



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड

(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited

(A group company of IndianOil)



**FUELLING GROWING PRODUCT DEMAND
SETTING ECOLOGICAL BENCHMARKS**





CPCL's growth and success in the market is the result of its three-pronged strategy and commitment to the customer – both individual and corporate.

In its quest to serve and delight its customers, CPCL has laid special thrust on its product range, high quality and easy availability. These three focus areas have earned for CPCL a strong reputation and numerous loyal customers. CPCL is relentlessly exploring new avenues – in terms of systems, technologies and processes to keep bettering its standards.

In its pursuit of serving customers, CPCL has never forgotten its commitment to the environment. Numerous proactive measures have been initiated to reduce any contamination, monitor the environment and nurture the growth of nature.

Because at CPCL, we believe in growing in harmony with nature.





उत्पाद की बढ़ती मांग को पूरा करने के साथ
पर्यावरणीय बेंचमार्क स्थापित करने में सक्षम
Fuelling growing product demand
Setting ecological benchmarks

वा र्षि क प्र ति वे द न 2011 - 2012
ANNUAL REPORT 2011 - 2012

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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.cpclco.in

PRINCIPAL BANKER

State Bank of India

Corporate Accounts Group Branch
Egmore, Chennai - 600 008.

COMPLIANCE OFFICER

Mr.M.Sankaranarayanan
Company Secretary

AUDITORS

M/s. S. Venkatram & Co.

Chartered Accountants
Old No.285, New No.218,
TTK Road, Alwarpet
Chennai 600 018.

M/s.Chandran & Raman

Chartered Accountants,
No. 2, Dr. Radhakrishnan Road,
2nd Street, Mylapore, Chennai 600 004.

COST AUDITORS

Mr. K. Suryanarayanan

Flat A, Brindhavan Apartments,
No. 1, Poes Road, 4th Street,
Teynampet, Chennai 600 018.

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

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Board of Directors

Mr. R.S. Butola

Chairman

Mr. A.S. Basu

Managing Director

Mr. S. Venkataramana

Director (Operations)

Ms. D.Lilly

Director (Finance)

Mr. T.S. Ramachandran

Director (Technical)

Mr. Rajkumar Ghosh

Director (Refineries)

Indian Oil Corporation Limited

Mr. P.K. Singh

Director (R&A)

Ministry of Petroleum & Natural Gas

Mr. Mansoor Rad

Finance 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

Visiting Professor,

Department of Chemical Engg.

Indian Institute of Science, Bangalore



Executives

Mr. V. Srinivasan
General Manager (Corporate Planning)

Mr. R. Chidambaram
General Manager (Cauvery Basin Refinery)

Mr. A. Paul Christudass
General Manager (Finance)

Mr. S. Asokan
General Manager (Human Resources)

Mr. S. Visveswaran
General Manager (Operations)

Mr. G. Aravindan
General Manager (Maintenance)

Mr. N. Nachiappan
General Manager (Technical)

Mr. A.Kumar
Deputy General Manager (Projects)

Mr. S.Thangavelu
Deputy General Manager (Materials and Contracts)

Mr. M.Chinnakkan
Chief Vigilance Officer i/c

Mr. M. Sankaranarayanan
Company Secretary

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the Shareholders of the Company will be held at **2.30 P.M** on **Tuesday the 11th September, 2012** 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 Statement of Profit & Loss A/c of the Company for the period from 1st April 2011 to 31st March 2012 and the Audited Balance Sheet as at 31st March 2012, together with the Director's Report and the Auditor's Report
2. To declare dividend.
3. To appoint a director in place of Mr.Venkatraman Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a director in place of Prof. M.S. Ananth, who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESSES:

5. APPOINTMENT OF MR.RAJKUMAR GHOSH 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.Rajkumar Ghosh be and is hereby appointed as a Director of the Company."

6. APPOINTMENT OF MR.A.S.BASU 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.A.S.Basu be and is hereby appointed as a Director of the Company."

7. 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, and subject to such approvals, consent, permission, sanction as may be necessary from any appropriate authority or body, the following Article of Association of the Company be and is hereby amended by way of addition as under:"

THAT Article 29(A) be and is hereby inserted as follows :

"Notwithstanding any of the provisions of these Articles, the Company shall have the power, subject to and in accordance with the relevant provisions of the Act and other applicable provisions of law, and subject to such approvals, permissions and sanctions, if any, as may be necessary, to purchase, acquire or hold its own shares or other specified securities as defined in the Act, on such terms and conditions and in such manner, and upto such limits as may be prescribed by law from time to time, and make payment out of its free reserves or security premium account of the Company or out of the proceeds of an issue other than fresh issue of shares made specifically for Buy-Back purpose provided that, nothing herein contained shall be deemed to effect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable."

Date : 03.08.2012
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 01.09.2012 to 11.09.2012 (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.

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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.cpclco.in***. Shareholders holding shares in Demat form may contact their Depository Participant for nomination.
13. The Board of Directors have recommended a Dividend of 20% on the Paid up Share Capital of the Company for the year 2011-2012 representing ₹ 2/- 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 11th September, 2012 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 Director's 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 46th 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. 5

Mr Rajkumar Ghosh was appointed as an Additional Director with effect from 02.09.2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Rajkumar Ghosh will hold office only upto the date of the 46th Annual General Meeting of the Company.

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

Memorandum of Interest:

None of the Directors are interested in the resolution except Mr. Rajkumar Ghosh.

Item No. 6

Mr. A.S.Basu was appointed as an Additional Director with effect from 06.07.2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr.A.S.Basu will hold office only upto the date of the 46th Annual General Meeting of the Company.

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

Memorandum of Interest:

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

Item No. 7

Department of Public Enterprises (DPE) vide O.M. No. F.No. DPE/14(24)/2011-Fin dated 26.03.2012 issued guidelines on buyback of shares. CPSEs have been advised to amend their Articles of Association to provide for buyback of shares if such provision does not exist in their Articles.

Presently the Articles of Association of the Company does not contain a clause providing for buy back of shares. In line with the DPE's O.M. dated 26.03.2012, it is proposed to amend the Articles of Association of the Company by inserting a new Article 29A providing for buyback of shares. This is only an enabling provision.

Amendment of Articles of Association of the Company by inserting a new Clause 29A providing for buy back of shares requires 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.

BRIEF RESUME OF THE DIRECTORS OF THE COMPANY, SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 46TH ANNUAL GENERAL MEETING

1. Mr.Venkatraman Srinivasan, born on 09.03.1959, was appointed on the Board effective 15.4.2005. He is a Commerce Graduate and Fellow Member of the Institute of Chartered Accountants of India. He is a Senior Partner of M/s.V.Sankar Aiyar & Co., Chartered Accountants, Mumbai, who are the Statutory Auditors of many leading corporate houses in the country.

Mr. Venkatraman Srinivasan is also a Director on the Board of Credit Analysis and Research Limited, Karanja Infrastructure Pvt. Limited, UTI Retirement Solutions Limited and Shriram Properties Pvt. Limited.

In Chennai Petroleum Corporation Limited, he is a member of the Audit Committee and Remuneration Committee. In Credit Analysis and Research Limited, he is a member of Investment Committee and IPO Committee and Chairman of the Audit Committee. In UTI Retirement Solutions Limited, he is the Chairman of Investment Management Committee.

He is not holding any shares in the Company.

2. Prof.M.S.Ananth, born on 15.11.1945, was appointed on the Board effective 31.12.2005. He holds a B.Tech and a Masters Degree in Engineering and Ph.D from Florida University. Presently he is the visiting Professor, Department of Chemical Engineering, Indian Institute of Science (IISC), Bangalore. He was former Director, Indian Institute of Technology, Chennai. He joined as Assistant Professor at IIT, Chennai and elevated to the post of Director. He worked as a Visiting Professor in various Universities all over the World. He is also a Fellow Member in various Professional Bodies.

Prof.M.S. Ananth is also a Director on the Board of UCAL Fuel Systems Limited.

He is a member of the Audit Committee of Chennai Petroleum Corporation Limited and UCAL Fuel Systems Limited.

He is not holding any shares in the Company.

3. Mr. Rajkumar Ghosh, born on 01.07.1954, was appointed on the Board effective 02.09.2011. He is a Chemical Engineer from IIT, Kharagpur.

Mr. Rajkumar Ghosh is presently the Director (Refineries) of Indian Oil Corporation Limited (IOC). He has more than 35 years of experience in the Oil and Gas sector in areas including Projects Management, Technical Services, Operations, Maintenance, Refining and Petrochemicals.

He is also the Chairman of Indian Synthetic Rubber Limited. In CPCL, he is a member of Projects Committee and Remuneration Committee. In IOC, he is a member of the Committee for Sustainable Development.

He is not holding any shares in the Company.

4. Mr. A.S. Basu born on 18.05.1954, was appointed on the Board effective 06.07.2012. He is a Chemical Engineer from Jadavpur University.

Mr. A.S. Basu has more than three decades of experience in various fields of refining business covering Operations, Technical Services, Planning, Safety and Environment Protection. Prior to his appointment as Managing Director, he was Executive Director (Operations) in IOC.

He is not holding any shares in the Company.

Date : 03.08.2012
Place : Chennai

By order of the Board
M. SANKARANARAYANAN
Company Secretary



REPORT ON CORPORATE GOVERNANCE: 2011-12

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company's philosophy on corporate governance is based on high accountability to all the stake holders, total transparency in the reporting systems, high ethical standards in the conduct of business, enhancement of shareholders value and enriching the quality of life of the community in the neighbourhood.

Your Company has taken structured initiative towards Corporate Governance and its practices are valued by various stakeholders. The Corporate Governance practices are based on multi layered checks and balances to ensure transparency and accountability.

Your company puts into practice one of the principal underpinnings of good corporate governance by furnishing detailed information on all operational and financial aspects of the company's operations in order to understand the current state of affairs of the company.

2.0 GOVERNANCE STRUCTURE

The process of governance in your company takes place at the following three levels :

2.1 BOARD OF DIRECTORS

The company is managed by the Board of Directors which formulates strategies and policies and reviews the performance periodically. The Managing Director and the Functional Directors manage the day to day affairs of the company under the overall supervision, control and direction of the Board of Directors of the company.

2.2 EXECUTIVE COMMITTEE

The Executive Committee of the Company consists of Managing Director and Functional Directors in the areas of Finance, Technical and Operations, Chief Vigilance Officer and Company Secretary. The Executive Committee meets every fortnight to review various issues concerning the Governance of the Company, major issues pertaining to HR. Status of various projects, new initiatives, and related issues, etc. During the year 2011-12, 21 meetings were held.

2.3 MANAGEMENT COMMITTEE

The Management Committee comprises of Managing Director, Functional Directors, General Managers and Heads of Department. The Management Committee meets every month to review the monthly physical and financial targets, safety performance, areas of concern faced by different departments and also the steps to be taken to overcome the same, etc.,

2.4 ROLE OF COMPANY SECRETARY IN THE OVERALL GOVERNANCE STRUCTURE

The Company Secretary is the interface between the management and the regulatory authorities for governance and compliance matters. The Company Secretary ensures that the agenda proposals, information, details and documents are furnished to the Directors in time. As the Compliance Officer, the Company Secretary ensures that the applicable Acts, Rules and Regulations are complied with.

3.0 BOARD OF DIRECTORS

3.1 The composition of the Board of Directors of the company is governed by the provisions of the Companies Act 1956, clause 49 of the Listing Agreement and the DPE guidelines on corporate governance for Central Public Sector Enterprises and the Articles of Association of the company. The Board of Directors of the Company has both Executive and Non-Executive Directors.

3.2 As on 31.03.2012, 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.

Mr.Rajkumar Ghosh, Director (Refineries) Indian Oil Corporation Limited has been appointed as a Director on the Board of CPCL effective 02.09.2011 in place of Mr.B.N.Bankapur.

Mr.K.Balachandran, Managing Director was relieved from the services of the company effective 17.11.2011 as he tendered his resignation and Mr.S.Venkataramana, Director (Operations) has been holding the additional charge of the post of the Managing Director.

3.3.1 Out of the total number of eleven Directors as on 31.3.2012, 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, at least 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 6 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 Board meets periodically with appropriate notice and agenda proposals which are circulated in advance. Agenda proposals are prepared in such form so as to facilitate focused and meaningful deliberations at the meeting.

All the agenda proposals are placed before the Board after being vetted by the Managing Director and the Functional Directors and after obtaining the clearance of IOCL.

3.5 Subjects placed before the Board

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

- Minutes of the Board Committee meetings
- Quarterly and Annual Financial Results
- Dividend declaration
- Appointment of Directors
- Capital and Revenue Budget
- New project proposals
- Review of Projects valuing more than Rs. 100 crore
- Quarterly report on production, manpower, safety, cash flow, investment of surplus funds and borrowals, project status etc.,
- Risk Management Policy
- Report on share transfers and transmissions
- Appointment of cost auditor
- Expenditure Management – Economy measures
- Settlement of commercial disputes between CPSEs and private parties
- HR issues
- Report on SC / ST / Minorities, etc.
- Report on compliance of applicable laws
- Secretarial Audit Report
- General notice of interest of Directors

3.6 Seven Board Meetings were held during the year 2011-12 on the following dates:

Board Meeting No.	Board Meeting Date
275	24.05.2011
276	27.07.2011
277	12.09.2011
278	18.10.2011
279	23.12.2011
280	02.02.2012
281	26.03.2012

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3.7 Details relating to the following are given below :

- (a) Attendance of Directors at the Board Meetings held during the financial year 2011-12 and at the last Annual General Meeting held on 12.09.2011.
- (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. R.S. Butola	7	7	Yes	4	-	-
Mr. K. Balachandran (upto 17.11.2011)	4	4	Yes	2	-	-
Mr. N.C. Sridharan (Upto 31.05.2011)	1	1	NA	2	5	-
Mr. S. Venkataramana	7	7	Yes	2	4	-
Ms. D.Lilly (from 01.06.2011)	6	6	Yes	2	6	-
Mr. T.S.Ramachandran (from 26.07.2011)	6	6	Yes	-	4	-
Mr. B.N. Bankapur (upto 31.08.2011)	2	2	NA	3	6	1
Mr. Rajkumar Ghosh (from 02.09.2011)	5	5	Yes	2	3	-
Mr. L.Sabaretnam	7	6	Yes	13	-	5
Mr. Venkatraman Srinivasan	7	7	Yes	4	4	2
Prof. M.S. Ananth	7	2	Yes	1	2	-
Mr. P.K. Singh	7	6	No	1	-	-
Mr. Mansoor Rad or his alternate Director	7	4	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 four mandatory Committees, viz., Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration Committee and Committee on Corporate Social Responsibility and two non-mandatory Committees, viz., Project Committee and R&D Advisory Committee.
- 4.2 The minutes of the 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 31.3.2012:-

1. Mr.L.Sabaretnam, Independent Director – Chairman.
2. Mr.Mansoor Rad, Director – Member
3. Mr. Venkatraman Srinivasan, Independent Director – Member
4. Prof. M.S. Ananth, Independent 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 and appointment of CFO i.e., Whole time Finance Director after assessing the qualification, experience and background of the candidate.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. 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
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

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7. Reviewing with the Management, the performance of statutory and internal auditors, adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle-Blower Mechanism, in case the same is existing.
14. 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 2011-12 and the Members present are given below:

Members Present	Date of the Meeting				
	22.05.2011	26.07.2011	12.09.2011	17.10.2011	01.02.2012
Mr. L.Sabaretnam	✓	✓	✓	✓	✓
Mr. Venkatraman Srinivasan	✓	✓	✓	✓	✓
Prof. M.S. Ananth	✓	LoA	✓	LoA	LoA
Mr. Mansoor Rad or his Alternate Director	✓	✓	✓	✓	✓

Note : LoA denotes Leave of Absence

4.4 REMUNERATION COMMITTEE

4.4.1 The Board of Directors of the Company at the 262nd 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. S.Venkataramana, Director (Operations) – Member
4. Ms. D. Lilly, Director (Finance) – Member
5. Mr. Rajkumar Ghosh, Director – Member



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 2011-12 and the members present are given below :

Members Present	Date of the Meeting
	12.09.2011
Mr.L.Sabaretnam	✓
Mr. Venkatraman Srinivasan	✓
Mr. S. Venkataramana	✓
Ms. Lilly (from 01.06.2011)	✓
Mr. Rajkumar Ghosh(from 02.09.2011)	✓

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 2011-12 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 (upto 17.11.2011)	23.12	0.96	1.61	-	25.69
Mr. N.C. Sridharan Director (Finance) (Upto 31.05.2011)	21.64	0.27	0.13	-	22.04
Ms.D.Lilly (from 01.06.2011)	16.43	1.45	2.44	-	20.32
Mr. S. Chandrasekaran Director (Technical) (Upto 11.05.2011)	12.21	0.13	0.13	-	12.47
Mr.T.S.Ramachandran (from 26.07.2011)	13.23	1.11	1.85	0.35	16.54
Mr. S. Venkataramana Director (Operations) and MD i/c	25.42	1.47	1.47	-	28.36

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 2011-12 are given below:

Mr.L.Sabaretnam - ₹ 3,00,000/-

Mr. Venkatraman Srinivasan - ₹ 2,10,000/-

Prof. M.S. Ananth - ₹ 60,000/-

4.4.9 Shares held by Non-executive Directors:

Mr. L. Sabaretnam - 35 shares

4.5 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

4.5.1 Composition of the Committee as on 31.3.2012:-

1. Mr.L.Sabaretnam, Director , Coromandel Sugars Limited
2. Ms. D. Lilly, Director (Finance)
3. Mr.T.S. Ramachandran, Director (Technical)
4. Mr.M.H. Ghodsi, Director, Naftiran Intertrade Company Ltd.

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

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 2011-12 and Members present are given below:

Members Present	Date of the Meeting	
	26.07.2011	01.02.2012
Mr.L.Sabaretnam	✓	✓
Ms. D. Lilly (from 01.06.2011)	✓	✓
Mr.T.S.Ramachandran (from 26.07.2011)	✓	✓
Mr. Mohammad Hassan Ghodsi	✓	✓

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 2011-12 and Number of pending complaints for the period from 01.04.2011 to 31.03.2012 are given below:

Sl No.	Nature of complaints	Opening Balance as on 1.4.2011	Received during the Financial year 2011-12	Total	Solved during the Financial year 2011-12	Pending as on 31.03.2012
1	Non-receipt of dividend warrants	0	594	594	594	-
2	Non-receipt of refund orders	0	6	6	6	-
3	Non-receipt of share certificates / new certificates	0	98	98	98	-
4	Non-receipt of share certificates sent for transfer	0	22	22	22	-
5	Non-receipt of stickers against payment of allotment / call money	0	15	15	15	-
6	Non receipt of Annual Reports	0	62	62	62	-
7	Non-receipt of Duplicate Share Certificates	0	5	5	5	-
	Total	0	802	802	802	-

4.6 PROJECT COMMITTEE

4.6.1 The Composition of Project Committee as on 31.03.2012 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. Rajkumar Ghosh, Member
3. Ms. D. Lilly, Member
4. Director (Technical) or Director (Operations), depending upon the Proposal considered

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 2011-12 along with the Members present are given below:

Members Present	Date of the Meeting	
	24.05.2011	18.08.2011
Mr.L.Sabaretnam	✓	✓
Ms.D.Lilly (from 01.06.2011)	-	✓
Mr.T.S.Ramachandran (from 26.07.2011)	-	✓
Mr. K. Balachandran (up to 17.11.2011)	✓	-
Mr. B.N. Bankapur (upto 31.08.2011)	✓	✓
Mr. N.C. Sridharan (upto 31.05.2011)	✓	-

4.7 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY

4.7.1 The Composition of Committee on Corporate Social Responsibility as on 31.03.2012 is as follows:

1. Mr. L. Sabaretnam, Independent Director – Chairman
2. Mr. S. Venkataramana, Director (Operations)
3. Ms.D.Lilly Director (Finance)
4. Mr. T.S. Ramachandran Director (Technical)

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 2011-12 alongwith the Members present are given below:

Members Present	Date of the Meeting		
	16.05.2011	28.09.2011	28.01.2012
Mr.L.Sabaretnam	✓	✓	✓
Mr. S. Venkataramana	✓	✓	✓
Ms.D.Lilly (from 01.06.2011)	-	✓	✓
Mr.T.S.Ramachandran (from 26.07.2011)	-	✓	✓
Mr. K. Balachandran(up to 17.11.2011)	✓	-	-
Mr. N.C. Sridharan (upto 31.05.2011)	✓	-	-

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 01.10.2010 to 30.09.2011 at the 278th Board Meeting held on 18.10.2011.

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 for the year 2011-12 were reviewed by the Board at its 280th Meeting held on 02.02.2012.

The Board and the Audit Committee also reviewed the Risk Management Policy with effect from 2012-13, at the Meeting held on 23.05.2012.

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 57th Audit Committee Meeting held on 23.05.2012 and also placed before the Board of Directors at the 282nd meeting held on 23.05.2012.

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

As required under Clause 49 I (D) (ii) of the Clause 49 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 31.03.2012 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 31.3.2012 and the same was informed to the Board at the 282nd Meeting held on 23.05.2012".

Place : Chennai
Date : 23.05.2012

S. VENKATARAMANA
Managing Director i/c

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 260th 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 260th 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 2011-12.

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 2011-2012, 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 2011-2012.
- 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 0.26% as compared to the previous year figure of 0.27%.
- Mr. K.Suryanarayanan, Cost and Management Accountant, Chennai have been appointed as the Cost Auditor of Manali Refinery and Cauvery Basin Refinery of the Company for the financial year 2011-12 in respect of Petroleum & Petrochemical Sector 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 2011-12 will be filed before 30.09.2012 in XBRL mode.

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 45 days, 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**. 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** 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 2011-12.



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
07.09.2009	Kamaraj Arangam, 492, Anna Salai, Chennai 600 006	02.30 pm	Nil
06.09.2010	- do -	02.30 pm	Nil
12.09.2011	- do -	02.30 pm	1

9.2 Postal Ballot Details:

Approval of the shareholders was sought on the following items through postal ballot :

1. Increase in the overall borrowing limits (both short term and long term) upto ₹8,000 crore under Section 293(1)(d) of the Companies Act, 1956.
2. Charging / Mortgaging the moveable/immovable properties of the Company for securing the said borrowings under Section 293(1)(a) of the Companies Act, 1956.

The postal ballot forms along with the postage prepaid business reply envelope was despatched to all the shareholders on 17.11.2011 and the last date for receipt of the duly completed postal ballot forms was 17.12.2011. The resolutions were approved by the shareholders with requisite majority and result was announced on 26.12.2011. The postal ballot exercise was conducted by Mrs. S.Lalitha, Practicing Company Secretary, Chennai.

9.3 46th Annual General Meeting

Date & Time : 11th September 2012 ; 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 : 01.09.2012 to 11.09.2012 (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 2011-12 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

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

	National Stock Exchange			Bombay Stock Exchange		
Month	High	Low	Closing	High	Low	Closing
Apr. 2011	246.45	222.00	223.85	246.00	222.00	223.20
May 2011	233.80	209.10	229.75	233.50	209.00	229.95
June 2011	237.90	215.05	225.05	236.95	215.80	224.95
July 2011	234.00	217.50	219.30	234.00	217.35	219.45
Aug. 2011	222.00	200.15	203.75	221.00	199.60	203.30
Sep. 2011	212.95	193.10	204.80	212.80	195.00	203.65
Oct. 2011	209.00	192.50	202.85	205.45	190.00	198.30
Nov. 2011	205.50	173.10	178.60	199.90	174.30	179.05
Dec. 2011	190.00	154.00	155.35	188.70	155.00	156.75
Jan. 2012	179.00	155.00	169.95	175.90	155.00	169.75
Feb. 2012	181.75	162.80	173.45	184.00	162.00	172.65
Mar. 2012	180.30	151.00	176.10	177.95	151.00	154.00

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

	National Stock Exchange		Bombay Stock Exchange	
Month	Closing price in ₹	Index	Closing price in ₹	Index
Apr. 2011	223.85	5749.50	223.20	19135.96
May 2011	229.75	5560.15	229.95	18503.28
June 2011	225.05	5647.40	224.95	18845.87
July 2011	219.30	5482.00	219.45	18197.20
Aug. 2011	203.75	5001.00	203.30	16676.75
Sep. 2011	204.80	4943.25	203.65	16453.76
Oct. 2011	202.85	5326.60	198.30	17705.01
Nov. 2011	178.60	4832.05	179.05	16123.46
Dec. 2011	155.35	4624.30	156.75	15454.92
Jan. 2012	169.95	5199.25	169.75	17193.55
Feb. 2012	173.45	5385.20	172.65	17752.68
Mar. 2012	176.10	5295.55	154.00	17404.20



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 01.04.2011 to 31.03.2012 are given below:

SLNo.	Particulars		Number of Shares Involved
1	Number of transfer deeds received	288	32400
2	Transfer deeds processed	106	12100
3	Defective transfer deeds sent to the proposed transferee for rectification of defects	182	20300

c) The number of meetings held for approving the Share Transfers from 01.04.2011 to 31.03.2012 is 58.

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- d) The number of demat requests approved and shares dematted from 01.04.2011 to 31.03.2012 in National Securities Depository Ltd. (NSDL) are given below:-

SLNo.	Particulars	Number of Demat Request Form (DRF)	Number of Shares Involved
1	Number of demat requests received	534	72789
2	Number of demat requests processed	362	49069
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of NSDL	172	23720

- e) The number of meetings held for approving the demat requests through NSDL from 01.04.2011 to 31.03.2012 is 134.

- f) The number of demat requests approved and shares dematted from 01.04.2011 to 31.03.2012 in Central Depository Services (India) Ltd. (CDSL) are given below:

SLNo.	Particulars		Number of Shares Involved
1	Number of demat requests received	249	26400
2	Number of demat requests processed	169	17500
3	Number of demat requests rejected, for non-receipt of physical share certificates within 30 days as per the requirement of CDSL	80	8900

- g) The number of meetings held for approving the demat requests through CDSL from 01.04.2011 to 31.03.2012 is 106.

9.15 Distribution of Shareholding as on 31.03.2012

Shareholding of nominal value	Shareholders		Share Amount	
Rs.	Number	% to total	Rs.	% to total
Upto - 5000	57100	96.07	57611860.00	3.87
5001 - 10000	1253	2.11	9991090.00	0.67
10001 - 20000	539	0.91	7898560.00	0.53
20001 - 30000	177	0.30	4460950.00	0.30
30001 - 40000	85	0.14	3027470.00	0.20
40001 - 50000	65	0.11	3049390.00	0.20
50001 - 100000	103	0.17	7072910.00	0.47
100001 & above	113	0.19	1396001770.00	93.75
TOTAL	59435	100.00	1489114000.00	100.00



9.16 Shareholding Pattern as on 31.03.2012

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	1
Naftiran Inter-trade Co. Ltd.	0	22932900	22932900	15.40	0	1	1
Public (including Employees)	1320533	7714207	9034740	6.07	11873	40164	52037
Bodies Corporate	23900	10461950	10485850	7.04	75	686	761
Banks, FIs and Insurance Companies	100	20892013	20892113	14.03	1	22	23
Mutual Funds and UTI	9100	1373701	1382801	0.93	17	5	22
Foreign Institutional Investors	4200	5809639	5813839	3.90	11	34	45
Non-Resident Indians/OCBs/FN	636800	467157	1103957	0.74	4853	1692	6545
Total	1994633	146916767	148911400	100.00	16830	42605	59435

9.17 Top Ten Shareholders as on 31.03.2012 (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.	7607490	5.11
2	LIFE INSURANCE CORPORATION OF INDIA	6327823	4.25
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 GROWTH FUND	2318346	1.56
6	FIDELITY MANAGEMENT AND RESEARCH COMPANY A/C FIDELITY ADVISOR SERIES I - FIDELITY ADVISOR SMALL CAP FUND	1930183	1.30
7	UNITED INDIA INSURANCE COMPANY LIMITED	1913334	1.28
8	NATIONAL INSURANCE COMPANY LTD	1296000	0.87
9	SBI PSU FUND	693913	0.47
10	BIRLA SUN LIFE TRUSTEE CO PVT LTD A/C BIRLA SUN LIFE DIVIDEND YIELD PLUS	600000	0.40
	TOTAL	29849793	20.05

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 31.03.2012, 14,69,16,767 equity shares have been dematerialized, representing 98.66 % of the paid-up capital.

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- 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 Sakai, 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 39th 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 in accordance with the rules framed in this regard by the Government.

The unclaimed Interim dividend declared at the Board Meeting held on 28.01.2006 for the financial year 2010-2011 will be transferred by the Company on or before 27.02.2013 to the Investor Education and Protection Fund.

Similarly, the unclaimed Final dividend declared at the 40th AGM held on 25.08.2006 for the financial year ended 31.03.2006 will be transferred by the Company on or before 24.09.2013 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



SECRETARIAL AUDIT REPORT

We have examined the registers, records and documents of M/s Chennai Petroleum Corporation Limited having its registered office at No 536, Anna Salai, Teynampet, Chennai 600 018 for the financial year ended on 31st March 2012, according to the provisions of the following, namely,

1. The Companies Act, 1956 and the rules made thereunder.
2. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
3. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
4. The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder, as applicable, including:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992

We have also examined compliance with the applicable clauses of the following, namely,

1. Corporate Governance Voluntary Guidelines- 2009 issued by the Ministry of Corporate Affairs, Government of India;
2. The Listing Agreements entered into by the Company with National Stock Exchange, Bombay Stock Exchange and Madras Stock Exchange
3. Guidelines on Corporate Governance for Public Sector Enterprises issued by Department of Public Enterprises.

Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, listing agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of statutory registers and documents and making necessary entries therein.
2. Filing of the requisite forms and returns with the Registrar of Companies.
3. Service of documents by the company on its members, Registrar of Companies and the Stock Exchanges.
4. Closure of Register of Members and Share Transfer Books of the company.
5. Service of notice and agenda of Board meetings and meetings of the Committees of Directors.
6. Meetings of the Board and its committees including passing of resolutions by circulation.
7. Holding of Annual General Meeting and production of the statutory registers thereat. The 45th Annual General Meeting for the financial year ended 31st March 2011 was held on 12th September 2011.
8. Recording Minutes of the proceedings of General Meetings and meetings of Board and its committees.
9. Passing of resolutions by postal ballot for Increase in the borrowings limits for the Company and mortgaging the properties belonging to the company for securing the borrowings.
10. Constitution of Board of Directors and appointment, retirement and reappointment of directors.
11. Remuneration of Directors.
12. Transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares, dematerialization, rematerialization of shares.
13. Declaration and payment of dividend.

We were informed that dividend for the financial year 2010-2011, could not be remitted to the account of Naftiran Inter Trade Co Ltd (NICO), one of the promoters due to the sanctions imposed by the United States of America and European countries against Iran and therefore the amount is lying in the "Unpaid Dividend Account 2010-2011 – NICO" with State Bank of India, CAG Branch, Chennai.

14. Remittance of amounts as required under the Act to the Investor Education and Protection Fund.
15. Appointment and remuneration of Auditors.

Chennai Petroleum Corporation Limited

16. Appointment of Cost Auditors under Section 233B of the Companies Act, 1956.
17. Non-acceptance of deposits falling within the purview of Section 58A of the Companies Act, 1956.
18. Creation, modification and satisfaction of charges during the year.
19. Dematerialisation and rematerialisation of shares.
20. Investment of company's funds.
21. Alteration of the Articles of Association.
22. We further report that:
 - (I) The company has complied with the requirements of Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd and the Madras Stock Exchange, excepting the requirement relating to independent directors on the Board as laid down in the Listing Agreements. In this connection the Company has made representation to the Government of India to appoint independent directors on the Board.
 - (II) The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 with regard to the disclosures and maintenance of records required under the regulations.
 - (III) The Company complied with the provisions of Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.
 - (IV) The Company has complied with the provisions of the Depositories Act 1996, and Regulations framed there under with regard to dematerialization/rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
 - (V) The Company has as far as practicable is complying the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.
 - (VI) The Company has, as far as practicable complied with the Secretarial Standards issued by the Institute of Company Secretaries of India, although recommendatory in nature. The Secretarial Standards SS1 to SS10 has been complied with, except SS 9 Secretarial Standard on Forfeiture of Shares, which does not apply to the company.
 - (VII) In our opinion and to the best of our information and according to explanations given to us by the management, except the composition of the Board of Directors with regard to Independent Directors, the appointment of the same which is to be made by the Government of India, the company has complied with the DPE Guidelines on Corporate Governance.
23. We further report that-
 - (i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in pursuing its normal business, and
 - (ii) there was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the Company under the aforementioned Acts, Rules, Regulations and Guidelines made thereunder or on its directors and officers.

For S Sandeep & Associates
Company Secretaries
S Sandeep

21st April 2012
Chennai

Managing Partner
FCS 5853



Report to Shareholders

Directors' Report ➔ 34

Annexures to Directors' Report ➔ 49

Directors' Report (Including Management Discussion and Analysis)

To the Shareholders of Chennai Petroleum,

On behalf of the Board of Directors of your Company, it is indeed my privilege to present the 46th Annual Report on the performance of your Company, together with the Audited Statement of Accounts for the year ended March 31, 2012

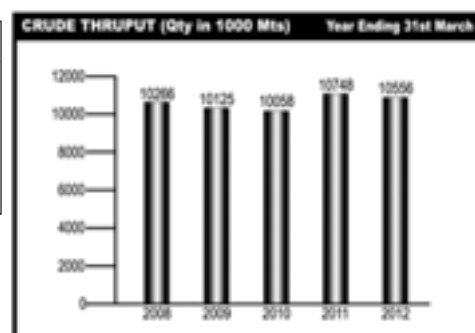
PERFORMANCE REVIEW

Significant Highlights

- Highest ever turnover of Rs. 45365 Crore achieved.
- Total Thruput of 10557 TMT achieved.
- Carbon Foot Printing exercise was completed for Manali and CBR refineries as part of Sustainable development activities.
- Achieved the lowest ever energy index of 67.2 MBTU/BBL/NRGF for Manali Refinery and 108.67 MBN for Cauvery Basin Refinery.
- Manali Refinery successfully changed the solvent from Sulfolane to NMP for production of hexane to meet the stringent product quality.
- Received Income Tax refund of Rs. 276 Crore based on the favourable order given by CIT (Appeals) for Sec.80 IB claim on Refinery III profits for Assessment Year 2008-09.
- DHDT Unit commissioned successfully in Manali.
- Installation of Oxygen enrichment facility jointly developed with EIL in SRU, Train B resulting in enhanced OHCU thruput.
- 20" Crude oil interlink pipeline between Chidambaranar Oil Jetty (COJ) and Marg Karaikkal Port successfully commissioned in February 2012.
- Cauvery Basin Refinery has received the "Excellence in Consistent TPM Commitment Award" for the year 2011 from Japan Institute of Plant Maintenance (JIPM).
- Cauvery Basin Refinery has received the prestigious National Safety Award for 2009 instituted by the Director General, Factory Advice Services and Labour Institutes, Ministry of Labour & Employment, Government of India.
- Won the PSE Excellence Awards instituted by the Department of Public Enterprises and Indian Chamber of Commerce for the year 2011 for "Environmental Excellence and Sustainability Development" and Good Corporate Governance.
- Won the CII Excellence in Water Management Award for the year 2011.

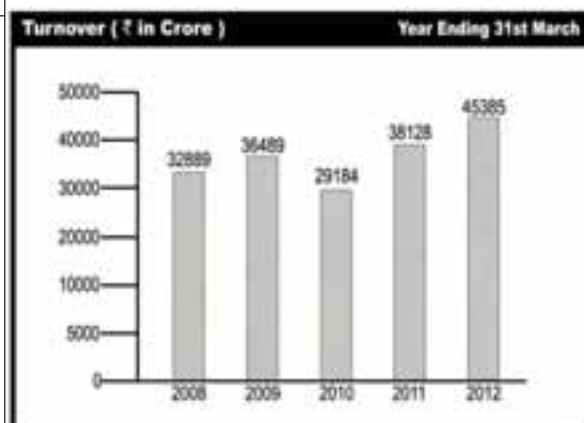
Physical

CRUDE THRUPUT (in TMT)	2011-12	2010-11
Imported	9050.8	9105.0
Indigenous	1505.8	1643.0
Total	10556.6	10748.0





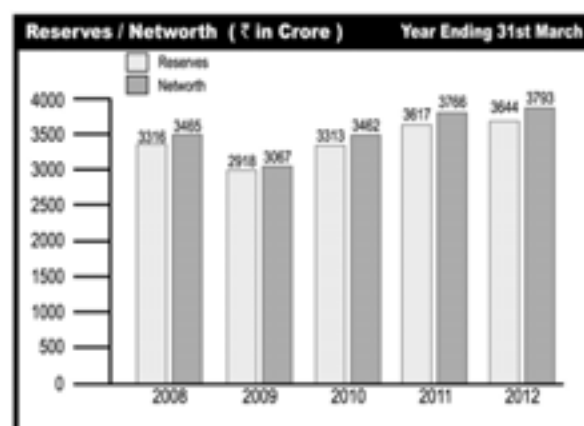
PRODUCTION (in TMT)	2011-12	2010-11
Light Ends	2270.5	2279.0
Middle Distillates	5148.9	5141.0
Heavy Ends	2008.9	2177.0
Lube Base Stocks	178.3	186.0
Paraffin Wax	24.0	27.0
Others (Intermediaries)	(87.6)	25.0
Other Inputs		(87.0)
Fuel & Loss	1013.6	996.0
Total	10556.6	10748.0



Financial

(₹ in Crore)

	2011-12	2010-11
Gross Turnover	45384.91	38128.26
Profit before Interest, Depreciation & Tax	456.58	1332.44
Interest	249.38	254.45
Depreciation and Amortization	365.42	314.47
Profit before Tax	(158.22)	763.52
Provision for Taxation		
- Income Tax (Net)		
[Incl. Pertaining to earlier years]	(253.51)	223.48
- Deferred Tax	33.47	28.52
Profit after Tax	61.83	511.52
Value Added	969.03	1748.65



Dividend

The Board of Directors of the Company is pleased to recommend a dividend of 20% of the Paid-up Share Capital of the Company representing Rs.2/- per equity share for the year 2011-12.

Book Value

The book value per share of your Company has increased from ₹ 252.90 in the year 2010-2011 to ₹ 254.72 in the year 2011-2012.

Reserves and Suplus

The Reserves and Surplus increased from ₹ 3616.92 crore as on 31.03.2011 to ₹ 3644.13 crore as on March 31, 2012.

Value Addition

The value addition during the year is ₹969.03 crore as compared to ₹ 1748.65 crore in the previous year.

Chennai Petroleum Corporation Limited

The Profit before Tax during the year 2011-12 was mainly due to:

- Lower refining margins on account of high volatility in the crude and product prices leading to depressed cracks in the wake of the economic crisis in the European Union & economic slowdown in the US.
- Unprecedented depreciation of the Indian Rupee against the US Dollar and extreme volatility in Foreign Exchange Market resulting in exchange fluctuation losses.
- Additional freight incurred during the year due to transportation of crude in smaller Aframax vessels instead of Suez Max vessels on account of infrastructural constraints at Chennai Port Trust and production disturbances during cyclone Thane.

Contribution to Ex-Chequer

During the year, your Company has paid a sum of Rs. 5784.82 crore to the ex-chequer as compared to Rs. 6837.32 crore in the previous year.

Public Deposit Scheme

Your Company has not accepted any fresh public deposits during the year 2011-12.

Transfer of Unclaimed Dividend to IEPF

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.

Manali Refinery – Salient features of Operations

- Manali Refinery achieved a total Crude throughput of 9.945 MMT as compared to 10.045 MMT in the previous year.
- Achieved the highest distillate yield of 70.3 wt%.
- Achieved the lowest ever energy index of 67.2 MBTU/BBL/NRGF by maximising throughput in secondary units.
- Maximized the production of food grade hexane by additional 40% through process improvements.
- Completed health checkup for “Excellence in Consistent TPM Commitment Award” for 2011.
- Highest ever production of the following products :

(Figures in TMT)

Product	2011-12	Previous Best
High Speed Diesel	3911	3863 (2010-11)
Motor Spirit	1020	860.0 (2010-11)

- Procured three new low sulfur crudes viz., Espoir from Ivory Coast, Palanca Blend from Angola and Essider from Libya.
- One new Crude was added to the basket: viz., Okwori, new Low Sulfur Trial crude from Nigeria.



Cauvery Basin Refinery (CBR) – Salient features of Operations

- Processed 611 TMT of Crude as compared to 703.3 TMT in the previous year.
- Achieved the highest ever distillate yield of 86.64 wt % on crude in 2011-12 (Previous best : 83.2 wt % in 2010-11).
- Two nos. of Continuous Ambient Air Quality Monitoring stations and one online Stack Monitoring station commissioned for better monitoring and control of various environmental parameters.
- Introduced new product namely High Flash High Speed Diesel.
- Successfully conducted Green House Gas Emission Survey.

MoU PERFORMANCE

Your Company signed an MoU with Indian Oil Corporation Limited, the holding Company for the year 2011-12, as per the guidelines issued by the Department of Public Enterprises (DPE). The provisional rating for the year 2011-12 is “1.43”.

MARKETING

Majority of the products of your Company like MS, HSD, LPG, SKO, etc. are marketed by Indian Oil Corporation Limited, the holding Company.

CPCL directly markets some of the Speciality products and highest direct sales achieved during 2011-12 as compared to previous year are given below :

(Quantity in TMT)

S. No.	Product	2010-11	2011-12
1	Naphtha	211.66	218.51
2	Sulphur	52.02	56.97
3	Propane	2.06	2.14
4	PBFS	7.14	7.53

During the year, seven Customer Meets were conducted at various locations for Wax, Sulphur and other direct customers and 19 new customers were registered for the supply of Sulphur, Hexane, Propane and Propylene.

PROJECTS

Your Company made an investment of ₹ 490.18 crore on various projects during 2011-12 (cumulative expenditure of Rs.2640.23 crore upto 2011-12), out of the approved outlay of ₹ 3575 Crore for the XI Plan (2007-2012).

Completed Projects

Euro-IV Project – DHDT Units:

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

The Diesel Hydro treater unit (DHDT) with a capacity of 1.8 MMTPA was commissioned in May 2011.

CBR 20" Crude line

Cauvery Basin Refinery of your Company has successfully commissioned a 20" interlink crude oil pipeline between Karaikkal Port and CPCL-CBR's Chidambaranar Oil Jetty at a cost of ₹10.86 Crore. This project will enable CBR to receive crude oil in higher parcel sizes resulting in reduction in the transportation and handling cost of crude and the flexibility to utilize other crude oil tankers of larger sizes.

Projects Under Implementation :

Euro-IV Project :

The utilities and off-site facilities of Euro-IV auto fuel quality upgradation project are in various stages of execution. A new Hydrogen Generation Unit to enhance the existing Hydrogen Generation capacity is under commissioning stage. The revamp of the Effluent Treatment Plant-II is in the final stage of mechanical completion and is expected to be commissioned in October 2012.

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 under implementation at a cost of ₹ 333.99 Crore. This project is expected to be completed during the second quarter of the financial year 2012-13.

Resid Upgradation Project

For improving the distillate yield of the Manali refinery and to process increased level of high Sulphur bearing Crudes, approval was accorded for implementation of a Resid Upgradation Project at an estimated cost of ₹ 3110.36 Crores. This project is scheduled to be completed within 33 months from the date of Environmental Clearance, which is delayed mainly due to non lifting of ban imposed by MoE&F on new investments in the Manali Industrial Region.

New Crude Oil Pipeline

To overcome the risks associated with the transportation of Crude Oil through the existing 30" Crude Oil Pipeline from Chennai Port to Manali Refinery your Company is implementing a new 42" Crude Oil Pipeline Project at a cost of ₹ 126 Crore. All engineering activities have been completed along the route of the proposed port connectivity road project, Coastal Regulatory Zone clearance is awaited for this project.

2 X 10.5 TKL Crude Oil Storage tanks at CBR

A project for construction of two Crude oil storage tanks of 10500 KL each is being implemented to have better operational flexibility in Crude receipt and storage.



New Projects

Refinery Expansion Project:

An expansion project to increase the capacity of Manali Refinery to 17.5 MMTPA by installing a 6.0 MMTPA unit with matching secondary processing facilities is under conceptualization. The process configuration is under finalisation.

Construction of Mounded Bullet:

With the objective to promote safety and reduce the environmental impact, your Company proposes to install a mounded gas storage facility in replacement of the existing bullets for LPG, Propane and Propylene.

Diesel Hydro Treating facilities:

It is proposed to provide diesel hydro treating facilities at Cauvery Basin Refinery by shifting the idle equipments at Manali Refinery and also by providing other associated facilities for removal of Sulfur from diesel is envisaged. The project is expected to increase the capacity utilization of CBR and improve refinery margins by enabling processing of medium sulfur crudes. Detailed Feasibility Report was completed by M/s. Projects and Development (India) Ltd.

Naphtha Reforming Facilities:

A proposal is also envisaged for shifting of idle assets at Manali Refinery to Cauvery Basin Refinery and provision of other associated facilities for reforming of Naphtha. The project is expected to improve the refinery margins and enable production and supply of MS from CBR.

STRATEGIC INITIATIVES

Your company is conscious of the fact that growth is central to its core purpose and the quest for growth has to be through activities undertaken within the framework of HSE policy, corporate governance and sustainable development. The In-house Strategy Meet was held in October 2011 to discuss various growth strategies like Petcoke based Power Project, New Propylene Recovery Unit, Propylene Derivatives Unit, 15 MMTPA refinery at PCPIR and GRM improvement strategies such as additional Hexane from ISOM Unit.

INITIATIVES TAKEN IN EXCELLING

- Carbon foot printing exercise was completed for Manali and CBR refineries as part of sustainable development activities.
- CPCL's CBR unit has produced a new product (High flash High Speed Diesel) and supplied to the market for the first time in support of Navy operations.
- CPCL has implemented the on-line blending automation for its MS, HSD and FO streams and the on-line analyser models used for this have been recently updated to meet the new streams and product specifications.
- CPCL has adopted business improvement technologies like off-line Multi Blend optimizer and scheduling tools for better value addition to the products.
- CPCL has conducted a Workshop on "Safety Culture Improvement" with the help of the Dupont Sustainability Solutions to strengthen the safety measures in the refinery.
- Reach-in programmes were conducted to improve the communication among the employees at sectional level and facilitate a platform to discuss the targets, performance, safety and work related issues for improving the working conditions in the refinery.

Chennai Petroleum Corporation Limited

- Mr. C. Ramadoss, employee of CPCL received the India Shram Award in October 2011 in recognition of the outstanding contribution made by workmen.
- CPCL has commissioned two additional continuous Ambient Air Quality Monitoring Stations and one online Stack Monitoring Station for strengthening the monitoring mechanism of various environmental parameters.
- CPCL along with IOC R&D have initiated a project to co-process Jatropha based bio-diesel (about 3-5 wt%) along with fossil diesel in the hydro-treating unit mentioned above.

AREAS OF LEADERSHIP OF CPCL

- Oxygen Enrichment facility was extended to SRU train thereby enabling increased OHCU thruput which will improve the Distillates production and profitability.
- Successfully completed trial processing of Light Neutral LOBS in NMP Extraction Plant to maximize capacity utilization of NMP Extraction unit and reduce energy consumption.
- The CBR Unit of CPCL has passed the final assessment and has been awarded “Excellence in consistent TPM commitment award for 2011” by JIPM, Japan. CPCL is the first refinery in the Indian Oil Industry to achieve this award.

INDIAN ADDITIVES LIMITED

Indian Additives Limited, was formed in the year 1989 as a joint venture between your Company and Chevron Chemical Company (now Chevron Oronite Company) in the year 1989 for manufacturing Lube Additives.

IAL achieved a turnover of ₹ 454.33 Crore (provisional) during the year 2011-12, as against ₹ 375.28 Crore in the previous year. The Profit after Tax for 2011-12 is ₹ 35.76 Crore as against ₹ 37.45 Crore in the previous year.

INFORMATION TECHNOLOGY

Your Company has taken rapid strides towards Green IT by focusing on the concept of paperless office with the introduction of Online Vigilance Clearance system for getting No Objection Certificate for passport applications and foreign tours and Online booking for Train and Air Travel system.

Your company has leveraged the usage of new technologically advanced concept of Virtualisation and Consolidation at Manali Refinery whereby, the multiple servers and services will be run on a single server, resulting in lower administrative cost and higher energy savings.

Realising the need to provide safer and secure IT system against cyber attacks, your company has upgraded its Firewall applications.

Your company has successfully introduced the e-fax server, a comprehensive network fax solution for creating, sending, receiving, and managing faxes directly from a user's desktop computer. The fax is integrated with email to enable high volume delivery & paperless communication. Your company has also upgraded the routers in the organization.



RESEARCH AND DEVELOPMENT (R&D)

Your company focuses its attention to fundamental R & D for sustainability of its business, advanced technical services, building capabilities and enhance profitable growth and continues to be an efficient user of technology.

Your Company's R&D is aimed at increasing the efficiency and reliability of the refinery processes and continues to extend support to various Refinery units like FCC, Hydrocracker, DHDS and Lube units with process and feed optimization studies.

Your R&D center has carried out extensive isomerisation pilot plant studies to successfully develop a model for supporting the commercial ISOM unit. Studies were initiated on Bio fuels also by conducting several high-pressure pilot plant trials on thermo chemical conversion of Algae.

Your R&D centre also entered into Research cooperation with Indian Institute of Petroleum (IIP), Dehradun for the development of process for low sulfur fuel oil through Extraction route as an alternate to hydro treating which is expensive and complex.

SAFETY PERFORMANCE

Your Company with its deep conviction as a responsible corporate citizen pursued whole heartedly the principle of maximising production without compromising on Safety in its pursuit towards excellence.

Your Company has prepared the Process Safety Manual in line with the guidelines of Oil Industry Safety Directorate.

A workshop on Safety Culture Improvement was conducted for the benefit of cross section of employees. Your company has also revised the incentive scheme for reporting Near Miss Incidents (NMI) in order to encourage the employees in generating more number of Near Misses and giving importance for process safety NMIs and High potential NMIs.

One Four Day programme on "Risk Based Process Safety" and three One -Day Programmes on " Process Safety Management " were conducted through Centre for Chemical Process Safety (CCPS).

An off-site emergency mock drill was conducted under the guidance of Brig (Dr) B.K.Khanna (Retd.), Senior Specialist (Training and Capacity Development) NMDA, New Delhi with active participation of District Collector, Tiruvallur and all the Stakeholders.

ENVIRONMENTAL PERFORMANCE

Your Company, recognizes the impact of industrial operations on environment and believes that commitment to environment is fundamental to the company's values which ensure sustainable development. Therefore, your company's development plan encompasses a variety of schemes towards minimizing the impact of refining operations on environment.

Significant initiatives taken in the areas of environmental protection include the following:

- Completion of Fugitive Emission Inventorisation in Refinery I & III.

Chennai Petroleum Corporation Limited

- Adoption of alternative methodology for oil recovery, i.e. in-situ technique by treating the oily Sludge in the tank farm itself, for oil recovery.
- Three numbers of fixed roof tanks of capacity 10000 KL each have been constructed and being commissioned for oily water feed to Effluent Treatment Plant (ETP) for minimisation of emission of Volatile Organic Compounds.
- Mobile Ambient Air Quality unit launched. Real time ambient air quality monitoring station analyzer data and stack emission monitoring data configured in PIN under the continuous Emission Monitoring System.

The sustained and concentrated efforts taken by the company in the area of water management has earned the company Environment Excellence Award in Water Management by Confederation of Indian Industry.

RENEWABLE ENERGY DEVELOPMENT

Sustainability Development is recognized as one of the important focus areas in CPCL and as part of these efforts, CPCL generate 28.9 Million Units of Power from the 17.6 MW Windmill in Tamil Nadu. CPCL is exploring various options of utilizing Solar energy, as a part of its commitment to Sustainability Development.

As part of CSR activity, CPCL has implemented a unique concept of providing 45 Nos. of Solar based Street Lights at Jawadhu Hills for the benefit of Tribal people.

ENERGY CONSERVATION

Your Company continues its efforts to undertake several measures aimed towards achieving Energy Conservation.

During the year, Condensate Recovery System was commissioned in Visbreaker and Sulfur Recovery Units as part of Energy Conservation initiative.

The Manali Refinery of your company achieved the lowest ever energy index of 67.2 MBTU/BBL/NRGF. The Cauvery Basin Refinery achieved the lowest ever energy index of 108.67 MBN.

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

REFINERY BUSINESS OPTIMISATION

Under the Integrated Refinery Business Improvement Programme being implemented in association with Centre for High Technology and M/s. Shell Global Solutions International, 11 proposals for implementation were completed with a net benefit of 7.243 Million US Dollars (10.1Cents per bbl).

PROCESS OPTIMISATION

Your Company has been a fore runner among the Indian Refineries with regard to implementation of best practices in Refinery Business Optimisation in order to achieve better operating margins.

Your company has successfully completed the trial processing of LN in NMP Extraction Plant to maximize the capacity utilisation of NMP Extraction Unit and reduction of energy consumption.

Several initiatives taken in the area of optimisation include the following :

- Installation of Duplex Stainless Steel tubes for coolers for run length enhancement in propylene unit.
- Changeover of hexane plant solvent from sulfolane to NMP



TOTAL PRODUCTIVE MAINTENANCE (TPM)

The Manali Refinery of your company successfully completed the health check up for “Excellence in Consistent TPM Commitment Award” conducted by the Japan Institute of Plant Maintenance (JIPM).

The Cauvery Basin Refinery of your Company received the “Excellence in Consistent TPM Commitment Award” for 2011 from the Japan Institute of Plant Maintenance (JIPM), in March 2012.

HUMAN RESOURCES

Your Company has a manpower dedicated to meet the vision of the company and is always endeavoring to take the company to challenging heights. Your company’s HR policy caters to the demand of maintaining a steady flow of talent, in a business which is characterized by risks and uncertainties, fluctuating crude and product prices and growing competition.

The total manpower of the Company as on 31st March 2012 was 1745 (1773 as on 31st March 2011) comprising 787 supervisors and 958 non-supervisors (808 supervisors and 965 non-supervisors as on 31st March 2011).

In order to develop the skill set of the employees, your company recently started “Employees Learning Forum” and 11 programmes were successfully conducted during the year.

The Industrial Relations climate continued to be harmonious, cordial and peaceful through out the year with periodical sharing of the information with the collectives. Structured communication 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 4 in the beginning of the year has been filled up through special Recruitment drive.

Your Company firmly believes in continuously upgrading the skills and competencies of the employees with the objective of creating a leadership pipeline. Training programmes aimed at enhancing both the functional competencies and behavioural competencies of the employees at all levels were organised with the best of faculties. During the year, your Company utilized 5364 man days covering employees at all levels. Your company achieved average training man days of 2.7 per employee during the year. Competency Mapping was carried out for 142 deputy managers/ managers by the Company during this year.

Your Company has been scrupulously 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 433 SC employees (previous year: 439) and 38 ST employees (previous year: 36) as on 31.03.2012 constituting 24.81% and 2.18% of the total manpower respectively.

The statistics relating to representation of SCs / STs / OBCs in the prescribed proforma as on 01.01.2012 is given in **Annexure-II**.

WELFARE OF WOMEN

Your Company provides equal opportunities for women in employment and ensures that requisite work ambience exists for women employees. As on 31.03.2012, 90 women employees are on the rolls of the Company, of whom 40 are in the Supervisory Cadre and 50 are in Non supervisory Cadre, constituting 5 % of the total Supervisory employees and 5.2 % of the total Non-supervisory employees.

International Women's Day 2012 was celebrated with the theme "Promote Gender Equality and Empower Women" which was chaired by Kalaimamani Dr. Smt. Sarada Nambi Arooran, State Information Commissioner (Retd.).

Your Company received the Best Enterprise Award in the Miniratna category instituted by the Forum of Women In Public Sector (WIPS) under the aegis of Standing Conference on Public Enterprises (SCOPE), for the second consecutive time.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to follow the guidelines on Corporate Social Responsibility (CSR) issued by the Department of Public Enterprises (DPE) and the CSR Committee constituted by the Board of Directors of the Company monitors the overall functioning as well as guide and suggest improvements in the CSR activities in line with the company's vision and mission statement and CSR policy.

During the year, an amount of ₹ 372.65 lakhs was spent on various Corporate Social Responsibility activities as compared to ₹ 368.51 lakhs spent in the last year. Out of ₹ 372.65 lakhs, ₹ 90 lakhs was spent on various health care initiatives and ₹ 106 lakhs was spent towards education.

Significant CSR Activities carried out during the year include:

- Organised a Mega Science Fair at Manali in association with Agastya International Foundation, Bangalore for the benefit of Manali Neighbourhood School Students, which has benefited about 10800 Students from 14 Schools.
- Distribution of Merit Scholarships totaling ₹ 18.16 lakhs to the meritorious students of the nearby Government/ Panchayat/Municipality / Government Nursing Institutions.
- Conducted 12 Comprehensive Eye Care Camps benefitting 1700 people living in and around Manali, in association with M/s. Sankara Nethralaya, Medical Research Foundation. 120 cataract surgeries were performed.
- Donated one Ambulance at a cost of ₹ 8.01 lakhs to the Blood Bank of Rajiv Gandhi Government General Hospital, Chennai for segregating and transporting the Blood collected at various Blood Donation Camps to their main Hospital in the City.
- Donated one Fully Automated Bio-Chemistry Analyser at a cost of ₹ 13.26 lakhs to Government Hospital of Thoracic Medicine, Tambaram Sanatorium to enable the hospital to carry out a large number of analyses with accuracy in a shorter time.
- Donated ₹ 14.50 lakhs to M/s.Sankara Nethralaya Medical Research Foundation for purchase of one Operating Microscope used to perform surgery under high magnification with special illumination in the Operation Theater and is specially used for ocular surgeries like Cataract, Vitreo-retinal and Squint.



A sum of ₹ 51 lakhs was spent by Cauvery Basin Refinery of your Company on various CSR activities for the benefit of the nearby community. Significant activities include the following:

- Distribution of Merit Scholarships worth ₹ 4.94 lakhs to the meritorious students of the Schools/ Polytechnic/ITI educational institutions, which has benefited 213 students.
- Conducted Eye Care Camps for the benefit of people living in and around Panangudi, in association with M/s. Aravind Eye Hospital, Puducherry. 500 people were screened and 100 cataract surgeries were performed.
- Construction of kitchen buildings for Panchayat Union Elementary School, Periyannariyangudi and Narimanam villages at cost of ₹ 4.5 lakhs and at Municipal Middle School, Nagapattinam at a cost of ₹ 3.14 lakhs.

OCCUPATIONAL HEALTH

Your Company gives utmost thrust on achieving excellence in occupational and personal health of its employees and has state-of-the art Occupational Health Services (OHS) Centre equipped with latest diagnostic and therapeutic equipments and manned by qualified health professionals.

OHS Centre continued its endeavor to preserve the health of the employees and 81 percent of the employees underwent the annual health check up.

‘Healthy heart and body composition analysis’ was organised for all employees and counselling was done highlighting good eating habits for maintaining a healthy heart.

A programme on “Holistic Development of Adolescence” was conducted for the benefit of the children of the employees in the age group of 13 years to 19 years and for the parents.

OHS biochemistry laboratory continues to hold the quality certificate of National Accreditation Board for Laboratories as per ISO 15189:2007.

PUBLIC GRIEVANCES

Your Company accords top priority to the public grievances and a Grievance Redressal System is in place.

Your company continues to implement the Centralized Public Grievances Redress and Monitoring System (CPGRAMS) as advised by the Department of Administrative Reforms & Public Grievances, Ministry of Personnel Public Grievances and Pension, Government of India. Details and contact number of Public Grievance Officer are displayed in the website of the Company, viz. **www.cpcl.co.in**.

RISK MANAGEMENT

The reports pertaining to the year 2011-12 under the Risk Assessment & Minimization Procedures were reviewed by the Executive Committee and also by the Audit Committee and Board of Directors of the Company.

A Risk Management Policy for the year 2012-13 has been prepared by the Committee constituted for this purpose and the report submitted by the Committee was also reviewed by the Audit Committee and the Board.

CORPORATE GOVERNANCE

Your Company has taken structured initiative towards Corporate Governance and its practices are valued by various stakeholders. The Corporate Governance practices are based on multi layered checks and balances to ensure transparency and accountability.

Your Company complied with all the mandatory requirements of Corporate Governance Guidelines issued by Securities & Exchange Board of India and Department of Public Enterprises (DPE), Government of India for the year 2011-12, except the clause relating to the appointment of Independent Directors. 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 on Corporate Governance issued by the Ministry of Corporate Affairs, your Company carried out Secretarial Audit for the year 2011-12 from M/s. S.Sandeep & Associates, Company Secretaries and their report forms part of the Annual Report. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act, SEBI Guidelines, rules etc except with the clause relating to appointment of Independent Directors.

RIGHT TO INFORMATION

The Right to Information Act, 2005 is applicable to your company. In accordance with the provisions of the RTI Act, necessary disclosures have been made in the website of the company.

During the year, 54 applications under the RTI Act were received and disposed off in time.

VIGILANCE

Your Company is committed to ethical conduct of business and the main focus of the vigilance department is to create a culture of integrity and probity in the company.

System studies were undertaken to improve compliance with the procedures and also to enhance operational efficiencies. Payments of bills to vendors/ contractors effected through ECS/EFT achieved 98 %, demonstrating the increased focus maintained by the vigilance on the use of technology.

Vigilance Awareness week was observed in a befitting manner with the theme "Participative Vigilance" which was actively participated by employees, customers, vendors , contractors, service providers etc.

INTEGRITY PACT

Your Company has a Memorandum of Understanding (MoU) with Transparency International India (TII) for implementing an Integrity Pact Program focused on improving transparency in business dealings.

19 major contracts/ works were covered under the Integrity pact during the year. Periodical review meetings were held with Independent External Monitors. An interactive meet was also organised with Independent External Monitors for major contractors.



HINDI IMPLEMENTATION

During the year, a series of initiatives were undertaken for promotion and propagation of Hindi in official communication and to ensure implementation of the Official Language Policy of the Government of India. The Official Language Implementation Committee monitors the implementation of Official Language Policy on a quarterly basis.

Various activities like workshops, meetings, competitions, etc., were organised during the year and the World Hindi Day was celebrated on 10.01.2012.

Your company won the prestigious Rajbhasha shield (IIInd prize) instituted by the Town Official Language Implementation Committee, Chennai under the Public Sector Unit – Big category.

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).
- Management Discussion and Analysis Report as required under Clause 49 IV F of the Listing Agreement is annexed and forms part of the Report (Annexure IV).

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, 2012, 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, 2012, 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. Chandran & Raman, Chennai and M/s S.Venkatram & Co., Chennai have been appointed as Joint Statutory Auditors of the Company for the financial year 2011-2012 by the Comptroller and Auditor General of India. The Board of Directors of the 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.

DIRECTORS

Mr.Rajkumar Ghosh, Director (Refineries) Indian Oil Corporation Limited has been appointed as a Director on the Board of CPCL effective 02.09.2011 in place of Mr.B.N.Bankapur.

Mr.K.Balachandran, Managing Director was relieved from the services of the company effective 17.11.2011 as he has tendered his resignation and Mr.S.Venkataramana, Director (Operations) has been holding the additional charge of the post of the Managing Director, till 05.07.2012. Mr. A.S. Basu, Executive Director (Operations), Indian Oil Corporation Limited has been appointed as a Director on the Board of CPCL and also as the Managing Director effective 06.07.2012.

Your Directors place on record their appreciation of the valuable contributions made by Mr.K.Balachandran and Mr.B.N.Bankapur during their tenure.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude for the valuable guidance and co-operation 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 are also thankful to the valuable suggestions and guidance received from the Statutory Auditors and the Comptroller & Auditor General of India.

Your Directors place on record their special appreciation to the valued shareholders for their support.

Your Directors sincerely acknowledge the contribution, dedication, commitment and perseverance displayed by all the employees.

For and on behalf of the Board of Directors

Date : 03.08.2012
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. Shutdown of Pre-Desulfurisation unit of Reformer-1 by using Sweet Naphtha from ISOM/OHCU/CRU.
2. O₂ enrichment in SRU enabling additional feed processing in OHCU and additional steam production in SRU.
3. Changeover from Sulfolane to N-Methyl Pyrrolidone in Hexane plant resulting in reduction of reboiler duty.
4. Processing Light Neutral (LN) distillate in NMP extraction unit enabling shutdown of Plant 8 furfural extraction unit thus saving operating energy.
5. Reduction chamber off gas routed to separator in CCR.
6. Routing of low sulphur HVGO directly to FCCU instead of OHCU.

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

The following additional investment proposals are being implemented:

- a. Initiated study of PSA-II Revamp for higher H₂ recovery and recommendations received
- b. Scheme initiated for recovery of H₂ from Reduction chamber off gas from CCR unit for routing it directly to Hydrogen header. Work in progress.
- c. Study on usage of Natural Gas instead of naphtha in Reformer is in progress.
- d. Calcium Silicate insulation for VHP steam header initiated and approval is under progress.

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 which were implemented are expected to result in an estimated savings of about 6000 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 activities as per Form B is given in attachment II.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports: Initiatives taken to increase exports. Development of new export markets for products and services and export plans: The company has exported 921.4 TMT of products comprising of Naphtha (209.7 TMT), HFO (701.7 TMT) and Lube Oil (10.0 TMT) for a total value of Rs.3249.5 crore:
- b) Total Foreign Exchange used and earned:

(₹ in Lakhs)

	2011-12	2010-11
Used	11463.04	7966.47
Earned	15666.57	11327.94

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 2011-12	Previous Year 2010-11
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Unit (in million KW Hr.)	13.648	19.834
Total Amount (₹ in Crore)	5.66	8.24
(excluding demand and other charges)		
Demand and other charges (₹ in Crore)	9.15	10.54
Rate/Unit (average) (₹/KWHr.)	4.14	4.15
(excluding demand and other charges)		
b) Own generation		
Through diesel generator	Not applicable	Not applicable
Through steam turbine/generator		
Unit (in million KW Hr.)	304.166	319.248
Units per litre of fuel oil/gas	3.29	3.48
Fuel Cost/Unit (₹)	10.16	6.94
2. Coal	Not applicable	Not applicable
3. Furnace Oil		
Quantity (in thousand K.Litres)	493.359	510.322
Average rate (₹/MT)	35288.34	25432.04
4. Others/Internal generation fuel gas For Manali Refinery Only		
Gas Turbine		
Quantity		
Power (in million KW Hr.)	408.17	354.036
Fuel (in thousand MTs)	140.394	122.617
Total cost (₹ in Crore)	678.41	452.26
Fuel cost/Unit (₹)	16.62	12.77
Fuel Gas (TMT)	130.459	108.352
B. Consumption Per Unit of Production		
Electricity (KWHr/MT of crude)	68.77	64.49
Furnace oil (Kg/MT of Crude)	47.26	45.10
Coal	Not applicable	Not applicable
Other (specify)		
FCCU Coke (Kg/MT of Crude)	3.96	3.83
Fuel Gas (Kg/MT of Crude)	12.36	10.08



ATTACHMENT - II

FORM B

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 and 2 Nos. of new crudes introduced
- Evaluation of Catalysts and Additives for FCC Unit
- Selection of catalysts for Hydro processing units
- Pilot plant studies on new generation high activity DHDS/DHDT catalysts
- Pilot plant studies on co-processing of vegetable oil for Green diesel

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
- Bio Fuels /Lubricants
- Development of F-T catalysts
- Development of Micro Wave based Technologies for VGO pretreatment
- Membrane process for separation of Propylene from cracked LPG

4. Expenditure on R&D

(₹ In Lakhs)

	2011-12	2010 - 11
Capital	27.31	120.48
Recurring	408.30	385.99
Total	435.61	506.47
Total R&D expenditure		
As % of Turnover	0.0107	0.0133

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- Naphtha Isomerisation model suitable for off-line application of the commercial ISOM unit was developed. The model was based on extensive pilot plant data using different Naphtha compositions and varying the whole range of operating variables.
- Studies initiated on catalytic conversion of Algae into Biofuels in high-pressure reactor. Changes in operating conditions and catalyst medium are planned to achieve the carbon hydrogen ratio comparable to fossil fuels.
- Direct Hydro treating studies were carried out on co processing of 5% Jatropha oil and 5% Pongamia oil with Diesel for on Spec Green Diesel.

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 - BENEFITS DERIVED AS A RESULT OF R&D ACTIVITIES

Crude Assay

- Detailed assay on several crude mixes processed in the refinery and new crude namely Espoir was carried out

Process Optimization Studies:

- DHDT studies on diesel blends containing varying quantities of Visbreaker gas oil were studied for optimizing the blend and to assess the catalyst deactivation rate.
- Pilot plant studies carried out for Reforming Naphtha obtained from KG basin crude for achieving better conversion, higher RON of 92 and Benzene meeting Euro IV spec.
- Lube potential of different crudes such as Umm shaiff, Iran mix, Palanca etc., were studied to optimize the crude mix composition.
- FCC catalysts and additives were studied for the high nitrogenous vacuum gas oil feed to obtain the required product yield pattern and conversion exploiting the new catalyst capabilities to the full extent.
- N-Paraffin distribution of Kerosene for several neat crudes were studied to assess their relative Linear Alkyl Benzene Feed Stock (LABFS) potential.
- Studies on suitability of Low metal loaded catalysts for Naphtha Hydro treating initiated to achieve the required HDS activity at higher space velocities for better process efficiency.
- Collaborated with IIT (Madras) in their project study for revising the existing BIS specifications on viscosity grade bitumen. Supported the study by assessing over 300 market samples of bitumen for its short term / long term ageing characteristics and Rheological properties.



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

ANNUAL STATEMENT SHOWING THE REPRESENTATION OF SCs/STs & OBCs AS ON 01.01.2012 AND NUMBER OF APPOINTMENTS MADE DURING THE PRECEDING CALENDAR YEAR

GROUPS	Representation of SCs/STs/OBCs as on 01.01.2012				No. of appointments made during the calender year 2011(Jan - Dec 2011)									
					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 Managerial / Executive Level	556	142	19	42	Nil	Nil	Nil	Nil	54	12 @	3	3	2	Nil
Group B Supervisory Level	246	54	7	35	17	3	2	4	Nil	Nil	Nil	Nil	Nil	Nil
Group C Workmen / Clerical Level	958	240	10	321	18	3	1	11	35	7	1	Nil	Nil	Nil
Group D	5	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
TOTAL	1765	437	38	398	35	6	3	15	89	19	4	3	2	Nil

@ 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 01.01.2012 AND NUMBER OF APPOINTMENTS MADE IN VARIOUS GRADES IN THE PRECEDING CALENDAR YEAR

PAY SCALE (In Rupees)	Representation of SCs/STs/OBCs as on 01.01.2012				No. of appointments made during the calendar year 2011 (Jan - Dec 2011)									
					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	197	41	7	20	Nil	Nil	Nil	Nil	54	12@	3	Nil	Nil	Nil
32900 - 58000	137	35	8	14	Nil	Nil	Nil	Nil	19	7	2	1	Nil	Nil
36600 - 62000	74	22	2	7	Nil	Nil	Nil	Nil	10	4	1	1	1	Nil
43200 - 66000	73	25	2	1	Nil	Nil	Nil	Nil	8	3	1	Nil	Nil	Nil
51300 - 73000	46	11	0	0	Nil	Nil	Nil	Nil	3	1	Nil	Nil	Nil	Nil
51300 - 73000	21	7	0	0	Nil	Nil	Nil	Nil	3	1	Nil	1	1	Nil
51300 - 73000	8	1	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	556	142	19	42	Nil	Nil	Nil	Nil	97	28	7	3	2	Nil

@ applicable upto lowest rung of Group A

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, 2012 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, 2012, 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.

For M/s. S. Venkatram & Co.
Chartered Accountants

R. Vaidyanathan
Partner
Membership No. 18953
FRN: 004656S

For M/s. Chandran & Raman
Chartered Accountants

P.N. Ramachandran
Partner
Membership No. 13871
FRN: 000571S

Chennai
May 23, 2012



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, 2012 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, 2012, except for the number of Independent Directors on the Board which was less than half of the 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. S. Venkatram & Co.
Chartered Accountants

R. Vaidyanathan
Partner
Membership No. 18953
FRN: 004656S

For M/s. Chandran & Raman
Chartered Accountants

P.N. Ramachandran
Partner
Membership No. 13871
FRN: 000571S

Chennai
May 23, 2012

MANAGEMENT DISCUSSION AND ANALYSIS
(Forming part of the Directors' Report for the year ended 31.03.2012)

World Oil Economy

The world economy was affected during the last few years due to slow down in US and European Union. As compared to the year 2011, the current year has seen some positive signals in Global economic development due to the measures taken by Advanced Countries for reviving the economy of European Union.

Crude oil production rose marginally to 88.4 mb/d in 2011 from 87.3 mb/d in 2010. The oil demand rose to 89.1 mb/d in 2011 from 88.3 mb/d in 2010 still resulting in shortfall. The price of Crude Oil continued to be volatile due to political scenario in Lebanon, Egypt and Syria and also due to sanctions on Iran.

Indian Oil Economy

(i) Crude Oil Production :

Domestic crude production witnessed marginal increase during the year. After growing at 11.9% in 2010-11, crude oil production rose by meager 1% during 2011-12. However, the indigenous production of crude oil and natural gas is not adequate and the dependence on imports continues to be more than 75% of total crude oil consumption in the country. Many innovative actions are being taken up to boost the oil availability to the country including oil exploration activities in other countries.

(ii) Refining Capacity:

The Indian Refining industry has established as a major global player in the last 5 years. The refining capacity has increased from 148.96 MMTPA at the beginning of XI plan period i.e., 2007-08 to 213.2 MMTPA at the end of XI plan period as on 1.4.2012. With the commissioning of grass root refinery at Paradip with 15 MMTPA and other refining capacity expansion projects of existing refineries, the refining capacity in the country is expected to go up to 232 MMTPA by 2012-13. The refining capacity is further expected to reach 310.88 MMTPA by the end of XII plan period.

(iii) Product Demand:

The demand for petroleum products has increased from 141 MMTPA in 2010-11 to 147.9 MMTPA in 2011-12, registering a growth rate of 4.9% . Petroleum products consumption (inclusive of imports) growth accelerated to 4.9% (provisional number) from 2.3% in the previous year. Transportation fuels were the front runners, with diesel growth out pacing petrol. Consequent upon deregulation of MS and the rising crude oil prices, the price differential between the two major fuels widened significantly during the year. Further, over the years, the proportion of diesel passenger cars has increased and this trend is expected to continue, reinforced by the fuel price differentials. Moreover, in view of the constrained power supply situation, which accentuated during October-December 2011, there was sizeable growth in diesel consumption for running power gensets. The demand for petroleum products is expected to grow at 4.8 % per year during the XII plan period and reach 186.2 MMTPA by 2016-17. The demand for diesel will continue to be dominant followed by Motor spirit and LPG. However the demand for Natural Gas is expected to grow at a CAGR of 19.5% during the XII plan period, emphasizing the increasing demand for this environmentally clean fuel. With the limited availability of indigenous natural gas, the dependence on imported LNG is likely to go up.

(iv) Export Potential:

Currently, the export of Petroleum products are the highest in terms of value in the export basket of India. The export of Petroleum Products is touching a new high with exports expected to reach 83 MMTPA by 2016-17.



(v) Refining Margin:

The refining margin all over the world was severely impacted due to high volatility in the Crude and Product prices and lower cracks due to poor demand on account of slow down in European and US markets. As a consequence the margins of the Indian refineries were also constrained.

(vi) Refining Margin / Profitability of the Company:

There is a severe impact on the Refining margin of the Company due to the following:

- (a) Lower cracks on account of the external facts like high volatility in the crude price and lower cracks due to the economic slow down in various parts of the world.
- (b) High Foreign Exchange loss due to unprecedented depreciation in Indian currency.
- (c) Unexpected one-off expenditure incurred by the Company in freight and demurrage charges due to problems in Chennai Port.
- (d) Increase in the Operating Cost.

Your Company has initiated various measures to improve the Refining margins by expanding its crude basket and a plan to improve the bottom line by implementing projects like Resid Upgradation Project.

Your Company has taken the responsibility of executing the repair works in Chennai Port on behalf of Chennai Port Trust on an emergency basis to overcome the problem of additional freight / demurrage.

With these action plans in place and with the human talent available in the Company, your Company is confident of improving the Refining margin in near future.

Opportunities and Threats:

Indian Economy continues to be one of the fastest growing economies, though there is a slowdown in the growth momentum. In 2011-12, India's GDP growth rate is 6.9%.

The population in India as per census 2011 has reached 1210 million and there is an increasing urbanization with 53 cities having population of more than a million.

With the growing population and the expected GDP growth, as stated above, the energy demand in the country is expected to increase at a reasonable level. The consumption of petroleum products is expected to increase by 1.7 times the consumption in 2011-12 by 2020.

With the expected economic growth and the increase in population, the refining capacity of the country is also expected to reach 367 MMTPA by 2022. The demand prospects of the petroleum products in Asian countries is also expected to go in the next decade, which will further boost up the export potential of the petroleum products.

With the high growth of Refining Industry, the threat perspective is that the high growth will be accompanied by increase in GHG emissions. The considerable increase in the demand for transportation fuels will also mean the need to find sustainable framework for reducing vehicle emissions and increasing vehicle efficiencies. The Government has also initiated various Energy Efficiency missions in the XI Plan period resulting in a saving of about 750 Mw. The sustainable development will also require India to explore other sources of Energy including renewable sources. The capacity addition of renewable energy is continuously increasing with suitable Govt. policies on renewable energy.

Risks, Concerns & Outlook:

The significant fluctuations in crude prices arising from geo political and economic issues is causing concerns on refining margins. The Energy Security issues require diversification of crude procurement sources. India still has Middle East dependency of 65% compared to China with 40% Middle East dependency. Securing supplies from other regions and increasing processing capability to handle heavier and difficult crudes will be required to meet the Energy Security needs. Significant investments will be required to increase energy efficiency and for reduction of emissions by Refineries.

Chennai Petroleum Corporation Limited

The environmental clearances for new investments in capacity expansions and value addition project like Resid cracking have been delayed in Manali due to ban imposed by MoEF. The Industries in Manali area are continuously addressing these issues with several emission reduction programs and there is an urgent need for clearances for further investments in this region to meet the ever growing demand for energy.

Internal Control Systems and their Adequacy

Your Company has adequate Internal Control Systems commensurate with the size of the company and nature of business. Your Company has set very high standards and effective processes for monitoring its operations in order to ensure transparency and risk mitigation. Internal Audits are conducted on regular basis to ensure that transparency, statutory safety and other Government guidelines are being regularly followed.

The Board of Directors of your company at the meeting held on 18.10.2011 accorded approval for revised Delegation of Authority to meet the current requirements.

The Internal Audit Department of your company carries out extensive audits covering every aspect of the business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures.

Financial Performance

The Directors' Report has adequately dealt with this subject.

Operational Performance

The Directors' Report has adequately dealt with this subject.

Material Developments and Human Resources / Industrial Relations

The Directors' Report has adequately dealt with this subject.

Cautionary Statement

Statements in the Management's Discussion and Analysis, describing the Company's focal objectives, expectations or anticipations may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations. Important factors that could influence the Company's operations, include global and domestic demand and supply conditions affecting selling prices of products, input availability and prices, changes in Government regulations / tax laws, economic developments within the country and factors such as litigation and industrial relations.



Report of the Statutory Auditors

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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 31st March 2012, 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;
 - (vi) 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 31st March 2012;
 - (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 23, 2012

for CHANDRAN & RAMAN
Chartered Accountants
P.N.Ramachandran
Partner
Membership No. 13871
FRN: 000571S

for S.VENKATRAM & CO
Chartered Accountants
R.Vaiydanathan
Partner
Membership No. 18953
FRN: 004656S



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. No material discrepancies were noticed on such verification.
- (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 were not material.
- (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 exists 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 of the company.
- (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. 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 there are no employees who are eligible to be covered under Employee's State Insurance Scheme.

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.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31.03.2012 for a period more than six months from the date they become payable.
- (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 31st March 2012. The company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (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. 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. 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 31st March 2012. 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 during the year under audit. Hence we have no comments to offer in respect of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Chennai
Date : May 23, 2012

for CHANDRAN & RAMAN
Chartered Accountants
P.N.Ramachandran
Partner
Membership No. 13871
FRN: 000571S

for S.VENKATRAM & CO
Chartered Accountants
R.Vaiydanathan
Partner
Membership No. 18953
FRN: 004656S



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 Value Added Tax Act	Value Added Tax Dues	5592.08	-	2007-08	High court (Tamil Nadu)
TamilNadu Value Added Tax Act	Value Added Tax Dues	1308.41	-	2007-08	Joint Commisioner (Appeals)
Andhra Pradesh Value Added Tax Act	Value Added Tax Dues	1731.81	626.20	Apr - 2005 to Aug - 2007	AP State Appellate Tribunal
Karnataka Value Added Tax Act	Value Added Tax Dues	60.00	60.00	2005-06 to 2008-09	Joint Commisioner (Appeals)
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
Central Excise Act	Excise Dues	246.11	246.11	2006 to 2011	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act	Income Tax Dues	1797.19	1797.19	AY 2004 - 05	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax Dues	483.81	483.81	AY 2004 - 05	Income Tax Appellate Tribunal
Income Tax Act	Income Tax Dues	4364.88	4364.88	AY 2006 - 07	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax Dues	524.33	524.33	AY 2007 - 08	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax Dues	968.64	968.64	AY 2008 - 09	Income Tax Appellate Tribunal



Comments of CAG

Comments of the Comptroller and Auditor General of India... ➡ 67



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 FOR THE YEAR ENDED MARCH 31, 2012.

The preparation of financial statements of **Chennai Petroleum Corporation Limited** for the year ended 31 March 2012 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 are 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 23-05-2012.

I, on the 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** for the year ended 31 March 2012. 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.

(S.RAJANI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place: Chennai

Date: August 08, 2012



Financial Information

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Balance Sheet as at March 31, 2012

(₹ in Lakhs)

Particulars	Note	March 31, 2012	March 31, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
a) Share Capital	2	14900.46	14900.46
b) Reserves and Surplus	3	364413.23	361692.10
		379313.69	376592.56
(2) Non-Current Liabilities			
a) Long-term borrowings	4	83454.67	55969.44
b) Deferred tax liabilities (Net)	5	63793.97	60447.22
c) Other Long-term liabilities	6	591.28	367.40
d) Long-term provisions	7	2572.54	1493.45
		150412.46	118277.51
(3) Current liabilities			
a) Short-term borrowings	8	259321.44	342420.99
b) Trade payables	9	602660.29	247532.89
c) Other current liabilities	6	89821.64	114796.81
d) Short-term provisions	7	15207.34	26078.24
		967010.71	730828.93
TOTAL		1496736.86	1225699.00
II ASSETS			
(1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	370131.97	341834.92
ii) Intangible Assets	11	1512.56	1745.39
iii) Capital Work-in-Progress	12	100759.39	112718.46
iv) Intangible Assets under development	13	472.02	560.29
		472875.94	456859.06
b) Non-current investments	14	2363.02	2250.45
c) Long-term loans and advances	15	10780.49	11555.69
		486019.45	470665.20
(2) Current Assets			
a) Inventories	17	635971.64	511298.27
b) Trade receivables	18	343074.97	198398.12
c) Cash and cash equivalents	19	3860.32	1212.16
d) Short-term loans and advances	15	27383.71	42965.26
e) Other current assets	16	426.77	1159.99
		1010717.41	755033.80
TOTAL		1496736.86	1225699.00
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(S. Venkataramana)
MD i/c(D.Lilly)
Director (Finance)(M.Sankaranarayanan)
Company Secretary

As per our Report of even date

Chandran & Raman
Chartered Accountants
P.N. Ramachandran
Membership No.13871
FRN: 000571SS. Venkatram & Co.
Chartered Accountants
R. Vaidyanathan
Membership No.18953
FRN: 004656SPlace : Chennai
Date : May 23, 2012



Statement of Profit & Loss Account for the year ended March 31, 2012

(₹ in Lakhs)

Particulars	Note	March 31, 2012	March 31, 2011
I. Revenue from Operations (Gross)	20	4539652.21	3816175.33
Less: Excise Duty		458866.23	502043.89
Revenue from Operations (Net)		4080785.98	3314131.44
II. Other Income	21	6464.03	8257.48
III. Total Revenue		4087250.01	3322388.92
IV. Expenses :			
Cost of materials consumed	22	3934019.39	3105062.12
Purchase of Stock-in-Trade		34886.42	46819.68
Changes in Inventories of finished goods and Work-in-progress (-) Increase / + Decrease)	23	(53738.72)	(44661.16)
Employee benefits expense	24	25321.36	24022.32
Finance costs	25	24937.94	25445.50
Depreciation and Amortisation on :			
a) Tangible Assets	10	35770.98	30749.93
b) Intangible Assets	11	770.94	697.42
Other expenses	26	100182.71	57894.00
Total expenses		4102151.02	3246029.81
V. Profit / (Loss) before Prior Period, Exceptional and Extraordinary Items and Tax		(14901.01)	76359.11
VI. Income / (Expenses) pertaining to previous years (Net)	27	(920.54)	(7.41)
VII. Profit / (Loss) before Exceptional and Extraordinary Items and Tax		(15821.55)	76351.70
VIII. Exceptional Items		-	-
IX. Profit / (Loss) before Extraordinary Items and Tax		(15821.55)	76351.70
X. Extraordinary Items		-	-
XI. Profit / (Loss) Before Tax		(15821.55)	76351.70
XII. Tax expenses:			
(a) Current tax		-	21444.11
(b) Pertaining to earlier years		(25350.80)	2093.57
(c) MAT Credit Entitlement/ (Utilisation)		-	(1189.97)
(d) Deferred tax		3346.75	2851.77
XIII. Profit / (Loss) for the period from continuing operations(XI-XII)		6182.50	51152.22
XIV. Profit / (Loss) from discontinuing operations		-	-
XV. Tax expense of discontinuing operations		-	-
XVI. Profit / (Loss) from discontinuing operations(after tax) (XIV-XV)		-	-
XVII. Profit / (Loss) for the period (XIII+XVI)		6182.50	51152.22
XVIII. Earning per equity share:			
(a) Basic		4.15	34.35
(b) Diluted		4.15	34.35
Statement of Significant Accounting Policies	1		
Notes on the Accounts	28		
Cash Flow Statement	35		

(S. Venkataramana)
MD i/c

(D.Lilly)
Director (Finance)

(M.Sankaranarayanan)
Company Secretary

As per our Report of even date

Chandran & Raman
Chartered Accountants

S. Venkatram & Co.
Chartered Accountants

Place : Chennai
Date : May 23, 2012

P.N. Ramachandran
Membership No.13871
FRN: 000571S

R. Vaidyanathan
Membership No.18953
FRN: 004656S

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1

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 these 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 upto the date of capitalisation.
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.



NOTE "2" - SHARE CAPITAL

		(₹ in Lakhs)	
Particulars	Note	March 31, 2012	March 31, 2011
(1) Authorised			
40,00,00,000 Equity Shares of ₹ 10 each		40000.00	40000.00
(2) Issued			
17,00,00,000 Equity Shares of ₹ 10 each (i)		17000.00	17000.00
(3) Subscribed, Called-up and Paid-up			
14,89,11,400 Equity Shares of ₹ 10 each		14891.14	14891.14
Add: Forfeited Shares (amount originally paid up)		9.32	9.32
Total		14900.46	14900.46

(i). 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.

(4) Reconciliation of No. of Shares (Opening and Closing)

Opening Balance	148911400	148911400
Add :Bonus Shares issued during the year	-	-
Add :Shares issued on Amalgamation	-	-
Less : Shares bought back	-	-
Closing Balance	148911400	148911400

(5) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

(6) Shares held by Holding Company

(₹ in lakhs)

7,72,65,200 Equity Shares of ₹10 each (51.89%)
fully paid-up, held by Indian Oil Corporation Limited,
the Holding Company.

March 31, 2012	March 31, 2011
7726.52	7726.52

(7) Details of shareholders holding more than 5% shares as on 31.03.2012

S.No.	Name of Shareholder	Number of shares held	Percentage of Holding
a)	Indian Oil Corporation Limited	77265200	51.89
b)	Naftiran Intertrade Company Limited	22932900	15.40
c)	Bajaj Allianz Life Insurance Company Limited	7607490	5.11

NOTE " 3 " - RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	March 31, 2012	March 31, 2011
(1) Securities Premium Account :		
As per last account	25003.82	25003.82
(2) General Reserve :		
As per last account	336688.28	306304.29
Add: Transeferred from Statement of Profit and Loss	2721.13	30383.99
	339409.41	336688.28
(3) Statement of Profit and Loss :		
Balance brought forward from last year	-	-
Add: Profit for the Year	6182.50	51152.22
Less: Appropriations:		
Proposed Dividend	2978.23	17869.37
Dividend Distribution Tax	483.14	2898.86
Transfer to General Reserve	2721.13	30383.99
Balance carried forward to next year	-	-
TOTAL	364413.23	361692.10

NOTE " 4 " - LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	Note	March 31, 2012	March 31, 2011
(1) SECURED LOANS			
Term Loans:			
a) From Banks			
Foreign Currency Loan - (USD 19.24 Mn; 2011 - USD 30.24 Mn)	(i)	9792.17	13444.44
Indian Currency Loan	(ii)	20000.00	-
Sub - Total		29792.17	13444.44
(2) UNSECURED LOANS			
Term Loans:			
a) From Banks	(iii)	30000.00	-
b) From Others			
Oil Industry Development Board	(iv)	23662.50	42525.00
Sub - Total		53662.50	42525.00
TOTAL		83454.67	55969.44



Nature of Security and Terms of repayment for Secured Loans

Nature of Security	Terms of Repayment
(i) Term Loan from EXIM Bank - First Pari Passu Charge on select movable fixed assets to the extent of ₹ 20000 lakhs	Principal along with interest repayable in 16 equal quarterly instalments after one year moratorium at six months Libor plus 250 bps. Out of the 16 equal quarterly instalments (EQI), 5 EQI have already been paid on the respective due dates and remaining 11 EQI are outstanding on the Balance sheet date.
(ii) Term Loan from State Bank of India - First Pari passu Charge on select movable fixed assets to the extent of ₹ 20000 lakhs	Repayable in single bullet payment in the financial year 2014-15. Floating Rate of Interest : Base rate + 75 bps payable monthly.

Terms of repayment for Unsecured Loans

Borrowings	Terms of Repayment
(iii) Term Loan from Federal Bank	Repayable in a single bullet payment in the financial year 2014-15. Floating Rate of Interest : Base rate + 25 bps payable monthly.
(iv) Term Loans from Oil Industry Development Board	
1. ₹ 5000 Lakhs is due from the loans drawn during Financial Year 2002-03.	Repayable in 8 equal annual instalments after a moratorium of 2 years. Out of the 8 equal annual instalments (EAI), 7 EAI have already been paid on the respective due dates and remaining 1 EAI is outstanding on the Balance sheet date. Rate of interest - 6.5% p.a payable quarterly.
2. ₹ 5000 Lakhs is due from the loan drawn on 2nd April 2003	Repayable in 8 equal annual instalments after a moratorium of 2 years. Out of the 8 equal annual instalments (EAI), 6 EAI have already been paid on the respective due dates and the remaining 2 EAI are outstanding on the Balance sheet date. Rate of interest - 6.5% p.a payable quarterly.
3. ₹ 3125 Lakhs is due from the loan drawn on 21st April 2003	Repayable in 8 equal annual instalments after a moratorium of 2 years. Out of the 8 equal annual instalments (EAI), 6 EAI have already been paid on the respective due dates and the remaining 2 EAI are outstanding on the Balance sheet date . Rate of interest - 6.5% p.a payable quarterly.
4. ₹ 29400 Lakhs is due from the loan drawn on 31st March 2010	Repayable in 4 equal annual instalments after a moratorium of 1 year. Out of 4 EAI, 3 are outstanding on the Balance Sheet date; Rate of interest - 7.26 % p.a. payable quarterly.

NOTE "5" - DEFERRED TAX LIABILITIES / (ASSETS) (NET)

In compliance with Accounting Standard - 22 on "Accounting for Taxes on Income", Deferred Tax Asset (-)/ Liability(+) for the financial period ended 31st March 2012 amounting to ₹ 3346.75 Lakhs (2011: ₹ 2851.77 Lakhs) has been provided during the current year. The year end position of Deferred Tax Liability is given below:

(₹ in Lakhs)

Particulars	March 31, 2012	March 31, 2011
Deferred Tax Liability:		
Depreciation	65753.15	63475.40
Total Deferred Tax Liability (A)	65753.15	63475.40
Deferred Tax Assets:		
i) Provision on Inventories, Debtors, Loan & Advances, Investments	-	1077.33
ii) Voluntary Retirement Scheme expenditure written off	264.20	4.89
iii) Provision for Employee Benefits	1694.98	1945.96
Total Deferred Tax Assets (B)	1959.18	3028.18
Deferred Tax Liability (Net)	TOTAL (A-B)	60447.22

NOTE " 6 " - INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	NOTE	CURRENT		
		MARCH 31, 2012	MARCH 31, 2011	MARCH 31, 2011
(1) Current Maturities of Long-Term Debt Secured Loans: Foreign Currency Loans (USD 10.998 Mn (2011 - USD 10.998 Mn)) Unsecured Loans: i) From Banks ii) From Others: Oil Industry Development Board	4 (i)	5595.53	-	4948.88 51.46
	4 (iv)	18862.50	18862.50	23862.84
		24458.03	419.53	483.03
(2) Interest accrued but not due on loans				
(3) Investor Education & Protection Fund - Unpaid Dividend	(i)	3230.82	429.85	429.85
(4) Liability on Foreign Currency Forward Contracts Less: Foreign Currency Receivables	(ii)	28935.05	97555.38	94886.22
		27793.62	2669.16	1873.15
(5) Security Deposits		1141.43		
		523.66	316.87	1806.48
(6) Others: Statutory Liabilities	(iii)	67.62	50.53	85542.28
			33052.19	68906.06
Sundry Creditors - Projects			12215.92	6057.30
Employee Liabilities & Others		67.62	50.53	10578.92
TOTAL		591.28	367.40	114796.81
		89821.64		

(i) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end. Figures for 2011-12 includes ₹ 2751.95 Lakhs of unpaid dividend to Naftiran Inter trade company Limited (NICO) for the year ended 2010-11 which could not be remitted due to sanctions imposed by US / European countries against Iran.

(ii) Refer Sl No 11 of Notes on the Accounts.

(iii) Other current liabilities includes due to Indian Oil Corporation Ltd., the holding company - ₹ 96.06 Lakhs (2011 : ₹ 84.46 Lakhs)



NOTE "7" - PROVISIONS

(₹ in Lakhs)

PARTICULARS	NON CURRENT			CURRENT	
	MARCH 31, 2012	MARCH 31, 2011	MARCH 31, 2012	MARCH 31, 2012	MARCH 31, 2011
1 Provision for Employee Benefits	2572.54	1493.45		5474.40	5310.01
2 Other Provisions					
a) Provision for Taxation:					
For Current Tax	-	-		33567.01	-
Less : Advance payments	-	-		27295.44	-
	-	-		6271.57	-
For Fringe Benefit Tax	-	-		-	250.66
Less : Advance payments	-	-		-	250.66
	-	-		-	-
b) Proposed Dividend	-	-		2978.23	17869.37
c) Dividend Distribution Tax	-	-		483.14	2898.86
TOTAL	2572.54	1493.45		15207.34	26078.24



NOTE " 8 " - SHORT-TERM BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
(1) SECURED LOANS			
Loans repayable on demand			
From Banks:			
(a) Working Capital Demand Loan	(i)	30000.00	4000.00
(b) Cash Credit	(i)	22907.29	142.62
Sub-Total		52907.29	4142.62
(2) UNSECURED LOANS			
Loans repayable on demand			
From Banks/Financial Institutions:			
a) In Foreign Currency			
Packing credit foreign currency loan		146498.79	157884.00
(USD : 287.93 Mn; 2011 : 354 USD Mn)			
Buyers' Credit		440.35	-
(USD : 0.87 Mn; 2011 : Nil)			
b) In Rupees			
Book Overdraft		4455.01	394.37
Working Capital Demand Loan		20020.00	180000.00
Commercial Paper		35000.00	-
Total Unsecured Loans		206414.15	338278.37
TOTAL SHORT-TERM BORROWINGS		259321.44	342420.99

(i) Against hypothecation of inventories, book - debts, outstanding monies, receivables present and future of the extent of ₹197500.00 lakhs with State Bank of India (2011: ₹197500 lakhs)

NOTE " 9 " - TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
Trade Payables:			
a) Total Outstanding dues to Micro, Small and Medium Enterprises	(i)	-	-
b) Total Outstanding dues to Related Parties	(ii)	578354.93	205895.09
c) Total dues to creditors other than Micro, Small and Medium Enterprises		24305.36	41637.80
TOTAL		602660.29	247532.89

(i) 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 31.03.2012 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.

(ii) Represents due to Indian Oil Corporation Ltd., the holding company.

NOTE "10" - FIXED ASSETS

(₹ in Lakhs)

	Note	GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
		Gross block As at 01-Apr-11	Additions during the year	Disposals during the year	Transfers / Deductions / Adjustments / Reclassifications	Gross Block as at 31-Mar-12 (Ref:Note D)	Depreciation and Amortisation As at 01-Apr-11	Depreciation and Amortisation for the year	Depreciation on disposals/transfers/ deductions etc.	Total Depreciation and Amortisation upto 31-Mar-12	As at March 31, 2012	As at March 31, 2011
Land												
- Freehold	A	3669.49	-	-	(20.22)	3649.27	-	-	-	-	3649.28	3669.49
- Leasehold	B	780.85	-	-	-	780.85	88.89	7.21	-	96.10	684.75	691.96
Buildings, Roads etc.		16774.80	356.57	-	-	17131.37	5219.96	391.74	-	5611.70	11519.67	11554.84
Plant and Machinery	C	593789.98	60884.63	-	2140.20	656814.81	272255.38	34826.49	-	307081.87	349732.94	321534.60
Office Equipments		3736.87	217.92	75.33	-	3879.46	1944.18	270.24	51.67	2162.75	1716.71	1792.69
Transport Equipments		2502.01	166.37	4.59	-	2663.79	1837.62	172.16	4.36	2005.42	658.37	664.39
Furniture and Fixtures		1671.65	122.99	93.91	-	1700.73	885.48	79.39	46.82	918.05	782.68	786.17
Railway Sidings		270.72	-	-	-	270.72	257.18	-	-	257.18	13.54	13.54
Drainage, Sewage and Water Supply System		1430.91	270.55	-	-	1701.46	303.67	23.75	-	327.42	1374.04	1127.24
Total		624627.28	62019.03	173.83	2119.98	688592.46	282792.36	35770.98	102.85	318460.49	370131.97	341834.92
Previous Year		544472.92	83805.26	2095.41	1555.49	624627.28	253579.43	30749.93	1537.00	282792.36	341834.92	290893.49

Note :

A : Transfer from land represents excess amount refunded from Government of TamilNadu out of amounts deposited for acquisition of land in the earlier years (2011: ₹ 62.86 Lakhs)

B : Refer S.No. 2.4.(d) of Note - 1, Significant Accounting Policies.

C : Adjustments under Plant & Machinery represents exchange differences on long term foreign currency loans relating to acquisition of fixed assets adjusted to the carrying cost of the asset as per para 46A of AS 11 in line with Notification dtd 29.12.2011 of Ministry of Corporate Affairs. Ref Sl No. 8 (d) (ii) of Significant Accounting Policies."

D : The cost of assets are net of MODVAT /CENVAT, wherever applicable.

NOTE "11" : FIXED ASSETS - INTANGIBLE ASSETS

(₹ in Lakhs)

	Note	AT COST					AMORTISATION				NET BLOCK	
		Gross block As at 01-Apr-11	Additions during the year	Disposals during the year	Transfers / Deductions / Adjustments/ Reclassi- fications	Gross Block as at 31-Mar-12	Amortisation As at 01-Apr-11	Amortisation for the year	Amortisation on disposals/ transfers/ deductions etc.	Total and Amortisation upto 31-Mar-12	As at March 31, 2012	As at March 31, 2011
Right of Way	A	30.68	-	-	-	30.68	-	-	-	-	30.68	30.68
Technical Know-How, Royalty and License Fees		2955.49	517.68	-	-	3473.17	1752.98	350.96	-	2103.94	1369.23	1202.51
Software		1229.25	20.43	-	-	1249.68	717.05	419.98	-	1137.03	112.65	512.20
Total		4215.42	538.11	-	-	4753.53	2470.03	770.94	-	3240.97	1512.56	1745.39
Previous Year		3792.33	423.09	-	-	4215.42	1772.62	697.42	-	2470.03	1745.39	2019.71

Note :

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



NOTE "12" FIXED ASSETS - CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure)	93697.88	107858.57
(2) Capital stores	6886.85	4748.18
(3) Capital Goods in Transit	174.66	111.71
(4) Construction Period Expenses pending allocation:		
Balance as at beginning of the year	-	-
Add: Net expenditure during the year (Note -"12.1")	4370.52	5993.92
Less: Allocated to assets during the year	(4370.52)	(5993.92)
	-	-
TOTAL	100759.39	112718.46

NOTE "12.1" CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Payments to and Provision for Employees	1076.85	945.37
(2) Own Fuel	826.66	365.78
(3) Travelling & Conveyance	26.33	83.10
(4) Interest	2435.91	4588.53
(5) Other Expenses	4.77	11.14
Net Expenditure during the year	4370.52	5993.92

NOTE "13" FIXED ASSETS - INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
Capital Work in Progress - Intangible Assets	472.02	560.29
TOTAL	472.02	560.29



NOTE "14" NON CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	NO. AND PARTICULARS OF SHARES/ UNITS	FACE VALUE PER SHARE ₹	MARCH 31, 2012	MARCH 31, 2011
(1) Trade Investments (Unquoted, at cost):				
Investment in Equity Instruments In Joint Venture Companies:				
a) Indian Additives Ltd.	1183401 Equity Shares fully paid	100	1183.40	1183.40
b) National Aromatics and Petrochemical Corporation Limited	25000 Equity Shares fully paid	10	2.50	2.50
Less: Provision for Diminution			2.50	2.50
			-	-
Investment in Others:				
Petroleum India International (AOP of Oil Companies)	Capital Fund Share in accumulated surplus		500.00	500.00
			668.72	556.15
			1168.72	1056.15
(2) Other Investments (Unquoted, at cost):				
Investment in Equity Instruments				
BioTech Consortium India Ltd	100000 Equity Shares fully paid	10	10.00	10.00
Investment in Others:				
CPCL Industrial Cooperative Service Society Ltd	9000 Shares fully paid	10	0.90	0.90
TOTAL			2363.02	2250.45

NOTE " 15 " - LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	NOTE	NON CURRENT		CURRENT	
		MARCH 31, 2012	MARCH 31, 2011	MARCH 31, 2012	MARCH 31, 2011
(1) Capital Advances					
Unsecured, Considered Good					
(2) Advance recoverable in cash or in kind or for value to be received:		712.82	2311.66	-	-
a) From Related Parties					
i) Secured, Considered Good	(i)	-	10.78	-	1.32
ii) Unsecured, Considered Good		4.39	5.01	0.62	0.50
b) From Others					
i) Secured, Considered Good	(ii)	4692.70	5015.28	575.12	496.80
ii) Unsecured, Considered Good		1708.97	2200.35	9426.12	18908.22
		6406.06	7231.42	10001.86	19406.84
(3) Claims Recoverable :					
a) From Related Parties					
i) Unsecured, Considered Good	(iv)			78.89	198.82
ii) Unsecured, Considered Doubtful	(v)			1440.36	1,440.36
				1519.25	1,639.18
				1440.36	1,440.36
Less : Provision for Doubtful Claims				78.89	198.82
b) Others					
i) Unsecured, Considered Good				9326.02	6035.18
ii) Unsecured, Considered Doubtful		12.36	12.36	105.09	105.09
				9431.11	6140.27
Less : Provision for Doubtful Claims		12.36	12.36	105.09	105.09
		-	-	9326.02	6035.18
(4) Balance with Customs, Port Trust and Excise Authorities:					
Unsecured, Considered Good				2009.90	2234.94
(5) Deposits for Leave Encashment Fund				5656.88	4943.34
(6) Advance Tax				-	43476.36
Less: Provision for Income Tax				-	33567.00
				-	9909.35
(7) Advances against materials taken on loan from Related Party - Unsecured, Considered Good					
Less: Material taken on Loan	(iv)			9.21	9.21
				8.15	8.15
				1.06	1.06
(8) Sundry Deposits					
Unsecured, Considered Good		3661.61	2012.61	309.10	235.72
TOTAL		10780.49	11555.69	27383.71	42965.26

NOTE " 15 " - LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	NON CURRENT		CURRENT	
	MARCH 31, 2012	MARCH 31, 2011	MARCH 31, 2012	MARCH 31, 2011
(i) Includes:				
Due from Directors	4.39	15.79	0.62	1.82
Maximum amount due during the year (2011-12 - 17.61, 2010-11 - 18.41)				
(ii) Due from Officers	2.87	3.36	0.49	0.49
Maximum amount due during the year (2011-12 - 3.75, 2010-11 - 4.14)				
(iii) Disclosure requirements of SEBI under Clause 32 of the Listing agreement				
1. Loans and advances in the nature of loans to parent company, Indian Oil Corporation Limited	Nil	Nil	Nil	Nil
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil
2. Loans and advances in the nature of loans to associates	Nil	Nil	Nil	Nil
Maximum amount outstanding during the year	Nil	Nil	Nil	Nil
3. Loans and advances in the nature of loans where there is (i) no repayment schedule or repayment beyond seven years or (ii) no interest or interest below section 372 A of Companies Act	Nil	Nil	Nil	Nil
4. Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	Nil	Nil	Nil
(iv) Represents due from Indian Oil Corporation Ltd, the holding company				
(v) Represents due from National Aromatics and Petrochemicals Corporation Limited.				



NOTE "16" OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	MARCH 31,2012	MARCH 31,2011
(1) Interest Accrued on Investments/ Bank Deposits	27.22	3.36
(2) Gold Coins in Hand (at Cost)	17.65	24.37
(3) Premium on Forward Contract		
As per Last account	1132.26	692.44
Add:-Expenditure during the year	3220.35	1058.10
	4352.61	1750.54
Less:Amortised during the year	3970.71	618.28
	381.90	1132.26
TOTAL	426.77	1159.99

NOTE "17" INVENTORIES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2012	MARCH 31,2011
(1) Raw Materials			
In Hand		183547.50	227108.12
In Transit		165200.90	51250.88
		348748.40	278359.00
(2) Stores, Spares etc.			
In Hand		21007.65	20822.12
Less : Provision for Losses		1820.35	1760.17
		19187.30	19061.95
In Transit		608.86	188.96
		19796.16	19250.91
(3) Finished Products			
In Hand		226089.28	163581.02
(4) Stock in Process			
In Hand		41337.80	50107.34
TOTAL	(i)	635971.64	511298.27

(i) Refer Sl No 7.1 of Significant Accounting Policies for mode of valuation

NOTE "18" TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2012	MARCH 31,2011
(1) Over Six Months:			
From Others			
Unsecured, Considered Good		7.88	14.51
(2) Other Debts:			
From Related Parties			
Unsecured, Considered Good	(i)	224797.33	158984.67
From Others			
a) Secured Considered Good	(ii)	2.88	8214.49
b) Unsecured, Considered Good		118266.88	31184.45
		343067.09	198383.61
TOTAL		343074.97	198398.12

(i) Represents due from Indian Oil Corporation Ltd., the holding company.

(ii) Includes dues for which mortgage and first charge on an asset is in favour of the company to the extent of ₹ 10000 Lakhs. (2011: ₹ 10000 Lakhs)



NOTE "19" - CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
(1) Cash and Cash Equivalents			
a) Bank Balances with Scheduled Banks : Current Account		253.77	431.75
b) Cash Balance including Imprest		-	0.06
(2) Other Bank Balances			
Balances with bank held as other commitments		375.74	350.50
Earmarked Balances (Unpaid Dividend)	6 (3) (i)	3230.82	429.85
		3606.55	780.35
TOTAL		3860.32	1212.16

NOTE "20" - REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
(1) Sale of Products	(i)	4544132.72	3820115.57
Less: Trade Discounts		5642.14	7289.86
Sales (Net of Discounts)		4538490.58	3812825.71
(2) Other Operating Revenues (Note "20.1")		1161.63	3349.62
TOTAL		4539652.21	3816175.33

(i) 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 ₹ 337980.04 Lakhs (2011: ₹ 82439.51 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, the holding company. Accordingly, Gross Sale of Products and Consumption of Raw Materials for the year are net of ₹ 337980.04 Lakhs. (2011: ₹ 82439.51 Lakhs).

Refer Note 30 - Finished Product - Quantity and Value Particulars, for productwise sales.

NOTE "20.1" - OTHER OPERATING REVENUES

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Sale of Power	409.44	2080.30
(2) Unclaimed liabilities written back	218.40	379.43
(3) Recoveries from Employees	31.12	31.73
(4) Sale of Scrap	502.67	853.49
(5) Commodity Hedging Gain (Net)	-	4.67
TOTAL	1161.63	3349.62

NOTE "21" - OTHER INCOME

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2012	MARCH 31,2011
(1) Interest on :			
a) Loans and Advances		196.47	198.34
b) Short Term Deposits with Banks		70.06	-
c) Customer Outstandings		203.29	239.23
d) Others	(i)	3964.93	2360.84
		4434.75	2798.41
(2) Dividend from Joint Venture	(ii)	591.70	426.02
(3) Profit on sale and disposal of Assets		13.38	0.87
(4) Exchange Fluctuations (Net)		-	4537.04
(5) Other Income	(iii)	1424.20	495.14
TOTAL		6464.03	8257.48

(i) Includes interest on Income Tax refunds ₹ 2904.96 Lakhs(2011: ₹ 2178.32 Lakhs)

(ii) Represents income from Non current Trade Investment - Indian Additives Limited - JV Company.

(iii) Includes income from Petroleum India International (Non current Trade Investments) ₹ 112.57 Lakhs (2011: ₹ 25.93 Lakhs)

NOTE "22" - COST OF MATERIALS CONSUMED

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2012	MARCH 31,2011
Raw Materials Consumed :			
Opening Balance		278359.00	252657.36
Add : Purchases	(i)	4004408.79	3130763.76
		4282767.79	3383421.12
Less: Closing Stock		348748.40	278359.00
TOTAL	(ii)	3934019.39	3105062.12

(i) Refer Note 20 (i) - Revenue from Operations.

(ii) Refer Note 31 - Consumption particulars of raw material.

NOTE "23" - CHANGES IN INVENTORY

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31,2012	MARCH 31,2011
Closing Stock			
a) Finished Products	(i)	226089.28	163581.02
b) Stock in Process		41337.80	50107.34
		267427.08	213688.36
Less:			
Opening Stock	(i)		
a) Finished Products		163581.02	138975.07
b) Stock in Process		50107.34	30052.13
		213688.36	169027.20
NET INCREASE/(DECREASE)		53738.72	44661.16

(i) Refer Note 30 - Finished Product - Quantity and Value Particulars, for details.



NOTE " 24 " - EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
(1) Employee Benefit Expenses:	(i)		
a) Salaries, Wages, Bonus etc	(ii)	17603.86	18454.86
b) Contribution to Provident & Other Funds	(iii)	3559.20	774.77
c) Voluntary Retirement Compensation		1017.87	-
d) Staff Welfare Expenses		3140.43	4792.69
TOTAL	(iv)	25321.36	24022.32

(i) Disclosure in compliance with Accounting Standard-15 (Revised) on "Employee Benefits" is given in Note 28. (Annexure I)

(ii) Includes ₹ 1700 Lakhs towards estimated provision pending finalisation of wage revision for Non-Supervisory employees (2011: ₹ 983.17 Lakhs).

(iii) Includes ₹ 940 Lakhs (2011: ₹ 768 Lakhs) towards increased retirement benefits in respect of employees.

(iv) Remuneration paid/payable to Directors:

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
a) Salaries and Allowances	112.06	112.22
b) Contribution to Provident Fund	5.39	5.16
c) Contribution to Gratuity/Superannuation Fund, etc	7.64	5.16
d) Other benefits and perquisites	0.34	1.06
e) Sitting Fees to Part Time Directors	5.70	6.45
TOTAL	131.13	130.05

NOTE "25" - FINANCE COST

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Interest Expense on:		
a) Fixed period loans from Banks / Financial Institutions / Others	4481.48	2479.49
b) Short Term loans from Banks	19265.39	14707.34
c) Others - Interest on Income tax expense	-	6669.09
d) Others - Interest on Income tax expense Provision reversed	(5884.02)	-
	17862.85	23855.92
(2) Other Borrowing Cost	224.83	-
(3) Net Loss on Foreign Currency Transactions and Translations	6850.26	1589.58
TOTAL (Net)	24937.94	25445.50

NOTE " 26 " - OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Consumption:		
a) Stores, Spares and Consumables	5586.50	5007.02
b) Packages & Drum Sheets	106.80	131.95
	5693.30	5138.97
(2) Power, Water & Fuel	399387.42	276638.83
Less : Fuel from own production	395592.07	272530.16
	3795.35	4108.66
(3) Octroi, Other Levies and Irrecoverable taxes	18045.31	16001.92
(4) Repairs and Maintenance		
i) Plant & Machinery	11345.31	9911.75
ii) Buildings	195.84	266.59
iii) Others	2131.90	2617.78
	13673.05	12796.12
(5) Freight, Transportation Charges and Demurrage	5895.49	8394.73
(6) Office Administration, Selling and Other Expenses (Note "26.1")	49749.53	11269.34
TOTAL	96852.02	57709.75
Less: Company's use of own Products	826.66	365.78
	96025.36	57343.97
(7) Excise Duty	463023.58	502593.92
Less: Excise Duty on Transfer of Products	458866.23	502043.89
Excise Duty (Net)	4157.35	550.03
TOTAL (Net)	100182.71	57894.00



NOTE "26.1" - OFFICE ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE	MARCH 31, 2012	MARCH 31, 2011
(1) Rent		1119.73	1012.31
(2) Insurance		1311.34	758.83
(3) Rates & Taxes		166.43	362.93
(4) Donations	(i)	899.25	148.45
(5) Payment to auditors			
a) Audit Fees		7.50	7.50
b) Tax Audit Fees		1.50	1.50
c) Other Services		6.10	6.22
		15.10	15.22
(6) Travelling & Conveyance		1568.91	1586.95
(7) Communication Expenses		145.91	217.50
(8) Printing & Stationery		105.22	125.61
(9) Electricity & Water		173.86	80.26
(10) Bank Charges		44.69	16.06
(11) Bad Debts, Advances & Claims written off		17.35	20.90
(12) Provision/ Loss on Assets sold or written off		43.22	355.93
(13) Technical Assistance Fees		781.68	720.06
(14) Exchange Fluctuation (net)		38526.88	-
(15) Provision for Doubtful Debts, Advances, Claims and Obsolescence of Stores		60.17	256.44
(16) Security Force Expenses		1220.68	1399.87
(17) Terminalling & Handling Charges		1670.08	2218.98
(18) Expenses on CSR Activities		322.56	422.59
(19) Miscellaneous Expenses (Note - "26.2")		1556.45	1550.44
TOTAL		49749.53	11269.34

(i) Refer Annexure -II Notes on Accounts

NOTE "26.2" MISCELLANEOUS EXPENSES

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
(1) Training Expenses	200.22	228.74
(2) Legal Expenses / Payment to Consultants	253.06	143.27
(3) Tender Notices and Announcement	216.41	214.19
(4) Advertisement and Publicity	149.06	132.43
(5) Books And Periodicals	36.99	17.53
(6) EDP Expenses	310.87	304.24
(7) Other Miscellaneous Expenses	389.84	510.04
TOTAL	1556.45	1550.44

NOTE " 27 " – INCOME / EXPENSES RELATING TO PREVIOUS YEARS

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2012	MARCH 31, 2011
Income:		
(1) Miscellaneous Income	-	(7.41)
Total Income	-	(7.41)
Expenditure:		
(1) Payment to and provision for Employees	920.54	-
Total Expenses	920.54	-
NET INCOME /(EXPENDITURE)	(920.54)	(7.41)

**NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2012**

Note "28"

1. Contingent Liabilities:

- a) Claims against the company not acknowledged as debts ₹ 17103.90 lakhs (2011: ₹ 2971.77 lakhs).
These mainly include:
 - i) ₹ 447.83 lakhs (2011: ₹ 201.72 lakhs) being the demands raised by Central Excise authorities.
 - ii) ₹ 8857.48 lakhs (2011: ₹ 1270.79 lakhs) in respect of Sales Tax demands.
 - iii) ₹ 6188.38 lakhs (2011: ₹ 229.45 lakhs) in respect of Income Tax demands.
 - iv) ₹ 886.88 lakhs (2011: ₹ 811.21 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 ₹ 62554.03 lakhs (2011: ₹ 74183.00 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 and twenty three and half acres of land of the company are in the possession of IOT Infrastructure & Energy Services Limited and CPCL Educational Trust respectively under lease agreement.
 4. (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.
 5. 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.
 6. 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 Note – 1 – “Statement of Significant Accounting Policies”).
 7. The Company has an export obligation to the extent of ₹ 3904.22 Lakhs (2011: ₹ 19473.58 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.
 8. The company operates in a single segment viz. downstream petroleum sector. As such reporting is done on a single segment basis.
 9. (a) No provision for Income Tax (Current Tax) has been made in view of loss for the year.
(b) ₹ 25350.80 lakhs credited in the Statement of Profit and Loss under ‘Tax expenses - Pertaining to earlier years’ represents net write back of provisions relating to earlier years considered as no longer required.
 10. During the year the Company has exercised the option provided by Ministry of Corporate Affairs vide Notification dated 29.12.2011 of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 to adjust the exchange differences on long term foreign currency loans relating to acquisition of fixed assets to the carrying cost of the assets and depreciate the same over the balance life of the assets which were hitherto adjusted in the Profit and Loss Account. Had the company followed the accounting policy adopted earlier, profits for the year would have been lower by ₹ 2140.20 Lakhs with a corresponding decrease in the value of fixed assets.
 11. The company has not entered into any derivative transaction, other than for hedging purposes during the year. Fifteen Forward contracts entered into for hedging purposes by the company are outstanding as on 31st March 2012 towards repayment, mainly of Packing Credit Foreign Currency Loan amounting to ₹ 27793.62 Lakhs (USD 54.63 Million) (2011: ₹ 97555.38 Lakhs; USD 212.75 Million).



12. Foreign currency exposures that are not hedged (which mainly includes Packing credit foreign currency loans) as on 31.03.2012 ₹ 134551.71 Lakhs (2011: ₹ 64224.00 Lakhs).
13. Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” is provided in Annexure – I to this schedule.
14. In compliance with Accounting Standard – 18 on “Related Party Disclosures”, the required information is given in Annexure – II to this schedule.
15. 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 ₹ 774.36 lakhs are included in Rent (2011 ₹ 569.46 lakhs).

The lease rent payable for the next financial year is estimated to be ₹ 810.42 Lakhs (2011: ₹ 800.42 Lakhs) and lease rent for the five-year period after the next year is estimated to be ₹ 4052.10 Lakhs (2011: ₹ 4002.10 Lakhs).

16. 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 31,2012	MARCH 31,2011
Profit After Tax (₹ in Lakhs)	6182.50	51152.22
Weighted Average number of equity shares	148911400	148911400
Earning Per Share (Basic and Diluted) (₹)	4.15	34.35
Face value per share (₹)	10.00	10.00

17. 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 (₹ in Lakhs)

COMPANY'S SHARE OF	2011 - 2012 [#]	2010 - 2011 ^{##}
Assets	10517.07	8564.25
Liabilities	2602.96	2440.44
Income	20747.51	17354.92
Expenditure	18242.73	14414.41
Contingent Liabilities	1308.93	860.03

Unaudited figures ## 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.

18. 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.

Chennai Petroleum Corporation Limited

19. In Compliance of Accounting Standard – 29 on “ Provisions,Contingent Liabilities & Contingent Assets”, the required information on each class of provisions is as under :

(₹ in Lakhs)

PARTICULARS	OPENING BALANCE	ADDITIONS DURING THE YEAR	UTILISATION DURING THE YEAR	REVERSAL DURING THE YEAR	CLOSING BALANCE
Claims Recoverable	1557.81	-	-	-	1557.81
Stores & Spares	1760.17	60.17	-	-	1820.34
Total	3317.98	60.17	-	-	3378.15
Previous Year	3061.54	256.44	-	-	3317.98

20. The Profit and Loss Account includes:

- a) Expenditure on Public Relations and Publicity amounting to ₹ 149.06 lakhs (2011: ₹ 132.43 lakhs). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.00003284:1 (2011: 0.00003473:1).
- b) Research and Development expenses ₹ 408.30 lakhs (2011: ₹ 385.99 lakhs).
- c) Entertainment Expenses ₹ 43.82 lakhs (2011: ₹ 25.47 lakhs).

21. 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: 13

Defined Contribution Schemes:

The net amount expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹ 1294.28 Lakhs (2011: ₹ 1086.31 Lakhs) and ₹ 605.34 Lakhs (2011: ₹ 551.58 Lakhs) respectively.

Defined Benefit Schemes:

(₹ in Lakhs)

NET EMPLOYEE BENEFIT EXPENSE	UNFUNDED SCHEMES						FUNDED SCHEMES	
	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES		GRATUITY	
	2012	2011	2012	2011	2012	2011	2012	2011
Past Service cost	920.54	-	-	-	-	-	-	-
Current Service Cost	25.31	-	46.26	26.05	125.29	125.29	111.75	102.85
Interest cost on benefit obligation	185.00	96.61	22.07	19.09	392.60	403.77	389.78	416.82
Expected (return) / loss on plan assets	-	-	-	-	-	-	(470.56)	(505.35)
Net actuarial (gain)/ loss recognized in the year	(46.24)	114.25	219.86	32.52	(3.63)	(10.12)	756.32	(886.85)
Net (Benefit) / Expense	1084.61	210.86	288.19	77.66	514.26	518.94	787.29	(872.54)



(₹ in Lakhs)

CHANGES IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	UNFUNDED SCHEMES						FUNDED SCHEMES	
	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES		GRATUITY	
	2012	2011	2012	2011	2012	2011	2012	2011
Opening defined benefit obligation	1343.47	1195.42	295.42	242.13	5164.57	5095.45	4912.69	5410.26
Interest Cost	185.00	96.61	22.07	19.09	392.60	403.77	389.77	416.82
Past Service cost	920.54	-	-	-	-	-	-	-
Current service cost	25.31	-	46.26	26.05	125.29	125.29	111.75	102.85
Benefits paid	(70.43)	(62.82)	(59.03)	(24.37)	(514.12)	(449.82)	(433.17)	(125.78)
Net actuarial (gain)/loss on obligation	(46.24)	114.25	219.86	32.52	(3.63)	(10.12)	816.30	(891.46)
Closing defined benefit obligation	2357.65	1343.47	524.58	295.42	5164.71	5164.57	5797.34	4912.69

1% increase in cost of post retirement medical benefits will increase the liability by ₹ 181.26 Lakhs (2011: ₹ 31.48 Lakhs).

1% decrease in cost will decrease the liability by ₹ 154.79 Lakhs (2011: ₹ 32.33 Lakhs)

FUNDED SCHEME:

(₹ In lakhs)

CHANGE IN FAIR VALUE OF PLAN ASSETS	GRATUITY	
	2012	2011
Opening Fair value of plan assets	5745.86	5370.90
Expected return	470.56	505.35
Contributions	13.55	-
Benefits paid	(433.17)	(125.78)
Actuarial gain /(loss)	59.99	(4.61)
Closing Fair value of plan assets	5856.79	5745.86
Investment details	Insurer Managed funds –100%	

FUNDED SCHEME:

(₹ In lakhs)

BALANCE SHEET	GRATUITY	
	2012	2011
Defined benefit obligation	5797.34	4912.69
Fair value of plan assets	5856.78	5745.86
Plan asset / (liability)	59.44	833.17

FUNDED SCHEMES:

ACTUARIAL ASSUMPTIONS	GRATUITY	
	2012	2011
Discount Rate (per annum)	8.30%	8.30%
Rate of escalation in salary (per annum)	8%	8%
Mortality table	Indian Assured Lives 94 – 96 rates	
Attrition rate	2%	1-3%
Expected rate of return on plan assets (per annum)	8.5%	8%

UNFUNDED SCHEMES:

ACTUARIAL ASSUMPTIONS	POST RETIREMENT MEDICAL BENEFITS		SERVICE AWARD		COMPENSATED ABSENCES	
	2012	2011	2012	2011	2012	2011
Mortality table (before Retirement)	Indian Assured Lives 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%	8.30%
Inflation Rate /Salary Escalation (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: 14

(₹ in Lakhs)

DETAILS OF TRANSACTIONS	KMP		JOINT VENTURES		ENTITY OVER WHICH KMP EXERCISE SIG-NIFICANT INFLUENCE		TOTAL	
	31-MAR-12	31-MAR-11	31-MAR-12	31-MAR-11	31-MAR-12	31-MAR-11	31-MAR-12	31-MAR-11
Remuneration	125.09	122.54	-	-	-	-	125.09	122.54
Other Benefits/ Recoveries	0.34	1.06	-	-	-	-	0.34	1.06
Dividend Received	-	-	591.70	426.02	-	-	591.70	426.02
Outstanding Loans/ advances receivables	5.01	17.61	-	-	-	-	5.01	17.61
Claims Recoverable	-	-	1440.36	1440.36	-	-	1440.36	1440.36
Provisions for Doubtful Claims	-	-	1440.36	1440.36	-	-	1440.36	1440.36
Assets on Hire	4.51	7.47	-	-	-	-	4.51	7.47
Donations	-	-	-	-	896.27	129.43	896.27	129.43



Key Management Personnel (KMP)

Whole-time Directors

- 1) Mr S. Venkataramana
- 2) Ms D. Lilly (from 1st June 2011)
- 3) Mr T. S. Ramachandran (from 26th July 2011)
- 4) Mr S. Chandrasekaran (upto 11th May 2011)
- 5) Mr N. C. Sridharan (upto 31st May 2011)
- 6) Mr K. Balachandran (upto 17th Nov 2011)

Joint Venture Companies

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

Entity over which KMP exercise significant influence

- 1) CPCL Educational Trust

NOTE "29" - LICENSED CAPACITY, INSTALLED CAPACITY AND ACTUAL PRODUCTION

(Figures in Lakhs)

	UNIT	Licensed Capacity		Installed Capacity		Actual Production		
		31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	Note	31 March 2011
1. Crude Processing	MTs	115.00	115.00	115.00	115.00	105.57		107.48
2. Propylene Recovery Unit	MTs	0.30	0.30	0.30	0.30	0.33	A	0.34
3. Wax Plant	MTs	0.30	0.30	0.30	0.30	0.24	A	0.27

A. Represents finished petroleum products

NOTE "30" - FINISHED PRODUCTS - QUANTITY AND VALUE PARTICULARS

(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								
Year ended 31.03.12	3.37	162010.10	0.65	34886.42	95.95	4523333.45	4.00	224518.36
Year ended 31.03.11	3.59	136617.98	1.09	46819.67	99.30	3798399.21	3.37	162010.10
2. WAX								
Year ended 31.03.12	0.02	1570.92	-	-	0.25	20799.27	0.02	1570.92
Year ended 31.03.11	0.05	2357.09	-	-	0.30	21716.36	0.02	1570.92
3. TOTAL								
Year ended 31.03.12	3.39	163581.02	0.65	34886.42	96.20	4544132.72	4.02	226089.28
Year ended 31.03.11	3.64	138975.07	1.09	46819.67	99.60	3820115.57	3.39	163581.02

NOTE 31- CONSUMPTION PARTICULARS OF RAW MATERIALS, STEEL COILS/SHEETS/ STORES /SPAREPARTS AND COMPONENTS

	Imported		Indigenous		Quantity	Total
	Value (₹ in Lakhs)	% to total Consumption	Value (₹ in Lakhs)	% to total Consumption	MTs (in Lakhs)	Value (₹ in Lakhs)
31 March 2012						
Crude Oil and Gas	3635271.38	92	298748.01	8	105.57	3934019.39
Packing Materials Consumed			106.80	100		106.80
Steel Coils/Sheets/Stores/ Component and Spare Parts	1343.36	12	10290.15	88		11633.51
31 March 2011						
Crude Oil and Gas	2608138.64	84	496923.48	16	107.48	3105062.12
Packing Materials Consumed			131.95	100		131.95
Steel Coils/Sheets/Stores/ Component and Spare Parts	1810.04	16	9638.29	84		11448.33

NOTE "32" (I) - EXPENDITURE IN FOREIGN CURRENCY FOR ROYALTY, KNOW-HOW, PROFESSIONAL & CONSULTATION FEES, DIVIDEND & OTHER MATTERS

(₹ in Lakhs)

PARTICULARS	Note	31 March, 2012	31 March, 2011
1. Professional, Consultation Fees and Technical Fees		1080.45	1025.38
2. Interest		10298.47	4055.65
3. Others		73.24	122.22
Total	A	11452.16	5203.25

Note :

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



NOTE "32" (II) - DIVIDEND REMITTED IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Notes	31 March, 2012	31 March, 2011
Dividend (Net of taxes)	A	10.88	2763.22

Note :

A - Figures for 2012 represents final dividend payment made to 370 (2011 - 390) Non- Resident Shareholders for the year 2010-11 holding 90700 (2011 - 23026800) number of shares.

NOTE "33" - EARNINGS IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Notes	31 March, 2012	31 March, 2011
Export of Petroleum Products	A & B	15666.57	11327.94
TOTAL		15666.57	11327.94

Note:

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

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

NOTE - "34" - CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Note	31 March, 2012	31 March, 2011
1. Crude Oil	A	3576909.88	2620763.64
2. Capital Goods		2556.53	1079.26
3. Revenue Stores, Component, Spare and Chemicals		1060.13	1918.65
Total		3580526.54	2623761.55

A - Value of imports made through Indian Oil Corporation Ltd., the holding company

NOTE "35" - CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lakhs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash Flow from Operating Activities		
Profit Before Tax	(15821.55)	76351.70
Adjustments for :		
Depreciation and Amortisation	36541.92	31447.35
Income from Long - term Investment	(704.27)	(426.02)
Profit on Sale of Assets	(13.38)	(0.87)
Liabilities/Prov. for Claims written back	(218.40)	(379.43)
Bad debts, Advances and Claims written off	17.35	20.90
Provision for Doubtful debts, Advances Claims and obsolescence of stores	60.17	256.44
Provision/ Loss on Assets sold or written off	43.22	355.93
Finance Cost	24937.94	25445.50
Interest income from short term investment	(70.06)	-
B. Operating Profit Before Working Capital Changes	44772.94	133071.50
C. Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(129203.08)	(107093.27)
Inventories	(124733.54)	(73747.22)
Trade and Other Payables	343255.35	157326.43
Change in Working Capital	89318.73	(23514.06)
D. Cash generated from Operations	134091.68	109557.44
E. Adjustments for		
Direct Taxes (Paid)/ Refund received (Net)	22629.37	(13070.28)
F. Net Cash Flow from Operating Activities	156721.05	96487.16
G. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(51030.94)	(71744.82)
Sale of Assets	41.14	12.01
Investments (Net)	(112.57)	118.37
Interest Income	70.06	-
Income from long term investment	704.27	426.02
Net Cash used in Investment Received	(50328.04)	(71188.42)



(Contd.,)

(₹ in Lakhs)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
H. Net Cash Flow from Financing Activities		
Proceeds from/(Repayments of) Long Term Borrowings	28080.42	(31712.87)
Proceeds from/(Repayments of) Short Term Borrowings	(83099.55)	46177.25
Interest Paid	(30758.46)	(19147.89)
Dividend Paid	(15068.40)	(17869.37)
Corporate Dividend Tax Paid	(2898.86)	(2967.88)
Net Cash Generated/(Used) from Financing Activities	(103744.85)	(25520.76)
I. Net change in Cash & Cash Equivalents (F + G + H)	2648.16	(222.02)
J. Cash and Cash Equivalents at the end of Financial Year	3860.32	1212.16
K. Cash and Cash Equivalents at the beginning of Financial Year	1212.16	1434.18
Net Change in Cash and Cash equivalents (J-K)	2648.16	(222.02)

Notes :

1. Cash and Cash Equivalents include				
1. Cash Balances				
a) Cash balances including imprest	-			0.06
2. Bank Balances with Scheduled Banks :				
a) Current Account	3484.58		861.60	
b) Deposit Account	375.74	3860.32	350.50	1212.10
Total	3860.32		1212.16	

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

(S. Venkataramana)
MD(i/c)

(D.Lilly)
Director (Finance)

(M.Sankaranarayanan)
Company Secretary

As per our report of even date

for CHANDRAN & RAMAN
Chartered Accountants
P.N.Ramachandran
Partner
Membership No. 13871
FRN: 000571S

for S.VENKATRAM & CO.
Chartered Accountants
R.Vaiydanathan
Partner
Membership No. 18953
FRN: 004656S

Place : Chennai
Date : May 23, 2012



Ten Year Profile

Ten year profile..... ➡ 106-107

WHAT WE OWE AND WHAT WE OWN

(₹ in Lakhs)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
What We Owe										
Share Capital	14900	14900	14900	14900	14900	14900	14900	14900	14900	14900
Reserves	114433	146091	185445	213051	248874	331552	291824	331308	361692	364413
Networth	129333	160991	200345	227951	263774	346452	306724	346208	376592	379313
Borrowings	197567	236531	239746	274789	183413	245045	154790	407789	422253	367234
Deferred Tax Liability	27324	34636	55082	56679	57352	60736	41400	57596	60447	63795
Total	354224	432158	495173	559419	504539	652234	502915	811593	859293	810342
What We Own										
Fixed Assets										
(including Capital WIP)	366441	458312	475322	483316	502939	536188	588211	672547	740217	790537
Less: Depreciation	106692	118920	138925	160627	181038	205410	230557	253579	282792	318460
Fixed Assets (Net WDV including Capital WIP)	259749	339392	336398	322689	321901	330778	357654	418967	457425	472077
Intangible Assets	0	3998	5980	6011	6011	6011	2563	3792	4215	4754
Less: Amortisation	0	22	506	1107	1705	2303	1212	1773	2470	3241
Intangible Assets (Net WDV)	0	3976	5474	4904	4306	3708	1351	2020	1745	1513
Investments	2397	1197	2279	11553	11190	11047	2281	2343	2250	2363
Working Capital	92078	87593	151022	220273	167142	306702	141628	388263	397872	334390
Total	354224	432158	495173	559419	504539	652234	502915	811593	859293	810342

WHAT WE EARNED AND WHAT WE SPENT

(₹ in Lakhs)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
WHAT WE EARNED										
Income										
Turnover	862995	947597	1629588	2540918	2934949	3288931	3648967	2918384	3812826	4538491
Interest	2868	1163	632	1252	2165	1472	1933	2285	2798	4435
Miscellaneous Receipts	1171	1878	6965	2931	4231	11374	3474	21224	8809	4111
Inventory Difference	17704	5951	39740	39996	38836	51001	(122443)	65799	44661	53739
Adjustment - Prior Years	(243)	(780)	(229)	833	0	78	877	0	(7)	(921)
Sub-Total	884495	955809	1676697	2585930	2980181	3352857	3532807	3007692	3869087	4599855
WHAT WE SPENT										
Expenditure										
Raw Materials	725030	768606	1280537	1978415	2314838	2590368	2980350	2395053	3155635	3973042
Manufacturing Expenses	68799	87998	233487	449922	492038	512116	469572	453382	524605	485570
Salaries & Benefits to Employees	8654	10031	9357	9683	15063	14264	19294	27232	24022	25321
Administration Expenses	12349	15522	23349	34587	27130	19305	74820	23198	31579	70263
Interest	10665	4680	15666	17403	18830	19481	22366	13736	25446	24938
Depreciation	10202	11746	20938	23584	24194	25161	25717	26714	31447	36542
Sub-Total	835699	898583	1583334	2513594	2892093	3180695	3592118	2939316	3792735	4615676
Profit Before Tax	48796	57226	93363	72336	88088	172163	(59311)	68376	76352	(15822)
Provision for Taxation	18507	17221	33666	24240	31561	59868	(19583)	8054	25199	(22004)
Profit After Tax	30289	40005	59697	48096	56527	112295	(39728)	60322	51152	6183
Dividend	5215	7446	17871	17871	17869	25315	0	17869	17869	2978
Dividend Distribution Tax	668	954	2525	2506	3037	4302	0	2968	2899	483

FINANCIAL INDICATORS

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Equity Ratio	1.53	1.47	1.20	1.21	0.70	0.71	0.50	1.18	1.12	0.97
Earning per share (₹)	20.31	26.86	40.08	32.29	37.96	75.41	(26.68)	40.51	34.35	4.15
Profit After Tax										
to Average Networth (%)	26.05	27.56	33.04	22.46	22.99	36.80	(12.16)	18.48	14.15	1.64
Dividend (%)	35	50	120	120	120	170	0	120	120	20
Dividend Payout (%)	19.42	21.00	34.17	42.37	36.98	26.37	0.00	34.54	40.60	55.99
(including Dividend Distribution Tax)										





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

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

Date:

Signature

(First Holder)

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 Sixth Annual General Meeting of the Company to be held on the **11th day of September 2012** and at every adjournment thereof.

Signed this day of 2012.

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 SIXTH ANNUAL GENERAL MEETING at 2.30 p.m. on 11th SEPTEMBER 2012 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.



Special commendation award in the PetrofedAward 2011 - "Environmental Sustainability Company of the year" Shri S.Jaipal Reddy, Hon'ble Union Minister for Petroleum and Natural Gas presented the Award.



MD's maiden visit to Manali Refinery after taking charge.



PSE Excellence Awards instituted by DPE, Govt. of India and Indian Chamber of Commerce for 2011 for - i) "Environmental Excellence & Sustainable Development" ii) "Good Corporate Governance". The Awards were presented by Shri Bhaskar Chatterjee, Secretary to Govt. of India, Dept. of Public Enterprises.



Director (Finance) addressing the gathering on the occasion of International Womens Day.



Workstation for maintenance Offices Phase-1 completed and inaugurated on March16,2012.



The Department related parliamentary standing committee on welfare of Scheduled castes and Scheduled Tribes under the chairmanship of Mr. Gobinda Chandra Naskar held discussions with CPCL officials on 21.01. 2012 on the issues of services safe guards being provided to the SC/ST employees.



चेन्नै पेट्रोलियम कॉर्पोरेशन लिमिटेड
(इंडियनऑयल की ग्रुप कम्पनी)

Chennai Petroleum Corporation Limited
(A group company of IndianOil)

536, Anna Salai, Teynampet Chennai 600 018
Visit us at www.cpcl.co.in