrawal.

Mr. P.K. Singh, Director (R&A), Ministry of Petroleum and Natural Gas has been appointed as a Director on the Board of CPCL effective 06.09.2010 in place of Mr.Sanjay Gupta.

Mr.S.Venkataramana, General Manager (Operations) was appointed as Director (Operations) of the Company effective 3.10.2010.

Mr.R.S.Butola, Chairman, Indian Oil Corporation Limited was appointed as a Director on the Board of Chennai Petroleum Corporation Limited, effective 08.03.2011 in place of Mr.B.M.Bansal.

Mr.S.Chandrasekaran, Director (Technical) was relieved from the services of the Company from 11.5.2011 upon acceptance of his resignation and Mr.T.S. Ramachandran, General Manager, Indian Oil Corporation Limited, was appointed as Director (Technical) of the company effective 26.07.2011.

Mr. N.C. Sridharan, Director (Finance) retired from the services of the Company on attaining the age of superannuation on 31.05.2011. Ms.D.Lilly, Executive Director, Indian Oil Corporation Limited has been appointed as Director (Finance) effective 01.06.2011.

Your Directors place on record their appreciation of the valuable contributions made by Mr.V.C.Agrawal, Mr.B.M.Bansal, Mr.S.Chandrasekaran and Mr.N.C.Sridharan during their tenure.

## **ACKNOWLEDGEMENT**

Your Directors are highly grateful for all the help, guidance and support received from the Ministry of Petroleum & Natural Gas, Indian Oil Corporation Limited, Naftiran Intertrade Company Limited, Petroleum Planning and Analysis Cell, Oil Industry Development Board, Oil Industry Safety Directorate, Centre for High Technology, the other Ministries of Government of India, Government of Tamil Nadu, Central Vigilance Commission, Financial Institutions and commercial banks.

Your Directors acknowledge the constructive suggestions received from the Statutory Auditors and the Comptroller & Auditor General of India.

Your Directors thank all the shareholders for their faith, trust and confidence they have reposed on the Company.

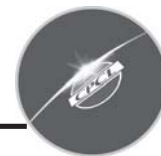
Your Directors wish to place on record the unstinted efforts and dedicated contribution put in by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Date : 27.07.2011  
Place : New Delhi

**R.S. BUTOLA**  
Chairman





## Annexures to Directors' Report

### ANNEXURE-I

#### ANNEXURE TO DIRECTORS' REPORT ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998

##### A. CONSERVATION OF ENERGY

###### a) The following Energy conservation measures were taken:

1. Commissioning of fuel gas interconnection between Ref III and Co-Gen boilers.
2. Conversion of DEA to MDEA solvent in phased manner in Ref III Amine unit.
3. Routing of product naphtha directly from CDU to PDS unit.
4. Replacement of conventional tube lights with LED lights in Ref II and Ref III electrical substations.
5. Bypassing feed partially in furnace & reactor in Lube Hydrofinishing unit.
6. Utilization of hiflux tubes in Propylene recovery unit.
7. Optimization of furnace COT in Lube Hydro-finishing heater.
8. Optimization of furnace COT in Asphalt heater.
9. Implementation of condensate recovery scheme in DHDS.
10. Modification of OBSG in CCR resulting in increase in steam generation of around 3 MT/hr.
11. Replacement of mineral wool insulation of VVHP steam lines in Co-Gen boilers with calcium silicate insulation to minimize heat loss.

###### b) Additional Investments and proposals, if any, being implemented for energy conservation

The following additional investment proposals are being implemented at an estimated cost of ₹. 47 lakhs

1. Feasibility study of change over from Sulfolane to NMP in Hexane unit.
2. Recovery of Hydrogen from reduction chamber off gas in CRU.
3. Cleaning of preheat exchangers is optimized using Heat4n model to maximize heat recovery.

###### c) Impact of the measures at a) and b) above for reduction of Energy consumption and consequent impact on the cost of production of goods

The above measures are expected to result in an estimated savings of about 13500 MT/annum of Fuel Oil Equivalent.

###### d) Total Energy Consumption and Energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the Schedule thereto:

Conservation of Energy as per Form A is given in Attachment I.

##### B. TECHNOLOGY ABSORPTION / RESEARCH AND DEVELOPMENT ACTIVITIES

Efforts made in Technology Absorption / Research and Development as per Form B is given in Attachment II.

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports: The company has exported 1189.03 TMT of products comprising of Naphtha (507.61 TMT), HFO (665.76 TMT) and Lube Oil (15.66 TMT) for a total value of ₹.3208.79 crore.
- Total foreign exchange used and earned:

	( ₹. in Lakhs)	
	2010-11	2009-10
Used	7966.47	2648.20
Earned	11327.94	NIL

## ATTACHMENT - I

## ANNEXURE TO DIRECTOR'S REPORT ON ENERGY CONSERVATION

## FORM A

## Form for disclosure of particulars with respect to Conservation of Energy

	Current Year 2010-11	Previous Year 2009-10
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased		
Unit (in million KW Hr.)	19.834	1.733
Total Amount (₹ In Crore)	8.24	0.62
(excluding demand and other charges)		
Demand and other charges (₹ In Crore)	10.54	6.89
Rate/Unit (average) (₹/KWHr.)	4.15	3.59
(excluding demand and other charges)		
b) Own generation		
Through diesel generator	Not applicable	Not applicable
Through steam turbine/generator		
Unit (in million KW Hr.)	319.248	334.211
Units per litre of fuel oil/gas	3.48	3.09
Fuel Cost/Unit (₹)	6.94	6.57
<b>2. Coal</b>	Not applicable	Not applicable
<b>3. Furnace Oil</b>		
Quantity (in thousand K.Litres)	510.322	470.088
Average rate (₹/MT)	25432.04	21479.59
<b>4. Others/Internal generation fuel gas</b>		
<b>For Manali Refinery Only</b>		
Gas Turbine		
Quantity		
Power (in million KW Hr.)	354.036	295.335
Fuel (in thousand MTs)	122.617	99.880
Total cost (₹ In Crore)	452.26	312.11
Fuel cost/Unit (₹)	12.77	10.57
Fuel Gas (TMT)	108.352	99.588
<b>B. Consumption Per Unit of Production</b>		
Electricity (KWHr/MT of crude)	64.49	62.63
Furnace oil (Kg/MT of Crude)	45.10	44.20
Coal	Not applicable	Not applicable
Other (specify)		
FCCU Coke (Kg/MT of Crude)	3.83	3.73
Fuel Gas (Kg/MT of Crude)	10.08	9.86



## ATTACHMENT - II

## FORM B

**TECHNOLOGY ABSORPTION / RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES****1. Specific Areas in which R&D was carried out by the company**

- Evaluation of New Crudes processed in the Refinery
- Evaluation of Catalyst and Additives for FCC Unit
- Selection of catalysts for Hydro processing units
- Pilot plant studies for determination of deactivation rate of DHDS/DHDT catalysts
- Pilot plant studies on Isomerisation of Naphtha for Process model

**2. Benefits derived as a result of the above R&D**

As per Annexure

**3. Future plan of action**

- Low sulfur fuel oil through Oxidative desulfurisation / Solvent extraction steps
- Fuel Quality Upgradation
- Bio Fuels /Lubricants
- Development of F-T catalysts
- Development of Micro Wave based Technologies for VGO pretreatment.

**4. Expenditure on R&D**

	( ₹. In Lakhs)	
	2010 – 11	2009 – 10
Capital	120.48	367.89
Recurring	385.99	388.12
Total	506.47	756.01
Total R&D expenditure		
As % of Turnover	0.0133	0.03

**5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

- Pilot plant studies were carried out to determine conversion and product yield in FCCU due to spent catalyst recycle up to 20% level
- Different isodewaxing catalyst preparations incorporating SAPO 11 were studied in hydrotreating pilot plant for the feasibility of its usage in reducing the diesel T95 end point.
- Direct Hydrofinishing studies were carried out on heavier grade slack waxes such as Bright Neutral to study the feasibility of producing soft micro waxes matching the quality of imported waxes.

**2. Benefits derived as a result of the above efforts, e.g. Product improvement, cost reduction, product development, import substitution efforts.**

R&D efforts are aimed to provide technical support to refinery operations, optimization of process units and also to provide analytical inputs for process troubleshooting. Pilot plant studies and evaluation of catalysts and feed stocks for various process units help in improving the yields and optimum utilization of facilities.

In case of imported technology (imported during the last 5 years reckoned from the financial year) following information may be provided:

- |  |                  |
|--|------------------|
| a. Technology imported   | : Nil            |
| b. Year of Import  | : Not applicable |
| c. Has technology been fully absorbed                          | : Not applicable |
| d. If not fully absorbed, areas where this has not taken place | : Not applicable |

## **ANNEXURE TO FORM B**

### **Crude Assay**

- Detailed assay on new crudes such as COCO and SIRI were carried out.

### **Process Optimization Studies:**

- Studies were carried out in reformer micro reactor unit for the whole range of operating variables using different feed naphtha composition, model compounds such as n-heptane, C7 naphthenes and aromatics. Robust model based on 35 lumps was successfully developed for continuous off-line application for commercial CCR unit.
- ACER MAT Pilot Plant studies were carried out to study the suitability of non-platinum CO promoters for FCC unit as a replacement for the existing platinum based CO promoter.
- Lube potential of different crudes such as Basrah light, Arab Mix, SIRI etc. were studied to optimize the crude mix composition for different crude distillation units.
- FCC catalysts and additives were selected through global tender for the improved product yield pattern exploiting the new catalyst capabilities to the full extent.
- Deactivation studies were carried out on Axens HR 538 diesel hydrotreating catalyst under normal and accelerated deactivation conditions. The objective of the study is to optimize the quantity of cycle oils in diesel feed for the new DHDT unit.
- Narrow cut fractionation and property distribution of FCC gasoline were studied to decide the options for meeting BIS IV specifications for MS with respect to important characteristics such as sulfur, RON and olefins.
- Collaborating with IIT (Madras) in their project study for revising the existing BIS specifications on viscosity graded bitumen. The study with IITM is aimed in identifying redundant tests, modifying the viscosity limits and possible inclusion of some performance related tests.

### **Papers published**

1. Chemistry and Rheology of Blended Bitumen, Journal of Materials in Civil Engineering, ASCE, USA
2. Light Naphtha Isomerization Process – A Review, Petroleum Science and Technology, USA.
3. Hydrocracking of vacuum gas oil – Conversion, Product Yields and Product Quality over an industrial hydrocracking catalyst system, Petroleum Science and Technology, USA.
4. Product selectivity during hydrocracking process, presented in Chemcon, Annamalai University, Dec. 2010



## ANNEXURE - II (SC/ST/OBC REPORT - I)

### ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs AS ON 01.01.2011 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

GROUPS	Representation of SCs/STs/OBCs as on 01.01.2011				No. of appointments made during the calendar year 2010 (Jan - Dec 2010)									
					By Dir.Recruitment				By Promotion			By Deptn/Absorption		
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A @	519	128	18	35	Nil	Nil	Nil	Nil	45	9 @	3	1	Nil	Nil
Group B	291	63	8	40	14	1	1	6	Nil	Nil	Nil	Nil	Nil	Nil
Group C	963	249	9	315	50	9	Nil	31	Nil	Nil	Nil	Nil	Nil	Nil
Group D	6	1	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Semi-skilled / unskilled excluding Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group D (Sweepers)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>1779</b>	<b>441</b>	<b>37</b>	<b>390</b>	<b>64</b>	<b>10</b>	<b>1</b>	<b>37</b>	<b>45</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>Nil</b>	<b>Nil</b>

@ applicable upto lowest rung of Group A

## (SC/ST/OBC REPORT - II)

### ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs IN VARIOUS GROUP "A" SERVICES AS ON 01.01.2011 AND NUMBER OF APPOINTMENTS MADE IN VARIOUS GRADES IN THE PRECEDING CALENDAR YEAR

PAY SCALE (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2011				No. of appointments made during the calendar year 2010 (Jan - Dec 2010)									
					By Dir.Recruitment				By Promotion			By Other Methods		
	Tot.no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
29100 - 54500	165	36	6	14	Nil	Nil	Nil	Nil	45	9@	3	Nil	Nil	Nil
32900 - 58000	131	33	8	12	Nil	Nil	Nil	Nil	23	3	1	Nil	Nil	Nil
36600 - 62000	75	20	2	8	Nil	Nil	Nil	Nil	9	1	Nil	Nil	Nil	Nil
43200 - 66000	74	22	2	1	Nil	Nil	Nil	Nil	8	2	Nil	1	Nil	Nil
51300 - 73000	46	11	0	0	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil
51300 - 73000	19	5	0	0	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil
51300 - 73000	9	1	0	0	Nil	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>519</b>	<b>128</b>	<b>18</b>	<b>35</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>92</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>Nil</b>	<b>Nil</b>

@ applicable upto lowest rung of Group A

ANNEXURE - III

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Shareholders of  
Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2011 as stipulated under Clause-49 of the Company's Listing Agreement with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement, for the year ended March 31, 2011, except for the number of Independent Directors on the Board which was less than half of the strength of the Board as required under Clause 49 of the Listing Agreement.

We state that no investor grievance is pending against the Company for a period exceeding one month as per the Certificate furnished by the Share Transfer Agent of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

---

Place : Chennai  
Date : May 24, 2011

For M/s. M. Thomas & Co.  
Chartered Accountants

(A. Rozario)  
Partner  
Membership No. 21230  
FRN: 004408S

For M/s. Sreedhar, Suresh & Rajagopalan  
Chartered Accountants

(V. Suresh)  
Partner  
Membership No. 26525  
FRN: 003957S



## ANNEXURE - III (Contd.)

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Shareholders of  
Chennai Petroleum Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Chennai Petroleum Corporation Limited for the year ended March 31, 2011 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2007 as enunciated by the Department of Public Enterprises (DPE).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the DPE Guidelines for the year ended March 31, 2011, except for the number of Independent Directors on the Board which was less than half of the total strength of the Board as required under the said guidelines.

We state that no investor grievance is pending against the Company for a period exceeding one month as per the Certificate furnished by the Share Transfer Agent of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

---

For M/s. M. Thomas & Co.  
Chartered Accountants

(A. Rozario)  
Partner  
Membership No. 21230  
FRN: 004408S

For M/s. Sreedhar, Suresh & Rajagopalan  
Chartered Accountants

(V. Suresh)  
Partner  
Membership No. 26525  
FRN: 003957S



Place : Chennai  
Date : May 24, 2011







## ***Report of the Statutory Auditors***

<i>Auditors' Report .....</i>		<b>56</b>
<i>Annexures to Auditors' Report .....</i>		<b>57</b>

## Auditors' Report

### Report of the Auditors to the Members of Chennai Petroleum Corporation Limited

1. We have audited the attached balance sheet of Chennai Petroleum Corporation Limited, as at 31<sup>st</sup> March 2011, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure-I, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure-I referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required for Government Companies as per notification No. GSR829(E) dated October 21, 2003, issued by the Department of Company Affairs.;

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

  - (a) in the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2011
  - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
  - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Place : Chennai  
Date : May 24, 2011

for M. Thomas & Co.  
Chartered Accountants  
A.ROZARIO  
Partner  
Membership No. 21230  
FRN: 004408S

for Sreedhar, Suresh & Rajagopalan  
Chartered Accountants  
V. SURESH  
Partner  
Membership No. 26525  
FRN: 003957S



## Annexure to auditors' report

## ANNEXURE - I

### Annexure to auditor's report referred to in paragraph 3 of our report of even date

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
- (c) During the year, no substantial part of the fixed assets of the company were disposed off.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been appropriately dealt with in the books of account.
- (iii) We are informed that there is no company, firm or party to be listed in the Register referred to in Section 301 of the Companies Act, 1956 and hence we have no comments to offer in respect of clauses 4 (iii) (a), 4 (iii) (b), 4 (iii) (c), 4 (iii) (d), 4 (iii) (e), 4 (iii) (f) and 4 (iii) (g) of the Companies (Auditor's Report) Order, 2003.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) We are informed that there is no company, firm or party to be listed in the Register referred to in Section 301 of the Companies Act, 1956 and hence we have no comments to offer in respect of clauses 4 (v) (a) and 4 (v) (b) of the Companies (Auditor's Report) Order, 2003.
- (vi) The company has not accepted any deposits from the public and hence we have no comments to offer in respect of clause 4(vi) of the Companies (Auditor's Report) Order, 2003.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. We are informed that no employee of the company is covered by Employees' State Insurance Scheme
- (b) The company, in the absence of suitable notification by the Central Government specifying the applicable rate of cess under section 441A of the Companies Act, 1956 on turnover payable by the company, towards Rehabilitation and Revival Fund, the company has neither paid nor provided for cess.
- (c) The details of disputed dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, which have not been deposited, are given in Annexure - II to our report.

- (x) The company does not have any accumulated losses as on 31<sup>st</sup> March 2011. The company has not incurred cash losses during the financial year covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence we have no comments to offer in respect of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003.
- (xiii) The company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provisions of clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not issued shares during the year and hence we have no comments to offer in respect of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003.
- (xix) The company has not issued any debentures during the year nor there is any outstanding as on 31<sup>st</sup> March 2011 and hence we have no comments to offer in respect of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003.
- (xx) The company has not raised money by public issues in the recent past and hence we have no comments to offer in respect of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003.
- (xxi) As represented to us by the management and based on our examination in the normal course of audit, no fraud on or by the company has been noticed or reported during the year.

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Place : Chennai  
Date : May 24, 2011

for M. THOMAS & CO.  
Chartered Accountants  
A. ROZARIO  
Partner  
Membership No. 21230  
FRN: 004408S

for SREEDHAR, SURESH & RAJAGOPALAN  
Chartered Accountants  
V. SURESH  
Partner  
Membership No. 26525  
FRN: 003957S



## Statement of Disputed Dues


## Annexure - II

Name of the Statute	Nature of the dues	Disputed Amounts (₹. in Lakhs)	Amount paid under protest / Predeposit (₹. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
TamilNadu General Sales Tax Act	Sales Tax Dues	5.30	-	1992-93	TN State Appellate Tribunal
Andhra Pradesh Value Added Tax Act	Value Added Tax Dues	1731.81	626.20	Apr 2005 to Aug 2007	AP State Appellate Tribunal
Central Sales Tax Act	Sales Tax Dues	165.18	-	1991-92	TN State Appellate Tribunal
Central Excise Act	Excise Dues	56.62	-	Aug 2003 to May 2004	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	98.78	-	Jan 2005 to Jun 2005	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Dues	46.32	6.50	Jan 2005 to Feb 2005	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax Dues	99.12	-	AY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax Dues	24566.20	19644.73	AY 2008-09	Commissioner of Income Tax (Appeals)





## ***Comments of CAG***

<i>Comments of the Comptroller and Auditor General of India .....</i>		<b>62</b>
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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF CHENNAI PETROLEUM CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2011**

The preparation of financial statements of **Chennai Petroleum Corporation Limited, Chennai** for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated May 24, 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of **Chennai Petroleum Corporation Limited, Chennai** for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

**(ADITI ROYCHOUDHURY)**

*Principal Director of Commercial Audit  
and Ex-Officio Member Audit Board, Chennai.*




Place : Chennai

Date : July 1, 2011





## ***Financial Information***

<i>Balance Sheet .....</i>		<b>64</b>
<i>Profit and Loss Account .....</i>		<b>65</b>
<i>Schedules to the Accounts .....</i>		<b>66</b>

**Balance Sheet as at March 31, 2011**

(₹. in Lakhs)

	Schedule	March 31, 2011	March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Capital	A	14900.46	14900.46
b) Reserves and Surplus	B	361692.10	331308.11
		<b>376592.56</b>	346208.57
<b>2. Loan Funds</b>			
a) Secured Loans	C	22535.94	40689.66
b) Unsecured Loans	D	399717.33	367099.23
		<b>422253.27</b>	407788.89
<b>3. Deferred Tax Liability (Net)</b>		<b>60447.22</b>	57595.45
Total		<b>859293.05</b>	811592.91
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets &amp; Intangible Assets:</b>			
<b>1.1 Fixed Assets</b>			
a) Gross Block	E	624627.28	544472.92
b) Less: Depreciation and Amortisation		282792.36	253579.43
c) Net Block		341834.92	290893.49
<b>1.2 Intangible Assets</b>			
a) Gross Block	E-I	4215.42	3792.33
b) Less: Amortisation		2470.03	1772.62
c) Net Block		1745.39	2019.71
<b>1.3 Capital Work-in-Progress</b>	F	115590.41	128073.93
		<b>459170.72</b>	420987.13
<b>2. Investments</b>	G	2250.45	2342.89
<b>3. Current Assets, Loans and Advances</b>			
a) Inventories	H	511298.27	437824.08
b) Sundry Debtors	I	198398.12	85431.01
c) Cash and Bank Balances	J	1236.53	1434.18
d) Other Current Assets - Interest accrued on Investments/Bank Deposits		3.36	1.86
e) Loans and Advances	K	53341.56	45280.66
		764277.84	569971.79
<b>4. Less: Current Liabilities and Provisions</b>			
a) Current Liabilities	L	338834.27	154699.17
b) Provisions	L-I	27571.69	27009.73
		366405.96	181708.90
<b>5. Net Current Assets (3-4)</b>		<b>397871.88</b>	388262.89
Total		<b>859293.05</b>	811592.91
<b>6. Statement of Significant Accounting Policies</b>	Q		
<b>7. Notes on Accounts</b>	R		
<b>8. Other Schedules forming part of Accounts</b>	S to X		
<b>9. Balance Sheet Abstract and Company's General Business Profile</b>	Y		
<b>10. Cash Flow Statement</b>	Z		

(K.Balachandran)  
Managing Director(N.C.Sridharan)  
Director (Finance)(M.Sankaranarayanan)  
Company Secretary

As per our Report of even date

M. Thomas & Co.  
Chartered AccountantsSreedhar, Suresh & Rajagopalan  
Chartered Accountants(A. Rozario)  
Partner(V. Suresh)  
PartnerPlace : Chennai  
Date : May 24, 2011Membership No. 21230  
FRN: 004408SMembership No. 26525  
FRN: 003957S



## Profit & Loss Account for the year ended March 31, 2011

(₹. in Lakhs)

	Schedule	March 31, 2011	March 31, 2010
<b>INCOME</b>			
1. Sale of Products (Gross)		3820115.57	2928236.62
Less: Excise Duty		502043.89	421120.52
		3318071.68	2507116.10
Less: Commission and Discounts		7289.86	9853.26
Sale of Products (Net)		3310781.82	2497262.84
2. Increase/(Decrease) in Stock	M	44661.16	65798.93
3. Interest and other Income	N	11607.10	23509.67
Total Income		3367050.08	2586571.44
<b>EXPENDITURE</b>			
1. Purchase of products for resale		46819.68	25191.81
2. Manufacturing, Admn., Selling & Other Expenses	O	3186428.41	2448016.67
3. Duties other than Excise Duty on Sales		550.03	4536.83
4. Depreciation and Amortisation		31447.35	26714.19
5. Interest Payments on :			
a) Fixed period loans from Banks/ Financial Institutions/Others		2479.49	5586.66
b) Short Term Loans from banks		16296.92	7017.69
c) Others - including Interest on Income Tax Expense		6669.09	1131.18
		25445.50	13735.53
Total Expenditure		3290690.97	2518195.03
<b>PROFIT FOR THE YEAR</b>		76359.11	68376.41
Income/(Expenses) pertaining to previous years (Net)	P	(7.41)	0.00
<b>PROFIT BEFORE TAX</b>		76351.70	68376.41
Provision for Tax (net)			
- Current Tax		21444.11	11620.57
- Pertaining to Earlier Years		2093.57	(14555.26)
- MAT Credit Available for set off (includes ₹. 1189.97 Lakhs (2010 : ₹. Nil) relating to earlier Years )		(1189.97)	(5208.66)
- Deferred Tax		2851.77	16195.25
- Fringe Benefit Tax (Including pertaining to Earlier Years)		0.00	2.56
		25199.48	8054.46
<b>PROFIT AFTER TAX</b>		51152.22	60321.95
<b>DISPOSABLE PROFIT</b>		51152.22	60321.95
<b>APPROPRIATIONS</b>			
Proposed Dividend		17869.37	17869.37
Dividend Distribution Tax		2898.86	2967.88
General Reserve		30383.99	39484.70
		51152.22	60321.95
<b>Earning Per Share (Rupees)</b> <b>(Basic &amp; Diluted)</b>		34.35	40.51
<b>Statement of Significant Accounting Policies</b>	Q		
<b>Notes on accounts</b>	R		
<b>Other Schedules forming part of Accounts</b>	S to X		
<b>Balance Sheet Abstract and Company's</b>			
<b>General Business Profile</b>	Y		
<b>Cash Flow Statement</b>	Z		

(K.Balachandran)  
Managing Director

(N.C.Sridharan)  
Director (Finance)

(M.Sankaranarayanan)  
Company Secretary

As per our Report of even date

M. Thomas & Co.  
Chartered Accountants  
(A. Rozario)  
Partner

Sreedhar, Suresh & Rajagopalan  
Chartered Accountants  
(V. Suresh)  
Partner

Place : Chennai  
Date : May 24, 2011

Membership No. 21230  
FRN: 004408S

Membership No. 26525  
FRN: 003957S

## Schedules

### CAPITAL

#### Schedule A

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>Authorised</b>			
40,00,00,000 Equity Shares of ₹.10 each	A	<u>40000.00</u>	<u>40000.00</u>
<b>Issued</b>			
17,00,00,000 Equity Shares of ₹.10 each		<u>17000.00</u>	<u>17000.00</u>
<b>Subscribed, Called-up and Paid-up</b>			
14,89,11,400 Equity Shares of ₹. 10 each	B	14891.14	14891.14
Add: Forfeited Shares		<u>9.32</u>	<u>9.32</u>
Total		<u><u>14900.46</u></u>	<u><u>14900.46</u></u>

Note:

- A. As per the Formation Agreement entered into between the promoters, an offer is to be made to the Naftiran Intertrade Company Limited (NICO), an affiliate of National Iranian Oil Company (NIOC) in any issue of the Capital in proportion to the shares held by them at the time of such issue to enable them to maintain their shareholding at the existing percentage.
- B. Includes 7,72,65,200 Equity Shares of ₹.10 each (51.89%) fully paid-up, held by Indian Oil Corporation Ltd., the Holding Company.

### RESERVES AND SURPLUS

#### Schedule B

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Share Premium Account</b>		
As per last account	25003.82	25003.82
<b>2. General Reserve</b>		
As per last account	306304.29	266819.59
Add : Transferred from Profit and Loss Account	<u>30383.99</u>	<u>39484.70</u>
	<b>336688.28</b>	<b>306304.29</b>
Total	<u><u>361692.10</u></u>	<u><u>331308.11</u></u>



## SECURED LOANS

## Schedule C

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>Loans and Advances from Banks</b>			
i) Working Capital Demand Loan	A	4000.00	20000.00
ii) Cash Credit	A	142.62	938.17
iii) Foreign Currency Loans ( <b>USD 41.24 Million</b> ; 2010: USD 43.99 Million) (due for payment within one year <b>USD 10.998 Million (₹. 4948.88 Lakhs)</b> , 2010 : USD 2.75 Million (₹. 1239.08 Lakhs))	B	18393.32	19751.49
Total		<u>22535.94</u>	<u>40689.66</u>

Note:

- A. Against hypothecation of inventories, book-debts, outstanding monies, receivables present and future to the extent of ₹.137500 Lakhs (2010: ₹.137500 Lakhs).
- B. First Pari Passu Charge on select movable fixed assets to the extent of ₹. 20000 Lakhs.

## UNSECURED LOANS

## Schedule D

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Short Term Loans and Advances :</b>		
<b>From Banks / Financial Institutions</b>		
i) In Rupee (Book Overdraft)	394.37	532.01
ii) Working Capital Demand Loan	180000.00	210000.00
iii) In Foreign Currency (USD 354 Mn;2010:USD 144 Mn)	<u>157884.00</u>	<u>64654.47</u>
	<b>338278.37</b>	<b>275186.48</b>
<b>2. Other Loans and Advances</b>		
<b>From Banks</b>	<b>51.46</b>	<b>20204.00</b>
(due for payment within one year ₹. <b>51.46 Lakhs</b> ; 2010: ₹.20152.54 Lakhs)		
<b>From Others</b>		
Oil Industry Development Board	<b>61387.50</b>	<b>71708.75</b>
(due for payment within one year ₹. <b>18862.50 Lakhs</b> ; 2010: ₹.10321.25 Lakhs)		
Total	<u><b>399717.33</b></u>	<u><b>367099.23</b></u>

**Schedule E**  
(₹. in Lakhs)

**FIXED ASSETS**

GROSS BLOCK							DEPRECIATION/ AMORTISATION				IMPAIRMENT			NET DEPRECIATED BLOCK	
	Gross block As at 01-Apr-10	Additions during the year	Disposals during the year (Ref. Note A)	Transfers / Deductions / Adjustments/ Reclassifications (Ref. Note B)	Gross Block as at 31-Mar-11 (Ref. Note C)	Depreciation and Amortisation As at 01-Apr-10	Depreciation and Amortisation for the year	Depreciation on disposals/ transfers/ deductions etc.	Total Depreciation and Amortisation upto 31-Mar-11	Total Impairment Loss as at 01-Apr-10	Impairment Loss during the year	Total Impairment Loss up to 31-Mar-11	As at March 31, 2011	As at March 31, 2010	
Land															
- Freehold	3726.64	15.23	9.52	62.86	3669.49	-	-	-	-	-	-	-	3669.49	3726.64	
- Leasehold	780.85	0.00	-	-	780.85	81.68	7.21	0.00	88.89	-	-	-	691.96	699.17	
Buildings, Roads etc.	14910.80	1857.85	-	-	16768.65	4854.30	365.18	0.00	5219.48	-	-	-	11549.17	10056.50	
Plant and Machinery	519431.17	81648.87	2054.41	1492.63	597533.00	245606.48	30112.55	1518.98	274200.05	-	-	-	323332.95	273824.69	
Transport Equipments	2320.52	181.49	-	-	2502.01	1666.26	171.36	0.00	1837.62	-	-	-	664.39	654.26	
Furniture and Fixtures	1601.31	101.82	31.48	-	1671.65	831.39	72.10	18.02	885.47	-	-	-	786.18	769.92	
Railway Sidings	270.72	-	-	-	270.72	257.18	0.00	0.00	257.18	-	-	-	13.54	13.54	
Drainage, Sewage and Water Supply System	1430.91	0.00	-	-	1430.91	282.14	21.53	0.00	303.67	-	-	-	1127.24	1148.77	
Total	544472.92	83805.26	2095.41	1555.49	624627.28	253579.43	30749.93	1537.00	282792.36	-	-	-	341834.92	290893.49	
Previous Year	516390.10	32439.24	4218.30	138.12	544472.92	230557.02	26153.66	3131.25	253579.43	-	-	-	290893.49	285833.08	

Note :

- A. Land disposed during the year represents 0.93 acres of land gifted to CMDA to meet Open space reserve requirements.  
 B . Transfer from land represents excess amount refunded from Government of Tamil Nadu out of amounts deposited for acquisition of land in the earlier years (2010: ₹.138.12 lakhs)  
 C. The cost of assets are net of MODVAT/CENVAT, wherever applicable.



**Schedule E-I**  
(₹. in Lakhs)

**INTANGIBLE ASSETS**

		AT COST						AMORTISATION				IMPAIRMENT			NET DEPRECIATED BLOCK	
	Note	Gross block As at 01-Apr-10	Additions during the year	Disposals during the year	Transfers / Deductions / Adjustments / Reclassifications	Gross Block as at 31-Mar-11	Amortisation As at 01-Apr-10	Amortisation for the year	Amortisation on disposals/ transfers/ deductions etc	Total Amorti- sation upto 31-Mar-11	Total Impairment Loss as at 01-Apr-10	Impairment Loss during the year	Total Impairment Loss up to 31-Mar-11	As at March 31, 2011	As at March 31, 2010	
Right of way	A	30.68	0.00	-	-	30.68	-	-	-	-	-	-	-	30.68	30.68	
Technical Know-How, Royalty and License Fees		2532.40	423.09	-	-	2955.49	1465.32	287.67	0.00	1752.98	-	-	-	1202.51	1067.08	
Software		1229.25	0.00	-	-	1229.25	307.30	409.75	0.00	717.05	-	-	-	512.20	921.95	
Total		3792.33	423.09	-	-	4215.42	1772.62	697.42	0.00	2470.03	-	-	-	1745.39	2019.71	
Previous Year		2563.08	1229.25	-	-	3792.33	1212.09	560.53	0.00	1772.62	-	-	-	2019.71	1350.99	

Note :

A . No amortisation provided, the right being perpetual in nature.

**CAPITAL GOODS, WORK-IN-PROGRESS**

**Schedule F**

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Construction Work in progress - Fixed Assets</b> (including unallocated capital expenditure)	<b>107858.57</b>	117234.49
<b>2. Advance for Capital Expenditure</b>	<b>2311.66</b>	1092.33
<b>3. Capital Stores</b>	<b>4748.18</b>	7332.25
<b>4. Capital goods in transit</b>	<b>111.71</b>	1723.72
<b>5. Construction period expenses pending allocation :</b>	<b>5993.92</b>	783.93
Less: Allocated to Assets/Work-in-Progress during the year	<u><b>5993.92</b></u>	<u>783.93</u>
	<b>0.00</b>	0.00
<b>6. Construction Work in progress - Intangible Assets</b>	<b>560.29</b>	691.14
<b>Total</b>	<u><b>115590.41</b></u>	<u>128073.93</u>

**CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR**

**Schedule F-I**

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Payments to and Provision for Employees</b>	<b>945.37</b>	498.80
<b>2. Repairs &amp; Maintenance</b>	<b>0.00</b>	12.92
<b>3. Rent</b>	<b>0.00</b>	6.38
<b>4. Travelling &amp; Conveyance</b>	<b>83.10</b>	101.03
<b>5. Other Expenses</b>	<b>11.13</b>	11.41
<b>6. Interest</b>	<b>4588.53</b>	153.39
<b>7. Own Fuel</b>	<b>365.78</b>	0.00
	<u><b>5993.92</b></u>	<u>783.93</u>
Less: Allocated to Assets/Work-in-Progress during the year	<u><b>5993.92</b></u>	<u>783.93</u>
<b>Total</b>	<u><b>0.00</b></u>	<u>0.00</u>





## INVESTMENTS

## Schedule G

(₹. in Lakhs)

	No. and Particulars of Shares / Units	Face value per share Rupees	March 31, 2011	March 31, 2010
<b>LONG TERM INVESTMENTS UNQUOTED, AT COST</b>				
<b>1. Non-Trade Investments</b>				
<b>In Others</b>				
a) CPCL Industrial Cooperative Service Society Ltd.	9000 Shares fully paid	10	<b>0.90</b>	0.90
b) Bio Tech Consortium India Ltd.	100000 Equity Shares fully paid	10	<b>10.00</b>	10.00
			<b>10.90</b>	10.90
<b>2. Trade Investments</b>				
<b>In Joint Venture Companies</b>				
a) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	<b>1183.40</b>	1183.40
b) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	<b>2.50</b>	2.50
Less : Provision for Diminution			<b>2.50</b>	2.50
			0.00	0.00
<b>In Others</b>				
a) Petroleum India International (AOP by Oil Companies)	Capital Fund Share in accumulated surplus		<b>500.00</b>	500.00
			<b>556.15</b>	648.59
			<b>1056.15</b>	1148.59
			<b>2239.55</b>	2331.99
Total			<b>2250.45</b>	2342.89

## INVENTORIES

## Schedule H

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. In Hand</b>		
a) Stores, Spares etc.	20822.12	17452.76
Less: Provision for losses	1760.17	1508.05
	<b>19061.95</b>	15944.71
b) Raw Materials	227108.12	162417.99
c) Finished Products	163581.02	136720.30
d) Stock in Process	50107.34	30052.13
	<b>459858.43</b>	345135.13
<b>2. In Transit</b>		
a) Stores and Spares	188.96	194.81
b) Raw Materials	51250.88	90239.37
c) Finished Products	0.00	2254.77
	<b>51439.84</b>	92688.95
Total	<b>511298.27</b>	437824.08

## SUNDRY DEBTORS

## Schedule I

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>1. Over Six Months</b>			
Unsecured, Considered Good		14.51	24.71
<b>2. Other Debts</b>			
Secured, Considered Good	A	8214.49	0.00
Unsecured, Considered Good	B	190169.12	85406.30
Total		<b>198398.12</b>	85431.01

## Note:

A - Includes due for which mortgage and first charge on assets in favour of the company to the extent of - ₹.10000 Lakhs (2010: Nil)

B - Includes due from Indian Oil Corporation Ltd., the holding company - ₹. 158984.67 Lakhs (2010: ₹. 69333.01 Lakhs)

## CASH AND BANK BALANCES

## Schedule J

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Cash Balances</b>		
a) Cash balances including imprest	0.06	0.66
<b>2. Gold Medals at Cost (53 Nos; 2010:11)</b>	24.37	3.48
<b>3. Bank Balances with Scheduled Banks</b>		
a) Current Account	861.60	1092.90
b) Deposit Account	350.50	337.14
	<b>1212.10</b>	1430.04
Total	<b>1236.53</b>	1434.18



## LOANS & ADVANCES

## Schedule K

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>1. Advances recoverable in cash or in kind or for value to be received</b>			
a) Secured, Considered Good	A	5529.68	5542.26
b) Unsecured, Considered Good		<u>22240.84</u>	<u>9180.82</u>
		<b>27770.52</b>	<b>14723.08</b>
<b>2. Claims recoverable</b>			
a) Unsecured, Considered Good	B	6234.01	19580.26
b) Unsecured, Considered Doubtful		<u>1557.81</u>	<u>1553.50</u>
		<b>7791.82</b>	<b>21133.76</b>
Less: Provision for Doubtful Claims		<u>1557.81</u>	<u>1553.50</u>
		<b>6234.01</b>	<b>19580.26</b>
<b>3. Balance with Customs, Port Trust &amp; Excise Authorities</b>			
Unsecured, Considered Good		<b>2234.94</b>	3635.27
<b>4. Advance Tax</b>		<b>43476.36</b>	68164.84
Less: Provision for Income Tax		<u>33567.00</u>	<u>68016.04</u>
		<b>9909.35</b>	<b>148.80</b>
<b>5. Deposits for Leave Encashment Fund</b> <b>(Refer Annexure 1 of Note 14-Schedule R)</b>		<b>4943.34</b>	4647.56
<b>6. Materials given on Loan</b>		<b>0.00</b>	7.24
Less: Deposits received		<u>0.00</u>	<u>7.24</u>
		<b>0.00</b>	<b>0.00</b>
<b>7. Advances against materials taken on loan-Unsecured, Considered Good</b>		<b>9.21</b>	0.00
Less: Material Taken on Loan		<u>8.15</u>	<u>0.00</u>
	C	<b>1.06</b>	<b>0.00</b>
<b>8. Sundry Deposits</b> (including amounts adjustable on receipt of Final bills)			
Unsecured, Considered Good	D	<b>2248.34</b>	2545.69
<b>Total</b>		<b><u>53341.56</u></b>	<b><u>45280.66</u></b>

### Note :

#### A. Includes :

1. Due from Directors	17.61	14.72
Maximum amount due during the year	18.41	24.44
2. Due from other Officers	3.75	4.14
Maximum amount due during the year	4.14	4.52

#### B. Includes due from Indian Oil Corporation Ltd., the holding company

198.82 97.00

#### C. Includes due from Indian Oil Corporation Ltd., the holding company

1.06 0.00

#### D. Disclosure requirements of SEBI under Clause 32 of the Listing agreement

1. Loans and advances in the nature of loans to parent company, IOC	0.00	0.00
Maximum amount outstanding during the year	0.00	0.00
2. Loans and advances in the nature of loans to associates	Nil	Nil
Maximum amount outstanding during the year	Nil	Nil
3. Loans and advances in the nature of loans where there is		
(i) no repayment schedule or repayment beyond seven years or	Nil	Nil
(ii) no interest or interest below section 372 A of Companies Act	Nil	Nil
4. Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	Nil

**CURRENT LIABILITIES**

**Schedule L**

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>1. Sundry Creditors</b>			
a) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
b) Total dues of creditors other than micro enterprises and small enterprises	A	<u>253558.19</u>	<u>116309.00</u>
		253558.19	116309.00
<b>2. Other Liabilities</b>	B	79567.51	33531.51
<b>3. Investor Education and Protection Fund shall be credited by :</b>	C		
Unpaid Dividend		429.85	368.42
<b>4. Security Deposits</b>		2190.03	2273.18
<b>5. Liability on Foreign Currency Contract</b>		97555.38	86445.68
Less : Foreign Currency receivables		<u>94886.22</u>	<u>84405.98</u>
		2669.16	2039.70
<b>6. Interest accrued but not due on loans</b>		419.53	177.36
Total		<u>338834.27</u>	<u>154699.17</u>

**Note:**

- A. Includes due to Indian Oil Corporation Ltd., the holding company - ₹. 205895.09 Lakhs (2010: ₹.76894.52 Lakhs).
- B. Includes due to Indian Oil Corporation Ltd., the holding company - ₹. 84.46 Lakhs (2010: Nil).
- C. No amount is due as on March 31, 2011 to be transferred to Investor Education & Protection Fund.

**PROVISIONS**

**Schedule L - I**

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>1. Provision for Fringe Benefit Tax</b>	250.66	472.04
Less: Advance Payments	<u>250.66</u>	<u>472.04</u>
	0.00	0.00
<b>2. Proposed Dividend</b>	17869.37	17869.37
<b>3. Dividend Distribution Tax</b>	2898.86	2967.88
<b>4. Provision for Retirement Benefits</b>	6803.46	6172.48
(Refer Annexure I of Note 14-Schedule R)		
Total	<u>27571.69</u>	<u>27009.73</u>



## DETAILS OF INCREASE / (DECREASE) IN STOCK

## Schedule M

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
<b>Closing Stock</b>		
a) Finished products	163581.02	138975.07
b) Stock in process	50107.34	30052.13
	<b>213688.36</b>	169027.20
Less :		
<b>Opening Stock</b>		
a) Finished products	138975.07	81606.90
b) Stock in process	30052.13	21621.37
	<b>169027.20</b>	103228.27
Total	<b>44661.16</b>	65798.93

## INTEREST AND OTHER INCOME

## Schedule N

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
1. Interest on			
a) Loans and Advances		198.34	208.26
b) Short Term Deposits with Banks		0.00	0.69
c) Customer Outstandings		239.23	245.19
d) Others	A	2360.84	1830.61
		<b>2798.41</b>	2284.75
2. Dividend			
From Others	B	426.02	106.50
3. Sale of Power		2080.30	2343.83
4. Profit on sale and disposal of assets		0.87	3.58
5. Unclaimed/Unspent Liabilities written back		379.43	10.56
6. Provision for Doubtful Debts, Advances, Claims and Stores written back		0.00	78.84
7. Sale of scrap		853.49	575.67
8. Exchange Fluctuations (Net)		4537.04	17476.61
9. Other Miscellaneous Income	C	531.53	629.33
Total		<b>11607.10</b>	23509.67

### Note:

- A. Includes interest on Income Tax refunds ₹.2178.32 Lakhs (2010: ₹.1736.25 Lakhs)
- B. Represents income from Long-Term, Trade Investments
- C. Includes income from Petroleum India International (Long-Term Trade Investments) ₹. 25.93 Lakhs (2010: ₹. 80.01 Lakhs)

**MANUFACTURING, ADMINISTRATION, SELLING AND OTHER EXPENSES**

**Schedule O**

(₹. in Lakhs)

	Note	March 31, 2011	March 31, 2010
<b>1. Raw Material Consumed</b>			
Opening Balance		252657.36	127633.53
Add: Receipts		3130763.76	2493567.05
		3383421.12	2621200.58
Less: Closing Stock		278359.00	252657.36
		<b>3105062.12</b>	2368543.22
<b>2. Consumption</b>			
a) Stores, Spares and Consumables		5007.02	7448.81
b) Packages and Drum Sheets		131.95	132.20
		<b>5138.97</b>	7581.01
<b>3. Power, Water and Fuel</b>		276273.05	210785.83
Less: Own Fuel		272530.16	206600.20
		<b>3742.88</b>	4185.63
<b>4. Octroi, Other Levies and Irrecoverable Taxes</b>		<b>16001.92</b>	10482.73
<b>5. Repairs and Maintenance</b>			
a) Buildings		266.59	511.30
b) Plant & Machinery		9911.75	13674.05
c) Others		2617.78	1399.94
		<b>12796.12</b>	15585.29
<b>6. Freight, Transportation charges and Demurrage</b>		<b>8394.73</b>	2745.25
<b>7. Payments to and Provisions for Employees</b>			
a) Salaries, wages, bonus etc.	A	18454.86	20240.58
b) Contribution to Provident and other Funds	B	774.77	4250.21
c) Staff Welfare Expenses		4792.69	2741.49
		<b>24022.32</b>	27232.28
<b>8. Office Administration, Selling and Other Expenses</b> (Schedule O - I)		<b>11269.35</b>	11661.26
<b>Total</b>		<b>3186428.41</b>	2448016.67

Note:

A . Includes ₹. 983.17 Lakhs for the current year for Non-Supervisory employees (2010: ₹. 2771.33 Lakhs for the period 01.01.2009 to 31.03.2010 for Non-Supervisory employees) towards estimated provision pending finalisation of wage revision.

B . Includes ₹. 768 Lakhs (2010: ₹. 1367.18 Lakhs for the period 01.01.2007 to 31.03.2010 towards Supervisory employees and ₹. 332.87 Lakhs for the period 01.01.2009 to 31.03.2010 towards non-supervisory employees) towards increased retirement benefits for the current year in respect of Supervisory employees and Non Supervisory employees.



# OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

## Schedule O - I

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
1. Rent	1012.31	1053.60
2. Insurance	758.83	766.39
3. Rates & Taxes	362.93	319.56
4. Donations	148.45	619.34
5. Payment to Auditors		
a) Audit Fees	8.27	8.27
b) Tax Audit	1.65	1.65
c) Other Services (for issuing certificates etc.)	5.30	3.92
	15.22	13.84
6. Travelling and Conveyance	1586.95	1385.09
7. Communication Expenses	217.50	232.34
8. Printing and Stationery	125.61	114.17
9. Electricity and Water	80.26	56.77
10. Bank Charges	16.06	51.34
11. Bad Debts, Advances, Claims and Materials written off	20.90	101.28
12. Loss on Assets sold, lost or written off	355.93	312.19
13. Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores	256.44	106.13
14. Security Force Expenses	1399.87	1248.75
15. Handling Expenses	333.57	372.10
16. Terminalling Charges	1885.41	2056.15
17. Other Expenses	2693.09	2852.22
Total	11269.35	11661.26

# INCOME / EXPENSES RELATING TO PRIOR PERIOD

## Schedule P

(₹. in Lakhs)

	March 31, 2011	March 31, 2010
Income :		
1. Other Miscellaneous Income	(7.41)	0.00
Total Income	(7.41)	0.00
Net Income / (Expenditure)	(7.41)	0.00

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Schedule Q**

**1. BASIS OF PREPARATION**

- 1.1** The financial statements are prepared under historical cost convention in accordance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.
- 1.2** The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

**2. FIXED ASSETS**

**2.1 Land**

Land acquired on lease for over 99 years and on perpetual lease is treated as freehold land.

**2.2 Technical know-how / license fee**

Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset.

**2.3 Capitalisation of construction period expenses**

- (a) Revenue expenses exclusively attributable to projects incurred during the year of construction period are capitalised.
- (b) Financing cost incurred during the construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis at the actual borrowing rates.
- Financing cost, if any, incurred on general borrowings used for projects is capitalised at the weighted average cost.
- (c) Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

**2.4 Depreciation / Amortisation**

- (a) Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956, on straight-line method, upto 95% of the cost of the asset other than Insurance Spares which are depreciated upto 100%. Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/sale, disposal and dismantled during the year.
- (b) Assets costing not more than ₹ 5000/- each are depreciated in full in the year of addition.
- (c) Capital expenditure on assets, on which the ownership and control that does not vest with the company are charged to revenue in the year in which it is incurred.
- (d) Cost of leasehold land (including premium) for 99 years or less is amortised during the lease period.

**3. IMPAIRMENT OF ASSETS**

Carrying amount of cash generating units/assets is reviewed for impairment. Impairment, if any, is recognised where the carrying amount exceeds the recoverable amount.

**4. INTANGIBLE ASSETS**

- (a) Technical know-how / license fee relating to production process and process design are accounted for as intangible assets and amortized on a straight line basis over a period of ten years or life of the said plant/facility, whichever is earlier.
- (b) Expenditure incurred on Research and Development, other than on capital account, is charged to revenue.
- (c) Costs incurred on computer software purchased/developed on or after 1st April 2003, resulting in future economic benefits are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised. However, where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as Work-in Progress - Intangible Assets.
- (d) Cost of Right of Way for laying pipelines is capitalised and where Right of Way is of perpetual nature, not amortised.





## **5. BORROWING COST**

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

## **6. INVESTMENTS**

Long-term investments are carried at cost and provision for diminution in the value thereof, other than temporary in nature, is accounted.

Current investments are carried at lower of cost or market value.

## **7. CURRENT ASSETS, LOANS AND ADVANCES**

### **7.1 Valuation of Inventories**

#### **(a) Raw materials**

Crude oil - At cost (on weighted average basis) or net realisable value whichever is lower.

#### **(b) Stock-in-process**

At raw material cost plus fifty percent of the cost of conversion, as applicable or net realisable value, whichever is lower.

#### **(c) Finished products**

Finished products are valued at cost on First in First out basis or net realisable value, whichever is lower. Cost of finished products is determined based on crude cost and processing cost.

#### **(d) Stores and Spares**

Stores and Spares are valued at weighted average cost. In case of declared surplus/obsolete stores and spares, provision is made for likely loss on sale/disposal and charged to revenue. Necessary provisions are also made in respect of non-moving stores and spares after review.

Stores and Spares in transit are valued at cost.

#### **(e) Imported Products in-transit and Crude Oil in-transit**

Imported products in-transit and crude oil in-transit are valued at CIF cost or net realisable value, whichever is lower.

## **8. FOREIGN CURRENCY TRANSLATION**

(a) Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions.

(b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the year-end, are translated at exchange rates applicable as of that date.

(c) Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.

(d) Any gains or losses arising due to exchange differences at the time of translation or settlement are recognized as income or as expense in the period in which, they arise.

(e) Premium/discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract. Outstanding forward contracts as at the reporting date are restated at the exchange rate prevailing on that date.

## **9. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

### **9.1 CONTINGENT LIABILITIES**

(a) Show Cause Notices issued by various Government Authorities are not considered as Obligation.

(b) When the demand notices are raised against such show cause notices and are disputed by the Corporation, then these are classified as disputed obligations.

(c) The treatment in respect of disputed obligations, in each case above ₹.5 Lakhs, is as under:

- i) A provision is recognized in respect of present obligations where the outflow of resources is probable.
- ii) All other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

## **9.2 CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹.5 Lakhs.

## **10. PROFIT AND LOSS ACCOUNT**

- (a) Claims on Petroleum Planning and Analysis Cell (Formerly known as Oil Coordination Committee)/ Government arising on account of erstwhile Administered Pricing Mechanism / notified schemes are booked on acceptance in principle thereof. Such claims and provisions are booked on the basis of available instructions/clarifications subject to final adjustment as per separate audit.
- (b) Other claims (including interest on outstanding) are accounted:
  - i) When there is certainty that the claims are realizable
  - ii) Generally at cost
- (c) Prepaid Expenses upto ₹.5,00,000/- in each case is charged to revenue.
- (d) Income and expenditure are disclosed as prior period items only when the value exceeds ₹.5,00,000/- in each case.

## **11. TAXES ON INCOME**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

## **12. EMPLOYEE BENEFITS**

### **12.1 SHORT TERM BENEFITS:**

Short Term Employee Benefits are accounted in the period during which the services have been rendered.

### **12.2 POST-EMPLOYMENT BENEFITS AND OTHER LONG TERM EMPLOYEE BENEFITS:**

- (a) The Company's contribution to the Provident Fund is remitted to separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Profit and Loss Account. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to profit and loss account.
- (b) The company operates defined benefit plans for gratuity. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Insurance Company. Actuarial gains/losses are charged to Profit and Loss account.
- (c) The liability of the company in respect of superannuation scheme is restricted to the fixed contribution paid by the corporation on a monthly basis towards the defined contribution scheme maintained by Insurance Company, which is charged off to revenue.
- (d) Obligations on compensated absences, Post Retirement Medical Benefits and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

### **12.3 TERMINATION BENEFITS:**

Payments made under Voluntary Retirement Scheme are charged to Profit and Loss Account.

## **13. COMMODITY HEDGING**

The realized gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year, are recognised in the profit&loss account. However in respect of those contracts, the pricing period of which extends beyond the balance sheet date, suitable provision for likely loss, if any, is provided.



## NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011

## Schedule R

### 1. Contingent Liabilities:

- a) Claims against the company not acknowledged as debts ₹. 2971.77 Lakhs (2010: ₹. 2969.46 Lakhs).

These mainly include:

- i) ₹. 201.72 Lakhs (2010: ₹. 330.36 Lakhs) being the demands raised by Central Excise authorities.
  - ii) ₹. 1270.79 Lakhs (2010: ₹. 1276.09 Lakhs) in respect of Sales Tax demands.
  - iii) ₹. 229.45 Lakhs (2010: ₹. 188.21 Lakhs) in respect of Income Tax demands.
  - iv) ₹. 811.21 Lakhs (2010: ₹. 769.56 Lakhs) relating to projects.
- b) Interest/Penalty, if any, unascertainable, on the above claims is not considered.
- c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹. 74183.00 Lakhs (2010: ₹. 117325.87 Lakhs).

2. Thirty four acres and forty nine cents of land has been taken on lease from a trust on a five-year renewable lease for the construction of Employees Township at Cauvery Basin Refinery.
3. Forty-one acres of land of the company is in the possession of IOT Infrastructure & Energy Services Limited under a lease agreement.
4. Change in Accounting policy of the company with regard to capital expenditure on assets, on which the ownership and control that does not vest with the company are charged to revenue in the year in which it is incurred (Policy No.2.4(c)). This has no impact on the profits for the year as no such expenditure has been incurred during the year.
5. (a) The cost of land includes provisional payments towards cost, compensation, and other accounts for which detailed accounts are yet to be received from the authorities concerned.
- (b) Pending completion of formalities, assignment deeds of some portion of the land are yet to be obtained.
- (c) Pending decision of the Government/Court, additional compensation, if any, payable to the landowners and the Government for certain lands acquired, is not considered.
6. The company, in the absence of suitable notification by the Central Government specifying the applicable rate of cess under section 441A of the Companies Act, 1956 on turnover payable by the company, has not provided for cess towards formation of Rehabilitation and Revival Fund.

### 7. Valuation of Finished Products:

The overall gross margin percentage for all joint products is subtracted from the final net realisable value of each product to arrive at the total cost of each product which is taken as the basis for valuation of closing stock of finished products. (Refer policy no 7 (c) in Schedule – Q – “Statement of Significant Accounting Policies”).

8. In line with the scheme formulated by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas, the company has received an aggregate discount of ₹. 82439.51 Lakhs (2010: ₹. 58738.21 Lakhs) from Oil and Natural Gas Corporation Limited on Crude Oil purchase and has passed on the same as discounts on products sold to Indian Oil Corporation Limited. Accordingly, Gross Sales and Consumption of Raw Materials for the year are net of ₹. 82439.51 Lakhs. (2010: ₹. 58738.21 Lakhs).
9. The Company has an export obligation to the extent of ₹.19473.58 Lakhs (2010: ₹.1715.11 Lakhs) on account of concessional rate of customs duty availed under EPCG scheme on import of capital goods/Advance License scheme on import of crude oil.
10. a) Payments to and provisions for employees includes ₹. 983.17 Lakhs for the current year for Non-Supervisory employees (2010: ₹.3066.83 Lakhs for the period 01.01.2009 to 31.03.2010 for Non-Supervisory employees) towards estimated provision pending finalisation of wage revision.
- b) Additionally, a sum of ₹.768.00 Lakhs (2010: ₹.1700.05 Lakhs) is accounted during the year towards estimated provision in respect of increased retirement benefits in line with DPE guidelines.
11. The company operates in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.

12. The company has not entered into any derivative transaction, other than for hedging purposes during the year. 88 Forward contracts entered into for hedging purposes by the company and outstanding as on 31<sup>st</sup> March 2011 towards repayment of foreign currency loan is USD 212.75 Million amounting to ₹. 97555.38 Lakhs (2010: ₹. 84405.96 Lakhs; USD 187.99 Million)
13. Foreign currency exposures that are not hedged as on 31<sup>st</sup> March 2011: ₹.64224 Lakhs (2010: ₹. 75818.75 Lakhs).
14. Disclosure as required under Accounting Standard – 15 (revised) on “Employee Benefits” is provided in Annexure – I to this schedule.
15. In compliance with Accounting Standard – 18 on “Related Party Disclosures” the required information is given in Annexure – II to this schedule.
16. Disclosure as required under Accounting Standard – 19 on “Leases” is as under:

**Operating Leases:**

The company has taken on operating lease, Product Tankages from IOC on a renewal basis. The lease rentals incurred for the current year amounting to ₹. 569.46 Lakhs are included in Rent (2010: ₹.766.85 Lakhs).

The lease rent payable for the next financial year is estimated to be ₹. 800.42 Lakhs (2010: ₹.850.11 Lakhs) and lease rent for the five-year period after the next year is estimated to be ₹. 4002.10 Lakhs. (2010: ₹.4250.54 Lakhs)

17. In compliance with Accounting Standard – 20 on “Earning Per Share” the elements considered for calculation of Earning Per Share (Basic and Diluted) are as under:

Particulars	March 2011	March 2010
Profit After Tax (Rupees in Lakhs)	51152.22	60321.95
Weighted Average number of equity shares	148911400	148911400
Earning Per Share (Basic and Diluted) (Rupees)	34.35	40.51
Face value per share (Rupees)	10	10

18. In compliance with Accounting Standard – 22 on “Accounting for Taxes on Income” Deferred Tax Asset (-)/Liability (+) for the financial period ended 31st March 2011 amounting to ₹. 2851.77 Lakhs (2010: ₹. 16195.25 Lakhs) has been made/provided.

- I. The item-wise details of Deferred tax liability (net) are as under :

	(₹. in Lakhs)	
	As on 31.03.2011	As on 31.03.2010
<b>Deferred Tax Liability:</b>		
Depreciation	63475.40	58813.91
<b>Less: Deferred Tax Assets:</b>		
i) Provision for Retirement Benefits (includes provision for Leave encashment)	1945.96	190.65
ii) Voluntary Retirement Scheme Expenditure written off	4.89	10.01
iii) Provisions on inventories, debtors, loans and advances, Investments	1077.33	1017.80
<b>Deferred Tax Liability (Net)</b>	<b>60447.22</b>	<b>57595.45</b>



19. Disclosure as required under Accounting Standard – 27 on “Financial Reporting of Interests in Joint Ventures” is as under:

a) **Name of the Joint Venture** Indian Additives Ltd.

**Proportion of ownership interest** 50%

**Country of Incorporation** India

**Aggregate amount of interests in Joint Venture**

	Amount (₹. in Lakhs)	
Company's share of	2010-11 <sup>#</sup>	2009-10 <sup>##</sup>
Assets	8548.99	7293.12
Liabilities	1655.25	2292.76
Income	17347.02	16321.36
Expenditure	14429.76	12986.87
Contingent Liabilities	834.12	563.75

<sup>#</sup> Unaudited figures <sup>##</sup> Audited figures

b) **Name of the Joint Venture** National Aromatics and Petrochemicals Corporation Ltd.

**Proportion of ownership interest** 50%

**Country of Incorporation** India

Aggregate amount of interests in Joint Venture is not given since the joint venture is not operational.

20. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS - 28 on “Impairment of Assets”. Based on such review, no provision for impairment is required to be recognised for the year.

21. Disclosure required under the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

The company sought written confirmation from its suppliers to identify micro, small and medium enterprises.

No principal amount or interest amount remains unpaid to such Micro and Small enterprises as on 31.03.2011 and no payments were made to such enterprises beyond the “appointed day” during the year. Also, the company has not paid any interest in terms of section 16 of the above-mentioned act or otherwise.

This information has been determined to the extent, such parties could be identified on the basis of information made available to the company.

22. Remuneration paid/payable to Directors:

	(₹. in Lakhs)	
	2010-11	2009-10
i) Salaries and Allowances	112.22	138.78
ii) Contribution to Provident Fund	5.16	7.79
iii) Contribution to Gratuity / Superannuation Fund, etc.	5.16	7.46
iv) Other benefits and Perquisites	1.06	1.47
v) Sitting Fees to Part Time Directors	6.45	3.70
<b>Total</b>	<b>130.05</b>	<b>159.20</b>

Note:

Remuneration of the previous year includes amounts paid towards revision in pay (net of adhoc amount paid in the earlier years) with effect from 01.01.2007.

23. The Profit and Loss Account includes:

- Expenditure on Public Relations and Publicity amounting to ₹. 260.08 Lakhs (2010: ₹. 135.16 Lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00006808: 1 (2010: 0.00004616:1).
- Research and Development expenses ₹. 385.99 Lakhs (2010: ₹. 388.12 Lakhs).
- Entertainment Expenses ₹. 25.47 Lakhs (2010: ₹. 22.40 Lakhs).

24. Previous year's comparative figures have been regrouped and recast, wherever necessary, to the extent practicable, for uniformity in presentation.

#### Annexure - I

#### Disclosure requirements under AS -15 (Revised) as per Note No. 14

##### Defined Contribution Schemes:

The net amounts expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹. 1086.31 Lakhs (2010: ₹. 1122.41 Lakhs) and ₹. 551.58 Lakhs (2010: ₹. 623.73 Lakhs) respectively.

##### Defined Benefit Schemes:

##### Funded Schemes:

(₹. in Lakhs)

Net employee benefit Expense	Gratuity	
	2011	2010
Current Service Cost	102.85	863.33
Interest cost on benefit obligation	416.82	349.68
Expected (return) / loss on plan assets	(505.35)	(262.76)
Net actuarial (gain)/loss recognized in the year	(886.85)	(146.34)
Net Benefit Expense	(872.54)	803.91

##### UnFunded Schemes:

(₹. in Lakhs)

Net employee benefit Expense	Post Retirement medical Benefits		Service award		Earned Leave Encashment	
	2011	2010	2011	2010	2011	2010
Current Service Cost	0.00	0.00	26.05	34.30	125.29	663.00
Interest cost on benefit obligation	96.61	92.18	19.09	20.38	403.77	270.21
Net actuarial (gain)/loss recognized in the year	114.25	21.45	32.52	(45.97)	(10.12)	958.67
Net Benefit Expense	210.86	113.63	77.66	8.71	518.94	1891.88

Consequent upon review of accounting treatment of deposit with Insurance Companies for funding the leave encashment liability, the scheme hitherto treated as funded scheme has now been treated as unfunded scheme, the said deposit of ₹. 4943.34 Lakhs and corresponding provision of ₹. 5164.57 Lakhs for leave encashment liability has been reflected separately in the accounts which was netted off till previous year. Consequently, Tax provision of ₹. 1328.20 Lakhs has been provided for pertaining to earlier years with a corresponding reduction in Deferred Tax Liability (Net) by ₹. 1507.90 Lakhs. Due to the grossing up, the assets and liabilities have increased to the extent of ₹. 4943.34 Lakhs. (2010: Defined Benefit obligation for Leave Encashment is ₹. 5095.45 Lakhs; Fair value of Plan Assets ₹. 4647.56 Lakhs; Net Liability ₹. 447.89 Lakhs).


**Funded Schemes:**

(₹. in Lakhs)

Changes in Present Value of defined benefit obligation	Gratuity	
	2011	2010
Opening defined benefit obligation	<b>5410.26</b>	4564.09
Interest Cost	<b>416.82</b>	349.68
Current Service Cost	<b>102.85</b>	863.33
Benefits paid	<b>(125.78)</b>	(219.96)
Net actuarial (gain)/loss on obligation	<b>(891.46)</b>	(146.88)
Closing defined benefit obligation	<b>4912.69</b>	5410.26

**UnFunded Schemes:**

(₹. in Lakhs)

Changes in Present Value of defined benefit obligation	Post Retirement medical Benefits		Service award		Earned Leave Encashment	
	2011	2010	2011	2010	2011	2010
Opening defined benefit obligation	<b>1195.42</b>	1138.31	<b>242.13</b>	257.16	<b>5095.45</b>	3527.14
Interest Cost	<b>96.61</b>	92.18	<b>19.09</b>	20.38	<b>403.77</b>	270.21
Current Service Cost	<b>0.00</b>	0.00	<b>26.05</b>	34.30	<b>125.29</b>	663.00
Benefits paid	<b>(62.82)</b>	(56.52)	<b>(24.37)</b>	(23.74)	<b>(449.82)</b>	(658.90)
Net actuarial (gain)/loss on obligation	<b>114.25</b>	21.45	<b>32.52</b>	(45.97)	<b>(10.12)</b>	1294.00
Closing defined benefit obligation	<b>1343.47</b>	1195.42	<b>295.42</b>	242.13	<b>5164.57</b>	5095.45

1% Increase in cost of post retirement medical benefits will increase the liability by ₹. 31.48 Lakhs (2010: ₹. 30.65 Lakhs). 1% decrease in cost will decrease the liability by ₹. 32.33 Lakhs (2010: ₹. 34.16 Lakhs)

**Funded Schemes:**

(₹. in Lakhs)

Changes in fair value of plan assets	Gratuity	
	2011	2010
Opening Fair value of plan assets	<b>5370.90</b>	2304.88
Expected return	<b>505.35</b>	262.76
Contributions	<b>0.00</b>	3023.76
Benefits paid	<b>(125.78)</b>	(219.96)
Actuarial gain/(loss)	<b>(4.61)</b>	(0.54)
Closing Fair value of plan assets	<b>5745.86</b>	5370.90
Investment details	<b>Insurer Managed funds - 100%</b>	

**Funded Schemes:**

(₹. in Lakhs)

Balance sheet	Gratuity	
	2011	2010
Defined benefit obligation	<b>4912.69</b>	5410.26
Fair value of plan assets	<b>5745.86</b>	5370.90
Plan asset / (liability)	<b>833.17</b>	(39.36)



## Unfunded Schemes:

(₹. in Lakhs)

Balance sheet	Post Retirement medical Benefits		Service award		Earned Leave Encashment	
	2011	2010	2011	2010	2011	2010
Defined benefit obligation	1343.47	1195.42	295.42	242.13	5164.57	5095.45
Fair value of plan assets	-	-	-	-	-	-
Plan asset / (liability)	(1343.47)	(1195.42)	(295.42)	(242.13)	(5164.57)	(5095.45)

## Funded Schemes:

Actuarial Assumptions	Gratuity	
	2011	2010
Discount Rate (per annum)	8.30%	8.29%
Rate of escalation in salary (per annum)	8%	8%
Mortality table	LIC 94 - 96 rates	
Attrition rate	1-3%	
Expected rate of return on plan assets (per annum)	8%	

## Unfunded Schemes:

Actuarial Assumptions	Post Retirement medical Benefits		Service award		Earned Leave Encashment	
	2011	2010	2011	2010	2011	2010
Mortality table (before Retirement)	LIC 94 – 96 rates					
Mortality table (after Retirement)	LIC 96 – 98 rates					
Discount Rate (per annum)	8.30%	8.30%	8.30%	8.30%	8.30%	8.29%
Inflation Rate (per annum)	7%	7%	7%	7%	8%	8%
Rate of morbidity	10%		Not Applicable		Not Applicable	

\* \* \* \* \*

## Annexure - II

## Disclosure requirements under AS –18 as per Note No. 15

(₹. in Lakhs)

Details of Transactions	Key Management Personnel		Joint Ventures		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Remuneration	122.54	154.03	-	-	122.54	154.03
Other Benefits/ Recoveries	1.06	1.47	-	-	1.06	1.47
Dividend Received	-	-	426.02	106.50	426.02	106.50
Outstanding Loans/advances receivables	17.61	14.72	-	-	17.61	14.72
Assets on Hire	7.47	5.99	-	-	7.47	5.99





**Note:** Remuneration for previous year includes amounts towards revision in pay (net of adhoc amount paid in the previous year) with effect from 01.01.2007 paid during the year.

### Key Management Personnel

#### Whole-time Directors

- 1) Shri K. Balachandran
- 2) Shri N.C.Sridharan
- 3) Shri S.Chandrasekaran
- 4) Shri S. Venkataramana (from 3<sup>rd</sup> October 2010)

#### Joint Venture Companies

- 1) Indian Additives Limited
- 2) National Aromatics and Petrochemicals Corporation Limited.

\* \* \* \* \*

### LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

#### Schedule S

(Figures in Lakhs)

	UNIT	Licensed Capacity		Installed Capacity		Actual Production		
		31 March, 2011	31 March, 2010	31 March, 2011	31 March, 2010	31 March, 2011	Note	31 March, 2010
i) Crude Processing	MTs	115.00	105.00	115.00	105.00	107.48		100.57
ii) Propylene Recovery Unit	MTs	0.30	0.30	0.30	0.30	0.34	A	0.31
iii) Wax Plant	MTs	0.30	0.30	0.30	0.30	0.27	A	0.28

Note :

A. Represents finished petroleum products

### FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

#### Schedule T

(Figures in Lakhs)

	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity MTs	Value Rupees	Quantity MTs	Value Rupees	Quantity MTs	Value Rupees	Quantity MTs	Value Rupees
1. PETROLEUM / PETRO-CHEMICAL PRODUCTS								
<b>Year ended 31.03.11</b>	<b>3.59</b>	<b>136617.98</b>	<b>1.09</b>	<b>46819.67</b>	<b>99.30</b>	<b>3798399.21</b>	<b>3.37</b>	<b>162010.10</b>
Year ended 31.03.10	3.25	80934.89	0.78	25191.81	89.43	2910863.53	3.59	136617.98
2. WAX								
<b>Year ended 31.03.11</b>	<b>0.05</b>	<b>2357.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.30</b>	<b>21716.36</b>	<b>0.02</b>	<b>1570.92</b>
Year ended 31.03.10	0.02	967.68	0.00	0.00	0.27	17373.09	0.05	2357.09
3. TOTAL								
<b>Year ended 31.03.11</b>	<b>3.64</b>	<b>138975.07</b>	<b>1.09</b>	<b>46819.67</b>	<b>99.60</b>	<b>3820115.57</b>	<b>3.39</b>	<b>163581.02</b>
Year ended 31.03.10	3.64	138975.07	0.78	25191.81	89.70	2928236.62	3.64	138975.07

**CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS / SHEETS /  
STORES/ SPARE PARTS AND COMPONENTS**
**Schedule U**

	Imported		Indigenous		Quantity	Total
	Value (₹. in Lakhs)	% to total Consumption	Value (₹. in Lakhs)	% to total Consumption	MTs (in Lakhs)	Rupees (in Lakhs)
<b>31 March 2011</b>						
<b>Crude Oil and Gas</b>	<b>2608138.64</b>	<b>84</b>	<b>496923.48</b>	<b>16</b>	<b>107.48</b>	<b>3105062.12</b>
<b>Packing Materials Consumed</b>			<b>131.95</b>	<b>100</b>		<b>131.95</b>
<b>Steel Coils/Sheets/Stores/ Component and Spare Parts</b>	<b>1810.04</b>	<b>16</b>	<b>9638.29</b>	<b>84</b>		<b>11448.33</b>
<b>31 March 2010</b>						
Crude Oil and Gas	2028553.11	86	339990.12	14	100.57	2368543.22
Packing Materials Consumed			132.20	100		132.20
Steel Coils/Sheets/Stores/ Component and Spare Parts	5249.83	39	8149.37	61		13399.20

**EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW,  
PROFESSIONAL & CONSULTATION FEES, DIVIDEND & OTHER MATTERS**
**Schedule V**

(₹. in Lakhs)

	Note	31 March, 2011	31 March, 2010
1. Professional, Consultation Fees and Technical Fees		<b>1025.38</b>	1936.88
2. Interest		<b>4055.65</b>	472.68
3. Dividend (Net of taxes)	A	<b>2763.22</b>	0.00
4. Others		<b>122.22</b>	238.64
Total	B	<b>7966.47</b>	2648.20

Note :

A - Figures for 2011 represents final dividend payment made to 390 Non-Resident Shareholders for the year 2009-10 holding 23026800 number of shares.

B - Expenditure in Foreign Currency has been considered on accrual basis.



## EARNINGS IN FOREIGN CURRENCY

### Schedule W

(₹. in Lakhs)

	Note	31 March, 2011	31 March, 2010
Export of Petroleum Products	A & B	<b>11327.94</b>	0.00
Total		<b>11327.94</b>	0.00

Note :

A - Export of Petroleum Products has been considered on FOB basis.

B - Earnings in Foreign Currency has been considered on accrual basis.

## CIF VALUE OF IMPORTS

### Schedule X

(₹. in Lakhs)

	Note	31 March, 2011	31 March, 2010
1. Crude Oil	A	<b>2620763.64</b>	2104137.62
2. Capital Goods		<b>1079.26</b>	8709.99
3. Revenue Stores, Component, Spare and Chemicals		<b>1918.65</b>	3538.24
Total		<b>2623761.55</b>	2116385.85

Note: A. Value of imports made through Indian Oil Corporation

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Schedule - Y

## I. Registration Details

Registration No. : 5389 1965	State Code : 18	Balance Sheet Date	31	03	2011
			Date	Month	Year

## II. Capital Raised During the Year (Amount in ₹. Lakhs)

Public Issue	Rights Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

## III. Position of Mobilisation and Deployment of Funds (Amount in ₹. Lakhs)

Total Liabilities	Total Assets
1225699.01	1225699.01

## Sources of Funds

Paid-up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans	Deferred Tax Liability
14900.46	361692.10	22535.94	399717.33	60447.22

## Application of Funds

Net Fixed Assets	Intangible Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated Losses
457425.33	1745.39	2250.45	397871.88	NIL	NIL

## IV. Performance of Company (Amount in ₹. Lakhs)

Turnover	Total Expenditure	Earning Per Share in ₹.
3310781.82	3234430.12	34.35
+/- Profit/Loss Before Tax	+/- Profit/Loss After Tax	Dividend rate %
+	+	120
76351.70	51152.22	

(Please tick Appropriate box + for Profit - for Loss)

## V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
2710	HIGH SPEED DIESEL
2710	MOTOR SPIRIT
2710	FURNACE OIL



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Schedule Z

(₹. in Lakhs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	76351.70	68376.41
Adjustments for :		
Depreciation	31447.35	26714.19
Income from Long - term Investment	(426.02)	(106.50)
Profit on Sale of Assets	(0.87)	(3.58)
Liabilities/Prov. for Claims written back	(379.43)	(89.40)
Advances, Claims and Material written off	20.90	101.28
Provision for Doubtful Claims and obsolescence of stores/Investments	256.44	106.13
Loss on Sale of Assets/investments	355.93	312.19
Interest on Borrowings	25445.50	13735.53
Interest income from short term investment	0.00	(0.69 )
<b>B. Operating Profit Before Working Capital Changes</b>	133071.50	109145.56
<b>C. Changes in Working Capital</b> (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(107068.90)	11135.08
Inventories	(73747.22)	(190916.60)
Trade and Other Payables	157326.43	(68767.86)
Change in Working Capital	(23489.69)	(248549.38)
<b>D. Cash generated from Operations</b>	109581.81	(139403.82)
<b>E. Adjustments for</b>		
Direct Taxes Paid	(13070.28)	(10299.20)
Fringe Benefit Tax Paid	0.00	(31.66)
<b>F. Net Cash Flow from Operating Activities</b>	96511.53	(149734.68)
<b>G. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(71744.82)	(89034.14)
Sale of Assets	12.01	169.28
Investments (Net)	118.37	(61.48)
Interest Income	0.00	1.19
Income from long term investment	426.02	106.50
Net Cash used in Investment Received	(71188.42)	(88818.65)

## Schedule Z (Contd.,)

(₹. in Lakhs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
<b>H. Net Cash Flow from Financing Activities</b>		
Proceeds from/(Repayments of) Long Term Borrowings	(31712.87)	(37946.25)
Proceeds from/(Repayments of) Short Term Borrowings	46177.25	290944.64
Interest Paid	(19147.89)	(13950.91)
Dividend Paid	(17869.37)	(22.66)
Corporate Dividend Tax Paid	(2967.88)	0.00
Net Cash Generated/(Used) from Financing Activities	(25520.76)	239024.82
<b>I. Net change in Cash &amp; Cash Equivalents (F + G + H)</b>	(197.65)	471.49
<b>J. Cash and Cash Equivalents at the end of Financial Year</b>	1236.53	1434.18
<b>K. Cash and Cash Equivalents at the beginning of Financial Year</b>	1434.18	962.69
<b>Net Change in Cash and Cash equivalents (J-K)</b>	(197.65)	471.49

## Notes :

## 1. Cash and Cash Equivalents include

1. Cash Balances				
a) Cash balances including imprest		0.06		0.66
b) Cheques in hand				
2. Gold medals at cost		24.37		3.48
3. Bank Balances with Scheduled Banks :				
a) Current Account	861.60		1092.90	
b) Deposit Account	350.50	1212.10	337.14	1430.04
<b>Total</b>		<b>1236.53</b>		<b>1434.18</b>

2. The Previous year's figures have been regrouped wherever necessary for uniformity in presentation

(K.Balachandran)  
Managing Director(N.C.Sridharan)  
Director (Finance)(M.Sankaranarayanan)  
Company Secretary

As per our Report of even date

M. Thomas & Co.  
Chartered AccountantsSreedhar, Suresh & Rajagopalan  
Chartered Accountants(A. Rozario)  
Partner(V. Suresh)  
PartnerPlace : Chennai  
Dated : May 24, 2011Membership No. 21230  
FRN: 004408SMembership No. 26525  
FRN: 003957S

**E-COMMUNICATION REGISTRATION FORM**  
*(exclusively meant for Shareholders holding shares in physical form)*

To,

Karvy Computershare Private Limited

Unit: **CHENNAI PETROLEUM CORPORATION LIMITED**

Plot No.17 to 24, Vittalrao Nagar

Madhapur, Hyderabad - 500 081.

RE:- Green Initiative in Corporate Governance

<b>Regd. Folio No.</b>	
<b>Name of 1<sup>st</sup> Registered Holder</b>	
<b>Name of Joint Holder/s</b>	
<b>Registered Address</b>	
<b>E-mail ID to be registered (IN CAPITAL LETTERS)</b>	

**Date:**

**Signature .....**

**(First Holders)**

1. On registration, all the communications, including the Annual Reports, will be sent at the registered e-mail address aforesaid.
2. Shareholders are requested to keep the Company / its Share Transfer Agent / Depository Participant informed of any change in their e-mail address.

## ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To

(in Case of Physical Holding)  
Karvy Computershare Private Limited  
Unit: Chennai Petroleum Corporation Ltd.  
Plot Nos: 17 to 24, Vithalrao Nagar, Madhapur,  
**HYDERABAD - 500 081.**

To

(in Case of Electronic Holding)  
The Depository Participant

Dear Sir,

### FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

I wish to participate in the Electronic Clearing Services (ECS) and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

#### 1. For Shares held in physical form

Folio No.

#### 2. For Shares held in electronic form

(Shareholders holding shares in electronic form i.e. in Demat mode, should forward this form to their respective Depository Participant.).

DP ID :

Client ID :

3. Shareholder's Name: Shri/Smt/Kum./M/s .....

4. Shareholder's Address .....

#### 5. Particulars of Bank:

- \* Bank Name :
- \* Branch Name & Address :
- \* Mention the 9 digit code number of the bank and branch appearing on the MICR cheque issued by the bank :  
(Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number)
- \* Account Type (Please Tick) : Savings ☐ Current ☐ Cash Credit ☐
- \* Account Number (as appearing on the cheque book): .....

#### 6. Date from which the mandate should be effective:

.....  
I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company / Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place :

Date :

Signature of the First Shareholder





**Chennai Petroleum Corporation Limited**

### PROXY

Folio No. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being member(s) of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Forty Fifth Annual General Meeting of the Company to be held on the **12th day of September 2011** and at every adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Full Name \_\_\_\_\_

For Office use only.

Affix 30 paise  
Revenue Stamp

Proxy No. : \_\_\_\_\_

Notes :

1. The instrument of proxy, to be valid, should be deposited at the Registered Office at 536, Anna Salai, Teynampet, Chennai 600 018, 48 hours before the meeting.
2. The instrument of proxy should be executed on 30 paise revenue stamp.



**Chennai Petroleum Corporation Limited**

Registered Office : 536, Anna Salai, Teynampet, Chennai 600 018.

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF KAMARAJ ARANGAM, CHENNAI 600 006.

NAME OF THE MEMBER/PROXY :

FOLIO NO. :

I hereby record my presence at the FORTY FIFTH ANNUAL GENERAL MEETING at 2.30 p.m. on 12th SEPTEMBER 2011 at KAMARAJ ARANGAM, CHENNAI-600 006.

SIGNATURE OF THE MEMBER OR PROXY :

Note : Members who come to attend the meeting are requested to bring their copies of Annual Report with them.





MD, CPCL receiving the  
'TPM Excellence Award, for Manali Refinery from  
Japan Institute of Plant Maintenance (JIPM).



Chairman inaugurating the DHDT unit  
at Manali refinery



Chairman visiting wax plant at Manali refinery.



ENT Camp in Manali neighbourhood  
as part of CSR activity



Visit of the parliamentary Committee on  
Government Assurances, Rajya Sabha.



***Chennai Petroleum Corporation Limited***

*(A group company of IndianOil)*

536, Anna Salai, Teynampet Chennai 600 018  
Visit us at [www.cpcl.co.in](http://www.cpcl.co.in)